



**SOUTH PORT NEW ZEALAND LIMITED**  
**2024 ANNUAL SHAREHOLDERS' MEETING**  
**NZX ANNOUNCEMENT / MEDIA RELEASE**

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**South Port looks to economic recovery**

South Port Chair Philip Cory-Wright told the company's annual meeting at Bluff today that FY24 had been a difficult year operationally but a very important and positive year strategically for South Port.

"In FY24 overall cargoes declined 7.7%, with core bulk cargo volumes down by 12.2% reflecting decreased volumes in logs, fertiliser and woodchips," says Mr Cory-Wright. "However, the Port achieved an impressive 24.5% lift in containerised trade volume to 51,900 TEU (from 41,700 in FY23)."

Our normalised net profit was down 13.4% at \$9.96 million in a demanding environment. The Board is pleased to be able to maintain a steady dividend of 27.0 cents per share for the full year.

Mr Cory-Wright said, "The strength of the southern regional economy was in its diversity, with the long established agricultural, aluminium and forestry base now being joined by a raft of new developments in renewable energy and aquaculture."

Positive strategic developments were highlighted in FY24.

"The completion of project Kia Whakaū to dredge the channel to 9.7m chart datum was declared and fully operational on 4 October this year. This development enables the option of one-port-calls for forestry companies, wider tidal windows, increased volumes to be loaded on container vessels and greater safety margins for vessels entering the Port," says Mr Cory-Wright.

The announcement that the New Zealand Aluminium Smelters (NZAS) had secured 20-year electricity supply contracts with Meridian Energy, Contact Energy and Mercury NZ, was also welcomed. NZAS provides approximately 20% of South Port's profit and also a long-term stable earnings flow from its lease of the Tiwai wharf out to 2043.

This decision is likely to provide additional flow-on opportunities for the Port, including the commitment by gentailers to build renewable energy in the region.

Mercury NZ subsequently announced that it had reached a final investment decision to proceed with stage two of the Kaiwera Downs wind farm, which will lead to an additional 32 turbines coming through the Port in the next 12-18 months. Other prospective wind farms which might be expected to come through Bluff include Contact Energy's Slopedown wind farm (50 turbines), Manawa/Pioneer's Kaihiku wind farm (up to 73 turbines), and potentially Manawa's Mahinerangi wind farm.

South Port is also hopeful that aquaculture projects will progress, including Ngāi Tahu's Hananui ocean salmon farm, Impact Marine's land-based salmon farm, Sanford's land-based recirculating water hatchery and the Kelp Blue kelp farm.

This year South Port celebrates 30 years of being listed on the NZX. It is particularly pleasing that these positive opportunities reaffirm the potential for our regional port that was envisaged by local government and private investors when it was listed in 1994.

South Port Chief Executive Nigel Gear commented, "The main bulk areas impacted were agricultural input volumes that decreased by 15%, driven by a slow-down predominantly in the red meat sector and also forestry, which decreased by 26%. Both woodchip and log volumes were down due to soft offshore demand in the Chinese and Japanese markets."

Container volumes improved to levels similar to those handled back in 2021 which was pleasing. The main increases were shown in agricultural export volumes increasing by 18% and manufactured export goods by 35%.

"We are fortunate to have a long and successful commercial relationship with one of the world's leading shipping lines, Mediterranean Shipping Company, which provides the weekly Wallaby service from Bluff to North Asia ports via Australia," says Mr Gear.

FY24 also marks the first year that South Port will produce a Climate-related Disclosure report under the Aotearoa New Zealand Climate Standards. This report will be completed and published by 30 October 2024.

## **Outlook**

"Offshore commodity markets, especially the agricultural and forestry-based sectors, continue to face particularly challenging demand conditions which are expected to be reflected in the volumes of bulk cargo being handled through the Port," says Mr Cory-Wright.

Supply chains also continue to be disrupted, particularly around regions where conflict is present.

However strategic opportunities provide South Port with reasons to be optimistic about the future.

The NZAS 20-year extension provides consistency in vessel calls and base cargo that can now be factored into future planning. This decision will result in flow-on opportunities like wind farm project cargoes that are expected to be handled through the Port in the coming years.

The government recently announced 149 projects selected for inclusion in the Fast-Track Approvals Bill. This list noted several aquaculture projects, three of which are in Murihiku including, the Hananui ocean Salmon Farm, the Impact Marine land-based Salmon Farm and the Sanford land-based recirculating water hatchery.

These opportunities and the diversity of cargoes handled through the Port provide us with optimism and resilience for the future of the Port.

Based on all known factors at this time, South Port estimates that FY25 earnings will be in the range of \$9.3M to \$10.3M. On the assumption of a consistent earnings profile and in the absence of any unforeseen circumstances, the Directors will seek to, at least, maintain the current level of dividend payment.

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