



F Y 2 0 1 6 R e s u l t s P r e s e n t a t i o n

Our Brands



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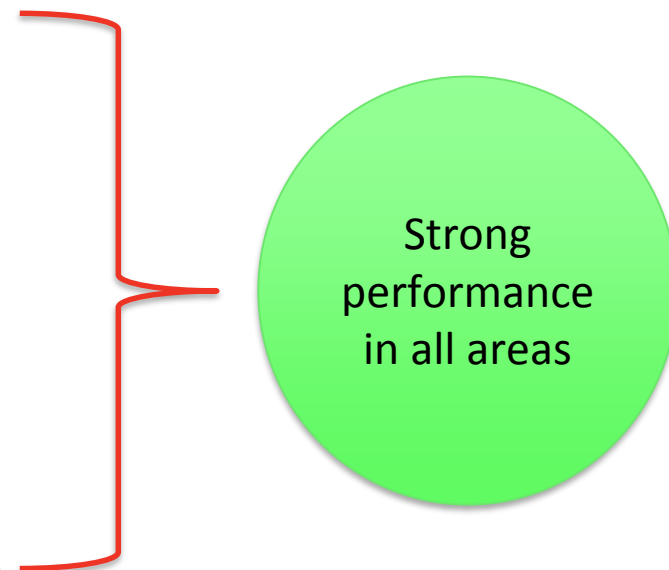
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FY2016 Result Highlights



\$ million	FY2016 ⁽³⁾	FY2015 ⁽⁴⁾	Variance
Revenue	685.6	375.0	82.7%
Gross Margin % ⁽¹⁾	44.2%	41.4%	2.8
EBITDA	77.0	41.5	85.7%
NPAT	43.6	23.1	88.9%
EPS ⁽²⁾ (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.

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	-	-	10.1	-	-	9.8%	-	-
Unallocated / Head Office*	(28.0)	-	-	(7.1)	(2.8)	-	-	-	-
Total	685.6	375.3	82.7%	77.0	41.5	88.5%	11.2%	11.1%	0.1

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

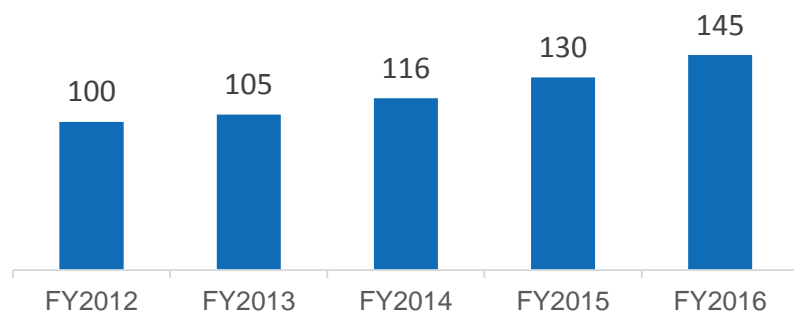
* FY2016 includes business acquisition transaction costs of \$1.1M.

- ✓ 145 stores at the end June 2016, up 15 from June 2015. Network now includes 6 stores in WA and 1 in the ACT – operate in all states and territories.
- ✓ Total revenue up 11.7%
- ✓ Same store sales growth of 4.6%
- ✓ Supplier price increases successfully passed through to market
- ✓ General selling price increase implemented January 2016
- ✓ Gross Margin up 1.4 percentage points
- ✓ Acquisition of Precision Automotive April 2016
- ✓ Queensland DC now services 40+ stores
- ✓ Overall market conditions are steady although some aggressive pricing competition, particularly with targeted customers and in WA.

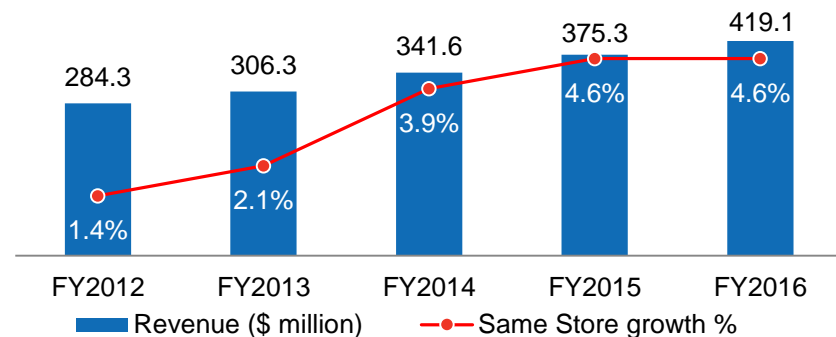
Burson Trade - Summary of Key Performance Indicators



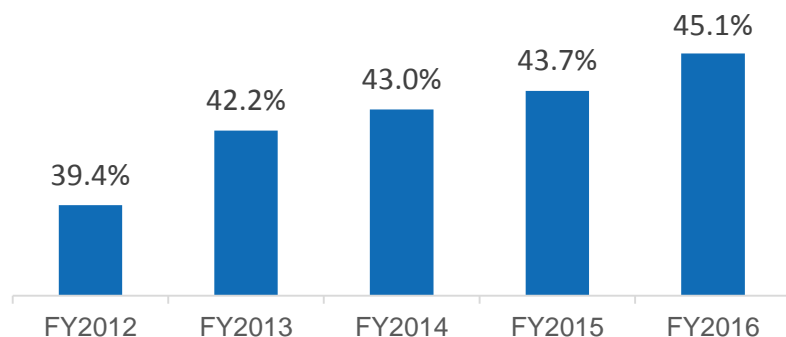
Store Numbers



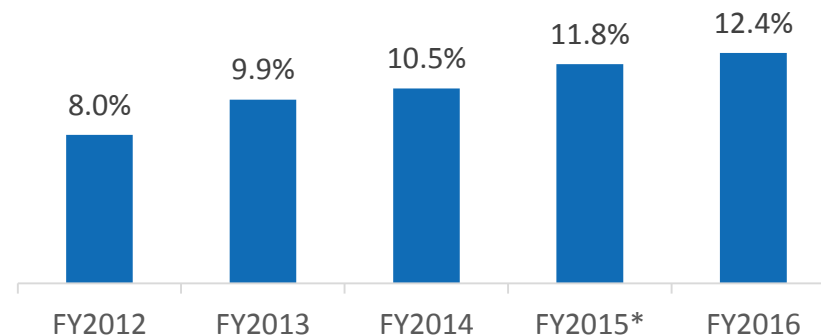
Revenue and "Same Store" growth



Gross Profit Margin#



EBITDA Margin



*Restated for HO costs now part of "unallocated" segment

Freight expense consistent with management reporting

- Total store numbers up by 48 in FY2016. Includes 40 Sprint Auto Parts stores acquired April 2016, 3 independent Autopro and CarParts Stores, 3 Autobarn and 2 service workshops
- Autobarn same store growth for FY2016 was 5.2%
- EBITDA margin of 11.6%
- Strategy of growing company owned Autobarn stores in progress with 15 company owned stores at June 2015
- Supplier price increases successfully passed through to market
- Market conditions are stable

- Wholesale segment comprises AAD and Opposite Lock (acquired August 2015) and Bearing Wholesalers (acquired March 2016)
- Good progress in growing level of intercompany sales
- Some sales loss of products traditionally sold to Burson's competitors
- 10 additional Opposite Lock – mainly store in store
- Selling price increases implemented to pass on impact of lower Australian dollar but not fully recovered
- Market has stabilised

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Summary Income Statement



- **Revenue growth of 82.7% delivered by**
 - ANA acquisition contributed 67.9%
 - Burson Trade up 11.7%
 - Bearing Wholesalers and Sprints contributed 3.3%
 - Same Store sales growth
 - Burson Trade 4.6%
 - Autobarn 5.2%

- **Gross margin % up 2.8 percentage points**
 - GM% increase partially reflects change in business mix. Trade up 1.4 compared to FY2015.
 - Supplier price increases passed through to market. Trade and Retail fully and Specialist Wholesale partially.
 - GM% is a continuous focus

- **CODB as a % of sales up 2.6**
 - Increase in CODB partially reflects change in business mix. Trade CODB% up 0.8% due to store overheads related to start ups, particularly WA, and costs related to Brisbane DC.
 - Includes additional corporate management costs consistent with larger business.

- **NPAT up 88.9%**
- **EPS up 31.0%**

Pro forma, \$ million	FY2016	FY2015	Change
Revenue	685.6	375.3	82.7%
Gross Profit	303.0	155.4	94.9%
<i>Margin (%)</i>	44.2%	41.4%	2.8
CODB	(226.0)	(113.9)	98.3%
<i>CODB (%)</i>	(33.0%)	(30.4%)	(2.6)
EBITDA	77.0	41.5	85.7%
<i>EBITDA (%)</i>	11.2%	11.1%	0.1
Depreciation and Amortisation	(10.1)	(5.2)	94.8%
EBIT	66.9	36.3	84.4%
Finance Costs	(4.9)	(3.4)	41.9%
Profit Before Tax	62.1	32.9	88.8%
Income Tax Expense	(18.5)	(9.8)	89.5%
NPAT	43.6	23.1	88.9%
<i>NPAT (%)</i>	6.4%	6.2%	0.2
<i>EPS⁽¹⁾ (CPS)</i>	17.85	13.62	31.0%

Notes:

1. 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.
2. Gross margin presented in line with statutory presentation. FY2015 includes a reclassification of freight expense from CODB to COGS.

Summary Cash Flows



- Working capital**
 - Working capital movement reflects increase in sales
 - Total year end working capital 18.9% of FY2016 sales compared to 11.2% June 16 due nature of ANA's franchise business not including end store sales.
 - Strong debtor collections

- Capex and Acquisitions**
 - Capex mainly reflects investment in new stores, purchase of motor vehicles, IT development and front of store refurb

- Net cash generated (before ANA transaction)**
 - Tax includes a deferred amount of \$5.9M relating to the FY2015 financial year.
 - Excluding FY2015 deferred tax payment, and acquisition costs of \$23.5M, cash generation was positive after payment of dividends.

- ANA transaction**
 - ANA acquisition funded by retail capital raising, cash on hand as a result of the institutional capital raising and new debt

Note:

1. Acquisitions and Greenfield stores include inventory

Pro forma, \$ million	FY2016
<u>Cash flows excluding ANA associated cash flows</u>	
EBITDA	77.0
Change in working capital	(3.4)
Capital expenditure (excluding new stores)	<u>(10.2)</u>
<u>Operating Cash Flow</u>	63.4
New store greenfields and acquisitions (1)	(17.4)
Other business acquisitions	(23.5)
Financing costs	(4.0)
Tax Paid	(18.0)
Dividend paid	<u>(23.7)</u>
Cash generated excluding ANA acquisition cash flows	(23.2)
<u>ANA associated cash flows</u>	
Payment to acquire ANA	(270.5)
Capital raising (retail)	54.3
Transaction costs paid	<u>(1.4)</u>
Net cash outflow from ANA transaction	(217.6)
Opening cash on hand	107.9
Cash acquired	6.5
New borrowings	148.8
Net cash movement	<u>(240.8)</u>
Closing cash on hand	22.4

Summary Balance Sheet



■ ANA acquisition

- Balance sheet reflects impact of ANA acquisition
- Fair value exercise undertaken with third party valuation of intangibles
- \$221M intangibles relate to the ANA acquisition

■ Net Debt/Cash

- Cash at June 2015 was due to retail capital raising for ANA acquisition
- Net debt at June 2016 is \$126.4M
- Represents annualised leverage ratio of <1.5X
- Interest cover ratio circa 12X

■ Dividends

- Final dividend declared FY2016 of 6.0 cents per share fully franked. Total dividends in relation to FY2016 of 11.0 cents per share represents 62% of NPAT.
- Total FY2016 dividend up 26.4% compared to previous year
- Record date 31 August 2016
- Pay date 30 September 2016

\$ million	Jan 2016	June 2015
Cash	22.4	107.9
Trade and Other Receivables	87.8	33.4
Inventories	163.0	77.2
PP&E	36.2	23.1
Deferred Tax Assets	20.6	11.8
Intangible Assets	348.9	99.9
Other Assets	4.5	0.9
Total Assets	683.4	354.2
Trade and Other Payables	121.5	68.5
Tax Liabilities	6.2	5.1
Provisions	39.5	13.7
Borrowings	148.2	-
Other	1.8	-
Total Liabilities	317.2	87.3
Net Assets	366.2	266.9

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Since 30 June 2016;

- Trade has opened 5 stores
- Retail has opened;
 - 4 Autobarn stores (3 company, 1 franchise)
 - 1 Autopro store (company)
 - 1 Midas (franchise)
- Specialist Wholesale has added:
 - Baxters - auto electrical
 - Roadsafe – 4WD & suspension
 - 1 Opposite Lock store in store

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>150 Stores 10% home brand</p>								
<p>RETAIL</p>		<p>Premium Retailer of Automotive Accessories 4WD & Vehicle Accessories</p>	<p>Target 35% Home brands</p>	<p>AUS Target 200 AB Stores Target 120 OL Stores</p>	<p>116 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 1468 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>									

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- ✓ FY2017 will continue to deliver business and profit growth
 - Solid 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 and Roadsafe
 - Optimisation benefits of between \$5M and \$7M (as per previous advice)

- ✓ For year to June 2017 we expect NPAT to increase between 25% to 30% from FY2016

Thank You