

NZX RELEASE

20 August 2024



Napier Port Update on WPI

Napier Port (NZX.NPH) wishes to advise that it has received notification from a significant cargo customer, Winstone Pulp International (WPI), that they are considering a proposal to cease all New Zealand (NZ) manufacturing operations indefinitely as a consequence of unsustainable energy prices.

WPI supplies timber and pulp products for export from Napier Port from its Karioi Pulpmill and Tangiwai Sawmill in the Central North Island. The majority of the pulp and timber received from WPI is packed into containers at Napier Port's on-port Port Pack operation. WPI exports between 15k to 19k TEU of containerised timber and pulp from Napier Port on an annual basis.

WPI had previously advised it was ceasing manufacturing operations due to abnormally high energy prices for 14 days from Monday 5th August, and this was then subsequently extended to Tuesday 20th August.

Napier Port understands the WPI proposal to cease operations is subject to a consultation period with employees and a final decision is expected to be announced on Monday 9th September.

Although WPI's current shutdown will reduce current financial year earnings, Napier Port's earnings guidance for the 2024 financial year for an underlying result from operating activities of between \$50 to \$53 million remains unchanged.

WPI's net contribution to FY24 earnings guidance is in the range of 7-8%.

Chief Executive Todd Dawson said: "Our thoughts are with everyone at WPI. They have been a successful New Zealand export business and a long-standing customer of Napier Port since the 1970s. We feel incredibly disappointed they are confronted with no option but to consider ceasing their operations due to current and ongoing challenges related to abnormally high energy costs. These challenges are not isolated to WPI, and we remain concerned for wider NZ industries facing the same issue.

"While we don't know the final outcome of WPI's process, which could include the retention of some or all of their cargo trade, the loss of WPI's cargo would be a setback for Napier Port, however we continue to benefit from our diversity of trade and revenue streams, as well as the resilient nature of our business." Mr Dawson said.

Napier Port notes that another significant cargo customer and large consumer of energy, Pan Pac, has recommenced pulp production in a limited capacity at the end of last week, following a temporary shutdown due to energy costs.

For more information:

Investors

Kristen Lie
Chief Financial Officer
DDI: +64 6 833 4405
E: kristenl@napierport.co.nz

Media

Jo-Ann Young
Corporate Affairs Manager
DDI: +64 6 833 4521
E: jo-anny@napierport.co.nz

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/