

ASX: LAU

CHAIR'S ADDRESS

Annual General Meeting

25 October 2019

On behalf of our Lindsay Australia chairman, John Pressler, I am pleased to present this 2019 AGM address.

The 2019 financial year represented a strategic milestone for the Lindsay Australia Group. Investments in capacity additions and facility upgrades boosted financial performance and further strengthened our strategy of a diversified portfolio to deliver both earnings growth and shareholder value over the long term.

We achieved record revenue of \$386 million, and net profit after tax of \$8.87 million, an increase from the previous year of 10%.

Transport revenue grew 7% to \$268 million, buoyed by our continued expansion into refrigerated rail and strong performance from capital cities.

Rural revenue grew 4% to \$117 million, a solid result after the closure and consolidation of some marginal branches.

We continued to invest across the portfolio with \$26 million of capex across 4 key areas:

- **TECHNOLOGY:** to improve safety and operational efficiency;
- **RAIL:** to expand the Group's container fleet;
- **ROAD:** to continue to renew the local and interstate fleets; and
- **FOOTPRINT:** to expand the Group's reach in new regions.

Our focus on technology evolution supports our financial performance due to improved operational efficiencies and capacity utilisation. We have committed \$1.2 million to technology updates to underpin our driver safety and \$1.1 million to real time trailer monitoring. Both projects are due for completion in the first half of 2020. Embracing innovation ensures we deliver an offering that is not only smarter but safer for our people and our customers.

Our newly launched refrigerated rail service has seen strong demand since commencement. The addition of 75 containers in 2020 will increase the fleet to 151 containers adding capacity to service both new and existing customers. Accordingly, we expect rail to deliver additional revenue of approximately \$20 million during the 2020 financial year, this will be supported by the fleet capacity additions and new customer contracts. We continue to pursue expansion opportunities and customer additions in this space.

Our new Sydney distribution hub remains on track for completion in late January 2020. The facility will provide much needed new and expanded cold storage capacity, workshop, bulk fuel facilities and driver accommodation, positioning us at the forefront of industry innovation and service offering.

Looking ahead, traditionally the first half of the financial year is stronger than the second, a trend which has continued into the 2020 financial year with the first quarter delivering solid revenue and EBITDA growth for the Group.

Transport revenue in the first quarter was supported by favorable produce volumes and new revenue from our refrigerated rail offering, which combined has boosted the division's performance. Rural delivered more moderate revenue growth in the first quarter but importantly revenue was skewed to a higher margin product mix.

We remain focused on delivering relevant capacity, services and products in the right markets through disciplined investment, improving efficiencies and managing costs to drive profitability. Following a strong first quarter and subject to no adverse weather or unexpected operational events, we remain well placed to deliver underlying EBITDA growth of around 10% for the 2020 financial year.



LINDSAY AUSTRALIA
LIMITED

ABN 81 061 642 733

152 Postle Street
Acacia Ridge QLD 4110

Locked Bag 2004
Archerfield Qld 4108

P: 07 3240 4900 F: 07 3054 0240
www.lindsayaustralia.com.au

In closing, I would like to thank our dedicated staff who remain key to our success. Our staff go above and beyond on a daily basis to deliver a service that not only meets our customer needs but positions us as a market leader.

Finally I would like to thank my fellow directors for their commitment and dedication to Lindsay Australia. We look forward to another successful year.

Thank you Ladies and Gentlemen.



LINDSAY RURAL