



ABN 81 061 642 733

ASX LAU

CHAIRMAN'S ADDRESS

Annual General Meeting

27 October 2017

About Lindsay's

Lindsay Australia is an integrated logistics and rural supply company with a strong focus on servicing customers in food processing, food services and fresh produce sectors.

We provide value along the entire food production chain from seed planting through to export logistics. The Rural division advises Growers, supplying the ingredients to help produce some of the world's best quality natural food. The Transport division then extends this support moving the precious cargo around Australia; And then finally, Lindsay Fresh Logistics completes the offering along the value chain with quarantine services, fumigation, and transport around the world by Sea or by Air. We are a single point of accountability for our customers, providing food security and safety over the entire journey.

This coming year we launch Lindsay Connect. Lindsay branded produce for export sale. Starting small we are forging strong relationships with offshore businesses in Asia. Lindsay Connect aims to offer our growers new marketplaces and buyers access to secure, reliable, high quality Australian produce. We can deliver where infrastructure light suppliers cannot by taking accountability for the end to end journey.

The past year

This past year we have continued building the business. Improving the way we operate and the services our customers receive. *During the year* we implemented new integrated IT systems, opened new sites in Mareeba and Brisbane and continued to maintain a modern road and rail fleet including nearly 300 prime movers.

Looking forward we will continue to invest in sites and maintain a modern fleet. Although this investment will be lower this year than the past three years.

Key to Lindsay's success are our people. Their work ethic and "can do" mindset. They understand the important role they play in providing fresh food that feed's people around Australia and overseas. Further, they believe they can get the job done. A "can do" mindset encourages innovation to overcome adversity and provide customer value.

And WOW we've overcome some adversity this year and it has made us stronger and more effective. Whether it was floods in the Adelaide districts, cyclones around Bowen or white spot disease in prawns. Lindsay's staff worked with customers to find solutions.

Increased operating costs associated with the system implementation, changing sites and overcoming external challenges meant that while we successfully grew operating revenue 2.5% to \$332.8 million with both Transport and Rural divisions contributing, profits decreased.

The financial year ended 30 June 2017 the Lindsay Group earned a net profit after tax of \$6.426 million compared with \$8.072 million in 2016. Basic Earnings per share was 2.2 cents per share.

Through this we remain cognisant of Shareholders' commitment to Lindsay' returning 1.9 cents per share of the 2.2 cents earned.

Costs associated with systems implementations, site changes and weather are expected to moderate during 2018.

Both the Transport and Rural divisions contributed to profit during 2017. Rural division sales increased as a result of expansion into the Burdekin which contributed to earnings. Divisional sales grew to \$106.6m from \$101.6m. Profit contribution before tax decreased by 3.9% to \$3.4 million. This coming year the division will concentrate on the basics of cost and working capital management along with maximising freight into regional towns utilising Lindsay Transport operations. Beyond that timeframe the division will review product and customer mix as levers for future growth.

During the year, we reviewed our customer base to ensure our service offering aligned. We reduced revenue from ambient freight and increased cold freight. Cold or wet freight demands a premium over ambient freight so it makes sense to maximise quantities in our state of the art cold equipment.

Transport divisional revenue grew 1.4% to \$234.1 million. The division used improved systems and processes to increase divisional profit 10.5% to \$25.15 million before tax. The severe weather events of 2017 caused freight imbalances as we moved products into regional areas but reduced produce out. Challenges around freight imbalances and large customer changeovers are expected to abate in 2018.

Our customers are experiencing favourable economic and climatic conditions and Lindsay Australia is well positioned to provide value to them.

In all we have now set the stage for future profitability and this is reflected in our first quarter's results. First quarter's profit is 60% higher than last year. However, due to the seasonal nature of our business the first half year is typically busier than the second half. However, if this first quarter is an indication of the year to come, and we believe it is, Lindsay is currently on track to improve last year's result by around 20%. We see 2017 as a year that experienced a number of challenges and internally we are focused on improving from our 2016 result of \$8.072.

On the risk side we continue to be vigilant and responsive to external changes, in the economy, climate and competitive landscape.

Finally, I would like to thank the board of directors for their continuing commitment and dedication to Lindsay Australia limited.

new growth

Lindsay Australia
Annual General Meeting
October 2017

Lindsay Australia Annual General Meeting

Location

LINDSAY AUSTRALIA LIMITED

McCullough Robertson Auditorium

Level 11, 66 Eagle Street, Brisbane

11.00 am Friday 27 October 2017

Our Business

Our Sites



Transport

Adelaide
Bowen
Brisbane
Bundaberg
Coffs Harbour
Emerald
Gatton
Innisfail
Mackay
Mareeba
Melbourne
Mildura
Mundubbera
Nambour
Stanthorpe
Sydney
Tully

Rural

Lindsay Rural
Brisbane Warehouse
Berri
Bowen
Brandon
Bundaberg North
Bundaberg Wyllie
Childers
Coffs Harbour
Emerald
Gatton
Innisfail
Leeton
Mareeba
Adelaide
Mildura
Mundubbera
Murwillumbah
Nambour
Invergordon
Stanthorpe
Tully

Lindsay Fresh Logistics

Brisbane Markets

The Lindsay Solution



Lindsay Connect

A cluster of fresh oranges with green leaves is arranged on a dark, textured wooden surface. The oranges are bright orange and appear to be freshly washed, with some water droplets visible on their skin. The leaves are a vibrant green and are attached to the stems of the oranges. The background is a dark, rustic wooden table with visible grain and texture.

from seed to store

Building the business – Brisbane, Mareeba, Systems



Acacia Ridge, Brisbane



Brisbane Workshop



Brisbane Seafood



Rural Store Brisbane



Transport & Rural,
Mareeba



In-cab device

Last year the Group achieved an operating **profit after tax of \$6.43 million** and grew operating revenue to \$332.8 million



Last year's Results - Group Overview

Group Overview	2017 \$'000	2016 \$'000	Variance \$'000	% Change
Operating Revenue	332,858	324,796	8,062	2.5%
EBITDA	35,904	35,690	214	0.6%
Depreciation & Amortisation	(22,086)	(19,642)	(2,443)	12.4%
EBIT	13,818	16,048	(2,229)	(13.9%)
Finance Costs	(5,483)	(4,644)	(839)	18.1%
Income Tax	(1,909)	(3,331)	(1,422)	(42.7%)
Reported NPAT	6,426	8,072	(1,646)	(20.4%)
Key Stats & Operating Figures				
NPAT Margin	1.9%	2.5%	(0.6%)	(22.3%)
EPS	2.2 cents	2.8 cents	(0.6 cents)	(21.4%)
Capital Expenditure	35,160	58,129	(22,969)	(39.5%)
Operating Cashflow	39,726	29,789	9,937	33.4%
Property, Plant and Equipment	161,125	153,204	7,921	5.2%
Borrowings	120,715	110,567	10,148	9.2%
Gearing Ratio	58.3%	56.7%	1.7%	2.9%
Interest Coverage	2.52	3.46	(.94)	(27.1%)
Divisional Contribution				
Transport	25,153	22,768	2,385	10.5%
Rural	3,405	3,544	(139)	(3.9%)

Business of meeting

Proxies

180 valid proxies for 134,461,928 shares,
representing 45.87% of the total shares on issue have
been received.

First item of business

“To receive and consider the Financial Statements and the Reports of the Directors’ and Auditors’ for the year ended 30 June 2017”.

Resolution one

“That Richard Andrew Anderson who retires by rotation in accordance with listing rule 14.4 and rule 16.1 of the company’s constitution, and being eligible, offers himself for re-election, be re-elected as a director of the company”.

Resolution two

“That the section of the report of the Directors’ in the 2017 Annual Report dealing with the remuneration of the Company’s Directors and Senior Executives (“Remuneration Report”) be adopted”.

Resolution three

“That for the purposes of Sections 200B, 200E AND 208(1)(A) of the Corporations Act 2001 (CTH), ASX Listing rule 10.14, and all other purposes, approval is given for The Company to issue 400,000 options at an exercise price \$nil to Mr Michael Kim Lindsay (or his nominee), who is a Director of the Company, as set out in the explanatory memorandum”.



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LIMITED

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