

Results for half year ended

31 December 2009

GUD Holdings



Ian Campbell
Managing Director

Result key points

Consumer

Water

GUD Holdings

Automotive

Security

- ▶ Reported NPAT up 46% to a record \$24.8 million
- ▶ Sales up 6% to \$251.5 million
- ▶ EBIT up 14% to \$37.3 million
- ▶ EBIT improved across all business segments
- ▶ EBIT/sales margin increased to 14.8% from 13.7%
- ▶ High level of operating cash flow at \$20.7 million
- ▶ Net debt declined 25% to \$92.5 million compared to December 2008
- ▶ Record first half EPS of 41 cents
- ▶ Interim dividend increased 4% to 28 cents fully franked

Financial summary

Consumer
Water

GUD Holdings

Automotive
Security

	FY09 H1	FY10 H1	% Change	
Sales	237.3	251.5	6%	
EBITDA	37.8	42.8	13%	Sales growth and tight cost control led to 13% increase in EBITDA
Depreciation	2.7	3.1		
Amortisation	2.5	2.4		
EBIT	32.6	37.3	14%	
Interest	5.0	2.7		Reduction in interest rates and net debt reflected in reduced interest cost
Profit before Tax	27.6	34.6		
Tax	8.1	9.8		
Underlying NPAT	19.5	24.8	27%	
Restructuring Costs				
Interest Hedging Restructure	(2.6)			
Reported NPAT	16.9	24.8	46%	No significant items in FY10 H1
EPS & Dividend - cents				
Underlying EPS	33.8	41.0	21%	
Reported EPS	29.3	41.0	40%	
Dividend	27.0	28.0	4%	

Cash flow and balance sheet

Consumer

Water

GUD Holdings

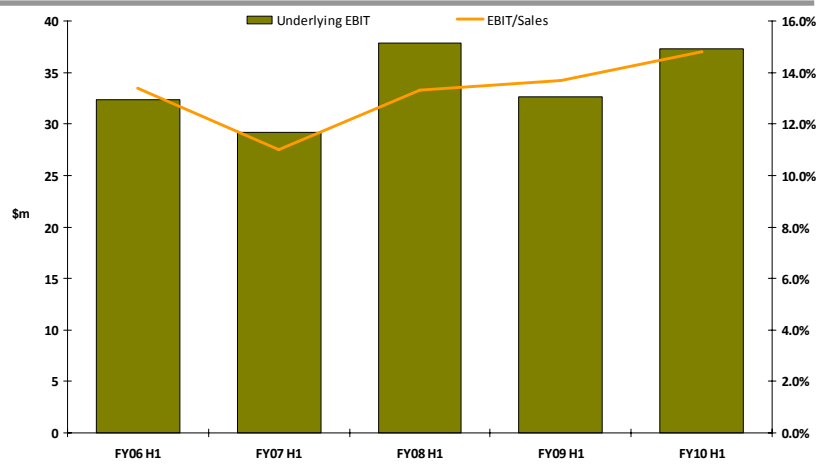
Automotive

Security

- ▶ Operating cash flow improved \$27.1 million on pcp
- ▶ Working capital reduced by \$19.6 million on pcp to \$110.7 million:
 - > Trade receivables down \$9.3 million
 - > Inventories down \$9.6 million
 - > Trade payables down \$2.1 million
- ▶ Product development expenditure maintained at \$2.2 million
- ▶ Capital expenditure at sustainable level of \$2.4 million
- ▶ Net debt reduction of 25% despite seasonal peak for receivables
- ▶ Interest cover (EBIT/Net Interest) improved to 13.8 times from 6.5 times

Trading conditions

Underlying EBIT and EBIT margin



Results up to FY08 include contribution from Victa

GUD Holdings

Automotive
Security

Consumer
Water

- ▶ Trading conditions solid and market share gains contributed to growth
- ▶ EBIT margin improvement driven by Water and Security businesses
- ▶ Margins maintained in Consumer and Automotive businesses
- ▶ Overall margins constrained as lower value currency hedges unwound

Business unit summary

Consumer

Water

GUD Holdings

Automotive

Security

Consumer



EBIT up 5% to \$17.1 million

Water



EBIT up 41% to \$11.8 million

Automotive



EBIT up 6% to \$10.4 million

Security



EBIT up 123% to \$1.1 million

Consumer Products

Consumer
Water

GUD Holdings

Automotive
Security



\$ million	FY09 H1	FY10 H1	% Change
Sales	126.8	132.5	4%
EBITDA	19.5	20.5	5%
Depreciation	0.9	1.2	34%
Amortisation	2.3	2.2	-2%
EBIT	16.3	17.1	5%
<i>EBIT/Sales %</i>	<i>13%</i>	<i>13%</i>	

- ▶ Sunbeam and Oates brand leadership positions supported sales growth
- ▶ EBIT margin maintained
- ▶ EBIT improvement underpinned by reduction in overhead costs
- ▶ Benefits of higher currency not yet fully reflected

Water Products

Consumer
Water

GUD Holdings

Automotive
Security



\$ million	FY09 H1	FY10 H1	% Change
Sales	65.7	70.9	8%
EBITDA	9.7	13.2	35%
Depreciation	1.1	1.1	0%
Amortisation	0.2	0.2	-1%
EBIT	8.4	11.8	41%
<i>EBIT/Sales %</i>	<i>13%</i>	<i>17%</i>	

- ▶ Sales improvement driven by domestic growth and market share gains
- ▶ Strong firefighter season and continued growth in water conservation products
- ▶ Recovery in pool and spa sales due to recently implemented actions
- ▶ Sales growth and lower overheads contributed to EBIT improvement

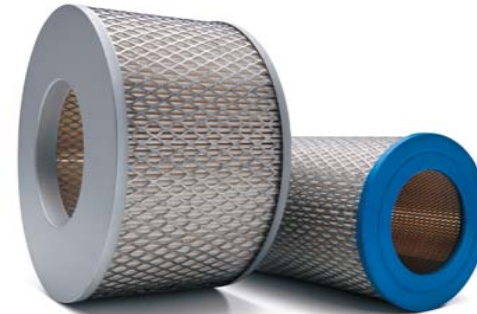
Automotive Products

Consumer
Water

GUD Holdings

Automotive
Security

\$ million	FY09 H1	FY10 H1	% Change
Sales	38.6	41.6	8%
EBITDA	10.1	10.7	6%
Depreciation	0.3	0.3	9%
Amortisation	0.0	0.0	
EBIT	9.8	10.4	6%
<i>EBIT/Sales %</i>	<i>25%</i>	<i>25%</i>	



- ▶ Both Ryco and Wesfil continue to improve market share
- ▶ Growth in sales predominantly from Wesfil
- ▶ All businesses contributed positively to EBIT growth
- ▶ Goss integration completed; lower cost base not fully reflected in results

Security Products

Consumer
Water

GUD Holdings

Automotive
Security



\$ million	FY09 H1	FY10 H1	% Change
Sales	6.4	6.6	3%
EBITDA	0.9	1.6	77%
Depreciation	0.4	0.5	17%
Amortisation	0.0	0.0	
EBIT	0.5	1.1	123%
<i>EBIT/Sales %</i>	<i>8%</i>	<i>17%</i>	

- ▶ EBIT margin recovered to historical levels
- ▶ Previous price increases evident in margin improvement
- ▶ New products into vehicle and commercial property starting to contribute
- ▶ Focus on product and customer profitability having positive effect

Outlook

Consumer

Water

GUD Holdings

Automotive

Security

- ▶ Consistent trading conditions in second half expected
- ▶ Benefits from higher exchange rate to be partially offset by:
 - > Higher commodity prices leading to product cost increases
 - > Higher costs in China – labour and currency
- ▶ Further interest rate rises may result in slowing demand
- ▶ Capacity for additional acquisitions
- ▶ Growth outlook underpinned by:
 - > Continued focus on product innovation, costs and brand management
 - > Tight working capital control
- ▶ Full year group EBIT forecast \$64 - \$68 million