

ASX Announcement: P2P

31 January 2020

QUARTERLY ACTIVITY REPORT & APPENDIX 4C CASHFLOW STATEMENT

P2P Transport Limited (ASX: P2P) (**P2P** or the **Company**), one of Australia's largest vertically integrated passenger transport fleet managers provides this Trading Update and Appendix 4C Cash Flow Statement for the FY20 second quarter ended 31 December 2019.

Highlights

- Receipts from customers of \$16.3m for the quarter to 31 December 2019
- The company generated \$1.7m in net cash from operating activities
- Continued rollout of Black & White Cabs network in Victoria and New South Wales
- Strong reduction in overall operating costs
- Debtor Finance Facility secured

Financial Update

Receipts

Second quarter FY19 receipts of \$16.3m was achieved despite a seasonal downturn during the Christmas period. The successful integration of the Black & White Cabs network and subsequent expansion into New South Wales and Victoria is assisting cash inflows and providing synergies with the Fleet Services business.

Costs

Cost savings and integration benefits have continued to deliver results with further cost savings achieved across the business through plate lease reductions, optimisation of staffing and improvements in general costs & controls. Network Services completed a rollout of an Automated Voice Response System, with digital natural language processing, for inbound bookings in mid-December 2019. The system has enabled P2P to achieve immediate additional net cost savings that will be of the order of \$50,000 per month. The Company is continuing to pursue further cost savings by way of a reduction in rent costs through site rationalisation, continued supplier consolidation and further reduction in plate lease fees.

Operations Update

Management has continued to focus on the turnaround plan, with particular focus on driving the growth of the Network Services business in Melbourne, Perth and now Sydney.

Fleet Services

The Company has continued to optimise the Fleet Services division with focus on right sizing of the fleet and underlying costs to drive consistent profitability. This has seen consolidation of premises,

reduction in licence leases, reduction in staffing and improved management processes. The benefits of which are expected in the second half of FY20.

As at 31 December 2019, the fleet has 980 vehicles, a reduction of 80 vehicles compared to 31 December 2018. These 80 vehicles are in the process of being sold to taxi industry participants generating cash inflows for the Company.

Network Services

The Company is pleased with the underlying performance of the Network Services business, which has approximately 2,000 vehicles using the Black & White Cabs network up from circa 1,400 since August 2018. The expansion of the Black & White Cabs network beyond the Company owned fleet is indicative of performance of the Black & White Cabs brand.

Adflow

Advertising income from traditional taxi advertising primarily being static taxi backs remains a strong consistent revenue stream for the company. The Digital Taxi Tops (DTT) remain suspended from operation whilst the company is in ongoing discussions with our supplier to find remedies for the technical faults that continue to be endured.

Finance Facilities Update

The Company is actively engaging and continues to have a good working relationship with all its financiers, including the convertible note holders. To assist with forward outflows, the Company has accepted a Debtor Finance Facility for \$2m from a recognised and long standing financier to Australian businesses on favourable commercial terms.

Outlook for FY20

Continued focus on cost management, improved management processes and focus on customer service levels should see the company continue to improve its operating EBITDA performance.

As previously advised, the Company continues to actively pursue and engage with interested parties with respect to assets sales and equity investment to strengthen the company's balance sheet and ensure that the longer-term significant profit performance and shareholder value can be attained.

The FY20 half year financial statements with audit review are expected to be announced and released on Friday 28 February 2020.

-END -

This ASX release has been approved for release by Greg Webb on behalf the Board of P2P Transport Limited.

For further information, contact:

Greg Webb

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About P2P Transport Limited

P2P Transport is an integrated network services, fleet management and advertising company in the passenger transport industry, with 2400 vehicles across Australia as either directly controlled fleet vehicles or vehicles on the Black and White network.

P2P Transport's fleet includes a range of taxis, corporate and ride-share vehicles servicing each segment of the point-to-point passenger transport industry.

Zevra, Black & White Cabs, Adflow, and Australia Wide Chauffeur Cars are amongst some of the brands managed by P2P Transport.

P2P Transport's business model is premised on the control of all key stages of the fleet management lifecycle, from vehicle acquisition, in-house customization and vehicle servicing, driver support, and fleet management and administration.

www.p2ptransport.com.au

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

P2P Transport Limited	Quarter ended ("current quarter")
ABN	31 DECEMBER 2019
77 617 760 899	

Consolidated statement of cash flows	Current quarter	Year to date
	\$A'000	(6 months)
		\$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	16,253	33,373
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs*	(7,851)	(14,910)
(c) advertising and marketing	(178)	(401)
(d) leased assets	-	-
(e) staff costs	(4,236)	(8,992)
(f) administration and corporate costs	(1,932)	(4,563)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(355)	(531)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	1,701	3,976
2 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(127)	(1,447)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(127)	(1,447)
3 Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(1,896)	(2,639)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other - repayment of AASB 16 Lease Liability*	(512)	(1,023)
3.10 Net cash from / (used in) financing activities	(2,408)	(3,662)
4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,507	1,806
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,701	3,976
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(127)	(1,447)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(2,408)	(3,662)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	673	673
5 Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1 Bank balances	673	1,507
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	673	1,507
6 Payments to directors of the entity and their associates	Current quarter	
	\$A'000	
6.1 Aggregate amount of payments to these parties included in item 1.2	107	
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2		
<i>Salaries, superannuation and directors' remunerations</i>		

7 Payments to related entities of the entity and their associates

Current quarter \$A'000
198
-

- 7.1 Aggregate amount of payments to these parties included in item 1.2
 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Leases on premises owned by director controlled entities as well as rent on Taxi Service Licences. Due to the adoption of AASB16 lease payments are a reduction of borrowings.

8 Financing facilities available

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
5,612	5,612
-	-
2,000	613

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
 8.2 Credit standby arrangements
 8.3 Other (please specify)
 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Equipment Finance Facility that is capped at the amount that has been drawn. Other facility is a Debtor financing facility.

9 Estimated cash outflows for next quarter

\$A'000

9.1 Research and development	-
9.2 Product manufacturing and operating costs	8,268
9.3 Advertising and marketing	228
9.4 Leased assets	-
9.5 Staff costs	4,439
9.6 Administration and corporate costs	1,924
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows**	14,859

**10 Acquisitions and disposals of business entities
(items 2.1(b) and 2.2(b) above)**

Acquisitions

Disposals

10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

September and December FY20 4C's have been prepared on a fully consolidated basis inclusive of adjustments for AASB 16. The effect of this is to re-allocated rental expenses from operating cash flow (line 1.2 (b)) to financing (line 3.9). In FY 19 the Appendix 4C was prepared prior to consolidation eliminations and exclusive of AASB 16 reclassifications.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

Company secretary



Date: 31 January 2020

Print name: Hasaka Martin

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.