

The background of the slide is a photograph of a bridge at sunset. The sun is low on the horizon, creating a bright orange glow. The bridge's structure, including its arches and support pillars, is silhouetted against the sky.

Results for the year to 30 June 2017

Nick Pritchard Group Managing Director, **Matt Parker** Chief Financial Officer

25 August 2017

Operational highlights of the year



- Transformation into focused technical textiles business largely completed.
- Americas earnings up 39% with further strong growth expected.
- \$8 million investment approved for additional coating line to increase Melbourne production of commercial fabrics.
- Non-core glass business exited.
- China manufacturing facility and plant upgrades progressing well.
- Continuing investment in research, product development and technical partnerships.



Financial highlights of the year



Revenue
\$175.3m

up 1% despite
market challenges
& category exits

Underlying
NPAT steady at
\$10.1m

Final dividend steady at 1c unfranked
bringing dividends for the year to
2 cents unfranked, up 14%

Record operating
cash flow of
\$19.7m
up 10%

Net cash of
\$1.3m
at 30 June, up 116%



Results summary



	FY2017 A\$ million	FY2016 A\$ million	Change %
Revenue	175.3	173.2	1%
Underlying EBITDA	21.4	22.3	(4)%
Underlying EBIT	15.1	15.1	-
Underlying profit before tax	13.5	13.5	-
Underlying profit after tax	10.1	10.2	(1)%
Statutory profit before tax	(4.9)	13.5	(136)%
Statutory profit after tax	(8.0)	10.2	(178)%
Underlying basic earnings per share	3.39	3.44	(1)%
Final dividend per share (cents)	1.00	1.00	-
Full year dividends per share (cents)	2.00 ⁺	1.75	14%

Reconciliation of underlying results to statutory results

A\$ million	EBITDA	EBIT	Profit before tax	Profit after tax	Basic earnings per share
Statutory	3.0	(3.3)	(4.9)	(8.0)	(2.71)
Goodwill write-off and associated costs*	18.4	18.4	18.4	18.1	6.1
Underlying	21.4	15.1	13.5	10.1	3.39

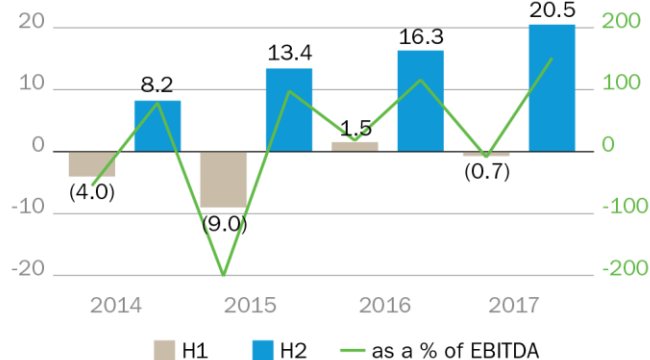
⁺58% of underlying earnings per share; payable on 2 October with record date of 25 September

*Results from the sale of non-core glass business in June 2017 and a review of the carrying value of goodwill.

Strong cash flow; net debt eliminated

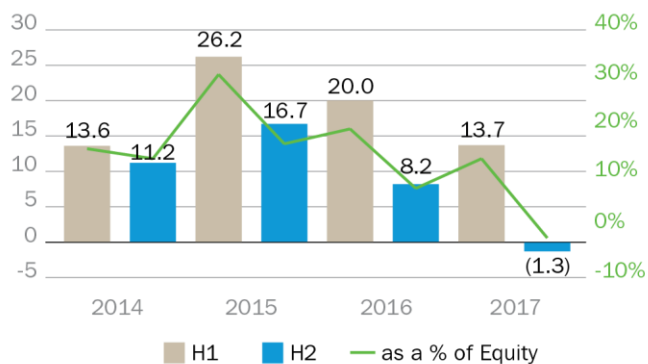


Operating Cash Flow \$A million



- Operating cash flow a new record; up 10% from FY2016.
- Inventory down 15%, despite unfavourable exchange rate movements.
- Cash conversion up 17%.

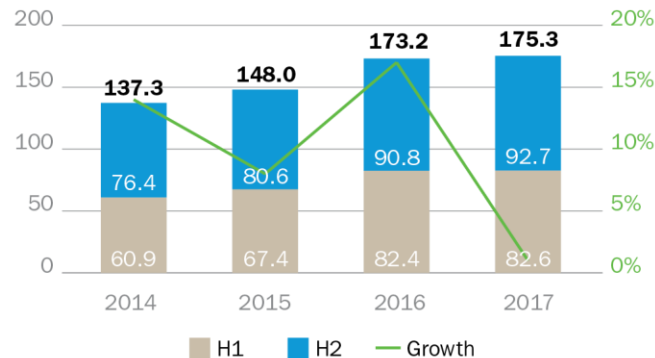
Net Debt \$A million



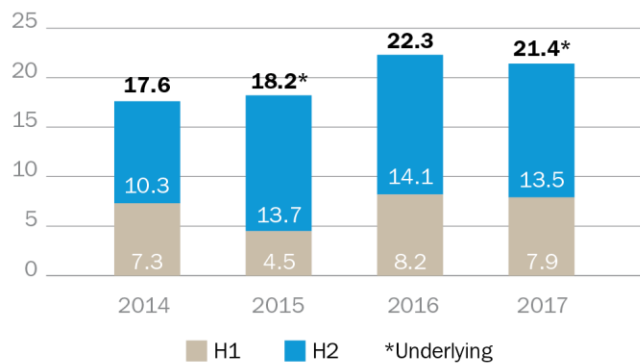
Performance comparison as operations restructured



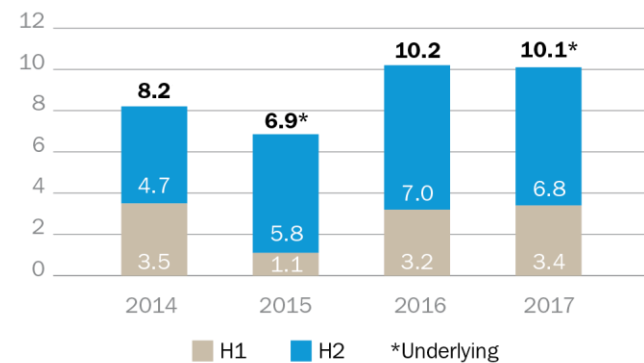
Revenue \$A million



EBITDA \$A million



NPAT \$A million



Building a platform for growth



In the past three years we have:

- Exited most non-core products so we can focus on technical textiles where we have globally competitive technology.
- Rationalised our brand portfolio so we can concentrate our investment on a smaller number of brands.
- Rationalised our Australian distribution footprint, closing four facilities and upgrading the others.
- Upgraded our China manufacturing facility.
- Improved customer service across our operations.
- Strengthened our team's capability and built a values-based culture.
- Improved our safety performance.
- Reduced inventory and working capital, resulting in a strong balance sheet to fund growth.

And at the same time we have achieved:

- Compound annual revenue growth of 8.5%.
- Compound underlying earnings growth of 10%.

Australia & New Zealand



	FY2017 A\$ million	FY 2016 A\$ million	Change %
Revenue	92.4	97.5	(5)%
Underlying EBITDA	2.9	3.6	(18)%
Underlying PBT	1.9	2.6	(25)%

- Commercial sales strong, although constrained by manufacturing capacity.
- Retail sales lower due to exit of non-core products, competition from Masters' stock liquidation and a particularly strong performance in FY2016.
- Supply chain improved; inventory reduced; service enhanced; operational costs reduced.

The next year

- Exit from non-core products will reduce revenue, but profit will not be affected.
- Core product categories expected to grow, underpinned by solid customer ranging in retail shade category.
- Preparations to commence for new extrusion coating line.
- Further innovation in technical fabrics and exit from remaining non-core products.



	FY2017 A\$ million	FY2016 A\$ million	Change %
Revenue	62.0	53.6	16%
EBITDA	6.5	4.9	33%
PBT	4.4	3.2	39%

- Strong retail and online sales.
- Major retailers extended trials of window shades and shade sails.
- Considerable potential for shade products and technical fabrics in both retail and commercial sectors.
- Sales and marketing team strengthened and new leadership appointed to expand commercial business.

The next year

- Growth trajectory expected to accelerate, underpinned by seasonal commitments by retailers for retail shade sails and window shades.
- Additional retail trials and new product ranging agreed with major customers.
- New, larger warehouse in California from December 2017 to generate service and cost improvements.

Americas



Fontana Warehouse, California USA

Middle East/North Africa



	FY2017 A\$ million	FY2016 A\$ million	Change %
Revenue	12.8	15.4	(17)%
EBITDA	2.5	3.2	(22)%
PBT	2.3	3.1	(24)%

- Market subdued, with projects postponed.
- Sales constrained by slow customer payment.
- Additional sales resources appointed.

The year ahead

- Market conditions expected to improve, despite continuing uncertainty.
- Further investment in sales resources.
- Region expected to return to growth.

China Manufacturing & Eurasia



	FY2017 A\$ million	FY2016 A\$ million	Change %
Revenue	8.2	6.8	21%
Inter-segment sales (eliminated when consolidating group results)	49.8	58.4	(15)%
EBITDA	11.5	12.6	(9)%
PBT	8.0	7.0	13%

- Increased demand for commercial fabrics.
- New distributors appointed in focus markets.
- Low volume, low margin products exited.
- Manufacturing facility and plant upgrades continued.
- Service and delivery performance improved.

The year ahead

- Further investment in plant and equipment.
- Closure of weaving facility with weaving outsourced to focus on core manufacturing processes.
- China operations to transition to global IT system.

Our growth strategy



- Accelerate development of Americas business, focusing on shading and screening, while entering the market for commercial coated fabrics.
- Extend our market-leading shading, screening and technical fabrics businesses in Australia and New Zealand.
- Accelerate growth in Middle East and North Africa markets, focusing on commercial shading.
- Invest in differentiated technologies and technical partnerships that support development of innovative products driven by consumer need.



Outlook for FY2018



- Market conditions expected to be similar to FY2017.
- Subject to economic conditions, NPAT expected to be above FY2017 underlying NPAT of \$10.1 million.
- As in previous years, second half earnings expected to be considerably greater than those of the first half.





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