

# PTB Group Limited

## Annual General Meeting

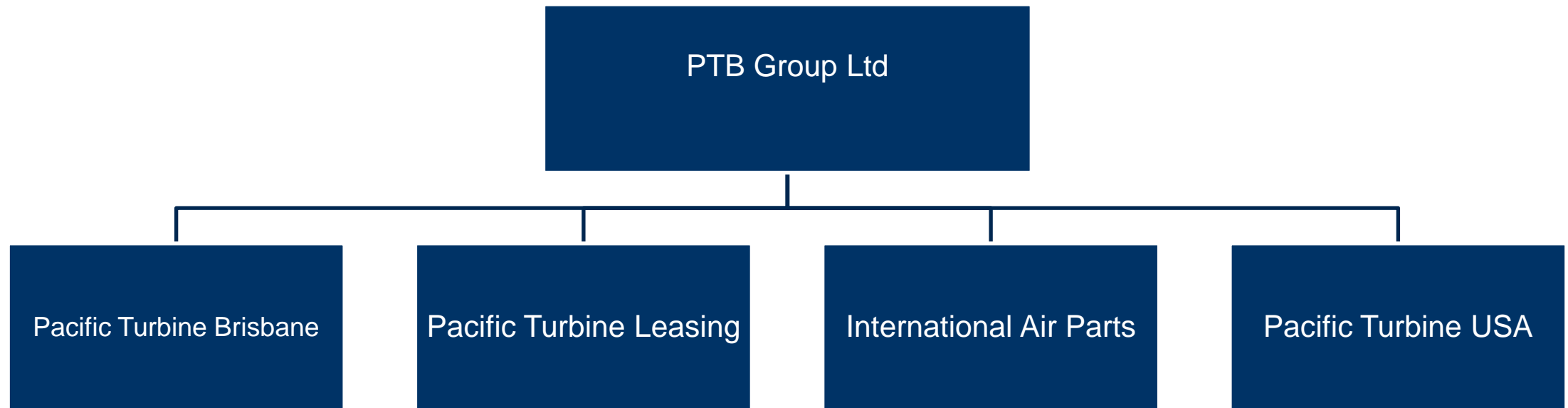
23<sup>rd</sup> November 2016  
Brisbane, Australia



**PTB GROUP** LIMITED

# PTB Business

PTB's business realigned for transparency and simplicity



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PTB's business realigned for transparency and simplicity

<b>Pacific Turbine Brisbane</b>	<ul style="list-style-type: none"><li>• PT6A &amp; TPE331 Maintenance Repair &amp; Overhaul (MRO) facility</li><li>• PT6A &amp; TPE331 engine Buying/Selling</li><li>• PT6A &amp; TPE331 spare parts sales</li><li>• Long term engine support contracts</li><li>• Contracts support team upselling</li></ul>	<ul style="list-style-type: none"><li>• Consistent earnings</li><li>• Strong margins</li><li>• High productivity</li><li>• Significant Barriers to entry due compliance framework</li><li>• Geographically diverse customer base</li></ul>
<b>Pacific Turbine Leasing</b>	<ul style="list-style-type: none"><li>• Leasing of aircraft</li><li>• Leasing of engines</li><li>• Providing structured specialist engine/aircraft financing</li></ul>	<ul style="list-style-type: none"><li>• Consistent earnings</li><li>• Long term contracts</li><li>• High client retention</li></ul>



# PTB Business

PTB's business realigned for transparency and simplicity

<b>International Air Parts</b>	<ul style="list-style-type: none"><li>• Airframe spare parts support</li><li>• Buying/selling and Brokering</li><li>• Large stock of parts</li><li>• End of lease optimization</li><li>• Rolls Royce Dart engine support</li></ul>	<ul style="list-style-type: none"><li>• Continuous improvements in efficiency</li><li>• Margins increased</li><li>• Overhead costs decreased</li></ul>
<b>Pacific Turbine USA</b>	<ul style="list-style-type: none"><li>• Virtual PT6A Maintenance Repair &amp; Overhaul (MRO) facility in Stroud Oklahoma</li><li>• PT6A engine Buying/Selling</li><li>• PT6A spare parts sales</li><li>• Accessing much increased market</li><li>• Low risk low capital cost structure</li></ul>	<ul style="list-style-type: none"><li>• Commenced trading February 2016</li><li>• Already profitable</li><li>• Costs low and scalable</li><li>• Supply agreement with Mint Turbines LLC</li><li>• Significant Barriers to entry due compliance framework</li></ul>



# Recent Highlights

- FY16 revenue from ordinary activities up 20%
- FY16 profit up 31%
- Realignment of businesses well underway
- Fully franked dividend of 5c paid
- 2 PTB-EMP contract renewals for PT6
- 2 new PTB-EMP contracts for TP331
- USA growth concept proved
- Placed \$1.979m to fund USA ramp up
- Received letter of intent from the bank to lend remaining required funds for USA

- Fully dedicated resource in USA to manage process & inventory
- Launched corporate affairs & investor relations strategy
- Roadshow with 10 + fund manager, HNW and broker presentations
- Secured Japanese investor
- Began exploring opportunities for further growth in Asia



# Financials

## Operating Results

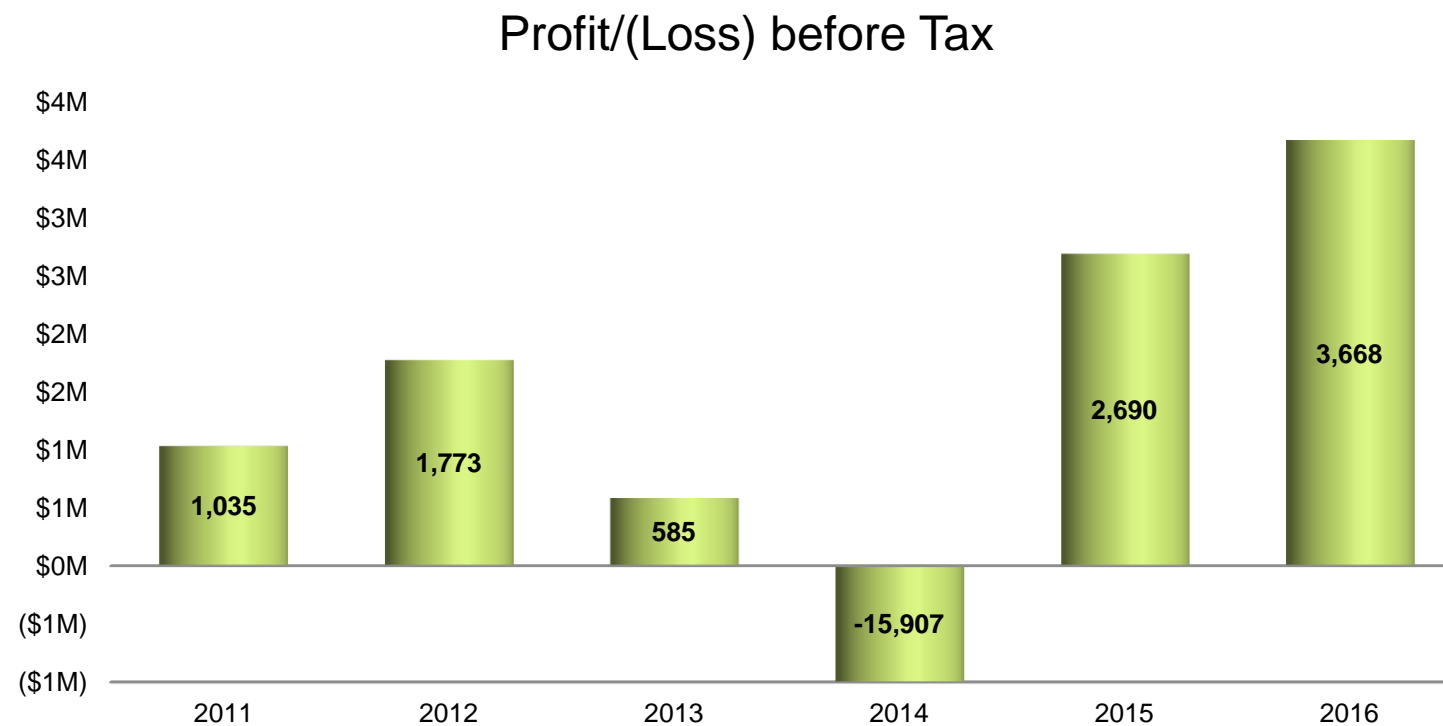


Note: Operating Profit excludes abnormals but includes foreign exchange gains and losses



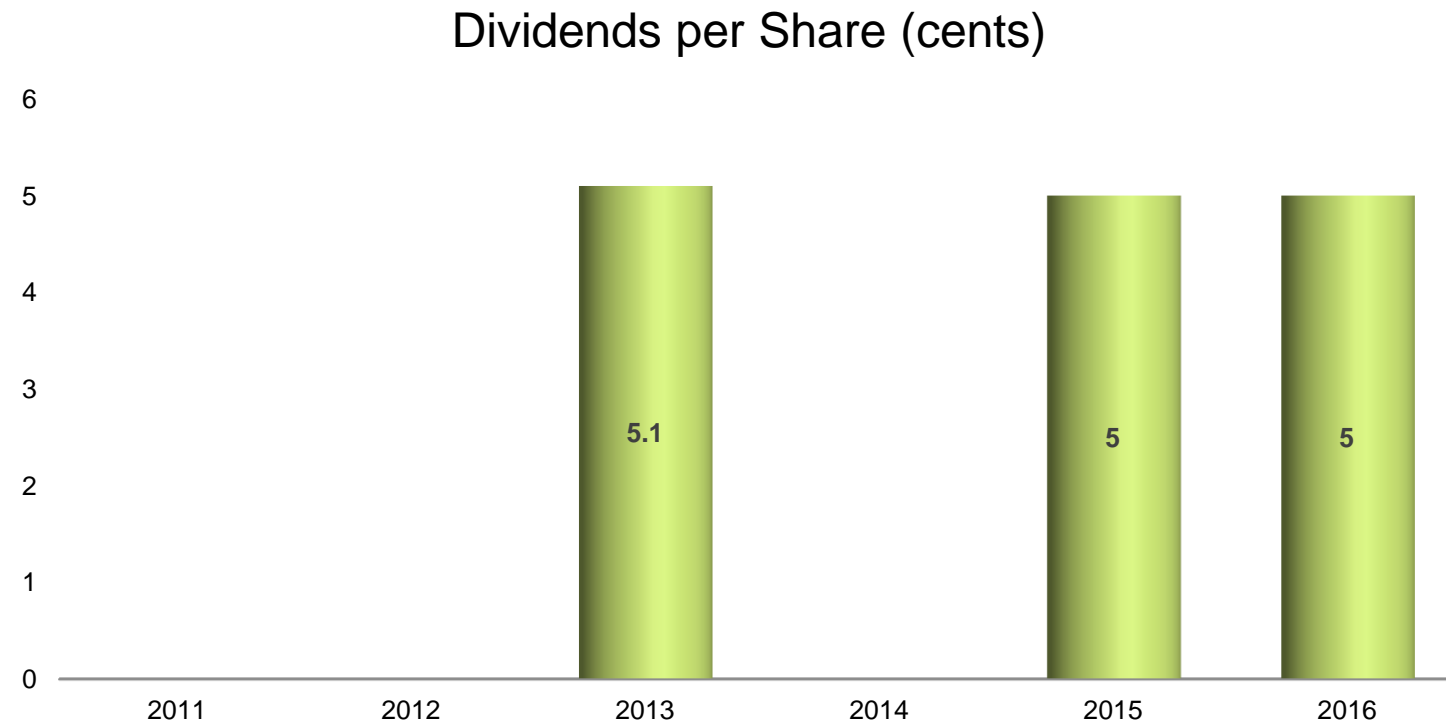
# Financials

## Operating Results



# Financials

## Operating Results





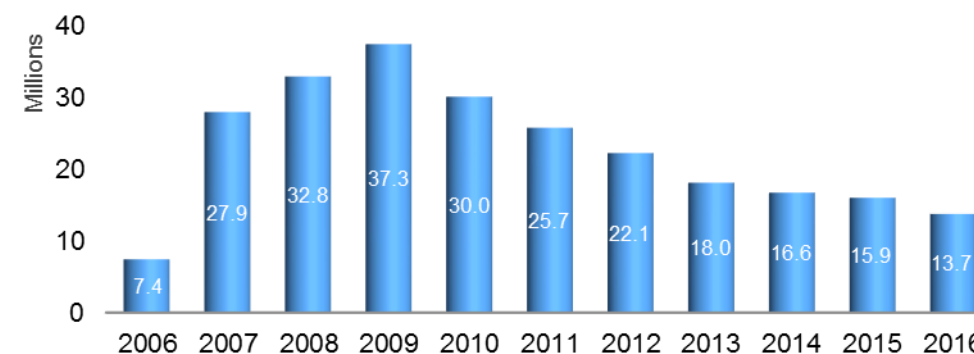
# Financials

Balance Sheet 30-Jun-2016	\$000
Cash	1,982
Receivables	10,486
Inventory	21,440
Property, Plant & Equipment	20,260
Deferred tax assets	4,918
Other assets	212
<b>Total Tangible Assets</b>	<b>59,298</b>
Payables	6,328
Borrowings	13,687
Deferred tax liabilities	3,438
Other liabilities	2,493
<b>Total Liabilities</b>	<b>25,946</b>
<b>Net Tangible Assets</b>	<b>33,352</b>
Per Share	0.70

Includes:  
PTB \$12.4m  
PT USA \$2.5m  
PT Leasing \$0.4m  
IAP \$6.1m

Includes:  
Land & Buildings \$6.9m  
Aircraft & Rental Engines \$13.15m

Total Debt (AU\$M)



# FY17 Guidance

Operational Profit Before Tax by Business	2016-17 Sept Qtr	2015-16 Sept Qtr	2016-17 Forecast LOW	2016-17 Forecast HIGH	2015-16 Full Year
Pacific Turbine Brisbane	\$0.598m	\$1.183m	\$2.500m	\$2.600m	\$2.498m
Pacific Turbine USA	\$0.204m	n/a	\$1.000m	\$1.000m	\$0.083m
Pacific Turbine Leasing	\$0.278m	\$0.463m	\$1.100m	\$1.100m	\$1.554m
International Air Parts	\$0.180m	\$0.240m	\$0.700m	\$0.900m	\$1.343m
Group Overheads	(\$0.328m)	(\$0.324m)	(\$1.300m)	(\$1.300m)	(\$1.285m)
<b>Group</b>	<b>\$0.932m</b>	<b>\$1.562m</b>	<b>\$4.000m</b>	<b>\$4.300m</b>	<b>\$4.193m</b>

- Operational Profit excludes foreign exchange gains and losses
- The above includes the reallocation of all rental and lease activities to Pacific Turbine Leasing. This includes adjustments to prior year comparisons.



# Management 12 month plan

- Use pending funding to ramp up USA business to 4-5 engines per month
  - Maintain fully underwritten, fully franked dividend & DRP
  - Take Engine Management Plans (EMP's) to wider market
  - Continue to grow engines under lease and EMP's
  - Build market awareness and shareholder value through corporate and IR strategy
  - Continue to build efficiencies in Pacific Turbine Brisbane
- Increase parts sales opportunities through structured engine and aircraft financing/leasing growth
  - Increase liquidity for shareholders
  - Secure lease contracts for idle aircraft
  - Continue to investigate alternative, innovative funding options
  - Complete realignment of business sectors
  - Achieve acceptable returns from all business segments
  - Dispose of underperforming assets and deploy cash into growth initiatives



# People

## Established & experienced Management & Board

### **Craig Baker**

Mr. Craig Louis Baker is the Managing Director for PTB Group Ltd. 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. His duties involve the overall management of the Group.

### **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.

### **Stephen Smith**

Mr. Stephen Garry Smith is Executive Director of the Company. 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.

### **Harvey Parker**

Mr. Harvey Parker is the Chairman of the Board at PTB Group Ltd. He holds a Dip P.A, Bachelor of Arts and a Masters of Business Administration (Melbourne). He has had a distinguished career spanning across several industries including experience in the aviation industry as Managing Director of New Zealand Post and the Airpost Joint Venture. He was previously Chairman of DWS Limited, Australian Natural Proteins Limited and Jumbuck Entertainment Limited.

### **Andrew Kemp**

Mr. Andrew Peter Somerville Kemp is a Non-Executive Director at PTB Group Ltd. 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.

### **Royston Stephen (Steve) Ferris**

Mr. Royston Stephen (Steve) Ferris is an Executive Director of PTB Group Ltd. Steve was born in the UK and Graduated from Bristol University with a Bachelor of Science in 1981. He incorporated IAP Group in 1987 and successfully grew the company utilising his vast knowledge of the aviation industry. IAP was acquired by PTB Group in 2006 with Steve taking a stake in PTB Group as part of the deal. Steve is based in Sydney and is currently a consultant to IAP Group.



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