

2015 Annual General Meeting Chief Executive Officer's Presentation



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Operational & Strategic Highlights FY2015

- ✓ Burson now operating in all states and territories in Australia with continued store expansion during FY2015 of **14 stores** to 130. Current store total 133.
 - 3 new stores in Western Australia
 - 6 new stores in Queensland
 - 4 new stores in New South Wales
 - 1 new store in South Australia
- ✓ Supplier price increases successfully passed through to customers in H2 FY2015
- ✓ 8,000 sqm Brisbane DC established and operating since July 2015
- ✓ 27 front-of-store enhancements completed to grow walk in sales
- ✓ Inventory cleansing program conducted reducing slow moving and obsolete inventories by \$3M
- ✓ Continued people development / regional management expansion
- ✓ Signed agreement for the purchase on Metcash Automotive Holdings with transaction completed 31 July 2015. Successful Entitlement Offer in June & July 2015.

Proforma Financial Highlights in FY2015

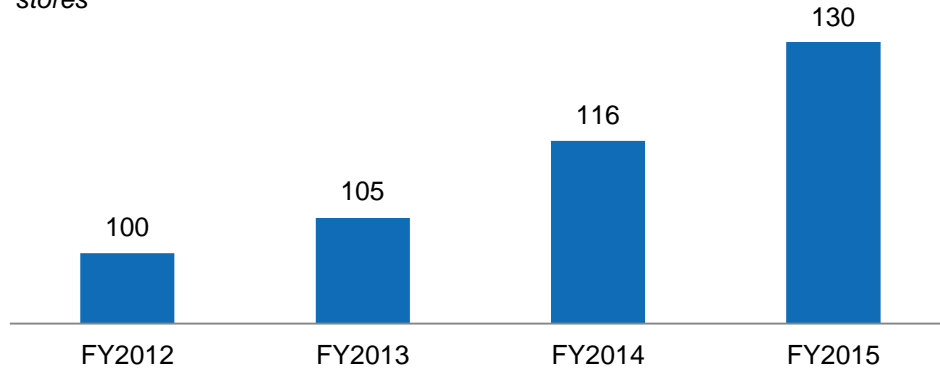
Comparison to FY2014 Proforma Results

- ✓ Same store sales growth of **4.6%**
- ✓ Revenue \$375 million – **up 9.9%**
- ✓ Gross margin % 43.7% - **up 0.7**
- ✓ EBITDA margin 11.1% – **up 0.6**
- ✓ NPAT \$23.1 million – **up 19.1%**
- ✓ ***Earnings per share – up 19.1%***
- ✓ Underlying net debt down \$15M since June 14
- ✓ Working capital to sales 11%

Summary of Key Performance Indicators

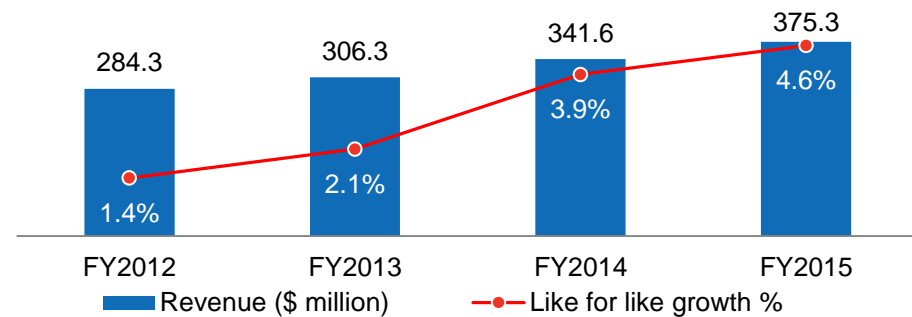
Store Numbers

Store expansion continues – ahead of FY2015 prospectus forecast of 124 stores



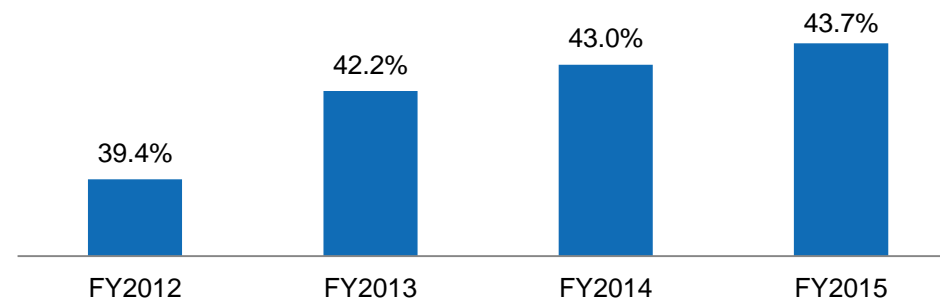
Revenue and “Same Store” growth

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



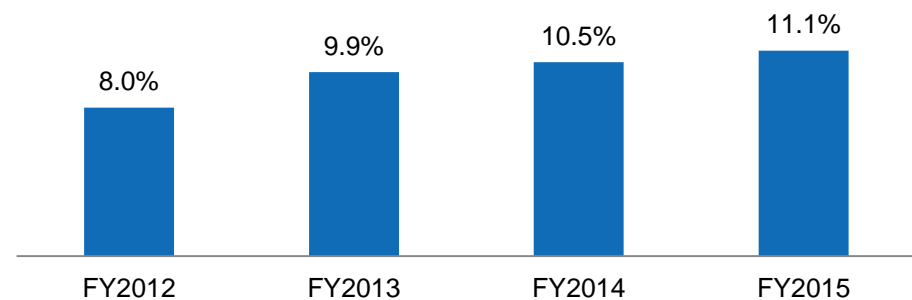
Gross Profit Margin

Continued improvement reflecting margin improvement initiatives



EBITDA Margin

Outcome of growth and improvement initiatives



Introduction to ANA



- Burson Group acquired Metcash Automotive Holdings (since renamed Aftermarket Network Australia or ANA) for \$283M effective 1 August 2015.
- The acquisition is approximately 20% EPS accretive on a full year proforma basis*
- ANA is a wholesaler and distributor of automotive parts and accessories to a marketing network of 416 stores (under the Autobarn, Autopro, Carparts, Opposite Lock, ABS and Midas brands) as well as ~3,000 other aftermarket customers through its wholesale business.
- Core focus on;
 - Retailing parts & accessories (Autobarn, AutoPro, Opposite Lock & Carparts)
 - Service workshops (Midas, ABS)
 - Wholesale Operations (ABG distribution, ATAP, IBS, Partco, MCB & Garrmax)
- Stocks over 130,000 SKU's with 10 Distribution Centers (50,000 sqm's)
- Business Size;

	End ⁽¹⁾ Network Sales	ANA ⁽²⁾ Sales	Locations
Retail	\$400m	\$70m	331
Service	\$110m	\$20m	140
Wholesale/sales to franchisees	–	\$180m	10
	\$510m	\$270m	481

- Australia's largest automotive aftermarket franchise network

(1) Includes sales recorded in franchise stores

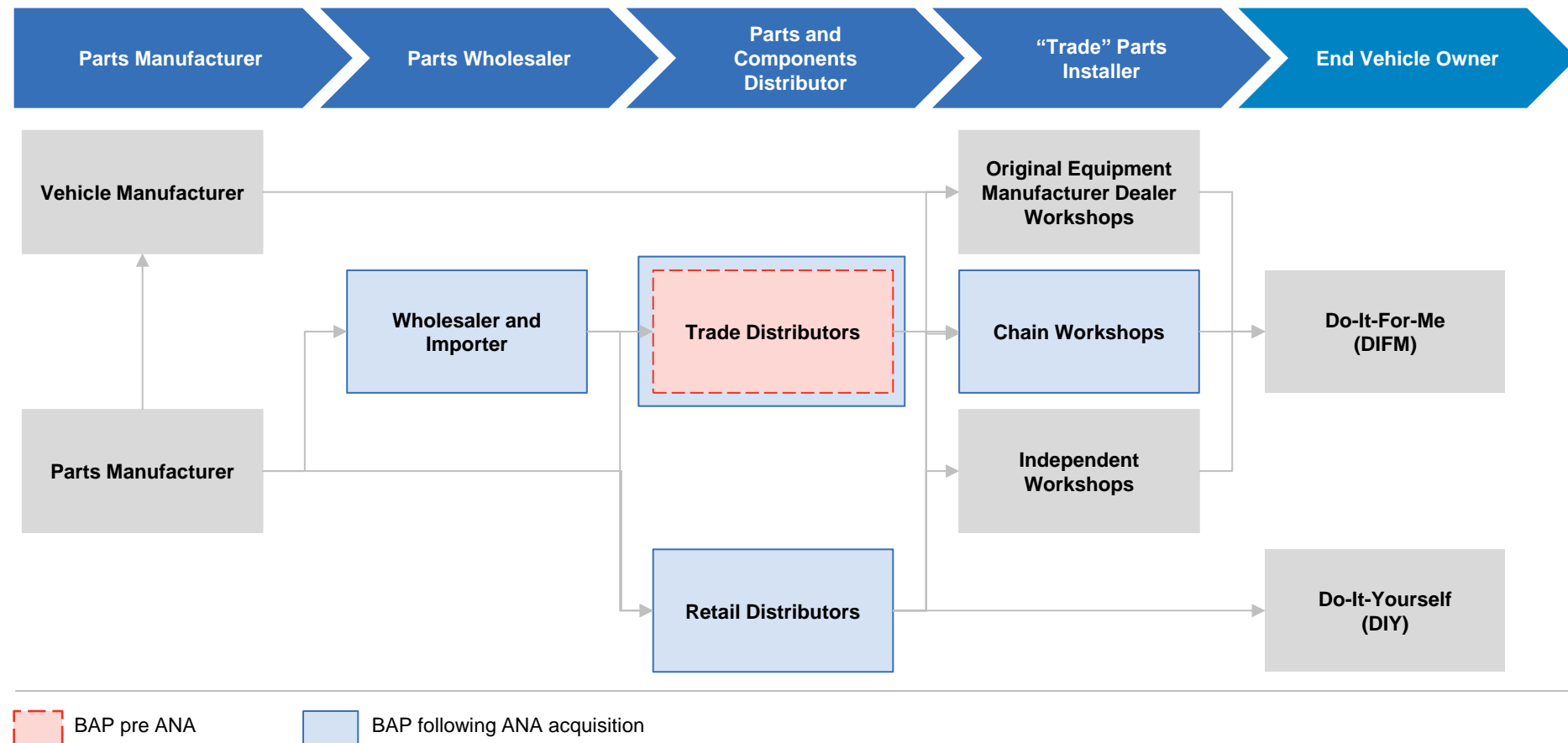
(2) Franchise fees, marketing, company store sales, supplier rebates

*on a terp adjusted basis using broker consensus forecasts for 12 months ending 30 June 2015 for BAP and MAH audited accounts for twelve months ending 30 April 2015



Automotive Aftermarket Supply Chain

The acquisition of ANA was strategically compelling and aligned with Burson Group’s growth strategy – complementary to trade business with minimal overlap and provides additional avenues for growth



Burson Group including ANA

- The Brands of the Group now comprise;

TRADE



RETAIL



SERVICE



WHOLESALE



FY16 – 1st Quarter

- Completed the acquisition of ANA on 31st July 2015.
 - Transition is proceeding smoothly
 - ANA is operating largely stand-alone until optimisation review completed
 - Delivering expected results
- Added three stores in Burson Trade, including opening first store in ACT.
- Sales up approx. 9% YOY in Burson Trade and 6% in ANA.
- Solid start to year, with same store sales;
 - Burson Trade at 3.9%
 - ANA Autobarn stores at 3.7 %
- Margins continue to be under competitive pressure but holding slightly ahead of FY2015 full year.
 - Direct import margin not yet recovered in marketplace
 - Unsustainable competitive discounting buying business

Integration & Optimisation Process

- Integration Process underway:
 - Currently largely as a stand alone businesses
 - Achieve synergies where appropriate.
- Strategy reaffirmed for each segment within the business.
- 15 Optimisation Plan Projects being established. Areas include Procurement, freight, marketing, intercompany sales, price/margin, warehouse, network plan, inventory, supply chain.
- Planned Investor Day after FY16 half year results to update on plan.

Burson Group Strategy

Australia's leading provider of aftermarket parts, equipment, accessories and services.

Burson Auto Parts

- Continue to strengthen our *Trade* presence in a resilient market.
- National store network and customer service offering of extensive parts range and availability, delivery speed, and knowledgeable staff.
- On track to 175 stores by 2019.
- Focused on growing sales from existing stores, electronic and on-line platforms, increasing “walk in” store sales, chain workshop sales and inventory range.
- Improve cost of sales and proportion of “value” brands.

Aftermarket Network Australia

- Wholesale, distribution and franchised focused marketing network
- Expand the wholesale and distribution offering.
- Increase same store sales, sales penetration and store profitability
- Grow the franchise networks
 - 331 “Retail focused” stores under Autobarn, Autopro, Opposite Lock and Carparts
 - 140 service workshops under Midas and ABS
- Gain benefits of recent acquisitions and simplify processes and systems
- Support franchise and independent businesses

Optimisation

- Opportunity to assess conversion of stores to maximize strategic position
- Optimise synergies between the two businesses along the entire supply chain:
 - Procurement, distribution, support services, sales, value brands

Outlook

Burson Auto (excluding ANA)

- Full year NPAT outlook for Burson excluding the ANA business is to grow NPAT by low double digit percentage
- Target approximately 140 stores by 30 June 2016 (currently at 133 stores)
- Expect same store sales growth of between 3% and 4% with reasonably steady margin
- Competitive pressures exist but overall market opportunities remain favourable

ANA

- FY2016 will include 11 months trading of ANA – similar run rate to FY15
- Wholesale business impacted by exchange rate, offset by higher volumes in distribution business

GROUP

- FY16 EPS growth percentage – mid teens
 - Consistent with previous announcement of annualized 20%
 - ANA will be included for 11 months – from 1 August 2015

Thank You