

2017 Annual General Meeting

CEO Presentation



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FY2017 Results

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Strategy Update

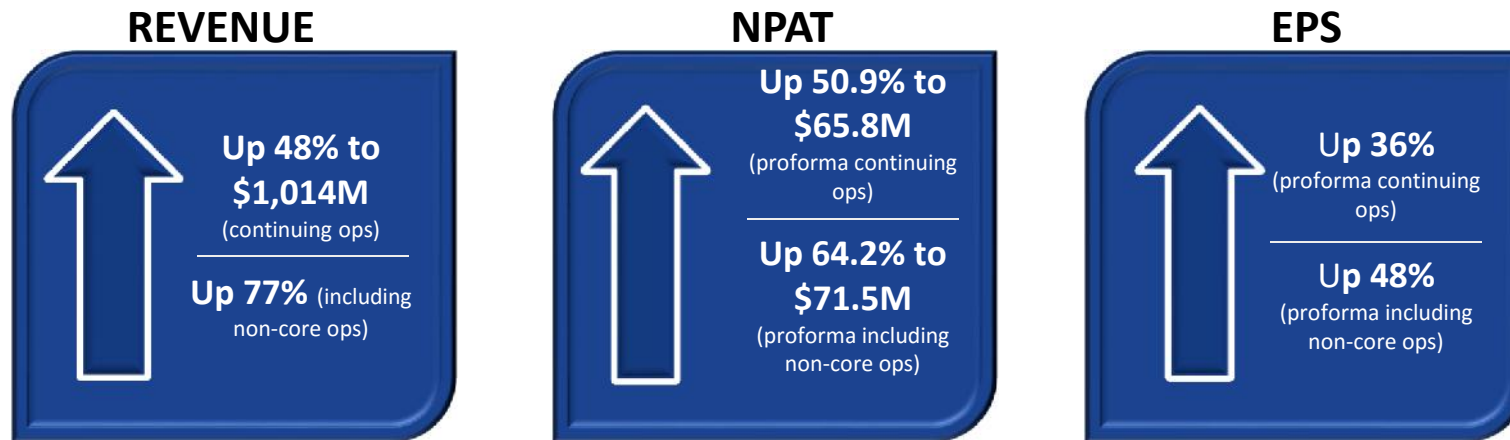
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FY2018 Trading Update, Outlook & Investment Highlights

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Q&A

FY2017 Headline Results



- Excellent growth in all measures
- All business segments recorded solid growth
- Hellaby acquisition, integration and optimisation exceeded expectations
- All acquisitions performing well

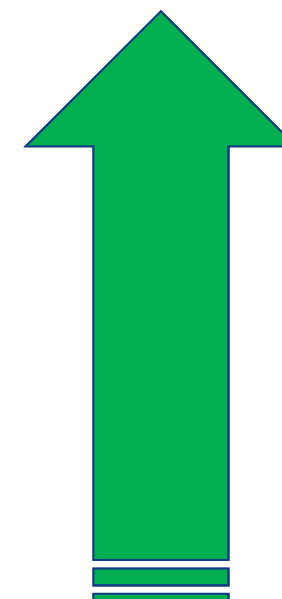
Note: Non-core operations are Resource Services Group and Footwear.

FY2017 – Financial Highlights

<i>\$ million</i>	FY2016	FY2017	Variance
<u>Continuing Operations</u>			
Revenue	685.6	1,013.6	47.8%
Gross Margin %	44.2%	45.7%	1.5pp
EBITDA – pro-forma	77.0	117.4	52.4%
EBITDA%	11.2%	11.6%	0.4pp
NPAT – pro-forma	43.6	65.8	50.9%
NPAT – statutory	43.6	53.7	23.3%
EPS (cps) – pro-forma	17.89	24.40	36.4%
<u>Total Bapcor (including non-core)</u>			
NPAT – pro-forma	43.6	71.5	64.2%
EPS (cps) – pro-forma	17.89	26.54	48.4%
EPS (cps) - statutory	17.89	23.76	32.8%
Dividend (cps)	11.0	13.0	18.2%

Notes:

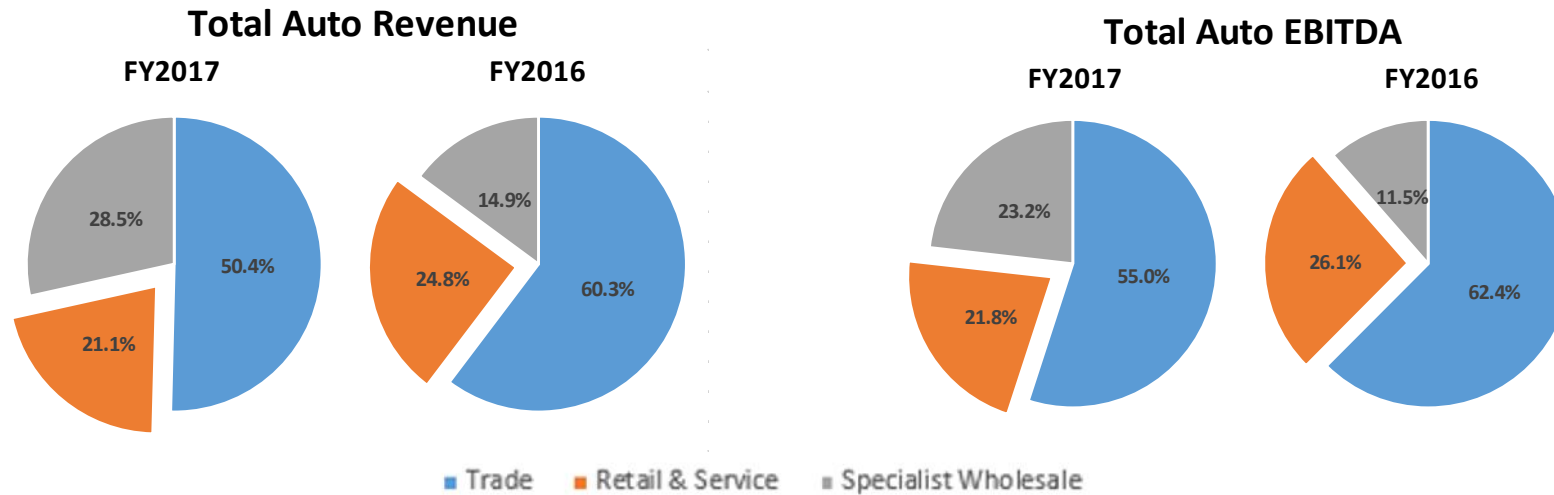
1. Hellaby Holdings Ltd included from January 2017
2. FY2017 pro-forma results excludes Hellaby related acquisition and financing costs
3. Refer www.Bapcor.com.au FY2017 Results Presentation of 23 Aug 2017 for reconciliation of statutory to pro-forma NPAT and EPS)
4. Non-core operations are Hellaby Footwear and Resource Services Group



FY2017 – Operational Highlights

- ✓ Another transformational year
 - ✓ Improved performance in every business segment - sales, margin & earnings
 - ✓ 23 new stores across Australia
 - 15 Burson Trade
 - 8 Autobarn
 - Now 31 Autobarn company stores following 7 buy backs
 - ✓ Metcash Auto optimisation program delivered at top end of target
 - ✓ Successful acquisition of Hellaby Holdings in New Zealand
 - Auto is a quality asset, with further upside
 - Excellent performance in second half
 - Implemented divestment program for non-core businesses
 - ✓ Significant optimisation program underway following Hellaby acquisition
 - ✓ Retail franchisee loyalty programs developed
 - ✓ Warehouse Evolution Program underway
 - ✓ Progress on every aspect of the five year strategic plan
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Business Segment Contribution



A “Trade” focused business generating circa 80% of sales/earnings

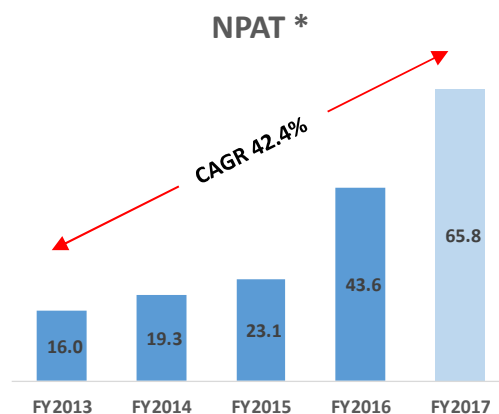
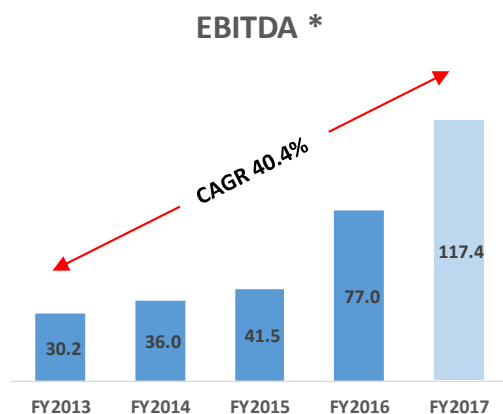
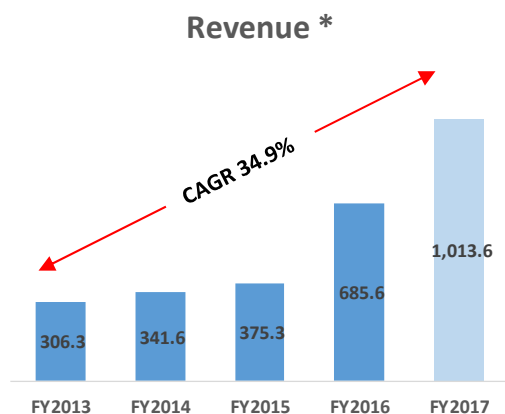


Business Segment Results

	Revenue			EBITDA		
	FY2017	FY2016	% Change	FY2017	FY2016	% Change
Aust Trade	465.1	419.1	11%	63.3	51.8	22%
Wholesale	212.7	103.4	106%	22.9	9.5	141%
Retail & Service	221.0	172.3	28%	28.2	21.6	30%
Group/Elims	(31.9)	(9.2)		(10.1)	(5.9)	
Subtotal	866.9	685.6	26%	104.3	77.0	35%
Hellaby Auto	146.7			15.1		
Hellaby HO				(2.0)		
Total Auto	1,013.6	685.6	48%	117.4	77.0	52%
Non Core	196.6			16.8		
Total Group	1,210.2	685.6	77%	134.2	77.0	74%



Summary of Key Performance Indicators



FY2017 vs FY2016 (\$ millions)

Total	Up	47.8%	to	1,013.6
Trade	Up	11.0%	to	465.1
Retail & Service	Up	28.3%	to	221.0
Specialist Wholesale	Up	105.7%	to	212.7
Hellaby Automotive^	Up		to	146.7

Up	52.4%	to	117.4
Up	22.2%	to	63.3
Up	30.3%	to	28.2
Up	141.1%	to	22.9
Up		to	15.1

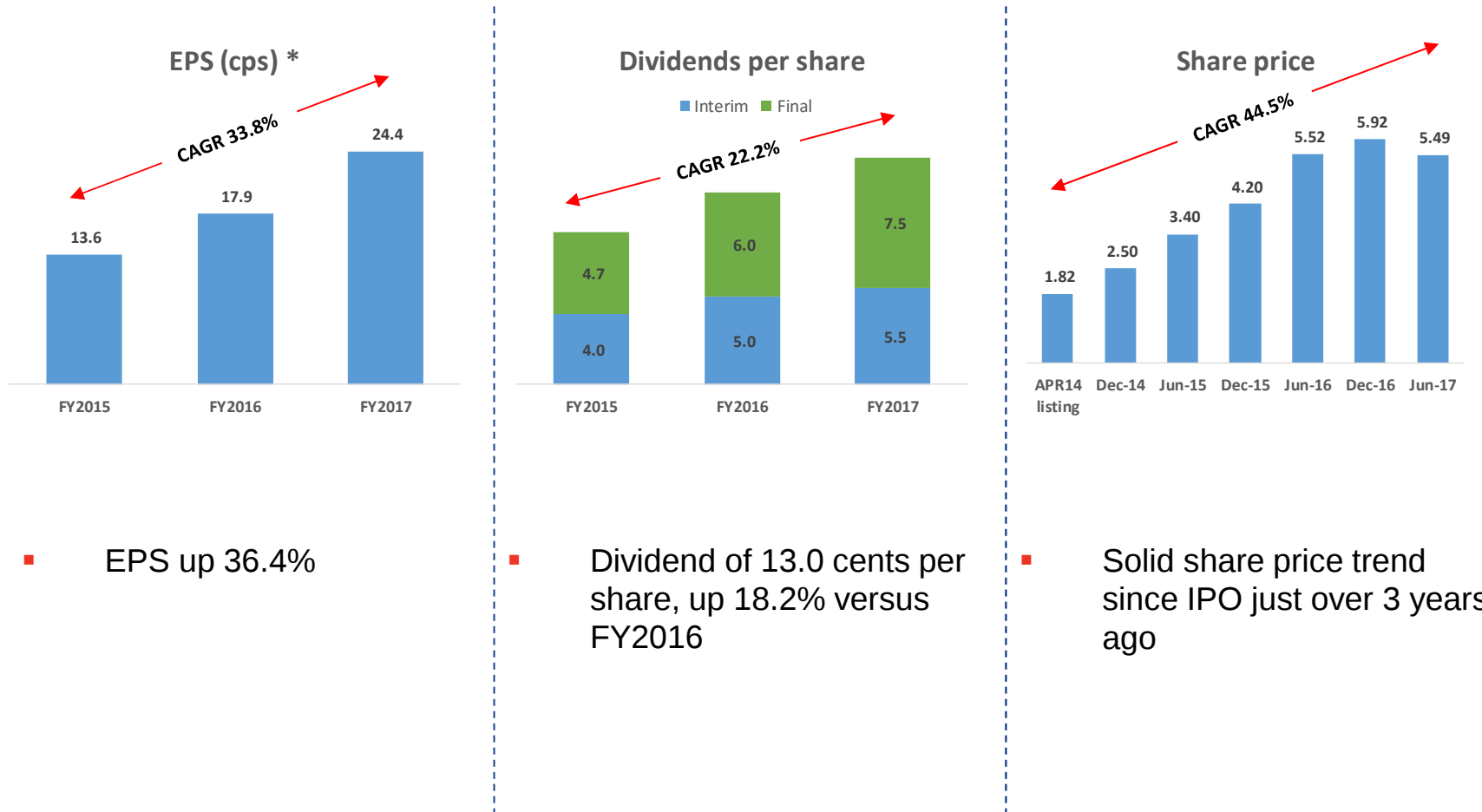
Up	50.9%	to	65.8
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* Based on continuing operations only and pro-forma results where appropriate

^ Represents six months results from January 2017



Summary of Key Performance Indicators



* Based on continuing operations only and pro-forma results where appropriate



"Australasia's leading provider of aftermarket parts, accessories, equipment and services" | 10



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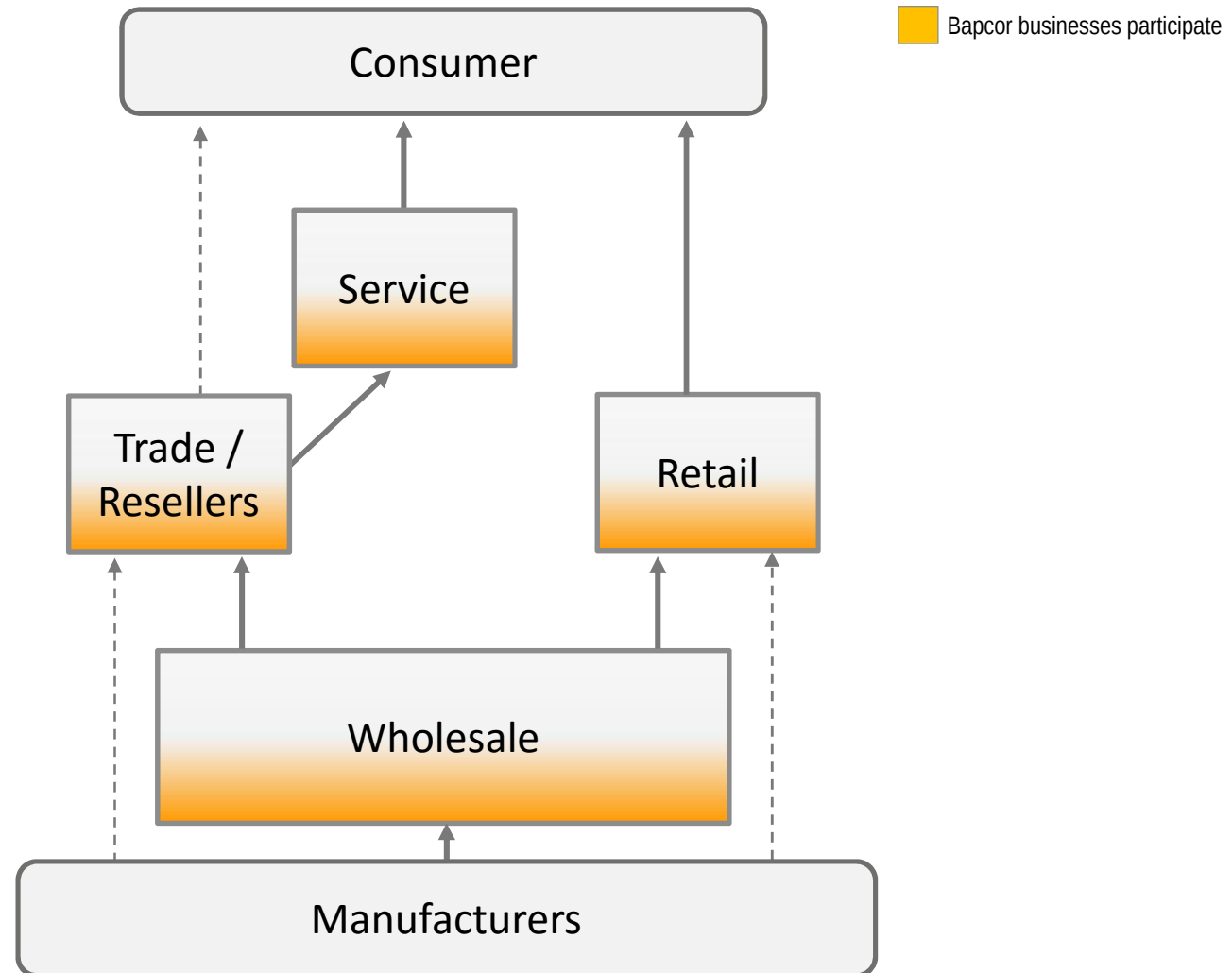
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Aftermarket Supply Chain



Bapcor 5 Year Strategic Targets

Segment Contribution						
50%	TRADE	Trade focussed “parts professionals” supplying workshops in Australia & New Zealand	  	AUS Target 200 Stores ▲ 161	Aus Target 30% Own Brands ▲ 22%	
				NZ Target 65 Stores ▲ 54	NZ Relocations & Refurb Target 25 Stores ▲ 1	NZ Target 30% Own Brands
30%	SPECIALIST WHOLESALE	#1 or #2 Industry category specialists in parts programs	             	AUS Target \$A 430 Turnover ▲ \$A 350	NZ Target \$A 70 Turnover ▲ \$A 55	
20%	RETAIL & SERVICE	Premium Retailer of Automotive Accessories Supplying the independents: parts, accessories & 4WD Experts at scheduled car servicing at affordable prices Bringing automotive aftermarket parts to Asia	       	AUS Target 200 Stores ▲ 123	Target 35% Own Brands ▲ 16%	
				Target Over 200 Stores ▲ 215	AUS Target 120 OL Stores ▲ 71	
				AUS Target TBD ▲ 139	NZ Target TBD ▲ 26	
	ASIA			Asia Target TBD		



\$A
xx

Current actual

“Australasia’s leading provider of aftermarket parts, accessories, equipment and services” | 13

Optimisation Program – following Hellaby Acquisition

- As announced on 26 July 17

Year	\$M	
	Low	High
FY18	2	3
FY19	3	4
FY20	3	5
EBIT benefit	8	11
Retained HO costs	1	1
Net benefit	7	10

Have also eliminated \$5M of Hellaby head Office costs

- Intercompany sales, direct and indirect procurement, increased sales, strategic growth, shared services, people development
- Hellaby return including synergies will exceed the original business case

New Zealand Growth Strategy

- Circa 10 new stores (20% increase)
- Relocate/refurbish 50% of existing stores
 - Includes adding showrooms
- Expand product range
- Introduce Capricorn
- Introduce B to B catalogue & Online Sales
- Grow Own brands
- Increase intercompany sourcing

Warehouse Evolution Project

- Consultants have completed 12 month review
- 3 to 5 year program
- Invest in technology
- Circa \$30M to \$40M investment in capital and project expenses.
- Will generate annual return of \$10M to \$15M EBIT by year 5.

Priority

- Transport contracts
- Warehouse management system
- Port splitting
- New warehousing facilities utilising latest technologies

Potential Industry Disruptors

Online - Amazon

- Given 80% of Bapcor's business is trade and wholesale – involving high service levels and deep specialised product knowledge, any impact not expected to be significant.
- Retail may have an exposure however expected to be small due to product types, technical advice and fitment.
- Overseas experience has less than 5% market on line in auto accessories.
- Bapcor has online capabilities today – and has the option to join Amazon marketplace.

Electric Vehicles

- Industry has a history of adapting to technology changes
- Well placed in electrical and electronic componentry businesses
- Current car parc has 2% hybrid and electric
- Of 1 million cars sold annually, only 2% electric / hybrid
- 17 million cars on road with average age 12 years



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Non-Core Businesses Divestments

- **Footwear** – completed
- **Contract Resources**
 - North America – signed
 - Rest of world – completed
- **TBS** – in due diligence
- **Proceeds**
 - Confident of NZ \$92 million per June 2017 accounts

FY2017/18 Trading Update

% Group Sales



- **On track for full year forecast of 30% NPAT growth on continuing operations**

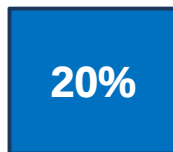
- Trade

- Aust – sales up circa 7%, same store sales circa 4%
- NZ – sales up circa 7%, same store sales circa 7%



- Specialist Wholesale

- Aust – sales up circa 42% - underlying growth circa 4%
- Former Hellaby Electrical – sales up circa 10%



- Retail & Service

- Overall sales up circa 8% - driven by new company stores
- Company stores - sales up circa 40%, same store sales up circa 3.5%
- Other stores – same store sales flat.

Outlook / Investment Highlights

- Organic, geographic and other strategic growth opportunities
 - Store / branch footprint expansion in all segments
 - Well placed electrical & electronics componentry for evolving carparc
- Continued margin growth – own brands, volume, warehouse evolution
- Hellaby automotive acquisition exceeding original expectations
- The nature of Bapcor's business largely protected from on-line disrupters
- Resilient industry with long lead times to adjust to changes in the market
- Strong free cashflow and a solid balance sheet
- 30% NPAT growth in FY18
- Track record of delivering earnings growth and total shareholder return



Thank You – Q&A

