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Engineering Specialised Automotive Aftercare and Accessories Companies

2016 Full Year Results Presentation

26 August 2016

Group Overview



Operating Specialised Automotive Aftercare and Accessory Companies

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>WORLD'S BEST ALLOY BULLBARS</p>		

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

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June 2016 Full Year - Normalised Results



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2016 full year results exceed previous guidance – underpinned by strong operating performance

	Current	Prior ²	Change
EBITDA - continuing operations : Reported (\$'000)	24,672	14,194	73.8%
EBITDA - continuing operations : Normalised ¹ (\$'000)	31,921	14,194	124.9%
NPBT - continuing operations : Reported (\$'000)	13,492	12,444	8.4%
NPBT - continuing operations : Normalised ¹ (\$'000)	23,695	12,444	90.4%
Basic EPS - continuing operations : Reported (cents)	1.58	2.68	(41.0%)
Basic EPS - continuing operations : Normalised ¹ (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)

Vehicle Panel Repair



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Brands	       
Sales¹	A\$211.5 m (+398.2%) ³
GM \$²	A\$123.7m (+372.5%) ³
GM %²	58.5%
Comments	<ul style="list-style-type: none"> – Solid revenue growth in the base business – Consolidation opportunity continues within highly fragmented industry – Highly acquisitive – Shipstone, BMB, Gemini, Woods, Stanleys, Micra, BDS and Keswick in past two years (63 sites nationally) – Strong relationship with major insurers (inc. Suncorp and IAG) and prestige car manufacturers – Integration progressing well with cost saving / synergies ahead of expectations – Several more acquisitions are currently being considered

Notes:

1. Sales include only external transactions and exclude revenue from intragroup group transactions
2. Gross Margin ("GM") for Panel does not include direct labour or an overhead allocation
3. Period on Period growth

Vehicle Protection Products & Accessories



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Brands	 
Sales¹	A\$27.6 m (+3.1%) ³
GM \$²	A\$12.6 m (+4.7%) ³
GM %²	45.6%
Comments	<ul style="list-style-type: none"> – Leading manufacturer of alloy bullbars – 50%+ market share across aftermarket, fleet and OEM sales channel in alloy – Impact of rationalised production facilities expected to deliver benefits going forward – Insurer relationships creating supply opportunities for bullbars – Further potential acquisitions in this segment

Notes:

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Automotive Electrical & Cable Accessories



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Brands	 <p><i>Connecting Through Innovation!</i></p>  <p>Alanco AUSTRALIA AUTO ELECTRICS MADE EASY</p> 
Sales¹	A\$15.0 m (-6.8%) ³
GM \$²	A\$4.4 m (-14.2%) ³
GM %²	29.2%
Comments	<ul style="list-style-type: none"> – Product innovation creating organic opportunities – Pursuing broader product segments including industrial, marine, leisure and automotive retail sectors – Opportunity to expand through vertical integration in supply chain for Panel Repair division – Goodwill impairment of \$2 million

Notes:

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Automotive Component Remanufacturing



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Brands	
Sales¹	A\$7.7 m (+19.5%) ³
GM \$²	A\$3.2 m (+19.2%) ³
GM %²	41.4%
Comments	<ul style="list-style-type: none"> – Solid organic growth profile with Fluiddrive – Strong relationship with major manufacturers – Integrated relationship with 4 out of the top 6 market share OEM brands – Opportunity to expand in core market areas – Strong management and team buy-in are delivering exceptionally strong operational results

Notes:

1. Sales include only external transactions and exclude revenue from intragroup group transactions
2. Gross Margin ("GM") for Panel does not include direct labour or an overhead allocation
3. Period on Period growth

Summary



Operating Specialised Automotive Aftercare and Accessory Companies

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- ✓ 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
- ✓ Well positioned to drive ongoing consolidation in panel repair market
- ✓ Experienced management team bolstered by new additions

Appendix A – Normalisation Adjustments



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FY2016 Reported Results	\$'000
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
EBITDA from continuing operations – Normalised	31,921

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