MAINFREIGHT LIMITED
Mainfreight Lane | off Saleyards Road | Otahuhu 1062 | New Zealand
Tel +64 9 259 5500 | Fax +64 9 270 7400
PO Box 14-038 | Panmure | Auckland 1741 | New Zealand

MAINFREIGHT LIMITED

Financial result for the twelve months ended 31 March 2025 (Unaudited)

Commentary

Mainfreight is pleased to confirm our full-year financial result to 31 March 2025. This result is in line with our expectations and as signalled during our market update issued on 2 May 2025.

Result Summary

Revenue	$5.24 billion	Up 11%
Profit Before Tax	$383.6 million	Down 3%
Net Profit	$274.3 million	Up 31%

- Adjusted for foreign exchange impact, Group Revenue is up 9% and Profit Before Tax is down 4%.
- Operating cashflows improved from $505 million to $584 million.
- A final dividend of 87.0 cents per share has been authorised by the Board of Directors, payable on 18 July 2025.
- Net profit in the prior year was impacted by a non-cash abnormal tax accounting adjustment on buildings.

This is a satisfactory result, assisted by a pleasing performance from our Australian operations, which has become our largest revenue and profit contributor.

Sales revenue increases were achieved in all five regions and across our three divisions: Transport, Warehousing and Air & Ocean. Asia, the Americas and New Zealand saw profits decline.

Freight Volume Analysis – FY25 v FY24

Total Air freight kilos	up 8%
Total Sea freight TEUS	up 6%
Total domestic Transport tonnes	up 3%
Total Warehouse orders picked	up 2%

Whilst freight activity has increased across all sectors of the business, margin performance was poorer than expected, impacted by an intensely competitive environment and significantly higher property overheads as we migrate to new facilities.

There has been a variety of supply chain responses from our customers as tariff negotiations triggered by the United States administration continue. Many are taking a "wait and see" approach, while others begin to adjust their manufacturing hubs and explore different trade lanes. Ongoing uncertainty is likely to result in fluctuating freight volumes, and inconsistent trade lane pricing in the immediate future.

Mainfreight is well positioned to assist our customers as they manage through the disruption.

Group Operating Cash Flows

Operating cash flows were $584 million, up from $505 million in the prior year, reflecting improved cash collection and working capital movements.

Current debt facilities total $504 million, of which $125 million was drawn. Net funds at 31 March 2025 was $14.4 million compared to $22 million last year. Gearing ratios remain satisfactory.

Net capital expenditure in FY25 totalled $234.5 million, with expenditure on property accounting for $111.2 million; warehousing racking and fit out costs of $75 million; and plant, equipment and software of $48 million.

We will continue to invest in our network and the infrastructure associated with it. However, the likelihood of slower economic growth, coupled with the considerable investments made in the past year, particularly in New Zealand, will result in a more cautionary approach to property development and capital expenditure.

Total planned capital expenditure through to the end of 2027 will be NZ$450 million, of which NZ$330 million relates to property, racking and fit out. This will be allocated across our regions as:

New Zealand	NZ$ 73.4 million
Australia	AU$141.3 million
Americas	US$ 28.8 million
Europe	EU$ 25.6 million
Asia	US$ 1 million

Our branch network has remained steady with 337 branches across 27 countries. Network expansion is expected to continue as freight growth, profitability and customer expectations allow.

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 11 July 2025, payment will be made on 18 July 2025. This brings the full year dividend to 172.0 cents per share, in line with the prior year.

Discretionary Bonus

The payment of discretionary bonuses is based on satisfactory profit results, and remain a key part of who we are – sharing profits with those who created them. Unfortunately, this year’s performance will result in our people in New Zealand and the Americas regions foregoing bonuses as a consequence of contributing less profit than the year prior. A total of $30.5 million will be shared with team members in branches who have contributed satisfactory profits in our Australia, Asia and Europe regions.

Divisional Performance (figures in local currencies)

New Zealand (NZ$)

Revenue	NZ$1.16 billion	Up 3.1%
Profit Before Tax	NZ$134.5 million	Down 9.5%

This is a disappointing result from our New Zealand business this year. Whilst we have been able to continue to increase market share, increased property costs and lower **Transport** and **Air & Ocean** margins saw profit decline.

An improved performance from our **Warehousing** business was pleasing. Additional capacity has been added, and is yet to be fully utilised, providing capacity for future expansion. The opening of our new hazardous goods facility in Auckland has occurred post year end, and new warehousing capacity for Christchurch will become available by mid 2026.

Transport margins were compromised due to additional road transport capacity for inter-island freight movements being required to offset poor KiwiRail services. Less than desired rail ferry capacity will continue to provide challenges for the next four years for freight movements between the North and South Islands until new ferries are delivered. Three new cross-dock facilities were delivered in Auckland, providing much improved capacity. New transport facilities are currently under construction in Hastings and Auckland, with expected completion in late 2025. Our Whanganui site will open in July.

The volumes and market share gains continue to improve in our **Air & Ocean** business, however lower ocean freight rates and intense competition has seen margins reduce.

While second half improvements have assisted performance, we expect to see ongoing challenging conditions in the New Zealand market for the short term.

<u>Australia</u> (AU$)

Revenue	AU$1.51 billion	Up 16.5%
Profit Before Tax	AU$137.4 million	Up 7.0%

This has been a record breaking result from our Australian region and it is now the largest revenue and profit performer in the Group. Leading this growth is our **Transport** business, where strong market share gains in the LTL sector have provided improved utilisation and profit performance. New Transport facilities are currently under construction in Brisbane and Townsville, with expected completion late 2026.

Warehousing profitability has improved as we increase utilisation and find efficiencies across our new sites. The exit of three overflow warehouses by mid November 2025, will generate further margin improvements.

Our **Air & Ocean** returns have been pleasing, aided by a number of large project shipments. Satisfactory performances from our Sydney and perishable airfreight operations have contributed to this result.

We expect the growth achieved in FY25 across all of our Australian divisions to continue.

<u>The Americas</u> (US$)

Revenue	US$665.8 million	Up 4.2%
Profit Before Tax	US$15.2 million	Down 30.0%

The Americas continues to be our worst performing region due to a poorer than expected **Transport** result. There was a satisfying performance from our **Air & Ocean** division, albeit with a less than satisfactory contribution from our wholesale sea freight division, CaroTrans. Our Air & Ocean business has some exposure to the TransPacific trade lanes which will result in fluctuating tonnage as US tariff negotiations continue.

Our **Warehousing** operations are fully utilised, other than our newly extended New Jersey site. This facility has a significant focus on beverage storage, and this is expected to see further growth in the year ahead. Interest in our Canadian operations is expanding due to the impact of US tariffs, and we expect to increase our warehousing footprint in Toronto.

The profit and revenue results for the **Transport** business were unsatisfactory as we continue to work to develop our network and LTL distribution capability. New cross-docks in Dallas and Chicago are now operational, and provide the opportunity for improved efficiencies. Further cross-dock investments are on hold until profitability improves. Our network capability now covers 79 branches across the Americas.

We expect to see ongoing profit improvements in our **Air & Ocean** and **Warehousing** divisions in the short term, no matter the tariff effects. Our **Transport** business will take time to meet expectations.

Asia (US$)

Revenue	US$126.2 million	Up 30.8%
Profit Before Tax	US$9.8 million	Down 29.4%

It was a disappointing result from our Asian businesses where, despite pleasing revenue growth, our margins were impacted by falling sea freight rates. While we have some ongoing exposure to the TransPacific trade lanes, we are focussing on developing capability to and from Europe and Australasia. Our branch network across Southeast Asia continues to find relevance and is likely to benefit further once tariff negotiations are completed, and manufacturing diversification away from China stabilises. Our experiment with establishing warehousing capability in the region has yet to reach profitability and is under review.

Europe (Euro €)

Revenue	€602.8 million	Up 8.2%
Profit Before Tax	€31.0 million	Up 11.0%

There was a satisfactory performance from our European operations, driven by improving **Transport** and **Air & Ocean** profitability.

Warehousing utilisation and profitability remain disappointing as customers re-adjust their warehousing requirements. A new warehouse established in Utrecht, the Netherlands, remains under-utilised as we await a number of new customers tender outcomes. The establishment of two warehouses in the United Kingdom has been successful and has provided a platform for the development of a United Kingdom Transport division.

Our **Air & Ocean** capability and network continues to improve with satisfactory progress being made in all European countries.

Transport performance continues to be satisfactory across the Netherlands and Belgium, however improvement is required in our transport hubs in France, Romania and Poland. We expect to establish **Warehousing** capabilities in these regions, as well as in Germany to meet growing customer inquiry. As a consequence, growing a stronger European centric business.

Outlook

We are reasonably satisfied with our year end result, particularly our ability to grow sales revenues in what has been a difficult trading environment.

We continue to be positive with the opportunities available to us in every region we operate in. We are continuing to invest to improve our facilities to accommodate future growth as conditions dictate, and are comfortable with the network we have established in our most difficult market, the Americas.

Current trade tariff negotiations initiated by the United States has generated supply chain uncertainty for the immediate future. We expect a short term increase in freight volumes from China to the USA during the tariff pause period, with the likelihood of increased freight rates, however this may also result in capacity on container vessels becoming limited and container equipment shortages.

It remains difficult to predict if international freight volumes will remain elevated post the tariff negotiations. Irrespective, we expect our customers to accelerate plans for diversification of their supply chains to reduce volatility. Our network across 27 countries positions us well to take advantage of these shifts and assist our customers with their changing freight requirements.

Our sales activity is strong as market share opportunities continue to become available across all regions. It is our expectation that our developing network in Europe, the Americas and Asia will add to the success we have already gained in Australia and New Zealand.

Mainfreight will release its financial results for the first half of the 2026 financial year to the market on 12 November 2025.

For further information, please contact Don Braid, Group Managing Director,
telephone +64 9 259 5503, +64 274 961 637 or email don@mainfreight.com.