

# Full Year Results Presentation



**cmi**

25 October 2017  
SYDNEY

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- New Management team appointed in Electrical business.
- Incorporation of Excelsior Asset Management, an Asset Management company in partnership with Glennon Capital to pursue defensive investment strategies.
- Excelsior Asset Management will actively manage CMI's funds to achieve long term capital appreciation.
- Change in nature of the Company's activities and relisting as an Investment Entity.
- Dividend & Capital return of \$6.3 million in FY:2017 (FY:2016:\$13.6m).

# FY17 Earnings Summary

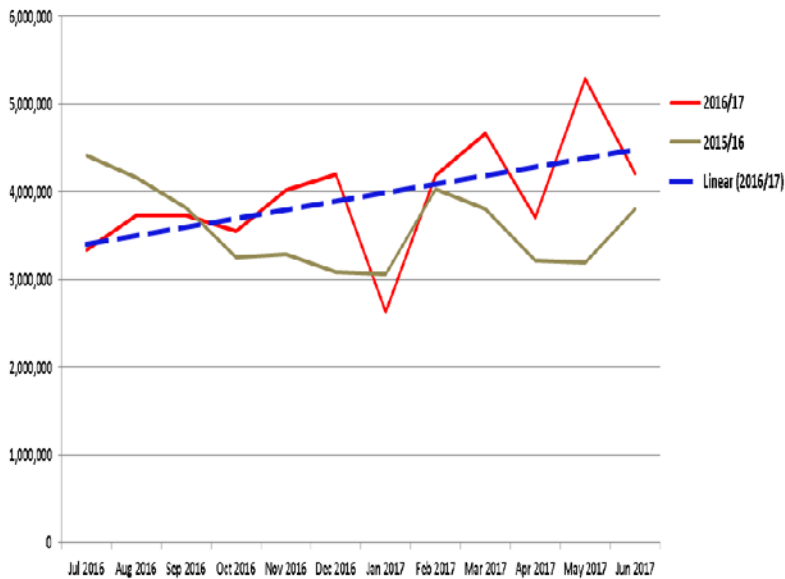


\$m	FY17	FY16	Change
<b>Revenue</b>	<b>\$44.27</b>	<b>\$40.81</b>	<b>8%</b>
<b>EBITDA</b>	<b>\$4.92</b>	<b>\$5.33</b>	<b>(8%)</b>
Depreciation & Amortisation	\$(0.63)	\$(0.48)	(31%)
Tax	\$(1.51)	\$(1.38)	(9%)
Interest expense	\$(0.02)	\$(0.02)	-
<b>NPAT</b>	<b>\$2.75</b>	<b>\$3.45</b>	<b>(20%)</b>
NPAT Margin	6%	8%	
<b>EPS (cents)</b>	<b>\$8.27</b>	<b>\$9.90</b>	<b>(16%)</b>
<b>NTA per Security</b>	<b>\$1.20</b>	<b>\$1.18</b>	<b>(1%)</b>

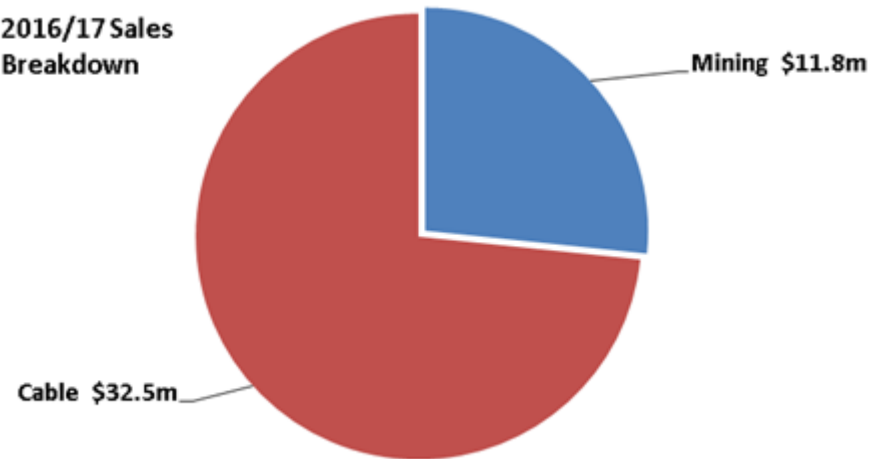
- Revenue increased by 8% to \$44.27m reflecting increase in sales volumes due to clients' restocking and improvement in market conditions.
- Increase in Tax expense largely due to impairment of Goodwill.
- NPAT decreased by approx. \$700k due to one off costs associated with the relisting.

# Turnover – FY:2017

- Revenue (incl. rebates) for FY:2017 totaled \$44.3m (FY:2016: \$40.8m).
- Strong Revenue growth in HY:2017 of 16.9%.
- Sales growth was recorded in Cable & Other Division, whilst Sales in Mining (Minto) was flat.



2016/17 Sales Breakdown

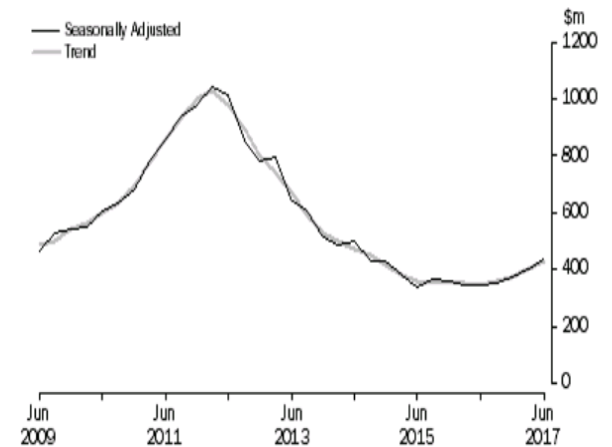




# Overview of the Mining Market (Australia)

- Mining market rising from the bottom of the cycle after falling from a highly overinflated peak.
- Provision of parts for Plant Maintenance has provided a steady income stream over the past 10 months.
- Expected trend in the Mining sector over the upcoming few years is minimal increases in turnover but steady recurring orders.
- Revenue is expected to be steadier, without the volatility experienced over the past 3 years.
- Future product sales will be sourced from repair and maintenance activities and renewal of old installations, rather than new projects.

MINERAL EXPLORATION, Seasonally adjusted and trend

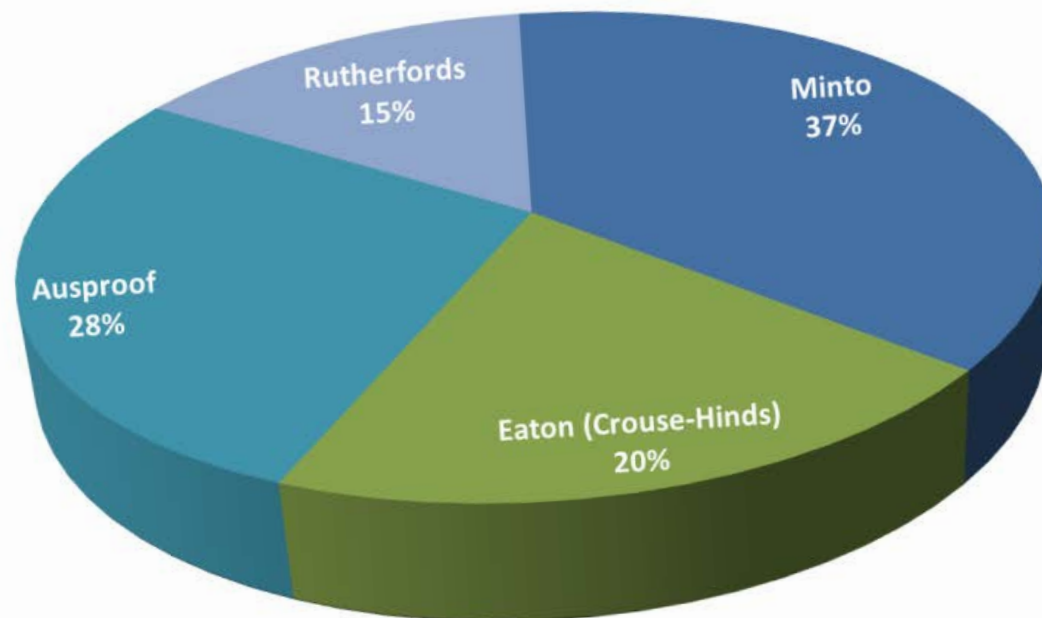


# Overview of the Cable & Wire Market



- The Cable and Wire industry in Australia is fairing well in comparison with many other electrical sectors. The cable market is estimated to be around \$1.7 billion.
- Fluctuating levels of activity in the commercial construction sector are causing volatility, in particular the smaller states (SA, WA and SE QLD).
- Cable has some margin uncertainty, caused predominantly by volatility in copper prices.
- Public sector procurement is expected to show minimal growth due to the current project pipeline reaching completion.

# Market Share – Couplers & Connectors



Estimated Market Size 2017: \$32m



minto





- Funds to be invested in:
  - Small & microcap companies in both public and private markets;
  - Diversified portfolio of businesses in order to generate both income & capital appreciation, while managing risk.
- Initial investment in 3 unlisted businesses and 2 listed stocks amounting to \$2.04m at 30 June 2017.
- Balance of funds amounting to \$18.14m invested in high yielding securities (\$12.9m) and cash (\$5.2m) while suitable long term investments are evaluated.

# Share Price & Dividend Payments



- Share price increased from 89 cents from 1 July 2016 to \$1.41 (24 Oct 2017), a 58.4% increase after:
  - Payment of two fully franked dividend totalling \$1.9m (6 cents per share) declared in FY:2017; and
  - Off-market buy-back of 10% of issued share capital amounting to \$4.4 million in Jan 2017.
- Market capitalisation of \$44.4m as at 24 October 2017.



- Exploring entering new international markets.
- Focus on cost cutting by consolidating its two Sydney industrial locations – Meadowbank & Fairfield. One off costs expected in FY18 and early FY19 approx. \$750k - \$1m.
- Strong Balance Sheet with Shareholder Funds of \$46.5 million (\$1.48 per share) with no debt and stable cash generating capability.
- Shareholders have exposure to managed portfolio that is actively managed by Glennon Capital, an experienced portfolio manager with successful track record.

# Questions