










PTB Group Limited

***1H2021 Results
Presentation***

22nd February 2021



This presentation has been authorised for release to ASX by the Board of Directors of PTB Group Limited

-  **Record financial performance**
 - Record first half performance despite challenging operating environment
 - PTB's ability to pivot and resilient operating model have again been proven
-  **Completed Sale of Warriewood Properties for Substantial Premium to Book Value**
 - Announced the sale of PTB's two Warriewood properties for \$9.5 million in cash
 - Sale generated a pre-tax profit of \$5.8 million (after costs)
 - Sale expected to be finalised on 30 April 2021
-  **Full Year Profit Guidance Increased**
 - Previous AGM guidance was for FY2021 NPBTfX to be in the range of \$11–13 million
 - Upgraded guidance range in December 2020 to \$15–17 million
-  **Dividend Guidance Provided at AGM**
 - PTB to pay 30% - 50% of Reported NPAT as a Fully Franked Dividend
-  **Conservative Balance Sheet Retained**
 - Sale of Warriewood properties to deliver \$9.5 million in cash (pre-costs)
 - Retained land and building (Brisbane) and significant inventory balance (\$52 million)
-  **US operations established a platform for growth**
 - COVID-19 travel restrictions impacted ability to enact operating changes in USA in short term
 - Longer term strategy to replicate PTB's operating model within Prime remains fully intact
 - Stephen Smith now temporarily relocated to USA to drive operating changes and further growth
-  **Key markets back to long-term average levels of activity**
 - Maldives flying activity back above long term average

FINANCIAL HIGHLIGHTS:



**Revenue up 48%
to \$38.622 million**
(1H 2020: \$26.096 million)



**Reported EBITDA
up 207% to
\$13.553 million**
(1H 2020: \$4.409 million)



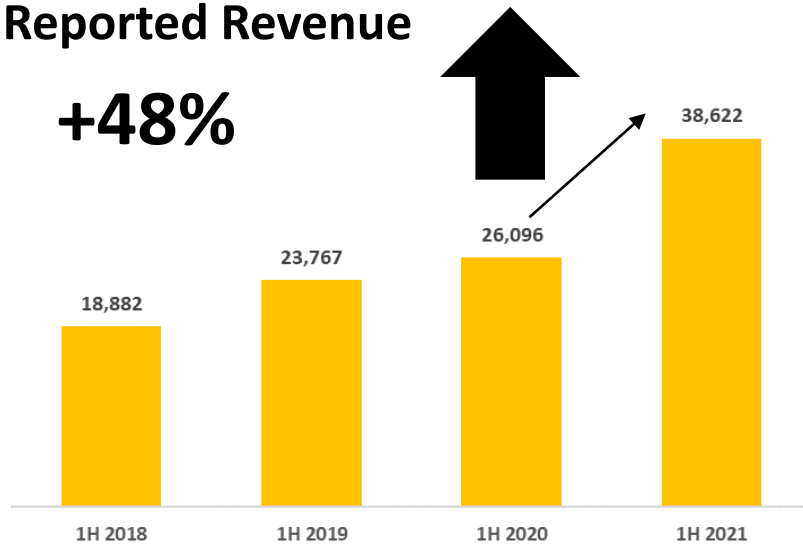
**NPBTfX* up 295%
to \$10.571 million**
(1H 2020 : \$2.677 million)

* NPBTfX is net profit before tax, excluding foreign exchange (FX) gains and losses

Group and Segment Performance

Reported Revenue

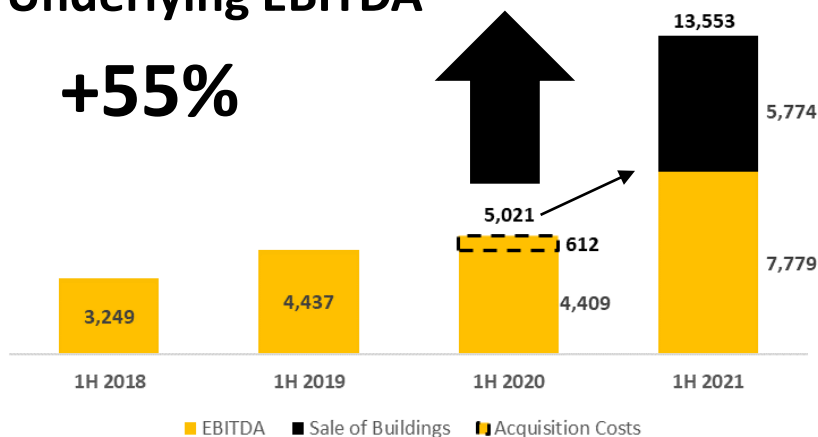
+48%



- PTB has recorded a 48% growth in Revenue over 1H 2020
- Underlying EBITDA increased 55% (excludes property sales in FY21 and acquisition costs in FY20)
- EBITDA (pre-FX) increased 207% over 1H 2020

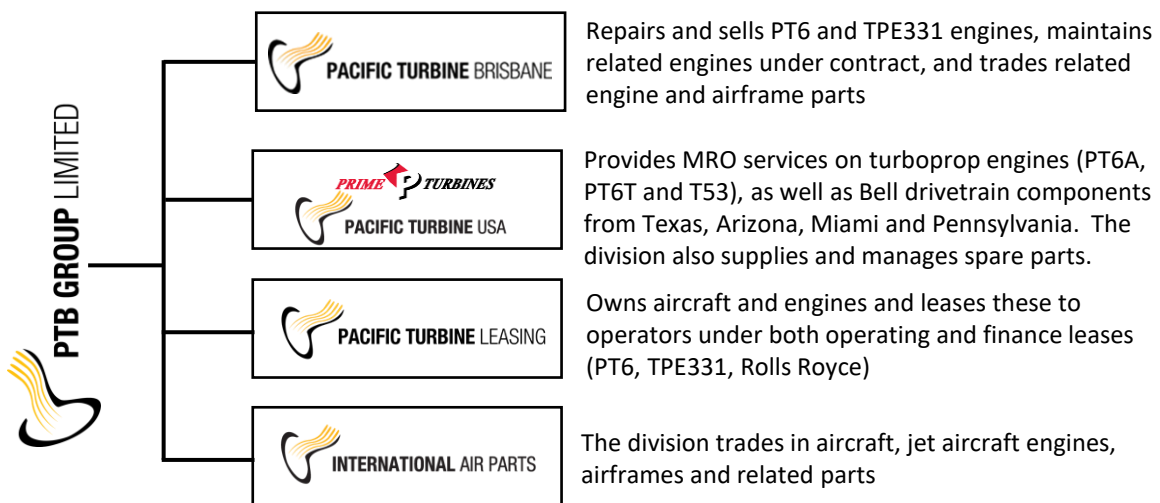
Underlying EBITDA

+55%

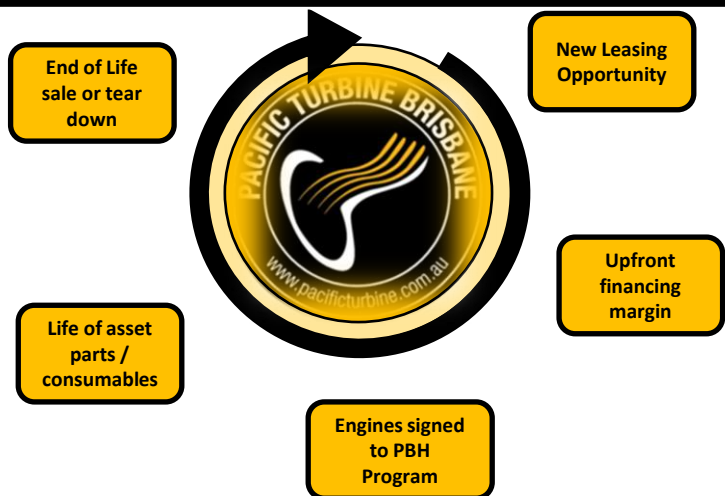


EBITDA (Pre-FX) (\$'000)	1H 2018	1H 2019	1H 2020	1H 2021
Pacific Turbine Brisbane	2,505	2,459	3,083	3,169
Pacific Turbine USA	-68	358	59	2,992
Pacific Turbine Leasing	1,008	1,238	1,177	1,475
International Air Parts	619	1,193	1,650	7,123
Head Office	-815	-811	-1,560	-1,206
Group	3,249	4,437	4,409	13,553

PTB Group's Resilient Operating Model ...



Integrated Business Model

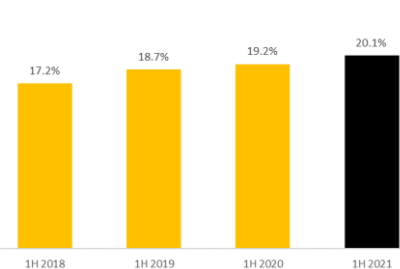


Abridged 1H 2021 Profit and Loss Statement (\$'000)

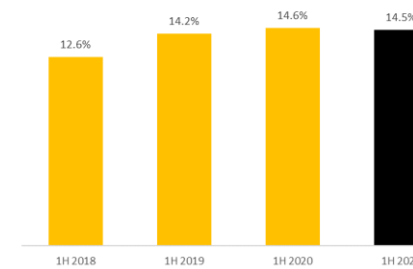
	1H 2018	1H 2019	1H 2020	1H 2021
	31 Dec	31 Dec	31 Dec	31 Dec
PBT	1,905	3,196	2,540	10,244
Gain/(loss) on FX	-10	257	-137	-327
Acquisition costs	0	0	-612	0
NPBTFX	1,915	2,939	3,289	10,571
PBT	1,905	3,196	2,540	10,244
Gain/(loss) on FX	-10	257	-137	-327
Depreciation and Amortisation	-864	-1,062	-1,222	-2,194
Impairments	0	0	0	0
Finance costs	-470	-436	-510	-788
EBITDA	3,249	4,437	4,409	13,553
Acquisition costs	0	0	-612	0
Building Sale	0	0	0	5,774
Normalised EBITDA	3,249	4,437	5,021	7,779
<i>Normalised EBITDA Margin (%)</i>	<i>17.2%</i>	<i>18.7%</i>	<i>19.2%</i>	<i>20.1%</i>
Normalised EBIT	2,385	3,375	3,799	5,585
<i>Normalised EBIT Margin (%)</i>	<i>12.6%</i>	<i>14.2%</i>	<i>14.6%</i>	<i>14.5%</i>

PTB's operating margins have held firm over the historical period

Normalised EBITDA Margin (%)

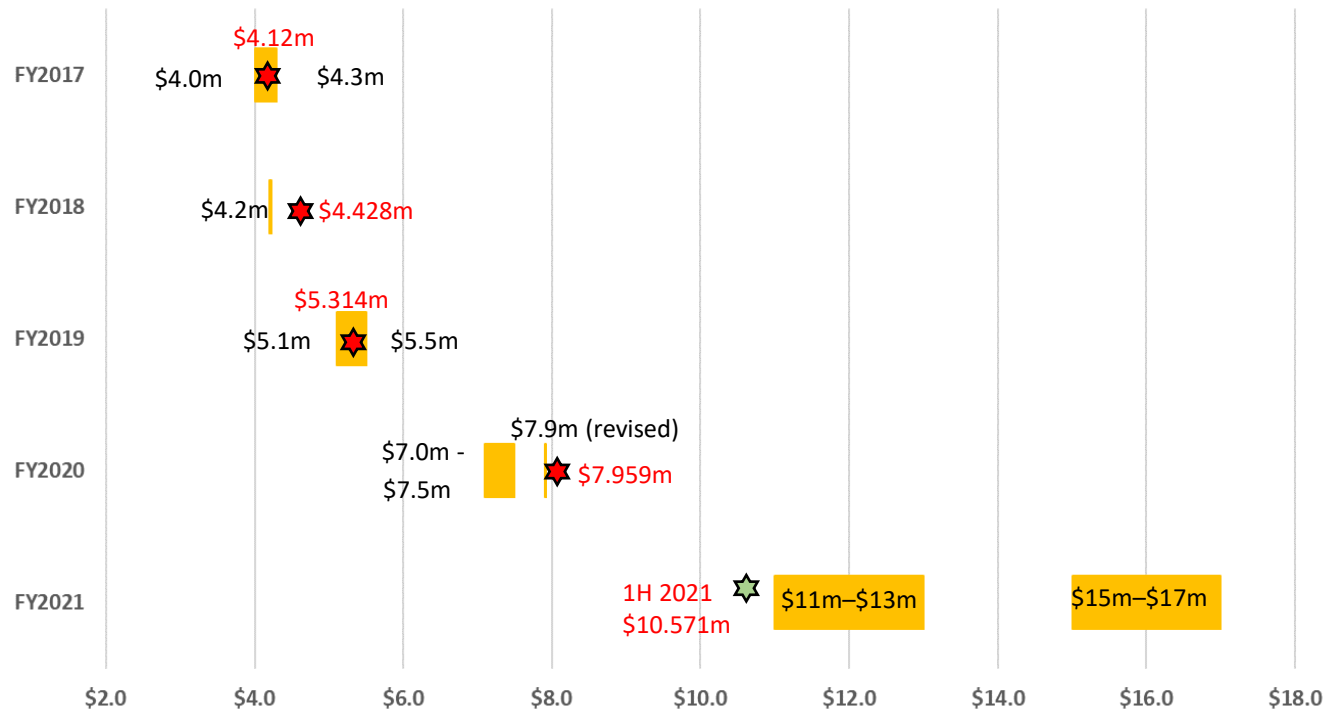


Normalised EBIT Margin (%)



... Leads to Forecast Predictability

PTB's NPBTFX Guidance versus Actual



- PTB has a sustained history of meeting or exceeding guidance provided to the market
- In the 2020 Results Presentation (August 2020) PTB provided a range of \$11-13 million NPBTFX for FY2021
- FY2021 NPBTFX guidance was increased to \$15-17 million following the sale of the Sydney buildings.
- EBITDA (excluding FX) for FY2021 is expected to be \$21-23 million.

Notes:

- FY2017 guidance provided in December 2016 and affirmed in January 2017
- FY2018 guidance provided in May 2018
- FY2019 guidance provided in November 2018
- FY2020 guidance provided in January 2020 was for a range of \$7.1m to \$7.5m and upgraded in June 2020 to \$7.9m
- FY2021 guidance provided at the time of the AGM was for a range of \$11m to \$13m and upgraded in December to \$15m to \$17m

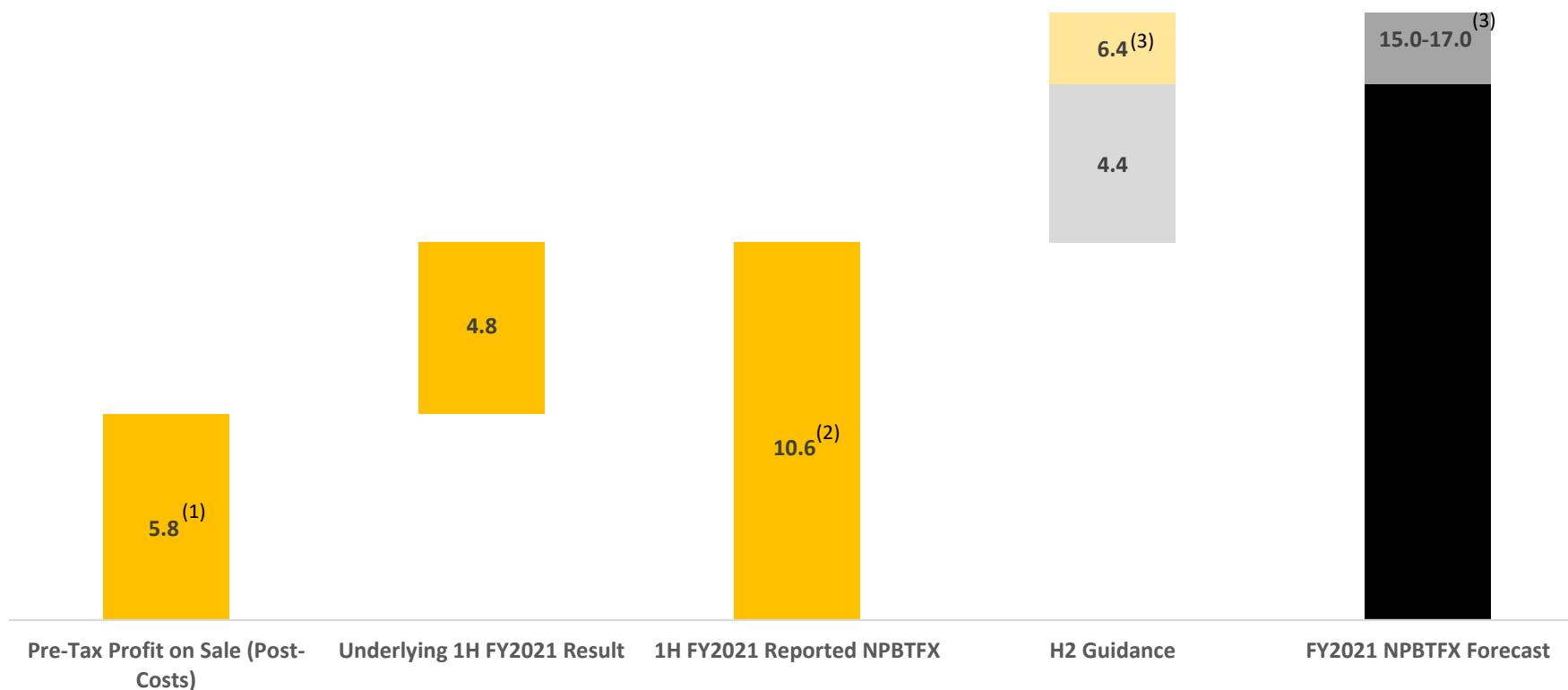
Guidance Range
 Full Year Result
 Half-Year Result

1H Result and Full Year Guidance

- PTB's underlying NPBTFFX for 1H2021 (excluding profit on the sale of the Sydney based buildings) was \$4.8 million.
- To beat the low end of FY2021 NPBTFFX guidance, PTB would need to replicate its first half performance.

- (1) Profit on sale of Warriewood properties. Sold for \$9.5 million with a book value of \$3.5 million and estimated selling costs of \$0.2 million
- (2) Reported NPBTFFX for 1H FY2021 amounts to 91% of previous full year guidance (including one-off items)
- (3) PTB requires \$4.4m to meet low end, or \$6.4m to reach the top end, of the revised guidance as provided to the market in December 2020

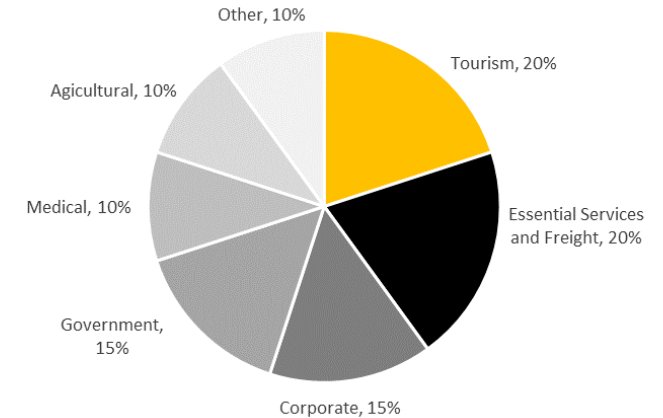
PTB's Upgraded FY2021 NPBTFFX Guidance



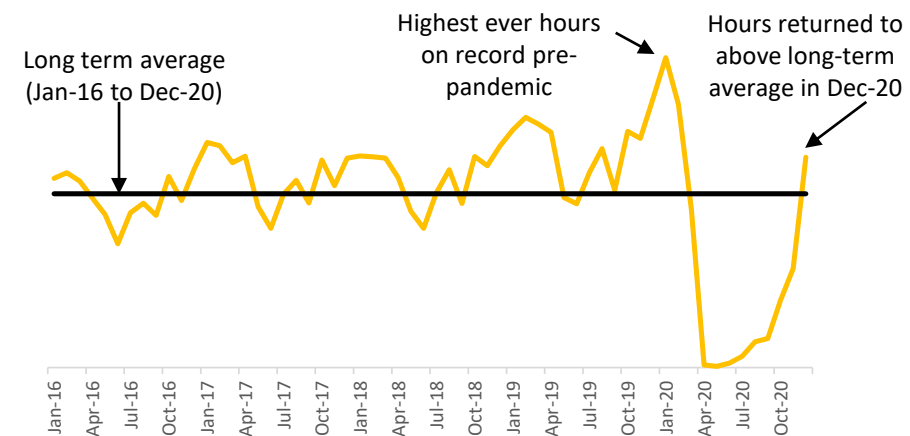
COVID Impacts Abating

- Following the acquisition of Prime, PTB's exposure to the tourism sector significantly reduced and is estimated to be approximately 20% of revenues
- The majority of this exposure lies with the support PTB provides to customers in the Maldives
- Activity levels in the Maldives continue to improve from their April 2020 lows
- Flying hours per month for customers in the Maldives are now back to levels that are in line with the historical average

Revenue By End Market



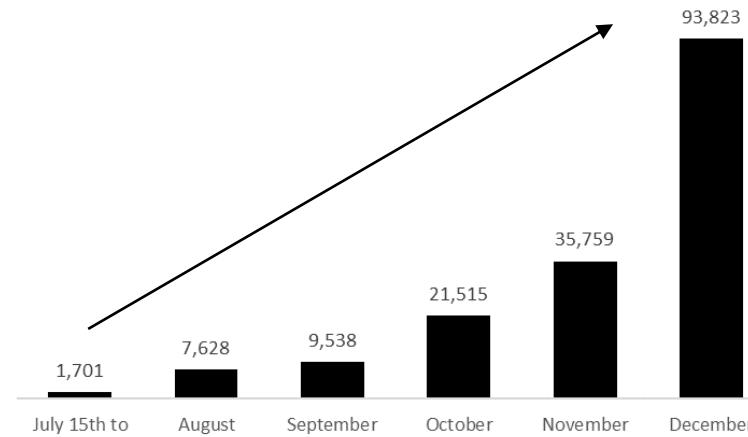
Maldives Monthly Flying Hours



Maldives in Focus

- The tourism model in the Maldives is based on the concepts of isolation and social distancing via beach villas or water bungalows
- CY 2019 saw tourist numbers to the Maldives exceed 1.7 million arrivals with China (17%), India (10%), Italy (8%), Germany (8%) and UK (7%) making up the top five markets
- The Chinese market weakened in 2020, however visitors from other nations have increased

Tourist Arrivals (July to December)

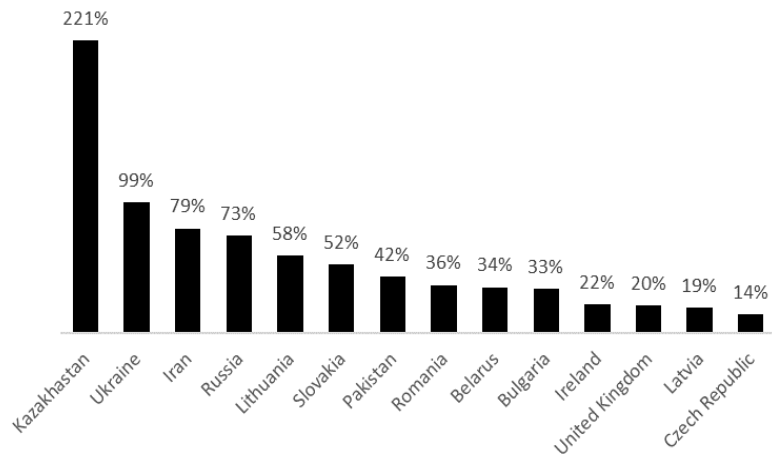


Note: On 15th July 2020, the Maldives reopened its borders to tourists
Source: Ministry of Tourism

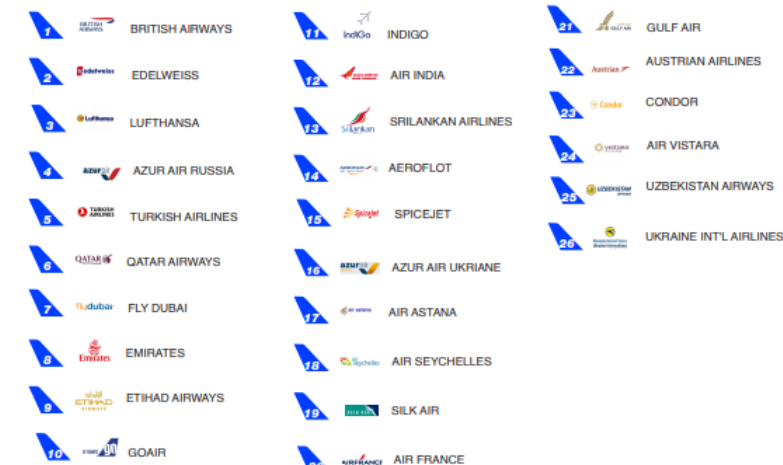
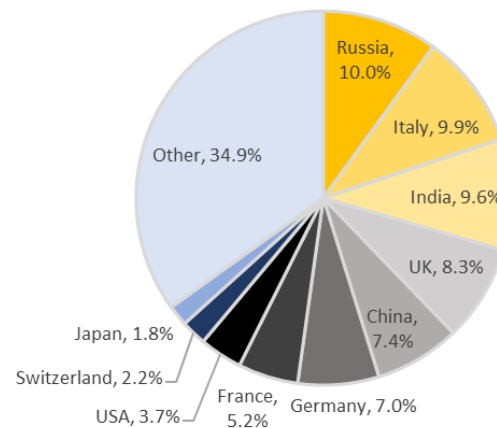
Maldives Inbound Air Travel Options



YoY Tourist Arrivals By Region (Dec-20 vs Dec-19)

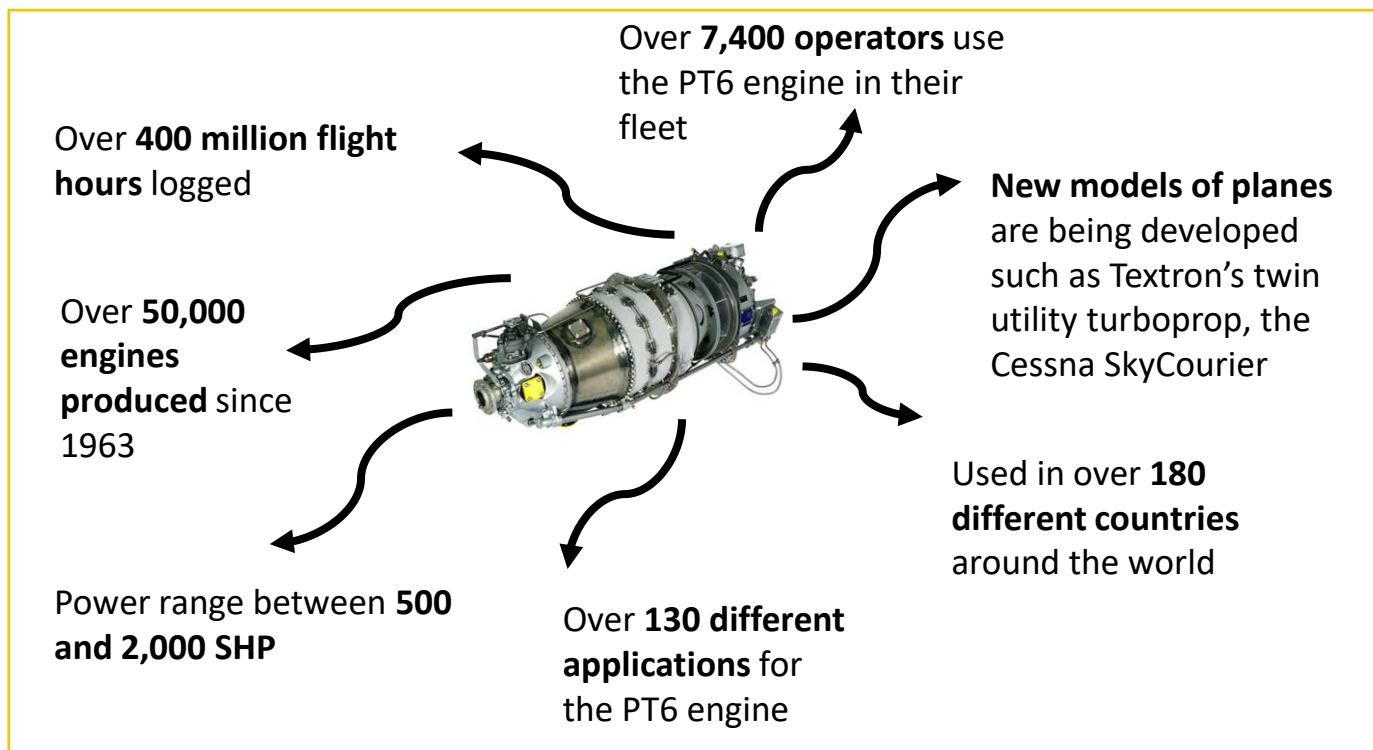


Tourist Arrivals By Region (CY2020)



The Market PTB is Pursuing

- The PT6 engine is one of the most successful and versatile engines of all time with Pratt and Whitney recently producing its 50,000th PT6 turboprop engine since production began in 1963
- The PT6 engines remains the product of choice for high power, high cycle applications in single and twin-engine aircraft



Turboprop Aircraft Deliveries By Region (2007-2019)



Chart above shows customer delivery region (in percent of Total for General Aviation Aeroplane Shipments for Turboprop planes. The figures shown represent the average number of turboprop planes delivered by region over the 2007 to 2019 years. Source: GAMA

Turboprop Aircraft Market

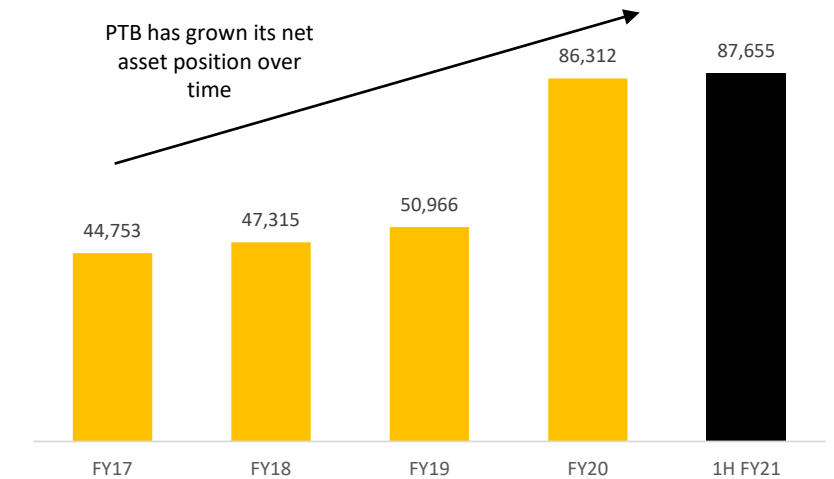
Turboprop aircraft occupy an essential role in global aviation markets:

- More than 1/3 of the world's commercial airports rely exclusively on turboprops
- Turboprop aircraft connect remote locations and therefore play an essential role in regional economic development
- Fleet replacements and the opening of new regional routes are expected to drive future sales
- PTB's current estimated market share is under 1%

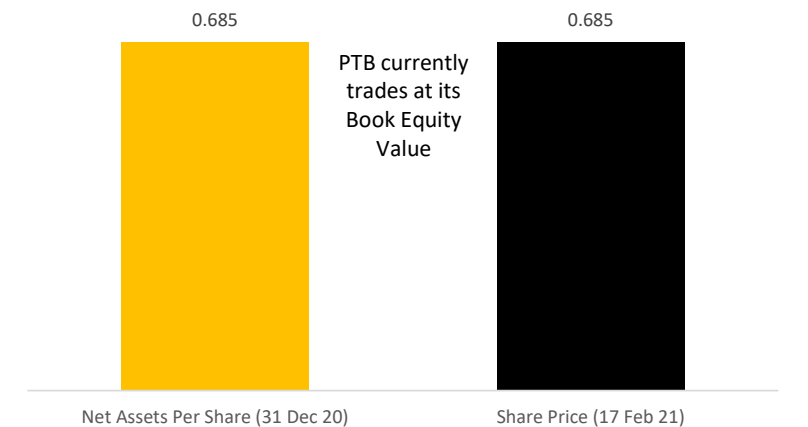
Balance Sheet Supportive of Growth

- PTB has net assets of \$87.7 million, or 68.5 cents per share and is currently trading at or around the net asset value per share
- PTB sold two properties in Sydney during the first half of the FY2021 year for \$9.5 million, which is expected to be settled in April 2021, further adding to the strong cash position of the group
- PTB retains a conservative balance sheet and cash proceeds from the sale will be applied to repay debt and other capital management initiatives.
 - Bank debt totals \$14 million with other debt primarily secured against specific assets (cash balance \$11 million)
 - Bank debt will reduce further following the receipt of the building sale proceeds
 - Lease liabilities total \$3.3 million
 - PTB retains ownership of its head office building in Brisbane
 - PTB holds \$52 million in inventory

Net Assets (\$'000)

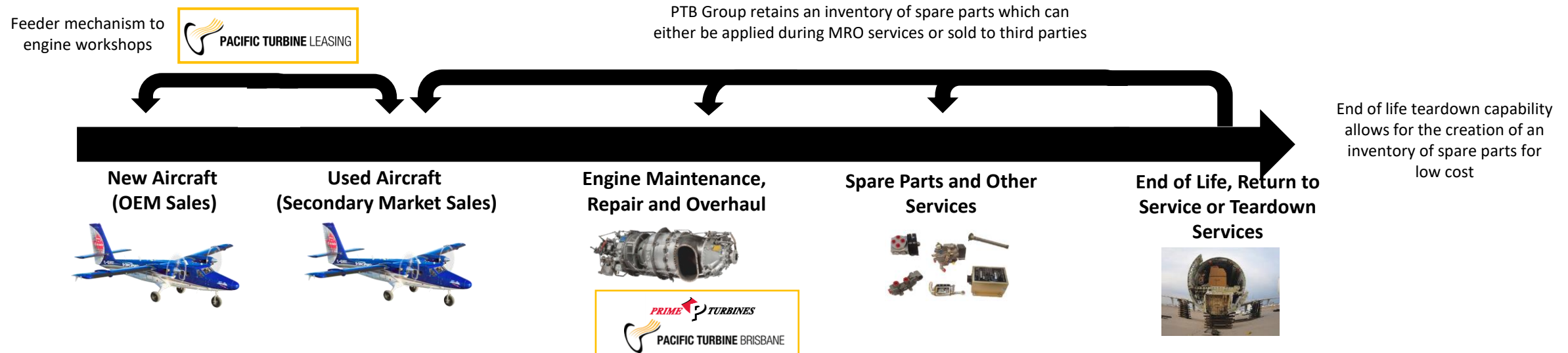


Net Assets Per Share



Outlook and Strategic Focus

- PTB has delivered a record first half financial result despite an operating environment dominated by headwinds
- The ability of the business to pivot and respond to changing market conditions is a key differentiator to other industry participants



Well Capitalised for Growth

- Low gearing
- Cash on hand to invest in growth opportunities
- Selected opportunities currently under review

FAA and EASA accreditation

- FAA and EASA accreditations open up new geographic markets and provide access to new customers

Active dialogue with potential new customers

- Active dialogue with potential new PBH and leasing customers
- Active discussions in new geographies with new customers
- FAA and EASA accreditation key to momentum

All divisions remain poised for meaningful growth

- Strategic rationale for entry in USA remains wholly intact
- Opportunity to drive leasing growth