



MAINFREIGHT LIMITED

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NZX MARKET RELEASE

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MAINFREIGHT LIMITED – TRADING UPDATE

Mainfreight Limited (NZX: MFT) is pleased to provide this trading update in the interests of keeping the market informed and an insight as freight and logistics markets adapt and change from the congested peaks and Covid-19 outbreaks over the prior period.

Financial Trading Update

Today's information covers 43 weeks of trading and is based on 1 April 2022 to 31 December 2022 monthly financial statements, plus weekly financials for January 2023:

Segmental by Region		This Year	Last Year	Var	This Year	Last Year	Var
		Revenue*	Revenue*		PBT	PBT	
		\$000	\$000	%	\$000	\$000	%
New Zealand	NZ\$	1,071,176	902,081	19%	128,851	103,217	25%
Australia	AU\$	1,175,489	939,573	25%	116,942	86,640	35%
Americas	US\$	847,025	841,078	1%	83,739	74,230	13%
Europe	EU€	528,680	451,514	17%	36,313	22,432	62%
Asia	US\$	137,546	203,314	-32%	23,517	24,035	-2%
Total Mainfreight Group	NZ\$	4,824,274	4,134,916	17%	490,208	372,019	32%

Segmental by Product		This Year	Last Year	Var	This Year	Last Year	Var
		Revenue*	Revenue*		PBT	PBT	
		\$000	\$000	%	\$000	\$000	%
Transport	NZ\$	1,855,512	1,536,806	21%	182,768	141,652	29%
Warehousing	NZ\$	613,408	465,896	32%	54,537	43,700	25%
Air & Ocean	NZ\$	2,355,353	2,132,215	10%	252,904	186,667	35%
Total Mainfreight Group	NZ\$	4,824,274	4,134,917	17%	490,208	372,019	32%

* Excludes Inter-company revenue



Commentary

We remain satisfied with the level of improvement year-to-date. However, general trading conditions late December and into January have been more subdued, particularly across our USA and Asian operations. The combination of lower international sea freight and airfreight volumes and lower trading rates are reflected in reduced revenue and profit before tax levels for both the USA and Asia.

In the past month, domestic transportation in the USA has been less than satisfactory.

Trading in New Zealand and Europe has been in line with the prior period. Australia has continued with increased profit and revenue performance.

Regional Overview

New Zealand

Overall New Zealand trading was in line with the year prior. Domestic **Transport** volumes were subdued through Christmas when compared to the highs of last year. Profit performance was further impacted by the increased costs of new facilities in West Auckland and Whakatane. **Warehousing** activity was consistent. **Air & Ocean** performance continued its improvement in both Revenue and Profit before Tax.

Australia

Our best performing region in these past 17 weeks since our September half year report and second only to New Zealand year-to-date. Trading across all three divisions has been very satisfactory. **Transport** volumes and profitability are much improved. **Air & Ocean** performance remains strong with continuing good volumes across all trade lanes. **Warehousing** activity and profit before tax was satisfactory. New warehousing facilities in Sydney are expected to be completed mid-2023. Occupation of our new Dandenong (Victoria) facility for **Transport** and **Warehousing** was completed during January.

Asia

Lower than expected freight volumes and freight rate levels ex China post our half year has seen a disappointing performance from our Asia operations in these past 17 weeks. Albeit, year-to-date performance is now in line with the prior period. Freight rate reductions have stabilised at current levels and the re-opening of China post covid restrictions has seen forward bookings improve. Southeast Asia development continues satisfactorily, with our India commencement plans on track for an opening later this year.

Europe

Steady trading across all three divisions has seen a satisfactory year-to-date result, including trading post our half year result. **Transport** volumes have continued to improve, despite deteriorating economic conditions across Europe. **Warehousing** has continued to provide improved results. **Air & Ocean** volumes have been acceptable with just a small deterioration in volume and rate levels over the past three weeks. Planning continues for new cross-docks in the Netherlands and new **Warehousing** facilities to accommodate the increasing warehousing volumes of our customers.

The Americas

Our poorest performing region post our half year result. However, performance year-to-date continues to exceed that of the year prior. Freight rate reduction and lower than expected imports has impacted our **Air & Ocean** results. Exports continue to be satisfactory. Import volumes are not expected to improve until China's re-opening produces more consistent volumes. **Warehousing** trading is satisfactory. **Transport** has seen a reduction in profitability post December. Management of this performance a key priority as we progress towards new cross-docks to improve freight distribution.



To Close

A satisfactory year-to-date result, but a less than satisfactory contribution from the USA and Asia in the past 17 weeks post our half year.

Freight rate reviews are in place across our domestic operations in all locations to address inflationary cost pressures and we continue to find new customer opportunities in each region. Organic growth amidst our network expansion remains our priority.

We expect our financial year-end result to be satisfactory.

Our full year financial results to 31 March 2023 will be released to the market on Thursday 25 May 2023.

Don Braid

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