

International Roadshow, FY2017 Results & Outlook



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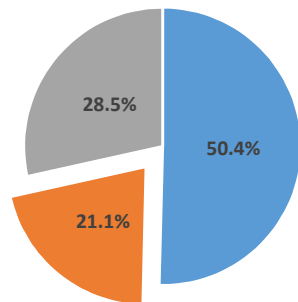
- 1 Introduction to Bapcor
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- FY17 Result Details by Segment

Who we are

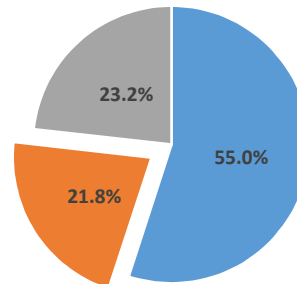
Australasia's leading provider of automotive aftermarket parts, accessories, equipment and services..... that span the supply chain.

- # sites 850+
- # employees 3500+
- Turnover \$1.2b
- Market cap \$1.5b

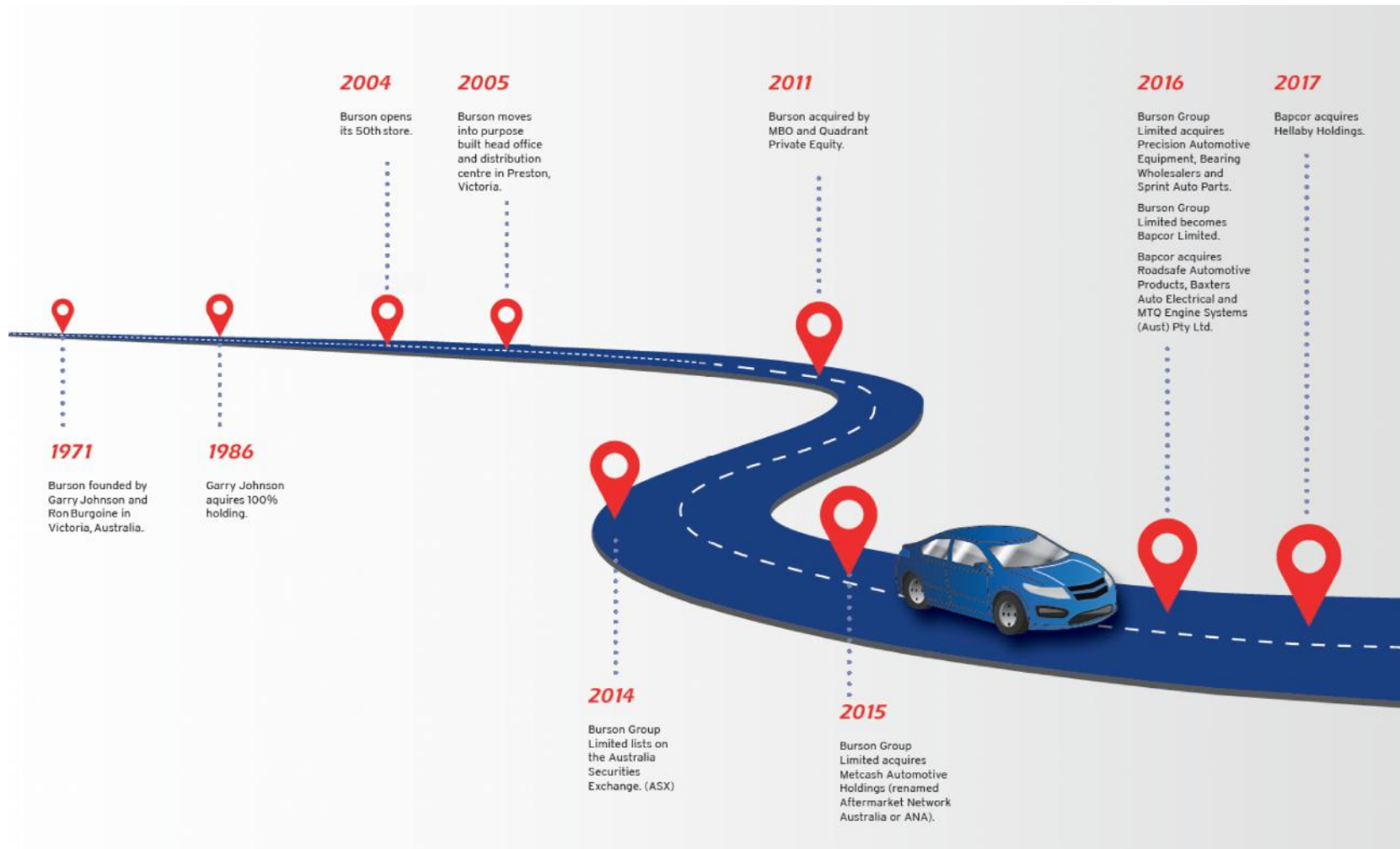
Total Auto Revenue
FY2017



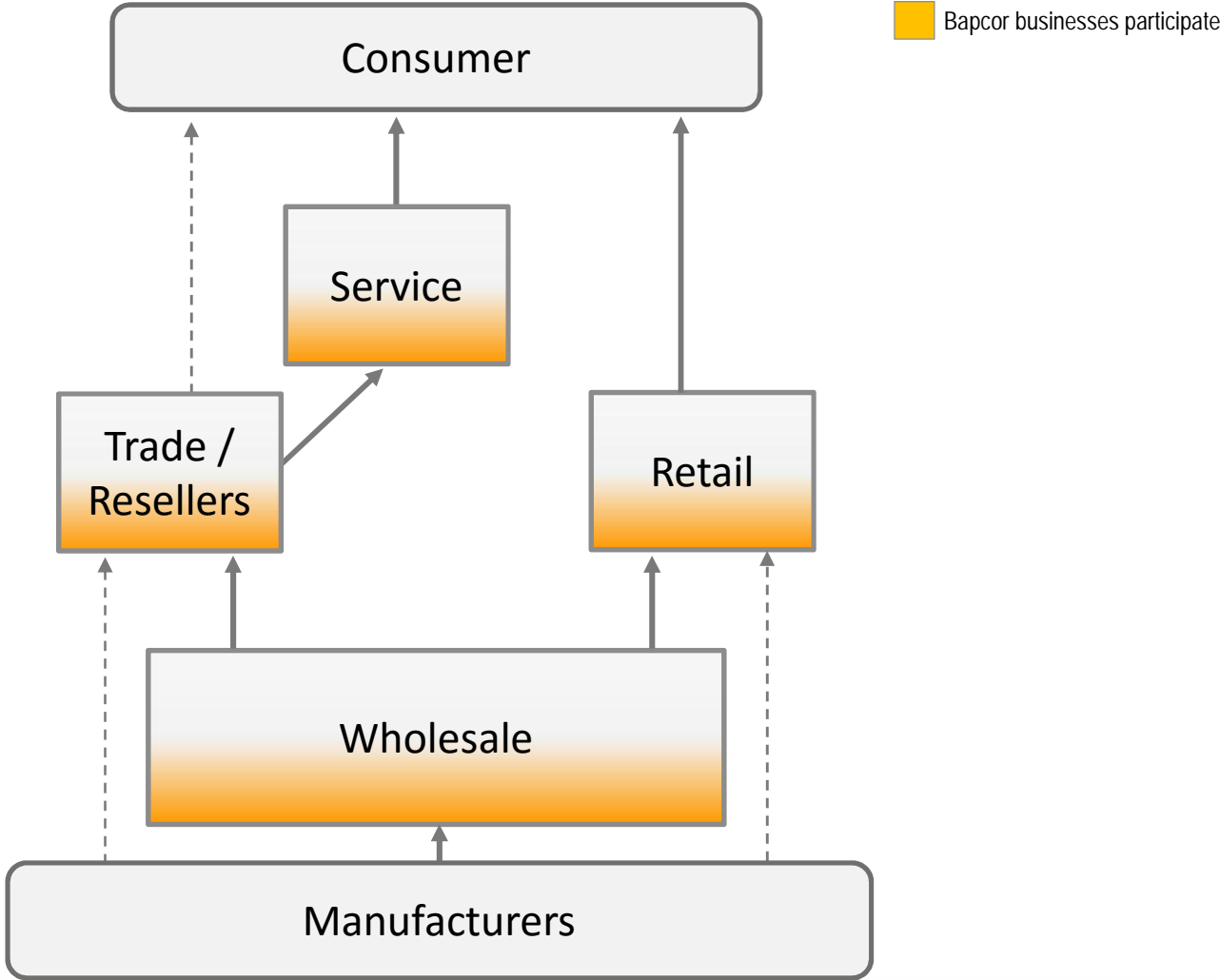
Total Auto EBITDA
FY2017



Our History



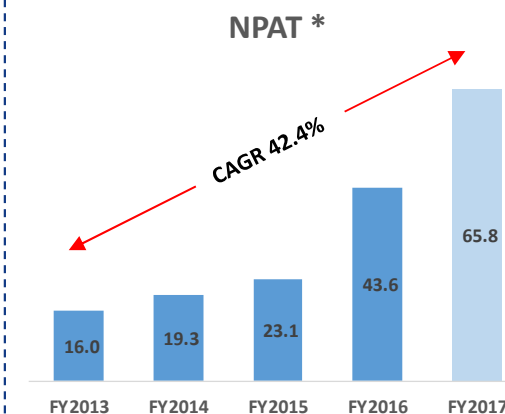
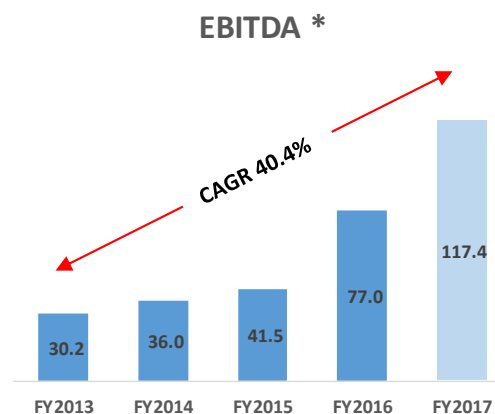
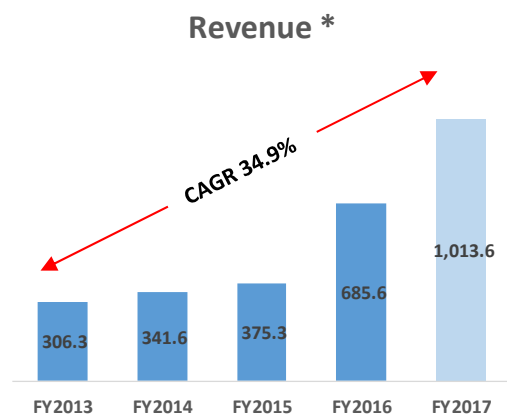
Aftermarket Supply Chain



Bapcor 5 Year Strategic Targets

TRADE	Trade focussed "parts professionals" supplying workshops	 	Target 30% Own Brands 22%	AUS Target 200 Stores 160	NZ Target TBD Stores 54
RETAIL & SERVICE	Premium Retailer of Automotive Accessories		Target 35% Own Brands 16%	AUS Target 200 AB Stores 122	NZ Target TBD Retail
	Supplying the independent parts stores	 	Target Over 200 Stores 215		
	4WD & Vehicle Accessories		AUS Target 120 OL Stores 71	NZ Target TBD OL Stores 1	
	Experts at scheduled car servicing at affordable prices	 	AUS Target TBD 139	NZ Target TBD 26	
SPECIALIST WHOLESALE	#1 or #2 Industry Category specialists in parts programs	 	AUS Target \$A 350 Turnover	NZ Target \$A 35 Turnover	
RSG	Specialist oil & gas maintenance services	 	Non-core		
FOOTWEAR	NZ Largest footwear retail group	 	Non-core		

Summary of Key Performance Indicators



FY2017 vs FY2016 (\$ millions)

Total	Up	47.8%	to	1,013.6
Trade	Up	11.0%	to	465.1
Retail & Service	Up	28.3%	to	221.0
Specialist Wholesale	Up	105.7%	to	212.7
Hellaby Automotive [^]	Up		to	146.7

Total	Up	52.4%	to	117.4
Trade	Up	22.2%	to	63.3
Retail & Service	Up	30.3%	to	28.2
Specialist Wholesale	Up	141.1%	to	22.9
Hellaby Automotive [^]	Up		to	15.1

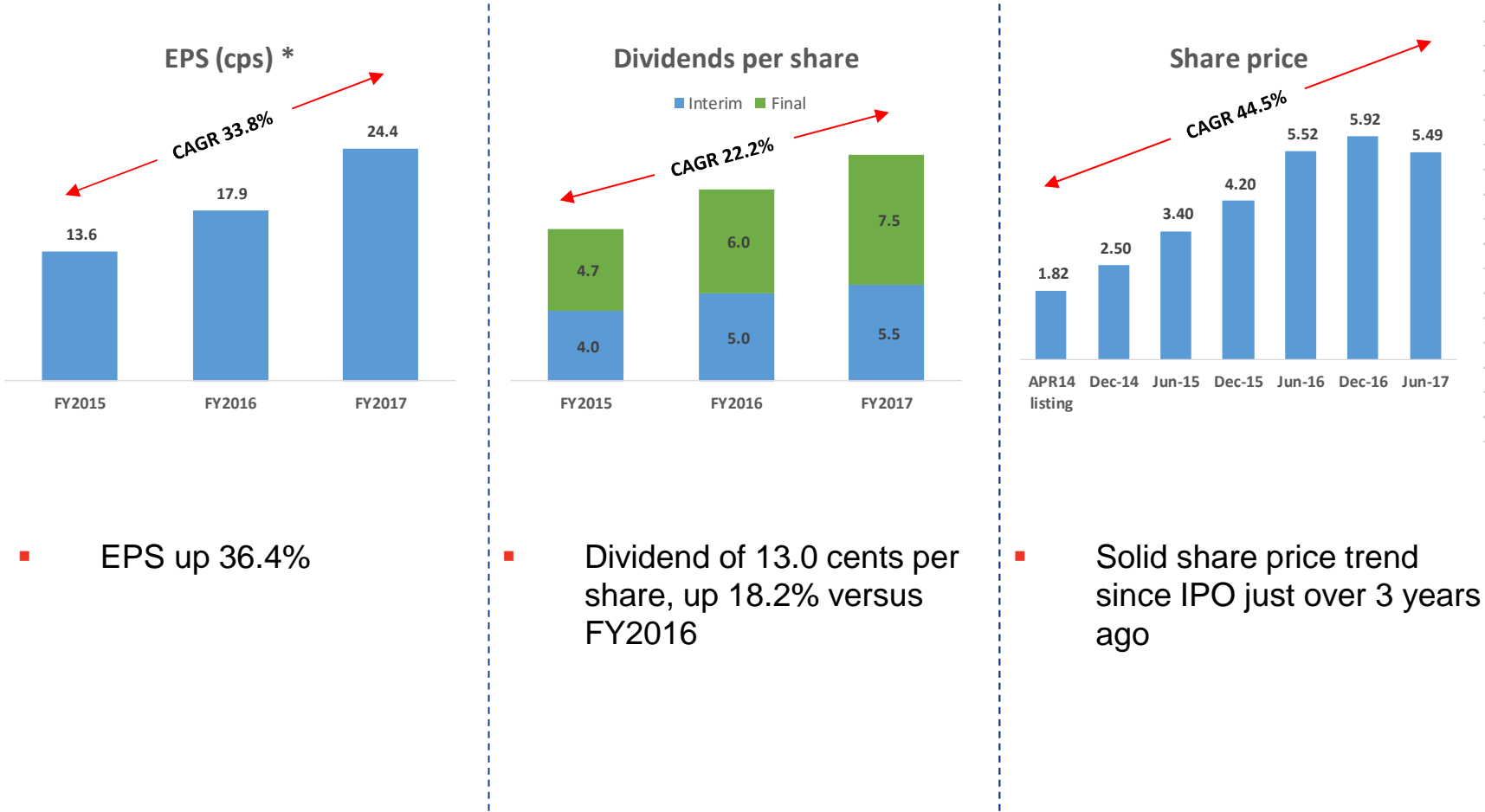
Total	Up	50.9%	to	65.8
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* Based on continuing operations only and pro-forma results where appropriate

[^] Represents six months results from January 2017



Summary of Key Performance Indicators



* Based on continuing operations only and pro-forma results where appropriate





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Introduction to Bapcor

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FY2017 Results

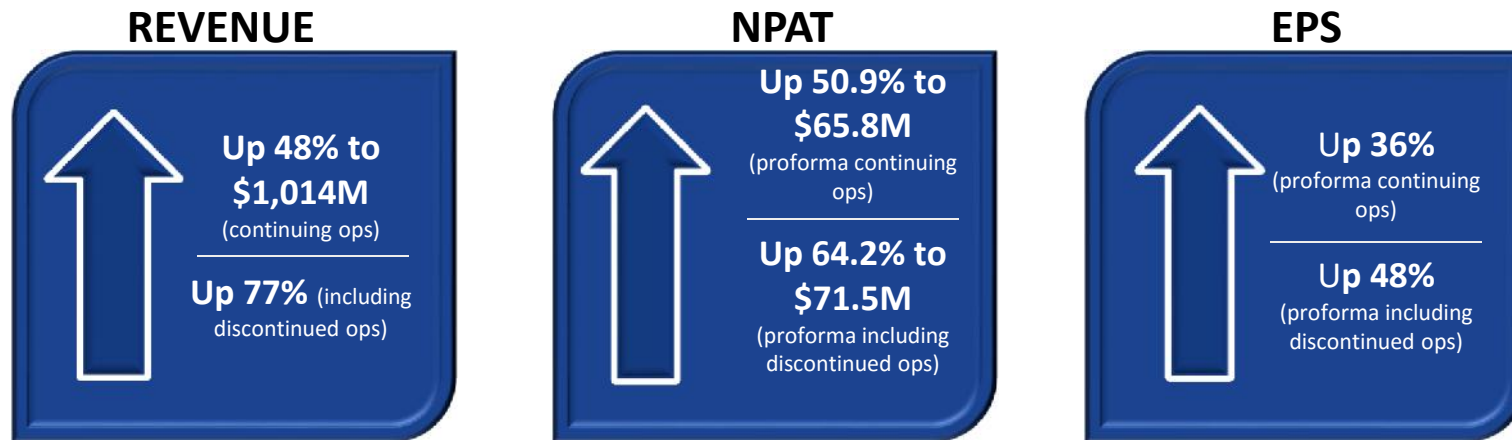
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FY2018 Outlook

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Appendix
- FY17 Result Details by Segment

FY2017 Headline Results



- Excellent growth in all measures
- All business segments recorded solid growth
- Hellaby acquisition, integration and optimisation exceeded expectations
- All acquisitions performing well

Note: Discontinued operations are Resource Services Group and Footwear which are being actively marketed and are at various stages through a potential divestment program.

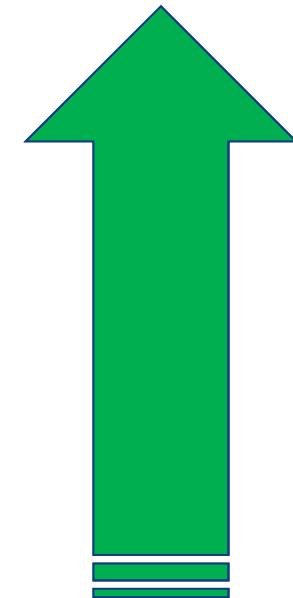
FY2017 – Operational Highlights

- ✓ Another transformational year
 - ✓ Successful acquisition of Hellaby Holdings in New Zealand – January 2017
 - Auto is a quality asset, with further upside
 - Sales \$300M pa, EBITDA \$28M, positive eps
 - Excellent performance in second half
 - Implemented divestment program for non-core businesses
 - ✓ Significant optimisation program underway following Hellaby acquisition - \$8M to \$11M
 - ✓ Improved performance in every business segment - sales, margin & earnings
 - ✓ 23 new stores across Australia
 - 15 Burson Trade
 - 8 Autobarn
 - ✓ Metcash Auto optimisation program delivered at top end of target
 - ✓ Retail franchisee loyalty programs developed
 - ✓ Warehouse Evolution Program underway
 - ✓ Progress on every aspect of the five year strategic plan
-



FY2017 – Financial Highlights

<i>\$ million</i>	FY2016	FY2017	Variance
<u>Continuing Operations</u>			
Revenue	685.6	1,013.6	47.8%
Gross Margin %	44.2%	45.7%	1.5pp
EBITDA – pro-forma	77.0	117.4	52.4%
EBITDA%	11.2%	11.6%	0.4pp
NPAT – pro-forma	43.6	65.8	50.9%
NPAT – statutory	43.6	53.7	23.3%
EPS (cps) – pro-forma	17.89	24.40	36.4%
<u>Total Bapcor (including discontinued operations)</u>			
NPAT – pro-forma	43.6	71.5	64.2%
EPS (cps) – pro-forma	17.89	26.54	48.4%
Dividend (cps)	11.0	13.0	18.2%



Notes:

1. Hellaby Holdings Ltd included from January 2017
2. FY2017 pro-forma results excludes Hellaby related acquisition and financing costs (refer appendix for reconciliation of statutory to pro-forma NPAT)
3. Discontinued operations are Hellaby Footwear and Resource Services Group

FY2017 – Actual Results versus Bapcor Guidance

<i>\$ million</i>	<i>NPAT Guidance</i>		Actual proforma NPAT*
	Low	High	
Bapcor excluding Hellaby	57.0	59.0	59.5
Hellaby	8.0	12.0	12.0
Total	65.0	71.0	71.5

* Proforma NPAT includes discontinued operations and removal of one off costs related to the acquisition of Hellaby. Refer to appendix for further details.





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Outlook

- FY2018 will continue to deliver business and profit growth
 - Full year impact of Hellaby Auto and other FY17 acquisitions
 - Continued growth in Trade and Retail
 - Store footprint expansion in all segments
 - Benefits of vertical integration and optimisation program
- FY2018 forecast NPAT from continuing operations consistent with consensus
 - Up circa 30% from FY17 proforma NPAT from continuing operations

Optimisation Program – following Hellaby Acquisition

- As announced on 26 July 17

Year	\$M	
	Low	High
FY18	2	3
FY19	3	4
FY20	3	5
EBIT benefit	8	11
Retained HO costs	1	1
Net benefit	7	10

Have also eliminated \$5M of Hellaby head Office costs

- Intercompany sales, direct and indirect procurement, increased sales, strategic growth, shared services, people development
- Hellaby return including synergies will now exceed the original business case

Warehouse Evolution Project

- Consultants have completed 12 month review
- 5 to 7 year program
- Invest in technology
- Circa \$30M to \$40M investment in capital and project expenses.
- Will generate annual return of \$10M to \$15M EBIT by year 5.

Priority

- Transport contracts and warehouse management system
- Port splitting
- New warehousing facilities utilising latest technologies



Thank You – Q&A





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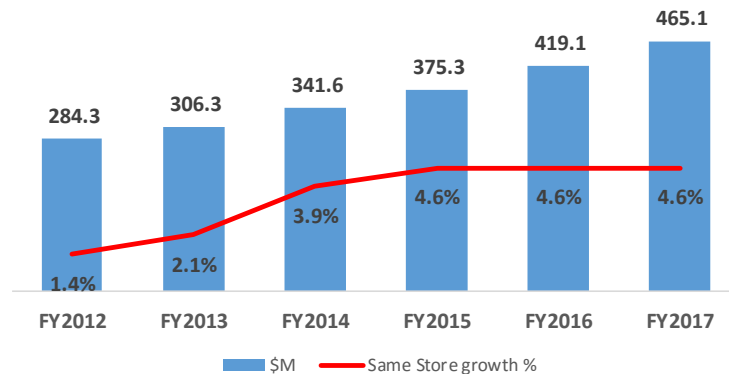
FY2018 Outlook

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Appendix
- FY17 Result Details by Segment

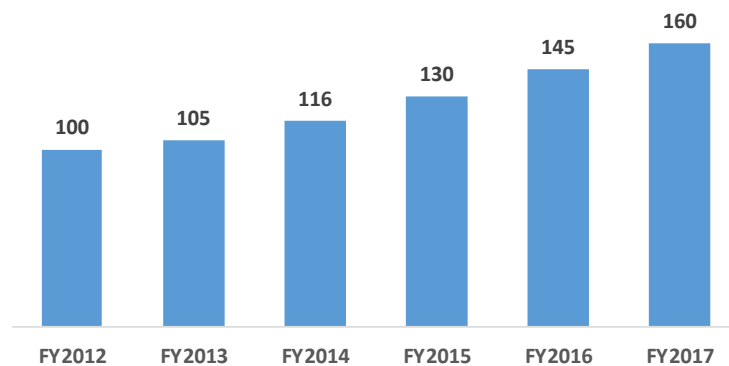
Burson Trade

Revenue and "Same Store" growth



- Revenue up 11.0%
- Same store sales growth 4.6%
- Positive growth in every state/region
- Customer loyalty program "Alliance" has made good progress

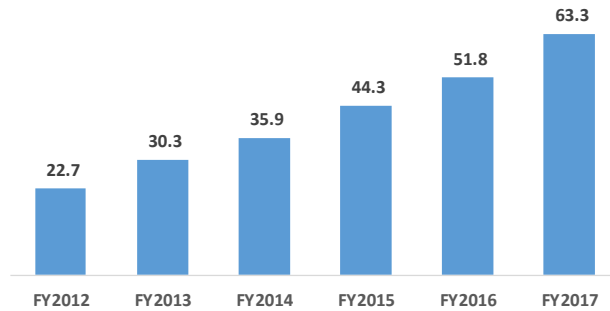
Store numbers



- 160 stores - up 15
- WA now at 10 stores with approx. \$18M annualised revenue in 2 years
- Main national competitor growing its dedicated trade network

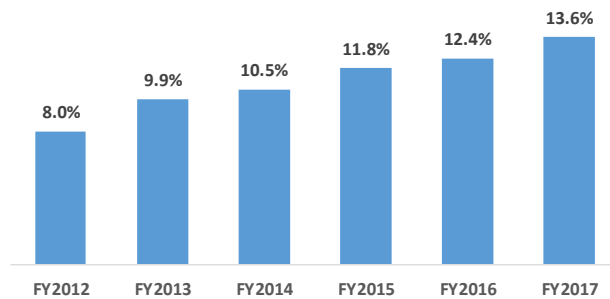
Burson Trade

EBITDA \$M



- EBITDA up 22.2%
- Due to increased sales and margin improvement

EBITDA % of Sales



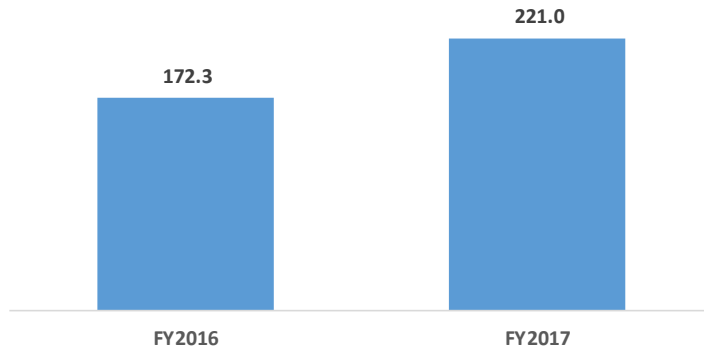
- Increased 1.2pp
- Optimisation benefits achieved

- People development continues to be a key priority
 - 26 development courses
 - Over 600 attendees



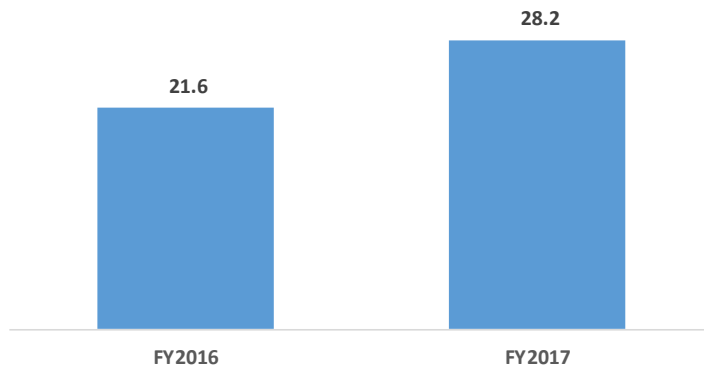
Retail and Service

Revenue \$M



- Revenue up 28.3% - includes one additional month from former Metcash Auto

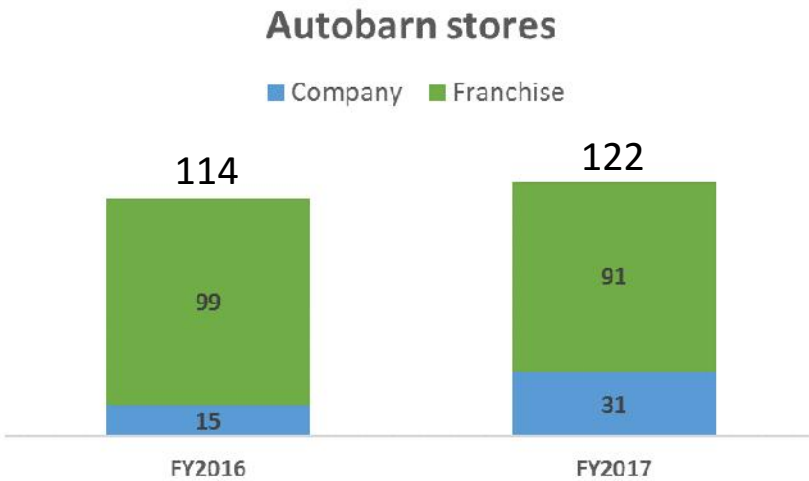
EBITDA \$M



- EBITDA up 30.3%
- Additional 1 month in FY17 vs. FY16 from former Metcash Auto
- EBITDA % sales increased 0.2pp
- Increased revenue and margin



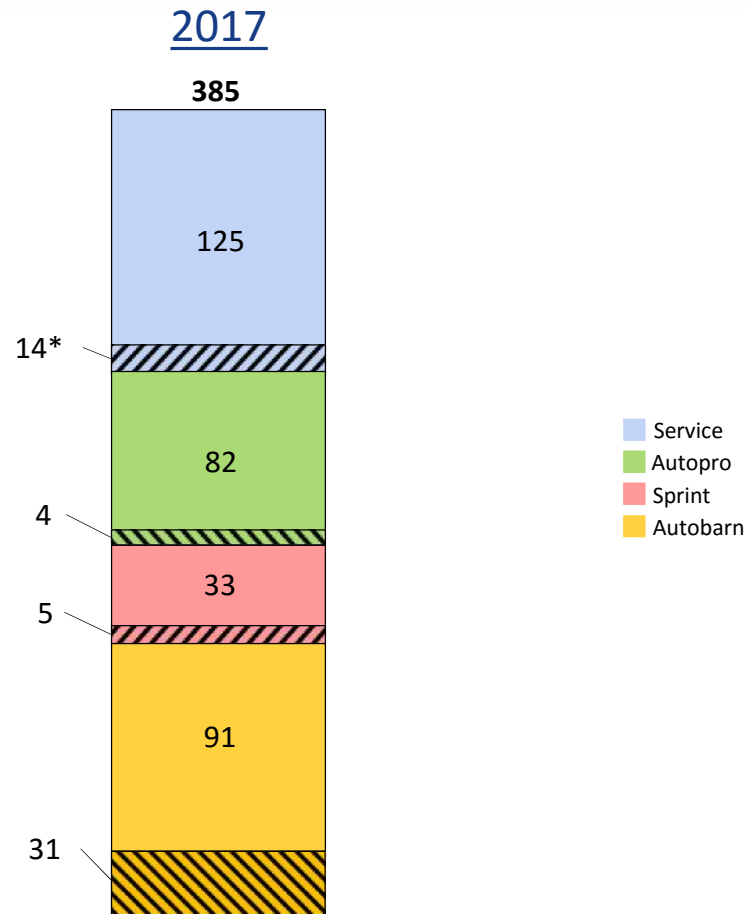
Retail and Service – business units



- Same store sales up 2%
- National campaigns up 10%
- Click and collect up 45%
- Single largest sales day in history June 2017
- New loyalty program
- 122 stores, up 8
 - 31 company stores +16 (added 9 greenfield and 7 acquisitions)
 - 25% stores company owned; 75% franchised
- Highest greenfield growth in 20 years

- Autopro Catalogue – catalogue program expanded by 5%
- Service – highest sales in over 10 years
– highest average store sales in history
- Optimisation program – benefits delivered
- Implemented retail franchisee incentive programs

Retail & Service – Number of Stores

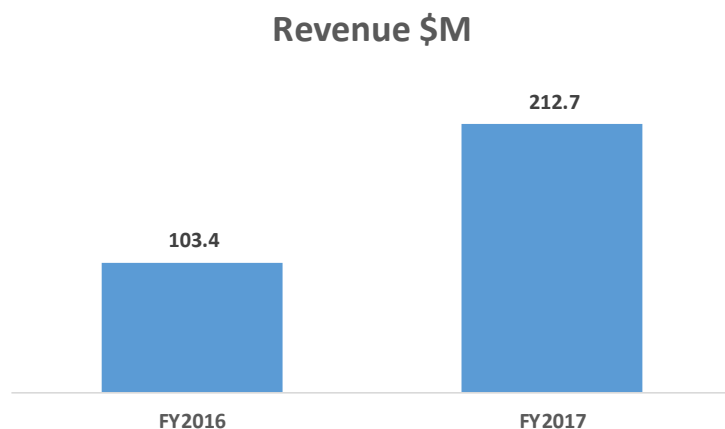


■ Franchise Stores:	360	■ Franchise Stores:	331
▨ Company Owned Stores:	40	▨ Company Owned Stores:	54*

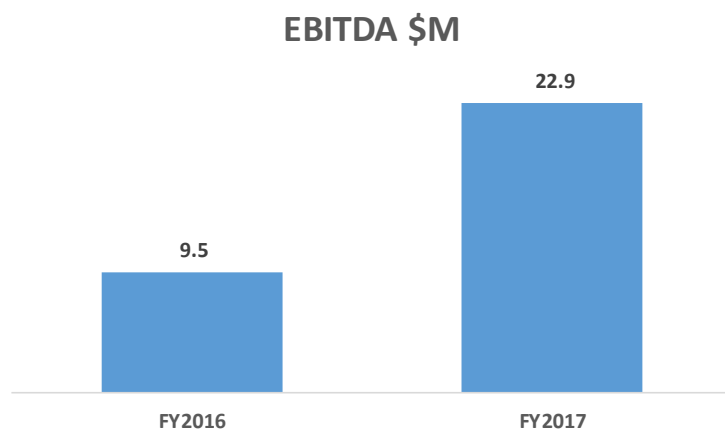
* Includes 12 company owned stores in transition



Specialist Wholesale (excluding Hellaby)



- Revenue up 105.7%
 - Specialist Wholesale has grown significantly with the purchase of;
 - Bearing Wholesalers (acquired March 2016)
 - Roadsafe (acquired August 2016)
 - Baxters (acquired August 2016)
 - MTQ (acquired November 2016)
 - All business units achieved revenue and profit growth
-



- EBITDA up 141%
 - Good progress in growing level of intercompany sales
-

Hellaby Automotive – 6 months from Jan to June 2017

<i>\$ millions</i>	Revenue	EBITDA
Trade	61.8	7.9
Specialist Wholesale	84.9	7.1
Total	146.7	15.1

- Revenue +16.0% on H2 FY2016, and +16.5% on FY2016
- EBITDA +27.6% on H2 FY2016, and +16.7% on FY2016
- Quality asset with further upside

NZ Trade

- Same store sales growth of 8%
- Expansion into commercial parts

Specialist Wholesale

- Same store sales growth of 7%
- New sites in Bunbury and Port Macquarie
- Improving profitability



Hellaby – Non Core Assets – 6 months from Jan to June 2017

<i>\$ millions</i>	Revenue	Proforma EBITDA
Resource Services	131.9	11.0
Footwear	64.7	5.8
Total	196.6	16.8

- Good performance in Footwear and TBS component of Resource Services
- Divestment program underway
- Good return on assets

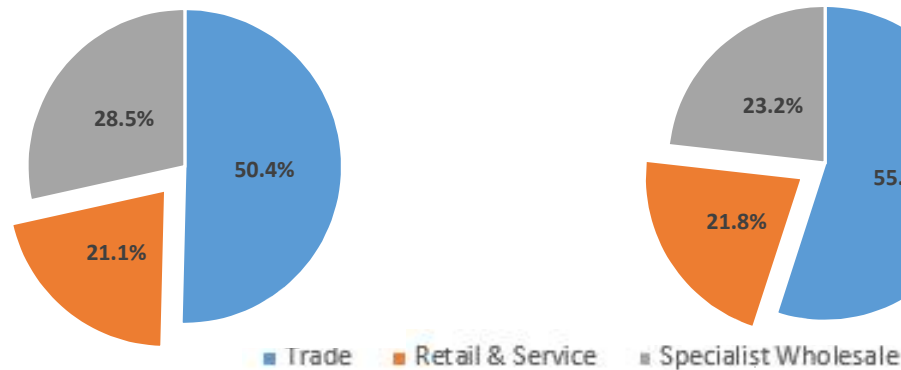
Business Segment Contribution to Results

\$ millions	Revenue			EBITDA			EBITDA % of Revenue		
	FY17	FY16	% Change	FY17	FY16	% Change	FY17	FY16	Change
Continuing operations									
Trade	465.1	419.1	11.0%	63.3	51.8	22.2%	13.6%	12.4%	1.2
Retail & Service	221.0	172.3	28.3%	28.2	21.6	30.3%	12.8%	12.6%	0.2
Specialist Wholesale	212.7	103.4	105.7%	22.9	9.5	141.1%	10.8%	9.2%	1.6
Bapcor HO / Elims ¹	(31.9)	(9.2)		(10.1)	(5.9)		31.8%	63.7%	
Bapcor exc Hellaby	866.9	685.6	26.4%	104.3	77.1	35.3%	12.0%	11.2%	0.8
Hellaby Auto	146.7			15.1			10.3%		
Hellaby HO				(2.0)					
Total Automotive	1,013.6	685.6	47.8%	117.4	77.1	52.3%	11.6%	11.2%	0.4
Discontinued operations									
Resource Services	131.9			11.0			8.4%		
Footwear	64.7			5.8			9.0%		
Total Bapcor Group	1,210.2	685.6	76.5%	134.2	77.1	74.1%	11.1%	11.2%	(0.1)

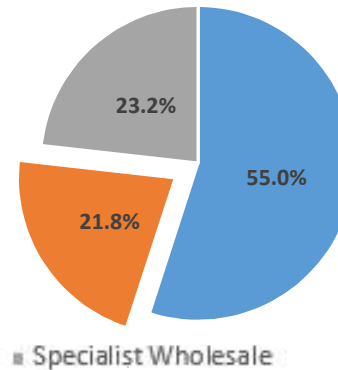
1. Included in EBITDA is elimination of profit in intercompany stock of \$3.1M and \$1.4M in FY17 and FY16 respectively.

Intercompany sales eliminations represent the eliminations of sales between business segments. Bapcor's reporting of intercompany sales eliminations in the previous financial year included some intra-segment sales eliminations which have been restated for FY2017 reporting.

**Total Auto Revenue
FY2017**



**Total Auto EBITDA
FY2017**



Summary Cash Flows

- **Strong cash conversion of 102.5%**
 - Working capital excluding impact of acquisitions and new stores favourable due to improved payables management
 - Working capital levels of new acquisitions has resulted in a total working capital % of sales increase of 2.5% compared to FY2016 to 16.7%

- **Capex and Acquisitions**
 - Capex mainly reflects investment in new stores, purchase of motor vehicles, IT development and front of store refurbishments
 - Other business acquisitions includes Baxters, Roadsafe and MTQ

- **Net cash generated is positive \$50.1M excluding business acquisitions and dividends**

- **Hellaby transaction**
 - Cashflow includes proceeds related to capital raising for Hellaby acquisition less purchase consideration and debt acquired and transaction costs paid

\$ million	FY2017
EBITDA – Proforma	117.4
Change in working capital	(8.5)
Payments for new store inventory	11.5
Operating cash flow before finance, transaction and tax costs	120.4
Cash conversion	102.5%
Financing costs inc. refinancing costs	(11.9)
Transaction costs – non Hellaby	(0.5)
Tax paid	(30.0)
Operating cash flows	78.0
Store acquisition and greenfields	(16.1)
Business acquisitions – net of cash – non Hellaby	(45.1)
Capital expenditure (excluding new stores)	(11.7)
Dividend paid	(25.5)
Other	(0.2)
Cash generated excluding Hellaby cash flows	(20.5)
Hellaby transaction cash flows	
Capital raising	181.3
Business acquisition inc. debt acquired	(414.2)
Transaction costs paid	(12.6)
Net cash outflow from Hellaby transaction	(245.5)
Opening cash on hand	22.4
Borrowing drawdowns	283.4
Net cash movement	(266.0)
Closing cash on hand	39.8



Summary Balance Sheet

- **Net Debt/Cash**
 - Net debt at June 2017 is \$381.9M⁽¹⁾.
 - Represents annualised leverage ratio of less than 2.5X on an annualised EBITDA basis
 - New \$500M 3 & 5 year term facility in June 2017
- **Resource Services and Footwear**
 - Classified as held for sale at NZ\$92M
- **Dividends**
 - Final dividend declared for FY2017 of 7.5 cents per share fully franked, bringing total dividend for FY2017 to 13.0 cents per share, up 18.2%. This represents 56.7% of statutory NPAT.
 - Record date 31 August 2017
 - Pay date 29 September 2017
 - Dividend reinvestment plan will continue for the FY2017 final dividend

Notes:

1. Net debt is based on borrowings less cash - \$389.9M, adding back \$2.5M of prepaid borrowing fees which is included in the borrowings amount, adding in financial derivative liabilities of \$2.4M and removing cash held by the discontinued operations of \$13.0M

\$ million	Jun 2017	Jun 2016
Cash	39.8	22.4
Trade and Other Receivables	136.1	87.9
Inventories	261.6	163.0
PP&E	49.8	36.2
Deferred Tax Assets	18.7	7.2
Intangible Assets	647.8	362.2
Assets Held For Sale	178.9	-
Other Assets	4.1	4.5
Total Assets	1,336.7	683.4
Trade and Other Payables	174.8	121.5
Tax Liabilities	3.5	6.2
Provisions	65.5	39.5
Borrowings	429.7	148.2
Liabilities Held For Sale	70.8	-
Other	2.4	1.8
Total Liabilities	746.7	317.2
Net Assets	590.0	366.2

