



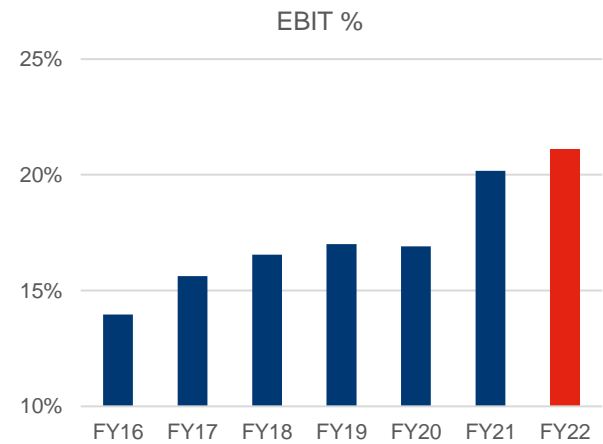
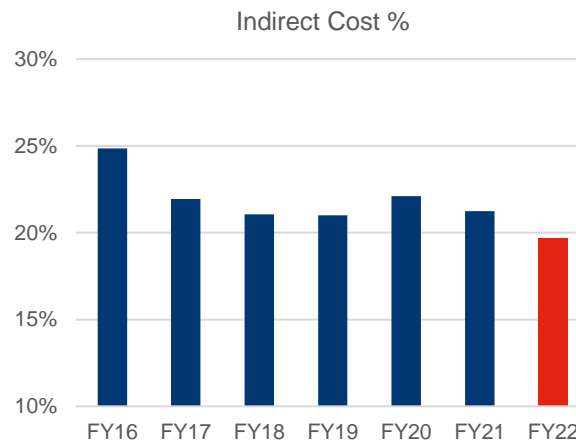
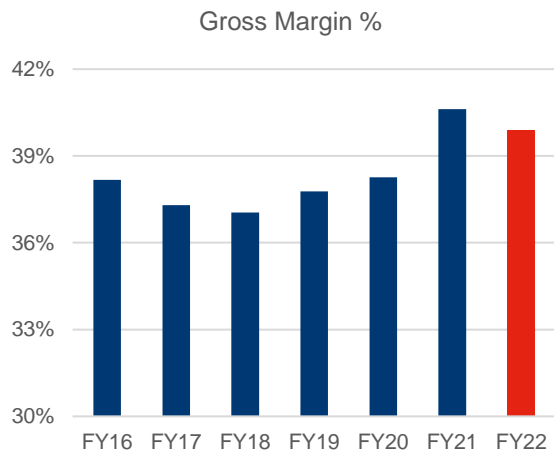
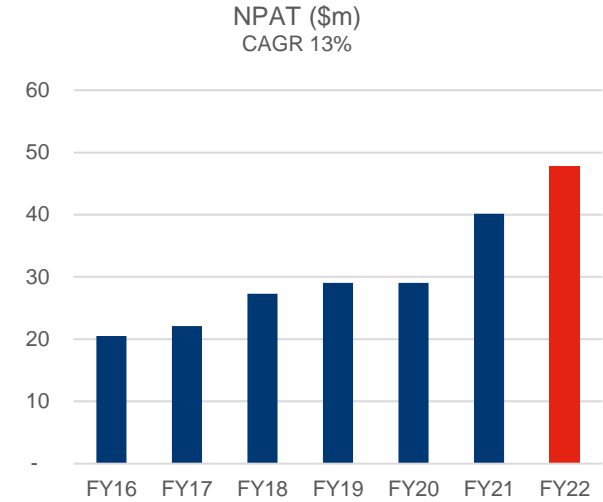
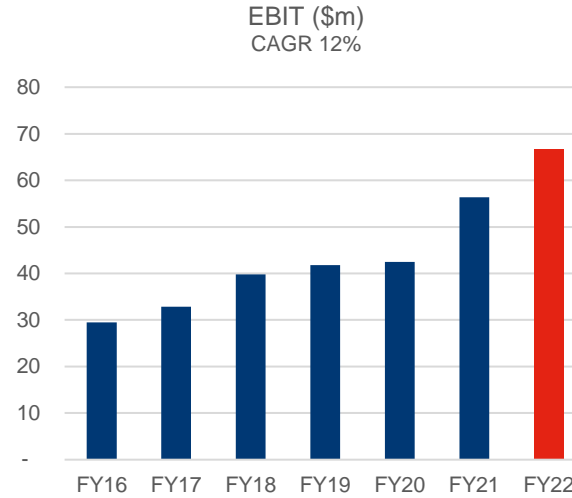
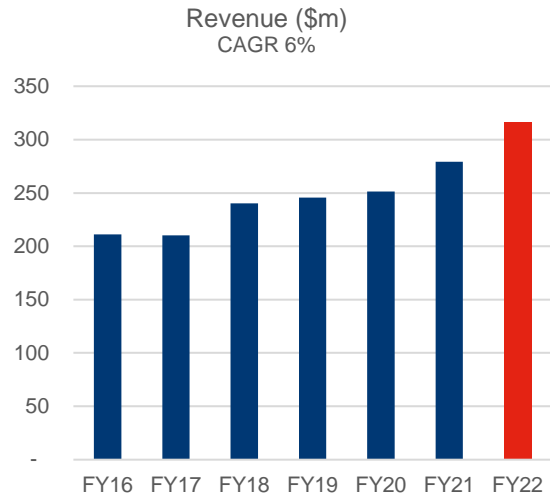
FY22 RESULTS

David Mair, Director & CEO
Graham Leaming, CFO

18 AUGUST 2022

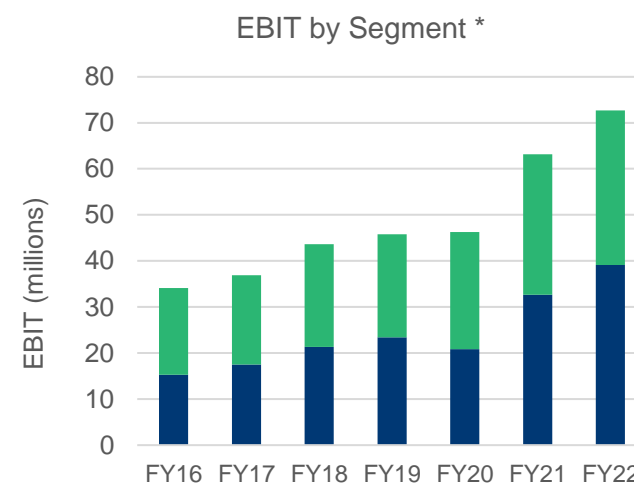
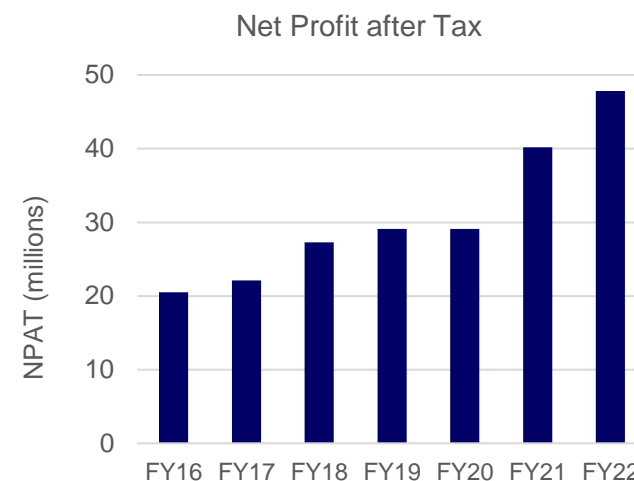


A Seven Year View



Key Points

- **Record NPAT of \$47.8 million**
 - FY22 result a record, up 19% on pcp (which was also a record).
 - Cumulative increase over past seven years is 133%.
- **Record Industrial Division EBIT of \$39.1 million**
 - Broad-based sales growth including higher margin new products.
 - Potable water, wastewater and marine particularly strong.
 - Consolidation of sites in Auckland.
 - Talbot performing to expectations.
- **Record Agri Division EBIT of \$33.6 million**
 - Growth in sales of dairy rubberware to international customers.
 - Footwear sales growth, particularly in NZ hardware channel.
 - Continuing operational improvements at Wigram.
- **Operating Cash Flow of \$43.3 million**
 - Down \$15.5 million or 26% on a record pcp.
 - Investment in inventory to ensure continuity of supply.
- **Final Dividend Pay-out of 13.0 cents per share**
 - Brings full year pay out to 20.5 cents per share, up 21% on pcp.
- **Balance Sheet remains robust**
 - Net debt increased to \$25.2 million due to Talbot acquisition and working capital investment (only 7% of total assets).



* Excludes Corporate

Financial Highlights



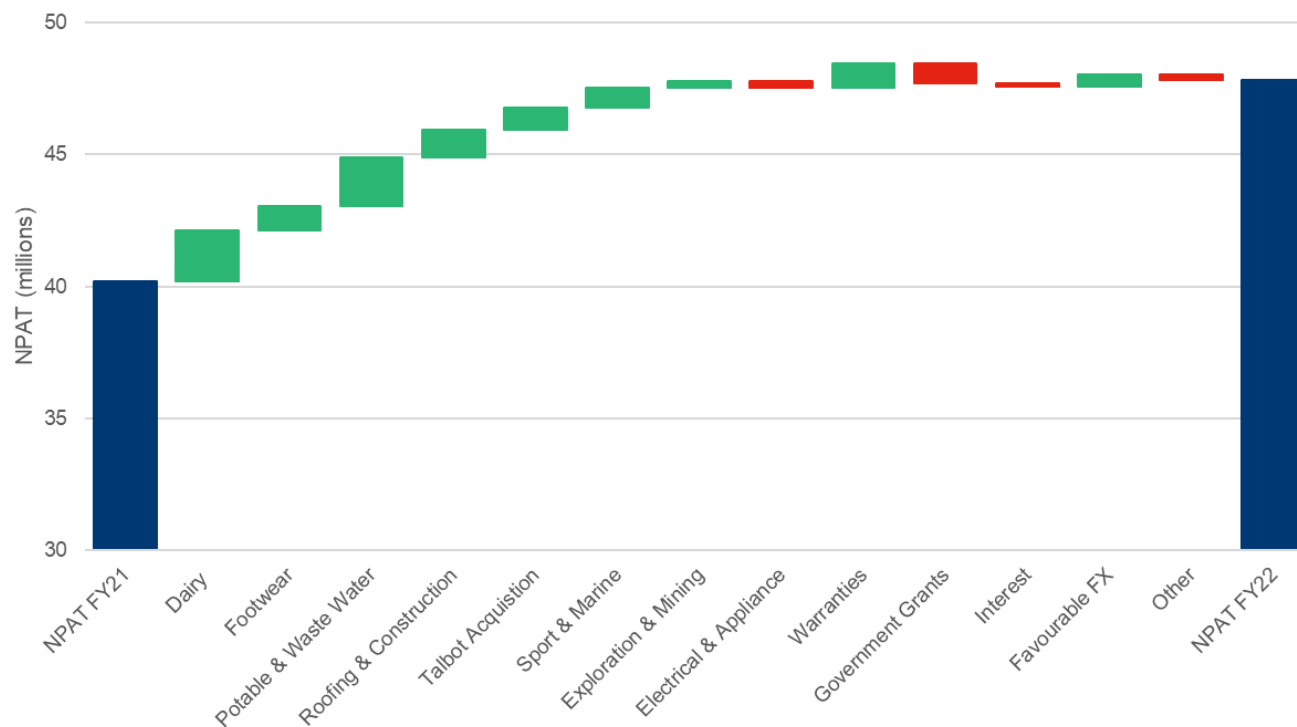
NZ\$ Million	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Revenue	211.4	210.3	240.4	245.8	251.4	279.5	316.8
EBITDA	36.9	40.4	47.2	48.9	55.2	68.9	80.6
Depreciation & Amortisation	(7.5)	(7.8)	(7.4)	(7.1)	(7.5)	(7.5)	(7.9)
Depreciation (ROU Assets)	-	-	-	-	(5.2)	(5.0)	(5.9)
EBIT	29.4	32.8	39.8	41.8	42.5	56.4	66.8
Finance costs (Debt)	(0.4)	(1.4)	(1.9)	(1.8)	(1.7)	(1.2)	(1.2)
Finance costs (Lease Liabilities)	-	-	-	-	(0.9)	(0.9)	(1.0)
Tax expense	(8.4)	(9.3)	(10.6)	(10.9)	(10.8)	(14.1)	(16.5)
NPAT	20.5	22.1	27.3	29.1	29.1	40.2	47.8
<i>Earnings (cents per share)</i>	<i>10.7</i>	<i>11.5</i>	<i>14.1</i>	<i>15.0</i>	<i>14.9</i>	<i>20.6</i>	24.5
<i>Dividend (cents per share)</i>	<i>9.0</i>	<i>9.5</i>	<i>11.0</i>	<i>13.0</i>	<i>13.0</i>	<i>17.0</i>	20.5
Operating cash flow	30.9	21.2	28.3	28.9	48.0	58.8	43.3
Cash net of debt	(26.9)	(35.8)	(30.7)	(36.6)	(28.5)	(8.7)	(25.2)
Capital & intangible expenditure	40.1	12.7	5.4	4.6	4.5	7.5	10.2
Acquisition & Investment	-	-	-	7.4	6.2	-	10.2

- Revenue up \$37.3 million and 13% on pcp
- EBIT up \$10.4 million and 18% on pcp
- NPAT up \$7.6 million and 19% on pcp
- Dividend of 20.5 cents per share, up 3.5 cents and 21% on pcp
- Operating cash flow of \$43.3 million down on pcp due to investment in working capital ~ funded capex (net of disposals) of \$9.5 million and dividends of \$35.2 million
- Net debt at \$25.2 million, only 7% of total assets ~ funded Talbot acquisition of \$10.2 million and lease repayments of \$5.5 million

Earnings Growth in FY22



Reconciliation of changes in NPAT FY21 to FY22 (NZ\$Million)



- Dairy sales growth in New Zealand and US markets
- Footwear sales up in the NZ rural and hardware channels
- Market growth and market share gains from the sale of existing and new products for potable and waste water, roofing and construction, sport and leisure, and exploration and mining applications
- Ten-month contribution from Talbot, acquired in September 2021
- FY21 included a warranty provision of \$1.5 million for costs of defending claim against divested business
- \$0.4 million in Covid-related government assistance in the USA (\$1.2 million in FY21)
- NZD weakness, particularly against USD in the last quarter of FY22
- Increased debt and rising rates increased interest expense

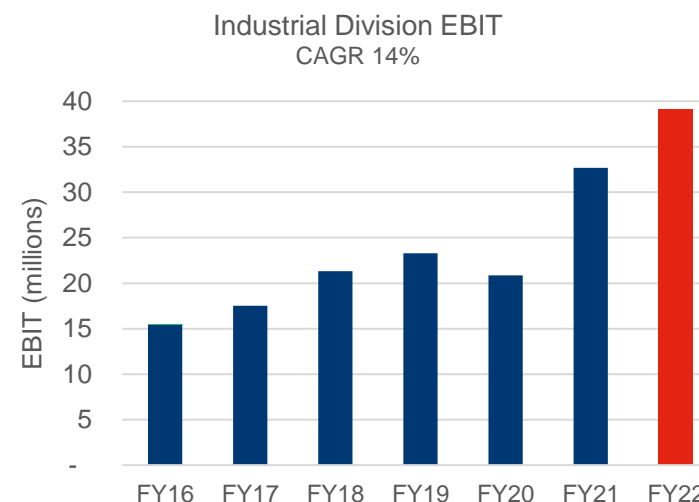
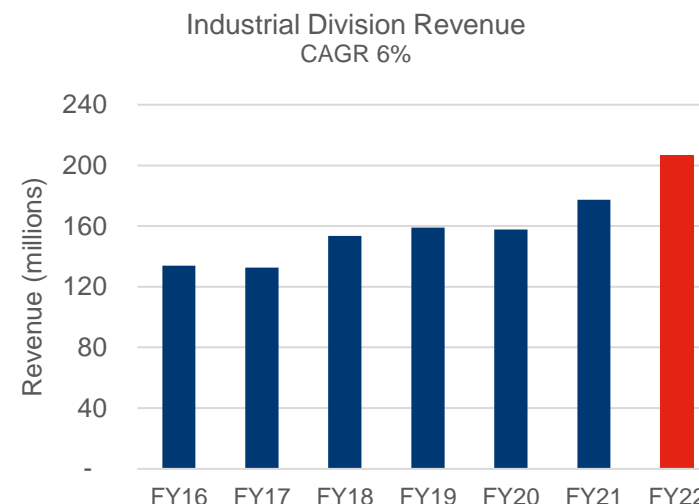
Industrial Division



NZ\$ Million	FY18	FY19	FY20	FY21	FY22
Revenue	151.5	157.1	157.9	177.4	206.4
EBIT	20.8	22.9	20.9	32.7	39.1
EBIT %	13.7	14.6	13.2	18.4	18.9

Revenue up 16% and EBIT up 20% on pcp

- Second consecutive record result
 - FY22 EBIT up 87% on FY20
- Potable water and wastewater
 - Increased sales of gaskets, seals and vacuum systems into potable water and wastewater applications (most notably in the US)
- Growth from high performance foam applications
 - Ultralon U-DEK® sales up significantly in the US, NZ, Australia and Europe
- Acquisition of Talbot Advanced Technologies
 - Contribution from Talbot over the 10 months since acquisition in line with expectations
- Growth from DEKS roofing and sealing products
 - Growth in all markets with improved execution and market share gains
- Lower NZD compared to pcp impacted translation of offshore earnings
 - 85% of Industrial division revenue is from international markets
 - Revenue up 15% and EBIT up 18% on constant currency basis



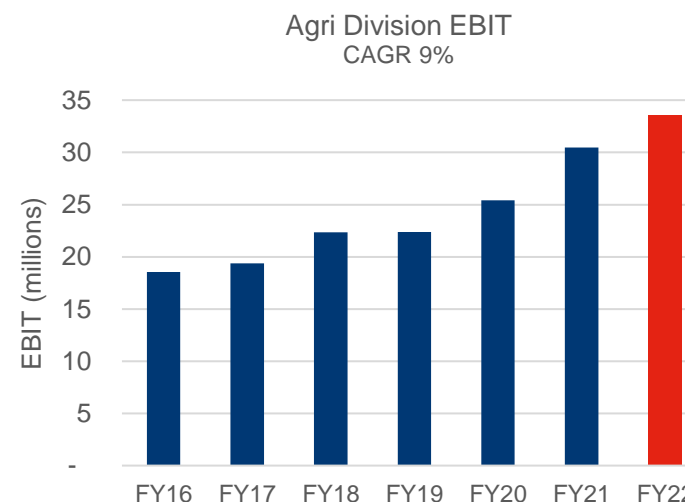
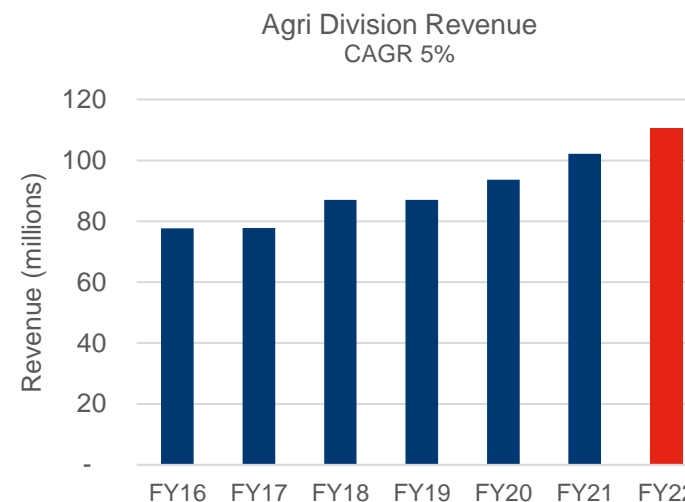
Agri Division



NZ\$ Million	FY18	FY19	FY20	FY21	FY22
Revenue	89.0	88.8	93.6	102.2	110.5
EBIT	22.8	22.8	25.4	30.5	33.6
EBIT %	25.6	25.7	27.1	29.8	30.4

Revenue up 8% and EBIT up 10% on record pcg

- International Dairy sales growth
 - Strong growth in North American and New Zealand markets
 - Significant operational gains in last two years at Wigram site
- Strong demand continues to drive Footwear sales
 - New Zealand domestic market continues to drive revenue growth
 - Pink Band Gumboot promotion with BCFNZ doubled in volume in FY22
- Lower NZD compared to pcg impacted translation of offshore earnings
 - 58% of Agri division revenue is from international markets
 - Revenue up 7% and EBIT up 10% on constant currency basis



- **Environmental**

- Scope 1 and 2 GHG emissions relative to revenue down by 7% in each of the past two years
- Investments over past 6 years to substantially reduce water consumption at our two largest facilities, and to reduce VOC emissions
- Investment in equipment and technology for more efficient energy use and enable greater in-market presence
- Manufacturing initiatives to improve productivity and reduce process waste
- Product development initiatives to extend product life and utilise manufacturing waste
- Phasing in of electric mobile equipment and hybrid motor vehicles
- ESG World implemented
- Board Sustainability Committee formed
- Assess Scope 3 emissions in FY23
- Identify opportunities for further reduction in GHG emissions intensity and absolute consumption
- Mandatory climate-related disclosures in FY24

- **Social**

- Health and safety the priority
- Leadership
- Development, training and remuneration
- Flexible working arrangements
- Improving our facilities
- Knowing and understanding our suppliers
- Communities

- **Governance**

- Majority of Board independent (some proxy advisers determine otherwise)
- Balance of tenure and experience
- Diversity of skills and thought
- Engaged and visible despite Covid-19

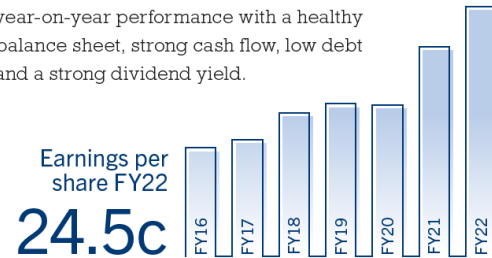
Skellerup's Strengths



01

Proven track record of earnings and cash flow growth

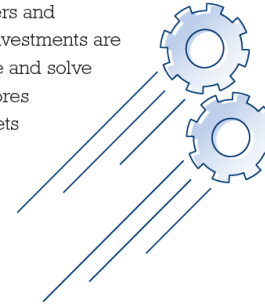
We have achieved continued excellent year-on-year performance with a healthy balance sheet, strong cash flow, low debt and a strong dividend yield.



02

A track record for rapid R&D

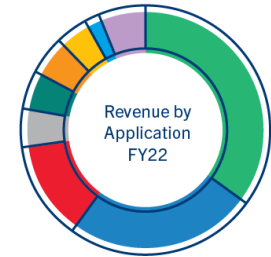
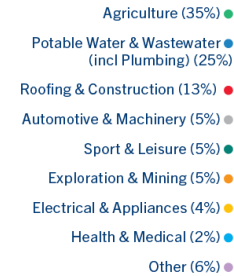
Working closely with customers and suppliers, our development investments are based on helping them define and solve their problems. This underscores our team knowing their markets to deliver new products and improvements, constantly and consistently.



03

Focus on products in key markets

Our products are essential components in the delivery of food and water systems, infrastructure and health.



04

Highly experienced technical team

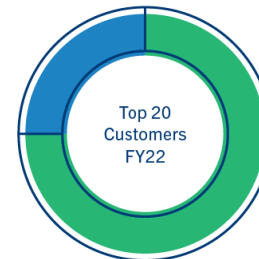
Our team pride themselves in understanding our customers and their markets. They are highly skilled and trained, from our technical salespeople through to our product designers.



05

Customer relationships with growth potential

We have enduringly strong relationships with over 4,400 customers, particularly OEMs, who we work with closely in a dynamic interaction to deliver new products and developments.



06

Strong relationships across global markets

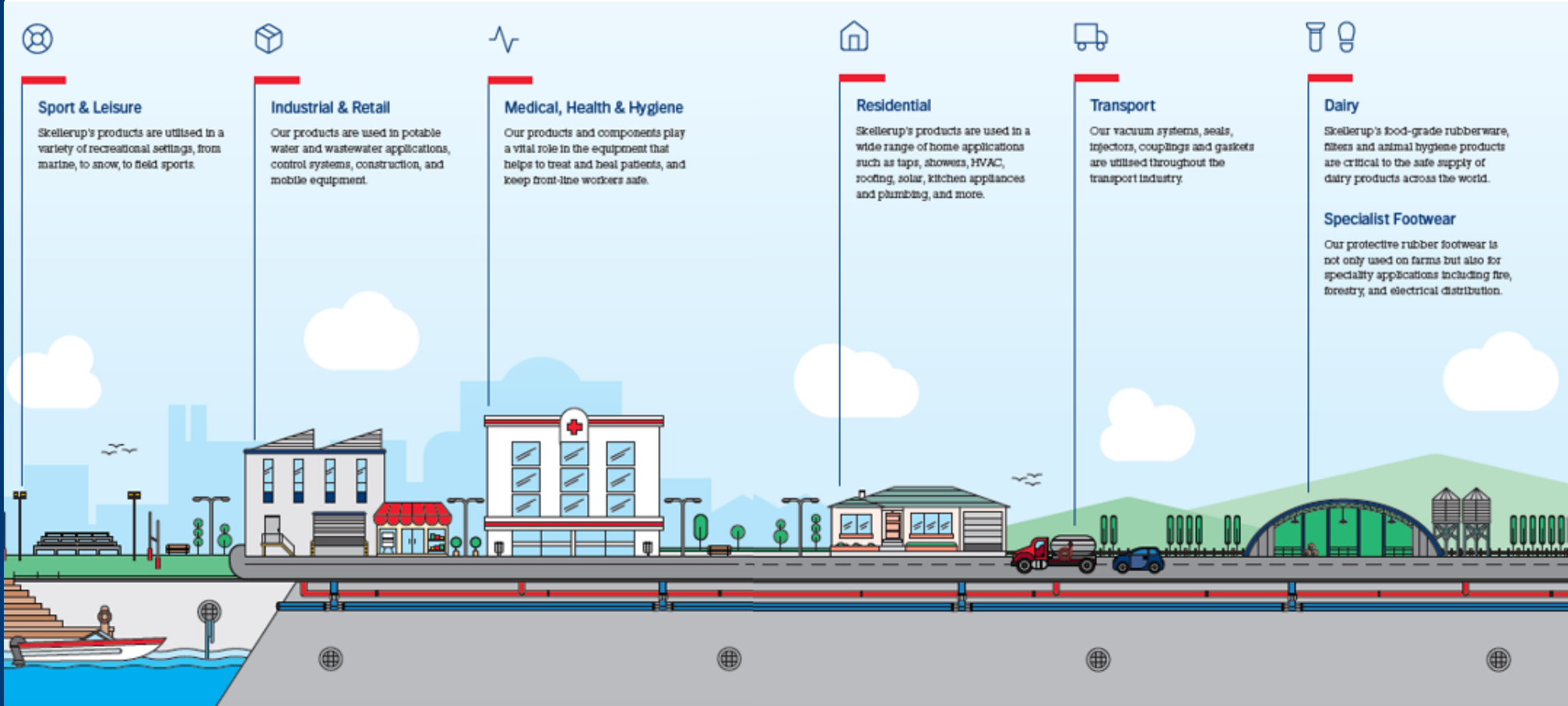
We are a global business and respected global brand, with world-class manufacturing and distribution facilities to serve the diverse needs of customers and markets all across the world.



What We Do



Skellerup designs and manufactures components and products used in a wide range of everyday applications that often must meet stringent food, drinking water, hygiene and safety standards. Our focus is on delivering innovative new products and improvements, keeping our customers ahead of the curve.



Skellerup Segmental Results



Reconciliation of Segment EBIT to Group NPAT

NZ\$ Million	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Agri EBIT	18.8	19.8	22.8	22.8	25.4	30.5	33.6
Industrial EBIT	15.3	17.1	20.8	22.9	20.9	32.7	39.1
Corporate EBIT	(4.8)	(4.1)	(3.9)	(3.9)	(3.8)	(6.8)	(5.9)
EBIT	29.3	32.8	39.8	41.8	42.5	56.4	66.8
Finance Costs	(0.4)	(1.4)	(1.9)	(1.8)	(2.6)	(2.1)	(2.2)
Share of Net Loss of Associate	-	-	-	-	(0.1)	-	(0.3)
Tax Expense	(8.4)	(9.3)	(10.6)	(11.0)	(10.8)	(14.1)	(16.5)
NPAT	20.5	22.1	27.3	29.1	29.1	40.2	47.8

Disclaimer



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.

Please read this presentation in the wider context of material previously published by Skellerup Holdings Limited.