Maxiparts Limited

Further improvement expected in 2H26

22 February 2026

MXI delivered a solid 1H26 result, with adjusted NPAT of $4.6m (up 7%) and EBITDA of $13.9m (up 0.7%), both in line with forecasts. Revenue grew 1.8% to $139.3m. Management expects improvement in 2H26. We maintain our BUY rating.

1H26 result highlights

- Key points from MXI's 1H26 result: 1) Maxiparts reported an adjusted 1H26 NPAT of $4.6m, up 7% on pcp and in line with our $4.5m forecast; 2) Sales revenue increased a relatively modest 1.8% to $139.3m, slightly above our $137.2m forecast. MXI achieved underlying revenue growth of 1.2% from its core Maxiparts operations, whilst its Forch Australia business reported sales growth of 8.8%; 3) 1H26 EBITDA of $13.9m increased 0.7% on the pcp compared to our $13.7m forecast. EBITDA margin was flat at 10%; Overall, an in-line result which looks reasonably positive given relatively subdued activity in transport activity across the east coast and ongoing competitive pressures.

Outlook and earnings changes

- In terms of outlook, the company expects both revenue and profit to improve in 2H26, relative to its performance 1H26. Following the 1H26 result, we have revised our forecasts down by 2-4%.

Investment view

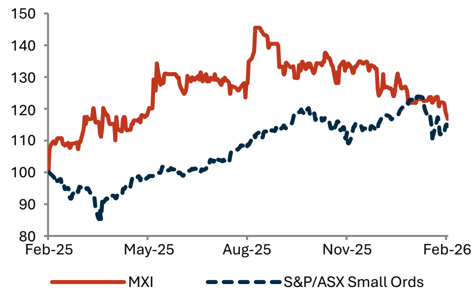
- Overall, Maxiparts is positioned for continued expansion through ongoing organic growth initiatives and recent acquisitions. The company is well-placed to enhance profitability and returns over the next several years. We maintain our BUY rating.

Last Price
A$2.08
Target Price
A$2.85 (Previously A$2.95)
Recommendation
Buy
Risk
Higher

Auto Parts and Equipment

ASX Code	MXI
52 Week Range ($)	1.91 - 2.59
Market Cap ($m)	115.5
Shares Outstanding (m)	55.5
Av Daily Turnover ($m)	0.2
3 Month Total Return (%)	-12.2
12 Month Total Return (%)	16.9
Benchmark 12 Mth Return (%)	14.6
NTA FY26E (¢ per share)	130.9
Net Debt FY26E ($m)	40.6

Price performance



Source: FactSet

Consensus Earnings

	FY26E	FY27E
NPAT (C) ($m)	10.2	11.3
NPAT (OM) ($m)	9.4	10.6
EPS (C) (c)	18.7	20.7
EPS (OM) (c)	16.8	19.1

Source: OML, Iress, Maxiparts Limited

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Key Financials

Year-end June ($)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue ($m)	243.9	267.1	278.0	292.6	307.2
EBITDA ($m)	23.0	27.3	28.1	30.0	31.8
EBIT ($m)	13.9	16.8	16.9	18.4	20.0
Reported NPAT ($m)	6.3	8.8	9.4	10.6	12.1
Reported EPS (c)	12.0	15.8	16.8	19.1	21.8
Normalised NPAT ($m)	6.3	8.8	9.4	10.6	12.1
Normalised EPS (c)	12.0	15.8	16.8	19.1	21.8
EPS Growth (%)	(22.1)	31.8	6.6	13.6	13.9
Dividend (c)	5.1	6.2	8.7	10.0	11.0
Net Yield (%)	2.5	3.0	4.2	4.8	5.3
Franking (%)	100	100	100	100	100
EV/EBITDA (X)	7.1	5.9	5.6	5.0	4.5
Normalised P/E (x)	17.3	13.2	12.4	10.9	9.5
Normalised ROE (%)	6.7	8.5	8.7	9.6	10.7

Source: OML, Iress, Maxiparts Limited

Maxiparts Ltd: 1H26 result highlights

- **Profit result**: Maxiparts (MXI) reported an underlying 1H26 NPAT of $4.7m, up 7%, and largely in line with our $4.6m forecast. The company declared a final dividend of 4.15cps, up 1.1cps (+36.1%) on pcp. The dividend payout ratio is now 40-70%, up from 40-50% previously.
- **Sales**: Sales revenue increased 1.8% to $139.3m, slightly above our 137.1m forecast, with sales improving in 2Q26. MXI achieved underlying revenue growth of 1.2% from its core Maxiparts operations, whilst its Forch Australia business reported like-for-like sales growth of 8.8%.
- **EBITDA**: 1H26 EBITDA of $13.9m increased 0.7% on the pcp and was in line with our forecast. EBITDA margin was flat at 10.0%, in line with our 10.0% margin forecast.

Figure 1: MXI: 1H26 results

Profit and Loss (A$m)	1H25	2H25	FY25	1H26	1H % Change
Revenue					
Total Revenue	136.9	130.2	267.1	139.3	1.8%
EBITDA	13.7	13.5	27.3	13.9	1.4%
Depreciation and Amortisation	5.1	5.3	10.5	5.6	9.1%
EBIT	8.5	8.3	16.8	8.3	-3.3%
Net Interest Expense	2.1	2.0	4.1	1.8	-15.7%
Profit Before Tax	6.4	6.3	12.7	6.5	0.8%
Tax	2.1	1.9	4.0	1.9	-9.5%
Adjusted NPAT	4.3	4.5	8.8	4.6	5.9%
Earnings per share (cps)	7.8	8.0	15.8	8.2	5.9%
Dividend (cps)	3.1	3.1	6.2	4.2	36.1%
Key Margins					
EBITDA Margin (%)	10.0%	10.4%	10.2%	9.9%	-0.4%
EBIT Margin (%)	6.2%	6.4%	6.3%	5.9%	-4.9%

Source: Ord Minnett Limited estimates

- **Gross profit**: MXI reported a 2.7% increase in Gross profit to $46.9m, up from $45.7m in the pcp. Gross profit margin increased 30ps to 33.7% in 1H26, up from 33.4% in 1H25. MXI continues to benefit from a higher percentage of sales in higher margin business including its Japanese parts and its Forch business.
- **Cost of Doing Business**: MXI's CODB increased slightly in 1H26, with a Cost of Doing Business to sales ratio of 23.7%, 30bps higher than the 23.4% reported in 1H25.
- **Network expansion**: Maxiparts new site in Kalgoorlie (WA) commenced trading in Jul-25, slightly ahead of schedule. The business adds scale to its WA operations following the acquisition of Independant Parts in Nov-23. The site is trading above plan and has reached profitability earlier than expected. The site should provide a modest boost to margins in 2H26.

Segment commentary

MaxiPARTS

- Maxiparts revenue increased 1.2% to $128.4m in 1H26 in a challenging market. Underlying growth of 2.6% was slightly higher than reported growth, adjusting for revenue associated with the ATSG business.
- The Kalgoorlie store launched successfully in late Jul-25 and reached profitability ahead of schedule in Sept-25 and continues to build momentum.
- The Japanese product program delivered over 15% year-on-year growth, and the Queensland region achieved double-digit revenue growth driven by key customer site rollouts and broader market improvement.
- EBITDA increased to $12.6m, up from $12.4m in the pcp. EBITDA margins improved 10bps to 9.8%, with margins expected to increase further in 2H26 as the new Kalgoorlie greenfield site matures.
- The business appears well positioned for a stronger 2H26. Kalgoorlie will benefit from incremental sales from key customers. MXI's Japanese product range will also see further expansion.

Forch Australia

- Forch sales revenue increased 8.8% in 1H26 to $11.5m, slightly below MXI's targeted growth rate of over 10%.
- A modest decline in EBITDA to $1.2m, down from $1.4m previously, reflected further investment in sales staff. Regional sales teams were expanded across Central Queensland, Geraldton, Geelong and Perth.
- Overall, Forch is positioned for improved performance in 2H26, with additional investment in the sales force expected to translate into stronger revenue.
- MXI held an 80% stake in Forch Australia at Jun-25, subsequently the final 20% was purchased on 8 Jul-25. The Australian Distribution agreement has been extended from Apr-30 to May-32.

Financial Position

- Cash Flow from Operations decreased 16% in 1H26 to $7.0m, down from $8.3m in 1H25. The decline in operating cashflow reflected an increase in working capital from the addition of the Kalgoorlie site and the addition of Inventory for future revenue programs.
- Capital expenditure was modest at $0.7m, largely in the with the pcp ($0.4m). Capital expenditure is expected to be remain relatively modest.
- MXI finished the period with Net Debt of $8.2m, up from $7.2m in 1H25, with a leverage ratio of 0.3x in line with the pcp.

Outlook and earnings changes

In terms of outlook, MXI expects both revenue and profit to improve in 2H26, relative to 1H26. Improvements will be driven by:

- Benefits from its new Kalgoorlie store, which continues to build its sales and make a stronger contribution having reached profitability.
- Continued growth from MXI's Japanese parts program, which attracts a higher gross profit margin
- Improved sales momentum in its Forch business, following additions to its sales team; and
- MXI expects stronger cash generation in 2H26 supporting further debt reduction.
- Following the MXI's FY25, we have adjusted our earnings expectations as seen below:

Figure 2: Earnings changes

FY26	**Old**	**New**	**% Change**
Sales	275.9	278.0	0.7%
EBITDA	28.0	28.1	0.1%
EBIT	17.3	16.9	-2.6%
NPAT	9.5	9.4	-1.7%
EPS	0.19	0.18	-1.6%
Dividend	7.0	8.7	23.6%
FY27	Old	New	% Change
Sales	289.7	292.6	1.0%
EBITDA	29.7	30.0	1.2%
EBIT	18.8	18.4	-2.1%
NPAT	10.9	10.6	-2.9%
EPS	0.21	0.21	-2.7%
Dividend	8.0	10.0	25.0%
FY28	Old	New	% Change
Sales	304.2	307.2	1.0%
EBITDA	31.0	31.8	2.4%
EBIT	20.7	20.0	-3.5%
NPAT	12.6	12.1	-4.0%
EPS	0.23	0.23	2.4%
Dividend	9.0	11.0	22.2%

Source: Ord Minnett Limited estimates

Investment thesis, valuation and risks

Investment thesis

- Maxiparts has strengthened its market position and has an improving track record of delivering reliable financial performance. We believe MXI has further growth ahead with strong industry tailwinds, synergies from recent acquisitions and the potential to be a key player in further industry consolidation within the automotive and commercial vehicle aftermarket parts industry.

Valuation

- In terms of single-period valuation measures, MXI is currently trading on an FY27 forward PER multiple of 11x. Based on a FY27 forward EV/EBIT multiple, MXI is currently trading on a multiple of 8.1x.
- We have a 12-month price target of $2.85, from $2.95 previously, which equates to an FY27 EV/EBIT multiple of 10x and an implied forward PER of 15x, based on peer group multiples.

Key risks

- **Increased competition**: The Australian automotive and commercial vehicle aftermarket parts distribution industry may face increased competition from existing competitors, through further consolidation of existing players or from new entrants into the market. Increased competition could have an adverse effect on the financial performance of the company and industry returns.
- **Pricing pressure**: Maxiparts relies on access to a wide range of commercial vehicle parts, most of which are foreign made. An increase in pricing pressure from suppliers may force the company to have to pass on or absorb the price increases, which may result in decreased demand for products and/or lead to a decrease in profitability.
- **Unable to find sites for new branches**: A key part of MXI's growth strategy has been to increase the number of stores to expand its network to appropriate locations. If suitable sites are not able to be identified or leased at a competitive rate, it may limit future revenue growth opportunities.
- **Unfavourable vehicle trends**: Demand for vehicle parts can be negatively affected by unfavourable vehicle trends. A decline in the number of registered heavy vehicles or a decline in freight activity could impact demand and sales volumes.
- **Increased competition from online competitors**: While MXI has invested in technology for its customer base, there is potential for the emergence of new players using online capabilities to meet existing requirements.
- **Faulty or defective products**: Maxiparts may face risks associated with faulty or defective products which may reduce customers' confidence in MaxiPARTS' products, result in product recalls or expose MaxiPARTS to product liability claims any of which may have a significant adverse impact on MaxiPARTS' financial performance and reputation.
- **Exposure to foreign currency**: MaxiPARTS purchases a significant proportion of products from international suppliers. Purchases are typically denominated in USD. Therefore, movements in the A$/US$ may impact the cost of sourcing for MaxiPARTS, potentially impacting gross profit margins.

ORDS

Maxiparts Limited

Buy

PROFIT & LOSS (A$m)	2024A	2025A	2026E	2027E	2028E
Revenue	243.9	267.1	278.0	292.6	307.2
Other income	-	-	-	-	0.4
Operating costs	(220.9)	(239.8)	(249.9)	(262.6)	(275.9)
Operating EBITDA	**23.0**	**27.3**	**28.1**	**30.0**	**31.8**
D&A	(9.1)	(10.5)	(11.2)	(11.6)	(11.8)
EBIT	**13.9**	**16.8**	**16.9**	**18.4**	**20.0**
Net interest	(3.7)	(4.1)	(3.5)	(3.3)	(2.7)
Pre-tax profit	**10.2**	**12.7**	**13.4**	**15.2**	**17.3**
Net tax (expense) / benefit	(3.9)	(4.0)	(4.0)	(4.6)	(5.2)
Normalised NPAT	**6.3**	**8.8**	**9.4**	**10.6**	**12.1**
Reported NPAT	**6.3**	**8.8**	**9.4**	**10.6**	**12.1**
Normalised dil. EPS (cps)	12.0	15.8	16.8	19.1	21.8
Reported EPS (cps)	12.0	15.8	16.8	19.1	21.8
Effective tax rate (%)	38.6	30.0	30.0	30.0	30.0
DPS (cps)	5.1	6.2	8.7	10.0	11.0
Dividend yield (%)	2.5	3.0	4.2	4.8	5.3
Payout ratio (%)	42.9	39.1	51.4	52.3	50.5
Franking (%)	100.0	100.0	100.0	100.0	100.0
Diluted # of shares (m)	49.8	55.5	55.5	55.5	55.5

CASH FLOW (A$m)	2024A	2025A	2026E	2027E	2028E
EBITDA incl. adjustments	23.0	27.3	28.1	30.0	31.8
Change in working capital	(9.6)	(4.4)	(0.5)	(3.7)	(3.9)
Gross Cashflow	13.4	23.0	27.6	26.3	27.9
Net Interest (paid)/received	1.9	4.1	3.5	3.3	2.7
Income tax paid	(0.8)	(0.4)	(1.7)	(3.5)	(4.2)
Other operating items	(3.9)	(9.3)	(6.9)	(6.5)	(5.3)
Operating Cash Flow	**10.6**	**17.3**	**22.4**	**19.6**	**21.0**
Capex	(1.4)	(1.1)	(3.0)	(8.3)	(10.4)
Acquisitions	(31.0)	-	-	-	-
Other investing items	-	2.2	0.2	-	-
Investing Cash Flow	**(32.4)**	**1.2**	**(2.8)**	**(8.3)**	**(10.4)**
Inc/(Dec) in equity	-	-	-	-	-
Inc/(Dec) in borrowings	14.5	(7.0)	(7.5)	(5.6)	(2.5)
Dividends paid	(2.3)	(2.6)	(3.8)	(5.3)	(5.8)
Shares issue proceeds	16.2	-	-	-	-
Other financing items	(7.0)	(7.3)	(7.5)	(6.0)	(1.0)
Financing Cash Flow	**21.4**	**(16.8)**	**(18.8)**	**(16.9)**	**(9.3)**
FX adjustment	-	-	-	-	-
Net Inc/(Dec) in Cash	(0.3)	1.7	(3.8)	1.7	3.8

BALANCE SHEET (A$m)	2024A	2025A	2026E	2027E	2028E
Cash	13.6	15.3	11.5	13.2	17.0
Receivables	35.2	36.2	38.9	40.3	42.6
Inventory	67.1	72.6	72.6	76.4	80.2
Other current assets	4.7	1.0	3.0	2.1	2.8
PP&E	41.4	39.4	35.1	32.7	32.1
Investments	-	-	-	-	-
Financial assets	-	-	-	-	-
Intangibles	37.6	36.8	36.0	35.2	34.4
Goodwill	37.6	36.8	36.0	35.2	34.4
Other non-current assets	12.7	9.3	8.9	9.3	10.0
Total Assets	**212.2**	**210.6**	**205.9**	**209.1**	**219.1**
Short term debt	8.8	8.4	9.1	9.5	10.0
Payables	34.7	36.1	38.5	40.1	42.3
Other current liabilities	6.7	7.8	5.6	7.3	7.0
Long term debt	59.3	52.0	43.0	37.0	34.0
Other non-current liabilities	0.8	1.0	0.9	1.0	1.1
Total Liabilities	**110.3**	**105.3**	**97.2**	**94.9**	**94.3**
Total Equity	**102.0**	**105.2**	**110.1**	**110.5**	**116.8**
Net debt (cash)	54.6	45.1	40.6	33.3	27.0

DIVISIONS	2024A	2025A	2026E	2027E	2028E
Revenue (A$m)					
MaxiPARTS	243.9	267.1	278.0	292.6	307.2
EBIT (A$m)					
MaxiPARTS	13.9	16.8	16.9	18.4	20.0

KEY METRICS (%)	2024A	2025A	2026E	2027E	2028E
Revenue growth	20.9	9.5	4.1	5.3	5.0
EBITDA growth	26.9	18.9	2.7	7.0	5.8
EBIT growth	11.2	21.0	0.2	9.3	8.3
Normalised EPS growth	(22.1)	31.8	6.6	13.6	13.9
EBITDA margin	9.4	10.2	10.1	10.3	10.3
OCF /EBITDA	58.2	84.0	98.3	87.7	87.7
EBIT margin	5.7	6.3	6.1	6.3	6.5
Return on assets	4.4	5.6	5.7	6.2	6.5
Return on equity	6.7	8.5	8.7	9.6	10.7

VALUATION RATIOS (x)	2024A	2025A	2026E	2027E	2028E
Reported P/E	17.3	13.2	12.4	10.9	9.5
Normalised P/E	17.3	13.2	12.4	10.9	9.5
Price To Free Cash Flow	6.2	5.7	4.9	3.8	3.4
Price To NTA	1.7	1.7	1.6	1.5	1.3
EV / EBITDA	7.1	5.9	5.6	5.0	4.5
EV / EBIT	11.8	9.6	9.3	8.1	7.1

LEVERAGE	2024A	2025A	2026E	2027E	2028E
ND / (ND + Equity) (%)	34.9	30.0	26.9	23.1	18.8
Net Debt / EBITDA (%)	237.6	165.3	144.7	110.8	85.0
EBIT Interest Cover (x)	3.7	4.1	4.8	5.7	7.5
EBITDA Interest Cover (x)	6.2	6.7	8.0	9.2	11.9

SUBSTANTIAL HOLDERS	m	%
Naos Asset Management	12.5	22.6%
HGT Investments	7.2	12.9%
Spheria	5.8	10.5%

VALUATION	
Multiples valuation method	FY27 PE
Multiples	15.0
Multiples valuation	2.85
Target Price Method	FY27 PE
Target Price ($)	2.85
Valuation disc. / (prem.) to share price (%)	37.0

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Guide to Ord Minnett Recommendations

Our recommendations are based on the total return of a stock – nominal dividend yield plus capital appreciation – and have a 12-month time horizon.

SPECULATIVE BUY	We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have a strong capital appreciation but also has high degree of risk and there is a significant risk of capital loss.
BUY	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months.
ACCUMULATE	We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness.
HOLD	We expect the stock to return between 0% and 5%, and believe the stock is fairly priced.
LIGHTEN	We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings.
SELL	We expect the total return to lose 15% or more.
RISK ASSESSMENT	Classified as Lower, Medium or Higher, the risk assessment denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, historical volatility of its share price, nature of its operations and other relevant quantitative and qualitative criteria. Risk is assessed by comparison with other Australian stocks, not across other asset classes such as Cash or Fixed Interest.