

SNL ///

MULTISPARES



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The Management Team

- Hands-on senior management team with extensive experience in the sourcing, distribution and sale of replacement parts for truck and bus
- Flat structure supporting quick decision making
- Small and stable Board consisting of two Executive and two Non-Executive Directors

Board and Senior Management		Service with SNL
Gregory Forsyth	Non-Executive Chairman	9 years
Geoffrey Stewart	Managing Director & CEO	15 years
Peter Gill	Finance Director & Secretary	20 years
Peter McKenzie	Non-Executive Director	9 years



The Truck Parts Market

- Estimated market size >\$1bn p.a.
- Large range of vehicle models in a relatively small and geographically and climatically diverse market
- Vehicles typically remain in service for 30 years
- Average vehicle life relatively stable
- Fragmented and dynamic customer base
- Replacement parts are mostly non-discretionary purchases and often difficult to plan
- Competitive supply market with item costs and service levels the key drivers



The Bus Parts Market

- Estimated market size >\$100m p.a.
- Dominated by route services in major urban centres and a narrower range of vehicle models
- Vehicles typically remain in service for 25 years
- The majority of route services now operated under contracts with a term of ~8 years
- Significant fleet consolidation under way with many operators seeking a multinational platform
- Replacement parts remain largely non-discretionary purchases but maintenance planning is good
- Highly competitive market with total cost of transacting the key driver



Multispares' Competitive Strengths

- Large and effective information base including in-house catalogues and product demand patterns
- Broad product range covering most truck and bus models
- Strong “first tier” supplier support with competitive global pricing and strategic partnerships
- Targeted branch network supporting fast deliveries
- Large and customer focused stock holding
- Integrated, efficient and service oriented operations
- Robust and complementary IT platform
- Huge customer base covering owner-drivers, fleets, independent repairers and resellers of all sizes
- Experienced and committed staff



The Multispares Strategy

- Build a diversified business connected to all parts of the economy selling SERVICE based on:
 - Reliable parts interpretation and problem solving
 - Consolidation of requirements
 - Quick delivery of parts, and
 - Consistent quality
- To improve the value of our SERVICE, we continue to invest in our:
 - Catalogues
 - IT platform
 - Supply channels
 - Branch networks, and
 - Staff



Current Market Trends

- Total market revenue for replacement parts is estimated to be growing at an average rate of ~5% p.a.
- Industry consolidation is mainly driven by consolidation of the vehicle manufacturers, who generally hold the largest share of the replacement parts market for current models
- Aftermarket companies are increasing their market share but remain competitive and somewhat fragmented along European, Japanese, American and Trailer product lines
- Supply Network, trading as “Multispares”, is the largest independent aftermarket supplier for Japanese and European truck and bus replacement parts in Australia and New Zealand and has a small but growing share of the American truck and trailer replacement parts market



The Financial Year Ahead

- Continued competitive tension in large fleet business
- Consolidation of significant growth in the Bus Market
- Transition to greater emphasis on growth in the Truck Market where there is significant long term potential
- Separation of the large Sydney Branch from the Australian Distribution Centre to improve operating efficiency (scheduled August 2015)
- Relocation of our Australian DC to support double our current revenues (scheduled September-December 2015)
- Consideration and possible preparation for opening one new branch in Australia and one in New Zealand



Long Term Plans

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- Continued focus on realising organic growth opportunities around the current business model based in Australia and New Zealand
- 3-year revenue target of \$100m at 10% EBIT



- Conservative gearing
- Dividend payout ratio maintained at 60-70% of earnings