

Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of Issuer	Mainfreight Limited	
Reporting Period	12 months to 31 March 2023	
Previous Reporting Period	12 months to 31 March 2022	
Currency	NZD	
	Amount (000s)	Percentage Change
Revenue from Continuing Operations	\$5,675,709	8.8%
Total Revenue	\$5,675,709	8.8%
Net Profit/(Loss) from Continuing Operations	\$426,476	20.0%
Total Net Profit/(Loss)	\$426,476	20.0%
Interim/Final Dividend		
Amount per Quoted Equity Security	\$0.87000000	
Imputed Amount per Quoted Equity Security	\$0.15352941	
Record Date	13/07/2023	
Dividend Payment Date	21/07/2023	
	Current Period	Prior Comparable Period
Net tangible assets per Quoted Equity Security	\$14.2252	\$11.4616
A brief explanation of any of the figures above necessary to enable the figures to be understood		
Authority for this Announcement		
Name of person authorised to make this announcement	Tim Williams, Chief Financial Officer	
Contact person for this announcement	Tim Williams	
Contact phone number	+64 9 259 5510	
Contact email address	tim@mainfreight.com	
Date of release through MAP	25/05/2023	

Unaudited financial statements accompany this announcement.

MAINFREIGHT LIMITED
Preliminary Full Year Announcement
For the Full Year ended 31 March 2023



Preliminary full year report on consolidated results (including the results for the previous corresponding full year). This report has been prepared in a manner which complies with generally accepted accounting practice and fairly presents the matters to which the report relates and is based on unaudited financial statements. The Listed Issuer has a formally constituted Audit Committee of the Board of Directors.

Income Statement
For the Full Year ended 31 March 2023

	Notes	Year ended 31 March 2023 unaudited \$NZ000	Year ended 31 March 2022 unaudited \$NZ000
Total Revenue		5,675,709	5,218,259
Transport Costs		(3,444,287)	(3,356,790)
Labour Expenses		(1,023,106)	(886,614)
Other Expenses		(357,288)	(263,818)
Earnings before Finance Costs, Tax, Depreciation and Amortisation		851,028	711,037
Depreciation of Right to Use Assets		(155,359)	(127,289)
Finance Costs Relating to Lease Liabilities		(17,326)	(15,731)
Other Depreciation & Amortisation Expenses		(83,630)	(73,324)
Other Finance Costs		(7,315)	(5,312)
Profit before Taxation for the Year		587,398	489,381
Income Tax Expense		(160,922)	(133,984)
Net Profit for the Year		426,476	355,397
Earnings per share			
Basic and diluted earnings (cents per share)		423.52	352.93

Statement of Comprehensive Income
For the Full Year ended 31 March 2023

Net Profit for the Period	426,476	355,397
Other Comprehensive Income for the Period, Net of Tax		
<i>Other comprehensive income to be reclassified to profit/(loss) in subsequent periods</i>		
Exchange Differences on Translation of Foreign Operations	41,514	(7,412)
Income Tax Effect	1,420	(1,047)
Net Other Comprehensive income to be reclassified to profit/(loss) in subsequent periods	42,934	(8,459)
<i>Other comprehensive income not to be reclassified to profit/(loss) in subsequent periods</i>		
Revaluation of Land including Foreign Exchange Movements	1,625	82,659
Income Tax effect	(411)	(15,016)
Defined Benefit Pension Provision	157	455
Income Tax effect	(39)	(114)
Net Other Comprehensive income not to be reclassified to profit/(loss) in subsequent periods	1,332	67,984
Other Comprehensive Income for the Period, Net of Tax	44,266	59,525
Total Comprehensive Income for the Period, Net of Tax	470,742	414,922

The accompanying notes form part of these financial statements

	31 March 2023	31 March 2022		31 March 2023	31 March 2022
	unaudited	audited		unaudited	audited
	\$NZ000	\$NZ000		\$NZ000	\$NZ000
Current Assets			Current Liabilities		
Bank	341,991	202,258	Trade Creditors & Accruals	492,966	562,004
Trade Debtors	619,470	805,568	Employee Entitlements	147,311	152,305
Income Tax Receivable	22,411	275	Provision for Taxation	60,979	56,609
Properties Held for Sale	7,748	-	Lease Liability for Right of Use Assets	155,626	121,136
Other Debtors	66,295	48,563	Asset Finance Loans	9,258	8,841
	1,057,915	1,056,664		866,140	900,895
Non-current Tangible Assets			Non-current Liabilities		
Property	1,068,880	925,190	Bank Term Loan	186,788	176,005
Plant & Equipment	276,983	185,020	Employee Entitlements	4,085	2,519
Right of Use Assets	744,914	585,970	Lease Liability for Right of Use Assets	625,478	490,099
			Deferred Tax Liability	10,613	10,684
			Asset Finance Loans	23,134	18,480
	2,090,777	1,696,180		850,098	697,787
Non-current Intangible & Deferred Tax Assets			Total Liabilities	1,716,238	1,598,682
Software	54,638	52,081	Shareholders' Equity		
Goodwill	218,894	204,498	Share Capital	85,821	85,821
Other Intangible Assets	1,130	1,288	Retained Earnings	1,405,355	1,152,081
Deferred Tax Asset	19,693	17,240	Revaluation Reserve	209,951	208,737
			Foreign Currency Translation Reserve	25,815	(17,119)
	294,355	275,107	Defined Benefit Pension Reserve	(133)	(251)
Total Assets	3,443,047	3,027,951	Total Equity	1,726,809	1,429,269
			Total Liabilities & Equity	3,443,047	3,027,951

The accompanying notes form part of these financial statements

	Ordinary Shares	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Defined Benefit Pension Reserve	Retained Earnings	Total Equity
	\$NZ000	\$NZ000	\$NZ000	\$NZ000	\$NZ000	\$NZ000
Twelve Months to 31 March 2023 (unaudited)						
Balance at 1 April 2022	85,821	208,737	(17,119)	(251)	1,152,081	1,429,269
Profit for the Period	-	-	-	-	426,476	426,476
Other Comprehensive Income	-	1,214	42,934	118	-	44,266
Total Comprehensive Income for the Period	-	1,214	42,934	118	426,476	470,742
Transactions with Owners in their Capacity as Owners						
Supplementary Dividends	-	-	-	-	(6,964)	(6,964)
Dividends Paid	-	-	-	-	(173,202)	(173,202)
Foreign Investor Tax Credit	-	-	-	-	6,964	6,964
Balance at 31 March 2023	85,821	209,951	25,815	(133)	1,405,355	1,726,809
Twelve Months to 31 March 2022 (audited)						
Balance at 1 April 2021	85,821	141,094	(8,660)	(592)	897,383	1,115,046
Profit for the Period	-	-	-	-	355,397	355,397
Other Comprehensive Income	-	67,643	(8,459)	341	-	59,525
Total Comprehensive Income for the Period	-	67,643	(8,459)	341	355,397	414,922
Transactions with Owners in their Capacity as Owners						
Supplementary Dividends	-	-	-	-	(3,674)	(3,674)
Dividends Paid	-	-	-	-	(100,699)	(100,699)
Foreign Investor Tax Credit	-	-	-	-	3,674	3,674
Balance at 31 March 2022	85,821	208,737	(17,119)	(251)	1,152,081	1,429,269

The accompanying notes form part of these financial statements

MAINFREIGHT LIMITED
Cash Flow Statement
For the Full Year ended 31 March 2023



	Year ended 31 March 2022 unaudited \$NZ000	Year ended 31 March 2021 audited \$NZ000
Cash Flows from Operating Activities		
Receipts from Customers	5,894,809	4,930,932
Interest Received	2,767	341
Payments to Suppliers and Team Members	(4,931,112)	(4,289,186)
Finance Charge on NZ IFRS 16 Leases	(17,326)	(15,731)
Interest Paid	(10,082)	(5,312)
Income Taxes Paid	(181,851)	(117,247)
Net Cash Flows from Operating Activities	757,205	503,797
Cash Flows from Investing Activities		
Proceeds from Sale of Property, Plant & Equipment	9,843	3,724
Proceeds from Sale of Software	132	66
Purchase of Property, Plant & Equipment	(303,491)	(175,908)
Purchase of Software	(20,396)	(16,962)
Repayments from Team Members	3	-
Net Cash Flows from Investing Activities	(313,909)	(189,080)
Cash Flows from Financing Activities		
Proceeds of Long Term Loans	197,925	74,792
Dividend Paid to Shareholders	(173,202)	(100,699)
Repayment of Loans	(197,348)	(104,724)
Lease Payments NZ IFRS 16	(146,734)	(119,336)
Net Cash Flows from Financing Activities	(319,359)	(249,967)
Net Increase / (Decrease) in Cash and Cash Equivalents	123,937	64,750
Net Foreign Exchange Differences	15,796	(2,047)
Cash and Cash Equivalents at Beginning of Period	202,258	139,555
Cash and Cash Equivalents at End of Period	341,991	202,258
Comprised:		
Bank and Short Term Deposits	341,991	202,258
Bank Overdraft	-	-
	341,991	202,258

The accompanying notes form part of these financial statements

1 Corporate Information

The preliminary full year report announcement of Mainfreight Limited ("the parent") and its subsidiaries ("the Group") for the full year ended 31 March 2023 was authorised for issue in accordance with a resolution of the Directors.

Mainfreight Limited is a company limited by shares incorporated in New Zealand whose shares are publicly traded on the NZX Main Board (New Zealand Stock Exchange).

2 Accounting Policies

Accounting policies remain consistent with the prior year ended 31 March 2022 financial statements.

3 Required NZX Disclosures

	<u>Parent</u>	
	Year ended 31 March 2023	Year ended 31 March 2022
	unaudited	audited
	Shares	Shares
Movements in Ordinary Shares on Issue		
Closing balance	100,698,548	100,698,548
Average balance during the period	100,698,548	100,698,548
	<u>\$NZ000</u>	<u>\$NZ000</u>
Net Tangible Assets		
Net Tangible Assets	1,432,454	1,154,162
Net Tangible Assets per Security (cents per share)	1,422.52	1,146.16
Dividends Paid and Proposed		
Recognised Amounts		
Declared and Paid during the Period to Parent Shareholders		
Final Fully Imputed Dividend for 2022: 87.0 cents (2021: 45.0 cents)	87,608	45,314
Interim Fully Imputed Dividend for 2023: 85.0 cents (2022: 55.0 cents)	85,594	55,385
	<u>173,202</u>	<u>100,699</u>
Unrecognised Amounts		
Final Fully Imputed Dividend for 2023: 87.0 cents (2022: 87.0 cents)	87,608	87,608

After the balance date, the above unrecognised dividends were approved by Directors' resolution dated 24 May 2023

4 Annual Report and Annual Meeting

The annual report is expected to be available on 27 June 2023.

The Annual Meeting is to be held at 4.00pm on Thursday 28 July 2023; venue to be advised.

5 Segmental Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

The Group operates in the domestic supply chain (i.e. moving and storing freight within countries) and air and ocean freight industries (i.e. moving freight between countries).

New Zealand, Australia, The Americas and Europe are each reported to management as one segment as the businesses there perform both domestic and air and ocean services.

The segmental results from operations are disclosed below.

Geographical Segments

The following table represents revenue, margin and certain asset information regarding geographical segments for the years ended 31 March 2023 and 31 March 2022.

	New Zealand	Australia	The Americas	Asia	Europe	Inter-Segment	Total
	\$NZ000	\$NZ000	\$NZ000	\$NZ000	\$NZ000	\$NZ000	\$NZ000
Year to 31 March 2023 (unaudited)							
Operating Revenue							
- Sales to Customers outside the Group	1,284,860	1,555,064	1,538,575	244,885	1,052,325	-	5,675,709
- Intersegment Sales	21,898	60,450	130,382	173,346	85,936	(472,012)	-
Total Revenue	1,306,758	1,615,514	1,668,957	418,231	1,138,261	(472,012)	5,675,709
PBT	169,421	150,094	143,048	46,644	78,191	-	587,398
Net Interest Expense	6,826	8,732	5,489	(6)	3,600	-	24,641
Depreciation & Amortisation	63,271	58,272	50,988	5,128	61,330	-	238,989
Capital Expenditure	101,795	137,732	41,830	2,074	40,456	-	323,887
Trade Debtors	135,829	170,630	149,925	29,937	186,931	(53,782)	619,470
Non-current Assets	844,224	688,847	382,986	20,721	448,354	-	2,385,132
Total Assets	1,075,382	922,838	668,477	131,024	699,108	(53,782)	3,443,047
Total Liabilities	409,252	454,866	409,898	71,963	424,041	(53,782)	1,716,238
Year to 31 March 2022 (audited)							
Operating Revenue							
- Sales to Customers outside the Group	1,130,199	1,246,199	1,563,240	331,480	947,141	-	5,218,259
- Intersegment Sales	14,455	43,509	78,267	398,875	66,062	(601,168)	-
Total Revenue	1,144,654	1,289,708	1,641,507	730,355	1,013,203	(601,168)	5,218,259
PBT	136,479	114,007	144,685	41,401	52,809	-	489,381
Net Interest Expense	6,578	6,273	4,999	132	2,720	-	20,702
Depreciation & Amortisation	55,083	50,462	34,334	3,346	57,388	-	200,613
Capital Expenditure	80,445	64,071	19,042	1,737	27,574	-	192,869
Trade Debtors	141,749	197,252	286,019	68,461	178,275	(66,188)	805,568
Non-current Assets	752,569	543,880	297,705	18,649	358,484	-	1,971,287
Total Assets	920,087	777,168	650,161	160,758	585,965	(66,188)	3,027,951
Total Liabilities	369,475	430,063	429,288	93,623	342,421	(66,188)	1,598,682

5 Segmental Reporting - continued

	New Zealand	Australia	The Americas	Asia	Europe	Total
	\$NZ000	\$AU000	\$US000	\$US000	€EU000	\$NZ000
Revenue Local Currency						
Year Ended March 2023	1,284,860	1,417,285	959,917	152,784	630,658	5,675,709
Year Ended March 2022	1,130,199	1,175,041	1,089,422	231,008	567,906	5,218,259
Growth	13.7%	20.6%	(11.9%)	(33.9%)	11.0%	8.8%
				Excluding FX Impact		4.2%
PBT Local Currency						
Year Ended March 2023	169,421	136,796	89,248	29,101	46,860	587,398
Year Ended March 2022	136,479	107,497	100,831	28,852	31,664	489,381
Growth	24.1%	27.3%	(11.5%)	0.9%	48.0%	20.0%
				Excluding FX Impact		14.9%
PBT to Revenue Margin - ROR						
Year Ended March 2023	13.2%	9.7%	9.3%	19.0%	7.4%	10.3%
Year Ended March 2022	12.1%	9.1%	9.3%	12.5%	5.6%	9.4%

Division Segments

The following table represents revenue and PBT in respect of the three main types of services for the years ended 31 March 2023 and 31 March 2022.

	Domestic			Total
	Transport	Warehousing	Air & Ocean	
	\$NZ000	\$NZ000	\$NZ000	\$NZ000
Year Ended 31 March 2023				
Revenue	2,242,769	750,179	2,682,761	5,675,709
PBT	228,498	65,374	293,526	587,398
Year Ended 31 March 2022				
Revenue	1,914,903	583,821	2,719,535	5,218,259
PBT	183,861	55,262	250,258	489,381

	31 March 2023	31 March 2022
	unaudited	audited
	\$NZ000	\$NZ000
Reconciliation between non-GAAP and the Income Statement		
Profit before Taxation for the Year	587,398	489,381
Finance Costs Relating to Lease Liabilities	17,326	15,731
Other Net Finance Costs	7,315	4,971
EBITA	612,039	510,083
Depreciation of Right of Use Assets	155,359	127,289
Other Depreciation and Amortisation Expenses	83,630	73,324
EBITDA (Adjusted)	851,028	710,696

EBITDA (adjusted) is defined as earnings before net interest expense, tax, depreciation, amortisation, and royalties (segment only; not Group).

There are no customers in any segment that comprise more than 10% of that segment's revenue.

Bank term loan is allocated based on segment net assets excluding bank term loan.

The geographical segments are determined based on the location of the Group's assets.