

**Hellaby Holdings Limited**  
**NZX / Media Release 29 June 2016**

## HELLABY ANNOUNCES \$81M SALE OF EQUIPMENT GROUP

### **Sale of Equipment Group for \$81 million; capital gain on book value of around \$30 million**

Hellaby Holdings (NZX:HBV) has today announced a conditional agreement to sell its Equipment Group to private equity fund, Maui Capital Aqua Fund, for \$81 million. The sale is expected to realise a capital gain on book value of around \$30 million, after costs and working capital adjustments.

Proceeds from the sale of the Equipment Group will be earmarked for further investment into Hellaby's core Automotive and Resource Services Groups, after initially being used to reduce debt.

Managing Director and CEO of Hellaby Holdings, Alan Clarke, said: "The Equipment Group is New Zealand's leading heavy equipment sales, servicing and forklift rental business. It has a long record of delivering value and it represents a number of high profile brands.

"The Board has been working through a comprehensive strategic analysis of Hellaby's business model since late last year. Midway through this, an unsolicited approach was received from Maui Capital, and after careful consideration the Board has determined that the terms of the offer would crystallise considerable value for Hellaby's shareholders.

"In addition, we were satisfied that our staff, clients and suppliers would be in safe and capable hands going forward, with an owner who has significant expertise and is committed to taking the Equipment Group to the next stage."

Settlement is expected to take place over the next few months once all transaction conditions, including the purchaser obtaining appropriate funding, have been met.

### **Looking Ahead: Clear Strategic Focus on Automotive and Resource Services**

With the sale of the Equipment Group, Hellaby has identified Automotive and Resource Services as its core business Groups. Both sectors offer considerable development, scale and investment potential and will be Hellaby's primary focus for acquisition and organic growth.

As previously advised, Footwear is considered non-core and will be divested at an appropriate time.

The opportunity in the trans-Tasman automotive trade services sector is estimated at over \$3 billion pa<sup>1</sup>. Hellaby is a significant player and a market leader in New Zealand, with a growing presence in the Australasian auto-electrical market. Ongoing investment will be made into organic expansion, complimented by bolt-on acquisitions to strengthen this Group's existing presence in each segment.

The global opportunity for Resource Services in the oil and gas market alone is estimated at over \$200 billion pa<sup>1</sup>. Hellaby's Contract Resources business will be the cornerstone of this Group, with other acquisitions, such as the \$45m acquisition of TBS Group announced earlier this month, expanding the offer.

Alan Clarke concluded: "We are now transitioning to a long term committed business owner with a focus on the Automotive and Resource Services sectors, where we have identified attractive organic and acquisition growth prospects in large scalable markets.

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<sup>1</sup> Market estimates based on Hellaby Holdings management analysis and assumptions

“We believe that together, these two Groups have the potential to deliver over \$1 billion in revenue with attractive profits in five years’ time and Hellaby is well positioned to realise this ambition.

“We are well resourced to fund future growth opportunities, as well as continue to pay steady and growing annual dividends that will enhance medium-to-long term shareholder value.”

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#### **Hellaby at a glance**

Hellaby Holdings (NZX:HBV) is a long term committed business owner in the Automotive and Resource Services sectors where we focus on providing innovative essential solutions and services to our clients.

Our goal is to be viewed as an attractive listed company, that is well understood and that operates in specialist markets where we can add value through focused long term ownership of these two business Groups.

Hellaby's core purpose is to generate long-term shareholder value by long term ownership and growth in these two markets. We will achieve this through a combination of performance improvement and organic growth in our core business Groups as well as through smart focused acquisitions.

Our key asset is our people. We have over 3,000 staff across New Zealand, Australia, Middle East and North America employed and engaged in our two core Groups.

We operate a decentralised business model, with Hellaby's Board and executives providing strategic oversight and support for each Group's talented and experienced business and technical teams.

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