

MARKET UPDATE FOR QUARTER ENDED 30 SEPTEMBER 2020

BauMart Holdings Limited (ASX: BMH) ("BauMart" or the "Company") is pleased to present its quarterly cash report for the period ended 30 September 2020 and provides the below operational update for the quarter, including the impact of the ongoing worldwide coronavirus (COVID-19) pandemic in relation to its business divisions (hereafter referred to as the "Group"):

COVID-19 impact

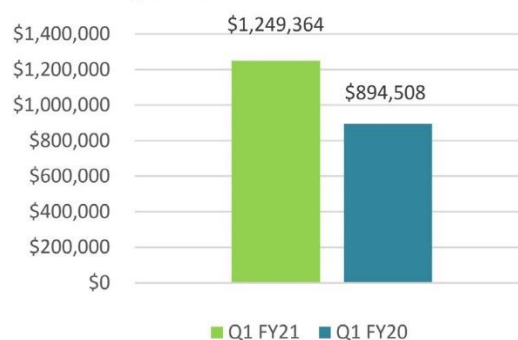
- The full impact of COVID-19 continues to evolve on a daily basis
- We are uncertain what short or long term impact this will have on the financial condition and liquidity of the Group. Future results of operations may be affected as a result of this.

Group

Key Points

- Second successive positive operating cashflow for the quarter
- Strong start in sales for the Group
- Successful sale of glass processing assets for script consideration of \$3.5m, resulting in improved balance sheet flexibility and strength
- Group expenditure for the quarter was in line with normal day to day operations including payments for inventory, staff costs and marketing

Q1 FY21 Unaudited Sales

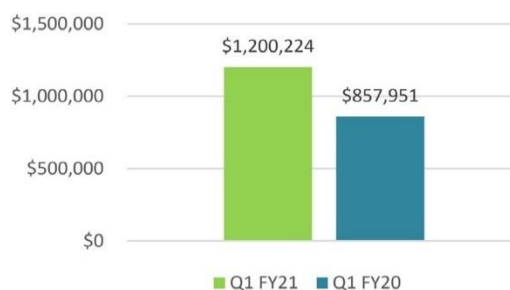


Materials Handling Division

Key Points

- Record 40% increase in sales
- Strong tailwinds from essential links to supply chain
- New Zealand second lockdown affected timing of pipeline opportunities in this region
- On track for H1 FY21 to be strongest on record

Q1 FY21 Unaudited Sales



Building Materials Supply Division

Key Points

- Sales improved by 34%
- Regional partnerships established in Q1 FY21 amidst COVID-19
- Leaner and more cost-effective business model is being deployed with regional partnerships
- Q2 FY21 sales on a positive growth trajectory

Q1 FY21 Unaudited Sales



Source and Procure Division

- During the quarter, the Company advanced discussions on supply opportunities, with orders for several accounts expected to commence in Q2 FY21
- The Group's extensive network is being utilised to identify cross-selling opportunities

Other and Net Finance Income

- The underground mining equipment project encountered various difficulties during the quarter due to COVID-19. Subsequent to the end of the quarter all overdue lease payments were received from the client. Discussions for the next phase of equipment and consumables required as part of the project commenced during the quarter.
- A 12-month contract to provide broad management services to a Perth based industrial distribution business continued to contribute other income during the quarter.

Commentary on Appendix 4C

- Net operating cashflows for the quarter was positive at \$0.27m with an increase of \$0.5m in receipts from customers on the previous quarter. The Group continued to invest cashflows (approx. \$1.6m) into inventory to support growing sales which attracted associated costs such as shipping, transport and warehousing costs. Other lease payment obligations for properties were also paid during the quarter.
- Payments to Related Parties of the Company and their associates comprised executive director salaries and non-executive director fees of approx. \$60k.
- At 30 September 2020, the Group had \$0.53m cash at bank and no debt.

This announcement was authorised by the Board of BauMart Holdings Limited.

For further information, please contact:

Matthew Logan, Executive Director

T: +61 8 6558 0814

E: info@baumart.com.au

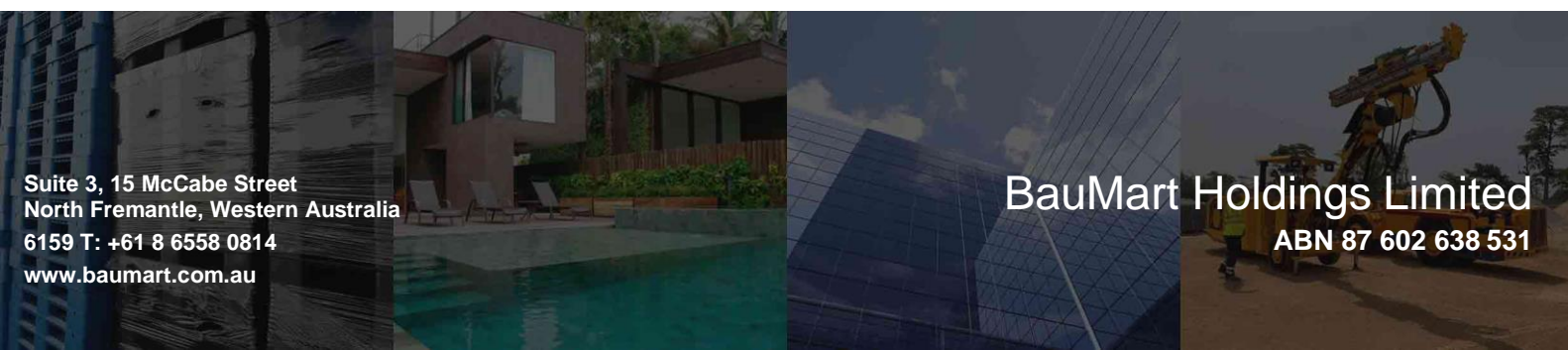
About BauMart Holdings Limited

BauMart Holdings Limited (ASX: BMH) is an Australian public company listed on the Australian Securities Exchange. The origins of the Company began with securing distribution partnerships with suppliers of building materials and its investment and leasing of automated glass-processing equipment. Since its listing in June 2015, the Company has diversified its business across a broad range of divisions including, but not limited to:

- supply of industrial products, including plastic material handling unit load devices;
- supply of building products, including premium volcanic natural stones;
- sourcing, procurement and end-to-end supply chain services; and
- managed services.

Headquartered in Perth with operations in Sydney, Melbourne and Brisbane and overseas in Auckland, New Zealand, the Company has a far-reaching presence and a robust network of infrastructure that is positioned for growth.

For personal use only



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity
BAUMART HOLDINGS LIMITED
ABN
87 602 638 531
Quarter ended ("current quarter")
30 SEPTEMBER 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,039	2,039
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(13)	(13)
(d) leased assets	-	-
(e) staff costs	(159)	(159)
(f) administration and corporate costs	(111)	(111)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	101	101
1.5 Interest and other costs of finance paid	(10)	(10)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	39	39
1.8 Other (provide details if material) ¹	(1,616)	(1,616)
1.9 Net cash from / (used in) operating activities	270	270

1. Payments for inventory, lease payment obligations and other general working capital

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) ¹	6	6
2.6	Net cash from / (used in) investing activities	6	6

1. Other payment comprised of manufacturer payments for underground mining equipment project totalling (\$127K) and lease payment receivable of \$133K (refer ASX Announcement dated 4 October 2019 for details on the Company's mining equipment project).

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	269	269
4.2	Net cash from / (used in) operating activities (item 1.9 above)	270	270

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	6	6
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(13)	(13)
4.6	Cash and cash equivalents at end of period	532	532

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	532	269
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	532	269

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	60
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	270
8.2 Cash and cash equivalents at quarter end (item 4.6)	532
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	532
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 19 October 2020

Authorised for release by the Board of BauMart Holdings Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.