

The logo for Bapcor features the word "Bapcor" in a bold, italicized, white sans-serif font. The text is set against a dark blue background and is surrounded by several horizontal, glowing motion lines in shades of red, yellow, and blue, suggesting speed and energy. A registered trademark symbol (®) is located at the end of the word.

**Bapcor**®

*Morgan Stanley Conference – Sydney - June 12, 2019*

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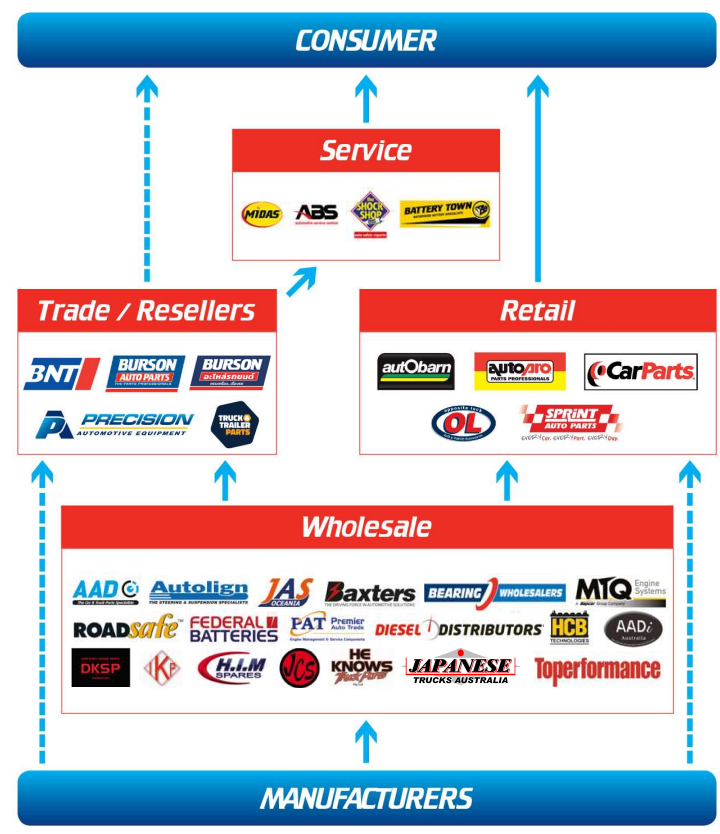
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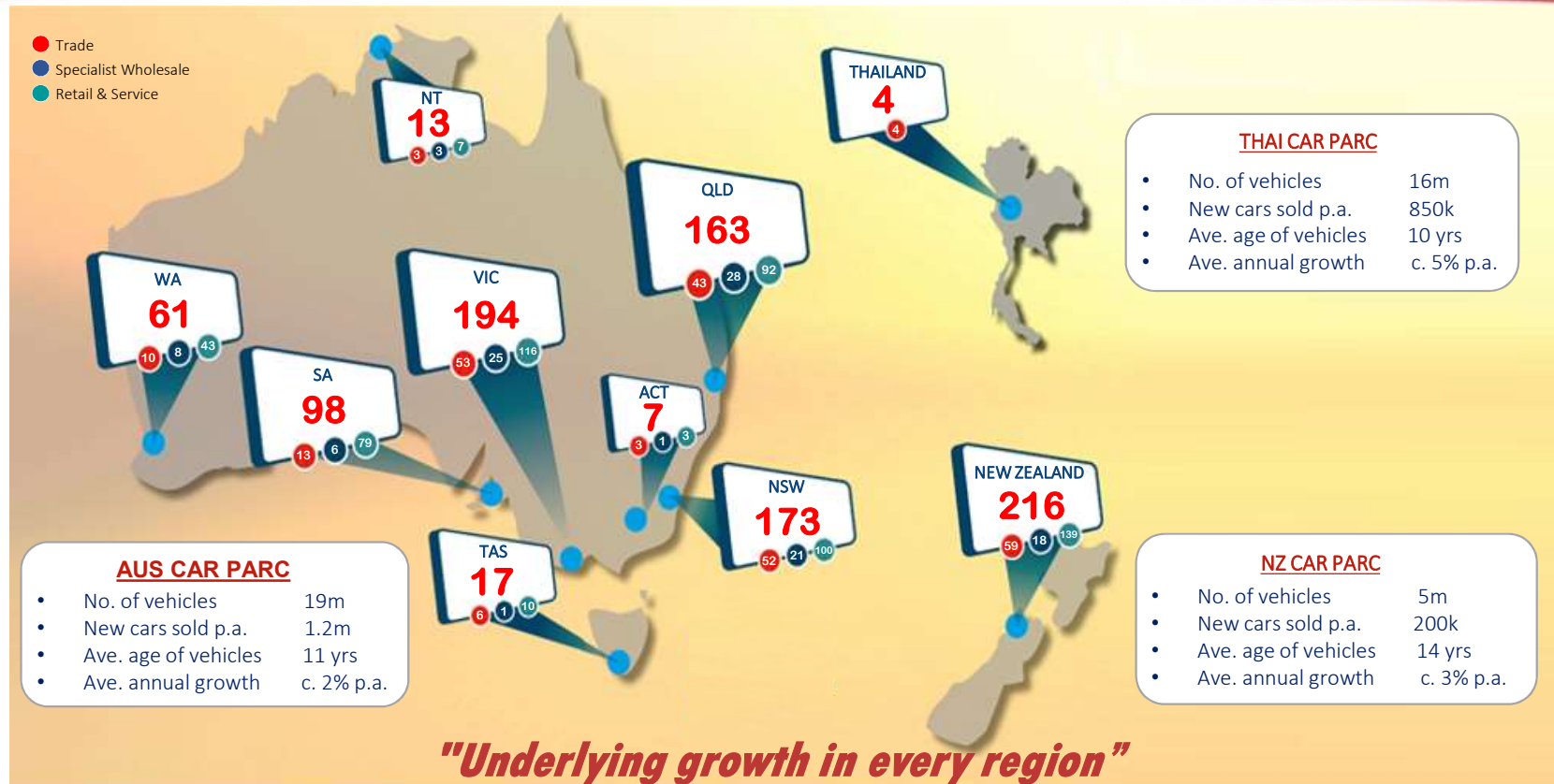
# Aftermarket Supply Chain



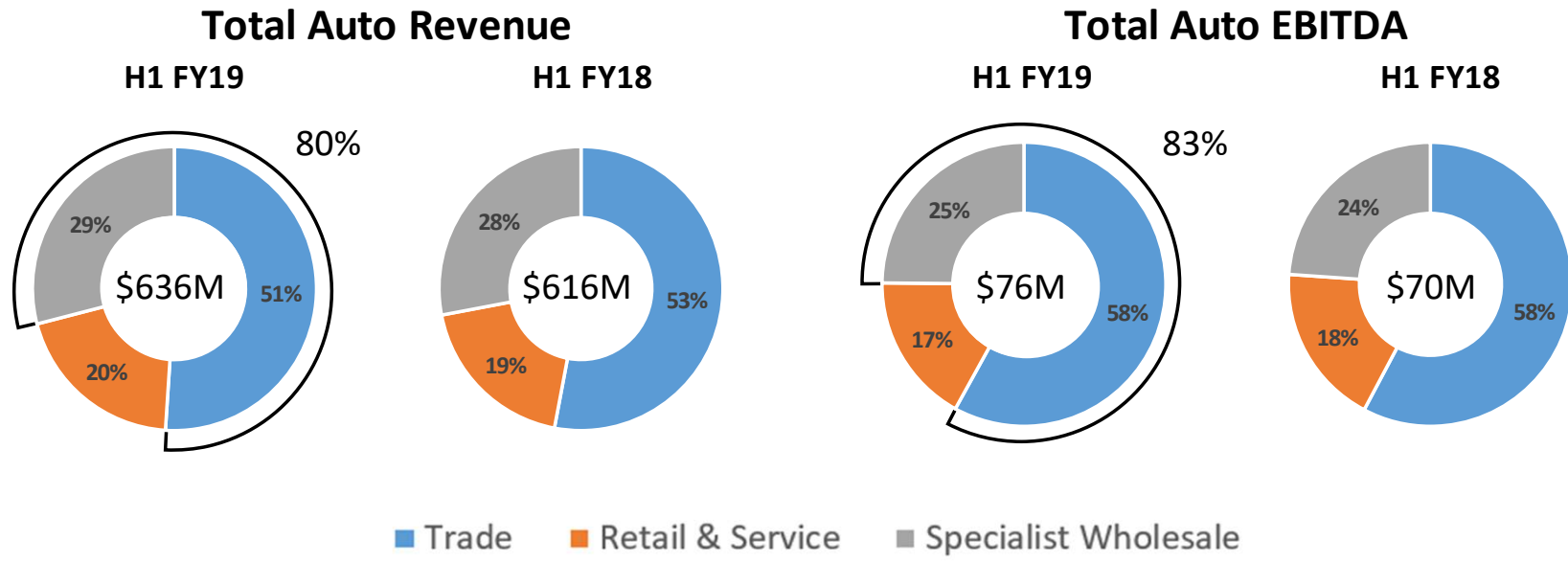
■ Bapcor businesses participate

“Australasia’s leading provider of aftermarket parts, accessories, equipment and services”

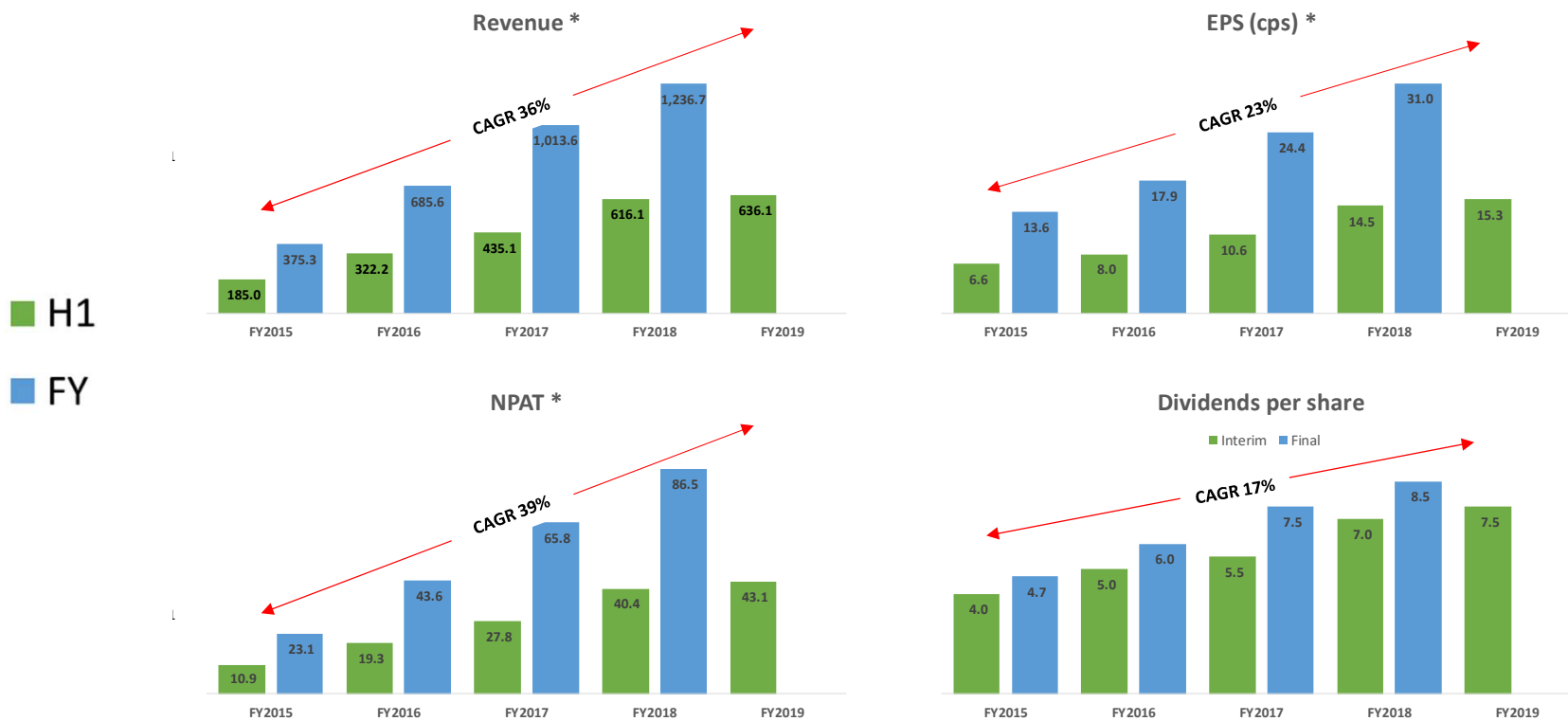
# Over 940 locations across Australia & NZ



# Business Segment Contribution to Results



# Summary of Key Performance Indicators



\* Based on continuing operations and estimated FY19 results

# H1 FY2019 Financial Highlights

		H1 FY19	H1 FY18	Variance
<u>Continuing Operations</u>				
Revenue	\$'M	636.1	616.1	3.2%
Gross Margin	%	47.1%	45.6%	1.5 pp
EBITDA – proforma	\$'M	76.0	70.2	8.2%
EBITDA	%	11.9%	11.4%	0.6 pp
NPAT – proforma	\$'M	43.1	40.4	6.6%
EPS – proforma	cps	15.34	14.48	5.9%
<u>Total Bapcor (including Discontinued Operations)</u>				
NPAT – statutory	\$'M	45.5	43.7	4.1%
EPS – statutory	cps	16.20	15.66	3.4%
Dividend	cps	7.5	7.0	7.1%



*Every performance indicator improved – it was a record result!*

**Notes:**

1. In H1 FY2018 Discontinued Operations of Hellaby Footwear and Contract Resources are included in the results for 3 months until their divestment, and TBS is included for the full 6 months. The TRS business which was divested 3 July 2018 and is not treated as a “discontinued operation” and is therefore included for the full six months in H1 FY2018.

# Senior Management Team – rejuvenating



**Senior Team will be at Brisbane Investor Day on July 3**

"Australasia's leading provider of aftermarket parts, accessories, equipment and services"



## CURRENT YEAR FORECAST



## FY19 Financial Year Forecast



For the full FY19, Bapcor continues to forecast an increase NPAT of circa 9% above FY18 proforma NPAT – i.e. Circa \$94.3million

**- THIS HAS NOT CHANGED**

This guidance delivers a *record full year result* in Revenue, Earnings and EPS.

Full Year cash conversion is expected to be at historical normal levels  
– i.e. cash conversion greater than 90%

New Debt facilities in place by 30 June with 7 year, 5 year and 3 years debt tranches.

Net debt annualised leverage ratio (EBITDA) forecast around 2x earnings.

## Comments on current performance



- Overall market remains softer than historically
  - Competition continues in every sector and fighting for business – nothing new here!!  
This is normal for any business.
- In trade, market share gain is not as high as historically, BUT NOT LOSING market share – just not gaining as much.
- Recent acquisition of “Commercial Vehicle Parts Group” (Don Kyatt (QLD) etc)
  - Business is performing well.
  - Acquisition on June 3 of “Japanese Trucks Australia” – parts business with branches in SA and WA.
  - Now a national business with significant growth potential.

# ***STRATEGY & Industry Fundamentals***



Bapcor Ltd has partnered with Greenfleet to plant native forests in Australia and capture over 5,250 tonnes of greenhouse gas emissions.

# Bapcor 5 Year Strategic Targets



**NO  
CHANGE  
TO  
GROWTH  
STRATEGY**

Trade	50% Segment contribution	<b>230</b> AUS Target Stores Now 179	<b>75</b> NZ Target Stores Now 59	<b>25</b> NZ Relocation & Refurb Target Now 6	<b>35%</b> Own brand Target Now 24%
Specialist wholesale	30% Segment contribution	<b>A\$450m</b> AUS Target Turnover Now A\$364m		<b>A\$50m</b> NZ Target Turnover Now A\$31m	
		<b>55%</b> Own brand Target Now 45%			
*excludes TRS – since divested					
Retail	20% Segment contribution	<b>200</b> AUS Autobarn Target Stores Now 131	<b>200</b> Independents Target Stores Now 203	<b>120</b> AUS OL Target Stores Now 83	<b>35%</b> Own brand Target Now 24%
		<b>500</b> AUS Target Stores Now 124		<b>150</b> NZ Target Stores Now 115	
		<b>90%</b> Intercompany Sourcing Target			
Service	Reliable & Trusted car servicing at affordable prices		Supporting the independents		
Asia	Bringing automotive aftermarket parts to Asia		<b>TBD</b> Target Locations Now 4		

## Growth Strategy

- All current business segments;
  - Grow sales
    - Organic
    - Store Footprint Expansion
  - Margin
    - Procurement / Buying
    - Pricing Management
    - Own Brand
    - Intercompany
  - Operating Efficiencies – including POS, WMS, warehousing etc
- Strategic Acquisitions / Expansion



## Strategy

- Consistent strategy with specific, clear, measurable targets.
- No changes to direction.
- We know what we do best and stick with it.



## Bapcor Thailand

- Now operating 4 stores in Bangkok district
- A procurement office and 1 additional store planned June / July
- Stores making positive progress in new market dynamics
- Good relationships being established with a significant chains presenting good growth opportunities as we grow more scale
- As with any start-up operation in a new market we are learning and will over time fine tune product ranges and operation methods to optimise outcomes.



Latest Burson store at retail shopping centre - at entrance to Thai Watsadu. A workshop is also on the shopping centre site.



## Key Automarket Stats 2018



	Global	Australia
# vehicles on the road	1,200,000,000	19,200,000
Average age	11.6 years	10.1 years
# cars sold 2018	84,000,000	870,000
Car Parc growth	??	2.1%
<b># EV's sold 2018</b>	<b>2,100,000</b>	<b>1,352</b>
EV's as of 2018 sales	2.5%	0.2%
Diesel of fleet	35%	23.4%
EV's sold since 2011	5,000,000	6,000
EV's % of car parc	.4%	.03%
Passenger cars of market	74%	75%

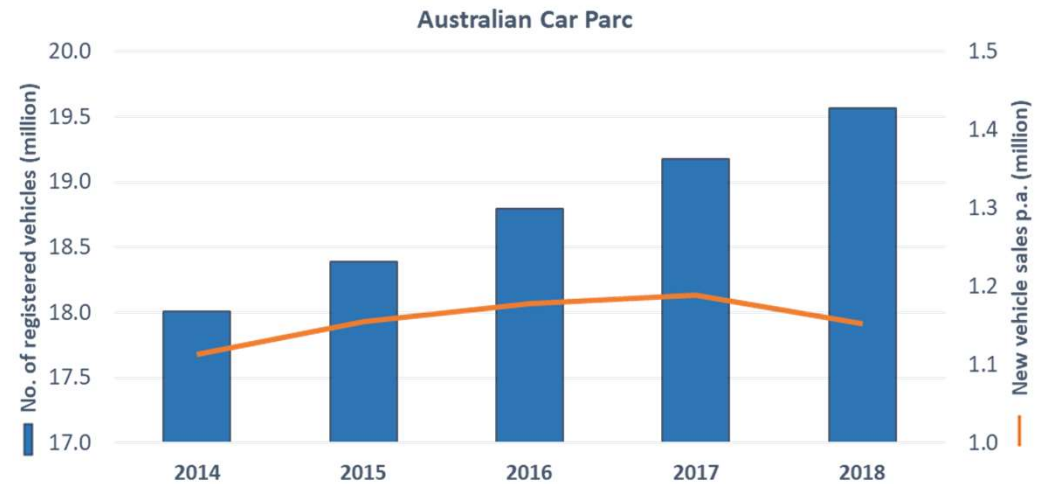
\* EV = electrical/hybrid vehicle

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## Continued growth of the Australian Car Parc...



- Estimated **19.2m registered vehicles** at the end of 2018, an increase of 2% on 2017
  - **Average age** of vehicles stable at **10 - 11 years**
- **New vehicle sales** in 2018 were down 3% on 2017 and ending four years of YoY growth
  - 60% of new vehicle sales were in the SUV & Utility categories; 33% in Passenger vehicles
- **Electric vehicle penetration continues to be minimal**, <0.5% of new vehicle sales in 2018 were electric vehicles



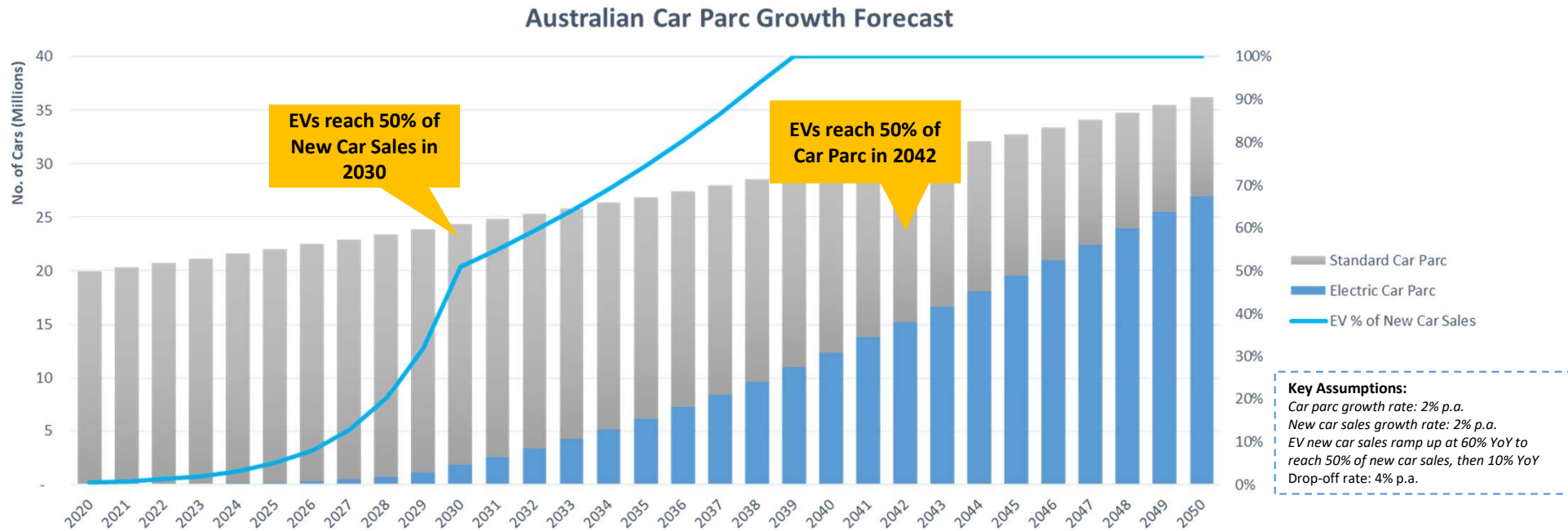
Source: ABS Motor Vehicle Census; FCAI VFACTS;

**No change to industry fundamentals.**

# Impact of Electric Vehicles (EVs)... Facts do not support rhetoric!!!!



- For EVs to reach 50% of New Car Sales by 2030, **60% year on year sales growth in electric cars is required** – and at that point only 7% on road will be electric!!



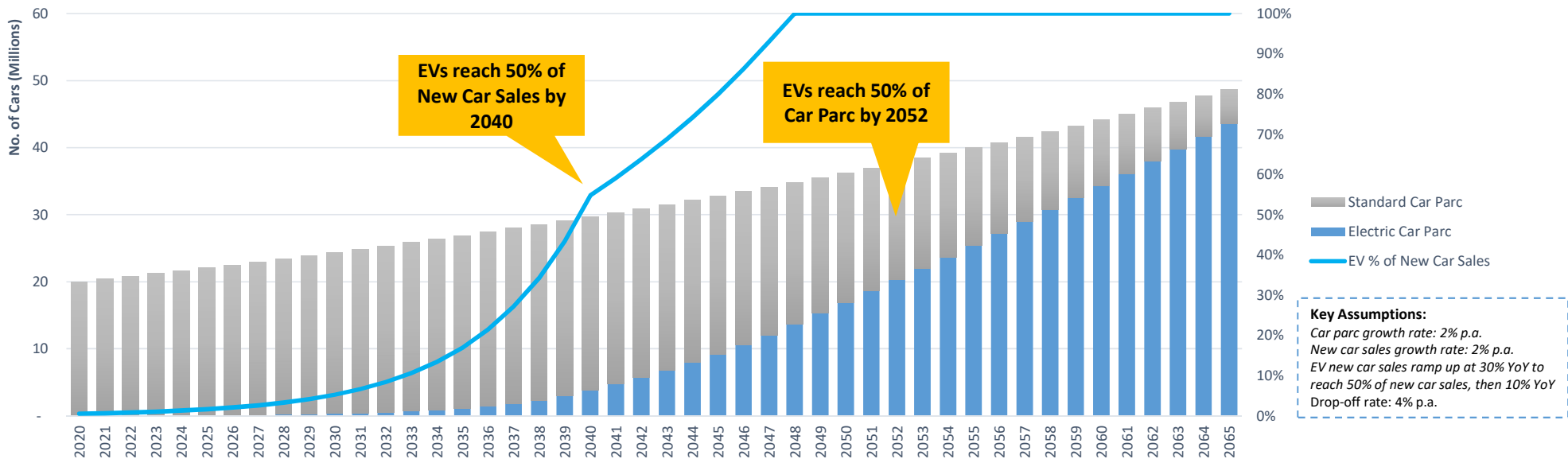
# Impact of Electric Vehicles (EVs)...

Do you remember the LPG usage forecasts????? Where are these today?



- For EVs to reach 50% of New Car Sales by 2040, **30% year on year sales growth is required** – and at that point only 12% of cars on road will be electric!!

Australian Car Parc Growth Forecast



Thank  
you!

*See you at Bapcor Brisbane Investor Day – July 3, 2019.*