

ASX Announcement

Date: 22 August 2024

Diversified Operations Underpin Solid FY24 Performance Despite Challenging Second Half

Highlights:

- Lindsay achieved record underlying¹ EBITDA of \$92.1 million despite significant disruptions in the second half due to adverse weather, multiple rail outages and challenging macroconditions.
- Like-for-like² operating revenue grew 6.0% to \$717.0 million, supported by positive performance in the Transport division's metro operations, offsetting softer regional volumes and sales in the Rural division, particularly in North Queensland (NQ), as weather impacted horticultural yields.
- The Company announced a final fully franked dividend of 2.8 cents per share (cps), bringing the full year dividend for FY24 to 4.9 cps fully franked, in line with FY23 and an increase in payout ratio³ to 50% (FY23 41%).
- WB Hunter was successfully integrated into the business, contributing \$3.3 million in underlying EBITDA over 11 months operations, though performance was impacted by trade, discretionary and weather-exposed categories.
- Lindsay continued to invest in its people, network and assets with a capital spend of \$52.1 million in FY24 (FY23 \$76.0 million), building greater operating capacity while still delivering 20.2% ROIC (FY23 24.8%).

Key highlights

Operating Revenue \$804.4m Up 18.9%	Underlying¹ EBITDA \$92.1m Up 2.1%	Underlying¹ NPAT \$30.4m Down 17.0%	Net Debt³ \$106.9m Down 0.3%	LTIFR⁴ 18.8 Up 68.9%
Net leverage ratio⁵ 1.16x Down 2.4%	ROIC⁶ 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)	FTEs⁷ 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.

² Like-for-like excludes 11 months of trade from WB Hunter

³ Net debt excludes property/other right of use lease liabilities. Prior corresponding period refers to 30 June 2023.

⁴ Lost Time Injury Frequency Ratio (LTIFR) on a rolling 12-month basis.

⁵ Net Leverage ratio = Net Debt/Underlying EBITDA as at 30 June 2024

⁶ ROIC = Underlying EBIT/ Invested Capital. Invested Capital = Net debt + equity.

⁷ FTE – Full-time equivalent employee.

BRISBANE, 22 August 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 financial period ending 30 June 2024.

Financial Highlights

The Company today reported underlying EBITDA of \$92.1 million for the full year ending 30 June 2024. The result was up 2.1% on the prior comparable period (PCP). On a like-for-like basis Group EBITDA decreased \$1.4 million or 0.6%. Key highlights across operational divisions included:

- **Transport's** underlying EBITDA increased \$2.2 million or 2.2% to \$103.3 million reflecting robust growth in metro operations and the rail division despite considerable disruptions and challenged performance in horticulture sectors. The division bolstered its earnings base with new and existing blue-chip customers who provide a steady supply of food staples. Strategic investments continued to expand the division's network and asset portfolio, enhancing Transport's market leading refrigerated capabilities and positioning the division for future growth with greater geographical and customer diversification continuing to reduce market cyclicality.
- **Rural's** underlying EBITDA decreased by \$0.9 million or 8.9% to \$9.1 million, primarily due to challenging trading conditions, low customer sentiment, and adverse weather, particularly in North Queensland. However, the division improved its second-half performance with margins up by 1.2%, supported by market share gains in packaging and improving market conditions.
- **WB Hunter** delivered \$3.3 million in underlying EBITDA from 11 months of operations post-acquisition. However, it faced tough trading conditions due to inflationary pressures, rising interest rates, lower consumer confidence, and increased competition, which reduced foot traffic and average basket values. Comparable full-year retail sales of \$74.1 million for FY24 were down \$4.9 million on the PCP. Building and discretionary categories were impacted the most. Despite this, WB Hunter saw a positive trend in converting more consumers to its loyalty programs up 4.6%, making up 20% of all retail sales, mitigating some external challenges.

The result highlighted the resilience of Lindsay's diversified operating model, particularly in navigating the challenges of the second half that included over 40 days of multiple rail disruptions on the East/West line and prolonged wet weather, which had the largest impact on Queensland growing regions. While the wet weather reduced near-term volumes, it is expected to lead to improved conditions for future growing seasons.

Underlying Net Profit After Tax (NPAT) decreased by \$6.2 million or 17.0% to \$30.4 million, impacted by higher net finance and depreciation charges of \$10.0 million, associated to the \$128 million in capital expenditure invested over the last two years.

Despite these headwinds, Lindsay has continued to invest in its people, network, and assets, expanding operational capacity while delivering a solid ROIC of 20.2% (FY23: 24.8%). The business remains well-positioned to capture market share, leveraging its scale, market-leading network, and refrigerated asset portfolio as cycles shift.

The Group's balance sheet continued to strengthen, with net leverage improving from 1.19x in the PCP to 1.16x in FY24, while operating cash flows increased by 17.4% to \$100.9 million (FY23: \$86.0 million). With significant borrowing capacity and strong cash generation, the Group is well positioned to fund future growth, both organically and through acquisitions.

In Q4 FY24, Lindsay launched an enterprise-wide transformation program to leverage the company's size and scale to improve efficiency, increase utilisation, and reduce costs. A dedicated project team, led by a newly promoted General Manager, has been established to drive this initiative forward. We anticipate that the

outcomes of this program will start contributing in late FY2025, following resource investments and program development throughout the year.

The Company's strong financial position enabled the board to declare a second half fully franked dividend of 2.8 cents per share, payable on 11 October 2024 to shareholders with the record date of 30 September 2024. The full year fully franked dividend of 4.9 cps was flat with the PCP (FY23 4.9 cps fully franked) on an uplifted payout ratio of 50% (FY23 41%).

Commentary on FY24 Results

Lindsay Australia CEO, Clay McDonald, said:

"This is a solid result from Lindsay Australia's core operations. The result reflects the benefits of operating in different geographies, modes (road and rail), customer segments, and market sectors. Trading conditions have been challenging; however, our exposure to the staple refrigerated food sector, the integration benefits of Rural and Transport, and our renowned delivery performance have created value as suppliers focus on ensuring goods are on the shelf to retain customers and grow sales.

The recent wins with blue-chip customers are a direct result of the investments we've made in our business over the past several years. Furthermore, we've built this platform with additional headroom and capacity, positioning us for continued growth, with operating leverage expected to come through in future years.

We expect trading conditions to remain similar to FY24; however, Rural sales have lifted in the second half, and our Transport division finished the year positively with improved demand in quarter four after experiencing a three-year low in quarter three.

The year also reflects the consolidation of three years of significant growth for the business with underlying EBITDA increasing 15.3% CAGR from FY21. Lindsay is larger, better resourced, more resilient, and positioned strongly to continue capturing market opportunities as we move forward."

Release authorised by the Lindsay Australia Board of Directors.

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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 three core divisions of Rural, Hunter 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 a single point of contact and accountability.

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