



Results Presentation
- H1 FY2015
(6 months to December 2014)

12th February 2014



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H1 FY2015 Result Highlights, Outlook & Strategy Recap

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H1 FY2015 Results

vs H1 FY2014 Proforma

<i>\$ million</i>	H1 FY2015 Actual	H1 FY2014 Proforma	Variance
Revenue	185.0	168.7	9.7%
Gross Margin %(¹)	43.2%	43.2%	-
EBITDA	19.8	17.7	11.9%
NPAT	10.9	9.5	14.3%
EPS(²) (CPS)	6.64	5.81	14.3%

- Record result as Burson continues to deliver steady growth.
- NPAT represents 49.8% of full year prospectus forecast. H1 FY2014 was 49.0% of FY2014 full year.
- Resilience of automotive aftermarket parts distribution allows Burson to operate with predictable growth and financial results.

Note:

1. Per management accounts presentation. Statutory accounts GM% includes freight expense from DC to store
2. Assumes 163.6 million shares on issue for the full year

Financial Highlights – H1 FY2015

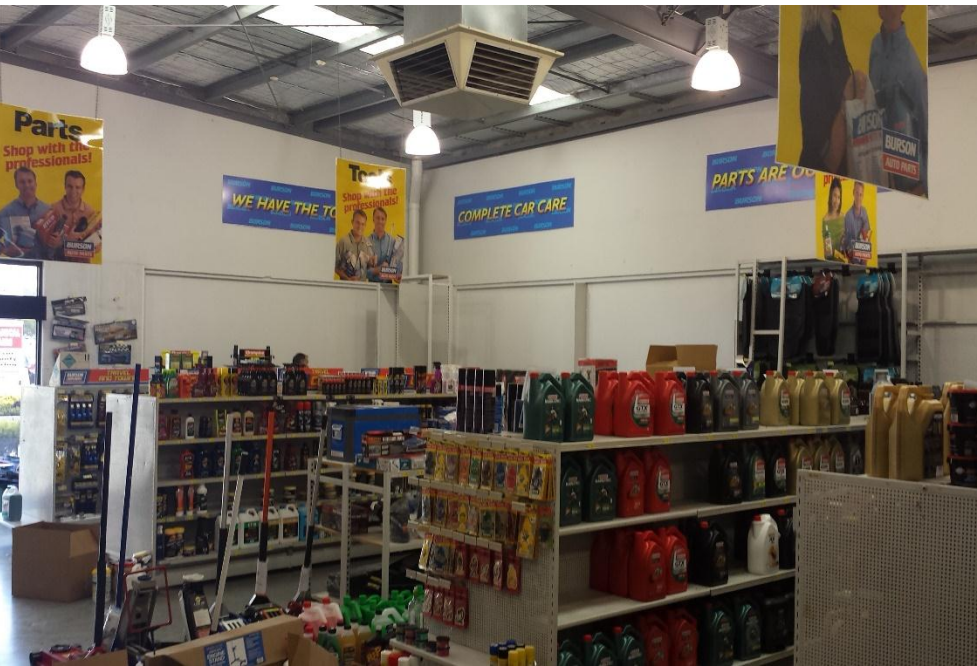
Comparisons are to H1 FY2014

- ✓ 121 stores
- ✓ Same Store Sales growth of **4.3%**
- ✓ Revenue \$185 million – **up 9.7%**
- ✓ Gross margin 43.2% - **steady** - *constrained by competitor activity*
- ✓ EBITDA margin 10.7% – **up 0.2%**
- ✓ NPAT \$10.9 million – **up 14.3%**
- ✓ **Earnings per share – up 14.3%**
- ✓ **Dividend declared 4.0 cps**
- ✓ Net debt = \$56M
 - Debt Leverage Ratio down from 1.75X to 1.47X

Operational & Strategic Highlights in H1 FY2015

- ✓ Continued store expansion, **5 stores** since June to 121
 - 4 acquisitions QLD (2) and NSW (2)
 - 1 Greenfield in NSW
- ✓ Supplier price increases ***passed through to customers***. Majority of increases H2 FY2015
- ✓ Additional ***cost recovery price increase*** implemented in January 2015
- ✗ Gross Margin impacted by competitor activity
- ✓ ***WA expansion*** options being pursued. Expect to have stores in Perth during H2 FY2015
- ✓ ***Brisbane DC*** lease has been entered into and will be operational by end FY2015
- ✓ ***Front-of-store enhancement program*** to grow walk in sales in progress;
 - 17 performed to date
 - 32 will be completed by June 2015

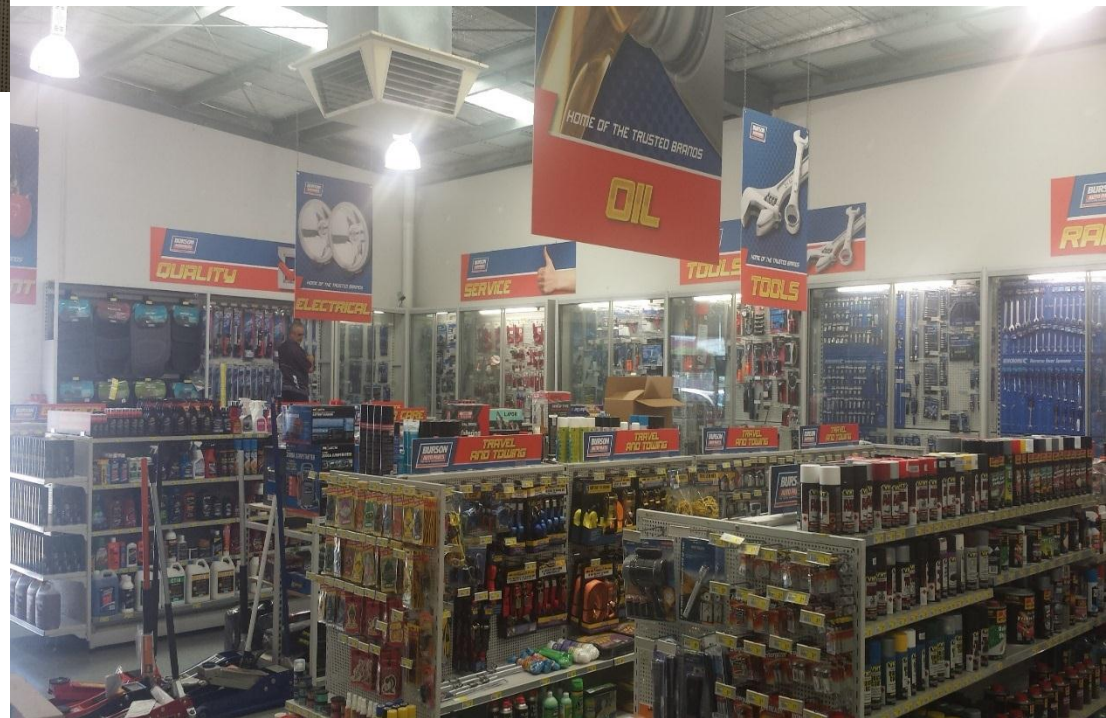
Store Enhancement Program



BEFORE



AFTER



Strategy and Outlook

Expand store network

- On track to exceed FY2015 prospectus forecast of 124 stores. Since 30 June 2014 have added 1 greenfield in NSW and integrated acquisitions in NSW (2) and Qld (2) taking store network to 121.
- Continuing to work on a range of acquisition and greenfield developments opportunities across Australia including Vic, NSW, ACT, Qld and WA.
- Establish Brisbane DC to support Qld & Northern NSW
- 175 store target by 2019

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

Trading in FY2015 continues to be strong and Burson is confident that its FY2015 NPAT will be consistent with its 2014 prospectus.



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Summary Income Statement

- **Revenue growth of 9.7% delivered by**
 - Same Store Sales growth of 4.3%
 - Impact of FY2014 new stores 3.9%
 - Impact of H1 FY2015 new stores 1.5%
- **Gross margin % growth constrained**
 - GM% steady compared to H1 FY2014 due to competition
 - 2015 price increases may assist GM% growth
- **CODB as a % of sales down 0.2%**
 - Some scale efficiencies as top line grows
 - Brisbane DC start up in H2
- **Depreciation as a % of sales up 0.1%**
 - Reflects FY2014 investment made in IT systems store refurbishments and relocations
- **NPAT up 14.3%**
- **EPS up 14.3%**
- H1 FY2014 proforma to Statutory are **only** for public company costs and financing structure.

Pro forma, \$ million	H1 FY2015	H1 FY2014 Proforma	Change	H1 2014 Statutory
Revenue	185.0	168.7	9.7%	168.7
Gross Profit	79.9	72.8	9.7%	72.8
Margin (%)	43.2%	43.2%		43.2%
CODB	(60.1)	(55.1)	9.0%	(54.6)
Margin (%)	(32.5%)	(32.7%)		(32.4%)
EBITDA	19.8	17.7	11.9%	18.2
Margin (%)	10.7%	10.5%		10.8%
Depreciation and Amortisation	(2.5)	(2.1)	18.2%	(2.1)
EBIT	17.3	15.6	11.1%	16.1
Finance Costs	(1.8)	(1.9)	4.4%	(13.4)
Profit Before Tax	15.5	13.7	13.2%	2.7
Income Tax Expense	(4.0)	(4.2)	10.8%	(0.8)
NPAT	10.9	9.5	14.3%	1.9
Margin (%)	5.9%	5.6%		1.1%
EPS ⁽¹⁾ (CPS)	6.64	5.81	14.3%	1.16

Notes:

1. Assumes 163.6 million shares on issue for the full year

Traditional H1 / H2 NPAT Split

	H1	H2	Full Year	% H1
FY2013 - proforma	7.2	8.8	16.0	45.0%
FY2014 - proforma	9.5	9.9	19.4	49.0%
FY2015*	10.9	11.0	21.9	49.8%

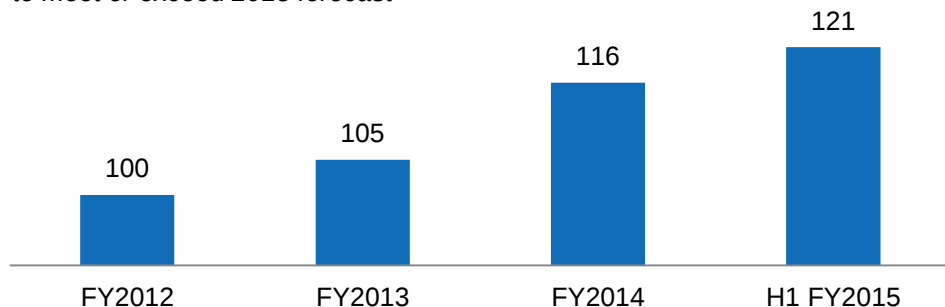
- Burson's H1 FY2015 NPAT split is slightly ahead of the H1 FY2014 proforma NPAT split and well above H1 FY2013 split. This provides confidence in the full year prospectus forecast after taking account of costs associated with the start up of Brisbane DC and Greenfield store developments.

* H1 FY2015 actual, full year based on FY2015 prospectus forecast

Summary of Key Performance Indicators

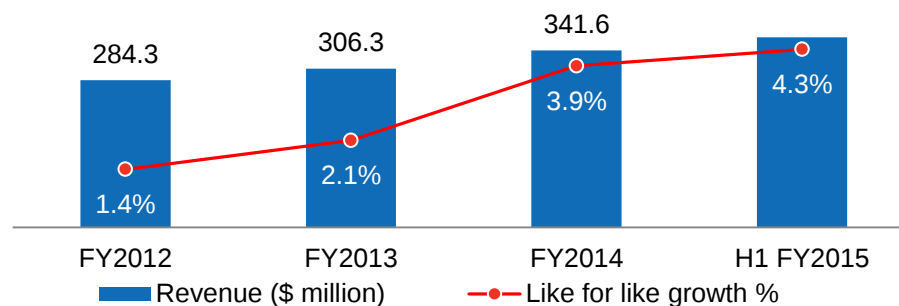
Store Numbers

Store expansion continues – ahead of prospectus forecast and well positioned to meet or exceed 2015 forecast



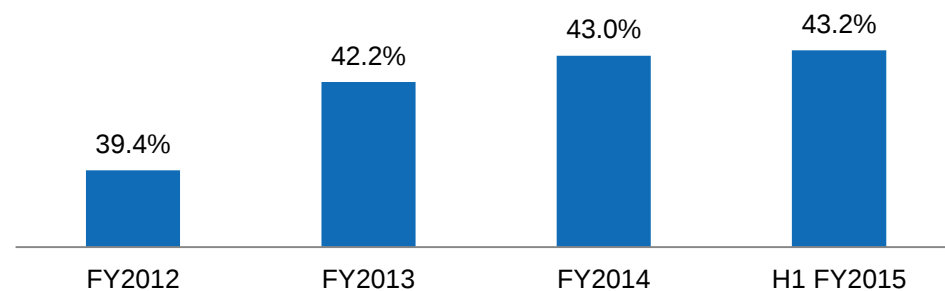
Revenue and “Same Store Sales” growth

Store expansion together with strong same store sales growth driving revenue growth



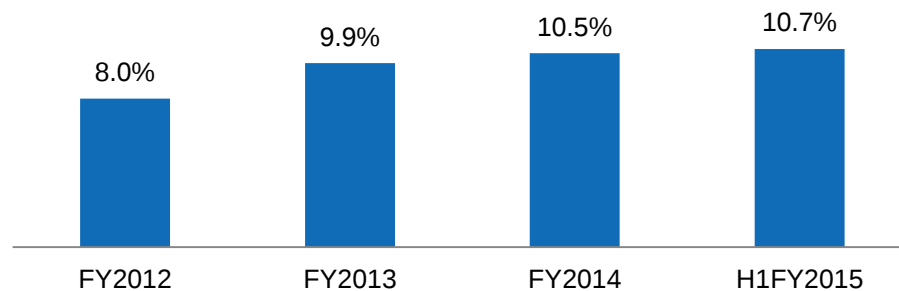
Gross Profit Margin

Continued improvement reflecting margin improvement initiatives



EBITDA Margin

Outcome of growth and improvement initiatives



Summary Cash Flows

■ Working capital

- Working capital approx. 11% of sales
- Continuation of inventory investment at store level
- Trade debtors collection strong
- Trade creditor days 90+

■ Capex and Acquisitions

- Capex in H1 FY2015 includes front of store upgrades, store refurbishments, motor vehicle purchases and IT investment
- Capex lower than H1 FY2014 due to nature of store relocations and IT projects in H1 2014
- New stores spend in H1 FY2015 represents 5 new stores. H1 FY2014 included 11 new stores and 2 store mergers.

Pro forma, \$ million	H1 FY2015 Actual	H1 FY2014 Proforma
EBITDA	19.8	17.7
Change in working capital	(3.5)	0.8
Operating free cash flow	16.3	18.5
Capital expenditure excluding new stores	(2.3)	(4.2)
Business acquisitions and greenfield stores ⁽¹⁾	(3.9)	(7.2)
Net free cashflow (before financing, tax and dividends)	10.1	7.1
<i>Cash conversion</i>	<i>51.0%</i>	<i>40.1%</i>

Note:

1. Acquisitions and Greenfield stores include inventory

Summary Balance Sheet

■ Net Debt

- Closing net debt of \$56.1 million*, down \$7.0 million since June 2014
- Leverage 1.47x LTM proforma EBITDA
- Current undrawn banking facilities of \$55 million that can be used to fund acquisitions

■ Dividends

- As per prospectus, no final dividend in respect of FY2014
- Interim dividend declared for H1 FY2015
 - Fully franked 4 cents
 - Record date 19 March 2015
 - Pay date 9 April 2015
 - Full year dividend target ratio 65% of NPAT
- Confidence in full year forecast has resulted in slightly higher proportion of full year dividend being paid as an interim dividend.

\$ million	Statutory Dec 2014	Statutory June 2014
Cash	8.9	10.9
Trade and Other Receivables	30.2	32.4
Inventories	73.6	69.1
PP&E	19.7	19.4
Deferred Tax Assets	10.6	10.8
Intangible Assets	99.4	97.4
Other Assets	0.3	0.3
Total Assets	130.0	240.3
Trade and Other Payables	53.6	57.4
Tax Liabilities	3.1	0.1
Provisions	13.5	12.5
Borrowings	64.5	73.3
Total Liabilities	134.7	143.3
Net Assets	108.0	97.0

* Excludes capitalized borrowing costs



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Questions?