



MAINFREIGHT LIMITED
ANNUAL MEETING OF SHAREHOLDERS
28 JULY 2022

The Numbers ... Financial Year 2022

REVENUE

Revenue up 47.2% to \$5.22 billion

PROFIT BEFORE TAX

PBT up 86.5% to \$489.4 million

NET PROFIT

Net profit up 88.9% to \$355.4 million

*“Produced by 10,393 passionate Mainfreight people
in 305 branches across 25 countries”*

Our 3 Core Products

TRANSPORT

Revenue: \$1,915 million up 18.9%
PBT: \$ 184 million up 30.8%

WAREHOUSING

Revenue: \$ 583 million up 29.1%
PBT: \$ 55 million up 30.9%

AIR & OCEAN

Revenue: \$2,720 million up 83.6%
PBT: \$ 250 million up 214.1%



Global Growth Outperforming NZ's Influence

REVENUE

<u>NZ\$</u>	<u>2017</u>	<u>2022</u>
New Zealand:	\$0.61B	\$1.13B
Offshore:	\$1.72B	\$4.09B

PROFIT BEFORE TAX

New Zealand:	\$ 69m	\$136m
Offshore:	\$ 78m	\$353m

Offshore Profit now 72% of total (in 2017 53%)

Note: USA Revenue NZ\$1.56B PBT NZ\$145m

All organic growth!!

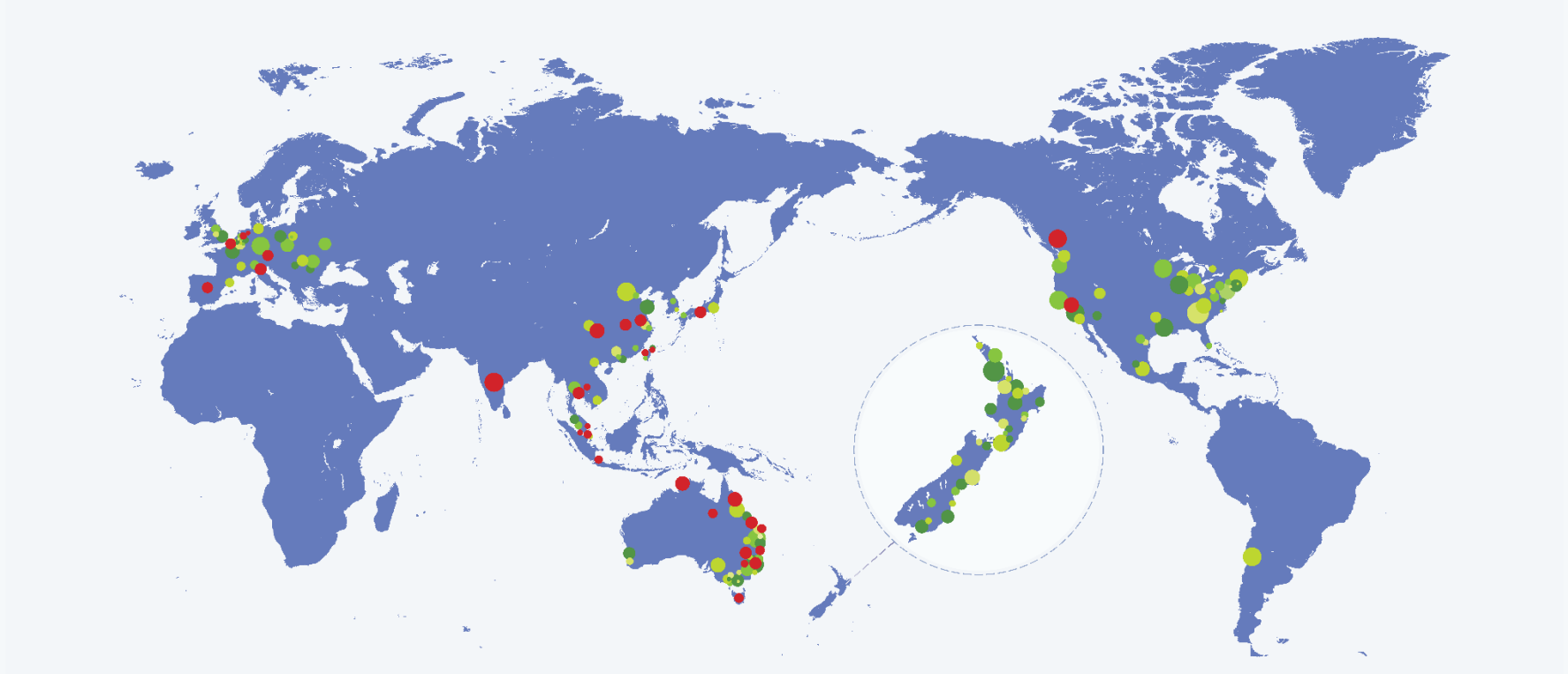
Results Achieved by the Team

- Strong economic activity
 - Produced increased freight volumes
 - Internationally and domestically
- Congested supply chains
 - More stock being held in warehouses
 - Greater levels of activity to get product to retail shelves
- Inflated shipping and airfreight rates
 - Limited capacity to manage the increased volumes
- Offered solutions to our customers
 - Long-term relationships with service providers assisted
 - Extraordinary efforts by our people



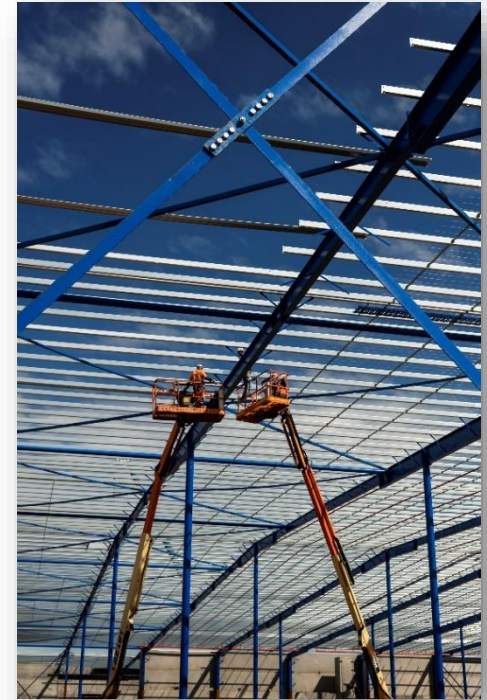
“Across all three core products”

Where we are now ● and opening next ●



Capex/Lease Investments for the Network

- \$540m next two years:
 - \$450m land and buildings
 - \$90m technology and other
- Land and building projects/owned
 - Primarily NZ/Australia – Transport facilities
- Leases
 - Worldwide – Warehouses/Transport facilities
- In total: 3 x land acquisitions
13 x new buildings
61 x new lease facilities
- Property portfolio now at \$1.03B land and buildings
 - Good defensive position in this current environment



Bigger warehouses and more efficient cross-docks

Zaltbommel, Netherlands



“Our biggest and one of our best”

Dallas, USA Cross-Dock



"Efficient end-loading cross-docks"

Melbourne, South Dandenong



"Warehousing and Transport together"

Hobsonville – Opens 1 August 2022



"Intensifying the network"

Favona, Auckland



*40,000 sq metre warehouse
5-star energy rating*

Northlake, Texas Warehouse



"Our biggest in the USA, so far!"

Sustainability

- Gross carbon emissions have increased 200,000 tonnes CO₂-e reflecting growth and market share gains
- All 5 tracked emissions intensity measures have improved
 - Intensity = emissions generated per tonne of freight moved
- Doubling branch solar generation capacity over the next 2 years
- All major new builds will incorporate rainwater capture and purification to drinkable stand
- Counting all emissions – indirect and direct
 - Accounting for only direct emissions is rubbish



“It matters to us”

Tools for Decarbonisation

- Battery Electric Vehicles: *expect our electric fleet to increase substantially*
 - Fleet consisting of:
 - New Zealand 5
 - Australia 8
 - Europe 2
 - USA (on order)
 - Developing technology
 - Current limitations in range, pay load and charging time



Tools for Decarbonisation

- Hydrogen: *we continue to investigate*
 - Fuel Cell Electric Vehicles – expensive
 - Hydrogen Combustion – dual fuel alongside diesel
- Biofuels: *a transitional tool... maybe*
 - Biofuel mandates – NZ and EU
 - “Low” but not “no” emission
 - Supply is difficult
- Modal Shifts: *the role for rail and coastal*
 - Immediately available
 - We invest heavily here:
 - 13 rail sidings in NZ
 - Coastal shipping committed



Core Strategies – Future

- Growth – organic
- Network expansion/intensification – domestically and globally
 - Regionally within our network
 - Internationally – Indonesia (Jakarta)/India – more to follow
- 3 core products
 - Transport
 - Warehousing
 - Air & Ocean

Convincing our customers to use all three services and across all our regions

- Quality
 - It means everything
 - Whilst we have performed OK in the last two years, we can do better for our customers

Current Trading Environment

Results last 16 weeks of trading

NZ\$000		REVENUE*	VAR %	PBT	VAR %
New Zealand	NZ\$	340,128	28.7% ↑	42,030	55.9% ↑
Australia	AU\$	298,593	28.2% ↑	37,111	54.9% ↑
Americas	US\$	257,511	41.4% ↑	37,196	122.6% ↑
Europe	EU€	164,652	22.1% ↑	14,519	77.8% ↑
Asia	US\$	33,321	4.9% ↓	9,745	71.9% ↑
Group	NZ\$	1,385,547	32.5% ↑	178,826	82.9% ↑

* Inter-company revenue excluded

"We have plenty to do"

Trading Update: 3 Core Products

Results last 16 weeks of trading

TRANSPORT

Revenue: \$577.1 million up 18%
PBT: \$ 66.0 million up 51%

WAREHOUSING

Revenue: \$158.5 million up 30%
PBT: \$ 15.8 million up 22%

AIR & OCEAN

Revenue: \$650.0 million up 50%
PBT: \$ 97.1 million up 136%



"A competitive advantage"

Air & Ocean Environment

- Port congestion / inland transport issues remain – USA/Europe
 - Long-term fix
 - No short-term resolutions
 - A reduced peak season (Aug-Oct) may assist
- Sea Freight
 - Contract rates / spot rates @ parity – while these rates are decreasing they remain inflated on pre-2019 levels
 - Capacity determines price levels



Air & Ocean Environment

- Air Freight
 - Capacity improving albeit passenger baggage affecting space availability
- Supply chain security of importance
 - Less reliance on China manufacturing
 - Manufacturers finding alternative countries to ensure continuity of supply



Summary

- First 16 weeks' performance pleasing
- Expectation of softening demand – Internationally, uncertain of “Peak” season Aug/Oct – particularly Asia to USA
- Retail stock holdings at elevated levels and expect consumer spend to alter towards services/travel sector/inflationary pressures
 - May impact domestic volumes and warehousing inventory
- Growth continues across all regions and in all three core products
 - New customer gains and activity
- Investment in property infrastructure, technology and our people continues
 - Staying well prepared for long-term growth
- Expect our decentralised approach to assist managing recessionary issues

“We remain an ambitious bunch of so and so’s”



