



SKELLERUP

FY14 Results

21 August 2014

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Skellerup Key Points

FY2014

- Revenue & profit up
 - NPAT of \$41.1 million, up 116% on pcp but boosted by \$20.4 million gain from insurance settlement
- Record performance from Agri Division
 - Buoyant NZ Dairy sector in particular
- Solid performance from Industrial Division
 - Markets mixed, invested in sales and distribution capability and product range for future growth
- Annual dividend pay-out increased to 8.5 cents per share
 - 3.5 cents per share already paid in March 2014
 - 5.0 cents per share payable in October 2014
- Cash reserves of \$16.4 million
 - Nil Debt
 - Operating cash flow strong up \$1.2 million on pcp excluding Canterbury Earthquakes insurance proceeds and costs
 - Settled FY13 land purchase at Wigram (\$6.4 million paid in January 2014)
- Project Viking
 - Contract signed for the construction of new Dairy & Rubberware facility in Wigram
 - Construction to begin before Christmas 2014

Skellerup Group

FY2014

Financial Results

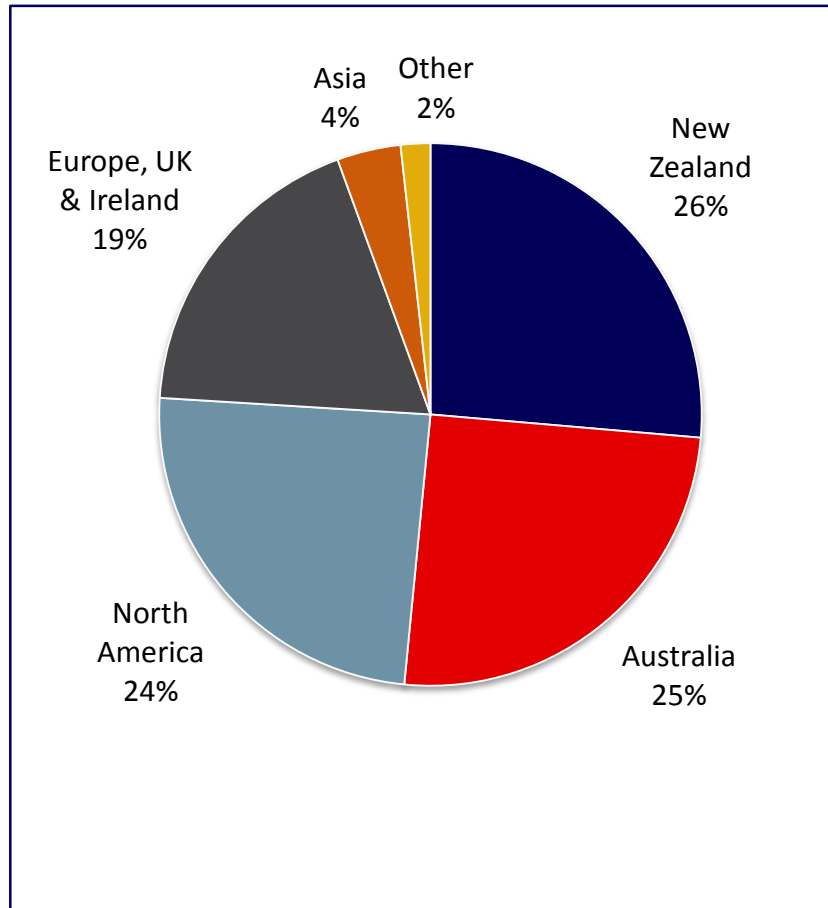
NZ\$ Million	FY14	FY13	Change
Revenue	196.6	189.5	7.1
EBITDA before Canterbury EQ income	37.4	35.0	2.4
Depreciation & amortisation	7.5	7.2	0.3
EBIT before Canterbury EQ income	29.9	27.8	2.1
Canterbury EQ income net of expenditure	19.8	-	19.8
Interest expense	0.7	1.1	0.4
Tax expense	8.0	7.6	0.4
Net profit after tax	41.1	19.0	22.1
<i>Earnings cents per share</i>	21.3	9.9	11.4
<i>Dividend cents per share</i>	8.5	8.0	0.5
Cash reserves	16.4	(2.2)	18.6
Operating cash flow	51.0	26.1	24.9
Capital & intangible expenditure	8.9	14.7	(5.8)

- FY14 Operating cash flow includes \$23.7 million of proceeds from the Canterbury EQ insurance settlement
- FY14 Earnings per share excluding the Canterbury EQ income and expenditure is 10.8 cents per share
- FY13 Capital expenditure included the purchase of Wigram land of \$7.1 million (note 90% of cost was settled in FY14)

Revenue by geographic market

FY2014

Revenue by Market



Revenue Growth

- New Zealand up 9% on pcp
 - Growth in sales of dairy liners, tubing and footwear.
- Australia down 5% on pcp
 - In constant currency terms up 7% with underlying increases from both the Industrial and Agri segments.
- North America up 4% on pcp
 - Growth in sales in Industrial segment underpinned by expanding presence.
- Europe up 15% on pcp
 - Primarily to growth in Agri segment aided by recent acquisitions.

Skellerup Agri Division

FY2014

Financial Results

NZ\$ Million	FY14	FY13	FY12
Revenue	80.2	72.4	74.1
EBIT	21.7	19.8	19.0
EBIT %	27.1	27.3	25.6



Key Drivers

Revenue up 11% and EBIT up 10% on pcp

- Buoyant NZ Dairy sector
 - Increased demand for liners and tubing
- Increased Footwear sales
 - Product range now includes specialist fire and forestry boots
 - Introduction of Bandals
- Expanded Animal Hygiene business
 - Two small acquisitions to expand range and distribution capability

Skellerup Industrial Division

FY2014

Financial Results

NZ\$ Million	FY14	FY13	FY12
Revenue	116.2	116.9	133.1
EBIT	13.5	13.5	22.9
EBIT %	11.6	11.6	17.2



Key Drivers

Revenue and EBIT flat

- Steady growth in US
 - Platforms firmly established in Chicago (Illinois) and Charlotte (North Carolina)
 - Investing in sales resource
- Australian market mixed
 - Achieved underlying growth but more than offset by significantly stronger NZD
 - Expanding Deks product range
 - Acquired Foam business in May 2014
- Product Claim Settled
 - Absorbed cost of Marley product claim (\$2.2 million) plus associated costs

Project Viking

FY2014

Proposed Development



Project Status

- New dairy rubberware development and manufacturing facility to replace damaged Woolston facility built over 70 years ago
- Sir Ron Carter overseeing the Project
- Land settlement completed in January 2014
- Contract for construction of new facility signed in June 2014
- Functional design complete
- Construction scheduled to begin in December 2014
- 18,900 m² of floor space including warehouse

Skellerup Focus

FY2014

- Structured the business manufacturing and distribution capability for growth
 - Ultralon foam manufacture to Vietnam
 - US distribution facilities
- Capitalise on global focus for food safety
 - Liners, tubing & hygiene products
 - Products for potable water applications
- Increasing demand for gas as a clean energy
 - Pump systems and end-use applications for fuel systems
- Closely aligned acquisitions
 - Three small acquisitions in FY14 covering animal hygiene (2) and foam products
 - More opportunities

Skellerup Group

FY2014

Reconciliation of Segment EBIT to Group NPAT

NZ\$ Million	FY14	FY13	Change
Agri EBIT	21.7	19.8	1.9
Industrial EBIT	13.5	13.5	-
Corporate EBIT	(5.3)	(5.5)	0.2
EBIT before Canterbury EQ income	29.9	27.8	2.1
Canterbury EQ income net of expenditure	19.8	-	19.8
Interest expense	0.7	1.1	0.4
Tax expense	8.0	7.6	0.4
Net profit after tax	41.1	19.0	22.1

Disclaimer

FY2014

This presentation contains not only a review of operations, but also some forward looking statements about Skellerup Holdings Limited and the environment in which the company operates. Because these statements are forward looking, Skellerup Holdings Limited's actual results could differ materially.

Although management and directors may indicate and believe that the assumptions underlying the forward looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward looking statements will be realised.

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