GUD Holdings Limited
A.B.N. 99 004 400 891

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15 February 2023

Manager
Company Announcements
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Interim Results

Attached is the Appendix 4D Interim Financial Report, including Media Release, Financial Statements, Directors' Report and Declaration, and the Independent Auditor's Review Report and Declaration relating to the results for the half year ended 31 December 2022.

Today at 8.45 am (Melbourne time), GUD will be hosting a webcast of its HY23 results briefing. To register and view the webcast, please go to https://gud.com.au/webcasts or click here.

Approved for release by the Board of Directors of GUD Holdings Limited.

Yours faithfully

Malcolm G Tyler
Company Secretary

Direct: +61 3 9243 3380
Email: malcolmt@gud.com.au

Attached

Appendix 4D
Interim Financial Report

GUD Holdings Limited

(ABN 99 004 400 891)

31 December 2022

(Previous corresponding period: 31 December 2021)

Contents

Results for Announcement to the Market

For the six months ended 31 December 2022

Results from operations	Change to/from $'000 prior year			$'000
Revenue	**Up**	**184,991**	**to**	**517,017**
Profit from operations after tax	**Up**	**21,452**	**to**	**45,627**
Reported operating profit from operations before interest and tax	**Up**	**30,474**	**to**	**74,972**
Add back: restructuring and transaction costs, before tax				1,082
Underlying profit from operations before interest and tax[1]	**Up**	**17,094**	**to**	**76,054**
Add back: Acquisition related inventory step up				3,532
Add back: Amortisation				10,672
Underlying profit from operations before interest, tax, acquisition related inventory step up and amortisation[1]	**Up**	**31,032**	**to**	**90,258**
Reported net profit from operations for the period attributable to members	**Up**	**21,452**	**to**	**45,627**
Add back: Restructuring and transaction costs and acquisition related inventory step up, after tax				3,230
Underlying profit from operations after tax attributable to members[1]	**Up**	**13,624**	**to**	**48,857**
Operating cash flows	**Up**	**34,276**	**to**	**60,013**

1. Underlying profit after tax and underlying profit before interest and tax are non-IFRS measures that have not been subject to audit or review. "Underlying" results represent reported results adjusted for significant items.

	6 months ended 31 December	
	2022	2021
Earnings per Share (EPS)	Cents per share	Cents per share
Earnings per share from operations:		
Basic EPS	**32.4**	20.8
Diluted EPS	**32.1**	20.7
Underlying basic EPS[1]	**34.7**	30.4
Underlying diluted EPS[1]	**34.4**	30.1

1. Underlying basic EPS and underlying diluted EPS are non-IFRS measures that have not been subject to audit or review. "Underlying" results represent reported results adjusted for significant items.

Dividends	Amount per security	Percentage franked
Interim dividend	**17 cents**	**100%**
Date the dividend is payable		**10 March 2023**
Record date for determining entitlements to the dividend		**27 February 2023**
Trading ex-dividend		**24 February 2023**
Interim Dividend		**Percentage franked**
Interim dividend in respect of the 2023 financial year	**17 cents**	**100%**
Interim dividend in respect of the 2022 financial year	**17 cents**	**100%**
Final Dividend		**Percentage franked**
Final dividend in respect of the 2022 financial year	**22 cents**	**100%**
Final dividend in respect of the 2021 financial year	**32 cents**	**100%**

	As at 31 December	
Net debt	**2022**	**2021**
Net debt	**473,891**	(168,969)

	As at 31 December	
Net Tangible Assets (NTA)	2022	2021
NTA	**(267,926)**	40,007
NTA per share	**(0.19)**	0.43

This announcement is based on financial statements which have been subject to an independent review. Refer to the media release for a brief explanation of the figures reported above.

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15 February 2023

GUD Holdings Limited (the "Group", GUD, ASX: GUD) - Results for Half Year ended 31 December 2022

Strength of the 'core' automotive businesses combined with acquisitions to deliver a stronger result relative to the prior corresponding period (pcp)

Highlights

Group financials

- Revenue growth of 55.7% and Statutory NPAT of $45.6m, +88.7% versus the pcp
- Underlying EBITA[1] increased 52.4% driven by a strong core automotive result combined with full six-month contributions from APG and Vision X
- APG performed in line with expectations delivering slight improvement in revenue and underlying EBITA in Q1 (vs. Q4 FY22) and in Q2 (vs. Q1 FY23)
- Core Automotive[2] businesses deliver strong revenue and underlying EBITA growth demonstrating the resilience of the service and repair market, brand strength, and a portfolio of largely non-discretionary products and services
- Pricing power demonstrated across all the Automotive and APG businesses reflected in stable margins
- Corporate costs reflect the increased scale of the business and investment in the highly prospective organic growth initiatives in Auto Electrical/Lighting and 4WD
- Underlying NPATA[1] increased circa 59.5% and underlying EPSA[1] increased 30%
- Cash conversion[3] of circa 76% reflects elevated NWC from supply chain challenges, partially offset by APG's shorter cash cycle time
- Net Debt/UL EBITDA[4] tracking in line with half year forecast and 30 June 2023 target of circa 2x
- Solid balance sheet with a high proportion of fixed-rate, longer duration debt, and significant borrowing and debt covenant headroom
- Interim dividend of 17 cents per share in line with the pcp

Strong Automotive (excluding APG) result driven by both core and acquired businesses

- Automotive (excluding APG) underlying EBITA of $67.9m, up 10.7% on the pcp, as acquisitions combined with a strong 'core' result where underlying EBITA increased 8.9% vs the pcp
- Automotive margins broadly stable reflecting active margin management through a challenging operating environment characterised by inflation and volatile exchange rates

APG result in line with expectations - demand and backlogs remain at historical highs

- Underlying EBITA of $26.6m[5] (excluding group overhead allocation), in line with expectations.
- Positive volume mix impact of Ranger more than offset a deterioration in APG's other top 20 models.
- Demand and backlogs remain at historical highs; APG remains well positioned as the industry begins to normalise.
- New Vehicle Supply momentum expected to improve through FY24.

Davey operational reset on track

- Underlying EBITA of $ 2.5 million, up 32.2% on the Covid impacted pcp, despite revenue being down 2.2%.
- Significant levels of international distributor and reseller de-stocking experienced in the half, with cost management actions taken to mitigate the impact.

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1. Underlying NPATA, underlying EBITA and underlying EPSA (EPS pre-amortisation) are unaudited, non IFRS and exclude (non-cash) acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D.
2. 'Core' Automotive includes Ryco, IMG, AA Gaskets, DBA, Wesfil, BWI and Griffiths Equipment.
3. Cash conversion = gross operating cashflow (excluding lease payments)/underlying EBITDA (pre- AASB16).
4. Net debt/UL EBITDA are calculated on a pre- AASB16 (lease-adjusted) net financial debt and EBITDA basis that includes the LTM from the acquired businesses (Twisted Throttle, Southern Country, and Christine Products).
5. APG underlying EBITA of $25.1m in Segment note to Appendix 4D includes allocation of $1.5 million in corporate overhead. APG's underlying EBITA in H1 FY23 excluding corporate overhead is $26.6m.

Financial Overview

$M	H1 FY23	H1 FY22	% Change
Revenue	517.0	332.0	55.7%
Statutory NPAT	45.6	24.2	88.7%
Underlying NPATA[1]	56.1	35.2	59.4%
Underlying EBITA[1]	90.3	59.2	52.4%
Underlying EBITA margin	*17.5%*	*17.8%*	*(0.3 pps)*
Cash Conversion[2]	76.3%	55.1%	21.2 pps
Net Debt/UL EBITDA[1,3]	2.5	n/a	n/a

1. Underlying NPATA, underlying EBITDA and underlying EBITA are unaudited, non IFRS and exclude (non-cash) acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D.
2. Cash conversion = gross operating cashflow (excluding lease payments)/underlying EBITDA (adjusted for depreciation and interest on leases).
3. Net debt/UL EBITDA are calculated on a pre- AASB16 (lease-adjusted) net financial debt and EBITDA basis that includes the LTM from the acquired businesses (Twisted Throttle, Southern Country, and Christine Products).

Cents	H1 FY23	H1 FY22	% Change
EPS (Basic)	32.4	20.8	55.8%
Underlying EPSA[1]	39.8	30.6	30.1%
DPS (Interim)	17.0	17.0	0.0%

1. Underlying EPSA (EPS pre-amortisation) is unaudited, non IFRS and exclude (non-cash) acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D.

Group Trading Performance

Revenue for the full year increased 55.7% to $517.0 million, largely driven by acquisitions. Organic revenue increased 2% on the pcp reflecting Davey's weak export sales. Organic growth excluding Davey was 6%.

The Group reported Statutory NPAT of $45.6 million, up 88.7% on the pcp. This includes $9.7 million of additional amortisation of acquired intangibles and APG acquisition related inventory step up of $ 3.5 million and $1.1 million of restructuring costs. Corporate costs increased to $5.2 million reflecting a step change in some costs (such as D&O insurance, professional services and Cyber/IT) as well as additional resources to support the larger group and mid-term growth ambitions.

Consequently, the underlying NPATA increased by 59.4% on the pcp to $56.1 million, and underlying EBITA increased 52.4% to $90.3 million. Cash conversion of circa 76% reflects higher inventories to address elongated supplier and shipment times through most of the half which was partially offset by APG's shorter cash cycle and stronger collections.

A fully franked interim dividend of 17 cents per share (cps) was announced, in line with the pcp. The Dividend Reinvestment Plan (DRP) remains suspended for the FY23 interim dividend.

Segment Summary

Segment Underlying EBITA[1]	H1 FY23	H1 FY22	% Change
Automotive (ex APG)	67.9	61.3	10.7%
Core Automotive[2]	56.1	51.5	8.9%
Acquired Automotive[3]	11.8	9.8	20.4%
APG[4]	25.1	n/a	n/a
Davey	2.5	1.9	32.2%
Corporate	(5.2)	(4.0)	31.3%

1. Underlying EBITA is unaudited, non IFRS and exclude (non-cash) acquisition-related inventory step ups and significant items outlined in note 5 of Appendix 4D.
2. 'Core' Automotive includes Ryco, IMG, AA Gaskets, DBA, Wesfil, BWI and Griffiths Equipment.
3. 'Acquired' Automotive includes G4CVA, ACS and Vision X. Note that H1 FY23 includes a 6-month contribution from Twisted Throttle and 3-month contribution from Southern Country (total of c.$0.8m in underlying EBITA) vs. nil in the pcp.
4. APG underlying EBITA of $25.1m in Note 5 of Appendix 4D includes allocation of $1.5 million in corporate overhead. APG's underlying EBITA in H1 FY23 excluding corporate overhead is $26.6m.

Strong Automotive Products (excluding APG) driven by both 'core' and acquired businesses

The Automotive (ex APG) businesses reported strong revenue growth of 17.8%, largely driven by the acquisition of Vision X which contributed an additional 5 months of revenue in H1 FY23. Underlying EBITA of $67.9 million increased 10.7% on the pcp driven by both acquisitions and organic growth. Automotive margins were down 1.3 percentage points (pps) driven by the lower production throughput of the G4CVA manufacturing businesses that continue to be constrained by severe shortage of skilled trades. Demand across these manufacturing businesses remains robust.

Revenue growth within the 'Core' Automotive businesses was strong, up 9.8%. Underlying EBITA was $56.1 million, up 8.9%, supported by stable margins despite higher exchange rates, domestic cost inflation and continued reinvestment for growth. The outcome reflects active margin management actions including modest price increases effective Q4 FY23. Organic growth continues to be underpinned by new customers, product range, innovation as well as growth in export markets, most notably for DBA and ACS during the half.

The acquired Vision X business reported a robust result with solid US sales and stable margins net of investment to support greenfield growth of BWI USA, and the write off of Russian receivables. The solid margin outcome was achieved through tight cost control and price rises achieved in H1. The scheduled integration activities have concluded, and attention is now moving to cross sell opportunities with BWI's Australian product range, and insourcing opportunities for BWI's to use Visions X's Asian footprint and manufacturing.

Vision X also acquired the business of Twisted Throttle, a global leader in after-market motorcycle lighting using the Denali brand – the business was fully integrated and performed strongly in the first half year of ownership.

The Group also launched BWI's Projecta and Ultima branded product into the US market at the SEMA/AAPEX[1] show in second quarter and were awarded 'Best New Product' for the Projecta Jump Starter at AAPEX. The event constituted the formal launch of BWI USA following the engagement of an American launch team and third-party wholesale distribution representatives.

APG - Result in line with expectations reflecting expected improvement in Ranger supply

Underlying EBITA (pre group overhead allocation) of $26.6m, reflecting the expected slight improvement in Q1 FY23 (vs. Q4 FY22) and in Q2 FY23 (vs. Q1 FY23).

A favourable volume mix impact, due to the higher fitment rate of Ford Ranger, helped offset a deterioration in APG's other top 20 models in H1 FY23 vs. H2 FY22. Where APG has a higher share of product fitment (i.e., adding functional accessories like sports and nudge bars), revenue per model is higher (in some cases 2-3 times), thereby creating a favourable mix benefit.

Stable margins were achieved through a combination of price rises and tight cost control offsetting cost inflation and elevated staff costs due to absenteeism and staff turnover (leading to higher use of casual labour).

While improving slightly during the half, volatility in customer build schedules remains thereby creating manufacturing inefficiencies. Vehicle supply remains constrained and new vehicle registrations remain well below long-term trend levels. The balance of industry commentary on automotive semi-conductor supply constraints suggests improvement in new vehicle supply through FY24.

OEM customer feedback continues to reinforce that vehicle backorders are at historical highs and that for the vast majority of brands and models, wait times for key vehicles remain at significantly elevated levels.

Trailering and cargo management performed, in line with expectations. The Thai manufacturing base started to complement Cruisemaster's suspension production capacity, with benefits expected in the second half.

Although the constraints around new vehicle supply remain frustrating, the business is well positioned for when vehicle supply improves, which will pave the way for delivery of the business case outlined at the time of the acquisition. Hence, GUD remains confident that APG's underlying business model remains sound.

Davey ANZ revenue continues to grow solidly but overall revenue was impacted by an acute downturn in export sales

Davey reported a revenue decline of 2.2% driven by an acute slow-down in the European market where both distributors and retail dealers reduced safety stock levels in light of economic conditions and improved supply chains. This saw sales into Europe reduce by more than 50%, and also in other export markets by circa 10%. The Australian and New Zealand businesses continued to experience solid grow but were unable to close to export gap.

Strong overhead and margin management were deployed through the period to mitigate the impact of the export decline which enabled Davey to report a modest increase in Underlying EBIT.

Finally, Davey has largely completed its business turnaround actions which has seen a substantial refresh of both people and the warehouse and distribution model in Australia.

Solid Financial Position

The Group finished the period with Net debt of $473.9 million, and a Net Debt:Underlying EBITDA of 2.5x, in-line with expectations.

The balance sheet is in a solid position with fixed interest rates on 49% of gross debt balances through 2028 to 2034, and 17% swapped from floating to fixed rates through 2024 to 2026. This sees a current all-in funding cost of circa 4.4%. The Group retains significant un-utilised debt facility capacity and is well within borrowing covenant limits. Renewal discussion will shortly commence in relation to the $150 million of debt facilities which are due to expire in January 2024. The Group remains confident in the continued support from existing funders and/or potential new participants.

The Group remains focused on the short-term target of reducing the Net Debt :Underlying EBITDA to circa 2x by 30 June 2023 and targeting inventory reductions of circa $20m in the second half as supply chains normalise.

1. SEMA and AAPEX are the pre-eminent US/global auto aftermarket and speciality equipment manufacturing trade shows.

Trading Update

APG January sales were strong relative to the pcp and February has started positively, in line with expectations. While Q3 OEM purchase orders are still constrained, due to component supply constraints, orders are in line with plan. As expected, Q1 and Q2 trends have continued into Q3, and this trend is supportive of a continuation of the favourable mix benefit from a revenue and earnings perspective in H2.

The trailering business is seeing continued strong demand in January for Cruisemaster suspension sets. Thai capacity and sourcing actions have improved Cruisemaster's ability to serve the Australian market. First orders fulfilled out of Thailand in January, in line with expectations.

'Core' Automotive sales in January were up on the pcp, despite some resellers replenishing inventory at a lower rate than store sales. Sales momentum has improved in February, and is in line with expectations. Independent workshops continue to have strong bookings (2 weeks +), a reliable indicator of forward orders, but they remain concerned about staffing shortages. As part of ongoing active margin management, price increases have already been communicated across the Automotive businesses and will be effective in Q4.

Davey experienced solid revenue growth in January reflecting Australian and NZ demand. H2 is also expected to be positively impacted by pricing starting to roll through.

Outlook

APG – positive outlook as sales normalise towards higher historic volumes

- GUD remains confident in APG's ability to deliver its business case targets as OEM supply normalises
- OEM order backlogs remain at record levels
- Favourable mix trends are expected to continue in H2
- APG is well positioned to capitalise on unmet demand and market share opportunities as competitors struggle with operational challenges
- APG is on track to deliver circa 55% of FY23 underlying EBITA[1] in H2 in line with plan, assuming no deterioration in vehicle supply

Automotive (ex APG) – continued resilience expected as carparc ages

- The auto aftermarket is expected to remain robust in H2 and GUD believes its growing portfolio is in a strong position to continue to leverage domestic momentum
- Further disciplined investment planned in H2 to capitalise on the medium-term organic opportunities presented by the prospective offshore markets
- Margins will continue to be managed in response to inflationary pressures

In reflecting on performance of the business, Graeme Whickman acknowledged the work of all GUD employees, extending his thanks to all team members for their continued hard work in pursuit of GUD's Portfolio Vision and growth of the business. Mr Whickman noting that "in particular he was happy with the focus and tempo in respect of innovation and the pursuit of delivering outstanding results for GUD's customers."

This document has been authorised for release by the GUD Holdings Limited Board of Directors.

For further information:

Graeme Whickman
Managing Director
GUD Holdings Limited
T: +61 3 9243 3375

Directors' Report

The Directors of GUD Holdings Limited (the Company) present their report on the consolidated entity, being the Company and its subsidiaries, for the period ended 31 December 2022

Directors

The names of the Directors of the Company at any time during or since the end of the interim period are:

Non Executive Directors

G. A. Billings
D. D. Robinson
J. A. Douglas
C. L. Campbell
Prof J.C. Pollaers OAM

Executive Director

G. Whickman (Managing Director)

Review of Operations

A review of the Group's operations during the six months ended 31 December 2022 and the results of these operations are set out in the attached results announcement.

Rounding Off

The Company is of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and, in accordance with that Instrument, amounts in this Report and the accompanying financial statements have been rounded off to the nearest one thousand dollars unless otherwise stated.

This Directors' Statutory Report is signed on behalf of the Directors in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

Significant Changes

There have been no significant changes in the Company since 30 June 2022.

GUD First Half Results

The consolidated net profit for the six months ended 31 December 2022 attributable to the shareholders of GUD Holdings Limited after providing for income tax was $45.627 million (2021: $24.175 million).

Segmental Results

Segmental results for the six months ended 31 December 2022 are set out in note 5 to the financial statements.

Dividends

On 15 February 2023, the Board of Directors declared a fully franked interim dividend in respect of the 2023 financial year of 17 cents per share. The record date for the dividend is 27 February 2023 and the dividend will be paid on 10 March 2023. The Dividend Reinvestment Plan will not be available for this dividend.

Significant Events after reporting date

There has not arisen in the interval between the end of the interim period and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

Auditor Independence

The auditor's independence declaration made under section 307C of the *Corporations Act 2001* is set out on page 7 of the accompanying Condensed Consolidated Interim Financial Statements and forms part of this Report.

G A Billings
Chairman of Directors

G Whickman
Managing Director

Melbourne, 15 February 2023

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of GUD Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of GUD Holdings Limited for the half-year ended 31 December 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Maritza Araneda

Partner

Melbourne

15 February 2023

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Condensed Consolidated Income Statement

For the six months ended 31 December

	Note	2022 $'000	2021 $'000
Revenue	2	517,017	332,026
Cost of goods sold[1]		(310,641)	(183,736)
Gross profit		206,376	148,290
Other income		1,041	592
Marketing and selling expenses		(40,830)	(31,990)
Product development and sourcing expenses		(9,462)	(8,555)
Logistics and outward freight expenses		(15,528)	(17,507)
Administration expenses		(53,482)	(31,317)
Other expenses[2]		(13,143)	(15,015)
Profit from operating activities		74,972	44,498
Finance income	5	681	24
Finance expense	5	(13,881)	(5,941)
Profit before tax		61,772	38,581
Income tax expense		(16,145)	(14,406)
Profit from operations, net of income tax		45,627	24,175
Profit attributable to owners of the Company		45,627	24,175
Earnings per share			
Basic earnings per share (cents per share)	4	32.4	20.8
Diluted earnings per share (cents per share)	4	32.1	20.7

1. Cost of goods sold at 31 December 2022 includes $3.532 million of acquisition related inventory step up as a result of an inventory fair valuation exercise that was performed as a part of the purchase price accounting allocation exercise for Auto Pacific Group.
2. Other expenses at 31 December 2022 includes $0.347m of transaction costs and $0.735m of restructuring costs (31 December 2021: includes $3.995 million of transaction costs and $10.532 million of Davey inventory write-off).

The notes on pages 14 to 32 are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Other Comprehensive Income

For the six months ended 31 December

	Note	2022 $'000	2021 $'000
Profit for the period		45,627	24,175
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Exchange differences on translating results of foreign operations		1,221	541
Net fair value adjustments recognised in the hedging reserve		3,548	935
Net change in fair value of cash flow hedges transferred to inventory		(7,288)	(1,744)
Income tax expense/(benefit) on items that may be reclassified subsequently to profit or loss		1,122	243
Other comprehensive income / (loss) for the period, net of tax		(1,397)	(25)
Total comprehensive income attributable to owners of the Company		44,230	24,150
Total comprehensive income		44,230	24,150

All the above items may subsequently be recognised in the condensed consolidated income statement. The notes on pages 14 to 32 are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Balance Sheet

As at

	Note	31 December 2022 $'000	30 June 2022 $'000
Current assets			
Cash and cash equivalents		84,406	59,426
Trade and other receivables		186,203	202,622
Inventories		293,445	274,053
Derivative assets	10	2,327	6,838
Current tax receivable		6,317	3,003
Other assets		14,639	12,753
Total current assets		587,337	558,695
Non-current assets			
Goodwill	6	625,232	621,246
Other intangible assets	7	502,675	509,170
Property, plant and equipment		58,292	54,505
Right of use assets		120,723	126,453
Derivative assets	10	251	246
Other financial assets	10	5,873	5,694
Investments		6,872	6,872
Total non-current assets		1,319,918	1,324,186
Total assets		1,907,255	1,882,881
Current liabilities			
Trade and other payables		151,238	166,188
Employee benefits		24,383	25,184
Other provisions		7,384	7,158
Bank overdraft	9	10,028	-
Borrowings	9	-	15,000
Lease liabilities		22,633	22,082
Derivative liabilities	10	27	18
Other financial liabilities	10	22,696	20,799
Current tax payable		2,558	2,362
Total current liabilities		240,947	258,791
Non-current liabilities			
Employee benefits		3,392	2,090
Borrowings	9	547,890	511,494
Lease liabilities		107,496	113,074
Derivative liabilities	10	1,843	1,753
Deferred tax liabilities		122,409	125,159
Other financial liabilities	10	20,377	20,097
Other provisions		2,920	3,055
Total non-current liabilities		806,327	776,722
Total liabilities		1,047,274	1,035,513
Net assets		859,981	847,368
Equity			
Share capital	11	679,553	679,553
Reserves		14,400	16,417
Retained earnings		166,028	151,398
Total equity		859,981	847,368

The notes on pages 14 to 32 are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2022

Attributable to the owners of the Company

	Note	Share capital $'000	Hedging reserve $'000	Equity compensation reserve $'000	Fair value reserve $'000	Translation reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2022		679,553	1,788	15,437	(681)	(127)	151,398	847,368
Total comprehensive income for the period				-				
Profit for the period		-	-	-	-	-	45,627	45,627
Other comprehensive income/(loss) for the period		-	(2,618)	-	-	1,221	-	(1,397)
Total comprehensive income for the period		-	(2,618)	-	-	1,221	45,627	44,230
Transactions with the owners of the Company								
Contributions and distributions								
Dividends paid	12	-	-	-	-	-	(30,997)	(30,997)
Equity settled share based payment		-	-	(620)	-	-	-	(620)
Balance at 31 December 2022		679,553	(830)	14,817	(681)	1,094	166,028	859,981

For the six months ended 31 December 2021

Attributable to the owners of the Company

	Note	Share capital $'000	Hedging reserve $'000	Equity compensation reserve $'000	Fair value reserve $'000	Translation reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2021		195,556	1,167	13,198	(598)	1,419	178,042	388,784
Total comprehensive income for the period								
Profit for the period		-	-	-	-	-	24,175	24,175
Other comprehensive income/(loss) for the period		-	(566)	-	-	541	-	(25)
Total comprehensive income for the period		-	(566)	-	-	541	24,175	24,150
Transactions with the owners of the Company								
Contributions and distributions								
Issue of ordinary shares	11	404,647	-	-	-	-	-	404,647
Equity raise costs	11	(13,161)	-	-	-	-	-	(13,161)
Dividend reinvestment plan (net of issue costs)	12	6,963	-	-	-	-	-	6,963
Dividends paid	12	-	-	-	-	-	(30,138)	(30,138)
Equity settled share based payment		-	-	1,138	-	-	-	1,138
Balance at 31 December 2021		594,005	601	14,336	(598)	1,960	172,079	782,383

The amounts recognised directly in equity are net of tax.

The notes on pages 14 to 32 are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Cash Flow Statement

For the six months ended 31 December

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		585,711	372,599
Payments to suppliers and employees		(503,387)	(328,750)
Income taxes paid		(22,311)	(18,112)
Net cash provided by operating activities		60,013	25,737
Cash flows from investing activities			
Acquisition of controlled entity, net of cash acquired		(2,708)	(47,626)
Payment for investments		-	(746)
Proceeds from sale of property, plant and equipment		528	50
Payments for property, plant and equipment		(8,351)	(5,749)
Payments for intangible assets		-	(12)
Interest received		681	-
Net cash provided by investing activities		(9,850)	(54,083)
Cash flows from financing activities			
Proceeds from borrowings		58,537	383,959
Repayment of borrowings		(40,000)	(18,541)
(Advance)/Proceeds on other loans		(88)	(1,497)
Interest paid		(10,626)	(4,328)
Payment of lease liabilities		(11,575)	(6,637)
Dividends paid (Net of dividend reinvested)	12	(30,997)	(23,175)
Proceeds from the issue of ordinary shares		-	404,647
Transaction costs related to equity raise		-	(13,161)
Net cash used in financing activities		(34,749)	721,267
Net increase in cash held		15,414	692,921
Cash and cash equivalents at the beginning of the period		59,426	42,594
Effects of exchange rate changes on the balance of cash held in foreign currencies		(462)	(576)
Cash and cash equivalents at end of the period[1]		74,378	734,939

1. Cash and cash equivalents at 31 December 2022 is net of bank overdraft of $10.028 million (31 December 2021: nil).

The notes on pages 14 to 32 are an integral part of these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation

This section sets out the Group's accounting policies that relate to the condensed consolidated interim financial statements.

Reporting Entity

GUD Holdings Limited (the 'Company') is a for profit company domiciled in Australia. The condensed consolidated financial statements of the Company as at and for the six months ended 31 December 2022 comprises the Company and its subsidiaries (together referred to as the 'Group').

The Group is primarily involved in manufacturing, importation, distribution and sale of automotive products for the after market and the fitment of accessories to new vehicles. The Group is also involved in manufacturing and sale of water hardware and treatment products. The Group has operations in Australia, New Zealand, United States of America, Thailand, Korea and France (Note 5).

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2022 are available on request from the Company's registered office at 29 Taras Avenue, Altona North, Victoria, 3025 or at www.gud.com.au.

Basis of Preparation

The condensed consolidated interim financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, AASB 134 and with IAS 34 *Interim Financial Reporting*. The interim financial statements do not include all the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last consolidated annual financial statements as at and for the year ended 30 June 2022.

The condensed consolidated financial statements were authorised for issue by the Directors on 15 February 2023.

Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for the following items which have been measured at fair value:

- Derivatives (Note 10)
- Other financial instruments (Note 10)
- Investment in subsidiaries (Note 13)

Functional and presentation currency

The condensed consolidated interim financial statements are presented in Australian dollars which is the Company's functional currency.

Use of estimates and judgements

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements as at and for the year ended 30 June 2022. With regard to business acquisitions during the period (Note 13); fair value of the consideration transferred and fair value of the assets acquired and liabilities assumed, were measured on a provisional basis.

Use of estimates and judgements (continued)

a. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes the Group finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The Group finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3**: inputs for the asset or liability that are not based on observable market data (unobservable Inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 6 – Goodwill;
- Note 10 – Financial instruments;
- Note 13– Investment in subsidiaries; and
- Note 14 – Performance rights

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2022. A number of new standards are effective from periods beginning 1 July 2022 and earlier application is permitted; however, the Group has not early adopted the new in amended standards in preparing theses condensed consolidated financial statements.

Results for the Half Year

2. Revenue from contracts with customers

a. Revenue streams

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

In the following table, revenue is disaggregated by types of goods or services, geographical markets and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments in Note 5.

	For the six months ended 31 December 2022				For the six months ended 31 December 2021		
Segments	**Automotive**	**APG**	**Davey**	**Total**	**Automotive**	**Davey**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Type of goods or services							
Sale of goods	320,592	137,796	56,575	514,963	272,050	59,048	331,098
Water solutions project income	-	-	2,054	2,054	-	928	928
Total Revenue from contracts with customers	320,592	137,796	58,629	517,017	272,050	59,976	332,026
Geographical markets							
Asia Pacific	288,150	137,796	57,323	483,269	269,671	57,260	326,931
North America	32,442	-	-	32,442	2,379	-	2,379
Other	-	-	1,306	1,306	-	2,716	2,716
Total Revenue from contracts with customers	320,592	137,796	58,629	517,017	272,050	59,976	332,026
Timing of revenue recognition							
Goods transferred at a point in time	320,592	137,796	56,575	514,963	272,050	59,048	331,098
Services transferred over time			2,054	2,054	-	928	928
Total Revenue from contracts with customers	320,592	137,796	58,629	517,017	272,050	59,976	332,026

Revenue from each of the Group's two largest customers represented 10-15% of the Group's total revenue, which is broadly consistent with the prior year.

3. Expenses

This table summarises expenses by nature from continuing operations:

For the six months ended 31 December	Note	2022 $'000	2021 $'000
Net profit before income tax has been arrived at after charging the following expenses:			
Increase in inventory obsolescence provision		1,631	414
Loss/(gain) on sale of property, plant and equipment		(183)	(58)
Operating lease rental expense/short term or low value lease expense		7,339	6,637
Net foreign exchange (gain)/loss		(5,487)	(67)
Employee benefits:			
Wages and salaries (including on-costs)		84,759	51,224
Contributions to defined contribution plans		1,622	1,234
Movements in provisions for employee benefits		(398)	(1,262)
Equity settled share based payment expense		(620)	1,138
Depreciation and amortisation:			
Amortisation of customer relationships	7	10,544	159
Amortisation of software	7	57	34
Amortisation of other intangibles	7	5	7
Amortisation of brand names	7	66	66
Depreciation of property, plant and equipment		5,391	3,058
Depreciation of leased property, plant and equipment		10,444	6,995
Total depreciation and amortisation		26,507	10,319
Product development and sourcing costs		9,462	8,555
Significant items:			
Transaction expenses from business combinations[1]	5	347	3,895
Redundancy costs[1]	5	-	35
Impairment of inventory - Davey[1,2]	5	-	10,532
Restructuring costs[1]	5	735	-
Total significant items		1,082	14,462

1. These costs are included as other expenses in the condensed consolidated income statement.
2. Impairment of inventory to rationalise and align Davey's raw materials and finished goods levels to anticipated future needs and sales management focus.

4. Earnings per share

Earnings per share ('EPS') is the amount of profit attributable to each share.

Basic EPS is calculated on the Group profit for the period attributable to equity shareholders divided by the weighted average number of shares on issue during the period.

Diluted EPS reflects any commitments the Group has to issue shares in the future, such as those issued upon vesting of performance rights, where the issuance of those shares will be dilutive compared to Basic EPS.

For the six months ended 31 December	2022 $'000	2021 $'000
Profit / (loss) for the period	45,627	24,175
	Number	Number
Weighted average number of ordinary shares used as the denominator for basic EPS	140,894,696	116,072,674
Effect of balance of performance rights outstanding at 31 December	1,139,965	811,050
Weighted average number of ordinary shares used as the denominator for diluted EPS	142,034,661	116,883,724
EPS	Cents per share	Cents per share
Basic EPS	32.4	20.8
Diluted EPS	32.1	20.7

5. Segment information

Segment reporting is presented in respect of the Group's operating segments. Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Managing Director (Chief Operating Decision Maker - 'CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The following summary describes the operations in each of the Group's reportable segments:

Automotive

Automotive and heavy-duty filters for cars, trucks, agricultural and mining equipment, fuel pumps and associated products for the automotive after-market.

Auto Pacific Group (APG)

The manufacturing and marketing of towing, trailering, functional accessories and associated products for the automotive aftermarket and Original Equipment Manufacturer customers.

Davey

Pumps and pressure systems for household and farm water, water transfer pumps, swimming pool products, spa bath controllers and pumps and water purification equipment.

Geographical segments

The Group operates primarily in two geographical segments; Asia Pacific and North America. Refer note 2 for geographical sales disclosure.

	As at and for the six months ended 31 December 2022				
	Automotive	APG	Davey	Unallocated[1]	Total
Reportable segments	$'000	$'000	$'000	$'000	$'000
Total segment revenue (external)	320,592	137,796	58,629	-	517,017
EBITDA pre- significant items and inventory step up	75,993	30,304	4,645	(4,849)	106,093
Less: Depreciation	(8,126)	(5,181)	(2,166)	(362)	(15,835)
EBITA pre- significant items and inventory step up	67,867	25,123	2,479	(5,211)	90,258
Less: Acquisition related inventory step-up[2]	-	(3,532)	-	-	(3,532)
Less: Amortisation of intangibles[3]	(1,780)	(8,892)	-	-	(10,672)
EBIT pre-significant items	66,087	12,699	2,479	(5,211)	76,054
Transaction costs[4]	-	(114)	-	(233)	(347)
Restructuring costs[5]	(634)	-	-	(101)	(735)
Segment result (EBIT)	65,453	12,585	2,479	(5,545)	74,972
Interest on lease liability	(1,473)	(644)	(125)	(271)	(2,513)
Interest expense	-	(211)	-	(10,415)	(10,626)
Interest income	266	54	-	361	681
Unwinding of discount on acquisition related contingent consideration payable	-	-	-	(280)	(280)
Net foreign exchange (loss)/gain	16	336	54	(868)	(462)
Profit / (loss) before tax	64,262	12,120	2,408	(17,018)	61,772
Tax (expense)/benefit	(17,290)	(4,223)	253	5,115	(16,145)
Profit / (loss) attributable to owners of the Company	46,972	7,897	2,661	(11,903)	45,627
Segment assets[6]	863,257	913,223	102,948	27,827	1,907,255
Segment liabilities	(232,703)	(177,560)	(30,807)	(606,204)	(1,047,274)
Segment capital expenditure	(3,253)	(3,882)	(680)	(22)	(7,837)

1. Unallocated items comprise mainly of corporate assets, corporate expenses, interest, tax, corporate borrowings, and deferred tax balances.
2. Relates to $3.532 million of acquisition related inventory step up costs.
3. Includes amortisation of $0.637 million for Vision X acquired intangibles and $8.892 million of APG acquired intangibles
4. Transaction costs relate to the acquisition of Christine Products Limited ($0.114 million), Twisted Throttle ($0.071 million), Southern Country ($0.003 million) and other transaction costs ($0.159 million).
5. Restructuring costs relates to Uneek Barden restructuring ($0.622 million) and other restructuring ($0.113 million)
6. This includes non-current assets from Asia Pacific of $1,266.634 million, North America of $51.928 million and Other of $1.356 million.

Business segments (continued)

	As at and for the six months ended 31 December 2021				
	Automotive	APG	Davey	Unallocated[1]	Total
Reportable segments	$'000	$'000	$'000	$'000	$'000
Total segment revenue (external)	272,050	-	59,976	-	332,026
EBITDA pre- significant items	68,854	-	4,032	(3,607)	69,279
Less: Depreciation	(7,534)	-	(2,157)	(362)	(10,053)
EBITA pre- significant items	61,320	-	1,875	(3,969)	59,226
Less: Amortisation of intangibles	(266)	-	-	-	(266)
EBIT pre-significant items	61,054	-	1,875	(3,969)	58,960
Transaction costs[2]	-	-	-	(3,895)	(3,895)
Redundancy costs	(25)	-	-	(10)	(35)
Impairment of inventory - Davey[3]	-	-	(10,532)	-	(10,532)
Segment result (EBIT)	61,029	-	(8,657)	(7,874)	44,498
Interest on lease liability	(1,388)	-	(98)	(289)	(1,775)
Interest expense	(291)	-	(2)	(4,045)	(4,338)
Net foreign exchange loss	99	-	121	(24)	196
Profit / (loss) before tax	59,449	-	(8,636)	(12,232)	38,581
Tax (expense)/benefit	(19,331)	-	2,589	2,336	(14,406)
Profit / (loss) attributable to owners of the Company	40,118	-	(6,047)	(9,896)	24,175
Segment assets[4]	821,992	-	127,201	704,551	1,653,744
Segment liabilities	234,444	-	35,037	601,880	871,361
Segment capital expenditure	(5,451)	-	(183)	(7)	(5,641)

1. Unallocated items comprise mainly of corporate assets, corporate expenses, interest, tax, corporate borrowings, and deferred tax balances.
2. Transaction cost in the Unallocated segment relate to the acquisition of Vision X Group ($1.43 million), AutoPacific Group ($2.29 million) and other transaction costs ($0.18 million).
3. Impairment of inventory to rationalise and align Davey's raw materials and finished goods levels to anticipated future needs and sales management focus.
4. This includes non-current assets from Asia Pacific of $534.960 million, North America of $3.500 million and other of $3.858 million.

Intangible Assets

6. Goodwill

	Note	31 December 2022 $'000	30 June 2022 $'000
Gross carrying amount			
Balance at the beginning of the year		621,246	206,002
Acquisitions through business combinations	13	2,842	452,764[1]
Impairment of goodwill – Davey		-	(36,359)
Net foreign currency difference arising on translation of financial statements of foreign operations		1,144	(1,161)
Balance at the end of the year		625,232	621,246

1. This relates to Auto Pacific Group $410.499 million (Note 13), Vision X Group $39.452 million (Note 13), Christine Products $2.094 million (Note 13) and Hybrid Battery Rebuild $0.719 million.

7. Other intangible assets

Gross carrying amount	Brand, Business Names & Trademarks $'000	Patents, Licences & Distribution Rights $'000	Software $'000	Customer Relationships $'000	Total $'000
Cost					
Balance at 30 June 2021	132,281	2,056	372	18,189	152,898
Additions from business combinations	92,696	38	155	281,761	374,650
Acquisition of patents and software	-	13	16	-	29
Disposals of patents	-	(3)	-	-	(3)
Foreign currency movements	(59)	(4)	-	(32)	(95)
Balance at 30 June 2022	224,918	2,100	543	299,918	527,479
Additions from business combinations	1,220	-	-	290	1,510
Foreign currency movements	1,050	-	-	1,791	2,841
Balance at 31 December 2022	227,188	2,100	543	301,999	531,830
Accumulated amortisation					
Balance at 30 June 2021	(2,805)	(797)	(264)	(1,571)	(5,437)
Additions from business combinations	-	-	-	-	-
Amortisation expense	(484)	(1,294)	(96)	(9,927)	(11,801)
Impairment of other intangibles[1]	(1,100)	-	-	-	(1,100)
Foreign currency movements		(4)	2	31	29
Balance at 30 June 2022	(4,389)	(2,095)	(358)	(11,467)	(18,309)
Additions from business combinations	-	-	-	-	-
Amortisation expense	(66)	(5)	(57)	(10,544)	(10,672)
Foreign currency movements	(186)		9	3	(174)
Balance at 31 December 2022	(4,641)	(2,100)	(406)	(22,008)	(29,155)
Carrying amount					
As at 30 June 2022	220,529	5	185	288,451	509,170
As at 31 December 2022	222,547	-	137	279,991	502,675

1. Relates to impairment of Brand names held by Davey.

The Group holds several brand names that are considered to have an indefinite useful life. The indefinite useful life reflects the Directors' view that these brands are assets that provide ongoing market access advantages for both new and existing product sales in the markets that the businesses operate. The current understanding of the industries and markets that the businesses operate in indicates that demand for products will continue in a sustainable manner, that changes in technology are not seen as a major factor impacting the brands' future value, and the brands have proven long lives in their respective markets.

8. Impairment testing

The Group considered the internal and external factors contributing to the financial performance of each cash generating unit (CGU) in determining whether any impairment indicators existed at 31 December 2022. For CGU's where an impairment indicator was present, an impairment test has been performed. Where appropriate, the recoverable amount for brand names has been tested on a stand-alone basis, based on its value in use, in addition to being considered as part of the CGU assessment.

The following summarises the carrying value of goodwill and indefinite life intangible assets for each of the Group's material CGUs, where an impairment indicator was identified, that is considered significant in comparison to the Group's total carrying amount of goodwill and indefinite life intangible assets, together with the range of post-tax discount rates applied to cash flows of each CGU as at 31 December 2022 and 30 June 2022:

			31 December 2022			30 June 2022
	Goodwill	Indefinite life intangibles	Discount rate	Goodwill	Indefinite life intangibles	Discount rate
Cash Generating Units	$'000	$'000	%	$'000	$'000	%
Vision X	42,295	18,410	13.6%	34,081	17,459	12.8%
Auto Pacific Group	413,018	75,263	12.8%	412,516	75,237	11.5%
Multiple units without significant goodwill and indefinite life intangibles	58,570	23,296	10.4%-14.6%	57,358	23,495	9.4% – 15.5%

The Directors have assessed that no impairment charge is required in relation to the tangible or intangible assets for the period ended 31 December 2022.

Impairment testing APG CGU

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The key assumptions used in the estimation of value in use were as follows:

	31 December 2022	30 June 2022
	%	%
Discount rate	12.8%	11.5%
Terminal value growth rate	3.0%	2.5%
Budgeted EBITDA growth rate (average of next 5 years)	19.0%	17.6%

Based on the value in use analysis, the estimated recoverable amount of the APG CGU exceeded it's carrying amount by approximately $57.008 million. Having regard to the current economic environment and the timing of normalisation for the new vehicle sales, holding all other assumptions constant, a reasonably possible change in the average forecast growth in EBITDA over the FY23-FY27 period from 19.0% to 16.9% or lower, a change in terminal growth rate from 3% to 2% or lower and a change in the discount rate from 12.8% to 13.5% or higher could cause the carrying amount to exceed the recoverable amount.

Capital Structure and Financing Costs

9. Borrowings

	Note	31 December 2022 $'000	30 June 2022 $'000
Current			
Bank overdraft		10,028	-
Unsecured bank loans		-	15,000
Total current borrowings	10	10,028	15,000
Non-current			
Unsecured bank loans[1]		547,890	511,494
Total non-current borrowings	10	547,890	511,494

1. Unsecured bank loans includes borrowing costs of $0.379 million (30 June 2022: $0.406 million)

Facilities available

The facilities available at 31 December 2022 are summarised as follows:

	Facilities as at 31 December 2022 ($ million)[1]			Facilities as at 30 June 2022 ($ million)[1]		
	Available	Utilised[2]	Maturity	Available	Utilised[2]	Maturity
Intraday credit accommodation[2,3]	28.4	-	-	28.4	-	-
Overdraft	4.9	-	-	4.9	-	-
Short-term facilities[4]	31.0	10.0	28-01-2023	31.0	15.0	28-01-2023
Short-term facilities (USD)[5]	3.0	-	30-05-2023	-	-	-
Bank borrowings – 4-year facility	150.0	115.1	28-01-2024	150.0	112.6	28-01-2024
Bank borrowing (USD) – 4-year facility	4.4	2.3	28-01-2024	4.4	1.3	28-01-2024
Bank borrowing (USD) – 2 year facility	11.8	9.3	28-01-2024	11.6	8.9	28-01-2024
Bank borrowing – 3 year facility	90.0	87.6	1-01-2025	90.0	87.6	1-01-2025
Bank borrowing – 4 year facility	125.0	60.0	21-12-2025	125.0	40.0	21-12-2025
Fixed term loan – 8 year facility	50.0	50.0	23-01-2028	50.0	50.0	23-01-2028
Fixed term loan – 8 year facility	63.2	63.2	31-12-2029	63.2	63.2	31-12-2029
Fixed term loan – 9 year facility	26.6	26.6	25-11-2030	26.6	26.6	25-11-2030
Fixed term loan – 8 year facility	10.1	10.1	23-11-2031	-	-	-
Fixed term loan – 10 year facility	46.8	46.8	26-11-2031	44.4	44.4	26-11-2031
Fixed term loan – 11 year facility	49.2	49.2	30-12-2032	49.2	49.2	30-12-2032
Fixed term loan – 12 year facility	28.1	28.1	30-12-2033	28.1	28.1	30-12-2033
Total	722.5	558.3		706.8	526.9	

1. Fixed term loans are subject to fixed interest rates with all other facilities subject to variable rates.
2. Disclosed at face value and excludes capitalised loan establishment costs.
3. Banks have provided GUD intraday credit accommodation to enable payments irrespective of the amount of cleared funds in the transaction account.
4. The company does not intend to renew $15m of its short-term facilities due for renewal on 28 January 2023. The balance of which $15m relates to an overdraft facility and $1m relates to a bank guarantee has been renewed on maturity for a further 12 months.
5. The company intends to renew this short-term facility for a further 12 months upon maturity.

Bank overdrafts

The unsecured bank overdraft facilities are subject to annual review. As part of these facilities, GUD Holdings Limited and all of its subsidiaries have entered into a Deed of Cross Guarantee. GUD Holdings Limited has a contingent liability to the extent of the bank overdraft debt incurred by its controlled entities. Interest on bank overdraft is charged at prevailing market rates. The weighted average interest rate for all overdrafts as at 31 December 2022 is 4.93% (30 June 2022: 3.17%).

Facility utilisation

	31 December 2022 $'000	30 June 2022 $'000
Facilities available:		
Unsecured bank overdrafts	4,909	4,909
Unsecured bank loans	655,209	642,377
Short term facilities	33,952	31,000
Intraday credit accommodation	28,400	28,410
Total facilities available	722,470	706,696
Facilities used at balance date:		
Unsecured bank overdrafts	-	-
Unsecured bank loans[1]	547,890	511,494
Short term facilities	10,028	15,000
Intraday credit accommodation	-	-
Total facilities used at balance date	557,918	526,494
Facilities not utilised at balance date:		
Unsecured bank overdrafts	4,909	4,909
Unsecured bank loans	107,319	130,883
Short term facilities	23,924	16,000
Intraday credit accommodation	28,400	28,410
Total facilities not utilised at balance date	164,552	180,202

1. Unsecured bank loans includes borrowing costs of $0.379 million (30 June 2022: $0.406 million)

10. Financial instruments

Fair value hierarchy below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the fair value hierarchy levels from the prior year to current year.

							As at 31 December 2022
	Carrying value			**Fair value**			
	Current	**Non-current**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets measured at fair value							
Investment	-	6,872	6,872	-	-	6,872	6,872
Derivatives - Foreign currency forward contracts	2,327	40	2,367	-	2,367	-	2,367
Derivatives – Interest rate swaps at fair value	-	211	211	-	211	-	211
Other financial assets	-	-	-	-	-	-	-
Total financial assets measured at fair value	2,327	7,123	9,450	-	2,578	6,872	9,450
Financial assets not measured at fair value							
Cash and cash equivalents[1]	84,406	-	84,406	-	-	-	-
Trade and other receivables[1]	186,203	-	186,203	-	-	-	-
Other financial assets[2]	-	5,873	5,873	-	-	-	-
Total financial assets not measured at fair value	270,609	5,873	276,482	-	-	-	-
Total financial assets	272,936	12,996	285,932	-	2,578	6,872	9,450
Financial liabilities measured at fair value							
Derivatives - Foreign currency forward contracts	27	136	163	-	163	-	163
Derivatives - Interest rate swaps at fair value	-	1,707	1,707	-	1,707	-	1,707
Other financial liability	282	20,377	20,659	-		20,659	20,659
Total financial liabilities measured at fair value	309	22,220	22,529	-	1,870	20,659	22,529
Financial liabilities not measured at fair value							
Bank overdraft	10,028	-	10,028	-	-	-	-
Unsecured borrowings and loans[1]	-	273,917	273,917	-	-	-	-
Fixed rate loan	-	273,973	273,973	-	273,973	-	273,973
Deferred consideration payable	22,414	-	22,414	-	22,414	-	22,414
Trade and other payables[1]	151,238	-	151,238	-	-	-	-
Lease liabilities	22,633	107,496	130,129	-	-	-	-
Total financial liabilities not measured at fair value	206,313	655,386	861,699	-	296,387	-	296,387
Total financial liabilities	206,622	677,606	884,228	-	298,257	20,659	318,916

1. The Group has not disclosed the fair values for financial instruments such as cash and cash equivalents, short term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair value.
2. The financial asset relates to a loan made to a majority shareholder in our filter supplier AFI Group. The loan is secured by property mortgage, a right of offset against trade payables owing to the AFI Group and lien over the shares held by that shareholder in AFI Group.

							As at 30 June 2022
	Carrying value						Fair value
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value							
Investment	-	6,872	6,872	-	-	6,872	6,872
Derivatives - Foreign currency forward contracts	6,838	-	6,838	-	6,838	-	6,838
Derivatives – Interest rate swaps at fair value	-	246	246	-	246	-	246
Other financial assets	-	-	-		-	-	-
Total financial assets measured at fair value	6,838	7,118	13,956	-	7,084	6,872	13,956
Financial assets not measured at fair value							
Cash and cash equivalents[1]	59,426	-	59,426	-	-	-	-
Trade and other receivables[1]	202,622	-	202,622	-	-	-	-
Other financial assets[2]	-	5,694	5,694	-	-	-	-
Total financial assets not measured at fair value	262,048	5,694	267,742	-	-	-	-
Total financial assets	268,886	12,812	281,698	-	7,084	6,872	13,956
Financial liabilities measured at fair value							
Derivatives - Foreign currency forward contracts	18	-	18	-	18	-	18
Derivatives - Interest rate swaps at fair value	-	1,753	1,753	-	1,753	-	1,753
Other financial liability	-	20,097	20,097	-	-	20,097	20,097
Total financial liabilities measured at fair value	18	21,850	21,868	-	1,771	20,097	21,868
Financial liabilities not measured at fair value							
Unsecured borrowings and loans[1]	15,000	250,085	265,085	-	-	-	-
Fixed rate loan	-	261,409	261,409	-	250,585	-	250,585
Deferred consideration payable	20,799	-	20,799	-	20,799	-	20,799
Trade and other payables[1]	166,188	-	166,188	-	-	-	-
Lease liabilities	22,082	113,074	135,156	-	-	-	-
Total financial liabilities not measured at fair value	224,069	624,568	848,637	-	271,384	-	271,384
Total financial liabilities	224,087	646,418	870,505	-	273,155	20,097	293,252

1. The Group has not disclosed the fair values for financial instruments such as cash and cash equivalents, short term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair value.
2. The financial asset relates to a loan made to a majority shareholder in our filter supplier AFI Group. The loan is secured by property mortgage, a right of offset against trade payables owing to the AFI Group and lien over the shares held by that shareholder in AFI Group.

Derivative financial instruments

Level 2 fair values for simple over-the-counter derivative financial instruments are based on valuations from banks. These are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date.

Contingent consideration payable

Any contingent consideration receivable or payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Measurement of fair values (continued)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Interest rate swaps	Swap models: The fair value calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	*Not applicable.*	*Not applicable.*
Foreign exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	*Not applicable.*	*Not applicable.*
Contingent consideration	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast revenue and EBITDA, the amount to be paid under each scenario and the probability of each scenario.	• The probability attached to each scenario • Forecast EBIT growth (2023: 0-37%, 2022: 0-30%) • Risk adjusted discount rate (31 December 2022: 10.0% , 31 December 2021: 8.0%)	The estimated fair value would increase (decrease) if: • The EBITDA growth is (lower)/higher • The risk adjusted discount rate moves lower/(higher).
Investments	The fair values of the non-listed equity investments have been estimated by benchmarking against the latest round of capital raises completed in the financial year or significant unobservable inputs.	• Recent capital raises • Internal management information	The estimated fair value various in line with equity prices established during capital raising and performance based on management results.

Level 3 fair value reconciliation

Changes in fair value of the level 3 financial instruments is summarised below:

	31 December 2022 $'000	30 June 2022 $'000
Opening balance	20,097	-
Contingent consideration payable[1]	282	20,097
Unwinding of discount	280	-
Closing balance	20,659	20,097

1. Contingent consideration relating to the acquisition of Southern Country during HY23 and Vision X in FY22.

11. Share capital

The Company's fully paid ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of or repurchase (buy-back) of ordinary shares are recognised as a deduction from equity, net of any tax effects. Ordinary shares bought back by the Company are cancelled in accordance with the law.

	31 December 2022		30 June 2022	
	$'000	Number	$'000	Number
Balance at the beginning of the period	679,553	140,894,696	195,556	94,181,047
Performance share rights vested	-	-	-	-
Share issue	-	-	479,647	45,399,645
Issue costs	-	-	(9,943)[1]	-
Dividend reinvested	-	-	14,293	1,314,004
Balance at the end of the period	679,553	140,894,696	679,553	140,894,696

1. Issue costs are net of $3,218 of deferred tax asset recognised.

During the year, no shares were bought back on market and cancelled by the Group (2022: nil). The Company operates a Dividend Reinvestment Plan (DRP) which allows eligible shareholders to elect to invest dividends in ordinary shares which rank equally with GUD ordinary shares. The Company does not have par value in respect of its issued shares, hence the dollar values above represent historical amounts contributed (if any) on the new issue of shares, amounts allocated to or from retained earnings, and any amount paid on the repurchase (buy back) of ordinary shares. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

12. Dividends

Recognised amounts

	Cents per share	Total amount $'000	Date of payment	Tax rate	Percentage franked
Final dividend in respect of the 2022 financial year	22	30,997	13-Sep-22	30%	100%
Interim dividend in respect of the 2022 financial year[1]	17	23,844	4-Mar-22	30%	100%
Final dividend in respect of the 2021 financial year[1]	32	30,138	3-Sep-21	30%	100%
Interim dividend in respect of the 2021 financial year[1]	25	23,424	28-Feb-21	30%	100%

1. Final dividend paid in respect of the 2021 and interim dividends paid in respect of the 2022 and 2021 financial year, includes dividend reinvested of $6.96m, $7.33m and $5.79m respectively.

Unrecognised amounts

	2022				
	Cents per share	Total amount $'000	Date of payment	Tax rate	Percentage franked
Interim dividend in respect of the 2023 financial year	17	23,952	10-Mar-23	30%	100%

Business Combinations

13. Investment in subsidiaries

Acquisition of Twisted Throttle

On 1 July 2022, one of the Company's subsidiaries, Vision X Offroad LLC, acquired the assets, liabilities and related business processes of Twisted Throttle LLC. The total estimated consideration for Twisted Throttle is $1.601 million, subject to customary purchase price adjustments and capex adjustments.

The acquisition is expected to provide the Group with an expanded presence in the automotive aftermarket parts market and provide a strategic advantage through it's online platform to help grow direct-to-consumer sales in USA.

For the six months ended 31 December 2022, Twisted Throttle contributed revenue of $5.965 million, profit before tax of $0.591 million and EBITA of $0.602 million to the Group's results.

Consideration paid

The total consideration for the acquisition of Twisted Throttle was $1.601 million and was paid on 1 July 2022.

Acquisition-related costs

During the period ended 31 December 2022, the Company incurred approximately $0.071 million of acquisition related costs including legal fees, due diligence, and other advisory fees. This amount has been included in other expenses.

Identifiable assets acquired, and liabilities assumed

The following table summarises the provisional amounts recognised for assets acquired, and liabilities assumed at the date of acquisition with subsequent adjustment to goodwill for identified intangible assets arising from the purchase price allocation exercise.

$'000	1-Jul-22	Fair value adjustments	31-Dec-22
Cash and cash equivalents	219	-	219
Trade and other receivables	100	-	100
Inventories	1,546	-	1,546
Other assets	30	-	30
Intangible assets	-	1,510	1,510
Property, plant and equipment	177	-	177
Right of Use asset	355	-	355
Deferred tax assets	226	-	226
Trade and other payables	(2,815)	-	(2,815)
Lease liability	(355)	-	(355)
Deferred tax liabilities	(226)	(317)	(543)
Total identifiable net assets acquired	(743)	1,193	450

Fair values measured on a provisional basis

All assets and liabilities acquired have been determined on a provisional basis and the Company is in the process of finalising the assessment of fair value for specific assets and liabilities.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$'000
Total consideration	1,601
Less Fair value of identifiable net assets	450
Goodwill	1,151

Acquisition of Southern Country

On 3 October 2022, one of the Company's subsidiaries, Fully Equipped Limited, acquired the assets, liabilities and related business processes of Southern Country Ltd. The total estimated consideration for Southern Country Ltd is $2.034 million, subject to customary purchase price adjustments and capex adjustments.

The acquisition is expected to provide the Group with an expanded presence in the 4WD Accessories and Trailering business in ANZ and provide strategic advantage through its presence in the South Island of New Zealand.

For the 3 months ended 31 December 2022, Southern Country contributed revenue of $1.000 million, profit before tax of $0.194 million and EBITA of $0.200 million to the Group's results. If the acquisition had occurred on 1 July 2022, management estimates that for the 6 months ended 31 December 2022, Southern Country would have contributed revenue of $2.000 million, profit before tax of $0.394 million and EBITA of $0.400 million to the Group's results.

Contingent Consideration

The company has also agreed to pay the selling shareholders contingent consideration based on the gross revenue of Southern Country for a period of 12 months from 1 October 2022. Management estimate the present value of the contingent consideration at 3 October 2022 to be $0.266 million.

Consideration paid

The total consideration for the acquisition of Southern Country was $2.034 million of which $1.328 million was paid on 3 October 2022 and $0.706 million (including a deferred amount of $0.440 million and the estimated contingent consideration of $0.266 million) will be paid on 30 September 2023.

Acquisition-related costs

During the period ended 31 December 2022, the Company incurred approximately $3,000 of acquisition related costs including legal fees, due diligence, and other advisory fees. This amount has been included in other expenses.

Identifiable assets acquired, and liabilities assumed

The following table summarises the provisional amounts recognised for assets acquired, and liabilities assumed at the date of acquisition with subsequent adjustment to goodwill for identified intangible assets arising from the purchase price allocation exercise.

$'000	3-Oct-22	Fair value adjustments	31-Dec-22
Inventories	368	-	368
Other assets	2	-	2
Property, plant and equipment	46	-	46
Right of Use asset	559	-	559
Deferred tax assets	210	-	210
Trade and other payables	(92)	-	(92)
Lease liability	(559)	-	(559)
Deferred tax liabilities	(191)	-	(191)
Total identifiable net assets acquired	343	-	343

Fair values measured on a provisional basis

All assets and liabilities acquired have been determined on a provisional basis and the Company is in the process of finalising the assessment of fair value for specific assets and liabilities.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$'000
Total consideration	2,034
Less Fair value of identifiable net assets	343
Goodwill	1,691

Prior year acquisitions

In the 2022 financial year, the company completed the following acquisitions:

Acquisition of Vision X Group

On 30 November 2021, the Company acquired 100% of the shares in Vision Motor Sports Inc. and Vision X Offroad LLC ("Vision X USA"), business and net assets of Vision X Asia Co. and Vision X China ("Vision X Asia"). The total consideration for Vision X USA and Vision Asia (collectively "Vision X Group") was $91.365 million ($89.018 million net of cash acquired).

Acquisition of Auto Pacific Group

On 4 January 2022, the Company acquired 100% of the shares in AutoPacific Group. The total consideration for AutoPacific Group was $742.125 million.

Acquisition of Christine Products Limited

On 31 January 2022, the Company acquired the assets, liabilities and related business processes of Christine Products Limited. The total consideration for Christine Products was $6.390 million.

Fair values of acquired assets and liabilities

The following table summarises the recognised amounts of assets acquired, and liabilities assumed (including adjustment to goodwill for identified intangible assets arising from the purchase price allocation exercise) at 30 June 2022. There have been no changes to the purchase price allocation since 30 June 2022 and these acquisitions are now disclosed as final.

	Auto Pacific Group	Vision X Group	Christine Products Limited
$'000	**30-Jun-22**	**30-Jun-22**	**30-Jun-22**
Cash and cash equivalents	11,122	2,347	-
Trade and other receivables	30,555	16,000	234
Inventories	63,550	20,006	1,364
Other assets	7,770	1,769	-
Intangible assets	338,500	33,321	2,759
Property, plant and equipment	24,903	1,754	870
Right of Use asset	34,922	12,360	467
Deferred tax assets	9,907	3,214	217
Trade and other payables	(51,283)	(6,744)	(179)
Loan payable	-	(9,687)	-
Lease liability	(34,996)	(12,364)	(467)
Deferred tax liabilities	(103,324)	(10,063)	(969)
Total identifiable net assets acquired	331,626	51,913	4,296

Goodwill

	Auto Pacific Group	Vision X Group	Christine Products Limited
$'000	**30-Jun-22**	**30-Jun-22**	**30-Jun-22**
Total consideration	742,125	91,365	6,390
Less Fair value of identifiable net assets	331,626	51,913	4,296
Goodwill	410,499	39,452	2,094

Other Notes

14. Performance rights

The Group maintains a Long-Term Incentive Plan under which performance rights are granted to a number of senior staff. The performance rights vest and convert into ordinary shares at the end of a 3-year period if various performance benchmarks (being Total Shareholder Return relative to a peer group, earnings per share and other non financial targets as described in the Remuneration Report forming part of the 30 June 2022 Financial Statements) have been met.

Performance rights were granted to several senior staff in the six months ended 31 December 2022 under the 2025 Long Term Incentive Plan.

The fair value of these performance rights have been calculated at the grant date by an independent expert in order to arrive at the expense to be booked through the Income Statement. The grant to staff was approved by the Remuneration Committee in July. The grant to the Managing Director occurred after the endorsement by the shareholders at the Annual General Meeting. The table below shows a summary of the performance rights granted during the period.

	Managing Director	Senior Executives
Grant date	22-Oct-22	23-Aug-22
Number of performance rights granted	92,336	1,003,099
Average value per right at grant date	$ 4.39	$ 5.00
Fair value at grant date	$ 405,082	$ 5,014,602
Exercise price	Zero	Zero
Expected volatility (weighted average)	30.00%	30.00%
Performance rights life remaining at 31 December 2022	2.5 years	2.5 years
Expected dividend yield p.a.	7.30%	6.70%
Risk free interest rate p.a.	3.28%	3.24%
Share price at grant date	$ 7.69	$ 8.42

A portion of the 2023, 2024 and 2025 Long Term Incentive Plans expenses have been included in the Income Statement in the current period in accordance with accounting standard AASB 2 *Share-based Payment*.

15. Related parties

Transactions with key management personnel and their related parties

The Group's policy is that the sale and purchase of goods and services with key management personnel are made under normal customer and supplier relationships and on normal commercial terms and conditions. The sale of goods to key management personnel are on terms no more favourable than made available to other employees.

The aggregate compensation of the key management personnel of the Group is set out below:

At 31 December 2022, key management personnel held directly, indirectly or beneficially 208,123 ordinary shares (30 June 2022: 134,462) in the Group. Key Management Personnel hold 267,137 (2021: 215,456) performance rights under the long term incentive plan.

Loans to KMPs

The Company entered into an Equity Loan Agreement in the amount of $227,893 with the Managing Director and CEO, Mr Graeme Whickman which enabled him to acquire 25,000 shares in the Company in September 2019, a further loan of $86,424 in December 2021 which enabled him to acquire 8,310 shares and a loan of $87,889 in August 2022 which enabled him to purchase 10,000 shares. Mr Whickman pays interest on the loan on a quarterly basis at a rate that is set at 25 basis points above the Company's average cost of borrowed funds.

Transactions with entities in the wholly owned Group

GUD Holdings Limited is the ultimate parent entity in the wholly owned group comprising the Company and its wholly owned subsidiaries.

Entities in the wholly owned group advanced and repaid loans, paid and received dividends, provided marketing, product sourcing, accounting and administrative assistance and sold and purchased goods to other Group companies during the current and previous financial years.

The Group's policy is that these transactions are on commercial terms and conditions with the exception of loans between Australian entities and loans between New Zealand entities which are not interest bearing. Loans between entities in the wholly owned group are repayable on demand.

Other related party transactions with entities in the wholly owned Group

The Group's policy is that related party lease arrangements are undertaken with commercial terms and conditions. Wesfil Australia Pty Ltd leases part of its Sydney premises from an entity related to a Director of Wesfil Australia Pty Ltd. Net rental expense was $240,105 excluding GST (31 December 2021: $233,112 excluding GST).

16. Subsequent events

Dividends declared

On 15 February 2023, the Board of Directors declared a fully franked interim dividend in respect of the 2023 financial year of 17 cents per share. The record date for the dividend is 27 February 2023 and the dividend will be paid on 10 March 2023. The Dividend Reinvestment Plan will not be available for this dividend.

Other

Other than the items discussed above, there has not arisen in the interval between the end of the interim period and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

Directors' Declaration

In the opinion of the Directors of GUD Holdings Limited (the "Company"):

a. the condensed consolidated interim financial statements and notes set out on pages 14 to 32 are in accordance with the *Corporations Act 2001*, including:
   - giving a true and fair view of the financial position of the Company as at 31 December 2022 and of its performance for the six months ended on that date;
   - complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001; and

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors

G A Billings	**G Whickman**
Chairman	Director

Melbourne, 15 February 2023

KPMG

Independent Auditor's Review Report

To the shareholders of GUD Holdings Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of GUD Holdings Limited

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of GUD Holdings Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2022 and of its performance for the ***Interim Period*** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Condensed Consolidated Balance Sheet as at 31 December 2022
- Condensed Consolidated Income Statement, Condensed Consolidated Statement of Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Cash Flow Statement for the Interim Period ended on that date
- Notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises GUD Holdings Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The ***Interim Period*** is the 6 months ended on 31 December 2022.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of GUD Holdings Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Review Report.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Maritza Araneda

Partner

Melbourne

15 February 2023