HALF YEAR RESULTS

30 January 2019

GUD HOLDINGS LIMITED

Graeme Whickman
Managing Director

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Chief Financial Officer

H1 FY19 Result key points

NPAT from Continuing Operations of $29.3m was up 14% on pcp

- Revenue from continuing operations up 13% to $220 million
- Underlying EBIT from continuing operations up 10% to $43.9m
- EPS up 13% on pcp

Automotive sales growth of 18%; organic growth 5%, acquired growth 13%

- Strong operational performance continues from established automotive businesses
- Six months contribution from Disc Brakes Australia and AA Gaskets (1 month in pcp)

Priority has been given to position businesses for medium term growth initiatives

- BWI stock build for the impending catalogue release
- Davey Microlene Dairy launch
- Other new products releases

Final fully franked dividend increased to 25 cents per share from 24 cents in pcp

Safety performance improvements recorded in the half year:

- Lost time injury frequency rate (LTIFR) reduced to 2.6 from 3.9 in pcp
- Total recordable injury frequency rate (TRIFR) reduced to 5.2 from 6.6 in pcp

Automotive - Initial observations and strategic direction

Initial observations

- Attractive runway for organic growth to operate within
  - Car parc growth, complexity and composition. ‘Right of repair’ opportunities.
- Strong delivery focus backed with great calibre people
- Strong brands that are being leveraged well
- Clear customer focus and centricity
- Further potential acquisition growth as industry consolidation

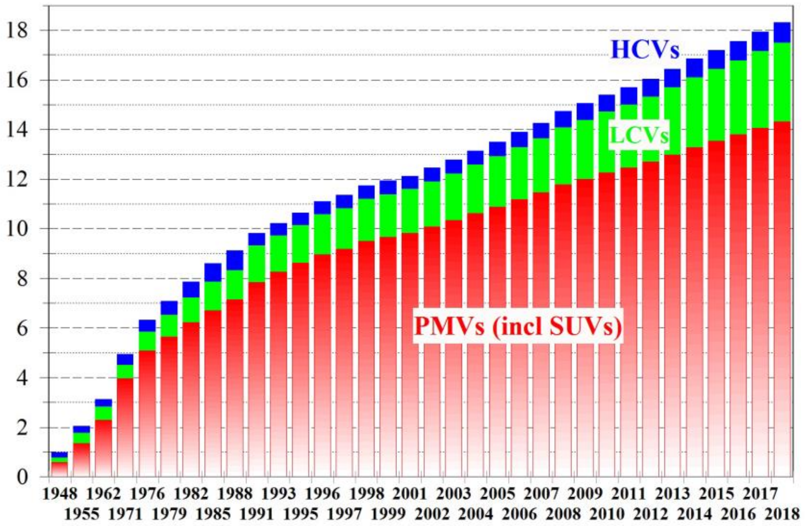
Strategic direction

- More of the same, especially around delivery focus and further acquisitions
- Strengthen relationships, both suppliers and customers
- Operating efficiencies
- Continue to future proof the business
  - People, products

Vehicle population growth to underpin sales uplift

Australian registered car parc continues to grow:

- Registered road vehicles up +2.1% to 18.6m at 31 December 2018
  - Electric vehicles remain less than 1% of total
- New vehicle sales of approx.1.2m in 2018
- Fourth highest year on record
- Diverse new vehicle landscape
  - 71 makes and 400 models sold
- Record SUV's (43%) and pick ups (21%)
- Car parc growth rate expected to remain at 2%



Source; Australian Automotive intelligence report, Dec 2018.

GUD well positioned in Automotive and aftermarket

Strong position in after market non discretionary segments

- Ryco, Wesfil and DBA leaders in wearing parts segment
- AAG and IMG well positioned in critical repair
  - parts and services
- BWI well positioned in safety related replacement parts

Expanding position in new growth segments

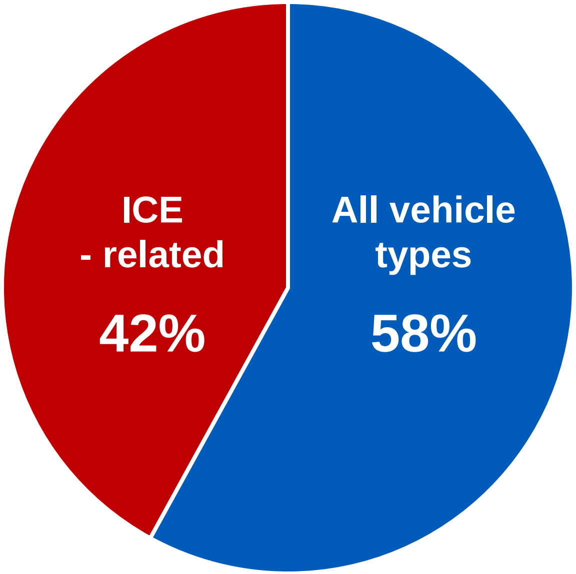
- Entry into OE supply to Toyota, PACCAR, and others
- SUV fitted electrical accessories

Ability to grow through further bolt-on acquisitions

- Substantial industry segments remain fragmented
- Pipeline of attractive potential targets
- Strong GUD acquisition competency
- Potential to add long term shareholder value

GUD's exposure to Internal Combustion Engines (ICE)

H1 FY19 Automotive Segment Sales Split



Currently 58% of GUD's automotive segment sales are common to all vehicle types:

- Narva - lighting and electrical
- Projecta - most products with the exception of jump starters
- Ryco and Wesfil - cabin air filters, and other common merchandise
- DBA - braking products

GUD remains positive on both product segments

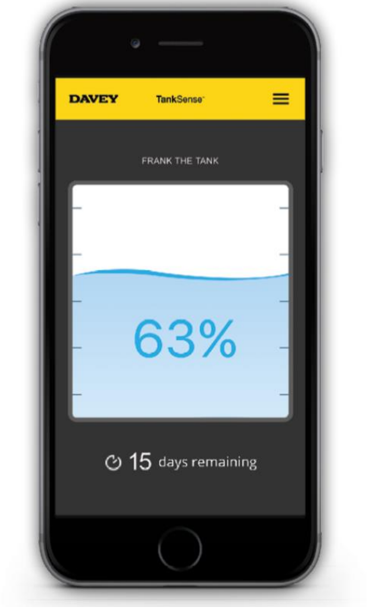
Water - Initial observations and strategic direction

Initial observations

- Great brand and OEM heritage
- More seasonal and cyclical than Automotive.
- Larger global revenue footprint than Automotive
- Very interesting innovation themes
- Organic growth needed to achieve economies of scale and desired returns

Strategic direction

- In process of reshaping the business, focusing on
  - Refresh of traditional products to drive profitable organic growth
  - Operational efficiency including supply chain optimisation
- New business within the business
  - MWT: Modular Water Treatment
    - Creating a dedicated business unit within Davey
    - Further customer trials to commence in Q3



Financial summary

$ million	H1 FY18	H1 FY19	% Change Reported
Revenue - continuing operations	**194.7**	**219.8**	**13%**
EBITDA	**41.8**	**45.1**	**8%**
Depreciation and Amortisation	(1.9)	(1.6)	
EBIT	**39.9**	**43.5**	**9%**
Underlying EBIT	**40.1**	**43.9**	**10%**
Net Finance Expense	(4.3)	(2.9)	
Profit before Tax	**35.6**	**40.6**	**14%**
Tax	(9.8)	(11.3)	
NPAT from continuing operations	**25.8**	**29.3**	**14%**
Discontinued Operations	2.5	0.0	
Reported NPAT	**28.4**	**29.3**	**3%**

EPS & Dividend - cents			
Reported EPS from continuing operations	30	34	14%
Reported EPS	33	34	4%
Interim Dividend	24	25	4%

Revenue growth contributions from Automotive businesses

Organic profit growth from the Automotive segment including contribution from recent acquisitions

Excludes Davey sourcing restructuring costs ($0.5m)

Lower financing and higher Underlying EBIT drives growth

Oates NPAT in prior year

Fully franked dividend up 4%

Cash generation and financial position

Cash conversion restrained by medium term growth initiatives

- Cash conversion, operating cash flow before tax over Underlying EBITDA from continuing operations of 51% compared to 81% in pcp
- Net reduction of $11.1m versus pcp with $8.4m supporting new product releases, the Microlene Dairy launch, and the balance largely due to lower creditors
- Cash conversion expected to improve in H2 FY19 as we capitalize on growth initiatives and see inventory and creditor levels normalise

Net debt increased to $142.2m from $92.4m in June 2018

- Purchase of DBA was settled totaling $22.0m, and an IMG earn-out of $1.6m was paid
- Net debt to Underlying EBIT from continuing operations strong at 1.6 times
- Interest cover on underlying EBIT robust at 12.6 times

Strong capacity to support mid term acquisitions

- Unused bank borrowing lines in excess of $80m

Davey

$ million	H1 FY18	H1 FY19	% Change
Sales	52.3	52.2	0%
Underlying EBITDA	5.8	4.6	-21%
Depreciation and Amortisation	(1.1)	(0.5)	
Underlying EBIT	4.7	4.1	-12%
Underlying EBIT/Sales %	*9%*	*8%*	

- Impact of East Coast drought conditions suppressed market demand especially through the summer sell-in season; hence revenue was flat
- Maintaining innovation agenda and spend including modular water treatment and 'design for manufacture' cost reduction initiatives
- Restructuring costs in the half ($0.5m) from outsourcing some manufacture

Automotive

$ million	H1 FY18	H1 FY19	% Change
Sales	142.4	167.6	18%
Underlying EBITDA	41.0	45.5	11%
Depreciation and Amortisation	(0.8)	(1.1)	
Underlying EBIT	40.2	44.4	10%
Underlying EBIT/Sales %	*28%*	*26%*	

Sales growth of 18% consisted of 5% organic growth and the balance from the acquired businesses

- 6 months contribution from AA Gaskets (1 month in pcp)
- Initial 6 month contribution from Disc Brakes Australia

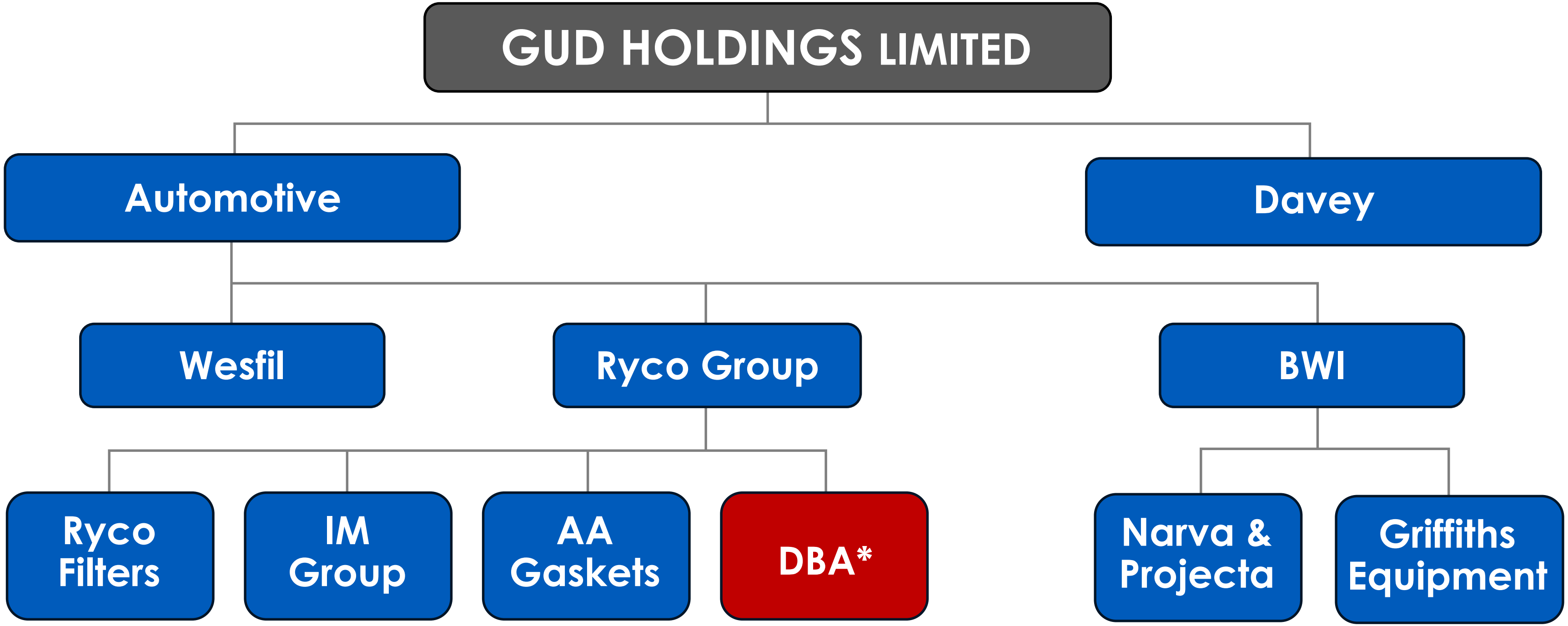
Solid 10% underlying EBIT growth

- Organic and acquired growth across the portfolio

Change in EBIT/sales ratio primarily driven by acquired businesses operating at lower margins

- Scope to improve margins as businesses become fully integrated

GUD Group structure



*Acquired July 2nd, 2018

Ryco Group continues to broaden

Ryco Group businesses leverage Ryco's expertise, skills, and culture:

- Trade focused
- Best vehicle coverage in aftermarket
- End user customer support excellence
- Strong field sales and operational excellence
- Strong cost and sell price management disciplines
- Excellence in sourcing specialised vehicle specific parts

DBA added to Ryco Group portfolio

- Market leader in premium disc brake rotors
- Strong heritage in both 'on road' and motor sport disc brakes
- Strong product differentiation supported by patents & trade marks
- Comprehensive product range across multiple segments: Replacement, 4WD/SUV, performance, towing, military nd heavy vehicles
- Strongest brand health of non-OEM brands with professional installers
- Significant growth opportunities in disc brake rotor exports: Europe, USA, Middle East, Russia, Asia
- Further expansion into brake pad applications
- Potential to leverage Ryco CRM reach and potential pull through

Automotive operating performance - Ryco Group

Ryco Filters

- On target to achieve 400 customer “Conquests” and release over 300 new parts in FY19
- Released universal diesel emission ‘catch can’ late in Q2
- Heavy duty segment continued to grow

DBA

- Integration is well advanced – business is on track

IM Group

- On target to release over 850 new parts in FY19
- Goss fuel pumps removed from one major distributor with counter measures in place to compensate.

AA Gaskets

- Product range broadening program well advanced
- Entered Bapcor exclusive supplier agreement and purchased Pro-torque brand
- Operational, procurement, supply chain and delivery performance improvement actions are getting solid traction

Automotive operating performance - BWI & Wesfil

BWI

- Appointed as a distributor for Phillips automotive lighting
- Successful new LED forward lighting program released
- Expanding new product development skills capability and capacity
- New Narva catalogue prepared for Q4 launch

  - Pre launch stock build

  - 600+ new SKU's

Wesfil

- Solid market share gains in engine management segment
- Filtration segment continues to grow
- Further success in growing non-traditional products such as Cooper Kleen
- Positioned for further non-traditional product launches
- New Western Sydney branch performing ahead of expectations approaching first anniversary - decentralized distribution model reaffirmed

Outlook

Further improvement in financial performance expected in H2 FY19 from:

- The Narva Catalogue release in Q4
- Full year contribution from other new Automotive products
- Stronger cash conversion anticipated in H2 FY19
- Improved Davey result following H1 FY19 driven by sales initiatives

GUD remains well positioned to deliver continued strong returns for shareholders

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