



Business in CEE in times of the Covid-19 pandemic

September 2020

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2019 Member of the Board 

2008 Vice-President of Inter Cars S.A.

2001: Member of Management Board

25 years in Industry

Drive the development of the overall international procurement strategy – how to approach the market, what channels to use, and what organizational capabilities must be put in place to succeed.

Doctoral Studies at Kozminski University

Graduated from Warsaw University of Technology

Largest European listed auto parts distributor with presence in 17 countries

Inter Cars at a glance

Leadership Position in Europe

#1 in CEE passenger cars



#1 in CEE trucks



#2 in the EU



17¹ countries



#8 worldwide



350k
SKUs



1,000

Suppliers



1,600

Affiliated garages



100,000

Regular customers



559
Branches



Attractive Financial Profile

LTM June -2020 **PLN8.6bn**
Sales (€1.9bn)

2007–19 Sales CAGR **17%**

LTM June – 2020 **PLN438 mln**
EBITDA (€98.7mln)

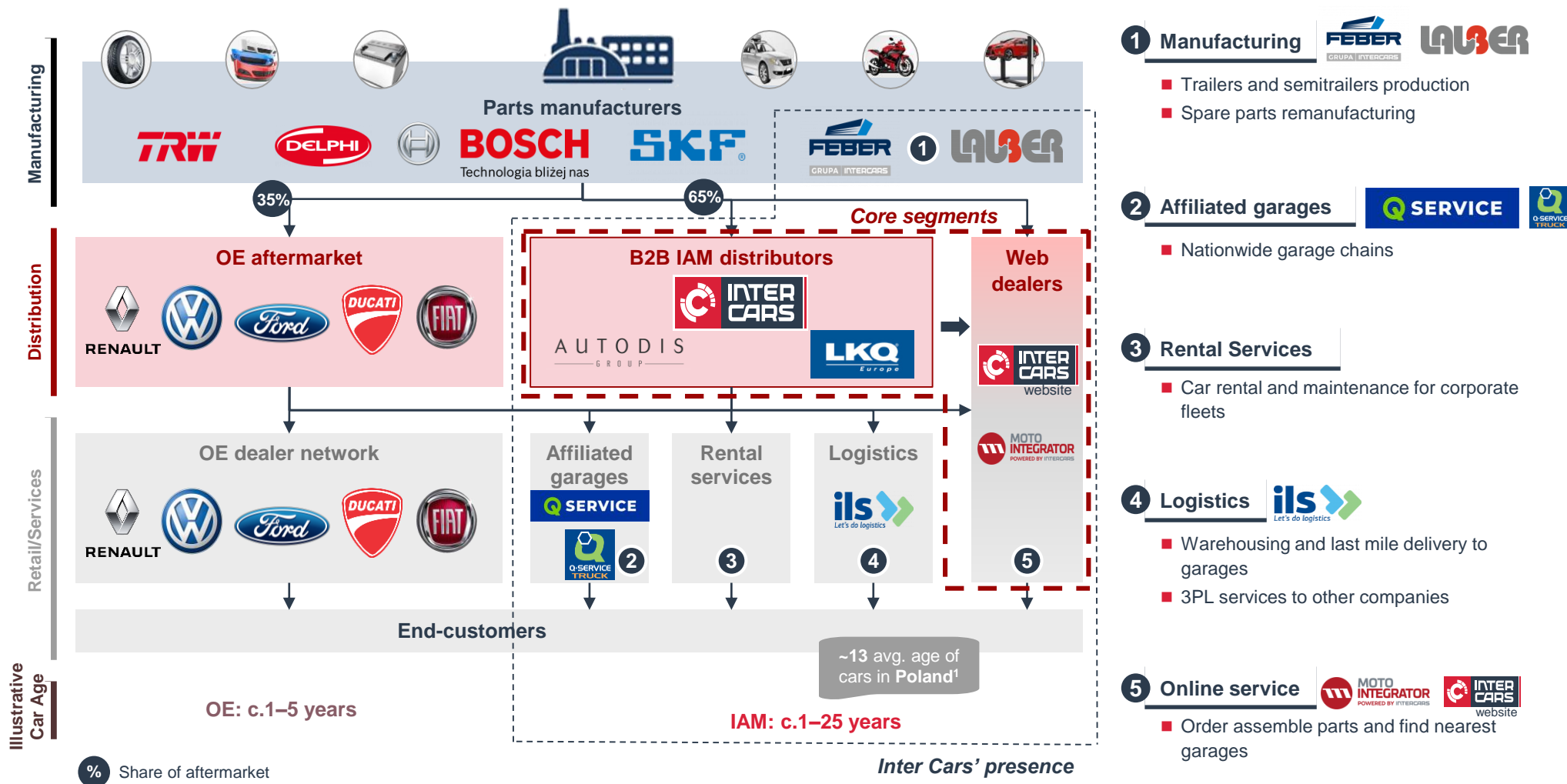
2007–LTM June 2020 EBITDA CAGR **12,6%**

Cash conversion² LTM June – 2020 **75%**

Equity LTM June 2020 **PLN2bn**
(€491mln)

Inter Cars covers the whole value chain for aftermarket

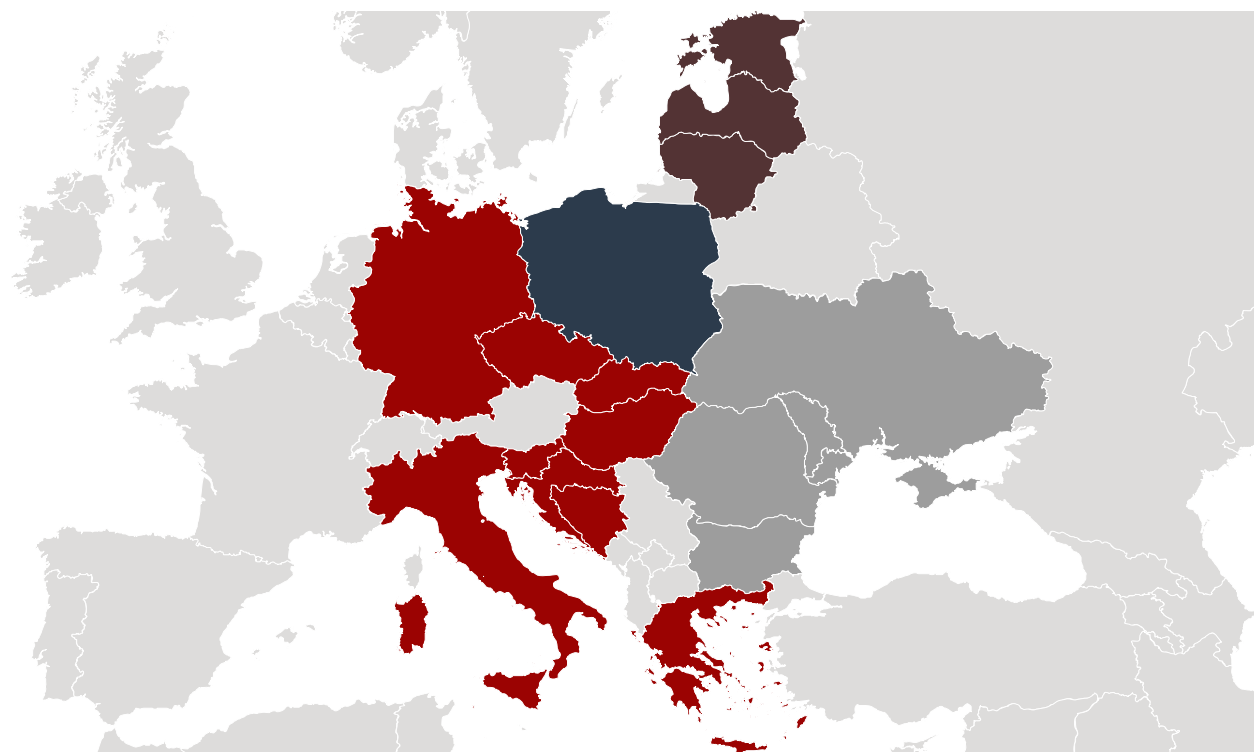
Inter Cars business model – positioning in the value chain



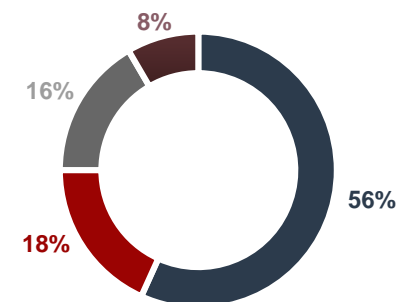
Source: Corporate information, Roland Berger, 2HM & Associates GmbH

¹ As of 2016

Expansion outside Poland: the foundation for uninterrupted high double-digit sales growth

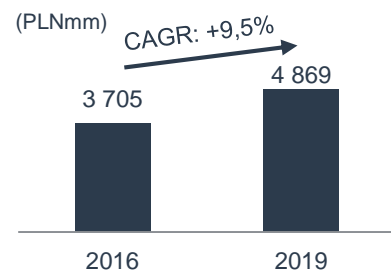


Sales contribution by region (2019)

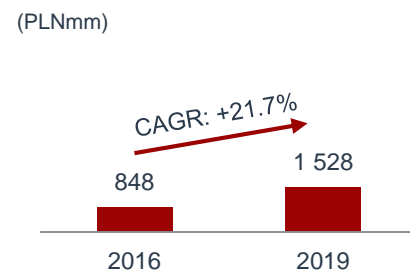


- Poland
- Central and Southern Europe
- Eastern Europe
- Baltics

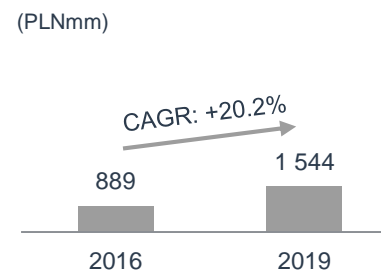
Poland 1



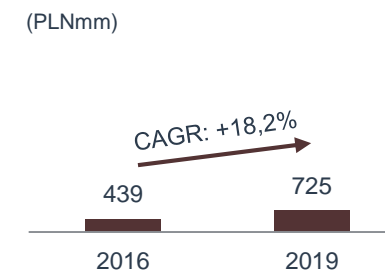
Central and Southern EU¹ 9



Eastern EU 4

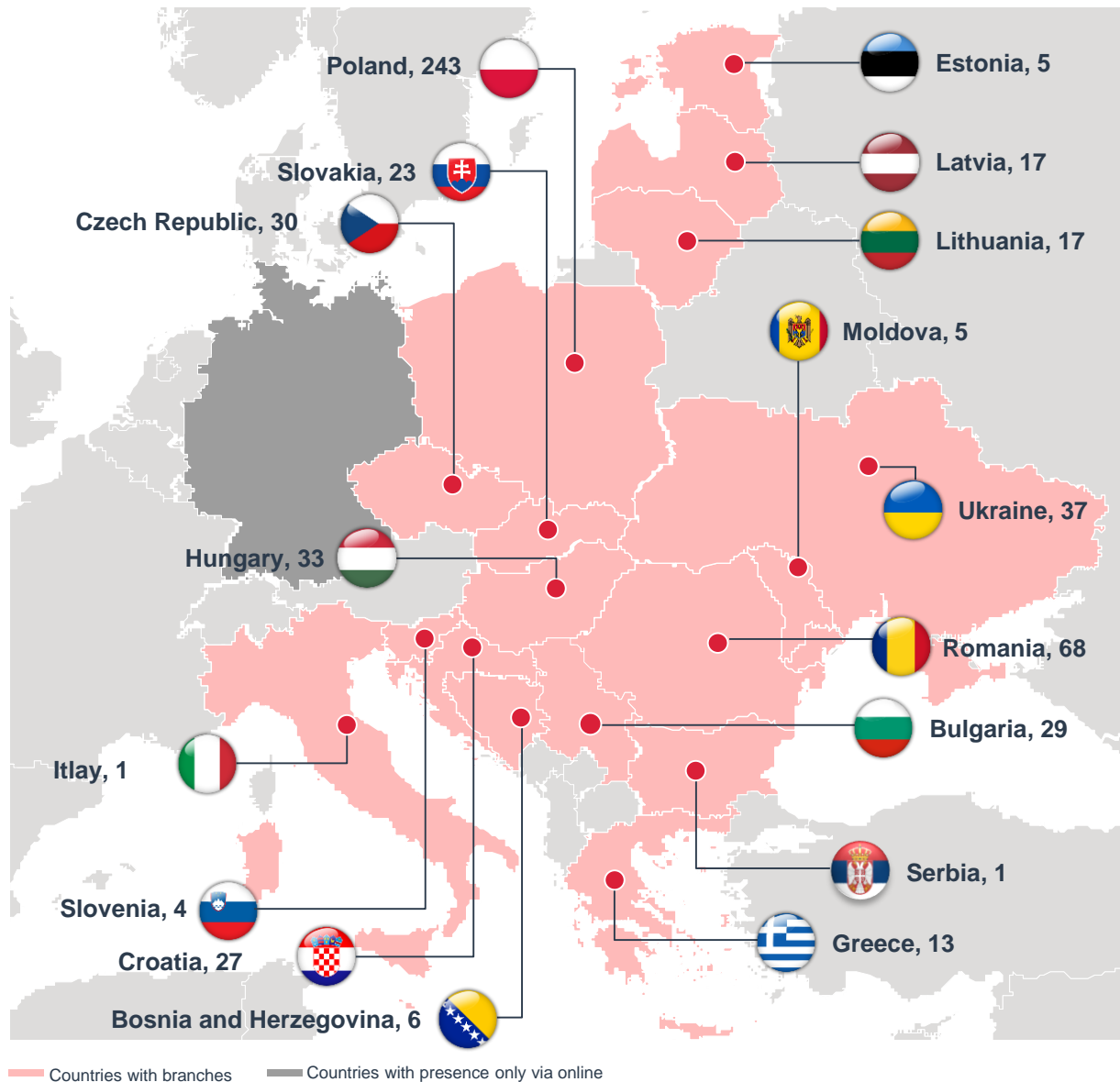


Baltics 3



Number of countries

A unique distribution model supported by the largest branch network in the fast-growing CEE region



Inter Cars' network of partners

A win-win business model

- Owned network of branches
- Operations conducted by independent managers, who assume 100% of costs
- Remuneration through distribution fee (50% of gross profit)
- Inter Cars contributes with product, brand, logistics, IT system and know-how

Benefits for Inter Cars

- ✓ "Variable cost" business model
- ✓ Cost effectiveness
- ✓ Minimised risk for Inter Cars
- ✓ Low upfront capex

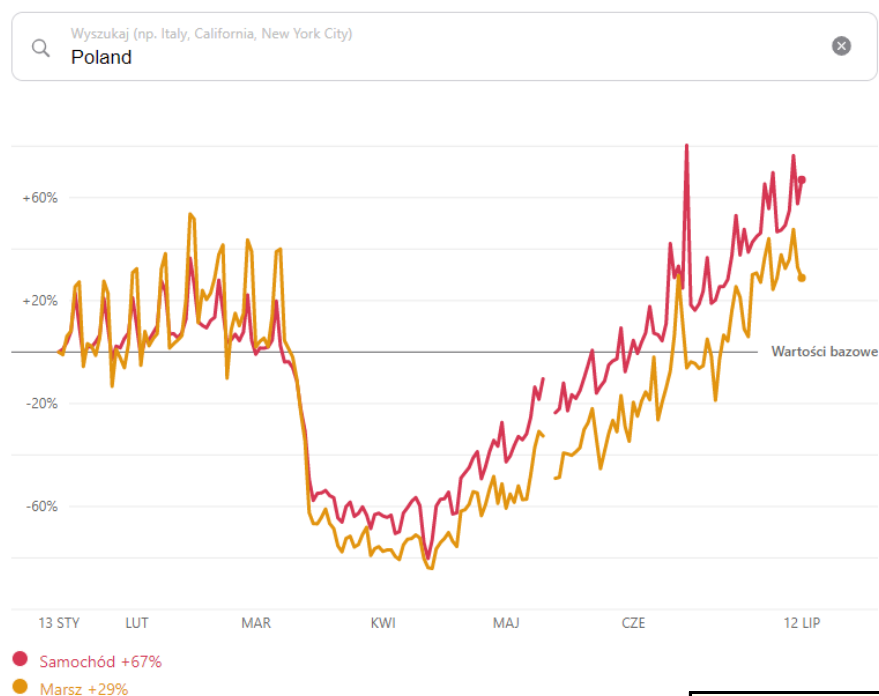
559

Branches



How COVID influence on business, after COVID situation.

Despite expected negative growth, automotive aftermarket is expected to go through global crisis more smoothly than whole automotive industry.

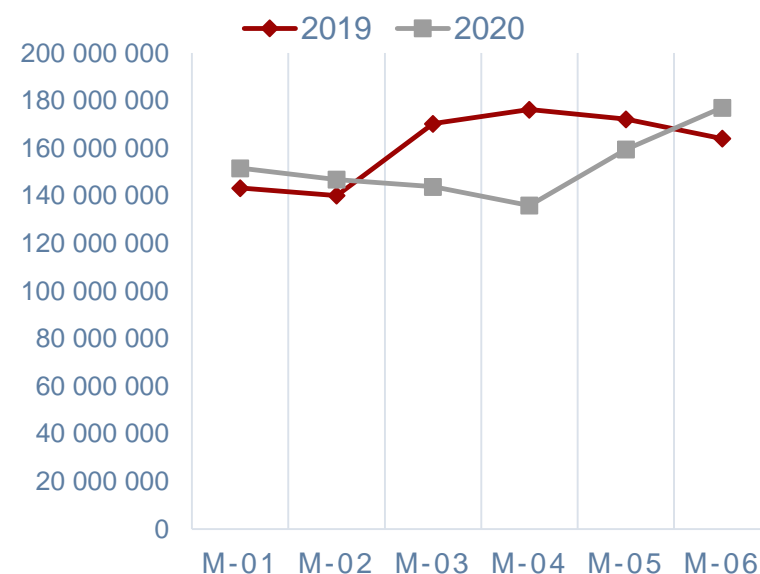


Mobility 13 Jan – 13 Jul

- Walking
- Driving

Source: <https://www.apple.com/covid19/mobility>

SALES EUR



		SALES_EUR IC GROUP					
	H1 2020	M-01	M-02	M-03	M-04	M-05	M-06
2019	966 277 912	143 278 443	140 122 037	170 314 769	176 267 174	172 230 748	164 064 741
2020	914 959 695	151 668 247	146 886 721	143 862 762	135 965 094	159 518 732	177 058 139
Change%	-5,3%	5,9%	4,8%	-15,5%	-22,9%	-7,4%	7,9%

Scenario V - assuming the "loosening" of restrictions starting from Q2 2020

COVID CONSEQUENCE (III, IV, V) – LOCK DOWN FAZE

- ☐ Faster growth of e-commerce
- ☐ Digitalization in companies e.g. remote work, online sales
- ☐ Fewer people will use public transport
- ☐ Home offices – no. of people which need to move will go down
- ☐ How to deal with emergencies – e.g. crisis staff

COVID CONSEQUENCE (VI,VII,VIII, ...) – AFTER LOCK DOWN FAZE

- ☐ Unemployment after crisis should be compensated by higher mileage driven by passenger cars.
- ☐ Market demand for cheaper products will be higher, mainly for older cars.
- ☐ Change of market structure structure is expected (increase of cheaper products, decrease of more expensive products). Smaller players facing real problems.
- ☐ The supply chain will be discontinued due to lock down in production. Unavailability may appear.

