



## TIL LOGISTICS GROUP ANNOUNCES STRONG FIRST HALF RESULT

- TIL Logistics Group Limited delivered a strong first half result for the six months to 31 December 2017
- Reported result reflects acquisitions in 2017 and includes \$21.3m in non-trading costs, resulting in a Net Loss After Tax (NLAT) of \$(15.7)m
- Excluding non-trading costs, the company delivered a Net Profit After Tax (NPAT) of \$5.6m, up 180% on the prior year
- The Board is confident the full year pro forma PFI targets (excluding non-trading costs) indicated in the Listing Profile will be achieved.

\$ Millions	REPORTED		LISTING PROFILE PFI	
	HY18	HY17	FY2018F Pro Forma	FY2018F Statutory
Revenue	164.0	106.7	328.8	327.8
EBITDA	(7.0)	6.9	-	9.5
Non-trading costs*	21.3	-	-	18.7
EBITDA excluding non-trading costs <sup>i</sup>	14.3	6.9	28.2	28.2
NPAT/NLAT	(15.7)	2.0	-	(10.3)
NPAT excluding non-trading costs	5.6	2.0	8.5	8.5
Net operating cashflows	8.1	9.0	14.2	14.2

*\*Non-trading costs of \$6.5m associated with the reverse listing process, \$11.4m in share based payments and \$3.4m relating to revaluation of deferred consideration for acquisitions in the prior period.*

Leading New Zealand freight and logistics business, TIL Logistics Group Limited, has reported its first financial result since its reverse listing transaction was completed in December 2017, with revenue and earnings for the six months to 31 December 2017<sup>ii</sup> exceeding management budgets and reflecting the continuing strong performance of the company's businesses.

For the six months to 31 December 2017, revenue was \$164.0m (HY17: \$106.7m), with the majority from general and specialised freight services and a growing percentage from warehousing and logistics.

The results reflect the acquisitions of MOVE Logistics and NZL Group since the previous first half year result and also include non-trading costs of \$6.5m associated with the reverse listing process, \$11.4m in share based payments and \$3.4m relating to additional provision for deferred consideration on the earnout for MOVE Logistics. This business was acquired in June 2017 and has expanded through acquisition and is currently outperforming expectations. Therefore, the Board has reassessed the current estimated earn out liability, resulting in a provision in the accounts.

Including the \$21.3m in non-trading costs, EBITDA was \$(7.0)m (HY17: \$6.9m) for the six month period with a net loss after tax (NLAT) of \$(15.7)m (HY17: \$2.0m profit).

Excluding non-trading costs, EBITDA was up 107% on the prior half year to \$14.3m and adjusted NPAT of \$5.6m was a 180% improvement on the prior half year.

Chairman of TIL Logistics, Trevor Janes, commented: "This is encouraging for the company and gives us confidence that the full year pro forma PFI targets (excluding non-trading costs) indicated in the Listing Profile will be achieved."

Total assets increased to \$159.9m with total debt dropping to \$80.8m through utilisation of working capital.

In addition to the reverse listing and name change in December 2017, key highlights for the six months include:

- The successful integration of NZL Group and MOVE Logistics into the group, following their acquisitions in May and June 2017 respectively
- A number of new customer contracts including freight handling ventures between MOVE Logistics and the Ports of Auckland and Lyttelton Port
- Acquisition of Seamount Enterprises' fleet and Glassworks Logistics' logistics and supply services businesses which have been integrated into MOVE Logistics
- Continued upgrade of the TIL Logistics fleet with around 30 new vehicles, including trucks and trailers, entering the operation
- Announced the appointment of Alan Pearson as the new TIL Logistics Group CEO, effective from 19 March 2018.

TIL Logistics is already one of New Zealand's largest freighting and logistics companies, with businesses across the supply chain and a growth strategy.

Transport by road remains the biggest mode of freight movement in New Zealand and is expected to increase by almost 60% over the next 30 years<sup>iii</sup>. In addition to this, there is a growing demand for warehousing and third party logistics (3PL) providers, an area in which TIL Logistics has increased its presence in the last few years.

Trevor Janes said: "TIL Logistics has the scale and capability to enter the next growth phase and, as a listed company, the business now has the platform required to turn this into a reality. Growth by acquisition is a part of our strategy and we have identified a number of acquisition opportunities. In addition, management are focused on continued organic growth - driving efficiencies, leveraging scale, expanding the offer and growing TIL Logistics' existing businesses."

Unaudited interim financial statements, as at and for the six months ended 31 December 2017 and the comparative financial information as at 30 June 2017 and for the six months ended 31 December 2016 are attached to this release. These financial statements have been prepared under the New Zealand equivalents to International Financial Reporting Standard NZ IAS34: Interim Financial Reporting and have been reviewed by PwC.

ENDS

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**About TIL Logistics Group Limited (TLL)**

TLL is one of the largest domestic freight and logistics businesses in New Zealand, with a nationwide network of branches, depots and warehouses. TLL's activities include transporting and warehousing freight throughout New Zealand and co-ordinating freight movements offshore with the assistance of international alliances. TLL also has a specialist road tanker division which is one of the largest operators in the New Zealand fuel delivery market.

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<sup>i</sup> **Non-GAAP financial information:** TIL Logistics Group uses several non-GAAP measures when discussing financial performance. These include Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), EBITDA excluding non-trading costs and Net Profit After Tax (NPAT) excluding non-trading costs. Management believes that these measures provide useful information on the underlying performance of TIL Logistics' business. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS. Reconciliations of the non-GAAP measures to GAAP measures, can be found on page 24 of TIL Logistics Group's Interim Report that is available on the company's website.

<sup>ii</sup> The condensed interim financial statements reflect the results of the carved out business operations of Transport Investments Limited for the period from 1 July 2017 to 6 December 2017 and the results of the TIL Logistics Group Limited group (which includes the transport and logistics business of Transport Investments Limited acquired) from 7 December 2017 to 31 December 2017. The comparative statement of profit or loss and other comprehensive income for the six months ended 31 December 2016 and the comparative balance sheet as at 30 June 2017, reflect the results and financial position of the carved out business of Transport Investments Limited.

<sup>iii</sup> National Freight Demand Study 2014