



Bapcor Limited

(ASX: BAP)

ASX Release

27 July 2016

Acquisitions of Baxters auto electrical and Roadsafe Automotive Products

Bapcor Limited is pleased to advise that it has entered into binding agreements to acquire two specialist wholesale businesses, Baxters auto electrical and Roadsafe Automotive Products. For the year to June 2016 the acquisitions had approximately \$45 million in annual sales and \$4 million in annual EBITDA.

Subject to fulfilment or waiver of a number of customary closing conditions, the acquisitions are expected to be completed by 31st July 2016. The acquired businesses will be earnings per share positive from completion and exceed Bapcor's weighted average cost of capital.

Bapcor's total investment in the acquisitions is estimated to be a minimum of \$22 million, based on FY16 earnings, however this may increase based on earn-out provisions over the next three years. Earnings from these businesses, after allowing for transactions costs, interest, depreciation and tax are expected to be included for eleven months of the FY17 financial year.

Baxters auto electrical

Baxters is a specialist distributor of rotating electrical, electrical accessories and lighting to workshops, fleets, OE and defence. They have industry leading brands and a strong history of innovation and product development. This is the first step into the auto electrical category for our specialist wholesale business and we expect to grow this category significantly, including sourcing product for Bapcor's other businesses from Baxters.

Roadsafe Automotive Products

Roadsafe is a specialist distributor of steering and suspension products, along with 4x4 spare parts and accessories. They have a strong history and have extended their business in 4WD accessories and a range of high quality products. The business complements the existing specialist categories of suspension and 4 wheel drive.

In announcing the acquisitions, Bapcor's Chief Executive Officer, Darryl Abotomey, said "These two strategic acquisitions continue the exciting growth in the development of the Bapcor Group, and is consistent with our strategy to grow our specialist wholesale business where we will be number 1 or 2 in the category segment in which our businesses operate. Baxters auto electrical and Roadsafe Automotive Products expand the breadth of our offering to our customers and are complementary to our existing operations. Both businesses will contribute positively to earnings from the date of acquisition."

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