



SPICERS LIMITED:

2018 Annual General Meeting

15 NOVEMBER 2018



CHAIRMAN'S ADDRESS:

Jonathan Trollip

Sale of Asian Operations

- **Businesses in Singapore, Malaysia and Vietnam (Representative Office)**
- **Completion subject to clearance by Singapore competition authority**
 - Expected to report by end of November 2018
- **Expected sale proceeds**
 - ‘Enterprise Value’ of SGD 15 million
 - Net proceeds from sale of Singapore property (deferred consideration)
 - ‘Net cash’ balances (estimated SGD 7 million) retained on completion

Return of Capital to Shareholders

► Proposed return of capital to shareholders of up to \$15 million

- Represents up to 0.729 cents per share

► Proposed capital return conditional on

- Completion of the sale of Asian Operations
- Receipt of a favourable Class Ruling from the Australian Tax Office
- ASX Waiver of Listing Rule 7.25 (already received)
- Exercise of the Board's discretion

► Proposed capital return in the best interests of shareholders

- Efficient capital structure
- Sufficient financial capacity to support operations and growth strategies

Other Group-Level Developments

► Progress on legacy issues

- Settlement agreement with Netherlands Holdings Bankruptcy Trustees
- Legacy legal and tax related matters in Italy and Canada resolved
- Progressive de-risking and simplification of the Company's balance sheet
- Removal of 'Emphasis of Matter' from Independent Auditor's Report

► Corporate costs reduced

- Corporate function downsized – Ongoing costs half of FY2016 levels
- Significant reductions in insurance and other service-provider costs
- Share registry costs reduced by unmarketable parcel share buy-back



CEO'S ADDRESS:

David Martin



OUR BUSINESS

A dynamic and solutions-focused distribution business, operating across the Print & Packaging, Sign & Display and Architectural categories.

OUR VALUES



ACCOUNTABILITY

- Safety is a priority
- Reliably deliver on our promises
- Focused on understanding and delivering customer value
- Considerate of the impact our actions have on the business, our teams and all stakeholders



INTEGRITY

- Demonstrate honesty in all dealings
- Adhere to the law
- Community & sustainability minded
- Trust & respect each other and all Spicers' stakeholders



COLLABORATIVE

- One team, working together towards a common goal
- Communicate in a regular, open and honest manner
- Respect and value diversity in all forms
- Proactively engage to share ideas and create solutions



DYNAMIC

- Adapt in a changing environment
- Creatively find new growth opportunities
- Passionate about our customers and people
- Drive continuous improvement in all areas of our business

Community Engagement



Our Regional Business Operations



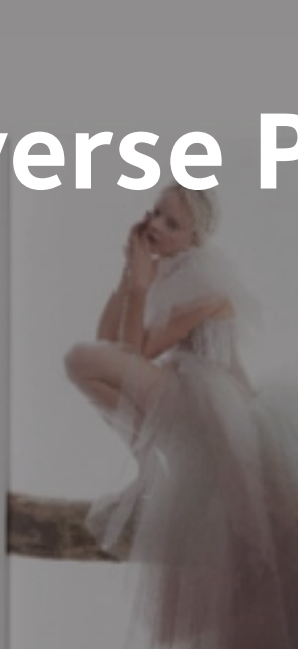
Australia & New Zealand

Revenue = AU\$300M

Employees = 300

11 locations

Diverse Product Portfolios



Commercial Print

Digital Media

Label & Packaging

Packaging



Sign & display
Consumables

Sign & display
Hardware

Industrial
Packaging

Architecture &
Interior Design



SPICERS FY2018 FINANCIAL PERFORMANCE AND 3-YEAR TRENDS



FY 2018 Sales and Earnings

Net Sales Revenue

\$384.0m

↑ 0.9%

- **Return to revenue growth across key product portfolios**
 - Strong customer and market engagement
- **Sign and display growth opportunities**
 - Sign Technology LED & Neon components
NZ acquisition

Underlying EBIT

\$8.0m

↑ 63.1%

- **Return to growth contributed almost \$3million to Gross Profit**
- **Substantial operating cost reductions:**
 - Labour cost saving of \$2.2 million in Australian organisation
 - Savings across a broad range of other operational costs.

FY 2018 Cash Flow and Working Capital

Net cash flow from Operating Activities

\$17.3m

↑ 174.5%

Net Working Capital

\$75.4m

↓ -12.4%

Driven by:

- Improved operational earnings, and
- Sharp reductions in net working capital

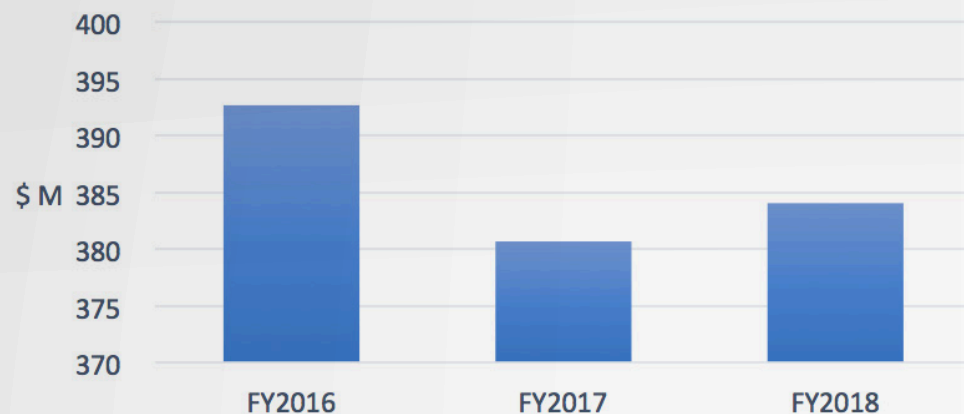
30 June represents a high point in company's annual cash cycle

Substantial reductions in inventory balances

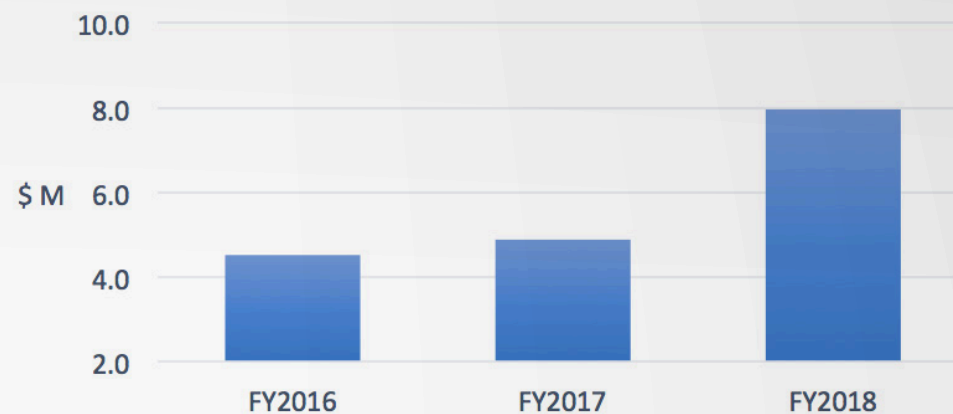
Creditor payment terms improved

3 year performance trends

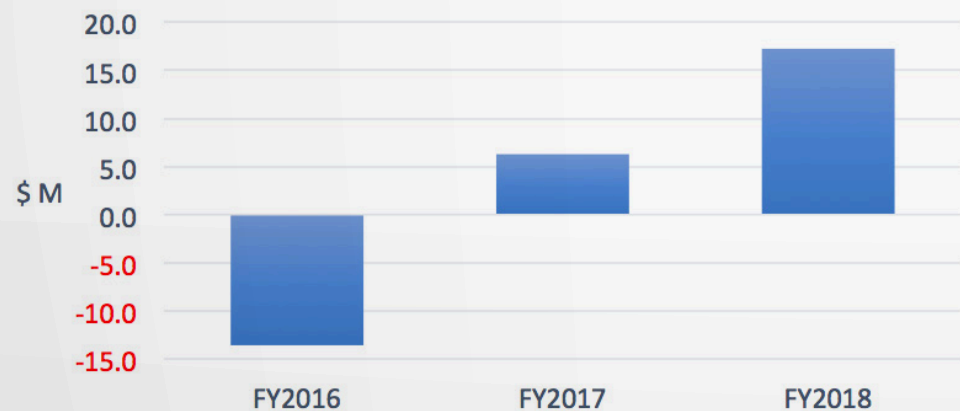
Net Sales Revenue - Continuing



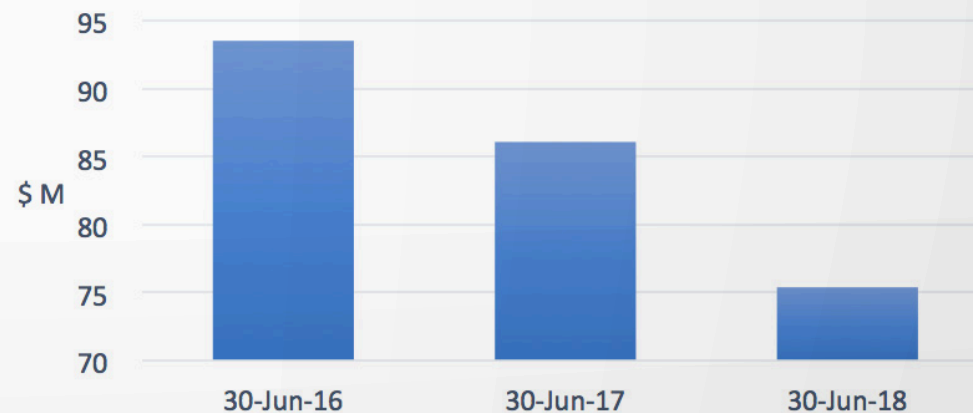
Underlying EBIT



Net Cashflow from Operating Activities



Net Working Capital



FY 2019 Trading Update

4 Months to October 2019

► **Total sales revenue up on prior year**

- Commercial success in generally flat markets
- Focus on delivering profitable revenue growth remains

► **EBIT result tracking ahead of prior year and in-line with expectations**

- Trading expenses and Corporate costs down on prior year

► **Working capital and cash flow positions tracking as expected**

- 1st half cash flows traditionally weaker than the 2nd half due to seasonal trading patterns

► **\$1.9m gain in discontinued result from Netherlands Holdings Trustees settlement**

Spicers Strategic Priorities

Progress and conclusion



Optimise 'core' categories and aggressively grow in 'positive-mix' segments



Drive stronger market engagement to enable growth



Maximise business and supply chain efficiency



Develop our people



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