



19 February 2021

## Financial Results – Half Year Ended 31 December 2020

Attached are the following documents relating to MaxiTRANS Industries Limited's results for the half year ended 31 December 2020:

- Appendix 4D;
- Directors' Report;
- Half Year Financial Report; and
- Independent Auditor's Review Report.

Authorised for release by the MaxiTRANS Industries Limited Board of Directors

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### About MaxiTRANS Industries

MaxiTRANS Industries Limited (ASX:MXI) is one of the 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.

**MaxiSAFE**  
Send all our people home safely

# Appendix 4D

## Half Year Report

Name of entity

<b>MAXITRANS INDUSTRIES LIMITED</b>
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<b>ABN 58 006 797 173</b>	<b>Half Year Ended 31 December 2020</b>
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### Results for announcement to the market

(All comparisons to half-year ended 31 December 2019)

				\$A'000	
Revenues from continuing activities	up	12.9%	to	184,605	
Net profit after tax (including significant items) attributable to members of the company	up	139.5%	to	5,700	
Net Tangible Assets (cents per share)	down	-11.4%	to	33.66	
Dividend	Amount per security		Franked amount per security		
Interim Dividend - Ordinary shares	-		-		
Previous corresponding period: Interim dividend – Ordinary shares	-		-		
Record date for determining entitlements to the dividend.	<table border="1" style="margin: auto;"> <tr> <td style="text-align: center;">N/A</td> </tr> </table>				N/A
N/A					
Refer to the attached Directors' Report regarding commentary on revenue, earnings (including underlying results) and business outlook.					

**MaxiTRANS Industries Limited**  
**Directors' Report for the half-year ended 31 December 2020**

The Directors of MaxiTRANS Industries Limited submit herewith the financial report for the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

**Directors**

The names of the Directors of the Company during or since the end of the half-year are:

Mr. Robert H. Wylie	(Director since September 2008 - Chairman since June 2016)
Mr. James R. Curtis	(Director since 1987 – Deputy Chairman since October 1994)
Mr. Dean Jenkins	(Managing Director since March 2017)
Mr. Joseph Rizzo	(Director since June 2014, resigned 23 November 2020)
Ms. Samantha Hogg	(Director since April 2016)
Ms. Mary Verschuer	(Director since January 2019)

**Review of operations**

External sales of \$184.6m were up 12.9% on the prior corresponding period (pcp) due primarily to stronger revenue in Q2 FY21 across the trailer market. Trailer solutions revenue of \$126.9m was an increase of 21.4% over the pcp. The business experienced a stronger market driven by an increase in the food and grocery sector due to COVID-19 with annual buying plans being brought forward by some customers, a strong agricultural sector with a good grain season due to favourable weather conditions and the general freight market was strong compared to the depressed levels in the pcp. MaxiPARTS revenue of \$68.6m was 1.3% ahead of the strong H1 FY20 pre-COVID-19 comparative period.

Reported net profit / (loss) after tax (NPAT) was \$5.7m, with an underlying net profit / (loss) before tax of \$8.3m.

The Group continued its focus on cash generation and debt reduction throughout H1 FY21 with operating cashflows for the half of \$21.6m and a closing net cash position of \$2.8m, an improvement of \$14.9m from the net debt balance of \$12.1m at 30 June 2020 and an improvement of \$32.9m over the last twelve months from the net debt balance of \$30.2m at 31 December 2019. Government assistance in the period totalled \$4.6m in Job Keeper support from the Australian government. The operating cashflows included favourable timing in the Trailers CGU, with customer payments received in advance of \$3.3m and a low holding of inventory stock at reporting date due to the increase in demand for both new, stocked and used trailers over the period.

**Group results summary**

\$'000	Dec 2020	Dec 2019	Variance \$	Variance %
<b>External sales</b>	184,605	163,475	21,130	13%
<b>Reported Net Profit after Tax</b>	5,700	(14,446)	20,146	139%
<b>Reported Net Profit before Tax</b>	7,983	(19,327)	27,310	141%
<b>Significant Items</b>				
ERP System implementation expenses	-	24	(24)	
Redundancy Costs	-	1,732	(1,732)	
Impairment losses	-	15,427	(15,427)	
Acquisition / disposal / legal & other costs	360	953	(592)	
<b>Underlying Net Profit (Loss) Before Tax<sup>^</sup></b>	<b>8,343</b>	<b>(1,192)</b>	<b>9,535</b>	<b>800%</b>
<b>Underlying EBIT<sup>^</sup></b>	<b>10,767</b>	<b>1,035</b>	<b>9,732</b>	<b>940%</b>
<b>Underlying EBITDA<sup>^</sup></b>	<b>14,675</b>	<b>6,536</b>	<b>8,139</b>	<b>125%</b>
<b>Net Debt</b>	<b>(2,750)</b>	<b>30,187</b>	<b>(32,937)</b>	<b>109%</b>

<sup>^</sup> Non-IFRS financial information

Notes:

1. EBIT refers to earnings for the period before interest and tax.
2. EBITDA refers to earnings for the period before interest, tax, depreciation and amortisation.
3. EBITDA and EBIT are reported to provide improved clarity of the group's underlying business performance.
4. Non-IFRS financial information contained in this table has not been subject to audit or review by KPMG.
5. Significant items are Non-cash and / or non-recurring.

Given the continuing uncertainty in the economic climate, the Board has determined not to pay an interim dividend. With the improvement the Group has seen in sales volumes in recent months along with the continued strengthening of the group balance sheet the payment of a dividend will be reviewed at the full year.

## **Segment financial overview**

### **MaxiPARTS**

MaxiPARTS continues to become a more diverse business and better able to produce consistent results through various market cycles. MaxiPARTS represents 31.8% of the group's total revenue, down from 36.2% in the pcp (pcp represented a depressed end market for the Trailers CGU and a strong comparative period for the MaxiPARTS division).

MaxiPARTS revenue of \$68.6m was an increase over pcp by 1.3%, and an increase of 8.7% or \$5.5m over H2 FY20 representing a quicker recovery from the COVID-19 revenue challenges than expected. Underlying EBITDA before corporate allocations of \$9.2m increased by \$1.2m or 15% over the pcp. The increase in profit was a combination of improvement in volume and margins in the underlying business and reduction in overhead costs implemented in response to the COVID-19 impact and reduced trading performance early in H2 FY20.

### **Trailer Solutions**

Revenue in the first half of FY21 increased 21.4% over the pcp driven by an increase in the sales volume across a number of sectors including food and groceries, agriculture and general freight.

Underlying EBITDA of \$10.7m before corporate allocations and Job Keeper assistance represented an increase of \$4.0m over the pcp. Total segment EBITDA of \$15.2m included \$4.5m of Job Keeper assistance. The improved profitability of the division was driven by volume and product mix, including manufacturing recoveries, along with continued improvement in manufacturing operating and quality performance measures and the realisation of benefits of the overhead reductions implemented throughout FY20 extending through to H1 FY21 profit performance. The profit for the period included a profit impact of (\$1.1m) for the start-up of the Queensland manufacturing facility from Richlands to Carole Park by way of impacted production volumes and other operational metrics.

### **Outlook**

The group remains cautious about the economic outlook in calendar year 2021, though has seen many positives in both the resilience and consistency in the MaxiPARTS trading performance and a strong order bank at end of calendar year 2020 for the Trailers CGU, which is nearly 300% higher than the order bank in the pcp and this has continued to increase in the first 6 weeks of H2 FY21.

Expectations are for MaxiPARTS to focus on revenue growth for the second half of the year, whilst maintaining margin and cost control across the operations. Organic growth initiatives are expected to provide continued momentum in H2 FY21, including accelerated plans to add a second site in Sydney as a 'click and collect' outlet to go operational late in the year and a new ecommerce platform set for delivery in late H2 FY21 to drive more online sales in FY22 and beyond. In addition to this, MaxiPARTS remains the focus of the group's strategic growth platform and based on the strengthening of the balance sheet the Group has re-initiated the M&A strategy for MaxiPARTS.

The Trailers business strong order bank is currently constrained by the ability to recruit and train the appropriate trades and labour to fulfil the current orders. Management's immediate focus is on recruiting appropriately skilled labour to increase production at all key manufacturing sites however, equally as important, management will maintain a strong focus on ensuring that the growth is balanced with maintaining production efficiency and quality metrics and therefore maintaining the margin of the business. The Queensland Carole Park facility is expected to deliver greater capacity to support our Queensland and NSW customers as we head into FY22, which will also provide benefit in improved margins without the one-off start up related costs that were incurred during FY21.

The Group does not expect the Commonwealth government stimulus incentives, such as the temporary full expensing incentive, to accelerate any end customer purchasing during H2 FY21, although this may be a factor for our customers next year as the program comes to an end in June 2022.

The stress on the global supply chain due to the COVID-19 pandemic, particularly Europe and North America, may continue to see challenges in product supply becoming more pronounced. In addition to the supply chain risk profile, substantial cost inflation in freight and steel is very likely to see the group process market price increases through both the Trailers and MaxiPARTS businesses sometime in the second half of this year.

It is expected that the group's net debt position will unwind a little from the 31 December 2020 cash positive position of \$2.8m, as Trailer customers payment in advance of \$3.3m reduces and the trailer inventory stock is replenished in planned production over the course of the next few months (approx.\$2.0m-\$3.0m). The Group will continue to focus on cash generation and debt reduction throughout H2 FY21 and, as stated above, the Board will review the payment of a dividend at the full year.

**Dividend**

The Directors have determined not to pay an interim dividend.

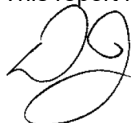
**Auditor's independence declaration**

The independence declaration of our auditor, KPMG, in accordance with s. 307C of the Corporations Act 2001 is set out on page 6 for the half year ended 31 December 2020 and forms part of the Directors' report.

**Rounding of amounts**

The parent entity has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and accordingly, amounts in the interim financial statements and the Director's Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of the Board of Directors.



Dean Jenkins  
Managing Director

Melbourne, 19 February 2021

# DIRECTORS' DECLARATION

In the opinion of the Directors of MaxiTRANS Industries Limited ("the Company"):

- 1 the interim consolidated financial statements and notes set out on pages 7 to 16, are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- 2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed for and on behalf of the Board in accordance with a resolution of Directors made pursuant to s.303(5) of the Corporations Act 2001.



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Robert H. Wylie  
Chairman



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Dean Jenkins  
Managing Director

Melbourne, 19 February 2021



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of MaxiTRANS Industries Limited

I declare that, to the best of my knowledge and belief, in relation to the review of MaxiTRANS Industries Limited for the half-year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

*KPMG*

KPMG

*S Bell*

Suzanne Bell

*Partner*

Melbourne

19 February 2021

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	Note	31 Dec 20 \$'000	Consolidated 31 Dec 19 \$'000
<b>Continued Operations</b>			
Sale of goods	2, 3(a)	179,118	156,954
Rendering of services	2, 3(a)	5,487	6,521
Changes in inventories of finished goods and work in progress		(1,764)	1,609
Raw materials and consumables used		(116,654)	(102,201)
Interest income		1	47
Other income	3(b)	5,442	313
Employee and contract labour expenses		(45,015)	(44,096)
Warranty expenses		(1,388)	(2,266)
Depreciation and amortisation expenses		(3,908)	(5,501)
Finance costs		(2,424)	(2,227)
Other expenses		(12,254)	(14,156)
Impairment loss - goodwill		-	(4,923)
Impairment loss - other non-financial assets		-	(10,504)
Share of net profits of associates accounted for using the equity method		1,342	1,103
Profit/(Loss) before income tax		7,983	(19,327)
Income tax (expense)/benefit	4	(2,283)	4,881
<b>Profit/(Loss) for the period</b>		<b>5,700</b>	<b>(14,446)</b>
Profit/(Loss) attributable to:			
Equity holders of the Company		5,700	(14,446)
<b>Profit/(Loss) for the period</b>		<b>5,700</b>	<b>(14,446)</b>

	31 Dec 20 \$'000	31 Dec 19 \$'000
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>Profit/(Loss) for the period</b>	5,700	(14,446)
<b>Other comprehensive income</b>		
<i>Items that may subsequently be re-classified to profit or loss:</i>		
Net exchange difference on translation of financial statements of foreign operations	6	16
Cashflow hedge reserve	149	67
Related tax	(45)	(20)
<b>Total items that may subsequently be reclassified to profit or loss</b>	<b>110</b>	<b>63</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>5,810</b>	<b>(14,383)</b>
Total comprehensive income attributable to:		
Equity holders of the Company	5,810	(14,383)
<b>Total comprehensive income/(loss) for the period</b>	<b>5,810</b>	<b>(14,383)</b>

**Earnings / (Loss) per share for profit attributable to the ordinary equity holders of the Company:**

Basic and Diluted earnings per share (cents per share) - Total	3.08	-7.81
Basic and Diluted earnings per share (cents per share) - Continuing operations	3.08	-7.81

**Weighted average number of shares:**

	Number	Number
Number for basic earnings per share	185,075,653	185,075,653
Number for diluted earnings per share	185,075,653	185,075,653

The consolidated statement of profit or loss and consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes to the consolidated interim financial statements.



**CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION AS AT 31 DECEMBER 2020**

Note	31 Dec 20 \$'000	30 Jun 20 \$'000
<b>Current Assets</b>		
Cash and cash equivalents	26,523	25,523
Trade and other receivables	21,668	26,545
Inventories	52,147	58,361
Current tax assets	188	1,954
Other assets	2,077	1,898
<b>Total Current Assets</b>	<b>102,603</b>	<b>114,281</b>
<b>Non-Current Assets</b>		
Investment in associates and Joint Ventures	10,999	11,154
Property, plant and equipment	31,335	29,465
Intangible assets	21,657	21,565
Right of use assets	52,593	25,231
Deferred tax assets	19,018	19,846
<b>Total Non-Current Assets</b>	<b>135,602</b>	<b>107,261</b>
<b>Total Assets</b>	<b>238,205</b>	<b>221,542</b>
<b>Current Liabilities</b>		
Trade and other payables	40,079	41,154
Other liabilities	3,317	4,490
Interest bearing loans and borrowings	23	147
Current tax liability	178	-
Provisions	12,657	12,113
Lease liabilities	8,043	7,362
<b>Total Current Liabilities</b>	<b>64,297</b>	<b>65,266</b>
<b>Non-Current Liabilities</b>		
Interest bearing loans and borrowings	23,750	37,500
Provisions	1,048	1,007
Lease liabilities	65,159	39,688
<b>Total Non-Current Liabilities</b>	<b>89,957</b>	<b>78,195</b>
<b>Total Liabilities</b>	<b>154,254</b>	<b>143,461</b>
<b>Net Assets</b>	<b>83,951</b>	<b>78,081</b>
<b>Equity</b>		
Issued capital	56,386	56,386
Other reserves	16,518	16,348
Accumulated Loss	(45,631)	(45,631)
Profits Reserve	56,678	50,978
<b>Total Equity</b>	<b>83,951</b>	<b>78,081</b>

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated interim financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	Issued capital	Asset revaluation reserve <sup>1</sup>	Accum ulated Loss	Profits Reserve*	Other reserves <sup>2</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2020</b>	56,386	13,997	(45,631)	50,978	2,351	78,081
Comprehensive income for the period						
Profit/(Loss) for the period	-	-	-	5,700	-	5,700
<i>Other comprehensive income</i>						
Net exchange differences on translation of financial statements of foreign operations	-	-	-	-	6	6
Cashflow hedge reserve (net of tax)	-	-	-	-	104	104
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,700</b>	<b>110</b>	<b>5,810</b>
Share-based payment transactions	-	-	-	-	60	60
<b>Balance at 31 December 2020</b>	<b>56,386</b>	<b>13,997</b>	<b>(45,631)</b>	<b>56,678</b>	<b>2,521</b>	<b>83,951</b>
<b>Balance at 1 July 2019</b>	56,386	12,964	-	40,841	2,314	112,505
Comprehensive income for the period						
Profit/(Loss) for the period	-	-	-	(14,446)	-	(14,446)
<i>Other comprehensive income</i>						
Net exchange differences on translation of financial statements of foreign operations	-	-	-	-	16	16
Cashflow hedge reserve (net of tax)	-	-	-	-	47	47
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,446)</b>	<b>63</b>	<b>(14,383)</b>
Share-based payment transactions	-	-	-	-	38	38
<b>Balance at 31 December 2019</b>	<b>56,386</b>	<b>12,964</b>	<b>-</b>	<b>26,395</b>	<b>2,415</b>	<b>98,160</b>

1. Asset revaluation reserve

The asset revaluation reserve includes the revaluation increments arising from the revaluation of land and buildings.

2. Other reserves

Other reserves comprise the foreign currency translation reserve, share based payment reserve and hedging reserve.

\* The profits reserve represents the profits of entities within the Group transferred to a separate reserve.

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated interim financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR  
THE SIX MONTHS ENDED 31 DECEMBER 2020**

	Note	31 Dec 20 \$'000	31 Dec 19 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		222,183	196,020
Payments to suppliers and employees		(199,850)	(192,007)
Interest received		1	47
Interest and other costs of finance paid		(760)	(1,165)
Net Income tax refund		-	3,550
<b>Net cash provided by / (used in) operating activities</b>		<b>21,574</b>	<b>6,445</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(2,846)	(803)
Payments for intangibles		(682)	(1,041)
Dividends received		1,497	1,144
Proceeds from sale of property, plant and equipment		-	49
<b>Net cash used in investing activities</b>		<b>(2,031)</b>	<b>(651)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(13,750)	(11,596)
Proceeds from borrowings		-	6,660
Payment of rent		(4,793)	(4,137)
<b>Net cash used in financing activities</b>		<b>(18,543)</b>	<b>(9,073)</b>
Net increase in cash		1,000	(3,279)
Cash and cash equivalents at beginning of year		25,523	11,925
<b>Cash and cash equivalents at end of period</b>		<b>26,523</b>	<b>8,646</b>

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated interim financial statements.

## **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

### **1. Statement of Compliance and Significant Accounting Policies**

#### **Reporting entity**

MaxiTRANS Industries Limited (the "Company") is a company domiciled in Australia and its registered office is 346 Boundary Road, Derrimut, Victoria. The consolidated interim financial statements of the Company as at and for the six months ended 31 December 2020 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in joint ventures and jointly controlled entities.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2020 is available upon request from the Company's registered office at 346 Boundary Rd, Derrimut, Victoria or at [www.maxitrans.com](http://www.maxitrans.com)

#### **Statement of compliance**

The consolidated interim financial statements are a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial statements do not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2020.

This consolidated interim financial statements were approved by the Board of Directors on 18 February 2021.

The Group has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and, accordingly, amounts in the interim financial statements have been rounded to the nearest thousand dollars unless specifically stated otherwise.

The financial report contains comparative information that has been adjusted to align with the presentation of the current period, where necessary.

#### **Significant accounting policies**

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2020. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### **New accounting standards and interpretations**

The group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

There are no new or revised Standards, amendments or Interpretations impacting the current half-year consolidated interim financial statements of the Group.

#### **Accounting Estimates and Judgements**

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2020.

The ongoing COVID-19 pandemic has increased the uncertainty of estimation in the preparation of forecasts. The Group has prepared the forecast to represent its best understanding of COVID-19 market and industry factors. The forecast has assumed that operations remain largely unaffected by any potential restrictions with both the Trailer Solutions and Parts business continuing to be classified as an essential service.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

**2. Segment Information**

It is the Group's policy that inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-bearing loans, borrowings and corporate assets and expenses. Total finance costs of the Group are included in unallocated corporate costs.

The Group reports on two Cash Generating Units (CGUs): Trailer Solutions and Parts. The Trailer Solutions business manufactures a diverse portfolio of trailers. The trailers are sold through our dealer network, comprising both owned dealerships and licensed dealerships, providing full solution including after sales service, fleet rental service and parts to our customers. The Parts business sells trailer and truck parts at both a wholesale and retail level in Australia.

<b>Business Segments</b>	<b>Trailer Solutions</b>	<b>MaxiPARTS</b>	<b>Corporate / Eliminations</b>	<b>Total continuing activities</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>For the six months ended 31 December 2020</b>					
<b>Revenue</b>					
External segment revenue	125,832	58,773	-	184,605	184,605
Inter-segment revenue	1,073	9,846	(10,919)	-	-
<b>Total segment revenue</b>	<b>126,905</b>	<b>68,619</b>	<b>(10,919)</b>	<b>184,605</b>	<b>184,605</b>
<b>Total Revenue</b>	<b>126,905</b>	<b>68,619</b>	<b>(10,919)</b>	<b>184,605</b>	<b>184,605</b>
<b>Segment Result</b>					
<b>Segment profit/(loss) pre associate, interest and significant items</b>	<b>7,312</b>	<b>5,810</b>	<b>(3,697)</b>	<b>9,425</b>	<b>9,425</b>
Share of net profit of equity accounted investments	1,342	-	-	1,342	1,342
Interest income	-	-	1	1	1
Interest expense	(1,146)	(517)	(761)	(2,424)	(2,424)
<b>Segment net profit/(loss) before tax (Excluding significant items)</b>	<b>7,508</b>	<b>5,293</b>	<b>(4,457)</b>	<b>8,344</b>	<b>8,344</b>
<b>Significant items, before tax</b>					
Acquisition / Disposal / Transaction / Litigation costs	-	-	(361)	(361)	(361)
<b>Segment net profit/(loss) before tax (Including significant items)</b>	<b>7,508</b>	<b>5,293</b>	<b>(4,818)</b>	<b>7,983</b>	<b>7,983</b>
Income tax expense	-	-	(2,283)	(2,283)	(2,283)
<b>Net profit/(loss) after tax</b>	<b>7,508</b>	<b>5,293</b>	<b>(7,101)</b>	<b>5,700</b>	<b>5,700</b>
Depreciation and amortisation	1,332	1,896	680	3,908	3,908
<b>Total depreciation and amortisation</b>	<b>1,332</b>	<b>1,896</b>	<b>680</b>	<b>3,908</b>	<b>3,908</b>
<b>As at 31 December 2020</b>					
<b>Assets</b>					
Segment assets	111,280	66,721	-	178,001	178,001
Unallocated corporate assets	-	-	60,202	60,204	60,204
<b>Consolidated total assets</b>	<b>111,280</b>	<b>66,721</b>	<b>60,202</b>	<b>238,205</b>	<b>238,205</b>
<b>Liabilities</b>					
Segment liabilities	89,834	32,133	-	121,967	121,967
Unallocated corporate liabilities	-	-	32,287	32,287	32,287
<b>Consolidated total liabilities</b>	<b>89,834</b>	<b>32,133</b>	<b>32,287</b>	<b>154,254</b>	<b>154,254</b>
Capital expenditure	2,508	36	-	2,544	2,544
Unallocated capital expenditure	-	-	301	301	301
<b>Total capital expenditure</b>	<b>2,508</b>	<b>36</b>	<b>301</b>	<b>2,845</b>	<b>2,845</b>

1. Significant items, before tax are Non-cash, and / or non-recurring

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

<b>Business Segments</b>	<b>Trailer Solutions</b>	<b>MaxiPARTS</b>	<b>Corporate/ Eliminations</b>	<b>Total continuing activities</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>For the six months ended 31 December 2019</b>					
<b>Revenue</b>					
External segment revenue	104,472	59,003	-	163,475	163,475
Inter-segment revenue	98	8,715	(8,813)	-	-
<b>Total segment revenue</b>	<b>104,570</b>	<b>67,718</b>	<b>(8,813)</b>	<b>163,475</b>	<b>163,475</b>
<b>Total Revenue</b>	<b>104,570</b>	<b>67,718</b>	<b>(8,813)</b>	<b>163,475</b>	<b>163,475</b>
<b>Segment Result</b>					
<b>Segment profit/(loss) pre associate, interest and significant items</b>	<b>(1,467)</b>	<b>4,155</b>	<b>(2,803)</b>	<b>(115)</b>	<b>(115)</b>
Share of net profit of equity accounted investments	1,103	-	-	1,103	1,103
Interest income	-	-	47	47	47
Interest expense	(466)	(596)	(1,165)	(2,227)	(2,227)
<b>Segment net profit/(loss) before tax (Excluding significant items)</b>	<b>(830)</b>	<b>3,559</b>	<b>(3,921)</b>	<b>(1,192)</b>	<b>(1,192)</b>
<b>Significant items, before tax</b>					
ERP system implementation expenses	-	-	(24)	(24)	(24)
Impairment - Goodwill	(1,193)	(3,730)	-	(4,923)	(4,923)
Impairment loss - Other non-financial assets	(10,504)	-	-	(10,504)	(10,504)
Redundancy costs	(1,536)	(129)	(67)	(1,732)	(1,732)
Acquisition / Disposal Transaction costs	(177)	-	(776)	(953)	(953)
<b>Segment net profit/(loss) before tax (Including significant items)</b>	<b>(14,241)</b>	<b>(300)</b>	<b>(4,787)</b>	<b>(19,327)</b>	<b>(19,327)</b>
Income tax benefit	-	-	4,881	4,881	4,881
<b>Net profit/(loss) after tax</b>	<b>(14,241)</b>	<b>(300)</b>	<b>94</b>	<b>(14,446)</b>	<b>(14,446)</b>
Depreciation and amortisation	2,648	2,185	668	5,501	5,501
<b>Total depreciation and amortisation</b>	<b>2,648</b>	<b>2,185</b>	<b>668</b>	<b>5,501</b>	<b>5,501</b>
<b>As at 31 December 2019</b>					
<b>Assets</b>					
Segment assets	141,265	76,689	-	217,954	217,954
Unallocated corporate assets	-	-	26,395	26,395	26,395
<b>Consolidated total assets</b>	<b>141,265</b>	<b>76,689</b>	<b>26,395</b>	<b>244,349</b>	<b>244,349</b>
<b>Liabilities</b>					
Segment liabilities	61,377	40,179	-	101,556	101,556
Unallocated corporate liabilities	-	-	44,633	44,633	44,633
<b>Consolidated total liabilities</b>	<b>61,377</b>	<b>40,179</b>	<b>44,633</b>	<b>146,189</b>	<b>146,189</b>
Capital expenditure	606	60	-	666	666
Unallocated capital expenditure	-	-	137	137	137
<b>Total capital expenditure</b>	<b>606</b>	<b>60</b>	<b>137</b>	<b>803</b>	<b>803</b>

1. Significant items are Non-cash, and / or non-recurring.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

**3. Notes to the statement of profit and loss**

**3a. Revenue from customers**

Information regarding the disaggregation of the Group's revenue with customers is presented below.

Type of Good or Service	Segment		31-Dec-20	Segment		31-Dec-19
	Trailer Solutions \$'000	MaxiPARTS \$'000	Total \$'000	Trailer Solutions \$'000	MaxiPARTS \$'000	Total \$'000
Trailer Sales	120,345	-	120,345	97,951	-	97,951
Sale of parts	-	58,773	58,773	-	59,003	59,003
<b>Revenue from sale of goods</b>	<b>120,345</b>	<b>58,773</b>	<b>179,118</b>	<b>97,951</b>	<b>59,003</b>	<b>156,954</b>
Trailer Repairs and other services	5,487	-	5,487	6,521	-	6,521
<b>Total Group Revenue</b>	<b>125,832</b>	<b>58,773</b>	<b>184,605</b>	<b>104,472</b>	<b>59,003</b>	<b>163,475</b>
<b>Geographical Market</b>						
Australia	119,399	58,773	178,172	95,768	59,003	154,771
New Zealand	6,433	-	6,433	8,704	-	8,704
<b>Total Group Revenue</b>	<b>125,832</b>	<b>58,773</b>	<b>184,605</b>	<b>104,472</b>	<b>59,003</b>	<b>163,475</b>

**3b. Other income**

	31-Dec-20 \$'000	31-Dec-19 \$'000
JobKeeper Allowance	4,584	-
Other income	858	313
<b>Total other income</b>	<b>5,442</b>	<b>313</b>

**4. Income tax (expense) / benefit**

	31-Dec-20 \$'000	31-Dec-19 \$'000
<b>Income tax</b>		
Reconciliation of tax (expense) / benefit		
Prima facie tax (expense) / benefit on profit / (loss) before tax at 30% (31 Dec 19: 30%)	(2,395)	5,798
(Add)/deduct tax effect of:		
Research and development allowance	-	91
Non-deductible expenditure	(215)	(261)
Associate equity accounted income	403	331
Non-deductible impairment loss - Goodwill	-	(1,477)
Under/(over) provision in prior year	(68)	406
Impact of tax rates in foreign jurisdictions	(8)	(7)
<b>Income tax (expense) / benefit in consolidated statement of profit or loss</b>	<b>(2,283)</b>	<b>4,881</b>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

**5. Interest bearing loans and borrowings**

The Group's banking partners are the Commonwealth Bank of Australia and HSBC Bank (the Lenders). The amount drawn at the end of each reporting period varies based on the Group's cash requirements.

Core Australian and New Zealand loan facilities as follows:

Consolidated	Maturity	Facility Amount		Utilised		Available	
		31-Dec-20 \$'000	30-Jun-20 \$'000	31-Dec-20 \$'000	30-Jun-20 \$'000	31-Dec-20 \$'000	30-Jun-20 \$'000
Loan facility	31 March 2022	28,000	43,750	23,750	37,500	4,250	6,250
Overdraft facility	31 July 2021	4,500	4,500	-	-	4,500	4,500
Multi-option facility	31 July 2021	5,500	5,500	3,683	3,630	1,817	1,870
<b>Total</b>		<b>38,000</b>	<b>53,750</b>	<b>27,433</b>	<b>41,130</b>	<b>10,567</b>	<b>12,620</b>

Interest rates are a combination of fixed and variable.

The terms and conditions of the bank facilities contain covenants in relation to adjusted EBITDA and minimum liquidity. All covenants were satisfied as at 31 December 2020 and during the six months ended on that date.

On 22 December 2020, the Group agreed with the Lenders to reduce its loan facility limit by \$15,750 thousand, the revised loan limit is \$28,000 thousand (maturing March 2022).

**6. Fair Value Measurement**

**Carrying amounts and fair values**

Fair Value Measurement requires that financial and non-financial assets and liabilities measured at fair value be disclosed according to their position in the fair value hierarchy.

This hierarchy has three levels. Level 1 is based on quoted prices in active markets for identical assets; Level 2 is based on quoted prices or other observable market data not included in Level 1; while Level 3 valuations are based on inputs other than observable market data.

The following table presents the Group's assets and liabilities measured and recognised at fair value and their classification within the fair value hierarchy:

As at 31 Dec 2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Derivatives	-	-	-	-
Non-Financial assets				
Land and buildings	-	-	25,643	25,643
Financial Liabilities				
Derivatives	-	817	-	817
As at 30 June 2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Derivatives	-	-	-	-
Non-Financial assets				
Land and buildings	-	-	25,700	25,700
Financial Liabilities				
Derivatives	-	731	-	731



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

The fair value of Level 2 financial instruments is determined by reference to observable inputs from markets not considered active. The forward foreign currency exchange contracts and interest rate swaps are priced with reference to an active yield or rate, but with an adjustment applied to reflect the timing of maturity dates. Level 3 assets include the Group land and buildings reflecting the use of directly unobservable market inputs in their valuation.

Valuations are conducted by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. Valuations for all owned properties are obtained at the end of each financial year.

**7. Events Subsequent to Reporting Date**

Unless otherwise disclosed in this Financial Report, there have been no events subsequent to the reporting date which would have a material effect on the Group's financial statements for the half year ended 31 December 2020.



# Independent Auditor's Review Report

To the shareholders of MaxiTRANS Industries Limited

## Report on the Interim Financial Statements

### Conclusion

We have reviewed the accompanying **Interim Financial Statements** of MaxiTRANS Industries Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Statements of MaxiTRANS Industries Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2020 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Statements** comprises:

- Consolidated statement of financial position as at 31 December 2020
- Consolidated statement of profit or loss, Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises MaxiTRANS Industries Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



## Responsibilities of the Directors for the Interim Financial Statements

The Directors of the Company are responsible for:

- the preparation of Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Suzanne Bell

Partner

Melbourne

19 February 2021