



Operating Specialised Automotive Aftercare and Accessories Businesses

# 2016 Annual General Meeting Presentation

## 25 November 2016

# Group Overview

## Australian leader focused on the automotive aftercare and accessories market

	Vehicle Panel Repair	Vehicle Protection Products & Accessories	Automotive Electrical & Cable Accessories	Automotive Component Remanufacturing
Brands	 <p>Victoria's Leading Prestige Smash Repairer</p>   <p>PRESTIGE COLLISION REPAIRS</p>   <p>ACCIDENT REPAIR SPECIALISTS</p>  <p>REPAIR PROCESS MANAGEMENT</p>  	 <p>WORLD'S BEST ALLOY BULLBARS</p>  <p>Australia's Leading Manufacturer of Truck Bullbars</p>	 <p>Connecting Through Innovation!</p>  <p>AUSTRALIA AUTO ELECTRICS MADE EASY</p> 	 <p>BETTER THAN NEW</p>

- Strong Balance Sheet, highly cash generative
- Culture of employee ownership
- Experienced management with proven track record of targeted acquisitions and successful integration

# June 2016 Full Year - Normalised Results



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**2016 full year results exceed previous guidance (\$28m to \$29m)  
underpinned by strong operating performance**

	Current	Prior <sup>2</sup>	Change
EBITDA - continuing operations : Reported (\$'000)	24,672	14,194	73.8%
EBITDA - continuing operations : Normalised <sup>1</sup> (\$'000)	31,921	14,194	124.9%
NPBT - continuing operations : Reported (\$'000)	13,492	12,444	8.4%
NPBT - continuing operations : Normalised <sup>1</sup> (\$'000)	23,695	12,444	90.4%
Basic EPS - continuing operations : Reported (cents)	1.58	2.68	(41.0%)
Basic EPS - continuing operations : Normalised <sup>1</sup> (cents)	3.56	2.68	32.8%
Gearing ratio	1.73%	7.60%	(5.87%)
Net Operating Cash Flows (\$'000)	36,761	7,820	370.1%

Notes:

1. Normalised excludes the effect of various abnormal items (refer Appendix A)
2. Prior comparative period – excludes the results of Perth Brake Parts which was sold on 1 February 2016)

# Strong Financial Position



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	30 Jun 2016	30 Jun 2015
	\$'000	\$'000
<b>Debt</b>		
Borrowings	909	8,341
Deferred Vendor Consideration	28,954	10,254
Cash & cash equivalents	(22,888)	(2,086)
<b>Net debt</b>	<b>6,975</b>	<b>16,509</b>
<b>Fully Paid Ordinary Shares</b>		
Quoted (at market price)	380,923	200,551
Unquoted (at issue price)	15,000	-
<b>Equity</b>	<b>395,923</b>	<b>200,551</b>
<b>Total capital</b>	<b>402,898</b>	<b>217,160</b>
<b>Gearing ratio</b>	<b>1.73%</b>	<b>7.60%</b>

- The Group's capital base includes ordinary share capital, debt facilities, vendor loans and lease liabilities supported by financial assets.
- At 30 June 2016 the Group had undrawn debt facilities of \$40 million
- Strong capital base available for funding the growth programme.

# FY17 YTD Highlights



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## **Current Year Acquisitions**

- Three of these sites are in Victoria and have been purchased with an “earn out”:
  - Direct One Accident Repair Centre is a facility located in Thomastown;
  - Mill Park & South Morang Smash Repairs operates from a site in South Morang; and
  - Woollard’s Auto Body Works is located in Shepparton.
- Two of these sites are in Queensland and have been acquired with no “earn out”:
  - Highland Smash Repairs is located in Salisbury; and
  - Trend Smash Repairs was is based in Rocklea.
- Joondalup Smash Repairs, which operates a site in Wangara, Western Australia, has also been acquired on an “earn out” basis.
- We have also agreed to open two new “Greenfield” sites; one in South Australia and the other in Victoria.

<b>Acquisition Highlights</b>	
<b>Anticipated Consideration (Total)</b>	\$4,743,000
<b>Incremental Revenue (Total)</b>	\$26,900,000
<b>Incremental EBITDA (Total)</b>	\$2,371,000
<b>Implied EBITDA Multiple (Average)</b>	2.00 times

## **Results to date**

- Integration of these acquisitions is proceeding according to plan
- Our first half is shaping up as expected and we are excited by the opportunities that are ahead of us.

# Summary



Operating Specialised Automotive Aftercare and Accessory Companies

- ✓ Focused provider of Australian automotive aftercare services and accessories
- ✓ Leading position in Australia's panel repair market
- ✓ Strong operating cashflows, further increasing following transformational acquisitions
- ✓ Strong balance sheet with ability to take on additional leverage
- ✓ Strong pipeline in growth opportunities in panel repair market
- ✓ Experienced management team bolstered by new additions

# Appendix A – Normalisation Adjustments



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<b>FY2016 Reported Results</b>	<b>\$'000</b>
EBITDA from continuing operations – Reported	24,672
Cost associated with the disposal of Perth Brake Parts	111
Employee Equity Plan expense	3,644
Business Acquisition expenses	916
Reorganisation of the Vehicle Protection & Products division	400
Reorganisation of the Automotive Electrical & Cable division	200
Site Integrations – Vehicle Panel Repair division	500
Site Closures – Vehicle Panel Repair division	350
Redundancies – Vehicle Panel Repair division	1,128
<b>EBITDA from continuing operations – Normalised</b>	<b>31,921</b>

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