



# PTB GROUP LIMITED

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## Results for Announcement to the Market

### Summary of Financial Information:

Extracts from this report for announcement to the market:

	Six months ended 31 December 2020 \$A'000	Six months ended 31 December 2019 \$A'000	Movement \$A'000	Movement
Revenue from ordinary activities	38,622	26,096	12,526	48%
Profit/(loss) after tax from ordinary activities attributable to members	7,255	1,481	5,774	390%
Net profit/(loss) attributable to members	7,255	1,481	5,774	390%

### Dividends:

Financial Year	Nature	Date paid/Proposed to be paid	Amount per security Cents	Franked amount per security at 30% tax
30-Jun-20	Final	Paid 30 October 2020	2.5 cents	Fully Franked
30-Jun-20	Interim	Paid 2 March 2020	2.5 cents	Fully Franked
30-Jun-19	Final	No dividend was declared, paid or payable.	N/A	N/A
30-Jun-19	Interim	Paid 31 May 2019	7 cents	Fully franked at 27.5% tax

### NTA Backing:

	Six months ended 31 December 2020 (Cents)	Six months ended 31 December 2019 (Cents)
Net tangible asset backing per ordinary security (cents)	59	64

**Details of entities over which control has been gained or lost during the period:**

Nil during the period.

**Details of associates and joint venture entities:**

Nil

**Accounting Standards used for Foreign Entities in compiling the report:**

IFRS has been used in the preparation of the financial statements of all entities.

**Audit/Review Status:**

**This report is based on accounts to which one of the following applies:**

(Tick one)

The accounts have been audited

The accounts have been subject to review

√

The accounts are in the process of being audited or subject to review

The accounts have not yet been audited or reviewed

**If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:**

n/a

**If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:**

n/a

**Attachments Forming Part of Appendix 4D:**

Attachment #	Details
1	Chairman's & Managing Director's Review
2	Interim Financial Report

<b>Signed By (Managing Director)</b>	
<b>Print Name</b>	Stephen Smith
<b>Date</b>	22 February 2021



**PTB GROUP LIMITED**

**ABN 99 098 390 991**

**INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED**

**31 DECEMBER 2020**

# PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of PTB Group Limited ("the Company") and the entities it controlled at the end of, or during, the half year ended 31 December 2020.

### Directors

The names of Directors in office at any time during the half year and up to the date of this report are:

Name	Position
SG Smith	Managing Director
CL Baker	Director (non-executive), Chairman
APS Kemp	Director (non-executive)
RQ Cole	Director (non-executive)
PP Gunasekara	Director (non-executive)

### Review and Results of Operations

PTB Group Limited's profit before tax, excluding FX gains/losses and acquisition related costs (NPBTFX), for the period to 31 December 2020 was \$10.571 million (Dec 2019: \$3.289 million).

Net profit after tax for the half year was \$7.255 million (Dec 2019: \$1.481 million) after the inclusion of \$0.327 million of net foreign exchange losses (Dec 2019: \$0.137 million net loss). Total revenue was \$38.622 million (Dec 2019: \$26.096 million). At period end, net assets for the group were \$87.655 million (June 2020: \$86.312 million).

On 15 December 2020, the Group entered into a binding agreement to sell the Warriewood properties for \$9.5 million. The properties had a carrying value of \$3.5 million and the sale generated a pre-tax profit of \$5.8 million after agency commissions. The sale is unconditional and is expected to finalise on 30 April 2021.

### Dividends

No interim dividend has been declared for the 30 June 2021 financial year. Total dividends of 5 cents per share were paid for the June 2020 year.

### Auditor's Independence Declaration

A copy of the auditor's signed independence declaration as required under section 307C of the Corporations Act 2001 is attached to this report.

### Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that legislative instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Board of Directors.



**Stephen Smith**  
Managing Director

Brisbane  
22 February 2021

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of PTB Group Limited**

As lead auditor for the review of the financial statements of PTB Group Limited for the financial half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- ii) any applicable code of professional conduct in relation to the review.

This declaration is in respect of PTB Group Limited and the entities it controlled during the financial period.



**Clive Massingham**  
**Hall Chadwick QLD**  
**Chartered Accountants**

Signed this 22<sup>nd</sup> day of February 2021

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Note	Dec 2020 \$'000	Dec 2019 \$'000
Revenue	2	38,622	26,096
Total revenue		38,622	26,096
Changes in inventories of finished goods and work in progress		(5,561)	4,042
Raw materials and consumables used and finished goods purchased for resale		(12,760)	(19,204)
Employee benefits		(8,390)	(3,742)
Depreciation and amortisation		(2,194)	(1,222)
Repairs and maintenance		(246)	(57)
Bad and doubtful debts		779	124
Finance costs		(788)	(510)
Net foreign exchange gain / (loss)		(327)	(137)
Acquisition related costs		-	(612)
Profit/(loss) on disposal of fixed assets		5,774	-
Other expenses		(4,665)	(2,238)
Total expenses		(28,378)	(23,556)
Profit/(Loss) before income tax		10,244	2,540
Income tax (expense)/ benefit		(2,989)	(1,059)
Profit/(Loss) for the half year attributable to the owners of the parent entity		7,255	1,481
Other comprehensive income net of income tax:			
Exchange differences on translation of foreign operations		(4,365)	2
Total comprehensive income/(loss) for the period attributable to the owners of the parent entity		2,890	1,483
		Cents	Cents
Basic earnings per share	5	5.74	1.98
Diluted earnings per share	5	5.74	1.98

The accompanying notes form part of these financial statements.

PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Dec 2020 \$'000	June 2020 \$'000
<b>Current Assets</b>			
Cash and cash equivalents		10,796	15,207
Trade and other receivables		20,714	20,234
Inventories		49,311	54,872
Derivative financial assets		71	-
Other current assets		10,847	1,698
<b>Total Current Assets</b>		<b>91,739</b>	<b>92,011</b>
<b>Non-Current Assets</b>			
Trade and other receivables		11,257	11,321
Inventories		2,406	2,662
Property, plant and equipment	7	25,604	28,522
Deferred tax assets		2,583	3,644
Intangible assets		11,784	12,673
<b>Total Non-Current Assets</b>		<b>53,634</b>	<b>58,822</b>
<b>Total Assets</b>		<b>145,373</b>	<b>150,833</b>
<b>Current Liabilities</b>			
Trade and other payables		7,407	9,529
Borrowings	3	10,065	9,437
Derivative financial liabilities		-	7
Current tax liabilities		3,832	1,168
Provisions		1,249	1,387
Other current liabilities		3,934	3,039
<b>Total Current Liabilities</b>		<b>26,487</b>	<b>24,567</b>
<b>Non-Current Liabilities</b>			
Borrowings	3	23,547	31,301
Deferred tax liabilities		5,860	6,645
Provisions		159	148
Other non-current liabilities		1,665	1,860
<b>Total Non-Current Liabilities</b>		<b>31,231</b>	<b>39,954</b>
<b>Total Liabilities</b>		<b>57,718</b>	<b>64,521</b>
<b>Net Assets</b>		<b>87,655</b>	<b>86,312</b>
<b>Equity</b>			
Contributed equity	4	82,628	81,038
Reserves		12,371	13,514
Retained profits		(7,344)	(8,240)
<b>Total Equity</b>		<b>87,655</b>	<b>86,312</b>

The accompanying notes form part of these financial statements.



**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Issued Capital	Other Equity Securities	Total Contributed Equity	Dividend Appropriation Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	47,455	183	47,638	13,317	(5)	(9,984)	50,966
Total comprehensive income:							
Profit/(loss) for the half year	-	-	-	-	-	1,481	1,481
Other comprehensive income	-	-	-	-	2	-	2
Total comprehensive income for the half year	-	-	-	-	2	1,481	1,483
Contributions of equity net of transaction cost	(8)	-	(8)	-	-	-	(8)
Transfer to reserves	-	-	-	1,609	-	(1,609)	-
Balance at 31 December 2019	47,447	183	47,630	14,926	(3)	(10,112)	52,441
Balance at 1 July 2020	80,855	183	81,038	13,720	(206)	(8,240)	86,312
Total comprehensive income:							
Profit/(loss) for the half year	-	-	-	-	-	7,255	7,255
Other comprehensive income	-	-	-	-	(4,365)	-	(4,365)
Total comprehensive income for the half year	-	-	-	-	(4,365)	7,255	2,890
Contributions of equity net of transaction cost	1,590	-	1,590	-	-	-	1,590
Transfer to reserves	-	-	-	6,359	-	(6,359)	-
Dividends recognised in year	-	-	-	(3,137)	-	-	(3,137)
Balance at 31 December 2020	82,445	183	82,628	16,942	(4,571)	(7,344)	87,655

The accompanying notes form part of these financial statements.

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Dec 2020 \$'000	Dec 2019 \$'000
<b>Cash Flows from Operating Activities</b>		
Cash receipts from customers	36,361	29,268
Cash payments to suppliers and employees	(33,871)	(25,213)
Interest received	286	286
Finance costs	(788)	(510)
Income tax (paid)/refund	(34)	(471)
Net cash provided by/(used in) operating activities	1,954	3,360
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant and equipment	(819)	(772)
Payments relating to acquisition of subsidiary	-	(122)
Net cash provided by/(used in) investing activities	(819)	(894)
<b>Cash Flows From Financing Activities</b>		
Proceeds from borrowings raised	700	323
Proceeds from issue of shares	-	(8)
Repayment of borrowings	(4,216)	(1,356)
Repayment of lease liabilities	(483)	(50)
Payment of dividend	(1,547)	-
Net cash provided by/(used in) financing activities	(5,546)	(1,091)
Net increase/(decrease) in cash and cash equivalents held	(4,411)	1,375
Cash and cash equivalents at the beginning of the half year	15,207	7,174
Cash and cash equivalents at the end of the half year	10,796	8,549

# PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL REPORT

### FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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#### 1. Basis of Preparation of Half Year Report

This general purpose consolidated interim financial report for the half year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001.

This interim financial report is intended to provide users with an update on the latest annual financial statements of PTB Group Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020, together with any public announcements made during the half year.

The interim financial report was authorised for issue on 22 February 2021.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated under the option available in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Significant accounting policies adopted in the preparation of these financial statements are consistent with those applied in the 30 June 2020 Annual Financial Report.

PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

2. Revenue

Revenue from contracts with customers

	Dec 2020 \$'000	Dec 2019 \$'000
Sale of goods	13,617	11,208
Services	16,117	3,827
Maintenance contract revenue	4,500	9,389
Rental of engines/aircraft	1,088	1,347
Interest on extended credit receivables (hire purchase agreements)	277	274
	<b>35,599</b>	26,045
Other revenue <sup>1</sup>	3,023	51
Total revenue	<b>38,622</b>	26,096

(a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major business activities and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 6).

	PTB		PT USA		PT Leasing		IAP		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Geographical markets										
AUS, PNG, NZ	4,525	3,520	-	-	845	1,125	702	938	6,072	5,583
Pacific	2,057	2,614	201	-	10	31	29	25	2,303	2,670
America	971	925	16,016	2,390	-	-	2,066	1,639	20,879	4,954
Asia	4,715	8,620	28	65	1,656	308	659	2,953	7,063	11,946
Africa	1	14	567	-	(8)	19	64	3	663	36
Europe	65	667	376	82	-	-	64	107	505	856
Total	12,334	16,360	17,178	2,537	2,503	1,483	3,584	5,665	37,485	26,045
Major business activities										
Sale of goods	4,215	3,014	4,270	2,529	1,548	-	3,584	5,665	13,617	11,208
Services	3,491	3,819	12,626	8	-	-	-	-	16,117	3,827
Maintenance contract revenue	4,500	9,389	-	-	-	-	-	-	4,500	9,389
Rental of engines/aircraft	-	-	282	-	806	1,347	-	-	1,088	1,347
Interest on hire purchase agreements	128	138	-	-	149	136	-	-	277	274
Total	12,334	16,360	17,178	2,537	2,503	1,483	3,584	5,665	35,599	26,045
Timing of recognition										
Point in time	12,206	16,222	17,178	2,537	2,354	1,347	3,584	5,665	35,322	25,771
Over-time	128	138	-	-	149	136	-	-	277	274
Total	12,334	16,360	17,178	2,537	2,503	1,483	3,584	5,665	35,599	26,045
Other revenue	756	30	2,049	-	3	12	215	9	3,023	51
External revenue as reported in Note 6	13,090	16,390	19,227	2,537	2,503	1,495	3,799	5,674	38,622	26,096

<sup>1</sup> Other revenue includes \$1,848,000 of Paycheck Protection Program loans forgiven in the US businesses and \$947,000 of Job Keeper payments received.

PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

3. Borrowings

Current

Secured

Bank loans

Test cell loans

Inventory loan

Lease liabilities

Non-Current

Secured

Bank loans

Test cell loans

Inventory loan

Lease liabilities

Dec 2020

\$'000

June 2020

\$'000

2,079

3,461

3,106

774

1,860

2,040

3,020

3,162

10,065

9,437

12,037

13,431

2,168

5,381

6,046

7,819

3,296

4,670

23,547

31,301

PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

4. Contributed Equity

Share Capital

127,885,404 ordinary shares fully paid

(30 June 2020: 125,475,728 ordinary shares fully paid)

Other equity securities

Value of conversion rights (net of tax)

Dec 2020	June 2020
\$'000	\$'000
82,445	80,855
183	183
<b>82,628</b>	<b>81,038</b>

Movements in ordinary share capital

Opening balance 1 January 2020

Share issues:

- rights issue

- share placements

Closing balance 30 June 2020

No of Shares	\$'000
74,904,990	47,447
31,875,086	21,066
18,695,652	12,342
<b>125,475,728</b>	<b>80,855</b>

Movements in ordinary share capital

Opening balance 1 July 2020

Share issues:

- under dividend reinvestment plan

Closing balance 31 December 2020

125,475,728	80,855
2,409,676	1,590
<b>127,885,404</b>	<b>82,445</b>

Options

As at balance date there are no outstanding options to purchase ordinary shares in the parent entity.

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**5. Earnings Per Share**

	Dec 2020	Dec 2019
	cents	cents
Basic earnings per share	5.74	1.98
Diluted earnings per share	5.74	1.98
Weighted average number of shares used in calculating basic earnings per share	126,287,684	74,904,990
Effect of dilutive securities:		
• Options	-	-
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	126,287,684	74,904,990

**6. Segment Information**

a) Description of Segments

The Group has four reportable segments:

- **PTB:** Covering the operations of the holding company PTB Group Limited, specialising in PT6 and TPE331 Turboprop engines. The business repairs and sells PT6 and TPE331 engines, maintains related engines under contract, and trades in related engine and airframe parts.
- **PT USA:** This covers the operations of Prime Turbines LLC, Pacific Turbine USA, LLC, PTB USA Holdings, LLC and Pacific Turbine USA Pty Ltd specialising in PT6 and T53 turboprop engines. The businesses repair and sell PT6 and T53 engines, maintain related engines under contract, and trades in related engine parts.
- **PT Leasing:** Covers the operation of Pacific Turbine Leasing Pty Ltd. This business is an aircraft and engine owner and leases aircraft and engines to operators under both operating and finance leases.
- **IAP:** Covering the operations of IAP Group Australia Pty Ltd, trading in aircraft, jet aircraft engines, airframes and related parts.

b) Geographical Segments (Secondary Reporting)

The Group's management and operations are based in Brisbane and Sydney, Australia. The company also operates facilities in the USA in Florida, Arizona, Texas and Pennsylvania. Its customers, however, are located in six main geographical markets – Australia/PNG/New Zealand, Pacific Islands, America, Asia, Africa and Europe.

Segment assets include rental engines and aircraft which are attributed either to the geographic market in which the customer who rents the engine or aircraft at year-end is based or, for non-rented engines and aircraft, where they are physically located.

The following tables outline the distribution of the Group's sales, adjusted EBITDA, assets and liabilities by those geographical markets by business segment.

PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

6. Segment Information (continued)

Half year 31 December 2020	Australia PNG & NZ \$'000	Pacific \$'000	America North & South \$'000	Asia \$'000	Africa \$'000	Europe \$'000	Unallocated \$'000	Total \$'000
i) Revenue								
PTB								
Total Segment Revenue	7,142	2,057	1,754	4,716	1	65	-	15,735
Inter-segment Revenue	(1,864)	-	(781)	-	-	-	-	(2,645)
Revenue from External customers	5,278	2,057	973	4,716	1	65	-	13,090
PT USA								
Total Segment Revenue	7,444	214	21,959	28	606	381	-	30,632
Inter-segment Revenue	(7,444)	-	(3,961)	-	-	-	-	(11,405)
Revenue from External customers	-	214	17,998	28	606	381	-	19,227
PT Leasing								
Total Segment Revenue	1,437	10	-	1,655	(12)	-	-	3,090
Inter-segment Revenue	(584)	-	-	-	-	-	-	(584)
Revenue from External customers	853	10	-	1,655	(12)	-	-	2,506
IAP								
Total Segment Revenue	904	29	2,076	661	64	65	-	3,799
Inter-segment Revenue	-	-	-	-	-	-	-	-
Revenue from external customers	904	29	2,076	661	64	65	-	3,799
Unallocated								
Total Unallocated Revenue	-	-	-	-	-	-	-	-
Total Revenue from External Customers	7,035	2,310	21,047	7,060	659	511	-	38,622
ii) Adjusted EBITDA								
PTB	732	104	49	239	-	3	-	1,127
PT USA	-	50	2,706	6	143	86	-	2,991
PT Leasing	574	5	-	846	(6)	-	-	1,419
IAP	1,601	54	3,790	1,206	117	118	-	6,886
Unallocated	-	-	-	-	-	-	-	-
Adjusted EBITDA	2,907	213	6,545	2,297	254	207	-	12,423
iii) Segment Disclosure Items								
Depreciation & Amortisation								
PTB	219	-	-	-	-	-	-	219
PT USA	-	-	1,475	-	-	-	-	1,475
PT Leasing	470	3	-	-	-	-	-	473
IAP	27	-	-	-	-	-	-	27
Total	716	3	1,475	-	-	-	-	2,194
Unrealised (Gain)/Loss on Foreign Currency								
PTB	-	(182)	(86)	(414)	-	(6)	-	(688)
PT USA	-	-	-	-	-	-	-	-
PT Leasing	-	(2)	-	(268)	2	-	-	(268)
IAP	-	2	111	35	3	3	-	154
Total	-	(182)	25	(647)	5	(3)	-	(802)



PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

6. Segment Information (continued)

31 December 2020	Australia PNG & NZ \$'000	Pacific \$'000	America North & South \$'000	Asia \$'000	Africa \$'000	Europe \$'000	Unallocated \$'000	Total \$'000
Total Segment Assets								
PTB	33,642	4,038	1,025	16,038	1	25	38,318	93,087
PT USA	-	35	52,975	(3)	563	(66)	(36,743)	16,761
PT Leasing	9,888	320	-	1,482	228	-	1,321	13,239
IAP	20,981	22	549	969	-	7	(2,896)	19,632
Unallocated	-	-	-	-	-	-	-	-
Total	64,151	4,415	54,549	18,486	792	(34)	-	142,719
Total Assets includes:								
Non-current Assets (other than financial assets and deferred tax)								
PTB	9,706	98	-	6,460	-	-	38,318	54,582
PT USA	-	-	19,877	-	-	-	(36,743)	(16,866)
PT Leasing	6,760	317	-	793	228	-	1,321	9,419
IAP	6,812	-	-	-	-	-	(2,896)	3,916
Total	23,276	415	19,877	7,253	228	-	-	51,051
Total Segment Liabilities								
PTB	2,295	1,136	676	634	-	17	-	4,758
PT USA	14	1,809	5,554	2	-	27	-	7,406
PT Leasing	889	-	-	1	8	-	-	898
IAP	1,179	-	107	40	-	26	-	1,352
Total	4,377	2,945	6,337	677	8	70	-	14,414

PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

6. Segment Information (continued)

31 December 2019	Australia PNG & NZ \$'000	Pacific \$'000	America North & South \$'000	Asia \$'000	Africa \$'000	Europe \$'000	Unallocated \$'000	Total \$'000
i) Revenue								
PTB								
Total Segment Revenue	4,475	2,631	1,126	8,624	13	668	-	17,537
Inter-segment Revenue	(950)	-	(197)	-	-	-	-	(1,147)
Revenue from External customers	3,525	2,631	929	8,624	13	668	-	16,390
PT USA								
Total Segment Revenue	7,033	-	2,390	65	-	82	-	9,570
Inter-segment Revenue	(7,033)	-	-	-	-	-	-	(7,033)
Revenue from External customers	-	-	2,390	65	-	82	-	2,537
PT Leasing								
Total Segment Revenue	1,505	31	-	308	21	-	-	1,865
Inter-segment Revenue	(370)	-	-	-	-	-	-	(370)
Revenue from External customers	1,135	31	-	308	21	-	-	1,495
IAP								
Total Segment Revenue	1,008	25	1,641	2,959	4	107	-	5,744
Inter-segment Revenue	(70)	-	-	-	-	-	-	(70)
Revenue from external customers	938	25	1,641	2,959	4	107	-	5,674
Unallocated								
Total Unallocated Revenue	-	-	-	-	-	-	-	-
Total Revenue from External Customers	5,598	2,687	4,960	11,956	38	857	-	26,096
ii) Adjusted EBITDA								
PTB	305	229	81	752	1	58	-	1,426
PT USA	-	-	98	2	-	2	-	102
PT Leasing	894	27	-	264	18	-	-	1,203
IAP	267	7	477	859	1	31	-	1,642
Unallocated	-	-	-	-	-	-	-	-
Adjusted EBITDA	1,466	263	656	1,877	20	91	-	4,373
iii) Segment Disclosure Items								
Depreciation & Amortisation								
PTB	217	-	-	-	-	-	-	217
PT USA	-	-	73	-	-	-	-	73
PT Leasing	600	10	-	290	-	-	-	900
IAP	32	-	-	-	-	-	-	32
Total	849	10	73	290	-	-	-	1,222
Unrealised (Gain)/Loss on Foreign Currency								
PTB	-	2	1	6	-	-	-	9
PT USA	-	-	40	-	-	-	-	40
PT Leasing	-	2	-	22	1	-	-	25
IAP	-	-	10	17	-	1	-	28
Total	-	4	51	45	1	1	-	102

PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

6. Segment Information (continued)

31 December 2019	Australia PNG & NZ \$'000	Pacific \$'000	America North & South \$'000	Asia \$'000	Africa \$'000	Europe \$'000	Unallocated \$'000	Total \$'000
Total Segment Assets								
PTB	36,655	2,529	513	8,485	1	-	7,848	56,031
PT USA	-	-	8,790	9	-	1	(5,465)	3,335
PT Leasing	9,730	363	-	1,632	272	-	1,229	13,226
IAP	13,487	13	1,226	2,192	-	56	(3,612)	13,362
Unallocated	-	-	-	-	-	-	-	-
Total	59,872	2,905	10,529	12,318	273	57	-	85,954
Total Assets includes:								
Non-current Assets (other than financial assets and deferred tax)								
PTB	13,975	477	-	4,654	-	-	7,848	26,954
PT USA	-	-	778	-	-	-	(5,465)	(4,687)
PT Leasing	7,559	326	-	1,095	228	-	1,229	10,437
IAP	6,331	-	-	-	-	-	(3,612)	2,719
Total	27,865	803	778	5,749	228	-	-	35,423
Total Segment Liabilities								
PTB	2,682	405	718	460	7	8	-	4,280
PT USA	-	-	2,417	-	-	6	-	2,423
PT Leasing	732	-	-	256	9	-	-	997
IAP	520	-	1,693	182	-	159	-	2,554
Total	3,934	405	4,828	898	16	173	-	10,254

Other segment information

(i) Segment revenue

Sales between segments are carried out at cost and are eliminated on consolidation. The revenue from external parties reported to the Board is measured in a manner consistent with that in the statement of profit or loss and other comprehensive income.

Revenues from external customers of PTB and PT USA are derived from repairing, selling and maintaining PT6 and TPE331 turbo prop aircraft engines under contract and trading in related engine and airframe parts. For IAP revenue is derived from trading in aircraft, aircraft engines, airframes and related parts. PT Leasing's revenue is from operating and finance leases for aircraft and aircraft engines.

A breakdown of revenue and results for the half year is provided in the preceding tables.

	Dec 2020 \$'000	Dec 2019 \$'000
Total Segment revenue	52,979	34,442
Intersegment eliminations	(14,634)	(8,620)
Interest revenue	277	274
Total revenue from continuing operations (note 2)	38,622	26,096

The Group is primarily domiciled in Australia. The amount of its revenue from external customers in Australia is \$7.035 million (Dec 2019: \$5.598 million) and the total revenue from external customers in other countries is \$31.587 million (Dec 2019: \$20.498 million). Segment revenues are allocated based on the country in which the customer is located.

PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

6. Segment Information (continued)

(ii) Adjusted EBITDA

This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as, unrealised gains / (losses) on foreign currency movements, impairments of aircraft, inventory and extended credit receivables. Interest income and interest income on long term HP receivables is allocated to segments whereas finance costs and depreciation and amortisation expenses are not allocated to segments.

A reconciliation of adjusted EBITDA to operating profit before income tax for the half year is provided as follows:

	Dec 2020 \$'000	Dec 2019 \$'000
Adjusted EBITDA	12,423	4,373
Unrealised gain/(loss) on foreign Currency	802	(102)
Depreciation and amortisation	(2,194)	(1,222)
Finance Costs	(787)	(510)
Profit / (loss) before income tax from continuing operations	10,244	2,540

(iii) Segment assets

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Reportable segments' assets are reconciled to total assets as follows:

	Dec 2020 \$'000	June 2020 \$'000
Segment Assets	142,719	147,189
Unallocated:		
Current tax assets	-	-
Deferred tax assets	2,583	3,644
Derivative financial instruments	71	-
Total assets as per the statement of financial position	145,373	150,833

The total of non-current assets other than financial instruments and deferred tax assets located in Australia is \$23.277 million (June 2020: \$27.369 million), and the total of these non-current assets located in other countries is \$27.774 million (June 2020: \$27.809 million). Segment assets are allocated to countries based on where the assets are located.

PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

6. Segment Information (continued)

(iv) Segment liabilities

The amounts provided to the board with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's borrowings and derivative financial instruments are not considered to be segment liabilities but rather managed by the treasury function. Reportable segments' liabilities are reconciled to total liabilities as follows:

	Dec 2020 \$'000	June 2020 \$'000
Segment Liabilities	14,414	15,963
Unallocated:		
Current tax liabilities	3,832	1,168
Deferred tax liabilities	5,860	6,645
Derivative financial liabilities	-	7
Current borrowings	10,065	9,437
Non-current borrowings	23,547	31,301
Total liabilities as per the statement of financial position	57,718	64,521

PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

7. Property, Plant and Equipment

	Land & Buildings		Leasehold Improvements		Plant & Equipment		Rental Engines/ Aircraft		Assets Under Construction	Total
	Owned	Under Lease	Owned	Under Lease	Owned	Under Lease	Owned	Under Lease	Owned	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Period end 31 December 2019</b>										
Opening net book value	6,631		-	-	4,205	-	7,792	124	-	18,752
Adjustment for change in accounting policy	-	179	-	-	-	-	-	-	-	179
Adjusted opening net book value	6,631	179	-	-	4,205	-	7,792	124	-	18,931
Additions	-	590	-	-	47	-	710	-	14	1,361
Transfers <sup>1</sup>	-	-	-	-	-	-	(279)	-	-	(279)
Disposals	-	-	-	-	-	-	-	-	-	-
Depreciation/ amortisation	(65)	(55)	-	-	(201)	-	(885)	(16)	-	(1,222)
FX translation	-	1	-	-	1	-	-	-	-	2
Closing net book value	6,566	715	-	-	4,052	-	7,338	108	14	18,793
<b>At 31 December 2019</b>										
Cost	7,893	769	-	-	5,778	-	16,280	263	14	30,228
Accumulated depreciation	(1,327)	(55)	-	-	(1,726)	-	(8,942)	(155)	-	(12,205)
Net book value	6,566	715	-	-	4,052	-	7,338	108	14	18,793
<b>Period end 31 December 2020</b>										
Opening net book value	6,502	3,764	371	-	10,756	-	7,020	109	-	28,522
Additions	-	-	-	-	62	-	678	-	78	818
Transfers <sup>1</sup>	-	-	-	-	-	-	3,082	-	-	3,082
Disposals	(3,526)	-	-	-	(32)	-	-	-	-	(3,558)
Depreciation/ amortisation	(62)	(540)	(12)	-	(916)	-	(639)	(25)	-	(2,194)
FX translation	-	(369)	(39)	-	(669)	-	11	-	-	(1,066)
Closing net book value	2,914	2,855	320	-	9,201	-	10,152	84	78	25,604
<b>At 31 December 2020</b>										
Cost	3,705	3,744	340	-	12,387	-	17,343	263	78	37,860
Accumulated depreciation	(791)	(889)	(20)	-	(3,186)	-	(7,191)	(179)	-	(12,256)
Net book value	2,914	2,855	320	-	9,201	-	10,152	84	78	25,604

<sup>1</sup> Represents transfer of engine cores and aircraft frames (to)/from inventory.

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**8. Dividends**

Dividends paid are as follows:

Financial Year	Nature	Date paid/Proposed to be paid	Amount per security Cents	Franked amount per security at 30% tax
30-Jun-20	Final	Paid 30 October 2020	2.5 cents	Fully Franked
30-Jun-20	Interim	Paid 2 March 2020	2.5 cents	Fully Franked
30-Jun-19	Final	No dividend was declared, paid or payable.	N/A	N/A
30-Jun-19	Interim	Paid 31 May 2019	7 cents	Fully franked at 27.5% tax

No dividends have been declared or paid for the current financial year as at 31 December 2020. A full year dividend is expected to be announced in line with the release of the full year results in August 2021.

**9. Events after the Balance Date**

There are no matters or circumstances that have arisen since the end of the interim reporting period which have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future years.

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**DIRECTORS' DECLARATION**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

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In the opinion of the directors:

(a) the attached financial report and notes are in accordance with the Corporations Act 2001, including:

- (i) complying with Accounting Standard AASB134 Interim Financial Reporting; and
- (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and

(b) there are reasonable grounds to believe that PTB Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Stephen Smith**  
Managing Director

Brisbane  
22 February 2021



## **Independent Auditor's Review Report**

To the members of PTB Group Limited

## **Report on the Half-Year Financial Report**

### **Conclusion**

We have reviewed the half-year financial report of PTB Group Ltd which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of PTB Group Ltd does not comply with the Corporations Act 2001 including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

### **Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

## **Responsibility of the Directors for the Financial Report**

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the

Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK QLD

**Clive Massingham**  
**Hall Chadwick QLD**  
**Chartered Accountants**

Signed this 22<sup>nd</sup> day of February 2021