



ADRAD

Holdings Limited
(ASX: AHL)

AGM PRESENTATION

23 OCTOBER 2024

adradholdings.com.au

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Vision: 1st Choice for Industrial & Engine Cooling Solutions

Two major segments servicing all aspects of the engine cooling market:

HEAT TRANSFER SOLUTIONS (AIR RADIATORS)

A designer and manufacturer of in-house engineered, bespoke industrial and automotive radiator and cooling solutions.



DISTRIBUTION (ADRAD)

Importer and distributor of radiators and other products for the Australasian automotive and industrial aftermarket.



FY24 Overview

FY24 Financial Highlights

\$142.9m

Trading Revenue

↑ 1.2%

from FY23

\$18.1m

Pro forma EBITDA¹

↓ 10.9%

from pro forma FY23

\$14.7m

Operating Cash flow

↑ 162.5%

from FY23

\$6.0m

Statutory NPAT

↑ 6.6%

from FY23

6.3%

ROACE²

\$5.5m

Capital Investment

7.36cps

Basic EPS

2.94cps

Full year related dividend³ – fully franked

Notes:

1. Pro forma EBITDA on a post AASB-16 basis
2. Return on Average Capital Employed
3. Equates to 40% of statutory full year NPAT, fully franked . Final declared dividend of 1.61cps which when combined with the 1H FY24 interim dividend of 1.33 CPS equates to 2.94cps, a 26% increase on FY23 related dividends of 2.33cps.. Final dividend has a record date of 19 September 2024 and a payment date of 3 October 2024.

Structuring for success throughout FY24



Implemented organisational structure to focus on the two business segments



Clear accountability delineating manufacturing and distribution



Enhanced supporting functions in People & Culture, Finance and IT

- ✓ **Completed the company restructure into Heat Transfer Solutions (HTS) and Distribution**
- ✓ **Completed the appointments of GMs of Distribution, HTS and People & Culture (P&C)**
- ✓ **Rationalised local manufacturing; enhanced Thailand capability (factory extension and re-lay completed, new equipment commissioned)**
- ✓ **Underground mining prototypes as well as on-road heavy duty units now conducting end user in-field testing**
- ✓ **Surface mining auxiliary coolers delivered for UAT; design models externally validated for strength and durability**
- ✓ **Continued reduction in workplace injuries and incidents; well below industry benchmarks**
- ✓ **Focused on cyber security, updating IT infrastructure, improving data and network security, connectivity and functionality**

FY25 Outlook

	HEAT TRANSFER SOLUTIONS (AIR RADIATORS)	DISTRIBUTION (ADRAD)
 Customer Focus	• Drive growth in Australia and Asia	• Great connections with customers digitally and personally
 Cost Focus	• Improve efficiency & rationalise what we make where	• Drive network efficiency reducing the cost of supply
 Our products	• Develop unique cooling solutions	• Source the best products and deliver best value

HEAT TRANSFER SOLUTIONS (AIR RADIATORS)

- ❖ Expand revenue in Asia through focused sales activity.
- ❖ Driving Alu Fin application sales through higher levels of customer engagement and trade show marketing activities.
- ❖ Product development opening new markets.
- ❖ Continued improvement of Thailand facilities capability and efficiency.
- ❖ Increased industrial service activity leveraging our skills as an OE manufacturer and our locations in Australia.

DISTRIBUTION (ADRAD)

- ❖ Growing customer engagement and sales via our digital interfaces.
- ❖ Leverage our growing customer base to be 1st choice for cooling solutions.
- ❖ Improving data analytics external and internal to drive targeted growth.
- ❖ Development of new sales channels.
- ❖ Continued expansion of direct to trade sales channel & industrial cooling products.



Clear accountability across the two business segments



HTS – growth capex , continued innovation & maximizing Thai facility



Distribution – driving efficiencies, technological enhancements & strengthening relationships

- ✓ **Q1FY25 revenue tracking ahead of prior comparative period and in line with management's expectations for YTD FY25**
- ✓ **Cost management remains a focus with recent key appointments set to deliver growth initiatives through FY25**
- ✓ **Robust order book for PowerGen, particularly the data-centre segment**
- ✓ **Continue to realise and plan for FY24 deferred projects, which are likely to materialise during 2HFY25**
- ✓ **Full year FY25 revenue and earnings expected to track above FY24; albeit weighted to 2HFY25**

AHL is confident in the long-term outlook for the business. Adrad's focus remains on growth supported by our products and a commitment to our customers' evolving needs.

Thank you

ADRAD

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