MOVE LOGISTICS GROUP LIMITED
FY23 RESULTS

Craig Evans, Chief Executive Officer

Lee Banks, Chief Financial Officer

30 August 2023

INTRODUCING CRAIG EVANS

Commenced as MOVE CEO in February 2023

Extensive industry experience: 35 years with Mainfreight. Prior to that, four years with Freightways

Leadership: From branch level to national management. Six-plus years as Mainfreight New Zealand Country Manager

Based in Christchurch, travels the network extensively

/ FY23 PERFORMANCE SNAPSHOT

INCOME	EBITDA Normalised[1]	EBIT Normalised[1]	NLAT[2]
$347.7m	**$47.4m**	**$3.9m**	**$(7.2)m**
FY22: $364.0m	FY22: $56.2m	FY22: $11.5m	FY22: $(4.2)m

LTIFR	CAPEX	GEARING	FREE CASHFLOW
14.72	**$19.5m**	**17.2%**	**$35.4m**
FY22: 15.81	FY22: $5.7m	FY22: 22.3%	FY22: $45.1m

FY22 restated to include Specialist division following decision to retain the business

Softer result in face of headwinds, ongoing Freight improvement programme and as business is reshaped to support growth

- Moderating consumer demand in response to economic conditions
- Impact of weather events on customer activity and operations
- Investment in future growth initiatives
- Soft result from Freight business with the improvement programme ongoing

1. *Normalised EBITDA and Normalised EBIT exclude non-controlling interest and non-trading adjustments of $1.7m pre-tax related to asset impairment & restructuring the business (FY22: $3.4m). FY23 EBITDA before non-trading was $45.7m.*
2. *Attributable to owners of the company*

FY23 OPERATING ENVIRONMENT

Economic headwinds driving softer demand across the industry

- Moderation in consumer demand following the surge in activity immediately post-Covid
- Weather impact in 2H23 on customers across a range of sectors including agriculture and infrastructure
- Weather events disrupting transport routes and delaying launch of MOVE's shipping service
- Ongoing inflationary pressure increasing cost to serve – tight control over fixed costs
- Some easing of supply chain issues later in 1H23 – customer inventory levels being reduced, with flow-on effect on warehousing and freight
- Falling consumer confidence resulting in measurable down-trade and high interest rate environment

UPDATE ON KEY STRATEGIC PRIORITIES

4Q23: Commenced Project Blueprint to reshape & strengthen the business, and drive organic growth

WORK OUR ASSETS SMARTER

- Continuation of the Freight improvement programme
- Accelerated the fleet replacement programme
- Digital transformation continuing with pilot of new transport management system
- Implementation of new HR software in progress
- Investment in new digital hardware

BUILD OUR MULTI-MODAL OFFER

- Increased collaboration across the group to create a one stop shop for end to end supply chain solutions
- Moving from silo to group mentality
- Building internal economies and synergies
- Launch of new trans-Tasman shipping service with encouraging early signs

DELIVER FOR OUR CUSTOMERS

- Increasing market share as customers look for provider value
- Accelerated the rebranding programme to build awareness of our unified offer
- Significant new customer partnerships in Contract Logistics including renewal of Z Energy agreement
- Focus on higher value, higher margin business

UPSIZE OUR BUSINESS

- Specialist division welcomed back into the Group following review
- Investing in and expanding core competencies to drive organic growth

TAKING CARE OF WHAT MATTERS

- Priority focus on health & safety, people and culture – continuing improvement in safety metrics
- Well progressed towards CRD reporting in FY24

STRONG LEADERSHIP

- Appointment of Craig Evans as CEO from 1 February 2023
- New leadership of Freight business
- New GM People & Culture from July 23
- New National Sales Manager to commence October 23

/ FINANCIAL RESULTS

FY23 GROUP SUMMARY

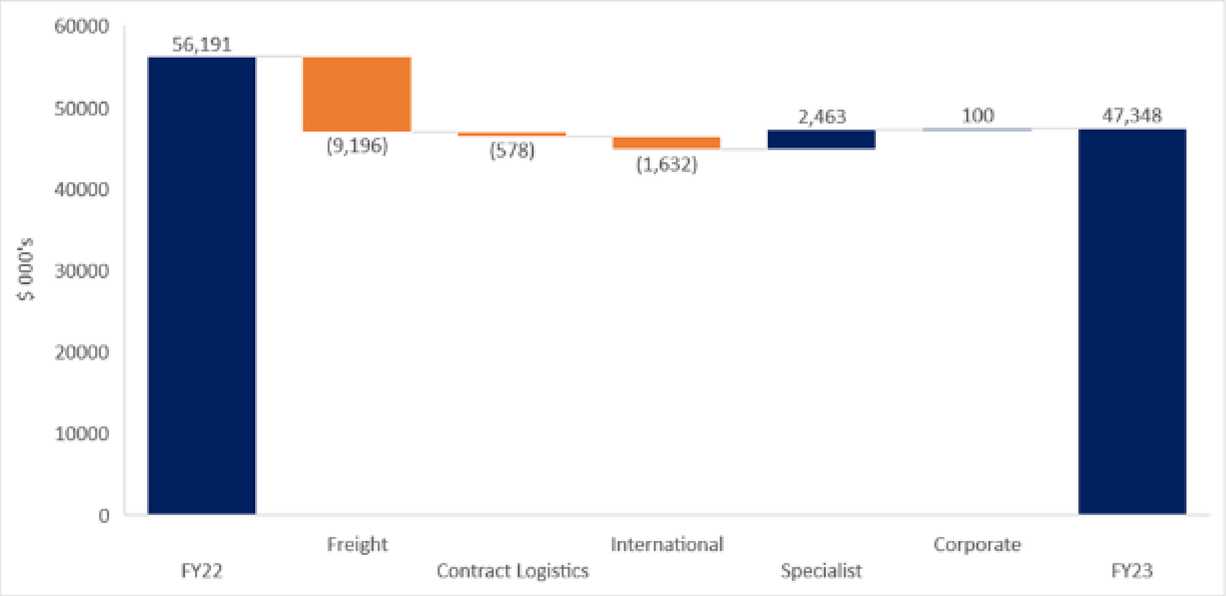
$Millions	FY23	FY22
Total Income	347.7	364.0
Normalised EBITDA[1]	47.4	56.2
Normalised EBIT[1]	3.9	11.5
Normalised NLAT[1]	(4.3)	(0.2)
Reported NLAT[2]	(7.2)	(4.2)
EPS (cents)	(6.18)	(3.97)
Free cashflow	35.4	45.1
Net Debt	15.6	20.9

1. *Normalised EBITDA, Normalised EBIT and Normalised NLAT excludes NCI and non-trading adjustments of $1.7m pre-tax related to restructuring and resetting the business as part of the strategic plan (FY22: $3.4m)*
2. *Attributable to owners of the company*

- Results impacted by softening consumer demand in response to economic conditions and impact of weather events
- Soft result from Freight business with the improvement programme ongoing
- Investment into future growth initiatives including Oceans and technology with $3.4m impact on EBITDA
- Focus on cost control, working capital management and customer value proposition
- Gross margin in line with prior year
- Net debt reduction from conversion of convertible note and cashflows

Late FY23: commenced Project Blueprint to reshape & strengthen the company, and drive organic growth

NORMALISED EBITDA



Normalised EBITDA excludes non-trading adjustments of $1.7m pre-tax related to restructuring and resetting the business as part of the strategic plan. Further details included in appendix to this presentation.

- **FREIGHT**: Decrease in sales, including loss of customer contract of $11m in annualised revenue. Result includes $1.1m of IT project costs
- **CONTRACT LOGISTICS**: Improved warehouse utilisation. Fuel business impacted by higher driver and R&M costs
- **INTERNATIONAL**: Reflects start up of Ocean initiative ($1.87m). Commenced consistent scheduling of trans-Tasman services in June 2023
- **SPECIALIST**: Good recovery from Covid-impacted year in FY22
- Flat corporate costs year on year

CASH FLOW

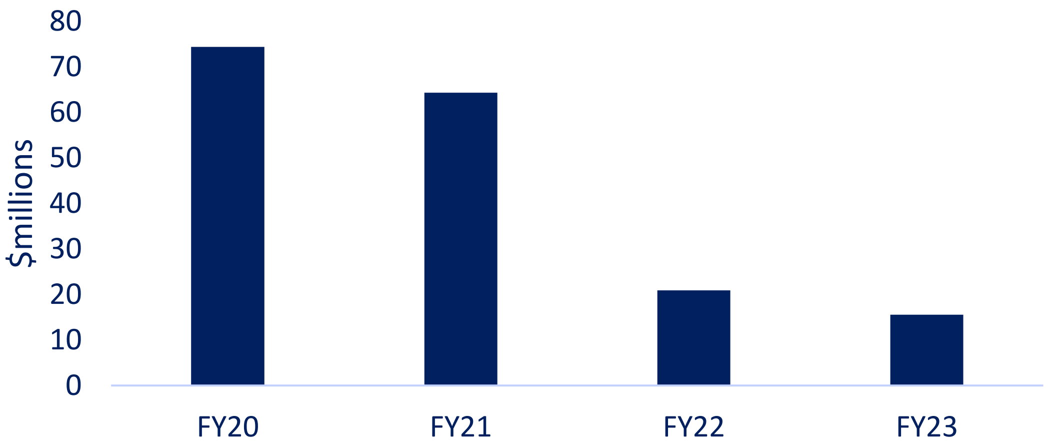
$000s	FY23	FY22
Normalised EBITDA excl. non cash items	48,419	56,269
Non trading - cash items	(701)	(1,768)
Working capital movement	1,172	(8,396)
Net operating cashflows	**48,890**	**46,105**
Capital expenditure	(19,491)	(5,707)
Govt Grant	3,000	0
Sale of PPE (excluding loss/gains)	3,032	4,731
Net capital expenditure	(13,459)	(976)
Free cash flow	**35,431**	**45,129**
Acquisitions/Advances to Associates	198	200
Net cash flow before financing and tax	**35,629**	**45,329**
Net interest payments	(9,208)	(10,684)
Tax payments	(920)	(481)
Dividends (non-controlling interests)	(624)	(45)
Cash flow before movements in net debt	**24,877**	**34,119**
EBITDA cash conversion	**102.5%**	**84.6%**

CASH CONVERSION IS THE FOCUS

- Positive working capital movement and operating cashflows, partially offsetting lower EBITDA and higher capex
- Free cash flow remains in good position at $35.4m
- Net capital expenditure increased by $12.5m YoY due to purchase of ship and prudent capital management during Covid
- Cash conversion of 102% - exceeded goal to improve to >90% in FY23
- Interest expense down on prior year due to debt reduction in 2Q22

BALANCE SHEET

Significant Reduction in Net Debt
FY20: FY23



$000s	FY23	FY22
Net Debt	15,579	20,889
Leverage Ratio	1.86x	.65x
Fixed Charge Cover Ratio	1.26x	1.46x
Gearing	17.2%	22.3%
Working Capital Ratio	1.27	1.42

- $5.3m reduction in net debt following conversion of convertible note and from cashflows
- Renegotiated bank facilities with revised covenants which enables runway for Project Blueprint
- Solid working capital ratio

CAPEX

Capital Expenditure ($m)		
	FY23	**FY22**
Fleet	3.9	2.2
Ship	8.5	-
Technology	1.5	.3
Other	2.6	3.2
TOTAL*	**16.5**	**5.7**

* Excludes progress payment on new ship build

Leased fleet additions	
FY23 $12.6m	**FY22** $4.7m

Sustaining capital expenditure/depreciation and software amortisation (excluding ship)	
FY23 59%	**FY22** 58%

Catch up following prudent capital management during Covid

- Growth investments – Oceans and technology (FuseIT handheld scanners)
- Leased vehicle programme proceeding well – in line with asset light strategy
- 46 new prime movers and 13 trailers were added in FY23
- Capital commitments as at June 2023 were $12.1m – multi-modal solution, fleet and technology
- Replacement Transport Management System project (FuseIT) is ongoing

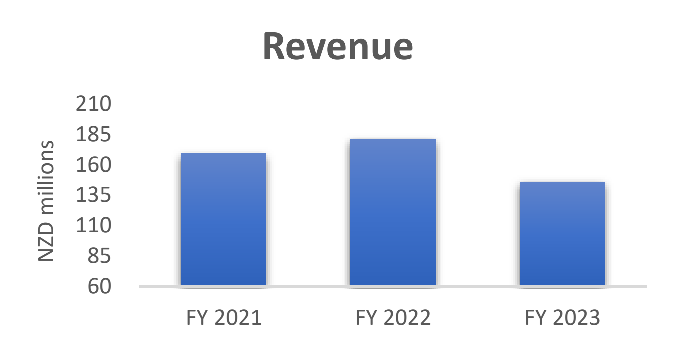
/ OPERATIONAL PERFORMANCE

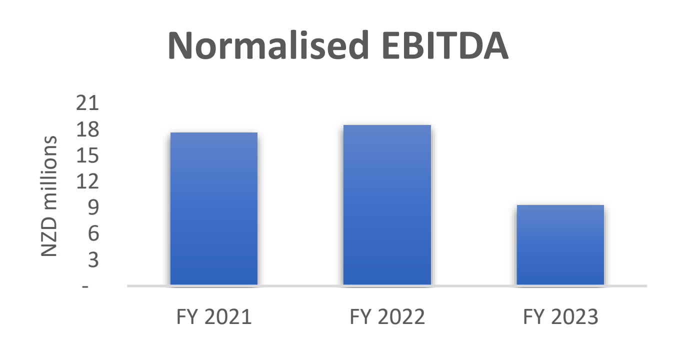
FREIGHT

Soft result as economic challenges hit and improvement programme continues

- Sales impacted by inflationary pressure and weather events on customer demand, and rate realignment. Unexpected contract loss of circa. $11m in annualised revenue from December 2022
- Review and re-set of Freight improvement programme; new leadership from 2H23
- Restructure of business into clear LCL and FTL services, with focus on productivity and utilisation in higher margin LCL business
- Investment in business – technology, people and branding
- **FY24 Priorities**: Focus on LCL business - Improve fleet utilisation and productivity; drive sales; rollout fit for purpose technology platform; improve data collation and analysis; establish robust process and operational disciplines. Rebuild in activity is key focus. Infrastructure (cost base) is now being right sized under Project Blueprint.
- Improving returns expected from 2H24 as changes are bedded in and with renewed focus on customer value proposition

Revenue: $146.0m, -19%
EBITDA: $9.3m, -50%



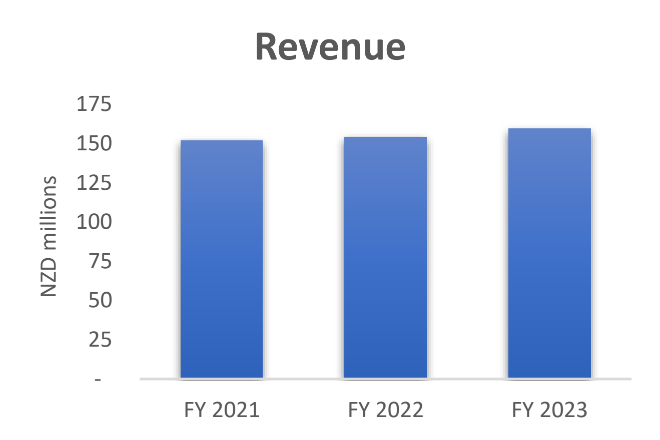


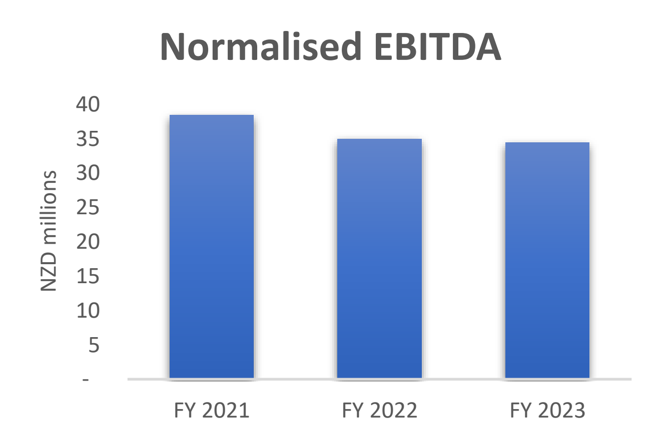
CONTRACT LOGISTICS

Steady state with strong customer relationships and increased utilisation of assets

- Solid performance in Logistics & Warehousing, offsetting small decrease in Fuels business
- **Logistics & Warehousing:** Capacity at high levels. Strong existing customer renewal rate alongside increasing new customer activity. Focus on cost control in the high inflation environment helping to deliver consistent margin performance
- **Fuel**: Renewal of Z Energy long term agreement. Revenue impacted by loss of customer contract in 2H22; offset by new customer wins. Investment into new trucks and trailers, and exploration of sector-specific opportunities
- **FY24:** Some softening anticipated as customer activity slows in response to economic conditions. Continuing focus on utilisation of capacity and getting the most out of the assets we own

Revenue: $159.4m, +3%
EBITDA: $34.4m, -2%



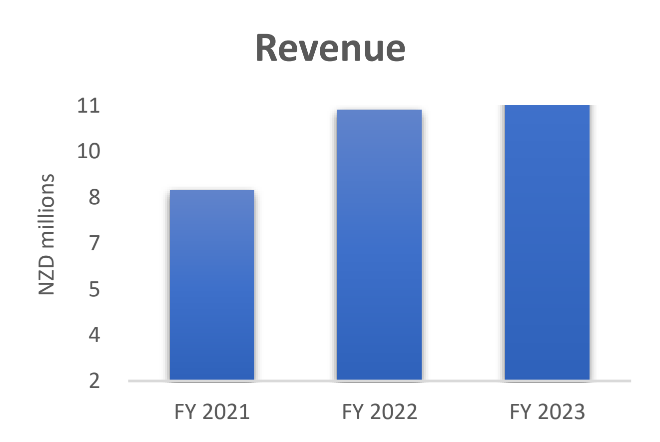


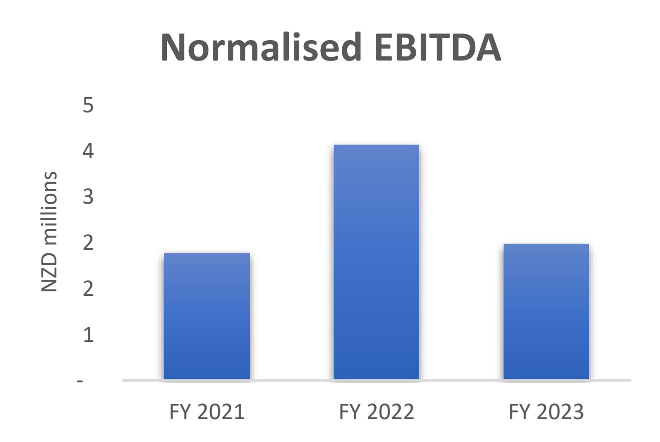
INTERNATIONAL
Launch of new Oceans strategy

- International freight volumes and pricing have eased
- Investment into Oceans strategy:
  - Acquisition of new vessel. Start-up of trans-Tasman shipping service in January 2023; commenced consistent scheduling of services in June 2023
  - Commissioned new build ship for coastal shipping, supported by $10m co-funding from Waka Kotahi (received $3m in FY23)
- Oceans acts as a feeder to MOVE's freight and warehousing businesses

FY24: Focus on building capability and expertise. Continue to build the trans-Tasman offer. Ongoing investment into new build coastal shipping vessel, with service expected to commence Q1 CY2025. Long term potential to build Oceans offer.

Revenue: $19.8m, +82%
EBITDA: $2.2m, -42%



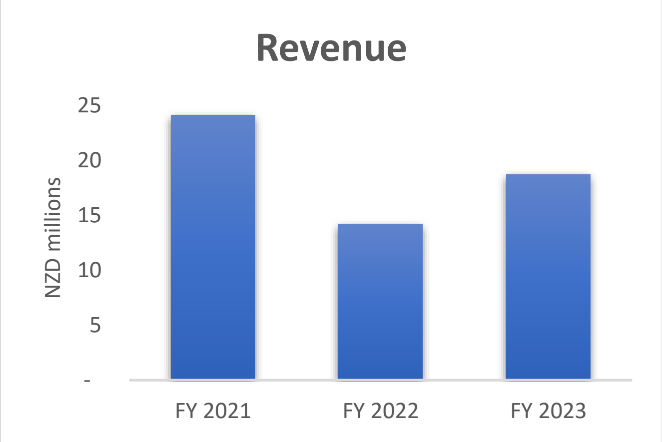


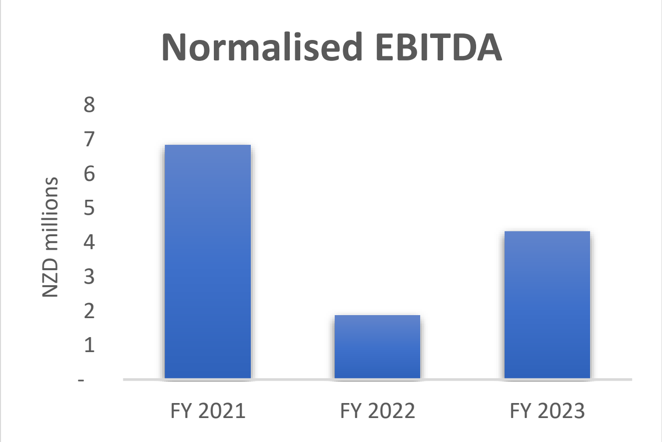
SPECIALIST
High performing business, delivering strong margins

- Recovery from FY22 Covid-impacted year
- Tranzcarr Heavy Haulage activity is mainly project based – lumpier revenue and susceptible to changes in project timelines. Weather related events has pushed out some activity into 1H24
- Machinery Movers – very busy FY22 and early FY23, with slowdown in 2H23 as construction activity softened
- **FY24:** Strong pipeline of work in place

Opportunities:
- Grow existing market share
- Expand into other sectors and regions
- Synergy across MOVE's customer base
- NZ infrastructure rebuild activity following weather events
- Large projects in areas where MOVE has expertise eg alternative energy projects, commercial construction

Revenue: $18.7m, +32%
EBITDA: $4.3m, +132%

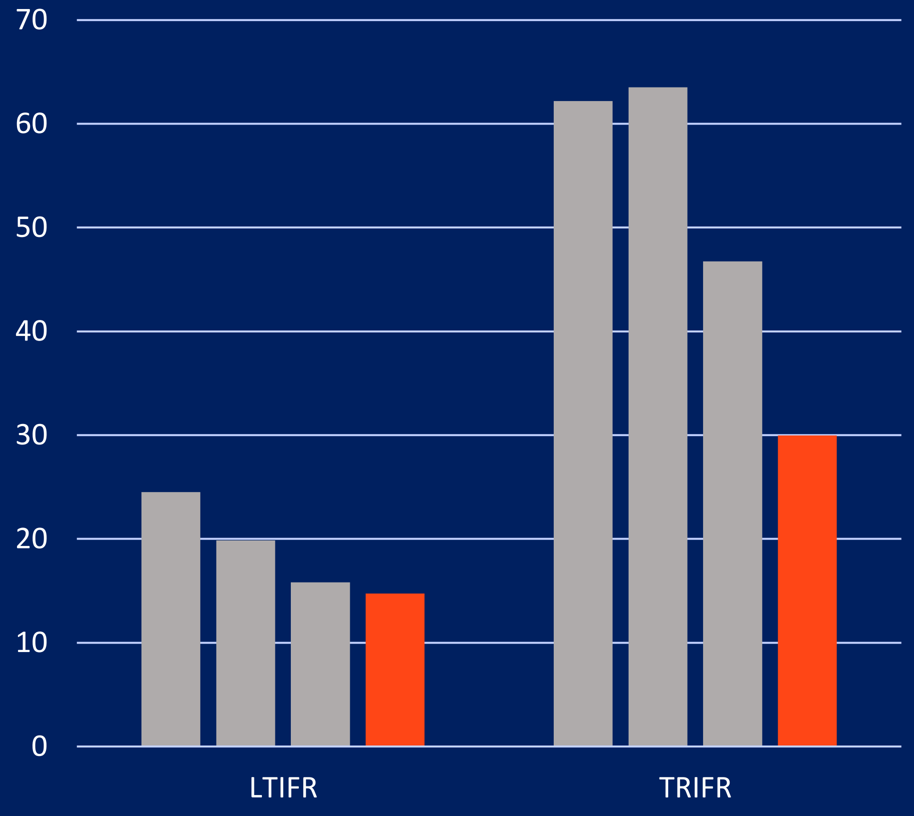




SUSTAINABILITY
People, communities, environment

- Appointed a Group Sustainability Lead in July 2022
- Monthly and annual safety awards
- Commitment through the business to decarbonisation – 3% YOY reduction in total gross emissions to 146k tonnes (includes full scope 3)
- Progressed multi-modal strategy to reduce number of trucks on the road through use of coastal shipping and rail
- Technology driving improvements in driver behaviour, fuel consumption and route optimisation
- Significant work done towards Climate Related reporting in FY24
- Appointment of GM People & Culture from 1 July 2023

Key safety indicators continue to improve
FY20: FY23



LOOKING FORWARD

STRONG LEADERSHIP TEAM
Leading our pathway to success

Craig Evans
CEO
Appointed Feb 2023

Lee Banks
CFO
Appointed Jul 2013

Anthony Barrett
CIO
Appointed Apr 2022

Rachel Hustler
GM People & Culture
Appointed Jul 2023

Ricky Clark
National Sales Manger
Commencing Oct 2023

James Watters
COO Contract Logistics
Appointed Nov 2021

Justin Marshall
National Freight Manager
Appointed Mar 2022

Dale Slade
GM Oceans
Appointed May 2020

Warwick Bell
GM Specialist Lifting
Appointed Dec 2018

Our Vision: To be the preferred freight and logistics provider in Australasia

Our Mission: To keep our customers moving

Our Mantra: Customer, Safety, Team

STRATEGY FOR GROWTH

PROJECT BLUEPRINT

12 – 18 month dual pathway programme to reshape and strengthen the business, and drive organic growth

PRIORITIES

RESHAPE AND STRENGTHEN THE BUSINESS
Immediate benefit

- Comprehensive review of operating costs and structure
- Remove cost from the organisation
- Maximise performance, productivity and utilisation

DRIVE ORGANIC GROWTH
Short to medium term benefit

- Investment in sales resource
- Careful customer acquisition
- Focus on building base volumes while allowing capacity for higher margin business
- Primary focus on organic growth and collaboration across the industry

PROJECT BLUEPRINT: GREENSHOOTS

We have identified what needs to be done across the business to achieve success and have a clear plan in place. Early benefits are being seen from the work underway.

BETTER, STRONGER BUSINESS	✓ Creating higher levels of accountability and measurability across the business, particularly at regional branch level ✓ FuseIT piloted and being refined with rollout targeted for completion in 1H CY2024 ✓ Implementing robust processes and operational disciplines ✓ Priority focus on productivity and utilisation ✓ Standardisation of rates, operating costs and processes across the different Freight businesses
SMART GROWTH & EXPANSION	✓ Increasing awareness of MOVE's end to end supply chain solution – more customer enquiries and invitations to tender ✓ Transition to a sales-led organisation including appointment of a new National Sales manager and investment into an expanded sales team
TAKING CARE OF WHAT MATTERS	✓ Established a strong leadership team with the right people in the right roles ✓ Engaging with our people and taking them on the journey ✓ Attracting and developing our pool of quality people – new GM P&C; development of Graduate Programme ✓ Sense of excitement across the organisation

LOOKING AHEAD

Market outlook:

- Anticipate moderation in customer activity due to economic conditions, and election year uncertainty
- Increased market competition has emerged as the economy continues to tighten
- Inflationary pressures expected to continue

Business Outlook:

- Focus on Project Blueprint - embedding change, improving productivity, driving revenue and delivering customer service excellence
- Opportunity to build market share as customers consider alternatives and as competitors wane in softer economic climate

RESILIENCE

Prepared for economic and market changes

- Robust Freight, Fuel and Warehouse networks, providing customers with certainty despite weather events
- Oceans strategy supporting increased role of coastal shipping in New Zealand’s transport network; will provide optionality during road closures and remediation
- Ability to mobilise a large fleet enables MOVE to work around network outages, such as derailments and line closure
- Strong investment in technology
- Diversified customer base and new client relations across the Tasman as a result of Oceans strategy
- Refreshed leadership team and Board with significant industry experience and expertise

/ DISCUSSION


TR
TR GROUP LTD
transport future
This vehicle
100%
electric
structurflex
Move

APPENDICES

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Non-GAAP Reconciliation

$Millions	FY23	FY22
Net profit/(loss) before income tax (GAAP measure)	**(7.59)**	**(3.21)**
Add back:		
Share of loss of associates	.07	.10
Net finance costs	9.66	11.18
Loss in investment in associates	-	.06
Restructuring costs	.59	1.63
Share acquisition costs	.11	.14
Goodwill and asset impairment	1.03	1.62
Depreciation & Amortisation	43.48	44.67
EBITDA excluding non-trading items (non-GAAP measure)	**47.35**	**56.19**
Net profit/(loss) after income tax (GAAP measure) attributable to owners	**(7.19)**	**(4.21)**
Add back:		
Non-controlling interests	1.35	1.10
Other non-trading expenses, net of tax:		
Goodwill and asset impairment	1.03	1.62
Restructuring costs	.43	1.18
Share acquisition costs	.11	.14
Net profit/(loss) after tax excluding non-trading items (non-GAAP measure)	**(4.27)**	**(.17)**

MOVE Logistics Group uses several non-GAAP measures when discussing financial performance and the Board and Management believes this provides a better reflection of the company's underlying performance.

Glossary:

- EBITDA: Earnings before interest, tax, depreciation, amortisation excluding income and impairment from associates
- Normalised EBITDA: EBITDA before non trading costs
- Normalised EBIT: Normalised EBITDA less depreciation and amortisation
- Free cash flow: EBITDA excluding non-cash items plus movements in working capital, less net capital expenditure
- Net debt: interest bearing liabilities less cash and cash equivalents
- Operating cash conversion: cash generated from operations as a %age of EBITDA less non-cash items
- Working Capital Ratio: Current Assets excluding held for sale / Current Liabilities excluding borrowings and held for sale
- LTIFR: Lost time injury frequency rate
- TRIFR: Total recordable injury frequency rate

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