



2016 Annual General Meeting  
CEO Presentation

# Our Brands



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1 FY2016 Highlights

2 FY2017 1<sup>st</sup> Quarter Update & Outlook

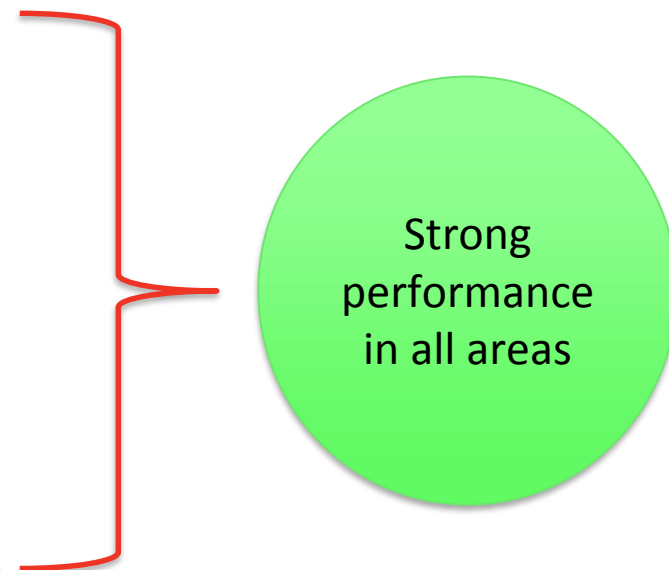
3 Strategy Update / Hellaby Offer

4 Q&A

# FY2016 Result Highlights



\$ million	FY2016 <sup>(3)</sup>	FY2015 <sup>(4)</sup>	Variance
Revenue	685.6	375.0	82.7%
Gross Margin % <sup>(1)</sup>	44.2%	41.4%	2.8
EBITDA	77.0	41.5	85.7%
NPAT	43.6	23.1	88.9%
EPS <sup>(2)</sup> (cps)	17.85	13.62	31.0%
Final dividend (cps)	6.0	4.7	27.7%
Full year dividends (cps)	11.0	8.7	26.4%



- Very pleasing result with EPS growth of 31.0%
- Result reflects acquisition of ANA on 31 July 2015 (11 months of operations)
- Trade delivered strong result
- ANA performed in line with expectations

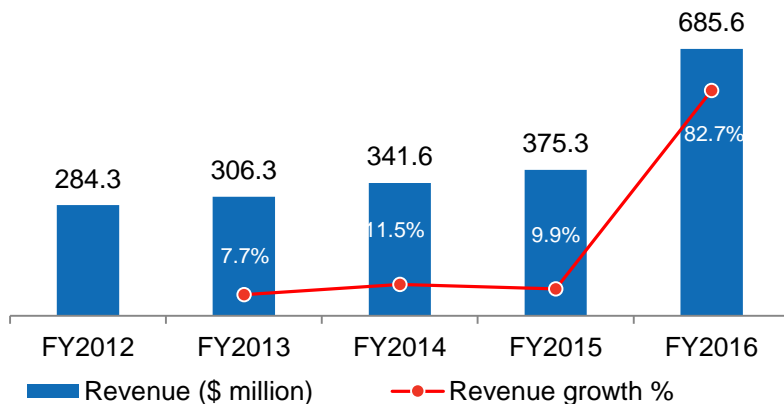
**Note:**

1. Gross margin presented in line with statutory presentation. FY2015 includes a reclassification of freight expense from CODB to COGS.
2. FY2016 and FY2015 EPS is based on the TERP adjusted weighted number of shares on issue during the year as per accounting standard AASB -133.
3. FY2016 includes business acquisition transaction costs of \$1.1M.
4. FY2015 proforma results adjusted to write back \$4.2M (\$3.6M after tax) transaction costs related to acquisition of ANA.

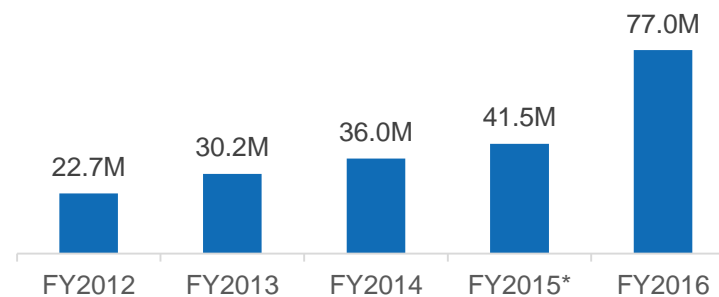
# Result Trends



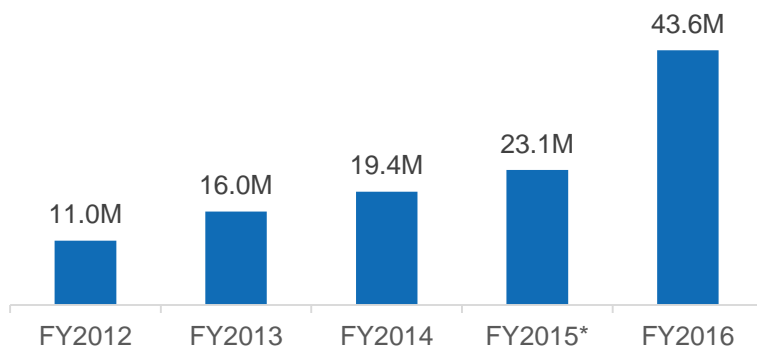
### Revenue Growth



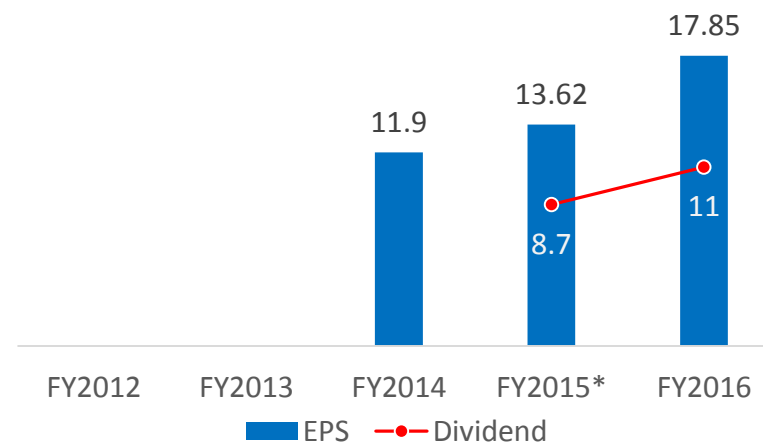
### EBITDA\*



### NPAT\*



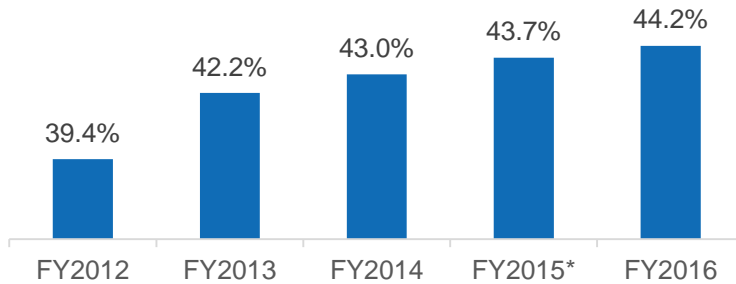
### EPS



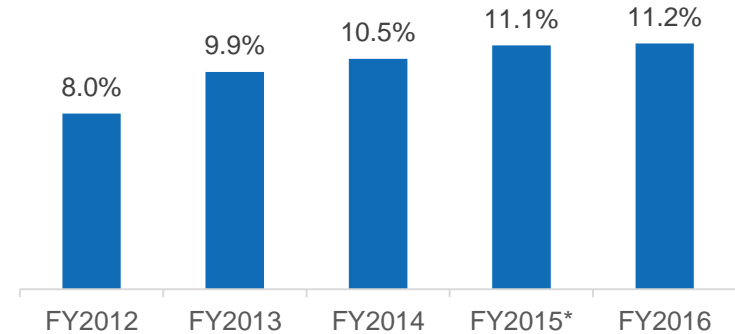
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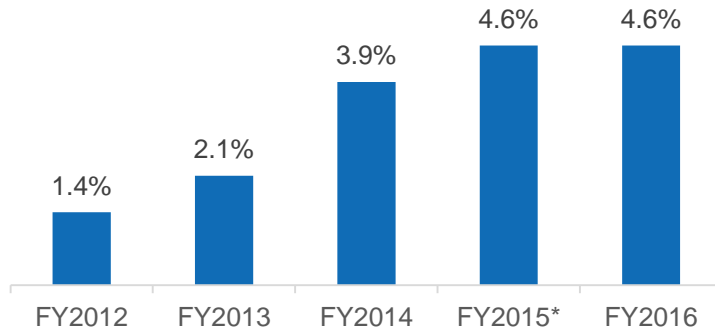
**GP%**



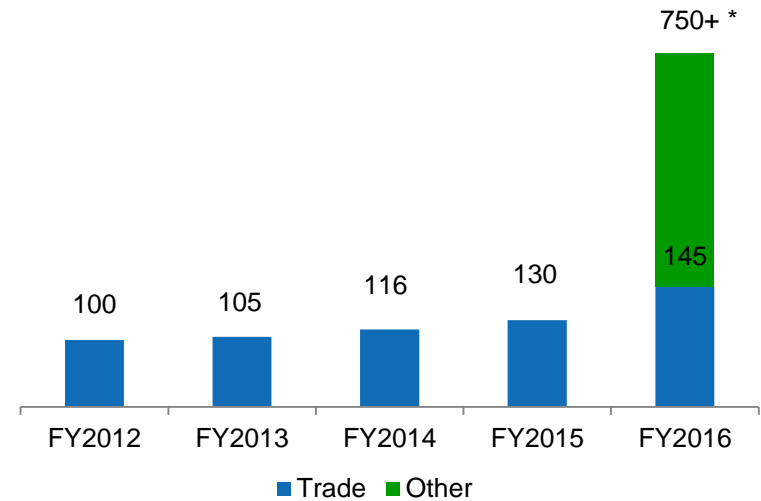
**EBITDA / Sales %**



**Trade Same Store Sales Growth %**



**Store Numbers**



## TRADE

- Revenue up 11.7%, with same store sales of 4.6%
- Added 15 stores in year to be 145 stores at June 2016.
- Supplier cost increases and general cost increases fully passed onto market
- EBITDA / Sales % continues to improve – now 12.4%
- Acquired Precision Automotive Equipment in April 2016
- Overall market conditions are steady – despite Perth and “spot fires”

## RETAIL

- Solid sales, with Autobarn same store sales up 5.2%
- Added 48 stores – 350 stores at June 2016
  - Acquisition Sprint (SA) in April accounted for 40 new stores
  - 15 company owned stores
- EBITDA / Sales margin at 11.6%
- Market conditions stable

## SPECIALIST WHOLESALE

- Comprises AAD, Opposite Lock and Bearing Wholesalers added March 2016
- Added 10 Opposite Lock – mainly store-in-store
- Selling prices did not fully recover devaluation of AUD
- Since June 2016, added Baxters auto electrical and Roadsafe Suspension & 4WD



# Business Segment Contribution to Results



	Revenue			EBITDA			EBITDA % Revenue		
	FY2016	FY2015	% Change	FY2016	FY2015	% Change	FY2016	FY2015	Change
Trade	419.1	375.3	11.7%	51.8	44.3	17.0%	12.4%	11.8%	0.6
Retail	191.1	-	-	22.2	-	-	11.6%	-	-
Specialist Wholesale	103.4	-	-	13.5	-	-	9.8%	-	-
Unallocated / Head Office	(28.0)	-	-	(6.0)	(2.8)	-	-	-	-
<b>Total</b>	<b>685.6</b>	<b>375.3</b>	<b>82.7%</b>	<b>78.1</b>	<b>41.5</b>	<b>88.5%</b>	<b>11.4%</b>	<b>11.1%</b>	<b>0.3</b>

- Burson Trade continued growth in sales and EBITDA
- ANA solid result and excludes July 2015 (not part of Bapcor) which is traditionally a large profit month
- Group EBITDA includes impact of intercompany purchases profit in stock eliminations of \$1.3M.

1 FY2016 Highlights

2 **FY2017 1<sup>st</sup> Quarter Update & Outlook**

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## Since 30<sup>th</sup> June 2016;

- Company store roll out has continued with Trade up 7 stores to 152 and Autobarn company stores up 4 to 20, with total Autobarn stores at 117.
- Solid same store sales growth in 1<sup>st</sup> qtr of FY2017 with both Burson Trade and Autobarn **exceeding** the same stores growth of 4.5%.
- All business segments in line with or exceeding EBIT budgets / expectations.
- Specialist Wholesale has added:
  - Baxters - auto electrical
  - Roadsafe – 4WD & suspension
  - MTQ Engine Systems acquisition agreement entered into

✓ FY2017 will continue to deliver business and profit growth

- Growth in Trade and Retail
- New stores – circa 40
- Full 12 months trading from former ANA businesses
- Inclusion of full 12 months Bearing Wholesalers, Sprint Auto Parts and Precision Automotive Equipment
- Acquisitions of Baxters, Roadsafe, and MTQ Engine Systems
- Optimisation benefits of between \$5M and \$7M (as per previous advice)

✓ Consistent with previous guidance we expect NPAT to increase between 25% to 30% compared to FY2016 (excluding the impact of Hellaby takeover offer).

- 1 FY2016 Highlights
- 2 FY2017 1<sup>st</sup> Quarter Update & Outlook
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- Announced Takeover offer under NZ Takeover Code on 27 September 2016
- Offer; NZ\$3.30 per share                      NZ\$324m\*
- Total Investment circa                              A\$400m\*\*
- Funded:
  - Insto Placement                                      A\$165m
  - Share Purchase Plan                                  A\$20m
  - Debt    A\$200m
  - Existing facilities                                    A\$15m

\* includes TBS earnout

\*\* includes NZ\$ offer price plus forecast debt and transaction costs

- Total Hellaby revenue in FY2016 was NZ\$795M and EBITDA of \$47M
- Post acquisition the Resource Services and Footwear divisions would most likely be divested.
- Automotive Group had FY2016 revenue of NZ\$260M and EBITDA \$27M.
- The Automotive distribution business of BNT and the specialist wholesale businesses fit well with the Bapcor businesses. (refer next slide)



- The Hellaby acquisition is preferable to alternative strategies to enter the New Zealand market.



- Automotive and commercial truck replacement parts
- 54 Branches across NZ



- Steering and Suspension
- 9 Branches
- 22 Outlets – Shock Shop



- Diesel fuel injection
- 5 branches (4 Aust, 1 NZ)



- Auto Electrical Wholesale
- NZ Based



- Engine Management
- 5 Aust Locations



- Batteries
- 8 NZ Locations



- Commercial Tyres
- New Zealand



- Batteries
- 3 eastcoast Aust Locations



- Commercial Truck and Trailer
- New Zealand



- Electrical and Rotating Electrical
- 22 Branch Locations



## TimeLine

- Offer Document issued to shareholders 21 October 2016
- Target statement and Independent Expert Report by 4 November 2016
- OIO decision (if required) 9 December 2016
- Offer Closes\* 20 December 2016
- Offer Completion after satisfaction of conditions by 29 January 2017

\* Assumes no extension of offer close date

# Group Business 5 year Strategic Targets and Current Status



## CURRENT STATUS

<p>TRADE</p>		<p>Trade focussed “parts professionals” supplying workshops</p>	<p>Target 25% Home brands</p>	<p>AUS Target 200 Stores</p>	<p>152 Stores 10% home brand</p>								
<p>RETAIL</p>		<p>Premium Retailer of Automotive Accessories 4WD &amp; Vehicle Accessories</p>	<p>Target 35% Home brands</p>	<p>AUS Target 200 AB Stores Target 120 OL Stores</p>	<p>117 AB Stores 67 OL stores (incl SIS) 14% home brand</p>								
<p>INDEPENDENTS</p>		<p>Supplying the independent parts stores via the extensive supply chain capabilities and brand support</p>	<p>Target Over 200 Stores</p>	<p>235 stores</p>									
<p>SPECIALIST WHOLESALE</p>		<p>#1 or #2 Industry Category specialists in parts programs</p> <table border="1" data-bbox="676 971 1487 1170"> <tr> <td>Brake</td> <td>Engine</td> <td>Auto Electrical</td> </tr> <tr> <td>Suspension</td> <td>Bearings</td> <td>4WD</td> </tr> <tr> <td>Cooling</td> <td>Gaskets</td> <td>New Category</td> </tr> </table>	Brake	Engine	Auto Electrical	Suspension	Bearings	4WD	Cooling	Gaskets	New Category	<p>Target \$200M Turnover</p>	<p>Annualised \$160M</p>
Brake	Engine	Auto Electrical											
Suspension	Bearings	4WD											
Cooling	Gaskets	New Category											
<p>SERVICE</p>		<p>Experts at scheduled car servicing at affordable prices</p>	<p>Strategic Review</p>	<p>143 stores</p>									

# Thank You

