



full year results

Year ended 30 June 2018



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Lindsay solution

Lindsay Australia's business units share common customers within the horticulture industry which gives the Group a strategic advantage by providing a unique end-to-end service solution.

Lindsay Australia continues to build on the Lindsay Solution by increasing our service offerings to our customers and now provide an integrated logistics service from port to paddock and everything in-between.

LINDSAY RURAL – Working with Australian growers



Expert Advice



Horticulture & Agronomy



Irrigation and Fertilisers



Packaging

LINDSAY TRANSPORT – Providing total transport solutions



Transport



Logistics



Cold Storage



Distribution

LINDSAY FRESH LOGISTICS – Managing storage and delivery



Warehousing



Bio-security



Ripening



Delivery

LINDSAY CONNECT – Taking Australian produce to the world



Fresh Produce



Sea Freight



Air Freight



Global Distribution

Lindsay Rural

Brisbane Shop
Brisbane Warehouse
Berri
Bowen
Brandon
Bundaberg North
Bundaberg Wyllie
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 (coming soon)
Stanthorpe
Sydney
Tully

Lindsay Fresh Logistics

Brisbane Markets
Melbourne Markets

Group performance



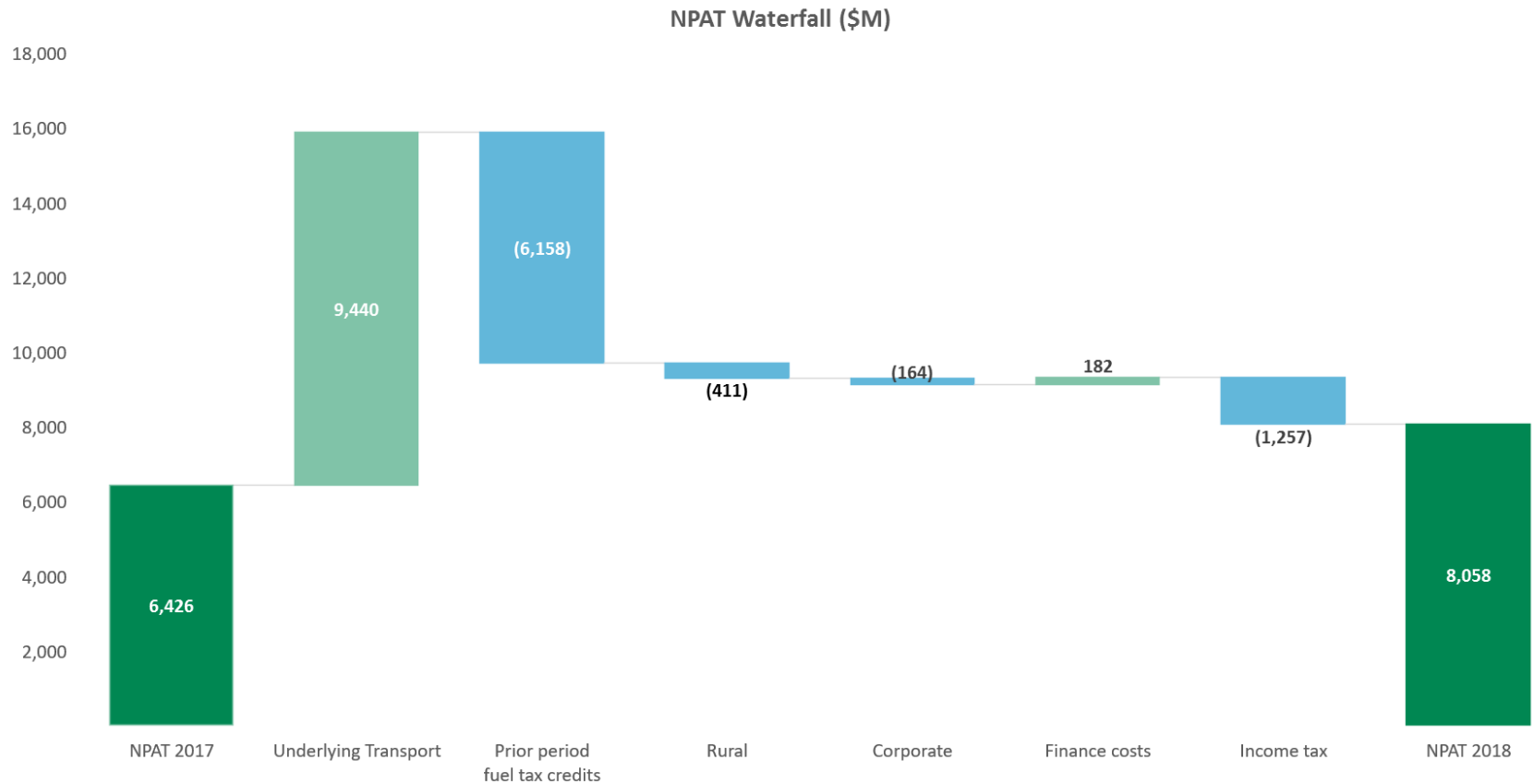
Financial results

	2018	2017	
	\$'000	\$'000	% Change
Income statement summary			
Operating revenue	360,479	332,858	8.3%
EBITDA	36,149	35,904	0.7%
Depreciation & Amortisation	(19,624)	(22,086)	(11.1%)
EBIT	16,525	13,818	19.6%
Finance costs	(5,301)	(5,483)	(3.3%)
Profit Before Tax	11,224	8,335	34.7%
Income tax	(3,166)	(1,909)	65.8%
Reported Net Profit After Tax	8,058	6,426	25.4%
Underlying Profit Before Tax¹	11,224	2,177	415.5%
Key finance metrics			
Capital expenditure	29,750	35,160	(15.4%)
Operating cash flow	18,912	39,702	(52.4%)
EPS	2.7	2.2	24.7%
Division contribution			
• Transport	28,435	25,153	13.0%
• Rural	2,994	3,405	(12.1%)

- Operating revenue growth of 8.3% to \$360.5 million supported by strategic investment in key facility upgrades and expansions completed in prior financial years
- PBT grew 34.7% to \$11.2 million achieved through a strong transport result
- Underlying PBT¹ increased 415.5% achieved through a strong transport result driven by improved utilisation, rate increases, fleet investments and technology
- Rural reported revenue growth of 4.2% with good performance across its 22 rural locations mitigating some of the impact of adverse weather conditions in the Wide Bay-Burnett region which impacted results during the first half; which contributed to a decrease in profit for the segment of 12.1%
- Capital expenditure of \$29.8 million made during FY18 primarily related to fleet renewal and upgrades to deliver customer efficiencies, safety improvements and maintenance savings
- Reported NPAT increased 25.4% to \$8.06 million attributing to a 24.7% rise in EPS from 2.2 cents to 2.7 cents
- FY2019 has started well and we remain confident in delivering another year of growth for our shareholders. With our recent capacity additions, technology upgrades and strategic investments, we expect to deliver net profit after tax growth in the region of 10-12% subject to no unforeseen events

1. Underlying profit before tax excludes \$6.158 million in fuel tax credits in FY2017 relating to prior periods

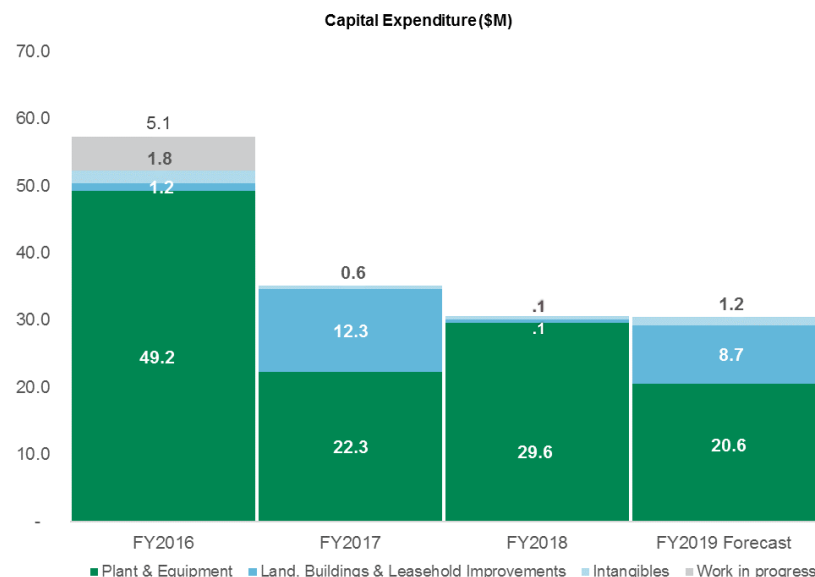
NPAT Waterfall



Movement in Underlying Transport excludes \$6.158 million in fuel tax credits from FY2017 result which relate to prior periods

Capital expenditure

- Over the past few years the Group has invested heavily in maintaining and expanding its fleet, property and facility upgrades and IT projects. Capital expenditure for FY2018 was \$29.8 million taking the three year capital expenditure program to \$123 million (FY2016-FY2018)
- Investments in facility upgrades in Mareeba, Brisbane Adelaide in prior years provided the platform for revenue growth, collectively contributing an additional \$13.4 million of revenue in FY2018
- The Group fleet renewal program continues to drive safety outcomes and reduce vehicle operating costs. The current average age of Prime movers is 4.2 years and 5.5 years for trailers
- In FY2019 the Group plans to spend \$30.4 million in capital expenditure including an expansion to Perth, continuation of our fleet renewal program, leasehold expenditure for a new Sydney facility, a property in Bowen to establish a transport depot and continued investment in IT projects including safety systems



Depot	Full Yr. revenue growth	Completed
Adelaide	24%	FY2016
Mareeba	30%	FY2017
Brisbane	18%	FY2017

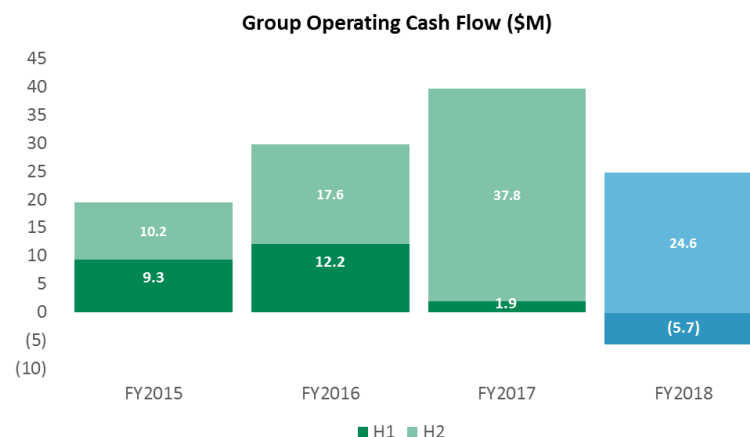
Capital plan

PLANNED PROJECT	2018				2019				2020	
	QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2
Off Road Bulk Fuel Project	■	■								
LFL Coldroom Upgrade		■	■							
Bowen Purchase			■							
Perth Depot			■	■						
Guardian (seeing eye cameras)			■	■						
Trailer Tracking			■	■	■	■	■	■		
Sydney Depot			■	■	■	■	■	■	■	■
Accounting System Upgrade						■	■	■	■	■
Fleet Renewal Program	■	■	■	■						

Cash flow

- Cash generated from operating activities decreased to \$18.91 million. Group operating cash fluctuates yearly depending on seasonal debtor payments and deferred creditor terms. In H2 2017 a significant working capital movements inflated operating cash which impacted H1 2018.
- Operating cash flow is expected to normalise in FY2019 back to a more even split across the first and second half of the financial year.
- The board declared a final fully franked FY2018 dividend of 1.0 cent per share, taking the total payout for FY2018 to 1.8 cents per share which is an increase of 12.50% on FY2017

Cash flow statement summary	\$'000	\$'000	% Change
Operating receipts	397,496	379,123	4.8%
Operating payments	(369,625)	(331,254)	11.6%
Interest received	441	518	(14.9%)
Income taxes paid	(4,099)	(3,202)	28.0%
Finance costs paid	(5,301)	(5,483)	(3.3%)
Operating cash flow	18,912	39,702	(52.4%)
Proceeds from disposal of PP&E	3,434	2,753	24.7%
Payments for PP&E	(2,349)	(15,654)	(85.0%)
Payments for intangibles	(123)	(566)	(78.3%)
Investing cash flow	962	(13,467)	(107.1%)
Proceeds from Borrowings	6,146	22,807	(73.1%)
Repayment of borrowings	(10,332)	(9,333)	10.7%
Repayment of Lease Liabilities	(22,099)	(20,017)	10.4%
Dividends Paid	(3,910)	(4,677)	(16.4%)
Financing cash flow	(30,195)	(11,220)	169.1%
Opening cash	25,037	10,022	149.8%
Increase/(decrease) cash	(10,321)	15,015	(168.7%)
Closing cash	14,716	25,037	(41.2%)



Segment performance

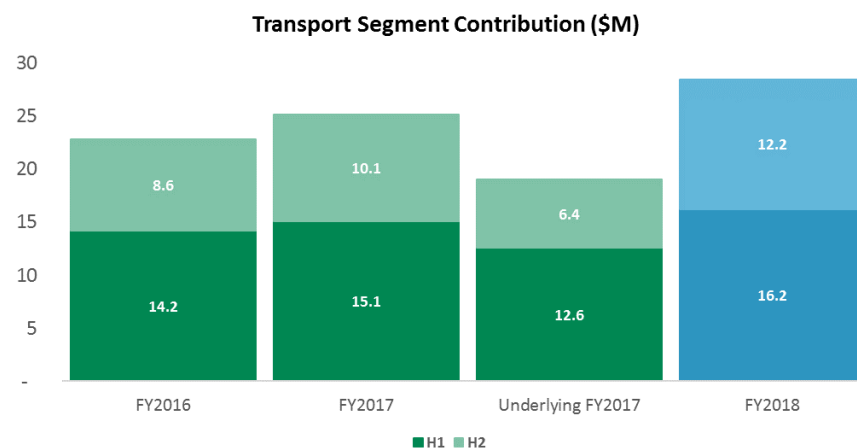


Transport

- Transport made a divisional contribution of \$28.44 million, an increase of 13% on the previous year. Excluding the fuel tax credits relating to prior periods, underlying segment contribution increased \$9.44 million or 49.7%, despite facing headwinds of volatile fuel pricing throughout the year
- The solid performance was achieved as a result of increased utilisation, price increases, cost reductions through the fleet renewal program and technology improvements. Revenue growth in key regions driven by prior year investments also helped improve the segments profitability
- In FY2019 Transport will continue to expand it's reach supporting our strategy of mitigating seasonal horticultural risks by diversifying our geographical footprint
- In July 2018 we purchased a distribution facility in the major horticulture growing region of Bowen, Central Queensland
- Transport is also in the process of setting up a greenfield cold storage project in Perth which will be serviced primarily with the addition of 35 new refrigerated rail containers and equipment at a cost of \$5.7 million

Transport Result	2018 \$'000	2017 \$'000	% Change
External sales	250,555	227,400	10.2%
Inter-segment sales	6,341	5,415	17.1%
Other revenue	2,015	1,355	48.7%
Total segment income	258,911	234,170	10.6%
Operating expenses	(155,945)	(144,510)	7.9%
Vehicle operating expenses	(57,617)	(45,180)	27.5%
Depreciation and amortisation	(16,914)	(19,327)	(12.5%)
Profit contribution	28,435	25,153	13.0%
Underlying profit¹	28,435	18,995	49.7%
Underlying profit margin	11.0%	8.1%	35.4%

1. Underlying profit before tax excludes \$6.158 million in fuel tax credits in FY2017 result relating to prior periods

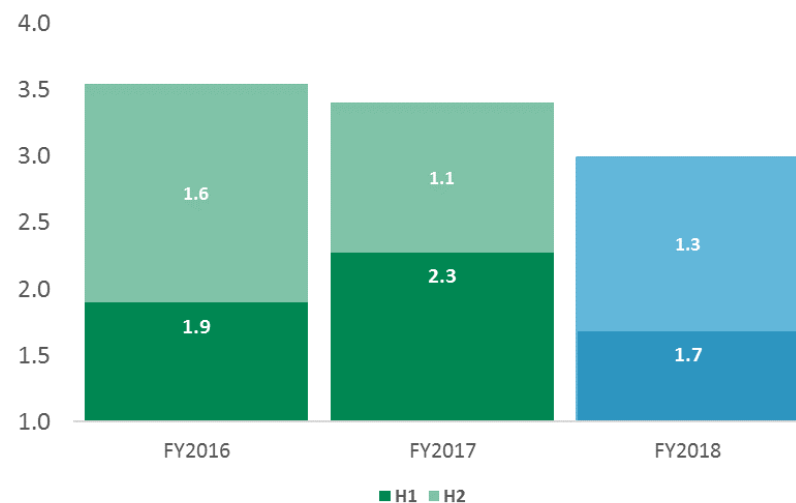


Rural

- Lindsay Rural reported revenue growth of 4.2% with solid performance across its 22 rural locations, partially mitigating the impact of adverse weather conditions in the Wide Bay-Burnett region which impacted results during the first half
- Adverse weather in the first half of the financial year negatively impacted Rural's profit and ultimately their full year result finishing 12.1% below the previous period at \$2.99 million
- Rural continues to leverage existing Transport customer relationships to deliver supply chain improvements for both Lindsay Australia Group and its customer base
- In FY2019 the division will focus on reviewing its product sales mix and reducing our cost to serve to drive profitability

Rural Result	2018 \$'000	2017 \$'000	% Change
External sales	109,924	105,458	4.2%
Inter-segment sales	969	765	26.7%
Other revenue	709	407	74.2%
Total segment income	111,602	106,630	4.7%
Operating expenses	(108,081)	(102,747)	5.2%
Depreciation and amortisation	(527)	(478)	10.3%
Profit contribution	2,994	3,405	(12.1%)
Underlying profit margin	2.7%	3.2%	(16.0%)

Rural Segment Contribution (\$M)



Lindsay Fresh

- Import/Export logistic revenue increased 27% in FY2018 to \$4.66 million. With increased volumes from existing produce categories and new customer additions, the import/export logistic freight task is forecast to deliver similar revenue growth in FY2019
- Along with external revenue growth the facility continues to provide important support functions to the Transport business
- In May 2018 Fresh received a \$2.5 million facility upgrade, retrofitting one of the existing cold rooms into a fast cooling chamber, significantly increasing throughput. The upgrade will support future export growth and drive volume increases across multiple fresh food categories
- During the year a low cost fresh model was set up in the Melbourne markets. The region has promising opportunities for future growth being the largest import/export market in the country



Lindsay Connect

- The Group continues to focus on the Lindsay Connect business model to deliver new revenue streams that compliment existing operations
- Overseas produce supply chains have sufficient demand to continue to pursue these opportunities
- Citrus which is one of the key target categories for Connect has had high demand from overseas customers this season but Australian supply has been restrained due to poor grower yields



Lindsay way, our values

Each of these elements is individually significant but in combination they are the basis of how we operate everyday to build a sustainable business for the future.



SAFETY ALWAYS Choose to make safety a personal value; think SAFE, act SAFE, be SAFE.

We have an obligation to our team mates and the public to operate safely. There is nothing we do that is worth hurting ourselves or others over. Our friends and family drive, and work alongside us every day, this is a privilege we take very seriously. We are all responsible for communicating and rectifying any issues that may harm ourselves, our people or community.



PEOPLE FOCUSED Dedicated to the development and support of current and future employees.

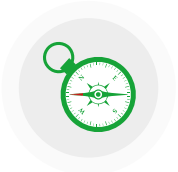
We know that to be successful we must work together to meet the changing needs of our customers. We recognise that people are the cornerstone of the Lindsay Group's success, and we have a pride in our past and face the future with dedication and passion for our industry and company. We expect individuals to be responsible and take ownership of their behaviour to improve safety outcomes, productivity and protect the reputation of the Lindsay Group.



CUSTOMER AND SUPPLIER ORIENTATED Maintain and improve the high level of service provided to both our customers and suppliers. Our customers and suppliers are an important component to the success and reputation of the Lindsay Group. They are our partners and we value both the long-term relationships we have developed with existing customers and the new ones we continue to build.

Lindsay way, our values

Each of these elements is individually significant but in combination they are the basis of how we operate everyday to build a sustainable business for the future.



INDUSTRY INNOVATORS Constantly challenge ourselves to provide and develop new innovations. Innovation is the key to improving not only our business but the industry and is essential in sustaining the Lindsay Group's growth and profitability. To ensure we continue to maintain these relationships and improve productivity we strive to; deliver state of the art technological efficiencies, expanded services and provide holistic solutions to customers without compromising safety, quality or our people.



VALUE FAMILY Committed to recognising the importance and value of family life. We don't just see an employee, we see a family and we recognise it is the families that support our employees. We offer support, and seek to promote and look after the wellbeing of our people and families beyond the workplace. We want everyone to get home safely.



CUSTOMER AND SUPPLIER ORIENTATED Maintain and improve the high level of service provided to both our customers and suppliers. Our customers and suppliers are an important component to the success and reputation of the Lindsay Group. They are our partners and we value both the long-term relationships we have developed with existing customers and the new ones we continue to build.



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