



MIDWAY LIMITED
ACN 005 616 044
10 The Esplanade, North Shore VIC 3214
T +61 3 5277 9255
www.midwaylimited.com.au

MIDWAY LIMITED

(ASX: MWY)

ASX and Media Release

Midway Limited Announces 2017 Half Year Results

First half puts Midway on track to deliver full year prospectus forecasts

23 February, 2017 – Geelong, Australia – Midway Limited (ASX: MWY), Australia's largest woodchip processor and exporter, today announces half year results for the six-month period ending 31 December 2016. These results follow Midway's successful IPO and listing on the ASX in December 2016.

The results for the first half of the 2017 financial year have put Midway on track to deliver a full year prospectus forecast of \$28.1 million pro forma EBITDA and \$16.5 million pro forma NPAT. Pro forma EBITDA and NPAT excludes \$3.1 million or \$2.1 million (tax effected) of costs attributable to the Initial Public Offering of securities on the ASX. The prospectus forecasts recognised that the first half of the 2017 financial year would not be as strong as the previous corresponding period, mainly due to the fact that there were no log sales following the sale of a tree crop to Strategy Timber in February 2016, a higher foreign exchange rate and a lower volume of plantation hardwood sales from Geelong primarily due to vessel timing.

Tony Price, Midway Limited CEO, said Midway would deliver a fully franked interim dividend of \$0.09 per share.

"We are progressing well with our strategic objectives following our recent listing and are in a good position to continue growing revenue and profitability. We have a strong balance sheet and we are on track to deliver on our full year prospectus forecast."

"We have continued to cement key trading relationships with pulp and paper producers in China and Japan. The combined demand from Midway's customers in China and Japan continues to exceed our current supply, which is a key growth opportunity for us and why we are focused on additional timber supply arrangements and increasing our capacity to meet demand."

"In this regard, we have recently secured a number of new contracted timber supply arrangements with several plantation owners within close proximity to the Company's current processing facilities. The timber supply arrangements cover a range of supply periods and pricing terms. Whilst the focus is on securing additional supply commitments for the next three years, some of the existing arrangements extend to FY2025."



Business Review

The Company's activities are the processing, managing and marketing of sustainably managed and certified wood fibre to the Asian region and particularly China and Japan. Growth objectives are focused on securing access to additional wood supply and exploring complementary business opportunities which utilise our marketing, processing and supply chain management skills.

Revenue for Midway Geelong was impacted by wet weather conditions, which affected harvest volumes and log supply. In addition, the timing of key shipments was delayed slightly, meaning revenue from those shipments will be recorded in the current period. The timing of these shipments is not expected to impact full year results.

Queensland Commodity Exports Brisbane's hardwood shipments have commenced and volumes are expected to grow steadily over time. South West Fibre continues to perform steadily and ahead of management expectations.

Dividend

The Board has declared a fully franked interim dividend of \$0.09 per share. This is in line with the prospectus dividend forecast of between 70% and 90% of Pro Forma NPAT, franked to the maximum extent available.

Outlook

Midway is on course to achieve its FY2017 forecasts of pro forma EBITDA of \$28.1 million and pro forma NPAT of \$16.5 million. Midway is well positioned to benefit from Asia's rising demand for woodchips, supported by solid export contracts, a broad customer base, and secure timber supply arrangements.

– ENDS

Contacts:

Midway Limited

Sophie Karzis, Company Secretary
T: +61 3 9286 7500
E: sk@ccounsel.com.au

FTI Consulting

Robert Hadler
T: 02 8298 6137 or 0437 745 462
E: robert.hadler@fticonsulting.com

About Midway Limited

Midway Limited is a leading Australian forestry company with headquarters in Geelong, with majority shareholdings in South West Fibre Pty Ltd (SWF) based in the Green Triangle, and Queensland Commodity Exports Pty Ltd (QCE) based in Brisbane. Founded in 1980, Midway is primarily involved in the production, processing and export of high quality wood fibre to producers of pulp, paper and associated products in the Asian region. For further information, visit www.midwaylimited.com.au/.