



Port of Tauranga

Connecting New Zealand and the World

Half Year Result to 31 December 2023

23 February 2024

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The information contained in this presentation should be considered in conjunction with the Company's latest audited financial statements which are available in the investor section of our website.

Highlights and challenges

Six months ended 31 December 2023

Group net profit after tax
million

\$47.2 a 24.7% decrease from \$62.7 million

Total trade
million tonnes

11.6 an 8.5% decrease from 12.7 million tonnes

Container volumes
TEUs¹

536,928 a 15.8% decrease from 637,728

Transhipped containers
TEUs¹

119,848 a 25.1% decrease

Ship visits

674 a 3.9% decrease from 701

Imports
million tonnes

3.9 a 22.7% decrease from 5.0 million tonnes

Exports
million tonnes

7.8 a 0.6% increase from 7.7 million tonnes

Log exports
million tonnes

3.6 a 19.2% increase from 3.0 million tonnes

Direct dairy exports
tonnes

949,687 a 4.4% decrease from 993,360 tonnes

Subsidiary and associate company earnings

34.2% decrease

Interim dividend

6.0 cents per share

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

Group Net Profit after tax

For the six months to ended December 2023

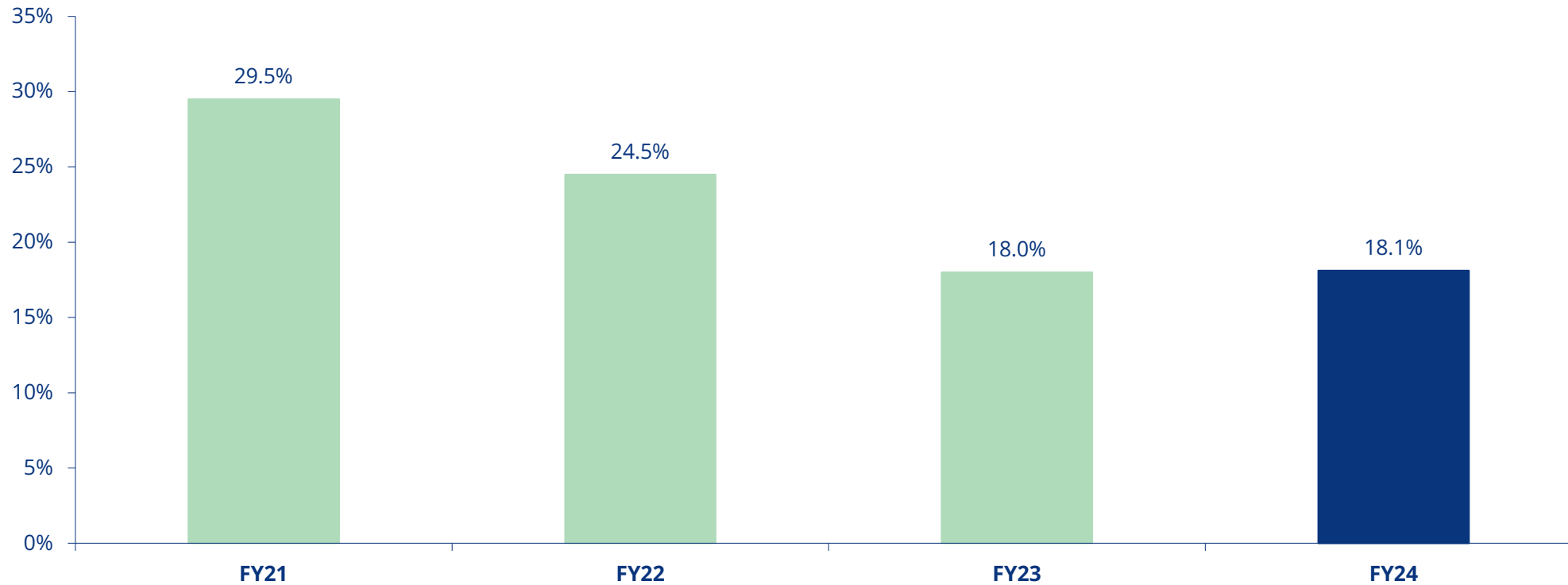


Interim dividend



Net debt / net debt + equity

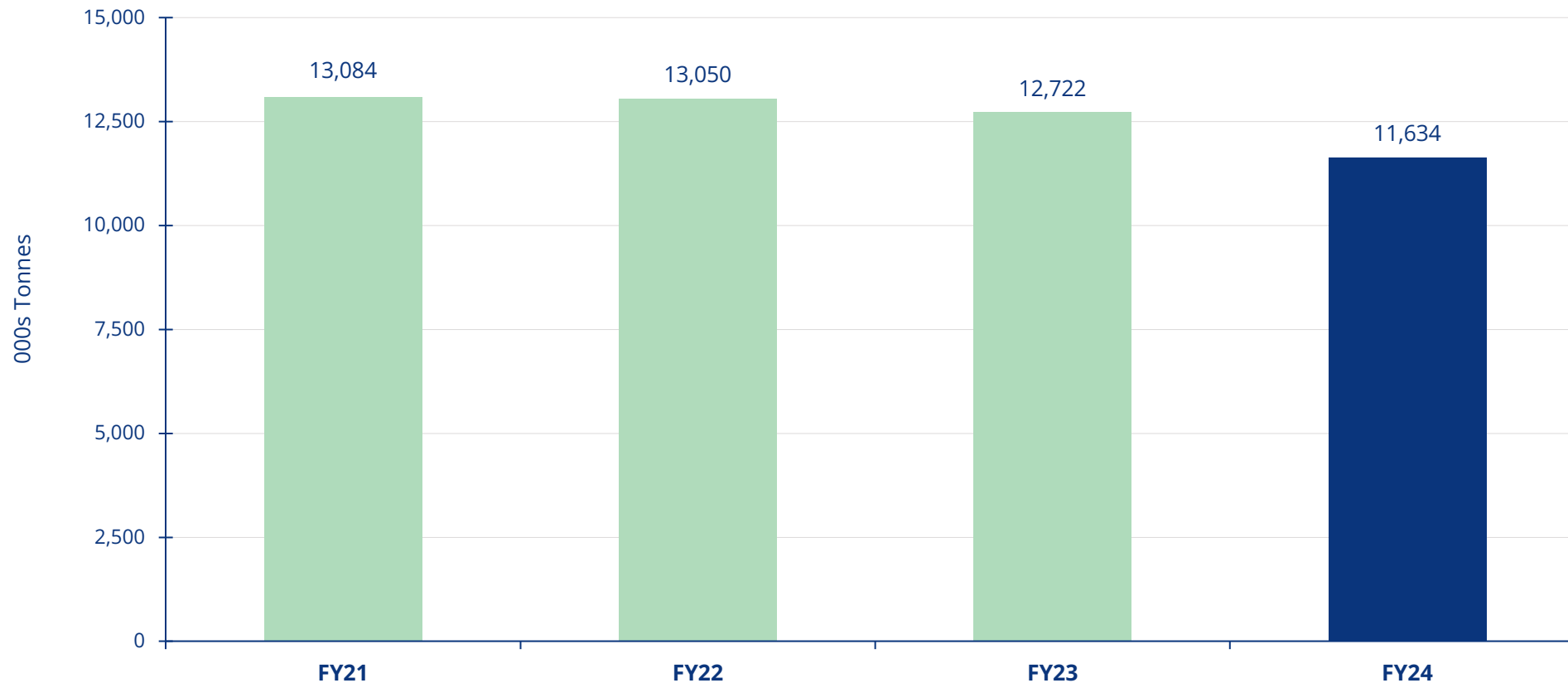
For the six months ended December 2023



Total trade down 8.5%

For the six months ended December 2023

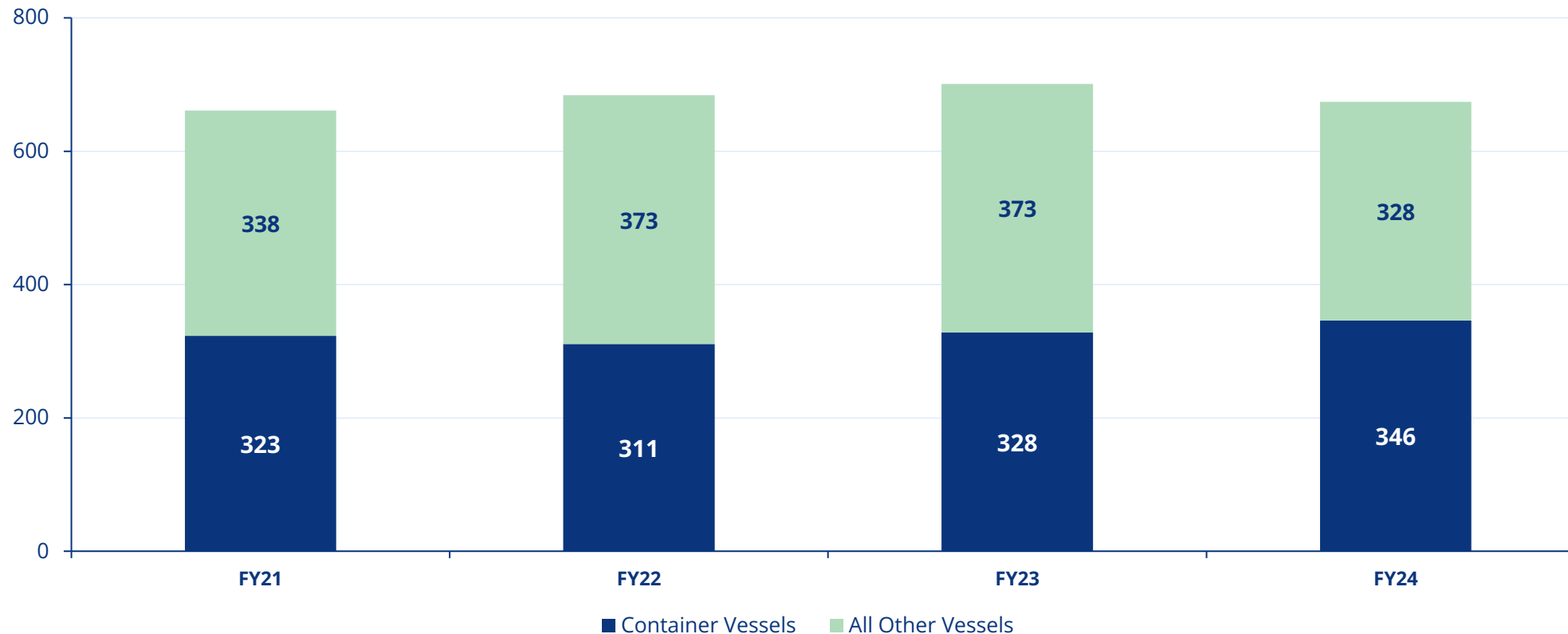
Total trade
Six months ended December 2023



Total vessel calls down 3.8%

For the six months to end December 2023

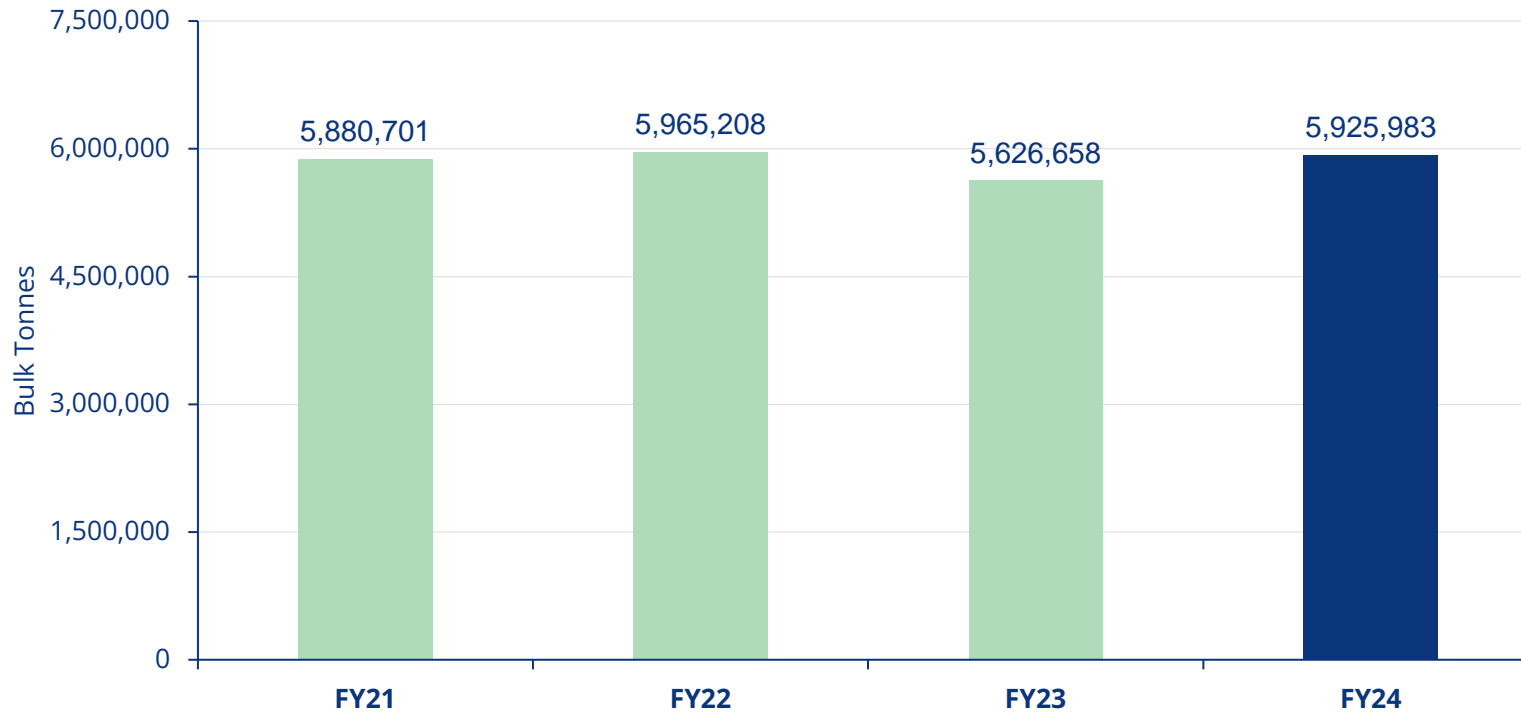
Total vessel calls
Six months ended December 2023



Breakbulk volume up 5.3%

For the six months ended December 2023

Bulk cargoes volume
Six months ended December 2023

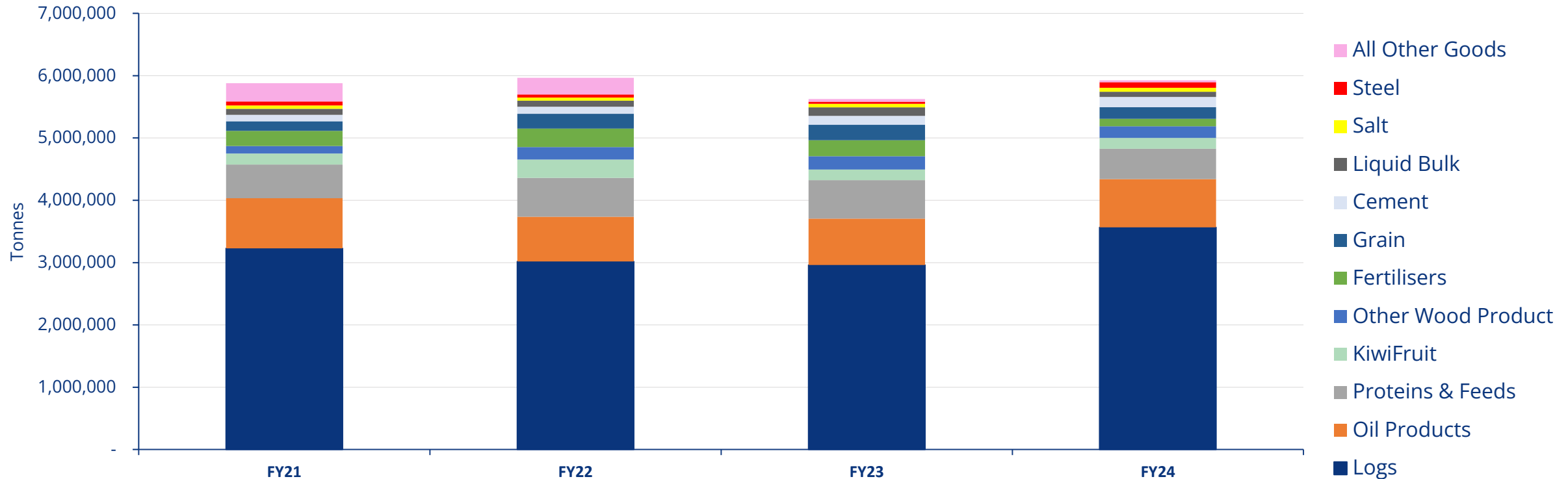


Total bulk cargo by commodity

For six months ended December 2023

Total bulk cargo volume by commodity

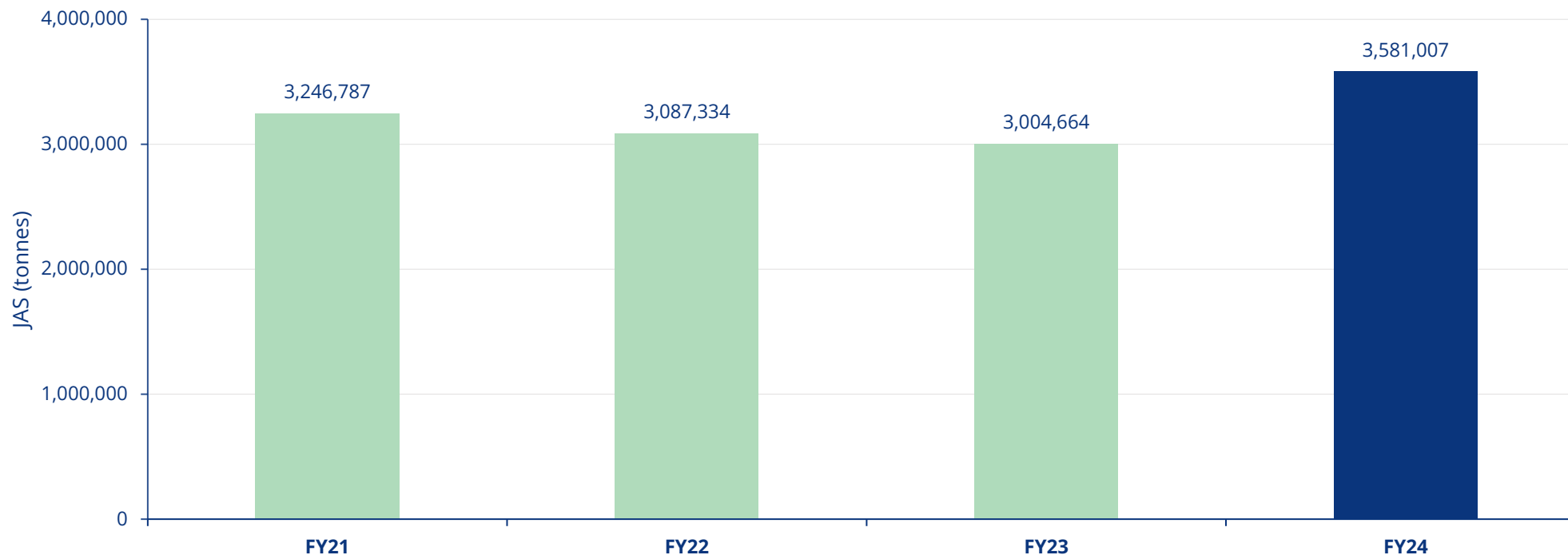
Six months ended December 2023



Log exports up 19%

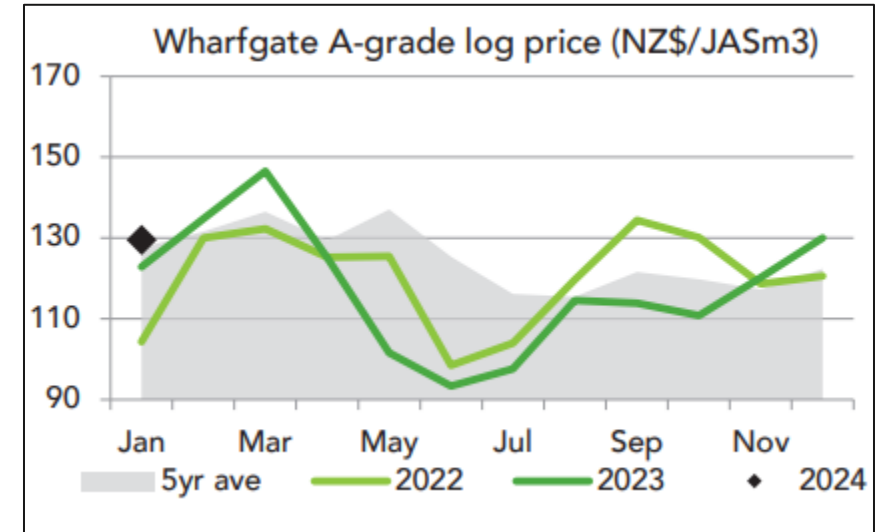
For the six months ended December 2023

Log exports
Six months ended December 2023

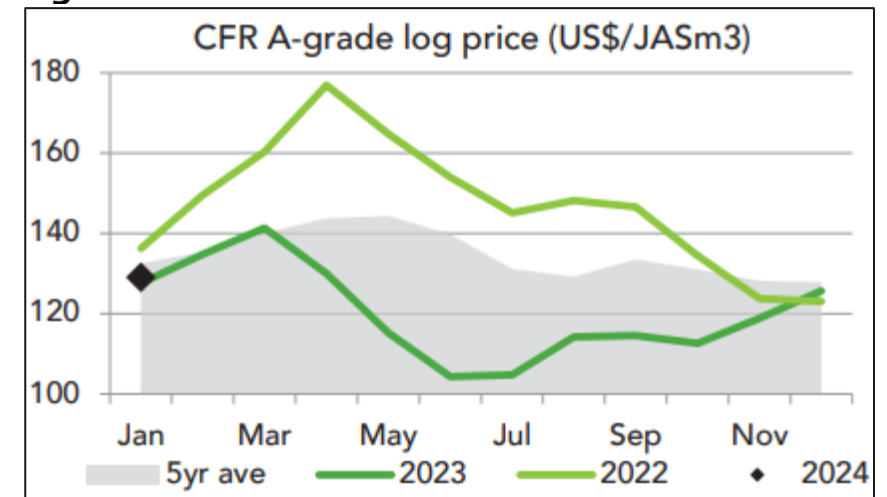


Forestry outlook

- Downturn in China continuing to weigh on the export market.
- Optimism that log prices will hold around current levels.
- 65% Tauranga export volume from forest estate owners who manage a sustainable cut to generate fixed income - as such less price sensitive.
- CNI windthrow recovery expected to be completed by mid-2024 with volumes beginning to taper off from April.



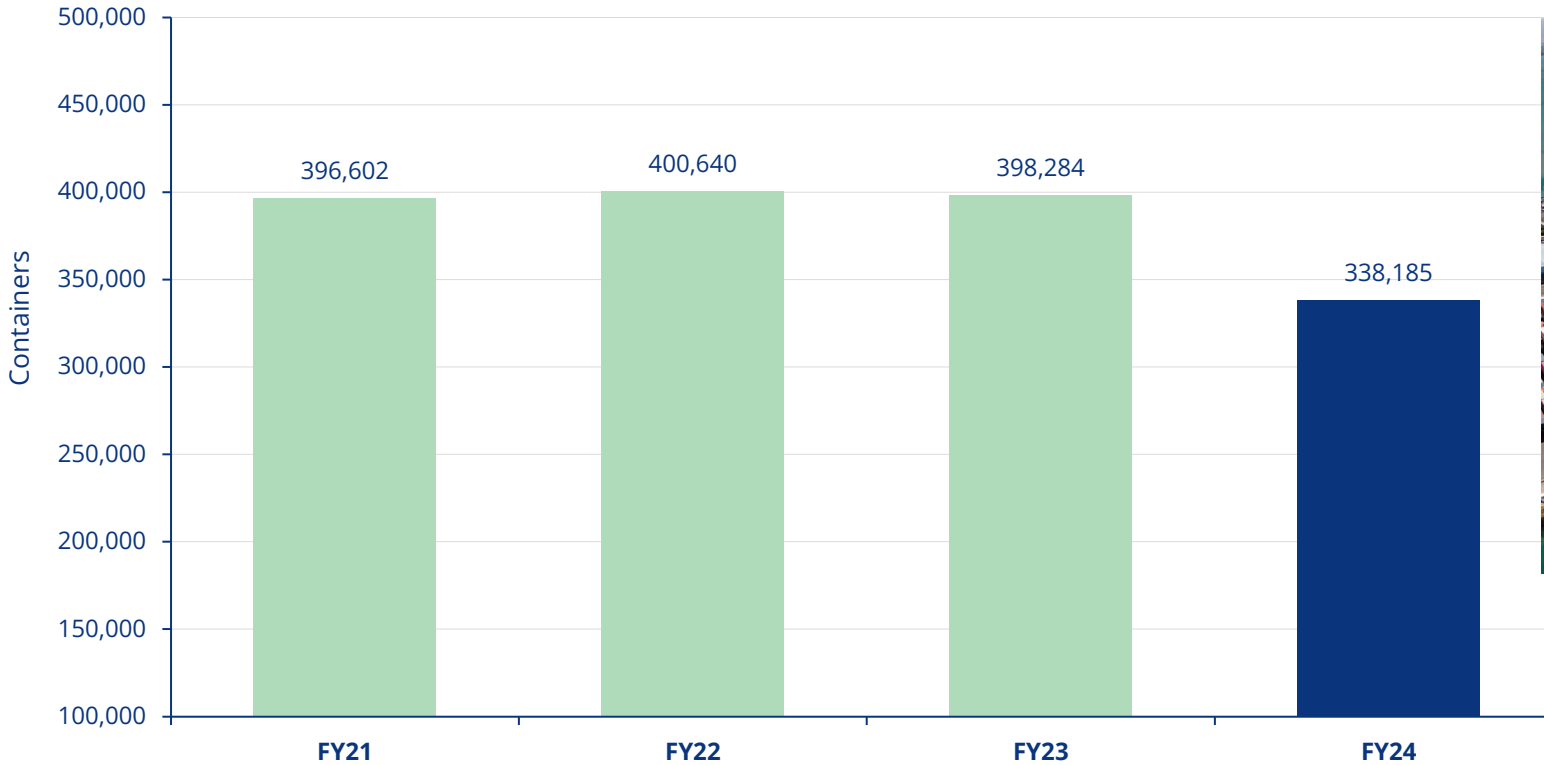
AgriHQ



Container volumes down 15%

For the six months to end December 2023

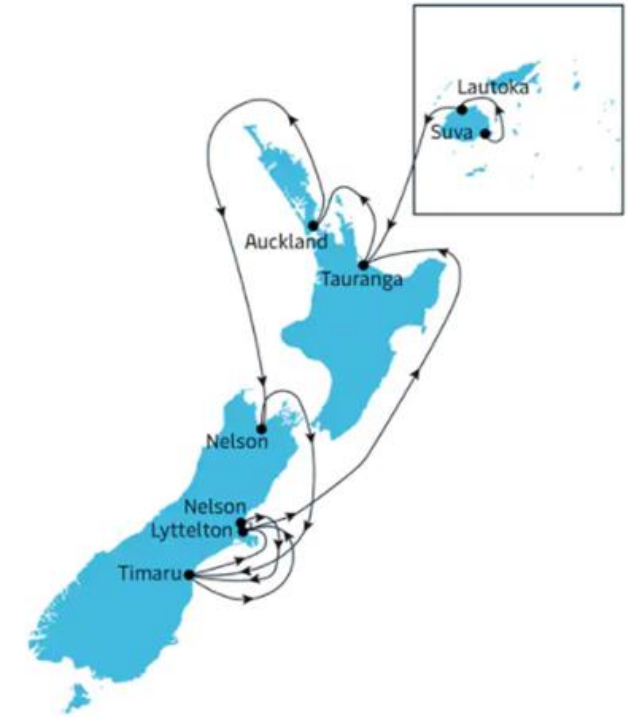
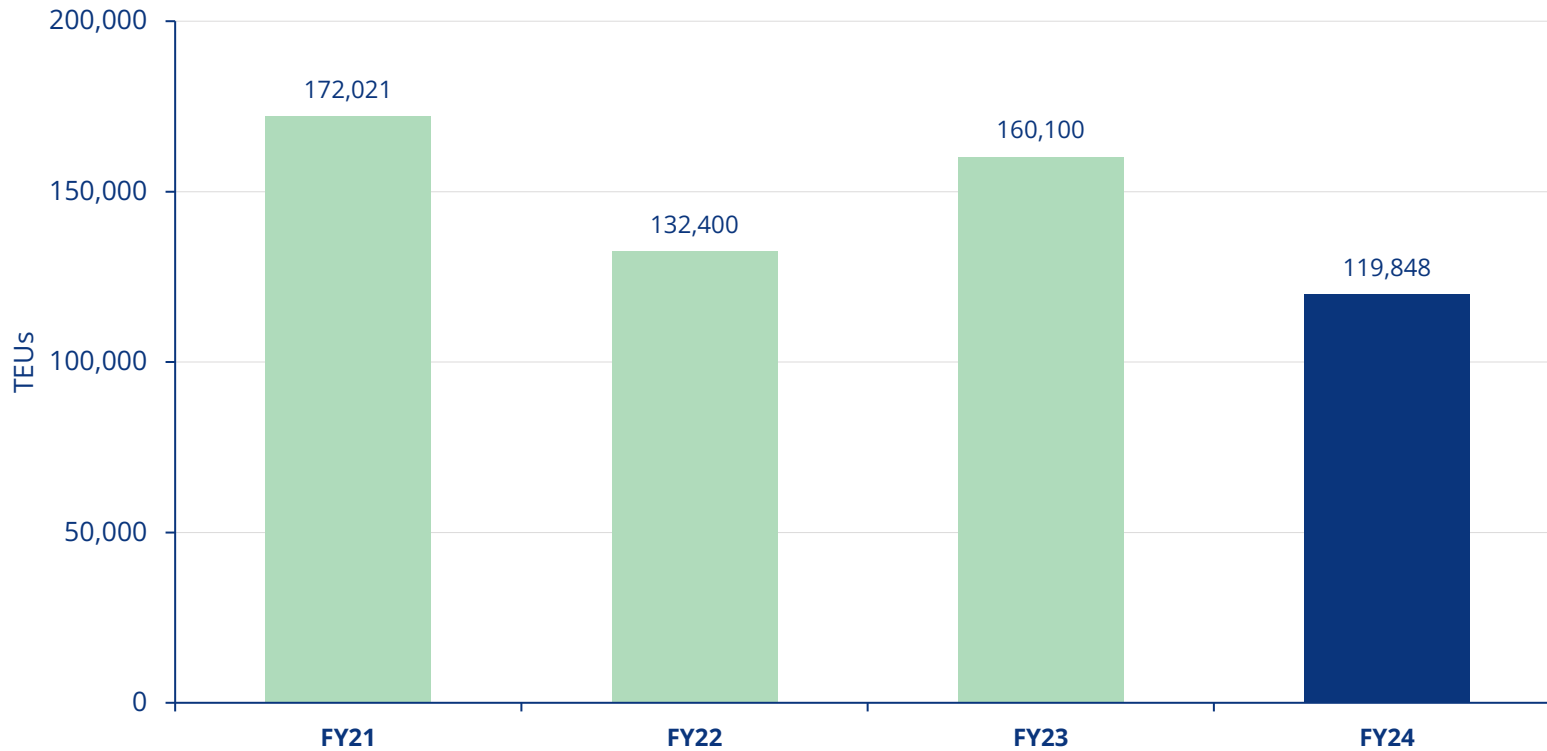
Container volumes
Six months ended December 2023



Transhipped TEUs down 25%

For the six months to end December 2023

Transhipped TEUs
Six months ended December 2023

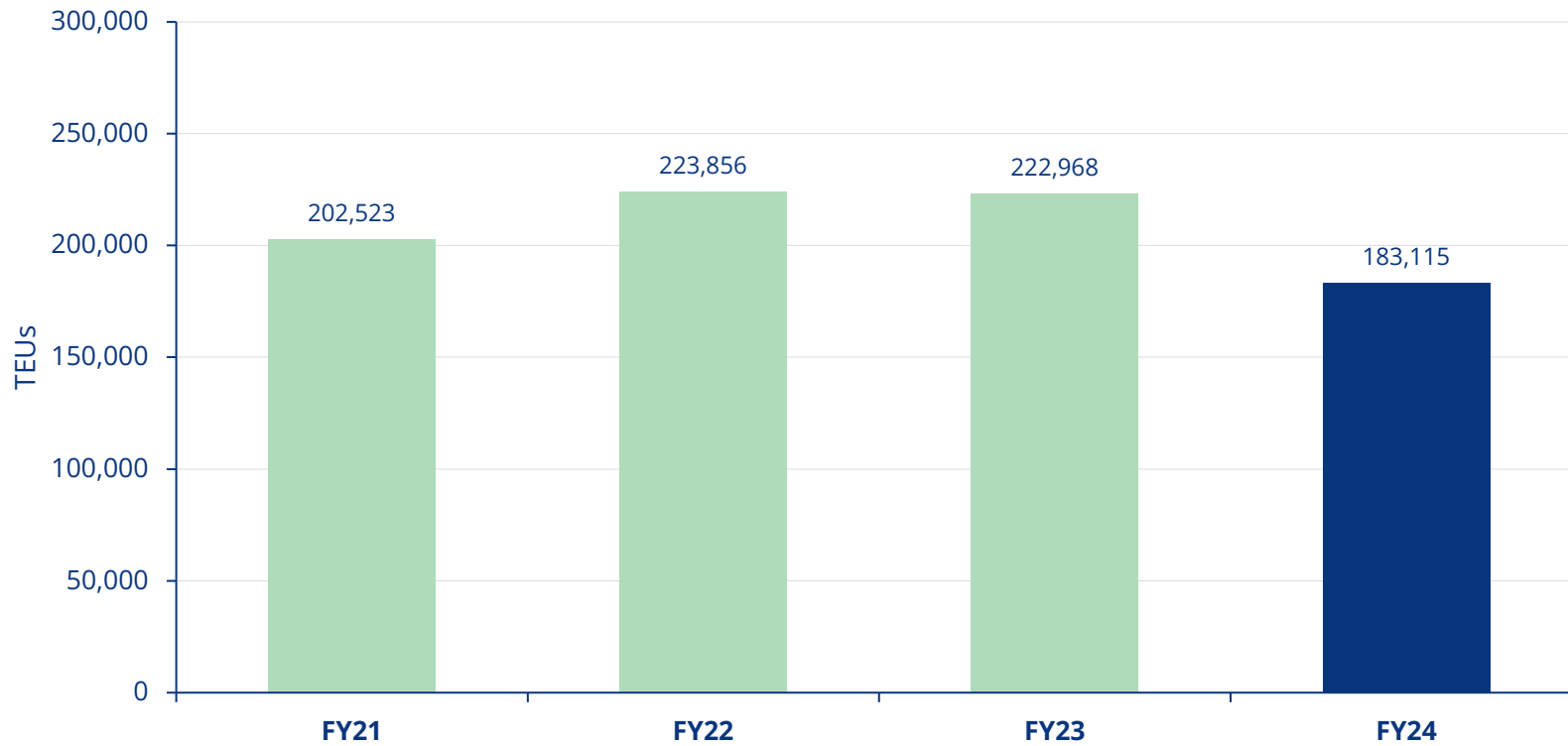


Coastal Connect service phased out February 2023

Import TEUs down 17.9%

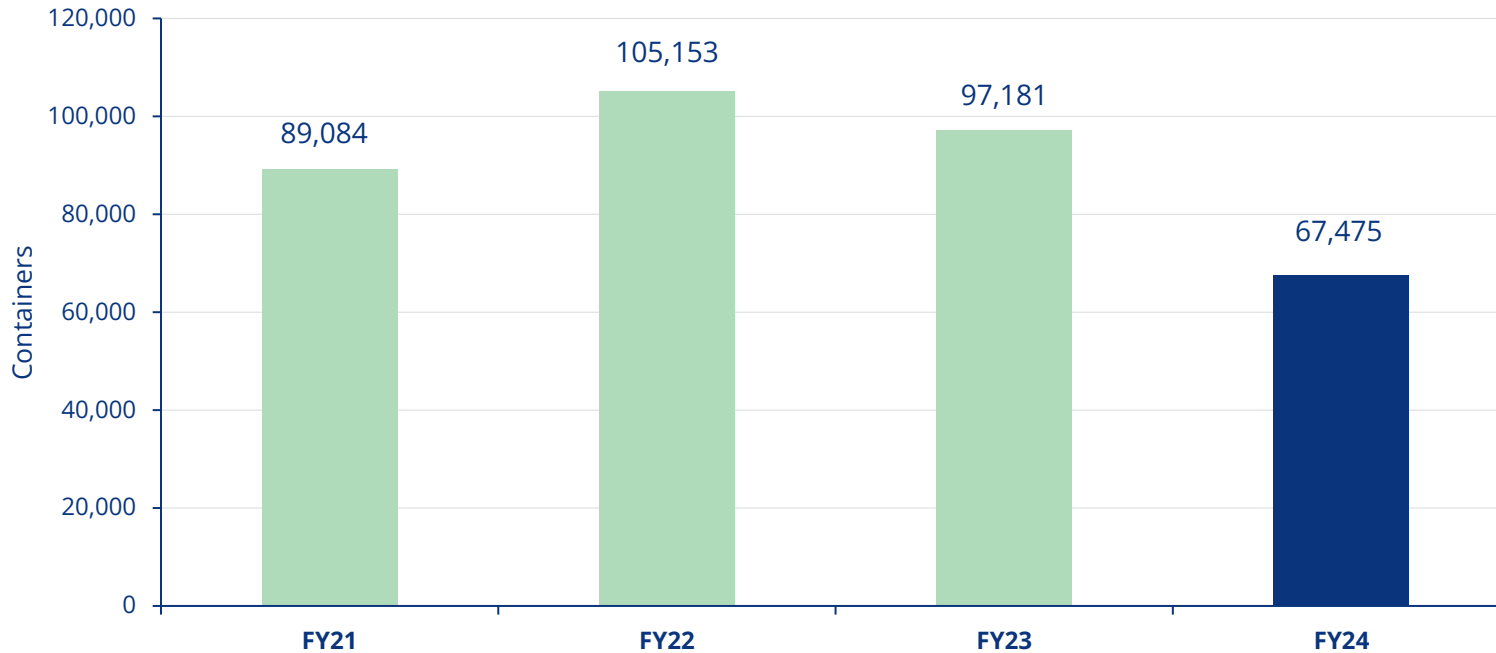
For the six months ended December 2023

Import TEUs
Six months ended December 2023



MetroPort containers down 30.6 %

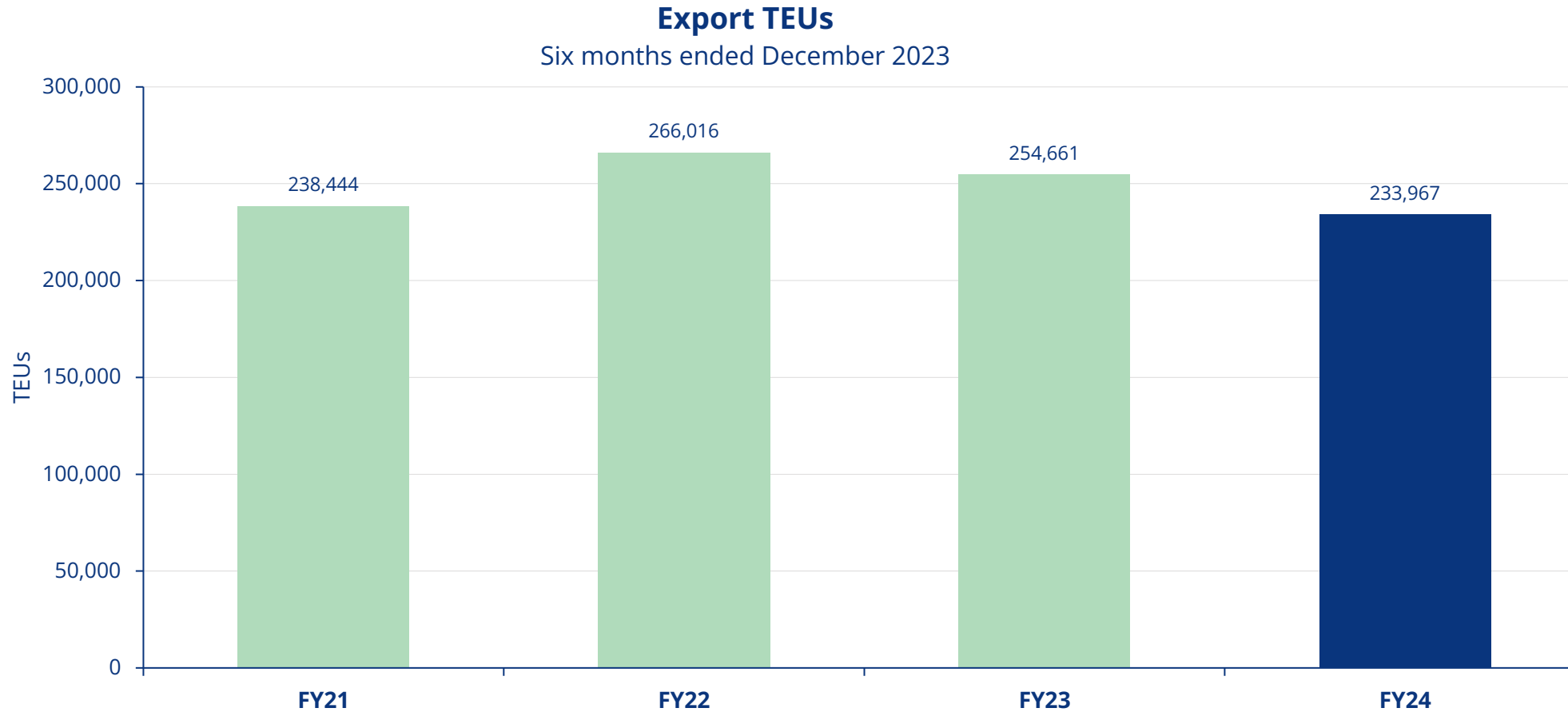
Total MetroPort containers
Six months ended December 2023



- Increased MetroPort rail cost from Q1 2023
- Reduced consumer demand, higher inventory levels in second half of 2023
- Current train programme 64 trains per week vs 92 PCP

Export TEUs down 8%

For the six months ended December 2023



Total kiwifruit volume down 16.6%

For the six months ended December 2023

Kiwifruit volume
Six months ended December 2023



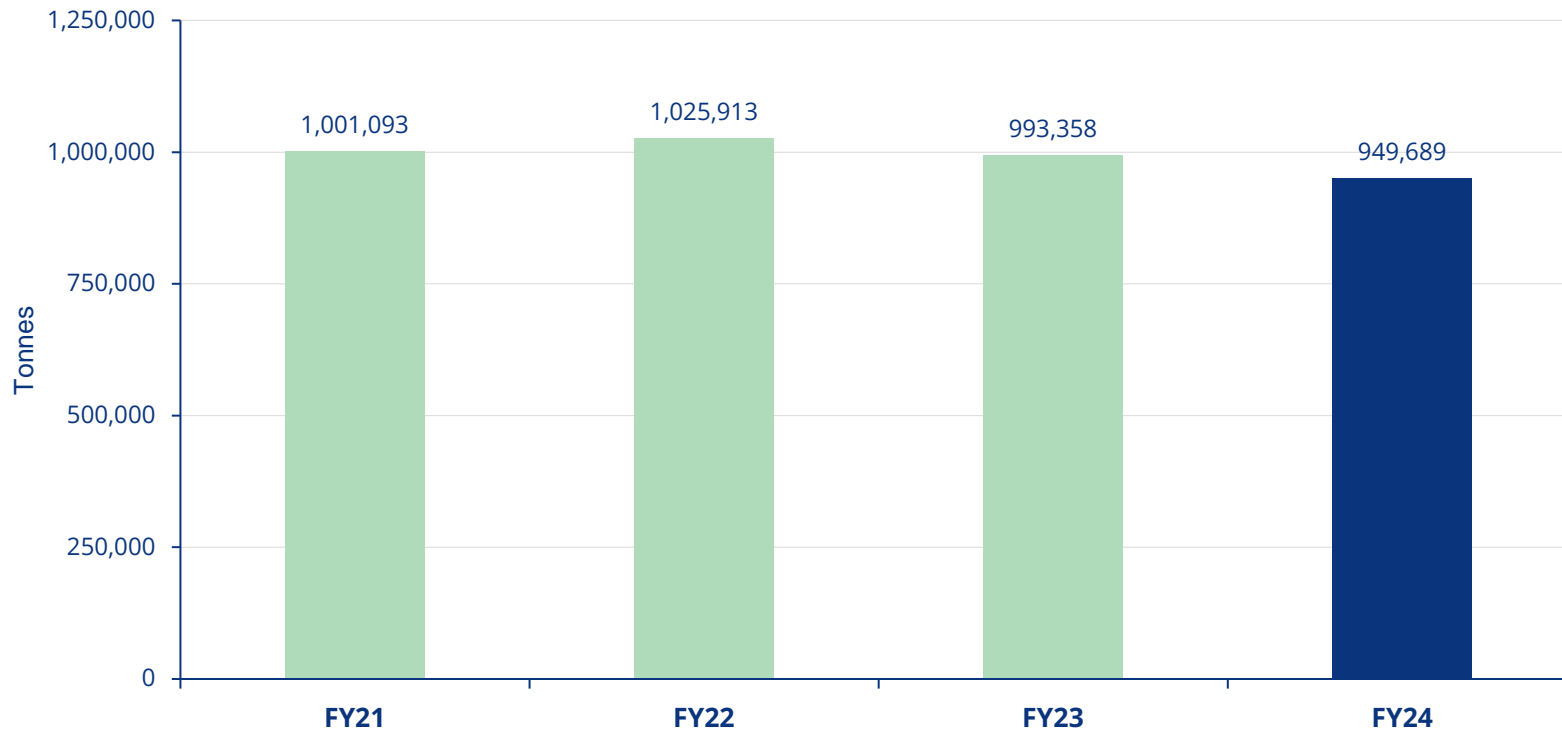
- Kiwifruit has experienced two difficult seasons (2022 fruit quality issues, 2023 low volumes).
- 2023 crop (135M trays) impacted by weather events (October 2022 and February 2023).
- Earliest finish to Kiwifruit season since impact of PSA.
- Greater use of conventional shipping 2022/2023 seasons.

Total direct dairy volume down 4.4%

For the six months ended December 2023

Direct export dairy volume

Six months ended December 2023

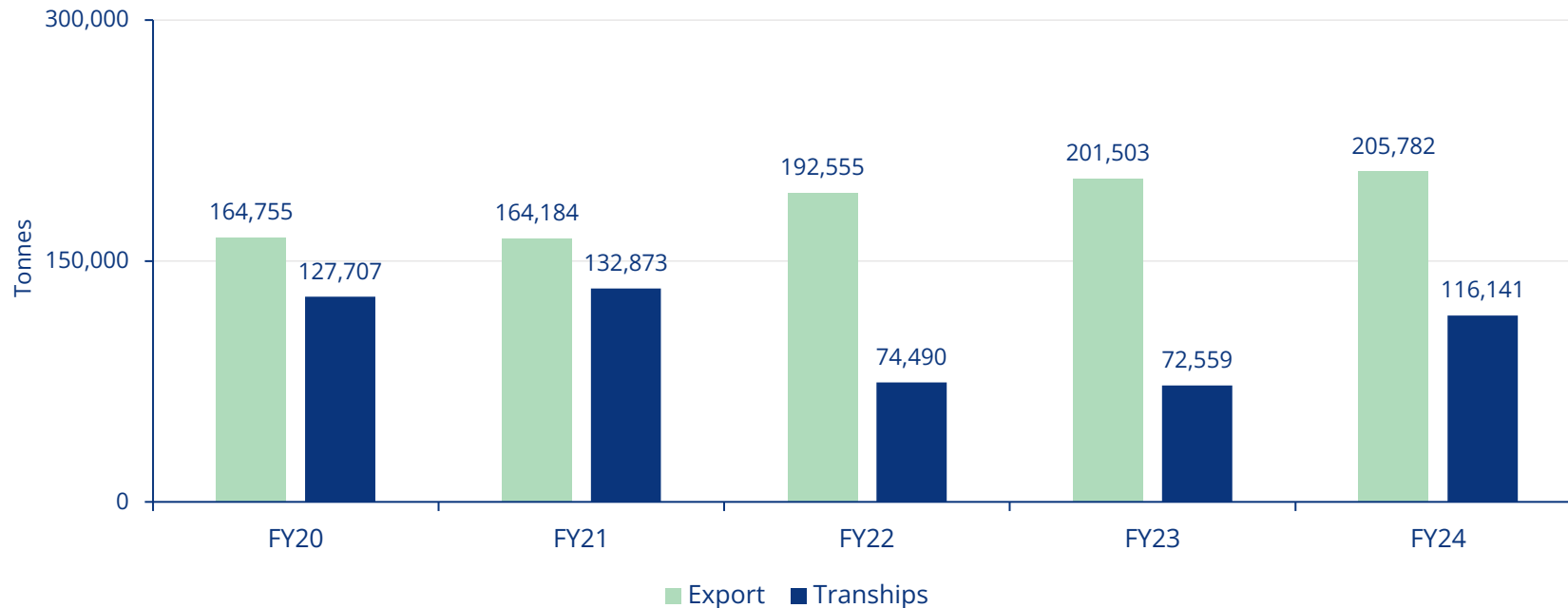


- Milk volumes continue to be in line with previous season, slightly down in the North Island, up in the South Island and product mix in line with last season.
- Lower inventory levels first quarter 24 reflecting return to shipping schedule stability vs PCP.

Meat volumes up 17.4 %

For the six months ended December 2023

Export and transhipment meat volume up 17.4%
Six months ended December 2023



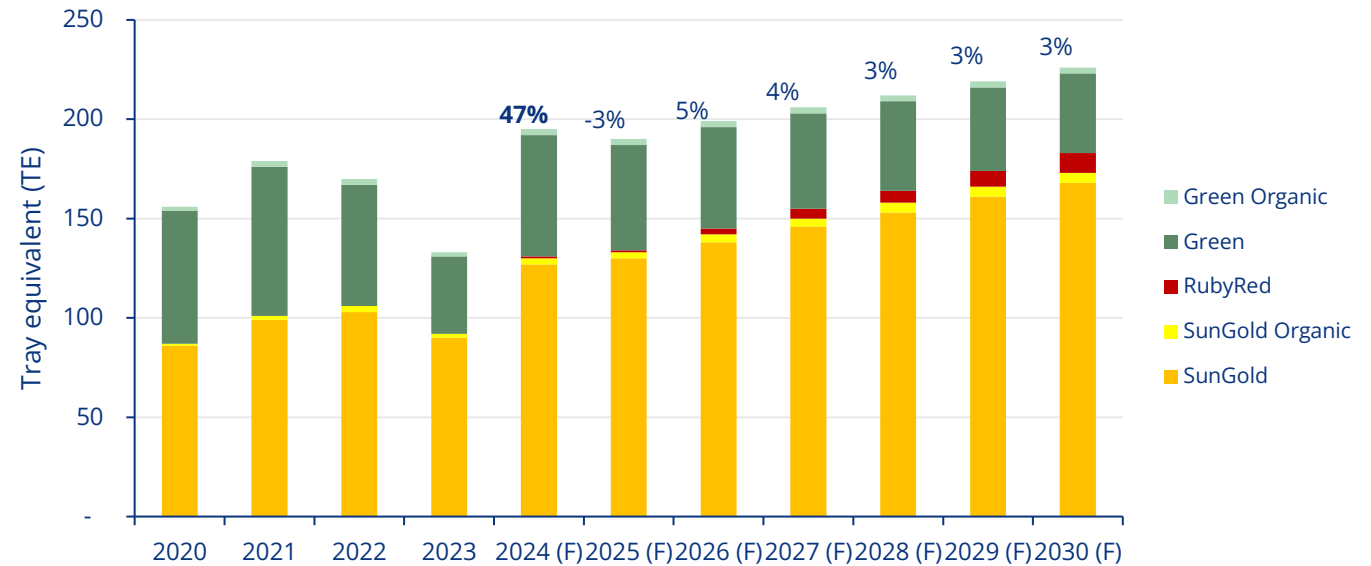
- Strong demand in US and Canada offsetting softer demand from China.
- South Island and Australian transhipment connecting US
- East /West coast services ex Tauranga.

Kiwifruit outlook

- The February 2024 crop estimate is a gross crop of 197 million tray equivalents – this will be a record crop packed.
- Significant increase on the 135 million trays packed in 2023.
- The return to volume in 2024 will be welcomed by the post-harvest industry after the low volume in 2023 has put significant financial pressure on this sector who had invested in infrastructure to cater for anticipated volume growth.
- The Zespri Board announced in December 2023 a licence release of 250 SunGold hectares and no hectares of Ruby Red for 2024.

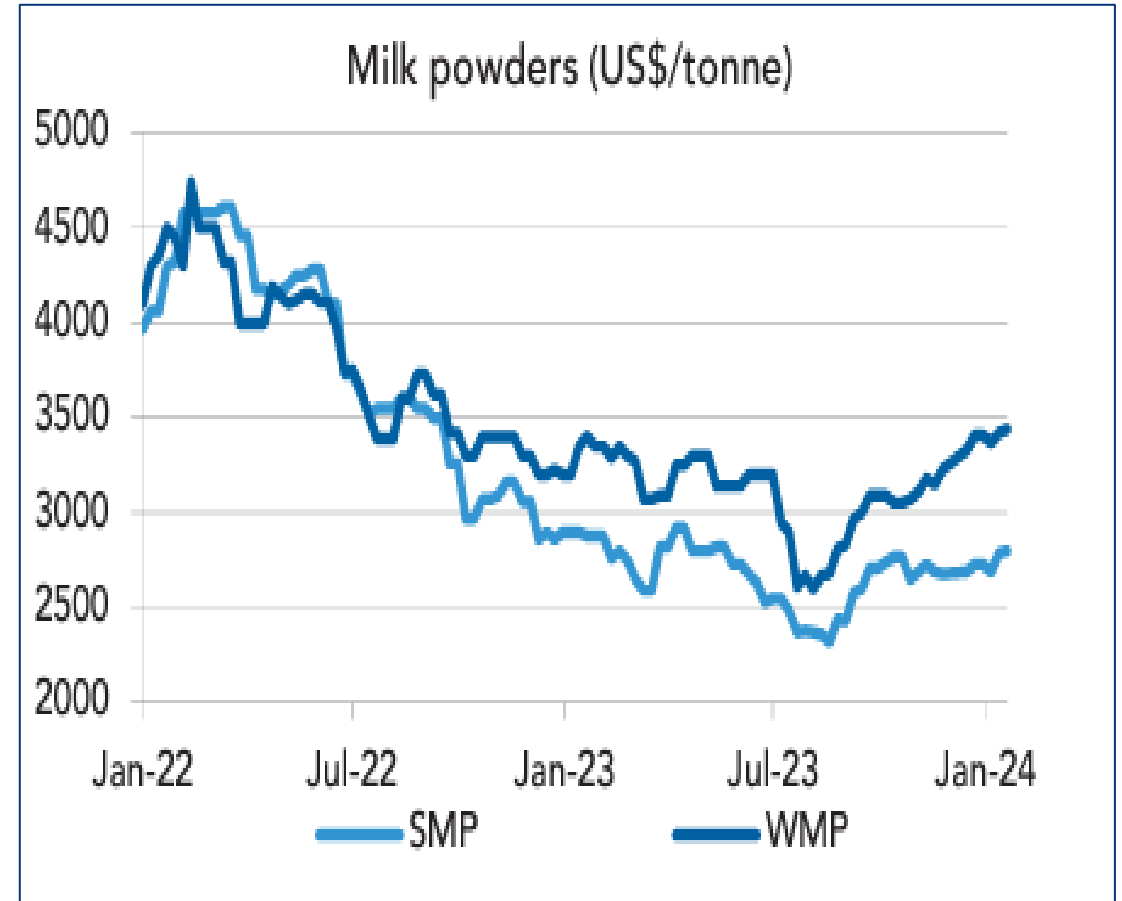


Kiwifruit export annual volume growth by variety
(2024 = February forecast)



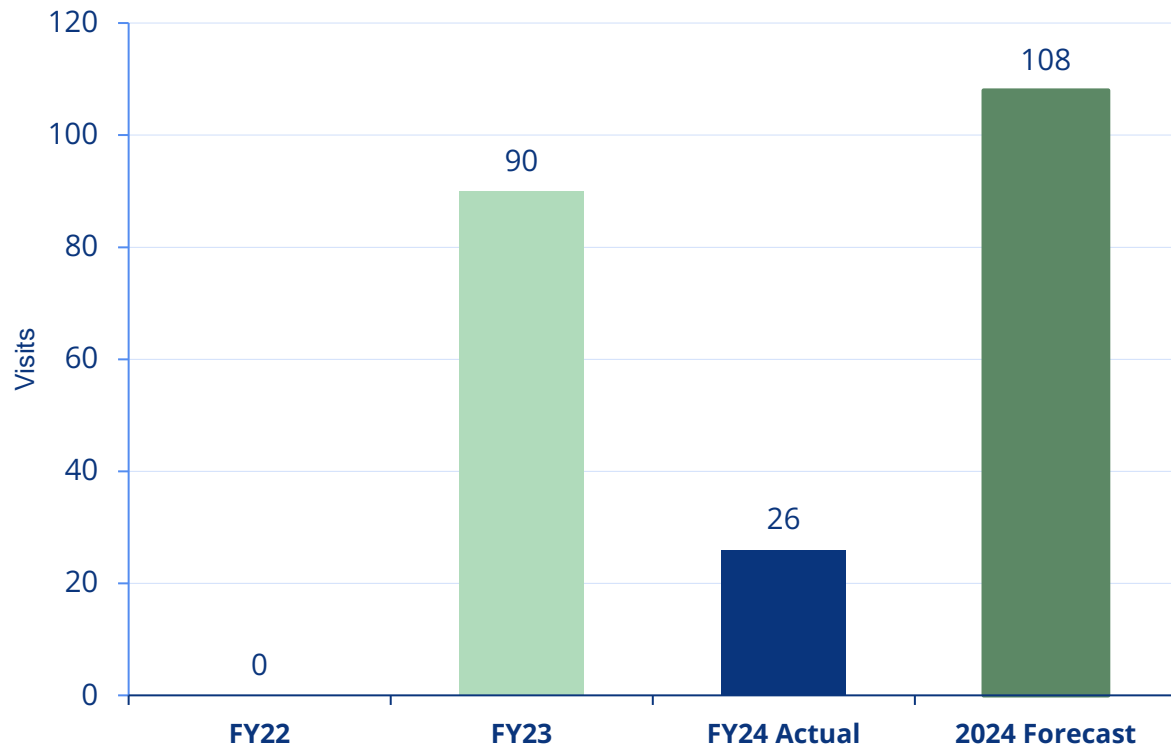
Dairy outlook

- Lift in demand primarily from the Middle East and South-East Asia has seen GDT prices up 10% over the last quarter, has offset reduced demand to China which is also impacting shipping profile.
- Forecast range for the season continues to climb from season opening \$6.62-\$7.27 per kg/ms up to \$7.30-\$8.30 per kg/ms.
- Flatter milk curve continues to provide opportunity to focus on value add/mix and innovation.



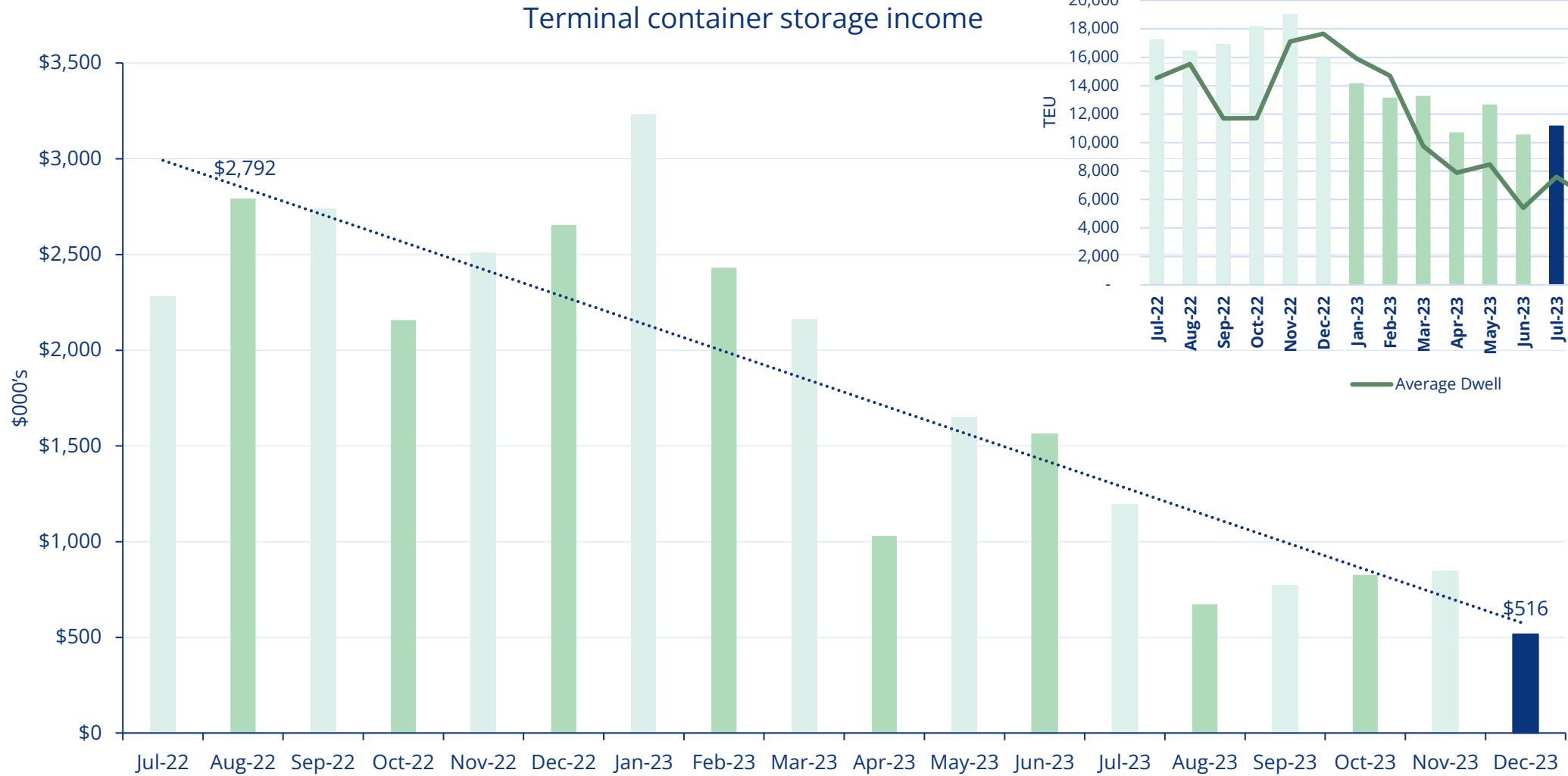
The return of cruise

Cruise vessel calls to December 2023



Container storage income

For six months ended December 2023



Our national network

By the numbers:

Port of Tauranga is New Zealand's international hub port. It operates the country's largest container terminal and handles around 42% of all shipping containers. Port of Tauranga handles 33% of all New Zealand cargo and 37% of all New Zealand exports¹.



Port of Tauranga



- KEY**
- State Highway 1
 - State Highway 2
 - Auckland-Hamilton-Tauranga rail connection
 - East Coast main trunk rail network

Port of Tauranga

1

Parent company

- New Zealand's largest port and international freight hub
- Container terminal, bulk/breakbulk cargo wharves and bunkering/bulk liquids facilities
- Extensive cargo storage and handling facilities
- Rail connections to Hamilton, Auckland and the central North Island
- Extensive road networks (State Highways 2 and 29) and coastal shipping connections.



1 2 3 5

- 50% ownership with Kotahi
- Freight logistics group incorporating Tapper Transport, Dairy Transport Logistics, Priority Logistics and MetroPack
 - Operates New Zealand's largest intermodal freight hub at Otahuhu in Auckland.



4

- 50% ownership with Marsden Maritime Holdings
- Deep water commercial port near Whangarei.



3

- Operated by parent company and KiwiRail
- Inland port in the heart of Auckland's commercial and industrial area, connected by rail to Tauranga and Hamilton
 - New Zealand's fourth largest container terminal.



2

- 50:50 joint venture with Tainui Group Holdings
- Inland port connected by rail to Tauranga and Auckland
 - Part of the Ruakura Superhub logistics and industrial precinct
 - Opened August 2023.

PORTCONNECT

1 3 4 6

- 50% ownership with Ports of Auckland
- Online cargo management system.



5

- Operated by Timaru Container Terminal
- Intermodal freight hub at Rolleston
 - Rail connections to Timaru Container Terminal and rest of South Island
 - New warehouse built for Coda Group.



5 6

- 100% ownership
- Direct links to Tauranga
 - Operates MetroPort Christchurch at Rolleston.



1 6

- 100% ownership
- Specialist cargo handling services company with operations at Tauranga and Timaru.

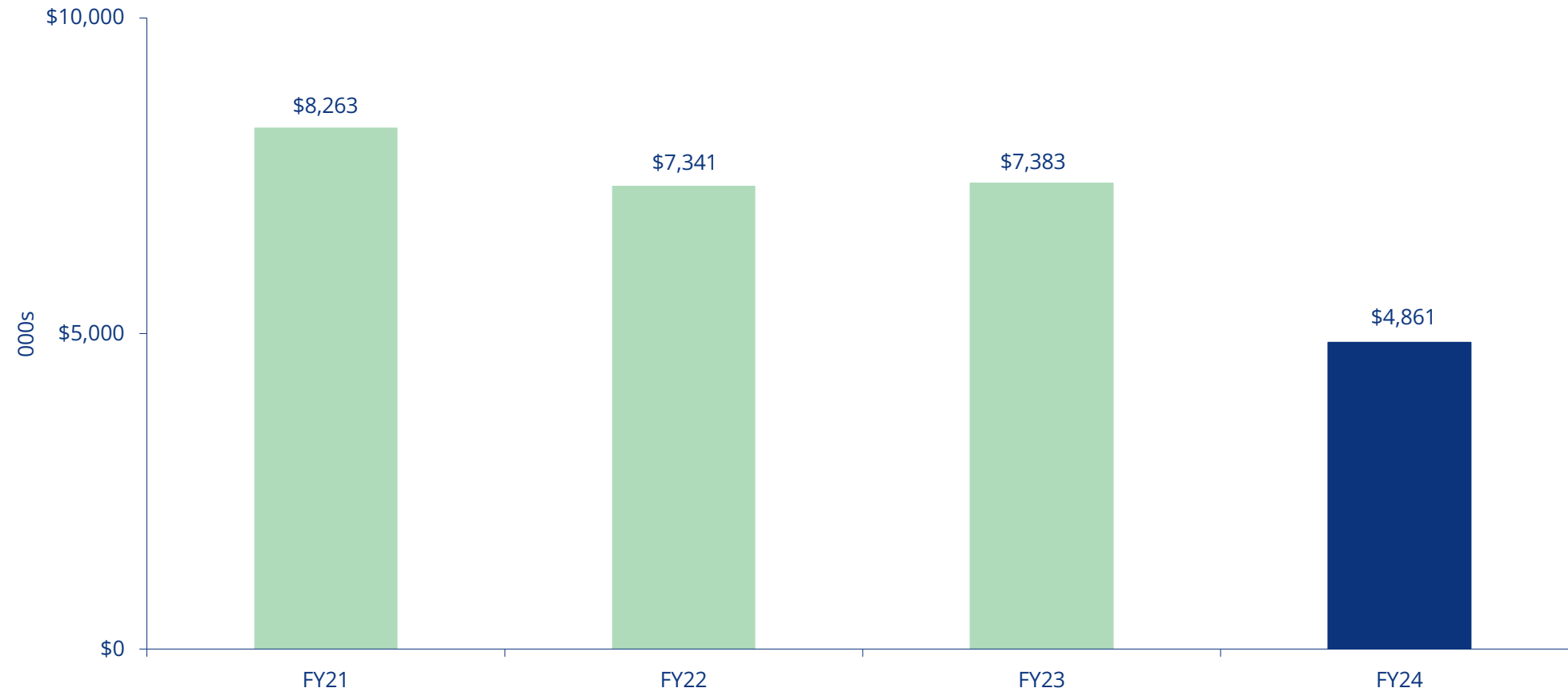


6

- 50% ownership with Timaru District Holdings
- Commercial port in Timaru
 - Bulk cargoes including major cement handling facility
 - New oil terminal.

Subsidiaries and associates net profit after tax down 34.2%

For six months ended December 2023





Northport

- Profit down 6.3% to \$3.673 million.
- Breakbulk volumes down 4.5% to 1.280 million tonnes.
- Log volumes down 4.5% to 0.916 million tonnes.
- Container volumes down 43.5% to 5,860 TEU.
- Strong contribution once again from NorthTugz.





- Profit down 47.6% to \$0.705 million.
- Bulk trade volumes down 15.6% to 0.801 million tonnes.
- Log volumes down 20.0% to 0.139 million tonnes.
- Vessel calls flat at 212 including five cruise vessels.
- Prudent capital management – have delayed their redevelopment of bulk berth.





- Reported an operating loss of - \$0.642 million vs \$0.492 million million profit in the prior corresponding period.
- Weakness in distribution centres and 3PL transport division.
- Currently going through a major restructure of its operations.
- Concentrating on simplifying and right sizing the business.
- Shutting down unprofitable operations and consolidating sites.



The logo for the Timaru Container Terminal features a stylized graphic of blue and green squares of varying sizes arranged in a grid-like pattern on the left. To the right of this graphic, the word "TIMARU" is written in a bold, green, sans-serif font, and the words "CONTAINER TERMINAL" are written below it in a blue, sans-serif font.

TIMARU CONTAINER TERMINAL

- Loss of $-\$0.295$ million compared to a loss of $-\$0.004$ million in the prior year.
- Container volumes up 1.2% to 37,393 TEU.
- TCTL forecast to have a stronger second half.





QUALITY
MARSHALLING

- Profit for the period was flat at \$1.575 million.
- QM being impacted by lower TEU volumes at Tauranga.
- QM should see a lift in reefer and generator income with stronger kiwifruit volumes in the second half.
- Positive contribution from Ruakura operations.





Ruakura

INLAND PORT

- Opened on 1 August 2023.
- Incurred a small loss of $-\$0.208$ million for the period.
- Forecast that the JV will be at break-even by year end as volumes ramp-up.
- Maersk cool store expected to be fully operational and in use by end of Quarter 1, 2024.
- 4,386 railed TEU through the site.



Berth extension resource consent - update

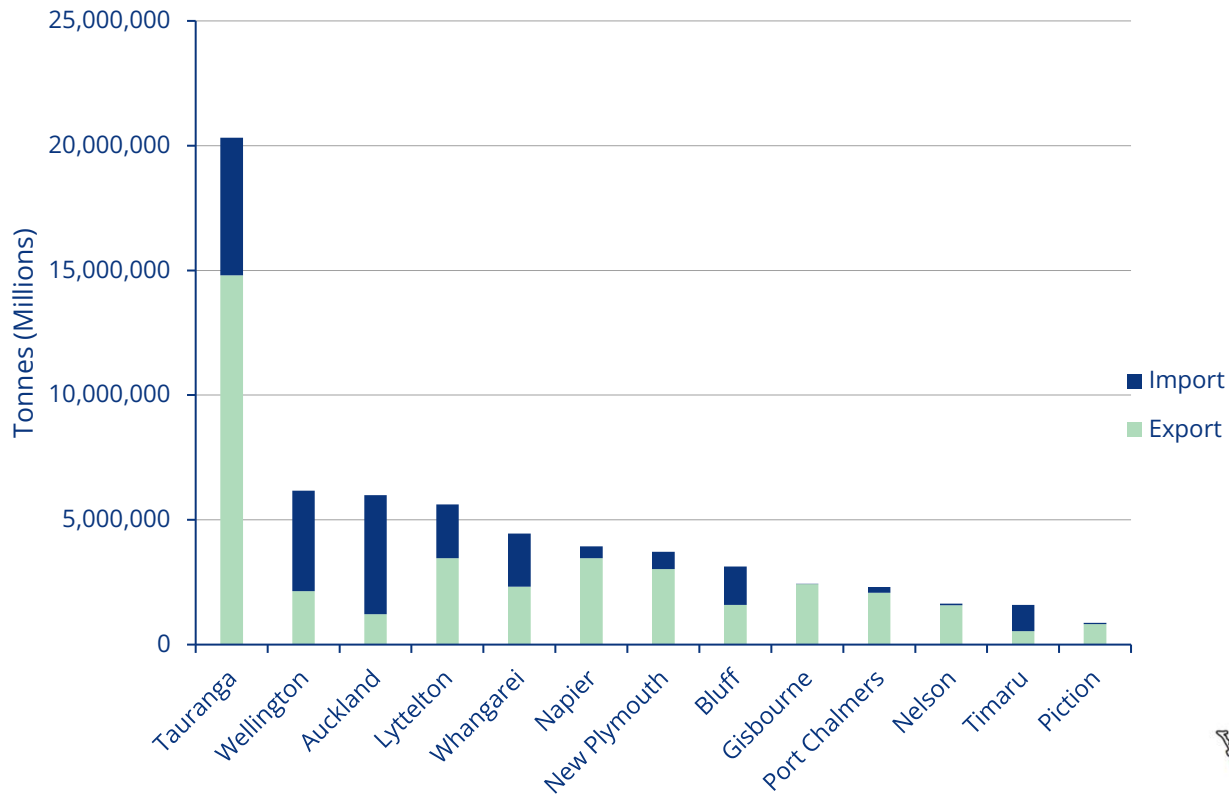
- Environment Court three-week hearing March 2023.
- Interim decision received 13 December 2023:-
 - Stage 1 Sulphur Point (285-meter berth extension) provisionally granted subject to further directions being addressed to the satisfaction of the Court 6-month time frame provided - (June 2024)
 - Final decision expected ~3 months following satisfaction of court directions (circa Q4 2024)
 - A decision on stage 2 (extension to Mount Maunganui wharves and second stage of Sulphur Point extension) is reserved pending further matters being addressed and a further hearing required.
- 2-year construction once consent obtained.
- All berth developments are within the current Port footprint.
- Unable to provide berth windows for new services due to berth capacity constraints.



Facilitating New Zealand's trade

Largest port both volume and value

Total New Zealand tonnes by port FY2023

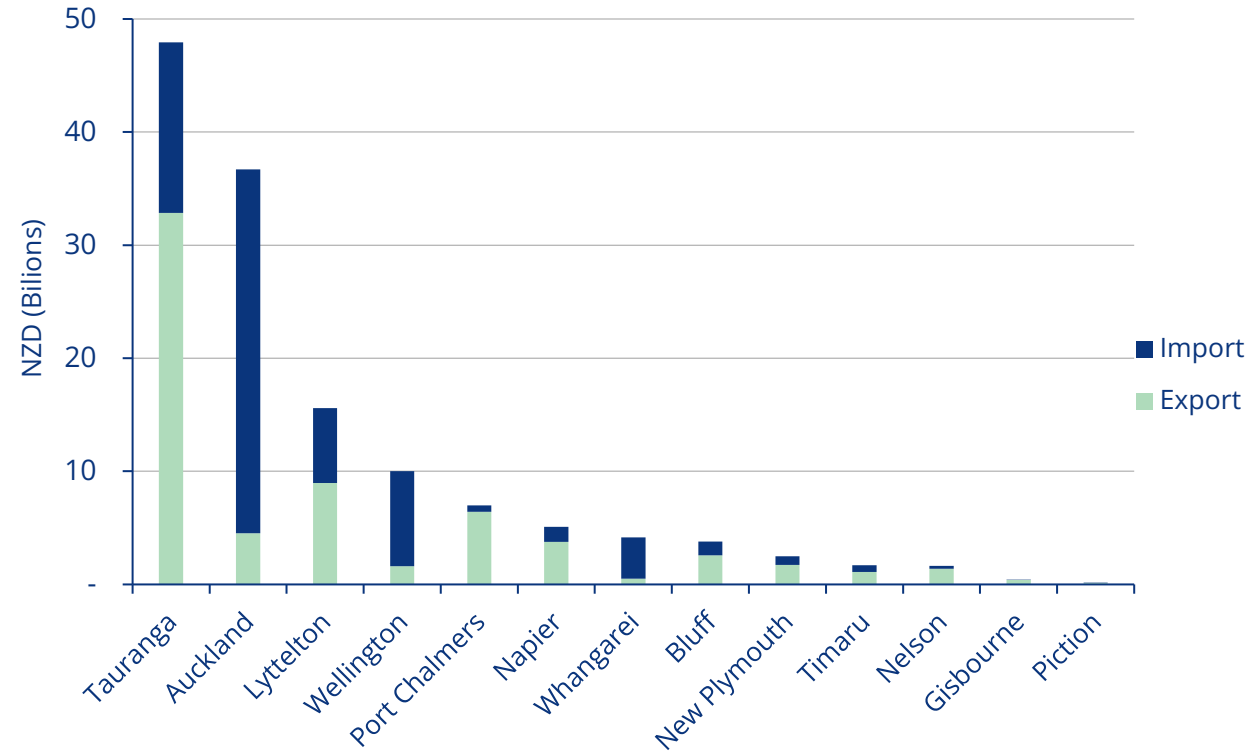


24% of New Zealand imports (tonnes)

38% of New Zealand exports (tonnes)

33% of New Zealand's total trade (tonnes)

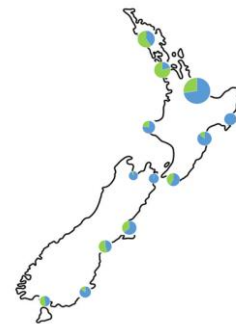
Total New Zealand cargo value by port FY2023



21% of New Zealand imports by value

50% of New Zealand exports by value

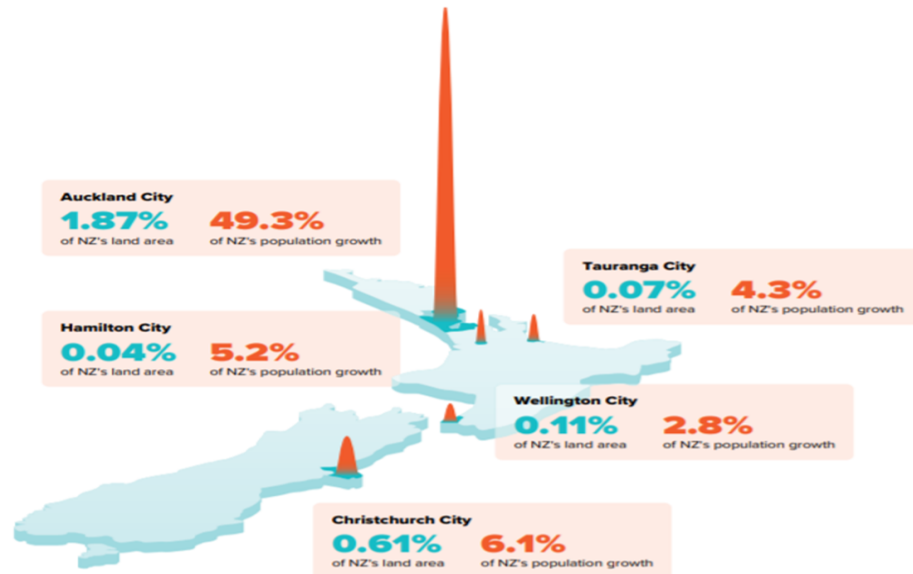
35% New Zealand's total trade by value



Source: STATS NZ
12 months to June 2023

Demographics – driving future growth

GROWTH CENTRES IN NEW ZEALAND OVER 2 DECADES



Massey University | massey.ac.nz | 0800 MASSEY

VERY DIFFERENT REGIONAL STORIES

1. Auckland will grow by **500,000 to 700,000** over the next two decades and ultimately be home to **40%** of all New Zealanders
2. Hamilton and Tauranga will grow rapidly with overspill from Auckland, Christchurch will continue to grow while Wellington's growth will slow
3. Smaller centres will struggle to retain essential services and younger residents – and there will be population stagnation for some and decline for others



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Paul Spoonley
Distinguished Professor Emeritus/Co-Director, He Whenua Taurikura
BOPRC Spatial Planning Awareness Week
November 2023

Future upper North Island supply chain



Northport

- Bulk and containerised imports for Auckland (e.g. cars)
- Bulk exports ex Northland and Auckland

Ports of Auckland

- Containerised imports for Auckland
- Cruise

Port of Tauranga

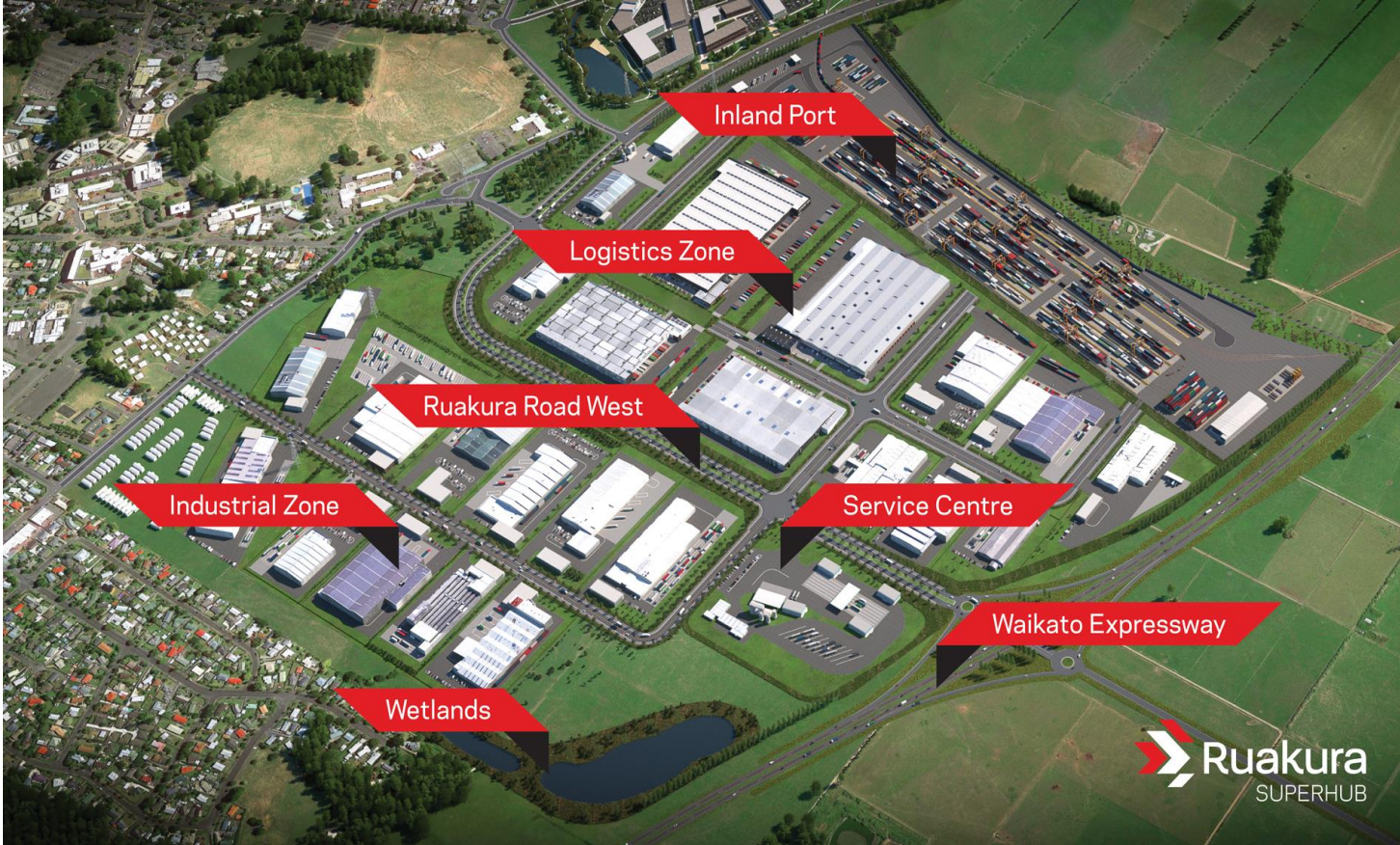
- Big ship services
- Containerised exports (all NZ)
- Bulk exports ex Waikato/BOP/Central NI (e.g. kiwifruit, logs)
- Bulk and containerised imports for Waikato/BOP (e.g. fertiliser, gypsum).



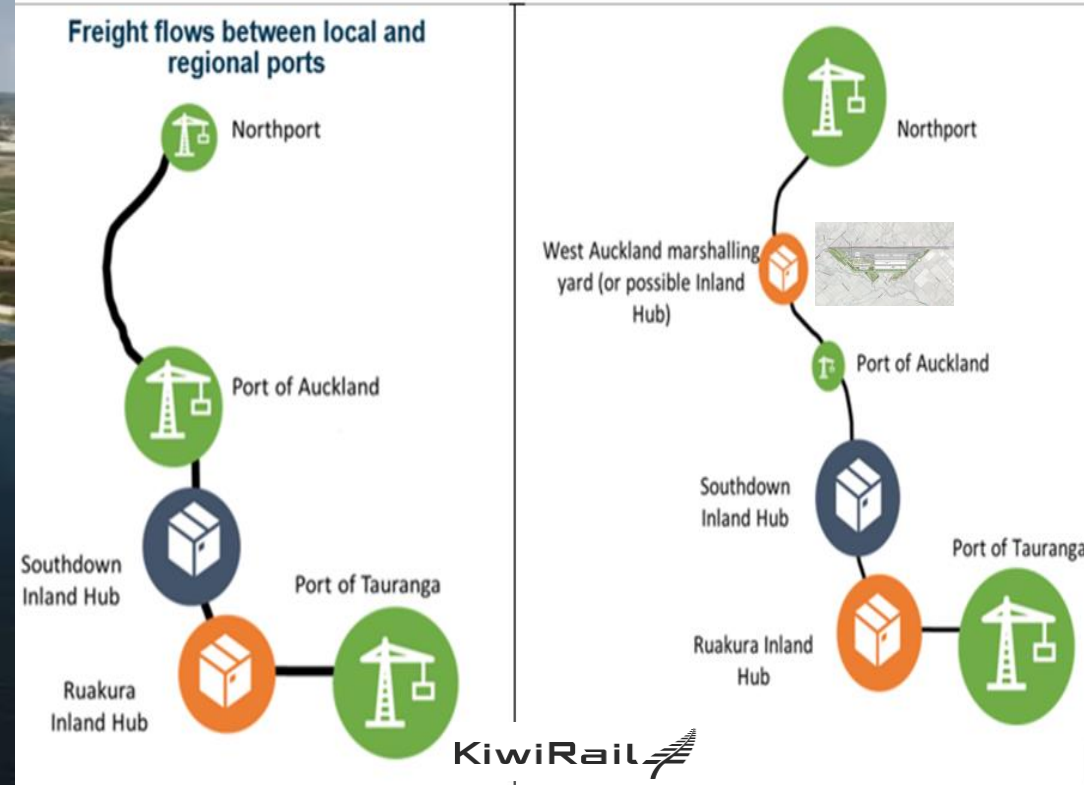
Port of Tauranga – Terminal development



Ruakura Inland Port



Northport – Vision for Growth



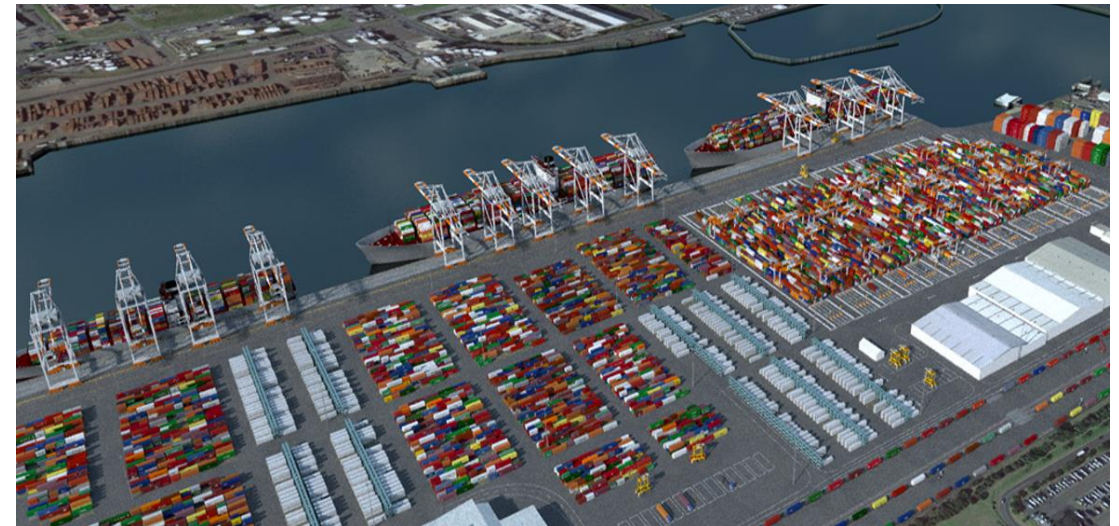
Northport holds an existing consent for 270-metre berth extension.

Currently applying for future consent for container terminal development and reclamation.

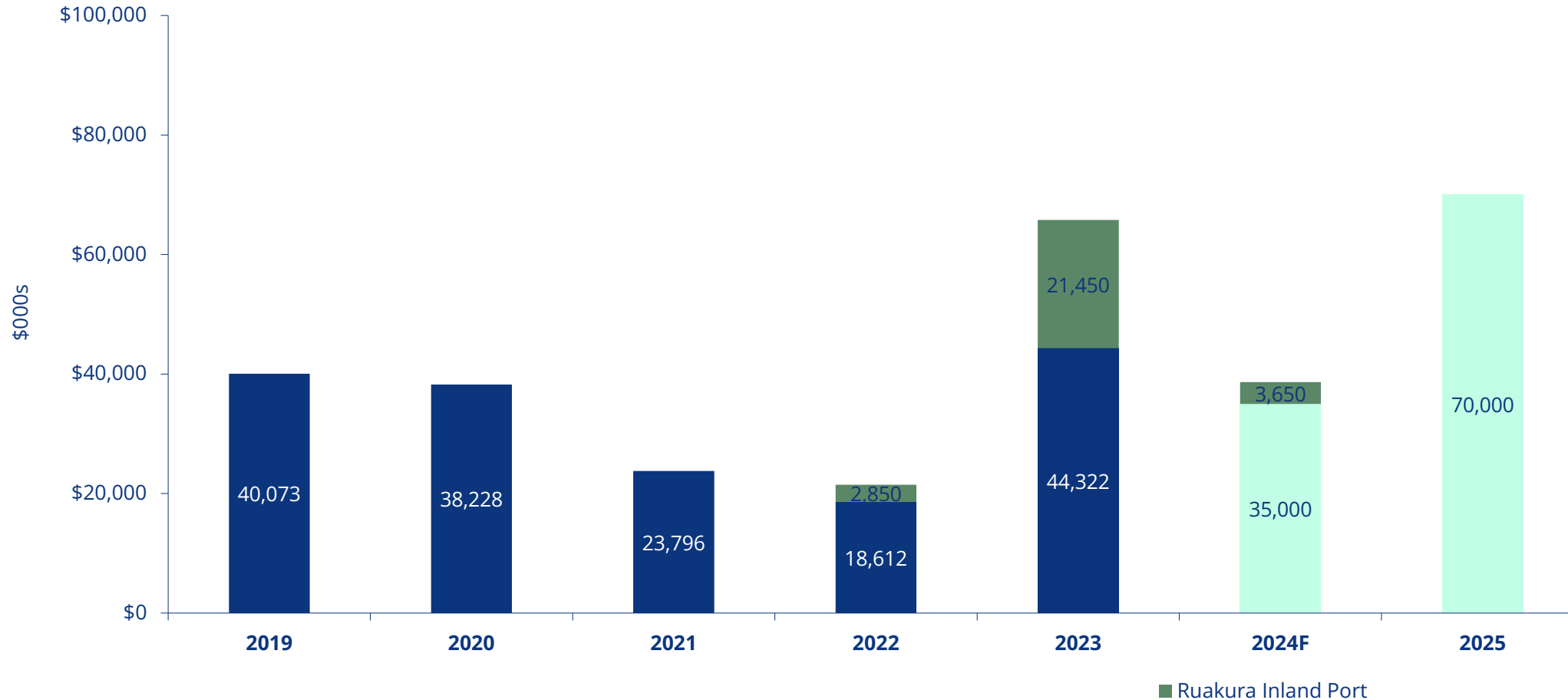
Marsden rail spur crucial to port development KiwiRail in process of detailed design.

Terminal automation project

- Introduction of new electric Auto Stacking Cranes (ASC).
- Down to shortlist of two potential vendors.
- Detailed vendor evaluation and discussions nearing completion.
- Expect to select provider mid 2024.
- Deployment linked to timing of berth extension.
- ~75% reduction in emissions relative to straddle operation.
- Staged bolt-on introduction relative to volume growth requirements.



Parent capital expenditure 2019 - 2025





Outlook 2024

- Domestic consumption remains volatile impacting import demand.
- Windthrown logs expected taper off second quarter 2024 full year forecast ~6.6M JAS.
- Record kiwifruit season forecast -193M trays.
- FY24 earnings guidance remains unchanged at \$95 -\$107 million.
- Service delivery and cost control remain focus with prudent capital management.
- Expect improved trading conditions in second half.
- Port of Tauranga remains well placed to weather economic challenges.