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ASX Announcenment

Investor Presentation – Lindsay Australia Financial Results FY2020

Attached is Lindsay Australia's Investor Presentation for the year ended 30 June 2020.

Authorised for release by:

Release authorised by Kim Lindsay, CEO and Justin Green, CFO.

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LINDSAY AUSTRALIA

FY2020 FINANCIAL RESULTS



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KEY HIGHLIGHTS

	2020 \$'000	2019 \$'000	% Change
Financial results			
Operating revenue	411,515	386,077	6.6%
Underlying EBITDA ¹	40,407	37,722	7.1%
Underlying Profit Before Tax ¹	11,131	10,076	10.5%
Underlying NPAT ¹	7,736	6,994	10.6%
Key metrics			
Net Debt ³	105,181	98,465	6.8%
Net Leverage Ratio ⁴	2.60x	2.61x	(0.3%)
ROIC ⁵	8.5%	8.3%	1.9%
EPS ¹	2.6 CPS	2.4 CPS	9.5%

- Operating revenue increased 6.6%, driven by growth in Transport's rail offering and a record sales year from Rural.
- Underlying EBITDA increase of 7.1% despite the unprecedented challenges during the period including droughts, bushfires and COVID-19.
- Continued focus on diversifying the Groups service offerings by investing in facility, equipment and technology upgrades and improvements and implemented cost efficiency initiatives.
- Declared a final fully franked dividend of 0.5 cps representing an NPAT payout ratio of 84% (2019: 66%).

Notes:

¹Refer appendix 1 for reconciliation of underlying figures.

² Underlying figures exclude the impact of AASB 16 and significant items that are non-recurring or items incurred outside of ordinary operations.

³ Net debt excludes property lease liabilities recognised with the adoption of AASB 16.

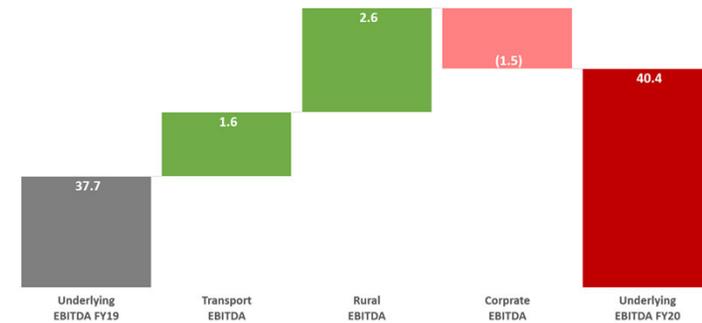
⁴ Net Leverage ratio = Net Debt/Underlying EBITDA.

⁵ ROIC = Underlying EBIT/Invested Capital. Invested Capital = Net debt + equity.

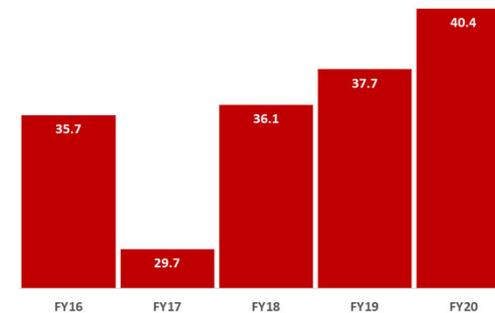
KEY HIGHLIGHTS

- Underlying EBITDA growth was supported by positive contributions from both Transport and Rural.
- Rural delivered a record segment profit contribution of \$6.5m, up 67% on the previous corresponding period (pcp).
- Remained focused on meeting strategic and business investment goals while maintaining a net leverage ratio of 2.60x in-line with the pcp (2019: 2.61x).
- ROIC improved marginally from 8.3% to 8.5%, supported by the Rural result and rail expansion.
- Continued to operate throughout COVID-19 as an essential service provider.

Group underlying EBITDA bridge (\$'M)



Group underlying EBITDA (\$'M)





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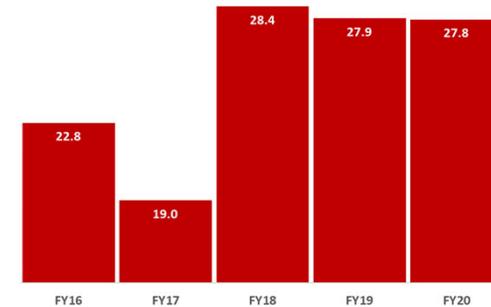


SEGMENT OVERVIEW

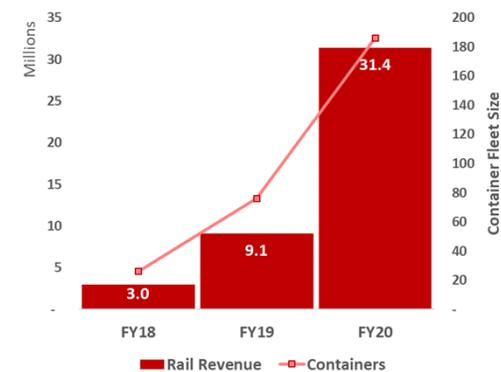
LINDSAY TRANSPORT

- For FY2020, Transport generated freight revenue of \$282.4m, representing an increase of \$14.2m (+5.3%) on the prior year, primarily attributable to growth in rail revenue.
- Rail contributed additional revenues of \$22.3m, helping to offset reductions in produce volumes which were impacted in some regions from adverse weather and seasonality.
- Expanded the refrigerated rail fleet with 110 containers purchased during the year, increasing the fleet to 186.
- Opened new Transport hub in Erskine Park (March 2020), adding much needed capacity and capabilities in Sydney which will support the Group's future growth plans.
- Completed the roll out of in-cab vehicle monitoring systems across 300+ interstate vehicles.
- Completed the roll out of real-time trailer tracking and temperature monitoring to all refrigerated trailers and containers.

Transport underlying profit (\$'M)



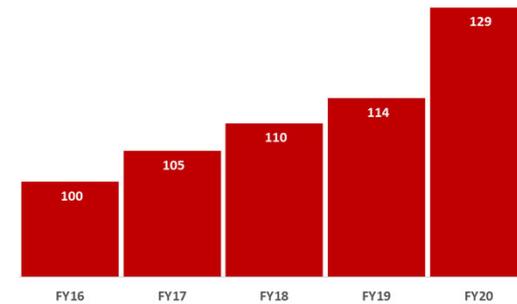
Rail revenue (\$'M) vs container fleet size



LINDSAY RURAL

- For FY2020 Rural achieved record sales of \$128.6m, up \$14.6m (+12.9%) on the prior year, benefitting from the strategic review completed in FY2019.
- As part of the strategic review Rural closed a number of marginally performing branches, shifting the segments focus and resources to higher growth regions.
- In addition to record sales the shift helped the segment generate record underlying profit of \$6.5m, up \$2.6m (+67.9%) on the pcp.
- Executed a 5-year extension to the Visy Board Pty Ltd packaging distribution agreement, extending the Groups strategic partnership out to December 2025.
- Rural remains focused on high growth horticulture regions that have a strategic synergy with the Transport division and continues to evaluate expansion plans which support the Transport division's network.

Rural external sales (\$'M)



Rural underlying profit (\$'M)





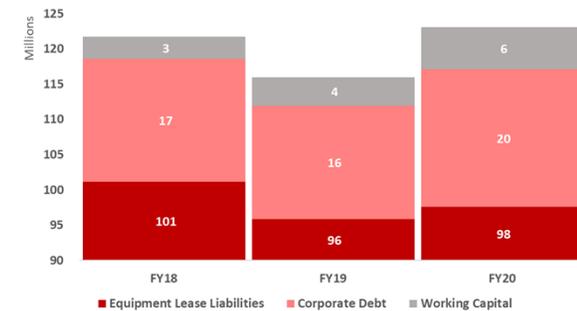
LINDSAY FRESH

- Lindsay Fresh Logistics Import/Export revenues were materially impacted by COVID-19 particularly in Q4.
- Air freight significantly impacted due to airport closures and restrictions due to COVID.
- Prior to COVID, Fresh had a positive start to the financial year generating revenue growth of 22% in the first 6 months; however with restrictions enforced in Q4 year on year revenue growth finished 12% up on pcp.
- The first half of FY2021 is expected to remain a challenge for the division due to global and domestic restrictions on air freight.
- Due to decline in revenues Fresh qualified for JobKeeper receiving \$870k of Government wage subsidies during the period.

CAPITAL EXPENDITURE

- FY2020 capital investment continued to focus on safety, facilities, rail and technology.
- Capex highlights:
 - Opened Erskine Park facility in March 2020, contributing \$7.8m to the purpose built fit-out.
 - Added 110 refrigerated containers and associated equipment investing \$11.4m.
 - Rollout of new safety monitoring technology in all interstate trucks.
 - Completed trailer monitoring project including real-time tracking and temperature monitoring.
- Executed a new 5-year Syndicated Facility Agreement including new financial covenants and debt facilities better aligned with the Group's future strategic goals.
- FY2021 capex plans:
 - Continue to expand Transport's rail service offering, plans to purchase an additional 75 refrigerated containers and 20 dry containers in first half.
 - Continue equipment replacement program ensuring fleet remains first in class.

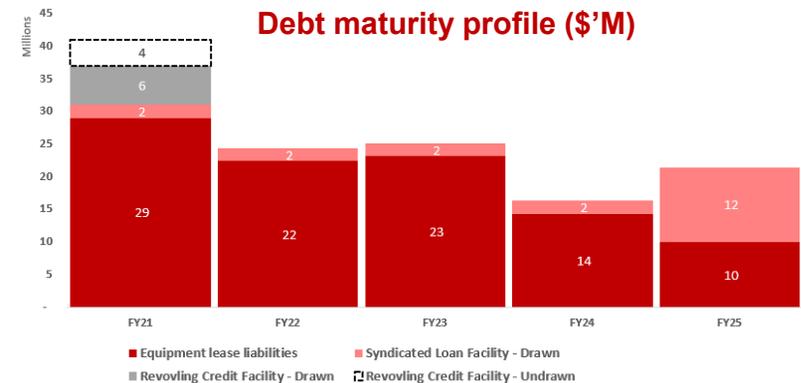
Group borrowings¹ (\$'M)



Notes:

¹Group borrowings excludes property lease liabilities.

Debt maturity profile (\$'M)





COVID-19 IMPACT & OUTLOOK

- Lindsay Australia is a leading national provider of transport and logistics services to the horticulture and food related industries and despite the challenges faced across the Group, Lindsay's remain committed to maintaining our role as an essential service provider and the key role in the nations food supply chain.
- Across the business we have implemented and maintain a significant number of initiatives in response to COVID-19 with a focus on staff wellbeing, customer communications and safety and compliance for all our suppliers, customers and community stakeholders.
- There are early signs for FY2021 that Transport freight volumes and equipment utilisation rates have started to recover to pre-Covid levels, however given the unprecedented and changing nature of the crisis make it difficult to forecast future results with any certainty.
- Fresh's revenue from air import and export services will remain subdued but the overall reduction is not expected to have a material impact on the Group's EBITDA.
- The Group remains focused on achieving its strategic goals and will continue to invest in the business's future and capitalise on opportunities as they arise.



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APPENDIX

RECONCILIATIONS

Underlying results

2020 (\$'000)	EBITDA ¹	EBIT ¹	Profit Before Tax	NPAT
Reported Result	47,133	15,875	7,683	5,322
Impact of application of AASB 16	(8,816)	(1,269)	1,358	1358
Restructure costs	1,428	1,428	1,428	1,428
Merger and acquisition costs	211	211	211	211
Historical claim costs	451	451	451	451
Notional tax at 30%	-	-	-	(1,034)
Underlying Result	40,407	16,696	11,131	7,736

2019 (\$'000)	EBITDA ¹	EBIT ¹	Profit Before Tax	NPAT
Statutory Result	40,415	18,662	12,769	8,879
Impact of application of AASB 16	-	-	-	-
Fuel Tax Credits (Prior periods)	(3,366)	(3,366)	(3,366)	(3,366)
Fuel Tax Consultancy Costs	673	673	673	673
Notional tax at 30%	-	-	-	808
Underlying Result	37,722	15,969	10,076	6,994

Notes:

¹ Statutory EBITDA & EBIT are net of fair value gain on debt refinancing of \$864,000

Key finance metrics

Net Borrowings (\$'000)	2020	2019
Reported borrowings	25,108	115,925
Lease liabilities	185,527	-
Property lease liabilities	(87,559)	-
Cash	(17,895)	(17,460)
Net Borrowings	105,181	98,465
Underlying EBITDA	40,407	37,722
Net Leverage Ratio²	2.60	2.61

ROIC (\$'000)	2020	2019
Net Borrowings	105,181	98,465
Equity	92,363	94,105
Invested Capital	197,544	192,570
Underlying EBIT	16,696	15,969
ROIC³	8.5%	8.3%

EPS (\$'000)	2020	2019
Underlying NPAT	7,736	6,994
Weighted Average SOI	298,409,063	295,525,789
EPS⁴	2.6 CPS	2.4 CPS

Notes:

² Net Leverage Ratio = Net Borrowings/Underlying EBITDA

³ ROIC = Underlying EBIT/Invested Capital

⁴ EPS = Underlying NPAT/Weighted Average Shares On Issues

AASB 16: LEASES IMPACT

Table outlines the major (pre-tax) impact to the Group's financial statements upon application of AASB 16: Leases

Income Statement	Depreciation	7,547	Additional depreciation charges on ROUA
	Interest	2,627	Additional interest expense on lease liabilities
	Operating lease rental payments	(8,816)	Operating leases rental payments cease
	profit before tax	(1,358)	Overall decrease in profit before tax of \$1.358m
	EBITDA	8,816	Increase in EBITDA of \$8.816m due to additional D&I charges
Balance Sheet	Right-of-use assets (ROUA)	200,756	Recognised \$200.7m ROUA mainly relating to properties
	Lease liabilities	185,527	Lease liabilities replace finance lease (previously borrowings), recognised additional property lease liabilities of \$87.6m
Cash Flow Statement	Operating cash flows	6,189	\$8.8m operating lease payments removed from operating cash and \$2.6m interest expense included
	Financing cash flows	6,189	Financing cash flows increase due to additional lease payments

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

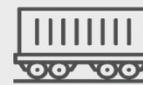


Packaging

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

OUR SITES

Lindsay Rural

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

