

Annual General Meeting Presentation



23 November 2016
SYDNEY

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A blue circle containing the text 'CMI Electrical' in white, sans-serif font.

CMI Electrical



CMI Electrical specialises in the design and manufacture of specialty plugs and couplers, electrical cables, sourcing and supply of niche electrical cables, high voltage cables, flexible cables and flameproof junction boxes. This division services the mining sector, construction and infrastructure industries, electrical wholesalers and gas, petroleum and other hazardous industries.

World class products, strong balance sheet, long operating history, skilled people

FY16 Earnings Summary



\$m	FY16	FY15	Change
Revenue ^(a)	40.8	64.9 ^(b)	(37%)
EBITDA	5.3	8.5	(38%)
EBITDA Margin	13%	13%	
Depreciation & Amortisation	(0.5)	(1.3)	63%
Tax	(1.4)	(1.7)	
Interest expense	(0.0)	(0.1)	63%
NPAT	3.4	5.4	(37%)
NPAT Margin	8%	8%	
EPS (cents)	9.90	15.77	(37%)

(a) FY15 includes TJM revenues to 2 March 2015

(b) Revenue has been updated to be net of discounts and rebates

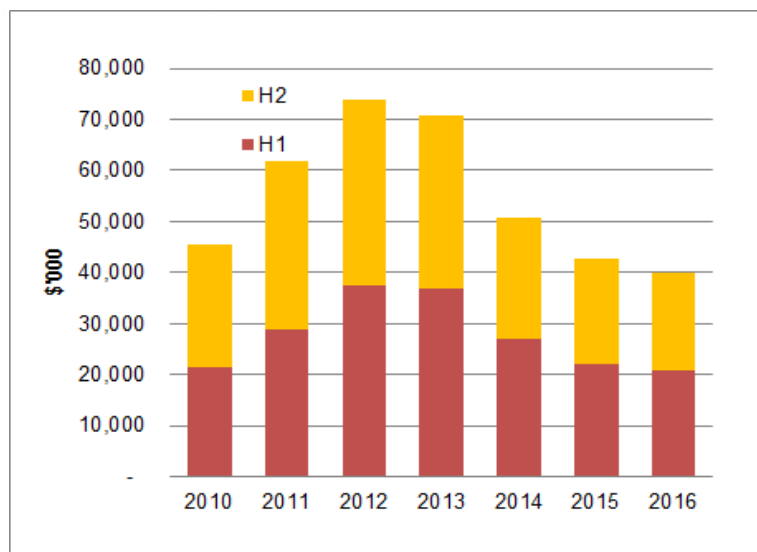
- Electrical earnings lower due to a 6% revenue reduction and a change in sales mix impacting margins
- Prior year includes “one-off” contributions to NPAT of \$1.3m
 - \$869k CMI Industrial loan recovery;
 - \$467k gain on sale of TJM
- EBIT \$4.8m
 - 1H16 \$2.5m;
 - 2H16 \$2.3m
- NPAT – down 37% to \$3.4m from \$5.4m

FY16 Divisional & Half on Half Summary

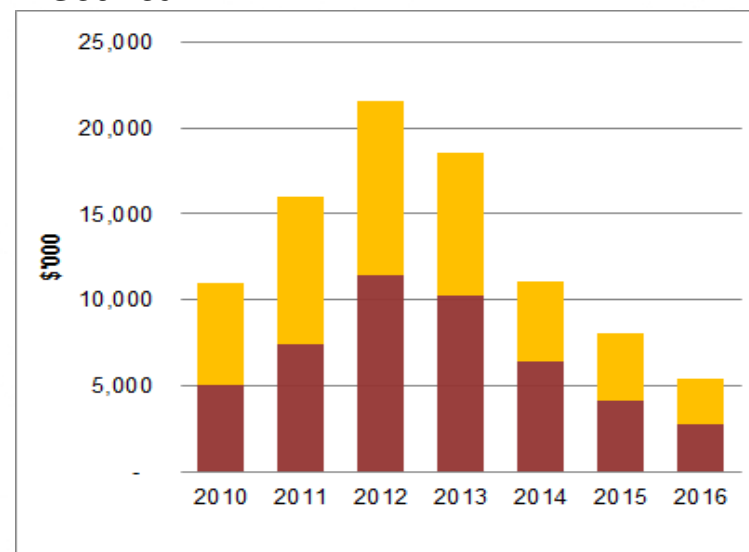


	Electrical \$m	Corp \$m	FY16 \$m
Revenue	40.0	0.8	40.8
EBITDA	5.9	(0.6)	5.3
EBITDA margin %	15%		13%
EBIT	5.4	(0.6)	4.8
Operating PBT	5.4	(0.6)	4.8
Tax			(1.4)
Reported NPAT			3.4

Electrical Revenue*



Electrical EBIT*

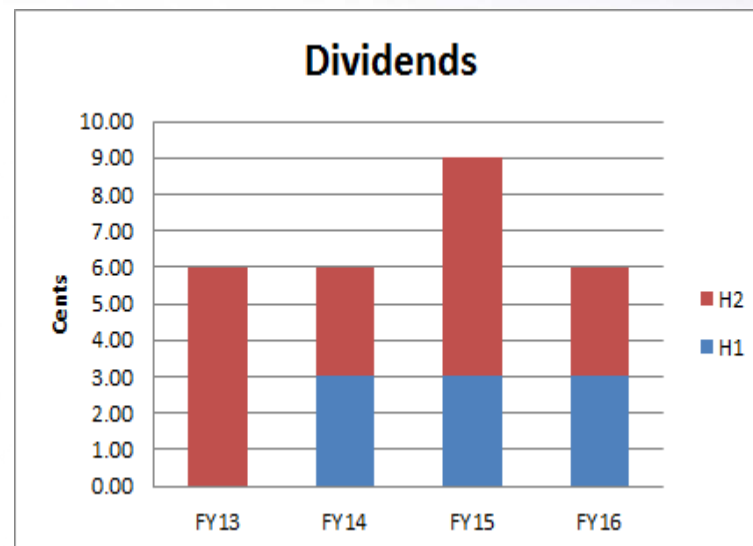


* Excludes corporate and discontinued operations

Balance Sheet & Dividend Policy

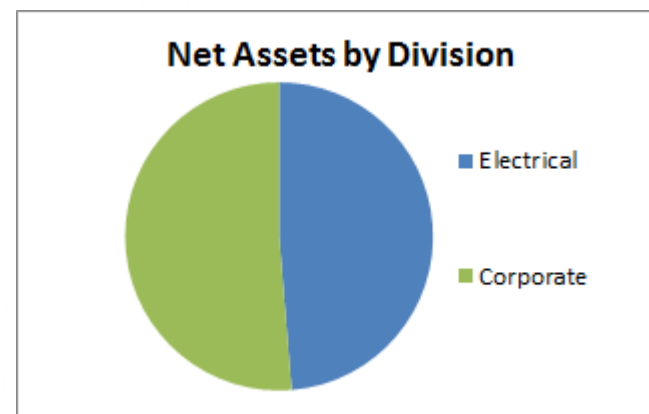


- Strong balance sheet and capacity to generate cash
 - Net cash \$26.7m
 - Net Tangible Assets \$1.18 per share
 - Capital Return \$10.5m paid in December 2015
- Dividends
 - Payout ratio policy allows up to 60% of profits to be paid out
 - 3 cent fully franked dividend paid March 2016 and 3 cent fully franked dividend paid September 2016

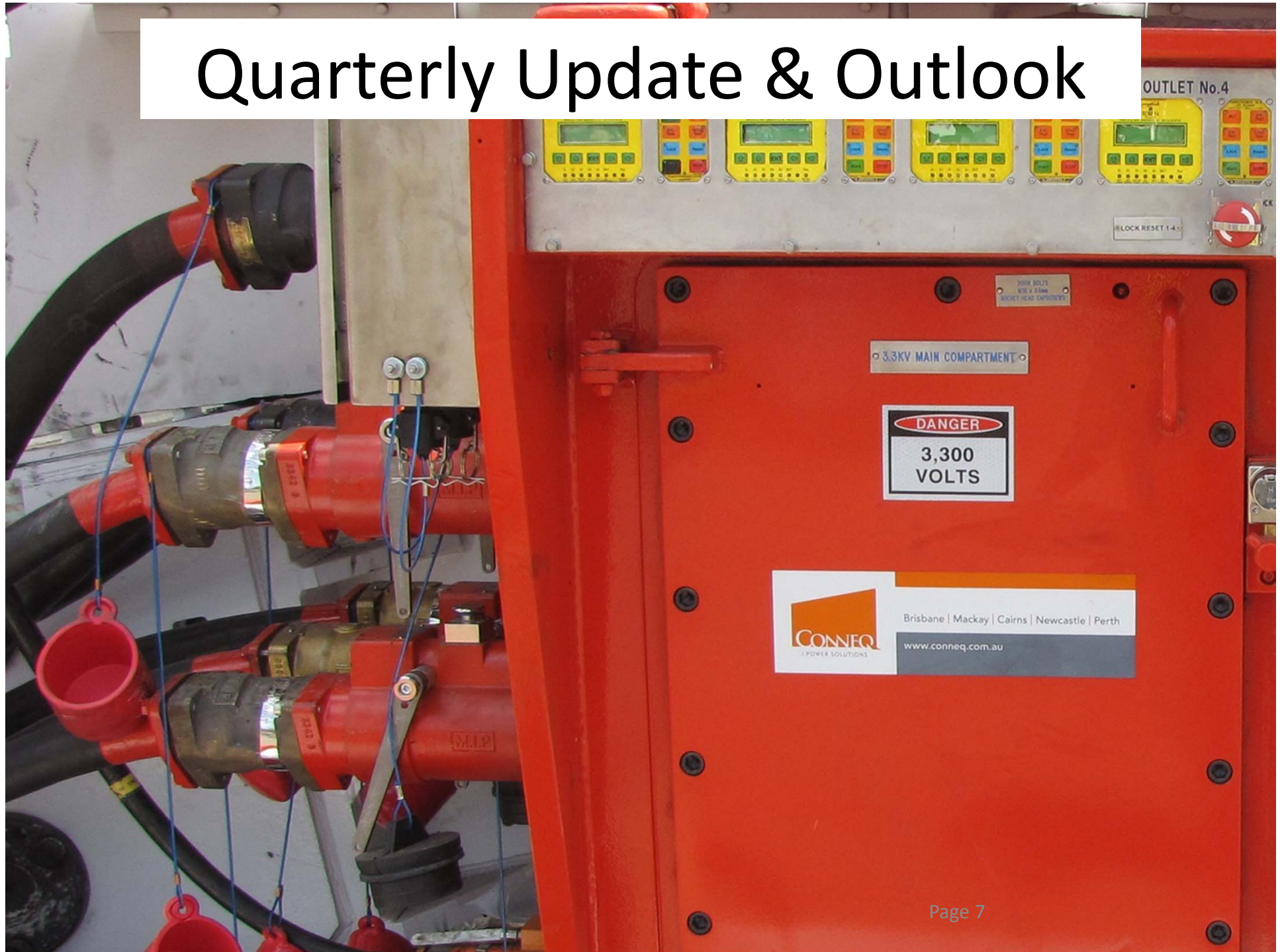


Balance Sheet Summary

\$m	FY16	FY15
Total Assets	55.9	66.8
Total Shareholder Funds	50.3	60.6
Net Cash/(Debt)	26.7	34.2
Operating cashflows	6.3	9.6

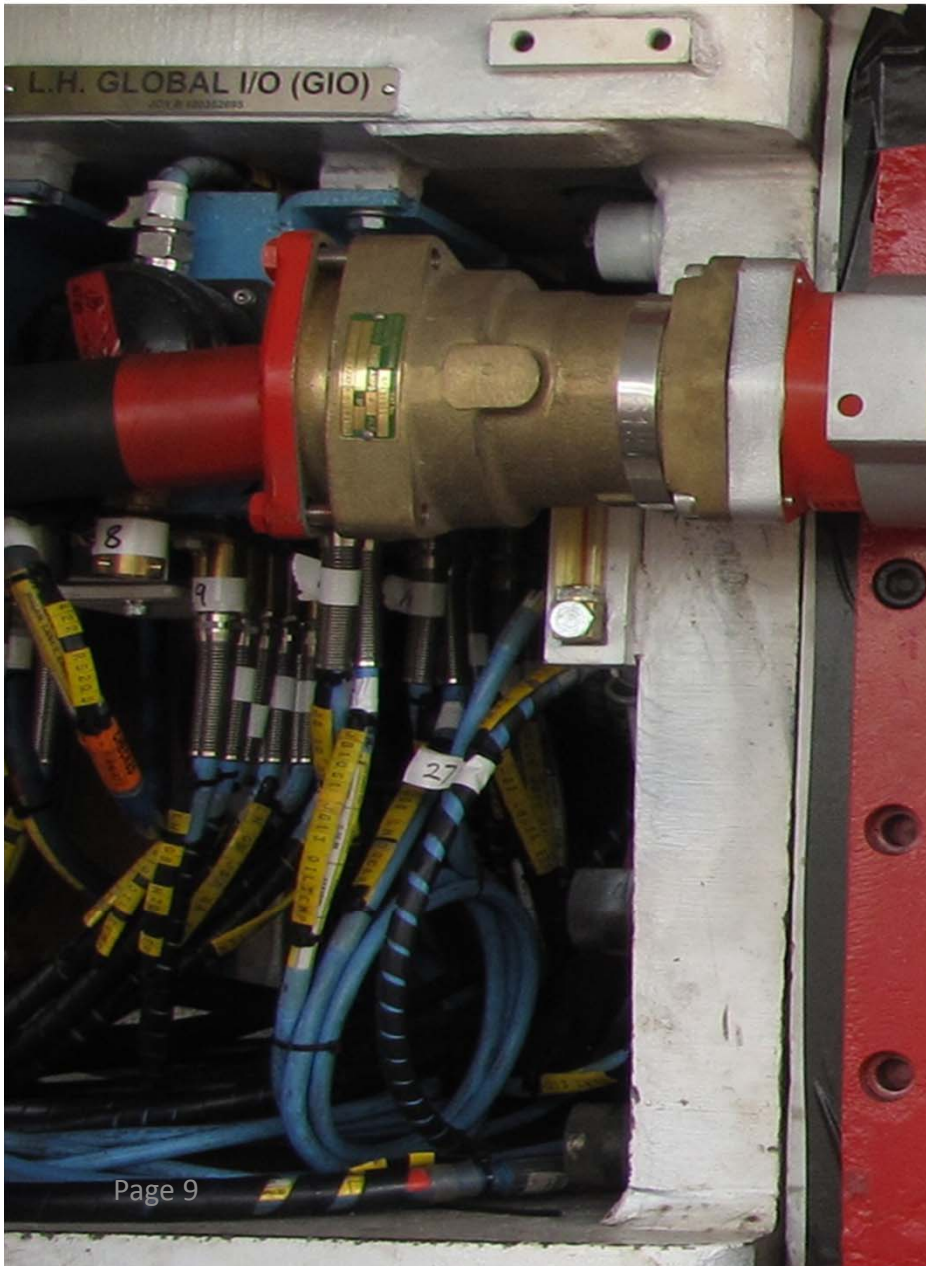


Quarterly Update & Outlook



- Revenue is down on the September quarter of the prior year by approximately 12%
- Performance for the September quarter is above last year slightly due to improved product margins and overhead reductions
- Continued challenging trading conditions are expected for the electrical division including the mining, resources, construction and infrastructure sectors, with margins continuing to be under pressure
- Mr. Jim Johnson appointed General Manager Electrical effective 18 January 2017

Market Analysis - Electrical



- **Mining and Resources sector**
 - Challenges expected to continue in the medium term
 - CMI mining product is a market leading safety related product with an overhaul life cycle of 4 years which often leads to sales
 - Continued product development of flameproof products for resources industry
 - Maintaining capacity for recovery of coal sector whilst controlling costs
 - Australian black coal revenues are forecast to grow at an annualised rate of 3.5% over the 5 years through 2021-2022 (IBIS, Black Coal Mining in Australia Industry Report 2016)
- **Construction and infrastructure**
 - Competitive pricing

- A Capital Return of \$0.30 per share, approximately \$10.5m in total was paid to shareholders in December 2015
- Fully franked dividends of 6 cents paid in equal instalments of 3 cents in March and September 2016
- Off-market Buy-back proposal announced 18 November 2016 of up to 10% of issued capital
 - Record date 25 November 2016
 - Closing date for acceptance 4 January 2017
 - Price 5-day VWAP prior to announcement (approximately \$1.16) adjusted by S&P/ASX 200 Index movement

- Shareholder approval sought to
 - change the nature of the company's activities to an Investment Entity
 - change the company name to Excelsior Capital Limited
- Prospectus and EGM Notice announced on 18 November 2016
- EGM to be held on 21 December 2016

AGM Formal Business



Financial Report

To receive and consider the financial report of the Company and the reports of the Directors and Auditors for the year ended 30 June 2016.

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 2016 is approved.'

Proxies Received	Voted	%
For	1,125,248	47.86
Against	648,747	27.60
Open	576,973	24.54
Abstain	10,125	N/A

Election of Director

Resolution 2.

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

‘That Mr Steven Miotti, having been appointed a Director since the last annual general meeting of the Company, in accordance with the Constitution, ceases to hold office and, being eligible, is elected as a Director.’

Proxies Received	Voted	%
For	1,177,290	50.04
Against	598,205	25.43
Open	576,973	24.53
Abstain	8,625	N/A

Election of Director

Resolution 3.

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

‘That Mr Craig Green, having been appointed a Director since the last annual general meeting of the Company, in accordance with the Constitution, ceases to hold office and, being eligible, is elected as a Director.’

Proxies Received	Voted	%
For	1,176,546	50.01
Against	597,949	25.42
Open	577,973	24.57
Abstain	8,625	N/A

Thank you for
your attendance.