



Bapcor Limited  
(ASX: BAP)

18 August 2016

ASX/Media Release

Bapcor Ltd results for the twelve months ended 30 June 2016

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Net Profit after Tax of \$43.6 million, underlying profit up 88.9% and underlying EPS up 31.0%.

Bapcor Limited ("Bapcor"), (formerly Burson Group Limited), today announced its audited financial results for the 12 months ended 30 June 2016 (FY2016). The results include eleven months of trading for Aftermarket Network Australia ("ANA"), (formerly Metcash Automotive) which was acquired by Bapcor on 31 July 2015.

Highlights of the financial results compared to FY2015 reported results are;

- ) An 82.7% increase in revenue to \$685.6M
- ) Strong full year same store sales growth
  - o Burson Auto Parts 4.6%
  - o Autobarn 5.2%
- ) EBITDA (earnings before interest, tax, depreciation and amortisation) up 85.7% to \$77.0M.
- ) NPAT (net profit after tax) of \$43.6M, an increase of 88.9% compared to proforma FY2015 of \$23.1M.
- ) EPS (earnings per share) of 17.85 cents, up 31.0%

Net debt at 30 June 2016 was \$126.4M representing a leverage ratio of approximately 1.6X (Net Debt: FY2016 EBITDA), or less than 1.5X on an annualised EBITDA basis.

A final fully franked dividend of 6.0 cents per share has been declared, up 27.7% on the previous final dividend. The final dividend takes the total dividends in relation to FY2016 to 11.0 cents per share, up 26.4% compared to FY2015.

## Key Financial Results (\$M)

<i>\$ million</i>	FY2016 <sup>(3)</sup>	FY2015 <sup>(4)</sup>	Variance
Revenue	685.6	375.3	82.7%
Gross Margin % <sup>(1)</sup>	44.2%	41.4%	2.8
EBITDA	77.0	41.5	85.7%
NPAT	43.6	23.1	88.9%
EPS <sup>(2)</sup> (cps)	17.85	13.62	31.0%
Final dividend (cps)	6.0	4.7	27.7%
Full year dividend	11.0	8.7	26.4%

**Note:**

1. Gross margin for FY2016 and FY2015 presented as per statutory accounts. FY2015 includes a reclassification of freight expense from COGS to CODB.
2. FY2016 and FY2015 EPS is based on the TERP adjusted weighted number of shares on issue during the year as per accounting standard AASB -133.
3. FY2016 includes acquisition costs of \$1.1M
4. FY2015 Proforma results adjusted for transaction costs in relation to the acquisition of ANA.

Bapcor's Chief Executive Officer Mr Darryl Abotomey said "We are very pleased with the full year results which reflect the success of the ANA acquisition, continued strong growth of the Trade business segment and the hard work of our dedicated and passionate team of employees and franchisees across all areas of our business.

The ANA business has performed in line with expectations and the delivery of optimisation opportunities are well advanced. The organisational structure of the business has now been aligned to Bapcor's operating business segments of Trade, Retail and Specialist Wholesale.

Bapcor's Trade segment, consisting of Burson Auto Parts and Precision Automotive Equipment, delivered strong sales and profit growth. Total revenue for Trade increased by 11.7% with same store sales growth of 4.6%. Store numbers increased by 15 during FY2016 to 145, and with the opening of a store in the Australian Capital Territory in July 2015, now operates in every state and territory in Australia. Along with strong top line growth, Trade was also able to increase its profitability with the EBITDA to sales ratio increasing by 0.6%. Precision Automotive Equipment was purchased by Bapcor during the year and enhances the Trade segment's workshop equipment and service offering.

The Retail segment consists of the Autobarn, AutoPro, Sprint Auto Parts and CarParts retail stores, as well as Midas and ABS service workshops. This segment performed well, recording EBITDA at 11.6% of sales. Autobarn recorded same store sales growth of 5.2%

which was well above the prior period. The total number of stores in the Retail segment increased by 48 during FY2016, with the acquisition of Sprint Auto Parts contributing 40 stores, 3 additional AutoPro and CarParts stores, 3 new Autobarn and 2 service workshops. Bapcor's strategy of growing the number of Autobarn stores under company ownership is progressing well, with 15 company owned stores at the end of June 2016.

The Specialist Wholesale segment, comprising AAD, Opposite Lock and Bearing Wholesalers, performed in line with expectations. Bapcor was able to grow the level of intercompany sales in line with its business strategy however as expected there was some sales loss of products historically sold to competitors of other Bapcor business segments. The Specialist Wholesale business unit of AAD also experienced some margin erosion due to being unable to fully pass on the impact of the lower Australian dollar. The Specialist Wholesale segment expanded during FY2016 with the acquisition of Bearing Wholesalers, the addition of 10 Opposite Lock stores (mainly store in store) and subsequent to year end with the acquisitions of Baxters, an auto electrical specialist, and Roadsafe, a 4WD accessories and suspension specialist.

In addition to good profit growth, Bapcor's cash flow has also been solid with net debt at June 2016 of \$126.4M representing a leverage ratio of less than 1.5X on an annualised EBITDA basis.

Bapcor is forecasting another strong year of revenue and profit growth in FY2017 with the inclusion of a full 12 months trading of the former ANA businesses, the inclusion of the acquisitions of Bearing Wholesalers, Sprint Auto Parts, Precision Automotive Equipment, Baxters and Roadsafe, and the benefit of optimisation savings. The core businesses in Trade and Retail are also expected to perform well, including adding additional stores to their networks. Trading in July and the first 2 weeks of August has been in line with our expectations. For the full year to June 2017 we expect NPAT to increase by between 25% and 30% from FY2016.

Bapcor is able to deliver outstanding results and have such a positive outlook due to its dedicated and passionate staff, franchisees and suppliers who are instrumental in the success of our business. We appreciate their efforts and are grateful for their support."

*Bapcor is Australasia's leading provider of automotive aftermarket parts, accessories and services with a network of over 750 locations.*

*For further information on Bapcor's FY2016 results refer to the Investor Presentation in the News and Announcements section of the Investor Centre contained in the Bapcor Limited Website ([www.bapcor.com.au/presentations-announcements/](http://www.bapcor.com.au/presentations-announcements/)).*

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