



ASX Announcement

1 June 2023

Trading update – Lynch Group Holdings Limited
Full year FY23 Group EBITDA range updated to \$42m - \$43m
(previous guidance \$36m - \$40m)

Lynch Group Holdings Limited (ASX:LGL) ('the Group'), Australia's leading vertically integrated wholesaler and grower of flowers and potted plants, today provides a trading update for the 12-month period ended 2 July 2023 (FY23).

Following successful execution of the key Mother's Day event in Australia and China, the Group confirms that consumer demand for floral products remains strong.

Australia

Revenue growth for FY23 is expected to be approximately 5% (including additional week in 1H FY23), underpinned by particularly strong performance in sale or return stores. Australia's EBITDA margins have demonstrated steady improvement across the second half.

The cost of international freight continues to moderate from calendar year 2022, with additional airline capacity reducing rates for key import routes. Financial and operational impacts relating to a major customer system implementation have also significantly reduced. Labour availability has improved across the current half, reducing the requirement for overtime outside of high-volume events. Labour rate inflation reflects broader economic trends.

China

In China, a sustained rebound in market demand following reopening in early January, has led to improved pricing across the second half. Demand for product during key event windows has been strong.

Farm production volumes have continued to increase in line with internal targets from prior year expansion works. Greenhouse development works have recommenced during the second half, with 3.5ha scheduled to be planted between June and August 2023. Further works on an additional 6ha are planned for the first half of FY24.



Outlook

- **Full year FY23 Group EBITDA in the range of \$42m - \$43m (previous guidance \$36m - \$40m)**
- 2H Australia EBITDA is expected to finish within the February guidance range of \$11m - \$13m
- 2H China EBITDA is expected to exceed the high end of the February guidance range of \$12m - \$14m
- Dividends are expected to resume in 2H FY23.

The Group plans to release its FY23 results on or around 23 August 2023.

Authorised for release by the Board of Lynch Group Holdings Limited

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