



## **Underlying earnings growth of 12.1% following record revenue of \$435.3M**

### **Highlights:**

- **Underlying<sup>1</sup> EBITDA of \$45.3 million, up 12.1% year-on-year, following record revenue of \$435.2 million driven by rail diversification strategy and increased competitiveness as a fully integrated logistics provider**
- **Rural division delivers record revenue of \$137.9 million as investments in store network and sales organisation boost results**
- **Rail expansion lifts Transport division revenue to record \$297.3 million with 110 new refrigerated rail containers added to capacity in FY21**
- **Operating cash of \$51.7 million, up 35% year-on-year, with cash balance of \$27.6 million at FY21 year end, allows the Board to declare a final unfranked dividend of 0.5 cents per share, bringing total FY21 dividends to 1.7 cents per share**
- **Lindsay continues to deliver organic growth whilst assessing other strategically-aligned opportunities as they arise**

BRISBANE 25 August 2021: 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 year ended 30 June 2021.

### **Financial Highlights**

Lindsay delivered a strong financial performance in FY21 while continuing to increase its competitiveness as a fully integrated logistics provider and trusted supplier to a broad section of customers including Australia's primary producers.

Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 12.1% on the prior year to reach \$45.29 million as the Company executed on key growth initiatives while maintaining cost discipline in the uncertain operating environment. A focus on operational efficiency delivered reductions in corporate overheads despite the disruptive conditions created by COVID-19.

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<sup>1</sup> Underlying operations defined in this release are the Group's reported financial results as set out in the financial statements, adjusted for significant items that are non-recurring or items incurred outside the ordinary operations of the Group and excludes the impact of adopting AASB 16. Refer to FY21 annual report for detailed reconciliation of underlying operations.



Lindsay's Transport and Rural divisions both contributed to the solid underlying earnings result following record revenue for the two operating segments. At a Group level, FY21 revenue of \$435.2 million was 5.7% above the prior year's record.

The cost discipline achieved during the period of growth delivered underlying profit before tax (PBT) of \$13.8 million; a 24% increase on FY20. A reconciliation of underlying to statutory results is provided in the *Operating and Financial Review* of the 2021 Annual Report. Lindsay also delivered a material lift in net operating cash flows, which rose 35% on the prior year to \$51.7 million in the period.

Lindsay continued to invest in organic growth opportunities in rail, including capital expenditure of \$12 million for the addition of 110 new refrigerated rail containers and associated equipment in FY21. Across the Company's road fleet, \$12.4 million was invested in fleet renewal, safety technology, trailer fleet expansion and other projects.

Lindsay finished FY21 with \$27.59 million in cash and a rolling 12-month net leverage ratio<sup>2</sup> of 2.04 (FY20: 2.60), providing flexibility and capacity to fund the Company's growth objectives.

The Company's Board has declared a final unfranked dividend of 0.50 cents per ordinary share (FY20: 0.50 cents per share, fully franked), payable to shareholders on 8 October 2021, with a record date of 24 September 2021.

### **Strategic and Operational Highlights**

Delivering value for customers, employees, shareholders and all stakeholders remains a key focus for the Company. Despite the operational challenges faced during the year due to COVID, both the Company's Transport and Rural divisions maintained their crucial role as essential service providers to the nation's food supply.

The Transport division continued to expand its customer base as its multi-modal diversification strategy allowed it to offer customers greater access to integrated road and rail logistics services. Transport revenue increased 5.3% to \$297.3 million in FY21 with \$17.5 million generated by growth in the rail segment during the year. The growth was partly offset by a reduction in import/export services revenue from Lindsay Fresh, which was negatively impacted by COVID restrictions throughout the year.

The Transport division continues to experience high demand for rail services. Lindsay intends to continue to invest in its rail capacity, which offers a less capital intense growth path that is highly complementary to the Company's established road fleet and network of refrigerated facilities. In FY21, rail capacity was expanded with the addition of 110 refrigerated containers, taking the total to 294 by year end. The division plans to add another 50 refrigerated containers in H1 FY22.

The Fresh Logistics business was materially impacted by COVID-19 in the year. Revenue from import/export services was lower as a result of the reduction in available air freight services. Q4 FY21 saw a slight improvement through an increase in export sea freight volumes, however revenue for the year was still down 22.8% compared with FY20. The business has been mitigate some of the downturn in trade by accessing the Government's JobKeeper program—Lindsay Fresh received \$2.06 million in wage subsidies during FY21. The division expects air freight restraints to continue while airlines operate at reduced capacity.

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<sup>2</sup> Net leverage ratio = Net debt/underlying EBITDA. Net debt excludes lease liabilities relating to the adoption of AASB 16.



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The Rural division performed very well in FY21 as it focused on serving high-growth horticulture regions while unlocking supply chain synergies through the Transport division. Rural revenue increased by \$9.2 million (+7.2%) on the prior year, driven by sales growth across several key regions and the performance of its Woolgoolga branch, which commenced trade in the second half of FY21. Rural encountered longer shipping times for products manufactured overseas but was not materially impacted by COVID-19.

Looking forward, Lindsay will continue to pursue an organic growth strategy focused on diversifying its range of products and services while expanding its geographic footprint sensitive to the needs of customers and the changes in the market. The Company will also continue to assess other growth opportunities that arise based on strategic fit.

### **Commentary on FY21 Results**

Lindsay Australia CEO, Kim Lindsay, said:

*“FY21 has seen the Company deliver a strong result despite the challenges presented by what has been a highly fluid environment. The outcome is testament to our employees who have remained committed to Lindsay as the Company ensures Australia’s food supply chains remain unimpeded by the disruption of COVID-19.*

*“Our ongoing drive to diversify the services available to our customers and deliver new and innovative solutions has helped the Company to mitigate the challenges and take advantage of opportunities that presented during the fast-changing conditions seen over the year.*

*“We continue to see strong demand for both our road and rail services and will further expand our operational capacity in FY22 to meet these needs. Rural will also continue to expand in FY22, benefiting from the full year contribution of its new Woolgoolga branch and emerging opportunities to extend our low-cost branch model.*

*“The year demonstrated Lindsay’s disciplined approach to costs while growing our businesses. The Company will continue to drive organic growth forward in FY22 while maintaining a watching brief on any transaction-led opportunities that may arise.”*



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

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

Lindsay Australia Ltd 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 Group comprises the two core divisions of Rural and Transport (including Fresh Logistics). When combined, these divisions offer products and services covering key needs of customers 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/>