

NZX AND MEDIA RELEASE

21 May 2025

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR TO 31 MARCH 2025

Napier Port delivers strong earnings and special dividend with first half result

Napier Port (NZX.NPH), the freight gateway for the central and lower North Island, today announced strong earnings growth for the six months ended 31 March 2025. The result was underpinned by a solid uplift in container cargo volumes, a marked increase in DLR and transshipment activity, and the continued benefits of disciplined cost control and effective yield management.

HIGHLIGHTS

- Revenue rose 10.6% to \$78.1 million from \$70.6 million in the same period last year and was led by growth in container services revenue
- Result from operating activities¹ increased 21.1% to \$33.1 million from \$27.4 million in the same period last year
- Underlying net profit after tax² increased 33.4% to \$14.8 million from \$11.1 million in the same period a year ago
- Reported net profit after tax increased 40.8% to \$20.2 million from \$14.3 million in the same period last year
- Final settlement of Cyclone Gabrielle material damage and business interruption insurance claim contributes \$7.5 million to reported net profit
- Container volumes increased 13.9% on Pan Pac's return to full pulp and timber operations, an earlier apple picking season and increased restow and transshipment activity
- Directors declare a fully imputed interim dividend of 4.0 cents per share, increased from the interim dividend in the prior year of 3.0 cents per share
- An additional one-off fully imputed special dividend of 2.5 cents per share declared
- Increased forecast underlying result from operating activities for the year to 30 September 2025 of between \$59 million and \$63 million

Chief Executive, Todd Dawson said: "This positive half-year result reflects Napier Port's strong operational performance under improved trading conditions. The full resumption of Pan Pac's pulp and timber operations has driven a notable increase in dry export container volumes. Meanwhile, favourable growing conditions led to an earlier apple harvest, boosting refrigerated container throughput.

"Changes to shipping line services also contributed to significantly higher DLR and transshipment volumes compared to the same period last year. In contrast, bulk cargo volumes were softer, primarily due to the absence of windthrown logs that had positively impacted last year's first half result. This result once again highlights the value of a diverse and resilient cargo base, supported by the operational agility to deliver capacity and flexibility when needed.

"Strong trade volume, together with effective cost control and yield management, is working well for us alongside investments in infrastructure and additional customer services we are providing. This positive operating leverage is supporting a higher level of earnings for Napier Port." Mr Dawson said.

¹ Result from operating activities is an alternative non-NZ GAAP measure and represents core underlying operating earnings. For further information please refer to Note 24 of the 2024 Annual Consolidated Financial Statements and the Supplemental Selected Financial Information.

² Underlying net profit after tax is an alternative non-NZ GAAP measure that comprises reported net profit after tax adjusted for certain non-recurring and unrealised fair value revaluation items to provide consistency and comparability of the financial information over the periods presented. For further information please refer to the Supplemental Selected Financial Information.

FINANCIAL RESULTS

Revenue for the half year rose 10.6% to \$78.1 million from \$70.6 million in the same period last year.

Container services revenue for the half year increased 27.2% to \$42.7 million from \$33.6 million following a 13.9% increase in container volumes to 112,000 TEU³, compounded by a 11.7% increase in average revenue per TEU.

Bulk cargo revenue for the half year decreased 2.7% to \$25.5 million from \$26.2 million as export log volume decreased 12.7% to 1.36 million tonnes and total bulk cargo volume decreased 9.2% to 1.71 million tonnes.

Cruise revenue for the first half decreased 8% to \$8.2 million from \$8.9 million. There were 77 cruise vessel calls in the half year, compared to 88 in the prior year.

Operating expenses were contained to an increase of 4% on the same period last year despite significantly increased container volumes.

Positive operating leverage was evident as higher container volume, together with contained costs, increased the result from operating activities by 21.1% to \$33.1 million from \$27.4 million reported for the first half of the last financial year.

Underlying net profit after tax increased 33.4% to \$14.8 million from \$11.1 million in the same period last year. Reported net profit after tax was \$20.2 million, a 40.8% increase on the prior year's \$14.3 million, which included a \$7.5 million (pre-tax) contribution from the final settlement of the Cyclone Gabrielle material damage and business interruption insurance claim.

OUTLOOK AND DIVIDEND

Mr Dawson said: "We're pleased to deliver a solid half-year result for both our region and our shareholders. This outcome reflects the dedication of the Napier Port team, who achieved it despite operating with fewer resources than prior years and some equipment availability challenges in the first half of the year."

"Demand for the region's food and fibre exports has been strong, and we expect to sustain healthy volume and earnings into the second half of the year. Growing conditions have supported earlier pipfruit exports, which are progressing well, although the final crop size for export is yet to be determined.

"We anticipate continued momentum in containerised wood pulp and timber volumes, provided sector market conditions remain stable. However, we remain mindful of ongoing uncertainty in the log export market, particularly around potential impacts from trade negotiations and broader global market dynamics.

"One scheduled cruise visit remaining for the 2025 cruise season. We currently have 66 forward bookings for the upcoming 2026 season commencing in October.

"Our investment programme into infrastructure and capability continues, with renewal and replacement across several areas, including the container terminal transformation project and construction of a new trailer suction hopper dredge in partnership with Port Otago, which will see an increased level of capital investment into our assets in the near term." Mr Dawson said.

Napier Port has revised its expectations for an underlying result from operating activities for the year to the end of September 2025 of between \$59 million and \$63 million, assuming a continuation of current operating conditions and excluding insurance claim income.

Chair Blair O'Keeffe said: "The Board is pleased to pay a fully imputed interim dividend of 4.0 cents per share, which is increased from the 3.0 cents per share interim dividend paid last year.

"In addition, to recognise the strong financial position of the Group and improved profitability arising from the finalisation of the Cyclone Gabrielle insurance claim, a fully imputed one-off special dividend of 2.5 cents per share has been declared."

³ Twenty-foot equivalent container unit

The record date for the interim and special dividend entitlements is 13 June and the payment date will be 26 June.

We expect to provide a further update to the market regarding our June quarter trading results during August.

Conference Call

Napier Port will hold a conference at 11:00am (NZT) (9.00am, AEST) today. To attend to the conference call participants must pre-register at the following link:

<https://s1.c-conf.com/diamondpass/10047032-ju87y6.html>

Registrations can be taken right up to the commencement of the call.

ENDS

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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/