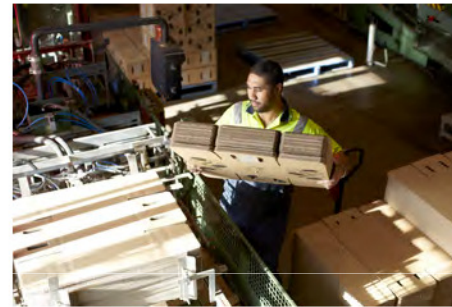
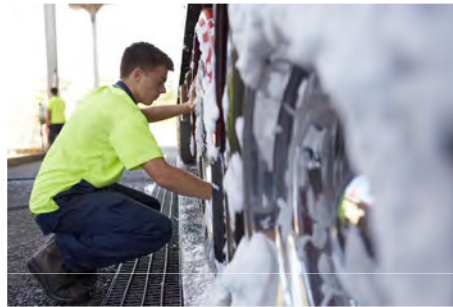




**LINDSAY AUSTRALIA**  
LIMITED

# Investor Presentation

## Half Year 2013 Results





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# Overview





**LINDSAY AUSTRALIA**  
LIMITED

# About Lindsay Australia

Lindsay Transport and Lindsay Rural are divisions of Lindsay Australia Limited, a fully integrated transport, logistics, and rural supply company, with a focus on premium standard service to major customers in the food processing, food services, fresh produce, rural and horticultural sectors.

With one of the largest refrigerated transport fleets in the country, combined with an extensive network of refrigerated warehousing, Lindsay Transport maintains a dependable cold-chain and quality of product throughout the delivery life cycle. The network of strategically located terminals maximises the Lindsay operation through all seasonal fluctuations and allows customers to have confidence in the reliability of our service.

The Lindsay Rural network offers a broad range of services to the horticulture sector by knowing and delivering the needs of growers, particularly in cardboard packaging solutions. The Lindsay Solution provides integrated end-to-end rural services from harvesting to packaging to transport.





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# About Lindsay Australia Cont.

## Directors

|                  |                           |
|------------------|---------------------------|
| Kim Lindsay      | CEO and Managing Director |
| John Pressler    | Non-Executive Chairman    |
| Les Hancock      | Non-Executive Director    |
| Richard Anderson | Non-Executive Director    |
| Greg Farrell     | Non-Executive Director    |

## Senior Management

|                 |                              |
|-----------------|------------------------------|
| Graham Johnston | CFO and Company Secretary    |
| Glen Lindsay    | General Manager Transport    |
| Wayne Bunker    | Commercial Manager Transport |
| Wolf Lorenz     | General Manager Rural        |



**LINDSAY AUSTRALIA**  
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# Structure



**LINDSAY AUSTRALIA**  
LIMITED

Lindsay Australia Limited

ABN 81 061 642 733

Lindsay Transport Pty Ltd

ABN 62 055 792 919



Lindsay Rural Pty Ltd

ABN 80 090 821 300



**LINDSAY RURAL**





# Locations





# Strategy and Objectives

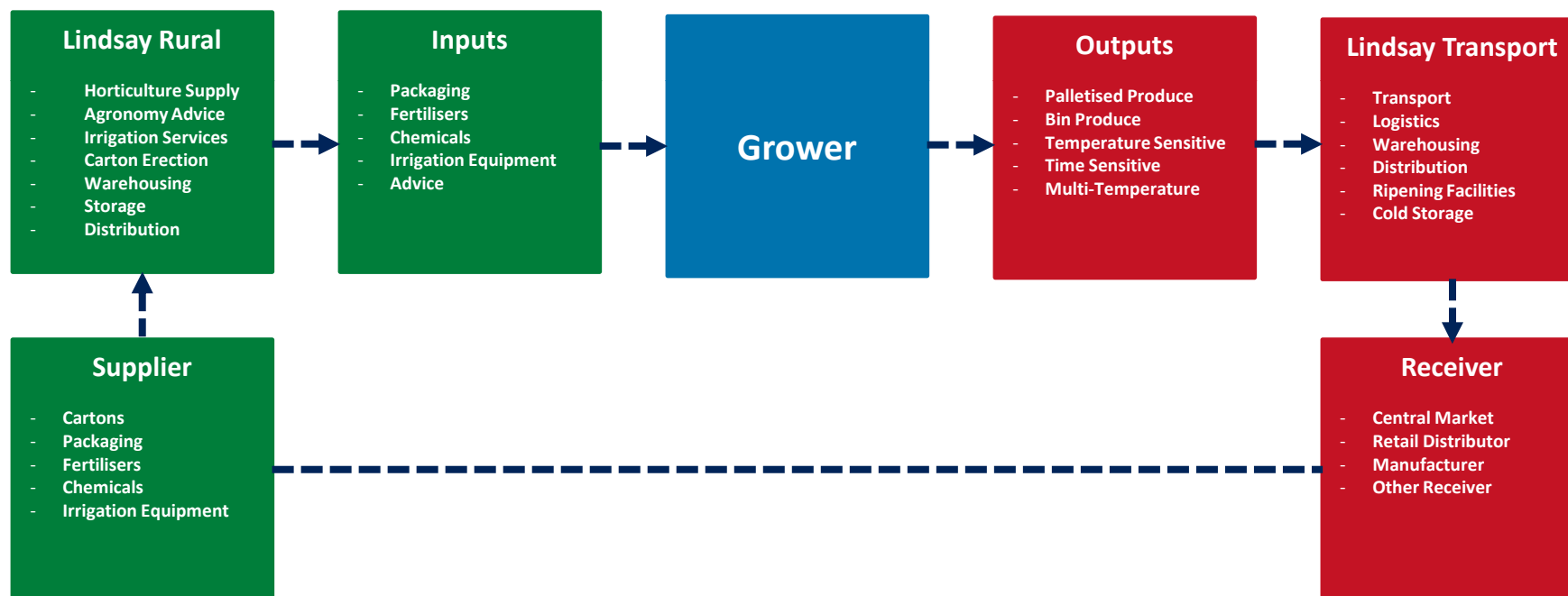
- Strategic alignment to refrigerated transport sector
- Servicing the East of Australia and Western Australia by subcontractor arrangements
- Growth of The Lindsay Solution in new and existing geographic areas, for rural and transport customers
- New transport market segment, Lindsea, servicing the seafood industry
- Increase growth and investment in North Queensland horticulture and seafood industries, and growing in other horticulture areas





# The Lindsay Solution

Lindsay Rural and Lindsay Transport share common customers in the horticulture industry which enables a strategic advantage by providing unique end-to-end service solution to horticulture customers, the Lindsay Solution.



# Shareholder Information







# Overview

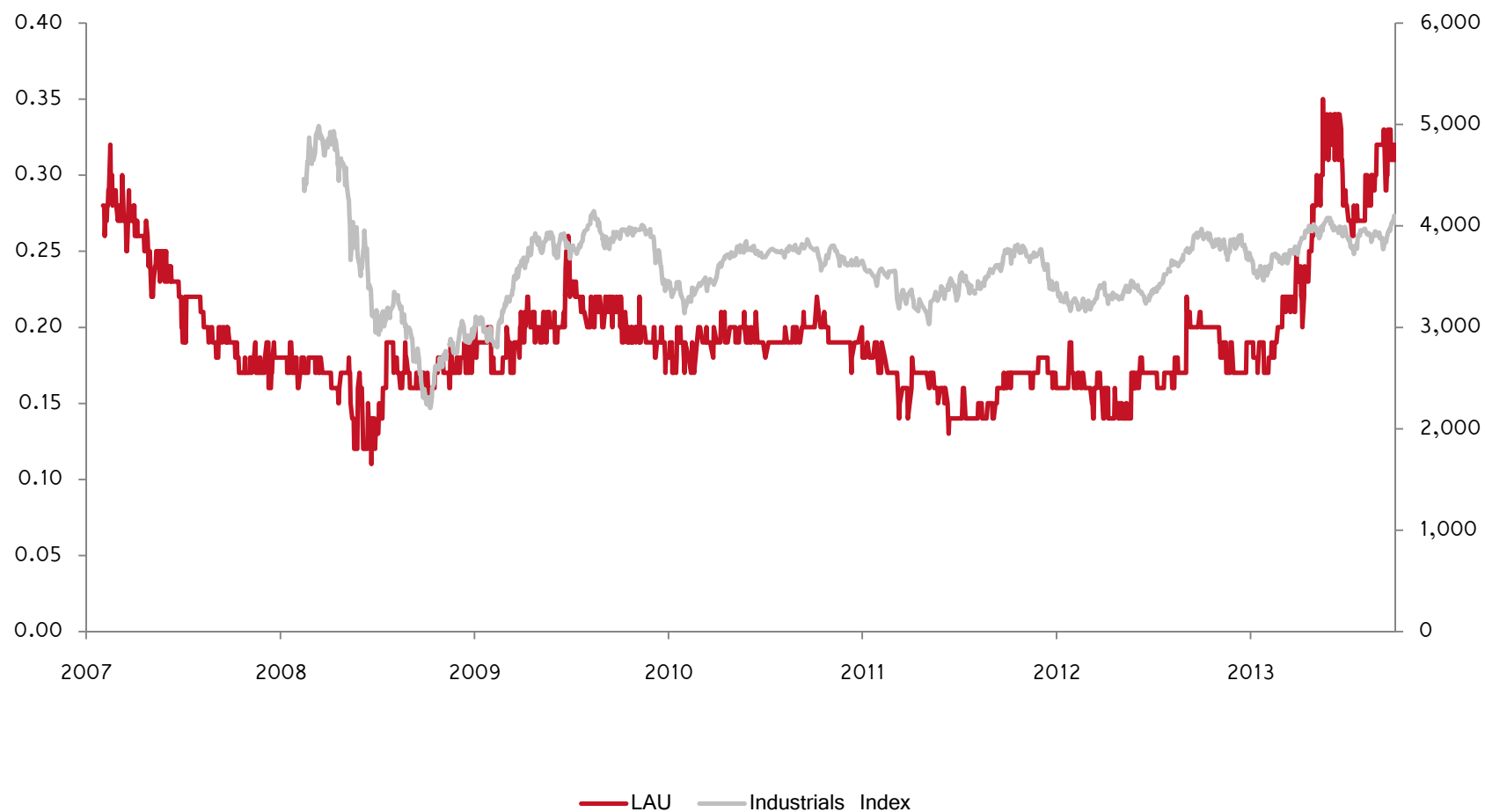
- Listed on ASX in 2002
- Market Cap of \$70 million\*
- Major Shareholders\*
  - Amcor Fibre Packaging 12.1%
  - Mizikovsky Group 5.9%
  - Mulawa Holdings 13.4%
  - The Lindsay Family 19.5%
  - Washington H Soul Pattison & Co 16.4%
- Total employees 995 as at 31<sup>st</sup> December 2013

\*As at 28/02/2014



**LINDSAY AUSTRALIA**  
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# Share Performance





# 2013 Half Year Results and Highlights

|  | 2013<br>\$'000 | 2012<br>\$'000 | % Increase<br>(Decrease) |
|--|----------------|----------------|--------------------------|
| <b>Half Year ended 31<sup>st</sup> December 2013 Results</b> |                |                |                          |
| Revenue  | 160,292        | 143,411        | 11.8                     |
| Earnings Before Interest, Tax, Depreciation and Amortisation | 16,142         | 16,569         | ( 2.6 )                  |
| Net Profit after Tax   | 4,735          | 5,157          | ( 8.2 )                  |
| Earnings per Share   | 2.1¢           | 2.4¢           |                          |
| Dividends per Share  | 1.1¢           | 1.0¢           | 10.0                     |
| Net Tangible Assets per Share                                | 22.5¢          | 21.2¢          | 6.1                      |
| Return on Equity   | 8.2%           | 9.6%           |                          |
| Return on Assets   | 5.8%           | 6.4%           |                          |

## Major Items Impacting Revenue

The result was favourably influenced by retrospective fuel tax credit claims. The after tax benefit this year was \$.568 million compared with \$1.908 million last year.



# 2013 Full Year Results and Highlights

|   | 2013<br>\$'000 | 2012<br>\$'000 | % Increase<br>(Decrease) |
|---|----------------|----------------|--------------------------|
| <b>Full Year ended 30<sup>th</sup> June 2013 Results</b>        |                |                |                          |
| Revenue   | 283,465        | 260,400        | 8.9                      |
| Earnings Before Interest, Tax, Depreciation<br>and Amortisation | 28,708         | 17,592         | 63.2                     |
| Net Profit after Tax  | 7,181          | 25             | 287.2                    |
| Earnings per Share  | 3.3¢           | –              |                          |
| Dividends per Share   | 1.9¢           | 0.7¢           | 171.0                    |
| Net Tangible Assets per Share                                   | 21.2¢          | 19.0¢          |                          |
| Return on Equity  | 13.15%         | 0.05%          |                          |
| Return on Assets  | 4.44%          | –              |                          |

## Major Items Impacting Revenue

The result was favourably influenced by retrospective fuel tax credit claims. The after tax benefit was \$1.908 million. Last year's result was negatively impacted by a doubtful debt expense of \$5.7 million (\$3.99 million after tax).





## 2013 Half Year Segmented Performance

|                        | 2013<br>\$'000 | 2012<br>\$'000 | % Increase<br>(Decrease) |
|------------------------|----------------|----------------|--------------------------|
| <b>Transport</b>       |                |                |                          |
| Divisional Sales       | 116,035        | 100,530        | 15.4                     |
| Divisional Profit      | 11,420         | 13,365         | ( 14.6 )                 |
| <b>Profit Margin %</b> | <b>9.8%</b>    | <b>13.3%</b>   |                          |
| <b>Rural</b>           |                |                |                          |
| Divisional Sales       | 45,508         | 44,236         | 2.9                      |
| Divisional Profit      | 2,859          | 1,648          | 73.4                     |
| <b>Profit Margin %</b> | <b>6.3%</b>    | <b>3.7%</b>    |                          |



## 2013 Full Year Segmented Performance

|                        | 2013<br>\$'000 | 2012<br>\$'000 | % Increase<br>(Decrease) |
|------------------------|----------------|----------------|--------------------------|
| <b>Transport</b>       |                |                |                          |
| Divisional Sales       | 200,561        | 177,540        | 13.0                     |
| Divisional Profit      | 20,514         | 13,727         | 49.4                     |
| <b>Profit Margin %</b> | <b>10.2%</b>   | <b>7.7%</b>    |                          |
| <b>Rural</b>           |                |                |                          |
| Divisional Sales       | 84,497         | 84,219         | 0.33                     |
| Divisional Profit      | 3,516          | 3,690          | (0.47)                   |
| <b>Profit Margin %</b> | <b>4.2%</b>    | <b>4.4%</b>    |                          |

# Lindsay Transport





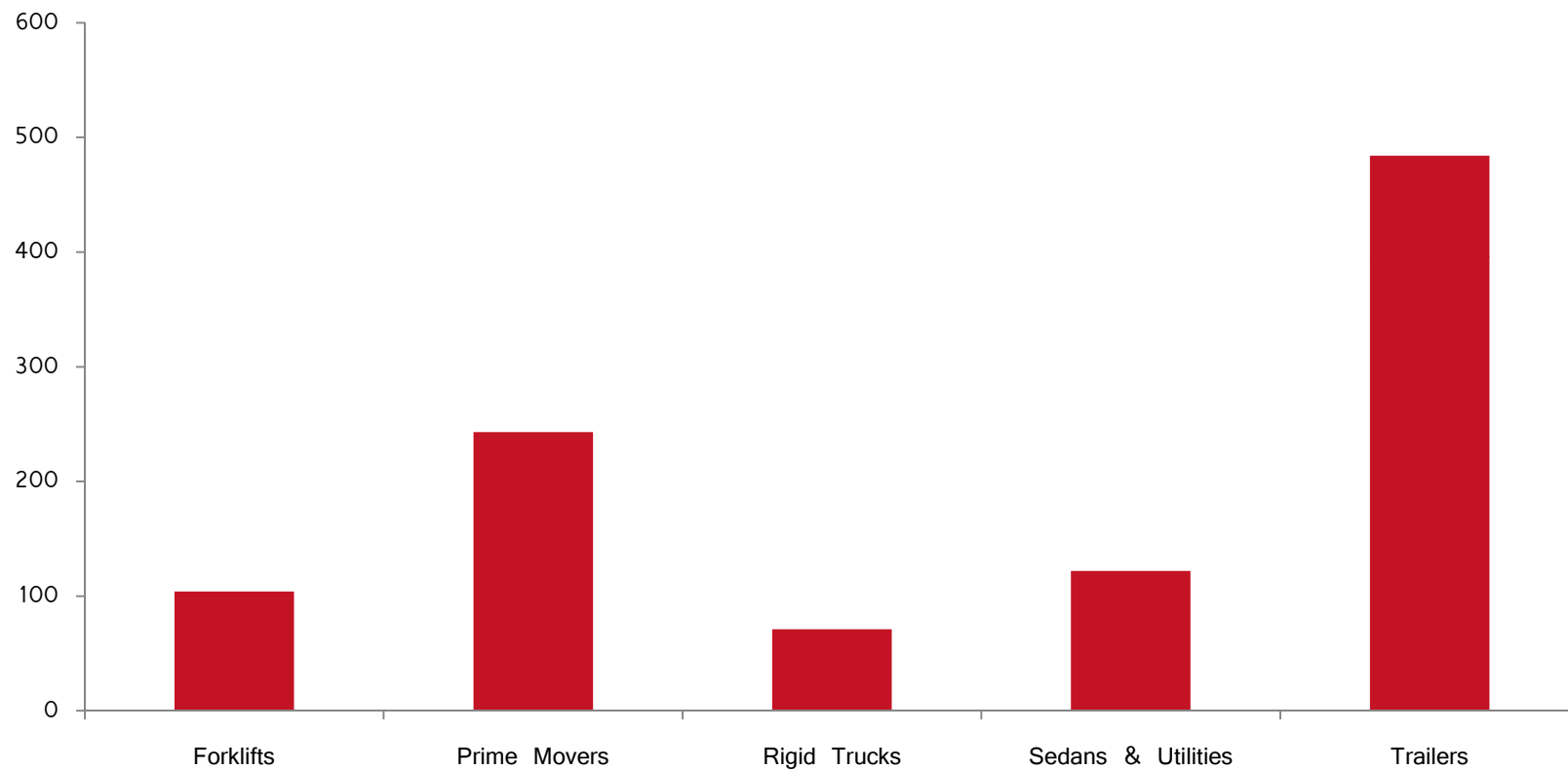
## About Lindsay Transport

- Lindsay Brothers Transport was founded by Thomas and Peter Lindsay in 1953
- Purpose-built refrigerated and ambient equipment fleet, over 1,000 vehicles
- Approximately 90% of revenue derived from food, or food related customers
- 16 terminals on the east coast of Australia
- Major customers include major grocery retailers, and major chilled and frozen food manufacturers





# Fleet Distribution





# Operational Statistics

- **Kilometres:** over 53 million kilometres per annum
- **Fuel:** over 33 million litres per annum
- **Employees:** 859 employees as at 31<sup>st</sup> December 2013
- Fatigue, Maintenance and Mass accredited under National Heavy Vehicle Accreditation Scheme (NHVAS)

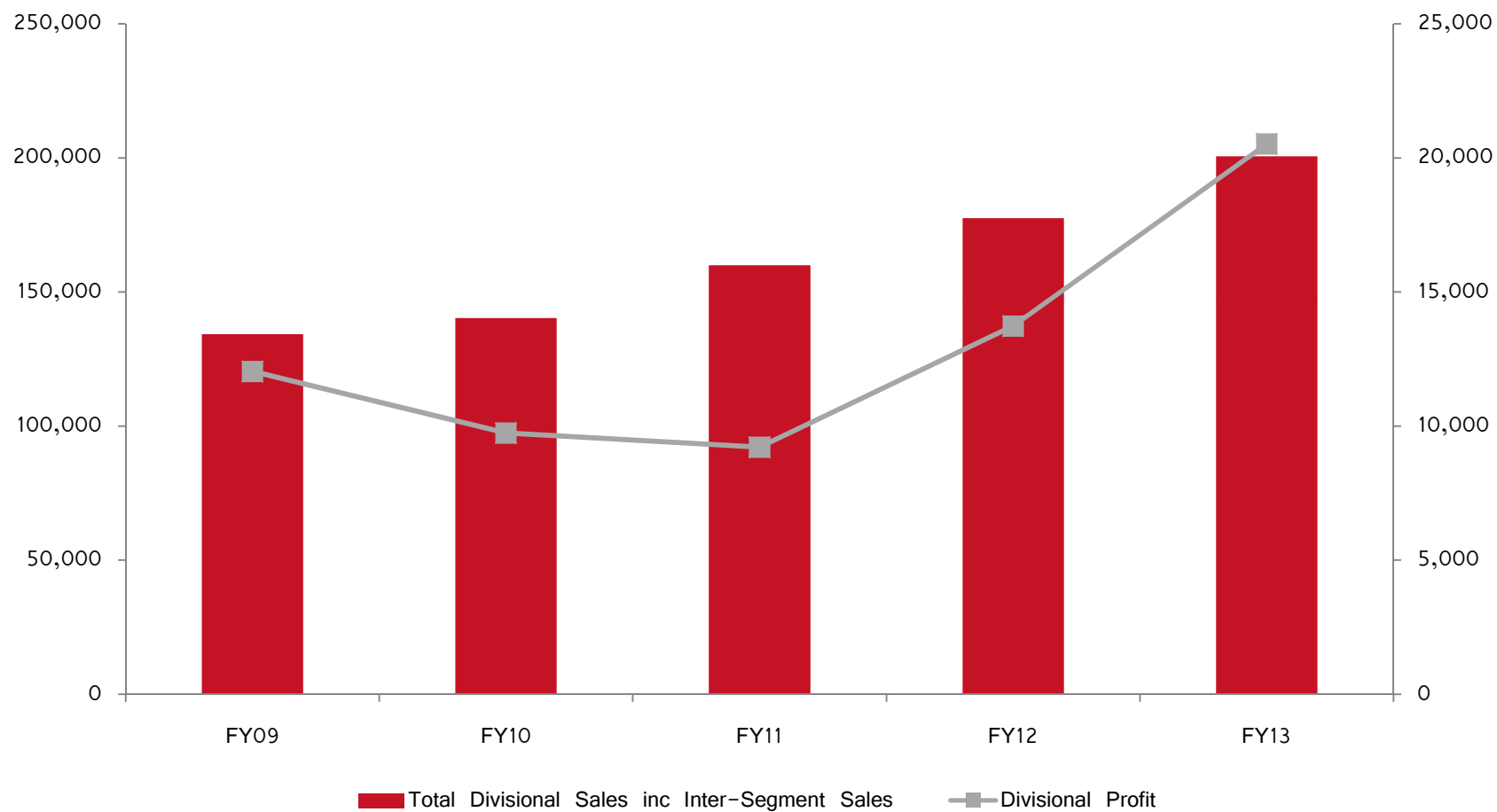


# Key Performance Drivers

- Operational performance – on-time delivery
- Customer yield – volume of freight and maximising customer relationship
- Balanced freight – ability to maximise round-trip profitability
- Load maximisation – ability to load trucks to maximum weight
- Quality of equipment maintenance – limited down time for fleet maintenance
- Compliant fatigue management
- Regional weather and annual rainfall
- Effectiveness of fuel levy to pass on fuel price movements



## Divisional Performance





# Lindsay Rural





## About Lindsay Rural

- Originally P&H Rural Supplies established in Bundaberg Region in 1984
- Rural merchandising of packaging, nutrients, chemicals and fertilisers
- Portion of customer base in common to Transport and Rural
- 15 stores located in strategic horticultural and rural areas
- Focus on providing premium customer service
- Quality agronomy services in specific regions



# Operational Statistics

- 90 employees as at 31<sup>st</sup> December 2013
- HACCP and Agsafe accredited
- Product mix:
  - Fertiliser 16%
  - Packaging 31%
  - Chemicals 16%
  - Nutrients 15%
  - Irrigation 5%
  - Other 17%



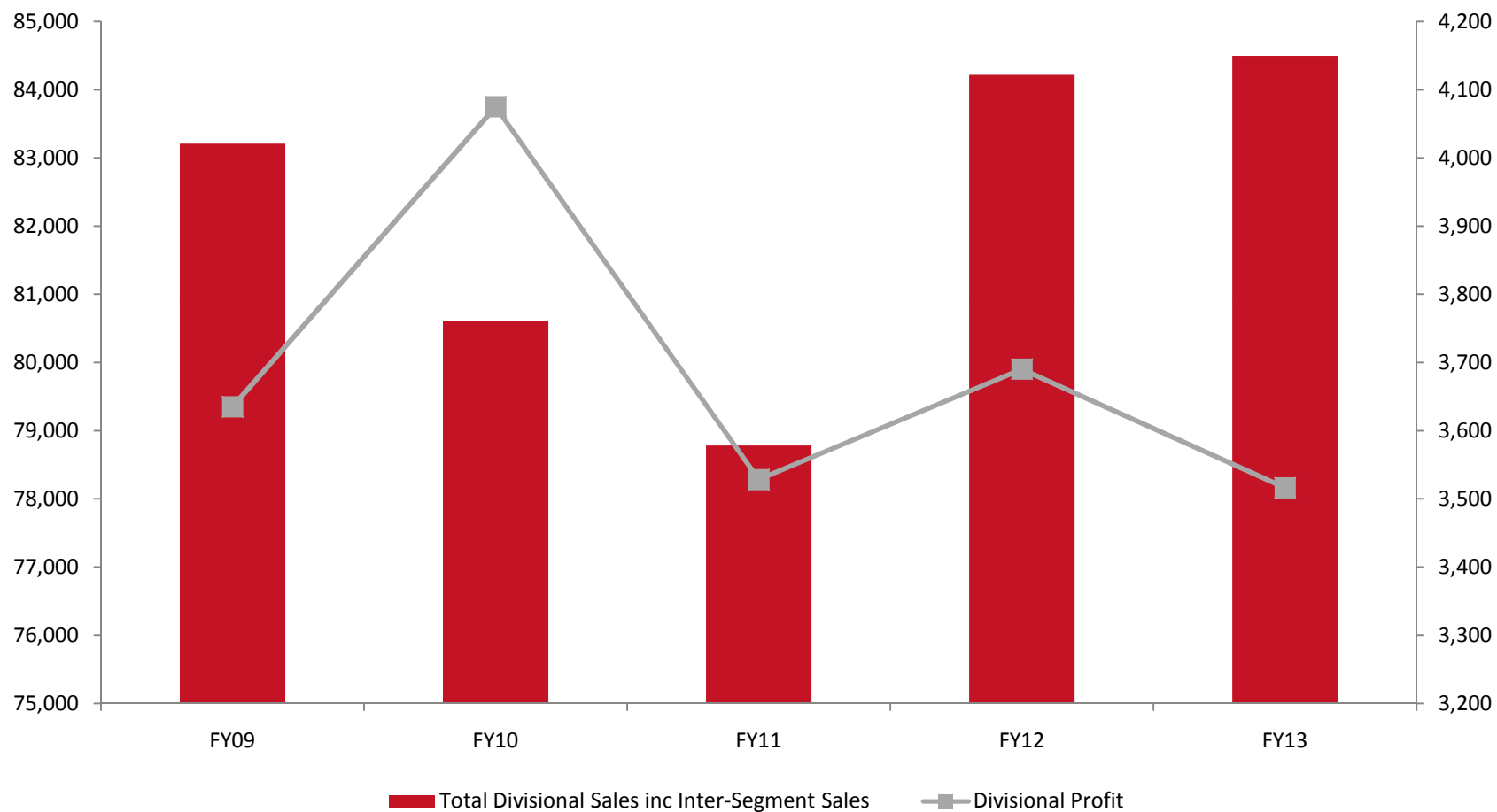


# Key Performance Drivers

- Sales growth
- Stock control
- Customer service
- Training of sales personnel
- Labour and property cost control
- Regional weather and annual rainfall
- Margin maintenance and improvement



## Divisional Performance





# Dividends

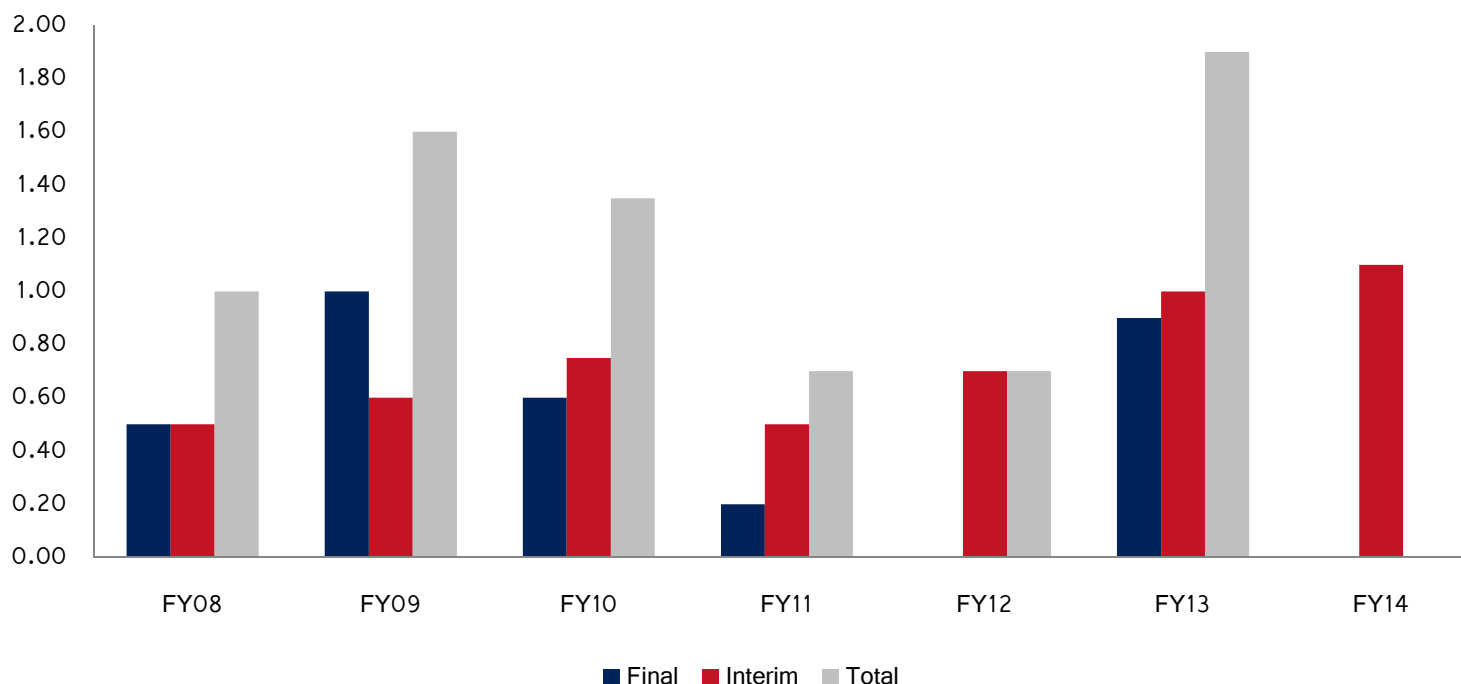






# Dividends

A fully franked interim dividend for FY 2014 of 1.1 cents per share has been declared and is payable on 31<sup>st</sup> March 2014. The company's dividend re-investment plan continues in force.





# Appendices





# Consolidated Statement of Comprehensive Income

## Half Year Ended 31<sup>th</sup> December 2013

|                                      | 2013<br>\$'000 | 2012<br>\$'000 |
|--------------------------------------|----------------|----------------|
| <b>Revenues</b>                      | 160,292        | 143,411        |
| Other income                         | 101            | 120            |
|                                      | 160,393        | 143,531        |
| <b>Expenses</b>                      |                |                |
| Changes in inventories               | 2,334          | 2,330          |
| Purchase of inventories              | (38,183)       | (37,865)       |
| Employee benefits expense            | (36,297)       | (32,530)       |
| Subcontractors                       | (27,829)       | (19,849)       |
| Fuel and oil costs                   | (19,765)       | (15,331)       |
| Depreciation and amortisation        | (7,366)        | (7,065)        |
| Repairs and maintenance              | (6,775)        | (6,826)        |
| Registration costs                   | (1,887)        | (1,595)        |
| Finance costs                        | (2,331)        | (2,339)        |
| Insurance                            | (873)          | (916)          |
| Bad debt expense                     | 207            | (57)           |
| Pallets                              | (966)          | (891)          |
| Operating lease rentals              | (2,813)        | (2,757)        |
| Professional fees                    | (736)          | (1,433)        |
| Other expenses                       | (10,340)       | (9,023)        |
|                                      | (153,620)      | (136,147)      |
| <b>Profit before income tax</b>      | <b>6,773</b>   | <b>7,384</b>   |
| Income tax expense                   | (2,038)        | (2,227)        |
| <b>Profit for the year</b>           | <b>4,735</b>   | <b>5,157</b>   |
| Basic and diluted earnings per share | 2.1¢           | 2.4¢           |



**LINDSAY AUSTRALIA**  
LIMITED

# Consolidated Statement of Financial Position

## Half Year Ended 31<sup>th</sup> December 2013

|                                     | 31 <sup>st</sup> December 2013<br>\$'000 | 30 <sup>th</sup> June 2013<br>\$'000 |
|-------------------------------------|--|--------------------------------------|
| <b>Current assets</b>               |  |                                      |
| Cash and cash equivalents           | 9,931                                    | 9,953                                |
| Trade and other receivables         | 41,424                                   | 41,554                               |
| Inventories                         | 13,459                                   | 10,680                               |
| Other                               | 1,922                                    | 3,843                                |
| Total current assets                | 66,736                                   | 66,030                               |
| <b>Non-current assets</b>           |  |                                      |
| Available-for-sale financial assets | 25                                       | 25                                   |
| Property, plant and equipment       | 87,422                                   | 87,794                               |
| Intangible assets                   | 7,810                                    | 7,854                                |
| Total non-current assets            | 95,257                                   | 95,673                               |
| <b>Total assets</b>                 | <b>161,993</b>                           | <b>161,703</b>                       |



# Consolidated Statement of Financial Position

## Half Year Ended 31<sup>th</sup> December 2013

### Cont.

|                                | 31 <sup>st</sup> December 2013<br>\$'000 | 30 <sup>th</sup> June 2013<br>\$'000 |
|--------------------------------|--|--------------------------------------|
| <b>Current liabilities</b>     |  |                                      |
| Trade and other payables       | 24,234                                   | 25,024                               |
| Borrowings                     | 25,955                                   | 25,813                               |
| Current tax liabilities        | 3,224                                    | 1,462                                |
| Provisions                     | 5,317                                    | 4,975                                |
| Other                          | 284                                      | 2,140                                |
| Total current liabilities      | 59,014                                   | 59,414                               |
| <b>Non-current liabilities</b> |  |                                      |
| Borrowings                     | 42,190                                   | 43,666                               |
| Deferred tax liabilities       | 1,700                                    | 2,689                                |
| Provisions                     | 1,100                                    | 880                                  |
| Other                          | 414                                      | 449                                  |
| Total non-current liabilities  | 45,404                                   | 47,684                               |
| <b>Total liabilities</b>       | <b>104,418</b>                           | <b>107,098</b>                       |
| <b>Net assets</b>              | <b>57,575</b>                            | <b>54,605</b>                        |
| <b>Equity</b>                  |  |                                      |
| Contributed equity             | 45,260                                   | 45,040                               |
| Reserves                       | 491                                      | 491                                  |
| Retained profits               | 11,824                                   | 9,074                                |
| <b>Total equity</b>            | <b>57,575</b>                            | <b>54,605</b>                        |



# Consolidated Statement of Cash Flows

## Half Year Ended 31<sup>th</sup> December 2013

|  | 2013<br>\$'000 | 2012<br>\$'000 |
|--|----------------|----------------|
| <b>Cash flows from operating activities</b>                        |                |                |
| Receipts in course of operations                                   | 174,550        | 152,436        |
| Payments to suppliers and employees                                | (161,321)      | (139,029)      |
| Interest received  | 328            | 219            |
| Finance costs paid   | (2,285)        | (2,282)        |
| Income taxes refund/(paid)   | (1,263)        | 134            |
| Net cash provided by operating activities                          | 10,009         | 11,478         |
| <b>Cash flows from investing activities</b>                        |                |                |
| Proceeds from disposal of property, plant and equipment            | 798            | 691            |
| Proceeds from loan receivable                                      |                | 8,968          |
| Payments for loan receivable                                       |                | (7,044)        |
| Payments for property, plant and equipment                         | (1,613)        | (2,705)        |
| Payments for intangibles   | 47             | 33             |
| Net cash (used in) by investing activities                         | (862)          | (123)          |
| <b>Cash flows from financing activities</b>                        |                |                |
| Proceeds from borrowings   | 1,552          | 2,789          |
| Repayment of borrowings  | (4,649)        | (4,286)        |
| Repayment of lease liabilities                                     | (5,955)        | (5,142)        |
| Dividends paid   | (1,865)        | (1,033)        |
| Net cash (used) in financing activities                            | (10,917)       | (7,672)        |
| Net increase/(decrease) in cash and cash equivalents               | (1,770)        | 3,683          |
| Cash and cash equivalents at the beginning of the reporting period | 9,363          | (258)          |
| Cash and cash equivalents at the end of the reporting period       | 7,593          | 3,425          |





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