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7 October 2015

Manager, Company Announcements  
ASX Limited  
Level 4  
20 Bridge Street  
Sydney NSW 2000

Dear Sir,

**Bank of America Merrill Lynch Emerging Stars Symposium – 7 October 2015**

Attached is a copy of the presentation to be given at the Bank of America Merrill Lynch Emerging Stars Symposium this morning, by Martin Fraser, Chief Financial Officer, GUD Holdings Limited.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Malcolm G Tyler', written in a cursive style.

**Malcolm G Tyler**  
Company Secretary

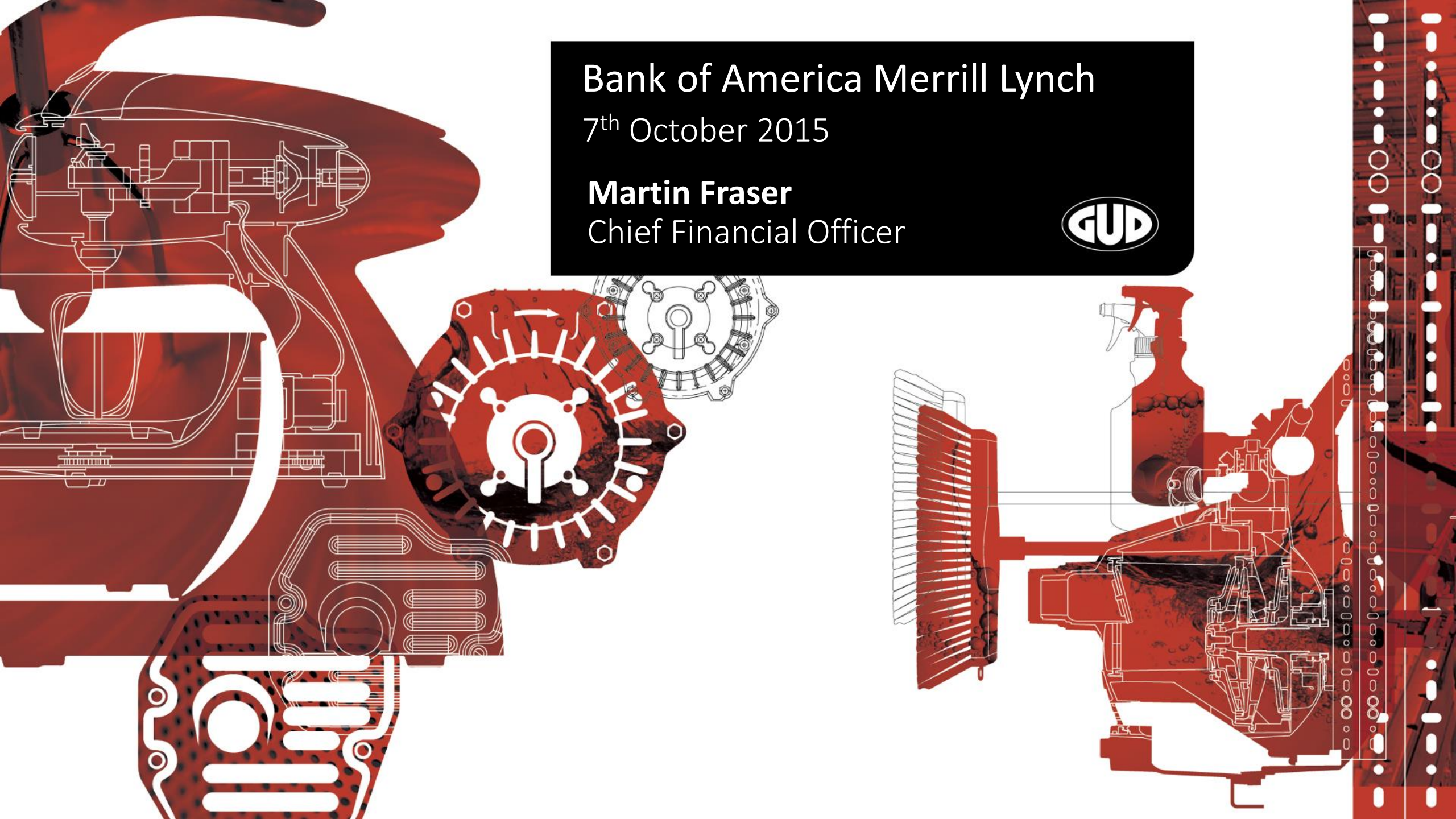
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Bank of America Merrill Lynch

7<sup>th</sup> October 2015

**Martin Fraser**

Chief Financial Officer



# FY15 result key points

- Reported net profit after tax up 88% to \$33.2 million
  - Includes \$1.6 million of transaction costs and \$2.0 million minority interest in Sunbeam
  - Previous period included restructuring costs of \$13.3 million after tax
- Underlying EBIT up 20% to \$58.9 million
  - Reflecting the benefits of the profit improvement plans in place
  - Delivered in accordance with guidance
- Revenue growth of 3% to \$612 million
  - Second half revenue up 7% on PCP
  - All businesses contributed to second half uplift
- Two major portfolio actions undertaken in FY15:
  - Sunbeam joint ventured with US-based Jarden Corporation
  - Acquisition of Brown and Watson International – completed 1<sup>st</sup> July 2015

Note: All underlying measures noted in this document are non-IFRS and have not been subject to audit or review



# Last two years' financial summary

\$ million	FY14	FY15	% Change	
<b>Revenue</b>	<b>591.6</b>	<b>611.5</b>	<b>3%</b>	Second half growth of 7% on pcp
<b>Underlying EBITDA</b>	<b>63.4</b>	<b>71.4</b>	<b>13%</b>	
Depreciation	(7.9)	(6.6)		
Amortisation	(6.4)	(5.8)		
<b>Underlying EBIT</b>	<b>49.0</b>	<b>58.9</b>	<b>20%</b>	GUD's 49% share of Jarden's Asia profit (after tax)
Net finance expense	(6.4)	(7.6)		
Equity accounted interests	0.0	(1.1)		
<b>Underlying Profit before Tax</b>	<b>42.7</b>	<b>50.3</b>	<b>18%</b>	
Tax	(11.7)	(13.5)		Jarden's 49% share of Sunbeam's profit
<b>Underlying NPAT</b>	<b>31.0</b>	<b>36.9</b>	<b>19%</b>	
Non-controlling interest	0.0	(2.0)		
Restructuring costs after tax	(13.3)			
Transaction costs after tax		(1.6)		Costs associated with Sunbeam JV and BWI acquisition
<b>Reported NPAT</b>	<b>17.7</b>	<b>33.2</b>	<b>88%</b>	
<b>Earnings per share - cents</b>				
Underlying EPS	43.5	48.1	11%	
Reported EPS	24.8	46.0	85%	



# Profit improvement drivers for FY15

- Profit improvement plan initiatives at Sunbeam, Dexion and Davey:
  - Cost savings identified and secured on freight, logistics, warranty cost and cost-to-serve
  - Overhead costs declined marginally on prior year, reflecting FY14 restructuring activities
- Sales growth leading to gross profit uplift of \$8 million
  - Volume growth and price increases drove sales growth
  - Price increases implemented to offset A\$ devaluation against US\$
- Underlying gross profit margin stable at 37%
  - Price increases and lower product costs
  - Dexion Industrial relocation from Sydney to Kuala Lumpur and Dexion Commercial manufacturing closure

# Financial position

- Successful equity raising of \$101.5 million net of issue costs:
  - To partially fund BWI acquisition
  - Combination of institutional placement and retail share purchase plan
- Established new five year debt facility for \$300 million:
  - To partially fund BWI acquisition
  - To take advantage of low interest rate environment
- BWI settlement 1 July 2015:
  - Payment of \$187 million, with further \$13 million expected in Q1 FY16
  - Earn out of up to \$20 million to follow relating to FY16 performance
- Balance sheet shows net cash position of \$0.6 million at 30<sup>th</sup> June:
  - Approximate net debt/equity of 57% following BWI transaction

# FY15 cash generation and dividends

- Operating cash flow up 2% to \$30.1 million and restrained by:
  - \$7.9 million of restructuring costs reported in FY14 paid out in FY15
  - Inventory increases of \$13.5 million from June 2014 to support FY16 expected growth
- Final dividend of 22 cents per share fully franked up from 18 cents in prior year
  - Payable 3<sup>rd</sup> September 2015
- Total dividend up 17% to 42 cents per share fully franked
- Dividend reinvestment plan remains suspended due to strong financial position

# Business contribution to results

	Share of Revenue		Share of Operational EBIT*	
	FY14	FY15	FY14	FY15
<b>Dexion</b>	34%	35%	6%	8%
<b>Sunbeam</b>	20%	19%	3%	11%
<b>Davey</b>	17%	17%	16%	14%
<b>Automotive</b>	16%	17%	54%	48%
<b>Oates</b>	11%	11%	20%	17%
<b>Lock Focus</b>	2%	2%	2%	1%

\* Operational EBIT is Underlying EBIT before unallocated costs

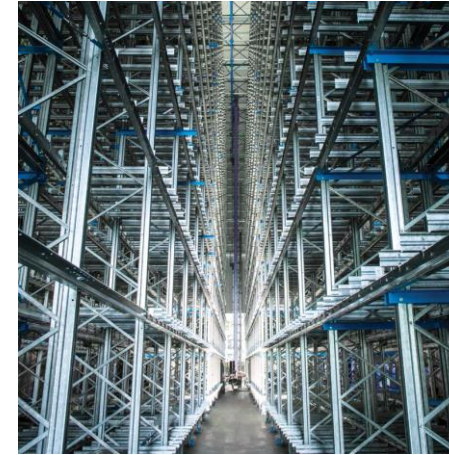
- Dexion and Sunbeam contributed 54% of revenue:
  - Operational EBIT contribution increased from 9% to 19%
  - Sunbeam's contribution excludes joint venture share
- Progress continues on the relative contributions from Dexion and Sunbeam





# Dexion

\$ million	FY14	FY15	% Change
<b>Sales</b>	<b>199.5</b>	<b>212.2</b>	<b>6%</b>
<b>EBITDA</b>	<b>6.9</b>	<b>8.8</b>	<b>27%</b>
Depreciation	(1.8)	(1.2)	-30%
Amortisation	(2.0)	(2.2)	8%
<b>Underlying EBIT</b>	<b>3.1</b>	<b>5.4</b>	<b>72%</b>
<i>EBIT/Sales %</i>	<i>2%</i>	<i>3%</i>	



- Sales growth reported in second half as major projects completed and market conditions improved in New Zealand and Asia
- Dexion's order bank remains strong at \$62 million at the end of June
- Expansion in EBIT and EBIT margin due to:
  - Effects of prior year restructuring activities
  - Profit improvement plan initiatives
- Partial benefits from Kings Park closure evident with full year effect in FY16

# Sunbeam

\$ million	FY14	FY15	% Change
<b>Sales</b>	<b>117.2</b>	<b>114.4</b>	<b>-2%</b>
<b>EBITDA</b>	<b>8.4</b>	<b>13.0</b>	<b>56%</b>
Depreciation	(2.6)	(2.3)	-14%
Amortisation	(4.2)	(3.5)	-18%
<b>Underlying EBIT</b>	<b>1.5</b>	<b>7.3</b>	<b>383%</b>
<i>EBIT/Sales %</i>	<i>1%</i>	<i>6%</i>	



- Sales decline over full year but return to growth in second half:
  - Last five months showed consistent growth on last year contributing to 3% uplift in H2
  - Sunbeam returned to #1 market position by value in May 2015
  - Some contribution from new product launches in last quarter – Oster blender, Sunbeam GoLunch and GoBlend
  - Regained distribution in Noel Leeming in New Zealand
- Profit improvement plan underpinned EBIT uplift:
  - Principally in freight and logistics costs



# Davey

\$ million	FY14	FY15	% Change
<b>Sales</b>	<b>102.1</b>	<b>102.6</b>	<b>1%</b>
<b>EBITDA</b>	<b>10.5</b>	<b>10.9</b>	<b>4%</b>
Depreciation	(1.6)	(1.4)	-15%
Amortisation	(0.1)	(0.0)	-52%
<b>Underlying EBIT</b>	<b>8.8</b>	<b>9.5</b>	<b>8%</b>
<i>EBIT/Sales %</i>	<i>9%</i>	<i>9%</i>	



- Second half sales improved 3% on pcp after first half decline:
  - Local market sales constrained by low demand for firefighter pumps and pool products due to cool Australian summer
  - Some new product launches late in second half
  - Export sales improved due to new distribution arrangements, wider product ranging and the A\$ decline
- Profit improvement plan initiatives drove profit uplift:
  - Freight costs and cost-to-serve

# Automotive

\$ million	FY14	FY15	% Change
<b>Sales</b>	<b>95.4</b>	<b>101.4</b>	<b>6%</b>
<b>EBITDA</b>	<b>30.9</b>	<b>32.9</b>	<b>6%</b>
Depreciation	(0.6)	(0.5)	-9%
Amortisation	0.0	0.0	
<b>Underlying EBIT</b>	<b>30.3</b>	<b>32.3</b>	<b>7%</b>
<i>EBIT/Sales %</i>	<i>32%</i>	<i>32%</i>	



- New product activity contributed to sales growth:
  - Ryco – agricultural/heavy duty filters and motorcycle filters
  - Wesfil – Exelite budget lighting range
  - Goss – emission sensors and ignition coils
  
- EBIT margin maintained at 32% through pricing initiatives and tight overhead cost control

# Brown & Watson (BWI) addition to Automotive

- Acquisition completed 1<sup>st</sup> July 2015
- Owns market leading Narva and Projecta brands in automotive lighting/electrical and battery maintenance and power products
- Principally an aftermarket business (85% of sales) with ANZ footprint – similar to Ryco
- Acquisition rationale:
  - Strengthens position in stable, growing automotive aftermarket
  - Owns market leading brands
  - Comprehensive product portfolio
  - Diversified channel and sales mix
  - Strong financial performance record
- Expected FY16 contribution of \$114 million net sales and \$28m EBIT
  - Sales uplift from new products
  - Synergy savings from being part of GUD



# Oates

\$ million	FY14	FY15	% Change
<b>Sales</b>	<b>67.0</b>	<b>70.2</b>	<b>5%</b>
<b>EBITDA</b>	<b>11.9</b>	<b>12.2</b>	<b>3%</b>
Depreciation	(0.7)	(0.6)	-5%
Amortisation	(0.1)	(0.1)	-32%
<b>Underlying EBIT</b>	<b>11.1</b>	<b>11.5</b>	<b>3%</b>
<i>EBIT/Sales %</i>	<i>17%</i>	<i>16%</i>	



- Solid sales growth mainly from hardware and industrial/commercial customers
- Recovery in second half EBIT:
  - Active product cost management
  - Price increase implemented in H1
  - Further increase applied early June 2015
- EBIT/sales margin effectively maintained (16.4% FY15 versus 16.6% FY14)

# Lock Focus

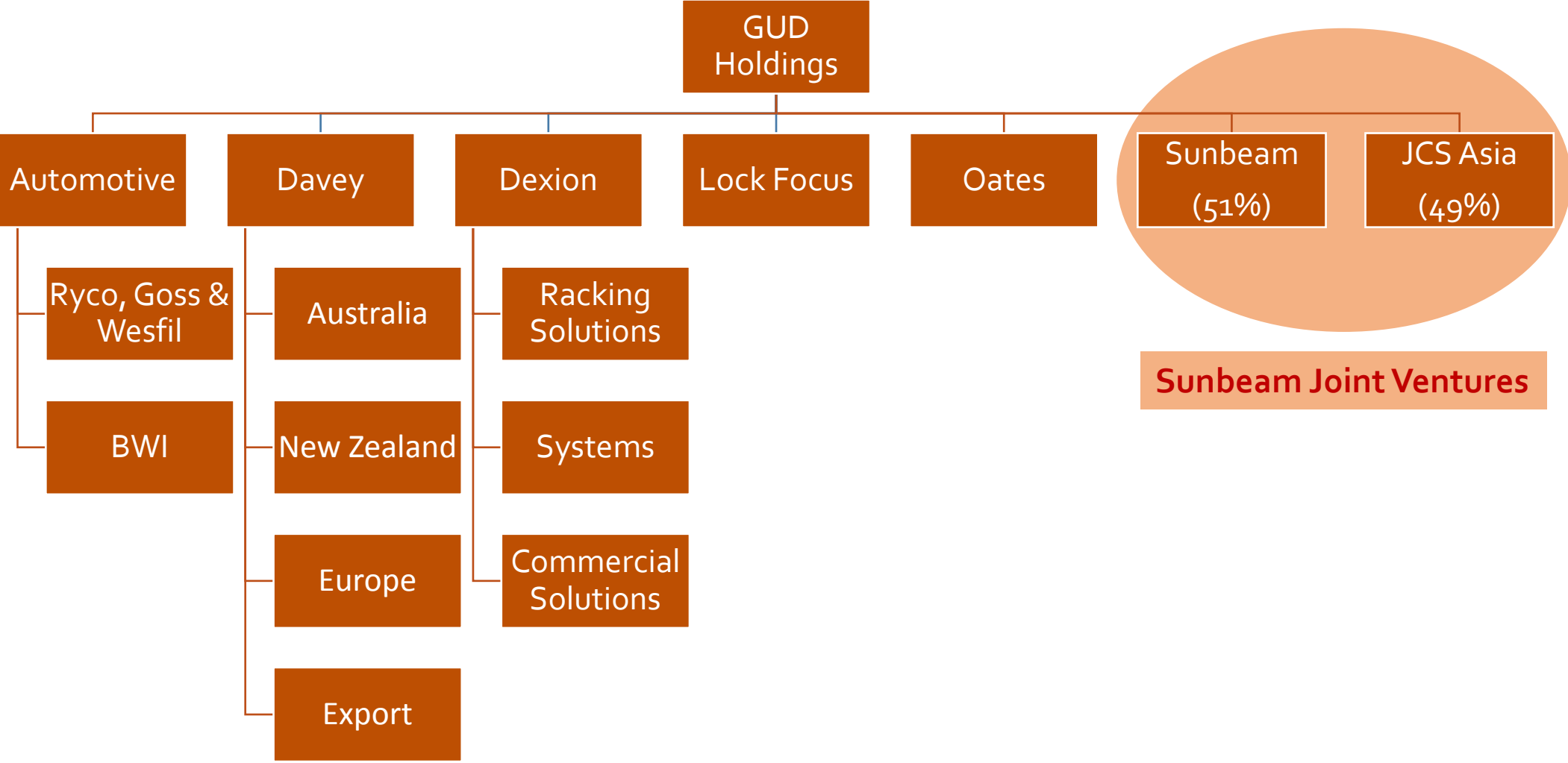
\$ million	FY14	FY15	% Change
<b>Sales</b>	<b>10.5</b>	<b>10.7</b>	<b>2%</b>
<b>EBITDA</b>	<b>1.5</b>	<b>1.4</b>	<b>-9%</b>
Depreciation	-0.6	-0.6	-11%
Amortisation	0.0	0.0	
<b>Underlying EBIT</b>	<b>0.9</b>	<b>0.8</b>	<b>-8%</b>
<i>EBIT/Sales %</i>	<i>8%</i>	<i>7%</i>	



- Sales potential not realised due to delays in customer project timing
  - Now expected to occur in FY16



# Portfolio structure FY16





# Outlook

- Substantial uplift in financial performance expected in FY16:
  - BWI contributing in line with plan since 1<sup>st</sup> July
  - Sales growth momentum from second half FY15 expected to continue
  
- Dexion to benefit from:
  - Full year effect of FY15 manufacturing restructure
  - Benefits from cost initiatives in Australian racking business structure
  - Growth in Asian markets for racking systems and Commercial products
  
- Sunbeam expected to improve profitability through benefits of bringing both joint ventures under single management structure
  
- Focus changing to growth driven by innovative new products while maintaining cost-driven profit improvement initiatives
  - All businesses have active innovation programs on track to contribute in FY16

Bank of America Merrill Lynch

7<sup>th</sup> October 2015

**Martin Fraser**

Chief Financial Officer

