

PTB Group Limited

FY 2018 Half Year Results Presentation

23 February 2018



PTB GROUP LIMITED

Group Highlights

Financial

- 1H18 Net profit before tax of \$1.9m (up 4% PCP)
- 1H18 Revenue of \$18.9m (up 0.4% PCP)
- NTA per share of \$0.66 (up from \$0.64 in June 2017)

Operational

- PT USA infrastructure and processes established (software, fitout, administration etc)
- PT USA - six overhauled engines in stock and ready for sale
- PT Leasing – in advanced negotiations for additional aircraft leases
- PTB and IAP continue to trade consistently

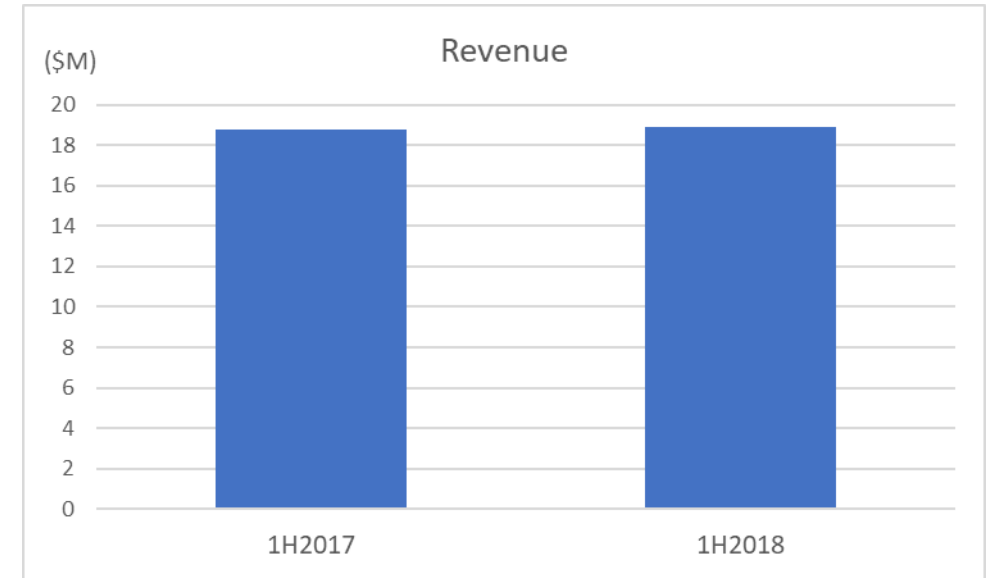
Strategic

- SBI Lease funding facility in place
- Test cell build commenced for PTB
- IAP property options



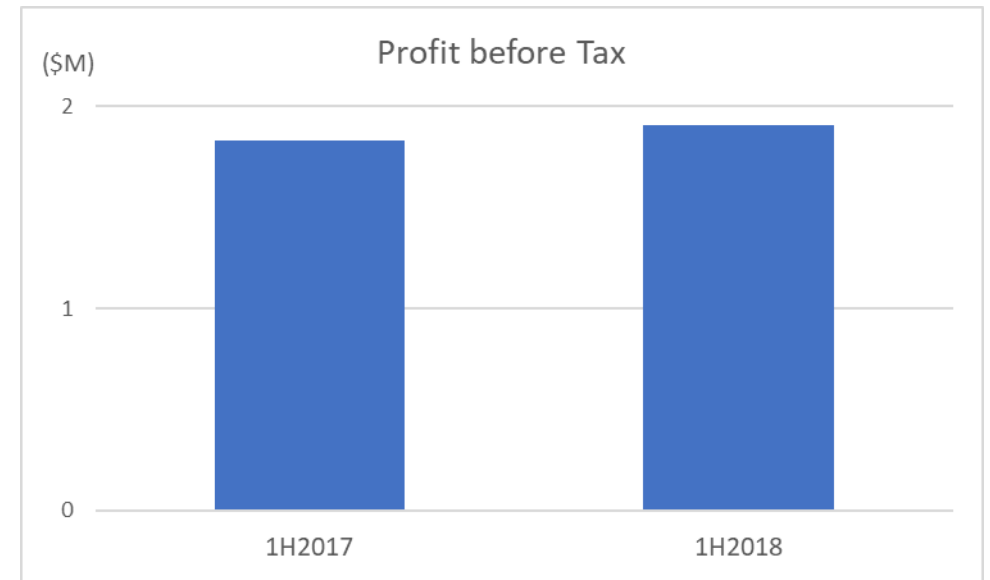
Group and Segment Performance

Revenue by Business	1H2017 (\$'000)	1H2018 (\$'000)
Pacific Turbine Brisbane	11,691	13,068
Pacific Turbine USA	2,380	1,586
Pacific Turbine Leasing	1,605	1,160
International Air Parts	3,129	3,068
Group	18,805	18,882



Group and Segment Performance

Profit before Tax by Business	1H2017 (\$'000)	1H2018 (\$'000)
Pacific Turbine Brisbane	1,085	2,112
Pacific Turbine USA	490	(74)
Pacific Turbine Leasing	454	226
International Air Parts	471	457
Group Overheads	(667)	(815)
Group	1,833	1,906



Balance Sheet

Balance Sheet December 2017	\$000
Cash	3,085
Receivables	15,919
Inventory	26,733
Property, Plant & Equipment	18,865
Deferred tax assets	2,700
Other assets	529
Total Tangible Assets	67,831
Trade and other payables	3,086
Borrowings	16,149
Deferred tax liabilities	3,029
Other liabilities	3,841
Total Liabilities	26,105
Net Tangible Assets	41,726
Per Share	\$0.66

Segment Operational Performance

Pacific Turbine Brisbane	<ul style="list-style-type: none"> • Consistent source of cash flows and ongoing sales from long-term engine maintenance contracts • Ongoing efficiency gains 	<ul style="list-style-type: none"> • Commencement of test-cell build • Successful trading of aircraft engines and parts • Working with PT USA to reduce parts costs
Pacific Turbine USA	<ul style="list-style-type: none"> • Continued focus on overhaul and repair of engines for sale • Drive down parts costs across the group 	<ul style="list-style-type: none"> • Strengthen relationships with key suppliers • Infrastructure in place for long term business operations
Pacific Turbine Leasing	<ul style="list-style-type: none"> • Manages all rental and lease assets for the Group • Funding agreement with SBI Leasing 	<ul style="list-style-type: none"> • Developing quality leasing opportunities • Continues to supply workshop and parts sales to the Group
International Air Parts	<ul style="list-style-type: none"> • Consistent margins • Incremental efficiency improvements 	<ul style="list-style-type: none"> • Continued role in supporting customers of Pacific Turbine Leasing



PTB Group's two-pillar approach remains:

Pacific Turbine Leasing

- Grow leasing fleet to 100+ aircraft over time
- Only acquire aircraft with existing customer leases
- New leases to be cash flow positive and earnings accretive
- Each aircraft under lease adds up to two engines to the engine management plan (currently ~150 under EMP)
- Funding in place with SBI Leasing
- Disciplined deal execution – right aircraft, right terms, right customers

Pacific Turbine USA

- Continue to increase capacity/engines in work
- Build on the relationships with external partners to reduce parts costs
- Manage engine and parts inventory for the group
- Explore additional North American/American markets
- Add specialist staff as required

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• Predominantly domestic and <i>Asia/Pacific</i> customers• Significant Barriers to entry due to compliance framework	<ul style="list-style-type: none">• 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• Launched 2nd half 2016	<ul style="list-style-type: none">• Costs low and 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
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• Good margins• Low overhead costs

Established & Experienced Management & Board

Stephen Smith

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

Russell Cole

Russell Cole is a Non-Executive Director. 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.

Craig Baker

Craig Baker served as Managing Director of PTB Group Ltd up until 30 April 2017. From 1 July 2017, Craig replaced the retiring Harvey Parker as the 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.

Prince Gunasekara

Prince Gunasekara is a 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.

Andrew Kemp

Andrew Kemp is a Non-Executive Director. Andrew is a Chartered Accountant and has worked for KPMG and Littlewoods and then as Queensland Manager of AIFC, the merchant banking affiliate of the ANZ Banking Group. Following two years with the North Queensland based Coutts Group he formed Huntington Group in 1987 and has been involved in a range of listings, acquisitions and divestments. He is also currently a Director of ASX-listed Silver Chef Limited.

Daniel Zgrajewski

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.



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