Bapcor

Macquarie Conference – Sydney - April 30, 2019

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H1 FY2019 Headline Results – *it was a record result* !

Revenue	EBITDA	NPAT	EPS
3.2%	8.2%	6.6%	5.9%
Up 3.2% to $636.1M (continuing ops)	Up 8.2% to $76.0M (proforma continuing ops)	Up 6.6% to $43.1M (proforma continuing ops)	Up 5.9% to 15.34 cps (proforma continuing ops)
	Up 13.2% to $79.4M Statutory	Up 12.6% to $45.5M Statutory	Up 3.4% to 16.20 cps Statutory

TRS was divested 3 July 2018. Excluding TRS from prior period:

Revenue 5.5% EBITDA 10.4% NPAT 9.2% EPS 8.5%

H1 FY2019 Financial Highlights

		H1 FY19	H1 FY18	Variance
Continuing Operations				
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%*
Total Bapcor (including Discontinued Operations)				
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.

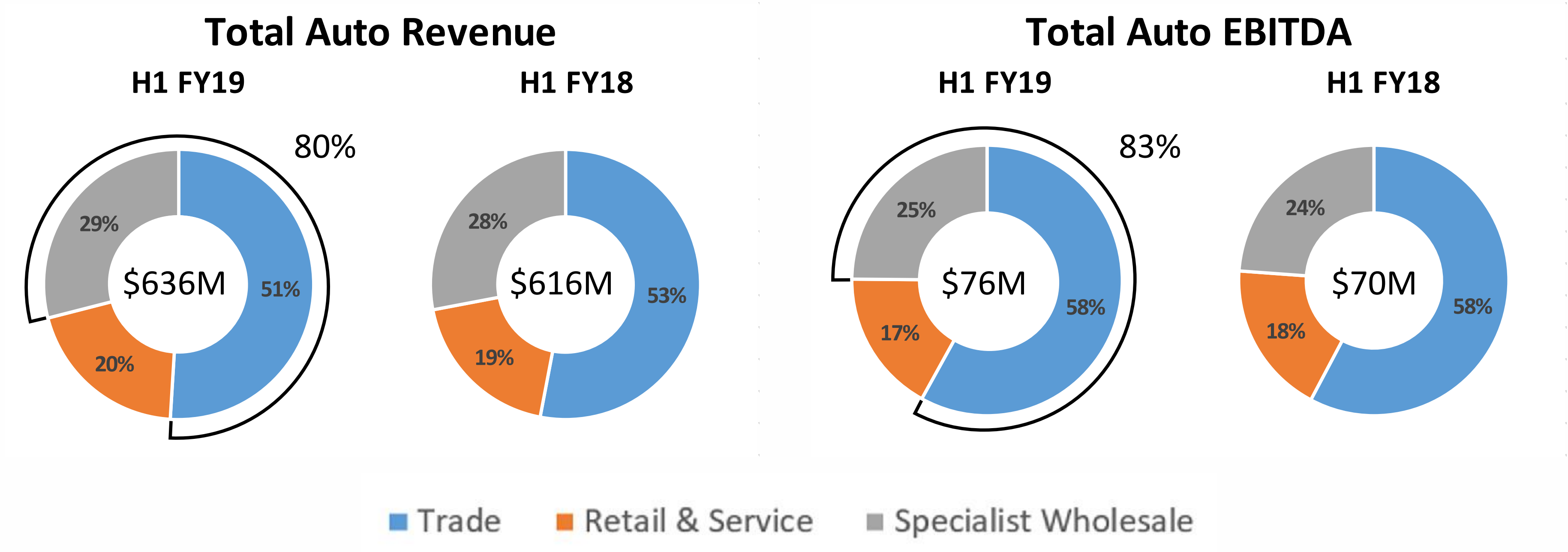
Notes:

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.

H1 FY2019 Operational Highlights

- A record first half result in Revenue, Earnings and EPS, in challenging economic conditions.
- NPAT growth negatively impacted by 2.5% due to the divestment of TRS on 3 July 2018. The FY18 profit contribution of TRS is expected to be fully offset in H2 FY19 due to acquiring commercial truck group (Don Kyatt (Qld) & associated companies) in December 2018.
- Good revenue & profit growth in the Trade, Bapcor NZ and Specialist Wholesale segments
- Retail & Service profit flat due to market conditions and continued company store expansion that is loss making in initial phase
- Intercompany sales up 37%
- Higher inventory reflects acquisitions, network growth, investment in new & existing ranges and impact of cyclical purchases. Expect to reduce by June 19.

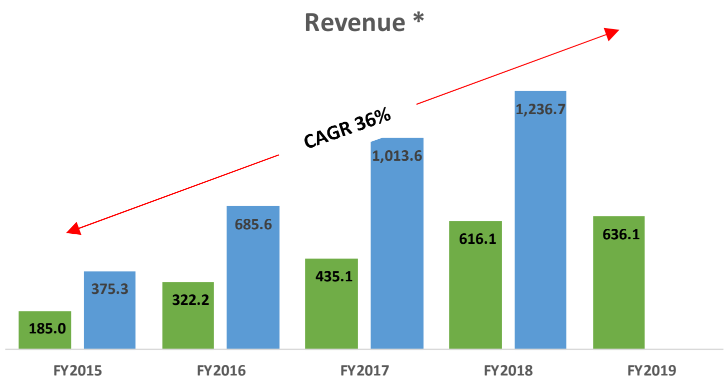
Business Segment Contribution to Results

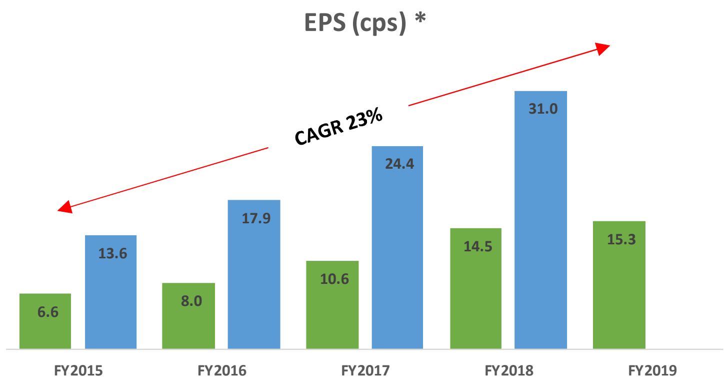


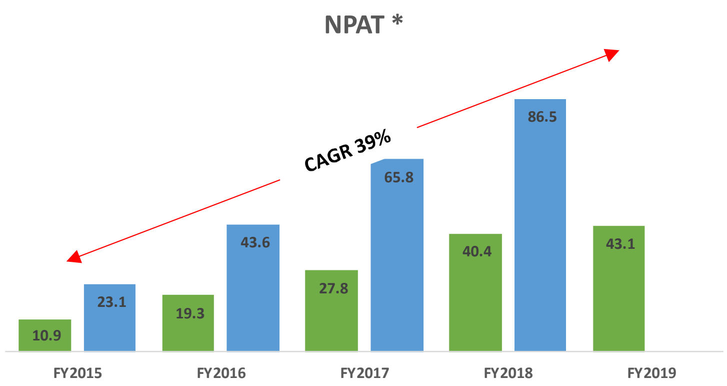
Summary of Key Performance Indicators

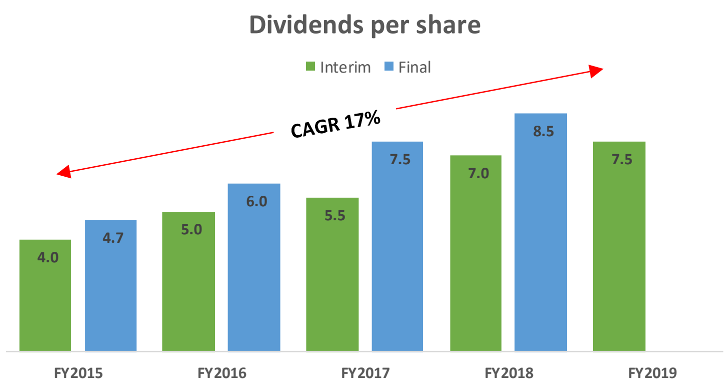
H1

FY









** Based on continuing operations and estimated FY19 results*

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 Parts Group" (Don Kyatt (QLD) etc)
  - Business is performing well.
  - Additional branches to be added by June.

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

Bapcor

NO CHANGE TO GROWTH STRATEGY

Trade — BNT, Burson Auto Parts, Truck & Trailer Parts, Precision Automotive Equipment	**50% Segment contribution** Trade focussed "parts professionals" supplying workshops in Australia & New Zealand	**230** AUS Target Stores (Now 179); **75** NZ Target Stores (Now 59); **25** NZ Relocation & Refurb Target (Now 6); **35%** Own brand Target (Now 24%)
Specialist wholesale — AAD, Autolign, JAS Oceania, Baxters, Bearing Wholesalers, MTQ Engine Systems, Roadsafe, Federal Batteries, FAT Premier Auto Trade, Diesel Distributors, HCB Technologies, AAD Australia, DKSP, I Know Parts, H.I.M Spares, JCS, He Knows, Toperformance	**30% Segment contribution** #1 or #2 Industry category specialists in parts programs	**A$450m** AUS Target Turnover (Now A$364m); **A$50m** NZ Target Turnover (Now A$31m); **55%** Own brand Target (Now 45%) *excludes TRS – since divested
Retail — autObarn, autopro, Sprint Auto Parts, OL, CarParts	**20% Segment contribution** Premium Retailer of Automotive Accessories Supplying the independents: parts, accessories & 4WD	**200** AUS Autobarn Target Stores (Now 131); **200** Independents Target Stores (Now 203); **120** AUS OL Target Stores (Now 83); **35%** Own brand Target (Now 24%)
Service — Midas, ABS, The Shock Shop, Battery Town	Reliable & Trusted car servicing at affordable prices Supporting the independents	**500** AUS Target Stores (Now 124); **150** NZ Target Stores (Now 115); **90%** Intercompany Sourcing Target
Asia — Burson	Bringing automotive aftermarket parts to Asia	**TBD** 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

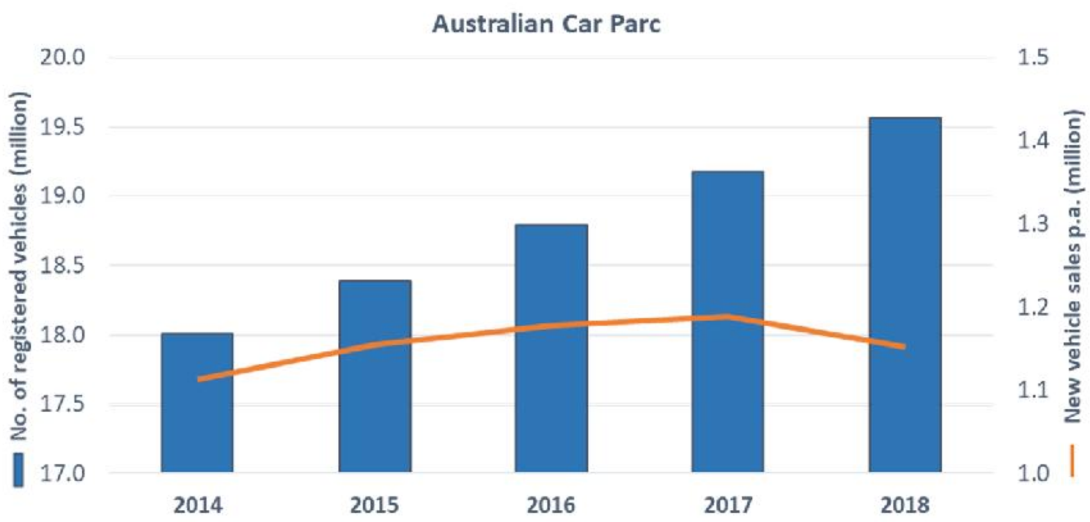
- Strategic Acquisitions / Expansion

Strategy

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

Continued growth of the Australian Car Parc…

- Estimated **19.5m registered vehicles** at the end of 2018, an increase of 2% on 2017
  - **Average age** of vehicles stable at **11 years**
- **New vehicle sales** in 2018 were 1.15m, 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

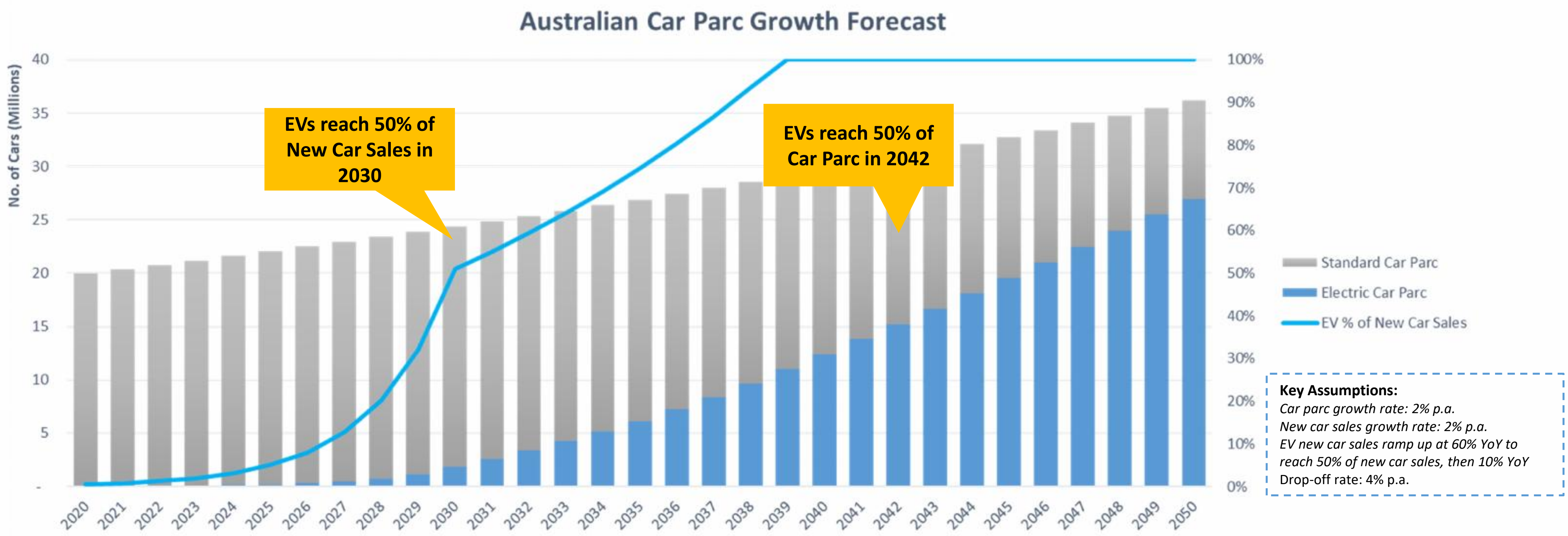


Source: ABS Motor Vehicle Census; FCAI VFACTS;

No change to industry fundamentals.

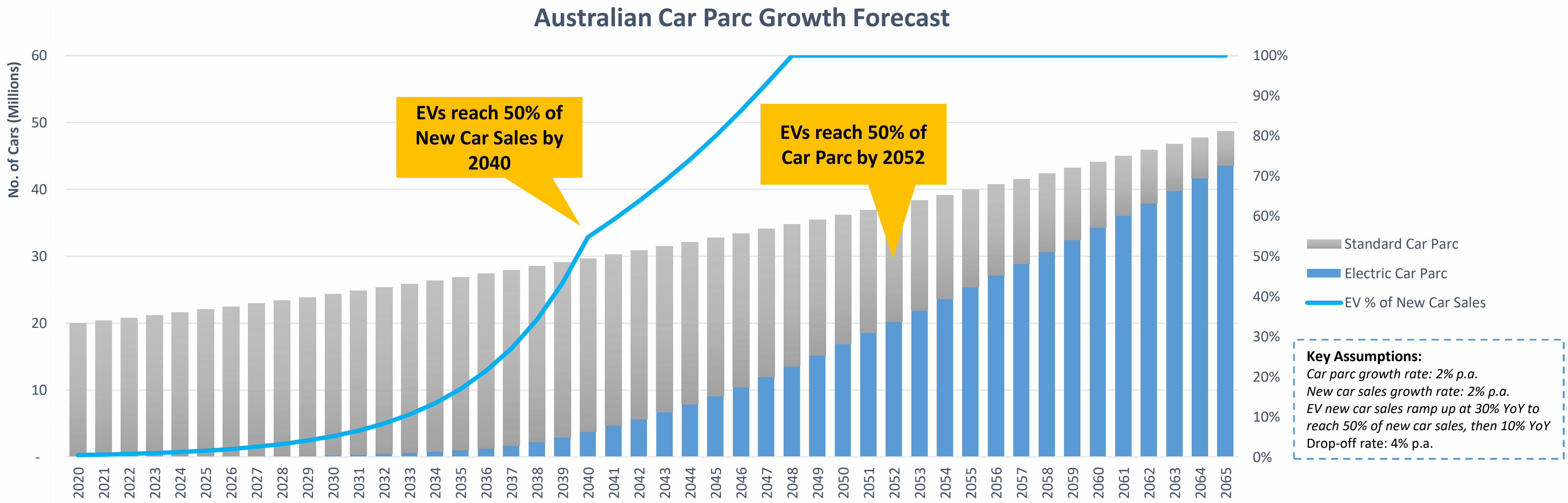
Impact of Electric Vehicles (EVs)…
Facts do not support rhetoric!!!!

- **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!!



Bapcor Thailand

- Now operating 4 stores in Bangkok district
- A further 2 new stores planned pre June
- 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.

Thank you!