



ABN 69 008 778 925

1 Drummond Place
West Perth WA 6005

Postal Address
PO Box 400 West Perth
Western Australia 6872
Telephone (08) 9422 1100
Facsimile (08) 9227 8000
Email corporate@ctilogistics.com
Web www.ctilogistics.com

14 September 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.

A handwritten signature in black ink, appearing to read 'Owen Venter', is written over a faint, light-colored circular watermark.

Owen Venter
Company Secretary

2017 Full-year Results Presentation



GMK facility in Gregory Hills NSW

- CTI Logistics Limited is a transport and logistics provider in couriers, parcels, taxi trucks, fleet management, regional freight, 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 700 vehicles on the road ranging from courier vehicles to triple road train combinations

Refer to page 22 for Disclaimer Statement



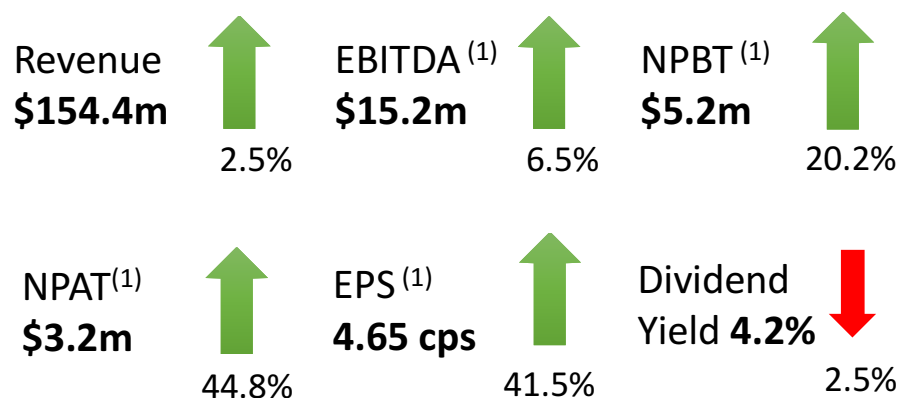
Behind the headline numbers

FY17 Results

The group fared well in 2017, with revenue up 2.5%, EBITDA up 6.5%, NPBT up 20.2% and EPS up 41.5%. These positive results have been achieved in trying market conditions. When comparing our 2017 results against the previous year, it is important to note:

- the previous year results included a one-off profit of \$18.9m on the sale and lease-back of a long time held warehousing facility in Western Australia, and
- the group generates 65% of its revenue in Western Australia, which has seen a significant downturn in activity in most business sectors.

The group's 18 months "cost down and productivity program" has positioned the company to generate solid uplifts in margins when the Western Australian economy improves.



(1) Excluding property and acquisition related adjustments

Reconciliation of Net Profit Before Tax	FY June 17 \$m	FY June 16 \$m
Reported Net Profit Before Tax	7.8	22.1
Property and acquisition related adjustments		
Less: Profit on sale of properties	(2.9)	(18.9)
Add: Impairment of investment properties	-	2.5
Adjust: GMK deferred contingent payment	0.3	(1.3)
Net Profit Before Tax excluding above adjustments	5.2	4.3

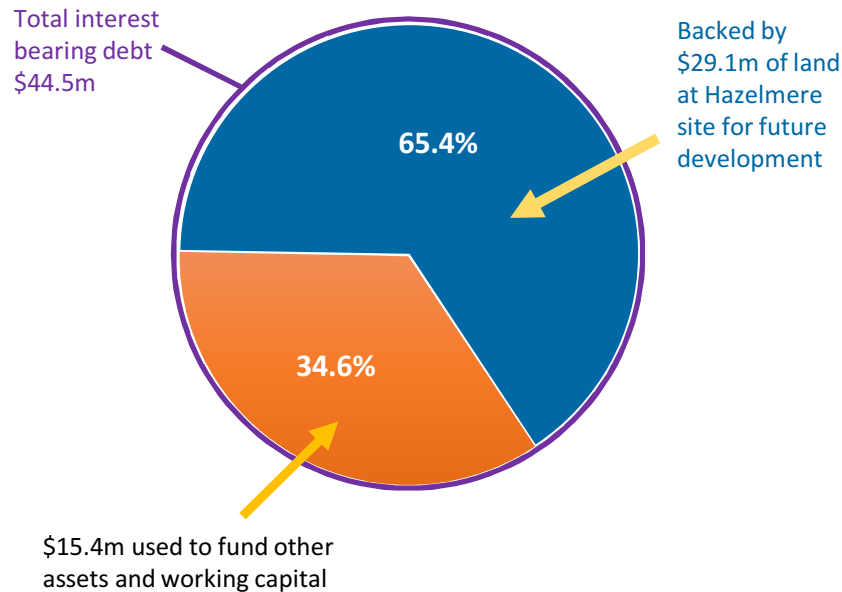
Reduced debt levels

The group has reduced debt by \$15.5m (25.8%) in the period through strong cash flow generation, a small capital raising and sale of property.

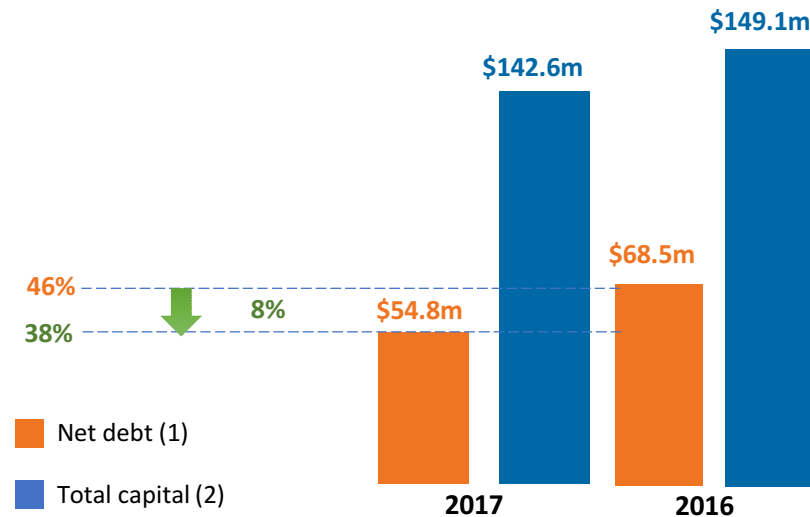
Current debt stands at \$44.5m, with \$29.1m of that debt relating to the 95,000 square metres of undeveloped land held at Hazelmere, WA. This land adjoins our Company-owned Hazelmere warehousing facility which presently covers 54,000 square metres.

The group’s medium-to-long term plan is to fully develop Hazelmere as a state of the art warehousing and freight hub that will allow the Company to consolidate several complementary business units as leases expire, as well the possible sale of other company owned properties, resulting in significant operational efficiency gains and cost savings.

Asset backed lending



Significant improvement in gearing



- (1) Net debt is total borrowing and trade and other payables less cash and cash equivalents
- (2) Total capital is equity plus net debt

Property underpinning the share price

The group has always owned a number of properties which over the years have served the Company well by adding strength to the Company’s balance sheet.

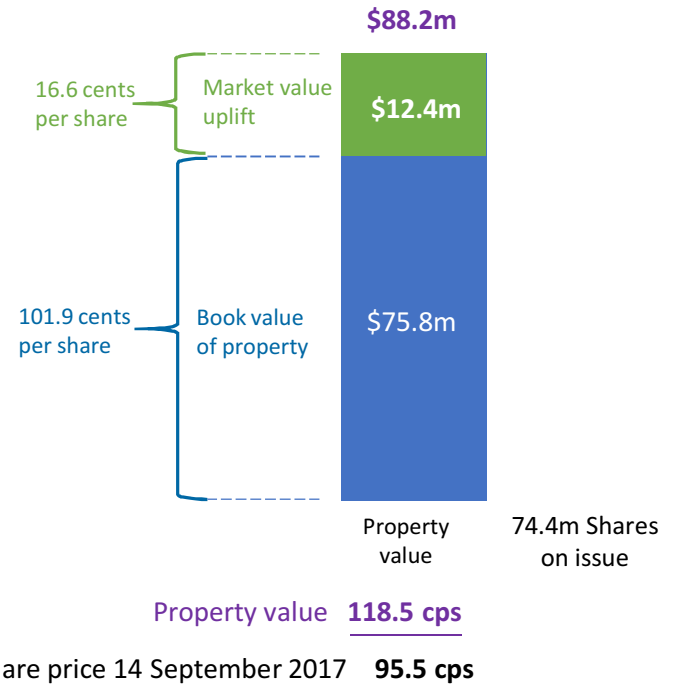
In the year ending 2016 the Company sold one of its warehousing facilities on a sale and lease-back arrangement that generated a profit of \$18.9m. The profit was reinvested back into the business to facilitate the purchase of GMK Logistics.

The group accounts for its property at cost. As of 30 June 2017, the property holdings at book value were \$75.8m, against a market value of \$88.2m, amounting to a \$12.4m upside difference, equating to 16.6 cents per share.

The business units that operate from Company owned properties pay commercial lease rates and outgoings.

The group has 95,000 square metres of strategically located undeveloped land at Hazelmere valued at \$29.1m for future expansion.

Property backed share price



Successfully integrating businesses

The acquisition of GMK Logistics in June 2015 has been a success. The transition and integration into the CTI group has been seamless. GMK continues to perform to expectation.

In September 2016, the group acquired SRH Transport, a small Western Australian based regional carrier. The business was purchased at asset value and has been successfully merged with the CTI Freightlines business that provides scheduled services to the South West and North West of Western Australia. Although marginally profitable as a stand-alone operation, the SRH Transport revenue when rolled into CTI Freightlines provides a substantial improvement in margin and cash flow for that business.

The group's objective is to continue to develop a "second to none" regional network in Western Australia that will provide the Company with genuine strategic advantages in the future.



What we look for in an acquisition

The group continues to pursue acquisition opportunities across Australia that complement our stated goal of building a profitable national transport and logistics business. The mandate for acquisitions follows strict criteria:

- Needs to make strategic sense why the potential acquisition would add value to building our national business
- Will be acquired for a fair and reasonable earnings multiple
- Must be earnings-per-share accretive (without any synergies that may come from the acquisition)
- Preferably with a niche position within the markets in which they operate
- A management team that is aligned with CTI's customer service and safety culture



Building a national transport and logistics company

The 2015 acquisition of GMK Logistics was the first step in developing CTI into a national provider of transport and logistics services.

GMK has warehousing facilities in Sydney, Melbourne, Brisbane, Adelaide and Perth. They provide specialised 3PL services to the flooring industry and operate a national road and rail distribution service for flooring products.

The GMK facilities provide CTI with a beachhead in each State to cost-effectively pursue organic growth on the Eastern Seaboard in the transport and logistics disciplines the Company has been providing in Western Australia for more than 40 years.



CTI South Australia

In 2016 CTI established a warehousing and cross dock facility in Adelaide. This operation has grown steadily from a zero base with the support of several long-term clients of our Western Australian services. Recently we secured a 3PL contract for a global wine group that strengthens our position in South Australia for future growth.



CTI Victoria

In 2017 CTI commenced 3PL services in Melbourne for an existing client that we have been servicing in Western Australia and South Australia. Late September will see another current client commence in Melbourne, with several others committing to coming on board.



The next step

The Company is actively engaged with our client base to seek opportunities to quote on work in the Eastern Seaboard, and is confident of winning work in all States going forward.

This strategy will be augmented by selective acquisitions in the various States to increase our footprint.


Financial Review

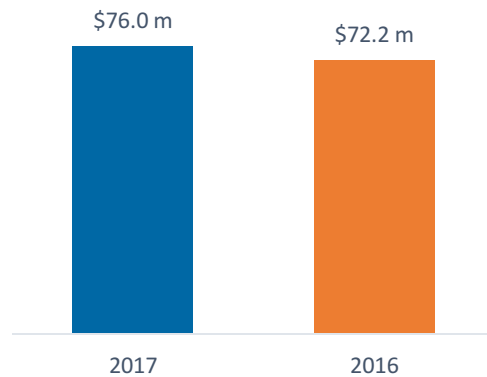


Consumer Protection media conference held at CTI Shredding & Recycling processing plant to warn the public of scam letters – January 2017

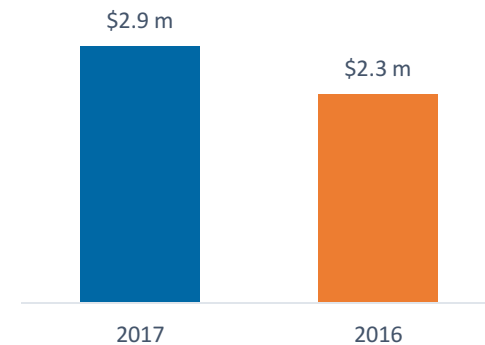
Financial review for Transport Segment

For the year ended 30 June 2017

Revenue **\$76.0m** 
5.2% up



Net Profit Before Tax **\$2.9m** 
22.9% up



The difficult market conditions have continued in Western Australia

Purchase of SRH Transport in September 2016 has bolstered the CTI Freightlines and Bunbury Freight Services revenue

Courier and Taxi Truck volumes remained flat

Parcel volumes and pricing have held up reflecting growth in e-commerce activity

Continued focus on efficiency and cost reduction to mitigate impact on margins


Improvement in CTI Freightlines and Bunbury Freight Services margins following the SRH acquisition

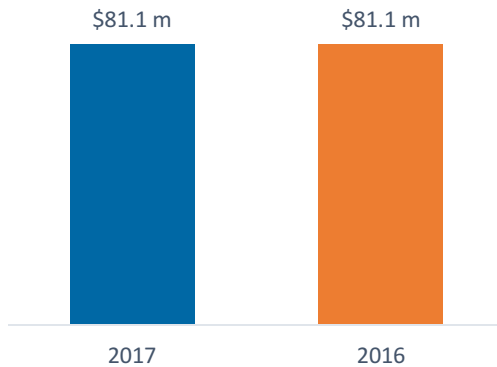
Courier and Taxi Truck margins maintained

Parcel margins benefitting from increased volume

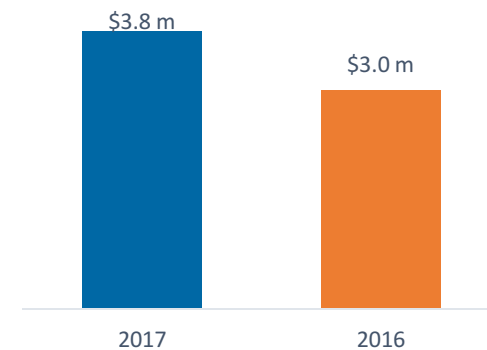
Financial review for Logistics Segment

For the year ended 30 June 2017

Revenue **\$81.1m** 
0.01% up



Net Profit Before Tax **\$3.8m** 
26.4% up



Revenue for the segment is in line with last year

GMK revenue up following the expansion at Gregory Hills site in New South Wales and onboarding of three new clients

Minerals and Energy activity declined in line with expectations

Significant improvement in margins due to:


- ongoing sustainable cost saving initiatives; and
- delivery of ongoing productivity gains

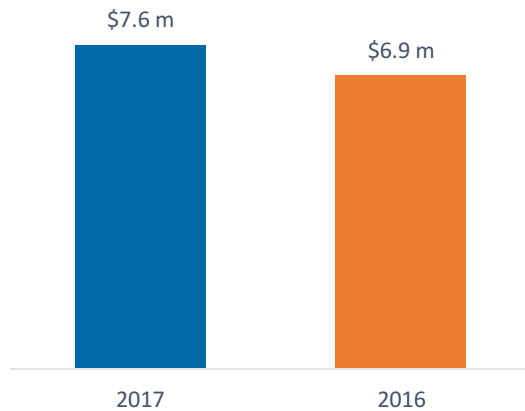
Residual lease costs relating to Minerals and Energy activity

Margin pressure from warehouse clients across all sites continues to be a challenge in Western Australia

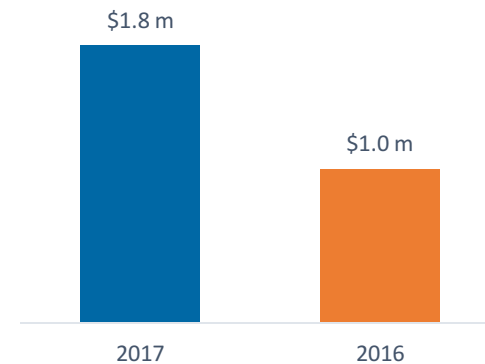
Financial review for 'Other' Segment

For the year ended 30 June 2017

Revenue **\$7.6m** 
9.9% up



Net Profit Before Tax **\$1.8m** 
71.7% up



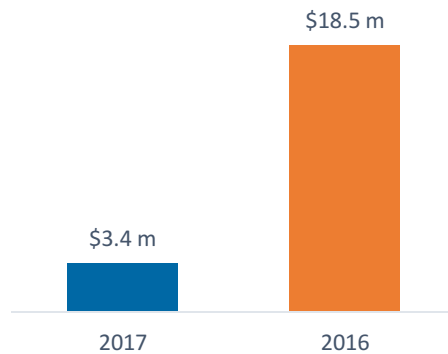
Security monitoring revenue up marginally
Significant growth experienced in installation and service activity
Internal equipment hire revenue down in line with decline in Western Australia activity

Security installation and service margins improved as a result of increased activity
Internal equipment hire margin down in line with Western Australia activity
Other also includes movements in unallocated reconciling items in the year

Financial review for Property Segment

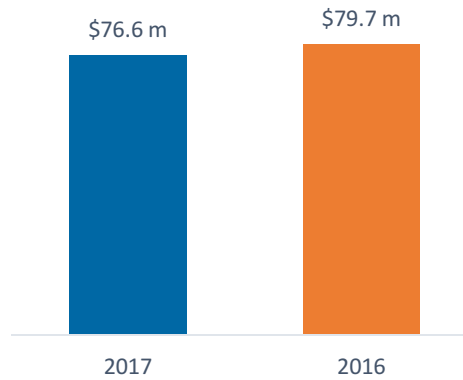
For the year ended 30 June 2017

Profit **\$3.4m**



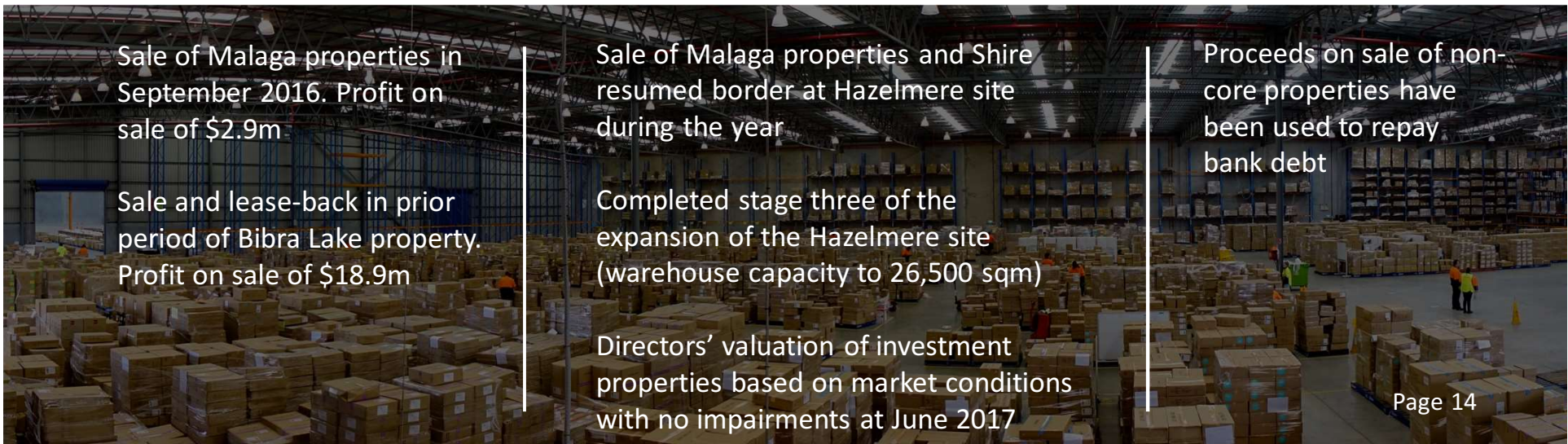
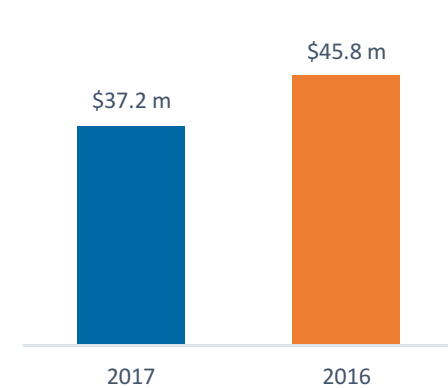
Assets **\$76.6m**

3.86% down



Liabilities **\$37.2m**

18.6% down



Sale of Malaga properties in September 2016. Profit on sale of \$2.9m

Sale and lease-back in prior period of Bibra Lake property. Profit on sale of \$18.9m

Sale of Malaga properties and Shire resumed border at Hazelmere site during the year

Completed stage three of the expansion of the Hazelmere site (warehouse capacity to 26,500 sqm)

Directors' valuation of investment properties based on market conditions with no impairments at June 2017

Proceeds on sale of non-core properties have been used to repay bank debt

Consolidated Balance Sheet

For the year ended 30 June 2017



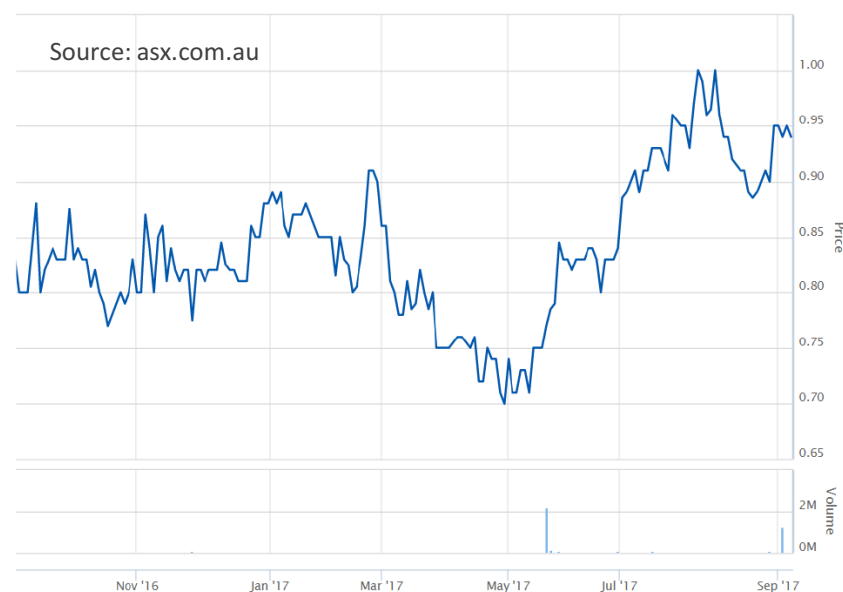
	Jun 2017 \$m	Jun 2016 \$m	Commentary
Assets			
Cash and cash equivalents	4.3	2.2	Strong cash flow of \$17.6m (2016 \$9.9m) generated in the period following sale of properties and lower tax payments following use of capital losses
Receivables and prepayments	20.1	20.0	Improvement in debtors days Increase of \$330k in doubtful debts due to current market conditions
Inventories	0.1	0.1	
Income tax receivable	-	1.7	Refund of \$2.4m received in January 2017 in respect of 30 June 2016 year end including \$607k relating to R&D credit following investment in IT
Property held-for-sale	1.3	2.3	Sale of non-core properties in September 2017 (2016 relates to Malaga properties)
Current assets	25.8	26.3	
Other	0.1	0.1	Reduction relates to write down in market value of shares held
Property, plant & equipment	96.9	98.0	In addition to acquisition of assets for ongoing Capex net of depreciation, additions include SRH assets of \$1.6m acquired in September 2016
Investment properties	2.2	3.6	One non-core investment property remaining in West Perth
Intangibles	29.6	29.9	Addition of \$230k of Customer relationships relating to SRH acquisition along with amortisation of intangible assets
Non-current assets	128.8	131.6	
Total assets	154.6	157.9	
Liabilities			
Trade and other payables	14.6	10.9	Trade and other payables increased mainly due to timing of payroll, GST and insurance accruals
Borrowings	1.6	1.7	Current portion of financed assets
Current tax liabilities	1.3	-	Tax liability arising in respect of current year profits earned
Provisions	4.2	3.9	Current portion of leave provisions
Current liabilities	21.7	16.5	
Borrowings	42.9	58.3	Interest bearing debt reduced by \$15.5m from proceeds of sale of property and strong cash flow generated in the year
Deferred tax liabilities	0.7	1.6	As a result of movement in deferred items in the year
Provisions and other liabilities	1.5	1.1	Long term portion of leave provisions
Non-current liabilities	45.2	61.0	
Total liabilities	66.9	77.5	
Total net assets	87.8	80.4	Increase in net assets of 9.2%
Number of shares on issue	74.4	70.7	Issue of shares including DRP / BSP in April and placement in May 2017
Net Tangible Asset per share at valuation	0.95	0.97	Directors' valuation above book value of \$12.4m (2016 - \$17.9m)

	Shareholders at 14 September 2017	Number of FPO	Percentage of Issued Capital (%)
1	David R Watson	25,324,082	34.05%
2	Simon D Kenworthy	3,906,399	5.25%
3	HSBC Custody Nominees Ltd	3,705,786	4.98%
4	David A Mellor	3,694,319	4.97%
5	JP Morgan Nominees Australia Ltd	3,379,647	4.54%
6	Bruce E Saxild	3,329,793	4.48%
7	Parmelia Pty Ltd	3,221,939	4.33%
8	Forager Australian Shares Fund	2,750,000	3.70%
9	Dixson Trust Pty Ltd	1,686,633	2.27%
10	Bond Street Custodians Ltd	755,968	1.02%
	Other	22,626,723	30.42%
	Total	74,381,289	100.00%

Corporate Information

ASX Code	CLX
Shares on Issue	74.4M
Options on Issue	Nil
Share Price at 14 September 2017	\$0.96
Market Capitalisation	\$68.7M

CTI Logistics Limited – share price trading volume



Movement in Share Capital

	Movement	Total
At 30 June 2015		68.0M
November 2015 – BSP and DRP	0.5M	68.5M
November 2015 – Share issue	1.7M	70.2M
April 2016 – BSB and DRP	0.5M	70.7M
At 30 June 2016		70.7M
January 2017 – Employee Share Plan	0.3M	71.0M
April 2017 – BSB and DRP	0.2M	71.2M
May 2017 – Share issue	3.2M	74.4M
At 30 June 2017		74.4M

- Complete stage two of GMK's Gregory Hills (NSW) 3PL facility – adding an additional 6,000m² of warehousing capacity to accommodate growth, taking the site to 22,000m² of storage area
- Continue to execute value adding acquisitions in the transport and logistics space on the Eastern Seaboard
- Expand and strengthen Western Australian regional freight network by seeking out bolt on acquisitions that can be rolled into the existing network
- Continue organic growth of our transport and logistics services on the Eastern Seaboard to reduce the dependency on the Western Australian economy
- Continue cost saving and sustainable productivity initiatives across all business units
- Commission stage one module (payroll and human resources) of our new company-wide fully integrated ERP system



Couriers

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

Taxi Trucks

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

Parcels

- Same day and overnight distribution
- E-commerce "last mile" home delivery system
- Two and four runs a day services



Regional Freight

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

Freight Forwarding

- Intrastate road freight
- Interstate freight
- International freight

Specialised Transport

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

Fleet Management

- Provision of dedicated trucks and trailers on permanent hire



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



Minerals and Energy Logistics

- Supply base warehousing and asset management
- Labour hire
- Plant and equipment hire
- Quarantine cleaning and fumigation
- Pest control
- Plant and equipment preservation wrapping



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



DISCLAIMER

This presentation contains general and background information about CTI Logistics Limited (CTI, the Company) current as at the date of the presentation and should not be considered to be comprehensive or complete or to comprise all the information that an investor should consider when making an investment decision. It should be read in conjunction with the information provided to ASX. CTI is not responsible for providing updated information and assumes no responsibility to do so, except as required by the Corporations Act.

This presentation is not financial product advice, investment advice or a recommendation to acquire securities and has been prepared without taking into account the objectives, financial situation or needs of individuals.

This presentation is not, and should not be considered as, an offer or an invitation to acquire securities in CTI or any other financial products and neither this document nor any of its contents will form the basis of any contract or commitment. This presentation is not a prospectus.

Neither this presentation nor any of its contents may be reproduced or used without the prior written consent of CTI.

This presentation may contain forward looking statements and opinion. Any forward looking statements, opinion or estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Any forward looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of CTI. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast.

CTI and its related bodies corporate and each of their respective directors, agents, officers, employees and advisers expressly disclaim, to the maximum extent permitted by law, all liabilities (however caused, including negligence) in respect of, make no representations regarding, and take no responsibility for, any part of this presentation and make no representation or warranty as to the currency, accuracy, reliability or completeness of any information, statements, opinions, conclusions or representations contained in this presentation. In particular, this presentation does not constitute, and shall not be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of CTI.

Transport



Logistics



Security Services

