



SUPPLY NETWORK LIMITED

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ASX Release

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Chairman's Address and Half Year Performance Guidance

Please find attached the Chairman's Address to Shareholders and Half Year Performance Guidance being delivered to the Annual General Meeting today at 2:00pm.

Authorised by the Company Secretary

Robert Coleman

Chief Financial Officer/Secretary

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**SUPPLY NETWORK LIMITED
2025 ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS**

I'm honoured to have been appointed to the Board of Supply Network last year and as Chairman after last year's AGM.

The growth of our Company under the leadership of Managing Director, Geoff Stewart since 1999, and Greg Forsyth, our Chairman from 2010 until last year, has been exceptional.

Of course, this would not have been possible without a capable management team and the dedication and hard work of what is now around 560 staff members across Australia and NZ. The excellent 2025 financial year results reflect their efforts.

FY2025 financial highlights

The highlights of the 2025 financial year (FY2025) have previously been reported to the ASX and detailed in our Annual Report. However, it would be remiss of me not to acknowledge some key financial achievements:

- Sales revenue of \$348.8 million represented growth of 15.3% and was a positive reflection of a strong management focus on investing to improve customer service;
- Profit after tax of \$40.0 million represented earnings per share growth of 18.2%;
- Return on capital invested remained high at 33.2%; and
- Total dividends paid increased to 65.0 cents per share, our 9th consecutive year of fully franked dividend increases, with the FY2025 final dividend of 38.0 cents per share paid earlier this month also increased.

My goal as the new Chairman, is to ensure the Board continues its support for management to build on the Company's existing capabilities – not just to achieve further growth and network efficiencies, but to ensure we maintain our strong market position by adapting to meet the evolving service needs of customers.

I am also firmly committed to being a driver of the firm's culture wheel, the central tenet of which is earning market trust: trust with our customers and our suppliers.

Network developments

Continued organic growth of the Multispares network in Australia and New Zealand remains a key strategic priority. This extends the Company's reach and capacity, which are important enablers of improved customer service.

In this regard, we commenced trading at our new Wangara, WA branch in April 2025. We are satisfied with trading to date and are sure this new branch has a long growth runway ahead. Further to the north in Karratha, we opened a small, locally focused parts outlet which commenced trading in late June 2025.

In early July 2025, we also commenced distribution from our building extension at Truganina, Victoria. This critical piece of infrastructure has provided distribution capacity to support the next \$100 million of revenue growth. The transition of selected products between distribution centres is now mostly complete and the additional room at the Pemulwuy distribution centre in Sydney has allowed us to refocus on process efficiencies.

In preparation for further growth in the branch network, we have recently signed agreements to increase branch capacity in Brisbane and Toowoomba, Queensland and in Perth, WA and we have commenced planning to increase branch capacity in Sydney, NSW. Branch relocations, where suitable, provide us with further options.

In New Zealand, we have recently leased a new facility at Rosedale in the heart of Auckland's fast growing North Shore, which we expect to commence trading in March 2026.

Operational developments

The network developments outlined above should enable planned sales expansion.

Importantly, however, while physical development of branches and distribution centres provides tangible evidence of growth and future capacity, it is only one of many critical factors.

The strength of our network and competitive position is reliant on a much broader range of factors. Transaction efficiency, the use of information technology, stocking strategies, delivery systems and branch configuration are equally vital to the Company's core service capabilities.

Our business may appear simple: we sell truck and bus parts. Our operations, market focus and future strategy also appear relatively simple.

However, in reality we are a provider of a wide range of services, including parts interpretation based around an extensive in-house catalogue, product procurement, supply management and problem solving for our customers. This involves complexities and inter-dependencies between our teams that should not be under-estimated.

My observations of the business over the past 12 months, from visiting our branch network, speaking to staff and attending Company and industry events, are that these service factors are well structured within our network and totally embedded in the culture of our teams. Their ability to navigate these complexities - and make the task of delivering quality parts with outstanding customer service appear simple – is the key to the Company's success.

To provide these services we rely on our knowledgeable, trained staff and investments in information technology, storage and delivery systems. In terms of our staff, I have been impressed by their loyalty, dedication and technical knowledge.

At a senior management level, I am pleased with the strength of our specialist teams and the ongoing development of our skills and talent base. It is a priority for me to ensure the Board continues to work with the senior management team on succession planning and the professional development of our staff to provide them with opportunities to realise their potential. Our focus is on internal succession planning, augmented by access to external talent where appropriate.

It has also been refreshing to see decision making by senior management based on long-term planning, not distracted by the growing background of short-term “noise” in today’s business environment.

I mentioned the importance of ongoing investment in IT to our business. While I don’t propose to delve into specific details beyond mentioning the previously announced current upgrade to our enterprise resource planning system and new sales interface, it suffices to say that IT is a critical component of our forward thinking.

In accordance with our IT strategy, numerous initiatives are underway across the organisation, as part of our “business as usual” investments, to continue improving operating efficiency and customer service levels.

Market dynamics

It should be clear from my preceding comments that I believe Multispare has a strong market position and many opportunities to grow further.

Nonetheless, whilst market dynamics continue to trend positively, we know that the Company must continue to adapt and evolve to take full advantage of global industry developments.

These developments include: an intensifying competitive landscape for heavy vehicle manufacturers operating in the Australian and New Zealand markets; the rise of China as a major force in manufacturing; and technological developments such as those driven by emissions reduction and increasing use of electronics.

While the pace of structural change in the industry may be debatable, the importance to the Company of having the necessary human and IT skills in place for the future is not.

The Board and management are attuned to the challenges posed by these industry developments. Provided we continue to adapt and evolve as we have over many years, we believe these market dynamics will present significant opportunities for the Company over the long term.

In this market environment, we are genuinely positive about the Company’s long-term prospects and it is the goal of the Board and senior leadership team to ensure we take full advantage of these opportunities while addressing any significant risks.

Safety

We were pleased to report another record low Lost Time Injury Frequency Rate in FY2025. More importantly, our focus remains on identifying the next steps to continue improving safety performance and we have set new priorities for the current year. We are striving to embed safety into our culture, with genuine care for the physical and mental well-being of staff.

Board

We are pleased to be recommending the election of Ms Karen Phin to the Board of the Company at today's AGM. Karen is an experienced company director, with complementary skills and experience. She adds a further level of independence to the Board, and we look forward to the contribution she will make.

Outlook

We have previously flagged that for FY2026, our revenue growth target is around \$50 million. I am pleased to advise, at this early stage of the new financial year, we are on track to achieve this target. We also recognise there is much work still to be done.

The Board has recently approved a new three-year business plan covering the period from FY2026 to FY2028. This plan builds on Supply Network's existing business strategies and continues our investment in sustainable long-term growth.

Our aim remains, every day, to earn the right to be the truck and bus industry's first choice and close partner for spare parts and diagnostics. This is what underpins our growth, our revenue streams and investor confidence.

I am pleased you have been able to join us today. We look forward to providing a further update on the Company's performance at the half year.