

ASX/Media Announcement Bapcor Limited (ASX:BAP)

17 February 2021

Bapcor Ltd today announced its financial results for the six months ended 31 December 2020 (H1 FY21).

Bapcor has delivered a record half year result in H1 FY21 driven by growth in revenue, operating leverage and profitability in all business segments. Along with the strong financial performance, Bapcor has continued to progress major projects that will underpin the group's future success. The company is in a very solid financial position and capable of capitalising on opportunities as they arise.

RECORD HALF YEAR REVENUE AND EARNINGS

Revenue from operations of \$883.6M, up 25.8%

Pro-forma EBITDA up 36.5% to \$145.6M

Pro-forma Net Profit after Tax up 54.0% to \$70.2M

Pro-forma Earnings Per Share of 20.7 cents per share, up 28.9%

Interim dividend of 9 cents per share (fully franked), up 12.5% compared to the previous corresponding period

Statutory Net Profit after Tax of \$67.7M, up 49.7%

Statutory Earnings Per Share of 19.9 cents per share, up 25.3%

Highlights of the H1 FY21 financial results compared to the 6 months ended 31 December 2019 (H1 FY20) are:

\$M	H1 FY21	H1 FY20	YoY %
Revenue	883.6	702.5	25.8
EBITDA proforma	145.6	106.7	36.5
EBIT proforma	106.8	73.7	45.0
NPAT proforma	70.2	45.6	54.0
NPAT	67.7	45.2	49.7
EPS proforma	20.7 cps	16.1 cps	28.9
DPS – Interim	9.0 cps	8.0 cps	12.5
Cash conversion	84%	87%	
Leverage (ND/EBITDA)	0.6x	2.3x	

Proforma results are adjusted for transition costs relating to the new Melbourne Distribution Centre at Tullamarine to reflect the underlying performance of the business. Statutory net profit after tax in H1 FY21 includes \$2.6M of the transition costs relating to the new Melbourne Distribution Centre at Tullamarine which do not relate to H1 FY21's underlying performance.

Net debt at 31 December 2020 was \$120.4M, compared to 30 June 2020 of \$109.2M. The leverage ratio at 31 December 2020 was 0.6x with interest cover remaining strong at 12.2x (EBITDA / Interest).

A fully franked interim dividend of 9.0 cents per share has been declared, up 12.5% compared to the H1 FY20 dividend.

No government subsidies (e.g. Jobkeeper) were received during the six months.

Comments from Bapcor's CEO & MD

Bapcor CEO & Managing Director Mr. Darryl Abotomey said, "Bapcor's talented team members have delivered another outstanding record result in the first half of FY21. Every one of our business segments increased revenue and earnings, capitalising on the increased demand during the period.

The team have delivered a record result for H1 FY21, with Revenue up 25.8%, Proforma EBITDA up 36.5% and Proforma Net Profit After Tax being 54.0% above the previous corresponding period.

The group added 27 new company locations throughout our network resulting in our business now having over 1,100 locations throughout Australia, New Zealand and Thailand.

The Trade segment, consisting of Burson Auto Parts and Precision Automotive Equipment again delivered record revenue and EBITDA. Revenue grew by 12.3% with same store sales up 11.0% (>5.0% in H1 FY20). The Burson team continued to expand the store network, adding a further 9 stores to reach 195 stores nationwide. Precision Equipment achieved record revenue of c.\$22M in the six months.

Bapcor New Zealand performed well in a challenging market with revenue up 1.6% and EBITDA up 7.5% compared to H1 FY20. Same store sales in BNT, NZ's largest business, were up 1.3% over the prior year. Given the market conditions BNT did not expand its store network in the six months.

The Specialist Wholesale ("SWG") segment continued strong growth in H1 FY21 driven by organic growth and the incremental benefit of the inclusion of Truckline and Diesel Drive (acquired in December 2019). SWG revenue increased 39.5% and EBITDA grew 54.9% compared to H1 FY20. Excluding the acquisitions, SWG revenue grew 17.1% and EBITDA increased 36.2%.

The Retail segment consisting of Autobarn, AutoPro and Sprint Auto Parts stores, as well as Midas and ABS service workshops delivered a truly outstanding result with record revenue and earnings – led by the Autobarn business. Revenue for H1 FY21 increased by 44.0% and EBITDA increased by 55.8% compared to H1 FY20. Autobarn same store sales for the year were up 37.1% - company stores were up 49.1% and franchised stores were up 27.4%. Changes that have been implemented by the new management team include, a higher level of inventory availability, improved merchandising and promotions, revitalised catalogues and a new Autobarn store format. In addition, an element of stimulus induced elevated discretionary spending and increased do-it-yourself have positively impacted demand. Online sales also increased c.300% for the half with over 80% being 'Click and Collect'.

The Autobarn store network now consists of 133 stores, with the number of Autobarn company owned stores representing 64% of the Autobarn network.

Significant progress has continued to be made in investments to drive the long-term success of Bapcor. The new distribution warehouse building at Tullamarine in Victoria is nearing practical completion while a new point of sale system has been implemented in Autobarn and a new E-commerce platform will be launched over the next 2 months. Further investment in digital transformation is underway.

Bapcor continues to have avenues to drive the performance of the business including further network growth, realising operational efficiencies and expansion of our own brand product range. People remain critical to Bapcor's success and we will continue to invest in our team to be able to deliver on the group's growth agenda.

In January 2021 business performance has continued at similar levels to the first six months of the year.

Mean market consensus for Bapcor's proforma full year net profit after tax is currently c.\$122m, which prima facie does not appear unreasonable, albeit economic uncertainties could impact future earnings.

Again, I would like to thank all employees and franchisees of Bapcor as well as customers, suppliers and shareholders for their continued support, making Bapcor the great business it is today".

As previously announced, Andrew Harrison yesterday retired from the Board after 7 years' service to Bapcor. Margie Haseltine who was appointed to the Bapcor Board in May 2016 has taken over as Chair. Ms Haseltine said, "We thank Andrew for his contribution to Bapcor as a founding member of Bapcor's Board following the IPO in April 2014. I feel very privileged to take over from Andrew as Chair of such a well performing business. We wish Andrew well in his future endeavours".

This announcement was authorised by the Board of Bapcor Limited.

Bapcor is Asia Pacific's leading provider of vehicle parts, accessories, equipment, services and solutions, with a network of over 1,100 locations across Australia and New Zealand.

For further details refer to the Investor Presentation and Financial Statements contained in the Investor Centre section in the Bapcor Ltd website (www.bapcor.com.au/presentations).

For further information:

Darryl Abotomey
Managing Director and CEO
Bapcor Limited
+61 419 838 059
+61 3 9914 5555

Noel Meehan
CFO
Bapcor Limited
+61 3 9914 5555