



FY23 FULL YEAR RESULTS

August 2023



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CTI LOGISTICS

A GROWING NATIONAL BUSINESS...

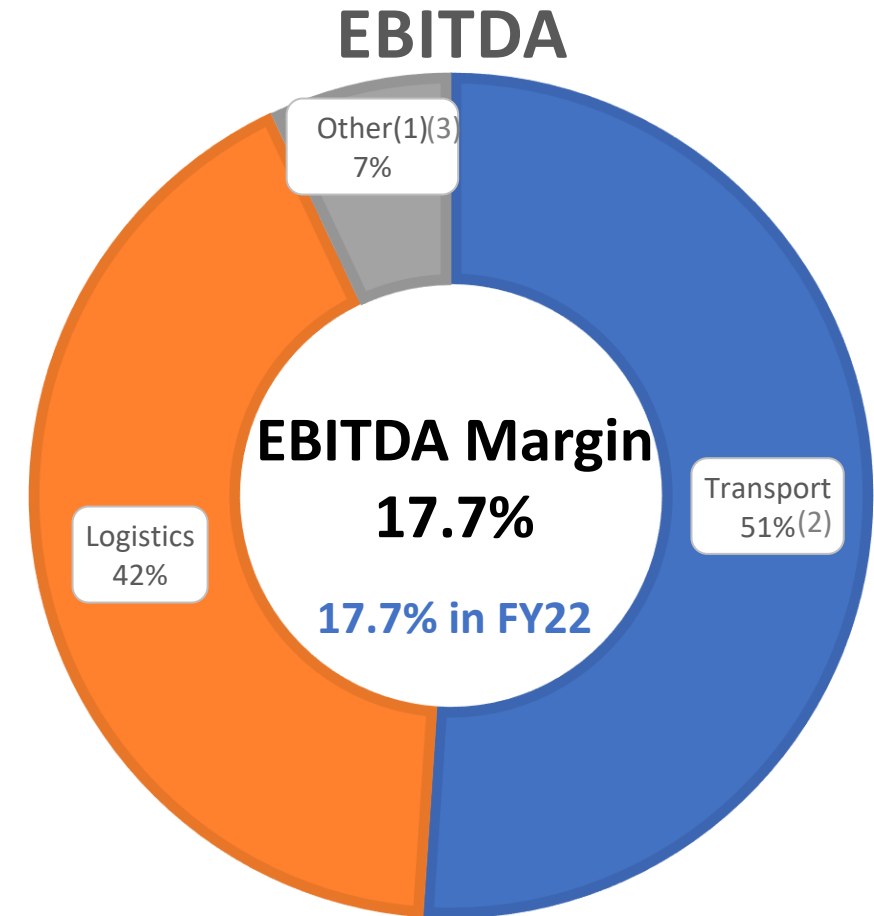
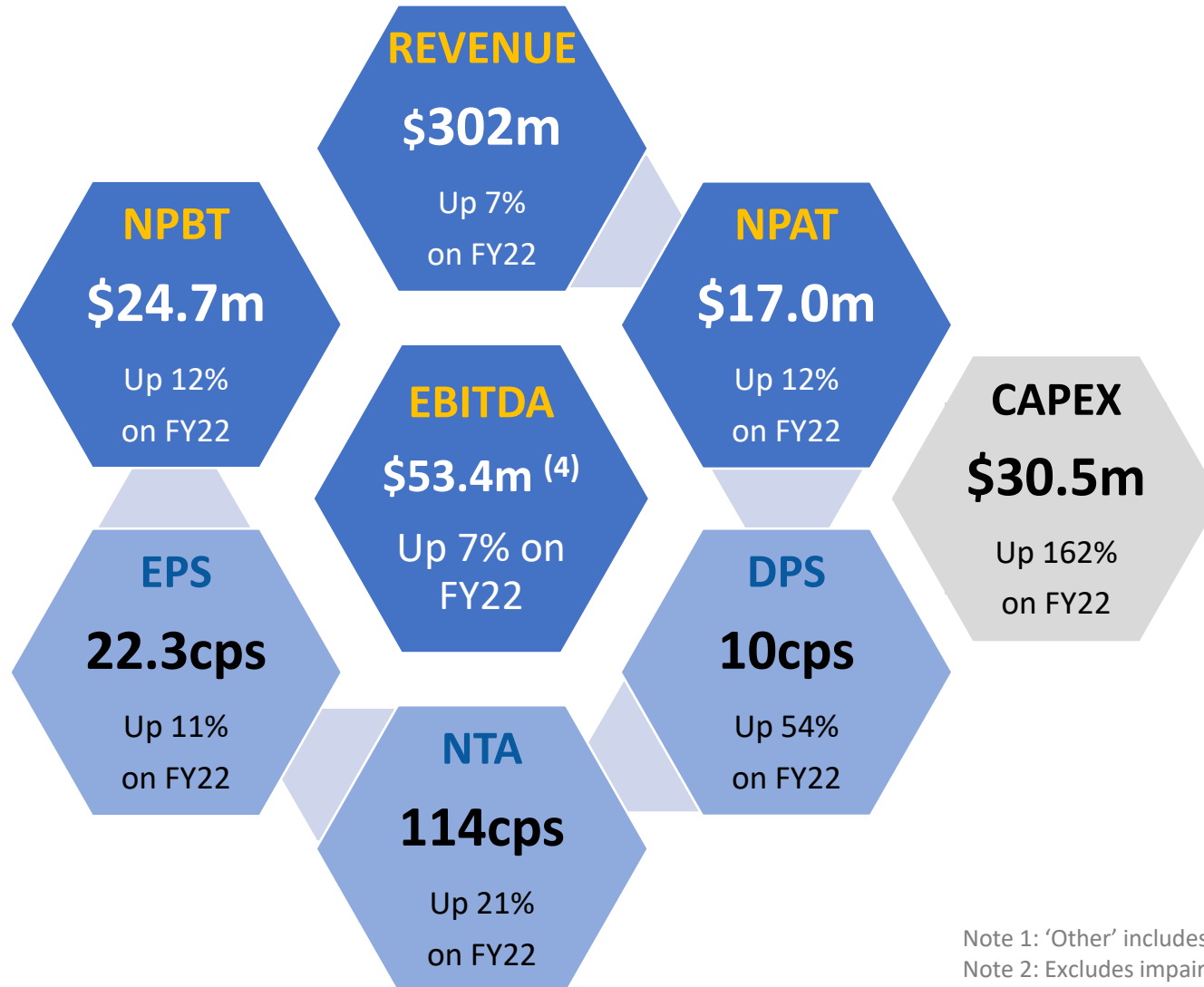
With a workforce over 1000 people...

Spread over 30 strategic sites around Australia.



FY23 HIGHLIGHTS

National exposure, customer diversity, people and ongoing capital investment contribute to strong margins



Note 1: 'Other' includes Property, Security and other unallocated amounts

Note 2: Excludes impairment

Note 3: Excludes reversal of impairment

Note 4: EBITDA is the results from operating activities of \$28.5m plus depreciation and amortisation of \$24.9m

FY23 HIGHLIGHTS

Customer focus and disciplined capital allocation creating long term stakeholder value

RECORD FINANCIAL PERFORMANCE

VOLUMES	Strong national growth across a broad customer base, with operating cash flow up 17% on FY22 to \$46.8m	CAPITAL INVESTMENT	\$30.5m invested in property, plant, equipment, security monitoring and transport/cyber/governance systems
OPERATIONAL EXCELLENCE	Stabilised workforce and strong governance to manage costs and capture revenue opportunities	PROPERTY	New warehousing and distribution facilities at various development stages in WA, QLD, NSW and VIC
BALANCE SHEET	Low Net Debt ⁽¹⁾ backed by property, maintained during a period of significant capital investment	VALUE	Equity P/E ratio of 7.0 ⁽²⁾ , in addition to significant property assets valued at cost on the Balance Sheet

Sustainable business model, inclusive of all stakeholders



ENVIRONMENT

- Sustainability Committee established with Board oversight
- Fleet renewal (upgrades to Euro 5/6), rail utilisation, routing and alternative fuels
- Solar and LED lighting installations on current warehouses
- 5 Star Green Star warehouse developments going forward
- Flooring product recycling project at GMK Logistics



SOCIAL

- Fair Game WA – Ongoing logistical support provided by CTI
- Modern Slavery compliance maintained through monitoring programs
- Wellbeing Policy communicated with staff following consultation process
- Employee Assistance Program implemented and well received by staff
- Wellbeing First Aid Officers trained and on site to assist staff



GOVERNANCE

- ASX listed 1987, Audit & Risk Committee; Remuneration & Nomination Committee
- CTI Security received Grade A1 certification to new Australian Standard AS 2201.2 2022
- CTI complies with the Security of Critical Infrastructure Act (cyber security resilience)
- Completed annual ISO certification audits (Quality, Health & Safety, Environment)
- Crisis management protocol tested annually, and increased safety resource allocated



FY23 PERFORMANCE



“Our achievements are testament to the hard work and dedication of our staff and subcontractors around Australia, delivering for our customers in a disrupted logistics market.”

TRANSPORT SEGMENT PERFORMANCE

Revenue growth of 7% and subcontractor management delivering strong margins



Transport profit and loss (\$m)	FY23 ⁽¹⁾	FY22 ⁽¹⁾
Transport Revenue	184.7	173.1
Transport Revenue growth %	6.7%	
Transport EBITDA	27.5	25.8
Transport EBITDA margin %	14.9%	14.9%
Transport PBT	17.3	16.2
Transport PBT margin %	9.4%	9.4%

Note 1: Segment results exclude internal revenue and impairment of \$3m

Interstate Freight

- Benefited from supply chain disruptions, including higher volumes and demand for premium freight services
- Normalisation of supply chains towards the end of period

WA Regional Freight

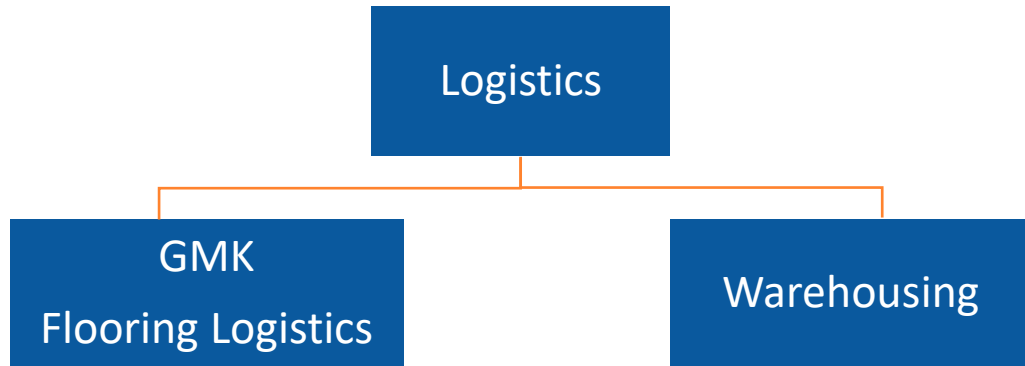
- Increased general freight volumes and project work
- Focus on revenue capture
- Network expansion and fleet renewal driving efficiencies

WA Metro Freight

- Maintained margin in a competitive market due to a focus on service parameters and subcontractor costs
- Improved driver availability and response times towards end of period
- Growth in container volumes

LOGISTICS SEGMENT PERFORMANCE

Consistent results built on strong customer relationships



Logistics profit and loss (\$m)	FY23 ⁽¹⁾	FY22 ⁽¹⁾
Logistics Revenue	110.8	103.8
Logistics Revenue growth %	6.8%	
Logistics EBITDA	22.8	21.5
Logistics EBITDA margin %	20.6%	20.7%
Logistics PBT	7.2	6.8
Logistics PBT margin %	6.5%	6.6%

Note 1: Segment results exclude internal revenue

GMK Flooring Logistics

- Higher warehouse utilisation and handling revenue
- Increased transport revenues partially offset by higher subcontractor costs
- Positioned for growth in all States following site expansions
- Customer focus and reliability providing more opportunities

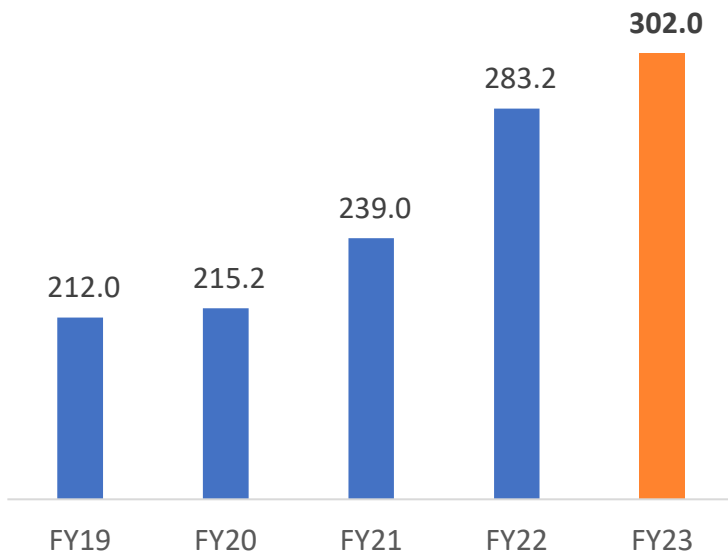
Warehousing

- Capitalised on increased competition for premium space and services resulting in higher storage utilisation and handling volumes
- Client selection criteria resulting in higher margins and cost sharing
- Increased activity in minerals and energy continues
- Optimised organisational structure delivering efficiencies and consistency
- Continued focus on productivity despite fluctuating activity levels

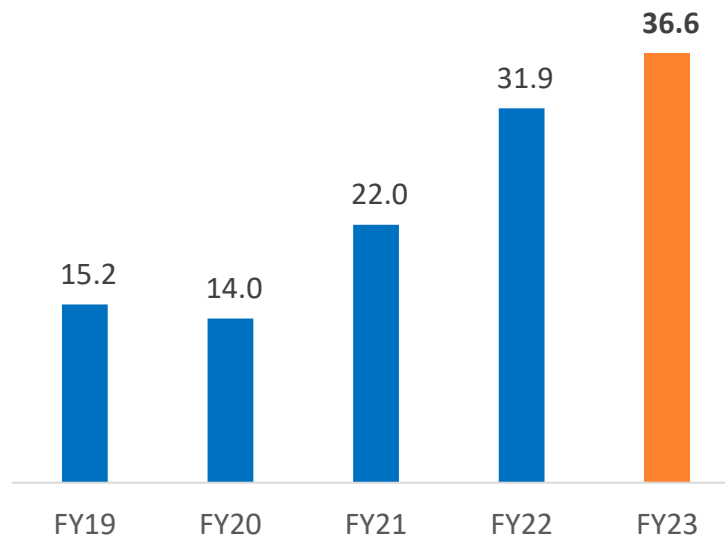
REVENUE AND EARNINGS

Profitable and sustainable growth despite challenging market conditions

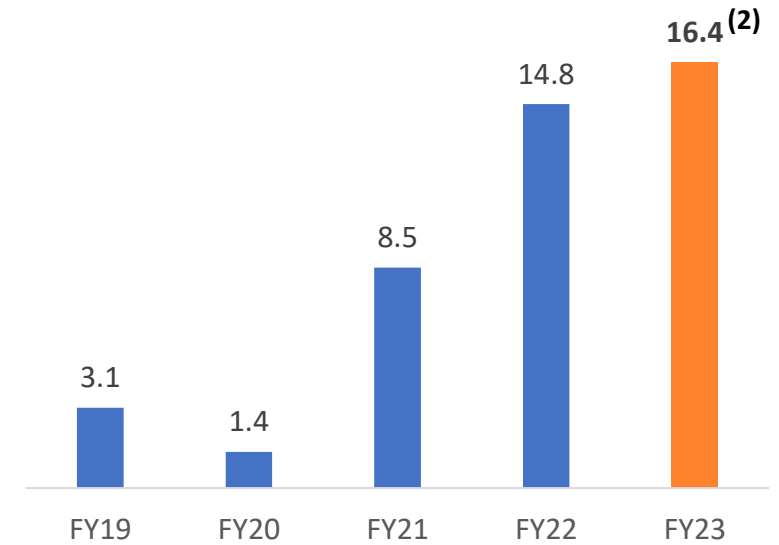
Revenue (\$m)



EBITDA (\$m)⁽¹⁾



NPAT (\$m)⁽¹⁾



CTI strategically leverages cross sell opportunities across all services to generate synergies, strengthen customer relationships and increase earnings.

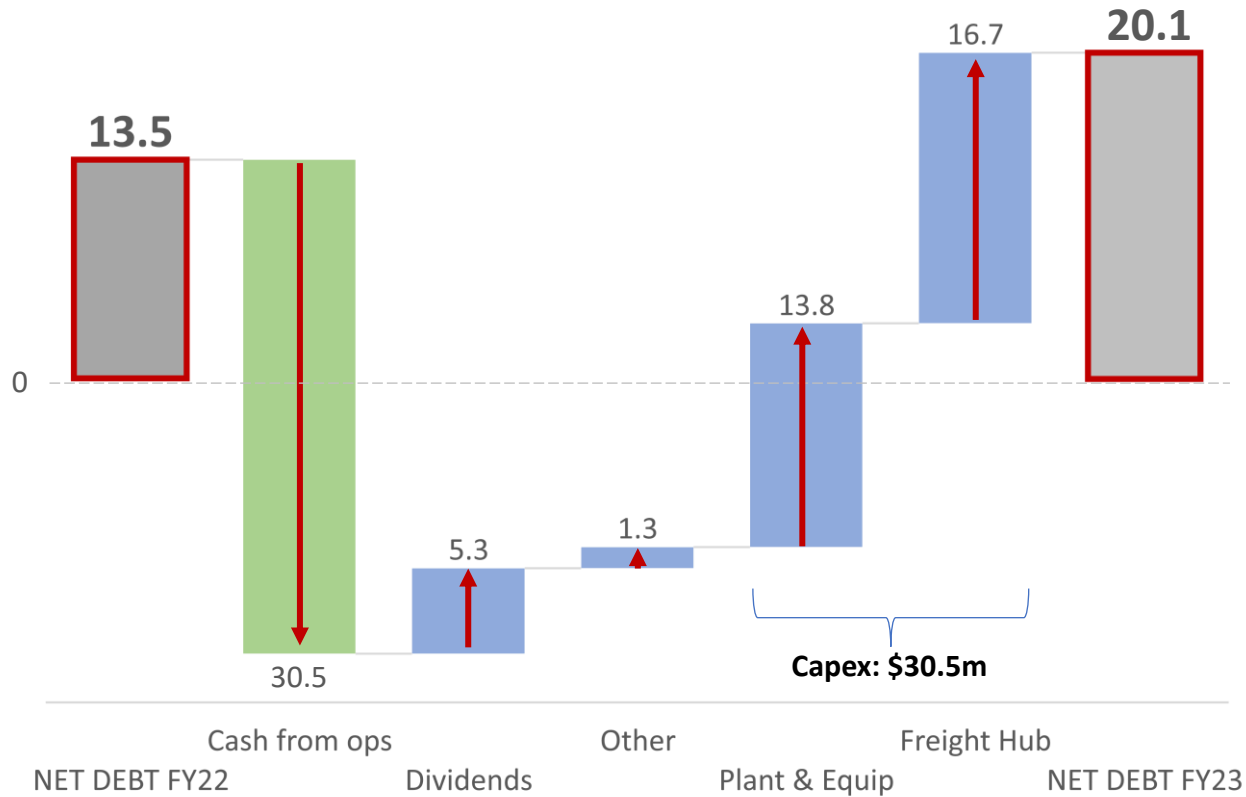


CAPITAL ALLOCATION, PROPERTY & OUTLOOK

CAPITAL ALLOCATION: LOW GEARING

Capital expenditure majority funded by cash flow; funding available for future opportunities

NET DEBT movement in FY23 (\$m)



Strong cash generation and working capital management

- **Operating cash flow:** \$30.5m⁽¹⁾ and strong conversion of EBITDA to Cash
- **Receivables:** Written-off amount only 0.04% of Revenue

Balance Sheet positioned for growth

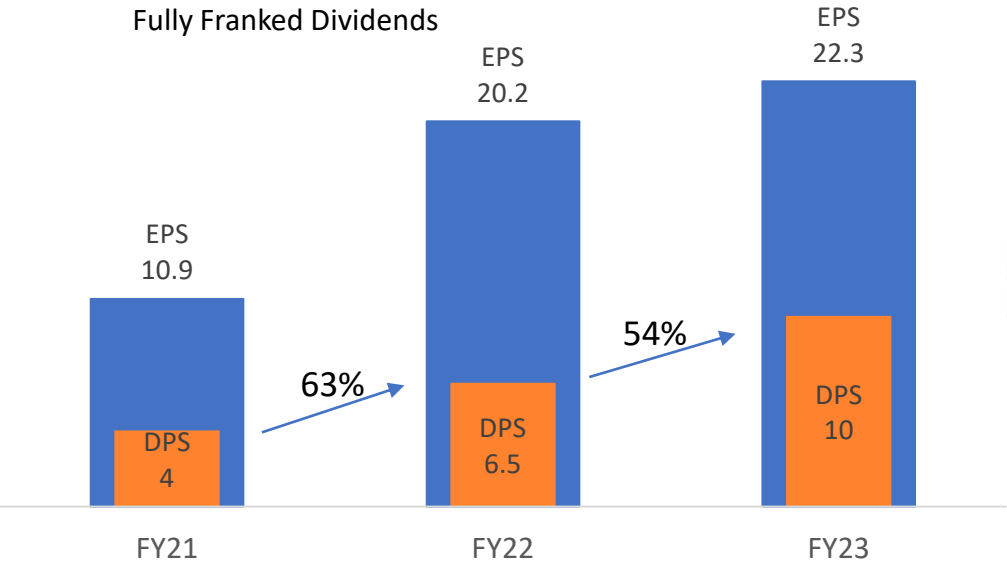
- **Net Debt:** Remains low at \$20.1m (Net Debt to EBITDA leverage ratio of 0.5 times⁽¹⁾)
- **Stable Liquidity:** Cash of \$10.3m
- **Bank Loans:** Up by \$7.5m to \$30.4m to partially fund the Regional Freight Hub development in Hazelmere WA
- **Funding:** Available Borrowing facility of \$18.5m plus \$10.3m Cash
- **Net Assets:** Increased by 12% to \$113m
- **Net Debt / Total Capital**⁽²⁾: Marginally increased from 12% to 15%, supported by company owned property

CAPITAL ALLOCATION: STRONG RETURNS

Higher returns whilst investing in the future growth of our assets and people

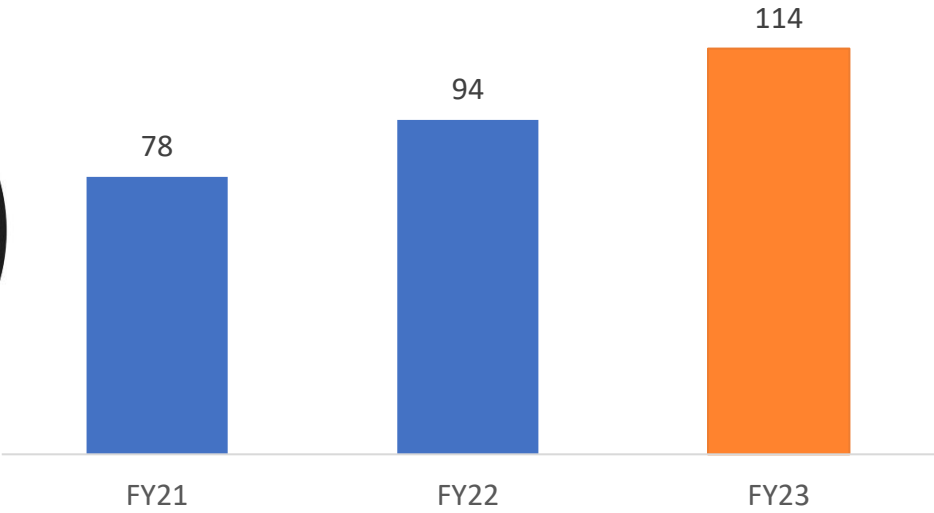
Shareholder Dividend Returns (cents)

Fully Franked Dividends



NTA per share (cents)

Owned property at cost



PROPERTY: PREMIUM OWNER-OCCUPIED DEVELOPMENT

Investment in future cash flows to support consistent dividends



Hazelmere WA total site: 149,485sqm

Regional Freight Hub, Hazelmere WA:

- Significant investment in strategic location, majority funded by cash flow
- Purpose built facility to accommodate growth in the WA Regional Freight business
- New site to be occupied from August 2023
- Two WA leases due to expire in August and September 2023, resulting in significant external rent savings to the group
- Finalising plans for the development of 34,474sqm of adjoining company owned land

PROPERTY: PREMIUM LEASED DEVELOPMENTS

GMK national warehousing investment supports increased capacity and deeper customer relationships

QLD - Yatala

- Consolidated two GMK sites
- Strategically located between Brisbane and Gold Coast
- Additional capacity, lower \$/sqm rent
- First relocation completed and second relocation due in September 2023
- New site: 47,797sqm site, 22,580sqm building
- Increased building height increases \$/sqm yield
- Leverage off population growth, Olympics in 2032
- 5 Star Green Star rating

NSW – Gregory Hills

- GMK expansion on adjoining site
- Allows for expansion while minimising disruption
- Provides additional storage, handling and transport efficiencies
- Current site: 43,376sqm site, 22,481sqm building
- Expansion site: 18,281sqm site, 11,700sqm building
- Increased building height increases \$/sqm yield
- Total storage: 34,181sqm of premium grade, customised warehousing

VIC - Epping

- GMK outgrown existing site, larger site required
- Strategically located north of the city, connects to Hume Highway, ideally located for linehaul to NSW
- Additional capacity, lower \$/sqm rent
- Works started; completion expected mid-2024
- New site: 47,335sqm site, 27,417sqm building
- Increased building height from 10 to 15 metres increases \$/sqm yield
- 5 Star Green Star rating

QLD (Yatala): GMK Logistics – recently completed site

5 Star Green Star



NSW (Gregory Hills): GMK Logistics – site consolidation, synergies



PROPERTY: CTI OWNED LAND & BUILDINGS

Strategic property locations, valued at cost on the Balance Sheet

OWNER-OCCUPIED SITES:

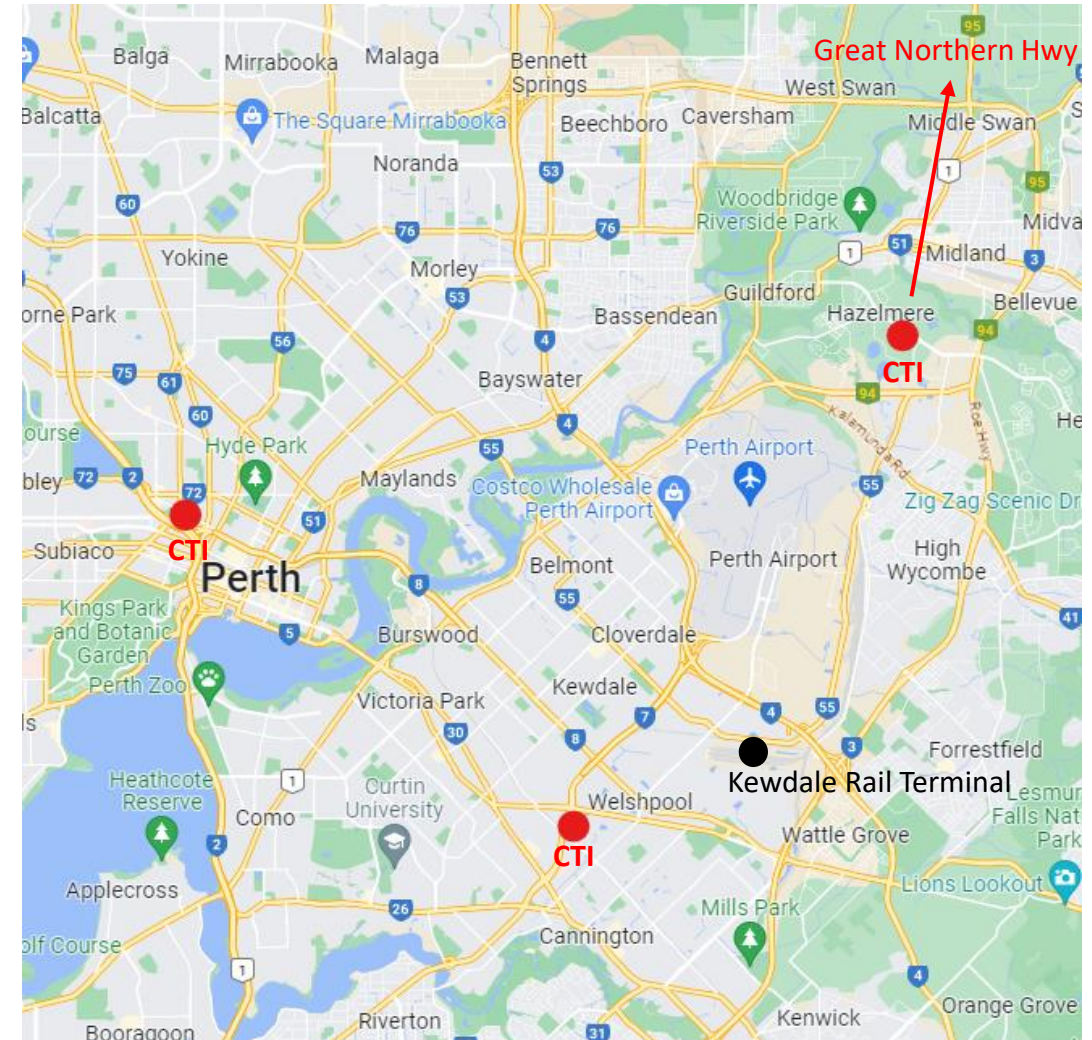
- **CTI Warehousing: 316 Bushmead Rd, Hazelmere, WA**
 - Premium location and building, staged completion between 2013 - 2016
 - Site 55,566sqm; Building 27,853sqm
- **CTI Regional Freight: 31 Lakes Rd, Hazelmere, WA**
 - Premium location and building, completed 2023
 - Site 59,445sqm; Building 25,204sqm
- **CTI Regional Freight: 1514 Lambert Rd, Karratha, WA**
 - Key regional depot, servicing energy projects and general freight
 - Site 15,100sqm; Building 143sqm
- **CTI Head Office: 1 Drummond Pl, West Perth, WA**
 - Central location, large site, various development projects in the area
 - Site 6,434sqm; Building 3,320sqm
- **CTI Xpress: 50 Railway Pde, Welshpool, WA**
 - Ideally located metro distribution hub
 - Site 12,001sqm; Building 6,065sqm

DEVELOPMENT SITE: 17 Lakes Rd, Hazelmere, WA

- Located adjacent to Regional Freight Hub, Site 34,474sqm
- Development completion expected November 2024

INVESTMENT SITE: Cleaver St, West Perth, WA

- Located directly opposite CTI Head Office
- Site 1,013sqm; Building 385sqm



OUTLOOK

Growing a sustainable platform for continued national expansion

OPERATIONS:

- Forecasting remains difficult in the current environment due to supply chain disruptions
- Supply base demand for mining and energy projects expected to increase
- Retail demand impacted by higher interest rates, mitigated by diversified customer base
- Leverage technology (data analytics) to support margins in an inflationary environment
- Focus on employee wellbeing, retention, attraction, training and development

PROPERTY:

- National capacity expansion with purpose built 5 Star Green Star facilities in strategic locations
- Reduced WA rent following completion of owner-occupied facility
- Increased East Coast rent to be offset over time by efficiencies, higher yield footprints and available capacity

GROWTH & SUSTAINABILITY:

- Continued focus on risk management to generate returns across economic cycles
- Utilise competitive advantage across knowledgebase, strategic property and the agility to capitalise on market disruptions
- Continue to rigorously assess M&A opportunities in a consolidating industry that meet strict investment criteria
- Long term succession planning process at board and operational levels

SAFETY FIRST @ CTI

**Committed
trained
informed**

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

CTI Logistics

HAZARD STATION

HAZARDS here for
also reported via

CTI Logistics

CTI BUSINESS UNITS



TRANSPORT SERVICES



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



LOGISTICS SERVICES



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



OTHER SERVICES

Document Management	Document and Sample Storage <ul style="list-style-type: none"> Secure storage Cataloguing and retrieval of document Computer media and mineral samples 	Document Destruction <ul style="list-style-type: none"> On-site destruction of documents/media and recycling Closed loop service utilising CTI transport and warehousing facilities
Security	Monitoring <ul style="list-style-type: none"> ASIAL A1 graded 24/7 control room to the new Australian Standard AS2201.2:2022 Monitoring of alarms, lone worker protection, medical alerts, personal safety and CCTV video verification for CTI Security clients and third party security businesses 	Installation for residential and commercial markets <ul style="list-style-type: none"> Security alarms CCTV Access control products Intercoms



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