



GUD Holdings Limited  
ABN 99 004 400 891

# FY24 H1 Result

Graeme Whickman, CEO & MD  
Martin Fraser, CFO

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# Disclaimer

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### Ryco & BWI Winners at AFR Boss Most Innovative Companies

GUD Innovation was on full display at the AFR BOSS Most Innovative Company Awards held in Sydney in September. Among the standout performers were Ryco Filters and BWI, both again recognised for their remarkable contributions to innovation in the Manufacturing and Consumer Goods category.



### Acquisition of European lighting specialist Rindab AB

In November 2023 GUD acquired European specialist lighting distributor, Rindab AB. The acquisition became part of the BWI Group and supplements the recent establishment of BWI UK, providing a beachhead for the wider European distribution of BWI products (Vision X, Ultima, Projecta & Denali) into that market.



### Landmark developments with Kia Australia & Mazda Australia

Infinitev entered into strategic partnerships with Kia Australia & Mazda Australia aiming to significantly reform the way electric vehicle batteries are reused, repurposed, and recycled, thereby addressing the environmental challenges that accompany the entire lifecycle of these batteries.



# Key messages

## Result in line with expectations reflecting broadening earnings drivers and effective margin management

- Strong APG growth reflecting improved new vehicle supply
- Resilient Automotive earnings
- Effective margin management
- Continued optimisation of APG manufacturing footprint
  - Cruisemaster capacity increased and cost position improved
- Strong cash conversion
- Leverage ratio<sup>1</sup> well within target range

## Ongoing investment to drive growth and diversification

- Increased investment in PD and offshore greenfield activities to support medium-long term growth
- Rindab and CES acquisitions reflect global aspirations and diversification strategy
- Further investment in APG plant capacity and efficiency expected to support medium-term growth

## Strong execution and well positioned for continued growth

- Automotive is expected to remain resilient supported by strong aftermarket fundamentals
- APG continued OEM share of wallet gains and Trailering new customer wins validate strategy
- Positioning for leadership in ANZ<sup>2</sup> EV aftermarket
- Strong balance sheet to support organic growth and compelling bolt-on acquisitions

**Building a more diversified and resilient automotive pure play**

# Group financial overview – Continuing operations

## Result in line with expectations reflecting improved new vehicle supply, broadening revenue drivers and continued margin management

- Group underlying EBITA<sup>1</sup> increased 11.6% to \$98.0m driven by:
  - Strong growth from APG, in line with improved new vehicle supply
  - Automotive result driven by a solid performance from the 'Core'<sup>4</sup> business reflecting resilience and strong execution
  - 'Acquired' Automotive<sup>5</sup> down modestly reflecting business improvement actions and investment in growth
  - Effective margin management
  - Higher corporate costs reflecting the increased scale of the business
- Underlying NPATA<sup>1</sup> and underlying EPSA<sup>1</sup> increased 10.5%
- Strong balance sheet with a high proportion of long-dated fixed-rate debt
  - Cash conversion<sup>2</sup> of 93.5 %, ahead of expectations
  - Net Debt/Adjusted EBITDA<sup>3</sup> of 1.7x, well within long term target range
- Interim dividend of 18.5 cents per share, an increase of 1.5 cents or 8.8%

## Continuing operations

\$M	FY24 H1	FY23 H1 <sup>7</sup>	Change
Revenue	492.6	453.5	8.6%
Statutory NPAT	51.4	43.0	19.5%
Underlying NPATA <sup>1</sup>	59.1	53.5	10.5%
Underlying EBITA <sup>1</sup>	98.0	87.8	11.6%
<i>Underlying EBITA margin</i>	19.9%	19.4%	0.5pps
Cash Conversion <sup>2</sup>	93.5%	77.9%	15.7pps
Net Debt/Adjusted EBITDA <sup>3</sup>	1.7x	2.5x	(0.8x)
Cents	FY24 H1	FY23 H1 <sup>7</sup>	Change
EPS (Basic)	36.5	30.5	19.5%
Underlying EPSA <sup>1</sup>	41.9	38.0	10.5%
DPS (interim)	18.5	17.0	8.8%
Segment Underlying EBITA <sup>1</sup>	FY24 H1	FY23 H1 <sup>7</sup>	Change
Automotive (ex APG)	71.8	67.9	5.7%
'Core' Automotive <sup>4</sup>	60.2	55.8	7.9%
'Acquired' Automotive <sup>5</sup>	11.5	12.0	(4.3%)
APG <sup>6</sup>	32.3	25.1	28.5%
Corporate	(6.0)	(5.2)	15.7%

**Global note: Financials reflect continuing operations and therefore exclude CSM and Davey, unless otherwise indicated. FY23 H1 has therefore been restated to allow for a like-for-like comparison.** Refer to note 5 in Appendix 4D. Small differences due to rounding. 1. Underlying NPATA, underlying EBITA and underlying EPSA exclude significant items outlined in note 5 of Appendix 4D. Refer to slide 38 in the Appendix for a reconciliation of segment EBIT. 2. Refer to slide 23 for cash conversion calculation. 3. Refer to slide 24 for Net debt/Adjusted (bank covenant) EBITDA calculation. 4. 'Core' Automotive includes Ryco, IMG, AA Gaskets, DBA, Wesfil, BWI and Griffiths Equipment. 5. 'Acquired' Automotive includes G4CVA, ACS and Vision X. 6. APG underlying EBITA includes corporate overhead allocation. APG's underlying EBITA in FY24 H1 excluding corporate overhead is \$34.2m. 7. FY23 H1 has been restated to reflect 'Continuing Operations' and therefore excludes Davey and CSM. AE4A has been moved from Acquired into BWI (Core) from 1 July 2023 and FY23 H1 has been restated to allow for a like-for-like comparison.

# Automotive ‘pure play’ with clear strategic imperatives

## 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. Our team are committed to making a positive impact and creating value for all stakeholders.

### Strategic growth imperatives

#### 4WD Accessories and Trailering



Be the leader in 4WD Accessories and Trailering in ANZ with future export

#### Auto Elec (Lighting and Power)



Hold a global leadership position in specialist Automotive Lighting



Expand vehicle Power Management internationally

#### Powertrain (ICE and EV)



Lead the EV Aftermarket in Australia and New Zealand with a future in APAC



Leverage Powertrain profitability and invest in future-proof adjacencies







#### Undercar



Be the category captain in key Undercar categories and leverage scale

# We continue to drive progress in support of our ESG goals

## ESG Impact Areas and Targets

 <h3>Health, Safety &amp; Wellbeing</h3> <p>The health, safety and wellbeing (HSW) of our people is the top priority in everything we do</p> <p><b>Ambition</b> A healthy and safe workplace committed to zero harm</p> <p><b>Targets and metrics</b> Zero harm - Ongoing goal Top quartile LTIFR - Benchmark</p>	 <h3>Thriving People</h3> <p>We invest in our people to develop a high-performing, highly-engaged, and diverse workforce</p> <p><b>Ambition</b> Generate top quartile level of staff engagement in our businesses</p> <p><b>Targets and metrics</b> Top quartile staff engagement</p>	 <h3>Sustainable Sourcing</h3> <p>We partner with suppliers to build their strength and capability to improve labour, ethical and environmental practices</p> <p><b>Ambition</b> Sustainable supply chain committed to ethical sourcing</p> <p><b>Targets and metrics</b> 100% Bronze, 75% Gold by 2025 100% Silver, 90% Gold by 2030 <small>GUD Tiered ethical sourcing framework - high and medium risk geographies</small></p>
 <h3>Energy and Emissions</h3> <p>We will act and collaborate to reduce the carbon emissions of our businesses, products, and value chain</p> <p><b>Ambition</b> Reduce emissions in our businesses and the value chain</p> <p><b>Targets and metrics</b> Carbon neutral Distribution by 2025 Carbon neutral Manufacturing by 2030 <small>Carbon neutral for GUD scope 1 and 2 emissions</small></p>	 <h3>Electric Vehicle Transition</h3> <p>We will actively manage our portfolio in line with car parc trends, and be an early mover in the EV aftermarket</p> <p><b>Ambition</b> Become a leader in the EV Aftermarket in Australia and New Zealand</p> <p><b>Targets and metrics</b> 75%+ of revenue from non-ICE by 2025 85%+ of revenue from non-ICE by 2030</p>	 <h3>Waste</h3> <p>We will aid customers in reducing their waste footprint, and lead by example in our business operations</p> <p><b>Ambition</b> Enhance the sustainability of our packaging design and materials</p> <p><b>Targets and metrics</b> Advanced level in packaging (APCO) by 2025 Leading level in packaging (APCO) by 2030</p>

LTIFR = Lost time injury frequency rate

## Progress in ESG Impact Areas

### Done

- ✓ 200kw Solar System installed and operating at Brown and Watson Melbourne warehouse and business head office
- ✓ Sourcing GreenPower electricity for Australian *distribution* businesses to progress our carbon-neutral Distribution by 2025 goal
- ✓ Australian Clutch Services signatory to the Australian Packaging Covenant
- ✓ Achieved 75%+ target for revenue from non-ICE
- ✓ Launched Infinitiv business with a focus on building a circular economy for electric vehicle batteries
- ✓ Updated GUD Diversity, Inclusion and Equity strategy and action plan
- ✓ Onboarded all businesses to the Sedex ethical sourcing platform
- ✓ Published GUD 2023 Modern Slavery Statement

### In progress

- ✓ Health, Safety and Well-being systems and culture review of 12 key business units conducted by a specialist consulting firm
- ✓ Development and rollout of GUD-wide parental leave policy
- ✓ Establishment of GUD Asian Sourcing office to coordinate supplier social assessment and audit program in the region
- ✓ Financial-related climate disclosure gap analysis and action plan aligned to ASSB standards
- ✓ Solar feasibility assessment for key sites
- ✓ APCO sustainable packaging review and action plans for 2024 APCO reporting cycle





Segment

**Automotive**





# Automotive Performance

## Result reflects resilience of the aftermarket, supported by an expanding portfolio of largely non-discretionary products coupled with new customers and geographies

- Revenue growth reflects a solid performance from 'Core'<sup>1</sup> Automotive
- Core<sup>1</sup> revenue growth of 6.8% reflects
  - Full run rate of Q4 FY23 price rises and volume growth
  - Growth supported by new customers, products and geographies, and ongoing PD investment
- 'Acquired' revenue<sup>2</sup> growth of 1.9% includes 2-month contribution from the Rindab acquisition (now part of Vision X)
- While ECB and Vision X revenue increased, 'Acquired' organic revenues were down modestly due to rationalisation of the Uneek/Barden product range

## Margins continue to be managed

- 'Core' underlying EBITA<sup>1,3</sup> margin expanded modestly driven by BWI product rationalisation
- 'Acquired' underlying EBITA<sup>2,3</sup> margin down 90bp reflecting higher overhead in support of business improvement actions and growth aspirations
- Price increases implemented in H2 to manage currency volatility and domestic cost inflation

## Inventories stable

- H1 inventories tracking close to normalised levels
- Escalating global shipping challenges may necessitate a reset of safety stock levels in H2 if container and shipping availability tightens materially

## Acquisitions continue to build out a diversified automotive pure play

- Rindab (Vision X Sweden) acquisition provides BWI with a beach head in Europe (refer slide 11)
- CES acquisition (completes in H2) adds to Caravan electrical IP and new customer relationships (refer slide 12)

\$M	FY24 H1	FY23 H1 <sup>4</sup>	Change
Automotive Revenue	333.3	315.7	5.6%
<i>Core Automotive Revenue<sup>1</sup></i>	252.1	236.0	6.8%
<i>Acquired Automotive Revenue<sup>2</sup></i>	81.2	79.7	1.9%
Underlying EBITDA <sup>3</sup>	79.7	75.6	5.5%
Depreciation	(8.0)	(7.7)	3.8%
<b>Automotive underlying EBITA<sup>3</sup></b>	<b>71.8</b>	<b>67.9</b>	<b>5.7%</b>
<i>Automotive underlying EBITA margin</i>	21.5%	21.5%	
<b>Core Automotive underlying EBITA<sup>1,3</sup></b>	<b>60.2</b>	<b>55.8</b>	<b>7.9%</b>
<i>Core underlying EBITA margin</i>	23.9%	23.7%	
<b>Acquired Automotive underlying EBITA<sup>2</sup></b>	<b>11.5</b>	<b>12.0</b>	<b>(4.3%)</b>
<i>Acquired underlying EBITA margin</i>	14.2%	15.1%	

1. 'Core' Automotive includes Ryco, IMG, AA Gaskets, DBA, Wesfil, BWI and Griffiths Equipment. 2. Acquired' includes G4CVA, ACS, and Vision X. 3. Underlying EBITDA and underlying EBITA exclude acquisition-related inventory step ups and significant items outlined in Note 5 of Appendix 4D. For a reconciliation of segment EBIT refer to slide 38. 4. FY23 H1 has been restated to reflect 'Continuing Operations' and therefore excludes CSM. AE4A has been moved from Acquired into BWI (Core) from 1 July 2023 and FY23 H1 has been restated to allow for a like-for-like comparison.

# Progress on strategic greenfield growth initiatives – FY24 investment of \$6m in opex



Hold a global leadership position in specialist Automotive Lighting

- US
  - Launched specialist lighting and consumables via Ultima brand
  - BWI product complementation progressing with VX delivering modest first revenues
- UK/Europe
  - Vision X product complementation efforts progressing supported by Rindab acquisition
  - Refreshed home brand driving light program in Scandinavia
- South-East Asia
  - Narva brand registered in Thailand as part of broader regional distribution strategy
  - Exhibited the Projecta range at Automechanika New Delhi with Vision X and Ultima



**Opex**  
c.\$4-5m

**Capex**  
c.1m



Expand power management internationally

- US
  - Launched Projecta brand, first customer orders received delivering modest revenues
- Europe
  - Projecta sales encouraging off a low base
  - Projecta brand exhibited throughout Europe. AutoProf (Netherlands), Essen Motor Show (Germany), Profi Service Tage (Germany), EICMA (Italy) & Autozum (Austria)



Lead the EV aftermarket in ANZ with a future in APAC

- Strong growth in the Hybrid Battery Exchange program in Australia
  - Unit volume +80% on pcp off a low base
- Full launch of NZ Hybrid Battery Exchange program tracking in line with plan
- EV battery lifecycle management services established in Australia
  - Agreements in place with OEMs such as Kia and Mazda to provide battery lifecycle management services
- Winner of the 2023 AU/NZ Tomorrow Award for Circular Economy practices

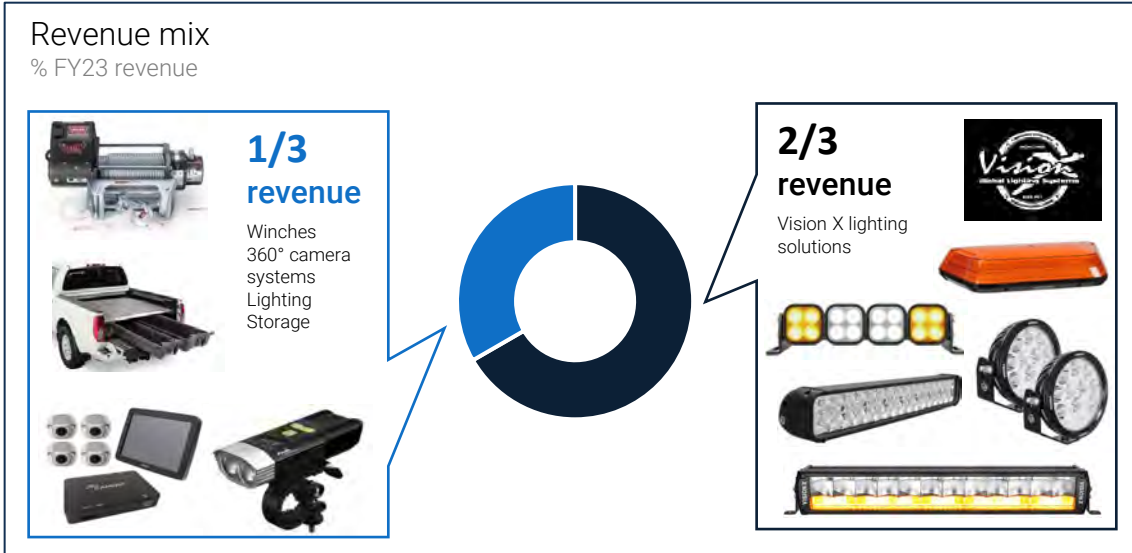


**Opex**  
c.\$1-2m

Ongoing investment in greenfield growth is expected to build momentum from FY25 onwards

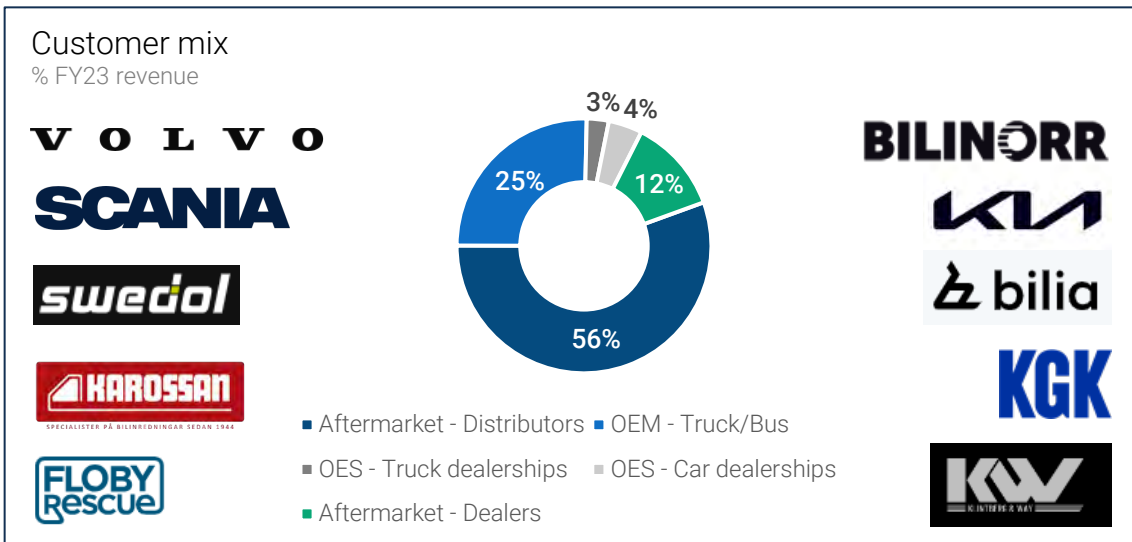


# Acquisition of Rindab (VX Sweden) creates European Lighting beachhead



- On 1 November 2023 GUD acquired European specialist lighting distributor, Rindab for \$12.2m<sup>1</sup> representing c. 4x FY23 EBITA<sup>2</sup>
- Rindab is the distributor of Vision X products in Northern Europe. While Rindab predominantly sell light bars, the product suite extends to truck and bus camera and digital mirror systems, and accessories aimed at pickups and all-terrain vehicles
- The owners (CEO and COO) have remained with the business and Rindab has become part of the BWI group
- The acquisition complements the Group's lighting and power management capabilities with established sales and distribution facilities in Sweden with reach across Scandinavia and other Northern European countries (including Germany and Poland)
- Rindab supplements the recent establishment of BWI UK and provides a beachhead for the wider European distribution of the Group's lighting and power products (Vision X, Ultima, Projecta and Denali) into that market (estimated lighting TAM of c.\$2.3 bn<sup>3</sup>)

## Rindab facility



1. Maximum purchase price of circa \$14.3m based on EBITA milestones over 2 years. 2. Normalised, pre - AASB 16. 3. Management estimate.





# CES acquisition broadens capability and reach in power management and lighting

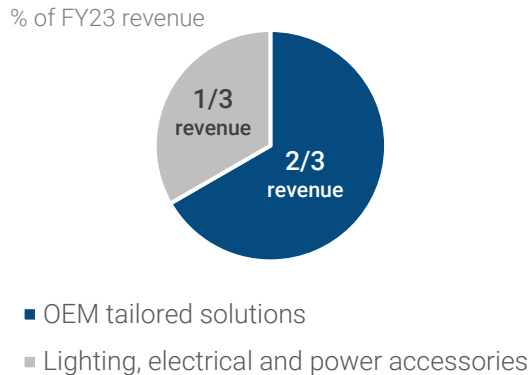
CES current product offering



Customers

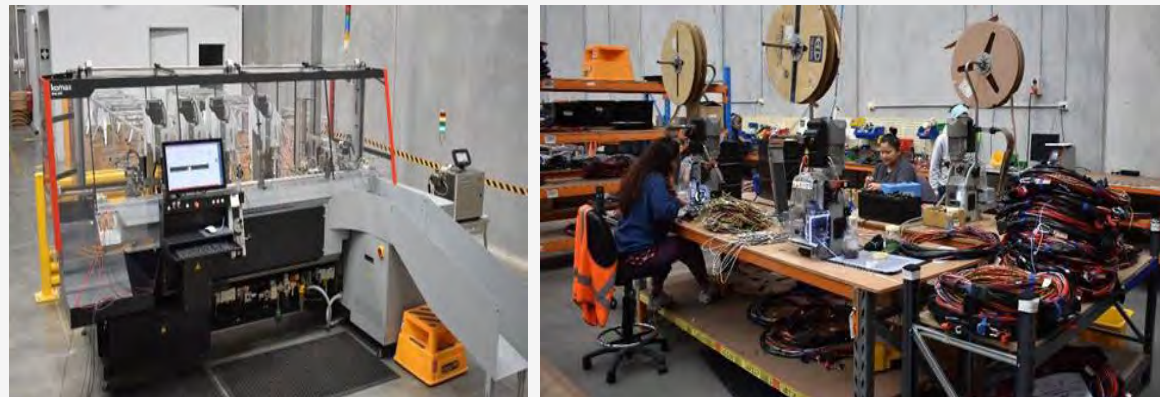


Revenue mix



- GUD to acquire Caravan Electrical Solutions (CES) for \$15.9m<sup>1</sup> (headline multiple of c.4x FY23 EBITA<sup>2</sup>) - completion targeted for 1 March 2024
- CES's core business is the design and supply of complete electrical and power management systems to caravan OEMs. The balance of the business involves distribution of a broad range of third-party caravan and RV lighting and electrical accessories
- The CES leadership team will remain with the business and become part of the BWI Group and retain their established design, assembly, sales and distribution facilities
- Significant cost synergies exist including leveraging BWI's product suite
- Acquisition complements BWI's business in terms of product and customer creating potential revenue synergies
  - Potential to expand share of wallet from BWI's existing Caravan and truck OEMs
  - Potential to leverage BWI's caravan OEM relationships into CES
  - Acquisition doubles BWI's RV customers creating cross sell opportunities
- Potential medium-long term cross divisional revenue synergies (4WD Accessories and Trailing)

CES Melbourne facility



1. Before customary completion adjustments. Including potential earnout payments the total purchase price is expected be circa \$19.1 million on a zero net debt basis. 2. Pre - AASB 16.





Segment

**APG**



# APG Performance

## Result in line with expectations despite ongoing supply and manufacturing challenges

- Revenue growth of 15.6% on the pcp largely reflects improving new vehicle volumes in Australia
  - Monthly new vehicle supply across ANZ remains inconsistent across makes and models which is impacting monthly production levels (refer slide 15 and 16)
  - Anticipation of NZ's Clean Car Discount<sup>2</sup> being repealed resulted in a substantial contraction in NZ SUV/Pick up sales
  - Softening caravan industry sales offset by increased market share for Cruisemaster
- Underlying FY24 H1 EBITA<sup>1</sup> \$32.3m, +28.5 % on the pcp driven by:
  - Higher volumes from improved Australian new vehicle supply
  - Improved manufacturing efficiencies from higher production volumes in Australia and Thailand
  - The large drop in new vehicle volumes in NZ resulted in significant NZ factory inefficiency leading to a weak result in that geography. This was reflected in a slightly softer overall APG HoH margin as capacity is maintained in anticipation of a recovery in volumes in H2

## Vehicle supply constraints remain inconsistent across brands – logistics adding to volatility

- OEM production volumes have improved but not yet stabilised
- These industry challenges are now extending to post-production logistics
  - Shortages of roll on/roll off vessels and port clearance issues have escalated creating supply bottlenecks, therefore new car deliveries are expected to remain volatile

## Demand not abating

- Independent forecasts of new vehicle demand are supportive of continued strength<sup>3</sup>
- Pitcher Partners 'Fleet Hole Analysis' estimates up to 350k units have been unsold to fleet since 2020 resulting in an ageing fleet<sup>3</sup>. APG typically sees a higher fitment rate on fleet vehicles

## FY24 H1 vs. FY23 H1

\$M	FY24 H1	FY23 H1	Change (pcp)
Revenue	159.3	137.8	15.6%
Underlying EBITDA <sup>1</sup>	38.3	30.3	26.2%
Depreciation	(6.0)	(5.2)	15.3%
<b>Underlying EBITA<sup>1</sup></b>	<b>32.3</b>	<b>25.1</b>	<b>28.5%</b>
<i>Underlying EBITA margin</i>	20.3%	18.2%	
Group overhead allocation	1.9	1.5	
<b>Underlying EBITA pre overhead allocation<sup>1</sup></b>	<b>34.2</b>	<b>26.6</b>	<b>28.4%</b>
<i>Underlying EBITA margin</i>	21.4%	19.3%	

## FY24 H1 vs. FY23 H2

\$M	FY24 H1	FY23 H2	Change (hoh)
Revenue	159.3	144.3	10.4%
Underlying EBITDA <sup>1</sup>	38.3	34.8	9.9%
Depreciation	(6.0)	(5.1)	17.1%
<b>Underlying EBITA<sup>1</sup></b>	<b>32.3</b>	<b>29.8</b>	<b>8.3%</b>
<i>Underlying EBITA margin</i>	20.3%	20.6%	
Group overhead allocation	1.9	1.8	
<b>Underlying EBITA pre overhead allocation<sup>1</sup></b>	<b>34.2</b>	<b>31.5</b>	<b>8.4%</b>
<i>Underlying EBITA margin</i>	21.4%	21.9%	

1. Underlying EBITDA and underlying EBITA exclude acquisition-related inventory step up and significant items. Refer to slide 38 for a reconciliation to segment EBIT. 2. On 12 December 2023, the newly elected NZ government repealed the Clean Car Discount for all vehicles registered after 31 December 2023. 3. Federal Chamber of Automotive Industries, J.P. Morgan estimates (refer slide 28) and Macquarie Bank estimates (Australian Automotive Sector 07/2/24).



# Strong growth in Australia APG Top 20<sup>2</sup> muted by large decline in NZ (HoH)

## Australia: Top 20 sales up strongly HoH

- Pick Up category up 15.5% for the half
- SUV sales up 10.9%
- APG top 20 models experienced strong growth up 18.6%

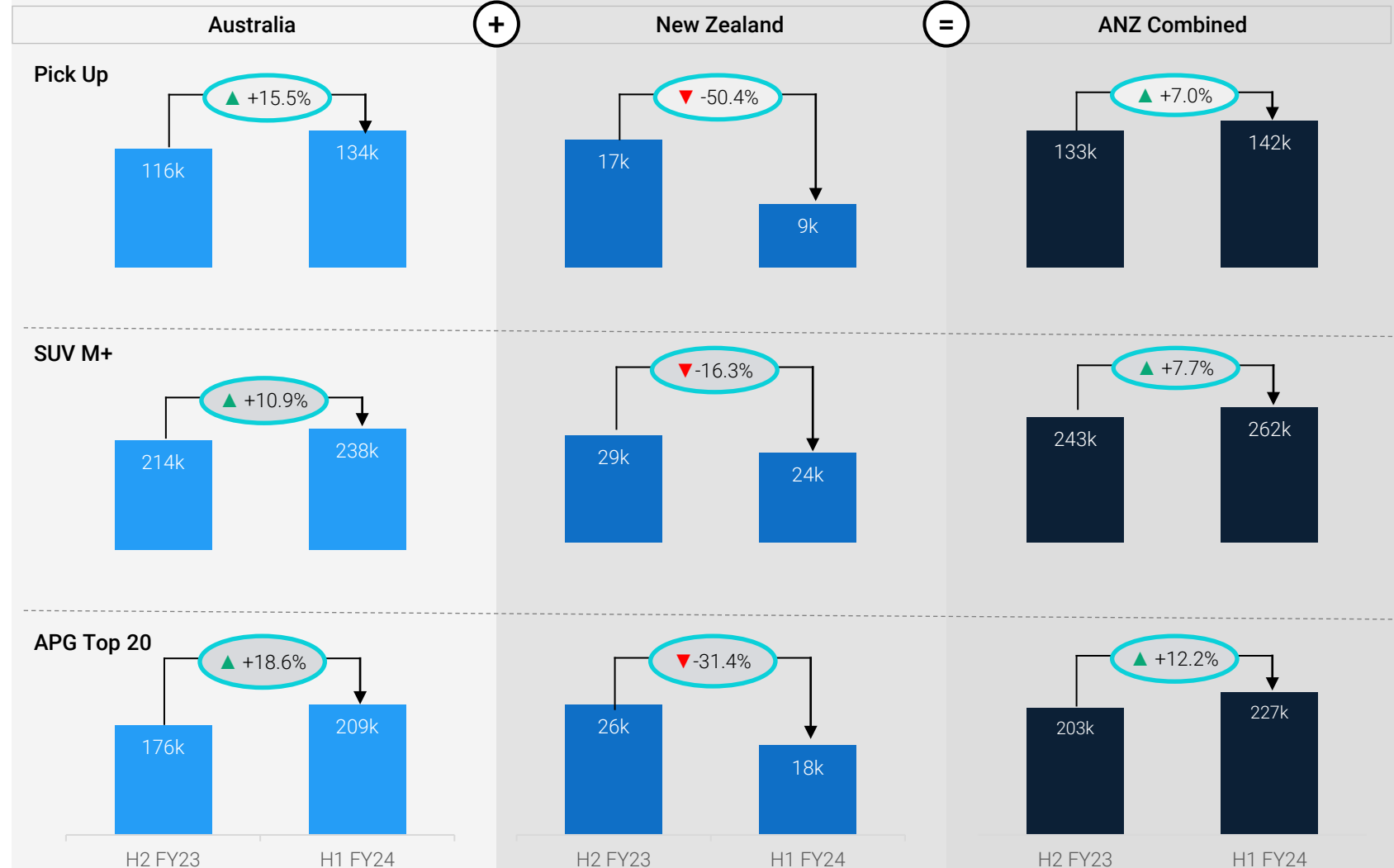
## NZ: Top 20 category down materially HoH

- Pick Ups sales were the most impacted with a 50.4% drop for the half
- SUV's also declined, down 16.3%
- APG Top 20 down 31.4%

## Combined ANZ Top 20 reflects NZ weakness

- Combined Pick Up and SUV sales were up a similar quantum, up 7.0% and 7.7% respectively
- APG Top 20 was up 12.2%, more closely approximating APG's HoH revenue growth of 10.2%

New Vehicle Sales in Key Segments and Markets: H1 FY24 vs H2 FY23<sup>1</sup>



1. FCAI: Vfacts & MIA NZ. 2. APG Top 20 classification is used by APG, it is not a FCAI-defined cohort of models and represents APG's Top 20 at the time of acquisition 3. Charts are on different scales.

# APG Top 20<sup>2</sup> New Vehicle Sales Performance: Australia and New Zealand (combined)

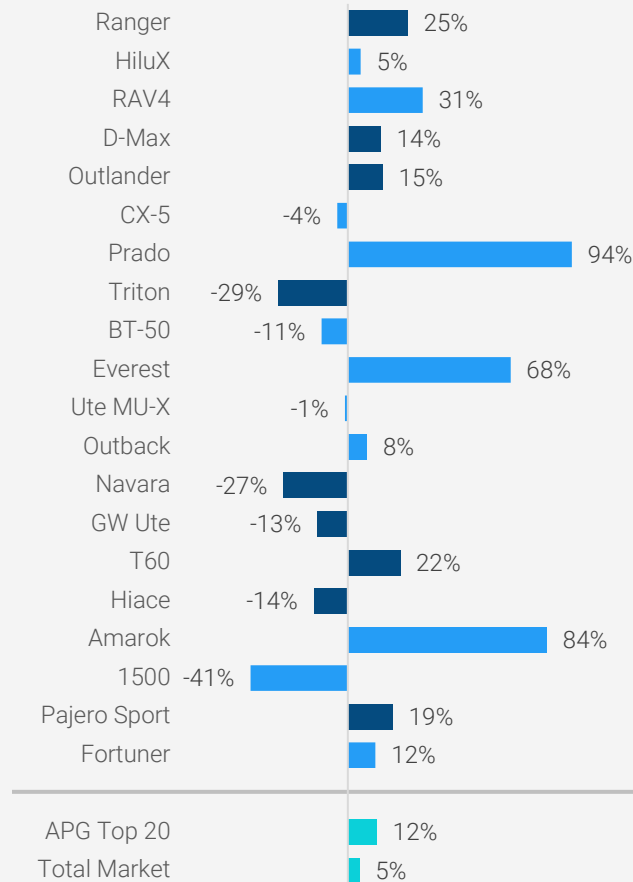
## Sales volume volatility continues at a model level

- Sales volume volatility reflects
  - OEM supply chain challenges and improvements
  - New model launch and change-over impacts (ramp up/down)

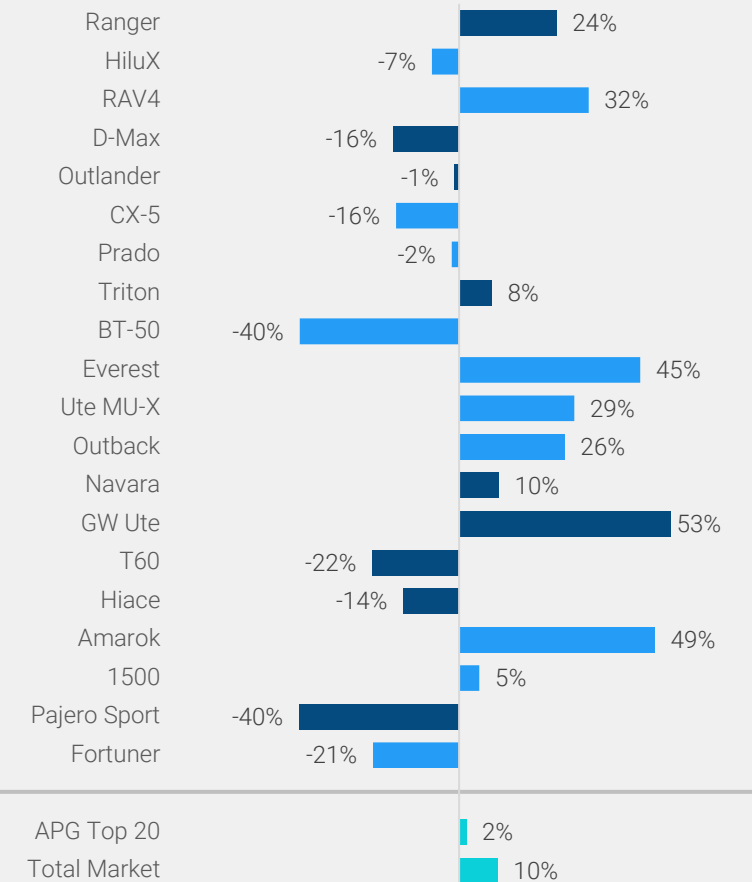
## APG Top 20 vehicle sales up in FY24 H1

- APG Top 20 up 12% Half-on-Half supported by vehicle sales uplift in key vehicle models
  - Ranger (+8k units)
  - Prado (+6k units)
  - RAV4 (+5k units)
  - Everest (+4k units)
  - D-Max (+3k units)
- Stronger growth in Australian vehicle sales in part offset by the decline in the New Zealand pick-up and SUV sales for the half
- Ranger was the top-selling vehicle in the Australian market for 2023 followed by Hilux

New Vehicle Sales Variance - H1 FY24 vs H2 FY23<sup>1</sup>



New Vehicle Sales Variance - CY23 vs CY22<sup>1</sup>



OE³ Towbar    OE³ Towbar & Functional Accessory⁴    Total

1. VFacts (Aus.) & NZ Transport Agency (New Zealand) industry new vehicle sales data for APG Top 20 models (not APG unit sales), ordered by CY23 sales volume (top to bottom). 2. APG Top 20 classification is used by APG, it is not a FCAI-defined cohort of models and represents APG's Top 20 at the time of acquisition. 3. OE: APG-Original Equipment supply agreement 4. Functional Accessory products include Sports Bar, Nudge Bar or Rear Steps 5. Full-year and half-year charts are not to the same scale

# Key new H1 business wins - delivering on strategy in Functional Accessories (FA) and Towing



Build an integrated leader in 4WD Accessories and Trailering in ANZ with future export



## First Toyota Hilux Functional Accessories win

Leveraging existing OEM towbar relationships, Thailand footprint and ESG credentials

- First Toyota Hilux Functional Accessory win (sports bar) for next model launch due late CY25
- Represents one of the most significant functional accessory 'share of wallet' opportunities in the ANZ market



## 'Share of wallet' wins post competitor exit

Leveraging existing OEM towbar relationships and Thailand footprint

- Queensland Bullbars ceased operations – APG selected by OEMs as the sole supplier for all contracts



## Low risk expansion into new strategic geography

Leveraging reputation for high quality, reliable supply with existing OEMs to expand footprint into a new geography

- Invitation to set up operations in a new geography to support volume supply of an existing ANZ product
  - New facility will be revenue generating in FY25
- Provides a new beach head to sweat product development assets from ANZ market, to further grow revenue in a new geography
- Further details to be provided at the Group's Investor Day in Q4



**H1 wins**  
 \$20m in FA + \$4m in towing  
 100% incremental revenue in FA

Vehicle	Historic	Ongoing trend

Since acquisition, APG has secured 172 new business wins - \$59m+ in revenue, of which c.\$44m is incremental



# Further progress on trailering & integration



Build an integrated leader in 4WD Accessories and Trailering in ANZ with future export



## Continued growth in Trailering market share

*Recognition of APG's supply outperformance is driving market share*

- Additional capacity from APG's Thailand facility is driving conversion of new customers and increased lines to existing customers thereby increasing market shares
- New product innovation and logistics optimisation are deepening customer relationships and unlocking new opportunities
- Cruisemaster's market share gains drove revenue growth despite a softening caravan market



## Further integration of G4 businesses

*Driving cost and revenue synergies*

- APG's operations team now focused on:
  - Supporting ECB with Qld factory productivity improvements
  - Further production transfer to APG's Thailand facility
  - Product development co-operation and common sales and marketing, go-to-market strategy



# Portfolio coverage: end to end, inside and out (pre CES acquisition)

## A selection of GUD brands







Financials





## Financial summary – continuing operations

\$M	FY24 H1	FY23 H1 <sup>1</sup>	Change	Comments
<b>Revenue</b>	<b>492.6</b>	<b>453.5</b>	<b>8.6%</b>	Reflects growth in both segments
Operating cost	380.6	352.5	8.0%	Reflects revenue growth
<b>Underlying EBITDA<sup>2</sup></b>	<b>112.0</b>	<b>101.0</b>	<b>10.9%</b>	Demonstrates ongoing focus on margin management
Depreciation	(14.0)	(13.2)	5.8%	
<b>Underlying EBITA<sup>2</sup></b>	<b>98.0</b>	<b>87.8</b>	<b>11.6%</b>	
Amortisation	(11.0)	(10.7)		
Acquisition inventory step up	0.0	(3.5)		No inventory step up relating to Rindab acquisition
Significant items (other)	(0.6)	(1.1)		Refer slide 37 in the Appendix
<b>EBIT</b>	<b>86.4</b>	<b>72.5</b>	<b>19.2%</b>	
Net Finance Expense	(12.9)	(13.1)	(1.4%)	Reflects reduced debt levels
<b>Profit Before Tax</b>	<b>73.5</b>	<b>59.4</b>	<b>23.7%</b>	
Tax	(22.1)	(16.4)	34.9%	Returns to a regular tax rate following one-off benefits in pcp
<b>Statutory NPAT</b>	<b>51.4</b>	<b>43.0</b>	<b>19.5%</b>	
Add back amortisation of acquired intangibles and inventory step up (post tax)	7.3	9.7		No inventory step up in FY24 H1
Add back transaction, redundancy and restructuring costs (post tax)	0.4	0.8		
<b>Underlying NPATA<sup>2</sup></b>	<b>59.1</b>	<b>53.5</b>	<b>10.5%</b>	
<b>Statutory NPAT</b>	<b>51.4</b>	<b>43.0</b>	<b>19.5%</b>	
Acquired amortisation	7.3	7.2		
Existing amortisation	0.4	0.2		
<b>Statutory NPATA</b>	<b>59.1</b>	<b>50.5</b>	<b>17.1%</b>	
Cents	FY24 H1	FY23 H1 <sup>1</sup>	Change	
EPS (Basic)	36.5	30.5	19.5%	
Underlying EPS <sup>2</sup>	36.8	32.8	12.0%	
Underlying EPSA <sup>2</sup>	41.9	38.0	10.5%	
Interim dividend	18.5	17.0	8.8%	

Note: Small difference due to rounding. 1. FY23 H1 has been restated to exclude Discontinued Operations (Davey and CSM). 2. Underlying NPATA, underlying EBITA, underlying EBITDA, underlying EPS and underlying EPSA exclude significant items outlined in note 5 of Appendix 4D. Refer to slide 38 in the Appendix for a reconciliation of segment EBIT.

# Net working capital (NWC)

## NWC now stable post normalisation of elevated inventory levels through FY23

- Working capital managed well
  - \$7.4m movement in NWC (net of acquisitions and divestments)
- Post debtor factoring, growth in receivables was modest due to higher-than-expected collections
  - Debtor factoring of \$16.5m vs c.\$23m in FY23
- Purchasing patterns and inventory have stabilised, leading to a more efficient cash cycle
- Targeting to further reduce debtor factoring towards historical levels in H2

\$M	FY24 H1	FY23	FY23 H1	Movement vs. FY23 H1	Movement vs. FY23
<b>Statutory NWC<sup>1</sup></b>					
Inventories	207.2	243.2	293.4	(36.0)	(86.2)
Payables	(138.4)	(143.3)	(151.2)	4.9	12.8
Receivables	176.7	184.2	186.2	(7.5)	(9.5)
<b>Total Statutory NWC<sup>1</sup></b>	<b>245.5</b>	<b>284.2</b>	<b>328.4</b>	<b>(38.6)</b>	<b>(82.9)</b>
<b>Total NWC acquired in the period<sup>2</sup></b>					
Inventories - acquired	5.2	1.9	1.9		
Payables - acquired	(2.0)	(2.9)	(2.9)		
Receivables and prepayments - acquired	4.2	0.1	0.1		
<b>Total NWC acquired in the period<sup>2</sup></b>	<b>7.4</b>	<b>(0.9)</b>	<b>(0.9)</b>		
<b>Net organic and post acquisition NWC</b>					
Net organic and post-acquisition inventory	202.1	241.3	291.5		
Net organic and post-acquisition payables	(136.4)	(140.4)	(148.3)		
Net organic and post-acquisition receivables & prepayments	172.5	184.1	186.1		
<b>Net organic and post acquisition NWC</b>	<b>238.2</b>	<b>285.1</b>	<b>329.3</b>		
<b>NWC FY24 discontinued operations</b>					
Inventories - divested		49.0	61.0		
Payables - divested		(14.1)	(19.3)		
Receivables and prepayments - divested		19.5	23.0		
<b>NWC FY24 discontinued operations</b>		<b>54.3</b>	<b>64.7</b>		
<b>Like-for-like comparison</b>					
Net organic and post-acquisition inventory	202.1	192.3	230.6	9.7	(28.5)
Net organic and post-acquisition payables	(136.4)	(126.2)	(129.0)	(10.2)	(7.4)
Net organic and post-acquisition receivables & prepayments	172.5	164.7	163.1	7.8	9.4
<b>Net organic and post acquisition/divestment NWC</b>	<b>238.2</b>	<b>230.8</b>	<b>264.6</b>	<b>7.4</b>	<b>(26.4)</b>

1. FY24 H1 Statutory NWC excludes Davey. FY23 Statutory NWC excludes CSM but includes Davey. 2. Acquired FY24 H1 includes Rindab (Vision X Sweden). FY23 Acquired NWC includes Twisted Throttle and Southern Country.

# Cash conversion and capital management

## Strong cash conversion

- Cash conversion of 93.5% reflects
  - Typical seasonality between H1 and H2
  - Reduction in debtor factoring of \$6.5m
  - Positive timing impacts (c.\$8m)<sup>4</sup> – expected to unwind in H2
- Cash conversion, adjusted for these timing benefits, is estimated to be 85%, in line with expectations
- FY24 cash conversion is expected to be 85-90%
  - Assumes no increase in safety stock levels to offset potential elongated supply chains from Red Sea and Suez Canal disruptions

## Capex

- H1 capex of \$8.6m, +20.8% vs the pcp
- FY24 capex expected to be c.\$20m

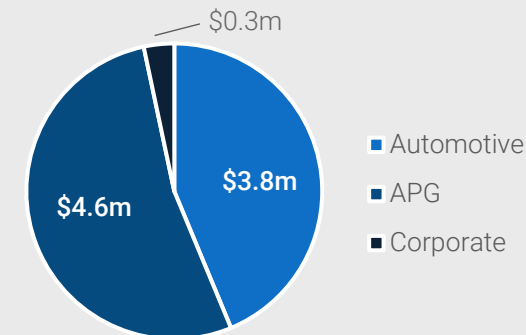
## Dividend

- Fully franked interim dividend of 18.5 cents per share, an increase of 8.8%

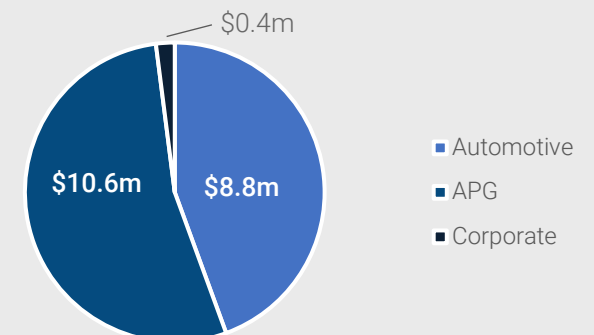
## Continuing and discontinued operations

\$M	FY24 H1	FY23 H1	Change
Operating cashflow <sup>1</sup>	76.9	60.7	26.7%
+Tax paid	25.1	22.3	12.6%
– Payments for lease liability	(10.9)	(11.6)	(6.1%)
Adjustments			
+ Transaction costs	1.8	1.1	65.8%
<b>Gross operating cashflow</b>	<b>92.9</b>	<b>72.5</b>	<b>28.2%</b>
Underlying EBITDA <sup>1,2</sup>	111.4	106.1	5.0%
– Interest (leases)	(2.5)	(2.5)	(0.4%)
– Depreciation (leases)	(9.5)	(10.4)	(8.9%)
<b>Underlying EBITDA<sup>1,2</sup> (lease adjusted)</b>	<b>99.4</b>	<b>93.1</b>	<b>6.7%</b>
<b>Cash flow conversion</b>	<b>93.5%</b>	<b>77.9%</b>	<b>20.2%</b>

## Capex – H1



## Capex – FY24 estimate



1. Operating cashflow and underlying EBITDA include Discontinued Operations (Davey, CSM). 2. Underlying EBITDA excludes acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D. 3. Cash conversion = gross operating cashflow (before interest and tax) but after lease payments divided by underlying EBITDA post lease expenses. 4. Rebate timing, stronger collections and Auto inventory outperformance.

# Balance sheet

## Strengthening balance sheet

- Net Debt/Adjusted EBITDA<sup>1,2</sup> of 1.7x reflects further deleveraging, well within target range
- Net debt of \$344.4m down \$58.2m from FY23 and \$129.5m from the pcp
  - Davey sale proceeds of \$52.1m
  - Rindab acquisition outflow of \$10.5m
  - Debtor factoring decrease from \$23.5m to \$16.5m
- Expect further reduction in debtor factoring in H2
- Net debt/Underlying EBITDA well within the medium-term target of 1.6x–1.9x

\$M	FY24 H1	FY23	FY23 H1
Bank overdraft	0.7	2.8	10.0
Current Borrowings	40.2	5.2	-
Non-Current Borrowings	341.9	448.0	548.3
Cash and Cash Equivalents	(38.4)	(53.4)	(84.4)
<b>Net debt<sup>1</sup></b>	<b>344.4</b>	<b>402.6</b>	<b>473.9</b>
Adjusted EBITDA <sup>2</sup> – bank covenant EBITDA	203.4	198.5	189.2
<b>Net Debt/Adjusted EBITDA<sup>1,2</sup></b>	<b>1.7</b>	<b>2.0</b>	<b>2.5</b>
Net Interest Expense – Lease Adjusted	23.4	22.5	20.3
<b>Adjusted EBITDA / Net Interest<sup>2,3</sup></b>	<b>8.8</b>	<b>8.8</b>	<b>9.3</b>
<b>Gearing Ratio<sup>4</sup></b>	<b>27.5%</b>	<b>31.2%</b>	<b>35.5%</b>

1. Net Debt excludes lease liabilities, and for FY23 H1, the Vision X deferred vendor payment (\$21.9m)
2. 'Adjusted' EBITDA is equivalent to GUD's bank covenant EBITDA for Continuing Operations. Adjusted EBITDA is: 1) pre AASB-16; 2) excludes significant items and acquisition related inventory step-ups, and 3) includes LTM EBITDA for acquisitions made during the relevant year and excludes LTM of the divestments (refer to slide 39 in Appendix)
3. Net interest excludes interest on leases refer to slide 39 in Appendix
4. Gearing Ratio = Net Debt / (Net Debt + Equity)



# Debt profile

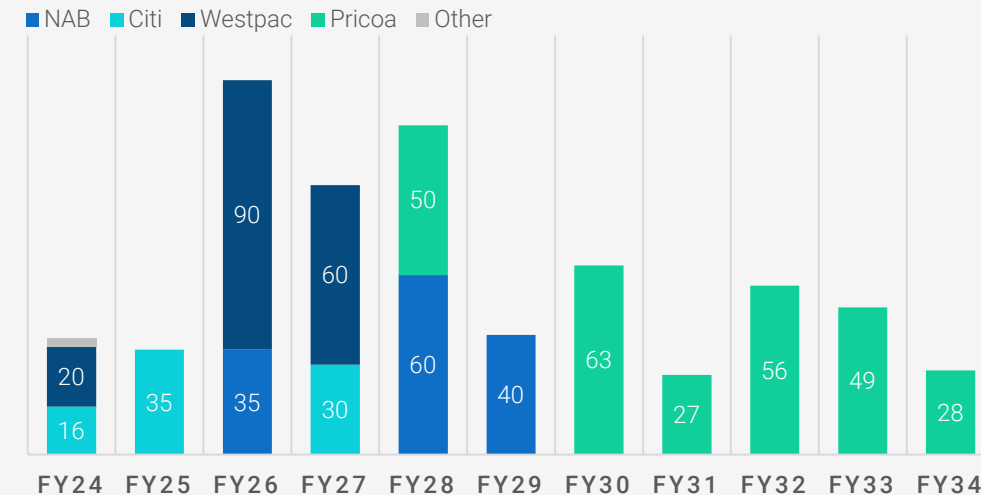
## Largely fixed debt at compelling rates

- 82% of gross debt balances fixed or hedged
- Fixed interest rate on long-term Pricoa issued notes at an average rate of 3.6% (A\$273m)
  - Citibank, NAB and Westpac are flexible facilities with floating interest rates
  - Floating to fixed interest swap contracts of \$40m in place and maturing in FY25
  - As debt is repaid, a greater proportion of gross debt remains fixed at a rate well below current market rates
- Current all-in funding cost of 4.7% (inclusive of unused line fees)

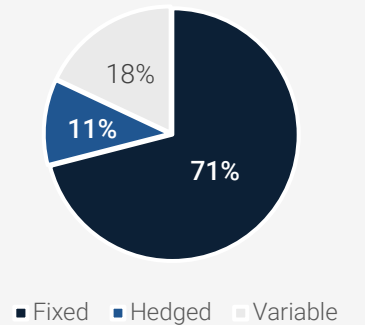
## Maturity profile is low risk

- Extended \$27m of short-term/overdraft facilities due to expire in Q3, with the intention to start reducing some nearer term facilities
- Maturity tenor is well diversified and with a long average duration
- c. \$280m in un-utilised borrowing capacity

## Maturity profile of committed debt \$m



## Interest profile



## Debt profile - Facility breakdown between country and currency

\$M	Commitment	Utilised	Unutilised
Australia (AUD)	563.7	314.7	249.0
Australia (USD)	3.0	1.0	2.0
New Zealand (NZD)	25.0	7.0	18.0
United States (USD)	40.6	38.6	2.0
Korea (USD)	8.0	2.6	5.4



# Trading update and outlook





# Trading update

## Automotive

- Strong start to January across key business units
- No significant change to garage activity levels
  - 2 to 3 weeks forward bookings in Vic/NSW metro and 3-4 weeks in rural areas
  - 1 to 2 weeks in other geographies
- Seeing a shift in customer emphasis to service rather than major repairs
- Labour availability (mechanics) still the biggest challenge rather than un-utilised/under-utilised workshop capacity



## APG

- Slightly softer revenues in January vs. the pcp
- Toyota diesel emissions 'irregularities' have resulted in voluntary closure of factories in Japan reportedly<sup>1</sup> impacting delivery of key models into Australia, Europe and other jurisdictions
  - Notably lower replenishment orders received in January
  - Working to establish impact of deferred volumes on H2 sales and factory load
- Anticipated rebound in NZ orders post repeal of the Clean Car Discount not yet evident in January (as dealers work through inventory)
- Cruisemaster orders down on the pcp as many caravan manufacturers extended Christmas closures



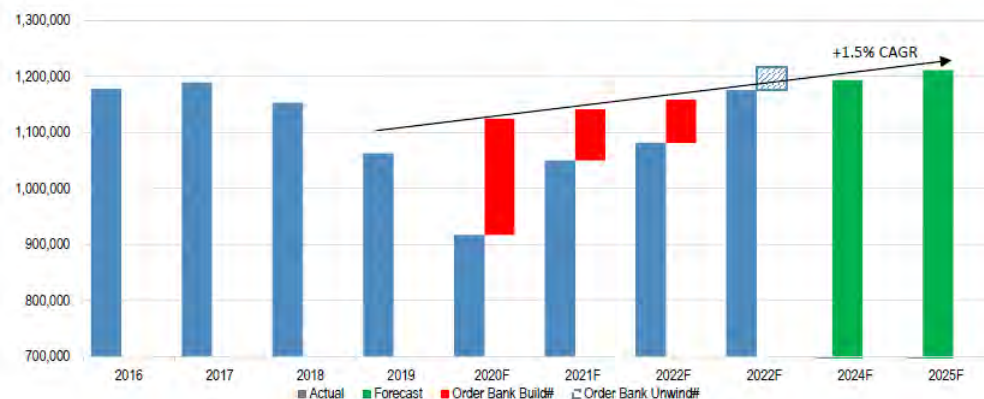
1. Drive.com.au 30 January 2024 [Click for article](#)

# Outlook

## APG

- OEM order backlogs remain at elevated levels
- Industry supply is improving but remains volatile between OEMs and models
- Still expecting strong revenue and EBITA growth in FY24 but short-term deferrals of replenishment orders (Toyota) means that H2 EBITA is expected to be slightly below H1
  - Australia expected to return to a more normal replenishment tempo into FY25
  - NZ inefficiencies continue to weigh on margins ahead of anticipated recovery in sales
- Strengthening fundamentals and increased momentum across the business
  - Continued share of wallet wins in Functional Accessories; key Hilux win a further validation of strategy
  - Thailand manufacturing capacity driving Trailering wins and market share gains
  - Low risk entry into strategic new geography to positively impact in FY25
- GUD remains confident in APG’s ability to deliver its business case targets when OEM supply constraints and mix (APG Top 20) normalise

**Australia new vehicle deliveries and forecasted demand<sup>1</sup>**



1. Federal Chamber of Automotive Industries (FCAI), J.P. Morgan estimates. \* 2023F assumes 2023YTD deliveries are representative of the year. # Estimated order bank build and unwind on a constant +1.5% new vehicle sales growth rate.

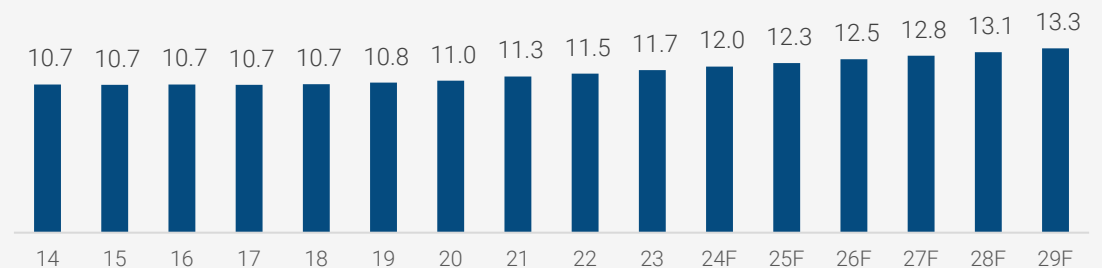
## Automotive

- The aftermarket is expected to remain robust in FY24 supported by further ageing of the car parc and ongoing resilience of the wear and repair market
- Growth is expected to be supported by new product development and margin management activities
- Disciplined investment in greenfield growth initiatives expected to build momentum in FY25 and beyond

## Group

- FY24 cash conversion expected to be 85-90% inclusive of a reduction in debt factoring towards historical levels
- Core currencies c.90% hedged in H2 and c.40% in FY25 H1
- Corporate costs are expected to be c.\$12.5m-\$13m
- Margins will continue to be managed in response to inflationary pressures
- Strong balance sheet to support organic growth and compelling bolt-on acquisitions
- The Group looks forward to providing an update at the Investor Day in Q4

**Average vehicle age<sup>2</sup>**  
in years



2. ACA Research (Jan 2024); ACA defines the car parc as the total number of motor vehicles on register, excluding buses and motorcycles



# Q&A

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# Appendix: FY24 H1 result





# Positive outlook for aftermarket brands through growing and ageing parc

## Australian car parc showing steady growth

- The parc is projected to reach 20.6 million vehicles by December 2024<sup>1</sup>, growing by c.481,000 units on CY23
- By CY29, the total parc is estimated to reach 23.1 million vehicles<sup>1</sup>
- The compound annual growth rate of 2.3% to CY29 is in line with long-term average growth

## Car parc 5+ years to reach c.16 million units in CY24<sup>1</sup>

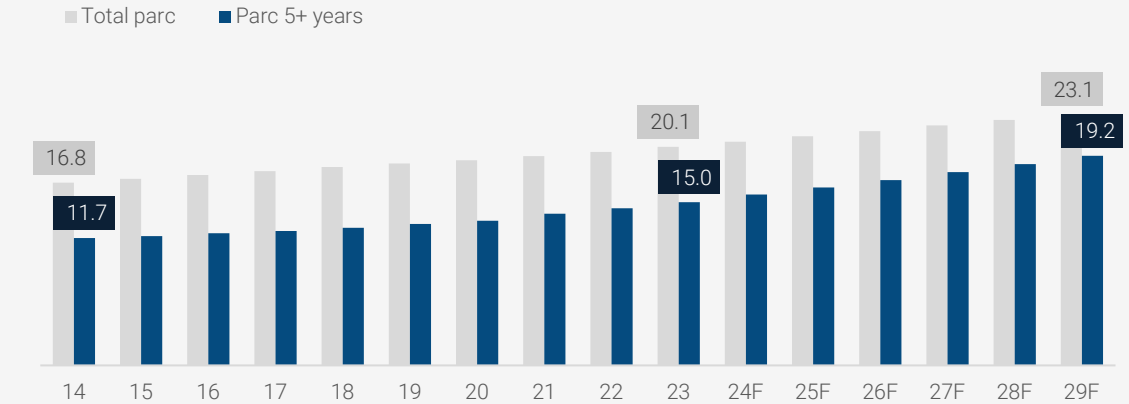
- The target market for the automotive aftermarket is vehicles 5+ years old
- This segment continues to grow steadily, in line with the total parc

## Average vehicle age increasing year-on-year

- The average vehicle age in CY23 was estimated at 11.7 years<sup>1</sup>
- In CY24 this is projected to increase to 12.0 years<sup>1</sup>, materially increasing from an average age of c.10.7 in 2018
- The ageing of the parc is projected to continue in the mid-term, reaching 13.3<sup>1</sup> years by CY29<sup>1</sup>
- Older vehicles have a higher service and repair profile than younger ones; an ageing car parc is favourable to the aftermarket brands in GUD's 'Automotive' segment

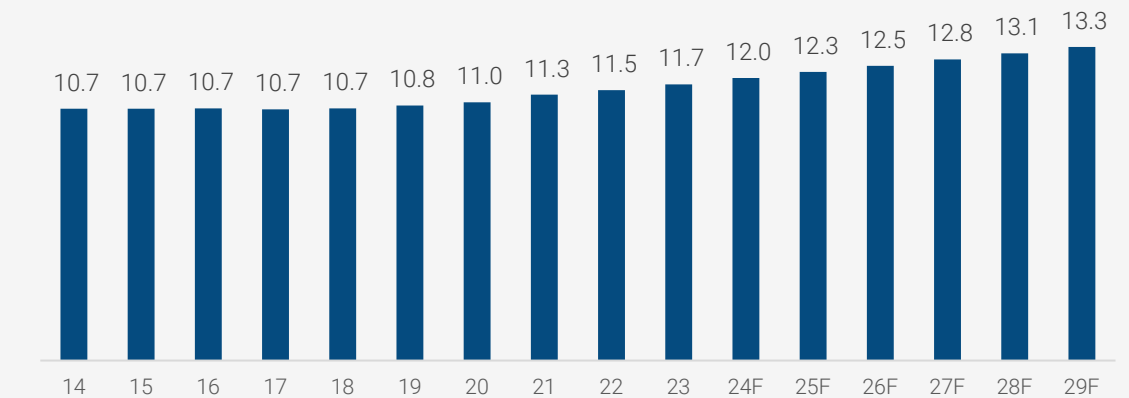
## Car parc in Australia

in million units



## Average vehicle age<sup>1</sup>

in years



1. ACA Research (Jan 2024); ACA defines the car parc as the total number of motor vehicles on register, excluding buses and motorcycles. ACA references data published by Federal Chamber of Automotive Industries - VFACTS Reports (Jan 2014 – Jun 2023), Australian Motor Bureau of Statistics (2014-2021), and the Bureau of Infrastructure and Transport Research Economics (2021-2023).



# Positive parc and powertrain proliferation supports resilient revenue base

## Segmentation of the car parc favours accessorisation and a higher content opportunity per vehicle on road

- PU and SUV share of car parc projected to grow
- These vehicles have higher accessory fitment rates and upgrades, alongside more expensive non-discretionary parts (compared to PMV)
- Powertrain proliferation is positive for GUD

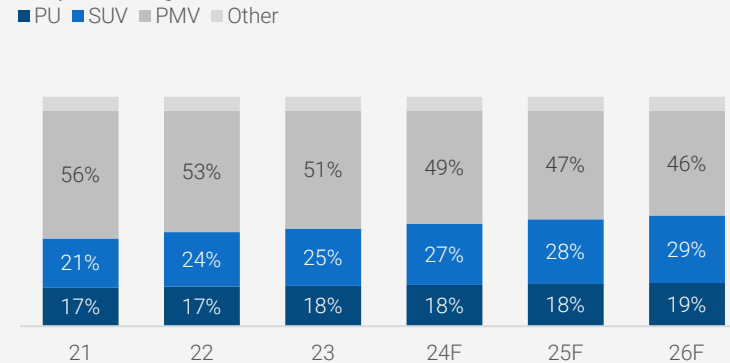
## Vast majority of products are non-discretionary and powertrain-agnostic

- 79% of combined Automotive and APG revenue is non-discretionary in nature
- Three in four revenue dollars comes from 'non-ICE' category<sup>5</sup> products and services

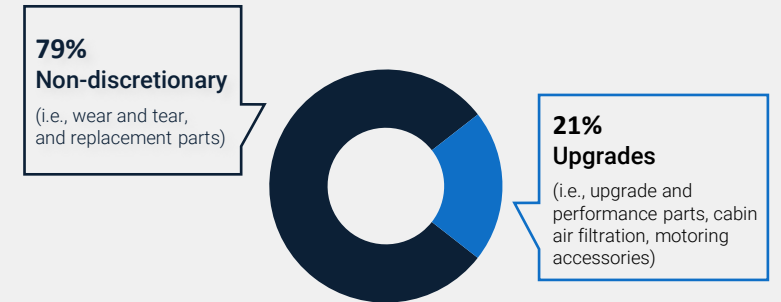
## Electric vehicles growing off a small base

- xEV grew by 67% for the 12 months to Dec 23
- By contrast, fossil fuel-powered vehicles rose by 10% during the same period
- Within xEV, growth is driven by uptake in battery electric and hybrid electric vehicles

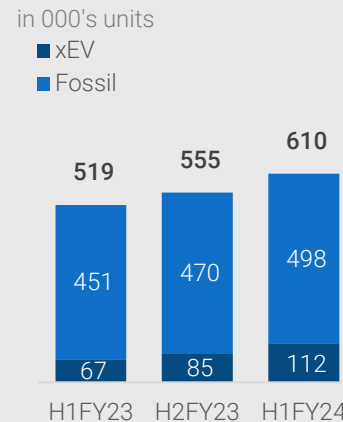
Car parc segmentation<sup>2,3,4</sup>



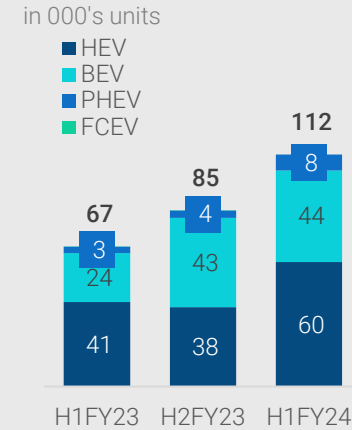
Automotive + APG revenue profile (FY23)<sup>1</sup>



Sales by fuel type<sup>2,3</sup>



Split of EV sales<sup>2,3</sup>



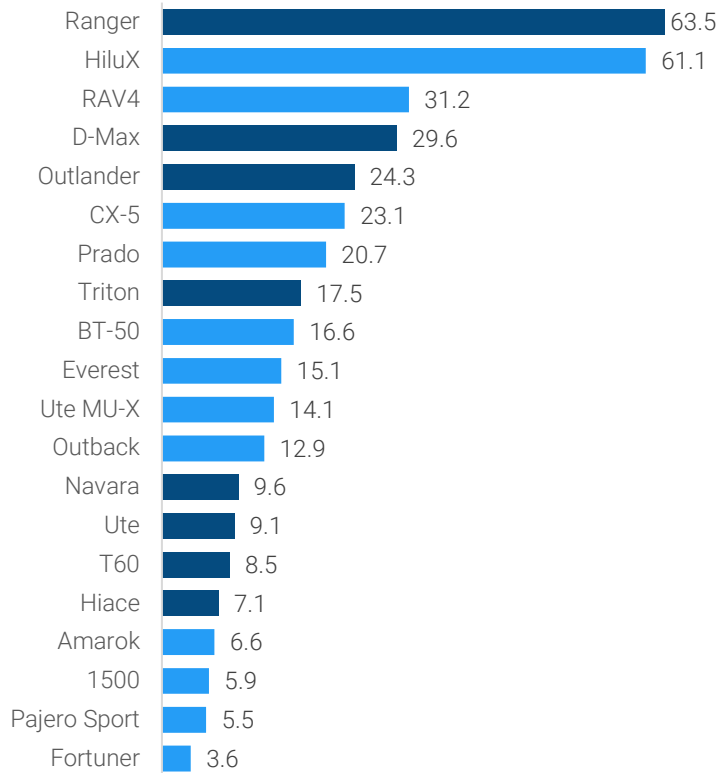
Automotive + APG revenue profile (FY23)<sup>1</sup>  
% of net revenue



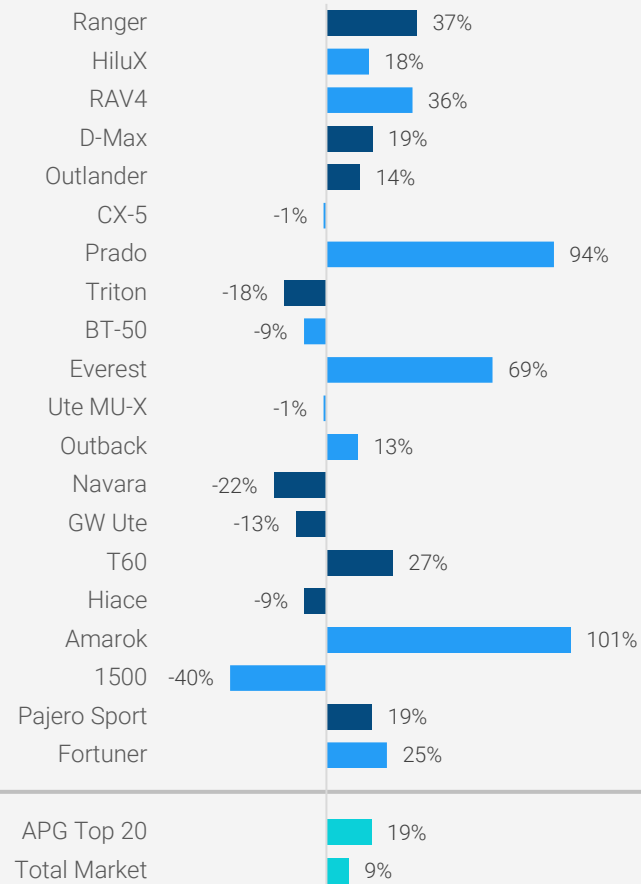
1. Management estimate. 2. Federal Chamber of Automotive Industries: Vfacts. 3. PU = Pick Up, SUV = Sports Utility Vehicle, PMV = Passenger Motor Vehicle, HEV = Hybrid Electric Vehicles, PHEV = Plug-in Hybrid Electric Vehicles, BEV = Battery Electric Vehicles, FCEV = Fuel-Cell (hydrogen) Electric Vehicles, xEV = all vehicles with some form of electrification. 4. ACA Research forecast. 5. Revenue derived from automotive parts, accessories and services in categories which are not dependent on an internal combustion engine for their operation.

# APG Top 20<sup>2</sup> New Vehicle Sales Performance: Australia

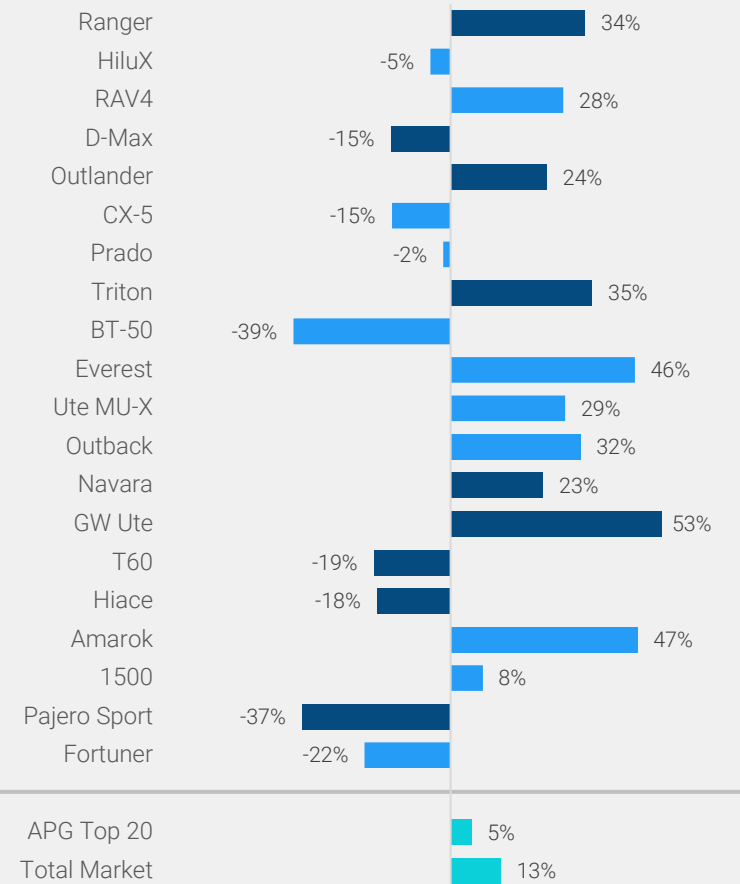
New Vehicle Sales Volume (000's) – CY23



New Vehicle Sales Variance - H1 FY24 vs H2 FY23<sup>1</sup>



New Vehicle Sales Variance - CY23 vs CY22<sup>1</sup>



■ OE Towbar<sup>3</sup>
■ OE Towbar<sup>3</sup> & Functional Accessory<sup>4</sup>
■ Total

1. VFacts industry (Australia) new vehicle sales data for APG Top 20 models (not APG unit sales), models ordered by CY23 sales volume (top to bottom). 2. APG Top 20 classification is used by APG, it is not a FCAI-defined cohort of models and represents APG's Top 20 at the time of acquisition 3. OE: APG-Original Equipment supply agreement 4. Functional Accessory products include Sports Bar, Nudge Bar or Rear Steps 5. Full-year and half-year charts are not to the same scale

# Powertrain - FY24 H1 snapshot



## Powertrain product category – Filtration

### AUS

- Solid revenue growth across trade and retail
- Growth across all strategic pillars
- Commercial vehicles continuing its strong growth trajectory of a modest base – importantly onboarded Paccar Australia adding to market credentials
- Another year of numerous Customer awards
  - Ryco; Awarded Burson *Exceptional Service to Stores* award
  - Ryco; 2nd place (5th consecutive year) in the AFR Most Innovative Companies
  - Wesfil; Auto One/A1: Supplier of the Year in all States, National Supplier of the Year, Sales Rep of the Year in NSW, SA, VIC and TAS
  - Wesfil; Bapcor: Runner up – Category Supplier of Year Award
- New product development investments anticipate range expansion across multiple categories slated over next 18 months

### NZ

- Trading less buoyant in NZ compared to AUS
- Wesfil is exploring potential opportunities in NZ



## Powertrain product category – Engine Management

### AUS

- Moderate revenue growth in AAG but with strong growth IMG driven by
  - Electronics Re-man and repair growth accelerating, +38%
  - Heavy duty and Industrial repairs continue to grow strongly, + >100% off a small base but providing confidence in IMG's strategy
- Continuing to strengthen foundations to expand EV and circular economy (reman and repair activities)
  - Settled new reman and repair facilities opened in FY23 with WA in particular experiencing exceptional strong growth off a greenfield base.
  - Achieved ISO 14001: 2015 Quality Accreditation for Environmental Management
  - Increased investment and expansion of R&D capabilities to drive emerging technology opportunities
- New product introductions supported car parc coverage gains across major category lines and new lines such as wheel speed sensors and oil coolers.

### NZ

- Trans-Tasman operations programme on-track
- Infinitev battery repair facility opened in FY23 ramping up in line with business plan Management



# Undercar and 4WD Accessories - FY24 H1 snapshot



## Undercar product category - DBA and ACS

### AUS

- Domestic markets experienced soft demand conditions for both DBA and ACS
- DBA was also challenged by mix of operational challenges and customer ordering patterns leading to softer revenue vs. the pcip
- Continued range expansion with products, including wheel end products, launching through H2

### NZ

- Strong ACS sales reflecting an increase in market activity, and modest growth for DBA reflecting range extension

### USA

- X Clutch USA delivered strong growth - major national warehouse onboarded during Q2

### EMEA

- International markets achieved solid growth driven by strong performance in Europe and the Middle East



## 4WD Accessories category - ECB and Fully Equipped

### AUS

- ECB Revenue run rate increased in Q2
  - Capacity uplift resulting from productivity improvements in the Brisbane facility
  - Arrival of parts made by APG Thailand to add to effective capacity
  - Consequently, order lead times now in line with customer expectations for the first time in 3 years

### NZ

- Tough economic conditions in New Zealand and vehicle supply shortfall resulted in modest NZD revenue decline in Fully Equipped (FE).
- Given significantly lower NZ new vehicle registrations, the result is relatively strong and assisted by a closer working relationship with APG enabling FE products to be first to market
- Additional export opportunities for FE canopies are being explored, with several prospects in Australia identified for potential FY25 supply

# Auto Electrical, Lighting and Power Management product category - FY24 H1 snapshot



## ANZ

- Solid revenue growth supported by new product pipeline including Projecta ProWave Inverter and Intelli-Start jump starter ranges, NARVA EX2 driving lights and Surefit LED globes
- Revenue from truck, RV and passenger car OE applications continue to be key drivers
- Capacity expansion at NZ distribution facility completed
- AU and NZ businesses combined management and operating structure underway
- AFR Most Innovative Companies Award - 3rd place - IntelliGrid battery management system
- Short-listed in AFR's 2024 Best Places to Work award
- Finalist in Auckland Chamber of Commerce Employer of the Year awards (NZ)

## USA

- Solid revenue growth across multiple sectors
  - Mining team won several new customers with new product ranges delivering strong revenue growth
  - Emergency vehicle market rebounded with strong revenue growth as new truck deliveries increased
  - Consolidated e-commerce team to leverage Twisted Throttle knowledge across other US brands leading to very strong growth fueled by Black Friday success
- Product range expansion continues to drive revenue growth with focus on marine, forward lighting and leveraging the Australian product portfolio
- Appointed Integrated Supply Network (one of the largest tool retailers) as a Projecta distributor with initial infill stock expected in H2

## EMEA

- Private label lighting program from the ANZ product portfolio has been released ready for the 2023/24 Winter season
- Launched multiple marketing campaigns to promote the Projecta brand in Europe
- Rindab acquisition is showing strong early momentum
  - Integration is on track
  - Appointed supplier of lights and beacons to one of Europe's largest car dealer networks (over 800 dealers across 14 countries)
  - Released remote weight monitoring system technology specifically developed for leading truck OEM
  - New Camera systems released for next generation cabs to replace traditional mirror systems offering significant improvements in visibility and safety. This tailored solution was developed to improve fuel economy and reduce service costs
  - Successfully tendered on multiple Military contracts from several EU states reflecting the increased spend and focus on defence

## Significant items (pre-tax) – H1 FY24

\$M	Continuing Operations	Discontinued Operations	Total
Acquisition costs relating to Rindab AB (Vision X Sweden)	0.4	0.0	0.4
Other acquisition and initiative support costs	0.2	0.0	0.2
Davey divestment related transaction costs		1.9	1.9
Davey gain on disposal	0.0	(0.7)	(0.7)
<b>Total</b>	<b>0.6</b>	<b>1.2</b>	<b>1.8</b>

- Davey gain on disposal offset by transaction costs to total \$1.2m in significant items



## Reconciliation to Segment EBIT (note 5)

Automotive Segment \$M	FY24 H1	FY23 H1	Change
Automotive Revenue	333.3	315.7	5.6%
<b>Underlying EBITDA<sup>1</sup></b>	<b>79.7</b>	<b>75.6</b>	<b>5.5%</b>
Depreciation	(8.0)	(7.7)	3.8%
<b>Underlying Automotive EBITA<sup>1</sup></b>	<b>71.8</b>	<b>67.9</b>	<b>5.7%</b>
Amortisation <sup>2</sup>	(0.6)	(0.3)	85.4%
Underlying EBIT <sup>1</sup>	71.2	67.6	5.3%
Acquired Amortisation <sup>3</sup>	(1.5)	(1.5)	-
<b>Automotive EBIT pre significant items</b>	<b>69.7</b>	<b>66.1</b>	<b>5.4%</b>
Significant items	0.0	(0.6)	n.m.
<b>Segment EBIT</b>	<b>69.7</b>	<b>65.5</b>	<b>6.4%</b>

APG Segment \$M	FY24 H1	FY23 H1	Change
Revenue	159.3	137.8	15.6%
<b>Underlying EBITDA<sup>1</sup></b>	<b>38.3</b>	<b>30.3</b>	<b>26.2%</b>
Depreciation	(6.0)	(5.2)	15.3%
<b>Underlying EBITA<sup>1</sup></b>	<b>32.3</b>	<b>25.1</b>	<b>28.5%</b>
Inventory step up related to acquisition	0.0	(3.5)	n.m.
Underlying EBIT <sup>1</sup>	32.3	21.6	49.5%
Acquired amortisation	(8.9)	(8.9)	(0.2%)
<b>EBIT pre significant items</b>	<b>23.4</b>	<b>12.7</b>	<b>84.3%</b>
Significant items	0.0	(0.1)	n.m.
<b>Segment EBIT</b>	<b>23.4</b>	<b>12.6</b>	<b>86.0%</b>

Discontinued Operations \$M	FY24 H1	FY23 H1
Revenue	17.2	63.5
Underlying EBITDA <sup>1</sup>	<b>(0.6)</b>	<b>5.1</b>
Depreciation	(0.6)	(2.6)
<b>Underlying EBIT<sup>1</sup> pre significant items</b>	<b>(1.3)</b>	<b>2.5</b>
Loss on sale <sup>4</sup>	(1.2)	-
<b>Segment EBIT</b>	<b>(2.5)</b>	<b>2.4</b>

Note: small differences due to rounding. 1. Underlying EBITDA, underlying EBITA and underlying EBIT exclude (non-cash) acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D. 2. Amortisation excludes the amortisation of acquired intangibles relating to the acquisitions of G4CVA, ACS and Vision X. 3. Amortisation relating to the acquisitions of G4CVA, ACS and Vision X. 4. Loss on sale includes transaction costs as outlined on slide 37.

# Banking covenant calculations

## Calculation of Net Interest

\$M	FY24 H1	FY23
Reported Interest (rolling 12 months)	28.3	27.8
Interest on lease liabilities	(4.9)	(5.4)
<b>Adjusted Net Interest</b>	<b>23.4</b>	<b>22.5</b>

## Calculation of banking covenant EBITDA

\$M	FY24 H1	FY23
EBIT post AASB 16	170.6	161.6
Add ROU depreciation	19.5	20.5
Less lease payments	(22.1)	(22.8)
Add other adjustments	(1.9)	(2.2)
<b>EBIT pre AASB 16</b>	<b>166.2</b>	<b>157.1</b>
Underlying EBITDA pre AASB 16	205.3	198.7
Add acquisitions <sup>2</sup> (full year normalisation)	2.2	0.1
Subtract Discontinued Operations <sup>2</sup>	(4.1)	(0.3)
<b>Banking covenant EBITDA</b>	<b>203.4</b>	<b>198.5</b>

1. FY24 H1 is a rolling 12 months. 2. Pre AASB-16 EBITDA for Davey and CSM