Bapcor

FY20 Results Presentation

19 August 2020

1. **FY20 Results**
2. FY20 Result Details
3. Strategy Update
4. Trading Update / Outlook

FY20 Snapshot

Bapcor

Solid result in an unpredictable year impacted by drought, bushfires and COVID-19

- Revenue up 12.8% (excl acquisitions up 7%)
- EBITDA pre AASB16 down 4.1% to $157.8M
- NPAT down 5.5% to $89.1M (2nd highest ever)
  - Including AASB16 NPAT $88.7M
- Record revenue and EBIT in Burson Trade and Retail businesses with strong same store sales growth
  - Burson same store sales up 6% in FY20
    - up 14% in May and June
  - Autobarn same store sales up 9.5% in FY20
    - up 51% in May and June
- NZ impacted by COVID-19 with same store sales down 9%
- Improved cash conversion of 125% pre AASB16
- Successful equity raising ($236M) with leverage now at 0.7x EBITDA pre AASB16
- Final dividend 9.5cps fully franked – same as FY19
- Full year dividend 17.5 cps – up 2.9% on FY19
- Share price at 30 June 2020 – up 6% on 30 June 2019

$M	FY20 Reported	FY20 Pre AASB16	FY19 Reported	Pre AASB16 YoY %
Revenue	1,462.7	1,462.7	1,296.6	12.8%
EBITDA proforma	217.1	157.8	164.6	(4.1%)
EBIT proforma	144.5	138.7	147.5	(6.0%)
NPAT proforma	88.7	89.1	94.3	(5.5%)
NPAT	79.2	79.2	97.0	(18.4%)
Cash conversion	119%	125%	79%	57.4%
Leverage (ND/EBITDA)	0.7X	0.7X	2.0X	(66.0%)
EPS (basic) proforma	30cps	30 cps	33cps	(9.2%)
DPS – Final	9.5 cps	9.5 cps	9.5 cps	-
DPS – Full year	17.5 cps	17.5 cps	17.0 cps	2.9%

Other FY20 highlights

Bapcor

Effectively managed external environment impacts and made solid progress delivering on strategy

- Added Truckline – Heavy Commercial Trucks (Dec 19)
  - Contributed revenue of $57M and EBITDA of $2.8M (well ahead of expectations)
- Investments in retail point of sale system, warehouse management system and IT infrastructure
- Solid progress on the new Victorian Distribution Centre at Tullamarine
- Added 45 new branches / store locations
- Reset staffing levels
- Proactively handled COVID-19
  - Primary concern safety of team members, customers and suppliers
  - Reduced discretionary expenditure and investment = cash conservation
  - COVID-19 significantly impacted March, April and early May results
- Retail improvements bearing fruit – management, marketing, store format and standards, inventory injection and online sales (up over 240%)
- "Thank you" incentive to all permanent staff – $300 full time; $150 part time
- Reduced WC / sales % from 21.0% to 17.4%
- Prudent increase in provisions including debtors and inventory, reflecting economic uncertainty

FY20 Headline Results

Record result for revenue while profitability down given external environment

Proforma <u>excluding</u> AASB 16 *Leases*

Revenue	EBITDA	NPAT[1]	EPS
Up 12.8% to $1,462.7M	Down 4.1% to $157.8M	Down 5.5% to $89.1M	Down 9.2% to 30.36 cps

Proforma <u>including</u> AASB 16 *Leases*

Revenue	EBITDA	NPAT[1]	EPS
Up 12.8% to $1,462.7M	Up 31.9% to $217.1M	Down 5.9% to $88.7M	Down 9.6% to 30.23 cps

Notes:

1. NPAT as attributable to members of Bapcor Limited.

FY20 – Financial Highlights

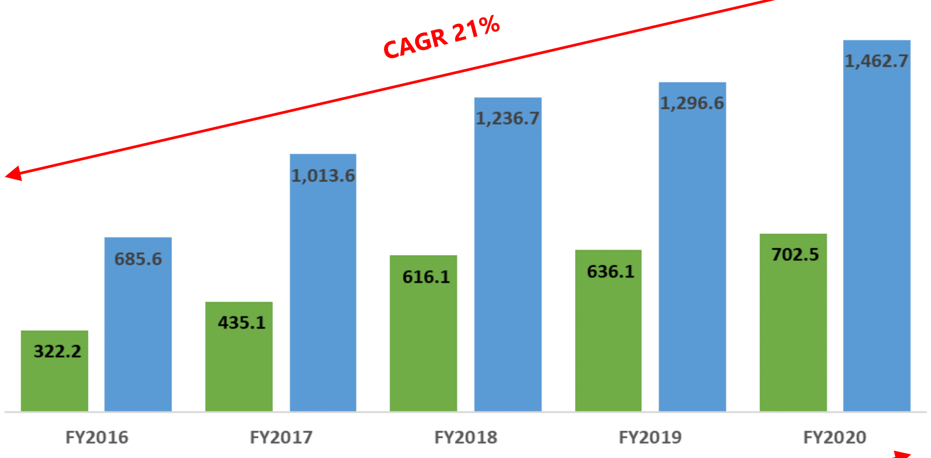
Proforma		FY20 reported	Variance YoY	AASB 16 impact	FY20 exc. AASB 16	FY19 reported	Variance YoY
Revenue	$'M	1,462.7	12.8%	-	1,462.7	1,296.6	12.8%
Gross Margin	%	46.5%	(0.4 pp)	-	46.5%	46.9%	(0.4 pp)
EBITDA – proforma	$'M	217.1	31.9%	(59.3)	157.8	164.6	(4.1%)
EBITDA	%	14.8%	2.1 pp	4.1%	10.8%	12.7%	(1.9 pp)
NPAT – proforma	$'M	88.7	(5.9%)	0.4	89.1	94.3	(5.5%)
EPS – proforma	cps	30.23	(9.6%)	(0.13)	30.36	33.45	(9.2%)
Dividend	cps	17.5	2.9%	-	17.5	17.0	2.9%

Notes:

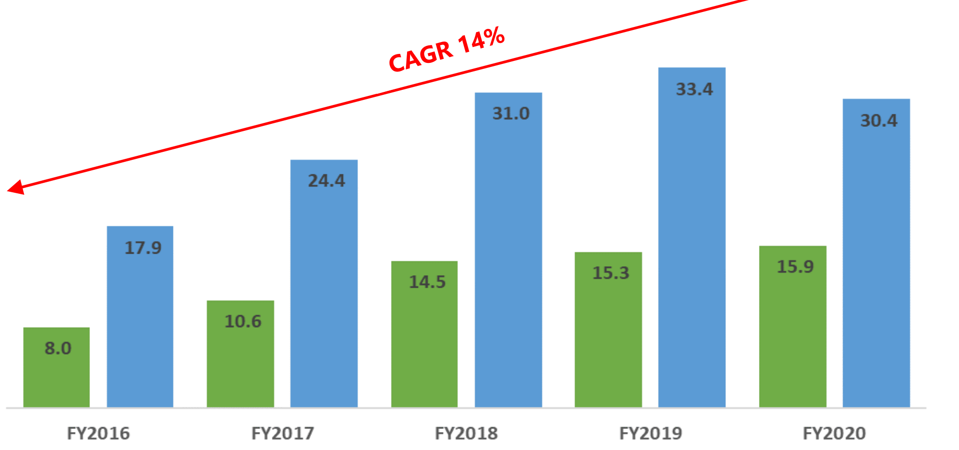
1. During FY20 Bapcor adopted AASB 16 Leases and as per the adoption provisions the comparative periods have not been adjusted. The proforma results throughout this presentation include adjustments to remove the impact of this standard adoption allowing comparability across the periods. Refer to the appendix for detailed reconciliations between proforma and statutory results.

Summary of Key Performance Indicators

Revenue*



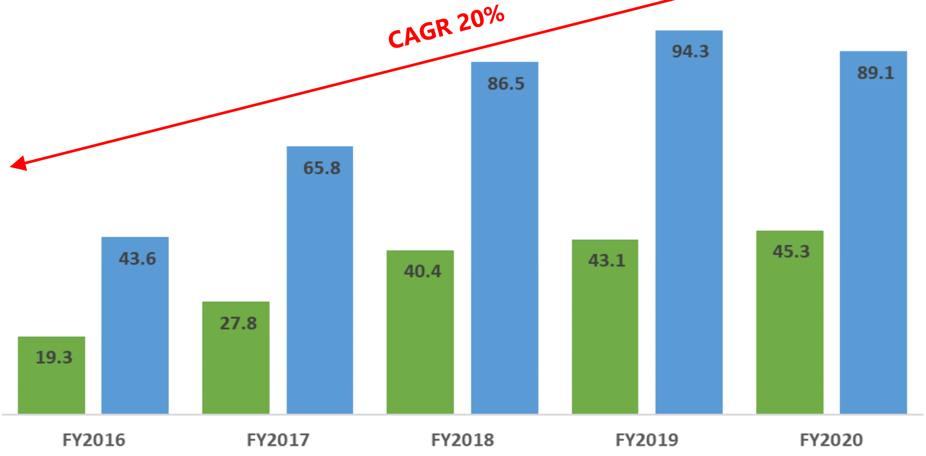
EPS (cps)*



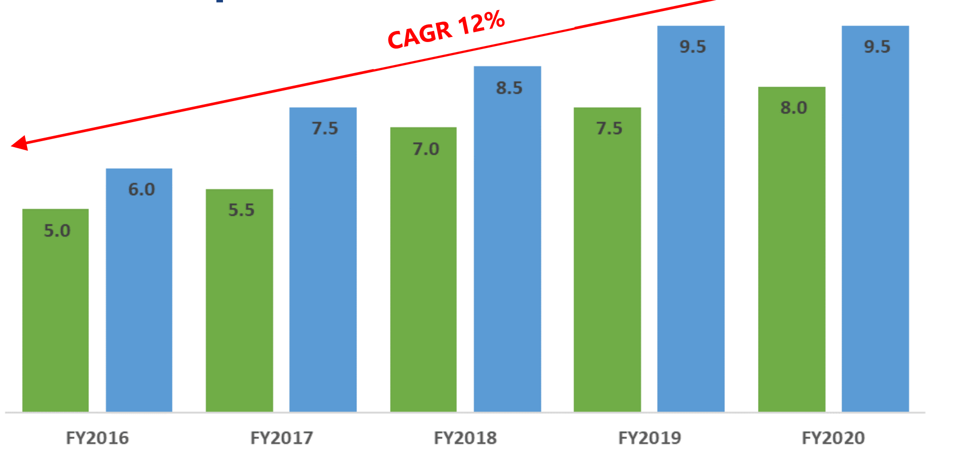
H1

FY

NPAT*



Dividends per share



Notes:

* Based on proforma results excluding AASB 16. The impact of AASB 16 on NPAT was ($0.4M).

Segment Results

AUD $M proforma exc. AASB 16	Revenue			EBITDA[1]			EBITDA % Revenue		
	FY20	FY19	% Change	FY20	FY19	% Change	FY20	FY19	Change
Trade	561.7	524.5	7.1%	81.1	78.2	3.7%	14.4%	14.9%	(0.5 pp)
Bapcor NZ	156.3	165.0	(5.2%)	19.6	22.9	(14.0%)	12.6%	13.9%	(1.3 pp)
Specialist Wholesale	520.4	413.1	26.0%	50.3	46.3	8.7%	9.7%	11.2%	(1.5 pp)
Retail	292.7	255.3	14.7%	30.5	27.1	12.8%	10.4%	10.6%	(0.3 pp)
Group / Elims	(68.4)	(61.3)	NM	(23.7)	(9.9)	NM			
Total	***1,462.7***	***1,296.6***	***12.8%***	***157.8***	***164.6***	***(4.1%)***	***10.8%***	***12.7%***	***(1.9 pp)***

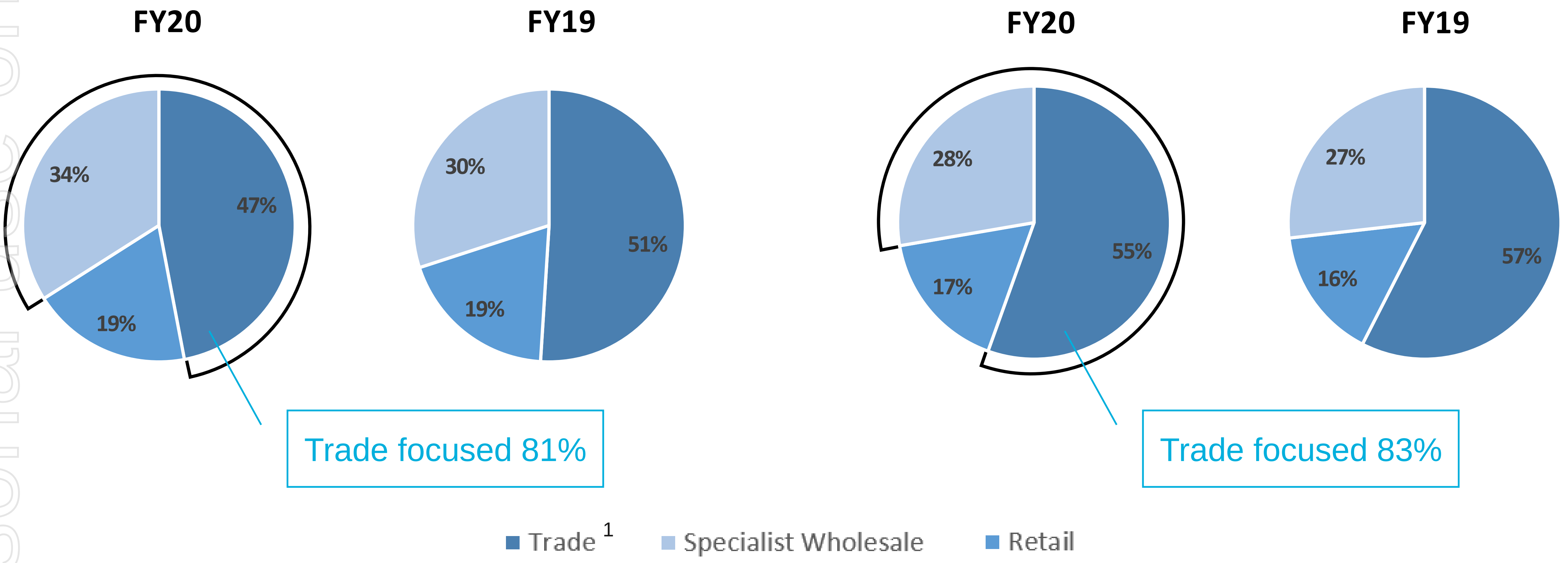
AUD $'M proforma	Revenue		
	FY20	FY19	% Change
Revenue from Intercompany sales	72.4	62.1	16.6%

Notes:

1. Proforma results excluding AASB 16. Refer to appendix for reconciliations.

Business Segment Contribution to Results

Total Revenue / Total EBITDA



Notes:

1. Trade includes Trade and Bapcor NZ segments

Burson Trade

$M	FY20	FY19	Change
Revenue	561.7	524.5	7.1%
EBITDA	81.1	78.2	3.7%
EBITDA %	*14.4%*	*14.9%*	*(0.5 pp)*

	FY20	FY19	Change
Stores	186	181	+5
Same store sales	6.0%	2.2%	

Achievements

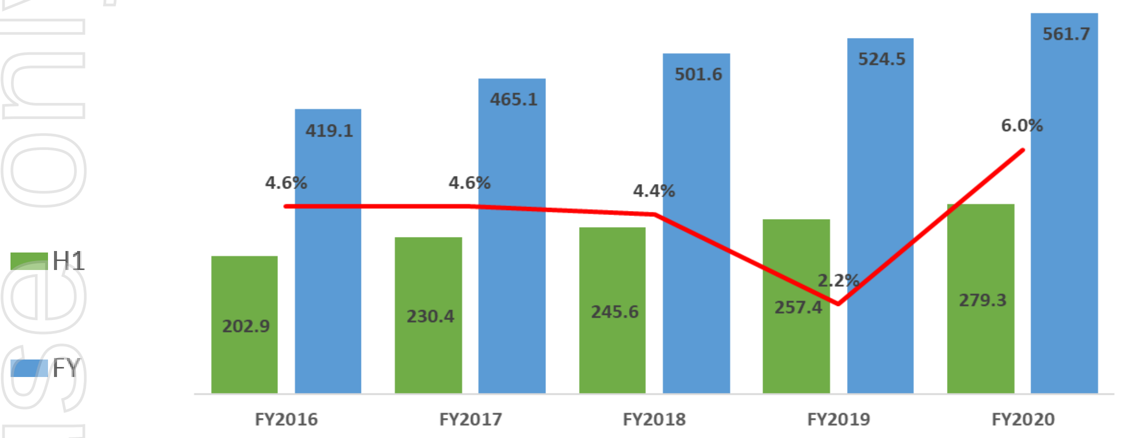
- Record revenue up 7.1% with record month in June
- Very successful 6 month promotion
- Same store sales growth 6% for the year – May / June was 14%
  - 70% of stores set new revenue records
- 5 new stores to 186 stores
- Equipment business performed well – $39.4M of revenue in FY20
- General selling price increase 27 December 2019
- Own brand jumped to 31.3%
- Improved inventory and debtors as % of sales
- Strong focus on safety and environment

Challenges

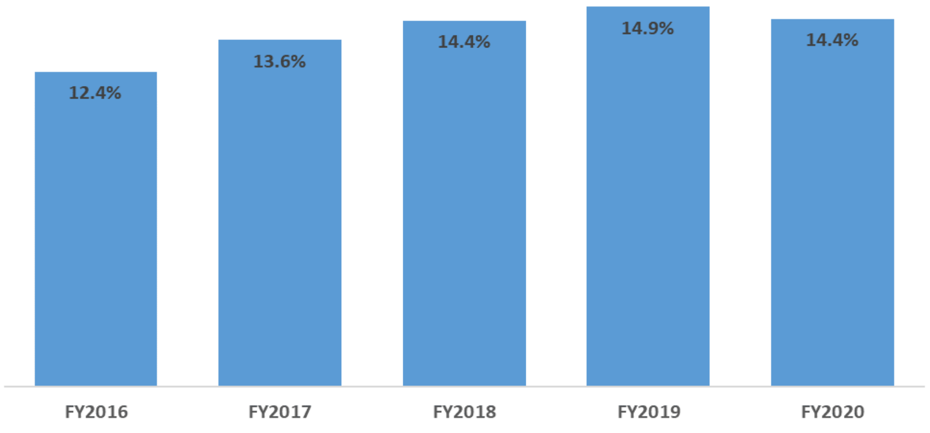
- Gross margin down 0.5% due to competitive environment & promotion impact – H1 EBITDA margin was 13.5%, H2 recovered to 15.4%

Burson Trade

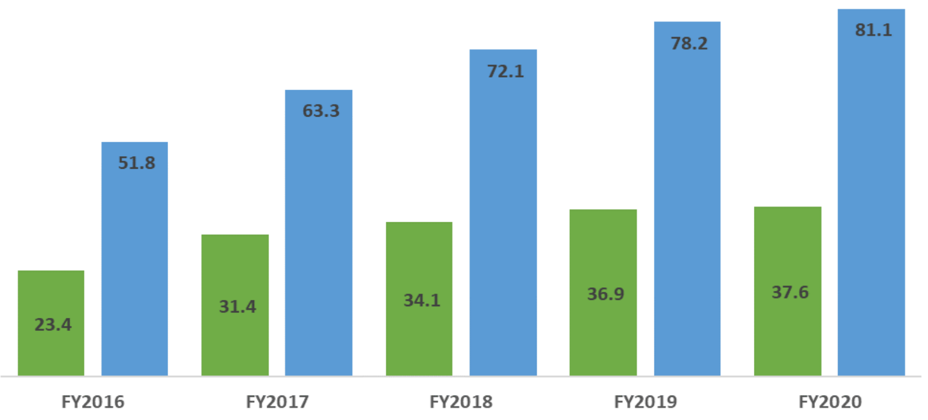
Revenue and 'Same Store Sales' growth



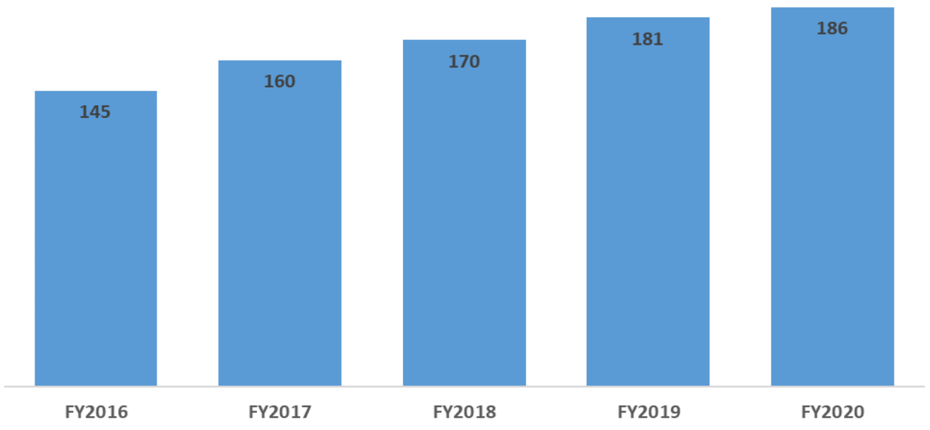
EBITDA % of Sales



EBITDA $M



Store Numbers



Bapcor NZ

$'M	FY20	FY19	Change
Revenue	156.3	165.0	(5.2%)
EBITDA	19.6	22.9	(14.0%)
EBITDA %	*12.6%*	*13.9%*	*(1.3 pp)*

	FY20	FY19	Change
BNT stores	73	70	+3
BNT same store sales	(9.0)%	5.3%	

COVID-19 impacts

- New Zealand significantly impacted by COVID-19 government enforced restrictions but business reacted swiftly – revenue dropped by up to 80%
- $3.9M NZ government subsidy – during the period the subsidy was applied, Bapcor NZ also paid out an additional $4M in wages
- June revenue recovered strongly to beat Feb 2020 level

Highlights

- 3 greenfield BNT stores growing total stores to 73
- Increased sales with major chains
- New 6,000sqm SWG warehouse in Auckland
- Opened 3 "Supersites" incorporating various business units
- Own brand at 30.4%
- Improved working capital utilisation

Specialist Wholesale

$'M	FY20	FY19	Change
Revenue	520.4	413.1	26.0%
EBITDA	50.3	46.3	8.7%
EBITDA %	*9.7%*	*11.2%*	*(1.5 pp)*

	FY20	FY19	Change
CVG sites:			
Light commercial	16	14	+2
Heavy commercial	26	-	+26
Other SWG (excl. OL)	102	89	+13

Achievements

- Excluding Don Kyatt (Qld) light commercial truck, Truckline and Diesel Drive acquisitions:
  - Revenue up 5.5%
  - EBITDA down 7.1%
- Revenue and profit growth particularly strong in Electrical/Engine Management business units
- Launched numerous new programs
- Intercompany sales increased 17%
- Acquisition of Truckline in December 2019 – adds Heavy Commercial Vehicles and contributed $57M in revenue and EBITDA of $2.8M
- Light Commercial added 2 locations
- Safety focus with "Thousands of spare parts, none fit you!"
- Invested in additional people resources in management, finance, HR & marketing due to significant increase in segment size.

Challenges

- Impacted by bushfires and particularly COVID-19 in March, April and May
- Negative impact of currency – timing of passing through increases

Retail

Bapcor

$'M	FY20	FY19	Change
Revenue	292.7	255.3	14.7%
EBITDA	30.5	27.1	12.8%
EBITDA %	*10.4%*	*10.6%*	*(0.2 pp)*

	FY20	FY19	Change
Autobarn store numbers			
Company owned	79	66	+13
Franchise	55	68	-13
Total	134	134	
% coy stores	59%	49%	+10 pp
Autobarn same store sales	14.5%	5.0%	
Other stores (Autopro, Sprints, Service)	216	231	- 15

New Autobarn store format

Achievements

- Record sales and EBITDA
- Autobarn same store sales
  - 9.5% full year – Company up 14.5%, Franchise up 6.6%
  - 51% May and June – Company up 60%, Franchise up 46%
- Autobarn added 13 company stores
  - Company stores now represent c.60% of total stores
- Online sales exceptionally strong – up 240% for the year, May and June up 400%
- New multimedia marketing calendar, increasing brand awareness
- Own brand at 27.8% up 2.5%
- Clean up of debtors, service and underperforming stores
- Slight reduction in EBITDA margin due to competitive environment

Thailand

Achievements

- Operating 6 locations in Bangkok district including procurement office
- Impacted by COVID-19 government restrictions in April and May
- Stores making positive progress in new market dynamics
- Good relationships established with workshop groups
- Potential to expand to 60-80 locations
- June achieved record revenue

Challenges

- Bed down processes and further develop people in existing stores
- Roll out electronic catalogue / online B2B – delayed due to COVID-19
- Staffing

1. FY20 Results
2. **FY20 Result Details**
3. Strategy Update
4. Trading Update / Outlook

Summary Income Statement

- Revenue growth of 12.8%
- Gross margin % declined 0.4 percentage points
  - Competitive environment
  - Depreciation of both the Australian and NZ currencies
  - Impact of sales promotion in the first half (Trade)
  - Additional level of prudent obsolescence provisioning due to the COVID-19 restrictions impacting year end stocktake process
- CODB as a % of sales increased 1.5 percentage points
  - Increased investment in support functions (IT, finance, HR, marketing, legal and governance)
  - Additional conservative level of doubtful debts provision in light of economic uncertainty due to COVID-19

Pro-forma, $M exc. AASB 16	FY20	FY19	*Change*
Revenue	**1,462.7**	**1,296.6**	***12.8%***
Gross Profit	680.3	608.3	*11.8%*
Margin (%)	*46.5%*	*46.9%*	*(0.4 pp)*
CODB	(522.5)	(443.6)	*17.8%*
CODB (%)	*(35.7%)*	*(34.2%)*	*(1.5 pp)*
EBITDA	**157.8**	**164.6**	***(4.1%)***
EBITDA (%)	10.8%	12.7%	(1.9 pp)
Depreciation and Amortisation	(19.1)	(17.1)	*(11.8%)*
EBIT	**138.7**	**147.5**	***(6.0%)***
Finance Costs	(13.4)	(15.0)	*10.4%*
PBT	**125.3**	**132.5**	***(5.5%)***
Income Tax Expense	(36.6)	(38.7)	*(5.4%)*
Non-controlling Interest	0.5	0.4	*(2.0%)*
NPAT	**89.1**	**94.3**	***(5.5%)***
NPAT - statutory	**79.2**	**97.0**	***(18.4%)***
NPAT – pro-forma (%)	6.1%	7.3%	*(1.2 pp)*
EPS – pro-forma (cps)	30.36	33.45	*(9.2%)*

Summary Cash Flows

- Cash generated excluding acquisitions was $67.4M
- Cash conversion of 119% (inc. AASB 16)
- Capex
  - Store acquisitions and greenfields represent investment in Burson Trade, BNT NZ and Autobarn networks
  - Other capex mainly reflects IT development, purchase of motor vehicles and the DC consolidation investment
- Business acquisitions
  - Truckline & Diesel Drive $48M
  - Deferred payment for Don Kyatt (QLD) of $15M
  - Other acquisitions and deferred payments $5M
- Successful completion of equity raise via $180M institutional placement and $56M share purchase plan

Proforma $M	FY20	
	Inc. AASB 16	Exc. AASB 16
EBITDA	**211.2**	**157.8**
Operating cash flow before finance, transaction and tax costs	**251.6**	**197.1**
Cash conversion	*119%*	*125%*
Financing costs	(11.6)	(11.6)
Transaction / restructuring costs	(2.2)	(2.2)
Tax paid	(35.5)	(35.5)
Operating cash flows	**202.3**	**147.8**
Store acquisition and greenfields	(9.8)	(9.8)
Capital expenditure (excluding new stores)	(35.2)	(35.2)
Dividend paid	(35.7)	(35.7)
Treasury shares	(1.1)	(1.1)
Finance lease costs	(54.6)	-
Other	1.5	1.5
Cash generated pre acquisitions / equity raising	67.4	67.4
Business acquisitions – net of cash – inc. deferred payments	(68.2)	(68.2)
Equity raising– net of costs	231.5	231.5
Cash generated	230.7	230.7
Opening cash on hand	47.6	47.6
FX adjustment on opening balances	0.2	0.2
Borrowing repayments	(152.2)	(152.2)
Net cash movement	230.7	230.7
Closing cash on hand	126.3	126.3

Summary Balance Sheet

- Net Debt/Cash
  - Proforma net debt[1] at 30 June 2020 of $109.2M (June 2019: $335.3M)
  - Represents annualised leverage ratio of 0.7X on a twelve month annualised proforma EBITDA basis
  - Higher level of cash on hand compared to the prior corresponding period following the capital raising during the year
  - Increased level of inventories reflects the impact of acquisitions, network growth and product range expansion
  - Increased level of trade and other payables reflect the impact of acquisitions

$M	FY20 Inc. AASB 16	FY20 Exc. AASB 16	FY19
Cash	126.3	126.3	47.6
Trade and other receivables	164.0	164.0	162.5
Inventories	363.0	363.0	326.1
PP&E	75.2	75.6	60.7
Deferred tax assets	34.7	29.1	18.4
Intangible assets	757.4	757.4	734.5
Right-of-use assets	158.0	-	-
Other assets	1.4	1.4	3.3
Total assets	**1,680.0**	**1,516.8**	**1,353.3**
Trade and other payables	222.2	226.2	183.6
Tax liabilities	2.0	2.0	2.9
Provisions	58.1	59.7	63.4
Borrowings	229.1	229.1	380.4
Lease liabilities	181.8	-	-
Other	4.7	4.7	0.8
Total liabilities	**697.9**	**521.7**	**631.1**
Net assets	**982.1**	**995.1**	**722.2**

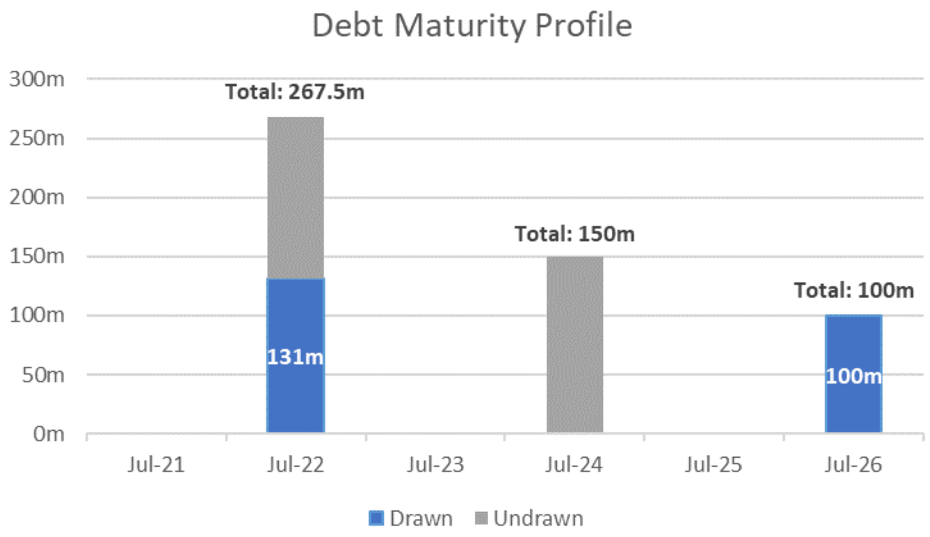
Notes:

1. Refer to appendix for reconciliation of net debt

Balance Sheet - Liquidity

Bapcor

Committed facility	Maturity	Facility amount	As at 30 June 2020	
			Drawn	Undrawn
3 year tranche	Jul 2022	$267.5M	$131.0M	$136.5M
5 year tranche	Jul 2024	$150.0M	-	$150.0M
7 year tranche	Jul 2026	$100.0M	$100.0M	-
Total		$517.5M[1]	$231.0M	$286.5M



Credit metrics	30 June 2020	30 June 2019
Net leverage ratio[2]	0.7x	2.0x
FCCR[3]	3.0x	3.4x
Interest cover[4]	12.2x	11.7x

- Proforma net debt of $109.2M at 30 June 2020
- Undrawn committed facilities of $286.5M
- Average remaining tenor of facilities at 30 June 2020 of 3.4 years
- Net leverage ratio would have been just over 2.0x excluding the equity raise proceeds received in FY20

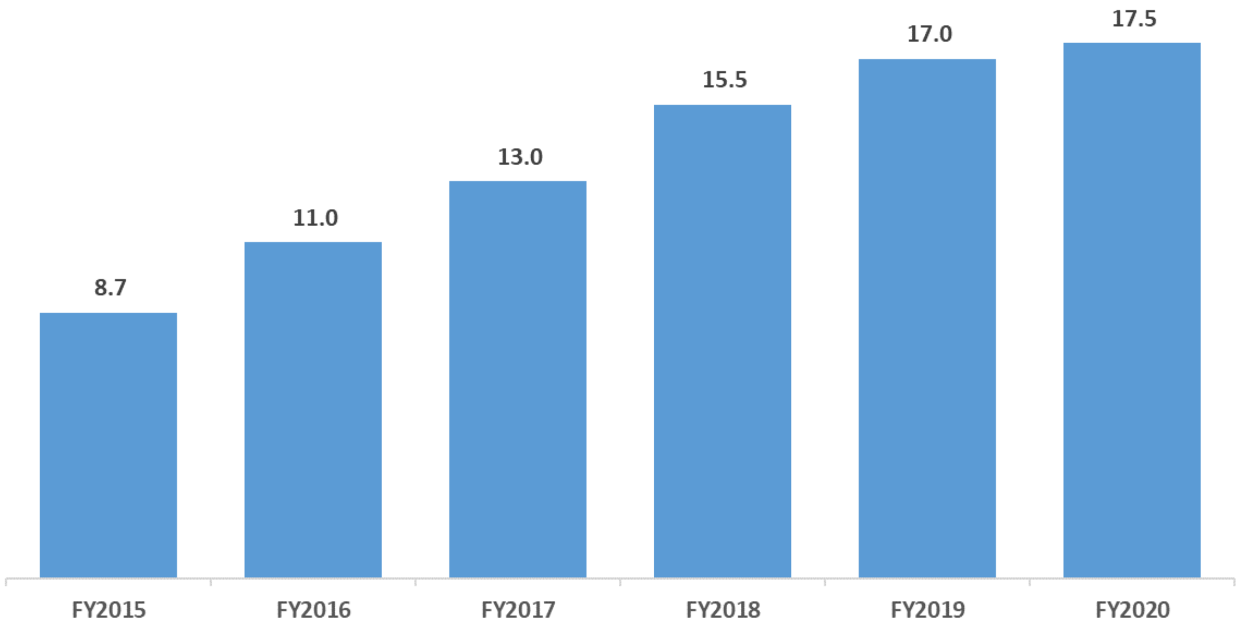
Notes:

1. Total facilities available at 30 June 2020 was $520M. The amount used in the above table excludes $2.5M of facility which relates to bank guarantees under the 3 year trance.
2. Net leverage ration = net debt / proforma EBITDA (exc. AASB 16 *Leases* impact)
3. FCCR (fixed cover charge ratio) = proforma EBITDA plus rent / Interest plus rent (exc. AASB 16 *Leases* impact)
4. Interest cover = proforma EBITDA / Interest (exc. AASB 16 *Leases* impact)

Dividend

- Final dividend declared for FY20 of 9.5 cents per share (fully franked) inline with FY19
- Full year dividend of 17.5 cents per share (fully franked)
- Dividend payout ratio of 62% of proforma NPAT
- Record date: 31 August 2020
- Payment date: 11 September 2020
- Dividend reinvestment plan suspended for FY20 final dividend
- Shares on issue as at 30 June 2020 of 339.4M (30 June 2019: 283.5M)

Dividend History – Cents per Share



1. FY20 Results
2. FY20 Result Details
3. **Strategy Update**
4. Trading Update / Outlook

5 Year Strategy / Targets

"Asia Pacific's leading provider of vehicle parts, accessories, equipment, service and solutions"

Bapcor

Trade	Trade focussed "parts professionals" supplying workshops in Australia & New Zealand	240 AUS Stores Target Currently 186	35% AUS Own Brand Target Currently 31%	75 NZ Stores Target Currently 73	35% NZ Own Brand Target Currently 30%
Specialist Wholesale (Ex. Commercial Vehicles)	#1 or #2 Industry category specialists in parts programs	A$600m AUS Turnover Target Currently $A415m	A$50m NZ Turnover Target Currently $A30m	55% Own Brand Target Currently 45%	
Commercial Vehicles - Light (<20t) - Heavy (>20t)	The only choice for commercial vehicle parts and accessories	40 Light Locations Target Currently 16	A$120m Light Turnover Target Currently $A50m	50 Heavy Locations Target Currently 26	A$220m Heavy Turnover Target Currently $A105m
Retail	Premium retailer of automotive accessories Supplying the independents: parts, accessories & 4WD	200 AUS Autobarn Stores Target Currently 134 (79 Company Owned)	200 Independents Stores Target Currently 188	100 Opposite Lock Stores Target Currently 72	35% Own brand Target Currently 28%
Service	Reliable & trusted car servicing at affordable prices Supporting the independents	500 AUS Stores Target Currently 102	150 NZ Stores Target Currently 126	80% Intercompany Sourcing Target	
Thailand	Bringing automotive aftermarket parts to Asia	>80 Locations Target Currently 6	A$100m Turnover Target Currently $A4m		

No change to targets despite COVID-19 impacts / delays

Strategy Summary

Consistent delivery of specific and measurable targets with significant growth still to come

1 Grow sales

- Organic (circa 2% pa)
- Footprint expansion
  - Burson 10 – 12 stores p.a.
  - Retail up to 10 stores p.a.
  - NZ 5 stores p.a.
  - Light Com 5 locations p.a.
  - Heavy Com 10 locations p.a.
  - Electrical 5 locations p.a.

2 Margin

- Procurement / buying initiatives
- Pricing management
- Increase "own brand" sales
- Optimise intercompany sourcing of product

3 Operating efficiencies

- Network Plan / DC evolution

4 Consolidate and optimise

5 Strategic acquisitions / expansion

No change to targets despite COVID-19 impacts / delays

Strategic Initiatives Update

- **Warehouse Management System** – Tier 1 System Manhattan – implemented Nunawading DC Jan 20 and operating well with improved efficiencies
- **Warehouse Evolution Program** – Consolidated DC Melbourne (Tullamarine) using latest technology – target Q3 FY21
- **Retail Point of Sale System** – state of the art retail POS – implementation in Autobarn delayed due to COVID-19 and required enhancements
- **Technology Infrastructure** – investing in all aspects of IT – new infrastructure complete Dec 19
- **Commenced implementation of new safety data system**
- **Category Leadership & Brand Management –** first categories underway – aircon, tools, electrical accessories and 4x4
- **New ecommerce platform underway** – target Q3 FY21
- **Future Acquisitions** – Bapcor is always on the lookout for businesses that fit with our core strategy and are fairly priced; well placed financially to move on appropriate opportunities

Our New Melbourne DC

Consolidated Warehousing

- The most efficient distribution
- Strong investment in ‘state of the art’
- ‘Step change’ with new Melbourne Tullamarine DC
- 50,000m^2 warehouse
- Goods to Person technology
- Immediate picking growth
- Substantial capacity
- Manhattan WMS
- Plans for future investments in Australia and connecting to the global supply chain

Transition costs charged to P&L

$M	FY20	FY21	FY22	FY23	Total
Total provisions and transition costs	**5.6**	**6.4**	**1.5**	**-**	**13.5**
Accelerated depreciation					
Property plant and equipment	1.0	1.3	-	-	2.3
Right-of-use-assets (AASB 16)	5.1	5.2	0.2	(3.4)	7.1
Total accelerated depreciation	**6.1**	**6.5**	**0.2**	**(3.4)**	**9.4**
Total	**11.7**	**12.9**	**1.7**	**(3.4)**	**22.9**

Financials	*$M*
Capital	34
Transition Costs	23
Incentive	(14)
Inventory Reduction	(8)
Net Investment	**35**
Benefits (est p.a.)	10
Simple ROI %	*27%*

Note: Any difference in totals is due to rounding

Bapcor

1. FY20 Results
2. FY20 Result Details
3. Strategy Update
4. **Trading Update / Outlook**

Trading Update / Outlook

- July was a very strong month – following a solid May and June
  - Burson Trade same store sales up c.15%
  - BNT NZ same store sales up c.10%
  - Retail – Autobarn same store sales up c.50%
  - SWG sales up on a comparative basis to July 2019 by c.15% – 20%

- Excellent start to FY21
  - Likely driven by increased consumer cash availability – low restaurant, travel, entertainment spend combined with government stimulus / super withdrawals

- COVID-19 is also likely to result in changes with a significant net positive for the automotive aftermarket:
  - More vehicle use / kms driven – domestic travel and lower public transport use
  - More vehicles per household – refer used car sales
  - More repair and less replacement
  - Older average age of vehicles
  - More DIY activity

Trading Update / Outlook (cont.)

- Addition of Truckline and ongoing improvements in other businesses, including retail, will positively contribute
- Lockdowns in Melbourne and Auckland and any future government restrictions will have an impact on trading conditions and earnings
- There is a lack of clarity and uncertainty around underlying economic conditions
- However, historically Bapcor's businesses have been resilient to economic downturns
- Further update at October's AGM

Bapcor

THANK YOU

Now, Q&A

Appendix

New Lease Accounting Standard

- Bapcor adopted the new lease accounting standard (AASB 16) from 1 July 2019 on a modified retrospective approach (comparative amounts will not be restated).
- In FY19, leases were treated as operating leases and $43.7M in expenses was incurred which was disclosed within occupancy /motor vehicle expenses in the profit and loss and as an operating cashflow item (within payments to suppliers) in the statement of cash flows.
- On adoption the following was recognised on the balance sheet:
  - $145.1M right-of-use asset
  - $159.6M lease liability
  - $3.9M deferred tax asset
  - $1.5M other asset/liability reclassifications
  - $9.2M opening retained earnings adjustment
- In FY20, leases are held on balance sheet with a total cost incurred of $59.9M* which was recorded as $53.5M* in depreciation and $6.4M as interest expense. For cashflow purposes the total amount is treated as a financing cost (as repayment of lease liabilities).
- Overall impact on the FY20 result includes:
  - NPAT decrease of $0.4M
  - No impact on cash flows except for presentation
  - No impact on debt covenants

$'M	FY20 Proforma Exc. AASB 16	AASB 16 impact*	FY20 Proforma Inc. AASB 16
Revenue	**1,462.7**	**-**	**1,462.7**
Other income	-	3.2	3.2
COGS	(782.4)	-	(782.4)
CODB	(522.5)	56.1	(466.4)
EBITDA	**157.8**	**59.3**	**217.1**
Depreciation and Amortisation	(19.1)	(53.5)	(72.6)
EBIT	**138.7**	**5.8**	**144.5**
Finance Costs	(13.4)	(6.4)	(19.8)
PBT	**125.3**	**(0.6)**	**124.7**
Income Tax Expense	(36.6)	0.2	(36.4)
Non-controlling Interest	0.5	-	0.5
NPAT	**89.1**	**(0.4)**	**88.7**
EPS – (cps)	30.36	0.12	30.23

* Excludes any impact of the DC Consolidation right-of-use accelerated depreciation

Reconciliations

The following table reconciles the Statutory NPAT to the Proforma NPAT inclusive and exclusive of AASB 16:

		Consolidated	
$'M	**Note**	**FY20**	**FY19**
Statutory NPAT	1	**79.2**	**97.0**
Victorian DC Consolidation	2	11.6	-
Other activities	3	1.7	1.7
Other gains adjustment	4	-	(4.1)
Finance cost adjustment	5	-	0.3
Tax adjustment	6	(3.8)	(0.6)
Pro-forma NPAT inc. AASB 16		**88.7**	**94.3**
AASB 16 *Leases* adjustment	7	0.6	-
Tax adjustment	6	(0.2)	-
Pro-forma NPAT exc. AASB 16		**89.1**	**94.3**

The following table reconciles the Statutory NPBT to the Proforma EBITDA inclusive and exclusive of AASB 16:

		Consolidated	
$'M	**Note**	**FY20**	**FY19**
Statutory net profit before tax ('NPBT')		**111.4**	**134.7**
Add back depreciation and amortisation	8	80.1	17.1
Add back finance costs		19.8	15.3
Statutory EBITDA		**211.2**	**167.0**
Victorian DC Consolidation	2	4.2	-
Other activities	3	1.7	1.7
Other gains adjustment	4	-	(4.1)
Pro-forma EBITDA inc. AASB 16		**217.1**	**164.6**
AASB 16 *Leases* adjustment	7	(59.3)	-
Pro-forma EBITDA exc. AASB 16		**157.8**	**164.6**

Reconciliations cont.

The following table reconciles the earnings per share under Statutory NPAT and Proforma NPAT inclusive and exclusive of AASB 16:

		Consolidated				
		FY20			FY19	
$'M	Note	Stat	Pro-forma inc. AASB 16	Pro-forma exc. AASB 16	Stat	Pro-forma
NPAT	1	**79.2**	**88.7**	**89.1**	**97.0**	**94.3**
Weighted average number of ordinary shares		293.6	293.6	293.6	281.9	281.9
Earnings per share (cps)		**26.97**	**30.23**	**30.36**	**34.40**	**33.45**

1 NPAT attributable to members of Bapcor Limited.
2 The Victorian DC Consolidation relates to the significant items incurred in relation to the new Tullamarine Victoria Distribution Centre and includes the recognition of provisions for restructure and make good as well as the accelerated depreciation of property, plant and equipment and right-of-use assets. Refer to note 17 of the financial report for further details.
3 The other activities in current and prior period relates to one off consulting costs incurred relating to acquisitions that did not proceed or are considered major acquisitions.
4 The prior period other gains adjustment relates to a one off gain realised on the Baxters acquisition final deferred settlement payment.
5 The prior period finance cost adjustment relates to the write off of borrowing costs performed due to refinancing activities.
6 The tax adjustment reflects the tax effect of the above adjustments based on local effective tax rates.
7 The current period AASB 16 *Leases* adjustment relates to the adoption of the standard effective 1 July 2019 for which comparatives have not been restated. Refer to note 3 of the financial report for further details.
8 Depreciation in the current period includes the right-of-use assets depreciation from the adoption of AASB 16 *Leases* of $58.5M.

Reconciliations cont.

Bapcor

The following table reconciles the Statutory net debt to the Proforma net debt:

	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash and cash equivalents	126,300	47,610
Lease liabilities	(181,808)	-
Borrowings excluding unamortised transaction costs capitalised	(230,982)	(382,960)
Statutory net debt	(286,490)	(335,350)
Add: Lease liabilities	181,808	-
Add/(less): Net derivative financial instruments	(4,521)	54
Pro-forma net debt as per debt facility agreement	(109,203)	(335,296)

The following table reconciles the Statutory EBITDA to Proforma EBITDA exclusive of AASB 16 by segment:

$Ms	FY20						FY19				
EBITDA	Statutory EBITDA per segment note	Intersegment EBITDA per segment note	Acquisition costs per segment note	Pro-forma adjustments	AASB 16 adjustments	Pro-forma EBITDA per Directors' Report	Statutory EBITDA per segment note	Intersegment EBITDA per segment note	Acquisition costs per segment note	Pro-forma adjustments	Pro-forma EBITDA per Directors' Report
Trade	96.7				(15.6)	81.1	78.2				78.2
Bapcor NZ	26.9				(7.3)	19.6	22.9				22.9
Specialist Wholesale	62.7			0.3	(12.6)	50.3	45.5				45.5
Retail	57.6				(27.1)	30.5	27.1				27.1
Group / Unallocated	(29.8)	(1.1)	(1.8)	8.9		(23.8)	(5.0)	(0.7)	(0.9)	(2.4)	(9.0)
Total	**214.1**	**(1.1)**	**(1.8)**	**9.2**	**(62.6)**	**157.8**	**168.7**	**(0.7)**	**(0.9)**	**(2.4)**	**164.6**

Reconciliations cont.

The following table reconciles the movements in provision for slow moving inventory:

	Consolidated 2020 $'000	Consolidated 2019 $'000
Opening balance	(43,647)	(46,839)
Additional provisions recognised against profit	(4,857)	(580)
Additions through business combinations	(9,333)	(3,505)
Inventory written off against provision	1,844	4,155
Foreign currency translation	140	236
Derecognised on divestment	-	2,886
Closing balance	(55,853)	(43,647)

Disclaimer

The material in this presentation has been prepared by Bapcor Limited (“Bapcor”) ABN 80 153 199 912 and is general background information about Bapcor’s activities current at the date of this presentation. The information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information should not be considered as advice or a recommendation to investors or potential investors and does not take into account investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

Persons needing advice should consult their stockbroker, solicitor, accountant or other independent financial advisor.

The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about and observe such restrictions.

This presentation does not constitute, or form part of, an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issue or transfer of the securities referred to in this presentation in any jurisdiction in contravention of applicable law.

Certain statements made in this presentation are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Bapcor’s current expectations, estimates and projections about the industry in which Bapcor operates, and beliefs and assumptions. Words such as "anticipates”, "expects”, "intends,", "plans”, "believes”, "seeks”, "estimates”, and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Bapcor, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward- looking statements. Bapcor cautions investors and potential investors not to place undue reliance on these forward-looking statements, which reflect the view of Bapcor only as of the date of this presentation. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. Bapcor will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.