

MIDWAY LIMITED (ASX: MWY)

28 May 2021

Market Update – FY21 Earnings

Australia's only listed wood fibre processor and exporter, Midway Limited (Midway or the Company) has adjusted its statutory earnings forecast for the FY21 financial year from \$17.0-\$19.0 million to \$16.0-\$19.0 million statutory EBITDA.

Statutory EBITDA earnings will be supported by one-off contributions from JobKeeper payments and adjustments to reflect the impacts of AASB16 (adding back leases as an operating expense).

After these one-off factors are taken out, underlying earnings are expected to be in the range of \$12.5-\$15.5 million EBITDA for the FY21 financial year due to a higher exchange rate in last quarter and a lower bone dry component of wood fibre exports following wetter La Niña weather patterns.

Other factors affecting underlying performance in FY21 include continued losses by Midway Logistics and Plantation Management Partners due to the slow recovery in domestic and international demand in the wake of COVID-19.

There is the perennial risk that one export shipment from QCE in Brisbane, due to be loaded in late June, may slip into the FY22 financial year. This would negatively impact earnings and cashflow in FY21 but make a positive contribution in FY22.

Midway Managing Director, Tony Price, said "Current price negotiations with major Japanese customers for USD E Globulus FOB wood fibre exports in the 2021 calendar year have not yet been concluded but there are positive signs of stronger wood fibre demand and prices in China.

"Additional pulp and paper manufacturing capacity is being built in China and this is expected to drive export demand and wood fibre prices higher but there is usually a six to twelve month lag in the flow through to Australian wood fibre suppliers."

This announcement has been approved by the Midway Board of Directors.

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About Midway Limited

Midway Limited is a leading Australian forestry company with headquarters in Geelong, with 100% shareholdings in Plantation Management Partners (PMP) based on Melville Island and Midway Logistics (MWL) based in Bunbury, Western Australia, and 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.