



NZX/ASX release

4 November 2015

2016 Financial Year Guidance

Nuplex Industries (NZSX/ASX: NPX) is today holding its 2015 Annual Meeting. At the Meeting, the following trading update and earnings guidance for the 2016 Financial Year will be given.

Operating earnings before interest, tax, depreciation and amortisation¹ (EBITDA) for the 2016 Financial Year is expected to be between \$140 and \$155 million.

This full-year guidance is based on the following expectations;

- Asia to deliver underlying 10% operating EBITDA growth;
- ANZ to benefit from the recent years of restructuring;
- A steady performance from EMEA and the Americas; and
- Operating EBITDA to benefit from the lower New Zealand dollar, particularly in regards to the US dollar.

The above guidance reflects the following market conditions;

Europe

Demand conditions over the past few months have been softer than expected and, weaker when compared to this time last year. This softness appears to have arisen from a cautious reaction by consumers to the evolving geo-political environment in Eastern Europe and the Middle East and, a slow-down in exports to Asia and other emerging markets. It does not appear to be caused by any structural or cyclical changes in the European economy itself, and Europe appears to be growing modestly after some years of stagnation.

Nuplex expects this modest economic growth to support demand throughout the rest of the financial year. However, the softer than expected start to the financial year will be evident in Nuplex EMEA's first half result.

Asia

After a volatile start to the year, we are seeing some encouraging signs in Nuplex's two key growth countries of China and Indonesia. In China, following the impact of the stock market corrections on confidence, and the one off event of the Tianjin explosion impacting the chemical industry, our markets appear to be stabilising, albeit at lower than historical growth rates.

In Indonesia, market conditions are improving as government investments, which will have a positive impact on general economic activity and demand, gain traction.

¹ Earnings before interest, tax, depreciation, amortisation, significant items, associates and minority interests

Adjusting for foreign exchange movements, Nuplex Asia remains on track to deliver 10% underlying EBITDA growth for the financial year.

Americas

Overall industrial markets are expected to be flat as growth from the Automotive OEM markets is offset by reduced demand for protective coatings used by the oil & gas, and mining sectors.

Australia and New Zealand

Markets are stable. The construction and infrastructure sectors are underpinning demand for both coatings and composite resins.

Ends

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