

Company Fact Sheet

Hellaby at a glance

Hellaby Holdings is an NZX-listed investment holding company, which owns a diversified portfolio of 15 industrial, distribution and retail businesses.

Our vision is to be a leading Australasian investor, based on the value we add to our portfolio, the returns we deliver to our shareholders and the calibre of our people.

Hellaby's core purpose is to generate long-term shareholder value by building better businesses. We achieve this through a combination of performance improvement and organic growth in the businesses we own, as well as smart acquisitions and divestments. We describe this strategy simply as 'Buy, Build, Harvest'.

Our investment portfolio is structured through five divisions – Oil & Gas Services, Automotive, Equipment, Packaging and Footwear - with 3,000 people across New Zealand, Australia, Middle East and North America. We have a variable investment horizon, and our portfolio will evolve as opportunities arise in target investment areas.

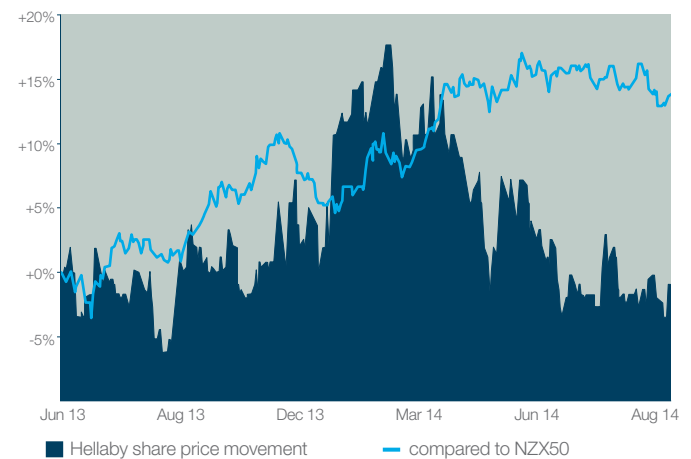
We actively manage our investments through a lean corporate office, and decentralise leadership and performance accountabilities to our companies.

We seek to generate total shareholder returns superior to the NZX50.

Key Financials

	FY 2014 \$M	FY 2013 \$M	FY 2012 \$M	FY 2011 \$M
Sales	733.5	542.7	493.9	465.0
Trading EBITDA	56.1	37.7	37.4	34.0
Trading EDIT	42.7	29.7	30.1	26.8
Net trading surplus	37.7	27.1	27.9	22.6
NPAT attributable to parent	(1.1)	18.2	19.3	15.3
Group NPAT (net profit after tax)	(0.1)	18.6	19.3	15.3
Earnings per share (cps)	(1.2)	22.9	25.9	22.6
Dividend per share (cps)	15.0	13.0	13.0	10.0
Gearing (net debt/net debt plus total equity)	23.3%	17.8%	6.3%	15.5%

Historical Share Price



Dividend Policy

Hellaby's dividend policy is to distribute around 50% of after tax profit (NPAT) attributable to shareholders of the parent company, subject to business performance, market conditions and capital requirements for growth. Imputation credits are attached only when they are available from taxation payments.

The company also operates a Dividend Reinvestment Plan whereby shareholders may elect to receive shares in lieu of cash dividends, with the strike price for such shares being set by the company at a discount to the prevailing market value. The current discount is 2.5%.

Research Coverage

Company	Research Analyst	Contact	Email
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Registry Information

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Share Information

NZX Code:	HBV
Share price at 30 June 2014:	\$2.90
Shares on issue:	95,084,252
Market capitalisation at 30 June 2014:	\$275,744,331
Dividend yield gross: ⁽¹⁾	7.18%
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

	FY 2014	FY 2013	FY 2012	FY 2011
EBITDA margin	7.6%	6.9%	7.5%	7.2%
Target	7%	7%	7%	7%
Earnings per share (cps) ⁽²⁾	(1.2)	22.9	25.9	22.6
ROFE ⁽³⁾	25.4%	22.9%	29.6%	25.3%
Target	20%	20%	20%	20%
ROIC ⁽³⁾	15.9%	14.0%	19.2%	16.6%
Target	13.5%	13.5%	13.5%	13.5%
Dividends per share (cps)	15	13	13	10
Total shareholder return ⁽⁴⁾	6.5%	4.4%	29.5%	86.9%
NZX50G	16.4%	30.6%	(1.4%)	16.0%
Gearing	23.3%	17.8%	6.3%	15.5%
Target	<45%	<45%	<45%	<45%

⁽³⁾ FY2014 includes \$26.940 million impairment of goodwill in Footwear division

⁽³⁾ FY2013 includes three months' EBIT contribution from Contract Resources against the full purchase price and transaction costs of the acquisition.

⁽⁴⁾ TSR FY2011 calculation includes adjustment for rights issue.

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 a 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 50% 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 <45% over the medium term is appropriate for our investment strategy and the sectors in which we invest.

Asset Snapshot

Oil & Gas Services Division

Contract Resources: Hellaby holds an 85% majority shareholding in Contract Resources. Contract Resources is a leading provider of catalyst handling and associated mechanical services and specialised industrial, environmental and pipeline services to oil, gas and petrochemical clients in Australia, Middle East, USA, New Zealand and South America. www.contractresources.com

	FY 2014	3 mths 2013
Sales	165.2	41.2
Contribution to group	22%	8%
Trading EBITDA	16.4	5.4
Contribution to group (excludes corporate)	26%	12%
Staff	667	641



Automotive Division

Hellaby's Automotive division comprises a group of market-leading wholesale distribution companies, which supply automotive and truck replacement parts and batteries to trade repairers and resellers through a network of over 85 branches across New Zealand. The Automotive division distributes tyres and wheel componentry to the agricultural and materials handling equipment sectors - and has a leading position in the Australasian diesel parts and battery markets.

	FY 2014	FY 2013	FY 2012	FY 2011
Sales	185.2	170.6	167.9	161.7
Contribution to group	25%	31%	34%	35%
Trading EBITDA	24.1	21.4	21.6	20.8
Contribution to group (excludes corporate)	39%	47%	50%	53%
Staff	602	565	566	541

BNT: A leading wholesale distributor of automotive and commercial truck replacement parts to trade repairers and resellers through 54 branches across New Zealand. 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; www.shockshop.co.nz

Federal Batteries: Federal Batteries is a leading wholesale distributor of automotive and industrial batteries, with 2 branches in Sydney and Brisbane. www.federalbatteries.com.au

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

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

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

Dasko: Dasko is an Auckland-based national wholesale distributor of auto electrical, fuel and engine management components. www.dasko.co.nz



Equipment Division

The Equipment division consists of three market-leading heavy equipment companies, specialising in materials handling, forestry and construction new and used equipment sales; heavy equipment and truck servicing; and forklift rentals through a network of 20 technical service centres across New Zealand.

	FY 2014	FY 2013	FY 2012	FY 2011
Sales	195.2	134.6	116.5	89.8
Contribution to group	27%	25%	23%	19%
Trading EBITDA	12.1	6.4	6.4	2.6
Contribution to group (excludes corporate)	19%	14%	15%	7%
Staff	419	331	309	277

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 18 technical service centres across New Zealand. Its brands include *Toyota, BT, Manitou, Sumitomo, Tigercat, Sakai, Vermeer, Doosan, Bobcat, Nilfisk, MacDonald Johnston and Hiab*.
www.abequipment.co.nz

Eurolift: Supplies *Linde* materials handling equipment.
www.eurolift.co.nz

New Zealand Trucks: New Zealand Trucks is a Christchurch-based truck servicing business, providing maintenance, repair and engineering services to the truck industry.
www.nztrucks.co.nz



Footwear Division

Hellaby is New Zealand's largest footwear retail group, with three retail chains operating 115 stores across New Zealand under the *Number One Shoes, Hannahs* and *Hush Puppies* brands. It also has a small retail presence in Australia.

	FY 2014	FY 2013	FY 2012	FY 2011
Sales	145.7	154.3	163.4	165.0
Contribution to group	20%	28%	33%	35%
Trading EBITDA	6.2	9.1	11.8	9.7
Contribution to group (excludes corporate)	10%	20%	27%	25%
Staff	1,092	1,187	1,191	1,175

Hannahs: New Zealand's largest specialty retail footwear chain with 51 stores under the *Hannahs* brand, and 10 stores under the *Hush Puppies* brand. The Hannahs group also has 3 *Pulp* stores in Australia, 1 Auckland *Pulp* store and online at: www.hannahs.co.nz; www.pulpshoes.com

Number One Shoes: New Zealand's largest specialist discount footwear retailer with 54 stores and online at: www.numberoneshoes.co.nz



Packaging Division

Eldex Packaging: Sources, manufactures and distributes flexible plastic packaging to the supermarket, retail, industrial, horticultural, dairy, meat, seafood and processed food sectors across New Zealand and Australia. Eldex has an extrusion, printing and conversion plant in Christchurch.
www.eldex.com

	FY 2014	FY 2013	FY 2012	FY 2011
Sales	44.8	44.7	48.6	50.8
Contribution to group	6%	8%	10%	11%
Trading EBITDA	3.6	3.2	3.6	5.7
Contribution to group (excludes corporate)	6%	7%	8%	15%
Staff	110	110	117	155



Governance

Board of Directors

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

Management

John Williamson: Chief Executive Officer & Managing Director
John Williamson was appointed Chief Executive Officer in July 2007. His career has included leadership roles with Australasian lingerie retailer / distributor Bendon, building materials group Fletcher Building and pipeline / roading materials supplier Humes Group.

Richard Jolly: Chief Financial Officer & Company Secretary
Richard Jolly commenced as Chief Financial Officer and Company Secretary at Hellaby Holdings in March 2006. Richard has previously held senior financial positions with Ernst & Young, Grocorp Pacific and Moana Pacific Fisheries. Richard is a qualified Chartered Accountant.

Neil MacCulloch: Chief Operating Officer
Neil MacCulloch commenced as Chief Operating Officer at Hellaby Holdings in June 2008. Neil is a former Chief Financial Officer of Metlifecare and Sanford, and has also held senior financial and leadership roles at Fletcher Building, Fletcher Energy and Fletcher Challenge. Neil is a qualified Chartered Accountant.

Greg Batkin: Chief Investment Officer
Greg Batkin commenced as Chief Investment Officer at Hellaby Holdings in August 2010. Greg was formerly Director, Investment Banking at Craigs Investment Partners and has previously held investment banking roles with ABN AMRO Craigs, ABN AMRO and Westpac.

Hamish Johnstone: Chief Human Resources Officer
Hamish Johnstone commenced as Chief Human Resources Officer in June 2012. Hamish was formerly a partner at executive search and leadership consulting firm Heidrick & Struggles. He has previously held senior HR leadership roles with DHL Supply Chain and Al-Futtaim Group in the Middle East, and worked with executive search and organisation development firm Sheffield Consulting Group.

Company History

Hellaby's name originates from the iconic 19th century New Zealand meat processing and butchers firm, R & W Hellaby – which was absorbed in the 1980s into a listed investment company Renouf Corporation. The Hellaby name was later resurrected after the demise of Renouf Corporation, and Hellaby was re-listed on the NZSX in 1994 following a restructuring.

Over the following decade, Hellaby acquired a diverse range of industrial, distribution and retail businesses. Earlier acquisitions were bought at a discount and allowed the company to build value and provide solid returns to shareholders. However, the strategy faltered in the mid-2000s.

A new management team was put in place in July 2007 and later a new board. Hellaby has subsequently streamlined its investment portfolio, reformed its balance sheet, reduced debt gearing to appropriate levels and developed tight financial and operational disciplines across its subsidiaries.

Having completed the performance turnaround, Hellaby is now able to commence the next stage of evolution, being long-term value creation.

“Buy, Build, Harvest”