GUD Holdings Limited
ABN 99 004 400 891

H1 FY22 Financial Result

Graeme Whickman, CEO & MD
Martin Fraser, CFO

8 February 2022

Contents

Projecta's Intelli-Start jumpstarter range with world first Rapid Recharge Technology ranked BWI third most innovative manufacturing & consumer goods company in 2021

FINANCIAL REVIEW MOST INNOVATIVE COMPANIES

Key messages

1. Automotive organic margins recovered strongly (+2.9 percentage points) versus H2 FY21 aided by margin management initiatives to combat inflationary pressures

2. Record result driven by acquisitions and strong end user demand reflected in Group organic revenue growth of circa 6% despite COVID-related disruptions

3. Business in positive strategic transition – through diversification of customer, product, geography and powertrain (non-ICE) – creating a stronger, more resilient and higher growth business

4. Executed critical strategic steps in becoming leaders in niche automotive lighting and integrated 4WD via the acquisitions of AutoPacific Group (APG) and Vision X (VX)

5. Key personnel, operational and financial changes progressing in support of the Davey Improvement Plan

6. GUD provides the following FY22F guidance: Group underlying FY22F EBITA of $155 million - $160 million[1], including Vision X and APG, absent any further significant mobility restrictions or unforeseen economic or other circumstances

1. The APG component of the guidance is included on a pre AASB 16 basis, as the impact of lease accounting under AASB 16 is currently under determination for this business. Guidance range excludes amortisation of acquired intangibles (APG and Vision X) but includes amortisation for the existing businesses

Group financial overview

Rebounding Automotive margins, solid organic growth and acquisitions contribute to a record Group operating result

- Group revenue increased 32% on the pcp underpinned by acquisitions and organic growth[4] of 5.7%
- Underlying[1] EBIT (ex JobKeeper) increased 19% and margins expanded to 17.8%, an increase of 1.8 percentage points (pps) versus H2 FY21[5], largely driven by strong sales growth coupled with margin management actions (pricing, cost control and some FX gain) partially offset by higher supply chain costs, domestic inflation and additional expenses in support of the longer-term growth strategy
- Underlying[1] NPAT (ex JobKeeper) increased 14.7% and underlying EPS decreased 15.6%, reflecting the expanded capital base following the acquisition of APG and the associated equity raising in December 2021
- Davey's profit improvement plan has resulted in an inventory review with an accompanying $10.5 million write down
- Cash conversion[3] of circa 63%, well below mid-term targets, reflects flagged investment in inventory levels to address supply chain disruptions, support sales growth and sustain customer service levels. Excluding APG acquisition-related costs (c.$3.9 million), cash conversion was circa 70%
- Interim dividend of 17.0 cents per share representing circa 100% of reported NPAT and 68% of underlying NPAT

$M	H1 FY22	H1 FY21	% Change
Revenue	332.0	251.5	32.0%
Reported NPAT	24.2	31.3	(22.7%)
Underlying[1] EBIT ex Jobkeeper[2]	59.0	49.5	19.0%
Underlying[1] NPAT ex Jobkeeper[2]	35.2	30.7	14.7%
Cash Conversion[3]	63.3%	90.6%	(30.1%)
Cents	**H1 FY22**	**H1 FY21**	**% Change**
EPS (Basic)	20.8	34.5	(39.5%)
Underlying[1] EPS (Basic)	30.4	36.0	(15.6%)
DPS (Interim)	17.0	25.0	(32.0%)

1. 'Underlying' excludes non-operating items as outlined on slide 21
2. JobKeeper payments of $2.8m received in H1 FY21 vs. zero in H1 FY22 and H2 FY21
3. Cash conversion equals gross operating cash flow divided by underlying EBITDA as outlined on slide 23
4. 'Organic' excludes acquisitions (APG, Vision X, ACS and G4CVA)
5. Underlying Group EBIT margins (ex JobKeeper) of 16.0% in H2 FY21 vs. 17.8% in H1 FY22

Note: Small differences due to rounding. Underlying EBITDA, underlying EBIT, and EBIT are non-IFRS measures that have not been subject to audit or review

We're ready to meet our customers' needs of tomorrow, today

Our brands are future-ready; clever ideas turned into technical products and services that people count on every day.
Through a talented team, we are committed to creating value for all our stakeholders in a quality way.

Strategic imperatives to build strength for today and unlock growth for the future

- Build an integrated leader in 4WD Accessories and Trailering in ANZ with future export
- Grow a global niche leadership position in Automotive Lighting
- Expand vehicle Power Management internationally
- Become a leader in the EV Aftermarket in Australia and New Zealand
- Capture Undercar categories and leverage scale
- Optimise Powertrain profitability and invest in adjacencies
- Strengthen Water and pursue scalable growth

Continuously improve business foundations and leverage scale to accelerate progress

- Customer relationships
- Supplier engagement
- People cycle planning
- Product cycle planning
- Operational fitness

How we are embedding ESG into our strategy and ways of working

We have defined what matters most to our stakeholders; next we'll set mid to long term goals

Done

- ✓ Completed detailed materiality assessment facilitated by external experts (Q1 FY22)
- ✓ Key impact areas defined and aligned to key value drivers for all key stakeholder groups; clear link to strategic and operational decision-making and ways of working
- ✓ Implemented early actions (includes non-financial performance indicators in STI program)

Next

- Scope 1 & 2 emissions profile to be updated for acquisitions
- Baseline current performance on all key impact areas
- Set key impact area targets and KPIs to 2025 and 2030
- Complete ESG plan that reflects the materiality assessment findings and represents our ongoing commitment to improve our ways of working
- Build an ESG "scorecard" and regularly/periodically report on our progress

Key impact areas

Health and Safety
The health, safety and wellbeing (HSW) of our people is the top priority in everything we do

Thriving People
We invest in our people to develop a high-performing, highly engaged and diverse workforce

Sustainable Sourcing
We partner with suppliers to build the strength and capability of our supply chain and improve labour, ethical and environmental practices

Energy and Emissions
We will act and collaborate to reduce the carbon emissions of our businesses, products and value chain

EV Transition
We will actively manage our portfolio in line with car-parc trends and be an early-mover in the EV aftermarket

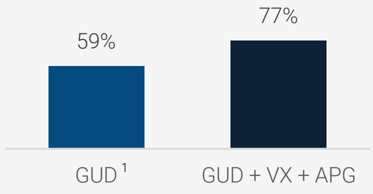
Water and Waste
We will aid customers in reducing their water and waste footprint and lead by example in our business operations

Building a strong, diversified, and future-facing GUD via organic and acquisition growth

1. **Doubled automotive addressable market**
   From $4.3 billion[2] in FY20 to $9.3 billion today
2. **More powertrain-agnostic revenue**
   Automotive non-ICE revenue expected to increase from 59% in FY20 to 77% in FY22F
3. **Greater channel diversification**
   Access to OEM and aftermarket channels
4. **Stronger geographic spread**
   Diversified supply base with in-house manufacturing in Korea, Thailand, USA; and entered new markets (USA & European automotive lighting)
5. **More comprehensive automotive product range**
   One stop shop that covers the full lifecycle from new vehicle sale to aftermarket
6. **Expanding water product capability**
   Water transfer + water treatment + connected pool products

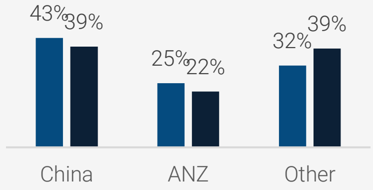
Higher non-ICE revenue

Non-ICE auto revenue



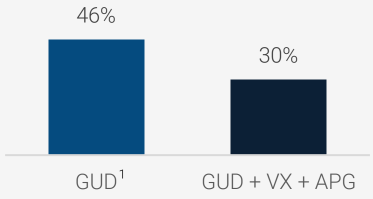
Better supply diversification

Supply country of origin



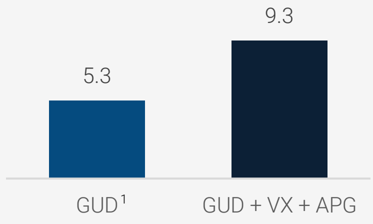
Greater customer diversity

Top 3 auto customers



Bigger TAM

TAM ($ billion)



1.'GUD' includes G4CVA and ACS 2. FY20 Total Addressable Market (TAM) excludes G4CVA and ACS

Organic growth from legacy brands

Additional growth from acquired brands

GUD Holdings Limited

Automotive

Automotive

Record revenue and EBIT performance

- Revenue growth of 38.3% largely driven by acquisitions
- Organic[2] revenue increased 4.6%, a particularly strong outcome given the 13% growth achieved in the pcp
- Underlying Organic[2] EBIT margin increased 2.9 pps over H2 FY21 largely driven by sales growth leverage and active margin management (pricing, cost control and some FX) partially offset by significantly higher supply chain costs and domestic inflation

Margin management

- H1 FY22 price rises were successfully achieved
- H2 FY22 price rises have been implemented in response to persistent inflationary and FX pressures

Operating fitness focused on supply chain management and inventory levels

- Management of sea freight intensified in H1 FY22 due to capacity and reliability issues however costs were managed in line with expectations
- In line with strategy, inventory levels increased to combat supply chain challenges and support demand growth. Some moderation is expected in H2 post Chinese New Year peak levels

$M	H1 FY22	H2 FY21	H1 FY21	% Change HoH	% Change PCP
Automotive Revenue	272.1	246.8	196.7	10.2%	38.3%
Organic[2] Automotive Revenue	205.8	194.3	196.7	5.9%	4.6%
Automotive Acquisition Revenue	66.3	52.6	-	26.2%	-
Government Subsidies	-	-	2.8		-
Underlying[1] EBITDA	68.9		56.7		21.4%
Depreciation & Amortisation	(7.8)		(4.3)		81.6%
Underlying[1] EBIT	**61.1**	**49.5**	**52.4**	**23.3%**	**16.5%**
Underlying[1] EBIT ex JobKeeper	**61.1**	**49.5**	**49.6**	**23.3%**	**23.1%**
Underlying EBIT[1] margin ex JobKeeper	*22.4%*	*20.1%*	*25.2%*	*2.4 pps*	*(2.8 pps)*
Underlying Organic EBIT[1,2] ex JobKeeper	**51.2**	**42.8**	**49.6**	**19.6%**	**3.2%**
Underlying Organic EBIT[1,2] margin ex JobKeeper	*24.9%*	*22.0%*	*25.2%*	*2.9 pps*	*(0.3% pps)*

1. 'Underlying' excludes non-operating items outlined on slide 21
2. 'Organic' excludes acquisitions (APG, Vision X, ACS and G4CVA)

Note: small differences due rounding

Automotive: H1 FY22 snapshot (1 of 3)

Auto Electrical, Lighting & Power Management

Griffiths Equipment (NZ)

- Revenue flat in H1, however grew strongly in Q2 following the hard lockdown in Q1 (where all retail was closed)
- Marine, caravan/campers, car audio has grown strongly as consumers continue to invest in the leisure sector
- Truck and Trailer growth underway, as demand on road freight vehicles increases
- Expansion of product offering to market, with the addition of new products developed in-house and international brands, in addition to synergies within the GUD Group
- Efficiencies in combined GUD NZ distribution centre starting to be realised

AE4A

- Strong retail sales through major retailers such as SCA, BCF, Anaconda and Repco
- Dirty Steve cleaning products launched with Repco throughout Australia and New Zealand.
- New (common to BWI) ERP system implemented to streamline efficiencies and to support future growth

Vision X

- Acquired operations in USA, Korea and China from 30 November 2021
- Sales continue to be strong in USA with double digit growth over prior year
- Strategy to work with OEM customers for longer forecast periods of 6-9 months proved successful with no supply disruptions and incremental business secured

Auto Electrical, Lighting & Power Management

BWI

- Continued strong revenue growth from FY21 into H1 FY22
- Further expansion from the core automotive electrical channel
- Strong growth from OEM customers in RV, Truck & PMV categories
- Large investment in inventory to support customers through supply chain uncertainty
- Top 3 place in 2021 AFR Most Innovative Companies awards (Manufacturing & Consumer Goods)

Electric Vehicles

IM Group

- Hybrid battery program moving into commercialisation stage
- New business segment established, targeting the circular economy for hybrid and electric vehicles power solutions (CHEV)
- Pilot program underway, exploring the use of second life EV batteries for power storage and management – government grant secured

BWI

- Level 1 EV charger and EV charging accessories program in progress

Automotive: H1 FY22 snapshot (2 of 3)

Powertrain

Ryco Filters

- Modest revenue growth (cycling strong growth in the pcp) despite lock downs
- Continued strong product pipeline highlighted by 2nd place in the AFR Boss Most Innovative Companies (with the Microshield N99 'medical-grade' air filter product)
- Investment in the brand, human capital & staff wellness, resulted in placing 7th in the AFR Best Place Places to Work in the manufacturing and consumer goods category
- Commissioned new testing equipment (circa $0.5 million) for air filtration to allow enhanced product development and testing specifications, unparalleled in Australia aftermarket

Wesfil

- Revenue slightly below the pcp due to stronger Q1 lockdown impacts in NSW
- Core range sold well despite COVID headwinds, with select new product showing promise
- New Victorian (Sunshine) warehouse was launched to leverage growing western Melbourne independent marketplace
- Successfully managing challenging labour market conditions

Powertrain

AA Gaskets

- Strong revenue growth with robust demand through H1
- Operational fitness leveraged following AAG 'Proof of Concept' profit improvement plan
- Category & Product Development team structure consolidated to AU
- NZ Sales team structure review to support NZG/DBA/IMG representation

IM Group

- Strong revenue growth across all IMG segments
- Exceptional growth in Heavy duty vehicle electronic repair service
- Moved into delivery stage of planned geographic expansion of automotive repair network (NZ/WA)
- First steps into Industrial repair service offering

Automotive: H1 FY22 snapshot (3 of 3)

4WD Accessories and Trailering

Fully Equipped

- Positive revenue growth due to new vehicle sales demand and customer demand for aftersales extras despite lockdown
- Good forward demand into H2 2022
- Margin management initiatives include price increases on 1 February 2022, and the potential for further Q4 price increases combined with a focus on manufacturing productivity

East Coast Bullbars (ECB)

- Revenue flat however strong order backlog with book to bill ratio consistently >100%
- Actions to improve capacity contraints are on track to address labour shortages in finishing via investments in automation in Q4
- Stable supply chain has mitigated any impact to operations, despite global headwinds
- New Product Design strategy proving to be positive with customers

CSM Service Bodies

- New leader appointed to CSM in September 2021
- Fleet demand for service bodies and related accessories remains strong, however vehicle availability continues to be a sales challenge
- Revenue and GM is improving with pricing revisions and the implementation of updated processes, procedures and cost management
- New product development project underway to target the retail market

Undercar

Disc Brakes Australia

- Strong revenue growth
  - Domestic growth from existing and new products
  - Export markets seeing a return after COVID
  - NZ seeing growth as a result of range and distribution updates, despite COVID restrictions
- Street Series disc pad program launched in Q4 FY21 is performing on target and further growth is expected as additional distributors are onboarded
- Street Series caliper program launched Q1 FY22

Australian Clutch Services

- Solid revenue growth and business is continuing to perform strongly after acquisition
- NZ sales negatively impacted by COVID restrictions
- USA growth is exceeding targets
- Strong pipeline of new products under development

Vision X complements BWI and opens up US and Europe

1. **Portfolio of power train agnostic and EV ready products** – further reduces GUD's exposure to internal combustion engines (ICE)
2. **Large and growing addressable markets** – strong positions in automotive and non-automotive lighting segments
3. **Strongly diverse customer base** – customer concentration is low, and most are new to GUD
4. **Geographic diversification** – establishment of a beachhead in the USA and a distribution foothold in Europe; the two largest lighting markets globally
5. **Established product development and manufacturing facilities** – Korean and Chinese operations provide flexible sourcing and future expansion options
6. **Strong historic financial health with further value creation –** clear product and go-to-market opportunities leveraging the existing strong platform

✓ **Founders and key staff highly engaged and committed to success** – strong cultural alignment with founders and a clear vision of success linked to the 3-year earn out period

Company video (2:30 min)
Click button or copy/paste URL to your browser
https://youtu.be/N-pXv7az6zw

Strong product line up

1200
new products in development driving incremental sales

500
trademarks, design and Utility patents

Balanced exposure to Lighting segments

Industrial	Fire & Emergency	Automotive	Motorcycle
38%	23%	35%	4%

Positive customer diversification

Top 18
customers contribute 80% of revenue

80%
of customers are new to GUD

Note: The Vision X acquisition completed on 30 November 2021

APG is a clear leader in 4WD Accessories & Trailering in ANZ

1. **Undisputed market leader in towing with strong brands and market positions** across a diverse range of trailering, cargo and functional accessories that are 100% non-internal combustion engine (ICE)
2. **Large and growing addressable market** (largely Pick-Ups (PUs) and Sports Utility Vehicles (SUVs)) supported by positive structural tailwinds
3. **"Blue Chip" customer base with diverse and 'sticky' relationships** – APG's top five customers have an average tenure of 21 years
4. **"Best-in-class" R&D** with a demonstrated track record of innovation and category penetration
5. **Large scale, well invested manufacturing and distribution capabilities** across ANZ and Thailand
6. **Strong financial performance and future growth potential** driven by increasing market share, new product development and category expansion underpinned by solid market growth

✓ **Strong, proven and longstanding management team** that has scaled APG organically and integrated value accretive acquisitions with an average tenure of c.10 years

Company video (3 min)
Click button or copy/paste URL to your browser
https://vimeo.com/gudholdings/autopacificgroup

AUTOPACIFIC GROUP

Leading market positions

#1 or #2
market positions across key categories

New product development & comprehensive coverage

35 new products in development driving incremental sales	**c.95%** of vehicle car parc covered

High degree of revenue visibility

100% win rate on recent OEM PU model launches	**5-7 year** revenue visibility with OEM product cycle life

Note: The APG acquisition completed on January 4, 2022

Acquisitions well aligned to portfolio vision and support broader growth strategy

	GUD Automotive (core including ACS)	Vision X (automotive lighting)	G4CVA (4WD accessories)	APG (4WD accessories & Trailering)	GUD + Vision X + G4CVA + APG
Automotive addressable market	c.$4.8 billion	+ c.$3.0 billion	+ c.$0.5 billion	+ c.$1.1 billion	**Doubled addressable market to c.$9.3 billion**
GUD's market position	Strong in-service parts #1 in filtration	Entry to USA market	#1 in alloy frontal protection (4WD)	#2 in ANZ 4WD market	**A leader in service parts *and* 4WD accessories**
Vehicle lifecycle	Predominantly aftermarket	Predominantly aftermarket	Aftermarket + some new vehicle (OEM)	New vehicle (OEM) + aftermarket	**Covers the full lifecycle from new vehicle sale to aftermarket service**
Channel and customer	Sticky aftermarket relationships	Sticky aftermarket relationships	Strong 4WD specialist distribution	Longstanding bluechip OEMs relationships	**Broad channel access through OEM and aftermarket**
Product range	Powertrain parts, undercar, lighting, power management	Expands lighting with mining, emergency	Frontal protection, canopies, service bodies, trays, camping	Towing, trailering, cargo management, functional accessories	**Highly complementary products create a one-stop-shop opportunity**
Manufacturing & IP	Local engineering, design Long tail (barrier to entry)	Manufacturing in USA, South Korea, China	ANZ manufacturing facilities (high value)	89 engineers, ANZ + Thai manufacturing, long tail	**Synergies in R&D and large scale, modern manufacturing**

GUD's 'end-to-end' coverage of 4WD Accessories & Trailering range

Lighting
- Driving Lights
- Light Bars
- Performance Globes
- RV and interior lighting

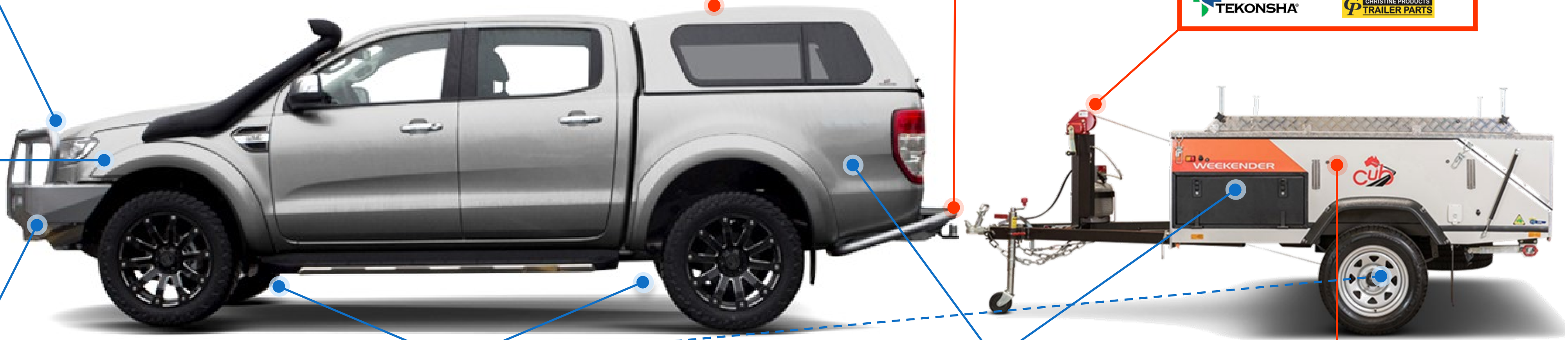
Powertrain
- 4WD Filter Kits
- Fuel Water Separators
- Catch Can Kits
- 4WD Clutch Assemblies

Protection
- Steel Bullbars & Nudge Bars
- Alloy Bullbars & Nudge Bars
- Rock Sliders

Cargo Management
- Fibreglass Canopies
- Aluminium Service Bodies
- Aluminium Trays
- Truck Tub Liners
- Roof Racks
- 4WD Spare Wheel Holders
- Jerry Can Holders
- Roof Racks
- Cargo Barriers
- Bike Carriers

Towing
- Towbars
- Fifth wheel hitches
- Trailer plugs/connectors

Trailering
- Coupling Systems
- Suspension and Control Arms
- Caravan Chassis
- Axle Assemblies
- Brake Controllers
- Jockey Wheels and Stands
- Boat Winches



Brakes
- Brake Rotors
- Brake Pads
- Brake Callipers
- Electric Drum Brakes (Trailer)
- Hydraulic Disc Brakes (Trailer)

Power Management
- RV Power Management
- Inverters and Power Boards
- Dual Battery Systems
- Battery Chargers, Jump Starters
- Solar Panels and Controllers
- Portable Power Hubs

Camping
- Portable Fridges
- Water & Diesel Tanks
- Portable Toilets

Legend
- GUD Group
- AutoPacific Group

GUD Holdings Limited

Water

Water

Strong revenue growth across several markets but COVID disruptions continue to impact operating margins

- Strong sales growth of 9.5% led by home pressure systems domestically and in the US, commercial pumps in Australia and pools in Europe and the US. European pool sales were lifted by the new Lifeguard range
- Underlying EBIT of $1.9 million, decreased $270K on the pcp, reflecting significant COVID impacts on manufacturing and some costs relating to the profit improvement program
- Supply chain disruptions continued to impact factory efficiency and elevated export freight costs further eroded margins. In addition, availability of staff to meet the production demand has been challenging, resulting in shift penalties
- Export continues to outstrip the pcp although at lower margins than ANZ

Executing on a clear, profit improvement plan with inventory review resulting in a $10.5 million write down

- Refocused research and development activity to align with emerging trends including energy efficiency, noise levels and smart connectivity
- Reshaping sales and production operational planning to optimise customer service and production efficiency
- Better use of interstate warehousing and higher levels of finished goods to reduce client lead times and improve service levels
- Simplifying operating model and streamlining processes in support areas to improve customer service
- Improved end-to-end product cost transparency has led to a reassessment of overhead recovery reflected in inventory values, resulting in a one-off impact of $3.3 million
- Revised slow moving and obsolete inventory levels as a result of a major re-alignment of sales, product lines, and production planning, resulting in a one-off impact of $3.9 million
- Assessed recoverability of inventory balances. Carrying values marked down to lower of cost or net realisable value resulting in a one-off impact of $3.3 million

$M	FY22 H1	FY21 H1	% Change
Revenue	60.0	54.8	9.5%
Underlying[1] EBITDA	4.0	4.4	(7.4%)
Depreciation & Amortisation	(2.2)	(2.2)	
Underlying[1] EBIT	**1.9**	**2.1**	**(12.6%)**
Underlying[1] EBIT Margin	*3.1%*	*3.9%*	

1. 'Underlying' excludes $10.5 million in non-operating items outlined on slide 21

Note: small differences due to rounding

GUD Holdings Limited

Financials

Financial summary

$M	H1 FY22	H1 FY21	% Change
Revenue	**332.0**	**251.5**	**32.0%**
EBITDA	**54.8**	**58.0**	**(5.5%)**
Depreciation	(10.1)	(7.4)	36.5%
EBITA	44.8	50.7	(11.6%)
Amortisation	(0.3)	(0.2)	52.0%
EBIT	44.5	50.5	(11.9%)
Net Finance Expense	(5.9)	(6.8)	(13.3%)
Profit Before Tax	**38.6**	**43.7**	**(11.6%)**
Tax	(14.4)	(12.4)	16.3%
Reported NPAT	**24.2**	**31.3**	**(22.7%)**
Non-Operating Items (pre-tax)	14.5	1.8	
Underlying EBIT	**59.0**	**52.3**	**12.7%**
Underlying NPAT	**35.2**	**32.7**	**7.8%**

Cents	H1 FY22	H1 FY21	% Change
Reported EPS	20.8	34.5	(39.5%)
Interim Dividend	17.0	25.0	(32.0%)

- Includes organic revenue of $265.7 million (+5.7% on pcp) and $66.3 million from acquisitions
- Higher volumes and margin management (pricing, cost control and some FX gains), partially offset by higher supply chain costs, domestic cost inflation and additional personnel and actions to support the longer-term growth strategy. Includes non-operating items of $14.5 million outlined on slide 21 No Job Keeper receipts included in H1 FY22 versus $2.8 million in H1 FY21
- Reflects the G4CVA and VX acquisitions and normal run rate from existing businesses
- Includes amortisation of acquired intangibles of $0.3 million. Excludes amortisation of Vision X acquired intangibles (to commence in H2 FY22)
- Includes fully expensed facility arrangement fees and associated costs of $1.5 million to support the acquisition of APG
- Includes increase to FY21 tax liability of $1.7 million
- Excludes non-operating items outlined on slide 21
- Reflects larger capital base from December 2021 equity raising to support the acquisition of APG (ahead of any corresponding NPAT)

Non-operating items (pre-tax)

$M	Automotive	Water	Total
Automotive and Unallocated			
Vision X acquisition support costs	1.4		1.4
AutoPacific Group acquisition support costs	2.4		2.4
Other Automotive acquisition and initiative support costs	0.1		0.1
Davey			
Inventory reassessment to support business realignment		10.5	10.5
Total	**3.9**	**10.5**	**14.5**

Note: small differences due to rounding

Davey non-operating items driven by Improvement Plan

- Improved end-to-end product cost transparency has led to a reassessment of overhead recovery reflected in inventory values, resulting in a one-off impact of $3.3 million
- Revised slow moving and obsolete inventory levels as part of a major realignment of sales, product lines, and production planning, resulting in a one-off impact of $3.9 million
- Assessed recoverability of inventory balances. Carrying values marked down to lower of cost or net realisable value, resulting in a one-off impact of $3.3 million

1. Due diligence for acquisitions and investments that were not pursued

Net working capital (NWC)

Reported NWC increases circa $11 million net of acquisitions

- Extended payment terms provided to some clients as form of COVID-19 support was unwound in H1 resulting in a lower organic receivables balance
- Substantially higher inventory balance, as flagged, due to elongated supply chains with some offset from higher payables
- Higher finished goods inventory in Davey reflects a greater skew towards finished goods in interstate warehouses. Lower raw material levels are expected, once new sales and operational planning processes have fully taken effect
- Closing inventory balance is net of Davey inventory write down of $10.5 million

$000	FY22 H1	FY21 H2	FY21 H1	FY20 H1
Period End Balances				
Statutory NWC				
Inventories	203,846	153,353	122,275	108,914
Receivables	152,966	146,355	137,859	112,087
Payables	(113,176)	(97,863)	(87,100)	(60,574)
Statutory NWC Total	**243,636**	**201,845**	**173,034**	**160,427**
Organic NWC	**212,828**	**171,949**	**173,034**	**160,427**
Acquired NWC (ACS and G4CVA)				
Inventories		25,292		
Receivables and prepayments		16,190		
Payables		(11,586)		
ACS + G4CVA Total		**29,896**		
Acquired NWC (Vision X)				
Inventories	19,788			
Receivables and prepayments	17,769			
Payables	(6,749)			
Vision X Total	**30,808**			
Net Organic NWC Movement	**10,983**			

Cash conversion and capex

Cash conversion reflects planned investment in inventory

- Strategic investment at a time of unprecedented supply chain challenges and elevated demand reflected in higher inventory levels
- Payments to suppliers includes $3.9 million of transaction costs relating to the APG acquisition and associated capital raising - excluding these transaction costs, cash conversion was circa 70%
- No liquidity issues apparent in customer base and no material increase in doubtful debts

Capex in H1 reflects investment for growth

- Lift in capex to $5.7 million reflects increased product development spend and acquired G4CVA businesses
- Expect an incremental circa $2 million in capex in H2, ex APG, to invest in capacity and facility requirements in existing GUD businesses

$M	H1 FY22	H1 FY21
Operating cash flow[1]	25.7	39.5
+ Tax paid	18.1	14.7
Gross operating cash flow	**43.8**	**54.2**
Underlying EBITDA[2]	69.3	59.9
Cash flow conversion	**63.3%**	**90.6%**

1. Operating cash flow excludes net finance costs
2. Underlying EBITDA excludes non-operating items outlined on slide 21

Debt profile

Funding reflects APG acquisition

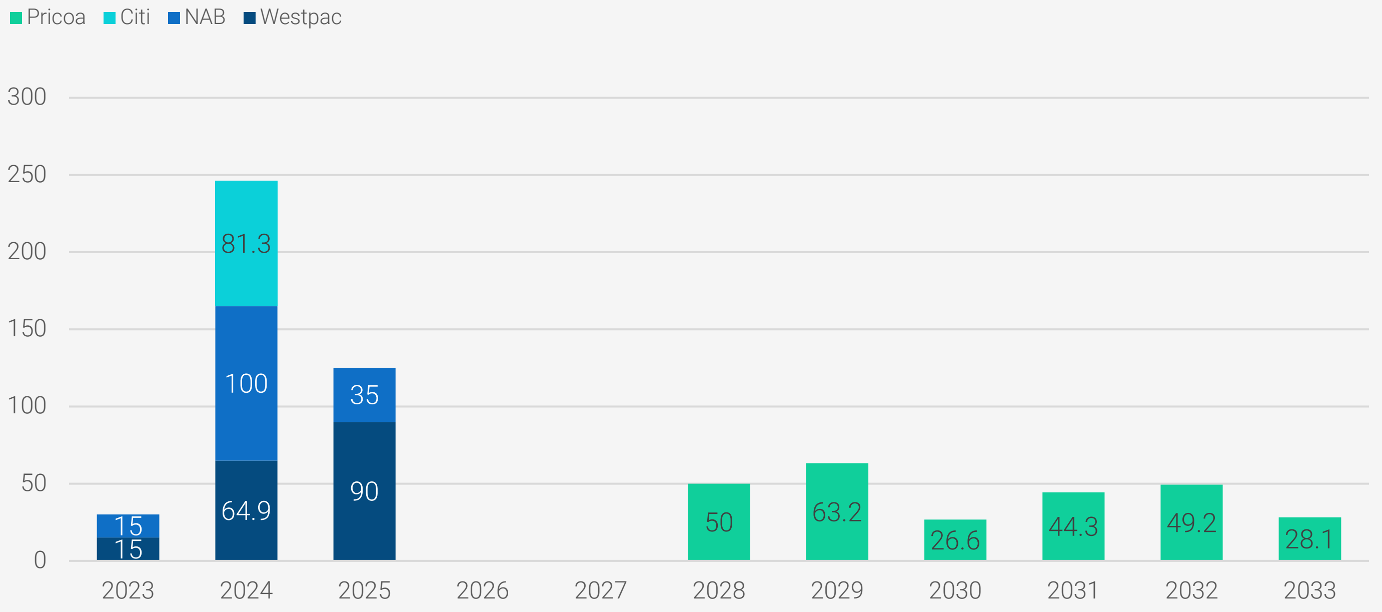
- Expanded debt funding completed with existing lenders and no underwriting fees were incurred
- Arrangement fees expensed in financing costs
- Maturity tenor well diversified
- Gross cash balance of $724.9 million held ahead of 4 January APG completion

Good balance of fixed and floating rates

- Pricoa facilities of AUD $264 million are fixed interest rates and are fully drawn
- Citi, NAB and Westpac are flexible facilities with floating interest rates
- Floating to fixed interest swap contracts of $39.2 million in place
- Current blended interest rate on gross debt, including un-used line fees, of circa 3%

$M		Pre APG	APG	Post APG
Facilities	Westpac	79.9	90.0	169.9
	NAB	75.0	75.0	150.0
	Citi	31.3	50.0	81.3
	Pricoa	121.0	140.4	261.4
	Total	**307.2**	**355.4**	**662.6**

Debt maturity profile post APG ($M)



Balance sheet and capital management

Balance sheet remains solid

- Successfully completed a $404.6 million equity raising via a fully underwritten institutional placement and entitlement offer to fund the acquisition of APG
- Total transaction costs relating to the APG acquisition and associated equity raising of $13.2 million
- Net cash position of $169 million moves to a proforma net debt of circa $500 million post the APG acquisition
- Additional $75 million of equity issued (6,489,889 shares) to the APG vendors in January 2022 as part of the purchase price consideration (escrowed until post the FY22 result)
- Share buy-back authority to be activated to enhance capital management flexibility
- Focus remains on achieving Net Debt/underlying EBITDA (lease adjusted) below 2x by 31 December 2022 (move)
- Balance sheet flexibility remains to fund seasonal Net Working Capital, dividend payments, and potential bolt on acquisitions

Dividend

- Fully franked interim dividend of 17.0 cents per share
  - Reflects shares issued to fund APG acquisition
  - Represents circa 100% of reported NPAT and 68% of underlying NPAT
  - Dividend Reinvestment Plan (DRP) remains in place at a 1.5% discount

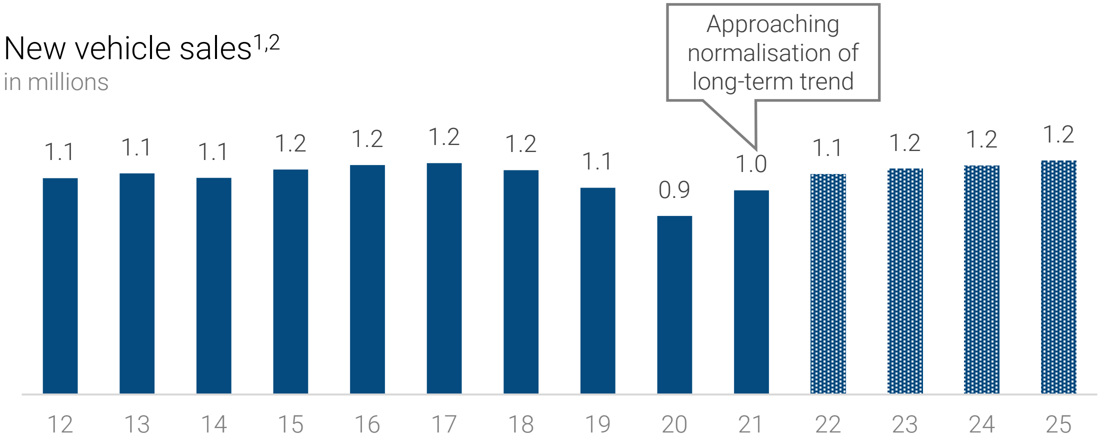
$M	H1 FY22	H1 FY21
Current borrowings	-	-
Non-current borrowings	566.0	152.5
Cash and cash equivalents	734.9	34.9
Net Debt	**(169.0)**	**117.6**
Underlying EBITDA[1,2] – lease adjusted	125.4	98.3
Net Debt/Underlying EBITDA[1,2] (x)	**n/a**	**1.2**
Net interest[2] – lease adjusted	7.3	7.2
Underlying EBITDA/Net Interest (x)	**17.1**	**13.6**
Gearing Ratio[3] (%)	**n/a**	**24%**

1. Underlying excludes non-operating items outlined on slide 21
2. Rolling 12 months, adjusted to include lease payments
3. Gearing ratio = (Net Debt/Net Debt + Equity)

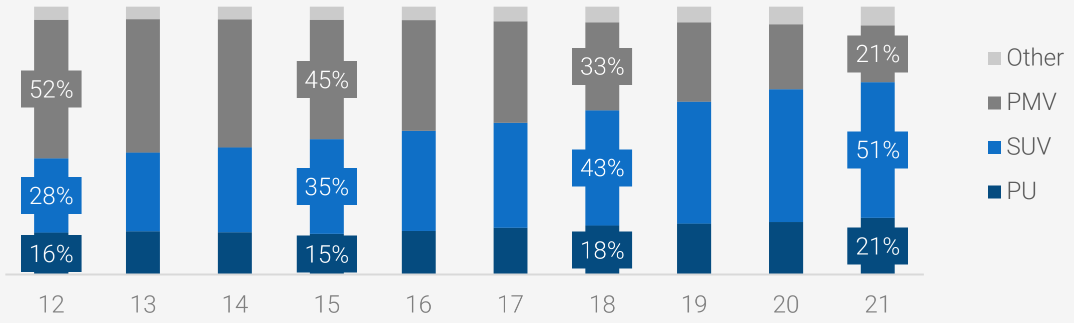
Outlook

All underlying industry trends are favourable to GUD's expanded portfolio

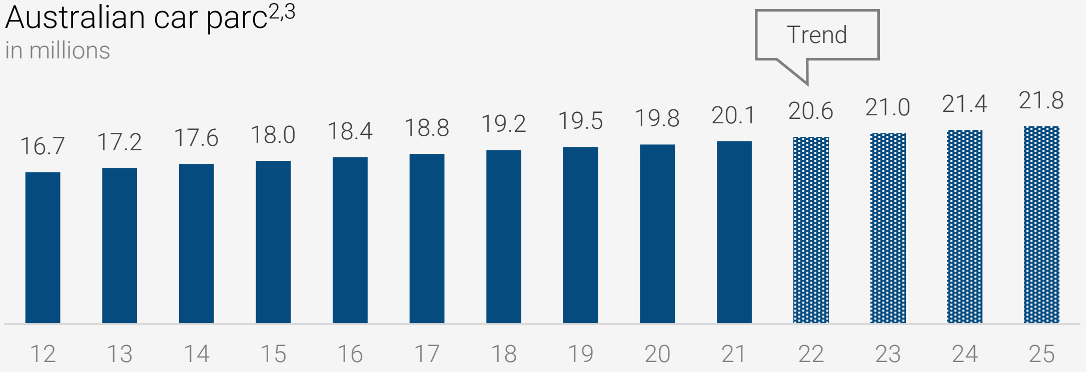
New vehicle sales[1,2]
in millions



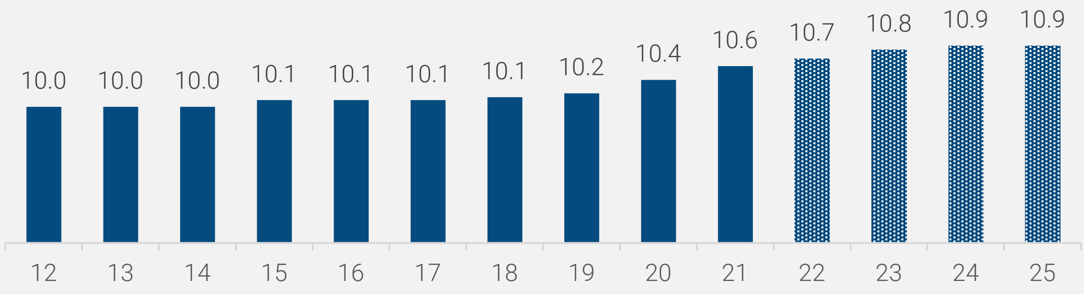
Segmentation of new vehicle sales[1]
% of total



Australian car parc[2,3]
in millions



Average vehicle age[2,3]
in years



New vehicles sales, sales composition, size of installed base, and fleet age (aftermarket) are all favourable

1. Federal Chamber of Automotive Industries (FCAI): VFACTS database. 2. Australian Automotive Intelligence (2021), includes projections. 3. Australian Bureau of Statistics: Motor Vehicle Census 2012-2021.

Trading update

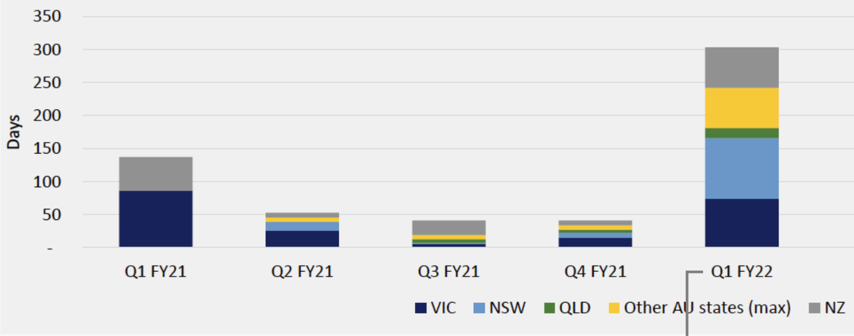
Muted trading conditions in some areas experienced in January but rebound expected as Omicron variant abates

- COVID-related disruptions have intensified via the Omicron variant, and this has had a dampening effect on demand that is more evident in general service and wear parts. While timing is uncertain, this is viewed predominantly as a deferral of demand that is expected to rebound once mobility begins to normalise
- Supply of new vehicles in January is impacting some of GUD's business units (new vehicle sales down 5% on PCP in January) but strong segmentation resulted in Pick-Up volumes increasing circa 4% on PCP
- Demand for Davey's traditional ANZ products remains solid with European pool demand continuing to be strong

COVID response planning is providing a mitigant to ongoing pressures

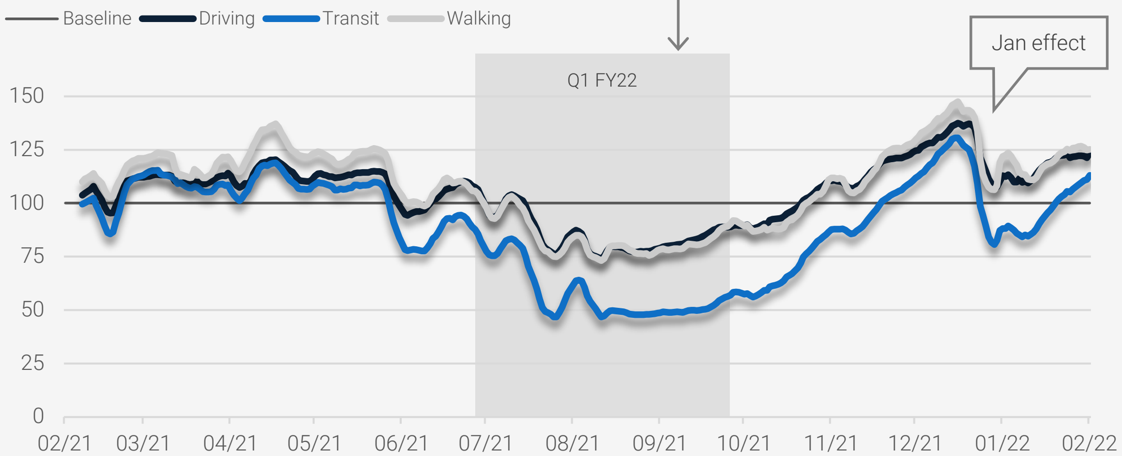
- The COVID Omicron variant has further pressured operations and supply chains. These disruptions remain well managed albeit higher levels of absenteeism in some cases is affecting GUD's ability to produce and distribute goods (reflected in higher backorder status) and our customers' ability to receive and sell
- Despite intensified supply chain pressures, freight and supplier costs have, to date, tracked in line with expectations and are not expected to moderate in H2
- While inventory will continue to be managed in response to global supply chains, some moderation of inventory levels is expected post the Q3 peak (as a result of Chinese New Year planning)

Number of days under lockdown / restrictions[1]



Mobility trends in Australia[2]

7-day moving average, baselined (100) to 1/2/21



1. Bapcor Annual General Meeting 2021 (19 October 2021). 2. Apple mobility trends report to 1 February 2021.

Outlook

Underlying structural support for the automotive aftermarket and new vehicle sector is unchanged

- COVID-19 impacts and the more recent Omicron variant continues to create uncertainty
- However, the net effect of the tailwinds and headwinds continues to demonstrate that GUD remains well positioned

Margin management remains a heightened focus

- Acquisitions, some organic volume growth (subject to COVID impacts) and focused margin management (second round of pricing is now complete) are expected to be the key profit drivers in H2 FY22
- Elevated inventory levels pushes out the impact of a weaker FX into Q4
- Incremental investment in capability, capacity and innovation will continue in H2 to support future growth

Water performance is expected to improve in H2 FY22

- Revenue is expected to be supported by the resilience of Davey's traditional ANZ markets and EU/US recovery
- Manufacturing inefficiencies and elevated costs to serve are expected to moderate in H2

Opportunities, desire and capacity for Automotive aftermarket acquisitions are unchanged with clear integration plans and resources in place for APG and VX

FY22 Guidance

- GUD provides the following FY22F and CY22F EBITA guidance, absent any further significant mobility restrictions or unforeseen economic or other circumstances:
  - GUD remains on track to deliver on previous guidance: FY22F underlying EBITA of $112 to $116 million, before the incremental contribution from Vision X and APG
  - APG is expected to deliver **CY22F** EBITA of $80-84 million[1], in line with the guidance provided at the time of the acquisition. with an expected skew to H2 CY22 (i.e. H1 FY23) to align with new vehicle releases and seasonal demand
  - Vision X is performing in line with expectations outlined at the time of the acquisition
  - Consequently, **the Group expects underlying FY22F EBITA in the range of $155 million - $160 million**[1], including contributions from (APG (c. 6 mths) and Vision X (c. 7 mths))
- Cash conversion expected to improve despite elevated inventory levels

GUD will be holding an Investor Day on 8 April 2022, including a site visit to APG, which provides an opportunity to give a further update on the Group

Potential COVID-19 effects

↑ Tailwind ↓ Headwind

Key market drivers	Potential Effect
GDP	↑
Government stimulus	↑
Lower vehicle miles travelled	↓
Lower public transport use	↑
Higher domestic tourism	↑
Rise in used car sales	↑
Increase in average parc age	↑
More repair, less replacement	↑
Rise in DIY activities	↑
Cost inflation	↓
Supply chain disruption	↓
Export market volatility	↓

1. Note: The APG component of the guidance is included on a pre AASB 16 basis, as the impact of lease accounting under AASB 16 is currently under determination for this business. Guidance range excludes amortisation of acquired intangibles (APG and Vision X) but includes amortisation for the existing businesses

GUD Holdings Limited

Q&A

GUD Holdings Limited

Appendix

COVID-19 Response Framework and Principles

Continued supply-side focus

- Employee health – offshore and travelling
- Production ramp up, capacity and stability
- Freight and logistics mitigation planning

Demand-side and domestic operations

- People Health
- Operational Health
- Financial Health
- Stakeholder Management

Balance of 'Defence' and 'Offence'

- 20 key Defence and Offence actions
- Strong emphasis on being a 'good partner' to our suppliers, employees and customers

No structural shift observed in the industries we serve

Acquisition: Vision X (VX)

Overview	• High quality designer, manufacturer and supplier of forward lighting products. • Sells under Vision X brand to OEM customers in mining equipment, earth moving, fire truck, and several other specialty vehicle applications. • Trusted supplier to many strong global brands • Owned factories in Korea (focused on technical development manufacturing, and final assembly) and China (focused on parts supply and limited sub-assemblies) • At acquisition, Vision X was forecast to double digit EBITA[1] growth in CY21F. VX delivered $8.8m in EBITA in CY20
Integration	• No reliance on back-end integration to secure synergies, and none were priced in • Will explore joint forward lighting product development with BWI in future • Current systems and processes serve the business well
Financial impact	• Funded by borrowing; mainly in USA and Korea • Upfront payment of US$52.8 million, representing c.6x CY20 EBITA. Potential earn out of up to $18.6 million, based on achievement of an EBIT CAGR of 10-25% (thereby lowering the overall purchase price multiple)

1. EBIT before amortisation of identifiable acquired intangibles recognised as a result of the acquisition

Acquisition: AutoPacific Group (APG)

Overview	• Industry leading designer, manufacturer and distributor of high-quality, engineered and functional automotive and lifestyle accessories • Fully powertrain-agnostic (suitable for all combustion and electric vehicle applications) product portfolio of market-leading brands and diversified customer channels • The Acquisition valued APG at approximately 9.1x EV / CY22F EBITA[1,2], pre synergies and 8.4x, post synergies[1,2,3]
Integration	• Acquisition is expected to deliver low double digit EPSA[1,2] accretion in pro forma CY22F (pre synergies)[5] • Mid-teens EPSA[1,2,4] accretion pro forma for full run-rate of anticipated synergies[3,5] • GUD expects net debt / EBITDA1 <2.0x by 31 December 2022 (medium term target for Net debt / EBITDA[1] in the range of c. 1.6x – 1.9x)
Financial impact	• GUD anticipates APG will generate $80-$84 million EBITA in CY22F[1] (GUD's first full year of ownership of APG) – Targeting net synergies of c. $7 million p.a. (full run-rate expected to be achieved over the next three years)[3] – Net synergies of $1.8 million expected in CY22, with the majority expected in H2 (i.e. H1 FY23) – 85% non-revenue synergies

1. Pre AASB-16, one-off implementation costs and before amortisation of identifiable intangibles acquired as part of the acquisition
2. Based on $82 million i.e. the mid-point of APG CY22F EBITA guidance $80-84 million
3. Based on full run-rate of anticipated synergies of $7 million p.a. ex one-off implementation costs
4. Based on Theoretical Ex Rights Price (TERP) of $11.56 per share 5. On a post bonus adjustment basis. Refer to the APG investor presentation posted to the ASX on 30 November 2021, for further information

Cash Flow

Net cash flows from operating activities

- Significant investment in inventory reflected in net cash inflows from operating facilities
- Also reflects outflow of $3.9 million of professional fees in support of acquisition activity

Net cash flows from investing activities

- Investing activities reflects acquisition of Vision X in H1FY22 net of one year vendor financing
- H1 FY21 outflow principally reflects the G4CVA acquisition, and the final IMG earn out which was fully achieved in FY21
- Further investment in Liftango start up

Net cash flows from financing activities

- Elevated capex versus depreciation as flagged due to investment in tooling for new products yet to be launched
- Borrowings drawn ahead of the settlement of the APG acquisition on the first banking day in CY22 (4 January)
- Reflects the H1 equity raise for the APG acquisition, and the G4CVA in the PCP

Cash and cash equivalents

- Large cash held to ensure smooth completion of the APG acquisition on the first banking day of CY22

$M	H1 FY22	H1 FY21
Cash flows from Operating Activities		
Receipts from customers (net of GST)	372.6	261.5
Payments to suppliers and employees (net of GST)	(328.8)	(210.1)
Receipts from Government Grants	-	2.8
Income taxes paid	(18.1)	(14.7)
Net cash inflows from operating activities	25.7	39.5
Cash flows from Investing Activities		
Payments for purchase of businesses (net of cash acquired)	(47.6)	(65.7)
Payment of IMG contingent consideration	-	(3.3)
Payments for purchase of intangible assets	(0.0)	-
Investment in Liftango	(0.7)	-
Payments for property plant and equipment	(5.7)	(2.2)
Net cash outflows from investing activities	(54.1)	(71.2)
Cash flows from Financing Activities		
Payments for lease liability	(6.6)	(5.7)
Inflows from Borrowings	384.0	46.0
Outflows of Borrowings	(18.5)	(65.9)
Advance on other loans		(0.7)
Proceeds from Loans receivable	(1.5)	0.3
Interest received	-	0.3
Interest paid	(4.3)	(3.4)
Dividends paid	(23.2)	(7.9)
Proceeds from the issue of ordinary shares	404.6	75.7
Transaction costs related to equity raise	(13.2)	(1.8)
Net cash (outflows) / inflows from financing activities	721.3	36.8
Net increase in Cash and Cash Equivalents	692.9	4.9
Cash and cash equivalents	42.6	30.0
Effects of exchange rate changes on cash	(0.6)	0.0
Cash and cash equivalents	734.9	34.9

Disclaimer

Important notices

This Presentation has been prepared by GUD Holdings Limited (ABN 99 004 400 891) ("GUD" or "Company").

Summary information

This Presentation contains summary information about GUD and its activities current as at 31 December 2021. The information in the Presentation is of a general nature and does not purport to be complete or comprise all information which a shareholder or potential investor may require in order to determine whether to deal in GUD shares. It should be read in conjunction with GUD's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Not financial product advice

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission) or under any other law. This Presentation does not constitute financial product, investment, legal, taxation or other advice or a recommendation to acquire GUD shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek financial, legal and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of its shares. Cooling off rights do not apply to the acquisition of GUD shares.

Financial data

All dollar values are in Australian dollars ($) unless stated otherwise.

Past performance

Past performance information, including past share price performance, given in this Presentation is given for illustrative purposes only and should not be relied upon as an indication of future performance.

Future performance

This presentation contains certain "forward-looking statements" including statements regarding our intent, belief or current expectations with respect to the Company's business and operations, market conditions, results of operations and financial condition, and risk management practices. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This Presentation contains such statements that are subject to risk factors associated with an investment in GUD. GUD believes that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially.