



2014 Annual General Meeting

28 October 2014



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Chief Executive Officer's Presentation 2014 Annual General Meeting

28 October 2014

Darryl Abotomey, Chief Executive Officer
Burson Group Limited

Presentation Contents

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Highlights in FY2014

- ✓ Successful listing on ASX - a milestone for Burson
- ✓ Continued store expansion, *up net 11 stores* to 116
 - 8 acquisitions NSW (7) and NT (1)
 - 5 greenfields in Vic, NSW and Qld (3)
 - Merged 2 stores in Vic and NSW
- ✓ Focus on *customer service* foundations
 - People development
 - Inventory range enhancement
 - Systems (on-line ordering and infrastructure)
- ✓ *Direct sourcing* of water pumps
- ✓ *Front-of-store enhancements* to grow walk in sales

Financial Highlights in FY2014

- ✓ Exceeded Prospectus Forecast
- ✓ 116 stores – increase of **11 stores**
- ✓ Same Store sales growth of **3.9%**
- ✓ Revenue \$342 million – **up 11.5%**
- ✓ Gross margin **up 0.8%**
- ✓ EBITDA margin 10.5% – **up 0.6%**
- ✓ NPAT \$19.4 million – **up 21.3%**
- ✓ **Earnings per share – up 21.3%**
- ✓ Working capital to sales 11%
- ✓ Gearing 1.75 X FY14 proforma EBITDA

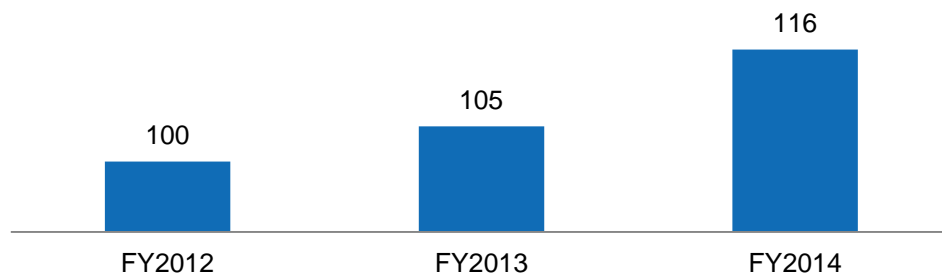
In comparison to FY2013

Note: All data for FY13 and FY14 are proforma. Refer Burson Group Ltd 2014 Annual Report for details

Summary of Key Performance Indicators

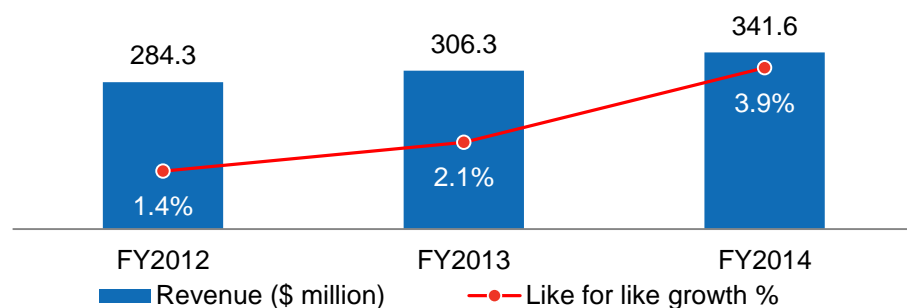
Store Numbers

Store expansion continues – ahead of prospectus forecast and well positioned to meet or exceed 2015 forecast



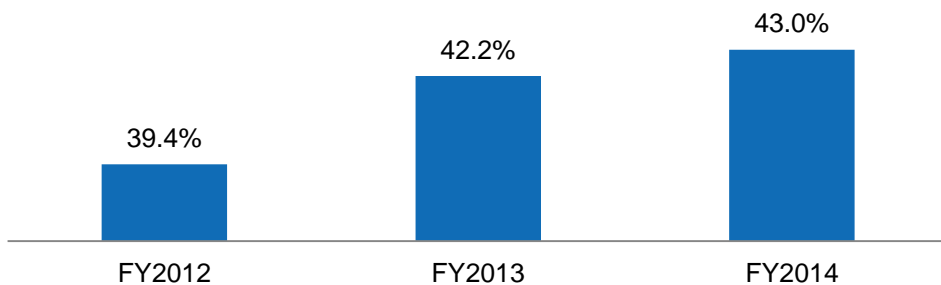
Revenue and “same store sales” growth

Store expansion together with strong like for like sales growth driving revenue growth



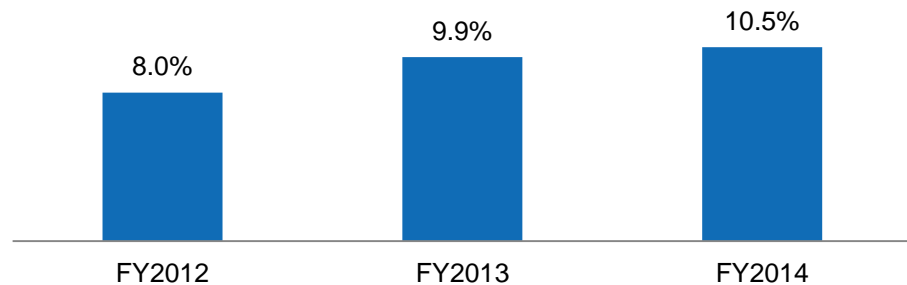
Gross Profit Margin

Continued improvement reflecting margin improvement initiatives



EBITDA Margin

Outcome of growth and improvement initiatives



Note: All data for FY13 and FY14 are proforma. Refer Burson Group Ltd 2014 Annual Report for details

FY15 - 1st Quarter

- **Strong start to year; in line with prospectus forecast**
 - Sales up approx. 10% YOY
 - Same store sales 4+%. Competitive environment constraining margin.

- **Added 5 stores since June 2014, now 121 stores**
 - Ipswich (Qld), Innisfail (Qld), Tweed Heads (NSW), McGraths Hill (NSW) and Broadmeadow (NSW)
 - Western Australia Update
 - Cova stores in WA acquisition withdrawn by AHG
 - Pursuing other alternatives including greenfields and acquisitions

- **Reconfirm FY15 Prospectus Forecast**
 - NPAT \$21.9M
 - Dividend FY15 65% of NPAT: H1 ~ 3.5 cents per share and H2 ~ 5.2 cents per share

Strategy and Outlook

Expand store network

- On track to meet FY2015 prospectus forecast of 124 stores. Currently at 121 stores.
- Continuing to work on a range of acquisition and greenfield developments opportunities across Australia including Vic, NSW, ACT, Qld and WA.
- Brisbane DC lease agreed. Will be operational commencing FY15
- 175 store target by 2019

Increase existing store revenue

- Benefit from resilient demand for automotive aftermarket parts distribution
- Maintain high level of customer service through continued development of people and systems
- Focused on sales from electronic and online platforms, increase “walk-in” store sales, chain workshop sales and inventory range

Increase existing store earnings

- Supplier terms, proportion of parts distributed with Burson’s own brands, and developing direct sourcing relationships

Thank You