



BUILT ON PRIDE  
Year Ended 30<sup>th</sup> June 2017



BEHIND EVERY INDUSTRY

**FREIGHTER**

**Maxi-CUBE**

**LUSTY EMS**

**HamelexWhite**

**AZMEB**

**PEHI**

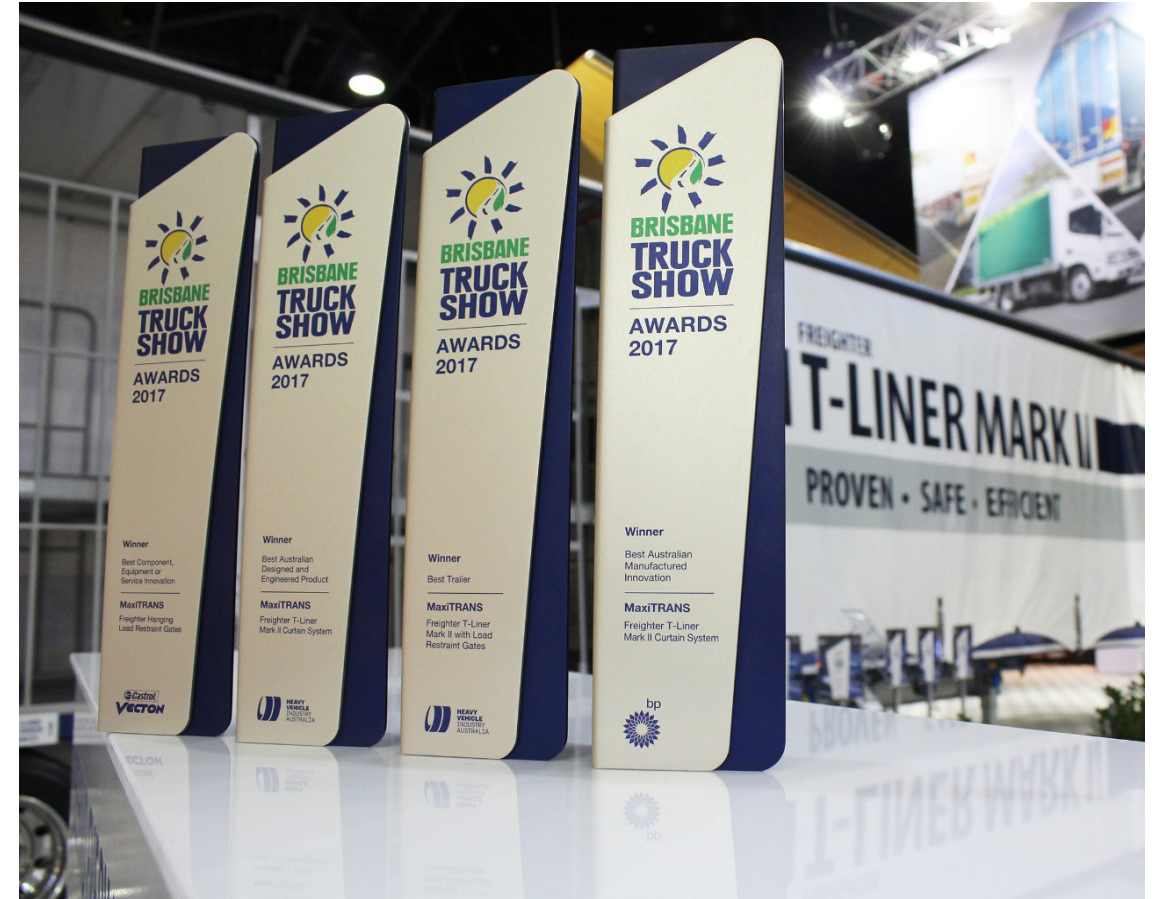
**MaxiPARTS**

# KEY THEMES FROM FY17 RESULT



- MaxiTRANS delivers strong FY17 result
  - Underlying NPAT of \$10.7M –22% up on prior year\*
  - Final year dividend of 1.5 cents per share fully-franked – total dividend 3.5 cents per share fully franked
- Segment Profit
  - Trailers down 16% - Australia up, NZ down
  - Parts & Components up 45% - strong performance from both MaxiPARTS and China
- MaxiTRANS well positioned for further growth
  - Order banks up 100% on prior year assisted by Coles order
- Market share up 0.5% in 1H calendar 2017 driven by traditional cyclical movements

\* Underlying comparison excludes the FY16 significant items: impairment of Lusty EMS and Hamelex White intangible assets



BEHIND EVERY INDUSTRY



# FY17 - HIGHLIGHTS



## 2017 highlights

Send all our people home safely • Honest  
Balanced focus on customers and results  
Forthright • Ethical • Collaborative  
Accountable • Better every day

FY17 revenue  
**\$340m**



Australian trailer  
order banks up  
**over  
100%**



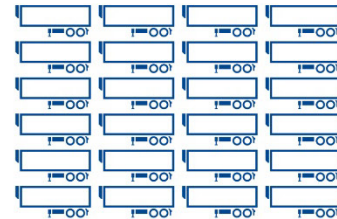
**47%** ↓  
reduction in  
lost time injury  
frequency  
rate



Underlying  
earnings per  
share (basic)\*

↑ **22%**

Tipper sales



**395**  
record  
trailer  
order

**New  
strategic  
alliance**

with Monash & Federation  
Universities for training,  
research and development

Underlying net  
profit after tax  
attributable to MXI  
equity holders\*

↑ **22%**

**4**  
industry  
awards



Parts &  
Components  
segment NPBT



↑ **45%**

MaxiSTOCK  
**20%**  
increase in sales  
per installation



011213253851

China profit

↑ **12%**

(on constant currency basis)

The MaxiTRANS, Freightler, Maxi-CUBE, Lusty EMS, Hamelex White, AZMEB, Peki and MaxiPARTS logos are registered trademarks of the MaxiTRANS group. \*Non-IFRS measures have not been subject to audit or review by external auditors. MaxiTRANS Australia Pty Ltd. Copyright 2017. ABN 95 081 151 699. Printed 08/17

[maxitrans.com](http://maxitrans.com)

BEHIND EVERY INDUSTRY



# FINANCIAL OVERVIEW



A\$M	FY16	FY17	% Change
Revenue	340.2	340.1	(0.03)
EBITDA	19.5	21.4	9.7
D&A	(5.0)	(4.6)	8.0
EBIT	14.5	16.8	15.9
Interest Expense	(2.4)	(2.3)	4.2
NPBT	12.1	14.5	19.8
Tax	(3.1)	(3.5)	(12.9)
Non-Controlling Interest	(0.3)	(0.3)	-
NPAT (Underlying)	8.7	10.7	22.9
Significant Items	(3.5)	-	N/A
Reported NPAT	5.2	10.7	105.8
ROIC (%)	6.17	6.61	7.1
Net Debt	32.3	41.6	28.8

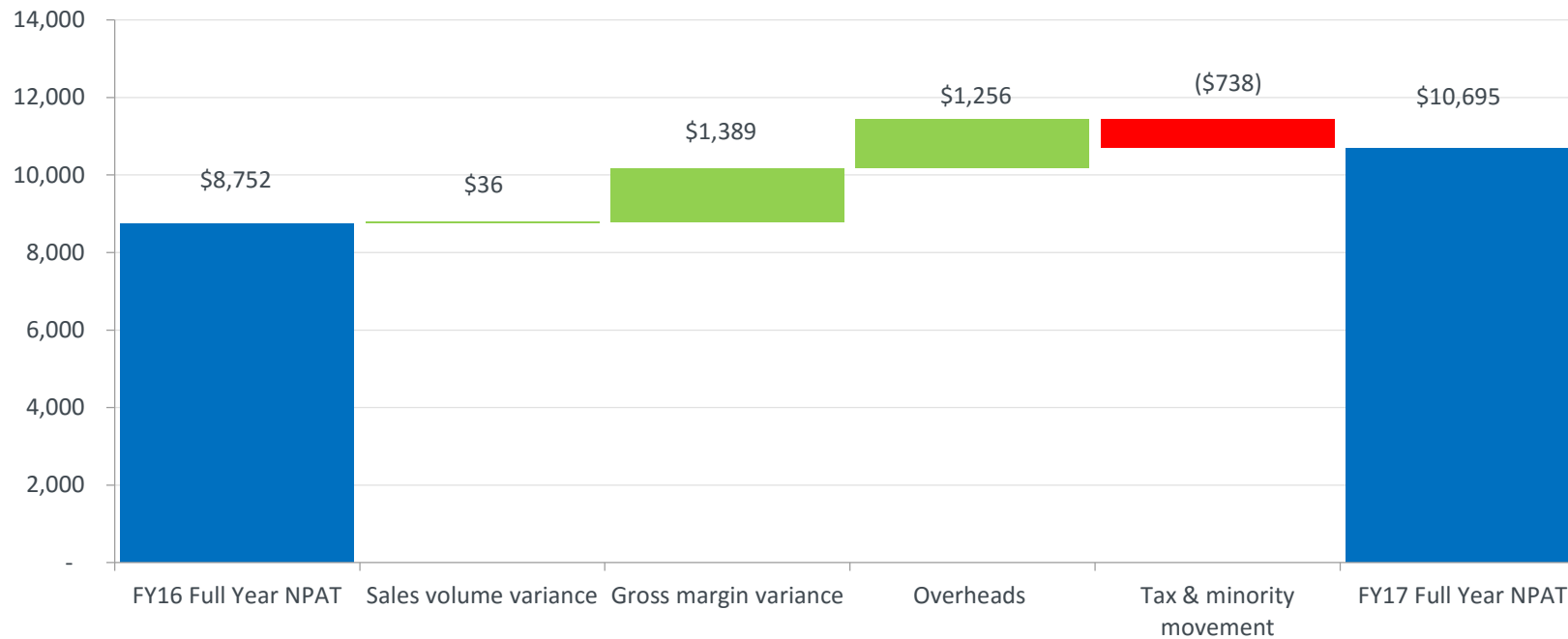
BEHIND EVERY INDUSTRY



# EARNINGS BRIDGE – UNDERLYING NPAT UP 22%



Underlying NPAT - FY17 vs FY16  
\$'000



- Gross margin improvement driven by improved MaxiPARTS margins
- Overhead improvement largely due to one-off costs in prior year and one-off write-backs in FY17

BEHIND EVERY INDUSTRY



# CASHFLOW



A\$M	FY16	FY17	% Change
EBITDA	19.5	21.4	9.7
Change in Working Capital	8.2	(10.3)	(225.6)
Other	(6.5)	(6.7)	(3.1)
<b>Operating Cashflow</b>	<b>21.2</b>	<b>4.4</b>	<b>(79.2)</b>
Dividends Paid	(3.8)	(5.9)	(55.3)
Dividends Received	0.8	0.6	(25.0)
CAPEX	(8.7)	(8.2)	5.7
Purchase of minority interest	-	(0.5)	N/A
Other	0.7	0.1	(85.7)
<b>Free Cashflow</b>	<b>10.2</b>	<b>(9.5)</b>	<b>(293.1)</b>

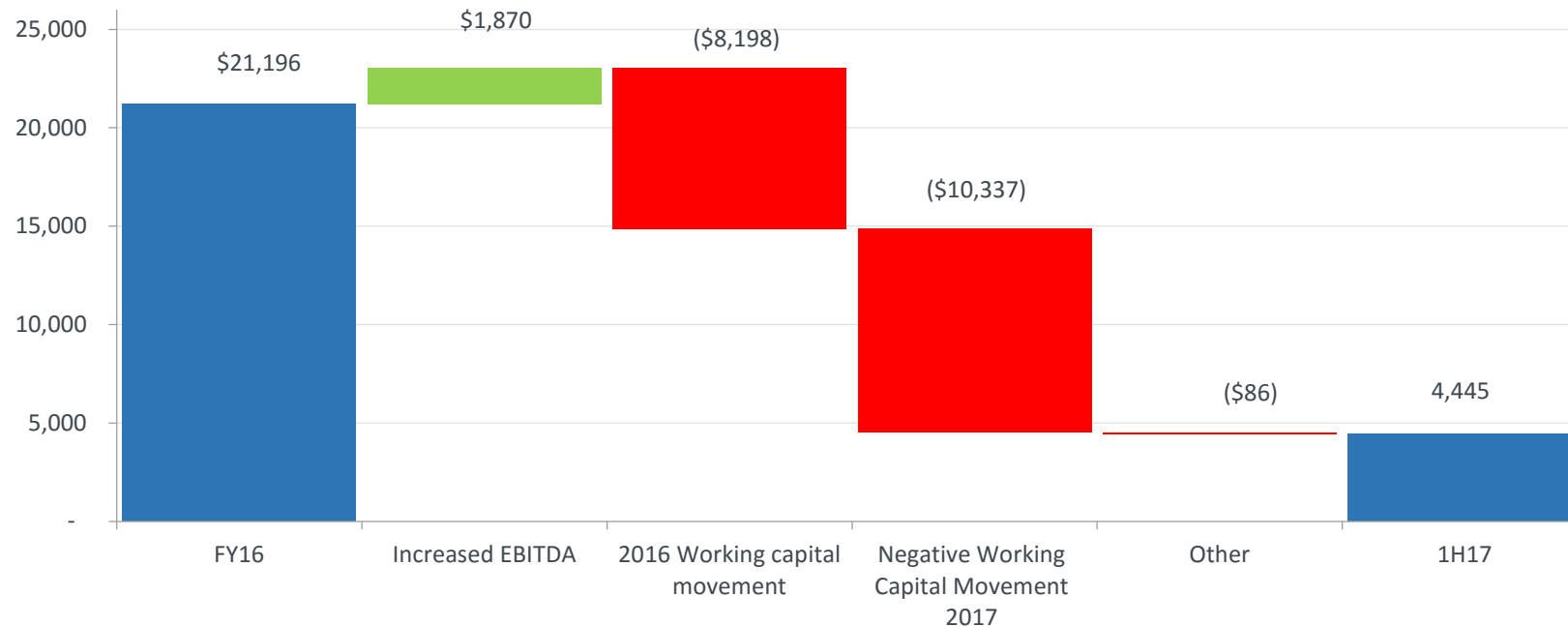
BEHIND EVERY INDUSTRY



# CASHFLOW (CONTINUED)



**Operating Cashflow - FY17 vs FY16**  
\$'000



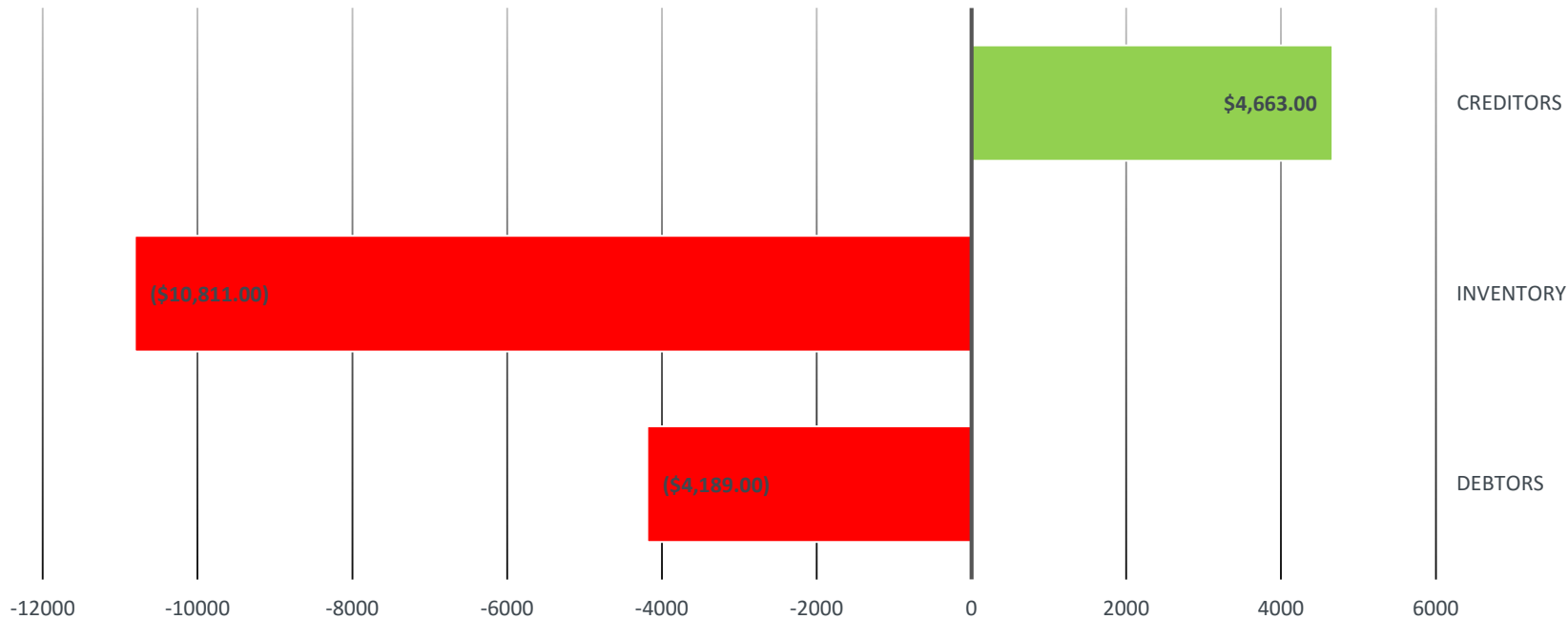
- 2016 working capital movement driven by significant end of year creditors and debtors benefit
- \$8.2m reflects reversion to normal debtor / creditor levels

BEHIND EVERY INDUSTRY

# CASHFLOW – WORKING CAPITAL MOVEMENT



**Working Capital movement - FY17**  
\$'000



- Inventory increase as a result of:
  - Raw materials / WIP due to increased build rate (\$4.8m)
  - Customer units built but not delivered at 30/6 (\$1.9m)
  - Stock units on hand (\$2.7m)
- Debtors increased due to higher June sales v prior period
- Creditors increased in line with higher inventory holding

BEHIND EVERY INDUSTRY



# SEGMENT EARNINGS – TRAILERS



A\$M	FY16	FY17	% Change
Revenue	235.2	233.4	(0.8)
NPBT	10.9	9.1	(16.5)
NPBT Margin %	4.6	3.9	(15.2)

- Australian trailer business revenue improved 2.6%, more than offset by NZ revenue decline of 27%
- Gross margins slightly below prior year due to higher mix toward lower margin products
- Profit impacted by adverse warranty claims in NZ

BEHIND EVERY INDUSTRY



# FREIGHTER



- Unit sales down 8% after beginning the year with a small order bank
- Continued low consumer confidence drove a consistently low order intake in H1 FY17
- Order intake improved in H2, partly due to award-winning new product releases
- Order banks finished 85% up on prior year



BEHIND EVERY INDUSTRY



# MAXI-CUBE



- Unit sales down 34%, returning to normalised levels following above-average FY16
- Order banks up 284% following Coles Supermarkets order
- Redeveloped Classic product announced at Brisbane Truck Show
- Strong platform for further orders in FY18



BEHIND EVERY INDUSTRY



# TIPPERS



- 74% increase in tipper sales driven by:
  - Good grain / agriculture season particularly in Victoria, Queensland and South Australia
  - Strong infrastructure construction activity in NSW and South Australia
  - Continued penetration into the waste sector in Victoria, Queensland and WA
- Order bank 10% higher than prior year



BEHIND EVERY INDUSTRY



# NEW ZEALAND



- Significant profit decline due to:
  - Transport equipment regulation change affecting trailer dimensions not passed until February, 2017 – temporarily impacted Maxi-CUBE product
  - A number of grocery contract changes created uncertainty among operators thus delaying buying decision; and
  - Increased warranty claims
- Improved order book provides strong start to FY18



BEHIND EVERY INDUSTRY



# SEGMENT EARNINGS – PARTS & COMPONENTS



A\$M	FY16	FY17	% Change
Revenue	105.0	106.7	1.6
NPBT	3.6	5.3	47.2
NPBT Margin %	3.4	5.0	47.1

- Profit growth ahead of revenue driven by MaxiPARTS trading margin improvement

BEHIND EVERY INDUSTRY



# MAXIPARTS



- Revenue growth from:
  - MaxiSTOCK customer inventory management system driving above 20% like-for-like customer increased sales and represents a growing proportion of total sales
  - Successful launch of AirMAX suspension system
- BUT
  - Offset by further softening in Queensland
- Improved pricing discipline assisted in driving margin improvement
- Converted Dubbo retail store to a local wholesale relationship



BEHIND EVERY INDUSTRY

# MAXI-CUBE TONG COMPOSITES (CHINA)



- Strong underlying result (on a constant currency basis):
  - 15% revenue increase
  - 12% profit improvement
- Further expected top line growth in FY18 driven by:
  - New product launches
  - Improved product quality from upgraded skin line
  - However, local competition driving margin pressure



BEHIND EVERY INDUSTRY



# OUTLOOK



- Australian Trailer Business to benefit from Coles contract in first half
- NZ Trailer Business expected to benefit from stable regulatory environment
- Increase in build rate to record levels creates further opportunities to implement operational efficiency initiatives in preparedness for FY19
- Expect tipper demand to remain above historical levels as infrastructure construction continues but unlikely to remain at FY17 levels
- Yet to see any meaningful commencement of equipment replacement cycle with the median equipment age increasing from 11.4 years to 11.9 years
- Expect further growth and improved profitability from MaxiPARTS business from new products and cost saving initiatives

BEHIND EVERY INDUSTRY



# CORPORATE STRATEGY REVIEW



Growth Pathways – aspiring to double earnings over five years

- Short Term
  - Drive operational excellence and efficiency from the current business model through a group-wide ERP implementation, further supply chain cost reductions and a more systemic approach to continuous improvement activities
- Medium Term
  - Increase share in the markets in which we currently operate (trailers and parts) through geographic presence, parts portfolio growth and trailer product development
- Longer Term
  - Identify and exploit new international opportunities with a focus on cold chain logistics markets in China and South East Asia

Enabled by a holistic program of organisational development

BEHIND EVERY INDUSTRY



# STRATEGIC SUMMARY



## Our strategy

- To partner with operators in the freight transport business to improve efficiency and effectiveness
- To add value by reducing customers' operating risk

## Our values

Send all our people home safely • A balanced focus on customers and results  
Enable and empower people to achieve results • Be honest, forthright and ethical in our dealings  
Encourage collaboration and deep seated accountability  
Become better every day in all that we do

**Operational  
excellence**

**Organisation  
development**

**Growth in  
existing  
business**

**Growth in  
new markets**

**Corporate  
image**

BEHIND EVERY INDUSTRY





BEHIND EVERY INDUSTRY