

Lindsay Australia Limited

ABN 81 061 642 733

ASX Code LAU

Half-Yearly Report

Half-Year Ended 31 December 2022

ASX Rule 4.2A.3

Information required by Appendix 4D

The information should be read in conjunction with the attached Half-Year Report for the period ending 31 December 2022.

Lindsay Australia Limited (LAU)

Results for announcement to the market

\$ A'000

Revenues from ordinary activities	up	23.17%	to	337,371
Profit from ordinary activities after tax attributable to owners	up	37.45%	to	16,817
Net Profit after tax attributable to members	up	37.45%	to	16,817
Dividends	Amount per security		Unfranked amount per security	
Interim Dividend	1.9¢		1.9¢	
Previous corresponding period	1.4¢		1.4¢	

Record date for determining entitlements to the dividend.	31 March 2023

4D Management discussion and comments

Refer Half Year Financial Report which has been lodged concurrently with App 4D.

Non-cash financing and investing activities

	31 December 2022 \$A'000	31 December 2021 \$A'000
Acquisition of right-of-use assets – plant and equipment	15,168	19,266
Acquisition of right-of-use assets – property	1,458	1,018
Acquisition of right-of-use assets – other	602	82
Value of shares issued pursuant to dividend reinvestment plan	457	103
Value of shares converted from options issued under the Long Term Incentive (Option) Plan	-	104

Ratios

	31 December 2022	31 December 2021
Profit before tax / revenue Consolidated profit before tax as a percentage of revenue	7.13%	6.39%
Profit after tax / equity interests Consolidated net profit after tax attributable to owners as a percentage of equity at the end of the half year	14.65%	12.26%

Earnings Per Security (EPS)

	31 December 2022	31 December 2021
Basic EPS	5.6¢	4.1¢
Weighted average number of ordinary shares used in the calculation of the Basic EPS	302,353,319	300,350,021
Earnings \$A'000's used in calculating basic EPS	\$16,817	\$12,235

NTA backing

	31 December 2022 \$A'000	31 December 2021 \$A'000
Net Tangible Assets (NTA)	\$106,168	\$91,014
Net tangible asset backing per ordinary security (cents per share)	*35.06 cents	*30.15 cents
<i>*The net tangible asset backing per ordinary share is inclusive of right-of-use assets and lease liabilities.</i>		

Dividends

Date the dividend is payable	14 April 2023
Record date to determine entitlements to the dividend	31 March 2023

Dividend amount per security

		Amount per security ¢	Unfranked amount per security ¢
Interim dividend:	Current year	1.9	1.9
	Previous year	1.4	1.4

Dividend Reinvestment Plan

The company has a Dividend Reinvestment Plan. The last day for notification of an election to participate in respect of the dividend payable on 14 April 2023 is 04 April 2023. A discount of 5% to the volume weighted average price for the five business days prior to and including the record date will apply to reinvestments.

Issued and Quoted securities at end of current period

Category of securities	Total number	Number quoted	Issue price per security (cents)
Ordinary securities 1/7/2022	301,987,330	301,987,330	
Changes during current period <i>Shares issued pursuant to:</i>			
Dividend reinvestment plan	787,953	787,953	58.0
Ordinary securities 31/12/2022	302,775,283	302,775,283	

Changes in accounting policies since the last annual report are disclosed as follows.

nil

Audit Review/Status.

This report is based on accounts that have been subject to review.

Details of entities over which control has been gained or lost during the period.

Nil

Compliance statement

1. This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
2. This report and the accounts, upon which the report is based, use the same accounting policies.
3. This report does give a true and fair view of the matters disclosed.
4. The entity has a formally constituted audit committee.



Justin T Green
Chief Financial Officer

Date 21 February 2023



ABN 81 061 642 733

INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2022



LINDSAY RURAL

LINDSAY AUSTRALIA LIMITED and Controlled Entities

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Directors	<i>Chair Non-executive Director</i> Mr Ian M Williams <i>Managing Director and Chief Executive Officer</i> Mr Michael K Lindsay <i>Non-executive Directors</i> Mr Robert L Green Mr Matthew R Stubbs Mr Stephen P Cantwell
Group Legal Counsel & Company Secretary	Mr Broderick T Jones LLB
Chief Financial Officer & Company Secretary	Mr Justin T Green BBus CPA
Share Register	Computershare Investor Services Pty Ltd Level 1, 200 Mary Street, Brisbane, QLD, 4000 Telephone: 1300 552 270 Website: www.computershare.com.au
Registered and Principal Administrative Office	152 Postle Street, Acacia Ridge, QLD, 4110 Telephone: (07) 3240 4900 Fax: (07) 3054 0240 Website: www.lindsayaustralia.com.au
Auditor	Pitcher Partners Level 38, 345 Queen Street, Brisbane, QLD, 4000
Stock Exchange Listing	Lindsay Australia Limited shares are listed on the Australian Securities Exchange, code LAU.

LINDSAY AUSTRALIA LIMITED and Controlled Entities CONTENTS

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LINDSAY AUSTRALIA LIMITED and Controlled Entities

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Lindsay Australia Limited and the entities it controlled (referred to as the “**Group**”) at the end of, or during the half-year ended 31 December 2022.

This interim financial report does not include all the notes of the type normally included in an annual financial report and should be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Lindsay Australia Limited (ASX: LAU) in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)*.

DIRECTORS

The following persons were Directors of Lindsay Australia Limited during or since the end of the half year:

I M Williams
M R Stubbs
S P Cantwell
M K Lindsay
R L Green

The above-mentioned Directors held office during and since the end of the half-year.

REVIEW OF OPERATIONS

Lindsay Australia Limited (“**Lindsay**” or the “**Company**”) incorporates the key divisions of Lindsay Transport (including Lindsay Fresh) and Lindsay Rural. These vertically integrated business units have a specific focus on servicing customers across several industries including fresh produce, horticulture, food processing, food services and logistics. As customers needs continue to evolve, the Group remains committed to deliver new and innovative solutions to meet these changing requirements.

Reconciliation of results from the Group's operations

A summary of the Group's financial results from its continuing operations for the half-year ending 31 December 2022 and the prior comparative period is set out below.

Underlying operations defined in this report 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. Significant items include the impact of AASB 16 *Leases*.

The below table provides a reconciliation of the Group's results as contained in the financial statements and non-IFRS (International Financial Reporting Standards) underlying operations. The Directors believe the additional information included in the report is useful for measuring the financial performance of the Group.

The following non-IFRS reconciliation has not been subject to the Group's audit but is extracted from the reviewed interim financial statements.

**LINDSAY AUSTRALIA LIMITED and Controlled Entities
DIRECTORS' REPORT**

6 months ended 31 December 2022 Reconciliation of results from the Group	Transport \$'000	Rural \$'000	Corporate unallocated \$'000	Group \$'000
Reported profit (loss) before tax	34,437	5,007	(15,394)	24,050
<u>Underlying adjustments</u>				
Impact AASB 16 Leases (a)				
Depreciation right of use property/other	3,408	548	1,283	5,239
Finance costs right-of-use property/other	1,134	48	409	1,591
Operating lease rental payments (b)	(4,039)	(593)	(1,596)	(6,228)
Total underlying adjustment AASB 16	503	3	96	602
<u>Other underlying adjustments</u>				
Total other underlying adjustments	-	-	-	-
Total underlying adjustments	503	3	96	602
Underlying profit (loss) before tax	34,940	5,010	(15,298)	24,652
Reported EBITDA	52,360	5,739	(9,075)	49,024
<u>Underlying adjustments</u>				
Impact AASB 16 Leases (a)				
Operating lease rental payments (b)	(4,039)	(593)	(1,596)	(6,228)
<u>Other underlying adjustments</u>				
Total underlying adjustments	(4,039)	(593)	(1,596)	(6,228)
Underlying EBITDA	48,321	5,146	(10,671)	42,796

(a) Eliminates the impact of AASB 16 Leases.

(b) Operating lease rental payments were expensed prior to the adoption of AASB 16 Leases.

**LINDSAY AUSTRALIA LIMITED and Controlled Entities
DIRECTORS' REPORT**

6 months ended 31 December 2021 Reconciliation of results from the Group	Transport \$'000	Rural \$'000	Corporate unallocated \$'000	Group \$'000
Reported profit (loss) before tax	23,521	4,905	(10,923)	17,503
<u>Underlying adjustments</u>				
Impact AASB 16 Leases (a)				
Depreciation right of use property/other	3,340	512	1,218	5,070
Finance costs right-of-use property/other	1,229	58	440	1,727
Operating lease rental payments (c)	(3,845)	(537)	(1,522)	(5,904)
Total underlying adjustment AASB 16	724	33	136	893
Other underlying adjustments				
Reversal of fuel tax credit provision relating to prior years (b)	(1,866)	-	-	(1,866)
Reverse interest expense on fuel tax credit assessment relating to prior years (b)	-	-	(1,546)	(1,546)
Total other underlying adjustments	(1,866)	-	(1,546)	(3,412)
Total underlying adjustments	(1,142)	33	(1,410)	(2,519)
Underlying profit (loss) before tax	22,379	4,938	(12,333)	14,984
Reported EBITDA	40,536	5,682	(7,018)	39,200
<u>Underlying adjustments</u>				
Impact AASB 16 Leases (a)				
Operating lease rental payments (c)	(3,845)	(537)	(1,522)	(5,904)
Other underlying adjustments				
Reversal of fuel tax credit provision relating to prior years (b)	(1,866)	-	-	(1,866)
Total underlying adjustments	(5,711)	(537)	(1,522)	(7,770)
Underlying EBITDA	34,825	5,145	(8,540)	31,430

(a) Eliminates the impact of AASB 16 Leases.

(b) Reversal of fuel tax credit adjustments (FTC) and interest charges that were accounted for in FY2021. The adjustments are based on an amended assessment notice from the Australian Taxation Office. The adjustments relate to prior financial years.

(c) Operating lease rental payments were expensed prior to the adoption of AASB 16 Leases.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

DIRECTORS' REPORT

Summary of Operating Results

During the half year ended 31 December 2022, all of the Group's divisions exceeded their prior year's performance, highlighting the successful implementation of Lindsay's strategic objectives and the robustness of the Group's integrated and diverse business model. The Group's diversified network and service offering allowed Lindsay to take advantage of favourable market conditions that contributed to the positive results in the first half. These characteristics also allowed the Group to mitigate headwinds caused by adverse weather and rising cost pressures. The Group remains committed to its status as a leading essential services provider and a critical link within Australia's food and agriculture sectors, delivering long-term value for its people, customers, community and shareholders.

Group revenues of \$337.4 million increased by 23.2% compared to the prior period (H1 FY22) (pcp). Lindsay delivered this growth through delivery of its long-planned increased capacity in rail and road, favourable market conditions, disciplined fuel price rise and fall recovery; along with a growing presence and broadening product offering in Rural's operating regions. These factors, combined with the Company's unique service offering, contributed to underlying EBITDA of \$42.8 million, an increase of 36.2% from the pcp. This profitable growth helped to alleviate the adverse effects of unfavourable weather conditions leading to floods, rail disruptions and softer produce volumes in certain growing regions. The Underlying EBITDA result excludes the impact of AASB 16 *Leases* and other one-off abnormal items where applicable, as set out on page 4.

The Group has faced growing cost pressures from inflationary forces and a competitive labour market, particularly in its logistics divisions. Strong trading conditions have mitigated these pressures, however, input cost pressure is expected to persist. All operating divisions remain dedicated to controlling and reducing costs going forward.

During the period, Lindsay's capital investments focused on bringing in strategic transport assets and achieving fleet renewal. These investments continue to deliver positive returns on capital. The Group maintains a disciplined approach to capital allocation to support its growth objectives. During H1 FY23 the Group also achieved significant improvement in net operating cashflow, increasing 228% to \$37.3 million. This outcome can be attributed to robust cash receipts from customers and Lindsay's emphasis on ensuring future growth is supported by strong cash conversion.

Transport

Transport's revenue increased by \$58.5 million (+29.9% from the pcp) to \$253.9 million. Lindsay achieved this strong growth through a combination of organic expansion in both the road and rail segments (+10.1% and +11.2%, respectively) and disciplined diesel price fluctuation recoveries.

Despite flood-related disruptions that impacted available rail services for extended periods, the rail segment maintained strong growth facilitated by ongoing investment, including the addition of a further 27 rail containers in the period, bringing the total to 403. The road segment also delivered growth through the addition of new capacity and higher utilisation of subcontractors to cover peak demand periods.

The Transport division achieved underlying EBITDA of \$48.3 million, a rise of \$13.5 million (+38.8%) from the pcp, despite facing headwinds including unfavourable weather conditions, labour shortages (especially across the division's driver pool) and growing cost pressures. Certain positive market dynamics also helped to mitigate these forces in Lindsay's favour, including ongoing industry consolidation and equipment shortages. Regardless of the broader economic and environmental conditions, Transport's hybrid logistics model (road/rail) and diverse geographic footprint continue to prove effective in supporting profitable growth.

Lindsay's top priority remains the safety of all staff, customers, community members and stakeholders. The Group continues investing in safety through its annual fleet renewal plan, increasing road monitoring and compliance resources and utilising technology to deliver positive safety outcomes.

In the second half of FY23, Lindsay will continue to invest in additional road capacity, higher productivity road combinations and fleet renewal to continue delivering strong sustainable returns. Additionally, the Group has set its sights on executing strategic facility developments in key locations to enable future expansion. The Group plans to commence development in Melbourne later this financial year; as well as secure a parcel of land in Bundaberg for future expansion.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

DIRECTORS' REPORT

To underpin consistent and sustainable growth, the Group is constantly evaluating options to increase its presence in both road and rail through greenfield expansions and/or strategic acquisitions.

Rural

The Rural division generated moderate revenue growth of \$4.6 million (+5.6% from pcp) to \$87.0 million despite some regions facing decreased demand due to unfavourable weather conditions. The decline in demand was offset by the division's efforts to expand its sales team and increase market share with existing customers through broader product offerings. No new stores were brought online during the period.

Rural's underlying EBITDA of \$5.1 million was on par with the pcp. Although revenue grew, softening demand, shifts in product composition and inflationary cost pressures, primarily related to freight and labour, negatively impacted earnings. Operating conditions are expected to remain challenging over the coming months as agricultural production across several key growing regions continues to recover from weather related disruptions.

To overcome the challenges posed by weather events in the future and reduce seasonal earnings risk, Rural is exploring new markets to expand its geographical reach. Rural plans to open a store in Invergordon in 2023 that will service the broader area, and the division will continue to assess strategic M&A options to deliver sustainable growth.

Capital investment

During the half-year the Group invested \$21.3m in capital expenditure on 27 new refrigerated rail containers, 25 prime movers, 12 trailer sets and other plant and equipment. In H2 FY23, the Group anticipates making further capital investment of \$34.3m, including investment in road transport equipment and facilities.

Sustainability

Lindsay remains committed to delivering more sustainable outcomes across all of its operating divisions. To achieve this goal, the Group has engaged experienced sustainability consultants to develop a customised sustainability strategy and ESG roadmap to be finalised in 2023. The strategy and roadmap will focus on identifying realistic and meaningful initiatives to deliver positive outcomes as a heavy diesel user. The Group has started to install solar power generation capacity across several key sites and is exploring the electrification of lower-value equipment (like forklifts) where possible.

Dividends

The Lindsay Board of Directors has recommended paying a half-year unfranked dividend of 1.90 cents per share. The increase in the dividend represents a rise of 35.7% compared with the unfranked dividend of 1.40 cents per share paid in the pcp, in line with the Group's growth in profit after tax. The Board considers profits, working capital cash requirements and capital expenditure when recommending dividend payments.

Outlook

The Group remains positive in its outlook for the second half of the financial year despite challenging weather conditions. Lindsay remains confident of delivering Underlying EBITDA of between \$68 million and \$71 million in FY23. Although Rural's challenging operating conditions are expected to continue for a number of months, Transport's operating conditions and growth potential are expected to remain strong given the positive trading environment. The Board continues to monitor the impacts of events as circumstances are subject to sudden change.

LINDSAY AUSTRALIA LIMITED and Controlled Entities DIRECTORS' REPORT

Segment revenue and contributions (refer Note 3):

Half-year	Dec 2022 \$'000	Dec 2021 \$'000	% Increase / (decrease)
Transport			
Revenue from provision of services	249,145	190,136	31.0%
Other revenue	1,226	1,688	(27.4%)
Inter-segment revenue	3,544	3,586	(1.2%)
Total segment revenue	253,915	195,410	29.9%
Segment EBITDA	52,360	40,536	29.2%
Segment contribution to profit before tax	34,437	23,521	46.4%
Rural			
Revenue from sale of goods	85,802	81,373	5.4%
Other revenue	359	359	-
Inter-segment revenue	863	703	22.8%
Total segment revenue	87,024	82,435	5.6%
Segment EBITDA	5,739	5,682	1.0%
Segment contribution to profit before tax	5,007	4,905	2.1%

DIVIDEND

Dividends are paid taking account of profit, future cash requirements for capital expenditure (sustaining and growth), working capital and the mix of debt and equity. An unfranked interim dividend of 1.9 cents per share was declared on 21 February 2023. This dividend is payable on 14 April 2023. Lindsay Australia Limited's dividend reinvestment plan continues in force. The dividend has not been recognised as a liability at the end of the half-year.

ROUNDING OF AMOUNTS

Unless otherwise stated, the amounts in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) relying on rounding relief under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument (2016/191)*. The Group is an entity to which the instrument applies.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under the section 307C of the *Corporations Act 2001 (Cth)* accompanies this report.

This report is made in accordance with a resolution of the Directors.

Ian M Williams
Chair of Directors

Brisbane, Queensland
21 February 2023

Level 38, 345 Queen Street
Brisbane, QLD 4000

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GPO Box 1144
Brisbane, QLD 4001

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The Directors
Lindsay Australia Limited
152 Postle Street
ACACIA RIDGE QLD 4110

Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2022, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Lindsay Australia Limited and the entities it controlled during the half-year.

Pitcher Partners

PITCHER PARTNERS



JASON EVANS
Partner

Brisbane, Queensland
21 February 2023

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LINDSAY AUSTRALIA LIMITED and Controlled Entities

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Note	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Revenues	4	337,371	273,907
Expenses			
Changes in finished goods		79	(5,855)
Purchase of inventories		(71,157)	(61,231)
Employee benefits expense		(69,659)	(63,351)
Subcontractors		(75,875)	(52,698)
Depreciation and amortisation		(20,264)	(19,157)
Vehicle operating costs		(48,453)	(31,790)
Finance costs		(4,710)	(2,540)
Impairment loss on trade receivables		(265)	(68)
Rental and equipment hire costs		(1,071)	(848)
Professional fees		(1,007)	(847)
Other expenses		(20,939)	(18,019)
		(313,321)	(256,404)
Profit before income tax		24,050	17,503
Income tax expense		(7,233)	(5,268)
Profit for the period		16,817	12,235
Other comprehensive income		-	-
Total comprehensive income for the period		16,817	12,235
Basic and diluted earnings per share		5.6¢	4.1¢

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED and Controlled Entities
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Current assets			
Cash and cash equivalents		35,977	29,041
Trade and other receivables		99,098	90,264
Inventories		21,538	22,611
Prepayments		5,790	5,489
Total current assets		162,403	147,405
Non-current assets			
Financial assets at fair value through other comprehensive income		25	25
Property, plant and equipment	8	68,054	67,581
Right-of-use assets	9	188,813	187,986
Intangible assets		8,612	8,425
Total non-current assets		265,504	264,017
Total assets		427,907	411,422
Current liabilities			
Trade and other payables		63,520	60,365
Borrowings	10	3,672	9,276
Lease liabilities	11	43,827	42,873
Provisions		13,348	12,510
Other		3,812	6,146
Total current liabilities		128,179	131,170
Non-current liabilities			
Borrowings	10	24,089	22,782
Lease liabilities	11	130,204	131,032
Deferred tax liabilities	13	20,653	13,517
Provisions		1,947	1,735
Other		8,055	8,271
Total non-current liabilities		184,948	177,337
Total liabilities		313,127	308,507
Net assets		114,780	102,915
Equity			
Contributed equity	6	74,854	74,397
Reserves		716	689
Retained earnings		39,210	27,829
Total equity		114,780	102,915

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Note	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Cash flows from operating activities			
Receipts in course of operations		359,310	272,882
Payments in the course of operations		(317,771)	(258,330)
Interest received		261	89
Finance costs paid		(4,357)	(3,910)
Income taxes reimbursed		-	668
Income taxes paid		(100)	-
Net cash from operating activities		37,343	11,399
Cash flows from investing activities			
Payments for property, plant and equipment		(5,691)	(8,928)
Payments for intangibles		(396)	(81)
Proceeds from disposal of property, plant and equipment		1,166	1,343
Net cash (used in) investing activities		(4,921)	(7,666)
Cash flows from financing activities			
Proceeds from borrowings		5,562	9,342
Repayment of borrowings		(7,818)	(4,000)
Repayment of equipment lease liabilities		(13,633)	(13,804)
Repayment of property lease liabilities		(4,330)	(3,958)
Repayment of other lease liabilities		(288)	(219)
Dividends paid	5	(4,979)	(1,398)
Net cash (used in) financing activities		(25,486)	(14,037)
Increase/(decrease) in cash and cash equivalents		6,936	(10,304)
Cash and cash equivalents at the beginning of the reporting period		29,041	27,594
Cash and cash equivalents at the end of the reporting period		35,977	17,290

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED and Controlled Entities
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Contributed equity \$'000	Share-based payments reserve \$'000	Retained profits \$'000	Total equity \$'000
At 1 July 2022		74,397	689	27,829	102,915
Profit for the period		-	-	16,817	16,817
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	16,817	16,817
Share-based payment expense		-	27	-	27
Allocation of shares under share option plan		-	-	-	-
Dividends reinvested / (paid) during the period	5	457	-	(5,436)	(4,979)
At 31 December 2022		74,854	716	39,210	114,780
At 1 July 2021		73,709	856	14,312	88,877
Profit for the period		-	-	12,235	12,235
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	12,235	12,235
Share-based payment expense		-	41	-	41
Allocation of shares under share option plan		146	(146)	-	-
Dividends reinvested / (paid) during the period	5	103	-	(1,501)	(1,398)
At 31 December 2021		73,958	751	25,046	99,755

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 1 CORPORATE INFORMATION

Lindsay Australia Limited (the “**Company**”) is a company limited by shares, domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The condensed consolidated interim financial statements (“interim financial report”) of the Company as at and for the half-year ended 31 December 2022 comprise the financial statements of the Company and its subsidiaries (together referred to in these financial statements as the “**Group**”). The consolidated half-year financial report was authorised for issue in accordance with a resolution of the Directors on the 21 February 2023.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the half-year ended 31 December 2022 has been prepared in accordance with accounting standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

The accounting policies and methods of computation adopted in the preparation of the consolidated financial statements are consistent with those adopted in the Group’s annual financial report for the year ended 30 June 2022. All new accounting standards and amendments applicable for the first time for this financial period have been adopted and have had no material impact on the Group.

There are a number of new accounting standards, interpretations and amendments that have been issued but not yet effective, however these are not considered relevant to the activities of the Group and are not expected to have a material impact on the financial statements of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 3 SEGMENTS

The Group has identified the following reporting segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources:

- Transport – Cartage of general and refrigerated products, ancillary sales and distribution; and
- Rural – Sale and distribution of a range of agricultural supply products.

Group revenues are derived predominately from customers within Australia.

6 months ended 31 December 2022	Transport \$'000	Rural \$'000	Corporate unallocated \$'000	Total \$'000
Revenue				
Revenue from provision of services (i)	252,689	-	-	252,689
Revenue from sale of goods (ii)	-	86,665	-	86,665
Other revenue (refer note 4 for breakdown)	1,226	359	839	2,424
Total segment revenue/income	253,915	87,024	839	341,778
Inter-segment revenue elimination	(3,544)	(863)	-	(4,407)
Total segment revenue/income	250,371	86,161	839	337,371
EBITDA	52,360	5,739	(9,075)	49,024
Total depreciation and amortisation	(16,789)	(684)	(2,791)	(20,264)
EBIT	35,571	5,055	(11,866)	28,760
Total finance costs	(1,134)	(48)	(3,528)	(4,710)
Segment net profit before tax	34,437	5,007	(15,394)	24,050

- (i) Revenue from provision of services is recognised over time.
(ii) Revenue from sale of goods is recognised at a point in time.

6 months ended 31 December 2021	Transport \$'000	Rural \$'000	Corporate unallocated \$'000	Total \$'000
Revenue				
Revenue from provision of services (i)	193,722	-	-	193,722
Revenue from sale of goods (ii)	-	82,076	-	82,076
Other revenue (refer note 4 for breakdown)	1,688	359	351	2,398
Total segment revenue/income	195,410	82,435	351	278,196
Inter-segment revenue elimination	(3,586)	(703)	-	(4,289)
Total segment revenue/income	191,824	81,732	351	273,907
EBITDA	40,536	5,682	(7,018)	39,200
Total depreciation and amortisation	(15,786)	(719)	(2,652)	(19,157)
EBIT	24,750	4,963	(9,670)	20,043
Total finance costs	(1,229)	(58)	(1,253)	(2,540)
Segment net profit before tax	23,521	4,905	(10,923)	17,503

- (i) Revenue from provision of services is recognised over time.
(ii) Revenue from sale of goods is recognised at a point in time.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 4 REVENUE

In the following table, revenue from contracts with customers is disaggregated by customer type.

Horticulture customers

Customers are classified as horticulture if they are predominately exposed to the primary production of fresh fruit and vegetables. Horticulture customers include primary producers (growers), produce market agents and produce packing groups. Revenues for horticulture customers can fluctuate depending on season and can be impacted by weather related events.

Commercial customers

All other customers are classified as commercial customers. These customers do not have any direct involvement in the production of fresh fruit and vegetables. They are predominately manufacturers, food processors or distributors and third-party transport operators.

6 months ended 31 December 2022	Transport \$'000	Rural \$'000	Corporate unallocated \$'000	Group \$'000
Revenue				
Horticulture	129,508	85,802	-	215,310
Commercial	119,637	-	-	119,637
Revenue from contracts with customers	249,145	85,802	-	334,947
Other revenue	1,226	359	839	2,424
Total revenue	250,371	86,161	839	337,371
Other revenue comprises:				
Rent received				77
Interest received				261
Insurance and other recoveries				655
Other				1,431
Total other revenue				2,424

6 months ended 31 December 2021	Transport \$'000	Rural \$'000	Corporate unallocated \$'000	Group \$'000
Revenue				
Horticulture	88,695	81,373	-	170,068
Commercial	101,441	-	-	101,441
Revenue from contracts with customers	190,136	81,373	-	271,509
Other revenue	1,688	359	351	2,398
Total revenue	191,824	81,732	351	273,907
Other revenue comprises:				
Rent received				72
Interest received				89
Insurance and other recoveries				635
Other				1,602
Total other revenue				2,398

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
NOTE 5 DIVIDENDS		
Paid in cash	4,979	1,398
Satisfied by issue of shares	457	103
Dividends paid during the half-year	5,436	1,501
Dividends not recognised at the end of the half-year		
Since the end of the half-year, the directors have declared the payment of an interim dividend of 1.9 cents unfranked (2022: 1.4 cents unfranked) per fully paid ordinary share. The aggregate amount of the proposed interim dividend is expected to be paid on 14 April 2023 (2022: 8 April 2022), but not recognised as a liability at the end of the half-year.	5,753	4,212

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
NOTE 6 CONTRIBUTED EQUITY		
Fully paid ordinary shares	74,854	74,397
Shares issued during the period:		
Pursuant to dividend reinvestment plan	457	103
Pursuant to employee share option scheme	-	146

Movement in fully paid ordinary share capital	Number of Shares	Issue Price ¢	\$'000
Opening balance at 1 July 2022	301,987,330		74,397
Issue of shares pursuant to the dividend reinvestment plan	787,953	58.0	457
Closing balance at 31 December 2022	302,775,283		74,854
Opening balance at 1 July 2021	300,129,488		73,709
Issue of shares pursuant to the dividend reinvestment plan	294,732	35.0	103
Issue of shares pursuant to employee share option scheme	400,000	36.5	146
Closing balance at 31 December 2021	300,824,220		73,958

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
NOTE 7 NON-CASH FINANCING AND INVESTING ACTIVITIES		
Acquisition of right-of-use assets – plant and equipment	15,168	19,266
Acquisition of right-of-use assets – property	1,458	1,018
Acquisition of right-of-use assets – other	602	82
Value of shares issued pursuant to dividend reinvestment plan	457	103
Value of shares converted from options issued under the Long Term Incentive (Option) Plan	-	146

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
NOTE 8 PROPERTY, PLANT & EQUIPMENT		
Freehold land and buildings		
Land – at cost	7,034	7,034
Buildings – at cost	16,749	16,749
Accumulated depreciation	(2,961)	(2,748)
	20,822	21,035
Leasehold improvements		
At cost	25,296	25,296
Accumulated depreciation	(8,613)	(7,747)
	16,683	17,549
Total property	37,505	38,584
Plant and equipment		
At cost	128,103	123,793
Accumulated depreciation	(97,554)	(94,796)
	30,549	28,997
Total plant and equipment	30,549	28,997
Total property, plant and equipment	68,054	67,581

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
NOTE 9 RIGHT-OF-USE ASSETS		
Right-of-use property leases		
At cost	104,688	103,784
Accumulated depreciation	(41,139)	(36,667)
	63,549	67,117
Right-of-use other leases		
At cost	2,267	2,987
Accumulated depreciation	(768)	(839)
	1,499	2,148
Right-of-use equipment leases		
At cost	204,838	191,612
Accumulated depreciation	(81,073)	(72,891)
	123,765	118,721
Total right-of-use assets	188,813	187,986

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
NOTE 10 BORROWINGS		
Current		
<i>Secured</i>		
Equipment loans	1,754	1,358
Bank loans	2,000	8,000
Bank loans – borrowing costs offset	(82)	(82)
Total secured current borrowings	3,672	9,276
Total current borrowings	3,672	9,276
Non-current		
<i>Secured</i>		
Equipment loans	11,692	9,426
Bank loans	12,500	13,500
Bank loans – borrowing costs offset	(103)	(144)
Total secured non-current borrowings	24,089	22,782
Total non-current borrowings	24,089	22,782
Total borrowings	27,761	32,058

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
NOTE 11 LEASE LIABILITIES		
Lease liabilities – current		
Property	8,887	8,379
Other	468	693
Equipment lease liabilities (i)	34,472	33,801
Total current lease liabilities	43,827	42,873
Lease liabilities – non-current		
Property	64,363	67,831
Other	1,069	1,499
Equipment lease liabilities (i)	64,772	61,702
Total non-current lease liabilities	130,204	131,032
Total lease liabilities	174,031	173,905

(i) The carrying amount of equipment lease liabilities includes an offsetting fair value gain of \$162,000 (June 2022: \$286,000)

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 12 SHARE-BASED PAYMENTS

Options over shares in Lindsay Australia Limited may be granted under the Long-Term Incentive (Option) Plan (LTIP). The LTIP is structured as a reward for length of service and is variable depending upon cumulative annual performance.

Total share-based payment expense of \$27,000 (2022: \$41,000) is included in the Consolidated Statement of Comprehensive Income Statement. Share Options outstanding at the reporting date are detailed below:

Offer	Grant Date	Balance	Vested during the period	Granted during the period	Exercised during the period	Balance	
		30 June 2022				31 December 2022	
		Unvested				Unvested	Vested
FY2020 LTI	October 2019	400,000	400,000	-	-	-	400,000
FY2022 LTI	October 2021	400,000	-	-	-	400,000	-
FY2023 LTI	December 2022	-	-	550,000	-	550,000	-
TOTAL		800,000	400,000	550,000	-	950,000	400,000

During the period, the Group issued share options under the LTIP to the COO, CFO and other senior executives. The share options issued are subject to below performance hurdles:

- 50% of the share options will vest if an underlying Earnings Per Share (EPS) target is achieved; and
- 50% of the share options vest if a Total Shareholder Return (TSR) target is achieved.

A binomial valuation model has been used to determine the fair value at grant date for the share options with an EPS performance hurdle.

A trinomial lattice pricing model incorporating a Monte-Carol simulation has been used to determine the fair value at grant date for the share options with an TSR performance hurdle.

The below assumptions were used in determining the fair value of the share options granted during the period:

Model Inputs	HY2023
Number of share options	550,000
Grant date	13 December 2022
Exercise price	\$nil
Vesting period	01 July 2022 to 30 June 2025
Risk-free interest rate (%) (i)	3.40%
Volatility (%) (ii)	49.0%
Share price at grant date	\$0.6950
Fair value per share option – EPS performance hurdle	\$0.3600
Fair value per share option – TSR performance hurdle	\$0.6053

(i) Risk-free rate is based on the Australian Government 10-year bond rate as at the grant date.

(ii) Expected volatility is based on the historic volatility of Lindsay Australia Limited (LAU) shares over a period of time.

Share options granted under the LTIP do not participate in dividends.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
NOTE 13 DEFERRED TAX		
Deferred Tax Assets		
<i>The balance comprises temporary differences attributable to</i>		
Impaired receivables	128	53
Employee benefits	4,590	4,275
Payables	445	441
Other liabilities	2,194	2,170
Other	783	613
Carried forward losses	1,074	5,097
Total Deferred Tax Assets	9,214	12,649
<i>Set-off of deferred tax liabilities pursuant to set-off provisions</i>	(9,214)	(12,649)
Net Deferred Tax Assets	-	-
Deferred Tax Liabilities		
<i>The balance comprises temporary differences attributable to</i>		
Prepayments	934	1,350
Inventories	420	661
Depreciation and amortisation (i)	28,185	24,054
Other receivables	328	101
Total Deferred Tax Liabilities	29,867	26,166
<i>Set-off of deferred tax liabilities pursuant to set-off provisions</i>	(9,214)	(12,649)
Net Deferred Tax Liabilities	20,653	13,517

(i) The Group has applied the temporary full expensing measures with respect to capital additions for the period which has resulted in an increase in the deferred tax liability associated with the timing differences on right of use assets, property, plant and equipment.

NOTE 14 CONTINGENT LIABILITIES

Guarantees

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Guarantees to secure property lease obligations	7,844	7,844
	7,844	7,844

Other

From time to time the consolidated entity is subject to claims and litigation during the normal course of business. The directors have given consideration to such matters and are of the opinion that except for bank guarantees detailed above totalling \$7.844 million, there are no further material contingent liabilities as at reporting date or subsequently up to the date of this report that are likely to arise.

LINDSAY AUSTRALIA LIMITED and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 15 EVENTS OCCURING AFTER THE REPORTING PERIOD

Other than the dividends recommended after the end of the half-year as disclosed in the Directors' Report, to the Directors' knowledge, no matter or circumstance has arisen since the end of the half-year that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors the attached financial statements and notes:

- (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting and Corporations Regulations 2001*; and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that Lindsay Australia Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Ian M Williams
Chair of Directors

Brisbane, Queensland
21 February 2023

Independent Auditor's Review Report to the Members of Lindsay Australia Limited

Conclusion

We have reviewed the half-year financial report of Lindsay Australia Limited (the "Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Lindsay Australia Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PITCHER PARTNERS



JASON EVANS
Partner

Brisbane, Queensland
21 February 2023