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FY2026 Full Year Market Update

Review of Operations

Over the first half of FY2026 the macro environment in which Multispares operates was relatively benign. This changed just days after the release of our first half results when hostilities in the Middle East closed the Strait of Hormuz, significantly increasing the cost of diesel and lubricants and making it difficult to source and move products through the Middle East.

Everyone operating in the road transport and logistics sector has been affected by this situation, including Multispares. However, where there is disruption there is also opportunity and we are pleased to report that Multispares has continued adding new customers and expanding business with established customers throughout the second half. Furthermore, revenue growth remained broadly based across geographies, customer segments, vehicle models and product groups.

Over the last two years we have talked about a renewed focus in New Zealand where our investment in the network and operating systems had lagged Australia. This “catch up” investment peaked in the second half of FY2026 with highlights being:

- The opening of a new branch at Rosedale in North Auckland on 2nd March 2026, which has been performing ahead of expectations.
- A racking expansion at our Hamilton distribution centre, completed in June 2026 and providing the capacity we need to support the next few years of growth.
- Major steps towards closer New Zealand – Australia integration of operating systems and personnel.

The Australian business has also been busy, particularly with the phased development and implementation of several major IT system upgrades. This included transitioning to a browser based and more feature rich sales interface, development of new capabilities on our warehouse scanning apps, and transitioning to a new ERP backbone. We have been operating on these new systems since Easter in Australia and three weeks later in New Zealand. While major system upgrades are rarely seamless, our staff have navigated the challenges well and all systems are functioning and delivering immediate benefits. More importantly, having now completed these upgrades we have refocused on opportunities to lift process efficiency, reduce the cost of doing business, and improve the quality of our customer services.

The other major Australian project completed in FY2026 was full integration of our Pemulwuy (Sydney) and extended Truganina (Melbourne) distribution centres. This project completion demonstrates a rational approach to DC network expansion with the flexibility and scalability needed to support future growth.

In the background, we have been preparing for a significant expansion of our Australian branch network with the following key projects:

- A tripling of the footprint of our Eagle Farm branch, which will significantly improve service to the fast-growing corridor from North Brisbane to the Sunshine Coast. We took possession of the additional space on 1st July 2026, and work is underway to integrate this space into existing operations. Site integration will be followed by a build out of stock through the second and third quarters of FY2027.
- A doubling of the footprint of our Canberra branch, commencing 1st August 2026. This will immediately relieve congestion and improve traffic management, and over the second half of FY2027 we will build out our Canberra stock holding to improve customer service in the ACT and surrounding regional markets.
- The relocation of our Toowoomba branch, scheduled for early October 2026, to a newly developed site with improved access and better exposure, which will more than double current operating capacity.
- The relocation of our Kwinana branch, scheduled for the third quarter of FY2027, to a newly developed site with almost three times the current capacity, repositioning the branch closer to the centre of business in the fast-growing Westport region, south of Perth. This relocation will also deliver a significant investment in the total stock holding of our WA network.
- A recent purchase of land in Penrith, allowing us to construct a new branch that will improve services in Sydney's rapidly growing north-west region. Once constructed, this site will also relieve congestion at our Pemulwuy branch, enabling Pemulwuy to improve services elsewhere. The expected total cost for the development and fitout of our new Penrith branch will be around $9m and we plan to have the site open for trade in early FY2028.

Looking Ahead

The global aftermarket parts industry for truck and bus is estimated to be growing at about 7% p.a. As this industry grows, the OEs (the vehicle manufacturers and their franchise networks) have continued losing market share to sophisticated and regionally focused Independent suppliers offering high-quality alternatives to Genuine Parts at lower price points and with more tailored customer services. To better understand the size and scope of this opportunity, we have begun collaborating with other global leaders in service innovation. This exposes us to new ideas and has already provided strong validation of our positive long-term outlook on growth.

In FY2027, we have again targeted revenue growth of around $50m. As always, this will be challenging but our systems are modern, robust and scalable, and we have plans in place to continue recent sales momentum.

In the last quarter of FY2026, we changed the position of General Manager, Australia to Group General Manager to improve coordination between our Australian and New Zealand operations and to strengthen our senior management team. This senior team is experienced, motivated and working towards even better services and support for many thousands of customers around Australia and New Zealand.

In closing, the Board extends its thanks to management and staff for their dedication and effort, and we look forward to supporting them as they continue developing the Multispares network and service capabilities over the coming year.

Authorised by the Board of Supply Network Limited