



full year results

Year ended 30 June 2018



Disclaimer

This presentation has been prepared by Lindsay Australia Limited (“LAL”). The information contained in this presentation is for information purposes only. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. This presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of LAL, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of the information contained in this presentation.

In particular, no representation or warranty, express or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns (“forward-looking statements”) contained in this presentation nor is any obligation assumed to update such information. Such forward-looking statements are based on information and assumptions known to date and are by their nature subject to significant uncertainties and contingencies. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, this presentation. Forward-looking statements are not guarantees of future performance.

Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

Lindsay solution

Lindsay Australia's business units share common customers within the horticulture industry which gives the Group a strategic advantage by providing a unique end-to-end service solution.

Lindsay Australia continues to build on the Lindsay Solution by increasing our service offerings to our customers and now provide an integrated logistics service from port to paddock and everything in-between.

LINDSAY RURAL – Working with Australian growers



Expert Advice



Horticulture & Agronomy



Irrigation and Fertilisers



Packaging

LINDSAY TRANSPORT – Providing total transport solutions



Transport



Logistics



Cold Storage



Distribution

LINDSAY FRESH LOGISTICS – Managing storage and delivery



Warehousing



Bio-security



Ripening



Delivery

LINDSAY CONNECT – Taking Australian produce to the world



Fresh Produce



Sea Freight



Air Freight



Global Distribution



Group performance



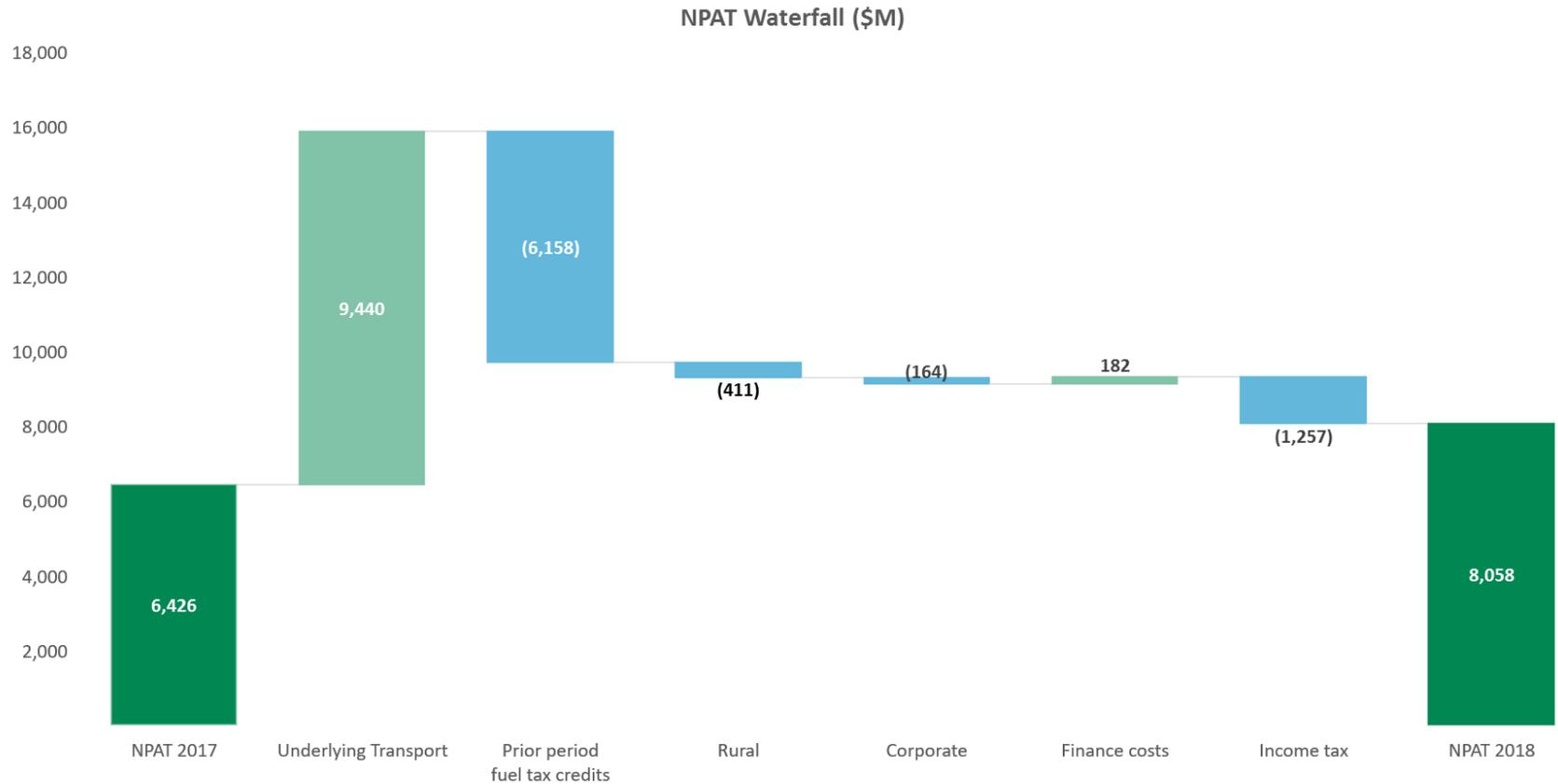
Financial results

| Income statement summary | 2018 | 2017 | |
|---|---------------|---------------|-----------------|
| | \$'000 | \$'000 | % Change |
| Operating revenue | 360,479 | 332,858 | 8.3% |
| EBITDA | 36,149 | 35,904 | 0.7% |
| Depreciation & Amortisation | (19,624) | (22,086) | (11.1%) |
| EBIT | 16,525 | 13,818 | 19.6% |
| Finance costs | (5,301) | (5,483) | (3.3%) |
| Profit Before Tax | 11,224 | 8,335 | 34.7% |
| Income tax | (3,166) | (1,909) | 65.8% |
| Reported Net Profit After Tax | 8,058 | 6,426 | 25.4% |
| Underlying Profit Before Tax¹ | 11,224 | 2,177 | 415.5% |
| Key finance metrics | | | |
| Capital expenditure | 29,750 | 35,160 | (15.4%) |
| Operating cash flow | 18,912 | 39,702 | (52.4%) |
| EPS | 2.7 | 2.2 | 24.7% |
| Division contribution | | | |
| • Transport | 28,435 | 25,153 | 13.0% |
| • Rural | 2,994 | 3,405 | (12.1%) |

- Operating revenue growth of 8.3% to \$360.5 million supported by strategic investment in key facility upgrades and expansions completed in prior financial years
- PBT grew 34.7% to \$11.2 million achieved through a strong transport result
- Underlying PBT¹ increased 415.5% achieved through a strong transport result driven by improved utilisation, rate increases, fleet investments and technology
- Rural reported revenue growth of 4.2% with good performance across its 22 rural locations mitigating some of the impact of adverse weather conditions in the Wide Bay-Burnett region which impacted results during the first half; which contributed to a decrease in profit for the segment of 12.1%
- Capital expenditure of \$29.8 million made during FY18 primarily related to fleet renewal and upgrades to deliver customer efficiencies, safety improvements and maintenance savings
- Reported NPAT increased 25.4% to \$8.06 million attributing to a 24.7% rise in EPS from 2.2 cents to 2.7 cents
- FY2019 has started well and we remain confident in delivering another year of growth for our shareholders. With our recent capacity additions, technology upgrades and strategic investments, we expect to deliver net profit after tax growth in the region of 10-12% subject to no unforeseen events

1. Underlying profit before tax excludes \$6.158 million in fuel tax credits in FY2017 relating to prior periods

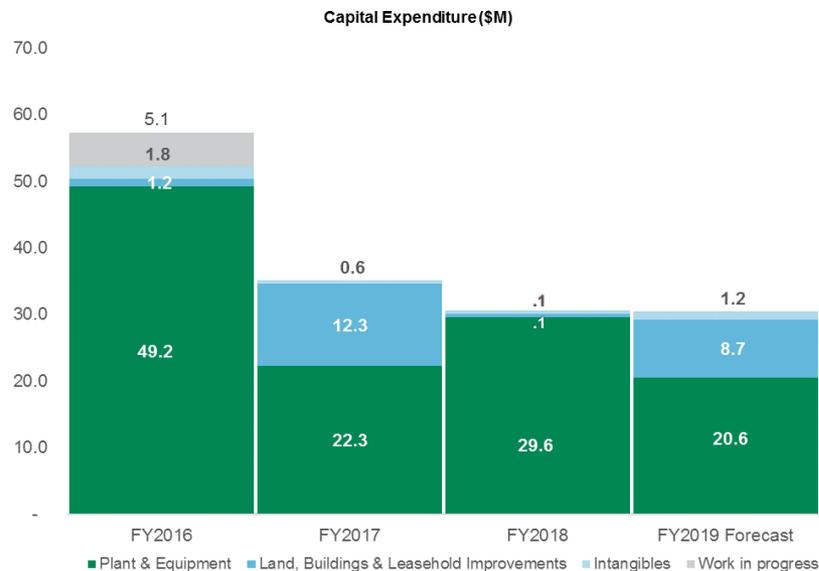
NPAT Waterfall



Movement in Underlying Transport excludes \$6.158 million in fuel tax credits from FY2017 result which relate to prior periods

Capital expenditure

- Over the past few years the Group has invested heavily in maintaining and expanding its fleet, property and facility upgrades and IT projects. Capital expenditure for FY2018 was \$29.8 million taking the three year capital expenditure program to \$123 million (FY2016-FY2018)
- Investments in facility upgrades in Mareeba, Brisbane Adelaide in prior years provided the platform for revenue growth, collectively contributing an additional \$13.4 million of revenue in FY2018
- The Group fleet renewal program continues to drive safety outcomes and reduce vehicle operating costs. The current average age of Prime movers is 4.2 years and 5.5 years for trailers
- In FY2019 the Group plans to spend \$30.4 million in capital expenditure including an expansion to Perth, continuation of our fleet renewal program, leasehold expenditure for a new Sydney facility, a property in Bowen to establish a transport depot and continued investment in IT projects including safety systems



| Depot | Full Yr. revenue growth | Completed |
|----------|-------------------------|-----------|
| Adelaide | 24% | FY2016 |
| Mareeba | 30% | FY2017 |
| Brisbane | 18% | FY2017 |

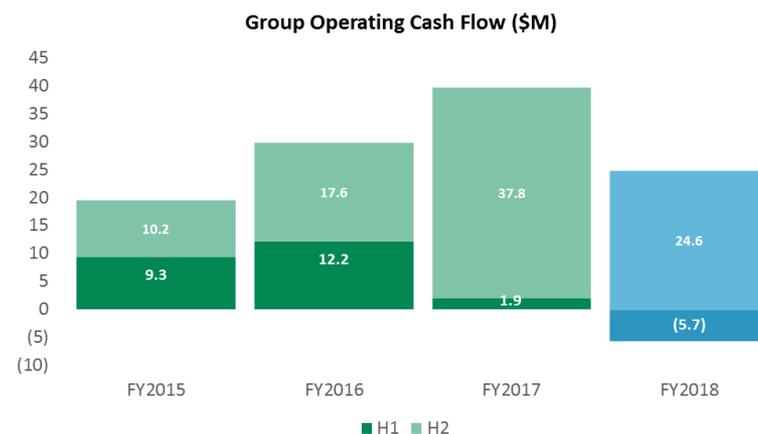
Capital plan

| PLANNED PROJECT | 2018 | | | | 2019 | | | | 2020 | |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | QTR 1 | QTR 2 | QTR 3 | QTR 4 | QTR 1 | QTR 2 | QTR 3 | QTR 4 | QTR 1 | QTR 2 |
| Off Road Bulk Fuel Project | █ | | | | | | | | | |
| LFL Coldroom Upgrade | | █ | | | | | | | | |
| Bowen Purchase | | | █ | | | | | | | |
| Perth Depot | | | █ | █ | | | | | | |
| Guardian (seeing eye cameras) | | | █ | █ | | | | | | |
| Trailer Tracking | | | █ | █ | █ | | | | | |
| Sydney Depot | | | █ | █ | █ | █ | █ | █ | █ | █ |
| Accounting System Upgrade | | | | | | | █ | █ | █ | █ |
| Fleet Renewal Program | █ | █ | █ | █ | | | | | | |

Cash flow

- Cash generated from operating activities decreased to \$18.91 million. Group operating cash fluctuates yearly depending on seasonal debtor payments and deferred creditor terms. In H2 2017 a significant working capital movements inflated operating cash which impacted H1 2018.
- Operating cash flow is expected to normalise in FY2019 back to a more even split across the first and second half of the financial year.
- The board declared a final fully franked FY2018 dividend of 1.0 cent per share, taking the total payout for FY2018 to 1.8 cents per share which is an increase of 12.50% on FY2017

| Cash flow statement summary | \$'000 | \$'000 | % Change |
|--------------------------------|-----------------|-----------------|-----------------|
| Operating receipts | 397,496 | 379,123 | 4.8% |
| Operating payments | (369,625) | (331,254) | 11.6% |
| Interest received | 441 | 518 | (14.9%) |
| Income taxes paid | (4,099) | (3,202) | 28.0% |
| Finance costs paid | (5,301) | (5,483) | (3.3%) |
| Operating cash flow | 18,912 | 39,702 | (52.4%) |
| Proceeds from disposal of PP&E | 3,434 | 2,753 | 24.7% |
| Payments for PP&E | (2,349) | (15,654) | (85.0%) |
| Payments for intangibles | (123) | (566) | (78.3%) |
| Investing cash flow | 962 | (13,467) | (107.1%) |
| Proceeds from Borrowings | 6,146 | 22,807 | (73.1%) |
| Repayment of borrowings | (10,332) | (9,333) | 10.7% |
| Repayment of Lease Liabilities | (22,099) | (20,017) | 10.4% |
| Dividends Paid | (3,910) | (4,677) | (16.4%) |
| Financing cash flow | (30,195) | (11,220) | 169.1% |
| Opening cash | 25,037 | 10,022 | 149.8% |
| Increase/(decrease) cash | (10,321) | 15,015 | (168.7%) |
| Closing cash | 14,716 | 25,037 | (41.2%) |



Segment performance

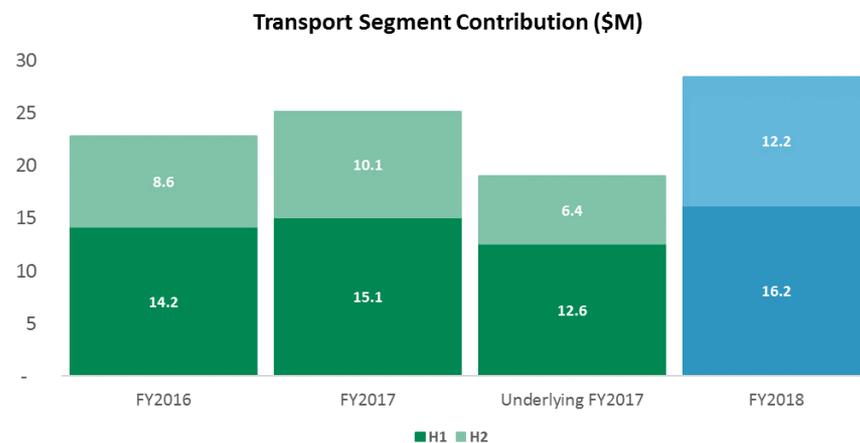


Transport

- Transport made a divisional contribution of \$28.44 million, an increase of 13% on the previous year. Excluding the fuel tax credits relating to prior periods, underlying segment contribution increased \$9.44 million or 49.7%, despite facing headwinds of volatile fuel pricing throughout the year
- The solid performance was achieved as a result of increased utilisation, price increases, cost reductions through the fleet renewal program and technology improvements. Revenue growth in key regions driven by prior year investments also helped improve the segments profitability
- In FY2019 Transport will continue to expand it's reach supporting our strategy of mitigating seasonal horticultural risks by diversifying our geographical footprint
- In July 2018 we purchased a distribution facility in the major horticulture growing region of Bowen, Central Queensland
- Transport is also in the process of setting up a greenfield cold storage project in Perth which will be serviced primarily with the addition of 35 new refrigerated rail containers and equipment at a cost of \$5.7 million

| Transport Result | 2018 \$'000 | 2017 \$'000 | % Change |
|--------------------------------------|----------------|----------------|--------------|
| External sales | 250,555 | 227,400 | 10.2% |
| Inter-segment sales | 6,341 | 5,415 | 17.1% |
| Other revenue | 2,015 | 1,355 | 48.7% |
| Total segment income | 258,911 | 234,170 | 10.6% |
| Operating expenses | (155,945) | (144,510) | 7.9% |
| Vehicle operating expenses | (57,617) | (45,180) | 27.5% |
| Depreciation and amortisation | (16,914) | (19,327) | (12.5%) |
| Profit contribution | 28,435 | 25,153 | 13.0% |
| Underlying profit¹ | 28,435 | 18,995 | 49.7% |
| Underlying profit margin | 11.0% | 8.1% | 35.4% |

1. Underlying profit before tax excludes \$6.158 million in fuel tax credits in FY2017 result relating to prior periods

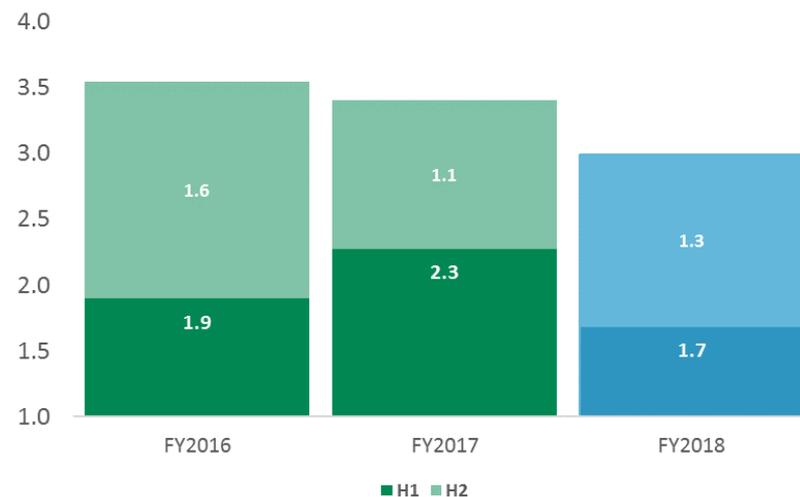


Rural

- Lindsay Rural reported revenue growth of 4.2% with solid performance across its 22 rural locations, partially mitigating the impact of adverse weather conditions in the Wide Bay-Burnett region which impacted results during the first half
- Adverse weather in the first half of the financial year negatively impacted Rural's profit and ultimately their full year result finishing 12.1% below the previous period at \$2.99 million
- Rural continues to leverage existing Transport customer relationships to deliver supply chain improvements for both Lindsay Australia Group and its customer base
- In FY2019 the division will focus on reviewing its product sales mix and reducing our cost to serve to drive profitability

| Rural Result | 2018 \$'000 | 2017 \$'000 | % Change |
|-------------------------------|----------------|----------------|----------------|
| External sales | 109,924 | 105,458 | 4.2% |
| Inter-segment sales | 969 | 765 | 26.7% |
| Other revenue | 709 | 407 | 74.2% |
| Total segment income | 111,602 | 106,630 | 4.7% |
| Operating expenses | (108,081) | (102,747) | 5.2% |
| Depreciation and amortisation | (527) | (478) | 10.3% |
| Profit contribution | 2,994 | 3,405 | (12.1%) |
| Underlying profit margin | 2.7% | 3.2% | (16.0%) |

Rural Segment Contribution (\$M)



Lindsay Fresh

- Import/Export logistic revenue increased 27% in FY2018 to \$4.66 million. With increased volumes from existing produce categories and new customer additions, the import/export logistic freight task is forecast to deliver similar revenue growth in FY2019
- Along with external revenue growth the facility continues to provide important support functions to the Transport business
- In May 2018 Fresh received a \$2.5 million facility upgrade, retrofitting one of the existing cold rooms into a fast cooling chamber, significantly increasing throughput. The upgrade will support future export growth and drive volume increases across multiple fresh food categories
- During the year a low cost fresh model was set up in the Melbourne markets. The region has promising opportunities for future growth being the largest import/export market in the country



Lindsay Connect

- The Group continues to focus on the Lindsay Connect business model to deliver new revenue streams that compliment existing operations
- Overseas produce supply chains have sufficient demand to continue to pursue these opportunities
- Citrus which is one of the key target categories for Connect has had high demand from overseas customers this season but Australian supply has been restrained due to poor grower yields



Lindsay way, our values

Each of these elements is individually significant but in combination they are the basis of how we operate everyday to build a sustainable business for the future.



SAFETY ALWAYS Choose to make safety a personal value; think SAFE, act SAFE, be SAFE.

We have an obligation to our team mates and the public to operate safely. There is nothing we do that is worth hurting ourselves or others over. Our friends and family drive, and work alongside us every day, this is a privilege we take very seriously. We are all responsible for communicating and rectifying any issues that may harm ourselves, our people or community.



PEOPLE FOCUSED Dedicated to the development and support of current and future employees.

We know that to be successful we must work together to meet the changing needs of our customers. We recognise that people are the cornerstone of the Lindsay Group's success, and we have a pride in our past and face the future with dedication and passion for our industry and company. We expect individuals to be responsible and take ownership of their behaviour to improve safety outcomes, productivity and protect the reputation of the Lindsay Group.



CUSTOMER AND SUPPLIER ORIENTATED Maintain and improve the high level of service provided to both our customers and suppliers. Our customers and suppliers are an important component to the success and reputation of the Lindsay Group. They are our partners and we value both the long-term relationships we have developed with existing customers and the new ones we continue to build.

Lindsay way, our values

Each of these elements is individually significant but in combination they are the basis of how we operate everyday to build a sustainable business for the future.



INDUSTRY INNOVATORS Constantly challenge ourselves to provide and develop new innovations. Innovation is the key to improving not only our business but the industry and is essential in sustaining the Lindsay Group's growth and profitability. To ensure we continue to maintain these relationships and improve productivity we strive to; deliver state of the art technological efficiencies, expanded services and provide holistic solutions to customers without compromising safety, quality or our people.



VALUE FAMILY Committed to recognising the importance and value of family life. We don't just see an employee, we see a family and we recognise it is the families that support our employees. We offer support, and seek to promote and look after the wellbeing of our people and families beyond the workplace. We want everyone to get home safely.



CUSTOMER AND SUPPLIER ORIENTATED Maintain and improve the high level of service provided to both our customers and suppliers. Our customers and suppliers are an important component to the success and reputation of the Lindsay Group. They are our partners and we value both the long-term relationships we have developed with existing customers and the new ones we continue to build.



LINDSAY AUSTRALIA
LIMITED

Address 152 Postle St, Acacia Ridge, QLD 4110

Telephone (07) 3240 4900

Website www.lindsayaustralia.com

