Maxiparts Limited

In-line earnings despite soft backdrop

22 August 2026

Maxiparts reported a FY26 NPBT of 14.2m, up 11.8% on pcp. Despite a temporary slowdown in activity in 3Q26, due to uncertainty following the Middle East conflict, sales growth returned to normal levels in 4Q26. We maintain our Buy recommendation.

FY26 result highlights

- Key points: 1) MXI reported an operating NPBT of $14.2m (OMLe: $13.8m), up 11.8% on pcp; 2) Group revenue increased 2.7% to $274.4m (OMLe: $277.5m). Maxiparts operations sales were up 2.1% to $252.0m, while Forch Australia increased sales 9.8%; 3) Group EBITDA increased 5.6% to $28.8m (OMLe: $28.1m), with a margin of 10.5% (+30bps vs pcp 10.2%); 4) Company finished with Net cash of $7.0m (vs net debt of $7.2m in pcp).

Outlook and earnings changes

- In terms of outlook, MXI expects continued growth and margin improvement in FY27, supported by: a full year contribution from its Kalgoorlie store, double-digit growth from its Japanese parts program and Förch Australia, market share gains and new site rollouts. On outlook, we expect both revenue and profit to improve in FY27, relative to its performance FY26.

Investment view

- Despite headwinds facing the Australian transport sector in 2H26, Maxiparts delivered a solid FY26 result. The business remains well-positioned for expansion, supported by ongoing organic growth initiatives and we expect profitability and returns to improve over the coming years. We maintain our BUY rating.

Key Financials

Year-end June ($)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue ($m)	267.1	274.4	285.4	298.2	311.6
EBITDA ($m)	27.3	28.8	30.3	31.9	33.0
EBIT ($m)	16.8	17.6	18.9	20.3	21.2
Reported NPAT ($m)	8.8	8.7	10.8	12.0	12.9
Reported EPS (c)	15.8	17.4	19.5	21.6	23.2
Normalised NPAT ($m)	8.8	9.7	10.8	12.0	12.9
Normalised EPS (c)	15.8	17.4	19.5	21.6	23.2
EPS Growth (%)	31.8	10.0	12.3	10.9	7.2
Dividend (c)	6.2	9.6	12.0	13.0	14.0
Net Yield (%)	3.5	5.5	6.9	7.4	8.0
Franking (%)	100	100	100	100	100
EV/EBITDA (X)	5.2	4.2	3.5	3.0	2.5
Normalised P/E (x)	11.1	10.1	9.0	8.1	7.5
Normalised ROE (%)	8.5	9.0	9.6	10.3	10.5

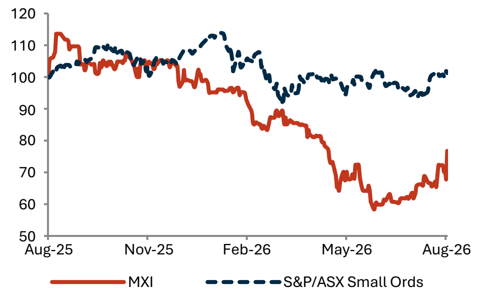
Source: OML, Iress, Maxiparts Limited

Last Price
A$1.75
Target Price
A$3.00 (Previously A$2.80)
Recommendation
Buy
Risk
Higher

Auto Parts and Equipment

ASX Code	MXI
52 Week Range ($)	1.33 - 2.59
Market Cap ($m)	97.2
Shares Outstanding (m)	55.6
Av Daily Turnover ($m)	0.1
3 Month Total Return (%)	9.4
12 Month Total Return (%)	-23.2
Benchmark 12 Mth Return (%)	1.3
NTA FY27E (¢ per share)	144.5
Net Debt FY27E ($m)	9.3

Price performance



Source: FactSet

Consensus Earnings

	FY27E	FY28E
NPAT (C) ($m)	10.6	12.4
NPAT (OM) ($m)	10.8	12.0
EPS (C) (c)	19.3	22.3
EPS (OM) (c)	19.5	21.6

Source: OML, Iress, Maxiparts Limited

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FY26 Preliminary results

Highlights from Maxiparts preliminary results are as follows:

- **Net profit**: MXI's FY26 NPAT increased 10.1% to $9.7m (FY25: $8.8m). The company benefited from a significantly stronger 2H26, despite the disruption from the Middle East conflict on customer demand. The company declared a final dividend of 5.46cps, taking the total dividend to 9.61cps, a payout ratio of 55%. The company's targeted dividend payout ratio remains 40-70%.
- **Sales**: FY26 sales revenue of $274.4m, increased 2.7% on the $267.1m reported in FY25. This growth was driven by organic growth initiatives, the opening of a new retail site in Kalgoorlie, WA, and customer expansion projects. Maxiparts core operations reported a 2.1% increase in sales, while its Forch business reported a 9.8% increase in sales.
- **EBITDA**: EBITDA rose 5.6% to $28.8m (FY25: $27.3m), with the EBITDA margin improving to 10.5%, up from 10.2% in FY25. We note 2H26 EBITDA margins reached 11.0%, up from 9.9% in 1H26.

Figure 1: Maxiparts: FY26 Profit and Loss Statement

Profit and Loss (A$m)	1H25	2H25	FY25	1H26	2H26	FY26	1H % Change	2H % Change	FY % Change
Revenue									
Total Revenue	136.9	130.2	267.1	139.3	135.1	274.4	1.8%	3.8%	2.7%
EBITDA	13.7	13.5	27.3	13.9	15.0	28.8	1.4%	10.7%	5.6%
Depreciation and Amortisation	5.1	5.3	10.5	5.6	5.7	11.3	9.1%	8.2%	7.6%
EBIT	8.5	8.3	16.8	8.3	9.3	17.6	-3.3%	12.3%	4.4%
Net Interest Expense	2.1	2.0	4.1	1.8	1.6	3.4	-15.7%	-19.5%	-17.5%
Profit Before Tax	6.4	6.3	12.7	6.5	7.7	14.2	0.8%	22.1%	11.4%
Tax	2.1	1.9	4.0	1.9	2.2	4.1	-9.5%	18.9%	3.8%
Adjusted NPAT	4.3	4.5	8.8	4.6	5.5	9.7	5.9%	23.5%	10.1%
EPS (cps)	7.8	8.0	15.8	8.2	9.9	17.4	5.9%	23.4%	10.0%
Dividend (cps)	3.1	3.1	6.2	4.2	5.5	9.6	36.1%	75.0%	55.8%
Key Margins									
EBITDA Margin (%)	10.0%	10.4%	10.2%	9.9%	11.1%	10.5%	-0.4%	6.7%	2.8%
EBIT Margin (%)	6.2%	6.4%	6.3%	5.9%	6.9%	6.4%	-4.9%	8.3%	1.6%

Source: Ord Minnett Limited estimates

- **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 reached profitability earlier than expected in 2H26 and should provide a modest boost to sales and margins in FY27. The company plans to add one new site to its branch network in FY27 toward the end of the 1H27.

Segment commentary

MaxiPARTS

- Maxiparts Sales: Sales revenue increased 2.1% to $252.0m in FY26, up from $246.7m in FY25. This was a solid result given the market disruption to the Commercial Vehicle segment and to vehicle servicing following the Middle East conflict.
- EBITDA: EBITDA grew to $26.2m, up from $24.6m, a 6.5% increase and outpacing revenue growth. EBITDA margin expanded to 10.4%, up from 10.0% in the pcp (+ 40bps). The improvement in margin reflects improved operating leverage and cost efficiency, assisted by the $7.8m inventory optimisation project in 2H26. The company believes that the decline in Inventory levels has not impacted servicing levels.
- Outlook: The outlook for Maxiparts remains favourable. Its new Kalgoorlie site should benefit from a full year contribution without start-up costs and inefficiencies. MXI's Japanese parts program is expected to continue growing at double-digit rates over coming periods. The company is also planning additional network expansion in FY27, with one new branch set to open. The lower inventory levels reported in FY26 are expected to be maintained at current levels.

Forch Australia

- Sales: Revenue increased 9.8% to $23.5m in FY26, up from $21.4m in FY25, maintaining its double-digit growth rate.
- EBITDA: EBITDA declined slightly to $2.6m from $2.7m, a 3.7% decrease, despite the strong top-line growth. EBITDA margins declined 150 basis points to 11.1%, from 12.6% in the pcp. Margin pressure was the result of continued investment into the sales team and expanding the Brisbane distribution centre. On a positive note, 2H26 margins were up 40 basis points to 11.3%.
- Outlook: The company expects to maintain double-digit sales growth rates in the medium term as it leverages off its existing Maxiparts relationships. The company is planning to add an additional six sales personnel in FY27. Furthermore, MXI has access to a key industry buying group (established in 2H26) which should assist growth.

Financial Position

- Cash Flow from Operations increased 72.6% in FY26 to $29.8m, from $17.3m in FY25. The improvement in operating cashflow reflects a working capital inflow of $4.7m from its Inventory improvement program.
- Capital expenditure was modest at $1.2m, largely inline with the pcp ($1.1m). Capital expenditure is expected to be remain relatively modest.
- MXI finished the period with Net Cash of $7.0m, an improvement on its Net Debt of $7.2m in FY25.

Outlook and earnings changes

- In terms of outlook, MXI expects continued growth and margin improvement in FY27, supported by a full year contribution from Kalgoorlie store, double-digit growth from its Japanese parts program and Förch Australia, market share gains and potential new site rollouts. Overall, result largely in line with its trading update in Jul-26 and a touch above our operating results.
- Following the result we have changed our FY27-FY29 earnings as follows:

Figure 2: Earnings changes

FY26	Old	New	% Change
Sales	277.5	274.4	-1.1%
EBITDA	28.1	28.8	2.7%
EBIT	16.9	17.6	3.9%
NPAT	9.4	9.7	3.0%
EPS	0.17	0.17	2.3%
Dividend	8.4	9.6	15.1%
FY27	**Old**	**New**	**% Change**
Sales	288.6	285.4	-1.1%
EBITDA	29.8	30.3	1.7%
EBIT	18.2	18.9	4.0%
NPAT	10.5	10.8	3.8%
EPS	0.19	0.20	3.9%
Dividend	9.0	12.0	33.3%
FY28	**Old**	**New**	**% Change**
Sales	301.6	298.2	-1.1%
EBITDA	30.9	31.9	3.0%
EBIT	19.1	20.3	5.9%
NPAT	11.5	12.0	4.2%
EPS	0.21	0.22	4.1%
Dividend	10.0	13.0	30.0%

Source: Ord Minnett Limited estimates

Valuation Snapshot

Figure 3: Valuation comparatives

					EV/EBITDA			EV/EBIT			P/E		
Company	**Ticker**	**Market Cap**	**Enterprise Value**	**Share Price**	**FY26A**	**FY27F**	**FY28F**	**FY26A**	**FY27F**	**FY28F**	**FY26A**	**FY27F**	**FY28F**
Auto Sector (ASX ex-100)													
Eagers Automitive Ltd	APE	6,801	9,525	22.38	9.8x	8.3x	7.7x	11.6x	9.7x	9.1x	20.8x	17.6x	16.1x
Amotive Ltd	AOV	901	1,393	6.73	5.5x	5.2x	4.7x	8.1x	8.1x	7.5x	8.3x	7.9x	7.4x
ARB Corporation	ARB	1,583	1,566	18.92	10.1x	9.3x	8.4x	13.4x	12.2x	11.0x	18.5x	16.9x	15.2x
Bapcor	BAP	301	886	0.45	3.5x	3.1x	2.6x	18.9x	16.7x	13.1x	22.4x	15.4x	10.2x
Maxiparts Ltd	MXI	97	141	1.75	4.3x	4.0x	3.6x	8.2x	7.7x	7.0x	9.8x	9.0x	7.8x
PWR Holdings	PWH	1,221	1,236	12.14	31.7x	25.1x	20.2x	46.7x	35.3x	27.2x	74.9x	53.0x	38.9x
Supply Network Ltd	SNL	1,470	1,494	33.60	18.7x	16.3x	14.1x	21.7x	18.7x	15.9x	31.1x	26.7x	22.6x
Average					**11.9x**	**10.2x**	**8.7x**	**18.4x**	**15.5x**	**13.0x**	**26.6x**	**20.9x**	**16.9x**
Median					**9.8x**	**8.3x**	**7.7x**	**13.4x**	**12.2x**	**11.0x**	**20.8x**	**16.9x**	**15.2x**
Global Automotive Companies													
Advance Auto Parts	AAP	2,556	4,827	42.39	4.7x	4.0x	3.6x	13.4x	11.3x	9.8x	14.2x	10.8x	9.5x
Autozone	AZO	48,356	60,716	2961.99	12.9x	11.7x	11.2x	16.3x	14.7x	13.7x	19.6x	16.9x	15.2x
Genuine Parts Co.	GPC	18,324	24,436	132.92	10.4x	9.8x	9.0x	15.8x	13.7x	12.7x	17.2x	16.0x	14.8x
O'Reilly	ORLY	72,062	81,387	89.08	18.4x	17.5x	16.2x	21.7x	20.3x	18.9x	27.1x	24.4x	22.0x
Average					**11.6x**	**10.8x**	**10.0x**	**16.8x**	**15.0x**	**13.8x**	**19.5x**	**17.0x**	**15.4x**
Median					**11.6x**	**10.8x**	**10.1x**	**16.0x**	**14.2x**	**13.2x**	**18.4x**	**16.5x**	**15.0x**
All comps													
Average					**11.8x**	**10.4x**	**9.2x**	**17.8x**	**15.3x**	**13.3x**	**24.0x**	**19.5x**	**16.3x**
Median					**10.1x**	**9.3x**	**8.4x**	**15.8x**	**13.7x**	**12.7x**	**19.6x**	**16.9x**	**15.2x**

Source: Ord Minnett Limited estimates

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 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 FY28 forward PER multiple of 8.1. Based on a FY27 forward EV/EBIT multiple, MXI is currently trading on a multiple of 4.8x.
- We have a 12-month price target of $3.00, which equates to an implied forward PER of 14x, 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)	2025A	2026A	2027E	2028E	2029E
Revenue	267.1	274.4	285.4	298.2	311.6
Other income	-	-	-	-	-
Operating costs	(239.8)	(245.1)	(255.1)	(266.3)	(278.6)
Operating EBITDA	**27.3**	**28.8**	**30.3**	**31.9**	**33.0**
D&A	(10.5)	(11.3)	(11.4)	(11.6)	(11.8)
EBIT	**16.8**	**17.6**	**18.9**	**20.3**	**21.2**
Net interest	(4.1)	(3.4)	(3.4)	(3.1)	(2.8)
Pre-tax profit	**12.7**	**14.2**	**15.5**	**17.2**	**18.4**
Net tax (expense) / benefit	(4.0)	(5.1)	(4.6)	(5.2)	(5.5)
Normalised NPAT	**8.8**	**9.7**	**10.8**	**12.0**	**12.9**
Reported NPAT	**8.8**	**8.7**	**10.8**	**12.0**	**12.9**
Normalised dil. EPS (cps)	15.8	17.4	19.5	21.6	23.2
Reported EPS (cps)	15.8	17.4	19.5	21.6	23.2
Effective tax rate (%)	30.0	29.0	30.0	30.0	30.0
DPS (cps)	6.2	9.6	12.0	13.0	14.0
Dividend yield (%)	3.5	5.5	6.9	7.4	8.0
Payout ratio (%)	39.1	55.3	61.5	60.1	60.3
Franking (%)	100.0	100.0	100.0	100.0	100.0
Diluted # of shares (m)	55.5	55.6	55.6	55.6	55.6

CASH FLOW (A$m)	2025A	2026A	2027E	2028E	2029E
EBITDA incl. adjustments	27.3	28.8	30.3	31.9	33.0
Change in working capital	(4.4)	4.7	(2.6)	(3.2)	(3.3)
Gross Cashflow	23.0	33.6	27.7	28.6	29.7
Net Interest (paid)/received	4.1	3.4	3.4	3.1	2.8
Income tax paid	(0.4)	(0.4)	(3.6)	(4.2)	(4.6)
Other operating items	(9.3)	(6.7)	(6.8)	(6.2)	(5.5)
Operating Cash Flow	**17.3**	**29.8**	**20.7**	**21.3**	**22.3**
Capex	(1.1)	(1.2)	(1.5)	(1.5)	(1.6)
Acquisitions	-	-	-	-	-
Other investing items	2.2	0.3	-	-	-
Investing Cash Flow	**1.2**	**(1.0)**	**(1.5)**	**(1.5)**	**(1.6)**
Inc/(Dec) in equity	-	-	-	-	-
Inc/(Dec) in borrowings	(7.0)	(6.0)	(4.4)	(4.5)	(9.6)
Dividends paid	(2.6)	(3.7)	(6.4)	(6.9)	(7.5)
Shares issue proceeds	-	-	-	-	-
Other financing items	(7.3)	(10.9)	(6.0)	(0.3)	0.6
Financing Cash Flow	**(16.8)**	**(20.7)**	**(16.8)**	**(11.7)**	**(16.5)**
FX adjustment	-	-	-	-	-
Net Inc/(Dec) in Cash	1.7	8.2	11.5	5.0	5.0

BALANCE SHEET (A$m)	2025A	2026A	2027E	2028E	2029E
Cash	15.3	23.5	35.0	40.0	45.0
Receivables	36.2	35.9	38.0	39.3	41.3
Inventory	72.6	67.7	70.4	73.6	76.9
Other current assets	1.0	1.0	1.1	1.1	1.2
PP&E	39.4	32.9	23.8	14.5	5.1
Investments	-	-	-	-	-
Financial assets	-	-	-	-	-
Intangibles	36.8	36.0	35.2	34.4	33.6
Goodwill	36.8	36.0	35.2	34.4	33.6
Other non-current assets	9.3	4.2	2.3	2.8	4.1
Total Assets	**210.6**	**201.2**	**205.7**	**205.7**	**207.1**
Short term debt	8.4	9.1	9.3	9.8	10.2
Payables	36.1	35.5	37.8	39.0	41.0
Other current liabilities	7.8	5.7	7.1	6.8	7.4
Long term debt	52.0	39.6	35.0	30.0	20.0
Other non-current liabilities	1.0	1.1	1.1	1.2	1.2
Total Liabilities	**105.3**	**91.0**	**90.3**	**86.8**	**79.9**
Total Equity	**105.2**	**110.3**	**114.7**	**119.8**	**125.2**
Net debt (cash)	45.1	25.2	9.3	(0.2)	(14.8)

DIVISIONS	2025A	2026A	2027E	2028E	2029E
Revenue (A$m)					
MaxiPARTS	267.1	274.4	285.4	298.2	311.6
EBIT (A$m)					
MaxiPARTS	16.8	17.6	18.9	20.3	21.2

KEY METRICS (%)	2025A	2026A	2027E	2028E	2029E
Revenue growth	9.5	2.7	4.0	4.5	4.5
EBITDA growth	18.9	5.6	5.0	5.2	3.5
EBIT growth	21.0	4.4	7.6	7.3	4.5
Normalised EPS growth	31.8	10.0	12.3	10.9	7.2
EBITDA margin	10.2	10.5	10.6	10.7	10.6
OCF /EBITDA	84.0	116.4	91.4	89.9	90.0
EBIT margin	6.3	6.4	6.6	6.8	6.8
Return on assets	5.6	6.1	6.5	6.9	7.2
Return on equity	8.5	9.0	9.6	10.3	10.5

VALUATION RATIOS (x)	2025A	2026A	2027E	2028E	2029E
Reported P/E	11.1	10.1	9.0	8.1	7.5
Normalised P/E	11.1	10.1	9.0	8.1	7.5
Price To Free Cash Flow	4.8	4.3	4.1	3.9	3.7
Price To NTA	1.4	1.3	1.2	1.2	1.0
EV / EBITDA	5.2	4.2	3.5	3.0	2.5
EV / EBIT	8.5	7.0	5.6	4.8	3.9

LEVERAGE	2025A	2026A	2027E	2028E	2029E
ND / (ND + Equity) (%)	30.0	18.6	7.5	(0.2)	(13.4)
Net Debt / EBITDA (%)	165.3	87.2	30.6	(0.7)	(45.0)
EBIT Interest Cover (x)	4.1	5.2	5.6	6.6	7.7
EBITDA Interest Cover (x)	6.7	8.6	8.9	10.3	11.9

SUBSTANTIAL HOLDERS	m	%
Naos Asset Management	14.5	26.1%
HGI Investments	7.2	12.9%
Perpetual	4.3	7.8%

VALUATION	
Multiples valuation method	FY28 PE
Multiples	14.0
Multiples valuation	3.00
Target Price Method	FY28 PE
Target Price ($)	3.00
Valuation disc. / (prem.) to share price (%)	71.4

Institutional Research

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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.