

Investor Day – 1 October 2019

GUD HOLDINGS LIMITED

Martin Fraser

Chief Financial Officer



GUD investor day schedule

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	Timing	Topic	Presenter
1	10.00 AM	Opening & site safety	Martin Fraser
2	10.05 AM	Group overview	Graeme Whickman
3	10.30 AM	Davey	David Worley
	11:00 AM	Transfer	
4	11:30 AM	Automotive overview	Bob Pattison & Graeme Whickman
	12:00 PM	Lunch	
5	12:25 PM	BWI	George Davies
6	1:00 PM	Filtration overview	Graeme Whickman
7	1:10 PM	Ryco	Stuart Chandler
8	1:30 PM	Wesfil	Terry Cooper
9	1:50 PM	AAG	Stuart Chandler
10	2:05 PM	DBA	Gideon Segal
11	2:25 PM	Closing remarks & Final Q&A	Graeme Whickman
12	2:50 PM	BWI walk through option	George Davies

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Graeme Whickman
Managing Director



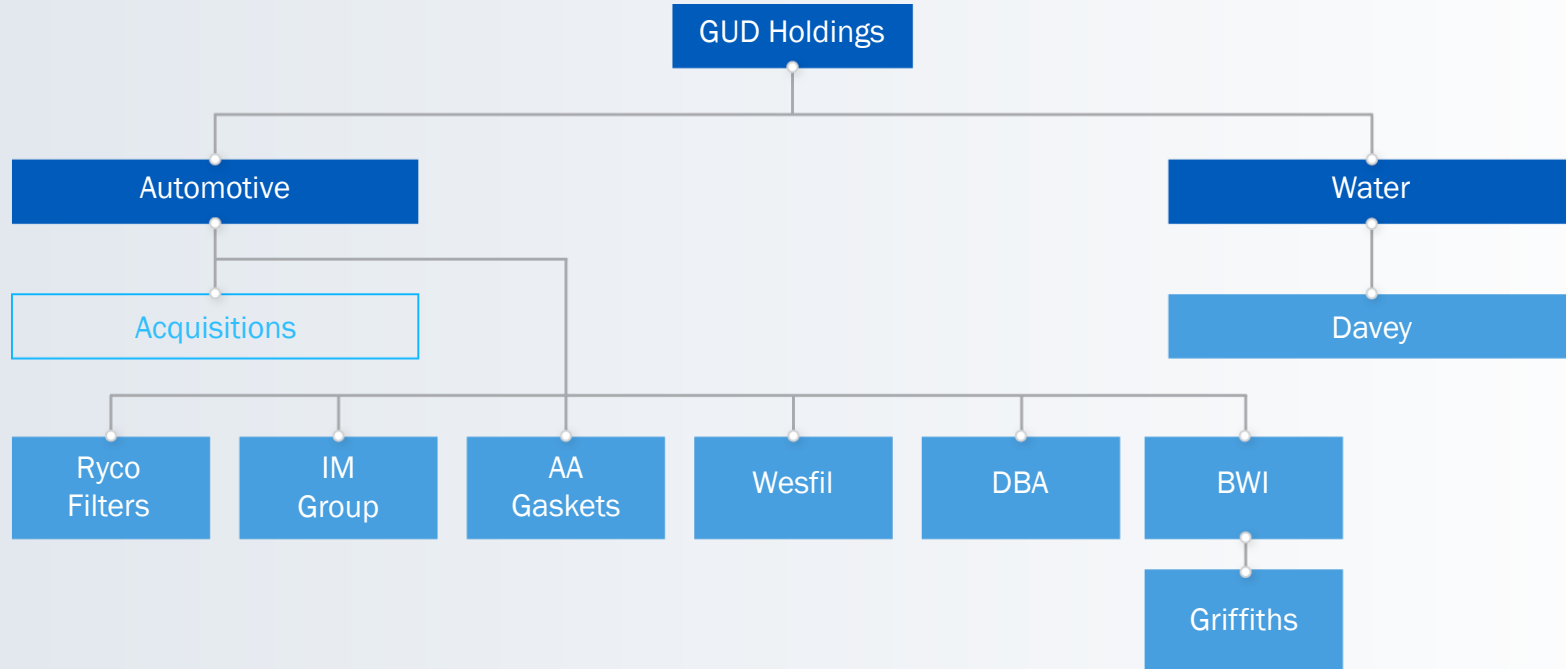
GUD investor day line-up

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1. Welcome and overview of the day – Martin Fraser
2. Group overview – Graeme Whickman
3. Davey overview – David Worley
4. Automotive overview - Graeme Whickman / Bob Pattison
5. BWI overview – George Davies – CEO BWI
6. Filtration overview – Graeme Whickman
7. Ryco overview – Stuart Chandler – EGM Ryco Filters
8. Wesfil overview – Terry Cooper – MD, Wesfil
9. AAG overview – Stuart Chandler – EGM Ryco Filters & AAG
10. Disc Brakes Australia Overview – Gideon Segal – EGM Disc Brakes Australia (DBA)
11. Q&A – All

Group Structure – July 1 , 2019

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Flatter reporting structure - Faster decision making - Closer to the customer – Dedicated acquisition role



2019 Highlights



FY19 Highlights

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FY19 Earnings

- Revenue from continuing operations up 9% on pcp
- Underlying EBIT from continuing operations up 6% on pcp
- NPAT from Continuing Operations up 18% on pcp, 13% net of tax provision writeback

Solid automotive result in challenging environment

- Automotive revenue growth of 12%: 1% organic, 11% acquired
- Strong performance from acquired Disc Brakes Australia (DBA)

Water business saw modest revenue and EBIT growth in down market

Cash conversion improved in line with H1 projections and FY19 target

- Working capital to provide continued support for sales growth

Final fully franked dividend of 31 cents, up 11% on pcp, FY19 up 8%

Safety performance focus sustained

- Total recordable injury frequency rate (TRIFR) of 6.0 slightly up but still strong against recent mid-term results

Employee engagement at 75% - top 30% of global benchmark

Multiple Supplier Awards for Ryco, BWI and Wesfil

Robust financial position

\$M	FY19	FY18	% Change
Revenue	434	397	9%
EBITDA*	92	87	6%
EBIT*	87	77	13%
NPAT*	60	50	18%
Non Operating	(2)	(7)	-72%
Underlying NPAT*	60.9	55.1	10%
Underlying EBIT*	88.9	83.5	6%
Net Operating Cash Flow	45	59	-25%
Cash Conversion	78%	86%	-10%
Reported EPS*	68.9	58.6	18%
DPS (Final)	31.0	28.0	11%
DPS (Full Year)	56.0	52.0	8%

* continuing operations



GROUP STRATEGY



Strategic Review

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12 month review nearing completion

- Reaffirmed current business portfolio positioning
- Appetite remains for logical acquisitions in the Automotive segment with revised acquisition strategy and criteria
- Three areas of concentration to support five categories of business foundation
 - **Core:** group wide initiatives
 - **Growth:** individual business unit strategies
 - **Acquisition:** portfolio and category plan

Introduced new Strategic Framework

- ‘Play to Win’ (PTW) framework introduced to all business units
- Working with Ignition Institute to embed new PTW framework into each business
- Immediate priority given to “future proofing” individual businesses



Sharpening the Strategic Direction



CORE

Group Wide Initiatives



GROWTH

Individual Business Unit Strategies



ACQUISITION

Portfolio and Category Plans



Strengthening Business Foundations



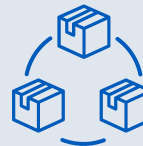
Customer
Relationships



Supplier
Engagement



People Cycle
Planning



Product Cycle
Planning



Operational
Efficiency

Sharpening the Strategic Direction

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CORE

Group Wide Initiatives

- Multi-year preferred customer agreements in select automotive categories
- Quality and logistics councils - leverage scale and skills
- Internal management resources - operational efficiencies in logistics and information technology
- Increased emphasis on achieving supplier cost downs
- First shared logistics facility opening in Auckland (FY20 Q1) - build capability which could be rolled out in other geographies



GROWTH

Individual Business Unit Strategies

- Competitive strategy review by business unit to be completed FY20 H1 - focus on future growth levers
- Strengthened resources dedicated to innovation and product development, under a new Chief Innovation Officer
- Addressing new organic growth pathways, including a broader focus on exports



ACQUISITION

Portfolio and Category Plans

- Dedicated KMP role focused on automotive acquisitions and strategy
- Chief People Officer focused on internally developing a pool of potential managers for acquired businesses
- Further diversification of customers and channels
- Reviewed and introduced new acquisition criteria and decision thresholds

Long term sustainable earnings growth and strong cash generation

Sharpening the Strategic Direction - Core

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CORE

Group Wide Initiatives

- Multi-year preferred customer agreements in select automotive categories
- Quality and logistics councils - leverage scale and skills
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Status as at 30 September

- WIP planning for further leverage opportunities with new preferred agreements with customers
- COG's attack plan - cost down ranging from 2 - 5% across significant suppliers
- Right sizing the business – taken business restructuring actions in 2 of our BU's to mitigate external influences
- Piloting Proof of concept business integration and operating efficiencies with AAG and Ryco
- Redeployed existing Finance leader to GM Business Transformation
- Logistics Council GUD Group domestic freight project
- GUD group real estate footprint review
- New shared facility GUD NZ opened proof of concept DC

Long term sustainable earnings growth and strong cash generation

Sharpening the Strategic Direction - Growth

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GROWTH

Individual Business Unit Strategies

- Competitive strategy review by business unit to be completed FY20 H1 - focus on future growth levers
- Strengthened resources dedicated to innovation and product development, under a new Chief Innovation Officer
- Addressing new organic growth pathways, including a broader focus on exports

Status as at 30 September

- All business units in process of refreshing strategic plan, each BU utilising “Playing to Win” framework:
 - Davey strategy overview part of Investor day
 - Emergent strategy growth drivers highlighted by each BU at Investor day
- Innovation process directly resulting in:
 - Ryco awarded 3rd Most Innovative Company (AFR Consumer and manufacturing goods) for Ryco Catch Can product
 - Ryco Innovation missions leading to tailored combo packs – utilising 3D printing and scanning capabilities recently installed in Ryco labs
 - Narva Adaptive Lighting products with support from Automotive Innovation Lab grant
 - Davey TankSense product – remote tank level monitoring
- Distribution discussions commenced for low volume / high revenue GUD products in selected export markets

Long term sustainable earnings growth and strong cash generation

Sharpening the Strategic Direction - Acquisition

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ACQUISITION

Portfolio and Category Plans

- Dedicated KMP role focused on automotive acquisitions and strategy

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- Further diversification of customers and channels

- Reviewed and introduced new acquisition criteria and decision thresholds

Status as at 30 September

- Bob Pattison in role since Q4, FY19
- No change in GUD acquisition appetite, funding or view of consolidation
 - Active due diligence on a number of potential acquisitions
 - Increase in number of IM's received in last few months
- GUD have passed on four acquisition opportunities since 30 June due to insufficient strategic fit or failure to meet our financial hurdles
- Acquisition criteria revisions focused on post implementation management rather than acquisition hurdles/multiples/etc.

Long term sustainable earnings growth and strong cash generation



OUTLOOK



Challenging trading conditions are expected to persist in the near term although planned mitigation actions are in progress:

- Economic sentiment continues to be soft however some BU's are experiencing slight strengthening in sales
- Domestic inflation and weaker currency is impacting COGS - supplier cost reviews are ongoing with positive outcomes
- Prudent pricing actions are in place to help offset weaker FX in FY20:
 - FX circa 75% hedged through to April 2020
 - All planned pricing has been completed with further pricing opportunities in H2
- Ryco defensive actions deployed including Sales and Marketing/Customer Service investment
- Preferred supplier agreements now provide competitive protection and share of wallet opportunities in FY20
- In FY20, modest EBIT growth still expected, with NWC progress and small improvement in cash conversion

Automotive aftermarket sector remains structurally attractive and GUD's brands are well positioned to deliver sustained organic growth over the medium to long term:

- Increased share of wallet through exclusive supplier agreements
- Continuation of innovation drive extending product ranges and launching new products, such as SUV specialty products
- Entry into OE supply to Toyota, PACCAR, and others
- Logical export opportunities
- Potential efficiencies

Actively pursuing value adding logical acquisitions:

- Several acquisitions currently under active discussion
- Opportunity pool remains robust, subject to mutually agreeable pricing that represents compelling value

Solid and strengthening fundamentals

- Great brand and OEM heritage with large global footprint
- Board endorsed compelling medium term strategy
- Revenue expected to grow with new product and channels to market
 - Innovation themes opening new attractive segments
 - Product launch of Nipper and TankSense in Australian market
 - MWT with green shoots in dairy including Fonterra trials. Now widening to address healthcare and other business applications
 - Pricing implemented 1 July 2019
- Improving manufacturing and overhead fundamentals
 - Right sizing our business structure completed
 - Firefighter project completed
- Encouraging Q1 trading supports FY20 expectations

Strategic direction execute medium term strategy

- Continue to build scale organically, including export markets
- Further commercialisation of product innovation:
 - Building on MWT foundations
 - Commercialisation of TankSense
 - Introduction of Lifeguard
- Execute product road map to refresh products in traditional segments
- Continue to improve product cost positions through design for manufacture and supply chain optimisation
- Pursue further operational efficiencies

Group Outlook

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GUD's portfolio is robust and remains structurally well positioned to deliver continued strong returns for shareholders

FY20 is expected to focus on medium term value rather than short term EBIT growth:

- Deliver supplier savings
- Increase our revenue management disciplines
- Intensify focus on business-wide operating efficiency
 - Near term – logistics savings
 - Medium term – proof of concept BU integration
- Solidify and leverage key customer relationships for the medium and long term
- Continue innovation and product range expansion
- Strengthen the foundation for sustainable EBIT growth
- Leverage dedicated acquisition resource

Modest EBIT growth is still expected in FY20

Cash conversion still expected to remain near 80% in FY20



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Q & A



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Financial data

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

Past performance

Past performance information, including past share price performance, given in this Presentation is given for illustrative purposes only and should not be relied upon as an indication of future performance.

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This presentation contains certain “forward-looking statements” including statements regarding our intent, belief or current expectations with respect to the Company’s business and operations, market conditions, results of operations and financial condition, and risk management practices. The words “likely”, “expect”, “aim”, “should”, “could”, “may”, “anticipate”, “predict”, “believe”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This Presentation contains such statements that are subject to risk factors associated with an investment in GUD. GUD believes that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially.

Davey Water Products

David Worley
2019 Investor Day
1st October, 2019

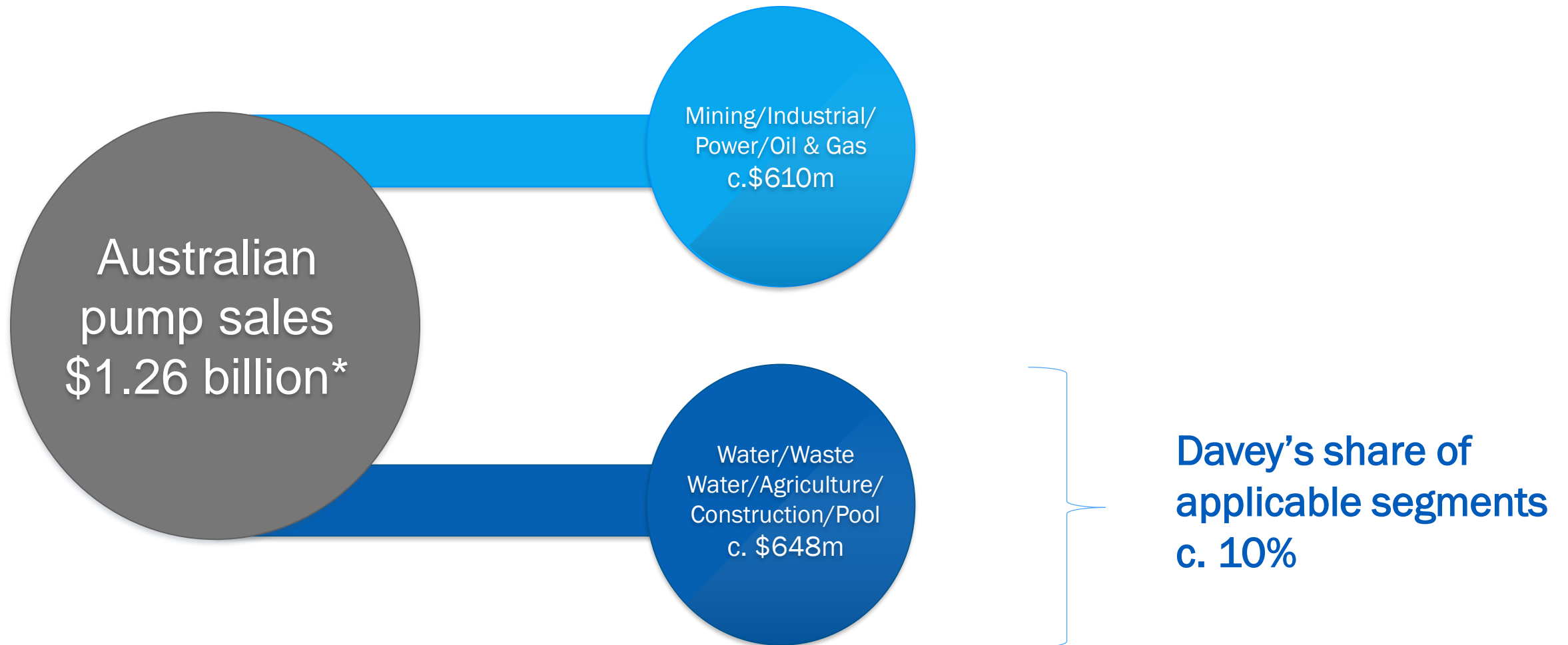


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DAVEY

- Revenue \$107m
- Staff Numbers 243
- Manufacturing/assembly Scoresby
 - Branches/Distribution Brisbane, Sydney, Adelaide, Perth, Auckland, Lyon
- 16,000 Finished Goods SKUs

- Iconic Brand, 85 year heritage
- Strength in rural heartland
- Home & garden, agricultural & pool segments
- Historic acquisitions of Contamination Control (Water Treatment) (2005) and Monarch (Chlorination) (2006)
- Strong distribution partnership with Master Dealers and Merchants



- Market leaders are seen to be Davey, Grundfos / DAB, Pentair / Onga in water transfer and Fluidra (Zodiac / Astral) in Pool
- Globally competitive market – mix of Northern hemisphere and Asian imports
- Market dominated by large European and US based companies.
- Increasing presence of low cost Asian competitors.

Competition is major US & European players and increased penetration from low priced imports

DAVEY

Around the world

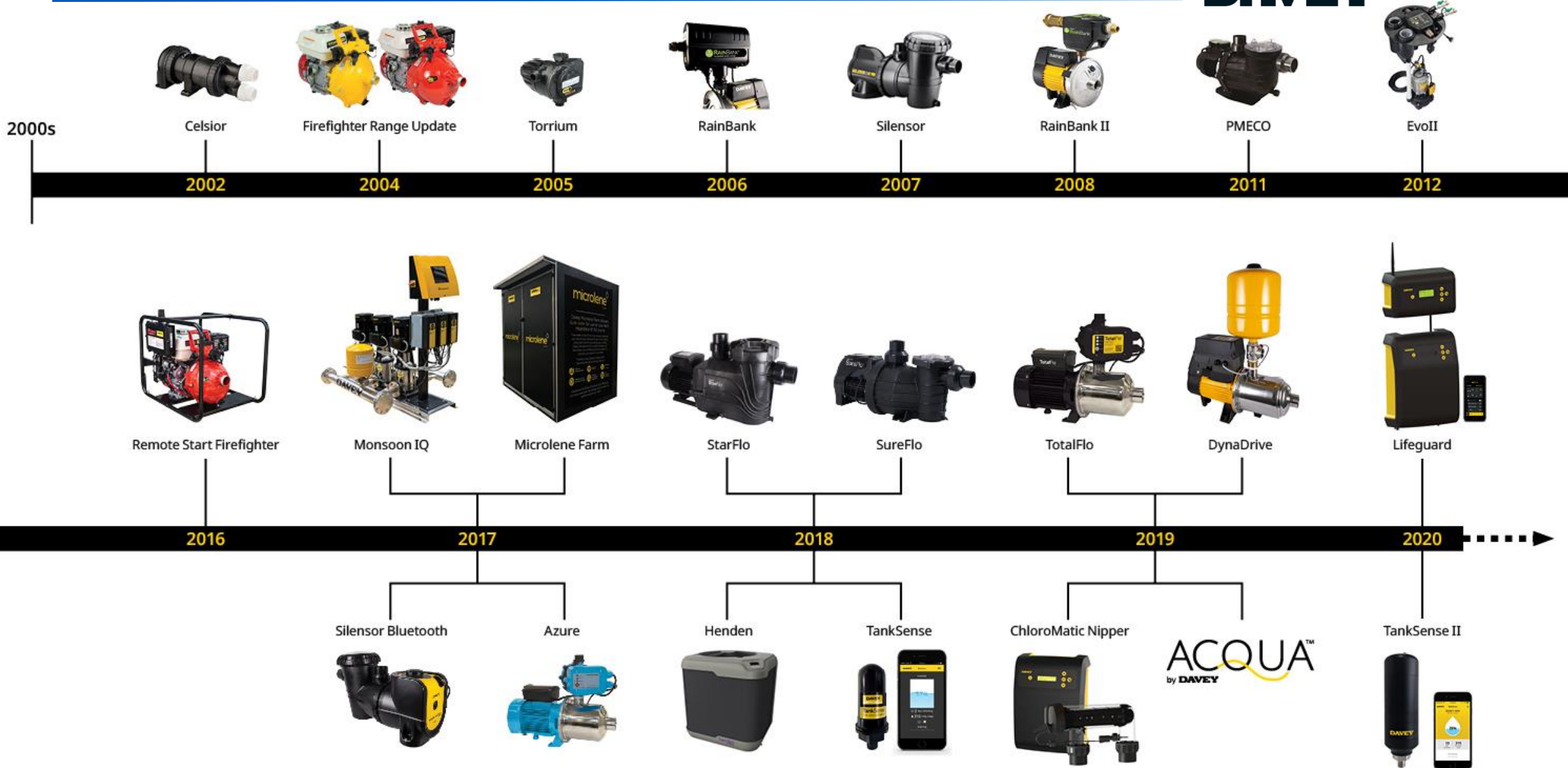




Davey's traditional heartland is pumping

Product Introduction

DAVEY



Product development increasing since 2016; device control overlays becoming increasingly important

Operating Environment – Revenue Split*

*Category & country sales data less than 10% not shown

DAVEY

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	Household & Farm Pumps	Pool Equipment	Commercial Pumps	Fire Fighters	Water Conservation & Treatment	Spa Equipment
AU	35%	20%	15%	10%		
NZ	25%		10%		45%	10%
Middle East	75%		15%			
FR		90%				
Asia	45%	35%	10%			
Americas	40%	30%		15%		
EU		60%				
Africa	35%	15%		30%		
Sub Continent	60%		20%			
Pacific	50%		25%			

Diversified sources of revenue – key opportunity for Water Treatment

Competitive Strategy

- Customer intimacy strategy with product designed for Australia

Competitive advantage

- **The local hero**, solving local water problems – smart water management **from transfer to engineered solutions**
- We know and understand our **customers** better than our global competitors allowing us to compete in a way they can't

DAVEY

Purpose: Protect and Enhance people's lives with water
Vision: Enabling smart water management from transfer to engineered solutions

Primary Market Segments: House & Garden / Farm & Agriculture / Pool

Strategic
Imperatives



Supply Chain



Product



Channels to Market



People & Culture

Key enablers

Safety first focus

Innovation skills and methodology

Internal / External Customer Focus

Davey Leadership Objectives

Strategic
Imperatives



Supply Chain

- > Process improvement initiatives
- > Supply Chain Optimisation
- > Strategic Partnerships



Product

- > Category Management
- > Missions
- > New Technology



Channels to Market

- > MWT
- > OEM & Home Builders
- > Direct Online
- > Traditional Channels



People & Culture

- > Culture
- > Leadership/Talent
- > Safety
- > Talent Fundamentals

SAFETY

- Fatal Risk Action Plan & Campaign ✓

ALIGNED & CAPABLE LEADERSHIP TEAM

- Build high performance team -66% leadership team refreshed ✓
- Right sized the business ✓

VALUES & CULTURE

- Davey Values launched, reinforced by programs & artefacts ✓

TALENT MANAGEMENT SMART Objectives

- Performance Mgmt ✓
- Critical Positions
- Targeted Dev. Plans ✓

Strategic
Imperatives



Davey Leadership Objectives

Strategic
Imperatives



Supply Chain

- > Process improvement initiatives
- > Supply Chain Optimisation
- > Strategic Partnerships



Product

- > Category Management
- > Missions
- > New Technology



Channels to Market

- > MWT
- > OEM & Home Builders
- > Direct Online
- > Traditional Channels



People & Culture

- > Culture
- > Leadership/Talent
- > Safety
- > Talent Fundamentals

IMPROVING THE CORE

- Sku Rationalisation
- Product Roadmap v
- New Chlorinator Range v
- Home Water systems

INNOVATION MISSIONS

- MWT AU
- Lifeguard v
- Solar

NEW TECHNOLOGY (Israel)

- Tevet v
- ARAN v
- AquaHD
- Tanksense v

Strategic
Imperatives



DAVEY

Purpose: Protect and Enhance people's lives with water
Vision: Enabling smart water management from transfer to engineered solutions

Primary Market Segments: House & Garden / Farm & Agriculture / Pool

Strategic
Imperatives



Supply Chain



Product



Channels to Market



People & Culture

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Safety first focus

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Internal / External Customer Focus

Davey Water Products



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Q&A

DAVEY

Investor Day – October 1st 2019

Automotive Overview

Bob Pattison

GM Automotive, Strategy & Acquisition







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Automotive Aftermarket Industry Landscape

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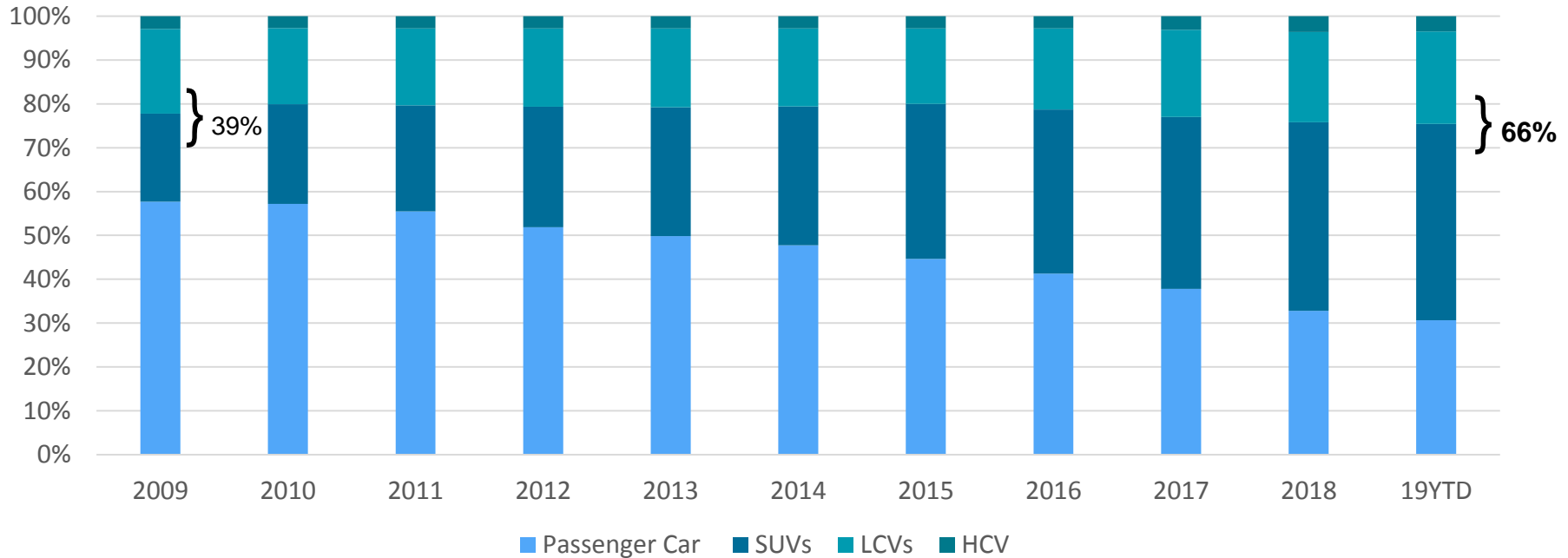
		Manufacturing	Wholesale	Retail	Service
Employees (2016-2017)		14,000	13,000	29,000	119,000
Revenue (2016-2017)		\$5.0bn	\$10.6bn	\$7.1bn	\$17.2bn
Wages (2016-2017)		\$1.2bn	\$1.9bn	\$1.3bn	\$4.8bn
Profit (2016-2017)		\$0.3bn	\$0.6bn	\$0.4bn	\$1.3bn

Source: AAAA Industry Snapshot Q2 2019

2 out of 3 vehicles sold is an SUV or Ute

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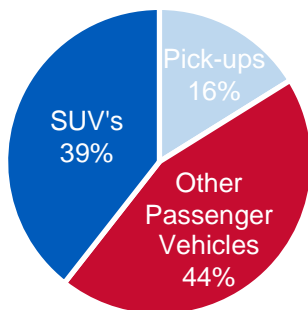
New Vehicles Sales – composition by vehicle segmentation (%)



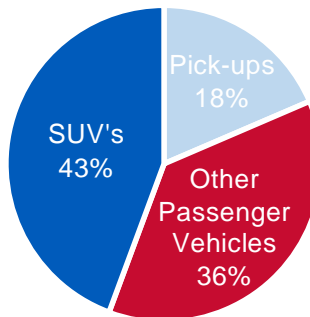
Shift in Car parc composition complements GUD portfolio

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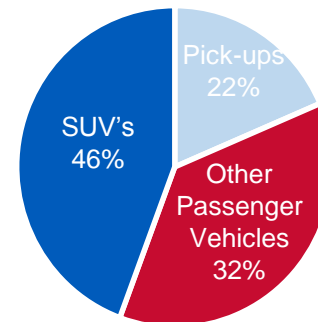
Car parc composition CY17 vs CY18 vs YTD19



December, 2017



December, 2018



August, 2019

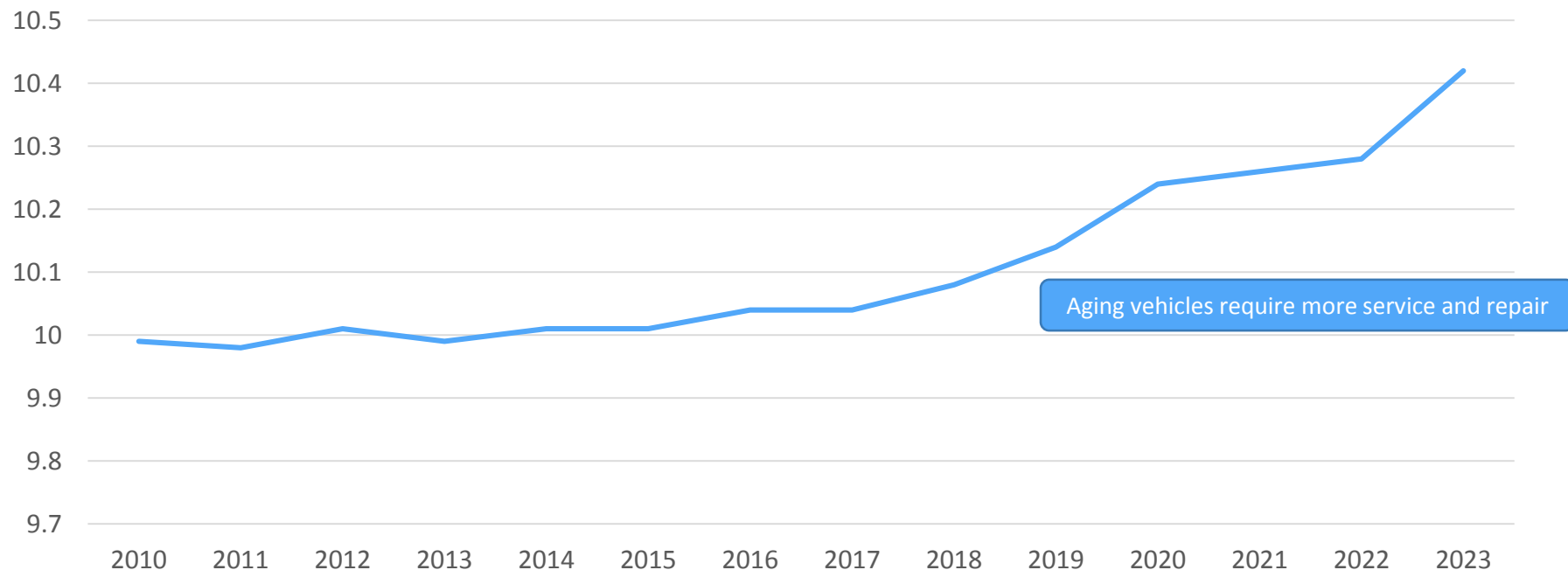
- Strong and consistent growth in SUVs and pick ups (PUs) continuing 5 year trend
- Shift in composition is expected to continue
 - Anecdotally, Australia lags behind the USA
 - USA trend away from passenger vehicles in favour of SUVs and PUs has shown no sign of abating
- Customisation of SUVs and pick ups is aligned with GUD's product range, particularly
 - brake upgrades (DBA)
 - electrical and lighting (BWI)

Source: VFACTS, Market Segmentation

Australian Car parc growing older, growing the Aftermarket

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Australian Car parc – Average Vehicle Age (years) – All Vehicles

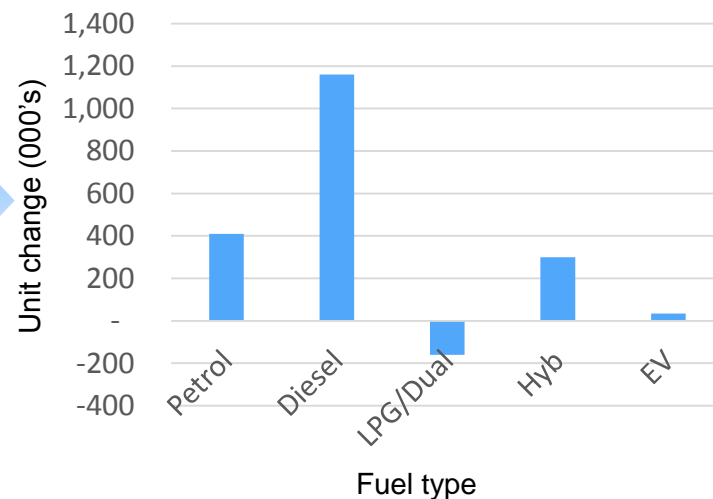


Australian Car parc - Vehicle Population by Fuel Type

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000's	2018	2020	2023	Var units
Petrol	13,390	13,600	13,800	410
Diesel	4,490	5,100	5,650	1,160
LPG/Dual	310	220	150	- 160
Hyb	100	180	400	300
EV	6	10	40	34
Total	18,296	19,110	20,040	1,744

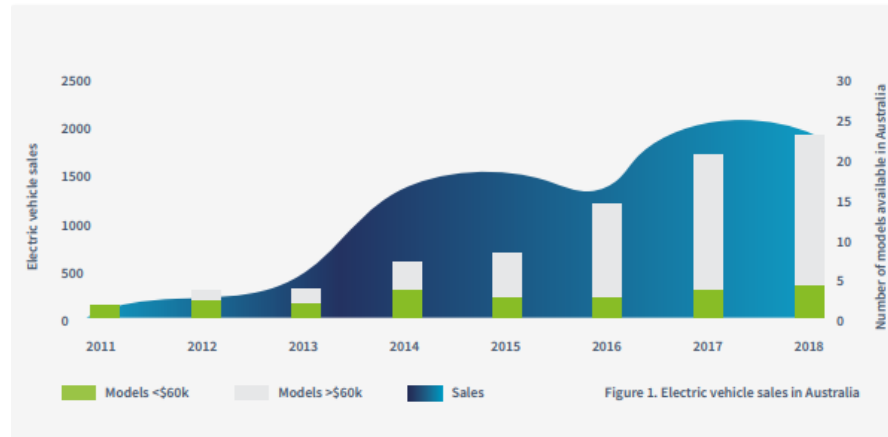
Projected change in the number of vehicles by fuel type – 2018 to 2023



State of EV's in Australia - 2019

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“Our lack of national co-ordination and support has resulted in stagnant uptake and restricted some of this potential. While 2.1 million electric vehicles were sold globally in 2018, Australia lagged behind with 2,216 sales in the same year.... Australia continues to have no national electric vehicle policy, despite such policy being instrumental to the success of markets with strong electric vehicle adoption rates.”



- 1 EV Volumes (2018)
- 2 Bloomberg NEF (2019)

“Australians purchased 2,216 electric vehicles in 2018, a drop of 3% from the 2,284 models sold in the previous year.”

Source: Electric Vehicle Council

Key Industry Trends

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- Continuing growth in car parc
- Average vehicle age increasing
- Rising proportion of SUVs and Utes
- High levels of model proliferation
- Rising proportion of diesel fuel vehicles
- Slow rate of EV adoption
- Legislation
 - Right of repair (mandatory scheme)
- Increasing OEM warranties and service plans

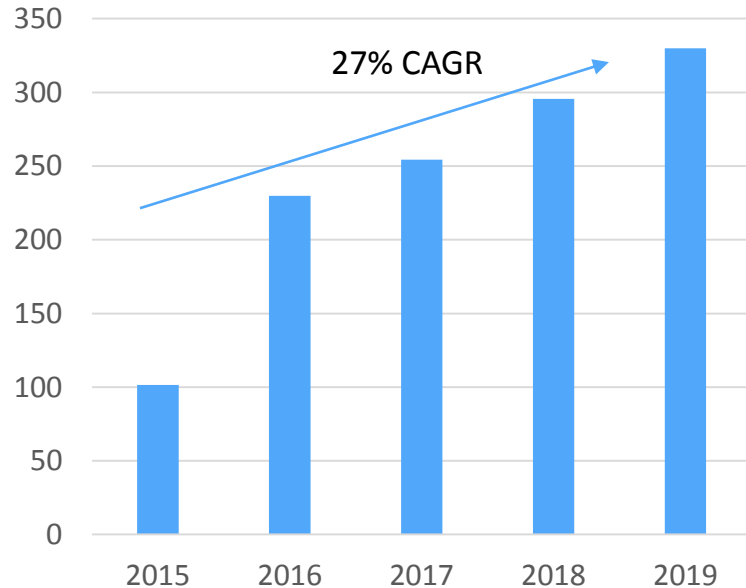


7 out of 8
trends are
positive to
aftermarket

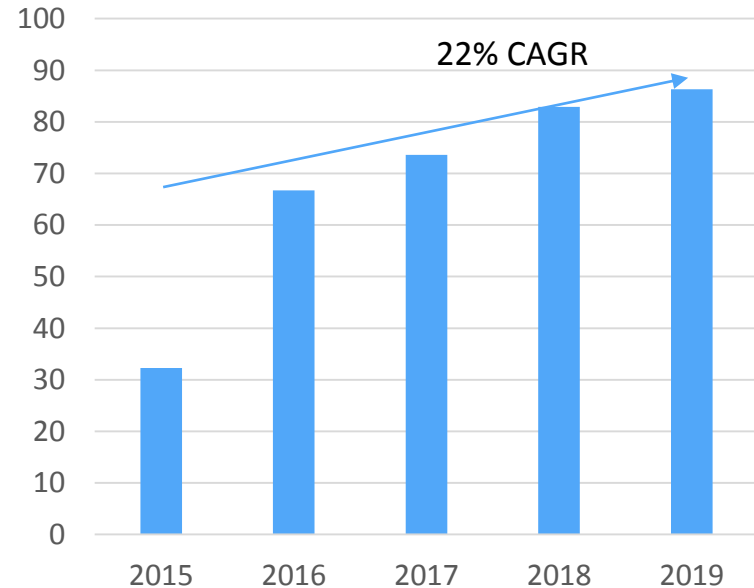
GUD Automotive Group revenue & EBIT performance

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Automotive revenue (\$M)



Automotive EBIT (\$M)

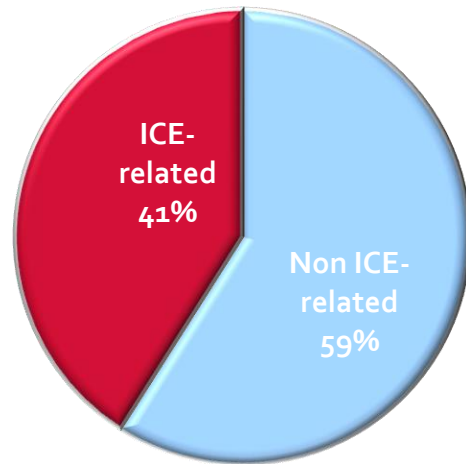


- Significant growth of Revenue and EBIT dollars
- Acquiring compelling businesses at a lower EBIT % than legacy businesses
- Nonetheless, Acquisitions add compelling ROI and shareholder value dollars

Transitioning product portfolio to reduce reliance on ICE

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FY19 Estimated Automotive Segment Sales Split



ICE mix in 2015 was 90%

Currently 59% of GUD's automotive segment sales are to non-internal combustion engine applications:

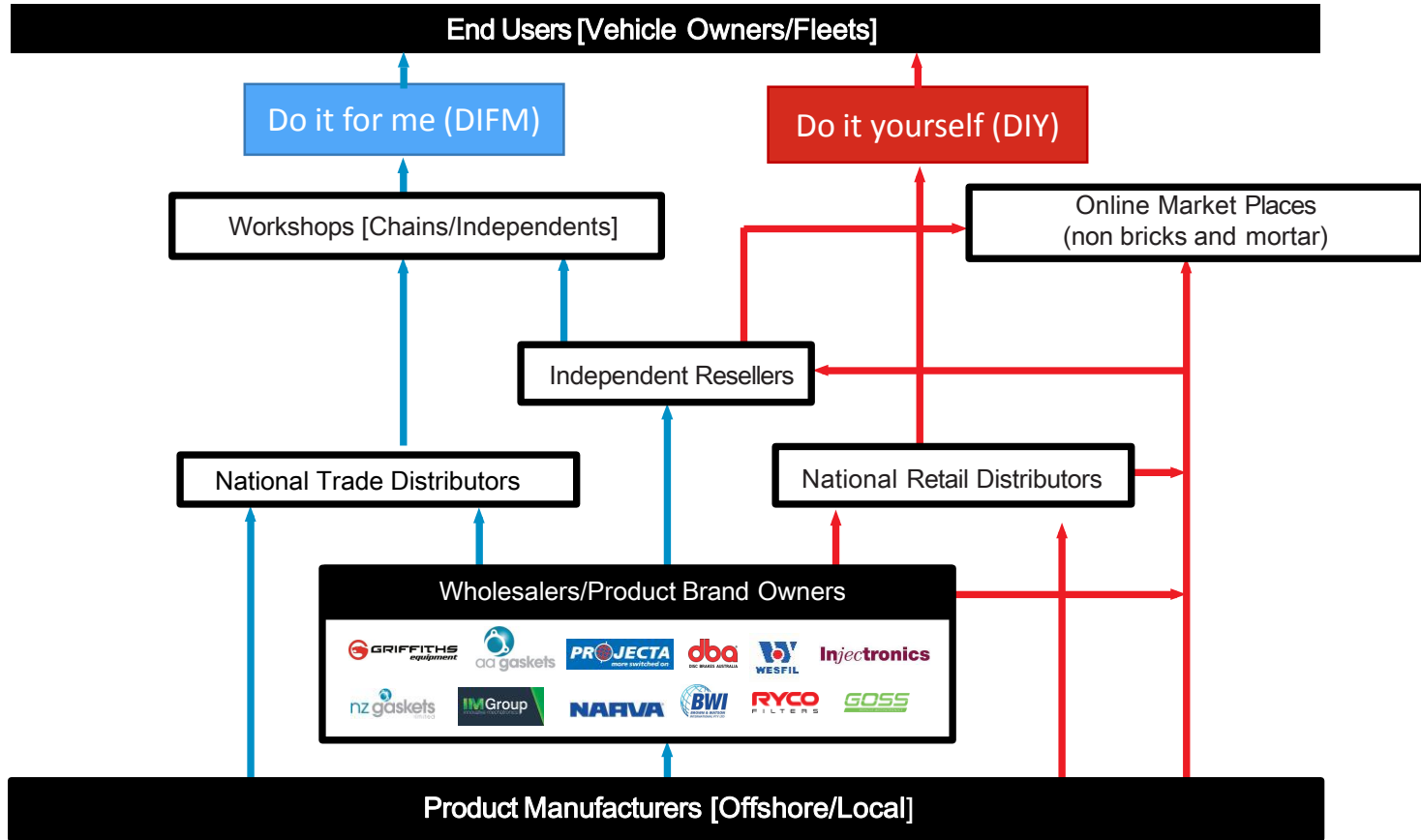
- Narva - lighting and electrical
- Projecta – most products with the exception of jump starters
- Ryco and Wesfil – cabin air filters

GUD retains a positive outlook on both market segments



Route to Automotive Aftermarket

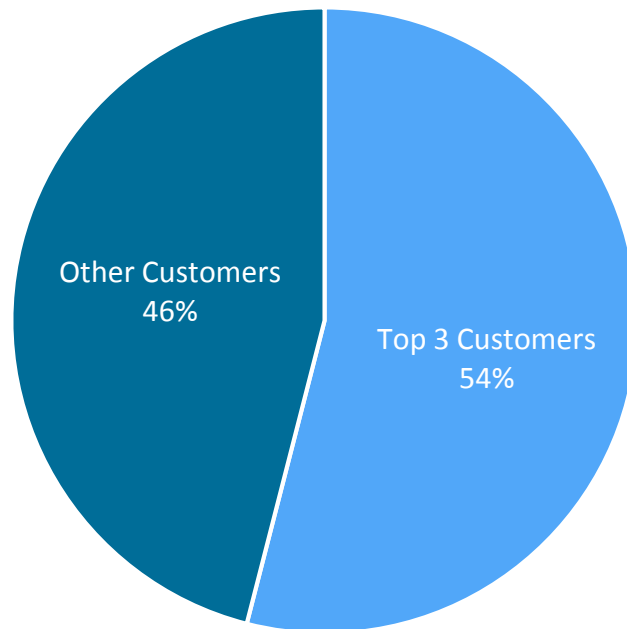
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GUD Customer Diversification

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Segmentation of GUD Automotive Revenue



■ Top 3 Customers ■ Other Customers

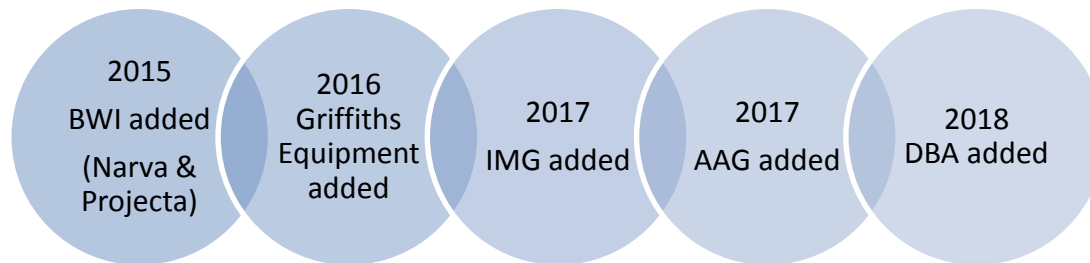
GUD Channel Diversification

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Aftermarket - Trade	✓	✓	✓	✓	✓	✓	✓
Aftermarket - Retail	✓	✓	✓	✓	✓	✓	✓
Auto Electrical						✓	
Brake Specialist				✓			
Battery Specialist						✓	
Electronic Specialist		✓					
4WD - Camping						✓	
Industrial / Mining						✓	
Hardware						✓	✓
OEMs						✓	
Transport	✓				✓	✓	
Emergency vehicle				✓		✓	
Marine						✓	✓
Caravan / Trailer						✓	
Export				✓		✓	

GUD Recent Acquisitions

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GUD Acquisition Opportunities

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Top Auto Categories	Example of Parts & Components	Current GUD Position
Filters	Air Filters, Cabin Filters, Fuel Filters, Oil Filters	Strong
Oil	Additives, Antifreeze, Auto Transmission Oil, Engine Oil, Greases, Hydraulic oil, Manual gearbox & Diff Oil, Power Steering Oil	
Electrical	Battery, Cable, Cable Clamps, Terminals, Connectors, Flasher Units, Globes, Headlights, Heat Sinks, Ignition, Jumper Leads, Relays, Resistors, Silicon Sleeves, Spiral Wrap, Starter Motors, Switches, Spark Plugs	Strong
Brake	Brake Cables, Brake Fluid, Drums, Hoses, Kits, Rotors, Shoes, Disc Pads, Callipers, Calliper Pistons, Master Cylinders, Slave Cylinders, Wheel Cylinders	Moderate
Suspension	Idler & Pitman Arms, Power Steering Hoses & Pumps, Shock Absorbers, Springs, Steering Rack Boots, Strut Mounts, Suspension Ball Joints & Bushes, Sway Bar Links, Tie Rod & Rack Ends	
Cooling	Fan Belts, & Clutches, Heater Valves, Radiators, Caps, Hoses, Thermostats, Water Pumps & Housing	
Engine Parts	Accelerator Cables, Bearings, Carburettor, Covers, Engine Mounts, Engine Switches, Exhaust mounts, Fuel Pumps, & regulators, Gaskets, Head Bolt Sets, Oil Pumps, & Seals, PCV Valves, Pulleys, Tensioners, Timing Belts & Kits, Valve Lifters	Minor
Equipment	Diagnostics, Hoists, Lifting Equipment, Polishing Tools	
4WD Products	Bull bars, Tow bars, canopies, brake suspension upgrades, lighting	Minor
Car Care	Polishes, Chemicals, Consumables	Minor

GUD only positioned in 6 of top 10 categories – significant opportunities remain

GUD Acquisition Summary

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- 5 Acquisitions since 2015
- Significant acquisition opportunities remain
- GUD M & A has active pipeline
- GUD balance sheet is supportive
- GUD is positioned to participate in aftermarket consolidation



Questions



Brown & Watson International

Investor Day - October
2019

George Davies
CEO



GUD
HOLDINGS
LIMITED



Our background

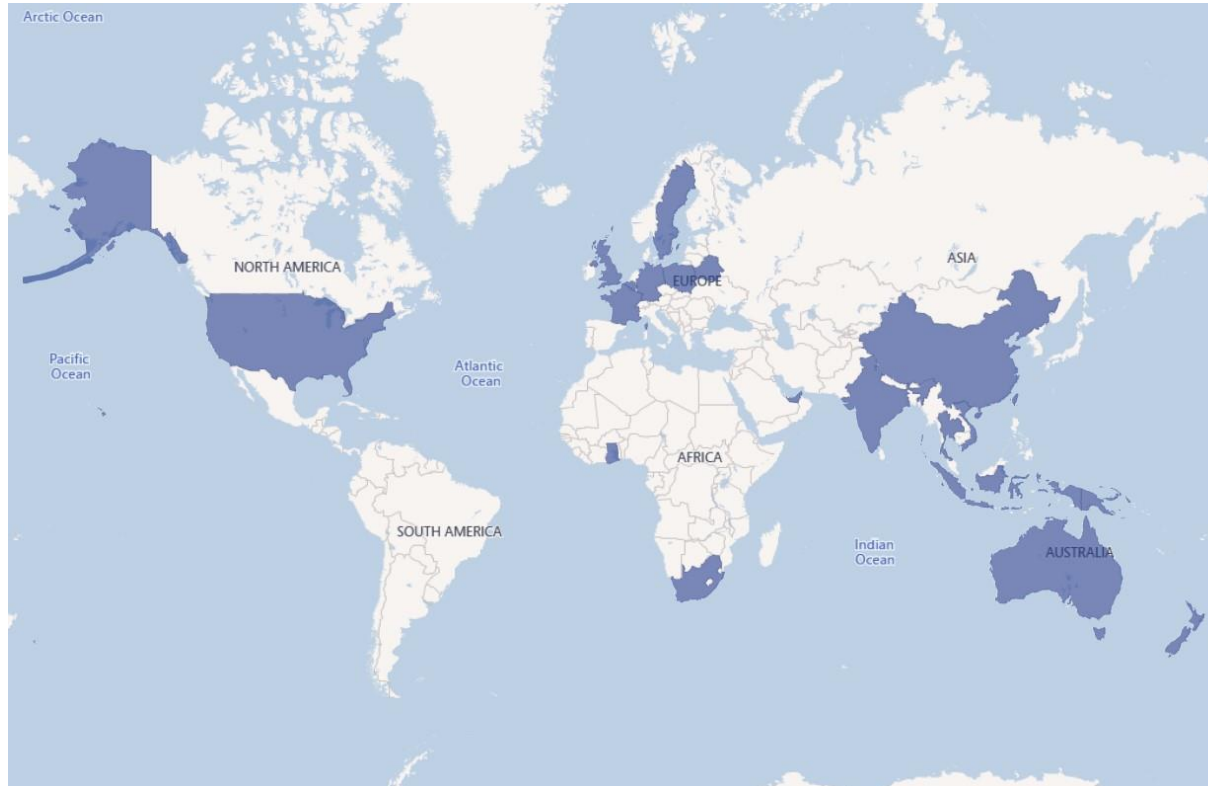
BROWN AND WATSON INTERNATIONAL PTY LTD

- Established 1953
- Acquired by GUD 2015
- Acquired GEL Oct 2016
- Brands – Narva, Projecta, Osram, Philips, Big Red, MaxiLite
- Product – 9,600 SKUs across Automotive Lighting, Electrical and Power
- Markets - Automotive aftermarket trade and retail, Automotive Electrical, Truck & Trailer, 4WD, Hardware, RV & Marine, OEMs, Public Safety
- 96% of Revenue Au/NZ



Geography

BROWN AND WATSON INTERNATIONAL PTY LTD

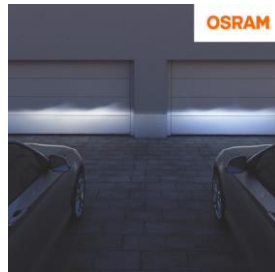


Revenue by Country

- Australia – 84%
- New Zealand – 12%
- France – 2%
- Other – 2%

6 brands across lighting, electrical and power

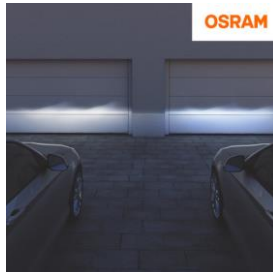
BROWN AND WATSON INTERNATIONAL PTY LTD



NARVA	PROJECTA	PHILIPS	OSRAM	BIG RED	MAXILITE
6700 SKUs	725 SKUs	375 SKUs	236 SKUs	46 SKUs	37 SKUs
Lighting & Electrical	Power	Lighting	Lighting	Lighting	Lighting
\$\$ - Mid Shelf	\$\$ - Mid Shelf	\$\$\$ - Premium	\$\$\$ - Premium	\$ - Entry Level	\$ - Entry Level
High Market share	Medium market share	Medium market share	Low market share	Low market share	Low market share

Sales channels by brand

BROWN AND WATSON INTERNATIONAL PTY LTD



NARVA	PROJECTA	PHILIPS	OSRAM	BIG RED	MAXILITE
Auto trade Auto retail Auto electrical Truck & trailer Body builder 4WD Hardware RV & Marine Public Safety	Auto trade Auto retail Auto electrical Truck & trailer Battery 4WD Hardware RV & Marine Public Safety	Auto retail Auto electrical	Auto electrical	Online	Auto retail

Our DNA

BROWN AND WATSON INTERNATIONAL PTY LTD

- Address all segments to deliver an efficient “one stop” supplier product portfolio.
- Heritage of innovation with quality
- Able to supply products at varying feature, benefits and price points
- More responsive than traditional major and global competitors
- Work closely with key suppliers to achieve world class buy prices on ANZ volumes
- Consistently strong brand health



Where we left off last year

BROWN AND WATSON INTERNATIONAL PTY LTD

- 12.9% Revenue CAGR (FY15-18)
- 14.2% EBIT CAGR (FY15-18)
- FY19 - flat year on year
 - Large exposure to FX
 - Core channels steady
 - Trade and Retail
 - Growth channels flat
 - Truck and Body Builders
 - Public Safety
- FY18 Q4 - Customers chasing end of year targets creating difficult comps in FY19
- FY19 Q4
 - Customers destocking
 - Customers unable to add new lines



Core Priorities

BROWN AND WATSON INTERNATIONAL PTY LTD

- FY20 focus
 - P&L
 - Price Increase (Oct 2019)
 - Protect our core channels and re-focus on growth channels with new formed department
 - Improved product sourcing & operational efficiency
 - NWC
 - Improving Creditor Days
 - Continued inventory reduction



Core – Narva products

BROWN AND WATSON INTERNATIONAL PTY LTD

- Narva catalogue released at AAEE
- LED technology continues to replace halogen and incandescent
 - Traditional products are in decline
 - LED technology lower wear rate
 - LED technology more expensive than replacements but becoming more affordable
- Narva has competed with house brand for many years.
 - Head to head – our range remains compelling
 - Deranging in FY19 ~\$1.3m impact
- Paccar Parts Supplier of the Year
- Dual winner Good Design Awards

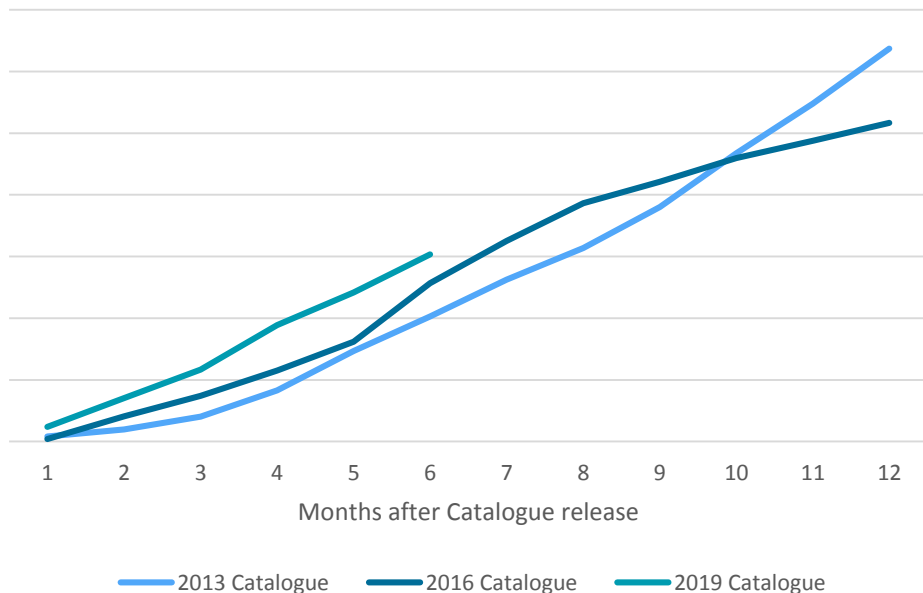


Core - Narva Catalogue

BROWN AND WATSON INTERNATIONAL PTY LTD

- 720 New Products on track to outperform previous catalogues
- New Marine Sections
 - Navigation LED Lamps
 - Underwater Lights
- Timing of release coincided with customer inventory pressure
- BWI Inventory pressure has slowed down release and created high backorders
- Significant customer to incorporate new range into retail plan-o-grams. (Oct 19)
- Exciting new hero lines still to be launched in H1

New Product Revenue from Catalogue



Core - Projecta

BROWN AND WATSON INTERNATIONAL PTY LTD

- Launched new Intelli-RV
 - Comprehensive power management system solution
 - Collaborative design input using innovation process from both customer and supplier
 - Suits caravans and RV
 - Easier & safer installation and battery/solar management
 - On trial at numerous camper trailer and caravan manufacturers
 - Best new Innovative Product – 2019 AAAA Award
- Re-launched Jump starter Program
 - Strong market acceptance
- Exciting new battery charger release in FY20
 - Innovation mission to develop product specification
 - Connected offering that can open up new opportunities



Growth Pathways – Emerging Sales Channels

BROWN AND WATSON INTERNATIONAL PTY LTD

- Public Safety
 - Police, Fire and Ambulance (Power & Lighting) market estimated to be \$40m+
 - New Partnership with USA specialist supplier Federal Signal further opens up the market offering
 - Opportunity to double revenue in this channel
- OEM (Lighting, Electrical & Power)
 - ANZ market estimated to be \$80m+
 - New Customer Solutions Department established
 - Standard fit and customised development
 - Opportunity to grow channel by 20%
 - Partnering with expert OE manufacturers
- RV/Marine
 - ANZ market estimated to be \$60m+
 - 30,000 caravans/camper trailers manufactured p.a.
 - 30,000 new boats registered p.a.
 - Opportunity to grow this channel by 30% through new product development

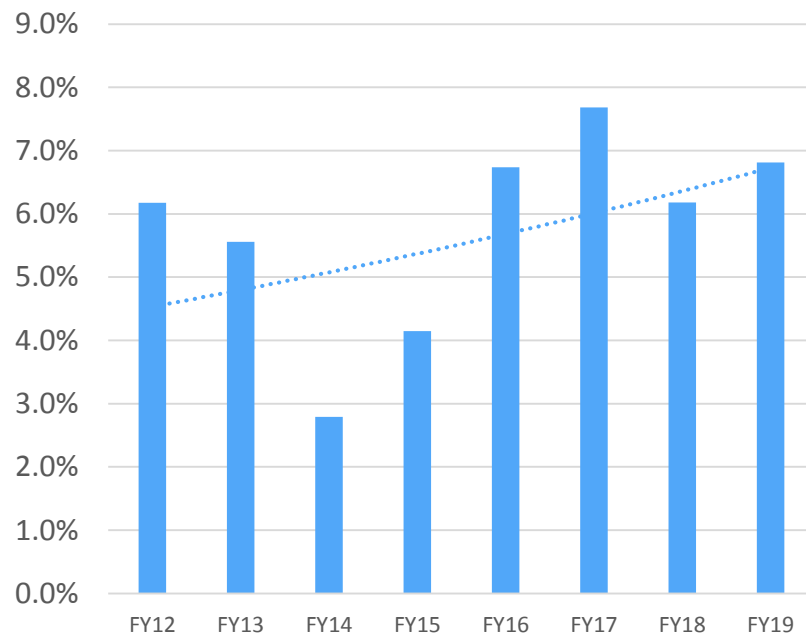


Growth Pathways - New Product

BROWN AND WATSON INTERNATIONAL PTY LTD

- Innovation integrated into new product developed
- New products continue to drive sales growth
 - Product life cycles reducing
- New technologies giving rise to new product opportunities
- Further investment into new product testing equipment
- Global product development underway with launch in CY20

New Product as a % of Total Revenue



Growth Pathways - Geography

BROWN AND WATSON INTERNATIONAL PTY LTD

- Export sales growth 18%, opportunity to continue growing at double digits off a low base
 - USA – Partnering with established \$100m power business as well as leveraging relationship with ANZ customer
 - UK – Partnering with established \$80m lighting and power business on power program
 - Europe & S.A. – Appointed new Projecta distributors



Questions and Answers

BROWN AND WATSON INTERNATIONAL PTY LTD

- Questions?