



## *2014 Annual General Meeting*

*28 October 2014*



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# Chief Executive Officer's Presentation 2014 Annual General Meeting

28 October 2014

Darryl Abotomey, Chief Executive Officer  
Burson Group Limited

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## Highlights in FY2014

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- ✓ Successful listing on ASX - a milestone for Burson
- ✓ Continued store expansion, *up net 11 stores* to 116
  - 8 acquisitions NSW (7) and NT (1)
  - 5 greenfields in Vic, NSW and Qld (3)
  - Merged 2 stores in Vic and NSW
- ✓ Focus on *customer service* foundations
  - People development
  - Inventory range enhancement
  - Systems (on-line ordering and infrastructure)
- ✓ *Direct sourcing* of water pumps
- ✓ *Front-of-store enhancements* to grow walk in sales

# Financial Highlights in FY2014

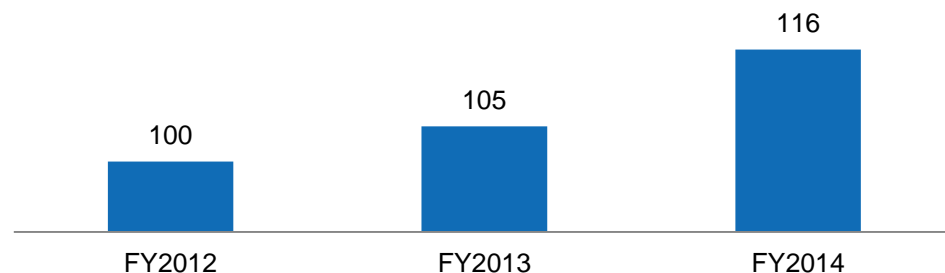
- ✓ Exceeded Prospectus Forecast
- ✓ 116 stores – increase of **11 stores**
- ✓ Like for like sales growth of **3.9%**
- ✓ Revenue \$342 million – **up 11.5%**
- ✓ Gross margin **up 0.8%**
- ✓ EBITDA margin 10.5% – **up 0.6%**
- ✓ NPAT \$19.4 million – **up 21.3%**
- ✓ ***Earnings per share – up 21.3%***
- ✓ Working capital to sales 11%
- ✓ Gearing 1.75 X FY14 proforma EBITDA

**In comparison to FY2013**

# Summary of Key Performance Indicators

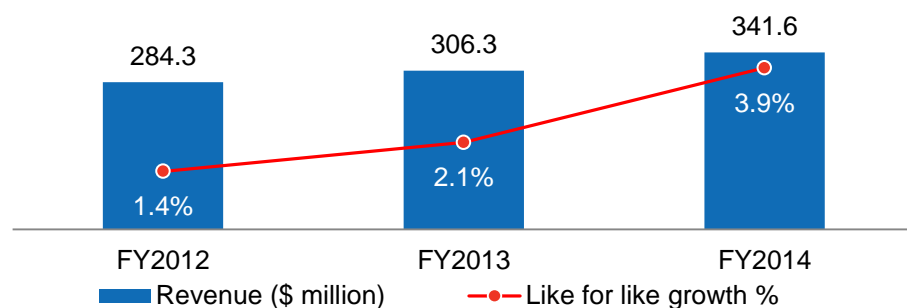
## Store Numbers

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



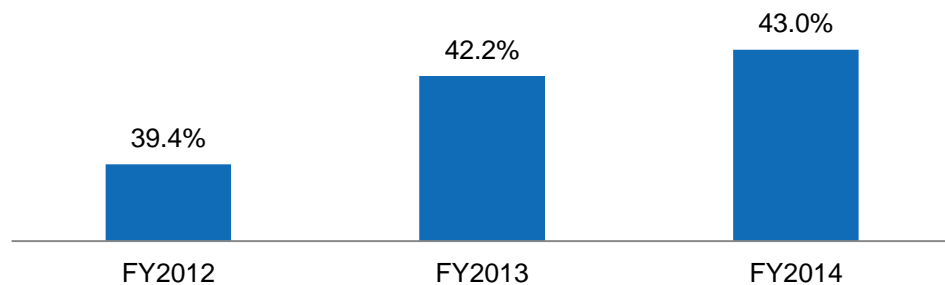
## Revenue and “Like for Like” growth

Store expansion together with strong like for like sales growth driving revenue growth



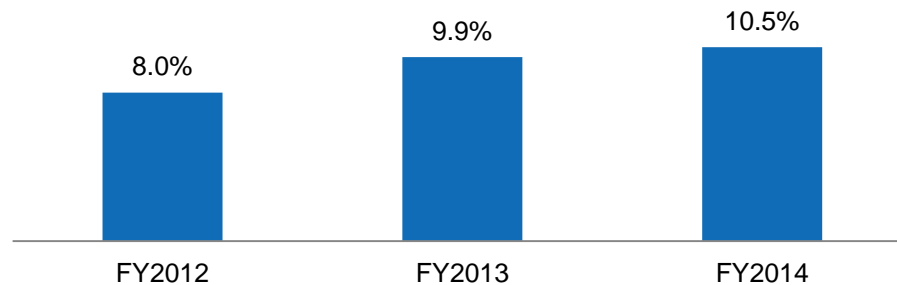
## Gross Profit Margin

Continued improvement reflecting margin improvement initiatives



## EBITDA Margin

Outcome of growth and improvement initiatives



## FY15 - 1<sup>st</sup> Quarter

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- **Strong start to year; in line with prospectus forecast**
  - Sales up 9.7% YOY
  - Same store sales 4.7%. Competitive environment constraining margin.
- **Added 5 stores since June 2014, now 121 stores**
  - Ipswich (Qld), Innisfail (Qld), Tweed Heads (NSW), McGraths Hill (NSW) and Broadmeadow (NSW)
- **Reconfirm FY15 Prospectus Forecast**
  - NPAT \$21.9M
  - Dividend FY15 65% of NPAT: H1 ~ 3.5 cents per share and H2 ~ 5.2 cents per share



# Strategy and Outlook

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## Expand store network

- On track to meet FY2015 prospectus forecast of 124 stores. Currently at 121 stores.
- Continuing to work on a range of acquisition and greenfield developments opportunities across Australia including Vic, NSW, ACT, Qld and WA.
- Brisbane DC lease agreed. Will be operational commencing FY15
- 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

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**Thank You**