

MAINFREIGHT LIMITED
FULL YEAR RESULT
TO 31 MARCH 2021



Result Summary

REVENUE

Revenue up 14.5% to \$3.54 billion
An increase of \$448.44 million
Offshore revenues are now \$2.70 billion: 76.1%

PBT

Profit before tax is \$262.41 million
Increase of 27.2% or \$56.15 million
Offshore PBT now \$164.59 million: 62.7%

NET PROFIT

Net profit before abnormals up 27.1% to \$188.11 million
No abnormals in F21 vs \$11.23 million abnormal gain in F20

FX effects are immaterial in the 2021 financial year

Full Year 2021 Overview

- Revenue and PBT improvements across all five regions
- Pleasing Australian performance
- Air & Ocean revenues artificially inflated by surging international freight rates / charters
- Targeted customer industries have assisted:
Food, Beverage, DIY, Medical/Healthcare, Retail,
Perishables



Dividend

DIVIDEND

Directors have approved a final dividend of 45.0 cents per share
Books close 9 July 2021; payment on 16 July 2021
Full dividend for year 75.0 cents per share, increase of 16.0 cents
or 27.1% over the previous year

Discretionary Bonus

BONUS

Payable at Board's discretion to qualifying team members

Up 60.8% from \$27.29 million last year, to \$43.88 million

In addition, increased Christmas bonus paid in December 2020;
\$11.02 million up from \$5.35 million



Capital Management

NZ\$ MILLION	THIS YEAR	LAST YEAR
Operating cash flow	376.28	300.80

- Net capital expenditure totalled \$118.55 million for the period, including
 - Land & Buildings \$58.93 million
 - Racking & Fit-out Costs \$15.59 million
 - Plant & Equipment \$26.00 million
 - Information Technology \$18.03 million
- Estimated F22 property capex \$156 million
- Expectations for property capex F23 \$182 million

Capital Management continued

NET DEBT

Net debt reduction of \$55.17 million to \$102.21 million
Gearing ratio improved to 8.4% from 14.0%

Debt facilities	\$477 million
Undrawn	\$269 million

Full Year Analysis: Revenue

\$000	THIS YEAR	LAST YEAR	VARIANCE	
New Zealand: NZ\$	845,554	752,913	12.3%	↑
Australia: AU\$	877,156	756,797	15.9%	↑
Europe: EU€	427,522	401,390	6.5%	↑
Americas: US\$	576,909	493,286	17.0%	↑
Asia: US\$	104,284	61,364	69.9%	↑
Total Group: NZ\$	3,543,838	3,095,394	14.5%	↑

Estimated impact of \$180 million from inflated shipping, airline and fuel rate fluctuations

Full Year Analysis: Profit before Tax

\$000	THIS YEAR	LAST YEAR	VARIANCE	
New Zealand: NZ\$	97,814	87,691	11.5%	↑
Australia: AU\$	71,504	48,782	46.6%	↑
Europe: EU€	22,351	18,113	23.4%	↑
Americas: US\$	25,923	19,992	29.7%	↑
Asia: US\$	7,047	3,390	107.9%	↑
Total Group: NZ\$	262,407	206,253	27.2%	↑

Prior Period Comparisons

Positive/(Negative) Variances	Revenue			Profit Before Tax		
	1H 21	2H 21	FY 21	1H 21	2H 21	FY 21
New Zealand	4.5%	19.6%	12.3%	8.3%	13.7%	11.5%
Australia	11.9%	19.8%	15.9%	104.3%	21.2%	46.6%
Europe	0.0%	10.0%	6.5%	(12.1)%	49.6%	23.4%
Americas	1.6%	25.7%	17.0%	(13.0)%	64.5%	29.7%
Asia	19.3%	129.5%	69.9%	59.2%	211.6%	107.9%
Total Group	7.2%	21.3%	14.5%	23.4%	29.8%	27.2%

Product Performance

NZ\$000		THIS YEAR	LAST YEAR	VARIANCE	
Transport	Revenue	1,610,741	1,550,299	3.9%	↑
	Profit before tax	140,527	119,682	17.4%	↑
Warehousing	Revenue	452,116	409,749	10.3%	↑
	Profit before tax	42,207	34,317	23.0%	↑
Air & Ocean	Revenue	1,480,981	1,135,346	30.4%	↑
	Profit before tax	79,673	52,254	27.2%	↑

BRANCHES:
297

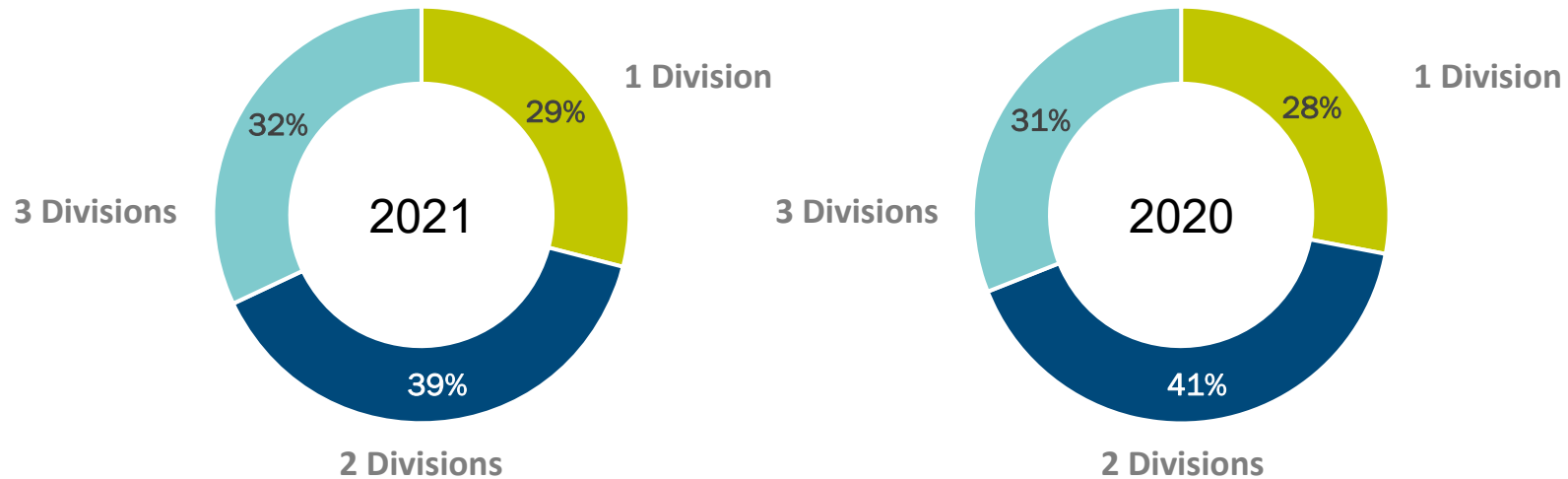
COUNTRIES:
26

New Zealand, Australia, USA, Canada, Chile, Mexico, China, Hong Kong, Japan, Malaysia, Singapore, South Korea, Taiwan, Thailand, Vietnam, Netherlands, Belgium, France, Germany, Italy, Poland, Romania, Russia, Spain, Ukraine, United Kingdom



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 60% from 58%
- Top 500 Customers = 56% of total revenue (last year 57%)
- 130 new & existing customers have entered Top 500 in last 12 months

New Zealand

Revenue	\$846m	12.3%
Profit before Tax	\$98m	11.5%

- Strong result, particularly in light of 40% revenue decline in April for Transport
- Transport capacity under pressure, especially pre-Christmas
- New sites opened in Tauranga, Levin and Gore
- Construction underway for West Auckland, Kaitaia, Whangarei; land purchases/leases underway for Auckland, Nelson, Hastings, Cambridge, Wellington
- Warehousing sites being developed for increased demand; owned and leased



New Zealand

- Air & Ocean demand at highest levels experienced
 - Air and sea charters completed
 - Capacity constraints in global supply chain
 - Air and sea freight rate levels inflating revenues
 - Expect congestion and rate level inflation to continue for an indefinite period of time



Australia

Revenue	AU\$877m	15.9%
Profit before Tax	\$72m	46.6%

- A very pleasing performance across all 3 divisions
- Extended regional Transport network assisting
 - Five more regional centres to open in next 12 months
 - Building consents underway for South Melbourne and Adelaide
- Warehousing footprint increasing by a further 40,000m² to meet demand and growth (by end July 2021)
 - 2 new warehouses await completion: South Melbourne (owned) and Sydney (leased), totaling 80,000m²



Australia

- Air & Ocean growth mirrors that in other areas of our network
 - Good focus on air freight capability and LCL freight growth
 - Space constraints and freight rate inflation as with the balance of our Air & Ocean network



Europe

Revenue	EU€428m	6.5%
Profit before Tax	EU€22m	23.4%

- Despite ongoing lockdowns, a satisfactory overall result
- Transport network improving revenue and PBT, particularly 2nd half
 - Attracting new customers; focused on core customer verticals
 - Better line-haul/PUD management; direct line-hauls and building network intensity
- Air & Ocean, stronger second half
 - Branches opened in UK and Spain last year are profitable
 - Space constraints and rate inflation as per balance of our Air & Ocean network



Europe

- Warehousing saw inventories decline in first 6 months, recovery in second 6 months
 - Footprint now over 330,000m²
 - Increasing usage of freight network for warehousing customers; now 57%, up from 42%



The Americas

Revenue	US\$577m	17.0%
Profit before Tax	US\$26m	29.7%

- Strong Air & Ocean performance assisted result
 - Separation of larger branches into dedicated Air and Ocean branches created stronger air freight skill-set and bolstered growth
 - Trans-Pacific shipping capacity extremely constrained
- Warehousing capacity and utilization has increased
 - Now 121,000m² up 35,000 m² in the past year
 - Three new facilities are now required for newly confirmed customers, including 45,000m² in Dallas



The Americas

- Transport struggled with ongoing lockdowns restricting freight movement; more home deliveries vs business deliveries
 - Require a greater focus on “right” customer industries
 - New direct line-hauls operating
 - Over 500 per week post-year end
 - Less volume with third-party operators
- CaroTrans saw improved results in the 2nd half
 - More part loads (LCL) as space restrictions increased
 - Agency network changes for South America, Italy and Spain improved freight volumes



Asia

Revenue	US\$104m	69.9%
Profit before Tax	US\$7m	107.9%

- Improved market share and involved in numerous air and sea charter activities
 - Revenue increased accordingly, but also influenced by air and sea freight rate inflation
 - Improved Southeast Asian branch performance
 - Imports of interest, to assist trade-lane balance and opportunity to launch warehouse capability, particularly in chosen customer industries



Land & Building Development Update: F21

NZ\$ MILLION

Total Land & Buildings Expenditure – 2021	74.5
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- Land, Auckland 23.5
- Freight facility, Tauranga 13.3
- Land and building, Levin 5.5
- Land and building, Gore 3.4
- Additional developments, New Zealand 1.5
- Warehouse facility, Epping, Melbourne 10.9
- Additional developments, Australia 0.8
- Racking & Fit-out Costs, Group 15.6

Future Capital Expenditure Update: F22-F23

NZ\$ MILLION

F22

Planned Capital Expenditure \$200.2

- Freight facility, Hobsonville 28.0
- CFS/Container Terminal Auckland 10.0
- Freight facility, Spring Creek 6.0
- Land, Hastings 8.5
- Additional developments, NZ 24.5
- Warehouse/Transport, Adelaide 18.1
- Warehouse/Transport, Dandenong 34.0
- Racking & Fit-out costs, Group 26.1
- Non-property capex 45.0

NZ\$ MILLION

F23

Planned Capital Expenditure \$227.2

- Freight facility, Auckland 22.0
- Land, Nelson 13.6
- Freight facility, Hastings 14.0
- Freight facility, Spring Creek 6.0
- Additional developments, NZ 11.3
- Warehouse/Transport, Adelaide 18.2
- Warehouse/Transport, Dandenong 68.2
- Racking & Fit-out costs, Group 28.9
- Non-property capex 45.0

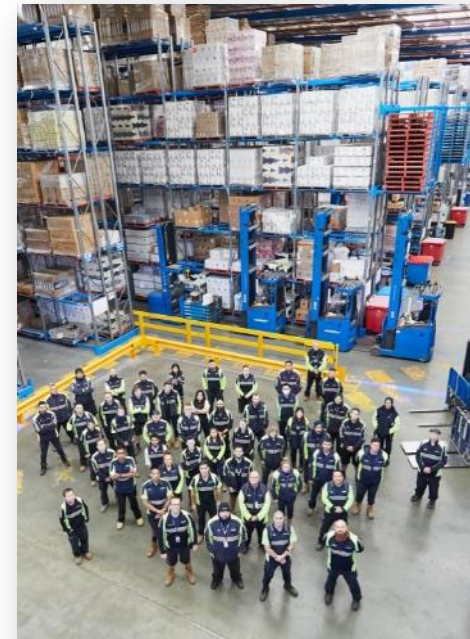
Sustainability (calendar years 2020 and 2019)

CO ₂ EMISSIONS SOURCE	2020	2019	REDUCTION
Road	402,774	406,087	0.8%
Rail	7,038	7,159	1.7%
Air	706,240	843,399	16.3%
Sea	261,715	367,591	28.8%
Indirect Freight Emissions	1,377,767	1,624,236	15.2%
	<i>97.59% of total</i>	<i>97.68% of total</i>	
Direct Operational Emissions	34,000	38,631	12.0%
Total Emissions	1,411,767	1,662,867	15.1%

2020: may not reflect a typical year of trading – Covid-19 related

Group Outlook

- International supply chain congestion expected for some time to come
 - Assisting our customers through congestion issues is our highest priority
- Targeting specific customer industries is a key component of result and expect to develop further – adding Perishables and Pharmaceuticals
- April and May trading continuing the trend of the last 6 months
- Optimistic for year ahead
 - Satisfactory market share gains in all regions



Financial Calendar F22

Annual Meeting of Shareholders

F22 – 6 months ended 30 September 2021

F22 – 12 months ended 31 March 2022

DATE

29 July 2021

11 November 2021

26 May 2022



That's all folks!