The Midway Growth Story

Tony Price
Chief Executive Officer

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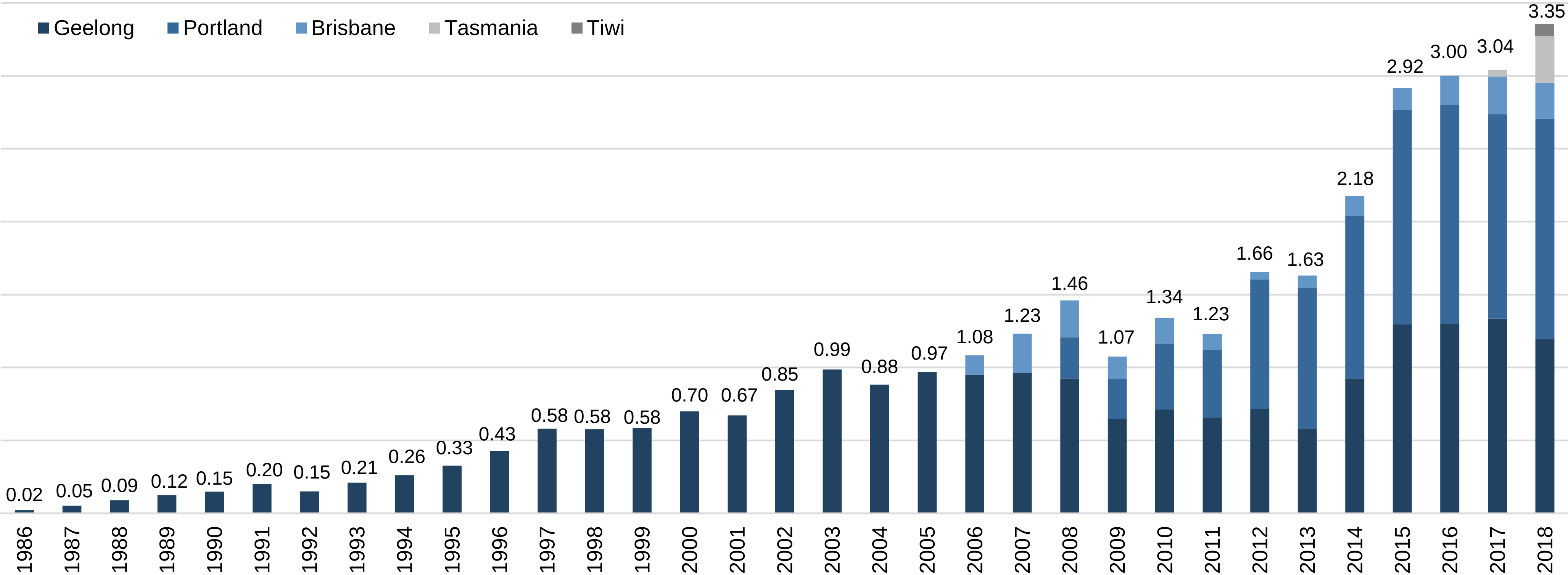
All references to dollars are to Australian currency unless otherwise stated.

Agenda

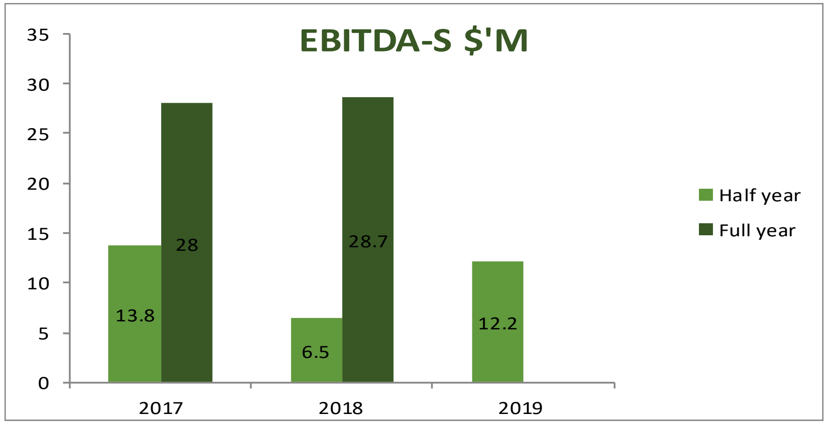
- Historical performance
- Core areas of expertise
- Growth strategy
- Outlook

A long history of export growth



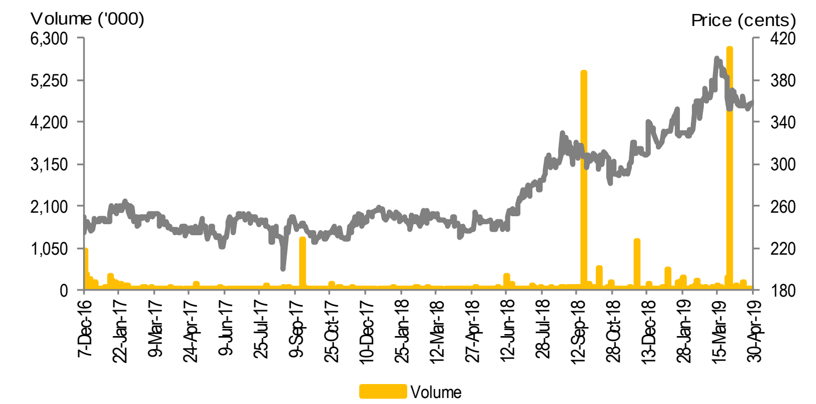
Note: The above is based on calendar year
Source data: Midway Group (SWF and QCE are totals and not adjusted for the Midway Group's share)

Solid performance since listing



EBITDA - S represents EBITDA before significant items and net fair value increment on biological assets

Share price performance



- Midway has consistently met consensus EBITDA forecasts.
- The Midway share price has improved on the back of performance.
- Consistent dividend payments – fully franked.
- Good dividend yield

Strong first half 1H19

$Am	1H19	1H18	% Change	
Sales Revenue	124.2	85.2	45.8%	⇧
Other Income	2.6	2.0	30.0%	⇧
Equity Accounted Share of Profits	2.2	1.2	83.3%	⇧
Operating Costs	(116.8)	(81.9)	(42.6%)	⇩
EBITDA – S[(1)]	12.2	6.5	87.7%	⇧
Significant items[(2)]	2.7	-	-	⇧
Net fair value gain on biological assets	13.8	-	-	⇧
EBITDA	28.7	6.5	341.5%	⇧
EBIT	25.2	4.5	460.0%	⇧
Finance expense[(3)]	(6.8)	(1.1)	(518.2%)	⇩
Pre-Tax Profit	18.4	3.4	441.2%	⇧
Tax Expense	(4.1)	(0.7)	(485.7%)	⇩
Statutory NPAT	14.3	2.7	429.6%	⇧

1: EBITDA - S represents EBITDA before significant items and net fair value increment on biological assets
2: Significant items includes gain on bargain purchase of Softwood Logging Services ($0.6M), reversal of contingent consideration ($2.4M) and transaction costs (-$0.3M)
3: Includes $5.4M of non cash interest expense incurred on the liability created on 1 July 2018 to repurchase trees under the Strategy arrangement, which was deemed a financing arrangement upon the adoption of AASB 15 Revenue from Contracts with Customers.

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Midway's key business activities across the value chain

Key areas of expertise

Plantation and land Management

- Existing freehold estate (fee simple)
- Experienced plantation manager
  - Company owned
  - Third party
  - Institutional investors
- Domestic and international

Harvesting and logistics

- Extensive experience in Contract management
- Large fleet of harvesting and haulage contractors
- Operations in most states
- Ownership of havest and haulage business in WA and Tiwi Islands

Processing and materials

- Management of woodfibre processing plants
- Professional operations and maintenance staff
- Bulk materials handling
- Quality management systems
- Skilled in shiploading

Marketing and shipping

- Market most of own product directly
- Strong market presence in Japan and China
- Trading 3rd party woodfibre
- Ship chartering – 4 vessels currently on charter
- Domestic biomass sales

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Key value drivers

Metric	Driver
Export volume	Number of tonnes exported through each facility and volume of resource available
Woodfibre Price	Woodfibre price – movement in the USD/BDMT
Foreign Exchange	Movement in the AUD/USD – active hedging strategy
Dry Fibre Content	How dry the woodfibre is when shipped
COGS	Resource and Supply Chain Costs
Shipping Costs	Chartering rates and Bunker Fuel costs

Growing & managing our timber supply

Facility Volumes (000's GMT)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Geelong	1,413	1,223	1,191	1,000	900	700
Portland	1,545	1,448	1,559	1,450	1,200	1,000
Brisbane	292	284	264	380	480	550
Melville Island		197	229	340	400	500
Tasmania[1]		135	270	450	600	800
Western Australia				200	300	400
TOTAL	**3,250**	**3,287**	**3,513**	**3,820**	**3,880**	**3,950**

1 Represents both Group owned and third party wood fibre where Midway performs the marketing function

Clear growth strategy

Increasing EBITDA over time:

1. EXPANSION OF EXISTING BUSINESS

- Growth of plantation management and wood-fibre export businesses – Midway Tasmania
- Development of hardwood and softwood log exports – QCE & Tiwi Islands
- Increased utilisation and expansion of existing infrastructure – alternative export commodities at Geelong

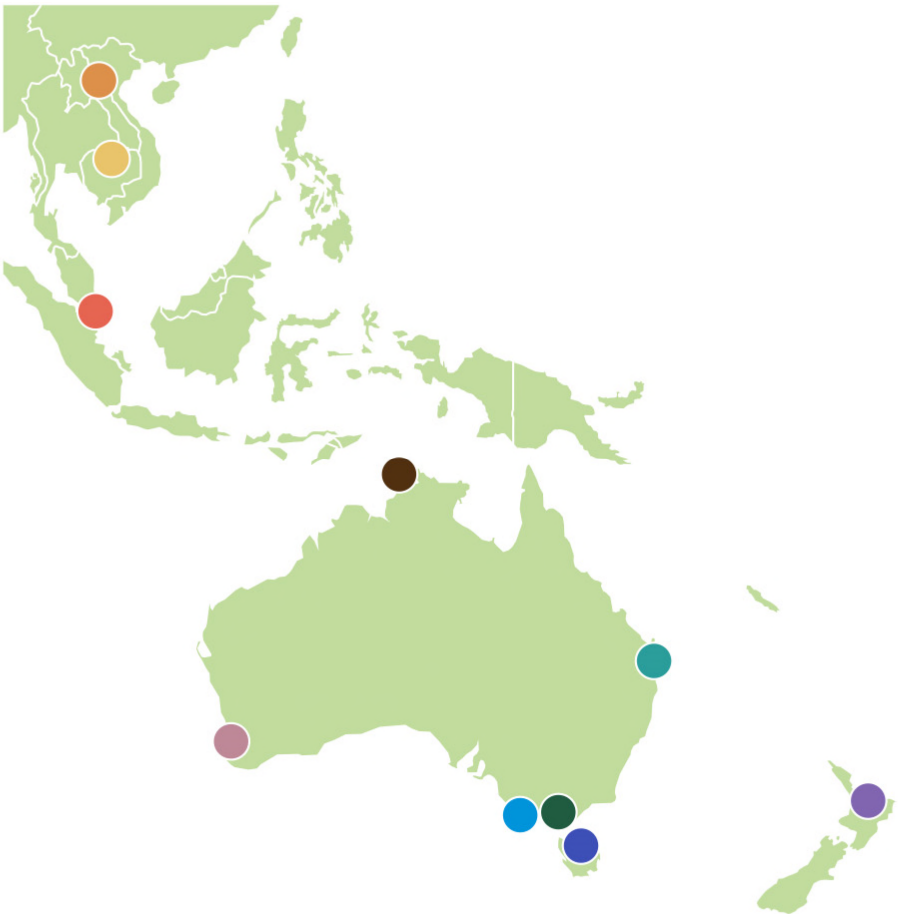
2. ACQUISITIONS

- Domestic and international – PMP acquisition and ADDCO investment
- Complementary businesses – SLS (Midway Logistics) and BGP (WA biomass business)
- Industry consolidation – ADDCO acquisition of Hoffmans in Australia

3. OPERATING EFFICIENCIES

- Economies of scale
- Margin expansion
- Cost management

Expanding our geographic footprint

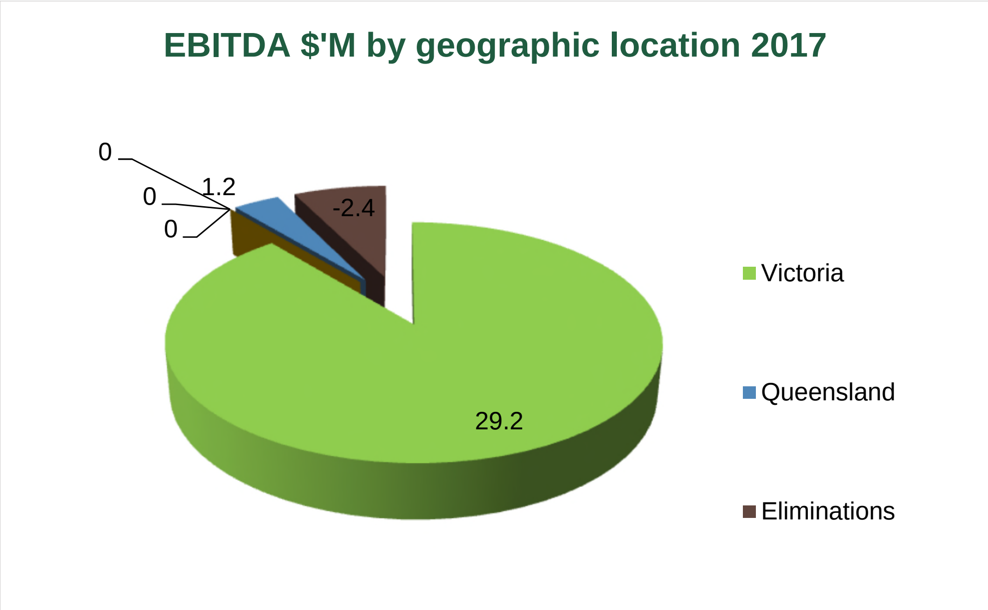


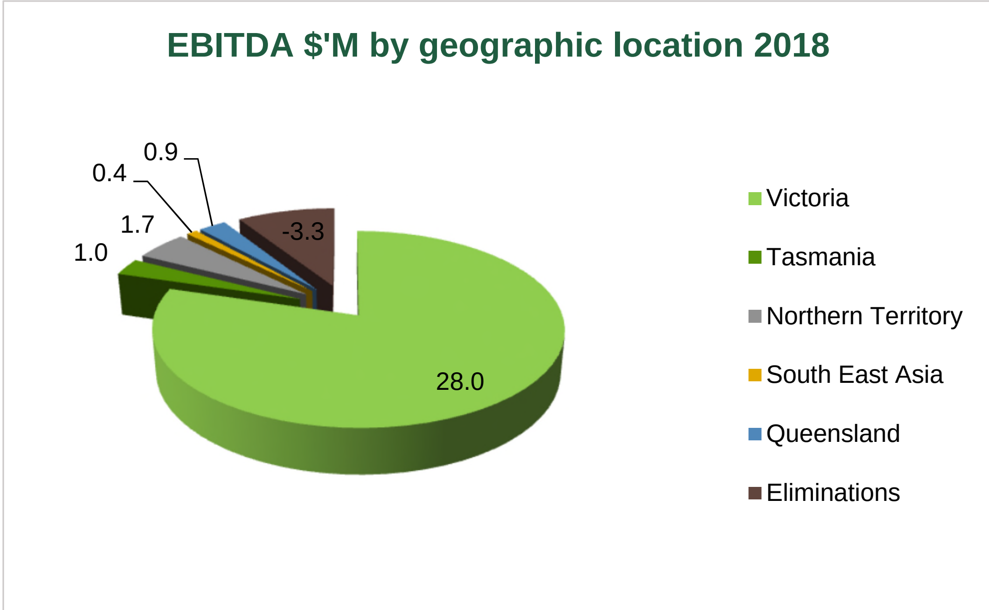
- Midway Geelong (Head Office)
- QCE Brisbane
- South West Fibre/Portland
- Midway Tasmania
- ADDCO Mt Maunganui (NZ)
- SLS/BGP Western Australia

Plantation Management Partners

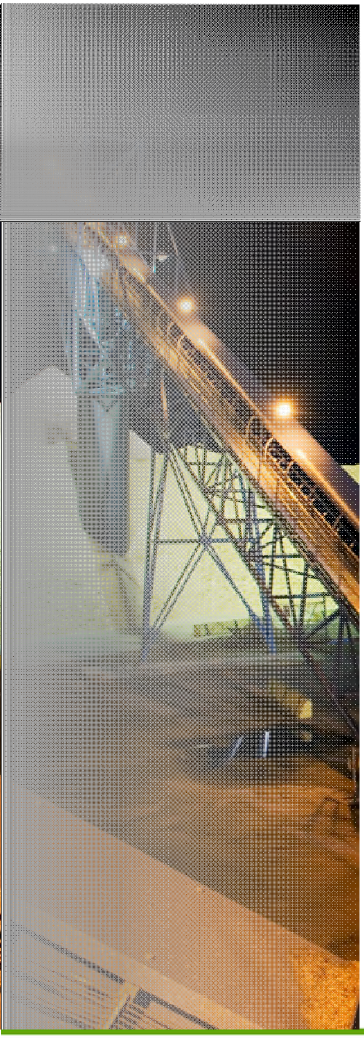
- Cambodia
- Laos
- Singapore
- Melville Island

Diversifying our earnings streams





Outlook for FY19



Positive outlook

- On track to meet the current analyst consensus EBITDA forecast range before significant items
- Accounting changes with the introduction of AASB 15 will impact balance sheet and statutory NPAT (see attachments) however will not impact on EBITDA-S[1] or cashflow

Positive international fundamentals

- 11% Chinese price secured for first half calendar year 2019 ($US182.00)
- Q1 2019 Japanese price of $US180.50 increased by $US1.75 to $US182.25 for remainder of 2019 calendar year

Emerging Growth Opportunities

- Midway has secured biomass customers in WA and Japan

(1): EBITDA - S represents EBITDA before significant items and net fair value increment on biological assets

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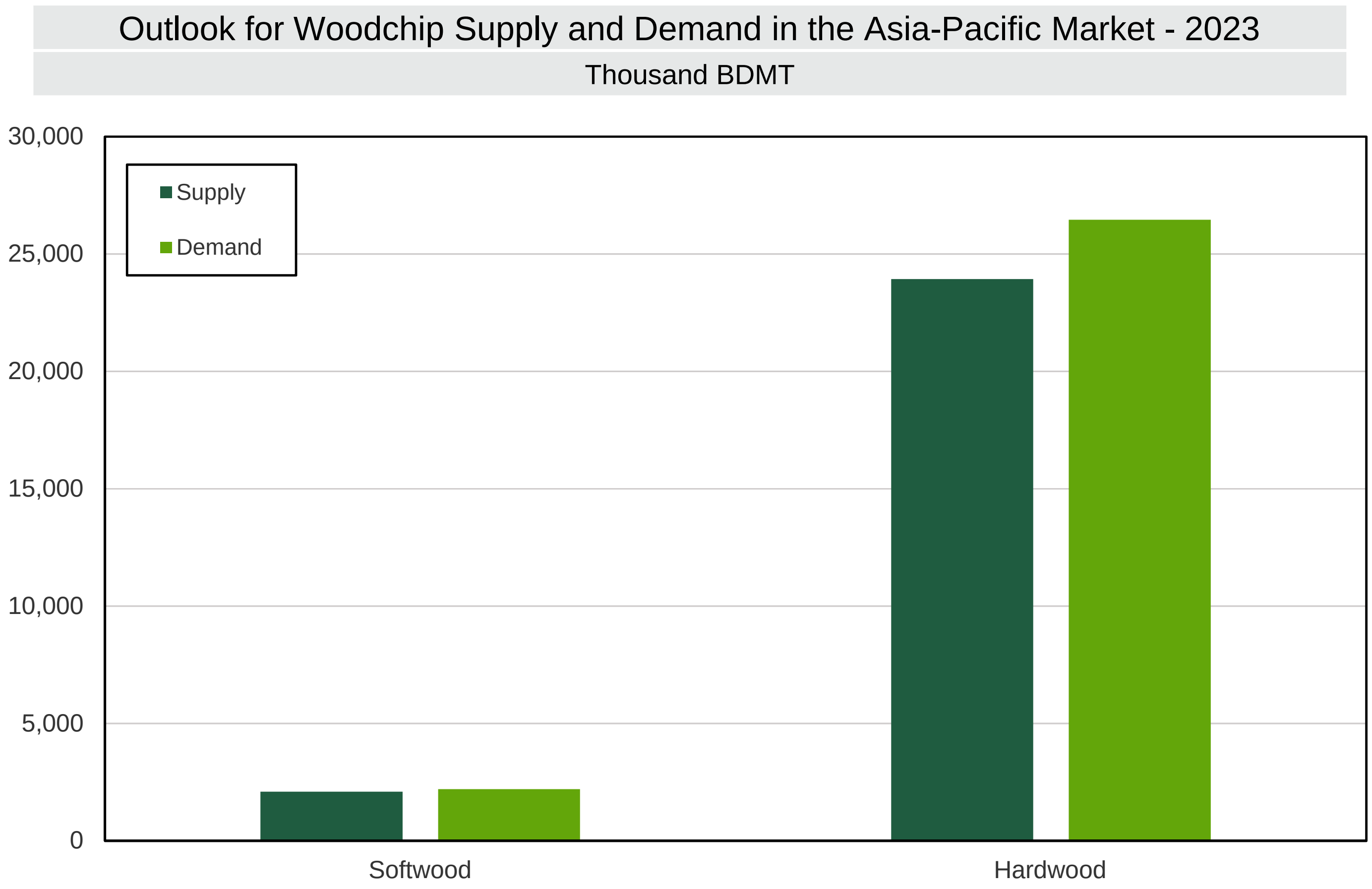
Asian demand to exceed supply for next five years



Source data: International Pulpwood Trade Review, RISI 2019

Positive five year price outlook

Japan: Woodchip prices, 2012-2018, and price predictions, 2019F-2023F							
Nominal FOB Prices, Annual Average							
Year	**US Douglas-fir**	**Australian radiata**		**Australian E. globulus**	**South African eucalyptus**	**Chilean E. globulus**	**Vietnamese acacia**
	US dollars per BDU, FOB			**US dollars per BDMT, FOB**			
2012	164	160		199	142	147	135
2013	138	141		177	127	142	137
2014	152	150		159	121	133	136
2015	165	156		153	121	132	142
2016	149	149		149	114	125	132
2017	139	145		152	117	127	128
2018	175	167		165	128	136	128
2019F	174	167		181	144	154	140
2023F	**189**	**182**		**207**	**161**	**171**	**157**
2019-2023 CAGR	**2.1%**	**2.2%**		**3.4%**	**2.9%**	**2.7%**	**2.9%**
Previous forecast for 2017-2022	3.2%	2.8%		3.2%	3.4%	2.8%	1.8%

Source data: International Pulpwood Trade Review, RISI 2019

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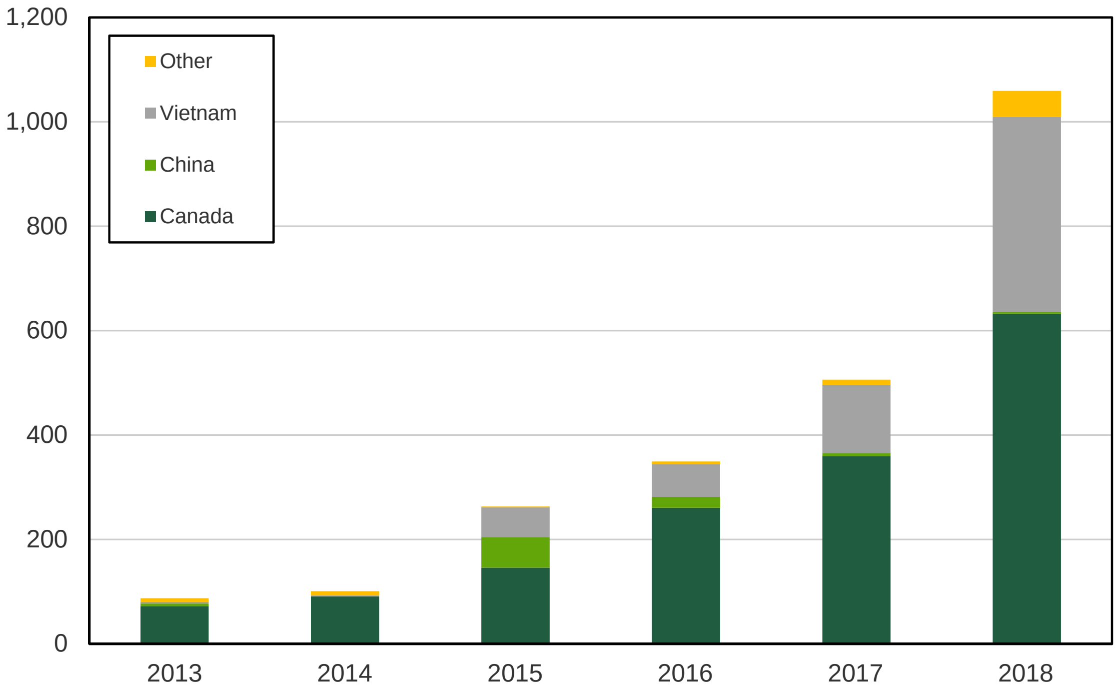
Emerging Asian Biomass Market

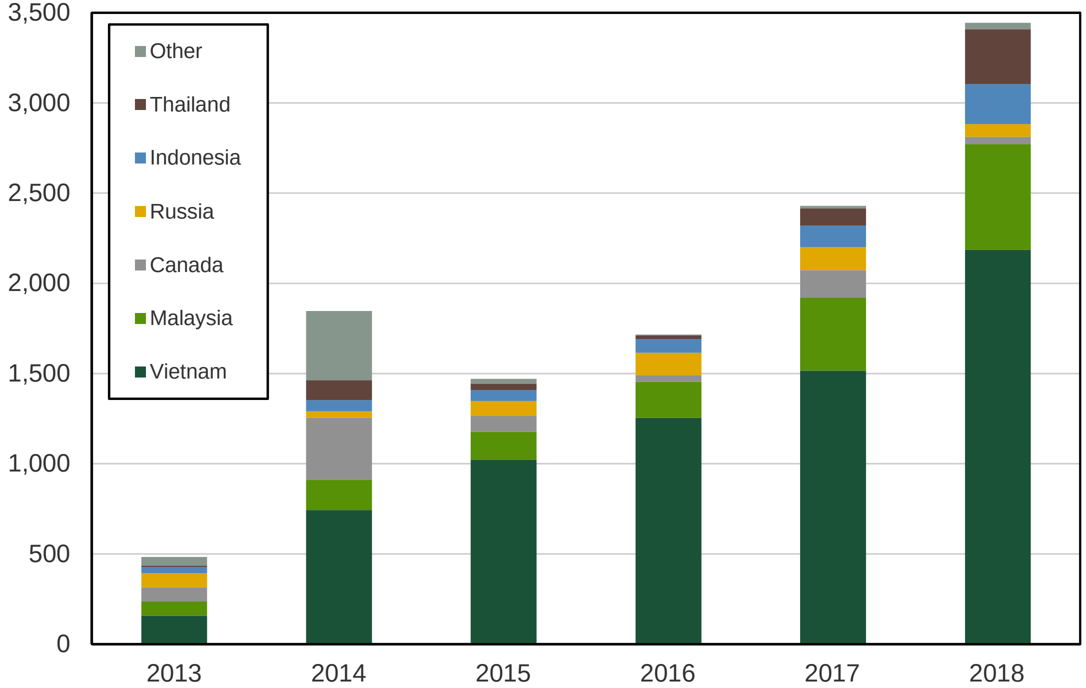
Japan: Wood Pellet Imports, 2013-2018

Thousand Tonnes



South Korea: Wood Pellet Imports, 2013-2018

Thousand Tonnes



Source data: International Pulpwood Trade Review, RISI 2019

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In summary

- Solid financial performance
- Clear growth strategy
- Positive outlook

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