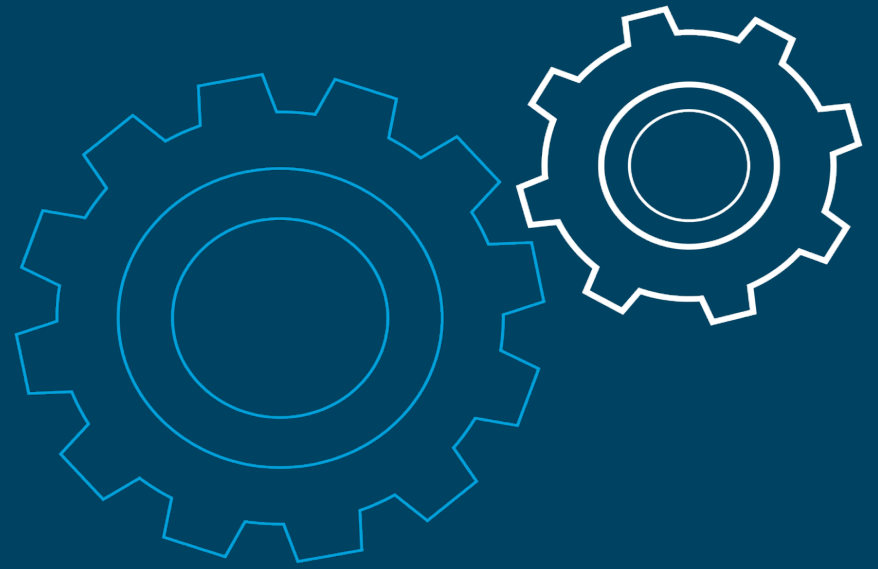


# HELLABY HOLDINGS

## NZ Shareholders Association



Alan Clarke, Managing Director  
Dunedin July 2016

## The Hellaby Evolution

### 1980 to 2016 ...

1980s: Meat Company that became Renouf Corp

1990s: An investment company that acquired an astonishing number of unrelated businesses

2000s: Painted as a listed investment holding company with diverse industrial and trading interests

2010s: Listed “private equity” firm with a narrower focus after selling several businesses

Hellaby has called itself a listed “PE firm” ... Which is an oxymoron

It had a tagline of ‘Buy Build Harvest’ ... But with no specifics

It has owned the most extraordinary eclectic portfolio of businesses

## Over the last thirty years Hellaby acquired and divested over 200 businesses

### A sample of the companies bought and sold these are just from Renouf Corporation days ...

#### Head office and investment

Renouf Corporation Limited  
 Aria Holdings Limited  
 Barclays New Zealand Limited (5%)  
 Impala Pacific Corporation  
 Energy and Environmental Research Corporation (49%)  
 Mid American Communications (41%)  
 KDI Corporation (42%)  
 Goode Durrant & Murray (50%)  
 Euro-National Corporation (26%)  
 Scilla Holdings (31%)  
 Renouf Corporation Australia

#### Benequity Holdings LLC

Callisto Investments Limited  
**Renouf Corporation International**  
 Renouf Holdings Limited  
 Renouf Industries Limited  
 Renouf Issues and Securities Limited  
 Byron Investments Limited  
 Picket Investments Limited  
 Renouf Hong Kong Limited  
 Sallton Investments Limited

#### Banking

Renouf Capital Markets Limited  
 Renouf Discount Company Limited  
 Renouf Finance Limited  
 Renouf Futures Limited  
 Renouf Securities Limited  
 Renouf Venture Capital Limited

#### Property

Renouf Properties Limited  
 Arem Holdings Limited  
 Renouf Leasing Limited  
 Renouf Parking Centre Limited  
 Renouf Property Developments Limited  
 Renouf Property Holdings Limited

#### Industrial

R & W Hellaby Limited  
 Equity Shares Limited  
 Food Industry Services Limited  
 Hellaby Nominees Limited  
 Motor Time Limited  
 New Zealand Resources Limited  
 NZ Toys Limited

#### Alliance Textiles

Alliance Textiles (NZ) Limited  
 Alliance Fabrics Limited  
 Alliance Woolen Textiles (NZ) Limited  
 Alltex Properties Limited  
 Amvic Fabrics Limited  
 Bruce Woollen Manufacturing Co Limited  
 Classic Textiles Prints Limited  
 Euro NZ Scours Limited (25%)  
 International Carpet Company Limited (50%)  
 Jacquard Mills Limited  
 John McIndoe Limited  
 Kaiapoi Textiles Limited  
 Lanes Fabrics 1975 Limited  
 Levin Dye-works Limited  
 Levana Textiles Limited  
 Oxford Clothes Limited  
 Royal Oak Woollen Mills Limited  
 Shepherd Wools (1980) Limited  
 Swannndri Limited  
 Walter Taylor & Co Limited  
 Waitotara Furs Limited

#### Industrial

Abacus Consolidated Limited  
 Bert Teubel Limited  
 Lane Latimer Group Limited  
 Oakleys Limited  
 RMS Group Limited  
 RMS Holdings Limited  
 RMS Shopfitters Limited  
 Ryland Heating Systems Limited  
 Steel Group Buildings Limited  
 Taylors Limited

#### Meat

Bombay Petfoods Limited  
 Hellaby Meats (South Island) Limited  
 Hellaby Meats (Wellington) Limited  
 Malvern Abattoir Limited  
 MVM Butcheries Limited  
 MVM Butcheries (Dunedin) Limited  
 Peach Franklin Limited  
 Peach & Vienna Foods Limited  
 Vienna Foods Limited

#### Associates

Donaghys Industries Limited (34%)  
 Dominion Oil Limited (50%)  
 G L John Limited (50%)  
**Diesel Progress Limited (50%)**

#### Repco

Repco Corporation Limited  
 Andrews & Beaven Investments Limited  
 Andrews & Beaven Limited  
 Andrews and Beaven Engineering Limited  
**Andrews and Beaven Industrial Equipment Limited (AB Equipment Limited)**  
 Andrews and Beaven Industrial Equipment (Merchants) Limited  
 Automotive Parts Processing Company Limited  
 Better Brakes (NZ) Limited  
**Brake & Transmission NZ Limited**  
 Clutch & Brake Components Limited (formerly Trevor Allan Limited)  
 Do-It-Yourself Supermarkets Limited  
 Don Agencies Limited  
 Don Brake & Clutch Limited  
 Engine Rebuilders Limited  
 Forklift Rental Systems Limited  
 MSI Automotive Rebuilders Limited  
 Parkon Marketing Limited (formerly British Office Supplies Limited)  
 Paykel Engineering Limited  
 Paykel Merchants Limited  
 Power Equipment Limited  
 Power Equipment (Merchants) Limited  
 R Buchanan & Sons Limited  
 Repco Auto Parts Limited  
 Repco Brake & Clutch NZ Limited  
 Repco Controls Limited  
 Repco Engineering (NZ) Limited  
 Repco Equipment Limited  
 Repco Manufacturing Co NZ Limited  
 Repco Merchants Limited  
 Swedish Motors Limited

\*Currently owned by Hellaby

## Hellaby Historical Performance and Share Price History

NZ\$ million	2009	2010	2011	2012	2013	2014	2015
Revenue CAGR 7%	479	454	465	493	542 → Revenue CAGR 20%	733	779 →
Underlying NPAT CAGR 19%	0.7	10.3	15.3	19.3	18.6 → NPAT CAGR 24%	26.8	28.4 →



## So, where to for Hellaby Holdings?



From 'listed private equity' investor



To a committed long term owner and builder of clearly defined core businesses

## Our Evolution ... To Long Term Owner and builder of clearly defined core business

### WE ARE FOCUSED ON DELIVERING:

Consistent performance improvement

Attractive long term organic and acquisition growth prospects in large scalable markets

Capital efficiency

Above market medium-to-long term shareholder returns

Superior governance and management

	CORE SECTORS		NON-CORE
▶	INVEST AND GROW		HOLD
⚙️	AUTOMOTIVE	RESOURCE SERVICES	FOOTWEAR
🧩	Mechanical sector Tyre and Wheel sector Auto Electrical sector	Contract Resources Group TBS Group	Hannahs Number One Shoes
\$	New Zealand and Australian market estimated at over NZ\$3 billion pa <sup>1</sup>	Global market estimated at over \$200 billion pa <sup>1</sup>	New Zealand market estimated at \$500 million <sup>1</sup>
📈	<b>Growth Opportunities:</b> Fold in acquisitions to strengthen segments Organic expansion in New Zealand and Australia Focus on Australian auto-electrical market	<b>Growth Opportunities:</b> More stable earnings opportunities Organic geographic expansion in Middle East, Australia and the Americas Acquisition, technology and geography growth	To be restructured and divested at an appropriate time

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

In the last nine months, there has been significant change...

- Dec 2015
  - Six month strategic review commenced
- May 2016
  - Announced new strategic positioning
  - Acquired Premier Auto Trade for \$A13m growing the Australian Auto-Electric strategy
  - Hellaby head office restructured and downsized by over 20%
- July 2016
  - TBS Group acquired for NZ\$51 million and added to Resource Services Group, reducing earnings volatility
  - New CEO appointed to Resource Services Group
- Aug 2016 (provisional)
  - Settlement of the Hellaby Equipment Group which was sold for NZ\$81 million in July

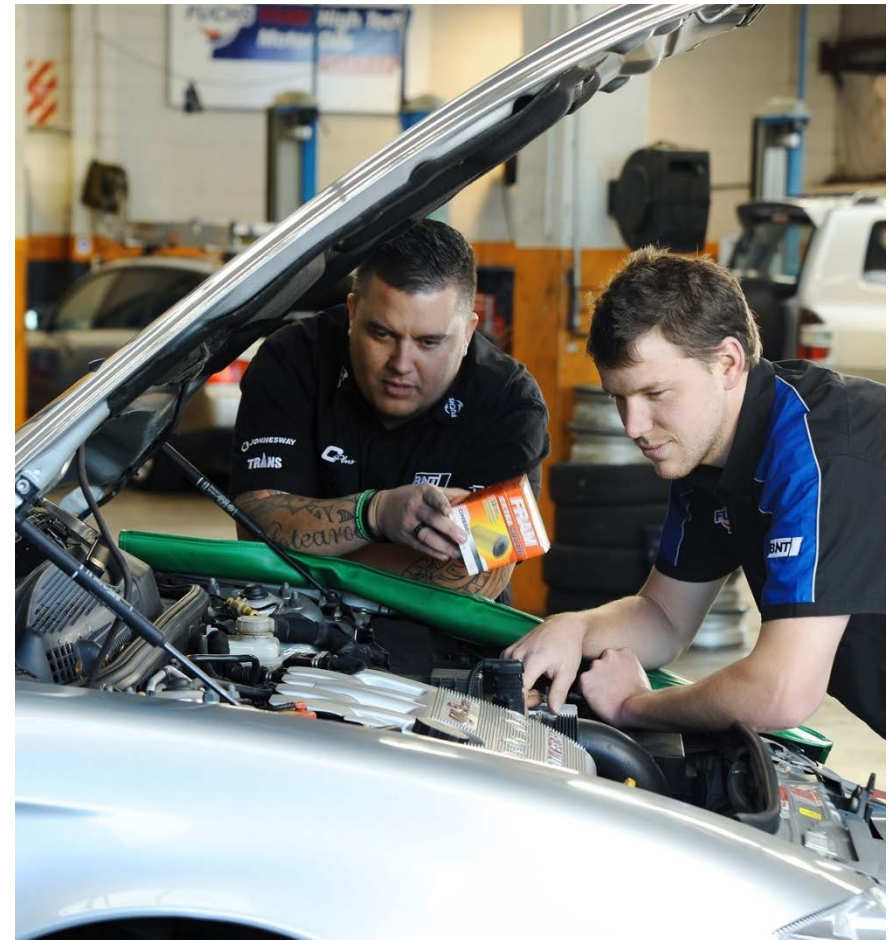




## This year will see further change as we transition to our new strategy...

### First half FY17 ...

- Footwear will be restructured with external retail consultants appointed
- Resource Services strategy will be refined and refocused onto a wider base to reduce volatility
- Automotive management will be strengthened and the strategy will be refined and refocused to extend auto electric opportunities
- The new Hellaby Group strategy will be taken on a road show around New Zealand to all provincial and main centres
- Several investment and growth opportunities in the two core businesses will be developed







## Automotive

**NZ and Australian Market Estimated At Over \$3 Billion Per Annum\***

Scalable and predictable financial performance

Numerous fold in acquisition opportunities and organic expansion opportunities in both New Zealand and Australia

BNT dominant market share in New Zealand with Auto Electrical Growth into Australia

\*Hellaby management estimates as at May 2016



## Resource Services

**Global Market Estimated At Over  
\$200 Billion Per Annum\***

Specialist technical services to oil and gas, mineral, power generators and bulk storage operators world wide

Significant organic geographic expansion in Middle East, Australia, the Americas

Significant acquisition opportunities available

Near term challenging market conditions and soft financial performance

Ivor Ferguson recently appointed as Group CEO to drive change process

\*Hellaby management estimates as at May 2016

## Looking Forward

- FY17 will cement our transition to our new strategy and positioning
- Committed long term business builder and owner with a clear and attractive strategy that is accepted and understood
- Attractive long term organic and acquisition growth prospects in large scalable markets worth billions of dollars
- Strong capital management and low gearing providing funding capacity for future growth
- Strong sustainable and predictable financial performance
- Positioned as an exciting investment opportunity generating superior long term shareholder value and returns



AUTOMOTIVE

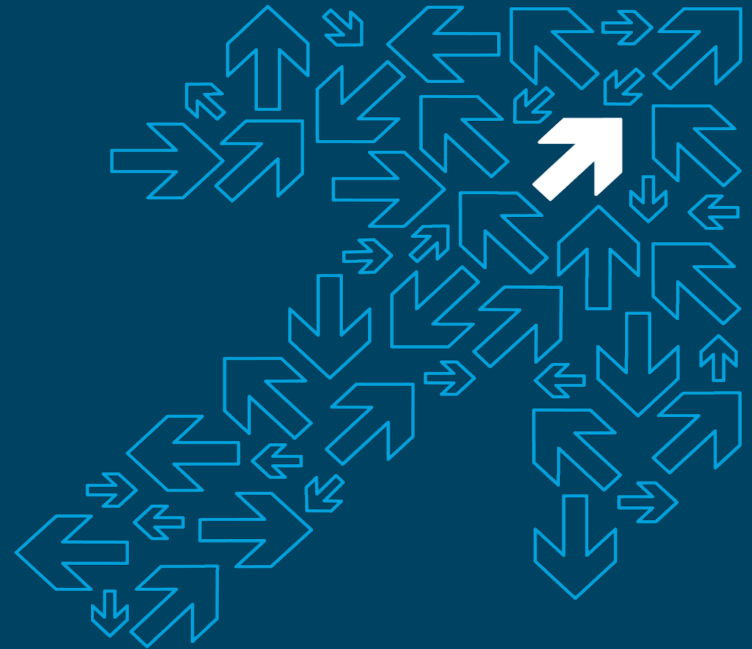


RESOURCE  
SERVICES

# NEW ZEALAND SHAREHOLDERS ASSOCIATION

**Retail Shareholders:**

**An vital part of the investment market ...**



## The Growing Importance of Retail Shareholders

### Longer term holders

On average, retail shareholders hang on to a share for five years, much longer than the two year holding period of institutional and foreign investors

### Greater Loyalty

Retail investors are often engaged and more active and vote and have a better understanding of the company

### Drive Liquidity

At the small-to-mid-cap end of the market, retail investors often comprise the lion's share of the liquidity and share register of quoted companies

### Add Stability

Institutions often buy or sell en masse, so retail investors add stability when news hits, whether positive or negative.

### Opportunity to be more involved

Through the NZSA, better and more targeted communications for retail shareholders, attendance at Annual Meetings, rise in level of shareholder activism that aims for longer term value creation



# Case Study: Abano Healthcare Group

## Retail Investors Key to Combatting Self Interest Shareholder Activity

### August 2013 and June 2014:

Abano faced a hostile communications campaign from two large shareholders who controlled close to 20% of Abano's shares

First they made an unsolicited approach to acquire the Company on terms that were rejected by the board as not being in the interests of all shareholders

When this failed, they set about to oust the chairman at a special meeting of shareholders.



Abano Chair, Trevor Janes

# Case Study: Abano Healthcare Group

## Retail Investors Key to Combatting Self Interest Shareholder Activity

**The NZSA played an essential role in independently assessing the arguments of both parties and making recommendations to retail shareholders.**

- Met with both parties to discuss arguments for and against the resolution
- Encouraged the hostile party to take up Abano's offer to engage in a measured and non-confrontational manner
- Provided NZSA members with an independent opinion of the arguments and opinion that shares should be voted against the resolution to remove the chairman
- Encouraged shareholders to vote at the meeting
- Provided an independent voice in the media

In conjunction with this, Abano conducted an outreach programme to the top 100 retail shareholders; provided regular NZX updates; distributed personalised shareholder letters; commissioned an independent valuation report from Grant Samuels; and delivered detailed and comprehensive presentations at shareholder meetings.



# Case Study: Abano Healthcare Group

## Retail Investors Key to Combatting Self Interest Shareholder Activity

### The outcome was a resounding success for all of Abano's shareholders

Over 82% of Abano's shares were voted at the special meeting, with more than triple the numbers of shareholders voting than at any previous meeting in the last fifteen years.

An overwhelming majority of votes, being 76.64% of votes, were against the resolution put forward by Mr Hutson and Mr Reeves to remove Trevor Janes as a Director of Abano.

Mr Hutson and Mr Reeves received the support of less than one percent of Abano's other shareholders for their resolution.

Abano was winner of the INFINZ Emerging Leaders Corporate Communications Award in 2013 and 2015 and was a finalist in 2014 and 2016

P.S Hellaby Holdings won this in 2016!



Current Abano CEO Richard Keys and sponsor, NZX CEO Tim Bennett

# Our Retail Shareholders Are Important To Us

Our aim is to provide:

- A clear investment story that shareholders can understand – what we are about, what we want to achieve, how we are going to get there
- Measurable objectives linked to long term shareholder value creation
- Growing shareholder returns through a clear focus on two targeted business Groups
- Useful and relevant communications programme – shareholder reports, bi-annual newsletter, NZX updates, comprehensive website
- Shareholder events – annual meeting and investor days
- Access to management – always happy to talk to our shareholders
- Delighted to be invited to talk at any NZSA event anywhere in New Zealand

## Corporate Structure

### Board

Steve Smith, Independent Chair  
 Alan Clarke, Managing Director  
 Paul Byrnes, Independent Director  
 Mark Cowsill, Independent Director  
 Gary Mollard, Independent Director  
 James Sclater, Non-executive Director

### Management

Alan Clarke, CEO  
 Richard Jolly, CFO  
 Karen Urwin, Head of Business Development  
 Colin Daly, CEO Automotive  
 Andy Wells, CEO Contract Resources

### Corporate Structure as at 27 May 2016

NZX Code: HBY  
 Current Market Cap (000's): 246,529  
 Shares on Issue: 95,925,595  
 Latest Share Price: \$2.71 (20 July 2016)

### Share Registry

Major Shareholders Castle Investments Ltd 27.7% Accident Compensation Corp 9.2% Craigs Investment Partners (Private Wealth) 5.2%	42.3%
Institutional Shareholders and Funds	18.6%
Retail Shareholders	51.3%

# Hellaby Holdings Limited

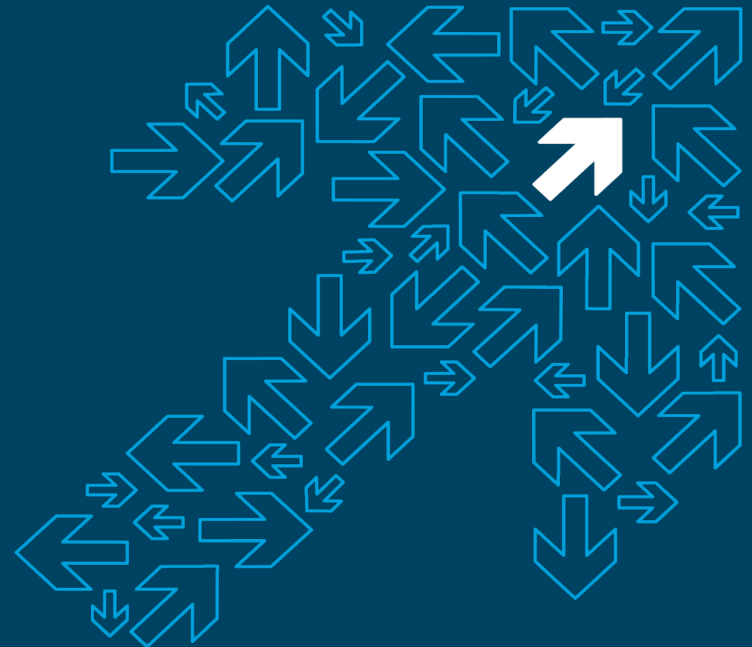
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