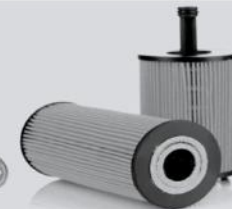


BURSON GROUP LTD

FY2015 Results Presentation



Disclaimer

The material in this presentation has been prepared by Burson Group Limited ("Burson") ABN 80 153 199 912 and is general background information about Burson's activities current at the date of this presentation. The information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information should not be considered as advice or a recommendation to investors or potential investors and does not take into account investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

Persons needing advice should consult their stockbroker, solicitor, accountant or other independent financial advisor.

The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about and observe such restrictions.

This presentation does not constitute, or form part of, an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issue or transfer of the securities referred to in this presentation in any jurisdiction in contravention of applicable law.

Certain statements made in this presentation are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Burson's current expectations, estimates and projections about the industry in which Burson operates, and beliefs and assumptions. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Burson, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Burson cautions investors and potential investors not to place undue reliance on these forward-looking statements, which reflect the view of Burson only as of the date of this presentation. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. Burson will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.

Agenda

1 FY2015 Results Highlights

2 FY2015 Result Details

3 Strategy and Outlook

4 Q&A

A Appendix



1 **FY2015 Result Highlights**

2 FY2015 Result Details

3 Strategy and Outlook

4 Q&A

A Appendix



FY2015 Result Highlights

<i>\$ million</i>	FY2015 Proforma	FY2014 Proforma	Variance	FY2015 IPO Prospectus Forecast	FY2015 Proforma Variance to Prospectus
Revenue	375.3	341.6	9.9%	366.4	2.4%
Gross Margin % ⁽¹⁾	43.7%	43.0%	0.7	43.5%	0.2
EBITDA	41.5	36.0	15.3%	39.6	4.8%
NPAT	23.1	19.4	19.1%	21.9	5.5%
EPS ⁽²⁾ (cps)	14.12	11.86	19.1%	13.39	5.5%

- Record result as Burson continues to deliver steady growth.
- FY2015 IPO forecast exceeded in all areas.
- Strong H2FY2015 result

Note:

1. Gross margin presented consistently with IPO prospectus and excludes freight expense. Statutory accounts gross margin includes freight expense
2. FY2015 EPS is based on the proforma NPAT and the weighted number of shares on issue during the year. FY2014 is based on FY2014 proforma NPAT and the quantity of shares on issue at 30 June 2014.

Proforma Financial Highlights in FY2015

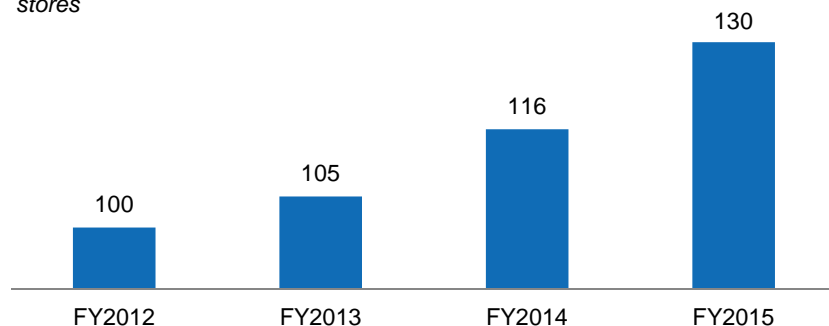
Comparison to FY2014 Proforma Results

- ✓ 130 stores – increase of **14 stores**
- ✓ Same store sales growth of **4.6%**
- ✓ Revenue \$375 million – **up 9.9%**
- ✓ Gross margin % 43.7% - **up 0.7**
- ✓ EBITDA margin 11.1% – **up 0.6**
- ✓ NPAT \$23.1 million – **up 19.1%**
- ✓ **Earnings per share – up 19.1%**
- ✓ Underlying net debt down \$15M since June 14

Summary of Key Performance Indicators

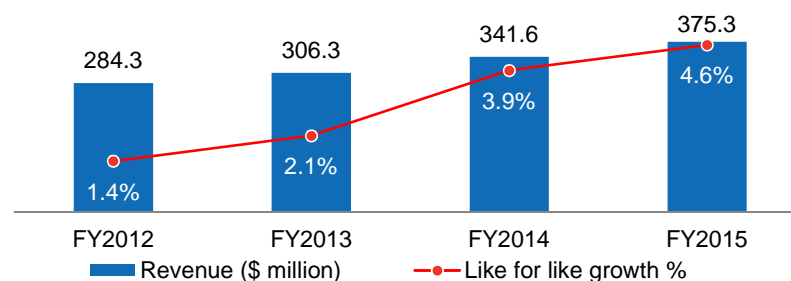
Store Numbers

Store expansion continues – ahead of FY2015 prospectus forecast of 124 stores



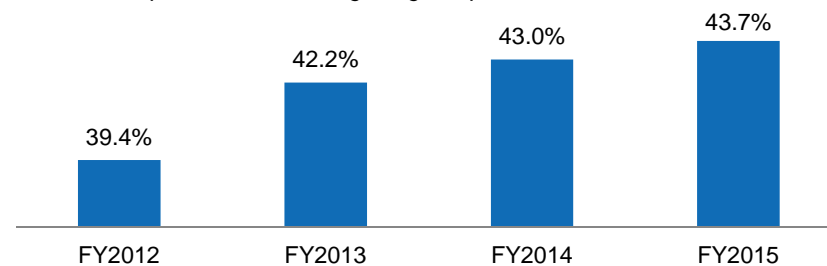
Revenue and “Same Store” growth

Store expansion together with strong like for like sales growth driving revenue growth



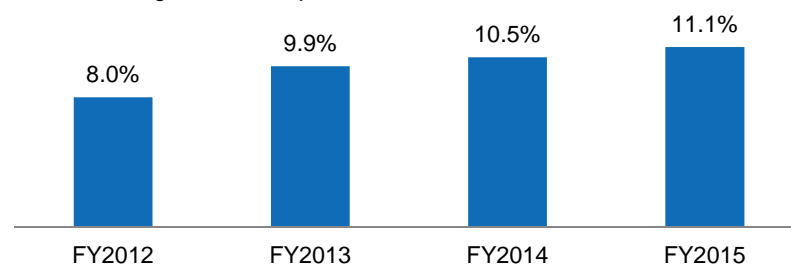
Gross Profit Margin

Continued improvement reflecting margin improvement initiatives



EBITDA Margin

Outcome of growth and improvement initiatives



Operational & Strategic Highlights FY2015

- ✓ Burson now operating in all states and territories in Australia with continued store expansion during FY2015 of **14 stores** to 130. Current store total 133.
 - 7 acquisitions QLD (4), NSW (2), SA (1)
 - 7 Greenfields Qld (2), NSW (2), WA (3)
 - commenced operations in ACT in July 2015
- ✓ Supplier price increases successfully passed through to customers in H2 FY2015
- ✓ Continued gross margin focus in business.
- ✓ 8,000 sqm Brisbane DC established and operating since July 2015
- ✓ 27 front-of-store enhancements completed to grow walk in sales
- ✓ Inventory cleansing program conducted reducing slow moving and obsolete inventories by \$3M
- ✓ Continued people development / regional management expansion
- ✓ Signed agreement for the purchase on Metcash Automotive Holdings with transaction completed 31 July 2015. Successful Entitlement Offer in June & July 2015.

Aftermarket Network Australia (ANA)



- Burson completed a \$283M acquisition of Metcash Automotive Holdings (MAH) on 31 July 2015. MAH has been renamed “Aftermarket Network Australia” or “ANA”. ANA is known for its marketing leading brands.
- ANA consists of two divisions (i) wholesale and distribution and (ii) marketing. The ANA business is complementary to Burson Auto Parts existing trade focus.
- Adds significant scale, competitive advantages and growth opportunities.
- Brands include ATAP, IBS, Partco, MBS and Garrmax (wholesale) and Autobarn, Autopro, CarParts, Midas, ABS and Opposite Lock (retail).
- EPS accretive
- The acquisition was funded through an Entitlement Offer, increase in debt and issue of Burson shares.
- Optimisation review will be completed H1FY2016.

Australian Automotive
Distribution Group





1 FY2015 Result Highlights

2 FY2015 Result Details

3 Strategy and Outlook

4 Q&A

A Appendix



Summary Income Statement

- **Revenue growth of 9.9% delivered by**
 - Like for like sales growth of 4.6%
 - Full year impact of FY2014 and FY2015 acquisitions 5.3%
- **Gross margin % up 0.7**
 - GM% up 0.7 compared to FY2014 and up 0.5 compared to H1FY2015.
 - Supplier price increase passed through to market H2FY2015
 - GM% is a continuing business focus
- **CODB as a % of sales up 0.1**
 - CODB included approx. \$1M of start-up costs related to the Brisbane DC and WA (impact 0.3%)
- **Depreciation as a % of sales up 0.1**
 - Reflects full year FY2014 and FY2015 store refurbishments and IT investment.
- **NPAT up 19.1%**
- **EPS up 19.1%**
- **Proforma results exclude costs after tax of \$3.6M associated with the acquisition of MAH**

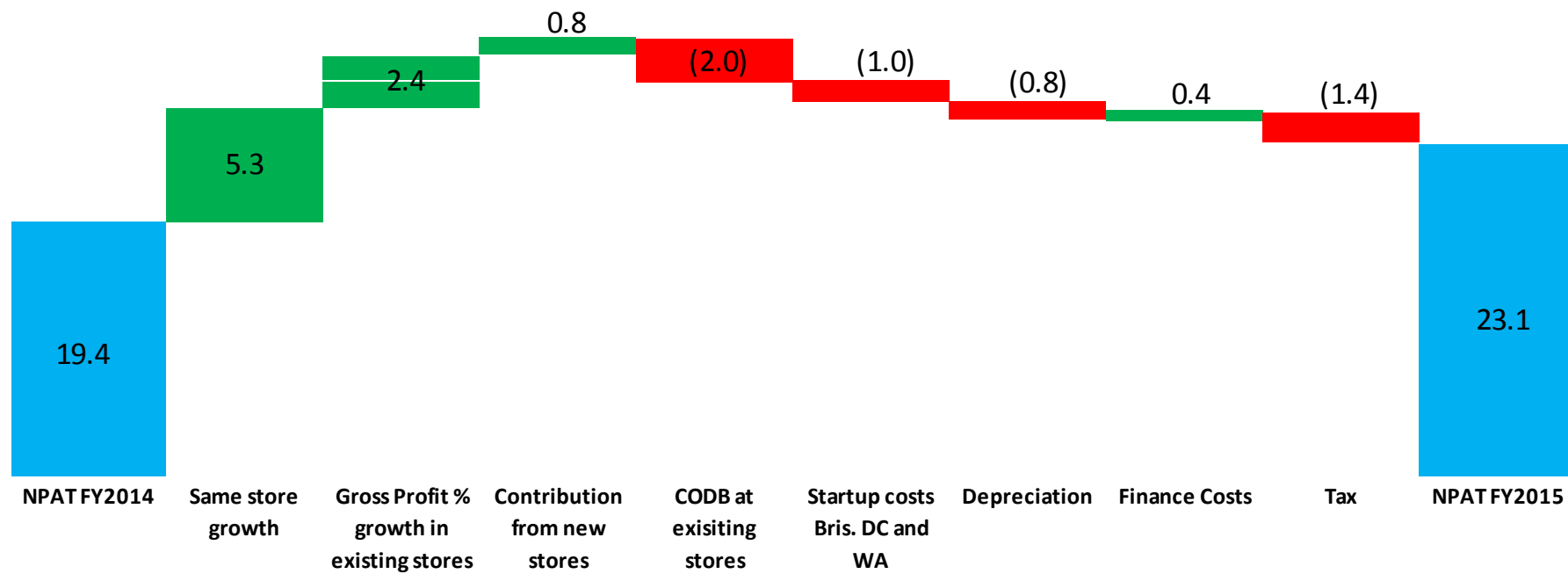
Pro forma, \$ million	Proforma FY2015	FY2014 Proforma	Change	2015 Statutory ⁽²⁾
Revenue	375.3	341.6	9.9%	375.3
Gross Profit	164.0	146.9	11.6%	164.0
<i>Margin (%)</i>	43.7%	43.0%	0.7	43.7%
CODB	(122.5)	(110.9)	10.5%	(126.7)
<i>Margin (%)</i>	(32.6%)	(32.5%)	(0.1)	(33.8%)
EBITDA	41.5	36.0	15.3%	37.3
<i>Margin (%)</i>	11.1%	10.5%		9.9%
Depreciation and Amortisation	(5.2)	(4.4)	18.2%	(5.2)
EBIT	36.3	31.6	14.9%	32.1
Finance Costs	(3.4)	(3.8)	(10.5%)	(3.4)
Profit Before Tax	32.9	27.8	18.3%	28.7
Income Tax Expense	(9.8)	(8.4)	16.7%	(9.2)
NPAT	23.1	19.4	19.1%	19.5
<i>Margin (%)</i>	6.2%	5.7%		5.2%
<i>EPS⁽¹⁾ (CPS)</i>	14.12	11.86	19.1%	11.92

Notes:

1. FY2015 based on proforma NPAT and weighted average shares on issue. FY2014 based on proforma NPAT and shares on issue as at 30 June 2014.
2. Allocation of freight expense included in CODB as per proforma accounts rather than COGS.

NPAT Bridge

FY2014 – FY2015 Pro Forma NPAT Bridge (\$M)



Summary Cash Flows

Working capital

- Working capital movement favourable despite increase in sales
- Debtors collection strong
- Increase in inventory offset by increase in creditor days

Capex and Acquisitions

- Invested in 14 additional stores, which was higher than the prospectus of 9
- Capex excluding new stores in FY2015 of \$6.9M includes Brisbane DC, front of store upgrades, motor vehicle purchases and IT investment.
- Average new store cost approx. \$630K for greenfields and acquisitions.

Net Debt/Cash

- Underlying net debt decreased by \$15.4M
- Proceeds of capital raising has resulted in positive cash position of \$108M.

Note:

1. Acquisitions and Greenfield stores include inventory

Pro forma, \$ million	FY2015 Actual
<u>Cash flows excluding ANA associated cash flows</u>	
EBITDA	41.5
Change in working capital	2.9
Tax Paid	(3.6)
Capital expenditure (excluding new stores)	(6.9)
Business acquisitions and greenfield stores (1)	(8.8)
Financing costs	(3.2)
Dividend paid	(6.5)
Cash generated excluding ANA acquisition cash flows	15.4
Opening net debt excluding ANA associated cash flows	62.5
Closing net debt excluding ANA associated cash flows	47.1
<u>ANA associated cash flows</u>	
Capital raising	159.8
Transaction costs paid	(4.8)
Net cash inflow from capital raising	155.0
Repayment of debt	(47.1)
Closing cash on hand	107.9

Summary Balance Sheet

▪ Cash

- Represents cash received from institutional Entitlement Offer net of debt repayment and transaction costs
- Strong balance sheet with net debt leverage ratio post MAH acquisition circa 1.7X EBITDA (underlying leverage ratio of 1.13X at 30 June 2015).

▪ Inventory

- Inventory up by \$8.1M reflecting additional stores, Brisbane DC ramp up and supplier price increases
- Future opportunity to reduce inventory in stores that Brisbane DC is servicing
- Aged inventory reduction of \$3m (fully provided for).

▪ Dividends

- Final dividend declared for FY2015 of 4.7 cents per share fully franked to be paid on all issued shares including Entitlement Offer.
- Total dividends in relation to FY2015 is 8.7 cents per share representing a 78.1% proforma NPAT payout ratio
- Record date 10 September 2015
- Pay date 30 September 2015

\$ million	Statutory June 2015	Statutory June 2014
Cash	107.9	10.9
Trade and Other Receivables	33.4	32.4
Inventories	77.2	69.1
PP&E	23.1	19.4
Deferred Tax Assets	11.8	10.8
Intangible Assets	99.9	97.4
Other Assets	0.9	0.3
Total Assets	354.2	240.3
Trade and Other Payables	68.5	57.4
Tax Liabilities	5.1	0.1
Provisions	13.7	12.5
Borrowings	-	73.3
Total Liabilities	87.3	143.3
Net Assets	266.9	97.0



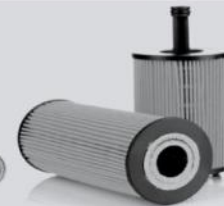
1 FY2015 Result Highlights

2 FY2015 Result Details

3 Strategy and Outlook

4 Q&A

A Appendix



Burson Group Strategy

Australia's leading provider of aftermarket parts, equipment, accessories and services.

Burson Auto Parts

- Continue to strengthen our Trade presence in a resilient market.
- National store network and customer service offering of extensive parts range and availability, delivery speed, and knowledgeable staff.
- On track to 175 stores by 2019.
- Focused on growing sales from existing stores, electronic and on-line platforms, increasing “walk in” store sales, chain workshop sales and inventory range.
- Improve cost of sales and proportion of “value” brands.

Aftermarket Network Australia

- Wholesale, distribution and franchised focused marketing network
- Expand the wholesale and distribution offering.
- Increase same store sales, sales penetration and store profitability
- Grow the franchise networks
 - 331 “Retail focused” stores under Autobarn, Autopro, Opposite Lock and Carparts
 - 140 service workshops under Midas and ABS
- Gain benefits of recent acquisitions and simplify processes and systems
- Support franchise and independent businesses

Optimisation

- Opportunity to assess conversion of stores to maximize strategic position
- Optimise synergies between the two businesses along the entire supply chain:
 - Procurement, distribution, support services, sales, value brands

Outlook

Burson Auto (excluding ANA)

- Full year NPAT outlook for Burson excluding the ANA business is to grow NPAT by low double digit percentage
- Target approximately 140 stores by 30 June 2016 (currently at 133 stores)
- Expect same store sales growth of between 3% and 4% with reasonably steady margin
- Competitive pressures exist but overall market conditions remain favourable

ANA

- FY2016 will include 11 months trading of ANA – similar run rate to FY15
- A Group optimisation review will be completed H1FY2015
- Update to be provided post H1FY2016 results announcement

GROUP

- FY16 EPS growth percentage – mid teens, consistent with previous announcement of annualized 20%



1 FY2015 Result Highlights

2 FY2015 Result Details

3 Strategy and Outlook

4 Q&A

A Appendix



Questions?



1 FY2015 Result Highlights

2 FY2015 Result Details

3 Strategy and Outlook

4 Q&A

A Appendix



Pro Forma – Statutory Profit and Loss Reconciliation

\$M	Note	Consolidated	
		2015	2014
Statutory Net Profit After Tax		19.5	1.2
Public Company Costs	1		(0.8)
IPO Remuneration Adjustment	2		2.3
IPO and Other Transaction Costs	3		7.2
Net Interest Adjustment	4		16.5
Other Operating Adjustments	5		0.8
Costs associated with the acquisition of MAH	6	4.2	
Tax Effect	7	(0.6)	(7.8)
Pro Forma Net Profit After Tax		23.1	19.4

Notes on pro forma adjustments

- Public company costs FY2014** – an adjustment was made to include Burson's full year estimate of the incremental annual costs that it would incur as a public company. These incremental costs include share registry fees, Non-Executive Director remuneration, Directors' and officers' insurance premiums, additional audit and legal costs, additional staff costs, listing fees, investor relations costs, as well as annual general meeting and annual report costs.
- IPO related remuneration adjustment FY2014** – An adjustment was made to remove the impact of a one-off senior management cash payment of \$2.5m (inclusive of on-costs). In addition an adjustment was made to include a \$0.2m uplift in senior management fixed remuneration that commenced post IPO.
- IPO and other transaction costs FY2014** – includes expenses of the IPO relating to the sale of existing shares. In addition, \$7.4m (\$5.2m after tax) of IPO costs directly attributable to the issue of new shares was offset against equity raised.
- Net interest adjustment FY2014** – the net interest expense included in the statutory results was adjusted to reflect the actual margins applicable to Burson under the terms of the renegotiated banking facilities. The interest expense was based on the net debt drawn down at the time of the IPO including an allowance for the anticipated average net overdraft balance. In addition, an adjustment was made to remove the one-off costs of \$1.0m (\$0.7m net of tax) arising on close-out of interest rate hedge and to remove the impact of unamortised borrowing costs in the statutory results relating to the historical debt structure of Burson.
- Other operating adjustments FY2014** – Adjustments were made for one-off costs that were expensed in the statutory results in FY2014 associated with the initial recognition of a \$0.3 million provision for credit notes and a one-off uplift of \$0.4m in the long service leave provision relating to the application of superannuation on-costs.
- MAH acquisition FY2015** – Total costs incurred in relation to the acquisition of MAH is \$10.2m of which \$4.2m was recorded in the profit and loss of the business in FY2015. These costs related to professional advisory fees and other costs directly related to the acquisition of MAH.
- Tax effect FY2015 and FY2014** – the effective income tax rate applicable to Burson is approximately 30%, which is equivalent to the Australian corporate tax rate of 30%. This tax rate as adjusted for permanent differences has been applied to each of the financial years.