PERFORMANCE AND BUSINESS STRATEGY UPDATE

OCTOBER 2017

MULTISPARES

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Supply Network Limited

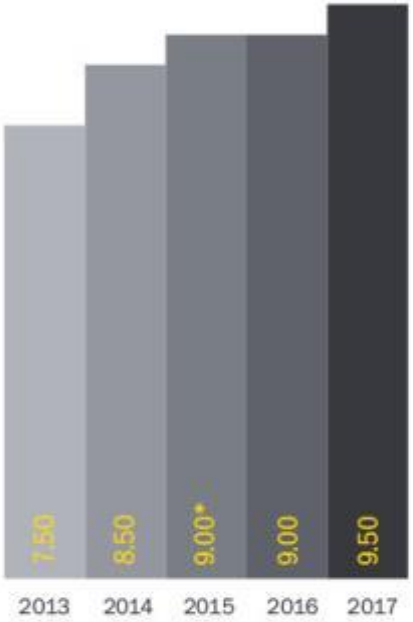
- Remains focused on investing in the sustainable long term organic growth of its Multispares operations
- Is in a strong financial position with almost zero net debt
- Operates with conservative financial management
- Has consistently stated a strong preference for steady dividend growth

FY2017 Results Highlights

2017
Total revenue
$97.66m
(,000)

2017
Profit after income tax
$6.77m
(,000)

2017
Ordinary Dividends paid per share
9.50 cents



*Excludes special dividend

FY 2018 Update and 3-Year Outlook

FY2018 Update

- Forecast full year revenue growth of $8 – 10 million
- Forecast full year EBIT Margin steady at ~10%

Outlook

- Linear average revenue growth ~$7m p.a.
- Target revenue for FY2020 ~$118 million
- Target EBIT Margin for FY2020 steady at ~10%

The Multispares Strategy

Build a diversified business connected to all segments of the truck and bus repair market selling SERVICE based on:

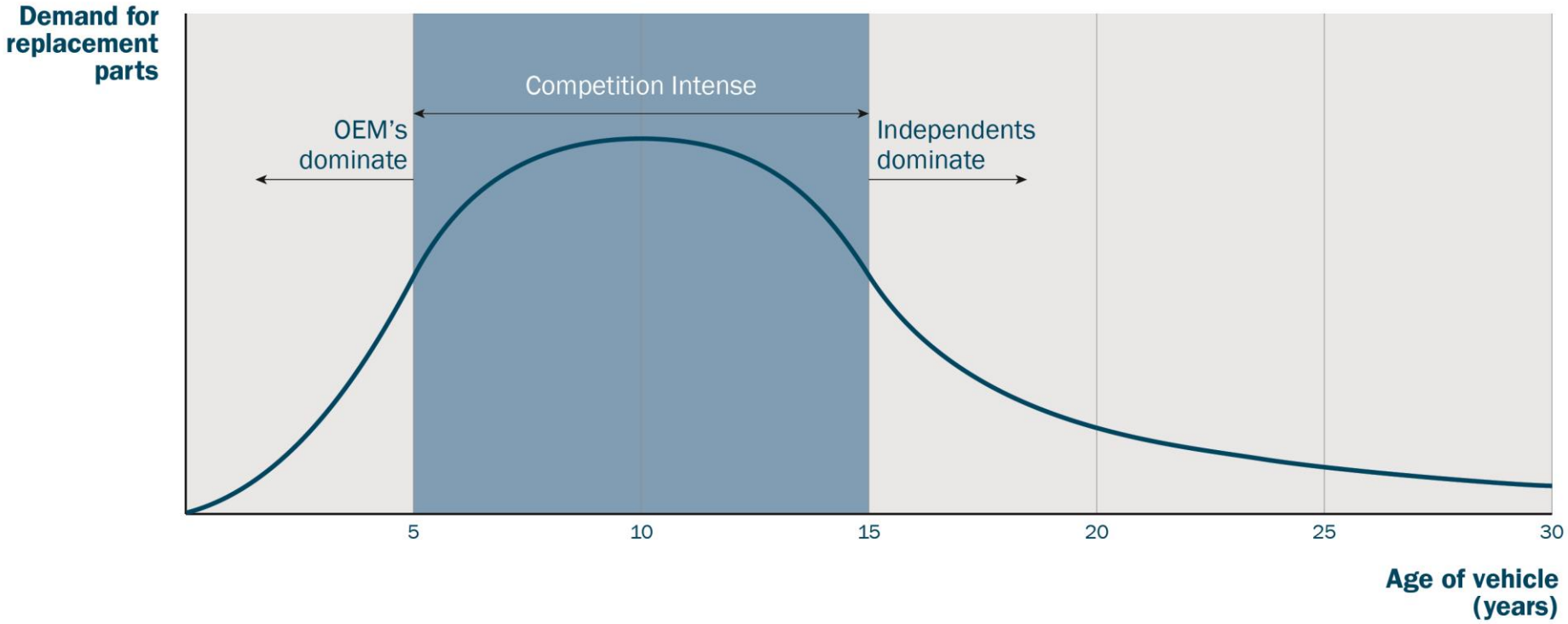
- Reliable parts interpretation and problem solving
- Consolidation of requirements
- Managed supply options
- Quick delivery of parts
- Consistent quality, and
- Support for vehicle diagnostics

Truck & Bus Parts Market Context

- Average vehicle age remains relatively stable.
- Any trend towards fleet consolidation is slow and mostly confined to specific transport tasks. Our workshop customer base remains relatively fragmented.
- Whole-of-life parts opportunity has increased for late generation vehicles following the introduction of new technologies to reduce emissions and improve safety.
- The evolving complexity of in-vehicle computer systems means repairers increasingly need access to diagnostic equipment.
- There is early testing of some drivetrain electrification concepts but none are likely to have a significant impact on new vehicle sales for at least 10 years.
- Competition between vehicle builders (OEs) and Independents for share of the replacement parts opportunity in the crucial 5-15 year vehicle age bracket remains intense.

Aftermarket Demand Profile

TRUCK & BUS AFTERMARKET DEMAND PROFILE
AUSTRALIA / NEW ZEALAND



Business Development Projects

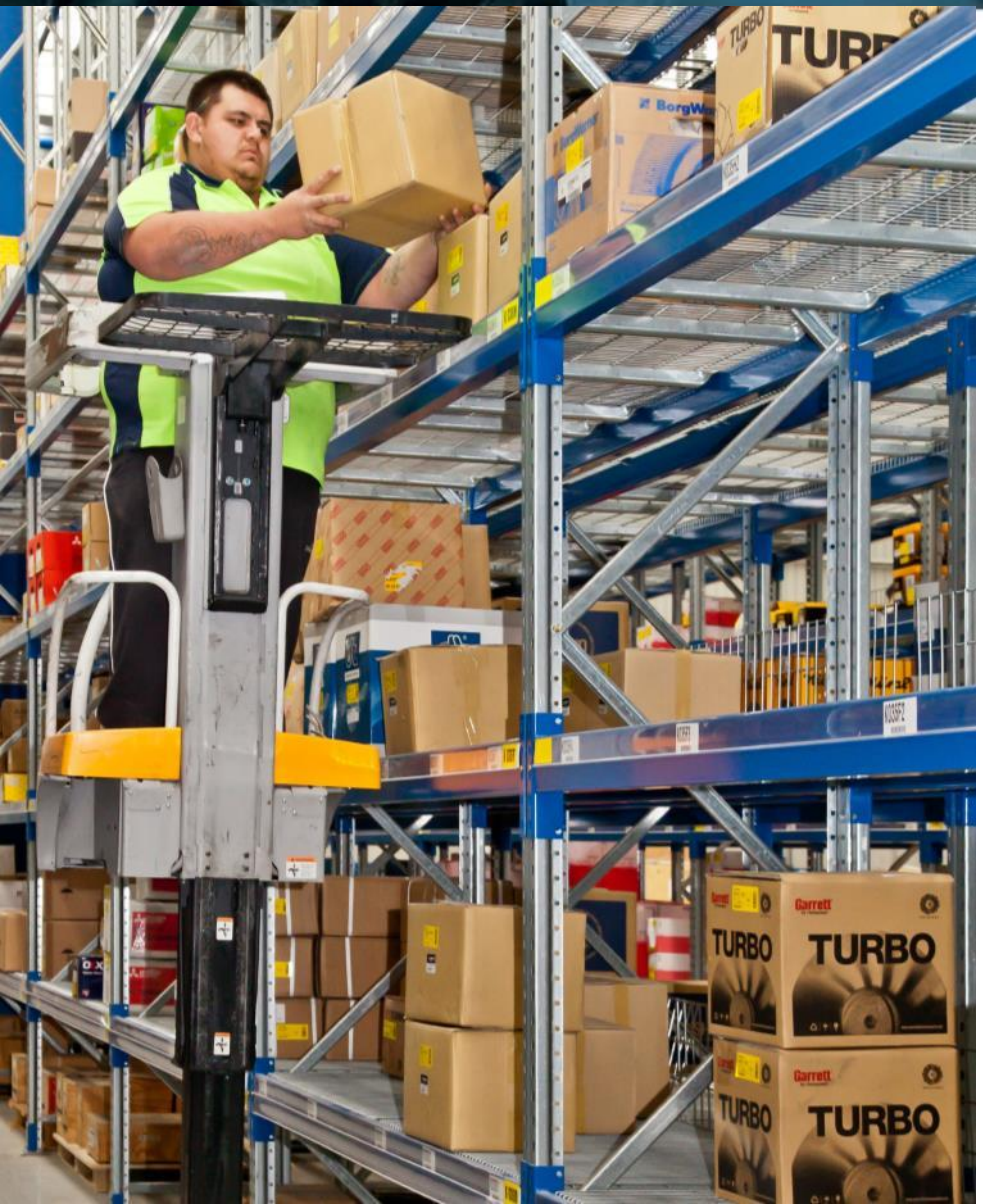
- Continued investment in the Multispares Branch Network.
- Continued investment in range expansion and our supply chain.
- Continued investment in our IT infrastructure to improve transaction efficiency and extend e-commerce capabilities.
- Currently establishing professional sales and support for Jaltest, the global leader in multibrand and multisystem heavy vehicle diagnostics.
- Marketing messages simplified with removal of emphasis on specific vehicle makes to support our broad market approach. **HUGE RANGE OF TRUCK PARTS** message introduced to our delivery vehicles, advertising and new website.

HUGE RANGE OF TRUCK PARTS
EUROPEAN JAPANESE AMERICAN

Branch Network Investments

Port Hedland	New branch under development
Hamilton	New branch and NZDC under construction
Christchurch	Land purchased and new branch currently under concept design

Product Range Investments



We continue to expand our product range, including recent investments in

- Fuel injection systems
- Emissions control
- Electronic braking systems
- Vehicle diagnostics
- Bolt on body parts
- Late model European and Japanese vehicles
- Range expansion for American trucks
- Trailer coupling equipment

Jaltest Diagnostics

- Recently established distribution for the global leader in multibrand and multisystem heavy vehicles diagnostics
- Annual revenue likely to be around $1 million but far more significant impact from empowering independent repairers

THE LEADING MULTIBRAND DIAGNOSTIC TOOL

Global coverage for:

• Truck • Trailer • Bus • Light Commercial • Agricultural • Construction • Marine

Jaltest supports multiple communication protocols including:

• ODB • ODB11 • J1939 • J1708 • EURO IV • EURO V • RP1210

MULTISPARES Rebranding

MULTISPARES
TRUCK PARTS

- Stronger brand association with Truck Parts
- Continued Managed Service message for Bus fleets
- Reduced emphasis on defined vehicle makes
- Continued brand partnering with leading component manufacturers
- Successful sponsorship of Ryan Hansford and his Torana SLR5000 in the Touring Car Masters series

SNL

SUPPLY NETWORK LIMITED

NETWORKING THE SUPPLY OF ROAD TRANSPORT COMPONENTS