

1st May 2017

For Immediate Release

Wellington Drive delivers 30% revenue growth in first quarter

At the Annual Shareholders Meeting held on Friday 21st April, shareholders were told that revenue for the 3 months ended 31 March 2017 (Q1) was 30% up on the corresponding period in 2016 and that Wellington had recorded an unaudited adjusted EBITDA profit of \$600,000. Further items of note in the quarter include:

Q1 2017 Summary:

- Strong revenue growth with revenue increasing by 30% to NZD\$12.7m.
- USA & Canada up 160%, Latin America up 66% and APAC up 29%. EMEA revenue was lower than Q1 2016 reflecting the difficult macro-economic environment in the region.
- Continued growth in EC motor business with volumes increasing 11% compared to Q1 2016.
- The ECR2 motor and SCS Connect controller had a strong Q1 with the quarterly sales volume for each exceeding that achieved in all of 2016.
- Exclusive partnership announced with iProximity, an innovative proximity marketing solutions and consumer Intelligence Company.
- Manufacturing partners started to indicate a higher than normal degree of component shortages, believed to be driven by worldwide automotive and smart phone demand on silicon. So far the company has been able to mitigate any impact on customers and is working to increase forecast and purchase order lead-times to assure supply.
- Continued supply chain cost reduction improving gross margin to 24% (22.1% in Q1 2016).
- EBIT¹ profit for Q1 of \$199k, a \$580,000 improvement on the same period in 2016

	NZD 000's	
	Q1 2017	Q1 2016
EBIT ¹	199	(381)
Depreciation, amortisation and impairment ²	377	401
EBITDA ²	576	20
Currency revaluation of MCPS ²	(24)	(72)
Adjusted EBITDA ²	\$600	\$92

Greg Allen, Wellington's CEO commented "We were very pleased to continue our revenue growth and margin expansion performance, resulting in a much improved first quarter profit. The highlight for us was the strategic partnership we formed with iProximity. This partnership will allow us to expand our digital services offering and provide iProximity's advanced consumer engagement and digital marketing solutions through our SCS Connect iBeacon platform. In our hardware business we are mindful of the challenges that seem to be appearing with selected high demand electronic components, but for now have been able to mitigate impact on customer delivery and revenue"



About Wellington Drive Technologies

Wellington Drive Technologies is a leading global provider of energy efficient electronic motors, airflows solutions and 'Cloud Connected' refrigeration control solutions for the commercial refrigeration markets. It serves some of the world's leading food and beverage brands and refrigerator manufacturers with advanced products and solutions that reduce their costs improve product sales and reduce energy consumption. Wellington is headquartered in Auckland, New Zealand, and is listed on the New Zealand stock exchange under the ticker symbol NZ:WDT

Note 1 - EBIT is Earnings before Interest and Taxation

Note 2 - EBITDA is Earnings before Interest, Taxation, Depreciation, Amortisation and Impairment. Wellington has always reported the EBITDA result because this is the profit performance measure that avoids the distortions caused by differences in amortisation and impairment policies. The adjusted EBITDA result removes the effects of the revaluation of MCPS for NZD/USD exchange rate movements which is "non cash" and does not arise from the company's trading activities.

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