



MaxiTRANS ANNOUNCES HALF YEAR FY17 RESULT

MaxiTRANS Industries Limited (“MXI”) today announced a net profit after tax attributable to MXI shareholders of \$6.07 million for the half year ended 31 December, 2016. This represents a 17% increase above the prior corresponding period (“pcp”). Excluding the impact of the Bundaberg factory closure in the prior corresponding period, underlying net profit after tax attributable to MXI shareholders increased by 8%.

The Directors have declared a fully franked interim dividend of 2.0 cents per share (1H16 2.0 cents per share), payable on 13 April, 2017 to all shareholders at the record date, 24th March 2017. This represents a 61% payout ratio of underlying NPAT.

(A\$'000)	Half Year ended 31/12/16	Half Year ended 31/12/15	% Increase/ (decrease)
Sales revenue	171,591	181,365	(5%)
EBIT ^{1, 2}	9,760	8,525	14%
Interest expense	(1,170)	(1,161)	
Net profit before tax	8,590	7,364	17%
Tax expense	(2,259)	(2,035)	
Net profit after tax	6,331	5,329	19%
Non-controlling interests	(257)	(140)	
Net profit attributable to MXI equity holders	6,074	5,189	17%
Underlying net profit attributable to MXI equity holders ^{2,3}	6,074	5,627	8%
EPS (basic)	3.28 cents	2.80 cents	17%
Underlying EPS (basic) ^{2,3}	3.28 cents	3.04 cents	8%

1. EBIT refers to profit for the period before income tax expense and finance costs.

2. Non-IFRS measures have not been subject to audit or review by external auditors.

3. Represents net profit attributable to MXI equity holders as at 31 Dec 2015 excluding the after tax value of Bundaberg restructure costs of \$438k.

Total revenue for 1H17 decreased by 5.4% from 1H16, with the decrease mainly attributable to an 8% decrease in revenue for the Trailer Solutions business, partially offset by a 1% increase in revenue from the Parts and Components businesses.

In the Trailer business, whilst sales of the Freighter and Maxi-CUBE products in Australia were down 28% on pcp, unit sales of the tipper products were 67% higher than pcp, capitalising on strong demand in the construction, agriculture and waste sectors. However, this product mix had an adverse impact on profit for the segment as margins on Freighter and Maxi-CUBE are generally higher than the tipper products. Profit for the segment declined by 21.4% from 1H16. A stronger tipper order bank at the end of the period and continuing good order intake positions the Company well as it enters the second half of FY17.

The delay in introducing new equipment regulations in New Zealand had a significant adverse impact on our New Zealand business as revenue declined by 44%. Those regulations have now been passed and we expect order intake to improve throughout the second half of FY17.

Revenue in the Parts and Components segment increased by 1% and profit improved 60% over pcp. Revenue for the MaxiPARTS business was flat in 1H17, however, significant margin improvement as a result of a number of business initiatives and strong overhead management saw profit materially improve. We expect this performance to continue. Similarly, significantly improved sales volume in our China business saw profit grow ahead of revenue in 1H17.

OUTLOOK

The Australian trailer business entered 2H17 with a stronger order bank than the same time last year. Strong demand for tipper products, albeit at lower margins, continues as new infrastructure projects come on stream and optimism continues in the agriculture sector. Our tipper products are also gaining strong acceptance in the waste sector, evidenced by two of our top ten customers operating in that sector. A number of opportunities for Freighter and Maxi-CUBE also remain in the market.

We also expect the certainty from the new equipment regulations in New Zealand should result in a significant improvement in our New Zealand business in 2H17 as customers begin to order new equipment to capitalise on the improved equipment efficiency.

In the Parts and Components segment, we expect improved profitability from a continuing focus on pricing discipline, strong overhead management and contributions from our new business initiatives including the MaxiSTOCK customer inventory management system.

Rob Wylie
Chairman

Michael Brockhoff
Managing Director

24 February 2017