



# PERFORMANCE AND BUSINESS STRATEGY UPDATE

OCTOBER 2017



# MULTISPARES

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# Supply Network Limited

- Remains focused on investing in the sustainable long term organic growth of its Multispares operations
- Is in a strong financial position with almost zero net debt
- Operates with conservative financial management
- Has consistently stated a strong preference for steady dividend growth



# FY2017 Results Highlights

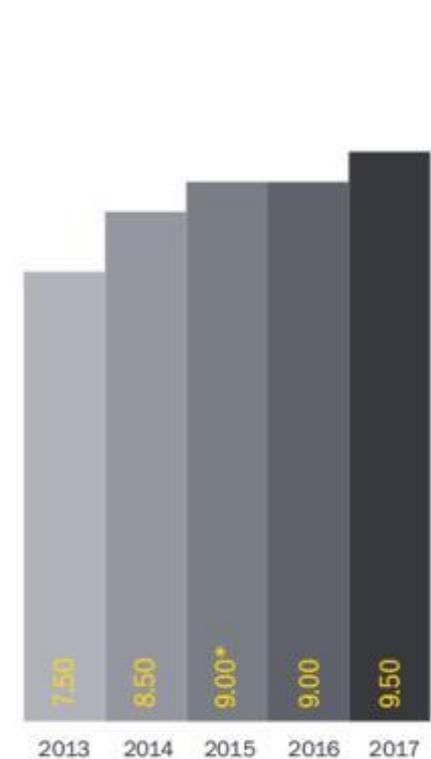
2017  
Total revenue  
**\$97.66m**  
(,000)



2017  
Profit after income tax  
**\$6.77m**  
(,000)



2017  
Ordinary Dividends paid per share  
**9.50 cents**



\* Excludes special dividend

# FY 2018 Update and 3-Year Outlook

## FY2018 Update

- Forecast full year revenue growth of \$8 – 10 million
- Forecast full year EBIT Margin steady at ~10%

## Outlook

- Linear average revenue growth ~\$7m p.a.
- Target revenue for FY2020 ~\$118 million
- Target EBIT Margin for FY2020 steady at ~10%





# The Multispares Strategy

Build a diversified business connected to all segments of the truck and bus repair market selling SERVICE based on:

- Reliable parts interpretation and problem solving
- Consolidation of requirements
- Managed supply options
- Quick delivery of parts
- Consistent quality, and
- Support for vehicle diagnostics





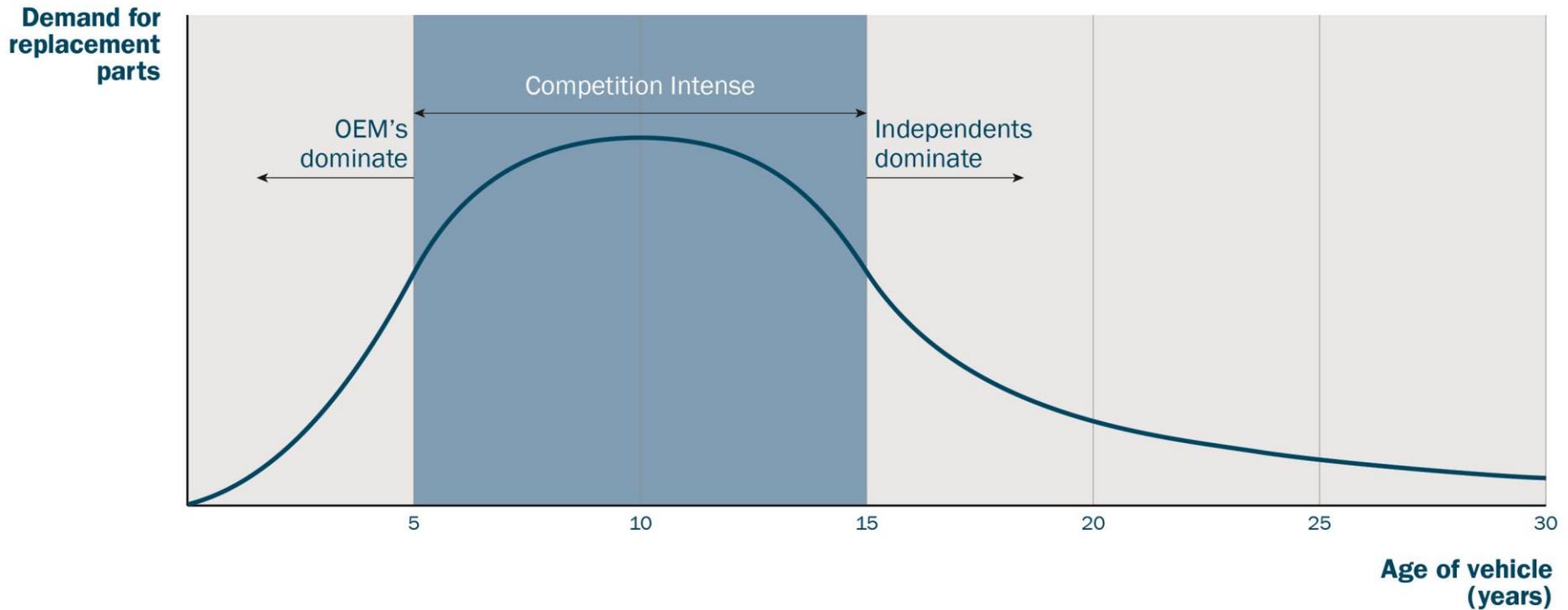
# Truck & Bus Parts Market Context

- Average vehicle age remains relatively stable.
- Any trend towards fleet consolidation is slow and mostly confined to specific transport tasks. Our workshop customer base remains relatively fragmented.
- Whole-of-life parts opportunity has increased for late generation vehicles following the introduction of new technologies to reduce emissions and improve safety.
- The evolving complexity of in-vehicle computer systems means repairers increasingly need access to diagnostic equipment.
- There is early testing of some drivetrain electrification concepts but none are likely to have a significant impact on new vehicle sales for at least 10 years.
- Competition between vehicle builders (OEs) and Independents for share of the replacement parts opportunity in the crucial 5-15 year vehicle age bracket remains intense.



# Aftermarket Demand Profile

## TRUCK & BUS AFTERMARKET DEMAND PROFILE AUSTRALIA / NEW ZEALAND





# Business Development Projects

- Continued investment in the Multispares Branch Network.
- Continued investment in range expansion and our supply chain.
- Continued investment in our IT infrastructure to improve transaction efficiency and extend e-commerce capabilities.
- Currently establishing professional sales and support for Jaltest, the global leader in multibrand and multisystem heavy vehicle diagnostics.
- Marketing messages simplified with removal of emphasis on specific vehicle makes to support our broad market approach. **HUGE RANGE OF TRUCK PARTS** message introduced to our delivery vehicles, advertising and new website.

**HUGE RANGE OF TRUCK PARTS**  
**EUROPEAN JAPANESE AMERICAN**



# Branch Network Investments



**Port Hedland** New branch under development

**Hamilton** New branch and NZDC under construction

**Christchurch** Land purchased and new branch currently under concept design





# Product Range Investments



We continue to expand our product range, including recent investments in

- Fuel injection systems
- Emissions control
- Electronic braking systems
- Vehicle diagnostics
- Bolt on body parts
- Late model European and Japanese vehicles
- Range expansion for American trucks
- Trailer coupling equipment



# Jaltest Diagnostics

- Recently established distribution for the global leader in multibrand and multisystem heavy vehicles diagnostics
- Annual revenue likely to be around \$1 million but far more significant impact from empowering independent repairers

## THE LEADING MULTIBRAND DIAGNOSTIC TOOL

### Global coverage for:

- Truck
- Trailer
- Bus
- Light Commercial
- Agricultural
- Construction
- Marine

### Jaltest supports multiple communication protocols including:

- ODB
- ODB11
- J1939
- J1708
- EURO IV
- EURO V
- RP1210





# MULTISPARES Rebranding



## **MULTISPARES** **TRUCK PARTS**

- Stronger brand association with Truck Parts
- Continued Managed Service message for Bus fleets
- Reduced emphasis on defined vehicle makes
- Continued brand partnering with leading component manufacturers
- Successful sponsorship of Ryan Hansford and his Torana SLR5000 in the Touring Car Masters series



**SNL** ///

**SUPPLY NETWORK LIMITED**

**NETWORKING THE SUPPLY  
OF ROAD TRANSPORT  
COMPONENTS**