



LINDSAY AUSTRALIA
LIMITED

LINDSAY AUSTRALIA FY19 RESULTS



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.

THE LINDSAY END-TO-END SOLUTION

Lindsay Australia Limited is an integrated transport, logistics and rural supply company with a specific focus on servicing customers in the food processing, food services, fresh produce, agriculture and horticulture industries.

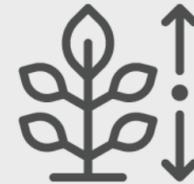
The Lindsay Australia Group comprises the two core divisions of Rural and Transport (including Fresh Logistics). When combined these divisions offer products and services covering key needs of customers throughout their production lifecycle.

The Lindsay end to end solution begins with offering expert agronomy advice and continues with a diverse range of products and services along the supply chain to help farmers grow, package, transport and distribute the produce throughout Australia and the world. The end-to-end solution is unique and offers customers with a single point of contact and accountability.

LINDSAY RURAL – Working with Australian growers



Expert Advice



Horticulture & Agronomy



Seeds



Irrigation & Fertilisers



Packaging

LINDSAY TRANSPORT – Providing total transport solutions



Transport



Rail



Logistics



Cold storage



Distribution

LINDSAY FRESH LOGISTICS – Managing storage and delivery



Warehousing



Bio-security



Ripening



Delivery



Import & Export

LINDSAY GROUP AT A GLANCE

\$386m

ANNUAL TURNOVER

\$40m

EBTIDA

+3,000

CUSTOMERS
AUSTRALIA WIDE

~70%

REVENUE RELATES TO
HORTICULTURE CUSTOMERS

+25

DEPOTS AND RURAL
STORES NATIONWIDE

~1,400

EMPLOYEES
(30% REGIONAL)

+60m

KMS TRAVELLED ANNUALLY
BY LINDSAY VEHICLES

+\$35m

IN PACKAGING SALES IN THE
RURAL DIVISION (PA)



OUR SITES

Lindsay Rural

Adelaide
Brisbane Shop
Brisbane Warehouse
Bowen
Brandon
Bundaberg
Childers
Coffs Harbour
Emerald
Gatton
Innisfail
Invergordon
Leeton
Mareeba

Mildura
Mundubbera
Murwillumbah
Nambour
Stanthorpe
Tully

Lindsay Transport

Adelaide
Bowen
Brisbane
Bundaberg
Childers
Coffs Harbour
Emerald
Gatton

Innisfail
Mackay
Mareeba
Melbourne
Mildura
Mundubbera
Nambour
Perth
Stanthorpe
Sydney
Tully

Lindsay Fresh

Brisbane Markets
Melbourne Markets



KEY HIGHLIGHTS

Financial Results	2019	2018	% Change
	\$'000	\$'000	
Operating Revenue	386,077	360,479	7.1%
EBITDA	40,415	36,149	11.8%
Depreciation & Amortisation	(21,753)	(19,624)	10.8%
EBIT	18,662	16,525	12.9%
Finance Costs	(5,893)	(5,301)	11.2%
Reported Net Profit Before Tax	12,769	11,224	13.8%
Income Tax	(3,890)	(3,166)	22.9%
Reported Net Profit After Tax	8,879	8,058	10.2%
Underlying Net Profit Before Tax	10,076	11,224	(10.2%)
Key Finance Metrics			
Capital Expenditure	25,270	29,750	(15.1%)
Operating Cash Flow	35,229	18,912	86.3%
Net debt	98,465	106,991	8.0%
Leverage Ratio (Debt / EBITDA)	2.86 x	3.36 x	14.9%
Earnings per share	3.0 cents	2.7 cents	9.5%

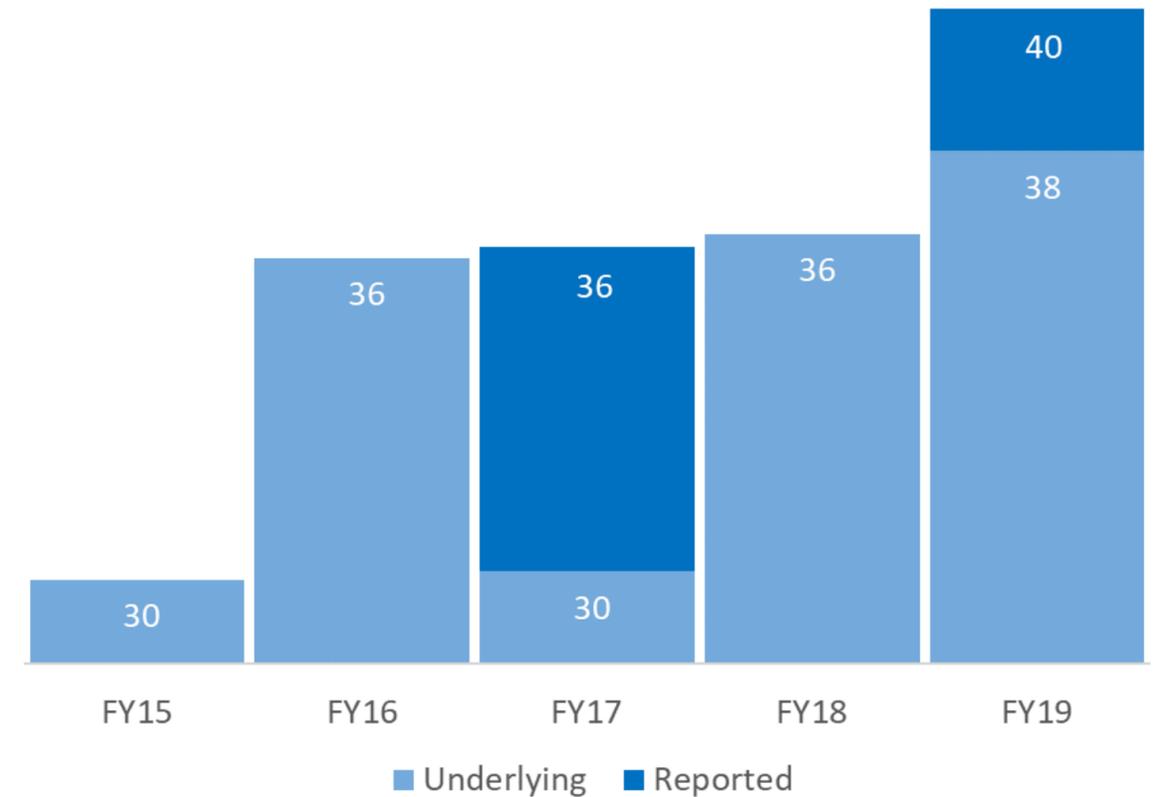
- Operating revenue increased 7.1% largely supported by investments in facility additions, equipment upgrades and expanded refrigerated rail services.
- Reported NPAT¹ increased 10.2%, despite a combined increase in depreciation and interest of \$2.7m.
- Operating cash flow improved supported by EBITDA growth and focus on working capital management.
- EPS increased 9.5% to 3.0 cents per share (cps).
- Board declared a final fully franked dividend of 1.1 cps. Full year fully franked dividend paid and declared of 2.1 cps, up 16.6% from FY2018.

¹Reported NPAT includes fuel tax credits relating to prior periods of \$2.7m (net of fees)

KEY HIGHLIGHTS

- EBITDA increased 11.8% (+4.4% underlying), benefiting cash flow and the balance sheet. Group leverage ratio (Debt/EBITDA) reduced to 2.86x (FY2018 3.36x).
- Overall positive result given the industry headwinds faced throughout the year from adverse weather, seasonality and operating costs pressures.
- FY2019 has placed the Group in a positive position moving forward, with investments in prior years underpinning future growth and allowing the business to strengthen its position.
- Group is well placed to continue to expand organically and take advantage of opportunities that arise in the logistic segment as some operators are experiencing less than favorable trading conditions.

Group EBITDA (\$M)

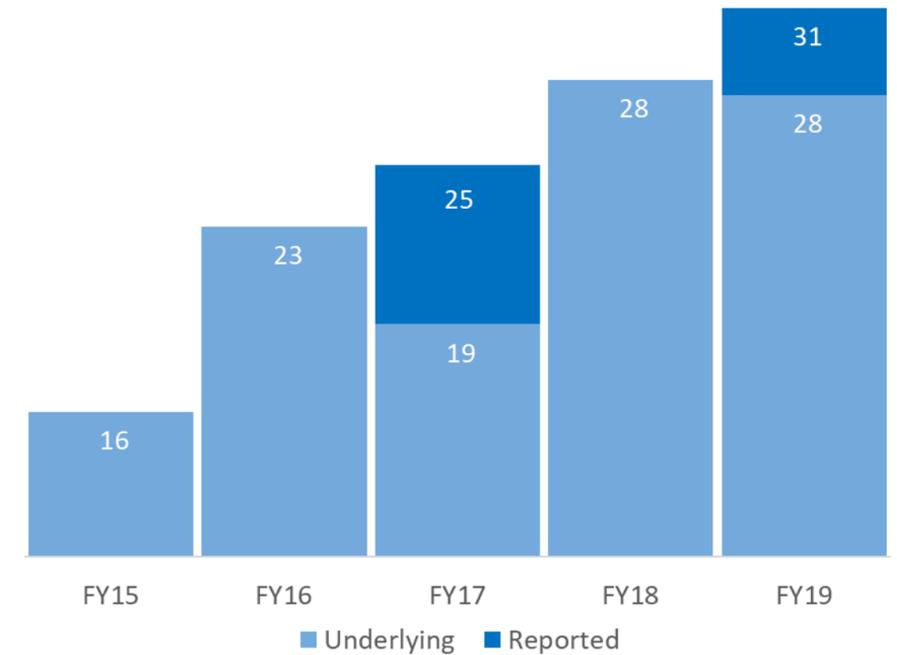


LINDSAY TRANSPORT

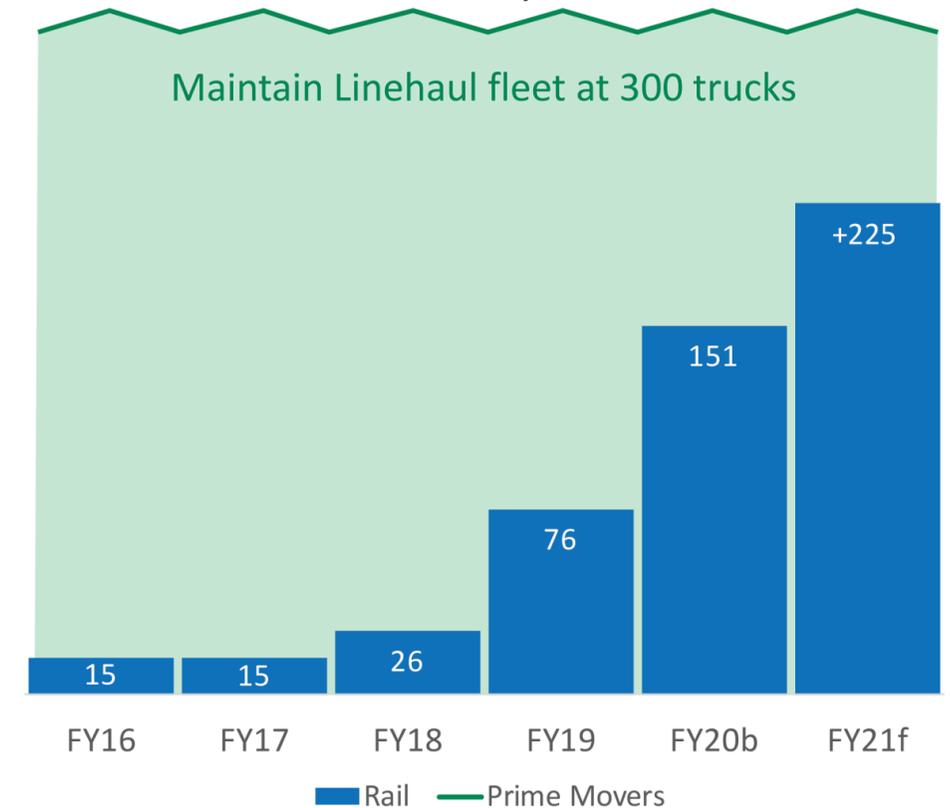
- Revenue increased 7.4% to \$268m supported by the recent expansion into Perth and diversification into rail.
- Segment profit contribution¹ increased \$2.8m to \$31.2m.
- Rail continues to deliver positive results for the division. The lower capital investment required for rail equipment makes it an attractive expansion strategy for the business.
- Current goal is to expand the rail fleet to +225 containers by the end of FY21 while maintaining the linehaul road fleet at 300 trucks.
- Fleet renewal and technology investments remain priorities to deliver a modern fleet with the latest in safety features including the implementation Guardian 'seeing eye machines' in all linehaul prime movers.
- Utilise technology throughout the business to deliver efficiencies and asset utilisation including the investment in real time monitoring of both the trailer and container fleet.
- New Sydney distribution facility located in Erskine park is due for completion in January 2020 and will provide platform for growth and provide operational efficiencies.

¹Transport reported profit contribution includes \$3.36m worth of fuel tax credits relating to prior periods (excludes \$673k consultancy fees)

Transport Segment Contribution (\$M)



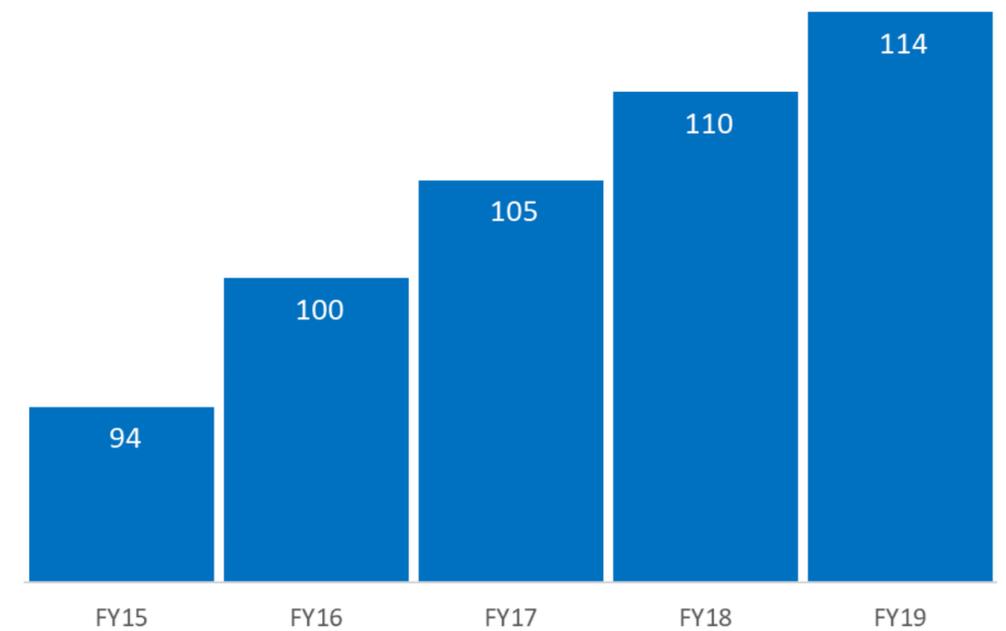
Fleet Composition



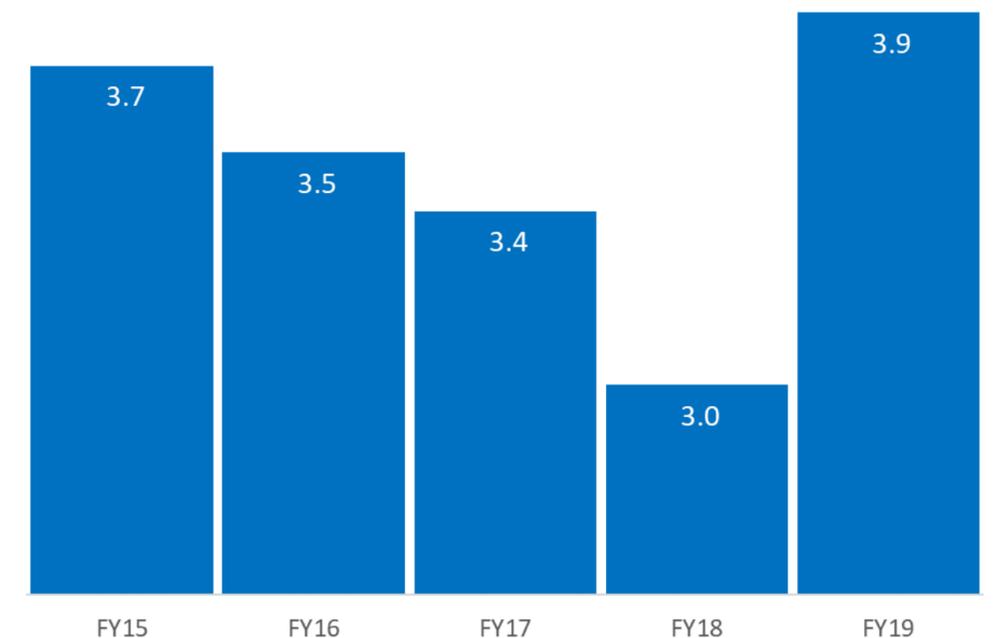
LINDSAY RURAL

- Revenue increased 3.7% to \$114m, like-for-like¹ branch revenue grew 5%.
- Segment profit contribution increased \$880k (29.4%) to \$3.87m. The division benefited from operating cost reductions attributable to branch rationalisation and consolidation.
- Remain focused on high growth horticulture regions that have a strategic fit with the Transport division.
- Rural provides an important roll within the Lindsay Australia portfolio, supporting Transport by reducing freight imbalances in key growing regions.

Rural External Sales (\$M)



Rural Segment Contribution (\$M)



¹ Like-for-like normalises branch revenue by excluding revenue for branches closed during the year.

LINDSAY FRESH LOGISTICS

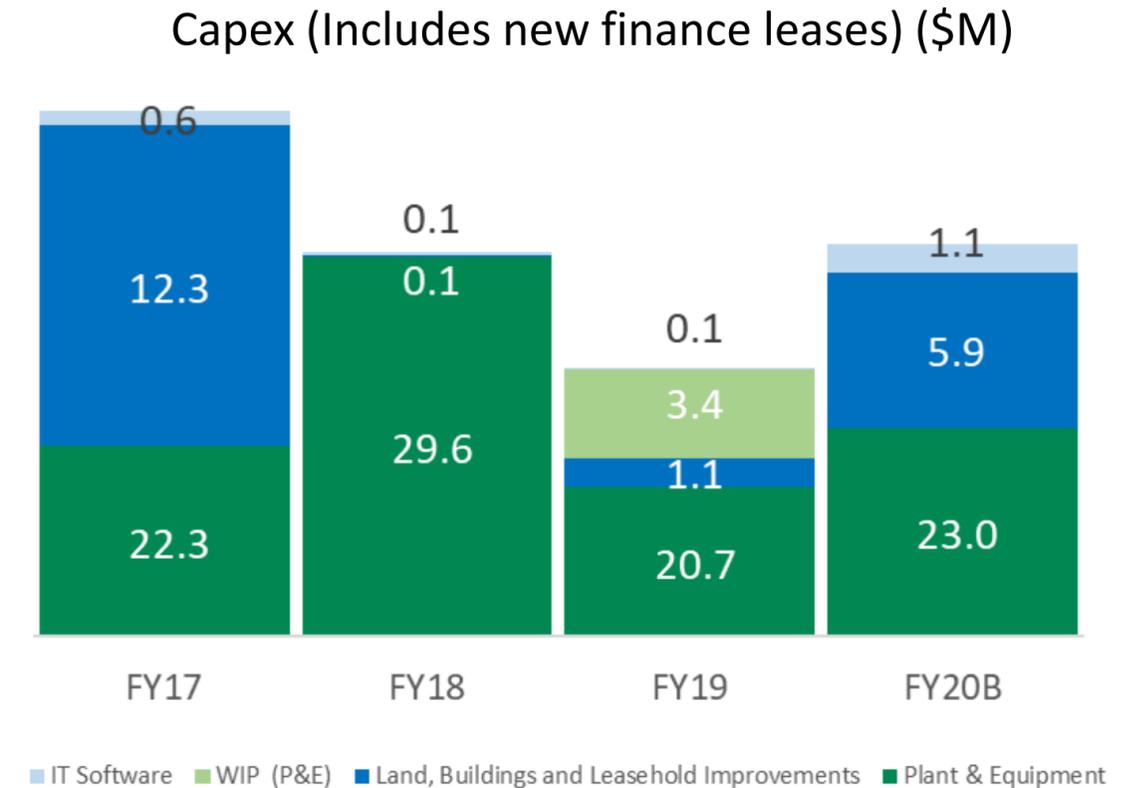
- Import/export logistic revenue increased 18% to \$5.48 million with total external revenue of \$7.8m up 20%.
- Investments in new equipment during the second half of the year will generate additional revenue for the division by providing value-add services for both existing and new customers.
- Opportunities to replicate model in other regions or partner with other operators to grow this segment are being explored.
- While Connect delivered revenue of \$3.8 million for the year (FY18 \$837k) and export markets do present opportunities to grow the business, the barriers to entry were high amidst a cumbersome domestic and international regulatory environment making the business in its current model not viable. The Board chose to discontinue Connect in its current model from Q1 FY20.
- The Board will continue to evaluate future opportunities to expand into exports market as they arise.



CAPITAL EXPENDITURE

- The Groups capex strategy focuses on four key areas:
 - TECHNOLOGY: Investing in technology to improve safety and operational efficiency.
 - RAIL: Expanding the Group's refrigerated rail fleet.
 - ROAD: Renewal program for interstate and local fleet.
 - FOOTPRINT: Expanding into new regions and facility upgrades to strengthen the Lindsay Network.

- FY20 Capex is forecast to be ~\$30.5m with the majority of spend on maintaining assets and facility improvements, capex includes:
 - Rollout of Guardian seeing eye cameras across linehaul fleet, trailer/container tracking and minor system upgrades (\$1.1m)
 - Purchase of 75 rail containers (\$7.5m)
 - Renewal of fleet of both linehaul and local assets (\$16m)
 - Leasehold improvements to the new Erskine Park Facility (\$5.9m)



OUTLOOK & OPPORTUNITIES

- The rail expansion is forecast to generate \$25 million additional Transport revenue for FY2020.
- The new Erskine Park facility in Sydney will streamline operations and provide capacity for growth.
- We will continue to explore new opportunities in key horticulture areas where the business does not operate in for both Transport and Rural.
- We envisage substantial changes across the transport industry over the next 12 to 24 months which is likely to lead to consolidation for smaller operators. Generational changes, cost pressures and increasing regulation and compliance are all driving factors for these operators.
- With industry change, opportunities are expected to arise over the coming financial years including new customer contracts, strategic asset purchases and potential acquisition prospects. The business is well placed to capitalise on attractive opportunities as they emerge.

