



May 11th 2017

Company Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**ROYAL WOLF HOLDINGS LIMITED: Third Quarter and Financial Year to Date 2017 Results**

Please find attached an announcement for release to the market.

Yours faithfully

Greg Baker  
Company Secretary

**About Royal Wolf**

Royal Wolf is the industry leader in the hire, sale and modification of new and refurbished shipping containers, with 21 years of experience and a network of 36 facilities including 33 dedicated Customer Service Centres across Australia and New Zealand.

Renowned for its focus on product innovation, Royal Wolf has taken the design and basic engineering of the traditional shipping container to new heights and today its products are used in a wide range of applications to help solve business challenges across many market sectors.

The company has a customer base of over 22,000, supplying customers each year with containers which are inexpensive, safe, secure, easily transportable and able to be modified with doors, internal walls, windows, electricity, water supply and more.

From portable storage options for consumers, sporting associations, community groups and schools, to accommodation units, mobile exhibitions, retail outlets, offices, kitchens, training facilities and innovative construction projects, experience shows 'You can do anything in a Royal Wolf'.

# MEDIA RELEASE

## Leasing Growth Continues

Royal Wolf presents a summary of the key underlying quarterly and YTD information provided to General Finance Corporation for inclusion in their third quarter release. The data below has been prepared in Australian Dollars and in accordance with International Financial Reporting Standards (IFRS).

### ***Key points on the results***

- YTD EBITDA of \$28.0 million (margin of 26.1%) compared to \$27.9 million (margin of 23.3%) last year.
- YTD total revenues were \$107.2 million, a decrease of \$12.8 million, or 10.7% over last year.
- YTD container leasing revenues of \$60.3 million, an increase of \$2.6 million, or 4.4% from last year.
- YTD container sales revenues of \$46.9 million, a decrease of \$15.4 million on the prior period, which included approximately \$11.0 million in low margin freight sector sales.
- Container lease revenue represents 55.8% of total revenue for the quarter and 56.2% YTD, compared to 48.1% YTD last year.
- Improving average utilisation for the quarter of 82.1% compared to 81.4% last year and YTD was 80.5% compared to 80.3% last year. Utilisation of 80.5% at 31 March 2017 compares to 78.7% at 31 March 2016.
- Increased units on lease to 34,467 at 31 March 2017 compared to 33,394 at 31 March 2016.
- Net debt reduced by \$5.5 million during the third quarter.

### Management Commentary

Neil Littlewood, Chief Executive Officer said “despite the challenging operating environment, and \$12.8 million decline in total revenue, Royal Wolf has delivered a flat YTD EBITDA performance through a 4.4% growth in leasing revenues and effective cost management.”

“Our strategy to deliver increased lease revenue through our Australasian network is delivering pleasing results. Our unique worksite stackable solutions as an alternative to the traditional modular building solution continue to secure increased market share with YTD lease revenue in the building and construction market sector growing 27.0% on last year.”

“YTD container sales revenue decreased to \$46.9 million from \$62.3 million. Last year included a number of freight sector sales transactions valued at approximately \$11.0 million which have not been replicated this year. We do not expect to deliver any large volume sales in the freight sector in the final quarter” Mr Littlewood said.

“The industry is experiencing tightening in the supply of used containers as the international shipping lines are retaining shipping containers to meet their demand. The decreased supply usually drives sales prices up and thereby makes leasing more appealing. We anticipate that Royal Wolf’s scale in terms of geographies and products has it well positioned to capitalise on the supply shortage and to increase our units on lease. Moreover, such market conditions have traditionally created market consolidation opportunities” he said.

Mr Littlewood said “NPAT is being impacted by higher depreciation due to Royal Wolf’s investment in portable buildings and the \$18.9 million in idle mining camp accommodation assets. We continue to find avenues to redeploy the idle camp accommodation assets and expect this trend to continue. In the last two years we have redeployed \$17.5 million in camp accommodation assets. Importantly, should the market conditions change, the remaining camp accommodation assets are readily deployable.”

“Despite the retraction in total revenue, and with our improvement in lease revenue and cost management we expect the FY17 EBITDA result to be roughly in line with last year. We anticipate our net debt will be in the range of \$100-\$103 million and NPAT will be in the range of \$6.0-\$6.5 million,” Mr Littlewood said.

*General Finance Corporation (NASDAQ: GFN) is the majority shareholder owning just over 50% of our issued shares. Therefore, these results are consolidated in General Finance Corporation results. General Finance Corporation intends to lodge its Form 10-Q with the U.S. Securities and Exchange Commission mid-May, and that form will be available for download at <http://www.generalfinance.com/investor.html> once lodged.*

*Shareholders should note that the results presented by General Finance Corporation are in U.S. Dollars and have been prepared in accordance with Generally Accepted Accounting Principles in the United States (US GAAP).*

For further information, please contact:

Neil Littlewood  
Chief Executive Officer  
+61 2 9482 3466

Greg Baker  
Chief Financial Officer  
+61 2 9482 3466

**Financial Information**

(\$ in thousands)

	Quarter ended March 31,			Nine Months ended March 31,		
	FY2017	FY2016	Growth %	FY2017	FY2016	Growth %
Container lease revenue	19,646	19,170	2.5%	60,285	57,733	4.4%
Container sales revenue	15,583	15,157	2.8%	46,895	62,277	-24.7%
Total revenue	35,230	34,327	2.6%	107,180	120,010	-10.7%
EBITDA	8,381	8,731	-4.0%	27,950	27,918	0.1%
EBITA	3,735	4,493	-16.9%	14,443	15,647	-7.7%
EBIT	2,751	3,769	-27.0%	11,669	13,393	-12.9%
NPAT	384	1,232	-68.8%	4,554	5,924	-23.1%
NPATA	887	1,689	-47.5%	5,999	7,351	-18.4%
EPS	0.4	1.2	-68.8%	4.5	5.9	-23.1%
Net Debt				106.4	106.5	-0.1%
Fleet capital expenditure	3.7	3.1	19.4%	13.5	12.5	8.0%

**Key Operating Metrics**

Lease fleet			42,842	42,450
Units on lease			34,467	33,394
Utilisation %			80.5%	78.7%
Average units on lease	35,293	34,567	33,970	33,745
Average utilisation %	82.1%	81.4%	80.5%	80.3%
Container lease % of total revenue	55.8%	55.8%	56.2%	48.1%
Container sales % of total revenue	44.2%	44.2%	43.8%	51.9%