



HY25 Results Presentation

FEBRUARY 2025

HY25 Key Points

HY25 NPAT of \$24.2 million, up 12% on pcp

- Record 1H result, up 4% on previous record 1H NPAT achieved in FY22.
- Strong rebound from Agri on weak pcp. Industrial solid following four consecutive record 1H results.

Record 1H EBIT of \$35.0 million, up 11% on pcp

- Agri EBIT up 31% on weak pcp, particularly strong dairy rubberware sales in international markets.
- Industrial revenue up 5% with product mix and higher freight costs impacting. EBIT down 2% on record pcp.

Operating Cash Flow of \$32.2 million, down 12% on pcp

- Investment in working capital (risk mitigation) offset strong earnings growth.

Interim Dividend Pay-out of 9.0 cents per share

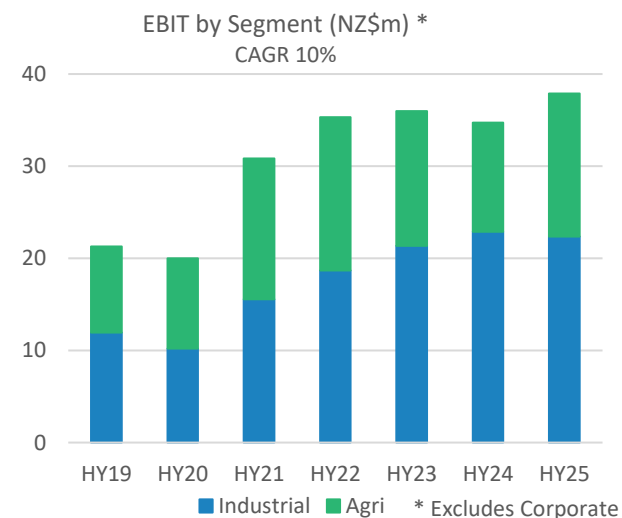
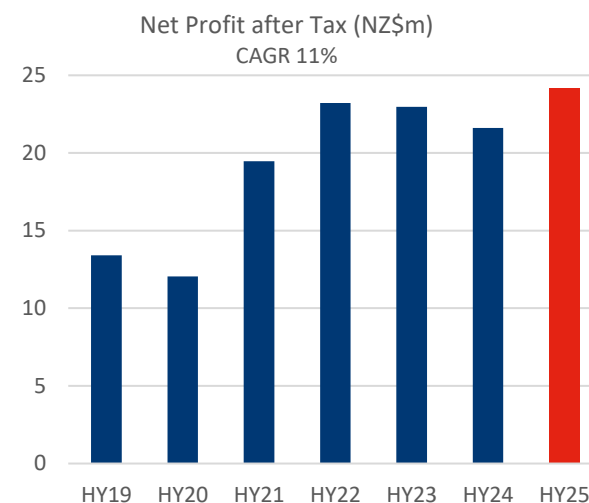
- Increase of 0.5 cents per share (6%) on pcp, reflective of strong first half earnings.

Robust Balance Sheet

- Net debt at \$20.4 million (6% of total assets).

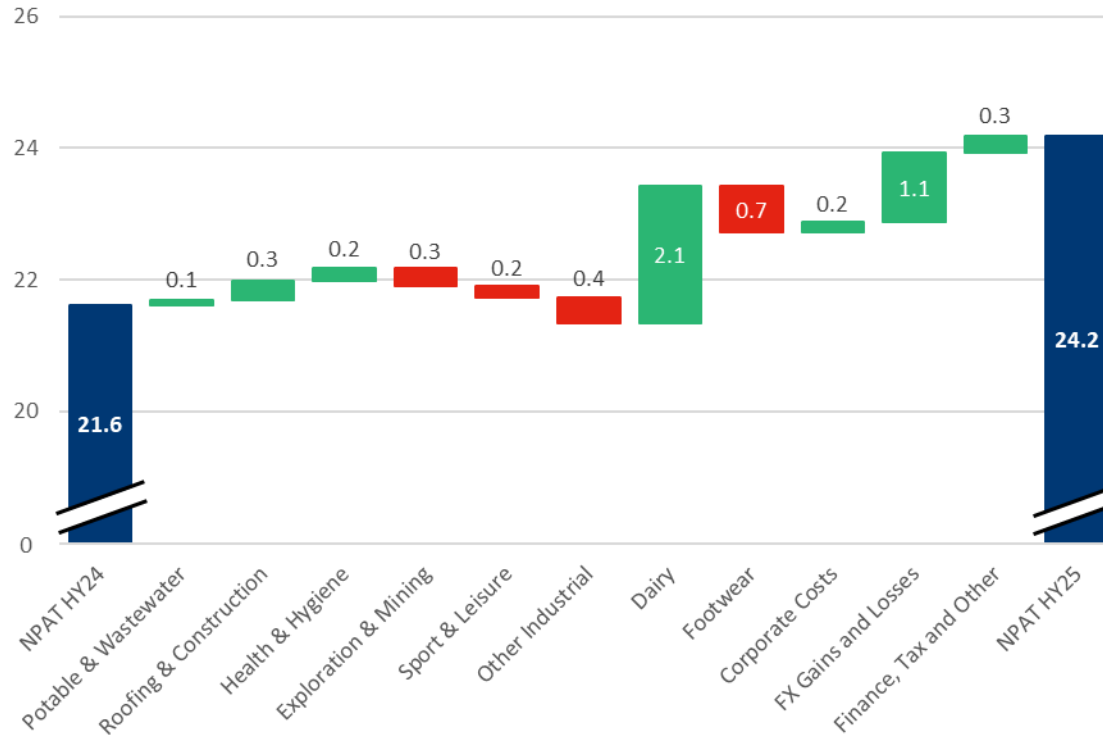
FY25 NPAT guidance of \$52 to \$56 million

- Business remains well positioned, with expected growth from existing and new products offsetting mixed global economic conditions and political uncertainty.



HY25 NPAT Key Drivers

NZ\$ Million



Industrial

- Market growth and new products in Australian potable water sector offset by weaker demand in US due to political uncertainty.
- Strong growth in solar roofing (UK) and health and hygiene (US) applications offset by lower exploration and mining (Australia) and marine foam (US) demand.

Agri

- Increased sales of dairy rubberware consumables sales into international markets, with margins aided by investment in process improvements and equipment.
- Lower footwear demand, primarily in NZ due to challenging economic conditions.

Other

- Favourable FX result due to impact of weaker NZD and favourable hedging positions.
- Decreasing levels of debt and declining market interest rates reduced interest cost.
- Effective tax rate at 27.0% in line with historical norms.

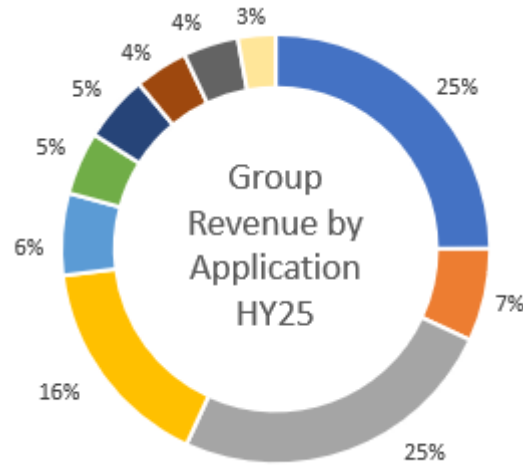
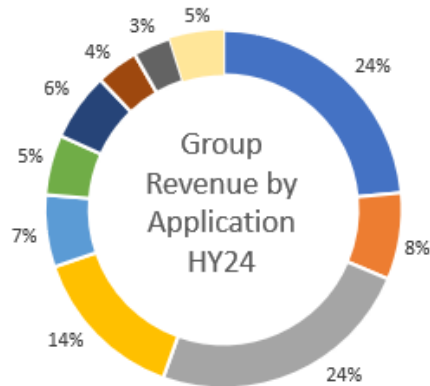
HY25 Key Financials



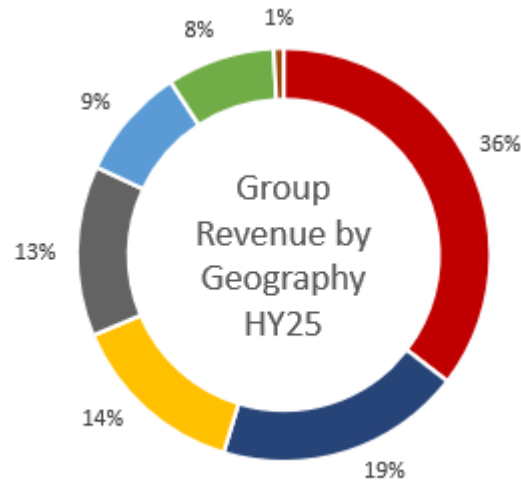
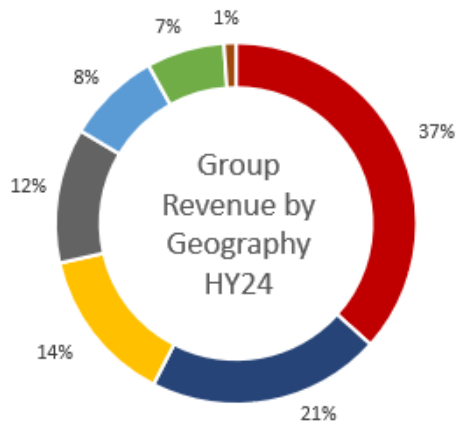
NZ\$ Million	HY19	HY20	HY21	HY22	HY23	HY24	HY25
Revenue	120.2	123.0	136.6	150.5	165.5	157.7	165.3
EBITDA	23.0	24.1	33.9	38.9	41.1	39.4	43.2
Depreciation and amortisation	3.6	3.7	3.8	3.9	4.2	4.4	4.7
Depreciation (ROU Assets)	-	2.4	2.6	2.6	3.4	3.4	3.5
EBIT	19.4	18.0	27.6	32.4	33.5	31.6	35.0
Finance costs (Debt)	0.9	0.8	0.7	0.5	1.3	1.7	1.2
Finance costs (Lease Liabilities)	-	0.5	0.5	0.4	0.7	0.7	0.7
Tax expense	5.1	4.6	6.9	8.2	8.5	7.6	8.9
NPAT	13.4	12.1	19.5	23.2	23.0	21.6	24.2
<i>Earnings (cents per share)</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>12.3</i>
<i>Dividend (cents per share)</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>	<i>9.0</i>
Operating cash flow	13.0	24.1	35.1	19.7	20.2	36.5	32.2
Net debt	32.4	34.7	13.0	25.6	39.0	26.4	20.4
Capital and intangible expenditure	1.9	2.6	2.6	3.7	4.3	5.2	4.7
Acquisition and investment	-	5.0	-	10.2	0.9	-	-

- **HY25: a record result with Agri demand recovery. Industrial markets mixed.**
- **Revenue up \$7.6 million (5%) on pcp.**
- **Record 1H EBIT, up \$3.4 million (11%) on pcp.**
 - Increased sales in some Industrial applications offset by product mix and freight cost margin impacts.
 - Agri revenue growth was aided by productivity improvements.
- **Record 1H NPAT, up \$2.6 million (12%) on pcp.**
- **Interim dividend of 9.0 cents per share and up 6% on pcp.**
- **Operating cash flow of \$32.2 million, down \$4.1 million on record pcp.**
 - Applied to fund capital expenditure of \$4.7 million, final FY24 dividend of \$30.4 million and lease payments of \$3.4 million.
- **Net debt at \$20.4 million, down 23% on December 2023.**

HY25 Revenue



- Dairy
- Footwear
- Potable Water & Wastewater
- Roofing & Construction
- Automotive & Machinery
- Sport & Leisure
- Exploration & Mining
- Electrical & Appliances
- Health, Hygiene & Medical
- Other



- North America
- New Zealand
- Australia
- Europe
- Asia
- UK & Ireland
- Other

Industrial Division



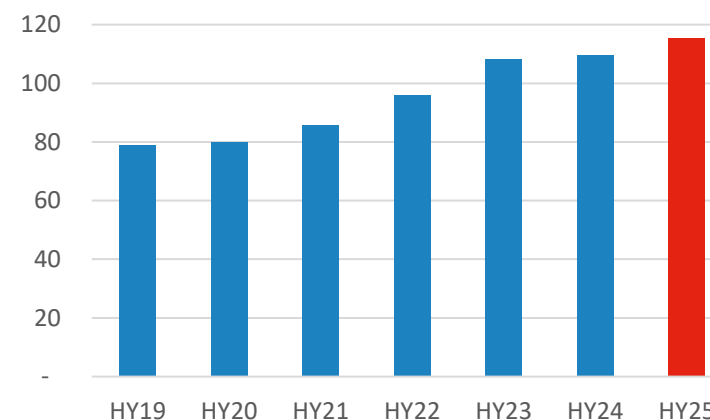
NZ\$ Million	HY21	HY22	HY23	HY24	HY25
Revenue	85.6	96.1	108.4	109.6	115.4
EBIT	15.5	18.7	21.4	22.9	22.4
EBIT %	18.2	19.4	19.7	20.9	19.4

Revenue up 5% and earnings down 2% on pcp

- Solid result after four consecutive record half years
 - EBIT up 120% on HY20.
- Potable water and wastewater markets mixed
 - Strong demand from market growth and new products in Australia offset by softer demand in the US.
- Roofing and construction growth
 - Continued strong demand for roofing products in the UK (solar) partially offset by continued market weakness in Australia.
- Health and hygiene opportunities
 - As anticipated, continued growth in the health and hygiene sector. Opportunities emerging for new products.
- High-performance foam down
 - Marine foam impacted by ongoing market weakness, particularly in the US.
 - New operation established in Europe to drive growth.

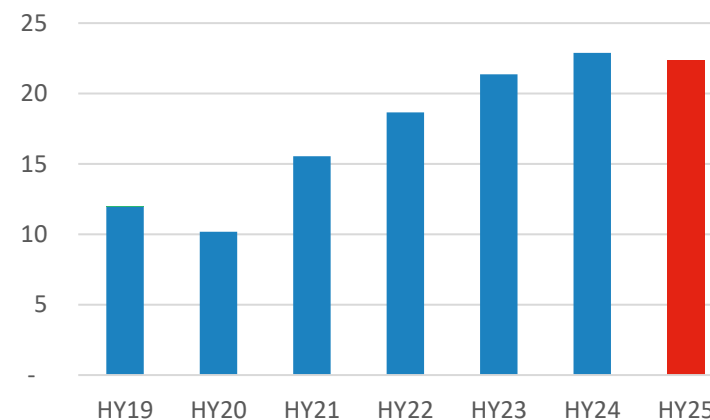
Industrial Division Revenue (NZ\$m)

CAGR 6%



Industrial Division EBIT (NZ\$m)

CAGR 12%



Agri Division

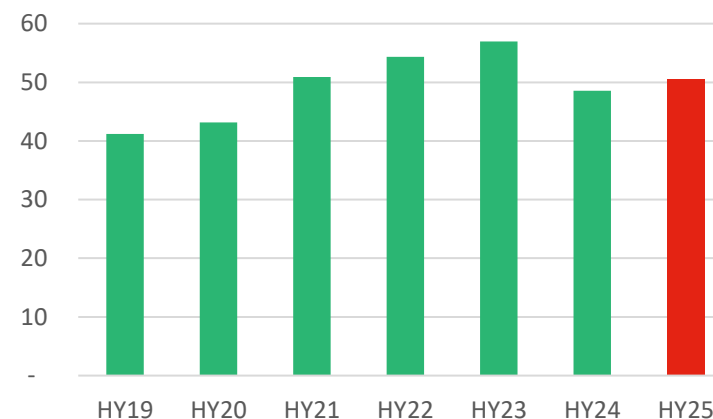


NZ\$ Million	HY21	HY22	HY23	HY24	HY25
Revenue	50.9	54.3	56.9	48.5	50.5
EBIT	15.3	16.7	14.6	11.9	15.5
EBIT %	30.1	30.7	25.7	24.4	30.7

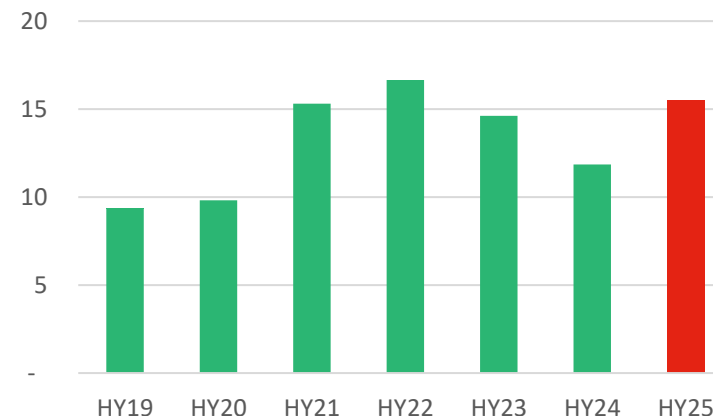
Revenue up 4% and earnings up 31% on subdued pcp

- As expected, revenue recovered against a weak pcp
 - Dairy consumables sales strong, particularly in international markets.
 - Weaker footwear demand in NZ market.
- Dairy
 - HY25 reflected normal ordering patterns from international customers (HY24 impacted by significant destocking activity). Domestic market strong.
 - Productivity gains. Investments in equipment and processes at Wigram improved gross margins.
 - Thriver™ calf feeding teat successfully launched. Well-positioned for NZ season and faster than anticipated uptake in international markets.
 - Milking liner innovations launched ahead of expectations.
- Footwear
 - NZ demand subdued as challenging economic conditions impacted consumer spending.
 - New product ranges. Red Band Low to launch at the end of Q3. Women's range under development.

Agri Division Revenue (NZ\$m)
CAGR 3%



Agri Division EBIT (NZ\$m)
CAGR 8%



Governance

- No changes to Board. Excellent mix of skills, experience and tenure.
- Supporting promotion and development of leaders and increased development resources.

Social

- Continued focus on Health & Safety, including:
 - Risk assessments, peer and external reviews, culture on follow up and remediation excellent.
 - Quarterly Health & Safety bulletins.
 - Ongoing certification of sites to ISO45001 (7 key sites certified, 3 more planned for FY25).

Environmental priority on developing transition plans and emissions reduction initiatives

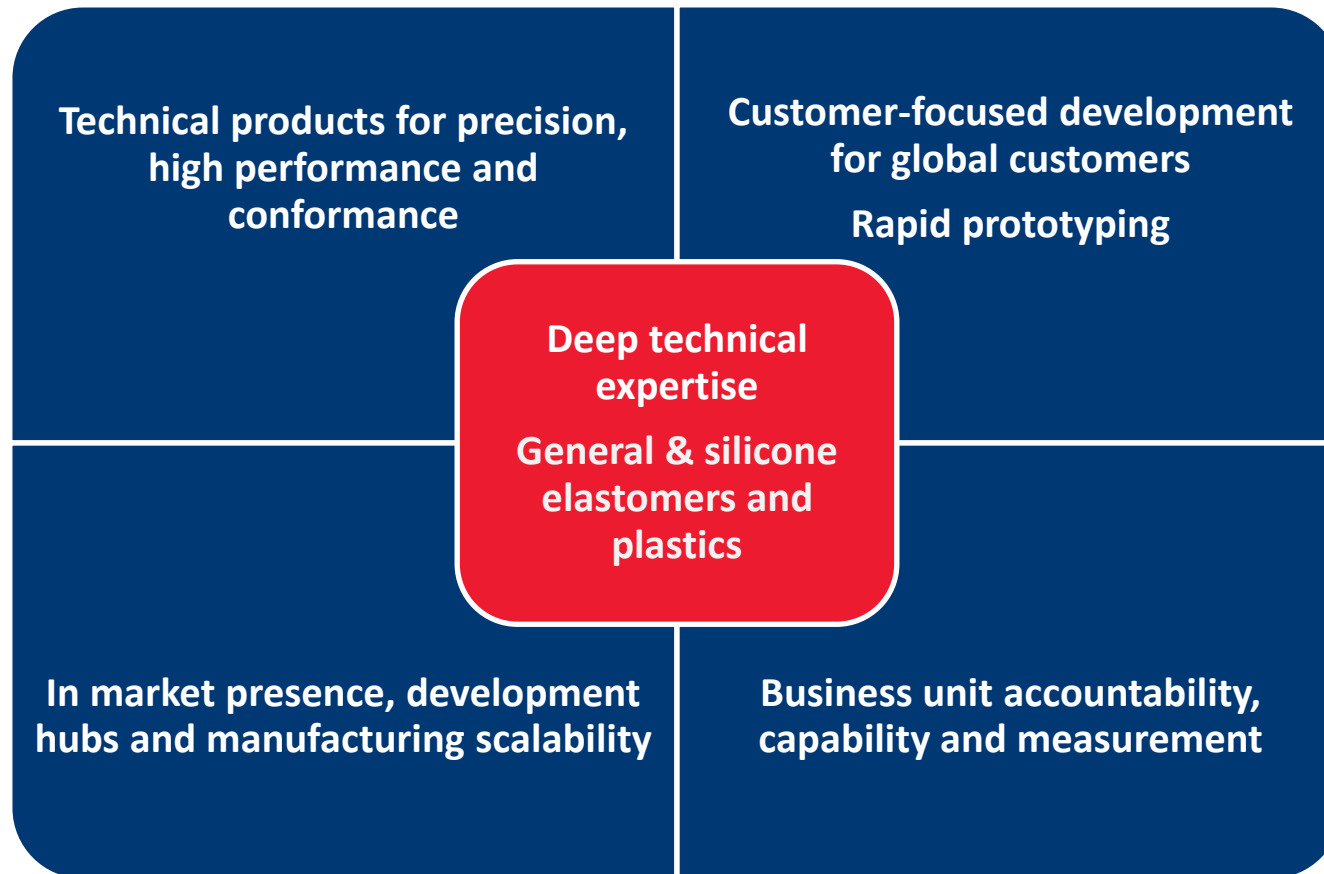
- No material change to climate-related risks and opportunities identified and reported in FY24 Annual Report.
- Current focus on developing Skellerup's first Climate Transition Plan.
- Investment in equipment and process improvements reducing the intensity of scope 1 and 2 greenhouse gas (GHG) emissions.
- Waste reduction and utilisation (circular economy) initiatives continue to be assessed.
- Reviewing and refining our scope 3 emissions capture and reporting (disclosed in FY24 Annual Report).

Future Earnings Growth



- **Customer-focused development** whilst expanding the scope of our solutions
 - Thriver™ calf feeding teat providing significant improved feeding performance launched. High productivity liners with single use shells launched in the US.
 - Vacuum system with integrated water pump launched in the US.
 - New diaphragms and valves for northern hemisphere OEMs into market.
- Progressing our **in-market and near-market presence**
 - Successful shift of Chicago distribution facility and new converting/distribution facility in the Netherlands.
 - Successful commissioning of new injection moulding equipment in NZ, cleanroom in the US and equipment investment in Europe.
- Increasing **collaboration across our Group**
 - Key leaders thriving with broader responsibility.
 - Better leveraging our technical expertise for operational gains across the Group.
- Maintaining focus on **operational improvements**
 - Capital investment in NZ, Europe and Asia boosting productivity and reducing waste.
- Working closely with **key partners** to capture improvement
- Better use of **digital tools** to identify growth opportunities and improve productivity

Deep Expertise, Precision, Commercial



Segment Earnings



Reconciliation of Segment EBIT to Group NPAT

NZ\$ Million	HY19	HY20	HY21	HY22	HY23	HY24	HY25
Industrial EBIT	11.9	10.2	15.5	18.7	21.4	22.9	22.4
Agri EBIT	9.3	9.8	15.3	16.7	14.6	11.9	15.5
Corporate EBIT	(1.8)	(2.0)	(3.2)	(3.0)	(2.5)	(3.1)	(2.9)
EBIT	19.4	18.0	27.6	32.4	33.5	31.6	35.0
Finance Costs	(0.9)	(1.3)	(1.2)	(0.9)	(2.0)	(2.4)	(1.9)
Share of Net Loss of Associate	-	-	-	(0.1)	-	-	-
Tax Expense	(5.1)	(4.6)	(6.9)	(8.2)	(8.5)	(7.6)	(8.9)
NPAT	13.4	12.1	19.5	23.2	23.0	21.6	24.2

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.