

Preliminary half year report on consolidated results (including the results for the previous corresponding half year).

This report has been prepared in a manner which complies with generally accepted accounting practice and fairly presents the matters to which the report relates and is based on unaudited financial statements.

The Listed Issuer has a formally constituted Audit Committee of the Board of Directors.

Income Statement
For the Six Months ended 30 September 2021

	Notes	Six Months Ended 30 September 2021 unaudited \$000	Six Months Ended 30 September 2020 unaudited \$000	Year ended 31 March 2021 audited \$000
Operating Revenue		2,274,386	1,608,861	3,543,531
Interest Revenue		-	-	307
Total Revenue		2,274,386	1,608,861	3,543,838
Transport Costs		(1,450,091)	(953,205)	(2,141,744)
Labour Expenses		(422,422)	(350,132)	(723,444)
Other Expenses		(115,962)	(100,772)	(211,836)
Earnings before Interest Costs, Tax, Depreciation, Amortisation and Abnormal Items		285,911	204,752	466,814
Depreciation of Right to Use Assets		(59,160)	(60,749)	(113,938)
Finance Costs Relating to Lease Liabilities		(7,572)	(8,394)	(16,225)
Other Depreciation & Amortisation Expenses		(34,862)	(30,602)	(68,460)
Other Finance Costs		(2,331)	(2,742)	(5,784)
Profit before Taxation		181,986	102,265	262,407
Income Tax Expense		(51,176)	(29,348)	(74,297)
Net Profit for the Period		130,810	72,917	188,110
Earnings per share				
Basic and diluted earnings (cents per share)		129.90	72.41	186.81

Statement of Comprehensive Income
For the Six Months ended 30 September 2021

Net Profit for the Period	130,810	72,917	188,110
Other Comprehensive Income for the Period, Net of Tax			
<i>Other comprehensive income to be reclassified to profit/(loss) in subsequent periods</i>			
Exchange Differences on Translation of Foreign Operations	(4,314)	(8,555)	(22,545)
Income Tax Effect	162	(1,078)	(2,782)
Net Other Comprehensive income to be reclassified to profit/(loss) in subsequent periods	(4,152)	(9,633)	(25,327)
<i>Other comprehensive income not to be reclassified to profit/(loss) in subsequent periods</i>			
Revaluation of Land including Foreign Exchange Movements	(625)	109	55,814
Income Tax effect	-	-	(5,324)
Defined Benefit Pension Provision	(5)	15	(159)
Income Tax effect	1	-	40
Net Other Comprehensive income not to be reclassified to profit/(loss) in subsequent periods	(629)	124	50,371
Other Comprehensive Income for the Period, Net of Tax	(4,781)	(9,509)	25,044
Total Comprehensive Income for the Period, Net of Tax	126,029	63,408	213,154

The accompanying notes form part of these interim financial statements

	Notes	30 September 2021 unaudited \$000	30 September 2020 unaudited \$000	31 March 2021 audited \$000
Current Assets				
Bank		121,122	128,206	139,555
Trade Debtors		600,974	388,783	489,246
Income Tax Receivable		-	1,594	251
Other Debtors		47,164	62,665	89,531
		<u>769,260</u>	<u>581,248</u>	<u>718,583</u>
Non-current Assets				
Property		792,887	682,286	755,566
Plant & Equipment		169,005	126,067	162,597
Right of Use Assets		573,952	577,060	567,956
Software		58,398	52,507	53,510
Goodwill		209,446	217,580	208,626
Other Intangible Assets		1,440	3,012	1,607
Deferred Tax Asset		18,751	15,389	18,461
		<u>1,823,879</u>	<u>1,673,901</u>	<u>1,768,323</u>
Total Assets		<u>2,593,139</u>	<u>2,255,149</u>	<u>2,486,906</u>
Current Liabilities				
Bank		-	-	-
Trade Creditors & Accruals		446,314	341,318	412,826
Employee Entitlements		93,361	66,902	91,997
Provision for Taxation		15,815	4,782	30,344
Lease Liability for Right of Use Assets		126,068	123,221	118,158
Asset Finance Loans		8,976	2,056	9,198
		<u>690,534</u>	<u>538,279</u>	<u>662,523</u>
Non-current Liabilities				
Bank Term Loan		205,937	239,475	210,000
Employee Entitlements		3,567	3,288	2,922
Deferred Tax Liability		7,204	6,589	6,571
Lease Liability for Right of Use Assets		468,212	469,856	467,276
Asset Finance Loans		21,924	2,152	22,568
		<u>706,844</u>	<u>721,360</u>	<u>709,337</u>
Total Liabilities		<u>1,397,378</u>	<u>1,259,639</u>	<u>1,371,860</u>
Shareholders' Equity				
Share Capital		85,821	85,821	85,821
Retained Earnings		982,879	812,400	897,383
Revaluation Reserve		140,469	90,713	141,094
Foreign Currency Translation Reserve		(12,812)	7,034	(8,660)
Defined Benefit Pension Reserve		(596)	(458)	(592)
		<u>1,195,761</u>	<u>995,510</u>	<u>1,115,046</u>
Total Liabilities & Equity		<u>2,593,139</u>	<u>2,255,149</u>	<u>2,486,906</u>

	Ordinary Shares	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Defined Benefit Pension Reserve	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Six Months to 30 September 2021 (unaudited)						
Balance at 1 April 2021	85,821	141,094	(8,660)	(592)	897,383	1,115,046
Profit for the Period	-	-	-	-	130,810	130,810
Other Comprehensive Income	-	(625)	(4,152)	(4)	-	(4,781)
Total Comprehensive Income for the Period	-	(625)	(4,152)	(4)	130,810	126,029
Transactions with Owners in their Capacity as Owners						
Supplementary Dvidends	-	-	-	-	(1,513)	(1,513)
Dividends Paid	-	-	-	-	(45,314)	(45,314)
Foreign Investor Tax Credit	-	-	-	-	1,513	1,513
Balance at 30 September 2021	85,821	140,469	(12,812)	(596)	982,879	1,195,761
Six Months to 30 September 2020 (unaudited)						
Balance at 1 April 2020	85,821	90,604	16,667	(473)	773,720	966,339
Profit for the Period	-	-	-	-	72,917	72,917
Other Comprehensive Income	-	109	(9,633)	15	-	(9,509)
Total Comprehensive Income for the Period	-	109	(9,633)	15	72,917	63,408
Transactions with Owners in their Capacity as Owners						
Supplementary Dvidends	-	-	-	-	(1,140)	(1,140)
Dividends Paid	-	-	-	-	(34,237)	(34,237)
Foreign Investor Tax Credit	-	-	-	-	1,140	1,140
Balance at 30 September 2020	85,821	90,713	7,034	(458)	812,400	995,510
Twelve Months to 31 March 2021 (audited)						
Balance at 1 April 2020	85,821	90,604	16,667	(473)	773,720	966,339
Profit for the Period	-	-	-	-	188,110	188,110
Other Comprehensive Income	-	50,490	(25,327)	(119)	-	25,044
Total Comprehensive Income for the Period	-	50,490	(25,327)	(119)	188,110	213,154
Transactions with Owners in their Capacity as Owners						
Supplementary Dvidends	-	-	-	-	(2,132)	(2,132)
Dividends Paid	-	-	-	-	(64,447)	(64,447)
Foreign Investor Tax Credit	-	-	-	-	2,132	2,132
Balance at 31 March 2021	85,821	141,094	(8,660)	(592)	897,383	1,115,046

	Six Months Ended 30 September 2021 unaudited \$000	Six Months Ended 30 September 2020 unaudited \$000	Year ended 31 March 2021 audited \$000
Cash Flows from Operating Activities			
Receipts from Customers	2,609,928	1,890,812	3,459,132
Interest Received	-	-	307
Payments to Suppliers and Team Members	(2,356,438)	(1,648,586)	(2,992,486)
Finance Charge on NZ IFRS 16 Leases	(7,572)	(8,394)	(16,225)
Interest Paid	(2,331)	(2,743)	(5,784)
Income Taxes Paid	(65,174)	(42,580)	(68,662)
Net Cash Flows from Operating Activities	178,413	188,509	376,282
Cash Flows from Investing Activities			
Proceeds from Sale of Property, Plant & Equipment	1,411	2,386	3,529
Proceeds from Sale of Software	-	-	-
Repayments by Team Members	3	2	-
Purchase of Property, Plant & Equipment	(79,600)	(49,719)	(104,048)
Purchase of Software	(13,798)	(7,502)	(18,030)
Advances to Team Members	-	-	(2)
Net Cash Flows from Investing Activities	(91,984)	(54,833)	(118,551)
Cash Flows from Financing Activities			
Proceeds of Long Term Loans	20,000	30,000	62,054
Dividend Paid to Shareholders	(45,314)	(34,237)	(64,447)
Repayment of Loans	(23,310)	(58,462)	(118,073)
Lease Payments NZ IFRS 16	(56,232)	(55,978)	(107,125)
Net Cash Flows from Financing Activities	(104,856)	(118,677)	(227,591)
Net Increase / (Decrease) in Cash and Cash Equivalents	(18,427)	14,999	30,140
Net Foreign Exchange Differences	(6)	(2,927)	(6,719)
Cash and Cash Equivalents at Beginning of Period	139,555	116,134	116,134
Cash and Cash Equivalents at End of Period	121,122	128,206	139,555
Comprised:			
Bank and Short Term Deposits	121,122	128,206	139,555
Bank Overdraft	-	-	-
	121,122	128,206	139,555

The accompanying notes form part of these interim financial statements

1 Corporate Information

The preliminary half year report announcement of Mainfreight Limited ("the parent") and its subsidiaries ("the Group") for the six months ended 30 September 2021 was authorised for issue in accordance with a resolution of the Directors.

Mainfreight Limited is a company limited by shares incorporated in New Zealand whose shares are publicly traded on the NZX Main Board (New Zealand Stock Exchange).

2 Accounting Policies

Accounting policies remain consistent with the prior year ended 31 March 2021 financial statements.

3 Required NZX Disclosures

	Six Months Ended 30 September 2021 unaudited	Parent Six Months Ended 30 September 2020 unaudited	Year ended 31 March 2021 audited
	Shares	Shares	Shares
Movements in Ordinary Shares on Issue			
Closing balance	100,698,548	100,698,548	100,698,548
Average balance during the period	100,698,548	100,698,548	100,698,548
	\$000	\$000	\$000
Net Tangible Assets			
Net Tangible Assets	907,726	707,022	832,842
Net Tangible Assets per Security (cents per share)	901.43	702.12	827.06
Dividends Paid and Proposed			
Recognised Amounts			
Declared and Paid during the Period to Parent Shareholders			
Final Fully Imputed Dividend for 2021: 45 cents (2020: 34 cents)	45,314	34,237	
Unrecognised Amounts			
Interim Fully Imputed Dividend for 2022: 55.0 cents (2021: 30.0 cents)	55,384	30,210	

After the balance date, the above unrecognised dividends were approved by Directors' resolution dated 10 November 2021. These amounts have not been recognised as a liability as at 30 September 2021 but will be brought to account in the full year to 31 March 2022.

4 Segmental Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available. The Group operates in the domestic supply chain (i.e. moving and storing freight within countries) and air and ocean freight industries (i.e. moving freight between countries).

New Zealand, Australia, The Americas and Europe are each reported to management as one segment as the businesses there perform both domestic and air and ocean services.

The segmental results from operations are disclosed below.

Geographical Segments

The following table represents revenue, margin and certain asset information regarding geographical segments for the six months ended 30 September 2021 and 30 September 2020.

	New Zealand	Australia	The Americas	Asia	Europe	Inter-Segment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Six Months to 30 September 2021 (unaudited)							
Operating Revenue							
- Sales to Customers outside the Group	498,446	557,604	623,796	155,954	438,586	-	2,274,386
- Intersegment Sales	3,819	15,684	30,350	175,574	29,632	(255,059)	-
Total Revenue	502,265	573,288	654,146	331,528	468,218	(255,059)	2,274,386
PBT & Abnormal Items	48,070	47,279	49,218	16,253	21,166	-	181,986
Net Interest Expense	2,553	3,736	2,178	68	1,368	-	9,903
Depreciation & Amortisation	26,231	23,661	14,780	1,459	27,891	-	94,022
Capital Expenditure	43,907	19,826	11,554	764	15,936	-	91,987
Trade Receivables	118,497	140,979	198,856	130,973	123,728	(112,059)	600,974
Non-current Assets	710,955	474,775	236,200	18,106	383,843	-	1,823,879
Total Assets	807,806	635,269	473,339	199,436	589,348	(112,059)	2,593,139
Total Liabilities	338,545	361,164	310,092	136,982	362,654	(112,059)	1,397,378
Six Months to 30 September 2020 (unaudited)							
Operating Revenue							
- Sales to Customers outside the Group	378,895	432,211	387,041	67,013	343,701	-	1,608,861
- Intersegment Sales	750	11,677	22,964	58,821	21,421	(115,633)	-
Total Revenue	379,645	443,888	410,005	125,834	365,122	(115,633)	1,608,861
PBT & Abnormal Items	37,500	32,757	13,264	6,205	12,539	-	102,265
Net Interest Expense	2,099	4,627	2,559	72	1,779	-	11,136
Depreciation & Amortisation	23,770	22,899	13,639	1,604	29,439	-	91,351
Capital Expenditure	29,546	13,324	4,646	911	6,408	-	54,835
Trade Receivables	82,757	93,778	105,216	34,629	96,226	(23,823)	388,783
Non-current Assets	578,318	467,232	213,923	18,652	395,776	-	1,673,901
Total Assets	661,776	603,154	364,719	78,914	570,409	(23,823)	2,255,149
Total Liabilities	281,511	358,822	238,456	46,035	358,638	(23,823)	1,259,639

4 Segmental Reporting - continued

Division Segments

The following table represents revenue and PBT in respect of the three main types of services for the six months ended 30 September 2021 and 30 September 2020.

	Domestic			Total
	Transport	Warehousing	Air & Ocean	
	\$000	\$000	\$000	\$000
Six Months to 30 September 2021 (unaudited)				
Revenue	894,315	264,615	1,115,456	2,274,386
PBT & Abnormal Items	72,913	22,188	86,885	181,986
Six Months to 30 September 2020 (unaudited)				
Revenue	746,578	214,503	647,780	1,608,861
PBT & Abnormal Items	57,446	16,124	28,695	102,265

	30 Sep 2021 unaudited \$000	30 Sep 2020 unaudited \$000
Reconciliation between non-GAAP and the Income Statement		
Profit before Taxation for the Period	181,986	102,265
Abnormal Items	-	-
Profit before Abnormal Items and Taxation for the Period	181,986	102,265
Interest Income	-	-
Finance Costs Relating to Lease Liabilities	7,572	8,394
Other Finance Costs	2,331	2,742
EBITA	191,889	113,401
Depreciation of Right of Use Assets	59,160	60,749
Other Depreciation and Amortisation Expenses	34,862	30,602
EBITDA (Adjusted)	285,911	204,752

EBITDA (Adjusted) is defined as earnings before net interest expense, tax, depreciation, amortisation, abnormal items and royalties (segment only; not Group).

There are no customers in any segment that comprise more than 10% of that segment's revenue.

Bank term loan is allocated based on segment net assets excluding bank term loan.

The geographical segments are determined based on the location of the Group's assets.