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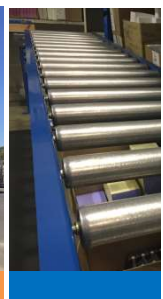
22 March 2017

CTI Logistics Limited is pleased to attach an updated copy of its corporate presentation used in the promotion of the Company's activities to investors and other interested parties.

David Mellor  
Director



# 2017 Half-year Results Briefing presentation



**CTI** Logistics Limited

- ▶ CTI Logistics Limited is a transport and logistics provider in couriers, parcels, taxi trucks, fleet management, general and contracted warehousing, specialised flooring logistics and security services
- ▶ CTI has been a listed public company **since 1987** with its transport and logistics origins dating back to **1972**
- ▶ CTI has more than **650 vehicles** on the road ranging from courier vehicles to triple road train combinations

Refer to page 15 for Disclaimer Statement

# Building a national transport and logistics company

CTI is one of a small number of listed transport and logistics companies

CTI branded businesses operate in Western Australia, Adelaide and more recently Melbourne – the aim is to continue to expand CTI’s presence on the Eastern Seaboard in the transport and logistics disciplines in which we are experienced

CTI operates a national specialised floor covering transport and logistics network through GMK Logistics



\* GMK Logistics locations included



# What we do - Transport

## Couriers

- ▶ On demand express services
- ▶ Technical courier services (eftpos and computer swap outs)
- ▶ Vehicles range from pushbikes in the CBD to two tonne capacity

## Parcels

- ▶ Same day and overnight distribution covering the Perth metropolitan area
- ▶ E-commerce "last mile" home delivery system
- ▶ Two and four runs a day services

## Taxi Trucks

- ▶ On demand express services
- ▶ Hourly hire services
- ▶ Vehicles range from two tonne capacity through to semi-trailers

## Fleet Management

- ▶ Provision of dedicated trucks and trailers on permanent hire

## Specialised Transport

- ▶ Rail and wharf container transport
- ▶ Truck mounted cranes
- ▶ Tail lift vehicles
- ▶ Hot shot services

## Freight Forwarding

- ▶ Intrastate road freight
- ▶ Interstate freight
- ▶ International freight

## Regional Freight

- ▶ Scheduled line haul services to the South West and North West of Western Australia
- ▶ Vehicles range from rigid to triple road trains



## What we do - Logistics

### WAREHOUSING AND DISTRIBUTION

- ▶ Third party and overflow warehousing
- ▶ Contracted distribution centre services
- ▶ Pick and pack handling
- ▶ Bulk products storage
- ▶ Temperature controlled storage and distribution
  - ▶ Wine storage and stock management
  - ▶ Food product storage
  - ▶ Temperature controlled delivery

### FLOORING

- ▶ Third party warehousing and transport services
- ▶ Handling, storing and cutting flooring (vinyl and carpets)
- ▶ Nationwide distribution network of flooring products
- ▶ Specialised trucks, trailers and equipment

### MINERALS AND ENERGY LOGISTICS

- ▶ Pest control, quarantine cleaning and fumigation
- ▶ Plant and equipment preservation wrapping



## What we do – Security Services

### SECURITY

- ▶ Installation and servicing of monitored alarms, CCTV and access control products for residential and commercial markets
- ▶ ASIAL graded A1 24/7 control room monitoring of alarms, lone worker, medical alerts and CCTV video verification for own clients and third party security businesses

### DOCUMENT STORAGE AND DESTRUCTION

- ▶ Secure storage of confidential documents and computer media
- ▶ Cataloguing of documents
- ▶ Supervised destruction of confidential documents

## Half-year 31 December 2016 Key Financials



Revenue	EBITDA <sup>(1)</sup>	NPBT <sup>(1)</sup>	EPS <sup>(1)</sup>	Dividend	Dividend Yield
\$79.2 M	\$9.0 M	\$4.0 M	3.84 c	1.75 c	2.0%

Note:

(1) After excluding the pre-tax profit on sale of Malaga properties \$2.9m pre and post tax.



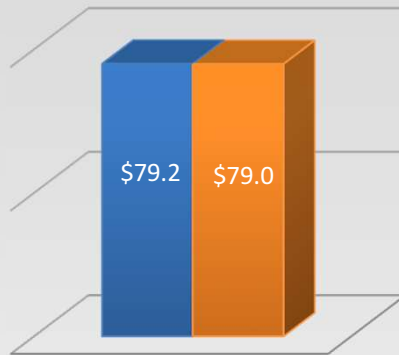


# Half-year – Key Financials

■ 2016 ■ 2015

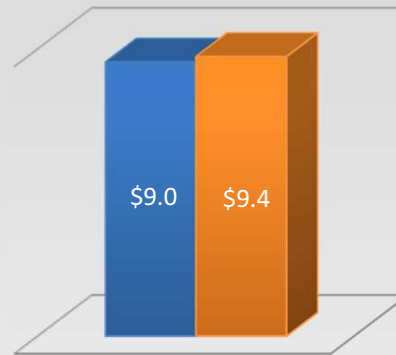
## Revenue - \$79.2M

▲ 0.2%



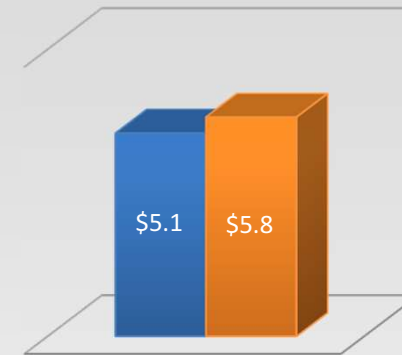
## EBITDA - \$9.0M

▼ 4.8% (1)



## EBIT - \$5.1M

▼ 12.0% (1) (2)



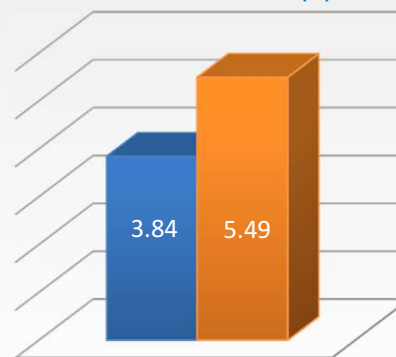
## NPAT - \$2.6M

▼ 27.7% (1)



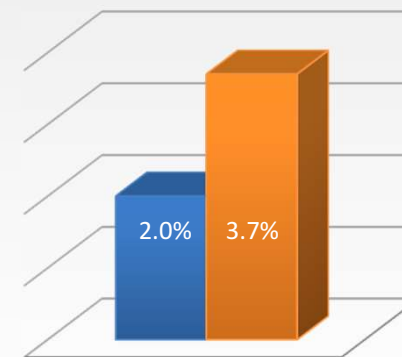
## EPS – 3.84 cps

▼ 30.1% (1)



## Dividend yield – 2.0%

▼ 45.8%



Note:

(1) Excludes the pre-tax profit on sale of properties HY Dec 16 \$2.9m (\$2.9m post tax) and HY Dec 15 \$18.9m (\$16.2m post tax at 31 December 2015)

(2) HY Dec 15 includes GMK amortisation of intangible assets following finalisation of acquisition accounting in June 2016

For reported results refer to 31 December 2016 half-year financial statements



# Financials by Segment - Revenue

■ 2016 ■ 2015

## Transport - \$32.8M ▼ 6.3%

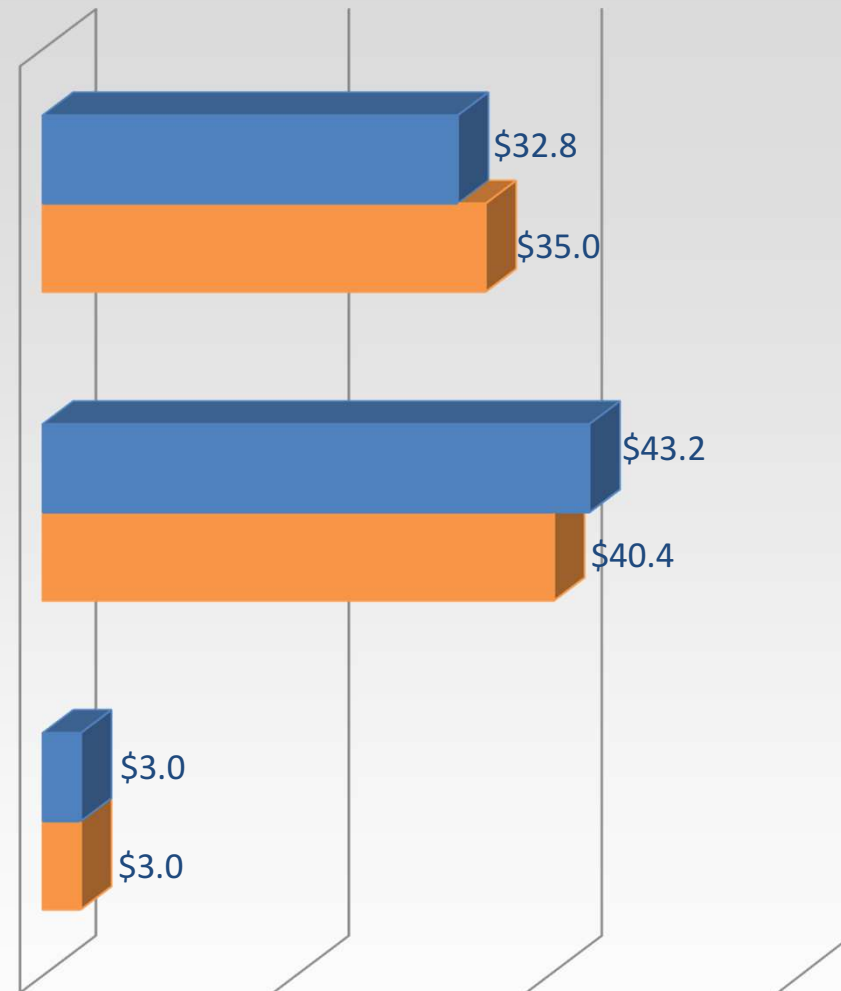
- Continued downturn in business activity, mainly in Western Australia
- Decline in courier, truck and freight volumes reflecting difficult market conditions partly offset by SRH Transport volumes since acquisition on 1 September 2016
- Moderate growth in parcel volume

## Logistics - \$43.2M ▲ 6.8%

- Revenue growth from flooring industry clients following expansion at Gregory Hills site in New South Wales
- Revenue growth from expansion in South Australia and contracted warehouses at Hazelmere and Carlisle in Western Australia
- Decline in revenue in Minerals and Energy activity from previous year in line with expectations

## Other - \$3.0M

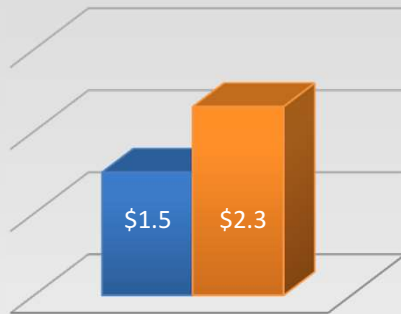
- Security monitoring and installation revenue marginally up on the previous year
- Internal equipment hire revenue down in line with Western Australia activity



# Financials by Segment – Net Profit Before Tax ■ 2016 ■ 2015

## Transport - \$1.5M

▼ 35.5%



- ▶ Continued downturn in business activity and increased pressure on margins, mainly in Western Australia
- ▶ Higher proportion of fixed costs as a result of lower volumes significantly impacting profit
- ▶ SRH acquisition and resulting synergies partly offsetting impact of declining volumes

## Logistics - \$3.2M

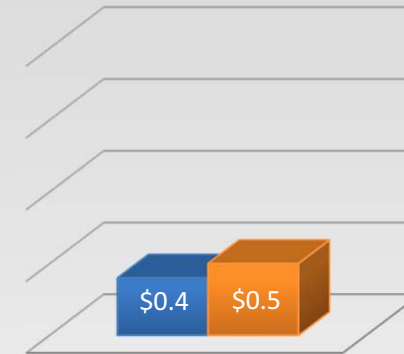
▲ 17.0%



- ▶ Growth in volumes along with productivity improvements resulting in higher profit margin
- ▶ Benefit from sustainable cost saving initiatives
- ▶ Minerals and Energy activity and profit margin in line with expectation and down when compared to previous year
- ▶ Continuing margin pressure from warehouse clients

## Other - \$0.4M

▼ 6.3%



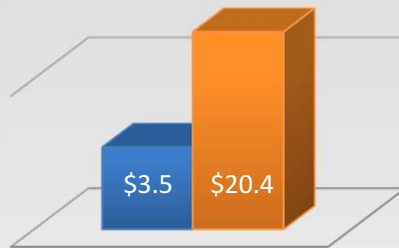
- ▶ Security margins marginally up on previous period
- ▶ Internal equipment hire margin down in line with Western Australia activity
- ▶ Excludes intercompany eliminations included in other segment



# Financials - Property

■ 2016 ■ 2015

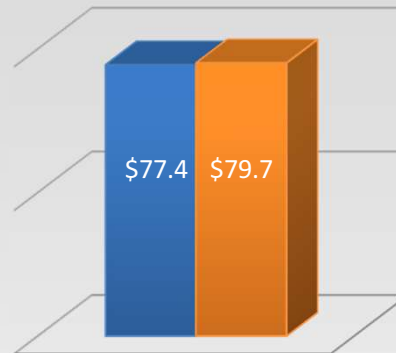
## Profit - \$3.5M



- ▼ Sale of Malaga property in September 2016. Profit on sale of \$2.9m before and after tax
- ▼ Sale and leaseback of Bibra Lake property in the previous period. Profit on sale of \$18.9m (\$16.2m after tax at 31 December 2015)
- ▼ Sale of Hazelmere land for \$1.3m at cost

## Assets - \$77.4M

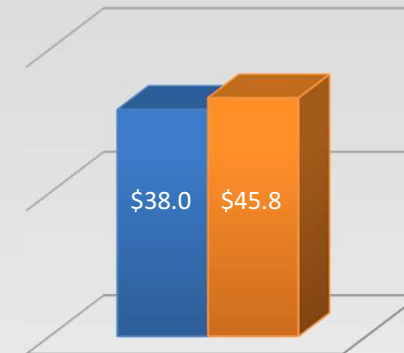
▼ 2.8%



- ▼ Completed stage three expansion of the Hazelmere distribution centre (capacity to 26,500m<sup>2</sup> at this site)
- ▼ Properties recorded at cost with no impairments at December 2016

## Liabilities - \$38.0M

▼ 17.1%



- ▼ Proceeds from sale of properties have been used to repay bank debt



# Balance Sheet

	31 Dec 2016 AU\$(000's)	30 Jun 2016 AU\$(000's)
<b>Assets</b>		
Cash and cash equivalents	3,818	2,162
Receivables and prepayments (1)	23,440	19,987
Inventories	148	134
Income tax receivable (2)	787	1,730
Property held-for-sale (3)	-	2,301
<b>Current assets</b>	<b>28,193</b>	<b>26,314</b>
Other	81	89
Property, plant & equipment (4)	97,661	97,985
Investment properties (5)	3,554	3,567
Intangibles (6)	29,588	29,934
<b>Non-current assets</b>	<b>130,884</b>	<b>131,575</b>
<b>Total assets</b>	<b>159,077</b>	<b>157,889</b>
<b>Liabilities</b>		
Trade and other payables (7)	16,206	10,892
Borrowings (8)	1,452	1,700
Provisions	4,329	3,886
<b>Current liabilities</b>	<b>21,987</b>	<b>16,478</b>
Borrowings (9)	48,896	58,321
Deferred tax liabilities (10)	1,118	1,567
Provisions and other liabilities	1,105	1,150
<b>Non-current liabilities</b>	<b>51,119</b>	<b>61,038</b>
<b>Total liabilities</b>	<b>73,106</b>	<b>77,516</b>
<b>Total net assets (11)</b>	<b>85,971</b>	<b>80,373</b>
<b>NTA per share at valuation (12)</b>	<b>\$1.00</b>	<b>\$0.97</b>

## Comments:

- 1) Increased levels of working capital in December due to increased trade levels compared to June
- 2) Refund expected following payments in excess of actual tax liability
- 3) Sale of two non-core properties completed in the period
- 4) Asset additions and SRH assets (\$1.6m) acquired net of depreciation
- 5) Two remaining non-core investment properties no impairment in the period
- 6) \$230k of Customer relationships relating to SRH acquisition net of amortisation of intangible assets
- 7) Increased trade levels at December, Hazelmere stage 3 costs, movements in accruals relating to PAYG, payroll tax and GST along with \$450k GMK deferred payment
- 8) Current portion of financed assets
- 9) Interest bearing debt reduced from proceeds of sale of property and strong cash flow generated in the period
- 10) Arising on the acquisition of GMK Intangible assets
- 11) 7% increase in net assets in the period to December 2016
- 12) NTA per share at directors' valuation at 30 December 2016 of \$90,608,192 of Freehold Land and Buildings

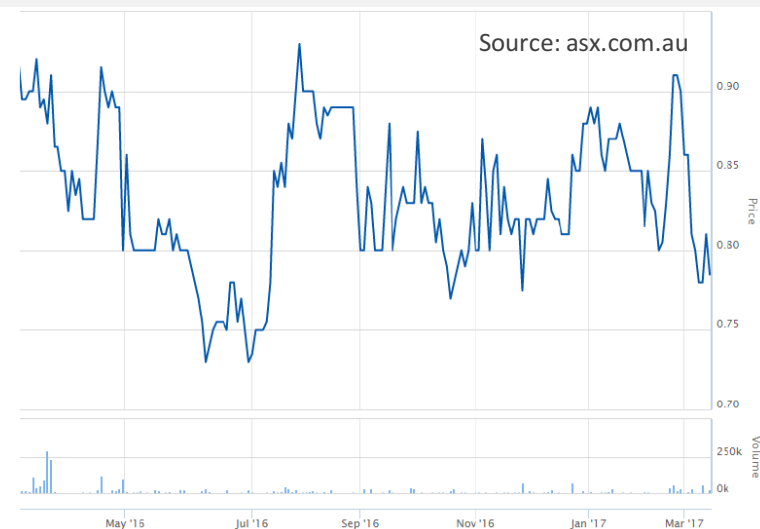


# Corporate Dashboard

Fully Paid Ordinary Shares (FPO)

Shareholders at 30 September 2016	Number of FPO	Percentage of Issued Capital (%)
1 David R Watson	28,395,458	40.14%
2 HSBC Custody Nominees Ltd	4,404,619	6.23%
3 Simon D Kenworthy	3,946,399	5.58%
4 David A Mellor	3,694,319	5.22%
5 Bruce E Saxild	3,329,793	4.71%
6 Parmelia Pty Ltd	3,154,615	4.46%
7 Dixson Trust Pty Ltd	1,686,633	2.38%
8 JP Morgan Nominees Australia Ltd	880,469	1.24%
9 Timeoff Super Pty Ltd	521,000	0.74%
10 Dewver Pty Ltd	500,000	0.71%
Other	20,222,630	28.59%
<b>Total</b>	<b>70,735,935</b>	<b>100.00%</b>

CTI Logistics Limited – share price trading volume



## Corporate Information

ASX Code  
 Shares on Issue  
 Options on Issue  
 Share Price at 21 March 2017  
 Market Capitalisation

CLX At 30 June 2015  
 70.7M November 2015 – BSP and DRP  
 Nil November 2015 – Share issue  
 \$0.79 April 2016 – BSB and DRP  
 \$55.8M At 30 June and 31 December 2016

## Movement in Share Capital

## Movement

## Total

68.0M  
 68.5M  
 70.2M  
 70.7M  
 70.7M



## Transport



## Logistics



## Security Services



## Disclaimer

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