

MaxiTRANS Industries Limited

Year Ended
30th June 2014



2014 Year in Review

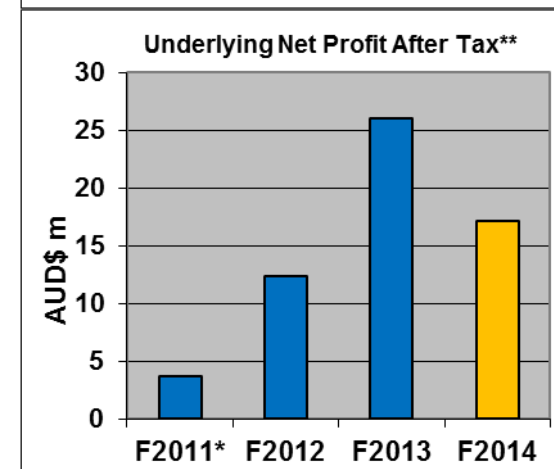
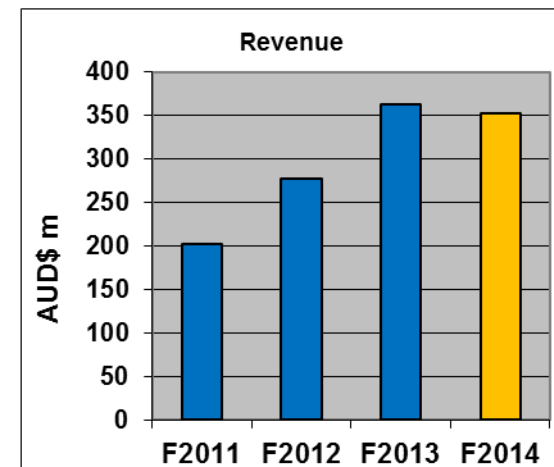


- A soft and challenging market resulting in:
 - Revenue of \$351 million, down 3% on prior year
 - NPAT attributable to MXI Equity Holders \$17 million in line with the trading update in April, '14
- Margins adversely impacted by:
 - Low trailer demand driving intense pricing competition
 - Parts market depressed by fall in demand from trailer builders and operators together with a number of non-recurring items
 - Start up losses on commissioning new China facility
- Continued strategic growth with four parts stores opened or acquired and two greenfield parts stores established
- Final dividend of 2.25 cents fully franked brings total dividend for the year to 6.0 cents fully franked.

Financial Highlights



	FY13 \$000	FY14 \$000	% change on FY13	FY11 - FY14 CAGR
Revenue	\$362,534	\$351,968	-3%	20.2%
EBITDA	\$44,219	\$30,594	-31%	40.0%
NPBT	\$36,358	\$23,172	-36%	74.7%
NPAT attributable to MXI equity holders	\$25,965	\$17,075	-34%	60.0%



* Excludes impairment charges and restructuring

** Underlying NPAT attributable to Equity Holders

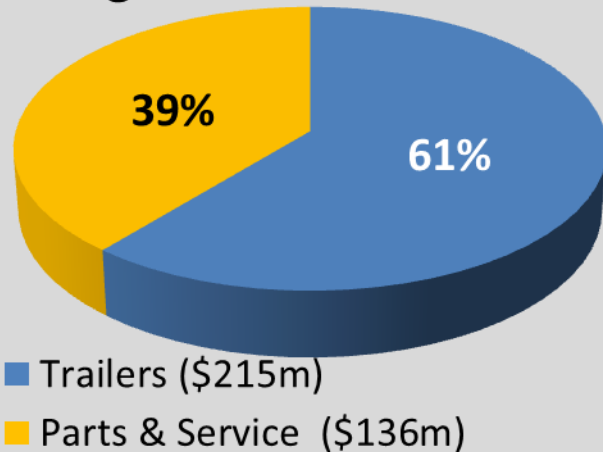
Financial Highlights (cont.)



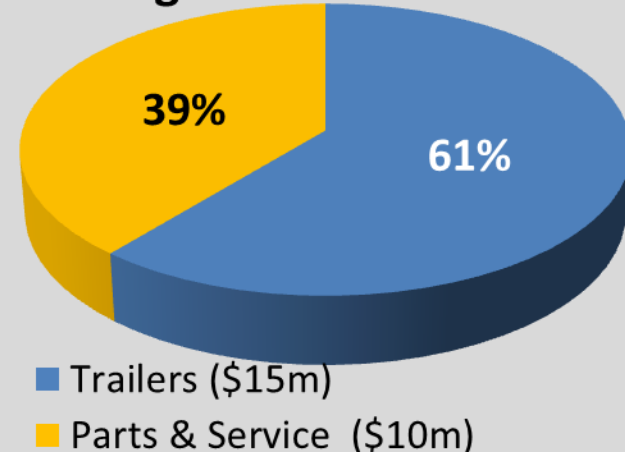
	FY13 \$000	FY14 \$000	% change on FY13
Operating cash flow	\$23,543	\$16,612	-29%
Net debt	\$24,601	\$37,539	52.6%
Net debt/equity %	21%	31%	10 ppts
EPS (basic) (cents)	14.11	9.26	-34.4%
Total dividends declared (cents)	8.5	6.0	-29.4%
Total dividend as % of EPS (basic)	60%	65%	4.8ppts

Parts & Service continues to grow contribution to Group results

Segment Revenue FY14



Segment NPBT FY14



- Parts & Service contributed 39% of the group result, up from 35% in FY13
- Non-recurring items dampened Parts & Service profit contribution in FY14
- Expect Parts & Service contribution to continue to increase

Major Achievements in FY14



- Continued to build national parts network:
 - Acquisition of three parts stores to expand NSW footprint:
 - Central Coast (Warnervale)
 - Dubbo
 - Wagga Wagga
 - Relocated NSW warehouse and opened new retail store in Moorebank
 - Opened new greenfield stores:
 - Mackay, north Queensland
 - Darwin, Northern Territory
- Commenced major “MaxiSAFE” program to significantly improve workplace health and safety outcomes across the organisation
- Commenced a business transformation program, “Project TRANSform” involving the implementation of a new ERP system (JD Edwards) to replace thirteen legacy IT systems and streamlining business processes
- Entered into new, larger syndicated debt facilities providing greater funding certainty at a lower cost.

Vans

Maxi-CUBE



New Maxi-CUBE Premium Pack

- Slow start to FY14 until order intake strengthened significantly commencing Q2 '14
- Solid orders from both large & small fleets
- FY14 unit sales down 7.7 % below FY13 but positive mix had revenue 4% above FY13
- Premium Pack Maxi-CUBE launched in Q3 '14
- Order bank significantly stronger at the end of FY14, up 71% on pcp.



Trailers

FREIGHTER



*AutoHold closing system
(4 patents on the overall design)*



- Soft general freight market and reduction in mining investment adversely affected demand
- Competitors discounting heavily punished margins
- FY14 sales down 8% on FY13
- New AutoHold trailer well received by the market with orders taken prior to year end
- Order bank 47% below pcp, creates more competitive lead times.



*Sugar Cane Transfer Units
Showing side shifting of cane bins onto rail cars*

Tipper

LUSTY EMS

AZMEB
BULK TRANSFER SYSTEMS

HamelexWhite

MaxiTRANS



New Low Tare Hamelex White steel tipper



Lusty EMS Stag - popular grain rig



AZMEB High Volume Side Tipper for waste

- Most sectors depressed in FY14:
 - Agriculture adversely affected by drought in Queensland and north western NSW
 - Resources investment decline as projects come online and few new projects in the pipeline
- Total tipper sales down 18% on FY13
- Competitors pricing at minimal, if any, margins to win volume
- New low tare, high payload, Hamelex White steel tipper launched Q3'14
- New ejector trailer developed for waste transfer industry (Q4 '14)
- Order banks 23% lower than pcp, creates opportunities to offer shorter lead times.

New Zealand



- Strong NZ economy
- FY14 sales 48% up on FY13
- Market penetration being achieved with new Freighter strategy & product development
- Order bank up 114% on pcp
- Improved efficiencies at new factory → more capacity & shorter lead times
- Van and trailer markets strengthening
- Outlook positive and well placed for growth.

New Freighter stock awaiting delivery

Parts & Service



*MaxiPARTS Darwin
(& images below)*



- FY14 Revenue in line with pcp
 - Gladstone decline offset by acquisitions and greenfield stores
 - Australian service and repairs business stronger than prior year
- FY14 profit significantly down on pcp due to:
 - Overall market downturn impacting margins
 - Non-recurring items:
 - Short term withdrawal of key product from market
 - Start-up losses at greenfield sites
 - Acquisition costs
- Opened two greenfield stores (Mackay & Darwin) to capitalise on new market opportunities
- Acquired and opened four retail stores in NSW
- Outlook positive:
 - Key product back in the market mid FY15
 - Expanding product ranges (incl. truck parts)
 - Promising fleet supply contracts
 - Synergies from fully integrating new stores/locations.

Maxi-CUBE Tong Composites (MTC)

- Yangzhou, China (80% owned JV)



New MTC Panels factory



- FY14 revenue in line with pcp
- FY14 contribution adversely affected by relocation to new factory:
 - Shutdown old factory
 - Implement new technology at factory requiring testing and commissioning
 - Short term production inefficiencies
- Positive outlook:
 - Production rates now above old factory
 - Improved quality
 - Improving efficiencies
 - Continued strong market demand (domestic and export).

Dealerships & Joint Ventures



Transport Connection (80%)

- FY14 revenue up 60% on FY13 (accounting for Oct 2012 to June 2013 only)
- FY14 contribution up 5% on FY13 (accounting for Oct 2012 to June 2013 only)
 - Challenging market
 - Heavy discounting
 - Over-supply

Trailer Sales (36.67%)

- FY14 contribution down slightly on pcp
- Appointed Hamelex White distributor for all of Qld (previously only North Qld)
- Appointed AZMEB dealer for North Qld.



Outlook FY15



- Expect market conditions to be similar to FY14
- Product design and quality improvements should yield market share gains for the trailer business in FY15
- Expect ongoing optimisation of manufacturing facilities and process improvement to reduce lead times and improve margins
- Completion of the integration of the acquired and greenfield stores together with reintroduction of key suspension product envisaged to improve profitability of MaxiPARTS
- Anticipate continued improvement in production volumes and quality from MTC
- Strong economy and expanded product range should continue to benefit NZ business
- Company well positioned to seek further growth opportunities.

