

Investor Day – 1 October 2019

Filtration Overview

Graeme Whickman

CEO GUD Holdings Ltd



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Australian Filter Segment

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Brand Position	GUD Brands	Competitor Brands
Best	 The logo for RYCO FILTERS, featuring the word "RYCO" in large, bold, red capital letters, with "FILTERS" in smaller, black capital letters below it.	OE Mann (Euro range)
Better	 The logo for WESFIL, featuring a stylized blue and white "W" with a red circle in the center, and the word "WESFIL" in bold, black capital letters below it.	House Brands - Repco Sakura AC Delco Fram
Good (approx. 10% of segment)		House Brands - Silverline Valvoline

Ryco and Wesfil

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Business Model	Pull model	Push model
Positioning	Premium	Value
Product	Meets or exceeds OE spec	Fit for purpose
Distribution	National distribution chains	Independent Resellers & Bapcor (started as an Independent)
Category Management	Through national head offices	Per store
Fulfillment Model	Large single DC that feeds customer's multi-site distribution networks	8 strategically located warehouses

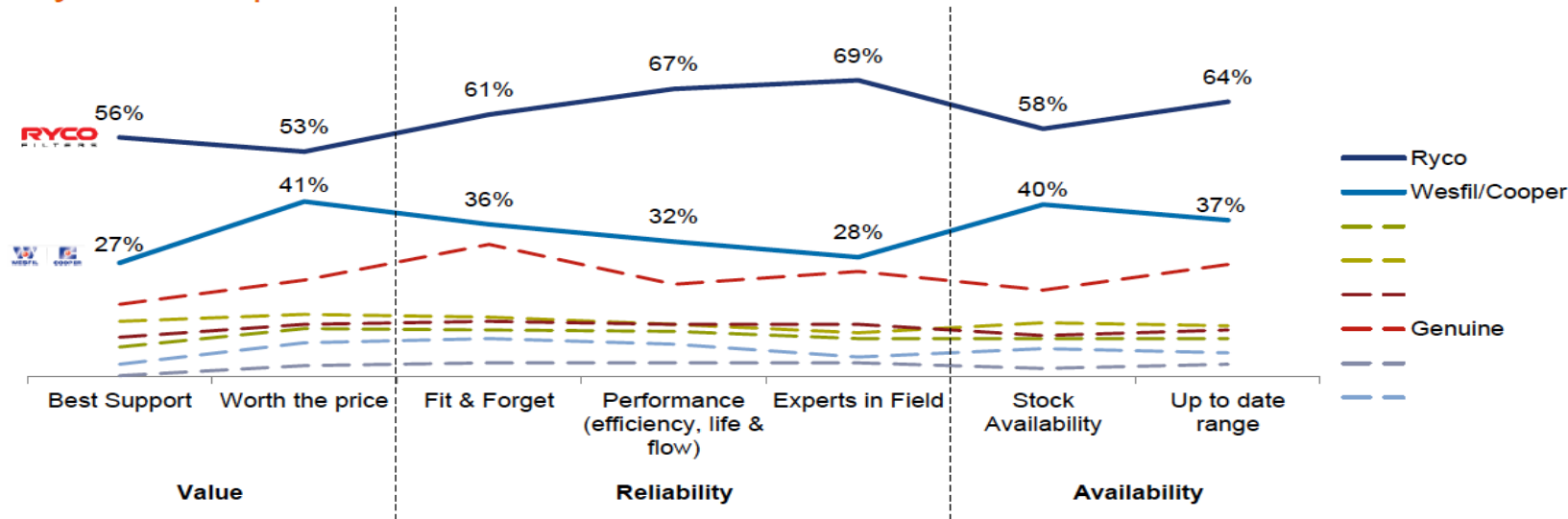
Independent workshop perception of key filter brand attributes

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GUD brands lead the way in attributes performance against the competitors, especially in terms of reliability



Key attribute performance – Australia

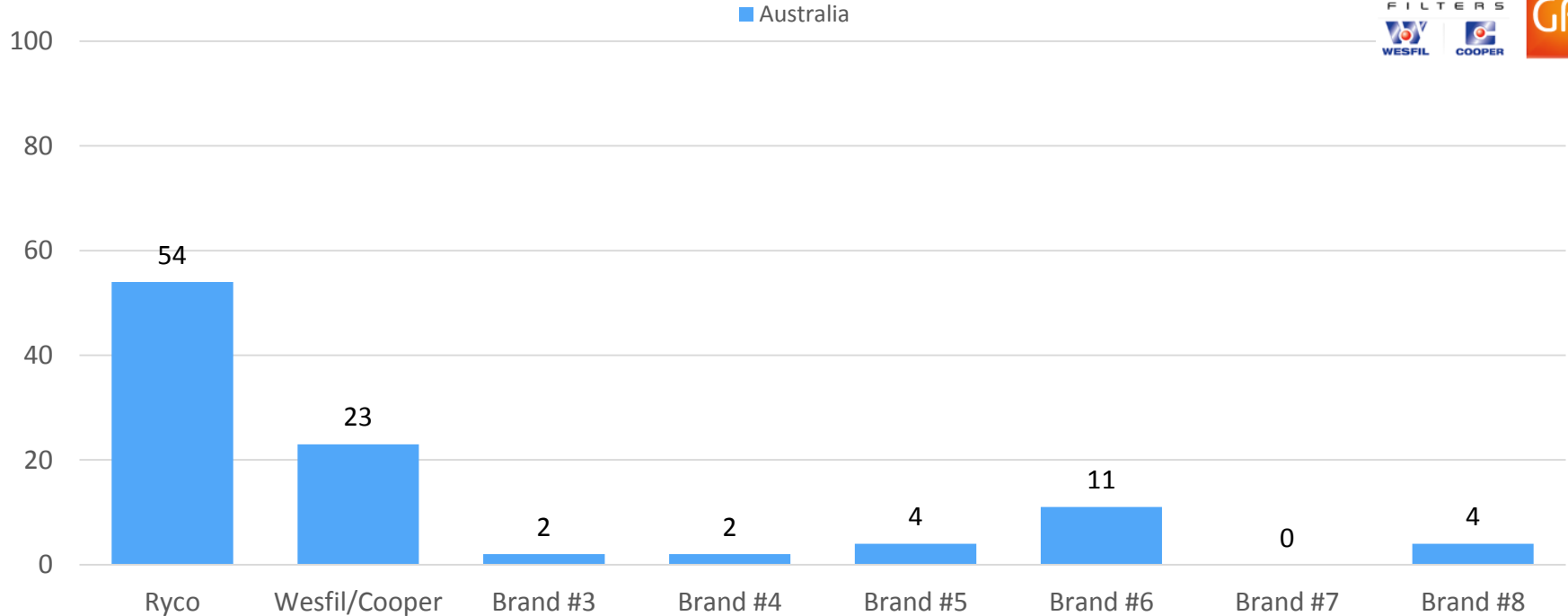


Base: Australia n=300 (NSW, QLD, VIC)

If customers are asked to choose one brand to recommend, more than 50% choose Ryco

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Recommend one brand



Q5b.If you had to recommend one brand of filters to somebody, which brand would it be?
Base: Australia n=300, NSW n=100, QLD n=100, VIC n=100

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RYCO
F I L T E R S

Our heritage and dimensions

History

- Established 1936
- Ceased local manufacture 2006 in Australia and 2008 in New Zealand
- Partner with 14 supply partners, mainly from Asia and Europe
- Maintained production QC capability to monitor and develop supply partners
- Enhanced Product design and development expertise

Dimensions

- 75 staff across ANZ
- >3100 SKU's covering >96% of Australasian car parc
- Australasia's only dedicated filter laboratory

Brand Position

- Meet or Exceed OE quality at a more competitive price
- Consistently strong brand health survey results



Our heritage and dimensions



- ★ Melbourne Head Office, R&D, Laboratory & Warehouse
- ★ Auckland Warehouse and Sales Office
- ★ Sales Office – Perth
- ★ Sales Office – Brisbane
- ★ Sales Office – Sydney
- ★ Sales Office - Adelaide

Our DNA

Product DNA

- As good or better than OEM quality
- Exceptional cataloguing; physical and on line.
- Exceptional ranging; better than OEM's. Often the only supplier for older vehicles.

Reseller DNA

- Brand drives garages to my stores – must have brand
- Very high product availability ex warehouse
- Strong and efficient logistics performance
- Strong marketing support of brand

End user customer DNA

- Intimate engagement with end user garages
- Drive end user demand for Ryco brand; pulls sales through the resellers
- Strong customer service and technical support
- Customer engagement helps identify opportunities for innovation or range expansion beyond traditional products



Our Products across 4 main categories



Oil Filters

Ryco's range covers 98% of the carpark and includes spin-on, cartridge and high efficiency filters.



Engine Air

Ryco's range covers 96% of the carpark and includes not just engine air but also crankcase ventilation.



Cabin Air

Ryco's range covers 99% of the carpark and includes both our standard offering and Microshield.



Fuel Filters

Ryco's range covers 90% of the carpark and includes spin-on, cartridge, EFI and In-tank.

Our Channels to Market



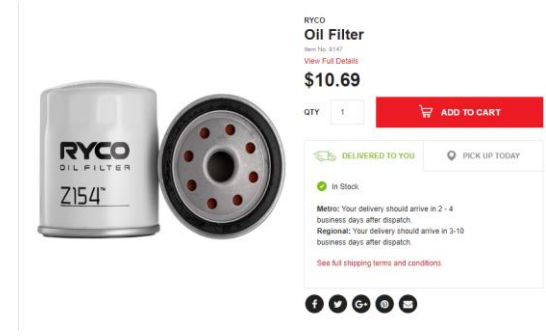
TRADE

Ryco's heritage is as a trade brand, helping Australian and New Zealand mechanics to reliably service vehicles. This remains Ryco's strongest channel.



RETAIL

As more of Ryco's customers become interested in Do it Yourself (DIY) and Do it For Me (DIFM) servicing, Ryco's retail presence is increasing.



ONLINE

Customers are increasingly shifting their buying behaviour online. Ryco meets that demand through our authorised resellers online channels.

Our customers



Our end users

Ryco end user customers

- 21K active Ryco customers on Salesforce; predominately independent workshops
- 26K end user customer or prospective calls per annum

New customer conquests

- 450 new converts per annum
- 1350 new customers over the past 3 years



Core Business Priorities

Recurrent priorities:

Product range

- 300+ New Products pa
- 96% + Range Coverage

FY20 priorities

Margin management

- Price adjustments and supplier cost downs to address FX and domestic cost inflation
- Selective SKU repricing

Leverage preferred supplier agreements

Inventory optimisation

Implement new entrant defence plan

Priorities into FY21

Logistics efficiencies with other GUD Business units



Innovation

Solving customer Problems

- Innovative product solutions
- Fitting tools, oil filter caps, Fuel filter accessories
- Knowledge experts

Market leading product solutions

- Ryco Crank case solutions
- Vehicle specific kits
- Combo kits for DIY & DIFM
- O2 Rush Performance Filters

Adding value to customers through innovative selling and social media engagement

- Club Red

Recognised in AFR 2019, 3rd most Innovative company in Consumer and Manufacturing goods



Case Study: Ryco Catch Can

- Co-created with mechanics, using 3D-printed samples to iterate final design
- Team at Ryco created a new technical standard for crankcase ventilation
- Developed specialised laboratory tests to objectively measure and benchmark performance
- Ryco ranked #3 most innovative company in consumer goods and manufacturing in ANZ (BOSS AFR 2019)

Growth drivers

Carpark growth

Continuance of Conquest activity

4x4 segment market share growth

- Catch cans
- Fuel/water separators
- Vehicle specific fitment kits

Japanese Truck range expansion



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Q & A

RYCO
F I L T E R S

Wesfil Strategy

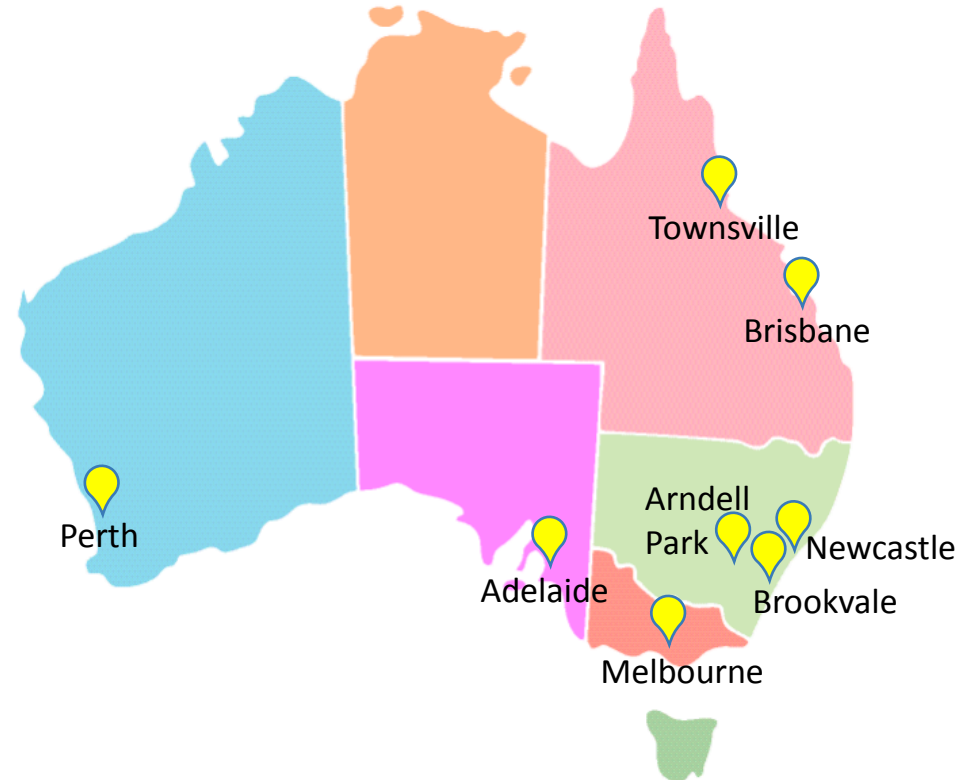
2019 Investor Day Presentation

Presented by Terry Cooper
Managing Director



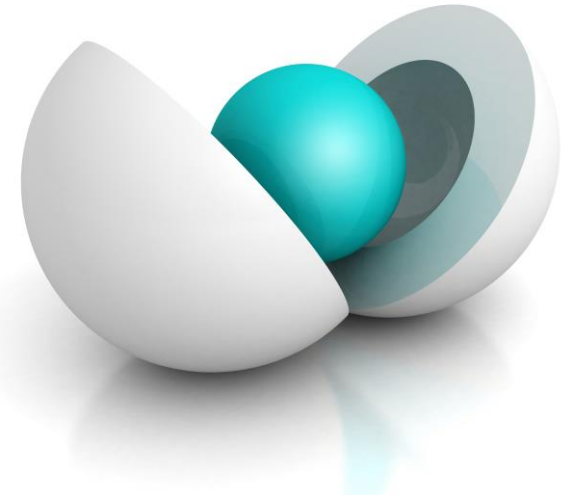
HISTORY AND OVERVIEW

- Started 1984 by current CEO Terry Cooper.
- GUD acquired Sydney based business in 1996.
- Additional 7 sites added. Most recently Arndell Park in Western Sydney in late FY18.
- 130 staff Australia wide.
- 15k SKUs covering wide range of fast moving hard parts.
- Own distribution centres in all states except TAS and NT
- Consistent growth in Revenue with a 17 year CAGR of 7%.



HOW WE WIN – WESFIL's DNA

- Strong sales target and Customer service culture & system
- Deep & intimate customer relationship and know-how which informs product, service & sales
- Deep product know-how backed with strong supplier relationships
- Reputation for quality, value and mutual benefit and success
- Disciplined and embedded financial management
- Strong culture of care and commitment to all Wesfil stakeholders
- Direct to store distribution model makes Wesfil a compelling supplier
 - Fast and flexible
 - Minimizes our customers inventory commitment
 - Encourages high share of wallet



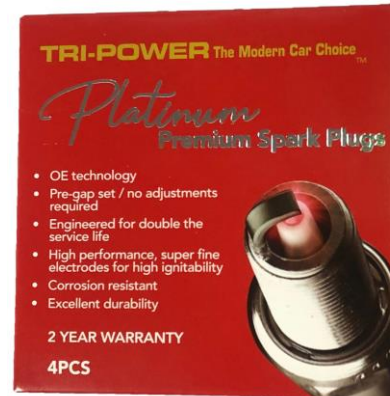
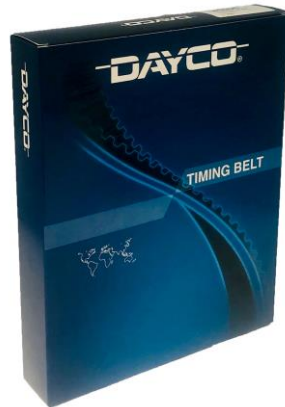


HOW WE HELP OUR CUSTOMERS WIN

- **Client delivery synergy** via extensive branch network, in-house metro deliveries, customer pick up facilities and direct to store distribution.
- **Support, educate and develop independent resellers** with category and inventory management to enhance capability in line with National Resellers.
- **Sales and operational expertise** and know-how
- **Constant product range expansions** help independent parts resellers to compete with national chains

PRODUCT OVERVIEW

- We supply the combustion engine filtration market with a comprehensive range.
- We compliment this with the distribution of other aftermarket products where we can disrupt with price, product, service and access.
- Key product categories include;
 - Filtration comprising two thirds of revenue
 - Timing Kits & Pulleys
 - Engine Parts
 - Belts
 - Wipers
 - Globes
 - Ignition Coils
 - Fuel Pumps



RECENT PRODUCT INTRODUCTIONS

New products complement future growth, including Non-ICE revenue.

- Cooper Kleen Range
- LED Globes
- Engine Management
- Wipers
- DPF (ICE)
- Iridium Spark Plugs (ICE)

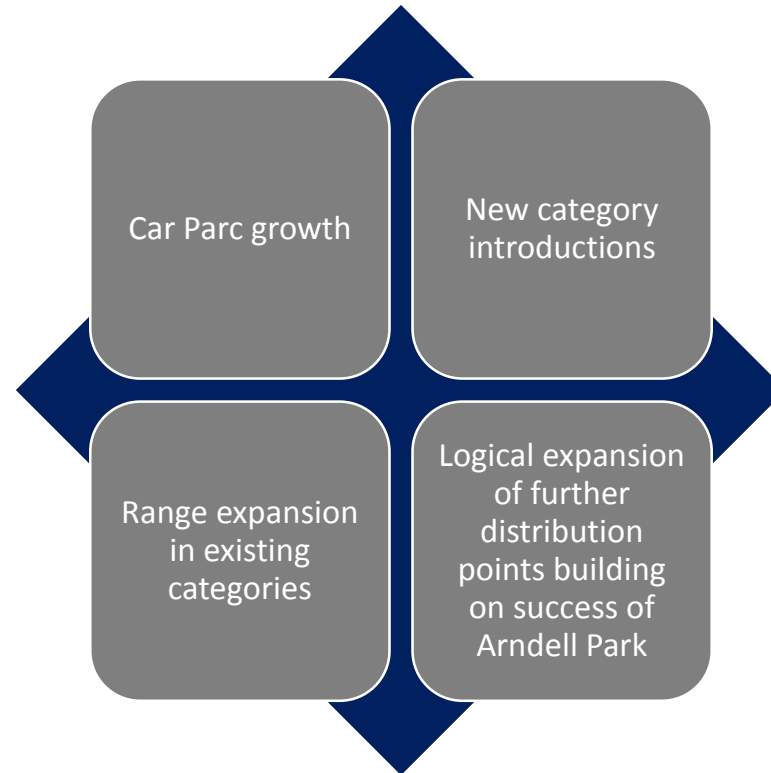


CORE BUSINESS PRIORITIES

- Continued success of independent parts resellers
- Supplier cost reductions
- Improved efficiency and hence overhead leverage
- Margin management through FY20
 - Recover FX deflation in higher prices.
 - Sufficient price increases or supplier cost down to recover all domestic cost inflation.



GROWTH DRIVERS





Q & A

AA Gaskets

Investor Day – October 1, 2019

Stuart Chandler – Executive General Manager



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Introduction

Overview

- Established 1955
- Partially acquired by Coventry Group in 1987
- Fully acquired by GUD in December 2017
- 71 employees across ANZ
- Australia's leading Gasket supplier

Product Overview

- ~35K Finished Goods SKU's across ANZ
- ~65K Component SKU's across ANZ
- 95% of product is packaged by AAG
- 40% of product range has components manufactured by AAG; remainder sourced to AAG specifications
- Dominant market shares estimated as 80% in passenger vehicles



Where we play - Geography



★ Melbourne Head
Office, Kitting,
Manufacturing &
Warehouse

★ Auckland Warehouse



Where we play - Segments



Engine Specialists



Trade



Wholesale



Online

Segments where we participate

- Passenger Car, including parallel vehicle imports in NZ
- 4WD/SUV and light duty diesel

Where we do not currently participate

- Truck (Japanese/North American/European)
- Off highway Commercial Vehicles, including Industrial and Marine engines

Where we play – Brands



OE Spec



Performance



Economy Range



Wholesale to Bapcor

Competitor Landscape

Economy

- Home brands/direct import programs
- Platinum

OE/Performance

- OEM Distribution
- Driv
- European Specialist Brands

Where we play – Products

Product Offering

- Automotive Gaskets
 - Full engine sets
 - Service level components and kits (including rocker cover, manifold, turbo, and exhaust gaskets)
 - Transmission gaskets
- Gaskets material packs
- Oil Seals
- Bespoke Industrial Gaskets (gas meter gaskets)



AAG - Pre acquisition Situation

Products

- Insufficient focus on new products development and Car Parc expansion
- No clear sourcing (make versus buy) approach implemented
- Limited supplier engagement
- Poor pricing disciplines

People

- Insufficient development of future talent and leaders
- Team engagement below GUD expectations

Customers

- Low investment at senior management level with larger customers
- Disappointed with slow range extension

Back End

- Ageing IT infrastructure approaching end of life
- Limited managerial bandwidth to explore opportunities



AAG - Post acquisition

Products

- Introduced New Product development framework
 - Product releases up 70% vs PY – 850 SKU's
 - Carparc coverage up 220% vs PY - >2M vehicles updated with new and existing products
- Increased sourcing resources and supplier engagement
- Broadened supply base and secured cost reductions

People

- Introduced GUD OHS model and upgraded facility and PPE accordingly
- Introduced GUD senior leadership training and innovation framework
- Reshaped culture through mission/vision/values

Customers

- Re-engaged customers, and completed multi-year deal with significant customer
- Brought Bapcor home brand and entered long-term supplier agreement



Back End

- Undertaken profitability review by SKU and customer
- Developing road map for integration opportunities
- Utilised GUD's freight buying power

Core Business Priorities

Margin management

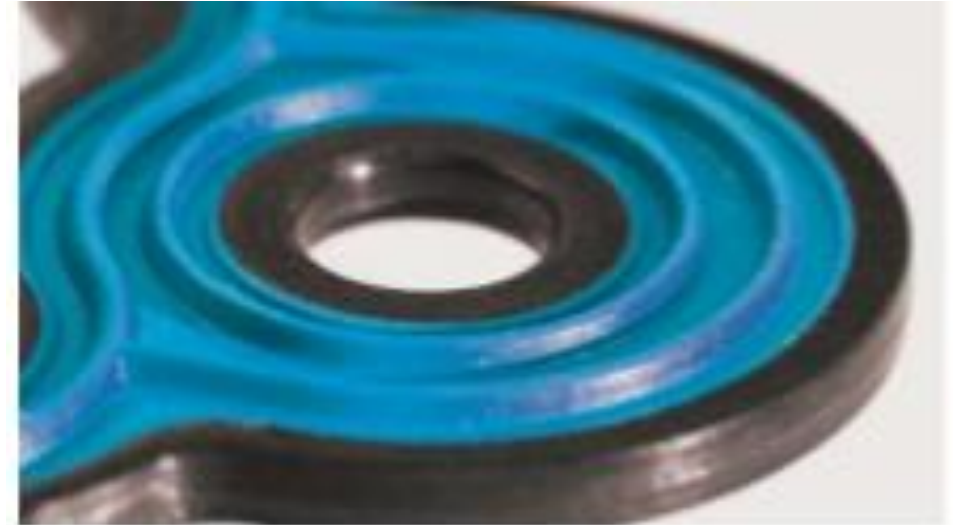
- Price management through FY20/21
- Lower costs through business restructure

Supplier management

- Price reductions
- Supplier capability development

Business restructure

- Relocation of AAG to Altona
- Relocation of NZG to GUD shared warehouse
- Adopt Ryco ERP Platform
- Shared services with Ryco across Purchasing, Finance and Distribution
- Cease manufacturing
 - Cash restructuring commitment of \$2.1 million
 - P&L restructuring cost of \$1.3 million
 - Cash payback period 24 months
 - Target date December 2020

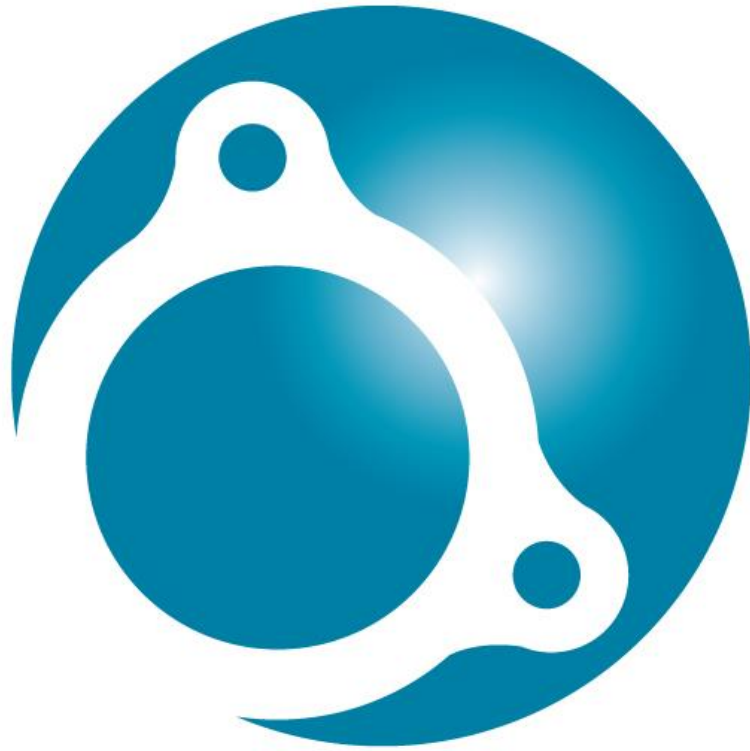


Car Parc growth and mix changes

Product driven market share gains

- Ranging opportunities
- Release complementary products
- Segment expansion – Japanese Truck





Q & A

da gaskets

Disc Brakes Australia

2019 Investor Day – October 1, 2019
Gideon Segal - Executive General Manager



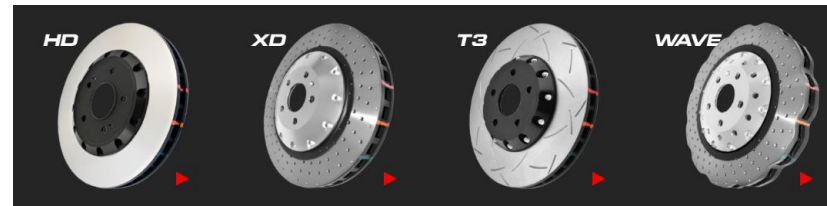
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Disc Brakes Australia - Overview

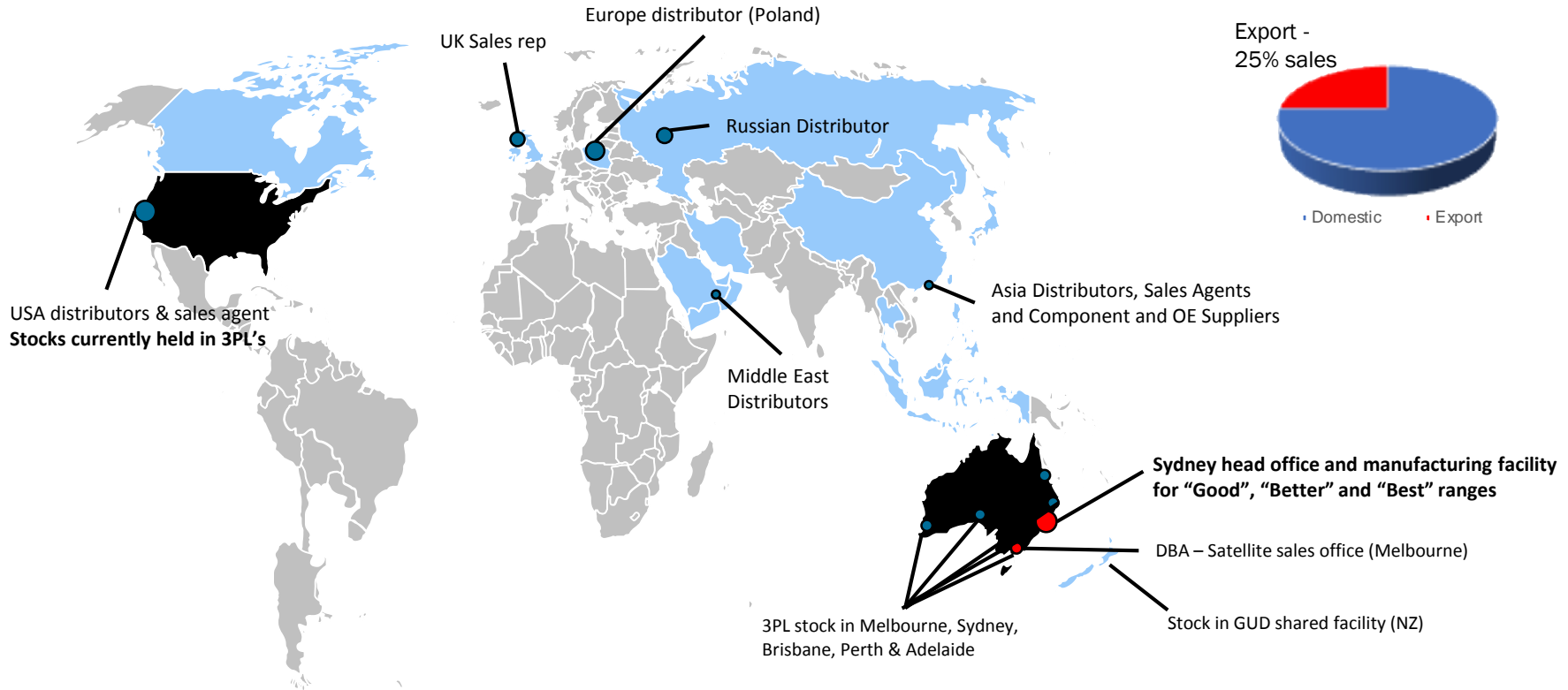
- Established in 1970's
- Formerly 100% Australian family owned
- Acquired by GUD in July 2018
- Over 40 years' manufacturing experience
- Australia's most awarded manufacturer and a global leader in brake rotor development and manufacturing
- Innovation driven
 - extensive R&D investment
 - 17 patents across Australia, USA, Europe, China, Taiwan and Hong Kong
- Extensive range of globally recognised products, brands and features
 - Kangaroo Paw
 - T2 and T3
 - 4000 & 5000 series
 - TSP heat indicators
 - En-shield
- 2019 Australasian Auto Aftermarket Excellence Silver Award – Exporter of the Year

4000 & 5000 Series Variants



- 50 employees across Australia
- Selling over 400,000 disc brakes, drums and disc pads per year
- 6,300 SKU's
- 75% domestic, 25% exported
- Head office (manufacturing and warehousing) in Sydney
- Five 3PLs across major Australian cities
- Contract sourcing of O.E. specification and Street Series ("good" segment) products
- Local manufacturing capabilities in Sydney, combined with overseas sourcing of semi-finished and finished products for 4000 and 5000 series ("better" and "best" segments) products
- Full product development capabilities in Sydney (R&D, CAD, tool room/core box, foundry (outsourced), machining to finished product)

Where do we play – Geographic overview



Where do we play - segments

O.E. spec

Street Series



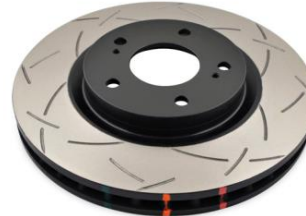
Good

Street Series



Better

4000 Series



Best

5000 Series



Domestic competitor brands

Where we play - segments

O.E. spec

Street Series



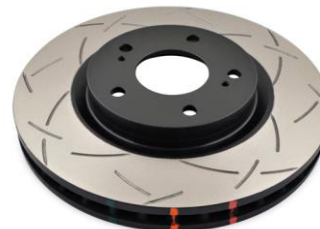
Good

Street Series



Better

4000 Series



Best

5000 Series



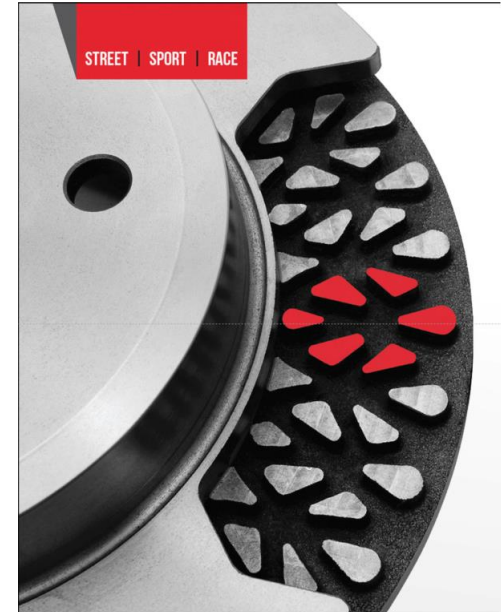
Channels to Market

Major parts resellers – Specialist performance resellers – Online resellers

Export via distributors in USA, Europe, Russia, Middle East, Asia – 100% “better” and “best” segments

Product foundations for enduring success

- DBA has focused on their premium performance products with extensive IP covering:
 - Kangaroo paw pillar design – improved air flow providing superior cooling & therefore improved performance
 - High carbon material
 - T2 & T3 slotting designs
 - 1 piece and 2 piece ranges
 - Heat paint stripes
 - Performance brake pads
- Extensive range - #1 in Australia for product range
- Strong brand health survey results
- Unique offering in ANZ & international markets
- Product is differentiated from competitors' cheaper entry level products
- Product is competitively priced against equivalent competitors
- Products backed by full technical support both online and in the field
- Focused on specialist markets – 4WD, Military and Performance



Case Study – Safety Test

- **Application:** standardized emergency braking test from 100km/h to standstill, with both an OEM brake setup vs. DBA's upgrade
- The DBA upgrade - 4x4 Survival Series T3 4000 slotted discs, DS Performance brake pads and Ferodo Performance DOT5.1 brake fluid
- The Landcruiser 200 was subjected to 10 brake stops from 100km/h to standstill, in quick succession
- The OEM system suffered significant brake fade as the test progressed and the brakes and pads were overheated and unserviceable by the end of the test. In contrast, the DBA upgrade performed better the hotter the brakes got and no brake fade was evident by the 10th and final stop
- The stopping distance was shortened by 6.5 metres on average, and at the time that the DBA setup was at standstill, the OEM setup was still travelling at 37km/h in the unladen Landcruiser
- Adding extra weight like additional passengers, a boat trailer, caravan, camping gear or a hauled load would see similar results
- DBA's patented Kangaroo Paw vane ventilation system outperforms straight vane rotors by up to 20% via increased heat dissipation
- It is this superior safety performance that drives demand for DBA upgrades on 4WD's, heavy armoured fleets, road trains and military applications across the globe

<https://www.youtube.com/watch?v=6QvNZ3irSS8>



Disc Brakes Australia – pre acquisition

- Thorough due diligence exercise completed
- Review of USA operations undertaken
 - USA operations restructuring committed prior to completion
 - 3 team members exited
- Founder/CEO signified his desired to step away from full time work
 - Successor identified from within GUD during due diligence exercise

Disc Brakes Australia – post acquisition

- Immediate focus on OH&S practices and process improvements
- Introduced GUD innovation methodology
- Secured government grant for product innovation
- Appointed dedicated International Sales Manager
- Appointed International Sales Agent – commission-based position and result-orientated
- Fulfilment approach reviewed - one USA 3PL is to be closed and stock consolidated into other facility
- USA export sales fulfilment model reaffirmed
- Preferential international container freight rates
- Development of Recommended Retail Price (RRP) list
- Improved pricing disciplines

Core Business Priorities

- Margin management
 - Supplier cost downs
 - Price rises in FY20 – both export and domestic
- Inventory Optimisation
- US tariffs not expected to impact USA sales volumes or profitability
- Production efficiency – new manufacturing equipment (approx. \$1m investment) to support growth

- Australian Car Parc growth
- Replicate Australian market distribution in NZ
- Export opportunities and markets beyond ANZ
 - including R90 certification (European standard)
- New product
 - Expansion of brake friction ranges to fully complement disc rotor range
 - Braking accessories – capture basket of goods
 - New patented performance products
 - Government grant to undertake this development in cooperation with the AIC

Q&A

Appendix

Case Study – 4X4

Application: Project 200's owner, Jamie Benaud, was looking for “the best rotors” for his 200 Series Toyota LandCruiser to create a very capable and durable outback tourer that's also suitable for day-to-day suburban driving

- The LandCruiser 200 comes equipped with very good brakes from the factory, with relatively large 340/354mm front and 345mm rear discs (rotors). Up front it features four-piston calipers, with single-piston at the rear
- Even very good brakes can be improved upon, particularly if you have a GVM upgrade or tow regularly
- Jamie chose the DBA 4000 series T3s slotted rotors because they were “made in Australia using high carbon iron alloy for excellent high temperature performance. They also feature a unique ventilation system to reduce heat and a slotted face that helps to maximise breaking under extreme conditions by expelling dust and gas and reducing pad glazing”
- The rotors were matched with DBA Extreme Performance brake pads on the front and rear: “they use a carbon fibre based friction material for superior performance over regular pads and they continue to deliver high levels of friction at much greater temperatures which makes them ideal for heavy FWDs like the 200 series”



Case Study - Performance

Application - performance upgrade for Audi S3 8P for general commuting and occasional track work

- The Audi S3 8P has garnered a cult following and presented a genuine European alternative to the Subaru WRX STI and Mitsubishi Evolution
- By upgrading hardware and an ECU tune, the S3 produced 201kw at all four wheels — about 25% more power than stock
- A brake upgrade was required to match the specification of the vehicle
- *“The brakes felt a lot more responsive and malleable than the OE rotors...the biggest difference came in the sound — the OE rotors fitted to the Audi S3 8P... are notorious for brake squeal at low speeds, whereas the DBA rotors are completely quiet at all speeds and temperatures.” Liam, Sparesbox Product Specialist*

<div> DISC BRAKES AUSTRALIA</div> OEM or DBA		
	Audi S3 OE Rotor	DBA T2 Rotor
Designed to exact OE fitment specifications	✓	✓
Suitable for use with OE or aftermarket brake pads	✓	✓
Designed to meet OE quality standards	✓	✓
CNC machined bi-symmetrical slots	✗	✓
CBN (Cubic Boron Nitride) machine turned	✗	✓
Patented Kangaroo Paw design for advanced stopping performance	✗	✓

DBA's Street Series T2 rotor provides all the benefits of DBA's Street Series direct replacement rotors with the added benefit of performance braking through the introduction of DBA's patented T2 slot design.

DBA is committed to delivering cost-effective performance brake rotors that exceed OE quality and performance standards, for a fraction of the OEM price.