

## MOVE LOGISTICS GROUP 1H23 RESULTS

Transport and logistics group, MOVE Logistics Group Limited (NZX/ASX: MOV), has today released its unaudited result for the six months ended 31 December 2022 (1H23)<sup>1</sup>.

The result reflects investment into growth initiatives and solid contributions from the Contract Logistics and International businesses, offset by a disappointing result from the Freight business, as the Improvement programme takes longer than originally anticipated to complete.

The company's primary focus remains on resetting and strengthening the core business. A digital transformation is underway and investment is being made into other growth initiatives including commencing the new Oceans operations and expanding MOVE's footprint in priority customer sectors.

Economic conditions continued to impact on the business during 1H23, with increasing inflationary pressure, driver shortages, higher absenteeism due to Covid and the impact of adverse weather on customers across a range of sectors including agriculture and infrastructure.

Revenue for the six months was \$169.5m, down 4% on the prior comparative period (pcp) following the contraction of the Freight customer base in FY22 to address margin. Freight rates are now better aligned to the market and further work is underway to improve efficiency and rebuild the customer base and volumes. Contract Logistics delivered a solid revenue result in line with the prior year, while International revenue was up 26% off a smaller base.

Normalised EBITDA of \$21.9m<sup>2</sup> included investment of \$1.6m in growth strategies. In addition, as part of the Freight Improvement programme, costs have increased as MOVE has strengthened its network capability.

Reported net loss after tax including discontinued operations was \$1.5m<sup>3</sup> and includes non-trading adjustments of \$1.0m pre-tax related to goodwill impairment. MOVE has a reported normalised net loss after tax of \$1.8m (before non-controlling interests).

MOVE has a robust balance sheet with strong operating cashflows and an improved cash conversion rate for the six months. As at 31 December 2022, net debt was \$21.6m, with undrawn facilities of \$20m for the company to continue executing its strategic plans.

### Looking Forward

MOVE was pleased to welcome experienced transport and logistics sector executive, Craig Evans, as CEO from 1 February 2023. Craig was most recently head of Mainfreight's New Zealand operations. He will lead the execution of MOVE's strategy across the group, working with MOVE's team of more than 1,200 people.

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<sup>1</sup> All financials in NZD. The company has reported on continuing operations which exclude Specialist due to the planned divestment of this division. 1H22 results have been restated to exclude discontinued operations.

<sup>2</sup> Normalised EBITDA excludes non-trading adjustments of \$1.0m pre-tax related to goodwill impairment (1H23 EBITDA before non-trading was \$20.9m). Further details are included in appendix to the MOVE Logistics Group 1H23 presentation.

<sup>3</sup> Including discontinued operations; attributable to owners of the company

Craig said: “We are on a journey to position MOVE as a solutions-driven transport and logistics business and a leader in our industry. Our teams offer a wealth of experience and energy that supports our goal to deliver a high value proposition for our customers and shareholders. While there is still work to do, we have multiple initiatives underway as we focus on working our assets smarter, investing in what matters, and driving returns for our business.

“We recognise that challenging trading conditions will surround us in 2H23, further exasperated after the recent adverse weather events. Our teams have been working tirelessly to ensure the continuation and quick return of our services and networks during this time and our thoughts are with all New Zealanders who have been affected.

“A tight focus on cost control, excellent customer service, and a culture of innovation and inclusivity will help support our business through the economic cycle. Investment in growth initiatives such as digital transformation and the new trans-Tasman shipping service demonstrates a changing mindset driven by our team”.

ENDS

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**About MOVE Logistics Group Limited (MOV)**

MOVE is one of the largest domestic freight and logistics businesses in New Zealand, with a nationwide network of branches, depots and warehouses.