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Moto-Profil advanced by 20 positions on the list of the 200 largest Polish companies, prepared by the editors of „Wprost”



LKQ Europe opens new innovation and service center in Katowice



Poland crucial for ZF strategy



Inter Cars is growing stronger. After first eight months up by 31%



Auto Partner SA with a very successful H1 2021

Cover story

Arnd Franz, CEO of LKQ Europe:
We still see opportunities for growth and development in Poland!





Welcome!

We give you the first edition of the Motofaktor Business Report - a review of events in the aftermarket in Poland and Central Europe, which in our opinion are worth paying special attention to. In the Motofaktor Business Report we write, among other things, about LKQ Europe's investment plans, the new strategy of ZF Aftermarket and the market position of the largest Polish distributors of automotive spare parts. We particularly recommend an interview with Arnd Franz, CEO of LKQ Europe.

Joanna Piszcz
Editor in Chief, Motofaktor.pl

Motofaktor.pl is an online portal for the automotive industry in Poland. The latest information on products - automotive components - and services related to vehicle repair is available at your fingertips. A place on the Web for professionals - owners and employees of car repair workshops, automotive stores and wholesalers. Moreover, valuable source of information for automotive spare parts distributors, importers and manufacturers connected with automotive sector.

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The screenshot displays the Motofaktor.pl website interface. At the top, the logo 'MOTOFAKTOR' is prominent, followed by navigation links for 'SPECIALNE: ELEKTROMOBILNOŚĆ LAKIERNICTWO' and social media icons. A main menu includes 'AKTUALNOŚCI', 'PRODUKTY', 'AFTERMARKET', 'WARSZTAT', 'PREMIUM', 'NA POBOCZU', 'TRUCK', 'PROMOCJE', 'FILMY', and a 'SUBSKRYBUJ' button. The main content area is divided into several sections:

- service**: Features an article titled 'Olej silnikowy w nowoczesnym układzie napędu rozrządu' (Engine oil in a modern timing belt drive system) with a '2 GODZINY TEMU' (2 hours ago) timestamp.
- moto**: Shows a car driving on a road and a close-up of a car's interior dashboard.
- bussines auto parts**: Contains three articles:
 - 'Nielegalne odpady - będą wyższe kary za zaśmiecanie' (Illegal waste - higher fines for littering) with a '1 MIESIĄC TEMU' (1 month ago) timestamp.
 - 'Inspekcja Handlowa sprawdziła części i akcesoria samochodowe' (Trade Inspection checked car parts and accessories) with a '2 MIESIĄCE TEMU' (2 months ago) timestamp.
 - 'MOTO Flota stawia na rozwój i wysoką jakość usług' (MOTO Fleet focuses on development and high quality of services) with a '2 MIESIĄCE TEMU' (2 months ago) timestamp.
- market analysis**: Features a 'WHAT CAR? BEST BUY' badge for a 'BATTERY CHARGER' and a 'WHAT CAR? RECOMMENDED' badge for another 'BATTERY CHARGER'.
- products**: Displays two NOCO genius battery chargers, the 'genius 5' and 'genius 10', with red and black clamps.

List of Biggest Polish Companies, Wprost Weekly

Moto-Profil grows

Moto-Profil has moved up 20 positions on the list of the 200 largest Polish companies, prepared by the editors of „Wprost”.

by Joanna Piszcz

In the ranking, prepared on the basis of financial data from 2020, the automotive parts distributor from Chorzów was ranked 96th.

This is another two-digit rise of Moto-Profil in this significant business ranking and, at the same time, the only one so significant among companies dealing in auto parts. Last year, the company climbed 16 positions, taking the 116th place. Meanwhile, in the challenging pandemic time of 2020-2021, Moto Profil climbed 20 places in the ranking.

The "List of 200 Largest Polish Companies" has been released annually by the editors of "Wprost" for seven years. It is a list of the most important enterprises in the country, consisting solely of or with a dominant share of Polish capital. When working on the ranking, the journalists of

the economic editorial office of "Wprost" take into account profits, revenues, own assets, as well as the share of exports in companies' revenues in the past year.

Moto-Profil Sp. z o.o. was established in 1993. It is one of the longest operating distributors of automotive parts and accessories on the Polish market. Through a network of almost 1,400 trading partners (wholesalers), Moto-Profil reaches over 15,000 car workshops throughout Poland and Europe.

The distribution structure is based on a highly effective logistics system, supported by the latest online technologies. Moto-Profil is a member of TEMOT International, an international network of the largest distributors of automotive parts in the world.

Summary:

- Moto-Profil has been placed on 96th position on the list of „Wprost”
- This is the only such a big promotion among companies from the automotive sector in recent times
- Last year was also successful – Moto Profil „jumped 16 places”

Leszek Żurek

President of the Management Board of Moto-Profil

The ranking shows that in the pandemic, which is a challenge for all companies, we managed very well. Thanks to good business choices and the support of our business partners, Moto-Profil is consistently strengthening its position. It was also a time of innovative projects and dynamic decisions. That is why we are all the more pleased with the positive response from the market.



New innovation and service center in Katowice

LKQ Europe

The new innovation and service center will allow LKQ Europe to offer customers innovative digital products and solutions.

by *Joanna Piszcz*

Arnd Franz, CEO of LKQ Europe and Yanik Cantieni, CFO of LKQ Europe officially opened the new LKQ innovation and service center in Katowice. The ribbon cutting ceremony was performed in the presence of Marcin Krupa, the president of Katowice. Already more than 30 employees, including digital technology experts, are engaged in digital transformation at the newly opened LKQ Europe Center. It is planned to expand the team to 250 highly qualified people for the coming years.

LKQ Europe anticipates sustained and dynamic growth in the CEE region. Demographic changes, rapidly changing consumer habits and the pace of implementing technologies of the future force the creation of functional and flexible company structures. Poland is one of the most important markets in the region, and LKQ Europe keeping up with the trends by expanding its scope of activities, opening a new facility and, in the near future, also the head office of the logistics network.

Katowice was unanimously selected after a meticulous process of searching for a place for the LKQ innovation and service center. It is an ambitious and thriving city in the center of Silesia, which is moving away from its industrial traditions in favor of a digital future.

With the creation of an Innovation and Service Center, LKQ Europe will gain a digital hub in one of its most important and rapidly growing markets. This facility will enable the development of digital solutions for customers from all over Europe. The new center in Poland will develop and test advanced digital offers for European consumers. Thus, it will contribute to the faster implementation of the strategy of innovation and digitization. In addition, thanks to the digitization, optimization and organization of internal and administrative processes within one high-quality center, the efficiency and savings of the company will increase. This in turn will accelerate LKQ Europe's digital transformation to the aftermarket of the future.

Summary:

- Arnd Franz, CEO of LKQ Europe and Yanik Cantieni, CFO of LKQ Europe, in the presence of Marcin Krupa, Mayor of Katowice, officially inaugurated the new LKQ Innovation and Service Centre in Katowice.
- The facility will enable the creation of digital solutions for customers across Europe.



Specially for Motofaktor

Arnd Franz:

We still see opportunities for growth and development in Poland!

Arnd Franz, CEO of LKQ Europe
interviewed by Joanna Piszcz



At the beginning of September, LKQ Europe opened an Innovation and Service Center in Katowice. What will it be dealing with?

Thanks to the opening of the Innovation and Service Center in Katowice, it will be possible to create digital solutions for customers from all over Europe. The new center in Poland will take care of their development and testing. The center will contribute to faster implementation of the innovation strategy, digital transformation of LKQ Europe for the aftermarket of the future, introduction of all-in-one solutions available through applications, innovative solutions for e-commerce, and specialized online platforms for customer trainings.

Is this the last investment of LKQ in Poland and this region of Europe?

We still see opportunities for growth and development in Poland. We are going to develop our Innovation and Service Center in Katowice, as well as our infrastructure in other regions of Poland. We also do not rule out acquisitions in Europe.

What future awaits the Polish aftermarket concerning the development of electromobility?

Poland will be one of the last countries in the region to completely switch to electric vehicles. Considering the number of electric and hybrid vehicles registered in Poland, independent repair shops do not have to worry about their future for a long

Summary:

- The center will contribute to a faster implementation of the innovation, digital transformation strategy of LKQ Europe
- We will also develop in other regions of Poland
- Independent garages still have at least a few years to prepare themselves for servicing hybrids and electric cars

time. They still have at least a few years to prepare for the transition.

Does LKQ cooperate with purchasing groups? What do you think of this type of cooperation?

LKQ is a member of the ATR International purchasing group, mainly through our German parts distributor Stahlgruber. This is a long-standing and very fruitful cooperation.

Is LKQ considering developing a global spare parts brand, or do they leave this decision to the local markets and distributors?

For LKQ, the development of a spare parts range for older used vehicles is very important. Our priority is to develop attractive products tailored to the needs of owners of such vehicles, and we do this on a global level. We do not focus on creating a differentiated offer for local distributors. We are confident that our range of used vehicle parts meets the highest quality standards and customer expectations. We offer our own brand – Starline – which currently includes 50 product lines, covering more than 90% of spare parts for passenger cars.

Do you like Poland and will you be coming here more often?

Yes, definitely. I am impressed by the vast experience and professionalism of our team members in Poland.

Double-digit sales growth in August 2021

Inter Cars is in the form

After the first eight months of 2021, Inter Cars' sales value in Poland increased by 31.9%.



by Adrian Januszkiewicz

After the first eight months of 2021, the sales of Inter Cars in Poland increased by 31.9%.

In August 2021, the sales of the Inter Cars Group in Poland increased by 19% compared to August 2020 and amounted to PLN 428 million. The sales revenue of the entire Inter Cars Group amounted to PLN 678.6 million and was 27.9% higher than in the corresponding month of the previous year.

The sales of the distributor's foreign companies are 43.6% higher than in the previous year, and the total value of sales reached PLN 502.4 million. The highest increases were recorded in Serbia (449%) and Greece (132.1%).

Summary:

- Inter Cars has increased its sales. This can be seen in every possible perspective – annual, monthly, year-to-year

Attachment to the current report

	VIII 2020 PLN [mln]	VIII 2021 PLN [mln]	change %	I-VIII 2020 PLN [mln]	I-VIII 2021 PLN [mln]	change %
Sale of Inter Cars S.A. in total	530,8	678,6	27,9%	4 022,2	5 306,2	31,9%
Including sale of goods of Inter Cars S.A. in Poland	359,8	428,0	19,0%	2 725,6	3 388,3	24,3%
INTER CARS SLOVENSKA REPUBLIKA S.R.O.	26,8	35,8	33,7%	212,2	267,1	25,9%
INTER CARS CESKA REPUBLIKA S.R.O.	24,7	35,2	42,3%	198,7	271,6	36,7%
INTER CARS UKRAINE	40,3	51,0	26,5%	305,5	359,1	17,5%
INTER CARS HUNGARIA KFT.	25,9	33,8	30,5%	221,2	276,6	25,1%
INTER CARS D.O.O. (Chorwacja)	21,3	28,8	34,8%	178,3	230,9	29,6%
INTER CARS ROMANIA S.R.L.	72,6	98,4	35,5%	502,9	702,4	39,7%
INTER CARS LIETUVA UAB	27,7	38,9	40,3%	199,1	268,7	34,9%
INTER CARS LATVIJA SIA	28,6	44,1	54,4%	201,8	297,6	47,5%
INTER CARS BULGARIA LTD	42,5	66,1	55,6%	282,5	442,6	56,7%
INTER CARS ITALIA S.R.L.	4,4	4,9	11,3%	38,3	55,3	44,2%
INTER CARS INT d.o.o. (Słowenia)	5,6	8,8	56,1%	43,8	69,5	58,7%
INTER CARS Eesti OU (Estonia)	10,1	15,6	55,0%	80,6	112,6	39,7%
INTER CARS PIESE AUTO S.R.L. (Moldawia)	5,7	10,3	80,6%	36,3	62,9	73,6%
INTER CARS d.o.o. (Bośnia)	5,1	8,0	57,4%	34,4	52,8	53,5%
INTER CARS GREECE	7,6	17,7	132,1%	53,3	132,4	148,4%
INTER CARS d.o.o. (Serbia)	0,9	5,1	449,0%	3,7	27,7	640,4%
Sale of distribution companies abroad	349,9	502,4	43,6%	2 592,5	3 629,7	40,0%
Transactions excluded from consolidation	-134,0	-188,1	40,4%	-977,8	-1 412,0	44,4%
Sale of distribution companies of the Inter Cars capital group	746,7	992,9	33,0%	5 637,0	7 523,9	33,5%

* the exclusions apply to the sale of Inter Cars S.A. to distribution subsidiaries, they do not include sales between these companies and their sale to Inter Cars S.A.

Auto Partner S.A.'s leap in growth in 2021

Auto Partner SA with successful H1

In the first half of 2021, the Auto Partner Group generated a rapid increase in its scale of operations and net profit in a y/y comparison.

by Adrian Januszkiewicz

The Group maintains cost discipline and high profitability. The company is expanding its sales in the countries where it was already present and is gradually entering new markets. Auto Partner sells on a total of nearly 30 markets. The highest sales dynamics are recorded abroad. In the first half of the year, the Group's export sales increased by 50% y/y to the level of PLN 482.0 million. The main sales market of the Group is still Poland, which at the end of June 2021 accounted for nearly 55% of total sales.

The profitability improvement in the first half of the year was also positively influenced

by strict control of operating costs and lower financial costs as a result of lower debt and lower interest costs as well as positive exchange rate differences in financial activities.

In the first half of the year, the Group opened a total of 9 new branches in Poland (as of September 16, the Group has 101 branches). The Group is constantly expanding its offer, strengthening the sale of high-margin products (private and exclusive brands) and developing a network of affiliated independent garages under the MaXserwis brand

Summary:

- Auto Partner SA conducts sales on nearly 30 markets in total
- The highest sales dynamics is recorded abroad, but Poland remains the main sales market
- As of 16 September, the Group already had 101 branches in Poland

Aleksander Górecki

President of the Management Board of Auto Partner SA.

We are growing at all levels, and the first half of 2021 shows a boom in the automotive market and automotive parts distribution. We took full advantage of these opportunities because we were prepared for it. In the first half of the year, we strengthened the expansion of the distribution network, responding to the market demand. Today, we are using the operating leverage effect after the restrictions related to the coronavirus pandemic have ceased, which has a positive effect on EBIT. With the surge in sales growth, we have maintained high profitability. We are increasing employment and we can see good market prospects. The strong demand for car parts in Europe continues and in our opinion this trend will be visible in the coming periods

PLN'000	1H 2021	1H 2020	Change %	2Q 2021	2Q 2020	Change %
Sales revenue	1 062 912	767 773	38,4%	587 223	396 670	48,0%
Sales in Poland	580 954	446 209	30,2%	319 247	228 620	39,6%
Foreign sales	481 958	321 564	49,9%	267 976	168 050	59,5%
Gross profit on sales	303 726	217 403	39,7%	172 301	120 107	43,5%
EBITDA margin	28,57%	28,32%	0,26 pp.	29,34%	30,28%	-0,94 pp.
EBITDA	130 491	73 210	78%	75 786	48 554	56%
EBITDA margin	12,28%	9,54%	3 pp.	12,91%	12,24%	1 pp.
EBIT	117 956	61 879	91%	69 393	42 878	62%
EBIT margin	11,10%	8,06%	3 pp.	11,82%	10,81%	1 pp.
Gross profit	115 624	56 168	106%	68 898	40 472	70%
Net profit	93 365	45 284	106%	55 610	32 606	71%
Net margin	8,78%	5,90%	2,89 pp.	9,47%	8,22%	1,25 pp.



We count in Europe

Poland is key to ZF's strategy

ZF is promoting its strategy „Next Generation Mobility. NOW”, of which its subsidiaries operating in Poland are and will be an important link.

by Adrian Januszkiewicz

ZF is promoting its strategy "Next Generation Mobility. NOW", of which branches operating in Poland are a key element.

The ZF Group is promoting in Poland its global strategy "Next Generation Mobility. NOW". We already have all the necessary technologies for next-generation vehicles and mobility concepts, – announced Dr. Andreas Teuner, Vice President of the ZF Electronics and ADAS Division at the ZF press conference in Katowice. ZF already has many solutions for the sustainable mobility of tomorrow, either in series production or being prepared for it – he added. These include modular electromobility solutions, advanced driver assistance systems (ADAS), and ZF ProAI supercomputers for automated driving functions. Some of these solutions, especially in the area of driver assistance systems, are being developed at ZF engineering centers in Poland.

In addition to the production of components for the automotive industry, the ZF Group has been investing and developing R&D in our country for many years. Four engineering centers operating in Poland (in Bielsko-Biala, Częstochowa, Łódź and Wrocław) already employ over 1,500 people and are continuing to intensively recruit, implement new technologies, and implement projects for an increasing number of clients.

What's more, the research and development activity of the ZF Electronics Engineering Center in Częstochowa has become the foundation for the new ZF Electronics Plant, which produces the most advanced electronic driving assistance components, such as S-Cam 4.8 cameras offering a 100-degree field of view. The investment of the ZF Group in this area is to amount to over EUR 100 million in 2017-2025.

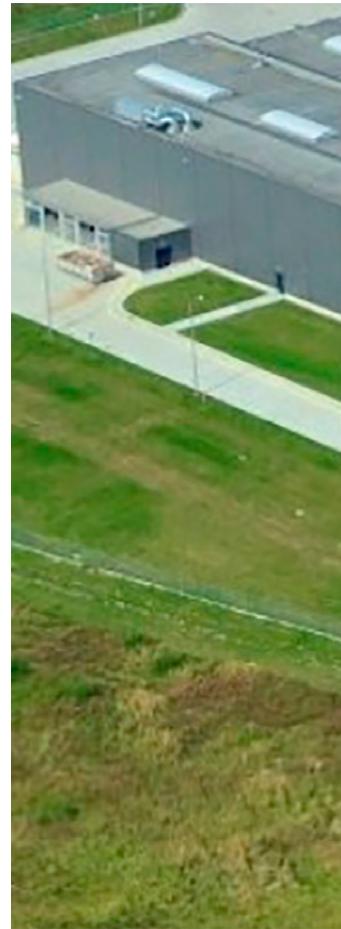
At the recent IAA Mobility fair in Munich, ZF presented innovations that are setting the directions for the mobility of tomorrow, such as the Modular eDrive Kit and the ZF ProAI – the most flexible and efficient supercomputer for the automotive industry.

ZF Electronics Engineering Centers in Poland

ZF Electronics Engineering Centers in Częstochowa and Łódź currently employ about 700 people. The first center was opened in Częstochowa in 2005. The second one, in Łódź, has been operating since 2017. Both institutions closely cooperate with each other and with other R&D units in the world within the ZF Group (including in Germany, the United States, England, France, China and India).

Engineers employed in the Centers deal with the design, testing and validation of electronic security systems for the automotive industry. These include passive safety systems (e.g. electronic airbag activation module, acceleration and pressure sensors), ADAS systems (such as radar-vision detection, control modules and computers), as well as steering and braking systems (electric power steering and ABS, traction control and stability control).

Our engineers have a real impact on the future of the automotive industry – they develop and test products that are used by car manufacturers around the world. We mainly employ electronics and IT engineers as well as graduates of related faculties with various degrees of experience. It is important that our employees, apart from competences, also have open minds and want to develop. We ensure them our full support and access to breakthrough technologies. Rafał Zatorski,



Summary:

- Dr. Andreas Teuner, Vice President Division ZF Electronics and ADAS: The ZF Group already has all the necessary technologies for next generation vehicles and mobility concepts
- The ZF Group's investment in this area is expected to amount to more than €100 million between 2017 and 2025



Director of the ZF Electronics Engineering Center in Poland.

For several years, ZF engineering centers have been dynamically developing, intensively recruiting, investing in new technologies, and implementing projects for an increasing number of products and customers.

ZF investments in Poland – development of electronics and ADAS

The ZF Electronics Plant in Częstochowa is the first ZF "Greenfield" project in Częstochowa. A modern factory has been built in the Katowice Special Economic Zone, employing nearly 200 people. The entire ZF investment in the construction and expansion of the new Electronics Plant in Częstochowa, which has been ongoing since 2017, will amount to over EUR 100 million by 2025.

In mid-2020, the plant started the serial production of S-Cam 4.8 cameras offering a 100-degree field of view, allowing the development of driving assistance systems. It is currently being expanded – in August this year, construction work began on the new production hall. Thanks to new investments, the plant is preparing to launch the serial

Summary:

- Series production of S-Cam 4.8 cameras offering a 100-degree field of view began at the plant in mid-2020
- The world premiere of the Modular eDrive Kit at the IAA demonstrated ZF's strong position in the area of electromobility

production of further elements supporting the safety of drivers and passengers and constituting elements of integration with autonomous systems: electronic driving support modules, airbag controllers, and radars.

ZF premieres at IAA Mobility

For several years, ZF has been consistently developing technologies for next-generation mobility. Now it is paying off. At IAA, we did not show ideas for the future, but ready-to-produce solutions that our customers can order and that will soon influence the way people move on the road. Wolf-Henning Scheider, President of ZF

The world premiere of the Modular eDrive Kit at the IAA showed how strong ZF is in the field of electromobility. All new e-drives with the Modular eDrive Kit offer a significant improvement in efficiency, weight and performance. Optimized gears and highly efficient cooling and lubrication concepts reduce mechanical losses by up to 70%. In addition, patented power electronics innovations have been incorporated into the modular system. This means tangible benefits for the automotive industry, reducing the

Modular eDrive Kit BUILD YOUR OWN DRIVE!

BASIS
ZF's expertise as a systems provider



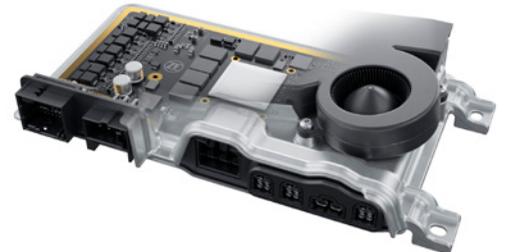
PERFORMANCE	<input type="checkbox"/> Low <input type="checkbox"/> Mid <input type="checkbox"/> High <input type="checkbox"/> ASM <input type="checkbox"/> PCM
EFFICIENCY	<input type="checkbox"/> 400 V <input type="checkbox"/> 800 V Powermodules <input type="checkbox"/> Di <input type="checkbox"/> SiC
COMFORT	<input type="checkbox"/> Reduction of noise/vibration to hardness <input type="checkbox"/> Cooling
SPECIAL PURPOSE	<input type="checkbox"/> Electric AWD (2 nd axle drive) <input type="checkbox"/> Gearbox beyond <input type="checkbox"/> No-lock

RESULT
Solutions for all individual needs

- Fast
- Scalable
- Cost-efficient



All variants of the ZF ProAI were implemented on a uniform platform measuring only 24 x 14 x 5 cm. As a result, it takes up less space than an iPad. The ZF ProAI is suitable for any type of vehicle and for all levels of automated or autonomous driving: from level 2 to level 5.



development time of new electric drives by up to 50%.

The Modular eDrive Kit also gives manufacturers a lot of freedom to prioritize between maximum performance and efficiency, as it offers the widest range possible – from compact cars to the premium segment: Configurations from 75 to 400 kW of power and from 350 to 540 Nm of torque are possible. As a result, ZF offers car manufacturers the foundation they need for the next generation of battery-electric vehicles.

Summary:

- The ZF ProAI high-performance computer is currently the most flexible and powerful supercomputer for the automotive industry

ZF Zeppelin Tour 2021

The global technology company ZF is promoting next-generation mobility with its spectacular Zeppelin flights over southern Poland.

Zeppelin ZF

Zeppelin ZF's sky journey in Poland began on Saturday, September 11 in Katowice. On that day, the airship also flew over Gliwice, and in the following days over Częstochowa (September 12), Bielsko-Biala and Czechowice-Dziedzice (September 14). On September 15-16, it will be visible over Wrocław.

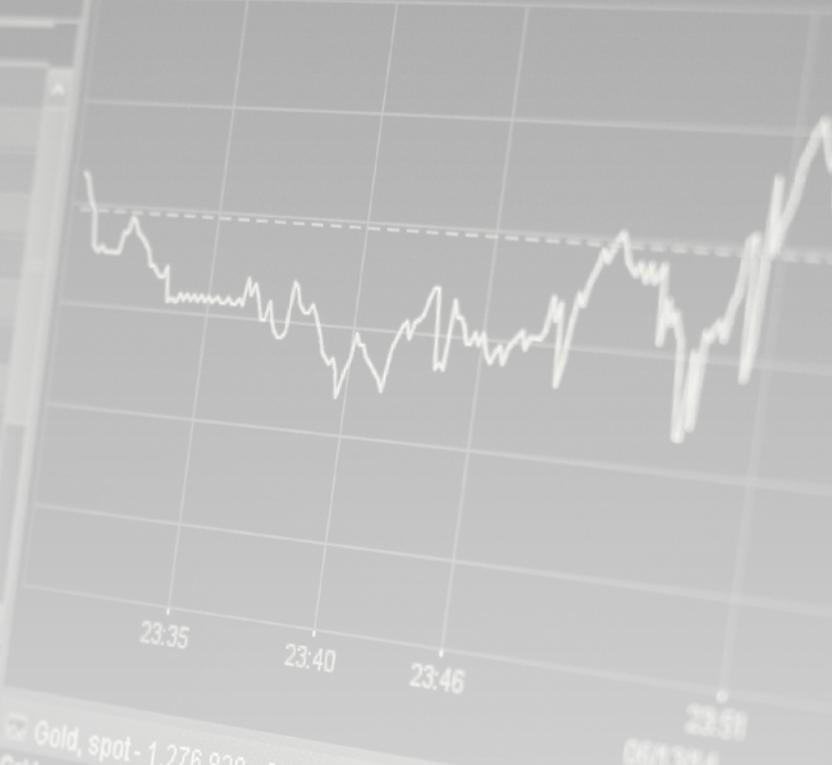
Modular eDrive Kit

The high-performance ZF ProAI computer is currently the most flexible and efficient supercomputer for the automotive industry. It is available in scalable performance levels from 20 to 1000 TeraOPS. Compared to the previous version, the efficiency of ZF ProAI has been increased by 66% and energy consumption has been reduced by up to 70%. As a result, an exceptional energy efficiency of three TeraOPS per watt has been achieved.

It is in these cities in Poland that ZF has its factories, engineering centers and shared service centers. The company employs nearly 10,000 people in Poland, including highly specialized engineers and technologists, and is one of the largest employers in the south of the country.



EURUSD - 1,35379 - 00:00:00 14 giu (EEST)
EURUSD (Bid), Ticks, # 300 / 300



Gold, spot - 1.276,820 - 23:00:00 13 giu (CEST)
Gold, spot (Bid), 1 minute, # 159 / 300, Logarithmic, Heikin Ashi



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