

## ASX Announcement

Date: 25 February 2024

### Continued growth in road and rail operations underpin Lindsay's positive first half results.

#### Highlights:

- Lindsay Australia Limited (the Company) record results from FY23 have continued into FY24 with the Company announcing record first half FY24 revenue, underlying EBITDA and NPAT.
- First half FY24 operating revenue grew 23.9% from H1FY23 to \$417.9 million, with underlying<sup>1</sup> EBITDA up 21.7% to \$52.1 million.
- The Company announced a first half fully franked dividend of 2.1 cents per share, up +10.5% on the same period last year.
- Positive growth in rail operations continues with revenue up \$26.2 million (+43.5%) compared to H1FY23.
- Capital spend of \$25.6 million was delivered in the first half of FY24 on new equipment and expanded facilities.

#### Key financial highlights

<b>OPERATING REVENUE</b> <b>\$417.9m</b> up 23.9%	<b>UNDERLYING EBITDA<sup>1</sup></b> <b>\$52.1m</b> up 21.7%	<b>UNDERLYING NPAT<sup>1</sup></b> <b>\$19.6m</b> up 13.9%	<b>NET DEBT<sup>2</sup></b> <b>\$120.6m</b> up 12.5%	<b>LTIFR<sup>3</sup></b> <b>17.3</b> up 2.3%
<b>NET LEVERAGE RATIO<sup>4</sup></b> <b>1.21x</b> down 4.9%	<b>ROIC<sup>5</sup></b> <b>23.5%</b> up 14.7%	<b>UNDERLYING EPS<sup>1</sup></b> <b>6.3 cps</b> up 11.3%	<b>HALF YEAR DIVIDEND</b> <b>2.1 cps</b> up 10.5% <small>(HY24 interim 2.1 cps franked, HY23 interim 1.9 cps unfranked)</small>	<b>FTEs<sup>6</sup></b> <b>1,797</b> up 18.4%

<sup>1</sup> Underlying operations defined in this ASX release are the Lindsay Australia Limited Group's reported financial results as set out in the Interim Financial Report, adjusted for significant items that are non-recurring or items incurred outside the ordinary operations of the Group and excludes the impact of AASB 16 Leases. Refer to FY24 Interim Financial Report for a detailed reconciliation of underlying operations.

<sup>2</sup> Net debt excludes property/other lease liabilities recognised with the adoption of AASB 16. Prior corresponding period refers to 30 June 2023.

<sup>3</sup> Lost Time Injury Frequency Ratio (LTIFR) on a rolling 12 month basis.

<sup>4</sup> Net Leverage ratio = Net Debt/Underlying EBITDA as at 31 December 2023.

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

<sup>6</sup> FTE – Full-time equivalent employee.

BRISBANE, 25 February 2024: Integrated transport, logistics and rural supply company Lindsay Australia Limited (ASX: LAU, "Lindsay" or the "Company") is pleased to announce its financial results for the half year ending 31 December 2023.

## Financial Highlights

The Company today reported underlying EBITDA of \$52.1 million for the half year ending 31 December 2023. This is up 21.7% against the prior comparable period (PCP) primarily due to:

- Transport's underlying EBITDA increased \$10.6 million or 21.8% to \$58.9 million for the half, reflecting the contribution of customers and volumes won in FY23 and further sales growth in the first half. Margins improved 2.3% due to higher rail utilisation, increased volumes and better freight consolidation.
- Rural's underlying EBITDA decreased by \$0.9 million or 17.2% to \$4.1 million, impacted by adverse weather events in key horticultural regions and lower realised prices for produce, negatively impacting demand for rural products and services.
- Hunter's underlying EBITDA was \$1.5 million for the first five months, down \$0.8 million on expectations and was adversely impacted by weaker economic conditions and prolonged wet weather in Victoria. We remain positive about the value the division will add to our portfolio as conditions recover and we integrate Hunters further into the broader rural business.

Underlying Net Profit After Tax was 13.9% higher than the PCP at \$19.6 million, with a corresponding improvement in Return on Invested Capital (ROIC) to 23.5% up from 20.5% in the PCP. Due to improved underlying EBITDA, the Company's net debt ratio improved by 4.9% to 1.21 times despite net debt increasing to \$120.6 million, primarily a result of funding the Hunter acquisition. Group EBITDA margins moderated slightly from 12.7% in the PCP to 12.5%, however removing the impact of the Hunter's acquisition EBITDA margins improved to 13.3%. The business remains focused on sustaining and improving margins.

The Lindsay board has declared an interim dividend payment of 2.1 cents per share, 100% franked, which is 10.5% higher than the PCP (noting that the first half FY23 dividend was not franked). The dividend will be paid on 19<sup>th</sup> April 2024 to shareholders on the register at the record date of 5<sup>th</sup> April 2024.

Lindsay delivered \$25.6 million of its capital investment plan in the first half period. The FY24 capital plan has been adjusted and rebalanced from \$59 million to \$49 million. This was driven by improved rail utilisation, better than expected integration of the Scotts equipment, and the life extension of some existing fleet, reducing new unit demand whilst investment in property facilities increased by \$6 million.

## Commentary on Half Year FY24 Results

Lindsay Australia CEO, Clay McDonald, said:

*"Lindsay Australia's core operations performed well in difficult operating conditions and increased market pressure highlighting the resilient nature of the business. Whilst rural was down, transport continued to deliver positive results and the Group benefited from the 5 months of W.B Hunter trade.*

*Operations and sales in the rural business were down due to commodity price pressure and disrupted growing conditions, whilst transport experienced the opposite with resilient volumes and on-going demand for Lindsay's networked refrigerated services. Transport revenues were up \$48 million for the half reflecting retained volumes from FY23, and ongoing tender success in the first half of FY24.*

*Moving from H1 to H2, the regional transport and rural business may experience softer conditions due to the lag effect of wet weather and lighter plantings, whilst we expect metro volumes to remain relatively stable. In W.B Hunter we expect trading conditions to progressively return to normal levels. Subject to no unforeseeable events, we expect full year underlying EBITDA to grow by 13% compared to FY23, coming in at the bottom end of our guidance".*

**Release authorised by the Lindsay Australia Board of Directors.**

For further information, please contact:

*Enquiries*

Matt Hefren,  
Head of Strategy & FP&A  
Lindsay Australia Limited  
(07) 3240 4900

Justin Green,  
CFO  
Lindsay Australia Limited  
Ph: (07) 3240 4900

**About Lindsay Australia Ltd (ASX:LAU)**

Lindsay Australia Limited is an integrated transport, logistics and rural supply company and a leading national service provider to the agriculture, horticulture and food-related industries. The Lindsay Australia Limited Group comprises the two core divisions of Rural and Transport (which includes Fresh Logistics). Combined, these divisions offer products and services covering customers' key needs throughout their production lifecycle.

The Lindsay end-to-end solution begins with offering expert agronomy advice and continues with a diverse range of products and services along the supply chain to help farmers grow, package, transport and distribute their produce throughout Australia and the world. Lindsay's end-to-end solution is unique and offers customers with a single point of contact and accountability.

More information on Lindsay Australia is available at: <http://lindsayaustralia.com.au/>

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