

## ASX Announcement: P2P

26 April 2018

### QUARTERLY ACTIVITIES REPORT & APPENDIX 4C CASHFLOW STATEMENT.

P2P Transport Limited (ASX: P2P) (P2P), one of Australia's largest vertically integrated passenger transport fleet managers, submits the following Activities Report and Appendix 4C Cash Flow Statement for the third quarter ended 31 March 2018.

## HIGHLIGHTS

### Financial performance of the business

- Q3 fleet size at 1,029 vehicles delivering 95% of the FY18 full year forecast number of vehicles
- Run rate EBITDA (on a pro forma basis) now at \$11,063 per vehicle per annum with expectations the stronger Q4 will see this further improve
- Revenue increase of 373% on same quarter last year highlighting the significant and rapid growth of the business
- Rationalisation of Gold Coast sites leading to cost savings of approximately \$280,000 per annum
- Strong balance sheet with \$23.66 million in net assets and \$4.06 million in cash reserves following a significant growth period with no new debt added

### Progressing the strategic roadmap

- Commercialisation of the Adflow digital taxi top advertising platform completed 6 months ahead of schedule, and negotiations underway to secure an advertising partnership model in anticipation of full market launch in early FY19
- Scale synergies across the business being implemented with the creation of national buying arrangements with key suppliers expected to deliver cost synergies upwards of \$1 million per annum on the existing fleet
- Acquisition pipeline for both businesses and fleets stronger than anticipated post IPO with the company anticipating an acceleration of the strategic roadmap. This may correspond with additional acquisition costs in FY18

### Cash position and balance sheet

After accounting for the strong period of acquisitions growth P2P Transport continues to maintain a strong balance sheet position. With \$4.06 million in cash reserves as at 31 March 2018 and total net asset of \$23.66 million the business is well placed to continue the execution in line with the strategic roadmap and opportunities currently in the pipeline for the company.

Z E V R A



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The release of the Quarterly Activities Report for P2P Transport highlights a 3 month period dominated by the rapid growth of the business ahead of the prospectus forecast for the number of vehicles. January alone delivered the highest ever growth of new vehicles in the industry in a single fleet operator at a period that is the seasonal low in terms of revenue and driver demand. This has enabled the business to capture capacity in the industry that is now locked into P2P and positions the company as a significant player, if not the market leader, in each of the current locations.

Releasing the Quarterly Activities Report, P2P Transports Managing Director, Tom Varga said “To have achieved so much in such a short time since our IPO is an outstanding achievement and this is reflected directly in the strategic market position of the company as well as the annualised run rate based on pro forma EBITDA per vehicle.”

“This is a quarter that can be defined not only as a great growth period for the business but more importantly sees a number of strategic initiatives being accelerated well ahead of expectation. Effectively this will position P2P Transport not only as the clear market leader but also ensure that the business delivers the strongest competitive position through FY19 by expanding the sources of revenue. Adflow Digital taxi top is a great example of accelerating the strategic roadmap. With digital advertising growing significantly, and the ability for our platform to cut through the marketing noise, this is a solution that the Australian market will embrace similar to what is being seen in the US in particular.”

“It is important that the business is also focussing attention to other opportunities that come from the significant scale created through the core fleet operations. Beyond economies of scale and cost efficiencies, the Leadership Team has identified a range of EBITDA accretive M&A opportunities and P2P Transport is well positioned to take advantage of the right opportunities as they arise. Fleet acquisitions will continue to be the primary focus of the business with no indications that the current rate of acquisitions will not continue through the remainder of FY18 and well into FY19.”

Mr Varga said that the foundations for the business have now been set and developing the best strategic position for FY19 is the primary focus.

“It is a very exciting time for the passenger transport industry and the role P2P Transport can play in leading and transforming the Australian landscape. The continued support of our shareholders has been critical in allowing the company to deliver successfully during this period and positioning the company for the next phase of execution.”

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## ABOUT P2P:

P2P Transport Limited is an integrated fleet management business focussed on the provision of vehicles on a rental basis to independent professional drivers operating in the point-to-point passenger transport industry.

The key growth strategies for P2P continue to be focused on fleet growth through the acquisition of vehicles and businesses in the fragmented passenger fleet industry while also looking to capitalise on the early launch of the Adflow Digital taxi tops.

## For further information please contact:

Tom Varga

Managing Director

P2P Transport Limited

Phone 02 9558 2220

## IMPORTANT NOTICE

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements.

Forward-looking statements include projects or guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indicator or guarantee of future performance. No representation warranty or assurance (expressed or implied) is given or made in relation to any forward-looking statement by any person. In particular, no representation warranty or assurance (expressed or implied) is given that the occurrence of the event expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

P2P Transport Limited

**ABN**

77 617 760 899

**Quarter ended ("current quarter")**

31 March 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9- months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	\$9,708	\$22,177
1.2 Payments for		
(a) research and development	(\$340)	(\$340)
(b) product manufacturing and operating costs	(\$7,709)	(\$16,452)
(c) advertising and marketing	(\$85)	(\$238)
(d) leased assets		
(e) staff costs	(\$1,701)	(\$3,092)
(f) administration and corporate costs	(\$1,714)	(\$2,743)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(\$63)	(\$138)
1.6 Income taxes paid	(\$65)	(\$65)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(\$1,969)</b>	<b>\$(892)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(\$7,036)	(\$10,263)
(b) businesses (see item 10)	(\$1,425)	(\$9,638)
(c) investments	(\$10)	(\$103)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9- months) \$A'000
	(d) intellectual property		(\$16)
	(e) other non-current assets		(\$37)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		\$11
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(\$8,471)</b>	<b>(\$20,045)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		\$20,000
3.2	Proceeds from issue of convertible notes		\$9,175
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(\$307)	(\$4,215)
3.5	Proceeds from borrowings	\$427	\$1,120
3.6	Repayment of borrowings	(\$776)	(\$1,241)
3.7	Transaction costs related to loans and borrowings		(\$5)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	<b>Net cash from / (used in) financing activities</b>	<b>\$(656)</b>	<b>\$24,862</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	\$15,158	\$62
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(\$1,969)	(\$817)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(\$8,471)	(\$20,045)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(\$656)	\$24,862

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9- months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>\$4,062</b>	<b>\$4,062</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	\$4,062	\$15,158
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>\$4,062</b>	<b>\$15,158</b>

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	\$60
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	\$60
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	(100)
9.2 Product manufacturing and operating costs	(\$7,931)
9.3 Advertising and marketing	(\$85)
9.4 Leased assets	(\$310)
9.5 Staff costs	(\$1,735)
9.6 Administration and corporate costs	(\$1,660)
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>(\$11,821)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	Professional Taxis	
10.2 Place of incorporation or registration	Gold Coast	
10.3 Consideration for acquisition or disposal	\$1,425	
10.4 Total net assets	\$1,252	
10.5 Nature of business	Taxi Depot	

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....  
(Director/Company secretary)

Date: 27 April 2018 .....

Print name: Mr Tom Varga .....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.