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Lindsay Delivers H1 FY21 Growth in Revenue, Profit and Dividends

Highlights:

- Lindsay has delivered strong performance driven by the Company's Transport and Rural Services segments, achieving H1 FY21 growth in underlying¹ EBITDA of 12.1% to \$26.1 million on record half-yearly revenue of \$219 million.
- Rail expansion remains Lindsay's primary organic growth strategy in Transport, with the Company planning to expand its fleet by 110 refrigerated containers in FY21 (59%).
- Lindsay continues to invest in operational efficiency and cost controls, achieving positive EBITDA contributions from all divisions alongside reductions in corporate overheads.
- Lindsay Board of Directors have declared an interim fully franked dividend of 1.2 cents per ordinary share (H1 FY20: 1.0 cent per share).
- Lindsay retains a strong position to drive continued profitable growth both organically and positioning to take advantage of opportunities as they arise.

BRISBANE 23 February 2021: 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 half-year ended 31 December 2020, delivering growth in revenue, profit and dividends.

Financial Highlights

The Company increased its underlying earnings before interest, tax, depreciation and amortisation (EBITDA) by 12.1% year-on-year, achieving \$26.1 million of underlying EBITDA on record half-yearly revenue of \$219 million.

Reflecting a continued focus on cost controls and improving operational efficiency, Lindsay achieved positive EBITDA contributions from both divisions - alongside reductions in corporate overheads.

Similarly, underlying profit before tax (PBT) benefitted from improvements from both divisions, increasing \$1.7 million (+19%) from H1 FY20 to \$10.4 million. A reconciliation of the underlying results is provided in the tables in the Interim Financial Report.

¹ Underlying operations defined in this release are the Group's reported financial results as set out in the financial statements, adjusted for significant items that are non-recurring or items incurred outside the ordinary operations of the Group and excludes the impact of adopting AASB 16. Refer to H1 FY21 interim financial report for detailed reconciliation of underlying operations.



The Company generated net operating cash flows of \$19.9 million in H1 FY21, an increase of \$2.3 million (+13%) compared to \$17.5 million in H1 FY20. Historically, Lindsay achieves improved operating cash flow in the second half of the financial year due to seasonality of the Group's customer mix. Operating cash flow is also expected to benefit in H2 FY21 from a reduction in tax payments due to the Australian Government stimulus programs announced in response to COVID-19.

The Company's strong operating results have allowed the Board to declare an interim fully franked dividend of 1.2 cents per ordinary share (H1 FY20: 1.0 cent per share), payable to shareholders on 9 April 2021, with a record date of 26 March 2021.

Lindsay entered H2 FY21 with \$17.95 million in cash and a rolling 12-month net leverage ratio² of 2.38 (H1 FY20: 2.64), providing flexibility and capacity to fund the Company's growth objectives.

Strategic and Operational Highlights

As a leading national provider of transport and logistics and rural services to the horticulture and food related industries, Lindsay remains committed to maintaining its role as an essential service provider and its key role in the nation's food supply chain.

Lindsay's growth strategy remains focused on diversifying the range of products, services and geographical reach and continue to meet the evolving customers' needs by investing in capacity, facilities, equipment and technology and cost efficiency initiatives, ultimately delivering value for customers, employees and shareholders.

The Company's H1 FY21 underlying EBITDA result was driven by improvements in both Transport, where the Company continues to expand and diversify its customer base and increase its refrigerated rail capacity through new equipment additions, and Rural Services, where the Company continues to diversify its product mix and focus on high growth regions.

In Transport, Lindsay continues to expand its presence in North Queensland, while the Company's rail operations build freight volumes in capital cities. Rail expansion remains Lindsay's primary organic growth strategy in Transport, with 231 containers in operation (excluding hire containers) as at 31 December 2020, after acquiring 45 during the period. The division plans to add another 65 refrigerated containers in H2 FY21. Rail remains an efficient, lower capital investment strategy to achieve organic growth and is highly complementary to the extensive network of refrigerated facilities and road fleet. Transport revenue (including external and inter-segment) was on par with H1 FY20 of \$152.6 million due to reduced fuel recoveries and lower import and export logistics revenue.

The Rural division continued to build on the scalable platform that the Company developed in prior years, focusing on high-growth horticulture regions that offer strategic synergies with the Transport division. Rural revenue (including external and inter-segment) increased by \$1.8 million (+2.7%) in H1 FY21, driven by sales growth across several key regions and an increasingly diversified sales mix. The Company is evaluating growth opportunities to leverage key areas and bring further support to the Transport division's network.

In the Fresh Logistics division, revenue from import and export services remained materially impacted by COVID-19 and the associated global and domestic restrictions on air freight, with external revenues down 42.8% in H1 FY21. The division has been able to offset some of the impacts by accessing the Government's Job Keeper program, with the Company receiving \$1.57 million in wage subsidies for the half-year.

² Net leverage ratio = Net debt/underlying EBITDA. Net debt excludes property lease liabilities relating to the adoption of AASB 16.

Commentary on H1 FY21 Results

Lindsay Australia CEO, Kim Lindsay, said:

"We are pleased to deliver a strong H1 FY21 result to our shareholders, especially so considering the uncertain market conditions that many businesses in the fresh food supply chain faced during 2020. We continue to focus on our strengths and are driving efficiency gains in key areas to maintain our competitive edge. At the same time, we remain proactive in our ongoing efforts to diversify Lindsay's offerings throughout our vertically integrated business units in a way that mitigates the effects of weather and seasonality.

We service customers throughout Australia across several industries, including fresh produce, horticulture, food processing, food services and logistics. Our customers' needs continue to evolve, and it's a testament to our Company's longevity that Lindsay Australia continues to deliver new and innovative solutions to meet these changing requirements.

Our strong financial and operating performance, coupled with a robust balance sheet, positions Lindsay well to return capital to shareholders via dividends, which we were pleased to increase this half-year. The strength of our business model allows us to pay dividends while retaining sufficient balance sheet flexibility to consider potential opportunities to accelerate the growth of our business. We remain confident that our diversified model and strategic initiatives will deliver ongoing growth for our shareholders.

Subject to potential COVID-19 related impacts and unforeseen weather events, we anticipate the current level of underlying EBITDA growth to be maintained in H2 FY21."

Release authorised by the Lindsay Australia Board of Directors.

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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). When combined, these divisions offer products and services covering key needs of customers 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/>