

PTB Group Limited

*FY2022 Results
Presentation*

26th August 2022



FY2022: Another Record Year

✓ Record financial performance

- Reported EBITDAFX of \$24.0 million (2021: 22.7 million)
- Reported NPBTFFX of \$17.8 million (2021: \$16.8 million)

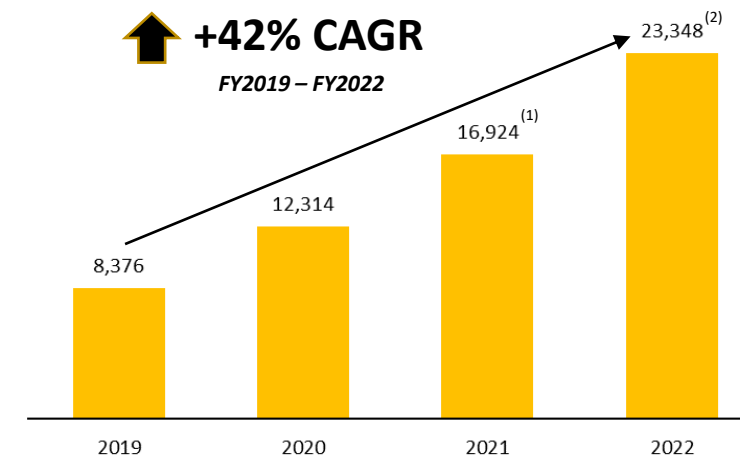
✓ Results exceed guidance range

- For the sixth consecutive year, and despite multiple market disruptions, PTB has met or exceeded its guidance range
 - Operational EBITDAFX up 38% to \$23.3 million (2021: 16.9 million) - versus guidance of \$21-22 million
 - Operational NPBTFFX up 56% to \$17.1 million (2021: \$11.0 million) - versus guidance of \$15-16 million

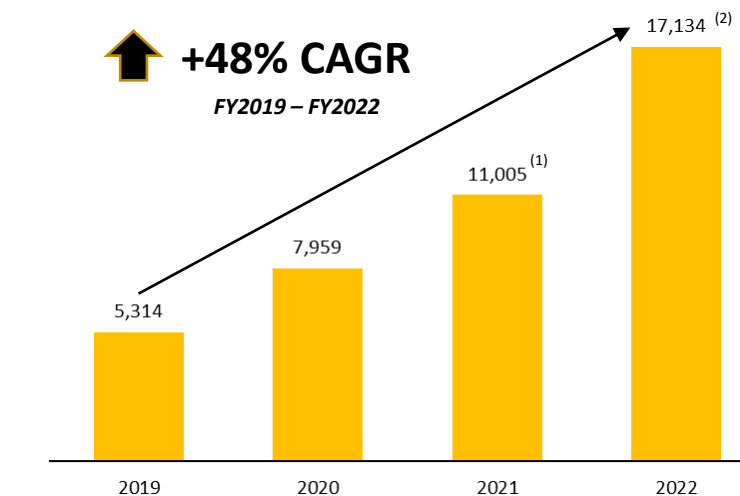
✓ USA strategy delivering strong growth

- USA Group revenue grew 55% and operational NPBTFFX grew 156%
- USA Group contributed 57% of group revenue and 55% of group operational NPBTFFX
- CEO Stephen Smith remains based in the USA and continues to drive growth

Operational EBITDA CAGR (FY19 – FY22)



Operational NPBTFFX CAGR (FY19 – FY22)

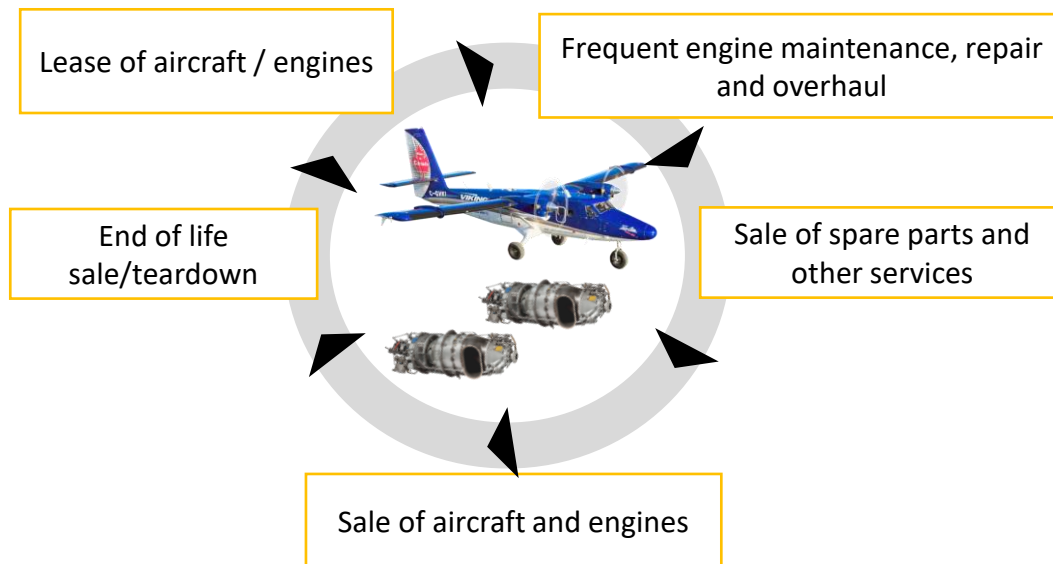


(1) FY21 Operational NPBTFFX eliminates the A\$5.813m pre-tax gain from the sale of the Warriewood properties

(2) FY22 Operational NPBTFFX eliminates the A\$0.625m pre-tax gain from the sale of the Pinkenba property

Integrated Business Model

PTB operates an integrated business model which results in multiple profit opportunities, long-term customer relationships and increasing share of wallet



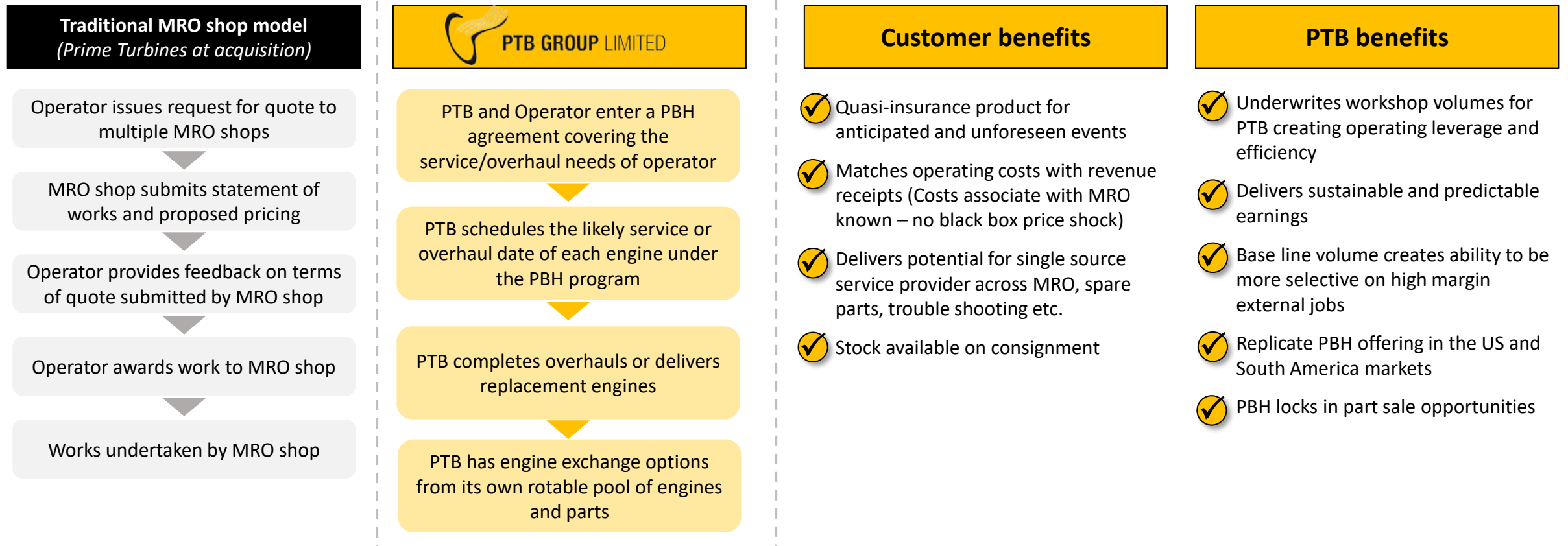
Benefits of our integrated business model

- ✓ Integrated service offering is unique in the PT6 market under which PTB offers customers a single point solution for their aircraft and engine needs
- ✓ Profit opportunities are maximised throughout the aircraft and engine lifecycle (not just MRO focused)
- ✓ Annuity like cashflows from power by the hour receipts. Other “annuity-like” cash flows are derived from margin on spare part sales and recurring lease (airframe and engine) rental charges
- ✓ Significant regulatory moat (CASA, FAA, EASA, approvals) creates limited competition
- ✓ PTB strategically purchases engines and parts at opportunistic values, creating trading opportunities, which generate a higher margin
- ✓ PTB’s suite of licenses and accreditations delivers depth and breadth to service offering across Australia, New Zealand, Pacific Islands, Asia, North/South America and Europe
- ✓ Leasing provides the opportunity to deliver additional MRO volumes, spare parts sales and significant end of life profits (sale, lease extension, tear down)


PTB’s integrated business model creates multiple profit opportunities throughout the aircraft and engine lifecycle


PTB Business Model vs. Traditional MRO


Our integrated business model provides for significant profit opportunities beyond the 'traditional MRO model'




Group and Segment Performance

 **PACIFIC TURBINE BRISBANE**
Specialises in PT6 and TPE331 Turboprop engines. The division repairs and sells PT6 and TPE331 engines, maintains related engines under contract, and trades related engine and airframe parts

 **PACIFIC TURBINE USA**
Provides MRO services on turboprop engines including PT6A, PT6T and T53, as well as Bell drivetrain components. It operates from locations in Texas, Arizona, Miami and Pennsylvania. The division also supplies and manages spare parts.

 **PACIFIC TURBINE LEASING**
Owns aircraft and engines and leases these to operators under both operating and finance leases (PT6, TPE331, Rolls Royce)

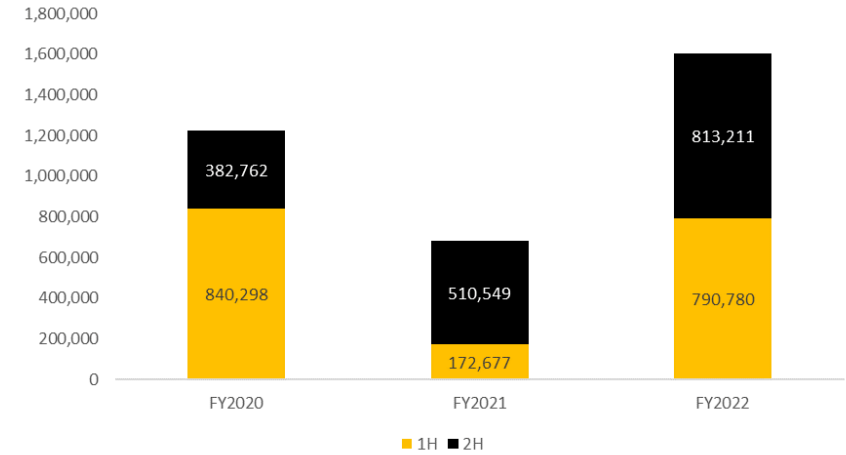
 **INTERNATIONAL AIR PARTS**
The division trades in aircraft, jet aircraft engines, airframes and related parts

EBITDA (\$'000)	2018	2019	2020	2021	2022
Pacific Turbine Brisbane	4,900	4,629	6,585	5,944	6,171
Pacific Turbine USA Group	(42)	583	3,541	7,049	13,007
Pacific Turbine Leasing	2,272	2,644	1,996	2,637	4,595
International Air Parts	1,657	2,179	2,231	3,747	2,083
Group Overheads	(1,598)	(1,659)	(2,039)	(2,453)	(2,508)
Operational EBITDAFX	7,189	8,376	12,314	16,924	23,348
Acquisition Costs	0	0	(949)	0	0
Gain on Sale of Buildings	0	0	0	5,813	625
EBITDAFX	7,189	8,376	11,365	22,737	23,973
Net FX Gain/(Loss)	246	263	(1,097)	(135)	217
Reported EBITDA	7,435	8,639	10,268	22,602	24,190
Profit Before Tax (\$'000)	2018	2019	2020	2021	2022
Pacific Turbine Brisbane	4,142	3,928	5,596	4,994	5,203
Pacific Turbine USA	(74)	549	2,145	3,673	9,397
Pacific Turbine Leasing	565	641	288	1,312	3,288
International Air Parts	1,393	1,855	1,969	3,479	1,754
Group Overheads	(1,598)	(1,659)	(2,039)	(2,453)	(2,508)
Operational NPBTFX	4,428	5,314	7,959	11,005	17,134
Acquisition Costs	0	0	(949)	0	0
Gain on Sale of Buildings	0	0	0	5,813	625
NPBTFX	4,428	5,314	7,010	16,818	17,759
Net FX Gain/(Loss)	246	263	(1,097)	(135)	217
Reported NPBT	4,674	5,577	5,913	16,683	17,976

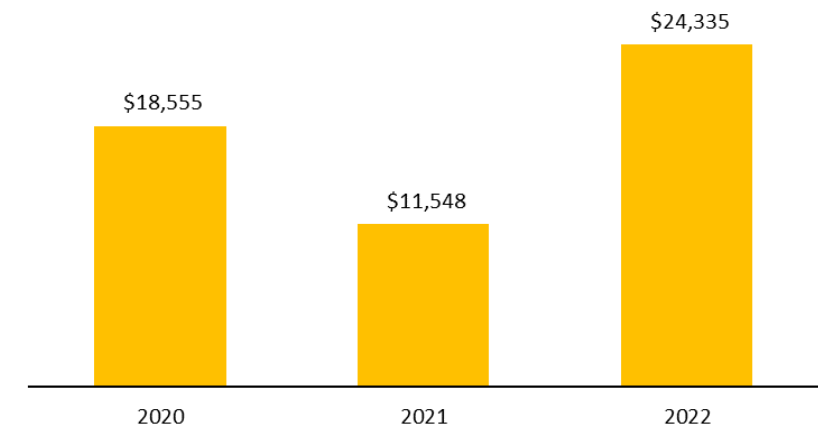
Pacific Turbine Brisbane

- 61% of PTB revenue for FY2022 was from Asia, with the majority from the Maldives
- Tourist arrivals in the Maldives have rebounded strongly since the COVID induced lows and PTB revenues have grown in line with this
- Other end markets (such as agriculture and domestic tourism) have also contributed to the FY2022 results
- Looking forward, the reopening of the Pacific Islands to international visitors is expected to provide further opportunities

Maldives Tourist Arrivals (Per Financial Year)

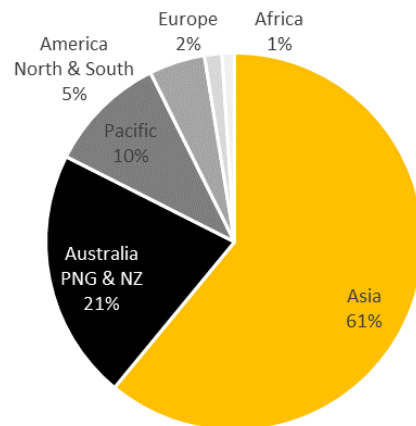


PTB Revenue (Asia)



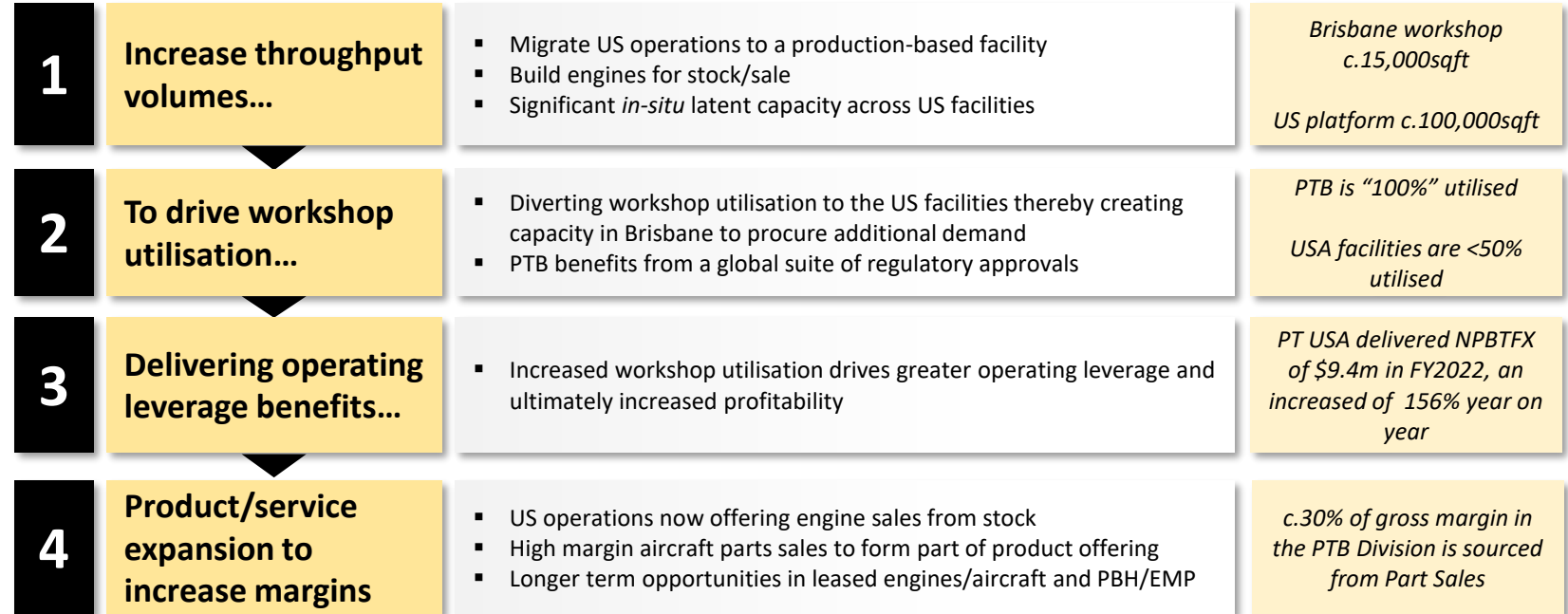
Note: On 15th July 2020, the Maldives reopened its borders to tourists
Source: Ministry of Tourism. Maldives

Revenue By End Market

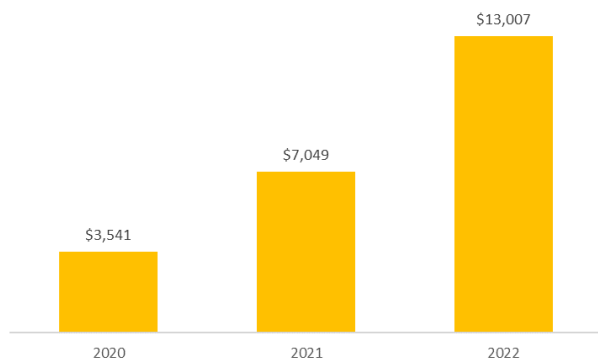


The majority of PTB's revenue derived from the Asian region is related to the support PTB provides to the aviation sector in the Maldives.

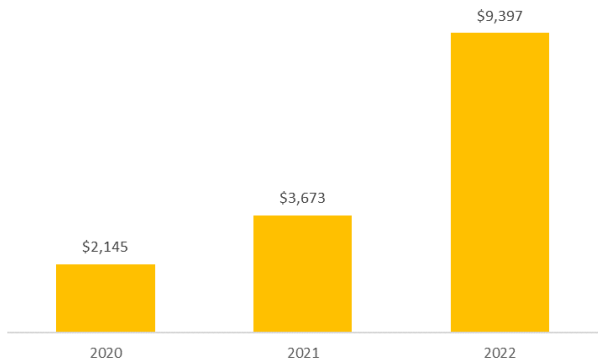
- PT USA delivered strong financial performance with EBITDAFX up 85% year on year and NPBTFX up 156%
- Significant progress has been made on improving the operational efficiency of each US based location
- Utilisation levels have materially increased, partly due to building engines for stock, which has delivered efficiencies of scale and utilised spare parts
- Expansion of leasing (engines & aircraft) and PBH/EMP products into the US market remains a growth opportunity



PT USA Operational EBITDAFX



PT USA Operational NPBTFX



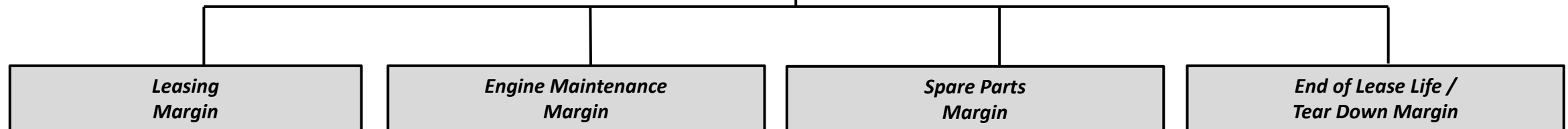
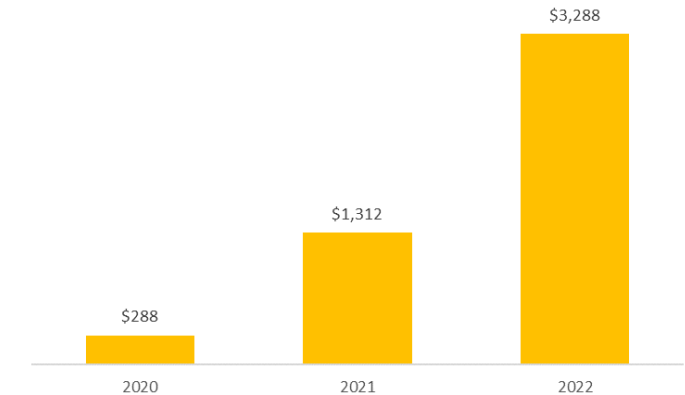
USA Operating Footprint



Pacific Turbine Leasing

- PTL delivered strong financial performance with NPBTFX up 151% year on year
- The sale of two Twin Otter aircraft added significantly to the result
- The business also added two Twin Otter aircraft on a lease agreement with a Queensland based tourism operator (commenced 1 April 2022)
- PTL remains a conduit for other profit opportunities for the group, as outlined below

Pacific Turbine Leasing NPBTFX



Leasing Margin

- Difference between the rate at which PTB Group sources funding and the rate charged to clients
- Aircraft range from \$1-5m fully funded (generally with no working capital required)
- PTB Group has a range of funding sources available

Engine Maintenance Margin

- First engine service interval (3,600 to 5,500 hours)
- Each subsequent engine service interval (3,600 to 5,500 hours)
- PTB Group will also derive profit from minor repair works and parts during the term of the lease

Spare Parts Margin

- PTB Group supports its customers via the sale of additional spare parts (such as landing gear, windscreens, etc.)

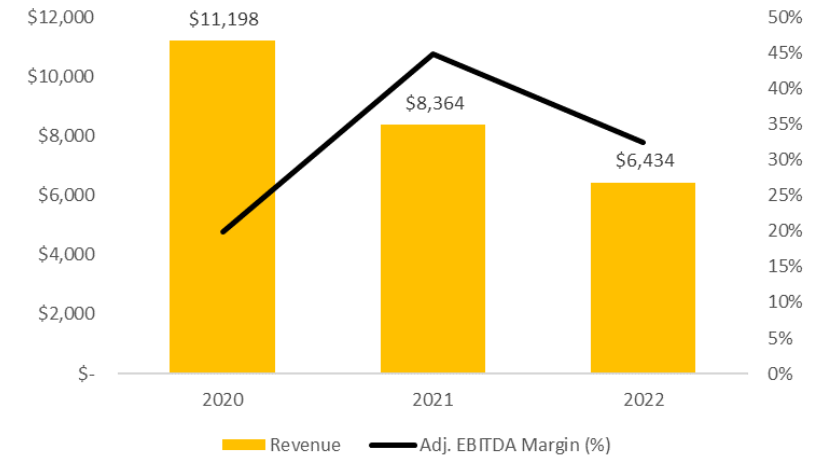
End of Lease Life / Tear Down Margin

- At the end of the lease, PTB Group retains the ability to either:
 - Re-lease the aircraft
 - Sell in the open market; or
 - Tear down for parts

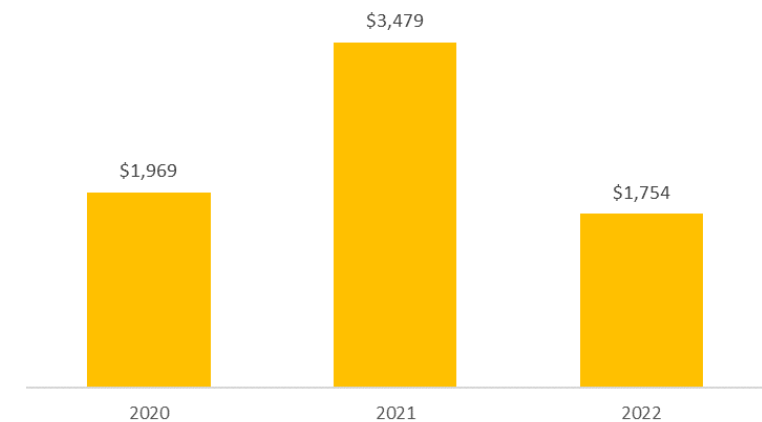
International Air Parts

- IAP continues to deliver high margins sales for the PTB Group
- IAP achieved an average 32% EBITDA margin on sales across the year
- FY2022 earnings were below expectations due to COVID lock downs in Sydney and significant disruptions to the operations of customers in USA and Canada
- Results have been improving since February and the outlook for FY2023 is good

IAP Revenue and EBITDA Margin

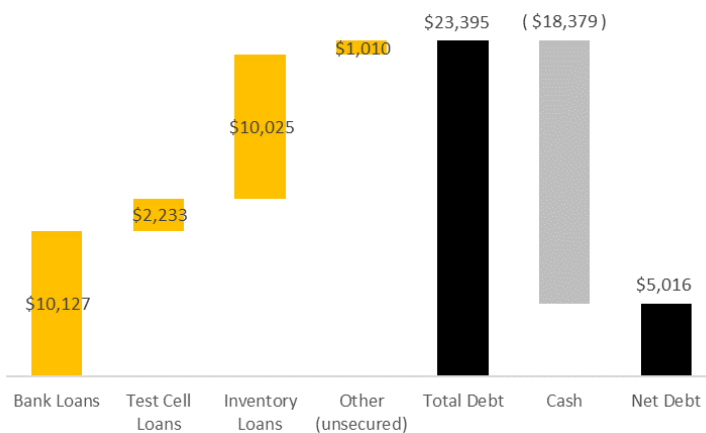


IAP Operational NPBTFX

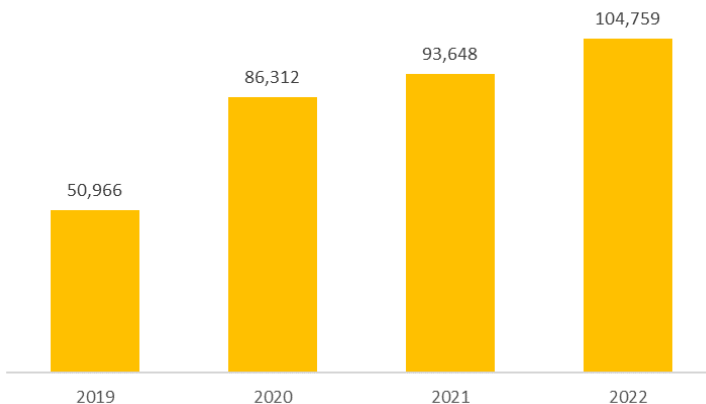


Conservative Balance Sheet Retained

Net Debt (Excluding Lease Liabilities)



Net Assets



Balance Sheet Summary

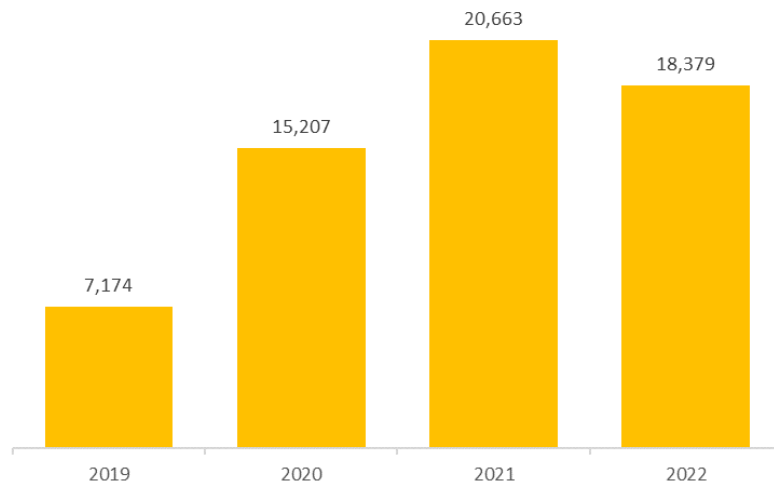
(\$'000)	2020	2021	2022
Cash	15,207	20,663	18,379
Receivables	20,234	32,327	27,665
Inventories	54,872	52,203	68,936
Property, plant and equipment	28,552	24,413	28,000
Intangible assets	12,673	11,953	12,628
Other assets	3,644	7,835	5,125
Total Assets	150,833	149,395	160,733
Payables	9,529	8,299	12,711
Borrowings	9,437	31,738	29,492
Other liabilities	4,214	15,709	13,771
Total Liabilities	64,521	55,746	55,974
Equity	86,312	93,648	104,759

- Net Assets grew by \$11.1 million year on year
- Net Assets per share were \$0.82 cents per share at year end, up from \$0.74 cents per share at the previous balance date
- Inventory and fixed asset balances grew following the purchase of the assets of United Turbine

Cash Flow

- PTB Group generated \$13.9 million of Operating Cash Flow in FY2022
- Payments for PP&E include purchases of aircraft in PTL and purchases of plant and equipment as part of the United Turbine asset purchase
- The sale and leaseback of the Pinkenba facility was completed in FY2022 – with \$4.5 million received and mainly used to pay down debt
- A 5 cents per share dividend was paid in October 2021 (FY2021 final)

Year End Cash Balance



Cash Flow Statement Summary

(\$'000)	2020	2021	2022
Cash Flow From Operating Activities			
Cash receipts (GST inclusive)	70,710	82,865	133,067
Cash payments (GST inclusive)	(78,103)	(72,911)	(112,169)
Other	(1,021)	(2,636)	(6,954)
Net cash provided by / (used in) operating activities	(8,414)	7,318	13,944
Cash Flow From Investing Activities			
Proceeds from (Payments for) property, plant & equipment	(1,566)	8,162	(2,778)
Payments relating to acquisition of subsidiary	(31,190)	-	-
Net cash provided by / (used in) investing activities	(32,756)	8,162	(2,778)
Cash Flow From Financing Activities			
Net proceeds from/(repayments of) borrowings	18,090	(7,074)	(5,821)
Proceeds from issue/(buybacks) of shares	33,399	(472)	-
Repayment of Lease Liabilities	(413)	(931)	(1,269)
Payment of dividends	(1,873)	(1,547)	(6,360)
Net cash used in financing activities	49,203	(10,024)	(13,450)
Net increase / (decrease) in cash and cash equivalents	8,033	5,456	(2,284)

Scheme Agreement with PAG Holding Corp.



- On 18 August 2022, PTB announced that it has entered into a Scheme Implementation Deed (“SID”) with PAG Holding Corp. (“PAG”), an entity owned by GenNx360 Capital Partners and its managed funds, under which it is proposed that PAG will acquire 100% of the shares on issue in PTB by way of a scheme of arrangement (“Scheme”)
- PTB Shareholders will receive \$1.595 per PTB share in cash under the Scheme (“Scheme Consideration”)
- PTB expects to declare and pay a PTB Permitted Dividend of up to \$0.03 per PTB Share, which PTB expects will be fully franked (subject to formal declaration of the PTB Board and Net Cash of PTB Group being not less than \$2.75 million immediately following payment of the PTB Permitted Dividend)¹
- The Scheme Consideration of \$1.595 per PTB Share represents:
 - a 40.5% premium to the PTB last close price on 17 August 2022 and a 39.5% premium to the PTB one-month volume weighted average price up to and including 17 August 2022;
 - a total transaction equity value for PTB of \$202.9 million; and
 - an acquisition multiple of 9.2x adjusted pre-AASB 16 FY22 EBITDAFX of \$21.8 million²
- Entering into the SID with PAG is the result of a comprehensive strategic review undertaken by the Board with the support of Moelis
- The PTB Board unanimously recommends that PTB Shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert concluding in the Independent Expert’s Report, and continuing to conclude, that the Scheme is in the best interests of PTB Shareholders
- Subject to the same qualifications, each PTB Director intends to vote, or procure the voting of, the PTB Shares held or controlled by them in favour of the proposed Scheme
- The Scheme is subject to certain customary conditions which must be satisfied (or, if applicable, waived) before it can be implemented

Note: 1. To the extent the PTB Permitted Dividend is paid in the period between the Second Court Date and the Implementation Date (inclusive). 2. Based on transaction enterprise value of \$200.1 million assuming \$2.75 million Net Cash, and FY22 EBITDAFX (earnings before interest, tax, depreciation, amortisation and foreign exchange gains/losses) of \$23.3 million which excludes a \$0.6 million gain on the sale of the Pinkenba facility, and is less rental charges of \$1.6 million, that are excluded from EBITDAFX due to AASB 16.

Scheme Agreement – Next Steps

- It is anticipated that a Scheme Booklet in relation to the proposed Scheme will be sent to PTB shareholders on 14 October 2022 and that PTB Shareholders will vote on the scheme on 16 November 2022¹
- In order to proceed, the Scheme must be approved by 75% or more of the votes cast and by 50% or more of the shareholders voting
- PTB Shareholders should read the Scheme Booklet once it is available and seek independent advice as necessary
- PTB Shareholders do not need to take any action at the present time
- Please refer to the ASX release of 18 August 2022 for additional detail and a copy of the Scheme Implementation Deed

Indicative timetable¹

Expected Date	Event
10 October 2022	First Court Hearing
14 October 2022	Dispatch of Scheme Booklet to PTB Shareholders
16 November 2022	Scheme Meeting
22 November 2022	Second Court Hearing
23 November 2022	Effective Date
25 November 2022	Scheme Record Date
2 December 2022	Scheme Implementation Date