Company Fact Sheet

Hellaby

Hellaby at a glance

Hellaby Holdings is an NZX-listed company that is in the middle of a change in strategic focus from an investment holding company to a long term committed business builder and owner.

Our new direction is based on our existing and successful footprint businesses, where we see long term ownership benefits of scalable, specialist technical and industrial service businesses, where we can add value and deliver attractive investment returns to our shareholders.

We will achieve this through a clearly communicated investment strategy that when combined with our decade long track record of performance improvement, organic growth and targeted acquisitions in our core sectors, delivers real long term investor value.

Our investment portfolio is structured through three core Groups - Automotive and Resource Services Groups, both of which have active organic and acquisition growth strategies in place. The Equipment Group is now focusing its activities and expanding its services offering.

The Footwear Group remains non-core.

The Hellaby Group currently has 3,000 staff across New Zealand, Australia, the Middle East and the Americas.

We actively manage our investments through the specialist management teams that lead each business group with decentralised leadership and performance accountabilities in their operating companies.

Key Financials

	1H 2016 $M	FY 2015 $M	1H 2015 $M	FY 2014 $M	FY 2013 $M
Sales	378.8	779.5	386.9	733.5	542.7
Trading EBITDA	19.0	59.1	28.7	56.1	37.7
Trading EDIT	11.4	44.7	21.6	42.7	29.7
Net trading surplus	8.1	38.2	18.5	37.7	27.1
NPAT attributable to parent	4.9	27.4	12.5	(1.1)	18.2
Group NPAT (net profit after tax)	4.7	28.4	13.5	(0.1)	18.6
Earnings per share (cps)	5.1	28.6	13.1	(1.2)	22.9
Dividend per share (cps)	9.0	21.5	9.0	15.0	13.0
Gearing (net debt/net debt plus total equity)	29.7%	22.3%	28.3%	23.3%	17.8%

Historical Share Price

Dividend Policy

Hellaby's dividend policy is to distribute around 75% of our net profit after tax (NPAT) that is attributable to our shareholders, subject to business performance, market conditions and our forecast capital requirements for growth.

All our dividend payments are currently fully imputed.

The company operates a Dividend Reinvestment Plan which is currently suspended (1st December 2014) as Hellaby's debt to debt plus equity ratio is well below our prudent debt coverage ratio of <45%.

Research Coverage

Company	Research Analyst	Contact	Email
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Registry Information

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Share Information

NZX Code:	HBY
Share price at 31 December 2015:	$2.94
Shares on issue:	95,925,595
Market capitalisation at 31 December 2015:	$282,021,249
Dividend yield gross: [1]	10.16%
Financial year end:	June 30
Industry sector:	Investment
Indices: NZX All Index; NZX Small Cap Index, Investment Index	

[1] Dividends are fully imputed

Key Performance Indicators

	1H 2016	FY 2015	1H 2015	FY 2014	FY 2013
EBITDA margin	5.0%	7.5%	7.4%	7.6%	6.9%
Target	>7%	>7%	>7%	>7%	>7%
Earnings per share (cps) [2]	5.1	28.6	13.1	(1.2)	22.9
ROFE [3]	15.6%	23.6%	23.9%	25.4%	22.9%
Target	>20%	>20%	>20%	>20%	>20%
ROIC [2] [3]	11.0%	15.8%	15.8%	15.9%	14.0%
Target	>12.4%	>12.4%	>13.5%	>13.5%	>13.5%
Dividends per share (cps)	9.0	21.5	9.0	15.0	13.0
Total shareholder return	2.8%	12.3%	3.3%	6.5%	4.4%
NZX50G	13.6%	11.4%	17.5%	16.4%	30.6%
Gearing	29.7%	22.3%	28.3%	23.3%	17.8%
Target	<45%	<45%	<45%	<45%	<45%

[2] FY2014 included $26.940 million impairment of goodwill in Footwear division.

[3] FY2013 included three months' EBIT contribution from Contract Resources against the full purchase price and transaction costs of the aquisition.

EBITDA margin: (trading EBITDA as a percentage of revenue) measures the extent to which cash operating expenses use up revenue. The company's performance target is greater than 7%.

Earnings per share (EPS): measures NPAT (net profit after tax) attributable to shareholders of the parent company per weighted average number of shares issued.

Return on funds employed (ROFE): is an internal measure of trading EBIT as a percentage of average working capital plus fixed assets (excluding intangibles). The company's performance target is greater than 20%.

Return on invested capital (ROIC): is an internal measure of trading EBIT as a percentage of average working capital plus fixed assets and intangibles. The company's performance target is to exceed its pre-tax weighted average cost of capital (WACC).

Dividends per share: Hellaby seeks to maintain consistent dividend payments in line with the company's performance, with a current dividend policy of distributing around 75% of NPAT attributable to shareholders of the parent company.

Total shareholder return (TSR): total shareholder return is an indicator of shareholder value creation, and measures the increase in share price plus dividend per share. Hellaby's goal is to consistently generate total shareholder returns superior to the NZX50 Gross Index.

Gearing: measures total net debt as a percentage of total net debt plus total equity. Hellaby believes gearing of less than 45% over the medium term is appropriate for our investment strategy and the sectors in which we invest.

Asset Snapshot

Resource Services Group

Contract Resources: Contract Resources is a specialist international technical services group that operates in a number of countries for clients that own and operate large and complex processing facilities in the oil, gas, petrochemical, mineral, electrical generator and pulp & paper sectors.

The business model and activity is specialised and the services offered are comprehensive and technical to both new and long term international and domestic clients.

Some of these specialist services include the handling of core catalyst extraction and recharging of Petrochemical refinery plants, including pipeline and tank farm maintenance and other specialist technical mechanical services.

Hellaby holds an 85% majority shareholding in Contract Resources with co-investment by the founding management. The Group operates in New Zealand, Australia, the Middle East and the Americas.
www.contractresources.com

	1H 2016	FY 2015	1H 2015	FY 2014	3 mths 2013
Sales	82.9	189.1	102.5	165.2	41.2
Contribution to group	22%	24%	26%	22%	8%
Trading EBITDA	4.7	18.5	12.1	16.4	5.4
Contribution to group (excludes corporate)	21%	28%	38%	26%	12%
Staff		866		667	641

Automotive Group

Hellaby's Automotive Group comprises a group of market-leading wholesale distribution companies, which supply automotive and truck replacement parts, agricultural and materials handling, tyres and wheel componentry, batteries and auto electrical componentry to trade repairers and resellers through a network of over 85 branches across New Zealand and over 25 Australian branches.

BNT: A leading wholesale distributor of automotive and commercial truck replacement parts to trade repairers and resellers through 54 branches across New Zealand. BNT operates a specialist truck and trailer parts distributor **Truck & Trailer Parts** www.tatp.co.nz and www.bntnz.co.nz.

Autolign: Specialist New Zealand wholesale supplier of automotive steering and suspension replacement parts with 9 branches. Autolign franchises 22 outlets under the Shock Shop brand. www.autolign.co.nz and www.shockshop.co.nz

NZ Brake Co: A leading New Zealand wholesale supplier of automotive and commercial brake parts.

Diesel Distributors: A leading Australasian wholesale distributor of diesel fuel injection and automotive products, with branches in Auckland, Brisbane, Sydney, Melbourne and Perth.
www.dieseldistributors.co.nz and www.dieseldistributors.com.au

HCB Technologies: : A leading distributor of automotive, commercial, marine, industrial and stationary batteries, including an extensive range of battery accessories with 8 branches across New Zealand. HCB has supply arrangements with over 100 Battery Town auto electrical supply and repair outlets (the largest automotive electrical group in NZ). www.hcb.co.nz

Dasko: Dasko is a national wholesale distributor of auto electrical, rotating and engine management components. www.dasko.co.nz

Federal Batteries: Federal Batteries is a leading wholesale distributor of automotive, industrial and specialist application batteries with branches in Sydney, Brisbane and Melbourne. www.federalbatteries.com.au

JAS Oceania: A wholesale distributor of auto electrical, air conditioning and lighting products to auto electricians, specialist workshops and resellers through 22 branches across Australia www.jasoceania.com.au and www.lowvoltage.com.au and www.aaewholesale.com.au

TRS Tyre & Wheel: A leading wholesale distributor of tractor, truck, forklift and industrial tyres and wheels with 5 New Zealand branches.
www.trstyreandwheel.co.nz

	1H 2016	FY 2015	1H 2015	FY 2014	FY 2013
Sales	126.5	200.2	99.2	185.2	170.6
Contribution to group	33%	26%	26%	25%	31%
Trading EBITDA	13.2	25.6	12.4	24.1	21.4
Contribution to group (excludes corporate)	60%	39%	38%	39%	47%
Staff		721		602	565

Equipment Group

The Equipment Group consists of two market-leading heavy equipment companies, specialising in materials handling, forestry and construction with new and used equipment sales; separately it is expanding its heavy equipment and truck servicing businesses; and it operates a national forklift rental service through a network of 23 technical service centres across New Zealand.

AB Equipment: One of New Zealand's leading suppliers of materials handling equipment and construction equipment, and one of New Zealand's largest forklift rental companies. AB Equipment has significant equipment servicing capability, and operates through a network of 19 technical service centres across New Zealand. Its brands include *Toyota, BT, Manitou, Sumitomo, Tigercat, Sakai, Vermeer, Doosan, Bobcat and Nilfisk*.
www.abequipment.co.nz

New Zealand Trucks: New Zealand Trucks is a truck servicing business, and distributor of *Bucher Municipal*, *HIAB* and *Zepro* equipment. The company provides maintenance, repair and engineering services to the truck industry through 4 specialist service workshops.www.nztrucks.co.nz

	1H 2016	FY 2015	1H 2015	FY 2014	FY 2013
Sales	106.2	208.7	94.4	195.2	134.6
Contribution to group	27%	27%	24%	27%	25%
Trading EBITDA	4.5	14.0	5.2	12.1	6.4
Contribution to group (excludes corporate)	20%	21%	16%	19%	14%
Staff		483		419	331

Footwear Group

Hellaby is New Zealand's largest footwear retail group, with three retail chains operating 117 stores across New Zealand under the *Number One Shoes, Hannahs* and *Hush Puppies* brands. It also has a small retail presence in Australia.

Hannahs: New Zealand's largest specialty retail footwear chain with 52 stores under the *Hannahs* brand, and 10 stores under the *Hush Puppies* brand. The Hannahs group also has 1 Auckland *Pulp* store and online at: www.hannahs.co.nz and www.pulpshoes.com and www.hushpuppies.co.nz

Number One Shoes: New Zealand's largest specialist discount footwear retailer with 55 stores and online at: www.numberoneshoes.co.nz

	1H 2016	FY 2015	1H 2015	FY 2014	FY 2013
Sales	66.6	140.8	68.5	145.7	154.3
Contribution to group	18%	18%	18%	20%	28%
Trading EBITDA	(0.2)	5.8	0.9	6.2	9.1
Contribution to group (excludes corporate)	(1%)	9%	3%	10%	20%
Staff		1,022		1,092	1,187

Packaging Group

Hellaby sold the Packaging Group (Elldex Packaging) effective 31 May 2015.

Governance

Board of Directors

Steve Smith: Independent Chairman
Alan Clarke: Chief Executive Officer & Managing Director
Paul Byrnes: Independent Director
Mark Cowsill: Independent Director
Gary Mollard: Independent Director
James Sclater: Non-Executive Director (Audit & Risk Committee Chairman)

Hellaby Holdings Management Team

Alan Clarke: Chief Executive Officer & Managing Director Hellaby Holdings Limited (Appointed November 2015)
Richard Jolly: Chief Financial Officer & Company Secretary Hellaby Holdings Limited
Neil MacCulloch: Chief Operating Officer
Greg Batkin: Chief Investment Officer
Colin Daly: Chief Executive Officer – Automotive Group
Andy Wells: Chief Executive Officer – Resource Services Group
Peter Dudson: Chief Executive Officer – Equipment Group
David Gordon: Chief Executive Officer Hannahs – Footwear Group
Gary Rohloff: Chief Executive Officer Number One Shoes – Footwear Group

"Buy, Build, Harvest"