



BUILT ON PRIDE
Year Ended 30th June 2017



BEHIND EVERY INDUSTRY

FREIGHTER

Maxi-CUBE

LUSTY EMS

HamelexWhite

AZMEB

PEHI

MaxiPARTS

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**

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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

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BUILT ON PRIDE

Year Ended 30th June 2017



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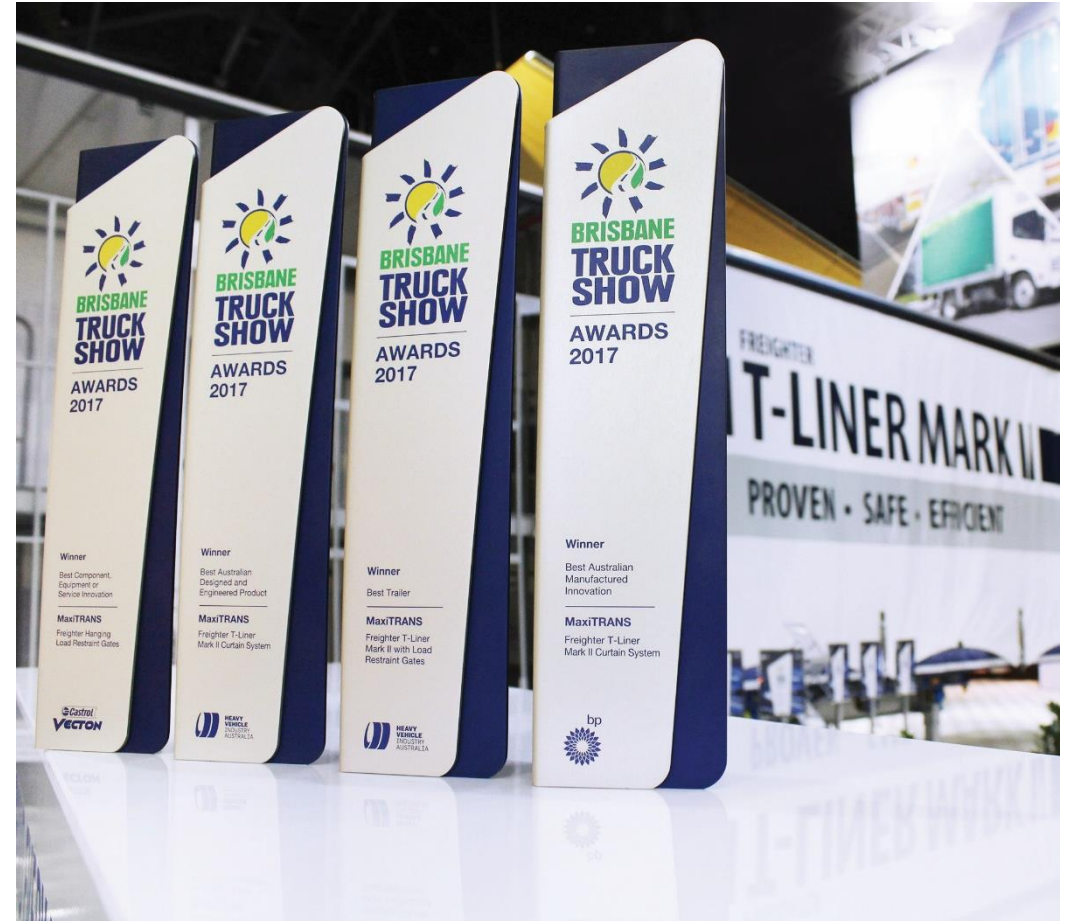


KEY THEMES FROM FY17 RESULT



- 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



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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%**

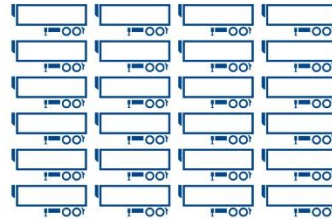


47% ↓
reduction in
lost time injury
frequency
rate



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)

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FINANCIAL OVERVIEW



A\$M	FY16	FY17	% Change
Revenue	340.2	340.1	(0.03)
EBITDA	19.5	21.4	9.7
EBIT	14.5	16.8	15.9
NPBT	12.1	14.5	19.8
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

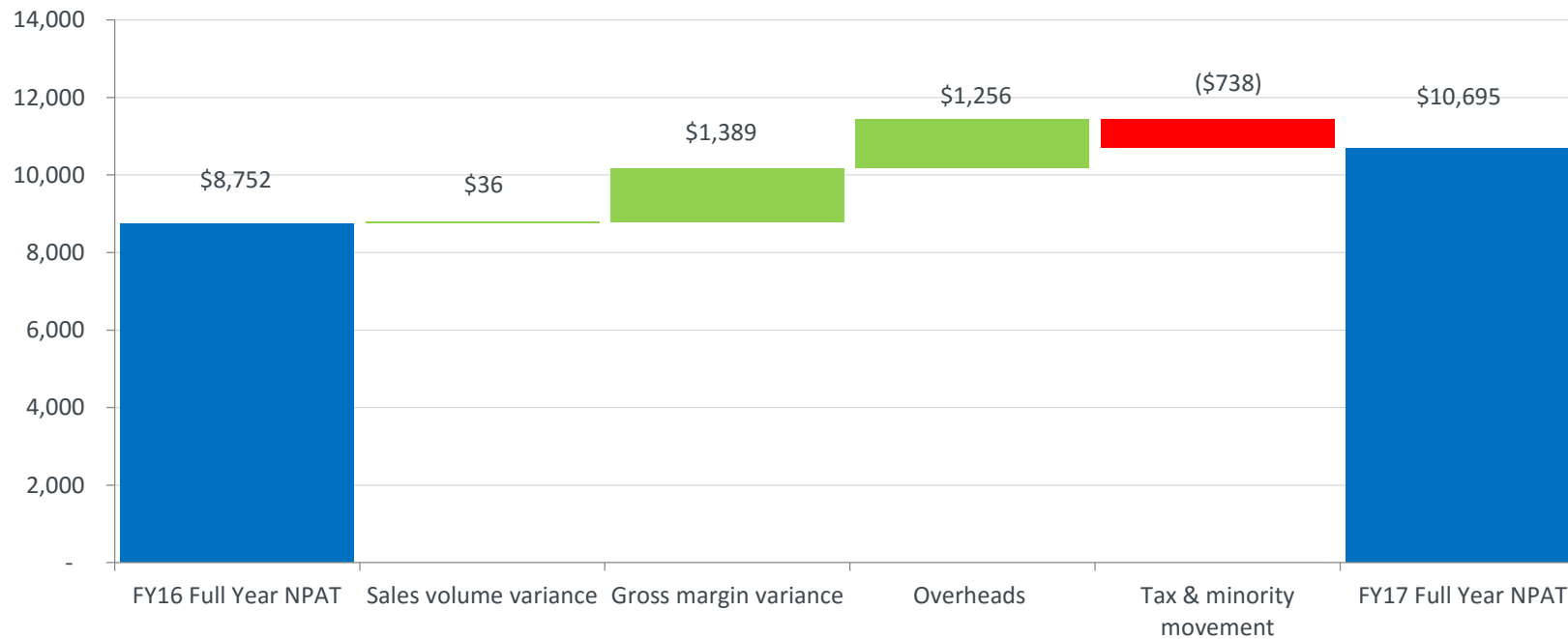
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EARNINGS BRIDGE – UNDERLYING NPAT UP 22%



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

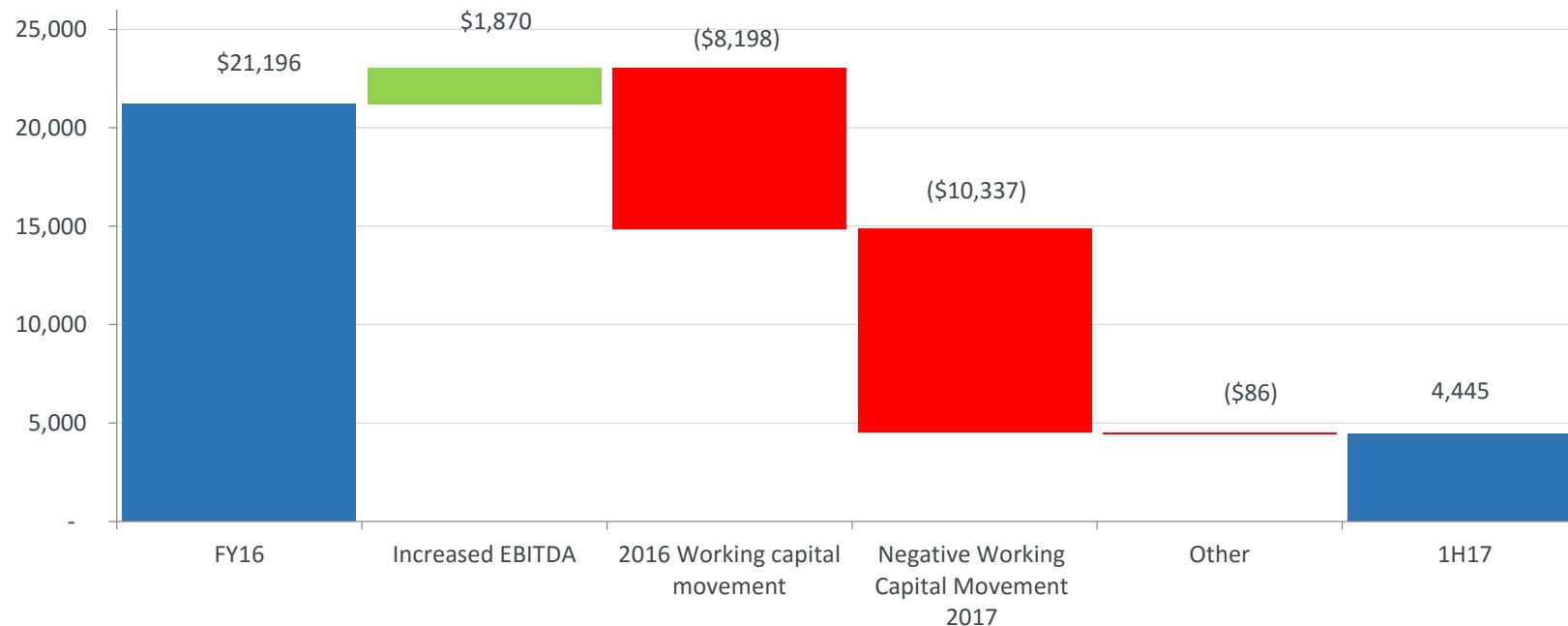
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OPERATING CASHFLOW



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

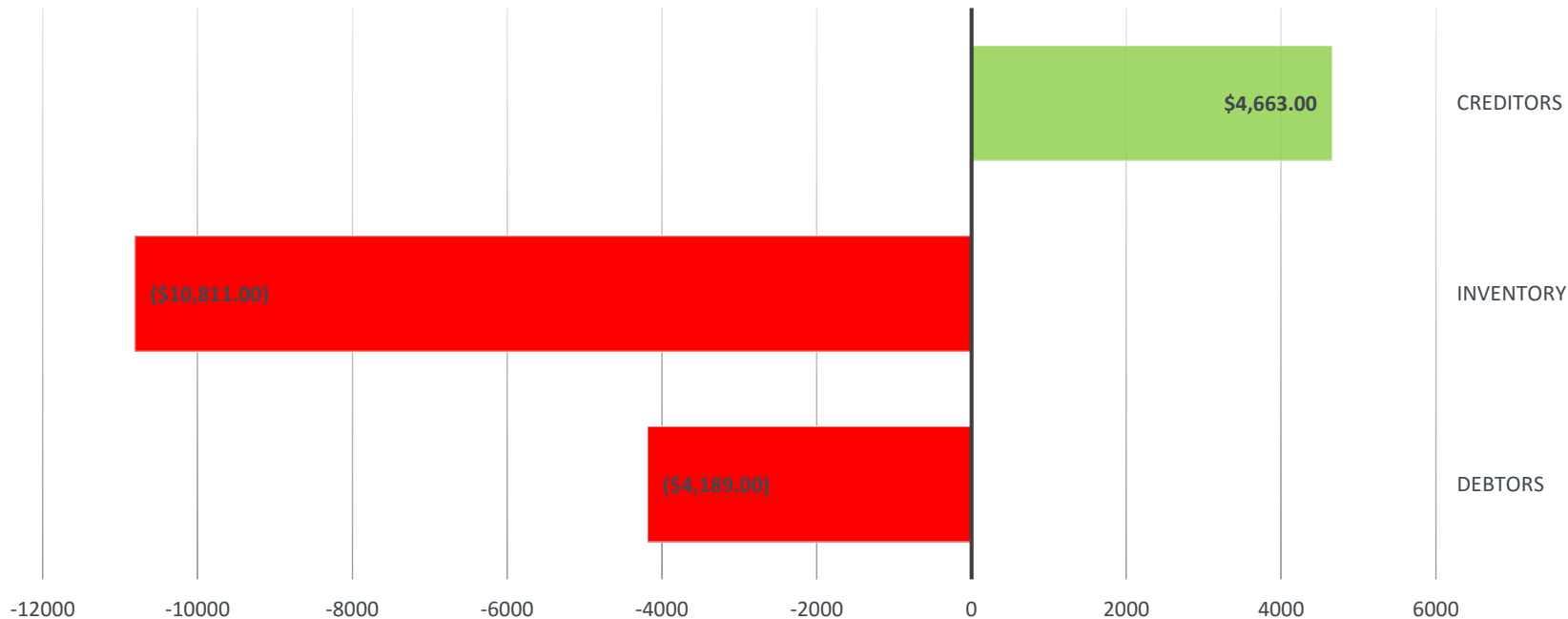
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CASHFLOW – WORKING CAPITAL MOVEMENT



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

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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

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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



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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



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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



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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



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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

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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



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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



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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

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PROXY VOTING



	Resolution 1 Remuneration Report	Resolution 2 Election of Director – Robert Wylie	Resolution 3 Election of Director – Joe Rizzo	Resolution 4 Grant of Performance Rights to Managing Director	Resolution 5 Amendment to Constitution – Dividend Reinvestment Plan
Votes in Favour	49,789,974	74,021,992	74,150,826	49,728,830	70,736,184
Votes Against	5,172,766	425,347	307,048	5,822,675	3,515,456
Votes Abstaining	887,123	215,825	191,660	340,000	412,394
Votes used at Proxy's discretion	1,178,023	1,173,839	1,187,469	1,172,123	1,172,969
Votes Excluded	18,809,117	0	0	18,722,975	0

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