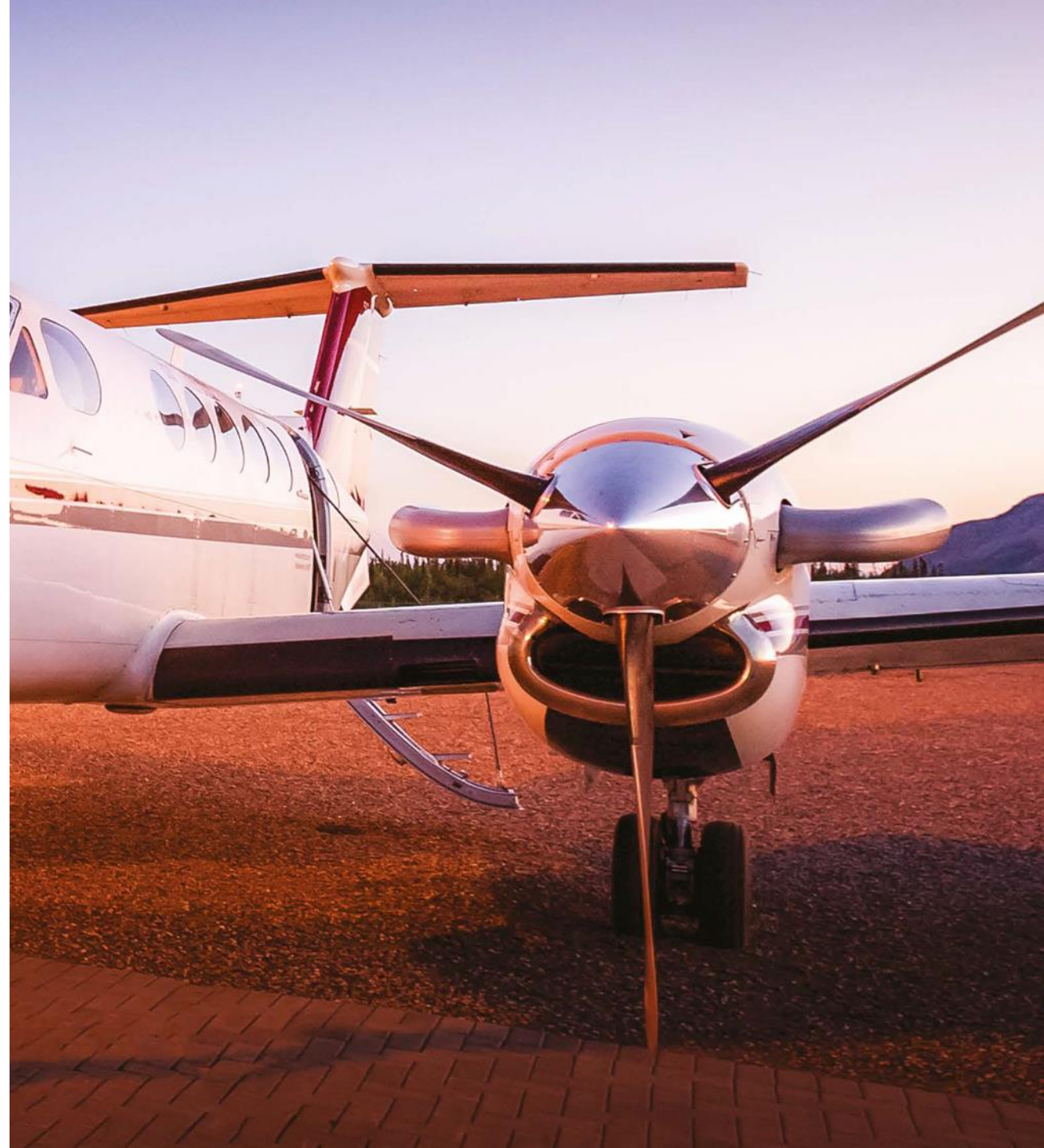


Annual General Meeting

25 November 2019



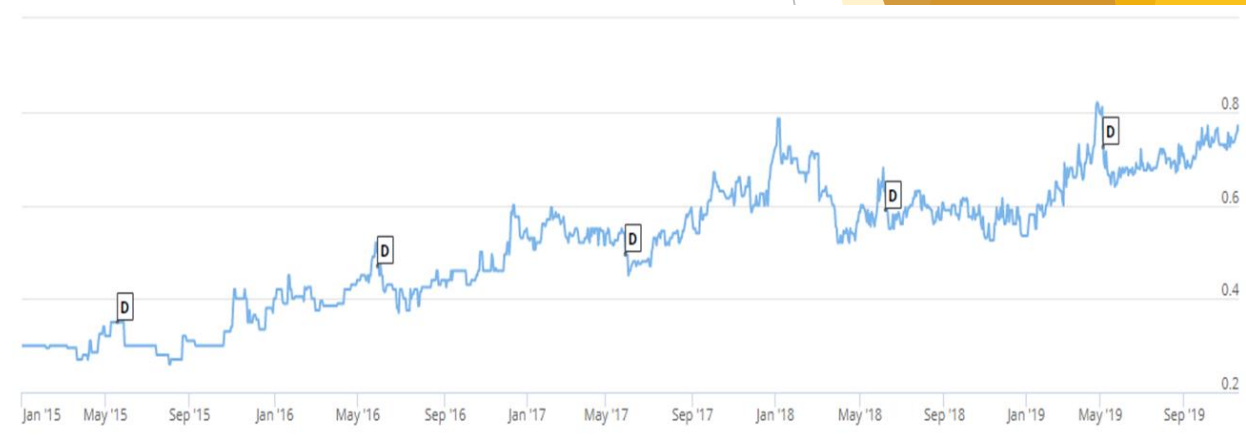
PTB GROUP LIMITED



Corporate Summary

Company Information	
ASX Code	PTB.ASX
Listing Date	18 th December 2006
Managing Director	Stephen Smith
Share Price (21/11/2019)	\$0.78
Market Cap (21/11/2019)	\$58.43 million
Net Tangible Assets (30/06/2019)	\$0.62 per share
FY19 Dividend	7 cents

Share Price and Dividend History



Group Highlights

Financial

- Net profit before tax of \$5.577m (up 19.3% YOY)
- NTA per share of \$0.62
- Dividend increased to 7c per share (fully franked)
- All businesses profitable in 2019
- Addition of 30 engines to engine management program (as per October 2019 announcement)

Operational

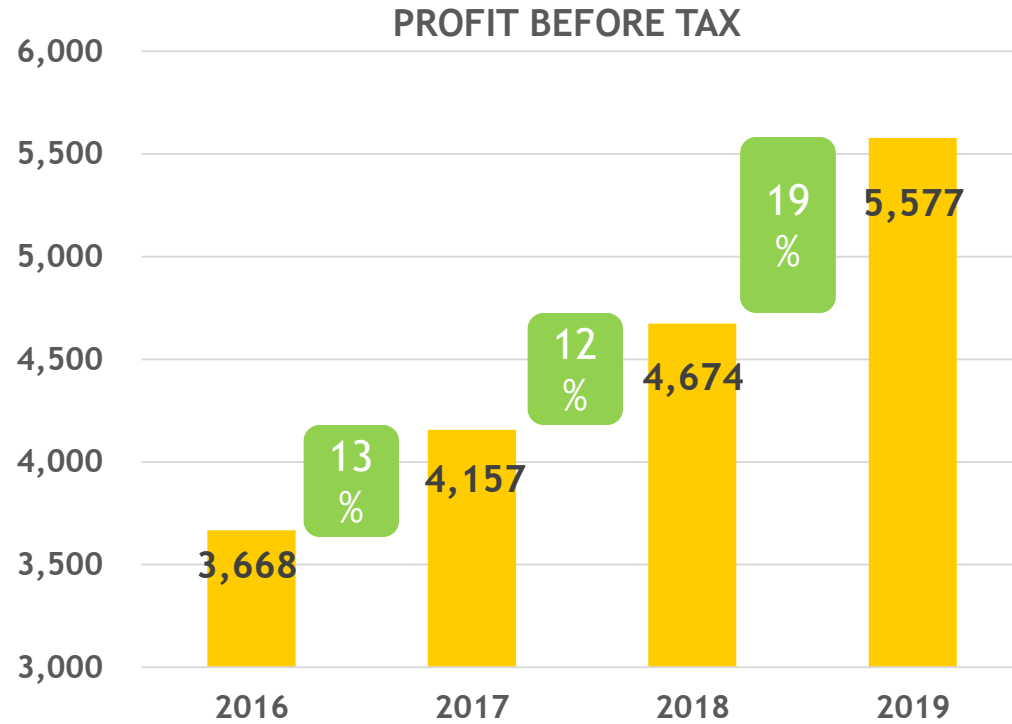
- Simplified PTB management structure and strengthened sales team
- Expanded purchasing and repair management functions
- Leasing - refined and clarified our product offerings
- Close-out of Bankstown Airport hangar lease

Strategic

- First aircraft lease transaction completed via SBI Leasing
- Test cell completion – has driven an increase in non-contract works with higher margins
- IAP'S increased stock of Rolls Royce parts driving engine parts sales business
- Increased understanding of the US market, including cultural differences
- Actively exploring options to lock in additional workshop capacity

Group and Segment Performance

Profit Before Tax	2017 (\$'000)	2018 (\$'000)	2019 (\$'000)
Pacific Turbine Brisbane	\$2,492	\$4,142	\$3,928
Pacific Turbine USA	\$527	(\$74)	\$549
Pacific Turbine Leasing	\$712	\$565	\$641
International Air Parts	\$1,782	\$1,393	\$1,855
Group Overheads	(\$1,398)	(\$1,598)	(\$1,659)
Foreign Exchange Gain/(Loss)	\$42	\$246	\$263
Group	\$4,157	\$4,674	\$5,577



Current Year Financial Outlook

The Group is trading well for the year to date and is ahead of budget

1H19 Actual	1H20 Guidance	FY19 Actual	FY20 Guidance
\$2.940M	\$2.9M to \$3.1M	\$5.313M	\$5.6M to \$6M

Note: Actuals and guidance are based on profit before tax, prior to any foreign exchange gains or losses

Balance Sheet

	FY15	FY16	FY17	FY18	FY19
<u>Assets</u>					
Cash	\$3.8M	\$2.0M	\$2.4M	\$4.2M	\$7.2M
Receivables	\$7.6M	\$10.5M	\$20.7M	\$17.3M	\$24.7M
Inventories	\$21.1M	\$21.4M	\$24.5M	\$26.9M	\$25.9M
Lease/rental assets	\$13.0M	\$12.6M	\$10.7M	\$9.9M	\$7.9M
Land & buildings	\$7.0M	\$6.9M	\$6.8M	\$6.6M	\$6.6M
Goodwill	\$4.3M	\$4.3M	\$4.3M	\$4.3M	\$4.3M
Other assets	\$6.2M	\$5.9M	\$5.0M	\$5.9M	\$7.2M
Total Assets	\$63.1M	\$63.6M	\$74.4M	\$75.2M	\$83.8M
<u>Liabilities</u>					
Payables	\$6.2M	\$6.3M	\$6.9M	\$4.2M	\$4.9M
CBA corporate debt	\$15.5M	\$13.6M	\$15.7M	\$13.9M	\$12.7M
Other debt	\$0.4M	\$0.1M	\$0.3M	\$2.4M	\$7.6M
Other liabilities	\$5.8M	\$5.9M	\$6.7M	\$7.3M	\$7.7M
Total Liabilities	\$28.0M	\$25.9M	\$29.6M	\$27.8M	\$32.9M
Net Assets	\$35.1M	\$37.7M	\$44.8M	\$47.3M	\$51.0M
Return on Assets (NPAT/Total Assets)	3.1%	4.0%	4.0%	4.3%	4.7%
Return on Equity (NPAT/Equity)	5.6%	6.8%	6.6%	6.9%	7.8%

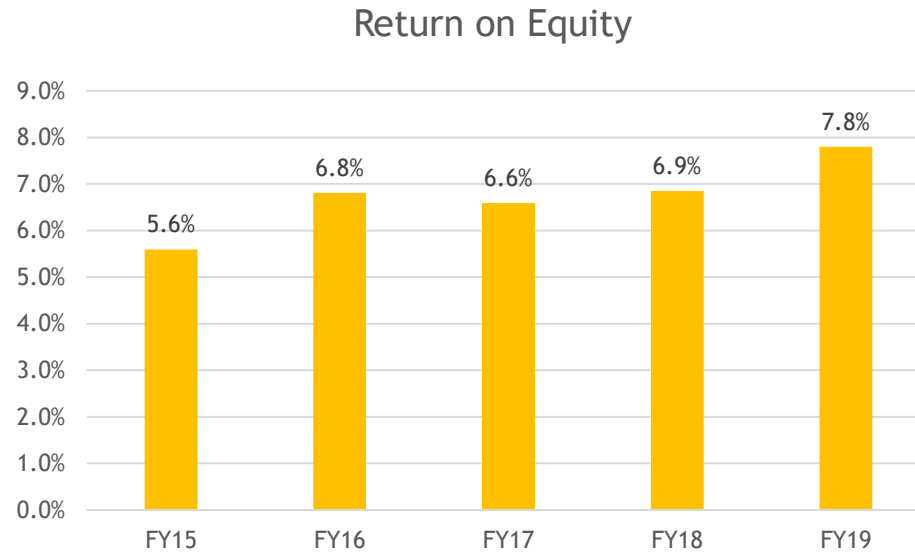
Note:

- Receivables include trade debtors, finance lease receivables and maintenance contract receivables
- Lease/rental assets includes aircraft and engines held for leasing and rental purposes
- Land and buildings valued at \$8.7m as per external valuations in 2018
- Goodwill relates to the acquisition of International Air Parts
- Other debt includes loans and finance leases secured against specific assets and unsecured loans

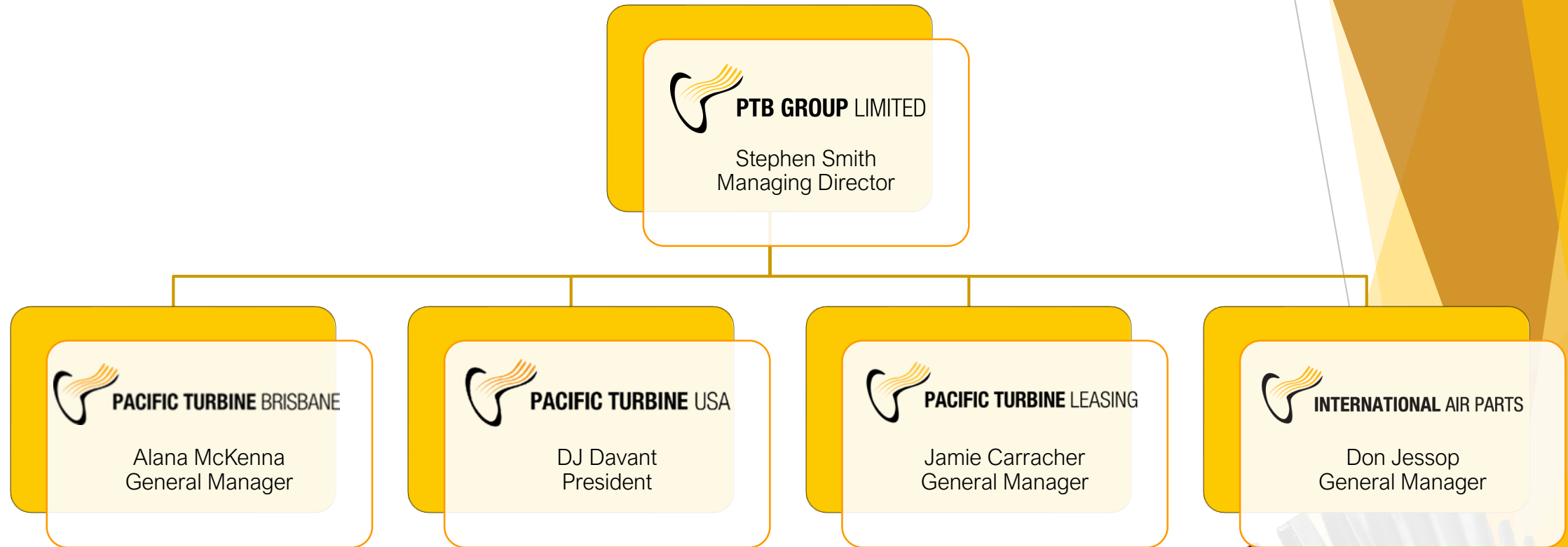


Return on Equity Focus





- 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 Organisational Structure



Business Overview

 PACIFIC TURBINE BRISBANE Aircraft Engines & Parts PT6 & TPE331	<ul style="list-style-type: none"> • Overhaul facility for PT6A and TPE331 turboprop aircraft engines in Brisbane • Focus on long-term engine management programs • High productivity and consistent returns • Significant upsell to contract customers • High barriers to entry due to compliance framework
 PACIFIC TURBINE USA Aircraft Engines & Parts PT6	<ul style="list-style-type: none"> • Office and warehouse in Miami, Florida • Manages and maintains shared Group inventory • Manages purchase and repair of parts via third party repair facilities • Manages overhaul of engines via third party overhaul facilities • Key role in managing overflow of demand from engine management programs
 PACIFIC TURBINE LEASING Leasing Aircraft and Engines PT6, TPE331, Rolls Royce (RR)	<ul style="list-style-type: none"> • Office in Brisbane • Leasing of aircraft and engines • Funding agreement with SBI Leasing Services Co. • Long-term contracts • Consistent earnings • Key growth initiative – provides additional sales across Group with engines locked into management programs
 INTERNATIONAL AIR PARTS Rolls Royce Engines & parts Aircraft Parts	<ul style="list-style-type: none"> • Office and warehouse in Sydney • Large stock of aircraft parts • Rolls Royce engine parts business • Rolls Royce engine repairs and overhauls via third party overhaul facilities • Tear-down and sale/trading of aircraft parts • Manage aircraft repairs • Adds end of lease optimisation capacity to Group

Group Vertical Integration



Finance and operating leases for aircraft (PT6, TPE331 and RR powered)

Long/short term engine rentals and leasing (PT6, TPE331 and RR)



Engine management programs (PTB EMP)

PT6 & TPE331 overhaul & repair

Engine and parts sales



Engine management programs (PTB EMP)

Engine overhaul & repair via third party shops

Engine and parts sales



Aircraft parts sales

RR engine & parts sales

Aircraft repair, sale and tear down

End of lease optimisation

Optimised parts purchasing for the group

Coordinate shipments for Brisbane and IAP

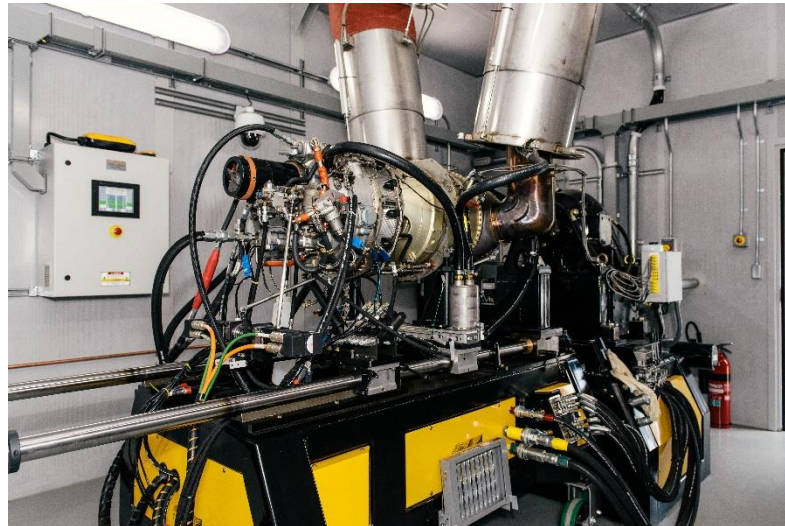
Growth Strategy - Execution to Continue



- Growing market share across existing areas – test cell has made a significant impact
- Leverage off other Group businesses to increase cross selling
- Build on technical capabilities in the workshops, along with sales capabilities in sales areas
- Increase engine inventory to improve future sales opportunities



- Manage the increasing overflow from Pacific Turbine Brisbane
- Consolidate purchasing and repair programs – use purchasing power to reduce costs
- Actively build end user customer relationships
- Explore additional engine shop capacity via acquisition or further outsourcing



Growth Strategy - Execution to Continue



- Focused on growing fleet of aircraft on operating leases
- Brokering of financing arrangements – fee income and engine maintenance
- Disciplined deal execution – right aircraft, right terms, right customers



- Further invest in Rolls Royce engines for engine parts business
- Development of new product for engine parts business
- Re-shape and reinvigorate the sales focus



People



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.

For Further Information

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