



Aftermarket Dashboard



Key highlights – April 2016

We are pleased to present a new information service for the members of the AAAA.

This industry publication captures useful statistical and related data as indicators of the unfolding trends and health of the automotive aftermarket industry, and has been designed to provide regular insight on our industry.

We value your suggestions for improvement or feedback regarding content.

- Vehicle sales were up 7.2% in April and up 3.8% CYTD
- Ten of the last twelve months' sales nationally have been up compared to previous year's sales
- The ACT and NSW had the largest increase in sales up 15.6% and 11.9% respectively compared to April 2015
- WA was the only state to decline in sales with a fall of 0.1%
- The SUV and passenger markets have risen 7.1% and 4.7% respectively
- The largest % falls in the top 20 brands were Jeep (down 48.8%), Honda (down 17.7%) and Holden (down 5.1%) compared to April 2015
- The largest % increases in the top 20 brands were BMW (up 58.0%), Ford (up 32.5%) and Kia (up 31.0%) compared to April 2015
- The top 10 brands combined vehicle sales increased 8.6%
- Locally manufactured vehicles fell 3.6%
- The top three vehicles sold in April were Hyundai i30 (4,143 vehicles), Toyota Corolla (2,959 vehicles) and Ford Ranger 4x4 (2,534 vehicles)
- With no new ASX data to report, our 'Financial Spotlight' focuses on the performance of AHG
- Monitoring of replacement parts consumption shows a decline in relation to oil/air intake filters, and passenger vehicle batteries. Whereas, disc brake pads remained relatively stable, and spark plugs marginally increased over the past 12 months

Table 1 – Top brand sales for April 2016 and CYTD

Brand		Month sales				CYTD sales			
Standing	Brand	Movement	Apr-16	Apr-15	Variance (%)	Movement	2016	2015	Variance (%)
1	Toyota	▲	16,567	15,299	8.3%	▼	63,060	64,285	-1.9%
2	Mazda	▲	8,461	8,068	4.9%	▲	38,910	36,348	6.6%
3	Hyundai	▲	8,643	7,210	19.9%	▲	33,045	30,823	6.7%
4	Holden	▼	6,710	7,072	-5.1%	▼	29,229	31,853	-9.0%
5	Ford	▲	6,842	5,163	32.5%	▲	25,483	21,565	15.4%
6	Mitsubishi	▲	4,178	4,077	2.5%	▲	22,385	20,706	7.5%
7	Nissan	▼	4,044	4,188	-3.4%	▼	21,407	21,847	-2.1%
8	Volkswagen	▲	4,732	4,572	3.5%	▼	19,311	19,383	-0.4%
9	Subaru	▲	3,156	3,052	3.4%	▲	14,924	13,381	10.3%
10	Mercedes-Benz	▲	3,303	2,654	24.5%	▲	13,366	11,474	14.2%

Source: Vfacts

With respect to the top 10 brand sales, eight of the top 10 brands experienced stronger sales in April 2016 compared with April 2015. Mazda and Hyundai experienced stronger sales in April 2016 compared with April 2015 and compared with CYTD sales. Toyota saw greater sales in April 2016 compared to April 2015, yet is 1.9% down from 2015 CYTD sales. Conversely, Holden continues to experience weaker sales as compared with April 2015 and CYTD sales.



April results

New motor vehicle sales surged higher increasing 7.2% (5,915 vehicles) for April 2016 compared to April 2015, and are up 3.8% (13,649 vehicles) current year to-date. The month was the best April on record selling 87,571 new motor vehicles surpassing April 2013. Figure 1 outlines the state based movements for April and CYTD, and Figure 2 details the market share by state.

Figure 1 – State based movements for April 2016 and CYTD

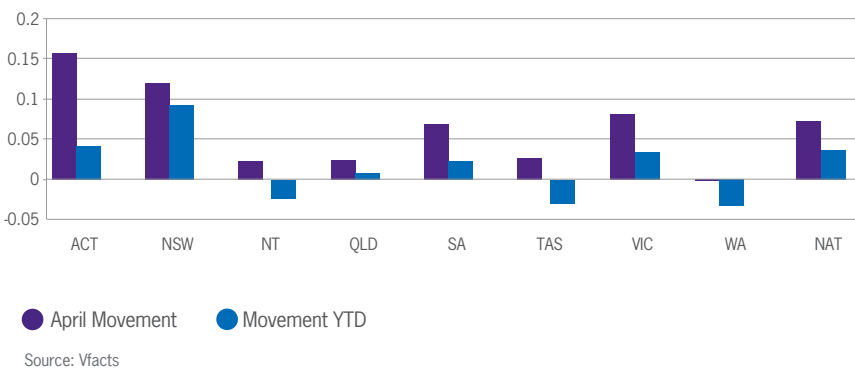
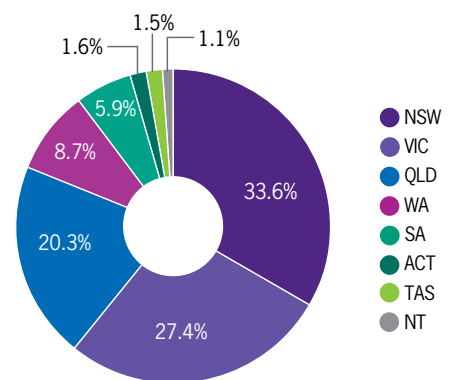


Figure 2 – Market share by state



Source: Vfacts

Source: Vfacts

All state based sales were up for April 2016 other than Western Australia (down 0.1%). On a year to date basis the larger market share states of New South Wales (up 9.1%), Victoria (up 3.3%) and Queensland (up 0.7%) continue to show strong growth compared to record breaking 2015 sales.

Table 2 – Movement in sales (%) May 2015 - April 2016

	MAY-15	JUN-15	JUL-15	AUG-15	SEP-15	OCT-15	NOV-15	DEC-15	JAN-16	FEB-16	MAR-16	APR-16
New South Wales	4.1	12.1	6.1	7.5	11.8	4.6	9.1	8.2	6.0	12.6	6.5	11.9
Victoria	-3.1	4.1	4.6	1.8	7.8	3.7	4.3	3.7	1.0	8.2	-2.9	8.1
Queensland	0.3	10.7	5.3	5.9	7.9	7.4	14.5	-5.5	3.8	2.7	-4.6	2.4
South Australia	-5.8	-3.3	-4.7	-9.4	-3.9	3.5	2.2	8.3	3.4	1.2	-1.4	6.8
Western Australia	-15.8	-7.5	-12.7	-8.4	-8.8	-10.5	-1.7	-1.9	-3.0	-1.4	-7.8	-0.1
National	-1.3	6.4	2.7	2.9	6.8	3.4	6.9	2.9	2.7	6.7	-0.5	7.2

● Positive ● Negative

Source: Vfacts

Movement in sales (%) May 2015 to April 2016 outlines the last twelve months' movements. Sales nationally have experienced positive growth in ten of the last twelve months. New South Wales has shown positive growth every month this past year-to-date however the Western Australian market has inversely fallen every month this past year-to-date.

Table 3 – Movement in sales (%) by segment (Jan - Apr 2016)

	April movement	CYTD movement
Passenger	4.7%	-5.3%
SUV	7.1%	12.2%
Light Commercial	14.1%	11.2%
Heavy Commercial	3.6%	1.8%

● Positive ● Negative

Source: Vfacts

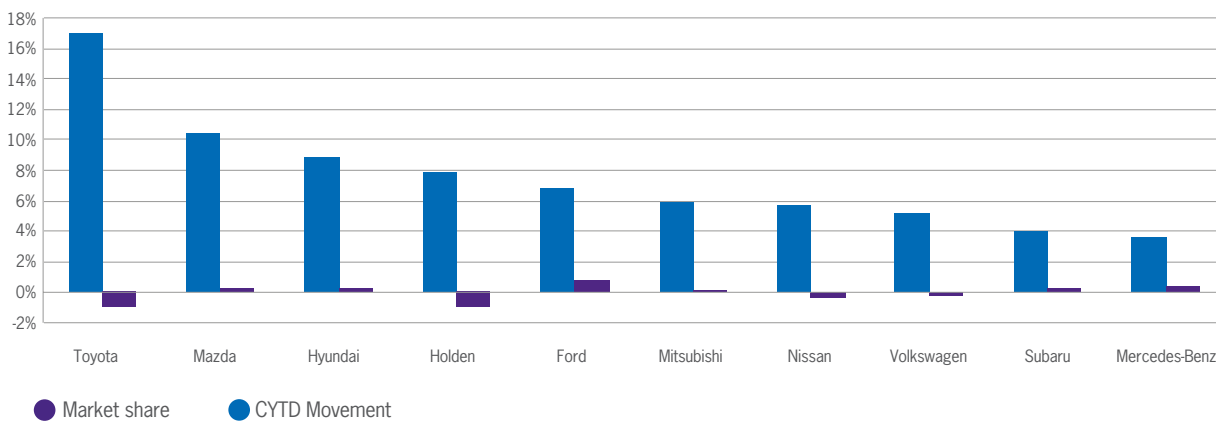
With regard to sales by segments, passenger motor vehicles saw a positive movement of 4.7%, however still remain down on a CYTD basis at -5.3%. SUV and Light Commercial vehicles continued their upward trend this year, recording increases of 14.1% and 11.2% respectively. Heavy Commercial vehicle grew by 3.6% for April and remains up 1.8% on a CYTD basis.



Market share

While Toyota's market share has decreased 1.9% on a CYTD basis from January to April 2016, it continues to dominate the local market with 16.9% market share. Holden sales continue to contract significantly over the last 12 months (down 8.2% to 7.8% market share), whereas Mercedes-Benz, Subaru and Ford hold their upward trend and record the strongest increases of 16.5%, 11.5%, and 18.2% respectively on a CYTD basis.

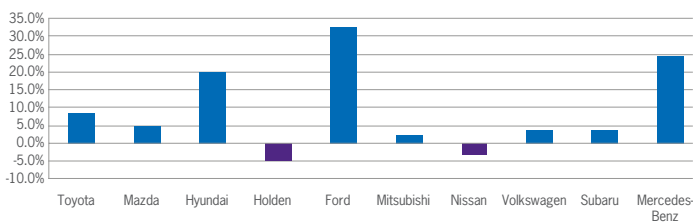
Figure 3 – Market share by brand – Top 10



Source: Vfacts

Toyota lead the market on a CYTD basis with 16.9% market share followed by Mazda on 10.4% and Hyundai on 8.9%. The largest increases in the Top 10 brand market share for the CYTD are Ford (up 0.83%), Mercedes-Benz (up 0.39%) and Mazda (up 0.32%), while Toyota and Holden have experienced the largest decrease in market share (0.98% and 1.03% respectively).

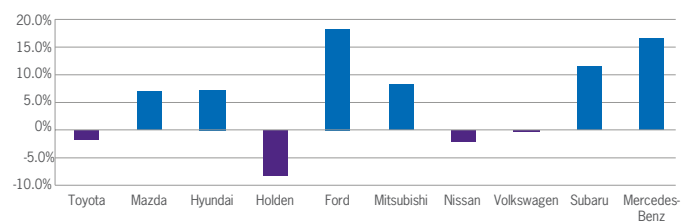
Figure 4 – April sales movement by brand – Top 10



Source: Vfacts

Eight brands experienced an increase in sales for April 2016. Ford (up 32.5%) and Mercedes-Benz (up 24.5%) were the biggest movers in the top 10, followed by Hyundai, Toyota, Mazda, Volkswagen, Subaru and Mitsubishi. Holden and Nissan experienced a decrease in sales for April 2016 compared with April 2015 (-5.1% and -3.4% respectively).

Figure 5 – CYTD sales movement by brand – Top 10



Source: Vfacts

In relation to the Top 10 brands, on a CYTD basis, six brands have been able to increase market share compared to the 2015 calendar year. Ford, Mercedes-Benz and Subaru have recorded increases on calendar year to date sales of 18.2%, 16.5% and 11.5% respectively, with Mazda, Hyundai, and Mitsubishi also performing strongly in comparison with prior year results. Holden continues to experience significant contraction in sales on a CYTD basis with a movement of -8.2%, whilst Toyota and Nissan both encountered decreases by approximately 2%.



Market share

April was a strong month for the top 10 models with total sales for April 2016 (22,417) up by 17.8% on April 2015 sales (18,436). CYTD sales were also strong as at April, up by 13% on the same period in 2015.

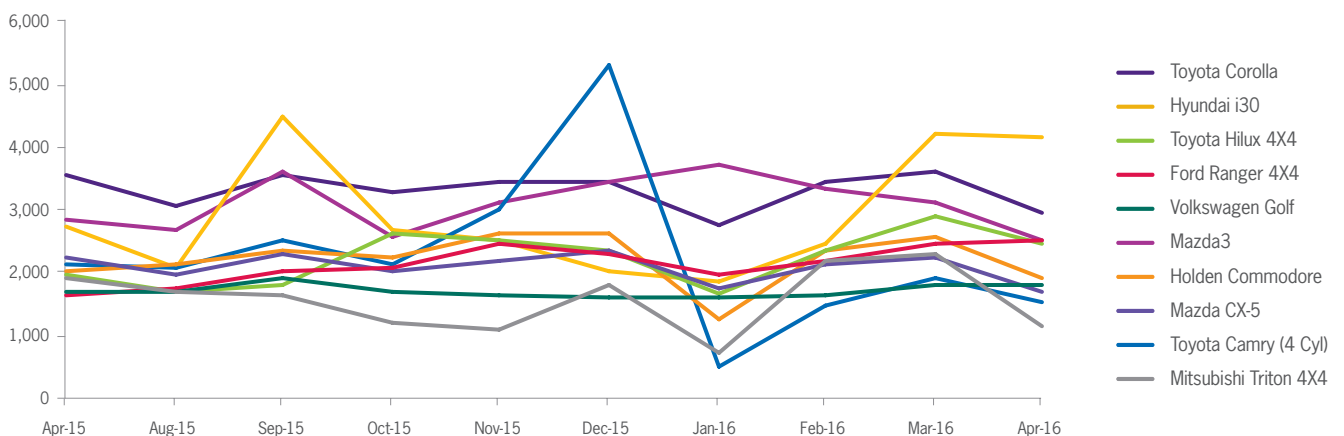
Table 4 – Top 10 model sales for April 2016 and CYTD

Brand		Month sales				CYTD sales			
Standing	Brand	Movement	Apr-16	Apr-15	% Variance	Movement	2016	2015	% Variance
1	Toyota Corolla	▼	2,959	3,238	-9.43%	▼	12,784	14,910	-16.63%
2	Mazda3	▲	2,512	2,365	5.85%	▼	12,733	13,424	-5.43%
3	Hyundai i30	▲	4,143	2,298	44.53%	▲	12,654	8,614	31.93%
4	Toyota Hilux 4X4	▲	2,452	1,938	20.96%	▲	9,363	7,995	14.61%
5	Ford Ranger 4X4	▲	2,534	1,710	32.52%	▲	9,172	6,642	27.58%
6	Holden Commodore	▼	1,908	2,043	-7.08%	▼	8,040	8,780	-9.20%
7	Mazda CX-5	▼	1,675	1,868	-11.52%	▼	7,833	7,996	-2.08%
8	Volkswagen Golf	▲	1,811	1,697	6.29%	▼	6,844	7,054	-3.07%
9	Hyundai Tucson (2015)	▲	1,302	0	N/A	▲	6,485	0	N/A
10	Mitsubishi Triton 4X4	▼	1,121	1,279	-14.09%	▲	6,312	6,226	1.36%

Source: Vfacts

With regard to the Top 10 model sales, the strongest model based on CYTD sales (Toyota Corolla) experienced weaker sales for the month of April 2016 compared with April 2015 (down 9.4%) and remains down on a CYTD basis (down 16.6%). While the Mazda3 also remains down on a CYTD basis compared with 2015, it recorded an increase in sales of 5.8% for the month of April. Conversely, the next three strongest selling models, Hyundai i30, Toyota Hilux 4x4 and Ford Ranger 4x4 all experienced stronger sales for April 2016 as compared with April 2015 and continue their growth in CYTD sales.

Figure 6 – Top 10 model sale trends July 2015 - April 2016



Source: Vfacts

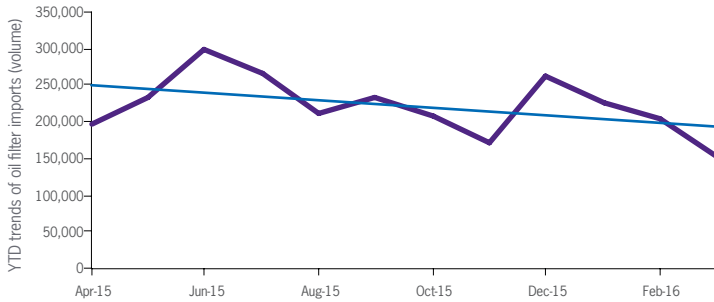
On a financial year to date basis, the Toyota Corolla (33,107), Mazda3 (30,950) and Hyundai i30 (29,159) have experienced the strongest sales. The Ford Ranger 4x4 and Volkswagen Golf were the only models to increase their sales (although marginally) for April compared to March 2016. The remaining eight encountered a decrease from the preceding month. After some recovery from beginning of the year in March, the Toyota Camry continued its decline in sales figures.



Consumer Demand Indicators

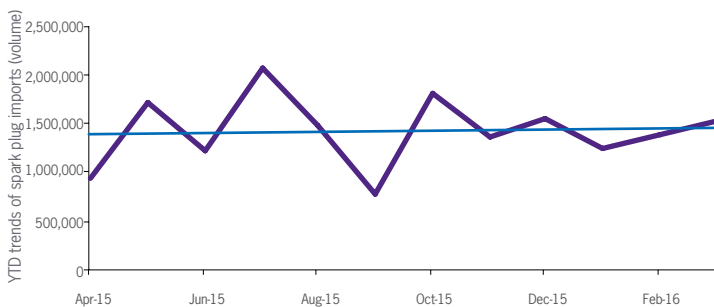
Import volumes for the current month and 12 month historical trends are shown below for five common replacement parts. This import activity is provided as an indicator of consumption trends.

Figure 7 – Imports of oil filters



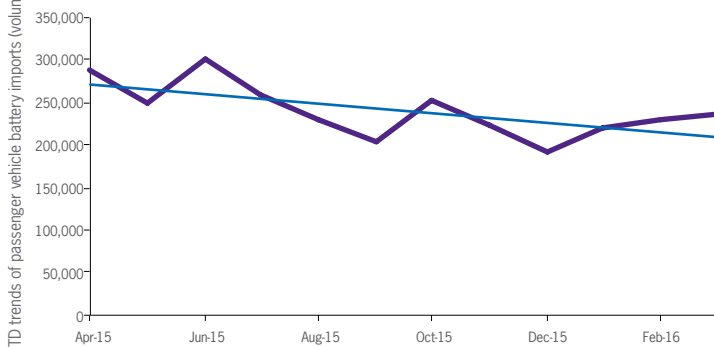
Top 5 countries of import by volume March 2016: China (59,770), Taiwan (20,318), Mexico (15,204), Thailand (13,139), Romania (10,562) and total all countries (151,480).

Figure 9 – Imports of spark plugs



Top 5 countries of import by volume March 2016: Japan (1,334,790), China (73,326), USA (44,998), Germany (29,033), Indonesia (54,400) and total all countries (1,535,039).

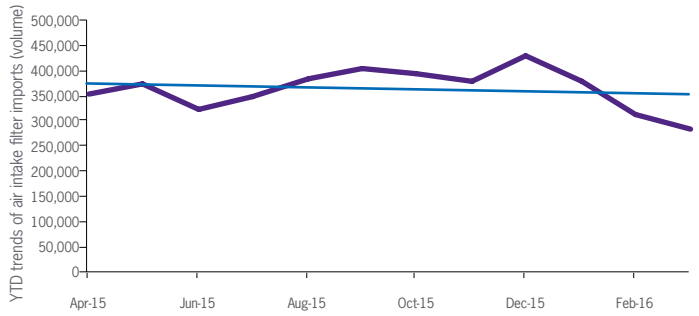
Figure 11 – Imports of passenger vehicle batteries



Top 5 countries of import by volume March 2016: Korea (135,399), Philippines (50,100), China (30,718), Japan (6,610), Indonesia (4,534) and total all countries (237,882).

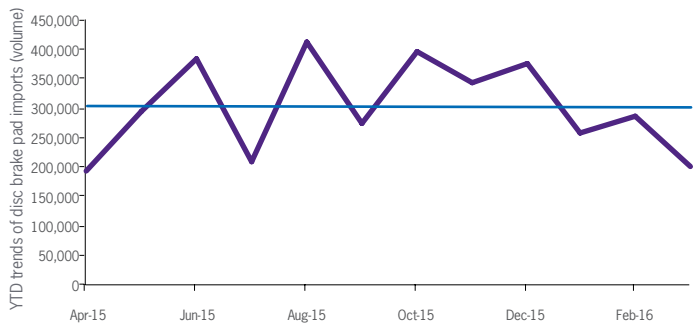
Source: ABS – International Trade (Customised Report)

Figure 8 – Imports of air intake filters



Top 5 countries of import by volume March 2016: China (92,704), Thailand (42,680), Japan (41,183), Korea (38,427), USA (14,808) and total all countries (283,628).

Figure 10 – Imports of disc brake pads



Top 5 countries of import by volume March 2016: China (99,172), Japan (48,834), Thailand (13,036), Korea (8,173), Germany (8,024) and total all countries (202,311).

Monitoring of replacement parts consumption shows a decline in relation to oil/air intake filters, and passenger vehicle batteries. Whereas, disc brake pads remained relatively stable, and spark plugs marginally increased over the past 12 months.

In March 2016 the key findings were:

- The primary importer of oil filters, air intake filters, and newly disc brake filters was China (39.5%, 32.7%, and 49% of total volumes respectively)
- Japan's share of imported spark plugs increased from 79.5% to 87% of total volumes comparing February to March respectively
- Korea remains the number 1 importer for the recovering Passenger Vehicle Batteries import market accounting for 56.9% of the total volume imported in March



Financial performance

The following ASX listed companies are wholly dedicated to the aftermarket industry or contain one or more aftermarket companies in their portfolios. The data is provided as an indicator of the financial health of the industry.

Table 5 – Financial performance for the six months ending December 2014 and December 2015

Company	ASX code	Revenue			EBITDA		
		Dec-14	Dec-15	% variance	Dec-14	Dec-15	% variance
Automotive Holdings Group Limited	ASX:AHG	2,565.9	2,750.9	7.2%	103.6	108.6	4.8%
AMA Group Limited	ASX:AMA	42.3	107.8	155.1%	6.7	9.6	43.2%
ARB Corporation Limited	ASX:ARB	162.3	175.5	8.1%	29.5	34.8	18.0%
Burson Group Limited	ASX:BAP	185.0	322.2	74.1%	19.8	34.0	71.4%
carsales.com Limited	ASX:CAR	150.9	167.3	10.9%	72.9	81.5	11.7%
Coventry Group Ltd.	ASX:CYG	99.6	92.1	-7.5%	(1.7)	1.2	171.8%
DataDot Technology Limited	ASX:DDT	3.4	3.5	3.4%	(0.2)	(1.1)	-434.5%
Fleetwood Corporation Limited	ASX:FWD	157.0	147.1	-6.3%	18.9	8.4	-55.7%
GUD Holdings Limited	ASX:GUD	297.1	355.9	19.8%	34.1	23.3	-31.8%
Advanced Braking Technology Limited	ASX:ABV	2.8	1.8	-37.8%	(0.2)	(0.6)	-215.1%
Orbital Corporation Limited	ASX:OEC	3.8	7.1	85.8%	(2.9)	(3.4)	-15.9%
PWR Holdings Limited	ASX:PWH	12.7	18.5	45.2%	5.8	5.3	-8.4%
Quickstep Holdings Limited	ASX:QHL	13.4	24.3	81.9%	(1.6)	2.1	226.5%
Schaffer Corporation Limited	ASX:SFC	75.7	103.4	36.7%	8.0	10.0	24.2%
Sprintex Limited	ASX:SIX	0.3	1.0	251.9%	(2.6)	(0.3)	86.9%
Supply Network Limited	ASX:SNL	42.4	43.6	2.7%	3.7	4.4	19.2%
Super Retail Group Limited	ASX:SUL	1,148.1	1,216.3	5.9%	109.6	113.1	3.2%

Source: CapitalIQ

Note: Supply Network Limited (ASX: SNL) data was extracted from their Half Year Reports

Revenue for the six months ending December 15 showed excellent growth across the ASX aftermarket portfolio, with modest to significant increases compared with the six months ending December 2014 for all but three entities (Coventry Group Limited, Fleetwood Corporation Limited and Advanced Braking Technology Limited). Total revenue generated over this period by the ASX aftermarket portfolio increased \$575.8 million (increase of 11.6%) which drove an increase in EBITDA of \$27.3 million (6.8%) across the ASX portfolio above.

Financial spotlight

Automotive Holdings Group (“AHG”)

AHG recorded significant growth in revenue from \$2,565.9 million for the six months ended December 2014 to \$2,750.9 million as at December 2015, an increase of 7.2% (sourced from CapitalIQ). Stronger revenues drove an improved Earnings Before Income Tax, Depreciation and Amortisation (EBITDA) result, recording \$108.6 million for the 6 months ending December 2015 compared with \$103.6 million for the same period in 2014.

AHG’s logistics businesses operate throughout Australia via subsidiaries Rand Transport, Harris Refrigerated Transport, Scott’s Refrigerated Freightways and JAT Refrigerated Road Services (transport and cold storage), AMCAP (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), Higer Bus (bus and truck importation and

distribution), and KTM Sportmotorcycles and HQVA (KTM and Husqvarna motorcycle importation and distribution in Australia and New Zealand).

(Source: AHG website <http://www.ahgir.com.au/corporate-profile/about-ahg>)

The strong financial results were largely attributed to the performance of its Automotive Retail Division which recorded revenue in the first half of the 2016 financial year of \$2.261 billion (an increase of 10.3% compared with first half of financial year 2015 revenues of \$2.050 billion). The divestment of its Cova Parts stores to GPC Asia Pacific Pty Ltd which was confirmed in the early part of 2016 will inject significant amount of cash back into the business (reported transaction price of USD\$31.7727 million).

(Source: MergerMarket)



Sector highlights

Merger and acquisition activity

Premier Auto Trade (“PAT”) Pty Ltd acquired by Hellaby Holdings Ltd

Hellaby Holdings Limited (NZSE:HBV) acquired Premier Auto Trade (PAT) Pty Ltd for AUD 13 million on May 11, 2016. Hellaby’s Automotive Group is comprised of wholesale distribution companies, which supply automotive and truck replacement parts, agricultural and materials handling, tyres and wheel componentry, batteries and auto electrical componentry, to trade repairers and resellers through a network of over 85 branches across New Zealand and over 25 Australian branches.



The acquisition of PAT, an importer and wholesaler of electronic fuel injection and engine management and service components to the Australian automotive aftermarket, follows the successful acquisition of JAS Oceania in 2015.

Source: Hellaby Holdings Limited NSX / Media Release 11 May 2016

Graham Lusty Trailers and Whites Diesels Australia

The two parties have begun exploring a potential merger and a subsequent listing of the merged entity to exit private equity firm Team Invest Private, according to Director Andrew Coleman. Graham Lusty Trailers hand-builds aluminium truck trailers out of Brisbane and Melbourne while Whites Diesels operates nationally in Australia servicing bus and trucks and also importing and distributing automotive components.

Source: Merger Market



Other news of note

Dana Australia reinvests in manufacturing

Construction has commenced for a new 10,000 sqm state-of-the-art head office facility for Dana Australia, situated in Keysborough, Victoria. Dana has also made significant investments of \$1.5 million in new capital and equipment in the last 12 months and a further \$700k by the time the building opens, demonstrating their increased support for a vibrant heavy truck industry and automotive aftermarket.

Source: Gatton Star



Logistics property buyers moving into Melbourne market

Property firms have foreseen for some time that OE automotive closures – particularly in the South Eastern suburbs of Melbourne – will result in land being repositioned as logistics space. The impact of closures on the property market has so far been limited however, with some companies having successfully diversified, others gearing up for parts & accessories supply, some relocating to focus on supply chain efficiencies, and increased demand by the R&D and agriculture sectors.

Source: Australasian Transport News



Ford’s transmission woes

Bannister Law has foreshadowed a class action covering over 60,000 Fords in Australia. Stating the cars may be “unsafe to drive” with growing reports of a “defective” twin-clutch automatic transmission that “slips, bucks, jerks, and harshly engages when driven”. The affected vehicles are the Fiesta hatchback, Focus, and Ecosport SUV.

Source: autotalk.com.au



U.S. Auto Parts reports first quarter 2016 results

U.S. Auto Parts Network reported net sales in the first quarter of 2016 increased by 6%, which was largely attributable to an 11% growth in online marketplace sales as well as a 5% increase in e-commerce. The internet retailer’s gross profit also increased by 15%, evidently as a result of a higher mix of private label sales, strategic pricing initiatives and freight efficiencies. The adjusted EBITDA increased by 52%.

Source: Aftermarket News



Contacts

This newsletter is a new service for AAAA Members only, conceived by AAAA and executed by Grant Thornton. This industry publication is designed to capture useful statistical and related data as indicators of the unfolding trends and health of the automotive aftermarket industry.

AAAA will issue 10 editions over a 12 month period, including an annual "Auto Fact Book".

As a new Member offering, we are very keen to embrace your feedback as we seek to ensure the newsletter delivers valuable insights. Recognising this publication only reflects data that is available in the public domain, your feedback will also help us plan for additional information gathering exercises, such as industry surveys, to meet your information needs.

Please provide your feedback to liam.manton@au.gt.com or any of the contacts below.

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The AAAA plays an important role in the recognition, development and support of the automotive aftermarket industry. We welcome your support and participation in the Association that represents your interests and your business.

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Our Manufacturing Team, led by Mark Phillips, has deep practical knowledge of the Australian manufacturing industry, with a key automotive sector focus. We have provided advisory services across the automotive OE and aftermarket value chain, including related industry associations.

Our B2G (Business to Government) team, led by Jacky Millership, specialises in assisting business to fully leverage the very diverse range of grants and incentives available at both State and Federal level.

The Manufacturing and B2G teams have worked with automotive participants across the value chain with grant access, diversification opportunities and strategic planning activities.



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