

MIDWAY LIMITED

(ASX: MWY)

ASX and Media Release

30 August 2018

Investor Conference Call for 2018 Full Year Results

Midway Limited, (**Midway** or the **Company**), Australia's largest woodchip processor and exporter, today announced its full year results for the period ending 30 June 2018.

Midway Limited is pleased to report to shareholders that the company has delivered improved operating and financial performances in its second year as a listed company on the back of overall volume growth and higher global prices for wood fibre in Japan and China.

In the 2018 financial year, Midway generated sales revenue of \$231.9 million, up 10.8 per cent on the previous year, EBITDA before significant items of \$28.7 million, up 2.5 per cent on the previous year and Net Profit After Tax of \$18.4 million, up 2.4 per cent on the previous year.

Midway also recorded a \$2.6 million uplift in the valuation of our forestry assets that increased EBITDA after significant items to \$31.4 million, up 26.1 per cent on the previous year which included our listing costs.

After depreciation and amortisation, EBIT was \$26.9 million, up 25.1 per cent on the previous year. Net profit before tax was \$24.7 million, up 24.1 per cent on the previous year and Net Profit After Tax was \$18.4 million, up 23.5 per cent on the previous year.

Midway Managing Director, Tony Price said "the last twelve months has been another solid performance with strategic investments made to generate future growth of the company that will underpin improved shareholder returns in the longer term."

"I am particularly pleased with the efforts of the management team, our staff and contractors who have worked very hard to ensure we met the market expectations around our full year earnings, despite lower than expected first half shipments and a relatively high Australian dollar," Mr Price said.

"Export sales price increases, prudent currency hedging strategies, better dry fibre content and the initial earnings from our acquisition of Plantation Management Partners (PMP) offset the impacts of a comparatively higher dollar on earnings and lower export volumes as we prudently managed our supply chain."

“We also successfully managed a large schedule of wood fibre export shipments from Geelong in the second half of the financial year, with four ships loaded in June 2018 alone – a tribute to our log suppliers, management team and staff and strong customer relationships, especially in China and Japan.”

The Board has declared a fully franked final dividend of 9 cents per share. This is in line with the current dividend policy of between 70% and 90% of Pro Forma NPAT, franked to the maximum extent available.

Outlook

Mr Price was positive about the outlook for Midway in FY19: “The long term outlook for export demand continues to remain strong, especially in China, and constrained global supply for high quality hardwood woodchips to underpin a positive price outlook.”

“We continue to closely manage key value drivers including, ship chartering costs, foreign exchange exposures, softwood and hardwood log supply and plantation and woodchip operating costs,” he said.

“We continue to assess opportunities to acquire businesses in key forestry areas, both in Australia and overseas as part of a disciplined approach to capital management that aims to maximise shareholder value.”

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About Midway Limited

Midway Limited is a leading Australian forestry company with headquarters in Geelong, with majority shareholdings in South West Fibre Pty Ltd (SWF) based in the Green Triangle, and Queensland Commodity Exports Pty Ltd (QCE) based in Brisbane. Founded in 1980, Midway is primarily involved in the production and export of high quality wood fibre to producers of pulp, paper and associated products in the Asian region. For further information, visit www.midwaylimited.com.au.