



**MAINFREIGHT LIMITED
VALUE IN THE VINES INVESTOR CONFERENCE**



Mainfreight 101

- High quality logistics services
 - Across the full supply chain
 - Air & Ocean/Domestic Transport/Warehousing
 - Primarily business to business
 - For customers who fit our profile
 - FMCG – beverage, food, DIY, high end retail, pharmaceutical
 - Manufacturing
 - Customers who have a smaller, but global, footprint
- Freight only
- Our global network – not an agent network

“Culture, Family, Philosophy – The Mainfreight Way”

The Numbers ... Financial Half Year 30 September 2022

REVENUE

Revenue up 32% to \$3.003 billion

PROFIT BEFORE TAX

PBT up 66% to \$301.71 million

NET PROFIT

Net profit up 66% to \$217.02 million

*“Produced by 11,117 passionate Mainfreight people
in 316 branches across 26 countries”*

Supply Chain Logistics – Our 3 Core Products

TRANSPORT

Revenue: \$1,113 million up 24.5%
PBT: \$ 110 million up 50.8%

WAREHOUSING

Revenue: \$ 355 million up 34.3%
PBT: \$ 29 million up 30.4%

AIR & OCEAN

Revenue: \$1,535 million up 37.6%
PBT: \$ 163 million up 87.4%



Global Growth Outperforming NZ's Influence

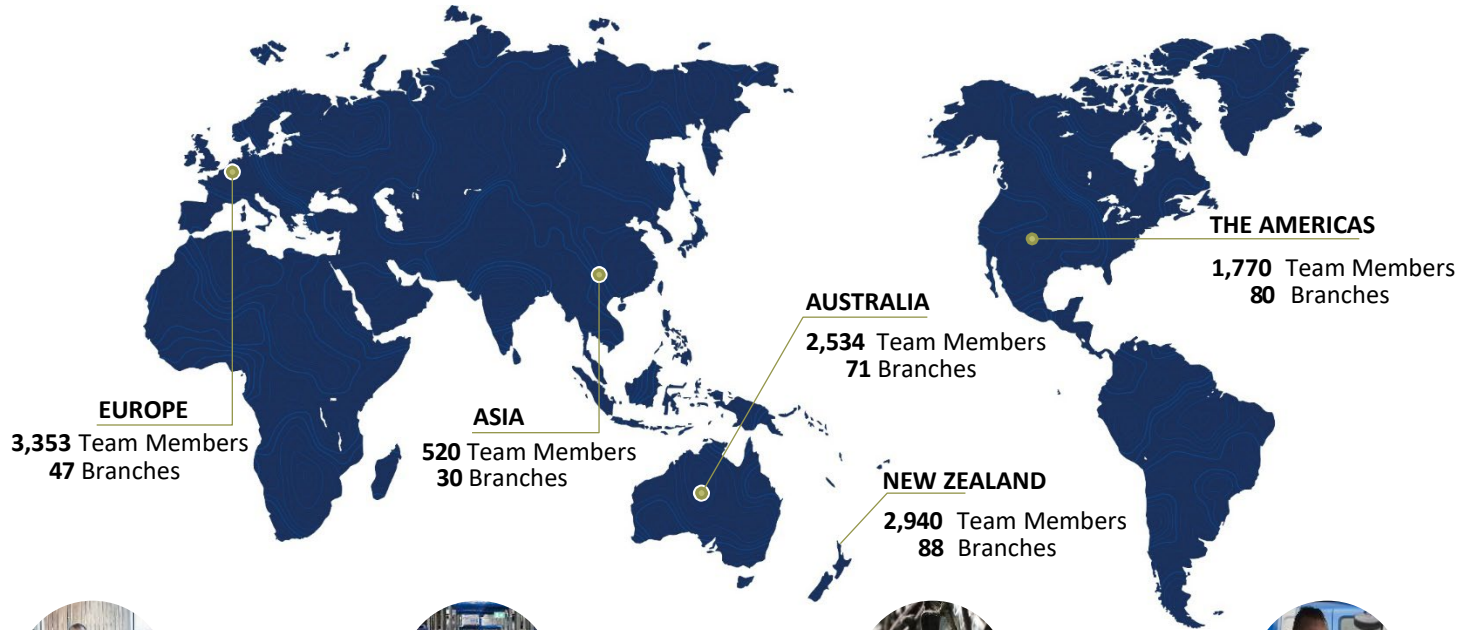
	<u>NZ\$</u>	<u>HY2017</u>	<u>HY2022</u>
REVENUE	New Zealand:	\$0.32b	\$0.64b
	Offshore:	\$0.91b	\$2.36b
PROFIT BEFORE TAX	New Zealand:	\$ 27m	\$ 75m
	Offshore:	\$ 35m	\$227m

Offshore Profit now 75.3% of total (in 2017 - 55.9%)

All organic growth!!

BRANCHES: **316**  COUNTRIES: **26** 

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



35,000-40,000
Customers



961,732 m² of
Warehousing in 65 Sites



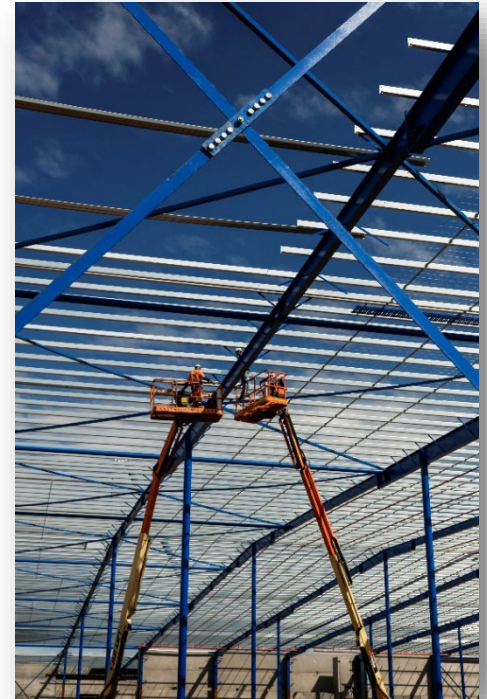
251 Transport,
Air & Ocean Sites



11,117 Team
Members

Capex/Lease Investments for the Network

- \$707m over 2023 & 2024 financial years:
 - \$616m land and buildings
 - \$90m technology and other
- Land and building projects/owned
 - Primarily NZ/Australia – Transport facilities
 - USA/Europe Land purchases commencing
- Leases
 - Worldwide – Warehouses/Transport facilities
- In total: 8 x land acquisitions in 2023 & 2024 financial year
11 x new buildings
73 x new lease facilities
- Property portfolio now at \$1.3b 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 – Opened August 2022



"Intensifying the network"

Favona, Auckland



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

Northlake, Texas Warehouse



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PROUDLY
MAINTAINED BY
LABOR ARRANGE

"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 new builds will incorporate rainwater capture and purification to drinkable standard
- Counting all emissions – indirect and direct
 - Accounting for only direct emissions is rubbish
- Sustainability Overview now available on our website



“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
 - Double the cost of Euro 6 diesel vehicles
- **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



Air & Ocean Environment

- Port congestion / inland transport issues are improving – USA/Europe
 - Long-term fix
 - No short-term resolutions
 - A reduced peak season (Aug-Oct) is assisting
 - USA Rail strike possibility is of concern
- Sea freight rate reductions occurring particularly on the Trans Pacific Eastbound.
 - Yet to see large rate reductions to Australia/NZ ex Asia
 - Europe to the USA



Air & Ocean Environment

- Air Freight
 - Capacity improving albeit passenger baggage affecting space availability
- Supply chain security of importance
 - Less reliance on China manufacturing
 - Zero covid policy has seen manufacturing decrease 3 months in a row
 - Manufacturers finding alternative countries to ensure continuity of supply
 - South East Asia
 - Near shoring – Mexico



Core Strategies – Future

- Growth – organic
- Network expansion/intensification – domestically and globally
 - Regionally within our network
 - Internationally – Indonesia (Jakarta)/India – more to follow
 - Investment in property/technology infrastructure for long term growth
- 3 core products
 - Transport
 - Warehousing
 - Air & Ocean

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

- Quality
 - Improving our service levels and usefulness for our customers

“Think long-term”

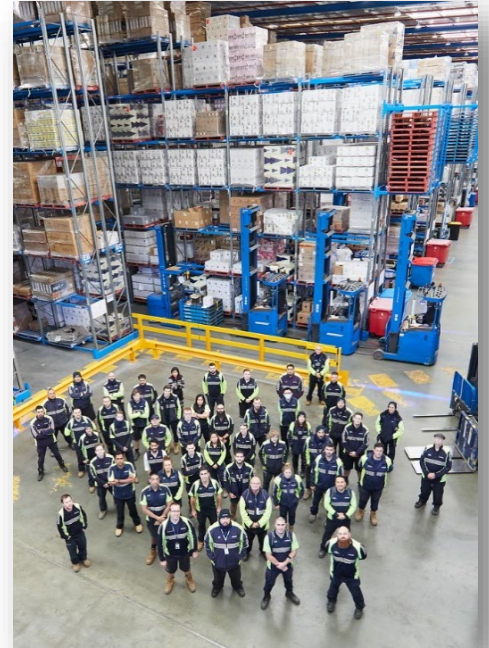
Culture/People

- Decentralised to branches
 - P&L – weekly/notice boards
 - Cash collection
 - Responsibility as close to the customer as possible
- No strategic plans / no budgets
 - Compare this week to the same week last year
- Promotion from within
 - Careers – not jobs
- Share the profits with those who earn it
 - Bonus pool \$94.8m last financial year
 - Branch profitability must exceed 80% of year prior to qualify



Culture ... Key Principles

- Inclusive : Bottom up, not top down
- Dispense with bureaucracy at all costs
- Move quickly
- High quality levels of service
 - Key KPI measurement
 - Continuous improvement
- Integrity and honesty in all we do





*“Special People
Special Company”*

