



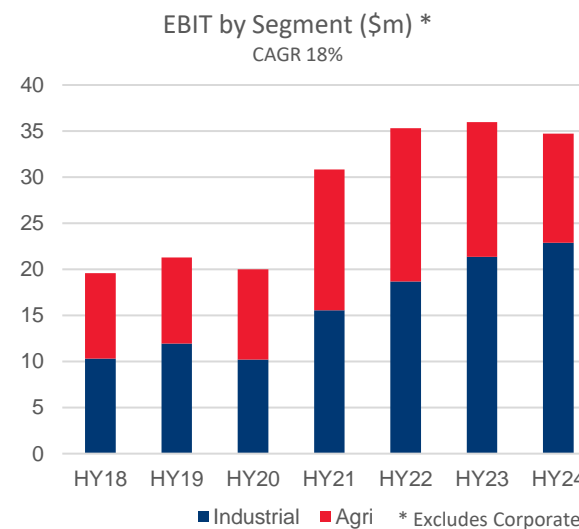
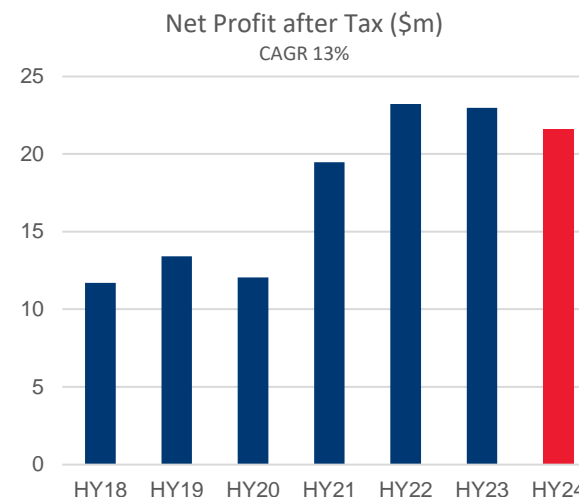
SKELLERUP

HY24 RESULTS PRESENTATION

15 FEBRUARY 2024

HY24 Key Points

- NPAT of \$21.6 million, down 6% on pcp
 - Strong Industrial Division returns, Agri Division impacted by customer destocking.
 - Impact of higher interest rates offset by favourable effective tax rate.
- Group EBIT of \$31.6 million, down 6% on a record pcp
 - Record Industrial Division EBIT of \$22.9 million, up 7% on pcp.
 - Agri Division EBIT of \$11.9 million, down 19% on pcp.
- Operating Cash Flow of \$36.5 million, up 81% on pcp
 - Continued focus on effective working capital management.
- Interim Dividend Pay-out of 8.5 cents per share
 - Increase of 0.5 cents per share (6%) on pcp reflects solid first-half performance and expectations for the full year.
- Balance Sheet remains robust
 - Net debt decreased to \$26.4 million (8% of total assets) driven by working capital improvement.
- FY24 NPAT expected to be similar to prior year record result
 - Further Industrial Division growth in 2H24.
 - Dairy demand increasing as international customers rebuild from low inventory holdings.
- Continued focused investment in people and technology to sustain growth and enable greater in-market manufacturing capability



HY24 Key Financials

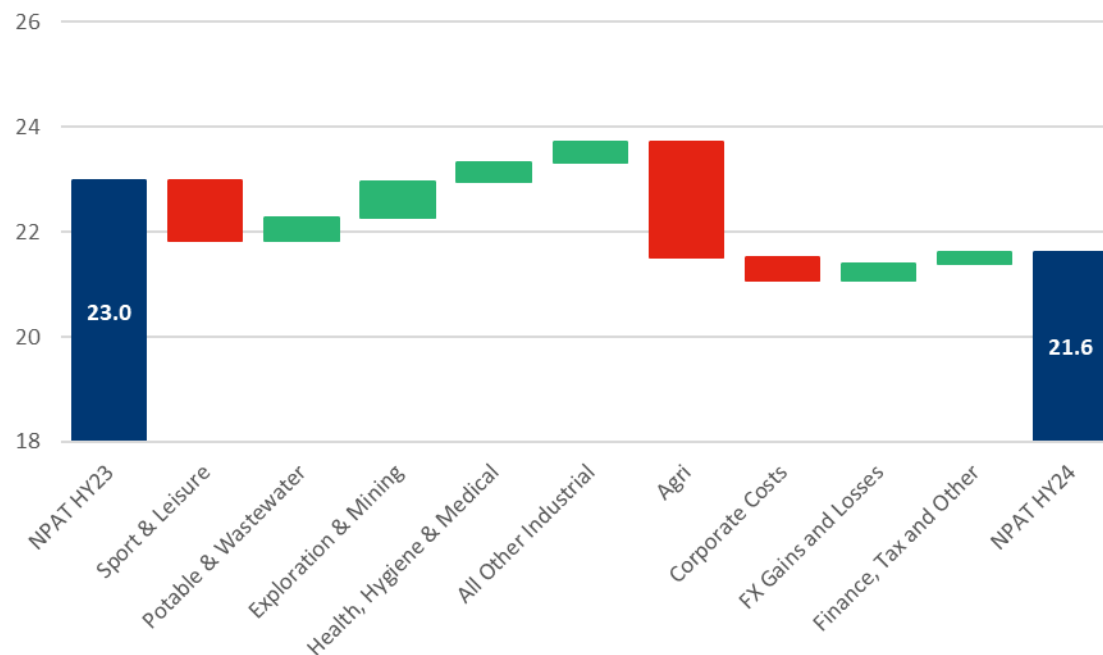
NZ\$ Million	HY18	HY19	HY20	HY21	HY22	HY23	HY24
Revenue	116.7	120.2	123.0	136.6	150.5	165.5	157.7
EBITDA	21.3	23.0	24.1	33.9	38.9	41.1	39.4
Depreciation & Amortisation	3.8	3.6	3.7	3.8	3.9	4.2	4.4
Depreciation (ROU Assets)	-	-	2.4	2.6	2.6	3.4	3.4
EBIT	17.5	19.4	18.0	27.6	32.4	33.5	31.6
Finance costs (Debt)	0.9	0.9	0.8	0.7	0.5	1.3	1.7
Finance costs (Lease Liabilities)	-	-	0.5	0.5	0.4	0.7	0.7
Tax expense	4.9	5.1	4.6	6.9	8.2	8.5	7.6
NPAT	11.7	13.4	12.1	19.5	23.2	23.0	21.6
<i>Earnings (cents per share)</i>	<i>6.1</i>	<i>6.9</i>	<i>6.2</i>	<i>10.0</i>	<i>11.9</i>	<i>11.8</i>	<i>11.0</i>
<i>Dividend (cents per share)</i>	<i>4.0</i>	<i>5.5</i>	<i>5.5</i>	<i>6.5</i>	<i>7.5</i>	<i>8.0</i>	<i>8.5</i>
Operating cash flow	14.8	13.0	24.1	35.1	19.7	20.2	36.5
Cash net of debt	(34.8)	(32.4)	(34.7)	(13.0)	(25.6)	(39.0)	(26.4)
Capital & intangible expenditure	3.1	1.9	2.6	2.6	3.7	4.3	5.2
Acquisition & Investment	-	-	5.0	-	10.2	0.9	-

HY24: a mixed result – Industrial Division strong, Agri Division impacted by customer destocking and timing

- Revenue down \$7.8 million and 5% on pcp.
- EBIT down \$1.9 million and 6% on pcp.
- NPAT down \$1.4 million and 6% on pcp.
- Interim dividend of 8.5 cents per share, up 0.5 cents per share and 6% on pcp.
- Operating cash flow of \$36.5 million, up \$16.3 million on pcp ~ funded capital expenditure of \$5.2 million, final FY23 dividend of \$27.5 million and lease repayments of \$3.1 million.
- Net debt at \$26.4 million down \$0.7 million on FY23, down \$12.6 million on HY23. 8% of total assets.

HY24: NPAT Key Drivers

Reconciliation of changes in NPAT HY23 to HY24 (\$m)



Industrial

- Market growth and market share gains from the sale of existing and new products for water (potable and waste), hygiene and exploration and mining applications, partially offset by lower sales into sport and leisure and roofing applications.

Agri

- Dairy sales are softer than anticipated due to international customers reducing inventory. Footwear sales remained solid despite drier weather, with process improvements aiding margins.

Other

- Impact of favourable exchange rates on revenue eroded by the impact on purchase costs and hedging programme.
- Rising market interest rates increased interest expense.
- Effective tax rate reduced from 27.0% to 26.1%.

Industrial Division

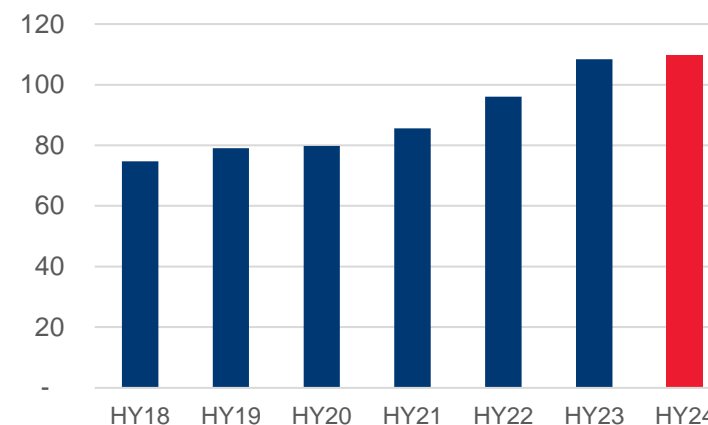
NZ\$ Million	HY20	HY21	HY22	HY23	HY24
Revenue	79.8	85.6	96.1	108.4	109.6
EBIT	10.2	15.5	18.7	21.4	22.9
EBIT %	12.8	18.2	19.4	19.7	20.9

Revenue up 1% and EBIT up 7% on pcp

- Fifth consecutive record half year result
 - HY24 EBIT up 125% on HY20, EBIT% tops 20%.
- Potable water and wastewater continues to grow
 - Sales of vacuum systems into wastewater applications (US) and returning strong tapware demand in the US.
- New customer in the hygiene sector drives growth
 - Expected growth in the hygiene market supporting customer's new product launch.
- High-performance foam sales impacted by softer markets
 - Marine foam sales in international markets were impacted by customers adjusting inventories to reflect our improved lead times and softer market conditions.
- NZD weakness impacted the translation of offshore earnings
 - ~85% of Industrial division revenue is from international markets.
 - Revenue is flat, and EBIT is up 4% on a constant currency basis.

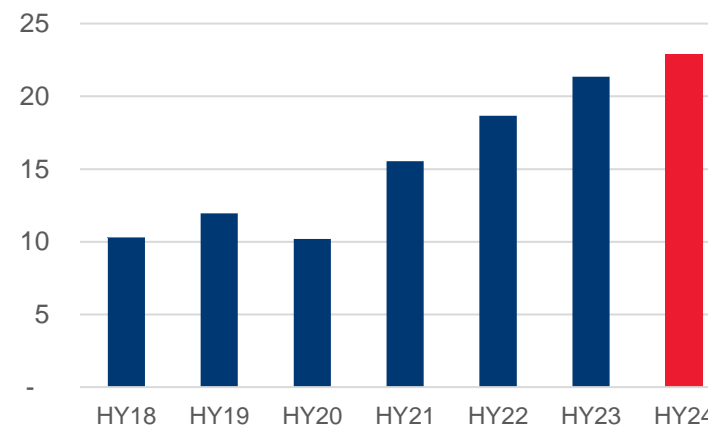
Industrial Division Revenue (\$m)

CAGR 9%



Industrial Division EBIT (\$m)

CAGR 18%



Agri Division

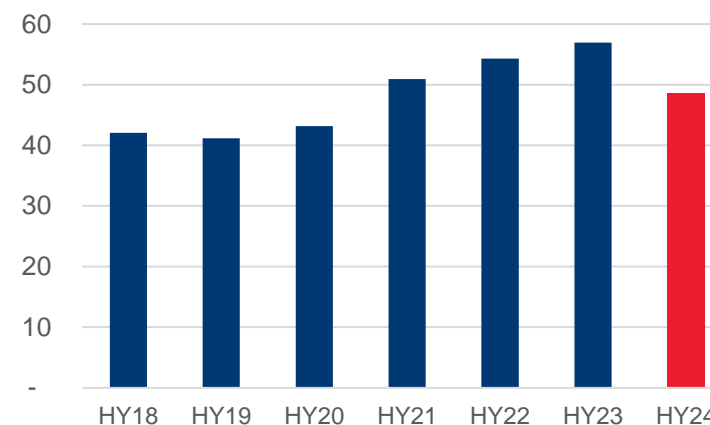
NZ\$ Million	HY20	HY21	HY22	HY23	HY24
Revenue	43.2	50.9	54.3	56.9	48.5
EBIT	9.8	15.3	16.7	14.6	11.9
EBIT %	22.7	30.1	30.7	25.7	24.4

Revenue down 15% and EBIT down 19% on pcp

- Dairy
 - Impacted by international customer destocking, which extended longer than anticipated.
 - Lower volumes impacted efficiency. Continued investment in operational improvements at Wigram facility.
 - Larger than normal uplift in orders post-Christmas.
- Footwear
 - Sales into the NZ market remained solid, despite drier weather.
 - Continued growth in sales of specialty footwear (di-electric footwear in the US).
- NZD weakness impacted the translation of offshore earnings, offset by hedging losses
 - ~65% of Agri division revenue is from international markets.
 - Revenue down 16% and EBIT down 22% on a constant currency basis.

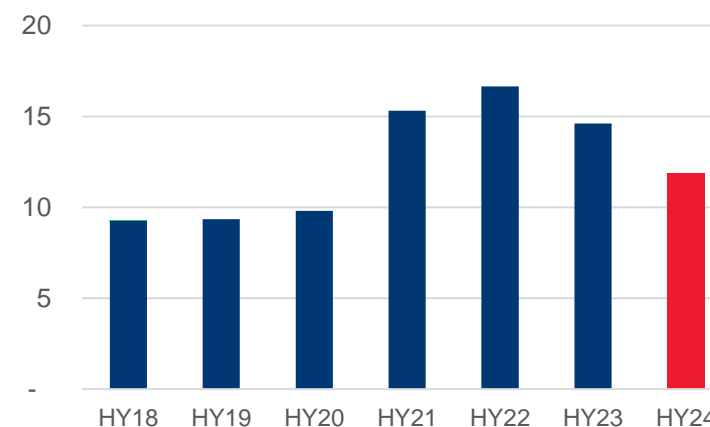
Agri Division Revenue (\$m)

CAGR 4%



Agri Division EBIT (\$m)

CAGR 5%



Our levers for growth

People, Equipment, Technology, Products and Presence

- Investment in people to strengthen market, product and equipment development capability
 - Applying the expertise to develop better products faster, standardise and improve processes.
 - Improved productivity, reduced process waste, more efficient energy use.
 - Ensuring we have strong technical capability in-market.
- In market manufacturing presence
 - Enable greater in-market presence providing new customer and product opportunities and a pathway to reduced GHG emissions.
 - Combination of investment, acquisition and partnerships
 - Gulf Whitewater (formerly Sim Lim) – clean room recently completed to assist with growth for non-invasive medical applications.
 - Manufacturing partnership in the USA for potable water – equipment installed and commissioned, products approved, manufacturing commencing.
 - Investment in proven equipment technology to improve standardisation and provide in-market optionality.
- Information systems investment and utilisation
 - Capitalising on common platforms across the Group.
 - Integration with customer and supplier systems.
 - Organising and segmenting information better to help identify opportunities for improvement.
 - Standardisation and risk management.
- New products and new customers
 - Continued focus on critical products for OEM customers.
- Delivering better returns for shareholders and opportunity for our people

ESG priorities and performance

On track to meet Climate-Related Disclosure (CRD) obligations for FY24

Governance

- Overseen by the Sustainability Committee formed in June 2022.
- Sustainability Committee Charter reviewed annually, including assessment of performance against Charter.
- Climate-related risks and opportunities identified and anticipated impacts assessed, approved in December 2023.
- Material climate-related risks included in entity-wide risk management programme, re-assessed twice a year.

Risk Management

- Physical risk assessments were undertaken on six key manufacturing locations (NZ, China, Vietnam, USA).
- Climate-related scenarios used to inform transition impacts.

Strategy

- Three climate-related scenarios developed, based on publicly available scenarios, and approved by Sustainability Committee.
- Ongoing development of Group-wide transition plans.

Targets & Metrics

- Scope 1 and 2 emission measurement and intensity metrics measured for the last four years.
- Scope 3 emissions measurement in progress – methodology determined, and collection of all data needed significantly progressed.
- Targets and performance measurement criteria being developed.
- Ongoing communications with assurance providers.

Leadership

- **David Mair to step down as CEO on 31 March 2024**
 - Almost 14 years as CEO (including acting for 12 months).
 - Skellerup annual earnings up over 400% in period of David's leadership.
 - Continuing as a director.
 - Lead project initiative with Paul Shearer and management to progress in-market capabilities.
- **Graham Leaming to replace David as CEO**
 - CFO for 11 years.
 - Proven performer, broad commercial responsibility.
 - Backed by a strong team.
- **Tim Runnalls to replace Graham as CFO**
 - Group Financial Controller for 3 years.

History of innovation and improvement



Over a century of innovation and efficiency

Skellerup has been designing, manufacturing, and distributing precision-engineered products around the world for over a century. Our growth-oriented business started in Christchurch (NZ) and has grown into a global business with a track record of innovation, product development and efficiency.



The essence of an interesting business is to be competitive.

George Waldemar Skellerup

Our approach and markets



Solving problems with customers to keep them ahead of the curve

Skellerup is a global leader in the design, manufacture and distribution of precision-engineered products. Our components and products are used in a wide range of everyday applications that often must meet stringent food, drinking water, hygiene and safety standards across various jurisdictions.

At our heart is a key focus on our customers – working as a part of their development teams to define and solve problems to help stay ahead of their competitors. The value we bring is dependent on our deep material expertise, strong product and tool design capability and proven manufacturing knowledge.



Research & Development

Working to identify issues and opportunities

- Understanding our customers' issues, challenges and pain points
- Providing solutions grounded in our extensive engineering, chemistry and manufacturing expertise



Developing the prototype

- In-depth material science with expertise combining multiple materials, including polymers such as rubber, plastics and foam
- Rapid prototyping to provide proof-of-concept and refinement based on feedback
- Augmenting the product and reducing complexity



Delivering critical components for production:

- Deep understanding of process capability and quality control
- Refining manufacture and assembly processes to allow increased scale at reduced time and costs
- Ensuring speed and accuracy at each stage

Across Multiple Sectors



Industrial & Retail

Our products are used throughout potable water and wastewater applications, flow control systems and construction



Dairy

Our food-grade rubberware, filters and animal hygiene products are critical to the safe supply of dairy products across the world



Residential

Our products are critical components within a wide range of home applications such as taps, showers, HVAC, roofing, solar, kitchen appliances, plumbing, and more



Transport

Our vacuum systems, seals, injectors, couplings, and gaskets are utilised throughout the transport industry



Specialist Footwear

Protective rubber footwear used throughout farms and speciality applications, such as fire, forestry and electrical distribution



Medical, Health & Hygiene

Our components play a vital role in equipment used to treat and heal patients, as well as keeping front-line workers safe



Sport & Leisure

Our products are utilised in a variety of recreational settings, including marine, snow and field sports

Segment results

Reconciliation of Segment EBIT to Group NPAT

NZ\$ Million	HY18	HY19	HY20	HY21	HY22	HY23	HY24
Agri EBIT	9.3	9.3	9.8	15.3	16.7	14.6	11.9
Industrial EBIT	10.3	11.9	10.2	15.5	18.7	21.4	22.9
Corporate EBIT	(2.1)	(1.8)	(2.0)	(3.2)	(3.0)	(2.5)	(3.1)
EBIT	17.5	19.4	18.0	27.6	32.4	33.5	31.6
Finance Costs	(0.9)	(0.9)	(1.3)	(1.2)	(0.9)	(2.0)	(2.4)
Share of Net Loss of Associate	-	-	-	-	(0.1)	-	-
Tax Expense	(4.9)	(5.1)	(4.6)	(6.9)	(8.2)	(8.5)	(7.6)
NPAT	11.7	13.4	12.1	19.5	23.2	23.0	21.6

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.