

PTB Group Limited

*Annual General
Meeting*

November 2021

ersonal use only



PTB Group Overview

- ✓ Founded in 2001
- ✓ World's largest non-OEM aligned MRO provider for PT6T/A engines
- ✓ Listed on Australian Stock Exchange (market capitalisation ~\$120m)
- ✓ Well capitalised to support future growth
- ✓ Global presence (FAA, CASA, EASA approvals)
- ✓ Unique customer service focussed offering from aviation industry experts

PTB Group Board of Directors



Craig Baker
Founder, Chairman



Stephen Smith
Founder, Managing Director



Andrew Kemp
Non-Executive Director

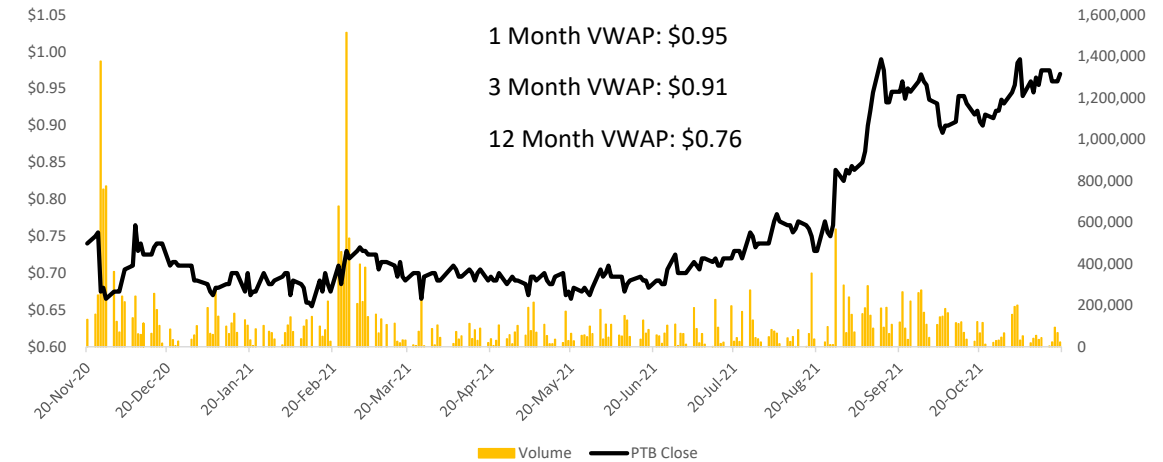


Russell Cole
Non-Executive Director



Prince Gunasekara
Non-Executive Director and
Consultant

Last 12 Months Trading Summary



Capitalisation Summary

Share Price (as at 19 November 2021)	\$0.97
Shares on Issue (as at 19 November 2021)	127.2 million
Market Capitalisation (as at 19 November 2021)	\$123.4 million
Net Debt (as at 30 June 2021)	\$11.1 million
Enterprise Value	\$134.5 million

PTB's Position in General Aviation Markets

Wide Bodied Aircraft

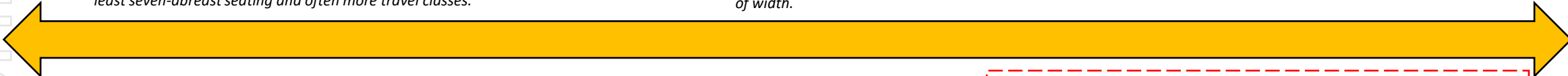
Typically defined as an airliner usually configured with multiple aisles and a fuselage diameter of more than 5 metres (16 ft) allowing at least seven-abreast seating and often more travel classes.

Narrow Bodied Aircraft

Typically defined as an airliner usually arranged along a single aisle permitting up to 6-abreast seating in a cabin below 4 metres (13 ft) of width.

General and Business Aviation

Typically defined as smaller regional aircraft with a carrying capacity of 12 to 20 people



Example Plane Type

Airbus A380

Airbus A320

De Havilland Dash 8

Beechcraft King Air

Cessna Caravan

PAX Capacity

853 passengers

244 passengers

50-100 passengers

16 passengers

14 passengers

Takeoff Length

2,900m

1,828m

1,000 – 1,500m

1,000 m

626 m

Engines

4 x Rolls-Royce Trent 900
70,000lb thrust engines; or

4 x General Electric / Pratt &
Whitney Engine Alliance
GP7200 70,000lb thrust engines

2 x CFM56-5B turbofan with a
thrust of up to 34,000lb; or

2 x IAE V2500 turbofan with a
thrust of up to 25,000lb

2 x PW120A or PW121
engines

2 x PT6A turboprop engine; or

1 x TPE331 turboprop engine

1 x PT6A turboprop engine; or

1 x TPE331 turboprop engine



PTB's core market is the PT6 engine ranging from
500 to 1,500 Shaft Horsepower



Turboprop Aviation Markets: PT6

The PT6 engine is one of the most successful and versatile engines of all time with an estimated global active fleet of ~25,000 engines

Turboprop Aircraft Deliveries By Region (2007-2019)

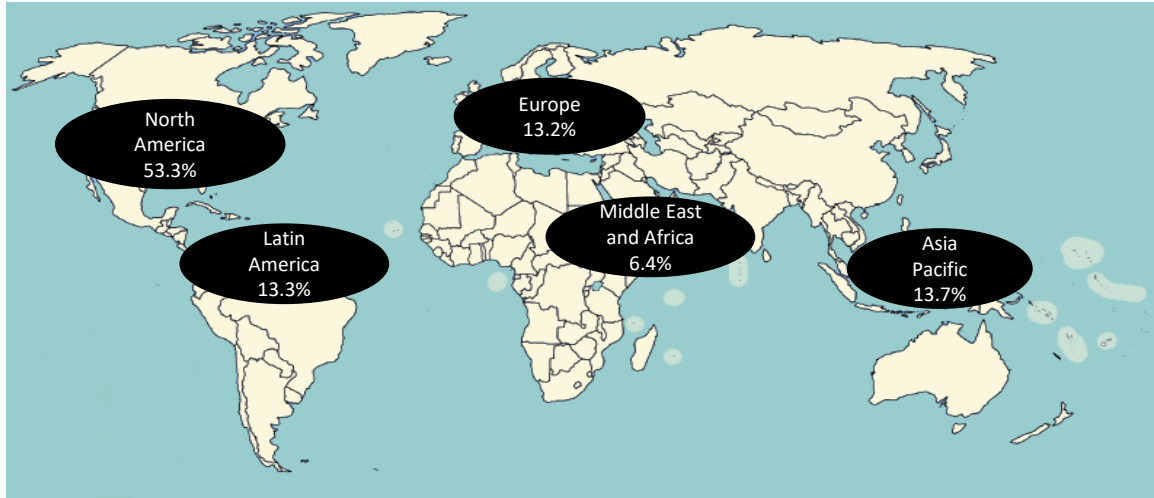


Chart shows customer delivery region (in percent of Total for General Aviation Aeroplane Shipments for Turboprop planes). The figures shown represent the average number of turboprop planes delivered by region over the 2007 to 2019 years. Source: GAMA

Over **400 million** flight hours logged

Over **53,000 engines** produced since 1963

Power range between **500 and 2,000 SHP**

Over **140 different applications** for the PT6 engine



Over **7,400 operators** use the PT6 engine in their fleet

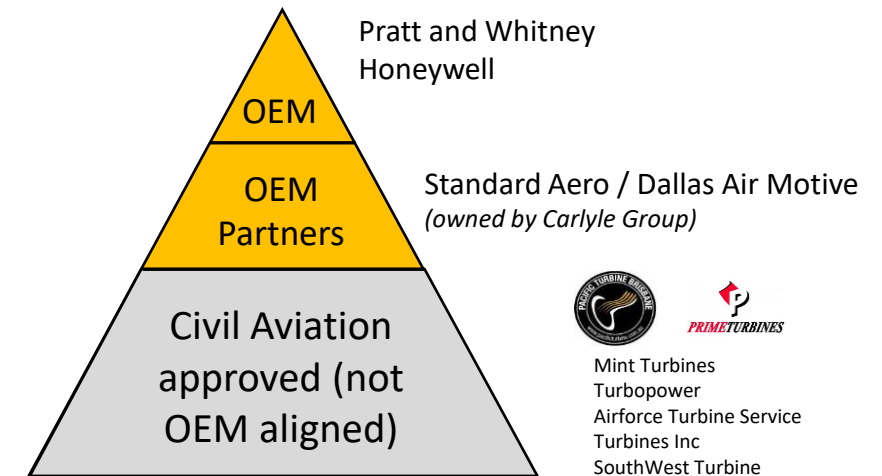
Used in over **180 different countries** around the world

New models of planes are being developed such as Textron's twin utility turboprop, the Cessna SkyCourier

- It is estimated there are in excess of 25,000 PT6 engines in active circulation
- The majority of these engines reside in North American markets
- The PT6 engine has been in production since the mid-1960s
- PTB Group estimates its current market share to be around 2-3% of the global engine fleet

MRO Market Structure

(By Number of Participants)



All Divisions Poised to Contribute Meaningful Growth

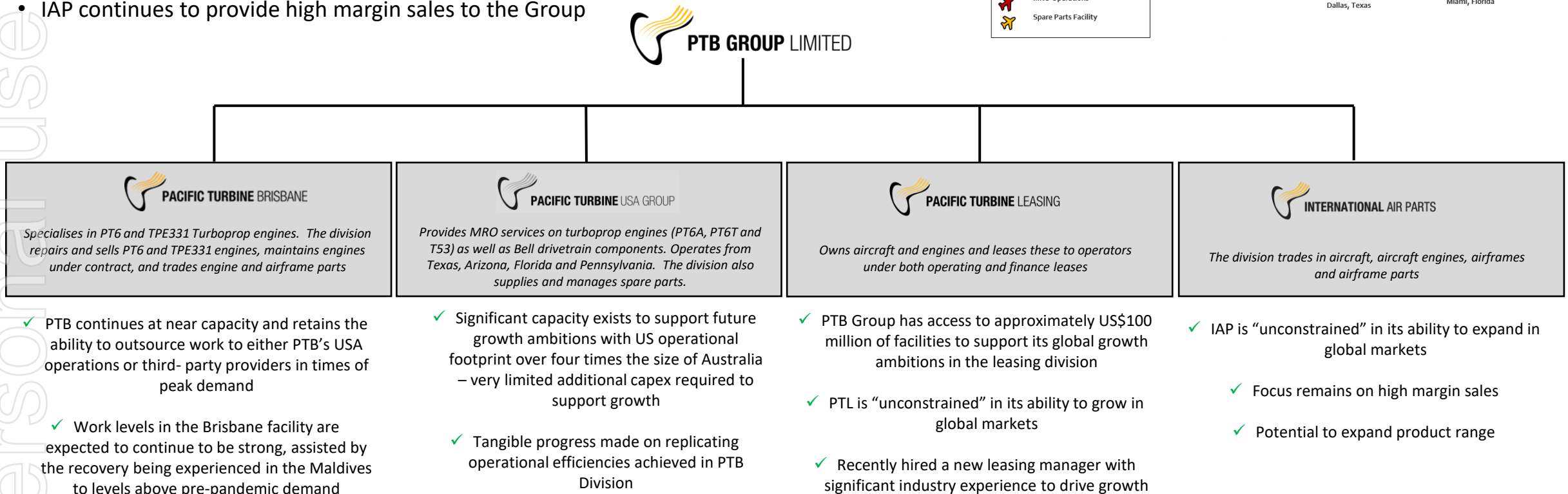
- All of PTB Group's operating divisions are set to positively contribute to the financial results
- PT USA and PT Leasing are expected to exhibit the strongest growth rates within the Group
- PT Brisbane to benefit from ramp up in tourism, especially from the Maldives and the Pacific
- IAP continues to provide high margin sales to the Group

Global Operating Footprint

Australian Operating Footprint



USA Operating Footprint



PT USA: Productivity and New Revenue Streams

- Aligned each US location with specific engine variants (Centres of Excellence)
- “Production line” mentality leads to increased operational efficiency versus traditional MRO shop
- Workshop efficiency maximized by building engines from existing inventory and holding those engines for sale
- Product offering in USA expanded (Prime historically only offered traditional MRO services) to include new potential revenue streams of:
 - Power By the Hour
 - Leasing (engines or aircraft)
 - Spare part sales
- PTB Group’s operational footprint in the US enjoys several strategic advantages as compared to the Australian facility. The US footprint:
 - is approximately 3x as large as the Australian operations
 - has existing infrastructure in place to support future growth
 - has lower purchasing costs due to a higher availability of parts and lower freight costs
 - Increased access to labour talent due to the market depth

Geographic Comparison		
	Australia	USA
Estimated Engine Population	3,000	15,000
Workshop Capacity	~30,000 sq ft	~97,500 sq ft
FY2021 EBITDAFX (\$000)	5,944	7,049
FY2021 NPBTFX (\$000)	4,994	3,673

US Operations Established as “Centres of Excellence”			
Dallas	Mesa	Butler	Miami
~65,000 sq ft facility with test cell in situ	~30,000 sq ft facility with two test cells in situ	~2,500 sq ft facility	Supplies and manages spare parts
Will be established as PTB’s US based centre of excellence for mid and large block engine variants	Focussed on smaller block PT6A and T engine variants	Focus on Hot Sections and Power Sections	Engine and parts sales, Leasing in USA
	T53 repair / overhaul		

Note: The US operations traditionally work on a higher proportion of larger engines which leads to a higher average invoice value

PT Leasing: Growth Ambitions

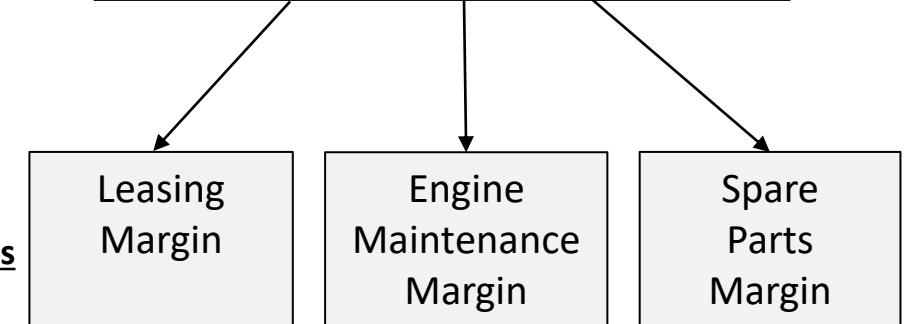
- ✓ Agreement in place with SBI Leasing to fund up to US\$100m of assets
- ✓ New leasing manager hired with significant experience to drive divisional growth
- ✓ Potential for growth from Australasian and American markets
- ✓ Return to “normalised” global travel conditions expected to underpin renewed interest in leasing option from operators
- ✓ Engines under new leases are added to the PBH Program
- ✓ PTB retains access to the sale of spare parts throughout the lease term
- ✓ PTB Group has the option to re-lease the engine/plane at the end of term or tear down the asset for spare parts

Estimated Capital

Aircraft range from \$1-5m fully funded with no working capital required



Income Streams



PTB Group plans for each new aircraft lease to add \$0.3-0.5 million of total margin per year

At the end of the lease, PTB Group has the ability to:

- Re-lease the aircraft
- Sell in the open market; or
- Tear down for parts

PTB: Maldives Recovery Continues

- PTB delivered record results in FY2021, despite COVID-19
- This was testament to its diversified operating base including agricultural, aeromedical, government and regional operators
- The recovery in international travel markets, particularly in the Maldives, is expected to support divisional performance in FY2022

PTB Group holds regional MRO license approval and capability

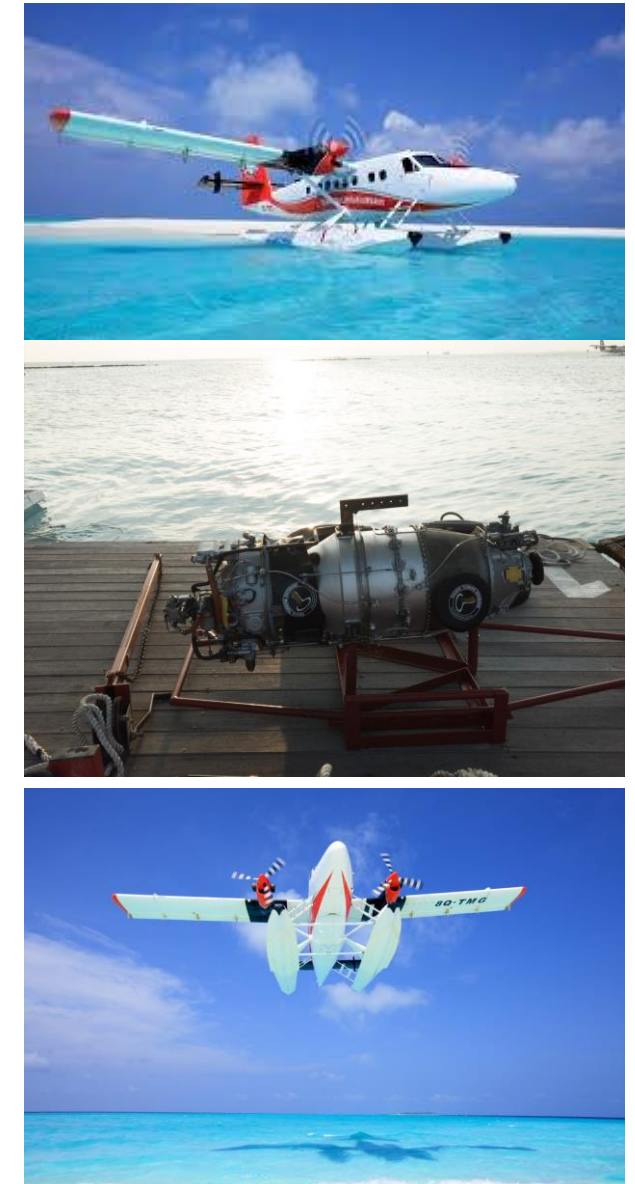
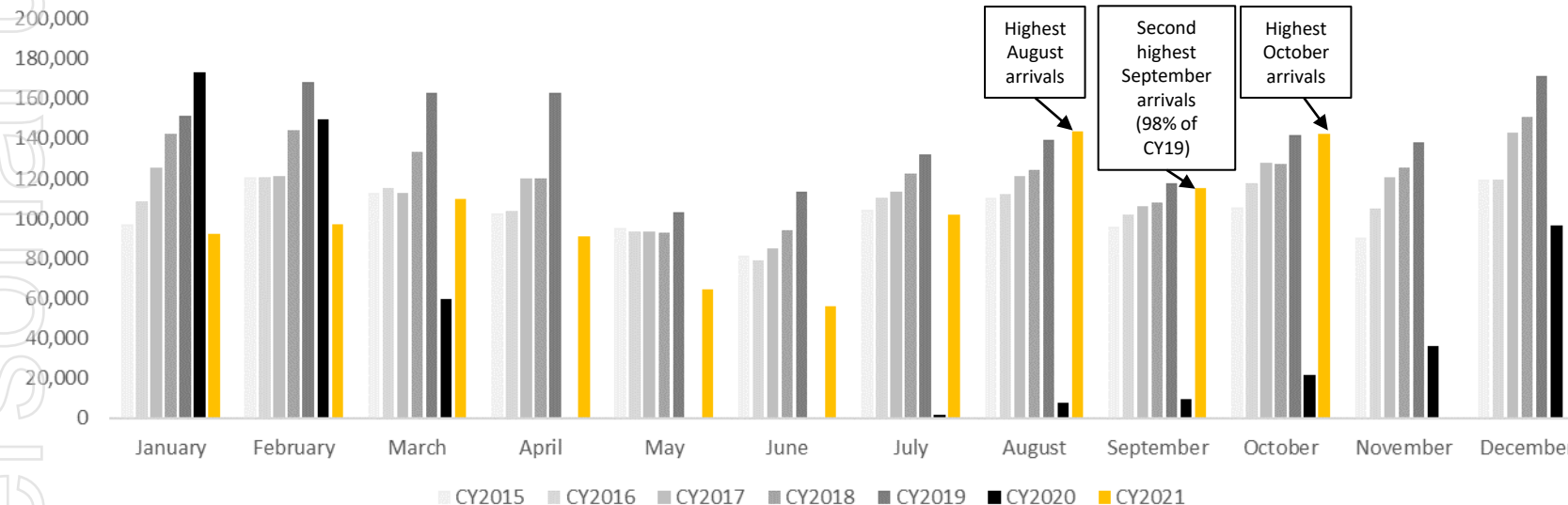
Long term contract with Trans Maldivian Airways (TMA) to 2025

TMA contract renewed multiple times

Additional engines added to contract in last 12 months

Anecdotal evidence suggests forward bookings are the highest on record

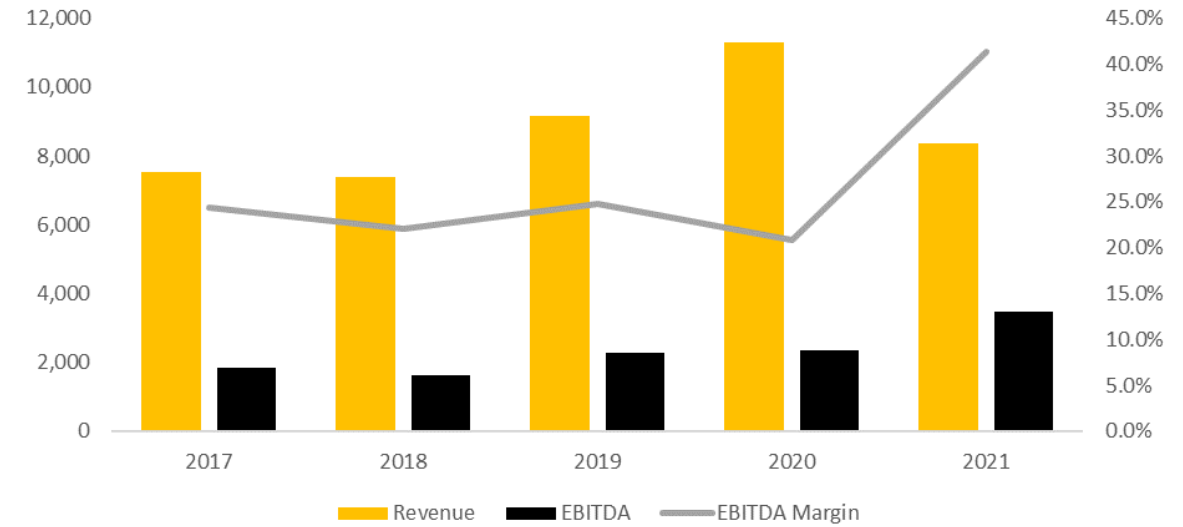
Tourist Arrivals (2015 – 2021 October YTD)



IAP: Continued High Margin Contribution

- IAP has been a material contributor to EBITDA over previous years delivering an average of \$2.3 million to Group EBITDA over the last five years
- IAP delivers high margin revenues to the group, with EBITDA margins averaging 27% over the last five years
- PTB Group continues to evaluate additional high margin revenue streams for IAP
- The relocation of the division from Warriewood to Lane Cove has right sized and refocused the division
- New General Manager of IAP appointed with a mandate to expand the product portfolio

Revenue, EBITDA and EBITDA Margin (%)



Multiple Growth Options Available

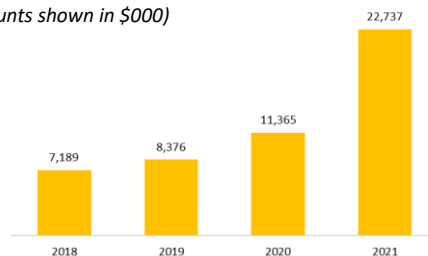
- PTB Group has delivered Operational EBITDA and Operational NPBTFF CAGR in excess of 30% (2018-2021)
- PTB Group continues to evaluate organic and inorganic growth opportunities to continue its growth
- Multiple opportunities remain live across the value chain

EBITDAFX

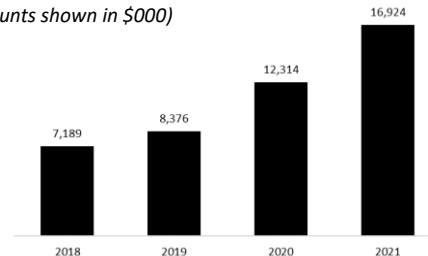
Reported EBITDAFX CAGR (FY18-FY21): **+47%**

Operational EBITDA CAGR (FY18-FY21) **+33%**

(Amounts shown in \$000)



(Amounts shown in \$000)

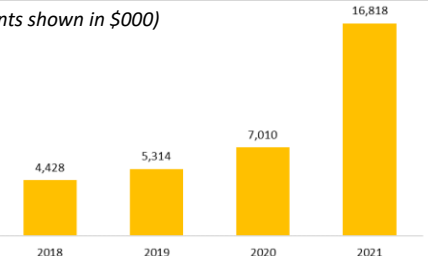


NPBTFF

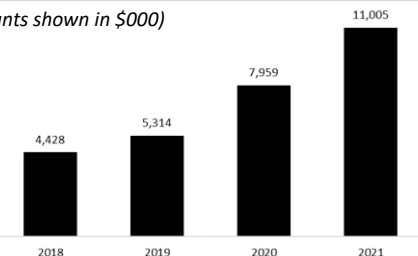
Reported NPBTFF CAGR (FY18-FY21) **+56%**

Operational NPBTFF CAGR (FY18-FY21): **+35%**

(Amounts shown in \$000)



(Amounts shown in \$000)



- EBITDAFX – earnings before interest, tax, depreciation and amortisation excluding any foreign exchange gains or losses
- NPBTFF – net profit before tax excluding any foreign exchange gains or losses
- FY20 Operational NPBTFF and EBITDAFX add back the \$0.949m expense related to the acquisition of Prime Turbines
- FY21 Operational NPBTFF and EBITDAFX remove \$5.813m pre-tax gain from the sale of the Warriewood properties

Moved from NSX to ASX listing

Developed relationship with key US supplier network (via subcontracting model)



Extended and re-signed US\$65m contract with Trans Maldivian Airways



Acquired Prime Turbines to increase capacity and expand customer reach

2006

Acquired IAP Group and then Emerald Assets soon after

2006 to 2014

Implemented EMP product offering which significantly strengthened operational performance

2014 to 2016

Commenced operations in US market under PT USA

2017

2018

2019



Signed agreement with SBI Leasing Services to facilitate growth in PT Leasing. Purchased 4 leased aircraft (SBI financed)

2020

2021

Acquired assets of United Turbines
New Leasing Manager employed to drive growth in Leasing

2021+

PTB Group is the world's largest non-OEM aligned MRO provider for PT6T/A engines

FY2022 Forecast

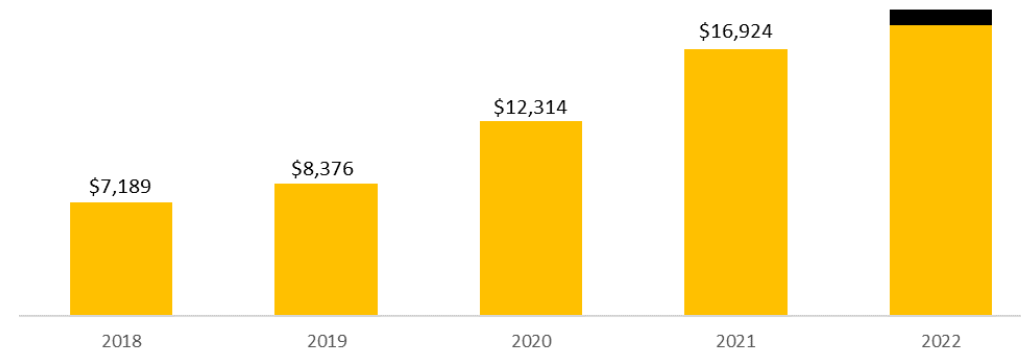
- PTB Group expects full year EBITDAFX to be in the range of \$19 - \$20 million (including \$0.6m of gain from the sale and lease back of the Pinkenba head office)
- PTB Group expects full year NPBTFX to be in the range of \$13 - \$14 million (including \$0.6m of gain from the sale and lease back of the Pinkenba head office)
- PTB Group confirms its dividend policy to pay between 30% and 50% of reported NPAT to shareholders in the form of a dividend with the remainder used to fund anticipated growth activities

EBITDAFX

Operational EBITDA CAGR (FY18-FY21)

(Amounts shown in \$000)

\$18,400-\$19,400

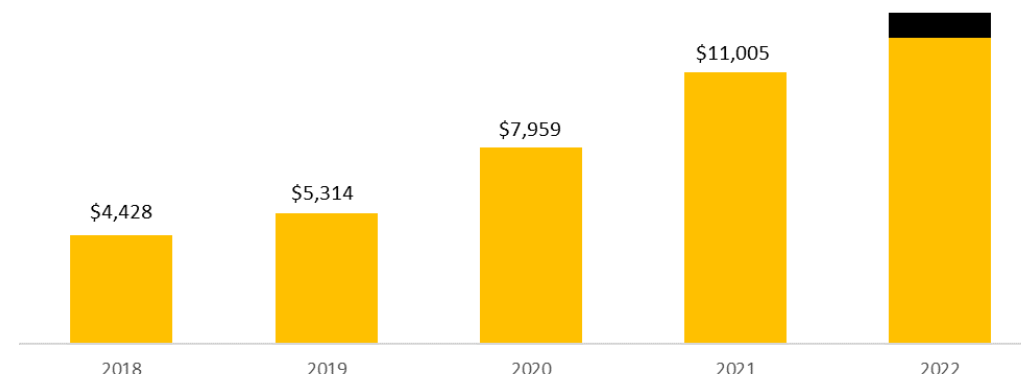


NPBTFX

Operational NPBTFX CAGR (FY18-FY21):

(Amounts shown in \$000)

\$12,400 - \$13,400



- EBITDAFX – earnings before interest, tax, depreciation and amortisation excluding any foreign exchange gains or losses
- NPBTFX - net profit before tax excluding any foreign exchange gains or losses
- FY20 Operational NPBTFX and EBITDAFX add back the \$0.949m expense related to the acquisition of Prime Turbines
- FY21 Operational NPBTFX and EBITDAFX remove \$5.813m pre-tax gain from the sale of the Warriewood properties

- PTB Group has the potential for positive tailwinds from **COVID recovery** in the global aviation markets
- PTB Group remains **well capitalised** to execute on its **global growth ambitions** with strong cash balance and significant capacity for additional debt
- PTB Group remains an **attractive investment opportunity** due to:
 1. **Resilient** and integrated business model and a proven ability to pivot to suit changing operating environments
 2. **Annuity** like PBH program providing regular cash flow
 3. Highly **cash generative** with low capital expenditure requirements
 4. Highly regulated aviation industry with **very high barriers to entry**
 5. **Non-discretionary** market for services with mandated engine overhaul service intervals
 6. **Niche** services with primary focus on two engine types (Pratt and Whitney PT6 and the Honeywell TPE331)
 7. FAA and EASA accreditations facilitate **new growth markets** and access to **new customers**
 8. Selected **acquisition opportunities** currently under review
 9. **Leveraged to recovery** in global aviation
 10. Growth strategy underway in US business to **increase returns** (via PBH program and other initiatives)
- PTB Group is one of the few small cap companies to consistently provide and meet/exceed guidance