



ASX / MEDIA ANNOUNCEMENT

LINDSAY AUSTRALIA ANNOUNCES FULL YEAR RESULTS UNDERLYING¹ EBITDA GROWS 7.1% IN FY2020

BRISBANE, 25 August 2020: Integrated transport, logistics and rural supply company Lindsay Australia Limited (ASX: LAU) today announced financial results from its network of stores and depots for the 12 months ended 30 June 2020 delivering record revenue of \$411.51 million and underlying¹ EBITDA of \$40.40 million.

RESULT HIGHLIGHTS

- Group revenue grew 6.6% to \$411.51 million, supported by the expansion of refrigerated rail and record sales in Lindsay Rural.
 - Lindsay Transport's freight revenue grew 5.3% to \$282.43 million buoyed by the addition of 110 refrigerated rail containers through-out the year.
 - Lindsay Rural grew revenue by 12.9% to \$128.66 million, benefiting from a renewed focus on high growth horticultural regions after the divisions FY2019 strategic review.
- Rural division's segment contribution increased \$2.60 million (67.3%) to \$6.48 million on the uplift in sales and the branch rationalisation completed in the previous financial year.
- Continued investment in high demand services, fleet renewals and technology to maintain the Group's strategic and business investment goals including:
 - The addition of 110 new refrigerated rail containers and associated equipment of \$11.40 million.
 - Opening of Sydney distribution hub in March 2020, including capital investment of \$7.80 million for the Lindsay specific fit-out which features significantly increased cold storage capacity, purpose-built workshop, bulk fuel facilities and driver accommodation.
 - Driver safety monitoring program roll-out completed in the first half of the year to the Group's 300 interstate prime movers.
 - Real-time trailer tracking and temperature monitoring technology roll-out completed for all refrigerated trailers and containers.
 - Maintained a net leverage ratio² of 2.60x (2019: 2.61x).

RESULT SUMMARY

For the Financial Year Ended 30 June 2020, the Group achieved a \$5.32 million net profit after tax, representing a decrease of 40.1% from the prior financial year. Underlying¹ EBITDA for the financial year increased \$2.68 million to \$40.40 million, an increase of 7.1%.

Transport freight revenue for the year grew \$14.16 million (5.3%) to \$268.26 million. Revenue from rail services increased \$22.26 million (243%) due to fleet expansion and customer additions which offset reductions in road freight produce volumes which were negatively impacted in some regions due to adverse weather and seasonality.

Transport's rail fleet will expand further in FY2021 with the addition of 75 new refrigerated containers and 20 dry containers included in the first 6 months capex plan.

¹ Underlying operations defined in this release are the Group's reported financial results as set out in the financial statements, adjusted for significant items that are non-recurring or items incurred outside the ordinary operations of the Group and excludes the impact of adopting AASB16. Refer to FY2020 annual report for detailed reconciliation of underlying operations.

² Net leverage ratio = Net debt/underlying EBITDA. Net debt excludes property lease liabilities relating to the adoption of AASB16.

Transport's underlying¹ segment profit contribution of \$27.80 million in FY2020 was on par with the divisions underlying¹ contribution in FY2019.

Import/Export logistic revenue for Lindsay Fresh Logistics increased by 12% in FY2020; however, the division's revenues were materially impacted in the 4th quarter due to Covid-19. The import/export logistics sector will remain a challenge for the first 6 months of FY2021 as reduced air freight services remains an issue which will also impact the segments ancillary services.

The Rural segment saw a significant uplift in both sales and profit contribution in FY2020, benefiting from the FY2019 strategic review to focus on high growth regions and the closure and consolidation of several marginal branches.

Rural sales for the year grew \$14.66 million (12.9%) to \$128.66 million and Rural's divisional contribution increased \$2.70 million (67.3%).

Rural will continue to focus on the the high growth horticulture regions that have a strategic fit with the Transport division.

Lindsay Australia CEO, Kim Lindsay, commented on the results:

"We are pleased to announce a solid set of results for the 12 months to 30 June 2020 despite the Group facing a number of unprecedented challenges during the year. Record revenue underpinned a solid underlying earnings result. Our investment strategy in recent years to expand the Group's geographical reach and the range of services we offer has mitigated some of the challenges we faced during the period."

"Rail remains a key growth strategy for the years to come, expanding the Group's rail capacity will allow Lindsay's to continue to diversify it's service offer to mitigate seasonal risks. By the end of 1H2021 we will have 281 rail containers in the Group's fleet, allowing us to increase the number of lanes we service and expand our rail offer to both new and existing customers"

"Despite the challenges in FY2020 the Group remained committed to delivering on a number of key projects to support operational efficiencies, equipment utilisation and driver safety. The driver safety monitoring project was completed in 1H2020 alongside the completion of the real-time trailer monitoring roll-out"

"The new Sydney distribution hub located in Erskine Park was completed in March 2020. The new facility provides much needed increase in cold storage capacity, a purpose built workshop, on-site bulk fueling and driver accommodation facilities"

"As a leading national essential service provider to the logistics, horticulture and food related industries, the Group remains committed to maintaining its essential services during the unprecedented times and continuing its key role in the food supply chain"

DIVIDEND

The Board has declared a final fully franked dividend of 0.5 cents per share. This represents a full year fully franked dividend of 1.5 cents per share, down from 2.1 cents per share in FY2019.

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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

Yours faithfully,

Kim Lindsay
Chief Executive Officer

Release authorised by the Lindsay Australia Board of Directors.

For further information please contact:

Kim Lindsay, CEO
Lindsay Australia Limited
Ph: (07) 3240 4900

Justin Green, CFO
Lindsay Australia Limited
Ph: (07) 3240 4900

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