

# MAINFREIGHT LIMITED

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ANNUAL MEETING OF SHAREHOLDERS

27 JULY 2023

# The Numbers ... Financial Year 2023

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- **Revenue** up 8.8% to \$5.68 billion from \$5.22 billion
- **PBT** up 20.0% to \$587 million from \$489 million
- **Net Profit** up 20.0% to \$426 million from \$355 million
- **People** – 11,311 up 918
- **Branches** – 331 up 26
- **Countries** – 26 up 1
- **Dividend** – final dividend of 87.0 cents per share
  - Takes full year to \$1.72 per share up 21%
- **Discretionary Bonus** - \$79.8 million, a reduction of 15.2%

## 2 Year Comparison

<b>REVENUES</b>	<b>2023 \$000</b>	<b>Variance</b>	<b>2022 \$000</b>	<b>Variance</b>	<b>2021 \$000</b>	<b>% Increase Over 2 Yrs</b>
Total Group Full Year	5,675,709	8.8%	5,218,259	47.2%	3,543,838	60.2%
<b>PBT</b>	<b>2023 \$000</b>	<b>Variance</b>	<b>2022 \$000</b>	<b>Variance</b>	<b>2021 \$000</b>	<b>% Increase Over 2 Yrs</b>
Total Group Full Year	587,398	20.0%	489,381	86.5%	262,407	123.8%

Offshore Profit \$418 million vs \$353 million – now 71% of total profit

*“Extraordinary period of development”*



# Full Year Overview

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- A satisfactory result dominated by a very good first half and a deteriorating second half

*“A game of two halves”*

- One off costs:

- Australia A\$4m
- USA US\$3m

- Poor performance across all USA business units

- Business benefited during Air & Ocean supply chain congestion
- Customer portfolio not strong enough to withstand recessionary spending decline
- Too much exposure to Trans-Pacific trade (China-USA)

*“When the tide went out, we were left exposed”*

- Increased our network development
- Continued our capital investment in land and buildings
- Improved customer activity across all divisions



# Capital Management



Operating Cash Flow \$757 million v \$504 million  
*“Better cash collection and improved profitability”*



Net Capex \$314 million - \$233 million on property



Net Debt reduction to \$123 million in funds  
*“Cash at hand”*



Debt facilities \$510 million, undrawn \$323 million

- Bank Facilities extended to 2028 in July





# The Network:

The power of our network, both within regions and between them, is a key competitive strength. Our global team works together, trusting each other to deliver a quality service for our customers.

## THE AMERICAS

**1,765**

Team members  
US\$959.9m  
Revenue

## EUROPE

**3,392**

Team members  
EU€630.7m  
Revenue

## ASIA

**539**

Team members  
US\$152.8m  
Revenue

## AUSTRALIA

**2,616**

Team members  
AU\$1,417.3m  
Revenue

## NEW ZEALAND

**2,999**

Team members  
NZ\$1,284.9m  
Revenue

BRANCHES

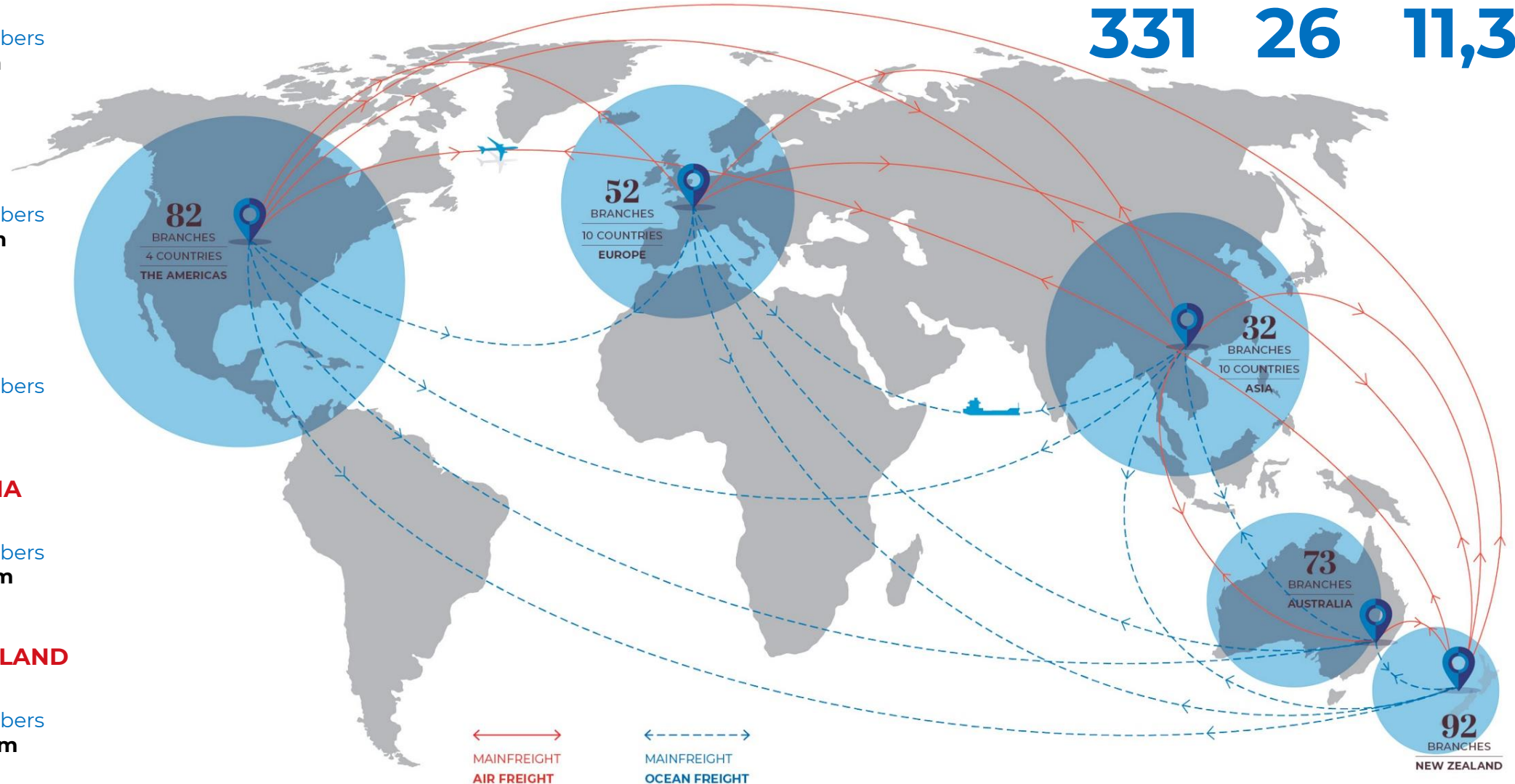
**331**

COUNTRIES

**26**

PEOPLE

**11,311**



# New Branches 2023

12

TRANSPORT

6

WAREHOUSING

8

AIR & OCEAN







## ADELAIDE TRANSPORT - Completed





## ADELAIDE WAREHOUSING - Completed





## **PERTH WAREHOUSING - Completed**





**FAVONA, Auckland – Completed**





**BEACH ROAD, Auckland**





**ALDERMAN PLACE, Auckland**





**OWENS – HUGO JOHNSON, Auckland**





**CHICAGO NEW TRANSPORT DOCK – ARTIST IMPRESSION**





**CHICAGO NEW TRANSPORT DOCK – ARTIST IMPRESSION**



# Future Capital Expenditure Update: F24 - 25

2024

2025

NZ\$ MILLION	F24
Planned Capital Expenditure	\$381
■ Property	\$237
■ Fit-out costs	\$84
■ Non-property capex	\$60

NZ\$ MILLION	F25
Planned Capital Expenditure	\$295
■ Property	\$192
■ Fit-out costs	\$43
■ Non-property capex	\$60

## Property and Fit-out costs F24-F25

New Zealand	\$192 million
Australia	\$176 million
Americas	\$ 97 million
Europe and Asia	<u>\$ 91 million</u>
	<u>\$556 million</u>

*"High quality facilities and intensifying our network"*



# Planned Development for 2024 / 2025

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- 14 Owned / 36 Leased
  - 25 Transport cross-docks
  - 14 Warehouses
  - 11 Air & Ocean
- Opening in India
- Property portfolio \$ 1.3 billion
- Expect our new cross-docks for Transport to be smaller and more efficient, incorporating more rear-loading and unloading of hard-sided trailer units



# Sustainability

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DOMINATOR  
RAINWATER STORAGE TANK  
EFFECTIVE CAPACITY 533,000L

## Investing in Sustainable Infrastructure

- 5.8 MW in solar generation (2.7MW added over the past year)
- 5 MW in battery storage
- Rainwater capture, storage and filtration

## Lowering the Impact of our Operations

- 80% (2156) of forklifts electric
- 43% (432) of car fleet hybrid and electric
- 1% (26) of truck fleet hybrid and electric – more on order
  - Solid state batteries offer future promise

## Bringing our Partners Along for the Journey

- First 50 customers using our Carbon Tracking Platform

## Assessing and Disclosure of Climate Risks

- Climate Risks report to be released this year





**DANDENONG SOUTH, AUSTRALIA**



# Current Trading Environment (June Quarter Trading)

NZ\$000		REVENUE*	VAR %	PROFIT BEFORE TAX	VAR %
New Zealand	NZ\$	287,916	9.2% ↓	27,800	18.4% ↓
Australia	AU\$	315,720	5.4% ↓	27,311	7.3% ↓
Americas	US\$	164,764	43.5% ↓	6,143	80.6% ↓
Europe	EU€	149,180	9.0% ↓	5,657	51.2% ↓
Asia	US\$	24,123	53.8% ↓	3,634	55.1% ↓
Group	NZ\$	1,187,858	19.2% ↓	83,066	43.3% ↓

\* Inter-company revenue excluded

\*\* Prior period (our first quarter) our best-ever performance

*"We have plenty to do"*



# Trading Update: Our 3 Core Products (June Quarter)

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## TRANSPORT

Revenue: \$538.4 million down 0.3%  
PBT: \$ 34.0 million down 35.9%



## WAREHOUSING

Revenue: \$198.7 million up 15.2%  
PBT: \$ 11.6 million down 9.4%



## AIR & OCEAN

Revenue: \$450.9 million down 40.6%  
PBT: \$ 37.4 million down 53.6%



# Trading Update Summary

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- Globally
  - Reduced volumes – slowing economies
  - Freight congestion issues unravel
  - Swift reduction in sea and air freight rates
  - Inflationary pressures in all markets
- Transport
  - Reasonable activity across Australia
  - Poorer performances USA/Europe/New Zealand
- Warehousing
  - Reasonable performances all regions
- Air & Ocean
  - Better defensive performances New Zealand/Australia
  - USA/Asia hit hard by falling volumes and rates – particularly on the Transpacific





# Trading Update Summary: Our Response

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- Strong sales activities to attract more customers across the full supply chain
- Management of overhead cost structures
  - Hiring freeze
  - More with less – efficiencies Branch by Branch
- Ongoing investment in our network and infrastructure
  - Preparing to take advantage of economic improvement
- We continue to strive for growth and development of our global network
- Focus on customer verticals we excel at
  - DIY, Beverage, Food, Retail and Perishables
  - A better distribution of trade lane focus for Air & Ocean
- Increasing our range of services for customers

*"A privilege to have supportive customers"*



# To Close

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We have taken advantage of the last two years to grow bigger and better

We have the capabilities, energy and passion to keep growing this wonderful company of ours

We are in this for the long haul – 100-year focus

Thanks for being on the journey with us

*“Expect some form of normality to resume”*

