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# TIL LOGISTICS GROUP LIMITED

HY18 INTERIM RESULTS PRESENTATION  
FOR THE SIX MONTHS TO 31 DECEMBER 2017



# ABOUT TIL LOGISTICS GROUP

- One of New Zealand's largest domestic freight and logistics platforms
- Nationwide network of branches, depots and warehouses with 60 locations and over 150,000m<sup>2</sup> of warehousing space
- Dedicated team of over 1,700 employees and contractors
- Fleet of some 900 trucks, 1,110 trailers, 310 forklifts and 170 light vehicles
- Operates one of the largest petroleum product Dangerous Goods (DG) road tanker fleets in the country



# HALF YEAR KEY EVENTS

## **A busy first half year concluding with the successful reverse listing transaction**

- Grew TIL Logistics' warehousing and logistics offer with successful integration of new acquisitions
- Negotiated a number of new customer contracts
- Expanded the TIL Logistics operation and continued to upgrade the Fleet
- Announced the appointment of Alan Pearson as the new TIL Logistics Group CEO, effective from 19 March 2018
- Successfully completed reverse listing on 6 December 2017
- Change of name to TIL Logistics Group Limited (NZX: TLL) on 7 December 2017
- Appointment of new Board of Directors

# HALF YEAR RESULTS SUMMARY

## OUTLOOK FOR 2H 2018:

The first half year results are encouraging and give the Board every confidence that the full year pro forma PFI targets (excluding non-trading costs) indicated in the Listing Profile will be achieved.

**Revenue** **\$ 164.0 million**

**EBITDA** **\$(7.0) million**

**EBITDA** **\$14.3 million**

excluding non-trading costs\*

**NLAT** **\$(15.7) million**

**NPAT** **\$5.6 million**

excluding non-trading costs\*

\*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.

See page 24 of the TLL HY18 Interim Report for a reconciliation of non-GAAP to GAAP measures.

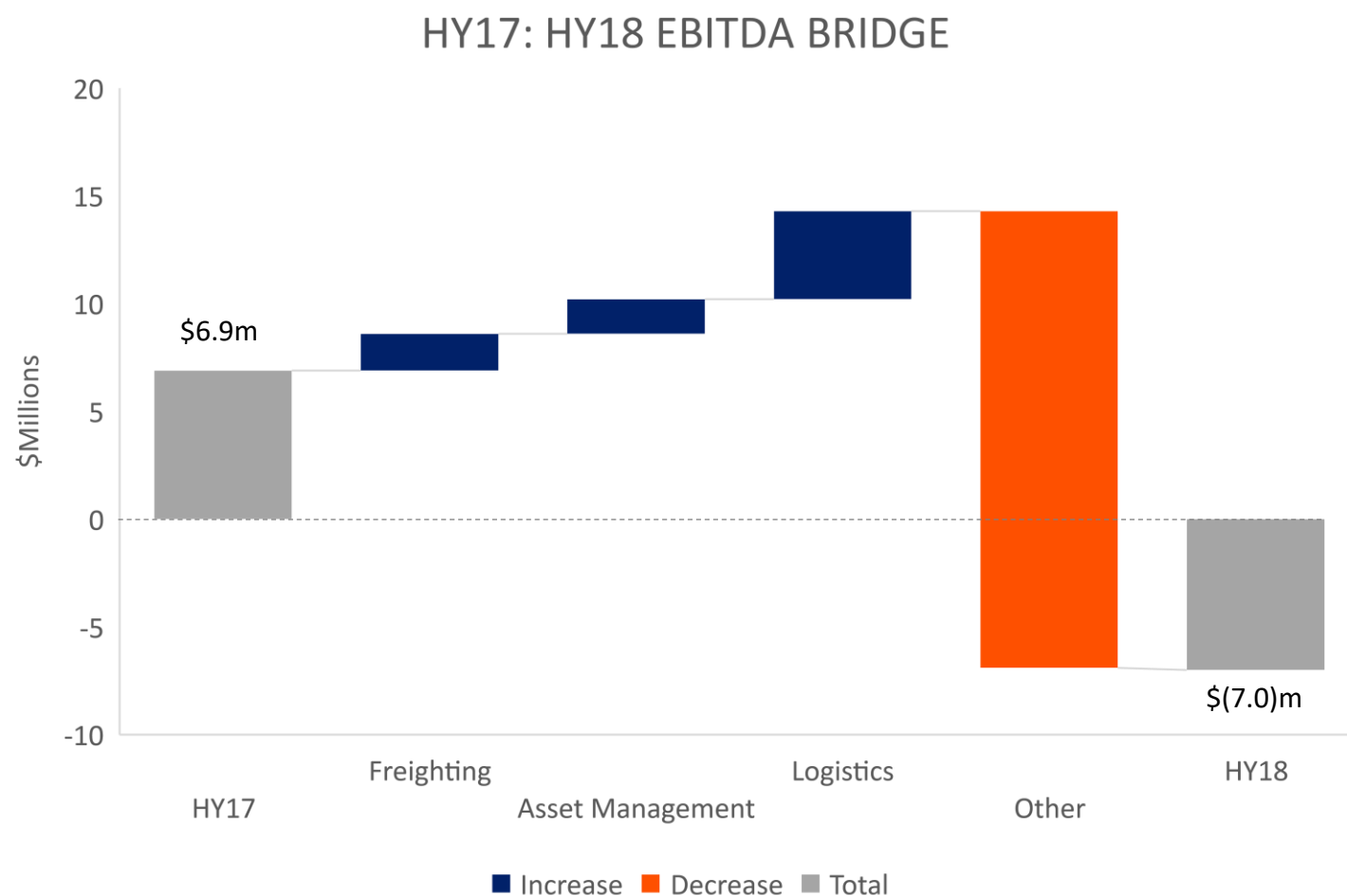
See pages 56 to 61 of the Listing Profile for prospective pro forma financial information for FY18, available at [www.til.kiwi/investor-centre-menu/til-transaction.html](http://www.til.kiwi/investor-centre-menu/til-transaction.html)

# HY18 RESULTS SNAPSHOT

	REPORTED		LISTING PROFILE PFI	
\$Millions	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	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
Total Assets	159.9	148.8	152.7	152.7
Total Debt	(80.8)	(0.2)	(75.5)	(75.5)
Net operating cashflows	8.1	9.0	14.2	14.2

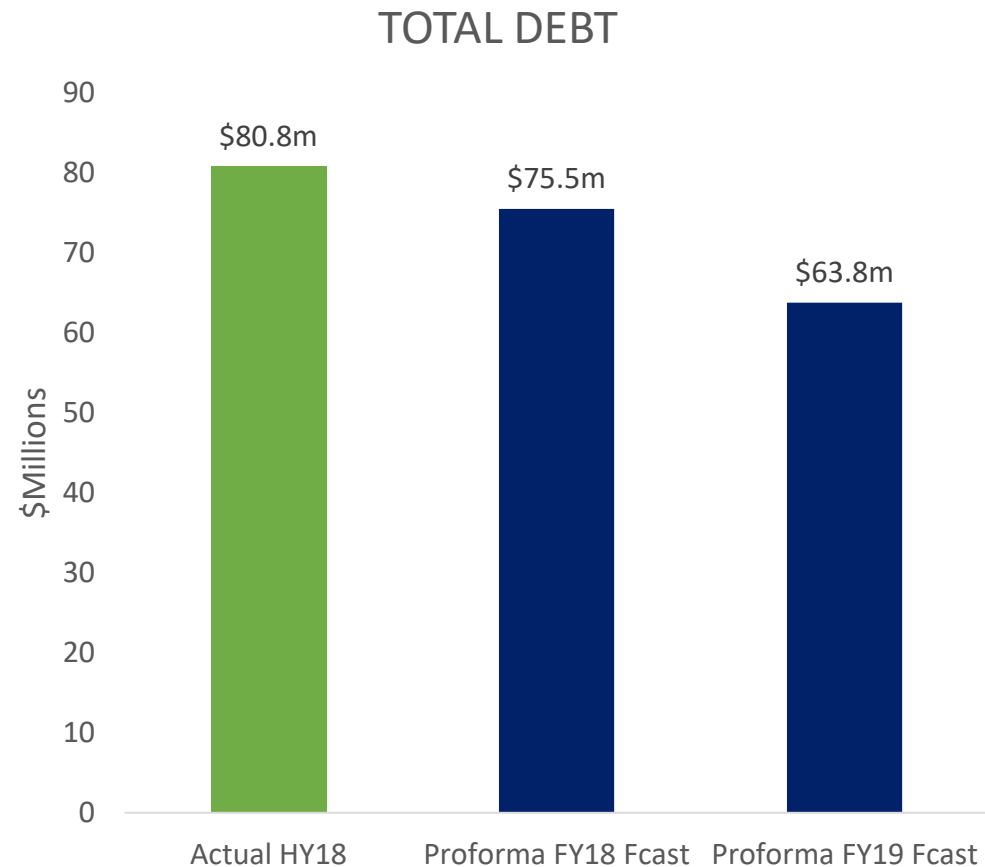
See pages 56 to 61 of the Listing Profile for prospective pro forma financial information for FY18 and FY19. The primary differences between FY2018 pro forma and statutory information in the Listing Profile are the exclusion from pro forma of one off costs associated with the reverse listing transaction and the inclusion of a full twelve months' contribution of the recently acquired Glassworks business. See page 24 of the TLL HY18 Interim Report for a reconciliation of non-GAAP to GAAP measures.

# EBITDA BRIDGE



- Positive performance from existing businesses
- NZL Group and Move Logistics (Logistics segment) acquired in May and June 2017, respectively
- Other includes contribution from freight forwarding businesses, and corporate services. HY18 includes 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
- Excluding non-trading costs, HY18 EBITDA was up 107% on HY17 to \$14.3m

# CAPITAL MANAGEMENT



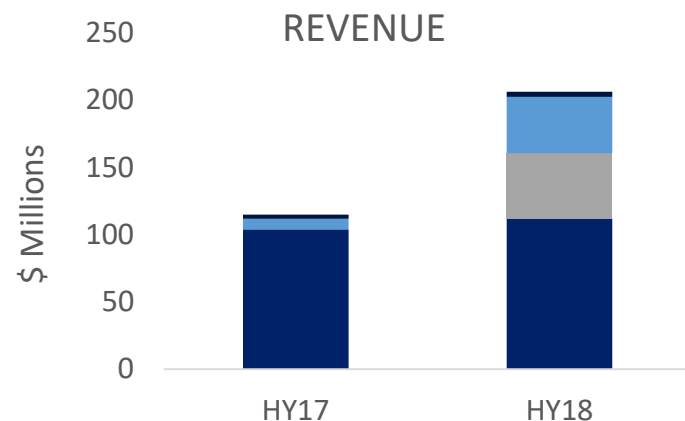
Focus on debt reduction:

- Utilisation of working capital
- Investigating release of assets through increase in owner-drivers

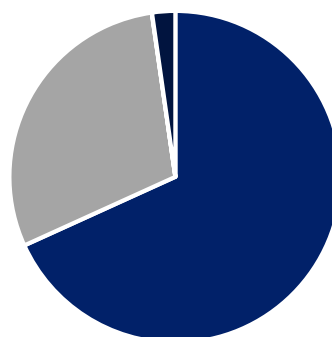
The increase in reported Total Debt from HY17 (\$0.2m) to HY18 reflects the acquisition of businesses under the reverse listing transaction.

See page 56 of the Listing Profile for an explanation of pro forma adjustments for debt

# SEGMENT REVENUE AND EARNINGS



HY18 REVENUE

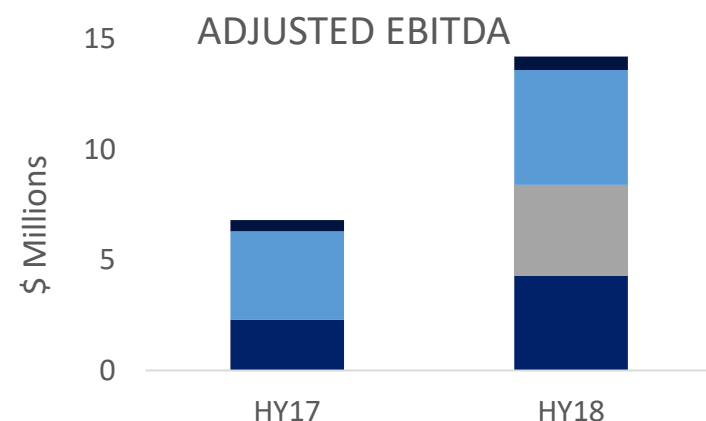


**Freighting:** Good performance from existing businesses.

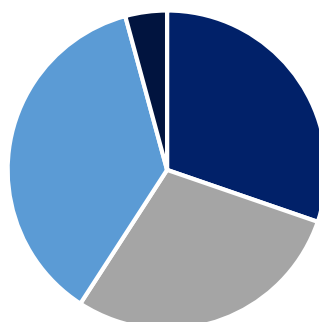
**Logistics:** Primarily comprises NZL Group and Move Logistics, acquired since the previous first half year, both of which are performing well

**Asset Management:** Revenue generated from leasing of trucks and trailers to TIL Logistics businesses

**Other:** Includes small contribution from freight forwarding services.



HY18 ADJ EBITDA



■ Freighting ■ Logistics  
■ Asset Management ■ Others

Adjusted EBITDA excludes 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. See page 24 of the TLL HY18 Interim Report for a reconciliation of non-GAAP to GAAP measures.



## ABILITY TO COMPREHENSIVELY SERVICE ALL CUSTOMER SUPPLY CHAIN REQUIREMENTS

### FREIGHTING



#### General freight / domestic transport

- Domestic freight via road, rail and coastal shipping

#### TIL FREIGHTING

HOOKER PACIFIC

TNL

ROADSTAR

NZL GROUP

ATL HAULAGE



#### Specialised freight

- Specialist distributors of petroleum products and heavy haulage division

#### PACIFIC FUEL HAUL

MCAULEYS  
TRANSPORT

MULTI-TRANS  
HEAVYHAUL

### LOGISTICS



#### Warehousing, inventory and supply chain services

- Warehousing and Third Party Logistics ("3PL") facilities

#### MOVE LOGISTICS

TNL DISTRIBUTION

NZL GROUP

### OTHER



#### International freight forwarding

- Shipping, customs and agency services
- Particular specialisation in oil and gas
- Strategic offshore relationships

#### ALPHA CUSTOMS SERVICES

HOOKER SHIPPING

TNL INTERNATIONAL

NPCA

LIQUID LOGISTICS



#### Express packages

- Mutually beneficial alliances with key providers

# FREIGHTING

Revenue \$111.9m

Adjusted EBITDA \$4.4m

TIL Logistics is one of the largest freight transport companies in New Zealand and has a nationwide network with regional strength and speciality services

- Grew the client base and welcomed a number of new clients
- Continued to upgrade the TIL Logistics fleet with around 30 new vehicles, including trucks and trailers, entering the operation
- Focus on expansion of specialist trucking operations
- Investigating opportunities to develop new services within the Group
- Looking to increase the number of owner-operators within the fleet





# LOGISTICS

Revenue \$48.4m

Adjusted EBITDA \$4.1m

TIL Logistics' expanded warehousing offering provides tangible opportunities for increased customer engagement and growth

- Successfully integrated NZL Group and MOVE Logistics into the Group
- Signed new customer contracts including freight handling ventures between MOVE Logistics and the Ports of Auckland and Lyttelton Port
- Acquired Seamount Enterprises' fleet and Glassworks Logistics' logistics and supply services businesses which have been integrated into MOVE Logistics





# ASSET MANAGEMENT

Adjusted EBITDA \$5.2m

Comprises the majority of the Group's trucks and trailers.  
Revenue generated from leasing of assets to TIL Logistics Group businesses

- Increased assets and earnings reflecting expanded TIL Logistics Group portfolio of businesses



# GROWTH DRIVERS AND OPPORTUNITIES

## **INCREASE THE VOLUME OF FREIGHT TRANSPORTED BY TIL:**

- Selectively target new customers that align with TIL Logistics' platform
- Capture a greater proportion of existing customers' supply chains

## **IMPROVE UTILISATION LEVELS OF EXISTING AND NEW NETWORKS:**

- Increase volumes on existing platform with minimal investment
- Intermodal expansion – utilisation of rail and coastal shipping

## **OFFER CUSTOMERS A BROADER RANGE OF SERVICES:**

- Ability to offer a full range of logistics services

## **MINIMISE COSTS OF SERVICES PROVIDED:**

- Make the most of TIL Logistics' inherent operating leverage
- Leverage technology, exploit available cost efficiencies and scale

## **GROWTH THROUGH ACQUISITION**



# STRONG BOARD AND MANAGEMENT TEAM

## BOARD

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- Trevor Janes, Independent Chair
- Greg Kern, Non-executive Director
- Lorraine Witten, Independent Director
- Danny Chan, Independent Director
- Jim Ramsay, Executive Director

TIL Logistics' Board comprises highly experienced Directors with particular strength in corporate governance and oversight of growing companies.

## EXECUTIVE LEADERSHIP

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- Alan Pearson, CEO as at 19 March 2018  
Alan has over 35 years commercial experience in both public and private companies, including ten years as Managing Director of Halls Group Limited, which is one of New Zealand's largest transport & logistics companies (primarily involved with temperature controlled supply chains for both domestic and export food markets)
- Greg Whitham, CFO
- Alan Terris, International & Group Marketing Director



# CONTACT

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# SELECTED FINANCIAL INFORMATION

See page 56 to 61 of the TIL Listing Profile for Explanatory Notes

Selected financial information (\$'000)

Financial year ended 30 June	Pro forma FY2015	Pro forma FY2016	Pro forma FY2017	Pro forma FY2018F	Statutory FY2019F	Statutory FY2018F
	Historical	Historical	Historical	Prospective	Prospective	Prospective
Revenue	330,134	313,289	323,509	328,786	335,545	327,809
EBITDA	15,292	21,364	24,592	28,227	31,157	9,520
EBITDA growth %	n/a	39.7%	15.1%	14.8%	10.4%	na
EBITDA margin %	4.6%	6.8%	7.6%	8.6%	9.3%	2.9%
NPAT	(1,747)	2,173	5,147	8,519	11,060	(10,284)
Dividends on all equity securities of TIL	47	2,170	837	-	5,993	-
Total assets	151,200	146,538	154,316	152,673	147,293	152,673
Cash and cash equivalents	1,693	1,547	2,936	7,950	5,742	7,950
Total liabilities	(134,904)	(121,116)	(133,559)	(123,233)	(112,567)	(123,233)
Total debt	(85,601)	(83,641)	(86,194)	(75,500)	(63,801)	(75,500)
Net cash flows from operating activities	5,573	7,399	21,032	14,208	23,489	14,208

# GLOSSARY

- Pro forma historical financial information has been sourced from audited and unaudited financial statements and management reports that are available on the TIL Logistics Website under Investor Centre/TIL Transaction. Details of consolidation and other pro forma adjustments can be found in the Supplementary Financial Information on the TIL Logistics website under Investor Centre/TIL Transaction.
- EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation excluding income from associates. EBITDA and pro forma EBITDA are non-GAAP profit measures. TIL considers that pro forma EBITDA, which normalises performance for certain structural changes within the business and removes the impact of a number of non-recurring items, allows for a better comparison of operating performance over the historical and PFI period and for comparison with that of other company. Reconciliations between pro forma EBITDA and GAAP profit measures are contained within the Supplementary Financial Information.
- NPAT/NLAT refers to net profit/loss after tax. Pro forma NPAT in FY2015-FY2018F represents NPAT after allowing for pro forma adjustments as discussed under the heading “Financial Information Presented” above. There are no pro forma adjustments included in the FY2019F NPAT. Pro forma NPAT is a non-GAAP measure. Reconciliations between pro forma NPAT and GAAP profit measures are contained within the Supplementary Financial Information.
- Pro forma net cash flows from operating activities is a non-GAAP profit measure. Pro forma net cash flows from operating activities have been calculated as net cash flows from operating activities adjusted for the cash impact of the pro forma adjustments. The Supplementary Financial Information contains reconciliations between pro forma net cash flows from operating activities and GAAP profit measures.

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