

BURSON GROUP LTD

Investor Day

19th April 2016

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Australasia's Leading Provider of Aftermarket Parts, Accessories and Services

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PROGRAM FOR TODAY

9.30 am	Presentation by Senior Executive
	Tour Burson Trade Warehouse
11.00 am	Travel by bus
	Visit Burson Trade Heidelberg store
12.30 pm	Visit ANA Nunawading – tour DC
1.15 pm	At ANA Nunawading – lunch and Optimisation Projects presentation
2.45 pm	Visit Autobarn Nunawading, including Opposite Lock
	Drive via Midas Blackburn
4.00 pm	Return to Preston by 4pm

AGENDA

- 1 Executive Management Team
- 2 Strategy
- 3 Outlook & Proposed New Company Name



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Executive Management Team – Burson Group

Chief Executive Officer & Managing Director	Darryl Abotomey
Chief Financial Officer	Greg Fox
Chief Executive Officer - ANA	Paul Dumbrell
• GM – Retail Brands	Peter Tilley
• GM – Operations	Grant Jarrett
• GM – Australian Aftermarket Distributors (AAD)	Gordon Bennett
Executive General Manager – Burson Trade	Craig Magill
• GM – Merchandising & Procurement	Andrew Schram
• GM – Sales & Marketing	Damien Hill
• Human Resources Manager	Peter Ruffy
GM – Strategic Business Development	Mat Cooper

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1 H1 FY2016 Result Highlights

Strategy

3 Outlook & Proposed New Company Name





BURSON GROUP STRATEGY
5 year vision

Specialist,
Knowledgeable
Staff

Vehicle Parts and
Accessories

Supporting the
Industry

Excelling in
Customer Service

**Australasia's Leading Provider of Aftermarket
Parts, Accessories and Services**

Key Highlights of the Burson Group

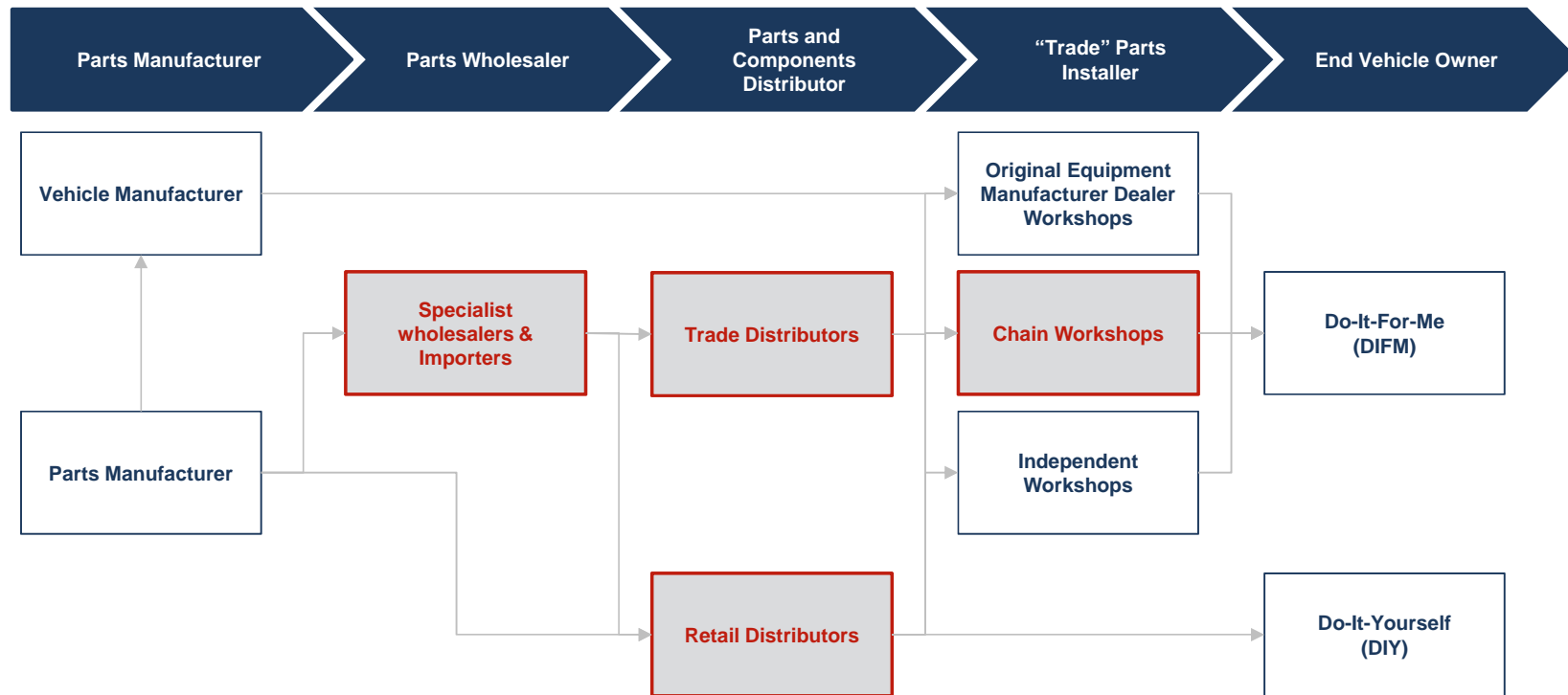


<p>The leading Australian owned automotive aftermarket business which <i>spans the supply chain</i></p>	
<p>✓ Market Leader</p>	<p>The leading Australian supplier of automotive aftermarket parts, accessories and service</p>
<p>✓ Scale</p>	<p>Group distribution platform has significant scale and competitive position – over 600 locations Australia wide</p>
<p>✓ Core Business Segments</p>	<p>Specialist wholesale, trade, retail, independents and service.</p> <ul style="list-style-type: none"> • Each core segment has clearly defined, focused strategy and targets. • Knowledgeable experts in each core segment. • Supported by a comprehensive infrastructure.
<p>✓ Growth</p>	<p>Significant opportunity to continue expansion in each core segment.</p>
<p>✓ Resilient Industry</p>	<p>Continues to grow in line with population and cars on road</p>

Strategic Rationale of Group Structure



Burson Group's growth strategy covers the core supply chain areas.



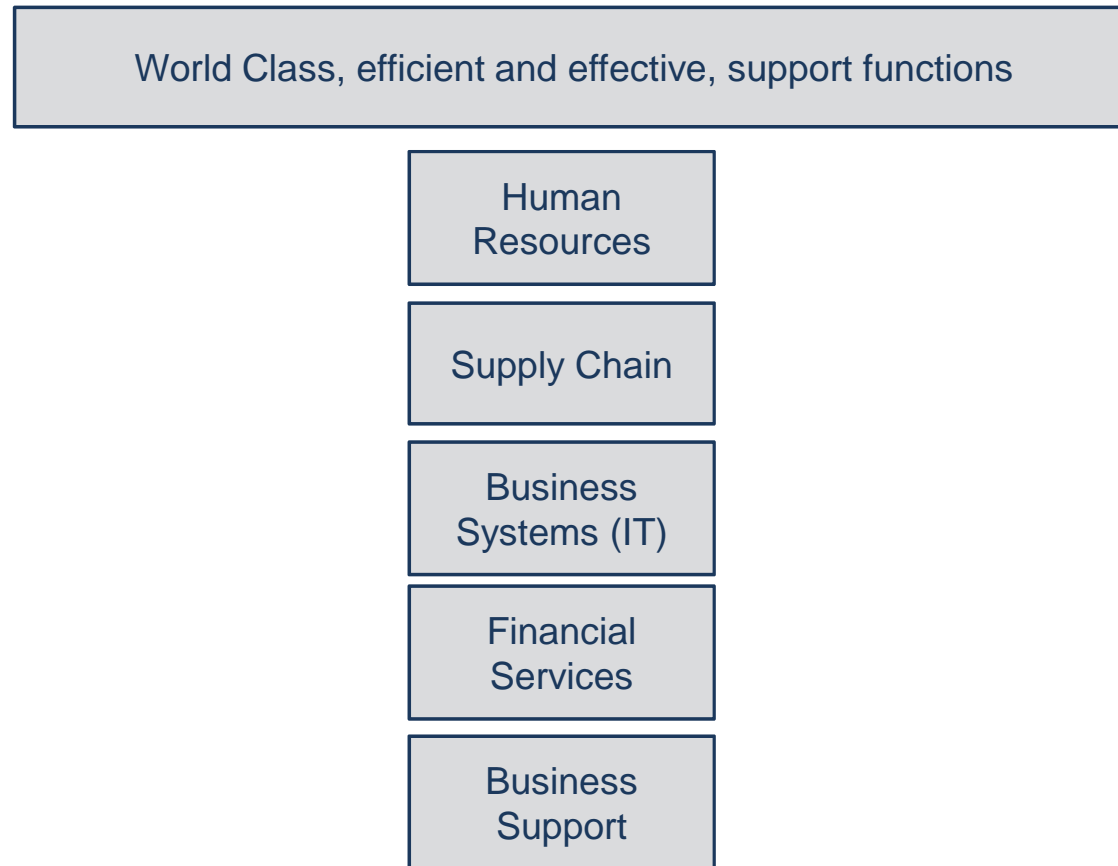
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Group Business Structure



<p>SPECIALIST (Wholesale)</p>	 	<p>#1 or #2 Industry Category specialists in parts programs</p> <table border="1"> <tr> <td>Brake</td> <td>Engine</td> <td>+</td> </tr> <tr> <td>Suspension</td> <td>Bearings</td> <td>+</td> </tr> <tr> <td>Cooling</td> <td>Gaskets</td> <td>+</td> </tr> </table>	Brake	Engine	+	Suspension	Bearings	+	Cooling	Gaskets	+	<p>Target \$200M Turnover</p>	<p>CURRENT STATUS</p> <p>Annualised \$115M</p>
Brake	Engine	+											
Suspension	Bearings	+											
Cooling	Gaskets	+											
<p>TRADE</p>	 	<p>Trade focussed “parts professionals” supplying workshops</p>	<p>25% Home brands</p>	<p>AUS Target 200 Stores</p>	<p>143 Stores 10% home brand</p>								
<p>RETAIL</p>	 	<p>Premium Retailer of Automotive Accessories</p>	<p>35% Home brands</p>	<p>AUS Target 200 AB Stores</p>	<p>AUS Target 120 OL Stores</p>	<p>113 AB Stores 64 OL stores (incl SIS) 14% home brand</p>							
<p>INDEPENDENTS</p>	 	<p>Service the independent parts stores via the extensive supply chain capabilities and brand support</p>	<p>Over 200 Stores</p>	<p>235 stores</p>									
<p>SERVICE</p>	 	<p>Experts at scheduled car servicing at affordable prices</p>	<p>Strategic Review</p>	<p>Currently 140 Stores</p>	<p>140 stores</p>								

Group Support Structure





**CORE BUSINESS
CHANNELS**

Service



Experts at **scheduled car servicing** at affordable prices

- Core focus on;
 - Routine service for vehicles, including logbook service, warranty repairs
 - Breakdown repairs
 - Currently 140 stores – predominately franchised.
 - Aus has in excess of 30,000 workshops
 - Midas has strategic partnership with Virgin Velocity & Red Bull Racing Australia
 - Trial Opposite Lock store within-store underway

Strategic Review to be undertaken as to potential for business and best focus

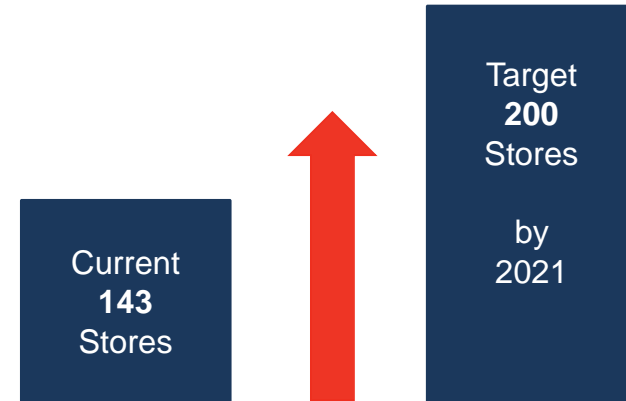


Trade - Burson Auto Parts



Australia's leading **trade focused** automotive aftermarket parts distributor

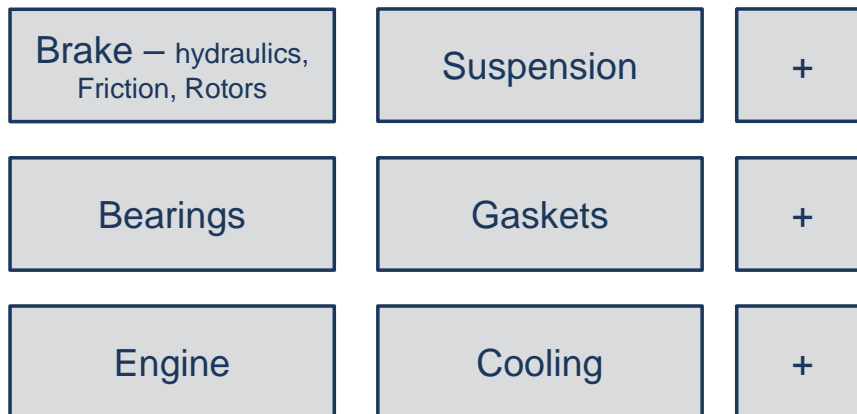
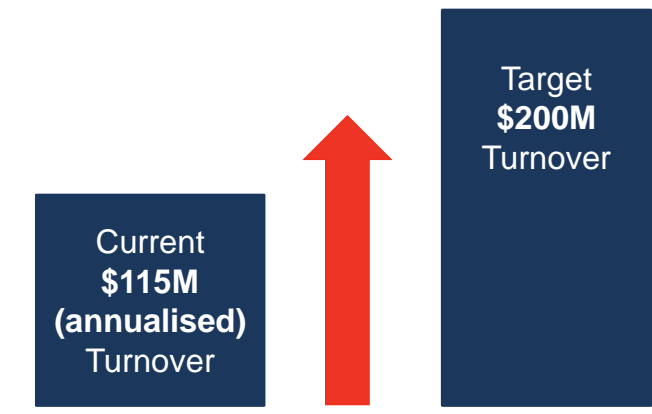
- Core focus on distribution of auto parts to independent and chain **mechanic workshops** throughout Australia for routine servicing of vehicles, and do-it-yourself vehicle owners;
 - Supply routine service such as filters, brake pads, oil, spark plugs
 - Supply breakdown parts – water pumps, starter motors, alternators
- Distributes over 500,000 stock keeping units from in excess of 1,000 suppliers to 30,000 customers via 143 stores nationally with 1,500 knowledgeable employees and over 700 delivery vehicles.
- Operates an extensive distribution network – unique scale of inventory range and extensive distribution network is **difficult to replicate**
- Complete range of workshop equipment to fit out and maintain a workshop.
- Alliance program to support independent workshops to grow their business.



Specialist Wholesale



- Category expertise – being the most knowledgeable in the category.
- #1 or #2 in the category.
- Sources and imports own branded, extensive range of products, supported by locally sourced premium brands.
- Predominately “own brands”
- Supply to the entire industry
- Also sells complementary products

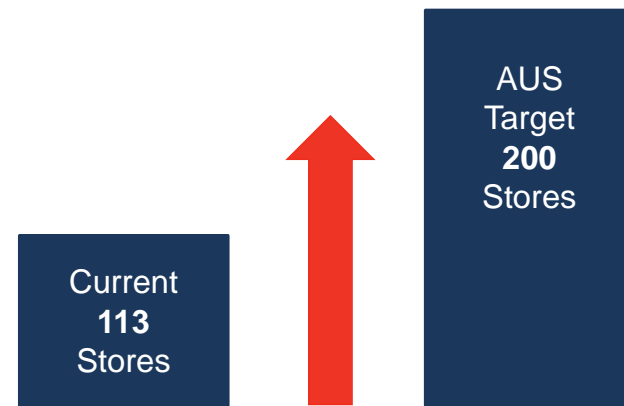


Retail - Autobarn



Australia's **premium full service** retail accessories store

- Positioned as the first choice destination for both the everyday consumer and the automotive enthusiast.
- Every store has fitment capabilities to make shopping and installing parts easier
- Knowledgeable and experienced staff in every store differentiating it from the competition
- Full service offer;
 - Network Development
 - Product Management
 - POS/Computer Management
 - Marketing
 - Learning and Development / Training
 - Store Financials / Insights
 - Operational support via Retail Field Team
- Mix of franchised and company owned



Retail - Opposite Lock



Australia's **widest range** of 4WD accessories

- Specialist 4x4 automotive part and accessory stores
- Extensive private label bar work program, designed and engineered by local team. Range includes: bullbars, sidesteps, side rails and rear bars
- Newly developed private label suspension program
- Integrated supply chain distributing from Melbourne, Brisbane, Perth, Sydney and Townsville.
- Export customers in New Zealand, South Africa, Saudi Arabia, Philippines, Mongolia, Dubai, UAE, with further extension possible
- Franchised network
- Currently 64 stores - 54 stores, 10 store in-store (Autobarn and Midas) and some stockists

Current
64
Stores



AUS
Target
120
Stores &
Stockists



Independents



Servicing the broader **independent sector**

Currently Supplying
235
Stores

- Core focus on;
 - Full merchandise range supply to independents and dealers
 - Retail and Trade mix
 - Catalogue and advertising support
 - No frills, low cost structure, pay for service



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1 Executive Management Team

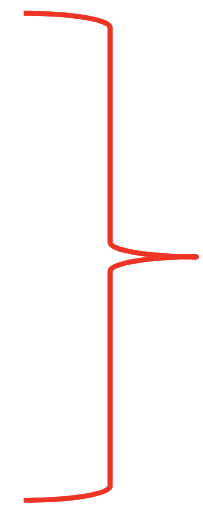
2 Strategy

3 Outlook & Proposed New Company Name



FY2016 H1 Result Highlights

\$ million	H1 FY2016	H1 FY2015	Variance
Revenue	322.2	185.0	74.1%
Gross Margin %(¹)	44.0%	43.2%	0.8
EBITDA	34.5	19.8	74.1%
NPAT	19.3	10.9	77.9%
EPS ⁽²⁾ (cps)	7.97	6.41	24.3%
Interim dividend (cps)	5.0	4.0	25.0%



Strong performance in all areas

- Strong result underpinned by continued steady growth in Burson Trade, and ANA performing well. Both businesses are ahead of expectation.
- Results include 5 months ANA trading which was acquired on 31 July 2015.
- Total company EPS growth ahead of ANA acquisition business case.

Note:

1. Gross margin presented consistently with historical presentation and excludes freight expense. Statutory accounts gross margin includes freight expense
 2. H1FY2016 and H1FY2015 EPS is based on the TERP adjusted weighted number of shares on issue during the year as per accounting standard AASB -133. EPS calculated on "pre TERP adjusted" weighted average shares is 7.98 CPS H1FY2016 and 6.64 CPS H1FY2015, a 20.2% increase.

Outlook

- ✓ 3rd quarter FY16 has continued strongly – same store sales – BT 4.5%. AB 4.0%
- ✓ Burson Trade to maintain steady growth. Continue to add new stores and the benefit of the improved margins offset by competitive pricing
- ✓ ANA to continue to track in line with expectations during H2 FY2016. Warehouse sales strong, AAD impacted by currency.
- ✓ Optimisation Projects progressing well – main benefits begin flowing in FY2017.
- ✓ Completed the acquisitions of Precision Equipment and Bearing Wholesalers.
- ✓ Acquiring Sprint Auto Parts South Australia – 40 franchisees, dealers and company stores. Further acquisitions anticipated.
- ✓ Expecting full year NPAT in the range of \$41.5M to \$43.0M.
- ✓ Full year FY2016 NPAT guidance would result in proforma EPS between 17.04 cps and 17.66 cps representing annual EPS growth of between 24.5% and 29.0%.

Proposed New Group Name

- To recognise the evolution of the Group
- Remove confusion and conflict around the tradition business of Burson Trade and the Group
- It is proposed to rename the Group to:

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- Will now proceed through the process including obtaining shareholder approval via a General Meeting.

Thank You