

# Presentation of HY13 Results

David Mair 21 February 2013



**SKELLERUP**  
SKELLERUP HOLDINGS LIMITED

# Skellerup HY13 Key Points

- NPAT of \$9.5 million
  - Down \$2.0 million on prior corresponding period (pcp).
- Very strong operating cash flow of \$14.6 million
  - Up \$5.4 million on pcp.
  - Net debt at \$4.5 million reduced from \$9.2 million in pcp.
- Interim Dividend unchanged at 3 cents per share.
- Agri division performance relatively stable.
- Industrial division performance weaker than expected.
- Full year NPAT now forecast at \$20 million.

# Skellerup HY13 Financial Summary

NZ\$Million	HY13	HY12	Variance
Revenue	95.0	103.0	(8%)
EBITDA	17.4	21.1	(17%)
Depreciation & amortisation	3.6	3.4	(5%)
EBIT	13.8	17.7	(22%)
Interest expense	0.6	1.1	47%
Tax expense	3.7	5.0	26%
NPAT	9.5	11.5	(18%)
<i>Earnings per share</i>	4.92	5.97	(18%)
<i>Dividend per share</i>	3.00	3.00	No change
Net Debt	4.5	9.2	51%
Operating Cash Flow	14.6	9.2	59%
Capital expenditure	5.1	2.9	78%

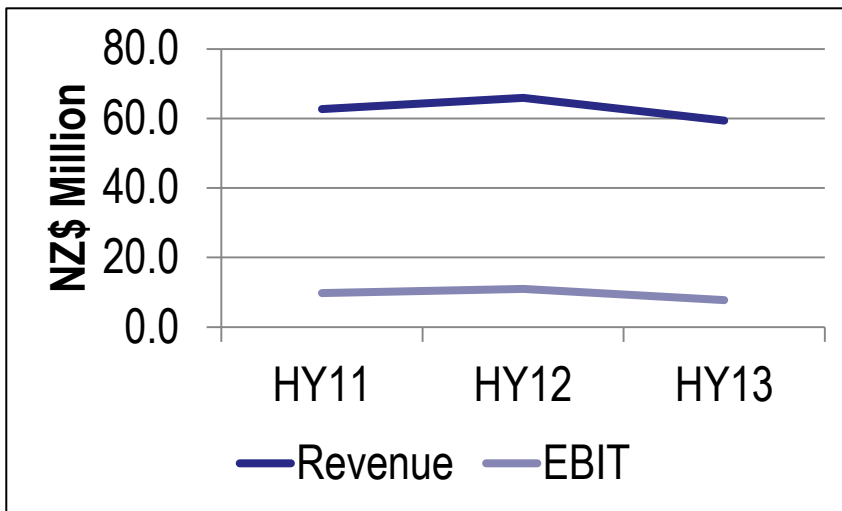
# Skellerup Divisional Results

HY 13: NZ\$ Million	Agri	Industrial	Corporate	Total
Revenue	35.6	59.4	-	95.0
EBIT	8.3	7.8	(2.2)	13.8
Interest expense				0.6
Income tax expense				3.7
NPAT				9.5

HY 12: NZ\$ Million	Agri	Industrial	Corporate	Total
Revenue	37.0	65.9	-	102.9
EBIT	9.0	11.0	(2.3)	17.7
Interest expense				1.2
Income tax expense				5.0
NPAT				11.5

# Skellerup Industrial Division

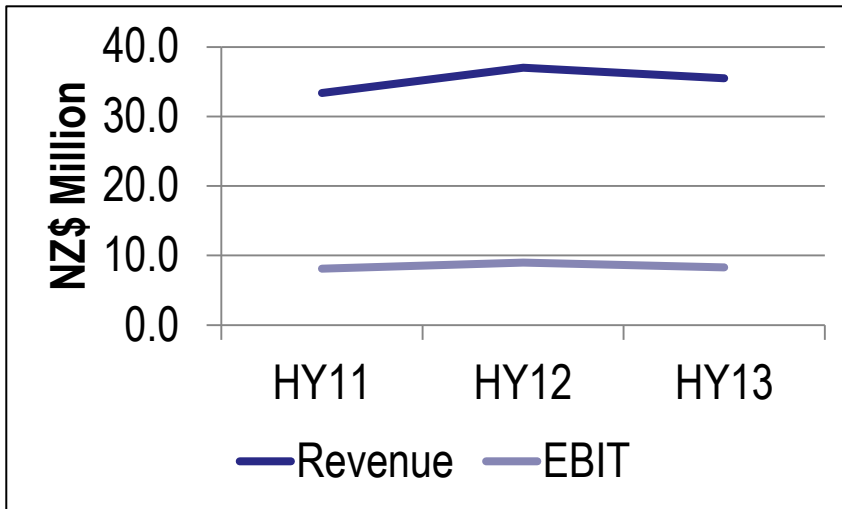
NZ\$ Million	HY13	HY12	Var %
Revenue	59.4	65.9	(10%)
EBIT	7.8	11.0	(29%)
EBIT/Revenue	13.1%	16.7%	



- Industrial vacuum pumps down due to lower demand for oil and gas exploration.
- Flexiflo chute lining ahead of expectation but now slower due to lower iron ore prices.
- Cell foam manufacture successfully relocated to Vietnam.
- Technical rubber products down due to soft European and Australian markets.
- Good growth in developing Latin America and Asian markets.

# Skellerup Agri Division

NZ\$ Million	HY13	HY12	Var %
Revenue	35.5	37.0	(4%)
EBIT	8.3	9.0	(8%)
EBIT/Revenue	23.4%	24.3%	



- US drought impacting on farmers corn feed price reducing available spend for dairy liners and tubing.
- Fonterra pay-out forecast to be lower delayed timing of liner and tubing replacement. Recent increases to improve demand.
- Hygiene & filter products steady.
- Footwear contribution up – new Red Band work boot well received.

# Skellerup Focus

- Continuing to grow business to capture opportunities we have created in emerging Latin and Asian markets.
  - Capitalising on existing product range and competitive advantage
  - Tailoring products and solutions to suit different market needs
- Focussing our innovation activities.
  - Clear definition of value and faster execution
- On-going focus on operational excellence.
  - Achieving leading performance in all manufacturing sites
  - Continuing to improve time to market and inventory management
  - Efficient investment in people and systems
- Growing our leadership and team capability to improve the bottom line.

# Skellerup Outlook

- FY13 NPAT forecast at \$20 million
  - Underlying drivers for lift in demand for vacuum pump business good, uncertainty over exact timing.
  - Gaining momentum in Latin America and Asia for industrial products.
  - European market remaining weak impacting on industrial products demand in particular.
  - Improving milk prices to support improved demand for dairy consumables.
  - More significant presence in North American market for Agri and Industrial Products enhancing our ability to capture growth in recovering economy.



# 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.
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