

Port of Tauranga returns strong first half performance and lifts profit guidance

Financial results for the six months ended 31 December 2024

Port of Tauranga Limited delivered a strong performance for the six months ended 31 December 2024, with Group Net Profit After Tax of \$60.2 million - a 27.4% increase on the same period last year.

Earnings and trade volumes recovered well after a particularly challenging start to the previous 2024 financial year.

Total trade volumes increased 6.9% to 12.4 million tonnes and containers increased 10.2% to 591,934 TEUs¹ compared with the prior corresponding period.

Although log exports dropped relative to the high volume of wind-damaged logs in the previous year, international demand for other key export commodities saw steady export trade in the first half. Bulk cargo volumes increased, particularly for imports.

The Port's continuous focus on service delivery saw further reductions in vessel wait times, and productivity improvements across the port are being implemented. Further gains remain challenging due to vessels continuing to arrive off schedule and berth capacity shortages, which also make it difficult to accommodate new shipping services. The capacity constraints can be alleviated with the construction of the Stella Passage development, and an application is now being prepared under the new fast-track legislation (see below).

Highlights

- Group net profit after tax: \$60.2 million (a 27.4% increase from \$47.2 million)
- Total trade: 12.4 million tonnes (a 6.9% increase from 11.6 million tonnes)
- Container volumes 591,934 TEUs (a 10.2% increase from 536,928)

¹ TEUs = twenty foot equivalent units, a standard measure of shipping containers



- Ship visits: 690 (an increase of 2.4% from 674)
- Imports: 4.4 million tonnes (a 14.9% increase from 3.9 million tonnes)
- Exports: 8.0 million tonnes (a 3.0% increase from 7.8 million tonnes)
- Log exports: 3.2 million tonnes (a 10.5% decrease from 3.6 million tonnes)
- Direct dairy exports: 0.96 million tonnes (a 1.2% increase)
- Subsidiary and associate company earnings: 1.1% increase
- Interim dividend: 7.0 cents per share (compared with 6.0 cents per share).

Port of Tauranga Chair, Julia Hoare, said the strong trade and financial results were very positive amid ongoing depressed economic conditions.

“Whilst the domestic economy remains sluggish, we are seeing what we hope are the early signs of a recovery, particularly in bulk imports and most export categories,” said Ms. Hoare.

Port of Tauranga Chief Executive, Leonard Sampson, said the Port had again proven its resilience thanks to diverse income streams and a constant focus on costs.

“We are preparing for future growth and even greater resilience through our investments in infrastructure for capacity, such as our Stella Passage resource consent application,” said Mr. Sampson.

The application in the Environment Court is on hold pending an application under the new Fast-track Approvals Act. In December, the Port received a second interim decision from the Court confirming that consent would be granted for part of the Stella Passage project, subject to revised conditions.

However, that interim decision has been appealed to the High Court by three parties. Given the urgency of the project, to protect the interests of New Zealand importers and exporters, we are preparing an application under the new legislation.

Financial results for the six months ending December 2024

Operating revenue was \$225.0 million, a 12.5% increase from the \$200.0 million reported in the six months to December 2024. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) increased 17.9% to \$114.3 million. Operating costs increased 7.2% to \$113.9 million.

Subsidiary and associate company earnings remained steady compared with the previous corresponding period.

The Port of Tauranga Board of Directors has declared a fully imputed interim dividend of 7.0 cents per share.



New developments at Northport

Port of Tauranga and its consortium partners (Northland Regional Council and Tupu Tonu – Ngāpuhi Investment Fund) have conditionally agreed to buy out minority shareholders in Marsden Maritime Holdings. Marsden Maritime Holdings currently owns 50% of Northport, with Port of Tauranga owning the other 50%. The proposal, if successful, would then merge the Northport and Marsden Maritime Holdings businesses, in which Port of Tauranga would own 50%.

The proposal is now subject to community consultation with Northland ratepayers and shareholder vote. Further details can be found on the Port of Tauranga website:

<https://www.port-tauranga.co.nz/news/consortium-proposal-to-buy-out-marsden-maritime-holdings/>

Cargo trends

Export log volumes decreased 10.5% to 3.2 million tonnes. However, other forestry product exports including sawn timber increased in volume.

Direct dairy exports increased 1.2%, while transhipped dairy volumes rebounded strongly, increasing 81% compared with the first half of last financial year.

The reporting period covered the end of the record-breaking 2024 kiwifruit export season. Export volumes increased 71% compared with the previous corresponding period.

Bulk cargo imported volumes were boosted by the return of coal shipments after several years' hiatus. Genesis Energy recommenced coal imports for Huntly Power Station following last winter's energy generation shortages.

Linked to favourable dairy commodity pricing, fertiliser imports increased 62.6% in volume and stock feed imports increased 35.6% in volume. Oil imports remained steady compared with the same period last year.

The outlook for 2025

Ms. Hoare said the domestic economic outlook remained challenging in the short-term, with the international geopolitical situation remaining unpredictable. However, there is steady demand for New Zealand exports and Port of Tauranga remains well-positioned for the economic recovery.

Given the strong first half performance and steady export trading conditions, Port of Tauranga lifts its profit guidance range issued in October, with underlying² Group earnings expected between \$115 million and \$125 million for the 2025 financial year, compared

² Underlying earnings excludes such items as revaluations, impairments and one-off non-operating items.



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with underlying Group profit of \$102.7 million (\$90.8 million reported) for the 2024 financial year.

Port of Tauranga's annual results for the year ended 30 June 2025 will be announced on Friday, 29 August.

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