SKELLERUP

HY21 RESULTS

18 February 2021

David Mair, CEO & Executive Director
Graham Leaming, CFO

Skellerup Key Points HY21

Record NPAT of $19.5 million up 61% on pcp

- Revenue growth, operational gains, improved margins.
- Unchanged strategy, focus to clearly understand key customer needs and rapidly develop solutions.

Record Agri Division EBIT of $15.3 million up 56% on pcp

- Revenue growth in international and domestic markets and operational gains.

Record Industrial Division EBIT of $15.5 million up 52% on pcp

- Revenue growth mainly from international markets plus margin improvements and reduced overheads.

Record operating cash flow of $35.1 million up 33% on pcp

- Funded dividends, capex and significant reduction in debt.
- Net debt down to $13 million.

Increased interim dividend pay-out of 6.5 cents per share

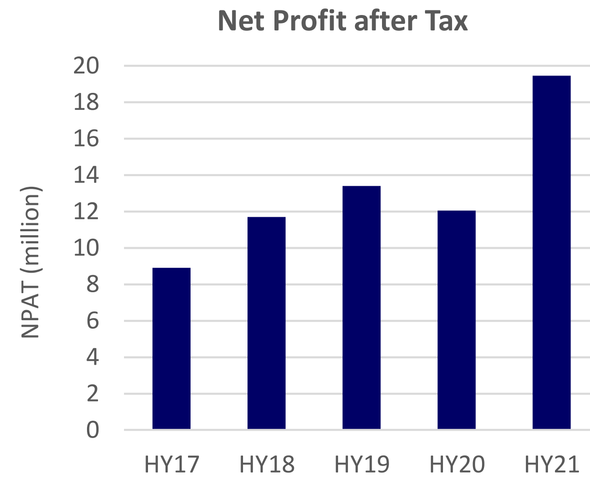
- Up 18% on pcp.

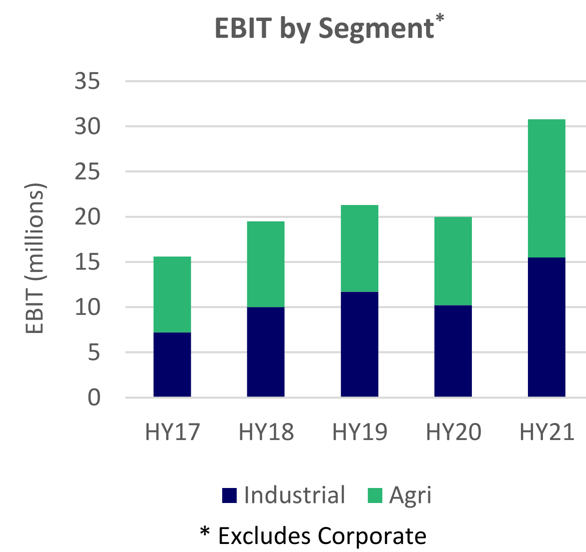
Upgraded FY21 earnings guidance

- FY21 NPAT expected to be in the range of $33 to $37 million.

Covid-19

- Remains a significant issue for our people in Europe and the USA in particular and until recently in Australia (Victoria).
- Leaders and teams managing operational and logistics complications very well.



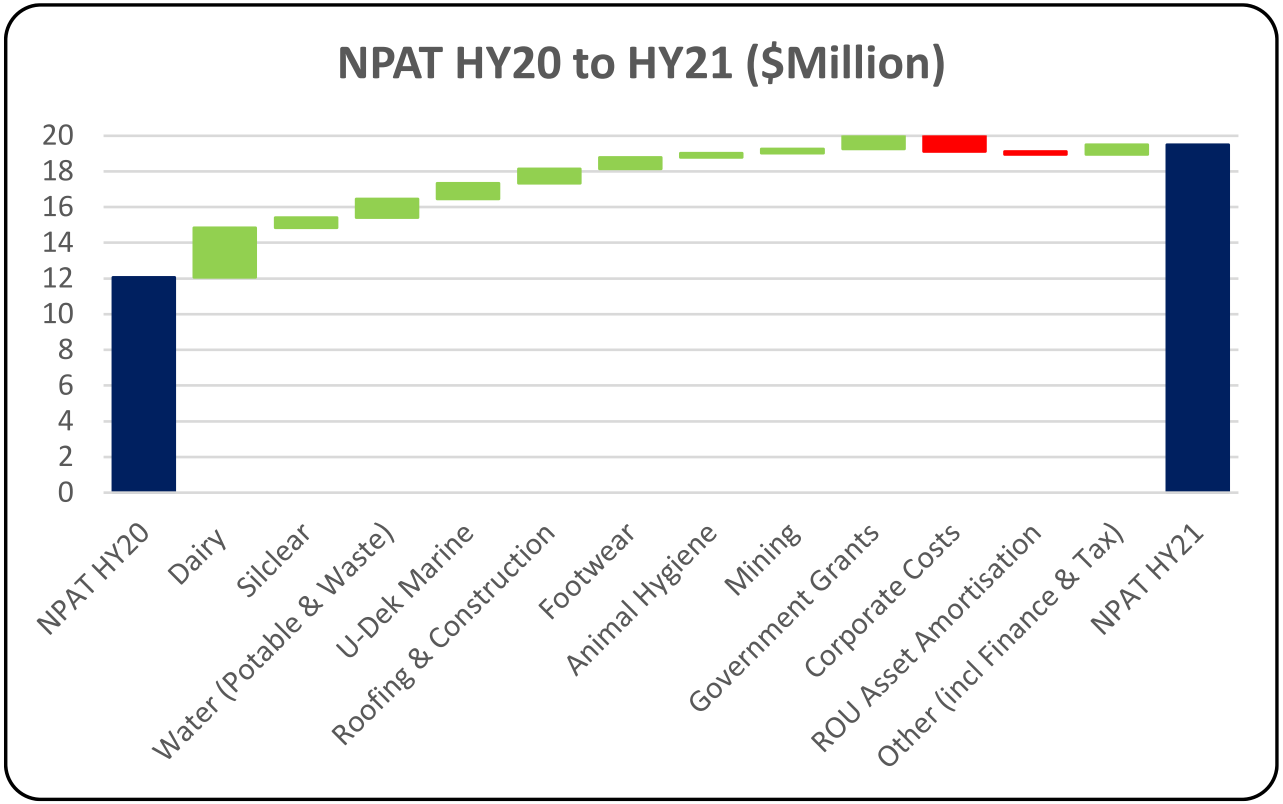


Skellerup Financial Highlights HY21

NZ$ Million	HY17	HY18	HY19	HY20	HY21
Revenue	97.3	116.7	120.2	123.0	**136.6**
EBITDA	16.9	21.3	23.0	24.1	**33.9**
Depreciation (PP&E) and Amortisation (Intangibles)	3.6	3.8	3.6	3.7	**3.8**
Depreciation (ROU Assets)	-	-	-	2.4	**2.6**
EBIT	13.3	17.5	19.4	18.0	**27.6**
Finance costs (Debt)	0.6	0.9	0.9	0.8	**0.7**
Finance costs (Lease Liability related to ROU Assets)	-	-	-	0.5	**0.5**
Tax expense	3.8	4.9	5.2	4.6	**6.9**
NPAT	8.9	11.7	13.4	12.1	**19.5**
Earnings cents per share	*4.6*	*6.1*	*6.9*	*6.2*	***10.0***
Dividend cents per share	*3.5*	*4.0*	*5.5*	*5.5*	***6.5***
Operating cash flow	9.7	14.8	13.0	24.1	**35.1**
Net Debt	35.6	34.8	32.4	34.7	**13.0**
Capital & intangible expenditure	6.9	3.1	1.9	2.6	**2.6**
Acquisition & Investment	-	-	-	5.0	**-**

- Revenue up $13.6 million and 11% on pcp.
- EBIT up $9.6 million and 53% on pcp.
- NPAT up $7.4 million and 61% on pcp.
- Interim dividend of 6.5 cents per share (imputed 50%), up 18% on pcp.
- Operating cashflow up $35.1 million and 33% on pcp, funded:
  - Capex (net of disposals) of $2.3 million.
  - Dividends of $14.6 million.
  - Right of use asset lease liability payments of $2.2 million.
  - Debt reduction of $15.5 million.

Skellerup NPAT HY20 to HY21



- Dairy contribution up from sales growth (all markets but notably Europe & Asia) and operational gains.
- Silclear contribution in line with expectation.
- Potable water market share gain in the USA, Asia and Australia.
- High (global) growth for U-Dek Marine foam.
- Sustained demand for Footwear in NZ – strong growth through hardware channel.
- Government grants includes forgiveness of PPP loans in the US and Australian jobkeeper payments.
- Corporate costs includes provision for costs to defend claim of divested Alucobond business.

Skellerup HY21 Agri Division

NZ$ Million	HY17	HY18	HY19	HY20	HY21
Revenue	36.6	43.1	42.3	43.2	**50.9**
EBIT	8.4	9.5	9.6	9.8	**15.3**
EBIT %	*23.0*	*22.1*	*22.8*	*22.7*	***30.0***

Revenue up 18% and EBIT up 56% against pcp

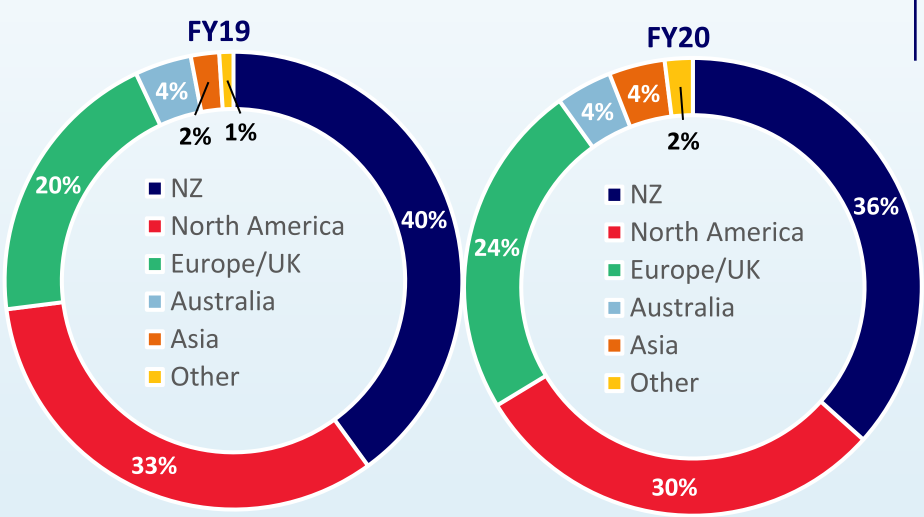
Dairy revenue and margin growth

- Rubberware sales up in all markets (notably Europe).
- Silclear performance very good (pcp was only 2 months).
- Operational process and efficiency gains – combination of cycle time improvements, shift changes, inventory management reducing unit cost of production.

Footwear sales growth

- Sales up 16% in NZ – rural and hardware channels.
- International sales mixed – Europe up and US down (production constrained).
- Operational performance continues to be good.

Agri Revenue by Region



What we do Agri

We produce essential dairy consumables and rubber footwear.

Milking Liner

Silicone Tubing

The Red Band Gumboot

Fire Fighter Extreme Gumboot

Ambic JetStream Teat Spray System

Master Blaster Nozzle

Skellerup HY21 Industrial Division

NZ$ Million	HY17	HY18	HY19	HY20	HY21
Revenue	60.8	73.7	78.0	79.9	**85.6**
EBIT	7.2	10.0	11.7	10.2	**15.5**
EBIT %	*11.8*	*13.6*	*15.0*	*12.6*	***18.2***

Revenue up 7%, EBIT up 52% against pcp

Growth from potable and waste water applications

- Recovery from Covid impact and market share gains in Australia and US.

Growth from high performance marine foam applications

- Ultralon U-Dek sales up significantly in all markets.

Growth from DEKS roof and sealing products

- Revenue growth in Australia and Europe.

Overall margin and cost improvements

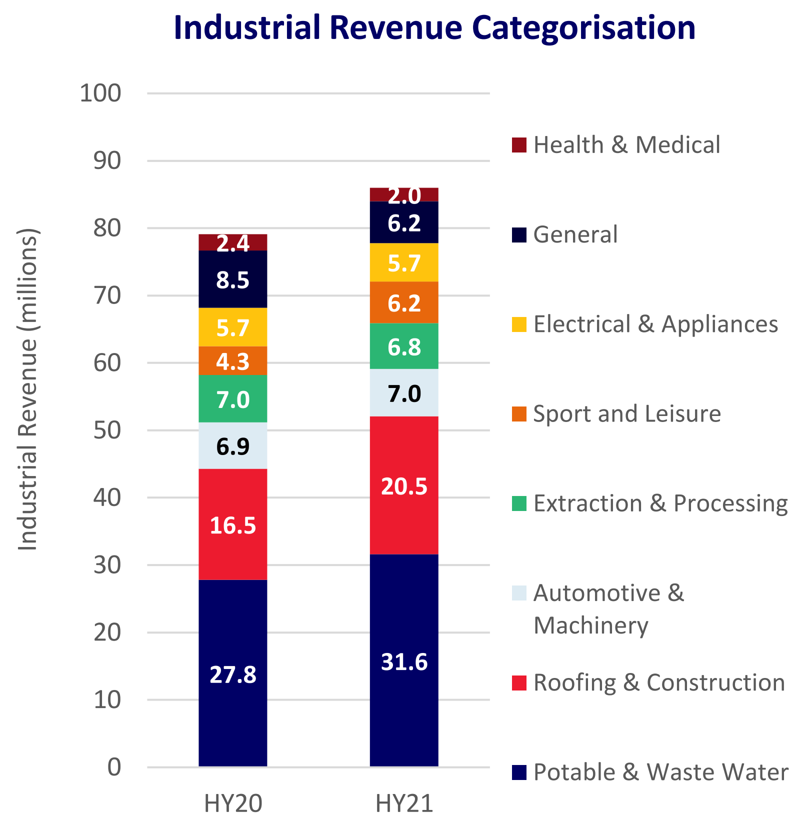
- Sales prices, freight, material costs and overheads.

Pipeline

- Good depth and breadth of projects to provide future earnings growth.

Other

- PPP loan forgiveness (US) and Jobkeeper subsidies (Australia) boost.



What we do Industrial

We deliver critical components and products used in a broad range of systems.

Skellerup HY21

Reconciliation of Segment EBIT to Group NPAT

NZ$ Million	HY17	HY18	HY19	HY20	HY21
Agri EBIT	8.4	9.5	9.6	9.8	15.3
Industrial EBIT	7.2	10.0	11.7	10.2	15.5
Corporate EBIT	(2.3)	(2.1)	(1.9)	(2.0)	(3.3)
EBIT	13.3	17.5	19.4	18.0	27.6
Finance costs	0.6	0.9	0.9	1.3	1.1
Share of net loss of associate	-	-	0.0	(0.0)	(0.1)
Tax expense	3.8	4.9	5.2	4.6	6.9
NPAT	8.9	11.7	13.4	12.1	19.5

Skellerup Disclaimer

This presentation contains not only a review of operations, but also some forward looking statements about Skellerup Holdings Limited and the environment in which the company operates. Because these statements are forward looking, Skellerup Holdings Limited's actual results could differ materially.

Although management and directors may indicate and believe that the assumptions underlying the forward looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward looking statements will be realised.

Please read this presentation in the wider context of material previously published by Skellerup Holdings Limited.