



**2020 AGM -
CEO's Presentation**

20 October 2020

1. **FY20 Results**
2. Strategy Update
3. Trading Update / Outlook

FY20 Snapshot



Solid result in an unpredictable year impacted by drought, bushfires and COVID-19

- Revenue up 12.8%
- EBITDA pre AASB16 down 4.1% to \$157.8M
- NPAT down 5.5% to \$89.1M (2nd highest ever)
- Record revenue and EBIT in Burson Trade, Wholesale and Retail businesses with strong same store sales growth
 - _ Burson same store sales up 6% in FY20
 - _ Autobarn same store sales up 9.5% in FY20
 - _ SWG revenue up 26% in FY20
- NZ impacted by COVID-19 with same store sales down 9%
- Improved cash conversion of 125% pre AASB16
- Successful equity raising (\$236M) with leverage at 0.7x EBITDA pre AASB16
- Final dividend 9.5cps fully franked – same as FY19
- Full year dividend 17.5 cps – up 2.9% on FY19
- Share price at 30 June 2020 – up 6% on 30 June 2019

\$M	FY20 Reported	FY20 Pre AASB16	FY19 Reported	Pre AASB16 YoY %
Revenue	1,462.7	1,462.7	1,296.6	12.8%
EBITDA proforma	217.1	157.8	164.6	(4.1%)
EBIT proforma	144.5	138.7	147.5	(6.0%)
NPAT proforma	88.7	89.1	94.3	(5.5%)
NPAT	79.2	79.2	97.0	(18.4%)
Cash conversion	119%	125%	79%	57.4%
Leverage (ND/EBITDA)	0.5X	0.7X	2.0X	(66.0%)
EPS (basic) proforma	30cps	30 cps	33cps	(9.2%)
DPS – Final	9.5 cps	9.5 cps	9.5 cps	-
DPS – Full year	17.5 cps	17.5 cps	17.0 cps	2.9%

Other FY20 highlights



Effectively managed external environment impacts and made solid progress delivering on strategy

- Added Truckline – Heavy Commercial Trucks (Dec 19)
 - Contributed revenue of \$57M and EBITDA of \$2.8M (well ahead of expectations)
- Investments in retail point of sale system, warehouse management system and IT infrastructure
- Solid progress on the new Victorian Distribution Centre at Tullamarine
- Added 45 new branches / store locations
- Proactively handled COVID-19
 - Primary concern safety of team members, customers and suppliers
 - Reduced discretionary expenditure and investment = cash conservation
 - COVID-19 significantly impacted March, April and early May results
- Retail improvements bearing fruit – management, marketing, store format and standards, inventory injection and online sales
- “Thank you” incentive to all permanent staff – \$300 full time; \$150 part time
- Reduced WC / sales % from 21.0% to 17.4%
- Prudent increase in provisions including debtors and inventory, reflecting economic uncertainty

FY20 Headline Results



Record result for revenue while profitability down given external environment

Proforma excluding AASB 16 *Leases*

<u>Revenue</u>	<u>EBITDA</u>	<u>NPAT¹</u>	<u>EPS</u>
↑ Up 12.8% to \$1,462.7M	↓ Down 4.1% to \$157.8M	↓ Down 5.5% to \$89.1M	↓ Down 9.2% to 30.36 cps

Proforma including AASB 16 *Leases*

<u>Revenue</u>	<u>EBITDA</u>	<u>NPAT¹</u>	<u>EPS</u>
↑ Up 12.8% to \$1,462.7M	↑ Up 31.9% to \$217.1M	↓ Down 5.9% to \$88.7M	↓ Down 9.6% to 30.23 cps

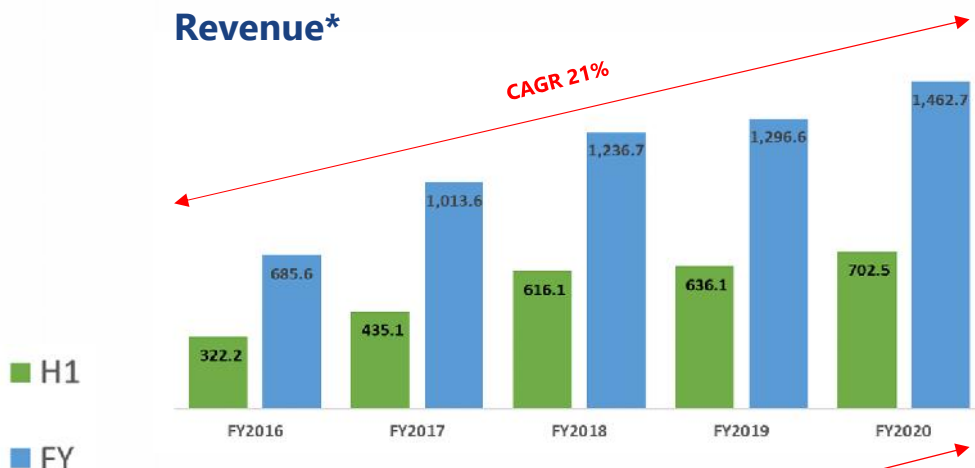
Notes:

1. NPAT as attributable to members of Bapcor Limited.

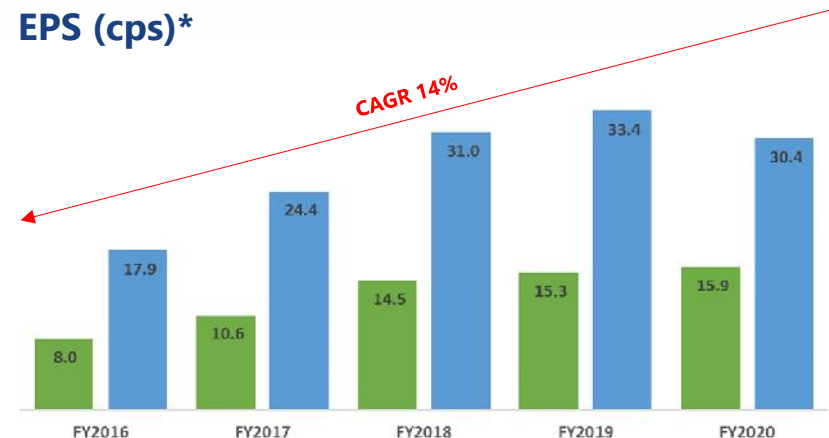
Summary of Key Performance Indicators



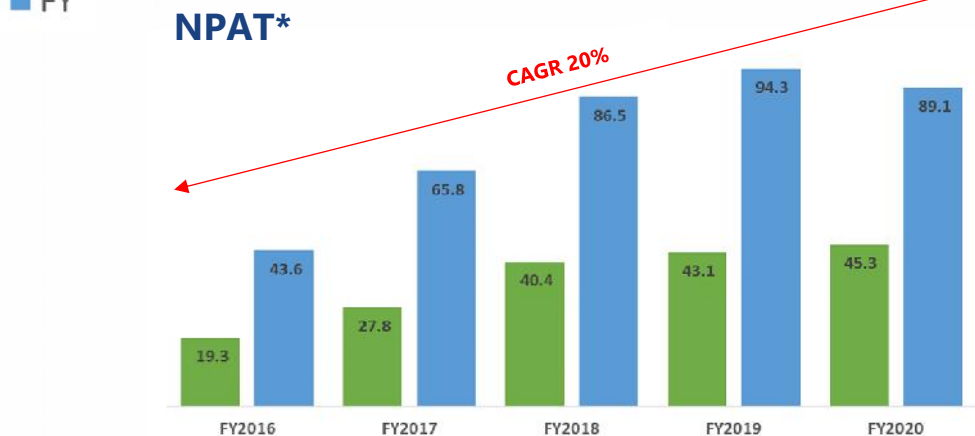
Revenue*



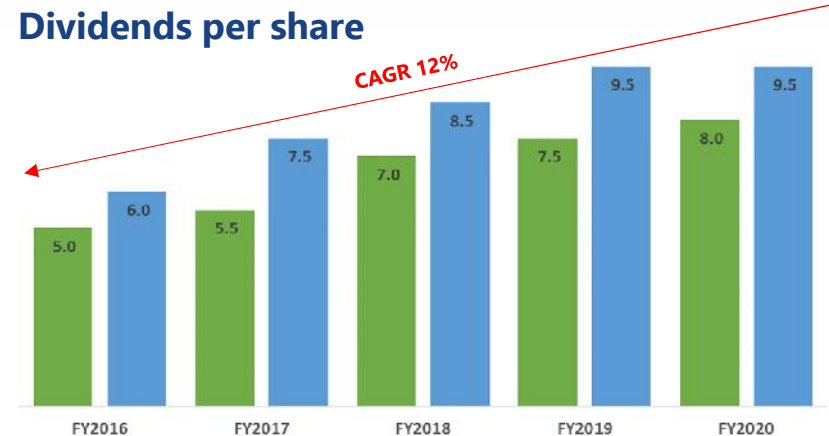
EPS (cps)*



NPAT*



Dividends per share



Notes:

* Based on proforma results excluding AASB 16. The impact of AASB 16 on NPAT was (\$0.4M).

Segment Results



AUD \$M proforma exc. AASB 16	Revenue		
	FY20	FY19	% Change
Trade	561.7	524.5	7.1%
Bapcor NZ	156.3	165.0	(5.2%)
Specialist Wholesale	520.4	413.1	26.0%
Retail	292.7	255.3	14.7%
Group / Elims	(68.4)	(61.3)	NM
Total	1,462.7	1,296.6	12.8%

EBITDA ¹		
FY20	FY19	% Change
81.1	78.2	3.7%
19.6	22.9	(14.0%)
50.3	46.3	8.7%
30.5	27.1	12.8%
(23.7)	(9.9)	NM
157.8	164.6	(4.1%)

EBITDA % Revenue		
FY20	FY19	Change
14.4%	14.9%	(0.5 pp)
12.6%	13.9%	(1.3 pp)
9.7%	11.2%	(1.5 pp)
10.4%	10.6%	(0.3 pp)
10.8%	12.7%	(1.9 pp)

AUD \$'M proforma	Revenue		
	FY20	FY19	% Change
Revenue from Intercompany sales	72.4	62.1	16.6%

Notes:

1. Proforma results excluding AASB 16. Refer to appendix for reconciliations.

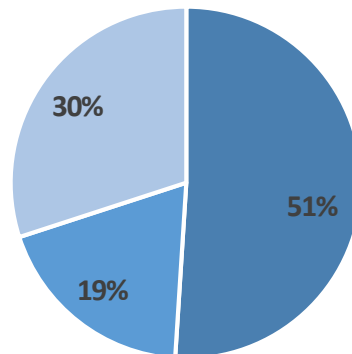
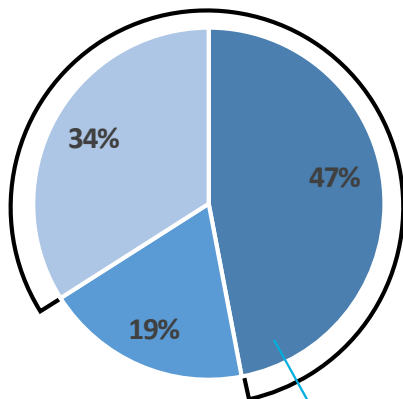
Business Segment Contribution to Results



Total Revenue

FY20

FY19

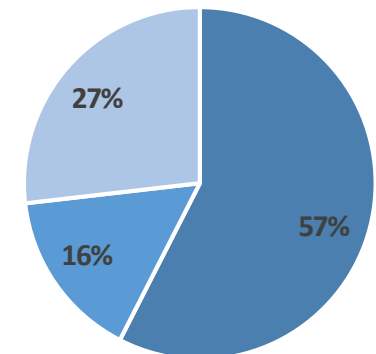
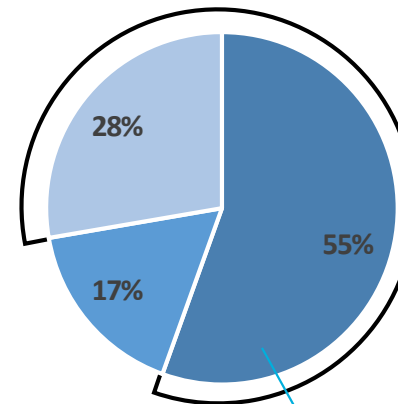


Trade focused 81%

Total EBITDA

FY20

FY19



Trade focused 83%

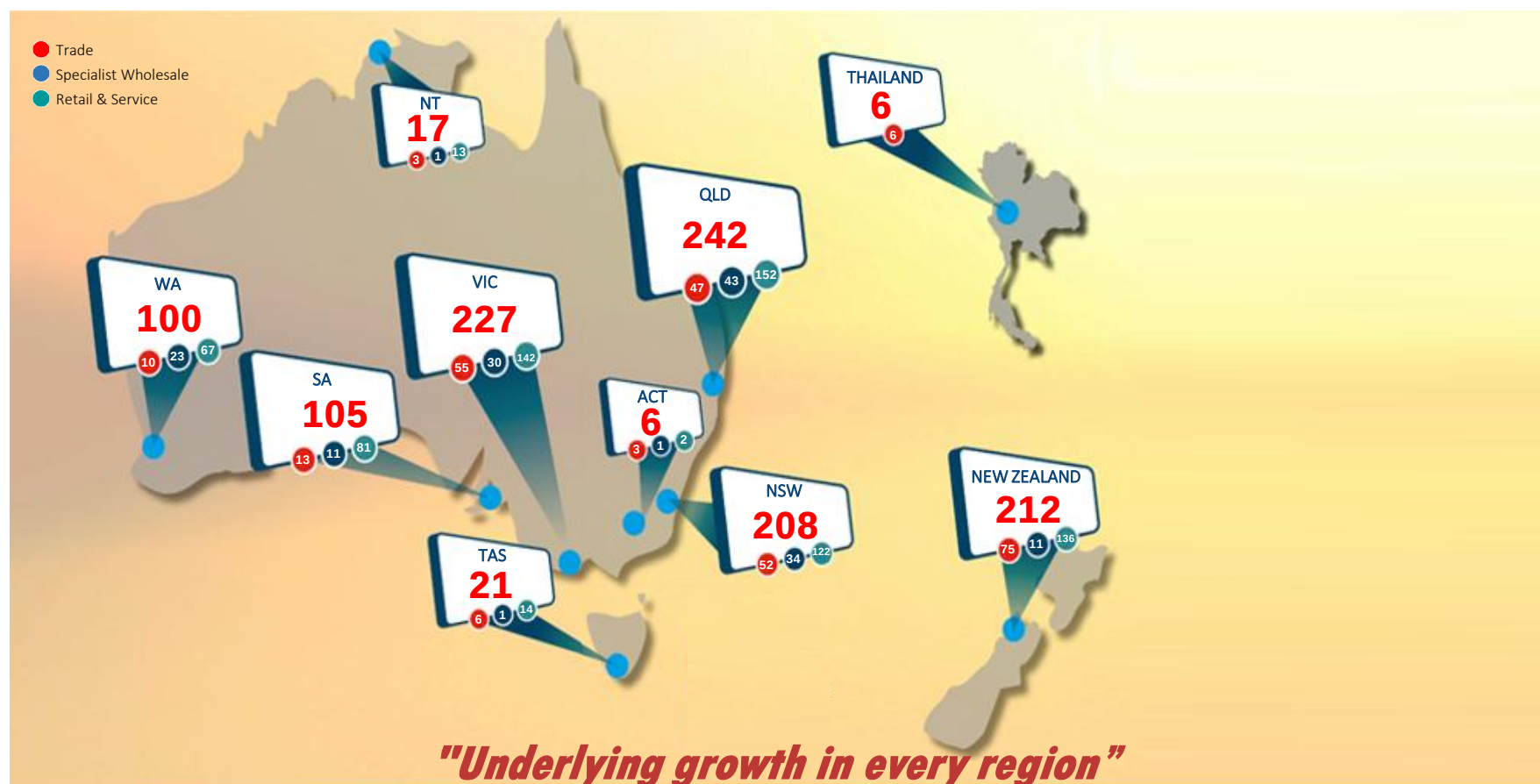
■ Trade¹ ■ Specialist Wholesale ■ Retail

Notes:

1. Trade includes Trade and Bapcor NZ segments

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- The background of the slide is a grayscale photograph of several plastic bottles of motor oil lined up on a metal shelf. The bottles are of different sizes and have labels with technical specifications. A semi-transparent blue rectangle is overlaid on the left side of the image, containing the text for the agenda.
1. FY20 Results
 - 2. Strategy Update**
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Over 1,100 locations across Australia, NZ & Thailand



5 Year Strategy / Targets

"Asia Pacific's leading provider of vehicle parts, accessories, equipment, service and solutions"



Trade	Trade focussed "parts professionals" supplying workshops in Australia & New Zealand	240 AUS Stores Target Currently 191	35% AUS Own Brand Target Currently 31%	75 NZ Stores Target Currently 73	35% NZ Own Brand Target Currently 30%
Specialist Wholesale (Ex. Commercial Vehicles)	#1 or #2 Industry category specialists in parts programs	A\$600m AUS Turnover Target Currently \$A415m	A\$50m NZ Turnover Target Currently \$A30m	55% Own Brand Target Currently 45%	
Commercial Vehicles - Light (<20t) - Heavy (>20t)	The only choice for commercial vehicle parts and accessories	40 Light Locations Target Currently 17	A\$120m Light Turnover Target Currently \$A50m	50 Heavy Locations Target Currently 26	A\$220m Heavy Turnover Target Currently \$A105m
Retail	Premium retailer of automotive accessories Supplying the independents: parts, accessories & 4WD	200 AUS Autobarn Stores Target Currently 132 (79 Company Owned)	200 Independents Stores Target Currently 189	100 Opposite Lock Stores Target Currently 73	35% Own brand Target Currently 28%
Service	Reliable & trusted car servicing at affordable prices Supporting the independents	500 AUS Stores Target Currently 100	150 NZ Stores Target Currently 133	80% Intercompany Sourcing Target	
Thailand	Bringing automotive aftermarket parts to Asia	>80 Locations Target Currently 6	A\$100m Turnover Target Currently \$A4m		

No change to targets despite COVID-19 impacts / delays

Already the largest in Asia Pacific – and a lot of growth to come!

Asia Pacific's leading provider of vehicle parts, accessories, equipment, service and solutions

Strategy Summary



Consistent delivery of specific and measurable targets with significant growth still to come

1 Grow sales

- Organic (circa 2% pa)
- Footprint expansion
 - Burson 10 – 12 stores p.a.
 - Retail up to 10 stores p.a.
 - NZ 5 stores p.a.
 - Light Com 5 locations p.a.
 - Heavy Com 10 locations p.a.
 - Electrical 5 locations p.a.

No change to targets despite COVID-19 impacts / delays

2 Margin

- Procurement / buying initiatives
- Pricing management
- Increase "own brand" sales
- Optimise intercompany sourcing of product

3 Operating efficiencies

- Network Plan / DC evolution

4 Consolidate and optimise

5 Strategic acquisitions / expansion



Strategic Initiatives Update



- **Warehouse Management System** – Tier 1 System Manhattan – implemented Nunawading DC Jan 20 and operating well with improved efficiencies
- **Warehouse Evolution Program** – Consolidated DC Melbourne (Tullamarine) using latest technology – target Q3/Q4 FY21
- **Retail Point of Sale System** – state of the art retail POS – implementation in Autobarn delayed due to COVID-19 and required enhancements – complete December 2020
- **Technology Infrastructure** – investing in all aspects of IT – upgrade complete
- **Commenced implementation of new safety data system**
- **Category Leadership & Brand Management** – first categories underway – aircon, tools, electrical accessories and 4x4
- **New ecommerce platform underway** – target Q3 FY21
- **Future Acquisitions** – Bapcor is always on the lookout for businesses that fit with our core strategy and are fairly priced; well placed financially to move on appropriate opportunities

Our New Melbourne DC



Consolidated Warehousing

- The most efficient distribution
- Strong investment in 'state of the art'
- 'Step change' with new Melbourne Tullamarine DC
- 50,000m² warehouse
- Goods to Person technology
- Immediate picking growth
- Substantial capacity
- Manhattan WMS
- Plans for future investments in Australia and connecting to the global supply chain

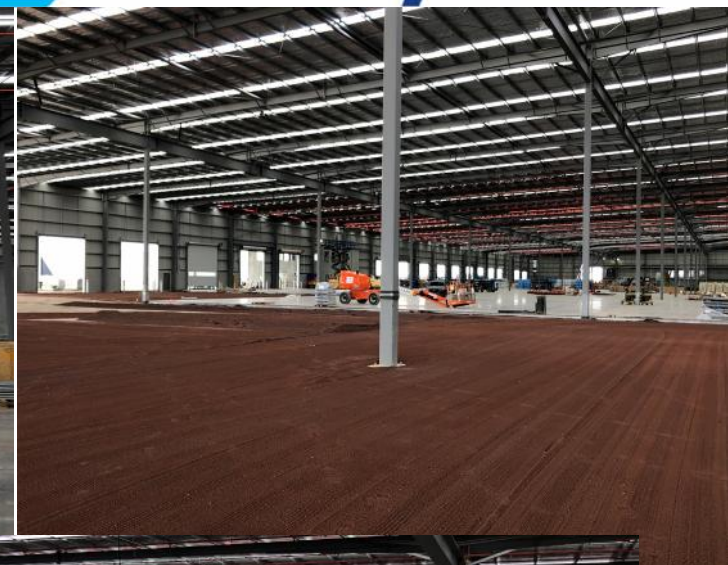
Transition costs charged to P&L

\$M	FY20	FY21	FY22	FY23	Total
Total provisions and transition costs	5.6	6.4	1.5	-	13.5
<i>Accelerated depreciation</i>					
Property plant and equipment	1.0	1.3	-	-	2.3
Right-of-use-assets (AASB 16)	5.1	5.2	0.2	(3.4)	7.1
Total accelerated depreciation	6.1	6.5	0.2	(3.4)	9.4
Total	11.7	12.9	1.7	(3.4)	22.9

Financials	\$M
Capital	34
Transition Costs	23
Incentive	(14)
Inventory Reduction	(8)
Net Investment	35
Benefits (est p.a.)	10
Simple ROI %	27%

Note: Any difference in totals is due to rounding

Tullamarine DC progress





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- The background of the slide is a photograph of a car repair shop. A silver SUV is elevated on a hydraulic lift. A male mechanic in a light-colored short-sleeved shirt and dark trousers with reflective stripes is standing next to the vehicle, holding a clipboard. A female customer in a light-colored patterned top and dark pants is standing in front of him, looking at the clipboard. The shop has a polished floor and various tools and equipment are visible in the background.
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Trading Update / Outlook



- Excellent start to FY21
 - Likely driven by increased consumer cash availability – low restaurant, travel, entertainment spend combined with government stimulus / super withdrawals
- 1st Quarter FY21 has been very strong, despite lockdowns in Victoria and Auckland
 - Burson Trade – *Revenue up 10% Same store sales up 7.7% (up 17% excluding Victoria)
 - New Zealand – *Revenue 6% Same store sales up 4%
 - Retail – *Revenue up 47% Autobarn SSS up 36% - coy stores up 50%
 - Specialists – *Revenue up 45% Excluding acquisitions revenue up 18%
 - **Group Total** - ***Revenue up 27%** * unaudited
- Addition of Truckline and ongoing improvements in other businesses, including retail, will positively contribute
- Investing in IT, marketing, systems and technology result in increased cost base. Also depreciation increase of \$5m in FY21 due to strategic projects, especially technology.

Trading Update / Outlook (cont.)



- Any government restrictions likely to have a negative impact on trading conditions and earnings
- COVID-19 is also likely to result in changes with a significant net positive for the automotive aftermarket:
 - More vehicle use / kms driven – domestic travel and lower public transport use
 - More vehicles per household – refer used car sales
 - More repair and less replacement
 - Older average age of vehicles
 - More DIY activity
- There is a lack of clarity and uncertainty around underlying economic conditions
- However, historically Bapcor's businesses have been resilient to economic downturns
- Anticipate a strong first half – however 2nd half is unclear.

- Australian Owned and Operated
- ***Asia Pacific's leading provider of vehicle parts, accessories, workshop equipment, service and solutions***
- ***Investing in the future - with a lot more to come***

THANK YOU

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