

**NAPIER**<sup>o</sup>  
**PORT**  
*Te Herenga Waka o Ahuriri*

**INVESTOR PRESENTATION**  
**19 NOVEMBER**

**2024**  
**ANNUAL RESULTS**



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# PRESENTING TODAY

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**BLAIR O'KEEFFE**

CHAIR

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**TODD DAWSON**

CHIEF EXECUTIVE

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**KRISTEN LIE**

CHIEF FINANCIAL OFFICER

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## WELCOME AND INTRODUCTION

BLAIR O'KEEFFE, CHAIR

Region and volumes recovering post-Cyclone

Positive financial results achieving new milestones

Fundamentals are strong – diverse and resilient cargo base, infrastructure and capability in place, and track record of operational delivery and resilience

Confidence in volume and earnings growth momentum



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# FY2024 OVERVIEW

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## VOLUME GROWTH ACROSS ALL TRADES

### TRADE OVERVIEW FY2024

Volume	FY2024	FY2023	Variance	
			kT / TEU / calls	%
Total cargo (kT)	4,987	4,614	+373	+8.1
Containerised cargo (TEU)	230,000	222,000	+8,000	+3.4
Bulk cargo (kT)	3,472	3,184	+288	+9.0
- Logs exports (kT)	2,866	2,524	+342	+13.5
Cruise vessels (calls)	89	64	+25	+39.1

- Volumes higher on continued regional recovery following Cyclone Gabrielle in the prior year
- Strong reefer container rebound following positive growing season
- Pan Pac (pulp and timber) recovery on course for normal operations in 1H FY25
- Solid log export volumes, supported by CNI wind-throw and unprocessed Pan Pac logs
- WPI (pulp and timber) closure confirmed September 2024
- Record season for cruise visits and passenger numbers

# STRONG EARNINGS GROWTH DRIVEN BY VOLUME GROWTH AND YIELD

## FINANCIAL RESULTS OVERVIEW

	FY2024 \$M	FY2023 \$M	Variance	
			\$M	%
Revenue	141.4	122.0	+19.4	+15.9
Result from operating activities	52.0	37.2	+14.8	+39.5
Net profit after tax – underlying <sup>1</sup>	20.7	10.7	+10.0	+94.6
Cash flow from operations – underlying <sup>1</sup>	47.0	36.4	+10.6	+29.0

- Strong revenue and earnings growth
  - Continuing to demonstrate operational flexibility with cost and capital discipline
  - ARPU<sup>2</sup> growth across all key service areas – reflects continued focus on yield and positioning for volume driven earnings growth
- Positive operating leverage demonstrated in earnings and cashflow results
- Financial resilience in diversity of trades

1- Refer to appendices for reconciliations of underlying metrics

2- ARPU – Average Revenue Per Unit

# INFRASTRUCTURE CAPABILITY AND OPERATIONAL FLEXIBILITY

## DRIVING A DYNAMIC PORT ENVIRONMENT FOR CUSTOMERS

Responsive and adaptable 'whole of port' planning

- Re-allocating land and wharves for different cargoes
- Redeploying assets and resources to meet customer demand

Infrastructure investments underpin capability

- Te Whiti 6 Wharf capacity
- Log debarker - high demand and growing throughput
- Additional pavement works increasing storage options for new cargoes





# STRATEGIES FOR FUTURE GROWTH

## Building back cargo

- Volumes returning in key cargoes
- Confidence in hort sector, Pan Pac

## Extending reach with supply chain solutions

- Viewpoint supply chain
- Increasing collaboration with Kiwirail

## Reshaping service delivery model

- Increasing flexibility and customer responsiveness
- Long-term sustainability

## Maintaining cost discipline and building returns

- Continued focus on managing costs
- Targeting WACC-like return in the medium term



## SUSTAINABILITY PROGRESS

### PROGRESSING OUR STRATEGY & PLAN CONTINUES

- Continuous progress on UN SDG-aligned strategy and 100-point action plan adopted in 2021:
  - 79% of initiatives ongoing and embedded in BAU
  - Diverse workstreams across People, Plant, Prosperity, Partnership pillars
  - Environmental Management System (EMS) implemented - Toitū bronze certification achieved



A large container ship is docked at a port, surrounded by stacks of colorful shipping containers. Three large cranes are positioned on the ship, and the background shows a body of water and distant mountains under a sunset sky. The text "FINANCIAL & OPERATING PERFORMANCE" is overlaid in white on a dark horizontal bar at the bottom of the image.

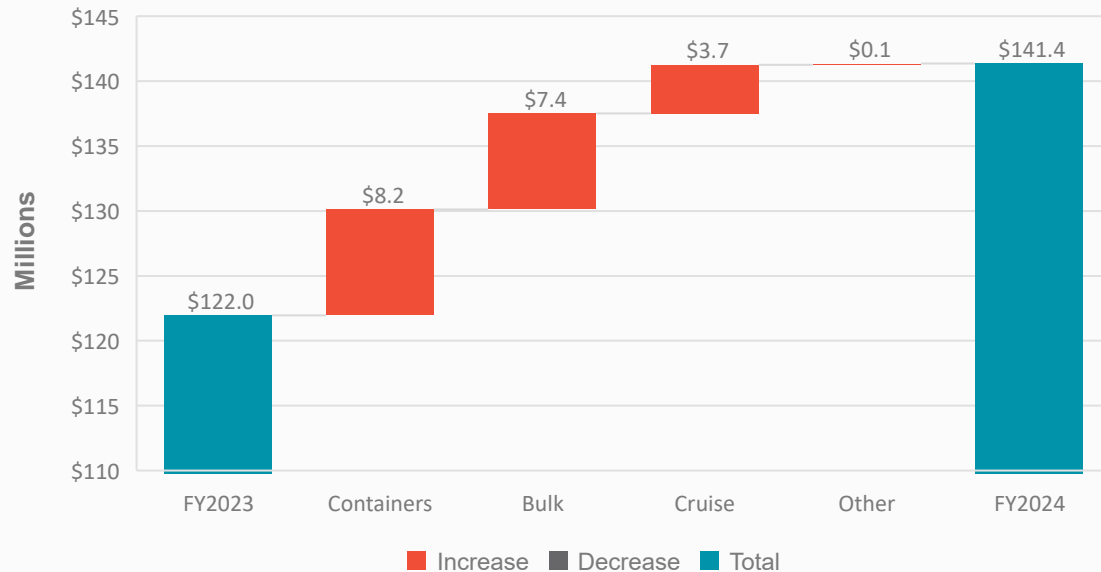
**FINANCIAL & OPERATING PERFORMANCE**

# REVENUE GROWTH ACROSS ALL KEY AREAS

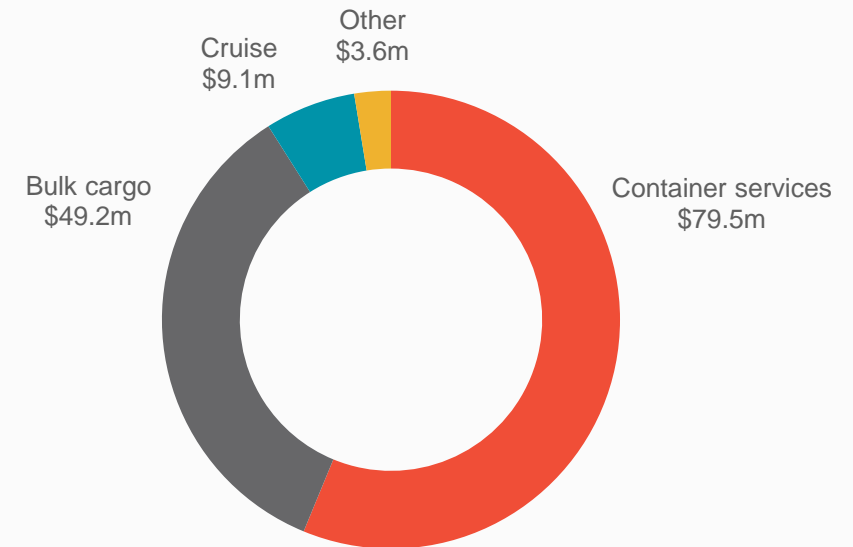
## SIGNIFICANT 15.9% TOTAL INCREASE

- 15.9% year-on-year (YoY) increase in total revenue by \$19.4m to a new high of \$141.4m
  - Container services increased \$8.2m (11.4%) to \$79.5m
  - Bulk cargo revenue increased \$7.4m (17.7%) to \$49.2m
  - Cruise increased \$3.7m (70.4%) to \$9.1m

FY2024 REVENUE PROGRESSION



FY2024 REVENUE COMPOSITION

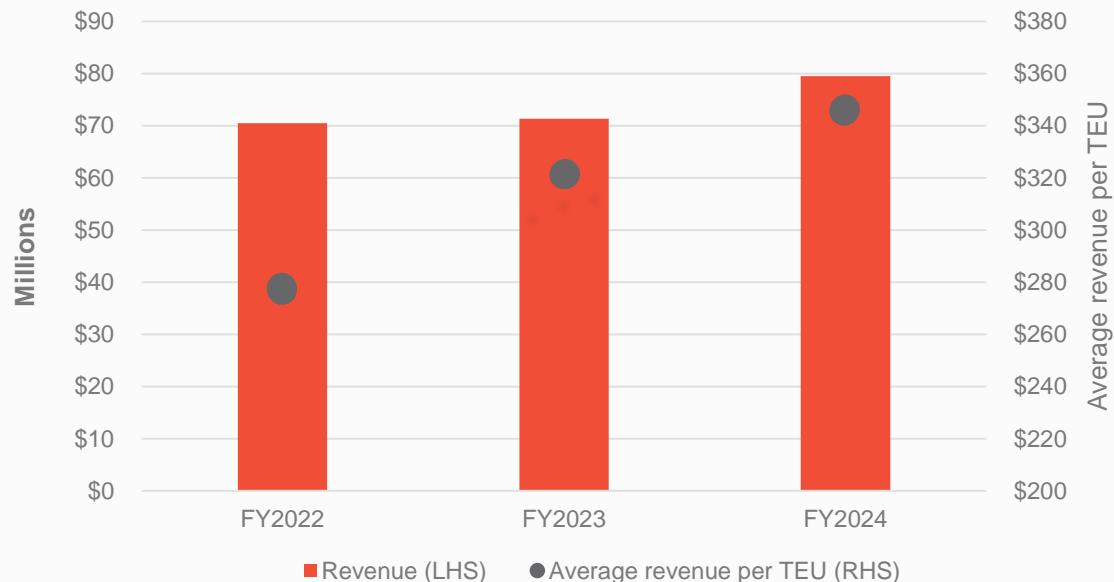


## CONTAINER SERVICES REVENUE GROWTH

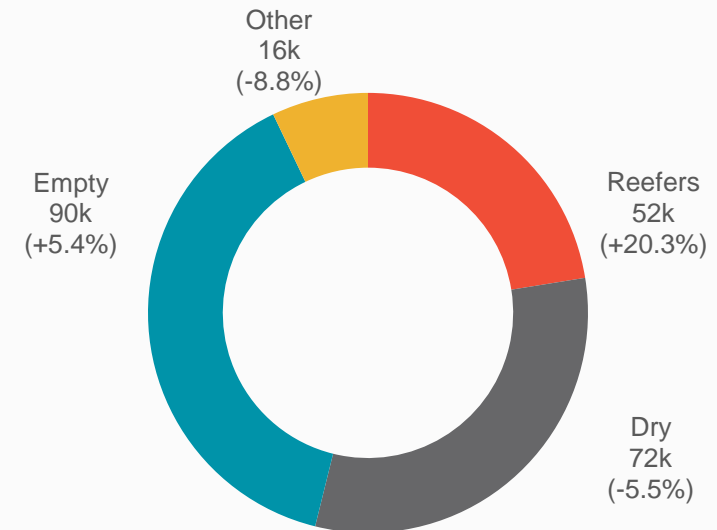
### 11.4% INCREASE ON RECOVERING VOLUME AND YIELD GAINS

- Container services revenue increased \$8.2m (11.4%) to \$79.5m YoY
- Total TEU volume increased 8,000 (+3.4%)
  - Strong rebound in refrigerated and chilled – Reefers up 9,000 TEU
  - Dry TEUs down 4,000 – pulp & timber and canned and other F&B
  - Empties up 5,000 TEU, and tranships & DLRs down 2,000 TEU
- Average revenue per TEU increased 7.8% to \$346 per TEU from \$321 per TEU
  - Container mix (higher proportion of reefers), tariff increases, and increased container depot contribution

CONTAINER SERVICES REVENUE AND ARPU



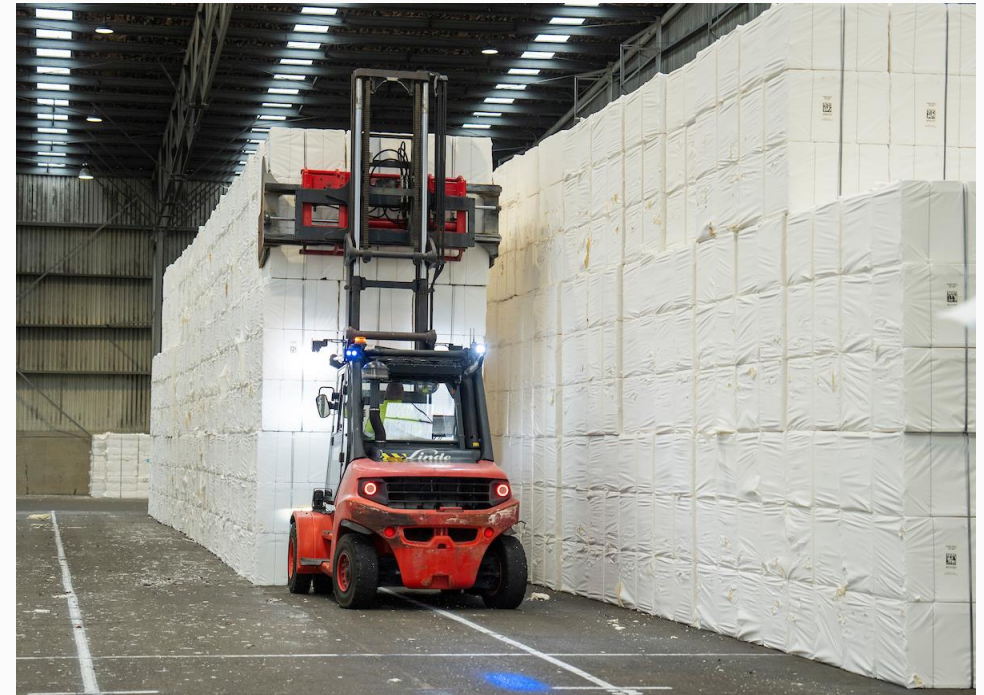
FY2024 TEUs (VERSUS FY2023)



## TIMBER AND PULP UPDATE

### WPI EXIT AND PAN PAC RECOVERY

- WPI closure late FY2024 – exported 18k TEU of containerised timber and pulp in FY2024
  - Increased supply of logs for export available
- Pan Pac
  - Timber mill back at normal available capacity following return in 2H FY2024
  - Pulp production building with targeted return to normal operations from December
- Expect similar total pulp and timber TEU volume in FY2025

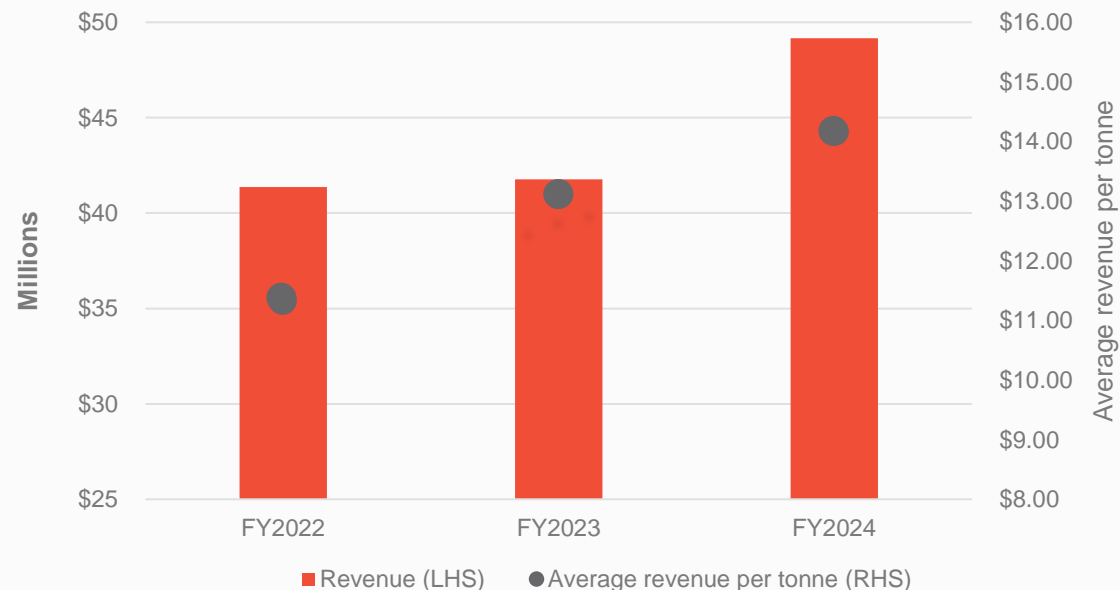


# LOG EXPORTS DRIVING BULK CARGO REVENUE GROWTH

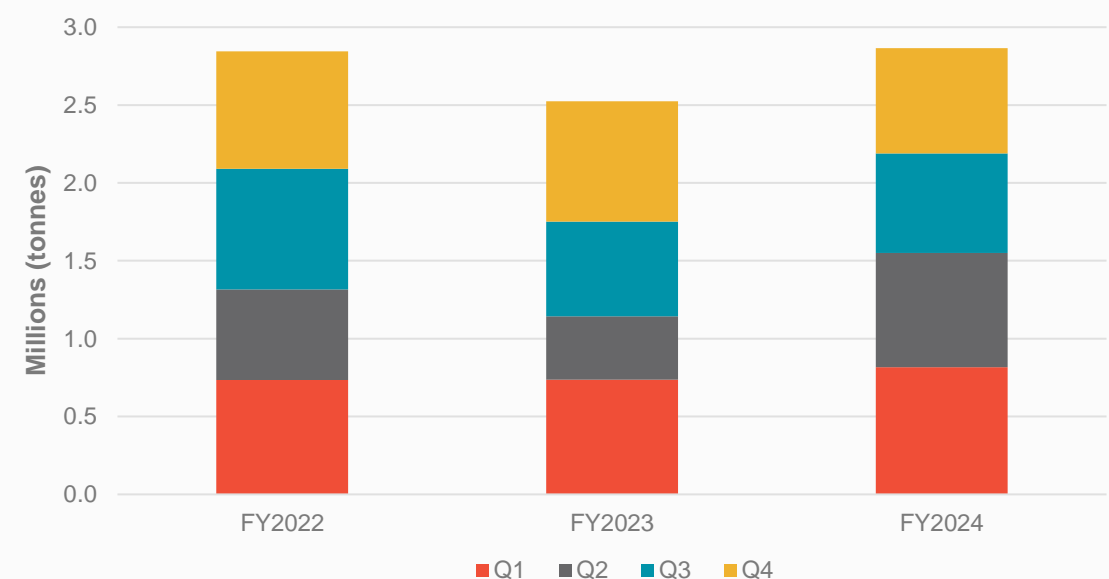
## POSITIVE LOG SUPPLY-SIDE FACTORS

- Bulk cargo revenue increased \$7.4m (17.7%) to \$49.2m YoY
- Total volume increased by 0.29 million tonnes (+9%) to 3.47 million tonnes
  - Export log exports increased by 0.34 million tonnes (+13.5%) to 2.87 million tonnes
  - Including CNI windthrown and redirected Pan Pac log volume of approx. 0.4 million tonnes (+0.3mT YoY)
- Bulk cargo average revenue per tonne increased 8% to \$14.16/T from \$13.11/T
  - Mainly cargo mix and rate increases, increased contribution from log debarking, partially offset by fewer vessels (with higher average tonnes)

**BULK CARGO REVENUE AND ARPU**



**LOG EXPORT VOLUME**

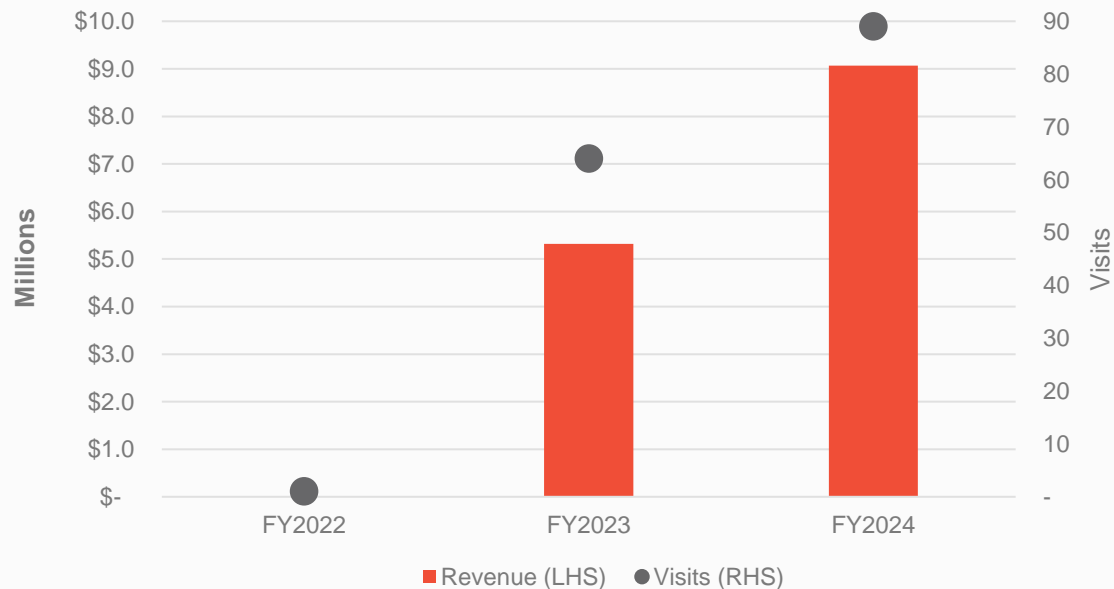


# BUMPER CRUISE SEASON POSITIVE FOR REGION

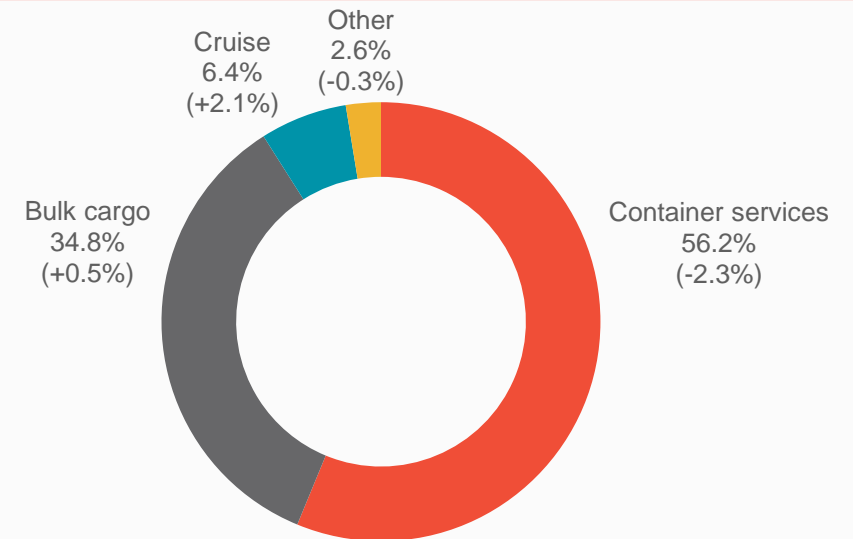
## CRUISE REVENUE NOW 6.4% OF TOTAL

- Cruise revenue increased \$3.7m (70.4%) to \$9.1m YoY
- Vessel visits increased from 64 to 89, with more than 138,000 passengers visiting the region
- Currently 85 vessels booked for FY2025 season
  - On average – smaller vessels with fewer passengers

CRUISE REVENUE AND VISITS



FY2024 REVENUE COMPOSITION (VERSUS FY2023)

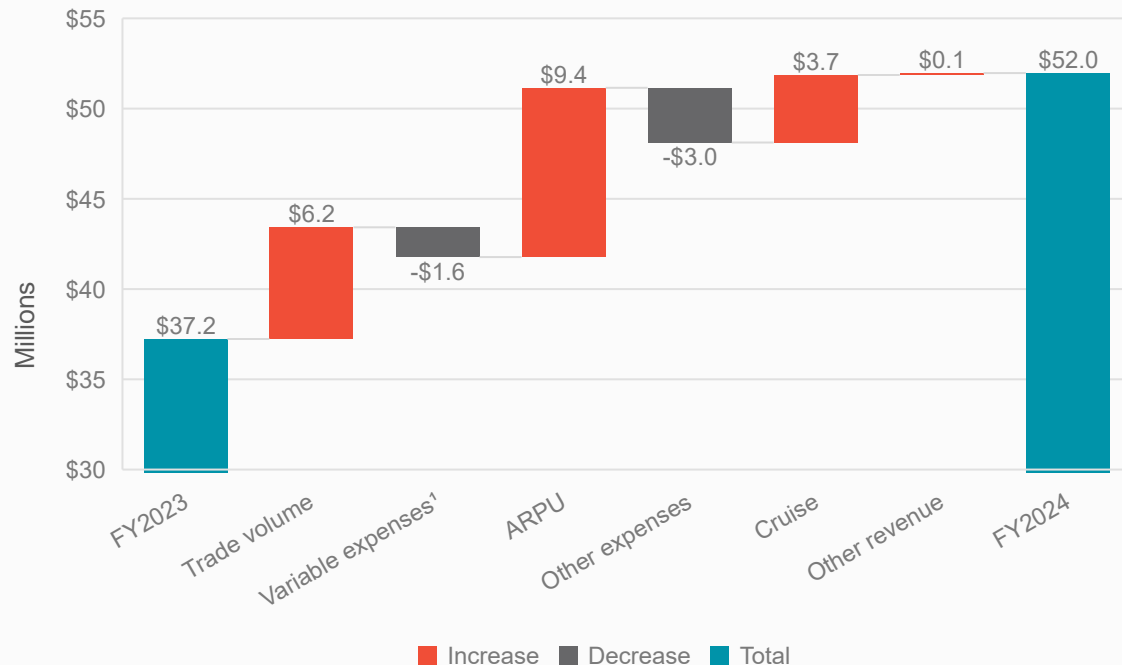




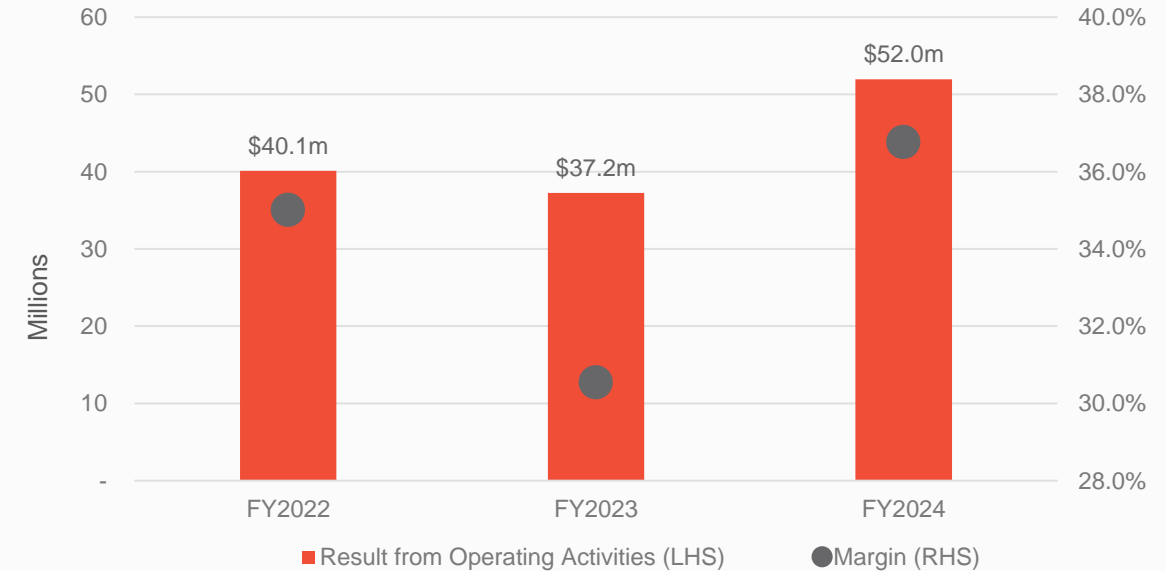
# HIGHER OPERATING RESULT DRIVEN BY GROWTH IN VOLUME AND YIELD

- Result from operating activities up \$14.7m (39.5%) to \$52m
  - Overall increase driven by volume growth across all areas, strong yield management and operating leverage
- Margin increase to 36.8% on cost focus and operating leverage

**RESULT FROM OPERATING ACTIVITIES**

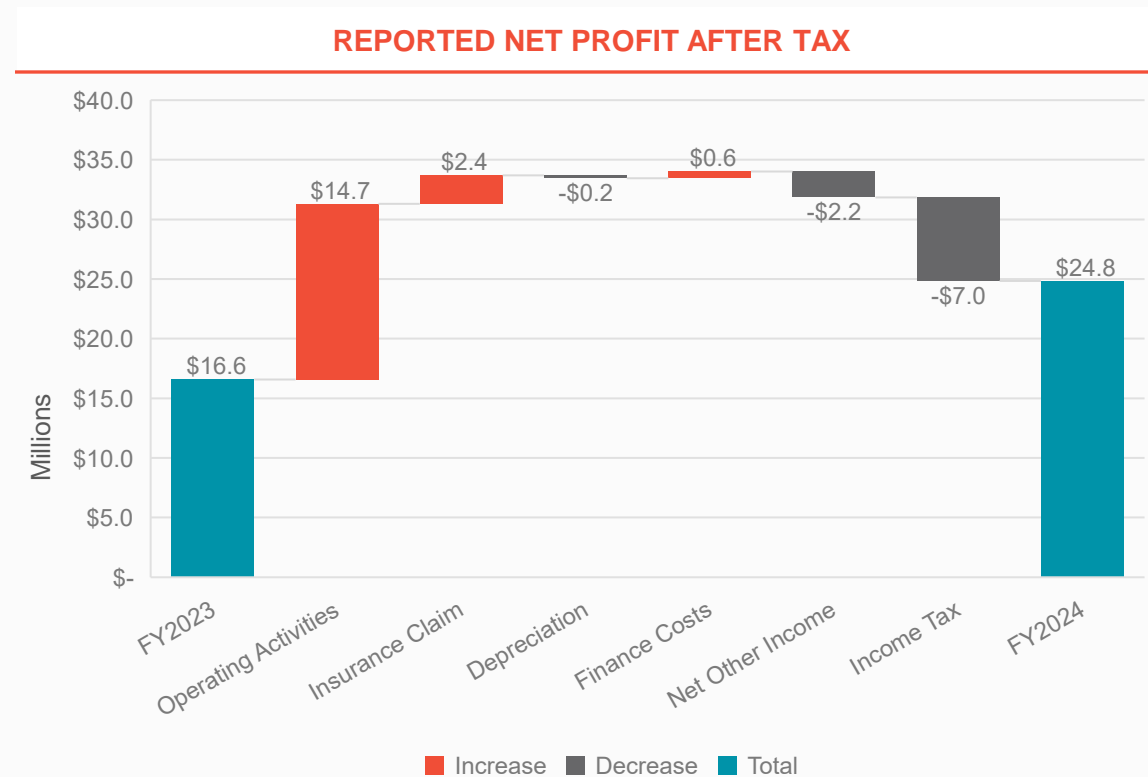


**OPERATING MARGIN**



## NET PROFIT GROWTH ON HIGHER OPERATING RESULT

- Underlying NPAT<sup>1</sup> increased by \$10.0m (94.6%) to \$20.7m
- Reported NPAT increased by \$8.2m (49.7%) to \$24.8m
  - Increase driven by operating result and net contribution of \$8.9m from business interruption insurance claim
  - Partially offset by lower property revaluation gain and higher tax expense – removal of tax depreciation on buildings (\$2.0m)



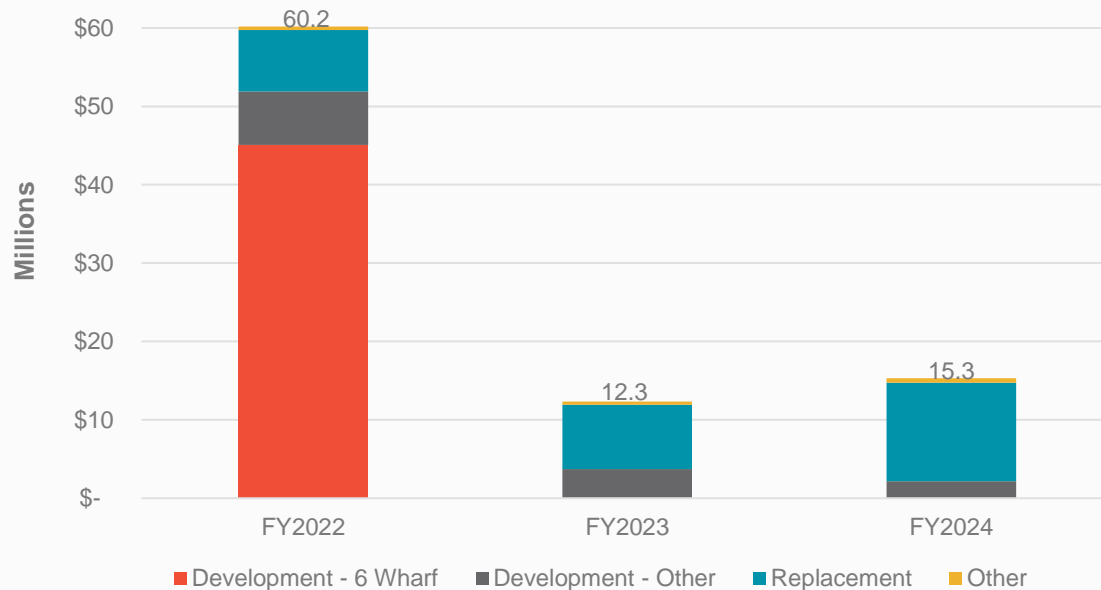
1- Excludes Cyclone Gabrielle net Other Income, fair value gain on investment properties etc, and related tax expense. Refer to appendices for reconciliations of underlying metrics

# CAPITAL EXPENDITURE

## MOBILE PLANT FLEET RENEWAL CONTINUING

- Capital expenditure of \$15.3m<sup>1</sup>
  - \$7.5m site asset management – 3 Wharf fendering, maintenance dredging, breakwater works, eastern beach protection
  - \$2.2m mobile plant – eco-reachstacker, plant major maintenance, other port mobile plant
  - \$1.7m additional paving and log bookends
- FY2025 estimated capex spend of \$22m – \$27m (dependent upon approvals and timing)
  - Includes \$13m towards 2024 initiated WIP and committed orders
    - 7 BEV smaller forklifts, 5 eco-reachstackers, 3 other container handlers, totalling \$9m

### CAPITAL EXPENDITURE



1- Accounting accruals basis. Cash spend \$13.1m

## CASH FLOW AND LIQUIDITY

	FY2024 \$M	FY2023 \$M	Var \$M
Operating cash flows	53.9	37.2	+16.7
Investing cash flows	(13.0)	(14.0)	+1.0
Dividends	(13.1)	(12.8)	-0.3
Other financing cash flows	(6.5)	(7.2)	+0.7
Increase / (reduction) in cash and cash equivalents	0.8	(0.8)	
(Increase) / reduction in total gross drawn loans and borrowings	20.5	4.0	

- Growth in operating cash flow aligned with stronger operating result
  - Supported by net BI insurance claim cash proceeds of \$9.3m (FY2023: \$2.7m)
- Underlying operating cash flows<sup>1</sup> increased \$10.6m to \$47.0m
- FY2023 final dividend of \$7.1m (3.55 cps) paid December 2023, and FY2024 interim dividend of \$6.0m (3.0 cps) paid June 2024
- Total gross drawn debt reduced to \$109.5m at end of the period, down from \$130.0m at the end of FY2023, and \$121.0m at HY2024

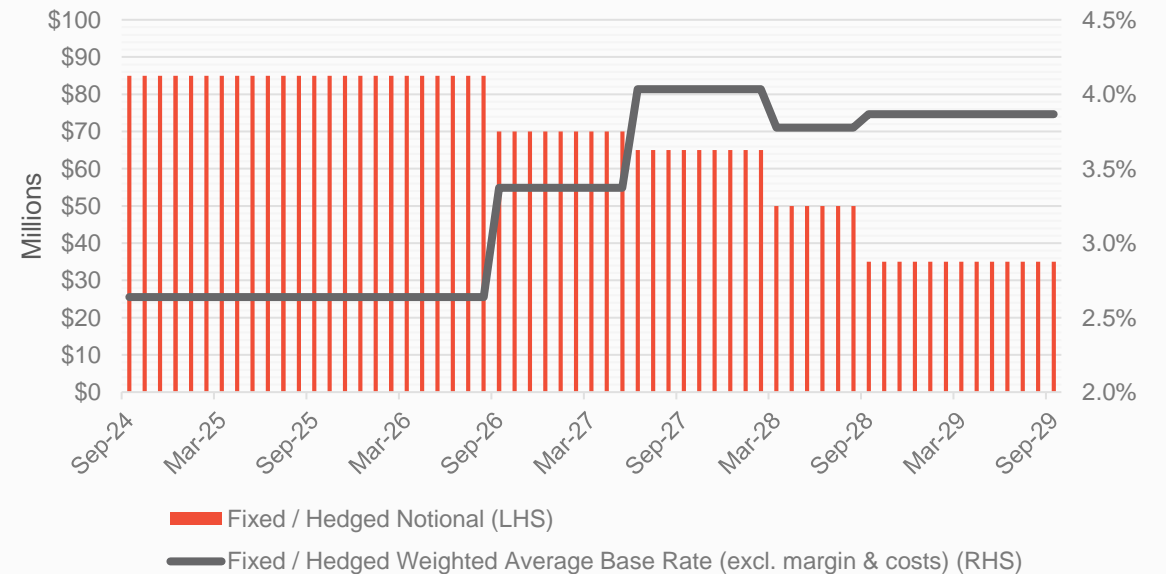
1- Refer to appendices for reconciliations of underlying metrics

# CAPITAL MANAGEMENT

## SOUND FUNDING POSITION WITH POSITIVE INTEREST RATE PROFILE

- Debt to EBITDA of 1.80x at 30 September 2024
  - 2.12x excluding BI insurance claim
  - Down from 2.98x at end FY2023, and 2.16x at end HY2024
  - Long-term target range of 2.0x – 3.0x
- Weighted average term to debt maturity of 2.7 years
- 78% of gross drawn debt subject to fixed interest rates at 30 September 2024
- Total bond and bank facilities of \$180m

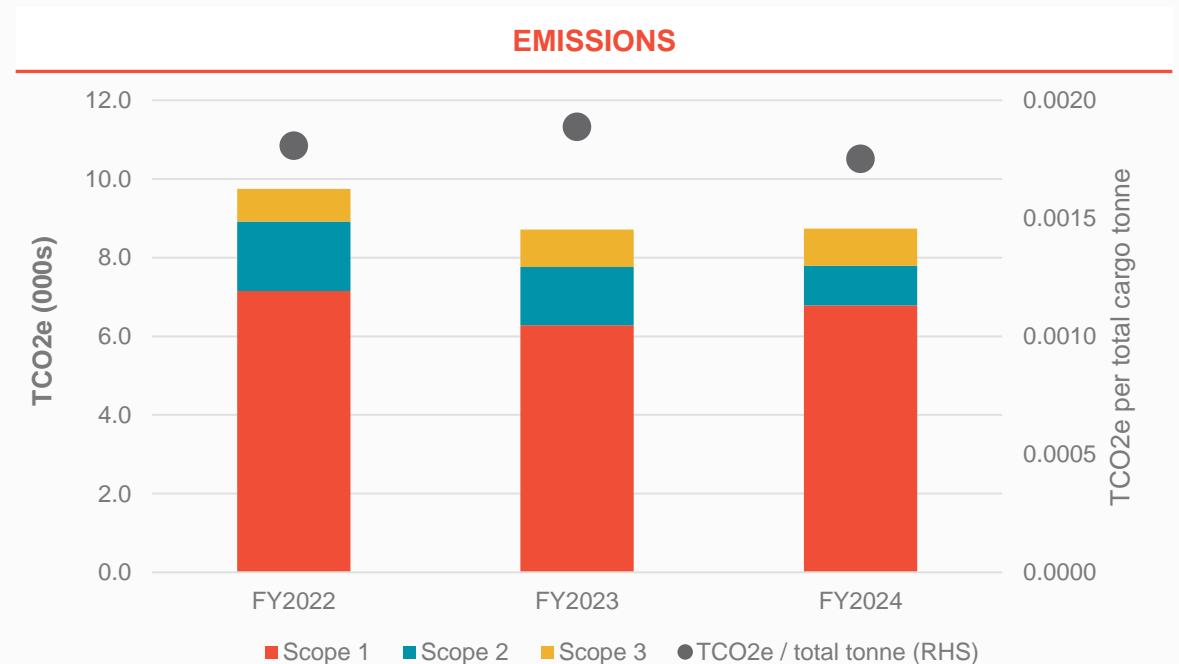
**FIXED INTEREST RATE PROFILE (INCLUDING HEDGING)**



# SUSTAINABILITY & EMISSIONS REPORTING

## REDUCING RELATIVE EMISSION INTENSITY

- Total emissions (audited) increased 0.3%
  - Scope 1 increased 8.1%
    - Higher fuel usage on higher generator hours with rebound of reefer container volume
    - Lower fuel usage by forklifts on higher container volumes due to new eco variants
    - Lower fuel usage by marine fleet on fewer vessel calls
  - Scope 2 decreased 32%
    - 10% increased electricity usage, offset by emission factor reduction
  - Scope 3 decreased 0.4%
    - Lower emissions from products used, partially offset by higher transportation
- Emissions intensity relative metric basis: emissions per cargo tonne decreased by 7.2%



## CONCLUSIONS

### LOOKING FORWARD TO FY2025

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Robust regional recovery with trade volumes by key customers returning

Number of new financial milestones achieved in FY2024

Dynamic operational response and infrastructure capability cornerstone

WPI closure a setback for community, NPH and NZ

Napier Port diversity of cargo and revenue streams providing financial resilience

Strong financial position to continue to grow dividends and invest into growing cargo and developing our operations and capabilities

## OUTLOOK

### EARNINGS GROWTH LEVERAGED TO ONGOING VOLUME RECOVERY

Fundamentals of 'food and fibre' remain strong

Positive indicators: log exports, horticultural plantings & investments, cruise momentum

Global and trade markets remain subdued – inflation and macro conditions easing

Strategic initiatives supporting growth

Baseline cargo recovery continuing into FY2025

Earnings growth momentum set to continue

Medium to longer term target returns linked to cost of capital

Trading update at ASM





## FY2024 DIVIDEND

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Final dividend of 6.0 cps declared

Fully imputed

Record date: 6 December 2024

Payment date: 18 December 2024

Total dividends declared in respect of FY2024, of 9.0 cps, fully imputed (FY2023: 5.25 cps)

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**TRADE GATEWAY  
TO GLOBAL MARKETS**

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**QUESTIONS**

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## APPENDICES

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The following appended financial information provides a summary of financial information for the year ended 30 September 2024 (FY2024) compared to the corresponding period in 2023 (FY2023).

Reconciliations provided are extracted from and should be read in conjunction with the Supplemental Selected Financial Information document released with NPH's 2024 Annual Report on the NZX announcements platform and the Napier Port website Investor Centre.

## REVENUE

<b>NZ\$000</b>	<b>FY2024</b>	<b>FY2023</b>
Container services	79,479	71,323
Bulk cargo	49,165	41,761
Cruise	9,065	5,321
Sundry revenue	565	995
<b>Revenue from port operations</b>	<b>138,274</b>	<b>119,400</b>
Revenue from property operations	3,077	2,551
<b>Total operating income</b>	<b>141,351</b>	<b>121,951</b>

## OPERATING EXPENSES

### Employee benefit expenses

<b>NZ\$000</b>	<b>FY2024</b>	<b>FY2023</b>
Wages & salaries	42,186	40,591
Other employee benefit expenses	3,285	2,922
<b>Total employee benefit expenses</b>	<b>45,470</b>	<b>43,513</b>

### Property and plant expenses

<b>NZ\$000</b>	<b>FY2024</b>	<b>FY2023</b>
Plant expenses	5,411	5,724
Site expenses	2,653	2,365
Fuel & power	7,134	7,466
<b>Total property and plant expenses</b>	<b>15,198</b>	<b>15,554</b>

## OPERATING EXPENSES

### Other operating expenses

<b>NZ\$000</b>	<b>FY2024</b>	<b>FY2023</b>
Administration expenses	7,490	7,648
Occupancy expenses	10,185	8,680
Contract services	9,464	7,654
Other staff expenses	1,581	1,658
<b>Total other operating expenses</b>	<b>28,720</b>	<b>25,639</b>

## CAPITAL EXPENDITURE

<b>NZ\$000</b>	<b>FY2024</b>	<b>FY2023</b>
<b>Development capex</b>		
Mooring plant and equipment	-	351
Other development capex	2,160	3,372
<b>Total development capex</b>	<b>2,160</b>	<b>3,722</b>
Replacement capex	12,585	8,224
Compliance and other capex	563	389
<b>Total capex including capitalised finance costs</b>	<b>15,308</b>	<b>12,335</b>
Movement in fixed asset creditors	(2,199)	1,416
<b>Capex per cash flow</b>	<b>13,109</b>	<b>13,751</b>

## RECONCILIATION OF UNDERLYING NET PROFIT AFTER TAX<sup>1</sup>

NZ\$000	FY2024	FY2023
<b>Reported net profit after tax</b>	<b>24,830</b>	<b>16,587</b>
<b>Adjustments:</b>		
Fair value movements on investment properties	(129)	(1,225)
Cyclone Gabrielle related expenses	304	708
Cyclone Gabrielle business interruption insurance income	(9,250)	(7,250)
Restructuring costs	612	-
Tax impact of adjustments	2,334	1,832
Tax impact of removal of tax depreciation on buildings	2,029	-
<b>Underlying net profit after tax</b>	<b>20,730</b>	<b>10,652</b>

1- Underlying net profit after tax is a non-NZ GAAP measure – refer to the Supplemental Selected Financial released with NPH's 2024 Annual Report on the NZX announcements platform for further information related to this measure



## RECONCILIATION OF UNDERLYING NET CASH FLOWS FROM OPERATING ACTIVITIES<sup>1</sup>

<b>NZ\$000</b>	<b>FY2024</b>	<b>FY2023</b>
<b>Reported net cash flows from operating activities</b>	<b>53,917</b>	<b>37,241</b>
<b>Adjustments</b>		
Cyclone Gabrielle related expenses	304	708
Cyclone Gabrielle business interruption insurance income	(9,605)	(3,395)
Tax impact of adjustments	2,334	1,832
<b>Underlying net cash flows from operating activities</b>	<b>46,950</b>	<b>36,386</b>

1- Underlying net cash flows from operating activities is a non-NZ GAAP measure – refer to the Supplemental Selected Financial released with NPH's 2024 Annual Report on the NZX announcements platform for further information related to this measure

## DIVIDEND POLICY

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- The Board is targeting paying total dividends within a range of 70% to 90% of Free Cash Flow<sup>1</sup>
- Free Cash Flow<sup>1</sup> is a non-NZ GAAP measure adopted by Napier Port. It excludes capital expenditure on development projects and interest costs capitalised during construction
- The payment of dividends is not guaranteed and will be at the discretion of the Board and depend on a number of factors. These factors include the general business environment, operating results (including our ability to grow Free Cash Flow<sup>1</sup>) and financial condition of Napier Port, future funding requirements, any contractual, legal or regulatory restrictions on the payment of dividends by Napier Port and any other factors the Board may consider relevant. In declaring dividends, Napier Port must comply with the solvency test under the Companies Act and the covenants in its debt financing agreements
- Dividend payments are expected to be split into an interim dividend paid in June, targeting 40% of the total expected dividend for the financial year, and a final dividend paid in December. Napier Port intends to impute dividends to the maximum extent possible

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1- Non-NZ GAAP measure, being NPAT, adjusted for the post-tax impact of fair value revaluations of derivatives and investment properties, plus depreciation, amortisation and impairment, less the average replacement capital expenditure of maintaining Napier Port's asset base. Average replacement capital expenditure is based on an assessment of the long term average cost of maintaining assets for Napier Port in real terms.

## FURTHER INFORMATION ON NAPIER PORT

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To learn more about Napier Port and what it does please refer to our website at [www.napierport.co.nz](http://www.napierport.co.nz)

See our website Investor Centre for:

- Share price information
- Links to NZX results and market announcements
- Key calendar dates
- Publications, including:
  - Annual Reports
  - Sustainability Strategy and Action Plan
  - Climate Change Related Disclosure Report
  - Investment Key Facts
  - Investing in Napier Port overview presentation
  - Latest Investor Day Presentations
  - Log Supply Chain Case Study
- Key policies and governance documents