

PTB Group Limited

Annual General Meeting

22 November 2017



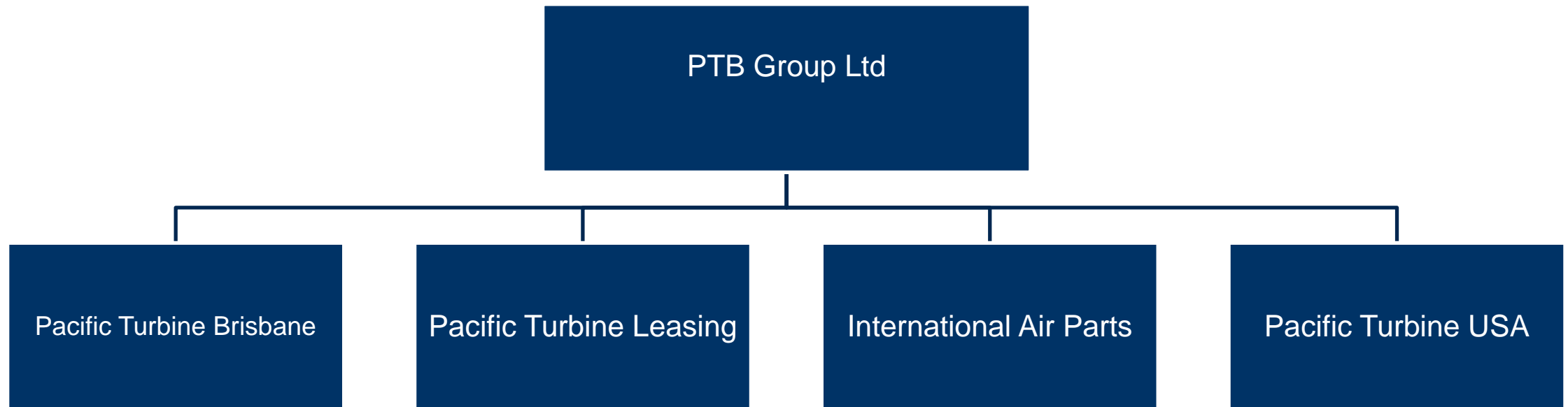
PTB GROUP LIMITED

Business Overview

Company Information	
ASX Code	PTB.ASX
Listing Date	18 th December 2006
Managing Director	Stephen Smith
Share Price (21/11/2017)	\$0.66
Market Cap (21/11/2017)	\$41.41 million
Net Tangible Assets (30/06/2017)	\$0.64 per share
FY17 Dividend	5 cents

PTB Share Price (since 1 Jan 2016)





Business Overview

PTB Group is made up of four businesses

Pacific Turbine Brisbane Aircraft Engines	<ul style="list-style-type: none">• Engine Management programs• Buying/Selling• Overhaul and repairs in Brisbane maintenance facility• Predominantly domestic and <i>Asia/Pacific</i> customers	<ul style="list-style-type: none">• Significant Barriers to entry due to compliance framework• Long term engine support contracts• Consistent earnings• Strong margins• High productivity
Pacific Turbine USA United States Engines	<ul style="list-style-type: none">• Similar to PTB (Brisbane) Business• Focus on North America• Contracts with long established US maintenance facilities	<ul style="list-style-type: none">• Launched 2nd half 2016• Already profitable• Costs low and business scalable
Pacific Turbine Leasing Leasing engines/aircraft	<ul style="list-style-type: none">• Leasing of aircraft• Leasing of engines• Consistent earnings	<ul style="list-style-type: none">• Long term contracts• High client retention• Funding through SBI Leasing
International Air Parts Parts	<ul style="list-style-type: none">• Buying/selling• Brokering• Large stock of parts• End of lease optimisation	<ul style="list-style-type: none">• Continuous improvements in efficiency• Margins increased• Overhead costs decreased



Segment Operational Performance

Pacific Turbine Brisbane	<ul style="list-style-type: none"> • Consistent source of cash flows and ongoing sales • Long-term engine maintenance contracts • Continued efficiency gains • Agreement with Belluna Co. to fund test cell facility 	<ul style="list-style-type: none"> • Specialist knowledge allowing reduced operating costs • Successful trading of aircraft engines and parts
Pacific Turbine USA	<ul style="list-style-type: none"> • Continued focus on increasing capacity to build, refurbish and repair engines • US-based president (DJ Davant) appointed • Miami facility established 	<ul style="list-style-type: none"> • Multiple partners available for ramping up supply • Development of this business unit remains a key Group strategy
Pacific Turbine Leasing	<ul style="list-style-type: none"> • All group rental and lease assets transferred to Pacific Turbine Leasing • Funding agreement signed with SBI Leasing 	<ul style="list-style-type: none"> • Continued development of growth framework • Actively sought quality leasing opportunities • Continued to benefit from cross selling of parts and maintenance of engines
International Air Parts	<ul style="list-style-type: none"> • Consistent margins • Incremental efficiency improvements made 	<ul style="list-style-type: none"> • Continued major role in supporting customers of Pacific Turbine Leasing

Recent Highlights

- FY17 profit before tax up 13%
- FY17 revenue up 7.8%
- 5c fully franked dividend continued
- First deposit received for leasing of aircraft using SBI Leasing facility
- PT USA engine production increased to three per month
- Appointment of key staff for US operations
- Formalised relationship with SBI Leasing provides funding for growth of PT Leasing
- Obtained funding for construction of test-cell at PTB (Brisbane) facility through Belluna Co. with initial drawdown complete
- Renewed existing bank funding on favourable terms for our business
- Key management and board transitions executed smoothly and as planned
- All Group businesses positioned for medium and long term growth

What we said we would do (AGM Presentation 23 November 2016)

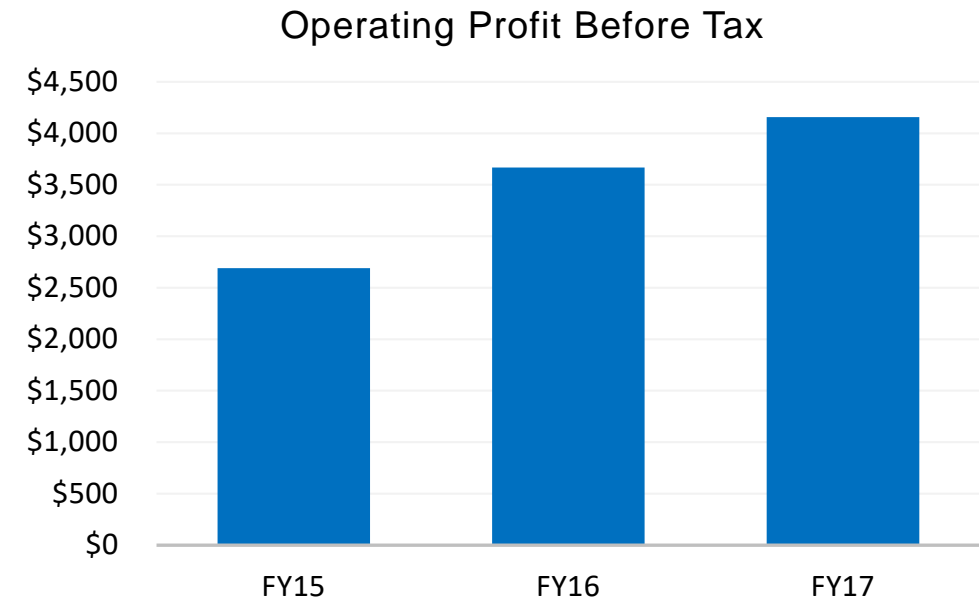
Stated Goals at 2016 AGM	Outcome
Increase USA business to produce four to five engines per month over 18 months	✓ Currently producing two to three per month and growing parts sales
Maintain underwritten, fully franked dividend and DRP	✓ Done, with excellent participation rate and significant share price growth
Take EMP's to wider market	✓ Building output to match demand - ongoing
Continue to grow engines under lease and EMP's	✓ Ongoing
Build market awareness and shareholder value through corporate and investor relations strategy	✓ Ongoing investor briefings, roadshows and site visits continue to clarify our story and attract investors
Continue to build efficiencies in Pacific Turbine Brisbane	✓ Construction of test-cell commenced
Increase liquidity for shareholders	✓ Average daily volume increased significantly to 47k (CY17) from 15k (CY16)
Continue to investigate alternative, innovative funding options	✓ Signed agreements with SBI Leasing and Belluna Co. which continue to evolve
Complete realignment of group businesses	✓ Business units structurally completed with ongoing improvements/clarity for stakeholders
Achieve acceptable returns from all business segments	✓ Work in progress – all businesses profitable

Our Strength Our People

- Daniel Zgrajewski (CFO, PTB Group) continues to excel - he has overseen the transition of overheads from IAP to Brisbane and realignment of group businesses and is now developing his finance team capabilities
- Alana McKenna (Manager, Pacific Turbine Brisbane) has developed a best of breed team culture and continues to grow all areas of the business
- Don Jessop (Manager, IAP) has done an exceptional job developing his sales team and identified new product lines which the company is supporting, confirming management's confidence in what Don is doing
- DJ Davant (President, Pacific Turbine USA) has executed successfully a green-field PT USA start up facility while keeping the business operating and profitable
- Peter Wood (Manager, Pacific Turbine Leasing) continues to be instrumental in the day to day running of Pacific Turbine Leasing, as well as laying the platform for future growth
- Willie Naser (Quality Manager, PTB Group) leads our quality department, who are responsible for the outstanding achievement of obtaining and maintaining eight different country civil aviation approvals and ASA 100 approvals for PTB, IAP with PT USA in progress

Group Performance

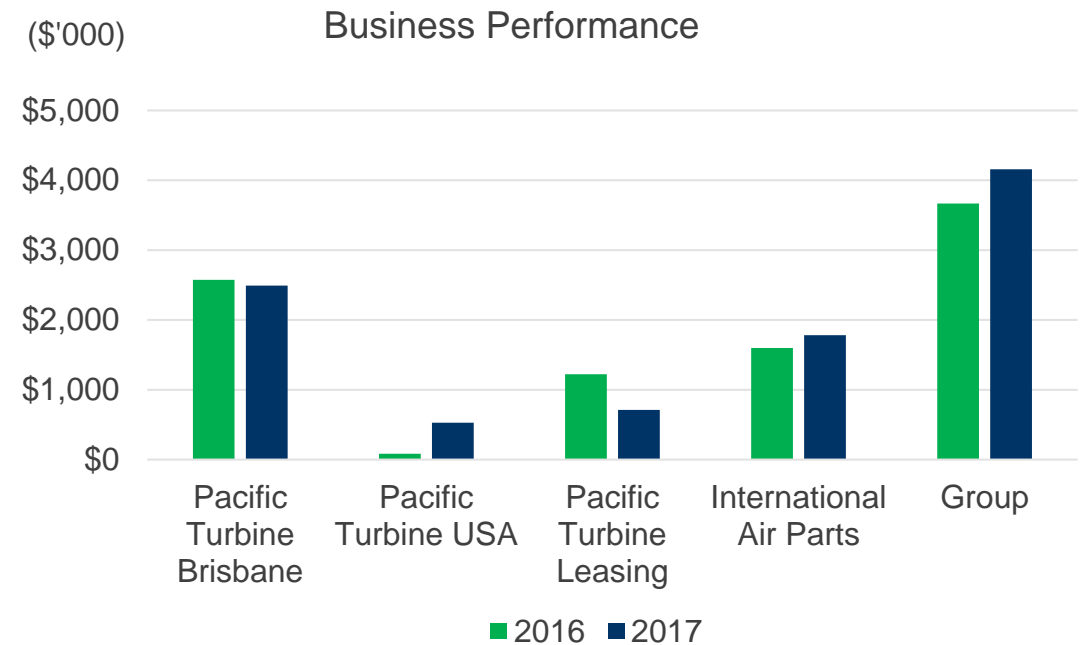
	Millions		
	FY16	FY17	Change
Group Revenue	\$ 43,170	\$ 46,551	7.8% ↑
Profit Before Tax	\$ 3,668	\$ 4,157	13.3% ↑
Total Cash	\$ 1,982	\$ 2,427	22.5% ↑
Total Borrowings	\$ 13,687	\$ 16,020	17.0% ↑
Net Assets	\$ 37,686	\$ 44,753	18.8% ↑



PTB Group has been utilising historical tax losses to minimise tax, and we envisage this continuing in the immediate future

Segment Performance

Profit Before Tax by Business	2016 (\$'000)	2017 (\$'000)
Pacific Turbine Brisbane	\$2,575	\$2,492
Pacific Turbine USA	\$83	\$527
Pacific Turbine Leasing	\$1,223	\$712
International Air Parts	\$1,597	\$1,782
Group Overheads	(\$1,285)	(\$1,398)
Foreign Exchange Gains/(Losses)	(\$525)	\$42
Group	\$3,668	\$4,157



Note: Previous comparative numbers for the businesses have been restated to reflect the transfer of all rental and leasing activities to Pacific Turbine Leasing.

The overall business is trading well, however there are a number of ongoing negotiations which will affect FY18 performance, so no formal guidance is provided at this stage.

Management 12 month plan

- Grow leasing book to increase aircraft numbers (each aircraft containing one or two engines)
- Increase number of engines under EMP's
- Maintain fully franked dividend
- Grow number of North American customers to maximise PT USA capabilities
- Renew key contracts with favourable terms
- Dispose of underperforming assets and deploy cash into growth initiatives
- Continue to increase liquidity and market awareness through corporate and investor relations strategy
- Increase cash generation through PT USA and PT Leasing growth
- Unlock the unrealised capital gain in wholly owned Sydney properties
- Continue to build additional sales resources in PT USA
- Attract and secure key personnel for PT Leasing
- Explore capital management options to ensure maximum shareholder value is extracted from franking credits
- Continued growth initiatives without losing focus on growing earnings per share

Established & experienced Management & Board

Stephen Smith

Mr. Stephen Garry Smith is the Managing Director of the Company. Stephen was a founding shareholder and director of PTB Group Ltd and has fulfilled a number of key roles within the company. Stephen has been a key contributor to the strategic direction and growth of the company. Stephen also has significant experience in the aviation industry as both a helicopter and fixed wing operator.

Craig Baker

Mr. Craig Louis Baker served as Managing Director of PTB Group Ltd up until 30 April 2017. From 1 July 2017, Craig will replace the retiring Harvey Parker and sit as Non-Executive Chairman of the Board. He is a qualified accountant and has worked as General Manager, Director and Finance Manager in a range of aviation businesses for over 35 years. Craig was also involved in the development of Airwork (NZ) Limited. His duties involve the overall management of the Group.

Andrew Kemp

Mr. Andrew Peter Somerville Kemp is a Non-Executive Director at PTB Group Ltd. Andrew is a Chartered Accountant and has worked for KPMG, Littlewoods Chartered Accountants, Coutts Group and as Qld Manager of AIFC, the merchant banking affiliate of the ANZ Banking Group. Andrew formed Huntington Group in 1987 and has been involved in a range of listings, acquisitions and divestments. He is also currently a Director of Silver Chef Limited.

Daniel Zgrajewski

Mr. Daniel Zgrajewski is the Chief Financial Officer and Company Secretary of PTB Group Ltd. Daniel began with PTB as Finance Manager for the Brisbane Business in 2012 and was promoted to the CFO role in 2013. Daniel previously worked in a number of senior accounting roles in commercialised business units of Brisbane City Council. These included Commercial Accountant for Brisbane City Works and Principal Financial Accountant for Brisbane Water.

Russell Cole

Russell Cole is a Non-Executive Director of the Board, effective 28/02/2017. Russell has been the Chairman of Audit and Remuneration Committee of the PTB Group Ltd Board since 28 September 2012. Russell has over 25 years' experience in public practice as a Chartered Accountant specialising in the corporate sector with significant experience in audit, risk management and corporate governance. He has spent 15 years as an audit & assurance partner of national accounting firms with a particular focus on emerging listed companies.

Prince Gunasekara

Sri Lankan born aviation expert with over 20 years' experience in Japanese aviation. He has worked across many areas of the industry, including procurement, aircraft parts and aircraft engines for Japanese aircraft operators. Prince is also has worked with PTB since 2012 and is responsible for introducing Japanese investors and business partners to the company.

Further Information

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