BUSINESS UPDATE

DECEMBER 2021

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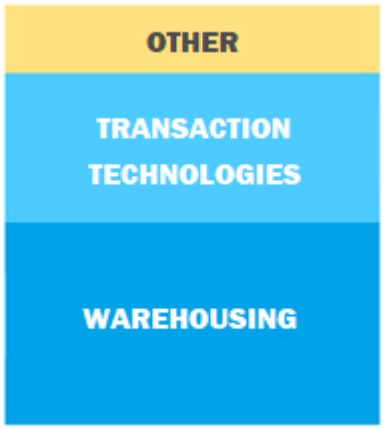
Supply Network Limited

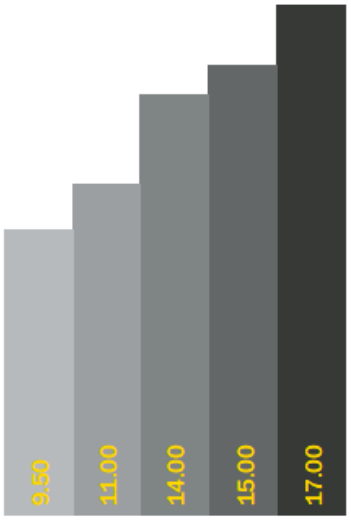
- Remains focused on investing in the sustainable long term organic growth of its Multispares Truck & Bus Parts business,
- Has a long track record of responsible capital allocation, and
- With low gearing and high interest cover, is in a strong position to continue delivering growth initiatives.

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.



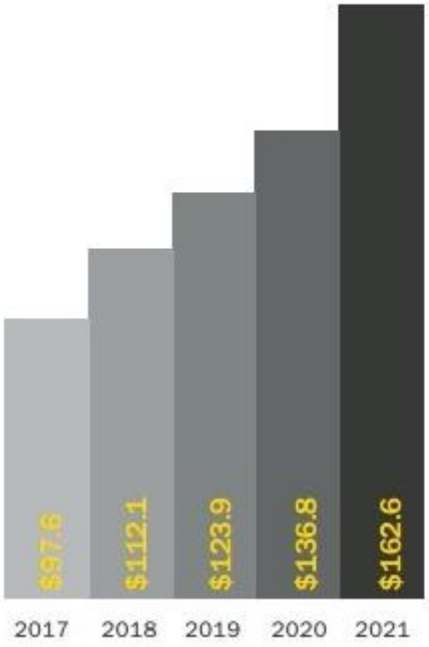
Allocation of Capital Expenditure



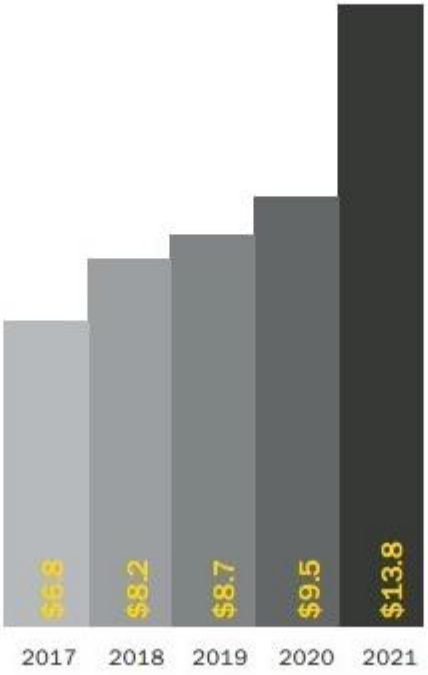
Dividends paid per share

FY2021 Results Highlights

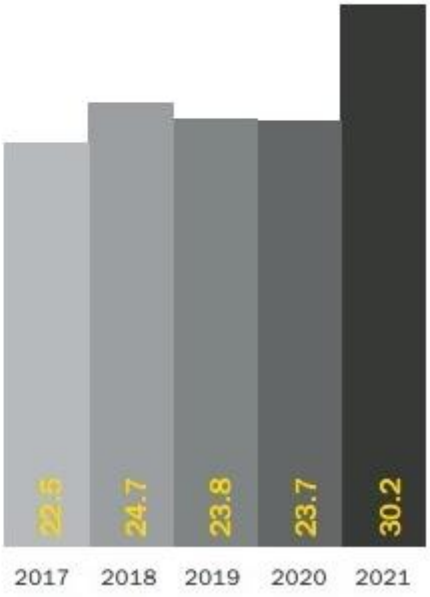
2021
Total revenue
$162.6m



2021
Profit after income tax
$13.8m



2021
Return on average total equity
30.2%



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

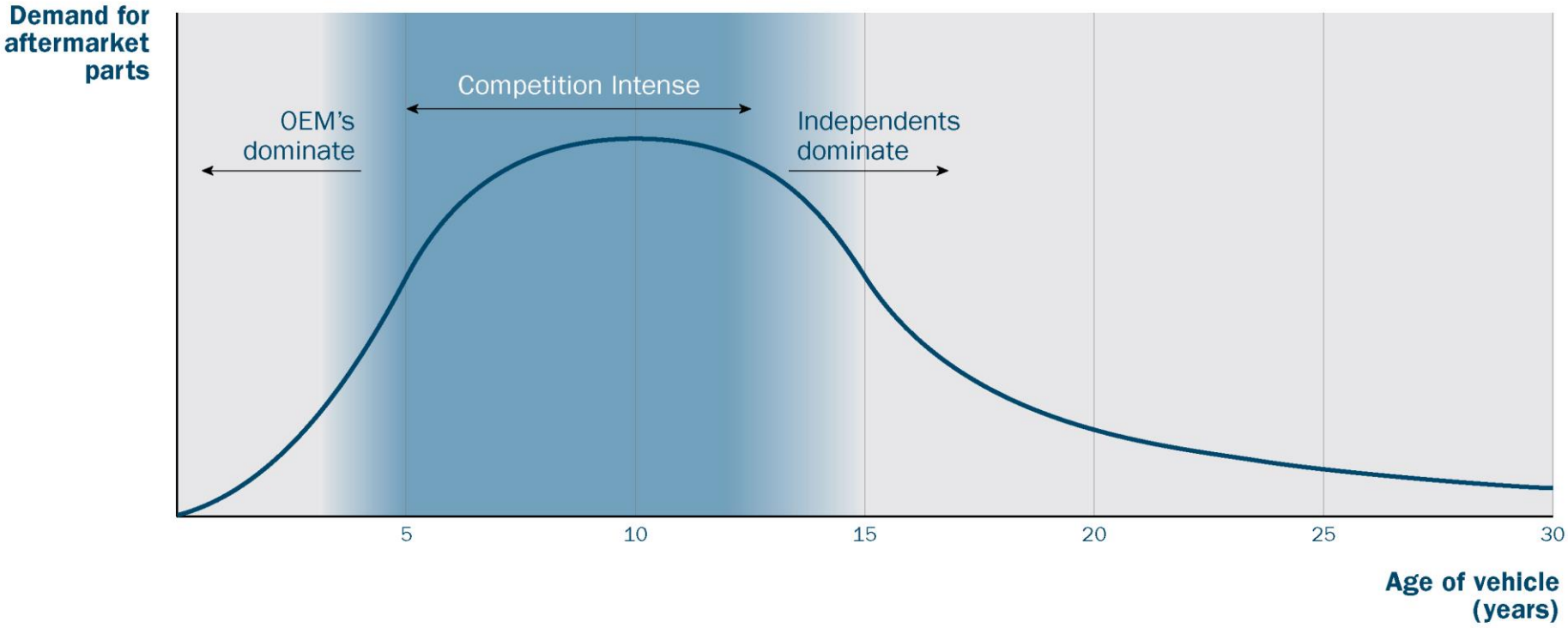
- Our **Addressable Market** covers all Replacement Parts and Associated Technologies (**Aftermarket Parts**) for Road Registered 4+ Tonne GVM Commercial Vehicles (**CV4+**).

- 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.

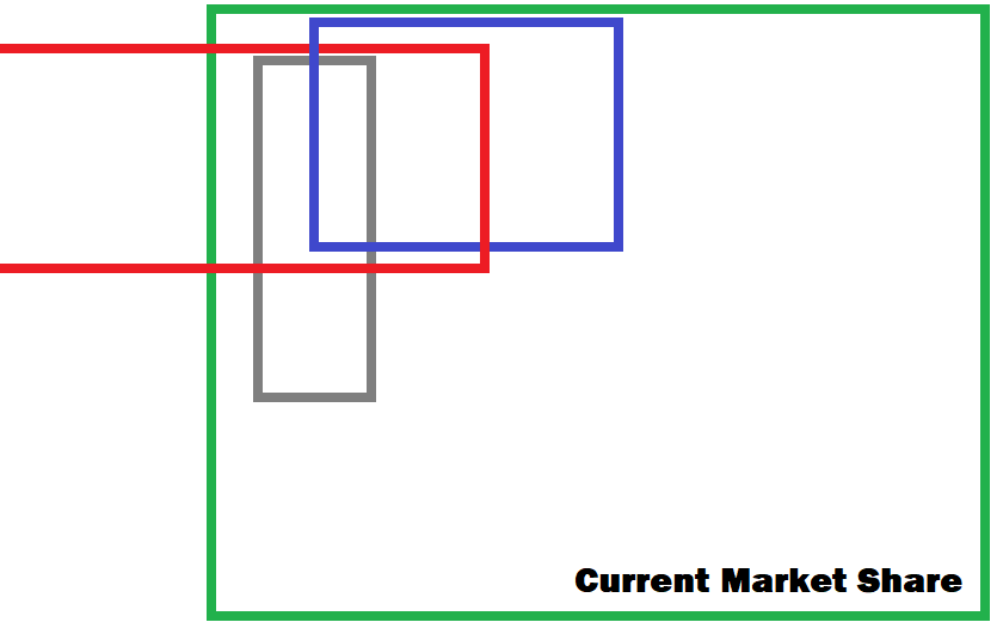
- Original equipment component manufacturers increasingly seeking to partner with large independent distribution channels.

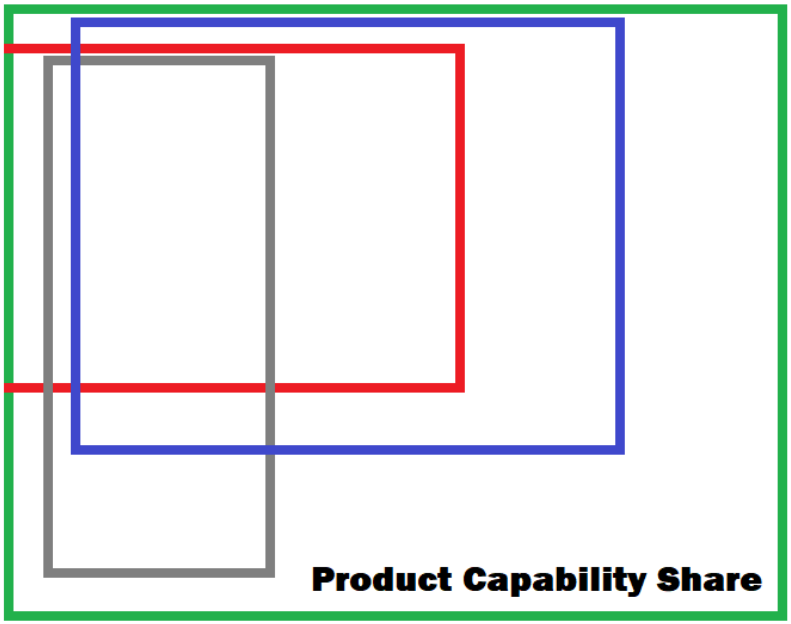
CV4+ Aftermarket Demand Profile

AFTERMARKET PARTS CV4+ DEMAND PROFILE
AUSTRALIA / NEW ZEALAND



Schematic Representation of CV4+ Market





Addressable Market

Multispares

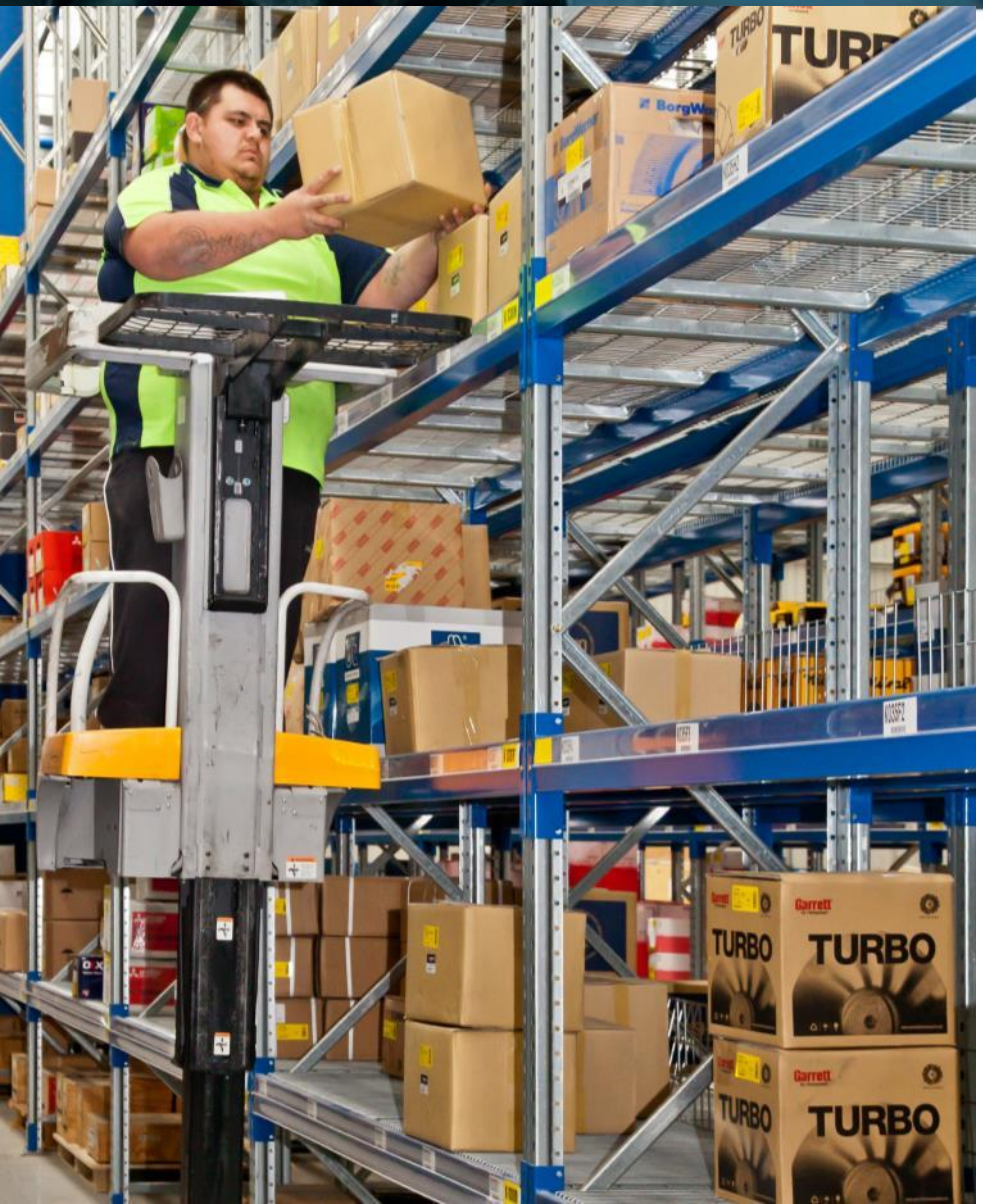
Aftermarket competitor 1

Aftermarket competitor 2

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

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

Vehicle Technology Developments

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.

SNL

SUPPLY NETWORK LIMITED

NETWORKING THE SUPPLY OF ROAD TRANSPORT COMPONENTS