

MAINFREIGHT LIMITED  
FULL YEAR RESULT  
TO 31 MARCH 2021



# Result Summary

## REVENUE

Revenue up 14.5% to \$3.54 billion  
An increase of \$448.44 million  
Offshore revenues are now \$2.70 billion: 76.1%

## PBT

Profit before tax is \$262.41 million  
Increase of 27.2% or \$56.15 million  
Offshore PBT now \$164.59 million: 62.7%

## NET PROFIT

Net profit before abnormals up 27.1% to \$188.11 million  
No abnormals in F21 vs \$11.23 million abnormal gain in F20

*FX effects are immaterial in the 2021 financial year*

# Full Year 2021 Overview

- Revenue and PBT improvements across all five regions
- Pleasing Australian performance
- Air & Ocean revenues artificially inflated by surging international freight rates / charters
- Targeted customer industries have assisted:  
Food, Beverage, DIY, Medical/Healthcare, Retail,  
Perishables



# Dividend

## DIVIDEND

Directors have approved a final dividend of 45.0 cents per share  
Books close 9 July 2021; payment on 16 July 2021  
Full dividend for year 75.0 cents per share, increase of 16.0 cents  
or 27.1% over the previous year

# Discretionary Bonus

## BONUS

Payable at Board's discretion to qualifying team members

Up 60.8% from \$27.29 million last year, to \$43.88 million

In addition, increased Christmas bonus paid in December 2020;  
\$11.02 million up from \$5.35 million



# Capital Management

NZ\$ MILLION	THIS YEAR	LAST YEAR
Operating cash flow	376.28	300.80

- Net capital expenditure totalled \$118.55 million for the period, including
  - Land & Buildings \$58.93 million
  - Racking & Fit-out Costs \$15.59 million
  - Plant & Equipment \$26.00 million
  - Information Technology \$18.03 million
- Estimated F22 property capex \$156 million
- Expectations for property capex F23 \$182 million

# Capital Management continued

## NET DEBT

Net debt reduction of \$55.17 million to \$102.21 million  
Gearing ratio improved to 8.4% from 14.0%

Debt facilities	\$477 million
Undrawn	\$269 million

## Full Year Analysis: Revenue

\$000	THIS YEAR	LAST YEAR	VARIANCE	
New Zealand: NZ\$	845,554	752,913	12.3%	↑
Australia: AU\$	877,156	756,797	15.9%	↑
Europe: EU€	427,522	401,390	6.5%	↑
Americas: US\$	576,909	493,286	17.0%	↑
Asia: US\$	104,284	61,364	69.9%	↑
<b>Total Group: NZ\$</b>	<b>3,543,838</b>	<b>3,095,394</b>	<b>14.5%</b>	<b>↑</b>

*Estimated impact of \$180 million from inflated shipping, airline and fuel rate fluctuations*



## Full Year Analysis: Profit before Tax

\$000	THIS YEAR	LAST YEAR	VARIANCE	
New Zealand: NZ\$	97,814	87,691	11.5%	↑
Australia: AU\$	71,504	48,782	46.6%	↑
Europe: EU€	22,351	18,113	23.4%	↑
Americas: US\$	25,923	19,992	29.7%	↑
Asia: US\$	7,047	3,390	107.9%	↑
<b>Total Group: NZ\$</b>	<b>262,407</b>	<b>206,253</b>	<b>27.2%</b>	<b>↑</b>

## Prior Period Comparisons

Positive/(Negative) Variances	Revenue			Profit Before Tax		
	1H 21	2H 21	FY 21	1H 21	2H 21	FY 21
New Zealand	4.5%	19.6%	12.3%	8.3%	13.7%	11.5%
Australia	11.9%	19.8%	15.9%	104.3%	21.2%	46.6%
Europe	0.0%	10.0%	6.5%	(12.1)%	49.6%	23.4%
Americas	1.6%	25.7%	17.0%	(13.0)%	64.5%	29.7%
Asia	19.3%	129.5%	69.9%	59.2%	211.6%	107.9%
<b>Total Group</b>	<b>7.2%</b>	<b>21.3%</b>	<b>14.5%</b>	<b>23.4%</b>	<b>29.8%</b>	<b>27.2%</b>

# Product Performance

NZ\$000		THIS YEAR	LAST YEAR	VARIANCE	
Transport	Revenue	1,610,741	1,550,299	3.9%	↑
	Profit before tax	140,527	119,682	17.4%	↑
Warehousing	Revenue	452,116	409,749	10.3%	↑
	Profit before tax	42,207	34,317	23.0%	↑
Air & Ocean	Revenue	1,480,981	1,135,346	30.4%	↑
	Profit before tax	79,673	52,254	27.2%	↑

BRANCHES:  
**297**

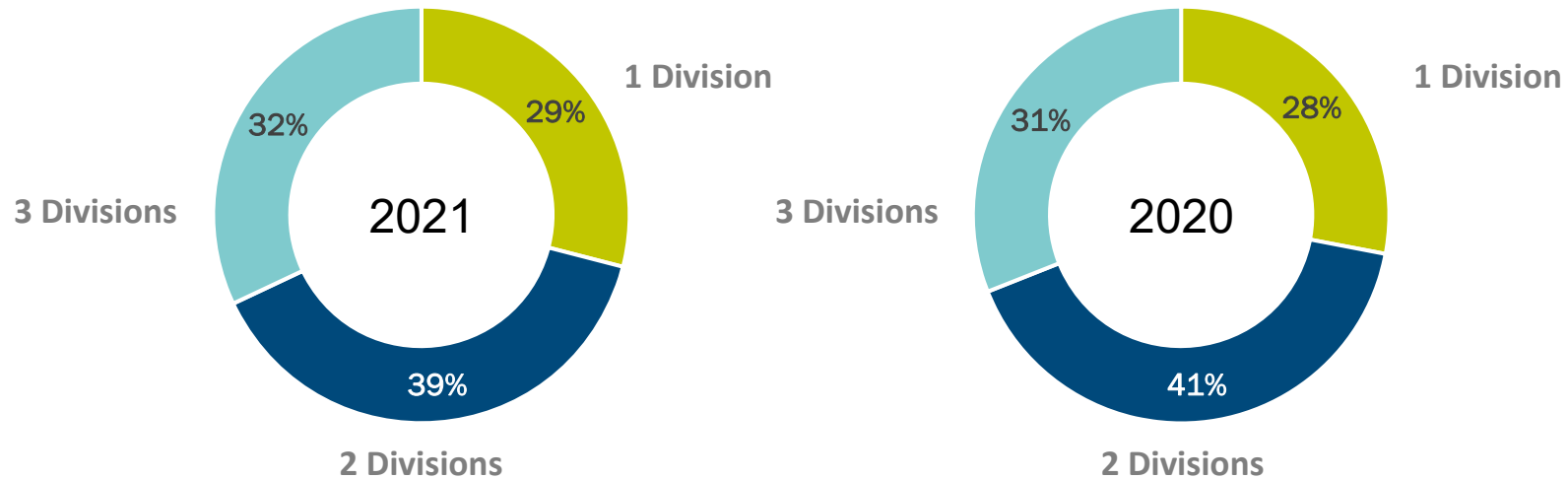
COUNTRIES:  
**26**

New Zealand, Australia, USA, Canada, Chile, Mexico, China, Hong Kong, Japan, Malaysia, Singapore, South Korea, Taiwan, Thailand, Vietnam, Netherlands, Belgium, France, Germany, Italy, Poland, Romania, Russia, Spain, Ukraine, United Kingdom



# Customer Trading

- Top 500 Customers: Use of Mainfreight Divisions (Transport/Warehousing/Air & Ocean)



- Top 500 Customers using us in two or more regions increased to 60% from 58%
- Top 500 Customers = 56% of total revenue (last year 57%)
- 130 new & existing customers have entered Top 500 in last 12 months

# New Zealand

Revenue	\$846m	12.3%
Profit before Tax	\$98m	11.5%

- Strong result, particularly in light of 40% revenue decline in April for Transport
- Transport capacity under pressure, especially pre-Christmas
- New sites opened in Tauranga, Levin and Gore
- Construction underway for West Auckland, Kaitaia, Whangarei; land purchases/leases underway for Auckland, Nelson, Hastings, Cambridge, Wellington
- Warehousing sites being developed for increased demand; owned and leased



# New Zealand

- Air & Ocean demand at highest levels experienced
  - Air and sea charters completed
  - Capacity constraints in global supply chain
  - Air and sea freight rate levels inflating revenues
  - Expect congestion and rate level inflation to continue for an indefinite period of time



# Australia

Revenue	AU\$877m	15.9%
Profit before Tax	\$72m	46.6%

- A very pleasing performance across all 3 divisions
- Extended regional Transport network assisting
  - Five more regional centres to open in next 12 months
  - Building consents underway for South Melbourne and Adelaide
- Warehousing footprint increasing by a further 40,000m<sup>2</sup> to meet demand and growth (by end July 2021)
  - 2 new warehouses await completion: South Melbourne (owned) and Sydney (leased), totaling 80,000m<sup>2</sup>





# Australia

- Air & Ocean growth mirrors that in other areas of our network
  - Good focus on air freight capability and LCL freight growth
  - Space constraints and freight rate inflation as with the balance of our Air & Ocean network



# Europe

Revenue	EU€428m	6.5%
Profit before Tax	EU€22m	23.4%

- Despite ongoing lockdowns, a satisfactory overall result
- Transport network improving revenue and PBT, particularly 2<sup>nd</sup> half
  - Attracting new customers; focused on core customer verticals
  - Better line-haul/PUD management; direct line-hauls and building network intensity
- Air & Ocean, stronger second half
  - Branches opened in UK and Spain last year are profitable
  - Space constraints and rate inflation as per balance of our Air & Ocean network



# Europe

- Warehousing saw inventories decline in first 6 months, recovery in second 6 months
  - Footprint now over 330,000m<sup>2</sup>
  - Increasing usage of freight network for warehousing customers; now 57%, up from 42%



# The Americas

Revenue	US\$577m	17.0%
Profit before Tax	US\$26m	29.7%

- Strong Air & Ocean performance assisted result
  - Separation of larger branches into dedicated Air and Ocean branches created stronger air freight skill-set and bolstered growth
  - Trans-Pacific shipping capacity extremely constrained
- Warehousing capacity and utilization has increased
  - Now 121,000m<sup>2</sup> up 35,000 m<sup>2</sup> in the past year
  - Three new facilities are now required for newly confirmed customers, including 45,000m<sup>2</sup> in Dallas



# The Americas

- Transport struggled with ongoing lockdowns restricting freight movement; more home deliveries vs business deliveries
  - Require a greater focus on “right” customer industries
  - New direct line-hauls operating
    - Over 500 per week post-year end
    - Less volume with third-party operators
- CaroTrans saw improved results in the 2nd half
  - More part loads (LCL) as space restrictions increased
  - Agency network changes for South America, Italy and Spain improved freight volumes



# Asia

Revenue	US\$104m	69.9%
Profit before Tax	US\$7m	107.9%

- Improved market share and involved in numerous air and sea charter activities
  - Revenue increased accordingly, but also influenced by air and sea freight rate inflation
  - Improved Southeast Asian branch performance
  - Imports of interest, to assist trade-lane balance and opportunity to launch warehouse capability, particularly in chosen customer industries



# Land & Building Development Update: F21

**NZ\$ MILLION**

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Total Land & Buildings Expenditure – 2021	74.5
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- Land, Auckland 23.5
- Freight facility, Tauranga 13.3
- Land and building, Levin 5.5
- Land and building, Gore 3.4
- Additional developments, New Zealand 1.5
- Warehouse facility, Epping, Melbourne 10.9
- Additional developments, Australia 0.8
- Racking & Fit-out Costs, Group 15.6

# Future Capital Expenditure Update: F22-F23

NZ\$ MILLION	F22
Planned Capital Expenditure	\$200.2

- Freight facility, Hobsonville 28.0
- CFS/Container Terminal Auckland 10.0
- Freight facility, Spring Creek 6.0
- Land, Hastings 8.5
- Additional developments, NZ 24.5
- Warehouse/Transport, Adelaide 18.1
- Warehouse/Transport, Dandenong 34.0
- Racking & Fit-out costs, Group 26.1
- Non-property capex 45.0

NZ\$ MILLION	F23
Planned Capital Expenditure	\$227.2

- Freight facility, Auckland 22.0
- Land, Nelson 13.6
- Freight facility, Hastings 14.0
- Freight facility, Spring Creek 6.0
- Additional developments, NZ 11.3
- Warehouse/Transport, Adelaide 18.2
- Warehouse/Transport, Dandenong 68.2
- Racking & Fit-out costs, Group 28.9
- Non-property capex 45.0



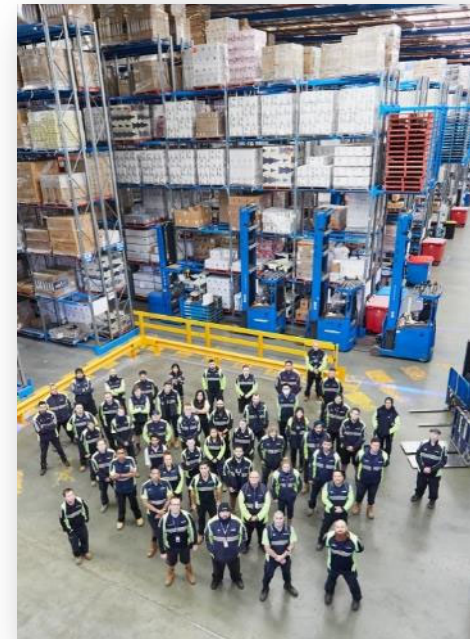
## Sustainability (calendar years 2020 and 2019)

CO <sub>2</sub> EMISSIONS SOURCE	2020	2019	REDUCTION
Road	402,774	406,087	0.8%
Rail	7,038	7,159	1.7%
Air	706,240	843,399	16.3%
Sea	261,715	367,591	28.8%
<b>Indirect Freight Emissions</b>	<b>1,377,767</b>	<b>1,624,236</b>	<b>15.2%</b>
	<i>97.59% of total</i>	<i>97.68% of total</i>	
Direct Operational Emissions	34,000	38,631	12.0%
<b>Total Emissions</b>	<b>1,411,767</b>	<b>1,662,867</b>	<b>15.1%</b>

*2020: may not reflect a typical year of trading – Covid-19 related*

# Group Outlook

- International supply chain congestion expected for some time to come
  - Assisting our customers through congestion issues is our highest priority
- Targeting specific customer industries is a key component of result and expect to develop further – adding Perishables and Pharmaceuticals
- April and May trading continuing the trend of the last 6 months
- Optimistic for year ahead
  - Satisfactory market share gains in all regions



# Financial Calendar F22

Annual Meeting of Shareholders

F22 – 6 months ended 30 September 2021

F22 – 12 months ended 31 March 2022

**DATE**

29 July 2021

11 November 2021

26 May 2022



That's all folks!