



GUD Holdings Limited

A.B.N. 99 004 400 891

29 Taras Avenue,
Altona North, Vic 3025
Australia.

PO Box 62
Sunshine, Vic 3020
Australia.

Telephone: +61 3 9243 3311
Facsimile: +61 3 9243 3300
Email: gudhold@gud.com.au
Internet: www.gud.com.au

24 October 2019

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

Dear Sir

GUD Holdings Limited – Annual General Meeting

Please find attached the text of the Chairman's Address to Shareholders and the Managing Director/CEO's Address to be delivered at the Annual General Meeting of GUD Holdings Limited at 10.00 am today.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Malcolm G Tyler', with a long horizontal flourish extending to the right.

Malcolm G Tyler
Company Secretary

Enc



GUD Holdings Limited

Chairman's Address

62nd Annual General Meeting

Thursday, 24 October 2019

RACV Club

501 Bourke Street, Melbourne

Ladies and gentlemen, my address to you today covers five key topics.

I will firstly speak about the importance of Safety at GUD.

I would then like to address the Long-Term Strategy; the positioning of the portfolio of the Group, the efforts that are being made to ensure sustainability of the business, identifying and managing risk, and the development of our people.

I will then touch on the Financial Performance of GUD in the 2018-19 financial year which can best be described as a solid performance, in difficult trading conditions.

Penultimately, I'd like to address you on Board developments.

Finally, following a review of aspects of the operations and financial position of the Company from our Managing Director, Graeme Whickman, I will provide commentary on the Outlook for the current financial year.

1. Safety

Turning now to Safety.

Safety is a key priority for GUD.

GUD maintained a strong safety focus during the year and continued to develop and implement initiatives intended to drive a strong level of engagement, ownership and accountability for health and safety.

During the year your Board visited four major operational facilities. In conjunction with holding 'town hall' meetings with all available staff, directors conducted site safety walks. These opportunities allow board members to get closer to the operations, understand the cultural aspects and hear from staff members on a range of matters and views held in the workplaces.

Across all of GUD, we saw a small lift in the lost time injury frequency rate (LTIFR). This was due to an increase of 1 lost time injury case (LTI) over the 4 experienced in 2018. Positively, the GUD LTIFR rate of 3.4 is less than half of the Safe Work Australia warehousing and distribution industry sector benchmark rate of 8.6.

Our attention remains focussed on further improvements with the rollout of an online safety reporting application (Vault), increased safety and wellbeing education and the outstanding participation in the GUD safety and innovation awards.

We have been active in the past year in the area of employee mental health, engaging an external provider (Beyond Blue) in sessions designed to increase awareness and understanding amongst employees.

The focus is in areas of anxiety, depression and mental health, training in Mental Health First Aid, the benefits of a mentally healthy workplace and the external resources available, including our Employee Assistance programme.

2. Long Term strategy and sustainability

Portfolio

Turning now to Strategy.

The GUD business portfolio is now centred on the core automotive and water businesses. Unlike the last two years, the current year did not see further business portfolio disposals and we now have a core portfolio, which we will grow both organically and by acquisition.

We completed the previously announced acquisition of Disc Brakes Australia on 2 July 2018 and DBA is performing well. In the remainder of the year, we explored and evaluated several other acquisitions which we did not pursue, given they would not deliver compelling value for GUD shareholders.

The acquisition appetite hasn't changed and remains strong, as has the funding availability and consolidation opportunities. We remain committed to attractive automotive acquisitions; however, we will choose to secure new businesses with a clear integration and margin uplift pathway.

GUD is positioned as a predominantly automotive aftermarket business.

Whilst a slow-down in the new vehicle sales has been reported, the Automotive Aftermarket is still a positive and defensible position for GUD to operate within.

GUD believes this is an inherently attractive industry for the following reasons:

1. Firstly, the addressable market (what we call the 'Car parc') is growing, underpinned by population growth, and is expected to grow at around 1 - 2% per annum. Currently, the 5-year-old plus Car parc is in excess of 15 million vehicles.
2. Secondly, a shift in the Car parc composition complements our product portfolio, in particular, the growing composition of SUVs and pick-ups within the Car parc plays to strengths in businesses such as BWI and DBA.
3. Thirdly, inter-business synergies exist within the automotive business due to operational commonalities, including common customers, common suppliers and similarities in respective supply chains.
4. Fourthly, the ability to grow through acquisitions. GUD has the internal resources, and financial strength to undertake further complementary acquisitions.

GUD also recognises the long-term future challenge in terms of Electric and Autonomous vehicles.

As part of the recent national debate on electric vehicles, GUD modelled the potential adoption rates leading up to 2030.

We concluded the addressable market of 5-year-old plus vehicles with internal combustion engines (ICE) would remain largely consistent with today's 15 million units, as currently the vast majority of new vehicles are powered by an internal combustion engine.

GUD already generates less than 50% of its automotive revenue from products discrete to ICE vehicles and can see a strong and evolving aftermarket within the future EV landscape.

It remains the case that each of GUD's larger automotive businesses continues to enjoy a strong and unique market position, with market-leading brands enjoying high brand equity - in recent brand surveys, we saw many of our brands in the top quartile of their respective segments - and a healthy track record of both product and service innovation and pricing power.

The Board and Management have been engaged in a portfolio and individual business unit strategy refresh in the second half of the year. This activity included an overseas study tour to Israel to better understand the innovation approach applied by companies, along with the potential commercial application of technologies in both the Water and Automotive segments. We concluded that we remain satisfied with the current business portfolio and we remain willing to make logical automotive acquisitions.

The year also saw much activity around building a foundation within Davey for profitable mid-term growth. We are encouraged with the early progress at Davey.

While Revenue and EBIT growth was modest, the EBIT result contained a significant amount incurred in the commercialisation and market introduction of new products, underscoring that we have been reinvesting for future growth.

We have started to observe some early green shoots of the Davey product creation outcomes.

Davey has now been successful in securing farm trials of Modular Water Treatment products (MWT) at one of the world's biggest dairy cooperatives. Davey sold out its entire allocation in Europe of its new, smarter and more compact Nipper chlorinator and delivered the launch of the Tank Sense product.

Davey remains committed to its recently approved strategic plan and now is in execution mode.

This focuses management efforts on the strategic priorities of supply chain optimisation, commercialisation of product innovation, diversifying channels to market, and improving people and culture outcomes.

The Board remains firmly supportive of Davey, which has an innovation agenda focussed on the commercialisation of strong product development initiatives and addressing the need to establish a pattern of sustainable revenue and profit growth.

Risk

Turning to risk, 2018-19 represented the first full year since the Board created a separate Board committee to focus on Risk and Compliance.

Under the inaugural Committee Chair, Ms Anne Templeman-Jones, a thorough review of risk appetite and the tools used to identify, analyse, assess, manage and monitor risk throughout the Group was undertaken during the year.

As a result, the Group introduced a new cloud-based interactive Risk Management tool using the software platform Alyne.

The platform acts as a key risk register, tracks whether risks potentially breach the risk appetite guidelines, whether compensating controls are in place to mitigate the net risk to an acceptable level, acts as an action plan register, and accommodates recording and following actual risk events.

Innovation

GUD is committed to innovation.

Our award-winning innovation program delivers a relentless focus on the customer.

We tap into the creativity of our people to deliver better customer experiences. From the smallest adjustment to an existing process to brand-new business units that disrupt markets, innovation is instrumental in future-proofing our businesses.

Each business has its own innovation and product development framework, one that is tailored to its specific needs. Several group-wide initiatives tie these individual programs together under a collective banner dedicated to collaboration and shared learning.

The Innovation Awards, held in conjunction with the Annual Safety Excellence Awards, engenders a sharing of information throughout the Group and a spirit of friendly competitiveness amongst our staff to be recognised for introducing compelling innovative products and services. One entry was Projecta's Intelli-RV, a comprehensive power management system solution to suit caravans and recreational vehicles, providing easier, safer installation and battery/solar management. Here's a short video.

People

Turning now to People.

Across each of the GUD companies, we strive to create a culture of professionalism, excellence, high performance, inclusion, respect, integrity and innovation.

We want our workplaces and employees to embody these values.

Each year, GUD conducts an annual employee engagement survey across the business. In seven of the seventeen areas measured we showed further increase against the strong 2018 results. The survey outcome for employee engagement in the IBM Kenexa survey successor Qualtrics, rated GUD at 75%, in the top 30% of the global benchmarks. Graeme will speak more to this later.

Diversity is seen as a key driver of innovation and company performance.

In the annual employee engagement survey GUD received a 76.8% favourable response for diversity related questions, placing us inside the top 30% of the global benchmark norm.

We are developing and implementing a diversity and inclusion program that strengthens the businesses' open culture by ensuring respect and inclusiveness.

The recruitment of a Chief People Officer in May 2019 gives greater emphasis to talent development and to realising the full potential of the human capital of GUD.

Training and development is a critical element of our workforce planning.

We support development by training our employees within the workplace as well as supporting them to undertake further education. Looking forward, we are implementing the following programmes over the current year:

- Talent and succession plans for critical roles and key talent
- Learning and development plans to strengthen the effectiveness of leadership and leadership teams across the businesses
- Deployment of a Speak Up Policy in pursuit of an open culture where all employees feel able to, and do, raise concerns where they exist

GUD businesses also offer an employee assistance program, provided on a confidential basis by an independent third party. As part of this program, employees are encouraged to discuss and address work-related or personal matters they may require assistance with.

Sustainability

This year GUD published its first Sustainability Review, focussing on environment, social and governance aspects. GUD's Board sees this review as an opportunity to outline the impact GUD has on the environment, its people and the communities we operate in, as well as identifying and discussing some of the longer-term sustainability consequences for the Company.

We undertook our first materiality assessment to identify, prioritise and validate the topics that matter most to our stakeholders and our businesses.

Global Reporting Initiative (GRI) Standards were drawn-on to guide the content and scope of the reporting on those topics.

The topics included health and safety, product safety and quality, compliance, innovation, equality, human capital, sustainable procurement and water management.

We recognise this is a first significant step in this journey. GUD intends to continuously enhance its disclosures utilising the GRI Standards to improve the comparability of our reporting. We are extending our materiality assessment to include external stakeholders seeking to ensure that our sustainability disclosures remain relevant to the business and stakeholders. This is critical in gaining a comprehensive and ongoing understanding of the changing expectations and interests of stakeholders regarding sustainability-specific risks and opportunities, including the potential impacts of climate change.

3. Financial Performance

Turning to Financial Performance.

2018 – 2019 was characterised as a year where the economic and industry challenges constrained the larger automotive gains seen in previous years.

Although robust growth was achieved by GUD it must be recognised this was led largely by the acquired businesses, with a modest contribution from our continuing businesses.

Thus, in 2018-19, GUD's performance was considered solid in the face of challenging business conditions.

Overall, GUD delivered just over 9% revenue growth to \$434 million.

Underlying EBIT from Continuing Operations grew 6% to \$89 million.

Net Profit After Tax (NPAT) was \$60 million, an improvement of 13% excluding a beneficial tax provision release.

Graeme will speak to segment growth during his presentation.

Overall basic Earnings Per Share reached a record high of 69 cps. This was reflected in the final dividend payment to our shareholders, who in respect of this financial year received a record high 56 cps (excluding special dividends), 8% higher than the previous Financial year and the fifth consecutive year of dividend growth.

Our dividends continue to be fully-franked, ensuring our shareholders get the benefit of taxes paid at the corporate level.

Our balance sheet remained strong with gearing, being net debt against net debt and equity, of approximately 32%, robust interest cover and available banking lines well in excess of \$80 million, which can fully support future bolt-on acquisitions.

Our banking facilities expire in July 2020 and we have initiated facility renewal discussions with financiers and expect to complete the renewal towards the end of this calendar year.

4. Your Board

Turning to Board matters.

Assuming the role of Chair just under two years ago, we prioritised the appointment of the new Chief Executive Officer / Managing Director, Mr Graeme Whickman who joined 1 October 2018.

We are a small board of four non-executive directors plus the Managing Director. Each non-executive director chairs one of the Board sub-committees and all directors attend all committee meetings.

Thus, we are a tight, cohesive Board, and one that interacts effectively with Management.

This was borne out in an externally-facilitated Board effectiveness and performance evaluation commissioned earlier in the year.

Overall, the external evaluation confirms that the Board is performing effectively and representing shareholders well.

The Board is aware of certain skills and experience that could be added to enhance performance. We are keen to recognise that gender diversity on the Board brings an additional, positive dimension.

Our plans for gender diversity at Board level are set out in our Diversity Policy. We state that we are targeting gender representation on the Board to be similar in proportion to that across the group as a whole.

On the latest numbers, we have broadly 30% females in our workforce, that is our target at Board level.

To achieve that, the next Board appointment will be female, and is expected to occur in the first half of calendar 2020. This will bring our female representation on the board to over 30%.

In conclusion, there is no doubt that we now have a more predictable portfolio of businesses with substantial growth potential and which should continue to perform solidly in the current financial year.

Before addressing that particular topic on Outlook, I invite GUD's Managing Director, Graeme Whickman, to provide you with some more perspectives on the financial, people and operational performance.

Thank you, Graeme.

Prior to addressing the various items in the business of the meeting I will provide the customary outlook for the current financial year.

5. Outlook

Now for the current year's outlook.

GUD remains well positioned for the medium to long term horizon.

The automotive division maintains strong brands, products and customer service in support of a large and proliferated Car parc, which GUD believes is strongly defensible.

We are also pleased with recent multi-year preferred supplier agreements and will work to provide strong partnership outcomes as we move forward.

Davey has a clear strategic vision which has been well communicated to all the critical stakeholders and is executing its plan with urgency.

We expect to see continuing green shoots as Davey progresses over the next 24 months.

In 2019-20 we expect further revenue growth in both the automotive and water businesses, although economic sentiment and recent demand suggests growth will be modest. Domestic input inflation and a weaker dollar will be offset to some degree by any pricing increases across our business units.

We will continue our innovation, new product development and acquisition activity, as we remain committed to ensuring we have the right mid-term foundations in place for long-term growth and shareholder value.

In this current economic environment, and, while organic growth is expected from the automotive and Davey businesses, operational fitness will also be a key work stream. Therefore, we expect modest Underlying EBIT growth in 2019-20 and continuing solid returns to shareholders.

Our businesses are close to our end-users and customers, framing new products and services through a deep understanding of real customer needs. Through this we are uniquely placed to grow organically and to deliver quality returns sustainably.

Thank you for your continuing interest in, and support for, GUD.

It is now time to conduct the business of the meeting.

.....



GUD Holdings Limited

CEO's Address

62nd Annual General Meeting

Thursday, 24 October 2019

RACV Club

501 Bourke Street, Melbourne

Good morning Ladies and Gentlemen, and thank you for the opportunity to address you, our shareholders.

We're pleased to be able to share with you today commentary on our safety, operating and financial performance – and also how we are evolving our strategic planning.

It's a year ago in October since I started with GUD, and those 12 months have been spent working on, and in the businesses.

When I stood before you in October 2018 we spoke about the strong delivery focus witnessed in each business unit.

We spoke of the automotive industry structure and conditions which gives us confidence of the positioning of GUD in the market. Our Chairman has already touched on many of these earlier, such as car parc growth, positive segmentation of SUV and Pick Ups and also acquisition opportunities.

There is also a defensive nature to our position, as the car parc we service has about 50% more brands than the US, and yet, less than 10% of its volume. Companies such as Ryco and Wesfil cater for this level of car parc proliferation, meaning that the 3000+ SKU's developed over decades form part of the moat around these GUD businesses.

We also spoke of a mental model, the 'now, near and far' and the need to balance the delivery in the 'now' with the 'near and far' – in essence.....work hard to future-proof the business, without jeopardising the short-term delivery.

Firstly, I'd like to talk about Safety at GUD. It's no coincidence both the Chairman and I are speaking to this subject. It's a key area of focus, not just last year, but every year.

Whilst health and safety has everyone's attention, the ultimate responsibility resides with the Managing Director and Board of Directors. Health and safety is the lead item on every Board and Executive Leadership Group meeting. As the Chairman stated, the Board and Management Team conduct regular safety walks and receive monthly reports covering a range of leading and lagging indicators.

Our commitment to safe and healthy workplaces, was further reinforced when we commissioned an externally recognised Health and Safety expert to train all personnel in leadership roles including all supervisors.

Our health and safety management system covers all employees, driven by agreed safety business plans with key performance indicators.

In FY19, we introduced Vault, an online reporting system for workplace incidents and observations. Reporting can be completed directly into the app.... by employees... their supervisors or members of their health and safety committee. We now have iPad's in safe positions within operational areas and these have been well received and utilised – I personally have the vault app on my phone and receive every notification across every business.

We recognise the subject of safety is never complete, but we are heartened by our relative performance in Australia. We believe our employees see the effort we go to.....Safety efforts was rated 'very highly' by employees, with a score in the employee survey that was in the top 25% globally.

Let's now turn to our financial results in FY19.

The Chairman spoke to the 9% revenue growth which I'll address in more detail.

The Automotive segment reported a record revenue of \$330 million, up 12% on the prior year, reflecting 11% growth through acquisition and 1% from organic growth. DBA revenue exceeded expectations and there was growth achieved also by Ryco and Wesfil. However, this was moderated a little by AAG and IMG businesses which faced some customer related challenges.

The record automotive sales result included a weaker than anticipated last quarter, as some larger Automotive customers took conscious actions to reduce their inventory positions. We believe this situation has since normalised to a more regular sales pattern.

The Water segment revenue grew to \$104 million, which was up 3%. A pleasing outcome in so much as this was driven by unit sales volume and mix, and not pricing.

The Overall Group Net Profit after Tax from continuing operations grew 18% to \$60 million, including a \$2.5 million tax provision release. This NPAT growth excluding the tax provision release was still 13%, also a pleasing result. At a statutory level, the reported Net profit of \$60 million was \$42 million below the statutory result reported last year which benefitted from a gain on the sale of the Oates business of \$51.4 million. Excluding the Oates impact, the Net Profit from continuing operations grew by \$9 million, or the 18% previously mentioned.

The underlying EBIT of \$89 million was up 6% on the prior year's result. There was a \$1.6 million one-off cost reported in statutory EBIT. Which was a combination of the new GUD NZ warehouse transition costs and Davey's costs to contract out the assembly of the firefighter range.

In FY19, Net Debt grew. The \$40.2 million increase in Net Debt reflects our purchase of the DBA business for \$21.2 million, the payment of an IMG earn-out for \$1.6 million, and cash conversion of 78%.

The cash conversion result reflects growth in a number of Net Working Capital elements. These principally involved:

- an increase in Debtors resulting from both sales growth and commercial terms,
- higher year-end inventory levels associated with new product introductions, as well as an "all time make" of Davey Firefighters, for safety stock levels as we transition to contract assembly.

Earlier in the year we outlined a focus on five key areas to strengthen our business foundation; these were **Customer relationships, supplier engagement, people planning, product planning and operational efficiencies.**

These five areas have been important to rally around as the economic and general business conditions have become more challenging.

We have achieved progress in all five areas.....

Starting with **Customer relationships** – we agreed multi-year agreements with two of our biggest automotive customers, securing considerable revenue streams for the next three years. We also deepened our working relationship with original equipment companies Toyota and Paccar, and developed new customers and channels in select export markets.

We also know..... “how customers view us” is an important indicator of future success. We were proud to continue to receive customer accolades in FY19. Ryco was awarded ‘Exceptional Service to Store Network’ at Repco and ‘Outstanding Customer Solutions’ at Supercheap Auto.

BWI was awarded PACCAR Parts Supplier of the Year and Kenworth Supplier of the Year (Category B), Wesfil was awarded Auto One Queensland Supplier of the Year and, finally Davey being awarded Taylex’s Supplier of the year.

Moving to **Supplier engagement** – with the rapidly growing automotive aftermarket in China, we worked with a number of critical suppliers to confirm sourcing security. We also co-operated with one major China-based supplier who is building a new factory in Vietnam to ensure supply capacity, to further de-risk our sourcing.

We’ve also been working with our suppliers to enlist their support on cost reduction efforts as the Australian dollar continued to weaken through the back half of the year.

People cycle planning was one of the key areas we highlighted at the AGM last year. As the Chairman stated we are working diligently to develop future leaders for our current businesses and future acquisitions.

The early results are evident in a number of moves including:

- our first leader of automotive Acquisition and Strategy,
- the appointment of our first Chief People Officer,
- the previous position of the Ryco Group CEO being disbanded,
- the appointment of our first Group Logistics Manager,
- the elevation of the leaders of Ryco, IMG, AA Gaskets and DBA to report directly to my role of Chief Executive Officer.

Overall the number of Key Management Personnel (KMP's) has reduced.... but the Executive Leadership Team has been expanded. The changes see a broader range of skills, more leadership team capacity, and a flatter and more responsive structure.

For clarity's sake, we are cognisant of the cost challenges in our businesses, and let me assure the people changes I've just articulated actually resulted in a lower cost than the previous management structure by just over 10%.

One other area we highlighted last year was **Product cycle planning** – in addition to the new product innovation focus we are widening our attention on the renewal or broadening of existing products. This has seen some exciting new products come to market such as Davey's TankSense product which remotely monitors water levels, and Ryco's Catch Can which removes partially burnt fuel or other contaminants which would otherwise be recycled through the engine. On the back of this product Ryco were announced as the 3rd most innovative company of consumer and manufacturing goods in the 2019 AFR innovation awards.

Towards the end of the year, our innovation pipeline was also recognised by the awarding of two government grants matching the expenditure on innovation initiatives, in BWI and DBA.

Much has been spoken of our innovation efforts in recent past - the process, the language and the discipline installed into the enterprise. Of course, the ultimate test is how we commercialise our product creation outcomes. We are happy to report positive commercial results in the Nipper chlorinator, TankSense monitors and MWT at Davey. We are seeing positive sales of the recently launched Intelli-RV at BWI, and Ryco has launched the first three tailored vehicle catch can combo kits, to support the growing diesel pick up and SUV market.

I'm really energised about this last example – the combo kit was delivered using our innovation mission approach, supported by fast prototyping, using our new 3D scanning and printing capabilities – meaning that we're the only company offering catch can and fuel / water separator's, with engine bay specific brackets, fasteners and formed hoses!!

Finally let me speak about **Operational Efficiency** – in light of an ever-demanding competitive landscape, the need for increased operational efficiencies has become clear. Further leveraging the GUD group of businesses is before us and we see potential to achieve cost savings through greater commonality and scale.

Over the back end of the year the operational efficiency also took on the broader subject of operational fitness.....

Let me explain....., I see the business in simple terms - strategic fitness..., operational fitness....and cultural fitness.

The leadership team believe we have more operational fitness opportunities in the short and medium term. With the good work of our team over the last three months we've completed operational fitness actions such as the business restructuring at Davey and announced a business integration proof of concept at AAG and Ryco.

These are tough decisions to make, but we must ensure the operational fitness level is strong, in support of a healthy set of businesses.

I just referred to Strategic fitness, and I want to finish by commenting on the work of '**sharpening our Strategic direction**'.

At an individual business unit level, we continue to use the GUD high-performance approach that has been applied for the past three years. In FY19 we introduced the Roger Martin “where to play and how to win” framework to guide strategy development. We are working with the Ignition Institute, a small specialist consultancy, to embed the strategy framework and approach in the businesses. This is critical as we recognise the need to ‘future-proof’ our businesses.

We see the sharpening of our strategic direction in three pillars. These pillars are Core, Growth and Acquisition. Think of Core as group-wide initiatives, Growth is at the individual business unit level and finally Acquisition, which of course concentrates around the Automotive vertical of our portfolio.

Let me give you a brief glimpse of the progress in these pillars, starting with....

Core:

- Quality and logistics councils have been introduced to leverage scale and skills.
- Internal management resources have pivoted to address operational efficiencies in logistics and information technology.
- We've increased emphasis on achieving supplier cost downs.
- Our first shared logistics facility opened in Auckland, building capability which could be applied elsewhere.
- As mentioned, proof of concept business integration plans announced at AAG.

Growth:

- Business unit competitive strategy refreshes are in progress, as an example we detailed the Davey strategy in our recent Investor Day material filed with the ASX.
- We're addressing new organic growth pathways, including a broader focus on product creation and commercialisation, and also select low volume export opportunities.

Acquisition:

- We're now applying revised acquisition criteria and decision thresholds.
- Internally, we're developing a pool of potential managers for acquired businesses, and
- We've also appointed a General Manager of Automotive Acquisition and Strategy, a new role dedicated to searching, qualifying and leading acquisitions in the automotive space.

We believe these key pillars provide a good level of opportunity for further top and bottom-line growth. These will not deliver overnight results but require a steady and thoughtful approach across the next 12 to 36 months. Importantly we've reallocated resource..... utilised cost-efficient external expertise.... and commenced leveraging the wider group leadership team to drive our ambitious plan with good speed.

Finally, I'd like to take the time to acknowledge a vitally important group of stakeholders, our employees. Let me go on record and say thank you for the hard work and dedication shown by our 842 employees.

We're proud of the contribution our people make.... and their commitment to our customers. We're pleased that our people report high levels of employee engagement.

We don't take this for granted..... The board and leadership team understand how critical our employees' contribution will be... in support of our next stage of operational and strategic fitness.

Thank you and I'll now hand back to our Chairman.....

* * * * *