

ASX ANNOUNCEMENT
LINDSAY AUSTRALIA LIMITED (ASX: LAU)

8 November 2024

ASX Market Announcements Office
20 Bridge Street
Sydney NSW, 2000

2024 AGM Presentation

Attached are the CEO Address and AGM presentation slides.

Release authorised by Clayton McDonald CEO and Broderick Jones, Company Secretary.

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Enquiries
Justin Green CFO/Broderick Jones – Company Secretary
Lindsay Australia Limited
E: companysecretary@lindsayaustralia.com.au

Good Morning everyone, and welcome to those joining us in person and on the call.

Lindsay Australia performed solidly over the past year, with operations delivering increased revenue and earnings before interest, tax and depreciation, exceeding the FY23 record year whilst improving key balance sheet metrics.

The Company posted revenues of \$804.4m, up 18.9% on last year. Like-for-like operations grew 6% to \$717m, with Hunter's 11 months of operations contributing \$87m. Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) was up 2.1% to \$92.1 million. Profit after tax of \$30.4 million is 17% down on last year, impacted by a \$10m increase in interest and depreciation charges associated with the \$128m capital investment over the previous two years.

The Company's performance enabled the Board to declare a second-half fully franked dividend of 2.8 cents per share bringing the combined dividends for the year to 4.9 cents per share fully franked, the same as FY23.

Despite a difficult Quarter three, the Transport division grew sales by \$52 million over the previous year. The division performed well in disrupted conditions, benefiting from investment in fleet and facilities. Rail continued to grow with revenue increasing by \$26m, and now represents 27% of transport sales, up from 24% last year. The majority of transport growth came from metro-to-metro lanes compared to a softening in regional lanes.

In our largest revenue market, Melbourne, we commenced operations from our new site in Derrimut, adding an additional 30,000 SQM to our Sunshine site. In Brisbane, we secured 17,000 SQM of additional space adjacent to the rail head in Acacia Ridge to support growing rail volumes.

Transport's capital investment in equipment and other assets was \$44 million, including 39 prime movers and 48 new trailers.

Now, onto Rural.

The Rural division's sales were down by 6.6% to \$152 million. Lower grower confidence, lower cost prices, and sales competition on major commodities impacted prices on most of the large volume lines.

Alternatively, packaging sales were positive compared to last year, which was driven by new customers. In the Rural business, volumes commenced recovering in Q4, with EBITDA landing at \$9.1m, only \$868k less than last year.

The Hunters team has settled in well with the business being part of Lindsay for 11 months. Hunters provide geographical and product diversification to the Lindsay Rural business. Rural revenue has shifted from a ~80% concentration in Queensland to a more balanced ~50%. Comparable full-year retail sales of \$69.2m were down \$4.9m on FY23. Hunters contributed \$3.3m in EBITDA for the year.

In August of this year, we added two more rural stores to the Hunter portfolio by acquiring ex-CRT stores in Nagambie and Seymour. The Nagambie and Seymour stores were purchased off-market and operate in a fast-growing equine and hobby farm corridor. These stores provide additional scale and reach to the Hunter business whilst the store operations benefit from improved product range, buying power and supply chain optimisation.

Across the Hunters business, we have retained all key management since the acquisition, and the business remains well placed to benefit from improved market conditions going forward.

The Lindsay business model is unique and faces two large and growing markets – The horticultural sector of the agricultural market and the refrigerated cold chain sector of the transport market.

During the financial year, the executive team had the opportunity to review and refresh its strategy. The 3 R strategy has been in place since 2016 and has been a significant part of the Company's success. Going forward, the strategy will continue to leverage that success and remain directionally the same.

There are three key pillars to the refreshed strategy:

1. The first key pillar is Transformation – A ROIC of over 20% indicates that the business is well run; however, there remains an opportunity to improve the business's operations, resource deployment, operating systems and procurement functions. A transformation team has been established, and value streams are being created. This program has three key goals:
 - a. Extract value through efficiency, utilisation and simplification;
 - b. Ready the business for continued growth and
 - c. Bring a continuous improvement mindset to the business.
2. The second Key Pillar of the strategy is aimed at continued expansion and growth. In a highly fragmented market, we aim to be a key aggregator through greenfield, brownfield and M&A opportunities. Both the transport and rural sectors are large and growing and we continue to see opportunities to extend and expand our network. Our aim here will be to drive earnings momentum by creating additional, and growing existing, fruit loop supply chains. The strategy will generally be transport led followed by connecting in a rural offering.
3. And finally, to remain successful, we understand the need to focus on performance and sustainability across our business. The key to this is attracting, retaining and building capability in our staff. The work we do is good work, with a strong purpose amongst our people, connecting communities by delivering Australia's best.

Disappointingly, our key lag injury metric deteriorated for the year, with our Lost Time Injury Frequency Rate (LTIFR) moving to 18.8. Whilst our lag indicators have increased, so has positive reporting on our lead indicators around hazards and near-miss events.

Safety Always is a core value of Lindsay's, and "nobody gets hurt at work" is a key belief in the business. We also acknowledge that good safety reflects good operations. To support improving our safety performance, we are increasing investment in safety capability and have developed an Enterprise Safety plan containing initiatives aimed at preventing workplace injuries and events.

In our highest risk category, on road safety, our compliance performance has improved over the last 12 months with improvements in fatigue, distraction and overspeed events.

Our organisation continues to evolve and is a very different business from two years ago. Its scale, reach, diversification, and \$128m of capital investment in equipment, sites, and people have it operating at a different tempo. There is a growing importance of "food on the shelf, underpinned by a focus on the customer experience". This favours businesses like Lindsay, where we provide integrated, comprehensive, end-to-end services across the country.

After four months of FY25 trading, we are experiencing a gradual improvement in horticultural market conditions in the rural and regional transport business, a lift in metro-to-metro commercial transport volumes and a slow recovery in Hunters trading conditions.

In transport, horticultural volumes are down 6% compared to last year; however, pleasingly, grocery and commercial volumes are up 5%, resulting in transport revenue, excluding fuel recoveries, being 3.5% ahead of last year.

Rural sales are also up 3.5% from last year, which provides a positive indicator for future horticultural volumes, weather permitting.

Our focus over the next eight months will be on implementing our strategy with an emphasis on:

1. Capturing the gradual lift in horticultural volumes and rural sales as growing conditions improve and farmers benefit from plentiful water supplies.
2. Focusing on quality service and growing our business units off the back of installed capacity and opportunities to expand.
3. Implementing operating improvements and generating value through the transformation program.

In conclusion, we continue to build a strong and resilient business. I'm pleased with the progress we have made in expanding our geographical footprint, diversifying our customer and product base and building on our unique offering through the combination of our rural and transport businesses.

Thank you.



Lindsay Australia Limited

2024 Annual General Meeting

(ASX:LAU)





Welcome

Welcome to the 2024 Annual General Meeting of Lindsay Australia Limited





Chair Address


Ian Williams introductory address


How to ask a question

- To ask a written question select the Q & A icon
- Select the topic your question relates to from the drop-down list
- Type your question in the text box and **press** the send button
- To ask a verbal question follow the instructions below the broadcast window.

Broadcast

Vote

Q & A

Documents

Your question(s)

You may enter a question using the field below.

Select Topic ▼

Questions are limited to 2000 characters.

0 character(s)

Send









Proxy Results

Received 253 valid proxies for 40,706,561 of shares which represents 12.93% of the total shares on issue.

Votes cast at this meeting will be added to the proxy votes to determine the outcome of the resolutions and final results submitted to the ASX.

How to vote

- When the poll is open, select the vote icon at the top of the screen
- To vote, select either For, Against or Abstain
- You will see a vote confirmation
- To change or cancel your vote “click here to change your vote” at any time until the poll is closed


 Broadcast
  Vote
  Q & A
  Documents

Items of Business

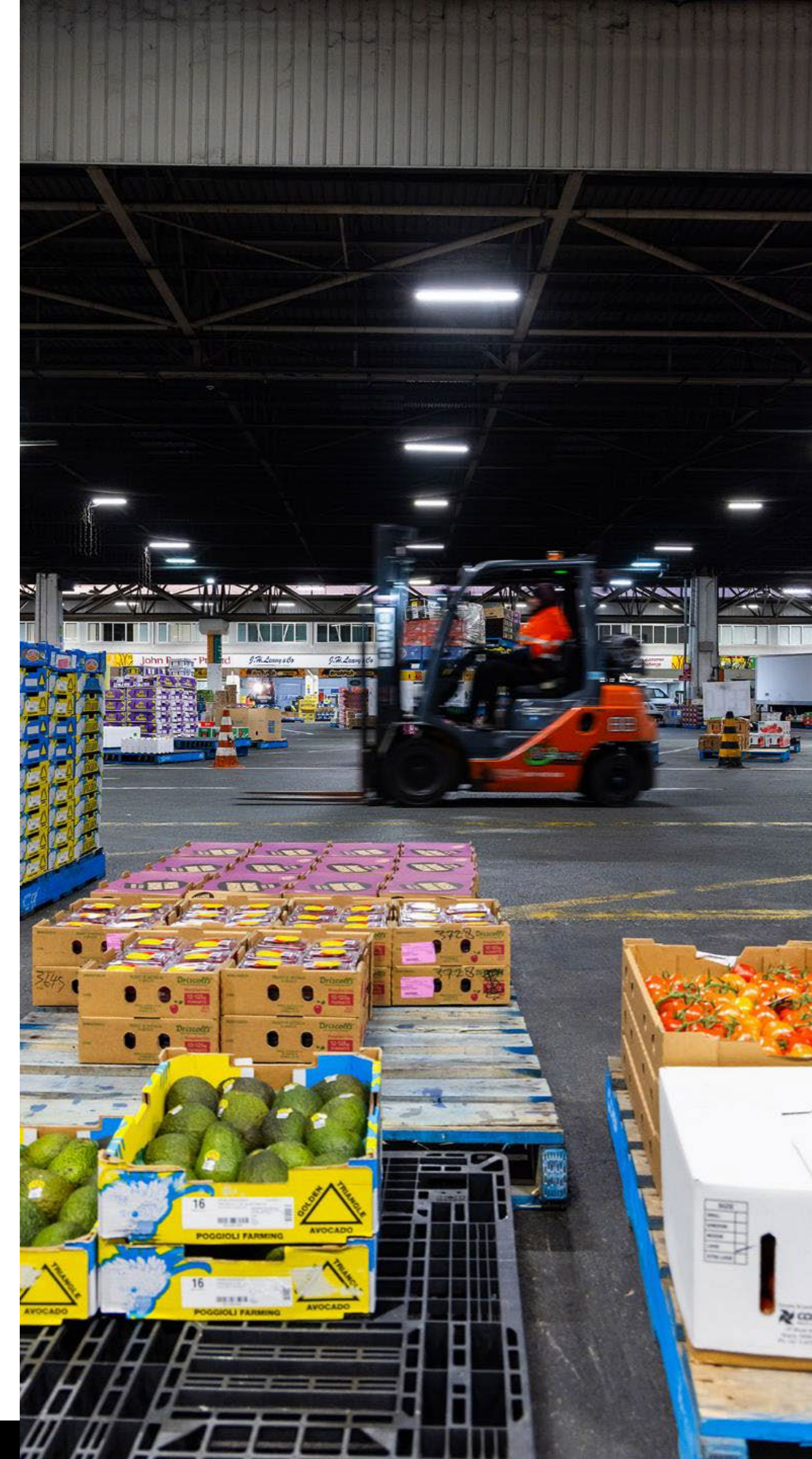
2A Re-elect Mr Sam Sample as a Director

FOR	AGAINST	ABSTAIN
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2B Re-elect Ms Jane Citizen as a Director



We have received your vote **For**
[Click here to change your vote.](#)





CEO Address

- Operating revenue up 18.9% to \$804.4m
- Underlying EBITDA growth of 2.1% to \$92.1m
- Key highlights
 - Transport revenue up \$52 million, including growth in blue chip customers
 - WB Hunter successfully integrated, diversifying operations and contributing \$87m in sales off 11 months of trade
 - Robust balance sheet, with a record-low net leverage of 1.16x and a ROIC of 20.2%
- Executed \$52m capital plan (\$36m sustaining, \$16m growth)
- Fully franked dividend of 4.9 cps (50% underlying payout ratio)



Business Update



Strategy Update



Outlook

Items of Business

Notice of Meeting and Explanatory Memorandum.

Receive and consider the financial statements and reports of the Directors and auditors for the year ended 30 June 2024.

Resolutions to consider.



First Resolution

Resolution 1 – Re-election of director – Mr Matthew Stubbs

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

‘That Mr Matthew Stubbs who retires by rotation in accordance with rule 19.3 of the company’s constitution, and being eligible, offers himself for re-election, be re-elected as a director of the Company .’



Second Resolution

Resolution 2 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution in accordance with s250R(2) of the Corporations Act:

‘That the section of the report of the Directors in the 2024 Annual Report dealing with the remuneration of the Company’s Directors and Senior Executives (**Remuneration Report**) be adopted.’



Chair Closing Remarks

Ian Williams closing remarks and thank you

CONTACT US

Matthew Hefren, Head of Strategy & FP&A
Ph: (07) 3240 4900
E: Matthew.Hefren@lindsayaustralia.com.au

www.lindsayaustralia.com.au

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