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Port of Tauranga Withdraws Full Year Earnings Guidance due to Covid-19 Pandemic

Port of Tauranga Limited (NZX.POT) today withdrew its earnings guidance for the year to 30 June 2020 due to the impact of Government measures against the Covid-19 pandemic.

Port of Tauranga is classified as an essential service and continues to operate under the Covid-19 Level 4 restrictions imposed by the Government on Wednesday, 25 March 2020. However, some of its customers are classified as non-essential services and will suspend shipping during the lockdown.

Port of Tauranga Chief Executive, Mark Cairns, says the Company remains in a strong position to weather the impact of the pandemic.

“We comfortably paid our interim dividend of \$40.8 million on 20 March 2020. We have a strong balance sheet and continuing strong operating cashflows from our diversified business,” said Mr Cairns.

“Many of our major exports, including meat, dairy products and kiwifruit, are classified as essential cargoes. Imports of oil products, food and medical supplies are also essential cargoes.

“However, log and other forestry product exports will be significantly impacted as they are currently considered a non-essential cargo. This is unfortunate as we were seeing positive signs emerging in China, our major log export market. Business there had been returning to normal with log consumption recovering towards pre-Chinese New Year levels,” said Mr Cairns.

“Under the current circumstances the Port of Tauranga Board considers it prudent to suspend profit guidance for the time being.”

Mr Cairns said the Company has total committed debt facilities of \$560 million, of which \$57.3 million is undrawn. Only \$5 million of these debt facilities mature in 2020.

“We have also secured an increase to, and extension of, our debt facilities that were maturing in January 2021. Our banking partners have been very supportive and we have experienced no issues with the routine increase and extension of these facilities,” said Mr Cairns.

Mr Cairns said Port of Tauranga’s focus is on protecting the health and safety of its people while ensuring essential cargoes flow unimpeded through the port.

“We are committed to ensuring that vital food, medical supplies and other cargoes get to those who need them,” said Mr Cairns.

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