

ASX Announcement: P2P

28 February 2019

P2P DELIVERS STRONG HALF YEAR RESULT

P2P Transport Limited (ASX: P2P) (**P2P** or the **Company**) today announced its half year results for the period ending 31 December 2018 (1H FY19), reporting strong growth in revenue and underlying EBITDA.

KEY HIGHLIGHTS

- Vertically integrated model of Fleet Services, Network Services and Adflow static and digital taxi advertising
- Strong revenue and earnings growth for 1H FY19:
 - Underlying Revenue of \$36.9m, up 99.2% vs pcip
 - Underlying EBITDA¹ of \$4.5m (\$0.9m Statutory EBITDA), up 66.7% vs pcip
 - Underlying NPAT of \$0.9m (\$2.6m Statutory NPAT), down 18.2% vs pcip
- Improvement in vehicle utilisation with Fleet Services achieving average utilisation of 80.7% in Q2 FY19 (vs 77.8% in Q1 FY19 and 77.1% for FY18)
- Expansion of Network Services with c.1,900 vehicles now operating under the Black and White Cabs (BWC) network², up from c.1,400 at the time of acquisition of BWC in August 2018
- Adflow successfully launched:
 - Deployment of initial 218 digital taxi tops in Sydney, Melbourne and Brisbane
 - Non-Stop Media (acquired December 2018) performing ahead of management expectations
- Expansion of geographic footprint into Perth with recently announced acquisition of CTM fleet and related facilities (anticipated to complete in April 2019)
- Working capital to fund near term growth opportunities in place via recently announced \$3.0m convertible security and capacity within the existing Westpac asset purchase facility

Managing Director Tom Varga said: *“This was a pleasing half year performance for P2P. We achieved strong revenue growth, reflecting a focus on improving fleet utilisation, the addition of Network Services and an initial contribution from the recently launched Adflow offering.*

“The growth in revenue, together with a continued focus on cost management and achieving integration efficiencies, saw P2P deliver an underlying EBITDA for H1 FY19 of \$4.5m, which was in line with management expectations.

“From an operational perspective, we have achieved a number of positive results.

“In Fleet Services, average utilisation improved across the period, with the Company achieving fleet utilisation of 80.7% for Q2 FY19. P2P’s largest markets of Sydney and Brisbane have continued this performance into Q3 FY19. As previously announced, since mid-December 2018 P2P’s smaller markets of Melbourne and the Gold Coast experienced competitive pressures from taxi network and operators, which impacted utilisation and

¹ FY19 H1 underlying results prepared in line with guidance and adjusted to incorporate for acquisitions made during the period as though contributing for the full half year, one off acquisition costs and pro rate basis for items that will be accounted for in the full year results. This includes early adoption of AASB16 – Leases in relation to real estate lease payment, Fuel Tax Credits (FTC) and one-off expenses incurred during 1H FY19.

² Primary or secondary dispatch. As at 31 December 2018.

revenue in these regions for a short period. P2P implemented a number of initiatives to restore utilisation and is actively monitoring the competitive dynamic in these geographies.

“Network Services (via BWC) increased significantly over the period, with expansion into Sydney and Melbourne through Company owned vehicles and external customers joining the network. Total vehicles under the BWC network now stand at c.1,900. As a result of the increased competitive environment in Melbourne and the Gold Coast, the Company has a heightened focus on expanding the BWC network by accelerating the conversion of existing P2P vehicles to primary dispatch. To date, P2P has converted 220 vehicles to the network, with 145 completed since the 1st of January. This is expected to provide considerable annual cost savings per vehicle to P2P going forward through the internalisation of network expenses, while also reducing reliance on external dispatch providers.

“Adflow was successfully launched in December 2018, with the deployment of an initial 220 digital taxi-top units in Sydney, Melbourne and Brisbane. A further 100 units will be deployed over the coming month. The acquisition of Non-stop Media (also in December) provided a complementary static advertising offering, and enhanced P2P’s capabilities in advertising sales and operations. Since launch, demand for taxi advertising has been stronger than expected, with all of the Company’s static back volume for March already fully sold and sales of digital taxi-top capacity tracking to expectations.”

OUTLOOK FOR FY19

In 2H FY19, P2P will continue to focus on optimising fleet utilisation, accelerating the conversion of Company owned vehicles to the BWC network, rolling out the digital taxi-top offering and extending the static advertising offering to meet demand.

The recently announced \$3.0m financing facility, together with capacity under the Company’s existing asset purchase facility with Westpac and arrangement with Telstra, allows P2P to appropriately fund these objectives.

As previously announced, the impact of increased competition in Melbourne and the Gold Coast since mid-December resulted in reduced utilisation and revenues for Fleet Services for a short period of time. Any future action as well as the Company’s strategic response is being reviewed by the Board and management on an ongoing basis. The Company is assessing any impact to full year guidance resulting from the heightened competitive environment in the Fleet Services business and will provide any update to the market in due course.

1H FY19 CONFERENCE CALL DETAILS

10:00am (AEDT) on Friday, 1 March 2018

Conference ID: 142454

Participant Dial In Numbers: Australia (toll free) - 1 800 558 698; New Zealand (toll free) - 0800 453 055; Singapore - 800 101 2785; Hong Kong - 800 966 806; UK - 0800 051 8245 and US - 855 881 1339

Any other country or mobile phone: +61 2 9007 3187. An RSVP for the teleconference is not required.

It is recommended that participants dial in 5 minutes prior to the teleconference commencement time.

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Notes:

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

For further information, contact:

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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, and is the largest mobile advertising provider of both static and digital (**DOOH**) advertising in the passenger transport industry.

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