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30 August 2018

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 positioned above the printed name and title.

Owen Venter  
Company Secretary

## June 2018 Full Year Results Presentation



Forrestfield Freight Depot

- CTI Logistics Limited is a transport and logistics provider in couriers, parcels, taxi trucks, fleet management, interstate and 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 750 vehicles on the road ranging from courier vehicles to triple road train combinations



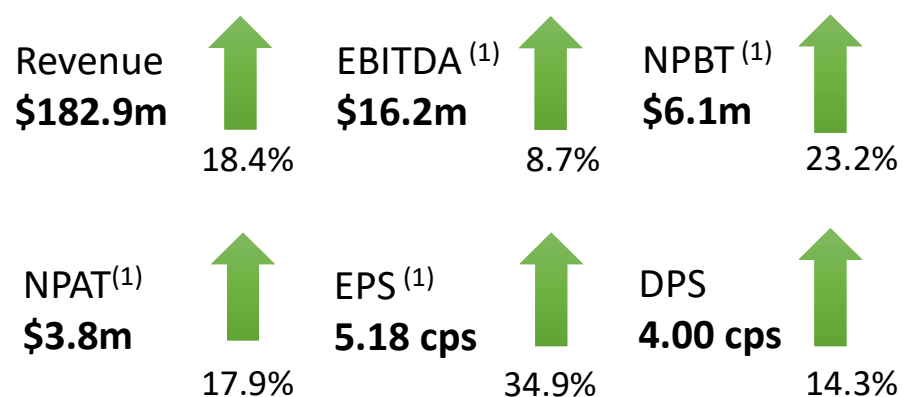
Refer to page 20 for Disclaimer Statement

### Full Year June 2018 Results

The group is pleased to report our June 2018 full year results showing; Revenue up 18.4%, EBITDA up 8.7%, NPBT up 23.2% and EPS up 34.9% after excluding property related adjustments.

These positive results have been achieved through a combination of acquisitions, east coast expansion and despite continued challenging market conditions in Western Australia, noting 60% of the group's revenue is generated from this State.

The current and previous year results include profit on sale of \$0.3m and \$2.9m respectively in respect of the sale of non-core properties in Western Australia.



| Reconciliation of Net Profit Before Tax       | June 18<br>\$m | June 17<br>\$m |
|-----------------------------------------------|----------------|----------------|
| Reported Net Profit Before Tax                | 6.4            | 7.8            |
| Property and acquisition related adjustments  |                |                |
| Less: Profit on sale of properties            | (0.3)          | (2.9)          |
| Profit before tax excluding above adjustments | 6.1            | 4.9            |

(1) Excluding property related adjustments

## Jayde Transport acquisition

In line with our stated objective of growing a national transport and logistics network, the group acquired the business Jayde Transport (Jayde), a specialist interstate road, rail and warehousing business in October 2017.

The purchase price included a cash payment of \$6.5m at settlement (funded through existing facilities), a deferred payment of \$1m on 30 April 2018 and contingent consideration of up to \$2.85m on or before 15 February 2019.

Jayde has 37 years' experience in interstate road and rail freight services across Australia operating their own depots in Perth, Adelaide and Melbourne, with agency agreements in Sydney, Brisbane and Darwin.

In June 2018 Jayde opened a depot in Sydney and expanded scheduled services to and from Sydney. A Brisbane depot will open late September 2018.



## Stirling Freight Express acquisition

In line with stated plan to expand and strengthen our Western Australian regional freight network, the group acquired Stirling Freight Express (Stirling) in July 2018.

The purchase price included a cash payment of \$4.5m at settlement (funded through existing facilities).

Stirling has 28 years' experience in providing freight services across Western Australia, operating their own depots in Perth, Bunbury, Albany, Geraldton, Kalgoorlie, Merredin and a number of regional agents covering smaller towns.

Stirling provides nightly services to 47 regional towns.

Stirling has been rolled into CTI's established regional network which is already crystallizing operational synergies and financial benefits.

### ***STIRLING FREIGHT EXPRESS***



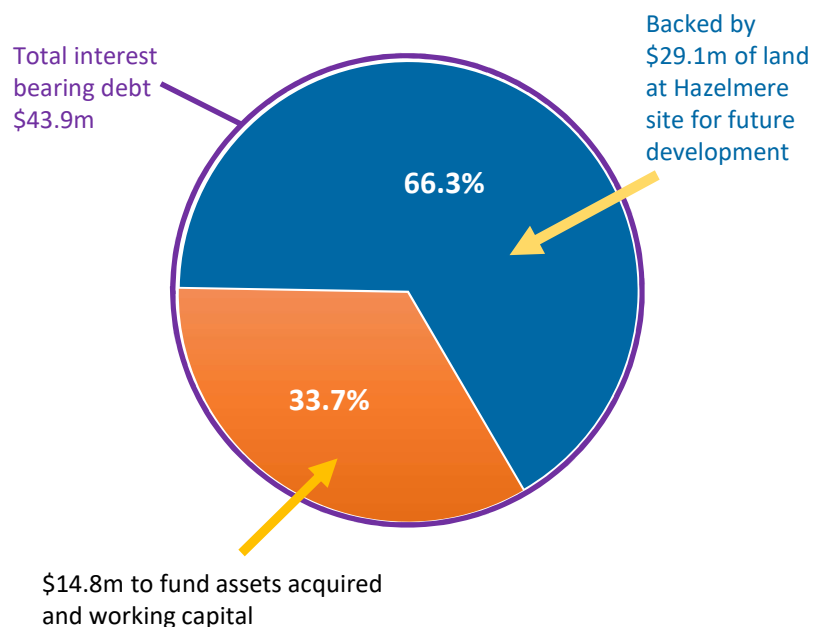
## Maintaining debt levels

The group generated strong underlying cash flows sufficient to fund the purchase of Jayde \$7.5m along with related working capital of \$1.5m while maintaining borrowings at similar levels. Interest has fallen 8% period over period due mainly to lower levels of borrowings in the first half of FY18 consistent with our strategy to lower the overall gearing ratio.

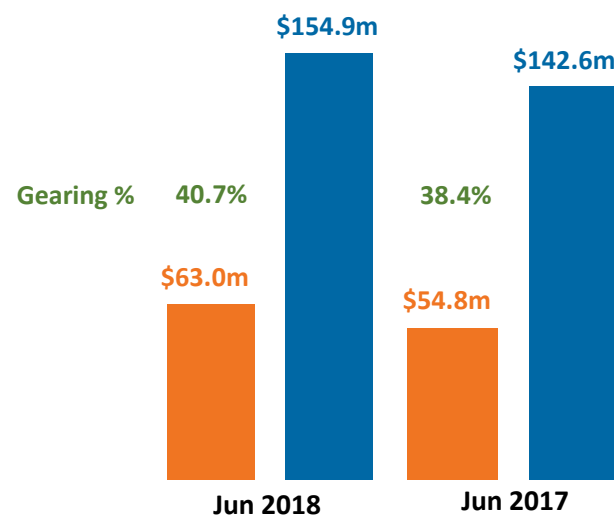
The initial acquisition payment of \$6.5m and subsequent \$1.0m deferred payment for Jayde Transport was made from available banking facilities.

Including the impact of the Jayde acquisition, the investment in fixed assets, proceeds from the sale of non-core property and the dividends which were both funded through placements, current interest bearing debt stands at \$43.9m (down from \$44.5m at 30 June 2017), with \$29.1m of that debt relating to the 95,000 square metres of undeveloped land held at Hazelmere, Western Australia. This land adjoins our Company-owned Hazelmere warehousing facility which presently covers 54,000m<sup>2</sup>.

### Asset backed lending



### Maintaining gearing levels



- Net debt - is total borrowing and trade and other payables less cash and cash equivalents
- 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.

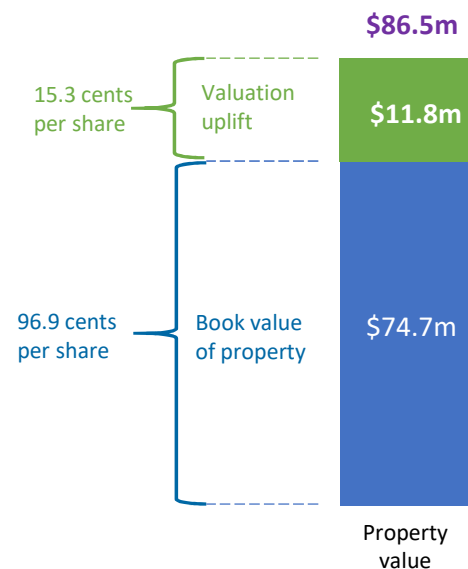
In the half year ending December 2017 the Company sold one of its non-core properties for \$1.6m. The profit was reinvested into the business to help facilitate the purchase of Jayde Transport.

The group accounts for its property at cost. At 30 June 2018, the property holdings at book value were \$74.7m, against a valuation of \$86.5m, amounting to a \$11.8m upside difference, equating to 15.3 cents per share.

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

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.

### Property backed share price



Property value **112.2 cps**

Share price 29 August 2018 **102.5 cps**

77.1m CTI shares on issue

Hazelmere facility



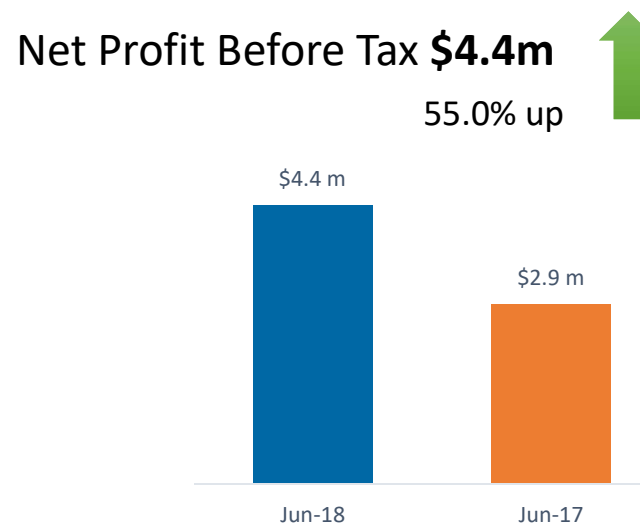
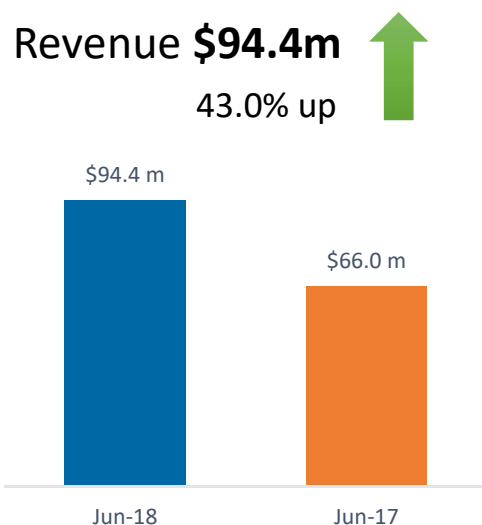
# Financial review



Bunbury Freight Services - Meelup

## Financial review for Transport Segment

For the year ended 30 June 2018



Purchase of Jayde Transport on 30 October 2017 has bolstered revenue

Parcel revenue has grown strongly with on-boarding of clients and growth in e-commerce activity

Courier volumes have remained flat

Difficult market conditions have continued in certain sectors in the Western Australian market

Contribution from the Jayde acquisition

Parcel margins have benefitted from increased volume and improved utilisation

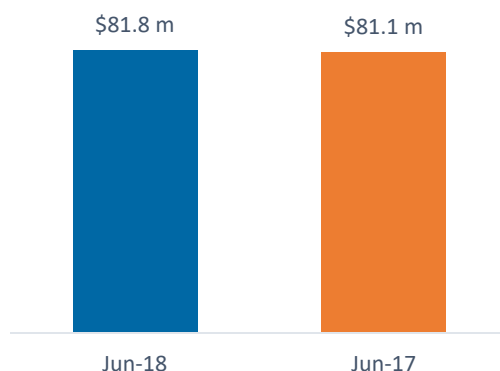
Courier and Taxi Truck margins remain under pressure in Western Australia

Continued focus on efficiency and cost reduction has mitigated impact on margins

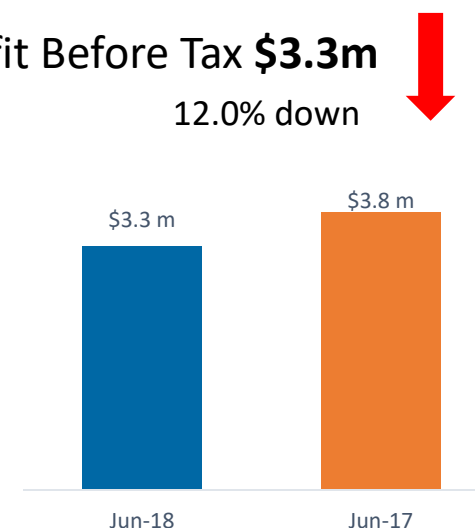
## Financial review for Logistics Segment

For the year ended 30 June 2018

Revenue **\$81.8m**  
0.8% up



Net Profit Before Tax **\$3.3m**  
12.0% down



Revenue for the segment is marginally up on last year

East coast revenue growth through planned expansion

Weaker than expected warehousing demand in Western Australia

Minerals and Energy activity declined in line with expectations

Cost of investment in expanding warehousing operations to east coast

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

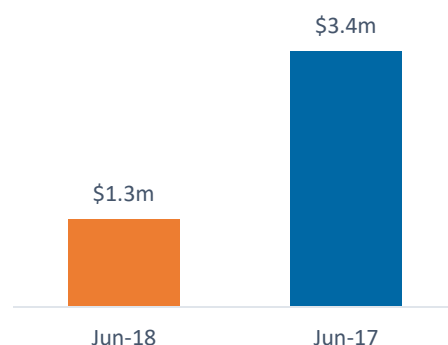
Increased costs incurred relating to closure of intermodal provider in the period

Residual lease costs incurred relating to Minerals and Energy activity

# Financial review for Property Segment

For the year ended 30 June 2018

## Profit **\$1.3m**

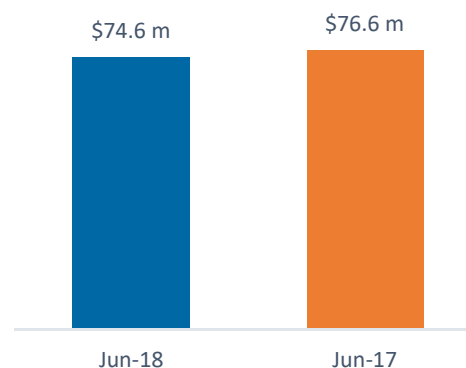


Sale of one non-core property in 2018 as well as two non-core properties in 2017

Profit on sale of \$0.3m and \$2.9m respectively

## Assets **\$74.6m**

2.6% down

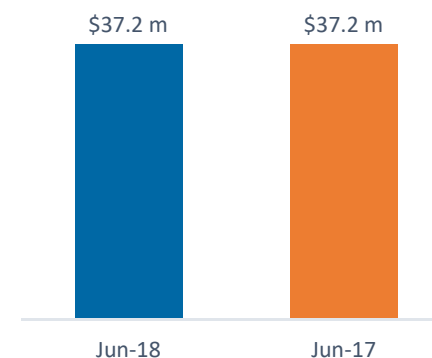


Sale of non-core property net of depreciation in the year with limited capital improvements in the year

Valuation of properties based on market conditions with no impairments at June 2018

## Liabilities **\$37.2m**

0.2% down



No significant movement during the year

# Consolidated Balance Sheet

For the year ended 30 June 2018

|                                  |                                  | June 2018<br>\$m | June 2017<br>\$m | Commentary                                                                                                                                                                        |
|----------------------------------|----------------------------------|------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Assets</b>                    | Cash and cash equivalents        | 2.0              | 4.3              | Strong cash flow generated in the period offset by funding of Jayde working capital requirements                                                                                  |
|                                  | Receivables and prepayments      | 29.0             | 20.1             | Debtors include Jayde receivables (no comparative) along with higher revenue in June 2018 compared to prior year                                                                  |
|                                  | Inventories                      | 0.2              | 0.1              |                                                                                                                                                                                   |
|                                  | Income tax receivable            | -                | -                |                                                                                                                                                                                   |
|                                  | Property held-for-sale           | -                | 1.3              | Sale of one non-core properties in September 2017                                                                                                                                 |
|                                  | <b>Current assets</b>            | <b>31.1</b>      | <b>25.8</b>      |                                                                                                                                                                                   |
|                                  | Other                            | 0.0              | 0.1              |                                                                                                                                                                                   |
|                                  | Property, plant & equipment      | 96.8             | 96.9             | Additions and Jayde assets of \$1.9m acquired net of depreciation for the year                                                                                                    |
|                                  | Investment properties            | 2.2              | 2.2              | One remaining non-core investment property                                                                                                                                        |
|                                  | Intangibles                      | 34.6             | 29.6             | Goodwill, customer relationships and brand names relating to Jayde acquisition net of amortisation of intangible assets in the year                                               |
|                                  | <b>Non-current assets</b>        | <b>133.6</b>     | <b>128.8</b>     |                                                                                                                                                                                   |
|                                  | <b>Total assets</b>              | <b>164.7</b>     | <b>154.6</b>     |                                                                                                                                                                                   |
| <b>Liabilities</b>               | Trade and other payables         | 21.1             | 14.6             | Increased trade levels at June 2018 compared to the prior year as well as Jayde payables (no comparative), along with movements in accruals relating to PAYG, payroll tax and GST |
|                                  | Borrowings                       | 1.6              | 1.6              | Current portion of financed assets                                                                                                                                                |
|                                  | Current tax liabilities          | 0.6              | 1.3              |                                                                                                                                                                                   |
|                                  | Provisions                       | 4.8              | 4.2              | Current portion of leave provisions including transferring employees from Jayde                                                                                                   |
|                                  | <b>Current liabilities</b>       | <b>28.2</b>      | <b>21.7</b>      |                                                                                                                                                                                   |
|                                  | Borrowings                       | 42.3             | 42.9             | Interest bearing debt reduced from proceeds of sale of property and strong cash flow generated in the period                                                                      |
|                                  | Deferred tax liabilities         | 0.1              | 0.7              |                                                                                                                                                                                   |
|                                  | Provisions and other liabilities | 2.3              | 1.5              | Long term portion of leave provisions                                                                                                                                             |
|                                  | <b>Non-current liabilities</b>   | <b>44.7</b>      | <b>45.2</b>      |                                                                                                                                                                                   |
|                                  | <b>Total liabilities</b>         | <b>72.8</b>      | <b>66.9</b>      |                                                                                                                                                                                   |
| <b>Total net assets</b>          |                                  | <b>91.9</b>      | <b>87.8</b>      |                                                                                                                                                                                   |
| <b>Number of shares on issue</b> |                                  | <b>77.1</b>      | <b>74.4</b>      | 2.5m shares issued in November 2017 and April 18 for DRP, BSP and placement for dividend                                                                                          |

# Corporate Dashboard



|    | Shareholders at<br>31 July 2018  | Number of<br>FPO  | Percentage<br>of Issued<br>Capital (%) |
|----|----------------------------------|-------------------|----------------------------------------|
| 1  | David R Watson                   | 25,324,082        | 32.83%                                 |
| 2  | JP Morgan Nominees Australia Ltd | 8,694,213         | 11.27%                                 |
| 3  | Simon Dirk Kenworthy-Groen       | 3,906,399         | 5.06%                                  |
| 4  | David A Mellor                   | 3,694,319         | 4.79%                                  |
| 5  | Parmelia Pty Ltd                 | 3,335,275         | 4.32%                                  |
| 6  | Bruce E Saxild                   | 3,329,793         | 4.32%                                  |
| 7  | HSBC Custody Nominees Ltd        | 3,036,052         | 3.94%                                  |
| 8  | Dixon Trust Pty Ltd              | 1,686,633         | 2.19%                                  |
| 9  | Bond Street Custodians Ltd       | 903,831           | 1.17%                                  |
| 10 | Coram Pty Ltd                    | 627,131           | 0.81%                                  |
|    | Other                            | 22,601,049        | 29.30%                                 |
|    | <b>Total</b>                     | <b>77,138,777</b> | <b>100.00%</b>                         |

## Corporate Information

|                               |         |
|-------------------------------|---------|
| ASX Code                      | CLX     |
| Shares on Issue               | 77.1M   |
| Options on Issue              | Nil     |
| Share Price at 29 August 2018 | \$1.025 |
| Market Capitalisation         | \$79.1M |

## CTI Logistics Limited – share price trading volume



## Movement in Share Capital

|                                     | Movement | Total |
|-------------------------------------|----------|-------|
| At 30 June 2017                     |          | 74.4M |
| November 2017 – BSB and DRP         | 0.2M     | 74.6M |
| November 2017 – Share issue         | 1.0M     | 75.6M |
| December 2017 – Employee Share Plan | 0.2M     | 75.8M |
| At 31 December 2017                 |          | 75.8M |
| April 2018 – BSB and DRP            | 0.2M     | 76.0M |
| April 2018 – Share issue            | 1.1M     | 77.1M |
| At 30 June 2018                     |          | 77.1M |

## FY 2018 highlights

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- **Jayde Transport** - successfully integrated Jayde Transport into the CTI group and opened Sydney depot
- **Maintained net debt level** – after the acquisition of Jayde Transport
- **CTI Victoria** - on-boarded two major clients into the group's new Melbourne warehouse facility
- **CTI New South Wales** – take over the 3PL management and operations of a global tyre manufacturer within their Sydney warehousing facility



- Continue to assess and execute value-adding acquisitions with an emphasis on the Eastern seaboard
- Successfully integrate Stirling Freight Express into CTI's Western Australian regional freight network
- Successfully rollout an integrated transport and warehousing management software system in GMK Logistics nationally
- Establish Brisbane depot for Jayde Transport (currently handled by agent) and accommodate a national client
- Relocate two Western Australian warehouses (end of lease) into remaining CTI warehousing facilities
- Organically build our local transport footprint in South Australia and Victoria
- Continue cost saving and sustainable productivity initiatives across all business units



## 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



## Interstate Freight Services

- Scheduled road and rail services to and from Perth, Adelaide, Melbourne, Sydney and Brisbane

## Regional Freight

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

## 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
- 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 documents, computer media and mineral samples
- Cataloguing of documents
- Supervised destruction of documents and computer media



## 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.

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## Transport



**JAYDE TRANSPORT**  
*The Premium Service*



## Logistics



## Security Services

