

MIDWAY LIMITED (ASX: MWY)

20 July 2020

Market Update – Japanese pricing 2020

Midway Limited (Midway or the Company), Australia’s largest listed wood fibre exporter, has secured an export price to its Japanese customers of \$US167.25 per bone-dry tonne for the 2020 calendar year. As the price adjustment is backdated to 1 January 2020, it will affect both 2H20 earnings and 1H21 earnings.

Midway Managing Director, Tony Price said the 2020 export price to Japan reflected the weaker global trading environment as a result of Covid-19 but the impact on Australian dollar revenue and earnings would be partially offset by a lower Australian dollar.

In 2019, before the impact of Covid-19 on global markets, Midway secured an export price of \$182.25 per bone-dry tonne from its Japanese customers. During 2019, the Australian dollar was an average of about 73 cents to the US dollar. In 2020, Midway is forecasting an average Australian dollar of about 70 cents to the US dollar.

“Given the impact of Covid-19 on the global trading environment, Midway factored the impact of a lower export price to its major customers and a partial benefit from a lower Australian dollar into its earnings forecasts for FY20,” Mr Price said. “As a result, we do not expect to see any change in the underlying EBITDA forecast for the FY20 financial year of between \$10-\$14 million.”

Midway is scheduled to release its FY20 full year financial results to the market on 27 August 2020. The Company will provide an update on market conditions in the FY21 financial year to the market at that time.

ENDS

This statement has been approved by the Midway Board of Directors.

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About Midway Limited

Midway Limited is a leading Australian forestry company with headquarters in Geelong, with 100% shareholdings in Plantation Management Partners (PMP) based on Melville Island and Midway Logistics (MWL) based in Bunbury, Western Australia, and 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, 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.