

NZX AND MEDIA RELEASE

16 April 2021

Napier Port lifts earnings guidance

Napier Port (NZX.NPH) today announces an upgrade to its earnings guidance for the year to 30 September 2021 as Hawke's Bay and the broader regional economy benefit from solid primary sector market conditions.

Napier Port expects to report a result from operating activities¹ for the half year to 31 March 2021 of approximately \$21 million, which is less than the \$21.7 million reported for the first half of the last financial year. In the current year, the absence of cruise vessels calling at Napier Port due to border closures has largely been offset by an increase in bulk cargo revenue.

This provisional unaudited operating result is subject to further adjustments and the final result will be reported in May.

Taking into consideration the provisional half year operating result and assuming a continuation of the current market conditions, Napier Port now expects an underlying result from operating activities for the year to 30 September 2021 to range between \$39 million and \$42 million, an increase on the guidance it issued in November 2020 of \$34 million to \$38 million.

The company today also releases its trade volume data for the half year to 31 March 2021.

Chief Executive Todd Dawson said Hawke's Bay and the central and lower North Island, Napier Port's core cargo catchment, continue to benefit from solid demand for the region's food and fibre exports.

"The bounce back we saw in log exports in the last quarter of our 2020 financial year has been sustained for the first half of our current financial year, supported by sustained strong log export markets," Mr Dawson said.

"As our trade volume data for the half year to 31 March 2021 shows, these trends have underpinned a 17.1% increase in bulk cargo volumes, including a 20.6% increase in log volumes on the same period in the prior financial year.

"Container volumes for the half year were in line with the same period a year ago. We have seen an uplift in year-to-date volumes of meat exports, and strong early-season pipfruit trades. These gains have been offset by reductions in containerised wood pulp and timber trades, following exporters' plant maintenance and shutdowns. We have also faced the challenges from the continued regional and global shipping schedule disruptions, port congestion and the disrupted flow of empty containers into New Zealand.

"While we remain uncertain about the impact of labour shortages in the pipfruit and seasonal export industries, we expect to - assuming a continuation of the current market conditions - report an underlying operating result for the 2021 financial year similar to the prior year.

"We look forward to providing a further update when we release our financial results for the 2021 half year towards the end of May."

¹ Result from operating activities is an alternative non-NZ GAAP measure and represents core operating earnings excluding interest, taxes, depreciation, amortisation and impairments, amongst other exclusions. For further information please refer to Note 24 of the 2020 Annual Consolidated Financial Statements.

TRADE VOLUMES FOR THE HALF YEAR TO 31 MARCH

Container Services

Total container volumes for the second quarter of the 2021 financial year increased 2.8% to 78k TEU², from 76k TEU last year, as a result of increased empty and other container movements. For the half year, total container volumes of 135k TEU were in line with the prior period. Full container volumes (i.e. excluding empties and other container movements) increased 0.4% and empty and other container movement volumes decreased 0.9%.

Dry export cargo for the half year reduced 5.2% to 35k TEU. Wood pulp and timber was the largest contributor to this reduction due to exporters' plant maintenance and shutdowns and some modal shifts from containerised to bulk cargo.

Reefer export cargo for the half year increased 7.6% to 22k TEU. The increase was driven by higher volumes of export meat and apples, due to the pip-fruit export season ramping up earlier in the current year.

Containerised imports for the half year decreased by 6.0% to 65k TEU as empty volumes were 9.1% below the same period last year due to the regional and global supply chain disruptions and the later arrival of empty containers.

Other container movements for the half year, including DLRs and transhipped containers, increased 67.6% to 11k TEU due to increased transshipment activity related to the supply chain disruptions.

Container vessel calls for the half year were down to 133 ships from 147 ships in the prior year also due to ongoing disruptions to shipping schedules.

Bulk Cargo

Total bulk cargo volume increased 27.9% for the quarter to 0.92 million tonnes and 17.1% for the half year to 1.87 million tonnes. Log export volumes increased 41.8% for the quarter and 20.6% for the half year due to sustained strong log export market conditions.

Charter vessel calls increased to 167 from 153 in the same half year period a year ago, as a result of the increase in bulk cargo volume.

Cruise Services

No cruise vessels have called during the half year due to the closed international border. In the same period of the prior year 76 cruise ships called at Napier Port.

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For more information:

Investors

Kristen Lie
Chief Financial Officer
DDI: +64 6 833 4405
E: kristenl@napierport.co.nz

Media

Jo-Ann Young
Communications Manager
C: +64 27 214 3750
E: jo-anny@napierport.co.nz

About Napier Port

Napier Port is New Zealand's fourth largest port by container volume. We are the gateway for Hawke's Bay and lower North Island's exports and operate a long-term regional infrastructure asset that supports the regional economy. Our strategic purpose is to collaborate with the people and organisations that have a stake in helping our region grow. View Napier Port's investor centre: www.napierport.co.nz/investor-centre/

² Twenty-foot container equivalent unit.

Napier Port Half Year 2021 Trade Volume Data

The below trade volume data provides a summary of second quarter and half year ended 31 March 2021 results compared to the prior period.

Container Services				
TEU (000s)^	Q2 FY2021 Actual	Q2 FY2020 Actual	HY2021 Actual	HY2020 Actual
Exports				
Wood pulp & timber	13	13	25	27
Canned food / other food & beverage	2	2	4	3
Other dry	3	3	6	6
Total dry	17	18	35	37
Apples & pears	5	4	5	4
Meat	5	5	10	9
Fresh & other chilled produce	6	7	7	7
Total reefer	16	16	22	21
Empty	1	1	2	2
Total exports	34	34	59	60
Imports				
Dry	7	7	15	14
Reefer	1	1	2	2
Empty	30	29	48	53
Total imports	38	38	65	69
Other container movements ('DLRs and Tranships')	6	4	11	7
Total Container Services volume	78	76	135	135
Vessels				
Container ship calls	68	73	133	147

^Rounded to nearest thousand TEU

Bulk Cargo				
Kilotonnes	Q2 FY2021 Actual	Q2 FY2020 Actual	HY2021 Actual	HY2020 Actual
Log exports	731	516	1,428	1,184
Other exports	45	44	98	80
Imports	144	160	344	333
Total Bulk Cargo volume	920	719	1,870	1,597

Vessels

Charter vessel calls	85	71	167	153
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Cruise Services

	Q2 FY2021 Actual	Q2 FY2020 Actual	HY2021 Actual	HY2020 Actual
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Vessels

Cruise vessel calls	-	53	-	76
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