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GWA
Group Limited

ABN 15 055 964 380
t 61 7 3109 6000
f 61 7 3852 2201
www.gwagroup.com.au

Level 2, HQ (South Tower)
520 Wickham Street
Fortitude Valley
QLD 4006

GPO Box 1411
Brisbane QLD 4001

18 February 2014

ASX On-Line
Manager Company Announcements
Australian Securities Exchange

Dear Sir

Financial Results Presentation for the Half Year Ended 31 December 2013

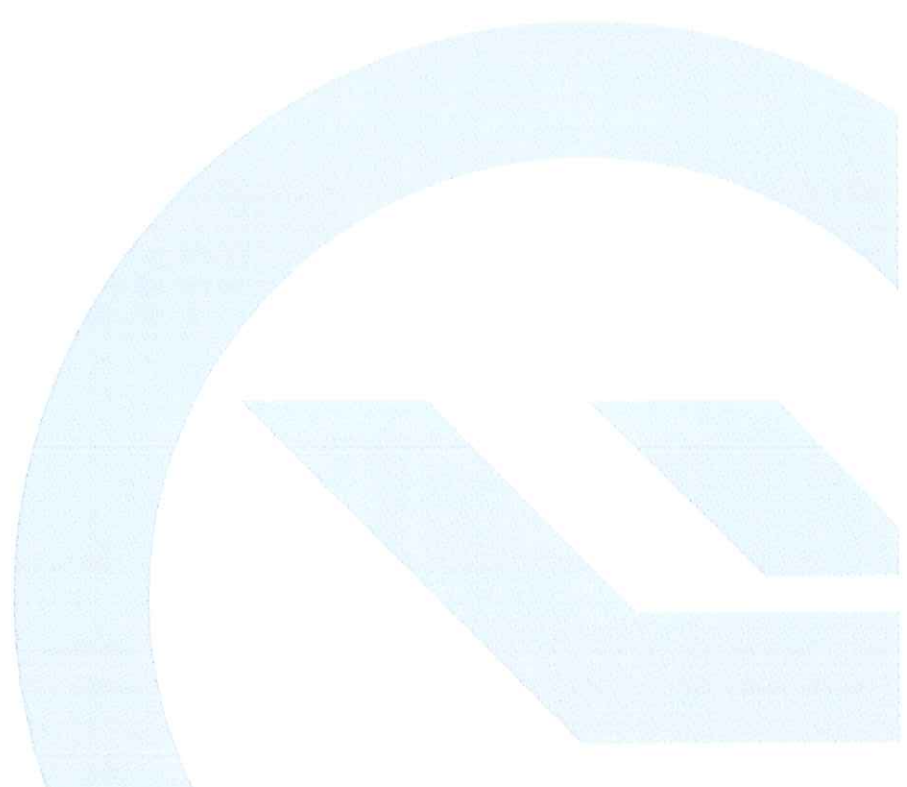
We enclose the following document for immediate release to the market:

- Half Year Results Presentation

Yours faithfully

A handwritten signature in blue ink, appearing to read 'R J Thornton'.

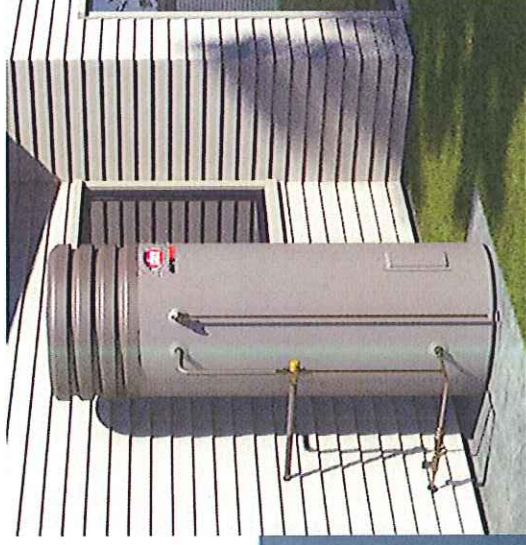
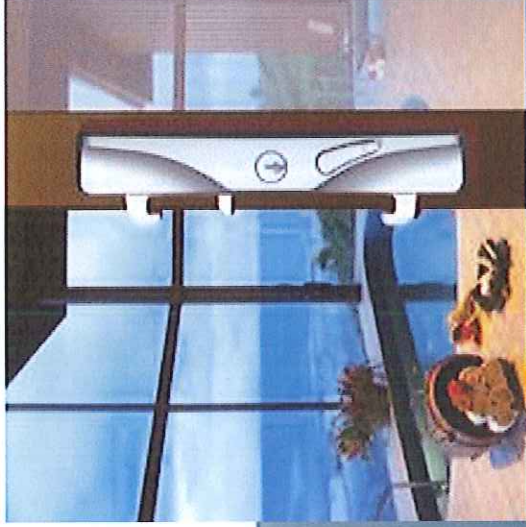
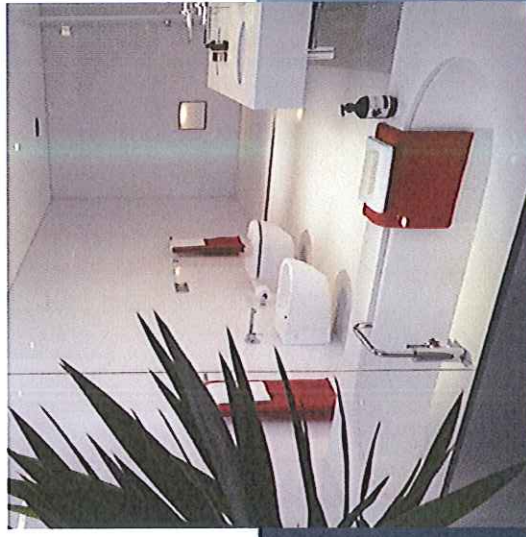
R J Thornton
Executive Director



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Half Year Presentation 18 February 2014

Presented by:

Peter Crowley

Title:

Managing Director



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Major Successes & Challenges for the Half Year

- ✓ Building activity improving with completions strengthening through 2014
- ✓ Bathrooms & Kitchens (excluding Hot Water) growing strongly with first half volumes up 4% and revenues up 7% compared to last year
- ✓ Restructure savings slightly above expectations
- X Underperformance of the Gliderol garage door business resulted in an impairment of \$17 million against the carrying value of goodwill. Turnaround plan being executed
- X Supplier transition in the Gainsborough business created supply issues impacting Trading EBIT, however these issues are now resolved
- X Hot Water market contracting in value but volumes improving, however higher warranty costs of solar products compared to core electric and gas storage negatively impacting Trading EBIT



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Key Metrics – H/Y to 31 December 2013

- Net Sales down 1% versus prior year and 3% down, like for like (excluding API Locksmiths, acquired October 2012)
- Trading EBIT down 1% versus prior year
- Bathrooms & Kitchens Net Sales (excluding Hot Water) up 7%
- Working capital 22% of Net Sales versus 23% last year
- Net Debt of \$162.5 million is flat to the June 2013 year end position



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Results - H/Y to 31 December 2013

	Half Year 31.12.13	Half Year 31.12.12	Change
\$000's			
Sales Revenue	288,084	289,873	-0.6%
Trading EBIT	34,147	34,579	-1.2%
EBIT Margin	11.9%	11.9%	
Trading Profit after Tax	20,333	20,899	-2.7%



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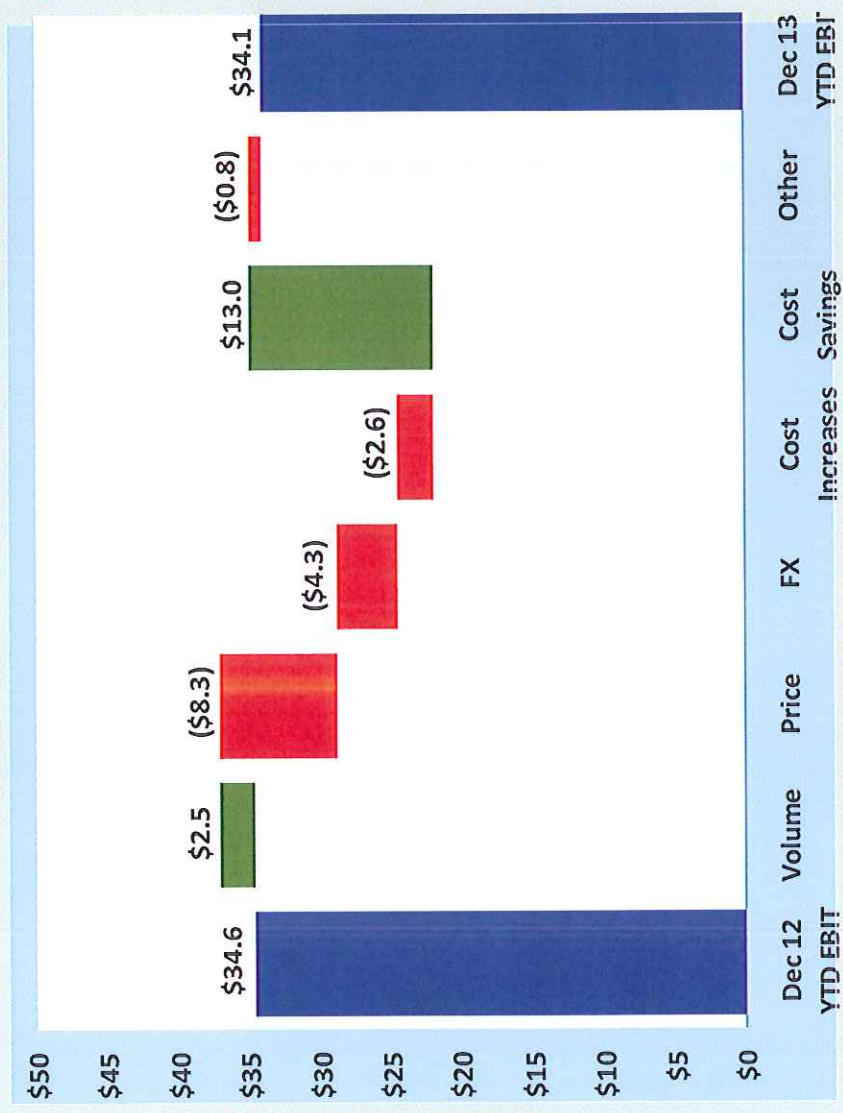
Results - H/Y to 31 December 2013

	Half Year 31.12.13	Half Year 31.12.12
\$000's		
Trading Profit after tax	20,333	20,899
Restructuring Expenses after tax	(1,596)	(5,168)
Impairment after tax	(17,000)	Nil
Net profit	1,737	15,731



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Major Variations in Trading EBIT



- Sanitaryware, Taps and Kitchen & Laundry volumes up mainly driven by share gain
- Change in mix in Sanitaryware and price decrease in Hot Water
- Net impact of weakening \$AUD offset by hedging
- Restructuring and Business Improvement initiatives on track



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Segment Results- H/Y to 31 December 2013

	Half Year 31.12.13	Half Year 31.12.12	% Change
\$000's			
Bathrooms & Kitchens	37,484	33,061	13.4%
Heating & Cooling	1,272	2,234	-43.1%
Door & Access Systems	1,957	6,481	-69.8%
Corporate costs	<u>(6,566)</u>	<u>(7,197)</u>	<u>8.8%</u>
Earnings before restructuring, impairment, interest and tax	34,147	34,579	-1.2%



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Bathrooms & Kitchens

Strong Performance in Traditional Bathrooms & Kitchens

A'000	Dec 13	Dec 12	% Change
Sales	190,775	192,604	-0.9%
Trading EBIT	37,484	33,061	13.4%
EBIT margin	19.6%	17.2%	2.4% pts
ROFE	17.1%	14.4%	

- Market share growth in traditional Bathrooms & Kitchens

- Restructure savings improving EBIT Margin

- First half building completions relatively flat

- Hot water market very competitive and value contracting

- Traditional Bathrooms & Kitchens business remains very strong

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Victorian Market Conditions Difficult

A\$000	Dec 13	Dec 12	% Change
Sales	27,485	28,377	-3.1%
Trading EBIT	1,272	2,234	-43.1%
EBIT margin	4.6%	7.9%	-3.3% pts
ROFE	5.6%	9.4%	

- Tough market conditions in Victoria with detached housing activity down 8% for the half year
- New products introduced (and expenses incurred) in the first half and ready for the coming Winter
- Recall of evaporative coolers not impacting Brivis brand or sales performance

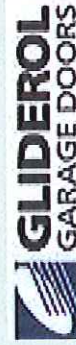




Results Impacted by Gainsborough Supplier Transition and Gliderol Performance

A\$000	Dec 13	Dec 12	% Change
Sales	70,172	70,389	-0.3%
Trading EBIT	1,957	6,481	-69.8%
EBIT margin	2.8%	9.2%	-6.4% pts
ROFE	3.9%	13.0%	

- Adjusting for API Locksmiths (acquired Oct 12) like for like revenue is down 8.1%
- Gliderol performance gradually improving but trading losses resulted in \$17M asset impairment
- Gainsborough supply disrupted by sourcing transition in China with very significant impact on Trading EBIT
- Gainsborough supply issues now resolved





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Cash Flow Driven by Inventory Investment Offset by Lower Restructuring

	2013	2012
\$000's		
Operating cashflow from trading activities	25,679	41,354
Restructure cash flows	(2,009)	(9,059)
Total operating cash flow (before interest and tax)	<u>23,670</u>	<u>32,295</u>
Capital Expenditure (net)	(1,389)	(9,832)



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Financial Structure is in Good Shape With Facilities Available to Fund Growth

- Total facilities \$275 million with maturity in 2016 - 2018
- Net debt of \$162.5 million flat compared to June 2013
- Investment grade metrics allow for targeted bolt on acquisitions from existing facilities



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No Interim Dividend as Insufficient Retained Earnings

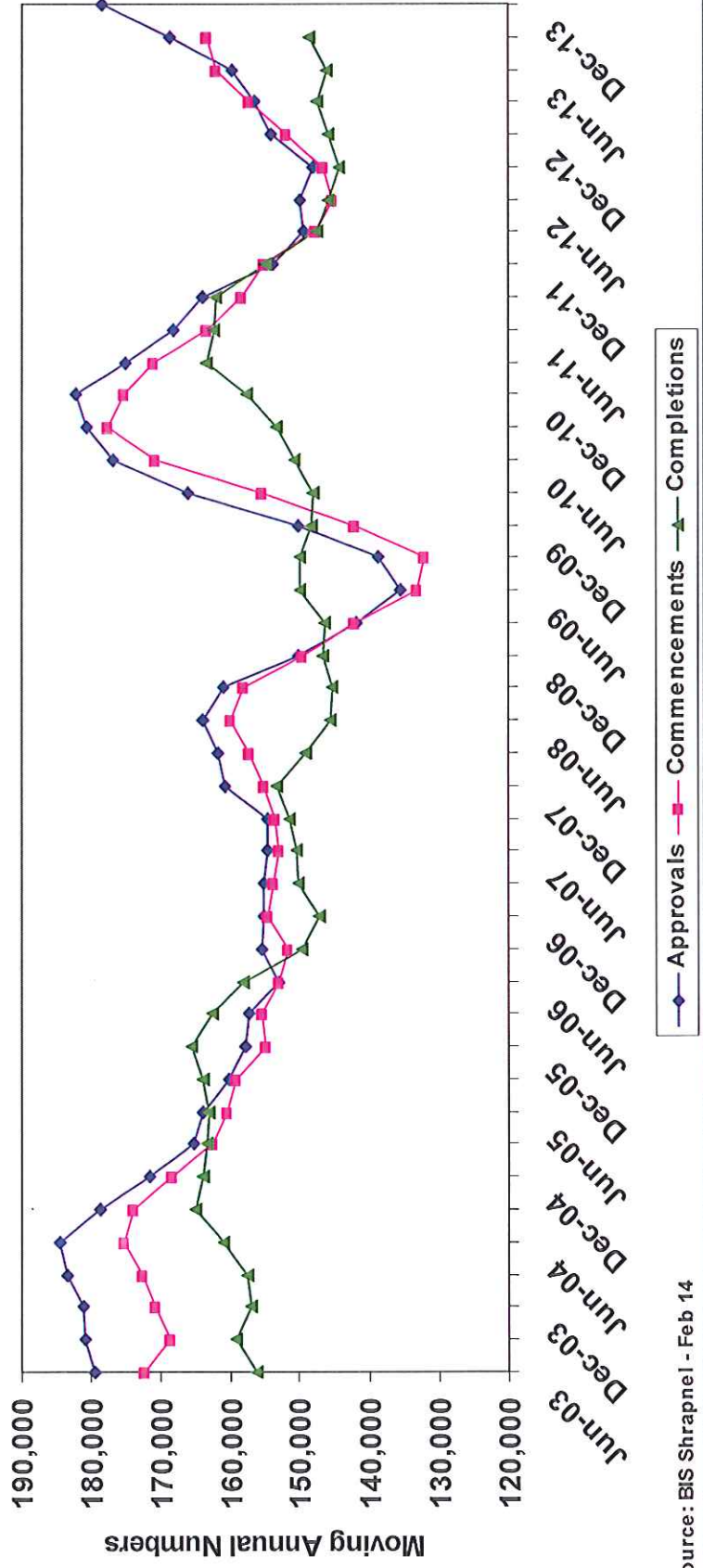
	2013	2012
\$000's		
Half Year trading profit after tax	20,333	20,899
Trading Earnings per share	6.6 cents	6.9 cents
Impairment & Restructuring	(18,596)	(5,168)
Net profit after tax	1,737	15,731
Retained Earnings	2,271	20,674
Interim Dividend	Nil	6.0 cents



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Housing Activity Improving and Should Continue Through 2014

New Dwelling Activity 12 Month Moving Annual



Source: BIS Shrapnel - Feb 14



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Priorities for the Second Half

Given the expected improvement in dwelling activity the business priorities are:

- Continue to execute the plans that have driven positive performance in Bathrooms & Kitchens in the first half
- Continue to increase volumes in the Hot Water category and improve profitability
- Ensure the Gainsborough business delivers on customer service now that stock levels are back to normal
- Continue to drive the turnaround plans in Gliderol and bring the business back to profit in the second half



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2013/14 Full Year Outlook

- A strong second half performance is expected from increased dwelling activity, impact of price increases and improvements in Gainsborough and Gliderol performance
- Second half sales are expected to be 10% higher than first half
- 2013/14 Trading EBIT (before restructuring and impairment expenses) is expected to be in the range of \$75 to \$78 million



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Non-IFRS Financial Measures

Given the significance of the restructuring expenses and impairment loss the Directors believe the presentation of non-IFRS financial measures is useful for the users of this document as they reflect the underlying financial performance of the business. The above non-IFRS financial measures have not been subject to review or audit by KPMG.

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