



2016 Annual General Meeting
CEO Presentation

Our Brands



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1 FY2016 Highlights

2 FY2017 1st Quarter Update & Outlook

3 Strategy Update / Hellaby Offer

4 Q&A

FY2016 Result Highlights



\$ million	FY2016 ⁽³⁾	FY2015 ⁽⁴⁾	Variance
Revenue	685.6	375.0	82.7%
Gross Margin % ⁽¹⁾	44.2%	41.4%	2.8
EBITDA	77.0	41.5	85.7%
NPAT	43.6	23.1	88.9%
EPS ⁽²⁾ (cps)	17.85	13.62	31.0%
Final dividend (cps)	6.0	4.7	27.7%
Full year dividends (cps)	11.0	8.7	26.4%

Strong
performance
in all areas

- Very pleasing result with EPS growth of 31.0%
- Result reflects acquisition of ANA on 31 July 2015 (11 months of operations)
- Trade delivered strong result
- ANA performed in line with expectations

Note:

1. Gross margin presented in line with statutory presentation. FY2015 includes a reclassification of freight expense from CODB to COGS.

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.

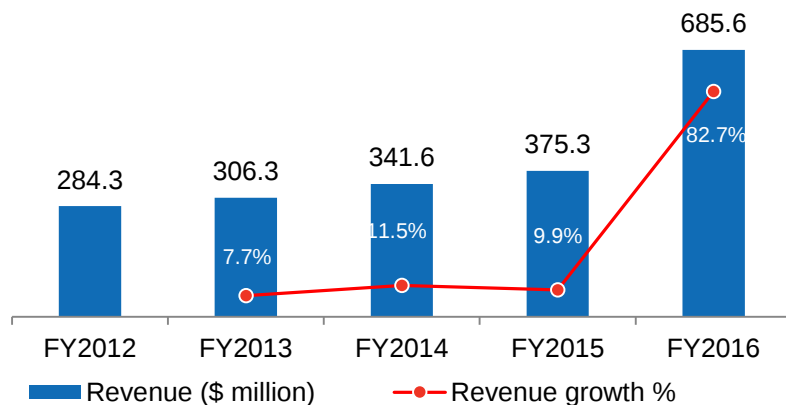
3. FY2016 includes business acquisition transaction costs of \$1.1M.

4. FY2015 proforma results adjusted to write back \$4.2M (\$3.6M after tax) transaction costs related to acquisition of ANA.

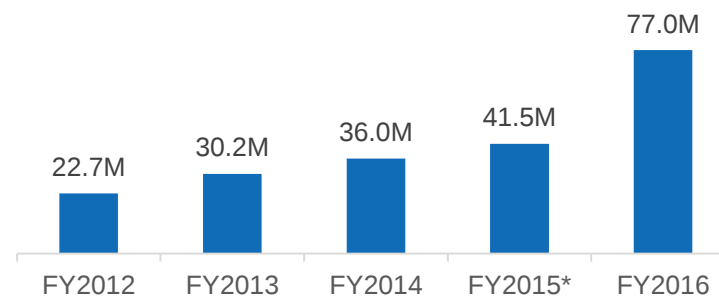
Result Trends



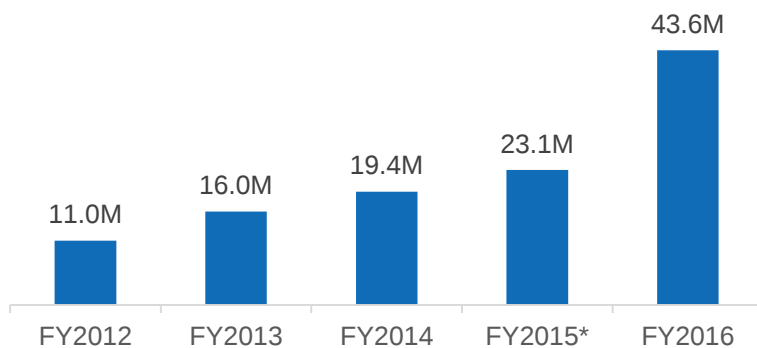
Revenue Growth



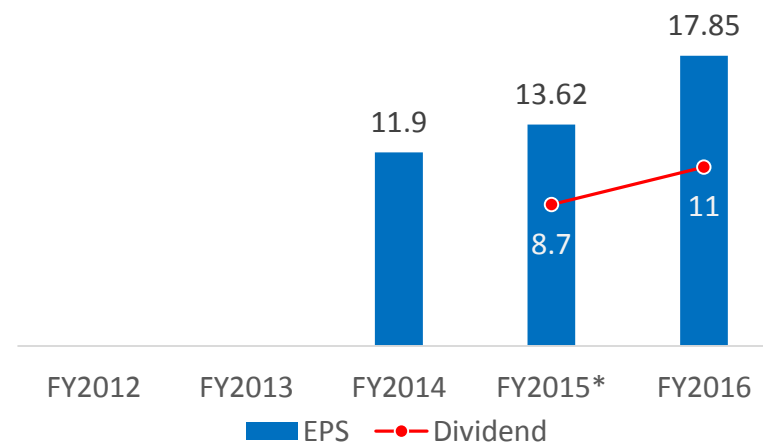
EBITDA*



NPAT*



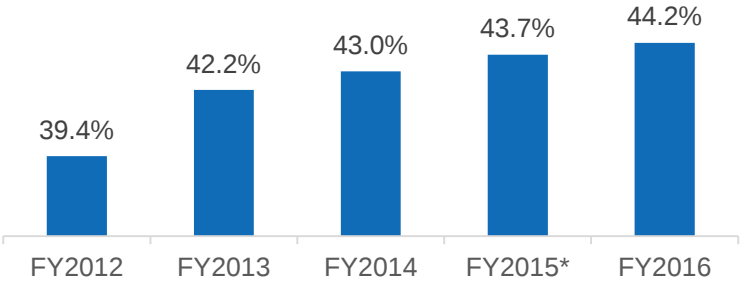
EPS



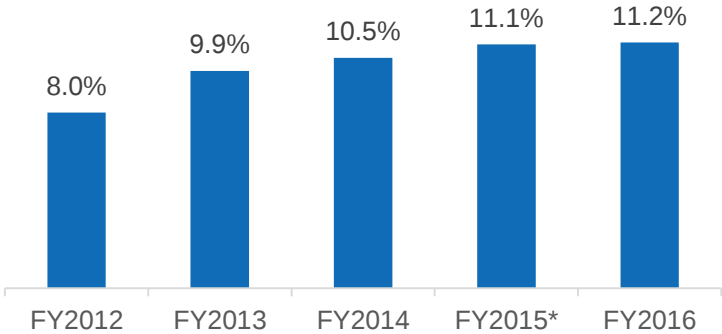
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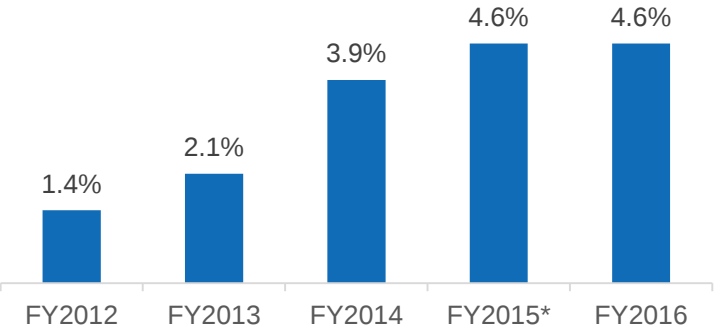
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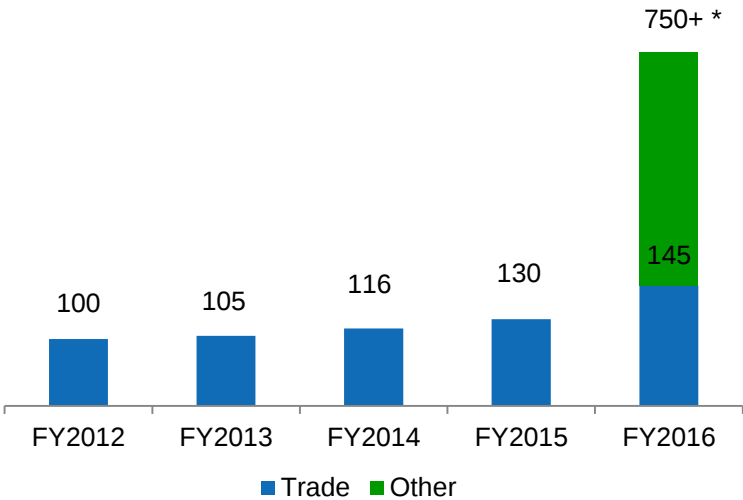
EBITDA / Sales %



Trade Same Store Sales Growth %



Store Numbers





TRADE

- Revenue up 11.7%, with same store sales of 4.6%
- Added 15 stores in year to be 145 stores at June 2016.
- Supplier cost increases and general cost increases fully passed onto market
- EBITDA / Sales % continues to improve – now 12.4%
- Acquired Precision Automotive Equipment in April 2016
- Overall market conditions are steady – despite Perth and “spot fires”

RETAIL

- Solid sales, with Autobarn same store sales up 5.2%
- Added 48 stores – 350 stores at June 2016
 - Acquisition Sprint (SA) in April accounted for 40 new stores
 - 15 company owned stores
- EBITDA / Sales margin at 11.6%
- Market conditions stable

SPECIALIST WHOLESALE

- Comprises AAD, Opposite Lock and Bearing Wholesalers added March 2016
- Added 10 Opposite Lock – mainly store-in-store
- Selling prices did not fully recover devaluation of AUD
- Since June 2016, added Baxters auto electrical and Roadsafe Suspension & 4WD

Business Segment Contribution to Results



	Revenue			EBITDA			EBITDA % Revenue		
	FY2016	FY2015	% Change	FY2016	FY2015	% Change	FY2016	FY2015	Change
Trade	419.1	375.3	11.7%	51.8	44.3	17.0%	12.4%	11.8%	0.6
Retail	191.1	-	-	22.2	-	-	11.6%	-	-
Specialist Wholesale	103.4	-	-	13.5	-	-	9.8%	-	-
Unallocated / Head Office	(28.0)	-	-	(6.0)	(2.8)	-	-	-	-
Total	685.6	375.3	82.7%	78.1	41.5	88.5%	11.4%	11.1%	0.3

- Burson Trade continued growth in sales and EBITDA
- ANA solid result and excludes July 2015 (not part of Bapcor) which is traditionally a large profit month
- Group EBITDA includes impact of intercompany purchases profit in stock eliminations of \$1.3M.

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Since 30th June 2016;

- Company store roll out has continued with Trade up 7 stores to 152 and Autobarn company stores up 4 to 20, with total Autobarn stores at 117.
- Solid same store sales growth in 1st qtr of FY2017 with both Burson Trade and Autobarn **exceeding** the same stores growth of 4.5%.
- All business segments in line with or exceeding EBIT budgets / expectations.
- Specialist Wholesale has added:
 - Baxters - auto electrical
 - Roadsafe – 4WD & suspension
 - MTQ Engine Systems acquisition agreement entered into

✓ FY2017 will continue to deliver business and profit growth

- Growth in Trade and Retail
- New stores – circa 40
- Full 12 months trading from former ANA businesses
- Inclusion of full 12 months Bearing Wholesalers, Sprint Auto Parts and Precision Automotive Equipment
- Acquisitions of Baxters, Roadsafe, and MTQ Engine Systems
- Optimisation benefits of between \$5M and \$7M (as per previous advice)

✓ Consistent with previous guidance we expect NPAT to increase between 25% to 30% compared to FY2016 (excluding the impact of Hellaby takeover offer).

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- Announced Takeover offer under NZ Takeover Code on 27 September 2016
- Offer; NZ\$3.30 per share NZ\$324m*
- Total Investment circa A\$400m**
- Funded:
 - Insto Placement A\$165m
 - Share Purchase Plan A\$20m
 - Debt A\$200m
 - Existing facilities A\$15m

* includes TBS earnout

** includes NZ\$ offer price plus forecast debt and transaction costs

- Total Hellaby revenue in FY2016 was NZ\$795M and EBITDA of \$47M
- Post acquisition the Resource Services and Footwear divisions would most likely be divested.
- Automotive Group had FY2016 revenue of NZ\$260M and EBITDA \$27M.
- The Automotive distribution business of BNT and the specialist wholesale businesses fit well with the Bapcor businesses. [\(refer next slide\)](#)



- The Hellaby acquisition is preferable to alternative strategies to enter the New Zealand market.

Hellaby Holdings



- Automotive and commercial truck replacement parts
- 54 Branches across NZ



- Steering and Suspension
- 9 Branches
- 22 Outlets – Shock Shop



- Diesel fuel injection
- 5 branches (4 Aust, 1 NZ)



- Auto Electrical Wholesale
- NZ Based



- Engine Management
- 5 Aust Locations



- Batteries
- 8 NZ Locations



- Commercial Tyres
- New Zealand



- Batteries
- 3 eastcoast Aust Locations



- Commercial Truck and Trailer
- New Zealand



- Electrical and Rotating Electrical
- 22 Branch Locations

TimeLine

- Offer Document issued to shareholders 21 October 2016
- Target statement and
Independent Expert Report by 4 November 2016
- OIO decision (if required) 9 December 2016
- Offer Closes* 20 December 2016
- Offer Completion after satisfaction
of conditions by 29 January 2017

* Assumes no extension of offer close date

Group Business 5 year Strategic Targets and Current Status



CURRENT STATUS

TRADE



Trade focussed “parts professionals” supplying workshops

Target 25% Home brands

AUS Target 200 Stores

152 Stores
10% home brand

RETAIL



Premium Retailer of Automotive Accessories

Target 35% Home brands

AUS Target 200 AB Stores

117 AB Stores
67 OL stores (incl SIS)
14% home brand



4WD & Vehicle Accessories

Target 120 OL Stores

INDEPENDENTS



Supplying the independent parts stores via the extensive supply chain capabilities and brand support

Target Over 200 Stores

235 stores

SPECIALIST WHOLESALE



The Car & Truck Parts Specialists



The #1 Bearing Reseller Australia Wide



#1 or #2 Industry Category specialists in parts programs

Brake

Engine

Auto Electrical

Suspension

Bearings

4WD

Cooling

Gaskets

New Category

Target \$200M Turnover

Annualised \$160M

SERVICE



Experts at scheduled car servicing at affordable prices

Strategic Review

143 stores

Thank You

