

**NAPIER**  
**PORT**  
*Te Herenga Waka o Ahuriri*

# INSTITUTIONAL INVESTOR BRIEFING

6 MARCH 2025





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# FUTURE-READY: FOUNDATIONS ✓ CAPABILITY ✓ TRANSFORMATION

**TODD DAWSON - CHIEF EXECUTIVE**





TOGETHER WE BUILD A THRIVING REGION  
BY CONNECTING YOU TO THE WORLD

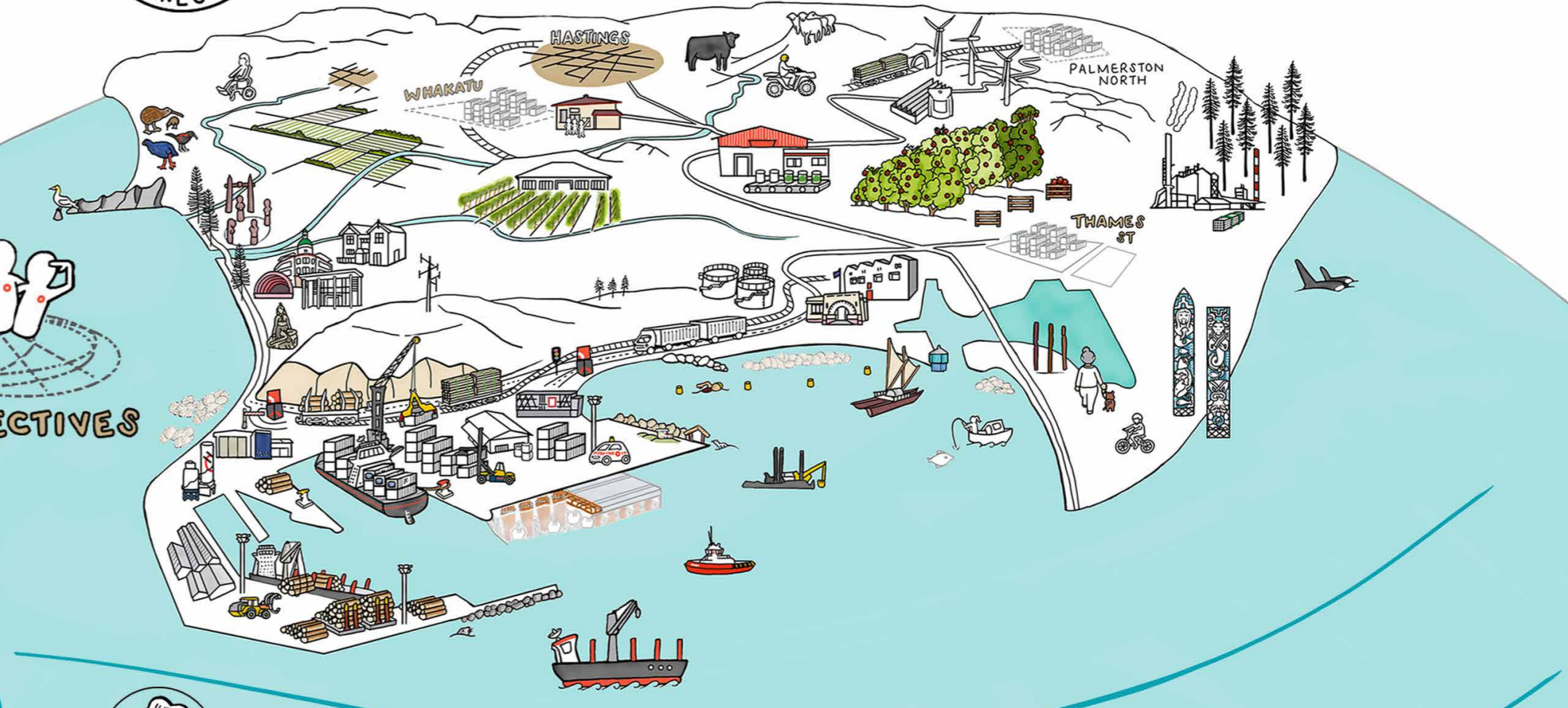
# Our Strategy

OUR PURPOSE

OUR GOALS

OUR TEAM PLANS

OUR FOUNDATION



PEOPLE

PLANET

PROSPERITY

PARTNERSHIPS



OUR CULTURE



# Strategic Advantages

- Premium cargo base that is diverse, defensible and resilient
- Ease of access on the main international shipping route
- Connected to road, rail and shipping
- Strong social license
- Innovative and invested culture
- Strong regional tourism
- Fully consented to enable expansion
- Regional investment across key industries



# Strong track record of delivery

## Strategy has built foundations and capability:

- Operational flexibility and agility ('Whole of Port' thinking)
- Maintained solid financial performance and balance sheet
- Invested responsibly in infrastructure, assets, equipment
- Added value for cargo customers and shipping lines
- Major levers: pricing, volume growth, cost control
- Embedding social and environmental sustainability

Foundation Setting 0-3 Years
Strategy Creation
IPO
6 Wharf commences
Thames Street II Depot
Kaweka Tug

Capability Building 4-6 Years
6W/Te Whiti Wharf port expansion completed
Viewpoint Supply Chain service
Systems and Process Upgrades
Strategic Asset Management
Sustainability, Health & Safety, People & Culture
Pricing and Yield Management - 'Whole of Port' thinking







# Capturing Opportunities

- Growing cargo volumes
- Increasing yield through product mix, pricing for capital returns, and providing value
- Long-term horizon positive for key cargoes
- The port that finds solutions for customers and shipping lines
- Building on our existing relationships with cargo owners, shipping lines, KiwiRail, transport operators, regional and national authorities
- Balance sheet capacity available to support growth and business development
- Transformation - scalable, efficient, resilient to respond to customer needs
- Strategic asset management underpinning operational capability and reliability, disciplined deployment of capital into infrastructure and plant
- Napier Port Transformation (NPT) - cost, efficiency, productivity, and workforce development



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# CUSTOMERS & CARGO

DAVID KRIEL – GM COMMERCIAL





# Driving Regional Trade and Global Connectivity

## Trade Positioning and Supply Chains

- Diversified trade portfolio
- Strategic export location
- Strong national connectivity

## Core Cargo & Trade Demand

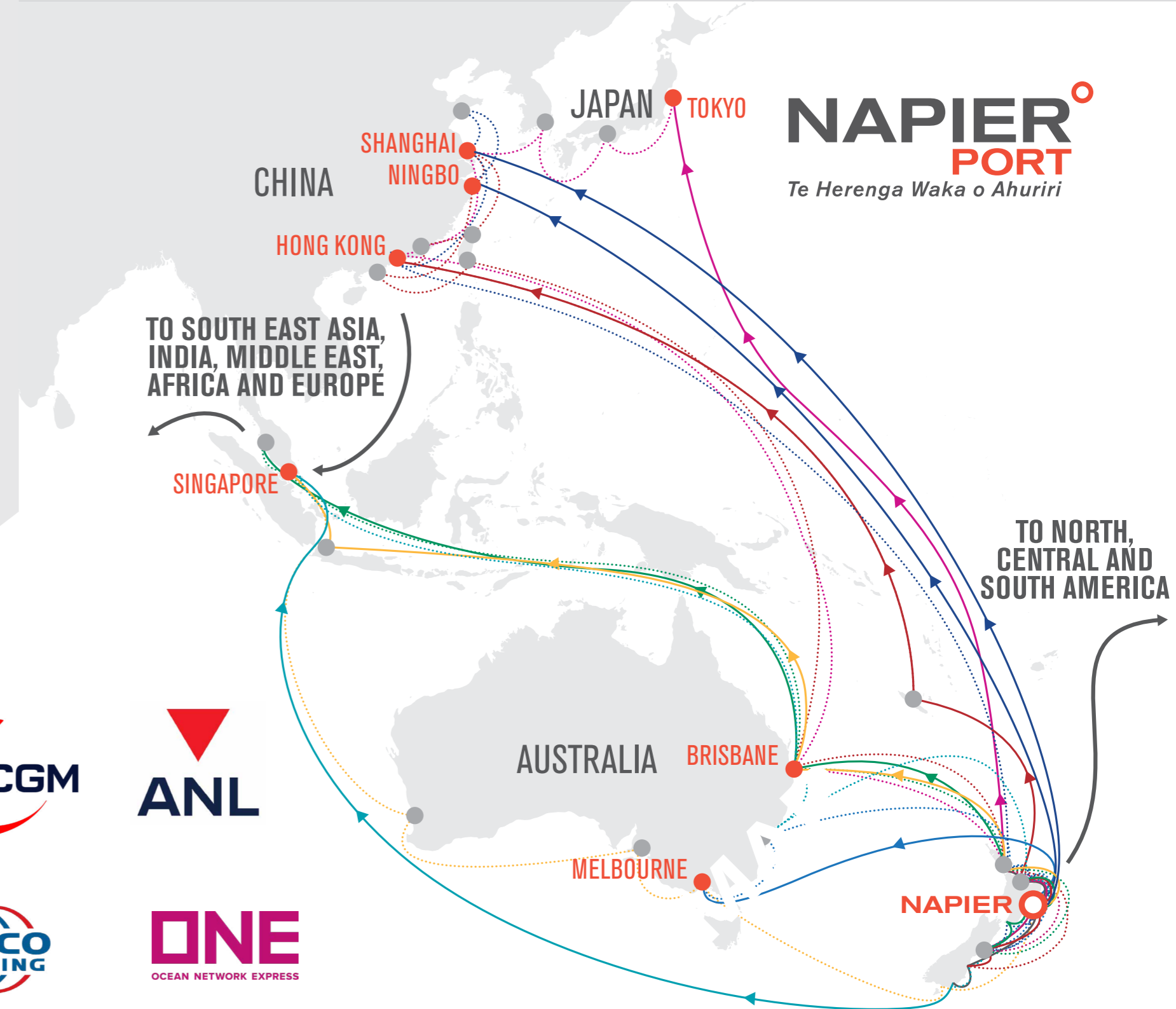
- High value trade sectors
- Supports demand from global shipping lines

## Global Connectivity

- Extensive trade links
- Strong transshipment connections

## Port Infrastructure & Future Readiness

- Dredging & berth availability
- Operational capability
- Future-proofing to ensure long-term viability





# Containerised Cargo



## Market Strength & Trade:

- High demand cargo
- Expanding food & fibre industry
- Customer-centric & flexible approach



## Food & Fibre Fundamentals & Infrastructure Readiness

- Sustained industry growth
- Infrastructure investment
- Latent capacity for increased volumes
- Global fruit and vegetable consumption is expected to grow 19–60% by 2050, driving export opportunities.<sup>1</sup>

1. Source: Food and Agriculture Organization of the United Nations (FAO)



## Expanding Trade Networks & Transshipments

- Shipping expansion & new trade lanes
- Adapting to increase transshipment volumes
- Enhanced inland logistics & supply chains



## Supporting Balanced Trade & Business Opportunities

- Adapting to industry shifts
- Enabling regional trade expansion
- Building a more balanced import/export mix



# Viewpoint Supply Chain

VIEWPOINT<sup>®</sup>  
SUPPLY CHAIN

## Integrated Supply Chain Solutions

- Comprehensive landside logistics
- Seamless end-to-end connectivity
- Optimised freight movements & cost efficiency
- Customer-centric & easy-to-use service model

## Expanding Cargo Volumes & Market Reach

- Sustained growth since inception
- Strengthening import & export flows
- Supporting food & fibre exports with flexible logistics

## Strategic Infrastructure & Regional Connectivity

- KiwiRail partnership: utilising rail capacity for growth
- Viewpoint supporting Manawatū Inland Port & scalable rail connections



*Viewpoint has transformed our logistics management. The real-time tracking feature has significantly reduced our response times and improved efficiency.”*



*The support we receive from the Viewpoint team is exceptional. They are always available to help us navigate any challenges, making our partnership with Napier Port invaluable.”*



# Bulk Cargo



## Log Export Growth

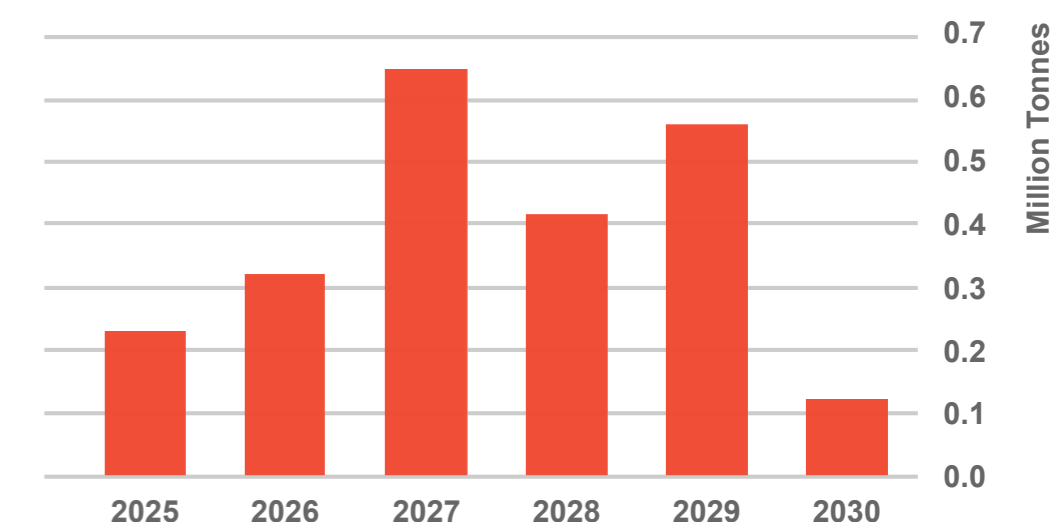
- NZ's 2nd largest log export port & key finishing port
- Visible plantings and strong supply profile
- High proportion of forestry estate sourced wood (c50%)
- **High demand:** Strong log debarking throughput
- Competing in a contestable export market



## Bulk Commodity Trends & Market Dynamics

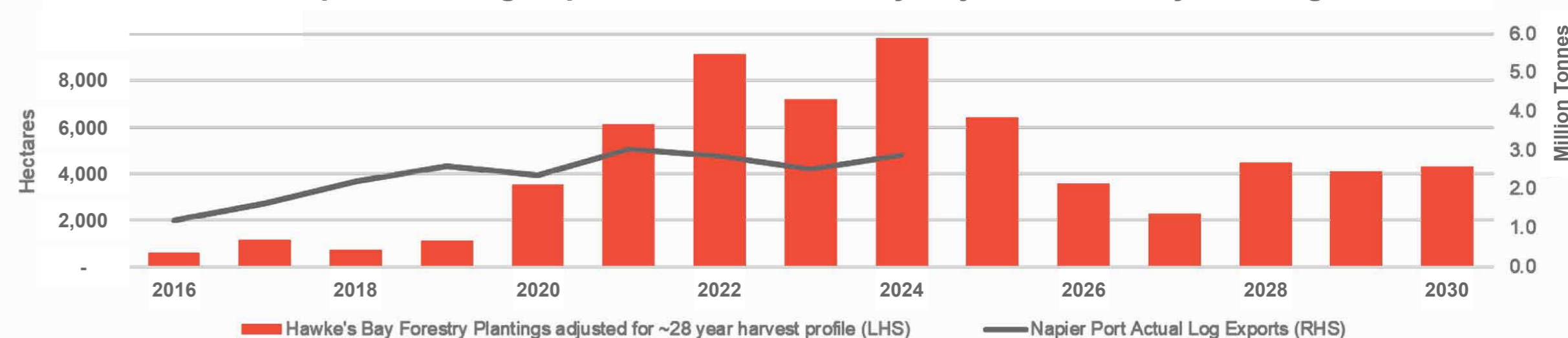
- **Fertiliser market:** Stable with expected coastal growth
- **Bulk fuel, tallow & chemicals:** Steady with economic-driven growth
- **Emerging bulk export opportunities**

Contestable Wood Volume



Source: Forre Forestry Industry Consultants

Napier Port Log Exports and Hawke's Bay Adjusted Forestry Plantings



Source: Forre Forestry Industry Consultants, NPH



# Cruise Industry



## Short-Term Challenges

- **Australasian downturn:** Geopolitical, biosecurity & cost pressures
- **Industry planning cycle:** 2-Year cycle driving short-term fluctuations



## Future Opportunities

- **Enhanced infrastructure:** investing in facilities & passenger experience
- **Itinerary development:** Strengthening cruise line partnerships
- **Seatrade global 2025:** Collaborating to drive growth



## Long-Term Growth & Confidence

- **Fleet expansion:** Larger ships supporting future itineraries
- **Global recovery:** Strong bookings & passenger rebound
- **Sustainability:** Investment in greener ships & experiences





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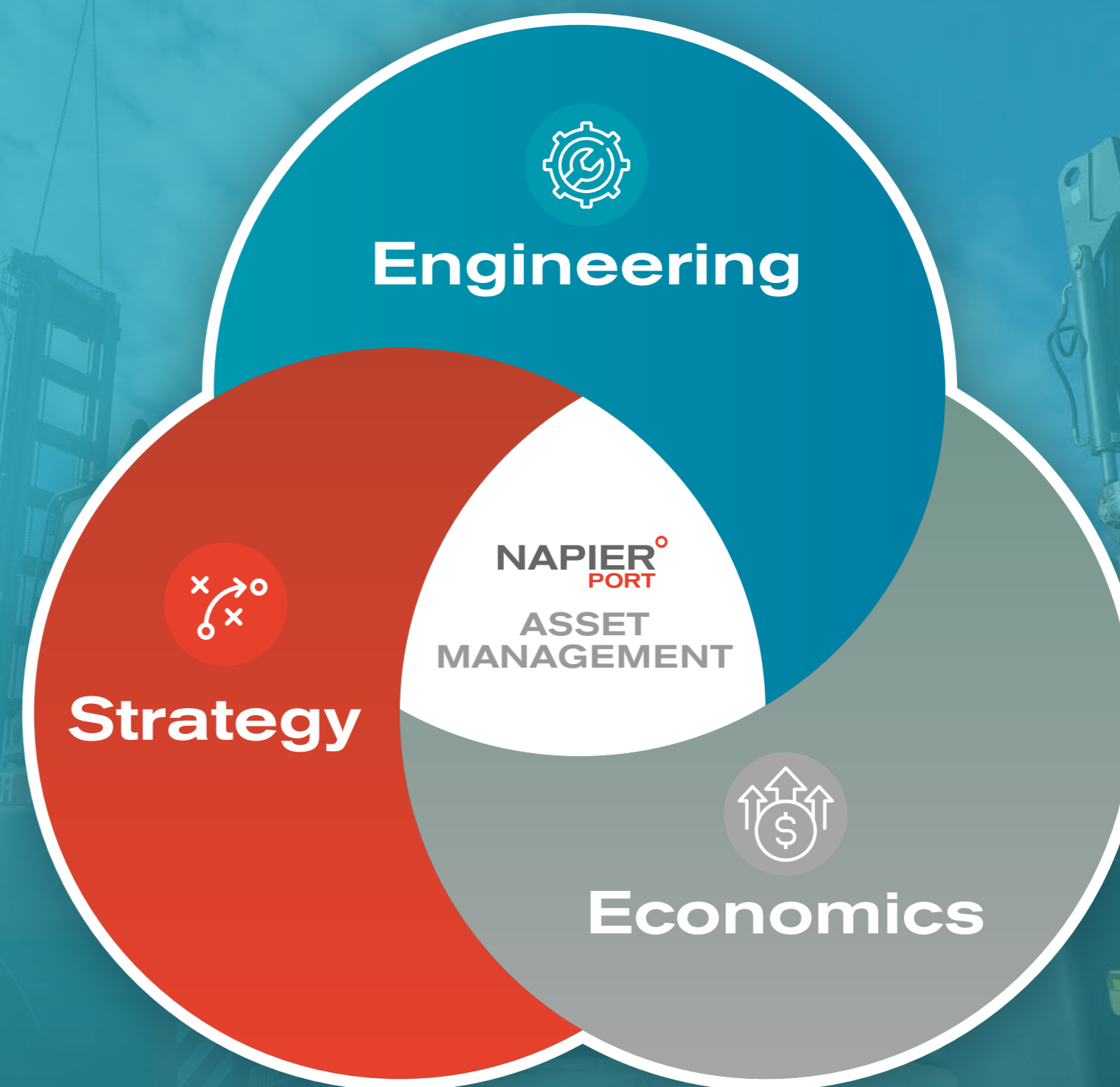
# ASSETS AND INFRASTRUCTURE & SUSTAINABILITY

**DAVID BROAD – GM ASSETS & INFRASTRUCTURE**





**Napier Port's asset management approach integrates engineering, strategic, and economic considerations to deliver resilient, sustainable, long-term infrastructure and enduring shareholder value.**





# Discussion Points

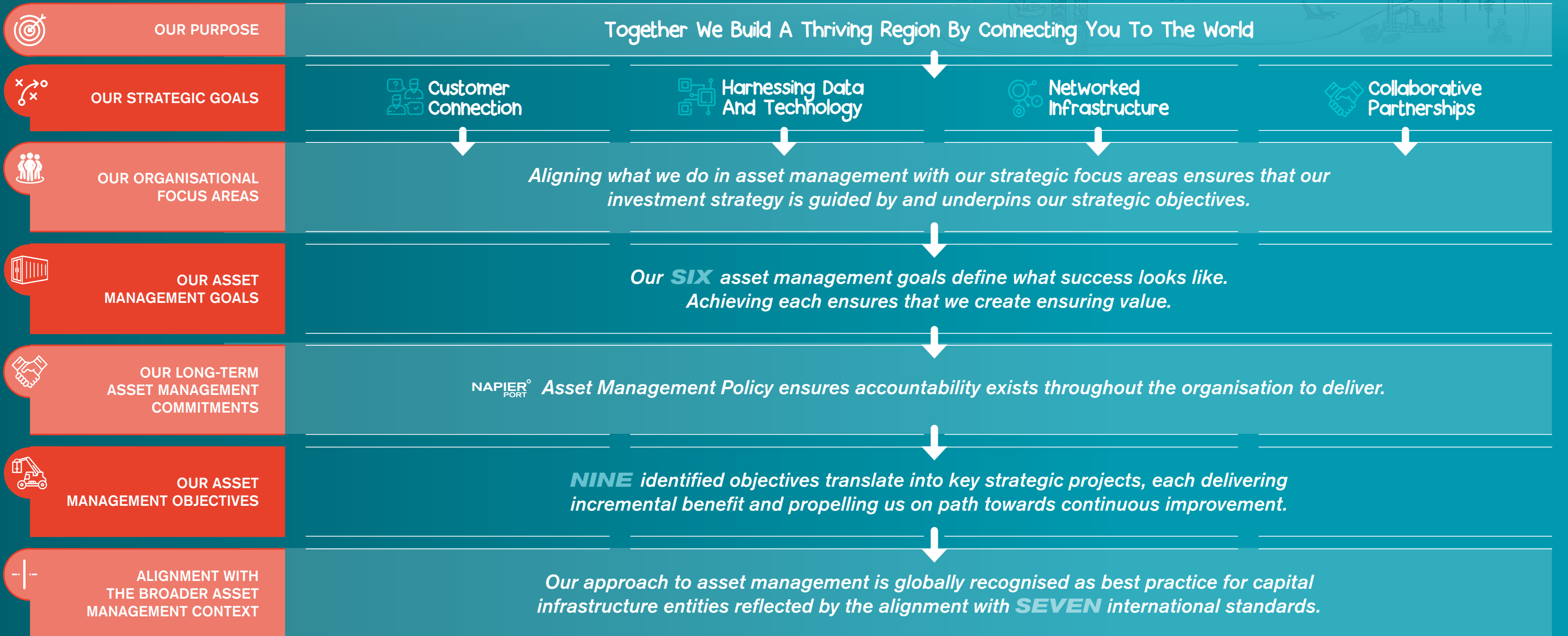


- How do we create enduring value through the management of our asset portfolio - Asset Management
- What are we investing in and why
- What benefits do we expect to realise from these investments
- When do we expect investment to occur
- How do we integrate Sustainability and Environmental management into our investment strategies



# STRATEGIC ASSET MANAGEMENT PLAN

## ON A PAGE 2024-2027

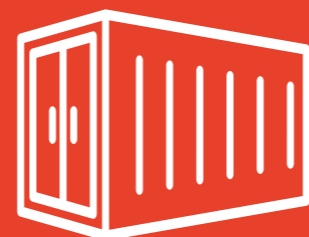




# Our approach to creating enduring value: Asset Management

**What is Asset Management -**  
“A systematic approach taken by organisations to realise the maximum value from its asset portfolio”

## NAPIER PORTS ASSET MANAGEMENT GOALS



- 1** Asset management plans **adapt to changing demands**, maximising the use of existing assets and making strategic investments in new ones.
- 2** Assets and infrastructure **operate reliably**, meet operational needs, and benefit from continuous improvement.
- 3** The capabilities of data and technology assets enable asset management to **efficiently meet business requirements** and provide insights to support **continual improvement**.
- 4** Assets and infrastructure are **resilient to events** and asset planning considers climate change adaptation scenarios.
- 5** Opportunities to **enhance the sustainability performance** of existing assets and infrastructure are realised, and investments in new assets consider sustainability outcomes.
- 6** An **asset management culture is created** that fosters trust, ownership and accountability, effective communication and feedback, and recognition and celebration of successes.



# What are we investing in?

Two distinct investment categories drive our decision making

Maintaining our Existing Capability	Growing our Capability
Marine Infrastructure	Trailing Suction Hopper Dredge
Buildings, Civil Structures, Utilities	Cranes
Mobile Plant & Equipment	Mooring Systems
Floating Plant	New Operating Modes



# What benefits do we expect to realise from these investments?



Enhanced productivity and operational performance



Reduced safety risk



Increased shareholder and enterprise value



Lower carbon emissions and environmental effects

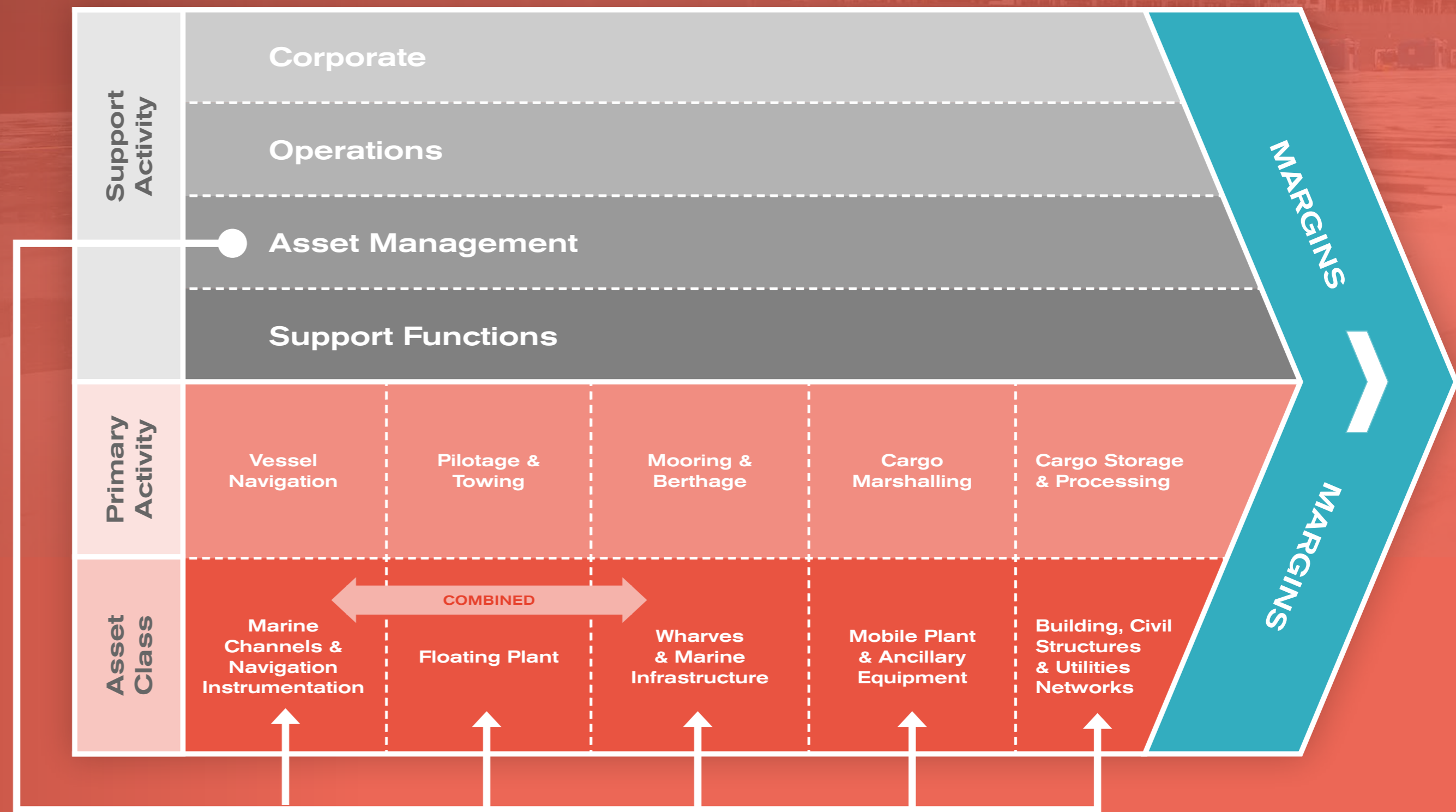


# Maintaining our Existing Capability

Investment decision making takes a value chain approach - embedding asset management practices within value creating activities.

## Asset management plans

- Marine & Wharf Infrastructure
- Floating Plant
- Mobile Plant & Equipment
- Buildings Civil Structures & Utilities





**TSHD  
Dredge**



**Cranes**



**Mooring  
Systems**



**New Operating  
Modes**



# Growing our Capability

Enhancing our strategic relevance within the supply chain



# Why we're choosing to deploy capital in specific areas



Deepening our channel ensures our strategic relevance is maintained by being able to meet the emerging needs of global shipping - ownership allows us to achieve this at a favourable cost when compared to alternatives.



Next generation mooring systems enable us to augment our existing systems, allowing us to extract the greatest benefit from our infrastructure investments.

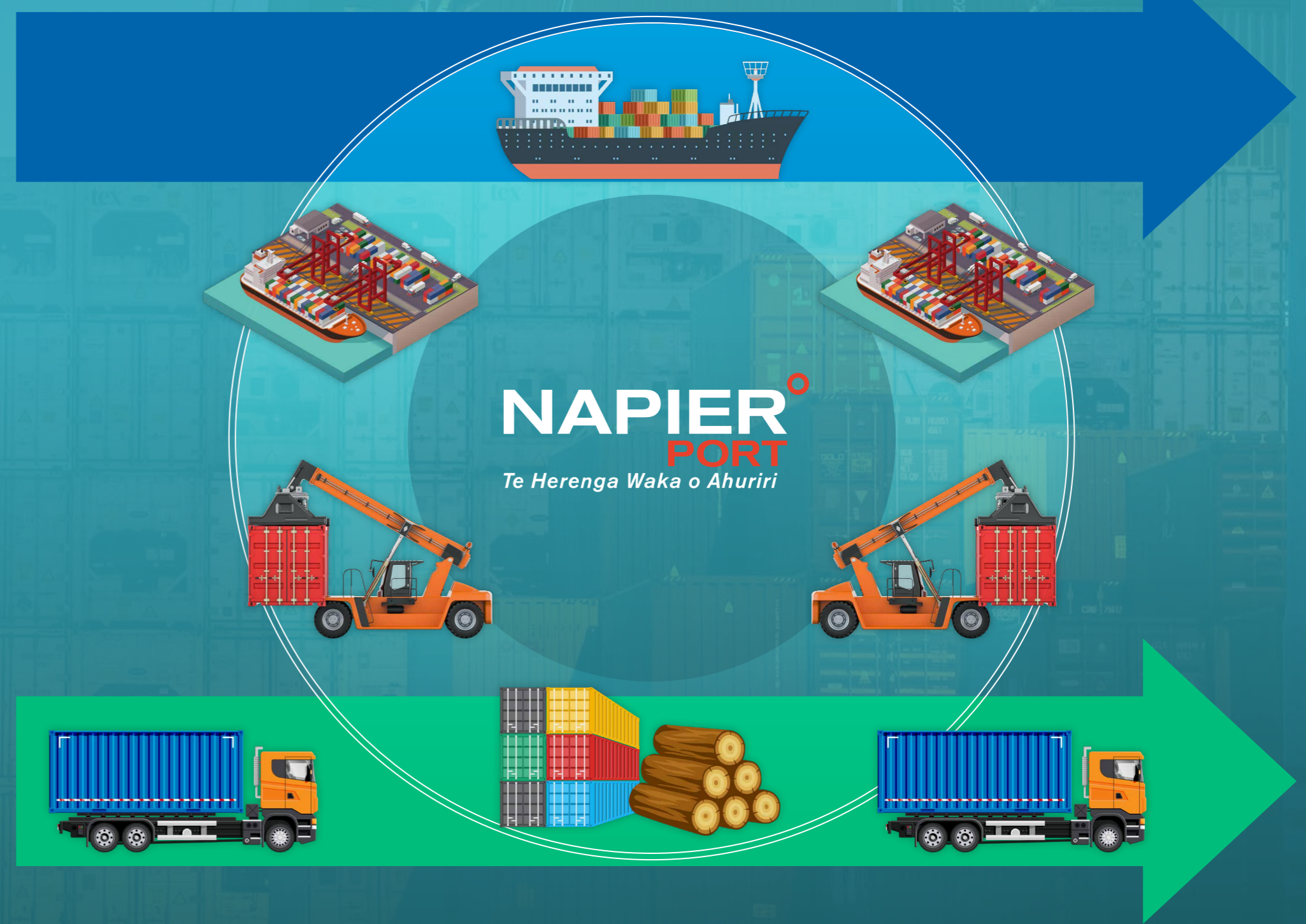


Long-life asset investments need to consider future scenarios and embed adaptive strategies within procurement decision making - for cranes, we need to account for vessel growth.



New modes of operation are set to further enhance operational efficiency.

An end-to-end view of cargo flows informs our investment decision making





# An indicative timeline for delivery

2025

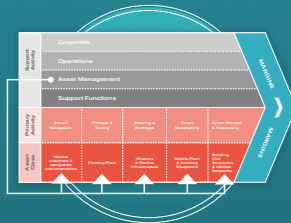
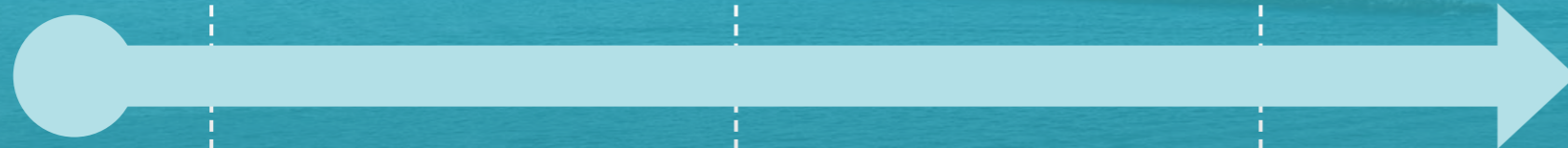
2026

2027

2028

2029

2030







# Integrating Sustainability at every step

## NAPIER<sup>o</sup> PORT SUSTAINABILITY STRATEGY ON A PAGE

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	PEOPLE Manakitanga	PLANET Kaitiakitanga	PROSPERITY Ohanga Ora	PARTNERSHIP Rangapu
<b>STRATEGIC OBJECTIVES</b>	<ul style="list-style-type: none"> <li>Safe, Secure and Well</li> <li>Equity, Diversity and inclusion</li> <li>Learning and Innovative Thinking</li> <li>Integrated Culture and Leadership</li> <li>Empowerment and Shaping our Future</li> <li>Engage and Communicate</li> </ul>	<ul style="list-style-type: none"> <li>Healthy Reefs and Oceans</li> <li>Climate Action and Energy</li> <li>Water management</li> <li>Waste and Circular Economy</li> <li>Clean and Safe Shipping</li> </ul>	<ul style="list-style-type: none"> <li>Business Resilience</li> <li>Better Customer Outcomes</li> <li>Ethical and Evolving Supply Chains</li> <li>Technology and a Digital Future</li> <li>Strategic Planning and Investment</li> <li>Sustainable Sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Good Neighbour</li> <li>Thriving Communities</li> <li>Cultural Connections</li> <li>Customer Stakeholder Connections</li> <li>Research and Advocacy</li> <li>Sustainable Tourism</li> </ul>
<b>2025-2028 FOCUS AREAS</b>	<ul style="list-style-type: none"> <li><b>Engage &amp; Communicate</b> Ensure our people, customers and community are well informed and engaged.</li> <li><b>Learning &amp; Innovative Thinking</b> Encourage lifelong learning and innovative thinking.</li> </ul>	<ul style="list-style-type: none"> <li><b>Climate Action &amp; Energy</b> Take action to reduce our carbon footprint and support our national zero emission future by 2050.</li> <li><b>Water Management</b> Manage and improve stormwater, wastewater and groundwater.</li> </ul>	<ul style="list-style-type: none"> <li><b>Sustainable Sourcing</b> Responsible sourcing and sustainability criteria for the procurement of materials, assets, and supply services.</li> <li><b>Strategic Planning &amp; Investment</b> Optimise use of land, terminal, footprint, infrastructure assets and support sustainability criteria-based assessments for projects.</li> </ul>	<ul style="list-style-type: none"> <li><b>Good Neighbour</b> Improve the living environment for communities in and around the port managing nuisance, traffic and communication.</li> <li><b>Thriving Communities</b> Work collaboratively with community partners to provide pathways for engagement, education, volunteering support, grants and initiatives.</li> </ul>
<b>ACTIONS, PROJECTS AND PERFORMANCE MEASUREMENTS</b>				
<b>CONTINUOUS IMPROVEMENT PLANS</b>				



# A progressive approach to emissions reduction

Reducing emissions alongside our asset replacement strategy



## Current Initiatives:



Five Kalmar Eco Reachstackers (total of eight)



Seven Battery Electric forklifts (due April/May)



Hybrid and/or electric crane technology under evaluation



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# NAPIER PORT TRANSFORMATION

**CHRIS WYLIE – GM PORT OPTIMISATION**





# Transforming Napier Port for the future

Napier Port Transformation (NPT) focuses on operating as a sustainable business for the long term - operationally, economically, environmentally and socially.

This positions ourselves operationally for future growth and meets growing demands of cargo customers and shipping lines.

**NPT**

**SUSTAINABLE  
EFFICIENT  
OPERATIONS**



# Motivations for Transformation



Future-proofing customer needs requires efficient use of space and improved vessel productivity



Current operating model has longer-term constraints - high capital and labour intensity due to equipment use



Mature, commercially available technology enables consideration of various operating systems





# A Horizontal Transport Solution: Battery electric autonomous trucks for horizontal container transport





# NPT Project: What benefits do we expect to realise



Improve container terminal operational efficiency



Expand container terminal capacity



Reduce operating costs



Maintain high standards of service



Improve vessel productivity



Phased and Scalable





# Progress Overview

## Current Status of NPT

### Progress to Date

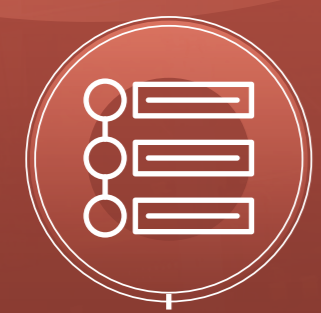
Research, modelling, and simulations underway, alongside ongoing engagement with international ports

Site visits to Thailand and China reviewing autonomous truck operations at container terminals

Design validation underway with horizontal container trials underway and ongoing

Pre-contracting phase with a preferred supplier and due diligence in progress

Investment decision to proceed





# Autonomous Truck Operations



# FINANCIAL OVERVIEW

**KRISTEN LIE - CHIEF FINANCIAL OFFICER**





# Earnings

## Current earnings guidance

- FY2025 Underlying Result from Operations of \$55-59 million
- Currently tracking towards top of range

## FY20 to FY25 Result from Operations CAGR estimate of c. 7.6%

## Future earnings

- Target to earn WACC level returns on invested capital in period 5-10 years post 6 Wharf construction (FY2022)



# Capital Management

## Forecast capital expenditure range

- FY25-27 average c. \$40 million p.a.
- Includes provision for:
  - c. \$80m replacement maintenance capital
    - Includes 2x cranes, mobile plant fleet replacements, wharf major maintenance
  - c. \$40m capacity & growth
    - \$11m dredge investment
    - Approx. \$20-25 million transformation project – infrastructure, mobile plant, and technology
      - Targeting: 10%-15% IRR, 15% - 17% reduction in total Scope 1 carbon emissions
- Excludes potential further supply chain investment
- Note – dependent upon approvals and subject to timing changes





# Capital Management

## Cyclone Gabrielle material damage and business interruption insurance claim

- Final total settlement of \$24m – balance of \$7.5m of income in FY2025

## Investment property holding under review – hold, develop, or trade

- Whakatu 12.3 ha, BV of \$13.6m

## Risk Reserve Investment Fund

- Initial fund target size of \$25m, to be established over 5 or more years from FY2025

## Dividend policy remains unchanged:

- 70-90% FCF<sup>1</sup>

## FY25-27:

- Debt to EBITDA ratio expected to rise within 2.0x to 3.0x target range

*1 - Refer full Dividend Policy statement including full considerations for paying a dividend and definitions – as detailed in our most recent annual investor presentation available on the NZX reporting platform and Napier Port's website.*



# THANK YOU