



H1 FY2017 Results Presentation

Our Brands



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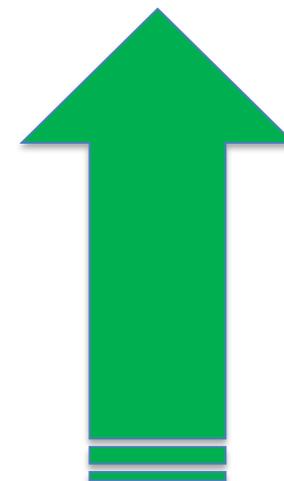
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H1 FY2017 Result Highlights



<i>\$ million</i>	H1 FY2017 (3)	H1 FY2016	Variance
Revenue	435.1	324.4	34.1%
Gross Margin % ⁽¹⁾	45.0%	43.5%	1.5pp
EBITDA – pro-forma	49.2	34.5	42.5%
NPAT – pro-forma ⁽²⁾	27.8	19.3	44.0%
NPAT – statutory	25.3	19.3	30.7%
EPS ⁽³⁾ (cps) – pro-forma	10.64	7.98	33.4%
EPS ⁽³⁾ (cps) – statutory	9.66	7.97	21.2%
Interim dividend (cps)	5.5	5.0	10.0%



- Very pleasing result with proforma EPS growth of 33.4%
- H1 FY2017 result reflects full 6 months of ANA acquisition versus 5 months in H1 FY2016, plus the benefit of optimisation projects
- All business segments delivered strong results
- Acquisitions in FY2016 and H1 FY2017 are progressing smoothly and at least to business plan
- Pro-forma EBITDA and NPAT excludes the after tax effect of Hellaby transaction costs and the benefit to finance costs due to capital raised. Pro-forma EPS is based on proforma NPAT but includes shares issued as part of the capital raising for the Hellaby acquisition.

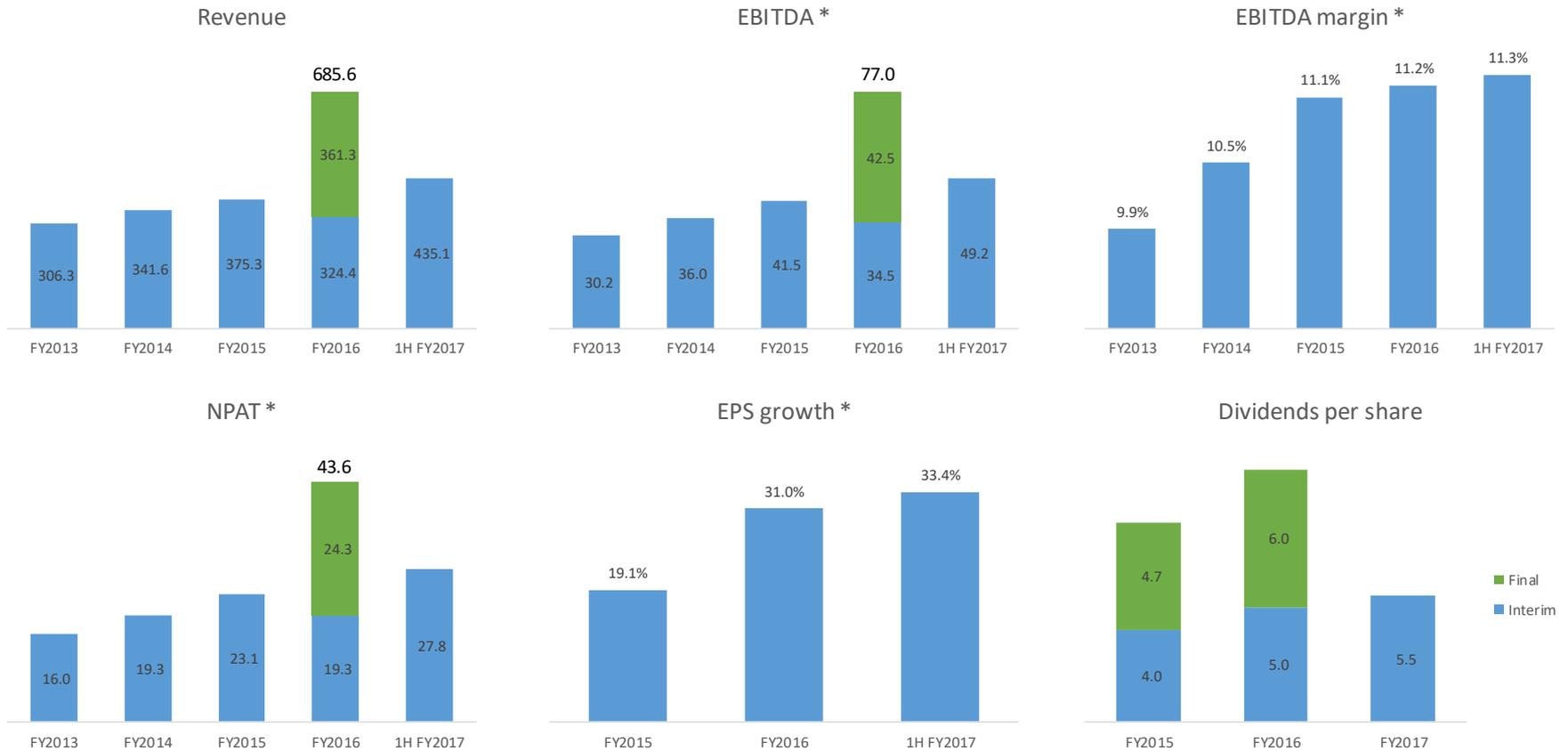
Notes:

1. Gross margin presented in line with statutory presentation. H1 FY2016 includes a reclassification of freight recoveries and expense.

2. EPS is based on the TERP adjusted weighted number of shares on issue during the year as per accounting standard AASB -133.

3. H1 FY2017 proforma NPAT excludes acquisition costs of \$3.5M and includes interest / tax adjustments of (\$1.0M) all related to the Hellaby acquisition

Summary of Key Performance Indicators



* Based on proforma results where appropriate

Business Segment Contribution to Results



	Revenue			EBITDA			EBITDA % Revenue		
	H1 FY2017	H1 FY2016	% Change	H1 FY2017	H1 FY2016	% Change	H1 FY2017	H1 FY2016	pp Change
Trade	230.4	202.9	13.6%	30.9	23.4	32.0%	13.4%	11.5%	1.9pp
Retail	117.8	82.5	42.9%	15.0	10.6	42.5%	12.8%	12.8%	0.0pp
Specialist Wholesale	97.3	43.2	125.3%	10.6	4.3	144.8%	10.9%	10.0%	0.9pp
Unallocated / Head Office	(10.4)	(4.2)	(150.6%)	(7.0)	(3.6)	(95.1%)	67.1%	86.1%	(19.1)pp
Segment Total	435.1	324.4	34.1%	49.5	34.7	42.7%	11.4%	10.7%	0.7pp
Normal acquisition costs				(0.3)	(0.2)	(94.9%)			
Total	435.1	324.4	34.1%	49.2	34.5	42.5%	11.3%	10.6%	0.7pp

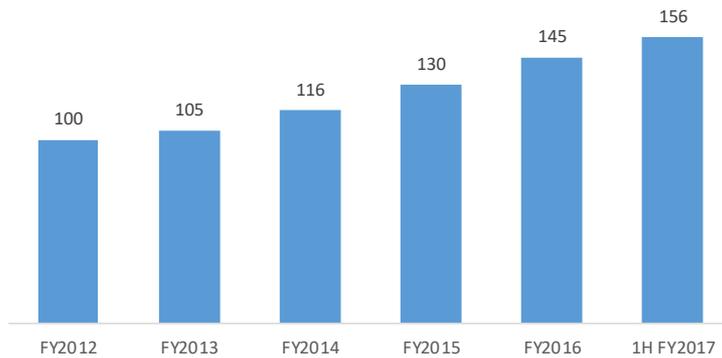
- All trading Business segments performed very well
- Burson Trade in particular outstanding result
- ANA solid result and excludes July 2015 (not part of Bapcor)
- Group EBITDA includes H1 FY2017 v H1 FY2016 incremental impact of intercompany purchases profit in stock eliminations of \$1.1M. Total expensed in H1 FY2017 is \$1.8M

- 156 stores at the end December 2016, up 11 from June 2016 and 20 since December 2015.
- Revenue up 13.6%
- Same store sales growth >5.0%
- EBITDA up 32.0% and EBITDA % up 1.9 percentage points (GM% and CODB% improvements) – includes benefits of optimisation projects
- Acquisition of Precision Automotive April 2016 going well
- 8 stores in WA have solid sales but operating in very competitive environment
- Main national competitor growing its dedicated trade network
- Customer loyalty program “Alliance” has made good progress
- People development has been and will continue to be a key priority

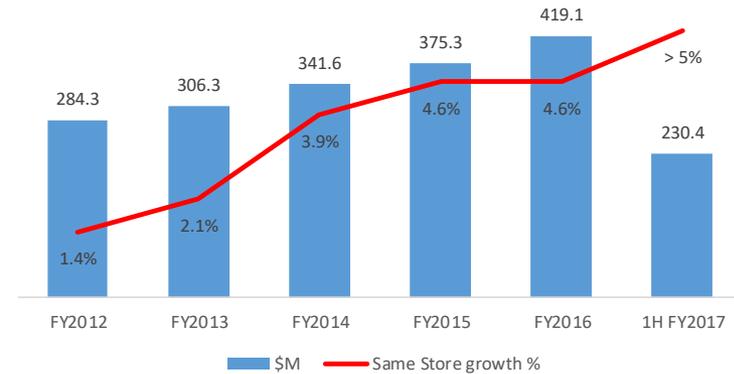
Burson Trade - Summary of Key Performance Indicators



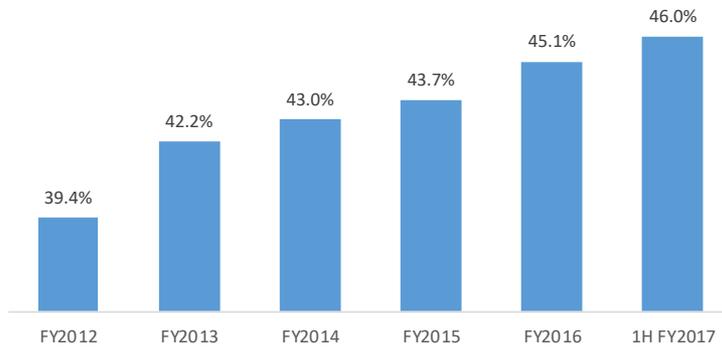
Store numbers



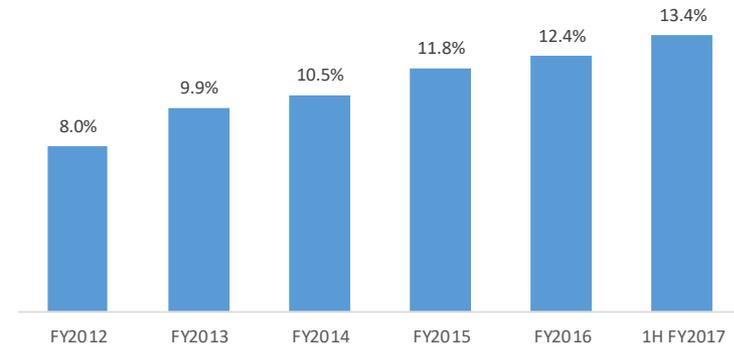
Revenue and "Same Store" growth



Gross Profit margin



EBITDA margin



- Total Autobarn stores up 5 since June 2016 to 119. Company owned stores up by 8 to 23 (includes 3 store buy-backs), consistent with strategy to grow the total number of stores.
- Revenue up 42.9%, includes Sprints and an additional month of ANA businesses (July 2016) compared to H1 FY2016
- Autobarn same store growth for H1 FY2016 was 2.8%.
- EBITDA up 42.5% to \$15.0M
- Retail EBITDA margin of 12.8% consistent with previous year
- Competition has been very aggressive with price discounting and promotional activity

- Specialist Wholesale has grown significantly with the purchase of;
 - Bearing Wholesalers (acquired March 2016)
 - Roadsafe (acquired August 2016)
 - Baxters (acquired August 2016)
 - MTQ (acquired November 2016)

- Annual revenue run rate now in excess of \$230M

- Good progress in growing level of “home brand” intercompany sales

- Some sales loss due to customers being competitors to Bapcor business

- Total EBITDA up 144.8% and EBITDA % to sales up 0.9 percentage points

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Summary Income Statement



- **Revenue growth of 34.1% delivered by**
 - Trade up 13.6%
 - Retail up 42.9%
 - Specialist Wholesale up 125.3%
- **Same Store sales growth**
 - Burson Trade >5%
 - Autobarn 2.8%
- **Gross margin % up 1.5 percentage points**
 - Reflects the benefits of the optimisation projects
 - Trade up 1.0pp compared to H1 FY2016 and consistent with H2 FY2016. Retail margins up due to optimisation program and conversion of company owned service workshops to franchise. GM% in Specialist Wholesale up 4.0pp due to business mix and improved margins at AAD.
 - GM% is a continuous focus across all segments
- **CODB as a % of sales up 0.9 percentage points**
 - Increase in CODB mainly reflects change in business mix, and the higher number of corporate owned retail stores.
 - Includes additional corporate management costs consistent with larger business, and elimination of intercompany sales and profit in stock.
 - Trade CODB% down 0.9% due to the prior year including additional costs related to WA start-ups and costs related to Brisbane DC
- **Proforma NPAT up 44.0%**
- **EPS up 33.4%**

Pro forma, \$ million	H1 FY2017	H1 FY2016	Change
Revenue	435.1	324.4	34.1%
Gross Profit	195.7	141.0	38.8%
<i>Margin (%)</i>	<i>45.0%</i>	<i>43.5%</i>	<i>1.5pp</i>
CODB	(146.6)	(106.5)	37.6%
<i>CODB (%)</i>	<i>(33.7%)</i>	<i>(32.8%)</i>	<i>(0.9)pp</i>
EBITDA	49.2	34.5	42.5%
<i>EBITDA (%)</i>	<i>11.3%</i>	<i>10.6%</i>	<i>0.7pp</i>
Depreciation and Amortisation	(6.0)	(4.9)	23.5%
EBIT	43.2	29.6	45.6%
Finance Costs	(3.4)	(1.9)	85.0%
Profit Before Tax	39.7	27.8	43.0%
Income Tax Expense	(11.9)	(8.5)	40.5%
NPAT	27.8	19.3	44.0%
<i>NPAT (%)</i>	<i>6.4%</i>	<i>6.0%</i>	<i>0.4pp</i>
<i>EPS⁽¹⁾ (CPS)</i>	<i>10.64</i>	<i>7.98</i>	<i>33.4%</i>
Acquisition costs / adjustments	(2.6)	-	(100.0%)
NPAT - statutory	25.3	19.3	30.7%

Notes:

1. EPS is based on the TERP adjusted weighted number of shares on issue during the year as per accounting standard AASB-133.
2. Allocation of freight expense included in CODB as per proforma accounts rather than COGS

Summary Cash Flows



Working capital

- Working capital favourable excluding acquisitions due to improved trade debtors and trade creditor days.
- Total H1 FY2017 working capital represents 13.0% of annualised revenue compared to 13.5% June 16

Capex and Acquisitions

- Capex mainly reflects investment in new stores, purchase of motor vehicles, IT development and front of store refurb
- Other business acquisitions includes Baxters, Roadsafe and MTQ

Net cash generated (before Hellaby transaction)

- Tax paid includes an amount of \$5.3M relating to the FY2016 financial year
- Excluding acquisitions of businesses of \$29.4M, cash generation was positive after payment of dividends.

Hellaby transaction

- Cashflow includes proceeds related to capital raising for Hellaby acquisition less transaction costs paid.

\$ million H1 FY2017

Cash flows excluding Hellaby associated cash flows

EBITDA	45.6
Change in working capital	5.3
Capital expenditure (excluding new stores)	<u>(5.2)</u>
<u>Operating Cash Flow</u>	<u>45.7</u>
Store acquisition and greenfields ⁽¹⁾	(13.5)
Business acquisitions	(29.4)
Financing costs	(2.3)
Tax Paid	(15.2)
Dividend paid	(14.8)
Other	<u>0.7</u>
Cash generated excluding Hellaby acquisition cash flows	(28.8)

Hellaby associated cash flows

Capital raising	181.3
Transaction costs paid	<u>(6.2)</u>
Net cash inflow from Hellaby transaction	175.1
Opening cash on hand	22.4
Cash acquired	0.8
Borrowing repayments	(134.0)
Net cash movement	<u>146.3</u>
Closing cash on hand	35.5

Summary Balance Sheet



▪ Net Debt/Cash

- Net debt at June 2016 is positive \$20.7M⁽¹⁾.
- Excluding equity raising and Hellaby transaction costs, net debt would be \$158.8M
- Represents annualised leverage ratio of 1.6X on an annualised FY17 EBITDA basis

▪ Dividends

- Interim dividend declared for FY2017 of 5.5 cents per share fully franked, up 10%. This represents 60.5% of statutory NPAT.
- Record date 17 March 2017
- Pay date 21 April 2017
- **Dividend reinvestment plan to be implemented effective for the FY2017 interim dividend**
 - **1.5% discount to 10 day trading VWAP commencing 27 March 2017**

\$ million	Dec 2016	Jun 2016
Cash	35.5	22.4
Trade and Other Receivables	100.7	87.8
Inventories	194.4	163.0
PP&E	43.0	36.2
Deferred Tax Assets	25.9	20.6
Intangible Assets	381.2	348.9
Other Assets	4.3	4.5
Total Assets	785.0	683.4
Trade and Other Payables	139.6	121.5
Tax Liabilities	4.0	6.2
Provisions	69.2	39.5
Borrowings	14.2	148.2
Other	0.6	1.8
Total Liabilities	227.6	317.2
Net Assets	557.4	366.2

Notes:

1. Net debt adds back \$0.6M of prepaid borrowing fees which is included in the Borrowings amount.

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Automotive



Resource Services



Footwear



Hellaby Transition Plan



2016

27 September Bapcor announces takeover offer for Hellaby

2017

13 January Offer Unconditional

23 January Bapcor nominated Directors appointed to Hellaby Board

31 January Passed 90% shareholding

7 February Offers closes at 95.5% of shares

8 February Compulsory acquisition of remaining shares commences

8 March 100% ownership. Delisting from NZX

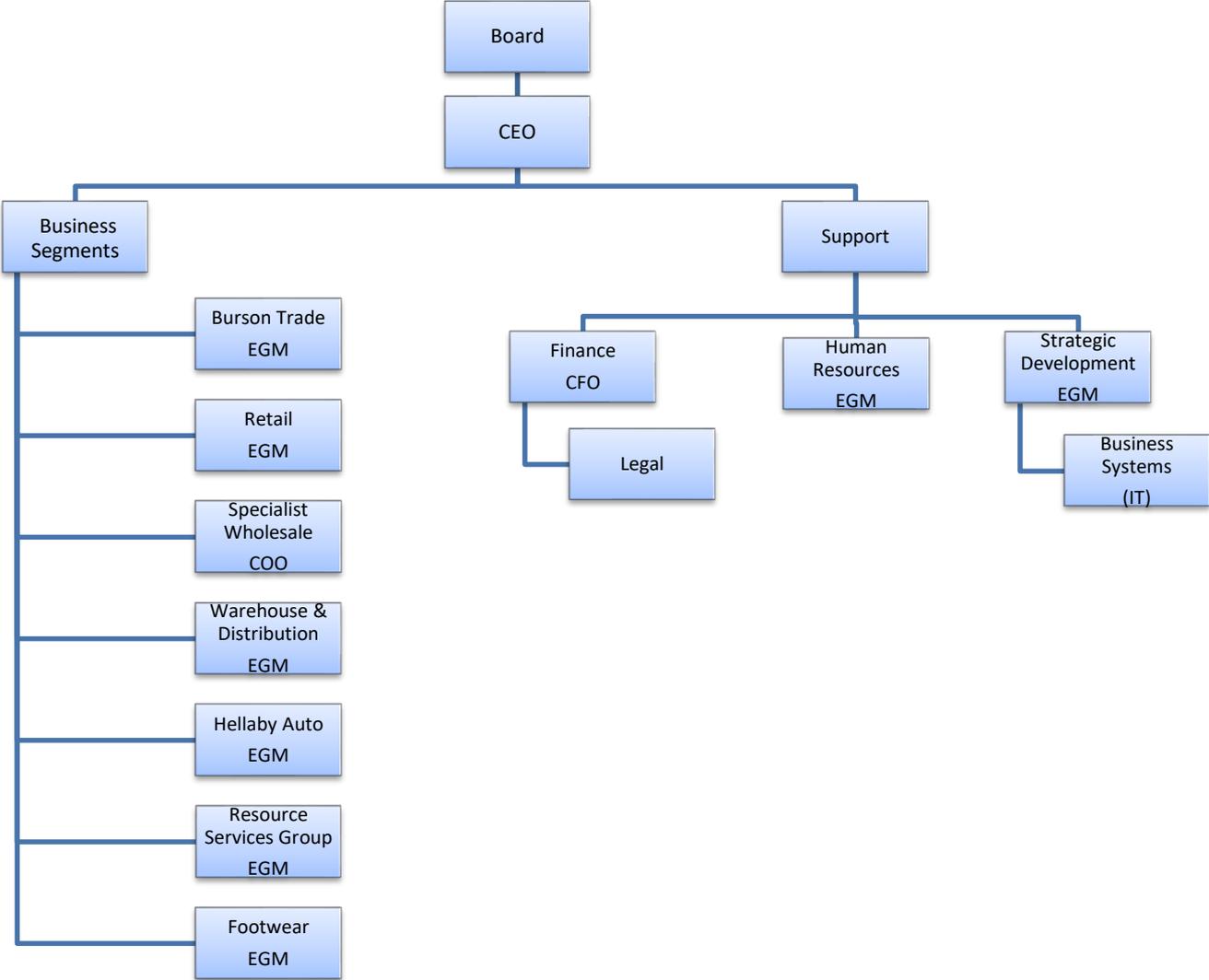
24 January to 1 February Transition commences – meeting with Hellaby Management

7-8 February Business Plan Reviews – internal communications

14 February Organisation changes – business segments report to Bapcor CEO

16 February to end of June Transition continues including development of optimisation program

Organisation Structure



Hellaby H1 FY17 Results



\$NZD million	Actual	Hellaby Guidance provided Dec 16
Sales	\$385.8m	\$383m to \$388m
EBITDA	\$20.6m	\$18m to \$19m
EBIT	\$12.5m	\$10m to \$11m
NPAT ⁽¹⁾	\$39.9m	\$38.5m to \$39.5m

\$NZD million	Sales	EBITDA	EBIT
Automotive	\$145.6m	\$14.1	\$12.8m
Resource Services	\$124.2m	\$6.4m	\$1.4m
Footwear ⁽²⁾	\$63.6m	\$0.6m	(\$0.7)m
Equipment	\$53.0m	\$2.4m	\$2.0m
Elims/Head Office	(\$0.6)m	\$(2.8)m	(\$3.0)m

Notes:

1. Includes gain of \$34M on sale of equipment
2. Includes restructuring costs of \$2.7m

Indicative Hellaby EPS Accretion



A\$ million

	Bapcor H1FY2017	Indicative FY17 Bapcor	Hellaby Estimated Annualised Proforma FY2017*				
			Hellaby Auto	Hellaby HO	Subtotal Automotive	Hellaby RS and F'Ware	Total
Revenue	435.1	880.0	290.0		1,170.0	395.0	1,565.0
EBITDA	49.2	101.0	30.0	(3.0)	128.0	27.0	155.0
NPAT**	27.8	57.0			72.0		78.0
# shares pre capital raising		246.3					
# shares post capital raising					277.6		
EPS		23.1			25.9		
EPS % Increase		29.6%			12.1%		

ROI on Hellaby Investment exceeds Bapcor WACC

* Hellaby at 100% ownership had it been held for 12 months.

** Bapcor FY17 Annualised NPAT excluding Hellaby represents low end of guidance range of \$57M to \$59M

Hellaby Acquisition Funding



A\$ million

Funding Requirement

Equity Purchase Price	334
Net Debt	72
Transaction Costs	13
Total	<u>419</u>

Sources of Funds

Bapcor Equity Raising	181
Acquisition Bridge / Other facilities	238
Total	<u>419</u>

Net Debt	400	} Includes Hellaby Auto, Footwear and Resource Services
EBITDA	156	
Forecast leverage ratio	2.6X	

	<u>Estimated Hellaby Transaction Costs</u>		
	FY2017		
	H1	H2	Total
Expense	3.5	5.0	8.5
Equity	4.3	0.2	4.5
Total	7.8	5.2	13.0

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Group 5 year Strategic Targets and Current Status

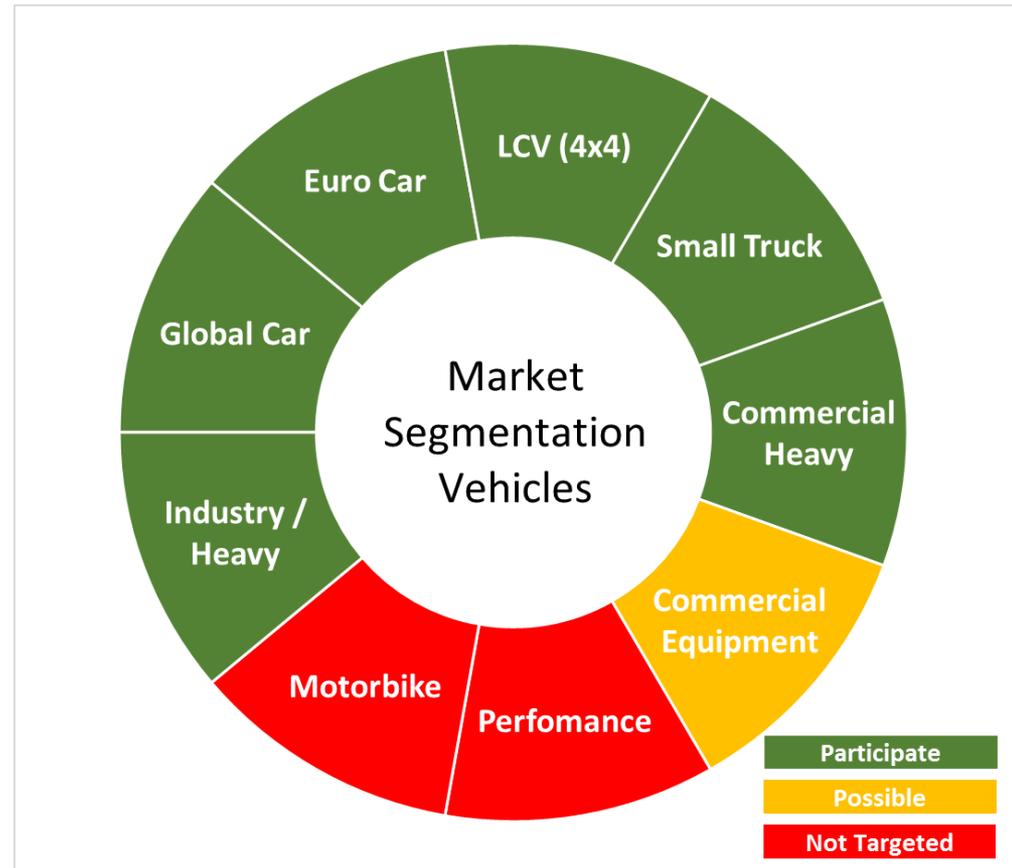


TRADE	Trade focussed “parts professionals” supplying workshops		Target 25% Own brands	AUS Target 200 Stores 156	NZ Target TBD Stores 54
RETAIL	Premium Retailer of Automotive Accessories		Target 35% Own brands	AUS Target 200 AB Stores 119	NZ Target TBD Retail
	4WD & Vehicle Accessories			AUS Target 120 OL Stores 84	NZ Target TBD OL Stores 1
INDEPENDENTS	Supplying the independent parts stores			Target Over 200 Stores 	NZ Target TBD
SPECIALIST WHOLESALE	#1 or #2 Industry Category specialists in parts programs			AUS Target \$A 315 A\$500M Turnover	NZ Target \$NZ 58 TBD Turnover
SERVICE	Experts at scheduled car servicing at affordable prices			AUS Target TBD 139	NZ Target TBD 26
RSG	Specialist international services			Strategic Review	
FOOTWEAR	NZ Largest footwear retail group			Strategic Review	

Automotive Market Segments

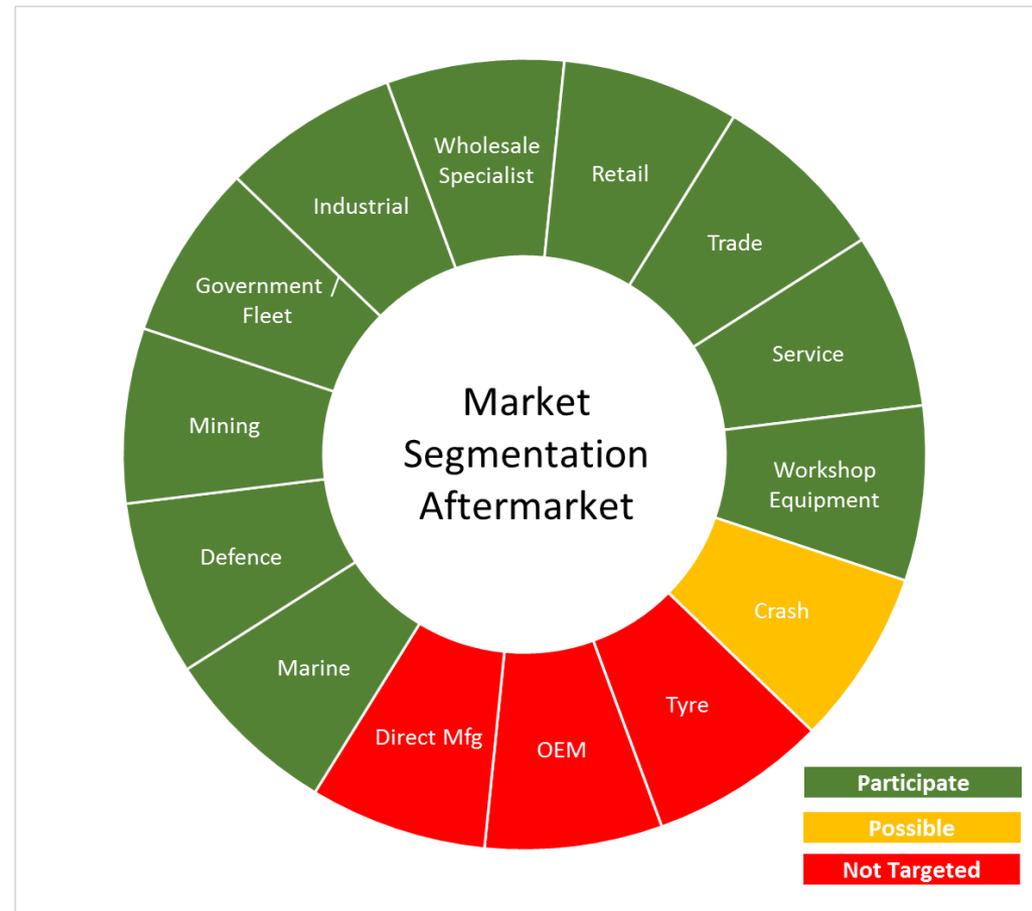


- Bapcor views the vehicle market with distinct segmentation
- Expansion and growth is targeted in the green segments which Bapcor either today participates in or has plans to participate in

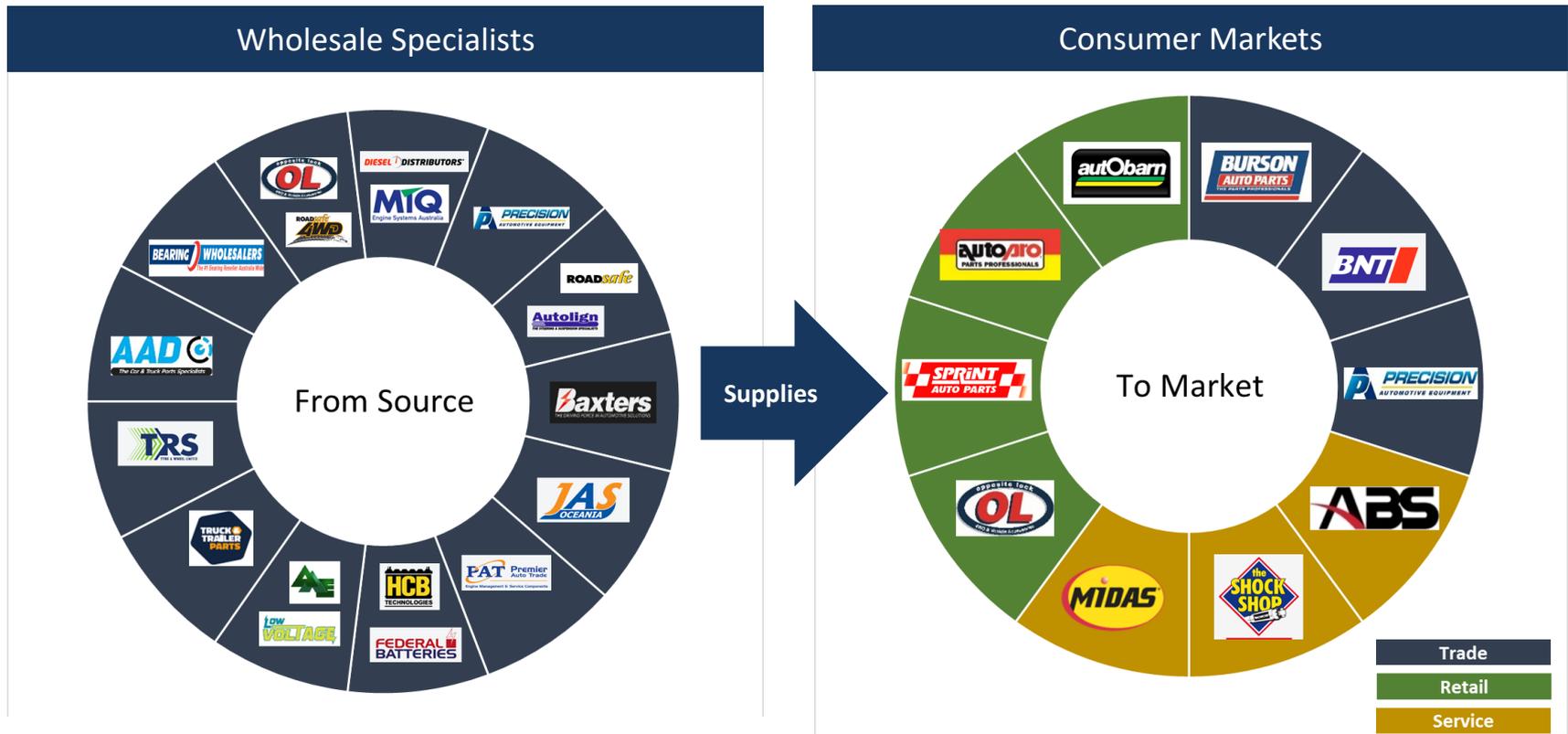


- **Global Car / Euro Car** – have been separated recognising the Aust market as it exists for parts today
- **Industry / Heavy** – intended to capture non motor vehicle commercial combustion application
- **Small Truck** – up to 10T
- **Commercial Heavy** – Truck and trailer over 10T

- Core areas of Retail, Trade, and Specialist remain the key focus. There continues to be a strong growth pipeline in each of these sectors based upon our current market offers and distribution footprint.
- Further segments are separated where either as a result of the customer or application there are unique considerations. To be competitive in these segments requires a specific focus
 - Industrial
 - Mining
 - Defence
 - Marine
 - Government / Fleet
 - Workshop Equipment
- Bapcor businesses participate in these sectors to varying degrees and expect to extend that participation



- Bapcor is vertically integrated through our specialist supply chain, optimising distribution channels
- Further opportunities for optimization of these supply channels moving forward with a number of categories capable to expansion (eg. Electrical application)



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- FY2017 will continue to deliver business and profit growth
 - Continued underlying growth in Trade and Retail
 - Store rollouts
 - Margin focus, including benefits of the optimisation program
 - Acquisitions of Baxters, Roadsafe and MTQ

The Bapcor Business FY17 full year NPAT **excluding** the acquisition of Hellaby and related transaction costs is expected to be in the range of \$57M to \$59M. (previous guidance \$54.5M to \$56.7M).

- The inclusion of the three Hellaby businesses of Auto, Footwear and Resource Services is estimated to increase NPAT in H2 FY2017 by a further \$8M to \$12M before transaction costs and significant items
- FY2017 EPS including Hellaby is estimated to increase by at least 35%

Thank You



Proforma NPAT reconciliation

	Notes	Consolidated	
		H1 FY2017 \$'M	H1 FY2016 \$'M
Statutory Net Profit after Tax		25.3	19.3
Costs associated with the acquisition of Hellaby	1	3.5	-
Finance costs adjustment	2	(0.8)	-
Tax effect	3	(0.2)	-
Pro-forma Net Profit after Tax		27.8	19.3

Notes on pro-forma adjustments:

1. Acquisition costs H1 FY2017 – relates to transaction costs incurred up to 31 December 2016 in relation to the Hellaby acquisition. These costs consist of professional advisory fees and other related costs. This adjustment excludes Hellaby related transaction costs anticipated to be incurred post 31 December 2016 of \$5.2M.
2. Finance costs adjustment H1 FY2017 – this adjustment relates to the additional interest expense that would have been incurred by the Group if the Hellaby related capital raising did not occur.
3. Tax effect H1 FY2017 – relates to the tax effect of the Hellaby transaction costs and finance costs adjustments. The effective income tax rate applicable to Bapcor is approximately 30%, which is equivalent to the Australian corporate tax rate of 30%.