



15 December 2021

## Market Announcement

For immediate release

### Wellington trading and guidance update

#### FY2021 update

Wellington Drive Technologies Limited (Wellington) advises that revenue for FY2021 is expected to be approximately US\$47m and EBITDA before unusual one-off items is expected to be approximately NZ\$3.9m. Both revenue and EBITDA are within the Company's previously announced guidance range and remain subject to supply chain and component/parts availability risks. One-off costs will be incurred including remaining repayment of the 2020 staff salary sacrifice and the final earnout on the iProximity acquisition.

The FY2021 revenue, noted above, will be a record result for Wellington even though it has been significantly constrained by component shortages and factory production capacity constraints; earnings have been affected by escalating costs for components and freight. While these factors are expected to continue into FY2022, Wellington is redesigning several key products to allow component substitution and our manufacturer is adding capacity to its factory in Vietnam. These factors should progressively assist Wellington over FY2022 to meet strong customer demand.

Wellington expects to close the year with net cash around NZ\$5m.

#### FY2022 outlook

After doubling revenue in FY2021, revenue is expected to continue growing strongly in FY2022, with the Company forecasting growth of approximately 25% to around US\$60m. The additional gross profit from this growth is being reinvested back into expansion of engineering and sales staff and infrastructure as Wellington broadens its product and geographic spread. This step change in organisational capability is required to support the strong customer demand the Company is seeing for its ECR motors, and particularly its IoT (Internet of Things) solutions where adoption is still at an early stage and there is significant opportunity.

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In 2019, Wellington presented its Vision 2023 objective of NZ\$100m of revenue by FY2023. Assuming that the supply chain issues are resolved during FY2022 and the strong customer demand for our current product range continues, the team still views this target as achievable.

### **CEO comment**

Wellington's CEO, Greg Balla commented "We are pleased with our FY2021 performance, especially with the degree to which customer demand has returned and our IoT products are continuing to gain momentum. I would like to give special thanks to our team who have continued to perform at a high level, supporting customers, despite ongoing pressures from COVID. Our FY2022 revenue outlook is strong and we are taking action to mitigate, where possible, the impact of component shortages and supply chain challenges. Wellington needs to further invest in engineering and sales capability, to ensure we provide a scalable IoT platform to allow for at least 10 million connected coolers world-wide in our next phase of growth.

We now have over 1.5 million devices connected to the Wellington IoT cloud and customers are beginning to leverage the data and insights to drive significant operational performance improvements. The increased customer return-on-investment (ROI) is accelerating the demand for connected devices. Wellington's new products, Connect™ Monitor and Connect™ Network, are expanding the regions and markets we can access, and we are very positive about our business outlook.

### **About Wellington Drive Technologies**

Wellington is a leading provider of IoT solutions, cloud-based fleet management platforms, energy-efficient electronic motors and connected refrigeration control solutions. It serves some of the world's leading food and beverage brands and refrigerator manufacturers and offers proximity-based marketing for Smart Cities to the Australian market. Wellington's services and products 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](http://www.wdtl.com)

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