

**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

22 May 2014

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

Dear Sir,

Goldman Sachs – Small & Mid Cap Conference – Company Presentation

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 'Malcolm G Tyler'.

Malcolm G Tyler
Company Secretary

Att:

Goldman Sachs Small & Mid Cap Conference

22 May, 2014



Jonathan Ling
Managing Director

NOTICE

The material in this presentation has been prepared by G.U.D. Holdings Limited (GUD) and is general background information about GUD's activities current as at the date of this presentation.

This information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters and, in particular, you should seek independent financial advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.

This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to GUD's businesses and operations, market conditions, results of operation and financial condition, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward looking statements. GUD does not undertake any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside GUD's control. Past performance is not a reliable indication of future performance.

Any additional financial information in this presentation which is not included in the most recent G.U.D. Holdings Limited Financial Report was not subject to independent audit or review by KPMG.



Key points

- ▶ 2014 interim result
 - Underlying EBIT of \$24 million down 27% on pcp
- ▶ Strong contribution from Automotive offset by weakness in Sunbeam and Dexion
- ▶ Full year guidance remains in place
 - Underlying EBIT down 20% on pcp
- ▶ Total restructuring costs of \$15.4 million provided in Dexion to cover shift of manufacturing to Asia and exit from Elite Built
 - Additional restructuring costs of around \$1.5 million in 2nd half
 - Expected payback less than two years following completion
- ▶ Organisational restructuring costs of \$0.6 million in Sunbeam related to overhead cost reductions
 - Annualised savings of \$0.9 million
- ▶ Other organisational restructuring costs of \$0.6 million in H2 in other businesses
- ▶ Dividend of 18 cents per share fully franked (86% payout on underlying EPS)

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



Financial summary (2014 1st Half Year)

\$ million	FY13	FY14	% Change	
Revenue	311.8	298.4	-4%	Revenue growth in Automotive and Water offset by declines in Consumer and Industrial
Underlying EBITDA	39.9	31.2	-22%	
Depreciation	(4.0)	(3.9)		
Amortisation	(3.2)	(3.3)		
Underlying EBIT	32.7	24.0	-27%	Affected by volume and margin declines in Sunbeam and Dexion
Net Finance Expense	(2.5)	(3.2)		
Underlying Profit before Tax	30.2	20.8		
Tax	(8.5)	(5.9)		
Underlying NPAT	21.7	14.9	-31%	Activities in Sunbeam and Dexion to enhance future profitability
Restructuring Costs after Tax	(3.6)	(10.1)		
Reported NPAT	18.2	4.8	-74%	
EPS & Dividend - cents				
Underlying EPS	30.6	20.9	-31%	
Reported EPS	25.6	6.7	-74%	
Interim Dividend	26.0	18.0	-31%	
Special Dividend	10.0			

Financial position @ 31 December 2013

- ▶ Net debt increased by \$29m to \$114m partly due to timing of Dexion project payments and an increase in inventories
- ▶ Net debt to equity remains conservative at 53%
- ▶ Healthy interest cover of 8.6 times (Underlying EBITA/Net Interest)
- ▶ An on-market buy back facility for up to 6 million shares is in place
 - 326,000 shares purchased to date
- ▶ Interim dividend of 18 cents per share fully franked paid 6 March 2014
- ▶ Solid financial position continues



Current issues and priorities

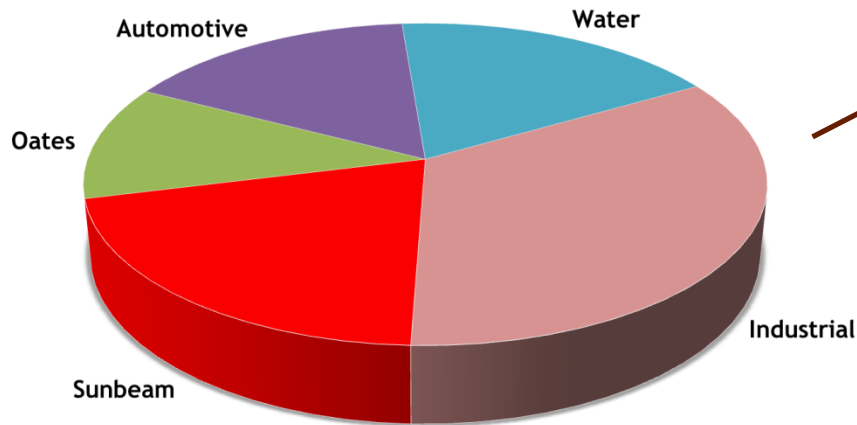
- ▶ Fix Sunbeam and Dexion operational and profit performance
 - New CEOs appointed and in place in both businesses
 - Restructuring activities planned and being implemented
 - Improvements in performance to be evident FY15

- ▶ Apply detailed understanding of profit drivers
 - Profitability by customer and product analyses initially occurring in Sunbeam, Dexion and Davey
 - Expect short and long term uplifts in EBIT as a result

- ▶ Create breakthrough innovation culture across the group
 - Group framework for innovation introduced across all businesses
 - Aiming to increase idea generation leading to breakthrough new products

GUD business mix

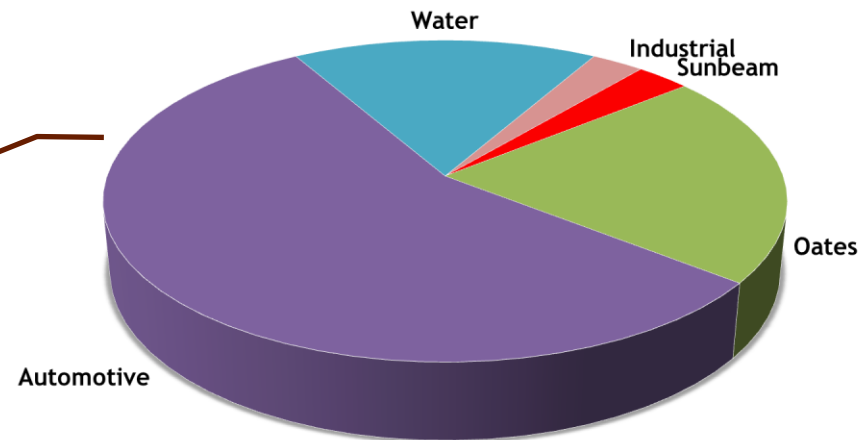
FY14 H1 revenue - \$298m



Diversified revenue base with Industrial being the largest contributor

FY14 H1 underlying operational EBIT*

Automotive is currently the dominant contributor; highlights the substantial EBIT growth opportunity in Industrial and Sunbeam



*Underlying EBIT before Unallocated Costs

Business segment summary (2014 1st Half Year)

Industrial   Revenue down 12% to \$101m
EBIT* down 86% to \$0.8m

Consumer   Revenue down 4% to \$96m
EBIT* down 44% to \$6.7m

Water  Revenue up 1% to \$54m
EBIT down 7% to \$4.6m

Automotive    Revenue up 9% to \$48m
EBIT up 11% to \$15.4m

* Underlying EBIT

Industrial Products

\$ million	FY13	FY14	% Change
Sales	114.7	101.2	-12%
EBITDA	8.0	3.0	-62%
Depreciation	1.4	1.2	-12%
Amortisation	0.9	1.0	5%
Underlying EBIT *	5.6	0.8	-86%
<i>EBIT/Sales %</i>	<i>5%</i>	<i>1%</i>	



- ▶ Revenue declines principally attributed to project timings in Asia and competitive conditions in the Australian market
- ▶ EBIT decline driven by lower sales and margins
- ▶ Margin decline resulting from competitive conditions; being addressed with manufacturing restructure
- ▶ New Dexion CEO appointed in September

Dexion restructuring

Two major restructuring actions commenced:

- ▶ Relocation of Australian rack manufacturing to Asian plants
 - Closure of Kings Park, Sydney manufacturing plant
 - Shift of capacity to Dexion Malaysia
 - Scheduled for completion in September 2014
 - Cost of \$11.8 million fully provided
 - Annualised benefit estimated at \$6.5 million
 - Additional significant capacity and productivity improvements anticipated as a result of this project
- ▶ Exit of Elite Built business and Australian manufacturing in Dexion Commercial
 - Divestment of this brand progressing
 - \$3.6 million restructuring costs with annual benefit of \$1.5 million expected



Consumer Products

\$ million	FY13	FY14	% Change
Sales	100.0	95.7	-4%
EBITDA	15.5	10.5	-32%
Depreciation	1.5	1.6	8%
Amortisation	2.1	2.2	3%
Underlying EBIT*	11.9	6.7	-44%
<i>EBIT/Sales %</i>	<i>12%</i>	<i>7%</i>	



- ▶ Revenue for Oates was up 3% to \$34m and EBIT down 1% to \$5.9m
 - Solid performance with EBIT marginally affected by increasing levels of retail promotional support and resistance in implementing price increases
- ▶ Revenue for Sunbeam declined 8% to \$61m and EBIT down 86% to \$0.8m
 - Drop in revenue reflects an overall market decline, continued intense competitive conditions and a lack of innovative new products
 - EBIT affected by reduction in sales, a drop in margin from lower Australian dollar and increasing cost of doing business

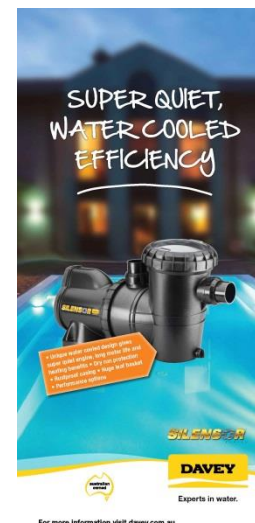
Sunbeam profit revitalisation

- ▶ Organisational restructure to reduce overheads completed in November 2013
 - cost of \$0.6m with expected annual benefit of \$0.9m
- ▶ New CEO commenced early December 2013
- ▶ Major priority to refocus product development to deliver innovative new products
- ▶ Profit improvement plan has been documented and is being actioned following customer and product profitability analysis
- ▶ Program being implemented to reduce cost of product warranty
- ▶ New sales channels being evaluated
 - On-line sales of accessories commenced



Water Products

\$ million	FY13	FY14	% Change
Sales	53.2	53.5	1%
EBITDA	5.8	5.5	-6%
Depreciation	0.8	0.8	4%
Amortisation	0.1	0.1	-36%
EBIT	4.9	4.6	-7%
<i>EBIT/Sales %</i>	<i>9%</i>	<i>9%</i>	



- ▶ Local market conditions remain subdued; delayed start to traditional summer selling season
- ▶ Price increases implemented late in the half to have an effect in second half
- ▶ International businesses benefiting from lower dollar
- ▶ New CEO appointed

Automotive Products

\$ million	FY13	FY14	% Change
Sales	43.9	48.0	9%
EBITDA	14.2	15.7	11%
Depreciation	0.3	0.3	1%
Amortisation	0.0	0.0	
EBIT	13.9	15.4	11%
<i>EBIT/Sales %</i>	<i>32%</i>	<i>32%</i>	



- ▶ Continuing strong performance with both Ryco and Wesfil contributing
- ▶ Exit of major competitor due to Ryco's brand strength and customer support
- ▶ Price increases implemented early December to cover increasing product costs
- ▶ Ryco and Goss product launches into new segments underpinning growth

Outlook

- ▶ Anticipate around a 20% decline in underlying EBIT for the full year, consistent with guidance provided at AGM
- ▶ Expect general business conditions to remain consistent with recent patterns
- ▶ Continued strong performance from Automotive and solid performance from Water and Oates should underpin the overall result
- ▶ Dexion focused on successfully implemented major restructuring programs over the balance of the year
- ▶ Revitalisation of Sunbeam has accelerated in second half
- ▶ Significant opportunities to improve profitability exist across the GUD group

