SKELLERUP HOLDINGS LIMITED
L3 205 Great South Road, Auckland 1051
PO Box 74526, Greenlane, Auckland 1546

Telephone +64 9 523 8240
Email ea@skellerupgroup.com

Skellerup Holdings Limited

Annual Shareholders Meeting 26 October 2022

Chair's Address

Good afternoon and welcome to Skellerup's 2022 Annual Meeting. As last year's Annual Meeting was conducted virtually, it is a real pleasure to be back standing before you, our loyal shareholders.

It is a huge privilege and honour to Chair Skellerup, a true New Zealand iconic company, so it is with pride tinged with sadness that I make my last address to you as Skellerup Chair. I retire from my role with Skellerup in great heart, and with another record result to sign off on. I feel a real sense of satisfaction with Skellerup's performance during my time as Chair. I have been involved with Skellerup for 25 years having been on the Board of Skellerup's predecessor Viking Pacific, and a founding director of Skellmax when Skellerup listed on the NZX.

Skellerup has been transformed over that time, starting as a New Zealand based manufacturing and exporting company primarily supporting the agricultural industry, to today, an international company with manufacturing based not only in New Zealand, but now the UK, Italy, China and Vietnam plus converting and distribution operations in Australia, the US, and Europe supporting a diverse range of industries.

It has been an incredible journey to be involved in the rebuild of the Agri manufacturing facility relocated to Wigram following the Christchurch earthquakes and to successfully grow the business by investing in acquisitions, product development, new technologies and supporting our people. Now, after chairing the Board since 2017, I consider it is healthy for new leadership to take Skellerup forward.

Much has changed since even a year ago, when our businesses were still heavily affected by COVID-19 and its globally disruptive effects. The resilience of our business model and strategy have been thoroughly tested, particularly during these past two years, and its success has seen us continue to deliver substantial growth in earnings and returns to our shareholders.

Over the past seven years, Skellerup's revenue has increased by 50 per cent and NPAT by 133 per cent. These are excellent outcomes but there's no resting on our laurels. It's important we continue to invest in our new products, technology, and people to provide the platform to keep delivering growing and sustainable shareholder returns in the years ahead.

It is therefore with pleasure that Skellerup reported another record year. Net profit after tax (NPAT) was $47.8 million, a 19 per cent improvement on the prior year which was also a record result. Growth was robust across both Agri and Industrial Divisions.

The Directors were delighted to recognise this with a final dividend, imputed to 50 per cent, of 13.0 cents per share, which took the full year dividend to 20.5 cents per share, a 21 per cent increase on the prior year. The final dividend was paid on 14 October 2022.

At Skellerup, our leadership has been strong, evidenced by Chief Executive David Mair being awarded the Deloitte Top 200 CEO of the Year for 2021. Our Chief Financial officer Graham Leaming was acknowledged as a finalist for CFO of the Year, and Skellerup also a finalist for Company of the year.

David was also awarded the 2022 overall leadership award by the Institute of Finance Professionals New Zealand in May of this year.

But these acknowledgements are really a tribute to the entire Skellerup team. We thank all our people for their performance this past year. We are grateful for their dedication and contributions. They have been through a tough time, and we are very proud of their resilience and commitment. I would also like to acknowledge the service of Simon O'Connor of Ernst & Young who has been the Audit Engagement Partner for the past 5 years. As required Simon has now stepped down and I welcome Susan Jones as the Audit Engagement Partner from FY23. Today, Simon is with us and Susan is in Christchurch, visiting our Wigram facility.

As David said in the Annual Report, Skellerup has over its 110-year history built a reputation as a good employer. That reputational capital is an important ingredient to our success, and we reciprocate by investing in our staff's development, to grow future leaders, remunerating them fairly, and by keeping them safe. I'm proud that every Skellerup site has an active Health and Safety Committee, reporting monthly to the CEO, with the Board having oversight of the Committees with their activities also reported to the Board.

Your Board is focused on enduring long-term success, as befits Skellerup's history. We have been part of the New Zealand story for a long time. Naturally challenges over such a long period change;

however, building and leading a sustainable business that can adapt to changing circumstances is a constant.

One of those changes we're now facing is climate change. Skellerup recognises the impact climate change is having on the world. In June 2022, we formed a Sustainability Committee to oversee and measure Skellerup's sustainability initiatives.

This adds impetus to our existing sustainability lens, evidenced by investments we have made over the last six years to reduce our emissions and water usage at key sites across our geographies. Recently we consolidated three Auckland facilities onto a single site in Otahuhu, which will enable us to realise improved commercial, employee and environmental benefits now and in the years ahead.

We have also implemented the ESG World Platform, to provide shareholders and stakeholders the opportunity to review Skellerup's environmental, social and governance (ESG) performance against the range of frameworks in place throughout the world.

Skellerup is a global business, and our Board has a diverse range of skills, knowledge and governance experience to deal with the complexities that accompany an international business.

In May 2022, Rachel Farrant a partner at BDO Wellington Ltd, joined as an Independent Director. Rachel brings a strong financial focus to the Board and experience across a range of sectors, including construction, technology, finance and property.

While COVID-19 has until recently hampered the Board's ability to get out across our network of businesses, we have nevertheless been active in visiting our domestic operations to learn from the coal face the issues facing our businesses and workforce.

We are pleased to reward shareholders after another record result in FY22. Skellerup, as befits its history, is in it for the long haul as a future-oriented and solution-focused business. And in line with our well-tested strategy, we'll continue to focus on working closely with key customers to provide engineered products used in a range of critical applications and to look for investment opportunities that create synergies to fuel our ongoing growth.

We are very optimistic about Skellerup's future growth prospects and look forward to bolstering capacity to meet the opportunities. Thank you for your ongoing support and trust in the Board, executives, and employees of Skellerup. Looking to the future, I believe you will be in good hands with experienced Board members and lead by John Strowger.

Thank you all for your loyalty and I'd like to close by wishing Skellerup and its shareholders continued success well into the future.