



HY22 RESULTS

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Skellerup Key Points HY22

Record NPAT of \$23.2 million

- Up 19% on pcp.
- Growth in key markets of USA, Asia and NZ.

Record Industrial Division EBIT of \$18.7 million

- Broad-based sales growth.
- Potable & waste water and marine particularly strong.
- Talbot Advanced Technologies (acquired 31 August 2021) results in line with plan.

Record Agri Division EBIT of \$16.7 million

- Dairy rubberware sales growth to international customers.
- Footwear sales growth particularly in NZ hardware channel.
- Operational gains at Wigram (and other facilities).

Operating cash flow of \$19.7 million

- Down \$15.4 million or 44% on pcp.
- Investment in inventory to ensure continuity of operations and customer supply.

Interim dividend pay-out of 7.5 cents per share

- Up 1.0 cent (or 15%) on pcp, reflecting strong earnings and low levels of net debt.

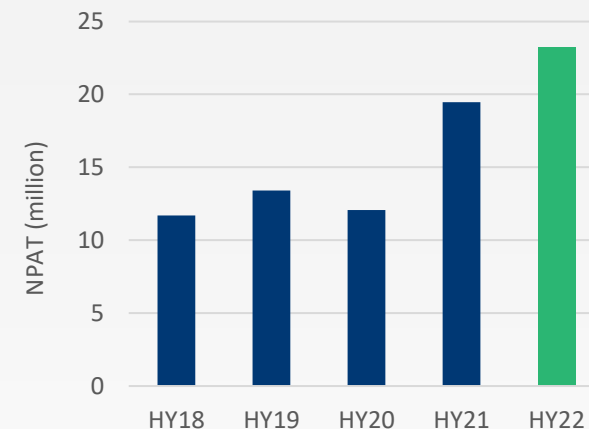
Robust Balance Sheet

- Net debt very low at \$25.6 million (8% of total assets) despite Talbot acquisition and planned investment in inventory.

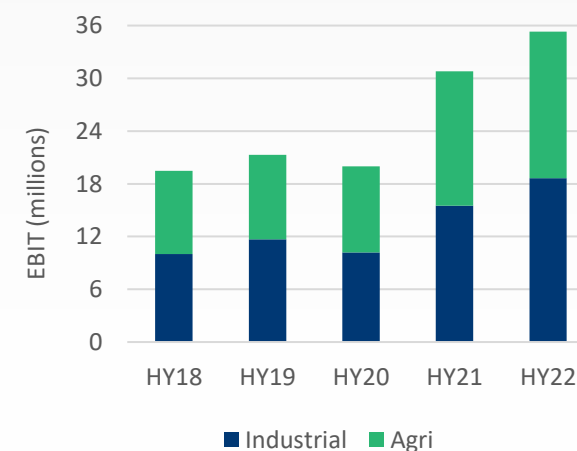
FY22 NPAT Guidance \$44 to \$47 million

All amounts are in New Zealand Dollars,
unless stated otherwise

Net Profit after Tax



EBIT by Segment *



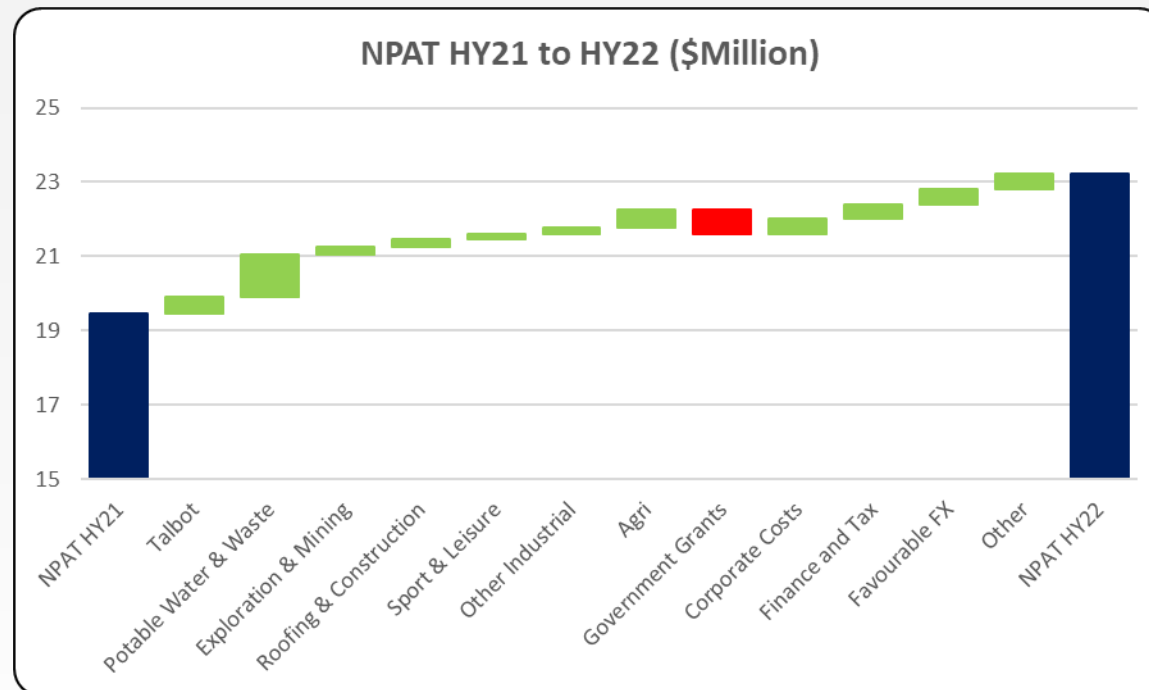
* Excludes Corporate

Skellerup Financial Highlights HY22

NZ\$ Million	HY18	HY19	HY20	HY21	HY22
Revenue	116.7	120.2	123.0	136.6	150.5
EBITDA	21.3	23.0	24.1	33.9	38.9
Depreciation and Amortisation	3.8	3.6	3.7	3.8	3.9
Depreciation (ROU Assets)	-	-	2.4	2.6	2.6
EBIT	17.5	19.4	18.0	27.6	32.4
Finance costs (Debt)	0.9	0.9	0.8	0.7	0.5
Finance costs (Lease Liabilities)	-	-	0.5	0.5	0.4
Tax expense	4.9	5.2	4.6	6.9	8.2
NPAT	11.7	13.4	12.1	19.5	23.2
Earnings cents per share	6.1	6.9	6.2	10.0	11.9
Dividend cents per share	4.0	5.5	5.5	6.5	7.5
Operating cash flow	14.8	13.0	24.1	35.1	19.7
Net Debt	34.8	32.4	34.7	13.0	25.6
Capital & intangible expenditure	3.1	1.9	2.6	2.6	3.7
Acquisition & Investment	-	-	5.0	-	10.2

- Revenue up \$13.9 million and 10% on pcp.
- EBIT up \$4.8 million and 18% on pcp.
- NPAT up \$3.7 million and 19% on pcp.
- Interim dividend of 7.5 cents per share, up 1 cent and 15% on pcp.
- Operating cashflow down \$15.4 million and 44% on pcp due to planned investment in working capital (inventory).
- Capex for capacity and new products.
- Acquisition of Talbot \$10.2 million.
- Net debt increased to fund investment in Talbot and working capital.

Skellerup NPAT HY21 to HY22



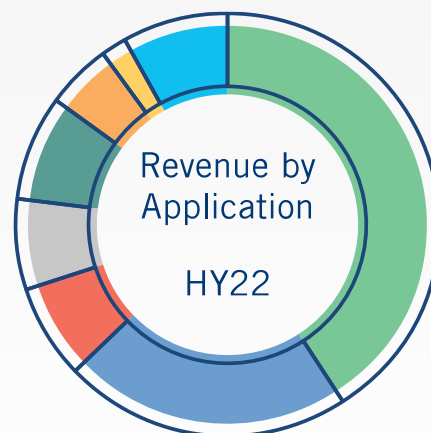
Earnings growth was broad-based:

- Talbot contribution for first four months following acquisition.
- Growth across the Industrial Division applications particularly potable and waste water (USA and Australia).
- Agri up due to footwear sales growth particularly in NZ.
- COVID-related government assistance of \$0.4 million (USA), compared to \$1.2 million in pcp (USA and Australia).
- Corporate costs down on pcp.
- Reduction in average net debt driving lower interest costs.
- Gains from FX due to softer NZD in Q2 and hedging gains.

Skellerup HY22 Industrial Division

NZ\$ Million	HY18	HY19	HY20	HY21	HY22
Revenue	73.7	78.0	79.9	85.7	96.2
EBIT	10.0	11.7	10.2	15.5	18.7
EBIT %	13.6	15.0	12.6	18.2	19.4

- Potable & Waste Water (41%) ●
- Roofing & Construction (22%) ●
- Automotive & Machinery (7%) ●
- Sport & Leisure (7%) ●
- Exploration & Mining (8%) ●
- Electrical & Appliances (5%) ●
- Health & Medical (2%) ●
- General (8%) ●



Revenue up 12% and EBIT up 20% against pcp

Potable and Waste Water

- Revenue up significantly as infrastructure work increased plus market share gains in USA and Australia with new products.

Growth from high performance foam applications

- Ultralon U-Dek marine foam sales up significantly in all markets.

Vacuum Systems sales and margins growth

- Continued growth in system sales and winning first fitment with OEMs. Two new products launched in HY22.
- Oil & Gas market up but limited new investment to date.

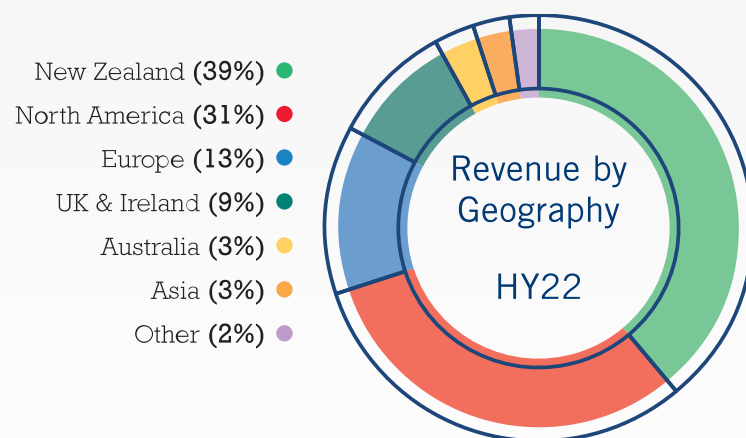
Other applications also recording growth

- Roofing (Asia), Health (NZ and Australia).

Talbot contribution in line with expectations for first four months

Skellerup HY22 Agri Division

NZ\$ Million	HY18	HY19	HY20	HY21	HY22
Revenue	43.1	42.3	43.2	50.9	54.3
EBIT	9.5	9.6	9.8	15.3	16.7
EBIT %	22.1	22.8	22.7	30.0	30.7



Revenue up 7% and EBIT up 9% against pcp

International Dairy sales growth

- Dairy rubberware sales growth in New Zealand and USA.
- Margins down slightly due to increasing raw material and freight costs.
- Supply chain delays impacted timing of getting product to end markets.
- Operational process and efficiency gains continue to be realised.
- Investment to increase production volumes and reduce lead times implemented.

Footwear sales growth continues

- Sales growth in all markets, particularly NZ in both rural and hardware markets.
- Range standardisation and rationalisation.

What We Do

Industrial & Retail

- Valves and seals for control systems used in food, liquid, and material processing plants
- Flashings, washers, sealing and insulation products for roofing, solar, plumbing and HVAC applications
- Gaskets, joiners, couplings and seals for potable, waste and stormwater pipes
- Covers and lids for water, fire and electrical services on streets
- Components for mobile equipment
- Components for point-of-sale devices

Recreation

- Foam used in marine decking
- Foam used in ski and snowboard boot liners
- Foam used in protective equipment for field sports including rugby and hockey
- Foam for buoyancy applications and fender systems
- Gumboot throwing!

Medical & Health

- Face masks and protective equipment for hospital operating theatres
- Filters and seals used in respiratory devices
- Orthotics and prosthetics
- Hygiene and sanitisation devices
- Hospital equipment and visual management systems

Residential

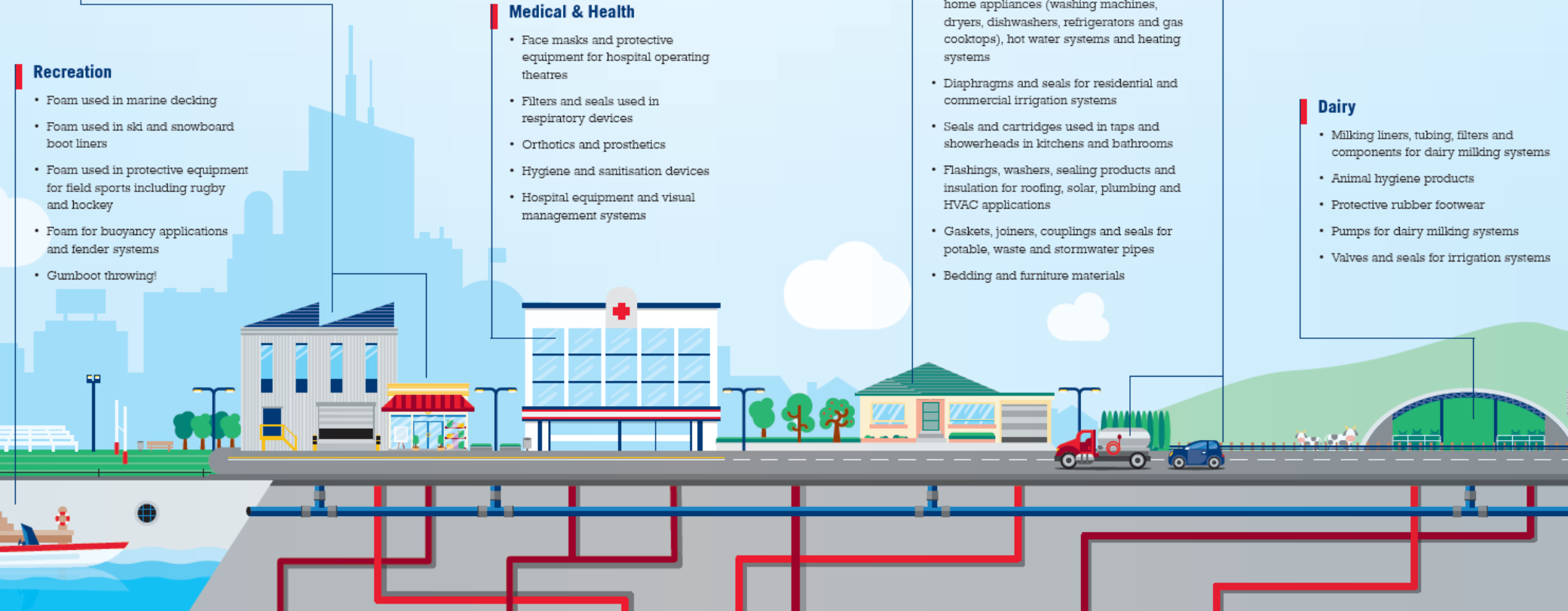
- Seals, diaphragms, and valves used in home appliances (washing machines, dryers, dishwashers, refrigerators and gas cooktops), hot water systems and heating systems
- Diaphragms and seals for residential and commercial irrigation systems
- Seals and cartridges used in taps and showerheads in kitchens and bathrooms
- Flashings, washers, sealing products and insulation for roofing, solar, plumbing and HVAC applications
- Gaskets, joiners, couplings and seals for potable, waste and stormwater pipes
- Bedding and furniture materials

Transport

- Vacuum systems on trucks for transportation of water and liquid waste
- Seals, injectors and drive shaft couplings for motor vehicles (cars and trucks)
- Seals and gaskets for GPS and payment applications and systems

Dairy

- Milking liners, tubing, filters and components for dairy milking systems
- Animal hygiene products
- Protective rubber footwear
- Pumps for dairy milking systems
- Valves and seals for irrigation systems



Skellerup HY22

Reconciliation of Segment EBIT to Group NPAT

NZ\$ Million	HY18	HY19	HY20	HY21	HY22
Agri EBIT	9.5	9.6	9.8	15.3	16.7
Industrial EBIT	10.0	11.7	10.2	15.5	18.7
Corporate EBIT	(2.1)	(1.9)	(2.0)	(3.3)	(2.9)
EBIT	17.5	19.4	18.0	27.6	32.4
Finance costs	0.9	0.9	1.3	1.1	0.9
Share of net loss of associate	-	-	-	(0.1)	(0.1)
Tax expense	4.9	5.2	4.6	6.9	8.2
NPAT	11.7	13.4	12.1	19.5	23.2

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