

# MaxiTRANS Industries Limited

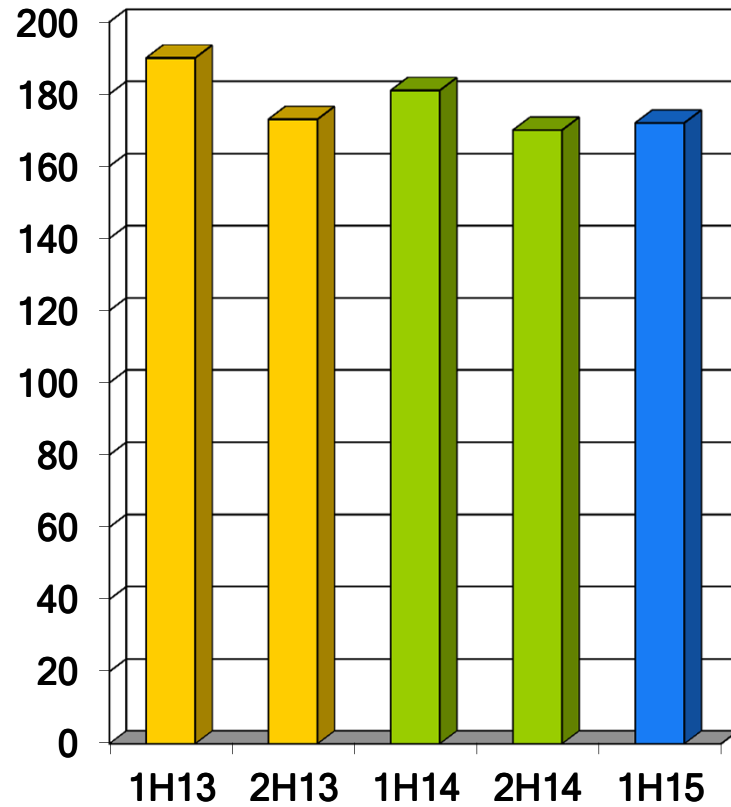
## Half Year Ended 31<sup>st</sup> December 2014



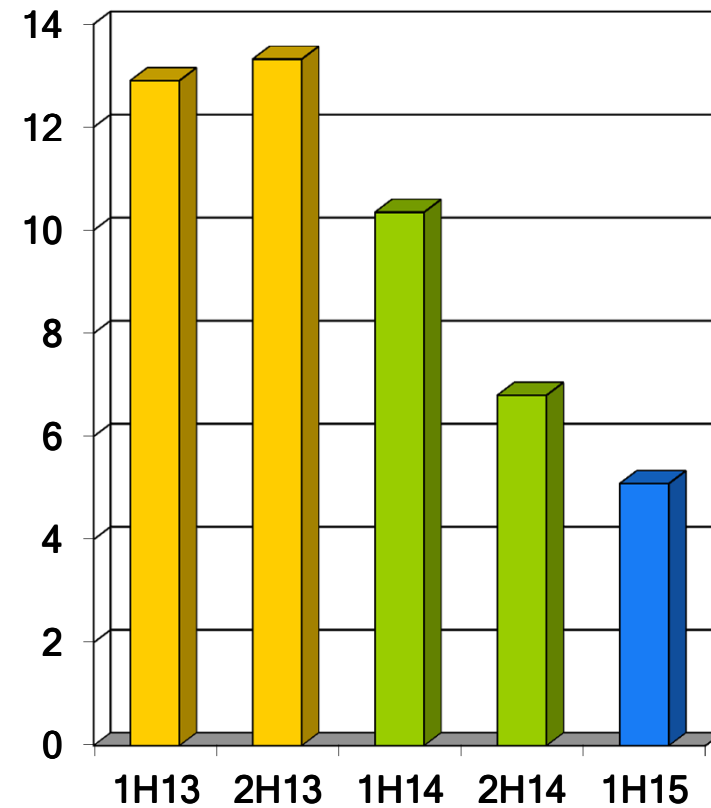
# Financial Highlights



### Sales \$M



### NPAT \$M



# 1H15 Overview



- 1H15 NPAT \$5.0m - in line with market guidance
- NPAT includes \$840k (after tax) cost associated with MaxiPARTS product recall initiated in 1H15
- Revenue down 5% on pcp
- Aggressive discounting across all trailer brands
- Significant decline in resources sector adversely impacted both AZMEB and MaxiPARTS
- MaxiPARTS profitability adversely affected by:
  - Significant decline in Queensland parts market
  - Start-up losses of greenfield sites
  - Significant product recall
- Further trailer manufacturing efficiency gains realised
- Commenced Company owned trailer dealership in NSW
- Strong international performance in NZ.

# Financial Highlights



	1H13 \$000	1H14 \$000	1H15 \$000	% change on 1H14
Revenue	189,867	181,371	172,022	-5%
EBITDA	22,189	17,528	10,673	-39%
NPBT	17,993	14,086	6,708	-52%
NPAT	12,902	10,348	5,084	-51%
Non-controlling interests	(82)	(96)	2	-102%
NPAT attributable to MXI equity holders	12,820	10,252	5,086	-50%

# 1H15 v 1H14 Profit Movement



<b>1H14 NPAT</b>	<b>\$10,348</b>
Gross Profit decline	(\$3,143)
MaxiPARTS Product Recall	(\$840)
MaxiPARTS Store expansion	(\$784)
Other Costs	(\$497)
<b>1H15 NPAT</b>	<b>\$5,084</b>

Presented in after tax dollars

# Financial Highlights (cont)



	1H13 \$000	1H14 \$000	1H15 \$000	% change on 1H14
Operating cash flow	5,389	9,406	10,682	+14%
Net debt	29,624**	28,185	34,334	+22%
Net debt/equity %	27%	23%	28%	+5ppts
EPS (basic) (cents)	6.97	5.57	2.75	-50%
Interim dividend declared (cents)	4.25	3.75	2.00	-47%
Interim dividend as % of EPS (basic)	61%	67%	73%	+6ppts

\*\* Includes cumulative acquisition payments in 2H12 and 1H13 of approximately \$30 million

# Parts & Service



- Segment revenue is in line with pcp however, Parts revenue down 5.5% on pcp
- Customer loyalty program gaining traction to improve market share
- Segment profit down 59% on pcp driven by
  - Significant decline in Qld parts market driven by reduced resources, agriculture (drought) and construction activity
  - Greenfield sites (Mackay & Darwin) start-up losses
  - Product recall related to core product
- 2H15 Focus:
  - Further review of store network to optimise footprint and reduce overheads
  - Relaunch CS suspension range with new products
- MaxiPARTS moving to new, larger Victorian warehouse in April resulting in improved efficiency and services levels at no additional cost to the business.

**THIS WEEK'S VIP MEMBER SPECIAL**

**1 WEEK ONLY**

**TRAILER STABILISING STAND**

**VIP SPECIAL BUY 2 FOR \$450**

**PART #CA2235**

**Offer Valid from 23rd - 29th Jan 2015 While Stocks Last No Rainchecks**

**MaxiPARTS** [www.maxiparts.com.au](http://www.maxiparts.com.au)

MAXUS Part number - CA2235  
Static load capacity - 20,000kg  
Notes:  
• Must be used in conjunction with the trailer support legs  
• Designed for uniform static loading only  
• Do not exceed the maximum 1000kg per leg  
• Not to be used for the dynamic loads being

Weekly VIP Flyer



New Warehouse near Completion



# Trailers



- Unit sales up 3% on pcp
- General freight market soft and adversely affected by weak economy
- Aggressive sales strategy succeeding – winning new customers through Conquest Customer program
- Strong orders from major fleets
- Order bank up 23% on end 2H14.

Freighter AutoHold





# Vans



- Strong sales due to strong order intake late 2H14 (unit sales up 17% on pcp)
- New customers won through targeted Conquest Customer program
- New “Premium Pack” model well received
- 53ft PBS units well accepted.



Drop Deck B-Double  
- Dry Freight



53 ft, 26 Pallet,  
PBS Reefer

# Tipppers



- Unit sales down 31% on pcp
- Demand depressed by:
  - Significant contraction in the resources sector
  - Drought affected agricultural sector
  - Low infrastructure construction activity
- Very aggressive market pricing significantly impacting margins
- Sales and distribution structure revamped and expanded at start of 2H15 to strengthen sales performance
- New products launched accessing new customers and markets with further new products due in 2H15.



New Drop Deck Tipper



Truck & Dog Sets

# International Operations



## New Zealand

- A return to strong profitability
- Unit sales up 27% on pcp and revenue up 90% on pcp reflecting favourable product mix
- Market share gains achieved in the period under review (from 8.1% to 9.8%).



Slide-A-Side Trailer and Truck Body

# International Operations



## MTC - Yangzhou, China (80% owned JV)

- Revenue up 25% on pcp
- Reduced profit compared to pcp due to increased cost of operating new facilities (note, pcp profit based on old site)
- Aggressive approach being taken to rapidly expand export market opportunities and increase volumes to take advantage of increased production capacity
- Listing on [www.made-in-china.com](http://www.made-in-china.com) and [www.alibaba.com](http://www.alibaba.com).

Automatic Panel Saw at end of  
Production Line



# Outlook FY15



- Soft economic environment driving continued subdued business confidence and low demand for heavy road transport equipment
- Focus on operational efficiency and gaining market share
- Tipper markets expected to remain soft, new market and customer opportunities being explored
- Review of manufacturing strategy and rightsize the footprint to reflect market conditions
- MaxiPARTS performance largely dependent on general market conditions in the short term. Longer term benefits to be obtained from relaunch of CS suspension product range and structural cost savings
- MTC sales growth (incl. export sales) potential to leverage increased production capacity
- New Zealand expected to remain a strong contributor.



