

MAINFREIGHT LIMITED

Full Year Result to 31 March 2024



Result Summary



- **Revenue** \$4.72 billion down 17%
- **PBT** \$395 million down 33%
- **Net Profit** (before abnormals) \$278 million down 35%
- **Net Profit** (after abnormals NZ\$69 million) \$208 million
- **People** – 10,644 down 667
- **Branches** – 337 up 6
- **Countries** – 27 up 1

Full Year Overview



- While the result is in line with expectations, we should have performed better.
- Satisfactory improvements in New Zealand and Australia.
- Disappointing results in Asia/USA/Europe.
- Discretionary bonus reduction from \$80 million to \$25 million.
- Volume improvements – new customers / destocking appears to be completed.
- Continuation of capital expenditure for property development.
- Tax abnormal, non-cash accounting adjustment of NZ\$69 million.



Dividend

- Directors have approved a final dividend of 87.0 cents per share.
- Full dividend for year = 172.0 cents per share.
- Books close 12 July 2024
- Payment on 19 July 2024

*Cash flow and balance sheet capability
providing consistency in dividend payments*

Capital Management



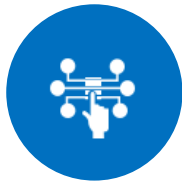
Operating Cash Flows remains satisfactory
\$505 million v \$ 757 million last year



Net Capex \$254 million - \$128 million on property



Net Funds (debt) reduction to \$22 million
"Cash at hand"



Bank debt of \$148 million, from a total available facility
of \$501 million



Future Capital Expenditure Update: F25 - 26

NZ\$ MILLION	F25
Planned Capital Expenditure	\$255
■ Property	\$149
■ Fit-out costs	\$47
■ Non-property capex	\$59

NZ\$ MILLION	F26
Planned Capital Expenditure	\$254
■ Property	\$152
■ Fit-out costs	\$42
■ Non-property capex	\$60

Property and Fit-out costs F25-F26

New Zealand	\$159 million
Australia	\$104 million
Americas	\$ 83 million
Europe and Asia	<u>\$ 44 million</u>
	<u>\$390 million</u>

Brisbane Cross-Dock Project

Rear-loading initiative: Willawong, Brisbane



- 34 rear-loading dock doors.
- Four-sided dock with some allowance for side-loading.
- Solar/Water collection as per all new builds.
- Less square metres – more efficient.

<u>Site</u>	<u>Sqm</u>	<u>15m Trucks</u>
Dandenong, Melbourne	20,890	45
Epping, Melbourne	15,870	37
Willawong, Brisbane	12,530	54
Larapinta, Brisbane	9,600	28
Adelaide	15,970	36

“More efficient facilities, better use of our capital”

Our 3 Core Products (NZ \$) FY 2024



TRANSPORT

Revenue: \$2,188.88 million down 2.4%
PBT: \$ 172.47 million down 24.5%

Total tonnes reduced 6.2%



WAREHOUSING

Revenue: \$784.79 million up 4.6%
PBT: \$ 59.65 million down 8.7%

Total orders picked increased 12.3%



AIR & OCEAN

Revenue: \$1,744.12 million down 35.0%
PBT: \$ 163.26 million down 44.4%

Airfreight kilos increased 4.5% Sea freight TEUs increased 4.7%

Full Year 2024 Analysis

NZ\$000		REVENUE*	VAR %	PROFIT BEFORE TAX	VAR %
New Zealand	NZ\$	1,124,062	12.5% ↓	148,713	12.2% ↓
Australia	AU\$	1,294,221	8.7% ↓	128,470	6.1% ↓
Americas	US\$	639,131	33.4% ↓	21,755	75.6% ↓
Europe	EU€	557,224	11.6% ↓	27,894	40.5% ↓
Asia	US\$	96,530	36.8% ↓	13,902	52.2% ↓
Group	NZ\$	4,717,796	16.9% ↓	395,383	32.7% ↓

* Inter-company revenue excluded

** Prior period our best-ever performance

New Zealand

- Transport
 - Improving volumes / new customer gains.
 - Increased road linehaul activity over rail requiring an adjustment.
 - New Auckland cross-docks / rail served inland ports to assist.
- Warehousing
 - Current capacity well utilized.
 - Four new sites will provide capacity for growth.
- Air & Ocean
 - Volumes are steady – some market share gains / customer renewals.
 - Rate levels improving.

“Trading satisfactorily”



Australia

- Transport
 - Healthy market share gains.
 - Some regional branches yet to find profitability.
 - Developing rail services to complement road.
- Warehousing
 - Increased capacity with Moorebank opening.
 - Short-term profitability poor due to low utilisation levels and lease exits.
- Air & Ocean
 - Ahead of prior year – this is continuing into new year.
 - New project contracts assisting.
 - Perishable airfreight capability growing.

“Trading ahead of prior year”



Americas

“Transport underperformance weighing on overall performance”

- Transport
 - Tonnage improving, assisting utilisation.
 - Gross margins impacted – 2% down year-on-year.
 - Too many smaller branches yet to find profit.
- Warehousing
 - Overall performance satisfactory – in line with prior year.
 - Additional capacity in New Jersey post year-end.
 - Beverage focus assisting customer growth.
- Air & Ocean
 - Airfreight – rates increasing, BSA’s assisting space requirements. However, April/May volumes patchy.
 - Sea freight – LCL volume increasing. Small FCL volume increases – pre-stocking prior to election yet to be seen.
 - Trans Pacific East Bound rates on the increase and capacity tightening.
- CaroTrans
 - Low FCL rates impacting overall LCL opportunities.
 - Agency network renewed and improved.
 - Increased number of branches in Asia.



Europe

- Transport

- Disappointing volumes intra-Europe.
- Poor performance across France, Poland and Romania.
- Network development in Netherlands improving transport efficiencies.

- Warehousing

- Poorer second half – reduced warehousing activity in Belgium.
- Spare capacity in Netherlands and Romania – growth opportunities provided they are converted.

- Air & Ocean

- An increase in outbound airfreight encouraging.
- Volume and rate increases Asia to Europe as customers begin to restock.
- Reasonable sales activity providing long-term growth.

“Underperforming trading to-date is disappointing”



Asia

- Trans Pacific Trade and European rates increasing – space allocations tightening / equipment shortages.
- Stronger growth from South East Asian branches.
- Airfreight continuing to increase.
- BSA Airfreight agreements in place and providing capacity.
- CaroTrans – developed a stronger network to complement CaroTrans USA.

“Current trading is satisfactory”



Group Outlook

- New Zealand and Australia trading post year-end is satisfactory.
- Expect America improvement to take time, particularly Transport. Warehousing and Air & Ocean results satisfactory.
- Asia back to pre-congestion development.
 - Volume and rate increases beginning to appear on USA and European trade lanes.
 - Plenty of opportunities.
- Europe
 - Volumes are improving for Transport – work to do in France and Eastern European branches.
 - Warehousing utilisation levels remain less than desired.
 - Sales pipelines satisfactory.
- Sales activities reasonably strong across all markets.
- Continue to explore network development.
 - Carefully managed for improving returns versus expansion.
- Trading post results is mixed across regions and products.
 - Short trading weeks in April and May.
 - Continue to remain confident of our medium to long-term growth opportunities.



To Close



SECURITY SEALED



TRADING DATES

Annual Meeting of Shareholders

25 July 2024

Investor Day - Dallas Texas

7 October 2024

F25 – 6 months ended 30 September 2024

13 November 2024

Registration of interest to attend the Investor Day in USA should be made to Sharon Walshe at Sharon@mainfreight.com by end August