



1

TIL LOGISTICS GROUP LIMITED

FY18 RESULTS PRESENTATION
FOR THE YEAR ENDED 30 JUNE 2018



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 150,000m² 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

FY18 KEY EVENTS

Busy year with highlights being the successful reverse listing transaction and expansion of Logistics division

- Significantly expanded Warehousing and Logistics offer - successful integration of acquired businesses
- Implemented a new Warehouse Management System throughout MOVE sites
- Negotiated a number of major new customer contracts (including renewal of partnership with Z Energy post-year end)
- Continued to upgrade the Fleet with around 90 new vehicles, including trucks and trailers, entering the operation
- Completed reverse listing on 6 December 2017, changed name to TIL Logistics Group Limited (NZX: TLL) and appointment of a new Board including three independent Directors
- Alan Pearson commenced as the new TIL Logistics Group CEO from March 2018
- Year on year uplift in results, mainly driven by acquired businesses, however down on PFI due to increased operating expenses and other business and operational factors not included in PFI

FULL YEAR RESULTS SUMMARY

Total Income **\$ 331.5 million**

EBITDA **\$6.9 million**

ADJUSTED EBITDA **\$26.2 million**
excluding non-trading costs*

NLAT **\$(12.2) million**
Attributable to security holders

ADJUSTED NPAT **\$7.1 million**
excluding non-trading costs*

Dividend **2.3cps**

- Non-trading costs of \$6.5m associated with the reverse listing process and \$11.6m in share based payments (as noted in the PFI) and \$1.2m relating to revaluation of deferred consideration for acquisitions in the prior period.
- See the glossary slide for an explanation of FY18 EBITDA, adjusted EBITDA and adjusted NPAT.
- Non-GAAP information: A reconciliation of non-GAAP to GAAP measures is included in the FY18 Financial Statements.

FY18 RESULTS SNAPSHOT

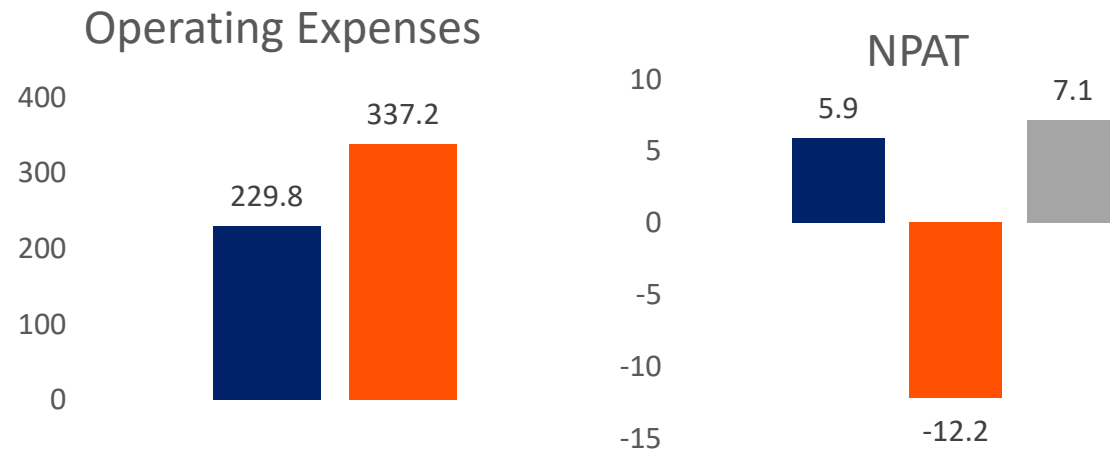
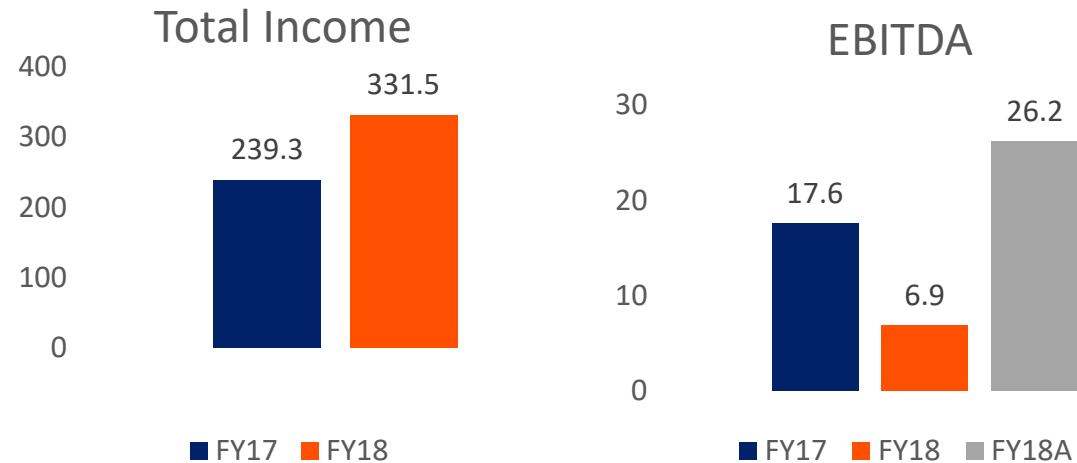
	REPORTED		
\$Millions	FY18	FY17	% Change
Sales Revenue	325.6	235.3	38%
Total Income	331.5	239.3	39%
EBITDA	6.9	17.6	(60.1)%
Non-trading costs	19.3	-	
Adjusted EBITDA excluding non-trading costs	26.2	17.6	49%
NPAT/NLAT	(12.2)	5.9	
Adjusted NPAT excluding non-trading costs	7.1	5.9	20%
Total Assets	151.7	147.8	
Total Debt	73.9	0.1	

LISTING PROFILE PFI	
FY2018F Pro Forma	FY2018F Statutory
328.8	327.8
	9.5
28.2	28.7
	(10.3)
8.5	
152.7	152.7
(75.5)	(75.5)

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.

YEAR ON YEAR UPLIFT

On an adjusted basis excluding non-trading costs



Sales revenue \$325.6m, up 38% YoY

Strong sales in 1H18 carried through into 2H18

Benefit of new business acquisitions and expanded Logistics offer accounted for major portion of increase

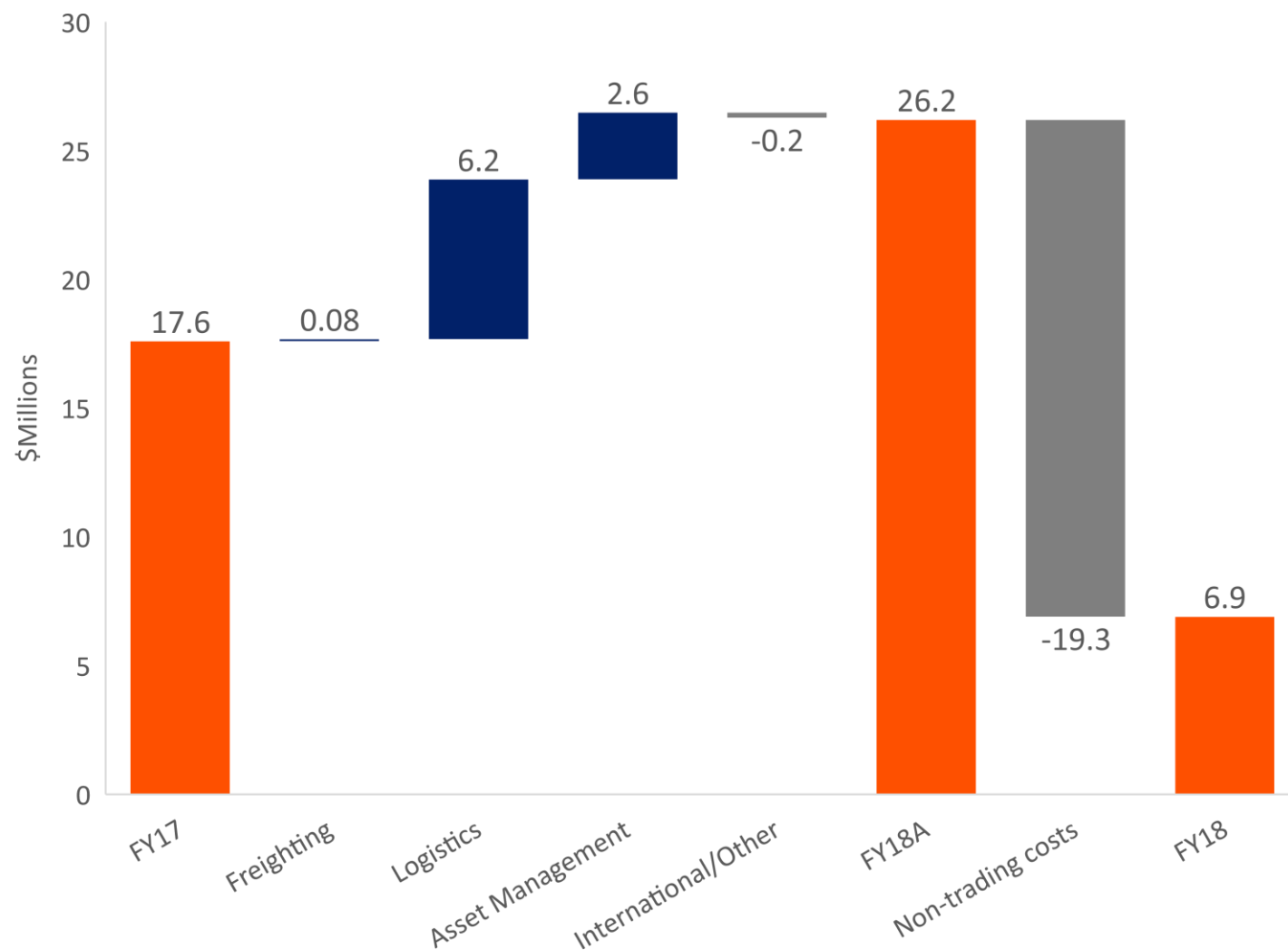
Operating expenses impacted by rising fuel prices, increased wage and rent cost and higher fleet lease costs

Adjusted EBITDA \$26.2m, up 49% YoY

Adjusted NPAT \$7.1m, up 20% YoY

FY17: FY18 EBITDA BRIDGE

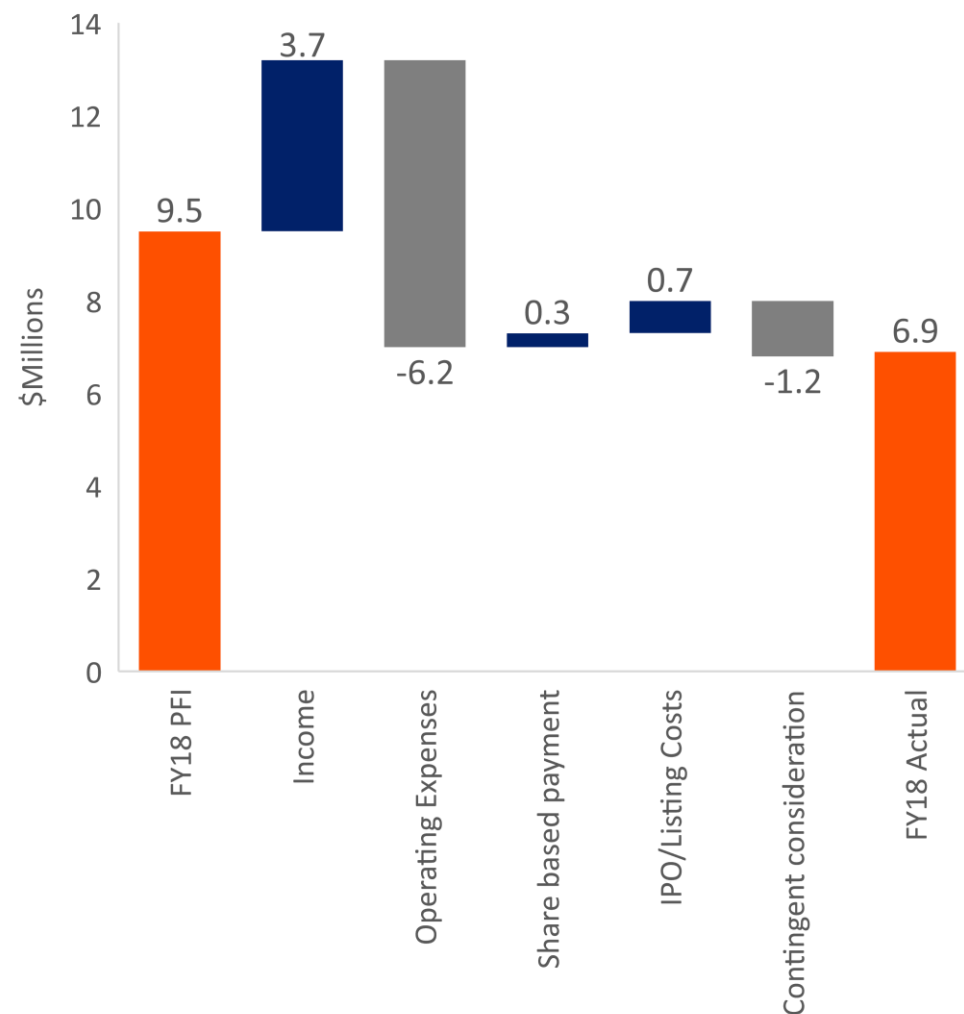
Excluding non-trading costs, FY18 Adjusted EBITDA was up 49% on FY17 to \$26.2m



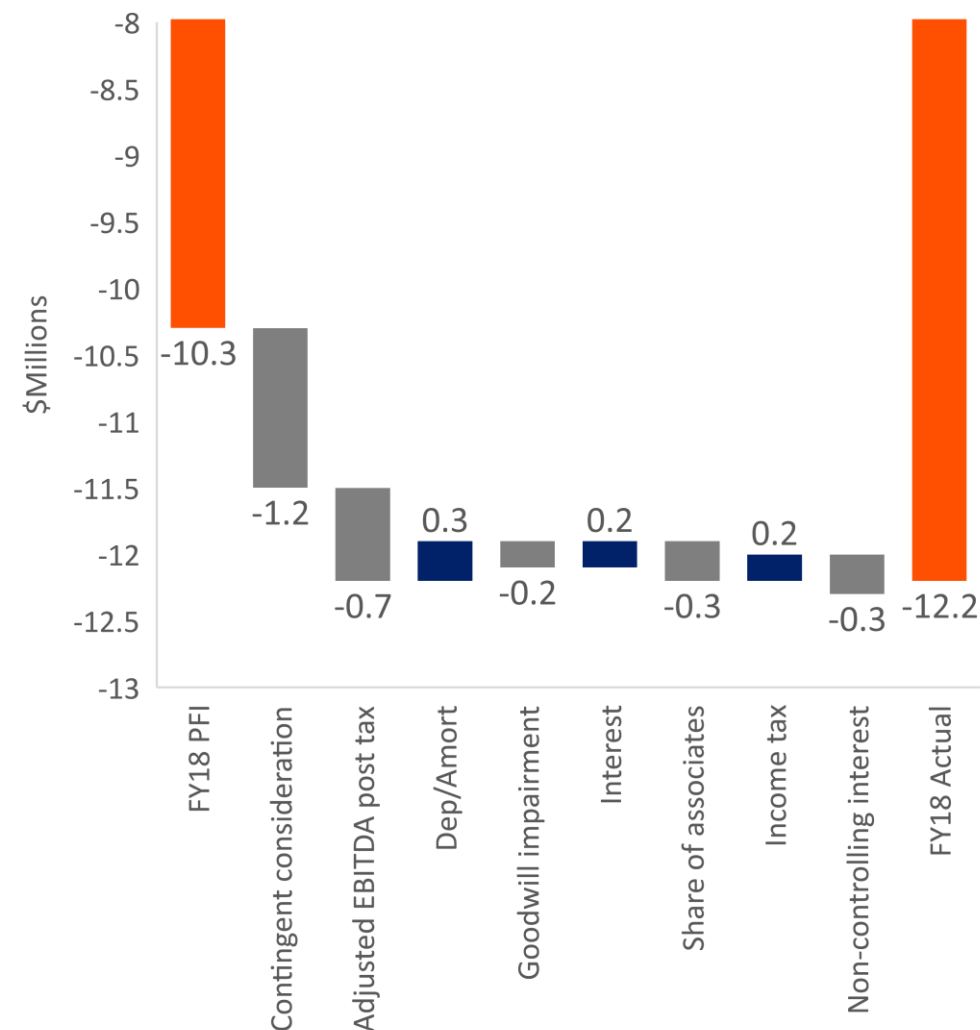
- Benefit from expansion of Logistics segment - NZL Group and Move Logistics acquired in May and June 2017 respectively
- Asset Management benefited from inclusion of MOVE's Southern Fleet Lease company
- Other includes contribution from freight forwarding businesses, and corporate services
- Non-trading costs of \$6.5m associated with the reverse listing process and \$11.6m in share based payments (as noted in the PFI) and \$1.2m relating to revaluation of deferred consideration for acquisitions in the prior period.

PFI TO REPORTED EBITDA AND NPAT

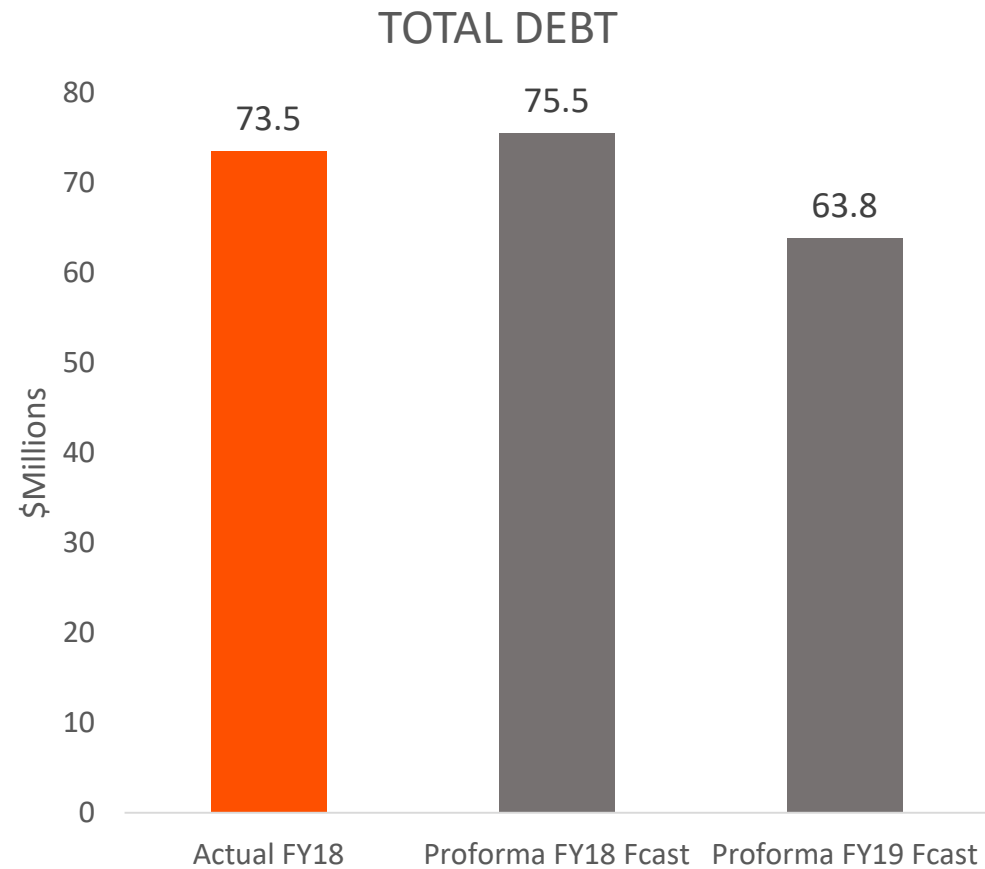
FY18 PFI: FY18 REPORTED EBITDA BRIDGE



FY18 PFI: FY18 REPORTED NPAT BRIDGE



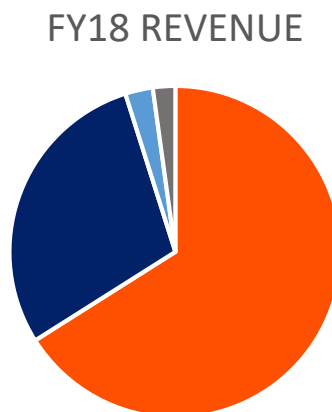
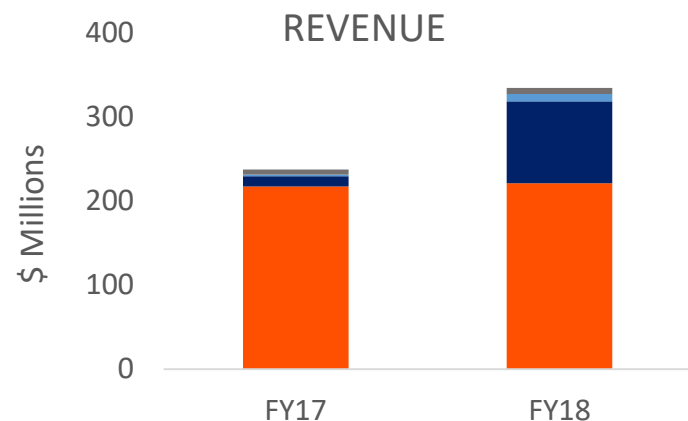
CAPITAL MANAGEMENT



- Focus on debt reduction: Asset sales to repay debt

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

SEGMENT REVENUE AND EARNINGS

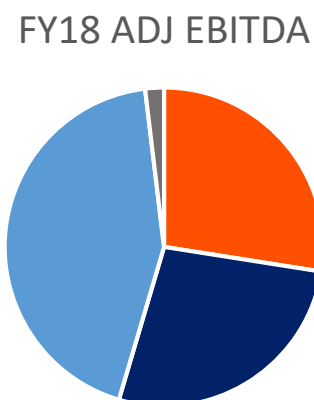
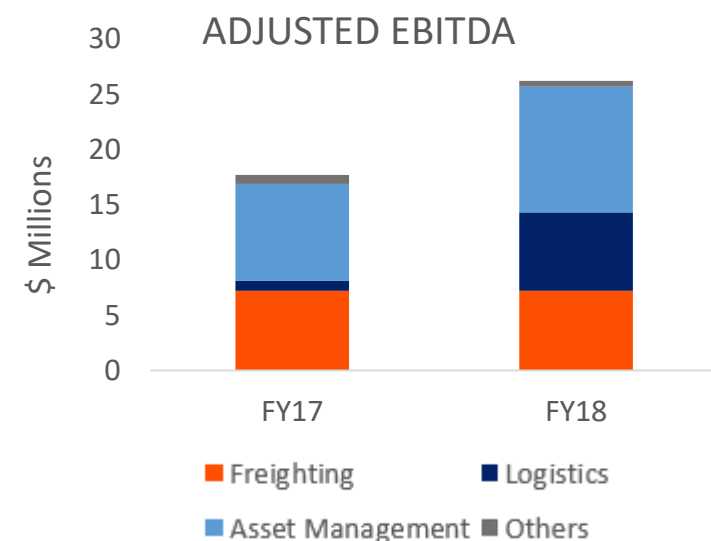


Freighting: Solid performance from existing businesses. Initiatives in place to drive sales growth

Logistics: Primarily comprises NZL Group and Move Logistics, acquired in late FY17, both of which are performing well

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

Other: Includes small contribution from freight forwarding services.



Non-trading costs of \$6.5m associated with the reverse listing process and \$11.6m in share based payments (as noted in the PFI) and \$1.2m relating to revaluation of deferred consideration for acquisitions in the prior period. See the TIL FY18 Financial Statements for a reconciliation of non-GAAP to GAAP measures.



FREIGHTING

Revenue \$220.8m (68% of group revenue)

Adjusted EBITDA \$7.2m

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
- Adverse climatic conditions caused problems in 2H18
- Impact of rising wage and fuel costs as well as higher fleet lease costs
- The company has initiated a number of cost reduction, efficiency and waste minimisation projects
- Investigating opportunities to develop new services within the Group. Focus on expansion of specialist trucking operations
- Looking to increase the number of owner-operators within the fleet
- Initiatives are in place to drive productivity improvements, with benefits expected to flow through in FY19.

LOGISTICS

Revenue \$97.3m (30% of group revenue)

Adjusted EBITDA \$7.1m

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
- Short term costs associated with setting up resourcing for new contracts
- Implementation of new Warehouse Management System
- Acquired Seamount Enterprises' fleet and Glassworks Logistics' logistics and supply services businesses which have been integrated into MOVE Logistics
- Three new warehouse openings planned for FY19, taking total capacity to 195,000m²



ASSET MANAGEMENT

Adjusted EBITDA \$11.4m

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
- MOVE's Southern Fleet Lease company added in FY18



OUTLOOK

Activity levels across the industry remain high and long term outlook is positive

Additional \$2.5m in costs and investments expected in FY19, compared to PFI

- Commissioning of three new warehouses for MOVE
- Investment into technology, people, health & safety
- Additional fleet leasing

Half yearly dividend payments expected to continue in FY19, in line with dividend policy

Continue to assess acquisition opportunities

Focus on organic growth - increasing freight volumes, improving utilisation, expanding the offer and driving efficiencies.

"There is growing demand for high quality, end to end freight and logistics supply chain solutions, and TIL has the reputation, expertise and capability to take advantage of this."

Trevor Janes, Chairman



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

- 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

- 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

Greg Whitham
TIL Logistics Group Limited
Chief Financial Officer
Tel: 06 755 9990
Email: greg.whitham@til.kiwi



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.
- **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, Share of (Loss)/Profit of Associates and Impairment of Goodwill (EBITDA), adjusted EBITDA excluding non-trading costs and adjusted Net Profit/Loss After Tax (NPAT/NLAT) excluding non-trading costs. Management believes that these measures provide useful information on the underlying performance of TIL Logistics' business. Reconciliations of the non-GAAP measures to GAAP measures, can be found in TIL Logistics Group's FY18 Financial Statements that are available on the company's website.
- **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.
- **FY18 EBITDA** is Earnings Before Interest, Tax, Depreciation and Amortisation, Share of (Loss)/Profit of Associates and Impairment of Goodwill (EBITDA)
- **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.
- **Adjusted EBITDA/Adjusted NPAT:** Removes the impact of non-trading costs. The Board believes this provides a better reflection of the company's underlying performance.
- **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.

DISCLAIMER

This presentation has been prepared by TIL Logistics Group Limited (“TLL”). The information in this presentation is of a general nature only. It is not a complete description of TLL.

This presentation is not a recommendation or offer of financial products for subscription, purchase or sale, or an invitation or solicitation for such offers.

This presentation is not intended as investment, financial or other advice and must not be relied on by any prospective investor. It does not take into account any particular prospective investor’s objectives, financial situation, circumstances or needs, and does not purport to contain all the information that a prospective investor may require. Any person who is considering an investment in TLL securities should obtain independent professional advice prior to making an investment decision, and should make any investment decision having regard to that person’s own objectives, financial situation, circumstances and needs.

Past performance information contained in this presentation should not be relied upon (and is not) an indication of future performance. This presentation may also contain forward looking statements with respect to the financial condition, results of operations and business, and business strategy of TLL. Information about the future, by its nature, involves inherent risks and uncertainties. Accordingly, nothing in this presentation is a promise or representation as to the future or a promise or representation that an transaction or outcome referred to in this presentation will proceed or occur on the basis described in this presentation. Statements or assumptions in this presentation as to future matters may prove to be incorrect.

A number of financial measures are used in this presentation and should not be considered in isolation from, or as a substitute for, the information provided in the TLL Listing Profile.

TLL and its related companies and their respective directors, employees and representatives make no representation or warranty of any nature (including as to accuracy or completeness) in respect of this presentation and will have no liability (including for negligence) for any errors in or omissions from, or for any loss (whether foreseeable or not) arising in connection with the use of or reliance on, information in this presentation.