



**MAINFREIGHT: INVESTOR DAY, HOBSONVILLE**  
**21 OCTOBER 2022**

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# Agenda

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- 9.00 am Welcome Don Braid
- 9.05 am New Zealand Carl George
- 9.20 am Europe Ben Fitts
- 9.35 am Australia Rodd Morgan
- 9.50 am Americas Jason Braid
- 10.05 am Asia Cary Chung
- 10.20 am *Morning tea*
- 10.50 am Technology John Eshuis
- 11.05 am E.S.G. Martin Devereux/Shawn Morrow
- 11.20 am Financial Overview Tim Williams
- 11.35 am Group Summary| Q&A Don Braid
- 12.00 noon *Wrap up and view from the balcony*

# New Zealand Carl George

**2,940** Team

**88** Branches / **28** Locations

**NZ \$645M / 29.6%** ↑ Revenue (6 months)

**NZ \$75M / 55.2%** ↑ P.B.T. (6 months)



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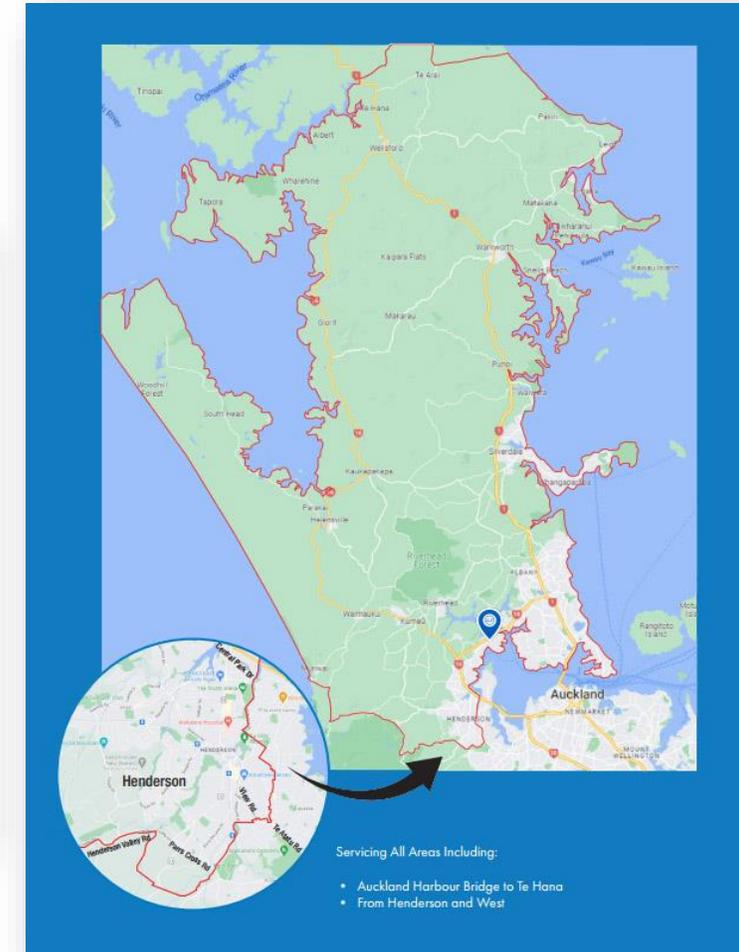
# Current Trading/Outlook

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- **General** – Trading through to September has shown good momentum. All divisions trading ahead YTD. Traditional peak season planning completed.
- **Transport** – Consistent tonnages YTD – strong sales pipelines and tender opportunities. Introduction of two new start up branches this year. Quality levels improved year-on-year.
- **Air and Ocean** – Strong trading YTD. New business gains helping offset the expected global shipping rate re-set. Focus is on strong rate and capacity management as supply chains re-adjust to changing consumer demand. Ocean rate reductions minimal in comparison to Trans-Pacific East Bound (TPEB).
- **Warehousing** – High utilisation from a traditional JIT to a JIC model. Activity levels improving as we head into peak season. Significant capacity coming on-line in second quarter 2023. Strong sales pipeline and market opportunities in front of us.

# Hobsonville – Why are we here?

- Closer to our customers
- Direct inbound / outbound services
- Later pick ups/earlier deliveries
- Increased exposure to a growing catchment of Auckland
- Release valve of volume on our South Auckland branches
- Costs



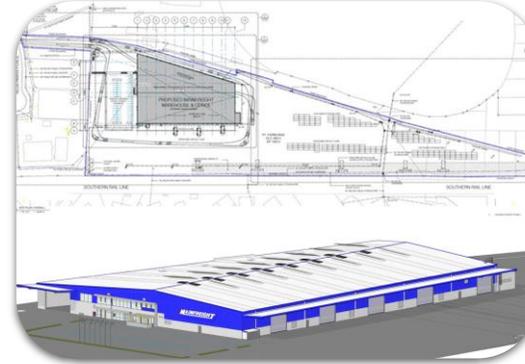
# Property and Network Development



**Favona Road**  
*40,000m<sup>2</sup> Warehouse*  
*June 2023*



**2Home Auckland**  
*22,000m<sup>2</sup> Cross-Dock / WH*  
*End Loading*  
*June 2024*



**Alderman Place**  
*Specialised Wharf / Tankers*  
*/ CFS on Rail*  
*Late 2023*



**Beach Road**  
*20,000m<sup>2</sup> Specialist DG WH*  
*May 2024*



**O'Rorke Road**  
*21,000 Cross-Dock*  
*Late 2025*



**Hugo Johnson**  
*18,000m<sup>2</sup> Cross-Dock*  
*Oct 2023*

**NZ Property  
planned Capex  
2023-2024  
\$203m**

# Key Initiatives/Opportunities and Challenges

## Transport

- Continued network development
- Focus on additional future rail siding capacity and increased use of coastal shipping services
- Expansion of our home delivery network – M2Home
- Introduction of electric trucks to our fleet – 10 by first quarter 2023
- Emission reporting capability
- Development of national driver academy
- Consideration for first chilled transport cross-dock

## Warehousing

- Construction of our largest warehouse in NZ – 40,000m<sup>2</sup> / 52,000 plts / 6 Hectares
- Plans completed for significant Dangerous Goods (MHF) 20,000m<sup>2</sup> in Auckland
- Increased presence in brown/white/electronics verticals
- Introduction of automation in 2023

## Air & Ocean

- Continued global branch network development helping open new markets. Developing more long-haul air/deep sea markets
- Consistent growth of our Mainfreight to Mainfreight (1MF) consolidated freight services in both Sea LCL (Less than Container Load) and Air (Consolidated Dry and Perishable)
- Increasing the end-to-end depth of our perishable offering, on-going development in our pharmaceuticals and wine verticals
- Planned branch network growth NZ

## Challenges

- Capacity – all products including availability of new equipment
- Property development – speed of completion
- Owner drivers – team growth
- Inventory levels and customers unpredictable sales volume forecasts. Reviewing of contractual arrangements

# Europe

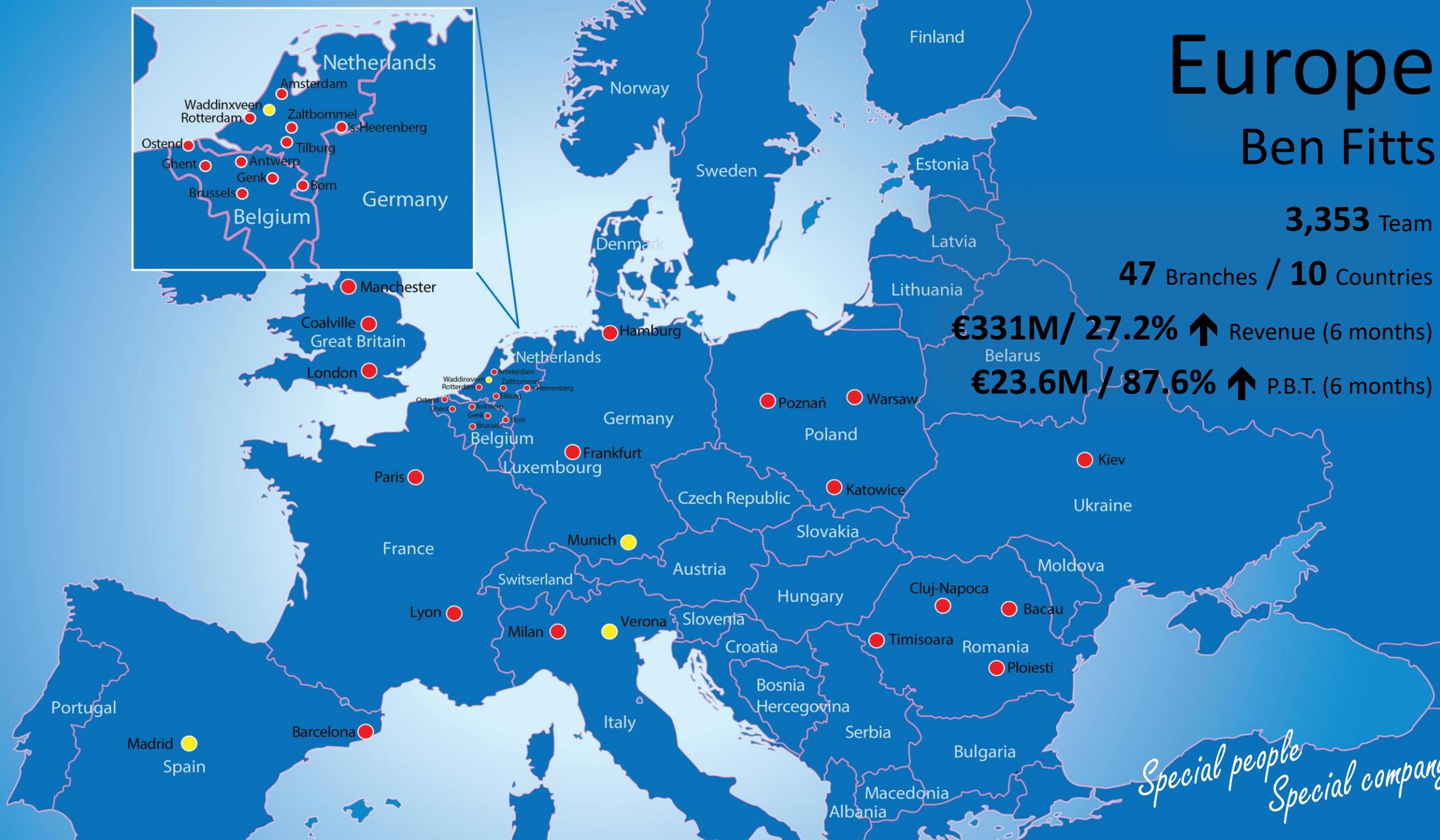
## Ben Fitts

**3,353** Team

**47** Branches / **10** Countries

**€331M / 27.2%** ↑ Revenue (6 months)

**€23.6M / 87.6%** ↑ P.B.T. (6 months)



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# Current Trading/Outlook

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- **General** - Good momentum through the first six months. Each division trading ahead with improved RoR. Inflation and high energy process a cloud on the horizon. Ample opportunity for growth in all countries.
- **Transport** - Volumes consistent YTD. New branches in Tilburg and Rotterdam to ease pressure on 's-Heerenberg branch. Improved performance in Belgium. Export freight and sales growth in regional branches a priority.
- **Warehousing** - Above optimum utilisation as inventory is replenished and safety stock built. Balancing supply, end customer demand and product quality a challenge for many customers. Short term overflow storage capacity scarce. Securing long term additional capacity in NL, BE and RO (101,000m<sup>2</sup>).
- **Air & Ocean** - Strong trading YTD. Asia-Europe Ocean rates decreasing significantly, rate and contract management important. Focus on MFT-MFT consol growth for air and sea. Sales pipeline healthy and key to offset potential volume reductions via new customer gains.

# Property and Network Development

## Transport :

- Waddinxveen (3<sup>rd</sup> Dutch Branch) January 2023
- 's-Heerenberg (NL), 22,000m<sup>2</sup>, late 2024
- Paris: land sought for cross-dock

## Warehousing:

- Born (NL) 56,000m<sup>2</sup> (mid 2024)
- Ploiesti (RO) 10,000m<sup>2</sup> extension (mid 2023)
- Oostende (BE) rebuild (late 2024)
- UK2 mid 2024

## Air & Ocean:

- Verona (IT) 2022
- Madrid (ES) 2022
- Munich (DE) 2022



's-Heerenberg  
TPT, Netherlands



Ploesti WH,  
Romania



Oostende WH,  
Belgium



Born WH,  
Netherlands

# Key Initiatives/Opportunities and Challenges

## Transport

- Set Benelux network for growth; 's-Heerenberg (NL); Waddinxveen (NL), Belgium to follow (3<sup>rd</sup> branch)
- Raising standards across all aspects of the business – branch audits implemented
- Trialing MAN e-trucks in Tilburg to meet 2025 zero emission delivery target, carbon emission reporting, alternative fuel

## Warehousing

- Additional capacity; Netherlands 56,000m<sup>2</sup> (June '24), Belgium 35,000m<sup>2</sup> (mid '25), Romania 10,000m<sup>2</sup> (June '23)
- Targeting medium size customers; 2,000 – 10,000 pallets, increased freight into our network
- Global network customers driving growth in the UK

## Air & Ocean

- Network development: 17 branches total by year end
- 3<sup>rd</sup> Dutch branch in '23. Ireland, additional DE and UK branches in '24, Nordics and Romania on the radar for '25
- 1MF air and sea freight consolidation growth

## Challenges

- Capacity shortages (drivers, people, equipment, warehouses) and rising costs
- Scarcity of land for new development in NL
- Public sentiment toward 'Big Box' warehouses (NL)

# Australia

## Rodd Morgan



**2,534** Team

**71** Branches / **21** Locations

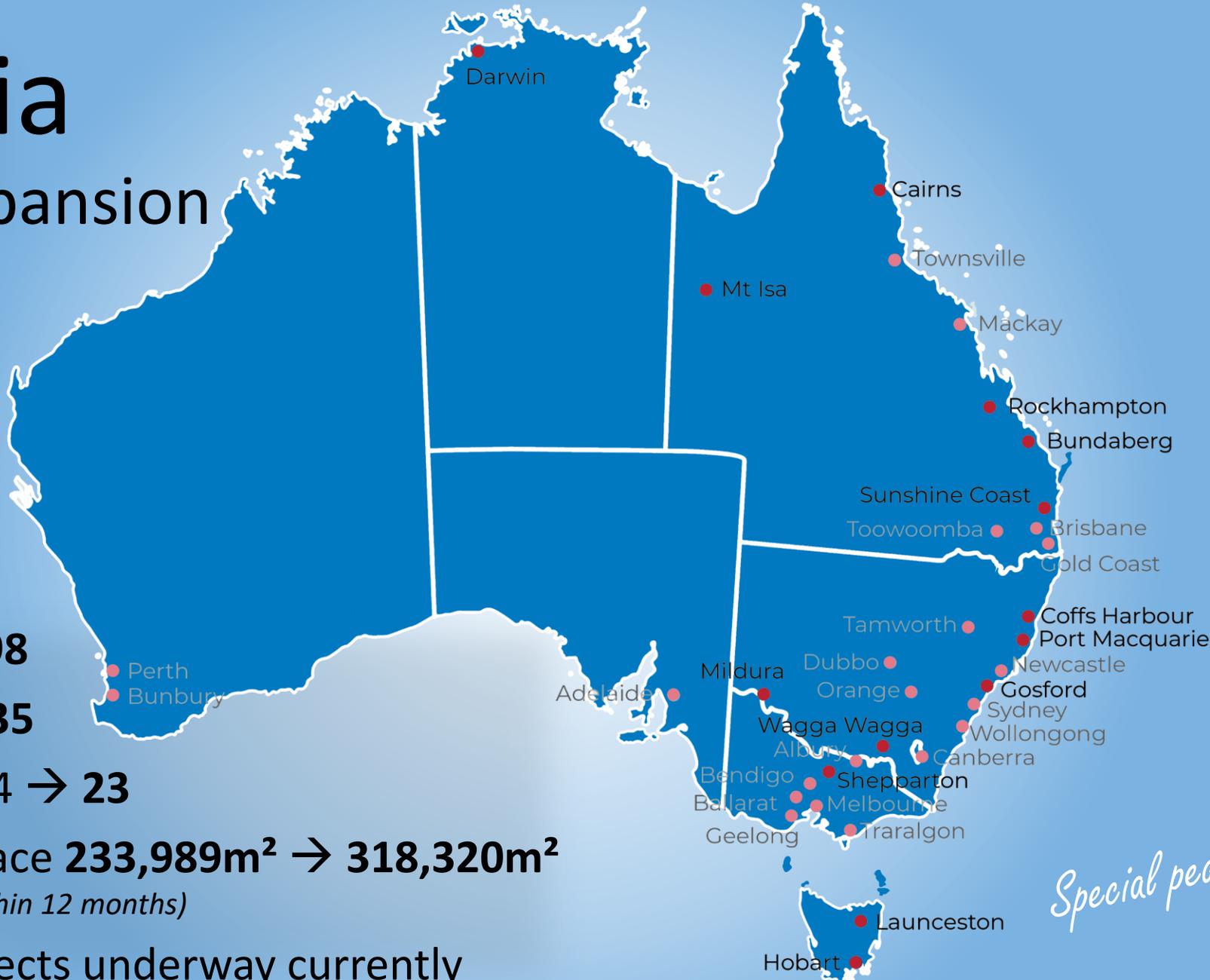
**AU \$698M / 33.0%** ↑ Revenue (6 months)

**AU \$63M / 42.2%** ↑ P.B.T. (6 months)

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# Australia

## Network Expansion



Branches 71 → 98

Locations 21 → 35

A&O Presence 14 → 23

Warehousing space **233,989m<sup>2</sup> → 318,320m<sup>2</sup>**  
*(36%, within 12 months)*

**32** property projects underway currently

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# Current Trading/Outlook

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- Strong – good customer mix, sustainable, trading well, with growth potential
- Resilient economy but 6 interest rate rises will bite – expect pcp comparisons to tighten
- Managing costs, margins & cash collection by branch
- Warehousing utilisation acceptable & wharf business making good profit progress
- Large sales team fully mobilised in the market with a good pipeline of future salespeople & customers
- Growing reputation in key industries – construction, medical/healthcare, food (including perishables), beverages (wine, liquor), chemicals, retail & agriculture
- Emerging opportunities in mining, electronics, automotive and marine segments

# Key Initiatives/Opportunities and Challenges

## **Transport**

- Development of future branch manager pipeline to fuel our growth is a key focus
- Network expansion helps our quality – 95% delivered on our trucks
- Building design & technologies evolving – rear loading, 4 sided docks

## **Warehousing**

- Steadily improving RoR & profit per square metre
- New purpose-built warehouses imminent Adl, Syd, Mel, per-totaling 116,000m<sup>2</sup> – all outbound freight via Mainfreight Transport
- Better efficiencies from AMR & automated sortation technologies - increase pick efficiency, accuracy & throughput with less people.

## **Air & Ocean**

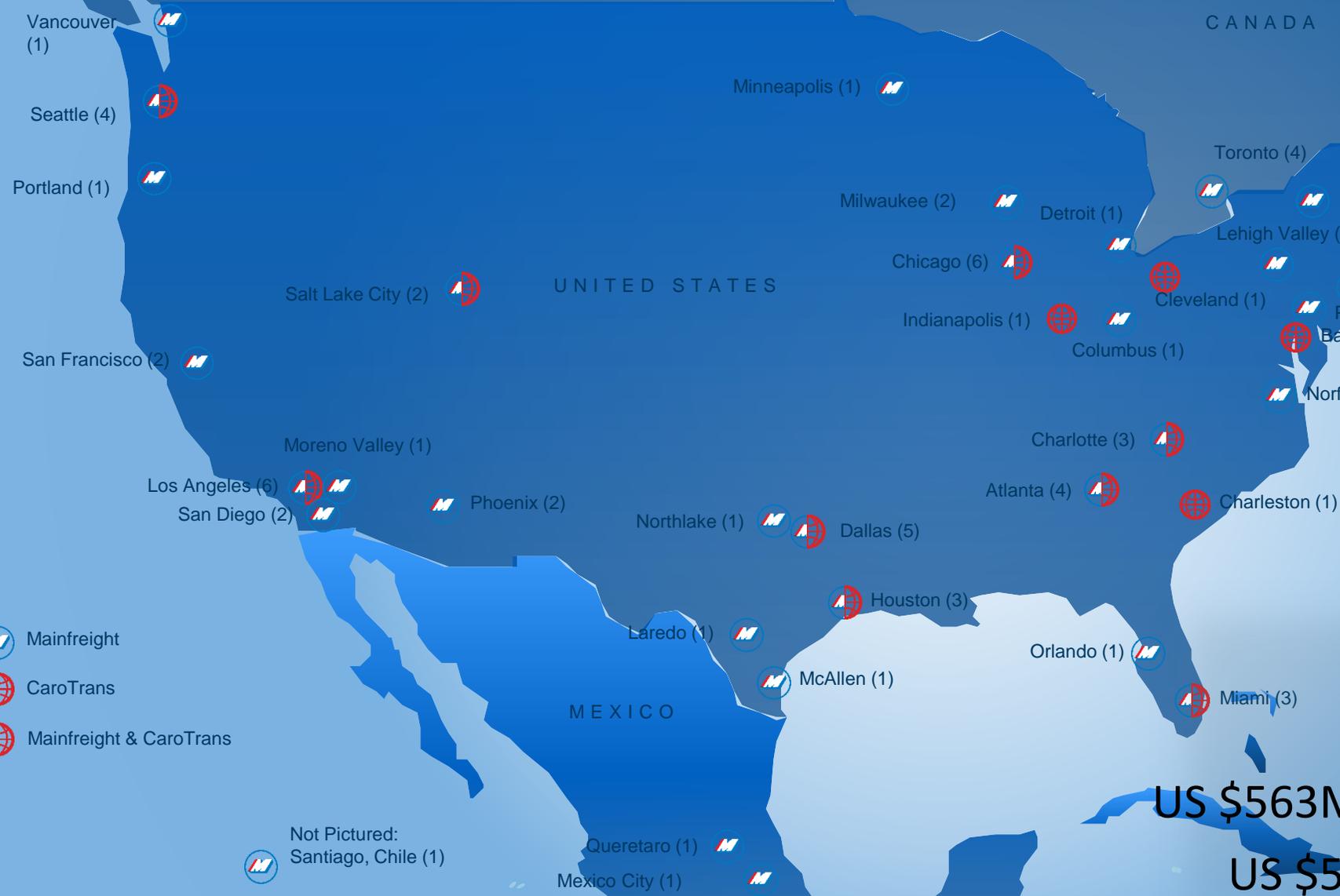
- South bound ocean rates ex US & eastbound on TransTasman have reduced but not as much as Europe to Asia & China to USA

# Key Initiatives/Opportunities and Challenges

Continued...

- Developing long-haul exports and consolidations across A&O a priority
- Infrastructure/network and market penetration providing growth opportunities
- Our domestic network development is helping increase our regional A&O growth – exports/imports
- Customer verticals of food/beverage/DIY assisting volume increases
- Strong focus on margin enhancement

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# Americas

## Jason Braid

1,770 Team

80 Branches / 4 Countries

US \$563M / 27.7% ↑ Revenue (6 months)

US \$59M / 69.0% ↑ P.B.T. (6 months)

- Mainfreight
- CaroTrans
- Mainfreight & CaroTrans

Not Pictured:  
Santiago, Chile (1)

# Current Trading/Outlook

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- RoR: 10.4% up from 7.9% last year
- All divisions contributing positively to year-on-year growth
- A&O volumes remain strong and ahead of last year
  - Air import volumes down on back of fewer charter flights
  - Increasing growth and volumes from everyday true airfreight customers
- Branches within the larger cities are performing well
  - Work needed in some of our smaller branches and cities
- Strong pipelines and new customer gains continue across all divisions

# Property and Network Development

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- Purpose built LTL cross-docks underway in Dallas & Chicago
- Land purchase for second LTL cross-dock in Chicago area
- Larger purpose-built warehouses at 50k sq meters minimum
- Intensification of branch network for all products
  - Canada for both A&O & CaroTrans
  - Smaller USA cities are areas of significant growth opportunity
  - Transborder opportunities for Transport - especially USA/Mexico
- Port drayage operations in Houston, Chicago, Newark & Charlotte
- New Airfreight facilities with chillers to assist with perishable & pharmaceutical growth
- Continued focus in growing our owner driver fleet



# Dallas Heat Map

-  Future Branch
-  Current Branch
-  Pickups
-  Deliveries

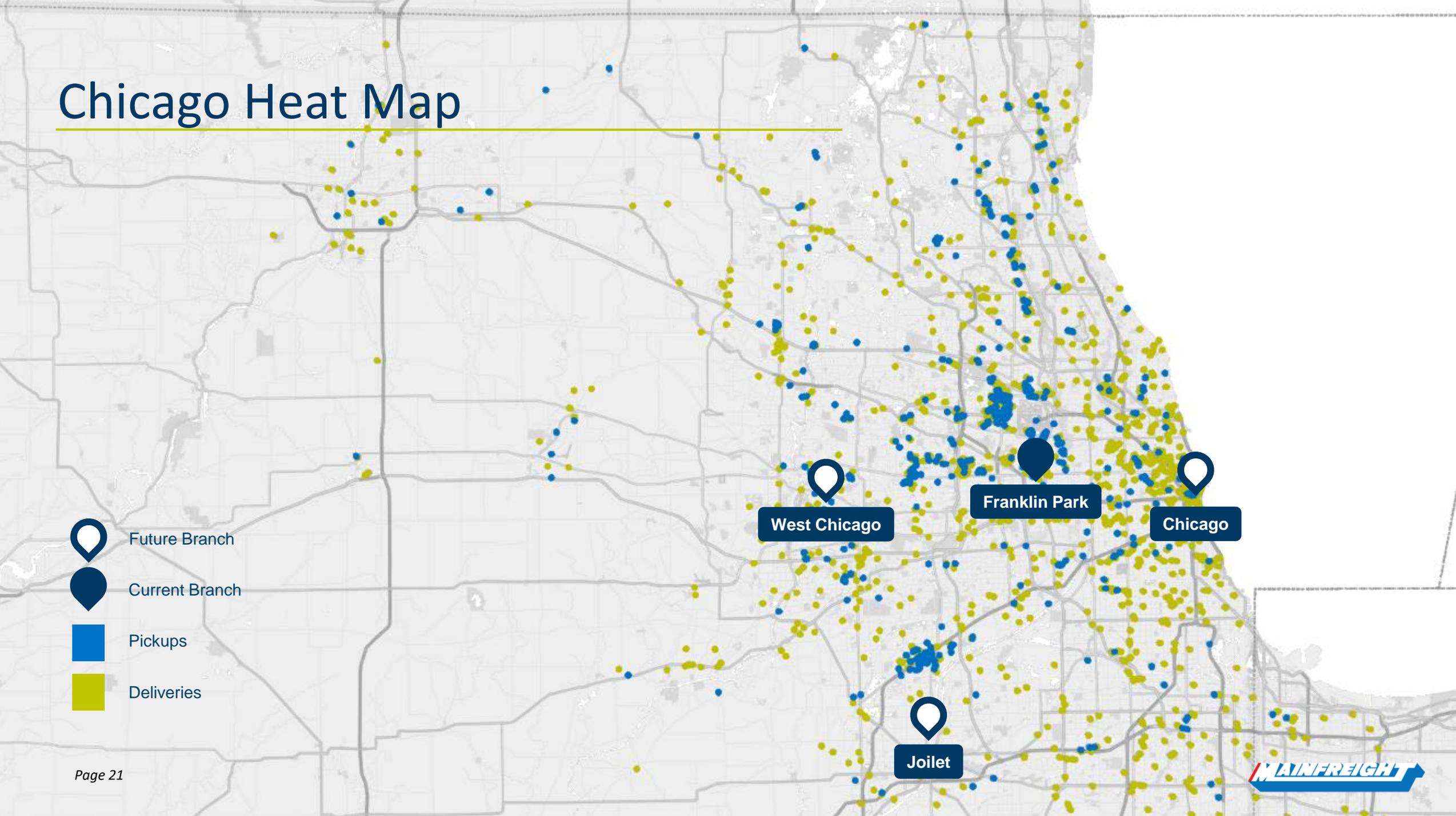
  
Northlake

  
Flower Mound

  
Dallas

# Chicago Heat Map

-  Future Branch
-  Current Branch
-  Pickups
-  Deliveries



West Chicago

Franklin Park

Chicago

Joilet



# Key Initiatives/Opportunities and Challenges

- Numerous customer conversion opportunities across our supply chain
- New LTL cross-docks bring efficiencies and reputations to and for our business
- Change from 'Freight Forwarder' to 'LTL Carrier' opens domestic growth opportunities
- Improving LTL line-haul utilisation (currently at 63%)
- Volume growth on trade lanes outside of TPEB will continue
- Capacity availability in ocean freight is allowing for customer growth
- Relationships and negotiations with shipping lines assisting in rate negotiations

# Key Initiatives/Opportunities and Challenges Cont...

- A&O consolidation growth remains key area of focus
  - CaroTrans performance pleasing in this segment
- Strong customer demand is driving us to open larger and new warehouses
- Fluctuating customer inventory levels addressed by stronger Service Level Agreements
- Optimistic about growth opportunities across core customer verticals
  - Not immune to A&O trade and rate decline
  - Offset by ongoing growth in all segments and across a variety of trade lanes



# Asia

## Cary Chung

**520** Team

29 Branches / **10** Countries

**US \$100M / 9.1%** ↓ Revenue (6 months)

**US \$16M / 37.7%** ↑ P.B.T. (6 months)

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# Current Trading/Outlook

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- Revenue YTD is US\$100M – down (9.1%) – Rate reduction impact
- PBT is US\$15.8M – up 37.7% – Margins improving via in-country sales and service additions
- Airfreight exports remain challenging from Hong Kong and China due to ongoing restrictions in China
- Ocean exports also soften however offering more value-added local services
- In-country growth especially in Korea, Japan, Malaysia, Hong Kong and Thailand
- Investment – Intensifying branch network within each country
- Warehousing solutions underway

# Network Development

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- A&O – 5 additional branches across China, Thailand, Taiwan and Korea in the next FY and adding our 11th country “India” by Q3 2023
- Warehousing – 4 new warehousing sites in Japan, Malaysia, Thailand and Vietnam
- Intercompany network focus is our priority
- Develop our commercial sales team across Asian countries with a strong focus on food and beverage, healthcare, hi-tech and perishables
- Greater focus on our imports where we can provide additional value-added services to compliment our A&O network

# Key Initiatives/Opportunities and Challenges

- Our market development is stronger across the Asian region
  - Cross-selling across our products
  - Increasing the number of new customers
  - Increasing the number of transactions and modes per customers (both new and existing)
- Regional sales office across the 2nd and 3rd tier cities – Asian region including China
- Improving relationships with A&O carriers – rate negotiations benefiting
- Less reliance on China, growing Asian network
  - Building European trade flows
  - Less reliance on Trans-Pacific



# Technology

John Eshuis

# Technology

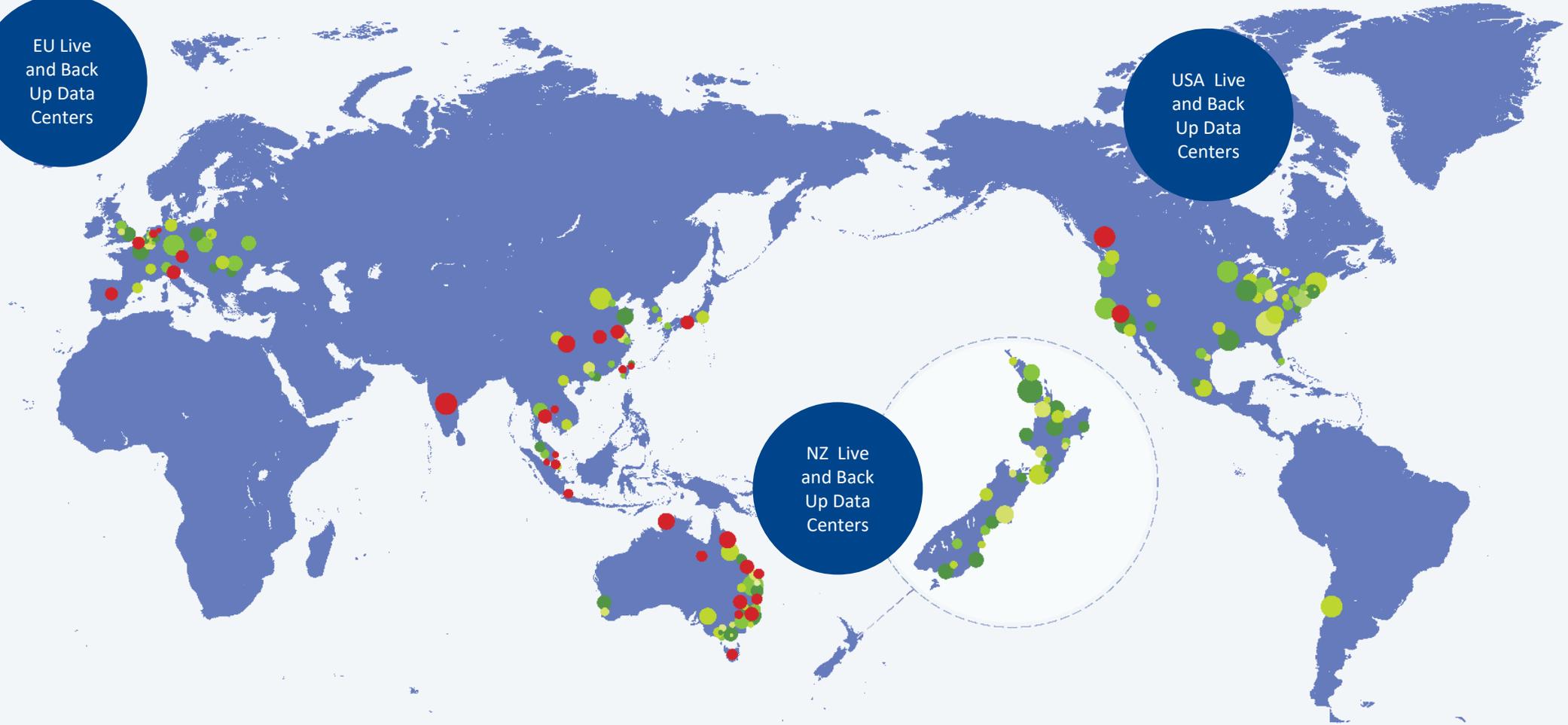


Azure Cloud supporting global applications where appropriate

EU Live and Back Up Data Centers

USA Live and Back Up Data Centers

NZ Live and Back Up Data Centers



# Operating Systems

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## Infrastructure

- Microsoft
- HP Equipment
- Cisco/Webex networking & collaboration
- Palo Alto
- Live and Back Up environments aligned globally

# Operating Systems

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## Transport

- Bespoke product in NZ, Australia and Americas
- Off-the-shelf product in Europe
- Zebra mobile devices for drivers and team
- High customer integration via EDI and customer portal Mainchain

# Operating Systems

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## Warehousing

- Bespoke product in NZ, Australia, Asia and Americas
- Off the shelf product in Europe
- Mobile and Voice Picking technology well entrenched
- High customer integration through EDI and customer portal Mainchain
- Automation & Mechanisation building
- High business continuity requirement

# Operating Systems

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## **Air and Ocean**

- Off the shelf product Cargowise by WiseTech
- Strong global experience in the product
- Internal capabilities in building supporting functionality
- Bespoke product for CaroTrans USA

## **Customer Tools**

- Bespoke single global solution : Mainchain
- Strong analytics capability : Maintel
- Global Emission Reporting capability

# Cyber Security

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## **Our people are our best defence!**

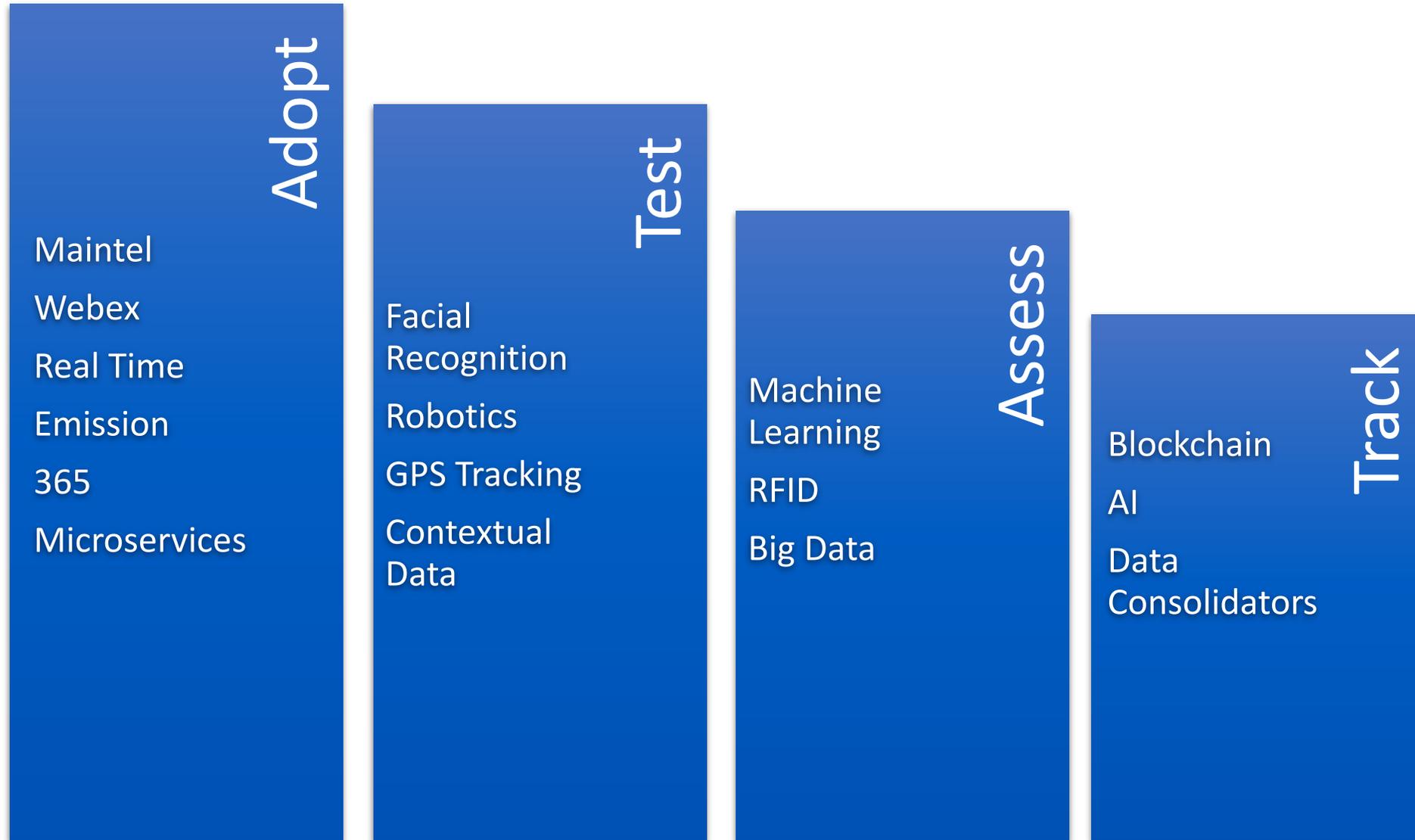
- Awareness and education

## **Cyber Roadmap**

- Mitigating risks and implementing our cyber initiatives
- We employ a threat-based defence approach

# Looking Ahead

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# ENVIRONMENT/SOCIAL/GOVERNANCE

Martin Devereux / Shaun Morrow

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# Sustainability - Environmental

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- Emissions – Direct / Indirect
  - 36,063 / 1,644,036 tonnes CO2e respectively
- Targets, Intensity measures and continuous improvement
  - Drops in all 5 intensity measures
- Carbon Emissions Reporting for Customers
- Initiatives being taken:
  - Transport – Electric vehicles (10+)
  - Air & Ocean – CMA. Biofuel option
  - Infrastructure – Water, solar, handling equipment
    - Over 3000kW in Solar Generation with another 3000kW planned over the next 12 months
  - Waste Management – Circular solutions



# Sustainability - Social

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- Promotion from within – global career paths
- Training programs driving culture, safety and leadership in every region
  - Induction courses
  - Easy to Do Business With courses
  - Safety courses and well-being forums/initiatives
  - Leadership Training
  - Outward Bound (Global program returns)
- Mainfreight Development Program (university graduates/school leavers)
  - Competitive talent market. Fewer graduating and fewer applications
  - Decentralised approach to recruitment driven at branch level
- Duffy Books in Homes/Life Education Trust/ IDEA Days/Beach clean-ups/Foodbanks

# Sustainability – Social

	Team Numbers as at 30/09/22	THIS YEAR		LAST YEAR	
		Male	Female	Male	Female
New Zealand	2940	78%	22%	78%	22%
Australia	2534	73%	27%	72%	28%
Europe	3353	75%	25%	73%	27%
Americas	1770	66%	34%	68%	32%
Asia	520	34%	66%	42%	58%
<b>Total Group</b>	<b>11117</b>	<b>72%</b>	<b>28%</b>	<b>73%</b>	<b>27%</b>

- Of our 315 branches, 57 are managed by females. More work to do to increase this number and the number of women in senior roles.
- September 2022 Outward Bound program saw 5 females attend alongside 9 men.

# Sustainability - Social

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- Health & Safety - key focus across all regions
- Global Notifiable Incidents – 2022 Financial Year: 29 incidents  
September YTD: 16 incidents
- Global Near Misses - 2022 Financial Year: 188 incidents  
September YTD: 124 incidents
- Measure by branch, by region. Share lessons/learnings globally
- Safety initiatives:
  - Intensive training programs
  - Fatigue protection devices (In-cab cameras / Vibration kits)
  - Pedestrian detection devices and height cameras/sensors – handling equipment

# Sustainability Overview - Governance

- Global Reporting Initiative (GRI)
- ISO 14064-1: 2018 (GHG Reporting)
- Climate Related Financial Disclosures
- Other Corporate Governance:

<https://www.mainfreight.com/global/en-nz/investor/corporate-governance>



# Financial Overview

Tim Williams



## Half Year Expectations Totals:

- Revenue      \$3.01B      **↑** 32.5%
- PBT            \$301.7M      **↑** 65.8%
- NPAT          \$217.0M      **↑** 65.9%

# FINANCIAL OVERVIEW – Half Year Expectations

## TRANSPORT

Revenue: \$ 1,123.0 million      ↑ 25.6%  
PBT:        \$ 110.2 million        ↑ 51.1%

## WAREHOUSING

Revenue: \$ 354.8 million      ↑ 34.1%  
PBT:        \$ 29.1 million            ↑ 31.2%

## AIR & OCEAN

Revenue: \$ 1,535.4 million    ↑ 37.7%  
PBT:        \$ 162.4 million            ↑ 86.9%

# Trading Update: Estimated Revenue

August actuals plus September “weeklies”  
26 weeks of trading (1 Apr to 30 Sep)

NZ\$000		THIS YEAR	LAST YEAR	VAR %	
New Zealand	NZ\$	645,841	498,447	29.6%	↑
Australia	AU\$	698,284	525,040	33.0%	↑
Americas	US\$	563,471	441,398	27.7%	↑
Europe	EU€	331,211	260,432	27.2%	↑
Asia	US\$	100,349	110,353	(9.1%)	↓
Group	NZ\$	3,013,289	2,274,386	32.5%*	↑

\* Excluding FX: 26.8% over last year

# Trading Update: Estimated PBT\*

August actuals plus September “weeklies”  
26 weeks of trading (1 Apr to 30 Sep)

NZ\$000		THIS YEAR	LAST YEAR	VAR %	
New Zealand	NZ\$	74,614	48,071	55.2%	↑
Australia	AU\$	63,320	44,518	42.2%	↑
Americas	US\$	58,873	34,827	69.0%	↑
Europe	EU€	23,580	12,568	87.6%	↑
Asia	US\$	15,831	11,500	37.7%*	↑
Group	NZ\$	301,687	181,986	65.8%#	↑

\* Asia gross margins improved significantly

# Excluding FX: 57.8% over last year

# FINANCIAL OVERVIEW – Comparisons

- September 5 week month PBT **↑ 35.6%** (A&O **↑ 27.4%**)
- September 5 week month Revenue **↑ 14.0%** (A&O **↑ 3.0%**)
- Bonus accrual increased proportionally with PBT growth
- A&O volumes **↓ 4.6%** (Air **↓ 9.5%**, Ocean **↓ 1.5%**)
  - 1<sup>st</sup> quarter **↓ 0.8%** / 2<sup>nd</sup> quarter **↓ 7.4%**
  - Transfer back to sea freight from air
  - Mostly relates to TPEB
- Warehouse footprint. Next two years increase the footprint **↑ 37%**

# FINANCIAL OVERVIEW – Commentary

- Resilience from our suite of services to volatile economic environment
- Net debt \$26.0 million
- Capital Expenditure:
  - Detailed update at half year 10 November 2022
  - Commencing property investment Americas and Europe
- Next trading update given start of February (43 weeks)

