

FY18 RESULTS INVESTOR PRESENTATION

P2P Transport Ltd (ASX:P2P)



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FY18 AT A GLANCE

A year focused on growth, acquisitions and strategic positioning for FY19

- **Since its IPO in December 2017, P2P Transport has executed a strategy of rapid growth through acquisition to create a business of significant scale and vertical integration**
 - Fleet comprising 1,134 owned vehicles as at 30 June 2018 (additional 843 vehicles since IPO)
 - Acquisition of Black & White Cabs (BWC) adding an additional 1,500 third party vehicles operating under the BWC despatch network
 - Operations in Sydney, Melbourne, Brisbane, Toowoomba and Gold Coast, with BWC network extending reach to Perth as well
 - Acceleration of Adflow digital tops technology, significantly ahead of expected timeframe
- **Pro Forma FY18 results, while strong, have been delivered below Prospectus forecasts**
 - EBITDA of \$10.9 million (in line with revised guidance of \$10.1 - \$11.1 million⁽¹⁾, but below Prospectus forecasts)
 - Revenue of \$43.3 million (versus Prospectus forecast of \$50.5 million)
 - NPAT of \$4.0 million (versus Prospectus forecast of \$6.4 million)
- **Focus for FY19 on consolidation, delivering efficiencies and optimising fleet utilisation**
 - FY19 performance improvements already yielding results with a 6.1% increase in revenue per month in relation to June 2018 and ongoing cost savings of c.\$0.8 million for FY19 already secured (targeting \$2.0 million in annualised recurring savings through efficiency initiatives)
- **FY19 Pro Forma EBITDA guidance of \$16.1 - \$16.8 million**
- **In the interests of retaining balance sheet flexibility and to fund continued growth, the Board has determined not to declare a dividend for FY18, with the intention to commence dividend payments for the FY19 period onwards**

(1) As per FY18 Results Update, dated 1 August 2018.

FINANCIAL AND OPERATIONAL DASHBOARD



Pro Forma REVENUE

\$43.3m
FY2018

\$30.7M
FY2017

FLEET SIZE

1,134
VEHICLES
As at 30 June 2018

UTILISATION

74.07%¹
FLEET UPTIME

AVERAGE FLEET ECONOMICS IN FY2018

\$45,622*
AVERAGE FLEET REVENUE
PER VEHICLE

\$15,225*
AVERAGE EBITDA
PER VEHICLE

Pro Forma EBITDA

\$10.9M
FY2018

25.2%
EBITDA MARGIN

NUMBER OF SITES

8
Huntingdale
Tempe
Alexandria
Gold Coast
Albion (2)
Coopers
Toowoomba

OPERATING CASHFLOW

58.6%
CONVERSION
FROM EBITDA
(Excl. IPO and related one-off cost)

* Based on pro forma EBITDA for FY18

(1) Revised to now be calculated as the straight average across all site whereas previously reported on a weighted average

OUR COMPANY



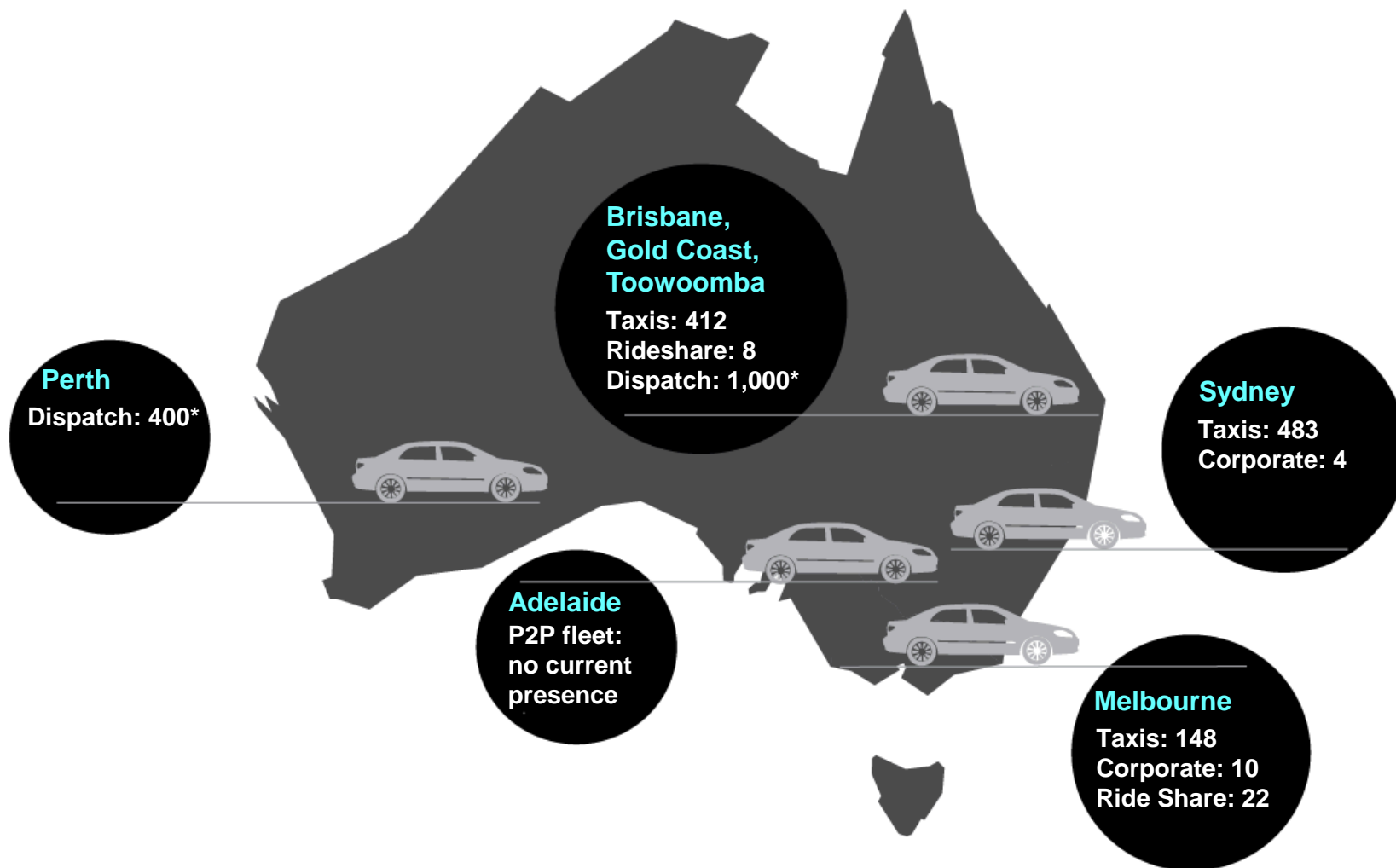
P2P TRANSPORT FLEET EVOLUTION

Number of vehicles



DRIVEN TO PERFORM

P2P Transport fleet by major city



Rapidly growing business and one of the largest taxi fleet operators in Australia

MARKET SHARE ⁽¹⁾

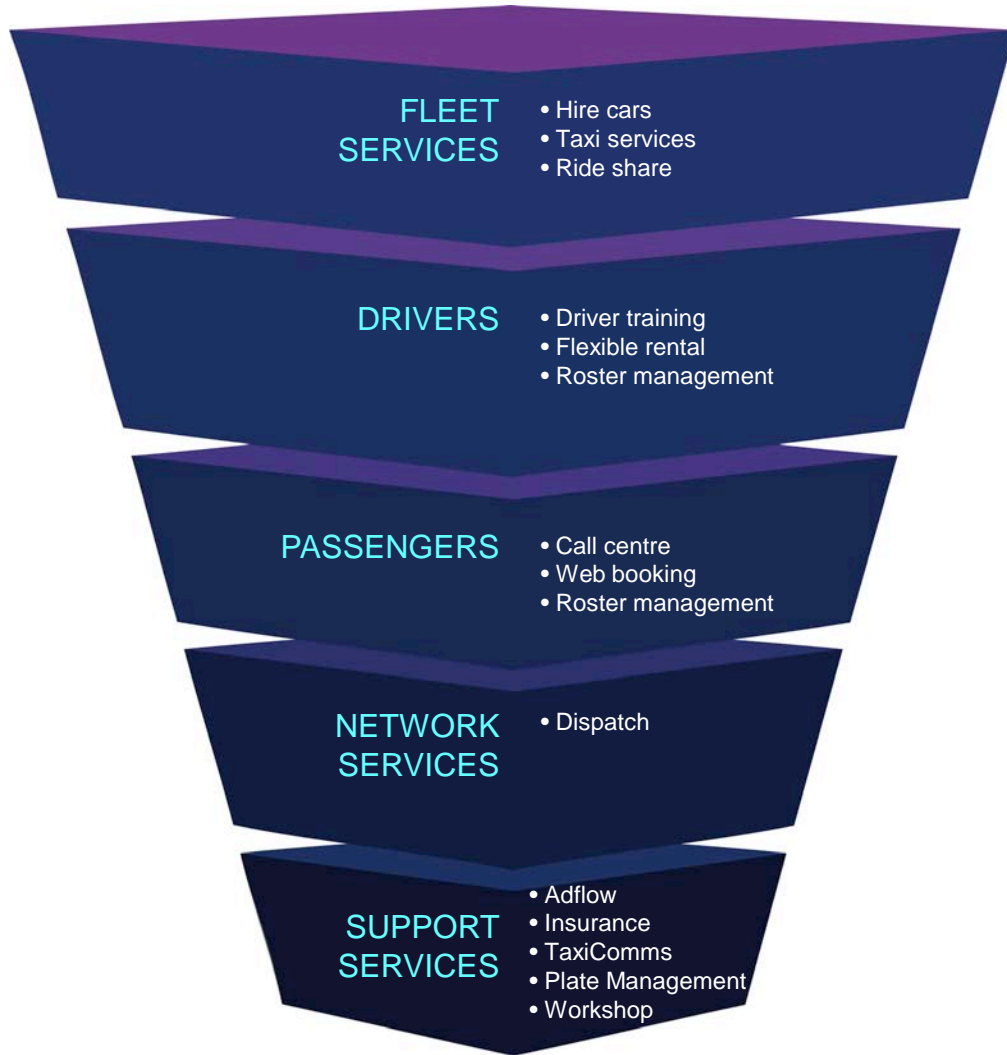
9.9%
SYDNEY

3.8%
MELBOURNE

29.8%
BRISBANE/GOLD COAST

22.2%
PERTH*

VERTICALLY INTEGRATED BUSINESS MODEL



Following the rapid growth of P2P, the business is now a fully vertically integrated model

- Black & White Cabs dispatch including app, web booking and call centre options for passengers
- Scale in most capital cities
- Advertising, fit out, insurance and workshop
- Delivers quality, control and scale efficiencies and significant organic growth opportunities

BRANDS

ZEVRA



National fully integrated fleet management business for the taxi and executive hire car market.

mee-go



Providing unmodified vehicles to drivers who wish to enter the rideshare industry, but not use their own vehicle.

Hub



Repair centres that offer in-house servicing, maintenance & accident repair.

AUSTRALIA WIDE
CHAUFFEUR CARS



Chauffeur Company offering professional services across Australia including airport transfers, tours, corporate & specialty services.

BLACK & WHITE
CABS



A leader in the passenger transport market in Qld and W.A for almost 100 years with a network of 1,400 vehicles.

adflow



Adflow is advertising on the move. Advertisers can showcase their offerings on our state of art digital rooftop signage.

FINANCIAL PERFORMANCE



PROFIT & LOSS – PRO FORMA

FY18 represented a year of rapid growth with 834 vehicles added to the fleet

- FY18 revenue of \$43.3 million, an increase of 40.6% versus FY17
 - Below Prospectus forecast due to softer fleet utilization levels resulting from delays in vehicle on-boarding following significant fleet acquisitions in January and February, and weak May/June market performance
- FY18 gross margin of 41.8% up from FY17 (27.2%) through delivery of scale efficiencies associated with a significantly larger fleet, together with a reduction in plate lease and insurance costs
- FY18 EBITDA of \$10.9 million in line with revised guidance of \$10.1 - \$11.1 million, but below Prospectus forecasts
- FY18 EBITDA margin of 25.2% significantly higher than FY17 (8.2%) and inline with Prospectus forecast
- Impairment of goodwill (\$2.7 million) associated with temporary underperformance of Queensland operations at 30 June 2018. Operational performance improving in July and August 2018 following organizational restructure
- Higher net finance costs for FY18 as a result of new hire purchase arrangements to deliver fleet growth objectives
- Reduction in income tax as a result of losses incurred

	Historical		Prospectus Forecast		Full Year Actual
Pro forma (\$000's)	FY15	FY16	FY17	FY18	FY18
Revenue	34,631	32,191	30,763	50,452	43,264
Cost of sales	(25,404)	(23,646)	(22,378)	(27,688)	(25,190)
Gross margin	9,227	8,545	8,385	22,764	18,074
Employee costs	(4,066)	(3,624)	(3,457)	(6,043)	(4,148)
Rent expense	(770)	(868)	(998)	(1,309)	(1,145)
Incremental public company costs	(949)	(973)	(997)	(1,022)	(527)
Other operating expenses	(431)	(486)	(399)	(1,682)	(1,337)
Total operating expenses	(6,216)	(5,951)	(5,851)	(10,056)	(7,157)
EBITDA	3,011	2,594	2,534	12,708	10,917
Depreciation & amortisation & impairment	(1,759)	(2,189)	(2,165)	(3,413)	(6,378)
EBIT	1,252	405	369	9,295	4,539
Net finance income (costs)	(314)	(346)	(237)	(140)	(520)
Profit before tax	938	59	132	9,155	4,019
Tax expense	(282)	(18)	(39)	(2,746)	(68)
NPAT	656	41	93	6,409	3,951

BALANCE SHEET

- Cash and cash equivalents of \$3.6 million
- Trade and other receivables up by \$2.3 million largely comprising prepayments of insurance, plate lease and registration
- Security deposits and prepayments up by \$2.9 million, mainly prepayments for acquired fleet
- Deferred tax increased as a result of tax benefit associated with IPO costs incurred
- Plant and equipment up by \$10.4 million, from direct fleet acquisitions of \$7.8 million and \$5.7 million through business acquisitions, the increase offset by depreciation expense of \$3.1 million
- Trade and other payables up by \$1.7 million as a result of increased operations
- Employee provision up by \$1.0 million related to costs brought in with the Group reorganisation
- Borrowings up by \$5.2 million as a result of new finance facilities obtained during the year

Balance sheet	Actual	Actual
as at 30 June (\$'000's)	2018	2017
Cash and cash equivalents	3,618	62
Trade and other receivables	3,764	1,549
Inventory	491	-
Security deposits and prepayments	3,032	125
Deferred tax assets	1,207	252
Investment in associates	100	100
Intangible assets, including goodwill	4,486	4,462
Plant and equipment	14,581	4,189
TOTAL ASSETS	31,279	10,739
Trade and other payables	4,248	2,544
Current tax liabilities	185	142
Deferred tax liabilities	699	293
Employee provision	1,118	103
Borrowings	6,744	1,545
TOTAL LIABILITIES	12,994	4,627
NET ASSETS	18,285	6,112
Issued capital	54,086	4,777
Asset revaluation reserve	790	790
Other reserves	726	-
Accumulated (losses)/profits	(37,317)	545
TOTAL EQUITY	18,285	6,112

CASH FLOWS

- Negative operating cashflows of \$8.8 million largely driven by delays in fleet onboarding following significant fleet acquisitions in January and February. Softer than expected May and June contributed by market performance
- Cash flow used in investing activities up by \$14.5 million as result of cash payments made on businesses acquisition of \$7.0 million and direct fleet acquisition of \$8.1 million
- Cash flow received from financing activities up by \$28.3 million as a result of IPO proceeds and new bank facilities drawn

	Full Year Actual	Full Year Actual
Pro forma (\$000's)	FY18	FY17
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	35,462	9,952
Payment to suppliers and employees	(43,752)	(8,470)
Interest and costs of finance paid	(520)	(113)
Income tax (paid)/received	43	136
Net cash (used in)/provided by operating activities	(8,767)	1,505
CASH FLOWS FROM INVESTING ACTIVITIES		
Net consideration (paid)/received in cash for business acquisitions	(7,145)	33
Payments for plant and equipment	(8,124)	(671)
Proceeds from disposal of plant and equipment	34	-
Investment in associates	-	(100)
Payment for intangible assets	(14)	-
Net cash used in investing activities	(15,249)	(738)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	7,712	-
Repayment of borrowings	(3,980)	(800)
Proceeds from issue of new shares	20,000	-
Transaction costs relating to issue of new shares	(1,996)	-
Proceeds from the issue of convertible notes	9,840	-
Repayment of convertible notes	(4,000)	-
Net cash provided by/(used in) finance activities	27,576	(800)
Net increase/(decrease) in cash and cash equivalents	3,556	(33)
Cash and cash equivalents at the beginning of the year	62	95
Cash and cash equivalents at the end of the year	3,618	62

■ KEY OPERATIONAL & FINANCIAL METRICS

- Rapid fleet growth immediately following IPO with addition of 843 vehicles through to 30 June 2018
- FY18 year end vehicles marginally ahead of Prospectus forecast, but lower on an average basis
- Revenue per vehicle in FY18 impacted by softer than forecast fleet utilization levels
- Significant increase in EBITDA margin over time representative of scale benefits in the underlying business

	Historical			Prospectus Forecast	Full Year Actual
Pro forma (\$000's)	FY15	FY16	FY17	FY18	FY18
Number of vehicles at year-end (#)	425	505	514	1,084	1,134
Average number of vehicles (#)	403	501	496	781	717
Average total revenue per vehicle (\$000)	85.7	64.2	61.8	64.6	60.3
Gross profit margin per vehicle (\$000)	22.6	17.2	16.9	29.1	25.2
Operating expenses per vehicle (\$000)	15.6	11.9	11.7	12.9	10.0
EBITDA per vehicle (\$000)	7.0	5.3	5.2	16.3	15.2
D&A per vehicle (\$000)	4.4	4.4	4.4	4.4	5.1
Gross margin (%)	26.4%	26.7%	27.3%	45.1%	41.8%
EBITDA margin (%)	8.1%	8.2%	8.4%	25.2%	25.2%

PROFIT & LOSS - STATUTORY

- Revenue significantly below Prospectus forecast due to delays in fleet onboarding and soft May/June market performance
- Cost of sales and other operating expenses remain relatively consistent with Prospectus as majority of these costs are incurred at the time of vehicle acquisition
- Employee costs increased as a result of additional resources brought in to support new businesses acquisitions
- Impairment of goodwill associated with temporary underperformance of Queensland operations at 30 June 2018. Operational performance improving in July and August 2018 following organizational restructure
- Net finance costs increased as a result of the discount attributable to convertible notes issued at IPO of \$13.9 million
- Reduction in income tax expense as a result of losses incurred at year end

	Prospectus Statutory	Actual Statutory	Variance
\$000's	FY18	FY18	
Revenue	44,612	32,711	(11,901)
Cost of sales	(24,266)	(25,866)	(1,600)
Gross margin	20,346	6,845	(13,501)
Employee costs	(5,175)	(6,052)	(877)
Rent expense	(1,065)	(1,145)	(80)
Incremental public company costs	(682)	(527)	155
Other operating expenses	(16,013)	(16,061)	(48)
Total operating expenses	(22,935)	(23,785)	(850)
EBITDA	(2,589)	(16,940)	(14,351)
Depreciation & amortisation & impairment	(3,089)	(6,378)	(3,289)
EBIT	(5,678)	(23,318)	(17,640)
Net finance costs	(106)	(14,476)	(14,370)
Loss before tax	(5,784)	(37,794)	(32,010)
Tax expense	(2,075)	(68)	2,007
Net loss after tax	(7,859)	(37,862)	(30,003)

OUTLOOK



■ OPERATIONAL FOCUS FOR FY19

- **Management's key focus in FY19 is the delivery of operational efficiencies**
 - Increased utilisation to target range of 81 to 84% nationally (compared to average utilisation for FY18 of 74.7%)
 - Optimise scale at each site through national purchasing framework
 - Deliver c.\$2.0 million in annual cost savings identified through national buying relationships and systems and process improvements
 - Over \$0.8 million harnessed in FY19 to date from wages, plate lease reduction and procurement cost savings through national supplier agreements
- **Poised for growth**
 - Strategically deploy BWC technology and app solution across fleet in both primary and secondary dispatch capabilities to deliver additional revenue to drivers and therefore fleet
 - Adflow digital taxi tops expected to be launched in November 2018 with an initial fleet of 300 vehicles
 - Continue to grow the core fleet in existing geographies
 - Strong pipeline in place of brownfield vehicles particularly in Sydney and Perth

SUMMARY AND FY19 OUTLOOK

Focus for FY19 on consolidation, delivering efficiencies and optimising fleet utilisation

- Vehicle acquisition pipeline remains strong with growth in FY19; expected to be in line with FY18 growth
- Organic growth (additional revenue, cost efficiencies) through the deployment of Black & White Cabs into new markets
- FY19 performance improvements already yielding results with a 6.1% increase in revenue per month and ongoing cost savings of c.\$0.8 million for FY19 already secured (targeting \$2.0 million in annualised recurring savings through efficiency initiatives). Delivered through organisational restructure and addition of key resources
- Launch of Adflow digital taxi top and the acquisition of Fare Media to create a national taxi advertiser that can deliver across all mediums
- Funding secured for vehicle acquisition growth and the deployment of 900 Adflow digital tops through a major telecommunication company
- FY19 Pro Forma EBITDA guidance of \$16.1 - \$16.8 million
- In the interests of retaining balance sheet flexibility and to fund continued growth, the Board has determined not to declare a dividend for FY18, with the intention to commence dividend payments for the FY19 period onwards

APPENDICES



PRO FORMA RECONCILIATION

Pro forma - Statutory profit and loss reconciliation

	FY18	
	\$'000	Notes
Statutory NPAT– P2P Group – profit / (loss)	(37,862)	
Transaction costs	11,801	IPO transaction costs
Finance cost	13,956	Adjustment to reflect finance cost of convertible notes
Costs associated with acquired businesses and fleet growth	12,958	Costs added with new businesses and fleet acquired
Costs saving achieved	3,098	Annualised costs saving
Pro forma NPAT – P2P Group – profit	3,951	
Finance cost	520	
Depreciation & amortisation & impairment	6,378	
Tax expense	68	
Pro forma EBITDA – P2P Group – profit	10,917	

■ BLACK & WHITE CABS

Fully dispatch capabilities including passenger booking app, web booker and call centre positions P2P Transport for organic growth with the expansion of the primary and secondary network around the country.



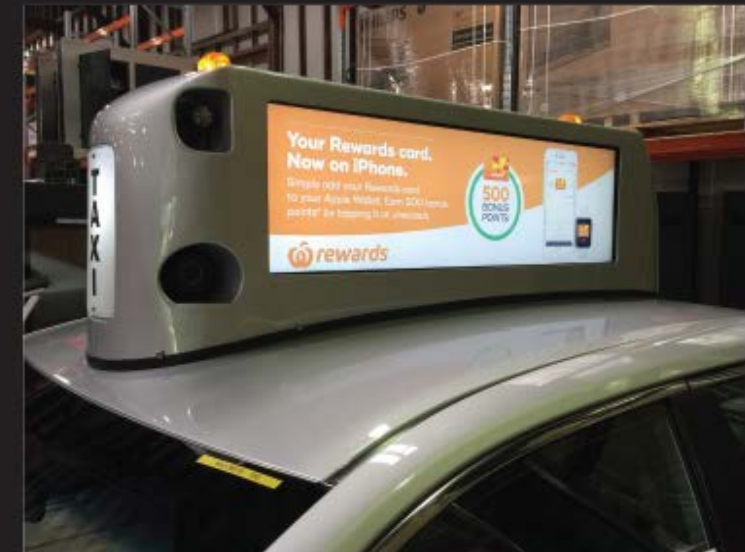
- Full service booking provider including app, web booker and call centre that will be rolled out nationally
- Tablet based dispatch capabilities
- Additional 1,400 vehicles in Queensland (Brisbane, Maryborough, Toowoomba and Redcliffe) and Western Australia (Perth)
- Strong brand that already generates work in Sydney and Melbourne
- Integration of Black & White Cabs into the P2P Transport business well underway
- Represents real organic growth and potentially significant cost diversion to a company owned solution

In August 2018 P2P announced entry into the fast-growing digital out-of-home market.

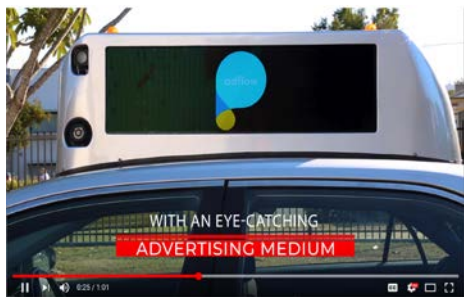
- Acquisition of Fare Media was completed and a strategic partnership formed with a major telco for both funding, telecommunications and implementation of **900 Adflow Digital taxi top units**.
- Adflow will work with new and existing customers and suppliers to drive growth in revenue per vehicle and partnership opportunities.

Adflow will fill the gap for advertisers looking for dynamic, location-based advertising utilising our state of art digital rooftop signage while also providing the traditional vehicle wrap advertising and taxi rear signage.

- Combined, the initiatives and acquisitions expected to **deliver c.\$2.8m in additional EBITDA** in FY19, which equates to approx. \$5.4m on a full year basis.



ADFLOW IN ACTION



<https://youtu.be/UVSmEbLfd0M>

