



## ASX / MEDIA ANNOUNCEMENT

### LINDSAY AUSTRALIA ANNOUNCES FULL YEAR RESULTS NET PROFIT AFTER TAX GROWS OVER 10% in FY2019

**BRISBANE, 23 August 2019:** Integrated transport, logistics and rural supply company Lindsay Australia Limited (ASX: LAU) today announced financial results from its network of stores and depots for the 12 months ended 30 June 2019 delivering record revenue of \$386.07 million and net profit after tax of \$8.87 million, representing an increase of 10.2% over the prior year.

#### RESULT HIGHLIGHTS

- Revenue grew 7.1% to \$386.07 million, largely supported by prior period investments in facility additions, equipment upgrades and diversified service offerings.
  - Lindsay Transport revenue grew 7.4% to \$268.26 million buoyed by expansion into refrigerated rail containers and growth from capital cities.
  - Lindsay Rural revenue grew 3.7% to \$113.99 million, a solid result despite the closure of some marginal branches and consolidation in some regions.
- Continued investment in high demand regions, fleet and technology with capital expenditure of \$25.27 million.
  - Acquisition of Bowen (Central Queensland) facility completed in July
  - Opening of greenfield Perth facility in November, predominately serviced by the addition of 50 new refrigerated rail containers.
  - Construction commenced at Sydney's distribution hub, expected to be completed in January 2020. The purpose built facility will feature increased cold storage capacity, workshop, bulk fuel facilities and driver accommodation.
- Strong cash generation and a more robust balance sheet with the Group's leverage ratio reducing to 2.86 times (2018: 3.36 times) and operating cash increasing to \$35.22 million (FY18: \$18.91 million).

#### RESULT SUMMARY

For the Financial Year Ended 30 June 2019, the group achieved an \$8.87 million net profit after tax, representing an increase of 10.2% from the prior financial year.

Underlying<sup>1</sup> EBITDA for the financial year increased \$1.57 million to \$37.72 million, an increase of 4.4%. On a reported basis, EBITDA increased 11.8% to \$40.41 million. The uplift in the EBITDA benefited operating cash flow and lowered the Group's net debt position.

Transport external freight revenue for the year grew \$18.54 million (7.4%) to \$268.26 million. Produce freight volumes were negatively impacted in some regions due to adverse weather and seasonality but these reductions were offset by growth across capital cities and additional revenue from expansion into refrigerated rail. Brisbane, Sydney, Melbourne, Adelaide and Perth revenues collectively increased 14% for the year.

<sup>1</sup> Underlying EBITDA excludes one-off fuel tax credits relating to prior periods.

Transport made a divisional contribution in FY2019 of \$31.22 million, which included additional fuel tax credits of \$3.36 million relating to prior years.

Import/Export logistic revenue for Lindsay Fresh Logistics increased by 18% in FY2019 to \$5.48 million.

Investment in new equipment during the second half of the year will generate additional revenue for the division by providing value-add services for both existing and new customers.

Rural external revenue for the year grew \$4.07 million (3.7%) to \$113.99 million. Like for like<sup>2</sup> branches revenue grew 5%. During the year a review was undertaken of low margin branches which resulted in the closure of some sites and consolidation in some regions. The division remains focused on high growth horticulture regions that have a strategic fit with the Transport division.

Rural made a divisional contribution in FY2019 of \$3.87 million, an increase of \$880k (29.4%). The division was able to benefit from operating cost reductions from the branch rationalisation and consolidation.

### **Lindsay Australia CEO, Kim Lindsay, commented on the results:**

*“We are pleased to announce a strong set of results for the 12 months to 30 June 2019, achieving record revenue and over 10% growth in net profit after tax. This result is testament to our investment strategy which has seen us diversify our location and service offering over recent periods, mitigating industry risk and capturing new revenue.”*

*“Our focus on technology evolution further supported our financial performance due to improved operational efficiencies and capacity utilisation. Driver safety remains paramount, which is why we have committed \$1.2 million to our driver safety monitoring project which commenced in late 2019 and will complete in the first half of 2020 alongside our \$1.1 million investment in real time trailer monitoring. Embracing innovation delivers an offering that is not only smarter but safer for our people and for our customers.”*

*“Our expansion into refrigerated rail has had a positive start with 50 new containers purchased during the 2019 financial year and another 50 planned for the first half of 2020. Our road fleet will continue to receive upgrades and technology additions, ensuring we remain first in class, while delivering efficiency and safety across our network.”*

*“Looking ahead, our new Sydney distribution facility located at Erskine Park recently commenced construction and is expected to complete in January 2020. The facility will provide much needed cold storage capacity, workshop, bulk fuel facilities and driver accommodation.”*

### **DIVIDEND**

In line with increased earnings, the Board has declared a final fully franked dividend of 1.1 cents per share. This represents a full year fully franked dividend of 2.1 cents per share, up from 1.8 cents per share in FY18 (an increase of 16.6%).

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Enquiries  
Justin Green, CFO  
Lindsay Australia Limited  
Ph: (07) 3240 4908  
Email: [justin.green@lindsayaustralia.com.au](mailto:justin.green@lindsayaustralia.com.au)

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<sup>2</sup> Like-for-like normalises branch revenue by excluding revenue for branches closed during the year.