



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](mailto:corporate@ctilogistics.com)  
Web [www.ctilogistics.com](http://www.ctilogistics.com)

9 November 2015

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  
Company Secretary



**Market Presentation – November 2015**





## **CTI Logistics Limited**

- ▶ **CTI Logistics Limited (CTI) is a provider of transport, logistics and security services**
- ▶ **CTI has been a publicly listed company since 1987 with its transport and logistics origins dating back to 1972**
- ▶ **CTI services in excess of 5,500 customers ranging from small local businesses through to ASX 100 companies**
- ▶ **CTI has more than 700 vehicles on the road ranging from courier vehicles through to triple road train combinations**

# Building a national transport and logistics network supported by local people and local knowledge

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

The June 2015 acquisition of GMK Logistics (GMK) lays the foundation for CTI to become one of Australia's leading providers of transport and logistics services in the disciplines in which we are experienced

GMK's national presence and distribution network provides an ideal beach head for CTI to cost effectively roll out nationally the services CTI has been providing the Western Australia marketplace since 1972

CTI will also target acquisitions across Australia that deliver accretive earnings





## FY15 KEY FINANCIALS

### Revenue

**\$124 million**

### EBITDA

**\$16.5 million**

### NPBT

**\$8.6 million**

### EPS

**9.25 cents**

### Dividend

**8.0 cents**

### Dividend yield

**6.5 %**



## FY15 KEY OPERATIONAL ACHIEVEMENTS

- ▶ Reduced our Lost Time Injury Frequency Rate (LTIFR) from 4.59 in 2014 to 1.85 in 2015
- ▶ Successful acquisition and integration of GMK Logistics
- ▶ Expansion of CTI transport and warehousing services into South Australia
- ▶ Completed stage two warehouse construction at our Hazelmere distribution centre
- ▶ Acquired an additional 67,000m<sup>2</sup> of land adjoining our Hazelmere distribution centre - increasing this strategic site to 154,000m<sup>2</sup> for future growth
- ▶ Successfully re-engineered our North West WA line haul business to accommodate the down turn in the minerals and energy sector
- ▶ Rolled out sign on glass and track and trace technology to our regional freight network
- ▶ Expanded our e-commerce warehousing footprint to accommodate pick and pack operations for online retailers
- ▶ Established a national security monitoring room alliance under the National Security Network (NSN) banner with ASIAL A1 Graded partners across Australia to target national sales opportunities

# 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
- ▶ Exclusive 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

## **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 and 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

## Our clients include

---





## About GMK

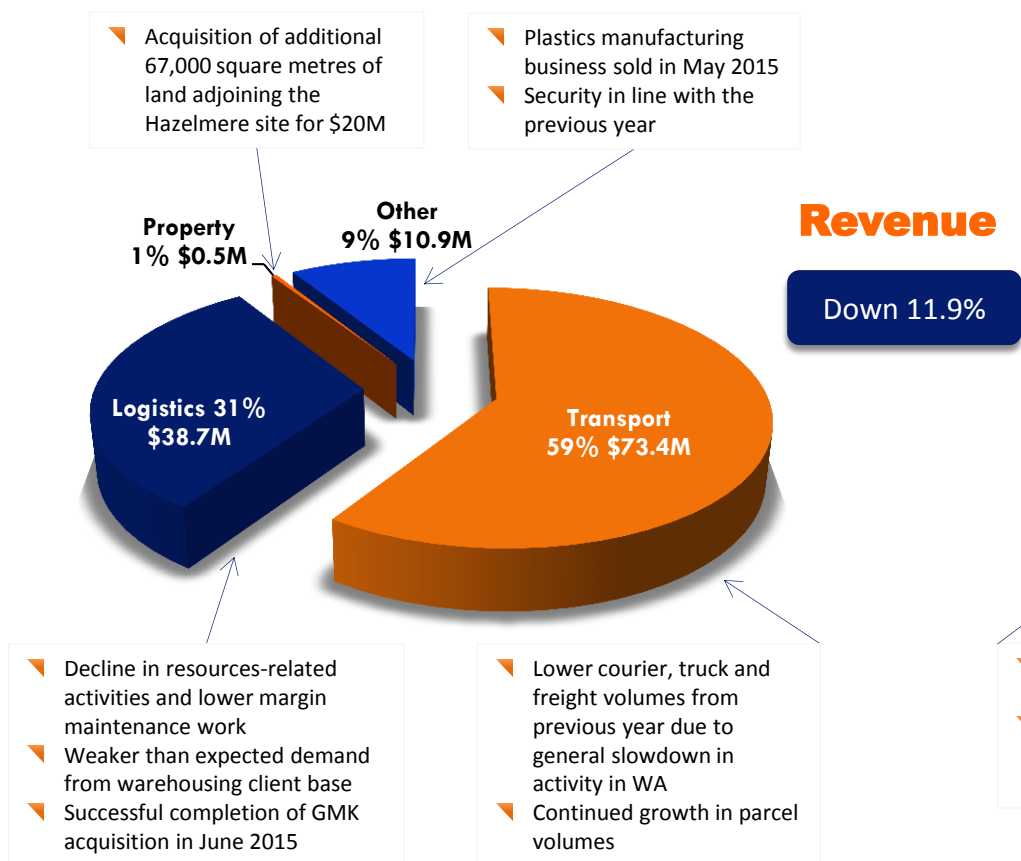
- ▶ **Market leader in the provision of warehousing and transport services to the flooring industry**
- ▶ **Over 40 years of experience in handling, storing and cutting flooring (vinyl and carpets)**
- ▶ **Warehousing facilities in Brisbane, Sydney, Newcastle, Melbourne, Adelaide and Perth**
- ▶ **Nationwide seamless distribution network for flooring products**
- ▶ **Specialised trucks and trailers throughout Australia customised to handle flooring products - efficiently, safely and to minimise the risk of damage**

## Why GMK

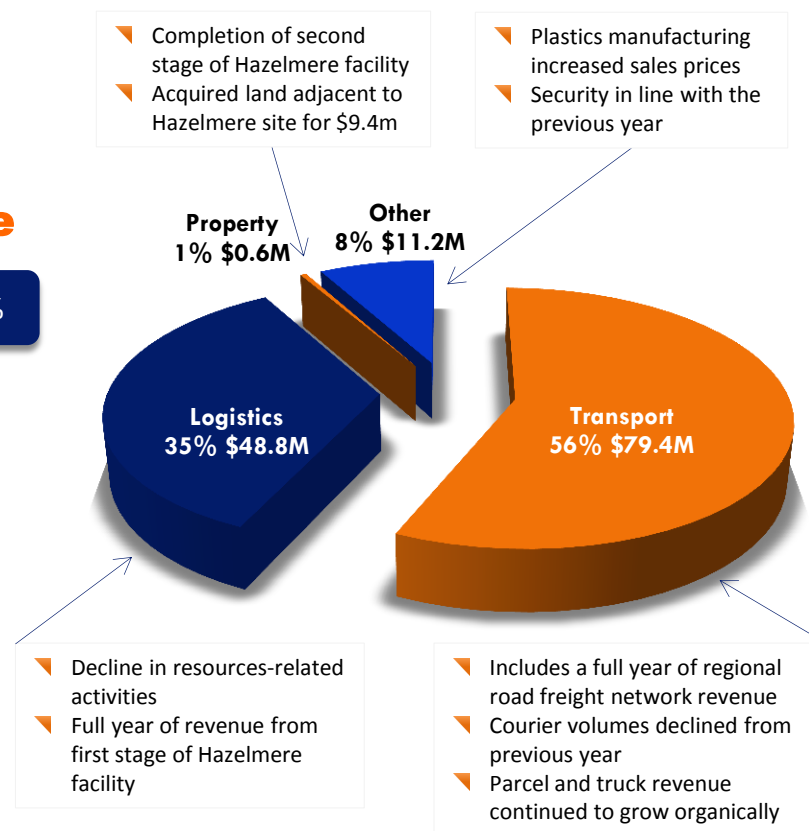
- ▶ **Niche market position with “barrier to entry” attributes**
- ▶ **Provides CTI with a strong national footprint from which to grow**
- ▶ **Talented management team experienced in a wide range of transport and logistics disciplines**

# Financials by Segment - Revenue

## June 2015



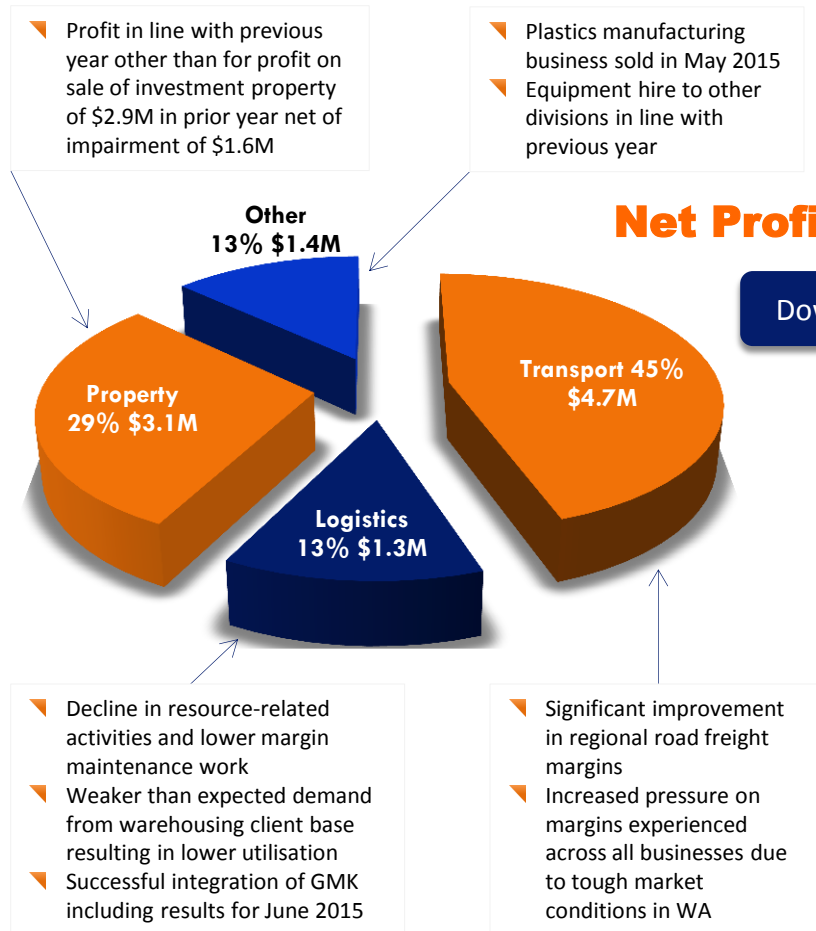
## June 2014



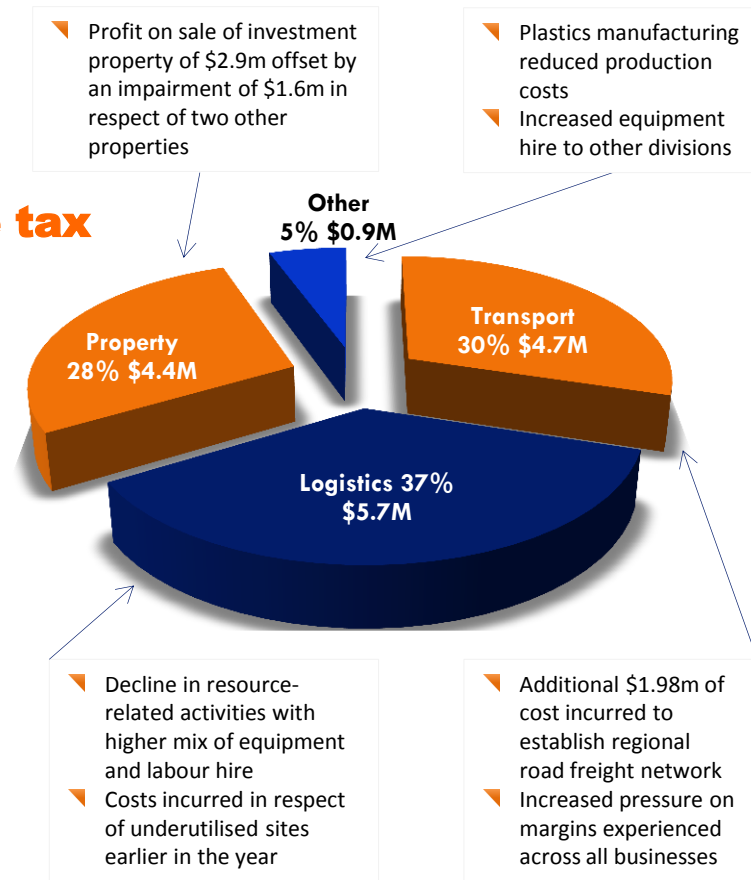


# Financials by Segment - NPBT

## June 2015

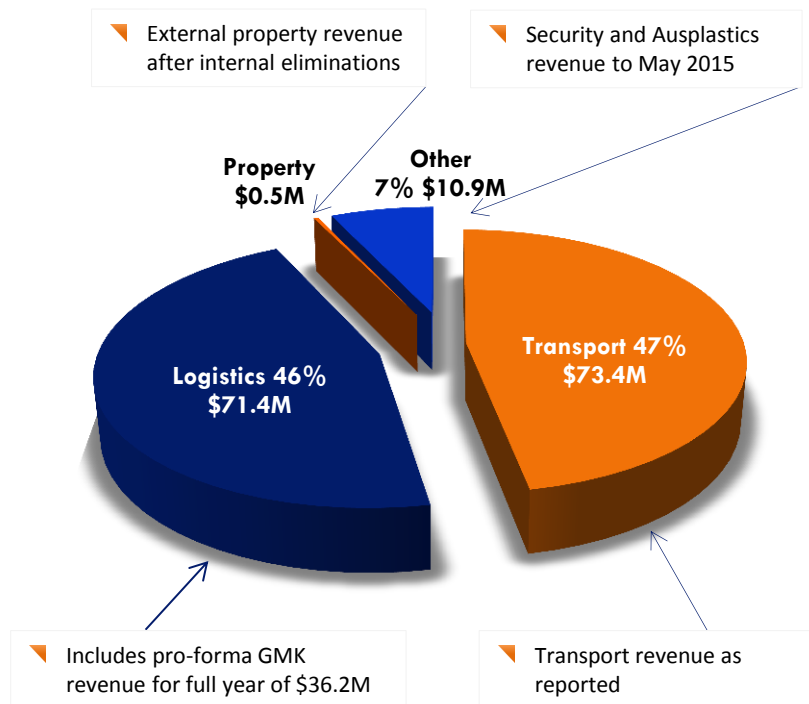


## June 2014

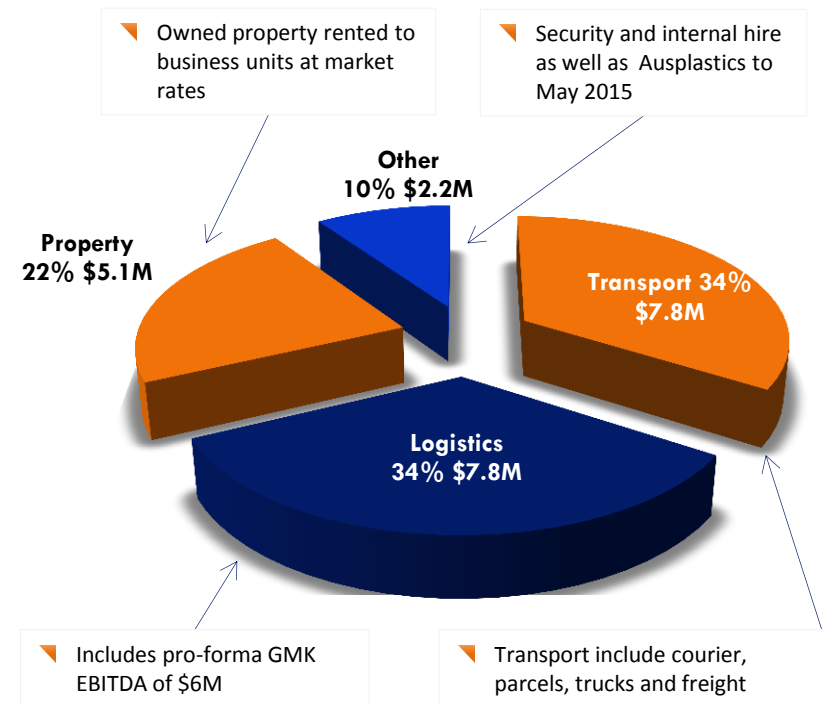


# FY15 Pro-forma Financials by Segment including GMK

## Revenue \$156.3M



## EBITDA \$22.8M



**Note:** Pro-forma Revenue and EBITDA are presented at segment level and do not include unallocated amounts



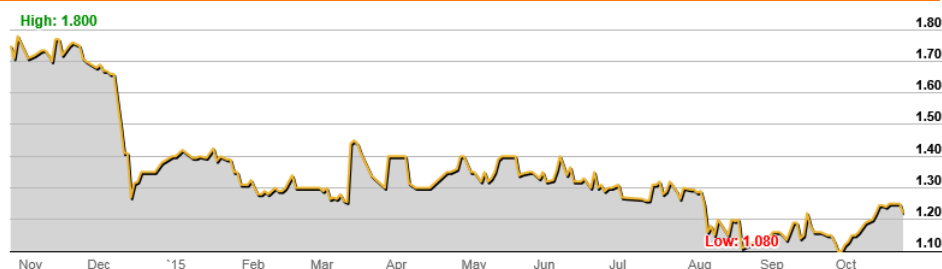
# Balance Sheet – FY15 Pro-forma including sale of property

Year ended 30 June	Pro-forma 2015 \$	2015 \$	2014 \$	Commentary on movements
Cash and cash equivalents	6,100,802	6,100,802	2,251,430	
Receivables and prepayments	21,086,429	21,086,429	22,224,381	▼ Reduction in line with lower revenue and continued tight controls over receivables in place
Inventories	365,258	365,258	1,778,196	▼ Sale of Ausplastics business including materials, work in progress and finished goods
Income tax receivable	975,966	975,966	-	
Property held-for-sale	-	6,748,932	-	▼ Planned sale of property at 30 June with Pro-forma reflecting sale for \$26M
<b>Current assets</b>	<b>28,528,455</b>	<b>35,277,387</b>	<b>26,254,007</b>	
Other	91,566	91,566	77,409	
Property, plant & equipment	108,853,894	89,317,623	70,537,198	▼ Acquisition of further Hazelmere property \$20M, Karratha property \$3M as well as PPE and vehicles. PPE includes \$11.5M of plant and equipment and \$12.9M of vehicles at 30 June 2015
Investment properties	6,079,644	6,079,644	7,543,368	▼ \$1.4M sale of property
Deferred tax assets	931,540	931,540	695,756	
Intangibles	28,707,770	28,707,770	5,510,345	▼ Purchase of GMK adding \$23.5M to goodwill on provisional accounting basis net of amortisation
<b>Non-current assets</b>	<b>144,664,414</b>	<b>125,128,143</b>	<b>84,364,076</b>	
<b>Total assets</b>	<b>173,192,869</b>	<b>160,405,530</b>	<b>110,618,083</b>	
Trade and other payables	11,712,997	25,212,997	11,733,802	▼ Reduction in line with lower costs, \$13.5M vendor loan paid in September 2015
Borrowings	2,574,972	2,574,972	2,494,848	▼ Short term portion of finance leases
Current tax liabilities	3,000,000	-	86,188	▼ Pro-forma tax payable on sale of property after use of capital losses
Provisions	3,853,124	3,853,124	2,749,228	▼ Increase in leave provisions from GMK acquisition
<b>Current liabilities</b>	<b>21,141,093</b>	<b>31,641,093</b>	<b>17,064,066</b>	
Borrowings	53,089,710	65,589,710	34,685,156	▼ Purchase of Hazelmere and Karratha properties \$23M, GMK acquisition \$27.7M less vendor loan in current liabilities of \$13.5M net of proceeds of property sale \$1.4M and repayment of borrowings and Pro-forma from sale of property \$26M
Provisions and other liabilities	1,015,075	1,015,075	765,928	▼ Increase in leave provisions from GMK acquisition
<b>Non-current liabilities</b>	<b>54,104,785</b>	<b>66,604,785</b>	<b>35,451,084</b>	
<b>Total liabilities</b>	<b>75,245,878</b>	<b>98,245,878</b>	<b>52,515,150</b>	
<b>Total net assets</b>	<b>97,946,991</b>	<b>62,159,652</b>	<b>58,102,933</b>	▼ Increase in net assets including \$2M issue of shares as part of GMK acquisition Pro-forma also includes profit on sale of property in October 2015 of \$19M
<b>Gearing Ratio net of cash</b>	<b>51%</b>	<b>99%</b>	<b>60%</b>	
<b>NTA per share at valuation</b>	<b>\$1.02</b>			
				Freehold Land and Buildings at cost at 30 June 2015 \$77,747,718 Freehold Land and Buildings at Directors' valuation at 30 June 2015 \$97,533,989

# Corporate Dashboard

Corporate Information	
ASX Code	CLX
Shares on Issue	68.0M
Options on Issue	Nil
Share Price at 6/11/2015	\$1.25
Market Capitalisation at 6/11/2015	\$85.0M

Shareholders at 30/9/2015	Number of Shares	Percentage
David R Watson	28,395,458	41.73%
HSBC Custody Nominees Ltd	4,109,025	6.04%
David A Mellor	3,694,319	5.43%
Bruce E Saxild	3,329,793	4.89%
William Grove	3,217,515	4.73%
Parmelia Pty Ltd	2,914,034	4.28%
Dixon Trust Pty Ltd	1,686,633	2.48%
National Nominees Ltd	861,942	1.27%
Grove Superannuation Pty Ltd	514,579	0.76%
Timeoff Super Pty Ltd	494,263	0.73%
Others	18,823,130	27.66%
Total	68,040,691	100.00%



Movement in Share Capital	Movement	Total
At 30 June 2006		11.4M
November 2006 – 3 for 1 Share split	22.8M	34.2M
December 2008 - 1 for 5 Bonus	6.8M	41.0M
December 2010 - 1 for 5 Bonus	8.2M	49.2M
December 2011 - ESP	1.1M	50.3M
June 2012 - 1 for 5 Bonus	10.0M	60.3M
February 2013 – ESP	0.3M	60.6M
May 2013 - Share Issue, BSP and DRP	1.1M	61.7M
August 2013 - Share Issue	3.1M	64.8M
November 2013 – BSP and DRP	0.2M	65.0M
April 2014 – BSP and DRP	0.3M	65.3M
November 2014 – ESP, BSP and DRP	0.9M	66.2M
April 2015 – BSP and DRP	0.4M	66.6M
June 2015 – Share Issue – GMK acquisition	1.4M	68.0M



## FY16 INITIATIVES

- ▶ Continue to expand transport and logistics services on a national basis by leveraging the current CTI client base that use our services in Western Australia
- ▶ Complete the development of our new online delivery platform
- ▶ Develop stage three of Hazelmere distribution centre – adding an additional 13,500m<sup>2</sup> of warehousing and 10,000m<sup>2</sup> of hardstand for growth requirements of existing contract warehousing clients
- ▶ Evaluate further property sales following the completed sale and lease back of Bibra Lake distribution centre
- ▶ Introduce a new transport and warehousing management system into GMK to improve the customer experience and gain operational efficiencies
- ▶ Implement a state of the art security software platform to cater for current and emerging technologies in the monitored alarm, CCTV video verification and home automation sectors
- ▶ Target EPS accretive acquisitions across Australia that complement our transport and logistics skill sets

## Transport



## Logistics



## Security Services





# Disclaimer

This presentation contains general and background information about CTI Logistics Limited (CTI Logistics) 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 solely in conjunction with the information provided to ASX. CTI Logistics 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 Logistics 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 Logistics.

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 Logistics. 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 Logistics 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 Logistics.