

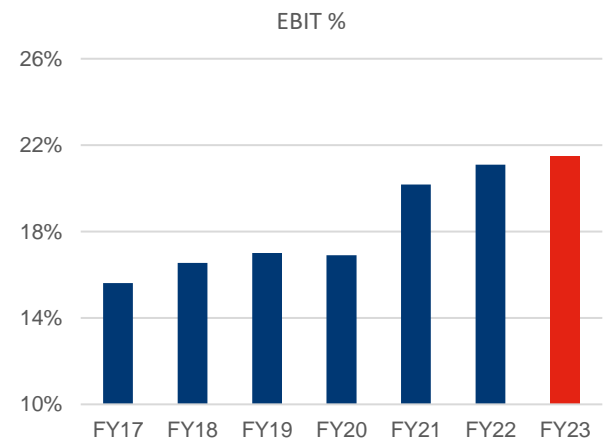
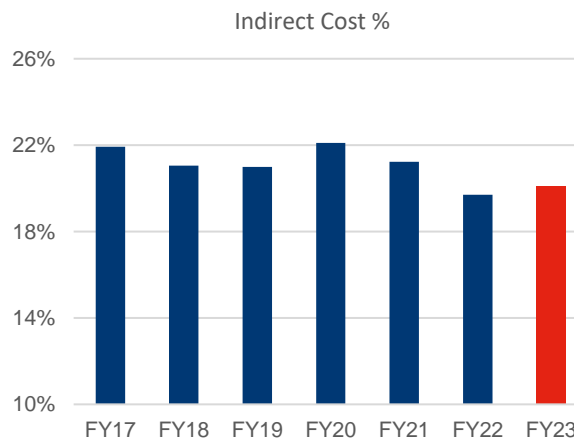
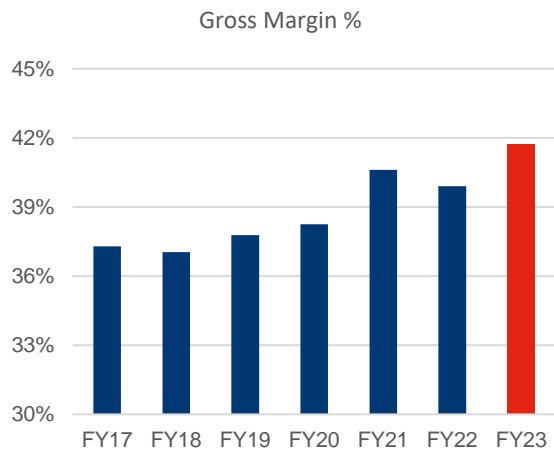
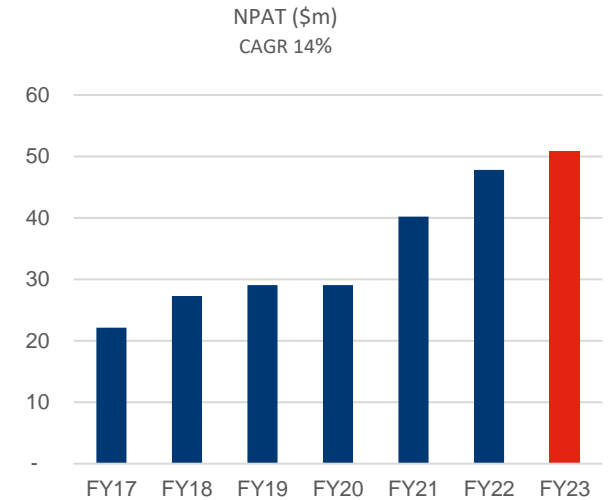
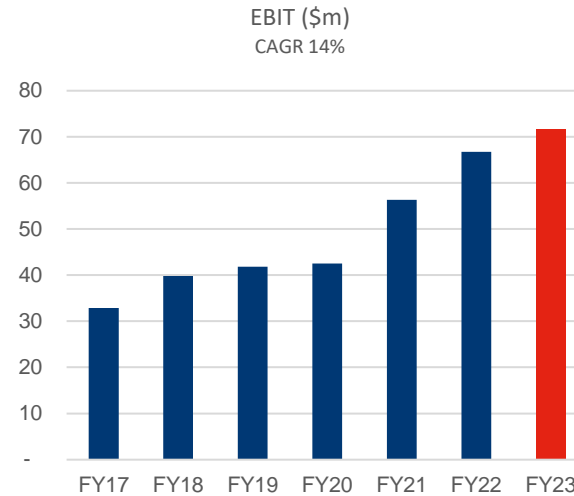
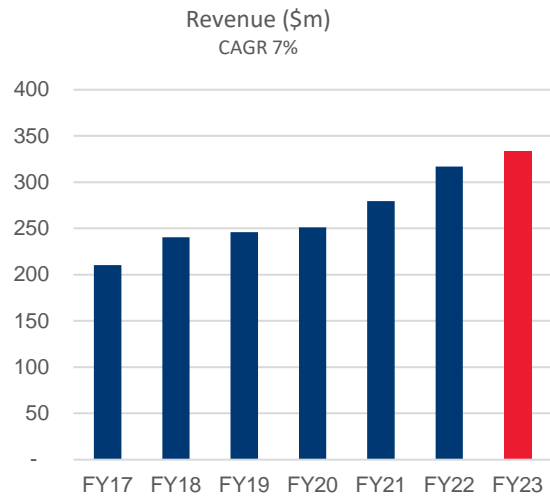


SKELLERUP

FY23 RESULTS

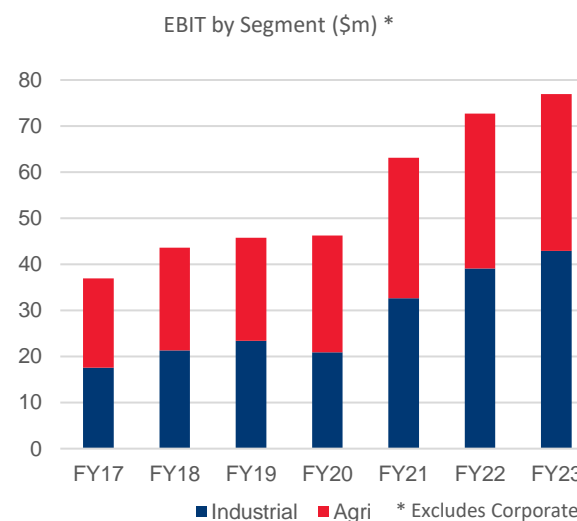
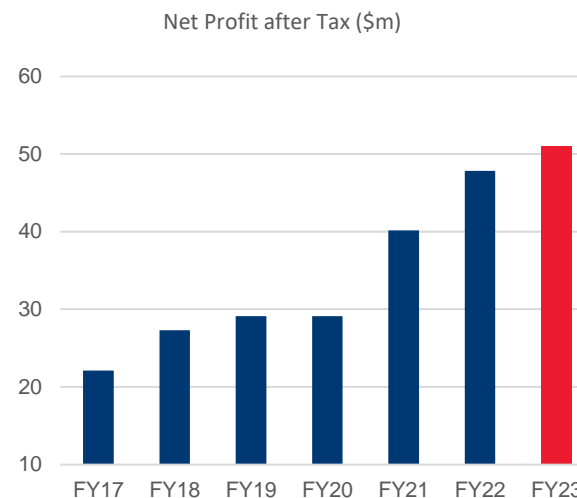
17 AUGUST 2023

Seven years of earnings growth



FY23 highlights

- **Record NPAT of \$50.9 million**
 - FY23 result a record, up 7% on pcp (seventh consecutive record profit).
 - Over past seven years NPAT is up a cumulative 131% for a CAGR of 14%.
- **Record EBIT of \$71.7 million, up 7% on pcp**
 - Record Industrial Division EBIT of \$42.9 million, up 10% on pcp – vacuum systems and specialty foam driving growth.
 - Record Agri Division EBIT of \$34.0 million, up 1% on pcp – footwear in NZ and US driving growth.
- **Operating Cash Flow of \$54.1 million, up 25% on pcp**
 - Strong operating earnings and unwinding of (some) strategic investment in inventory in Q4.
 - Funded capex (\$8.6 million), dividends (\$41.1 million) and lease repayments (\$6.0 million).
- **Final Dividend Pay-out of 14.0 cents per share**
 - Brings full year pay-out to 22.0 cents per share, up 7% on pcp.
- **Balance Sheet remains robust**
 - Net debt at \$26.8 million up \$1.6 million on pcp. Net debt at 8% of total assets.
- **Investment**
 - Future focused to enhance operational flexibility, market access and broaden technology.
- **Climate Change**
 - Project to assess impact on Skellerup to inform investment decisions and meet mandatory reporting requirements well progressed.



Key financials

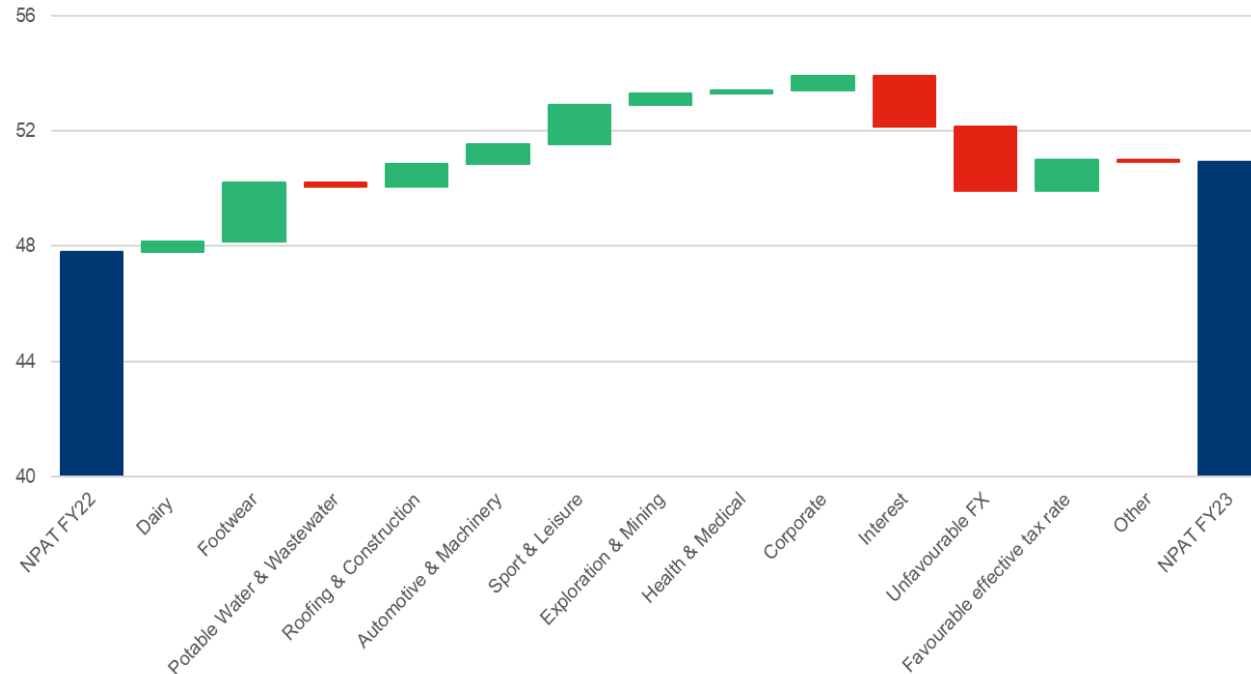
NZ\$ Million	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Revenue	210.3	240.4	245.8	251.4	279.5	316.8	333.5
EBITDA	40.4	47.2	48.9	55.2	68.9	80.6	86.9
Depreciation & Amortisation	(7.8)	(7.4)	(7.1)	(7.5)	(7.5)	(7.9)	(8.5)
Depreciation (ROU Assets)	-	-	-	(5.2)	(5.0)	(5.9)	(6.7)
EBIT	32.8	39.8	41.8	42.5	56.4	66.8	71.7
Finance costs (Debt)	(1.4)	(1.9)	(1.8)	(1.7)	(1.2)	(1.2)	(3.2)
Finance costs (Lease Liabilities)	-	-	-	(0.9)	(0.9)	(1.0)	(1.4)
Tax expense	(9.3)	(10.6)	(10.9)	(10.8)	(14.1)	(16.5)	(16.0)
NPAT	22.1	27.3	29.1	29.1	40.2	47.8	50.9
<i>Earnings (cents per share)</i>	<i>11.5</i>	<i>14.1</i>	<i>15.0</i>	<i>14.9</i>	<i>20.6</i>	<i>24.5</i>	<i>26.0</i>
<i>Dividend (cents per share)</i>	<i>9.5</i>	<i>11.0</i>	<i>13.0</i>	<i>13.0</i>	<i>17.0</i>	<i>20.5</i>	<i>22.0</i>
Operating cash flow	21.2	28.3	28.9	48.0	58.8	43.3	54.1
Cash net of debt	(35.8)	(30.7)	(36.6)	(28.5)	(8.7)	(25.2)	(26.8)
Capital & intangible expenditure	12.7	5.4	4.6	4.5	7.5	10.2	8.2
Acquisition & Investment	-	-	7.4	6.2	-	10.2	0.9

FY23: record revenue and earnings

- Revenue up \$16.7 million and 5% on pcp.
- EBIT up \$4.9 million and 7% on pcp.
- NPAT up \$3.1 million and 7% on pcp.
- Dividend of 22.0 cents per share, up 1.5 cents per share and 7% on pcp.
- Operating cash flow of \$54.1 million, up \$10.8 million on pcp ~ funded capital expenditure of \$8.6 million, dividends of \$41.1 million and lease repayments of \$6.0 million.
- Net debt at \$26.8 million up \$1.6 million on pcp. 8% of total assets.
- 100% ownership of Sim Lim from 01 November 2022.

FY23 earnings growth broad-based

Reconciliation of changes in NPAT FY22 to FY23 (\$m)



- Footwear sales up in the NZ rural and hardware channels and US specialty application.
- Dairy sales growth in international markets (North America & Europe).
- Market growth and market share gains from the sale of existing and new products for sport and leisure, roofing and construction, automotive and machinery, and exploration and mining applications. Corporate costs well controlled.
- NZD weakness, particularly against USD (average rates down 9% against pcp) aided top line growth but offset by unfavourable revaluation and hedging positions.
- Increased debt, rising interest rates and new leases brought on balance sheet increased interest expense.
- Effective tax rate reduced from 25.6% to 24.0%.

Industrial Division

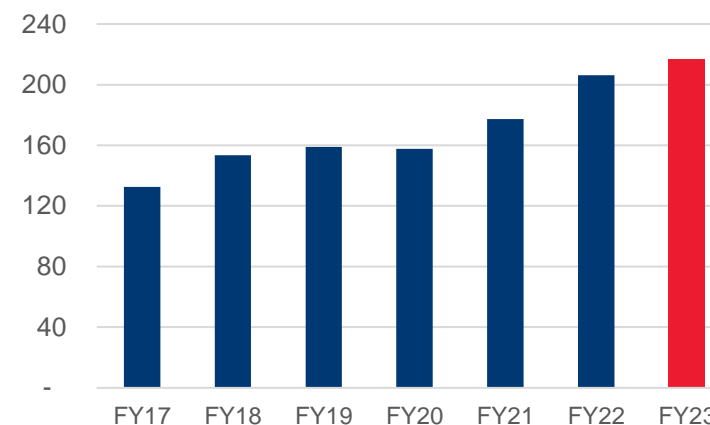
NZ\$ Million	FY19	FY20	FY21	FY22	FY23
Revenue	157.1	157.9	177.4	206.4	216.8
EBIT	22.9	20.9	32.7	39.1	42.9
EBIT %	14.6	13.2	18.4	18.9	19.8

Revenue up 5% and EBIT up 10% on pcp

- Third consecutive record result
 - FY23 EBIT up 105% on FY20.
- Potable water and wastewater flat
 - Increased sales of vacuum systems into wastewater applications (US) partly offset by weaker pipe and tapware demand in the US as supply chains normalized and customers reduced inventory.
- Continued growth in high performance foam applications
 - Ultralon U-DEK® continued to grow strongly in the US, NZ, Australia and Europe.
- Growth from DEKS roofing and sealing products
 - Growth in Europe and the US with improved execution and market share gains as well as growth in specialty applications (solar).
- Lower NZD compared to pcp impacted translation of offshore earnings
 - ~90% of Industrial division revenue is from international markets.
 - Revenue is flat, and EBIT is up 7% on constant currency basis.

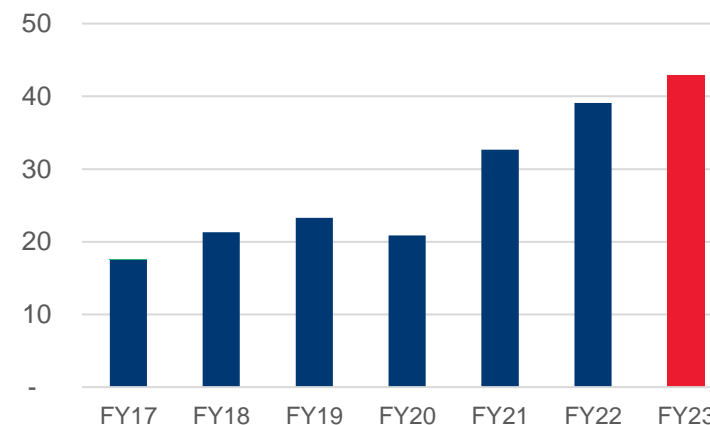
Industrial Division Revenue (\$m)

CAGR 7%



Industrial Division EBIT (\$m)

CAGR 16%



Agri Division

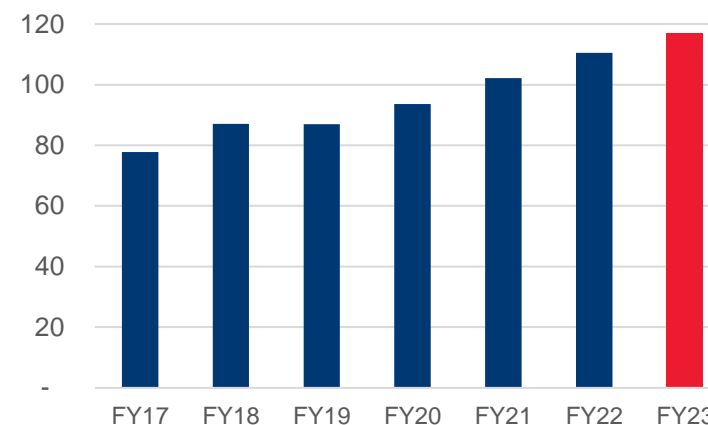
NZ\$ Million	FY19	FY20	FY21	FY22	FY23
Revenue	88.8	93.6	102.2	110.5	117.0
EBIT	22.8	25.4	30.5	33.6	34.0
EBIT %	25.7	27.1	29.8	30.4	29.1

Revenue up 6% and EBIT up 1% on record pcg

- Fourth consecutive record result
 - FY23 EBIT up 49% on FY19.
- Dairy
 - Modest growth in international markets.
 - Wigram focus on process improvement aided by capital investment.
 - Successful relocation of Stevens milk filter business from Featherston to Chch.
- Footwear
 - Increased sales into urban market in NZ.
 - Growth in sales of di-electric footwear in the US.
- Lower NZD compared to pcg favourably impacted translation of offshore earnings, offset by hedging
 - ~60% of Agri division revenue is from international markets.
 - Revenue and EBIT up 2% on constant currency basis.

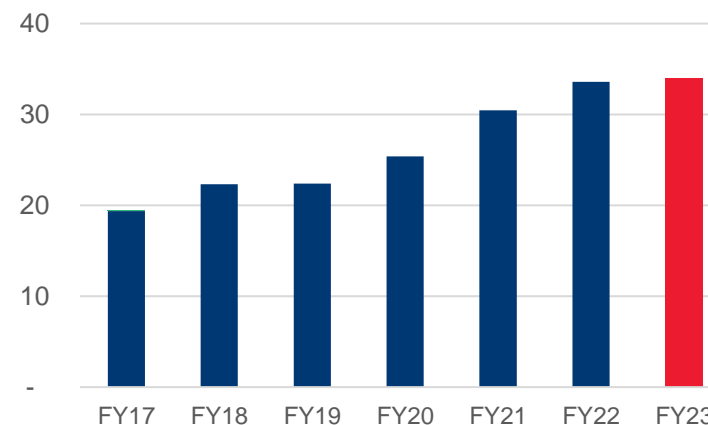
Agri Division Revenue (\$m)

CAGR 6%



Agri Division EBIT (\$m)

CAGR 9%



Our levers for growth

People, Equipment, Technology, Products and Presence

- Investment in people (including new) to strengthen market, product and equipment development
 - Expanded product development.
- Equipment, tooling and process development capability
 - New equipment and process standardisation and improvement.
 - Improved productivity, reduced process waste, more efficient energy use.
 - Enable greater in-market presence providing new customer and product opportunities and a pathway to reduced GHG emissions.
- In market manufacturing presence
 - Sim Lim (Liquid silicone rubber (LSR)) in the USA wholly owned from 01 November 2022 and integrated into Gulf.
 - Manufacturing partnership in the USA for potable water. Commissioning in progress.
 - Future opportunity to capitalise on investment being made to improve standardisation of equipment and process (as above).
- New products and new customers
 - Continued focus on critical products for OEM customers.
 - Production and sales for subsystem for hygiene market application commenced.
 - Production and sales of LSR diaphragm for HVAC application commenced.
 - New products for potable water, wastewater and roofing applications in US, Europe and Australia.
- Information systems investment and utilisation
 - Two further projects completed.
- Delivering better returns for shareholders and opportunity for our people

ESG priorities and performance

Environmental

- Priority on assessing the impact of climate change on Skellerup
 - Overseen by Sustainability Committee formed in June 2022.
 - Framework for Board and management to aid investment decisions and enable informed establishment of climate related goals.
 - Substantial progress, climate change scenarios selected, physical and transition risks and opportunities assessment almost complete.
 - Next phase to assess mitigation and transition programmes and measure Scope 3 GHG emissions.
- Scope 1 & 2 GHG Emissions intensity (relative to revenue) down 10% in FY23 on pcp
 - Gross emissions down 5% on pcp.

Social

- Working environment, flexibility and equity
 - Some sites 4 x 10-hour shifts – good for our people and good for business.
 - Part-time and hybrid arrangements to retain our best and attract new talent.
 - New sites in Auckland, Melbourne and Christchurch.
 - Pay equity and no discrimination.

Governance (& Management)

- Board with strong and diverse mix of skills, expertise and varied tenure
 - Five independent, non-executive directors with 1 to 8 years Skellerup experience.
 - One executive director with 16 years Skellerup experience.
- Global management team with range of skills and tenure, delivering sustainable growth

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	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Agri EBIT	19.8	22.8	22.8	25.4	30.5	33.6	34.0
Industrial EBIT	17.1	20.8	22.9	20.9	32.7	39.1	42.9
Corporate EBIT	(4.1)	(3.9)	(3.9)	(3.8)	(6.8)	(5.9)	(5.2)
EBIT	32.8	39.8	41.8	42.5	56.4	66.8	71.7
Finance Costs	(1.4)	(1.9)	(1.8)	(2.6)	(2.1)	(2.2)	(4.6)
Share of Net Loss of Associate	-	-	-	(0.1)	-	(0.3)	(0.1)
Tax Expense	(9.3)	(10.6)	(11.0)	(10.8)	(14.1)	(16.5)	(16.1)
NPAT	22.1	27.3	29.1	29.1	40.2	47.8	50.9

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.