

ADRAD

Holdings Limited
(ASX: AHL)

SHARECAFE WEBINAR
PRESENTATION

5 MAY 2023

adradholdings.com.au

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Adrad is an Australian owned company specialising in the design, manufacture, importation and distribution of quality heat exchange solutions, radiators, automotive air conditioning parts and other automotive parts

AFTERMARKET

Australian manufacturer, importer and distributor of radiators and other heat exchange products for the Australian automotive and industrial aftermarket

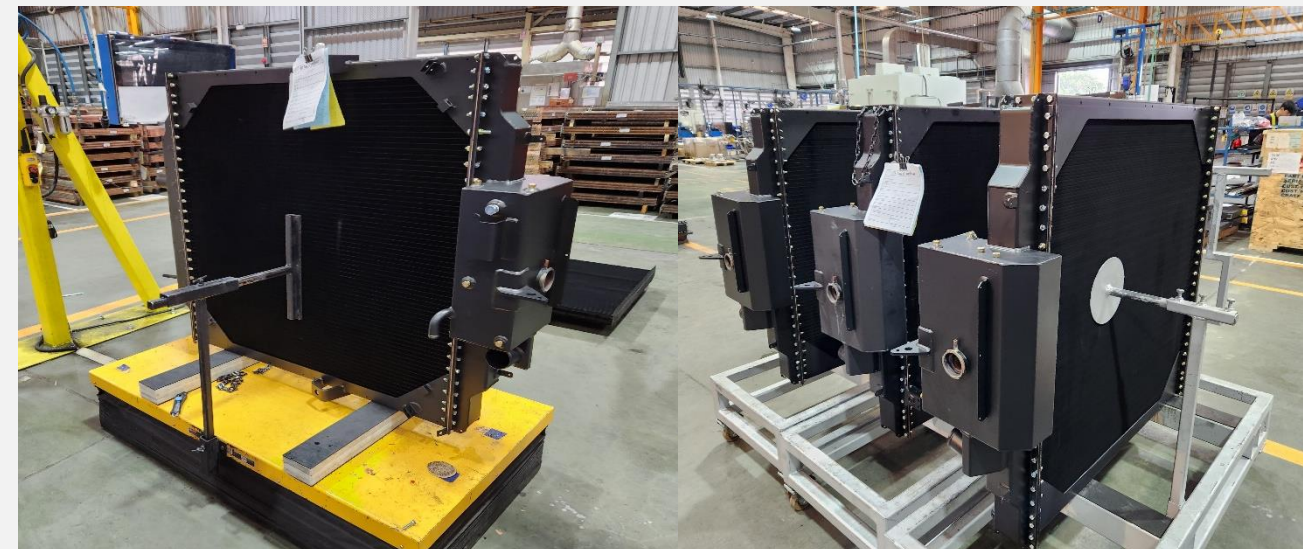
AUSTRALIA & NEW ZEALAND



ORIGINAL EQUIPMENT (OE)

A vertically integrated designer and manufacturer of OEM industrial radiator and cooling solutions for high end applications.

AUSTRALIA & THAILAND



AUSTRALIAN MANUFACTURER, IMPORTER AND DISTRIBUTOR OF RADIATORS AND OTHER HEAT EXCHANGE PRODUCTS FOR THE AUTOMOTIVE AND INDUSTRIAL AFTERMARKET



- Extensive and growing range of automotive service parts



- Most extensive range of complete radiators
- Distributed via 16 warehouse facilities throughout Australia and New Zealand













- Broad customer base
- Trade customers (~90%)
- Wholesale customers (~10%)



- Growing online sales channel
- Directly targeting a broad range of mechanical workshops

OE - Industrial end markets

		MOBILE			STATIONARY	
		ON HIGHWAY	OFF HIGHWAY	RAIL	POWER & ENERGY GEN	INDUSTRIAL
						
RELEVANT MARKET		Heat transfer systems for on-highway vehicles	Heat transfer systems for construction and mining vehicles	Heat transfer systems for rail transport and track equipment	Custom designed heat transfer systems for remote power generation projects	Heat transfer systems for industrial standby generators and specialty equipment
KEY CUSTOMERS						
MARKET POSITION		Leading supplier of cooling solutions for locally designed and manufactured trucks	International supplier of Heavy Duty Mining Radiators	Australian DMU Cooling System Supplier	Supplier across Australia and SE Asia with custom designed systems	Adaptable and AS1210 compliant locally manufactured product range
GROWTH Domestic	FOCUS International	Penetrate further into Kenworth supply chain and increase non radiator products to aftermarket	Alu Fin and Pin Fin engine cooling packages to global mining OEM's and Aftermarket repair channels	Continued penetration and organic growth in the rail engine cooling segment	Duplicate capability and capacity at Thailand facility to capitalise on growing biogas market	Supply partner and/or technology partnership to increase product range and develop local capability

Recognition from key customers

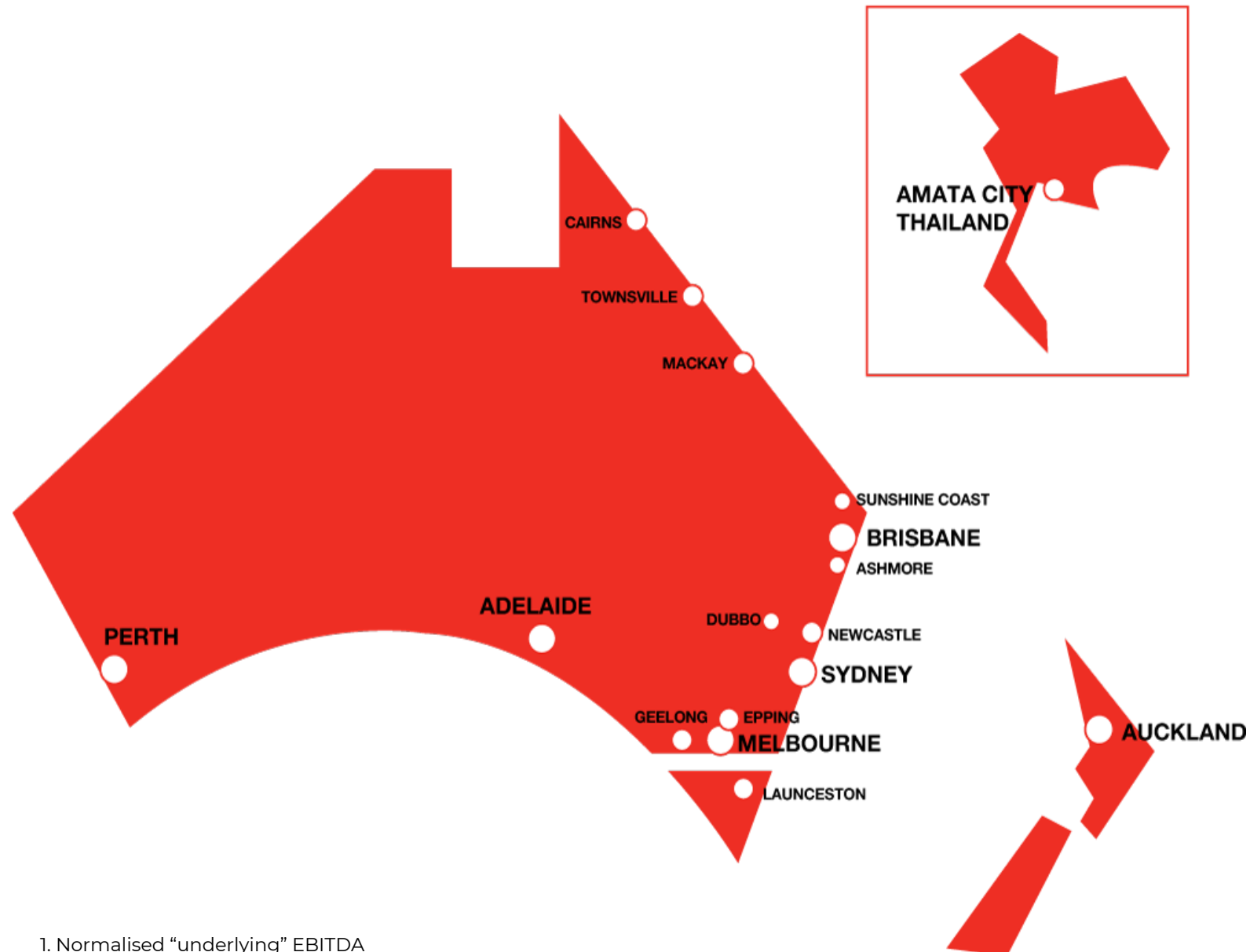
Air Radiators was awarded “Kenworth Supplier of the Year for 2022”

This award recognises both the Australian and Thailand manufacturing facilities



Significant footprint with a strong financial record

CONTINUING TO GROW BOTH OPERATING SEGMENTS BY FURTHER LEVERAGING OUR STRONG TRACK RECORD IN AUSTRALIA AND NEW ZEALAND AND THE COMPETITIVE ADVANTAGES GAINED THROUGH OUR THAILAND FACILITIES



1. Normalised "underlying" EBITDA

1HFY23 Financial Highlights



\$68.3m
Revenue



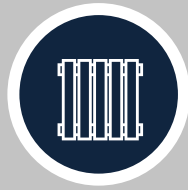
\$6.9m¹
EBITDA



\$1.9m
NPAT



\$3.8m
Cash flow generated from operations



Innovative Skills

- Design & engineering skills
- Reputation for quality
- Integrated designer, manufacturer, importer and distributor of heat exchange products



Strong brands & online presence

- Aftermarket: Adrad & Natrad
- OE: Air Radiators
- Strong online selling platforms in the Aftermarket Segment



Low-cost manufacturing capabilities

- Established low-cost manufacturing facility in Thailand



High quality customers and strong relationships

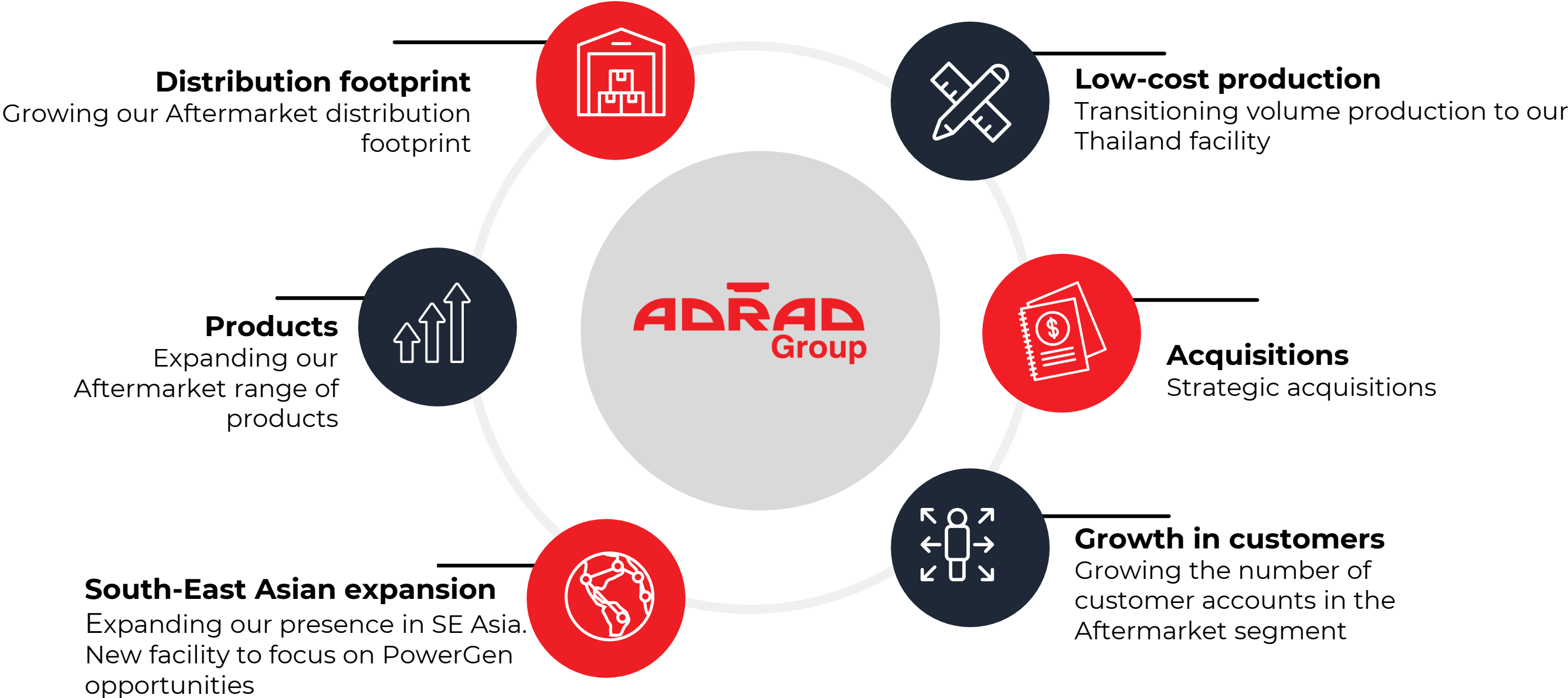
- Broad customer base including large 'blue chip' corporates
- Long-term customer relationships, Caterpillar (30+ years), Kenworth Australia (45 years)



People

- Knowledgeable staff with strong local customer relationships

Key Growth Initiatives

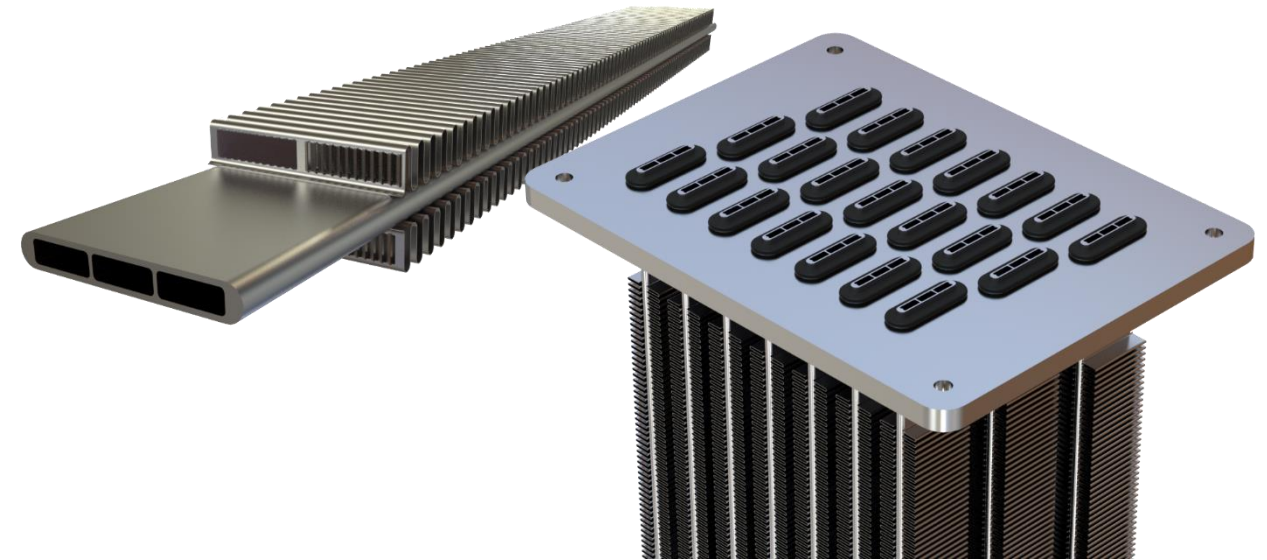


DECARBONISATION



Heat exchangers associated with shift from ICE's to electric powered vehicles and hydrogen fuel cells

TECHNOLOGY



Development of durable aluminium heat exchangers to replace more costly traditional copper & brass materials

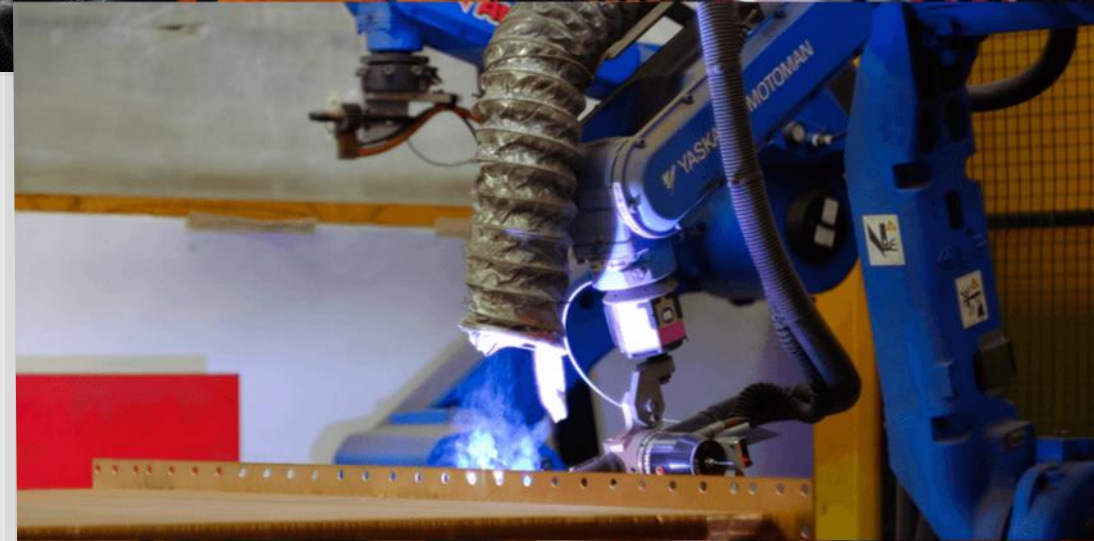
Key takeaways

Extensive history as a profitable, growing, diversified business with a broad customer base

Long-term blue-chip corporate customers

Engaged in the design and manufacture of innovative heat exchangers to support industry moves towards zero emissions





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