GUD Holdings Limited
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15 August 2022

Manager
Company Announcements
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Full Year Ended 30 June 2022 – Results Briefing and Webcast

Attached is a copy of the Full Year Results Briefing to analysts and brokers, to be presented by Graeme Whickman, CEO/Managing Director, GUD Holdings Limited (GUD).

Today at 8.45 am, GUD will be hosting a webcast of its FY22 results briefing, for the year ended 30 June 2022. To register and view the webcast, please go to www.gud.com.au/webcasts-presentations or click here.

Approved for release by the Board of Directors.

Yours faithfully

Malcolm G Tyler
Company Secretary

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Enc

GUD Holdings Limited
ABN 99 004 400 891

FY22 Financial Result

Graeme Whickman, CEO & MD
Martin Fraser, CFO

15 August 2022

Contents

Ryco ranks #2 in AFR Most Innovative Companies

Receiving their award for their Microshield N99 'medical-grade' air filter, Ryco's work to develop their world-first 'medical-grade' air filtration for vehicles was driven by a desire to protect the health and safety of vehicle occupants from hazardous pollution, allergens, bacteria, and viruses. The Microshield N99 uses a unique integrated fine-particle filter to eliminate biological agents.

Brown and Watson ranks #3 in AFR Most Innovative Companies

Brown & Watson's 3rd place is attributed to their creation of a full program of jump starters utilizing PROJECTA's world-patented Rapid Recharge technology. The technology uses a vehicle's alternator to recharge the jump starter battery – taking only 40 seconds to fully replenish any charge lost during the jumpstart process.

Ryco ranks #7 in AFR Best Places to Work

The award recognises the strength of the Ryco workplace culture and the organisational commitment to ensuring 'that our team go home in as good as or better state than when they arrive at work'. Employee's strongly value Ryco's wellbeing and development programs and flexible working conditions that prioritise mental health, promote sustainable working norms and smarter working practices.

Key messages

1. Resilience of the aftermarket, our brands, and the strength of the non-discretionary products and services within the legacy businesses delivered organic Automotive revenue growth of 6.5% (2 year CAGR of circa 12%) and margin expansion

2. Pricing power demonstrated across all the Automotive businesses with inflationary pressures offset by price rises

3. New vehicle demand and backlogs being at historical highs. The unprecedented volatility in new vehicle supply in Q4 impacted businesses leveraged to NVS, predominantly APG, leading to revised FY22 guidance. This deferral of demand is expected to be met as supply progressively improves through FY23 and FY24

4. Davey strategic process nearing completion including a $37.5m non-cash impairment to Davey’s carrying value

5. Solid balance sheet with a high proportion of fixed rate, longer duration debt and significant headroom (circa $150m). Short term priority remains achieving a leverage ratio (Net Debt/EBITDA) below 2x by 30 June 2023

6. Momentum building around GUD’s Portfolio Vision and ESG aspirations. Integration of Vision X (VX) and AutoPacific Group (APG) progressing well as the Group continues along the strategic path of becoming leaders in automotive specialist lighting and 4WD accessories and trailering

7. GUD is well positioned in both Automotive and APG segments to continue to capture market share in a robust aftermarket, and as new vehicle sales start to normalise on an improving supply environment in FY23 and FY24

Group financial overview

Strong organic Automotive performance combines with acquisitions to deliver a result in line with revised EBITA guidance of circa $147m[1]

- Underlying EBITA[1,2] of $149.5m increased 47.1% driven by strong organic sales growth and contributions from newly acquired businesses
- A sharp increase in volatility in new vehicle sales across Q4 significantly impacted APG's revenue and contributed to the June revision to FY22 guidance
- Automotive organic margins expanded, reflecting the resilience of the service and repair markets combined with the brand strength of the portfolio of largely non-discretionary products and services
- Underlying NPAT[2] increased 38.9% and underlying EPS increased 6.0%
- Davey's non-cash impairment of intangible assets of $37.5 million reflects a change program underway, an uncertain operating environment, and a higher discount rate
- Cash conversion[3] of circa 79% (up from 63% in H1) despite the strategic commitment to elevated inventory levels to support market share growth
- Solid balance sheet with a high proportion of fixed-rate, longer duration debt and significant headroom (circa $150m) and well within existing covenants
- Final dividend of 22 cents per share representing a full year pay out of circa 62% of Underlying NPAT

$M	FY22	FY21	% Change
Revenue	835.5	557.0	50.0%
Statutory NPAT	27.3	61.0	(55.2%)
Underlying NPAT[2]	88.9	64.0	38.9%
Underlying EBIT[2]	147.8	101.2	46.0%
Underlying EBITA[1,2]	149.5	101.7	47.1%
Cash Conversion[3]	78.9%	86.8%	(7.9 pps)

Cents	FY22	FY21	% Change
EPS (Basic)[3]	22.9	67.0	(65.8%)
Underlying EPS[2,4]	74.5	70.3	5.9%
DPS (Final)	22.0	32.0	(31.2%)
DPS (Full Year)	39.0	57.0	(31.6%)

Segment Underlying EBIT[1]	FY22	FY21	% Change
Automotive (ex APG)	127.4	99.1	28.5%
Organic Automotive[5]	105.6	95.6	10.5%
Acquisition Automotive	21.8	3.5	524.0%
APG[6]	24.3	-	-
Water	4.5	4.8	(4.7%)
Corporate	(8.4)	(5.4)	55.5%

Note: small difference due to rounding

1. FY22 'underlying EBITA' guidance of circa $147 million excludes the amortisation of acquired intangibles relating to the acquisition of APG and Vision X ($10.1m, as outlined in note 7 of Appendix 4E). The FY22 underlying EBITA result excludes an incremental $1.7 million in intangibles as this measure excludes the amortisation of all intangibles (totalling $11.8m). Refer to slide 28 in the Investor Presentation for a reconciliation.
2. Underlying NPAT, underlying EBIT, underlying EBITA and underlying EPS are unaudited, non IFRS metrics. They exclude the (non-cash) acquisition-related inventory step ups, acquired intangibles relating to APG and VX , Davey impairments, and other significant items outlined on slide 28. Refer to slide 41 in the Appendix for a reconciliation of segment EBIT.
3. Cash conversion = gross operating cashflow (lease adjusted)/underlying EBITDA (lease adjusted) outlined on slide 31
4. EPS (Basic) and Underlying EPS reflect the shares issued at the December equity raising but only six months earnings contribution from APG
5. 'Organic' excludes APG, Vision X, G4CVA and ACS (businesses owned for less than 12 months in FY21 & FY22)
6. APG underlying EBIT includes $1.4m in corporate overhead. Underlying EBIT excluding corporate overhead is $25.7m

Portfolio vision set at the end of FY21

We're ready to meet our customers' needs of tomorrow, today.

GUD2025

Our brands are future-ready; clever ideas turned into technical products and services that people count on every day. Our team are committed to making a positive impact and creating value for all stakeholders.

Our GUD2025 Plan, **set at the end of FY21**, is to double the size of the FY21 portfolio and position ourselves for continued growth, without compromising the quality of how we deliver results

Strategic imperatives to build strength for today and unlock growth for the future

- Build an integrated leader in 4WD Accessories and Trailering in ANZ with future export
- Grow a global niche leadership position in Automotive Lighting
- Expand vehicle Power Management internationally
- Become a leader in the EV Aftermarket in Australia and New Zealand
- Capture Undercar categories and leverage scale
- Optimise Powertrain profitability and invest in adjacencies
- Strengthen Water and pursue scalable growth

Continuously improve business foundations and leverage scale to accelerate progress

- Customer relationships
- Supplier engagement
- People cycle planning
- Product cycle planning
- Operational fitness

Zero harm safety always comes first	**top quartile** employee engagement	**Gold** ethical supply in top quartile
$1b plus net revenue by FY25	**17-20%** underlying EBITA margin	**above 15%** revenue outside Australia and NZ
< 10% of group revenue from one customer	**15%+** return on equity	**WACC+** return on capital employed
Advanced Level 3 APCO packaging	**75%+** automotive revenue from non-ICE	**Net zero** scope 1 & 2 in distribution

We have set ambitious ESG progress and performance targets

ESG Impact Areas and Targets

Health, Safety & Wellbeing

The health, safety and wellbeing (HSW) of our people is the top priority in everything we do

Ambition
A healthy and safe workplace committed to zero harm

Targets and metrics
Zero harm - Ongoing goal
Top quartile LTIFR - Benchmark

Thriving People

We invest in our people to develop a high-performing, highly-engaged, and diverse workforce

Ambition
Generate top quartile level of staff engagement in our businesses

Targets and metrics
Top quartile staff engagement

Sustainable Sourcing

We partner with suppliers to build their strength and capability to improve labour, ethical and environmental practices

Ambition
Sustainable supply chain committed to ethical sourcing

Targets and metrics
100% Bronze, 75% Gold by 2025
100% Silver, 90% Gold by 2030

GUD tiered ethical sourcing framework - high and medium risk geographies

Energy and Emissions

We will act and collaborate to reduce the carbon emissions of our businesses, products, and value chain

Ambition
Reduce emissions in our businesses and the value chain

Targets and metrics
Carbon neutral Distribution by 2025
Carbon neutral Manufacturing by 2030

Carbon neutral for GUD scope 1 and 2 emissions

Electric Vehicle Transition

We will actively manage our portfolio in line with car parc trends, and be an early mover in the EV aftermarket

Ambition
Become a leader in the EV Aftermarket in Australia and New Zealand

Targets and metrics
75%+ of Auto revenue from non-ICE by 2025
85%+ of Auto revenue from non-ICE by 2030

Waste

We will aid customers in reducing their waste footprint, and lead by example in our business operations

Ambition
Enhance the sustainability of our packaging design and materials

Targets and metrics
Advanced level in packaging (APCO) by 2025
Leading level in packaging (APCO) by 2030

Key impact areas

Done

- ✓ Completed detailed materiality assessment facilitated by external experts (Q1 FY22)
- ✓ Key impact areas defined and aligned to key value drivers for all key stakeholder groups; clear link to strategic and operational decision-making and ways of working
- ✓ Set ambitious ESG targets for the mid-term (2025) and long-term (2030)
- ✓ Non-financial performance indicators aligned to ESG performance embedded in STI program
- ✓ Updated Scope 1 and 2 emissions profile to include recent manufacturing acquisitions (APG and Vision X)

Next

- Build an ESG "scorecard" to consolidate ongoing measurement and reporting against the targets set in the ESG strategy
- Align ESG reporting with the evolving international sustainability standards and stakeholder expectations
- Develop a net Carbon Neutral roadmap to reduce and/or offset Scope 1 and 2 emissions

Segment

Automotive

Automotive (ex APG)

Strong result underpinned by positive organic performance and acquisitions

- Growth across all businesses continued to be underpinned by new customers, products and channels
- Revenue growth of 29.8% reflects the acquisitions with a full year contribution from G4CVA and ACS as well as a 7-month contribution from Vision X
- Strong organic[1] revenue performance vs. prior year given the 18.2% revenue growth achieved in FY21. Growth accelerated half on half from 4.6% in H1 to 6.5% in FY22
- Sales momentum increased in H2 across the legacy Automotive aftermarket businesses reflecting solid wear and repair parts demand, aided by GUD's strategically higher inventory levels

Margin management supported by pricing power

- Record Underlying EBIT result of $127.4m, a 28.5% increase on the prior year again reflecting acquisition and a strong organic contribution
- Price rises were successfully achieved in H1 and H2 in response to persistent inflationary and FX pressures
- Organic[1] underlying EBIT margin increased versus the prior year (+50bp) largely driven by operating leverage and active margin management (pricing and limited FX) partially offset by significantly higher supply chain costs and domestic inflation
- Slight degradation of overall margin due to manufacturing businesses exposed to COVID and Ukraine related supply chain issues
- Further price rises effective FY23 H1 to combat escalating cost inputs

Inventory strategy playing out as expected

- In line with strategy, inventory levels increased to combat supply chain challenges and support demand growth
- Some moderation is planned through FY23 as supply chains stabilise

$M	FY22	FY21	% Change
Automotive Revenue	575.8	443.5	29.8%
Organic[1] Automotive Revenue	*416.6*	*391.0*	*6.5%*
Automotive Acquisition Revenue (excl APG)	*159.2*	*52.5*	*203.1%*
Underlying EBITDA pre JobKeeper	144.6	115.1	25.7%
Government Subsidies	-	(2.8)	-
Underlying EBITDA	144.6	112.3	28.8%
Depreciation	(15.5)	(12.8)	21.7%
Underlying EBITA	**129.1**	**99.5**	**26.2%**
Amortisation[2]	(1.7)	(0.4)	586.5%
Automotive Underlying EBIT	**127.4**	**99.1**	**28.5%**
Underlying EBIT margin	*22.1%*	*22.3%*	*0.2 pps*
Organic Automotive Underlying EBIT	**105.6**	**95.6**	**10.5%**
Organic EBIT margin	*25.0%*	*24.5%*	*0.5 pps*

1. Organic includes businesses that have been held for at least 12 months in both reporting periods (i.e., excludes G4CVA, ACS and Vision X)
2. Excludes the amortisation of acquired intangibles (refer note 7 in Appendix 4E)
3. Refer to slide 41 in the Appendix for a reconciliation to Segment EBIT (note 7)

Size and age of the car parc are highly favourable to GUD's aftermarket businesses

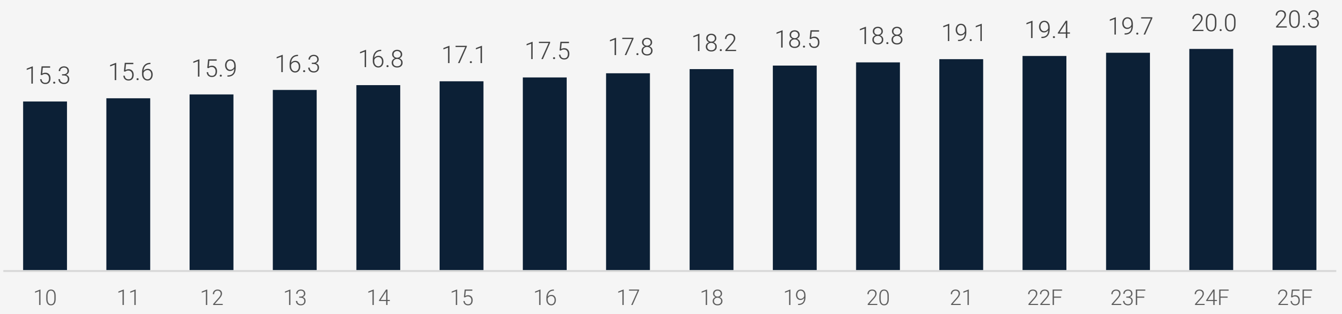
Car parc continues steady growth

- Australia had 19.1 million vehicles[1] on register in 2021
- This represents an increase of 1.6% vs 2020
- Future parc growth is projected at 1.5-1.7% year on year[1] to reach 20.3 million vehicles by 2025

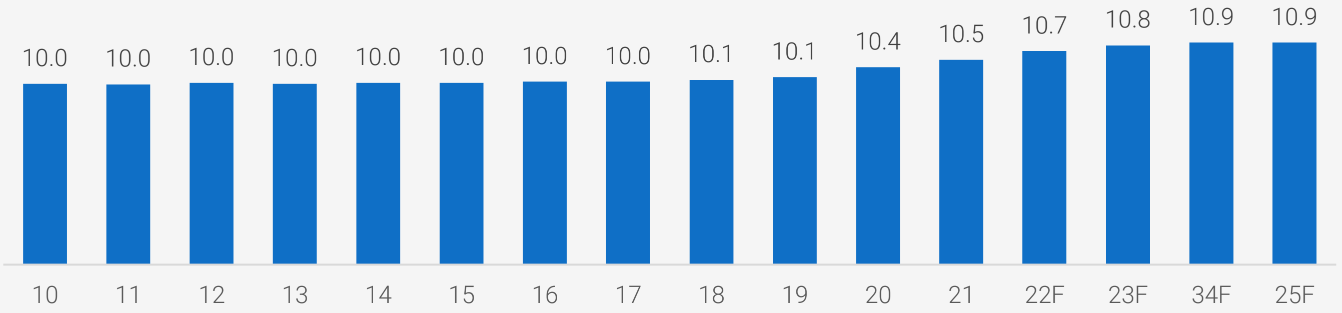
Rising average vehicle age supports aftermarket

- Average vehicle age has risen from a 10.4 years in 2020 to 10.5 years in 2021
- It is expected to rise further to 10.9 years by 2025
- Older vehicles have higher wear and tear spend
- Aftermarket categories such as filtration, engine management, replacement braking, and replacement lighting benefit from an older car parc

Car parc in Australia[1,2]
in million units



Average vehicle age[3]
in years



1. ACA Research defines the car parc as the total number of motor vehicles on register, excluding buses and motorcycles. To show their forecast, this same definition is adopted here, which varies from prior reporting. 2. Australian Bureau of Statistics: Motor Vehicle Census 2015-2021 (actuals). 3. Australian Automotive Intelligence (Sep/21).

Significant non-discretionary product revenue taps into a highly proliferated car parc

Resilient, largely non-discretionary, revenue

- Circa 80% of GUD's Automotive revenue is estimated to be non-discretionary in nature

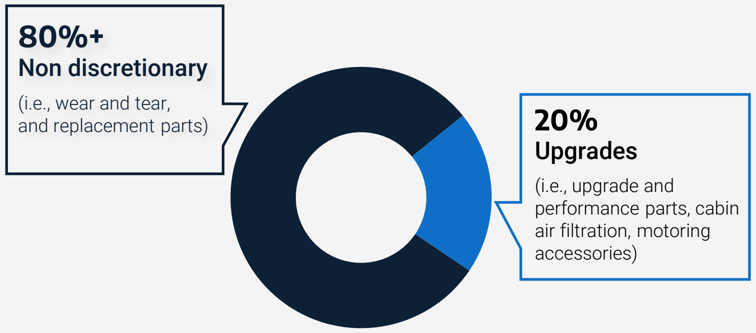
Positive car parc segmentation and powertrain trends continue

- Popularity of PU/SUV flowing through to car parc composition; PMV (passenger) parc declines by 0.6m to 2025 as PU/SUV parc grows by +1.8m
- The Automotive content opportunity per vehicle is higher for PU/SUV
- Growing proliferation of powertrains plays to GUD's strengths

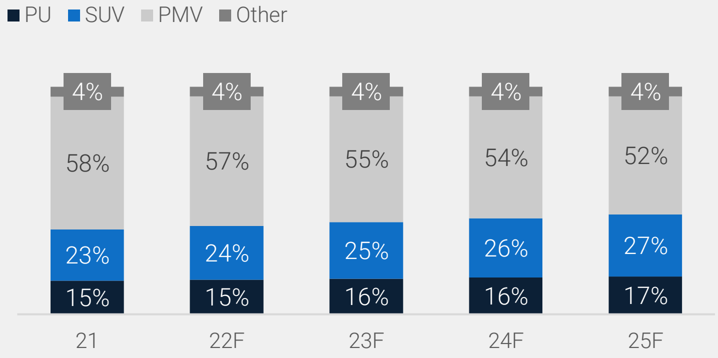
Electric vehicles growing off a small base

- YTD Jul/22, sales of vehicles with some form of electrification rose by 15k units (+33%) vs pcp
- Hybrid Electric Vehicles (HEV) are the dominant segment; HEV retain an internal combustion engine as a critical part of the drivetrain

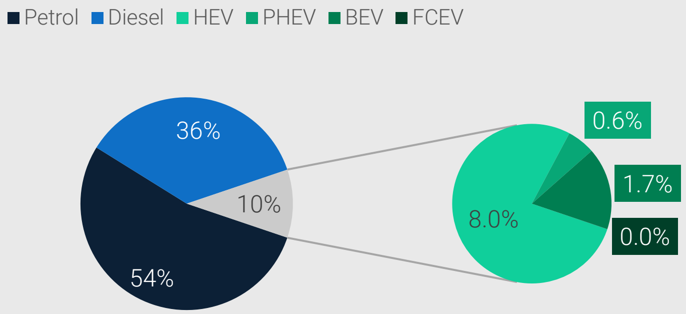
Automotive (ex APG) revenue profile[1]



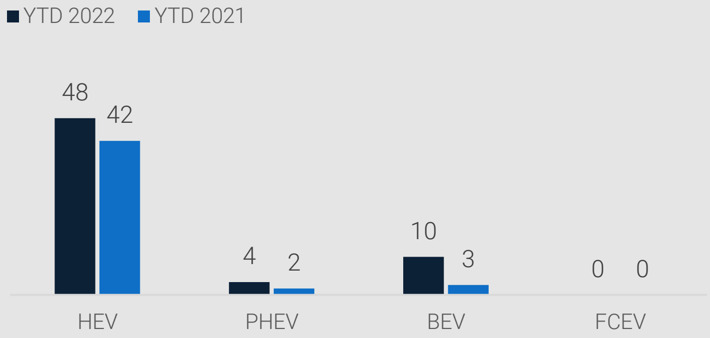
Car parc segmentation[2,3]



Sales by fuel type YTD Jul/22[2,3]
share of total 596k units



Electric vehicle sales YTD Jul/22[2]
in thousands



1. Management estimate. 2. Federal Chamber of Automotive Industries: Vfacts. 3. PU = Pick Up, SUV = Sprots Utility Vehicle, PMV = Passenger Motor Vehicle, HEV = Hybrid Electric Vehicles, PHEV = Plug-in Hybrid Electric Vehicles, BEV = Battery Electric Vehicles, FCEV = Fuel-Cell (hydrogen) Electric Vehicles.

Automotive FY22 snapshot (1 of 3)

Powertrain

Ryco Filters

- Strong revenue growth over pcp, resulting in a record sales over the full year period
- Growth achieved across all strategic pillars, with 4x4 and Commercial Vehicle achieving record growth
- 2nd place in the AFR Boss Most Innovative Companies (with the MicroShield N99 'medical-grade' air filter product)
- 'Top 10 Best Places to Work' in ANZ in 2021 (consumer goods and manufacturing category)
- Commissioned new testing equipment (circa $0.5 million) for air filtration allowing enhanced PD and testing specifications, unparalleled in Australia aftermarket

Wesfil

- Strong revenue driven by H2 'post covid bounce' recovery
- Core range sold well despite COVID headwinds, with select new product showing promise
- New Melbourne warehouse fully operational and contributing to growth
- Wesfil value brand proposition presents further opportunities for growth
- Travel resumption will strengthen supplier relationships and new product pipeline

Powertrain

AA Gaskets

- Strong H1 revenue growth continued throughout FY22
- Operational fitness continued to be a focus, with successful implementation of the 'AAG profit improvement plan'
- Human capital invested in the NZ Team to support the NZG, DBA and IMG brands, including the launch of the Injectronics Repair Business under the IMG banner

IM Group

- Strong revenue growth across all business segments
  - Repair and reman up 25%+
  - Vehicle management up 10%+
- 8 new vehicle management product categories introduced
- 500+ new SKUs released in the last 12 months
- New electronic repair facilities opened in NSW and NZ
- Achieved growth in Heavy Duty Vehicle electronic repair service
- First steps into Industrial repair service offering into higher-value repair and remanufacture of heavy duty and industrial equipment

Automotive FY22 snapshot (2 of 3)

4WD Accessories and Trailering (ex APG)

East Coast Bullbars

- Consistent sales and strong demand from the OEM channel
- Aftermarket channel demand impacted in H2 due to lack of new vehicle availability
- Covid-19 related raw material and labour cost increases were balanced by price increases in FY22; further price round in July 22 to benefit in FY23
- Polishing robots and laser cutters to be commissioned, margin gains in FY23
- NPD efforts to broaden the range with three hoop bars and two post bars

Uneek 4x4 / Barden Fabrications

- Solid revenue in FY22: industrial fabrication work (Barden) remained consistent throughout the year, whereas Uneek 4x4 impacted by lower new vehicle sales
- Integration of the business into APG is well under way

CSM Service Bodies

- New vehicle supply shortages adversely impacting fleet vehicle availability
- However, strong order intake in the latter part of H2, with 3-6 months' worth of revenue in order books awaiting vehicles

Fully Equipped

- Strict lockdowns in New Zealand created a challenging trading environment
- Nonetheless, increase in canopy manufacturing capability enabled double-digit revenue growth in H2

Undercar

Disc Brakes Australia

- Strong revenue growth in FY22, with domestic growth driven by existing and new products
- Export markets saw a return from Covid restrictions along with new markets being brought online
  - USA market seeing good growth with revised stock holdings in place and expanded product offering now available
  - NZ growth as a result of range and distribution updates
  - New international markets such as Fiji, Noumea, Chile, Peru, and Kazakhstan have been developed
  - Expanded range product portfolio development and sales into existing markets such ECE-R90 range into Europe
- Street Series disc pad and caliper programs performed ahead of target and further growth is expected. Street Series hydraulic cylinder program launched late Q4 FY22 with range expansion to continue during FY23

Australian Clutch Services

- Solid revenue growth and business is continuing to perform strongly after acquisition
- NZ sales negatively impacted by COVID restrictions
- Strong pipeline of new products under development
- Nascent X Clutch USA business is ahead of expectations and outlook is positive for continued growth
- ACS preferred stockist program now in place

Automotive FY22 snapshot (3 of 3)

Auto Electrical, Lighting & Power Management

BWI

- Strong revenue growth in FY22
- Further expansion from the core automotive electrical channels
- Strong growth from OEM customers in Truck and RV channels
- Inflationary cost impacts largely offset by margin management
- Record result for the impact of new products introduced to the market
- Delivered c.7% of revenue from products launched in the last 12 months
- Strong NPD pipeline to supporting FY22 and FY23 sales
  - Extensions to battery management system range starting with 1st global launch of Projecta range of patented Intelli-Start jumpstarters
  - Projecta Intelli-RV program continues to win new caravan manufacturer with trials underway for Intelli-Grid program
  - Narva inspection lamp / Aerotech HD strobes / Next Gen LED conversion kits
  - New Projecta catalogue to launch in Q4 FY23
- Top 3 place in AFR Most Innovative Companies awards (Mfg & Consumer goods)
- Appointed President for Projecta USA with 20 years of global power management industry across USA and Europe
- Appointed GM international Sales to accelerate cross pollination of the product portfolio into new geographies

AE4A

- Strong sales growth through major retailers such as SCA, BCF, Anaconda, and Repco
- Dirty Steve cleaning products launched with Repco throughout ANZ
- KT Solar brand launched into NZ with support of GEL operations

Griffiths Equipment (NZ)

- Revenue for full year relatively flat although maintained the FY21 record sales levels despite 107-day retail lockdown in Auckland.
- Marine and caravan growth has been strong. Exhibited in both the Tairua and Hutchwilco boat shows and finalist in the marine innovation awards.
  - Started fitting marine lighting to OEM boat manufacturer, Stabicraft
- Truck and Trailer growth underway, as demand on road freight vehicles increases
- Efficiencies in combined GUD NZ distribution centre continuing

Electric Vehicles

BWI

- Launch of EV charging accessories range under the Projecta brand

IM Group

- Hybrid EV battery remanufacturing program growing rapidly, bolstered by asset acquisition of Hybrid Battery Rebuild Pty Ltd. to create Australia's largest remanufacturing program
- Pilot to repurpose plug-in EV batteries to stationary energy storage now live
- Completed European study tour to educate the team and seek commercial partnerships
- EV training program being readied for launch in FY23

Vision X performance

Strong revenue and margin performance ahead of expectations

- Strong revenue growth overall with the core US domestic business performing well with Europe somewhat muted due to persistent macro issues
- Successfully implemented price increases in H1 in response to inflationary environment with no negative impact to sales

Vision X integration on track

- BWI secondee in place for category management synergies
- Starting to implement GUD "play to win" strategy framework

Vision X contribution included in Automotive (ex APG) Segment

$M	FY22[1]
Revenue	35.1
Underlying EBIT	**10.0**
Underlying EBIT margin	*28.3%*

1. FY22 only includes 7 months contribution from the acquisition date (30 November 2021) until 30 June 2022

Vision X snapshot

Synergies leveraging Vision X's infrastructure

- Opportunity to utilise VX's manufacturing to produce BWI lighting products
- Vision X/BWI product integration launching at Automechanika Frankfurt and SEMA
  - Aerotech beacons
  - Inspection lights
  - Scene lights
- Launching Intelli X brand of high-end Projecta power management products to existing Vision X market channels

Twisted Throttle acquisition expands US footprint, supporting GUD's imperative of growing a global leadership position in specialist automotive lighting

- Small asset acquisition in July 2022 (< AUD $2m)
- Owner of Denali – a leading brand of driving lights for motorcycles
- Active distribution through online sales of Denali and motorcycle accessories
- Provides small East Coast distribution facility for Vision X

Market and product wins

- Global mining lighting demand returning to normal after Covid-19 disruptions
- New OEM/OES contract wins in emergency and 4WD channels to impact in FY23
- Product launches in FY22/23:
  - Flight Map light for Boeing 7 Series – first FAA-certified aviation product for VX
  - Prospector Series mining lights
  - SAE street legal fog light series

Twisted Throttle's Factory Store in Exeter, Rhode Island, USA.


Powersport lighting for the growing UTV/ATV market in North America

Offroad and racing lights


Vision X fire/emergency lighting

Vision X complements BWI and opens US and Europe

1. **Portfolio of power train agnostic and EV ready products** – further reduces GUD's exposure to internal combustion engines (ICE)
2. **Large and growing addressable markets** – strong positions in automotive and non-automotive lighting segments
3. **Strongly diverse customer base** – customer concentration is low, and most are new to GUD
4. **Geographic diversification** – establishment of a beachhead in the USA and a distribution foothold in Europe; the two largest lighting markets globally
5. **Established product development and manufacturing facilities** – Korean and Chinese operations provide flexible sourcing and future expansion options
6. **Strong historic financial health with further value creation –** clear product and go-to-market opportunities leveraging the existing strong platform
7. **Founders and key staff highly engaged and committed to success** – strong cultural alignment with founders and a clear vision of success linked to the 3-year earn out period

Company video (2:30 min)
Click button or copy/paste URL to your browser
https://youtu.be/N-pXv7az6zw

Note: Data reflects the Vision X business at acquisition (completed on 30 November 2021)

Strong product line up

1200 new products in development driving incremental sales

500 trademarks, design and Utility patents

Balanced exposure to Lighting segments

Industrial	Fire & Emergency	Automotive	Motorcycle
38%	23%	35%	4%

Positive customer diversification

Top 18 customers contribute 80% of revenue

80% of customers are new to GUD


RANGER
Segment
APG

APG Performance

Result below expectations due to heavily disrupted Q4

- Underlying EBIT of $25.7m, was circa $9m below expectations primarily due to the combination of constrained new vehicle supply and Ranger/mix impact
- Higher than anticipated costs also impacted in Q4 with incremental material and freight costs of circa $1.5m. Price rises were implemented July 1 to recover these costs and protect margins

Revenue impacted by unprecedented supply constraints

- Following a robust Q3 FY22 (despite January Omicron impacts), Q4 FY22 sales were well below expectations as OEM factory outputs were impacted by unprecedented volatility in OEM supply chains
- These impacts were reflected in new car registrations[4] in April (down 12.2% on the pcp), May (down 6.4%) and June (down 9.7%)
- While the positive segmentation trends have continued in CY22, Pick-Up (PU) volumes were down 9.2% in April, 5.5% in May and 15.2% in June. This resulted in June CYTD[4] being down 2% vs. March CYTD Pick-Up volumes that were up 8.3% relative to the pcp

Mix of vehicle supply exacerbates APG impact

- Supply constraints across varying OEM nameplates have seen wide sales variability of vehicles important to APG such as the existing Ford Ranger
  - Ford Ranger was down 3% CYTD in March but was down 22% CYTD in June (following a 54% drop in the month of June relative to the pcp)
- Where APG has a higher share of product fitment (i.e., adding functional accessories like sports and nudge bars), revenue per model is higher (in some cases, is 2-3 times), thereby exacerbating the revenue impact

$M	FY22[3]
Revenue	132.7
Underlying EBITDA	**29.9**
Depreciation	(5.6)
Underlying EBITA	**24.3**
Underlying EBITA margin	*18.3%*
Group overhead allocation	1.4
Underlying EBITA pre group overhead allocation	**25.7**
Underlying EBITA margin	*19.4%*
Amortisation[1]	0.0
Underlying EBIT[2] pre group overhead allocation	**25.7**
Underlying EBIT margin	*19.4%*

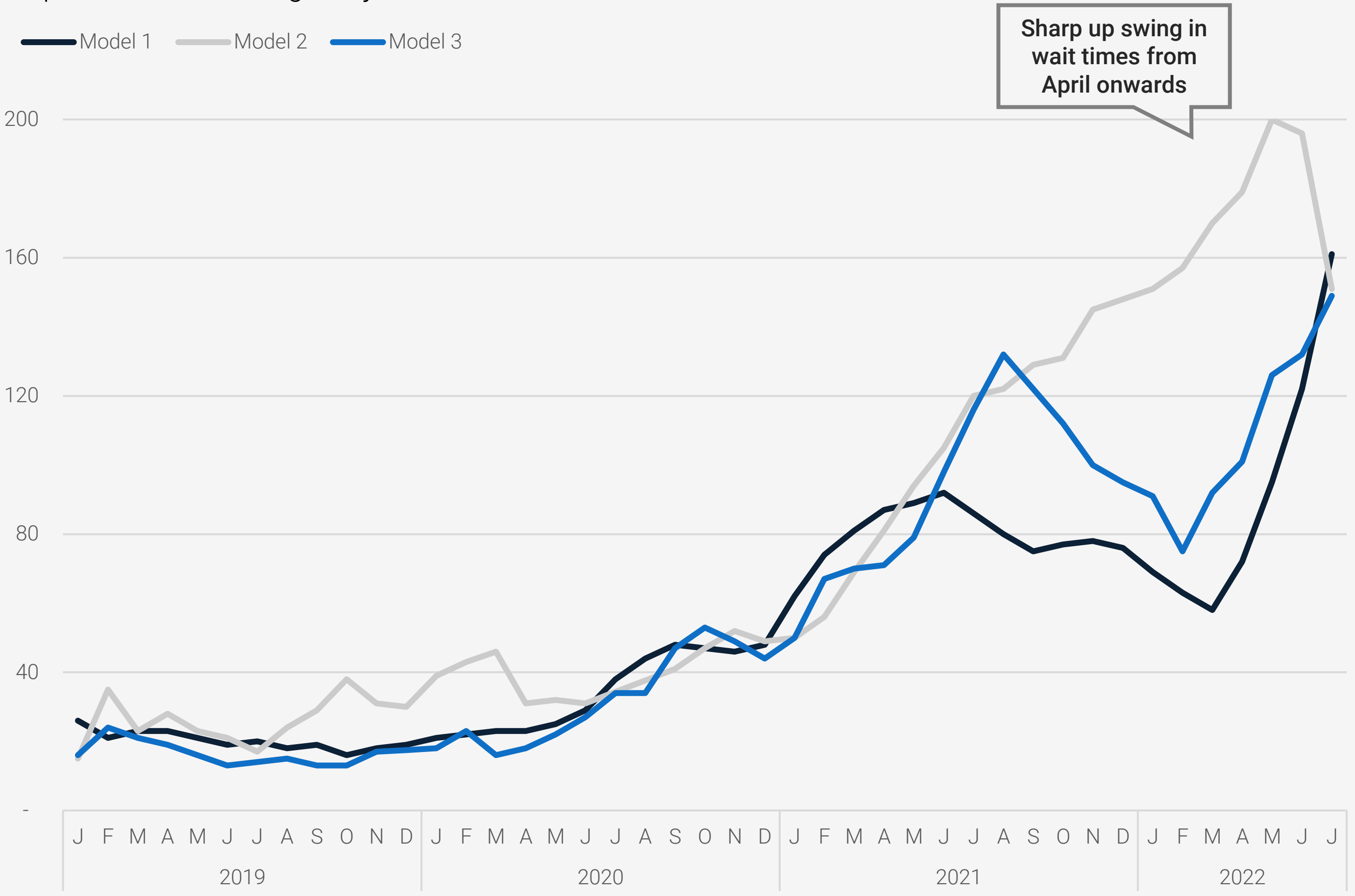
1. 'Excludes amortisation of acquired intangibles and includes $29k of computer software amortisation. Refer note 7 of Appendix 4E.
2. Pre-acquisition-related non-cash inventory step up, acquired intangibles and other significant items. Refer to slide 41 in the Appendix for a reconciliation to segment EBIT
3. 6-month contribution. Note management estimates of a FY22 EBITA result pre significant items (assuming the acquisition occurred on 1 July 2021) of $56m. Refer to note 30 in the financial statements.
4. FCAI: vfacts Jan-Jun 2022

Inventory levels extremely low and order wait times and volatility built rapidly in Q4

Wait times on popular models have ballooned

- Top 3 PU/SUV models wait time increased from an average 21 days in 2019 to an average 124 days in 2022, peaking at 200 days' wait for one model[1]
- Towards the end of 2021 into early 2022, wait times appeared to plateau and show signs of slight decline
- Depending on model, this trend reversed sharply in March or April of 2022

Top 3 PU/SUV average days' wait in Australia[1]`



1. Average days' wait for a new vehicle in Australia shown for the top best-selling PU/SUV models by volume (source: pricemycar.com.au, retrieved 58/22). 2. JP Morgan: Monthly Auto Review July 2022 (based on Ward's Automotive Reports and Autodata Corp., historical average for 2006-2015)

New vehicle sales levels severely constrained due to supply

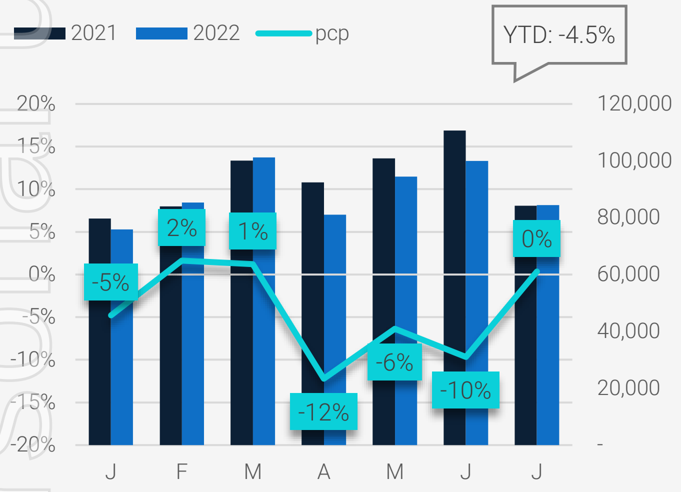
New Vehicle sales are down YTD, off an already constrained PY

- Unprecedented global supply chain disruptions have resulted in total new vehicle sales volumes down 4.5% YTD Jul/22
- Well documented OEM production constraints are resulting in significant monthly volatility in both production scheduling and end delivery

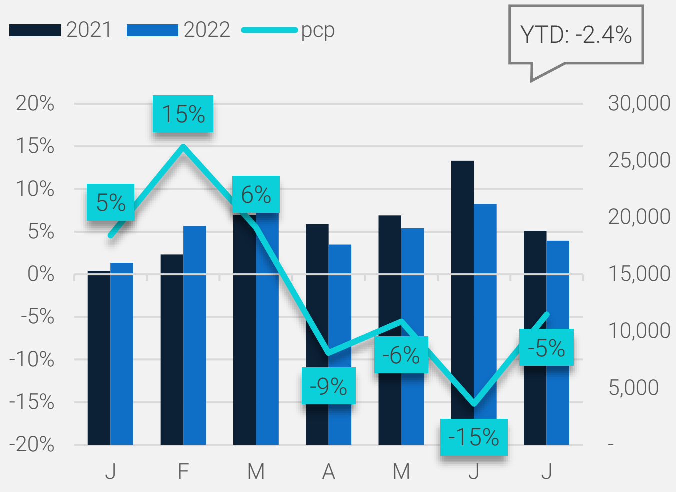
PU sales decline dramatically from April onwards

- Pick-Up sales started the year strong: +5-15% vs pcp in the Jan-Mar period
- From April onwards, supply disruptions caused sales of new PU's to drop substantially vs pcp, compared to customer forecasts of Q4 FY2022 improved vehicle supply.
- Top 3 PU models' volume change vs pcp range from -54% to +116%
- Ford Ranger most impacted by supply disruptions; down 22.7% YTD Jul22

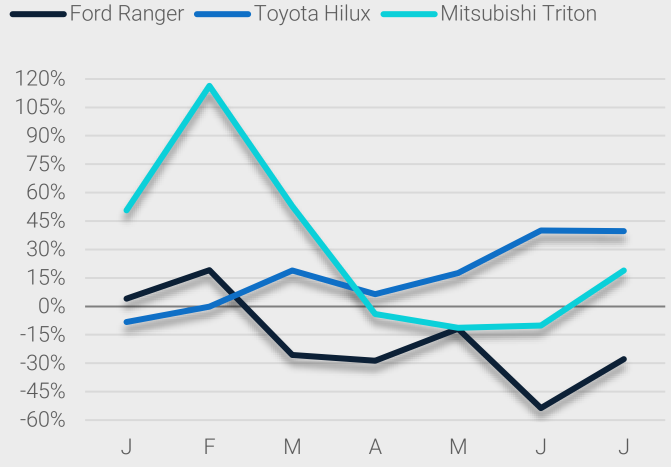
Total new vehicle unit sales[1]



Pick Up unit sales[1]



Top 3 PU: % volume change vs pcp[1]



1. FCAI: Vfacts Jan-Jul 2022.

Demand for vehicles remains strong and OEM sentiment is largely positive

Momentum expected to improve through FY23 from Q4 FY22 perceived trough

- FY22 Q4 is viewed as an earnings trough with FY23 expected to improve as:
  - vehicle launches ramp up, positively impacting mix
  - overall supply constraints moderate (noting continuing volatility in OEM purchase orders in Q1)
  - price rises effective July 1st to restore gross margins
- Revenue has not been lost - backlogs are at historical highs reflected in OEM commentary and dealer order backlogs (in cases up to 18 months)
- Remain confident in APG's ability to deliver in business case targets as OEM supply normalises

Strong demand with poor supply is creating backlogs

- New vehicle supply constraints and strong consumer demand continue to build dealer order books to record levels. Latest consensus reflects H2 2022 turnaround, with H1 2023 clearing of dealer backlogs.

Ford: "The industry is still running stronger than what we can supply. At this point, we've not seen it slow down."[1]

Toyota: "During this 1st quarter, we had to announce reductions in our production volume every month as we encountered unexpected events … However, we are keeping the full-year forecast of 9.7m units, disclosed in May, in place … we expect production volume to increases towards the 2nd half of FY2023."[2]

Eagers: "… our record order bank … is now 32% up on a like for like basis on our 2021 year-end position. This gives the company a line of sight into the second half of 2022, when many of these orders will be delivered."[3]

Volkswagen Group: "Volkswagen Group confirms its outlook for 2022 after a solid first half as supply constraints ease. A noticeable recovery of the monthly sales towards the end of Q2 additionally bodes well for H2 sales."[4]

Forvia (Faurecia): "We are confident that the second half will allow us to improve our first half performance and fully confirms our objectives for the year." [5]

Suzuki Motors: "Although we are concerned about global economic trends, orders are coming in very smoothly and demand is not declining at this point."[6]

General Motors: "Our results also reflect strong demand for our products, including the Chevrolet Silverado and GMC Sierra, and our full-size Chevrolet, GMC and Cadillac SUVs, which continued their market leadership despite low inventories." [7]

Mercedes-Benz: "Despite the macro risks, Mercedes-Benz continues to see healthy and high quality demand for its products for the second half of the year, in all core markets." [8]

1. Ford, Q2 2022 announcement (27/7/22). 2. Toyota Motor Corporation, Q1 FY23 Results (4/8/22). 3. Eagers Automotive, General Meeting (15/7/22). 4. Volkswagen AG, H1 2022 Results (28/7/22). 5. Forvia, H1 2022 Results (25/7/22). 6. Suzuki Motors, Q1 2022 Results (5/8/22). 7. GM, Q2 2022 Results (26/7/22). 8. Mercedes-Benz Group, Outlook (27/7/22).

APG snapshot

Achievements since acquisition

- ✓ APG system and reporting integration to GUD complete
- ✓ On time, defect free Ford Ranger launch – maintained ranger product fitment program + factory towbar penetration increased + 1 incremental Ranger model with sportsbar in range line up
- ✓ Since acquisition, APG have secured 41 new business awards representing c.$14m+ in revenue, of which c.$11m+ (78%) is incremental (new) revenue
  - Won Landcruiser nudge bar – on sale now
  - Includes a second functional accessory with Toyota to start in 2024
- ✓ ROLA direct/online strategy continues to deliver, new product launches added and improved SEO doubling sales since acquisition
- ✓ Kaymar launch of LC300 rear bar, and USA customer demand for Jeep Gladiator resulting in largest order bank since acquisition (albeit off a small base)
- ✓ Integration of G4CVA businesses with APG/4WD Accessories and Trailering category continues to progress well, with announcement of Melbourne facilities rationalisation. R&D collaboration improving G4CVA businesses new product time to market launces – LC300 series and new Ranger

APG business model drives market share gains

- Largest Australian OE towing competitor has announced exit from the market and facility closure, all customers resourcing business to APG in H1 FY23
- Strong demand from Trailering customers (4x from US customers) resulting in record order bank (albeit off a small base), with further enquiry from new customers. Thailand facility capacity exists to support growth

APG is a clear leader in 4WD Accessories & Trailering in ANZ

1. **Undisputed market leader in towing with strong brands and market positions** across a diverse range of trailering, cargo and functional accessories that are 100% non-internal combustion engine (ICE)
2. **Large and growing addressable market** (largely Pick-Ups (PUs) and Sports Utility Vehicles (SUVs)) supported by positive structural tailwinds
3. **"Blue Chip" customer base with diverse and 'sticky' relationships** – APG's top five customers have an average tenure of 21 years
4. **"Best-in-class" R&D** with a demonstrated track record of innovation and category penetration
5. **Large scale, well invested manufacturing and distribution capabilities** across ANZ and Thailand
6. **Strong financial performance and future growth potential** driven by increasing market share, new product development and category expansion underpinned by solid market growth
7. **Strong, proven and longstanding management team** that has scaled APG organically and integrated value accretive acquisitions with an average tenure of c.10 years

AUTOPACIFIC GROUP

Company video (3 min)
Click button or copy/paste URL to your browser
https://vimeo.com/gudholdings/autopacificgroup

AUTOPACIFIC GROUP

Leading market positions

#1 or #2
market positions across key categories

New product development & comprehensive coverage

35
new products in development driving incremental sales

c.95%
of vehicle car parc covered

High degree of revenue visibility

100%
win rate on recent OEM model PU launches

5-7 year
revenue visibility with OEM product cycle life

Note: Data reflects the APG business at acquisition (completed on 4 January 2022)

GUD's portfolio covers front to back, inside and out

A selection of GUD brands

Lighting
- Driving Lights
- Light Bars
- Performance Globes
- RV and interior lighting

NARVA — THE VISION TO GO FURTHER

Cargo Management
- Fibreglass Canopies
- Aluminium Service Bodies
- Aluminium Trays
- Truck Tub Liners
- Roof Racks
- 4WD Spare Wheel Holders
- Jerry Can Holders
- Roof Racks
- Cargo Barriers
- Bike Carriers

FULLY EQUIPPED · CROWN · CSM · UNEEK 4x4 · KAYMAR · ROLA

Towing
- Towbars
- Fifth wheel hitches
- Trailer plugs/connectors

HAYMAN REESE · X BAR · BESTBARS · TRIMOTIVE · PARKSIDE · TRAILBOSS

Trailering
- Coupling Systems
- Suspension and Control Arms
- Caravan Chassis
- Axle Assemblies
- Brake Controllers
- Jockey Wheels and Stands
- Boat Winches

CRUISEMASTER · TROJAN · TEKONSHA · CHRISTINE PRODUCTS TRAILER PARTS

Powertrain
- Oil, Fuel and Air Filters
- Catch Cans
- Fuel Water Separators
- Engine gaskets
- Engine Management

GOSS · RYCO FILTERS · WESFIL · permaseal quality automotive gaskets

Protection
- Steel Bullbars & Nudge Bars
- Alloy Bullbars & Nudge Bars
- Rock Sliders

ECB · UNEEK 4x4

Drivetrain
- Clutches
- Flywheels
- Clutch Actuation

XTREME OUTBACK CLUTCH · CLUTCHPRO · XTREME PERFORMANCE CLUTCH

Brakes
- Brake Rotors
- Brake Pads
- Brake Callipers
- Electric Drum Brakes (Trailer)
- Hydraulic Disc Brakes (Trailer)

dba DISC BRAKES AUSTRALIA · CRUISEMASTER

Power Management
- RV Power Management
- Inverters and Power Boards
- Dual Battery Systems
- Battery Chargers, Jump Starters
- Solar Panels and Controllers
- Portable Power Hubs

PROJECTA

Camping
- Portable Fridges
- Water & Diesel Tanks
- Solar systems
- Portable Toilets

National Luna · KT SOLAR · BOAB · THETFORD

Segment

Water

Water Performance

Strong revenue growth across several markets but Covid-19 disruptions and change costs weigh on operating margins

- Strong sales growth of 11.9% driven by a stronger H2 sales performance
- Acceleration in sales growth in H2 follows substantial changes in inventory profile and storage locations to be nearer customers, as well as higher inventory levels. These inventory levels are expected to moderate in FY23
- Underlying EBIT flat on prior year despite strong sales growth driven by
  - Supply chain disruptions continuing to impact factory efficiency and elevated export freight costs
  - Change costs that were expensed in H2

Davey strategic process nearing completion

✓ Management fitness – new leadership
  - New CEO
  - Refresh of the senior leadership roles

✓ Operational fitness – prove out the underlying
  - An overhaul of sales and operational planning
  - New logistics fulfillment model

✓ Financial fitness - balance sheet reset
  - Inventory write down of $10.5 million taken in H1 FY22
  - Davey's impairment of intangible assets of $37.5 million reflects a change program underway, an uncertain operating environment, and a higher discount rate

$M	FY22	FY21	% Change
Revenue	126.9	113.5	11.9%
Underlying EBITDA	**8.9**	**9.0**	**(1.7%)**
Depreciation and amortisation	(4.3)	(4.3)	1.6%
Underlying EBIT[1]	**4.5**	**4.8**	**(4.7%)**
Underlying EBIT margin	*3.6%*	*4.2%*	

1. Refer to slide 41 in the Appendix for a reconciliation to Segment EBIT (note 7)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WITH ANTI DRAIN-BACK VALVE
NEW VEHICLE WARRANTIES PROTECTED
RYCO
OIL FILTER
Z928™

Financials

Financial summary

$M	FY22	FY21	% Change
Revenue	**835.5**	**557.0**	**50.0%**
Operating cost	660.5	437.6	50.9%
Underlying EBITDA	**175.0**	**119.4**	**46.6%**
Depreciation	(25.5)	(17.8)	43.6%
Underlying EBITA	**149.5**	**101.7**	**47.1%**
Amortisation	(1.7)	(0.4)	308.3%
Underlying EBIT	**147.8**	**101.2**	**46.0%**
Acquired amortisation - APG + Vision X	(10.1)	-	
Acquisition inventory step up	(7.2)	-	
Impairment expense - inventory (Davey)	(10.5)	-	
Impairment expense - intangibles (Davey)	(37.5)	-	
Significant items - other	(4.9)	(3.9)	
EBIT	**77.5**	**97.4**	**(20.4%)**
Net Finance Expense	(18.0)	(10.4)	73.1%
Profit Before Tax	**59.5**	**87.0**	**(31.5%)**
Tax	(32.2)	(26.0)	23.8%
NPAT	**27.3**	**61.0**	**(55.2%)**
Add back amortisation of acquired intangibles and inventory step up (post tax)	12.4	-	
Add back impairments net of tax	37.1	3.0	
Add back impairmentof inventory net of tax	7.4		
Add back transcaction costs after tax	4.7		
Underlying NPAT	**88.9**	**64.0**	**38.9%**

Note: small difference due to rounding

- Includes Automotive organic growth of 6.5%, Water of 11.9%, and acquisition growth
- Included contributions from Vision X of $10.8m and APG of $29.9m pre corporate overhead allocation
- Step up reflects acquisitions
- Reflects amortization of businesses acquired prior to FY22
- Reflects amortization of Vision X customer intangibles over 10 years and APG's customer intangibles over 15 years
- Reflects required inventory step up in Vision X of $1.9m, and APG of $5.4m from purchase price accounting. Further $2m impact expected from APG in FY23
- Reflects higher borrowing costs following the acquisition of Vision X
- Includes non deductibility of acquisition transaction costs or goodwill impairment
- Relates to Vision X and APG
- Impairments of Davey intangibles in H2, and inventory in H1

Non-operating items (pre-tax)

$M	Automotive	APG	Water	Total
Automotive and APG				
Vision X acquisition transaction costs	1.8			1.8
AutoPacific Group acquisition transaction costs		2.9		2.9
Other Automotive acquisition and initiative support costs	0.2	0.1		0.3
Davey				
Impairment of inventory			10.5	10.5
Impairment of goodwill and intangibles			37.5	37.5
Total	**2.0**	**3.0**	**48.0**	**53.0**

Note: small differences due to rounding

Non-operating items driven by Davey and acquisition transaction costs

- Davey Inventory impairment as reported in detail in H1 FY22
- Davey impairment reflects a change program underway, an uncertain operating environment, and a higher discount rate

Net working capital (NWC)

NWC increase largely driven by acquisitions and supply chain disruptions driving higher stock in transit and safety stock representing a mid-term opportunity

- Increase in organic and post-acquisition inventory driven by higher in transit and/or safety stocks across automotive, and especially in BWI, AAG, and Wesfil
- Escalated inventory has strong profile of faster moving items and does not represent a long-term obsolescence risk
- Davey increased inventory in H2 to profoundly lift customer service levels which was rewarded in Q4 sales. Expect some moderation in FY23
- Receivables performance reflects reduced APG receivables given Q4 sales, and the unwind of some temporary customer extended payment terms

$M	FY22	FY21
Period End Balances		
Statutory NWC		
Inventories	274.1	153.4
Receivables	202.6	146.4
Payables	(166.2)	(97.9)
Statutory NWC Total	**310.5**	**201.8**
NWC at date of acquisition (Vision X, APG, Christine Products)		
Inventories	84.9	
Receivables and prepayments	56.3	
Payables	(58.2)	
Acquired NWC Total	**83.0**	
Net organic and post acquisition inventory movement	35.8	
Net organic and post acquisition receivables and prepayments movement	(0.1)	
Net organic and post acquisition payables movement	(10.1)	
Net Organic and post Acquisition NWC Movement	**25.6**	

Cash conversion

Cash conversion reflects growth in debtors and inventory

- Group cash conversion robust despite the Covid operating challenges. Reflects the strategic commitment to elevated inventory levels given the higher proportion of goods in transit
- Cash conversion improves half over half (circa 70% in H1 FY22)
- Receivables growth in line with sales growth and price rises – no significant change in trading terms.
- Inventory not at risk of obsolescence. Safety stock levels to moderate when shipping transit times and supplier lead time reliability improves
- APG continues to demonstrate strong cash conversion post acquisition

$M	FY22	FY21
Operating cashflow	92.0	74.4
+Tax paid	43.4	29.0
– Payments for lease liability	(19.0)	(13.5)
Adjustments		
+ Transaction costs	4.9	1.2
Gross operating cashflow	**121.2**	**91.0**
Underlying EBITDA	175.0	119.4
– Interest (leases)	(4.2)	(3.3)
– Depreciation (leases)	(17.3)	(12.5)
Underlying EBITDA (lease adjusted)	**153.6**	**103.6**
Cash flow conversion	**78.9%**	**86.8%**

Balance sheet and capital management

Deleveraging remains short term priority

- Net Debt[1]/Underlying EBITDA[2] of 2.36x excludes the Vision X deferred vendor payment of $20.8m due in early H2 FY23. Including this item ND/EBITDA is 2.46x
- Deleveraging remains a priority and the short-term target is to reduce leverage to 2.0x by the end of FY23, 6 months later than previous guidance outlined at the time of the APG acquisition
- Medium-term target for Net debt/Underlying EBITDA[2] remains in the range of 1.6x–1.9x

Dividend

- Fully franked final dividend of 22 cents per share
  - Represents 62% of underlying NPAT
- Dividend Reinvestment Plan (DRP) suspended for the FY22 final dividend

$M	FY22	FY21
Current Borrowings	15.0	-
Non-Current Borrowings	511.8	189.2
Cash & Cash Equivalents	(59.4)	(42.6)
Net debt[1]	**467.4**	**146.6**
Underlying EBITDA[2] – Lease Adjusted	197.9	105.8
Net Debt/Underlying EBITDA[3]	**2.36**	**1.39**
Net Interest Expense – Lease Adjusted	14.5	7.1
Underlying EBITDA / Net Interest[3]	**13.69**	**14.90**
Gearing Ratio[3,4]	**35.55%**	**27.20%**

1. Excludes Vision X deferred vendor payment of $20.8m.
2. Underlying EBITDA adjusted to 1) exclude significant items and acquisition related step-up to inventory (FY22), 2) include rolling TTM EBITDA for acquisitions made during the relevant year and 3) adjusted to include lease payments
3. Banking covenants are calculated on a lease-adjusted EBITDA basis that includes full year contributions from the acquired businesses (APG + Vision X)
4. Gearing Ratio = Net Debt / (Net Debt + Equity)

Debt profile

Balance of fixed and floating rates is positive

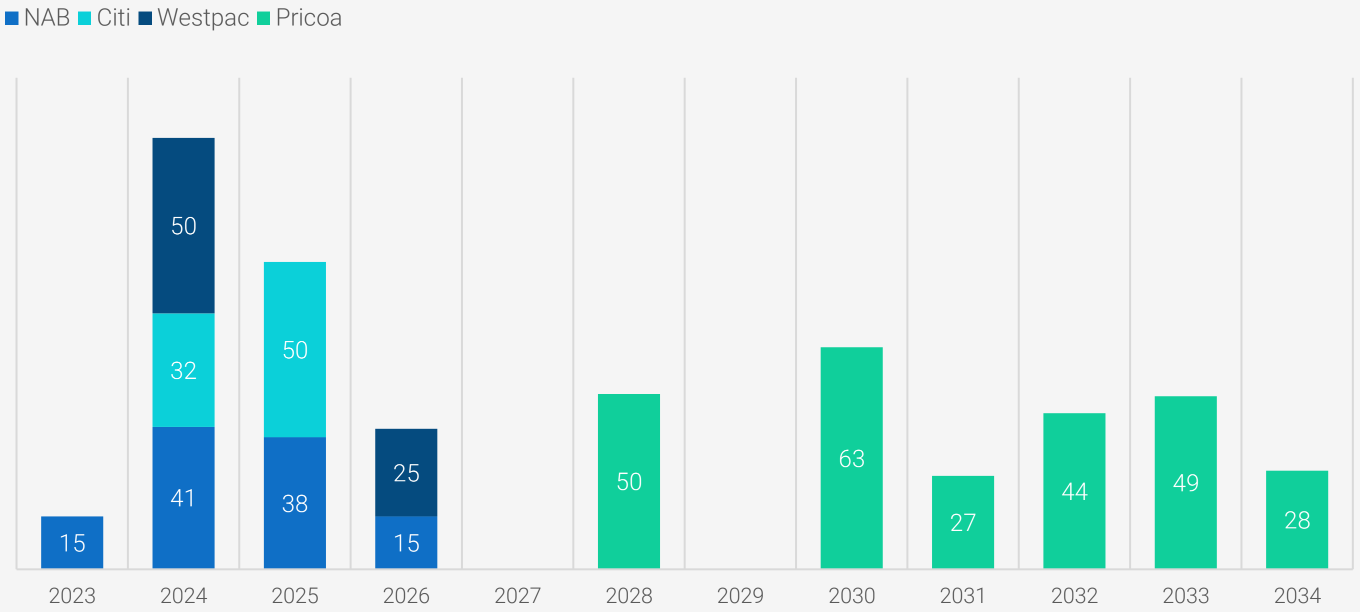
- 66% of gross debt balances fixed or hedged against expected rises in the floating interest rates
  - Interest rate on long-term Pricoa-issued notes (AUD $261m) is fixed with an average rate of 3.6%
  - Citibank, NAB and Westpac are flexible facilities with floating interest rates
  - Floating to fixed interest swap contracts of $87m in place and maturing CY23 to CY25
- Current all-in funding cost of 3.64% (inclusive of unused line fees) with $95m tranche of floating loans due for interest rollover and re-pricing in late August

Maturity profile is low risk

- Maturity tenor is well diversified
- No significant refinancing due until FY24

Significant unutilised borrowing capacity in place (circa $150m) within current covenant capacity

Maturity profile of debt utilised (Financial Year)
in $m



Outlook

Trading update: July 2022

Automotive

- Sales have started positively across many of our legacy (organic) Automotive aftermarket businesses reflecting solid wear and repair parts demand; aided by GUD's strategically higher inventory level
- Independent workshops continue to have strong bookings and are confident about demand but remain concerned about staffing and absenteeism
- Pricing increases through Q1 and 2 are being implemented to offset further cost increases.

APG

- Broader Q1 OEM orders still muted due to their component supply constraints, that said we expect Q1 FY23 to improve slightly vs Q4 FY22
- Positive improvement through Q1 and Q2 is expected with the new Ford Ranger roll out, noting the constrained supply environment
- Price rises implemented July 1 to offset Q4 cost increases
- The trailering business is seeing strong demand for Cruisemaster suspension and potentially new products for caravan assemblers

Water

- Demand remains strong into FY23 and sales have started positively
- Cost inflation is prompting further price rises in Q2

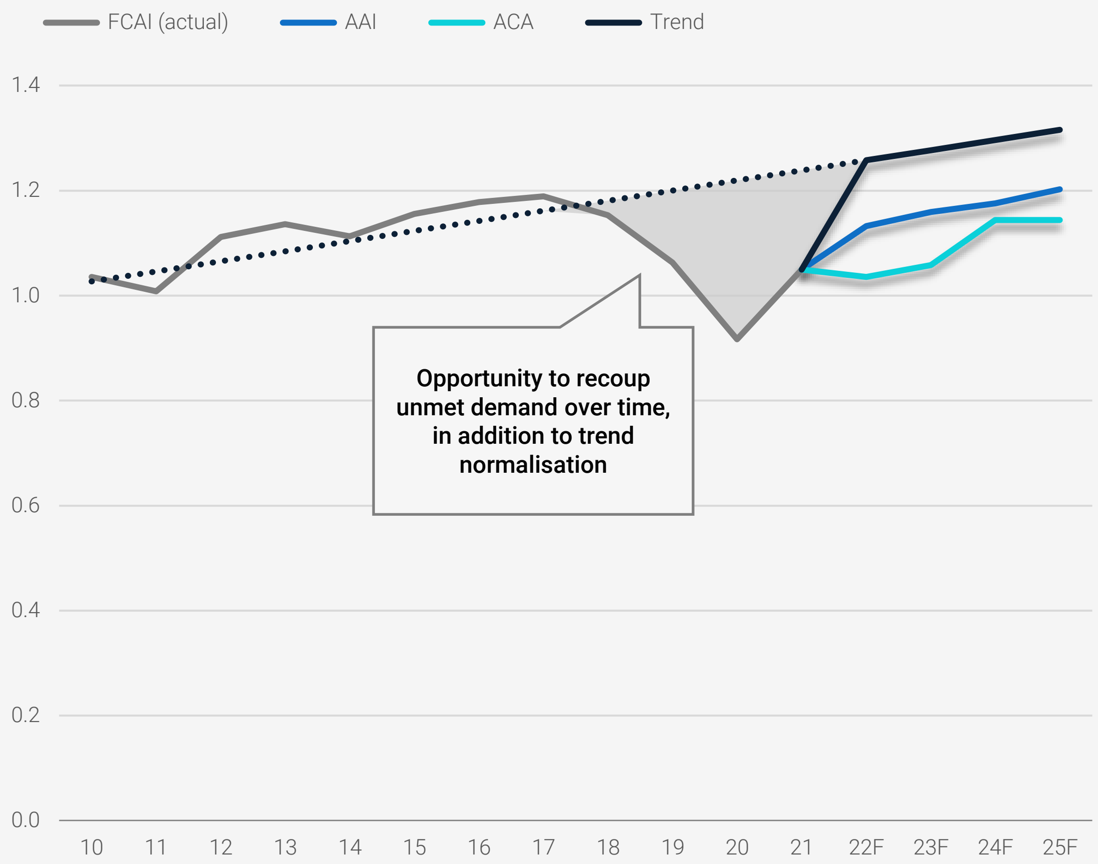
2022 Toyota Landcruiser 300 Series packed with GUD accessories

Outlook: APG

Positive APG outlook as sales projected to normalise to long-term trend

- H1 FY23 new vehicle sales expected to remain subdued as a result of constrained supply, but OEM sales backlogs remain at record levels
- Recovery to long-term trend anticipated to take hold in FY23 and FY24
- The ongoing supply constrained trough in sales represents an opportunity for APG as unmet demand gets fulfilled
- Since the investor day, APG has won new OEM business in both towing, which will result in stronger ANZ market share, and trailering, where two new customers have been secured
- Supply constraints expected to unwind to support unmet demand, and APG will capitalise on market share opportunities as competitors struggle with operational challenges
- GUD remains confident in APG's ability to deliver its business case targets as OEM supply normalises
- Expect EBITA skew of 45% in H1 FY23

New vehicle sales[1,2,3,4]
in millions



Outlook: Automotive (ex APG) and Group

Automotive (ex APG)

- The auto aftermarket is expected to remain robust and GUD believes its growing portfolio is in a strong position to continue to leverage the domestic momentum and further capitalise on the opportunities presented by the prospective offshore markets
- Investment in product development is proving beneficial to both short and long-term outcomes
- The net effect of the tailwinds and headwinds demonstrates that GUD remains well positioned

Water performance is expected to improve in FY23

Group

Margin management remains a focus

- Acquisitions, some organic volume growth (subject to Covid-19 impacts) and focused margin management are expected to be the key profit drivers in FY23
- Incremental investment is planned in FY23 to support key product development, channel and geographic efforts to support future growth
- Corporate costs are expected to increase by circa $2.5m in FY23 on annualisation of higher FY22 costs (D&O insurance, professional services and cyber/IT) as well as investment to support the larger group

NWC

- Inventory will remain elevated levels however planning for some moderation in Q2/3

Capital Management

- Focus on reducing Net Debt/Underlying EBITDA to circa 2x by June 2023
- Expecting cash conversion circa 80 - 85%. Potential upside if supply chains start to normalise

Acquisitions

- Clear integration plans and resources in place for APG and VX

The Group will provide a further trading update at the AGM in October

Aftermarket: Potential Covid-19 effects

↑ Tailwind ↓ Headwind

Key market drivers	Potential effect
Gross domestic product (GDP)	↑
Government stimulus	↑
Lower vehicle miles travelled	↓
Lower public transport use	↑
Higher domestic tourism	↑
Rise in used car sales	↑
Increase in average parc age	↑
More repair, less replacement	↑
Rise in DIY activities	↑
Cost inflation	↓
Supply chain disruption	↓
Export market volatility	↓

Q&A

Appendix

Banking covenant calculations, Net debt/UL EBITDA

Calculation of Net Debt/ UL EBITDA ratio

$M	FY22	FY21
Current borrowings	15.0	-
Non-current borrowings	511.5	189.2
Deferred acquisition consideration	20.8	-
Cash and cash equivalents	59.4	42.6
Net Debt	**487.9**	**146.6**
Banking covenant EBITDA	198.3	105.8
Net Debt/Adjusted EBITDA[1,2] (x)	**2.46**	**1.39**
Net interest[2]	14.5	7.1
EBITDA/Net Interest (x)	**10.86**	**14.90**
Gearing Ratio (%)[3]	**35.5%**	**27.2%**

Calculation of Net Interest

$M	FY22	FY21
Reported Interest (rolling 12 months)	18.6	10.4
Interest on lease liablities	(4.2)	(3.3)
Adjusted Net Interest	**14.5**	**7.1**

1. Banking covenants are calculated on a pre AASB16 basis.
2. For acquisitions, EBITDA is normalized as if GUD had owned the period for a 12-month period.

Calculation of banking covenant EBITDA

$M	FY22
EBIT post AASB 16	77.5
Add ROU depreciation	17.3
Less lease payments	(19.0)
Add other adjustments	1.0
EBIT pre AASB 16	**76.8**
Add Amortisation	11.8
Add Significant items	52.9
Add Inventory stepup	7.2
Add PP&E Depreciation	8.2
Add APG EBITDA full year normalisation	33.0
Add Vision X EBITDA full year normalisation	8.3
Banking Covenant EBITDA	**198.3**

Reconciliation to Segment EBIT (note 7)

Automotive Segment (ex APG) (in $M)	FY22	FY21	% Change
Automotive Revenue	575.8	443.5	29.8%
Organic Automotive Revenue[1]	*416.6*	*391.0*	*6.5%*
Automotive Acquisition Revenue (excl. APG)	*159.2*	*52.5*	*203.1%*
Underlying EBITDA including JobKeeper	144.6	115.1	25.7%
Government Subsidies	0.0	(2.8)	0.0%
Underlying EBITDA	144.6	112.3	28.8%
Depreciation	(15.5)	(12.8)	21.7%
Underlying EBITA	129.1	99.5	26.2%
Amortisation[2]	(1.7)	(0.4)	586.5%
Automotive Underlying EBIT	**127.4**	**99.1**	**28.5%**
Inventory step up related to Vision X acquisition[3]	(1.9)	-	
Acquired Amortisation[4]	(1.2)	-	
Automotove EBIT pre signficant items	**124.3**	**99.1**	**25.4%**
Significant items[5]	(0.0)	(2.3)	(98.9%)
Segment EBIT	**124.2**	**96.8**	**28.3%**

Water Segment (in $M)	FY22	FY21	% Change
Revenue	126.9	113.5	11.9%
Underlying EBITDA	**8.9**	**9.0**	**(1.7%)**
Depreciation and amortisation	(4.3)	(4.3)	1.6%
Underlying EBIT	**4.5**	**4.8**	**(4.7%)**
Underlying EBIT margin	*3.6%*	*4.2%*	
Impairment – inventory	(10.5)	-	
Impairment – goodwill and intangibles[6]	(37.5)	-	
Restructuring	-	(0.4)	
Segment EBIT	**(43.5)**	**4.4**	**n.m.**

APG Segment (in $M)	FY22
Revenue	132.7
Operating costs	(102.8)
Underlying EBITDA	**29.9**
Depreciation and Amortisation	(5.6)
Underlying EBIT	**24.3**
Inventory step up related to acquisition[3]	(5.3)
Acquired amortisation[4]	(8.9)
EBIT pre significant items	**10.1**
Significant items[5]	(0.1)
Segment EBIT	**10.0**

Notes

1. 'Organic' excludes G4CVA, ACS and Vision X (i.e., businesses that have been held for more than 12 months in both reporting periods)
2. Amortisation excludes the amortisation of acquired intangibles relating to the acquisitions of Vision X and APG
3. Non-cash inventory step up costs disclosed in note 30 (a) of the financial statements
4. Amortisation of acquired intangibles
5. Significant items are detailed on slide 29
6. Refer to note 16 of the financial statements

Debt profile and available facilities

Further debt raising was completed in FY22 to support growth strategy

- Vision X Group acquired in November 2021 for US $53m (AUD $71m) before a vendor earn out period of three years
- AutoPacific Group was acquired in January 2022 for AUD $742m
- The APG business also completed the acquisition of Christine Products in NZ for NZ$6.5m (AUD $6.1m)
- Total cost of acquisitions (net of cash acquired) was $786.2m
- To fund the acquisitions, expanded debt funding was completed with existing lenders alongside an equity capital raising in December 2021
- No debt underwriting fees were incurred and arrangement fees were expensed in H1 FY22
- Significant un-utilised facility remain in place and includes facilities to support GUD's global growth strategy in the United States and Korea

AUD $M		Pre-Acquisition	Facility added	30 June 2022
Available Facilities	Westpac[1]	75.0	90.0	165.0
	NAB	75.0	75.0	150.0
	Citi[2]	30.0	66.0	96.0
	Pricoa[3]	50.0	211.4	261.4
	Total Available Facility	**230.0**		**672.4**
	Utilisation	**207.6**		**526.8**
	Unutilised Facility	**22.4**		**145.6**

1. Excludes overdraft facility
2. Includes offshore facilities offered in USD.
3. Pricoa notes have been issued in both AUD and USD.

$M		Commitment	Utilised	Unutilised
Facility breakdown between country	Australia			
	- $AUD	589	454.6	134.7
	- $USD	31.7	31.7	-
	New Zealand ($NZD)	25.0	19.5	5.5
	United States ($USD)	3.0	0.9	2.1
	Korea ($USD) [4]	8.0	6.2	1.8

4. Drawdowns are made in KRW with the facility commitment measured in USD.

Acquisitions well aligned to portfolio vision and support broader growth strategy

	GUD Automotive (core including ACS)	**Vision X** (automotive lighting)	**G4CVA** (4WD accessories)	**APG** (4WD accessories & Trailering)	**GUD + Vision X + G4CVA + APG**
Automotive addressable market	c.$4.8 billion	+ c.$3.0 billion	+ c.$0.5 billion	+ c.$1.1 billion	**Doubled addressable market to c.$9.3 billion**
GUD's market position	Strong in-service parts #1 in filtration	Entry to USA market	#1 in alloy frontal protection (4WD)	#2 in ANZ 4WD market	**A leader in service parts *and* 4WD accessories**
Vehicle lifecycle	Predominantly aftermarket	Predominantly aftermarket	Aftermarket + some new vehicle (OEM)	New vehicle (OEM) + aftermarket	**Covers the full lifecycle from new vehicle sale to aftermarket service**
Channel and customer	Sticky aftermarket relationships	Sticky aftermarket relationships	Strong 4WD specialist distribution	Longstanding bluechip OEMs relationships	**Broad channel access through OEM and aftermarket**
Product range	Powertrain parts, undercar, lighting, power management	Expands lighting with mining, emergency	Frontal protection, canopies, service bodies, trays, camping	Towing, trailering, cargo management, functional accessories	**Highly complementary products create a one-stop-shop opportunity**
Manufacturing & IP	Local engineering, design Long tail (barrier to entry)	Manufacturing in USA, South Korea, China	ANZ manufacturing facilities (high value)	89 engineers, ANZ + Thai manufacturing, long tail	**Synergies in R&D and large scale, modern manufacturing**
		Twisted Throttle bolt-on adds online, motorcycle and East Coast capabilties		Christine Products bolt-on adds trailering capabilities in NZ	**Acquisition opportunities fuel further growth**

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Financial data

All dollar values are in Australian dollars ($) unless stated otherwise.

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