

# FY25 Financial Result

22 August 2025

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## Key Messages

- Record normalised NPAT in FY25 driven by Southland's export sector
- Tiwai smelter 20-year power agreements with major gentailers provides:
  - Certainty around South Port's anchor customer
  - Creates new cargo opportunities
- Balance of export and import cargoes provides stable earnings platform
- Engaged workforce – reflected through positive engagement in health and safety
- Increased 28cps full year dividend whilst retaining funds to enable positioning for cargo growth

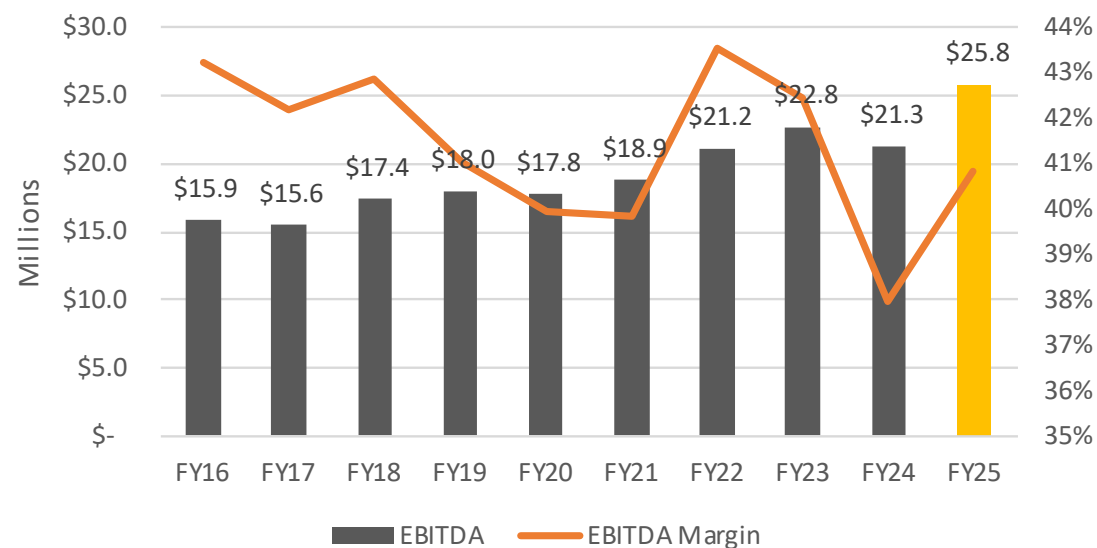


## Cargo Split

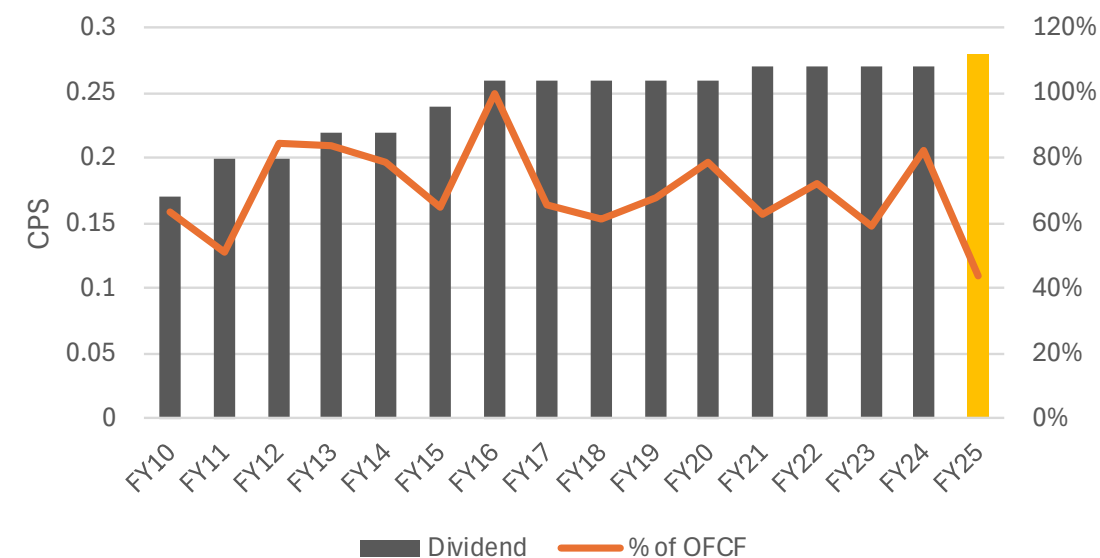


# Quality Return on Investment

## EBITDA + EBITDA Margin

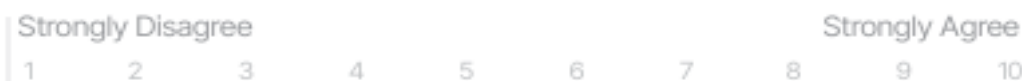


## Dividend



## Our People

- Our people are instrumental to the success of the business
- Employees play an important role in driving improvements and efficiencies in the workplace
- Their commitment to the Company values helps to create a positive workplace culture



"I am proud to work for South Port."

8.4

"If asked by an outsider, I would describe South Port as 'a great place to work.'"

8.1

### EMPLOYEE NET PROMOTER SCORE (ENPS)

It was particularly encouraging to note a continuing improvement in our *Employee Net Promoter Score*.

2018	2020	2023
-10	+24	+31





# Business Performance



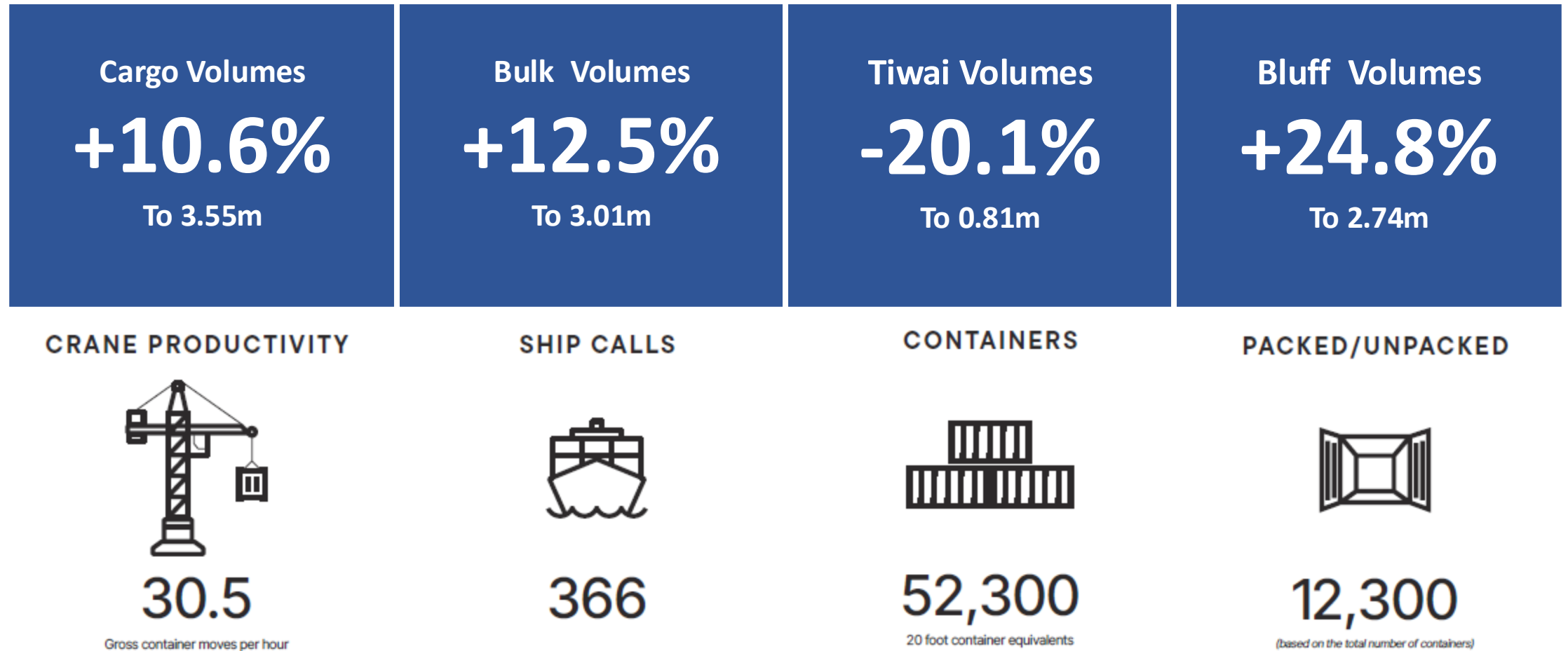
## FY25 Result Summary

- **Record** Reported NPAT of \$13.3m – Up 81%
- Revenue of \$63.3m - up 13% – driven by strong cargo volumes (tonnage up 11% on FY24)
- EBITDA of \$25.8m - up 21%
- EBITDA Margin 41% (FY24 – 38%)
- Strong Operating FCF of \$16.9m (FY24 – \$8.6m)
- Increased Dividend to 28cps





## Operating Performance



## Financial Performance



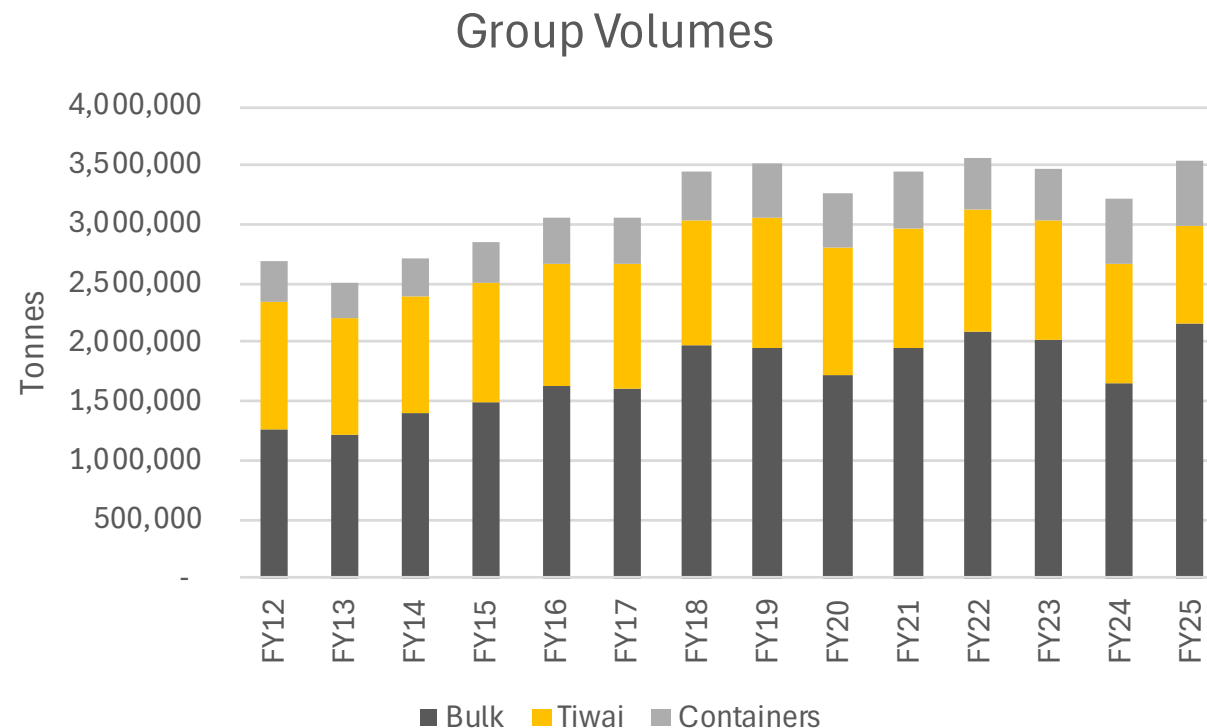
<b>Operating Revenue</b> <b>+12.7%</b> To \$63.28m	<b>EBITDA</b> <b>+21.2%</b> To \$25.83m	<b>Reported NPAT</b> <b>+80.6%</b> To \$13.32m	<b>Normalised NPAT</b> <b>+39.5%</b> To \$13.89m
<b>Total Assets</b> <b>\$110m</b> +\$7m	<b>Net Debt</b> <b>\$25m</b> (FY24 - \$33m)	<b>ROE</b> <b>21.0%</b> (FY24 - 12.3%)	<b>Dividend</b> <b>28cps</b> (FY24 – 27cps)



## Group Volumes

For the year ended 30 June 2025

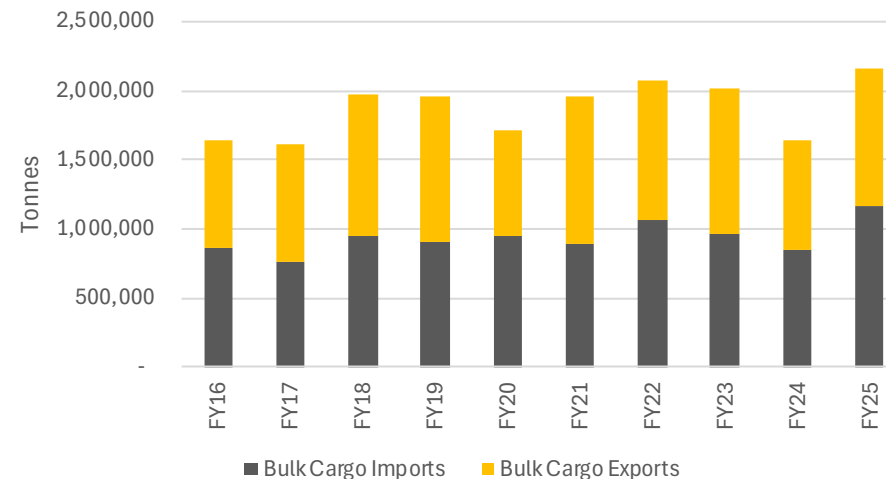
- Strong volume recovery supported by record bulk volumes across the Island Harbour offsetting volume decline from Tiwai
- Bulk - Island Harbour, 62% of total trade
- Containers - 15% of total trade
- New Zealand Aluminium Smelter (NZAS) - Tiwai wharf 23% of total trade
- NZAS impacted by Meridian 50MW demand response call, reducing volumes across the Tiwai wharf



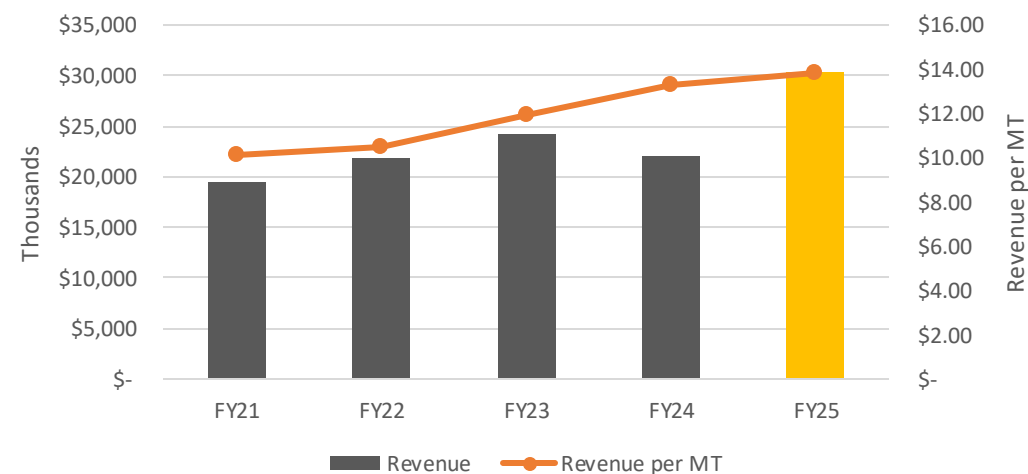
## Bulk Cargo

- Strong recovery in bulk volumes driven by improved agriculture and forestry demand
  - **Imports** supported by continued strong demand for agriculture imports
  - **Exports** driven by forestry products – logs and woodchips
- Balanced trade of imports and exports - improves opportunity for backloading
- Average revenue per MT increased due to mix of higher value bulk cargo and implementation of Kia Whakaū (infrastructure) levy

Bulk Cargo Volumes



Bulk Cargo Revenue

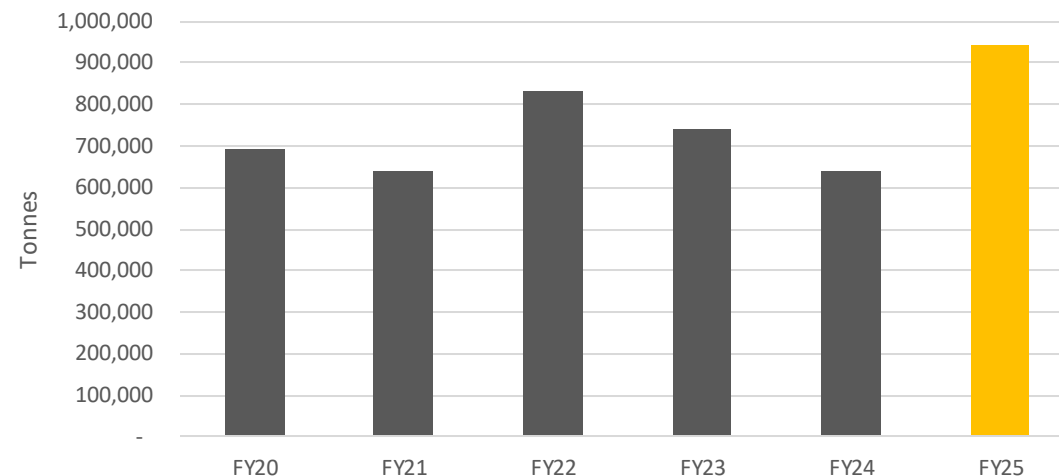




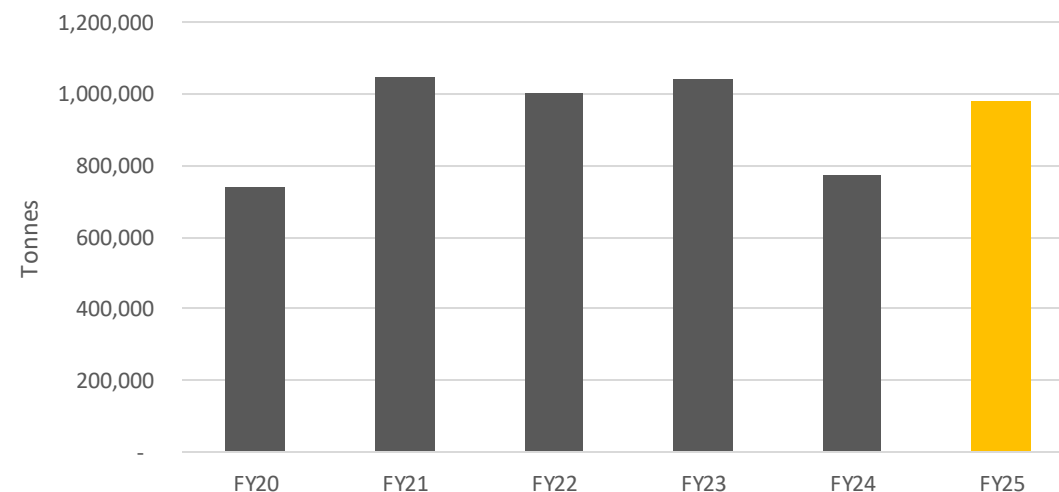
## Bulk Cargo

- High dairy payout and wet spring led to an increase of stock food imports and potentially a change in feed application going forward
- Increased fertiliser application, returning to more normal volumes due to improved market conditions. Previous season impacted by poor market returns, particularly in the sheep and beef sector
- Woodchip exporters have used the increased draft to fill vessels, allowing improvement in supply chain costs and therefore increasing volumes through the port

Agricultural Inputs increased by 48%



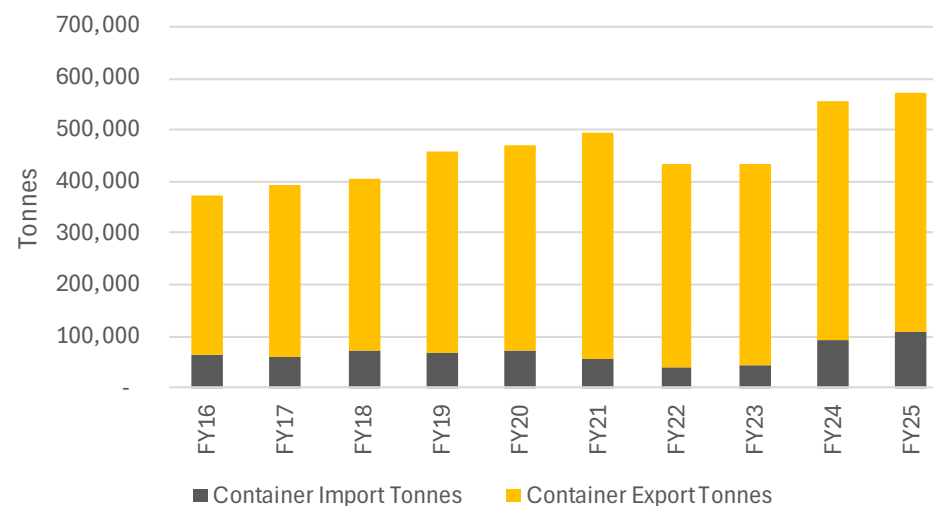
Forestry Exports increased by 27%



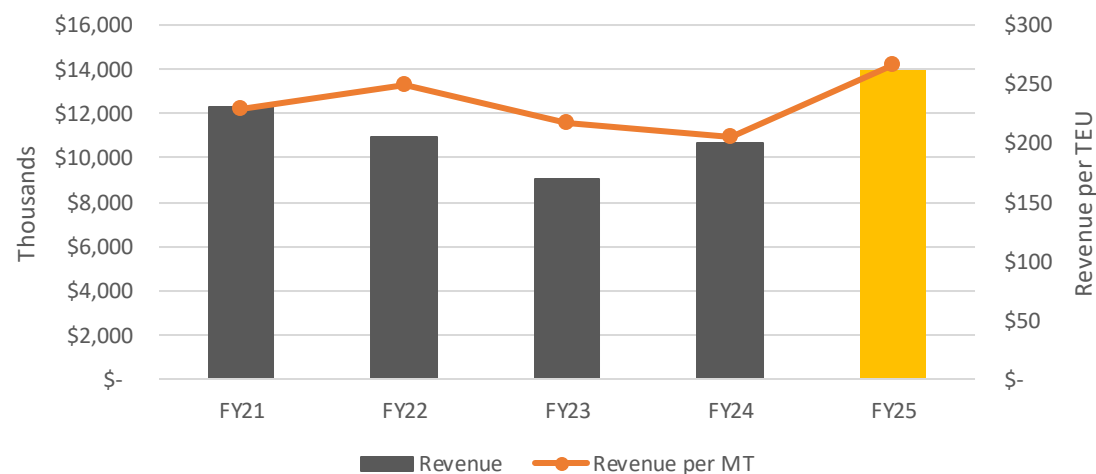
## Container Volumes

- Container volumes saw slight improvement over previous periods due to additional agricultural imports and increased manufactured exports
- Supply chain remains disrupted, particularly due to conflict in the Middle East
- Introduction of Mediterranean Shipping Company (MSC) Wallaby Service to replace the Capricorn Service maintaining important service to the port
- MSC has been calling since 2008, Move Ocean calling monthly since 2023
- Revenue per TEU impacted by increased rates and container handling activity on the Island Harbour

Container Volumes (MT)



Container Revenue

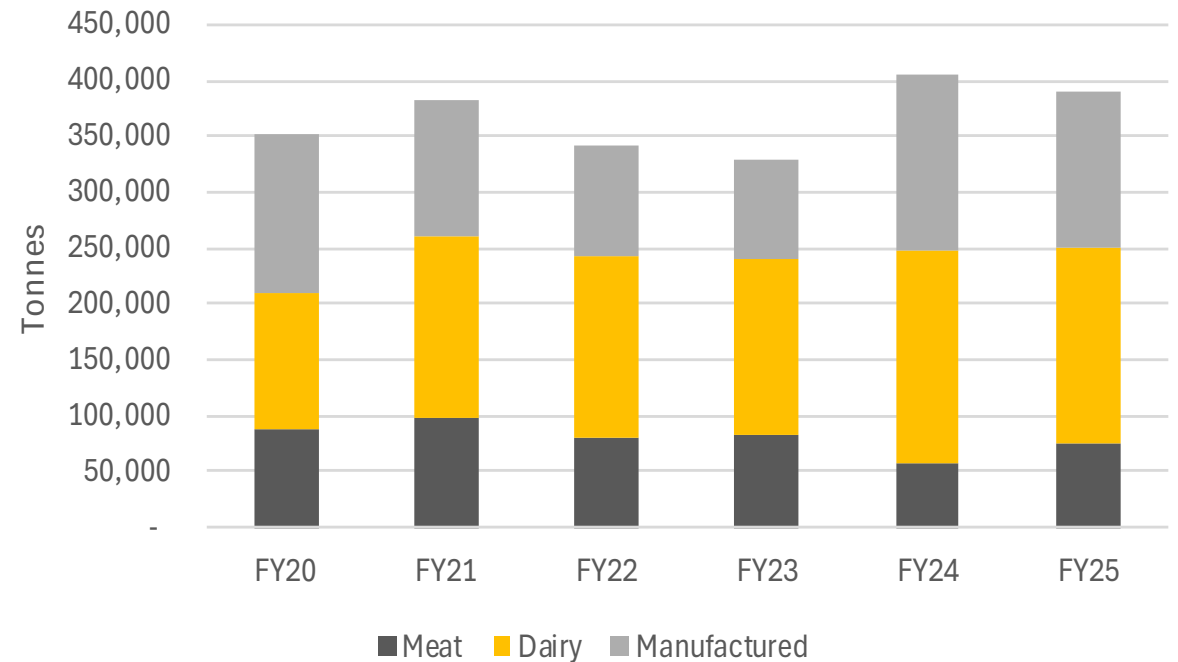




# Containers

- Dairy volumes slightly down due to wet spring
- Recovery in meat sector and lift in volumes due to market conditions
- Increased Aluminium products packed on Island Harbour despite decreased production at Tiwai
- Processed forestry exports remain consistent

Container Volumes (MT)



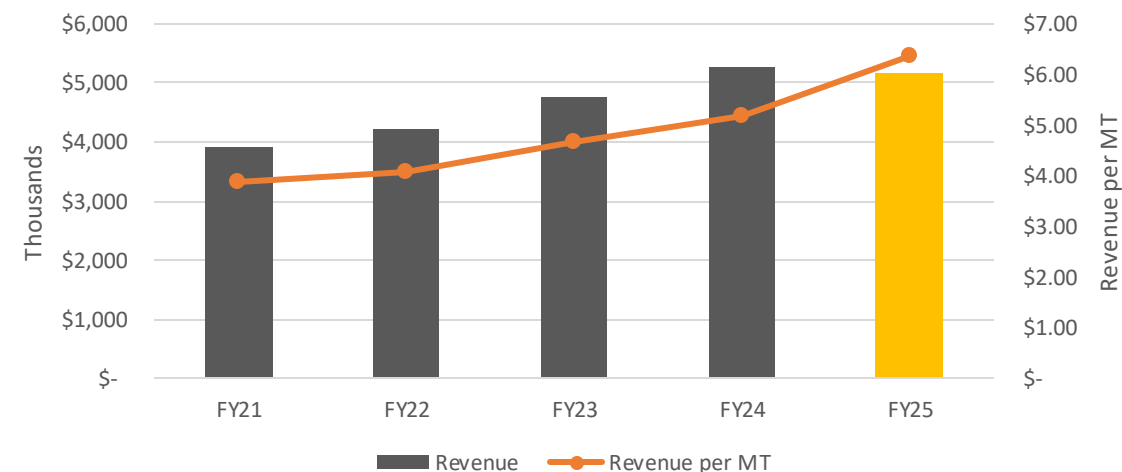
## Tiwai Wharf

- Decreased volumes across Tiwai wharf in FY25
- 50MW demand response call resulted in the reduction of aluminium production, impacting imports of raw material and exports of finished product
- The demand response initiated in February was expected to last until 31 August however, due to improved rainfall, it was agreed that NZAS could begin the process to ramp up production starting 16 June
- Revenue per MT increased, noting that a portion of income is fixed at the Tiwai wharf regardless of tonnage handled

Tiwai Volumes



Tiwai Revenue





## Tiwai Point 20-year Commitment

- May 2024, NZAS signed 20-year electricity supply contracts - secured out to 2044
- NZAS has been, and remains, an important customer of South Port, working together for 54 years
- South Port has naturally diversified its reliance on Tiwai over the last 15 years. 2010 – 60% of our cargo, 23% in 2025
- The commitment will continue to see consistent cargo volumes and vessels calling at the Port







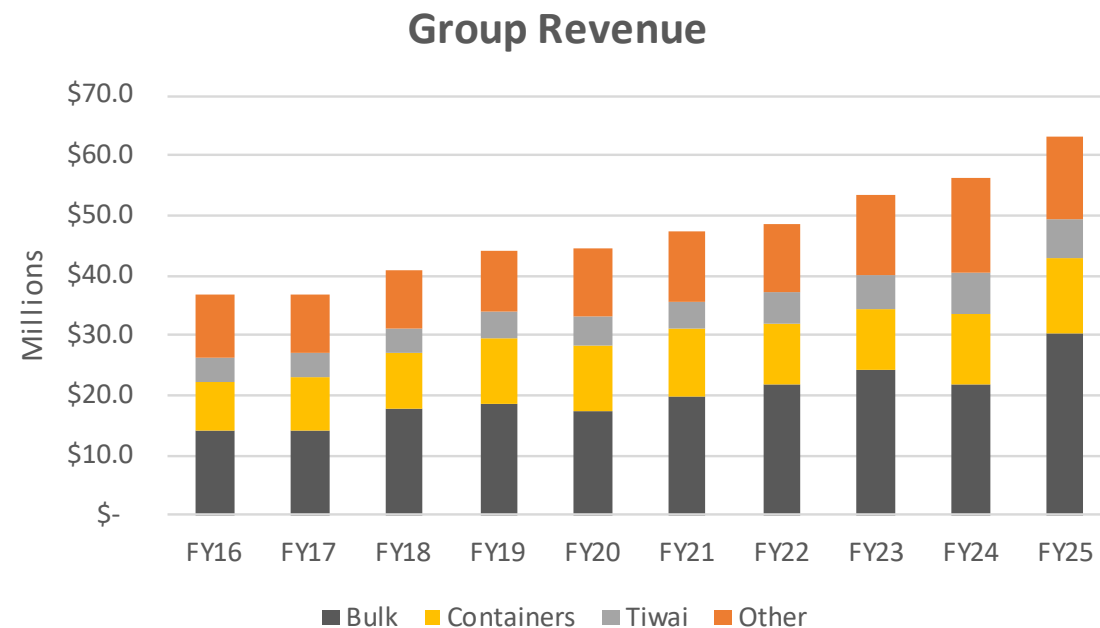
# Financial Performance



## Group Revenue

For the year ended 30 June 2025

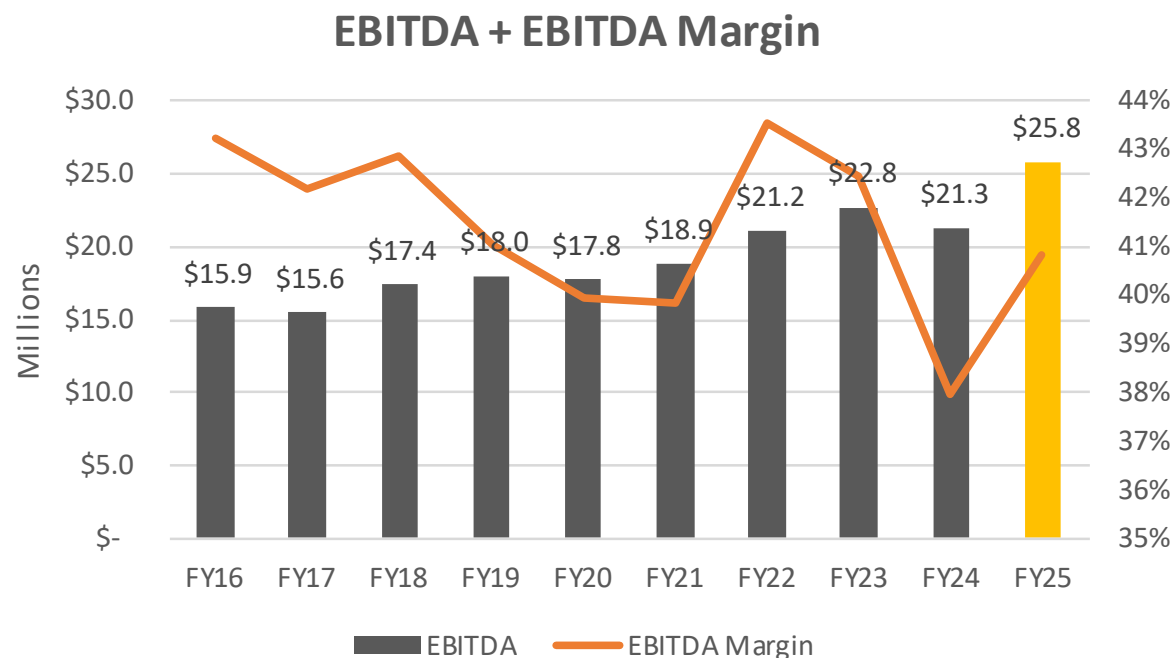
- Record revenue supported by strong recovery in Bulk Cargo and increase in revenue per tonne in containers
- Bulk Cargo – 38% increase in revenue driven by stock food imports and forestry exports
- Kia Whakaū infrastructure levy implemented in 2023 reflected for a full year in FY25 with improved volumes
- Containers – similar TEU handled, but revenue per container has grown by over 6% in FY25
- Smelter activity down 20% in FY25, but total revenue is consistent with FY24 = improved revenue per tonne
- Other revenue - 12% below FY24 levels due to reduced cold storage activity and less cruise vessels piloted



## EBITDA

For the year ended 30 June 2025

- Increase in EBITDA margin from FY24 to FY25 reflects greater operating leverage as fixed costs spread over higher levels of activity
- Total operating costs up 7% YoY as a result of increased maintenance, and additional compliance costs (CRD, H&S, other)
- EBITDA margin below FY22 level (44%) as more compliance costs are now being incurred by the business
- Being an infrastructure business, an increase in cargo does not reflect the same level of increase in cost structure meaning sizable gains in EBITDA YoY

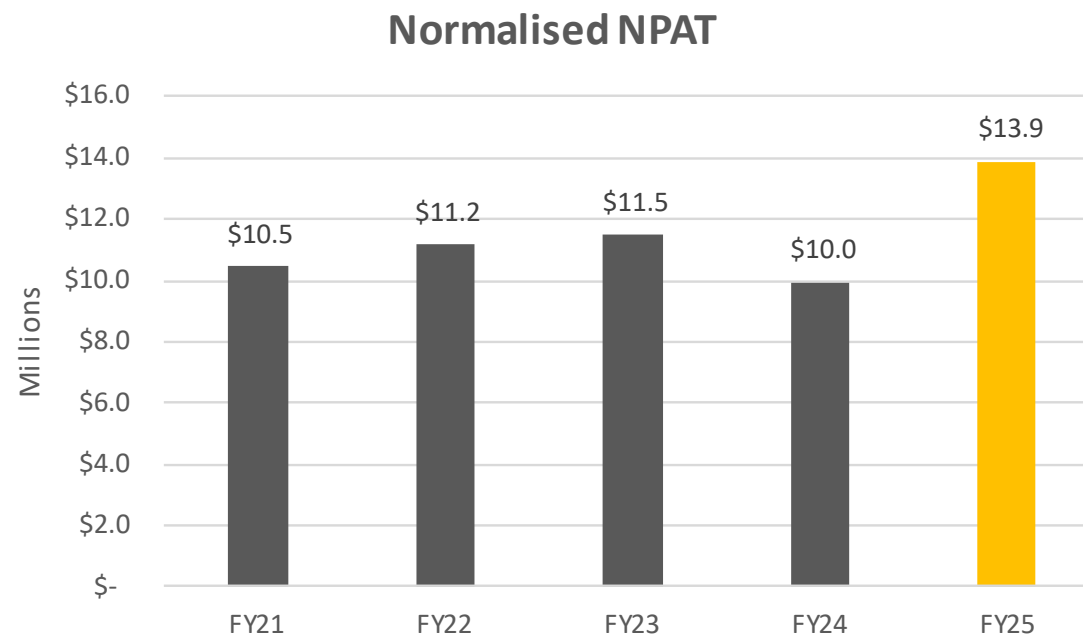




## Normalised Net Profit after Tax

For the year ended 30 June 2025

- Record Normalised NPAT of \$13.9m
- NPAT increase reflects EBITDA increase supported further by lower debt and tax
- Significantly reduced tax provision for FY25 as FY24 included a \$2.3m tax adjustment relating to the removal of tax depreciation on buildings
- MTM adjustment on interest rate swaps \$0.8m loss
- Average CAGR revenue over the last 5 years = 5.8%



## Balance Sheet

For the year ended 30 June 2025

- Gross debt reduced by ~\$5m to \$31m during FY25, down 13%. Leaving \$19m headroom for future investment
- Modest growth in PPE during FY25 (3%), after several years of significant infrastructure investment
- Return on Assets of 18.6% (FY24 – 15.9%) reflects sound financial discipline ensuring all growth capex generates at minimum a WACC return
- Net debt to EBITDA of 1.0x (down from 1.6x at 30 June 2024) – long-term target range of <2.0x

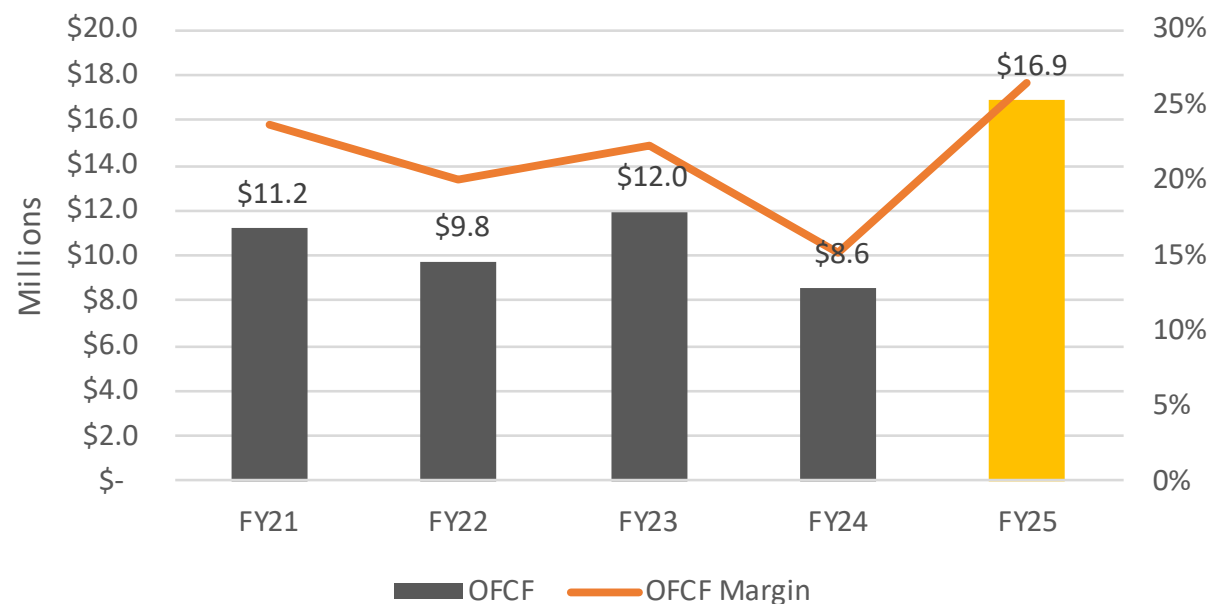
\$m	FY25	FY24	%chg
Cash	6.1	2.3	163%
PPE	94.5	91.9	3%
Trade and other receivables	8.9	8.2	9%
<b>Total Assets</b>	<b>109.7</b>	<b>103.4</b>	<b>6%</b>
Debt	31.0	35.7	13%
Trade and other payables	4.5	4.0	-14%
<b>Total Liabilities</b>	<b>43.1</b>	<b>43.1</b>	<b>0%</b>
<b>Equity</b>	<b>66.6</b>	<b>60.2</b>	<b>10%</b>

## Operating Free Cash Flow

For the year ended 30 June 2025

- Growth in OFCF aligned with stronger operating result
- Underlying operating cash flows increased \$10.9m to \$23.7m driven by increased volumes through the port and new charges implemented
- Same level of maintenance capex spend as FY24 (\$4.3m)
- Reduced interest paid offset by increased operating costs

### Operating FCF + OFCF Margin

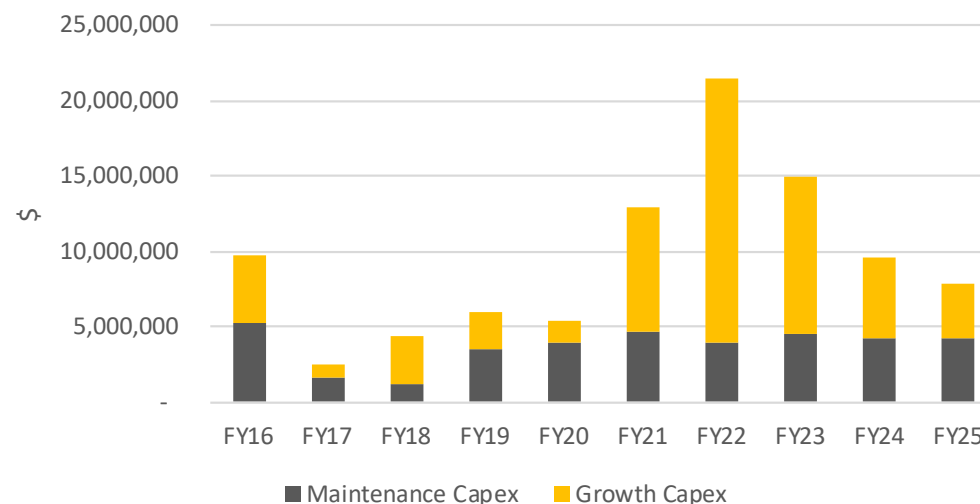




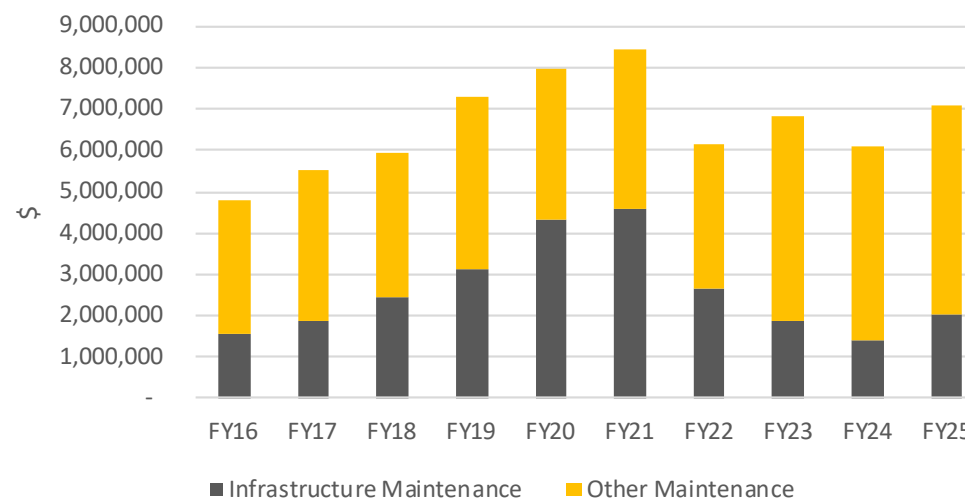
## Infrastructure Investment Cycle

- Significant growth capex period FY21 to FY24:
  - Upgrade fuel berth + new access corridor
  - Channel dredging
  - New tug
  - Pave log storage areas
- Maintenance capex remains consistent – aligned with annual depreciation spend ~\$4.5m
- Infrastructure maintenance peaked in FY21 at \$4.6m, annual infrastructure spend now circa \$2m after significant upgrades to key assets

### Capital Expenditure

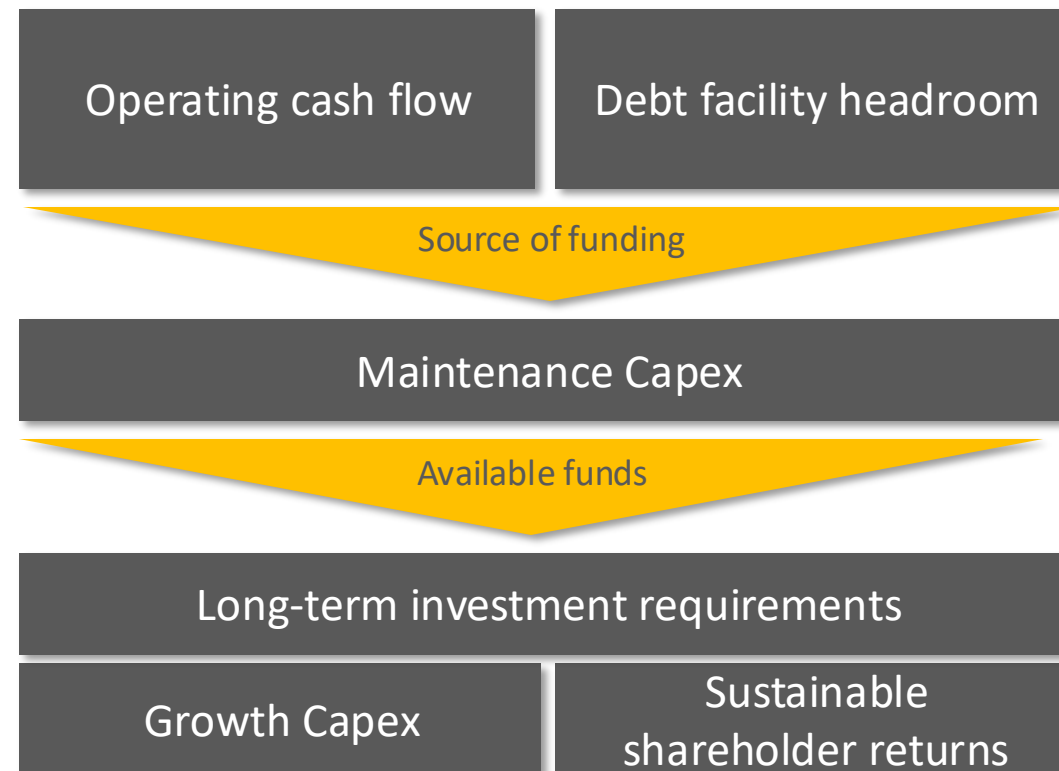


### Maintenance Expenditure



## Capital Management

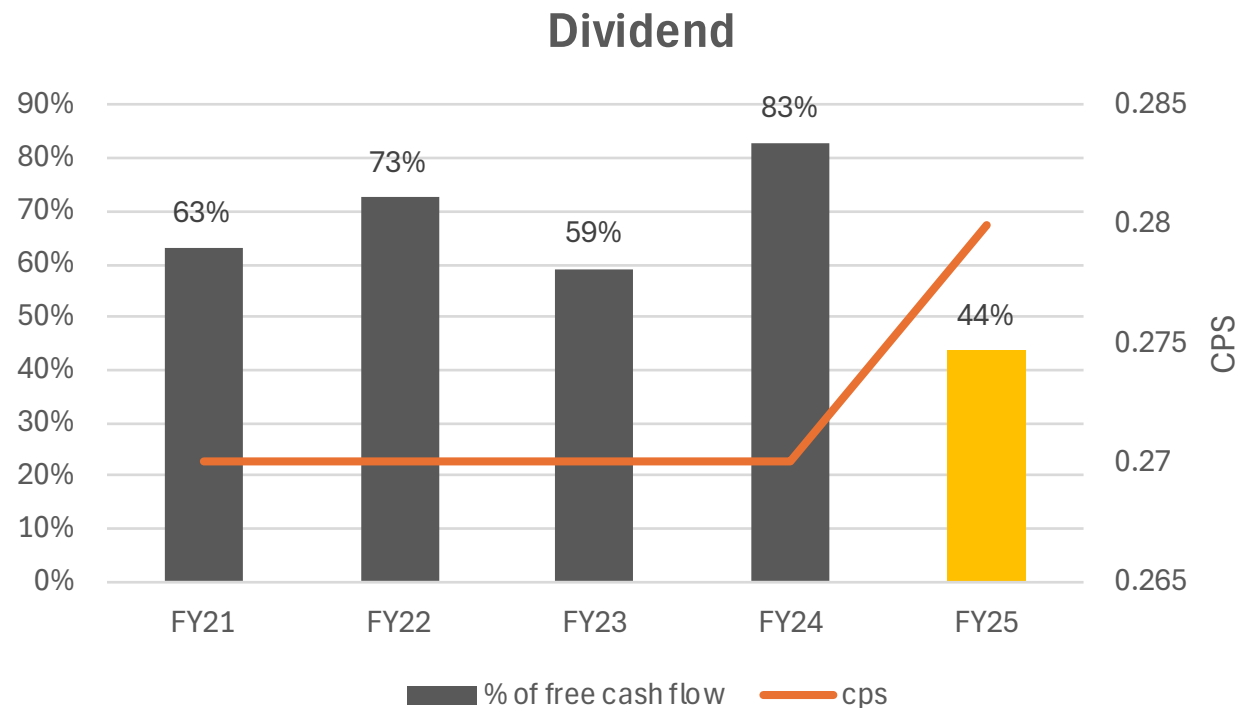
- Sensible allocation of maintenance capex to preserve asset integrity, minimising downtime and sustain performance
- Assessment of long-term investments, ensuring capital is directed toward projects with strong strategic alignment and value creation
- Evaluate growth capex opportunities with a focus on adequate returns, scalability and risk management
- Commitment to sustainable shareholder returns by balancing reinvestment needs with disciplined capital distribution
- Aim for shadow investment grade credit rating to reinforce financial credibility – indicates a healthy balance sheet, prudent debt management, and a stable cash flow profile



## Dividend

For the year ended 30 June 2025

- Final Dividend of **20.50c** taking the full year Dividend to **28.00c** (an increase of 1cps)
- Represents a gross return of **5.6%** (net 4.0%)
- Interim Dividend of 7.5c paid
- The Board maintains a consistent dividend policy that balances the port's long-term expansion requirements with near-term operating free cash flow considerations.



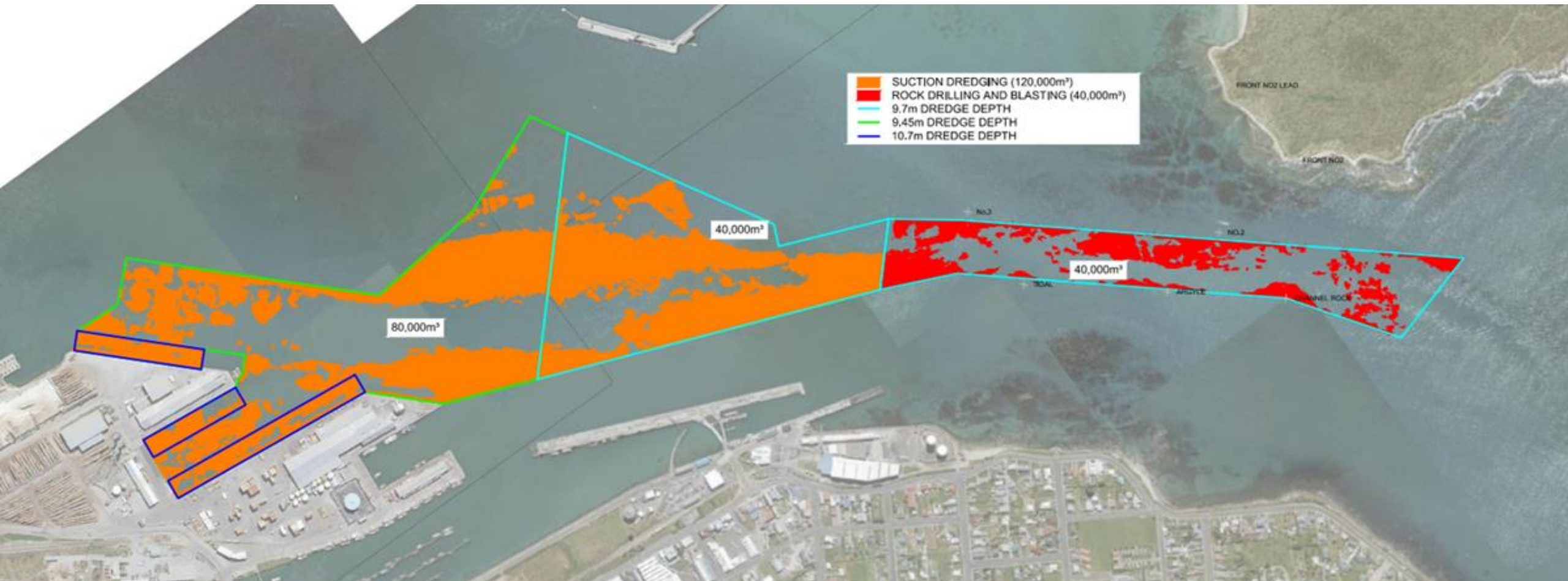




# Dredging Journey



# Dredging Journey



## Scope of Work to Deepen Channel by 1.0m

# Dredging Timeline



**APRIL 2023**  
**SUCTION DREDGING  
 IN SWINGING BASIN  
 AND BERTH POCKETS  
 BEGINS**



**OCTOBER 2024**  
**NEW DRAFT  
 DECLARED**

**AUGUST 2022**  
**MAINTENANCE  
 DREDGING IN  
 CHANNEL BEGINS!**



**AUGUST 2023**  
**CAPITAL DREDGING  
 IN CHANNEL  
 RECOMMENCES TO  
 ACHIEVE 1m**



## Dredging Costs

### AUGUST 2017 DRILL AND BLAST ALLOWANCE

Description	Estimate \$m
Drill, blast and dredge campaign	\$11.2
Trailer hopper and suction dredge	\$2.5
Consent	\$0.6
Contingency	\$2.8
PROJECT TOTAL	\$17.1

### OCTOBER 2023 FINAL PROJECT COSTS

Description	Actual \$m
Backhoe Dredging	\$8.7
Trailer hopper and suction dredge	\$2.1
Sweep Vessel (blading)	\$0.7
Consent	\$1.3
PROJECT TOTAL	\$12.8



## Dredging Benefits for South Port and our Customers

- Very successful campaign – completed on time and under budget
- Additional 1 metre of draft allows the port to load more volume on vessels calling
- We can now fill both log and woodchip vessels, creating opportunity of one load to one discharge port supply chain
- Customers already taking advantage of the deeper draft and the Port is benefiting from increased revenue
- Increased safety of transit through the channel







# Looking Forward



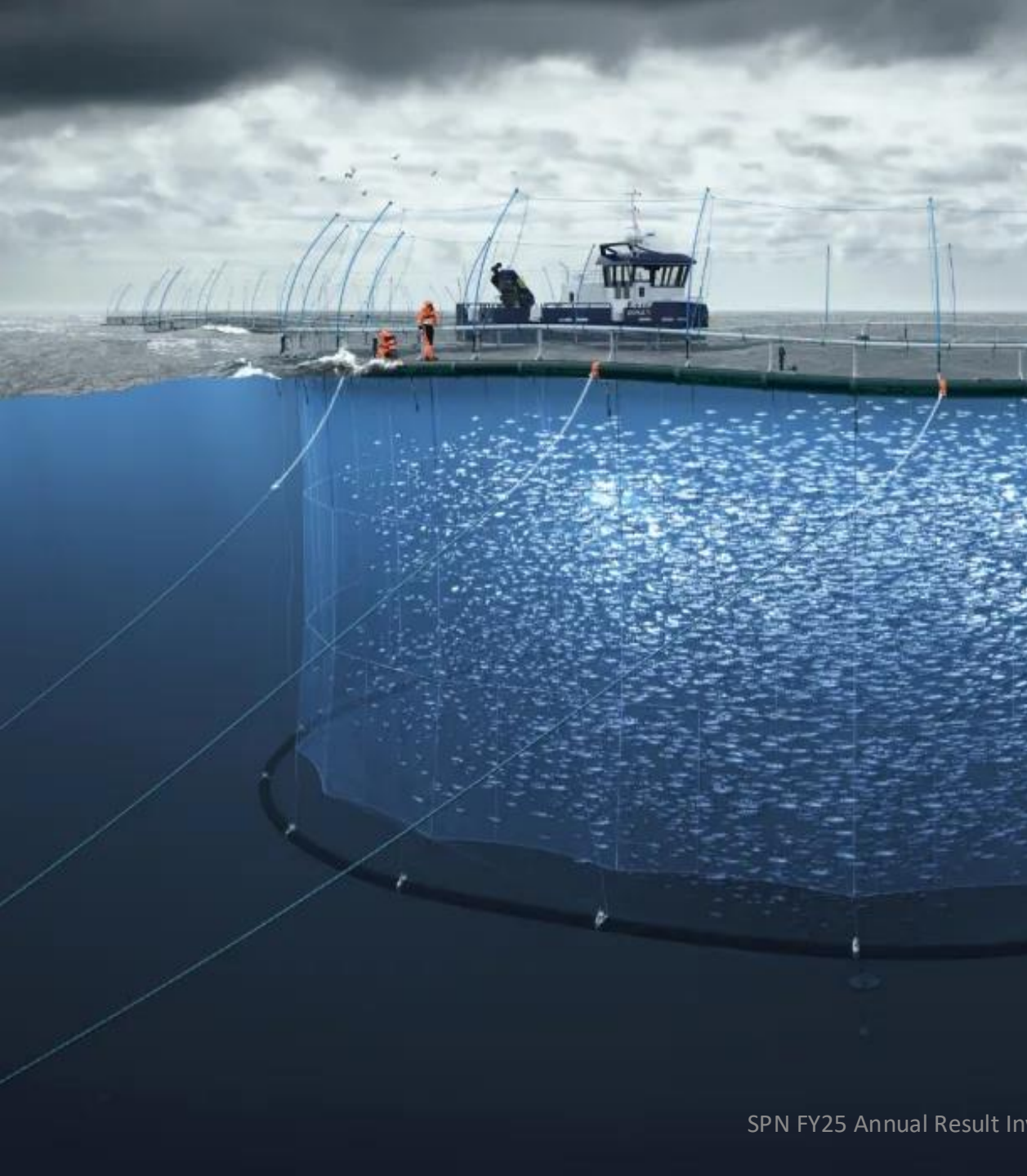
## Aquaculture

### Open Ocean

- Government strategy targeting 3 Billion export earnings. 1.5 Billion from open ocean aquaculture
- Ngāi Tahu's Hananui project – listed under fast-track approvals consent process
- Sanford has a consent lodged with Environment Southland
- Ocean Farms New Zealand commenced the consent process to install farm facilities at 4 deep-water locations offshore from Southland

### On Land

- Impact Marine – listed under fast-track approvals consent process. Developing an on-land salmon farm and processing facility including a hatchery, smolt and grow out facilities in Bluff





## Windfarms

- Stage two of Mercury NZ's Kaiwera Downs wind farm underway. 5 shipments of equipment expected to arrive at the Port over the fourth quarter of CY25

### In the Planning / Consent Stage

#### ***Contact Energy***

- Southland wind farm – listed under fast-track approvals consent process
- Located east of Wyndham and, if constructed, will have the capacity to produce up to 300MW from 55 turbines

#### ***Manawa Energy / Pioneer Energy Partnership***

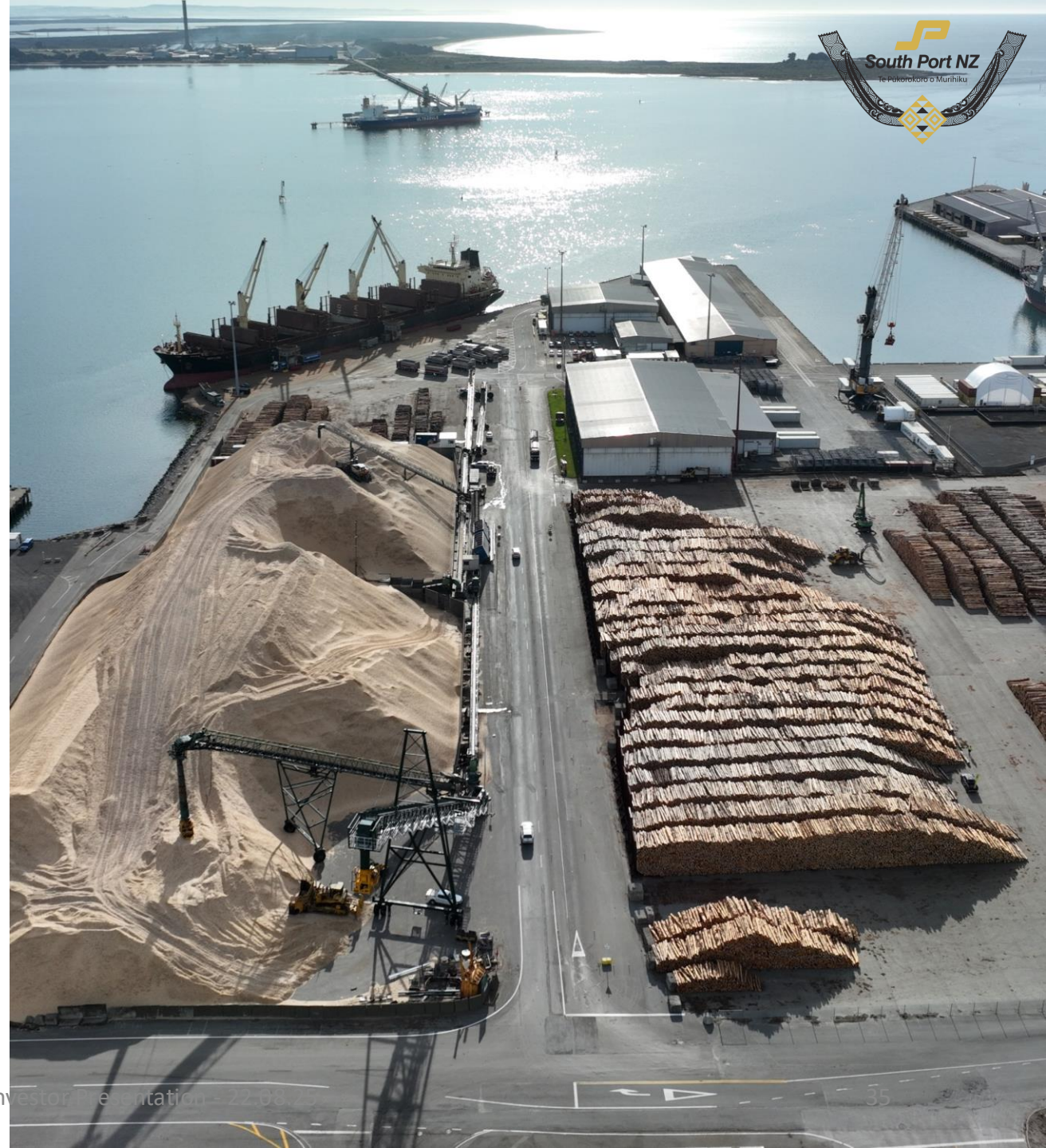
- Partnership to construct and operate the Kaihiku Wind Farm has also been listed under the fast-track consent process
- Located north of Clinton and, if constructed expected generation capacity of approximately 300MW





## Long-term Investment Horizon

- Over the last 65 years we have fully developed the 400,000m<sup>2</sup> Island Harbour
- The Foreshore has 80,000m<sup>2</sup> of bare land remaining available for development
- Significant investment required to meet the needs of aquaculture industry
  - Wharf developments
  - Land side infrastructure
- Long-term infrastructure planning is necessary to address future land requirements



## Outlook

- Volumes expected to remain strong supported by:
  - The agriculture sector continuing to improve on the back of a strong dairy payout in FY25, and forecasted again for FY26. Also a positive red meat sector
  - Container volumes are expected to remain consistent
  - NZAS volumes expected to increase, returning to a more normal cargo flow, on the proviso that there are no demand response calls in the coming 12 months
- Capital investment cycle is slowly freeing up free cash flow in FY26
- Opportunities are evolving in the energy and aquaculture sectors which will require significant investment
- Continued focus on capital allocation to build capability to meet future cargo requirements and drive returns



## Summary

- Record result
- Tiwai underpins South Port going forward
- Port diversity provides resilience
- Engaged workforce
- Sustainable dividend
- Positioning for future growth

# Q&A