

MIDWAY LIMITED

(ASX: **MWY**)

ASX and Media Release

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Midway delivers a strong underlying first half result in FY19

Midway Limited (**Midway**), Australia's largest woodchip processor and exporter, today announced its FY19 half year results for the period ending 31 December 2018. Midway is pleased to advise shareholders that the Company has delivered strong underlying operating and financial performances in the first six months of the 2019 financial year.

In the first half, Midway generated sales revenue of \$124.2 million, up 45.8 per cent on the previous corresponding period and underlying EBITDA of \$12.2 million, up 87.7 per cent on the previous corresponding period.

Midway also recorded underlying EBIT of \$8.8 million, up 95.5 per cent on the previous corresponding period and underlying net profit after tax (NPAT) of \$5.6 million, up 107.4 per cent on the previous corresponding period. The statutory net profit in the first half of 2019 after significant items was \$14.3 million, up 429.6 per cent on the corresponding period.

There were a number of positive significant items in the first half impacting NPAT including; a \$9.7 million uplift in the net fair value of biological assets on the back of higher export prices, a \$2.4 million gain after the reversal of contingent consideration for recent acquisitions and a gain on bargain purchase of the acquisition of Softwood Logging Services (SLS).

Offsetting these positive items, there was a non-cash interest expense of \$3.8 million arising from the application of the new AASB 15 accounting rules on the valuation of forestry assets sold to Strategy, as well as \$0.3 million expense for transaction costs arising from recent acquisitions.

Midway Managing Director, Tony Price said the strong underlying first half results were driven by higher export prices, good dry fibre content and positive exchange rate movements compared with the previous corresponding period.

Dividend

The Midway Board has declared a fully franked first half dividend of 9.0 cents per share to be paid on 18 April 2019. This is in line with the current dividend policy franked to the maximum extent available.

Outlook

Mr Price said the underlying first half result in FY19 was very pleasing and reflected strong operating performances that are expected to continue into the second half of the financial year.

"As we flagged in a trading update on 22 January 2019, the first half of the FY19 financial year benefited from a return to normal export shipping volumes as well as improved operating conditions," Mr Price said.

Mr Price said the Company anticipates a strong underlying result in the second half and remains comfortable that the full year 2019 profit result will be consistent with the current analyst consensus range.

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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, Queensland Commodity Exports Pty Ltd (QCE) based in Brisbane, Plantation Management Partners (PMP) based on Melville Island and Softwood Logging Services (SLS) based in Bunbury, Western Australia. Founded in 1980, Midway is primarily involved in the production, processing 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.