



MaxiTRANS ANNOUNCES 27% LIFT IN FY18 HALF YEAR RESULT

MaxiTRANS Industries Limited (“MXI”) today announced a net profit after tax attributable to MXI shareholders of \$7.7 million for the half year ended 31 December, 2017, representing a 27% increase above the prior corresponding period (“pcp”).

The directors have declared an unchanged fully franked interim dividend of two cents per share (1H17 2.0 cents per share) payable on 13 April, 2018 to all shareholders at the record date, 23 March, 2018. This represents a 48% payout ratio of NPAT.

(A\$'000)	Half Year ended 31/12/17	Half Year ended 31/12/16	% Increase
Sales revenue	214,141	171,591	25%
EBIT ¹	11,802	9,760	21%
Interest expense	(1,206)	(1,170)	
Net profit before tax	10,596	8,590	23%
Tax expense	(2,841)	(2,259)	
Net profit after tax	7,755	6,331	22%
Non-controlling interests	(51)	(257)	
Net profit attributable to MXI equity holders	7,704	6,074	27%
EPS (basic) (cents per share)	4.16	3.28	27%

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

Total revenue for 1H18 increased by 25% from 1H17 to \$214.1 million.

The Trailer Business delivered revenue growth in both Australia and New Zealand. The Australian business grew revenue 37% against pcp, delivered principally from the Coles Supermarkets contract which benefited sales of the temperature-controlled Maxi-CUBE and general freight Freighter products. Notwithstanding the Coles contract, we saw a strong increase in sales of the Freighter products over the prior corresponding period. Sales of tipper products continued at similar levels to the prior corresponding period, which is a strong result given the buoyant conditions experienced last year. Increased production rates and improved warranty performance assisted profit, which improved 40% above 1H17.

Growth from key existing customers and the regulation changes discussed in prior period releases assisted our New Zealand business to increase sales revenue by 45%, however, profit was adversely impacted by a number of one-off warranty claims.

Revenue in the Parts & Components segment was 20% higher than pcp and profit improved 12% over pcp. External revenue from the MaxiPARTS business improved 10% and together with revenue growth from supply to other MaxiTRANS' businesses, delivered profit growth of 28%.

Whilst revenue from our China business improved 12% in local currency terms, movement in exchange rates reduced reported revenue growth to 7% above pcp. However, profit from the

business was significantly adversely impacted by increases in material costs that could not be recovered in pricing due to fixed customer contracts that have largely been completed.

Strong underlying trading resulted in operating cashflow of \$6.9m, an improvement of \$4.9m above pcp.

Outlook

The Australian Trailer business has entered 2H18 with a stronger order book than the same time last year, with significantly greater orders for the general freight-carrying Freighter products. There are a number of opportunities in the market and we expect to benefit from these as they arise. Order books for the temperature-controlled Maxi-CUBE products and our tipper products are lower than the same time last year.

In the Parts and Components segment, we expect to see further improved performance from MaxiPARTS.

Entering the second half of FY18 with a strong order book, we are expecting an improved profit result from New Zealand.

The Company continues to execute on its strategy with a growing product development pipeline, gains in operational efficiency, a focussed programme of organisational development and investment in growth activities in our existing markets and new market opportunities.

Rob Wylie

Chairman

Dean Jenkins

Managing Director

23 February, 2018