

Analyst Ben Jones
Website <https://benjonesinvestments.com/>
Email ben@benjonesinvestments.com
Date 18/09/2025

Ticker APR (WSE)
Price PLN 18.20
Sector Wholesale distributors, Consumer Durables
Website <https://ir.autopartner.com>



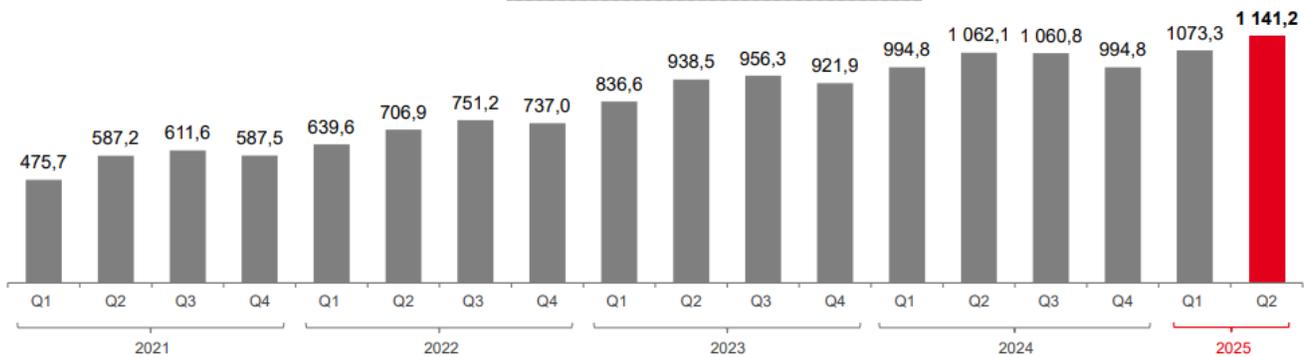
Auto Partner is a car parts distributor based in Bierun, Poland. Their core customer base is repair shops and specialty mechanic stores across Poland and the EU, with around 50% of sales in each region. Auto Partner is a founder-led business, started in 1993 by CEO Aleksander Gorecki who still owns around 44% of the business.

H1 2025 earnings

PLN millions	H1 2025	H2 2024	% change
Revenue	2,215	2,057	7.7%
Operating income	138	135	2.2%
Net income	97	97	0.0%
EPS common shareholders	0.74	0.74	0.0%
Operating margin	6.2%	6.6%	-0.4%
Net debt / equity	8.6%	11.2%	-2.6%
Equity	1,312	1,124	16.7%
RoE (annualised)	15.4%	18.0%	-2.6%

Quarterly Results Trend

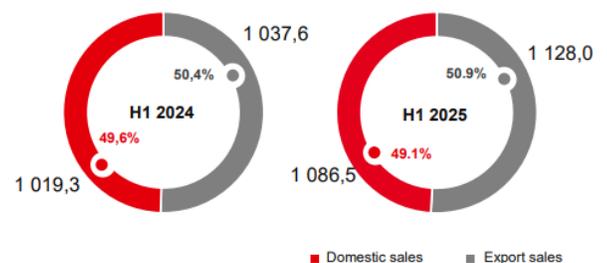
Quarterly sales
(PLN million)



Profitability
(%)



Sales by geography (PLN million)



Financial Highlights

- Revenue increased 7.7% to zł 2.2bn (approx €516m), a record H1 result. Sales outside Poland grew at a slightly higher rate than domestic sales resulting in 50.9% of total sales being export sales in H1.
- Operating margin for H1 was 6.2%, slightly lower than the 7% we typically expect going forward. Auto Partner's large new warehouse in Zgorzelec is under construction and expected to begin distribution at the end of 2025 or early 2026. This is temporarily pressing down on margins as it absorbs cost without contributing to the top line in H1.
- MaXgear, Auto Partner's private label, made up around 17% of sales in H1 vs 20% in H1 2024. The reason for the drop isn't clear but we keep an eye on this as maXgear typically has higher margins than sales of other brands.
- Finance costs increased from zł 12m to zł 16m driven predominantly by higher lease costs on office and warehouse space.
- Net income was flat YoY, with the higher financing costs detracting from slightly higher operating profit.
- Balance sheet remains strong with zł 75m cash, zł 188m debt, zł 1,105m inventory and expected to generate around zł 220m FCF in 2025 (excluding changes in working capital).
- Auto Partner paid down zł 125m debt in H1, with net debt / equity dropping from 11.2% at H1 last year to 8.6% at H1 2025.
- Dividends of zł 20m were paid to shareholders, representing a yield of 1.7%.

Operational Highlights

- The new distribution centre at Zgorzelec should be operational by late 2025 or early 2026. It boosts Auto Partner's warehouse capacity by 19%, from 160,000m² to 190,000m², and is strategically located next to the German border to help boost European sales and ensure faster delivery times across Central and Western Europe.
- Auto Partner has signed a new lease for a warehouse in Germany, its first outside Poland. This marks another step towards expansion further into Europe.
- Inventory turnover remains strong at 126 days vs 128 days for H1 2024.

Management Comments

- Management are pleased with 7.7% revenue growth and anticipate growth to continue as Zgorzelec begins operations over the next 6 months. They commented on the impact of price deflation over the last year from manufacturers that has been passed on to consumers. They expect this to bottom out and for future price inflation to be reflected in the top line.
- Zgorzelec is highly automated. Success here could help automate other warehouses and further improve cost control.
- Auto Partner have been preparing for a transition to electric vehicles but note that the transition is slow. The majority of new cars coming to Europe from China are petrol cars, not electric.

Ben Jones Investments Outlook

- We think Auto Partner remain undervalued and have an ability to continue growing both in Poland and across the EU. Auto Partner have a 10% market share in Poland behind main competitors Inter Cars with around 20%. We think that approximately 40% of the Polish market share is weakly held by smaller companies and offers an opportunity to larger players who benefit from scale economies of larger warehouses and wider distribution networks.

- We are pleased to see Auto Partner trialing their first new warehouse outside Poland. This alongside Zgorzelec should help push export sales further.
- Operating margins have softened since the 10% highs of post-covid but we remain confident that they can be maintained at around 7% going forward. Typically operating margins come under pressure during business expansion as new warehouses and new branches take time to breakeven and reach full profitability. This has been the case in H1 this year, and we expect some normalisation going forward.
- There are approximately 20m cars in Poland and around 294m cars across Europe. This helps quantify the export potential.
- The core risk is that car part distribution is a competitive industry with relatively low margins. That said, we think Auto Partner's valuation assumes zero future revenue growth. Given they have grown revenue at a 23% CAGR since 2015 and, in our view, are capable of high single digit growth for the medium term, we think this offers excellent margin of safety.