



**GUD Holdings Limited**  
**Results for half year ended**  
**31 December 2005**

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GUD Holdings Limited

# Result highlights



- ◆ Sales increased 14% to \$241 million
- ◆ Trading EBITA increased 8% to \$34.4 million
- ◆ Trading EBITA/Sales margin slightly lower at 14.3%
- ◆ First contribution from Oates Clean acquisition
- ◆ Improving performance in Victa with more to come
- ◆ Automotive benefited from last year's restructuring
- ◆ Reported net profit up 83% to \$20.2 million from \$11.1 million
- ◆ No individually significant items in current half versus \$8.8 million charge previously
- ◆ Reported earnings per share up 84% to a record 33.7 cents
- ◆ Interim dividend per share up 17% to 27 cents fully franked
- ◆ Delivered satisfactory returns in a tough environment

# Group overview



\$million	FY01	FY02	FY03	FY04			FY05			FY06
				H1	H2	FY04	H1	H2	FY05	H1
Working Capital	84.1	63.4	57.1	75.8	66.1	66.1	94.3	77.0	77.0	109.8
PP&E	58.6	40.9	37.5	35.3	36.8	36.8	27.2	27.2	27.2	36.0
<b>Capital Employed</b>	<b>204.9</b>	<b>160.2</b>	<b>147.9</b>	<b>162.0</b>	<b>160.3</b>	<b>160.3</b>	<b>188.0</b>	<b>171.9</b>	<b>171.9</b>	<b>225.9</b>
<b>Sales</b>	<b>341.2</b>	<b>365.9</b>	<b>372.4</b>	<b>211.6</b>	<b>182.2</b>	<b>393.8</b>	<b>210.7</b>	<b>183.8</b>	<b>394.4</b>	<b>241.1</b>
EBITDA	35.6	45.4	54.3	38.8	35.6	74.4	34.7	33.8	68.4	38.1
Depreciation	9.0	7.6	6.7	3.7	3.6	7.4	2.8	2.1	4.9	3.7
<b>EBITA</b>	<b>26.6</b>	<b>37.8</b>	<b>47.5</b>	<b>35.1</b>	<b>32.0</b>	<b>67.1</b>	<b>31.9</b>	<b>31.6</b>	<b>63.5</b>	<b>34.4</b>
Amortisation	1.4	2.9	3.3	1.7	2.8	4.5	1.1	3.7	4.8	2.0
<b>EBIT</b>	<b>25.1</b>	<b>34.9</b>	<b>44.3</b>	<b>33.4</b>	<b>29.2</b>	<b>62.6</b>	<b>30.8</b>	<b>28.0</b>	<b>58.7</b>	<b>32.4</b>
Interest	6.5	5.3	3.7	1.4	1.1	2.4	1.7	2.2	3.9	3.3
<b>Profit before Tax</b>	<b>18.6</b>	<b>29.6</b>	<b>40.6</b>	<b>32.0</b>	<b>28.2</b>	<b>60.2</b>	<b>29.1</b>	<b>25.8</b>	<b>54.9</b>	<b>29.1</b>
Tax	7.0	8.8	13.2	9.6	8.8	18.4	9.2	8.0	17.1	8.9
<b>NOPAT</b>	<b>11.6</b>	<b>20.8</b>	<b>27.4</b>	<b>22.4</b>	<b>19.4</b>	<b>41.7</b>	<b>19.9</b>	<b>17.9</b>	<b>37.8</b>	<b>20.2</b>
<b>Trading EPS* - cents</b>	<b>17.9</b>	<b>33.7</b>	<b>45.3</b>	<b>36.7</b>	<b>31.8</b>	<b>68.6</b>	<b>32.9</b>	<b>29.8</b>	<b>63.0</b>	<b>33.7</b>
<b>ISI After Tax</b>	<b>(1.0)</b>	<b>(14.4)</b>	<b>(5.6)</b>	<b>(2.1)</b>	<b>(4.1)</b>	<b>(6.2)</b>	<b>(8.8)</b>	<b>0.0</b>	<b>(8.8)</b>	<b>0.0</b>
<b>Reported Profit</b>	<b>10.7</b>	<b>6.4</b>	<b>21.8</b>	<b>20.3</b>	<b>15.3</b>	<b>35.5</b>	<b>11.1</b>	<b>17.9</b>	<b>28.9</b>	<b>20.2</b>
<b>Reported EPS - cents</b>	<b>16.4</b>	<b>10.4</b>	<b>36.0</b>	<b>33.2</b>	<b>25.1</b>	<b>58.4</b>	<b>18.3</b>	<b>29.8</b>	<b>48.3</b>	<b>33.7</b>
<b>Dividend per share</b>	<b>15.0</b>	<b>16.5</b>	<b>26.0</b>	<b>17.0</b>	<b>23.0</b>	<b>40.0</b>	<b>23.0</b>	<b>27.0</b>	<b>50.0</b>	<b>27.0</b>

\*Note: Excluding individually significant items

- ◆ Reported EPS of 33.7 cents marginally above previous record of 33.2 cents in FY04
- ◆ Trading EPS (excluding ISI) increased 2%

# Brand portfolio

## Consumer



**VICTA**  
TURNS GRASS INTO LAWN



## Automotive



## Water

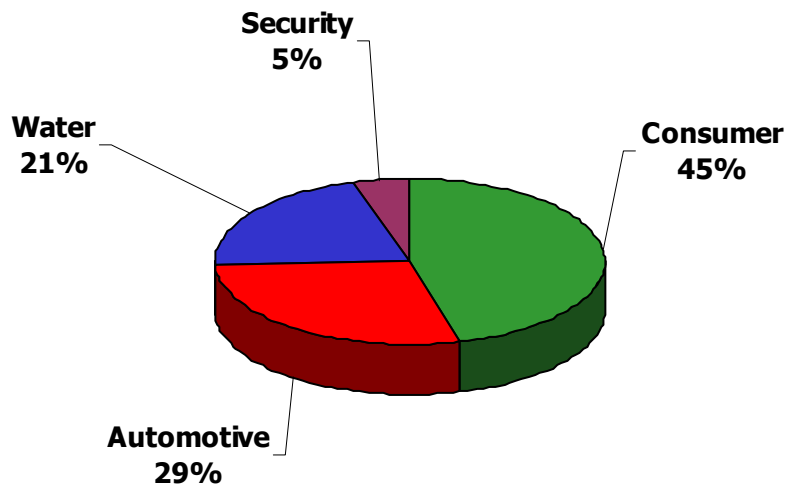


## Security

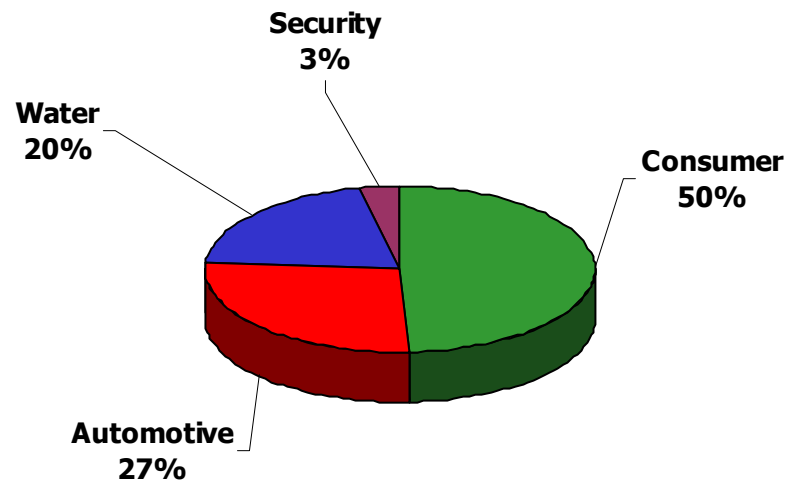


- ◆ Added Oates Clean to portfolio in July 2005
- ◆ Acquisition strategy remains focused on:
  - Growing portfolio of Australian and New Zealand brands
  - Industrial and consumer sectors
  - EPS positive both short and long term

## H1 FY05



## H1 FY06

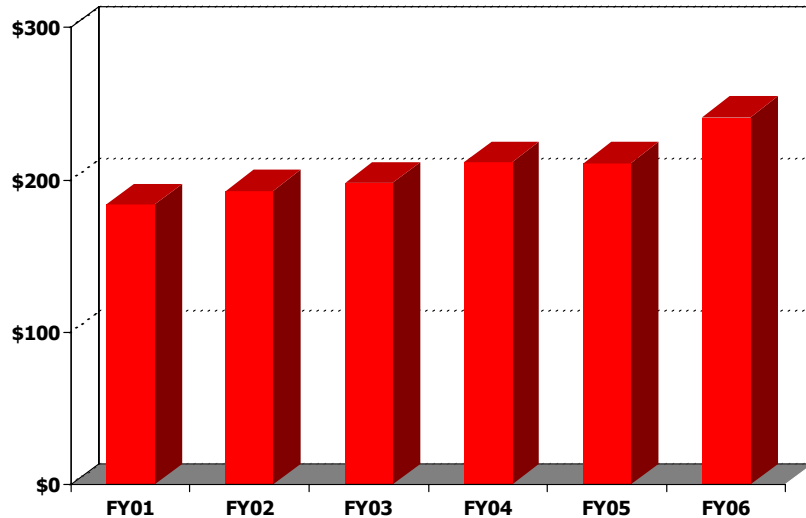


- ◆ Exposure to non-discretionary categories increased within Consumer Products

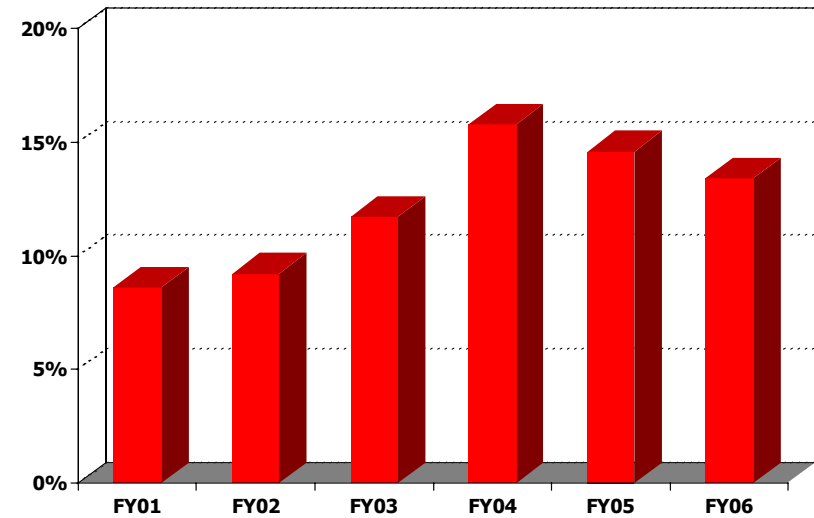
# First half sales and EBIT margin



## Sales - \$m



## EBIT/Sales %



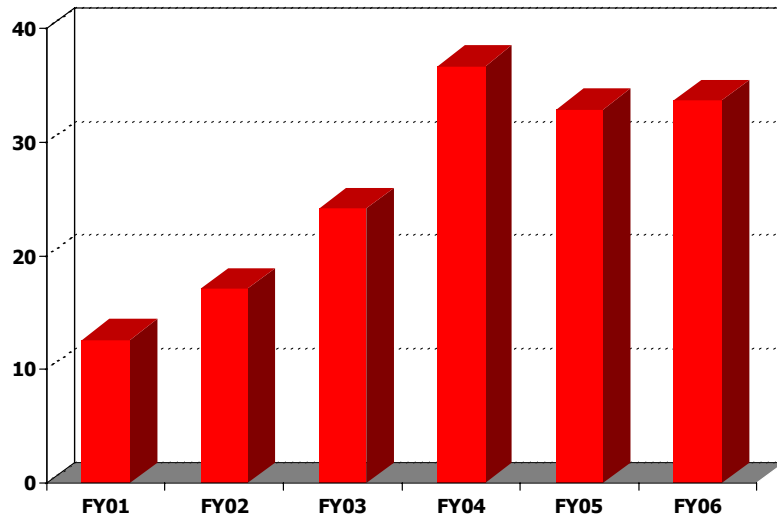
Note: Excluding individually significant items

- ◆ Challenges included slower discretionary spending, higher fuel costs and increased activity at entry level price points
- ◆ Brand strength, cost controls, outsourcing and restructuring initiatives protected margins

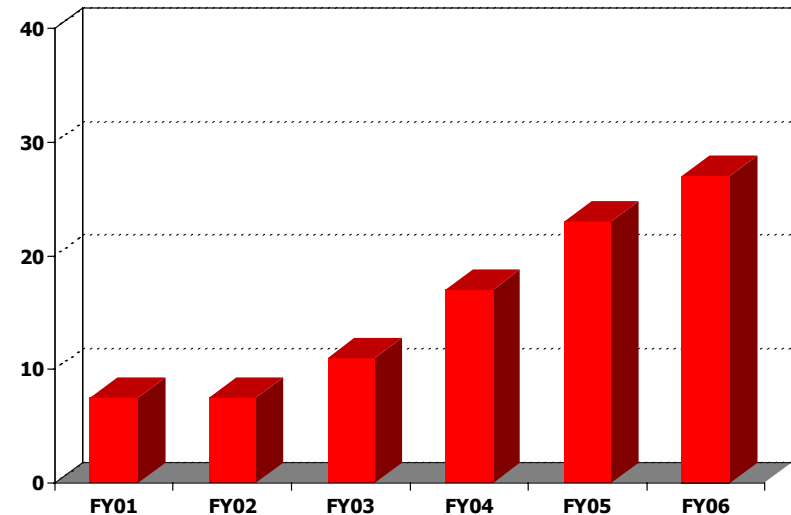
# First half EPS and interim dividend



## EPS



## Interim Dividend



Note: Excluding individually significant items

- ◆ Interim dividend up 17% to 27 cents from 23 cents last year
- ◆ Payout ratio 80% on EPS of 33.7 cents
- ◆ Compound annual growth in interim dividend 29% over 5 years
- ◆ Consistent dividend growth remains a priority

\$million	FY03			FY04			FY05			FY06
	H1	H2	FY03	H1	H2	FY04	H1	H2	FY05	H1
Working Capital	51.7	24.7	24.7	40.0	29.4	29.4	56.4	35.2	35.2	66.8
PP&E	10.7	10.2	10.2	8.4	9.3	9.3	9.7	9.5	9.5	17.7
<b>Capital Employed</b>	<b>109.5</b>	<b>82.9</b>	<b>82.9</b>	<b>97.8</b>	<b>83.3</b>	<b>83.3</b>	<b>112.7</b>	<b>91.7</b>	<b>91.7</b>	<b>144.9</b>
<b>Sales</b>	<b>107.0</b>	<b>94.8</b>	<b>201.8</b>	<b>121.7</b>	<b>101.5</b>	<b>223.2</b>	<b>117.0</b>	<b>98.1</b>	<b>215.1</b>	<b>148.7</b>
EBITDA	13.4	11.7	25.1	20.8	19.2	40.0	16.3	17.0	33.3	20.1
Depreciation	1.1	1.1	2.3	1.4	1.5	2.9	1.2	1.2	2.4	2.1
EBITA	12.3	10.6	22.8	19.4	17.7	37.2	15.1	15.8	30.9	18.0
Amortisation	0.8	1.3	2.0	1.2	1.5	2.7	1.1	1.4	2.4	2.0
<b>EBIT</b>	<b>11.5</b>	<b>9.3</b>	<b>20.8</b>	<b>18.2</b>	<b>16.2</b>	<b>34.5</b>	<b>14.0</b>	<b>14.5</b>	<b>28.5</b>	<b>16.0</b>
<b>EBIT/Sales Margin</b>	<b>11%</b>	<b>10%</b>	<b>10%</b>	<b>15%</b>	<b>16%</b>	<b>15%</b>	<b>12%</b>	<b>15%</b>	<b>13%</b>	<b>11%</b>

Note: Excluding individually significant items

- ◆ EBITA up 19% to \$18.0 million
- ◆ Margins reflect tougher environment over past two years
- ◆ Sunbeam new products and market share growth have ensured returns remain well above the cost of capital
- ◆ Sunbeam well positioned to grow as retail conditions improve
- ◆ Recovery within Victa underway
- ◆ Victa outsourcing program beginning to gather momentum
- ◆ Oates Clean acquisition underpinned growth – added \$30.6 million to sales

# Automotive Products



\$million	FY03			FY04			FY05			FY06
	H1	H2	FY03	H1	H2	FY04	H1	H2	FY05	H1
Working Capital	18.1	16.8	16.8	17.0	15.6	15.6	13.1	16.0	16.0	14.6
PP&E	18.4	17.4	17.4	16.2	15.2	15.2	7.0	6.8	6.8	6.8
<b>Capital Employed</b>	<b>39.5</b>	<b>37.2</b>	<b>37.2</b>	<b>36.4</b>	<b>33.9</b>	<b>33.9</b>	<b>23.1</b>	<b>25.6</b>	<b>25.6</b>	<b>24.3</b>
<b>Sales</b>	<b>43.8</b>	<b>42.0</b>	<b>85.8</b>	<b>44.2</b>	<b>41.8</b>	<b>86.0</b>	<b>40.1</b>	<b>38.5</b>	<b>78.7</b>	<b>36.0</b>
EBITDA	8.5	9.4	17.9	10.9	10.6	21.5	9.1	9.3	18.4	9.1
Depreciation	1.3	1.3	2.6	1.4	1.4	2.8	0.3	0.3	0.7	0.2
EBITA	7.2	8.2	15.4	9.6	9.2	18.8	8.7	9.0	17.7	8.9
Amortisation	0.1	0.1	0.2	0.1	0.3	0.3	0.0	0.1	0.1	0.0
<b>EBIT</b>	<b>7.1</b>	<b>8.1</b>	<b>15.2</b>	<b>9.5</b>	<b>9.0</b>	<b>18.4</b>	<b>8.7</b>	<b>8.9</b>	<b>17.6</b>	<b>8.9</b>
<b>EBIT/Sales Margin</b>	<b>16%</b>	<b>19%</b>	<b>18%</b>	<b>21%</b>	<b>21%</b>	<b>21%</b>	<b>22%</b>	<b>23%</b>	<b>22%</b>	<b>25%</b>

Note: Excluding individually significant items

- ◆ EBITA up 2% to \$8.9 million
- ◆ Restructuring strategy proving successful
- ◆ Implemented Ryco re-branding
- ◆ Expanded Ryco range in traditional filters and into emerging cabin air filtration
- ◆ Outsourced products meeting Ryco quality expectations
- ◆ Growing Wesfil branch network

\$million	FY03			FY04			FY05			FY06
	H1	H2	FY03	H1	H2	FY04	H1	H2	FY05	H1
Working Capital	10.3	9.1	9.1	11.3	15.5	15.5	16.8	18.4	18.4	19.8
PP&E	7.3	7.2	7.2	7.2	9.1	9.1	9.0	8.6	8.6	7.5
<b>Capital Employed</b>	<b>22.1</b>	<b>21.3</b>	<b>21.3</b>	<b>23.2</b>	<b>38.1</b>	<b>38.1</b>	<b>38.8</b>	<b>44.8</b>	<b>44.8</b>	<b>46.4</b>
<b>Sales</b>	<b>40.1</b>	<b>31.8</b>	<b>71.9</b>	<b>38.6</b>	<b>34.2</b>	<b>72.8</b>	<b>46.4</b>	<b>41.8</b>	<b>88.2</b>	<b>49.7</b>
EBITDA	4.8	4.3	9.1	5.2	5.0	10.2	7.4	5.9	13.3	7.6
Depreciation	0.7	0.7	1.5	0.7	0.9	1.6	1.1	1.1	2.2	1.1
EBITA	4.1	3.6	7.7	4.5	4.1	8.6	6.3	4.8	11.1	6.6
Amortisation	0.2	0.1	0.3	0.2	0.2	0.3	0.0	0.7	0.7	0.0
<b>EBIT</b>	<b>3.9</b>	<b>3.5</b>	<b>7.4</b>	<b>4.3</b>	<b>3.9</b>	<b>8.3</b>	<b>6.3</b>	<b>4.1</b>	<b>10.4</b>	<b>6.6</b>
<b>EBIT/Sales Margin</b>	<b>10%</b>	<b>11%</b>	<b>10%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>14%</b>	<b>10%</b>	<b>12%</b>	<b>13%</b>

Note: Excluding individually significant items

- ◆ EBITA up 5% to \$6.6 million
- ◆ Operational cost reduction initiatives underway in Davey
- ◆ Selectively replacing non-competitive products with outsourced alternatives
- ◆ New products launched including Torrium pump controller and new FireFighter pump
- ◆ Contamination Control acquisition offset tough trading conditions in established markets
- ◆ CC water treatment products introduced to Australian dealers
- ◆ Spa-Quip's market affected by lower consumer spending

\$million	FY03			FY04			FY05			FY06
	H1	H2	FY03	H1	H2	FY04	H1	H2	FY05	H1
Working Capital	1.8	2.2	2.2	3.2	2.9	2.9	3.2	3.2	3.2	2.9
PP&E	3.3	3.2	3.2	3.4	3.4	3.4	3.7	3.8	3.8	4.1
<b>Capital Employed</b>	<b>11.6</b>	<b>11.9</b>	<b>11.9</b>	<b>12.6</b>	<b>11.7</b>	<b>11.7</b>	<b>12.1</b>	<b>11.9</b>	<b>11.9</b>	<b>12.5</b>
<b>Sales</b>	<b>7.0</b>	<b>6.5</b>	<b>13.5</b>	<b>7.1</b>	<b>6.3</b>	<b>13.4</b>	<b>7.2</b>	<b>6.2</b>	<b>13.3</b>	<b>6.8</b>
EBITDA	1.2	1.0	2.2	1.9	1.5	3.3	1.7	1.5	3.3	1.5
Depreciation	0.3	0.2	0.4	0.3	0.3	0.6	0.3	0.3	0.6	0.3
EBITA	0.9	0.9	1.8	1.6	1.2	2.8	1.5	1.2	2.7	1.1
Amortisation	0.3	0.3	0.6	0.3	0.4	0.7	0.0	0.6	0.6	0.0
Add back: Asian Costs	0.5	0.4	0.9							
<b>EBIT</b>	<b>1.1</b>	<b>1.0</b>	<b>2.1</b>	<b>1.3</b>	<b>0.8</b>	<b>2.1</b>	<b>1.5</b>	<b>0.6</b>	<b>2.1</b>	<b>1.1</b>
<b>EBIT/Sales Margin</b>	<b>16%</b>	<b>15%</b>	<b>16%</b>	<b>18%</b>	<b>13%</b>	<b>15%</b>	<b>21%</b>	<b>10%</b>	<b>16%</b>	<b>16%</b>

Note: Excluding individually significant items

- ◆ EBITA down 25% to \$1.1 million
- ◆ Patchy trading conditions across all market segments
- ◆ Commissioned further automated equipment to lower future costs

- ◆ Full year guidance remains unchanged
- ◆ FY06 trading profit to exceed FY05 performance
- ◆ Recent acquisitions will continue to offset the tough environment
- ◆ Active cost management, outsourcing and new products support organic growth
- ◆ Success with significant acquisitions will deliver additional EPS growth
- ◆ FY06 dividend growth of 15% to 20% is achievable with current portfolio