



# AGM Presentation

## 30 November 2012

BRISBANE



Colin Ryan AM  
EXECUTIVE CHAIRMAN

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# Presentation Overview

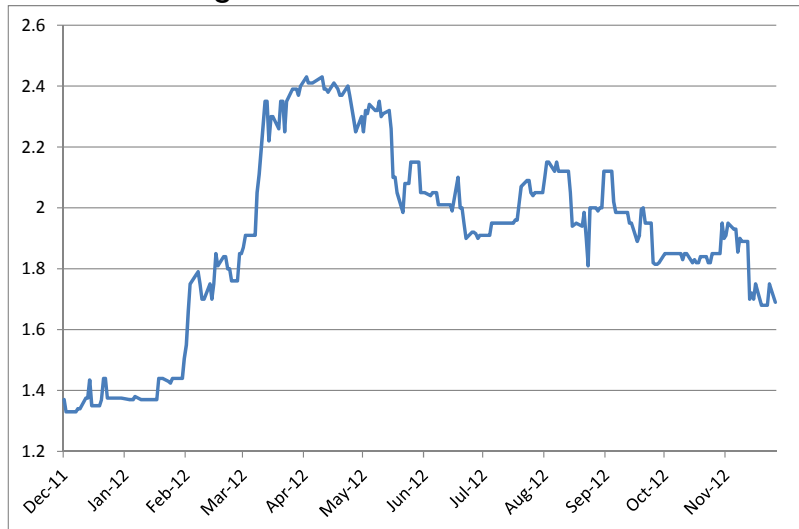


1. Corporate Profile
2. Full Year 2012
3. September 2012 Quarter
4. Outlook
5. Formal Business

# Corporate Profile

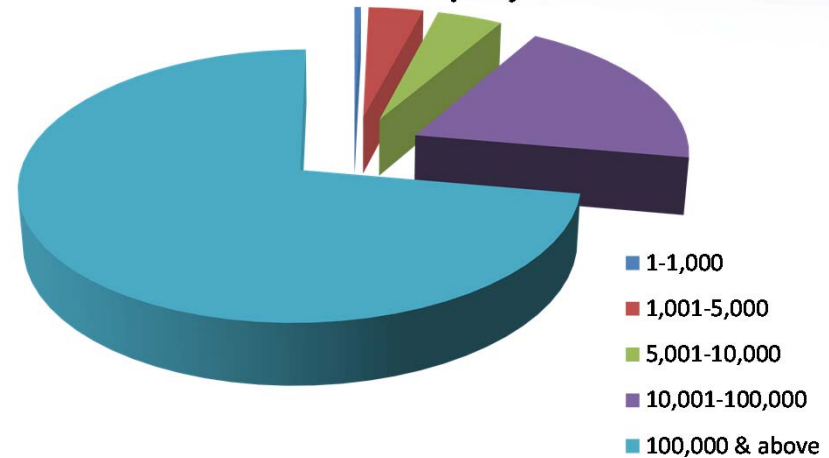


ASX Code (listed since April 1993)	CMI
Share Price (27 Nov 2012)	\$1.69
Issued Capital	
- Shares	33.8M
- Options	0.6M
Market Capitalisation	\$57.0m
Cash (30 June 2012)	\$5.6m
Debt (30 June 2012)	\$7.8m
Net Debt (30 June 2012)	\$2.2m
12 Month High / Low	\$2.45 / \$1.33



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## Distribution of Equity Securities



## Board and Senior Management

- Colin Ryan AM – Executive Chairman
- Leanne Catelan – Non-Executive Director
- Danny Herceg – Non-Executive Director
- Stephen Lonie - Non-Executive Director  
– *Effective 3 December 2012*
- Sharyn Williams – CFO/Company Secretary
- Jeff Heslington – GM - CMI Electrical
- Stephen O'Brien – GM - TJM Products

\*Graphs at 27 November 2012

# Highlights FY2012



- Revenue – 19% growth for Electrical
- Group NPAT up 10% before impairment of loan receivable \$9.3m
- Cashflow from operations – \$9.6m after \$3.9m increase working capital
- Net debt of \$2.2m
- Dividend – no dividend declared
- Impairment of Industrial receivable – reduced from \$9.3m to nil carrying value
- Class A share buy back complete - \$26.6m funded by \$7.5m borrowings
- Comfortable gearing ratio
- Management restructure – Executive Chairman, new GM in TJM

## AT A GLANCE - NPAT BEFORE \$9.3m IMPAIRMENT

Revenue	↑	12%
EBITDA before impairment	↑	12%
NPAT before impairment	↑	10%
Operating Cashflow	↑	24%
ROA	↑	5%

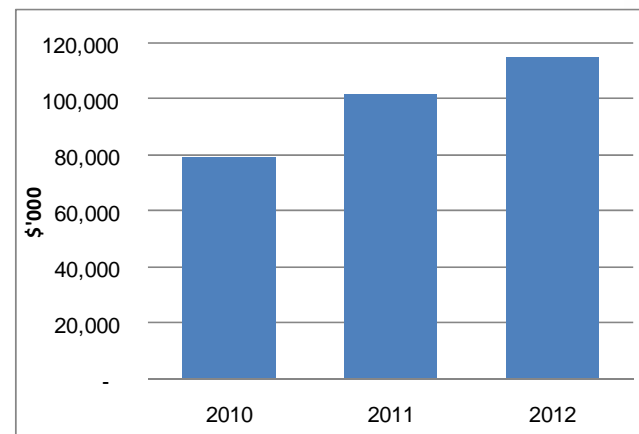
# Financial Performance



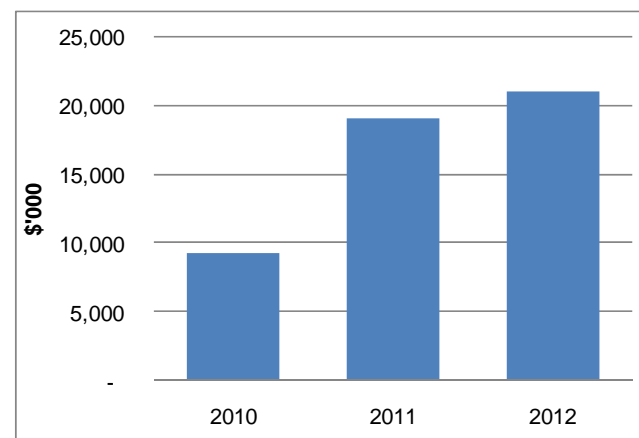
## Non-recurring financial items FY2012:

- Interest income on cash deposit (paid out - buyback) \$0.8m
- Interest income on Industrial receivable (in receivership) \$0.8m
- Impairment receivable \$9.3m
- Legal expenses – Class A share buyback, litigation and Industrial receivership - approx \$1.1m

## Revenue



## EBIT (exc. Impairments/Disc Ops)



## FY2012 Profit Summary

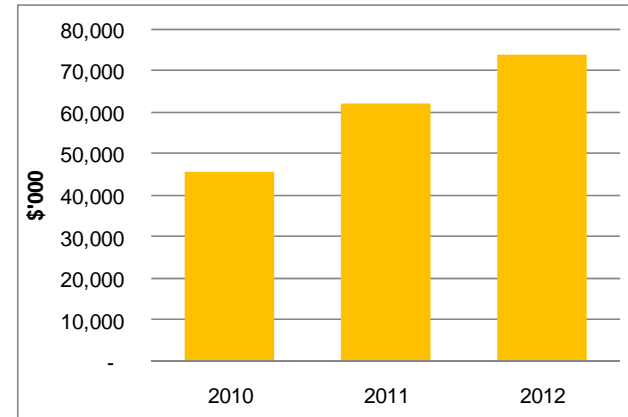
	Electrical	TJM	Corp	FY2012
	\$'000	\$'000	\$'000	\$'000
Revenue	73,759	39,491	1,647	114,897
EBITDA	21,778	2,237	(1,557)	22,457
EBITDA margin %	30%	6%		20%
EBIT	21,546	1,039	(1,560)	21,024
Operating PBT	21,540	1,020	(1,719)	20,841
Tax				(6,246)
Operating NPAT				14,595
Impairment charge (loan receivable)				(9,270)
Reported NPAT				5,325

# Electrical Division

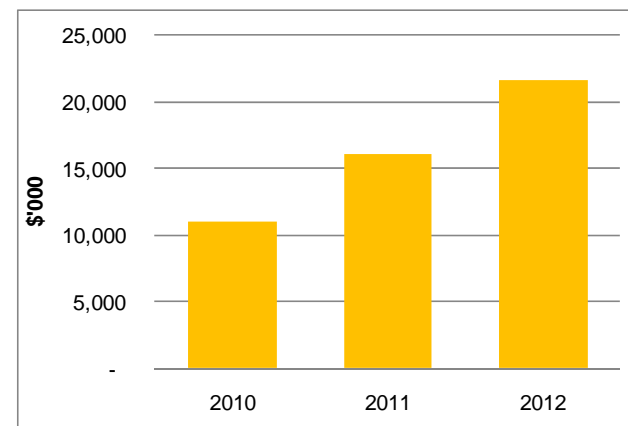


- Formed in 1998, distributes and manufactures industrial electrical products.
- Sourcing and supply of plugs, couplers, high voltage cables, flexible cables and manufacture of speciality electrical cables .
- Provides electrical products to:
  - the mining sector with a focus on underground gaseous mining, (mainly coal, new projects and maintaining existing projects);
  - the construction industry (with some utilities & Industrial); and
  - electrical wholesalers, workshops & contractors.

## Revenue



## EBIT



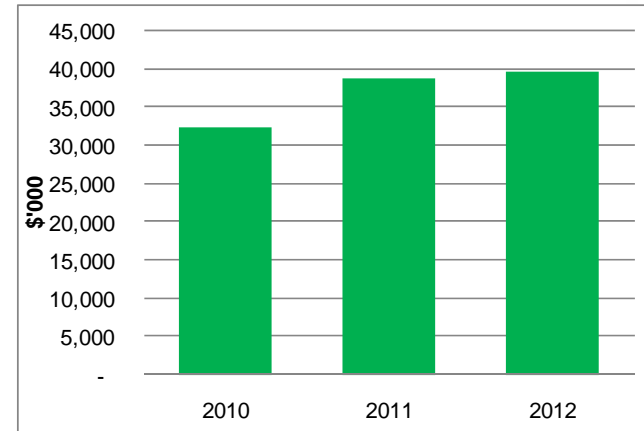


# TJM Products Division

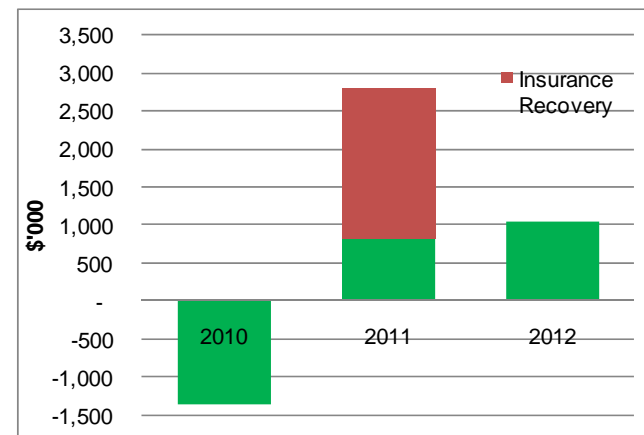


- Established in 1973.
- Designs, distributes and manufactures accessory products for 4WD and light commercial vehicles.
- Provides products to:
  - Australian aftermarket 46%;
  - Exports 31%; and
  - Australian Original Equipment 23%.
- Around 130 employees across Australia, China & USA.

## Revenue



## EBIT



# Quarterly Update September 2012 & Outlook

- Group revenue is up 4% on first quarter prior year:
  - Electrical revenue – in line with first quarter prior year; and
  - TJM revenue - 13% up on first quarter prior year.
- EBIT from operating divisions in line with first quarter prior year.
- Corporate - costs in line with first quarter prior year although revenue \$0.7m lower due to loss of interest received on Industrial receivable and cash deposits.

- The first quarter was in line with the prior year in revenue and earnings.
- CMI continues to monitor the effect of the coal price on the coal mining industry. Whilst coal prices remain low, there will be challenges to the profitability and expansion of the underground coal industry.
- Electrical earns 40% of revenues from the resources industry, principally from coal. CMI's products are particularly focused on underground mine safety and are therefore an on-going requirement for operating mines.
- Revenues for the first 4 months remain in line with prior year but it is difficult to predict the impact of the coal mining issues going forward.
- The second quarter of the prior year was an unusually strong quarter.

- Sales growth in new 4WD & light commercial vehicles is expected to continue.
- Continuing improvements in new design time to market.
- Supply chain & logistics transformation.
- Investment in online – new website launch this quarter.
- Re-investment in improving our organisational capabilities.

- As stated previously, in February 2011 guidance and in this year's Annual Report, the dividend policy will be reviewed after the June 2013 year.

The boards intention, if earnings remain consistent, is to commence dividends based on the 2013 year.

- A long term performance rights incentive plan will be implemented to encourage retention and stability of senior management. Appropriate performance hurdles include operational revenue growth, profitability, share price growth and tenure.
- The receivership of Industrial is expected to conclude within 6 months. Current estimates from the Receivers are for minimal recovery of the receivable. A demand has been served under the \$2.5m guarantee receivable security.
- A strong balance sheet means CMI will continue to invest capital and grow our existing businesses, while continuing to look for opportunities to create value for shareholders.

# Formal Business

# Financial Report

The receive and consider the financial report of the Company and the reports of the Directors and Auditors for the year ended 30 June 2012.



# Remuneration Report

## Resolution 1.

To consider and, if thought fit, pass the following as a non-binding ordinary resolution:

*‘That the Company’s Remuneration Report for the financial year ended 30 June 2012 is approved.’*

<b>Proxies Received</b>	<b>Voted</b>	<b>%</b>
For	1,735,425	45.51
Against	1,756,080	46.05
Open	321,730	8.44
Abstain	40,946	N/A
Excluded	13,152,701	N/A

# Election of Directors

**Resolution 2.**

To consider and, if thought fit, pass the following as an ordinary resolution:

*‘That Mr Danny Herceg, retiring by rotation in accordance with Rules 16.1 and 16.2 of the Constitution, and being eligible for re-election, is re-elected as a Director.’*

<b>Proxies Received</b>	<b>Voted</b>	<b>%</b>
For	14,799,547	87.20
Against	1,850,777	10.90
Open	321,730	1.90
Abstain	34,828	N/A
Excluded	0	N/A

# Performance Rights Plan

## Resolution 3.

To consider and, if thought fit, pass the following as an ordinary resolution:

*‘That for the purpose of ASX Listing Rule 7.1, and in accordance with ASX Listing Rule 7.2 (Exception 9), and for all other purposes, the issue of securities under the Company’s Performance Rights Plan on the terms as described in the Explanatory Memorandum is approved.’*

<b>Proxies Received</b>	<b>Voted</b>	<b>%</b>
For	14,595,323	87.36
Against	2,088,573	12.50
Open	22,616	0.14
Abstain	1,256	N/A
Excluded	0	N/A

# Issue of Performance Rights

## Resolution 4.

To consider and, if thought fit, pass the following as an ordinary resolution:

*‘That for the purpose of ASX Listing Rule 10.14 and for all other purposes, the issue of 500,000 Performance Rights to Mr Colin Ryan under the Company's Performance Rights Plan on the terms as described in the Explanatory Memorandum is approved for a period of 3 years from the date of this approval.’*

<b>Proxies Received</b>	<b>Voted</b>	<b>%</b>
For	14,177,959	87.02
Against	2,093,084	12.84
Open	22,616	0.14
Abstain	396,289	N/A
Excluded	0	N/A

# Adoption of New Constitution

**Resolution 5.**

To consider and, if thought fit, pass the following as a special resolution:

*‘That the Constitution of the Company tabled at the AGM and signed by the chair of the AGM for the purpose of identification, is approved and adopted as the Constitution of the Company in substitution for and to the exclusion of the existing Constitution of the Company, with effect from the close of the AGM.’*

<b>Proxies Received</b>	<b>Voted</b>	<b>%</b>
For	15,624,023	92.72
Against	844,734	5.01
Open	382,678	2.27
Abstain	155,447	N/A
Excluded	0	N/A

Thank you for  
your attendance