



**MAINFREIGHT LIMITED**  
**ANNUAL MEETING OF SHAREHOLDERS**  
**29 JULY 2021**

*“Times of change unlock new value”*

# A quick look back at F21 ...

## GROWTH

9,240 Team members      up 609  
297 Branches              up 15  
26 Countries              no change ... for now

## REVENUE

Revenue up 14.5% to \$3.54 billion  
An increase of \$448.4 million

## PROFIT BEFORE TAX

PBT up 27.2% to \$262.4 million  
An increase of \$56.2 million

## NET SURPLUS

Net surplus after tax before abnormal items: \$188.11 million  
Up 27.1%, an increase of \$40.1 million

# Discretionary Bonus / Dividend / Earnings Per Share

## BONUS

Payable at Board's discretion to qualifying team members (5,243 people)  
\$43.9 million, an increase from \$27.3 million in the prior year  
(for payment in July/August)

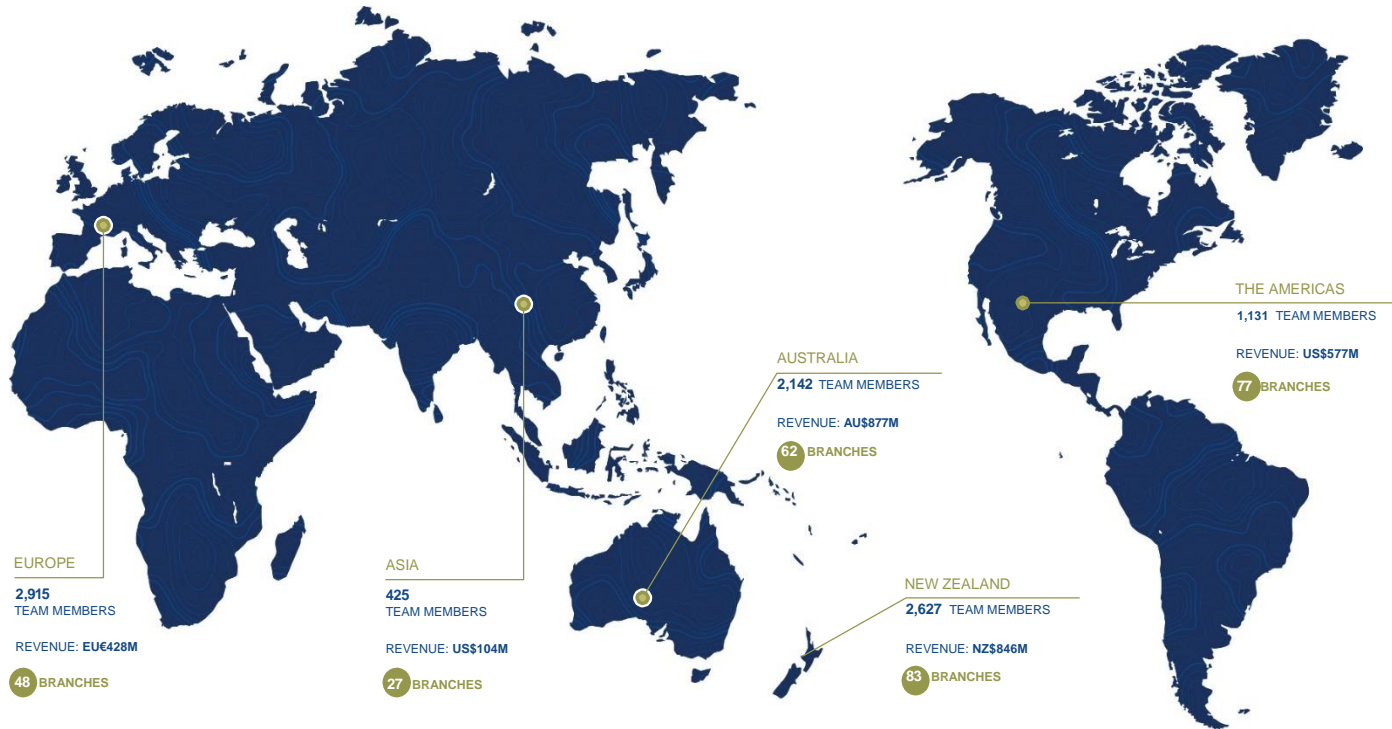
## DIVIDEND

Total dividend for year 75.0 cents per share, up 16.0 cents or 27.1%  
from 59.0 cents in the previous year

## EARNINGS

Adjusted earnings per share 187 cents, up 27.1%

# Contribution: New Zealand vs Offshore



Revenue F21

NZ 23.9%

Offshore 76.1%

PBT F21

NZ 37.3%

Offshore 62.7%

# Trading Update: Revenue\*

May actuals plus June/July “weeklies”  
17 weeks of trading (1 April to 25 July)

NZ\$000		THIS YEAR	LAST YEAR	VAR %	
New Zealand	NZ\$	366,459	268,594	36%	↑
Australia	AU\$	352,827	287,904	23%	↑
Asia	US\$	132,635	51,776	156%	↑
Europe	EU€	204,585	145,210	41%	↑
Americas	US\$	285,351	167,741	70%	↑
Group	NZ\$	1,675,270	1,188,638	41%	↑

\* Includes inter-company revenue

# Trading Update: PBT

May actuals plus June/July “weeklies”  
17 weeks of trading (1 April to 25 July)

NZ\$000		THIS YEAR	LAST YEAR	VAR %
New Zealand	NZ\$	29,542	17,347	70% ↑
Australia	AU\$	25,342	18,151	40% ↑
Asia	US\$	6,217	2,537	145% ↑
Europe	EU€	8,468	3,873	119% ↑
Americas	US\$	18,659	3,722	401% ↑
Group	NZ\$	105,862	53,673	97% ↑

# Trading Update: Our 3 Core Products

## TRANSPORT

Revenue: \$691.2 million up 27%  
PBT: \$47.2 million up 65%

## WAREHOUSING

Revenue: \$173.5 million up 24%  
PBT: \$13.6 million up 49%

## AIR & OCEAN

Revenue: \$810.6 million up 61%  
PBT: \$45.0 million up 184%

*Air & Ocean revenue is inflated by air and ocean carriers' rate increases*

*Note: Prior period impacted by lockdowns*



# Trading Update: Total Company

- Inflated air and shipping line freight rates are artificially increasing sales revenues for Air & Ocean:
  - This may last well into 2022
  - Across all trade-lanes
  - Volumes are increasing for us in this sector
    - Via market share; and
    - Increased consumer demand
- Warehousing development pleasing
  - New customers means new, larger facilities





# Trading Update: Total Company

- Transport volumes across all networks are increased:
  - Consumer demand
  - Market share opportunities
- Prior period comparisons are not helpful
  - Lockdowns prior year
- Expect half-year to be satisfactorily improved on prior period
  - Full-year result should be satisfactory



# Trading Update: Regions

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## **New Zealand**

Network development/new sites key to improving service levels; Air & Ocean solutions assisting our customers

## **Australia**

Regional Transport development and Warehousing initiatives provide very competitive advantages

## **Asia**

Southeast Asia performance and in-country sales improving; Warehousing development underway

## **Europe**

Transport volumes increasing via market share; network intensification is a very key “work in progress”

## **Americas**

Air & Ocean contribution very satisfactory; Transport and Warehousing with plenty of opportunity

# Capital Expenditure

F21

**\$119 million**, of which \$74.5 million on land & buildings (including racking & fit-out) primarily across New Zealand and Australia

F22

**\$226 million** including \$181 million for expected property capital investment

F23

**\$203 million** including \$158 million for expected property capital investment

# Property Initiatives: Land / Building / Leases

NZ\$ Million	F22
Planned Capital Expenditure	\$226.2








NZ\$ Million	F23
Planned Capital Expenditure	\$202.7

- Key initiative is to intensify our networks
- Be closer to our customers
- Gain efficiency
- New country expansion on hold until post-Covid-19

Property Projects for 2022 and 2023		
New Zealand	Land	4
	Buildings	12
	Leases	11
Australia	Buildings	2
	Leases	4
Americas	Leases	3
Europe	Buildings	1
	Leases	5
Asia	Leases	2
		<b>44</b>

# Our Customers: Top 1000 Analysis

- Our customer market verticals remain a core focus for our growth

 Retail	15.4%
 DIY	12.0%
 Food	9.5%
 Technology/Electronics	9.0%
 Medical/Healthcare	8.6%
 Beverage	5.1%
 Chemicals	5.0%
<b>Total</b>	<b>64.6%</b>

- Perishable and pharmaceutical segment development



# Sustainability – Emission Reduction: 15% 2020

- Solar power capable generation – 2,855 kW (9,830 panels)
- Rainwater capture to potable standards
- Electric truck trials:
  - Auckland – 3
  - Hamilton – 1
  - Christchurch – 1
  - Australia – to come
- Consideration of other alternative fuel options
- Electric forklifts
- Recycling of waste – including compression of polystyrene for raw material production
- Road to rail/sea conversions
- Carbon usage by consignment note
- Vegetable gardens/scrap composting
- Our capital – no pine trees on our watch



# Global Supply Chain Status

- Over-ordering/demand/space availability
- Most trade-lanes affected (Trans Pacific East Bound the worst)
- Continued increases for shipping and air line pricing:
  - Port congestion globally
    - last count 300 ships waiting to berth
  - Equipment shortages
  - Port rotations changing regularly
  - Air freight space limited due to lack of passenger flights



# Global Supply Chain Status ... continued

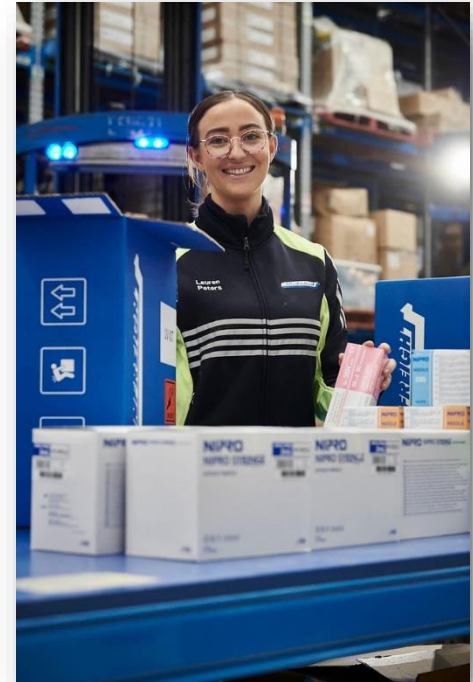
- Mainfreight network assisting
  - Preferred long-term air and shipping line relationships
  - Smaller shipping lines in niche markets
  - Bulk Space Agreements and Charter Agreements for Air and Sea
  - Our ability to manage smaller LCL shipments
- Expect demand/shortages and pricing issues to continue to at least early 2022





# Priorities and Actions

- Strong focus on assisting and retaining our customers with solutions across congested supply chains
- High quality services/standards are our priority
  - There is more to do here
- Manage cost structures as we manage growth
- Workplace Covid-19 vaccination trials for New Zealand team
- Sales focus continues as a key strategy for growth

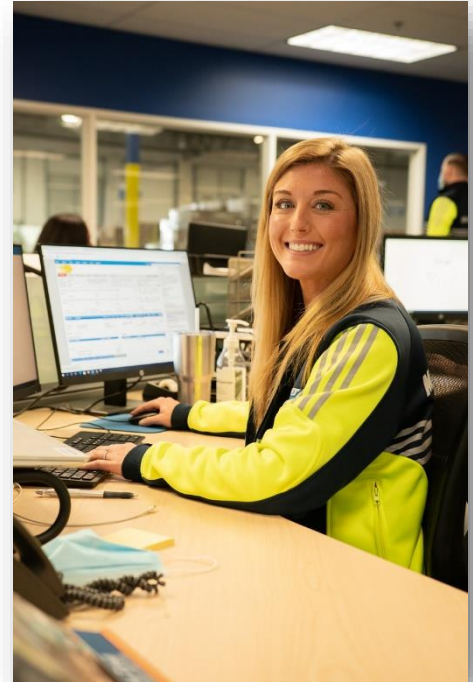


# Mainfreight Corporate Governance

- Corporate governance seems to remain a topic of discussion – when will performance be recognised?
- Board membership and succession are front of mind
- Discussions with potential candidates continue, as we look to future-proof our Board, secure ongoing balance and diversity, and the appropriate skill-sets to help guide the business
- We will never make a “convenient” Board appointment; every Director must be the right fit for the business, and be prepared to make a significant contribution
- Tenure and experience are a key part of who we are – at Board, Management and Team level

# We Continue To ...

- Be optimistic and confident about what's in front of us
- Be conscious of supply chain congestion and the issues it is causing for our customers including pricing
- Develop our network intensity within each region – get closer to our customers
- Know that our people make the difference and we need to look after them



*... tiptoe through the tulips with us ...*

