

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[®]



STRATEX
PRODUCT PROTECTION



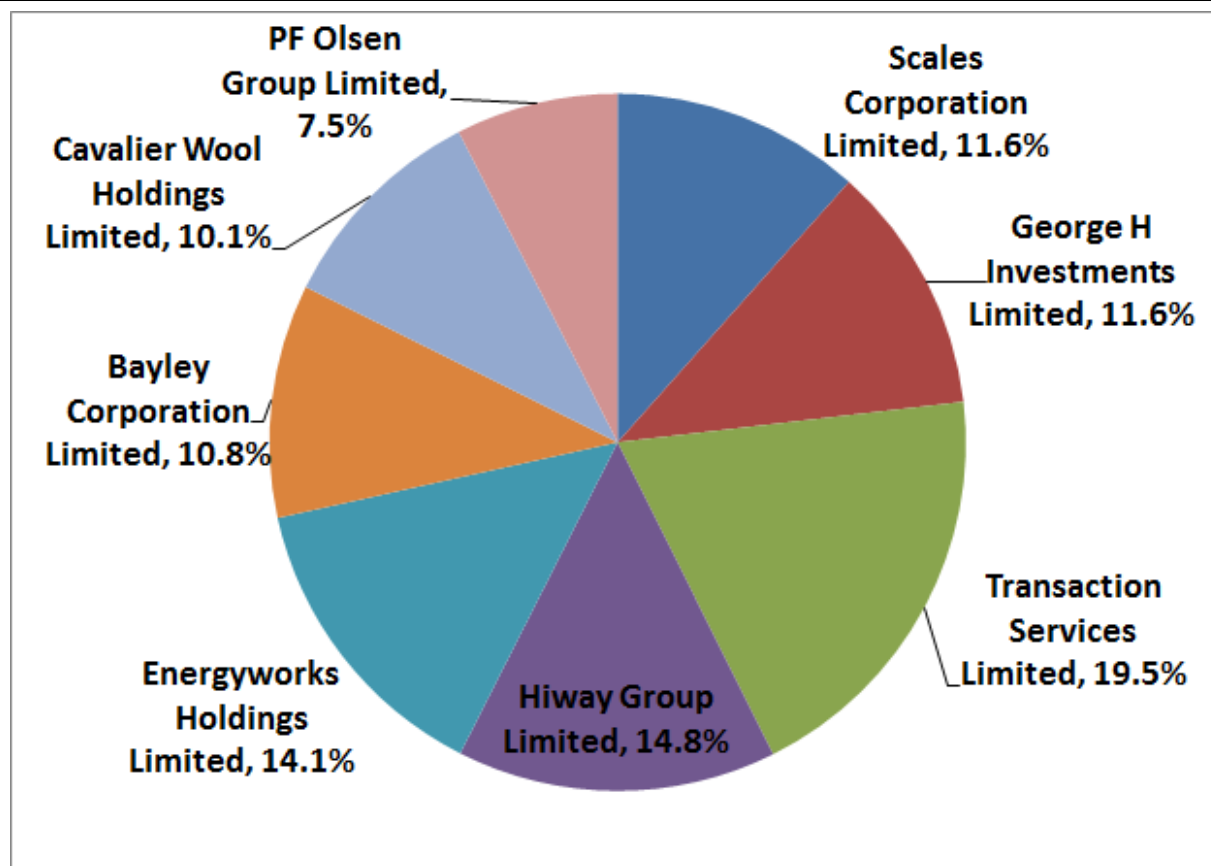
Pohutukawa II Overview

- 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



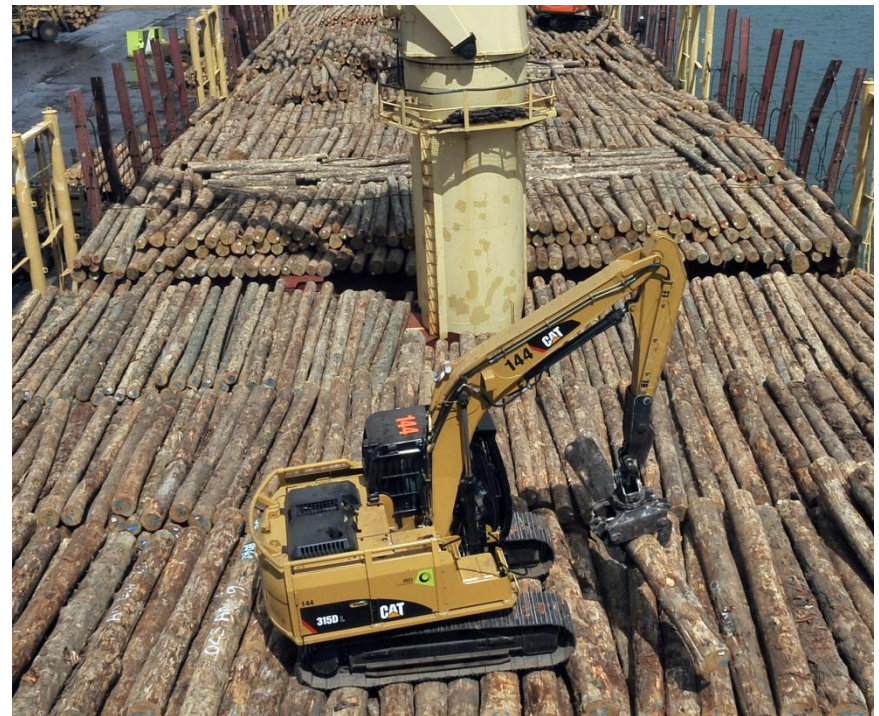
- Hiway is a specialist roading and infrastructure contractor in NZ and Australia.
- Pohutukawa II has invested a total of \$4.9m for a 14% shareholding. Combined with Direct Capital, the total shareholding is 60%.
- Expansion into Australia continues. Strategic Director appointments completed, increasing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

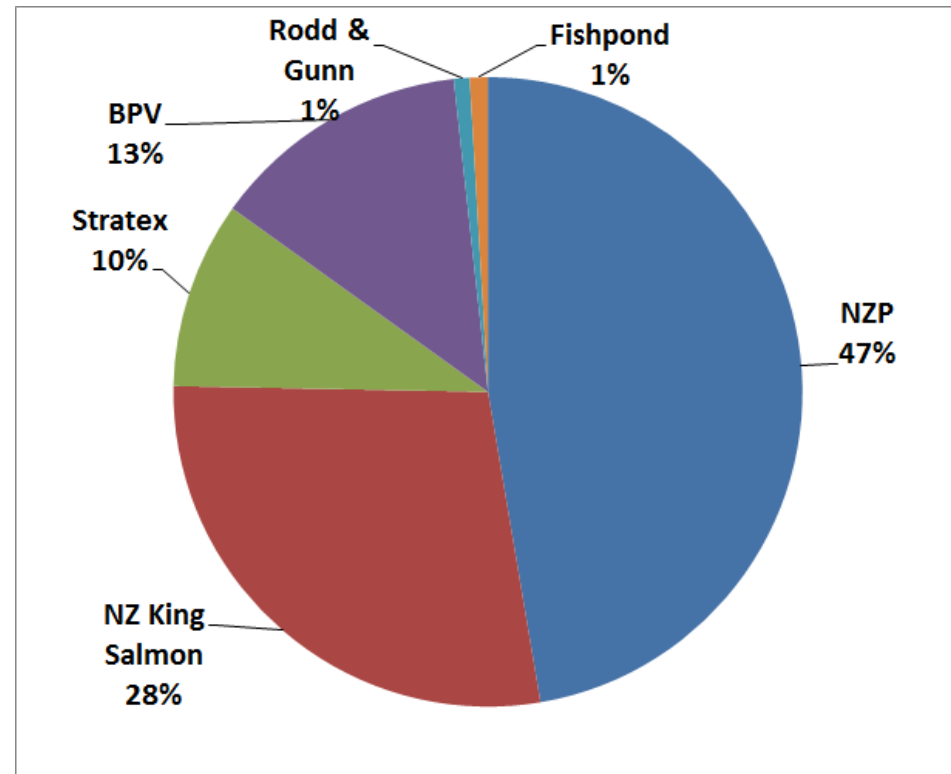
- Twelve investments

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, sans-serif font.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 small illustration of a dog 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 small cartoon fish.The logo for Innovair, featuring the word "Innovair" in yellow on a blue background.The logo for Gluck, 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 blue 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 crystallising 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.