

MOVE LOGISTICS GROUP LIMITED

2023 ANNUAL MEETING

25 October 2023



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CHAIR LORRAINE WITTEN

/ VOTING AND ASKING QUESTIONS

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Ask a Question

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- Notice of Meeting
- Annual Report
- Online Virtual Meeting Guide

AGENDA

- Chair and CEO Presentations
- Shareholder Discussion
- Resolutions
- General Business
- Close of the Meeting



/ BOARD



Lorraine Witten
Chair



Chris Dunphy
Non-independent Director



Julia Raue
Independent Director
Standing for Election



Mark Newman
Independent Director



Grant Devonport
Independent Director



Danny Chan
Independent Director
Retiring at ASM

/ INTRODUCING CRAIG EVANS

Commenced as MOVE CEO in February 2023

Extensive industry experience: 35 years with Mainfreight. Prior to that, four years with Freightways

Leadership: From branch level to national management. Six-plus years as Mainfreight New Zealand Country Manager

Based in Christchurch, travels the network extensively



STRONG LEADERSHIP TEAM

Leading our pathway to success



Craig Evans
CEO
Appointed Feb 2023



Lee Banks
CFO
Appointed Jul 2013



Anthony Barrett
CIO
Appointed Apr 2022



Rachel Hustler
GM People & Culture
Appointed Jul 2023



Ricky Clark
National Sales Manager
Appointed Oct 2023



James Watters
COO Contract Logistics
Appointed Nov 2021



Justin Marshall
National Freight Manager
Appointed Mar 2022



Dale Slade
GM Oceans
Appointed May 2020



Warwick Bell
GM Specialist Lifting
Appointed Dec 2018

/ GOVERNANCE MATTERS

- Focus on MOVE's performance in a challenging operating environment
- Appointment of new CEO, strategy review and implementation of Project Blueprint
- Resilience and risk management, with continued focus on ESG and Health & Safety
- Capital investment into growth initiatives, fleet and technology
- Conversion of Convertible Note and reduction in debt
- Development of company-wide cash profit sharing scheme
- Board succession planning

/ FY24 TO DATE

Trading conditions:

- 1H operating conditions have been tougher and for longer than anticipated - high inflation and interest rates dampening customer demand, and increased competitive pricing pressure

Management and Board focus:

- Adding value to our customers to grow revenue
- Improving margin
- Strengthening each division

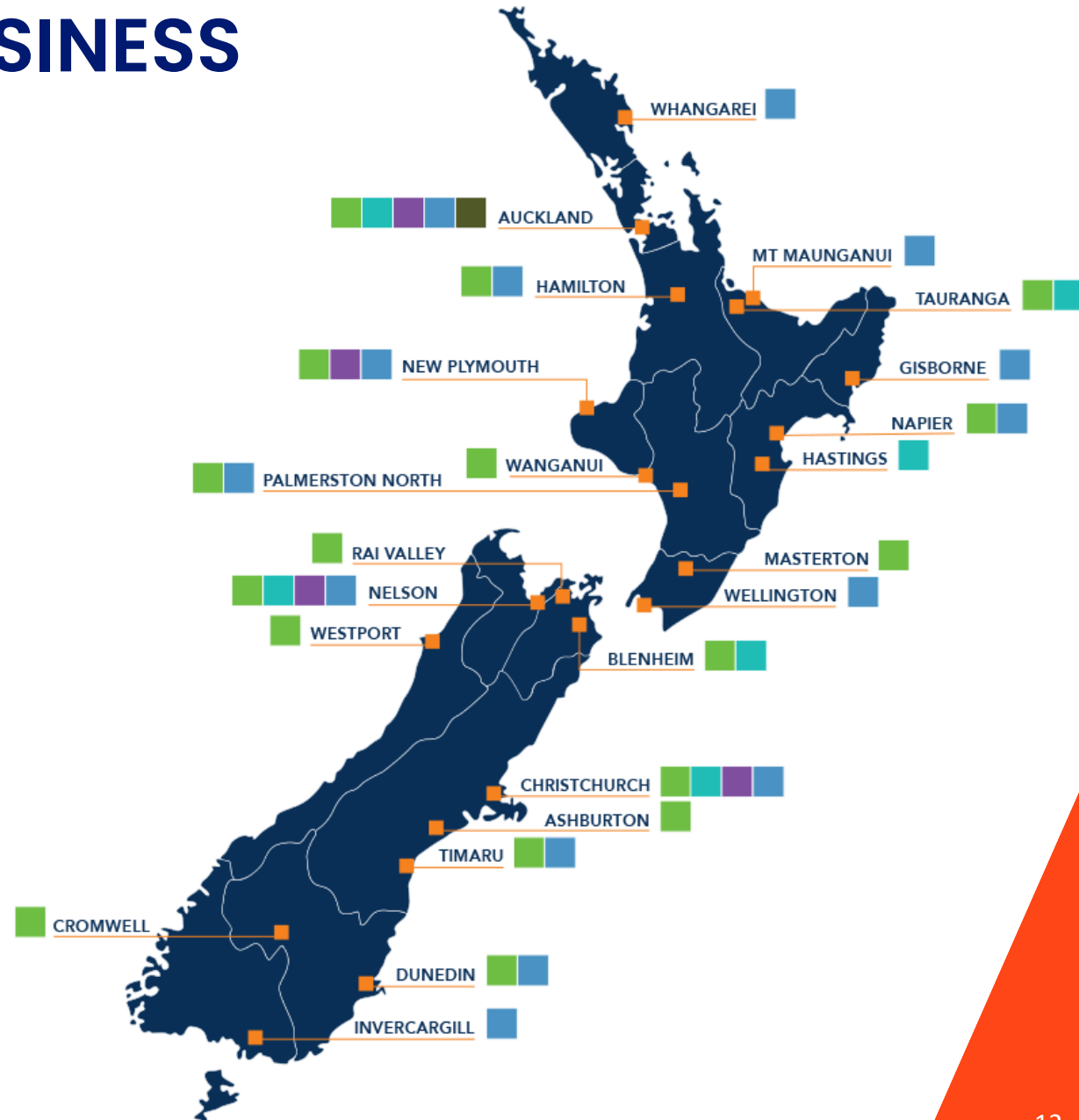


CHIEF
EXECUTIVE
OFFICER
CRAIG EVANS

OUR BUSINESS

We are one of New Zealand's largest transport and logistics providers

- National network with regional strength
- 41 branches, depots, crossdocks, warehouses and offices across New Zealand



OUR VISION

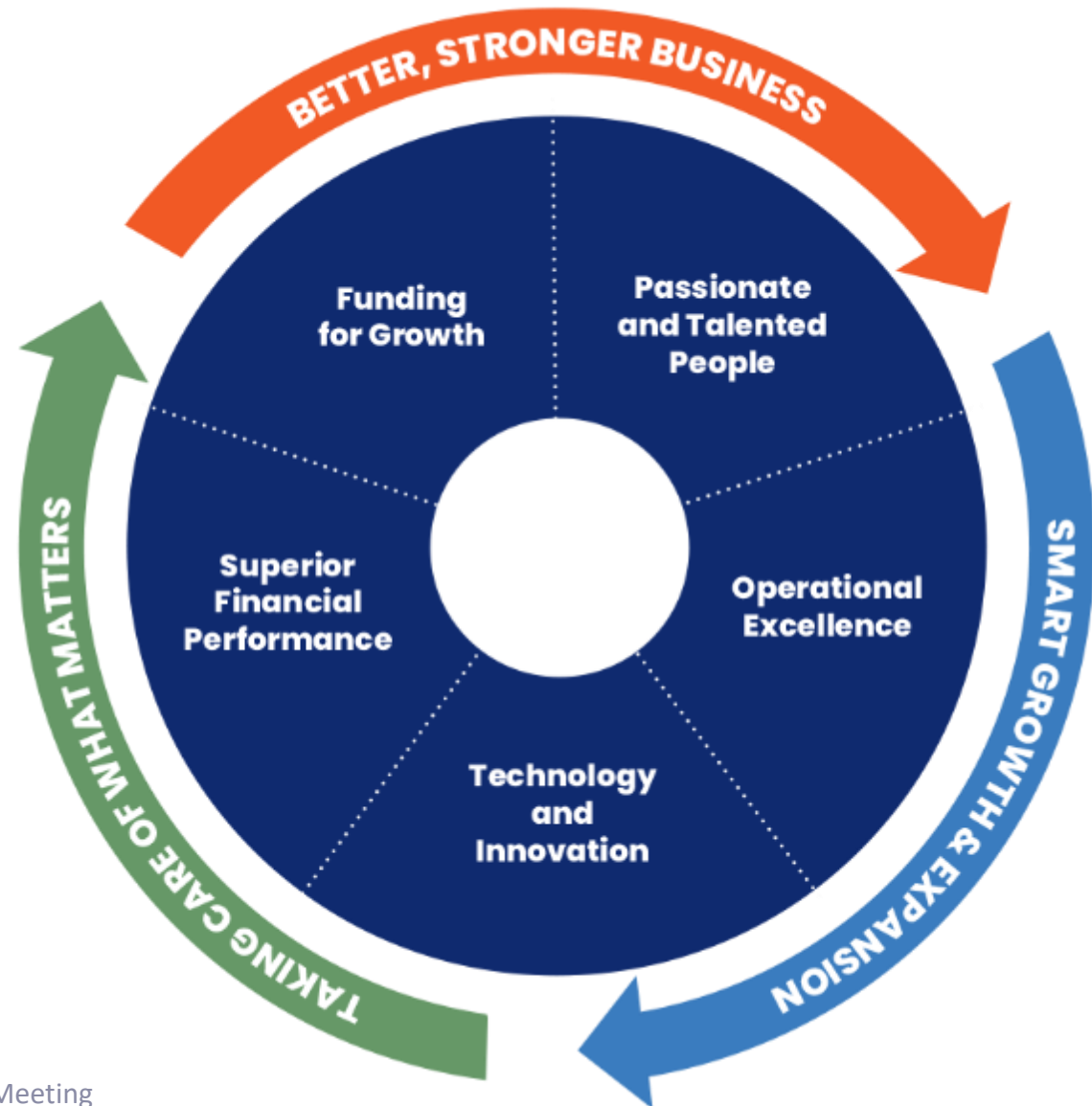
To be the preferred
freight and logistics
company in
Australasia

STRATEGY FOR GROWTH

Our Vision: To be the preferred freight and logistics provider in Australasia

Our Mission: To keep our customers moving

Our Mantra: Customer, Safety, Team



/ FY23 PERFORMANCE SNAPSHOT

<p>INCOME</p> <p>\$347.7m</p> <p>FY22: \$364.0m</p>	<p>EBITDA Normalised¹</p> <p>\$47.4m</p> <p>FY22: \$56.2m</p>	<p>EBIT Normalised¹</p> <p>\$3.9m</p> <p>FY22: \$11.5m</p>	<p>NLAT²</p> <p>\$(7.2)m</p> <p>FY22: \$(4.2)m</p>
<p>LTIFR</p> <p>14.72</p> <p>FY22: 15.81</p>	<p>CAPEX</p> <p>\$19.5m</p> <p>FY22: \$5.7m</p>	<p>GEARING</p> <p>17.2%</p> <p>FY22: 22.3%</p>	<p>FREE CASHFLOW</p> <p>\$35.4m</p> <p>FY22: \$45.1m</p>

FY22 restated to include Specialist division following decision to retain the business

Softer result in face of headwinds, ongoing Freight improvement programme and as the business is reshaped to support growth

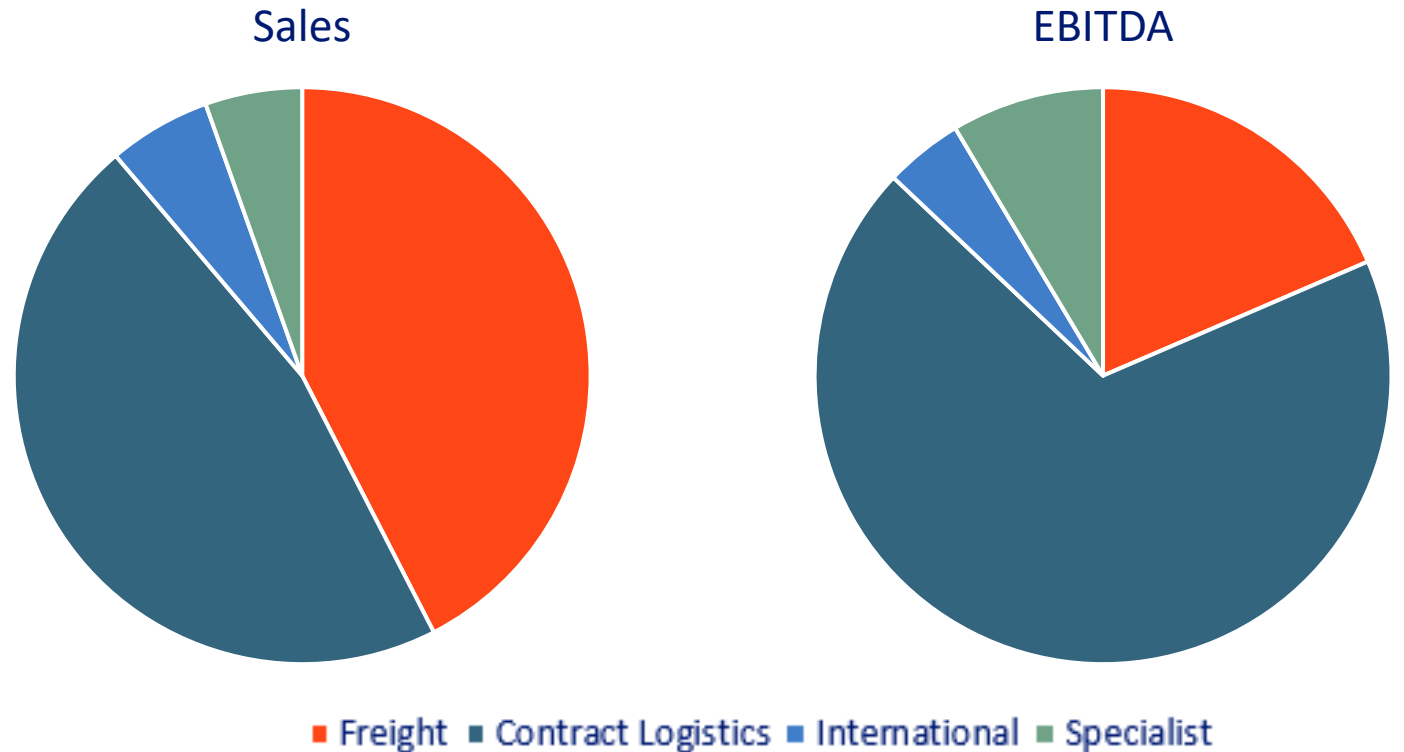
- Moderating consumer demand in response to economic conditions
- Impact of weather events on customer activity and operations
- Investment in future growth initiatives
- Soft result from Freight business driven by customer contraction - improvement programme ongoing

1. Normalised EBITDA and Normalised EBIT exclude non-controlling interest and non-trading adjustments of \$1.7m pre-tax related to asset impairment & restructuring the business (FY22: \$3.4m). FY23 EBITDA before non-trading was \$45.7m.
2. Attributable to owners of the company

FY23 BUSINESS PERFORMANCE

Freight and Contract Logistics are the primary contributors to group revenue and EBITDA

International and Specialist are smaller services with growth opportunities



UPDATE ON KEY STRATEGIC PRIORITIES

4Q23: Commenced Project Blueprint to reshape & strengthen the business, and drive organic growth

WORK OUR ASSETS SMARTER

- Continuation of the Freight improvement programme
- Accelerated the fleet replacement programme
- Digital transformation continuing with ongoing development of new transport management system
- Implementation of new HR software in progress
- Investment in new digital hardware

BUILD OUR MULTI-MODAL OFFER

- Increased collaboration across the group to create a one stop shop for end to end supply chain solutions
- Moving from silo to group mentality
- Building internal economies and synergies
- Launch of pilot of trans-Tasman shipping service

DELIVER FOR OUR CUSTOMERS

- Increasing market share as customers look for provider value
- Accelerated the rebranding programme to build awareness of our unified offer
- Significant new customer partnerships in Contract Logistics including renewal of Z Energy agreement
- Focus on higher value, higher margin business

UPSIZE OUR BUSINESS

- Specialist division welcomed back into the Group following review
- Investing in and expanding core competencies to drive organic growth

TAKING CARE OF WHAT MATTERS

- Priority focus on health & safety, people and culture – continuing improvement in safety metrics
- Well progressed towards CRD reporting in FY24

STRONG LEADERSHIP

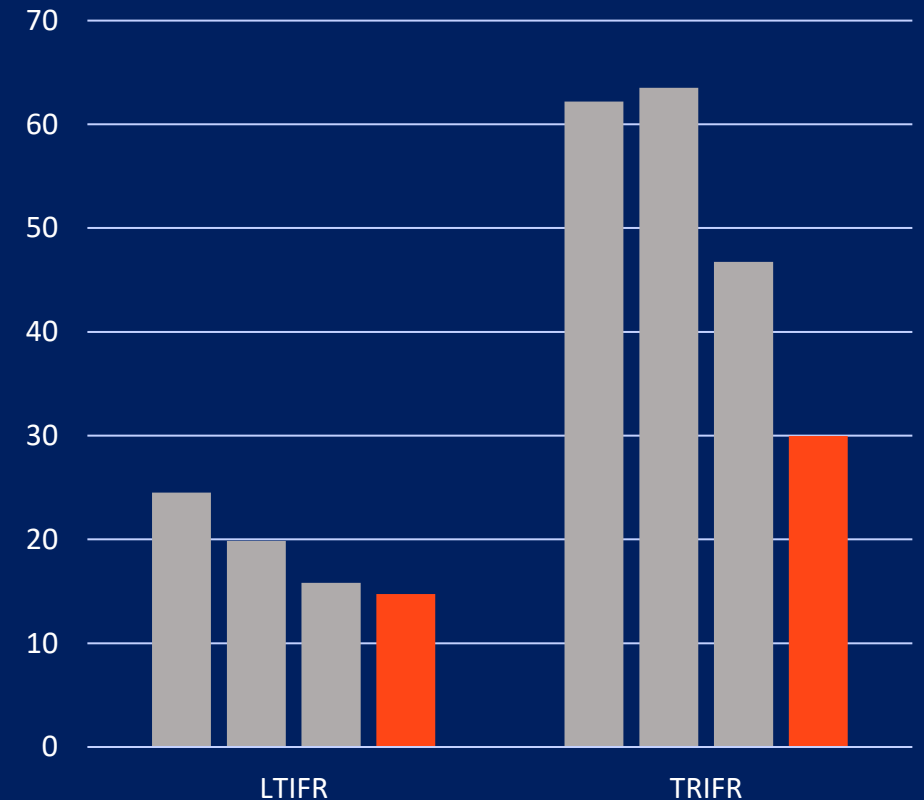
- Appointment of Craig Evans as CEO from 1 February 2023
- New leadership of Freight business
- New GM People & Culture from July 23
- New National Sales Manager from October 23

SUSTAINABILITY

People, communities, environment

- Appointed a Group Sustainability Lead in July 2022
- Monthly and annual safety awards
- Commitment through the business to decarbonisation – 3% YOY reduction in total gross emissions to 146k tonnes (includes full scope 3)
- Progressed multi-modal strategy to reduce number of trucks on the road through use of coastal shipping and rail
- Technology driving improvements in driver behaviour, fuel consumption and route optimisation
- Significant work done towards Climate Related reporting in FY24
- Appointment of GM People & Culture from 1 July 2023

Key safety indicators continue to improve
FY20: FY23



/ VIDEO – FOCUS ON PEOPLE & CULTURE



[Click to view video](#)



PROJECT BLUEPRINT

12 – 18 month dual pathway programme to reshape and strengthen the business, and drive organic growth

PRIORITIES

RESHAPE AND STRENGTHEN THE BUSINESS Immediate benefit

- Comprehensive review of operating costs and structure
- Remove cost from the organisation
- Maximise performance, productivity and utilisation

DRIVE ORGANIC GROWTH Short to medium term benefit

- Investment in sales resource
- Careful customer acquisition
- Focus on building base volumes while allowing capacity for higher margin business
- Primary focus on organic growth and collaboration across the industry

PROJECT BLUEPRINT GREENSHOOTS

We have identified what needs to be done across the business to achieve success and have a clear plan in place. Early benefits are being seen from the work underway.

BETTER, STRONGER BUSINESS

- ✓ Creating higher levels of accountability and measurability across the business, particularly at regional branch level
- ✓ FuseIT being developed with rollout targeted for completion in 1H CY2024
- ✓ Implementing robust processes and operational disciplines
- ✓ Priority focus on productivity and utilisation
- ✓ Standardisation of rates, operating costs and processes across the different Freight businesses

SMART GROWTH & EXPANSION

- ✓ Increasing awareness of MOVE's end to end supply chain solution – more customer enquiries and invitations to tender
- ✓ Transition to a sales-led organisation including appointment of a new National Sales manager and investment into an expanded sales team

TAKING CARE OF WHAT MATTERS

- ✓ Established a strong leadership team with the right people in the right roles
- ✓ Engaging with our people and taking them on the journey
- ✓ Attracting and developing our pool of quality people – new GM P&C; development of Graduate Programme
- ✓ Sense of excitement across the organisation



FREIGHT

Strong foundations – one of the largest freight networks in New Zealand

Improvement programme remains underway

- New leadership from 2H23
- Restructure into clear LCL and FTL services - LCL provides the most opportunity for MOVE
- Rebuild in activity is key focus
- Investment in business – technology, people and branding

Key opportunity to drive revenue and profit for MOVE over the long term



CONTRACT LOGISTICS

Strong customer relationships and improved utilisation of assets

Warehousing capacity at high levels with strong customer renewal rates and new customer activity

- Renewal of Z Energy long term agreement in FY23
- Investment into new trucks and trailers, and exploration of sector-specific opportunities
- Continuing focus on utilisation of capacity and getting the most out of the assets we own
- Some softening anticipated as customer activity slows in response to economic conditions



INTERNATIONAL

Pilot of new trans-Tasman shipping service, extending MOVE's end to end supply chain solution

- Slowdown in freight forwarding services in response to economic climate
- Pilot of trans-Tasman service:
 - Provides an additional revenue stream as well as an add-on for our supply chain offer
 - Acquisition of new vessel and start-up of trans-Tasman shipping service in January 2023
 - Commenced consistent scheduling of services in June 2023
 - Mechanical failure in August 2023 currently being remedied – insurance to cover significant portion of cost, charter vessel to ensure continuity of service
- Withdrawal of proposed NZ coastal service due to vessel design limitations to meet essential requirements



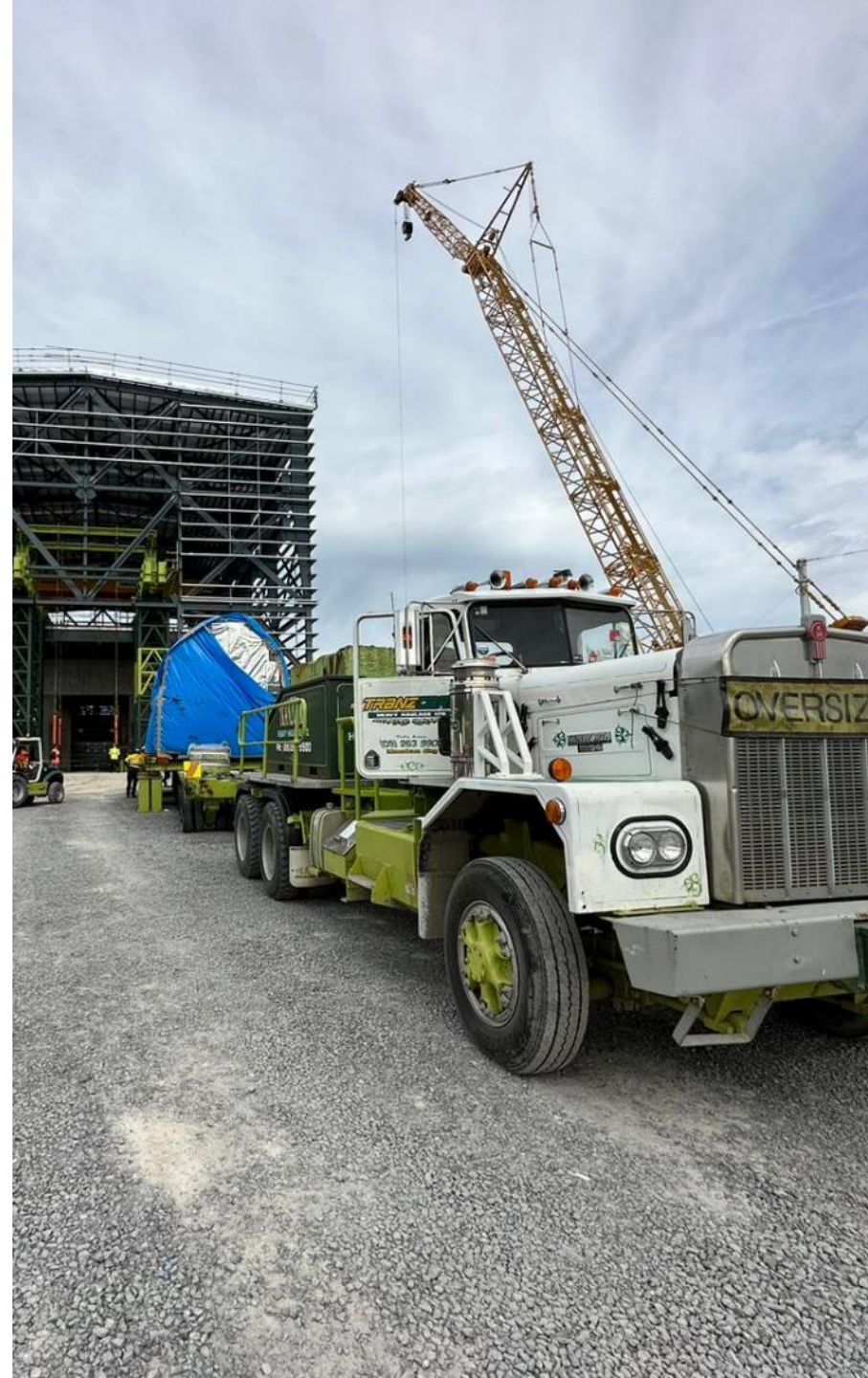
/ SPECIALIST

High performing business, delivering strong margins

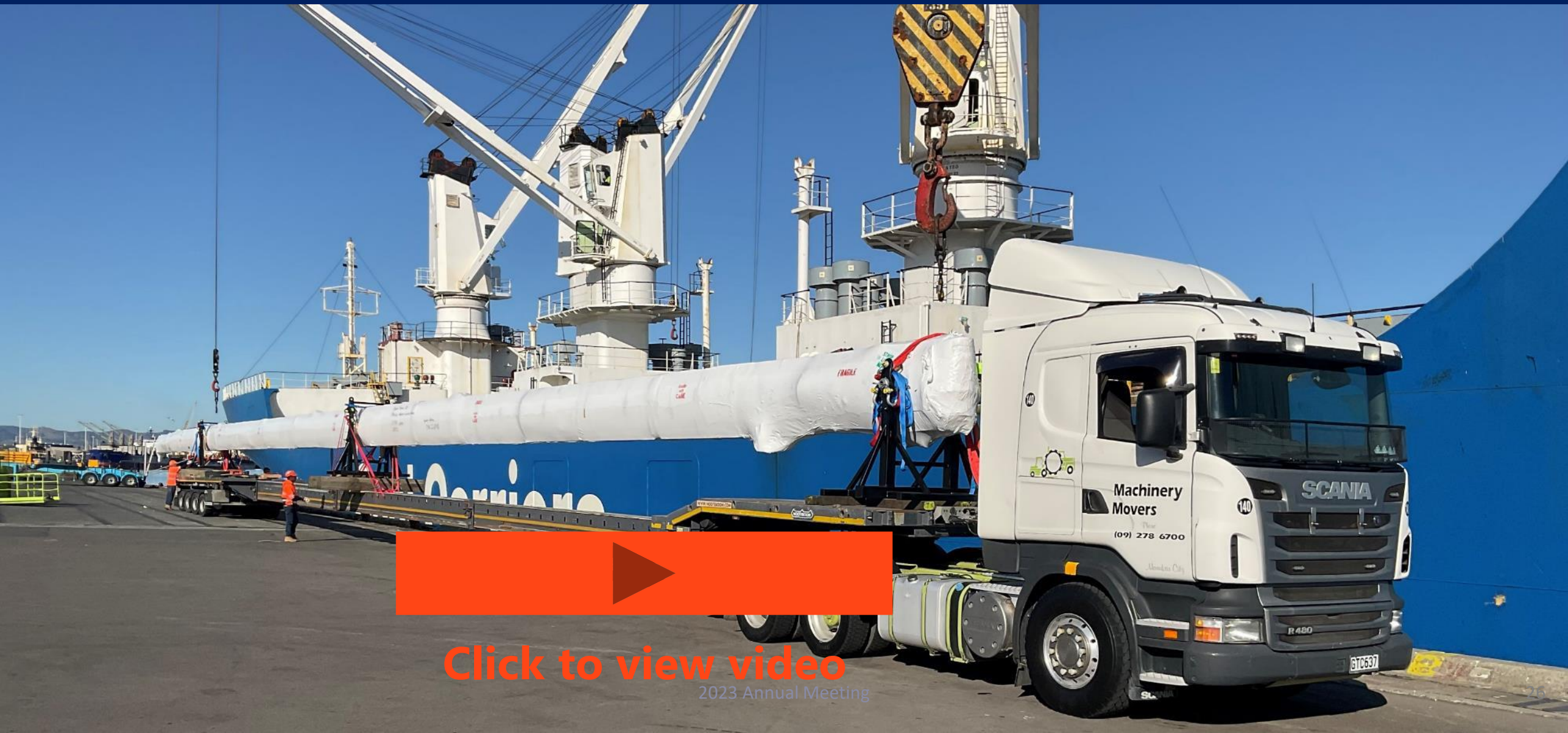
- Strong pipeline of work in place
- Can be subject to time delays due to weather events and project timelines

Opportunities:

- Grow existing market share
- Expand into other sectors and regions
- Synergy across MOVE's customer base
- NZ infrastructure rebuild activity following weather events
- Large projects in areas where MOVE has expertise eg alternative energy projects, commercial construction



/ VIDEO – OUR SPECIALIST BUSINESS



[Click to view video](#)

2023 Annual Meeting

LOOKING AHEAD

Market outlook:

- Measurable downtrading for some customers in first quarter due to economic conditions, and election year uncertainty
- Increased market competition has emerged as the economy continues to tighten
- Inflationary pressures expected to continue

Business Outlook:

- Freight improvement programme remains in progress, some softening in Contract Logistics expected in response to economic conditions
- Focus on Project Blueprint - embedding change, improving productivity, driving revenue and delivering customer service excellence
- Opportunity to build market share as customers consider alternatives

RESILIENCE

- Robust Freight, Fuel and Warehouse networks, providing customers with certainty despite weather events
- Ability to mobilise a large fleet enables MOVE to work around network outages, such as derailments and line closure
- Strong investment in technology
- Diversified across customers and sectors
- Refreshed leadership team and Board with significant industry experience and expertise

/ SHAREHOLDER DISCUSSION



RESOLUTIONS

RESOLUTIONS

RESOLUTION 1:

To record the re-appointment of PricewaterhouseCoopers as the Company's auditor and to authorise the Directors to fix the auditor's remuneration for the ensuring year

RESOLUTION 2:

That Julia Raue, who was appointed by the Board during the year, be elected as a Director of the Company

OTHER BUSINESS

**CLOSE OF THE
MEETING**

APPENDICES

Non-GAAP Reconciliation

\$Millions	FY23	FY22
Net profit/(loss) before income tax (GAAP measure)	(7.59)	(3.21)
Add back:		
Share of loss of associates	.07	.10
Net finance costs	9.66	11.18
Loss in investment in associates	-	.06
Restructuring costs	.59	1.63
Share acquisition costs	.11	.14
Goodwill and asset impairment	1.03	1.62
Depreciation & Amortisation	43.48	44.67
EBITDA excluding non-trading items (non-GAAP measure)	47.35	56.19
Net profit/(loss) after income tax (GAAP measure) attributable to owners	(7.19)	(4.21)
Add back:		
Non-controlling interests	1.35	1.10
Other non-trading expenses, net of tax:		
Goodwill and asset impairment	1.03	1.62
Restructuring costs	.43	1.18
Share acquisition costs	.11	.14
Net profit/(loss) after tax excluding non-trading items (non-GAAP measure)	(4.27)	(.17)

MOVE Logistics Group uses several non-GAAP measures when discussing financial performance and the Board and Management believes this provides a better reflection of the company's underlying performance.

Glossary:

- EBITDA: Earnings before interest, tax, depreciation, amortisation excluding income and impairment from associates
- Normalised EBITDA: EBITDA before non trading costs
- Normalised EBIT: Normalised EBITDA less depreciation and amortisation
- Free cash flow: EBITDA excluding non-cash items plus movements in working capital, less net capital expenditure
- Net debt: interest bearing liabilities less cash and cash equivalents
- LTIFR: Lost time injury frequency rate
- TRIFR: Total recordable injury frequency rate

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MOVE 2023 ANNUAL MEETING OF SHAREHOLDERS

25 October 2023

Board of Directors

Our Board is made up of five independent Directors and one non-independent.

We are very pleased to welcome a new independent Director to the Board this year, Julia Raue. Julia is standing for election later in the meeting and fills the vacancy created when Peter Dryden retired from the Board at our last shareholders' meeting.

Julia has a strong background in business transformation and digital change, which is of significant value as MOVE continues its digital journey. She also has deep experience in retail and service industries having worked for Air New Zealand, and as a Director on Southern Cross, The Warehouse Group, Z Energy and TVNZ. She has already become a valued contributor to our discussions.

You will have an opportunity to hear from her later in the meeting.

Also here today are Chris Dunphy, Mark Newman who chairs our Remuneration Committee and Grant Devonport who chairs our Audit & Risk Committee.

Danny Chan is overseas and participating online.

Danny will be standing down at the end of this meeting. He has been a valued member of the Board for over five years, joining when MOVE first listed and supporting our journey to becoming a listed company. I would like to take this opportunity to thank him on behalf of the Board and shareholders, for his contribution during this time. We have a recruitment process underway to find a replacement Director for Danny.

We believe your Directors offer valuable and complementary skill sets, a breadth of domestic and international business experience, and considerable freight and logistics industry experience.

Introducing Craig Evans

I am particularly pleased to introduce Craig Evans, MOVE's new CEO. Craig joined MOVE in February this year, and his significant industry expertise and experience have brought a fresh perspective to our business.

Craig has many years' experience in the industry with his last role leading the successful Mainfreight New Zealand business. He is passionate about people and delivering great customer service; he is thoughtfully strategic and analytically driven by metrics and measures.

He has already infused our organisation with a renewed sense of purpose, positivity and passion.

As you may recall, Chris Dunphy led our company temporarily for 15 months to effect change and set us on the path to be a fully integrated Logistics service, and to fix our Freight network. It was always the intention to appoint a permanent CEO from within the sector and I'm thrilled we have attracted a professional of Craig's calibre to lead our company forward from here.

On behalf of the Board, I would like to thank Chris for his leadership in his role as Executive Director. Chris remains as a shareholder in MOVE and on the Board as a non-independent Director.

Following his appointment, Craig undertook an in-depth business review to confirm what has been achieved and what was still left to do. This has resulted in a template for our next phase of work called Project Blueprint. This is an 18 month pathway to drive growth, increase skills, keep a tight hold of expenses and further strengthen the business. Craig will talk more to this shortly.

Leadership team

We are also joined today by some of MOVE's leadership team, which has been further strengthened over the last year, from both within our ranks and by bringing in people with deep industry knowledge, broad professional experience and role expertise.

Please feel free to approach them after the meeting for a chat. They are a very friendly bunch!

We have a very experienced team of people across the MOVE group and on behalf of the Board, we would like to acknowledge all they have done for our business over the past year. We know that change can be challenging and we thank them for their commitment to driving that change and improving our company.

Governance Matters

Like many companies over the last 18 months, we have been impacted by the global recession, cost inflation and the unwinding of product stockpiles as the global supply chain returned to normal. We also faced driver shortages and increasing wage pressure until the restrictive Covid immigration rules were relaxed. This meant a business climate in FY23 where revenue was muted and expenses rose, which combined resulted in lower profit. We focused on retaining profitable customers, keeping our team in place so we could deliver for customers, and reducing costs where possible. At the same time, we have kept up our investment on those foundational projects important for the future, such as our investment in digital platforms. Craig will lead us through a more detailed review of the FY23 results.

Making sure we have the right leadership of our company is arguably the most important task of the Board, and after a thorough, independent process we were delighted to select Craig. He has built a very capable executive team around himself, also bringing in new leaders in Sales and People & Culture to strengthen the team.

The health, safety and wellbeing of our people is a priority for the Board and management. In FY23, we again improved our Health & Safety record, in both the rate of injury, and the time required off work from injury.

We continue on the journey to improve our sustainability and to reduce our carbon emissions. You will see that we have included more about our environmental and risk management in the Taking Care of What Matters section in our Annual Report. We are preparing, and will be ready for, the mandatory Climate Related Disclosures reporting regime in FY24.

We launched the pilot of our trans-Tasman shipping service during the year. Like most new business endeavours it has taken a little longer to develop and not all has gone exactly to plan, but we

continue to see the value in this offering as another revenue stream, and service for our customers, many of whom do business across the Tasman.

The conversion of the Convertible Note in June 2023 allowed us to significantly reduce debt... a better position in this current economic cycle. We are tightly managing the cash we have, making sure we can deliver change but also spend funds wisely.

The Board has not declared a dividend for FY23. We believe that preservation of cash is the appropriate action to take in the current economic climate and while we continue to invest in strengthening and growing our business. We continue to actively consider when it is appropriate to start a dividend again.

As part of our recognition of the contribution our people make to our business, the Board intends to implement a company-wide cash profit sharing scheme, that aligns incentives for the MOVE team directly with Company's financial performance. Craig is a big supporter of this and has surrendered the 1 million restricted share units (RSUs) he was issued upon commencing his role, to ensure that his incentives are aligned with those offered to the wider MOVE team. Although that means we don't have a share incentive scheme at the moment, we still see there may be value in it in the future.

Like many of you, we are unhappy with where the share price is today and see our biggest impact will be by focussing on current financial performance and building the future business. Your Board is focused on ensuring a long term, sustainable future for MOVE, building a stronger business, as well as weathering this tough economic cycle and improving our financial returns.

In conclusion, we are making good progress with our strategy, although we have been impacted by the economic environment and we are progressing more slowly than we had anticipated. However, we have clarity on our growth plan and the initiatives that will improve our financial performance.

FY24 to date

Looking at FY24 to date, the business environment has been tougher than anticipated and for longer, with continued inflation and a high interest rate environment dampening down demand for our services, and driving increasing competitive pricing pressure. In this environment, we are focused on adding value to our customers to grow our revenue, improving our margins and strengthening each division.

We are confident we have the right leadership, people and plans in place to achieve our goals.

I would like to pass the meeting over to Craig our CEO, to talk more on FY23 results, our strategy and our progress.

CRAIG EVANS, CEO

I'm delighted to be here today talking to shareholders, at my first annual meeting for MOVE. It has been an interesting first eight months as I have travelled our network, listening to our people, talking to our customers and understanding the challenges we are facing, but more exciting for us all, the potential for our business.

Our Business

MOVE is one of New Zealand's largest transport and logistics providers, with 41 branches, depots, crossdocks, warehouses and offices across New Zealand.

Built on a nationwide network of leading regional brands and businesses, we are now emerging as a one cohesive group.

By leveraging the strength and expertise of each entity within our organisation, we have created an end to end supply chain solution with capability across a wide range of sectors and industries.

This ability to service customers across New Zealand sets us apart from many other providers who do not have the same strength, scale, regional or sector presence.

Our Vision

Our vision for MOVE is clear – To be the preferred freight and logistics company in Australasia.

While there is still work to do, every day we are seeing progress towards achieving our goals.

Our Strategy

We continue to steadfastly pursue our strategy, which centres around three core areas – building a better, stronger business; smart growth and expansion; and taking care of what matters.

More recently, our focus has sharpened on our customers, our offer, our people and driving revenue and returns.

These priorities reflect our commitment to delivering exceptional value to our customers, nurturing our talented team, and ensuring the long-term success and prosperity of our company.

Business Performance FY23 Performance Snapshot

Challenging economic conditions, extreme weather events and softening customer demand following the post-Covid surge in activity all affected our business over FY23.

For MOVE, the extreme weather events saw some of our branches cut off from the network, and delays in freight movements. I was very proud of our teams, who pulled together to support each other and their communities during this time.

FY23 sales revenue of \$343.9m and Normalised EBITDA¹ of \$47.4m reflected investment in future growth initiatives, moderating consumer demand in response to economic conditions, the ongoing Freight improvement programme and weather events.

All businesses, excluding Freight, delivered revenue gains, with Contract Logistics, MOVE's largest division, delivering a solid year on year performance, helping to offset a soft result from the Freight division. A primary driver of the Freight result was the rate realignment to market in FY22, which resulted in the contraction of our customer base - mainly lower margin clients – as well as the loss of a customer contract of \$11m per annum from December 2022. A key focus for our team is on rebuilding the customer base for Freight.

Debt was significantly reduced following the conversion of the convertible note in June, and free cashflow remained strong at \$35.4m.

Detailed information on our FY23 results and progress was provided in our results presentation and annual report, which are all available on our website in the Investor Centre. We will be happy to take any questions on these later in the meeting.

FY23 Business Performance

We have four business divisions, with growth strategies in place for all of these. Our two largest divisions are Freight and Contract Logistics, which underpin our business. In FY23, we welcomed the Specialist business back into the fold.

Update on key strategic priorities

The initiatives undertaken over the past two years to reset the business, some of which are still in progress, are creating a step change for this organisation.

We are focused on working our assets smarter and are investing into our fleet and technology. The digital transformation has stepped up pace, as we continue to develop our new Transport Management System prior to rollout in 1H 2024. FuselT offers significant benefits including improved visibility, better information for our customers, and allows us to make better, faster decisions, and manage peaks and surges more effectively.

We have also made a sizeable investment in digital hardware that supports our business, such as fit for purpose scanners.

We are strengthening our multi-modal offer and are looking to collaborate more across our industry, with the likes of rail. This means working in partnership with best-in-class providers to ensure the optimal solution for our customers. This will help us grow while preserving our capital.

One of the most important things we are doing is increasing collaboration across our business as we move from a silo to a group mentality. There is still work to do in this area but we are making rapid progress.

¹ Normalised EBITDA excludes non-trading adjustments of \$1.7m pre-tax related to restructuring and resetting the business as part of the strategic plan. Further details included in appendix to the FY23 Results presentation

Despite some customer churn, particularly following the Freight rate realignment, pleasingly, we are also seeing new customer partnerships and renewals.

Having the right people in place to lead our business is essential, and we have made a number of appointments in recent months with new leadership of our Freight business, a new GM People & Culture, and a new National Sales Manager who started with us just this month.

Sustainability

We recognise that the effects of what we do every day go beyond our company and impact on our people, our communities and our environment. We are committed to ensuring that, as much as possible, these effects are beneficial and sustainable.

While we are at the early stages of our ESG journey, we are making good progress. Our ESG practices are focused around those areas where we can drive meaningful change.

We acknowledge the urgent need to address climate change and are mindful that, by nature, the transport industry is a high carbon emitter. Alternative fuels are still some years from being commercially accessible for the transport industry, and we are therefore looking at other avenues to reduce our footprint.

We have identified a number of opportunities, from investing in newer, lower emitting trucks through to route optimisation to reduce empty kms; collection and recycling of waste to electrifying our forklifts.

We are constantly evaluating and improving our practices and are proactively integrating climate considerations into our investment decisions.

We will continue to look at other opportunities to reduce our emissions in collaboration with like-minded suppliers, industry colleagues and customers.

Our move to incorporate other modes of freight transports, such as shipping and rail as part of our customer solutions, will also help to reduce our impact and take heavy trucks off New Zealand's roads.

Health and safety remains a priority and technology plays an important part in this. It is a constant focus for our team and we were pleased that our safety metrics improved again last year.

MOVE has a team of extraordinary people. We recently appointed Rachel Hustler as our new GM People & Culture and are building a strategy that will create a unified culture with a high level of trust and accountability, where people are empowered and believe in our MOVE brand. We are focused on promoting from within, with the majority of any new leadership roles filled by our own people by 2026.

We are also looking to introduce School Leaver and Graduate Programmes that will attract young talents, allowing them to grow and contribute to our organisation. Already it's been great to welcome our first two grads, in our marketing team.

I'll now hand over to Rachel Hustler for a short video from her and her team.

Video – people and culture

Project Blueprint

We have recently initiated Project Blueprint to direct our efforts across the group. This is a dual pathway programme that will create a strong launch pad to support our future growth ambitions, with a more efficient, higher margin business model, that capitalises on MOVE's strengths.

Our immediate priority is to right size our business. This will provide more immediate financial benefit for the business and remove cost from our organisation. It involves a comprehensive review of our operating costs and structure to ensure we are best placed to maximise our performance while the growth strategy takes hold.

We are also focused on organic growth, through careful customer acquisition and a focus on building base volumes while allowing capacity for higher margin business. We are investing in sales resource with a targeted approach to growing MOVE. We will also look to more industry collaboration and partnerships.

Project Blueprint greenshoots

Initiatives already in play under Project Blueprint are delivering early benefits, including improved cost disciplines; stronger leadership across the business; and a continuing transition from silo businesses to a unified group which allows us to better service our customers and enhances our end to end supply chain solution.

Freight

The Freight improvement programme continues and we are making good progress – however, in some cases, we are having to go backwards to “unscramble the omelette” before we can move forwards.

Over the last six months, the focus has been on stabilising the team and focusing on higher margin business.

The division has been restructured into two clear offers - LCL (less than a container load) and FTL (full truck load). LCL provides the most opportunity for our business, with higher margins and increased opportunity for value-add services.

The LCL branch network is very robust, with capacity to take on new business with limited extra cost. In Napier and Tauranga, we have combined Freight and Contract Logistics onto one site, providing synergies and cost benefits. This is something we will continue to look at in other cities and regions.

Our priority is on rebuilding activity and we are rightsizing the business for current demand, while retaining the ability to scale up for anticipated growth. MOVE is seen as a very credible alternative to other large providers in the market. Our team culture and focus on building relationships with our customers appeals to businesses looking for a partnership approach and we are winning new business every week.

This is the division that needs the most work, however over the long term, it offers a key opportunity to drive revenue and profit for our group. In particular, the increasing unity between our freight and warehouse teams will continue to strengthen our returns and customer experience.

Contract Logistics

Contract Logistics provides solutions for large customers and is built on long term relationships. It comprises our warehousing and fuels assets and works with the other businesses within our group to provide end to end supply chain solutions.

The focus in FY23 was on utilisation of capacity and getting the most out of the assets which we already own. This has largely been achieved, with strong warehousing demand and activity despite the economic conditions.

A highlight for the Fuels business was the renewal of the Z Energy fuel transport and distribution contract.

While there is still positive momentum, a softer year is expected in FY24 as customer activity slows in response to economic conditions. Our focus is on efficiency improvement, excellent service delivery, customer retention and winning new business.

International

While small, MOVE's International division provides valuable freight forwarding and shipping agency services through a number of joint ventures and partnerships. In the current economic climate, we have seen some reduction in demand for these services.

The division is also home to our latest initiative, the pilot of MOVE Oceans trans-Tasman shipping service.

This commenced in January 2023 and as at end August, we had successfully completed more than eight round trips between Australia and New Zealand. However, the most recent voyage was disrupted by mechanical failure with the vessel needing to be towed to Port for repairs. We expect a significant portion of the cost to be covered by insurance and have chartered a vessel to ensure service continuity is maintained.

The new trans-Tasman service has provided an additional revenue stream and we are fielding encouraging enquiry from customers, with the added potential of new business spilling into other landside services such as freight and warehousing.

We had also been working on the final design of a new build vessel for a proposed alternative sea freight solution around coastal New Zealand. Essential to this strategy was that the new vessel was capable of loading and unloading cargo at smaller, regional ports and in a variety of weather and tidal conditions. Some critical design limitations have been identified and we have now been advised that a suitable vessel cannot be designed that meets our essential requirements. Accordingly, MOVE will not be proceeding with construction of the new vessel and will keep MOVE Oceans focussed on the trans-Tasman service for the short to medium term.

Specialist

The Specialist business comprises Tranzcarr Heavy Haulage and Machinery Movers, both offering specialised services, with a focus on project work. MOVE's breadth, scale and expertise in this area is unsurpassed by any other provider in New Zealand.

After being severely impacted by Covid-related delays and disruption in FY21/22, projects have been coming back on stream, however, weather this year has seen some timelines extended further.

Machinery Movers carries large and oversize items and is one of the largest carriers of pre-cast concrete panels for the construction industry. After a very busy period in FY22 and early FY23, activity is now slowing, driven by a moderation in apartment buildings under construction in Auckland at this time.

A substantial pipeline of work is in place, especially in the power generation sector, where Specialist is recognised as a market leader, with significant expertise.

As part of the Project Blueprint review, we have identified a number of opportunities for this business to leverage its specialised skills and competence to gain entry into other market sectors that we don't currently compete in.

We're excited to have Specialist back in the fold. Not only are they a great business, but they also undertake some really interesting work. Here's a quick look at how they move.

Video - Specialist

Outlook

As expected, the slowing economic conditions have prevailed into FY24, however, they have been tougher and longer than initially anticipated, leading to measurable downtrading from some of our customers in the first quarter. In addition, we had the usual slowdown of activity prior to an election. The Freight improvement programme remains in progress and some softening is expected in Contract Logistics in FY24 in response to economic conditions.

We remain focused on embedding change, building our market share and improving margins across all our businesses. The work we have been doing, and continue to do, to strengthen our business stands us in good stead in the more challenging economic cycle.

We have robust networks, a clear pathway, more professional management of our businesses, good diversity across sectors and customers and a strong and engaged workforce.

While there is still work to be done to strengthen our business to support growth, we are making progress. Our team is engaged and excited about our potential and we are united in our pursuit of quality and success.

I believe wholeheartedly in MOVE's potential and the ability of our team to achieve our goals.

Ka Kite Ano

ENDS