



1<sup>st</sup> February 2017

For Immediate Release

## **Wellington Drive delivers 44% revenue growth and achieves EBITDA guidance.**

Wellington Drive Technologies is pleased to update earlier guidance on its 2016 trading performance, with significant improvement on the previous year and an improvement on previous guidance. This update is based on unaudited results –audited results will be released at the end of February 2017:

- Revenue for the 2016 year was \$35.3 million, a 44% increase on the \$24.6m reported for 2015. The new SCS Connect and ECR2 products contributed \$6m to the Company's revenue. 1.2 million EC motors were sold, a 33% increase on 2015;
- Gross margin for the year was 24.4% compared to 22.2% in 2015;
- The target of a modest EBITDA<sup>1</sup> profit for 2016 was achieved;
- Q4 trading performance was very strong, with \$10m revenue compared to \$6m in Q4 2015; and
- Net cash on hand as at 31 December 2016 was \$0.6 million (net of \$1.5 million debt drawn of the Company's \$2.0 million facility)

We are seeing initial strong demand forecasts from customers for Q1 2017 although we are still working with customers to determine and confirm volumes for the first half of the year. Our early forecast for 2017 indicates that the Company can achieve further revenue growth and we continue to expect an EBITDA<sup>1</sup> profit for 2017 in the low \$ millions.

CEO Greg Allen commented "We achieved our EBITDA<sup>1</sup> target for 2016, the Company's first ever full year EBITDA<sup>1</sup> profit, and demonstrated a solid first year for ECR2 and SCS Connect sales. The 44% revenue growth continues to show how the strategy to expand our motor product range, launch SCS Connect, our first IoT (Internet of Things) product and develop new customers in new markets is paying off. We expect 2017 to be even better."

### **About Wellington Drive Technologies:**

Wellington Drive Technologies is a leading global provider of energy efficient electronic motors, airflows solutions and 'Cloud Connected' refrigeration control solutions for the commercial refrigeration markets. It serves some of the world's leading food and beverage brands and refrigerator manufacturers with advanced products and solutions that reduce their costs improve product sales and reduce energy consumption. Wellington is headquartered in Auckland, New Zealand, and is listed on the New Zealand stock exchange under the ticker symbol NZ:WDT

#### **Notes:**

*Note 1 - EBITDA is Earnings before Interest, Taxation, Depreciation, Amortisation and Impairment. Wellington has always reported the EBITDA result because this is the profit performance measure that avoids the distortions caused by differences in amortisation and impairment policies.*

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