GUD Holdings Limited
A.B.N. 99 004 400 891

29 Taras Avenue,
Altona North, Vic 3025
Australia.

PO Box 62
Sunshine, Vic 3020
Australia.

Telephone: +61 3 9243 3311
Facsimile: +61 3 9243 3300
Email: gudhold@gud.com.au
Internet: www.gud.com.au

4 August 2021

Manager
Company Announcements
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Full Year Ended 30 June 2021 – Results Briefing and Webcast

Attached is a copy of the Full Year Results Briefing to analysts and brokers, to be presented by Graeme Whickman, CEO/Managing Director, GUD Holdings Limited (GUD).

Today at 11.00 am, GUD will be hosting a webcast of its FY21 results briefing, for the year ended 30 June 2021. To register and view the webcast, please go to www.gud.com.au/webcasts-presentations or click here.

Approved for release by the Board of Directors.

Yours faithfully

Malcolm G Tyler
Company Secretary

Direct: +61 3 9243 3380
Email: malcolmt@gud.com.au

Enc

FY21 Financial Result – 4 August 2021

GUD HOLDINGS LIMITED

Graeme Whickman
Managing Director

Martin Fraser
Chief Financial Officer

Contents

Key Messages

Strong sales drove a record result, slightly above underlying EBIT guidance ($98-100m)

Resilience of the automotive aftermarket reinforced by strong end user demand

Acquisitions successfully integrated and meeting expectations; appetite remains unchanged

Cost inflation and supply chain pressures remain challenging with operational fitness initiatives to mitigate

Focus for Automotive and Water remains on continued execution of core business and growth strategy

Confident in business positioning for FY22 but alert to COVID-19 uncertainties

Financial Overview

$M	FY21	FY20	% Change
Revenue	557.0	438.0	27.2%
Organic Revenue	*504.4*	*438.0*	*15.2%*
EBIT	97.4	74.3	31.1%
NPAT	61.0	43.7	39.6%
Underlying EBITDA[1]	119.4	95.7	24.8%
Underlying EBIT[1]	101.2	80.7	25.4%
Underlying Organic EBIT	*94.5*	*80.7*	*17.1%*
Underlying Organic EBIT margin	*18.7%*	*18.4%*	
Underlying NPAT[1]	64.0	48.2	32.7%
Cash Conversion (%)[2]	86.5	97.8	
EPS (Basic)	67.0	50.4	33.0%
DPS (Final)	32.0	12.0	166.7%
DPS (Full year)	57.0	37.0	54.1%

Result slightly above guidance with both Automotive and Water performing as expected

- Net revenue up 27.2% to $557m driven predominantly by Automotive revenue growth (+34.1%) which was underpinned by strong organic growth (+18.2%) combined with acquisitions
- Water delivered revenue growth of 5.8% despite a very challenging operating environment
- Underlying EBIT up 25.4% reflected a mix of headwinds and tailwinds with impacts from operational challenges peaking in H2. Acquisitions contributed $6.7m
- Cash conversion was slightly ahead of target despite the investment in inventory to support the strong demand environment
- Final dividend of 32 cents per share, up 2 cents on FY19 (i.e. pre COVID-19 levels) and represents a full year payout of 84% of underlying NPAT

1. 'Underlying' excludes non-operating items of $3.9m in FY21 and $6.5m in FY20. 2. Cash conversion equals operating cash flow divided by Underlying EBITDA

Group Half-on-Half Result

GUD HOLDINGS LIMITED

$M	FY21 H2	FY21 PCP % Change	FY21 HoH % Change	FY21 H1	FY21 PCP % Change	FY21 HoH % Change	FY20 H2	FY20 H1
Organic Revenue[1]	252.9	19.9%	0.6%	251.5	10.7%	19.2%	210.9	227.1
Acquisition Revenue	52.6							
Group Revenue	305.5	44.9%	21.5%	251.5	10.7%	19.2%	210.9	227.1
Underlying EBIT [1]	48.9	35.5%	(6.4%)	52.3	18.9%	44.9%	36.1	44.0
Underlying EBIT [1] margin	***19.3%***			***20.8%***			***17.1%***	***19.4%***
Underlying Organic EBIT [1,2]	42.2	17.0%	(19.2%)	52.3	18.9%	44.9%	36.1	44.0
Underlying Organic EBIT [1] margin	***16.7%***			***20.8%***			***17.1%***	***19.4%***
Government Subsidies	-	-	-	2.8	-	-	3.0	-
Underlying Organic EBIT [1,2] ex Subsidies	42.2	27.4%	(14.7%)	49.5	12.5%	49.3%	33.2	44.0
Underlying Org. EBIT [1,2] ex Subsidies	***16.7%***			***19.7%***			***15.7%***	***19.4%***

H2 revenue and margin performance in line with expectations

- Strong H2 revenue growth driven by a meaningful contribution from acquisitions and continued elevated organic demand
- H2 FY21 revenue from acquired entities of $52.6m and EBIT of $6.7m, in line with expectations
- Margins down in H2 largely due to lower margins in acquired businesses and flow through of the expected increase in operating costs
- FX and impending pricing offsets expected to moderate margin pressures in H1 FY22

1. *'Underlying' excludes non-operating items*
2. *'Organic' excludes $52.6m in revenue and $6.7m of EBIT from acquisitions*

Our ESG Journey is Broadening

ESG efforts continued through the year

- 94% of staff feel there is a strong commitment to safety, placing GUD in the global top-quartile on Safety focus[1]
- Female representation on the Board has been strengthened, exceeding the minimum 30% target as well as at the senior management level which has increased 4% pts to 20%
- GUD employee engagement is ranked in the global top quartile[1] with Ryco Filters listed in the Top-Ten Best Places to Work[2]
- Automotive Group revenue has grown to 60% non-ICE related product over the last three years; managing the transition towards clean technology
- GUD Ethical Sourcing Code introduced in 2018 has been extended to encompass the recently released Modern Slavery Statement. The supporting program encourages suppliers through its Bronze/Silver/Gold ratings

Building a better foundation to deliver appropriate shareholder returns, sustainably over the long term

A three-phase program over 24 months

1. Materiality assessment (first half of FY22)
2. Strategy, targets and process development (second half of FY22)
3. Ongoing measurement and reporting with compensation linked (from FY22) to select ESG targets

GUD's Approach

1. Source: Qualtrics employee engagement survey
2. 2021 AFR Boss Top Ten Best Places to Work List for the Manufacturing and Consumer Goods category

Automotive

Record revenue and EBIT performance

- Organic revenue growth of 18.2% overwhelmingly driven by strong growth in volumes
- Reseller restocking largely played out by early August 2020 with demand continuing to be robust throughout the balance of the year
- Underlying EBIT margin reflects the dilutive impact of newly acquired businesses
- Higher logistics and freight costs were not fully recovered in FY21 price rises

Operating fitness focused on supply chain management and stock levels

- Supplier management performance reflects investment in relationships
- Unparalleled demand for sea freight driving capacity, reliability and cost pressures and leading to deliberate strategy to carry higher inventory balances

Further margin management going forward to address higher freight/logistics costs, supplier price rises and domestic cost inflation

- FY22 price rises announced and those implemented are holding. Potential need to revisit prices in H2 FY22 given current FX and other cost pressures

$M	FY21	FY20	% Change
Organic Revenue[1]	390.9	330.7	18.2%
Acquisitions	52.6		
Automotive Revenue	443.5	330.7	34.1%
Government Subsidies	2.8	2.7	
Underlying EBITDA[1]	115.1	91.0	26.5%
Depreciation & Amortisation	(13.2)	(10.0)	31.8%
Underlying EBIT[1]	101.9	81.0	25.8%
Underlying EBIT Margin	*23.0%*	*24.5%*	
Acquisitions	(6.7)	-	
Underlying Organic EBIT[1]	95.2	81.0	17.6%
Underlying Organic EBIT Margin	*24.4%*	*24.5%*	

1. *'Underlying' excludes non-operating items*
2. *'Organic' excludes $52.6m in revenue and $6.7m of EBIT from acquisitions*

Automotive - FY21 Half-on-Half Results

$M	FY21 H2	FY21 PCP % Change	FY21 HoH % Change	FY21 H1	FY21 PCP % Change	FY21 HoH % change	FY20 H2	FY20 H1
Organic Revenue[1]	194.6	23.8%	(1.1%)	196.7	13.3%	25.2%	157.1	173.6
Total Revenue	247.2	57.3%	25.7%	196.7	13.3%	25.2%	157.1	173.6
Underlying EBIT[1]	49.5	31.8%	(5.6%)	52.4	20.7%	39.5%	37.6	43.4
Underlying EBIT[1] margin	***25.4%***			***26.6%***			***23.9%***	***25.0%***
Underlying Organic EBIT[1, 2]	42.8	13.9%	(18.3%)	52.4	20.7%	39.5%	37.6	43.4
Underlying Organic EBIT[1] margin	***22.0%***			***26.6%***			***23.9%***	***25.0%***
Government Subsidies	-	-	-	2.8	-	-	2.7	-
Underlying Organic EBIT [1,2] ex Subsidies	42.8	22.8%	(13.7%)	49.6	14.2%	42.3%	34.9	43.4
Underlying Org. EBIT[1,2] Margin ex Subsidies	***22.0%***			***25.2%***			***22.2%***	***25.0%***

H2 acquisitions and margin dynamics played out as expected

- H2 FY21 revenue from acquired entities of $52.6m drove very strong revenue growth versus prior year and H1
- H2 organic revenue was up strongly on the COVID-19-impacted PCP but slightly down on a strong H1
- Transit times increased by 3 to 5 weeks for imported items thereby lifting airfreight costs and inventory levels to maintain service standards
- H2 organic EBIT and margin (ex subsidies) down largely due to H2 FX hedging, previously flagged supply chain/logistics costs and cadence of price rises

1. 'Underlying' excludes non-operating items
2. Organic excludes $52.6m in revenue and $6.7m of EBIT from acquisitions

GUD's Addressable Market Outpaces Car Parc

Car parc growth

- National car parc continues steady growth, reaching 19.3 million units in 2020
- Parc is forecast to reach 20.6 million vehicles by 2025 (+1.3m, +7%)

Addressable market outpaces car parc

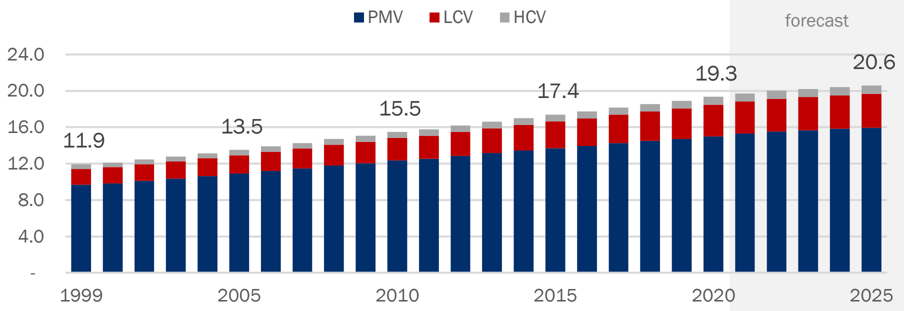
Sweet spot for the aftermarket is vehicles 5+ years old

Addressable market estimated at 14.4 million in 2020

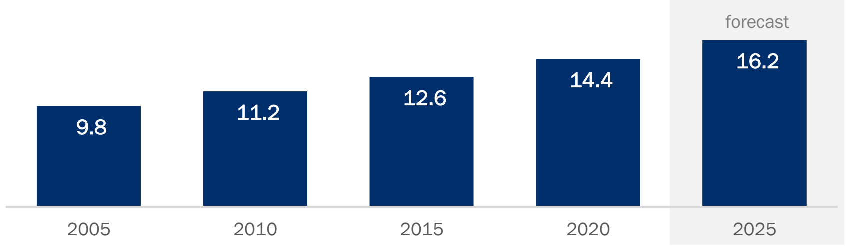
Addressable market is forecast to grow to 16.2 million by 2025 (+1.8m, +13%)

By contrast, parc of vehicles less than 5 years old is set to shrink by 0.6m units (-12%) to 2025

National Vehicle Parc by Vehicle Type (in millions)



Addressable Car Parc: Vehicles 5+ Years Old (in millions)



Charts: Australian Automotive Intelligence (2020, 2021)
Data for CY00 not available, showing CY99 instead

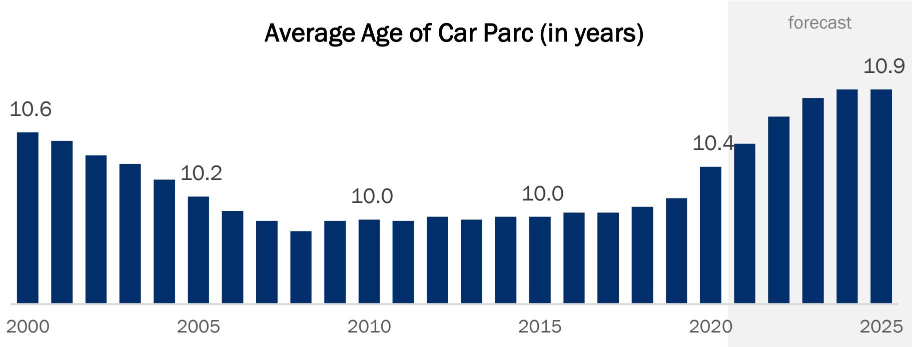
Composition Complements GUD Portfolio

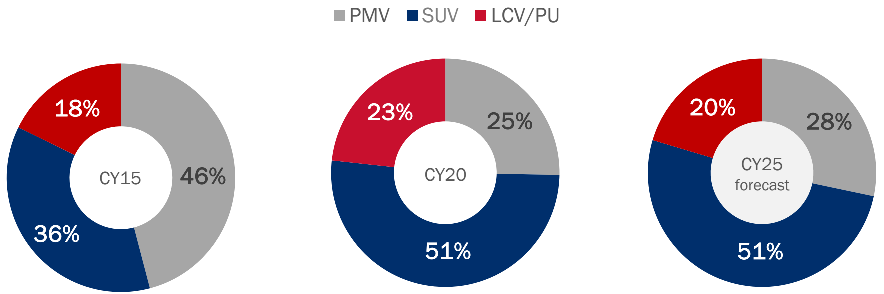
Ageing car parc is a positive for the Aftermarket

- Average vehicle age is 10.4 years in 2020
- Forecast to increase to 10.9 years old by 2025
- Older vehicles are a driver of aftermarket revenue

Continued rise of SUV and Pick-Ups a positive for Accessories

- Accessories are typically fitted to new SUVs and Pick-Ups (PUs)
- SUVs/PUs accounted for 75% of new vehicle sales in CY20, 6% pts higher than the prior year
- Customisation of SUVs/PUs is aligned with GUD's product range
  - particularly service bodies and canopies; frontal protection; brake, clutch, lighting, power and filtration upgrades





Charts: Australian Automotive Intelligence (2020, 2021)

Sales Recovery, Segmentation Trends Continue

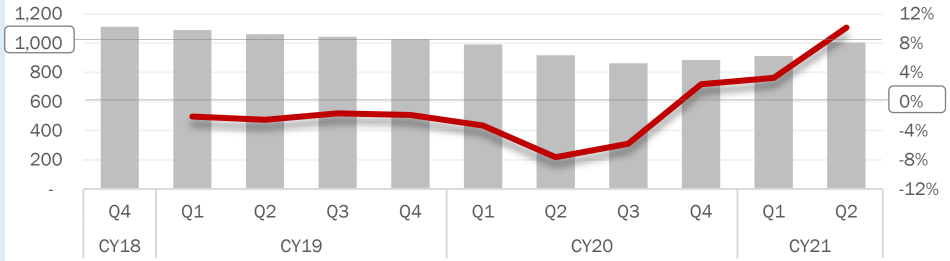
New vehicle sales showing signs of recovery

- New vehicle sales dipped below 1 million in CY20
- Three most recent quarters showed a significant rebound on prior year; sales were up +46% on prior year for the Jun/21 quarter
- Moving annual total sales for the quarter ending 30 June 2021 exceeded 1 million units – approaching pre-COVID-19 levels

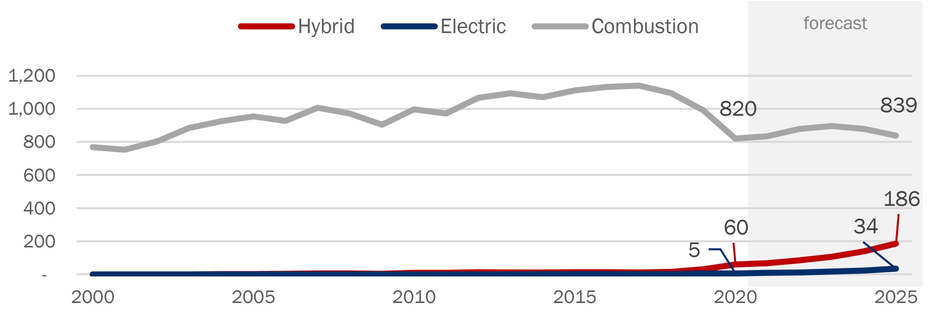
Electric vehicles represent 0.1% of the light duty car parc

- Electric vehicles are showing strong growth but off a small base, representing 0.6% of light duty sales in 2020
- Combustion vehicles, including hybrids, accounted for 99.9% of the car parc in 2020
- By 2025, three of every one hundred new vehicles sold is projected to be battery or plug-in hybrid electric

Light Duty Vehicle Sales (LHS MAT in 000's, RHS % PCP)



Light Duty Vehicle Sales by Powertrain (in 000's)

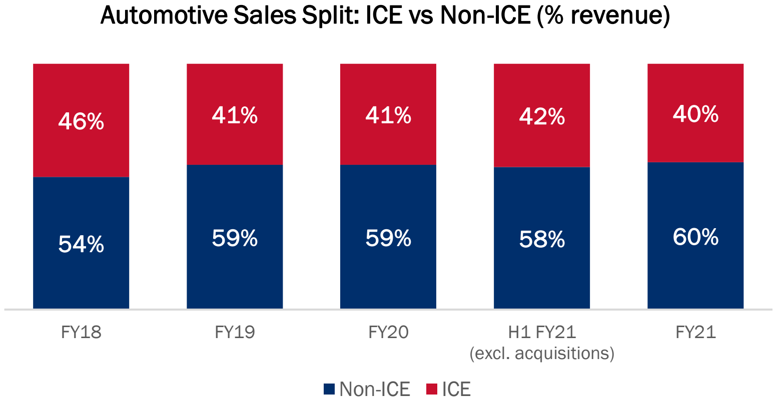


Charts: VFACTS (FCAI, top); Australian Automotive Intelligence (2020, bottom))

GUD ICE exposure further reduces post acquisitions

Recent acquisitions continue improving trend of reduced ICE exposure

- Sales of non-ICE products comprised 58% of automotive revenues for the six months to 31 December 2020, in line with the FY20 result
- Accounting for the impact of the ACAD and ACS acquisitions, the share of non-ICE revenue for the automotive division increases to 60% (+2% pts)
- GUD continues to rebalance its ICE/non-ICE portfolio



Acquisitions – G4CVA (formerly ACAD)

Overview of GUD 4WD & Commercial Vehicles Accessories (G4CVA)	• Portfolio of market leading brands across a range of automotive products: - Light and heavy vehicle accessory, protection and enhancement products - Pickup truck and commercial vehicle storage solutions - Automotive electrical and 4WD accessories • Products are manufactured and distributed in Australia and NZ • At acquisition, ACAD was forecast to achieve revenue of $83.4 million and $9.2 million of EBITA in FY21[1]
Strategic Rationale	• Highly complementary to GUD's automotive business, provides strategic diversification (across customer channels and products), and increased exposure to fast-growing vehicle segments
Integration	• Integration action largely plan completed, including Safety, Legal, IT and Finance functions • Auto electrical business (AE4A) business moved into BWI Group and will adopt BWI ERP platform in FY22 to complete integration • First of major capex items underway. More to be done to address capacity and efficiency • Further capex anticipated in FY22 and FY23, in line with amounts announced at acquisition
Financial Impact	• First six months (H2 FY21) of G4CVA ownership in line with expectations • H2 FY21 EBIT[1,2] $4.2m • EPS accretive in H2 FY21[2], pre synergies

1. *EBIT before amortisation of identifiable acquired intangibles recognised as a result of the acquisition*
2. *Before amortisation of identifiable intangibles recognised as a result of the acquisition*

Acquisitions – Australian Clutch Services (ACS)

Overview of ACS	• One of the market leading manufacturers of clutch components and systems with a portfolio of brands for car, 4WD, truck and agricultural applications • Addressable market is manual transmission (3.4 million vehicles) and the growing, higher value dual clutch transmission (DCT) (2.3 million vehicles) • Manufacturing and main warehouse based in Adelaide with a national distribution network. Exports to Europe and USA
Strategic Rationale	• Highly complementary to GUD's automotive business and provides strategic diversification (across customer channels and products) • Together with DBA, ACS forms a new "Friction" division
Integration	• Integration actions completed ahead of schedule including Safety, Legal, IT and Finance functions
Financial Impact	• Four months of ownership slightly ahead of acquisition expectations; 4 month EBIT[1,2] $2.5m • EPS accretive in H2 FY21[2], pre synergies

CLUTCHPRO

Xtreme PERFORMANCE CLUTCH

XTREME OUTBACK CLUTCH

Classic Clutch

AG CLUTCH australia agricultural clutch components

X CLUTCH

1. *EBIT before amortisation of identifiable acquired intangibles recognised as a result of the acquisition*
2. *Before amortisation of identifiable intangibles recognised as a result of the acquisition*

Automotive – FY21 Snapshot

Ryco Filters

- Strong revenue growth, internal measures indicate modest market share gains
- Excellent product launch progress – range coverage, heavy duty and N99 cabin air filtration
- Top 10 in both AFR Boss Most Innovative Companies List and AFR Boss Best Place to Work List (manufacturing and consumer goods category)

Wesfil

- Strong revenue growth driving a record sales result
- Growth was stronger in new product categories than filtration
- Independent reseller channel demonstrated resilience and strength
- Value orientated brand proposition proved exceptionally relevant in COVID-19 times

IM Group

- Exceptional revenue growth driven by traditional engine management parts and repair services. Both setting all time revenue records
- Repair service operation opened in NSW with new locations to follow
- New customer-facing website introduced to substantially reduce client turnaround times for remanufacturing and repair to better support independent mechanics
- IMG launched Hybrid Battery refurbishment program in ANZ in H2

Automotive – FY21 Snapshot

BWI

- ANZ revenue grew strongly reflecting substantial demand from traditional auto electrical retail and trade channels
  - RV, Caravan and Truck OEM business exceptionally strong (including new contracts)
  - New vehicle sales tempo resulted in good demand for forward lighting products
- Welcomed AE4A (ex-ACAD) into the BWI group with synergy opportunities actively underway
- Top 10 place in 2020 AFR Boss Most Innovative Companies List (manufacturing and consumer goods category)

AA Gaskets

- Strong revenue growth despite significant operational change
- AAG 'Proof of Concept' turnaround plan delivered
  - Total re-location of the Australian operations to Ryco facility, and NZ operations to NZ GUD DC
  - Shared services now in place as part of proof of concept, including ERP migration to Ryco

DBA

- Strong sales growth from domestic operations was outstripped by export albeit more volatile reflecting COVID conditions
- New export distributors appointed in USA, select South American and Eastern European countries and addressed footprint in NZ
- Street series brake pad program launched in Q4, part of the line extension strategy

Water

Growth in revenues despite continued weakness in export markets

- Demand for the traditional Davey products in Australia and NZ remains solid
- European pool season had a slow start with demand then rebounding at a time when product availability was constrained (due to lockdowns and subsequent backlogs)
- Export demand to traditionally strong Pacific and Indian Ocean export markets significantly impacted by collapse in tourism. Demand from South East Asia and the Middle East also remains subdued
- Modular Water Treatment contracts continue to be deferred

Significant manufacturing challenges and associated costs continue to weigh on margins

- Idling of production lines during the COVID-19 lock down impacted overhead recovery, constrained sales and created significant order backlogs
- Operating costs were further increased by COVID manufacturing compliance, running double or treble shifts, paying elevated sea freight rates and utilising air freight to meet order backlogs and seasonal export sales
- Incurring higher costs was part of a deliberate strategy to maximise productivity in a constrained environment and also ensure long term access to the important EU export market
- Strategy remains focused on maintaining market share and customer relationships

Valentina Tripp, the former CEO of Murray River Organics, appointed to the role of CEO of Water in Q4 FY21

$M	FY21	FY20	% Change
Revenue	113.5	107.3	5.8%
Government Subsidies	-	0.3	
Underlying EBITDA[1]	9.0	13.0	(30.5%)
Depreciation & Amortisation	(4.3)	(4.3)	
Underlying EBIT[1]	4.8	8.7	(45.4%)
Underlying EBIT Margin	*4.2%*	*8.1%*	

1. 'Underlying' excludes non-operating items

Water – Half on Half Results

GUD HOLDINGS LIMITED

$M	FY21 H2	FY21 PCP % Change	FY21 HoH % Change	FY21 H1	FY21 PCP % Change	FY21 HoH % Change	FY20 H2	FY20 H1
Revenue	58.7	9.7%	7.1%	54.8	2.4%	1.9%	53.8	53.5
Underlying EBIT[1]	2.6	(41.8%)	22.1%	2.1	(52.3%)	(49.3%)	4.2	4.5
Underlying EBIT[1] margin	***4.5%***			***3.9%***			***7.9%***	***8.4%***
Government Subsidies	-	-	-	-	-	-	0.3	-
Underlying EBIT[1] ex Subsidies	2.6	(34.2%)	22.1%	2.1	(52.3%)	(46.1%)	4.0	4.5
Underlying EBIT[1] Margin ex Subsidies	***4.5%***			***3.9%***			***7.4%***	***8.4%***

Revenue performance improved in H2 with EBIT continuing to be impacted by the flow on effects of COVID (lockdowns and weaker export markets)

- H2 revenues slightly ahead of H1, in line with expectations
- H2 sales performance demonstrated continued resilience in Davey's traditional Australian products and 'catch up' in NZ as well as improving but still subdued Q4 sales into the European pool season
- Elevated costs to serve hampered pull through of H2 volume growth to underlying EBIT

FINANCIALS

Financial Summary

GUD HOLDINGS LIMITED

$M	FY21	FY20	% Change
Revenue	557.0	438.0	27.2%
EBITDA	115.5	89.3	29.4%
Depreciation and Amortisation	(18.2)	(15.0)	21.2%
EBIT	97.4	74.3	31.1%
Underlying EBIT	101.2	80.7	25.4%
Net Finance Expense	(10.4)	(10.6)	(2.2%)
Profit Before Tax	87.0	63.6	36.7%
Tax	(26.0)	(20.0)	30.2%
Reported NPAT	61.0	43.7	39.6%
EPS & Dividend - cents			
Reported EPS	67.0	50.4	33.0%
Interim Dividend (per share)	25.0	25.0	-
Final Dividend (per share)	32.0	12.0	166.7%

Note: Financials are statutory. Refer to slide 30 for pre AASB 16 financials

Includes organic revenue growth of 15.2% and $52.6m from acquisitions

Higher volumes partially offset by higher supply chain, manufacturing costs and investment in growth

Includes acquired depreciation

Includes $6.7m from acquisitions and $2.8m of government subsidies vs. $3.0m in the PCP

$2.6m lower non-operating costs vs. the PCP

Final franked dividend of 32.0 cps

FY21 - Non-Operating Items

$M	Automotive	Davey	Unallocated	Total
Automotive				
AAG restructuring costs	2.3			
Water				
Restructuring costs		0.4		
Acquisitions				
Acquisitions and transaction costs			1.2	
Total	**2.3**	**0.4**	**1.2**	**3.9**

AAG completes turn around plan

- Manufacturing ceased
- Total re-location of the Australian operations to Ryco facility and NZ operations to NZ GUD DC

Acquisitions

- Reported costs only include third party expenses and no allocations were made for internal resources
- GUD acquisition costs are included as administration expenses in the income statement

Working Capital

GUD HOLDINGS LIMITED

$M	FY21 H2	FY21 H1	FY20 H2	FY20 H1	HoH Movement	PCP Movement
Period End Balances						
Organic Net Working Capital						
Inventories	128.5	122.3	108.2	108.9	6.3	20.4
Receivables	130.2	137.9	114.5	112.1	(7.7)	15.7
Payables	(86.3)	(87.1)	(65.1)	(60.6)	0.8	(21.2)
Organic NWC	**172.4**	**173.0**	**157.6**	**160.4**	**(0.6)**	**14.9**
Acquired NWC	**29.9**	**12.5**			**17.4**	**29.9**
Total NWC	**202.3**	**185.5**	**157.6**	**160.4**	**16.8**	**44.8**

- Higher inventory levels in response to underlying customer demand and longer supply chain and shipment lead times
- Inventory position expected to remain elevated until supply chains and associated logistics normalise

Cash Conversion

Cash conversion slightly ahead of full year expectations

- Result reflects
  - Sales growth and higher debtors at year end versus PCP
  - Strategic investment in inventory at a time of supply chain challenges and elevated demand
- No liquidity issues apparent in customer base and no material increase in doubtful debts

$M	FY21	FY20
Operating cash flow[1]	74.4	65.5
+ Tax paid	29.0	28.1
Gross operating cash flow	**103.3**	**93.6**
Underlying EBITDA[2]	119.4	95.7
Cash flow conversion	**86.5%**	**97.8%**

1. Operating cash flow excludes net finance costs
2. Underlying EBITDA excludes significant items outlined on slide 21

Balance Sheet and Capital Management

GUD HOLDINGS LIMITED

Balance sheet flexibility maintained

- Completed a $75.7m equity raising via an institutional placement and share purchase plan to fund the acquisition of G4CVA
- Strong balance sheet metrics:
  - Net Debt/Underlying EBITDA (lease-adjusted) of 1.4 times
  - Underlying EBITDA interest cover (lease-adjusted) of 14.9 times
- Undrawn facilities of $42.1m (July 1, 2021)

Dividend

- Fully franked final dividend of 32.0 cents per share
- Combined with interim dividend of 25.0 cents, the full year dividend represents an 84% pay-out of underlying NPAT
  - Reflects strong underlying NPAT result
- Dividend Reinvestment Plan (DRP) remains in place at a 2.5% discount

Balance Sheet Ratios (Lease-adjusted)

$M	FY21	FY20
Current borrowings	-	-
Non-current borrowings	189.2	172.1
Cash and cash equivalents	42.6	30.0
Net Debt	**146.6**	**142.2**
Underlying EBITDA[1,2]	105.8	84.5
Net Debt/Underlying EBITDA[1,2] (x)	**1.4**	**1.7**
Net interest	7.1	7.3
Underlying EBITDA[1,2]/Net Interest (x)	**14.9**	**11.6**
Gearing Ratio (Net Debt/Net Debt + Equity)	**27.2%**	**33.9%**

1. *Excludes non-operating items*
2. *Includes rental payments*

OUTLOOK

Trading Update

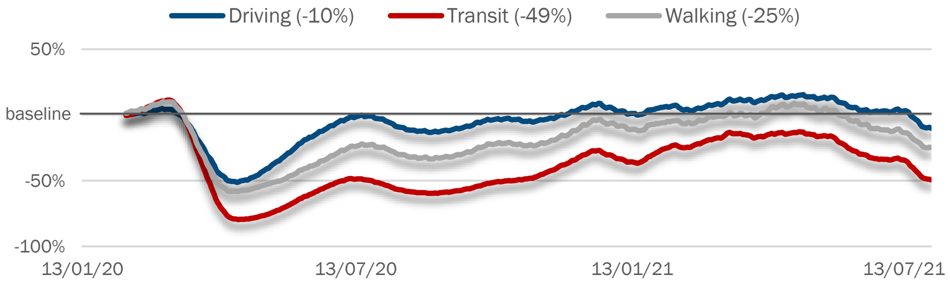
Volatile trading conditions return in July 2021

- After the first month of FY22, the operating environment remains changeable, with multiple lockdowns restricting either consumer mobility or our operational tempo
- July Automotive sales are broadly in line with the average daily run rate in the PCP with volumes tapering in response to lockdowns in the latter part of the month
- Trading in recent weeks in the lockdown states replicates the demand impacts of prior lockdowns in FY20/21
- Supply of new vehicles is also impacting some of GUD's business units
- The 'Right of Repair' legislation has been passed into law, effective 1 July 2022 and is expected to be a positive driver for the independent workshops going forward

Absent lockdowns, supply rather than demand is expected to be a greater constraint in the short to medium term

- Elevated inventory levels remain a key success factor
  - Transit times for imported items have been extended by 3-5 weeks
- Availability of quality people to support growth remains challenging
  - Action plans are being formulate to lift capacity

Mobility Trends in Australia (30-day moving average as at 31 July, 2021)



Source: Apple Mobility Trends Report

Outlook

Underlying structural support for the Auto aftermarket sector is unchanged although challenges remain

- Strong market position and car parc growth supportive of sustained organic growth
- COVID impacts continue to create uncertainty. However, the net effect of the tailwinds and headwinds suggests that GUD remains relatively well placed

Volume growth and focused margin management expected to be the key profit drivers in FY22

- Incremental contribution of 6 months of G4CVA and 8 months of ACS
- Some organic volume growth expected, subject to COVID impacts
- Freight costs expected to increase driven primarily by a structural shift in sea freight rates
- Step up in supplier costs is expected to be materially ahead of CPI and domestic cost inflation is expected to increase broadly in line with CPI
- Incremental investment in capability, capacity and innovation to support future growth
- H1 price rises and more favourable currency are expected to be largely absorbed by higher costs and the reinvestment for future growth

Opportunities, desire and capacity for Automotive aftermarket acquisitions are unchanged

Water performance is expected to improve in FY22

- Revenue is expected to be supported by the resilience of Davey's traditional ANZ markets
- Manufacturing inefficiencies and elevated costs to serve are expected to moderate

FY22 Guidance

- Given the recent and more widespread COVID lockdowns with uncertain duration, the demand environment is too dynamic to provide reliable full year guidance
- Further update to be provided at the AGM on 29 October 2021

Potential COVID-19 Effects

↑ Tailwind ↓ Headwind

Key market drivers	Potential Effect
Lower GDP	↓
Government stimulus	↑
Lower vehicle miles travelled	↓
Lower public transport use	↑
Higher domestic tourism	↑
Rise in used car sales	↑
Increase in average parc age	↑
More repair, less replacement	↑
Rise in DIY activities	↑
Cost inflation	↓
Supply chain disruption	↓
Export market volatility	↓

Q&A

Appendix

Financial Summary - Pre AASB 16

$M	FY21	FY20	% Change
Revenue	557.0	438.0	27.2%
EBITDA	101.9	78.0	30.6%
Depreciation and Amortisation	(5.7)	(4.4)	
EBIT	96.3	73.6	30.8%
Underlying EBIT	100.1	80.1	25.0%
Net Finance Expense	(7.1)	(7.3)	(2.9%)
Profit Before Tax	89.0	66.4	34.2%
Tax	(26.0)	(20.0)	30.2%
Reported NPAT	63.0	46.4	35.9%
EPS & Dividend - cents			
Reported EPS	67.8	53.1	27.6%
Interim Dividend	25.0	25.0	-
Full Year Dividend	32.0	12.0	166.7%

COVID-19 Response Framework and Principles

Continued supply-side focus

- Employee health – offshore and travelling
- Production ramp up, capacity and stability
- Freight and logistics mitigation planning

Demand-side and domestic operations

- People Health
- Operational Health
- Financial Health
- Stakeholder Management

Balance of 'Defence' and 'Offence'

- 20 key Defence and Offence actions
- Strong emphasis on being a 'good partner' to our suppliers, employees and customers

No structural shift observed in the industries we serve

Disclaimer

Important notices

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Financial data

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

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