



23 December 2019

## Market Announcement

### FY2019 trading update and FY2020 Guidance

Wellington Drive Technologies ("Wellington") confirms previously announced 2019 guidance. FY2019 revenue is expected to be around NZ\$61m (FY2018 NZ\$58.8m) subject to the usual revenue recognition timing risks around shipping orders in late December. FY2019 EBITDA is expected to be within the previous guidance range of NZ\$3.5 to NZ\$4.0m, again subject to late month order volatility. This guidance excludes any fair value adjustment gain on the iProximity deferred consideration (estimated to be around \$0.4m) and is subject to any audit adjustments.

Wellington has reviewed its preliminary forecasts for 2020 and advises that early indications suggest potential for revenue growth of around 15% and EBITDA around \$4.5m. While the Company has some visibility of first quarter orders, this guidance is subject to potentially significant volatility (both upside and downside).

2020 forecasts are dependent on the final result for FY2019, several new product and new customer introductions planned during 2020, a NZD/USD exchange rate of 0.65c and broader global trade and macroeconomic conditions. For the new product launches specifically, there are risks around ensuring completion of product development on schedule, dependencies on spend decisions that the board may make around outsourcing of IoT product development to accelerate revenue, and the timing of customer onboarding and product adoption meeting Wellington's expectations.

Wellington CEO, Greg Allen commented "We are pleased that we can confirm our recently upgraded guidance for 2019, a year of customer demand volatility and declining legacy EC motor volumes. Early visibility of 2020 suggests the company can continue its track record of revenue growth and margin expansion with the targeted launch of a new ECR Motor, a new Connect SCS product and the onboarding of a major new IoT customer relationship. Our 2020 plans include continued and significant investment in supporting new IoT customers; adding new skills to strengthen IoT product development, increasing sales and marketing capability in North America and Europe and strengthening customer technical support. Wellington's board and management would like to wish its shareholders, customers, suppliers, staff members and families the best for the holidays and a safe and successful New Year."

#### 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

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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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