

NZX Results Announcement

23 August 2024

Marsden Maritime Holdings Announces Result for FY24

Key financials:

- Parent company EBIT increased 9% to a record \$1.8m due to solid property lease profit growth (+4%) and exceptional marina profit growth (+23%)
- Earnings from joint venture interest in Northport Ltd \$7.9m down 2.3% due to one-off tax legislation changes at Northport
- Finance expenses increased \$0.2m over last year all due to higher interest rates

Marsden Maritime Holdings Ltd (NZX:MMH) has announced its annual result for the year ended 30 June 2024.

Chief Executive Rosie Mercer said, “We are pleased to have delivered strong underlying growth despite challenging economic conditions and have continued to build the solid foundations for future growth in line with the strategic aspirations as set out in our Masterplan.”

“Overall, our focus on the long-term drivers of productivity has enabled us to remain resilient and continue to invest in the transformation of Northland’s economy.”

Financial performance

The Company’s net profit after tax of \$4.5m was impacted by non-cash fair value adjustments to investment properties partly driven by changed valuation yields, and a one-off non-cash tax adjustment arising from the change in tax deductibility of commercial buildings. However, the key drivers of long-term growth across the business have continued to deliver strongly, reflecting the Company’s resilience and continued commitment to the region.

The Marsden Cove Marina and Boatyard has continued to deliver strong growth in revenue and was up from \$2.8m last financial year to \$3.3m, reflecting a 14.8% increase. It has maintained high occupancy rates, buoyed by new commercial clients, international visitors and longer-term stays.

MMH increased revenue across its industrial and commercial property by 6.8% to \$5.2m, compared with the financial year to June 2023. This reflects a high level of renewal across MMH’s existing tenants, as well as growth. Seventeen existing tenants renewed their leases for a further term and 12 new tenants signed leases in the year to June 2024.

Northport recorded a 3% growth in underlying earnings before the one-off tax adjustment arising from tax legislation changes. This was achieved despite a reduction in export and import volumes arising from key infrastructure outages within Northland during the year. Northport has elected to reduce its dividend in the current year ahead of planned future development.

Dividend

MMH's dividend policy comprises a guideline of 70% of net profit after tax before asset revaluations and fair value movements, excluding Northport equity earnings but including the dividend income from Northport being distributed as dividends.

In line with this policy, the Company will pay a fully imputed final dividend of 5.75 cents per share on 30 September 2024. This will bring the total dividend distribution for the year to 11.75 cents per share, down 1.75 cents from last year.

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For more information, please contact:

Vidura Galpoththage

Chief Financial Officer

E: vidura@marsdenmaritime.co.nz

M: 021 0272 5450