



INVESTOR PRESENTATION

Results for the 6 months ended 31 December 2017

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2018 HALF YEAR RESULTS

TABLE OF CONTENTS

▸ Financial Highlights	3
▸ Detailed Results	4-15
▸ Debt Profile	16
▸ Outlook	17
▸ Addendum	18



2018 HALF YEAR RESULTS

HIGHLIGHTS

- Sales¹ at \$398.5M

- **Sales Revenue higher 52.0% up \$136.3M:**
 - Print Group Australia up \$132.4M - IPMG
 - Marketing Services up \$10.6M

- EBITDA² at \$20.2M

- **Up \$9.1M or 82.3% year on year**
 - Print AU \$7.1M higher pcp³
 - Marketing Services up \$2.2M pcp

- Net Debt at \$32.8M

- **Net Debt (\$32.8M) v. Net Debt (\$9.8M) pcp**
- **Interest Cover 5.6x v. 4.9x pcp**

- Net Loss at (\$19.5M)

- **Net Loss (after sig items) of (\$19.5M) v. (\$14.5M) pcp**
 - Loss before tax up \$0.6M pcp
 - ITE higher \$4.5M

1. Sales restated due to PMP early adopting AASB 15, resulting in a restatement of revenue and expenses and no impact on EBITDA

2. Before significant items (see details page 13)

3. pcp refers to prior comparable period for PMP H1 FY17 pre merger results



2018 HALF YEAR RESULTS

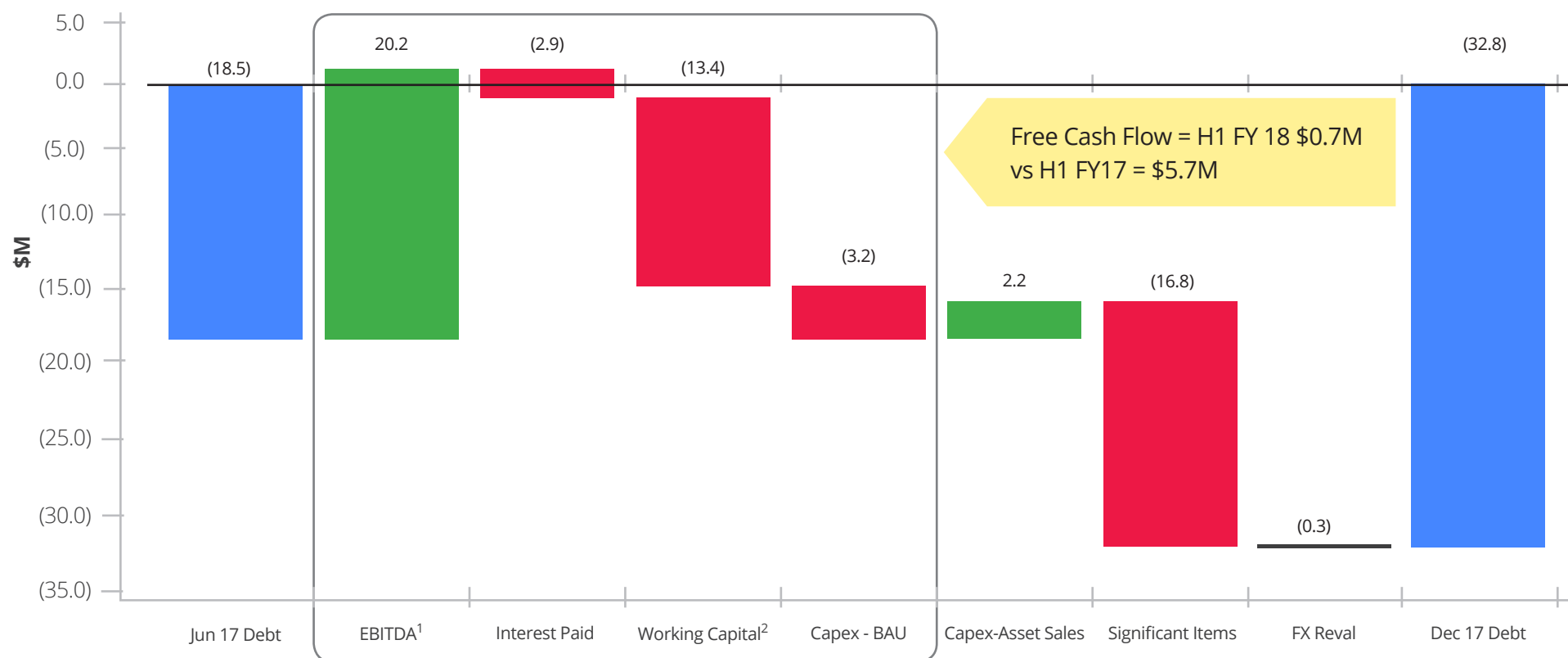
- H1 FY18 EBITDA¹ at \$20.2M up 82.3% pcp, but \$4M below expectations at Print Australia:
 - lower average sell price - change in work mix mainly publishing & community newspapers
 - volumes in line with expectations as higher catalogue volumes offset lower newspapers/publishing
 - some price increases obtained in small format work
 - initial post merger integration completed
 - phase 2 cost out initiatives underway (minor cost out timing variances between FY18 & FY19)
- Other businesses all trading in line with expectations
 - PMP NZ, Distribution and Marketing Services
- Free Cash Flow \$0.7M vs \$5.7M pcp
 - impacted by \$6.6M of cash out for June 2017 provisions being unwound
 - pre these items, FCF \$7.3M

1. Before significant items

2018 HALF YEAR RESULTS

CASH FLOW BRIDGE

Cashflow / Net Debt - H1 FY18

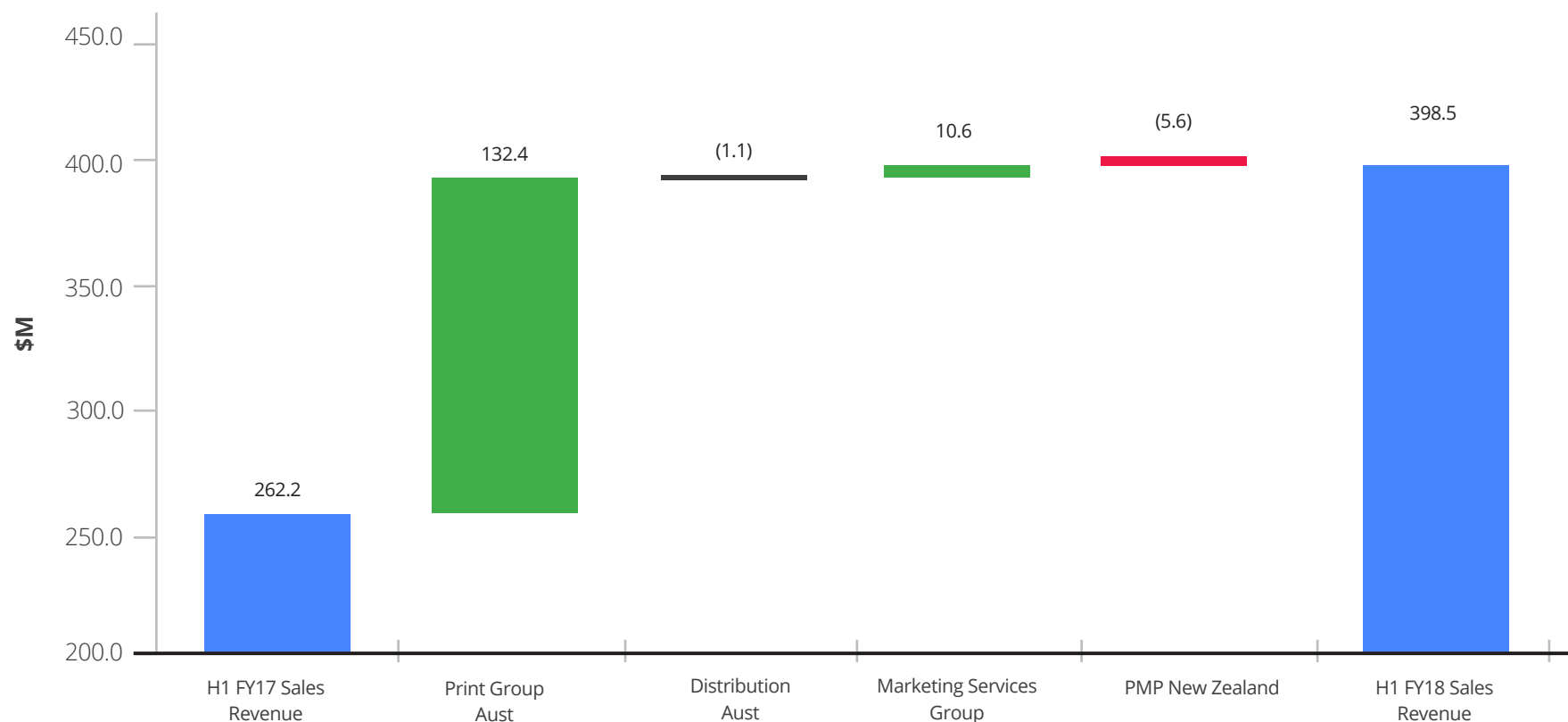


1. Before significant items

2. Includes \$6.6M onerous leases, make good and redundancy provisions from June 2017 were paid and trade working capital movement at \$6.8M was \$4.3M up pcip

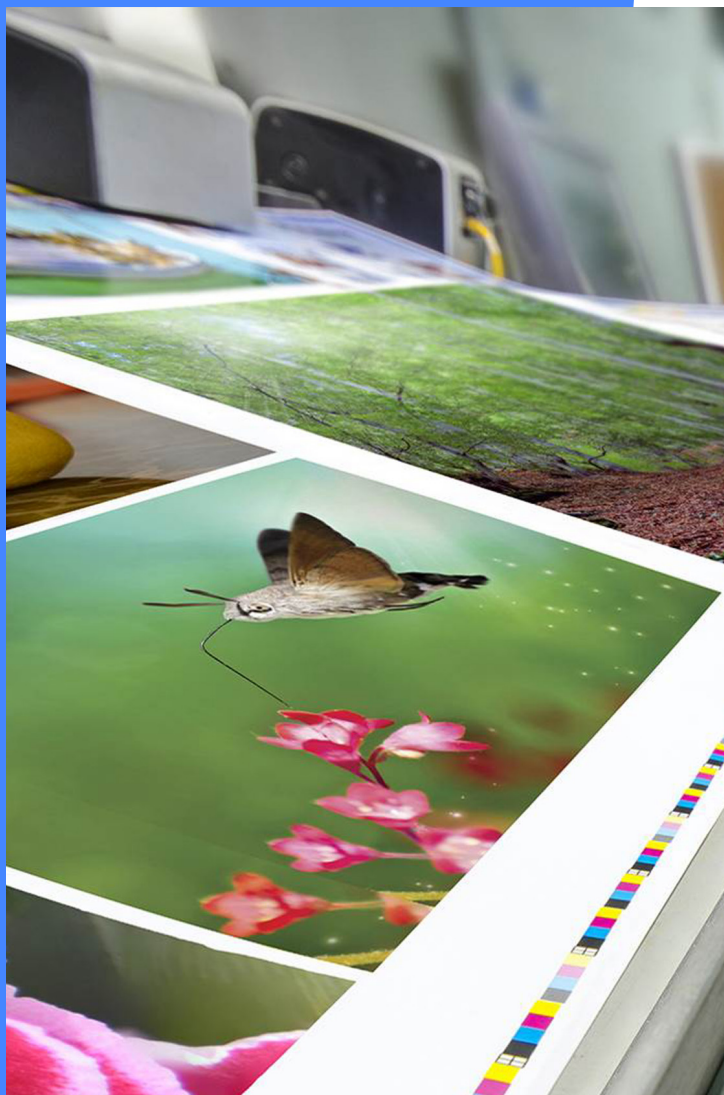
2018 HALF YEAR RESULTS

SALES REVENUE BRIDGE

PMP Group - External Sales Revenue¹

- Print sales up \$132.4M on 6 months of IPMG revenues
- Marketing Services up \$10.6M on 6 months of IPMG revenues

1. Sales restated due to PMP early adopting AASB 15, resulting in a restatement of revenue and expenses but no impact on EBITDA pre significant items



2018 HALF YEAR RESULTS

BUSINESS UNIT SUMMARY

- Print Group Australia revenue¹ at \$244.7M is up by \$132.4M or 117.9%
 - 6 months of IPMG Print sales
 - market conditions remain very tough in retail, publishing/newspapers
 - print heatset volumes up 69.3k tonnes²
 - EBITDA³ \$9.5M up \$7.1M or 298.7% pcp
 - higher volumes and synergy savings more than offset lower than expected sell prices/mix and higher direct labour costs.
- PMP New Zealand sales¹ \$64.1M down \$5.6m or 8.1%
 - Heatset volumes down 4.1% pcp - competitive market conditions continued
 - Distribution volumes 0.4% higher
 - Gordon & Gotch sales¹ flat yoy
 - EBITDA² at \$7.6M is \$0.1M lower pcp
 - Print Heatset EBITDA³ down \$0.2M due to lower sell prices and volumes
 - Gotch profit up \$0.6M pcp
 - Sheetfed profit down \$0.4M pcp - lower volumes

1. Sales restated due to PMP early adopting AASB 15, resulting in a restatement of revenue and expenses and no impact on EBITDA

2. When comparing yoy including the IPMG print business for 1H FY17 tonnes were down 22.5k or 14.3%

3. Before significant items



2018 HALF YEAR RESULTS

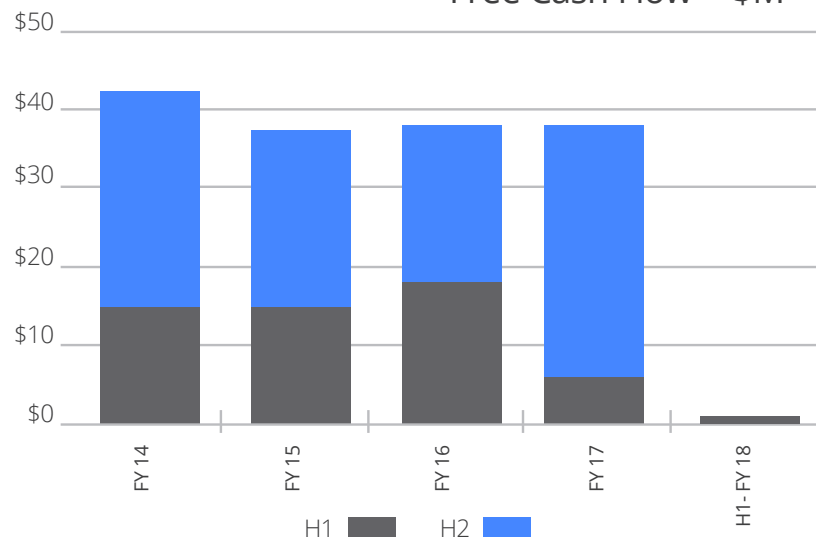
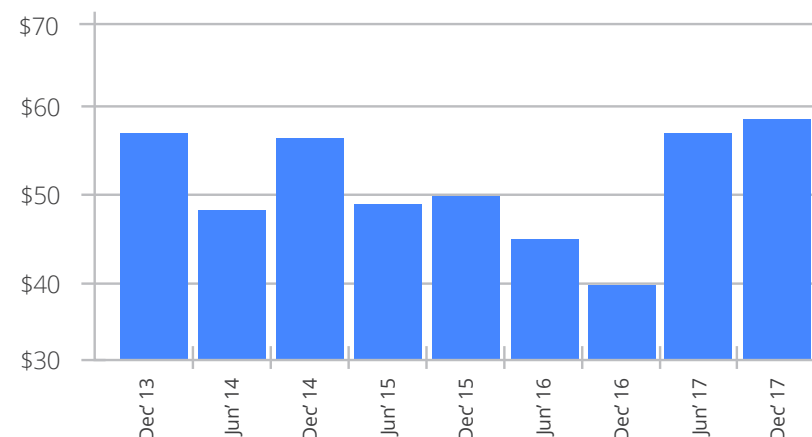
BUSINESS UNIT SUMMARY

- Distribution Australia revenue¹ \$46.2M down \$1.1m / 2.3% pcg
 - Volumes down 1.3% vs industry at 4.1% lower
 - EBITDA² at \$2.6M down by \$0.4M pcg
 - operational and administration savings offset by lower volumes and sell prices in a competitive environment
- Marketing Services Group revenue¹ \$43.5M up 32.3% pcg
 - Consists of Marketing Services and Gordon & Gotch AU
 - Lower revenues at Gordon & Gotch AU more than offset by 6 months IPMG Marketing Services sales
 - EBITDA² at \$1.8M up from \$0.4m loss pcg
 - Higher EBITDA² at Gordon & Gotch as cost savings/efficiencies offset lower volumes/sell prices
 - Marketing Services EBITDA² higher from new IPMG businesses and lower costs

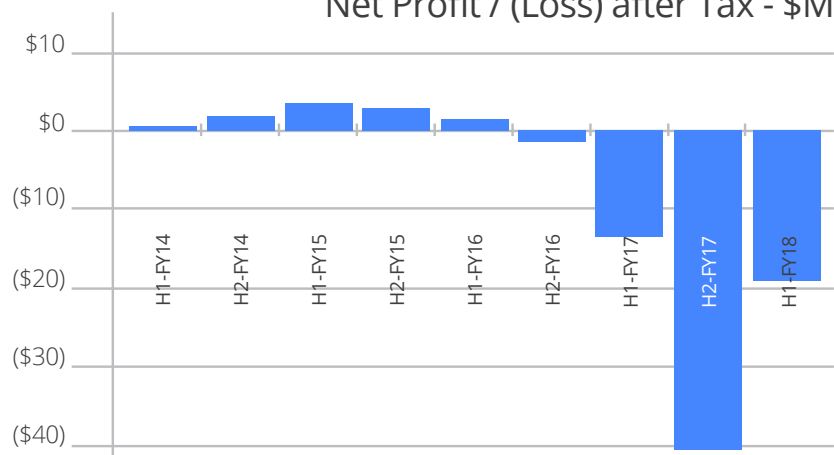
1. Sales restated due to PMP early adopting AASB 15, resulting in a restatement of revenue and expenses and no impact on EBITDA

2. Before significant items

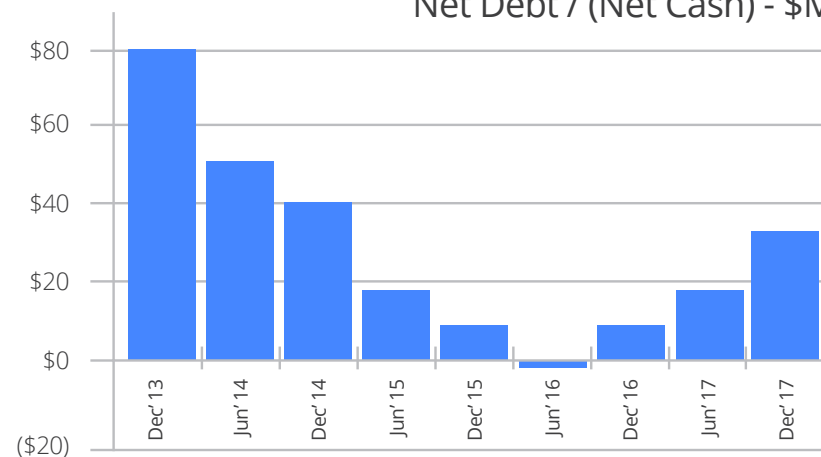
5 YEAR FINANCIAL PERFORMANCE

Free Cash Flow¹ - \$MTrade Working Capital² - \$M

Net Profit / (Loss) after Tax - \$M



Net Debt / (Net Cash) - \$M



1. Equals EBITDA (before Significant items) less interest paid, income tax, capital expenditure and movement in working capital.

2. Trade Working Capital equals Accounts Receivable + Inventory + Other Assets - Accounts Payable

2018 HALF YEAR RESULTS

INCOME STATEMENT

\$M	1H FY18	1H FY17	%
Sales Revenue ¹	398.5	262.2	52.0%
EBITDA (before significant items)	20.2	11.1	82.3%
Depreciation & Amortisation	(15.3)	(12.9)	(18.8%)
EBIT (before significant items)	4.9	(1.8)	-
Net Profit / (Loss) After Tax (before significant items)	1.1	(2.9)	-
Significant items post tax ²	(20.7)	(11.6)	(78.7%)
Loss (after significant items)	(19.5)	(14.5)	(34.7%)

1. Sales restated due to PMP early adopting AASB 15, resulting in a restatement of revenue and expenses but no impact on EBITDA pre significant items

2. Includes (\$15.0M) of significant items pre-tax, (\$10.2M) mainly of tax losses not brought to account, partially offset by \$4.5M tax benefit on significant items

2018 HALF YEAR RESULTS

KEY METRICS

KEY METRICS	1H FY18	1H FY17
Cash Flow from Operating Activities (\$M)	(12.9)	(2.2)
Free Cash Flow (\$M) ¹	0.7	5.7
Net Debt (\$M)	(32.8)	(9.8)
EBITDA ² to Sales ³ Revenue (%)	5.1%	4.2%
Net Debt / EBITDA ²	0.8x	0.3x

1. Equals EBITDA (before significant items) less interest paid, income tax, capital expenditure and movement in working capital
2. Before significant items
3. Sales restated due to PMP early adopting AASB 15, resulting in a restatement of revenue and expenses and no impact on EBITDA

2018 HALF YEAR RESULTS

RECONCILIATION OF EBITDA

\$M	1H FY18	1H FY17	%
Statutory Loss	(19.5)	(14.5)	
Income tax (expense)	(5.8)	(1.3)	
Statutory (Loss) before Income tax	(13.8)	(13.2)	
Significant Items (pre tax)	15.0	9.1	
Profit / (Loss) before significant items	1.3	(4.1)	-
Net finance costs	3.6	2.3	
EBIT (before significant items)	4.9	(1.8)	-
Depreciation & Amortisation	15.3	12.9	
EBITDA (before significant items)	20.2	11.1	82.3%

2018 HALF YEAR RESULTS

SIGNIFICANT ITEMS

\$M	Pre-Tax
Redundancy costs & other costs	13.3
Press relocation costs	3.5
Net Cash Significant Items	16.8
Gain on sale of PP&E	(2.2)
Non-cash Significant Items	0.4
Total Significant items	15.0

2018 HALF YEAR RESULTS

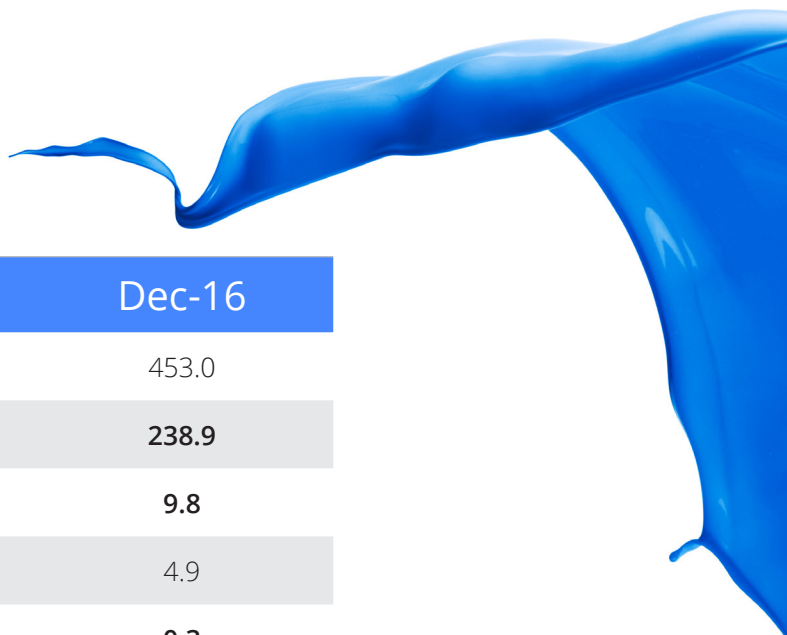
RECONCILIATION OF CASHFLOW

\$M	1H FY18	1H FY17	Var\$
EBITDA (Before significant items)	20.2	11.1	9.1
Borrowing costs	(2.9)	(2.1)	(0.8)
Income tax refunds/ (paid)	(0.0)	0.0	(0.0)
Net movement in working capital ¹	(13.4)	(2.4)	(10.9)
Trading Cash flow	3.9	6.6	(2.7)
Significant items	(16.8)	(8.8)	(8.1)
Cash Flow from Operations (Appendix 4D)	(12.9)	(2.2)	(10.8)
Asset sales	2.2	0.1	2.1
Capital Expenditure	(3.2)	(0.9)	(2.3)
Dividends	(0.0)	(7.6)	7.6
Net Cash Flow	(13.9)	(10.6)	(3.4)
(Loss)/Gain on translation of NZ / Other Cash	(0.3)	0.1	(0.4)
Reconciliation to Net Debt movement	(14.2)	(10.5)	(3.7)
Free Cash Flow²	0.7	5.7	(5.0)

- Working capital movement for H1 FY18 includes payments from the balance sheet of \$6.6M for provisions booked as significant items at Jun17 for make good, onerous leases and redundancies. Excluding the effect of these payments, the net movement in working capital would have been (\$6.8M) and the Free Cash Flow would have been \$7.3M.
- Equals EBITDA (before significant items) less interest paid, income tax, capital expenditure and movement in working capital.

2018 HALF YEAR RESULTS

BALANCE SHEET METRICS



	Dec-17	Dec-16
Total Assets (\$m)	541.0	453.0
Shareholders Funds (\$m)	233.8	238.9
Net Debt (\$m)	32.8	9.8
Interest Cover (EBITDA before significant items/Interest) times	5.6	4.9
Net Debt to EBITDA¹ (times)	0.8	0.3
Net Debt to Equity (%)	14.0%	4.1%
Net Tangible Assets per share (cps)	0.38	0.66
Trade Working Capital (\$m)	58.4	41.1
Debtor Days	36.0	33.9
Cash Conversion (%) ²	19.3%	59.5%
Return on Funds Employed (%) ³	4.03%	2.55%

1. Before Significant items. Uses a rolling 12 month EBITDA

2. Cash Conversion is calculated as Cash flow from operations (adjusted for Significant items) / EBITDA before Significant items. Adjusted for the \$6.6M of items booked in June 2017 and paid in H1 FY18 underlying cash conversion is 52%

3. ROFE equals 12 months rolling EBIT (before Significant items) / Average funds employed



2018 HALF YEAR RESULTS

DEBT PROFILE

- Net debt December 2017 is \$32.8M v. \$9.8M Net debt at December 2016
- Peak transformation cash spend concluded
 - Net debt peaked at \$55M in October 2017
- Extended ANZ Facilities to February 2019
 - RFF \$40M
 - Working Capital reduced from \$30M to \$10M
- Sufficient cash / facilities headroom to fund future planned transformation spend

2018 HALF YEAR RESULTS

OUTLOOK

- New full year EBITDA¹ guidance provided on 14th February 2018
 - EBITDA¹ in range of \$40M - \$45M (down \$10M on previous guidance)
 - Net debt June 18 to be \$35M - \$40M (vs \$30M - \$35M)
 - Print Australia outlook
 - lower price/mix from publishing & community newspapers to continue through H2
 - tough retail market conditions for our customers to continue
 - overall, print volumes in line as higher retail catalogue offsets lower publishing newspapers
 - PMP NZ slightly lower – print sell prices/volumes
 - Phase 2 cost out savings - slight timing variance FY18 which will revert FY19
- PMP confident changes to industry structure and cost focus will improve profitability over medium term
- PMP combined offer through its print, digital, distribution and marketing services businesses opens up new opportunities to deliver effective and efficient integrated marketing campaigns for our customers
- Guidance for fiscal 2019 will be provided at the appropriate time

1. Before significant items

2018 HALF YEAR RESULTS **ADDENDUM**

2018 HALF YEAR RESULTS

OPERATIONS SUMMARY

Net Sales ¹ Revenue (\$M)	1 H FY18	1 H FY17	Var\$	Var%
Print Group Australia	244.7	112.3	132.4	117.9%
Distribution Australia	46.2	47.3	(1.1)	(2.3%)
Marketing Services Group	43.5	32.9	10.6	32.3%
PMP New Zealand	64.1	69.8	(5.6)	(8.1%)
TOTAL GROUP	398.5	262.2	136.3	52.0%

EBITDA (\$M)	1 H FY18	1 H FY17	Var\$	Var%
Print Group Australia	9.5	2.4	7.1	298.7%
Distribution Australia	2.6	3.0	(0.4)	(13.2%)
Marketing Services Group	1.8	(0.4)	2.2	-
PMP New Zealand	7.6	7.7	(0.1)	(1.5%)
Corporate/Other	(1.3)	(1.6)	0.3	16.2%
TOTAL GROUP	20.2	11.1	9.1	82.3%

1. Sales restated due to PMP early adopting AASB 15, resulting in a restatement of revenue and expenses

2018 HALF YEAR RESULTS

UNITS

	1H FY18	1H FY17 ¹	Var%
Print AU ¹	140.3	71.3	97.0%
Print NZ	19.4	20.2	(4.1%)
Print Tonnes ('000)	159.7	91.5	74.7%
Distribution AU	1,137.4	1,152.7	(1.3%)
Distribution NZ	331.1	329.7	0.4%
Distribution Units (Mio)	1,468.5	1,482.3	(0.9%)
Gordon and Gotch AU	96.8	109.5	(11.6%)
Gordon and Gotch NZ	18.7	20.9	(10.3%)
Gordon and Gotch Copies (Mio)	115.6	130.4	(11.4%)

1. When including the IPMG print business for 1H FY17, tonnes were 163.1K which for 1H FY18 equates to a 14% reduction yoy

2018 HALF YEAR RESULTS

DISCLAIMER

The material in this presentation is a summary of the results of PMP Limited (PMP) for the six months ended 31 December 2017 and an update on PMP's activities and is current at the date of preparation, 27 February 2018. Further details are provided in the Company's HALF YEAR accounts and results announcement released on 27 February 2018.

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