

## ASX Release

02 September 2022

ASX Market Announcements  
20 Bridge Street  
SYDNEY NSW 2000

## FY2022 Results Presentation – Lindsay Australia Limited

Attached is Lindsay Australia Limited's Results Presentation for the year ended 30 June 2022.

*Authorised for release by:*

**Release authorised by Lindsay Australia Limited Board of Directors.**

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Lindsay Australia Limited  
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Ends.



# LINDSAY AUSTRALIA LIMITED

FY2022 RESULTS PRESENTATION

ASX: LAU

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This presentation contains certain non-IFRS financial measures of underlying earnings before interest, tax depreciation and amortisation (underlying EBIDTA), underlying earnings before interest and tax (underlying EBIT), underlying profit before tax (underlying PBT) and underlying earnings per share (underlying EPS). Underlying performance measures excludes the impact of significant items that are considered as one-off, non-recurring or outside the ordinary operations. Underlying measures also exclude the impact of AASB 16 *Leases*.

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# THE LINDSAY END-TO-END SOLUTION

Lindsay Australia Limited (ASX: LAU) is a leading 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 30+ 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



Warehousing



Bio-security



Ripening



Delivery



Import & Export

Lindsay Australia Limited is an essential service provider, helping to grow and move the most valuable freight there is, the food that feeds our families.

Working in partnership with farmers and all parties in the food supply chain, the core divisions of Rural and Transport offer complementary products and services which covers the key needs of customers throughout the production lifecycle.

Our diverse range of products and services along the supply chain help customers grow, package, transport and distribute their products throughout Australia and the world.

# 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  
Murwillumbah  
Nambour  
Stanthorpe  
Tully  
Woolgoolga

## LINDSAY TRANSPORT

Adelaide  
Ayr  
Bowen  
Brisbane  
Brisbane Markets

Bundaberg  
Childers  
Coffs Harbour  
Emerald  
Gatton  
Innisfail  
Mackay  
Mareeba  
Melbourne  
Mildura  
Mundubbera  
Nambour  
Perth  
Stanthorpe  
Sydney  
Tully



# CORPORATE SNAPSHOT

## ASX Stock Code [LAU]

FY22 revenue	\$554m
FY22 underlying <sup>1</sup> EBITDA	\$60.1m
Cash balance as at 30 Jun 2022	\$29.0m
Total borrowings <sup>2</sup> as at 30 Jun 2022	\$128.1m
FY22 underlying <sup>1</sup> earnings per share	\$0.062
FY22 dividends per share (un-franked)	\$0.032
Share price at 29 August 2022	\$0.57
Shares on issue	302.0m
Unlisted share options	0.8m
<b>Fully diluted market cap</b>	<b>\$174m</b>

## 12-month share price performance and volume



## Board of Directors and Key Management

KMP	Role
Mr Ian Williams	Non-Executive Director and Chair
Mr 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 Broderick Jones	Group Legal Counsel and Company Secretary
Mr Justin Green	Chief Financial Officer and Company Secretary
Mr Craig Baker	Chief Operating Officer

## Top shareholders<sup>3</sup>

Rank	Name	Units	%
1	Washington H Soul Pattinson and Co Ltd	57.9m	19.2%
2	Mizikovsky Group	49.5m	16.5%
3	BKI Investment Company Ltd	16.8m	5.6%
4	Mr Thomas Lindsay	11.3m	3.8%
5	JP Morgan Nominees Australia Pty Ltd	9.6m	3.2%
<b>Total Top 20</b>		<b>188.3m</b>	<b>62.4%</b>

### Notes:

<sup>1</sup> Refer to Appendix 1 for reconciliation of underlying figures.

<sup>2</sup> Excludes AASB 16 property/other lease liabilities.

<sup>3</sup> As of 30 June 2022.



# OVERVIEW

# FY22 KEY HIGHLIGHTS

Execution of strategic objectives, along with strong demand for rail, road and rural services, delivers record revenue and earnings despite challenging operating conditions.

<b>OPERATING REVENUE</b> <b>\$553.7m</b> up 27.1%	<b>UNDERLYING EBITDA<sup>1</sup></b> <b>\$60.1m</b> up 32.6%	<b>UNDERLYING PBT<sup>1</sup></b> <b>\$26.8m</b> up 93.5%	<b>NET DEBT<sup>2</sup></b> <b>\$99.0m</b> Up 7.2%	<b>LTIFR<sup>5</sup></b> <b>33%</b> reduction
<b>NET LEVERAGE RATIO<sup>3</sup></b> <b>1.65x</b> down 19.1%	<b>ROIC<sup>4</sup></b> <b>15.6%</b> up 51.5%	<b>UNDERLYING EPS<sup>1</sup></b> <b>6.2 cps</b> up 93.8%	<b>FULL YEAR DIVIDEND</b> <b>3.2cps</b> up 88.2%	<b>FTEs<sup>6</sup></b> <b>1494</b> up 3.8%

**Notes:**

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

<sup>2</sup> Net debt excludes property and other lease liabilities accounted for under AASB 16.

<sup>3</sup> Net Leverage ratio = Net Debt/Underlying EBITDA.

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

<sup>5</sup> LTIFR on a rolling 12 month basis.

<sup>6</sup> FTE – Full-time equivalent employee.

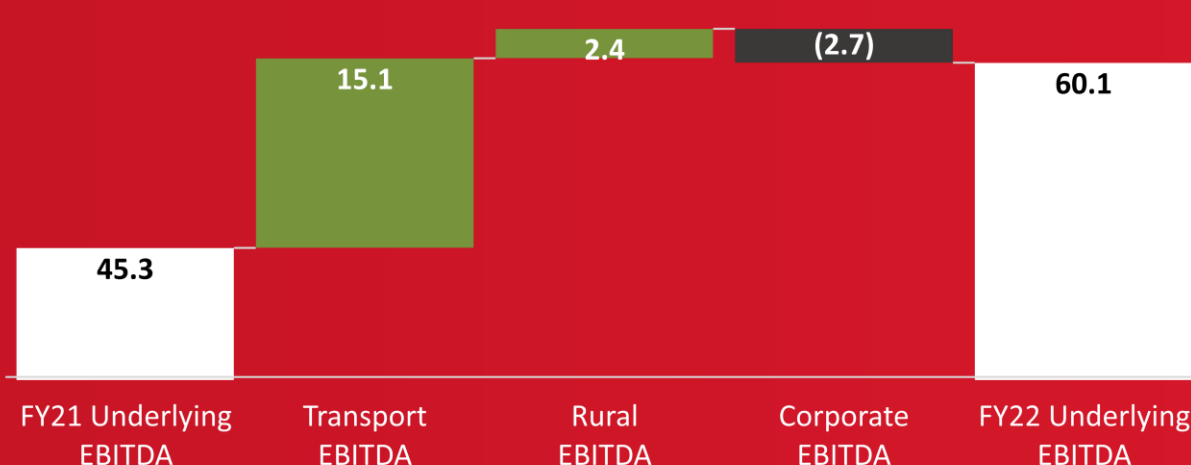




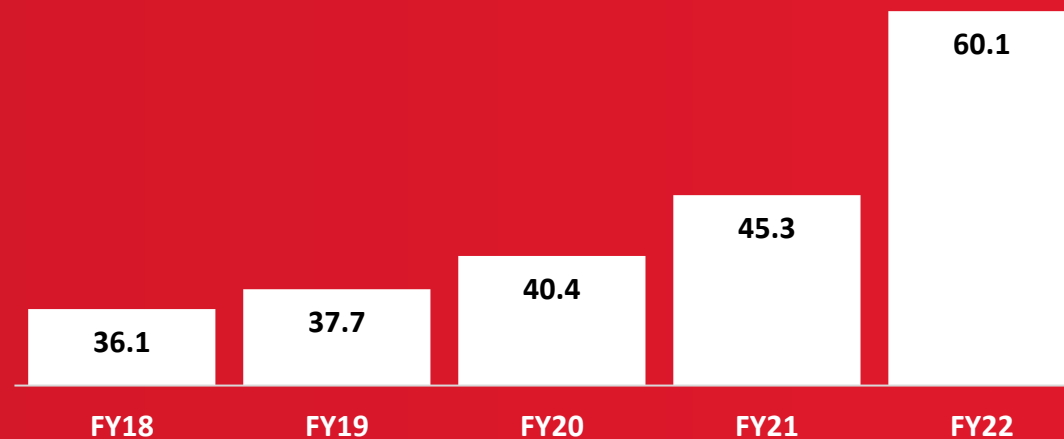
# FINANCIAL HIGHLIGHTS

# STRATEGIC EXECUTION DELIVERS RECORD EARNINGS

FY22 Underlying EBITDA Bridge (\$'M)



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



Executing the Group's strategic objectives helped deliver underlying EBITDA growth of 32.6% despite unprecedented weather events and COVID-19 disruptions.

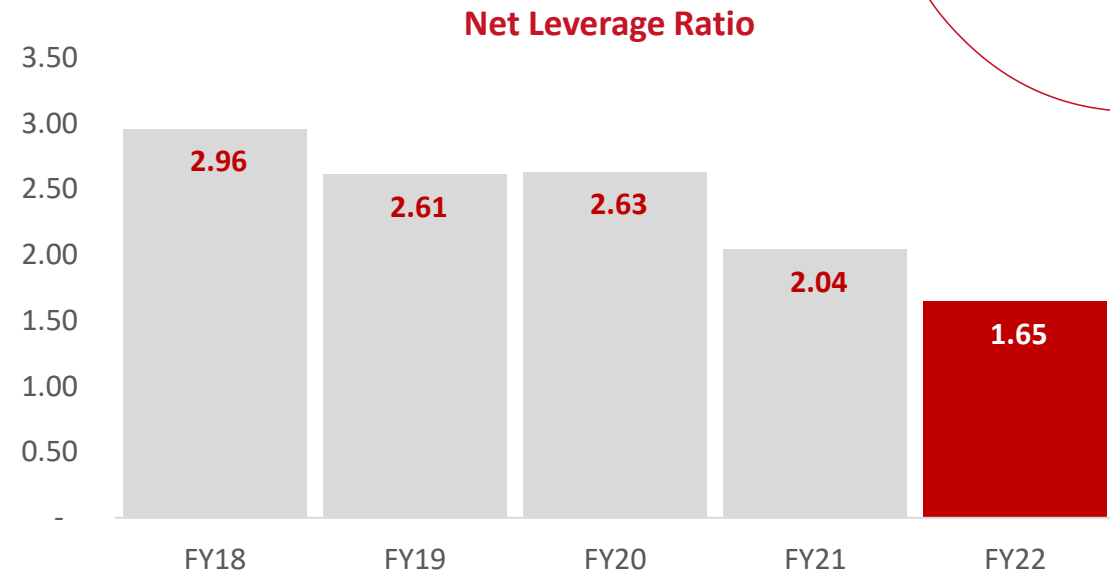
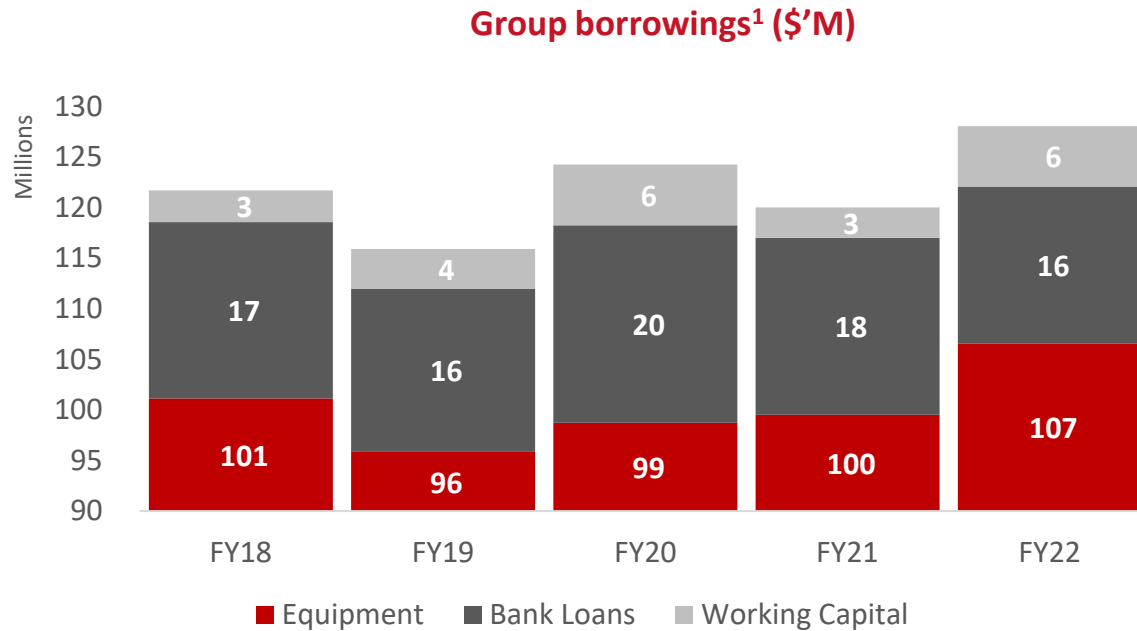
Ongoing investment in Transport's multi-modal service offering provided customers with greater access to integrated road and rail services across the country.

Transport result was driven by strong demand for services and coupled with the benefit of geographic and service diversification delivered an uplift in underlying EBITDA of +\$15.1m (+22.8%) on the prior year.

Rural continued to focus on high growth horticulture regions, expanding the sales team and leveraging supply chain synergies with the Transport division to deliver record underlying EBITDA, up 26.1% on prior year.

Lindsay's strong financial position and the positive outlook for FY23 allowed the Board to declare a final unfranked dividend of 1.80 cps, bringing total FY22 dividends to 3.20 cps (+88.2% on pcp).

# FOCUSED CAPITAL SPEND HELPS IMPROVE KEY METRICS



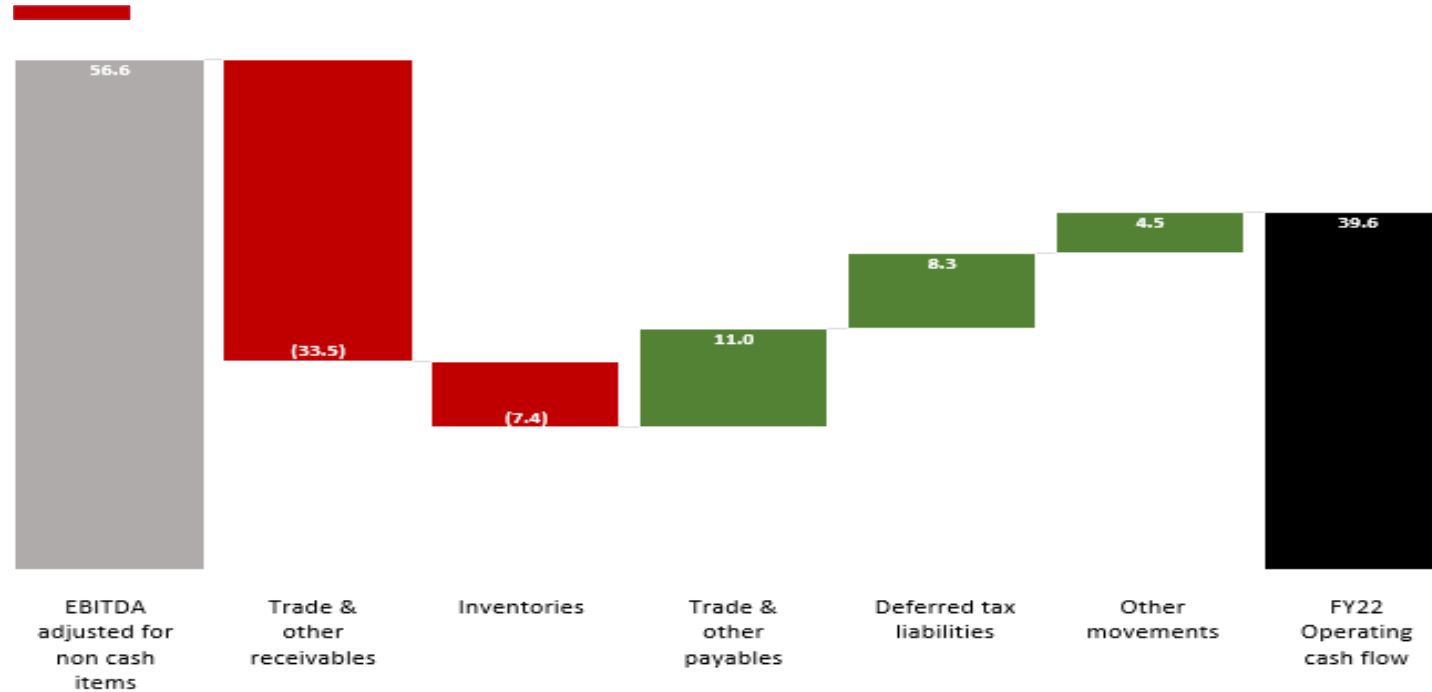
The FY22 capex spend of \$32m focused on executing the Group's rail strategy and renewal of Transport's road fleet to ensure it remains first in class.

Targeted growth through less capital-intensive services of Rural and Rail helped deliver positive year on year improvements in net leverage, decreasing to 1.65x and uplifting the ROIC to 15.6%.

Strong demand for road services has laid a platform to add additional road fleet capacity in FY23. Transport plans to add larger road combinations and expand the trailer fleet, driving utilisation improvements.

The FY23 & FY24 capex plans will also feature facility investments to increase capacity and lay foundations for growth at key sites including Melbourne, Bundaberg, Invergordon and Perth.

# OPERATING CASH FLOW



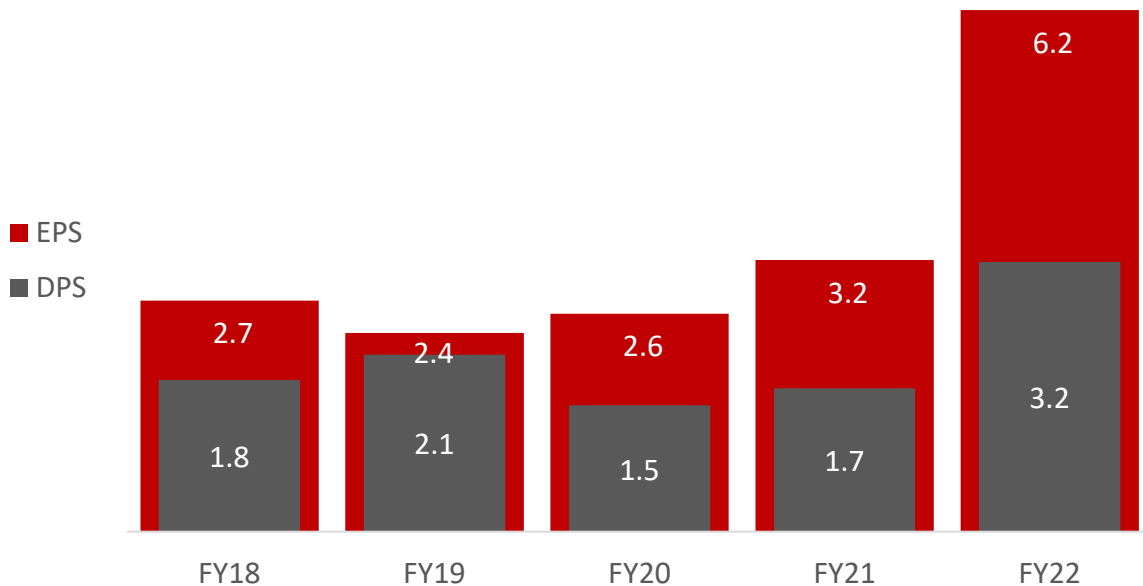
Operating cash flow decreased by 23.4% to \$39.6m, primarily a result of rising debtor balances. Debtor balances increased with revenue growth. An inventory stock build undertaken due to global supply chain constraints also negatively impacted operating cash flow.

Operating cash flow is expected to normalise in FY23 and return to historical cash conversion levels as working capital pressures and global supply chain disruptions ease.

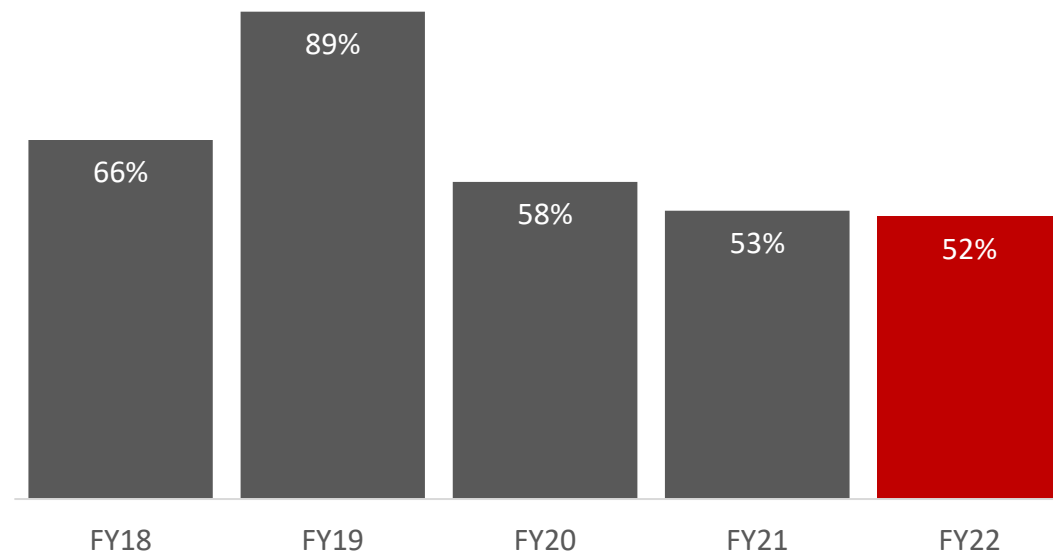
The Group did not pay income tax in FY22 and is not expected to in FY23 due to the Federal Government's temporary accelerated depreciation initiatives which lead to an increase in deferred tax liabilities of \$8.3m and reduced the Group's franking account balance to nil. Forecast predicts carried forward losses will be exhausted by 2024.

# COMMITTED TO SHAREHOLDER RETURNS

**Earnings per Share<sup>1</sup> vs  
Dividend per Share (cents)**



**Dividend Payout Ratio<sup>1</sup>**



The Board remains committed to returning value to shareholders, increasing DPS by 88.2% compared to prior year. This represents a payout ratio<sup>1</sup> of 52% on record EPS of 6.2 cps.

Disciplined capital management and positive earnings growth has allowed the Group to average a +60% dividend payout ratio over the past 5 years.

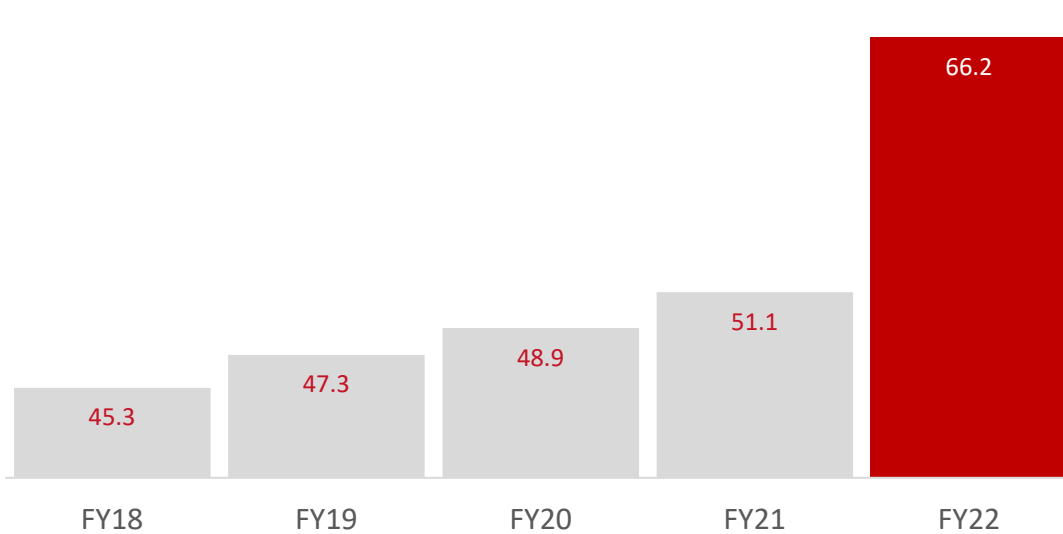
Expected improvements in operating cash conversion in FY23 and FY24 will positively position the Group to maintain its dividend payout ratios.

# SEGMENT PERFORMANCE

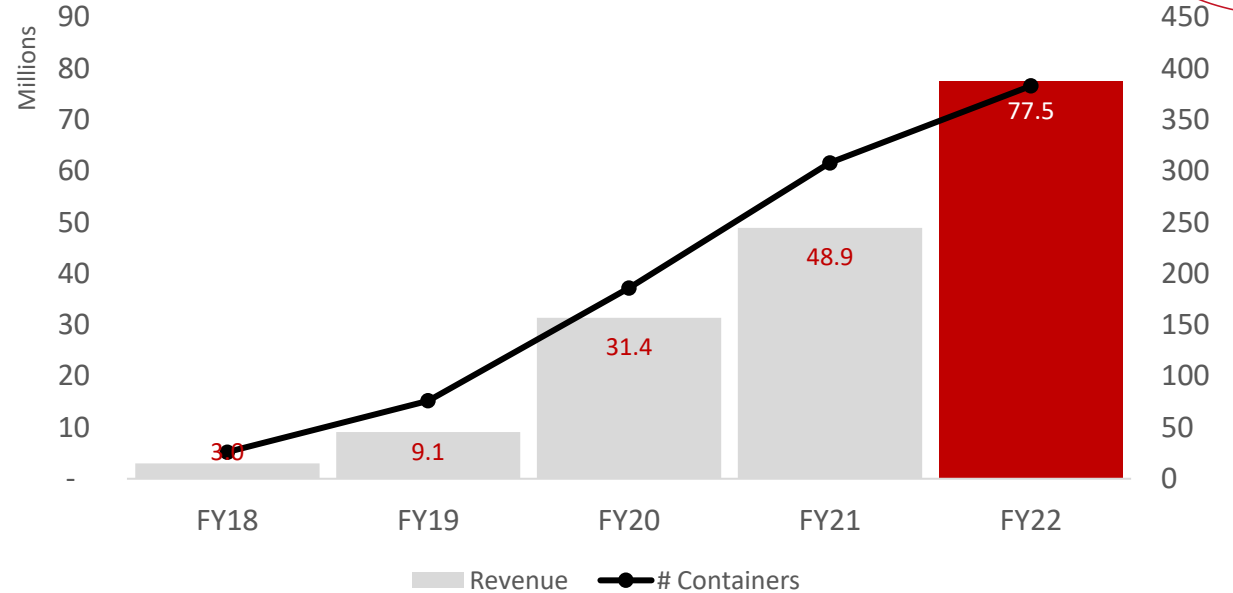


# LINDSAY TRANSPORT

Transport underlying EBITDA (\$'M)



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



Transport achieved a record result of \$66.2m EBITDA (+29.5%) despite extraordinary weather and COVID-19 disruptions. The division benefited from the rail expansion, strong demand for services and network investment in prior years.

Rail continued to be the primary driver of organic growth. With the addition of 27 containers in Q1 FY23 the division will operate a container fleet of dry (20) and refrigerated containers (383) and is expected to account for 25% of transport revenues in FY23.

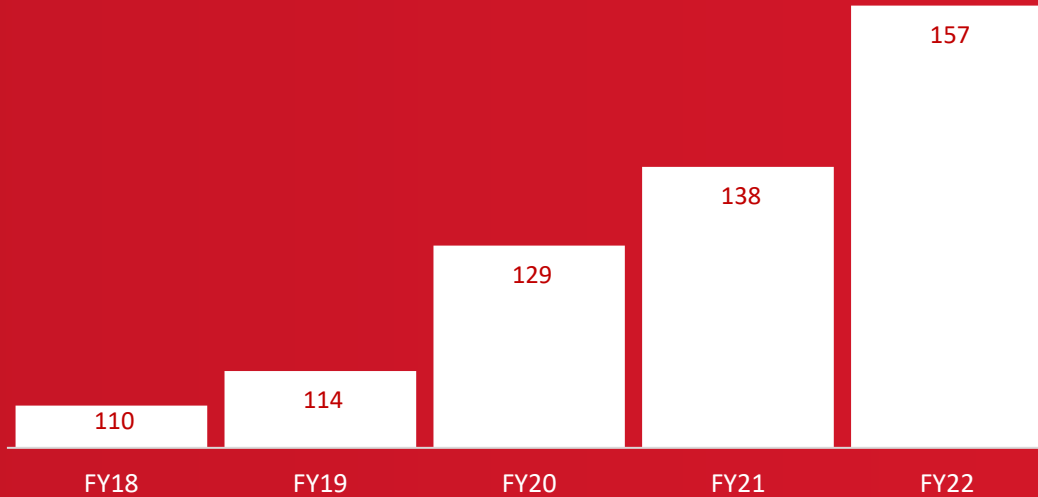
The Board is committed to delivering an ESG strategy (expected in FY23) to ensure the business can deliver sustainable growth and drive long-term value for customers, employees, shareholders and other stakeholders into the future.

The division plans to undertake a major solar project in 2H23 at 3 large sites with an initial capital investment anticipated to be \$1.2m.

Transport remains well placed in the current challenging operating environment. Demand for road and rail services are at all time high. Industry consolidation is occurring as a result of labour shortages, cost pressures, generational changes and increasing compliance.

# LINDSAY RURAL

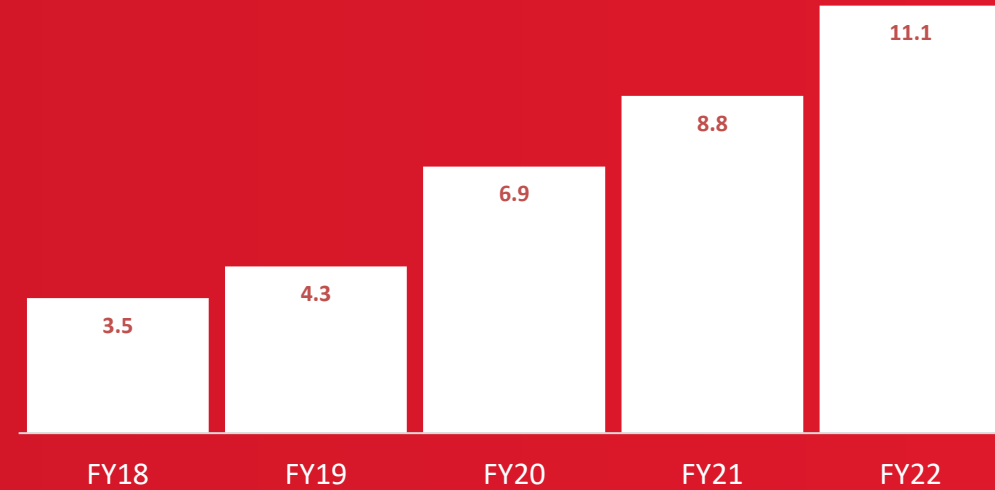
Rural external sales (\$'M)



Focus on high growth horticulture regions, and expanding the sales team drove sales growth of 13.7% to \$157m.

Supply chain disruptions continue to impact through longer shipping times for products manufactured overseas, creating uncertainties in lead times.

Rural underlying EBITDA (\$'M)



Speed of service remains a key differentiator for Rural as the division leverages off supply chain synergies with the Transport division.

Rural will continue to evaluate growth opportunities in high growth and new horticulture regions.



# OUTLOOK



Strong demand for Group services expected to continue throughout FY23.

Challenging operating conditions expected to continue with staff absenteeism, tight labour market and cost pressures.

FY23 investment in road fleet to deliver an increase in operational capacity to meet demand for services.

The Group will continue to assess M&A opportunities that have a strategic fit and further diversify the Group's geographical reach and range of services.



# LINDSAY AUSTRALIA LIMITED



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# APPENDIX

# RECONCILIATIONS

## Underlying results

2022 (\$'000)	EBITDA	EBIT	PBT	NPAT
<b>Statutory Result</b>	<b>72,781</b>	<b>34,167</b>	<b>27,541</b>	<b>19,230</b>
Depreciation right of use properties	(10,108)	-	-	-
Finance costs right-of-use properties	(3,373)	(3,373)	-	-
AASB 16 profit impact	1,503	1,503	1,503	1,503
Fuel tax credit provision relating to prior years	(1,866)	(1,866)	(1,866)	(1,866)
Interest on fuel tax credit assessment relating to prior years	-	-	(1,546)	(1,546)
Facility reinstatement costs	1,138	1,138	1,138	1,138
Notional tax at 30% on underlying adjustments	-	-	-	231
<b>Underlying Result</b>	<b>60,075</b>	<b>31,569</b>	<b>26,770</b>	<b>18,690</b>
2021 (\$'000)	EBITDA	EBIT	PBT	NPAT
<b>Statutory Result</b>	<b>47,996</b>	<b>11,708</b>	<b>1,803</b>	<b>1,254</b>
Depreciation right of use properties	(9,578)	-	-	-
Finance costs right-of-use properties	(3,609)	(3,609)	-	-
AASB 16 profit impact	1,848	1,848	1,848	1,848
Fuel tax credit provision relating to prior years	6,266	6,266	6,266	6,266
Interest on fuel tax credit assessment relating to prior years	-	-	1,546	1,546
Merger and acquisition costs	1,231	1,231	1,231	1,231
Provision for doubtful debt	1,140	1,140	1,140	1,140
Notional tax at 30% on underlying adjustments	-	-	-	(3,609)
<b>Underlying Result</b>	<b>45,294</b>	<b>18,584</b>	<b>13,834</b>	<b>9,676</b>

## Key finance metrics

Net Borrowings (\$'000)	2022	2021
Reported borrowings	32,284	20,500
Lease liabilities	174,191	183,795
Property lease liabilities	(78,402)	(84,280)
Cash	(29,041)	(27,594)
<b>Net Borrowings</b>	<b>99,032</b>	<b>92,421</b>
Underlying EBITDA	60,075	45,294
<b>Net Leverage Ratio<sup>1</sup></b>	<b>1.65</b>	<b>2.04</b>
ROIC (\$'000)	2021	2021
Net Borrowings	99,032	92,421
Equity	102,915	88,877
<b>Invested Capital</b>	<b>201,947</b>	<b>181,298</b>
<b>Underlying EBIT</b>	<b>31,569</b>	<b>18,584</b>
<b>ROIC<sup>2</sup></b>	<b>15.6%</b>	<b>10.3%</b>

EPS (\$'000)	2022	2021
Underlying NPAT	18,690	9,676
Weighted Average SOI	300,794	299,604
<b>EPS<sup>3</sup> (CPS)</b>	<b>6.2</b>	<b>3.2</b>
DPS	3.2	1.7
<b>Payout Ratio</b>	<b>52%</b>	<b>53%</b>

### Notes:

<sup>1</sup> Net Leverage Ratio = Net Borrowings/Underlying EBITDA.

<sup>2</sup> ROIC = Underlying EBIT/Invested Capital.

<sup>3</sup> EPS = Underlying NPAT/Weighted Average Shares On Issues.

Refer 2022 Annual Report for full details of underlying adjustments.