

ASX Announcement Bapcor Limited (ASX: BAP)

24 July 2025

Trading update, review of balance sheet carrying values and Board changes

Bapcor today announced a trading update for the second half of FY25 and it expects preliminary, unaudited:

- Pro-forma Net Profit After Tax¹ for FY25 of \$81–82M; and
- Statutory Net Profit After Tax (NPAT) for FY25 of \$31-34M (after significant items).

Trading Update

Second half trading performance was below expectation with weaker sales results, particularly during May and June. Total revenue (unaudited) for the 12 months to 30 June 2025 was:

Total revenue ¹	FY24 \$M	FY25 \$M	% change
Trade	774.7	785.4	1.4%
Specialist Wholesale	740.4	717.1	(3.1)%
Retail	401.3	387.3	(3.5)%
New Zealand	176.1	170.5	(3.2)%
Eliminations & Group	(119.7)	(116.0)	(3.1)%
Total	1,972.8	1,944.3	(1.4)%

The second half result was influenced by:

- Continued resilient performance of the Trade segment with revenue growth compared to 2H24. However, Trade sales in May and June, the two largest trading months, were disappointing relative to expectations;
- Significant disruption in the Specialist Wholesale segment due to consolidation activities:
 - The integration of three businesses into the Auto Electrical Group (AEG) resulted in branch and distribution centre consolidations, headcount reductions and ERP consolidations.
 - The Wholesale business also underwent branch and distribution centre consolidations, headcount reductions and restructure of the support office;
- Continued challenging retail environment impacting the Retail segment, including lower spending on discretionary categories, competitor activity and changes to our promotional cycle;
- A more competitive landscape in New Zealand coupled with ongoing challenging economic conditions; and
- Certain supplier disputes and receivables, identified during the balance sheet review, are no longer deemed collectable.

Savings have been delivered towards the top end of the previously announced \$20-30M range. Necessary strategic investments in IT systems, transitional supply chain costs and marketing activities have continued with the implementation of the updated strategy.

Bapcor expects an unaudited Pro-forma NPAT¹ for FY25 of \$81-82M.

¹ Pro-forma numbers exclude revenue and EBITDA in FY24 and FY25 for businesses sold or held for sale.

Angus McKay, Executive Chair and Chief Executive Officer said: "Significant work has been undertaken during the year to simplify the business which has disrupted trading especially in the Networks segment. We have closed or moved more than 45 sites and consolidated multiple ERPs. These changes were disruptive but necessary as we strive to simplify operations to set us up into the future. The second half trading result was also impacted by the continued challenging Australian retail environment and economic conditions in New Zealand.

With a refreshed leadership team and business strategy in place and commencement of foundational investment, I am confident the business will return to sustainable growth. Our focus for the upcoming year is to continue to simplify the business and drive better customer outcomes and growth."

Review of balance sheet carrying values and impact on unaudited FY25 Statutory NPAT

Considering the significant changes to the business during the year, a comprehensive review of the 30 June 2025 balance sheet has been undertaken after the year end. This identified \$43.3-45.3M in unaudited post-tax significant items in 2H25, with 78% being non-cash, in addition to the \$4.7M that was recognised in 1H25. This is expected to result in an unaudited FY25 Statutory Net Profit after Tax of \$31-34M.

The FY25 unaudited significant items are outlined in the table below:

\$M post tax	1H25	2H25	FY25
Asset write offs	-	6.9	6.9
Uncollectable receivables	-	6.4	6.4
Contractual disputes	-	3.0	3.0
Changes in accounting estimates	-	7.5-8.5	7.5-8.5
Inventory valuation	-	10.8	10.8
Estimated impairment charges	-	6.5-7.5	6.5-7.5
Other items	4.7	2.2	6.9
Total	4.7	43.3 – 45.3	48.0 – 50.0

The significant items, after tax, include:

- \$6.9M of asset write offs primarily related to ERP systems and unused brand names;
- \$6.4M charge for external receivables which are no longer deemed collectable;
- \$3.0M provision for commercial disputes that have either been settled or near-settled, as well as a current year warranty dispute in relation to a product recall;
- \$7.5 – 8.5M for changes in accounting estimates for site make good liability and from simplifying intercompany accounting for request for credits and stock returns;
- \$10.8M to reflect a reduced valuation for inventory, including additional allowances for obsolescence and stock losses;
- \$6.5 – 7.5M estimated store level impairment charges reflecting the impact the challenging operating environment has had on some locations in the network, noting that these results are preliminary and impairment testing continues; and
- \$6.9M of other charges that includes the MTQ trading loss, loss on disposal of MTQ and 5IQ, trading losses on assets held for sale and costs related to the review of payroll data and processes, of which \$4.7M was reported in H125. This review of payroll data and processes will continue in H126, together with work being conducted in relation to the planned replacement of payroll systems and the simplification of payroll processes across the Group.

The FY24 comparatives in the financial statements will be updated to:

- Restate accounting for intercompany transactions, increasing trade and other payables; and
- Reflect a change in accounting policy for inventory costing following the consolidation of inventory into our distribution centres, reducing opening inventory balances.

The reduction to opening retained earnings for the 30 June 2025 financial year, for these matters, is estimated to be \$24M post-tax. The restatements relating to intercompany transactions have arisen over a number of financial years prior to FY25. The impact of these restatements on the FY24 comparative is currently being assessed and will be included in the FY25 financial statements.

Board changes

Following close of trading on 23 July 2025, Mark Bernhard, Brad Soller and James Todd tendered their resignation as directors of the Company. Angus McKay thanked the directors for their service to the Company. The Board refresh process currently underway will now be accelerated.

A briefing for analysts and investors will be held today at 9.30am. To attend the teleconference please register at <https://s1.c-conf.com/diamondpass/10049089-w8bdw.html>.

Bapcor will release its full FY25 financial results for the year ended 30 June 2025 on Thursday 28th August 2025.

– Ends –

Issued by: Bapcor Limited (“Bapcor” or “the Company”), ASX:BAP, www.bapcor.com.au

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