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Bapcor[®]

Macquarie Conference
May 2018

Our Business Brands



"Australasia's leading provider of aftermarket parts, accessories, equipment and services"

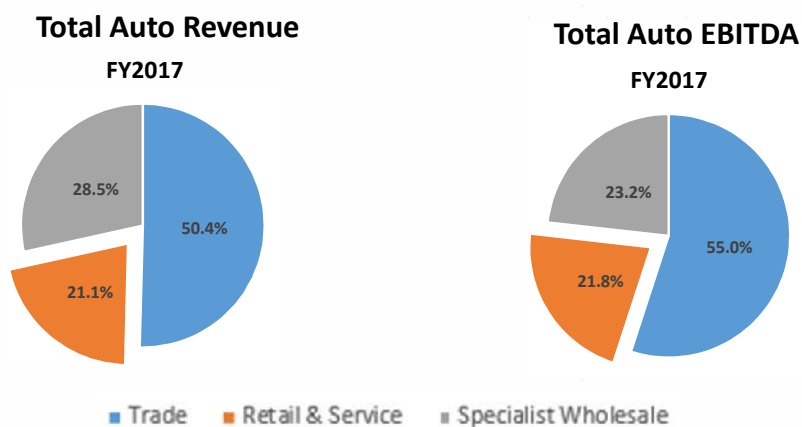


Who we are

Australasia's leading provider of automotive aftermarket parts, accessories, equipment and services..... that span the supply chain.

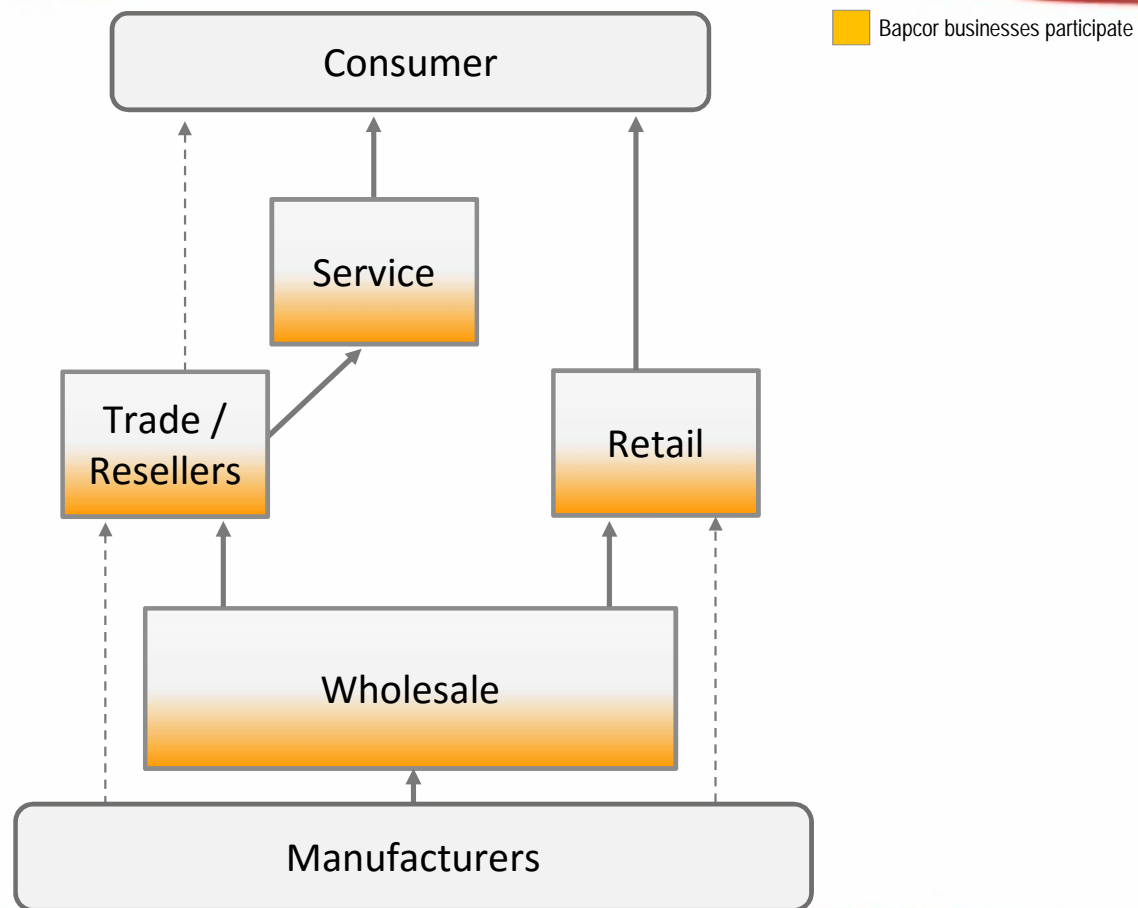
- # sites 850+
- # employees 3,700+
- Turnover \$1.4b
- Market cap \$1.6b

A "Trade" focused business generating circa 80% of sales/earnings



"Australasia's leading provider of aftermarket parts, accessories, equipment and services"

Aftermarket Supply Chain



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Consistent strategy with specific, clear, measurable targets.

No changes to direction or goals.

We know what we do best and stick with it.

Bapcor 5 Year Strategic Targets



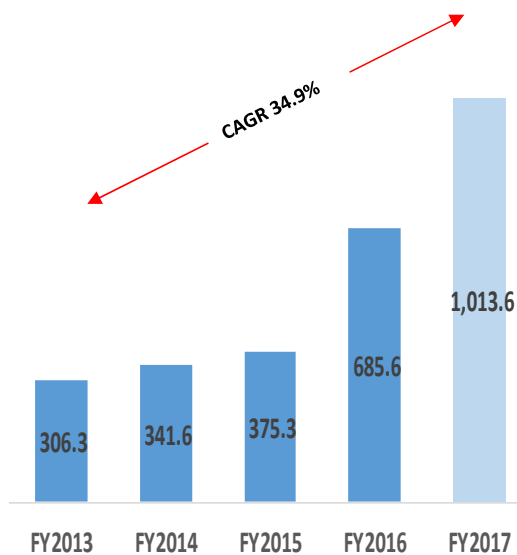
Segment Contribution				
50%	TRADE	Trade focussed "parts professionals" supplying workshops in Australia & New Zealand		<div> AUS Target 200 Stores 163 </div> <div> AUS Target 30% Own Brands 22% </div> <div> NZ Target 65 Stores 55 </div> <div> NZ Relocations & Refurb Target 25 Stores 3 </div> <div> NZ Target 30% Own Brands 22% </div>
30%	SPECIALIST WHOLESALE	#1 or #2 Industry category specialists in parts programs		<div> AUS Target \$A 450 Turnover \$A 350 </div> <div> NZ Target \$A 50 Turnover \$A 35 </div>
20%	RETAIL & SERVICE	Premium Retailer of Automotive Accessories Supplying the independents: parts, accessories & 4WD Experts at scheduled car servicing at affordable prices		<div> AUS Target 200 Stores 124 </div> <div> Target Over 200 Stores 215 </div> <div> AUS Target TBD 134 </div> <div> Target 35% Own Brands 16% </div> <div> AUS Target 120 OL Stores 71 </div> <div> NZ Target TBD 26 </div>
	ASIA	Bringing automotive aftermarket parts to Asia		<div> Asia Target TBD </div>

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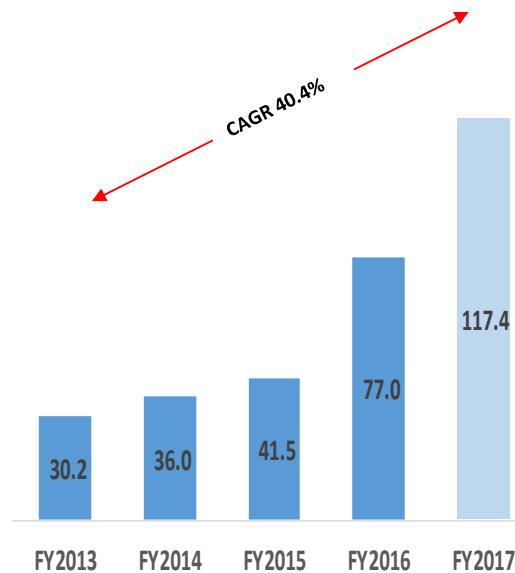
Summary of Key Performance Indicators



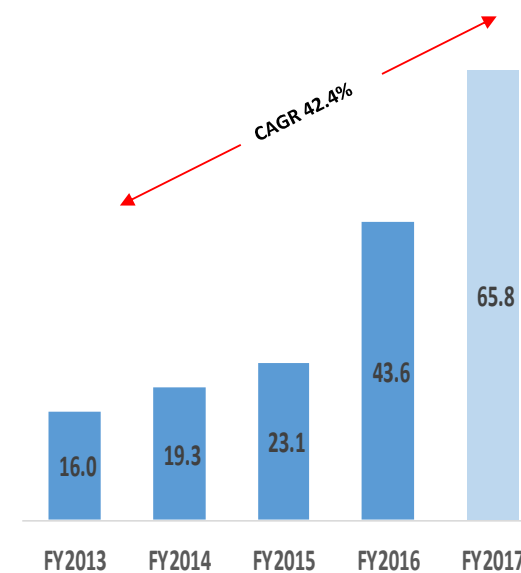
Revenue *



EBITDA *



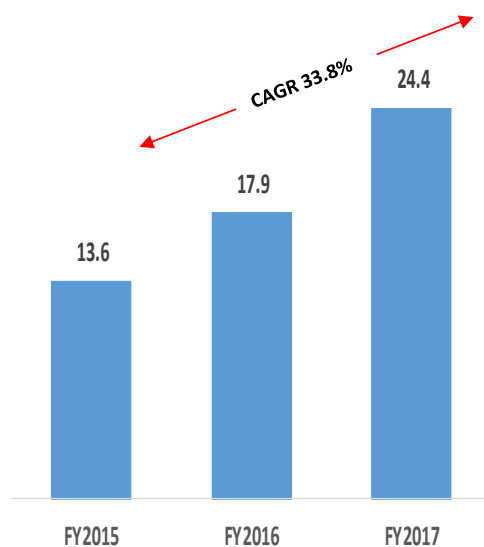
NPAT *



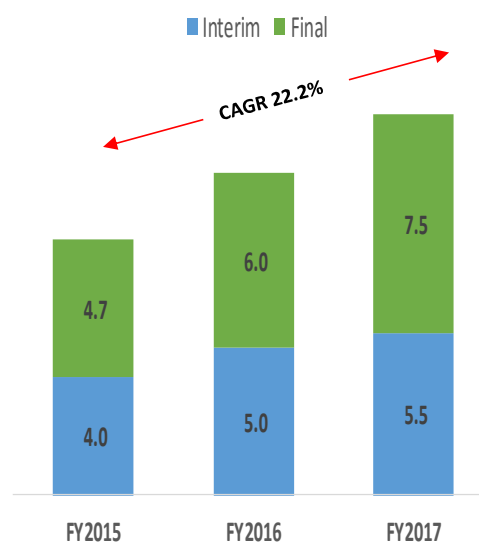
Summary of Key Performance Indicators



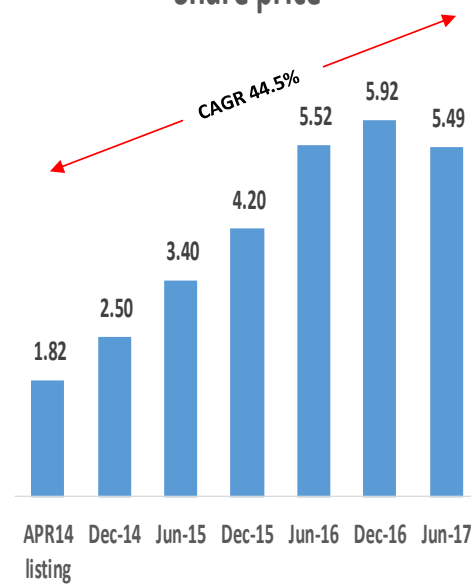
EPS (cps) *



Dividends per share



Share price



CURRENT STATUS

Hellaby Acquisition



DIVESTMENTS / NON-CORE ASSETS

- Completed the non-core asset divestments from Hellaby acquisition
 - Footwear and Contract Resources
 - Proceeds NZ\$99m. Accounts provided NZ\$92m

INTEGRATION OF AUTOMOTIVE BUSINESS

- Successfully integrated Hellaby Automotive
- Achieving above business case results
- Still has a lot of potential to develop further
- Opened first new store in NZ

OVERALL

- Reiterate guidance for full year NPAT – on target

TRADE

- Burson continues to perform strongly
- Same store sales circa 4% YTD
- Gross Margin % holding
- Number of new stores added on target

SPECIALIST WHOLESALE

- Trading solidly, in line with expectations

Trading Update *(continued)*



NEW ZEALAND

- BNT same store sales continue to be strong
- Margins improving

RETAIL & SERVICE

- Strategy delivering results
- Autobarn same store sales > 2%
- Earnings in line with expectations
- Number of new stores added on target
- Introducing click and deliver

OPTIMISATION PROGRAM

- Delivering strong results, as expected
- Increasing intercompany sales and "own" brands

Trading Update *(continued)*



ASIA

- First store opens this month
- Five additional stores by December

WAREHOUSE EVOLUTION PROJECT

- Good progress made
- WMS review underway
- Data collation re warehouse specifications

GROUP CONFERENCE

- Just completed conference & expo in Singapore
- Over 900 store managers, franchisees, suppliers, support staff
- Amazing atmosphere showcasing the high potential of the group

ADDRESSING THE MYTHS

Frequently Asked Questions – Addressing The Myths



INVENTORY PROVISION

- Profit is not propped up by release of inventory provision.
 - No inventory provision was released to profit in H1;
 - In fact there was an expense to profit and hence an increase in provision.
 - Obsolete inventory scrapped (sent to recycling) of \$4.8m in H1.
- When any business is acquired Bapcor's inventory provisioning policy is applied.
- We continue to apply inventory provisioning policy consistently
 - And disclose all movements in reporting.

Frequently Asked Questions – Addressing The Myths



On line retailing / Amazon

- Likely to focus on electronics, health & beauty, kitchen & home, toys, in initial stages
- If and when auto parts introduced, likely to be on products that do not require professional fitment or advice
- Bapcor's trade based businesses relatively protected due to high service level
- Substantial portion of Autobarn's customer base categorised DIFM – plays into Autobarn's high customer service model
- May be an opportunity for Bapcor businesses

Frequently Asked Questions – Addressing The Myths

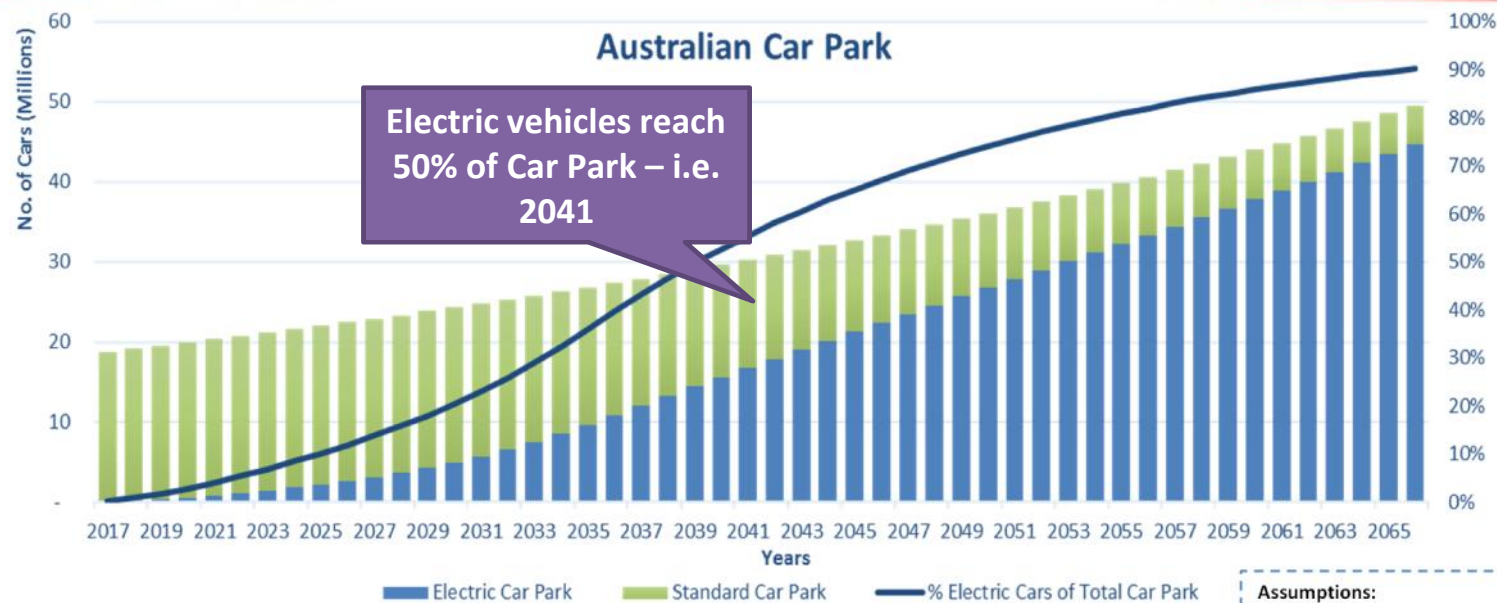


Electric Cars

- Bapcor will evolve and adapt to the car parc - as it has historically as cars have changed
- Bapcor well placed to supply electronic components and batteries, especially through its electrical and electronics wholesale businesses.
- Will be **many many** years for electric cars to reach a significant portion of the car parc
 - In context – **18 million** cars on road in Australia – average age 12 years
 - Less than **1 million** new cars sold *annually*
 - Cars on road continue to grow in line with population growth

What will be the impact of electric cars ?

Australian Car Park Forecast Model.



- With the above assumptions input into the model:
 - 100% of new cars sold will be electric by year 20
 - Electric vehicles reach 50% of Car Park in 24 years – i.e. 2041
 - Drop off rate is 4.0% p.a.

Assumptions:

Starting Car Park (Year 0): 18.4m cars
Annual growth of total car park: 2%
New Cars Sold Year 1: 1.1m cars
Annual growth of new cars sold: 2%
Share of new cars sold as Electric:
Y1 – 5%
Y2 – 10%
Y3 – 15%
Y4 – 20%
Y5 – 25%
Y6 – +10% year on year...

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SUPPORTING THE INDUSTRY



"Australasia's leading provider of aftermarket parts, accessories, equipment and services"

THANK YOU



"Australasia's leading provider of aftermarket parts, accessories, equipment and services"