

The logo for CTI, consisting of the letters 'CTI' in white, bold, sans-serif font, enclosed within a blue circle. This circle is partially overlapped by an orange square shape that points towards the top-left corner.

**Logistics Limited**

# FY21 FULL YEAR RESULTS

**September 2021**

*This announcement has been authorised for release to the ASX by the CTI Logistics Limited Board of Directors*

**Providing Essential Services  
to Australia**



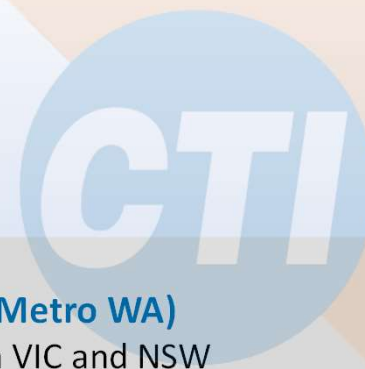
**ASX: CLX**



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# FY21 HIGHLIGHTS



- COVID-19 free
- Significant operating leverage realised
- Revenue \$239m, up 11% pcp
- EBITDA \$38m, up 31% pcp<sup>(1)</sup>
- Net debt reduction of \$11m (to \$25m)<sup>(2)</sup>
- Hazelmere development to start in 2021
- Full Year Dividend: 4cps fully franked (\$3m)

## Transport (Interstate, Regional WA and Metro WA)

- Increased freight volumes into WA from VIC and NSW
- Improved WA freight margins from higher utilisation, productivity gains and new clients

## Logistics (Warehousing, GMK Specialised Flooring Logistics)

- Higher stock levels at all sites from existing clients
- New warehousing clients, particularly in QLD
- Market strength, higher utilisation and systems capability at GMK

## Property

- Hazelmere development application submitted, finalising plans
- Significantly deleveraged balance sheet to support development

**SAFETY FIRST @ CTI**

**CTI** Committed  
trained  
informed

- Drive safely & maintain vehicles
- Forklift awareness
- Housekeeping & PPE
- Report incidents & hazards

**CTI** Logistics



# SUSTAINABILITY

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**CTI** 31 sites across Australia

**CTI** 550,000 sqm footprint

**CTI** >1300 employees and contractors



## Focus on Safety

- 30% improvement in LTIFR from 2019 to 2021
- Technology driving continuous improvements
- 16,596 learning events completed in FY21<sup>(1)</sup>



## ...Compliance

- Chain of Responsibility, Whistleblowing and Modern Slavery
- Heavy Vehicle Accreditation from Main Roads WA and National Heavy Vehicle Regulator



## ...and Environment

- Ongoing fleet renewal to reduce emissions intensity
- Sustainable property developments reducing energy footprint

## CTI COMMUNITY ENGAGEMENT



# FAIRGAME

Using Sport To Inspire  
Fit & Healthy Communities

Community Youth Support - Fair Game Australia

- CTI has a long-standing partnership with not-for-profit organisation Fair Game Australia
- Fair Game recycles and donates sports equipment and delivers fitness and health education programs to under-served communities
- CTI is proud to be a supporter and community partner of Fair Game, providing office space and ongoing transport and warehousing support
- To learn more about Fair Game - <https://www.fairgame.org.au/what-we-do/>



# FY21 PERFORMANCE



# FINANCIAL PERFORMANCE SUMMARY

Strengthening Balance Sheet and operating margins



## EBITDA

**\$37.8m** <sup>(1)</sup>

Up 31% on FY20 <sup>(2)</sup>

## Operating Cashflow

**\$31.1m** <sup>(1)</sup>

Up 33% on FY20

## Revenue

**\$239.0m**

Up 11% on FY20

## NPAT

**\$8.2m** <sup>(1)</sup>

Up 474% on FY20

## NTA

**87.5 cps** <sup>(3)</sup>

Up 12% on FY20

## NPBT

**\$11.3m** <sup>(1)</sup>

Up 496% on FY20 <sup>(2)</sup>

## EPS

**10.9 cps**

Up 474% on FY20

## DPS

**4.0 cps**

FY20 was 0.0 cps

Leasing standard AASB 16 adopted

Note 1: Includes JobKeeper receipts of \$1.3m (pre tax)

Note 2: Excludes non-cash impact of \$5.8m impairment of properties (non tax deductible) in the comparative period

Note 3: Net Tangible Asset cps includes property uplift from book value to market value



# TRANSPORT SEGMENT PERFORMANCE



Transport P&L (\$m)	FY21	FY20	Variance
Revenue	139.6	126.8	12.8
<i>Transport Revenue growth %</i>	10.1%		
EBITDA	13.2	10.8	2.4
<i>Transport EBITDA margin %</i>	9.5%	8.5%	
Depreciation and amortisation	7.2	6.2	
EBIT	6.0	4.5	1.5
<i>Transport PBT margin %</i>	4.3%	3.6%	
Interest expense	0.6	0.6	0.0
PBT	5.5	3.9	1.5
<i>Transport PBT margin %</i>	3.9%	3.1%	

## ➤ Strong revenue growth of 10% on last year

- Interstate freight grew across all lanes into WA, in particular from VIC and NSW, supported by new sites in WA and NSW
- WA freight benefited from higher WA inbound volumes and mining projects, supported by new sites in Karratha and Broome
- WA courier volumes stabilised and expect some improvement as supply chains decongest and people return to the CBD

## ➤ Margin improvement despite cost pressures

- Interstate freight margins improved, although offset by natural disasters and rail disruption
- WA regional freight benefited from a focus on quality revenue, cost control and improved utilisation of equipment
- WA metro freight impacted by driver shortages

# LOGISTICS SEGMENT PERFORMANCE



Logistics P&L (\$m)	FY21	FY20	Variance
Revenue	93.1	82.1	11.0
<i>Logistics Revenue growth %</i>	13.3%		
EBITDA	22.4	16.5	5.9
<i>Logistics EBITDA margin %</i>	24.0%	20.0%	
Depreciation and amortisation	13.3	13.2	
EBIT	9.1	3.3	5.8
<i>Logistics PBT margin %</i>	9.8%	4.0%	
Interest expense	2.6	3.1	- 0.5
PBT	6.5	0.2	6.3
<i>Logistics PBT margin %</i>	7.0%	0.2%	

➤ **Strong revenue growth of 13% on last year**

- Construction driving up volumes in specialised flooring logistics
- Volumes up across all warehouse sites, expansion in QLD
- COVID-19 disruption to supply chains resulted in higher inventory
- Growth in high volume cross-dock work and mining projects
- New site in SA to consolidate previous sites and support growth

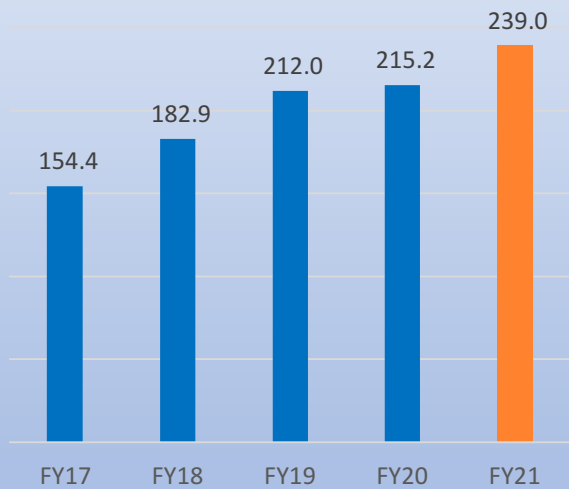
➤ **Margin improvement driven by utilisation, productivity and systems**

- Specialised flooring logistics benefited from operating leverage as a result of higher utilisation and ERP system improvements
- Focused on improving revenue quality, facilitating competition for warehouse space and labour productivity initiatives
- Improved utilisation of warehousing sites combined with project work in VIC to accommodate online retail growth

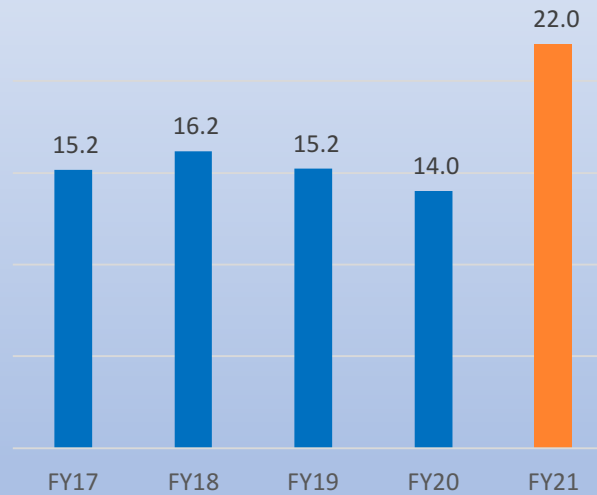
# REVENUE AND EARNINGS



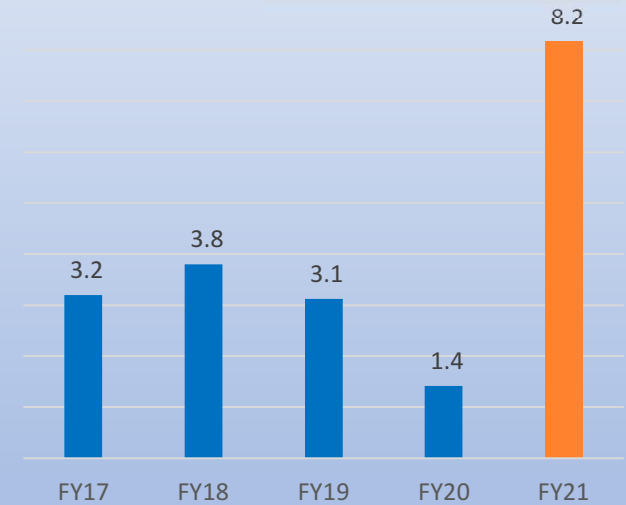
## Revenue (\$m)



## EBITDA (\$m)<sup>(1)</sup>



## NPAT (\$m)<sup>(1)</sup>

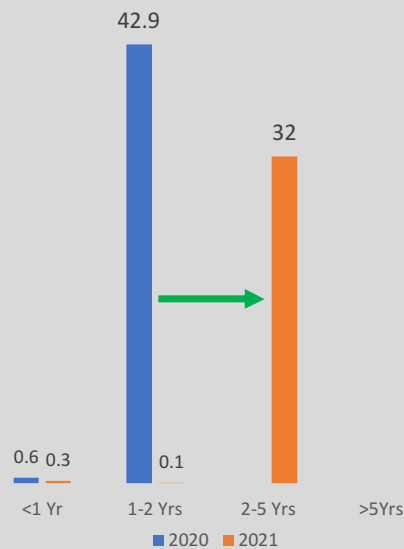


# CASH FLOW AND FINANCIAL RISK MANAGEMENT

Hazelmere development supported by strong cash flow and reduced debt



**Borrowings Maturity**  
(excluding guarantees and lease liabilities)



## Strong cash generation

- Operating leverage, focus on quality revenue, cost control and systems
- \$31.1m operating cash flow and strong conversion of EBITDA to cash
- Receivables written-off consistently low at 0.02% of revenue

## Balance sheet positioned for growth

- Stable liquidity position with cash of \$6.5m
- Net Assets increased by 8% to \$88m
- Net debt down by \$10.9M to \$25.4M reflecting robust cash flow
- Available borrowing facility of \$16.7m plus cash of \$6.5m
- Gearing down from 58% to 54%<sup>(1)</sup>, supported by property portfolio

Note 1: Gearing ratio calculated as net debt (including borrowings, trade and other payables less cash and cash equivalents) divided by total capital (equity plus net debt)

# CONSOLIDATED BALANCE SHEET



	June 2021 (\$M)	June 2020 (\$M)	Commentary
<b>Assets</b>			
Cash and cash equivalents	6.5	7.6	➤ Strong cash generation with focus on available cash for increased liquidity
Receivables and prepayments	33.1	29.9	➤ Debtors include trade and other receivables, prepayments and expected tax refunds
Inventories	0.3	0.2	
<b>Current Assets</b>	<b>39.9</b>	<b>37.7</b>	
Property, plant and equipment	88.1	90.0	➤ \$6.3m of asset additions (net of disposals and depreciation for the period)
Investment properties	2.2	2.2	➤ One remaining non-core investment property
Deferred tax assets	3.2	4.0	➤ Deferred tax asset including asset related to AASB 16
Right-of-use assets	45.3	43.2	➤ Right-of-use asset per AASB 16
Intangibles	31.1	32.8	➤ Goodwill, customer relationships, brand and trade names (net of amortisation of intangible assets)
Other	0.1	0.1	
<b>Non-current assets</b>	<b>170.0</b>	<b>172.3</b>	
<b>Total assets</b>	<b>209.9</b>	<b>210.0</b>	
<b>Liabilities</b>			
Trade and other payables	20.2	17.7	➤ Increase in trade payable, accruals and current tax liability
Lease liabilities	17.4	14.9	➤ Short term portion of lease liabilities per AASB 16 (including hire purchase liabilities)
Provisions	6.9	6.7	➤ Short term portion of leave provisions
<b>Current liabilities</b>	<b>44.5</b>	<b>39.3</b>	
Lease liabilities	42.5	44.1	➤ Long term portion of lease liabilities per AASB 16 (including hire purchase liabilities)
Loans and borrowings	31.9	42.8	➤ Repayment of \$10.9m of bank borrowings
Provisions and other liabilities	2.6	2.2	➤ Long term portion of leave provisions
<b>Non-current liabilities</b>	<b>77.0</b>	<b>89.1</b>	
<b>Total liabilities</b>	<b>121.5</b>	<b>128.4</b>	
<b>Total Net Assets</b>	<b>88.4</b>	<b>81.6</b>	➤ Increase in net assets from profit after tax
Shares on issue	77.9	77.7	➤ Issue of DRP and BSP shares
NTA per share (cps)	0.87	0.78	➤ \$10.8m of property value not recognised on the Balance Sheet

# FUTURE DIRECTION



# FUTURE DIRECTION



## COVID-19

- Continuing uncertainty due to COVID-19 where focus remains on keeping our people well, collaborative customer relationships and maintaining safe and reliable operations



## SUSTAINABLE

- Robust operating model through economic cycles with a capability to take advantage of significant operating leverage
- Labour shortages to be addressed with attraction and retention initiatives
- Emission intensity reduction initiatives, including vehicle upgrades and sustainable developments, as well as continually improving disclosures
- Obtain ISO certification for quality, safety and environment



## GROWTH

- Leverage 3PL/4PL partner network to capitalise on a growing pipeline of national opportunities
- Assess opportunities for expansion and growth, including acquisitions
- Target opportunities consistent with current work profiles to improve utilisation and productivity
- Seamless integrated distribution pathway from the East coast into WA metro and regional markets



## PROPERTY

- Start development of a fit for purpose transport hub in 2021 on company owned vacant land at Hazelmere WA
- Identify site consolidation opportunities across Australia
- Continually assess operating sites for conversion of leases into company owned sites where long term strategic footprints are required



## SYSTEMS

- Continued investment in cyber security to protect our operations and stakeholders
- Investment in operating systems to support productivity, compliance, reporting and data analysis to drive performance

# APPENDIX





# CORPORATE DASHBOARD



# DIVERSE CUSTOMER BASE



# TRANSPORT SERVICES



<b>Couriers</b>	<ul style="list-style-type: none"><li>▪ On-demand express metro and outer metro services</li></ul>
<b>Parcels</b>	<ul style="list-style-type: none"><li>▪ Same day and overnight distribution, E-commerce “last mile” B2B / B2C and one to two runs per day services</li></ul>
<b>Taxi Trucks</b>	<ul style="list-style-type: none"><li>▪ On demand express services and exclusive hourly hire services; vehicles include two tonne to semi-trailers</li></ul>
<b>Fleet Management</b>	<ul style="list-style-type: none"><li>▪ Provision of dedicated trucks and trailers on permanent hire</li></ul>
<b>Regional Freight</b>	<ul style="list-style-type: none"><li>▪ Scheduled road services to South West and North West of WA; vehicles include rigids to triple road trains</li></ul>
<b>Specialised Services</b>	<ul style="list-style-type: none"><li>▪ Rail and wharf container handling, truck mounted cranes, tail lift vehicles and hot shot services</li></ul>
<b>Interstate Freight</b>	<ul style="list-style-type: none"><li>▪ Scheduled road and rail services to and from Perth, Adelaide, Melbourne, Sydney and Brisbane</li></ul>

# LOGISTICS SERVICES



<b>Warehousing</b>	<ul style="list-style-type: none"> <li>▪ Australia wide 3PL, 4PL, supply chain and overflow warehousing</li> <li>▪ Contracted distribution centre services</li> <li>▪ Bulk product storage</li> <li>▪ Consolidation services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cross Docking</li> <li>▪ Temperature controlled and food grade (HACCAP)</li> <li>▪ Specialised warehousing</li> </ul>
<b>E-commerce Fulfilment</b>	<ul style="list-style-type: none"> <li>▪ Inventory storage and management</li> <li>▪ Pick and pack</li> <li>▪ Labelling, reworking and kitting</li> </ul>	<ul style="list-style-type: none"> <li>▪ Order shipments</li> <li>▪ Reverse logistics management</li> </ul>
<b>CTI Projects</b>	<ul style="list-style-type: none"> <li>▪ Supply base warehousing and asset management</li> <li>▪ Project labour services</li> <li>▪ Plant and equipment hire</li> </ul>	<ul style="list-style-type: none"> <li>▪ Quarantine cleaning and fumigation</li> <li>▪ Asset preservation shrink wrapping</li> <li>▪ Minerals and energy projects</li> </ul>
<b>Flooring Services (GMK)</b>	<ul style="list-style-type: none"> <li>▪ Specialised warehousing</li> <li>▪ Carpet and vinyl cutting services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Specialised Australia-wide distribution network</li> </ul>

## OTHER SERVICES



### Document Management

- Document and Sample Storage

Secure storage, cataloguing and retrieval of documents, computer media and mineral samples

- Document Destruction

On-site destruction of documents/media and recycling within a closed loop service utilising CTI transport and warehousing facilities

### Security

- Monitoring

ASIAL A1 graded 24/7 control room providing monitoring of alarms, lone worker protection, medical alerts and CCTV video verification for CTI Security clients and third party security businesses

- Installation

Installation and servicing of monitored alarms, CCTV and access control products for residential and commercial markets

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# Contact Us

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[corporate@ctilogistics.com](mailto:corporate@ctilogistics.com)