

FY18 Full Year Results Presentation

September 2018



PTB GROUP LIMITED







PTB ORGANISATIONAL STRUCTURE



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 Asia/Pacific customers • Long term engine support contracts • Consistent earnings • Strong margins • High productivity • Significant Barriers to entry due to compliance framework
 PACIFIC TURBINE USA United States Engines	<ul style="list-style-type: none"> • Similar to Brisbane Business • Focus on North America • Launched in 2nd half 2016 • Costs low and scalable for Group • Maintains shared Group inventory
 PACIFIC TURBINE LEASING Leasing Aircraft and Engines	<ul style="list-style-type: none"> • Leasing of aircraft • Leasing of engines • Consistent earnings • Long term contracts • High client retention
 IAP INTERNATIONAL AIR PARTS Aircraft Parts	<ul style="list-style-type: none"> • Buying/selling • Brokering of parts • Large stock of parts • End of lease optimisation • Margins increased • Overhead costs decreased

Group Highlights

Financial

- Net profit before tax of \$4.674m (up 12.4% YOY)
- NTA per share of \$0.64
- Fully franked dividends of 5c per share paid for each of the last 4 years
- All businesses profitable in 2H18

Operational

- Renewal of Trans Maldivian Airways contract until 2023 with improved terms
- Pacific Turbine USA signed first maintenance contract
- Letter of Intent signed for Pacific Turbine Leasing to purchase aircraft with existing leases
- All businesses set for strong revenue growth in FY19

Strategic

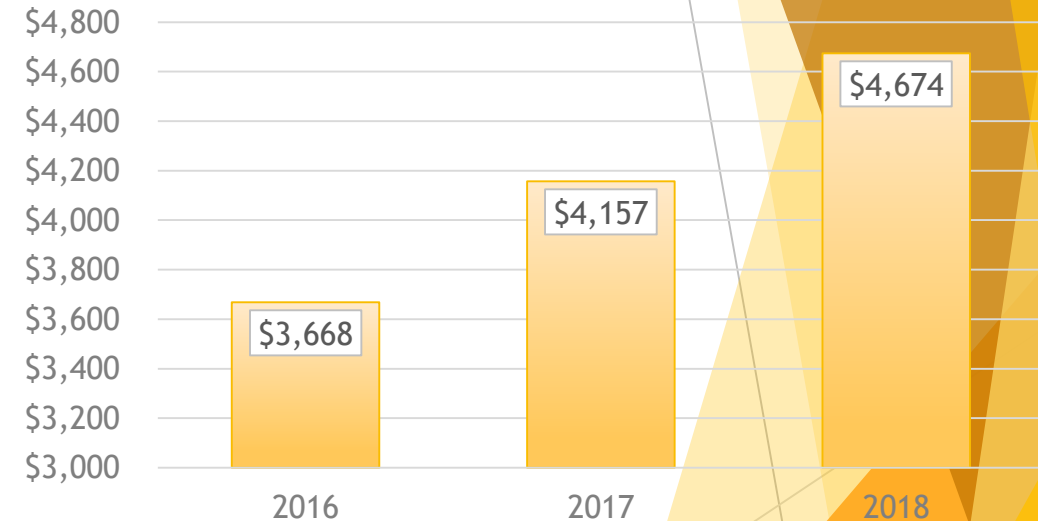
- SBI Leasing funding set for deployment
- Improved purchasing processes and consolidation of inventory holdings in the US
- General Manager for Pacific Turbine Leasing - appointed to drive growth



Group and Segment Performance

Profit Before Tax by Business	2016 (\$'000)	2017 (\$'000)	2018 (\$'000)
Pacific Turbine Brisbane	\$2,575	\$2,492	\$4,142
Pacific Turbine USA	\$83	\$527	(\$74)
Pacific Turbine Leasing	\$1,223	\$712	\$565
International Air Parts	\$1,597	\$1,782	\$1,393
Group Overheads	(\$1,285)	(\$1,398)	(\$1,598)
Foreign Exchange Gain/(Loss)	(\$525)	\$42	\$246
Group	\$3,668	\$4,157	\$4,674

PROFIT BEFORE TAX



Note: Comparative numbers for 2016 have been restated to reflect the transfer of all rental and leasing activities to Pacific Turbine Leasing.







Net Tangible Assets

	2017 \$000	2018 \$000
Cash	2,427	4,184
Receivables	20,657	17,252
Inventory	24,546	26,946
Property, Plant & Equipment	18,171	19,385
Deferred tax assets	4,013	2,472
Other assets	229	585
Total Tangible Assets	70,043	70,824
Trade and other payables	6,865	4,249
Borrowings	16,020	16,339
Deferred tax liabilities	3,741	3,630
Other liabilities	2,998	3,625
Total Liabilities	29,624	27,843
Net Tangible Assets	40,419	42,981
Per Share	\$0.64	\$0.64



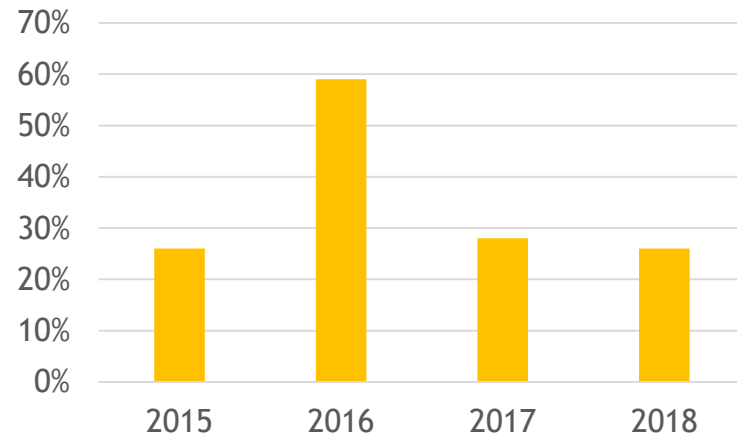
Segment Operational Performance

 PACIFIC TURBINE BRISBANE	<ul style="list-style-type: none"> • Very good trading year • Consistent source of cash flows and sales from long-term engine maintenance contracts • Test cell completion expected by Dec 2018 	<ul style="list-style-type: none"> • Specialist knowledge • Low staff turnover • Well lead by local management
 PACIFIC TURBINE USA	<ul style="list-style-type: none"> • Continued focus on increasing capacity to build, refurbish and repair parts and engines • Signing of first maintenance contract with associated revenues coming FY19 	<ul style="list-style-type: none"> • Additional sales staff appointed • Improved purchasing processes • Consolidation of inventory in US
 PACIFIC TURBINE LEASING	<ul style="list-style-type: none"> • Appointment of General Manager for Pacific Turbine Leasing • Signed Letter of Intent for purchase of aircraft • Purchases expected to be executed early FY19 with immediate cash flow generated 	<ul style="list-style-type: none"> • Numerous opportunities identified • Other businesses to continue to benefit from cross selling of parts and maintenance of engines
 IAP INTERNATIONAL AIR PARTS	<ul style="list-style-type: none"> • Consistent margins • Increased contribution from new product line 	<ul style="list-style-type: none"> • Continued major role in supporting customers of Pacific Turbine Leasing

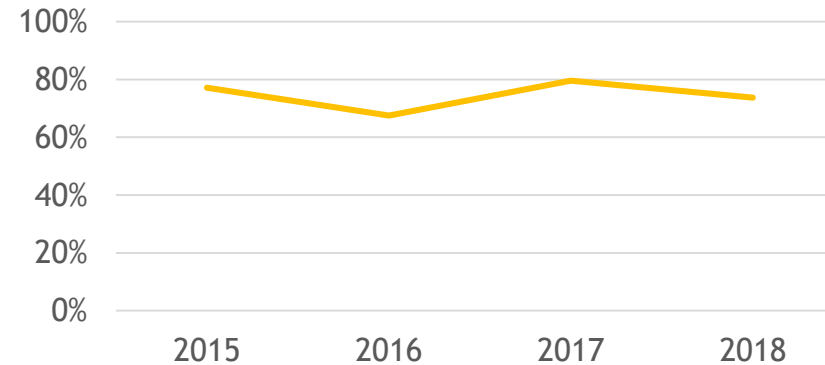
Shareholder Wealth Creation

- Continuing strategy of shareholder wealth creation through DRP dividends
- Assists our growth strategy by retaining cash, while continuing to pay dividends
- Allows us to distribute franking credits to shareholders
- Plan has provided very good returns to shareholders
- Cumulative return of 224% over 4 years for investors that have taken up the DRP

Annual Return on Investment*

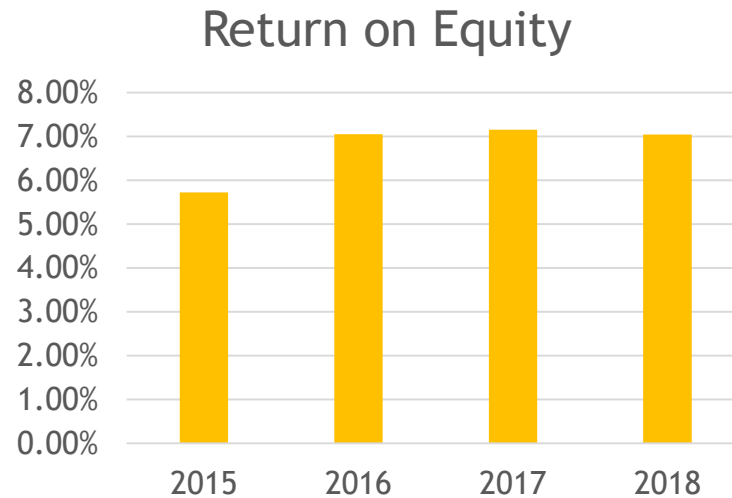


DRP Participation Rate



Return on Equity Focus

- Committed to the DRP and aware of the need to maintain a focus on return on equity
- Continue to grow shareholder returns by reinvesting earnings wisely
- All growth strategies must contribute to improved returns
- Continue to identify areas of the business where returns can be improved



PTB Group Growth Outlook



- Managing repair and purchase of piece parts for the Group
- Build on strategic partnerships with suppliers
- Focus on engine support and supply contracts
- Facility, staffing and processes in place
- Leverage off Pacific Turbine Leasing



- Focused on growing fleet of leased aircraft
- All leases to be cash flow positive in month one
- Each aircraft under lease adds engines to the engine management plan
- Funding agreement in place with SBI Leasing
- Disciplined deal execution – right aircraft, right terms, right customers



Key Takeaways

- Pacific Turbine Brisbane stronger than ever
- Pacific Turbine USA assisting in managing workflow and productivity in Pacific Turbine Brisbane
- Pacific Turbine Leasing focus on growth of leased fleet. Expect deals to be more frequent during FY19
- Pacific Turbine Leasing General Manager focused on delivering growth
- Test-cell to be completed in FY19 providing numerous benefits
- Growth in Pacific Turbine Leasing to provide additional opportunities across the Group



People

Established and Experienced Management and Board



Stephen Smith

Mr. Stephen Garry 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 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.



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.



Craig Baker

Mr. Craig Louis Baker served as Managing Director of PTB Group Ltd up until 30 April 2017. From 1 July 2017, Craig was appointed 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.



Russell Cole

Russell Cole is a Non-Executive Director of the Board. Russell is also the Chairman of the Audit and Risk Management Committee. 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.



Andrew Kemp

Mr. Andrew Peter Somerville Kemp is a Non-Executive Director. 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.



Prince Gunasekara

Prince is a Non-Executive Director of PTB Group. He is an 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 also acts as a consultant to the Group and manages the relationships with the Japanese investors and business partners.

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