



LINDSAY AUSTRALIA (ASX: LAU)

Morgan's Presentation — 20 November 2018 Kim Lindsay (CEO and Managing Director)

Introduction

[Slide 1]

Welcome all to today's presentation and thank you to the Morgans team for the opportunity to tell the Lindsay Australia story.

Today I'll talk briefly about core businesses, including the way we work, our core values, and some of our key achievements to date. I'll also touch on some of the challenges currently facing our industry and how we're working hard to overcome them.

But importantly, I'd like to tell you about how we're investing for the future to ensure that we have the right tools to succeed.

[Slide 2]

Lindsay Australia brief overview

Lindsay Australia this year celebrates 65 years in the road transport industry and 35 years in rural merchandising. The business has been through many changes in the past 10 years, changes that were necessary to ensure the business remains competitive in today's environment.

[Slide 3]

We have expanded our footprint to reduce seasonal risk. We have expanded our logistic offer and we have invested in facilities, fleet and systems. Importantly, we have invested in people and culture. At Lindsay's we value family and community. Our success is attributed to our commitment to continually improve our business practices and provide a superior level of service. We strive to be industry leaders that provide both business and customer efficiencies and a safer work environment.

[Slide 4]

What started with three trucks all those years ago has now grown into a fully integrated business offering an end-to-end solution for the horticulture and food processing industries.

Today, we have more than 390 prime movers and distribution trucks, 670 trailers and 56 refrigerated rail containers operating from 30 sites Australia wide. It's the scale and the reach of the Lindsay operation that sets us apart from our competitors.

Our fleet travels 60 million kilometres annually with the help of our 1,300 employees across the country, while our annual turnover is \$360 million.

The capabilities of the Group's three key divisions of Transport, Rural and Fresh are captured in the following video.

[Slide 5]

[Play corporate video]

[Slide 6]



LINDSAY RURAL

Lindsay Transport

Having just seen a snapshot of how we keep Lindsay Australia on the road, I wanted to take a deeper dive into our core businesses and some of the challenges we're currently facing in the industry. First we have Lindsay Transport.

The road transport industry in Australia carries a significant portion of non-bulk freight because of the efficiency and reliability of the network. The industry is made up of a large number of smaller operators — around 39,000 businesses. With an estimated annual revenue of \$50 billion, these smaller operators often specialise in product categories or regions, and tend to be subcontractors for the larger integrated businesses such as Lindsay Transport.

Lindsay Transport has evolved to become a major player in the refrigerated segment, with an annual turnover of \$250 million. Transport offers a complete range of in-demand services to large national contracts. Through our innovative network of driver change-over locations, we can also reduce transit times from pickup to delivery, and extend the shelf life of products for our customers.

[Slide 7]

By 2031, the road freight task in Australia is forecast to increase by as much as 50%, driven by population growth, demand from imports and exports and online trading. We have set the foundations to take advantage of this growth and in the last three years we have invested \$123 million to upgrade our fleet, facilities and our technology, and ultimately futureproof our place in the industry. We have opened new facilities in Mareeba, Brisbane and Adelaide, and a new Sydney depot is also planned for 2019. We have also expanded our reach with new depots in Perth and Bowen. We have renewed a large portion of the local and interstate fleets. We have invested in road trains for capacity increases and rail containers to ensure volumes are handled efficiently. And we have invested in technology to ensure we are at the cutting edge in the industry.

[Slide 8]

The road transport industry faces a number of challenges now and into the future. At Lindsay's, we embrace the challenge and find solutions.

An ageing workforce and shortage of skilled drivers pose a big challenge for transport operators. We invest significantly in attracting quality drivers through continuous recruitment programs.

Equipment age and quality is another consideration for our drivers. We pride ourselves on our fleet, and providing newer, safer equipment each year sets us apart from our competitors. We have one of the youngest fleets on the road today.

Congestion in major capital cities is adding significant cost to freight tasks. There have been some improvements in road networks in the past couple of years but more needs to be done. Consumers are paying the price for idle equipment and labour.

Managing fuel price changes is a daily challenge, made easier with our recent \$1.5 million investment in bulk fuel facilities. We have now created a network throughout Australia that allows us to source fuel at all Lindsay owned facilities, removing the need to refuel at service stations.

Smaller operators have come under pressure from fuel pricing and industry regulation, leading to a number of them leaving the segment as they struggle to pass on cost increases or comply with chain of responsibility legislation. We believe the segment will continue to see a reduction in the number of businesses as the smaller operators exit or consolidate with large integrated businesses.

[Slide 9]



LINDSAY RURAL

Lindsay Fresh

Our Lindsay Fresh business was setup in 2014 to complement the existing transport operations.

It's essentially a one-stop-shop for our customers' import and export logistic requirements. From documentation, protocol compliance, warehousing, fumigation, ripening and port delivery services, Fresh sets itself apart from its competitors by offering a single point of contact. Completing all the services in-house enables a more streamlined offer for customers, reducing the number of times products are handled and ensuring the most efficient supply chain.

[Slide 10]

Import and export volumes have grown significantly over the past decade, and as demand continues to grow for quality Australian fresh produce, there is the opportunity to expand in this segment. Fresh is poised to take advantage of the growth, investing \$2.5 million this year at the Brisbane Markets facility, setting a platform to handle the volume increases in 2019 and beyond. Again, our investments are continually carried out with the long-term future in mind.

Lindsay Fresh is currently servicing the Brisbane import and export markets, but with the growing demand from existing customers, a low capital investment model has commenced in Melbourne and we are continuously reviewing opportunities where the integrated Fresh model has a fit in other capital cities.

[Slide 11]

Lindsay Rural

Our third core business, Lindsay Rural, started 35 years ago as a packaging retailer in Bundaberg and has diversified to a complete rural merchandising business with an annual turnover of \$110 million.

Rural offers expert growing advice through our qualified agronomists and supplies farm inputs and packaging solutions. It is now Visy Board Australia's largest horticulture customer.

Rural is also crucial to the Transport business to balance freight flows. Rural sells farm inputs to growers and the logistic task is carried out by Transport. Transport then carts produce from the regions, balancing the freight flows in both directions.

The growing customer base in the Rural segment has changed substantially over the past five years as large, corporate farming operations continue to expand and smaller farms consolidate or exit the market. Rural has been able to leverage from existing relationships through the other divisions.

Speed of service sets Rural apart from its competitors. No other merchandising business has a logistics business the size and scale of Lindsay Transport.

[Slide 12]

Lindsay Connect

Lindsay Connect is the final link in the integrated model.

Connect has been setup as an end-to-end agri-enterprise working with Australian growers to supply fresh, quality produce to the world. Overseas demand in produce is outstripping supply for many major export categories, so by using the existing Lindsay footprint and expertise in agronomy services, logistics, import/export, Connect has the upper hand on its competitors.

Connect will focus on five key produce categories; citrus, mangoes, grapes, stone fruit and cherries. These products are in high demand in overseas markets and sourced from our existing grower base, ensuring the optimal supply chain protocols are followed from grower to destination.

[Slide 13]



The Future

The future of transport and logistics in Australia will no doubt look very different from today. To meet future freight task demands, Lindsay's will continue to invest to ensure we remain competitive and are well-placed to take advantage of the growth.

[Slide 14]

Increasing the rail container fleet will be key to the Group's future success. Our first rail container was purchased in 2015 and this month we have taken delivery of the 56th container. Rail will play an important role in addressing the increase in freight demand over the coming years, as it is an efficient way to move large volumes.

We will continue to invest in new technology to improve fleet utilisation, temperature monitoring and driver monitoring. We will also invest \$7.5 million in the new Sydney fitout next year. This purpose-built facility, which is crucial to the Lindsay network, will be well placed to handle the future freight demands. Subject to planning approvals, we are hoping that construction will commence in early 2019 and be completed in around 12 months' time.

Our investments now will shape the road transport industry of tomorrow, and we're excited to see what's to come.

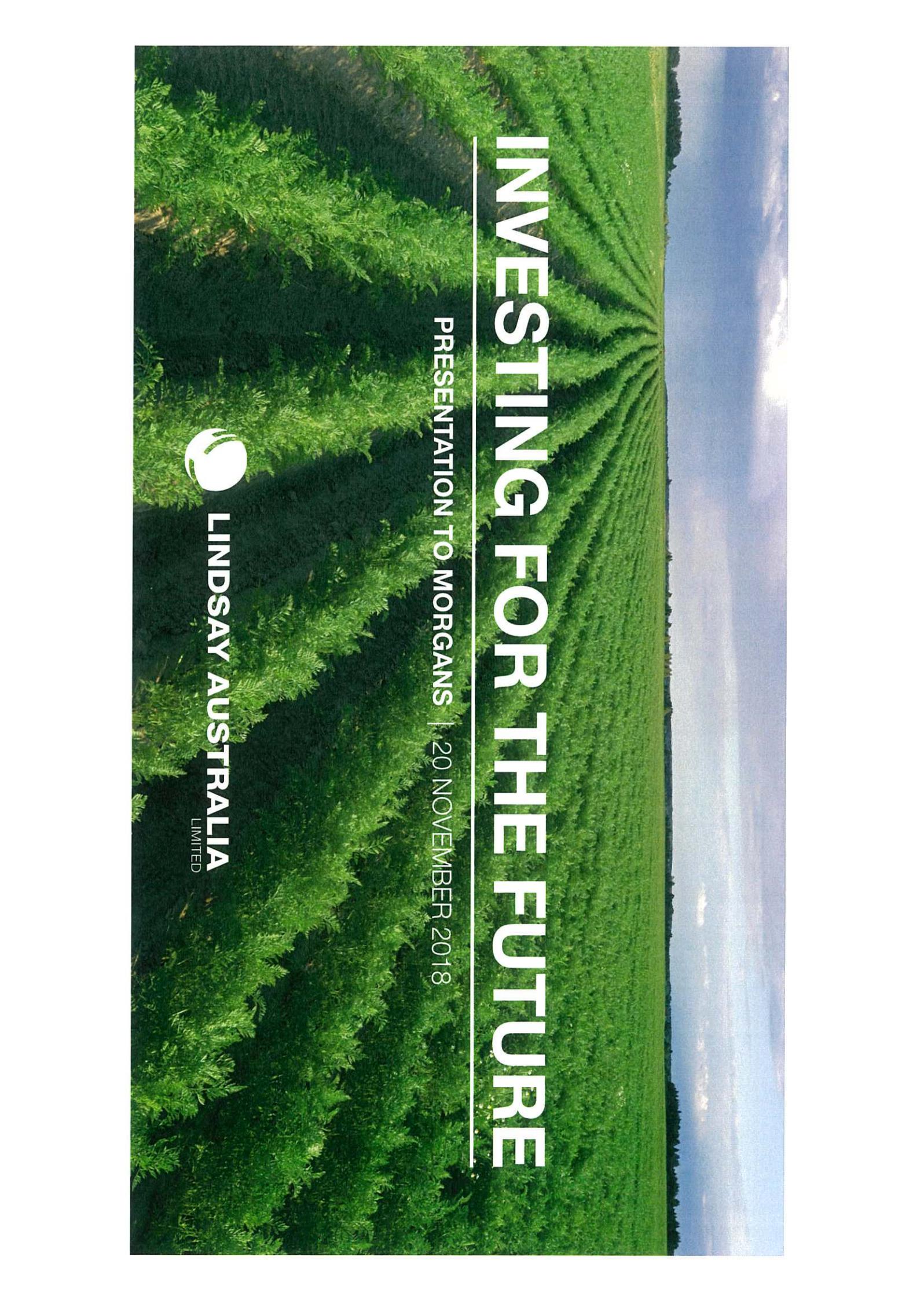
[Slide 15]

Disclaimer.

[Slide 16]

Thank you for your time. I'll now open to any questions.





INVESTING FOR THE FUTURE

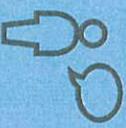
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LINDSAY AUSTRALIA
LIMITED

END-TO-END SOLUTION

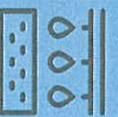
LINDSAY RURAL – Working with Australian growers



Expert Advice



Horticulture & Agronomy



Irrigation and Fertilisers



Packaging

LINDSAY FRESH LOGISTICS – Managing storage and delivery



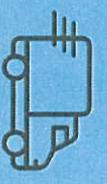
Warehousing



Bio-security



Ripening



Delivery

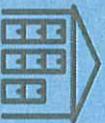
LINDSAY TRANSPORT – Providing total transport solutions



Transport



Logistics



Cold Storage



Distribution

LINDSAY CONNECT – Taking Australian produce to the world



Fresh Produce



Sea Freight



Air Freight



Global Distribution

OUR SITES

Lindsay Rural

Brisbane Shop
Brisbane Warehouse
Berri
Bowen
Brandon
Bundaberg North
Bundaberg Wylfie
Childers
Coffs Harbour
Emerald
Gatton
Innisfail
Invergordon
Leeton
Mareeba
Adelaide

Mildura

Mundubbera
Murwillumbah
Nambour
Stanthorpe
Tully
Werribee

Lindsay Transport

Adelaide
Bowen
Brisbane
Bundaberg
Coffs Harbour
Emerald
Gatton
Innisfail

Mackay

Mareeba
Melbourne
Mildura
Mundubbera
Nambour
Perth
Stanthorpe
Sydney
Tully

Lindsay Fresh

Logistics
Brisbane Markets
Melbourne Markets



LINDSAY AUSTRALIA
LIMITED

AT A GLANCE

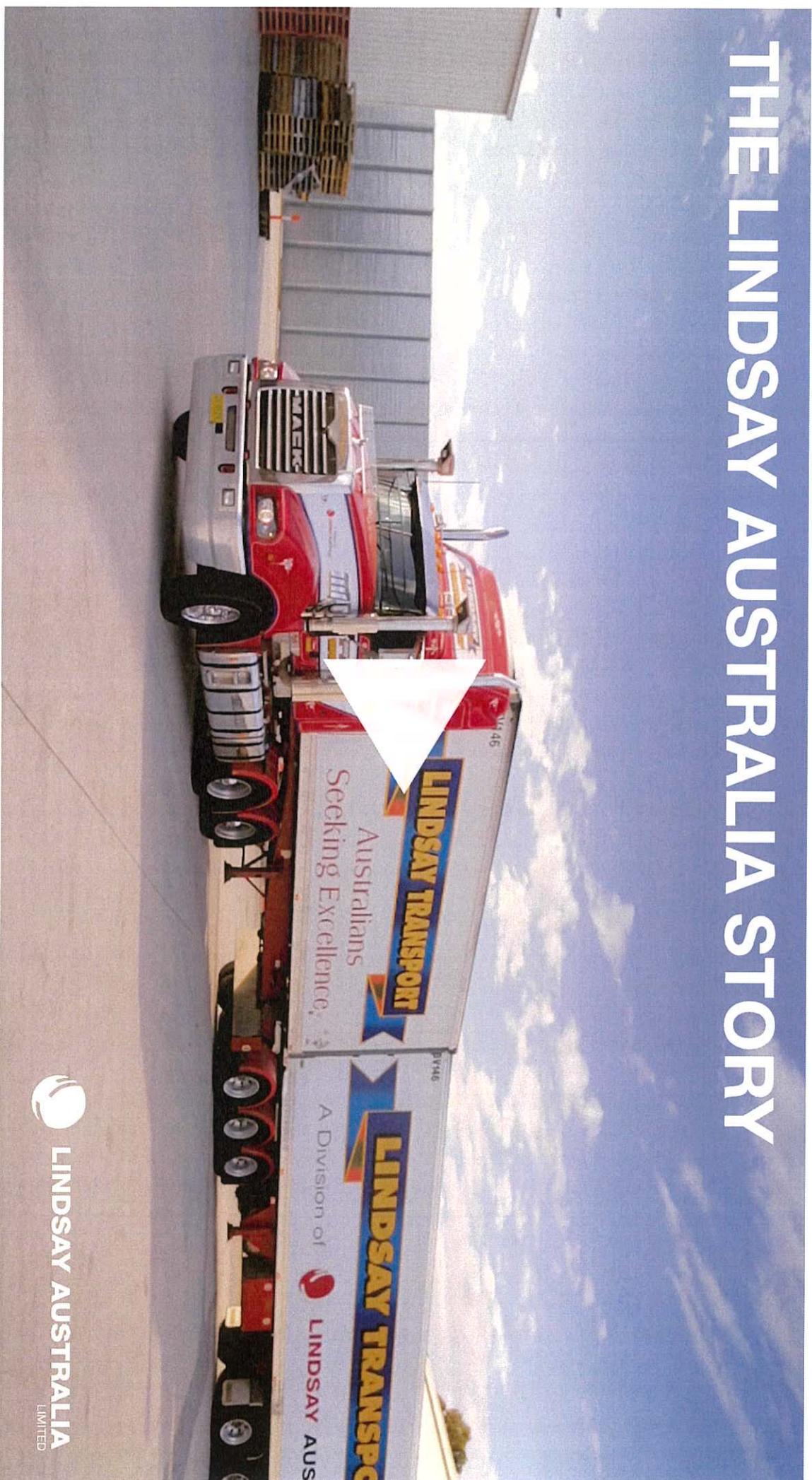
390	670	56	30
PRIME MOVERS & TRUCKS	TRAILERS	RAIL CONTAINERS	SITES

60,000,000 ~~1,300~~ \$360m

KM ANNUALLY EMPLOYEES ANNUAL TURNOVER



THE LINDSAY AUSTRALIA STORY



LINDSAY TRANSPORT

FROM THE FARM TO THE PORT

CURRENT STATE OF PLAY

- Industry carries large portion of non-bulk freight
- 39,000+ small operators with approx. \$50 billion annual revenue
- Small operators specialise and subcontract to larger, integrated businesses
- \$250 million annual revenue

FROM THE FARM TO THE PORT

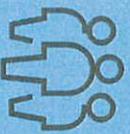
INVESTING FOR THE FUTURE

Three-year, \$123 million capital investment program completed to upgrade fleet, facilities and technology

- New facilities in Mareeaba, Brisbane and Adelaide
- Renewed distribution equipment and prime movers
- Road trains and rail containers
- Technology; e.g. new logistics systems, fleet monitoring and utilisation systems

FROM THE FARM TO THE PORT

INDUSTRY CHALLENGES



AGEING
WORKFORCE



SKILLS
SHORTAGE



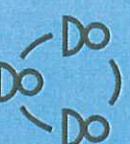
AGEING
EQUIPMENT



CONGESTION



FUEL
PRICES



INDUSTRY
CONSOLIDATION

LINDSAY FRESH

FROM THE PORT TO THE WORLD

ONE-STOP-SHOP

- Import and export logistic requirements
- Documentation, protocol compliance, warehousing, fumigation, ripening, port delivery
- Services undertaken in-house



FROM THE PORT TO THE WORLD

INVESTING FOR THE FUTURE

- Import/export growth volumes increasing
- \$2.5 million invested in 2018 for future growth
- Low capital investment model in Melbourne
- Opportunities in other states to replicate model



LINDSAY RURAL

FROM PLANTING TO HARVEST

WORKING WITH AUSTRALIAN GROWERS

- Annual turnover of \$110 million
- Critical to balance freight flows with Lindsay Transport
- Changing customer base as corporate farming expands and smaller farms consolidate/exit



LINDSAY RURAL

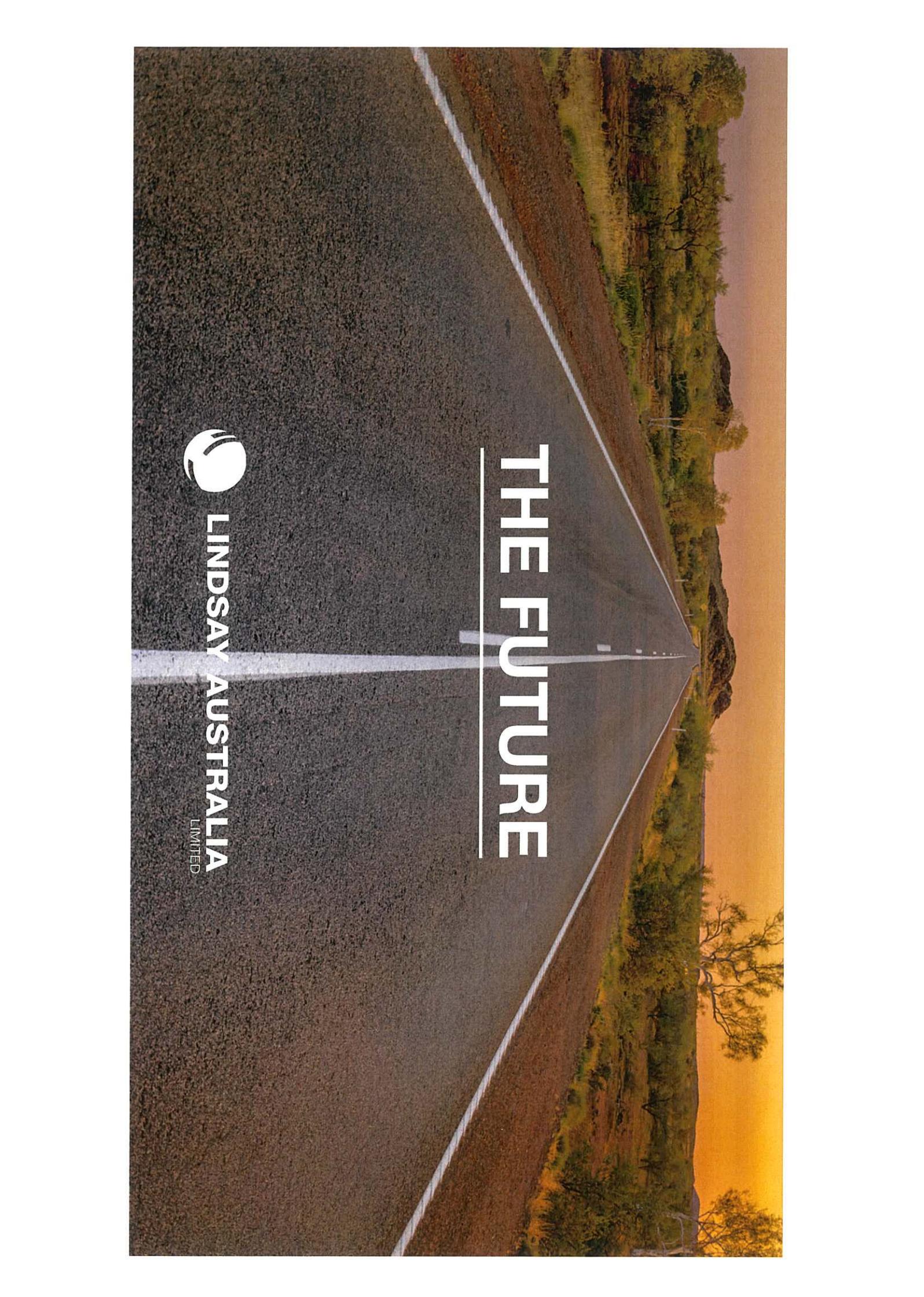
LINDSAY CONNECT

FROM FARM TO FREIGHT

TAKING AUSTRALIAN PRODUCE TO THE WORLD

- Cultivating new opportunities for Australian farmers to share their produce with the world
- Increasing overseas demand for Australian produce
- Steward every step of the fresh food journey
- Key target categories of Citrus, mangoes, grapes, stonefruit and cherries





THE FUTURE



LINDSAY AUSTRALIA
LIMITED

THE FUTURE

INVESTMENTS FOR 2019 AND BEYOND

- Facility upgrade at Sydney (planned and subject to final approvals)
- Increasing refrigerated rail container fleet
- Technology upgrades to improve utilisation rates
- Technology upgrades to improve equipment monitoring
- Lindsay Connect



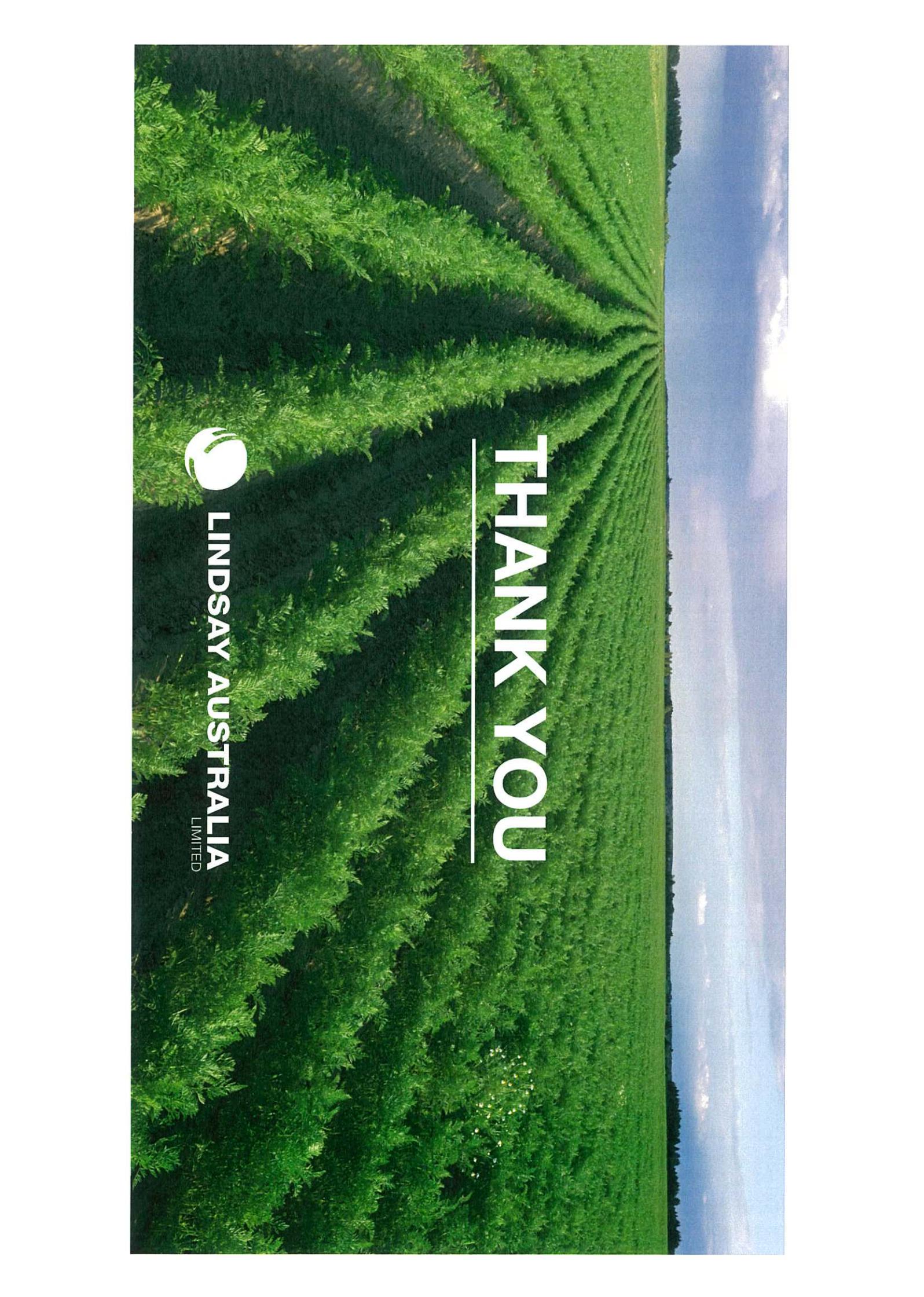
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THANK YOU



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