ASX Announcement: P2P

2 October 2018

Increased profits from deployment of Primary & Secondary networks

Highlights

- P2P extending Black & White network capabilities to Melbourne, Sydney and the Gold Coast
- Targeting circa $90k per month in pre-tax cost savings to P2P commencing 01 Jan 2019
- Expected to drive higher utilisation and revenues for P2P's fleet of 1,250 vehicles

P2P Transport Limited ASX:P2P ("P2P" or 'the Company') is pleased to announce the extension of its Black & White Cabs network services to P2P's operations in Sydney, Melbourne and the Gold Coast.

The acquisition of Black & White Cabs on 1 August 2018 provided P2P with extensive network operations infrastructure and Primary and Secondary dispatch capabilities, under the Black & White Cabs brand. Black & White Cabs currently provides this service to 1,400 third party and P2P owned taxis in Queensland and Western Australia. P2P intends to extend the Black & White Cabs Primary network services to 150 P2P owned vehicles and Secondary network services to 550 P2P owned vehicles located in Sydney, Melbourne and the Gold Coast. P2P expects to save approximately $7,000 per annum per company owned vehicle that joins Black & White's Primary network.

The provision of Primary and Secondary dispatch services across the P2P fleet is expected to deliver a number of benefits, including:

- considerable ongoing cost savings through the elimination of fees that are otherwise paid to third party Primary network operators; and
- enhancements in overall fleet utilisation rates over time, with the presence of Secondary dispatch units delivering incremental fares and, in turn, supporting increased driver demand for P2P vehicles.

P2P is targeting to have its Black & White Cabs network operations available in the Gold Coast by December 2018, and in Sydney and Melbourne by 01 January 2019. Consumers will be able to order taxis for these additional locations via the standard Black & White app.

Following the launch of these network services the Company is expecting to achieve incremental pre-tax cost savings of circa $90k per month. Additional savings will be targeted once the initial deployment is achieved. The cost savings relate only to the initial 150 vehicles using the Black & Whited Cabs Primary network in Sydney and Melbourne, where savings of circa $7,000 per vehicle per year are targeted. The expected pre-tax cost savings of $540,000 for H2 FY2019 are included in the prior guidance for FY2019 EBITDA of $16.1m to $16.8m.

The total investment required to extend the network to the above 700 vehicles, principally comprising in-vehicle equipment for communications and bookings, will be approximately $1.26 million. This will be funded via existing asset finance agreements. The plan is for these 700 new dispatch units to be serviced by the current Brisbane based operations, with limited additional staffing required.

Following initiatives implemented in July, P2P has seen continuing improvement in fleet utilisation and associated revenue. The extension of the Black & White Cabs network is expected to further improve the utilisation and revenue results over time.

Glossary:

A network affiliation is a regulatory requirement for all licensed taxis, enabling the allocation of incoming orders to available cars.

Primary dispatch is defined as the provision of technology to a vehicle that complies with all regulatory requirements in any given market and is the main source of security, driver management and booking dispatch for that vehicle and specifically includes the branding on the vehicle for identification.

Secondary dispatch is defined as supplementary devices that still complies with the regulatory requirements for the dispatch of bookings however as primary devices already exist in the vehicles it is not required to have branding or identification on the vehicles and is not responsible for driver management and security.

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About P2P Transport Limited

P2P Transport is one of Australia's largest fleet management businesses focussed on the point-to-point passenger transport industry, with 2600 vehicles across Australia.

P2P Transport's fleet includes a range of taxis, corporate and ride-share vehicles servicing each segment of the point-to-point passenger transport industry.

Zevra, Black & White Cabs, Adflow, and Australia Wide Chauffeur Cars are amongst some of the brands managed by P2P Transport.

P2P Transport's business model is premised on the control of all key stages of the fleet management lifecycle, from vehicle acquisition, in-house customization and vehicle servicing, driver support, and fleet management and administration.

www.p2ptransport.com.au