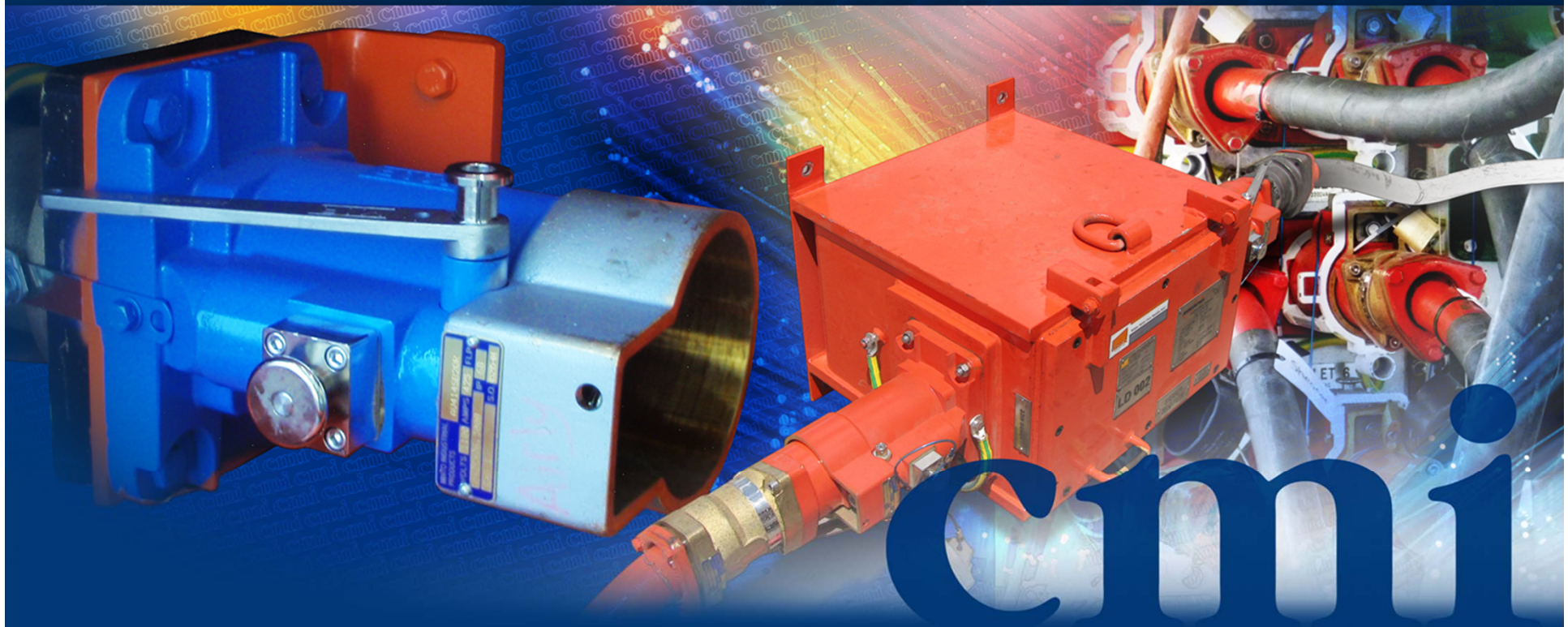




Investor Presentation 2015 Half Year Results

23 - 25 MARCH 2015



Andrew Buckley – Executive Chairman
Sharyn Williams – C.F.O.

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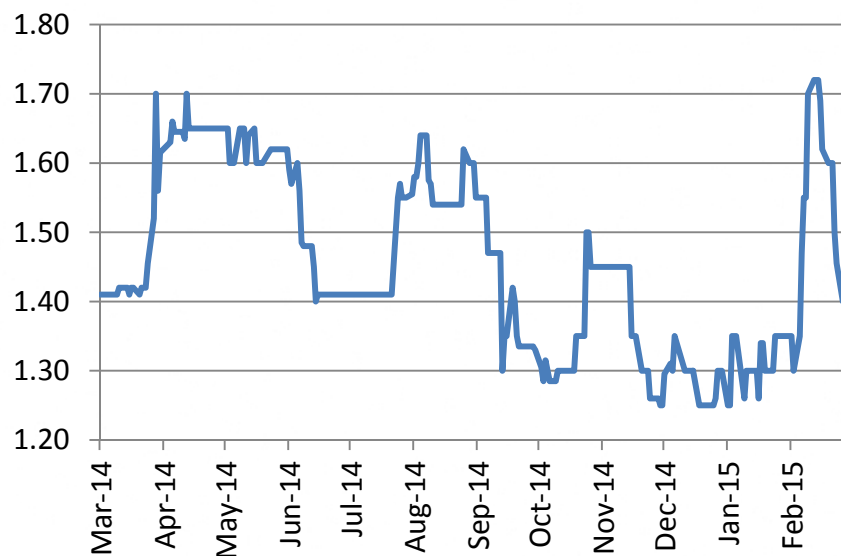
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Corporate Profile



ASX Code	CMI
Share Price (18 Mar 2015)	\$1.45
Issued Capital	
- Shares	34.6m
- Performance Rights	1.4m
Market Capitalisation	\$50.1m
Cash (31 Dec 2014)	\$ 6.8m
Debt (31 Dec 2014)	\$ 0.1m
Net Cash	\$ 6.7m
12 Month High / Low	\$1.72 / \$1.25



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Substantial Shareholders**

- Le Rae Pty Ltd & Others (38.06%)
- Acorn Capital Limited (8.90%)
- Schroder Investment Management (5.69%)

Board and Senior Management

- Andrew Buckley – Executive Chairman
- Jeff Forbes – Non-Executive Director
- Leanne Catelan – Non-Executive Director
- Sharyn Williams – CFO/Company Secretary
- Jeff Heslington – GM - CMI Electrical
- Stephen O'Brien – GM – TJM Products (Divested)

Businesses with long operating histories

- Electrical division formed in 1998 – 15+ years
- TJM commenced operations in 1973 – 40+ years – **Divested 2 March 2015**

*Graph at 18 March 2015

**Substantial shareholders as at 30 June 2014 or latest notice

H1FY15 Performance Summary

	Electrical	TJM	Corporate	H1FY15
	\$'000	\$'000	\$'000	\$'000
Revenue	21,948	17,069	54	39,071
EBITDA	4,243	555	(981)	3,817
EBITDA margin %	19%	3%		10%
EBIT	4,153	(313)	(985)	2,855
Operating PBT	4,153	(317)	(1,035)	2,801
Tax				(934)
Reported NPAT				1,867

- Revenue decreased but EBITDA margin has increased compared to FY14

H1FY15 Earnings Comparison



\$m	H1FY15	H1FY14	Change	H2FY14	Change
Revenue	39.1	49.5	(21%)	42.9	(9%)
EBITDA	3.8	4.3	(11%)	2.5	53%
EBITDA Margin	10%	9%		6%	
Depreciation & Amortisation	(0.9)	(0.9)	(7%)	(0.9)	(11%)
Tax	(0.9)	(0.9)	(7%)	(0.4)	(121%)
Interest expense	(0.1)	(0.1)	36%	(0.1)	28%
NPAT	1.9	2.4	(23%)	1.1	65%
NPAT Margin	5%	5%		3%	
EPS (cents)	5.40	7.00	(23%)	3.29	64%

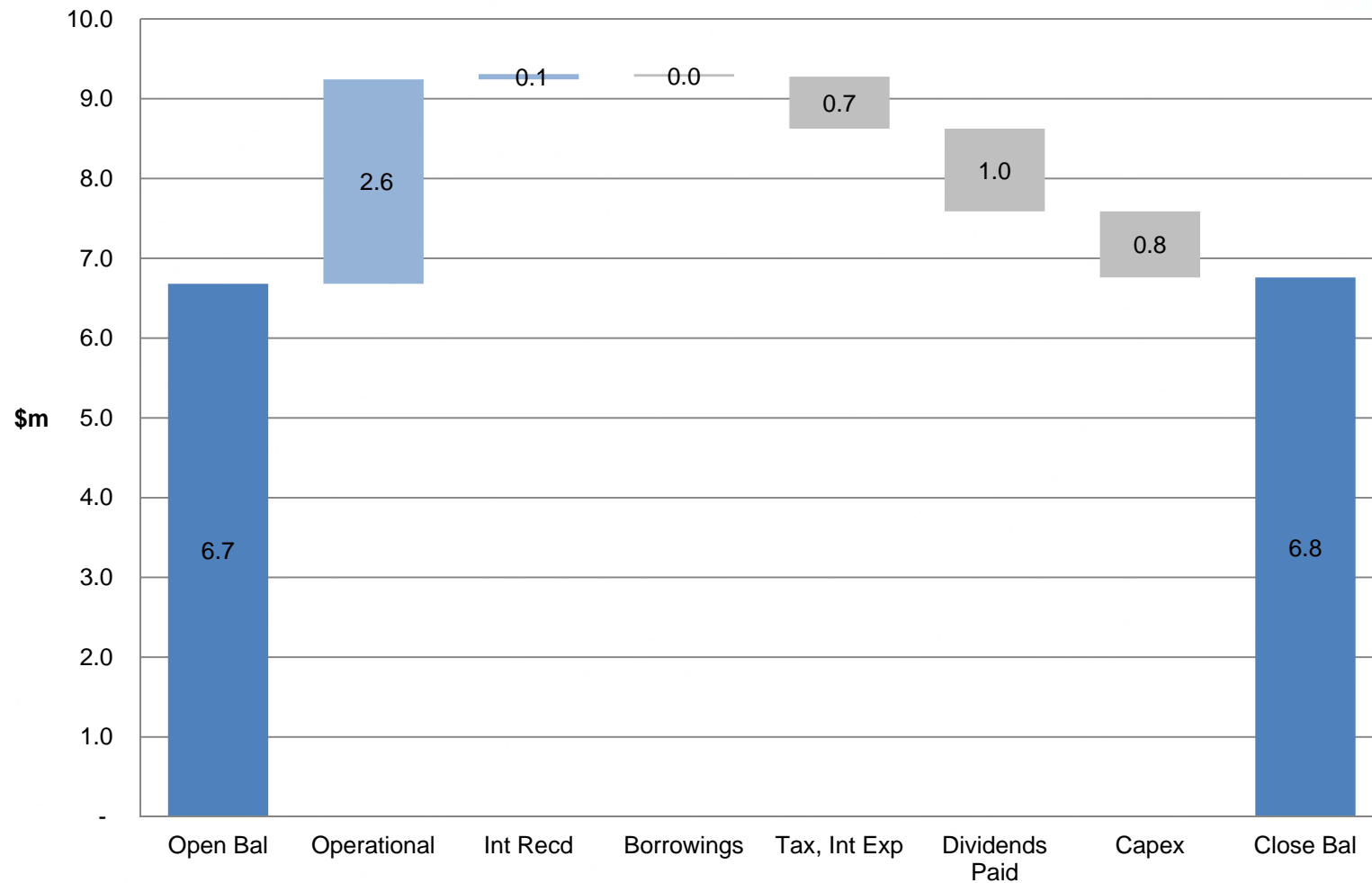
- Revenue of \$39 million – a 21% decrease on H1FY14 (9% decrease on H2FY14)
 - largely due to the continuing impact of the mining and construction slowdown on the electrical business and
 - reduction in low margin original equipment (OE) revenues in TJM;
- Net profit after tax of \$1.9 million – a 23% reduction on the PCP but a 65% increase on H2FY14
- A positive EBITDA result for the TJM Products division with an improvement in profit before tax of \$1.7m over the PCP

H1FY2015 Balance Sheet

	Electrical \$'000	TJM \$'000	Corp \$'000	H1FY15 \$'000
Current assets	23,211	22,178	6,298	51,687
Non-current assets	9,683	6,993	21	16,697
Total assets	32,894	29,171	6,319	68,384
Current liabilities	3,960	5,360	298	9,618
Non-current liabilities	162	573	(277)	458
Total liabilities	4,122	5,933	21	10,076
Shareholders equity	28,772	23,238	6,298	58,308

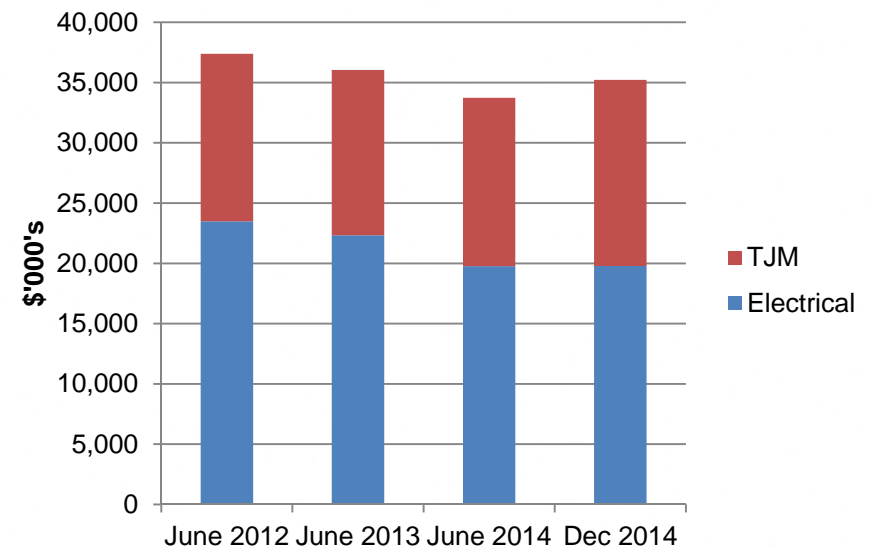
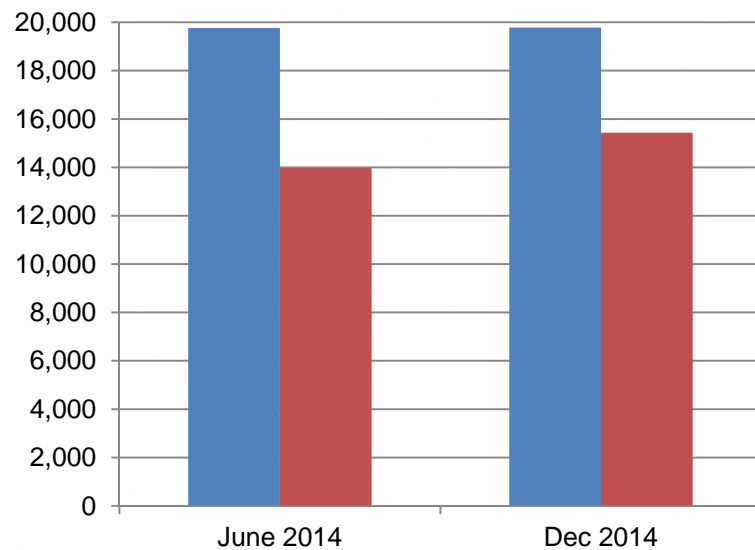
- The balance sheet remains strong with \$6.8 million of cash and negligible debt
- TJM sold for \$22.2m net of cash and debt, proceeds approximately \$24m
- Cash post-TJM Divestment is in excess of \$30 million
- Dividend payout ratio policy of approximately 60%
- A fully franked interim dividend of 3 cents per share maintaining the current dividend payment

Cash Generation H1FY15



- A solid operational cash flow of \$1.9 million (includes tax and interest)

Working Capital



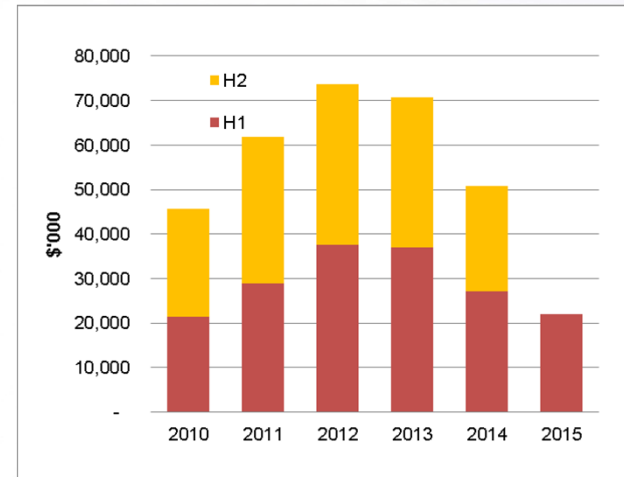
*Working Capital = Inventory + Trade debtors – Trade creditors

Electrical Division

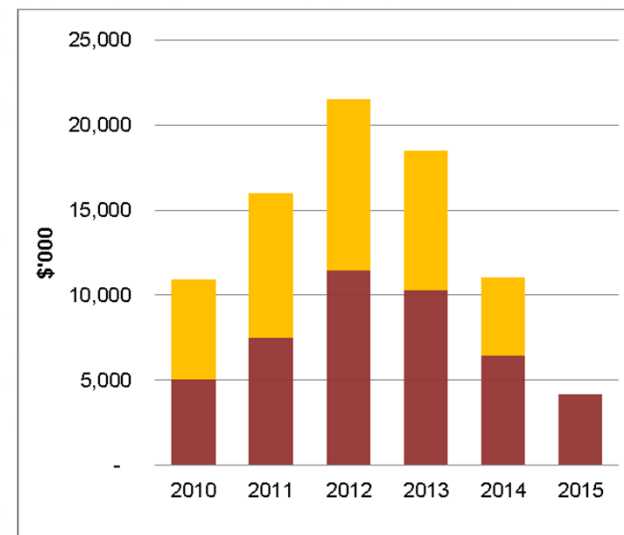


- Formed in 1998, distributes and manufactures industrial electrical products
- Design and manufacture of explosion protected plugs, receptacles, couplers and cable glands; design and supply of high voltage cables, flexible cables, fire rated cables; and manufacture of specialty electrical cables
- Provides electrical products to:
 - Mining sector with a focus on underground coal mining
 - Construction industry for utilities, industrial and infrastructure projects
 - Electrical wholesalers, workshops & contractors
 - Gas, petroleum and other hazardous industries
- Significant IP in Minto (plugs) and Flameproof products

Revenue



EBIT



Electrical Division



- Operates across 7 sites in Australia
- Experienced, stable management
- 56 employees (approximately)
- 5 Business units
 - Minto Industrial Products (plugs, couplers, glands)
 - XLPE Cable
 - Aflex Flexible Cable
 - Hartland Cables
 - Flameproof Engineering



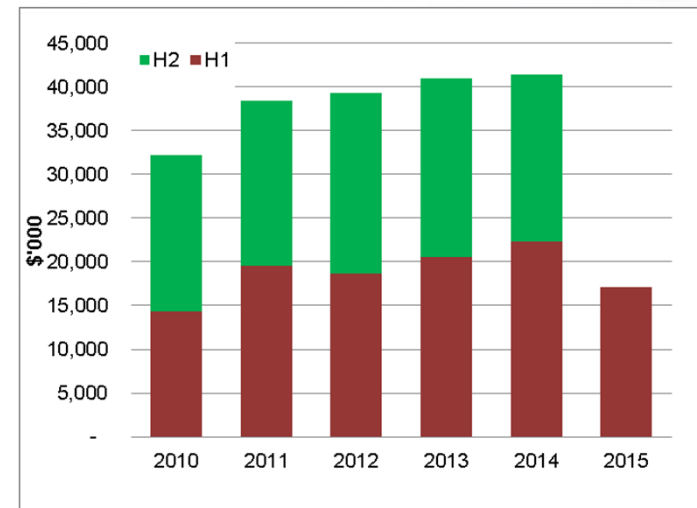
TJM Products



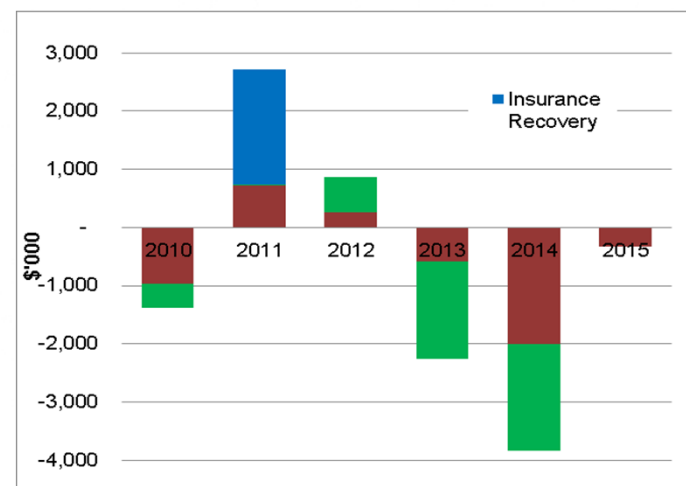
- Revenue down 23% but earning improvements through increased margins and lower overheads
- EBITDA positive result, a \$1.7m improvement to NPBT over PCP
- Divested 2 March 2015



Revenue



EBIT



TJM Divestment



- Division divested for \$22.2m net of cash and debt in March 2015 with expected gross proceeds of \$24m
- Expect to realise slightly above book value, with no material write-down
- Subsidiary sold to Aeroklas Australia Pty Ltd (Aeroklas), a wholly owned subsidiary of Aeroklas Co Ltd in Thailand which is wholly owned by Eastern Polymer Group, the Stock Exchange of Thailand listed company (SET: EPG)
- Cash immediately available for growth with no deferred consideration or earn-outs

- Impact of subdued conditions in the resources sector remains significant for CMI Electrical division and is not expected to recover quickly
- Expected improvement in infrastructure and construction activity not eventuating yet with election results in Victoria and Queensland slowing infrastructure expenditure
- These conditions expected to continue to constrain earnings in FY15
- \$30m+ in cash available for strategic growth opportunities
- A strong balance sheet allows CMI to invest capital and grow our existing business, while continuing to look for opportunities to create value for shareholders, including potential acquisitions

- TJM sale effected with good outcome as per strategy
- Future direction of CMI is likely to include further growth and diversification options with a vision of growing the business substantially over the next 5 years
- Consideration of opportunities for growth in the electrical products area, and/or other products and services that have synergies with our electrical division
- Potential to acquire businesses in the resources sector at cyclical low prices
- Expected multiples in the 3 – 5 times EBIT range