



Burson Group Limited
A.B.N 80 153 199 912
61 Gower Street (PO Box 8251 Northland)
Preston, Victoria, 3072 Australia

Burson Group Limited

(ASX: BAP)

ASX Release

18 February 2016

Results for the six months ended 31 December 2015

Reported Net Profit after Tax of \$19.3 million, up 77.9% and EPS up 24.3%

Burson Group Limited today announced its financial results for the 6 months ended 31 December 2015 (**H1 FY2016**). The results include five months of trading for Aftermarket Network Australia (formerly Metcash Automotive Holdings) (**ANA**) which was acquired by Burson Group Limited on 31 July 2015.

Highlights of the financial results compared to H1 FY2015 are:

- A 74.1% increase in revenue to \$322.2M
- Strong same store sales growth
 - Burson Trade 4.5%
 - Autobarn 5.0%
- Net profit after tax of \$19.3M, an increase of 77.9%
- Earnings per share of 7.97 cents, up 24.3%

Net debt at 31 December 2015 was \$106.1M representing a leverage ratio of approximately 1.4X (Net Debt: Annualised EBITDA), with interest cover of 12 times.

An interim fully franked dividend of 5.0 cents per share has been declared, up 25% on the previous interim dividend.

Key Financial Results (\$M)

\$ million	H1 FY2016	H1 FY2015	Variance
Revenue	322.2	185.0	74.1%
Gross Margin % ⁽¹⁾	44.0%	43.2%	0.8
EBITDA	34.5	19.8	74.1%
NPAT	19.3	10.9	77.9%
EPS ⁽²⁾ (cps)	7.97	6.41	24.3%
Interim dividend (cps)	5.0	4.0	25.0%

Note:

1. Gross margin presented consistently with historical presentation and excludes freight expense. Statutory accounts gross margin includes freight expense
2. H1FY2016 and H1FY2015 EPS is based on the TERP adjusted weighted number of shares on issue during the year as per accounting standard AASB -133. EPS calculated on "pre TERP adjusted" weighted average shares is 7.98 CPS H1FY2016 and 6.64 CPS H1FY2015, a 20.2% increase.



Burson Group Limited
A.B.N 80 153 199 912
61 Gower Street (PO Box 8251 Northland)
Preston, Victoria, 3072 Australia

Burson Group CEO Mr Darryl Abotomey said "The financial results for the first half of the financial year have been very pleasing and our two main objectives for this period have been achieved. Firstly the acquisition of ANA was completed in July 2015 with integration well underway, and the performance of ANA was above our expectations. Secondly Burson Trade has continued its steady profitable growth.

"Burson Trade added 6 new stores in the first half of the financial year to finish with 136 stores at the end of December, including 6 in Perth, Western Australia. At the time of this announcement, there are 138 stores with more openings in the pipeline in the second half. Same store sales growth was steady at 4.5%. During the six months Burson Trade experienced supplier price increases due to the lower Australian dollar, and was successful in passing these through to customers and gross margin increased by 0.8% compared to H2 FY2015. This was despite competitive pressure on pricing especially in Western Australia. The new Queensland DC is operating well and is supplying in excess of 40 stores.

"ANA has performed solidly overall with good growth in the retail sector. In particular, the Autobarn store network recorded strong results with same store growth of 5.0%. The growth has largely been a result of the success of the catalogue program, inventory ranging initiatives and cost of goods related price increases. The Opposite Lock 4WD business has been integrated into ANA's operations, and there are now 10 Autobarn/Midas stores that incorporate an Opposite Lock "store within a store" concept. The specialist wholesale business has performed well in terms of sales, however gross margin has been impacted by increased cost of product due to the lower Australian dollar, which is not yet fully passed onto customers. The service business performed to expectation.

"There are a number of projects in progress to optimise the benefits of the integration of ANA into Burson Group, and we will begin to see the benefits of this from the beginning of FY2017.

"Burson's cash flow has also been solid with net debt of \$106.1M, representing a leverage ratio of approximately 1.4X annualised EBITDA and interest cover of 12 times.

"Trading in January was strong, continuing the trend of the first 6 months. The results for the 6 months to December 2015 and January 2016 and the trading outlook for the remainder of FY2016 are consistent with Burson Group achieving a net profit after tax of between \$41.5M and \$43.0M. This result would result in proforma EPS of between 17.04 and 17.66 cents per share representing annualised EPS growth of between 24.5% and 29.0%.

"On 11 February 2016 Burson announced the acquisition of two specialist wholesale businesses, Bearing Wholesalers and Precision Automotive Equipment. The two businesses will add annually approximately \$40 million in sales and \$6.0 million in EBITDA, from an investment of \$32 million. Completion of these acquisitions is expected to be 1 April 2016."

Strategy Update

Burson Group has updated its strategy to reflect the additions of its new businesses:

Vision: Australasia's Leading Provider of Aftermarket Parts, Accessories and Services.

Core business segments:

- **Specialist Wholesale** – the #1 or 2 industry category specialist in parts programs for brakes, suspension, cooling, engine/gaskets, bearings and other additional categories



Burson Group Limited
A.B.N 80 153 199 912
61 Gower Street (PO Box 8251 Northland)
Preston, Victoria, 3072 Australia

- **Trade** - trade focussed parts professionals supplying workshops through Burson Auto Parts
 - Currently Aus 138 stores, Target 200
- **Retail** – premium retailer of automotive accessories through Autobarn and Opposite Lock
 - Currently Aus 112 Autobarn Stores, Target 200
 - Currently Aus 64 Opposite Lock Stores (including “store in store”), Target 120
- **Independents** – service the independent parts stores via the extensive supply chain capabilities and brand support
 - Currently Aus approx. 200 stores in Autopro and Carparts brands
- **Service** – Experts at scheduled car servicing at affordable prices – via Midas and ABS
 - Currently Aus 140 locations
 - Future targets to be determined based on a strategic review
- Supported by world class, efficient and effective support functions, including human resources, supply chain, business systems (IT), financial services and business support

The opportunities to continue to grow the Burson Group provide an exciting future.

Release of shares from voluntary escrow

Following today’s announcement of the half yearly results, the Company confirms for the purposes of Listing Rule 3.10A the forthcoming release of 1,878,210 shares from voluntary escrow. The escrowed shares were issued as part consideration for the Company’s acquisition of ANA in July 2015.

-Ends

For further information, please contact:

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

Gregory Fox
Chief Financial Officer and Company Secretary
+61 417 562 891
+61 3 9914 5555

About Burson Group Limited:

Burson Group Limited is Australasia’s leading provider of trade automotive aftermarket parts, accessories and service with a network of over 600 stores.

For further detail on Burson Group Limited, refer to the Investor Presentation contained in the News and Announcements section of the Investor Centre contained in the Burson Group Website (www.burson.com.au/investor-centre/news-announcements/).