



Super Cheap Auto Group

Presentation to Macquarie Securities
2009 Australian Emerging Leaders Conference

Peter Birtles – Managing Director
8 May 2009





Agenda

- Group Overview
- 2008/09 Trading Update
- Group Strategic Initiatives





Group Overview



Super Cheap Auto Group is a Specialty Retail Organisation

RELEVANT CATEGORY OPPORTUNITIES

- Products for Leisure Time
- Growing Markets > \$1.5bn
- Opportunity to be the Market Leader
- Not Fashion / Non Perishable / Non Premium
- Mix of Hard Goods and Consumables

APPLYING OUR GROUP DIFFERENTIATORS

- Effective Range Management
- Friendly and Informative Customer Service
- Learning and Development Opportunities
- Leveraging Core Systems and Infrastructure
- Executing Plans with Speed and Discipline

CAPITALISING ON OUR CULTURE

- Team Based
- Centrally Controlled
- Passion for Products, People and Performance
- Group Values : Passion, Openness, Integrity, Care and Discipline





- The leading retailer of auto parts and accessories across Australia and New Zealand
- Convenience retailer focusing on value and range
- 254 stores today



BOATING • CAMPING • FISHING

- The only retailer offering a comprehensive offering across Boating, Camping and Fishing products and accessories
- Destination retailer focusing on range and service/value
- 58 stores today





- The largest specialty retailer of bicycles, parts and accessories across Australia
- Destination retailer focusing on range and experience
- 18 stores today

GROUP SERVICES

- Group services provides Logistics, Finance, IST, Property, Risk and HR Management support to the retail businesses
- 5 Distribution centres in Brisbane, Melbourne, Perth and Auckland
- Overseas sourcing office in Hangzhou, China





2008/09 Trading Update



FY 08/09 1st Half Results - Highlights

Group

- Total sales up by 12.9%
- EBIT up by 8.2%
- NPAT up by 8.7%

Capital

- Interim dividend up by 18.2%
- \$25.4m invested in new stores & refurbishments
- Net Debt reduced by \$12.3m

Supercheap Auto

- Total sales up by 5.3%
- LFL sales up by 4.5%
- EBIT margin up by 0.1% pts

BCF

- Total sales up by 29.8%
- LFL sales up by 6.8%
- EBIT margin up by 1.7% pts

Goldcross Cycles

- Sales at \$8.6m
- EBIT loss at \$1.6m



FY 08/09 2nd Half Trading Update



- Store Development
 - 2 more new stores anticipated this half
 - 1 store closed this half
 - 32 refurbishments completed this year
- LFL sales
 - Up by just over 6% so far this half (18 weeks to 2 May)
- EBIT margins
 - Gross margin continue to be slightly ahead of PCP
 - Operating costs in line with PCP



FY 08/09 2nd Half Trading Update



BOATING • CAMPING • FISHING

- Store Development
 - 1 more store anticipated this half
- LFL sales
 - Up by just over 10% so far this half (18 weeks to 2 May)
- EBIT margin
 - Full year margin (pre set up costs) expected to be circa 0.5% pts up on PCP
 - Set up costs expected to be circa \$2.5m



FY 08/09 2nd Half Trading Update



- Store Development
 - No further stores anticipated this half
- LFL sales
 - Melbourne stores up by just over 6% so far this half (18 weeks to 2 May)
- EBIT
 - Full year EBIT loss expected to be circa \$2.5m reflecting store set up and business development costs



FY 08/09 2nd Half Trading Update

Group Costs

- Distribution Centre Costs
 - Cost of space held for expansion not charged to Business Units expected to be circa \$1.2m
- Non Trading Non Recurring Items
 - Net impact expected to be circa \$0.5m
- Corporate Costs
 - Expected to be around \$1.2m in line with prior year



FY 08/09 2nd Half Trading Update

Capital

- Inventory
 - Closing inventory investment per store expected to be in line with prior year
- Capital Expenditure
 - Full Year forecast at around \$27m
- Debt
 - Net debt expected to be circa \$105m at June 27
 - Debt comfortably within existing facility limits of \$200m
 - Core Facility recently renewed for a further 2 years to 2011





Group Strategic Initiatives



Group Strategic Issues

- Low growth automotive parts and accessories market
- Sources of growth post 2010
- Fluctuating cost of product sourced in China
- Attraction, motivation and retention of Team Members
- Increasing cost and complexity of supply chain operations
- Impact of increased regulatory and compliance requirements
- Impact of increased corporate social responsibility expectations
- Establishing the Goldcross Cycles brand
- Changing consumer behaviour / Growth of Virtual Channels / Fragmentation of Mass Media



SUPERCHEAP AUTO

(5 year goal)

**NETWORK EXPANSION
(300 STORES)**

**LFL SALES GROWTH
(> 3% PA)**

**MARGIN GROWTH
(8% EBIT)**

**ROC GROWTH
(> 30%)**

Multi Format New Store Program :
Circa 5 stores pa

New Channel Development

Refurbishment Program
- Circa 40 stores pa
- Up to \$6 m cap ex

Direct Sourcing

Inventory Optimisation

Own Brand Development

Supply Chain Development:
- E-Commerce
- Master Data Mgt
- Supply Chain Methods

High Growth Categories
- Travel and Touring
- Garage Storage

Productivity Initiatives:
- Business Efficiency
- Store Manning
- Space Planning

Value Added Services
- Fitment Services
- Trade Offer

Team Member Knowledge and Skills Development

Trade Partner Collaboration
- Data Sharing
- Forecasting
- Inventory Funding
- Performance Mgt

Multi Channel Marketing Development





BOATING # CAMPING # FISHING

(5 year goal)

NETWORK EXPANSION (70 STORES)

LFL SALES GROWTH (> 5% PA)

MARGIN GROWTH (9% EBIT)

ROC GROWTH (> 25%)

New Store Program :
- 11 New BCF Stores
- New Formats

New Channel Development

Category Opportunities
- Water Sports / Kayak
- Trailer Camping
- Ski / Hiking
- Apparel

Own Brand Development

Direct Sourcing

Inventory Optimisation

Supply Chain Development:
- E-Commerce
- Master Data Mgt
- Supply Chain Methods

Regional Ranging

Special Order Capability

BCF Club Initiatives

Team Member Knowledge and Skills Development

Productivity Initiatives:
- Business Efficiency
- Store Manning
- Space Planning

Trade Partner Collaboration
- Data Sharing
- Forecasting
- Consignment

Multi Channel Marketing Development



GOLDCROSS^X CYCLES

(5 year goal)

NETWORK
EXPANSION
(50 STORES)

LFL SALES
GROWTH
(> 5% PA)

MARGIN
GROWTH
(8% EBIT)

ROC
GROWTH
(> 21%)

New Store Program :

Range Development

Direct Sourcing

New Channel
Development

Own Brand Development

Supply Chain Development:
- E-Commerce
- Master Data Mgt
- Supply Chain Methods

Store Format Development

Productivity Initiatives:
- Business Efficiency
- Store Manning
- Space Planning

Marketing Mechanics
Development

Team Member Knowledge
and Skills Development

Multi Channel Marketing Development



TEAM MEMBER DEVELOPMENT

(5 year goal)

ATTRACTION
(<4 weeks vacancies)

RETENTION
(>72.5%)

SATISFACTION
(>77.5%)

SAFETY
(LTIs < 0.15%)

SUCCESSION
(> 70%)

Team Member Knowledge
and Skills Development

Business Leadership
Academy

Team Member Value
Proposition Development

Human Resource Information
Systems Development

Health and Safety Initiatives

Environmental and Social Initiatives



THANK YOU!

