



Investor Presentation

June 2017



Our Brands



Hellaby brands



Automotive



Resource Services



Footwear



Agenda



- 1 H1 FY2017 Results recap
- 2 Hellaby Update
- 3 Trading Update
- 4 Frequently Asked Questions
- 5 Strategic Plan
- 6 Q&A



1 H1 FY2017 Results recap

2 Hellaby Update

3 Trading Update

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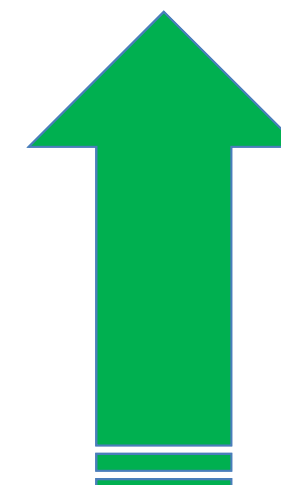
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H1 FY2017 Result Highlights



<i>\$ million</i>	H1 FY2017 (3)	H1 FY2016	Variance
Revenue	435.1	324.4	34.1%
Gross Margin % ⁽¹⁾	45.0%	43.5%	1.5pp
EBITDA – pro-forma	49.2	34.5	42.5%
NPAT – pro-forma ⁽²⁾	27.8	19.3	44.0%
NPAT – statutory	25.3	19.3	30.7%
EPS ⁽³⁾ (cps) – pro-forma	10.64	7.98	33.4%
EPS ⁽³⁾ (cps) – statutory	9.66	7.97	21.2%
Interim dividend (cps)	5.5	5.0	10.0%

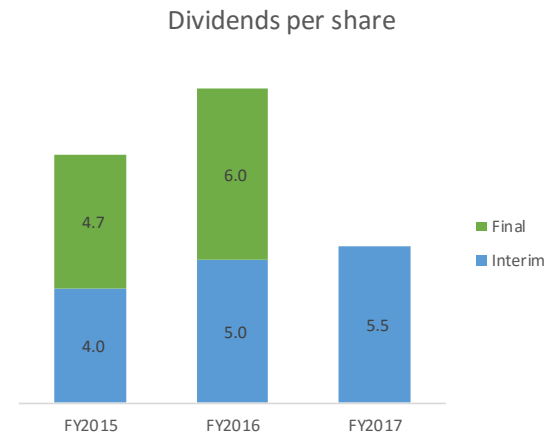
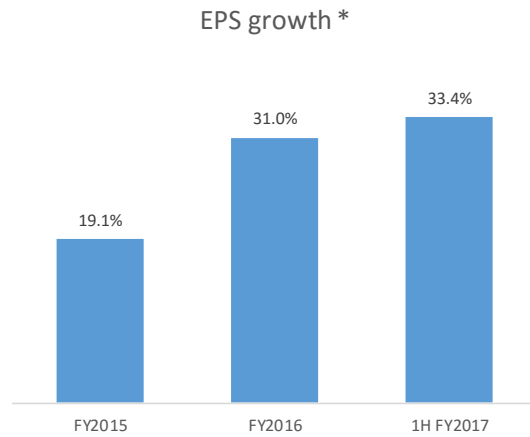
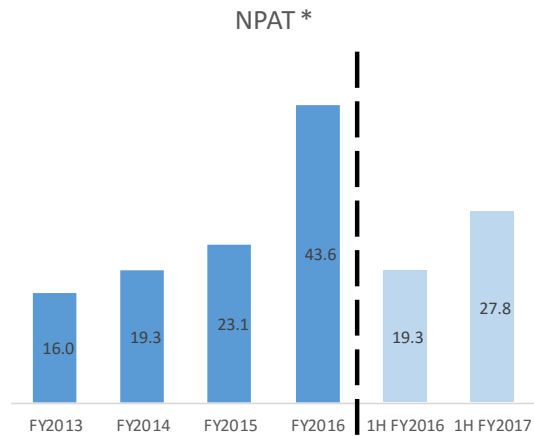
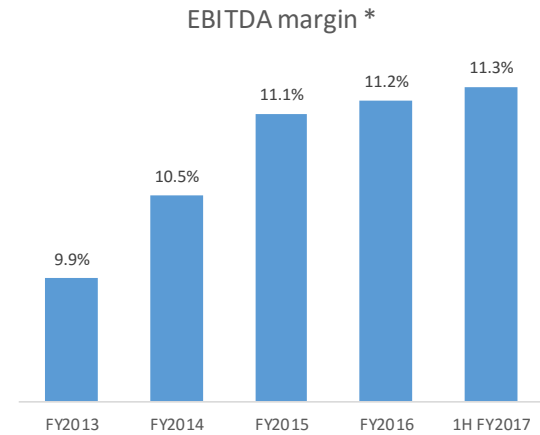
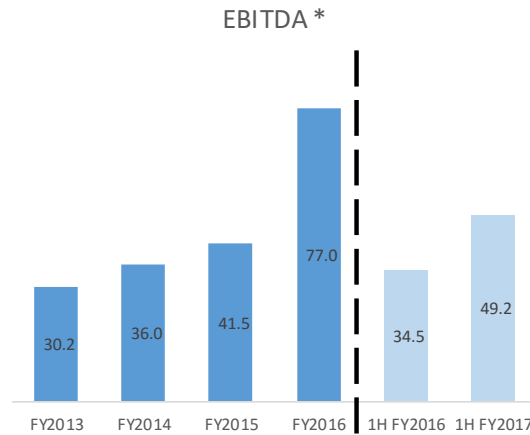
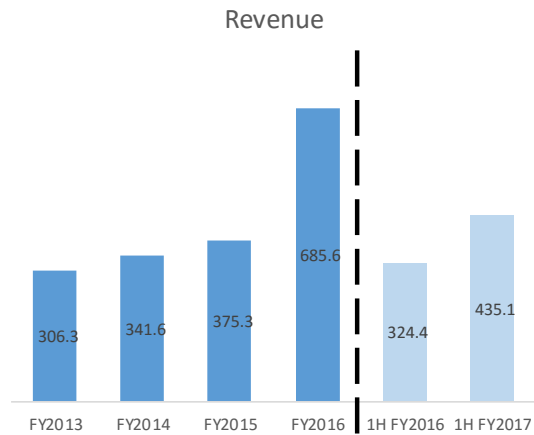


- Very pleasing result with proforma EPS growth of 33.4%
- H1 FY2017 result reflects full 6 months of ANA acquisition versus 5 months in H1 FY2016, plus the benefit of optimisation projects
- All business segments delivered strong results
- Acquisitions in FY2016 and H1 FY2017 are progressing smoothly and at least to business plan
- Pro-forma EBITDA and NPAT excludes the after tax effect of Hellaby transaction costs and the benefit to finance costs due to capital raised. Pro-forma EPS is based on proforma NPAT but includes shares issued as part of the capital raising for the Hellaby acquisition.

Notes:

1. Gross margin presented in line with statutory presentation. H1 FY2016 includes a reclassification of freight recoveries and expense.
2. EPS is based on the TERP adjusted weighted number of shares on issue during the year as per accounting standard AASB -133.
3. H1 FY2017 proforma NPAT excludes acquisition costs of \$3.5M and includes interest / tax adjustments of (\$1.0M) all related to the Hellaby acquisition

Summary of Key Performance Indicators



* Based on proforma results where appropriate

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Hellaby Acquisition recap



- Bapcor completed a \$420M acquisition of Hellaby Holdings (HHL) based in New Zealand in January 2017.
- HHL has 3 segments – Auto, Resource Services, Footwear. Key segment for BAP is the Auto segment.
- The HHL business is complementary to BAP's existing business focus, with a strong trade business in NZ and electrical wholesale in Australia.
- Adds geographic footprint, significant scale, competitive advantages and growth opportunities.
- EPS accretive – circa 12% to 26cps annualised for the Automotive business
- The acquisition was funded through an Entitlement Offer, increase in debt and issue of BAP shares.

Hellaby Integration Status



- Hellaby Corporate office wind down commenced – due to be completed 1HFY18
- Combined workshops held including all of the Bapcor automotive businesses with objective of
 - Increasing the knowledge throughout Bapcor business units of what each of the business units has to offer
 - Identifying optimisation/synergy opportunities including intercompany sourcing and product substitution, supplier negotiations, business systems and processes, indirect costs, people learning and development, organisational structure
 - Determine priorities and “go forward” process
 - Promoting teamwork across business units
- The outcome of the workshops exceeded our expectations
- Targeting investor update in July to provide info on optimisation benefits

Hellaby Non-Core Assets Divestments Status

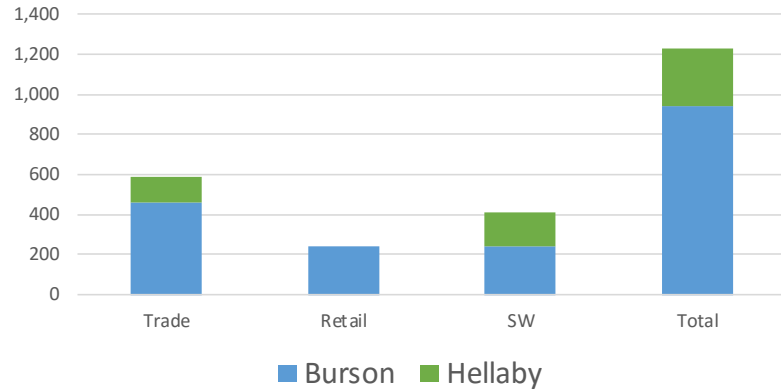


- Divestiture process underway for the non-core assets of Hellaby
- Following up on business units that have expressed interest
 - Resource Services being advised by FNZC.
 - Footwear being advised by Miles Partners.
 - Comfortable with the initial acquisition divestment range assumption of NZ\$110M to NZ\$120M
- Aiming for exits to be completed 1HFY18
- Non-core assets will be disclosed as assets held for sale in June 17 accounts unless completed

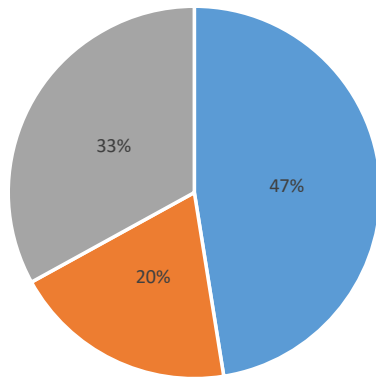
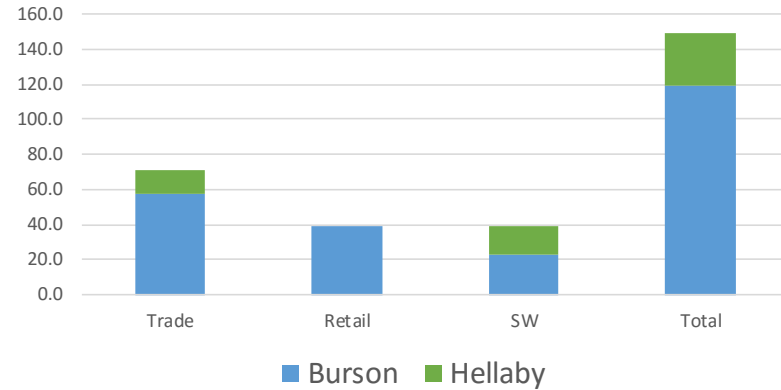
Bapcor Auto Mix (Post Hellaby Acquisition - Post Divestments)



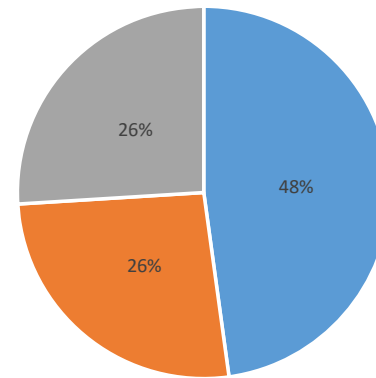
Sales (annualised)



EBIT (annualised)



Trade Retail SW



Trade Retail SW

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- The Trade segment continues to perform solidly and in line with expectations. Currently at 159 stores and target approximately 160 by 30 June
- Retail business continues to experience heavy discounting by competitors.
 - Bapcor continues to focus on profit maximization - not chasing top line growth
 - The retail company store strategy will provide additional control over ranging, sourcing, pricing and the rate of store roll out.
 - Performing well ahead of last year
- Specialist wholesale trading in line with expectations with recent acquisitions of Bearing Wholesalers, Roadsafe, Baxters and MTQ all operating at least to business case
- Hellaby Auto business performing well

FY17 NPAT Guidance



- Guidance remains unchanged
- The Bapcor Business FY17 full year NPAT **excluding** the acquisition of Hellaby and related transaction costs is expected to be in the range of \$57M to \$59M. (previous guidance \$54.5M to \$56.7M).
- The inclusion of the three Hellaby businesses of Auto, Footwear and Resource Services is estimated to increase NPAT in H2 FY2017 by a further \$8M to \$12M before transaction costs and significant items
- FY2017 EPS including Hellaby is estimated to increase by at least 35%

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Frequently Asked Questions – Addressing The Myths



Non Core Divestments

- In process as addressed under Hellaby in presentation

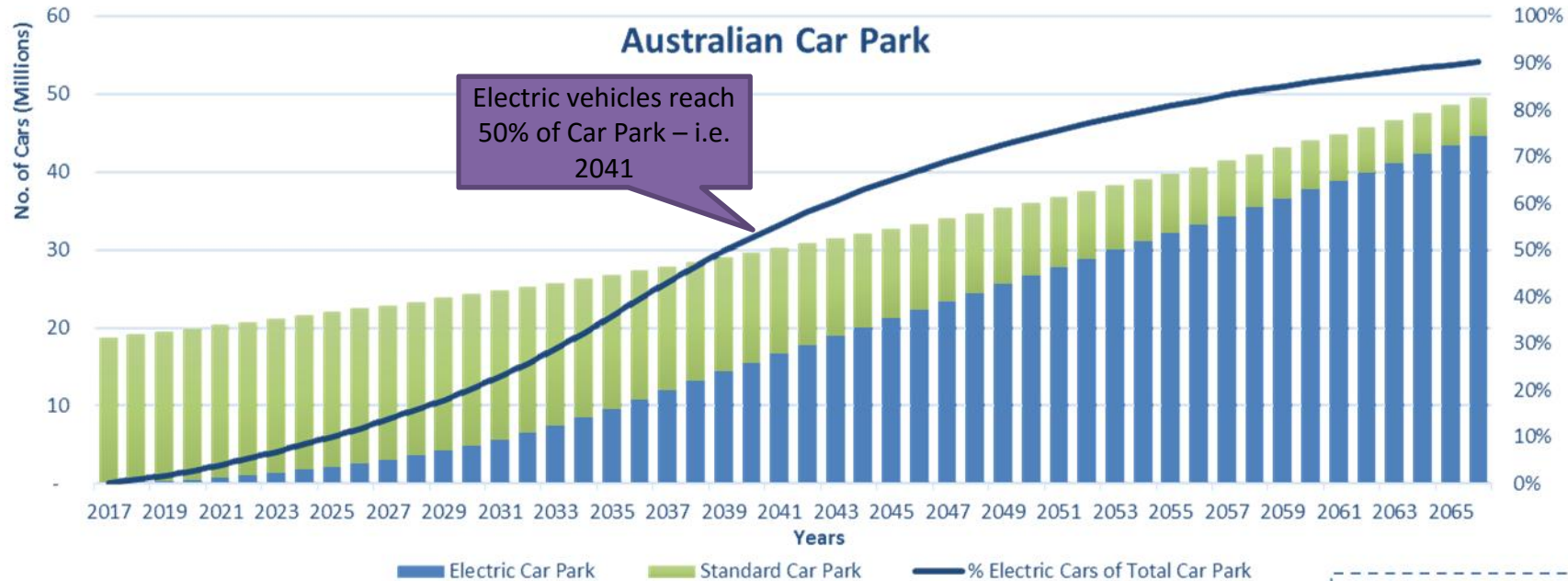
Amazon / on line retailing

- Likely to focus on electronics, toys, clothing in initial stages
- If and when auto parts introduced, likely to be on products that do not require professional fitment or advice
- Bapcor's trade based businesses relatively protected due to high service level
- Substantial portion of Autobarn's customer base categorised DIFM – plays into Autobarn's high customer service model

Electric Cars

- Bapcor will evolve and adapt to the car parc - as it has historically as cars have changed
- Bapcor well placed to supply electronic components and batteries
- Will be **many many** years to reach a significant portion of the car parc
 - In context – 18 million cars on road in Australia – average age 12 years
 - Less than 1 million new cars sold annually
 - Cars on road continue to grow in line with population growth

Australian Car Park Forecast Model – Impact of Electric Vehicles



- With the above assumptions input into the model:
 - 100% of new cars sold will be electric by year 20
 - Electric vehicles reach 50% of Car Park in 24 years – i.e. 2041
 - Drop off rate is 4.0% p.a.

Assumptions:
 Starting Car Park (Year 0): 18.4m cars
 Annual growth of total car park: 2%
 New Cars Sold Year 1: 1.1m cars
 Annual growth of new cars sold: 2%
 Share of new cars sold as Electric:
 Y1 – 5%
 Y2 – 10%
 Y3 – 15%
 Y4 – 20%
 Y5 – 25%
 Y6 – +10% year on year...

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Group Business 5 Year Strategic Targets and Current Status



TRADE	Trade focussed “parts professionals” supplying workshops		Target 25% Own brands	AUS Target 200 Stores 157	NZ Target TBD Stores 54
RETAIL	Premium Retailer of Automotive Accessories		Target 35% Own brands	AUS Target 200 AB Stores 120	NZ Target TBD Retail
	4WD & Vehicle Accessories			AUS Target 120 OL Stores 84	NZ Target TBD OL Stores 1
INDEPENDENTS	Supplying the independent parts stores			Target Over 200 Stores	NZ Target TBD
SPECIALIST WHOLESALE	#1 or #2 Industry Category specialists in parts programs			\$A 315	\$NZ 58
				AUS Target TBA Turnover	NZ Target TBD Turnover
SERVICE	Experts at scheduled car servicing at affordable prices			AUS Target TBD 139	NZ Target TBD 26
RSG	Specialist international services			Strategic Review	
FOOTWEAR	NZ Largest footwear retail group			Strategic Review	

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Thank You

