

Lindsay Australia Limited

ABN 81 061 642 733

ASX Code LAU

Half-Yearly Report

Half-Year Ended 31 December 2018

ASX Rule 4.2A.3

Information required by Appendix 4D

The information should be read in conjunction with the attached Half Year Report for the period ending 31 December 2018.

Lindsay Australia Limited (LAU)

Results for announcement to the market

\$ A'000

Revenues from ordinary activities	up	6.08%	to		203,273
Profit from ordinary activities after tax attributable to owners	up	7.74%	to		5,398
Net Profit after tax attributable to members	up	7.74%	to		5,398
Dividends	Amount per security			Franked amount per security	
Interim Dividend	1.0¢			1.0¢	
Previous corresponding period	0.8¢			0.8¢	

Record date for determining entitlements to the dividend.	15 March 2019

Management discussion and comments

Refer Half Year Financial Report which has been lodged concurrently with App 4D.

Non-cash financing and investing activities

	31 December 2018 \$A'000	31 December 2017 \$A'000
Acquisition of plant and equipment by means of finance leases	14,758	9,417
Dividends satisfied by issue of shares	464	386

Ratios

	31 December 2018	31 December 2017
Profit before tax / revenue Consolidated profit before tax as a percentage of revenue	3.8%	4.0%
Profit after tax / equity interests Consolidated net profit after tax attributable to owners as a percentage of equity at the end of the half year	5.8%	5.6%

Earnings Per Security (EPS)

	31 December 2018	31 December 2017
Basic EPS	1.8¢	1.7¢
Weighted average number of ordinary shares used in the calculation of the Basic EPS	294,853,758	292,635,558
Earnings \$000's used in calculating basic EPS	\$5,398	\$5,010

NTA backing

	31 December 2018	30 June 2018
Net tangible asset backing per ordinary security	28.2 cents	27.3 cents

Dividends

Date the dividend is payable	29 March 2019
Record date to determine entitlements to the dividend	15 March 2019

Dividend amount per security

		Amount per security	Franked amount per security at 30% tax
		¢	¢
Interim dividend:	Current year	1.0	1.0
	Previous year	0.8	0.8

Dividend Reinvestment Plan

The company has a Dividend Reinvestment Plan. The last day for notification of an election to participate in respect of the dividend payable on 29 March 2019 is 15 March 2019. A discount of 5% to the volume weighted average price for the five business days prior to and including the record date will apply to reinvestments.

Issued and Quoted securities at end of current period

Category of securities	Total number	Number quoted	Issue price per security (cents)
Ordinary securities 1/7/2018	294,153,227	294,153,227	
Changes during current period Increases through issues- DRIP	1,363,800	1,363,800	34 cents
Ordinary securities 31/12/2018	295,517,027	295,517,027	

Changes in accounting policies since the last annual report are disclosed as follows.

AASB 9 and AASB 15 adopted from 1 July 2018. Refer interim report for additional information.

Audit Review/Status.

This report is based on accounts that have been subject to review

Details of entities over which control has been gained or lost during the period.

Nil

Compliance statement

1. This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
2. This report and the accounts, upon which the report is based, use the same accounting policies.
3. This report does give a true and fair view of the matters disclosed.
4. The entity has a formally constituted audit committee.



Justin T Green
Chief Financial Officer

Date 22 February 2019



ABN 81 061 642 733

INTERIM FINANCIAL REPORT

for the half year ended 31 December 2018



LINDSAY RURAL

LINDSAY AUSTRALIA LIMITED and Controlled Entities

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Directors

Chairman (Non-Executive)
John F Pressler OAM MAICD

Managing Director and Chief Executive Officer
Michael K Lindsay

Non-Executive Director
Richard A Anderson OAM BCom FCA FCPA

Legal Counsel & Company Secretary

Broderick T Jones LLB

Chief Financial Officer & Company Secretary

Justin T Green BBus CPA

Share Register

Computershare Investor Services Pty Ltd
Level 1, 200 Mary Street, Brisbane, QLD, 4000
Telephone: 1300 552 270
Website: www.computershare.com.au

Registered and Principal Administrative Office

152 Postle Street, Acacia Ridge, QLD, 4110
Telephone: (07) 3240 4900
Fax: (07) 3054 0240
Website: www.lindsayaustralia.com.au

Auditor

Pitcher Partners
Level 38, 345 Queen Street, Brisbane, QLD, 4000

Stock Exchange Listing

Lindsay Australia Limited shares are listed on the Australian Securities Exchange, code LAU.

LINDSAY AUSTRALIA LIMITED and Controlled Entities CONTENTS

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LINDSAY AUSTRALIA LIMITED and Controlled Entities

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Lindsay Australia Limited and the entities it controlled (referred to as "the Group") at the end of, or during the half year ended 31 December 2018.

This interim financial report does not include all the notes of the type normally included in an annual financial report and should be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Lindsay Australia Limited (LAU) during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

DIRECTORS

The following persons were directors of Lindsay Australia Limited during or since the end of the half year:

J F Pressler
M K Lindsay
R A Anderson
G D Farrell – resigned 26 October 2018

The above mentioned directors held office during and since the end of the half year except as otherwise noted.

REVIEW OF OPERATIONS

Lindsay Australia Limited "the Group" is an integrated transport, logistics and rural supply company with a specific focus on servicing customers in the food processing, food services, fresh produce, rural and horticultural sectors. In 2018 the Group celebrated its 65th year servicing the road transport industry and 35th year in rural merchandising. Both industries have changed substantially over this time and the Group has shown its ability to remain agile, innovate, and deliver a resilient portfolio to remain competitive in today's environment.

The Group continued to expand its geographical footprint in the first half of this financial year, opening a greenfield operation in Perth and acquiring a new facility in Bowen. Bowen is situated in the major Central Queensland horticulture growing region of the Burdekin. These facilities will further diversify the Group's geographical and product mix. Perth was supported by the addition of 35 refrigerated rail containers and associated equipment. A further 15 rail containers are due for delivery in the second half of this financial year which will increase the Group's total rail capacity to 76 refrigerated containers.

The Group generated revenues of \$203.3 million during the first half, an increase of 6.1% on the prior corresponding period (pcp). Transport revenue (both external and inter-segment) grew by \$11.3 million (8.6%) largely driven by increased capacity and utilisation rates, price increases and additional revenue from its export business Lindsay Connect. Lindsay Rural revenue remained relatively flat on pcp despite the closure of some lower margin branches.

Investment in new plant and equipment for the half year of \$16.9 million resulted in an increase in depreciation and amortisation charges. Group EBITDA for the half year grew 10.0% against pcp. Profit after tax for the half year of \$5.4 million was an increase of 7.7% over pcp. The effective tax rate for the half year was 30% (1H18: 34% which included one off non-deductibles).

Lindsay Transport reported a divisional profit before tax of \$16.1 million for the half year, relatively flat over pcp. This result was achieved despite volatile fuel pricing and weaker produce volumes.

Lindsay Rural reported a divisional profit before tax of \$2.0 million for the half year representing growth of 18.8% against pcp. The division continues to refine its product sales and customer mix to improve margins. The Lindsay Rural division remains crucial to driving profitability across the Group by creating freight opportunities and increasing equipment utilisation in regional areas.

During the first half, the Group generated operating cash flow of \$15.3 million, a \$21.0 million increase on pcp. The uplift in operating cash is attributable to both an increase in EBITDA and working capital management.

LINDSAY AUSTRALIA LIMITED and Controlled Entities DIRECTORS' REPORT

The Group remains focused on diversifying revenue, increasing utilisation rates, maintaining strict cost control and introducing operational and technology improvements to deliver value for customers and shareholders.

Segment revenue and contributions (see Note 3) for the Transport and Rural divisions for the six months were:

	Dec 2018 \$'000	Dec 2017 \$'000	% Increase / (Decrease)
Transport			
Revenue from provision of services	136,755	126,512	8.1%
Revenue from sale of goods	1,821	157	1,059.9%
Other revenue	998	1,113	(10.3%)
Inter-segment revenue	3,271	3,762	(13.1%)
Total segment revenue	142,845	131,544	8.6%
Segment contribution	16,081	16,237	(1.0%)
Rural			
Revenue from sale of goods	62,784	62,517	0.4%
Other revenue	405	419	(3.3%)
Inter-segment revenue	601	550	9.3%
Total segment revenue	63,790	63,486	0.5%
Segment contribution	2,004	1,687	18.8%

DIVIDEND

Dividends are paid taking account of profit, future cash requirements for capital expenditure (sustaining and growth), working capital and the mix of debt and equity. A fully franked interim dividend of 1.0 cent per share was declared on 22 February 2019. This dividend is payable on 29 March 2019. Lindsay Australia Limited's dividend re-investment plan continues in force.

ROUNDING OF AMOUNTS

The amounts in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Corporation (Rounding in Financial / Directors' Reports) Instrument 2016/191. The company is an entity to which the Instrument applies.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under the section 307C of the *Corporations Act 2001* accompanies this report.

This report is made in accordance with a resolution of the directors.

John F Pressler



Chairman of Directors
Brisbane, Queensland
22 February 2019



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The Directors
Lindsay Australia Limited
152 Postle Street
Acacia Ridge QLD 4110

Dear Directors

Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2018, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of *APES 110 Code of Ethics for Professional Accountants*.

This declaration is in respect of Lindsay Australia Limited and the entities it controlled during the period.

PITCHER PARTNERS

J.J. EVANS
Partner

Brisbane, Queensland
22 February 2019

Ken Ogden
Nigel Fischer
Mark Nicholson

Peter Camenzuli
Jason Evans
Ian Jones

Kylie Lamprecht
Norman Thurecht
Brett Headrick

Warwick Face
Nigel Batters
Cole Wilkinson

Simon Chun
Jeremy Jones
Tom Splatt

James Field
Daniel Colwell

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LINDSAY AUSTRALIA LIMITED and Controlled Entities

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Note	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Revenues	4	203,273	191,611
Expenses			
Changes in inventories		(583)	(164)
Purchase of inventories		(53,248)	(50,647)
Employee benefits expense		(55,848)	(55,359)
Subcontractors		(18,097)	(15,704)
Depreciation and amortisation		(11,018)	(9,384)
Vehicle operating costs		(32,458)	(27,499)
Finance costs		(2,885)	(2,626)
Insurance		(867)	(724)
Bad debts expense		-	(46)
Pallets		(957)	(1,236)
Operating lease rentals		(4,740)	(5,076)
Professional fees		(815)	(682)
Other expenses		(14,045)	(14,830)
		(195,561)	(183,977)
Profit before income tax		7,712	7,634
Income tax expense		(2,314)	(2,624)
Profit for the period		5,398	5,010
Other comprehensive income		-	-
Total comprehensive income for the period		5,398	5,010
Basic and diluted earnings per share		1.8¢	1.7¢

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED and Controlled Entities
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 Dec 2018 \$'000	30 Jun 2018 \$'000
CURRENT ASSETS			
Cash and cash equivalents		13,713	14,716
Trade and other receivables		54,680	48,862
Inventories		13,635	13,010
Other		4,180	4,260
Current tax assets		-	1,087
TOTAL CURRENT ASSETS		86,208	81,935
NON-CURRENT ASSETS			
Available-for-sale financial assets		25	25
Property, plant and equipment		172,544	168,200
Intangible assets		9,792	10,090
TOTAL NON-CURRENT ASSETS		182,361	178,315
TOTAL ASSETS		268,569	260,250
CURRENT LIABILITIES			
Trade and other payables		34,259	30,614
Borrowings	8	36,554	39,280
Provisions		9,532	8,982
Current tax liabilities		925	-
Other		936	2,831
TOTAL CURRENT LIABILITIES		82,206	81,707
NON-CURRENT LIABILITIES			
Borrowings	8	87,244	82,427
Deferred tax liabilities		1,487	1,634
Provisions		1,426	1,262
Other		3,168	2,813
TOTAL NON-CURRENT LIABILITIES		93,325	88,136
TOTAL LIABILITIES		175,531	169,843
NET ASSETS		93,038	90,407
EQUITY			
Contributed equity	6	72,120	71,656
Reserves		616	565
Retained profits		20,302	18,186
TOTAL EQUITY		93,038	90,407

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Note	31 Dec 2018 \$'000	31 Dec 2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts in course of operations		215,818	193,765
Payments to suppliers and employees		(197,449)	(194,708)
Interest received		126	221
Finance costs paid		(2,885)	(2,626)
Income taxes paid		(303)	(2,306)
Net cash provided by operating activities		15,307	(5,654)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(2,167)	(1,552)
Payments for intangible assets		(25)	(26)
Proceeds from disposal of property, plant and equipment		1,027	2,959
Net cash used in investing activities		(1,165)	1,381
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings (i)	8	20,480	1,452
Repayment of borrowings (i)	8	(21,150)	(5,585)
Repayment of lease liabilities		(11,997)	(11,026)
Dividends paid	5	(2,478)	(1,951)
Net cash used in financing activities		(15,145)	(17,110)
Net decrease in cash and cash equivalents		(1,003)	(21,383)
Cash and cash equivalents at the beginning of the reporting period		14,716	25,037
Cash and cash equivalents at the end of the reporting period		13,713	3,654

(i) Refer to note 8 borrowings, term debt facility renegotiated September 2018

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED and Controlled Entities
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	Contributed equity \$'000	Share-based payments reserve \$'000	Retained profits \$'000	Total equity \$'000
At 1 July 2018		71,656	565	18,186	90,407
Adjustment to retained earnings with application of AASB15		-	-	(340)	(340)
Adjusted balance at 1 July 2018		71,656	565	17,846	90,067
Profit for the period		-	-	5,398	5,398
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	5,398	5,398
Transactions with owners in their capacity as owners:					
Employee share schemes – value of employee services		-	51	-	51
Dividend paid during half year	5	464	-	(2,942)	(2,478)
At 31 December 2018		72,120	616	20,302	93,038
At 1 July 2017		70,884	515	14,810	86,209
Profit for the period		-	-	5,010	5,010
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	5,010	5,010
Transactions with owners in their capacity as owners:					
Employee share schemes – value of employee services		-	28	-	28
Dividend paid during half year	5	386	-	(2,337)	(1,951)
At 31 December 2017		71,270	543	17,483	89,296

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 1 CORPORATE INFORMATION

Lindsay Australia Limited (the "Company") is a company limited by shares, domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The condensed consolidated interim financial statements ('interim financial report') of the Company as at and for the half year ended 31 December 2018 comprise the financial statements of the Company and its subsidiaries (together referred to in these financial statements as the "Group"). The consolidated half year financial report was authorised for issue in accordance with a resolution of the directors on the 22 February 2019.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the half year ended 31 December 2018 has been prepared in accordance with accounting standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

The accounting policies and methods of computation adopted in the preparation of the consolidated financial statements are consistent with those adopted in the Group's annual financial report for the year ended 30 June 2018 with the exception of the adoption of new accounting standards as detailed in note 2(a) below.

(a) New accounting standards and interpretations

Changes in significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those adopted in the Group's consolidated financial statements for the year ended 30 June 2018. The changes in accounting policies will also be reflected in the Group's consolidated financial statements for the year ending 30 June 2019.

(i) AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 introduces new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities, new hedge accounting requirements and a new model for calculating provision for doubtful debts.

The Group has adopted AASB 9 from 1 July 2018.

Credit losses on trade receivables

The Group has elected to apply the simplified approach to measuring expected credit losses. In measuring the expected credit loss, a provision matrix for trade receivables was used. The provision matrix is based on historical credit losses, adjusted for any material expected changes to future credit risk.

The adoption of AASB 9 on 1 July 2018 did not have a material impact on the Group's earnings for the half year ended 31 December 2018.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2018. Details of the new requirements of AASB 15 as well as the impact on the consolidated financial statements are described below.

The new standard replaces AASB 118 and AASB 111 and establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer rather than on transfer of risks and rewards.

The Group has adopted AASB 15 using the cumulative effect method, initially applying this standard recognised at the date of initial application (1 July 2018). Accordingly, the information presented for the period ended 31 December 2017 and 30 June 2018 has not been restated and it is presented as previously reported under AASB 118, AASB 111 and related interpretations.

The Group earns revenue from providing goods and services to customers. Consistent with the requirements of AASB 15 and the nature of the Groups performance obligations to its customers, the Group recognises revenue with respect to the provision of goods at specific points in time (typically when goods are physically transferred to the customers) and recognise revenue with respect to the provision of services over the period in which the services are provided to the customers.

The Group's major revenue sources are from sale of goods and from transport/logistic services and are considered below:

Sale of goods

The Group generates revenue from the sale of rural products. The adoption of AASB 15 has not impacted the timing of revenue recognition and revenue continues to be recognised on a point in time basis, generally when the goods are delivered to the customers.

Transport/logistic services

The Group generates revenue from provision of transport and logistic services which are generally completed over a period of time. On adoption of AASB 15 an assessment of the Groups revenue was performed and the output method of measuring revenue was considered the best approach that reflects the Groups performance obligations over a period of time. As a result, \$340,000 after tax decrease in retained earnings was recognised at 1 July 2018. Amounts collected for services not yet completed are recorded as deferred revenue in the balance sheet, offset by any direct costs.

The adoption of AASB 15 on 1 July 2018 did not have a material impact on the Group's earnings for the half year ended 31 December 2018.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact on the opening balance of the consolidated statement of financial position.

The below table summarises the impact on the Group on retained earnings from transition to AASB 15 on 1 July 2018.

	As Reported 30 June 2018 \$'000	AASB 15 Adjustments \$'000	Opening 1 July 2018 \$'000
CURRENT ASSETS			
Inventories	13,010	98	13,108
TOTAL CURRENT ASSETS	81,935	98	82,033
TOTAL NON-CURRENT ASSETS	178,315	-	178,315
TOTAL ASSETS	260,250	98	260,348
CURRENT LIABILITIES			
Trade and other payables	30,614	(81)	30,533
Other	2,831	665	3,496
TOTAL CURRENT LIABILITIES	81,707	584	82,291
NON-CURRENT LIABILITIES			
Deferred tax liabilities	1,634	(146)	1,488
TOTAL NON-CURRENT LIABILITIES	88,136	(146)	87,990
TOTAL LIABILITIES	169,843	438	170,281
NET ASSETS	90,407	(340)	90,067
EQUITY			
Retained profits	18,186	(340)	17,846
TOTAL EQUITY	90,407	(340)	90,067

(b) Accounting standards and interpretations issued but not yet effective

AASB 16: Leases (effective 1 July 2019)

AASB 16 *Leases* supersedes AASB 117 *Leases*. AASB 16 introduces a single lessee accounting model and eliminates the classification between operating and finance leases. All leases are required to be accounted for "on balance sheet" by lessees, other than for short-term and low value asset leases.

The Group continues to assess the impacts of the adoption of AASB 16. Refer to the Group's annual report for the year ended 30 June 2018 for further information.

The Group will adopt AASB 16 from 1 July 2019.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 3 SEGMENTS

The Group has identified the following reporting segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources:

- Transport – Cartage of general and refrigerated products, ancillary sales and distribution; and
- Rural – Sale and distribution of a range of agricultural supply products.

Group revenues are derived predominately from customers within Australia.

Half Year 2018	Transport \$'000	Rural \$'000	Total \$'000
Revenue			
Revenue from provision of services (i)	140,026	-	140,026
Revenue from sale of goods (ii)	1,821	63,385	65,206
Other revenue	998	405	1,403
Total segment revenue	142,845	63,790	206,635
Inter-segment revenue elimination	(3,271)	(601)	(3,872)
	139,574	63,189	202,763
Reconciliation of segment revenue/income to group revenue/income			
Interest revenue			126
Corporate/unallocated revenue			384
Total group revenues			203,273
Segment profit before tax	16,081	2,004	18,085
Reconciliation of segment result to group net profit/(loss) before tax			
Corporate/unallocated costs			(7,488)
Finance costs			(2,885)
Profit before income tax			7,712

- (i) revenue from provision of services is recognised over time
(ii) revenue from sale of goods is recognised at a point in time

LINDSAY AUSTRALIA LIMITED and Controlled Entities

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

NOTE 3 SEGMENTS (Continued)

Half Year 2017	Transport \$'000	Rural \$'000	Total \$'000
Revenue			
Revenue from provision of services (i)	130,274	-	130,274
Revenue from sale of goods (ii)	157	63,067	63,224
Other revenue	1,113	419	1,532
Total segment revenue	131,544	63,486	195,030
Inter-segment revenue elimination	(3,762)	(550)	(4,312)
	127,782	62,936	190,718
Reconciliation of segment revenue/income to group revenue/income			
Interest revenue			221
Corporate/unallocated revenue			672
Total group revenues			191,611
Segment profit before tax	16,237	1,687	17,924
Reconciliation of segment result to group net profit/(loss) before tax			
Corporate/unallocated costs			(7,664)
Finance costs			(2,626)
Profit before income tax			7,634

- (i) revenue from provision of services is recognised over time
- (ii) revenue from sale of goods is recognised at a point in time

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 4 REVENUE

In the following table, revenue from contracts with customers is disaggregated by customer type.

Horticulture customers

Customers are classified as horticulture if they are predominately exposed to the primary production of fresh fruit and vegetables. Horticulture customers include primary producers (growers), produce market agents and produce packing groups. Revenues for horticulture customers can fluctuate depending on season and can be impacted by weather related events.

Commercial customers

All other customers are classified as commercial customers. These customers do not have any direct involvement in the production of fresh fruit and vegetables. They are predominately manufacturers, food processors or distributors and third party transport operators.

Half Year 2018	Transport \$'000	Rural \$'000	Group \$'000
Revenue			
Horticulture	72,860	62,784	135,644
Commercial	65,716	-	65,716
Revenue from contracts with customers	138,576	62,784	201,360
Other revenue	998	405	1,403
Corporate/unallocated revenue			510
Total other revenue			1,913
Total revenue	139,574	63,189	203,273
Other revenue comprises:			
Rent received			149
Interest received			126
Insurance and other recoveries			124
Other			1,514
Total other revenue			1,913

LINDSAY AUSTRALIA LIMITED and Controlled Entities

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

NOTE 4 REVENUE (Continued)

Half Year 2017	Transport \$'000	Rural \$'000	Group \$'000
Revenue			
Horticulture	71,255	62,517	133,772
Commercial	55,414	-	55,414
Revenue from contracts with customers	126,669	62,517	189,186
Other revenue	1,113	419	1,532
Corporate/unallocated revenue			893
Total other revenue			2,425
Total revenue	127,782	62,936	191,611
Other revenue comprises:			
Rent received			92
Interest received			221
Insurance and other recoveries			331
Other			1,781
Total other revenue			2,425

LINDSAY AUSTRALIA LIMITED and Controlled Entities

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	31 Dec 2018 \$'000	31 Dec 2017 \$'000
NOTE 5 DIVIDENDS		
Paid in cash	2,478	1,951
Satisfied by issue of shares	464	386
Dividends paid during the half year	2,942	2,337
Dividends not recognised at the end of the half year		
Since the end of the half year, the directors have recommended the payment of an interim dividend of 1.0 cent (2018: 0.8 cents) per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed interim dividend is expected to be paid on 29 March 2019 (2018: 29 March 2018), but not recognised as a liability at the end of the half year.	2,955	2,345

	31 Dec 2018 \$'000	30 Jun 2018 \$'000
NOTE 6 CONTRIBUTED EQUITY		
Fully paid ordinary shares	72,120	71,656

Movement in fully paid ordinary share capital	Number of Shares	Issue Price ¢	\$'000
Opening balance at 1 July 2018	294,153,227		71,656
Issue of shares pursuant to the dividend reinvestment plan	1,363,800	34.0	464
Closing balance at 31 December 2018	295,517,027		72,120
Opening balance at 1 July 2017	292,090,794		70,884
Issue of shares pursuant to the dividend reinvestment plan	1,071,954	36.0	386
Closing balance at 31 December 2017	293,162,748		71,270

	31 Dec 2018 \$'000	31 Dec 2017 \$'000
NOTE 7 NON-CASH FINANCING AND INVESTING ACTIVITIES		
Acquisition of plant and equipment by means of finance leases	14,758	9,417
Dividends satisfied by issue of shares	464	386

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 8 BORROWINGS

In September 2018 the Group renegotiated its term debt loan facility to finance the acquisition of the Bowen property and partly finance the proposed Sydney depot fit-out. The total available limit for the new facility is \$20,700,000, an increase of \$5,535,000. At 31 December 2018, \$16,206,000 was drawn on the facility. The facility is repayable in quarterly repayments of \$862,500 commencing September 2019 with a balloon payment in September 2023.

As at 31 December 2018, the contractual maturities of the Group's financial liabilities were as follows:

	Within 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Greater than 5 years \$'000	Total contractual cash flows \$'000	Carrying Amount liabilities \$'000
At 30 June 2018						
Trade and other payables	30,614	-	-	-	30,614	30,614
Borrowings (excluding finance leases)	7,893	13,702	-	-	21,595	20,622
Finance leases	35,161	26,406	48,571	-	110,138	101,085
Total	73,668	40,108	48,571	-	162,347	152,321
At 31 December 2018						
Trade and other payables	34,259	-	-	-	34,259	34,259
Borrowings (excluding finance leases) (i)	6,367	4,232	11,962	-	22,561	20,081
Finance leases	34,817	32,599	45,739	-	113,155	103,846
Total	75,443	36,831	57,701	-	169,975	158,186

The amounts disclosed in the table are contractual undiscounted cash flows.

(i) the carrying amount of borrowings disclosed excludes offsetting of borrowing costs of \$129,000.

NOTE 9 EVENTS OCCURRING AFTER THE REPORTING PERIOD

As of the reporting date the directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

DIRECTORS' DECLARATION

In the opinion of the directors the attached financial statements and notes:

- (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and *Corporations Regulations 2001*; and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that Lindsay Australia Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



John F Pressler
Chairman of Directors

Brisbane, Queensland
22 February 2019



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Lindsay Australia Limited,

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lindsay Australia Limited, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Lindsay Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ken Ogden
Nigel Fischer
Mark Nicholson

Peter Camenzuli
Jason Evans
Ian Jones

Kylie Lamprecht
Norman Thurecht
Brett Headrick

Warwick Face
Nigel Batters
Cole Wilkinson

Simon Chun
Jeremy Jones
Tom Splatt

James Field
Daniel Colwell

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lindsay Australia Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

PITCHER PARTNERS



J. J. EVANS
Partner

Brisbane, Queensland
22 February 2019

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