

CRAIGS INVESTOR DAY – 23 MAY 2019



MAINFREIGHT 101 : WHO, WHERE, HOW?

*2019 Financial Results due out next week – no
insight into those today!*



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



TEAM:

8,079

BRANCHES:

260

COUNTRIES:

24

NZ, Australia, USA, Canada, Mexico, Chile, China, Hong Kong, Taiwan, Singapore, Thailand, Vietnam, Netherlands, Belgium, France, Germany, Italy, Romania, Poland, Ukraine, Russia, United Kingdom. Malaysia and Japan added in F19.



EUROPE

2,648 TEAM MEMBERS
41 BRANCHES

ASIA

384 TEAM MEMBERS
21 BRANCHES

THE AMERICAS

896 TEAM MEMBERS
65 BRANCHES

AUSTRALIA

1,789 TEAM MEMBERS
55 BRANCHES

NEW ZEALAND

2,362 TEAM MEMBERS
78 BRANCHES



35,000-40,000 CUSTOMERS:

679,225 M² OF WAREHOUSING
IN 43 SITES

217 TRANSPORT CROSS-DOCK /
AIR & OCEAN LOCATIONS

1,506 OWNER DRIVERS

Core Strategic Initiatives

- Intensification of our network
 - Globally, regionally and within cities
- Being closer to our customers
 - Less km travelled
 - Faster, more efficient transportation
 - Our network, not agents or others
 - More destinations, more often
- Adding value through our technology
 - Supply chain visibility
- High-quality, purpose-built facilities: owned \$500+ m of property assets plus leased



Hamilton, NZ – Transport



Epping, Melbourne, AU – Transport and Warehousing



Second warehouse site
Epping, Melbourne



Born, NL – Warehouse



Ghent, BE – Transport Cross-dock



Kookaburra Road, Sydney, AU – Warehouse



Mt Maunganui, NZ – Transport and Air & Ocean



12,000 m²

100kWh solar (with capacity to increase to 150kWh)

Rain water harvesting

Truck wash; recycles 85% of grey water back into wash system

Full LED lighting with light harvesting sensors

Heat recoverable VRF HVAC system

EV charge stations



Our People / Our Culture

- Decentralised management structure and responsibility
- Decision making as close to the customer as possible
- Highly-engaged people providing high-quality services
- Take responsibility
- Training and up-skilling; careers not jobs
- Bottom up, not top down
- Rewarded: share in profits (\$20m last year)
- Our biggest inhibitor is enough good people





Mainfreight Governance / Board of Directors

- Mainfreight's Board comprises 7 Directors
 - Chairman – Founder & Chairman
 - 5 male; 2 female
 - 5 non-executive Directors – all of whom are independent
 - Long-term involvement
- Expectations
 - Involved, and assist management
 - 5+ meetings per annum; held in locations across the network
- Integrity and commitment
 - No ticking boxes



Supply Chain Initiatives

- Top 500 customers = 56% of total revenue
- 31% trade across all 3 core products - increasing
- Potential within current customer base
 - Warehoused customers
 - Transport in and out
 - Air & Ocean import/export
- Supplier relationships/partners
 - Airlines and shipping companies: long-term, committed relationships
- Digital visibility – Mainchain portal
 - Utilising our technology (except Air & Ocean platform)



Capital Expenditure

- Developing network intensity – not cheap
 - Land & buildings, significant investment over next two years
 - Technology, in excess of \$50m per annum
- Owned where required
 - Long-term, market savvy, satisfactory returns
- Leased
 - Short-term; where appropriate
 - Developing returns



Zaltbommel, NL – Logistics warehouse

Disruptors

- Automation
 - Trucks: savings per km not as you would expect
 - Warehousing: automated?
 - Technology: blockchain/visibility
- Trade
 - Brexit
 - China/USA
- Likely evolutionary, not revolutionary



The Big Numbers

- Market consensus for F19:
 - Revenue ~\$3 billion
 - EBITDA \$253.9 million
 - Net Profit \$137.8 million

- Dividend ~40% of net profit historically
 - Dividend paid last ten years, per share 18.5¢ (F10) → 48.0¢ (F19)
 - Average after tax return last ten years 27.9% per annum



- We are ambitious to be in every major trading nation
- We have a long-term vision / 100-year philosophy
- We expect our “points of difference” to continue to bring us more market share
- Expect us to evolve as our market does

*We are having a heap of
fun painting the world blue*

