

MOVE LOGISTICS GROUP LIMITED
2024 ANNUAL MEETING

24 October 2024



**CHAIR
JULIA RAUE**

/ VOTING AND ASKING QUESTIONS

move

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AGENDA

Welcome and Introductions

Chair and CEO Presentations

Shareholder Discussion

Resolutions

General Business

Close of the Meeting



/ BOARD



Julia Raue
Independent Chair
Last re-elected 2023
Appointed Chair June 2024



Greg Whitham
Non-independent Director
Standing for election



Lachie Johnstone
Independent Director
Standing for election



Mark Newman
Independent Director
Retiring end-ASM



Grant Devonport
Independent Director
Retiring end-ASM

LEADERSHIP TEAM



Paul Millward
Interim CEO



Lee Banks
CFO



Rachel Hustler
GM People & Culture



Ricky Clark
GM Sales



Nick Ward
GM Technology



Craig Leishman
GM Warehousing



Anthony Browne
GM Oceans



Warwick Bell
GM Specialist Lifting



David King
Freight – Consultant
Recruitment underway

RESPONDING TO MARKET & BUSINESS CHALLENGES

Accelerated change plan in place from 1 July 2024

Investment made into growth strategy ahead of economic recovery

Cost of doing business too high; clear step change needed to adjust to current economic conditions

Priority to adjust strategy, rightsize and improve performance

Moving at pace. Priority - cashflow generation and revenue recovery. Led by refreshed board and new CEO

1H24

4Q24

1H25

Remain confident in MOVE's inherent value and proposition, experienced team and strong offer.

FY24 RESULTS SNAPSHOT

Results below aspirations; significant improvement targeted in FY25

INCOME \$301.7m FY23: \$347.7m	EBITDA Normalised ¹ \$ 27.6m FY23: \$47.4m	EBT Normalised ¹ \$(25.7)m FY23: \$(5.8)m	NLAT² \$(48.1)m FY23: \$(7.2)m
LTIFR 15.82 FY23: 14.72	CAPEX \$1.8m FY23 \$19.5m	GEARING 38.4% FY23: 17.2%	FREE CASHFLOW \$2.0m FY23: \$0.7m

- 2H24 Normalised EBITDA ahead of 1H24, in line with guidance
- Disappointing result reflecting underperformance exacerbated by recessionary environment
- Higher cost base due to investment into business in anticipation of economic recovery, and inflation
- Slow to react to market changes and reduce costs

1. Normalised EBITDA and Normalised EBT exclude non-controlling interest and non-trading adjustments of \$19.7m pre-tax related to asset impairment, settlement & restructuring cost (FY23: \$1.7m). Including these, FY24 EBITDA and EBT was \$7.9m and \$(45.3)m respectively.

2. Attributable to owners of the company

ACCELERATE PROGRAMME

Improve financial performance and build shareholder value

RECALIBRATE
THE
BUSINESS

PROFITABLE
REVENUE
GROWTH

BALANCE
SHEET
RESILIENCE

FY25 TARGETS: Positive adjusted net operating cashflow; Significant improvement in normalised EBT

FY26 TARGET: Return to normalised EBT profit

MOVE'S INHERENT VALUE & STRONG OFFER

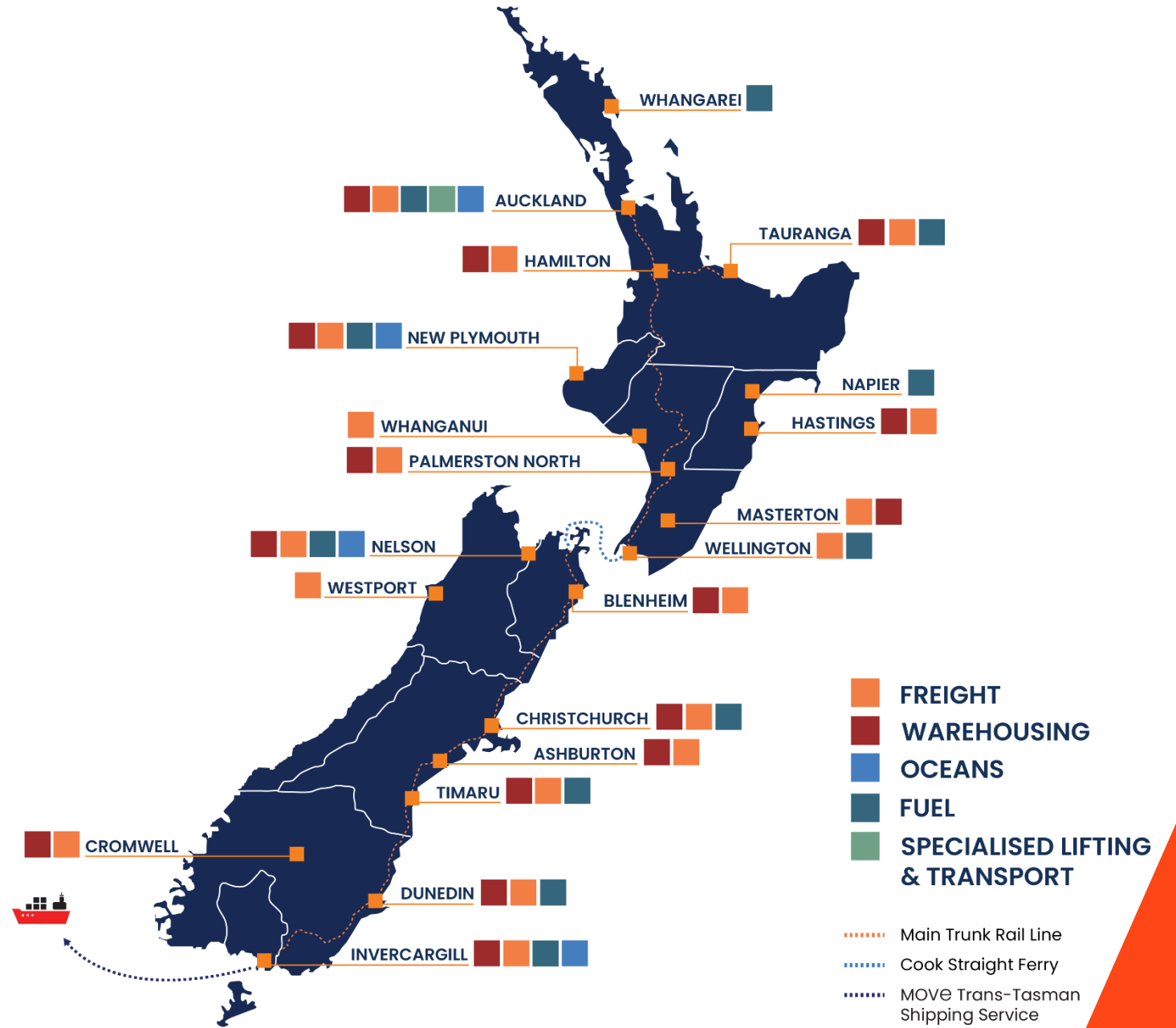
Nationwide network and specialised expertise
Multi-modal, end to end supply chain solutions
Customer focused, culture of service excellence
Experienced and passionate team
Competitive, reliable and value-adding partner



**CEO
PAUL
MILLWARD**

OUR BUSINESS

FREIGHT	WAREHOUSING
	
FUELS	SPECIALIST
	
OCEANS	
	



GETTING THE FUNDAMENTALS RIGHT

IN PLACE

- End to end supply chain
- Increasingly multi-modal
- Strong brand
- Nationwide network
- Customer-centric
- Innovative thinking
- Experienced and passionate team

THE DIFFERENCE NEEDED

- Right organisation structure
- Commercial decisions driven by data
- Commercial assertiveness
- Step change in culture
- 'Every dollar counts' mentality

THE ACCELERATE PROGRAMME

Goals to improve financial performance, build positive cashflow and deliver value to shareholders, while continuing to provide great service to MOVE customers

RECALIBRATE THE BUSINESS

- Control and reduce costs
- The right people, resources and capacity to match customer activity
- Excellent customer service
- Right routes for demand, and the right driver/fleet to deliver
- Streamlined footprint

**Costs Down
Productivity Up**

PROFITABLE REVENUE GROWTH

- Strengthen existing partnerships and win new customers
- Balanced customer mix
- Full-value pricing

**Increased Revenue
Better Margins**

BALANCE SHEET RESILIENCE

- Creating a strong financial platform so we can invest in our business and our future

**Stronger Balance Sheet
Improved Cashflow**

/ RECALIBRATE THE BUSINESS

Progress Update

- Well underway on cost reduction and cash improvement programme
- Completed analysis of route demand and profitability
- Right-sizing of network, fleet and team, while retaining ability to flex with expected demand:
 - Accelerated the planned sale of excess fleet
 - Sale and leaseback of specialised fleet
 - Transfer of Auckland and Christchurch metro operations from Warehousing division into Freight operations to maximise efficiencies
 - Optimisation of warehousing footprint
 - Workforce reduction to right size the organisation
 - Collaboration with partners/customers to remove inefficient resource and costs



/ PROFITABLE REVENUE GROWTH

Progress Update

- Trading conditions remain challenging, with reduced levels of customer activity across the sector
- Focus on customer retention alongside strong sales pipeline, supported by stronger sales structure
- Full value pricing
- Warehousing – focus on value recovery
- Freight business will be an important driver of revenue growth – balance between margin and scale
- Oceans margin opportunity - new larger charter vessel, the MV Brio Faith, commenced in September 2024 servicing the trans-Tasman route



/ BALANCE SHEET RESILIENCE

Progress Update

- New funding arrangements in place; provides commercial firepower to deliver the Accelerate programme
- Release of \$2.9m cash YTD from asset sales and sale and lease back arrangements; sale of Atlas Wind vessel for US\$1.1m
- Ongoing consolidation and optimisation of network, reducing costs and improving cashflow
- Continued positive working capital management

FY25 target:

Generate positive adjusted net operating cashflow

Cashflow \$m	FY24	FY23
Cash from operating activities	18.7	38.4
Lease principal payments	(29.5)	(27.3)
Net cash generated from operating activities, less lease payments	(10.8)	11.1
Adjustments: loan interest/tax/insurance claim/gain on asset sales	5.8	3.1
Adjusted net operating cashflow	(5.1)	14.2


/ HIGH PERFORMANCE CULTURE

Team behaviours that will drive our success:

- Cost Obsession
- Customers are Everything
- Be a Leader
- Quality Decisions



FY25 OUTLOOK



Change plan will create a stronger, streamlined business.

FY25 turnaround year;
FY26 return to profitable earnings

FY25 PROGRESS AND OUTLOOK

- Continuation of a challenging economic environment
- Freight - competitive but seeing positivity in Auckland in terms of tonnage with margins improving slowly
- Increasing investment into renewable energy projects and infrastructure will benefit our Specialist division late-2025
- Supply chain sustainability is increasingly of importance, MOVE is positioned well
- Sales team energised on connecting up new opportunities, with a healthy pipeline

Q1 Update:

- Market conditions soft; volumes and revenue remain challenging
- Good traction in expanding gross margin \$ and %

DISCUSSION

RESOLUTIONS

RESOLUTIONS

RESOLUTION 1: To record the re-appointment of PricewaterhouseCoopers as the Company's auditor and to authorise the Directors to fix the auditor's remuneration for the ensuing year.

RESOLUTION 2: Under NZX Listing Rule 5.1.1(b), to approve an increase in the facility limit of the Invoice Financing Facility (as defined in the Explanatory Notes of this Notice) between MOVE and Pacific Invoice Finance to \$25 million.

RESOLUTION 3: That Lachie Johnstone, who was appointed as a Director by the Board during the year, be elected as a Director of the Company.

RESOLUTION 4: That Greg Whitham, who was appointed as a Director by the Board during the year, be elected as a Director of the Company.

OTHER BUSINESS

**CLOSE OF THE
MEETING**

APPENDICES

Financial Measures

MOVE Logistics Group uses several non-GAAP measures when discussing financial performance, and believe these provide 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 EBT: Earnings before tax, share of associates and non-trading adjustments
- Free cash flow: Pre-IFRS16 EBITDA excluding non-cash items plus movements in working capital, less net capital expenditure and lease & rent payments
- Adjusted net operating cashflow: Operating cashflow including fixed rent and lease payment
- Gearing: $\text{Net debt} / (\text{Net debt} + \text{Equity})$
- 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: $\text{Current Assets excluding held for sale} / \text{Current Liabilities excluding borrowings, lease liabilities and held for sale}$
- LTIFR: Lost time injury frequency rate

\$Millions	FY24	FY23
Net profit/(loss) before income tax (GAAP measure)	(45.3)	(7.6)
Add back:		
Share of loss of associates	-	.1
Restructuring and settlement costs	2.3	0.6
Share acquisition costs	-	0.1
Goodwill and asset impairment	17.3	1.0
EBT excluding non-trading items (non-GAAP measure)	(25.7)	(5.8)
Finance costs (net)	10.2	9.7
EBIT excluding non-trading items (non-GAAP measure)	(15.4)	3.9
Depreciation & Amortisation	43.0	43.5
EBITDA excluding non-trading items (non-GAAP measure)	27.6	47.4

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