

BURSON GROUP LTD

An introduction to Burson Group



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Agenda



1

The New Burson Group

2

Burson Auto Parts

3

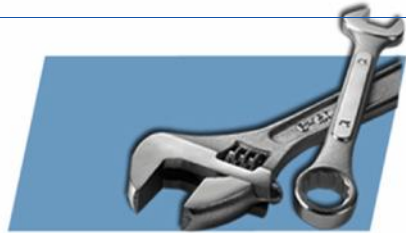
FY2015 Results Highlights

4

Strategy and Outlook

A

Q&A



THE NEW BURSON GROUP



Key Highlights of the new Burson Group



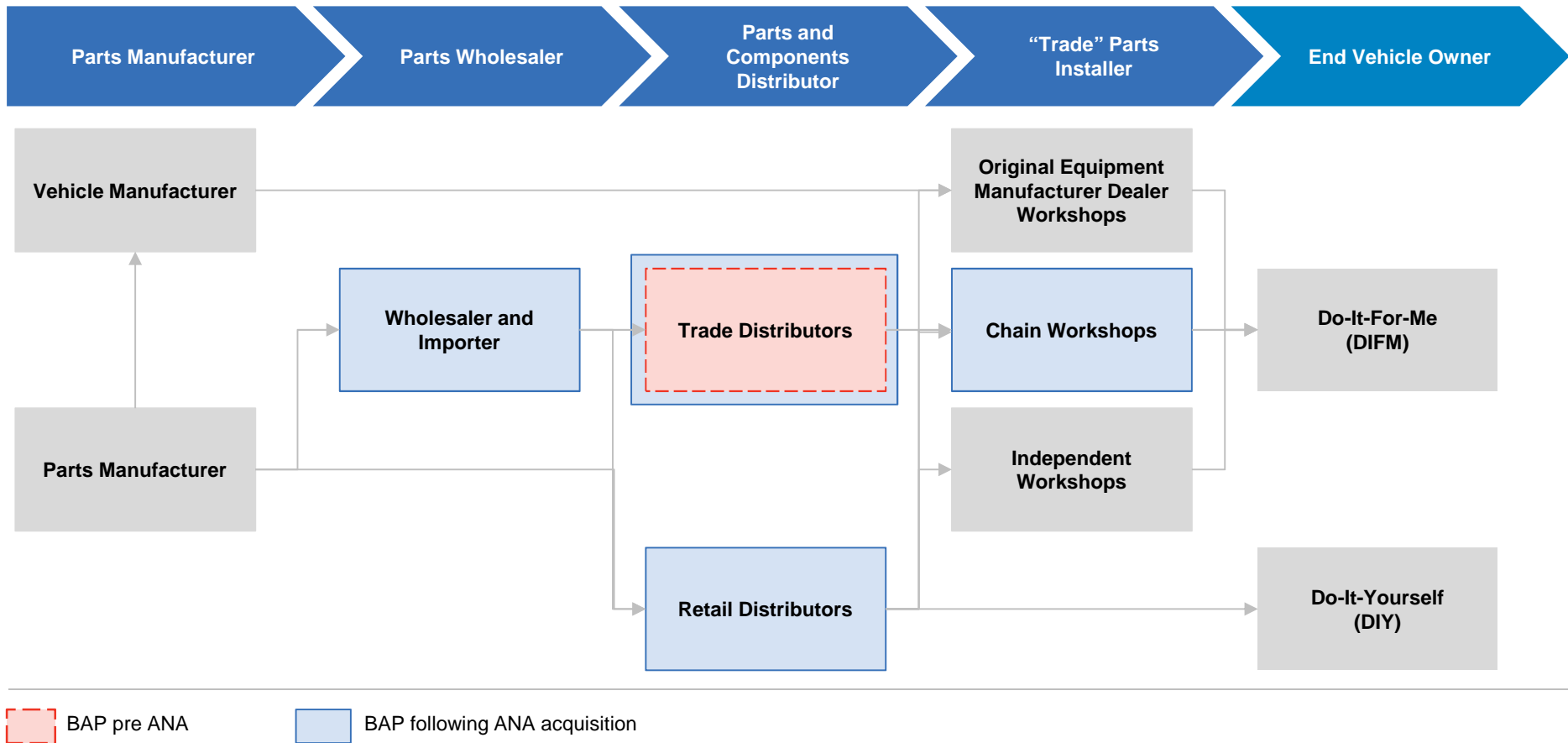
The leading **Australian owned** automotive aftermarket business which **spans the supply chain**.

- ✓ **Market leader** – The leading Australian automotive aftermarket parts and accessories distributor.
- ✓ **Scale** – Group distribution platform has significant scale and competitive position – over 600 locations Australiawide.
- ✓ **Growth** – opportunity to distribute parts and accessories to a broad network of customers within Burson Auto Parts and ANA's network of stores and outlets.
- ✓ **ANA is complementary to Burson Auto's trade focus** – growth segments in trade, wholesale, retail and service. Burson's strategy for its Burson Auto branded store network, including its target of 175 trade stores by June 2019, remains unchanged. Opportunity to grow ANA's wholesale, retail and service segments.
- ✓ **Chain workshops** – positions Burson Group to better service chain workshops with a distribution network covering expanded geographic area.
- ✓ **Private label / direct sourcing** – accelerates Burson Group's private label and direct sourcing strategy.
- ✓ **Procurement** – opportunity to improve procurement terms over time with increasing scale.
- ✓ **Management** – adds management capability and relevant expertise to support growth.

Strategic Rationale of Group Structure



The acquisition of ANA was strategically compelling and aligned with Burson Group's growth strategy – complementary to trade business with minimal overlap and provides additional avenues for growth



Background on Metcash Auto Acquisition



Burson Group acquired Metcash Automotive Holdings (since renamed Aftermarket Network Australia or ANA) for \$283M effective 1 August 2015.

- The acquisition is approximately 20% EPS accretive on a full year proforma basis*
- ANA is a wholesaler and distributor of automotive parts and accessories to a marketing network of 416 stores (under the Autobarn, Autopro, Carparts, ABS and Midas brands) as well as ~3,000 other aftermarket customers.
- The Brands of the group now comprise;



*on a terp adjusted basis using broker consensus forecasts for 12 months ending 30 June 2015 for BAP and MAH audited accounts for twelve months ending 30 April 2015

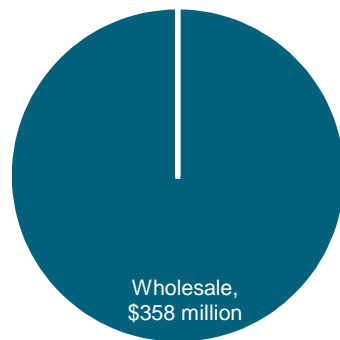
Combined Group Financials



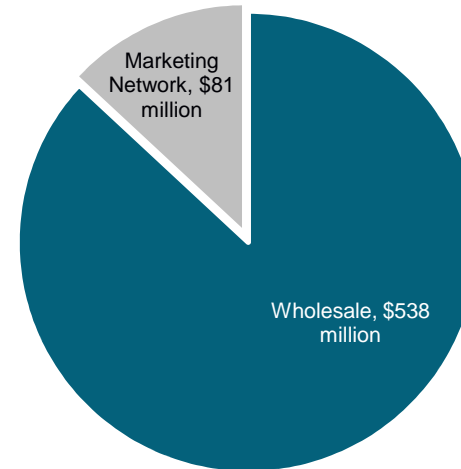
Combined group generates \$619 million in pro forma revenue.

- End sales are over \$1 billion.

BAP standalone – \$358 million



BAP pro forma – \$619 million

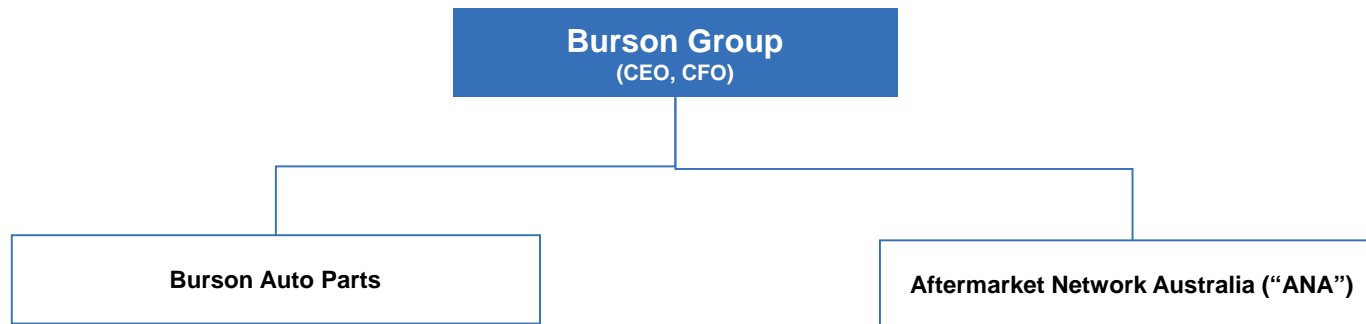


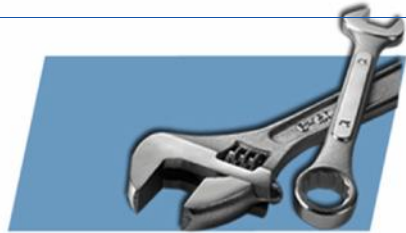
Management Structure



- Burson Group will encompass at least two “market facing” channels:
 - Burson Auto Parts – trade focused.
 - Aftermarket Network Australia (“ANA”), comprising:
 - Retail focused = Autobarn, Autopro, Opposite Lock.
 - Service = Midas, ABS.
 - Wholesale = ATAP, IBS, Partco, Garrmax.
 - Back-office functions and supply chain will be reviewed to determine best operational structure over time

Burson Group - Expanded Group Structure





INTRODUCTION TO BURSON AUTO PARTS



Introduction to Burson Auto Parts



Australia's leading trade focused automotive aftermarket parts distributor

- ✓ Core focus on distribution of auto parts to independent and chain **mechanic workshops** throughout Australia for routine servicing of vehicles, and do-it-yourself vehicle owners;
 - ✓ Supply routine service such as filters, brake pads, oil, spark plugs
 - ✓ Supply breakdown parts – water pumps, starter motors, alternators
- ✓ Distributes over 500,000 stock keeping units from in excess of 1,000 suppliers to 30,000 customers via 132 stores with 1,400 knowledgeable employees and over 550 delivery vehicles.
- ✓ 2 DC's encompassing 25,000m² in Melbourne and Brisbane.
- ✓ Operates an extensive distribution network – unique scale of inventory range and extensive distribution network is **difficult to replicate**
- ✓ Strong industry position in Victoria, Tasmania, South Australia, Queensland and Northern Territory, with major growth opportunities in New South Wales, Western Australia and ACT
- ✓ ASX listed on 24 April 2014
Commenced business in 1971.



Burson Group History



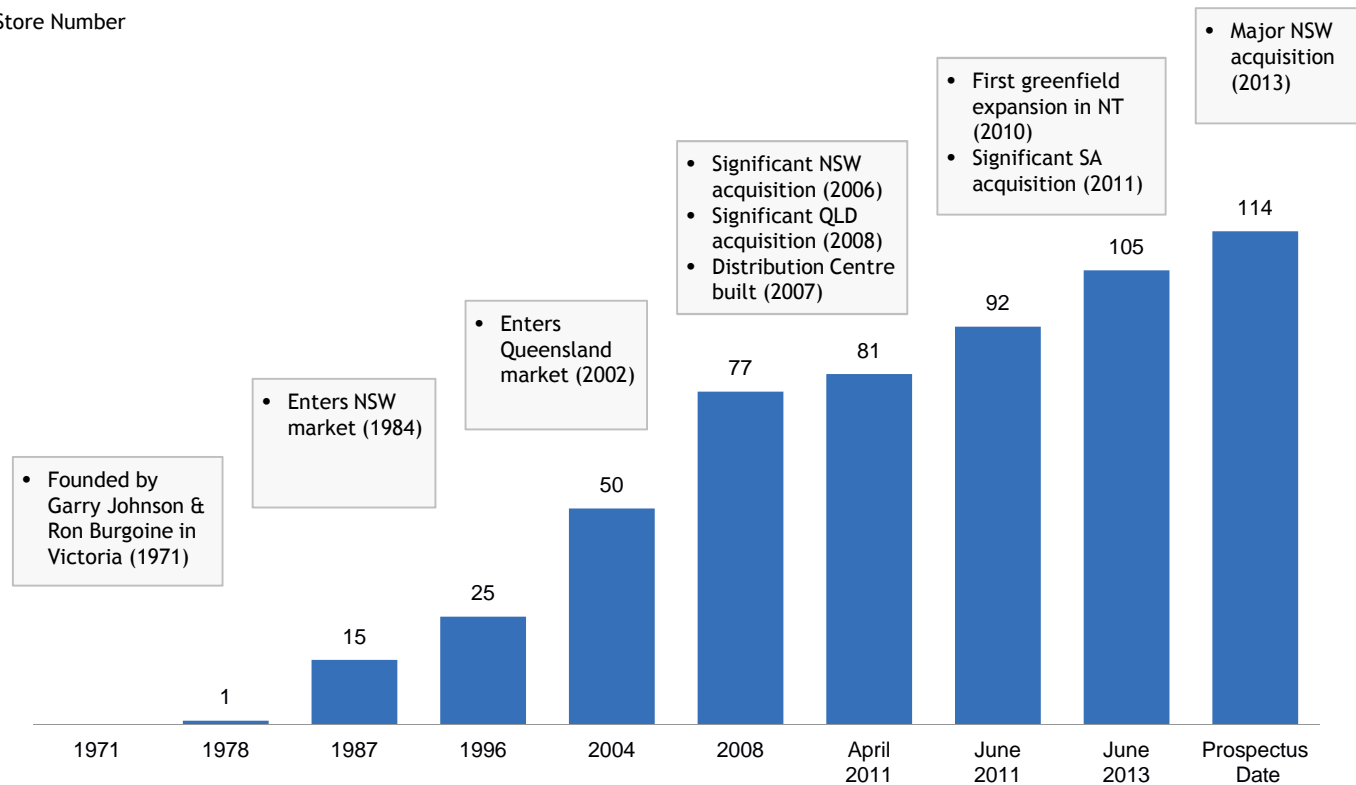
Established in 1971 with track record of expanding store and distribution network

- ✓ Focus on trade distribution
- ✓ Extensive store network
- ✓ Consistently expanded store network (both through acquisition and establishing new stores)
 - Average of 12 additional stores per annum since May 2011

IPO on ASX April 2014

History of Burson's Store Network

Store Number



Burson Auto Parts Strategy



Trade Focused

- Burson Auto Parts is the **leading trade focused** distributor of auto aftermarket parts;
- **unique scale** owing to the size and complexity of inventory distributed, extensive store network, and customer **service offering** of **part availability, delivery speed** and **knowledgeable staff**.

Expand store network

- On track to target of 175 stores by 2019 – currently 132.
- Continuing to work on a range of acquisition and greenfield developments opportunities across Australia.
- Establish Brisbane DC to support Qld & Northern NSW

Increase existing store revenue

- Benefit from resilient demand for automotive aftermarket parts distribution
- Maintain high level of customer service through continued development of people and systems
- Focused on sales from electronic and online platforms, increase “walk-in” store sales, chain workshop sales and inventory range

Increase existing store earnings

- Supplier pricing & terms, proportion of parts distributed with Burson’s own brands, and developing direct sourcing relationships



FINANCIAL SUMMARY

NOTE: Excludes ANA business as it was acquired effective 1 August 2015.



FY2015 Result Highlights



\$ million	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

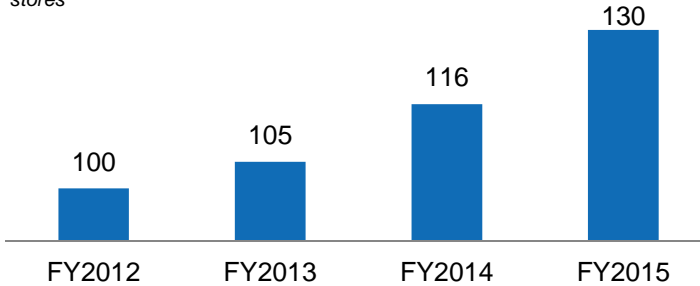
- ✓ 130 stores – increase of **14 stores**
- ✓ Same store sales growth of **4.6%**
- ✓ Revenue \$375 million – **up 9.9%**
- ✓ Gross margin % 43.7% - **up 0.7**
- ✓ EBITDA margin 11.1% – **up 0.6**
- ✓ NPAT \$23.1 million – **up 19.1%**
- ✓ **Earnings per share – up 19.1%**
- ✓ Underlying net debt down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

Summary of Key Performance Indicators



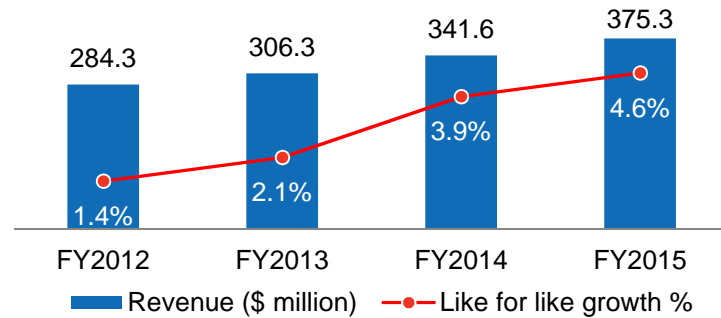
Store Numbers

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



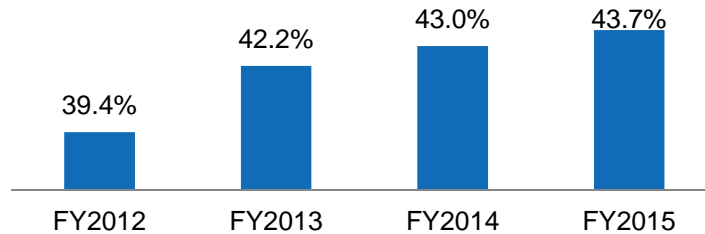
Revenue and “Same Store” growth

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



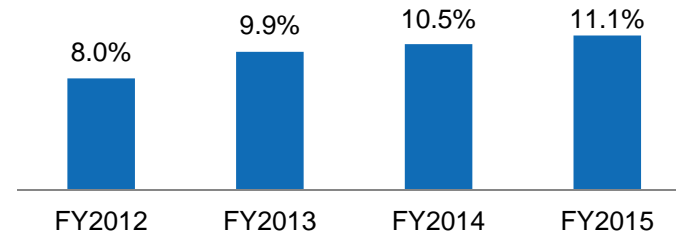
Gross Profit Margin

Continued improvement reflecting margin improvement initiatives



EBITDA Margin

Outcome of growth and improvement initiatives

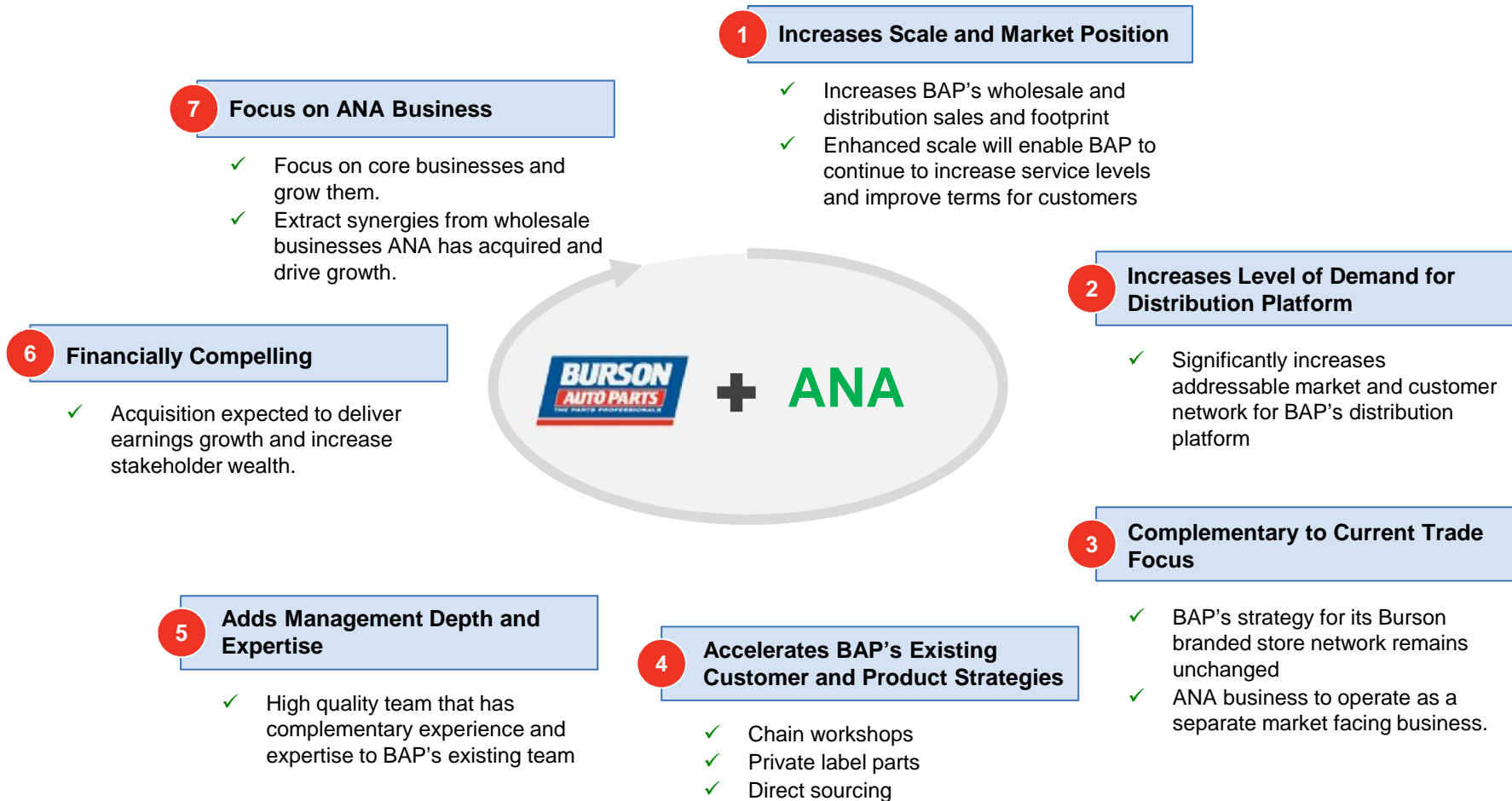




**STRATEGY &
OUTLOOK**



The New Burson Group – including ANA



Note: (1) On a TERP adjusted basis and calculated using broker consensus forecasts for twelve months ending 30 June 2015 for BAP and ANA audited results for twelve months ending 30 April 2015, excluding transaction costs and earnings from specified acquisition

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

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QUESTIONS