NEW ZEALAND
WORKING CAPITAL REPORT
2018

MCGRATHNICOL
ADVISORY

Welcome

In 2018 the average working capital cycle of the sampled companies increased to 57.5 days. A breakdown of DWC into its components shows the increase in DIO across five of the eight sampled sectors was compounded by a hastening of supplier payments and slower customer collections.

An increasing number of sectors in New Zealand appear to be faced with structural "funding gaps", where companies pay their suppliers more quickly than they receive payment from their customers. The structural funding gap appears common in both New Zealand and Australia for companies in the Construction & Engineering and Transport & Distribution sectors.

Welcome to the McGrathNicol New Zealand Working Capital Report 2018.

This report profiles the working capital performance of a sample of 133 New Zealand domiciled companies (including 38 listed on the NZX) across the Building Products, Construction & Engineering, Food & Beverage, Leisure, Mining & Resources, Retail, Transport & Distribution and Utilities sectors.

The combined revenues of the companies included in this report is $99.7 billion. The information is based on the companies' most recent results compared to the results for the same period in the prior two years.

Overall average working capital days increased from 2017, however, results vary across companies within each sector, and between sectors, with three of the eight sectors we analysed showing a decrease in average working capital days.

The following pages include our analysis for each sector, comparing the trends in New Zealand to those reported in Australia by McGrathNicol Advisory Australia.

We focus on assisting businesses to increase cash flow by implementing practical and effective procedures to forecast, track, save and generate cash. We help businesses to improve their working capital cycles and give them the tools to sustain improvements. To discuss this report or how we can help your business, please contact a member of our team.

Andrew Grenfell
Partner
+64 9 926 5115
agrenfell@mcgrathnicol.co.nz

Kiran Patel
Director
+64 9 926 5118
kpatel@mcgrathnicol.co.nz

Nicholas Grady
Manager
+64 9 926 5114
ngrady@mcgrathnicol.co.nz

Contributors

William Black
Conor McElhinney
Timothy Chan

Summary

As shown in the table below, DWC averaged over the full sample rose by 0.9 days to 57.5 days. This was primarily driven by an increase in inventory cycle with days inventory outstanding (DIO) increasing for five of the eight industry sectors to an average of 70 days, a 0.9 day increase.

The largest DIO increases arose within the Building Products and Mining & Resources sectors reflecting the rising inventory levels for these sectors occurring over the period. Construction and engineering also incurred a significant increase in DIO despite three of the eight sampled companies in that sector showing a reduction, which indicates that significant competitive advantage can be gained by implementing good WIP management.

Overall, management teams appear to have reduced focus on cash retention as sampled companies have tended to pay their suppliers faster, decreasing days payable outstanding (DPO) by an average 1.4 days.

This was compounded by an average 0.2 day decrease in days sales outstanding (DSO) as customer collections worsened.

The Mining & Resources sector also had the largest increase in average DWC, largely due to the sector experiencing an increase in DSO as customers continue to push for extended payment terms.

The biggest improvement in DWC was in the Food & Beverage sector, bucking the trend with improvements in customer collections. DIO in this sector has increased overall, despite some significant reductions observed within the Alcoholic Beverage sector.

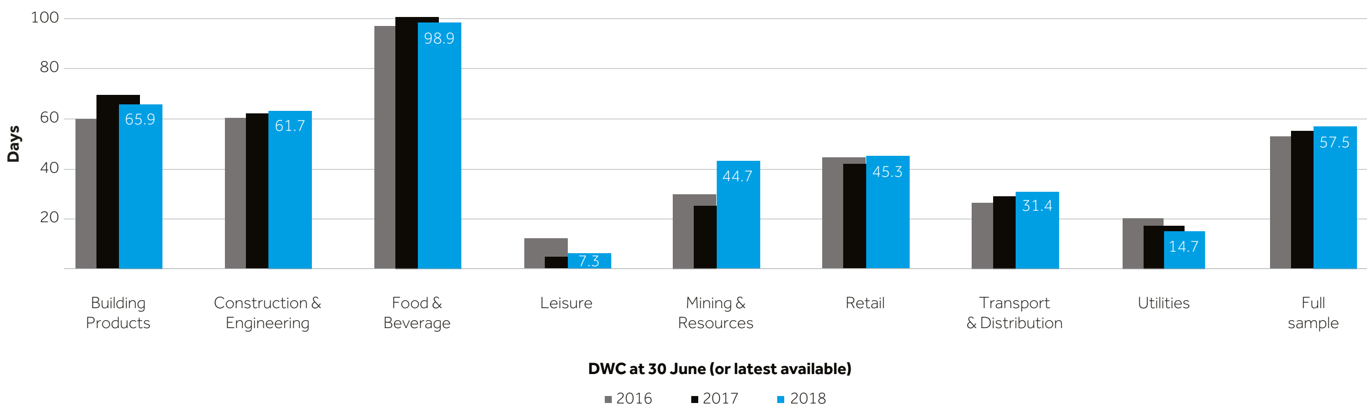
In Australia, the DWC of sampled companies increased 0.5 days to 48.7 days, with a further c.A$691 million of cash now tied up in working capital.

Four of the eight sectors sampled experienced a structural "funding gap", where companies pay their suppliers more quickly than they receive payment from their customers (Construction & Engineering, Food & Beverage, Mining & Resources and Transport & Distribution). For the Mining & Resources sector the average 5.5 day gap is new, following a 13.4 day increase from 2017, driven by its significant increase in DSO.

In Australia, three of the nine sectors sampled experienced a structural "funding gap" (Construction & Engineering, Media and Transport & Distribution). This gap almost doubled for the Transport & Distribution sector due to the compounding impact of longer customer collection cycles and shorter supplier payment cycles in 2018. The Transport & Distribution sector in New Zealand also saw this gap widen, but at a lower rate, with payment cycles partially offsetting the increased collection cycles.

The following pages provide a breakdown by sector relative to the prior years, including comparisons to Australia.

Average DWC by sector



Summary sample

Days	2016	2017	2018	Change
DSO	40.5	42.6	42.4	(0.2)
DIO	71.5	69.1	70.0	0.9
DPO	49.8	51.6	50.2	(1.4)
DWC	55.5	56.6	57.5	0.9

DSO = Days sales outstanding (debtors)
DIO = Days inventory outstanding (inventory held)
DPO = Days purchases outstanding (creditors)
DWC = Days working capital (net working capital)

For details of the basis of preparation and calculations, see pages 19 - 20.

Building Products

Tighter debt collection and extended terms with suppliers has reduced DWC.

The Building Products sector benefited from a continuation of high levels of building activity in 2018, albeit with growth in the sector showing signs of slowing down. This resulted in revenue for the sampled companies remaining relatively steady, but with 60% of the sampled companies experiencing reductions in EBITDA, attributable to an inability to pass on rising energy and supply chain costs to customers.

Overall, average DWC in 2018 was 65.9 days, an improvement of 2.3 days resulting from increased DPO and reduced DSO being offset by increased inventory levels.

The reduction in DSO is reportedly the result of improved collection efforts which is unsurprising, given that a number of recent high profile failures in the construction sector will be making companies in the Building Products sector consider the recoverability of their debtors balances.

An increase of 5.6 days in average DPO to 54.7 days suggests that the squeeze by suppliers on payment terms in 2017 has been reversed.

The increase in DIO by 4.9 days to 87.3 days suggests that suppliers may have compensated for longer payment terms by oversupply and/or softening demand.

Inventory management in the Building Products sector is always challenging, with high levels of working capital investment being required to service the demands of large construction projects (which can suffer significant timing delays due to funding and resource constraints) as well as the continuous and immediate demands of a broad trade and DIY customer base.

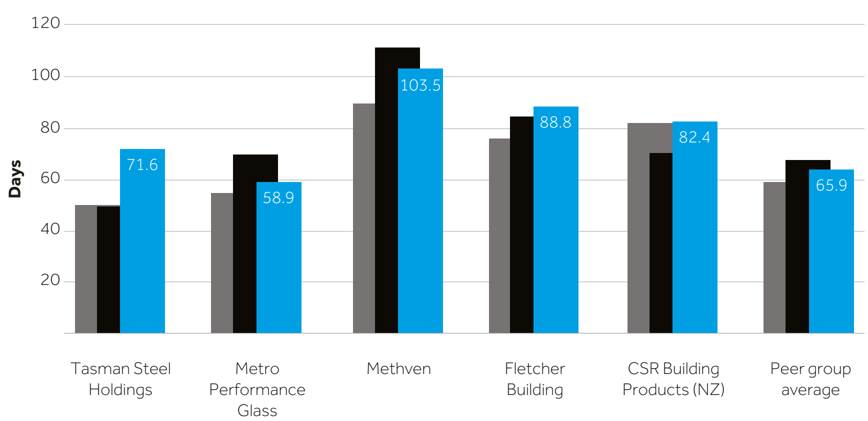
In Australia, strong eastern seaboard construction activity drove growth in the Building Products sector, with 91% of the sample reporting an increase in revenue and 64% reporting an increase in EBITDA. In terms of working capital performance, average DWC fell by 3.8 days to 63.3 days in 2018, driven by shorter supplier payment cycles as sector participants compete to secure raw materials.

Steel & Tube Holdings Limited has been excluded from the 2018 sample due to an inventory management system upgrade in FY18 resulting in a significant write off of non-existent stock from its balance sheet which creates an artificially significant movement in DIO.

"SKU reduction of 43% has supported simplified operations and delivered better inventory and working capital turns."

Methven Limited
FY18 Annual Report

Selection of companies - Building Products



DWC at 30 June (or latest available)
■ 2016 ■ 2017 ■ 2018

Building Products

Days	2016	2017	2018	Change
DSO	42.4	45.0	42.2	(2.8)
DIO	76.2	82.4	87.3	4.9
DPO	53.1	49.1	54.7	5.6
DWC	59.5	68.2	65.9	(2.3)

Best & Worst

Days	Best	Worst	Spread
DSO	10.8	72.6	61.8
DIO	20.6	157.9	137.3
DPO	94.9	15.0	79.9
DWC	17.8	103.5	85.7

Fletcher Building

Days	2016	2017	2018	Change
DSO	55.3	59.2	62.8	3.6
DIO	79.8	82.4	81.9	(0.5)
DPO	50.9	49.6	50.3	0.7
DWC	77.0	84.8	88.8	4.0

Construction & Engineering

Only 38% of sampled companies improved EBITDA during a construction boom.

The Construction & Engineering sector continued to benefit from increased activity levels in 2018 with 63% of sampled companies experiencing growth in revenue, however only 38% of companies in the sample improved EBITDA, due to tight margins in a capacity constrained cycle with a high number of construction disputes.

There has also been a number of construction company failures this year, including Orange H (formerly Hawkins) and Ebert, emphasising internal pressures in the sector.

The average DWC of our sampled companies increased by 0.7 days to 61.7 days in 2018, with only 38% of the sample showing improvements. The DWC increase was driven by an average 1.9 days increase to creditor cycles (higher DPO) offset by an average 4.1 day increase to inventory days. This suggests that there is further room for improvement in the management of WIP and its conversion to billings (ultimately cash) with only 38% of the sample reducing inventory in 2018.

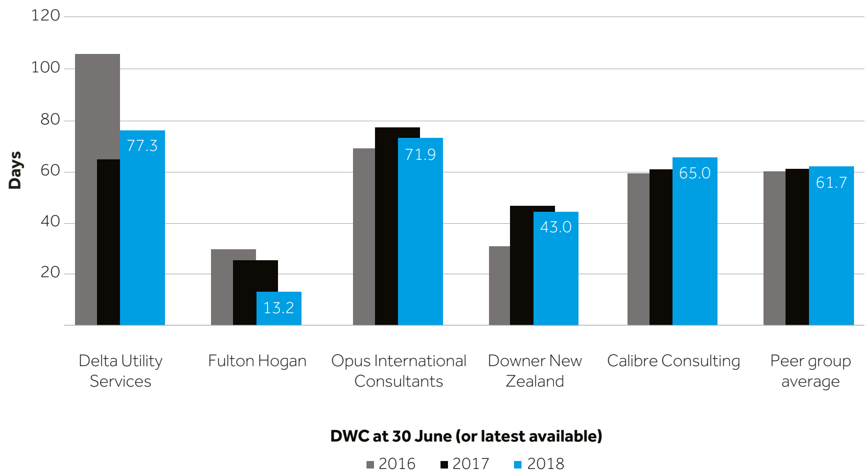
The sector generally operates in an environment where suppliers are paid much faster than payments are received from customers under what are complex contracts. This reinforces the need for very efficient contracting, billing and collection processes and procedures. Without these, market participants may come under liquidity pressure.

In Australia, the sector also continued to benefit from increased activity levels with 81% of the sampled companies experiencing growth in both revenue and EBITDA. The average DWC of the sampled companies fell by 4.6 days to 60.7 days in 2018, with 56% of the sample showing improvements.

"The exit of Fletcher Building from the market leaves a gap in construction sector firms operating in the "vertical construction" sector with a large enough balance sheet to take on construction projects of that magnitude."

Rider Levett Bucknall, New Zealand
Trends In Property And Construction Report – Second Quarter 2018

Selection of companies - Construction & Engineering



Construction & Engineering

Days	2016	2017	2018	Change
DSO	60.9	62.0	61.8	(0.2)
DIO	25.9	25.9	30.0	4.1
DPO	27.4	29.1	31.0	1.9
DWC	60.6	61.0	61.7	0.7

Best & Worst

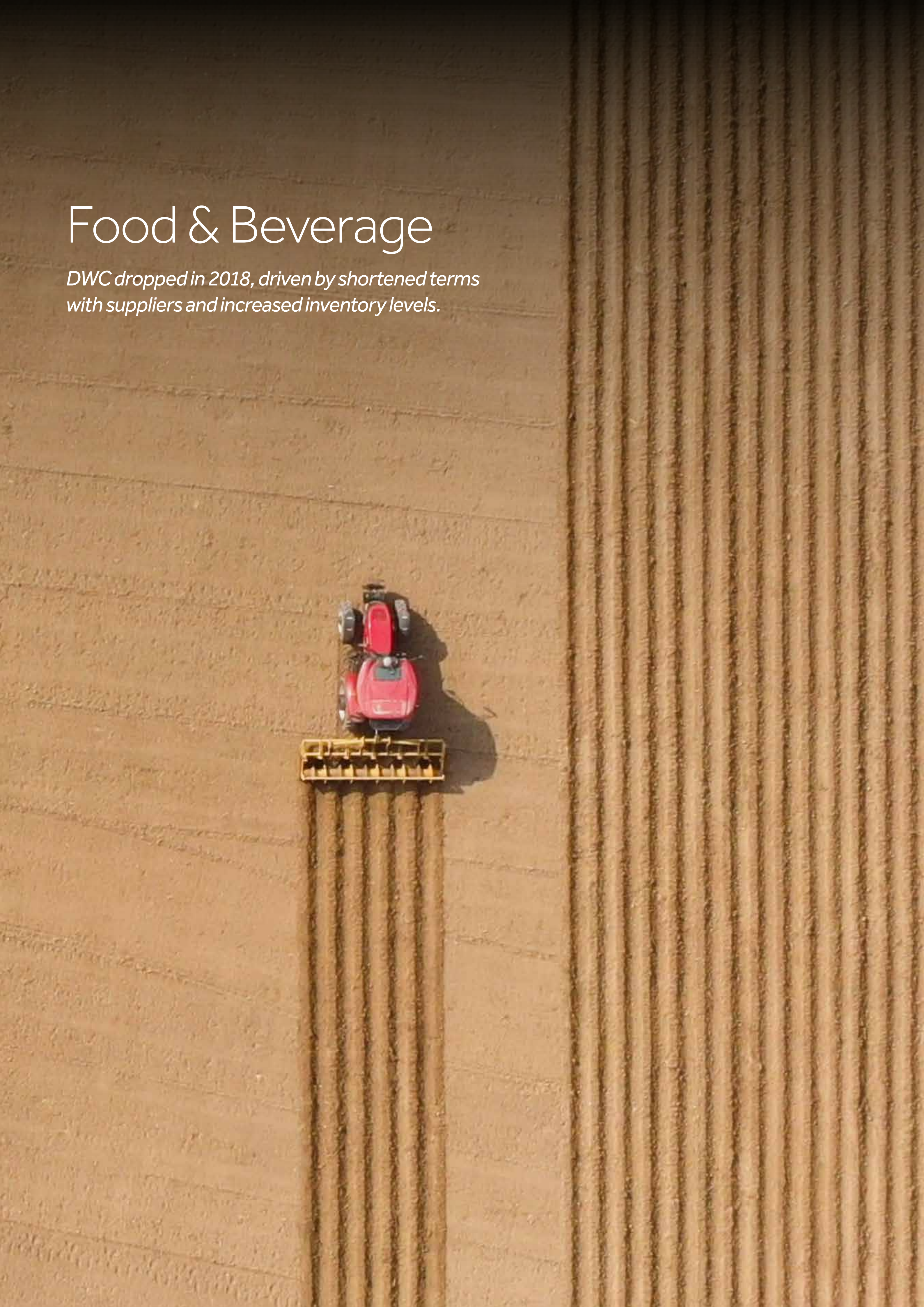
Days	Best	Worst	Spread
DSO	26.2	104.7	78.5
DIO	-	92.4	92.4
DPO	83.1	3.0	80.1
DWC	24.1	108.1	84.0

Fulton Hogan

Days	2016	2017	2018	Change
DSO	45.2	58.2	43.3	(14.9)
DIO	29.1	22.8	17.3	(5.5)
DPO	58.0	83.1	67.8	(15.3)
DWC	28.8	24.1	13.2	(10.9)

Food & Beverage

DWC dropped in 2018, driven by shortened terms with suppliers and increased inventory levels.



Overall, average Food & Beverage sector DWC fell marginally in 2018 by 1.8 days to 98.9 days. This was the result of decreasing DSO (customers paying sooner) offset by increasing inventory holdings and a slight decrease in DPO.

This sector is often considered separately as two sub-sectors, Alcoholic Beverages and Food & Non-Alcoholic Beverages, due to Alcoholic Beverages having much longer DIO (products typically need to ferment or mature). Significant reductions in the value of inventory amongst some of the alcoholic beverage companies sampled has reduced the DIO gap in recent years from 244.2 days in 2016 to 237.7 in 2018.

DWC of food & non–alcoholic beverage companies sampled (both including and excluding dairy) remained steady.

Excluding dairy, revenue of the sampled companies in the Food & Non-Alcoholic Beverage sector increased 6.6% from $11.1 billion in 2017 to $11.8 billion in 2018, but with total EBITDA remaining steady.

Dairy continues to be the single largest contributor by revenue (68%) to the Food & Non-Alcoholic Beverages sub-sector. All seven of the dairy companies sampled reported an increase in revenue following relatively steady dairy prices in the year to June 2018. Five of the seven sampled converted this into increased EBITDA.

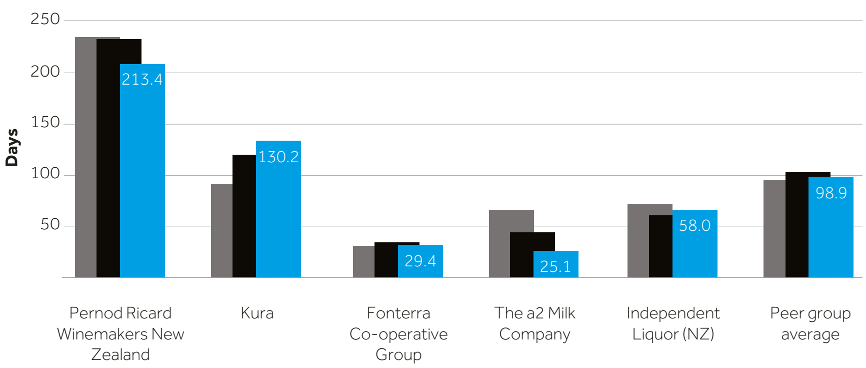
The a2 Milk Company has again produced impressive results, approximately doubling its EBITDA while reducing DWC by 19.5 days to 25.1 days (based on the methodology used in this report), which is now the lowest level of all dairy companies sampled. The decrease in DWC was driven by a 22.5 day decrease in DSO, the result of improved terms with its customers, and a 9.1 day decrease in DPO, offset by increases in DIO to allow for inventory levels which are reported to be more sustainable.

In Australia, Food & Beverage DWC increased by 2.6 days to 95.9 days. This was primarily due to an increase in DIO offset by a decrease in DPO. A significant disparity between sampled companies was also observed in Australia with some companies displaying considerable DWC improvements.

"The cash position continued to improve along with revenue, earnings and working capital efficiencies... Working capital benefited from improved terms with a number of customers. This was partially offset by a planned increase in infant formula inventory of $35.7 million as the Company built progressively to more sustainable levels during the year."

The a2 Milk Company Limited
FY18 Annual Report

Selection of companies - Food & Beverage



DWC at 30 June (or latest available)
■ 2016 ■ 2017 ■ 2018

Food & Beverage

Days	2016	2017	2018	Change
DSO	50.6	55.0	52.8	(2.2)
DIO	118.5	113.5	114.3	0.8
DPO	47.8	48.8	48.5	(0.3)
DWC	96.9	100.7	98.9	(1.8)

Best & Worst

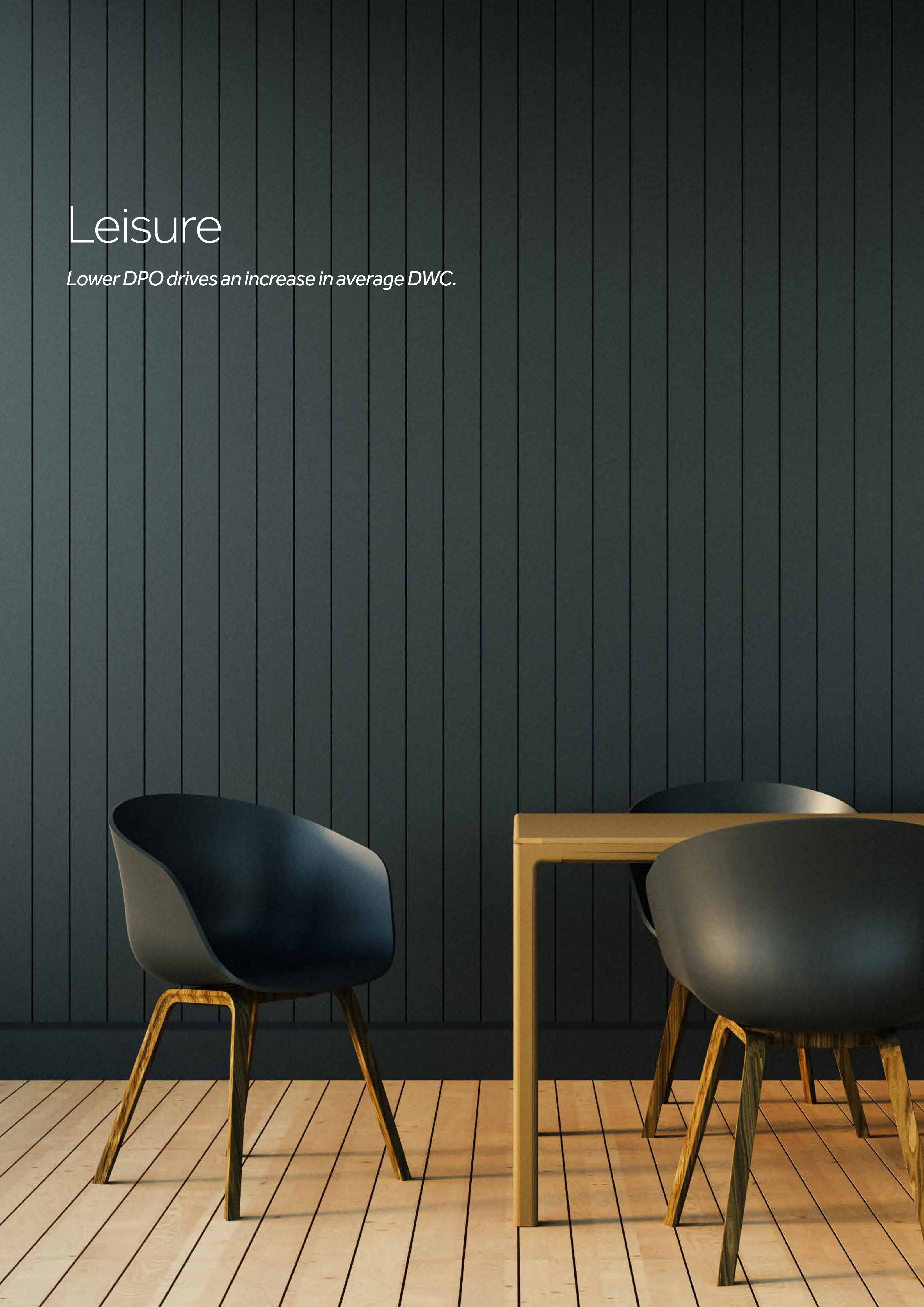
Days	Best	Worst	Spread
DSO	6.4	127.4	121.0
DIO	7.6	448.3	440.7
DPO	121.5	7.7	113.8
DWC	(6.8)	350.1	356.9

The a2 Milk Company

Days	2016	2017	2018	Change
DSO	47.0	48.4	25.9	(22.5)
DIO	95.3	36.3	51.1	14.8
DPO	67.0	43.6	52.7	9.1
DWC	63.2	44.6	25.1	(19.5)

Leisure

Lower DPO drives an increase in average DWC.



The Leisure sector is driven by consumer confidence, discretionary spending and inbound tourism.

Despite consumer confidence declining somewhat in the second half of 2018*, tourism has remained strong, with international visitor arrivals into New Zealand hitting another record high of 3.8 million in the twelve months ended 30 September 2018, up 3.6% on the corresponding prior period. This is reflected in accommodation providers' annual revenues increasing by 6.6%.

Increases in leisure consumer spend has resulted in revenue and EBITDA for the companies sampled in this sector increasing 10.0% and 12.4% respectively, with only one sampled company, Roadshow Entertainment (NZ), incurring an EBITDA decline (due largely to a 17.4% decline in sales).

The companies sampled in this sector operate a range of business models, with widely varying inventory and payables cycles, however DSO tends to be among the lowest of any sector, with a large portion of sales being on a cash basis.

In 2018, average DWC across the sample increased by 2.6 days to 7.3 days. This was driven by a reduction in DPO of 18.6 days, largely the result of DPO days reductions occurring in Skyline Enterprises and Roadshow Entertainment (NZ).

Roadshow Entertainment (NZ)'s period end creditors reduced by 66% requiring an extra $2m of cash to be invested in working capital. This is a reversal of 2017's increase indicating a more sustainable level for the company.

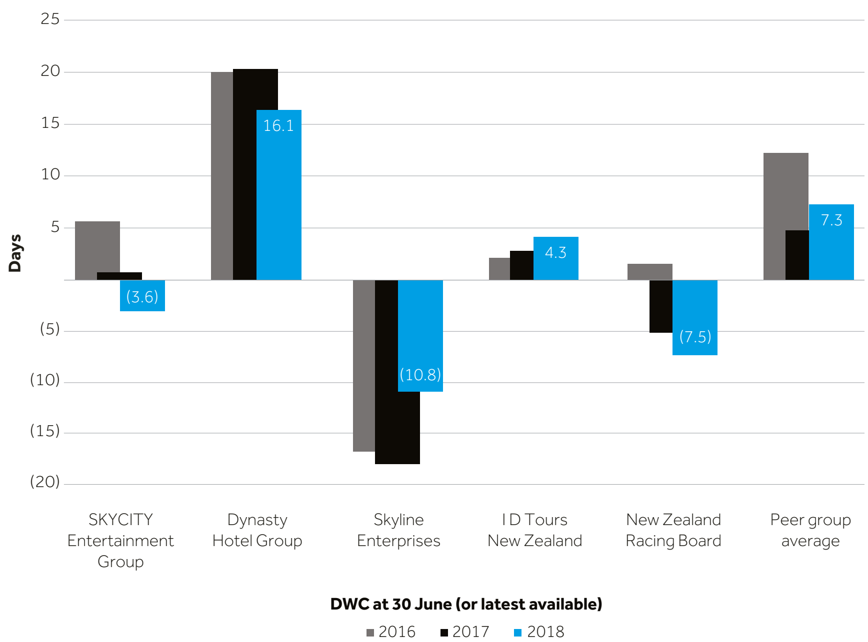
Skyline Enterprises has produced strong performances in recent periods with revenue, gross profit and EBITDA all increasing by over 10% in the last period. From a working capital viewpoint however, DPO has reduced resulting in an extra $1.2m of working capital being used during the period in the reduction of trade payables.

**Consumer confidence declined significantly in the latter half of 2018, the impact of which we are likely to observe in the sampled companies' 2019 financial years.*

"It would be a false economy to delay or stage the builds required to provide the capacity and services that a continually increasing and demanding market requires. The customer experience would certainly suffer with today's increasingly empowered consumer making this known."

Skyline Enterprises Limited
Chairman's Report
FY18 Annual Report

Selection of companies - Leisure



Leisure

Days	2016	2017	2018	Change
DSO	19.0	14.5	13.8	(0.7)
DIO	26.9	25.7	25.8	0.1
DPO	74.5	89.0	70.4	(18.6)
DWC	12.0	4.7	7.3	2.6

Best & Worst

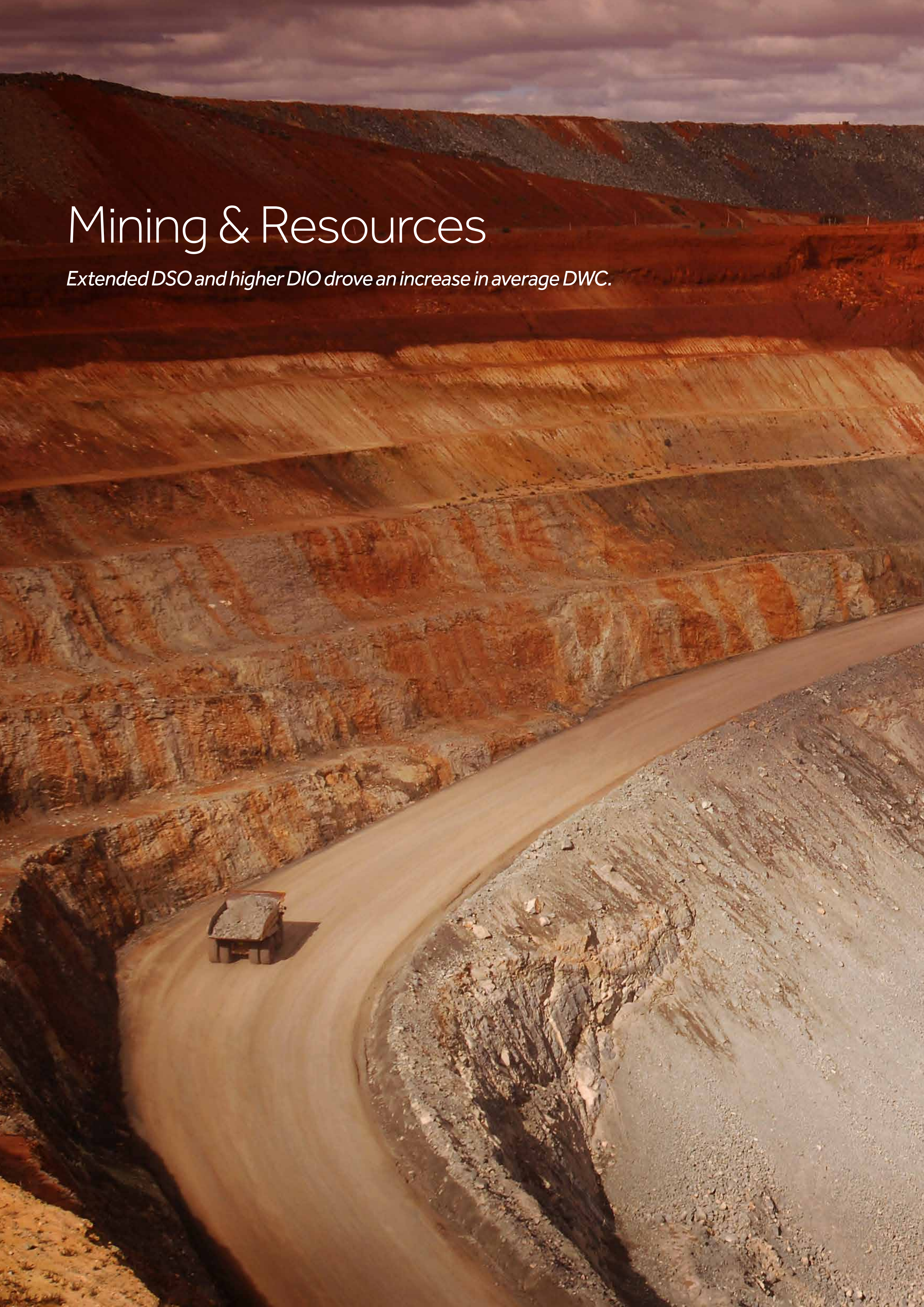
Days	Best	Worst	Spread
DSO	5.4	22.8	17.4
DIO	-	140.0	140.0
DPO	299.5	3.2	296.3
DWC	(10.8)	19.9	30.7

Skyline Enterprises

Days	2016	2017	2018	Change
DSO	10.3	10.2	12.1	1.9
DIO	36.0	36.9	35.9	(1.0)
DPO	365.0	373.7	299.5	(74.2)
DWC	(16.7)	(18.3)	(10.8)	7.5

Mining & Resources

Extended DSO and higher DIO drove an increase in average DWC.



Gross profit increased for seven of the eight companies sampled but only five reported an increase in EBITDA. The dramatic EBITDA reduction of 31.7% for the sampled companies from $725 million to $495 million was largely the result of the movement in derivative instruments held by New Zealand Aluminium Smelters Limited.

Gross profit increases reported are significantly greater than resultant increases in EBITDA for our sampled companies indicating that the focus on cost reduction initiatives reported in 2016 and 2017 have not been as effective as planned.

Only three of the eight sampled companies reduced their DWC in 2018 with the average DWC increasing to 44.7 days in 2018, an increase of 18.8 days. This DWC increase was driven by longer terms being extended to customers, raising DSO by 8.3 days to 54.1 days, alongside reductions in DPO. This is slightly offset by a decrease in DIO.

Backed by a fixed energy contract lasting until 2030 and consistently higher aluminium prices in recent years, New Zealand Aluminium Smelters Limited announced the re-opening of its fourth smelting potline at Tiwai Point at the beginning of May 2018 which is likely to further increase its DIO.

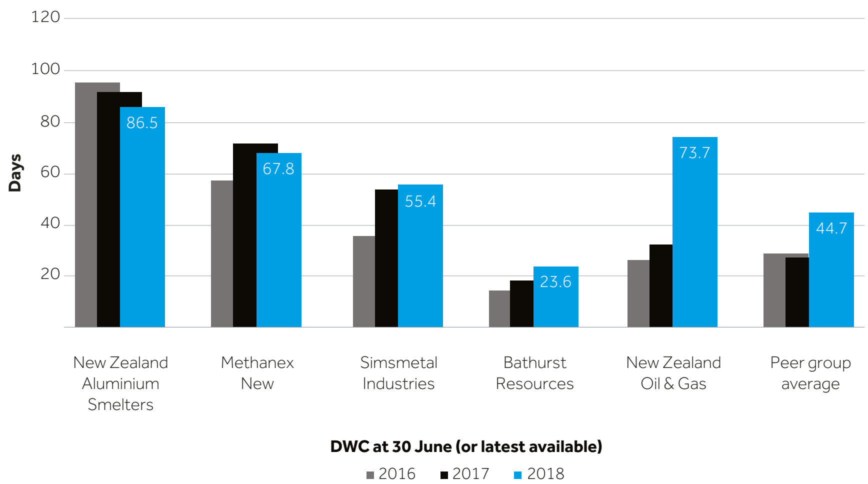
In Australia, a strong performance among sampled companies in 2017 continued into 2018 with 93% delivering an increase in revenue, and 79% reporting an increase in EBITDA. Tightening margins appeared to be the result of increased energy costs.

DWC increased an average of 2.3 days to 40.9 days, although average DWC results were skewed by large swings in a small number of the companies sampled. Conversely to New Zealand, sampled companies in Australia managed to maintain a relatively short customer collection cycle with average DSO of 32.9 days.

"The potline's been off for just over six years and we've never given up hope that we would get the circumstances to turn it back on again. It's a pretty important day for us… Restarting Line 4 will create up to 32 skilled jobs in Southland, as well as boosting production by a further 85 tonnes of metal a day."

New Zealand Aluminium Smelters Limited
1 May 2018 media statement

Selection of companies - Mining & Resources



Mining & Resources

Days	2016	2017	2018	Change
DSO	41.3	45.8	54.1	8.3
DIO	34.0	32.7	32.4	(0.3)
DPO	51.7	59.2	48.6	(10.6)
DWC	28.6	25.9	44.7	18.8

Best & Worst

Days	Best	Worst	Spread
DSO	6.4	117.2	110.8
DIO	10.4	58.2	47.8
DPO	122.3	8.3	114.0
DWC	(22.0)	86.5	108.5

New Zealand Aluminium Smelters

Days	2016	2017	2018	Change
DSO	87.6	95.3	87.1	(8.2)
DIO	51.8	51.7	58.2	6.5
DPO	40.5	57.3	59.1	1.8
DWC	95.6	91.3	86.5	(4.8)

Retail

Retailers' working capital positions have worsened, on average, with stretching by debtors and a squeeze by creditors in a growing New Zealand market.

FY18 real retail growth was strong at 3.8% (nominal 5.3%), outpacing the broader economy for the fourth year in a row, with GDP growing 2.7%. The ability to convert growth in sales into growth in EBITDA has been variable among our sampled companies with just 1.2% growth in accumulated EBITDA, suggesting growth in sales has been achieved through discounting.

The average DWC for the sampled companies increased by 2.6 days in 2018 to 45.3 days, a significant worsening against 2017. This was driven primarily by an increase in DSO, up 2.5 days to 23.7 days, as well as an increase in DIO of 1.3 days offset by improvements in DPO.

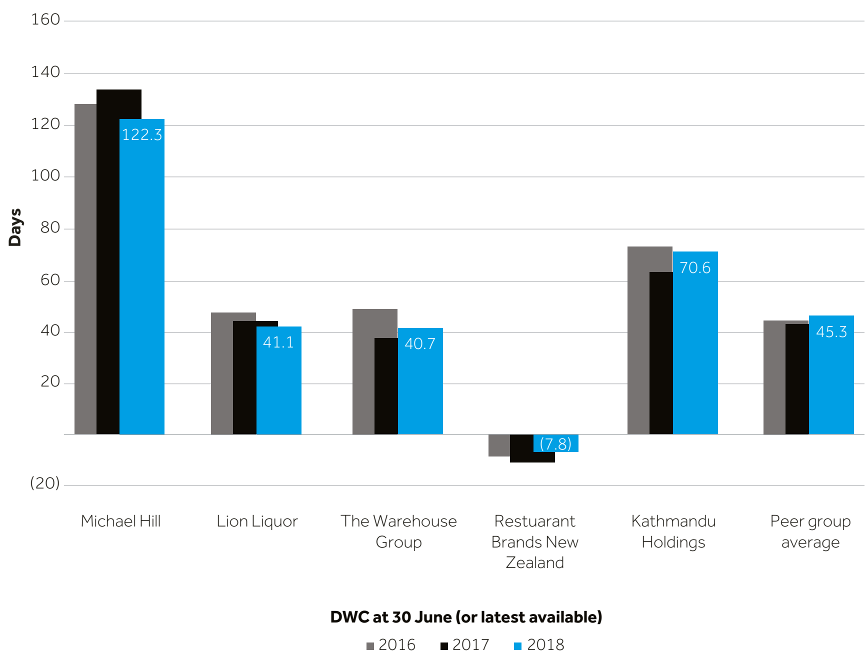
Compared to FY17, FY18 saw fewer retail failures (Topshop, Andrea Moore, Meccano, The Native Plant Nursery), following some tough years for the sector. Despite a growing overall market though, retail remains a very competitive industry which is likely to continue with Amazon's arrival into Australia impacting businesses on both sides of the Tasman and consumer confidence in New Zealand falling.

Inventory is usually the most significant working capital item on a retailer's balance sheet. Effective inventory management is a key success factor in the sector. Average movements in DIO worsened across our sample despite 67% of those sampled improving DIO metrics. This disparity highlights the potential for competitive advantage through best practice inventory management.

New Zealand retailers continued to delay payments to suppliers, or negotiate better terms, as DPO increased again in 2018 to 47.5 days.

In Australia, the overall retail market has struggled to convert strong rates of increased sales into similarly strong rates of increased EBITDA, suggesting growth in sales has been partially reached by discounting, with a limited ability to pass on costs to consumers. Retail DWC increased in Australia, by 0.8 days to 46.8 days, this was largely the result of an increase in DIO, partially offset by an increase in DPO.

Selection of companies - Retail



"A major focus of business activity and the transformation programmes is to continually improve the way we manage our working capital, ranging from inventory management practices through to supplier trade payment terms. Levels of working capital have increased over time with the increased scale of the Group; however, we expect this to reduce in the future as the impact of transformation initiatives is realised."

The Warehouse Group
Financial capital review
FY18 Annual Report

Retail

Days	2016	2017	2018	Change
DSO	20.8	21.2	23.7	2.5
DIO	100.7	95.6	96.9	1.3
DPO	44.2	46.4	47.5	1.1
DWC	44.7	42.7	45.3	2.6

Best & Worst

Days	Best	Worst	Spread
DSO	-	148.5	148.5
DIO	3.1	336.0	332.9
DPO	229.0	16.8	212.2
DWC	(9.9)	149.1	159.0

The Warehouse Group

Days	2016	2017	2018	Change
DSO	14.3	5.5	5.6	0.1
DIO	93.1	88.5	95.4	6.9
DPO	40.6	41.1	42.9	1.8
DWC	49.7	37.5	40.7	3.2

Transport & Distribution

Average DWC across our sample increased by 3.3 days to 31.4 days, driven primarily by a 4.6 day increase in time taken to collect from customers.

Despite declines in business confidence making transport and distribution market participants cautious, 82% of our sample reported increased revenues in 2018 and 64% reported increased EBITDA. A bounce back from the slowing growth reported in 2017.

Average DWC across our sample increased again, by 3.3 days to 31.4 days, driven primarily by a 4.6 day increase in DSO, offset partially by a 1.9 day increase in DPO.

Transport & Distribution is a demanding industry, balancing critical suppliers with demanding customers. As such, a structural "funding gap" often occurs (suppliers offering shorter terms than those being offered to customers) as is apparent in all of our sampled companies.

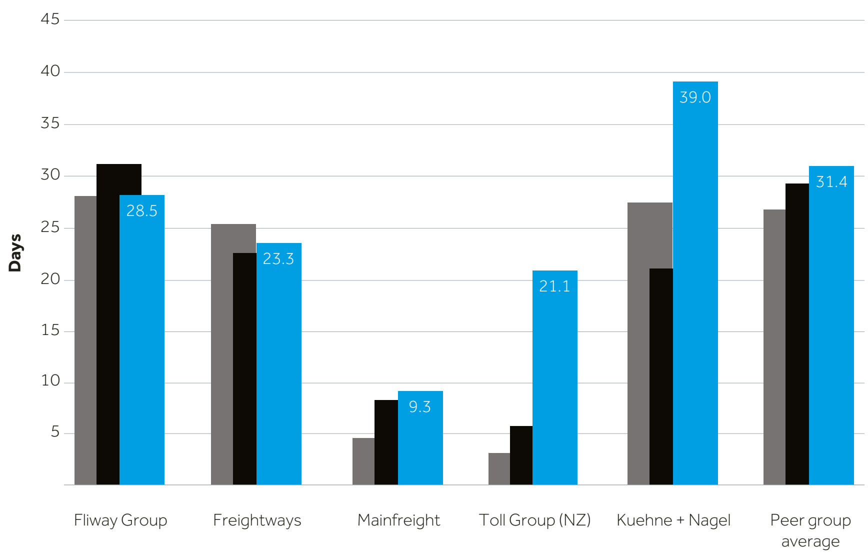
In this environment, after term negotiations, managing debtor collection becomes critical to ensure no further slippage occurs. The "funding gap" widened for 64% of our sampled companies indicating either poor debt collection for these companies or potentially a weakening negotiation position for industry participants.

A high degree of up-front capex is required in this sector, with capex delays to boost short term cash flows having serious consequences in the future. Toll Group (NZ)'s investment in a new freight forwarding site is a strong example of putting capex first with other large market participants also continuing to invest heavily.

In Australia, Transport & Distribution DWC also increased, by 6.4 days to 50.6 days. Similarly, the majority of companies sampled by McGrathNicol Australia have a structural "funding gap" and c75% of those companies have experienced that gap widening in 2018.

KiwiRail Holdings Limited has been excluded from the 2018 sample due to the delayed release of its FY18 annual integrated report.

Selection of companies - Transport & Distribution



DWC at 30 June (or latest available)

■ 2016 ■ 2017 ■ 2018

"Our investment in technology continues to strengthen our efficiency and productivity, providing data and statistics that allow us to deliver greater quality while providing transparency for our customers, providing them with an extra layer of intelligence as well as critical supply chain information. Capital expenditure on Information Technology was $17.7 million in this past year and is likely to be a similar amount over the next two years."

Mainfreight Limited
FY18 Annual Report

Transport & Distribution

Days	2016	2017	2018	Change
DSO	46.5	47.7	52.3	4.6
DIO	1.8	1.5	1.8	0.3
DPO	30.3	28.7	30.6	1.9
DWC	26.2	28.1	31.4	3.3

Best & Worst

Days	Best	Worst	Spread
DSO	38.2	68.0	29.8
DIO	-	6.7	6.7
DPO	48.5	11.5	37.0
DWC	9.3	46.3	37.0

Toll Group (NZ)

Days	2016	2017	2018	Change
DSO	37.9	41.5	41.9	0.4
DIO	0.4	0.5	0.6	0.1
DPO	39.2	41.5	24.0	(17.5)
DWC	3.7	5.6	21.1	15.5

Utilities

Average DWC improved due to decreased DSO and DIO.

Electricity pricing in New Zealand has come under fire in 2018 with the Electric Price Review being undertaken and initially finding that, under current pricing structures, a significant number of households fall into the category of "energy hardship".

Hydrology is paramount to generation in New Zealand with relatively unpredictable floods and droughts contributing to an extremely volatile wholesale electricity market. Hydro generation was once again variable, with record generation reported in some Waikato sites and dry spells and plant issues impacting production elsewhere. Overall, wholesale prices have risen dramatically since mid 2017.

Increasing weather severity overall is impacting overhead distribution networks, with distributors maintaining large overhead networks considering the cost effectiveness and consumer appetite for significant capital expenditure weatherproofing their distribution networks.

Driven by rising aluminium prices, the re-opening of the fourth smelting potline at Tiwai Point (New Zealand's only aluminium smelter that uses c.12% of national electricity generation) gives a positive indication of a long-term future for one of the major components of New Zealand's energy market. Another major component, Genesis Energy's Huntly power station, appears likely to remain open albeit with coal as a fuel source being wholly replaced by 2025. Gas is the likely substitute but long term gas supplies have been brought into question with parliament passing a bill banning new offshore oil and gas explorations.

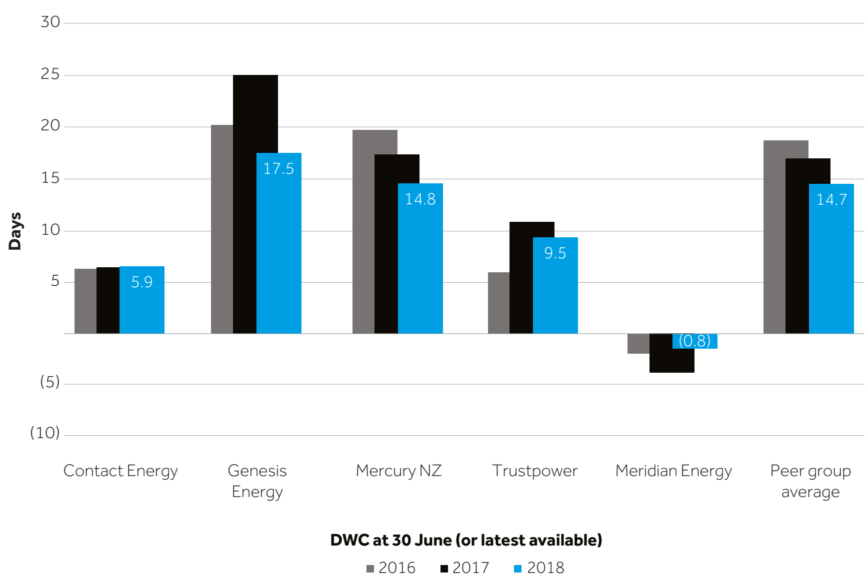
Average DWC across our sample decreased by 2.6 days to 14.7 days, driven primarily by improvements in DSO and DIO of 3.4 and 2.6 days respectively, offset by increases in DPO.

The performance of our sampled companies was strong overall with 94% and 89% of sampled companies improving revenue and EBITDA respectively.

"The delivery of Contact's operational efficiencies, the quality of the generation assets and the strength of the balance sheet have given the Board confidence in the business's ability to generate cash flow, despite the inevitable short-term earnings swings with changes in hydrology illustrated in this year's result."

Contact Energy Limited
Chairman's Review
FY18 Annual Report

Selection of companies - Utilities



Utilities

Days	2016	2017	2018	Change
DSO	38.2	39.8	36.4	(3.4)
DIO	19.8	19.3	16.7	(2.6)
DPO	67.7	68.7	65.63	(3.4)
DWC	18.6	17.3	14.7	(2.6)

Best & Worst

Days	Best	Worst	Spread
DSO	13.7	62.4	48.7
DIO	-	109.5	109.5
DPO	113.1	29.1	84.0
DWC	(16.8)	57.6	74.4

Genesis Energy

Days	2016	2017	2018	Change
DSO	35.0	42.1	36.3	(5.8)
DIO	20.9	18.1	13.3	(4.8)
DPO	42.1	38.8	35.7	(3.1)
DWC	20.2	25.0	17.5	(7.5)

Basis of preparation

Data used in this survey has been sourced from the S&P Capital IQ platform and annual accounts.

Peer group classification

The Building Products, Construction & Engineering, Food & Beverage, Leisure, Mining & Resources, Retail, Transport & Distribution and Utilities peer group samples underpinning this report have been selected according to the Global Industry Classification Standards ("GICS") listed in the table opposite.

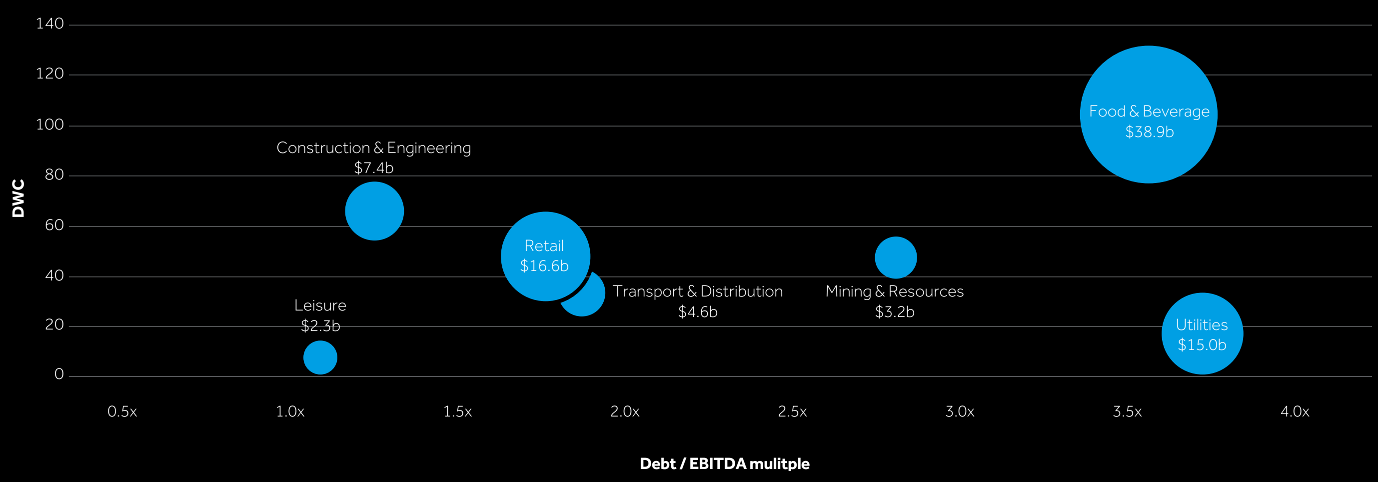
Accounting periods

Financial information in this survey draws on the most recently published accounts as at 1 February 2019 (i.e. the most recently published financial information prior to this date has been used).

Peer group sample	GICS groups included
Building Products	Building Products Construction Materials Household Durables Paper and Forest Products Steel Trading Companies and Distributors
Construction & Engineering	Aerospace and Defense Construction and Engineering Electrical Equipment Machinery Trading Companies and Distributors
Food & Beverage	Beverages Food and Staples Retailing Food Products Personal Products
Leisure	Hotels, Resorts and Cruise Lines Movies and Entertainment Casinos and Gaming Road and Rail
Mining & Resources	Metals and Mining Oil, Gas and Consumable Fuels
Retail	Food and Staples Retailing Multiline Retail Restaurants Specialty Retail Trading Companies and Distributors
Transport & Distribution	Air Freight & Logistics Road and Rail Transportation Infrastructure
Utilities	Construction and Engineering Electric Utilities Independent Power and Renewable Electricity Producers Multi-Utilities Water Utilities

The full peer group samples are included on pages 21 - 25.

Sector summary (bubble size = revenue NZ$b)



Basis of preparation

Source data

This publication contains high level financial information sourced from the S&P Capital IQ database of the latest available financial statements of New Zealand domiciled entities. The information contained herein is based on sources we believe reliable, but we do not guarantee its accuracy, and it should be understood to be general information only. The information is not intended to be taken as advice with respect to any specific organisation or situation and cannot be relied upon as such. McGrathNicol accepts no responsibility for errors or omissions in financial information underpinning this publication, nor the loss of any person arising from use of or reliance on information herein. All readers of this publication must make their own enquires or obtain professional advice in relation to any issue or matter referred to in this publication.

Limitations

McGrathNicol acknowledges that at the level of detail applied, the analysis has limitations, some of which are noted below. For this reason, the analysis focuses on performance relative to the prior period, rather than in absolute terms against peers.

Days sales outstanding

Debtors include GST, while sales do not. To the extent that a company makes more or less of its sales in New Zealand (or another jurisdiction that levies a consumption tax), results will vary.

Days inventory outstanding

To the extent that a company has more or less labour included in its cost of sales, results will vary.

Days purchases outstanding

Creditors include GST, while cost of sales do not. To the extent that a company acquires inventory or input services in New Zealand (or another jurisdiction that levies a consumption tax), results will vary. In addition, to the extent that there has been an accounting adjustment that has affected a company's sales, purchases, debtors, inventory or creditors, this has not been isolated in the analysis and will be reflected as a change in working capital.

Calculation methodology

The working capital metrics referred to in this report have been calculated, as follows:

Days Sales Outstanding ("DSO")

DSO is the number of days' worth of sales represented by the outstanding debtors at the relevant calculation date. The calculation used in this survey is:

$$DSO = \frac{\text{Debtors}}{\text{Sales}} \times 365$$

A low DSO metric is desirable and indicates that it takes a relatively low number of days for a company to collect debtors.

Days Inventory Outstanding ("DIO")

DIO is the number of days' worth of purchases represented by the inventory balances at the relevant calculation date. The calculation used in this survey is:

$$DIO = \frac{\text{Inventory}}{\text{Cost of Sales}} \times 365$$

A low DIO metric is desirable and indicates a relatively high turnover of inventory.

Days Purchases Outstanding ("DPO")

DPO is the number of days' worth of purchases represented by the outstanding creditors at the relevant calculation date. The calculation used in this survey is:

$$DPO = \frac{\text{Creditors}}{\text{Cost of Sales}} \times 365$$

A low DPO metric indicates that it takes fewer days for a company to pay its trade creditors. A high DPO is desirable from a cash flow and working capital management perspective, but can be an indicator of tight liquidity and the cause of strained supplier relationships.

Days Working Capital ("DWC")

DWC is a relative measure of total working capital tied up in a company relative to sales. The calculation used in this survey is:

$$DWC = \frac{\text{Debtors + Inventory - Creditors}}{\text{Sales}} \times 365$$

A low DWC metric is favourable as it indicates a low level of working capital relative to the size of the business.

Findings

Building Products

Company name	DSO			DIO			DPO			DWC		
	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Alesco New Zealand Limited	42.4	46.3	42.5	70.3	104.0	120.6	62.2	76.1	94.9	47.0	59.7	54.5
Assa Abloy New Zealand Limited	76.5	98.0	72.6	58.9	54.3	68.3	38.7	39.0	40.7	89.5	107.5	89.7
Atlas Resources Limited	41.6	40.9	39.4	22.5	23.5	20.6	66.7	70.0	76.7	24.6	23.8	17.8
Avon Pacific Holdings Limited	38.0	27.6	33.3	113.0	123.8	113.2	55.6	51.5	48.3	83.1	83.6	82.1
CSR Building Products (NZ) Limited	65.2	44.4	40.6	82.3	92.7	112.5	58.1	53.4	51.6	82.2	71.4	82.4
Daiken New Zealand Limited	12.3	13.7	10.8	53.2	58.8	65.8	23.9	23.9	23.9	34.9	41.0	44.4
Dongwha New Zealand Limited	10.8	13.7	14.4	56.7	67.3	58.4	23.6	4.5	15.0	34.7	58.0	45.3
Fernhoff Limited	32.0	35.9	46.3	64.0	76.3	69.7	80.2	69.4	80.1	22.0	39.0	41.0
Fletcher Building Limited	55.3	59.2	62.8	79.8	82.4	81.9	50.9	49.6	50.3	77.0	84.8	88.8
Methven Limited	62.8	59.4	58.0	113.8	147.9	157.9	65.7	56.3	80.1	90.5	112.1	103.5
Metro Performance Glass Limited	50.3	63.3	55.0	71.2	63.3	56.8	60.8	50.0	49.8	55.3	70.4	58.9
New Zealand Investment Holdings Limited	40.1	34.9	41.5	82.4	101.6	91.5	38.3	36.2	40.2	68.2	74.4	72.5
Rheem New Zealand Limited	40.1	57.4	36.3	106.5	95.4	119.6	48.4	57.6	65.3	75.6	80.9	69.5
Tasman Steel Holdings Limited	26.3	34.7	37.5	92.1	62.1	85.4	70.6	49.2	48.3	48.5	48.3	71.6
Peer group average	**42.4**	**45.0**	**42.2**	**76.2**	**82.4**	**87.3**	**53.1**	**49.1**	**54.7**	**59.5**	**68.2**	**65.9**

Construction & Engineering

Company name	DSO			DIO			DPO			DWC		
	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
ABB Limited	24.2	25.8	26.2	51.5	59.1	92.4	36.2	33.7	63.1	35.3	44.4	46.7
Aurecon New Zealand Limited	93.5	97.9	104.7	12.6	14.2	9.9	7.3	3.5	4.7	97.1	105.0	108.1
Calibre Consulting Limited	54.8	65.6	60.8	8.1	4.8	8.2	3.0	10.6	3.0	58.7	60.8	65.0
Delta Utility Services Limited	97.6	55.9	65.0	55.4	53.8	62.8	34.3	30.4	35.6	106.6	65.7	77.3
Downer New Zealand Limited	54.7	66.5	63.2	5.4	4.9	5.1	31.5	26.8	26.8	30.9	46.4	43.0
Electrix Limited	73.5	74.6	80.0	10.5	10.0	11.8	43.4	37.4	37.5	58.6	63.1	68.6
Fulton Hogan Limited	45.2	58.2	43.3	29.1	22.8	17.3	58.0	83.1	67.8	28.8	24.1	13.2
Opus International Consultants Limited	43.6	51.9	51.3	34.6	37.5	32.7	5.6	7.6	9.5	68.6	78.3	71.9
Peer group average	**60.9**	**62.0**	**61.8**	**25.9**	**25.9**	**30.0**	**27.4**	**29.1**	**31.0**	**60.6**	**61.0**	**61.7**

Findings

Food & Beverage

Company name	DSO 2016	DSO 2017	DSO 2018	DIO 2016	DIO 2017	DIO 2018	DPO 2016	DPO 2017	DPO 2018	DWC 2016	DWC 2017	DWC 2018
DB Breweries Limited	85.6	80.5	82.8	43.7	41.2	42.6	104.1	109.7	108.7	50.7	41.5	44.9
Delegat Group Limited	56.2	46.1	51.1	453.6	421.4	448.3	57.3	51.7	54.1	224.6	215.5	225.0
Foley Family Wines Limited	78.8	82.0	79.1	659.8	560.1	428.4	34.1	51.1	49.3	432.4	392.3	342.1
Independent Liquor (NZ) Limited	51.9	51.4	65.0	32.9	48.7	49.4	16.4	44.2	59.0	64.7	54.8	58.0
Lion - Beer, Spirits & Wine (NZ) Limited	73.6	73.7	127.4	218.8	211.2	170.3	82.7	85.1	52.1	157.6	153.3	204.3
Marlborough Wine Estates Group Limited	124.5	191.1	98.1	253.4	268.7	428.5	25.2	23.6	42.8	288.0	427.8	350.1
Moa Group Limited	65.4	69.1	62.6	115.5	92.4	95.0	88.9	84.8	97.5	84.2	74.4	60.8
Nobilo Holdings	85.7	73.1	81.2	172.6	206.5	181.6	24.4	25.2	33.4	169.7	190.0	176.7
Pernod Ricard Winemakers New Zealand Limited	53.4	66.6	56.2	369.8	391.9	340.2	125.5	147.3	121.5	232.1	229.1	213.4
Treasury Wine Estates (Matua) Limited	43.6	47.2	57.1	122.1	161.2	192.2	24.6	23.0	10.3	129.1	161.0	202.3
Alcoholic beverages	**71.9**	**78.1**	**76.1**	**244.2**	**240.3**	**237.7**	**58.3**	**64.6**	**62.9**	**183.3**	**194.0**	**187.7**
Alliance Group Limited	24.4	23.1	23.6	21.4	19.4	23.8	16.1	18.5	17.4	29.6	24.0	29.8
Allied Foods (N.Z.) Limited	51.5	40.7	42.6	39.3	37.1	39.6	71.9	67.9	60.0	30.7	20.5	29.5
ANZCO Foods Limited	30.5	25.8	34.5	47.7	50.2	65.1	10.4	15.8	21.5	66.0	58.1	76.1
Aotearoa Fisheries Limited	23.9	31.9	24.6	48.7	38.6	42.3	12.1	11.0	19.7	53.2	54.9	43.5
Arnott's New Zealand Limited	47.8	82.8	77.6	45.6	56.3	53.7	97.7	121.8	94.7	10.5	30.5	44.2
Blue Sky Meats (NZ) Limited	46.1	67.1	54.4	48.4	41.0	39.1	24.5	37.6	30.1	68.4	70.2	62.3
Cerebos Gregg's Limited	56.0	78.7	61.3	112.7	121.0	85.7	36.7	25.1	45.8	105.7	149.2	90.3
Comvita Limited	37.2	103.0	114.1	383.5	342.4	403.8	27.5	37.9	49.9	212.1	286.0	322.9
Dairy Goat Co-Operative (NZ) Limited	121.1	68.1	51.8	243.2	223.2	167.0	73.6	54.3	50.8	221.5	173.2	119.0
Fonterra Co-operative Group Limited	27.6	38.4	36.0	64.6	59.3	61.6	63.9	69.4	69.5	28.1	30.0	29.4
Frucor Suntory New Zealand Limited	84.0	92.8	87.7	71.9	70.5	78.2	59.9	49.3	40.8	90.5	103.7	108.0
General Mills New Zealand Limited	85.5	73.9	85.6	51.9	76.2	86.4	77.9	77.7	96.2	66.8	72.9	78.9
Kerry Ingredients (NZ) Limited	60.1	63.0	53.4	79.2	55.1	59.3	37.1	39.7	25.8	92.5	74.6	77.6
Kura Limited	67.5	95.6	87.8	101.4	128.0	139.2	70.1	93.3	80.2	92.1	120.3	130.2
Market Gardeners Limited	30.7	29.4	28.5	6.6	5.2	7.6	62.4	49.6	47.3	(17.9)	(10.2)	(6.8)
Mars New Zealand Limited	42.5	43.2	49.3	52.9	60.6	62.8	71.1	77.7	82.9	32.2	33.2	37.1
Nestlé New Zealand Limited	36.5	41.6	30.0	62.9	65.6	65.1	93.6	101.0	98.4	22.0	24.6	14.0
New Zealand King Salmon Investments Limited	29.1	28.6	24.8	54.9	45.8	37.8	38.7	31.0	25.5	45.4	43.1	37.1
New Zealand Sugar Company Limited	68.3	69.1	56.1	80.7	59.2	64.0	31.3	20.4	19.9	105.8	99.8	91.1
Open Country Dairy Limited	23.7	30.4	22.5	93.7	73.5	71.1	42.6	42.5	43.6	69.0	57.7	48.8
Sanford Limited	50.6	42.3	35.3	51.0	61.5	67.6	6.0	7.8	8.3	84.7	83.4	81.5
Scales Corporation Limited	15.0	14.5	17.2	26.9	23.3	28.2	24.4	18.0	13.1	16.6	18.2	28.1
SeaDragon Limited	12.9	9.9	32.5	126.9	103.4	97.0	37.8	26.9	23.8	149.1	131.0	177.9
Speirs Group Limited	30.7	35.9	36.3	15.9	14.6	15.2	71.0	46.5	35.0	(4.6)	14.9	22.6
Synlait Milk Limited	24.4	37.3	19.4	60.3	46.7	74.5	9.0	19.7	28.3	66.4	60.2	56.8
T&G Global Limited	46.6	39.8	44.4	39.9	37.2	28.0	37.2	38.5	40.1	48.5	38.8	35.3
Tegel Group Holdings Limited	47.2	35.8	48.8	95.6	91.6	99.1	48.4	36.4	52.3	82.4	78.1	84.5
The a2 Milk Company Limited	47.0	48.4	25.9	95.3	36.3	51.1	67.0	43.6	52.7	63.2	44.6	25.1
The Tatua Co-operative Dairy Company Limited	44.0	45.2	47.6	75.5	62.5	65.2	35.3	37.7	37.2	78.1	67.2	72.4
Westland Co-Operative Dairy Company Limited	44.6	43.0	47.7	84.1	80.5	93.6	25.6	38.5	42.8	89.6	75.8	87.7
Weyville Holdings Limited	43.2	46.1	48.3	140.6	169.5	144.1	34.5	40.8	47.1	131.6	154.4	132.7
Zespri Group Limited	7.1	5.2	6.4	10.3	10.2	8.0	9.0	9.8	7.7	8.0	5.5	6.7
Food & Non-Alcoholic beverages	**44.0**	**47.8**	**45.5**	**79.2**	**73.9**	**75.8**	**44.5**	**43.9**	**44.0**	**69.9**	**71.5**	**71.1**
Peer group average	**50.6**	**55.0**	**52.8**	**118.5**	**113.5**	**114.3**	**47.8**	**48.8**	**48.5**	**96.9**	**100.7**	**98.9**

Findings

Leisure

Company name	DSO 2016	DSO 2017	DSO 2018	DIO 2016	DIO 2017	DIO 2018	DPO 2016	DPO 2017	DPO 2018	DWC 2016	DWC 2017	DWC 2018
Dynasty Hotel Group Limited	23.3	22.8	19.9	8.2	9.0	7.7	17.4	16.6	19.4	20.0	20.1	16.1
I D Tours New Zealand Limited	3.2	6.2	6.9	-	-	-	1.2	4.2	3.2	2.1	2.7	4.3
Millennium & Copthorne Hotels New Zealand Limited	16.3	21.3	20.2	7.8	7.6	8.0	8.4	9.8	8.7	16.0	20.3	19.9
New Zealand Racing Board	12.5	10.3	7.2	-	-	-	45.2	63.2	63.4	1.5	(5.1)	(7.5)
Roadshow Entertainment (NZ) Limited	60.6	30.6	22.8	74.0	25.8	29.7	64.6	203.0	97.0	63.4	(9.1)	9.9
SKYCITY Entertainment Group Limited	11.2	4.7	5.4	7.2	6.8	7.0	22.1	16.4	29.8	5.3	0.8	(3.6)
Skyline Enterprises Limited	10.3	10.2	12.1	36.0	36.9	35.9	365.0	373.7	299.5	(16.7)	(18.3)	(10.8)
SPAK (1996) Limited	19.2	16.7	22.6	2.6	4.1	3.7	17.9	9.3	9.5	7.2	12.9	18.4
Tourism Holdings Limited	14.9	7.6	7.4	106.0	141.3	140.0	128.3	104.6	102.9	8.9	17.6	18.8
Peer group average	**19.0**	**14.5**	**13.8**	**26.9**	**25.7**	**25.8**	**74.5**	**89.0**	**70.4**	**12.0**	**4.7**	**7.3**

Mining & Resources

Company name	DSO 2016	DSO 2017	DSO 2018	DIO 2016	DIO 2017	DIO 2018	DPO 2016	DPO 2017	DPO 2018	DWC 2016	DWC 2017	DWC 2018
Bathurst Resources Limited	18.3	24.2	26.2	17.2	23.4	13.6	22.4	29.3	17.4	14.1	19.7	23.6
Beach Energy Resources NZ (Holdings) Limited	34.4	46.9	56.4	9.8	9.5	10.4	116.8	117.5	122.3	(46.2)	(52.1)	(22.0)
Methanex New Zealand Limited	84.7	100.2	77.7	25.3	36.3	10.6	56.9	72.0	23.0	58.1	71.4	67.8
New Zealand Aluminium Smelters Limited	87.6	95.3	87.1	51.8	51.7	58.2	40.5	57.3	59.1	95.6	91.3	86.5
New Zealand Oil & Gas Limited	38.6	63.9	117.2	34.4	21.9	39.3	49.8	71.8	113.9	26.1	31.3	73.7
Oceana Gold (New Zealand) Limited	11.1	7.2	6.4	92.0	40.0	39.6	37.9	26.4	24.7	60.3	18.6	18.6
OMV New Zealand Limited	39.4	22.1	47.9	9.1	15.7	29.9	77.9	85.7	19.9	(14.5)	(24.7)	54.2
Simsmetal Industries Limited	16.6	6.5	13.4	32.0	63.1	57.3	11.6	13.3	8.3	35.2	52.0	55.4
Peer group average	**41.3**	**45.8**	**54.1**	**34.0**	**32.7**	**32.4**	**51.7**	**59.2**	**48.6**	**28.6**	**25.9**	**44.7**

Findings

Retail

Company name	DSO 2016	DSO 2017	DSO 2018	DIO 2016	DIO 2017	DIO 2018	DPO 2016	DPO 2017	DPO 2018	DWC 2016	DWC 2017	DWC 2018
Amazon (New Zealand) Pty Limited	0.1	1.9	3.0	150.1	139.7	133.3	34.2	38.5	42.6	64.7	57.1	54.4
Briscoe Group Limited	0.3	0.3	0.3	89.0	83.8	75.8	40.5	61.5	58.1	29.2	13.5	10.8
Bunnings Limited	18.6	16.8	16.1	101.1	97.7	90.5	34.3	31.5	33.8	64.3	62.2	55.8
Burger Fuel Worldwide Limited	44.3	39.1	42.7	22.9	20.8	16.3	21.3	30.1	19.9	45.9	30.6	39.2
Coles Group New Zealand Holdings Limited	0.1	0.1	0.4	82.6	82.1	71.9	71.5	86.1	87.1	6.6	(2.2)	(8.9)
DFS New Zealand Limited	2.5	3.0	17.6	78.1	106.1	161.6	44.6	26.1	30.2	18.2	52.2	95.4
Freedom Furniture New Zealand Limited	25.3	20.0	18.6	108.9	117.4	130.4	22.9	21.6	21.4	71.5	71.0	73.4
Green Cross Health Limited	15.2	14.0	14.9	29.0	28.8	26.9	27.1	24.4	25.4	17.0	17.8	16.2
Hallenstein Glasson Holdings Limited	2.7	1.2	0.2	75.3	76.5	71.2	29.8	34.0	18.7	22.4	18.6	20.6
Kathmandu Holdings Limited	0.1	0.2	6.1	218.8	192.4	224.4	28.7	31.1	48.1	71.2	61.5	70.6
Kimbyr Investments Limited	-	-	-	138.3	128.6	135.1	36.0	21.2	22.1	41.9	41.4	48.3
Lion Liquor Retail Limited	5.3	6.1	7.3	98.6	102.4	101.4	43.9	51.6	56.7	47.4	44.6	41.1
Luxottica Retail New Zealand Limited	17.5	22.7	23.0	144.3	80.8	82.3	23.8	35.9	36.7	49.6	36.0	34.2
McDonald's Restaurants (New Zealand) Limited	19.6	24.3	24.3	4.1	3.9	3.1	52.9	46.0	51.6	(3.2)	6.5	4.5
Michael Hill International Limited	11.2	16.6	16.1	369.9	371.9	336.0	43.9	50.4	43.2	127.9	133.3	122.3
Mitre 10 (New Zealand) Limited	39.3	34.7	32.5	9.9	10.5	9.8	60.1	57.7	56.2	(6.0)	(8.4)	(9.9)
NZPM Group Limited	45.8	38.0	37.9	82.9	78.1	79.0	48.9	45.6	42.9	69.9	61.0	63.1
Paper Plus New Zealand Limited	137.7	133.9	148.5	42.7	47.4	65.9	169.8	189.5	229.0	51.1	47.9	50.9
Restaurant Brands New Zealand Limited	0.5	0.5	0.3	9.5	7.5	7.3	21.3	21.0	16.8	(9.6)	(11.0)	(7.8)
Smiths City Group Limited	75.2	107.9	127.0	95.4	86.7	72.6	46.5	44.9	41.1	109.2	136.0	149.1
Spotlight Limited	1.1	0.3	1.0	238.1	220.2	211.8	34.5	35.8	25.5	92.8	83.9	86.2
The Warehouse Group Limited	14.3	5.5	5.6	93.1	88.5	95.4	40.6	41.1	42.9	49.7	37.5	40.7
Woolworths New Zealand Group Limited	1.4	1.4	2.2	32.7	27.8	27.6	40.3	40.3	41.3	(4.3)	(8.0)	(8.2)
Peer group average	**20.8**	**21.2**	**23.7**	**100.7**	**95.6**	**96.9**	**44.2**	**46.4**	**47.5**	**44.7**	**42.7**	**45.3**

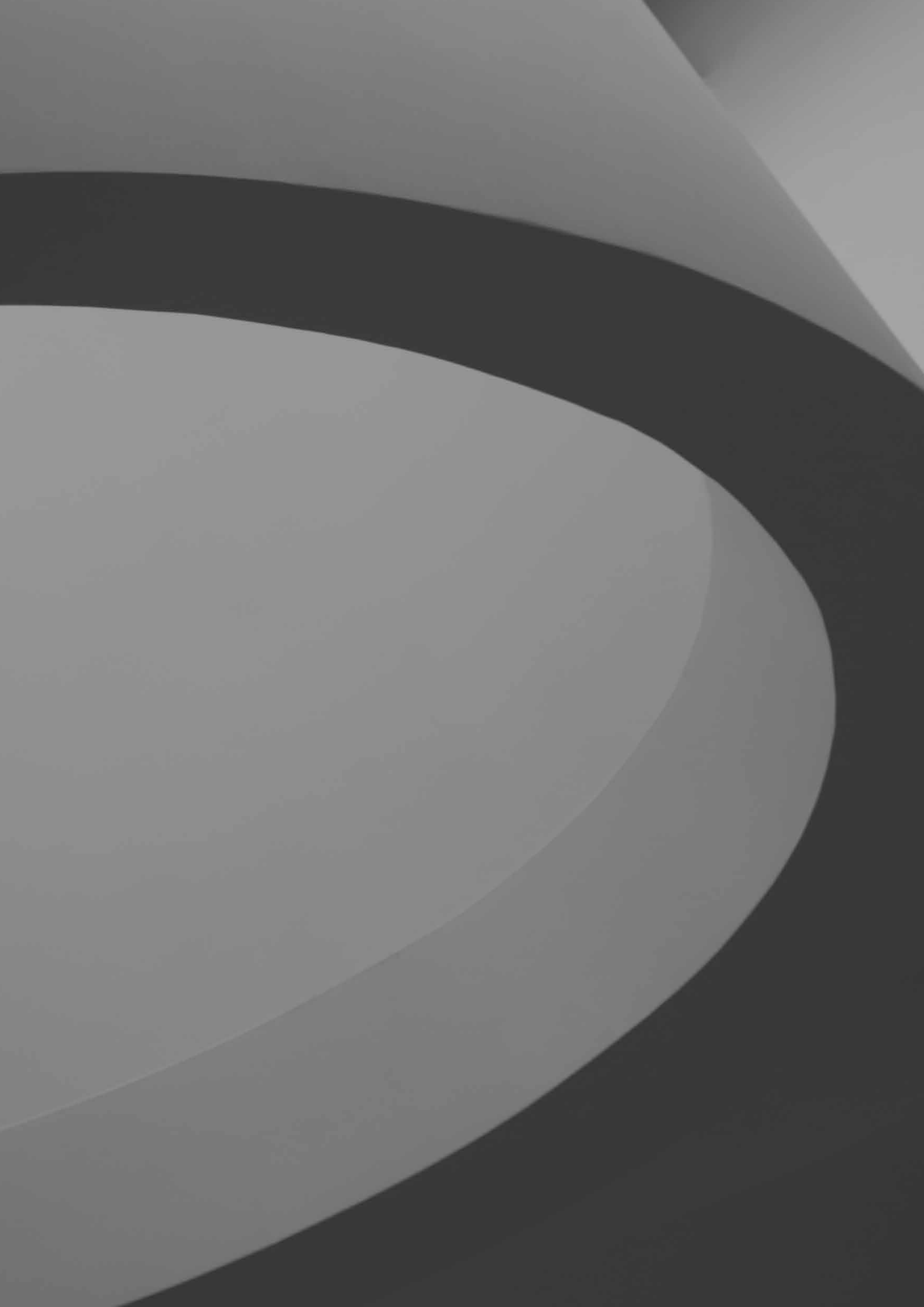
Transport & Distribution

Company name	DSO 2016	DSO 2017	DSO 2018	DIO 2016	DIO 2017	DIO 2018	DPO 2016	DPO 2017	DPO 2018	DWC 2016	DWC 2017	DWC 2018
Crown Worldwide (NZ) Limited	35.6	37.4	51.0	5.2	5.6	6.7	15.3	17.3	30.6	29.0	29.7	34.9
DHL Express (New Zealand) Limited	57.3	51.5	48.1	-	-	-	62.2	33.7	33.6	25.8	34.7	31.8
DHL Supply Chain (New Zealand) Limited	59.0	57.6	64.3	-	-	-	24.0	19.0	39.8	40.4	43.3	34.8
Fliway Group Limited	38.1	42.8	38.2	-	-	-	12.2	14.2	11.5	28.1	30.8	28.5
Freightways Limited	42.8	43.9	43.6	5.7	5.2	4.5	32.1	37.0	34.8	25.4	22.6	23.3
Hellmann Worldwide Logistics Limited	43.0	44.2	51.4	0.3	0.2	0.2	9.4	13.6	24.1	35.8	33.9	33.1
Kuehne + Nagel Limited	51.3	44.3	68.0	7.5	4.6	5.8	38.7	34.2	41.7	27.0	21.1	39.0
Mainfreight Limited	46.9	49.3	50.4	-	-	-	49.2	48.3	48.5	4.9	8.4	9.3
Quayside Holdings Limited	48.4	52.5	57.3	1.0	0.4	1.9	34.0	39.3	31.5	32.5	34.4	43.6
Schenker (NZ) Limited	50.9	60.1	61.2	-	-	-	17.1	17.9	16.5	35.5	44.1	46.3
Toll Group (NZ) Limited	37.9	41.5	41.9	0.4	0.5	0.6	39.2	41.5	24.0	3.7	5.6	21.1
Peer group average	**46.5**	**47.7**	**52.3**	**1.8**	**1.5**	**1.8**	**30.3**	**28.7**	**30.6**	**26.2**	**28.1**	**31.4**

Findings

Utilities

Company name	DSO 2016	DSO 2017	DSO 2018	DIO 2016	DIO 2017	DIO 2018	DPO 2016	DPO 2017	DPO 2018	DWC 2016	DWC 2017	DWC 2018
Contact Energy Limited	33.6	34.8	29.1	12.9	11.2	7.5	49.8	49.4	36.7	5.7	5.8	5.9
Counties Power Limited	33.8	33.8	33.1	2.3	1.0	-	96.6	172.0	112.0	15.3	(2.5)	9.4
Eastland Group Limited	37.3	34.4	37.4	1.0	0.6	0.7	128.9	58.5	47.3	12.1	9.0	17.3
Electricity Ashburton Limited	55.1	53.5	36.6	92.6	87.0	63.7	66.9	57.6	51.3	66.6	66.8	42.6
Genesis Energy Limited	35.0	42.1	36.3	20.9	18.1	13.3	42.1	38.8	35.7	20.2	25.0	17.5
Meridian Energy Limited	29.8	40.9	34.5	-	-	-	43.4	63.2	46.5	(1.7)	(4.4)	(0.8)
Mercury NZ Limited	43.9	52.8	43.9	15.3	13.3	10.3	50.8	65.9	52.6	19.6	17.4	14.8
Northpower Limited	83.1	79.9	62.4	29.2	26.3	23.1	55.5	46.3	38.3	70.6	70.3	55.4
Orion New Zealand Limited	10.4	13.9	13.7	17.1	16.6	17.1	58.9	60.0	57.3	(12.6)	(10.6)	(8.7)
Powerco Limited	28.3	28.9	27.9	-	0.4	3.6	73.0	77.3	85.5	(4.2)	(6.1)	(9.4)
Tilt Renewables Limited	33.9	37.8	46.4	-	-	-	84.1	42.5	112.1	19.9	28.9	24.2
Top Energy Limited	39.0	37.1	36.3	5.4	4.2	3.3	35.9	53.4	92.5	25.0	13.7	(6.4)
Transpower New Zealand Limited	35.0	36.6	33.3	4.0	4.5	2.6	113.3	128.3	113.1	6.4	4.5	5.2
Trustpower Limited	32.6	30.0	31.4	-	-	-	39.6	29.3	35.0	6.1	10.8	9.5
Unison Networks Limited	39.1	40.8	37.6	111.6	122.3	109.5	66.9	63.5	55.3	54.5	61.5	57.6
Vector Limited	52.4	53.4	48.7	3.2	7.6	6.7	100.5	109.7	92.4	10.9	7.9	7.8
Watercare Services Limited	38.1	33.3	37.1	21.6	34.5	39.4	37.4	30.0	29.1	35.3	34.0	38.8
Wellington Electricity Distribution Network Limited	27.7	31.8	29.1	-	-	-	75.1	90.9	83.4	(14.5)	(19.9)	(16.8)
Peer group average	**38.2**	**39.8**	**36.4**	**19.8**	**19.3**	**16.7**	**67.7**	**68.7**	**65.3**	**18.6**	**17.3**	**14.7**



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