



OLDFIELDS HOLDINGS
LIMITED

ANNUAL GENERAL MEETING

28th January
2021

2020 Annual Report

Year Ended 30 June 2020

ABN 92 000 307 988

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Chairman & Board of Directors

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- **Jonathan Doy** – Chairman (Interim)



- **David Baird** - Non Executive Director



- **Jie Ma** - Non Executive Director



- **Richard Abela** - Managing Director & CEO



AGENDA

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1. Welcome
2. Chairman's Address
3. CFO Address
4. CEO Address
5. China Update
6. Digital Transformation
7. Resolution 1 – Re-election of Director
8. Resolution 2 – Remuneration Report
9. Resolution 3 – Change of Auditors





CHAIRMAN ADDRESS

JONATHAN
DOY

Welcome & Interim Chairman Address



Welcome

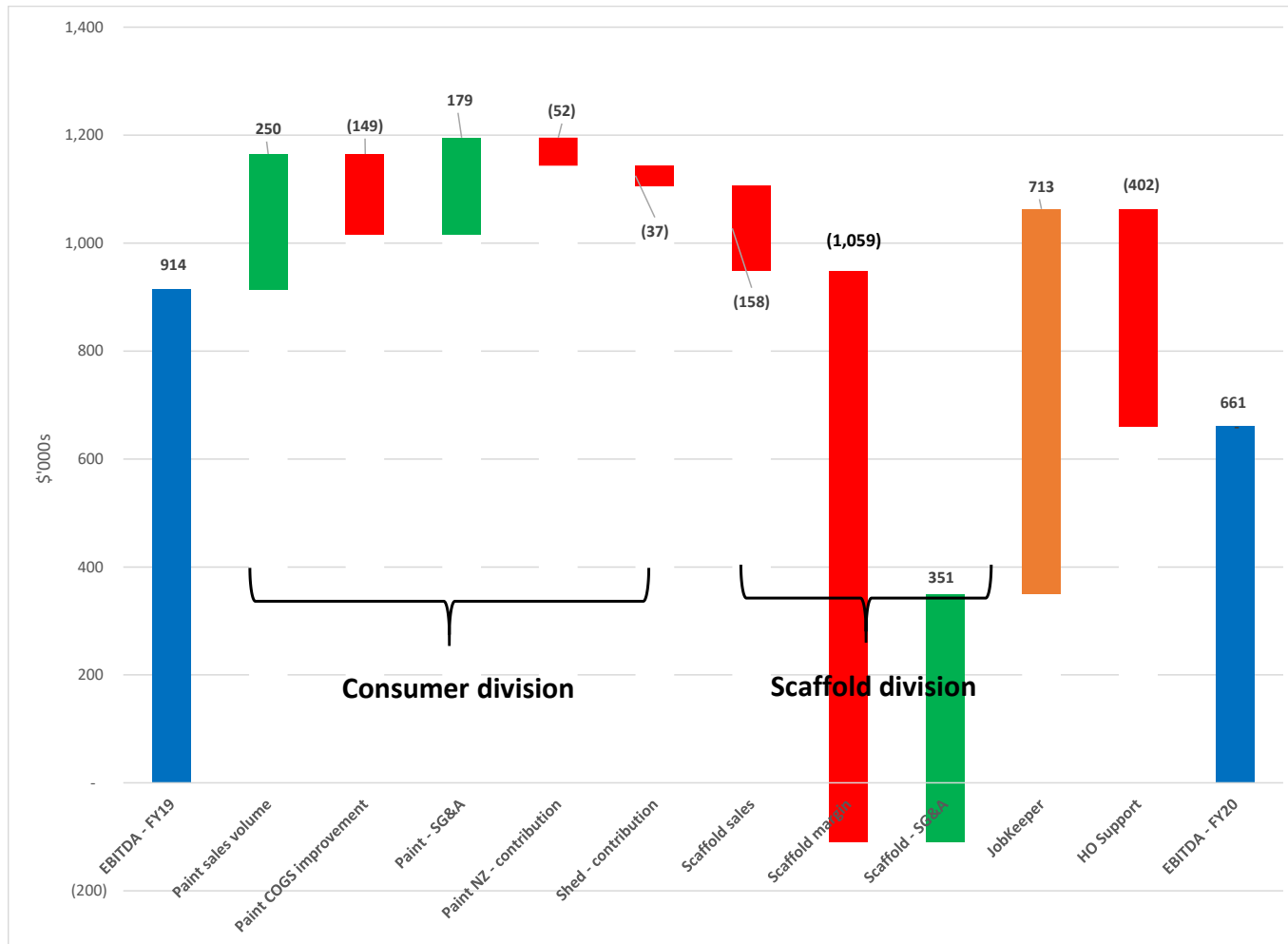
- Upcoming presentations from CFO **Alan Lee**, CEO **Richard Abela**, NED **Jie Ma** and NED **David Baird**
- All presentations have been lodged with the ASX and are available on the Oldfields web site.
- The 2020 year has been severely impacted both by Building Cycles and accentuated by COVID-19 impact on demand
- The major shareholders and Board appointments in April 2020
- New thinking and fresh approaches are building plans for Oldfields future in this new normal
- All shareholders will be invited to participate in new opportunities
- Thank you to the Board, Management and Shareholders for all your support of the turnaround strategies



COMPANY SECRETARY & CFO

ALAN LEE

EBITDA Bridge – FY20 vs FY19



EBITDA Bridge – FY20 vs FY19 (Cont'd)



Key EBITDA movements from FY19 to FY20

- **Consumer division** - Revenue increased with lower margin (FX loss and higher freight costs)
- **Consumer division (NZ)** – started since Nov 2019
- **Scaffold division** – COVID impacted on both revenue and margin (relatively more significant). SG&A expenses reduced from cost saving initiatives.
- **Head office support** – increased due to equity transaction, debt repayment and other restructuring activities.



**CHIEF
EXECUTIVE
OFFICER**

RICHARD
ABELA

Review of 2020 – A Challenging but Important Year



2019 / 2020 has continued to present some of the most challenging conditions.

- Building cycle downturn has been accentuated by COVID
- The postponement and delay on jobs & sites has stalled pipelines
- State lockdowns has hit revenue and staffing levels requirements
- Forward industry confidence is at best cautious in unpredictable environments.
- The ability to build on programs and further develop key client relationships was / is significantly hampered.
- As the market returns, margins are under renewed pressure until remaining players find a new equilibrium on pricing
- More recently, international supply chain challenges have put pressure on inventories, customers deliveries & cash flow.

The business is responding decisively and rapidly;

- Cost reductions and consolidation where necessary to protect assets and capital are in place and are under constant fortnightly review
- The business is taking a fresh look at all business units in respect to their competitive position and ability to provide differentiation in the new economy
- We remain close to key customers and are tracking their recovery at the ground level
- We are working intelligently to develop a more flexible cost base and assuming worst case forecasts

2020 – Paint Tool Essential - steps forward



- **Innovation** strategy has started to bear fruit. Has allowed the business to re-establish itself as a true trade product leader and to take market share again
- Targeted **hero product** introductions are proving invaluable in growing our offer
- **UK & NZ Export** feedback is proving to be a great new market opportunity which will be pursued in 2021
- **USA** – Sampling feedback extremely positive
- **On-Line** – move into online (Click and Collect) will assist store partners to grow sales of Oldfields while increasing end consumers' awareness
 - Key partners have signed onto the program
 - Targeting non active consumer segments

2020 – Scaffolding - Steps Forward



- **Key customers:** communication and further focus on key accounts is building
- **Job mix** is improving in an attempt to counter building cycles and macroeconomic trends
- **Targeting** 1st and 2nd tier organisations in all channels
- **Skill base** – capacity and qualitative building
- **China New Production Facility**
 - Capacity – relocation mid 2020 into a major new facility
 - Local revenue opportunities – important discussions underway with significant potential customers

New Board Focus



- **New board established from April 2020**
 - Fresh eyes on the business, model, value proposition and its potential.
- **Fresh look at business units and our ability to scale and generate profits**
 - Emphasis on sustainability and profitability over the medium term and significant growth long term
- **New opportunities being investigated**
 - Priorities will need to be set and not forgotten as we climb out of the current economic environment.
- **Increase Capital – all time low interest rates and our debt-free balance sheet means now is the time to raise fresh capital and strengthen ourselves**
 - New investment in strategic niches will allow growth to occur in the new post-COVID economies

Summary for 2021

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Paint Tool are Essentials

- Lock in more major distributors
- Launch on line strategy
- Develop off shore markets



Scaffolding

- See out the current environmental impacts
- Continue to consolidate and improve cost base
- Continue build right key account relationships
- Differentiate based on service/quality/compliance

China – Export and Local Revenue

- Establish scale with new manufacturing facility
- Develop revenue opportunities with rare strategic clients

International

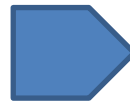
- Accelerate the development of the UK & NZ paint tool markets.
- Commence investigation into Paint Tools USA



CHINA UPDATE

JIE MA

Original Canton Province



New Henan Province



- Available on the Company's website
<https://oldfields.com.au/investor-centre/>
- New Investor Centre Portal to be launch mid-2021



Digital Transformation

DAVID BAIRD

- Market Analysis
- UK Opportunity
- Digital Strategy



ITEMS OF BUSINESS

2020 Annual Report

Year Ended 30 June 2020

ABN 92 000 307 988

To receive and consider the following reports of the company for the financial year ended 30 June 2020;

- The financial report (which includes the Statement of Financial Position, Statement of Comprehensive Income, Cash Flow Statement and Directors Declaration); and
- The Directors' Report and Auditor's Report

Resolution 1



Re-election of David John Baird as a Director

“That David John Baird, who retires by rotation in accordance with the Company's Constitution and being eligible, offers himself for re-election as a Director, be re-elected as a Director.”

Total Proxies received	42,480,497
Votes for	42,356,211
Votes against	0
Proxy's discretion	124,286
Exclusions	0
Abstentions	0

Resolution 2



Remuneration Report

“That the FY2020 Remuneration Report be adopted”

Total Proxies received	42,480,497
Votes for	2,971,683
Votes against	0
Proxy’s discretion	124,286
Exclusions	39,384,528
Abstentions	0

Resolution 3



Change of Auditors

*"To accept the resignation of **"BDO East Partnership"** as Auditors of the Company and to approve the appointment of **"BDO Audit Pty Ltd"** as the Company's auditors from 22 May 2020."*

Total Proxies received	42,480,497
Votes for	42,356,211
Votes against	0
Proxy's discretion	124,286
Exclusions	0
Abstentions	0

