



MAINFREIGHT LIMITED

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MAINFREIGHT LIMITED

Financial result for the twelve months ended 31 March 2026 (Unaudited)

Commentary

Mainfreight is pleased to confirm our full-year financial result to 31 March 2026. Profit performance improved during the second half of the year – although not enough to better the prior year's profit.

Result Summary

| | | |
|-------------------|-------------------|-----------|
| Revenue | NZ\$5.38 billion | up 2.8% |
| Profit Before Tax | NZ\$350.9 million | Down 8.5% |
| Net Profit | NZ\$251.0 million | Down 8.5% |

- Adjusted for foreign exchange impact, Group Revenue is down 0.2% and Profit Before Tax is down 10.7%.
- Operating cashflows improved from NZ\$584 million to NZ\$589 million.
- A final dividend of 87.0 cents per share has been authorised by the Board of Directors, payable on 17 July 2026.
- Land and building capex totalled NZ\$112 million.

While we are disappointed to not have improved our profitability from last year, we remain satisfied with the level of improvement during the second six months of trading.

Pleasingly, these improvements have continued into the new financial year. Trading in April and May has been encouraging, despite disruption and uncertainty caused by the Middle East conflict and elevated fuel pricing.

Land and building investments during the year totalled NZ\$112 million. New facilities were completed in Auckland, Whanganui, Hastings, New Plymouth, Brisbane, Melbourne and Townsville. While the additional overhead cost increases as a consequence of these investments impacted our profitability, these network investments will provide capacity and efficiency for improved profitability long term. Customer inquiry and commitment is providing confidence to continue our network expansion and investments. Property projects are already underway in Perth, Nelson, Blenheim, Palmerston North and Auckland.

Group Operating Cash Flows

Operating cash flows were NZ\$589 million, up from NZ\$584 million in the prior year.

Current debt facilities total NZ\$510 million, of which NZ\$99.9 million was drawn, a decrease from \$124.5 million in the prior year.

Net funds as at 31 March 2026 was NZ\$26.6 million compared to NZ\$14.4 million last year. Gearing ratios remain satisfactory. Net capital expenditure in FY26 totalled NZ\$189 million, with expenditure on property accounting for NZ\$112 million; warehousing racking and fit out costs of NZ\$39.9 million and plant, equipment and software of NZ\$36.9 million.

Total planned capital expenditure through to the end of FY2027 will be NZ\$234 million, of which NZ\$174 million relates to property and fit-out.

Network growth remains a cornerstone of our long-term strategy; however branch numbers reduced from 337 to 331 this year, addressing unprofitable performance in our Asian Warehousing, CaroTrans in Americas, and Italian Transport business. It is our expectation that we will increase our branch and country locations in the near term.

Dividend

The Directors have approved a final dividend of 87.0 cents per share fully imputed at the 28% company tax rate. With the record date on 9 July 2026, payment will be made on 17 July 2026. This brings the full year dividend to 172.0 cents per share.

Discretionary Bonus

The payment of discretionary bonuses is based on satisfactory profit performance. A total of NZ\$46.3 million will be shared with team members in branches who have contributed satisfactory profits in New Zealand, Australia, Asia and Europe.

Divisional Performance (figures in local currencies)

New Zealand (NZ\$)

| | | |
|-------------------|-------------------|------------|
| Revenue | NZ\$1.20 billion | Up 3.8% |
| Profit Before Tax | NZ\$120.8 million | Down 10.2% |

Despite the profit result being behind our expectations and the results of the prior year, improvements during our second half, pre bonus, have been encouraging.

In **Transport** we have increased our market share with a number of new customers. We expect this increased trading to continue during the year ahead. The use of rail increased; however we remain concerned at the fragility of ferry capacity and schedules across the Cook Strait through until 2029. Refrigerated transport capability has increased and is assisting growth across the perishable food sector.

Complementing our Transport growth is additional customer commitments for **Warehousing** services. New warehousing facilities now incorporate chilled capacity to support the refrigeration transport capability. Our new leased facility in Christchurch is due to become available mid-year and provides an increased capacity to 34,000 pallets.

Consolidation of smaller warehouses exiting existing leases has provided the impetus to commit to a new 55,000 pallet facility in South Auckland. Delivery of this site is expected in mid-2028.

Air & Ocean revenues have remained consistent, and despite ocean freight rate reductions, volumes have improved with import market share increasing. Post result, air freight rates have increased, and capacity has decreased, as a consequence of the Middle East conflict.

Trading across all three divisions in New Zealand through April and into May has been satisfactory, and an improvement on the year prior.

Australia (AU\$)

| | | |
|-------------------|-------------------|----------|
| Revenue | AU\$1.51 billion | Up 0.2% |
| Profit Before Tax | AU\$152.6 million | Up 11.1% |

Our sales growth and profitability improvements, excluding Projects, has been pleasing in Australia. **Transport** is our strongest performer, where market share in the LTL express delivery market continues to grow. Stronger than expected performance in the FTL category has complemented this growth. The use of rail linehaul has assisted. Delivery of our new Brisbane cross-dock is imminent providing enhanced capacity. Size constraints in Perth, Western Australia, have required commitment to a larger cross-dock, with expected completion late 2027.

Warehousing has produced pleasing profitability improvements alongside improved utilisation and revenue, with better efficiency across a number of warehousing sites contributing to this result. Increased warehousing capacity in the Brisbane region has been required due to new customer contracts.

Closure of the Projects division in Perth has allowed a stronger focus on our core competencies in the LCL and FCL export and import sector for **Air & Ocean**. A one-off bad debt of A\$5 million associated with the Projects division is included in this result.

Trading post year end has continued the growth we have seen during the financial year.

Asia (US\$)

| | | |
|-------------------|-------------------|-----------|
| Revenue | US\$117.5 million | Down 6.9% |
| Profit Before Tax | US\$12.9 million | Up 31.4% |

Asia continues to be our smallest revenue contributor. Margins and cost overheads have improved in the region which has resulted in profitability improvement.

Poor performing warehouses were closed during the year. It is our intention over the medium term to remain focussed on developing our **Air & Ocean** capability. We expect better contributions from our Southeast Asian locations.

Irrespective of tariff implications, Asia continues to be a major contributor to international trade. Our customers across the international network are utilising us to move raw materials and finished product from the region across our freight networks and into our warehouses around the world.

Europe (Euro €)

| | | |
|-------------------|----------------|------------|
| Revenue | €624.0 million | Up 3.5% |
| Profit Before Tax | €25.2 million | Down 18.6% |

Disappointing **Transport** performance across our European network has contributed to our profit decline. Increased labour costs and an inefficiency in our cross-docks contributed to this result. The Netherlands and Belgium remain our strongest performing countries.

Warehousing returns were satisfactory during the year, and sales activities are focussed on improving current warehouse utilisation.

While our Transport and Warehousing networks are comprehensive, there is much to do to find greater levels of efficiency and improved profit returns, particularly from our branches in France, Romania, Poland, the United Kingdom and Germany.

Our **Air & Ocean** performance continues to improve across Europe and is attracting greater levels of customer enquiry and volume.

Rate reviews and closer management of overhead costs saw a better second half performance across all European activities, and this has continued into April and May trading.

The Americas (US\$)

| | | |
|-------------------|-------------------|-------------|
| Revenue | US\$616.3 million | Down 7.4% |
| Profit Before Tax | US\$(7.9 million) | Down 151.7% |

We had a disappointing result for our business across the Americas. Included in this result is a one-off labour settlement cost of US\$1.6 million.

Transport suffered poor margin return, whilst sales revenues increased. Second half margins and service delivery did improve, and it is our expectation this will help results over the medium term. Strong sales activities are helping our Mid West and East Coast locations to improve profitability. Road freight utilisation improvements have increased post year end.

Despite acceptable **Warehousing** utilisation rates in Dallas and Chicago, we have had poor returns from our warehouses in New Jersey and California. New customers under contract are expected to improve utilisation in our new financial year. A larger warehouse with 30,000 pallet capacity was opened in Toronto, Canada, as a result of new customer commitments.

Air & Ocean profitability declined during the year as a result of decreased volumes and ocean freight rates, particularly on the Trans Pacific lane from China due to the trade tariff fiasco. Diversifying our trade lane sales activities assisted profitability during the second half, and we are seeing increasing profit performance and volume post year end, including volume increases from China.

Despite the poor profitability, we are improving our quality and capability and, while we remain a small player relative to the size of the market, the Americas offer significant potential and has an important role to play in our long term international aspirations.

Fuel Supply Disruptions

As a consequence of the Middle Eastern conflict, the cost of fuel, in particular diesel, has increased significantly. These cost increases had a marginal effect on trading this financial year, with increases only beginning to impact at the end of March 2026.

Our domestic transport business worldwide is the most affected by fuel cost increases. Diesel remains the preferred and necessary fuel for freight distribution, and sea and air freight cost increases follow accordingly. Fuel adjustment factors are applied to our customers' freight rates as a means to recover the fuel cost increases. These adjustments are passed through to our owner drivers, contractors and service providers. It is our expectation that fuel costs will remain elevated for some time to come.

At the time of writing, we are comfortable that supply constraints will not feature in the medium term. In New Zealand, we are working closely with the Government to stay abreast of supply strategies.

Outlook

Improved trading conditions that assisted our second half performance have continued to further improve during April and May. Stronger than expected sales growth has assisted.

Supply chain freight solutions continue to be a strong focus in our customer relationships as we offer an increasing range of services. During the year we have increased trading across all three divisions for our top 500 customers to 41% from 39% the year prior. We remain focused on high quality freight services, particularly across the food, beverage and retail customer verticals.

Maintaining an emphasis on underlying business improvements is a high priority as fuel volatility adds to economic growth uncertainty and inflationary pressure.

Whilst we are disappointed that this year's result was below our expectations, we remain confident of ongoing improvement in the year ahead and will be continuing our network and facility expansion as a consequence.

Mainfreight will release its financial results for the first half of the 2027 financial year to the market on 12 November 2026 and expect to update current trading performance during our Annual General Meeting on 30 July 2026.

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