



24 February 2021

Market Announcement

For immediate release

Wellington Drive Technologies earnings upgrade

Wellington Drives Technologies Limited (Wellington) is experiencing stronger than expected sales and forecast order inflow.

The Company's full-year 2021 revenue guidance was previously in a range of US\$37m to US\$42m, and EBITDA of NZ\$2.0m-2.5m, with a modest pre-tax loss. This guidance is now being raised to full-year revenue between US\$40m and US\$43m, EBITDA between NZ\$2.5m and NZ\$3.0m, and a modest net profit. It should be noted that the US\$/NZ\$ exchange rate is currently providing a modest head wind to earnings. Wellington has adequate financial resources, including existing bank facilities, on the current outlook.

While customer demand indications are strengthening it is unclear the extent to which this might represent:

- a catch-up from 2020 demand weakness;
- front-end loading of 2021 customer demand; or
- sustainable recovery in customer demand, including normal levels of factory operation and capital expenditure.

The increasing order flow and customer forecast increases does provide a higher degree of certainty around Wellington's first and second quarter operating forecast and, subject to previously disclosed COVID-related risks, suggests the Company should report a net profit for the first half of the year.

Wellington's 2020 Annual Report is expected to be released by 26 February.

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.

About Wellington Drive Technologies

Wellington is a leading provider of IoT solutions, cloud-based fleet management platforms, proximity marketing solutions, energy-efficient electronic motors and connected refrigeration control solutions. It serves

® is a registered Trade Mark of Wellington Drive Technologies

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some of the world's leading food and beverage brands and refrigerator manufacturers and offers proximity-based marketing solutions for global food and beverage brands as well as Smart City projects in the Australian market. Wellington's products and services improve sales, decrease costs and reduce energy consumption. Headquartered in Auckland with a global reach, Wellington is listed on the New Zealand stock exchange under the ticker symbol NZ:WDT

For further information visit www.wdtl.com

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