

PTB Group Overview



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Founded in 2001

World's largest non-OEM aligned MRO provider for PT6A/T engines

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Listed on Australian Stock Exchange (market capitalisation \$155m)

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Well capitalised to support future growth

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Global presence with hubs in Australia and USA (FAA, EASA and CASA approvals)

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Unique customer service focussed offering from aviation industry experts



PTB Group Board of Directors



Craig BakerFounder, Chairman



Stephen SmithFounder, Managing Director



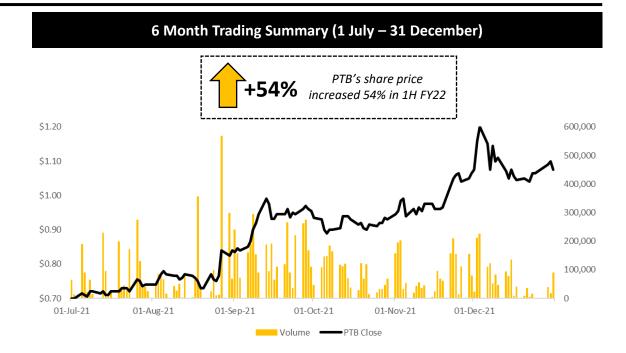
Andrew Kemp
Non-Executive Director



Russell Cole
Non-Executive Director



Prince Gunasekara
Non-Executive Director and
Consultant



Capitalisation Summary (22 nd February 2022)			
Share Price	\$1.22		
Shares on Issue	127.2 million		
Market Capitalisation	\$155 million		
Net Debt	\$7.9 million		
Enterprise Value	\$163 million		

Continued Growth in Underlying Group Earnings







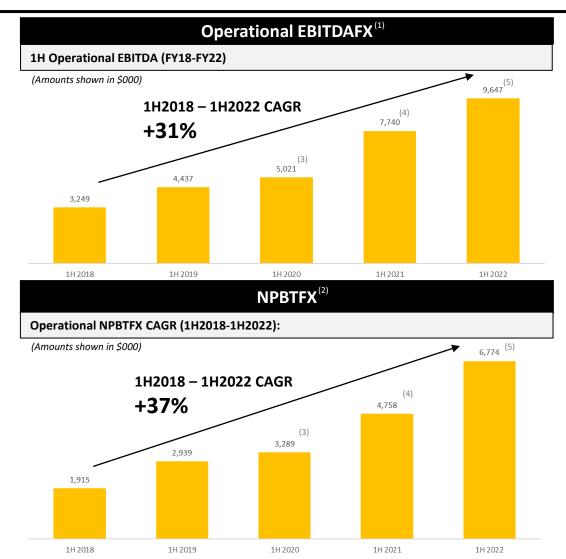
- 1H2022 Revenue of \$55.6m (+44% on 1H2021)
- 1H2022 Operational EBITDAFX of \$9,647 (+25% on 1H2021) (4)(5)
- 1H2022 Operational NPBTFX of \$6,774 (+42% on 1H2021) (4)(5)

Strong operational momentum expected to underpin H2 financial results

- New profit opportunities in the USA market (building engines from inventory for sale) is increasing workshop throughput and driving operational efficiency
- Additional engines for TMA in Maldives with engines under management growing from ~80 to ~110 engines
- New contract with Manta Air to provide parts and off-wing maintenance, repair and overhaul services for their fleet of 9 DHC-6 Twin Otter aircraft

Selected Inorganic Growth Opportunities

- PTB Group continues to evaluate several potential inorganic growth opportunities
- Balance sheet supportive of funding requirements



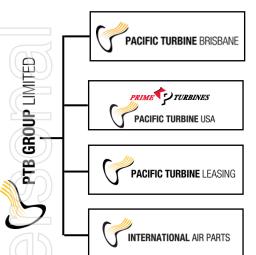
- EBITDAFX earnings before interest, tax, depreciation and amortisation excluding any foreign exchange gains or losses
- NPBTFX net profit before tax excluding any foreign exchange gains or losses
- (3) FY20 Operational NPBTFX and EBITDAFX adds back the \$0.949m expense related to the acquisition of Prime Turbines
- FY21 Operational NPBTFX and EBITDAFX remove \$5.813m pre-tax gain from the sale of the Warriewood properties
- (5) FY22 Operational NPBTFX and EBITDAFX excludes \$0.625m gain on sale and leaseback of Pinkenba building



Divisional EBITDA



1H2020	2H2020	1H2021	2H2021	1H2022
3,083	3,501	3,169	2,775	3,204
59	3,482	2,992	4,058	6,022
1,177	820	1,475	1,161	738
1,650	582	1,310	2,437	860
(948)	(1,091)	(1,206)	(1,247)	(1,177)
5,021	7,294	7,740	9,184	9,647
(612)	(337)	-	-	-
-	-	5,813	-	625
4,409	6,957	13,553	9,184	10,272
(137)	(960)	(327)	192	148
4,272	5,997	13,226	9,376	10,420
	3,083 59 1,177 1,650 (948) 5,021 (612) - 4,409 (137)	3,083 3,501 59 3,482 1,177 820 1,650 582 (948) (1,091) 5,021 7,294 (612) (337)	3,083 3,501 3,169 59 3,482 2,992 1,177 820 1,475 1,650 582 1,310 (948) (1,091) (1,206) 5,021 7,294 7,740 (612) (337) - 5,813 4,409 6,957 13,553 (137) (960) (327)	3,083 3,501 3,169 2,775 59 3,482 2,992 4,058 1,177 820 1,475 1,161 1,650 582 1,310 2,437 (948) (1,091) (1,206) (1,247) 5,021 7,294 7,740 9,184 (612) (337) 5,813 - 4,409 6,957 13,553 9,184 (137) (960) (327) 192



Specialises in PT6 and TPE331 Turboprop engines. The division repairs and sells PT6 and TPE331 engines, maintains related engines under contract, and trades related engine and airframe parts

MRO services on turboprop engines including PT6A/T and T53, and Bell drivetrain components. It operates from locations in Texas, Arizona, Florida and Pennsylvania. The division also supplies and manages spare parts.

Owns aircraft and engines and leases these to operators under both operating and finance leases (PT6, TPE331, Rolls Royce)

The division trades in aircraft, jet aircraft engines, airframes and related parts

Pacific Turbine Brisbane

 PTB results underpinned by strong demand for services in the Maldives and increased demand from agricultural, essential services and other customers

Pacific Turbine USA Group

- USA Group's strength resulted from implementing new service offerings in the USA (increased focus on engine and parts sales) and implementing productivity improvement strategies
- Demand for aviation services growing as markets return to pre-pandemic levels

Pacific Turbine Leasing

- PT Leasing results lower due to the finalisation of finance leases
- Purchased two DHC-6-300 in 1H2022 with leasing options being explored
- New lease opportunities are being progressed

International Air Parts

- Modest first half results in line with a reduction in overall market activity
- EBITDA margins remain in excess of 25%

PTB: Demand Continues to be Strong



PTB: 1H2022 Revenue By Geography

- PTB delivered strong results in 1H2022 as its agricultural, aeromedical, government and tourism operators experienced strong demand for services
- The recovery in international travel markets, particularly in the Maldives, was strong during 1H2O22, with total tourist arrivals consistently at improved levels
- PTB also secured a new 3-year maintenance agreement with Manta Air under which, PTB Group will provide parts and off-wing maintenance, repair and overhaul services for their fleet of 9 DHC-6 Twin Otter aircraft. The agreement also includes the provision of two rental engines to Manta Air via Pacific Turbine Leasing.

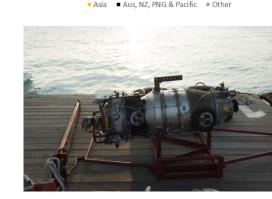
PTB Group holds regional MRO license approval and capability

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

TMA contract renewed multiple times

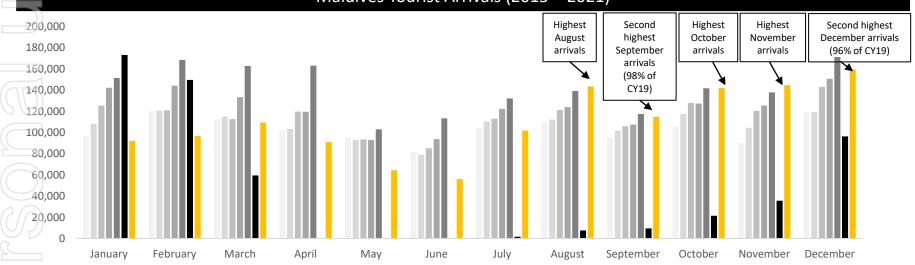
Additional 30 engines added to TMA contract in last 12 months

New 3-year agreement with Manta Air





Maldives Tourist Arrivals (2015 – 2021)



PTB USA Group: Evolution of Footprint



- Prior to the acquisition of Prime Turbines in February 2020, PTB Group's USA operations used third party facilities to provide MRO services
- The acquisition of Prime Turbines provided three workshops with FAA and EASA certifications, allowing PTB to complete the MRO services internally and increase margin capture
- In addition, PTB Group is replicating its full-service offering (Engine Sales, PBH, Spare Parts, Leasing) into the US market
- PTB Group's USA operations are benefitting from improved operational efficiency by replicating the strategies implemented at the Brisbane facility

	2014 - 2015	2016	2017 - 2019	2020	2021 – 2022+
)	Developed relationship with key US supplier network (via sub- contracting model)	Commenced operations in Miami, Florida sourcing spare parts to supply primarily to PTB Group	Operating as PT USA, the Group's US operations sourced and supplied parts into the Group. At this time PT USA did not hold the accreditations to undertake MRO works in USA	PRIME TURBINES PTB Group acquired Prime Turbines from VSE Corp. extending the ability to provide MRO services into the majority of the global market EASA	PTB Group CEO Stephen Smith temporarily relocated to USA to drive operational improvement strategies

Prime Turbines Legacy Operating Model

- Operating model tended to be "reactive" to inbound inquiries (quotations provided as requested)
- Engines not built for stock, hence engine sales did not form a material part of the service offering
- Power by the hour programs, parts sales and leasing were not central to Prime's traditional strategies

Replicating Pacific Turbine Brisbane Division Operating Model

- Engines now built from inventory and held for sale (or for use in PTB Group's PBH programs or leasing platform)
- Building engines for stock improves scheduling flexibility and reduces downtime, leading to increased workshop efficiency
- Parts sales team being established to increase sales opportunities
- Engines currently on lease in USA
- Power by the Hour discussions with targeted customers

PTB USA Group: Maximising Operational Efficiency



USA Operating Footprint



PT USA Group's
earnings are
expected to
continue to grow
as the product
offering is
expanded and
operational
efficiency is
increased

	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

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

Multiple Pathways to Increase Operational Efficiency

PTB (division) is currently experiencing high levels of demand and the division (through its global certifications) can direct surplus works to the US facilities, thereby increasing the operational efficiency of PTB Group's US footprint

Building Engines from Inventory

- Engines are built from inventory of spare parts
- Reduces working capital as inventory converted into stock held for sale
- Offers profit opportunities with engines able to be leased, sold or utilised in PTB Group's PBH programs
- Low risk strategy for margin expansion as the building blocks are already in place (people, machinery, tools and inventory)

New Customers and Engines Via PBH Program

- ✓ Adding new customers to the PBH Program will ultimately increase the number of engines requiring MRO services by PTB Group
- ✓ The timing of the works required is dependent on the condition of the engine at the time it is introduced to the PBH program (existing hours, cycles etc.). Engine service intervals typically range from 3,600 to 5,500 hours)
 - ✓ Locks in additional parts sales
- ✓ Opportunity to upsell parts and other services
- ✓ PBH provides base load of predictable earnings

New Customers and Engines Via Leasing

- As a condition of a lease, all MRO works are to be completed by PTB Group
- An increase in the number of engines on lease will ultimately increase the number of engines requiring MRO services by PTB Group
- ✓ Opportunity to upsell parts and other services

New Customers and Engines Outside the PBH Program

- New customers seek out the services of PTB Group for their MRO works
- ✓ PTB Group continues to leverage its strong brand to attract new customers in the USA and Rest of World
- Over time, Group will look to convert these customers to PBH or leasing

PT Leasing: Example of Multiple Profit Opportunities



- PT Leasing offers multiple profit opportunities across PTB Group
- PTB Group aims for each new aircraft lease to add approximately \$0.3-0.5 million of total margin per year
- New leasing manager commenced in October 2021 with an initial focus on growing engines and aircraft on lease in Asia Pacific
- PTB Group has purchased two DHC-6-300 aircraft in the half with leasing options currently being explored



Leasing Margin

- Difference between the rate at which PTB Group sources funding and the rate charged to clients
- Aircraft range from \$1-5m fully funded (generally with no working capital required due to funding agreements in place)
- PTB Group potentially has access to approximately US\$100m of funding via a Memorandum of Understanding with SBI Holdings in Japan to support new leasing opportunities

Engine Maintenance Margin

- First engine service interval (3,600 to 5,500 hours)
- Each subsequent engine service interval (3,600 to 5,500 hours)
- PTB Group will also derive profit from minor repair works and parts during the term of the lease

Spare Parts Margin

 PTB Group supports its customers via the sale of additional spare parts (such as propellers, landing gear, windscreens, etc.)

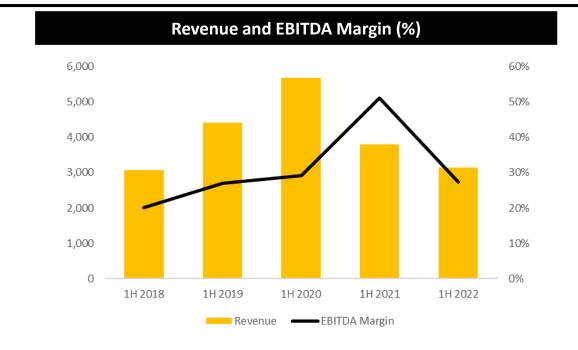
End of Lease Life / Tear Down Margin

- At the end of the lease, PTB Group retains the ability to either:
 - Re-lease the aircraft
 - Sell in the open market; or
 - Tear down for parts

IAP: Continued High Margin Contribution



- IAP continues to deliver high margin revenue to the group
- EBITDAFX margin in 1H 2022 in excess of 27%
- PTB Group continues to evaluate additional product lines for IAP
- The relocation of the division from Warriewood to Lane Cove is now complete and has right sized the division





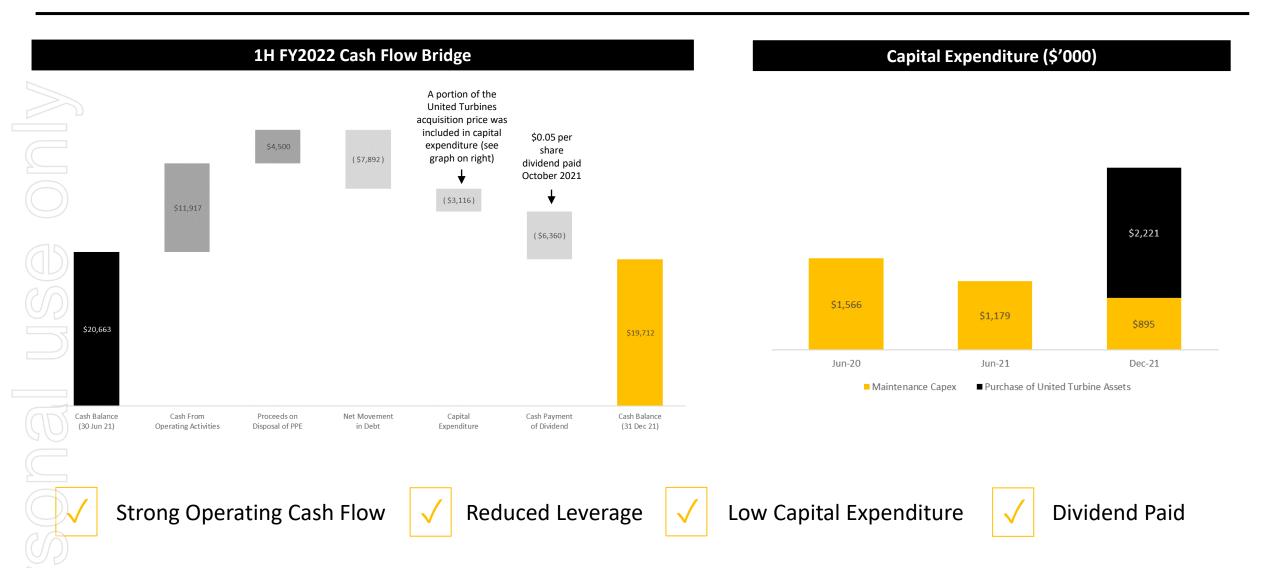






Cash Flow





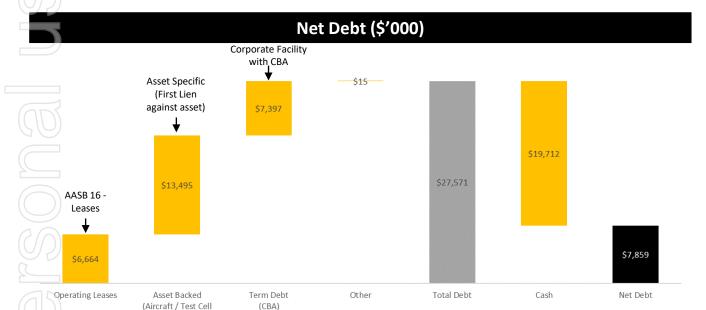
Balance Sheet Supportive of Growth

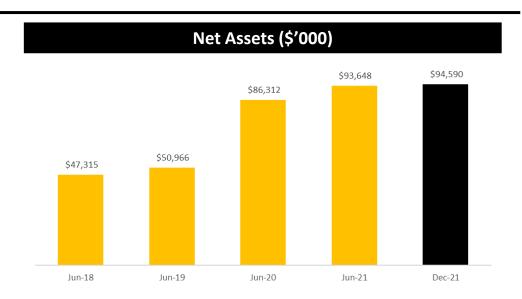


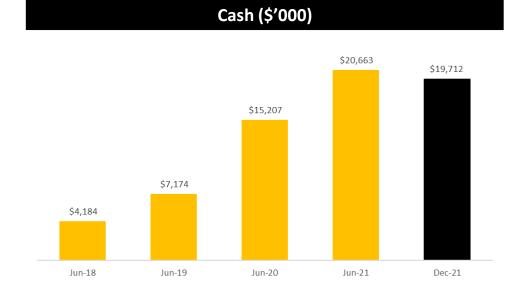
- Consistent growth in Net Assets
- Strong asset backing
 - \$19.7m in cash
 - \$57.8m in inventory
- Low gearing
 - \$27.6m of total debt

/ Inventory)

- \$6.7m relates to building leases (Australia and USA)
- \$9.4m relates to facilities secured against specific assets
- Net Debt of \$7.9m versus forecast EBITDA range of \$18.4m \$19.4m
- Conservative Balance Sheet retained to support growth

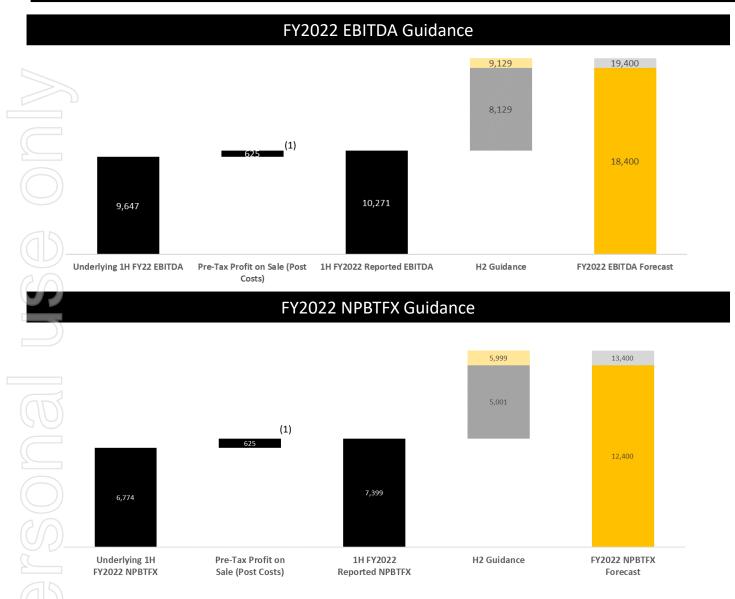






1H FY2022 Result and Full Year Guidance





PTB Group remains well positioned to meet its full year guidance due to:

- Continued strong arrivals data from Maldivian market
- ✓ Additional ~30 engines with TMA (as compared to same time last year)
- ✓ New contract with Manta Air
- Introduction of new profit opportunities in US market (e.g. engine sales)
- Continued abatement of effects of COVID on global demand for aviation services
- ✓ PTB Group affirms its policy to pay 30% 50% of Reported NPAT as a Fully Franked Dividend

PTB Group has met or exceeded its guidance range for the past five consecutive years

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Summary



- 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 funding
- PTB Group strengths:
 - 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 consistently provides and meets/exceeds guidance