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## **ASX Release**

9 December 2021

### **Investor Presentation and Market Guidance**

Please find attached Supply Network Limited investor presentation and market guidance.

*Authorised by the Board of Supply Network Limited*

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For personal



# BUSINESS UPDATE

DECEMBER 2021

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# Supply Network Limited

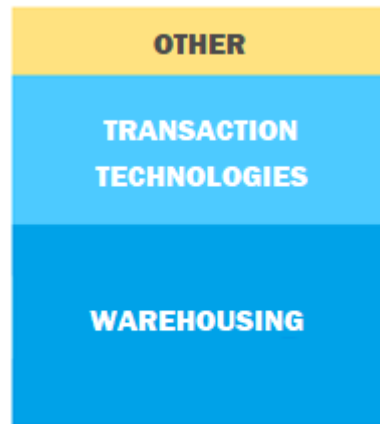
- Remains focused on investing in the sustainable long term organic growth of its Multispares Truck & Bus Parts business,
- Has a long track record of responsible capital allocation, and
- With low gearing and high interest cover, is in a strong position to continue delivering growth initiatives.

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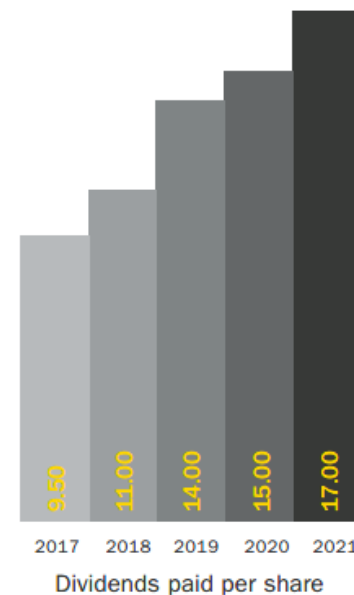


# Capital Allocation

- 20 years of progressive investment in organic growth.
- Capital expenditure is primarily on the storage and handling of products (warehousing), and IT systems controlling efficient movement and transacting of products (transaction technologies).
- Annual depreciation expense consistently 0.9% - 1.1% of sales.
- Target 60-70% of PAT paid as fully franked dividends.



Allocation of Capital Expenditure

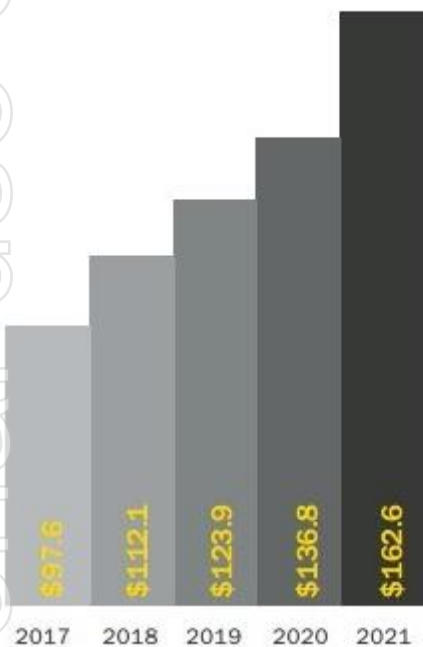


Dividends paid per share

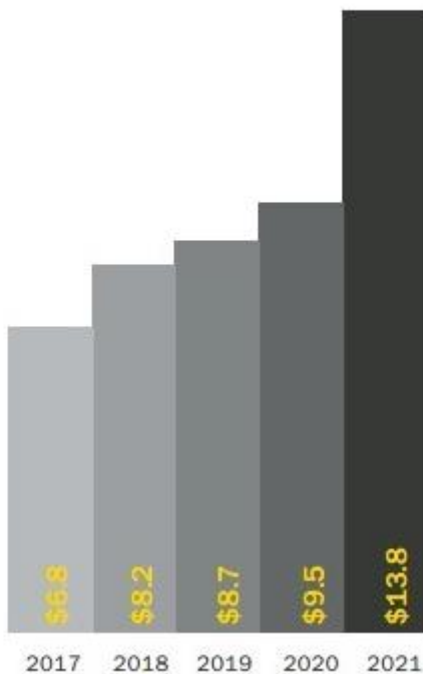
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# FY2021 Results Highlights

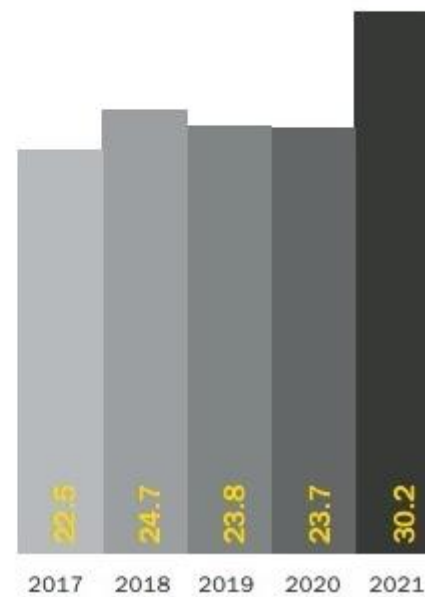
2021  
Total revenue  
**\$162.6m**



2021  
Profit after income tax  
**\$13.8m**



2021  
Return on average total equity  
**30.2%**



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# FY 2022 Update and Forward Planning

## FY2022 Update

- Forecast full year revenue \$190 – \$195 million
- Forecast full year profit after tax ~ \$19 million

## Forward Planning

- Preparing the business for revenue of \$250 million
- PAT margin to continue gradual improvement with scale





# MULTISPARES Addressable Market

- Our **Addressable Market** covers all Replacement Parts and Associated Technologies (**Aftermarket Parts**) for Road Registered 4+ Tonne GVM Commercial Vehicles (**CV4+**).
- This market in Australia and New Zealand is characterised by:
  - High and increasing average vehicle age,
  - Constantly evolving technologies,
  - Increasing vehicle (and parts) complexity,
  - Substantial segmentation and related vehicle diversity,
  - Competition between CV4+ operators in all segments, and
  - No significant trend towards fleet consolidation.
- Original equipment component manufacturers increasingly seeking to partner with large independent distribution channels.

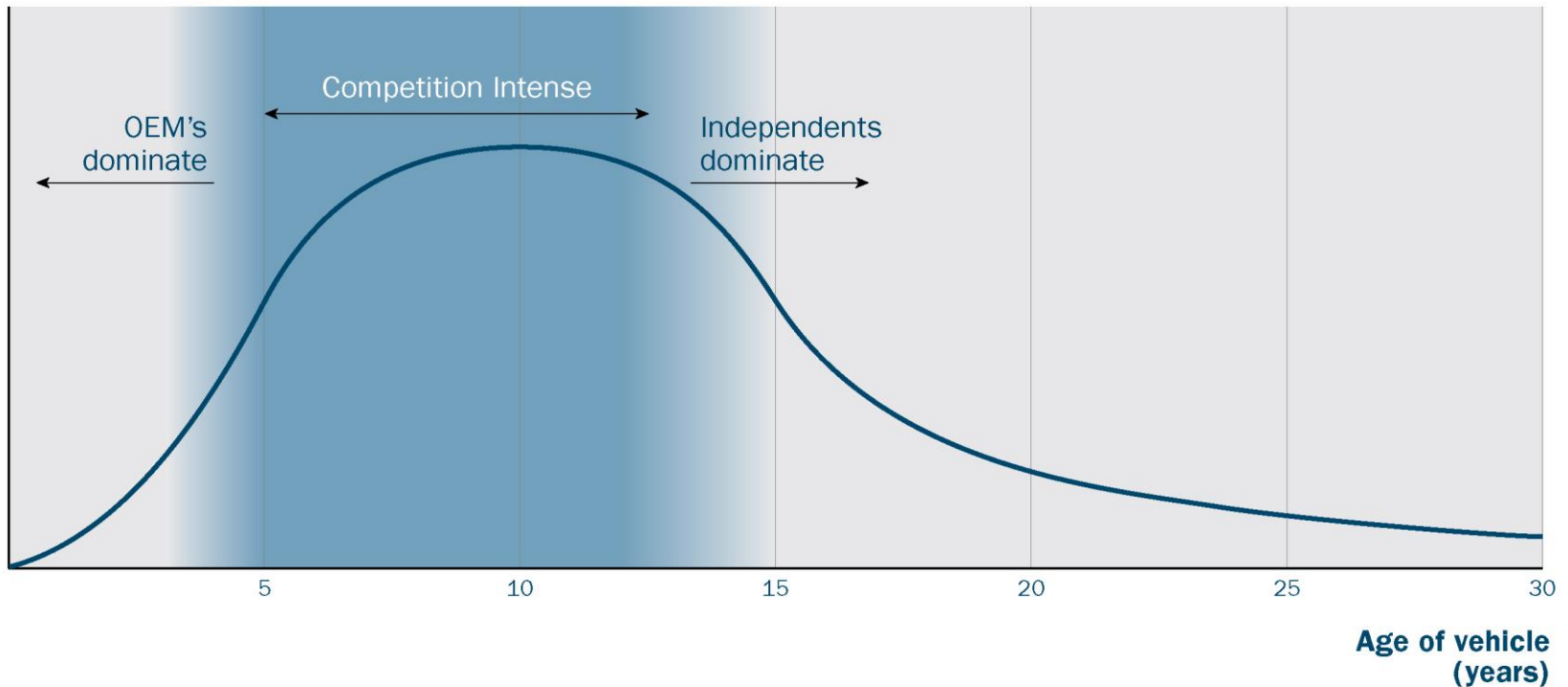




# CV4+ Aftermarket Demand Profile

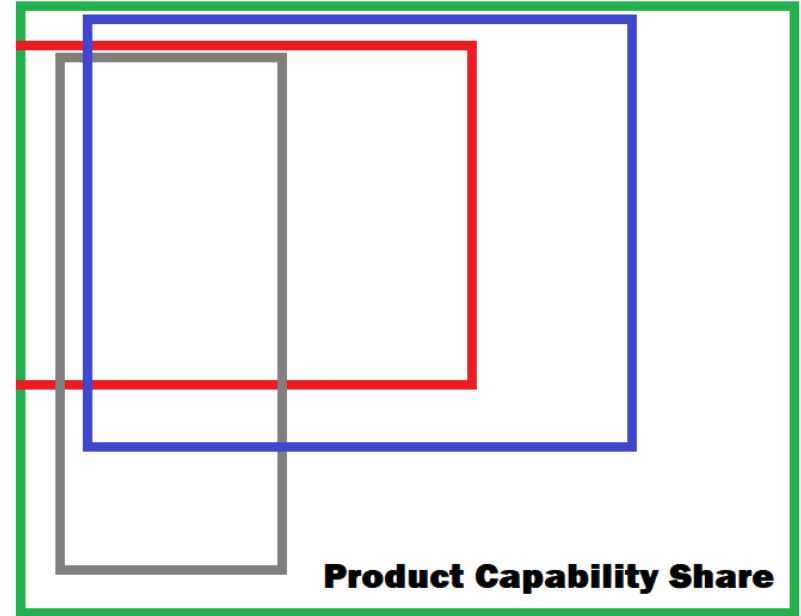
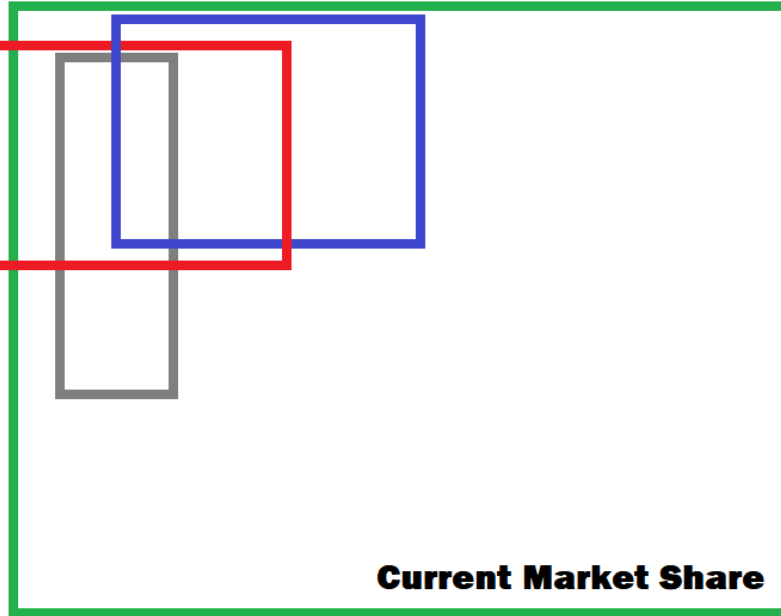
## AFTERMARKET PARTS CV4+ DEMAND PROFILE AUSTRALIA / NEW ZEALAND

Demand for  
aftermarket  
parts





# Schematic Representation of CV4+ Market



Addressable Market



Multispares



Aftermarket competitor 1



Aftermarket competitor 2

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# MULTISPARES Foundations

- Over 1 million unique catalogue entries developed over decades
- Industry leading
  - Integrated CV4+ product range,
  - Speed to interpret requirements, and
  - Time to deliver
- Over 20,000 customers accounts
  - largest customer < 4% of total revenue







# Operating Statistics



## MULTISPARES

- ~ 3,000 transactions per day
- ~ 12,000 item sales per day
- ~ 500 e-orders per day
- ~ 60 dedicated delivery vehicles
- ~ 320 staff

e-orders transacted via

- Secure web portal (**MultiPit**)
- Electronic messaging



# Current Network Investments

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## Current Network Developments

- New Branches**                      Melbourne West
- Branch Relocations**            Mackay  
Newcastle
- Distribution Centres**            Melbourne West  
Hamilton NZ

## Future Network Developments

Will continue a similar pattern to the last 5 years



Multispares constantly extends its product range to support new vehicle technologies.

## Recent Technologies

- Diagnostics
- Telematics
- Emissions control
- Electronic braking systems

## Emerging Technologies

- Battery electric powertrains
- Fuel cell electric powertrains

## Future Technologies

- Connected vehicles





# Strong MULTISPARES Brand



- **MULTISPARES** Brand continues to grow.
- Deep historical association with **BUS PARTS**.
- Rapidly developing association with **TRUCK PARTS**.
- Sponsorship of Ryan Hansford and the Multispares Racing Torana A9X in the Touring Car Masters series.

**HUGE RANGE OF TRUCK PARTS**  
**EUROPEAN JAPANESE AMERICAN**





**SNL** ///

**SUPPLY NETWORK LIMITED**

**NETWORKING THE SUPPLY  
OF ROAD TRANSPORT  
COMPONENTS**

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