



ASX/Media Announcement Bapcor Limited (ASX:BAP)

20 February 2018

Bapcor Ltd results for the six months ended 31 December 2017

Revenue from continuing operations of \$616.1M, up 41.6%.

Proforma Net Profit after Tax from continuing operations of \$40.4M, up 45.2%.

Statutory Net Profit after Tax of \$43.5M, up 72.2%.

Pro-forma Earnings Per Share of 14.61 cents per share, up 37.3%.

Bapcor Ltd ("Bapcor") today announced its financial results for the 6 months ended 31 December 2017 (H1 FY18).

Highlights of the financial results compared to the 6 months ended 31 December 2016 (H1 FY17) are:

<i>\$ million</i>	H1 FY18	H1 FY17	Variance
<u>Continuing Operations</u>			
Revenue	616.1	435.1	41.6%
EBITDA – Statutory	70.2	45.6	53.8%
EBITDA – Pro-forma ⁽¹⁾	70.2	49.2	42.8%
NPAT – Statutory	40.4	25.3	60.0%
NPAT – Pro-forma ⁽¹⁾	40.4	27.8	45.2%
<u>Total Bapcor (including discontinued operations⁽²⁾)</u>			
NPAT – Statutory	43.5	25.3	72.2%
NPAT – Pro-forma ⁽¹⁾	40.8	27.8	46.6%
EPS (cps) – Pro-forma	14.61	10.64	37.3%
Interim Dividend (cps)	7.0	5.5	27.3%

Notes:

1. Pro-forma results exclude Hellaby related acquisition and financing costs
2. Discontinued operations are Resources Services Group and Footwear

H1 FY18 results include the benefit of 6 months of the Hellaby Holdings Ltd businesses that were acquired by Bapcor in January 2017. The Hellaby businesses of Footwear and Resource Services are deemed non-core and have been classified as "discontinued operations" in the financial statements. During H1 FY18 the Footwear business and the Contract Resources division of Resource Services were divested, with the remaining division of Resource Services, TBS, being the only

remaining “discontinued operation” at 31 December 2017. TBS is expected to be divested in H2 FY18.

Statutory revenue and net profit after tax for H1 FY18 increased by 41.6% and 72.2% respectively compared to H1 FY17.

Pro-forma net profit after tax from continuing operations increased by 45.2%. The increase in pro-forma net profit after tax reflects the impact of Hellaby and other acquisitions as well as the profit growth of Bapcor’s existing Trade and Specialist Wholesale businesses. Earnings per share for H1 FY18 was 14.61 cents per share, up 37.3% compared to H1 FY17 (based on pro-forma NPAT including contribution from discontinued operations).

There are no proforma adjustments to net profit in H1 FY18. H1 FY17 proforma adjustments related to transaction costs specifically related to the acquisition of Hellaby.

Net debt at 31 December 2017 was \$337.1M representing a leverage ratio of 2.2X (Net Debt : last twelve months EBITDA). Bapcor is on track to record a leverage ratio of <2X by 30 June 2018 post the sale TBS, the remaining “discontinued operation”.

A final fully franked dividend of 7.0 cents per share has been declared, up 27.3% compared to the H1 FY17 interim dividend. Bapcor operates a Dividend Reinvestment Plan (‘DRP’) which provides shareholders with the opportunity to utilise all or part of their dividends to purchase shares in the Company. The DRP will be in operation for the 2018 interim dividend.

Comments from Bapcor’s CEO

Bapcor CEO Mr. Darryl Abotomey said “the first half of FY18 has delivered a very good result and in line with our expectations. This financial year is a period of consolidation, integrating the ex-Hellaby businesses and working through the many optimisation opportunities. In addition, Bapcor also successfully divested the discontinued operations of Footwear and Contract Resources and we continue to achieve strong performance across the Trade and the Specialist Wholesale segments, and the Retail business is performing well in a competitive environment.

“The Burson Trade segment, consisting of Burson Auto Parts and Precision Automotive Equipment, delivered a strong result for the half year. Total revenue for Burson Trade increased by 6.6% and EBITDA grew by 8.7% compared to H1 FY17, achieving same store sales growth of 3.4%. The Burson store network expanded to 163 stores nationwide, with three additional Greenfield developments in H1 FY18. Trade also successfully completed the acquisition of Tricor Engineering, a specialist in the supply and installation of lubrication equipment, which will operate out of the Precision Automotive Equipment business.

“The Specialist Wholesale segment (excluding Bapcor New Zealand) comprises AAD, Bearing Wholesalers, Opposite Lock, Baxters, MTQ Engine Systems and Roadsafe. The segment recorded both revenue growth and EBITDA growth of 25.4%. Specialist Wholesale results now include a full six month contribution of the Baxters, MTQ and Roadsafe acquisitions, and also benefited from strong performance in AAD and Opposite Lock. A continued strategic focus of the Specialist Wholesale segment is intercompany sales to other Bapcor businesses, and growth in this area will continue in H2 FY18.

“Bapcor New Zealand (previously Hellaby Automotive), consists of Trade and Specialist Wholesale businesses located in New Zealand and Australia across more than 120 locations. Bapcor New Zealand performed very strongly in the half year and, in New Zealand dollar terms, recorded revenue growth of 8.4% and EBITDA growth of 28.5% compared to Hellaby’s reported result for H1 FY17



excluding Hellaby Corporate Head Office costs. Bapcor New Zealand's largest business, the BNT trade business, achieved same store sales growth of 8.5% reflecting the success of organisation changes, range expansion and market growth.

"The Retail & Service segment consists of Autobarn, AutoPro, Sprint Auto Parts and Carparts retail stores, as well as Midas and ABS service workshops. Revenue for H1 FY18 increased by 5.4% compared to H1 FY17, which includes a higher mix of company owned stores versus franchise operations across its store network. Same store sales growth for franchise stores was 1% and company owned stores 5%. EBITDA as a percentage of sales decreased by 0.6 percentage points as a result of a higher level of sales relative to profit in the new company owned stores which have only been operating for a relatively short time. Autobarn added 8 new company owned stores to its network during the half year, consisting of 4 Greenfield stores and the conversion of 4 franchise operations. This brings the total number of company owned stores to 39, or 31% of the 124 store Autobarn network at 31 December 2017.

"Bapcor's exceptional performance and growth trajectory are a direct result of the talent, passion and dedication of our people, franchisees, and the support of our customers and suppliers. Bapcor is committed to investing in its people to further their development and provide a resource pipeline for our future. Our people are what makes us successful and I would again like to acknowledge their continued effort and commitment."

Bapcor is forecasting continued revenue and profit growth in H2 FY18 through underlying business performance, supported by the benefits realised through business optimisation and store network growth. Bapcor's previous full year guidance for financial year 2018 remains unchanged at 30% growth in Pro-forma NPAT from continued operations.

Bapcor is Australasia's leading provider of automotive aftermarket parts, accessories, equipment and services, with a network of over 800 locations across Australia and New Zealand.

For further details refer to the Investor Presentation and Financial Statements contained in the Investor Centre section in the Bapcor Ltd website (www.bapcor.com.au/presentations).

For further information:

Darryl Abotomey
Managing Director and CEO
Bapcor Limited
+61 419 838 059
+61 3 9914 5555

Greg Fox
CFO and Company Secretary
Bapcor Limited
+61 417 562 891
+61 3 9914 5555