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21 May 2015

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

Dear Sir,

Goldman Sachs – Small & Mid Cap Conference – May 2015

Attached is a copy of the presentation to be given at the Goldman Sachs – Small & Mid Cap Conference this morning, by Jonathan Ling, Managing Director, GUD Holdings Limited.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Martin Fraser', with a large, sweeping flourish at the end.

Martin Fraser
Chief Financial Officer

Encl:

Goldman Sachs Small & Mid Cap Conference May 2015

Jonathan Ling

Managing Director, GUD Holdings



GUD profile

- ASX listed for 57 years
- Well known brands
 - *Ryco, Wesfil, Goss, Sunbeam, Davey, Oates, Lock Focus, Dexion*
- Peak performance in 2011
 - *Sales \$593m, underlying EBIT \$77m*
- By 2014
 - *Sales \$592m, underlying EBIT \$49m*
- Three poorly performing businesses:
 - *Sunbeam*
 - *Dexion*
 - *Davey*

New approach from mid-2013

- Appointed CEO and Managing Director – August 2013
- Refreshed senior management team:
 - Paul O’Keefe appointed Dexion CEO – October 2013
 - Karen Hope appointed Sunbeam CEO – December 2013
 - David Worley appointed Davey CEO – June 2014

Three stage strategy adopted

Stage 1: Restore GUD profitability

- Profit analysis – EBIT by customer and by SKU
- Innovation framework
- High performance culture
- Targeting run-rate EBIT of \$70m during 2016

Stage 2: Analyse and evaluate GUD's portfolio

Stage 3: Invest and grow the core businesses

- Continue to actively pursue acquisition opportunities to supplement organic growth



H1 FY15 results summary

- Reported NPAT up 261% to \$17.3 million from \$4.8 million previously
 - Prior year's interim result included \$10.1 million after tax of restructuring costs
- Underlying EBIT increased 16% to \$27.9 million
- Profit improvement programs in Davey, Dexion and Sunbeam have underpinned the profit increase
- Sunbeam joint venture with Jarden commenced November 2014 with no trading result impact in the half
- Interim dividend of 20 cents per share fully franked up from 18 cents previously
 - 82% payout ratio on reported earnings per share

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



First half financial profile

\$ million	H1 FY14	H1 FY15	% Change
Revenue	298.4	297.1	0%
Underlying EBITDA	31.2	34.1	9%
Depreciation	(3.9)	(3.3)	
Amortisation	(3.3)	(2.9)	
Underlying EBIT	24.0	27.9	16%
Net Finance Expense	(3.2)	(3.6)	
Underlying Profit before Tax	20.8	24.4	
Tax	(5.9)	(8.2)	
Non-controlling interest		(0.3)	
Underlying NPAT	14.9	15.8	6%
Restructuring Costs after Tax	(10.1)	0.0	
Reported NPAT	4.8	15.8	231%
EPS & Dividend - cents			
Underlying EPS	20.9	22.3	7%
Reported EPS	6.7	22.3	233%
Interim Dividend	18.0	20.0	11%

Revenue declines in Sunbeam and Davey offset growth in all other businesses

Margin expansion due to profit improvement initiatives

No further restructuring costs, as flagged

Progress on major projects

Business	Project	Status
Dexion Commercial	Elite Built exit	Completed and benefits accruing
Dexion Commercial	Manufacturing closure	Completed and benefits accruing
Dexion Industrial	Kings Park closure and relocation to Malaysia	Closure completed Kuala Lumpur factory output increasing Full benefits expected in FY16
Dexion	Profit improvement program	Initiatives commenced Benefits contributed to result
Sunbeam	Profit improvement program	Initiatives commenced Substantial savings generated on freight costs
Davey	Profit improvement program	Initiatives commenced Substantial savings generated on freight costs Sales force effectiveness program initiated
Oates	Profit improvement program	Commenced late in the half



Automotive

\$ million	H1 FY14	H1 FY15	% Change
Sales	48.0	50.8	6%
EBITDA	15.7	16.4	5%
Depreciation	(0.3)	(0.3)	
Amortisation	0.0	0.0	
EBIT	15.4	16.2	5%
<i>EBIT/Sales %</i>	32%	32%	



- Record result for sales and EBIT
- Sales growth driven by new product introductions and market share gains
- Growth recorded across all brands – Ryco, Wesfil and Goss

Acquisition of Brown & Watson International (BWI)

Transaction overview

- GUD has agreed to acquire 100% of the shares in privately held Brown & Watson International Pty Ltd for base consideration of \$200 million plus an earn-out capped at \$20 million¹
- BWI is a leading supplier of lighting and electrical accessories, primarily for the automotive aftermarket, with a scalable presence in specialty markets such as commercial transport, recreation and marine
- Acquisition is expected to complete 1 July 2015²

Strategic rationale

- BWI is the owner of market leading Narva and Projecta brands in Australia and New Zealand
- Similar to Ryco, primarily an aftermarket business (c.85% by sales) supported by continuing growth in Australia's vehicle pool
- Leading in-house research and development capabilities allow BWI to be first to market with new products / technologies tailored to the Australian market
- 'One-stop shop' for lighting and electrical accessories and battery power and maintenance products with a portfolio of over 6,000 SKUs developed over 30 years
- Diverse channel and sales mix with favourable exposure to automotive aftermarket

Transaction funding

- Fully underwritten institutional placement of approximately 10.6m shares at \$7.45 per share raised \$79 million
- Non-underwritten share purchase plan seeking to raise \$15m
- \$131.3 million of debt to be drawn down from newly refinanced debt facility

Financial impact

- Net debt / EBITDA anticipated to fall to 1.8x by the end of FY16
- GUD expects the acquisition to be mid-teen EPS accretive

Note: 1. \$187.1m payable upon completion, \$12.9m payable in 1H16. At the forecast FY16 EBIT of \$27.9 million a \$9.1 million earn-out would be paid (after the end of FY16) resulting in a \$209.1 million acquisition price. 2. Subject to satisfaction of very limited conditions precedent.



Strategic rationale

Exposure to the automotive aftermarket

- Highly complementary to the GUD Automotive business
- Predominantly an aftermarket business (c.85% by sales)
 - Aftermarket sales driven by total vehicle pool

Market leading brands

- Owner of the NARVA and Projecta brands throughout Australia and New Zealand
- A market leader in all of the key segments that BWI serves
- Reputation for innovative, reliable products with a focus on quality

Comprehensive product portfolio

- 'One-stop shop' for a broad range of high quality lighting and electrical accessories and battery power and maintenance products
- Deep product range of 6,000 SKUs developed over 30 years

Diversified channel and sales mix

- Broad channel and sales mix with favourable exposure to automotive aftermarket and specialty transport and recreational segments

Strong financial performance with upside potential

- FY15 EBIT of \$26.6 m on sales of \$109 m
- Clear path to FY16 EBIT forecast of \$27.9 m through introduction of new products and implementation of GUD management processes
- Modest capex requirements given outsourced manufacturing

Benefits to broader automotive business

- Ability to strengthen customer and supplier relationships across the GUD Automotive Group and BWI
- Access to new channels



Dexion

\$ million	H1 FY14	H1 FY15	% Change
Sales	96.0	96.3	0%
Underlying EBITDA	2.2	3.7	63%
Depreciation	(0.9)	(0.6)	
Amortisation	(1.0)	(1.0)	
Underlying EBIT	0.3	2.0	499%
<i>EBIT/Sales %</i>	0%	2%	



- Overall sales result restrained by delayed warehouse racking projects in Asia
 - Improved sales expected in second half
- Key objectives achieved on major restructuring projects and underlying EBITDA showing benefits
- New roll forming line operational in Malaysia and contributing to profit uplift
- Progressing towards target operational performance in Kuala Lumpur for relocated Kings Park equipment
- Strong profit growth in Dexion Commercial due to improving market conditions
- Further EBIT/sales margin expansion expected

Sunbeam

\$ million	H1 FY14	H1 FY15	% Change
Sales	61.3	56.8	-7%
Underlying EBITDA	4.3	5.4	28%
Depreciation	(1.3)	(1.2)	
Amortisation	(2.2)	(1.8)	
Underlying EBIT	0.8	2.5	208%
<i>EBIT/Sales %</i>	1%	4%	



- Sales in the period continue to be affected by lack of new products
 - Joint venture with Jarden established to assist with future sales growth
 - Innovation initiative progressing with contribution expected FY16
- Sales force structure changed to key account and field sales focus
- Third factory outlet opened at Brand Smart Nunawading in the half
- Profit improvement initiatives underpinned improved performance
 - Major driver is reduced freight and logistics costs



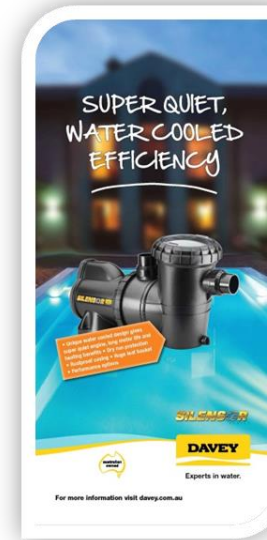
Sunbeam Jarden joint venture

- Joint venture formed with US-based Jarden Corporation:
 - Jarden acquired 49% of Sunbeam ANZ
 - GUD acquired 49% of Jarden Consumer Solutions' Asian sales businesses
 - Unified management structure led by Sunbeam's CEO
- Arrangement entered into to address Sunbeam's revenue growth:
 - Sunbeam able to access full Jarden brand portfolio and product range
 - Product launches planned for second half in ANZ
 - Sales opportunities for Sunbeam's products through JV's Asian presence being explored – active in 20 countries in the Asia-Pacific region
 - FY15 JV sales expected to be around \$140m annualised
- Arrangement will generate synergy savings through:
 - Procurement – Sunbeam to utilise JCS's substantial Hong Kong-based sourcing office
 - Buying power – Sunbeam to benefit from JCS's scale in purchases of small appliances



Davey

\$ million	H1 FY14	H1 FY15	% Change
Sales	53.5	52.5	-2%
EBITDA	5.5	5.7	4%
Depreciation	(0.8)	(0.7)	
Amortisation	(0.1)	(0.0)	
EBIT	4.6	4.9	7%
<i>EBIT/Sales %</i>	<i>9%</i>	<i>9%</i>	



- Sales modestly down due to softness in Australian swimming pool and firefighting segments
- Profit improvement plan on track:
 - Major contribution from freight cost savings
- Profitability analysis highlighted underperformance in swimming pool segment:
 - Problem areas identified and being addressed
 - Pool business separated for reporting and accountability purposes



Oates

\$ million	H1 FY14	H1 FY15	% Change
Sales	34.4	35.3	3%
EBITDA	6.3	5.9	-5%
Depreciation	(0.3)	(0.3)	
Amortisation	(0.0)	(0.0)	
EBIT	5.9	5.6	-5%
<i>EBIT/Sales %</i>	<i>17%</i>	<i>16%</i>	



- Sales growth in Hardware and Commercial segments partially offset by decline in Grocery
- Improving sales trend evident late in the half
- EBIT contribution from sales growth offset by foreign exchange effects on cost of goods sold
 - Price increases applied early in the half to offset fx effect across the year

Lock Focus

\$ million	H1 FY14	H1 FY15	% Change
Sales	5.4	5.5	2%
EBITDA	0.8	0.7	-3%
Depreciation	(0.3)	(0.3)	
Amortisation	0.0	0.0	
EBIT	0.4	0.5	1%
<i>EBIT/Sales %</i>	8%	8%	



- Result consistent with previous corresponding period
- New product initiatives expected to contribute to second half performance

Outlook

- Dexion improvement to continue:
 - Operations in Malaysia are optimised
 - Sales contribution from previously delayed projects
- Sunbeam to benefit from joint venture opportunities and further profit improvement program contributions
- Davey contribution from international sales to be assisted by lower AU\$ in second half
- Continued solid performances expected from Automotive, Oates and Lock Focus
- Initial innovation initiatives to be introduced:
 - Davey new generation chlorinator, variable speed pump, Lock Focus garage door and window locks, Sunbeam Oster blenders (April 2015) and breakthrough products (H1 FY16)
- Maintain full year EBIT guidance provided at AGM of \$55- \$60 million

