

MAINFREIGHT LIMITED
FULL YEAR RESULT
TO 31 MARCH 2022



Satisfactory A Result Summary

REVENUE

Revenue is \$5.22 billion
An increase of 47.2% or \$1,674.42 million (excluding FX up 50.8%)
Offshore revenues are now \$4.09 billion: 78.3%

PBT

Profit before tax is \$489.38 million
Increase of 86.5% or \$226.97 million (excluding FX up 90.5%)
Offshore PBT now \$352.9 million: 72.1%

NET PROFIT

Net profit up 88.9% to \$355.40 million
No abnormals in F22 or F21

Full Year 2022 Overview

- Improved performance from all five regions
- Yes, Air & Ocean improvements are substantial, but so are the returns in our Transport and Warehousing divisions
- Capital expenditure commitment approximately \$540 million over next two years



Dividend

DIVIDEND

Directors have approved a final dividend of 87.0 cents per share

Books close 15 July 2022; payment on 22 July 2022

Full dividend for year 142.0 cents per share, increase 89.3% over the previous year



Discretionary Bonus

BONUS

Payable at Board's discretion to qualifying team members
Up 114.7% from \$43.88 million last year, to \$94.20 million



Capital Management

NZ\$ MILLION	THIS YEAR	LAST YEAR
Operating cash flow	\$503.80	\$376.28

- Net capital expenditure totalled \$189 million for the period, including
 - Land & Buildings \$109 million
 - Racking & Fit-out Costs \$35 million
 - Plant & Equipment \$28 million
 - Information Technology \$17 million

Capital Management continued

NET DEBT

Net debt reduction of \$101.1 million to \$1.1 million

Debt facilities \$494 million

Undrawn \$318 million

PROPERTY

Property valuation now \$1.031 billion

Land revaluations rose \$67.6 million after tax – booked

Building revaluations rose \$26.0 million after tax – unbooked

Full Year Analysis: Revenue

\$000	THIS YEAR	LAST YEAR	VARIANCE	
New Zealand: NZ\$	1,130,399	845,554	33.7%	↑
Australia: AU\$	1,175,041	877,156	34.0%	↑
Europe: EU€	567,906	427,522	32.8%	↑
Americas: US\$	1,089,422	576,909	88.8%	↑
Asia: US\$	231,008	104,284	121.5%	↑
Total Group: NZ\$	5,218,259	3,543,838	47.2%	↑
			(excl FX 50.8%)	

Full Year Analysis: Profit before Tax

\$000	THIS YEAR	LAST YEAR	VARIANCE	
New Zealand: NZ\$	136,479	97,814	39.5%	↑
Australia: AU\$	107,497	71,504	50.3%	↑
Europe: EU€	31,664	22,351	41.7%	↑
Americas: US\$	100,831	25,923	289.0%	↑
Asia: US\$	28,852	7,047	309.4%	↑
Total Group: NZ\$	489,381	262,407	86.5% (excl FX 90.5%)	↑

Prior Period Comparisons

Positive/(Negative) Variances	Revenue			Profit Before Tax		
	1H 22	2H 22	FY 22	1H 22	2H 22	FY 22
New Zealand	31.6%	35.4%	33.7%	28.2%	46.6%	39.5%
Australia	30.2%	37.1%	34.0%	45.7%	53.8%	50.3%
Europe	34.4%	31.5%	32.8%	77.8%	25.0%	41.7%
Americas	78.0%	97.0%	88.8%	309.7%	278.8%	289.0%
Asia	157.0%	96.7%	121.5%	189.2%	465.0%	309.4%
Total Group	41.4%	52.1%	47.2%	78.0%	92.0%	86.5%

Product Performance

NZ\$000		THIS YEAR	LAST YEAR	VARIANCE	
Transport	Revenue	1,914,902	1,610,741	18.9%	↑
	Profit before tax	183,861	140,527	30.8%	↑
Warehousing	Revenue	583,821	452,116	29.1%	↑
	Profit before tax	55,262	42,207	30.9%	↑
Air & Ocean	Revenue	2,719,535	1,480,981	83.6%	↑
	Profit before tax	250,258	79,673	214.1%	↑

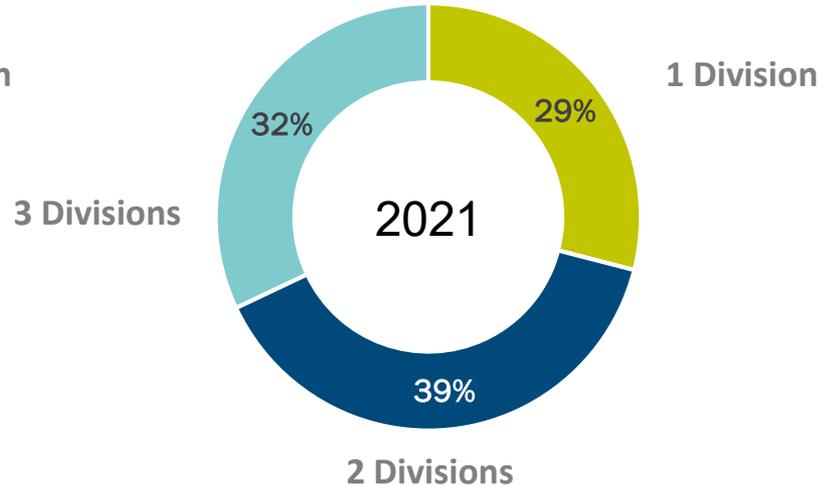
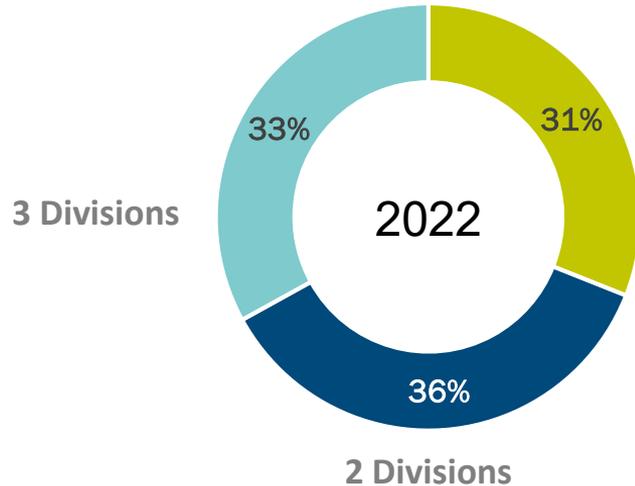
Volume Analysis

NZ\$000		THIS YEAR	LAST YEAR	VARIANCE	
Air & Ocean	Seafreight TEU	424,610	347,638	22.1%	↑
	Airfreight kilos (000s)	138,279	114,736	20.5%	↑
Transport	Tonnes*	7,286,572	7,660,242	(4.9)%	↓
	Consignments	9,613,669	9,010,213	6.7%	↑
Warehousing	Footprint (m ²)	929,502	804,291	15.6%	↑

* Excluding Europe, overall tonnage increased 12.9%; Europe has reduced FTL freight in favour of more LCL

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 69% from 64%
- Top 500 Customers = 56% of total revenue (last year 55%)
- Of the 146 customers new to the Top 500, 68 previously sat in the 501-1000 range, and 78 customers are either new altogether or sat outside the Top 1000

Mainfreight Network

Our global network continues to benefit our customers, particularly with space allocations, rates and access to markets



New Zealand

Revenue	\$1,130m	33.7%
Profit before Tax	\$137m	39.5%

- Record volumes across all divisions
 - Significant home deliveries pre-Christmas
 - 4th quarter performance better than expected despite Omicron challenges
- Warehouse capacity exceeded
 - New temporary sites covering time lag to delivery of new sites: Auckland, Hamilton, Tauranga, Wellington, Christchurch
- Air & Ocean strongly skewed towards imports
- Trading post-year end steady and ahead of prior year



New Zealand

- 11 new land & building projects 2023/24
10 new lease facilities 2023/24
- New country leadership: Carl George
 - Promoted from within
 - 27 years with Mainfreight
 - Last role: GM New Zealand Transport



Australia

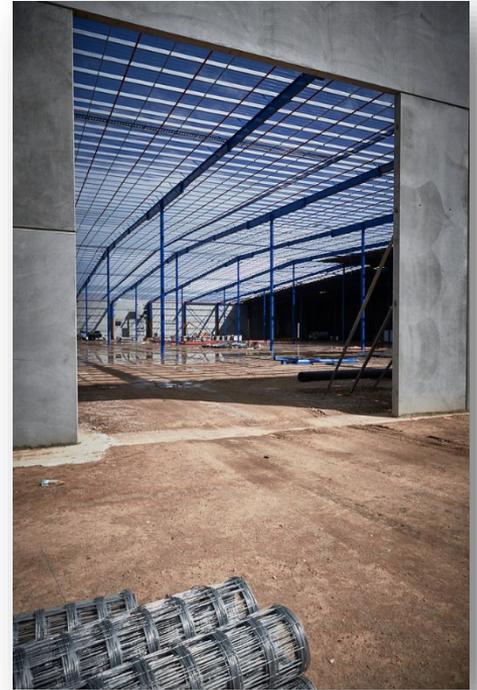
Revenue	AU\$1,175m	34.0%
Profit before Tax	\$107m	50.3%

- Significant financial improvement across Transport and Air & Ocean
- As with NZ, 4th quarter performance satisfactory despite Omicron challenges
- Warehousing improved, but not to the same extent – as additional warehouses taken on short-term leases for capacity requirements
- Regional network extended for Transport
 - Southwest Melbourne (Dandenong) and Adelaide sites due for completion last quarter of 2022



Australia

- Air & Ocean benefitting from increased air and sea volumes
 - Space constraints inhibiting growth
- Trading post-year end steady and ahead of prior year
- 4 new land & building projects 2023/24
25 new lease facilities 2023/24



Europe

Revenue	EU€568m	32.8%
Profit before Tax	EU€32m	41.7%

- Significant improvement in Air & Ocean performance
- Transport/Warehousing results satisfactory
 - Impacted by team isolating during pandemic
- Trading post-year end continues to see improvement in performance
- Network expansion progressing slowly; operations Russia closed
- 3 new building & property leases 2023/24



Asia

Revenue	US\$231m	121.5%
Profit before Tax	US\$29m	309.4%

- Volume surge across trans-Pacific east-bound trade lanes has assisted result
- Air and seafreight capacity tight, but greater space allocations than expected
- Southeast Asia performance very satisfactory
- Continuing to intensify network, within existing countries and adding Indonesia (Jakarta)
- Trading post-year end slightly reduced on year prior due to Shanghai lock-down
- 6 new leased buildings 2023/24



The Americas

Revenue US\$1,089m 88.8%
Profit before Tax US\$101m 289.0%

- Exceptional performance from Air & Ocean
 - Trans-Pacific east-bound trade lanes
 - Across both air and sea freight
- Warehousing increasing performance satisfactorily
 - Three new sites in Texas, Pennsylvania and Illinois
 - Pipeline well advanced for further growth
- Transport firmly focused on LTL development
 - 80% moved “in-house”
 - Owner Drivers: 210 and growing
 - Purpose-built USA cross-dock facilities will begin to be implemented



The Americas

- CaroTrans
 - Increased LCL volumes
 - Strong import bias
- Trading post-year end slightly reduced for Air & Ocean (Shanghai effect); Transport and Warehousing are trading satisfactorily
- 11 new leased sites 2023/24
- New country leadership: Jason Braid
 - Promoted from within
 - 25 years with Mainfreight
 - Last role: GM Air & Ocean Europe



Future Capital Expenditure Update: F22-F23

NZ\$ MILLION	F23
Planned Capital Expenditure	\$345

- Land & Property \$235
- Racking & Fit-out costs, Group \$65
- Non-property capex \$45

NZ\$ MILLION	F24
Planned Capital Expenditure	\$195

- Land & Property \$128
- Racking & Fit-out costs, Group \$20
- Non-property capex \$47

Sustainability (calendar years 2021 and 2020)

CO ₂ EMISSIONS SOURCE	2021	2020	Var	Intensity Factor	
				2021	2020
Road / Rail	473,930	467,101	1.5%	49.65	58.46
Air	943,337	706,239	33.6%	1.20	1.21
Sea	226,769	261,739	(13.4)%	0.09	0.12
Indirect Freight Emissions	1,644,036	1,435,079	14.6%		
Direct Operational Emissions	36,063	33,967	6.2%		
Total Emissions	1,680,099	1,469,046	14.4%		

*Carbon footprint growth overall, due to volume growth and change of mix of airfreight
All intensity factors have improved, ie reduced*

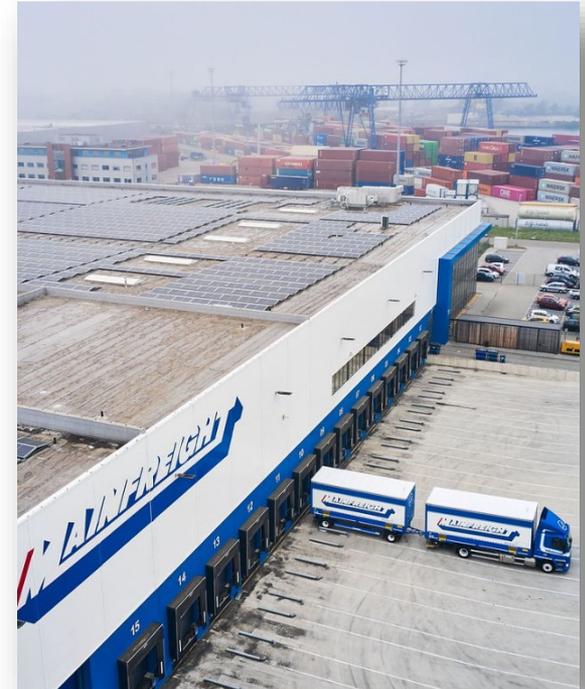
Group Outlook

- Expect supply chain congestion to continue well into 2022 calendar year
 - Shanghai, Russia/Ukraine adding to issues
 - USA port labor negotiations likely to impact throughput
 - Container/chassis shortages still affecting USA ports
 - Expect peak season ex Asia to coincide with volume release from Shanghai
- Air & Ocean rates to reduce but not to pre-2019 levels
 - Seafreight – mix of contract and spot rates, reaching parity
 - Shipping lines still tightly controlling space availability
 - Airfreight access increasing with belly space on passenger flights, however freighters required to assist
 - Expect 25% increase in global airfreight by 2025
 - Expectation our Air & Ocean volumes will continue to grow



Group Outlook ...

- Transport volumes and organic growth will see ongoing improvement in all regions
 - However driver shortages across Europe due to conflict in Ukraine
 - Maintaining strong focus on LCL volume growth
- Warehousing capacity increasing to cope with new customer demand
 - Expect “just in case” stock to reduce
 - Expect customers to source differently and focus on high margin stock
- Wage & salary review of 5+% applied from 1 April across all regions



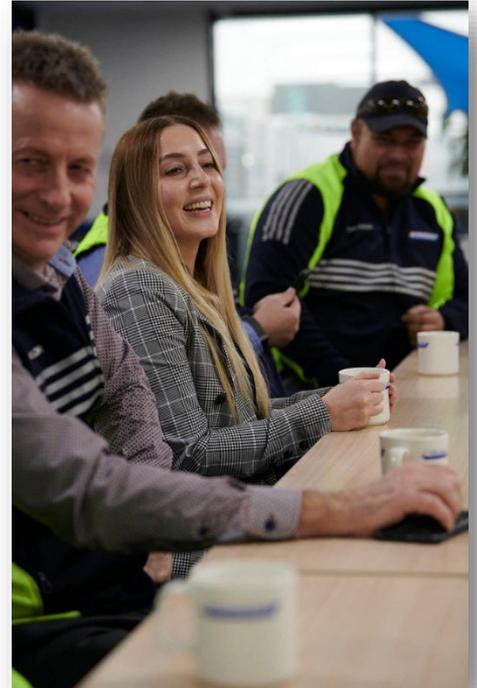
Group Outlook ...

- Customer rate reviews applied, effective:
 - New Zealand 2 May 2022
 - Australia 1 April 2022
 - Europe 1 January 2022
 - Americas 1 June 2022
- Do not expect the same quantum of improvement this year to roll into next year's results
- Our network intensification assists Transport and Warehousing, and is a key differentiator for us globally in Air & Ocean
 - Domestically: all regions expanding their networks, including warehouses
 - Globally: Indonesia to open mid-2022; India and Nordic countries are of interest



Group Outlook ...

- As per regional commentary, April/May trading has produced improved results on the same period last year
- Despite inflation/recession concerns we remain confident of continued growth and improving performance



Financial Calendar F23

Annual Meeting of Shareholders

Investor Day – West Auckland Facility

F23 – 6 months ended 30 September 2022

F23 – 12 months ended 31 March 2023

DATE

28 July 2022

21 October 2022

10 November 2022

25 May 2023



*Face the challenge
with a smile*