

ASX: LAU

22 August 2024

ASX Announcement

FY24 Result Presentation – Lindsay Australia Limited

Attached is Lindsay Australia's Results Presentation for the financial year ended 30 June 2024.

Authorised for release by:

Release authorised by Lindsay Australia Limited Board of Directors

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Investor Presentation

FY2024



LINDSAY AUSTRALIA
LIMITED



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OVERVIEW



FY2024 Overview

Group at a glance



**+1,850
People**



**+13.5k
Customers**



**+44
Unique Locations**



**+600
Containers**



**+350
Prime Movers**



**+750
Reefer Trailers**





Lindsay Rural

Rural Trade and Merchandising



Australia's only rural merchandiser offering with a fully integrated logistics solution

+40 years of operating the fruit loop model
Market leading speed of service



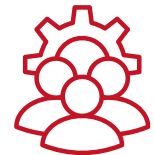
Largest packaging reseller to the horticulture industry

Differentiator from traditional Rural Merchandisers
Expertise and capabilities to service small to medium growers



Recent acquisition of WB Hunter provides diversification into new regions and product lines

Access to attractive markets in regional VIC and NSW
Cross sell and synergy opportunities between Rural and Hunter



Large diverse markets with opportunities to leverage logistics network and customer base



Lindsay Transport

Refrigerated Logistics



Australia's largest refrigerated road and rail provider

Fleet of +350 prime movers, +750 trailers, +600 containers



National network coverage with 24 cold-chain sites

End-to-end multi modal solutions nation-wide



Diversified customer coverage

Blue chip customers across horticulture, grocery, food manufacturers and producers



Large, growing & fragmented market, resilient through cycles

Growing +\$5bn market
Low discretionary products

Strategic Focus

To be the first choice in refrigerated transport throughout Australia

WHY CHOOSE LINDSAY?



People

An employer of choice.
Values driven, performance-based culture



Customers

Industry-leading service with
over 70 years of experience



Shareholders

Target consistent growth,
with minimum 20% ROIC
over medium term

KEY FOCUS AREAS



Transformation

Deliver efficiencies and
improvements to generate value
and ready the business for
continued growth



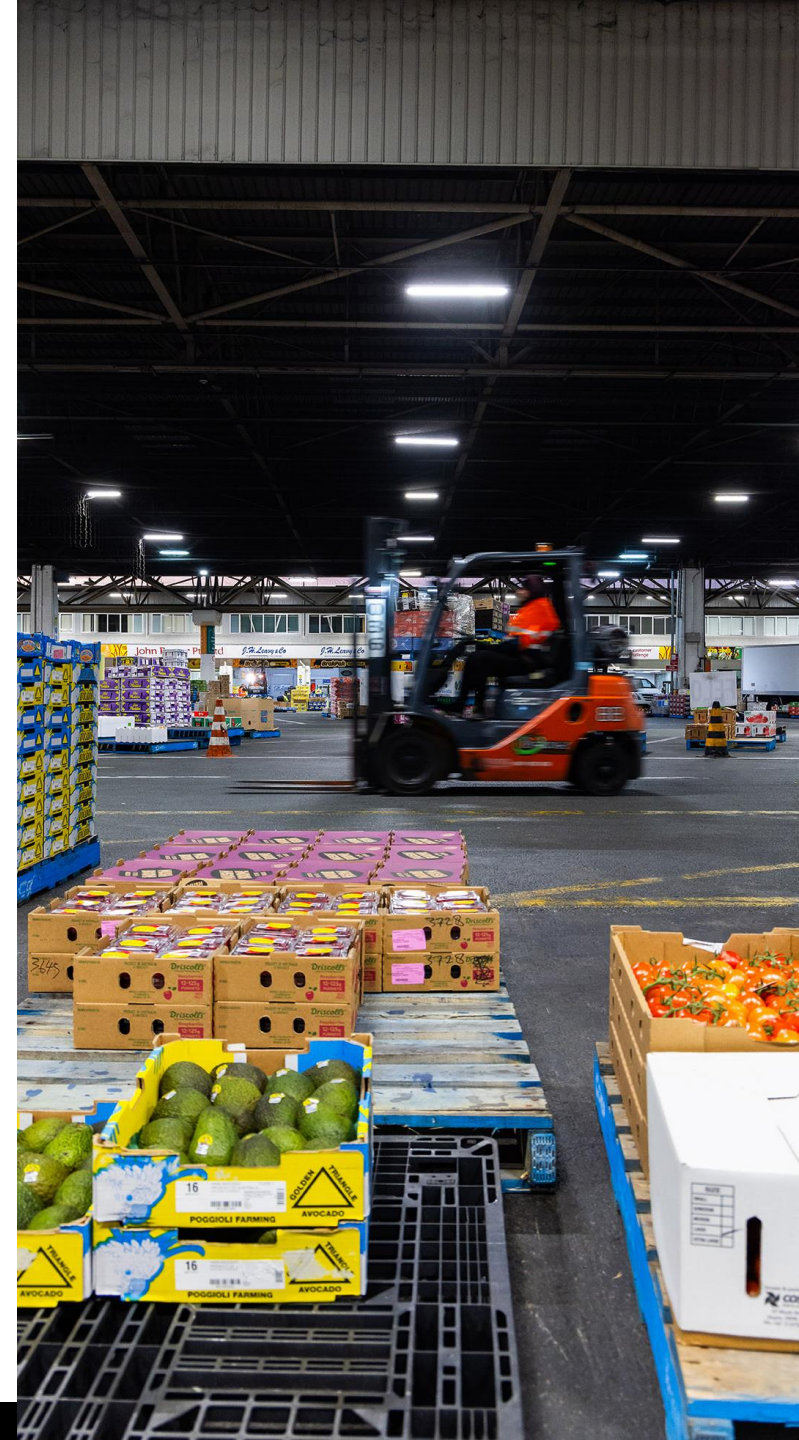
Grow Our Network

Expand into new regions
through organic growth
and strategic acquisitions



Performance & Sustainability

Improve the core by uplifting
capability, systems and
sustainable solutions





Safety & Sustainability



SAFETY, RISK & COMPLIANCE (SRC)

- Significant investment in safety leadership & capability – new Head of SRC as well as additional resources
- Implementing new Safety strategy focused on operating discipline
- LTIFRs increased from 11.1 to 18.8 largely the consequence of new and better reporting standards



SUSTAINABILITY

- Delivery of 'Lindsay ESG road map to 2030' by the end of 2024
- Transition to electric material handling fleet – underway
- Implementing solar across Lindsay's major sites
- On-going transition of road to rail freight providing 2-3x more carbon efficient freight movements vs road
- Continuous fleet renewal cycling latest emissions technology

FINANCIAL HIGHLIGHTS



Key Highlights

Diversified operations underpin solid FY24 performance despite challenging second half

| | | | | |
|--|---|--|---|---|
| Operating Revenue \$804.4m Up 18.9% | Underlying¹ EBITDA \$92.1m Up 2.1% | Underlying¹ NPAT \$30.4m Down 17.0% | Net Debt² \$106.9m Down 0.3% | LTIFR³ 18.8 Up 68.9% |
| Net leverage ratio⁴ 1.16x Down 2.4% | ROIC⁵ 20.2% Down 18.6% | Underlying¹ EPS 9.7 cps Down 19.4% | Full Year Dividend 4.9 cps No change (Final fully franked FY24 & FY23) | FTEs⁶ 1,853 Up 16.3% |

Notes

¹Refer to Appendix 1 for reconciliation of underlying figures. Underlying figures exclude the impact of AASB 16 and significant items that are non-recurring or items incurred outside of ordinary operations.

²Net debt excludes property/other right of use lease liabilities. Prior corresponding period refers to 30 June 2023.

³Lost Time Injury Frequency Ratio (LTIFR) on a rolling 12-month basis.

⁴Net Leverage ratio = Net Debt/Underlying EBITDA as at 30 June 2024

⁵ROIC = Underlying EBIT/ Invested Capital. Invested Capital = Net debt + equity.

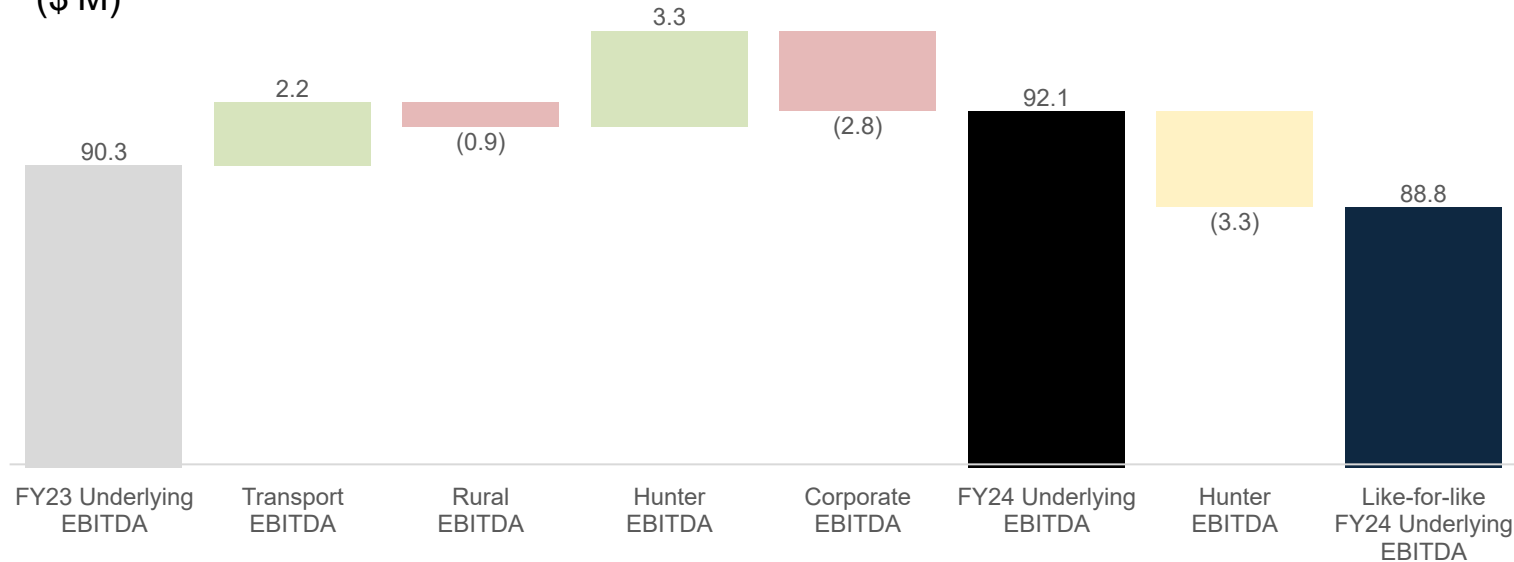
⁶FTE – Full-time equivalent employee.

Group Performance

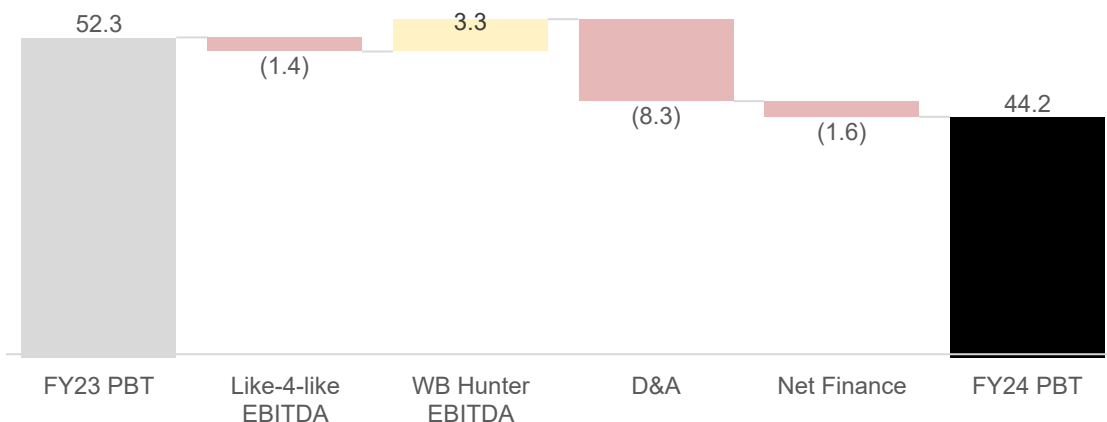
Notes:

¹ Underlying figures exclude the impact of AASB 16 and significant items that are non-recurring or items incurred outside of ordinary operations.

FY24 underlying¹ EBITDA Bridge (\$'M)



FY24 underlying¹ Profit Bridge (\$'M)

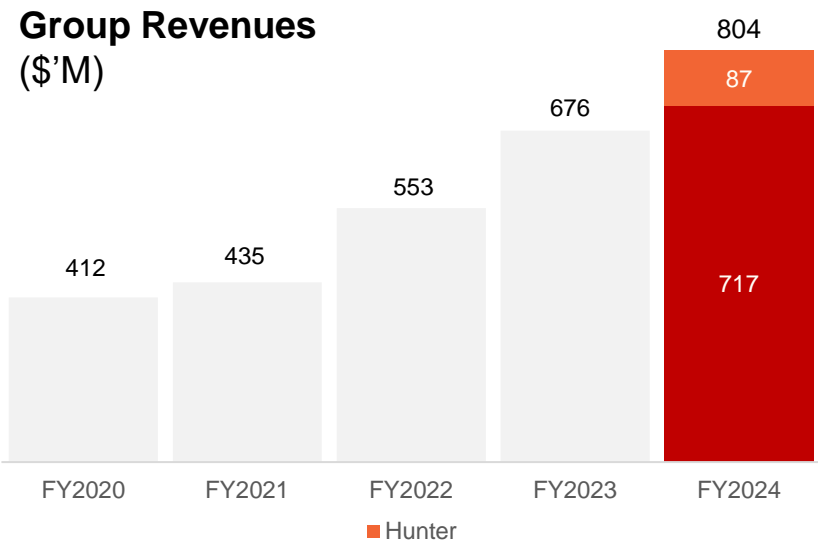


- Positive results in challenging operating conditions
- Second half of FY24 was impacted by adverse weather, major rail outages, and generally soft trading conditions
- Transport's metro operations were the standout, with continued growth in rail despite major disruptions
- Rural segment navigated a challenging trading environment through growth in its packaging segment
- WB Hunter was successfully integrated, strengthening Lindsay's product offering and diversifying our network
- Hunter performance was impacted by difficult trading conditions
- Continued to invest in support functions across the business
- \$128m capital expenditure over the past two years increased D&A and net finance charges

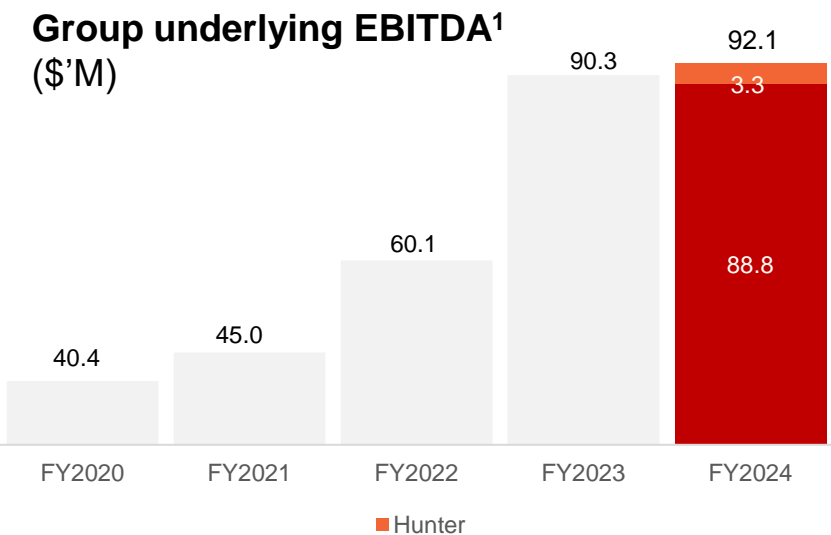


FY2024 Key Highlights

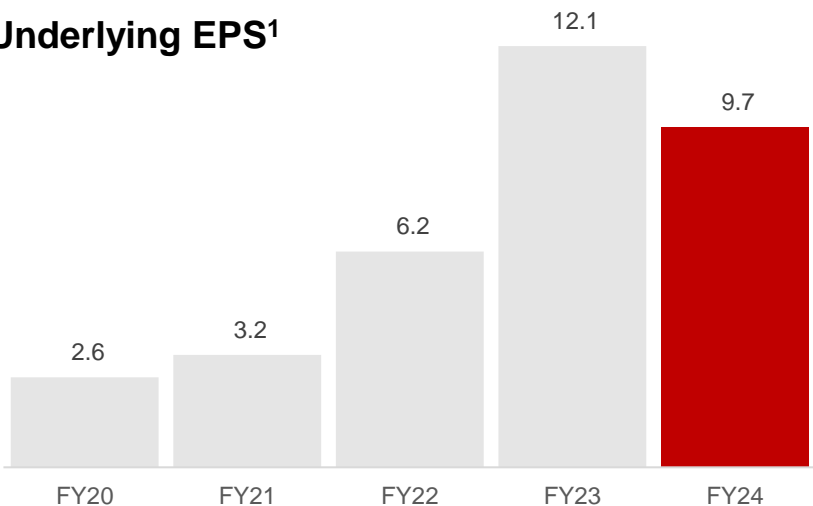
Group Revenues
(\$'M)



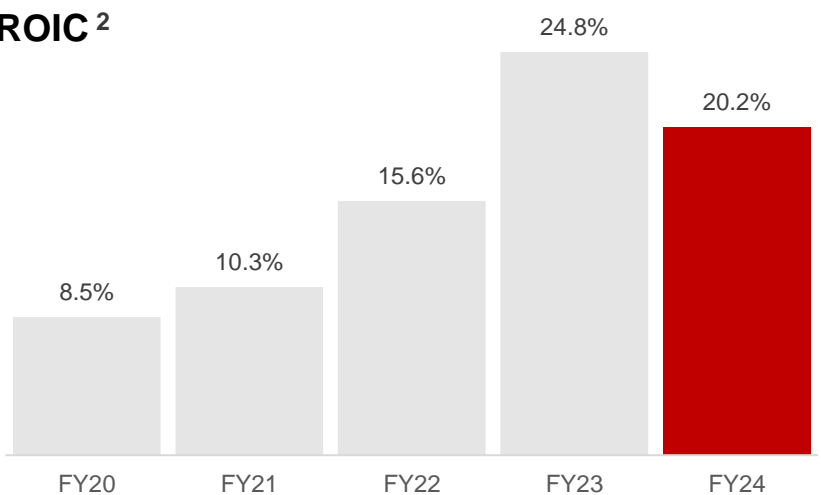
Group underlying EBITDA¹
(\$'M)



Underlying EPS¹



ROIC²

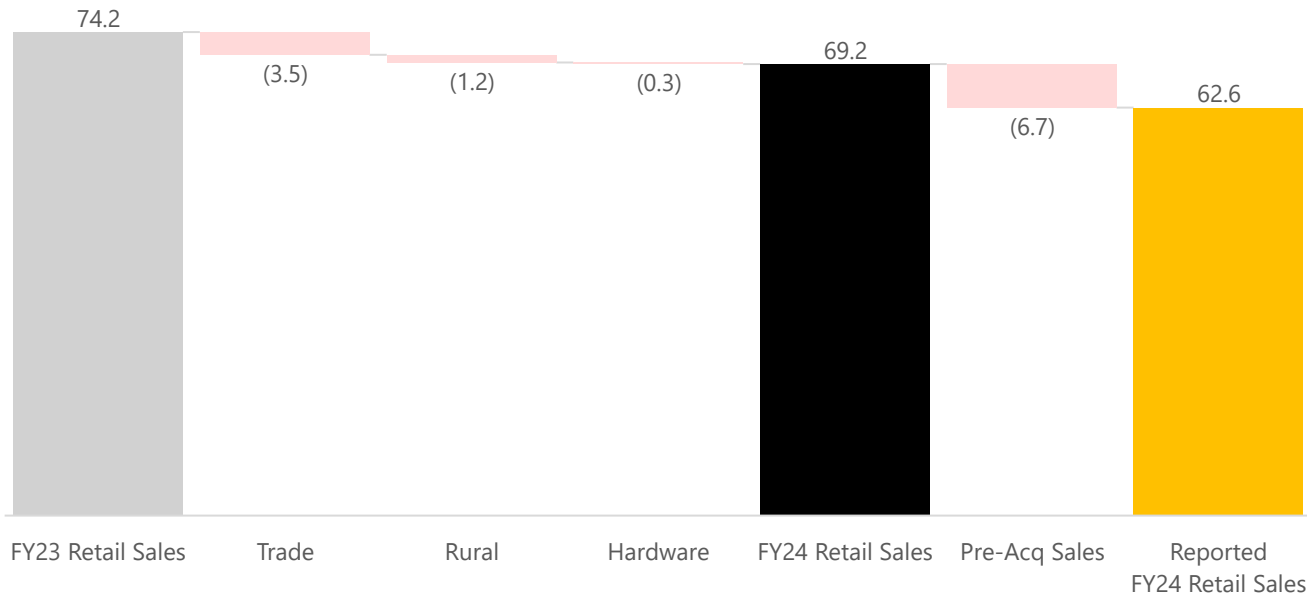


Notes:
¹ Refer to Appendix 1 for reconciliation of underlying figures. Underlying figures exclude the impact of AASB 16 and significant items that are non-recurring or items incurred outside of ordinary operations.

² ROIC = Underlying EBIT/ Invested Capital. Invested Capital = Net debt + equity.

WB Hunter





WB Hunter Retail Sales (\$'M)



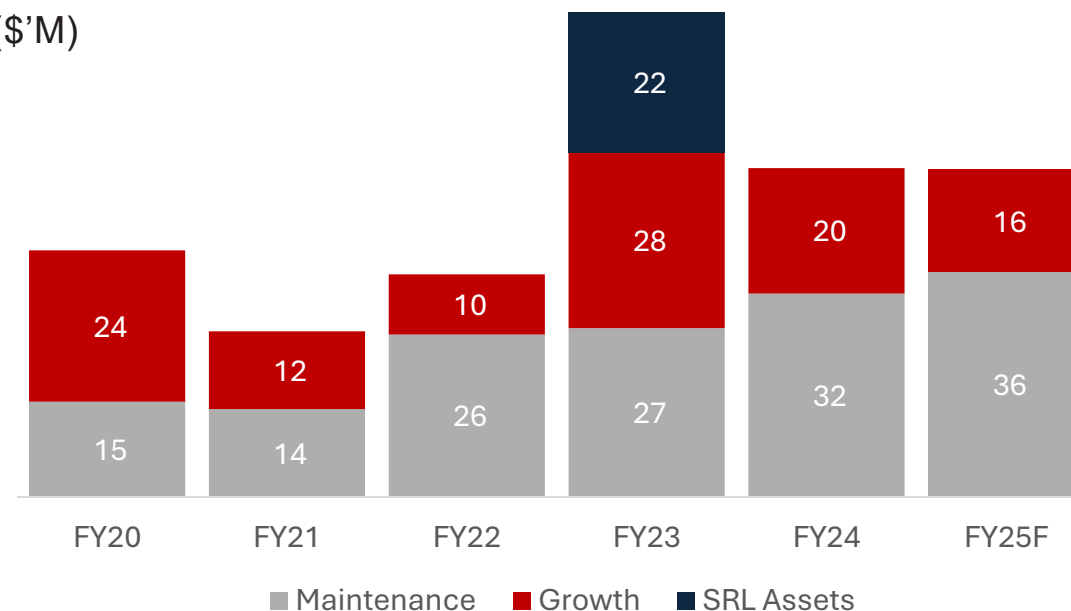
- Integrated from August 2024 through challenging operating conditions, foot traffic was down ~4% while average basket values were down ~2.0%
- Trade and building products down on soft housing and renovation market
- Loyalty sales were up ~5% bringing total loyalty sales to ~20% of all retail sales
- Hunter sales proposition and market leading service positions it well for when the economic cycle improves.
- Key management retained post acquisition
- Opportunities to leverage broader Lindsay portfolio

Capital Expenditure

KEY CAPITAL ITEMS FY2024 FY2025F

| | | |
|--|---------|---------|
|  Prime Movers | \$16.9m | \$22.3m |
|  Reefer Trailers | \$11.8m | \$12.5m |
|  Rail Assets | \$3.6m | \$6.5m |
|  Facilities | \$8.0m | \$3.7m |

CAPITAL EXPENDITURE (\$'M)

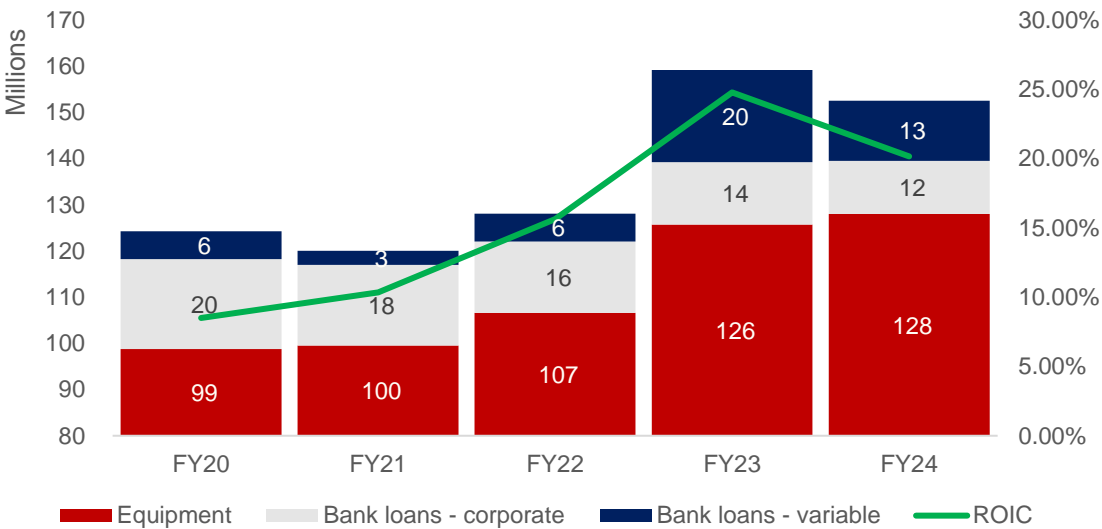


- \$52m spent on capex in FY24, including \$32m on asset replacement (fleet age < 5 yrs)
- \$20m on growth, predominantly on properties and additional trailing assets
- Significant expansion of operational capacity and capabilities in recent years, providing platform for continued growth
- Operating leverage expected to materialise in future years
- Continuation of capital strategy into FY25, including increased spending on trailing equipment for larger combinations

Borrowings

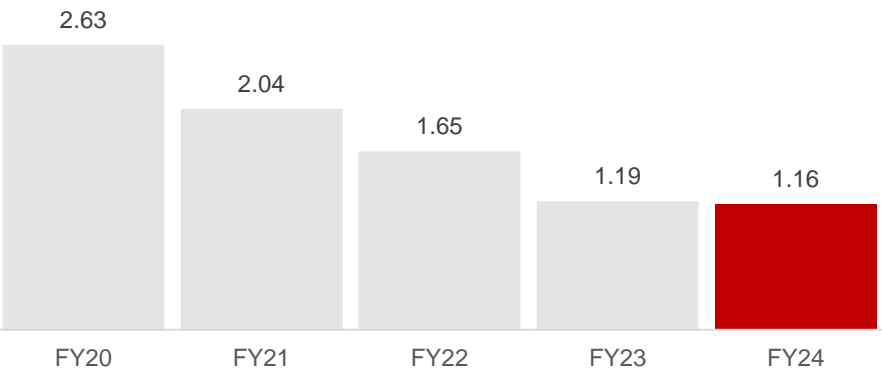
Notes:
¹ Group borrowings excludes property/other right of use lease liabilities
² Net Leverage ratio = Net Debt/Underlying EBITDA as at 30 June 2024

Group Borrowings¹
(\$'M)



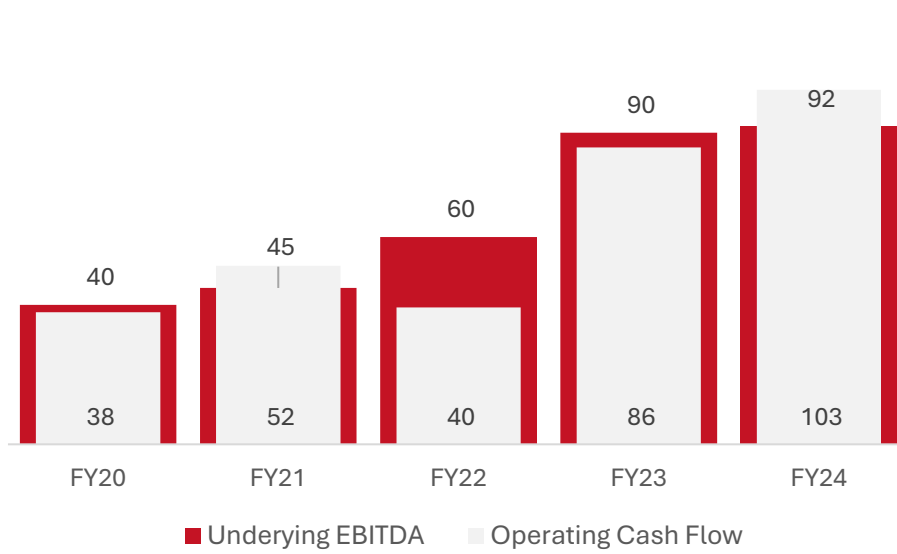
- Net leverage improved after delivery of \$52m capital plan
- ROIC moderated to 20.2% following softer 2H24 result
- Strong balance sheet provides flexibility throughout cycles
- Headroom to capitalise on organic and acquisition growth opportunities

Net Leverage Ratio²



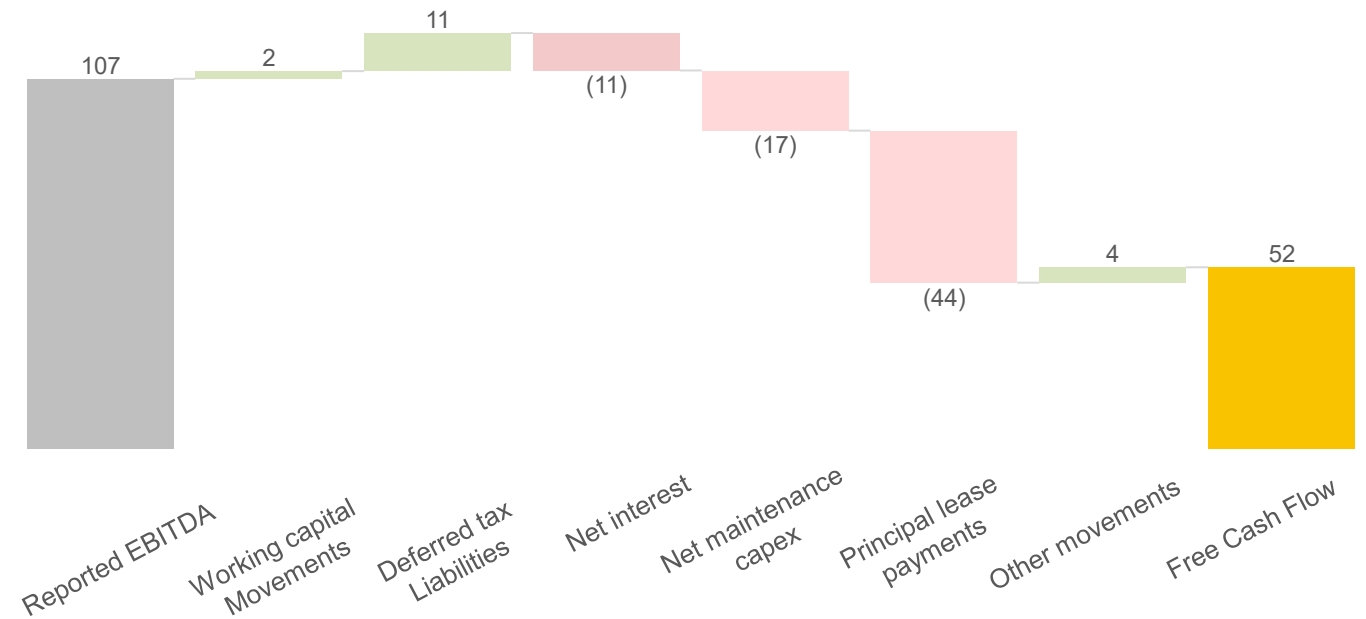
Cash Flow

Operating Cash Flow (\$'M)



- Strong operating and free cash generation
- Cash funded \$23.6m of WB Hunter acquisition and \$20.5m in cash capex

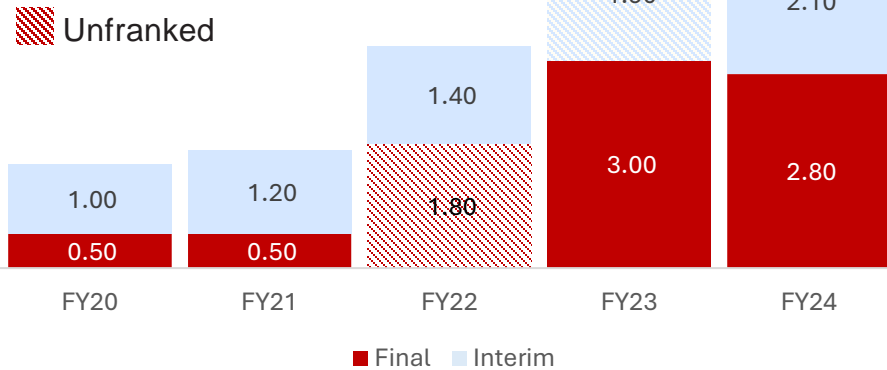
Free Cash Flow (\$'M)



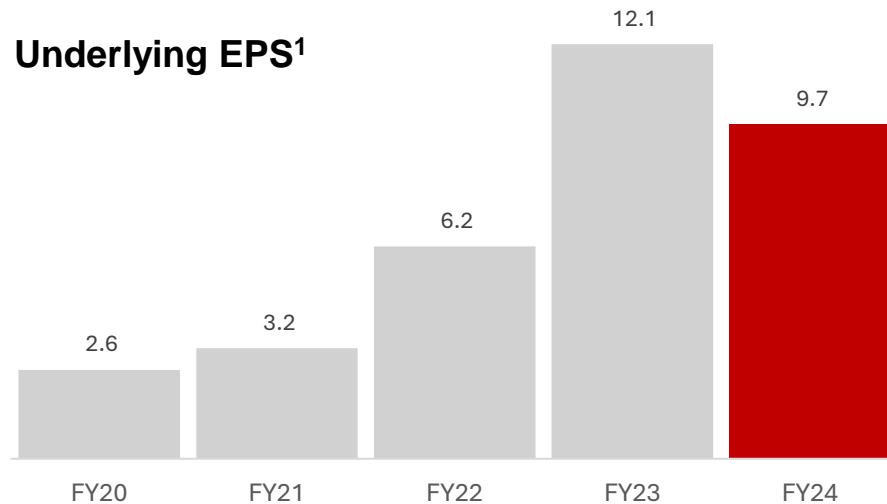
- Accelerated tax payments to commence in FY25 (FY24 nil), as COVID tax incentives unwind
- Cash conversion to moderate closer to historical norms as accelerated tax payments kick in (~40%)

Dividends

Dividends per Share (cents)



Underlying EPS¹



Dividends

- Declared final 2.8 cps dividend (fully franked) bringing full year in-line with FY2023
- Uplift in payout ratio¹ from 41% to 50%
- Future dividends expected to be fully franked



Capital Allocation

Capital allocation framework:

1. Fund on-going maintenance capex requirements
2. Growth and transformation initiatives
3. Return surplus capital to shareholders

Notes:

¹Refer to Appendix 1 for reconciliation of underlying figures. Underlying figures exclude the impact of AASB 16 and significant items that are non-recurring or items incurred outside of ordinary operations.

Outlook



Market Dynamics

- Additional capacity has entered the logistics market over the last 12 - 18 months while tender activity has increased, however Lindsay's conversion rate remains positive
- Blue chip customers continue to value safety, service offering, and supply chain assurity
- Peak in investment cycle may result in industry consolidation over the next 12 – 24 months



FY2025 outlook

- Growing conditions and volumes saw improvements in Q4 FY24, but expect gradual recovery in horticulture through to 2025 as positive customer sentiment returns to the market
- Focused on continuing to strengthen blue-chip customer book
- Strategically positioned to capture market share through organic growth and acquisitions, leveraging our scale, network and asset portfolio supported by financial flexibility in our balance sheet



APPENDIX

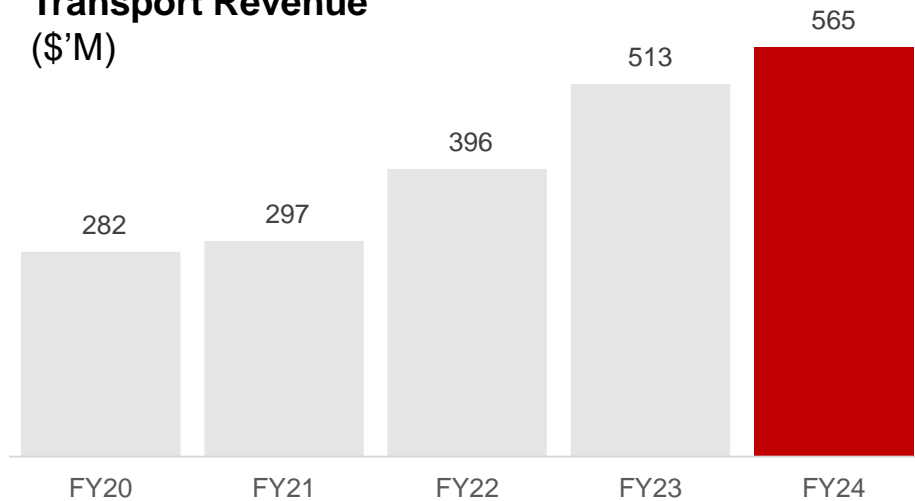


SEGMENT PERFORMANCE

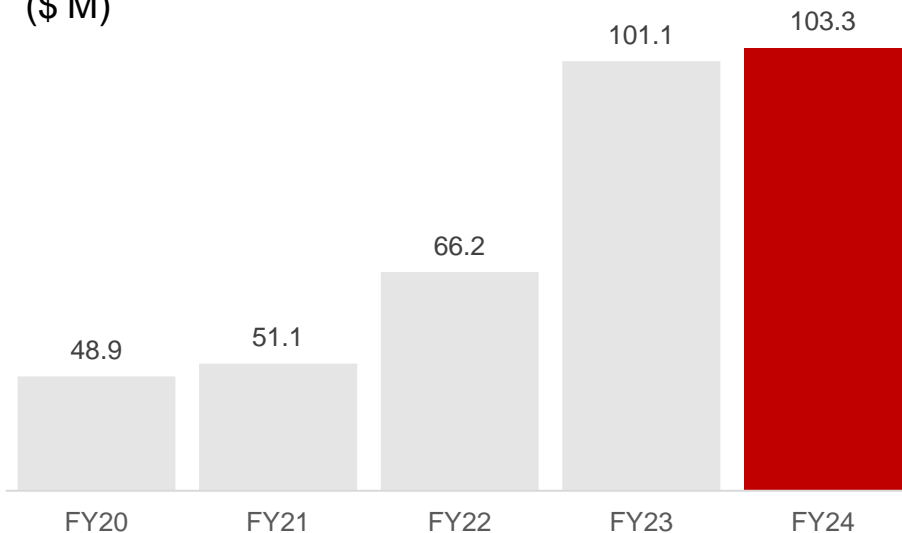


Lindsay Transport

Transport Revenue (\$'M)



Transport underlying EBITDA¹ (\$'M)

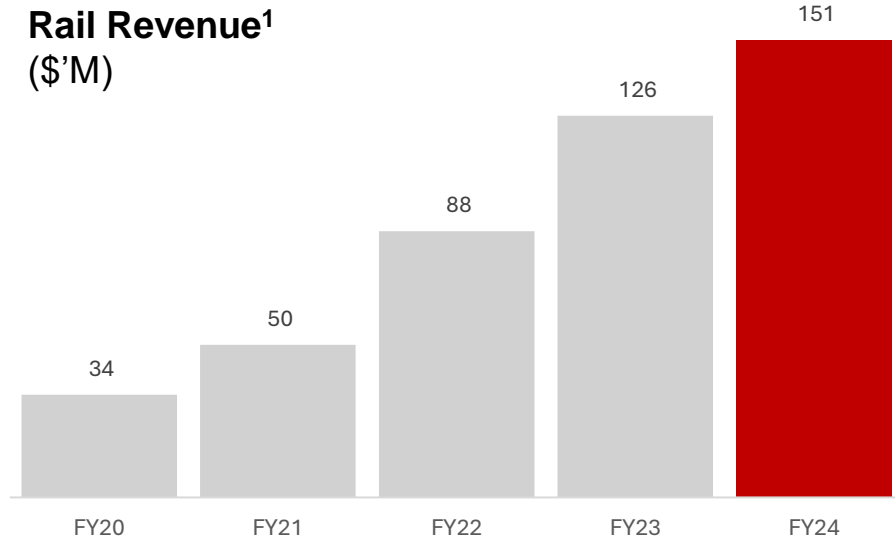


- Embedded growth post SRL collapse in March 2023
- Continued success in acquiring new blue-chip customers and deepening relationships with existing ones, who provide essential food staples throughout market cycles
- Enhanced cold chain capacity with the addition of 6 new facilities, boosting operational capacity
- New Perth facility, planned by late 2025, unlocking significant rail efficiencies and providing greater capacity for future growth in the region



Lindsay Transport

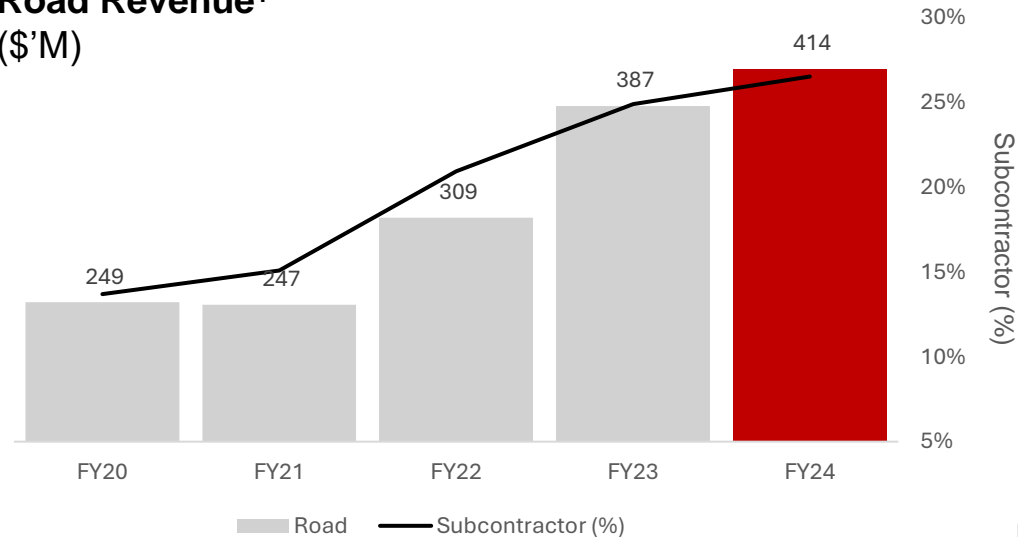
Rail Revenue¹
(\$'M)



Rail division

- Strong demand and growth in rail operations
- Ongoing investment in fleet quality and capacity
- Rail disruptions resulting in +40 days E/W corridor unavailability
- New above rail operators bring additional capacity to the sector

Road Revenue¹
(\$'M)



Road division

- Metro operations key driver of growth
- Horticulture regions performance varied due to adverse weather
- Positive engagement and enquiries from new customers
- Additional terminal capacity in Melbourne and Brisbane unlock constraints

Notes:

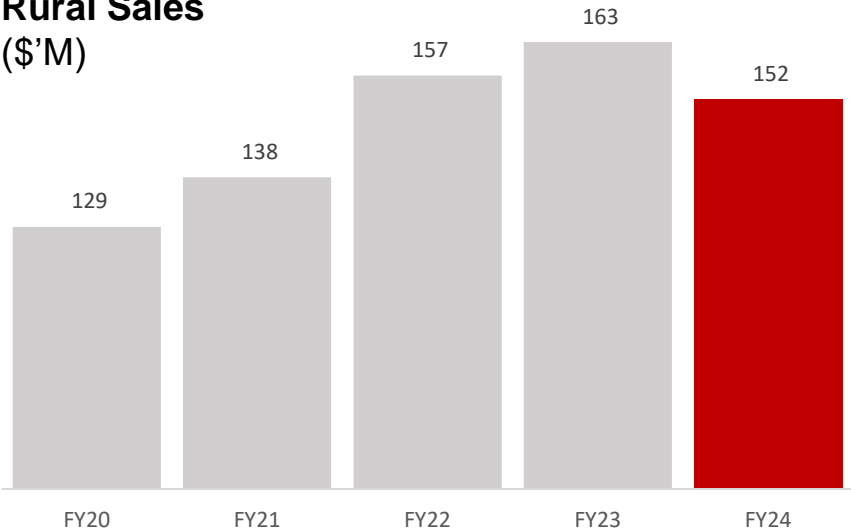
1 Revenue includes fuel recoveries



Lindsay Rural

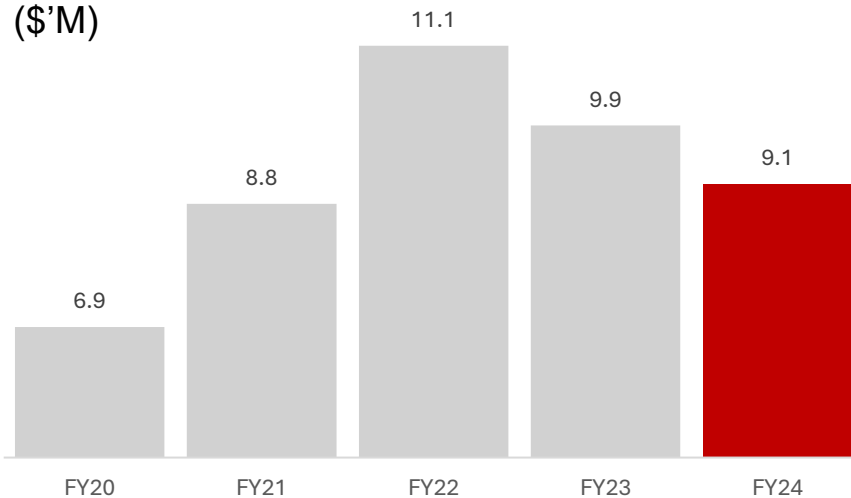
Notes:
¹ Underlying figures exclude the impact of AASB 16 and significant items that are non-recurring or items incurred outside of ordinary operations.

Rural Sales
(\$'M)



- Challenging trading conditions, low grower confidence, strong competition and adverse weather, particularly in North Queensland
- Captured market share in high value packaging segment, mitigating some of the softness in other key categories
- Expect gradual recovery in growing conditions through to 2025 as positive customer sentiment returns to the market
- Rural continues to drive utilisation of Transport services through the fruit loop by providing inputs into high output regions

Rural underlying EBITDA¹
(\$'M)



Reconciliations

Underlying results

| 2024 (\$'000) | EBITDA | EBIT | PBT | NPAT |
|---|----------------|---------------|---------------|---------------|
| Statutory Result | 106,898 | 51,455 | 39,758 | 27,269 |
| Depreciation right of use properties | (14,975) | - | - | - |
| Finance costs right-of-use properties | (4,212) | (4,212) | - | - |
| AASB 16 profit impact | 1,351 | 1,351 | 1,351 | 1,351 |
| Fuel tax credit provision relating to prior years (c) | (2,610) | (2,610) | (2,610) | (2,610) |
| CEO Transitions costs | 778 | 778 | 778 | 778 |
| Facility reinstatement costs from Bundaberg Fire (d) | (880) | (880) | (880) | (880) |
| Property Development Chg | 355 | 355 | 355 | 355 |
| Merger & Acquisition costs | 968 | 968 | 968 | 968 |
| IT System & Transformation | 1,492 | 1,492 | 1,492 | 1,492 |
| PPA Adjustment | 2,956 | 2,956 | 2,956 | 2,956 |
| Notional tax at 30% on underlying adjustments | | | | (1,323) |
| Underlying Result | 92,121 | 51,653 | 44,168 | 30,356 |

| 2023 (\$'000) | EBITDA | EBIT | PBT | NPAT |
|---|----------------|---------------|---------------|---------------|
| Statutory Result | 101,294 | 58,461 | 49,397 | 34,517 |
| Depreciation right of use properties | (10,704) | | | |
| Finance costs right-of-use properties | (3,198) | (3,198) | | |
| AASB 16 profit impact | 1,081 | 1,081 | 1,081 | 1,081 |
| Fuel tax credit provision relating to prior years | (1,204) | (1,204) | (1,204) | (1,204) |
| CEO Transition | 1,150 | 1,150 | 1,150 | 1,150 |
| Facility reinstatement costs from Bundaberg Fire | 583 | 583 | 583 | 583 |
| ScottsRL asset acquisition costs | 616 | 616 | 616 | 616 |
| Merger & Acquisition costs | 633 | 633 | 633 | 633 |
| Notional tax at 30% on underlying adjustments | | | | (858) |
| Underlying Result | 90,251 | 58,122 | 52,256 | 36,518 |

Key finance metrics

| Net Borrowings (\$'000) | 2024 | 2023 |
|---------------------------------------|----------------|----------------|
| Reported borrowings | 38,636 | 45,916 |
| Lease liabilities | 208,413 | 188,120 |
| WB Hunter Deferred Consideration | (3,464) | - |
| Property & Other Lease Liabilities | (91,138) | (75,012) |
| Cash | (45,565) | (51,973) |
| Net Borrowings | 106,882 | 107,051 |
| Underlying EBITDA | 92,121 | 90,251 |
| Net Leverage Ratio¹ | 1.16 | 1.19 |

| ROIC (\$'000) | 2024 | 2023 |
|-------------------------|--------------|--------------|
| Net Borrowings | 106,882 | 107,051 |
| Equity | 149,366 | 127,372 |
| Invested Capital | 256,248 | 234,423 |
| Underlying EBIT | 51,653 | 58,122 |
| ROIC² | 20.2% | 24.8% |

| EPS (\$'000) | 2024 | 2023 |
|------------------------------|------------|-------------|
| Underlying NPAT | 30,356 | 36,518 |
| Weighted Average SOI | 311,528 | 302,696 |
| EPS³ (CPS) | 9.7 | 12.1 |
| DPS | 4.9 | 4.9 |
| Payout Ratio | 50% | 41% |

Notes:

¹ Net Leverage Ratio = Net Borrowings/Underlying EBITDA

² ROIC = Underlying EBIT/Invested Capital

³ EPS = Underlying NPAT/Weighted Average Shares On Issues

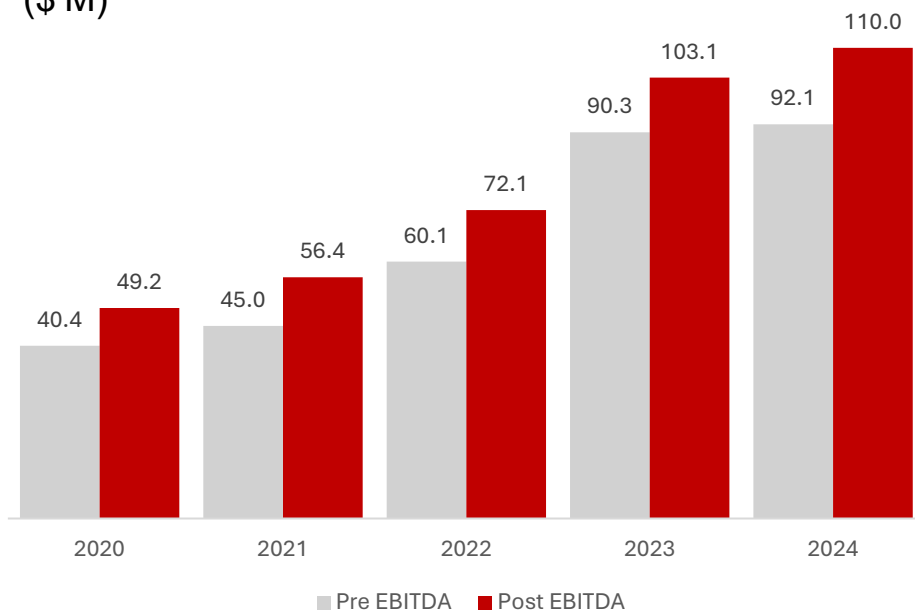
Refer 2024 Full Year Report for full details of underlying adjustments.

Historical Performance (Pre & Post AASB 16)

Notes

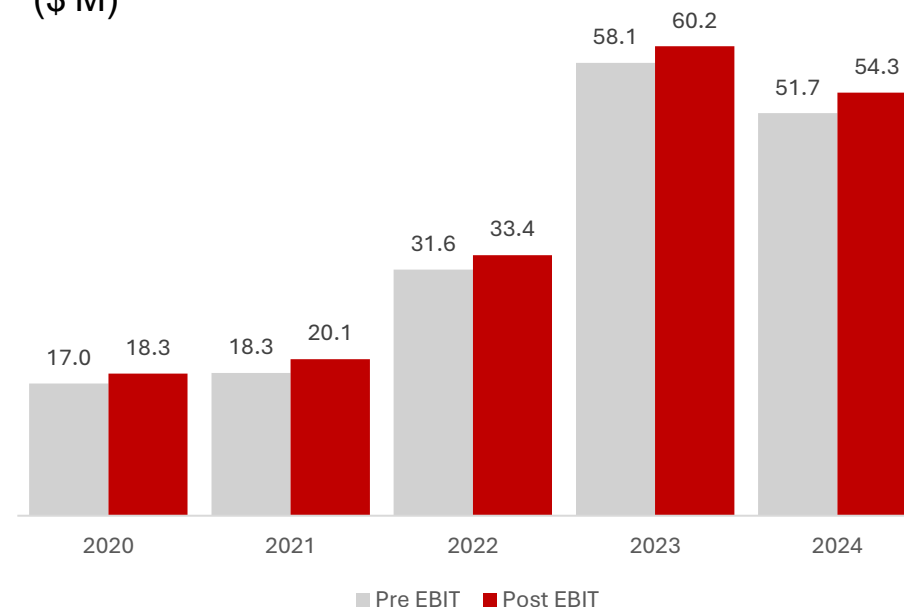
¹ Pre AASB 16 figures exclude the impact of AASB 16 and significant items that are non-recurring or items incurred outside of ordinary operations. 'Post' figures add AASB 16 related items back.

Group underlying EBITDA¹
(\$'M)



| \$'000 | Pre EBITDA | AASB 16 Adjustment | Post EBITDA |
|--------|------------|--------------------|-------------|
| 2024 | 92,121 | 17,836 | 109,957 |
| 2023 | 90,251 | 12,821 | 103,072 |
| 2022 | 60,075 | 11,978 | 72,053 |
| 2021 | 45,044 | 11,339 | 56,383 |
| 2020 | 40,407 | 8,816 | 49,223 |

Group underlying EBIT¹
(\$'M)



| \$'000 | Pre EBIT | AASB 16 Adjustment | Post EBIT |
|--------|----------|--------------------|-----------|
| 2024 | 51,653 | 2,663 | 54,316 |
| 2023 | 58,122 | 2,117 | 60,239 |
| 2022 | 31,569 | 1,870 | 33,439 |
| 2021 | 18,334 | 1,761 | 20,095 |
| 2020 | 16,969 | 1,289 | 18,258 |

Corporate Snapshot

ASX:LAU Overview

| | |
|--|-----------------|
| FY24 revenue | \$804.4m |
| FY24 underlying ¹ EBITDA | \$92.1m |
| Cash balance as at 30 June 2024 | \$45.6m |
| Total borrowings ² as at 30 June 2024 | \$106.9m |
| FY24 underlying ¹ earnings per share | \$0.097 |
| FY24 dividends per share (franked) | \$0.049 |
| Share price as at 20 Aug 2024 | \$0.91 |
| Shares on issue as at 20 Aug 2024 | 312.4m |
| Market Capitalisation | \$284.3m |

12-month share price performance and volume



Board of Directors and Key Management

| KMP | Role |
|---------------------|---|
| Mr Ian Williams | Non-Executive Director & Chair |
| Mr Clayton McDonald | Chief Executive Officer |
| Mr Robert Green | Non-Executive Director |
| Mr Matthew Stubbs | Non-Executive Director |
| Mr Stephen Cantwell | Non-Executive Director |
| Mr Craig Baker | Chief Operating Officer |
| Mr Justin Green | CFO and Company Secretary |
| Mr Broderick Jones | Group Legal Counsel and Company Secretary |

Top shareholders³

| Rank | Name | Units | % |
|---------------------|--|---------------|--------------|
| 1 | Washington H Soul Pattinson and Co Ltd | 50.7m | 16.2% |
| 2 | J P Morgan Nominees Australia Limited | 29.4m | 9.4% |
| 3 | BKI Investment Company Ltd | 17.1m | 5.5% |
| 4 | Mizikovsky Group | 16.1m | 5.2% |
| 5 | Citicorp Nominees Pty Ltd | 15.6m | 5.0% |
| Total Top 20 | | 172.1m | 55.1% |

Notes:

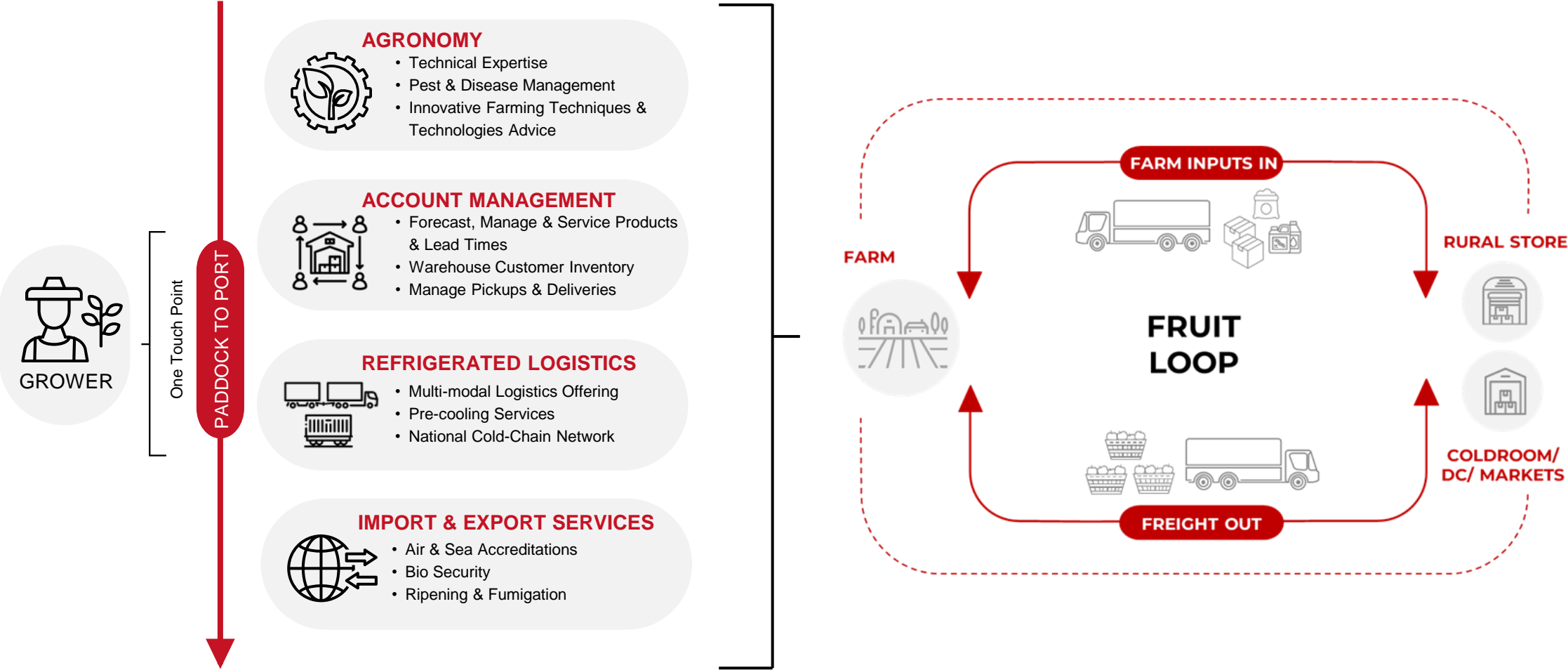
¹ Refer to page 24 for reconciliation of underlying figures

² Excludes AASB 16 property/other lease liabilities

³ As of 20th August 2024

The Lindsay end-to-end solution

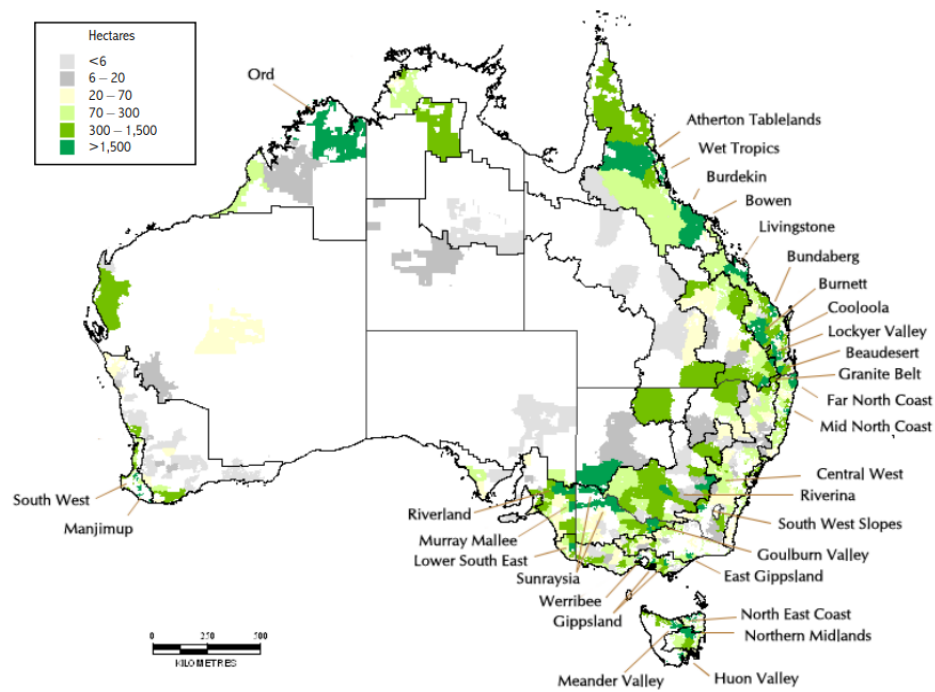
Creating Customer Value with our leading ‘Paddock to Port’ & ‘Fruit Loop’ processes



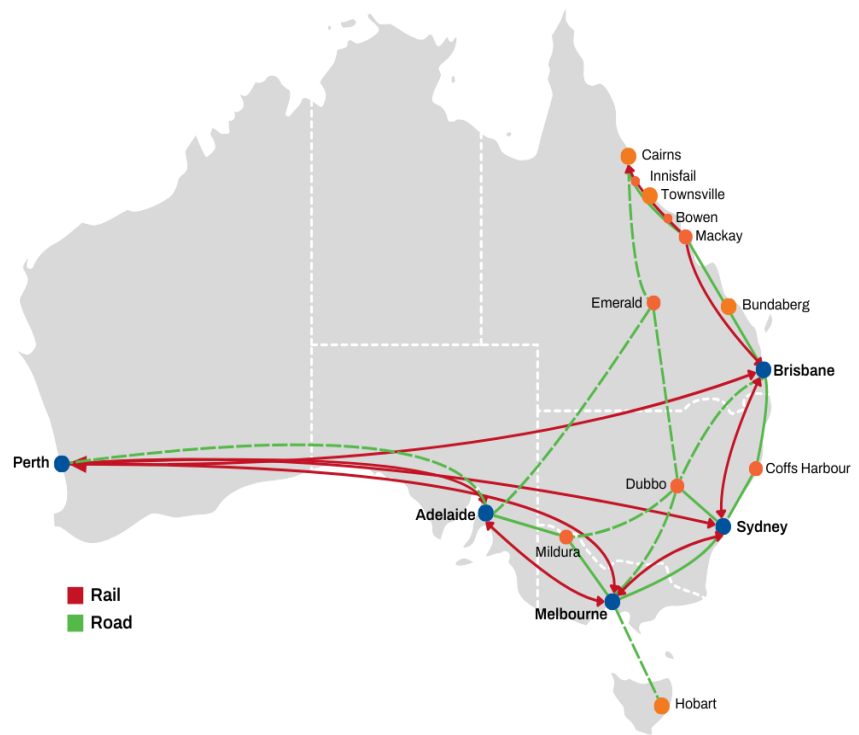
Our Network and Reach

Building resilience & scale

Key Horticulture Regions By Density



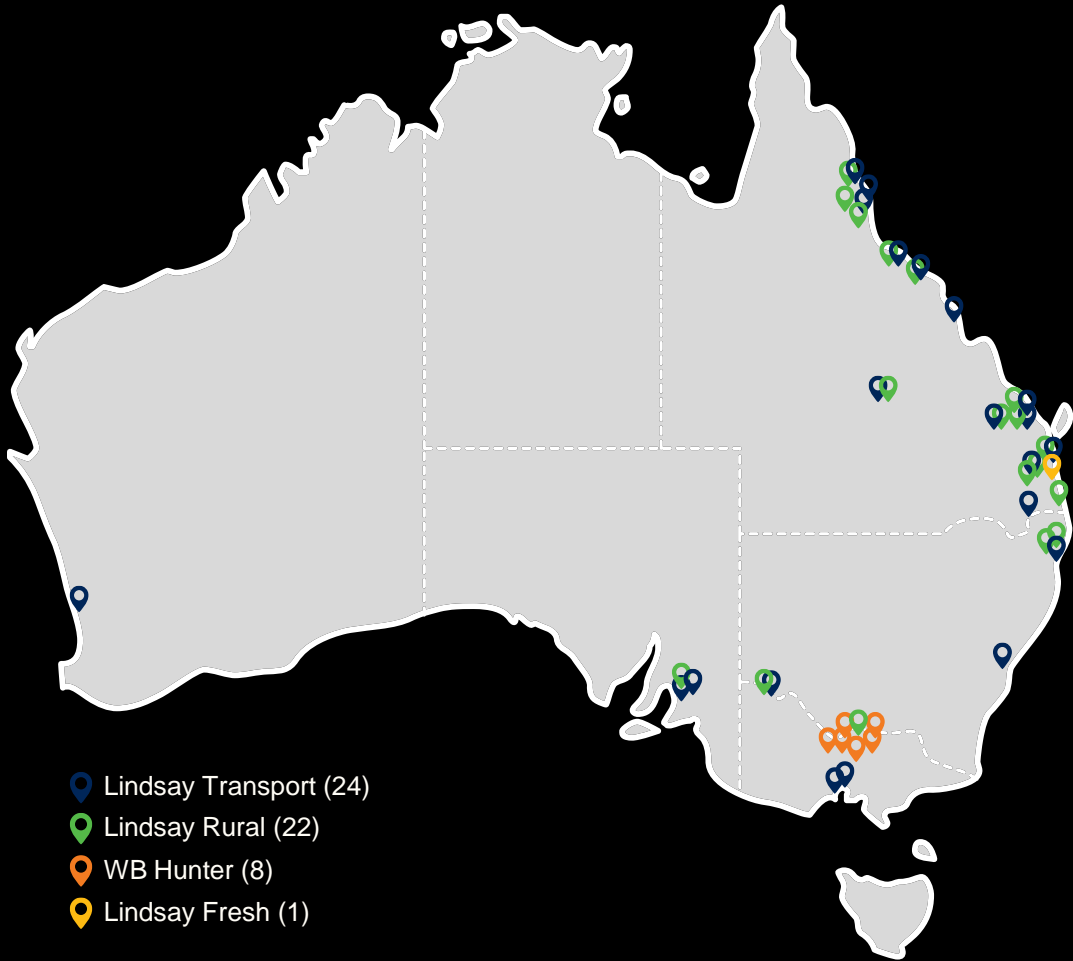
Network & Key Freight Lanes



Our National Transport Network

LINDSAY TRANSPORT

| National | Regional |
|------------------------|---------------|
| Adelaide | Bowen |
| Brisbane | Bundaberg |
| Brisbane Markets (LFL) | Childers |
| Melbourne | Coffs Harbour |
| Perth | Emerald |
| Sydney | Gatton |
| | Innisfail |
| | Mackay |
| | Mareeba |
| | Mildura |
| | Mundubbera |
| | Nambour |
| | Stanthorpe |
| | Tully |



- Lindsay Transport (24)
- Lindsay Rural (22)
- WB Hunter (8)
- Lindsay Fresh (1)

LINDSAY RURAL

| | |
|--------------------|--------------|
| Adelaide | Gatton |
| Atherton | Innisfail |
| Ayr | Invergordon |
| Brisbane Retail | Mareeba |
| Brisbane Warehouse | Mildura |
| Bowen | Mundubbera |
| Brandon | Murwillumbah |
| Bundaberg | Nambour |
| Childers | Stanthorpe |
| Coffs Harbour | Tully |
| Emerald | Woolgoolga |

HUNTERS

TRADE • RURAL • HARDWARE

| | |
|---------------|------------|
| Corowa | Shepparton |
| Echuca | Tatura |
| Eurora | Wangaratta |
| Katandra West | Yarrawonga |