SKELLERUP HOLDINGS LIMITED
L3 205 Great South Road, Auckland 1051
PO Box 74526, Greenlane, Auckland 1546

Telephone +64 9 523 8240
Email ea@skellerupgroup.com

20 August 2026

Skellerup delivers record earnings driven by international market growth

Revenue growth in international markets delivered an outstanding year for Skellerup, generating record normalised net profit after tax (NPAT) of $64.2 million, an 18 per cent increase over the prior year.

Highlights for the year ended 30 June 2026

- Revenue of $390.1 million, up 10% on the prior comparative period (pcp)
- Earnings before interest and tax (EBIT) of $94.1 million including a non-recurring gain of $4.8 million principally arising from insurance proceeds for damaged equipment. Normalised EBIT excluding this non-recurring gain was $89.3 million – a record result, up 14% on the pcp.
  - Industrial Division EBIT of $56.6 million – a record result, up 17% on the pcp.
  - Agri Division EBIT of $39.6 million – a record result, up 12% on the pcp.
- NPAT of $67.7 million including the post-tax non-recurring gain of $3.5 million. Normalised NPAT excluding this non-recurring gain was $64.2 million – a record result, up 18% on the pcp
- Operating cash flow of $83.6 million, up 26% on the pcp.
- Net debt of $2.0 million, down $10.4 million on the pcp and less than 1% of total assets.
- Final dividend of 20.0 cents per share (cps) (40% imputed), bringing the total FY26 dividend to 30.0 cps (40% imputed) for the full year, up 18% on the pcp.

Group

CEO Graham Leaming said he was pleased to report an exceptional result reflecting contributions from both the Industrial and Agri Divisions.

"The important part our products play in agri and industrial applications across the world, the strength of our business model and our people was very evident in FY26. We were able to overcome significant sourcing challenges arising from the conflict in the Middle East and the impact of fluctuating tariffs. FY26 normalised EBIT of $89.3 million was an increase of 14 per cent over the pcp and the tenth successive year of EBIT growth."

Leaming added, "We are an international business. More than 80 per cent of our revenue is generated in international markets and more than 50 per cent of our people are based in these markets. Having people in market, close to customers, ensures we understand what is required and that we make the right decisions quickly. New Zealand of course, remains a very important development and manufacturing base and market, but this international presence is critical to our present and future success. Ultimately it is all about people, to build trust, innovate and deliver."

Industrial Division

The Industrial Division's EBIT was $56.6 million – a sixth consecutive record result and up 17 per cent on the pcp. Revenue was $262.8 million, up nine per cent on the pcp.

The US market delivered the strongest revenue growth in FY26, up 12 per cent on pcp. Revenue growth was also achieved in the UK, Asia and Australasia.

Potable water and wastewater are the largest application for our industrial products. Demand for pipe gaskets in the US and Australia exceeded our expectations due to the superior quality of our products and reliability of supply. Sales into US tapware manufacturers also strengthened, and our vacuum systems used primarily to collect liquid waste continue to lead the market.

Sales of products into roofing and construction applications in Asia and the UK, flow-control products for heating, ventilation and air conditioning (HVAC) applications in the US, and U-DEK® marine foam in the US and Europe also increased over the pcp.

Importantly, our manufacturing facilities and partners were able to overcome challenges sourcing raw materials arising from the Middle East conflict and maintain operational continuity, and we overcame the impact of increased tariff costs in the US.

Leaming noted, "We were able to significantly mitigate the impact of tariff increases by careful management of inventory ahead of (and during) their imposition, together with management of operating costs and gradual implementation of price increases. This means we start FY27 having largely offset the impact of tariffs (based on tariff levels in place at the end of FY26)."

Agri Division
EBIT for the Agri Division was $39.6 million – a second successive record result and up 12 per cent on the pcp. Revenue was $128.4 million, up 13 per cent on the pcp.

Sales of essential consumables for the global dairy industry increased again in FY26, up 15 per cent on the pcp. The US and European markets were key drivers, where we increased sales of liners and tubing to original equipment manufacturer (OEM) customers in both regions and through our Conewango distribution channel in the US. Revenue also increased in New Zealand, due to the economic strength of the dairy industry impacting phasing of demand and growth in sales of Thriver calf feeding teats. Demand for dairy milking liners and tubing resulted in record production levels at our New Zealand and UK facilities.

Leaming commented: "The investment we have made (and continue to make) in equipment at our Wigram facility was critical to being able to deliver on customer demand, alongside the contribution of our people at all levels. The Middle East conflict created significant challenges for our procurement and formulation teams. Inventory levels held, rapid action to secure alternative supplies, and in-house formulation expertise meant we were able to avoid any interruption to operations."

Other
An after-tax non-recurring gain of $3.5 million was recognised. This primarily comprises insurance proceeds in relation to a fire in a section of our extrusion line used to manufacture tubing at our Wigram facility that occurred in 2025. The equipment was damaged beyond repair. Fortunately, no injuries were suffered, and we were able to resume operation on an alternative extrusion line after a short interruption and at a higher utilisation, with no negative impact on our customers. The gain recorded reflects the anticipated insurance settlement, net of the book value of the equipment and increased costs of working. This gain was partially offset by the impairment of a leased property related to a business acquired in FY19, which has since been vacated.

Looking Forward
Our strategy to design and manufacture precision, engineered products for demanding applications will remain unchanged. The mix of applications and markets we sell into, along with the growth opportunities they present, will continue to provide a strong counter to economic cycles. We will continue to invest in people and equipment to make sure we create excellent value for customers and capture our fair share of the value created. Our future success does not hinge on a single hero product: the growth in Skellerup will continue to be the outcome of our teams remaining focused on serving existing customers well to win more of their business and seeking new customers for the applications in which we have a strong understanding of what is required and proven expertise to design and manufacture.

Chair John Strowger highlighted the durability of the Skellerup business model.

"As a global business, moving products around the world, geopolitical conflicts impacting supply chains and changing trade barriers require careful management and planning. The geographic spread of our manufacturing activity, value of our products, customer relationships and management actions have enabled us to overcome these hurdles. We will continue to evaluate and consider the balance of where we manufacture product relative to our end markets. In recent years we have increased capital expenditure, particularly in modernising our manufacturing capability to ensure it is efficient, flexible and ready for expansion into other markets if required. Operating cash flows have funded this investment alongside steadily increasing dividends and further reducing an already low level of debt.

We closed the year with net debt of $2.0 million, placing us in a strong position to execute on organic growth opportunities ahead and declare dividends for FY26 totalling 30.0 cents per share. The increase in dividend (which amounts to a distribution of 92 per cent of FY26's normalised NPAT) is another record and reflects not only the excellent FY26 result and financial position but also the Board's continued confidence in Skellerup's future."

For further information, please contact:

Graham Leaming
Chief Executive Officer
021 271 9206

Tim Runnalls
Chief Financial Officer
027 807 5080