



MOVING **FORWARD**

Interim Report for the six month period ended 31 December 2024





Interim Report

FINANCIAL PERFORMANCE

South Port has achieved a substantially improved financial performance for the first half of the 2025 financial year, driven by increased volumes across the majority of South Port's key commodities.

In the agricultural sector, a particularly wet spring affected grass growth which led to an increase of supplementary feed imports for the dairy industry. The Company also noted a rebound in fertiliser import volumes coming off a particularly low point of activity in FY24.

There were positive signs in the forestry sector with both logs and woodchips showing signs of recovery in 1H25.

The only cargo category that was negatively affected to any great extent was related to the New Zealand Aluminium Smelter (NZAS). As widely reported in 2024, NZAS temporarily reduced its electricity usage by 185 megawatts beginning 9 August 2024 due to a demand response call from Meridian Energy. This led to the closure of a potline at NZAS, thereby reducing both the imports of raw materials and exports of finished aluminium. NZAS is expected to return to full production by April 2025.

These market conditions have been reflected in South Port's net profit after tax (NPAT) for the first six months of FY25 at \$5.7 million (1H24 \$3.0 million), substantially better than budgeted.

CARGO

Total cargo activity was 1,691,000 tonnes compared with 1,488,000 tonnes in the prior year's interim period. This represents an increase in cargo flows of 203,000 tonnes or 13.6%. Increased tonnages in comparison to the prior half year were logs (+31,000 t), fertiliser (+41,000 t), woodchips (+59,000 t), and stock food (+143,000 t). Cargoes to be negatively affected were alumina (-53,000 t) and aluminium (-34,000 t), both of which were related to the temporary closure of a potline at NZAS.

131 large vessel calls represented an increase of 11% (1H24 - 118 calls), a direct reflection of the increased bulk cargo flows through the Port. Container volumes were similar with 20,600 twenty-foot equivalent unit (TEU) handled through the terminal (1H24 - 21,000 TEU). These volumes however were handled on fewer container vessels, 13 in 1H25 (17 in 1H24).

OPERATIONAL EVENTS

Marine Activity

In October 2024 the Company declared a 10.7m high tide draft, the result of successfully executing project Kia Whakaū to deepen the entrance channel, swinging basin and berth pockets.

The strategy behind project Kia Whakaū, to increase efficiencies at the Port and to optimise the supply chain, is a direct reflection of the Company's purpose to facilitate the best logistics solutions for the region. The benefits of achieving this important milestone are already being realised at the Port as follows:

- › Several woodchip vessels have called in Bluff to load in excess of 40,000 MT, a one-port call in New Zealand for delivery to market destinations in Asia (previously required a two-port call in New Zealand before heading to market).
- › The MSC Wallaby Service immediately utilised the increase in draft to load and discharge additional containers per call.

- › Vessels containing bulk imports for the agricultural sector and NZAS are bringing in greater payloads than were previously achievable.
- › More vessels are now able to move on both high and low tides due to the increase in draft, when previously only high tide was an option.

These benefits are pleasing to see and there is an expectation that other cargo providers will look to utilise the increased draft as opportunities are identified.

Pilot Vessel – Murihiku

The back-up pilot vessel MV Murihiku is currently undergoing upgrades to meet New Zealand maritime regulations. This work is expected to be finished in early February, ready for further sea trials and an expectation to be in service later in February.

INFRASTRUCTURE

The Company has recently finished an upgrade to the western tip of the Island Harbour. This upgrade was primarily to seal a 2-hectare area providing flexibility for the storage of future wind farm equipment expected to come through Bluff and as an overflow option for other customers of the Port.

Wind Farm Opportunities

Stage two of Mercury Energy's Kaiwera Downs wind farm, 15km east of Gore, is on target to be imported through the Port in late 2025, increasing the capacity from 43 MW to 198 MW. This will entail 36 turbines and associated equipment.

Contact Energy's planned 300MW wind farm at Slopdown, lodged under the COVID-19 Recovery (Fast-track Consenting) Act 2020 is currently being considered by the expert consenting panel, appointed by the Minister for the Environment, with a decision expected in March.



CLIMATE-RELATED DISCLOSURES

In 2024 South Port produced its first climate-related disclosures under the new Aotearoa New Zealand Climate Standards.

After consultation, the External Reporting Board (XRB) has approved a one-year extension to the adoption of provisions for three of its four climate assurance proposals. These include the reporting of scope 3 emissions, reporting the anticipated financial impacts of climate-related risks and opportunities and assurance of scope 3 emissions.

South Port plans to adopt transition planning for the coming reporting period.

OUTLOOK

Although global events continue to create some uncertainty we are seeing signs of recovery in the export markets.

The significant increase in the farm gate milk price to the range of \$9.50 to \$10.50 per kg of milk solids, which will be a new record, is an excellent result for the dairy industry and especially the Southland region. Noting that agricultural imports and exports represent one third of South Port's cargo base, this is also a positive sign for the Port.

There are signs of recovery in the forestry industry with increased volumes of logs and woodchips being exported through the Port and the potential for more log volumes to be exported through to India.

The Company has invested capital in recent years to upgrade storage areas on the Island Harbour to provide flexibility for future growth opportunities.

We will continue to look at opportunities to upgrade our infrastructure to ensure that we can service additional cargoes that will become available in the future as a result of the deepening of our entrance channel, including wind farm developments and open ocean aquaculture projects that are currently lodged in the Government's fast track consenting process.

Based on all known factors at the date of releasing its 2025 interim result, South Port estimates that its full year earnings should be above the upper end of the previous range of \$9.3 million to \$10.3 million indicated at the Annual Shareholders Meeting in October 2024.

DIVIDEND

The Directors have declared a fully imputed interim dividend of 7.50 cents per share (2024 – 7.50 cents) payable on 7 March 2025.

The Board will consider the Company's financial year end result, market conditions and trading outlook before determining the final distribution to shareholders.

P W Cory-Wright
Chair

N G Gear
Chief Executive

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

SIX MONTH PERIOD ENDED 31 DECEMBER 2024	Unaudited 31/12 2024 \$000's	Unaudited 31/12 2023 \$000's	Audited Year to 30/06/24 \$000's
Total operating revenues from Port services	29,566	25,475	56,128
Total operating expenses	(16,125)	(16,235)	(33,187)
Operating profit before administrative and finance costs	13,441	9,240	22,941
Administrative expenses	(3,506)	(3,227)	(6,615)
Operating profit before financing costs	9,935	6,013	16,326
Financial income	22	33	58
Financial expenses	(1,855)	(1,793)	(3,016)
Net financing costs	(1,833)	(1,760)	(2,958)
Other income	–	36	65
Surplus before income tax	8,102	4,289	13,433
Income tax	(2,344)	(1,256)	(6,057)
Net surplus after income tax	5,758	3,033	7,376
Other comprehensive income	–	–	–
Total comprehensive surplus/(loss) after income tax	5,758	3,033	7,376
Basic earnings per share	\$0.219	\$0.116	\$0.281
Diluted earnings per share	\$0.219	\$0.116	\$0.281

STATEMENT OF CASH FLOWS

SIX MONTH PERIOD ENDED 31 DECEMBER 2024	Unaudited 31/12 2024 \$000's	Unaudited 31/12 2023 \$000's	Audited Year to 30/06/24 \$000's
Cash flows from operating (note 6)	7,039	876	12,786
Cash flows from investing	(3,479)	(8,706)	(10,080)
Cash flows from financing	(2,614)	8,336	(1,431)
NET INCREASE/(DECREASE) IN CASH	946	506	1,275

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024	Unaudited 31/12 2024 \$000's	Unaudited 31/12 2023 \$000's	Audited Year to 30/06/24 \$000's
TOTAL EQUITY	60,922	57,829	60,232
Non-Current Assets			
Property, plant & equipment	93,660	92,550	91,876
Right-of-use assets	191	282	239
Deferred tax asset	57	1,130	–
Financial assets	–	173	321
Total non-current assets	93,908	94,135	92,436
Current Assets			
Cash and cash equivalents	3,255	1,541	2,310
Trade and other receivables	11,426	10,514	8,220
Financial assets	63	451	398
Total current assets	14,744	12,506	10,928
Total assets	108,652	106,641	103,364
Non-Current Liabilities			
Employee entitlements	60	63	47
Loans and borrowings	38,304	43,500	35,750
Deferred tax liability	1,042	–	1,097
Financial liabilities	88	–	–
Lease liabilities	108	220	163
Total non-current liabilities	39,602	43,783	37,057
Current Liabilities			
Trade and other payables	5,305	3,588	4,036
Employee entitlements	1,611	1,946	1,451
Provision for taxation	1,103	(597)	482
Lease liabilities	109	92	106
Total current liabilities	8,128	5,029	6,075
Total liabilities	47,730	48,812	43,132
TOTAL NET ASSETS	60,922	57,829	60,232
Net asset backing per share	\$2.32	\$2.20	\$2.30



Notes to the Financial Statements

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2024

01 ACTIVITIES OF SOUTH PORT GROUP

The Group is primarily involved in providing and managing port and warehousing services.

02 ACCOUNTING POLICIES

The Parent Company is a Financial Markets Conduct (FMC) reporting entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. These financial statements comply with these Acts and have been prepared in accordance with the New Zealand equivalents to IFRS Accounting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit orientated entities. These financial statements comply with IFRS Accounting Standards (IFRS) as appropriate for condensed interim financial statements. They comply with New Zealand equivalents to International Accounting Standards 34 (NZ IAS 34) Interim Financial Reporting, and International Accounting Standards 34. There has been no change in accounting policies. All policies have been applied on a consistent basis with the most recent annual report.

The financial statements were approved by the Board of Directors on 14 February 2025.

03 TAXATION

Income tax expense comprises current and deferred tax at the company tax rate of 28%. Income tax expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

04 SEGMENTAL REPORTING

The South Port Group operates in the Port Industry in Southland, New Zealand, and therefore only has one reportable segment and one geographical area based on the information as reported to the chief operating decision maker on a regular basis. South Port engaged with one major customer who contributed individually greater than 10% of its total revenue for the period ended 31 December 2024. This customer contributed \$4.45 million for the six months ended 31 December 2024 (2023: \$4.38 million).

05 STATEMENT OF CHANGES IN EQUITY

SIX MONTH PERIOD ENDED 31 DECEMBER 2024	Unaudited 31/12 2024 \$000's	Unaudited 31/12 2023 \$000's	Audited Year to 30/06/24 \$000's
Total equity at beginning of the period	60,232	59,903	59,903
Profit/(loss) after income tax	5,758	3,033	7,376
Other comprehensive income	–	–	–
Total comprehensive surplus	5,758	3,033	7,376
Equity settled share-based payment accrual	48	9	36
Dividends paid during the period	(5,116)	(5,116)	(7,083)
Total equity at end of the period	60,922	57,829	60,232

06 NET CASH FLOW FROM OPERATING ACTIVITIES

Surplus after taxation	5,758	3,033	7,376
Add/(less) items classified as investing/financing activities	–	–	–
Add/(less) non-cash items	3,137	2,981	7,586
Add/(less) movement in working capital	(1,856)	(5,138)	(2,176)
Net cash provided by operating activities	7,039	876	12,786

GROUP COMPANIES

Parent Company
South Port New Zealand Limited

Subsidiary
Awarua Holdings Limited

DIRECTORS

Philip Cory-Wright
Chair

Cassandra Crowley

Nicola Greer

Michelle Henderson

Clare Kearney

John Schol

CORPORATE EXECUTIVES

Nigel Gear
Chief Executive Officer

Geoff Finnerty
Port General Manager

Lara Stevens
Chief Financial Officer

Jamie May
Commercial Manager

Hayden Mikkelsen
Container Operations Manager


Frank O'Boyle
Infrastructure and Environmental Manager

Helen Young
People and Safety Manager



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