

ASX Announcement

Date: 28 August 2023

Road, Rail and Rural Strategy drives record earnings for Lindsay Australia

Highlights:

- Lindsay Australia has delivered record revenue, underlying EBITDA and NPAT in FY23.
- Disciplined growth strategy formulation and implementation delivered FY23 operating revenue growth of +22.3% from FY22 to \$676.2 million, with underlying¹ EBITDA growth of 50.2% to \$90.3 million and underlying NPAT growth of 95.3% to \$36.5m.
- The Company announced a second-half fully franked dividend of 3 cents per share, bringing the full year dividend to 4.9 cents per share, 53% up on FY22.
- Delivery of the Road, Rail and Rural strategy resulted in improved product, customer and geographic diversification and return on invested capital.
- Lindsay Transport is now the largest refrigerated transport company in Australia.

Key financial highlights

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| <p>OPERATING REVENUE</p> <p>\$676.2m</p> <p>up 22.3%</p> | <p>UNDERLYING EBITDA¹</p> <p>\$90.3m</p> <p>up 50.2%</p> | <p>UNDERLYING PBT¹</p> <p>\$52.3m</p> <p>up 95.2%</p> | <p>NET DEBT²</p> <p>\$107.1m</p> <p>up 8.1%</p> | <p>LTIFR³</p> <p>11.1</p> <p>down 27.3%</p> |
| <p>NET LEVERAGE RATIO⁴</p> <p>1.19x</p> <p>down 27.9%</p> | <p>ROIC⁵</p> <p>24.8%</p> <p>up 58.5%</p> | <p>UNDERLYING EPS¹</p> <p>12.1 cps</p> <p>up 95.3%</p> | <p>FULL YEAR DIVIDEND</p> <p>4.9 cps</p> <p>up 53.1%</p> <p>(Final 3 cps franked, interim 1.9 cps unfranked)</p> | <p>FTEs⁶</p> <p>1,592</p> <p>up 6.6%</p> |

¹ Underlying operations defined in this release are the Group's reported financial results as set out in the Annual Financial Report, adjusted for significant items that are non-recurring or items incurred outside the ordinary operations of the Group and excludes the impact of AASB 16 Leases. Refer to FY2023 Annual Report for a detailed reconciliation of underlying operations.

² Net debt excludes property/other lease liabilities accounted for under AASB 16.

³ Lost Time Injury Frequency Ratio (LTIFR) on a rolling 12 month basis.

⁴ Net Leverage ratio = Net Debt/Underlying EBITDA as at 30 June 2023/2022.

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

⁶ FTE = Full-time equivalent employee.

BRISBANE, 28 August 2023: Integrated transport, logistics and rural supply Company, Lindsay Australia Limited (ASX: LAU, "Lindsay" or "the Company") is pleased to announce its financial results for the full-year ending 30 June 2023, reporting record revenue, profit and dividends.

Financial Highlights

Strong financial momentum generated in half one continued into the second half, with the Company's full-year operating revenue of \$676.2 million exceeding the prior comparable period (pcp) by \$123.2 million (+22.3%). Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) were up 50.3% to \$90.3 million and underlying net profit after tax of \$36.5m is 95% higher than the pcp.

The Company's record performance enabled the Board to declare a second half fully franked dividend of 3 cents per share, payable on 6 October 2023 to shareholders with a record date of 22 September 2023. Combined dividends for the year were 4.9 cents per share, 53% higher than last year.

The Company's cash position improved, with net cash generated by operations increasing by \$39.6 million to \$86.0 million versus the pcp.

Strategic and Operational Highlights

Lindsay's performance in FY23 was underpinned by a robust contribution from the Transport business, with increased customer demand for freight services in both road and rail. Transport revenues grew by 29.5% to \$513.3 million driven by strong volumes in the horticultural and produce market, industry consolidation and positive consumer demand for fresh, chilled and frozen products. In April 2023, Lindsay moved quickly to acquire \$22.3 million of second-hand transport assets, resulting in a material uplift in road and rail capacity. These assets were seamlessly deployed into the Lindsay national transport network, enabling it to grow revenue and provide additional services to new and existing freight customers.

In difficult trading conditions, the Rural division grew revenue by 4% to \$163 million; however, underlying profit before tax reduced by \$1.02 million or 9.5% to \$9.7 million. Rural trading conditions were impacted by industry inventory overstocking, global price volatility and inflationary impacts. The division performed well in these difficult conditions with its diversified product mix, strong market position and exposure to more high-value and resilient growing regions, mitigating some industry headwinds. In July 2023, the business announced the acquisition of WB Hunters, a high-quality rural retailer operating eight branches in Victoria and NSW, for an enterprise value of \$34.6 million; the acquisition is expected to deliver high single digit accretion pre-synergies in pro forma FY24 EPS. The acquisition provides geographical diversification and additional scale to the Rural business, with revenue generation shifting from ~80% Queensland based to a more balanced ~50%.

Whilst the Lindsay ESG strategy and roadmap are being developed, the Company is continuing to assess and implement practical strategies to support CO2 reduction objectives, particularly with regard to diesel fuel usage and emissions. Ongoing investment in a modern fleet, higher payload combinations and increased use of rail as a mode of transport are cornerstone initiatives being implemented. Providing rail solutions to customers represents 25% of transport revenue; however, rail kilometres now exceed road kilometres for the first time in Lindsay's history.

Commentary on Full Year FY23 Results

Lindsay Australia CEO, Clay McDonald, said:

“The record FY23 performance was an outstanding result for the Lindsay business. The Transport division led the way with a significant uplift in demand for Lindsay’s road, rail and depot handling services. The team demonstrated exceptional agility, capability and customer service to handle a significant increase in demand, driven by strong volumes in the horticultural and produce market, industry consolidation and positive consumer demand for fresh, chilled and frozen products. The Rural business performed well in difficult trading conditions and will benefit in FY24 from eleven months of trade of the WB Hunters business acquired in July.

Moving from FY23 to FY24, the Lindsay Road, Rail and Rural strategy will continue delivering significant benefits to our customers and shareholders in a challenging period of change and disruption. By continuing to invest in our people, property, equipment and technology, we aim to build or bolt on additional capacity, scale and capability to support future growth and shareholder value.”

Release authorised by the Lindsay Australia Board of Directors.

For further information, please contact:

Enquiries

Matthew Hefren,
Head of Strategy
Lindsay Australia Limited
(07) 3240 4900

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

About Lindsay Australia Ltd (ASX: LAU)

Lindsay Australia Ltd is an integrated transport, logistics and rural supply company and a leading national service provider to the agriculture, horticulture and food-related industries. The Lindsay Australia Group comprises the two core divisions of Rural and Transport (including Fresh Logistics). Combined, these divisions offer products and services covering customers' key needs 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 with a single point of contact and accountability.

More information on Lindsay Australia is available at: <http://lindsayaustralia.com.au/>