

10 December 2018

MaxiTRANS announces acquisition of Trout River Australia

MaxiTRANS is pleased to announce that it has entered into an agreement to acquire Australasian Machinery Sales Pty Ltd (trading as Trout River Australia), a leading manufacturer and supplier of live bottom trailers in Australia.

The acquisition is a key step in MaxiTRANS' Growth in Existing Markets strategic initiative.

In FY18, Trout River Australia had approximately \$10m in annual sales and an EBITDA of approximately \$2m. The acquisition is expected to be earnings accretive in FY19 with returns anticipated to exceed MaxiTRANS' weighted average cost of capital in the first full year of ownership.

The acquisition of Trout River Australia will be completed in two tranches: 80% for \$5.9m in cash (subject to customary completion adjustments), expected to be completed shortly, and 20% by 30 June 2021 under an earn-out arrangement.

Following MaxiTRANS' recent capital allocation review and the sale of MTC, the acquisition will be funded out of existing cash and debt facilities.

The acquisition is expected to provide a number of benefits to the MaxiTRANS group, including:

- The addition of live bottom trailers into MaxiTRANS' comprehensive portfolio will add products with strong application in the infrastructure construction sector.
- Leveraging MaxiTRANS' national dealer network will drive increased sales of Trout River Australia live bottom trailers.
- Improved production capacity and efficiency of the existing Trout River Australia business by leveraging MaxiTRANS' facilities, procurement systems and engineering and manufacturing expertise.
- Improved after-sales customer service for Trout River Australia customers through the MaxiTRANS' national parts network, MaxiPARTS, as well as MaxiTRANS' national network of repair and service facilities.

Dean Jenkins, Managing Director and CEO of MaxiTRANS, said "We look forward to welcoming John Surwillo and Neil Lehman, the current owners of Trout River Australia, to the MaxiTRANS group. John and Neil's ongoing involvement in the business will facilitate a smooth transition and enable the Trout River Australia business to continue to benefit from their deep product knowledge."

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About MaxiTRANS Industries

MaxiTRANS Industries Limited (ASX:MXI) is one of Australia's largest suppliers of truck and trailer parts to the road transport industry in Australia. MaxiTRANS is also the largest supplier of locally manufactured, high quality heavy road transport trailer solutions, including trailer repairs and service, in Australia and New Zealand.

About Trout River Australia

Trout River Australia is based in Hallam, south-east Melbourne, and is a leading manufacturer and supplier of live bottom trailers in Australia.

Live bottom trailers reduce operator risk as the payload is discharged by a conveyor belt system in the trailer floor as opposed to a tipping trailer. Demand for live bottom trailers is expected to increase in bulk product markets due to the inherent health and safety benefits of their design and operation.

Dean Jenkins
Managing Director & CEO