



# LINDSAY AUSTRALIA | 1H19 RESULTS



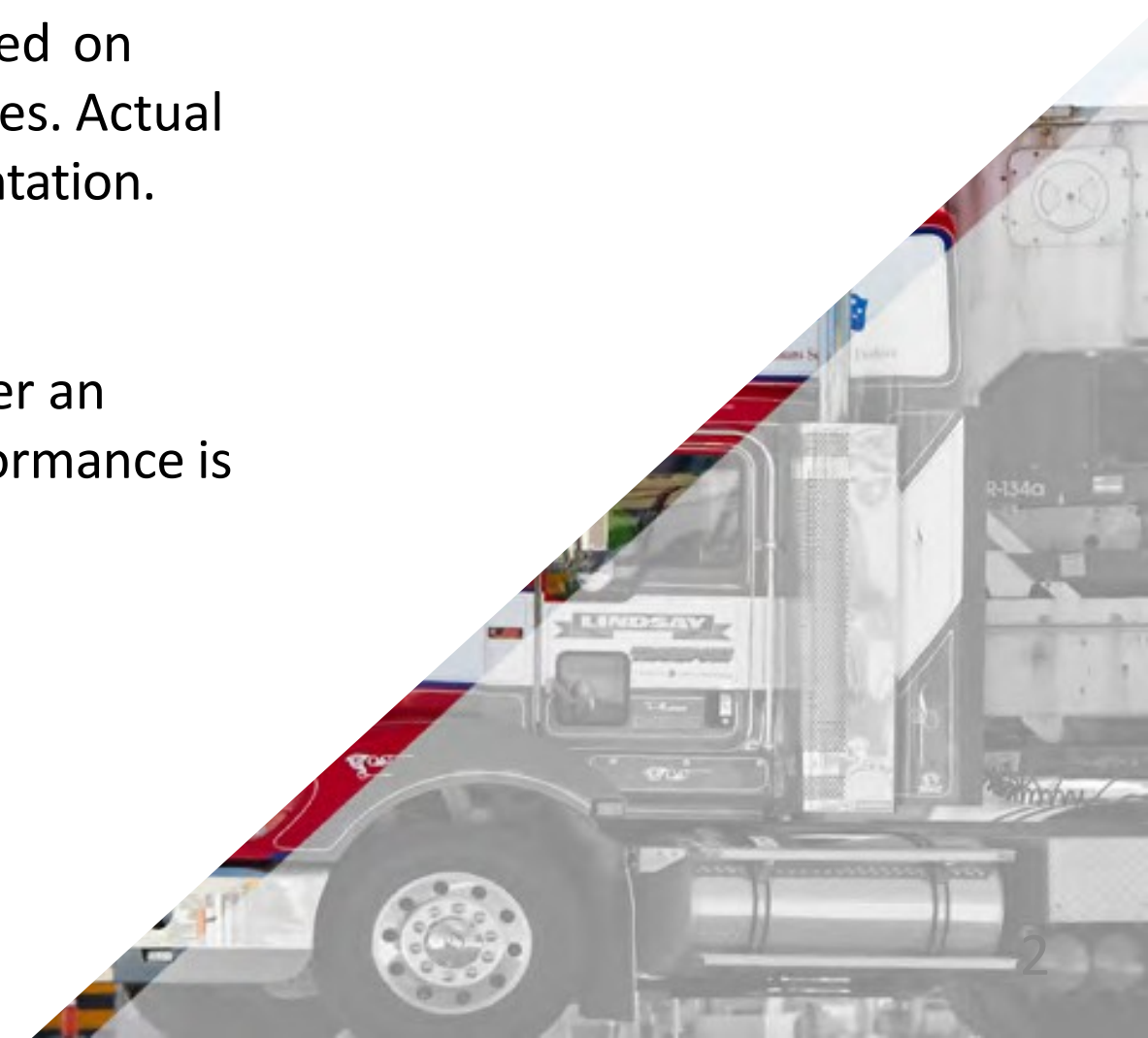
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# END-TO-END SOLUTION

## LINDSAY RURAL – Working with Australian growers



Expert Advice



Horticulture & Agronomy



Irrigation and Fertilisers



Packaging

## LINDSAY FRESH LOGISTICS – Import and export specialist



Warehousing



Bio-security



Ripening



Air & Sea Imports and Exports

## LINDSAY TRANSPORT – Providing total transport solutions



Transport



Logistics



Cold Storage



Distribution

## LINDSAY CONNECT – Taking Australian produce to the world



Fresh Produce



Connecting local growers with the world



Wholesale and retail



Global Distribution

# OUR SITES

## Lindsay Rural

- Brisbane Shop
- Brisbane Warehouse
- Bowen
- Brandon
- Bundaberg
- 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
- Stanthorpe
- Sydney
- Tully

## Lindsay Fresh

- Brisbane Markets
- Melbourne Markets



# KEY FINANCIAL HIGHLIGHTS

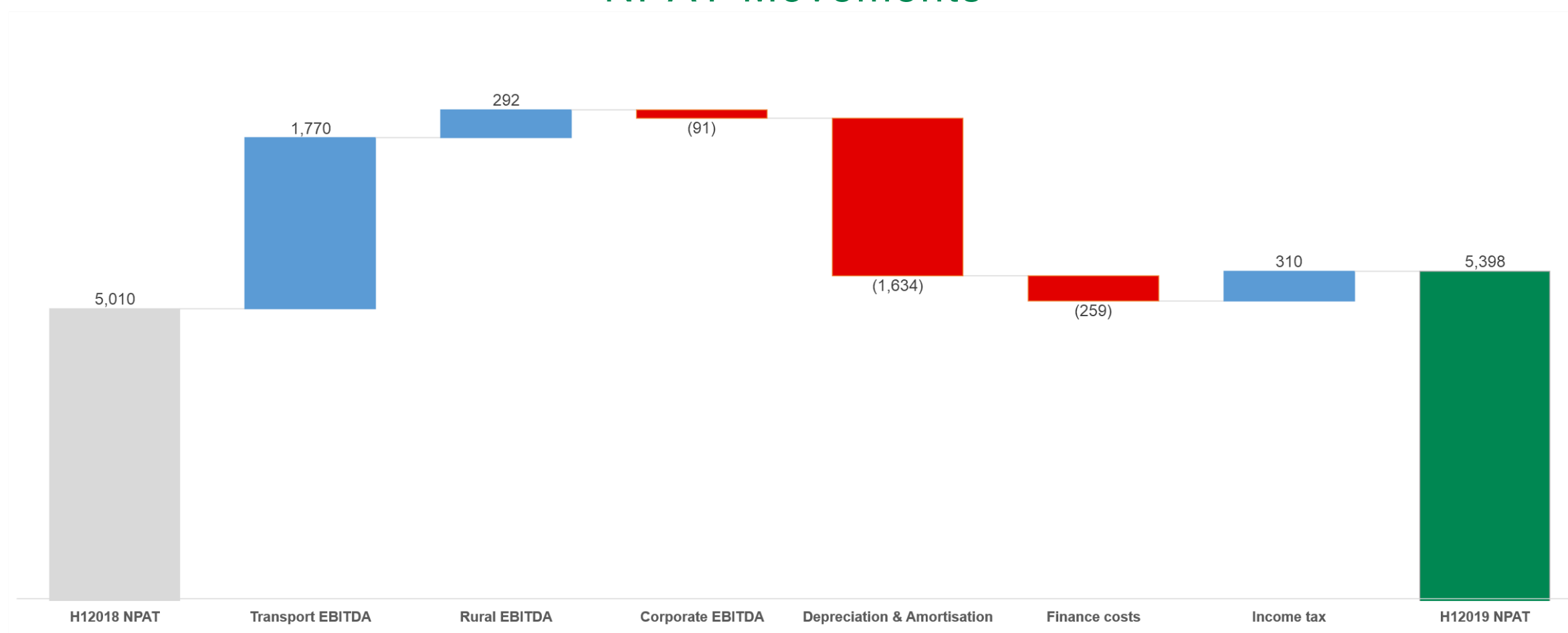
\$'000	1H19	1H18	% Chg
Revenue	203,273	191,611	6.1%
EBITDA	21,615	19,644	10.0%
D&A	11,018	9,384	17.4%
EBIT	10,597	10,260	3.3%
Finance costs	2,885	2,626	9.9%
Profit before tax	7,712	7,634	1.0%
NPAT	5,398	5,010	7.7%
NPAT margin	2.66%	2.61%	1.9%
Operating cash flow	15,307	(5,654)	370.7%
Interim dividend (cps)	1.0¢	0.8¢	25.0%
EPS	0.018	0.017	5.9%

- **External revenue** increased by 6.1% attributable to growth in the Transport division, driven by increased capacity and utilisation rates, price increases, fuel revenue and Connect.
- **EBITDA** increased 10% the prior period supported by our recent capital investments and changes in customer mix and network expansion.
- **Operating cash flow** increased by \$21m compared with pcp.
- The Company declared a 25% increase in the **interim dividend** raising it from 0.8¢ to 1.0¢ fully franked per share.



# KEY FINANCIAL HIGHLIGHTS

NPAT Movements

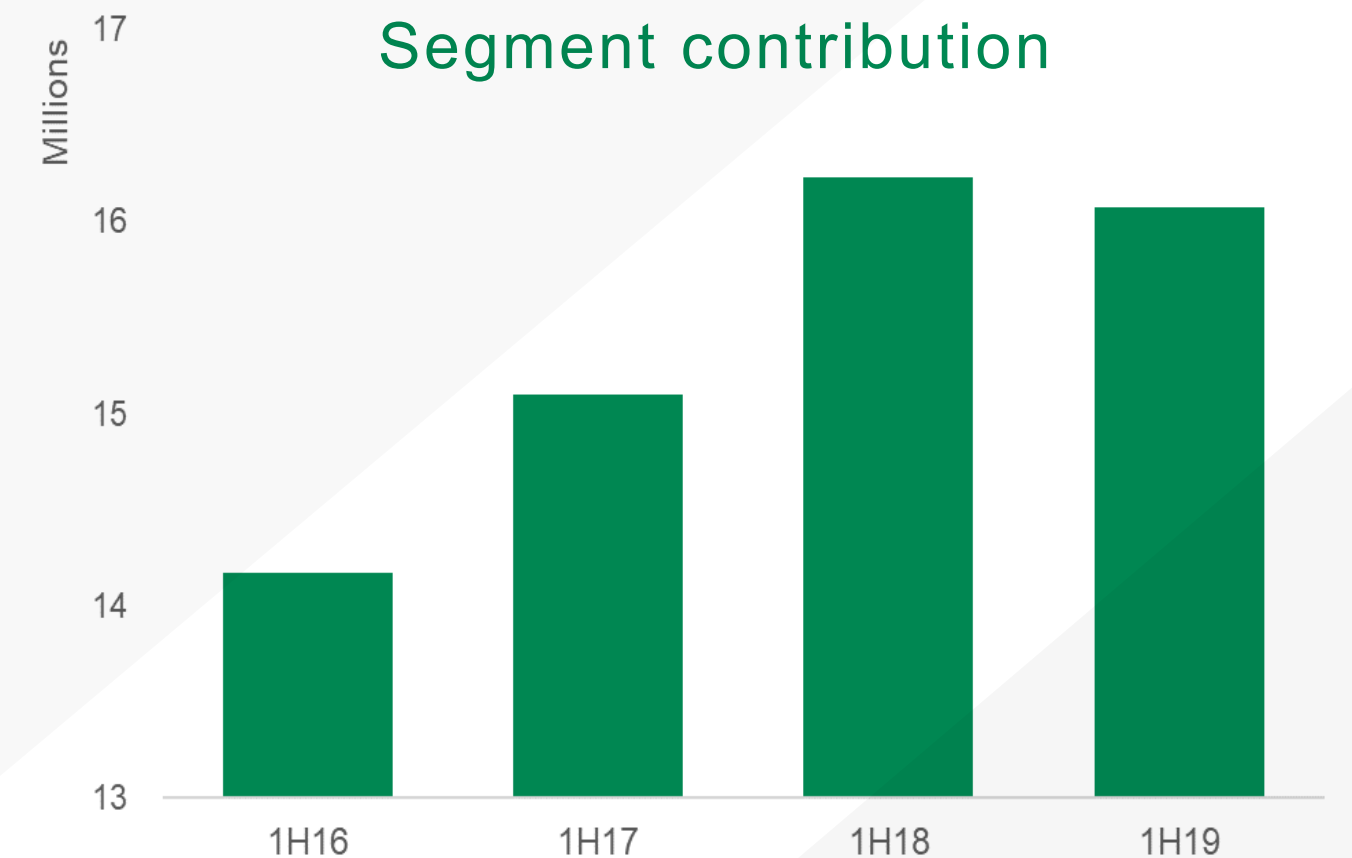


- **NPAT** increased by 7.7% on the prior half year, despite an increase in depreciation and amortisation (D&A) of \$1.63m (17.4%) a result of the investment in new plant and equipment and facilities in recent years.
- Transport generated the largest **EBITDA** contribution for the period with an additional \$1.77m.
- **Income tax** was down by 11.8% on the pcp. 1H19 effective tax rate was 30% compared to 34% in 1H18 which included one off non-deductibles.
- **Rural EBITDA** increased by \$0.3m despite flat revenue growth.

# LINDSAY TRANSPORT



- Lindsay Transport reported a small decrease in segment contribution of 1.0% despite volatile fuel pricing, weaker produce volumes in some categories and an increase in D&A.
- The division benefited from improvements in capacity and utilisation rates from the investments in our network, technology and changes in customer base.
- Transport's recent expansion to Perth was supported by the purchase of 35 refrigerated rail containers increasing our total rail fleet to 61 containers. Rail remains crucial service offering with plans to further expand the fleet size in 2H19 and FY20.
- Transport division continues to operate one of the most modern fleets across the industry. The Group continues to invest in safety systems and cold chain technologies to remain a market leader.

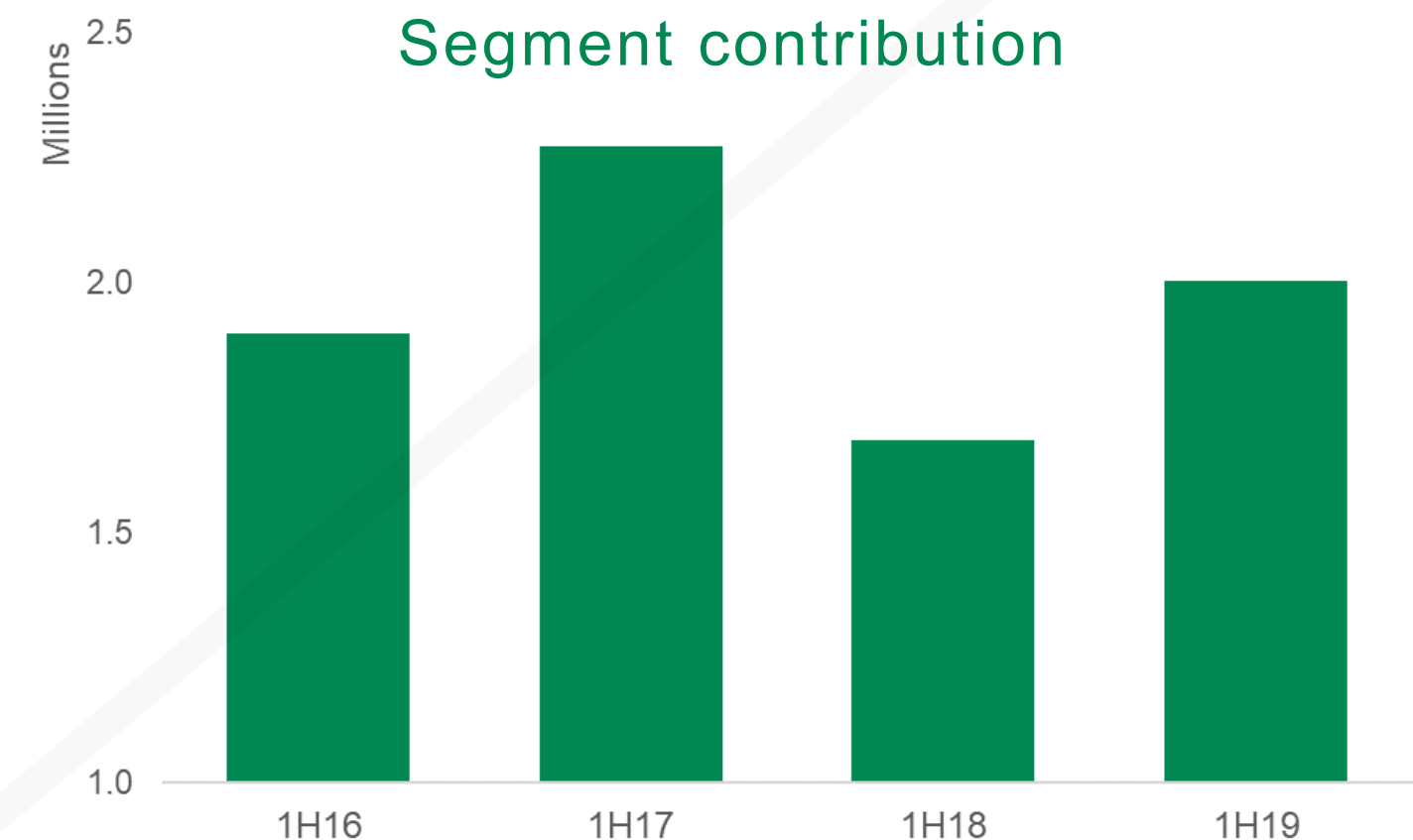


Assets	Count	Age
Prime movers (Linehaul)	291	4.1
Trailers	675	5.6
Rail containers	61	1.2



# LINDSAY RURAL

- Rural sales were flat compared to the pcp, despite the closure of a number of marginal stores.
- Segment contribution increased by 18.8% on the pcp, as the division focuses on improving contribution by reviewing its store footprint, products and services as well as customer mix.
- The division will consider further branch rationalisation in 2H19 to further optimise contribution.
- Rural continues to play an important roll within the Lindsay Australia service proposition, supporting transport by reducing freight imbalances in a number of growing regions.





# LINDSAY FRESH & CONNECT

(divisions of Lindsay Transport)

## LINDSAY FRESH

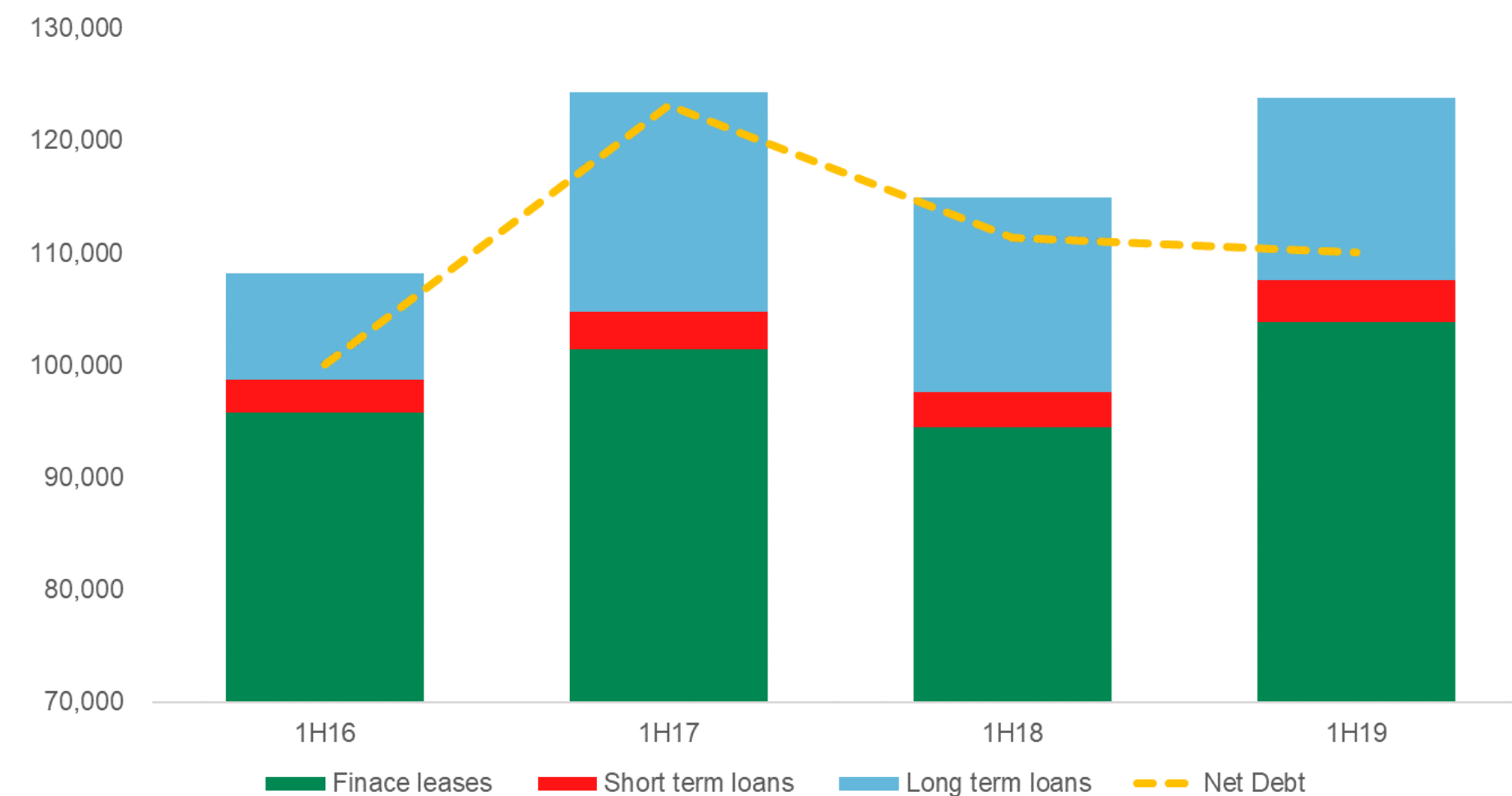
- RACA certified site complying with new laws and regulations for exporting air cargo (invested in metal detectors, staff and training).
- \$2.5 million investment in fast cooling/ripening rooms in late FY18 for future growth.
- Main operation currently in the Brisbane Markets, with a low cost model being trialed in Melbourne.
- Expansion opportunities to replicate the business model in other locations.

## LINDSAY CONNECT

- Cultivating new opportunities for Australian farmers to share their produce with the world to service increasing overseas demand for quality produce.
- Key target categories of citrus, mangoes, grapes, stonefruit and cherries and expanding into chilled and frozen meat, seafood, dairy and manufactured products.
- Low capital business model which compliments other Lindsay business units.

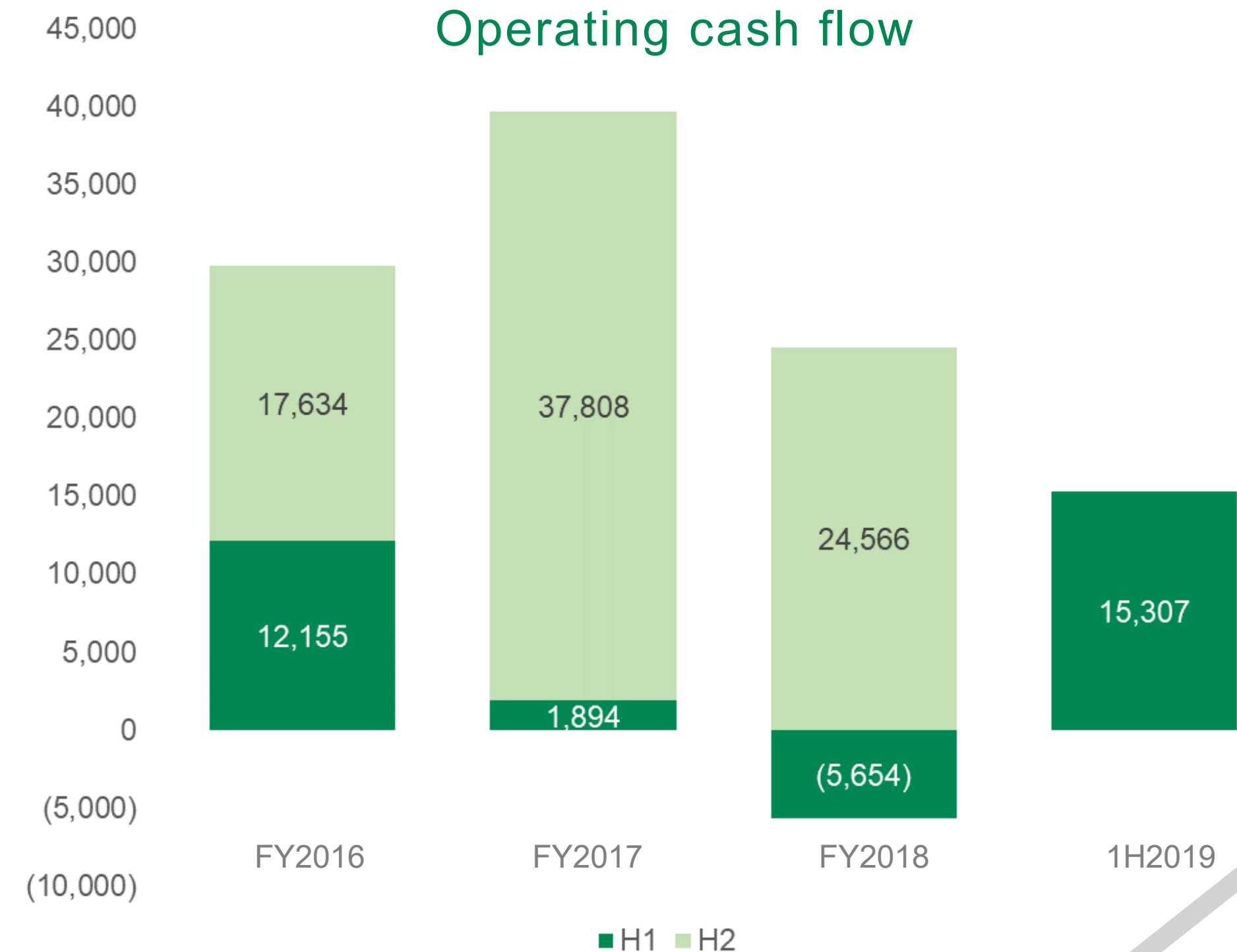
# BALANCE SHEET & CAPEX

- During the half year the Group invested \$16.9 million in capex. Key investments included a new distribution facility in Bowen and the expansion of the refrigerated rail container fleet. Fleet renewal continued in 1H19.
- Capex was primarily debt funded through finance leases, with a small portion funded through the renegotiated term debt facility. Overall Group net debt decreased by \$1.2m to \$110m for the half year.
- Over the coming 12 months the Group plans to invest in a number of key projects. Sydney distribution facility investment of approximately \$7m will be the highlight. Other key projects include the continuation of rail capacity increase and key safety and equipment utilisation programs.



# CASH FLOW

- Operating cash flow increased by \$21m on the pcip.
- Working capital improvements and an increase in EBITDA were the main contributors to the operating cash flow improvement.
- Operating cash flow can fluctuate due to business and customer seasonality.



# NEW SYDNEY DEPOT (COMING SOON)

- A New Sydney depot is expected to commence construction in the coming months and completed approximately early 2020.
- Lindsay Transport will occupy the premises on a long term lease, contributing approximately \$7m to the Lindsay specific cold chain fitout.
- The new facility will include increased chiller and storage capacity, additional docks, office space, mechanics workshop, truck wash bays, refueling facilities, driver accommodation and trailer parking.