

Skellerup HY19 Results

14 February 2019

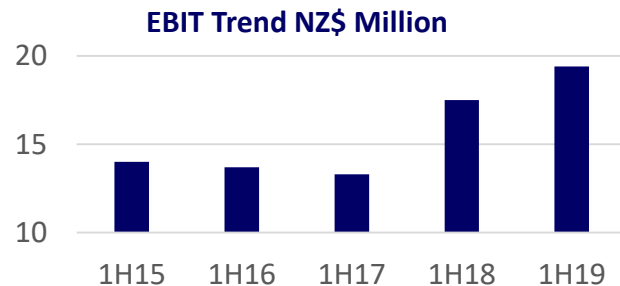
David Mair | CEO & Executive Director
Graham Leaming | CFO

Skellerup HY19 Key Points



Financial Highlights (Unaudited)

REVENUE \$120.2m \$3.5m ↑	EBIT \$19.4m \$1.9m ↑	NPAT \$13.4m \$1.7m ↑
EARNINGS PER SHARE 6.9cps 14% ↑	INTERIM DIVIDEND 5.5cps 38% ↑	OPERATING CASHFLOW \$13.0m \$1.7m ↓



- HY19 Revenue, EBIT & NPAT up
 - Growth from key OEM customers in international markets
 - Agile and robust product development and thinking helping to win new business
 - International environment challenging
- HY19 Interim Dividend up
 - Balance sheet is robust, and operating cash flow strong
 - Interim dividend increased from 4.0 to 5.5 cents per share, imputed 50%
 - Partial imputation reflects growth in earnings is largely coming from Skellerup’s international operations
- FY19 NPAT expected to be up
 - Our strategy continues to be focused on working closely with customers, to leveraging our broad technical expertise and our international platform to deliver sustainable earnings growth
 - We expect full year NPAT in the range of \$29 million to \$31 million, subject to any unexpected changes in our markets

Skellerup HY19 Financial Highlights



NZ\$ Million (Unaudited)	HY19	HY18	Change
Revenue	120.2	116.7	3.5
EBITDA	23.0	21.3	1.7
Depreciation & amortisation	(3.6)	(3.8)	0.2
EBIT	19.4	17.5	1.9
Interest expense	(0.9)	(0.9)	-
Tax expense	(5.2)	(4.9)	(0.3)
NPAT	13.4	11.7	1.7
Earnings cents per share	6.9	6.1	0.8
Dividend cents per share *	5.5	4.0	1.5
Operating cash flow	13.0	14.8	(1.8)
Net Debt	(32.4)	(34.8)	2.4
Capital & intangible expenditure	1.9	3.1	(1.2)

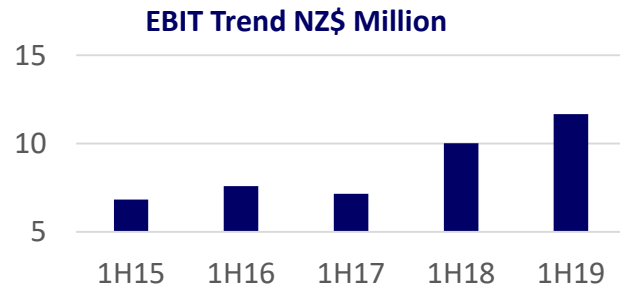
- Revenue up 3% on pcp (currency impact negligible)
- EBIT up 11% boosted by Industrial Division growth
- NPAT up 15% with finance charges flat and effective tax rate slightly lower
- Operating cash down slightly – risk management around US port interruption, Brexit and Chinese New Year
- Capex down as expected

* The interim dividend will be imputed 50% (pcp 100%). As a result shareholders will receive a net increase of at least 18% on pcp.

Skellerup HY19 Industrial Division



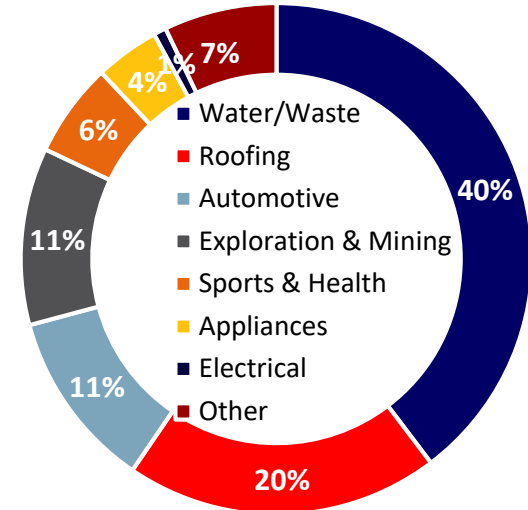
NZ\$ Million (Unaudited)	HY16	HY17	HY18	HY19
Revenue	66.6	60.8	73.7	78.0
EBIT	7.6	7.2	10.0	11.7
EBIT %	11.4	11.8	13.6	15.0



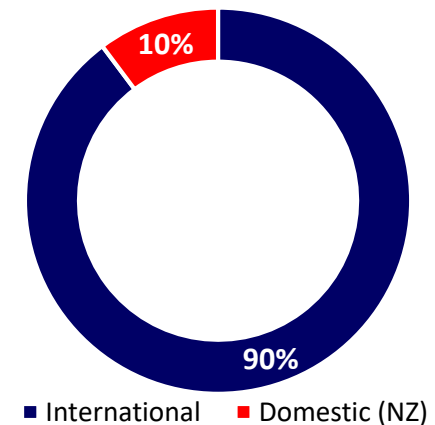
Revenue up 6% and EBIT up 16% on pcp

- Revenue measured in constant currency up 4%
- Growth with key OEMs particularly in the US
- Growth from customer focussed solutions in vacuum systems applications
- Growth from high performance marine foam decking U-Dek
- EBIT as a % of revenue now at 15%

HY18 Industrial Division Revenue by Application



HY19 Industrial Revenue by Market



Skellerup HY19 Agri Division

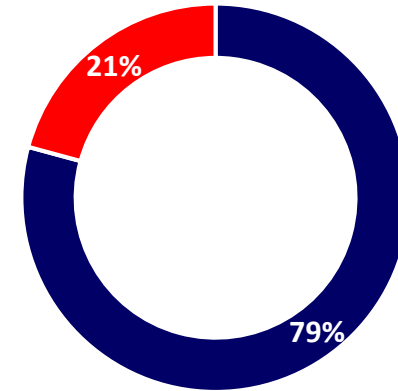


NZ\$ Million (Unaudited)	HY16	HY17	HY18	HY19
Revenue	41.0	36.6	43.1	42.3
EBIT	8.4	8.4	9.5	9.6
EBIT %	20.4	23.0	22.1	22.8

Revenue down 2% and EBIT up 1% on pcp

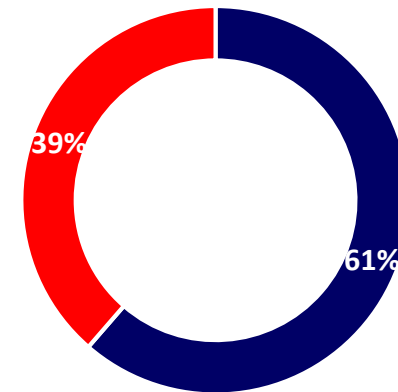
- Revenue measured in constant currency down 4%
- Dairy
 - Domestic (NZ) market behind pcp following strong final quarter of FY18 and reflecting impact of forecast reduction in pay-out, and reduced capital investment
 - International markets mixed
- Footwear
 - Domestic market solid
 - International markets growing particularly Europe boosted by firefighting boots
- Operations
 - Improving yields and productivity at Wigram and Jiangsu

HY19 Agri Revenue by Application



■ Dairy & Animal Hygiene ■ Footwear

HY19 Agri Revenue by Market



■ International ■ Domestic (NZ)

Reconciliation of Segment EBIT to Group NPAT

NZ\$ Million (Unaudited)	HY19	HY18	Change
Agri EBIT	9.6	9.5	0.1
Industrial EBIT	11.7	10.0	1.7
Corporate EBIT	(1.9)	(2.1)	0.2
EBIT	19.4	17.5	1.9
Interest expense	(0.9)	(0.9)	-
Tax expense	(5.2)	(4.9)	(0.3)
NPAT	13.4	11.7	1.7

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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