



LINDSAY AUSTRALIA
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ASX Announcenment

Investor Presentation – Lindsay Australia Financial Results HY2022

Attached is Lindsay Australia's Investor Presentation for the year ended 31 December 2021.

Authorised for release by:

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

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LINDSAY AUSTRALIA

INVESTOR PRESENTATION HY2022 (ASX: LAU)

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THE LINDSAY END-TO-END SOLUTION

Lindsay Australia Ltd (ASX: LAU) 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 from its 40+ stores and depots.

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

The core divisions of Rural and Transport (including Fresh Logistics) offer complementary products and services which cover 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 their produce throughout Australia and the world.

Lindsay's end-to-end solution is unique and offers customers a single point of contact.

OUR NATIONAL TRANSPORT NETWORK

LINDSAY RURAL

Adelaide
Atherton
Ayr
Brisbane Retail
Brisbane Warehouse
Bowen
Brandon
Bundaberg Childers
Coffs Harbour
Emerald Gatton
Innisfail Invergordon
Mareeba
Mildura

Mundubbera
Murwillumba
Nambour
Stanthorpe
Tully
Woolgoolga

LINDSAY TRANSPORT

Adelaide
Ayr
Bowen
Brisbane Bundaberg
Childers
Coffs Harbour Emerald
Gatton

Innisfail
Mackay
Mareeba
Melbourne
Mildura
Mundubbera
Nambour
Perth
Stanthorpe
Sydney
Tully

LINDSAY FRESH

Brisbane Markets



CORPORATE SNAPSHOT

ASX Stock Code [LAU]

| | |
|---|-----------------|
| HY22 revenue | \$274m |
| HY22 underlying ¹ EBITDA | \$31.4m |
| Cash balance as at 31 Dec 2021 | \$17.3m |
| Total borrowings ² as at 31 Dec 2021 | \$120.7m |
| HY22 underlying ¹ earnings per share | \$0.035 |
| HY22 dividends per share (unfranked) | \$0.014 |
| Share price as at 15 Mar 2022 | \$0.43 |
| Shares on issue | 300.8m |
| Unlisted share options | 800k |
| Fully diluted market cap | \$129.3m |

12-month share price performance and volume



Board of Directors and Key Management

| KMP | Role |
|------------------------|-------------------------------------|
| Mr Ian Williams | Non-Executive Director & Chair |
| Mr Michael Kim Lindsay | Managing Director and CEO |
| Mr Robert Green | Non-Executive Director |
| Mr Matthew Stubbs | Non-Executive Director |
| Mr Stephen Cantwell | Non-Executive Director |
| Mr Craig Baker | Chief Operating Officer |
| Mr Justin Green | CFO and Company Secretary |
| Mr Broderick Jones | Group Counsel and Company Secretary |

Top shareholders³

| Rank | Name | Units | % |
|---------------------|--|---------------|--------------|
| 1 | Washington H Soul Pattinson and Co Ltd | 55.5m | 18.6% |
| 2 | Mizikovsky Group | 49.5m | 16.6% |
| 3 | BKI Investment Company Ltd | 16.8m | 5.6% |
| 4 | Milton Corporation Ltd | 13.3m | 4.4% |
| 5 | Lindsay Brothers S/F | 11.3m | 3.8% |
| Total Top 20 | | 193.5m | 64.5% |

Notes:

¹ Refer to Appendix 1 for reconciliation of underlying figures

² Excludes AASB 16 property/other lease liabilities

³ As of 31 December 2021



OVERVIEW

HY22 KEY HIGHLIGHTS

Expansion in Rural and Rail continues to deliver strong growth, helping to deliver positive returns on invested capital.

| | | | |
|---|--|---|--|
| OPERATING REVENUE \$273.9m up 25.3% | UNDERLYING EBITDA¹ \$31.4m up 20.2% | UNDERLYING PBT¹ \$15.0m up 44.0% | NET DEBT² \$103.4m down 0.7% |
| NET LEVERAGE RATIO³ 2.04x down 14.0% | ROIC⁴ 11.3% up 25.7% | UNDERLYING EPS¹ 3.5 cps up 43.6% | INTERIM DIVIDEND⁵ 1.4cps up 16.7% |

Notes:

¹Refer to Appendix 1 for reconciliation of underlying figures. Underlying figures exclude the impact of AASB 16 and significant items that are non-recurring or items incurred outside of ordinary operations.

²Net debt excludes property/other lease liabilities recognised with the adoption of AASB 16.

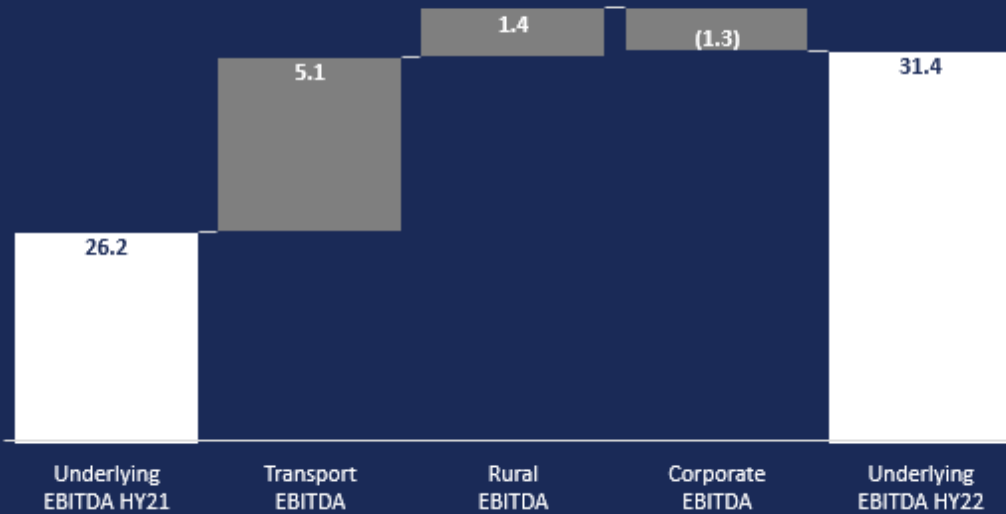
³Net Leverage ratio = Net Debt/Underlying EBITDA as at 31 December 2021/2020.

⁴ROIC = Underlying EBIT/ Invested Capital. Invested Capital = Net debt + equity.

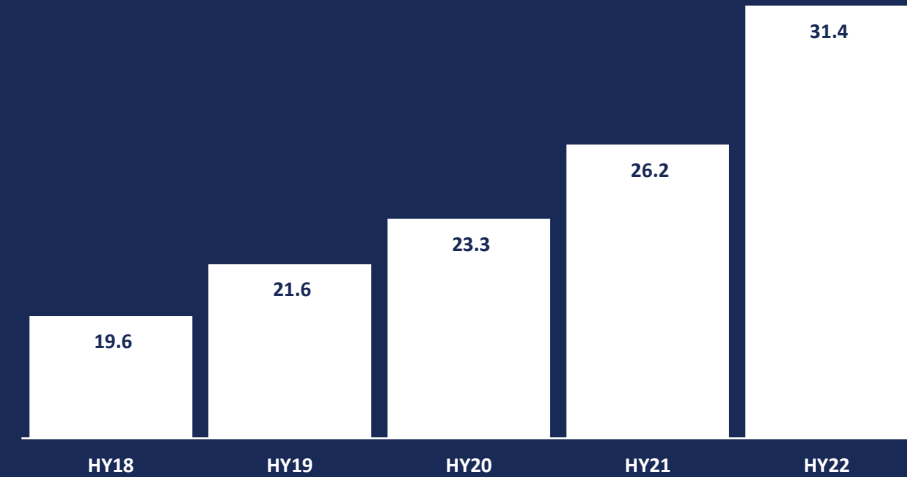
⁵HY2022 unfranked (HY2021 fully franked).

GROUP PERFORMANCE

HY22 Underlying EBITDA Bridge (\$'M)



Group underlying EBITDA (\$'M), 5 Year View



Record results in Transport and Rural drove underlying EBITDA growth of +20.2% and EPS growth of 41.4%

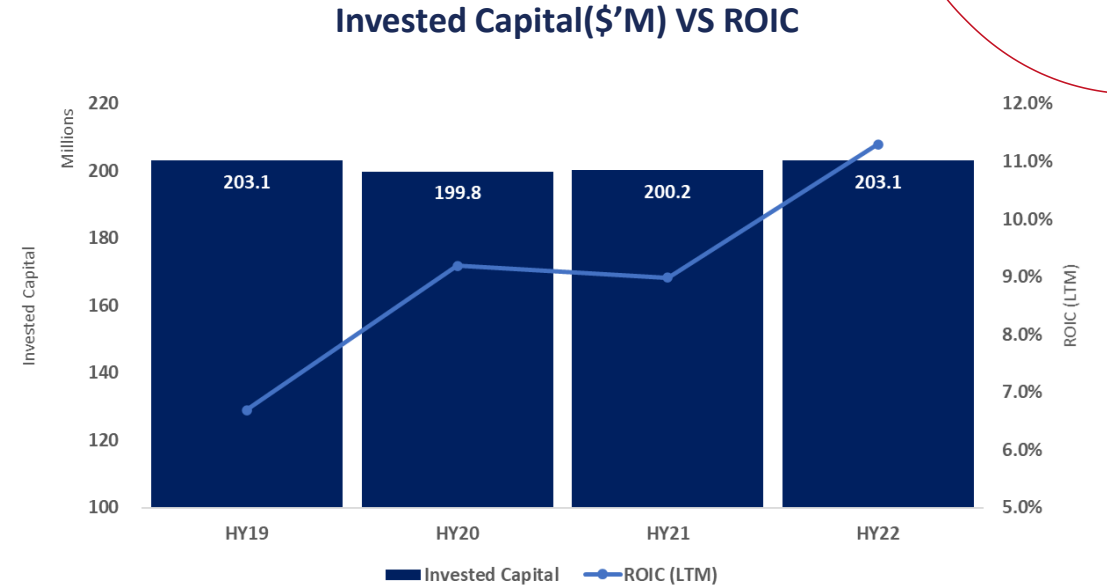
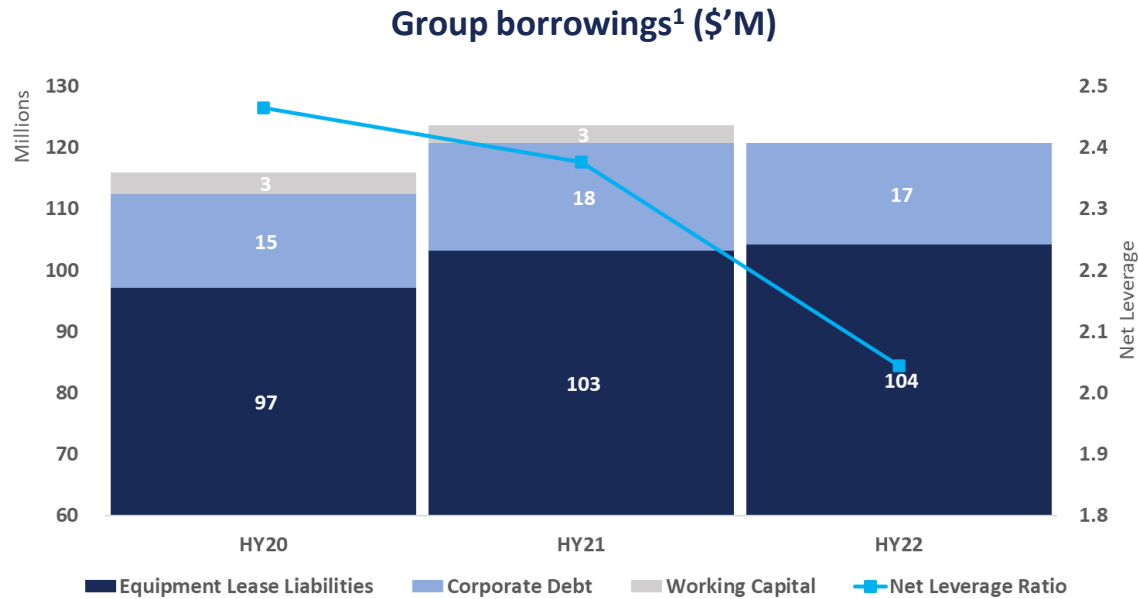
Execution of the Group's strategy continues to diversify earnings, deliver growth and mitigate the impact of seasonal and operational headwinds, as well as COVID disruptions

Working capital increased due to rising inventory. Timing of receipts negatively impacted operating cash, which is expected to improve in 2H FY22 in-line with historical trends

Improvement in all key balance sheet metrics positions the business to be able to take advantage of future growth opportunities in both key operating segments

Strong results allowed the Board to declare an interim unfranked dividend of 1.4 cents per share (+16.7% on pcp, HY21 fully franked)

STRENGTHENING BALANCE SHEET



Continue to focus on disciplined capital allocation to generate positive returns on investment and deliver sustainable earnings growth while strengthening the Group balance sheet

Rail growth, rising utilisation rates and low cost expansions in Rural drove a +24.3% improvement in ROIC to 11.3% and a reduction in net leverage to 2.04x, down -19.6%

Net capex spend of \$18.0m was focused on rail, fleet renewals and safety initiatives and remains on track to hit \$32m for the financial year

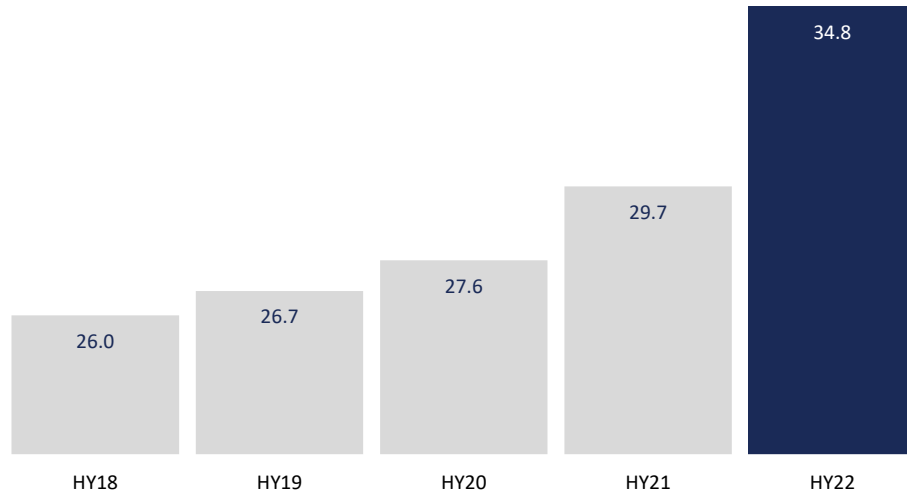
Reviewing current property portfolio and future property development plans to ensure optimal strategy is in place to deliver shareholder value

SEGMENT PERFORMANCE

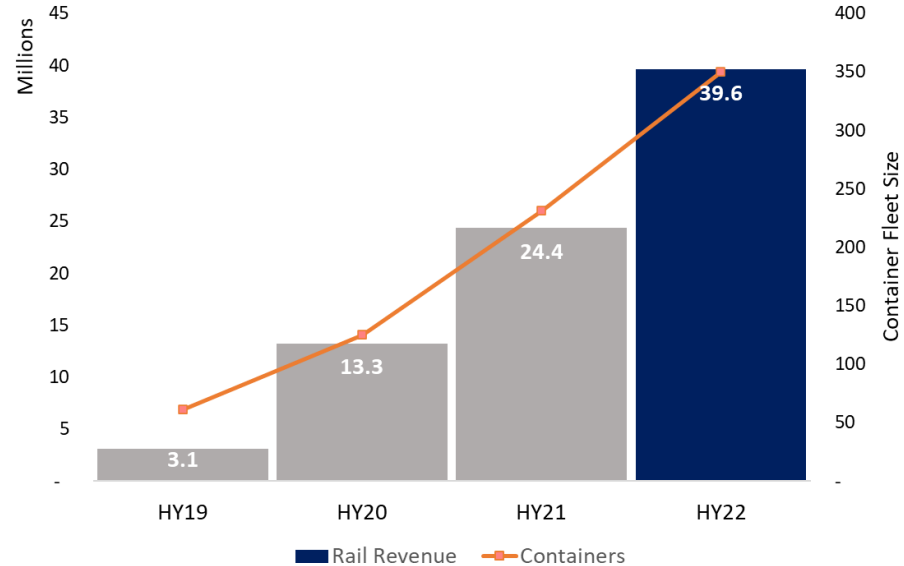


LINDSAY TRANSPORT

Transport underlying EBITDA (\$'M)



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



Through its Transport business unit, Lindsay is committed to industry leadership in safety, compliance and continuing to invest in fleet, technology and staff.

Generated record revenue of \$195.1m (+28.0%), driven by growth in rail, rising demand for road services, an improvement in import and export revenue and a rise in fuel levy recoveries due to increasing diesel prices.

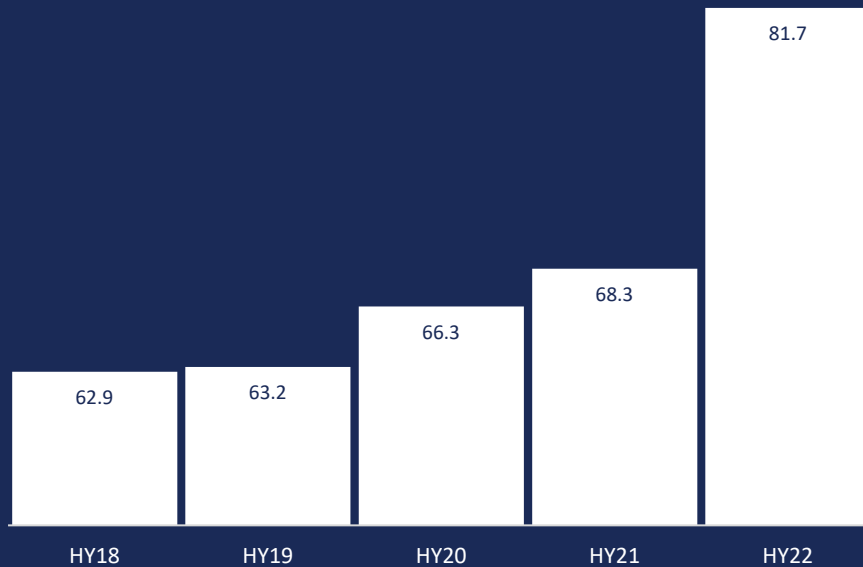
Transport delivered underlying EBITDA of \$34.8m (+17.3%), primarily driven by growth in Rail which now accounts for over 22% of freight revenue. During the half year Transport took delivery of an additional 50 containers and expect to have 400 commissioned by June 22.

Transport continues to explore ways to mitigate the impact of on-going operational headwinds which include rising cost pressures, supply issues, labour shortage, weather events and freight imbalances.

Transport continues to look for ways to improve its carbon footprint and deliver environmentally sustainable growth. Rail aligns with these objectives and is estimated to be around 8x¹ more carbon efficient than Road. Transport is also exploring alternative fuel sources for future vehicles.

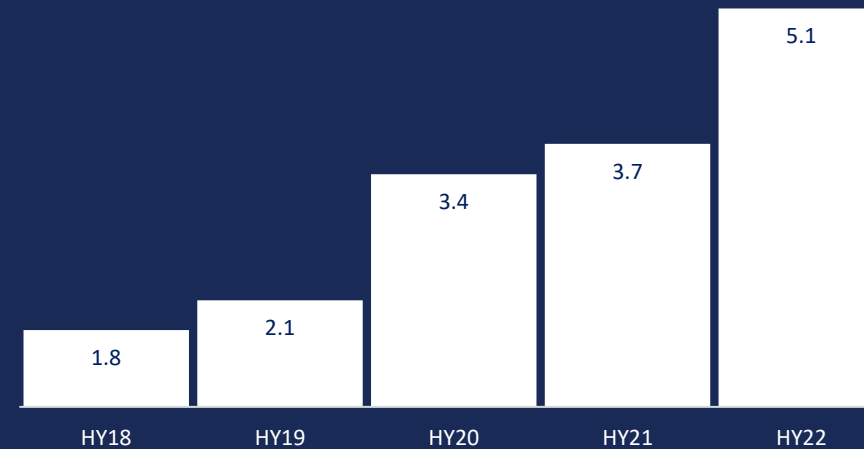
LINDSAY RURAL

Rural external sales (\$'M)



Generated record sales of \$81.7m (+19.8%), supported by the segment's expansion into Woolgoolga and ongoing development of Rural's sales workforce.

Rural underlying EBITDA (\$'M)

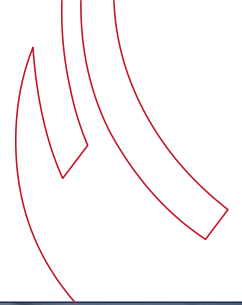


Uplift in underlying EBITDA by 37.1% to \$5.1m was driven by top-line growth, product diversification and strict cost management.

Remained focused on simple business model, increasing sales presence in key regions and improving inventory and cost management. As Rural continues to face supply pressures, to mitigate the impact on customers and ensure supply, inventory levels were increased.

Looking to build on recent success and accelerate the division's growth into new horticulture regions through greenfield expansions or acquisitions.

GROWTH STRATEGY



Lindsay remains committed to maintaining its role as an essential service provider and its key role in the nation's food supply chain.



In Rural:

Continue to diversify the Group's product mix and focus on high growth regions.



To maximise value for customers, staff and shareholders, Lindsay remains focused on delivering growth which provides double digit ROIC growth and is EPS accretive.



In Transport:

Continue to expand and diversify the Group's customer base and increase its refrigerated rail capacity.



Lindsay will continue to meet the Group's evolving customers' needs by investing in capacity, facilities, equipment, technology and cost efficiency initiatives.

OUTLOOK



Strong demand for all Group services are expected to continue for the remainder of FY22 and into FY23.

The addition of more refrigerated rail containers in the 2H of FY22 for Transport and Rural's continual push into new markets will help drive organic growth over the next 18 months.

We remain confident that the Group's diversified model and strategic initiatives will generate sustainable growth for shareholders in the long-run.

The Group's strong financial performance and healthy balance sheet has positioned Lindsay to be able to take advantage of organic and inorganic opportunities that may arise in the future.



CONTACT US

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APPENDIX

RECONCILIATIONS

Underlying results

| 1H 2022 (\$'000) | EBITDA | EBIT | PBT | NPAT |
|--|---------------|---------------|---------------|---------------|
| Statutory Result | 39,200 | 20,043 | 17,503 | 12,235 |
| Depreciation right of use properties/other | (5,070) | - | - | - |
| Finance costs right-of-use properties/other | (1,727) | (1,727) | - | - |
| AASB 16 profit impact | 893 | 893 | 893 | 893 |
| Reversal of fuel tax credit provision related to prior years | (1,866) | (1,866) | (1,866) | (1,866) |
| Reverse interest expense on fuel tax credit assessment prelated to prior years | - | - | (1,546) | (1,546) |
| Notional tax at 30% | - | - | - | 756 |
| Underlying Result | 31,430 | 17,343 | 14,984 | 10,472 |

| 1H 2021 (\$'000) | EBITDA | EBIT | PBT | NPAT |
|---|---------------|---------------|---------------|--------------|
| Statutory Result | 31,710 | 13,744 | 9,323 | 6,511 |
| Depreciation right of use properties/other | (4,797) | - | - | - |
| Finance costs right-of-use properties/other | (1,843) | (1,843) | - | - |
| AASB 16 profit impact | 1,085 | 1,085 | 1,085 | 1,085 |
| Notional tax at 30% | - | - | - | (326) |
| Underlying Result | 26,155 | 12,986 | 10,408 | 7,270 |

Notes:

¹ Net Leverage Ratio = Net Borrowings/Underlying EBITDA

² ROIC = Underlying EBIT/Invested Capital

³ EPS = Underlying NPAT/Weighted Average Shares On Issues

Refer 2022 Half-Year Report for full details of underlying adjustments.

Key finance metrics

| Net Borrowings (\$'000) | 1H 2022 | 1H 2021 |
|---------------------------------------|----------------|----------------|
| Reported borrowings | 24,369 | 21,150 |
| Lease liabilities | 177,574 | 186,278 |
| Property/other lease liabilities | (81,264) | (86,769) |
| Cash | (17,290) | (17,950) |
| Net Borrowings | 103,389 | 102,709 |
| Underlying EBITDA (LTM) | 50,569 | 43,226 |
| Net Leverage Ratio¹ | 2.04 | 2.38 |

| ROIC (\$'000) | 1H 2022 | 1H 2021 |
|------------------------------|----------------|----------------|
| Net Borrowings | 103,389 | 102,709 |
| Equity | 99,755 | 97,501 |
| Invested Capital | 203,144 | 200,210 |
| Underlying EBIT (LTM) | 22,941 | 17,989 |
| ROIC² | 11.3% | 9.0% |

| EPS (\$'000) | 1H 2022 | 1H 2021 |
|------------------------------|------------|------------|
| Underlying NPAT | 10,472 | 7,270 |
| Weighted Average SOI | 300,350 | 299,405 |
| EPS³ (CPS) | 3.5 | 2.4 |