

An abstract graphic of a network or molecular structure, consisting of numerous small dots connected by thin lines, forming a complex, interconnected web. The dots and lines are light green and yellow, set against a dark teal background.

# Wellington Drive Technologies Investor Morning

April 10, 2019



# Safe harbour statement

We will be making some forward-looking statements today and as these are predictive in nature, they are subject to a number of risks and uncertainties relating to the company, its operations and the markets in which it competes. Some things are beyond the control of the company and actual results and conditions may differ materially from those expressed or implied by such forward-looking-statements.



# Team introductions



**Greg Allen**

CEO



**Howard Milliner**

CFO



**David Howell**

CTO



**Steve Hodgson**

Senior VP - Commercial



**Rohan Lean**

IoT Solutions Architect



**Erick Layseca**

VP - Latin America



**Gerardo Gonzalez**

VP - IoT Business  
Development

# Agenda

1. What we do
2. Wellington's journey
3. What is the opportunity?
4. IoT financial model
5. Proven execution
6. Product demo & Q&A



A hand holding a smartphone is the central focus, with the phone's screen reflecting light. The background is a blurred image of a modern building with glass facades and structural elements. A network of white lines with glowing yellow nodes is overlaid on the right side of the image, suggesting a digital or technological theme. The text "What we do" is centered over the phone in a bold, dark green font.

# What we do

# Wellington Group

## Three product groups – at different stages

### 1. Wellington ECR Motors



**Core**  
64% of revenue  
51% of margin

### 2. Wellington Connect IoT



**High growth, high margin**  
31% of revenue  
45% of margin

### 3. Wellington Smart Cities



**Start-up /  
Pre-commercial**

# The Wellington product platform

## Cloud Connected IoT Hardware

Improved Equipment Operating Performance



## Actionable Insights

Measure and Manage business data to improve asset management and sales



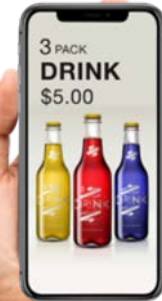
## EC Motor Hardware

Improved cooler reliability and carbon footprint

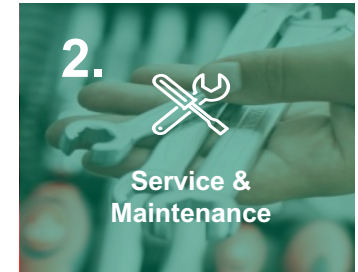
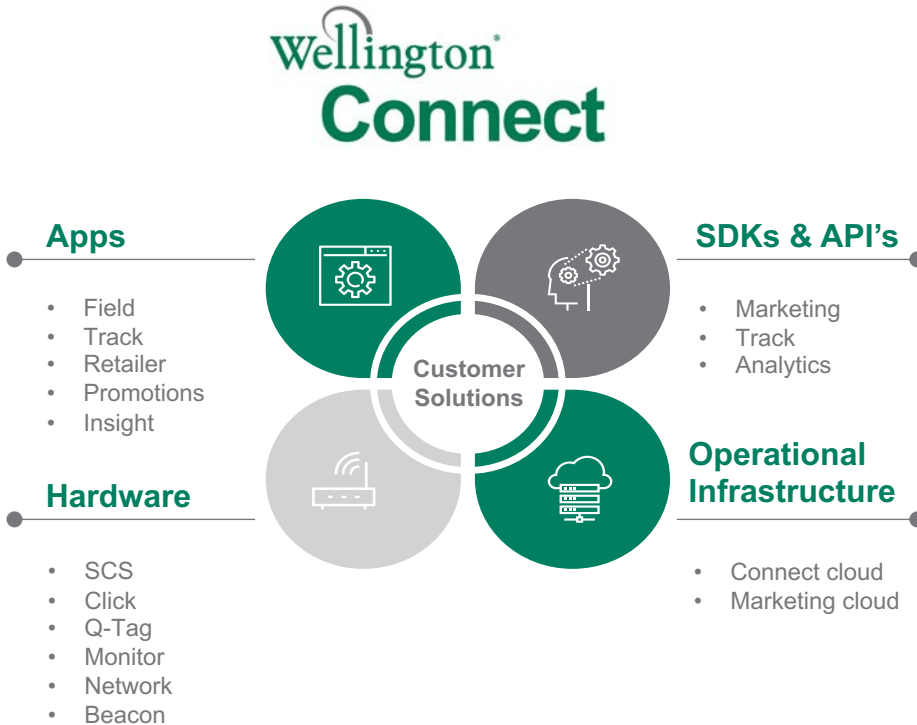


## Consumer Engagement

Merchandising and measurement at point of sale



# An IoT ecosystem ...delivering business value through four main features

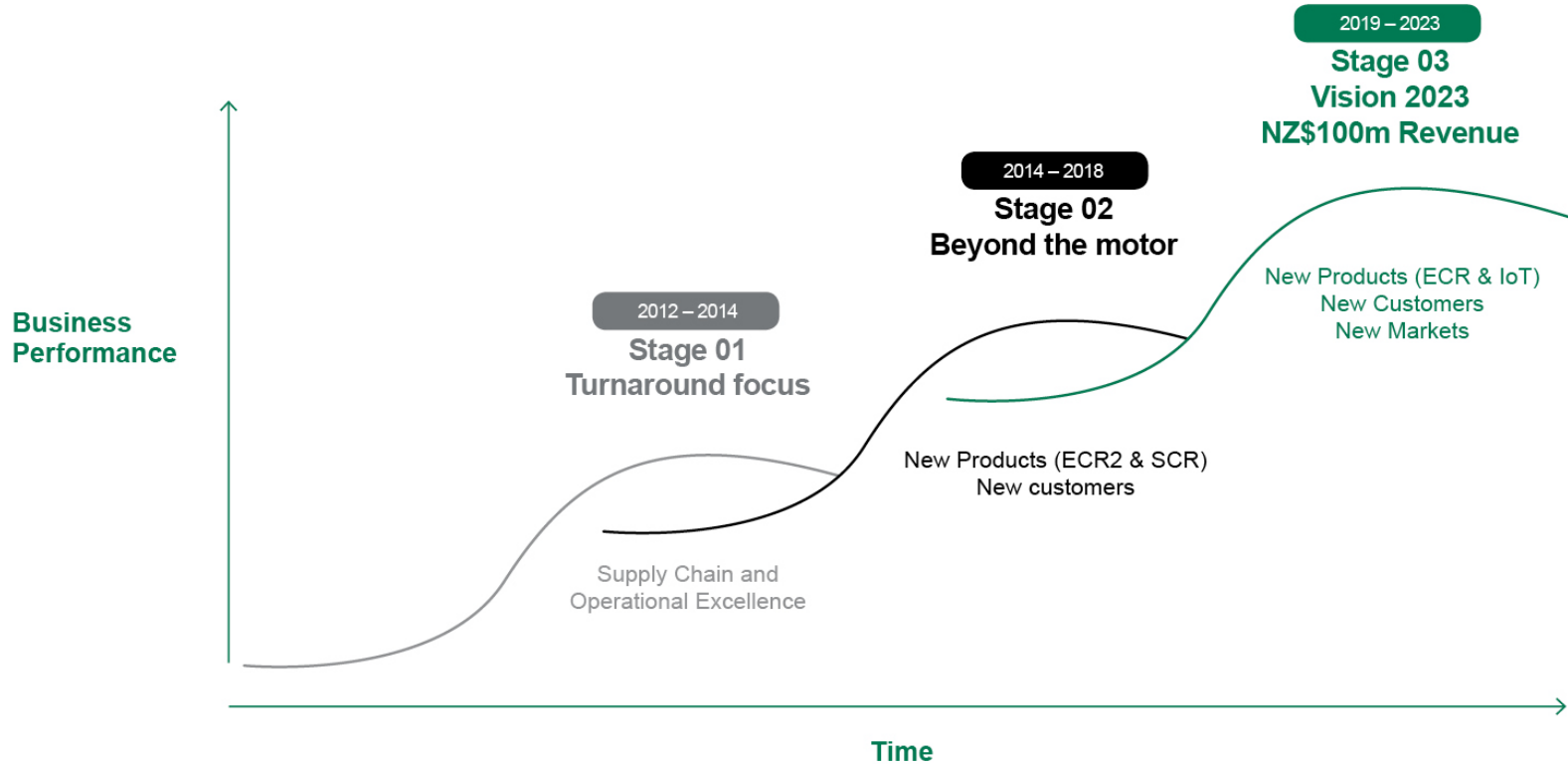




# Wellington's journey

# Wellington's journey

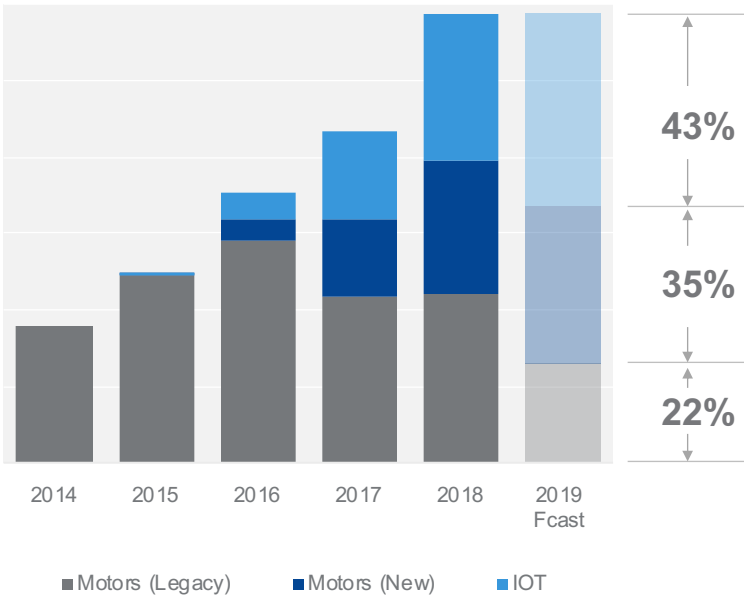
## Entering the third stage



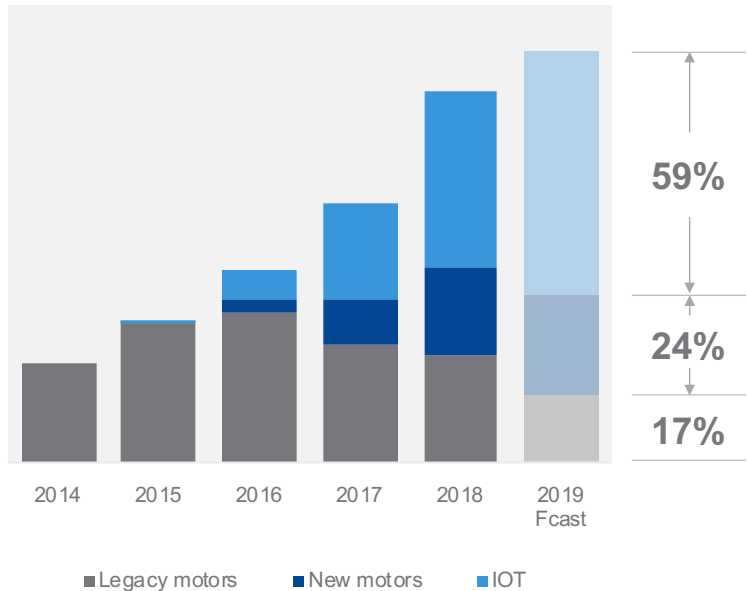
# Changing revenue & gross margin mix

## Delivered through product innovation

Revenue by product group



Gross margin by product group



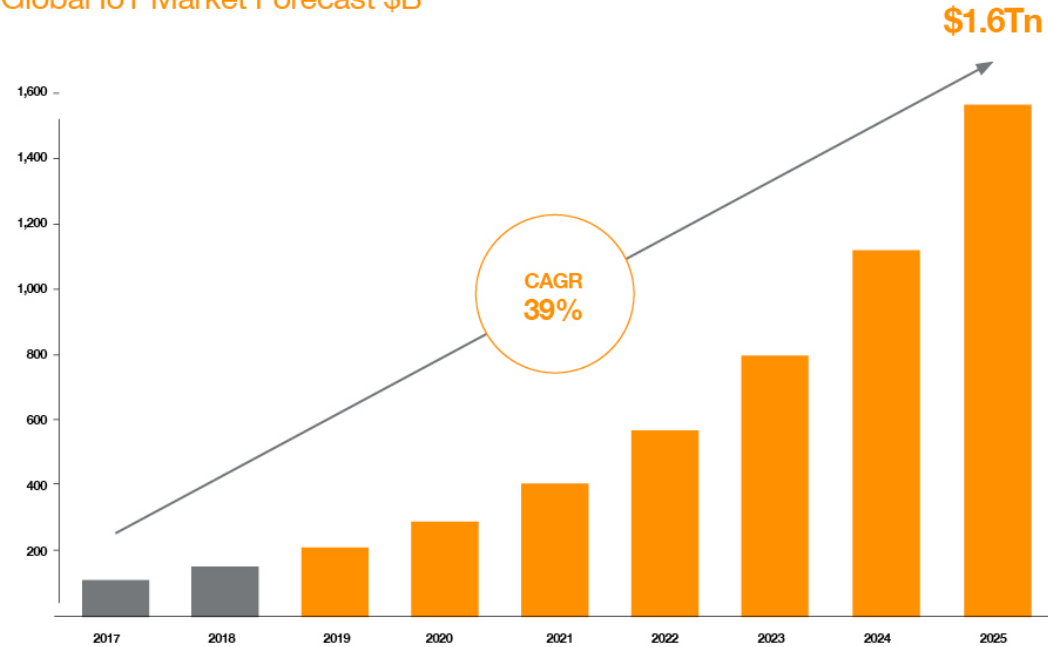
A young person with dark hair, wearing a light blue school uniform, is smiling and looking down at a tablet computer. The background is a blurred indoor setting with warm, yellowish light. Overlaid on the image is a white network diagram consisting of several nodes connected by thin lines. The text "What is the opportunity?" is centered in a bold, dark green font.

**What is the opportunity?**



# The macro opportunity

Global IoT Market Forecast \$B



Note: Market defined as total spend of end-users on IoT solutions  
Source: IoT Analytics Research 2018

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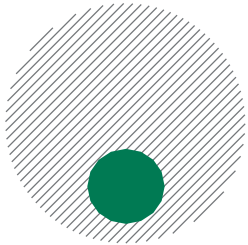
IoT is on top of CEOs priorities.  
This technology is considered to be  
the most disruptive for industries  
and business models, and is the one  
having the highest investment

— PWC, 2018

# The market opportunity

1.

**Beverage  
cooler market**



**~10%**

Current annual market  
penetration

2.

**Adjacent  
markets**



**Food Service**



**Food Quality  
& Loss**



**Ambient Groceries  
& Snacks**

3.

**Additional products  
& services**

**2018**

**iProximity service  
Actionable Insights**

**2019**

**New APPs  
Platform Expansion**

**2020**

**IoT 'always on' services  
New digital Services**

**Research**

**Stock Management  
Payment Systems**



# IoT product and services stack

## Future Roadmap

### 3. Digital Services

**New Services**  
Stock Management, HACCP

**Marketing Services**

## Current State

### 2. Data Services

**Infrastructure**  
*Connect & Marketing Cloud*

### 1. IoT Platform Bundle

**Interface (APIs + SDKs)**

**Apps**  
Beverage Brand - Cooler Manufacturer - Retailer

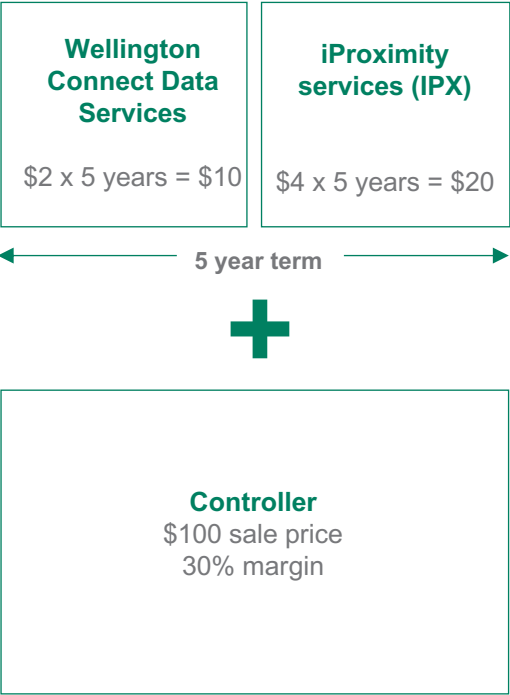
**IoT Hardware**

# IoT financial model

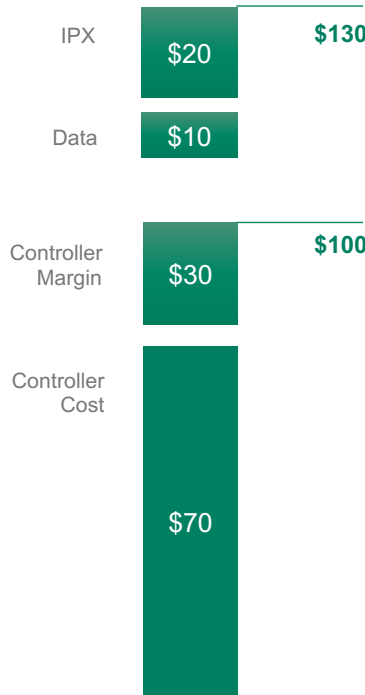


# Software/data: an example over 5 years...

## 1. Assumptions



## 2. Breakdown of sales



## 3. Revenue recognition

	Cash	Revenue	Profit
	130	100	30
	(70)	+2	+2
		+4	+4
	\$60	\$106	\$36

Example	Invoiced	Revenue	Deferred Revenue
FY18	\$2.1m	\$0.6m	\$2.5m

	Years				
	1	2	3	4	5
Cash	60	60	60	60	60
Revenue	106	112	118	124	130
Profit	36	42	48	54	60

*Illustrative figures only, numbers are not actuals*



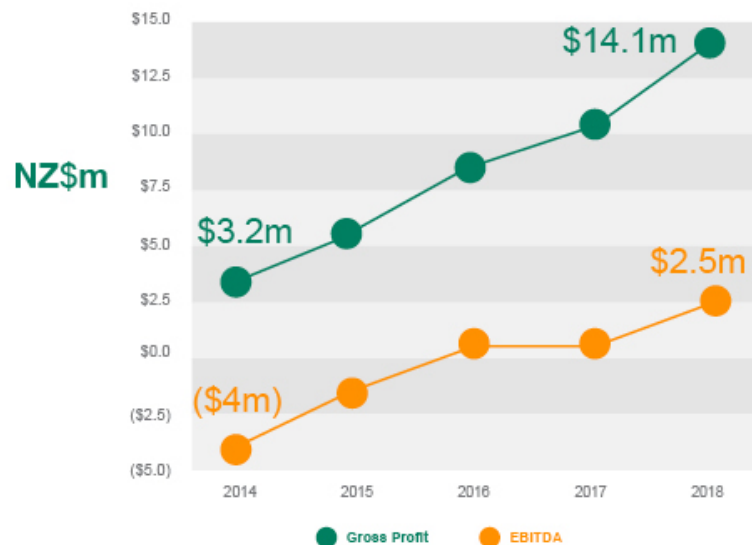
A close-up photograph of a person's hand in a light blue shirt sleeve pushing a shopping cart. The cart has a wooden handle and a metal frame. Inside the cart, a blue plastic bottle and some orange produce are visible. The background is a blurred supermarket aisle with bright lights and a white geometric line pattern overlaid on the right side.

**Proven execution**



# Proven execution excellence

## Gross Margin



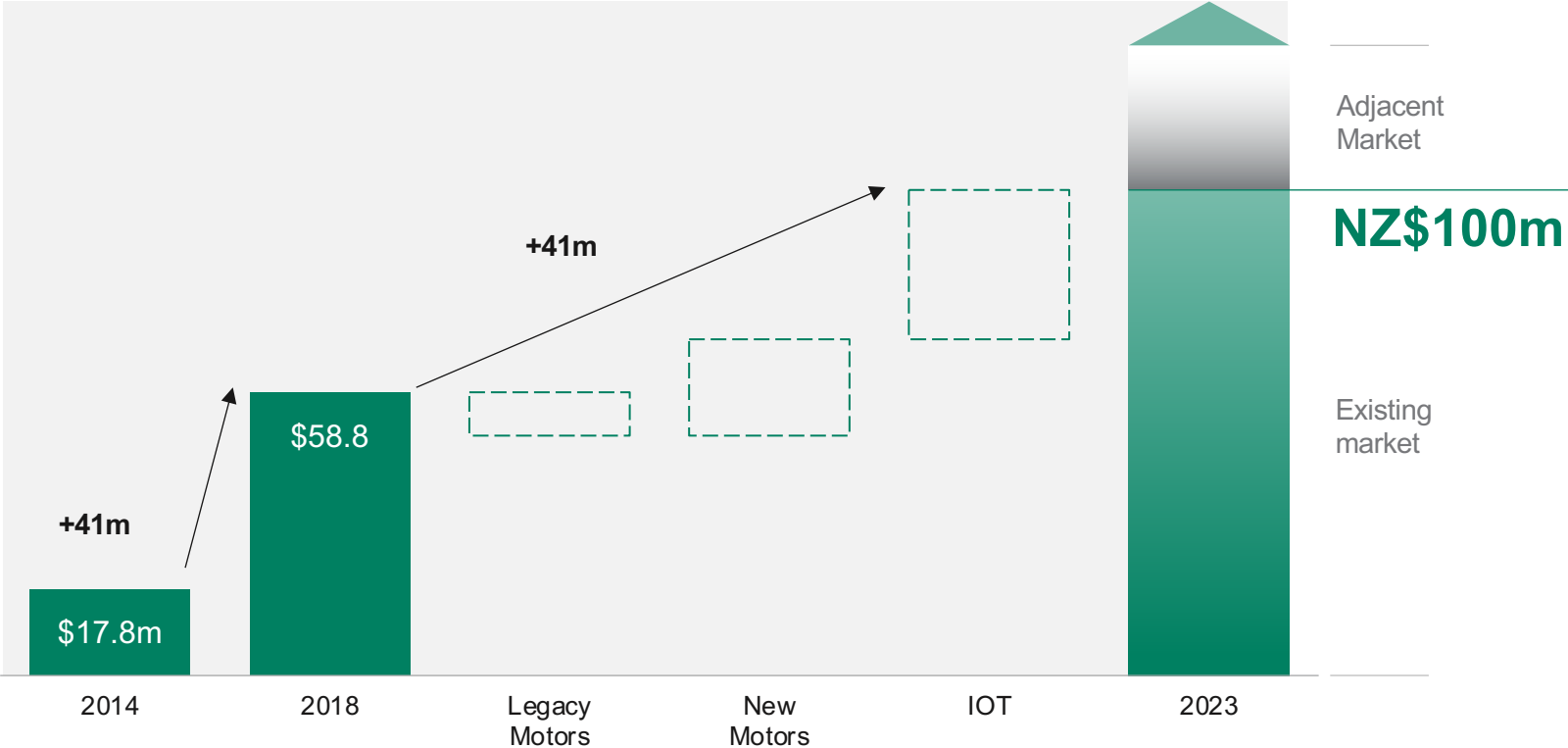
## Selected strategic achievements

- East West partnership reduces COGS by up to 25%
- Added new customers across multiple markets
- Adding new services through acquisition
- No new equity since 2015 – debt funding

EBITDA (i.e. Earnings before interest, taxation, depreciation, amortisation and impairment) is a non- GAAP earnings figure that equity analysts tend to focus on for comparable company performance analysis. Wellington considers that it is a useful financial indicator because it avoids the distortions caused by differences in amortisation and impairment policies.



# A growth scenario



Illustrative purposes only





# Strategy execution



# Key takeaways

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**1** Well-positioned to leverage global IoT mega trend, with 600,000 connected devices shipped

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**2** Growth through beverage coolers, adjacent markets and new products

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**3** \$100m revenue target delivered through a five pillar strategy

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**4** Proven track record of execution





# Product demo

# Greg Allen

## CEO Wellington Technologies



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**Thank you**