MaxiTRANS Industries Limited

H1 FY21 Investor Presentation

1H FY21 HIGHLIGHTS

1H FY21 highlights

People
Employees completing leadership programs
↑ 50%

Total Recordable Injury Frequency Rate (TRIFR)
From Dec-19 to current rolling 12 month TRIFR
↓ 7%

Our People & Community

Balance Sheet Prudence
Net Cash position of $2.8m, an improvement of $32.9m from Dec-19

Trailer order bank
300% ↑
on PCP

MaxiPARTS
Revenue
8.7% ↑
from H2 FY20
Profit
15% ↑
or $1.2m on PCP

Manufacturing
New trailer manufacturing facility opened in Carole Park, QLD

Our Business

1H FY21 RESULTS

- **Strengthened Balance Sheet** resulted in favourable **net cash** position of $2.8m improved by **$14.9m** from a **$12.1m net debt** position at the end of FY20
- Operating **Cashflow** of **$21.6m** generated
- **External sales** of **$184.6m**, up 12.9% from pcp
- **Trailers** revenue of **$127m** up 21.4% over pcp
- **Parts** revenue of **$69m** up 1.3% over pcp and 8.7% over 2H 2020
- **Underlying EBITDA** of **$14.7m**
- **Underlying Net Profit before tax** (NPBT) of **$8.3m** compared to an underlying net loss before tax of ($1.2m) in H1 FY20
- **Reported Net Profit after tax** (NPAT) of **$5.7m**

FINANCIAL OVERVIEW

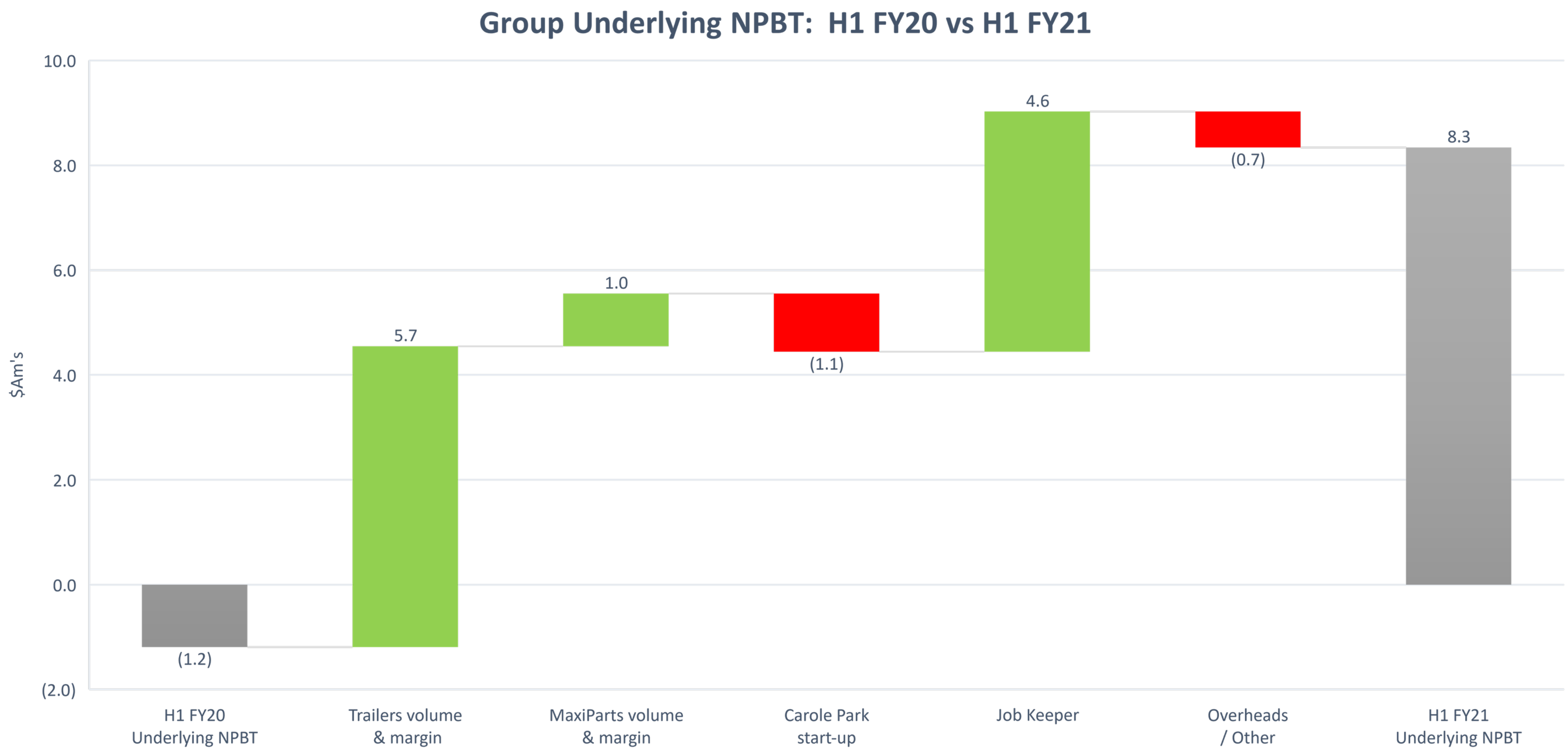
A$M	HY21	HY20	Change	Change %
External Revenue	184.6	163.5	21.1	12.9%
EBITDA (Underlying)	**14.7**	**6.5**	**8.1**	**125.2%**
Depreciation & Amortisation	(3.9)	(5.5)	1.6	(28.9%)
EBIT (Underlying)	**10.8**	**1.0**	**9.7**	**973.0%**
Interest Expense	(2.4)	(2.2)	(0.2)	9.0%
NPBT (Underlying)	**8.3**	**(1.2)**	**9.5**	**794.4%**
Tax	(2.3)	1.2	(3.5)	(290.2%)
NPAT (Underlying)	**6.1**	**0.0**	**6.1**	**0.0%**
Significant Items (after tax)	(0.4)	(14.4)	14.1	97.7%
Reported NPAT	**5.7**	**(14.4)**	**20.1**	**139.8%**
Net Debt	**(2.8)**	**30.4**	**(33.2)**	**109.0%**

Note:
HY20 significant items included impairment losses of $15.4m

Results

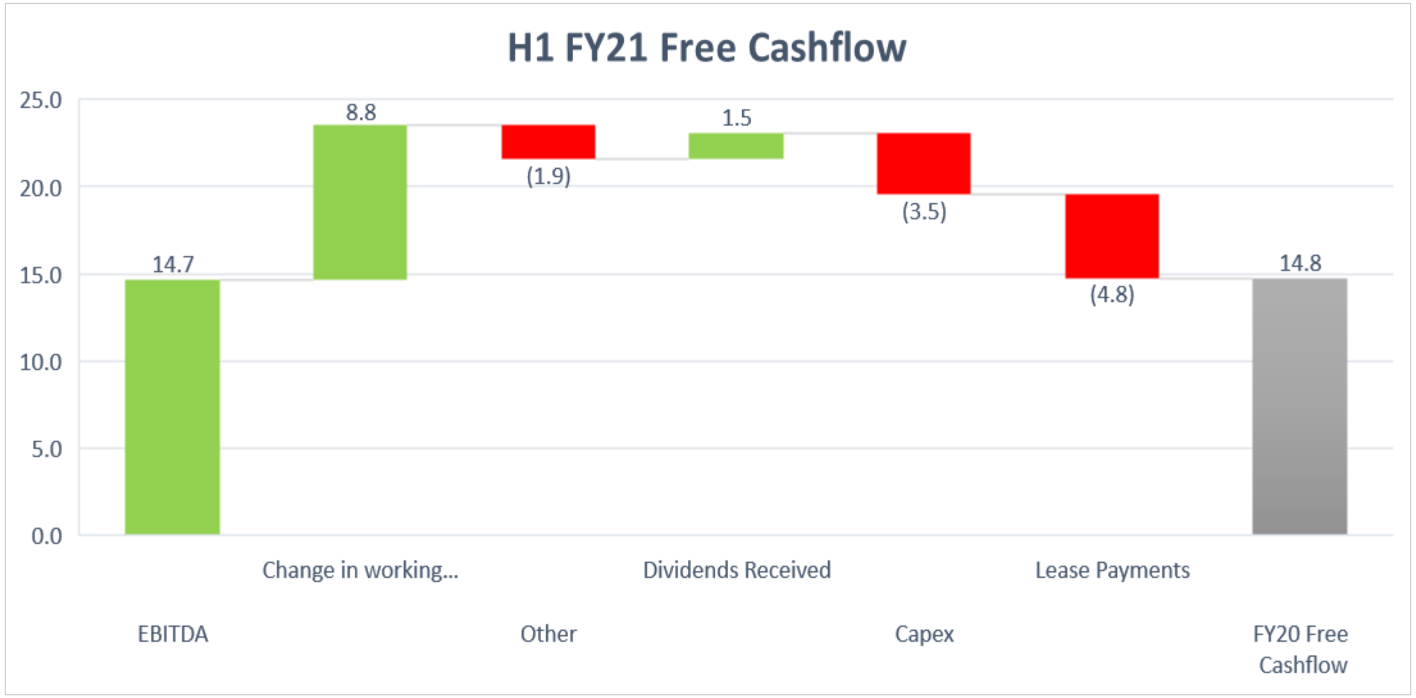
- Revenue up 12.9% from pcp due to stronger volumes in H1 FY21 particularly for Trailers in Q2 FY21
  - Trailer Solutions experienced revenue increase of 21.4% from pcp
  - MaxiParts revenue increased 1.3% from pcp and 8.7% of the preceding 6 months in H2 2020
- Results include $4.6m of Job Keeper support
- Profit improvement achieved through both volume and product mix, along with continued improvement in manufacturing efficiency and quality metrics
- The transition to the purpose-built Carole Park facility in QLD during the period incurred some one-off transition impact costs

EARNINGS BRIDGE



CASHFLOW

A$M	HY21	HY20
EBITDA (Underlying)	14.7	6.5
Change in Working Capital	8.8	2.7
Other	(1.9)	(2.8)
Operating Cashflow	**21.6**	**6.4**
Dividends Received	1.5	1.1
CAPEX	(3.5)	(1.8)
Lease Payments	(4.8)	(4.1)
Free Cashflow	**14.8**	**1.6**
Net Debt	**(2.8)**	**30.4**



Cashflow highlights:

- Continued improvement in working capital management for both Debtors and Inventory
- Nil Income taxes paid in H1 FY21 due to utilisation of carried forward tax losses
- Capex spend of $3.5m includes $2.2m for Carole Park in HY21, with a further $0.5m to spend in H2 FY21
- Free Cashflow was used to pay down $13.75m of Bank Debt during period
- The Board will review the payment of Dividends at full year. No interim dividend for H1 FY21 will be paid

BALANCE SHEET

A$M	HY21	FY20	FY19
Cash	26.5	25.5	11.9
Receivables	21.7	26.5	42.4
Inventories	52.1	58.4	59.3
Total Current Assets	**102.6**	**114.3**	**118.1**
PP&E	31.3	29.5	41.7
Intangible assets	21.7	21.6	35.0
Investments	11.0	11.2	11.4
Right-to-use assets	52.6	25.2	-
DTA	19.0	19.8	10.8
Total Non-Current Assets	**135.6**	**107.3**	**98.9**
Payables	40.1	41.2	44.6
Provisions	12.7	12.1	11.7
Lease Liabilities	8.0	7.4	-
Total Current Liabilities	**64.3**	**65.3**	**59.8**
Interest Bearing Loans	23.8	37.6	43.9
Lease Liabilities	65.2	39.7	-
Total Non-Current Liabilities	**90.0**	**78.2**	**44.7**
Net Assets	**84.0**	**78.1**	**112.5**

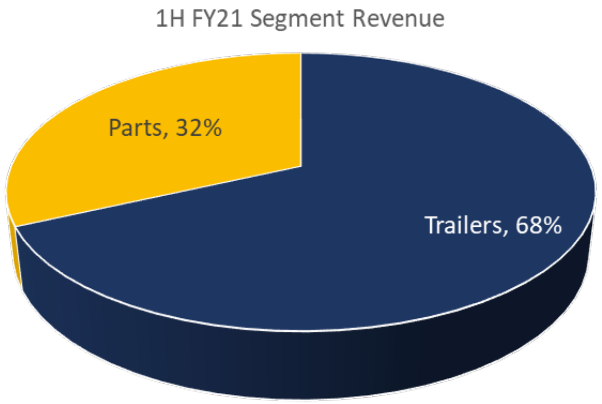
- A dedicated focus on cash generation has significantly strengthened MaxiTRANS Balance Sheet with a net cash position of $2.75m achieved at 1H FY21
  - Bank Debt was reduced by $13.75m during the period
- Working capital improvements across the group have seen a reduction in both receivables and inventory. Though the H1 FY21 is also lower due to timing with customer payments received in advance and lower stock trailer levels throughout the dealership network that is expected to unwind in H2 FY21 (approx. $5m-$6m)
- Carole Park lease was bought to account under AASB16 during the period (Right-to-use asset / Lease Liabilities)

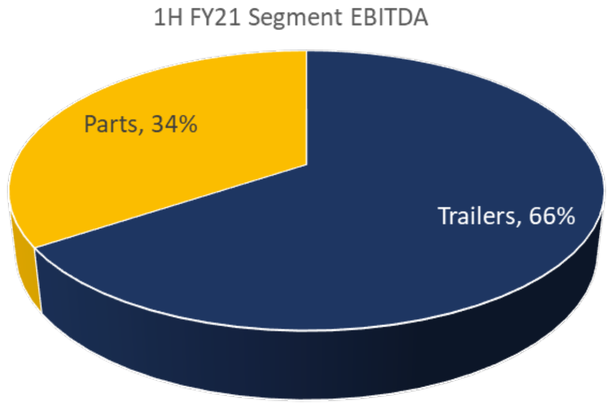
BUSINESS UNIT PERFORMANCE

TWO COMPLEMENTARY BUSINESSES

MaxiPARTS Differentiators

- A national store footprint in the right locations
- Unique technology enabled customer solutions
- Scale benefits from being associated with the largest trailer manufacturer
- Breadth of range and product expertise



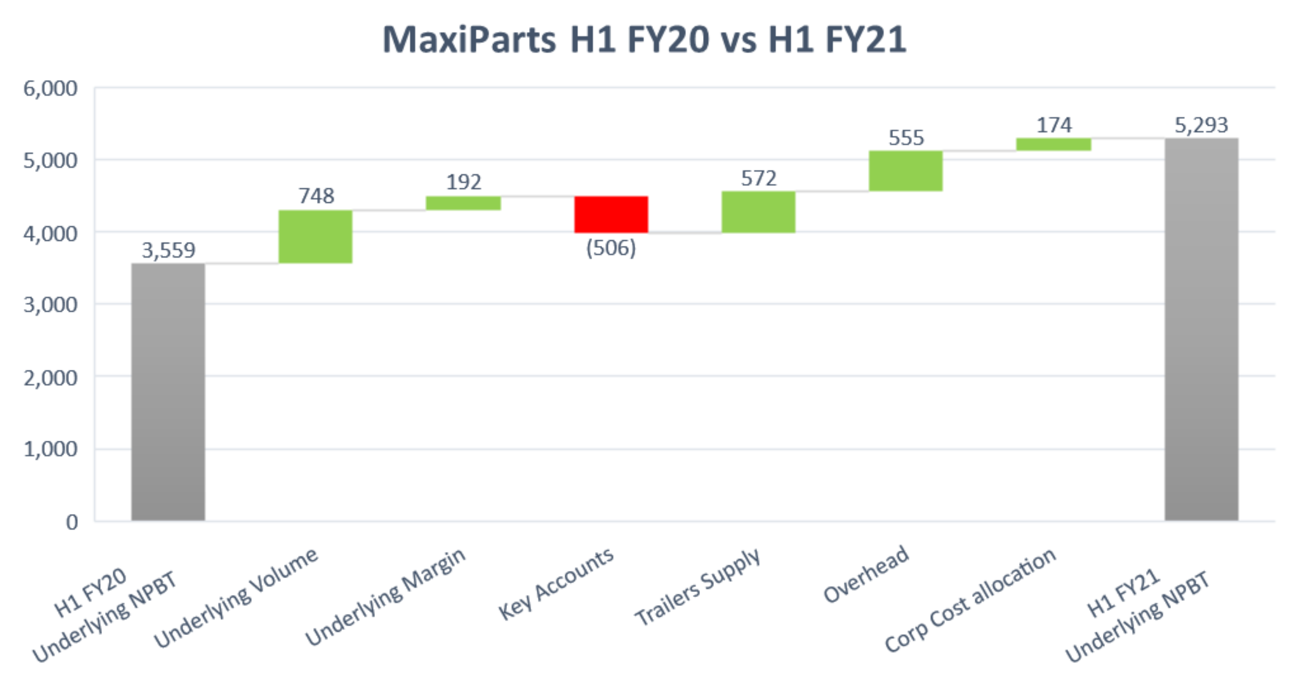


Trailers Differentiators

- Strong brand heritage and reputation
- Broadest range of products, national distribution and service capability
- Innovation driving leadership in product safety and quality
- Multiple manufacturing sites across two Australian states and NZ

SEGMENT EARNINGS – MaxiPARTS

A$M	1HFY21	2HFY20	1HFY20
Total Revenue	68.6	63.1	67.7
External Revenue	58.8	55.4	59.0
EBITDA excl Corporate Costs	**9.2**	**8.1**	**8.0**
EBITDA Margin % excl Corp Costs	**15.6%**	**14.5%**	**13.5%**
EBITDA	7.7	6.8	6.3
EBITDA Margin %	13.1%	12.4%	10.7%
Underlying NPBT	**5.3**	**4.3**	**3.6**



- 1H FY21 Revenue of $68.6m increased by 8.7% or $5.5m over H2 FY20 recovering from the COVID-19 revenue challenges quicker than expected,
- 1H FY21 Revenue of $68.6m increased by 1.3% or $0.9m over the pcp of H1 FY20 despite a $1.5m decline from a key account currently undergoing a range of structural changes
- EBITDA (excluding corporate costs) of $9.2m increased by $1.2m over the pcp due to:
  - an improvement in underlying product margins
  - a reduction in overhead costs through initiatives that were implemented in response to the COVID-19 impact in early H2 FY20. Most of the cost reductions implemented are sustainable on current revenue volumes
- MaxiPARTS to focus on revenue growth for the second half through ongoing organic initiatives

TRAILERS

A DIVERSE PORTFOLIO OF BRANDS EXPOSED TO MULTIPLE SEGMENTS OF THE ECONOMY

MaxiTRANS


Bulk Transport

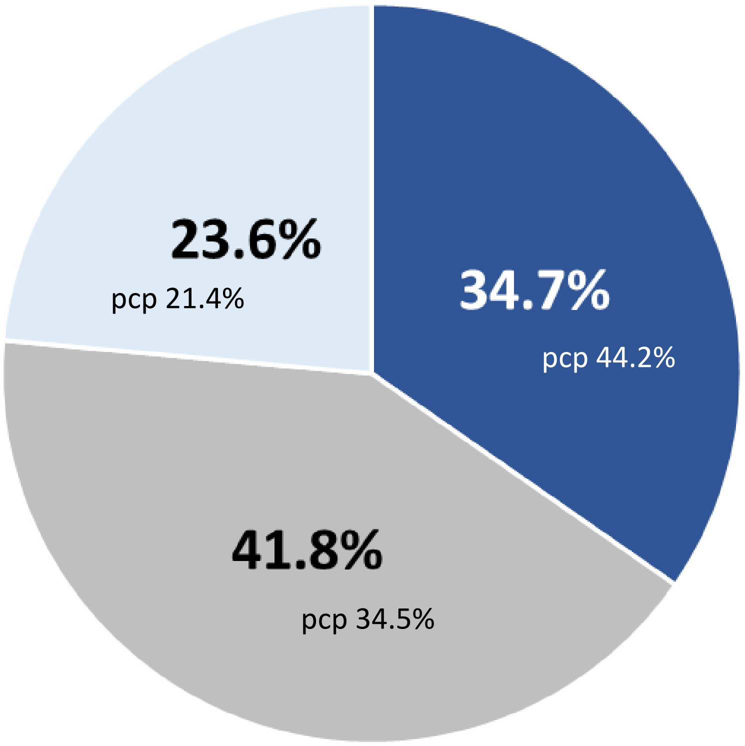
- Infrastructure
- Housing Starts
- Agriculture
- Waste
- Mining
- Population Growth



Food & Grocery

- Population Growth
- Consumer Spending

1H FY21 REVENUE BY PRODUCT



General Freight

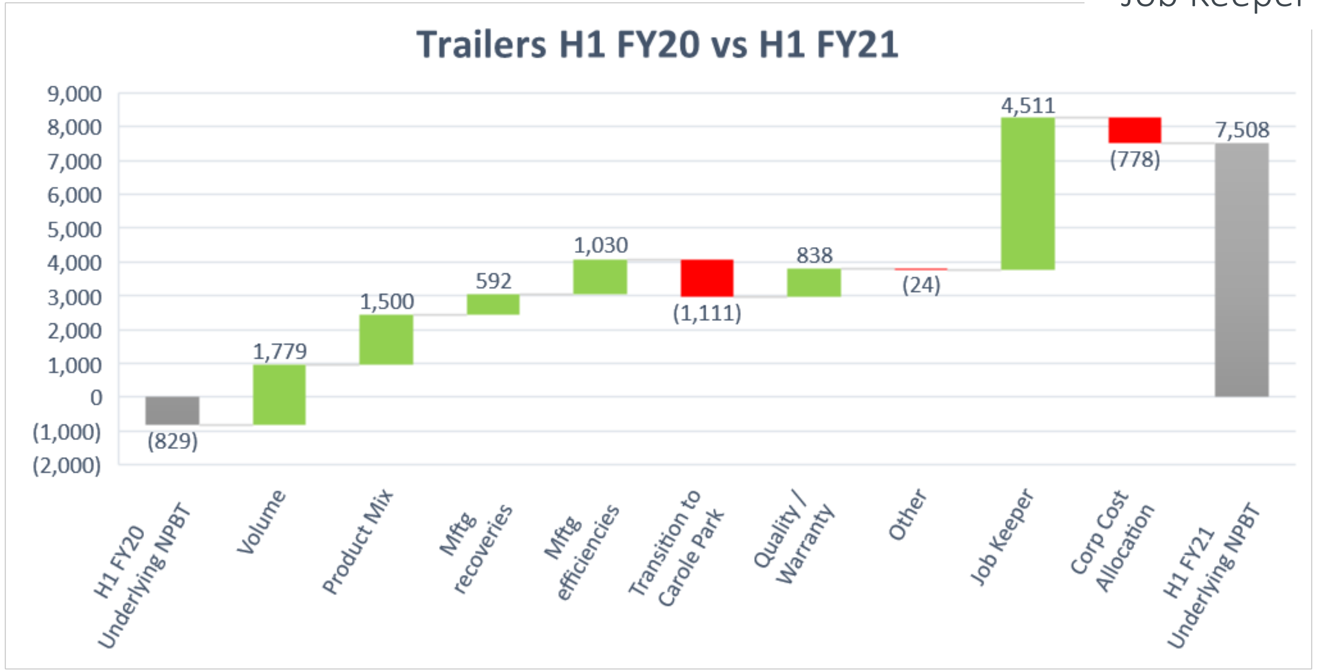
- Population Growth
- Consumer Spending
- Infrastructure
- Mining
- Import/Export
- Manufacturing

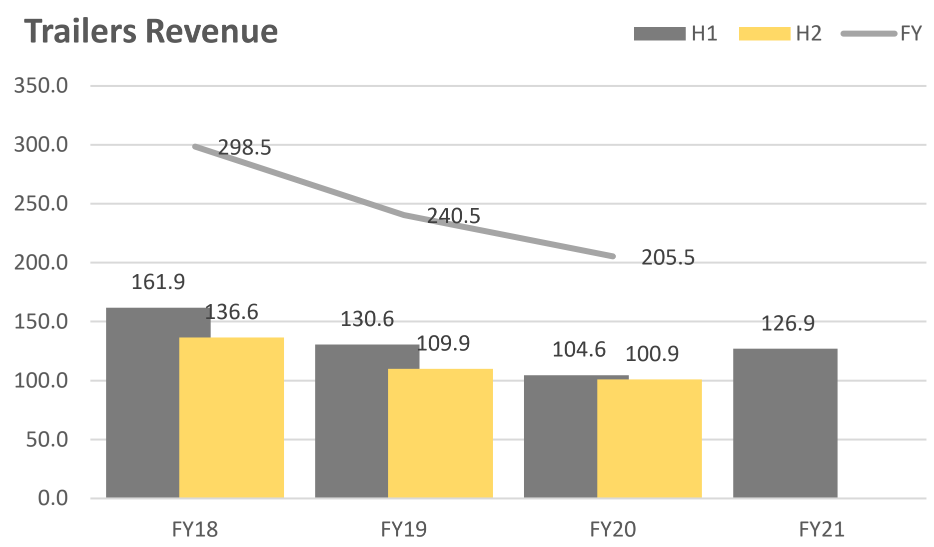
FREIGHTER | Maxi-CUBE | HamelexWhite | LUSTY EMS | Trout River | AZMEB BULK TRANSFER SYSTEMS | PEKI | MaxiPARTS

SEGMENT EARNINGS – TRAILERS (AUSTRALIA & NZ)

A$M	1HFY21	2HFY20	1HFY20
Total Revenue	126.9	100.9	104.6
External Revenue	125.8	98.7	104.5
EBITDA excl Corporate Costs	15.2	7.8	6.8
EBITDA Margin % excl Corp Costs	**12.1%**	**7.9%**	**6.5%**
EBITDA	10.0	3.2	2.3
EBITDA Margin %	7.9%	3.2%	2.2%
Underlying NPBT	**7.5**	**(0.5)**	**(0.8)**
Underlying NPBT excluding Job Keeper	**3.0**	**(5.6)**	**(0.8)**

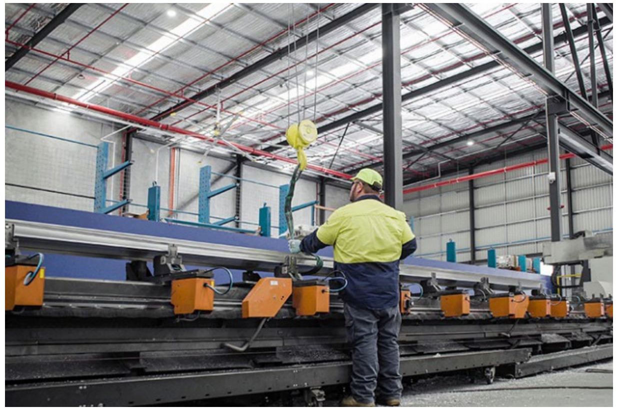
- Revenue increased by 21.4% over H1 FY20
- Sales volume was driven by an increase in food & grocery customers in some cases bringing forward annual buying plans due to COVID-19, a strong agricultural sector with a good grain season as well as an improvement in general freight
- Profit and margins benefited from both volume and product mix and with continued manufacturing operational & quality improvements. In comparison to H1 FY19 with similar revenue of $130.6m, the divisions profit margin is 0.5%-1.0% higher after normalisation of leases
- Job Keeper payments of $4.5m received in H1 FY20 ($5m in H2 FY20)





RELOCATION TO CAROLE PARK (BRISBANE)

- MaxiTRANS relocated its Queensland Manufacturing operations from Richlands to a purpose built facility at Carole Park (Brisbane) in Nov-20
- Relocation will generate manufacturing efficiencies of +$2.3m pa plus add product portfolio flexibility over 2-3 years
- Net CAPEX of $4m



STRATEGY UPDATE

STRATEGIC ACTIVITY TO FOCUS ON NEAR TERM

Whilst maintaining consistent pathways of strategy the scope has been refined to ensure we underpin continued focus on balance sheet prudence:

- **Safety** - Continued focus on improving our safety performance to not only ensure we send our people home safely but that MaxiTRANS' products design also sends our customer's people home safely.

- **Operational excellence** - ensure the group's systems and processes deliver high quality, cost effective products and services, with a focus on margin over chasing market share

- **Growth -** Leverage market leading position to optimise opportunities in MaxiPARTS through both organic initiatives and through an M&A strategy

- **People** – Continue investing in Inclusion and Diversity programs, supported by continuation of our front line and senior leaders' development program

- **Return on Assets** - Actively review the most efficient use of the group's assets to deliver the best return on our shareholders' investment

OUTLOOK

FY21 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 HY FY21.
- Expectations are for **MaxiPARTS** to focus on revenue growth for the second half of the year, whilst still maintaining margin and cost control across the operations.
    - Organic growth initiatives are expected to provide continued momentum in H2 FY21, including the accelerated plans to add a second outlet 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.
    - MaxiPARTS remains the focus of the group's strategic growth platform and based on the strengthening 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 and balancing this with maintaining profitability through production efficiency and quality metrics.
    - The Queensland Carole Park facility is expected to deliver greater capacity to support our Queensland and NSW customers as we head into FY22.
    - The Group does not expect the federal 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 in FY22 as the program comes to an end.
- The stress on the global supply chain due to the COVID-19 pandemic, particularly Europe and North America, will continue to see challenges in Australian ports becoming more pronounced. Substantial cost inflation in freight and steel is very likely to see the group process market price increases through both the Trailers and MaxiPARTS business sometime in the second half of this year.

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

IMPORTANT INFORMATION

This document should be read in conjunction with the periodic and continuous disclosure announcements of MaxiTRANS Industries Limited (MaxiTRANS) that have been lodged with the ASX, in particular the financial report for the full-year ended 30 June 2019 (available at www.asx.com.au).

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