

together
we build a
thriving region by
connecting
you to the
world

2023

**ANNUAL
RESULTS**
14 NOVEMBER

INVESTOR PRESENTATION

FY2023

IMPORTANT NOTICE AND DISCLAIMER

This presentation has been prepared by Napier Port Holdings Limited (together with Port of Napier Limited, "**Napier Port**"). This presentation is being provided to you on the basis that you are, and you represent and warrant that you are, a person to whom the provision of the information in this presentation is permitted by the applicable laws and regulations of the jurisdiction in which you are situated without the need for registration, lodgement or approval of a formal disclosure document or any other filing or formality in accordance with the laws of that foreign jurisdiction.

Information only; No reliance: This presentation is for information purposes only and you should not rely on this presentation. This presentation does not purport to contain all of the information that you may require or be complete. The historical information in this presentation is, or is based upon, information that has been released to NZX Limited ("**NZX**"). This presentation should be read in conjunction with Napier Port's other periodic and continuous disclosure announcements, which are available at www.nzx.com.

The information in this presentation does not constitute a personal recommendation or service or take into account the particular needs of any recipient. The information in this presentation should be considered in the context of the circumstances prevailing at the date and time of the presentation and is subject to change without notice. No person is under any obligation to update this presentation nor to provide you with further information about Napier Port. This presentation does not constitute or form part of an offer to sell, or a solicitation of an offer to buy, any shares, securities or financial products in any jurisdiction. This presentation has not been and will not be filed with or approved by any regulatory authority in New Zealand or any other jurisdiction.

Investment risk: An investment in securities in Napier Port is subject to investment and other known and unknown risks, some of which are beyond the control of Napier Port. Napier Port does not guarantee any particular rate of return or the performance of Napier Port.

No liability: Napier Port, its shareholders, their respective advisers and affiliates, and each of their respective directors, shareholders, partners, officers, employees and representatives accept no responsibility or liability for, and make no representation, warranty or undertaking, express or implied, as to, the fairness, accuracy, reliability or completeness of, and to the maximum extent permitted by law hereby disclaim and shall have no liability whatsoever (including, without limitation, arising from fault or negligence or otherwise) for any loss or liability arising from, this presentation or any information contained, referred to or reflected in it or supplied or communicated orally or in writing to you or any other person. The information in this presentation has not been independently verified or audited.

Financial data: All dollar values are in New Zealand dollars (NZ\$ or NZD) unless otherwise stated. Any financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of Napier Port's views on its future financial condition and/or performance.

Investors should be aware that certain financial data included in this presentation are 'non-GAAP financial measures'. Investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this presentation, they do not have a standardised meaning prescribed by New Zealand Generally Accepted Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with New Zealand Generally Accepted Accounting Standards.

Past performance: Any past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not), a promise, representation, warranty or guarantee as to the past, present or the future performance of Napier Port.

Future performance: This presentation contains "forward-looking statements", which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of Napier Port that could cause the actual results, performance or achievements of Napier Port to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. No assurances can be given that the forward-looking statements referred to in this presentation will be realised. Given these uncertainties, you are cautioned not to rely on such forward-looking statements.

Confidentiality and copyright: This presentation is strictly confidential and is intended for the exclusive benefit of the person to which it is presented. This presentation should not be copied, reproduced or redistributed without the prior written consent of Napier Port. Distribution of this presentation may be restricted or prohibited by law. The copyright of this presentation and the information contained in it is vested in Napier Port.

Acceptance: For purposes of this Notice, "presentation" shall mean the slides, the oral presentation of the slides by Napier Port, any question-and-answer session that follows that oral presentation, hard copies of this document and any materials distributed at, or in connection with, that presentation. By attending an investor or analyst presentation or briefing, or accepting, accessing or reviewing this presentation, you acknowledge and agree to the terms set out in this Notice.

PRESENTING TODAY



BLAIR O'KEEFFE

CHAIR



TODD DAWSON

CHIEF EXECUTIVE



KRISTEN LIE

CHIEF FINANCIAL OFFICER



WELCOME AND INTRODUCTION

BLAIR O'KEEFFE, CHAIR

Strong growth in revenue and operating earnings first half

Volumes and results impacted by cyclone disruptions

Lifeline asset providing a critical regional function

Track record of delivery and resilience

Confidence in volume bounce back retained in a more challenging macro-economic environment

FY2023 OVERVIEW



MUTED SECOND HALF VOLUME FOLLOWING CYCLONE

TRADE OVERVIEW FY2023

Volume	FY2023	FY2022	Variance	
			kT / TEU / calls	%
Total cargo (kT)	4,614	5,392	-778	-14.4
Containerised cargo (TEU)	222,000	254,000	-32,000	-12.7
Bulk cargo (kT)	3,184	3,650	-466	-12.8
- Logs exports (kT)	2,524	2,844	-320	-11.3
Cruise vessels (calls)	64	1	+63	

- Marked difference between pre- and post-cyclone trade volumes
- Strong cruise return
- Subdued log export market, supported by increased Pan Pac and CNI windthrow log volumes

RECORD REVENUE DESPITE CHALLENGES

FINANCIAL RESULTS OVERVIEW

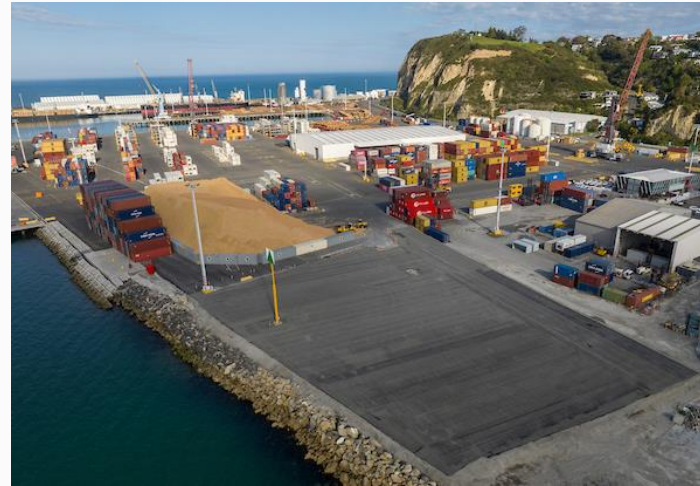
	FY2023 \$M	FY2022 \$M	Variance	
			\$M	%
Revenue	118.4	114.5	+3.9	+3.4
Result from operating activities	37.2	40.1	-2.9	-7.1
Net profit after tax	16.6	20.4	-3.4	-18.8
Cash flow from operations	37.2	33.0	+4.2	+12.7

- Revenue growth of 3.4% on 14.4% reduction in total cargo tonnes
 - Return of cruise – \$5.3m from 64 calls
 - ARPU¹ growth – response to cost inflation, continued focus on yield and investment return pricing
- Relatively resilient result from operating activities – 7.1% decrease
 - Ahead of most recent earnings guidance due to better than expected log exports late in Q4
- Solid operating cash flow supported by initial business interruption insurance proceeds
- NPAT lower than prior year with increased depreciation and finance costs post-Te Whiti construction

ADAPTABILITY MAINTAINED MOMENTUM AND OPPORTUNITIES

CUSTOMER FOCUS, CREATING VALUE, WELLBEING

- Prioritised customer needs
 - Protecting cargo, maintaining access routes and shipping services
 - 8/10 customer satisfaction score
- Agile and responsive 'whole of port' planning
 - Wood chip export
 - Re-allocating land and wharves for different cargoes
 - Pavement upgrade increased on port storage
- Flexible supply chain solutions
 - Road bridging collaboration while rail line damaged
 - Coastal shipping for the East Coast
 - Viewpoint Supply Chain officially launched
- Safety and wellbeing of the Napier Port team
- Focus on cost efficiency measures



SUSTAINABILITY REPORTING

STRATEGY AND THIRD TCFD

- Total carbon emissions (Scope 1, 2 and 3) reduced by 10% on prior year
- Continuous progress on strategy and action plan:
 - 61% of initiatives ongoing or complete (up from 47% prior year)
- Climate change risk assessment updated with new climate data
- Third climate change related disclosure report published



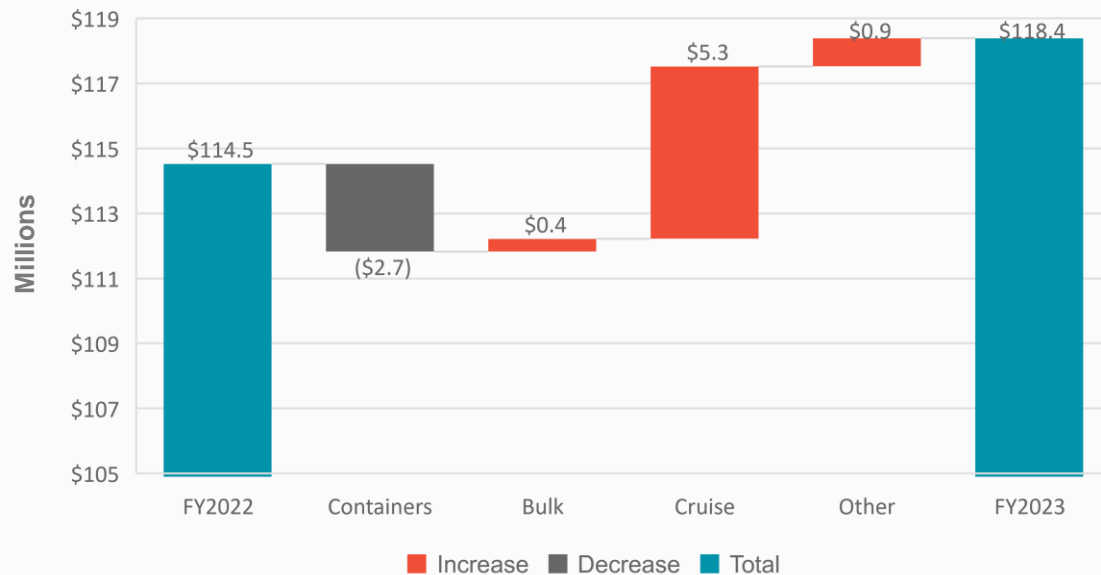


FINANCIAL & OPERATING PERFORMANCE

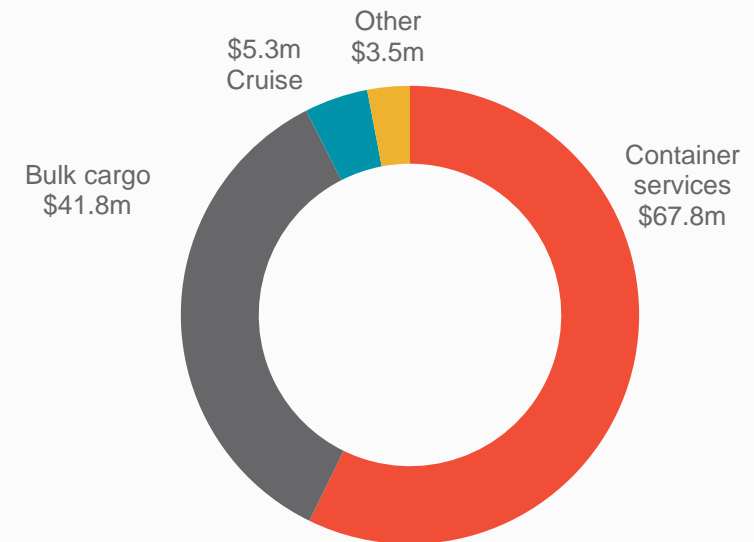
RECORD REVENUE ON IMPACTED TRADE VOLUME

- 3.4% year-on-year (YoY) increase in total revenue by \$3.8m to a new high of \$118.4m
 - Cruise return contributed \$5.3m
 - Container services decreased \$2.7m on 12.7% lower volume
 - Bulk cargo revenue increased \$0.4m on 12.8% lower volume
 - Revenue growth largely driven by higher yield (ARPU¹)

FY2023 REVENUE PROGRESSION



FY2023 REVENUE COMPOSITION



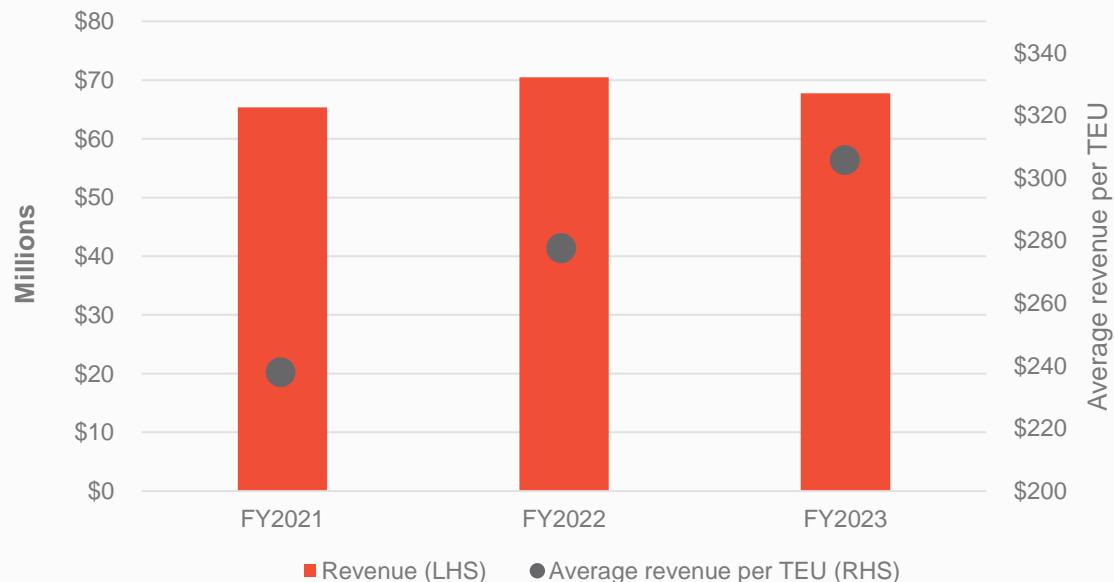
1- Average Revenue per Unit (Container services – per TEU, Bulk cargo – per Tonne)

CONTAINER SERVICES REVENUE RESILIENT DESPITE VOLUME FALL

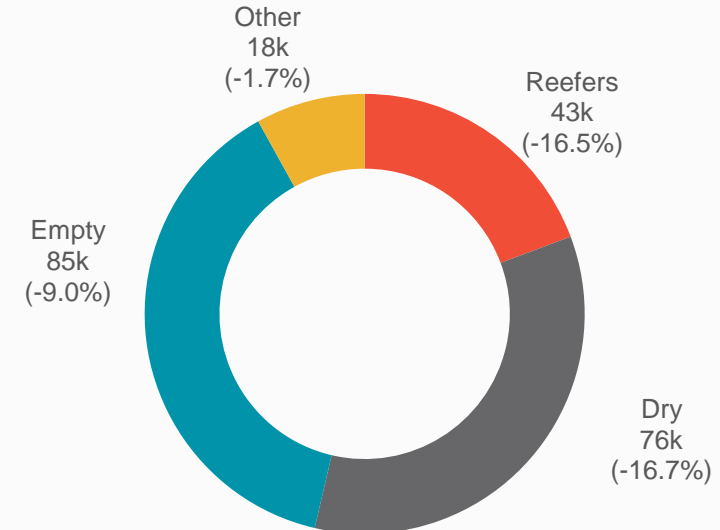
AVERAGE REVENUE PER TEU INCREASED 10.2%

- Container services revenue decreased 3.8% YoY to \$67.8m
- Total TEU volume decreased 32,000 (-12.7%) YoY
 - Full containers down 24,000 TEU, empties down 8,000 TEU, and tranships and DLRs flat
- Average revenue per TEU increased 10.2% to \$305 per TEU from \$277 per TEU
 - Fuel recovery (FAF) introduced May 2022, tariff increases, increased vessel calls, increased depot contribution, partially offset by container mix changes
- Improved container shipping environment – less disruption, schedules improved, and more service calls in year

CONTAINER SERVICES REVENUE AND ARPU



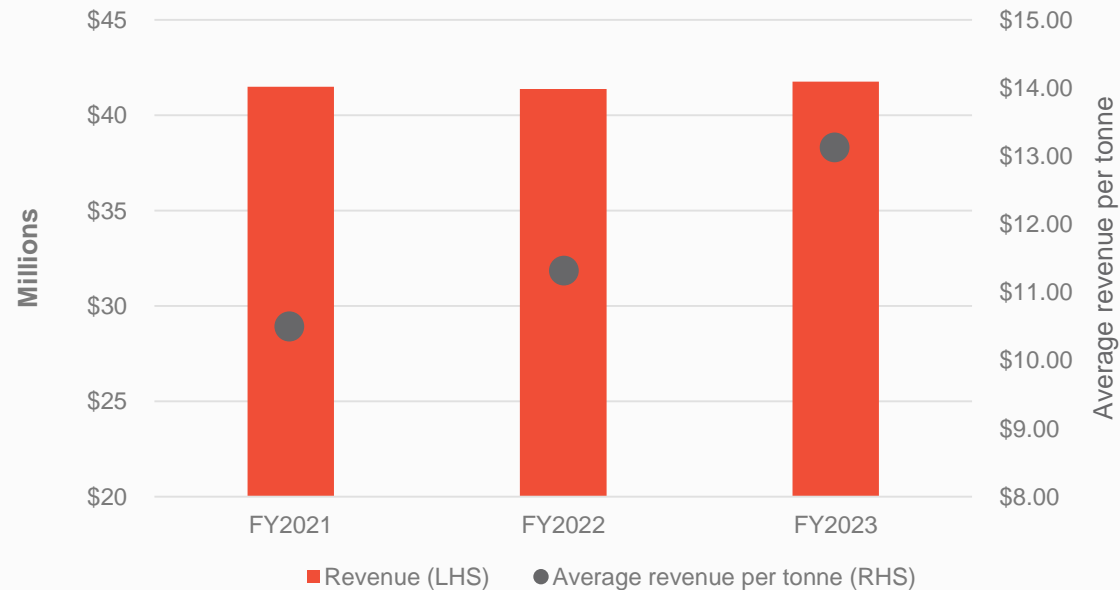
FY2023 TEUs (VERSUS FY2022)



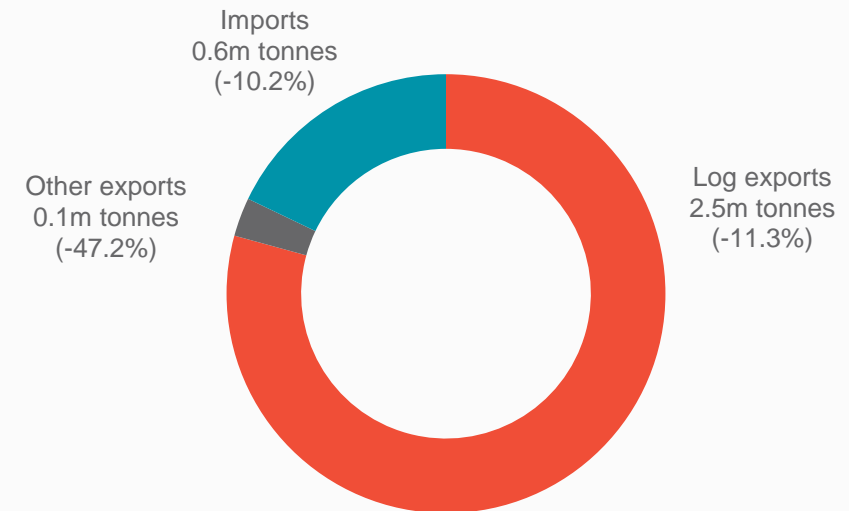
BULK CARGO – REVENUE MAINTAINED ON LOWER VOLUME

- Bulk revenue increased 0.9% YoY to \$41.8m
- Volume decreased 12.8% to 3.2 million tonnes
- Bulk cargo average revenue per tonne increased 15.9% to \$13.11/T from \$11.33/T
 - Primarily cargo mix and average rate increases
 - Increased contribution from debarking operation

BULK CARGO REVENUE AND ARPU



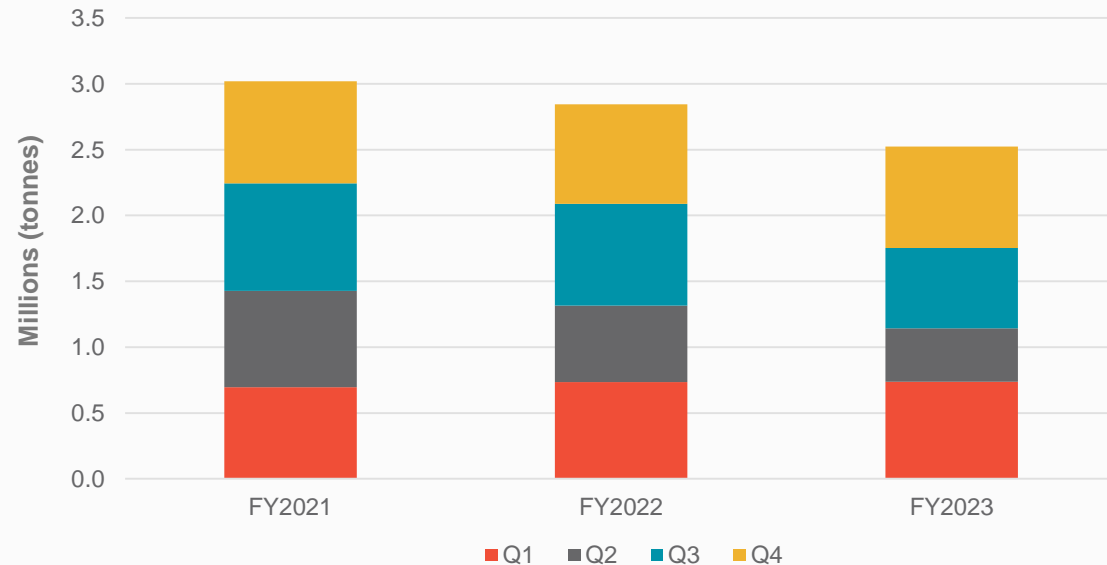
FY2023 BULK TONNES (VERSUS FY2022)



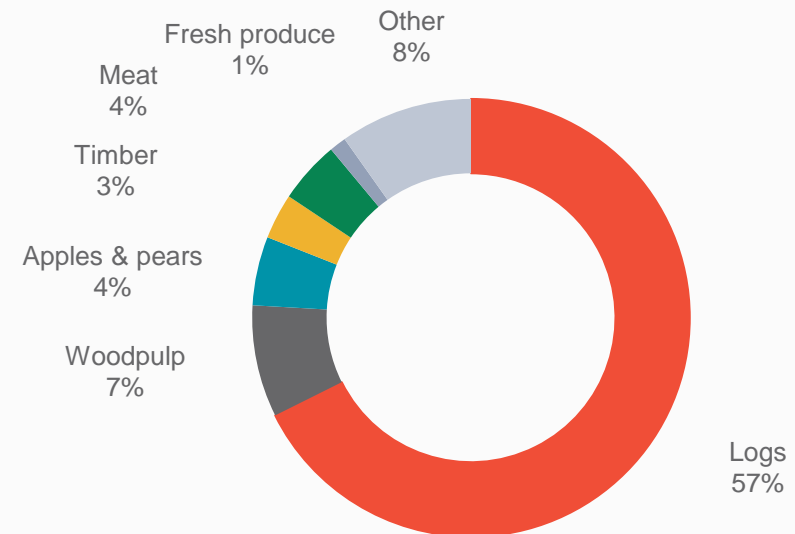
LOG VOLUMES EASE BUT STABLE GIVEN MARKET CONDITIONS

- Log export volume decreased 320k tonnes (-11.3%) to 2.5 million tonnes
 - Log export market conditions generally subdued
 - Weak second and third quarters particularly following cyclone
 - Stronger Q4 in line with 2022 Q4
 - Supported by Pan Pac exporting higher quantities of unprocessed logs and CNI windthrow wood volume
- 23 fewer log vessels on lower export logs volume and increasing average vessel load sizes

LOG EXPORT VOLUME



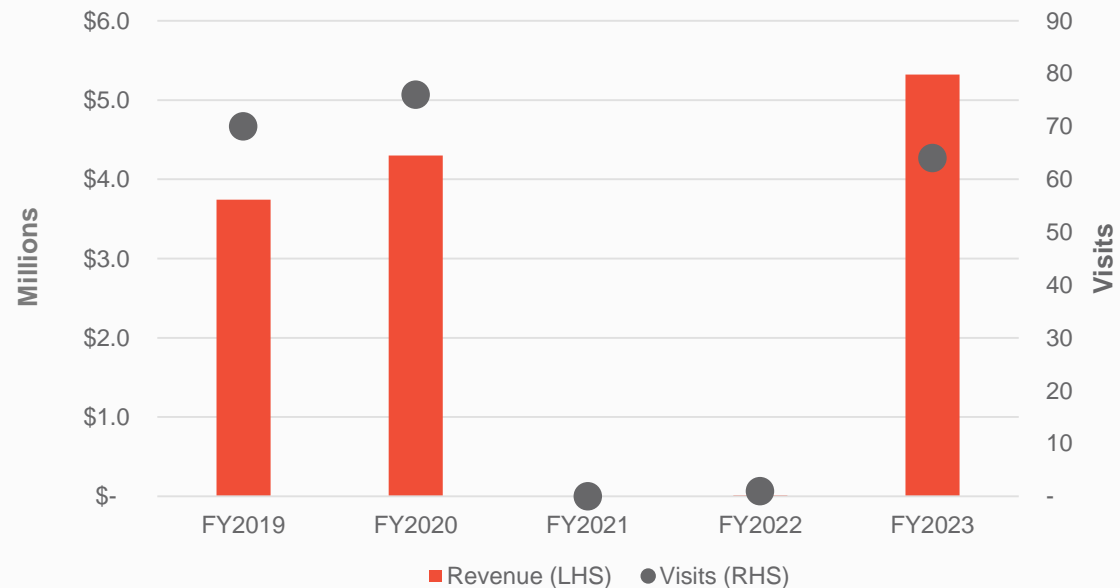
FY2023 ALL CARGO EXPORTS (WEIGHT)



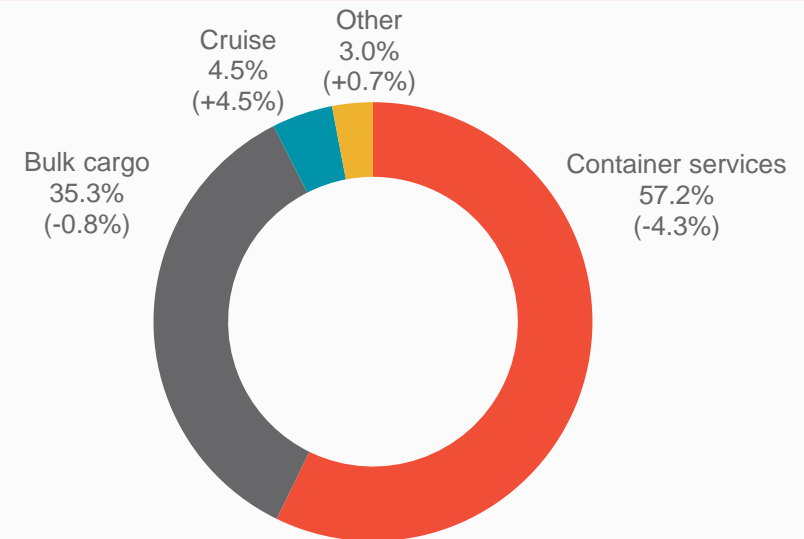
THE WELCOME RETURN OF CRUISE

- Return of cruise generated a record \$5.3m revenue contribution
- Currently 92 vessels booked for FY2024 season, previous peak 76 visits in FY2020

CRUISE REVENUE AND VISITS

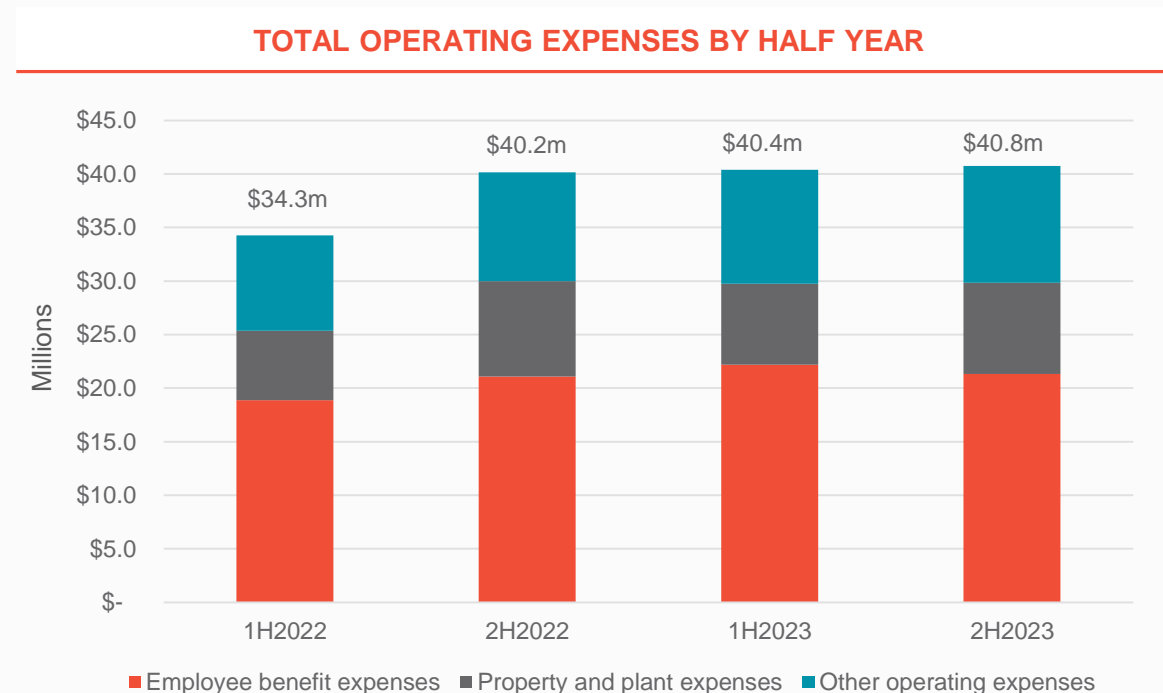


FY2023 REVENUE COMPOSITION (VERSUS FY2022)



FLATTENED OPEX RUN-RATE IN HIGH INFLATIONARY ENVIRONMENT

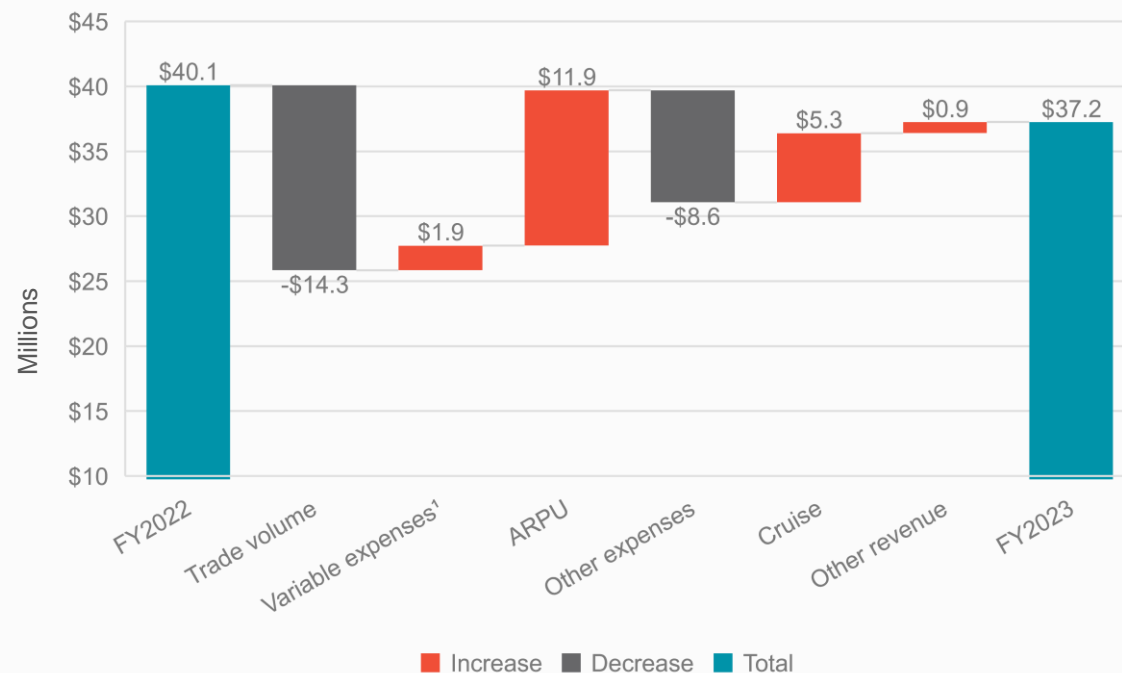
- Total opex increased \$6.7m to \$81.1m YoY
 - Additional cost control measures introduced post-cyclone
 - Limited directly variable opex component
 - Recent semi-annual opex run-rate contained despite continuing significant underlying cost inflation pressure (& acknowledging lower variable volume related expenses)
- Employee benefit expenses increased \$3.5m (8.9%)
 - Approx. half is rate increases, half additional FTE – security insourcing and revenue activities
- Property and plant expenses increased \$0.7m (4.7%)
 - Fuel & power up \$0.5m (+\$1.9m rate, -\$1.4m volume)
 - Site expense increase of \$0.7m – primarily environmental
- Other operating expenses increased \$2.4m (12.8%)
 - Further increase in insurance cost
 - General cost escalation across most spend categories
- Revenue generating cost recoveries partially offsetting increases in bigger expense items such as insurance and fuel



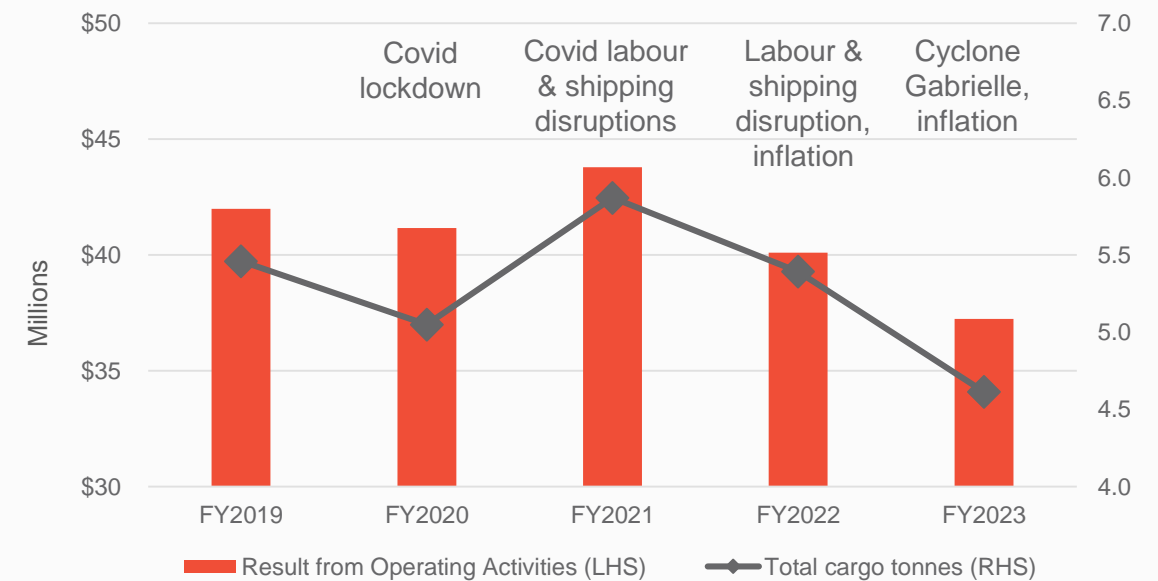
LOWER OPERATING RESULT DRIVEN BY LOWER TRADE VOLUME

- Result from operating activities down \$2.8m (7.1%)
 - \$14.3m decrease attributed to lower trade volume, partly mitigated by the return of cruise (+\$5.3m)
 - ARPU growth greater than operating expense growth
 - Excludes \$7.25m insurance income from progress business interruption claims reported within Other Income
 - Positive outcome given the circumstances

RESULT FROM OPERATING ACTIVITIES

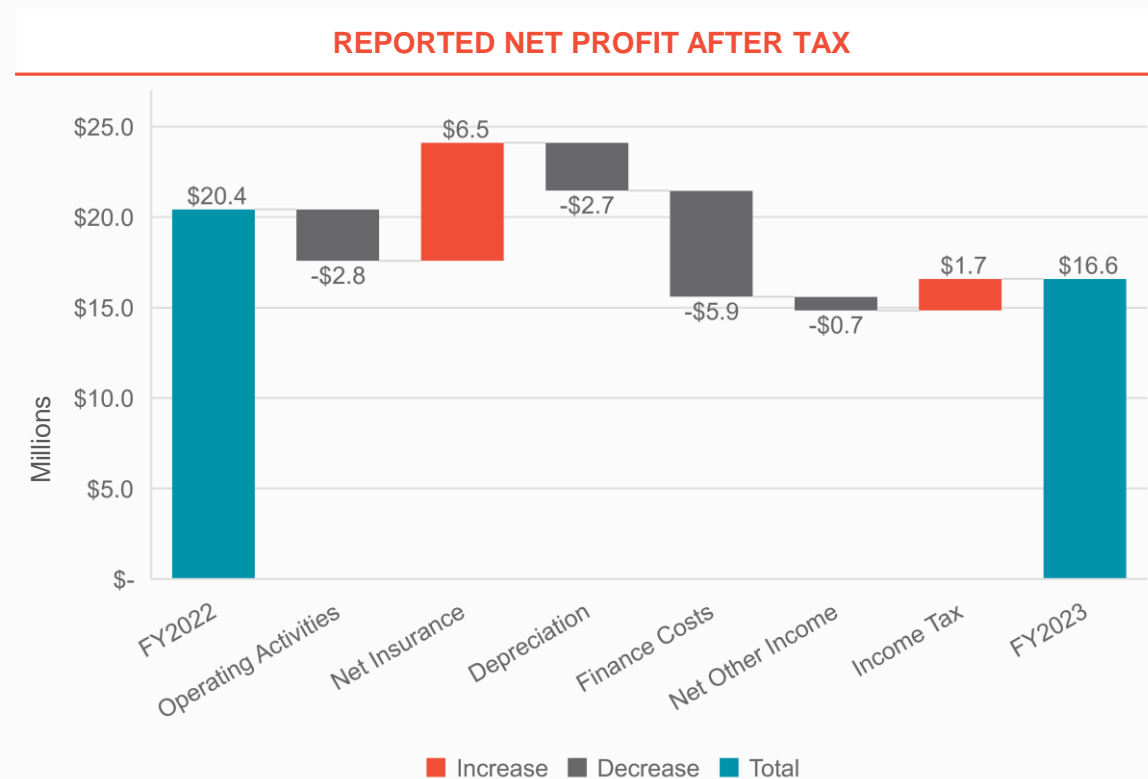


OPERATING RESULT SIGNIFICANT CHALLENGE FACTORS



NET PROFIT REDUCED ON POST TE WHITI DEPRECIATION AND FINANCE COSTS

- Underlying NPAT¹ decreased by \$8.0m (42.8%) to \$10.7m
 - As flagged, increased depreciation (+\$2.7m) and finance costs (+\$5.9m) post Te Whiti construction period
- Reported NPAT decreased by \$3.8m (18.8%) to \$16.6m
 - Includes \$6.5m of Cyclone Gabrielle related net insurance income

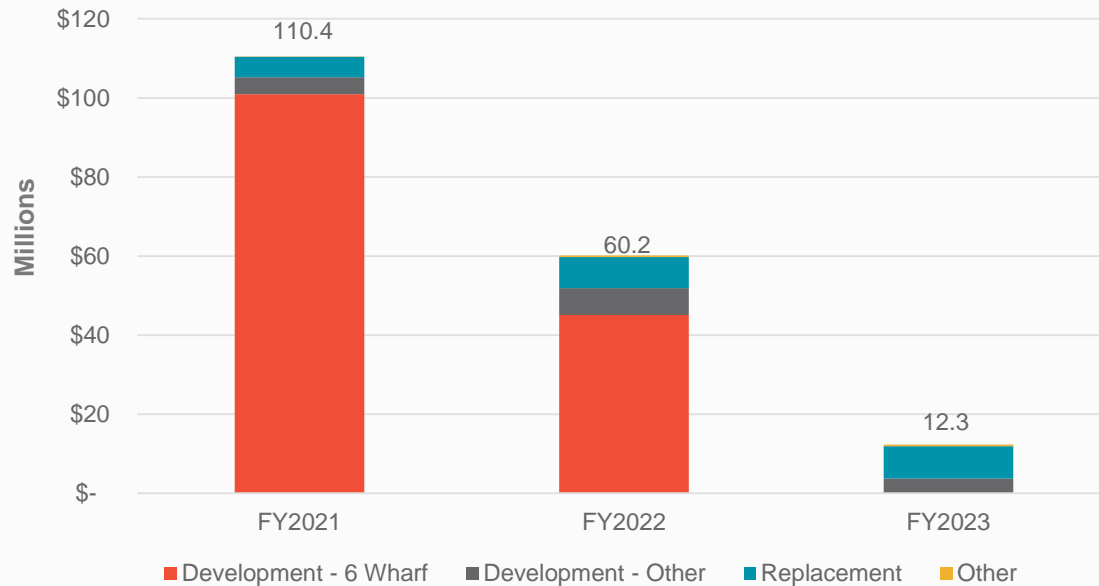


1- Excludes Cyclone Gabrielle net Other Income, fair value gain on investment properties, and related tax expense. Refer to appendices for reconciliations of underlying metrics

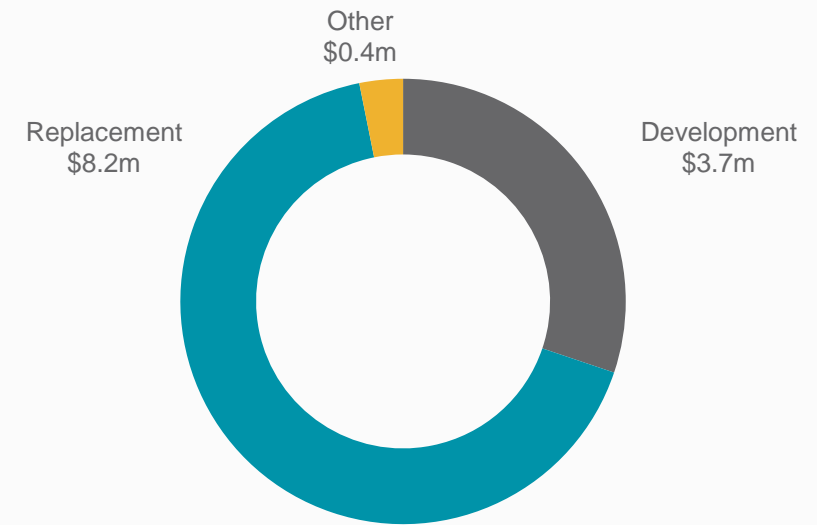
CAPITAL EXPENDITURE – REDUCED SPEND POST TE WHITI WHARF

- Capital expenditure of \$12.3m¹
 - \$4.5m mobile plant – four Eco container handling machines, log loading mobile plant
 - \$2.4m additional paving capacity, primarily for additional log storage area options
 - \$1.4m post cyclone restorative dredging

CAPITAL EXPENDITURE



FY2023 CAPITAL EXPENDITURE



1- Accounting accruals basis. Cash spend \$13.8m

CASH FLOW

	FY2023 \$M	FY2022 \$M	Var \$M
Operating cash flows	37.2	33.0	+4.2
Investing cash flows	(14.0)	(71.9)	+57.9
Dividends	(12.8)	(15.0)	+2.2
Other financing cash flows	(7.2)	(1.6)	-5.6
Increase / (reduction) in cash and cash equivalents	(0.8)	0.5	
(Increase) / reduction in total gross drawn loans and borrowings	4.0	(56.0)	

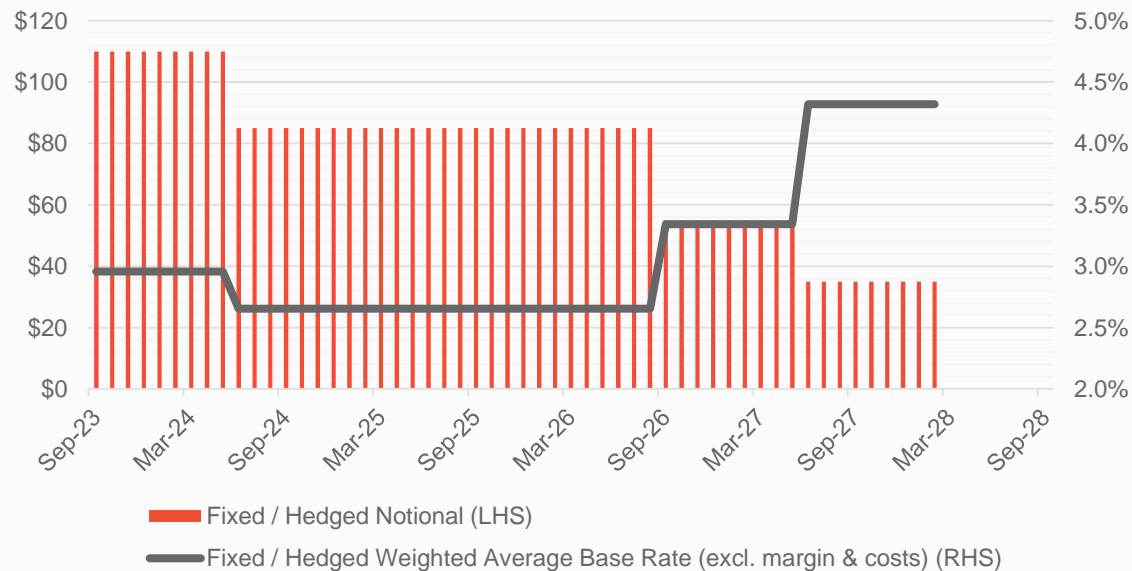
- Continued robust operating cash flow (+\$4.2m) despite reduced operating result
 - Supported by \$3.4m in BI insurance proceeds received to end September
 - Lower cash tax payments due to lower earnings and timing of provisional payments
- Underlying net cash flow from operations of \$36.4m increased from \$33.0m in FY2022
 - Excluding cyclone related insurance and costs and related (assumed) tax effect
- Net finance costs now largely reported in P&L and financing cashflows (versus capitalised to capex in recent periods)

CAPITAL MANAGEMENT

SOUND FUNDING POSITION WITH LOW INTEREST RATE RISK EXPOSURE

- Debt to EBITDA of 2.98x at 30 September
 - Down from 3.36x at 30 September 2022
 - Within long-term target range of 2.0x – 3.0x
- Additional undrawn credit facilities available of \$50m
- Weighted average term to debt maturity of 3.7 years
- 82% of gross drawn debt subject to fixed interest rates

FIXED INTEREST RATE PROFILE (INCLUDING HEDGING)



VOLUME AND EARNINGS OUTLOOK

FUNDAMENTALS REMAIN STRONG: EARNINGS GROWTH LEVERAGED TO RECOVERY

Region and key cargo customers recovering & replanting

Fundamentals of 'food and fibre' remain strong

New season, new crops; record cruise bookings for FY2024

Baseline cargo recovery expected FY2024-25

Trade markets softer – export volumes less sensitive

Infrastructure and capability in place; Viewpoint Supply Chain and other strategic initiatives supporting growth

Earnings growth strongly leveraged to volume recovery

Earnings supported by insurance in short term, and in medium to longer term, target returns linked to cost of capital



CONCLUSION AND CURRENT OUTLOOK

LOOKING FORWARD TO FY2024

Noting dependence on timing and cadence of key cargo return, we have confidence in core trade volume recovery and earnings potential

Anticipate improved operating conditions relative to FY2023

Continuing inflationary environment; continued cost and capital discipline and proven ability to recover cost increases

Global and national macro-economic uncertainty & readjustment expected to influence trade

FY2023 DIVIDEND

Final dividend of 3.55 cps declared

Fully imputed

Record date: 4 December 2023

Payment date: 14 December 2023

Total dividends, in respect of FY2023, of 5.25 cps, fully imputed (FY2022: 7.5 cps)



QUESTIONS

APPENDICES

The following appended financial information provides a summary of financial information for the year ended 30 September 2023 (FY2023) compared to the corresponding period in 2022 (FY2022).

Reconciliations provided are extracted from and should be read in conjunction with the Supplemental Selected Financial Information document released with NPH's 2023 Annual Report on the NZX announcements platform and the Napier Port website Investor Centre.

REVENUE

NZ\$000	FY2023	FY2022
Container services	67,756	70,457
Bulk cargo	41,761	41,370
Cruise	5,321	12
Sundry revenue	995	277
Revenue from port operations	115,833	112,116
Revenue from property operations	2,551	2,407
Total operating income	118,384	114,523

OPERATING EXPENSES

Employee benefit expenses

NZ\$000	FY2023	FY2022
Wages & salaries	40,591	37,111
Other employee benefit expenses	2,922	2,858
Total employee benefit expenses	43,513	39,968

Property and plant expenses

NZ\$000	FY2023	FY2022
Plant expenses	6,262	6,777
Site expenses	2,365	1,653
Fuel & power	7,466	6,947
Total property and plant expenses	16,093	15,377

OPERATING EXPENSES

Other operating expenses

NZ\$000	FY2023	FY2022
Administration expenses	7,648	5,950
Occupancy expenses	8,680	6,816
Contract labour	3,548	4,319
Other staff expenses	1,658	1,999
Total other operating expenses	21,533	19,084

CAPITAL EXPENDITURE

NZ\$000	FY2023	FY2022
Development capex		
6 Wharf construction	-	45,096
Mooring plant and equipment	351	3,497
Other development capex	3,372	3,325
Total development capex	3,722	51,918
Replacement capex	8,224	7,829
Compliance and other capex	389	441
Total capex including capitalised finance costs	12,335	60,188
Movement in fixed asset creditors	1,416	11,883
Capex per cash flow	13,751	72,071

RECONCILIATION OF UNDERLYING NET PROFIT AFTER TAX¹

NZ\$000	FY2023	FY2022
Reported net profit after tax	16,587	20,421
Adjustments:		
Fair value movements on investment properties	(1,225)	(1,800)
Cyclone Gabrielle related expenses	708	-
Cyclone Gabrielle business interruption insurance income	(7,250)	-
Tax impact of adjustments	1,832	-
Underlying net profit after tax	10,652	18,621

1- Underlying net profit after tax is a non-NZ GAAP measure – refer to the Supplemental Selected Financial released with NPH's 2023 Annual Report on the NZX announcements platform for further information related to this measure

RECONCILIATION OF UNDERLYING NET CASH FLOWS FROM OPERATING ACTIVITIES¹

NZ\$000	FY2023	FY2022
Reported net cash flows from operating activities	37,239	33,040
Adjustments		
Cyclone Gabrielle related expenses	708	-
Cyclone Gabrielle business interruption insurance income	(3,395)	-
Tax impact of adjustments	1,832	-
Underlying net cash flows from operating activities	36,384	33,040

1- Underlying net cash flows from operating activities is a non-NZ GAAP measure – refer to the Supplemental Selected Financial released with NPH's 2023 Annual Report on the NZX announcements platform for further information related to this measure

DIVIDEND POLICY

- The Board is targeting paying total dividends within a range of 70% to 90% of Free Cash Flow¹
- Free Cash Flow¹ 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 Flow¹) 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

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

To learn more about Napier Port and what it does please refer to our website at 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 (TCFD)
 - Investment Key Facts
 - Investing in Napier Port overview presentation
 - Investor Day 2021 Presentations
 - Log Supply Chain Case Study
- Key policies and governance documents