



OLDFIELDS HOLDINGS LIMITED

ANNUAL GENERAL MEETING

30TH NOVEMBER 2017

Board & Executives



- Lewis (William) Timms, Chairman
- Steve Hooper, Non Executive Director
- Richard Abela, Managing Director & CEO
- Greg Park, Executive Director, Co Sec. & CFO



Order of Business



- Welcome and Introductions
- Chairman's Address
- Chief Financial Officer's Address
- Non-Executive Director's Address
- Chief Executive's Officer's Address
- Items of Business
- Open Discussion

2017 Financial Results



	2017 \$k	2016 \$k	Change %
Group Revenue (Net)	26,721	28,420	-6.0%
Net Profit (Loss) after Tax	312	(722)	+143.2%
Interest & DSLN Debt Revaluation	590	634	
Depreciation & Amortisation	803	1,434	
Income Tax Expense	315	352	
Foreign Exchange Gain	11	(37)	
EBITDA	2,031	1,661	+22.3%



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**COMPANY
SECRETARY & CFO**

GREG PARK

FY17 EBITDA Movements Against Prior Year

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EBITDA Improvement +22.3%

\$2,031k

Net Revenue Decline -6.0%

\$1,661k



FY16

Volume
-\$947k



COGS
Savings
+\$186k



Logistics
Savings
+\$264k



Net -\$497k

Consumer Division

Volume
+\$286k



Operations
Savings
+\$209k



Net +\$495k

Scaffold Division

+\$372k



Salaries &
Other SG&A

FY17

Review of Revenue (before trading terms)



	FY14	FY15	FY16	FY17	17 v 16	Mov't %
Sheds	3,371	2,726	1,839	1,807	-32	-1.7%
Paint	9,473	9,018	9742	6,751	-2,991	-30.7%
Consumer	12,842	11,744	11,587	8,558	-3,023	-26.1%
Scaffold	15,898	17,088	18,308	19,061	+753	+4.1%
Total Group	28,740	28,725	29,848	27,602	+2,246	-7.5%

	FY14	FY15	FY16	FY17	17 v 16	Mov't %
M10 House Brand	866	748	931	1111	+180	+19.3%
M10 Oldfields Brand	918	938	927	894	-33	-3.6%
Masters	2,172	2,374	2,841	274	-2,567	
Specialists	5,517	4,958	5,043	4472	-571	-11.3%
Total Paint	9,473	9018	9742	6751	-2991	-30.7

2017 Cash Generation & Application



	2017 \$k	2016 \$k
EBITDA	2,031	1,661
Working capital & provision movements	552	924
Interest & Finance Costs	(166)	(255)
Income Tax Paid	(273)	(189)
Cash Provided by Operating Activities	2,144	2,141
Investing Activities (Net Purchase/Sale PP&E)	(736)	(626)
Financing Activities (Net Repayment of Debt)	(1,136)	(1,080)
Net Increase in Cash	272	435

Deferred Senior Loan Note (DSL N)



- Instrument with Westpac created Dec. 2012
- Expires Dec 2022 (10 year agreement)
- Group swapped \$8.0m of Westpac debt for \$2.4m DSLN
- DSLN is interest & debt instalment free till Dec 2022
- DSLN comes with restrictions & impacts:
 - Implicit interest rate of 12% pa compound
 - Reapply each year for bank facilities ie Core Debt & O/Draft
 - Annual negotiation of 12 months debt repayment plan
 - Limit set on fixed asset acquisitions
 - Bank control of dividend distributions + proceeds from asset sales

DSL N – Interest Calculations



- Years 1–5 : Interest at 12% pa compound
- At Dec 2017 provision approx \$1.8m

Interest calculation used for determining “payout” figure if extinguished inside first 5 years

- Years 5–10 : Redemption premium replaces interest calc.
- Sliding scale premium determined by share price (15day VWAP)

Share Price	Premium	Redemption Date Impact to P&L
10.0 c & below (collar price)	Nil	W/back of all accrued interest
11.0 cents ie +1.0 cent	\$250,000	W/back \$1.8m less \$250k
17.3 cents	\$1,820,000	No back of interest (\$1.8m–\$1.8m)
30.0 c & above (cap price)	\$5,000,000	Additional \$3.2m (\$5.0m=\$1.8m+\$3.2m)

DSL N Planning & Options



- See out remaining 5 years. i.e. pay Westpac \$2.4m + Redemption Premium on 21 Dec 2022
 - ... Carries funding implications to pay lump sum on 21 Dec 2022
- Seek new financiers to payout DSLN
 - ... Appetite of Lenders? ... Requires approx \$5.0m to Payout / Facilities
- Capital raising approx \$2.5m to payout DSLN
 - ... Amt may vary subject to upwards movements in share price
 - ... Requires balance of bank facilities to be renegotiated
- Capital raising approx \$5.0m to payout DSLN & all Bank Facilities
 - ... Amt may vary subject to upwards movement in share price

Operational Focus in 2017-2019



- Strategic engagement of key suppliers as business partners – international and local
- Focus on quality, product development and new product research – Pro Series Brushes
- Rationalisation of suppliers, sku's and processes to reduce product and overhead costs
- Warehouse consolidation in Sydney to support changes in consumer products and scaffolding
- Identification of key business processes that require enhancement – warehouse management, inventory control and equipment maintenance



Performance Summary – FY17



FY17 vs FY16

	Net Revenue	Net Profit After Tax	EBITDA	SG&A Sales, General & Admin' Exp's	Core Debt Net Borrowings excluding DSLN
	+3.8%	+143.2%	+22.3%	Reduc'n 5.0%	Repay \$1.2m
FY17	\$26.7m	\$0.3m	\$2,031k	26.4%	\$0.9m
FY16	\$28.4m	\$(0.7)m	\$1,661k	27.8%	\$2.1m
FY15	\$27.4m	\$(1.1)m	\$1,165k	30.6%	\$3.5m
FY14	\$27.2m	\$(2.6)m	\$777k	34.2%	\$4.6m

Strategic Direction

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**is ONE Company focussed on becoming
market leaders by;**

- Understanding and engaging with our customers to meet and exceed their goals
- Inspiring our people to deliver strong profitable growth, innovation, quality products and services and
- Continuing to build on our Brand foundations and Company values

**Growth &
Innovation**

**People &
Culture**

**Operations &
Supply Chain**

Accountability – Customer Service – Innovation – Integrity – Passion – Safety & Sustainability

Key strategic planks - Scaffolding



- Developed a deeper understanding of our market position
- Development of counter cyclical revenue streams
- Focus on channels to market that will diversify income streams.
- Liberate the collective knowledge and goodwill around cross border customers.
- Open up new opportunities / capacity by installing cross hire strategy.
- Focus on further developing international channels
- Focus on key data including pipeline, win/loss analysis and strategic targeting.
- Reintroduction of innovation.



Key strategic planks - Paint



- Homogenised market –true differentiation opportunity
- Focus on trade – Respect quality and rebuild brand loyalty
- Restructure the revenue base to improve margins
- Key leadership – drive team and industry !
- Focus on innovation
 - Return to true product life cycle management
 - Launch the best brush for painters on the market
- Re-engage painters
- Gain critical mass + profit margins
- Rationalised the number suppliers



Key strategic planks - Sheds

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- Simplified offer
 - No custom sizes, popular colour options only
 - On-line strategy
- Produced for stock not to order
- Remove unprofitable distributor network and reclaim margins
- Move to a direct sales strategy being a predominantly on line model
- Strip out costs by redeploying staff that can be returned to production on a batch basis
- Re-establish critical mass
- FY18 evaluation period



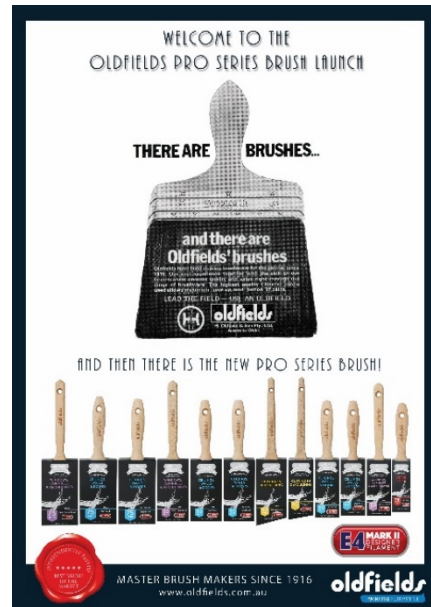
People & Culture – Stronger as One !



- Critical appointments 2017
 - Business Analyst
 - Focus – Clarity & data modelling for critical decision making
 - Scaffolding Engineer
 - Focus – Innovation leadership t
 - Paint industry sales leadership
 - Focus – trade engagement
 - National HR manager
 - Focus – the right people in the right seats
 - Establishment of a full time digital marketing resource
 - End user engagement using formal and informal communications strategies
 - Begin building e commerce capability
- Critical success factors 2018 & beyond
 - Leveraging pool of talent
 - Build internal network – sharing of ideas, expertise & project management.
 - Building the correct mix of talent
 - Organic and new opportunities
 - Opportunity seekers as well as account managers
 - Establishing skills matrix / review
 - Individual development plans
 - Establish weak points
 - Training, & development



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Sydney: October 31, 2017
Melbourne: November 2nd, 2017



Opportunities for 2018



1. Finding a lender that will support growth.
2. Re establishing Oldfields as the No.1 trade paint supplier ...
3. Evolving our scaffold business into a true national network servicing both local and national clients in counter cyclical revenue streams
4. Allowing Treco to be established as a true on line business.
5. International opportunities – Predominantly Asia.
6. Leverage capabilities from improved analytics and greater insights





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**FY18 - CURRENT
YEAR PROGRESS:**

RICHARD ABELA

First Half Guidance



- Restructure consumer revenue base (no sales to Masters, termination of M10 warehouse supply, commence sheds on-line)
- National scaffold strategy to leverage network
- Invest in key roles & activity to drive future growth
- Continued debt reduction with focus on exiting DSLN

Key Financials	H1 FY18 Guidance	H1 FY17 Actual	Growth
Net Revenue	Circa \$13,700k	\$14,344k	-5% Scaf +10% / Cons -35%
EBITDA	Circa \$0.9m - \$1.0m	\$1.1m	-20%
NPAT	Circa \$0k	\$360k	

To receive and consider the following reports in respect of the financial year of the company ended 30 June 2017;

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

Resolution 1.



Re-election of Gregory John Park as a Director

"That Gregory John Park, 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	57,310,622
Shareholder exclusions	75,000
Votes received FOR (incl. Open to Chair)	57,310,622
Votes received AGAINST	NIL
Abstentions	NIL

Resolution 2.



Remuneration Report

“That the Remuneration Report be adopted”

Total proxies received	17,749,560
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Shareholder exclusions	39,516,062
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Votes received FOR (incl. Open to Chair)	17,749,650
Votes received AGAINST	NIL
Abstentions	45,000

Q & A

Disclaimer and Notes



- The purpose of this presentation is to provide general information about Oldfields Holdings Limited (Company). It is not recommended that any person makes any investment decision in relation to the Company based solely on this presentation. This presentation does not contain all information which would be material to the making of a decision in relation to the Company. Any investor should make its own independent assessment and determination as to the Company's prospects prior to making any investment decision, and should not rely on the information in this presentation for that purpose.
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End Notes

Earnings Before Interest Tax Depreciation and Amortisation. The reference to EBITDA is unaudited and unreviewed however is based on amounts extracted from the audited financial statements and reconciles to the profile before and after income tax as reported in the Consolidated Statement of Profit or Loss and other Comprehensive Income contained within the Company's Financial Report and Appendix 4E.