Appendix 4D
Interim Financial Report

GUD Holdings Limited

(ABN 99 004 400 891)

31 December 2023

(Previous corresponding period: 31 December 2022)

Contents

Results for Announcement to the Market

For the six months ended 31 December 2023

Results from operations	Change to/from $'000 prior year			$'000
Revenue	**Up**	**39,113**	**to**	**492,636**
Profit from operations after tax	**Up**	**8,380**	**to**	**51,376**
Reported operating profit from continuing operations before interest and tax	**Up**	**13,919**	**to**	**86,446**
Add back: restructuring and transaction costs, before tax				583
Underlying profit from continuing operations before interest and tax[1]	**Up**	**13,420**	**to**	**87,029**
Add back: Acquisition related inventory step up				0
Add back: Amortisation				10,991
Underlying profit from continuing operations before interest, tax, acquisition related inventory step up and amortisation[1]	**Up**	**10,215**	**to**	**98,020**
Reported net profit from continuing operations for the period attributable to members	**Up**	**8,380**	**to**	**51,376**
Add back: Transaction costs, after tax				408
Underlying profit from continuing operations after tax attributable to members[1]	**Up**	**5,559**	**to**	**51,784**
Operating cash flows	**Up**	**16,203**	**to**	**76,896**

1. Underlying profit after tax and underlying profit before interest and tax are non-IFRS measures that have not been subject to audit or review. "Underlying" results represent reported results adjusted for significant items.

		6 months ended 31 December
	2023	2022
Earnings per Share (EPS)	Cents per share	Cents per share
Earnings per share from continuing operations:		
Basic EPS	**36.5**	30.5
Diluted EPS	**36.2**	30.3
Underlying basic EPS[1]	**36.8**	32.8
Underlying diluted EPS[1]	**36.4**	32.5

1. Underlying basic EPS and underlying diluted EPS are non-IFRS measures that have not been subject to audit or review. "Underlying" results represent reported results adjusted for significant items.

Dividends	Amount per security	Percentage franked
Interim dividend	**18.5 cents**	**100%**
Date the dividend is payable		**8 March 2024**
Record date for determining entitlements to the dividend		**26 February 2024**
Trading ex-dividend		**23 February 2024**
Interim Dividend		**Percentage franked**
Interim dividend in respect of the 2024 financial year	**18.5 cents**	**100%**
Interim dividend in respect of the 2023 financial year	**17 cents**	**100%**
Final Dividend		**Percentage franked**
Final dividend in respect of the 2023 financial year	**22 cents**	**100%**
Final dividend in respect of the 2022 financial year	**22 cents**	**100%**

		As at 31 December
Net debt	**2023**	**2022**
Net debt	**344,376**	473,891

		As at 31 December
Net Tangible Assets (NTA)	2023	2022
NTA	**(200,323)**	(267,926)
NTA per share	**(0.14)**	(0.19)

This announcement is based on financial statements which have been subject to an independent review. Refer to the media release for a brief explanation of the figures reported above.

Directors' Report

The Directors of GUD Holdings Limited (the Company) present their report on the consolidated entity, being the Company and its subsidiaries, for the half year period ended 31 December 2023.

Directors

The names of the Directors of the Company at any time during the half year or since 31 December 2023 are:

Non Executive Directors

Graeme A. Billings (Chair) - Director from 20 December 2011 - current
David D. Robinson - Director from 20 December 2011 - current
Jennifer A. Douglas - Director from 1 March 2020 - current
Carole L. Campbell - Director from 16 March 2021 - current
John C. Pollaers OAM - Director from 23 June 2021 - current.

Executive Director

Graeme Whickman (Managing Director & Chief Executive Officer) - Director from 1 October 2018 - current

Review of Operations and Results of Operations for the six months ended 31 December 2023

The Directors are pleased to present to shareholders their Report for the six months ended 31 December 2023.

Group Financial Overview (continuing operations)

$M	FY24 H1	FY23 H1[1]	Change
Revenue	492.6	453.5	8.6%
Statutory NPAT	51.4	43.0	19.5%
Underlying NPATA[2]	59.1	53.5	10.5%
Underlying EBITA[2]	98.0	87.8	11.6%
Underlying EBITA margin	*19.9%*	*19.4%*	*0.5 pps*
Cash Conversion[3]	93.5%	77.9%	15.6 pps
Net Debt/UL EBITDA[2,4]	1.7	250%	n/a

1. Restated to disclose CSM Service Bodies and Davey as discontinued operations. Refer to note 13.3 of Appendix 4D.
2. Underlying NPATA, underlying EBITDA and underlying EBITA are unaudited, non IFRS and exclude (non-cash) acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D.
3. Cash conversion = gross operating cashflow (excluding lease payments)/underlying EBITDA (adjusted for depreciation and interest on leases).
4. Net debt/UL EBITDA are calculated on a pre- AASB16 (lease-adjusted) net financial debt and EBITDA basis that includes the LTM from the acquired business (Rindab AB) and excludes LTM of the divestments (CSM Service Bodies and Davey).

Cents	FY24 H1	FY23 H1	Change
EPS (Basic) from continuing operations	36.5	30.5	19.5%
Underlying EPSA from continuing operations[1]	41.9	38.0	10.5%
DPS (interim)	18.5	17.0	8.8%

1. Underlying EPSA (EPS pre-amortisation) is unaudited, non IFRS and exclude (non-cash) acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D.

Group Performance

Revenue for the half year increased 8.6% to $492.6 million, driven by an uplift in APG and a solid performance from the Automotive business.

The Group reported Statutory NPAT of $51.4 million, up 19.5% on the prior corresponding period (pcp). This result includes $7.3 million of amortisation of acquired intangibles and $0.4 million of significant items, on a post-tax basis. Underlying NPATA[1], which excludes these items, increased 10.5% on the pcp.

Underlying EBITA[1] of $98.0 million increased 11.6% on the pcp.

1. Underlying NPATA, underlying EBITA and underlying EPSA are non-IFRS and unaudited. These items exclude (non-cash) acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D. FY23 H1 has been restated to reflect 'Continuing Operations' and therefore excludes Davey and CSM. AE4A has been moved from Acquired into BWI (Core) from 1 July 2023 and FY23 H1 has been restated to allow for a like-for-like comparison.

Corporate costs of $6 million reflects a forecast step change in external costs (for example, D&O insurance, professional services and Cyber/IT) as well as investment to support the larger Group and its growth aspirations.

Cash conversion of 93.5% reflects a stable inventory position, some positive timing impacts that are expected to unwind in the second half and is inclusive of a $6.5 million reduction in debtor factoring.

Consequently, net debt continues to reduce, and the Group achieved a leverage ratio (Net Debt/Adjusted EBITDA) of 1.7x, well within the target range.

A fully franked interim dividend of 18.5 cents per share (cps) was announced, an increase of 8.8% on the pcp.

Segment Summary (continuing operations)

Segment Underlying EBITA[1]	FY24 H1	FY23 H1[2,3]	Change
Automotive	71.8	67.9	5.7%
Core Automotive[4]	60.2	55.8	7.9%
Acquired Automotive[5]	11.5	12.0	(4.3%)
APG	32.3	25.1	28.5%
Corporate	(6.0)	(5.2)	15.7%

1. Underlying EBITA is unaudited, non IFRS and exclude (non-cash) acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D.
2. Restated to disclose CSM Service Bodies and Davey as discontinued operations. Refer to note 13.3 of Appendix 4D.
3. AE4A has been moved from Acquired Automotive into BWI (Core Automotive) from 1 July 2023 and FY23 H1 has been restated to allow for a like-for-like comparison.
4. 'Core' Automotive includes Ryco, IMG, AA Gaskets, DBA, Wesfil, BWI and Griffiths Equipment.
5. 'Acquired' Automotive includes G4CVA, ACS and Vision X.

'Automotive' – Growth driven by resilient 'Core'[1] businesses

The Automotive businesses reported revenue growth of 5.6%, reflecting a solid performance from the 'Core'[1] business.

Underlying EBITA[2] of $71.8 million increased 5.7% on the pcp.

Core Automotive[1] revenue growth of 6.8% reflects a full half impact of Q4 FY23 price rises and volume growth. Growth continues to be supported by new customers, products and geographies, and ongoing investment in product development.

The modest margin expansion in 'Core' underlying EBITA[2] [1]was driven by BWI product rationalisation.

Acquired' revenue[2 3] growth of 1.9% includes a two-month contribution from the acquisition of Rindab completed on 1 November 2023. Excluding Rindab, organic growth was down modestly and margin were down 90 basis points reflecting business improvement actions and investment in growth initiatives.

The Group remains focused on margin management and price increases have been implemented in H2 to manage ongoing currency volatility and domestic cost inflation.

Progress was made in the half with respect to the Group's greenfield geographic expansion in lighting and power management. BWI and Vision X product complementation efforts form a part of this strategy, and within the US, a specialist lighting and consumables range has been launched via the Ultima brand and a power management range under the Projecta brand. The early signs from this measured greenfield strategy are encouraging with modest first orders being received in the half.

Following a successful European launch at the end of FY23, Projecta sales in that region continue to grow, albeit off a low base. The acquisition of Rindab in November 2023 will further support Vision X and BWI's product complementation efforts and growth ambitions by providing a European beachhead for lighting and power products. This acquisition, coupled with today's announcement of the acquisition of CES (further details provided below), reflect the Group's global aspirations and diversification strategy.

The Group continues to work towards creating a leadership position in the domestic EV aftermarket via its Infinitev business, which was structured as a stand alone business in December 2023. The hybrid battery exchange program in Australia continues to gain traction and has also been successfully launched in NZ. In addition, the EV battery lifecycle management services business in Australia is progressing well with agreements in place with OEMs such as Kia and Mazda.

APG result in line with expectations despite ongoing supply and manufacturing challenges

APG delivered strong revenue and underlying EBITA[2] growth of 15.6% and 28.5% respectively during the half, reflecting improved new vehicle volumes in Australia. This strong Australian recovery was diluted by a substantial contraction in the NZ market. The anticipation of NZ's Clean Car Discount being repealed resulted in a substantial contraction in NZ SUV/Pick up sales, most acutely reflected in Pick Up registrations being down more than 50% in the period[4].

1. 'Core' Automotive includes Ryco, IMG, AA Gaskets, DBA, Wesfil, BWI and Griffiths Equipment.
2. Underlying NPATA, underlying EBITA and underlying EPSA are non-IFRS and unaudited. These items exclude (non-cash) acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D. FY23 H1 has been restated to reflect 'Continuing Operations' and therefore excludes Davey and CSM. AE4A has been moved from Acquired into BWI (Core) from 1 July 2023 and FY23 H1 has been restated to allow for a like-for-like comparison.
3. 'Acquired' Automotive includes G4CVA, ACS and Vision X.
4. VFacts industry new vehicle sales data for New Zealand.

New vehicle supply across both Australia and NZ remains constrained by ongoing industry challenges that are also creating volatility in APG's customer mix.

APG's supply outperformance relative to its competitors continues to benefit the Cruisemaster business which grew despite a softening of caravan industry sales. Further optimisation of APG's manufacturing footprint has added to this competitive advantage as Cruisemaster capacity has been increased, and its cost position improved, by utilising the Thailand facility.

Underlying EBITA[1] of $32.3 million, an increase of 28.5 % on the pcp driven by higher volumes from improved Australian new vehicle supply and consequently better manufacturing efficiencies in Australia and Thailand.

The large drop in new vehicle volumes in NZ resulted in significant factory inefficiency and led to a weak NZ result. Consequently, the overall APG margin was slightly softer in the first half relative to the second half of FY23 (20.3% versus 20.6% respectively) as capacity was maintained in anticipation of a recovery in these deferred volumes.

Vehicle supply constraints remain inconsistent across brands in both geographies and logistical challenges are now adding to that volatility. OEM production volumes have improved in Australia but have not yet stabilised. The existing industry production challenges are now extending to post-production logistics. Shortages of roll on/roll off vessels and port clearance issues have escalated creating supply bottlenecks, therefore new car deliveries are expected to remain volatile.

Independent forecasts of Australian new vehicle sales indicate that demand is not abating and APG's continued OEM share of wallet gains (such as the Toyota Hilux sports bar); geographic expansion and Trailering new customer wins all validate APG's strategy.

Strengthened financial position

The Group's performance on net working capital shows a stabilisation of purchasing patterns and inventories post the unwind of the supply chain challenges in prior years and is inclusive of a $6.5 million reduction in debtor factoring.

Strong cash conversion of 93.5% reflects this net working capital outcome coupled with some positive timing impacts which will unwind in H2. It is the Group's intention to further reduce debtor factoring in the second half towards historical levels of circa $10 million.

Pleasingly, the result coupled with the sale of Davey, drove a step change in net debt and leverage, reflected in FY24 H1 Net Debt/Adjusted EBITDA of 1.7x; well within the Group's target range.

After the payment of a fully franked interim dividend of 18.5 cents per share, an increase of 8.8%, the balance sheet is in a strong position. With a high proportion of fixed-rate debt and optimised maturity profile, the Group is well positioned to fund organic growth and compelling bolt-on acquisitions.

Acquisition of CES

GUD announces today the acquisition of Caravan Electrical Solutions (CES) for $15.9 million[2] which equates to a headline multiple of circa 4x FY23 EBITA[3]. The transaction is expected to complete on 1 March 2024.

CES's core business is the design and supply of complete electrical and power management systems to caravan OEMs. The balance of the business involves distribution of a broad range of third-party caravan and RV lighting and electrical accessories.

The CES leadership team will remain with the business and become part of the BWI Group and its established design, assembly, sales and distribution facilities will be retained.

Significant cost synergies exist including leveraging BWI's product suite. The acquisition is complementary in terms of product and customer, creating potential revenue synergies. There is also potential to expand the share of wallet from BWI's existing caravan and truck OEMs. Potential also exists to leverage BWI's caravan OEM relationships into CES noting that the acquisition doubles BWI's RV customers, creating cross sell opportunities. Finally, potential for medium to long term cross divisional revenue synergies also exist with APG and Cruisemaster.

Rounding Off

The Company is of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and, in accordance with that Instrument, amounts in this Report and the accompanying financial statements have been rounded off to the nearest one thousand dollars unless otherwise stated.

This Directors' Report is signed on behalf of the Directors in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

1. Underlying NPATA, underlying EBITA and underlying EPSA are non-IFRS and unaudited. These items exclude (non-cash) acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D. FY23 H1 has been restated to reflect 'Continuing Operations' and therefore excludes Davey and CSM. AE4A has been moved from Acquired into BWI (Core) from 1 July 2023 and FY23 H1 has been restated to allow for a like-for-like comparison.
2. Before customary completion adjustments. Including potential earnout payments the total purchase price is expected be circa $19.1 million on a zero net debt basis.
3. Pre - AASB 16 EBITA

Significant Changes

On 1 September 2023 the Group sold the assets, liabilities and related business processes of Davey. Further details on the disposal are included in Note 13.3 to the condensed consolidated interim financial statements.

There have been no other significant changes in the Company since 30 June 2023.

Significant Events after reporting date

Dividend

On 14 February 2024, the Board of Directors determined to pay a fully franked interim dividend in respect of the 2024 financial year of 18.5 cents per share. The record date for the dividend is 26 February 2024 and the dividend will be paid on 8 March 2024. (The Dividend Reinvestment Plan will not be activated for this dividend.)

Acquisition of Caravan Electrical Solutions

On 22 January 2024, one of the Company's subsidiaries, Brown and Watson International Pty Ltd, entered into an agreement to acquire all the shares in Caravan Electrical Solutions Pty Ltd (CES). The total estimated consideration for CES is expected to be $19.092 million (including contingent consideration of $3.215 million), subject to customary net working capital and net debt adjustments. Completion of the acquisition is targeted to occur on 1 March 2024.

Other

Other than the items discussed above, there has not arisen in the interval between the end of the half year and the date of this Report, any item, transaction, or event of a material and unusual nature which is likely, in the opinion of the Directors, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future reporting periods.

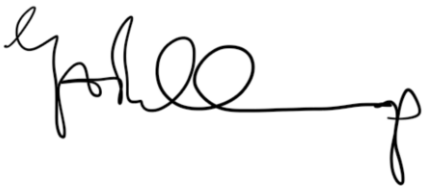
Auditor Independence

The auditor's independence declaration made under section 307C of the *Corporations Act 2001* is set out on page 6 of the accompanying Condensed Consolidated Interim Financial Statements and forms part of this Report.

Additional Information in the Financial Report

There is no additional information under paragraph 303(3)(c) (information included to give a true and fair view of the financial position and performance of the Group) in the Financial Report for the half year ended 31 December 2023.

This Report is made on 14 February 2024.



Graeme A Billings
Chair

Graeme Whickman
Managing Director & Chief Executive Officer

Melbourne, 14 February 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of GUD Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of GUD Holdings Limited for the half-year ended 31 December 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Maritza Araneda

Partner

Melbourne

14 February 2024

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Condensed Consolidated Income Statement

For the six months ended 31 December

	Note	2023 $'000	Restated[1] 2022 $'000
Revenue	2	492,636	453,523
Cost of goods sold		(272,088)	(265,647)
Gross profit from continuing operations		220,548	187,876
Other income		851	1,041
Marketing and selling expenses		(36,285)	(31,800)
Product development and sourcing expenses		(17,723)	(7,827)
Logistics and outward freight expenses		(16,274)	(15,526)
Administration expenses		(53,090)	(48,095)
Other expenses[2]		(11,581)	(13,142)
Profit from continuing operating activities		86,446	72,527
Finance income	5	1,069	678
Finance expense	5	(14,010)	(13,799)
Profit before tax from continuing operations		73,505	59,406
Income tax expense		(22,129)	(16,410)
Profit from continuing operations, net of income tax		51,376	42,996
Gain/(Loss) from discontinued operations, net of income tax	13.3	(1,142)	2,631
Profit from operations, net of income tax		50,234	45,627
Profit attributable to owners of the Company		50,234	45,627
Earnings per share from continuing operations:			
Basic earnings per share (cents per share)	4	36.5	30.5
Diluted earnings per share (cents per share)	4	36.2	30.3
Earnings per share from operations:			
Basic earnings per share (cents per share)	4	35.7	32.4
Diluted earnings per share (cents per share)	4	35.4	32.1

1. Restated to disclose CSM Service Bodies and Davey as discontinued operations. Refer to note 13.3.
2. Other expenses at 31 Decemeber 2023 includes $0.583m of acquisition related transaction costs (31 December 2022 includes $0.347m of acquisition related transaction costs and $0.735m of restructuring costs).

The notes on pages 13 to 33 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Other Comprehensive Income

For the six months ended 31 December

	Note	2023 $'000	2022 $'000
Profit for the period		50,234	45,627
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Equity investments at FVOCI - net change in fair value		1,520	-
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translating results of foreign operations		(444)	1,221
Net fair value adjustments recognised in the hedging reserve		(283)	3,548
Net change in fair value of cash flow hedges transferred to inventory		(2,931)	(7,288)
Income tax expense/(benefit) on items that may be reclassified subsequently to profit or loss		964	1,122
Other comprehensive income / (loss) for the period, net of tax		(1,174)	(1,397)
Total comprehensive income attributable to owners of the Company		49,060	44,230
Total comprehensive income		49,060	44,230

All the above items may subsequently be recognised in the condensed consolidated income statement. The notes on pages 13 to 33 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Balance Sheet

As at

	Note	31 December 2023 $'000	30 June 2023 $'000
Current assets			
Cash and cash equivalents		38,408	53,353
Trade and other receivables		176,702	184,243
Inventories		207,240	243,220
Derivative assets	10	898	3,336
Other financial assets	10	2,555	650
Current tax receivable		2,486	2,518
Other assets		14,766	9,264
Total current assets		443,055	496,584
Non-current assets			
Goodwill	6	630,666	625,018
Other intangible assets	7	479,075	491,113
Property, plant and equipment		55,557	56,728
Right of use assets		101,107	110,513
Derivative assets	10	-	-
Other financial assets	10	5,494	6,526
Investments		7,967	6,446
Total non-current assets		1,279,866	1,296,344
Total assets		1,722,921	1,792,928
Current liabilities			
Trade and other payables		138,406	143,280
Employee benefits		21,404	24,386
Other provisions		5,705	8,322
Bank overdraft	9	674	2,756
Borrowings	9	40,167	5,197
Lease liabilities		19,489	22,964
Derivative liabilities	10	4,766	703
Other financial liabilities	10	21,266	738
Current tax payable		5,964	4,654
Total current liabilities		257,841	213,000
Non-current liabilities			
Employee benefits		4,073	3,628
Borrowings	9	341,294	447,474
Lease liabilities		91,639	96,694
Derivative liabilities	10	488	1,514
Deferred tax liabilities		114,151	117,200
Other financial liabilities	10	2,186	21,934
Other provisions		1,831	2,024
Total non-current liabilities		555,662	690,468
Total liabilities		813,503	903,468
Net assets		909,418	889,460
Equity			
Share capital	11	679,553	679,553
Reserves		17,587	16,866
Retained earnings		212,278	193,041
Total equity		909,418	889,460

The notes on pages 13 to 33 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2023

Attributable to the owners of the Company

	Note	Share capital	Hedging reserve	Equity compensation reserve	Fair value reserve	Translation reserve	Retained earnings	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2023		679,553	(30)	16,362	732	(198)	193,041	889,460
Total comprehensive income for the period				-				
Profit for the period		-	-	-	-	-	50,234	50,234
Other comprehensive income/(loss) for the period		-	(2,250)	-	1,520	(444)	-	(1,174)
Total comprehensive income for the period		-	(2,250)	-	1,520	(444)	50,234	49,060
Transactions with the owners of the Company								
Contributions and distributions								
Dividends paid	12	-	-	-	-	-	(30,997)	(30,997)
Equity settled share based payment		-	-	1,895	-	-	-	1,895
Balance at 31 December 2023		679,553	(2,280)	18,257	2,252	(642)	212,278	909,418

For the six months ended 31 December 2022

Attributable to the owners of the Company

	Note	Share capital	Hedging reserve	Equity compensation reserve	Fair value reserve	Translation reserve	Retained earnings	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022		679,553	1,788	15,437	(681)	(127)	151,398	847,368
Total comprehensive income for the period								
Profit for the period		-	-	-	-	-	45,627	45,627
Other comprehensive income/(loss) for the period		-	(2,618)	-	-	1,221	-	(1,397)
Total comprehensive income for the period		-	(2,618)	-	-	1,221	45,627	44,230
Transactions with the owners of the Company								
Contributions and distributions								
Dividends paid	12	-	-	-	-	-	(30,997)	(30,997)
Equity settled share based payment		-	-	(620)	-	-	-	(620)
Balance at 31 December 2022		679,553	(830)	14,817	(681)	1,094	166,028	859,981

The amounts recognised directly in equity are net of tax.

The notes on pages 13 to 33 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Cash Flow Statement

For the six months ended 31 December

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		546,905	585,711
Payments to suppliers and employees		(445,561)	(503,387)
Interest received		677	681
Income taxes paid		(25,125)	(22,311)
Net cash provided by operating activities		76,896	60,694
Cash flows from investing activities			
Acquisition of controlled entity, net of cash acquired	13.1	(10,505)	(2,708)
Payment for acquisition related deferred and contingent consideration		(675)	-
Proceeds from sale of subsidiary net of cash disposed and transaction costs	13.1	52,104	-
Dividends received from equity investments		426	-
Proceeds from sale of property, plant and equipment		231	528
Payments for property, plant and equipment		(8,975)	(8,351)
Net cash provided by / (used in) investing activities		32,606	(10,531)
Cash flows from financing activities			
Proceeds from borrowings		32,000	58,537
Repayment of borrowings		(101,694)	(40,000)
(Advance)/Proceeds on other loans		-	(88)
Interest paid		(11,543)	(10,626)
Payment of lease liabilities		(10,867)	(11,575)
Dividends paid (Net of dividend reinvested)	12	(30,997)	(30,997)
Net cash used in financing activities		(123,101)	(34,749)
Net (decrease)/increase in cash held		(13,599)	15,414
Cash and cash equivalents at the beginning of the period		50,597	59,426
Effects of exchange rate changes on the balance of cash held in foreign currencies		736	(462)
Cash and cash equivalents at end of the period[1]		37,734	74,378

1. Cash and cash equivalents at 31 December 2023 is net of bank overdraft of $0.674 million (Cash and cash equivalents at 31 December 2022 is net of bank overdraft of $10.028 million).

The notes on pages 13 to 33 are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. Basis of preparation

This section sets out the Group's accounting policies that relate to the condensed consolidated interim financial statements.

Reporting Entity

GUD Holdings Limited (the 'Company') is a for profit company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2023 comprises the Company and its subsidiaries (together referred to as the 'Group').

The Group is primarily involved in manufacturing, importation, distribution and sale of automotive products for the after market and the fitment of accessories to new vehicles. The Group has operations in Australia, New Zealand, United States of America, Thailand, Korea and Sweden (Note 5).

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2023 are available on request from the Company's registered office at 144 Moray Street, South Melbourne, VIC, 3205 or at www.gud.com.au.

Basis of Preparation

The condensed consolidated interim financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, AASB 134 and with IAS 34 *Interim Financial Reporting*. The interim financial statements do not include all the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last consolidated annual financial statements as at and for the year ended 30 June 2023.

The condensed consolidated interim financial statements were authorised for issue by the Directors on 14 February 2024.

Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for the following items which have been measured at fair value:

- Derivatives (Note 10)
- Financial instruments (Note 10)
- Investment in subsidiaries (Note 13)

Functional and presentation currency

The condensed consolidated interim financial statements are presented in Australian dollars which is the Company's functional currency.

Changes in material accounting policies

The Group has consistently applied the accounting policies to all periods presented in these condensed consolidated interim financial statements except as disclosed otherwise.

The Group adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they will impact the accounting policy information disclosed in the consolidated financial statements as at and for the year ending 30 June 2024. The amendments require the disclosure of 'material', rather than 'significant' accounting policies.

The Group applied the following amendments related to AASB 112 *Income Taxes* for the first time in the current year:

- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to AASB 112).
  The Group applied amendments that narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences.
  The Group previously accounted for deferred tax arising from a single transaction on a net basis. Following the amendments, the Group has recognised separate deferred tax assets and liabilities. There was no impact on the Condensed Consolidated Balance Sheet as the balances qualify for offset under paragraph 74 of IAS 12. There was no impact on the opening retained earnings as at 1 July 2023 as a result of the change.
  The change in accounting policy will also be reflected in the Group's consolidated financial statements as at and for the year ending 30 June 2024, where this change will impact the disclosures within the notes.

- International Tax Reform – Pillar Two Model Rules (Amendments to AASB 112).
  The Group adopted the amendments upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax which applies retrospectively.
  As at 31 December 2023, the Group did not meet the minimum turnover threshold of EUR750 million to qualify for this tax reform.

The Group does not have any material transactions that are affected by the other newly effective accounting standards and amendments.

Use of estimates and judgements

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements as at and for the year ended 30 June 2023. With regard to business acquisitions during the period (Note 13.1); fair value of the consideration transferred and fair value of the assets acquired and liabilities assumed, were measured on a provisional basis.

a. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes the Group finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The Group finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3**: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 6 – Goodwill;
- Note 10 – Financial instruments;
- Note 13– Investment in subsidiaries; and
- Note 14 – Performance rights

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 July 2023 and earlier application is permitted. The Group has not early adopted the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

Results for the Half Year

2. Revenue from contracts with customers

a. Revenue streams

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

In the following table, revenue is disaggregated by types of goods or services, geographical markets and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments in Note 5.

	For the six months ended 31 December 2023					Restated[1] For the six months ended 31 December 2022				
Segments	Automotive	APG	Total Continuing Operations	Discontinued Operations[2]	Total	Automotive	APG	Total Continuing Operations	Discontinued Operations[3]	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Type of goods or services										
Sale of goods	333,341	159,295	492,636	16,798	509,434	315,727	137,796	453,523	61,440	514,963
Water solutions project income	-	-	-	443	443	-	-	-	2,054	2,054
Total Revenue from contracts with customers	333,341	159,295	492,636	17,241	509,877	315,727	137,796	453,523	63,494	517,017
Geographical markets										
Asia Pacific	301,464	157,250	458,714	16,434	475,148	283,285	137,796	421,081	62,188	483,269
North America	11,752	2,045	13,797	-	13,797	32,442	-	32,442	-	32,442
Other	20,125	-	20,125	807	20,932	-	-	-	1,306	1,306
Total Revenue from contracts with customers	333,341	159,295	492,636	17,241	509,877	315,727	137,796	453,523	63,494	517,017
Timing of revenue recognition										
Goods transferred at a point in time	333,341	159,295	492,636	16,798	509,434	315,727	137,796	453,523	61,440	514,963
Services transferred over time	-	-	-	443	443	-	-	-	2,054	2,054
Total Revenue from contracts with customers	333,341	159,295	492,636	17,241	509,877	315,727	137,796	453,523	63,494	517,017

1. Restated to disclose CSM Service Bodies and Davey as discontinued operations. Refer to note 13.3.
2. Relates to disposal of Davey. Refer to note 13.3.
3. Relates to disposal of CSM Service Bodies and Davey. Refer to note 13.3.

Revenue from each of the Group's two largest customers represented 10-15% of the Group's total revenue, which is broadly consistent with the prior year.

3. Expenses

This table summarises expenses by nature from continuing operations:

For the six months ended 31 December	Note	2023 $'000	Restated[1] 2022 $'000
Profit before tax from continuing operations has been arrived at after charging the following expenses:			
Increase in inventory obsolescence provision		590	1,735
Loss/(gain) on sale of property, plant and equipment		(10)	(183)
Operating lease rental expense/short term or low value lease expense		914	5,640
Net foreign exchange (gain)/loss		(2,119)	(4,829)
Employee benefits:			
Wages and salaries (including on-costs)		83,000	67,842
Contributions to defined contribution plans		-	610
Movements in provisions for employee benefits		(1,746)	(290)
Equity settled share based payment expense		1,895	(620)
Product development and sourcing costs		17,723	7,827
Depreciation and amortisation:			
Amortisation of customer relationships	7	10,684	10,537
Amortisation of software	7	44	57
Amortisation of other intangibles	7	9	5
Amortisation of brand names	7	254	66
Depreciation of property, plant and equipment		4,854	4,392
Depreciation of leased property, plant and equipment		9,146	8,836
Total depreciation and amortisation		24,991	23,893
Significant items:			
Transaction expenses[2]	5	583	347
Restructuring costs[2]	5	-	735
Total significant items		583	1,082

1. Restated to disclose CSM Service Bodies and Davey as discontinued operations. Refer to note 13.3.
2. These costs are included as other expenses in the condensed consolidated income statement.

4. Earnings per share

Earnings per share ('EPS') is the amount of profit attributable to each share.

Basic EPS is calculated on the Group profit for the period attributable to equity shareholders divided by the weighted average number of shares on issue during the period.

Diluted EPS reflects any commitments the Group has to issue shares in the future, such as those issued upon vesting of performance rights, where the issuance of those shares will be dilutive compared to Basic EPS.

For the six months ended 31 December	2023 $'000	2022 $'000
Profit from continuing operations, net of income tax, attributable to owners of the Company	51,376	42,996
Profit from operations, net of income tax, attributable to owners of the Company	50,234	45,627
	Number	Number
Weighted average number of ordinary shares used as the denominator for basic EPS	140,894,696	140,894,696
Effect of balance of performance rights outstanding at 31 December	1,183,444	1,139,965
Weighted average number of ordinary shares used as the denominator for diluted EPS	142,078,140	142,034,661
Earnings per share (EPS) from continuing operations:	Cents per share	Cents per share
Basic EPS	36.5	30.5
Diluted EPS	36.2	30.3
Earnings per share from operations:	Cents per share	Cents per share
Basic EPS	35.7	32.4
Diluted EPS	35.4	32.1

5. Segment information

Segment reporting is presented in respect of the Group's operating segments. Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Managing Director (Chief Operating Decision Maker - 'CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The following summary describes the operations in each of the Group's reportable segments:

Automotive

Automotive and heavy-duty filters for cars, trucks, agricultural and mining equipment, automotive electrical and lighting products, fuel pumps and associated products and accessories for the automotive after-market.

Auto Pacific Group (APG)

The manufacturing and marketing of towing, trailering, functional accessories and associated products for the automotive aftermarket and Original Equipment Manufacturer customers.

Geographical segments

The Group operates primarily in two geographical segments; Asia Pacific and North America. Refer note 2 for geographical sales disclosure.

Business segments (continued)

	As at and for the six months ended 31 December 2023					
Reportable segments	Automotive $'000	APG $'000	Unallocated[1] $'000	Total Continuing Operations $'000	Discontinued Operations[2] $'000	Total $'000
Total segment revenue (external)	333,341	159,295	-	492,636	17,241	509,877
EBITDA pre- significant items and inventory step up	79,746	38,250	(5,976)	112,020	(646)	111,374
Less: Depreciation	(7,975)	(5,972)	(53)	(14,000)	(615)	(14,615)
EBITA pre- significant items and inventory step up	71,771	32,278	(6,029)	98,020	(1,261)	96,759
Less: Amortisation of intangibles[3]	(2,082)	(8,909)	-	(10,991)	-	(10,991)
EBIT pre-significant items	69,689	23,369	(6,029)	87,029	(1,261)	85,768
Transaction costs[4]	-	-	(583)	(583)	-	(583)
Gain/(Loss) on sale of subsidiary	-	-	-	-	(1,211)	(1,211)
Segment result (EBIT)	69,689	23,369	(6,612)	86,446	(2,472)	83,974
Interest on lease liability	(1,859)	(608)	-	(2,467)	(36)	(2,503)
Interest expense	(332)	(30)	(11,181)	(11,543)	-	(11,543)
Interest income	72	133	472	677	-	677
Net foreign exchange (loss)/gain	346	213	(167)	392	344	736
Profit / (loss) before tax	67,916	23,077	(17,488)	73,505	(2,164)	71,341
Tax (expense)/benefit	(20,627)	(6,554)	5,052	(22,129)	1,022	(21,107)
Profit / (loss) attributable to owners of the Company	47,289	16,523	(12,436)	51,376	(1,142)	50,234
Segment assets[5]	815,021	900,610	7,290	1,722,921	-	1,722,921
Segment liabilities	228,922	181,867	402,714	813,503	-	813,503
Segment capital expenditure	(3,767)	(4,560)	(286)	(8,613)	(244)	(8,857)

1. Unallocated items comprise mainly of corporate assets, corporate expenses, interest, tax, corporate borrowings, and deferred tax balances.
2. Relates to disposal of Davey. Refer to note 13.3.
3. Includes amortisation of $0.900 million for Vision X acquired intangibles and $8.909 million of APG acquired intangibles.
4. Transaction costs from continuing operations relate to the acquisition of Rindab AB ($0.353 million), other transaction costs ($0.230 million).
5. This includes non-current assets from Asia Pacific of $1,223.562 million, North America of $48.598 million and Other of $8.741 million.

Business segments (continued)

	As at and for the six months ended 31 December 2022[1]					
Reportable segments	**Automotive $'000**	**APG $'000**	**Unallocated[2] $'000**	**Total Continuing Operations $'000**	**Discontinued Operations[3] $'000**	**Total $'000**
Total segment revenue (external)	315,727	137,796	-	453,523	63,494	517,017
EBITDA pre- significant items and inventory step up	75,579	30,304	(4,849)	101,034	5,059	106,093
Less: Depreciation	(7,685)	(5,181)	(362)	(13,228)	(2,607)	(15,835)
EBITA pre- significant items and inventory step up	67,894	25,123	(5,211)	87,806	2,452	90,258
Less: Acquisition related inventory step-up[4]	-	(3,532)	-	(3,532)	-	(3,532)
Less: Amortisation of intangibles[5]	(1,773)	(8,892)	-	(10,665)	(7)	(10,672)
EBIT pre-significant items	66,121	12,699	(5,211)	73,609	2,445	76,054
Transaction costs[6]	-	(114)	(233)	(347)	-	(347)
Restructuring costs[7]	(634)	-	(101)	(735)	-	(735)
Segment result (EBIT)	65,487	12,585	(5,545)	72,527	2,445	74,972
Interest on lease liability	(1,462)	(644)	(271)	(2,377)	(136)	(2,513)
Interest expense	-	(211)	(10,415)	(10,626)	-	(10,626)
Interest income	263	54	361	678	3	681
Unwinding of discount on acquisition related contingent consideration payable	-	-	(280)	(280)	-	(280)
Net foreign exchange (loss)/gain	16	336	(868)	(516)	54	(462)
Profit / (loss) before tax	64,304	12,120	(17,018)	59,406	2,366	61,772
Tax (expense)/benefit	(17,302)	(4,223)	5,115	(16,410)	265	(16,145)
Profit / (loss) attributable to owners of the Company	47,002	7,897	(11,903)	42,996	2,631	45,627
Segment assets[8]	856,651	913,223	27,827	1,797,701	109,554	1,907,255
Segment liabilities	(229,860)	(177,560)	(606,204)	(1,013,624)	(33,650)	(1,047,274)
Segment capital expenditure	(3,224)	(3,882)	(22)	(7,128)	(709)	(7,837)

1. Restated to disclose CSM Service Bodies and Davey as discontinued operations. Refer to note 13.3.
2. Unallocated items comprise mainly of corporate assets, corporate expenses, interest, tax, corporate borrowings, and deferred tax balances.
3. Relates to disposal of CSM Service Bodies and Davey. Refer to note 13.3.
4. Relates to $3.532 million of acquisition related inventory step up costs.
5. Includes amortisation of $0.637 million for Vision X acquired intangibles and $8.892 million of APG acquired intangibles
6. Transaction costs relate to the acquisition of Christine Products Limited ($0.114 million), Twisted Throttle ($0.071 million), Southern Country ($0.003 million) and other transaction costs ($0.159 million).
7. Restructuring costs relates to Uneek Barden restructuring ($0.622 million) and other restructuring ($0.113 million).
8. This includes non-current assets from Asia Pacific of $1,266.634 million, North America of $51.928 million and Other of $1.356 million.

Intangible Assets

6. Goodwill

	Note	31 December 2023 $'000	30 June 2023 $'000
Gross carrying amount			
Balance at the beginning of the year		625,018	621,246
Acquisitions through business combinations	13.1	5,488	2,842
Disposals through business divestment	13.1	-	(54)
Impairment of goodwill		-	(27)
Net foreign currency difference arising on translation of financial statements of foreign operations		160	1,011
Balance at the end of the year		630,666	625,018

7. Other intangible assets

Gross carrying amount	Brand, Business Names & Trademarks[1] $'000	Patents, Licences & Distribution Rights $'000	Software $'000	Customer Relationships $'000	Total $'000
Cost					
Balance at 30 June 2022	224,918	2,100	543	299,918	527,479
Additions from business combinations	1,220	-	-	290	1,510
Acquisition of patents and software	-	-	36	-	36
Disposals through business divestment	(293)	-	-	-	(293)
Foreign currency movements	1,736	24	12	1,453	3,225
Balance at 30 June 2023	227,581	2,124	591	301,661	531,957
Disposals through business divestment	(3,215)	(274)	-	-	(3,489)
Additions from business combinations	-	21	-	-	21
Foreign currency movements	(1,222)	(71)	(9)	(504)	(1,806)
Balance at 31 December 2023	223,144	1,800	582	301,157	526,683
Accumulated amortisation					
Balance at 30 June 2022	(4,389)	(2,095)	(358)	(11,467)	(18,309)
Amortisation expense	(132)	(17)	(112)	(21,255)	(21,516)
Impairment of other intangibles[2]	(337)	-	-	(597)	(934)
Foreign currency movements	(683)	(12)	(3)	613	(85)
Balance at 30 June 2023	(5,541)	(2,124)	(473)	(32,706)	(40,844)
Amortisation expense	(254)	(9)	(44)	(10,684)	(10,991)
Disposals through business divestment	3,215	274	-	-	3,489
Foreign currency movements	630	90	10	8	738
Balance at 31 December 2023	(1,950)	(1,769)	(507)	(43,382)	(47,608)
Carrying amount					
As at 30 June 2023	222,040	-	118	268,955	491,113
As at 31 December 2023	221,194	31	75	257,775	479,075

1. Includes brand names with a gross value of $2.538 million which are being amortised.
2. Relates to brand names of $0.293 million for CSM, $0.337 million for Uneek and customer relationships of $0.597 for Uneek.

The Group holds several brand names that are considered to have an indefinite useful life. The indefinite useful life reflects the Directors' view that these brands are assets that provide ongoing market access advantages for both new and existing product sales in the markets that the businesses operate. The current understanding of the industries and markets that the businesses operate in indicates that demand for products will continue in a sustainable manner, that changes in technology are not seen as a major factor impacting the brands' future value, and the brands have proven long lives in their respective markets.

8. Impairment testing

The Group considered the internal and external factors contributing to the financial performance of each cash generating unit (CGU) in determining whether any impairment indicators existed at 31 December 2023. For CGU's where an impairment indicator was present, an impairment test has been performed. Where appropriate, the recoverable amount for brand names has been tested on a stand-alone basis, based on its value in use, in addition to being considered as part of the CGU assessment.

The following summarises the carrying value of goodwill and indefinite life intangible assets for each of the Group's material CGUs that is considered significant in comparison to the Group's total carrying amount of goodwill and indefinite life intangible assets, together with the range of post-tax discount rates applied to cash flows of each CGU as at 31 December 2023 and 30 June 2023:

			31 December 2023			30 June 2023
	Goodwill	Indefinite life intangibles	Discount rate	Goodwill	Indefinite life intangibles	Discount rate
Cash Generating Units	$'000	$'000	%	$'000	$'000	%
Brown & Watson International	98,122	101,229	10.62%	98,122	101,229	10.05%
Vision X	46,825	19,463	13.02%	41,145	20,080	12.55%
Auto Pacific Group	413,006	75,259	11.42%	412,984	75,251	10.85%
Multiple units without significant goodwill and indefinite life intangibles	72,713	25,243	10.00%-13.50%	72,767	25,480	10.00%-12.90%

The Directors have assessed that no impairment charge is required in relation to the tangible or intangible assets for the period ended 31 December 2023.

Impairment testing APG CGU

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. The key assumptions used in the estimation of value in use are set out below.The key assumptions used in the estimation of value in use are set out below:

	31 December 2023	30 June 2023
	%	%
Discount rate	11.42%	10.85%
Terminal value growth rate	3.00%	3.00%
Budgeted EBITDA growth rate (average of next 5 years)	13.90%	15.20%

The discount rate was estimated based on the average rates of return required by providers of debt and equity capital to compensate for the time value of money and the perceived risk or uncertainty of the cash flows, weighted in proportion to the market value of the debt and equity capital provided. Since fair market value is premised on a current transaction between willing parties, industry specific estimates relative to capital structure, required return on equity, and required yield on interest bearing debt were utilised.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

The budgeted and forecast EBITDA was estimated taking into account past experience, risk adjusted outcomes expected from strategic initiatives or, where appropriate, external sources of information.

Based on the value in use analysis, the estimated recoverable amount of the APG CGU exceeded it's carrying amount by approximately $52.4 million. Having regard to the current economic environment and the timing of normalisation for the new vehicle sales, holding all other assumptions constant, a reasonably possible change in:

- the average forecast growth in EBITDA over the FY24-FY28 period from 13.90% to 13.2% will reduce the headroom to $27.6m (break even average EBITDA growth rate 12.07%), or
- the terminal growth rate from 3.0% to 2.5% will reduce the headroom to $17.4m (break even terminal growth rate 2.2%), or
- the discount rate from 11.42% to 11.92% to will reduce the headroom to $6.7m (break even discount rate 12.00%).

Capital Structure and Financing Costs

9. Borrowings

	Note	31 December 2023 $'000	30 June 2023 $'000
Current			
Bank overdraft		674	2,756
Unsecured bank loans		40,167	5,197
Total current borrowings	10	40,841	7,953
Non-current			
Unsecured bank loans[1]		341,294	447,474
Total non-current borrowings	10	341,294	447,474

1. Unsecured bank loans includes borrowing costs of $0.639 million (30 June 2023: $0.529 million)

Facilities available

The facilities available at 31 December 2023 are summarised as follows:

	Facilities as at 31 December 2023 ($ million)[1]			Facilities as at 30 June 2023 ($ million)[1]		
	Available	Utilised[2]	Maturity	Available	Utilised[2]	Maturity
Overdraft - Offset	4.93	0.67	-	4.91	2.76	-
Overdraft	15.00	-	28-01-2024	16.00	-	28-01-2024
Short-term facilities (USD)	2.90	-	30-05-2024	3.02	-	30-05-2024
Bank borrowing (USD) – uncommitted facility[3]	4.39	1.42	-	4.52	1.40	-
Bank borrowing (USD) – 2 year facility	11.68	3.75	28-01-2024	12.07	3.80	28-01-2024
Bank borrowing – 3 year facility	35.00	35.00	31-12-2024	50.00	50.00	31-12-2024
Bank borrowing – 4 year facility	125.00	62.00	21-12-2025	125.00	74.00	21-12-2025
Bank borrowings - 3 year facility	90.00	-	17-07-2026	90.00	17.00	17-07-2026
Bank borrowing - 4 year facility	60.00	6.50	16-07-2027	60.00	31.80	16-07-2027
Bank borrowing - 5 year facility	40.00	-	14-07-2028	40.00	-	14-07-2028
Fixed term loan – 8 year facility	50.00	50.00	24-01-2028	50.00	50.00	24-01-2028
Fixed term loan – 8 year facility	63.20	63.20	31-12-2029	63.20	63.20	31-12-2029
Fixed term loan – 9 year facility	26.59	26.59	25-11-2030	26.60	26.60	25-11-2030
Fixed term loan – 8 year facility	10.05	10.05	23-11-2031	10.40	10.40	23-11-2031
Fixed term loan – 10 year facility	46.35	46.35	23-11-2031	47.70	47.70	23-11-2031
Fixed term loan – 11 year facility	49.16	49.16	30-12-2032	49.20	49.20	30-12-2032
Fixed term loan – 12 year facility	28.09	28.09	30-12-2033	28.10	28.10	30-12-2033
Total	662.34	382.78		680.72	455.96	

1. Fixed term loans are subject to fixed interest rates with all other facilities subject to variable rates.
2. Disclosed at face value and excludes capitalised loan establishment costs.
3. The uncommitted facility is available until a nominated termination date, which requires 90 days notice.

Bank overdrafts

The unsecured bank overdraft facilities are subject to annual review. As part of these facilities, GUD Holdings Limited and all of its subsidiaries have entered into a Deed of Cross Guarantee. GUD Holdings Limited has a contingent liability to the extent of the bank overdraft debt incurred by its controlled entities. Interest on bank overdraft is charged at prevailing market rates. The weighted average interest rate for all overdrafts as at 31 December 2023 is 6.40% (30 June 2023: 6.18%).

Facility utilisation

	31 December 2023 $'000	30 June 2023 $'000
Facilities available:		
Unsecured bank overdrafts	19,928	20,909
Unsecured short term facilities	53,979	19,608
Unsecured bank loans	315,000	365,000
Unsecured Fixed Term loans	273,432	275,200
Total facilities available	662,339	680,717
Facilities used at balance date:		
Unsecured bank overdrafts	674	2,756
Unsecured short term facilities	40,167	5,200
Unsecured bank loans[1]	67,862	172,271
Unsecured Fixed Term loans	273,432	275,200
Total facilities used at balance date	382,135	455,427
Facilities not utilised at balance date:		
Unsecured bank overdrafts	19,254	18,153
Unsecured short term facilities	13,812	14,408
Unsecured bank loans	247,138	192,729
Unsecured Fixed Term loans	-	-
Total facilities not utilised at balance date	280,204	225,290

1. Unsecured bank loans includes borrowing costs of $0.640 million (30 June 2023: $0.529 million)

10. Financial instruments

Fair value hierarchy below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the fair value hierarchy levels from the prior year to current year.

							As at 31 December 2023
			Carrying value				Fair value
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value							
Investment	-	7,967	7,967	-	-	7,967	7,967
Derivatives – Interest rate swaps at fair value	898	-	898	-	898	-	898
Total financial assets measured at fair value	898	7,967	8,865	-	898	7,967	8,865
Financial assets not measured at fair value							
Cash and cash equivalents[1]	38,408	-	38,408	-	-	-	-
Trade and other receivables[1]	176,702	-	176,702	-	-	-	-
Other financial assets[2,1]	2,555	5,494	8,049	-	-	-	-
Total financial assets not measured at fair value	217,665	5,494	223,159	-	-	-	-
Total financial assets	218,563	13,461	232,024	-	898	7,967	8,865
Financial liabilities measured at fair value							
Derivatives - Foreign currency forward contracts	4,766	431	5,197	-	5,197	-	5,197
Derivatives - Interest rate swaps at fair value	-	57	57	-	57	-	57
Contingent consideration payable	21,266	2,186	23,452	-		23,452	23,452
Total financial liabilities measured at fair value	26,032	2,674	28,706	-	5,254	23,452	28,706
Financial liabilities not measured at fair value							
Bank overdraft	674	-	674	-	-	-	-
Unsecured borrowings and loans[1]	40,167	67,862	108,029	-	-	-	-
Fixed rate loan	-	273,432	273,432	-	273,432	-	273,432
Deferred consideration payable	-	-	-	-	-	-	-
Trade and other payables[1]	138,406	-	138,406	-	-	-	-
Lease liabilities[1]	19,489	91,639	111,128	-	-	-	-
Total financial liabilities not measured at fair value	198,736	432,933	631,669	-	273,432	-	273,432
Total financial liabilities	224,768	435,607	660,375	-	278,686	23,452	302,138

1. The Group has not disclosed the fair values for financial instruments such as cash and cash equivalents, short term trade receivables and payables, unsecured loans and borrowings, bank overdraft and lease liabilities because their carrying amounts are a reasonable approximation of fair value.
2. The financial asset largely relates to a loan made to a majority shareholder in our filter supplier, AFI Group ($3.698 million), deferred consideration on the divestment of CSM Service Bodies ($1.300 million) and deferred consideration on the divestment of Davey ($1.250 million). The loan to AFI Group is secured by property mortgage, a right of offset against trade payables owing to the AFI Group and lien over the shares held by that shareholder in AFI Group.

							As at 30 June 2023
			Carrying value				Fair value
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value							
Investment	-	6,446	6,446	-	-	6,446	6,446
Derivatives - Foreign currency forward contracts	3,315	-	3,315	-	3,315	-	3,315
Derivatives – Interest rate swaps at fair value	21	-	21	-	21	-	21
Total financial assets measured at fair value	3,336	6,446	9,782	-	3,336	6,446	9,782
Financial assets not measured at fair value							
Cash and cash equivalents[1]	53,353	-	53,353	-	-	-	-
Trade and other receivables[1]	184,243	-	184,243	-	-	-	-
Other financial assets[2,1]	650	6,526	7,176	-	-	-	-
Total financial assets not measured at fair value	238,246	6,526	244,772	-	-	-	-
Total financial assets	241,582	12,972	254,554	-	3,336	6,446	9,782
Financial liabilities measured at fair value							
Derivatives - Foreign currency forward contracts	703	-	703	-	703	-	703
Derivatives - Interest rate swaps at fair value	-	1,514	1,514	-	1,514	-	1,514
Contingent consideration payable	279	21,934	22,213	-	-	22,213	22,213
Total financial liabilities measured at fair value	982	23,448	24,430	-	2,217	22,213	24,430
Financial liabilities not measured at fair value							
Bank overdraft[1]	2,756	-	2,756	-	-	-	-
Unsecured loans and borrowings[1]	5,197	172,393	177,590	-	-	-	-
Fixed rate loans and borrowings	-	275,081	275,081	-	232,681	-	232,681
Deferred consideration payable	459	-	459	-	459	-	459
Trade and other payables[1]	143,280	-	143,280	-	-	-	-
Lease liabilities[1]	22,964	96,694	119,658	-	-	-	-
Total financial liabilities not measured at fair value	174,656	544,168	718,824	-	233,140	-	233,140
Total financial liabilities	175,638	567,616	743,254	-	235,357	22,213	257,570

1. The Group has not disclosed the fair values for financial instruments such as cash and cash equivalents, short term trade receivables and payables, unsecured loans and borrowings, bank overdraft and lease liabilities because their carrying amounts are a reasonable approximation of fair value.
2. The financial asset largely relates to a loan made to a majority shareholder in our filter supplier, AFI Group (3.9 million) and defferred consideration on the divestment of CSM Service Bodies ($1.3 million). The loan to AFI Group is secured by property mortgage, a right of offset against trade payables owing to the AFI Group and lien over the shares held by that shareholder in AFI Group.

Derivative financial instruments

Level 2 fair values for simple over-the-counter derivative financial instruments are based on valuations from banks. These are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date.

Contingent consideration payable

Any contingent consideration receivable or payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Measurement of fair values (continued)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Interest rate swaps	Swap models: The fair value calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	*Not applicable.*	*Not applicable.*
Foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	*Not applicable.*	*Not applicable.*
Contingent consideration	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast revenue and EBITDA, the amount to be paid under each scenario and the probability of each scenario.	• The probability attached to each scenario • Forecast EBIT growth (2024: 0-8%, 2023: 0-37%) • Risk adjusted discount rate (31 December 2023: 9.82% , 31 December 2022: 10.0%)	The estimated fair value would increase (decrease) if: • The EBITDA growth is (lower)/higher • The risk adjusted discount rate moves lower/(higher).
Investments	The fair values of the non-listed equity investments have been estimated by benchmarking against the latest round of capital raises completed in the financial year or significant unobservable inputs.	• Recent capital raises • Internal management information	The estimated fair value various in line with equity prices established during capital raising and performance based on management results.

Level 3 fair value reconciliation

Changes in fair value of the level 3 financial instruments is summarised below:

	31 December 2023 $'000	30 June 2023 $'000
Opening balance	22,213	20,097
Contingent consideration payable	2,118	279
Contingent consideration paid	(175)	-
Foreign currency movements	(704)	1,557
Unwinding of discount	-	280
Closing balance[1]	23,452	22,213

1. Includes contingent consideration relating to the acquisition of Rindab AB in FY24 ($2.186 million) and Vision X in FY22 ($21.266 million).

11. Share capital

The Company's fully paid ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of or repurchase (buy-back) of ordinary shares are recognised as a deduction from equity, net of any tax effects. Ordinary shares bought back by the Company are cancelled in accordance with the law.

	31 December 2023		30 June 2023	
	$'000	Number	$'000	Number
Balance at the beginning of the period	679,553	140,894,696	679,553	140,894,696
Performance share rights vested	-	-	-	-
Share issue	-	-	-	-
Issue costs	-	-	-	-
Dividend reinvested	-	-	-	-
Balance at the end of the period	679,553	140,894,696	679,553	140,894,696

During the year, no shares were bought back on market and cancelled by the Group (2023: nil). The Company operates a Dividend Reinvestment Plan (DRP) which allows eligible shareholders to elect to invest dividends in ordinary shares which rank equally with GUD ordinary shares. The Dividend Reinvestment Plan will not be activated for the interim dividend in respect of the 2024 financial year. The Company does not have par value in respect of its issued shares, hence the dollar values above represent historical amounts contributed (if any) on the new issue of shares, amounts allocated to or from retained earnings, and any amount paid on the repurchase (buy back) of ordinary shares. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

12. Dividends

Recognised amounts

	Cents per share	Total amount $'000	Date of payment	Tax rate	Percentage franked
Final dividend in respect of the 2023 financial year	22	30,997	14-Sep-23	30%	100%
Interim dividend in respect of the 2023 financial year	17	23,952	10-Mar-23	30%	100%
Final dividend in respect of the 2022 financial year	22	30,997	13-Sep-22	30%	100%
Interim dividend in respect of the 2022 financial year[1]	17	23,844	4-Mar-22	30%	100%

1. Interim dividend paid in respect of the 2022 financial year includes dividend reinvested of $7.33m.

Unrecognised amounts

	2024				
	Cents per share	Total amount $'000	Date of payment	Tax rate	Percentage franked
Interim dividend in respect of the 2024 financial year	18.5	26,066	8-Mar-24	30%	100%

Business Combinations

13. Investment in subsidiaries

13.1. Acquisition of Rindab Aktiebolag (Rindab AB)

On 1 November 2023, one of the Company's subsidiaries, Brown and Watson International Pty Ltd, acquired all the shares and related business processes of Rindab AB. The total estimated consideration for Rindab AB is $14.329 million, subject to customary purchase price adjustments and capex adjustments.

The acquisition is expected to provide the Group with an expanded presence in the automotive aftermarket parts market and provide a strategic advantage through it's presence in Sweden.

For the two months ended 31 December 2023, Rindab AB contributed revenue of $3.003 million, profit before tax of $0.130 million and EBITA of $0.273 million to the Group's results. If the acquisition had occurred on 1 July 2023, management estimates that for the 6 months ended 31 December 2023, Rindab AB would have contributed revenue of $8.378 million, profit before tax of $0.932 million and EBITA of $1.129 million to the Group's results.

Contingent Consideration

The company has also agreed to pay the selling shareholders contingent consideration based on the earnings before interest, taxes and amortisation of Rindab AB for a period of 24 months from 1 November 2023. Management estimates the value of the contingent consideration at 1 November 2023 to be $2.118 million.

Consideration paid

The total consideration for the acquisition of Rindab AB was $14.329 million which includes $11.926 million paid on 1 November 2023, estimasted completion adjustments of $0.285 million to be paid by 23 February 2024 and an estimated contingent consideration of $2.118 million to be paid on 31 October 2025.

Acquisition-related costs

During the period ended 31 December 2023, the Company incurred approximately $0.353 million of acquisition related costs including legal fees, due diligence, and other advisory fees. This amount has been included in other expenses.

Identifiable assets acquired, and liabilities assumed

The following table summarises the provisional amounts recognised for assets acquired, and liabilities assumed at the date of acquisition with subsequent adjustment to goodwill for identified intangible assets arising from the purchase price allocation exercise.

$'000	1-Nov-23
Cash and cash equivalents	1,421
Trade and other receivables	4,215
Inventories	5,152
Other assets	127
Intangible assets	21
Property, plant and equipment	9
Right of Use asset	3,004
Trade and other payables	(2,104)
Lease liability	(3,004)
Total identifiable net assets acquired	8,841

Fair values measured on a provisional basis

All assets and liabilities acquired have been determined on a provisional basis and the Company is in the process of finalising the assessment of fair value for specific assets and liabilities.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

13.1. Acquisition of Rindab Aktiebolag (Rindab AB) (continued)

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$'000
Total consideration	14,329
Less Fair value of identifiable net assets	8,841
Goodwill	5,488

13.2. Prior year acquisitions

In the 2023 financial year, the company completed the following acquisitions:

Acquisition of Twisted Throttle

On 1 July 2022, one of the Company's subsidiaries, Vision X Offroad LLC, acquired the assets, liabilities and related business processes of Twisted Throttle LLC. The total consideration for Twisted Throttle was $1.601 million.

Acquisition of Southern Country

On 3 October 2022, one of the Company's subsidiaries, Fully Equipped Limited, acquired the assets, liabilities and related business processes of Southern Country Ltd. The total consideration for Southern Country Ltd was $2.034 million (including a deferred amount of $0.440 million and the estimated contingent consideration of $0.266 million).

Fair values of acquired assets and liabilities

The following table summarises the recognised amounts of assets acquired, and liabilities assumed (including adjustment to goodwill for identified intangible assets arising from the purchase price allocation exercise) at 30 June 2023.

	Twisted Throttle	Southern Country
$'000	30 June 2023	30 June 2023
Cash and cash equivalents	219	-
Trade and other receivables	100	-
Inventories	1,546	368
Other assets	30	2
Intangible assets	1,510	-
Property, plant and equipment	177	46
Right of Use asset	355	559
Deferred tax assets	226	210
Trade and other payables	(2,815)	(92)
Lease liability	(355)	(559)
Deferred tax liabilities	(543)	(191)
Total identifiable net assets acquired	450	343

Goodwill

	Twisted Throttle	Southern Country
$'000	30 June 2023	30 June 2023
Total consideration	1,601	2,034
Less Fair value of identifiable net assets	450	343
Goodwill	1,151	1,691

13.3. Discontinued operations

13.3.1. Disposal of Davey

On 1 September 2023 the Group sold the assets, liabilities and related business processes of Davey. The total consideration for Davey net of disposal costs of $1.932 million is $58.370 million (including $1.250 million of deferred consideration receivable relating to aged accounts receivables to the extent the receivables are recovered).

$'000	1-Sep-23
Cash received	59,052
Deferred cash consideration	1,250
Less disposal costs	(1,932)
Net consideration	58,370
Carrying value of net assets disposed:	
Cash and cash equivalents	5,016
Trade and other receivables	18,055
Inventories	49,025
Property, plant and equipment	4,765
Deferred tax assets	2,486
Prepayments	911
Other assets	870
Trade and other payables	(13,835)
Employee entitlements	(4,445)
Other payables	(3,267)
Total net assets disposed	59,581
Loss on sale before tax	(1,211)
Income tax benefit	534
Net gain/(loss) on sale	(677)

13.3.2. Prior year disposal

On 30 June 2023 the Group sold the assets, liabilities and related business processes of CSM Service Body Manufacturing Australia Pty Ltd (CSM Service Bodies). The total consideration for CSM Service Bodies net of disposal costs of $0.339 million was $1.459 million (including $1.300 million of deferred consideration receivable).

$'000	30-Jun-23
Cash received	498
Deferred cash consideration	1,300
Less disposal costs	(339)
Net consideration	1,459
Carrying value of net assets disposed:	
Inventories	2,302
Property, plant and equipment	501
Prepayments	79
Intangible assets[1]	347
Other assets	31
Employee entitlements	(464)
Other payables	(552)
Total net assets disposed	2,244
Loss on sale before tax	(785)
Income tax benefit	236
Net loss on sale	(549)

1. Includes goodwill of $0.054 million and brand names of $0.293 million.

13.3. Discontinued operations (continued)

13.3.3. Impact from discontinued operations to the consolidated income statement

For the six months ended 31 December	Continuing 2023 $'000	Discontinued[1] 2023 $'000	Consolidated 2023 $'000	Continuing 2022 $'000	Discontinued[2] 2022 $'000	Consolidated 2022 $'000
Revenue	492,636	17,241	509,877	453,523	63,494	517,017
Cost of goods sold	(272,088)	(12,922)	(285,010)	(265,647)	(44,994)	(310,641)
Gross profit	220,548	4,319	224,867	187,876	18,500	206,376
Other income	851	-	851	1,041	-	1,041
Marketing and selling expenses	(36,285)	(2,896)	(39,181)	(31,800)	(9,030)	(40,830)
Product development and sourcing expenses	(17,723)	(721)	(18,444)	(7,827)	(1,635)	(9,462)
Logistics and outward freight expenses	(16,274)	-	(16,274)	(15,526)	(2)	(15,528)
Administration expenses	(53,090)	(1,963)	(55,053)	(48,095)	(5,387)	(53,482)
Other expenses	(11,581)	(1,211)	(12,792)	(13,142)	(1)	(13,143)
Profit from operating activities	86,446	(2,472)	83,974	72,527	2,445	74,972
Finance income	1,069	-	1,069	678	3	681
Finance expense	(14,010)	308	(13,702)	(13,799)	(82)	(13,881)
Profit before tax from operations	73,505	(2,164)	71,341	59,406	2,366	61,772
Income tax expense	(22,129)	1,022	(21,107)	(16,410)	265	(16,145)
Profit from operations, net of income tax	51,376	(1,142)	50,234	42,996	2,631	45,627
Profit attributable to owners of the Company	51,376	(1,142)	50,234	42,996	2,631	45,627

1. Relates to disposal of Davey.
2. Relates to disposal of CSM Service Bodies and Davey.

13.3.4. Cash flows from/(used in) discontinued operations

For the six months ended 31 December	2023 $'000	2022 $'000
Net cash from/(used in) operating activities	(4,260)	1,619
Net cash from/(used in) investing activities	(244)	(709)
Net cash from/(used in) financing activities	(389)	(1,726)
Net cash flows for the year	(4,893)	(816)

Other Notes

14. Performance rights

The Group maintains a Long-Term Incentive Plan under which performance rights are granted to a number of senior staff. The performance rights vest and convert into ordinary shares at the end of a 3-year period if various performance benchmarks (being Total Shareholder Return relative to a peer group, earnings per share and other non financial targets as described in the Remuneration Report forming part of the 30 June 2023 Financial Statements) have been met.

Performance rights were granted to several senior staff in the six months ended 31 December 2023 under the 2026 Long Term Incentive Plan.

The fair value of these performance rights have been calculated at the grant date by an independent expert in order to arrive at the expense to be booked through the Income Statement. The grant to staff was approved by the Board on 14 August 2023. The grant to the Managing Director occurred after the endorsement by the shareholders at the Annual General Meeting. The table below shows a summary of the performance rights granted during the period.

	Managing Director	Senior Executives
Grant date	27-Oct-23	15-Aug-23
Number of performance rights granted	104,662	1,077,329
Average value per right at grant date	$ 8.00	$ 8.98
Fair value at grant date	$ 837,328	$ 9,679,698
Exercise price	Zero	Zero
Expected volatility (weighted average)	30.00%	30.00%
Performance rights life remaining at 31 December 2023	2.5 years	2.5 years
Expected dividend yield p.a.	4.90%	4.50%
Risk free interest rate p.a.	4.34%	3.90%
Share price at grant date	$ 10.80	$ 11.74

A portion of the 2024, 2025 and 2026 Long Term Incentive Plans expenses have been included in the Income Statement in the current period in accordance with accounting standard AASB 2 *Share-based Payment* (Refer to Note 3).

15. Related parties

Transactions with key management personnel and their related parties

The Group's policy is that the sale and purchase of goods and services with key management personnel are made under normal customer and supplier relationships and on normal commercial terms and conditions. The sale of goods to key management personnel are on terms no more favourable than made available to other employees.

At 31 December 2023, executive key management personnel held directly, indirectly or beneficially 233,804 ordinary shares (30 June 2023: 233,804) in the Group. Key Management Personnel hold 343,269 (2022: 267,137) performance rights under the long term incentive plan.

Loans to KMPs

The Company entered into an Equity Loan Agreement in the amount of $227,893 with the Managing Director & CEO, Mr Graeme Whickman which enabled him to acquire 25,000 shares in the Company in September 2019. An additional loan of $86,424 in December 2021 and $87,889 in August 2022 further enabled him to purchase 8,310 shares and 10,000 shares respectively. Mr Whickman pays interest on the loan on a quarterly basis at a rate that is set at 25 basis points above the Company's average cost of borrowed funds.

Transactions with entities in the wholly owned Group

GUD Holdings Limited is the ultimate parent entity in the wholly owned group comprising the Company and its wholly owned subsidiaries.

Entities in the wholly owned group advanced and repaid loans, paid and received dividends, provided marketing, product sourcing, accounting and administrative assistance and sold and purchased goods to other Group companies during the current and previous financial years.

The Group's policy is that these transactions are on commercial terms and conditions with the exception of loans between Australian entities and loans between New Zealand entities which are not interest bearing. Loans between entities in the wholly owned group are repayable on demand.

Other related party transactions with entities in the wholly owned Group

Wesfil Australia Pty Ltd leases its Sydney premises from an entity related to a Director of Wesfil Australia Pty Ltd. Net rental expense for the period ended 31 December 2023 was $249,710 excluding GST (31 December 2022: $240,105 excluding GST).

Fully Equipped Auckland Ltd leases its Auckland premises from an entity related to two Directors of Fully Equipped Auckland Ltd. Net rental expense for the period ended 31 December 2023 was $106,403 excluding GST (31 December 2022: $94,032 excluding GST). .

Fully Equipped Wellington Ltd leases its Hamilton premises from an entity related to a Director of Fully Equipped Auckland Ltd. Net rental expense for the period ended 31 December 2023 was $207,658 excludng GST (31 December 2022: $188,064 excluding GST).

Vision X USA leases its Auburn premises from an entity related to a Director of Vision X USA. Net rental expense for the period ended 31 December 2023 was $250,784 excludng GST (31 December 2022: $249,000 excluding GST).

The Group's policy is that related party lease arrangements are undertaken with commercial terms and conditions.

16. Subsequent events

Dividend

On 14 February 2024, the Board of Directors determined to pay a fully franked interim dividend in respect of the 2024 financial year of 18.5 cents per share. The record date for the dividend is 26 February 2024 and the dividend will be paid on 8 March 2024. (The Dividend Reinvestment Plan will not be activated for this dividend.)

Acquisition of Caravan Electrical Solutions (CES)

On 22 January 2024, one of the Company's subsidiaries, Brown and Watson International Pty Ltd, entered into an agreement to acquire all the shares in Caravan Electrical Solutions Pty Ltd (CES). The total estimated consideration for CES is expected to be $19.092 million (including contingent consideration of $3.215 million), subject to customary net working capital and net debt adjustments. Completion of the acquisition is targeted to occur on 1 March 2024.

Other

Other than the items discussed above, there has not arisen in the interval between the end of the half year and the date of this Report, any item, transaction, or event of a material and unusual nature which is likely, in the opinion of the Directors, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future reporting periods.

Directors' Declaration

In the opinion of the Directors of GUD Holdings Limited (the "Company"):

a. the condensed consolidated interim financial statements and notes set out on pages 13 to 33 are in accordance with the *Corporations Act 2001*, including:
   - giving a true and fair view of the financial position of the Company as at 31 December 2023 and of its performance for the six months ended on that date;
   - complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001; and

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Graeme A Billings
Chair

Graeme Whickman
Managing Director and Chief Executive Officer

Melbourne, 14 February 2024

Independent Auditor's Review Report

To the shareholders of GUD Holdings Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying ***Condensed Interim Financial Report*** of GUD Holdings Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of GUD Holdings Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2023 and of its performance for the ***Interim Period*** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Condensed Interim Financial Report*** comprises:

- Condensed Consolidated Balance Sheet as at 31 December 2023
- Condensed Consolidated Income Statement, Condensed Consolidated Statement of Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Cash Flow Statement for the Interim Period ended on that date
- Notes 1 to 16 comprising material accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises GUD Holdings Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The ***Interim Period*** is the six months ended on 31 December 2023.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*.
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Maritza Araneda

Partner

Melbourne

14 February 2024