



ARMIDALE INVESTMENT CORPORATION LIMITED

Broker Presentations September 2015



2015 HIGHLIGHTS

- Net profit up 111% to \$7.8 million
- Interest Income \$1.6 million; up 45%
- Unrealised gain on investments \$6.7 million (2014 \$1.4 million)
- EPS 2.73 cents per share; up from 1.71 cps
- Net Assets \$56.8 million
- Cash reserves \$10.8 million
- New capital raised \$12.6 million



INVESTMENTS

- 98% of Hal Data Services (HAL); equipment leasing & IT services
 - Carrying value \$39.9 million; up 41%
 - Represents 70% of AIK net assets
- 33% of Riverwise Pty Ltd, sole shareholder Leading Edge Group
 - Retail buying group supporting 900+ independent retailers across many segments
 - Sales channel manager for Telstra, Spark NZ and British Telecom
 - Represents 11% of AIK net assets



STRATEGY

- Continue to drive the growth of the HAL leasing business & IT services
- Finalise the partial acquisition of an asset finance company
- Support growth opportunities within Riverwise



HAL HIGHLIGHTS

- FY 2015 EBITDA \$7.8 million
- Net cash provided by operating activities \$4.8million
- Value of new lease originations up 110%
- End of year receivables up 147%
- Low levels of arrears and delinquency
- Expanding channels to market
- Well diversified asset and industry exposure
- Diversified funding sources
- Expansion of IT trading services



PORTFOLIO SNAPSHOT

LEASE PORTFOLIO			
	FY 2014	FY 2015	CHANGE
Originations at Original Equipment Cost (OEC) \$m	12.0	25.2	110%
Portfolio Value at OEC \$m	51.0	56.5	11%
Closing Receivables \$m	16.0	39.5	147%

LEASE ORIGINATION

LEASE ORIGINATIONS & VOLUME				
	FY 2012	FY 2013	FY 2014	FY 2015
Originations at OEC (\$m)	1.7	7.3	12.0	25.2
Contracts Originated	70	357	1,035	1,002
Average Contract Size (\$)	24.3	20.4	11.6	25.1



ASSET & INDUSTRY MIX

EQUIPMENT CATEGORY	
	% Total Equipment Financed
Fixtures & Fittings	17%
Industrial Plant & Equipment	13%
Commercial Vehicles	12%
IT	12%
Telephony	9%
Audio Visual	8%
Software	8%
Other	21%

INDUSTRY GROUP	
	% Total Equipment Financed
Business Services	15%
Road Freight & Transport	13%
Retail	11%
Recreation	10%
Medical & Dental	9%
Cafes & Restaurants	6%
Building & Construction	6%
Other	30%



SALES CHANNELS

- Growing channels to market via third party introducers and direct and vendor sources:
- 40 accredited brokers.
- Internal sales team increased from 3 to 6 personnel.
- Equipment vendors using Hal for financing.



FUNDING MIX

- Varied and diversified sources of funding.
- During the year, \$18m of the new assets originated were financed by third parties with the balance funded by AIK and Hal working capital
- Currently working on two new funding arrangements



RIVERWISE

- Lower valuation due to structural change in the Telco sector
- Restructured senior management team permitting AIK MD and CFO to return full time to Hal after stabilising this business
- Foundations set for new business development
- New buying groups are being explored with the commencement of a mobile phone repair group in September 2015