

Pohutukawa

A close-up photograph of a Pohutukawa flower, which is a vibrant red, brush-like flower with many small, pointed petals. The flower is set against a blurred background of green foliage.

Pohutukawa Private Equity I & II Manager Presentation

13 August 2014

EZIBUY

innovations in the pipeline
energyWORKS
LIMITED



Max[®]



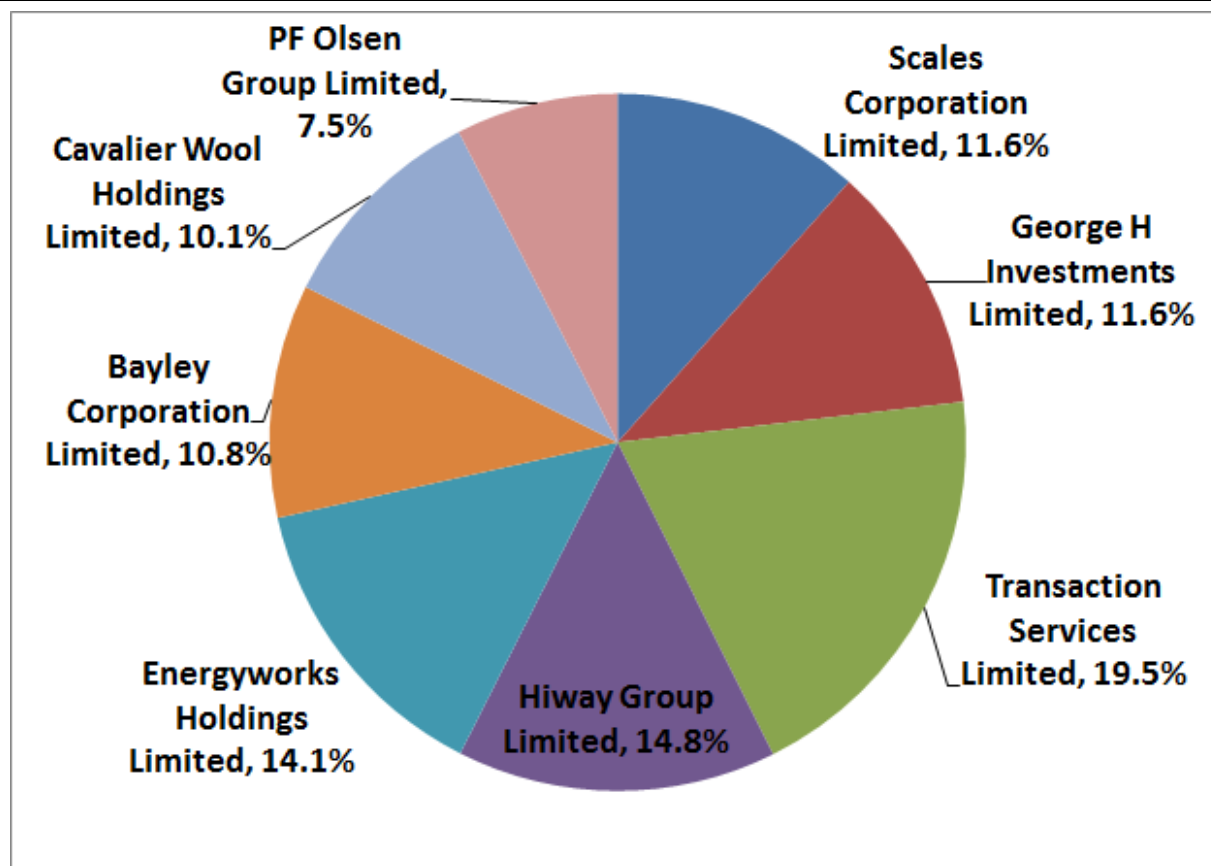
Pohutukawa II Overview

- Seven investments



- Shareholder calls total 57 cents
- Six distributions totalling 32.3 cents paid to date (including 15.7c last week)
- Net Tangible Assets at 30 June 2014 was 60 cents (before distribution)
- Two distributions in 2014 already and anticipate further dividends from Portfolio Companies.

Pohutukawa II Portfolio Composition



Pohutukawa II - Energyworks



- Latest investment – January 2014 ~ 6c.
- Infrastructure services provider to blue chip clients in the oil and gas, power generation, petro chemical, dairy and food industries.
- Leading provider of onsite mechanical services to onshore gas processing facilities and agri-product businesses.
- Based in Taranaki, since 1972.
- Pohutukawa II has acquired a 16.7% shareholding as part of Direct Capital's 70% overall shareholding. The remaining 30% has been retained by senior management.



Pohutukawa II - Energyworks

- Energyworks is more involved in the production and processing end of the oil and gas industry than the exploration end.
- For example, it services major plant installations like Methanex (pictured) and Ballance.
- Pipe assembly and installation (cross-country) is also a significant activity.



Hiway Group



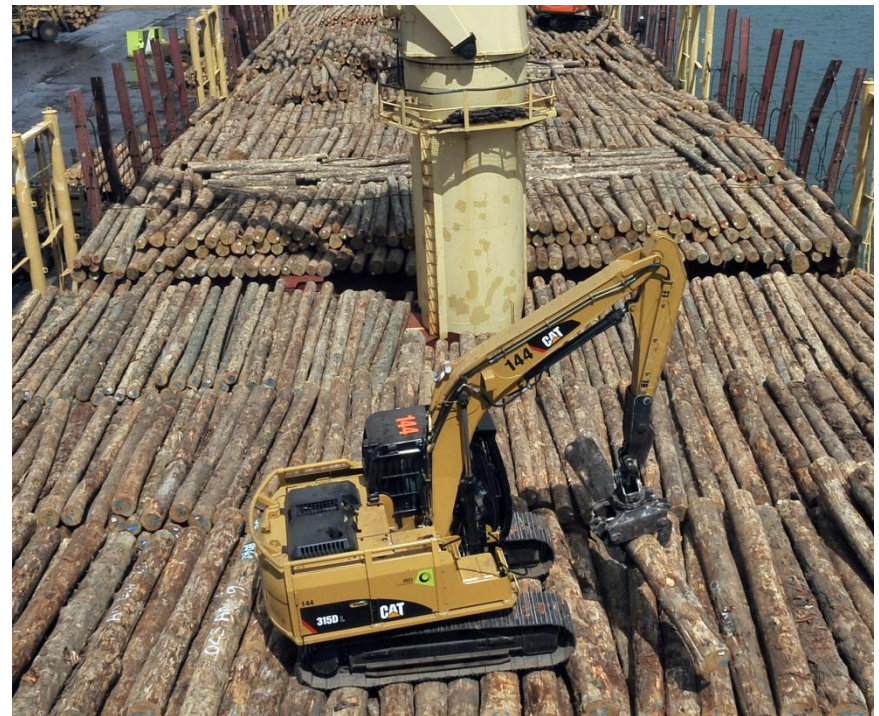
- Hiway is a specialist roading and infrastructure contractor in NZ and Australia.
- Pohutukawa II has invested a total of \$4.9m for a 14% shareholding. Combined with Direct Capital, the total shareholding is 60%.
- Expansion into Australia continues. Strategic Director appointments completed, increasing company focus on safety.



PF Olsen Group



- PF Olsen is an independent provider of forestry services, primarily forestry and harvest management.
- Pohutukawa II invested \$2.5m for a 10% shareholding. Combined with Direct Capital, the total shareholding is 40%.
- Contractor health and safety is a primary focus, both publicly and internally.
- Solid Chinese log demand has underpinned solid financial performance.



Scales Corporation



- Scales main divisions are Storage and Logistics, Horticulture and Food Ingredients.
- Investment assets split out from Scales into George H Investments Limited.
- Pohutukawa II has invested \$7.6m for a 10% shareholding. Combined with Direct Capital, the total shareholding is 84% (with co-investors NZ Super and ACC).
- IPO resulted in selling 66% of P2's shares. Further dividends and capital anticipated in 2015.



Cavalier Wool Holdings



- Cavalier Wool Holdings is one of two wool scouring companies in New Zealand, processing 60-70% of the national greasy wool clip each year.
- Pohutukawa II has invested \$3.3m for a 6% shareholding. Combined with Direct Capital, the total shareholding is 25%.
- Company continues to be active in achieving efficiency in national wool processing.
- Record profit year in 2013 but current year impacted by decreased wool grease pricing.



Bayley Corporation



- Bayleys is the leading national real estate services business, with a well regarded brand.
- Pohutukawa II has invested \$3.6m for a 8% shareholding. Combined with Direct Capital, the total shareholding is 32%.
- Bayleys has grown revenues and earnings over the last year and recorded is best ever result in the year to March 2014.
- The company continues to pursue exciting growth opportunities.



Transaction Services Limited

- TSL is an outsourcing payment processor, initially in the gym and sports club markets, but now expanding into sectors such as educational, residential, direct TV sales, storage, and optical retail.
- Pohutukawa II has invested \$6.4m for a 12% shareholding. Combined with Direct Capital, the total shareholding is 49%.
- Acquisition of Debit Finance Collections and Harlands in the UK provided a beachhead for the next growth stage in a new geography.



Pohutukawa I Overview

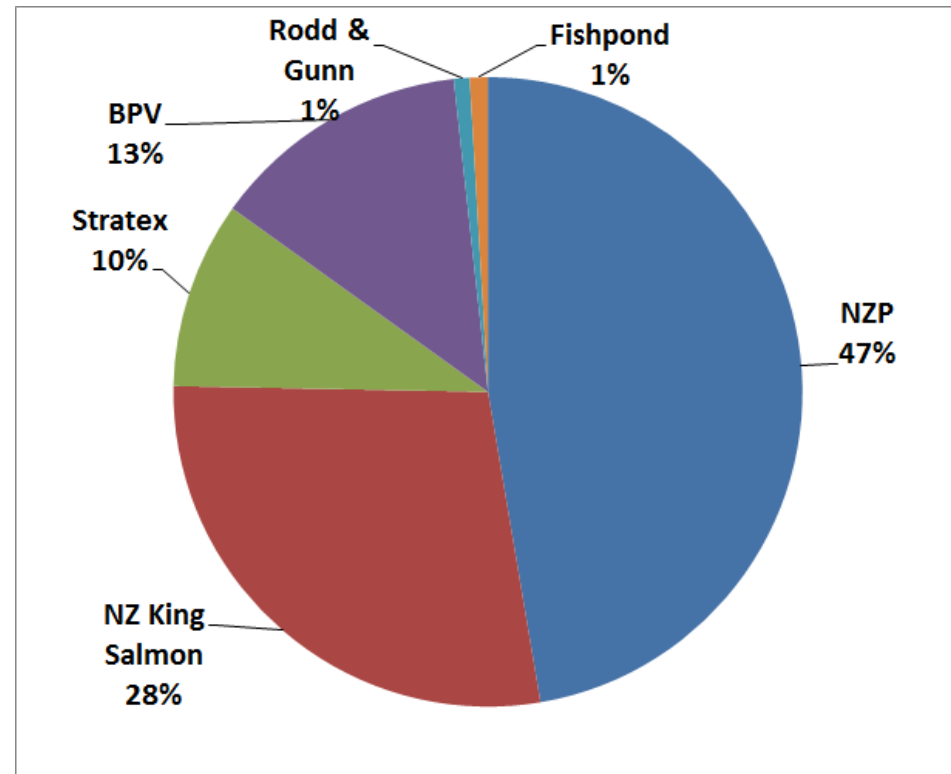
- Twelve investments

The logo for Max, featuring the word "Max" in a stylized, handwritten-style font with a registered trademark symbol.The logo for EXPRESS LOGISTICS, featuring the word "EXPRESS" in white on a red background and "LOGISTICS" in white on a blue background, with a red triangle pointing downwards.The logo for NZP New Zealand Pharmaceuticals Ltd, featuring the letters "NZP" in green and "New Zealand Pharmaceuticals Ltd" in white on a green background.The logo for Triton HEARING CLINICS, featuring the word "Triton" in blue and "HEARING CLINICS" in smaller blue letters below it.The logo for go bus, featuring a green "go" and an orange circle with the word "bus" in white.The logo for SHEARS & MAC., featuring the words "SHEARS" and "MAC." in bold black letters.The logo for STRATEX PRODUCT PROTECTION, featuring the word "STRATEX" in blue and "PRODUCT PROTECTION" in smaller blue letters below it.The logo for RODD & GUNN, featuring a dog's head in a circle and the words "RODD & GUNN" in gold on a dark background.The logo for fishpond .co.nz, featuring the word "fishpond" in white on a blue background and ".co.nz" in smaller white letters below it, with a cartoon fish.The logo for Innovair, featuring the word "Innovair" in yellow on a blue background.The logo for Gluck Since 1972, featuring the word "Gluck" in blue and "Since 1972" in smaller blue letters below it.The logo for New Zealand King Salmon, featuring a stylized fish and the words "New Zealand King Salmon" in blue.

- Shareholder capital fully called with \$1.3m of cash to fund operations.
- Seven distributions totalling \$1.09 paid per share.
- Net Tangible Assets at 30 June 2014 is 41 cents (after Earnout).
- Active focus on crystalising value in the remaining portfolio.

Pohutukawa I Portfolio Composition

- Seven investments realised at a weighted average money multiple of 2.6x.
- Five investments remain in portfolio, plus the interest in BPV, with the largest two companies represent over 75% of value.
- Bold strategic growth initiatives continue which will take time and hold some managed risk.



NZ Pharmaceuticals



New Zealand Pharmaceuticals Ltd

- NZP is a biopharmaceutical manufacturer. It is a world leader in production of cholic acid, a core intermediate in the production of liver disease related pharmaceuticals.
- Pohutukawa I invested \$5m and holds a 16% shareholding. Combined with Direct Capital, the total shareholding is 51%.
- Plant expansion almost complete which will be certified and operational by the end of 2014. This expansion will increase production capability by 35%.



DIRECT CAPITAL



New Zealand King Salmon



- NZKS produces approx. 6,000 tonnes of king salmon per annum with ~40% exported.
- Pohutukawa I has invested \$9.4m and holds a 11% shareholding. Combined with Direct Capital, the total shareholding is 42%.
- Company successfully obtained EPA approval for 3 additional farms in Marlborough Sounds to increase production capacity by 70%.



Outlook

- Focus for new investments still on privately owned companies with strong track records, good people who will partner with us, and favourable industry dynamics.
- New investment prospects continue to be encouraging for remainder of 2014.
- Opportunities for bolt-on acquisitions within the existing portfolio are strong.
- Economic conditions remain cautiously optimistic and we too will remain cautious in our approach to new opportunities.
- The existing portfolio companies are well placed to continue to perform well.