

Presentation to Analysts

28 August 2020

PORT OF
TAURANGA

NEW ZEALAND'S



Port for the Future >>>

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The information contained in this presentation should be considered in conjunction with the Company's latest audited financial statements which are available in the investor section of our website.

Highlights

↓ *Group Net Profit After Tax*
\$90.0
million (decreased 10.5%
from \$100.6 million)

↓ *Total trade*
24.8
million tonnes (decreased 7.9%
from 26.9 million tonnes)

↑ *Container volumes*
1.25
million TEUs¹ (up 1.5%)

↓ *Revenue*
\$302.0
million (from \$313.3 million)

↓ *Imports*
9.0
million (decreased 7.8% from
9.8 million tonnes)

↓ *Exports*
15.8
tonnes (decreased 8.0%
from 17.1 million tonnes)

Total shareholder return
23.34%
annual compounding rate
over last decade

↑ **18.4%**
increase in *Subsidiary and
Associate Company earnings*

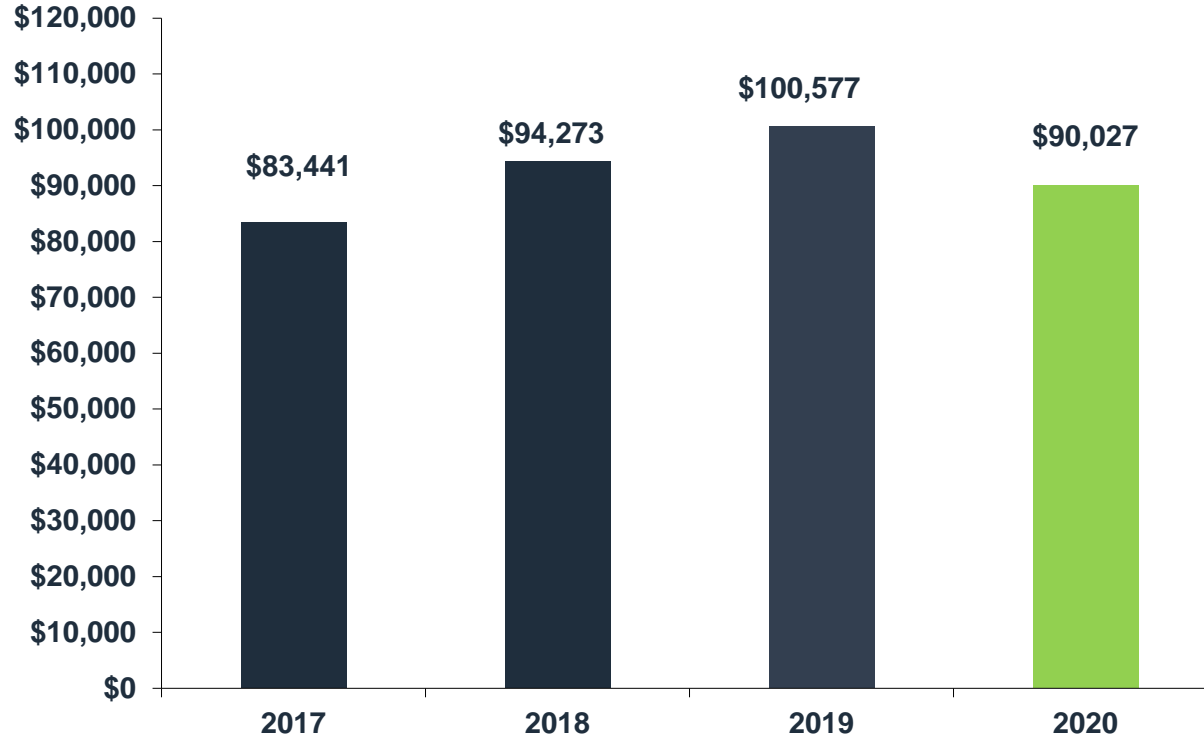
Final dividend
6.4
cents per share (total ordinary
dividend 12.4 cents per share)

↑ *Container crane
productivity rate*
34.4
moves/hour (up from
33.6 moves/hour)

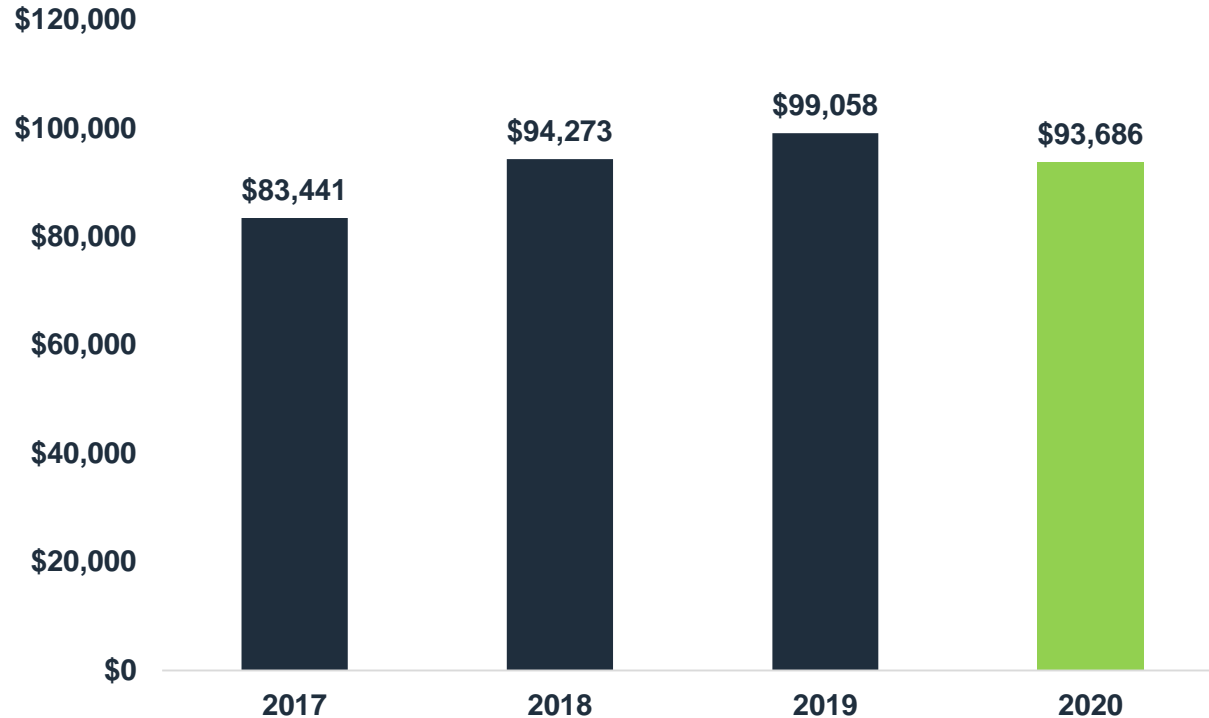
↓ **15.3%**
reduction in total
carbon emissions

↓ **25%**
reduction in *Total Recordable
Injury Frequency Rate* for
combined contractors/Port of
Tauranga

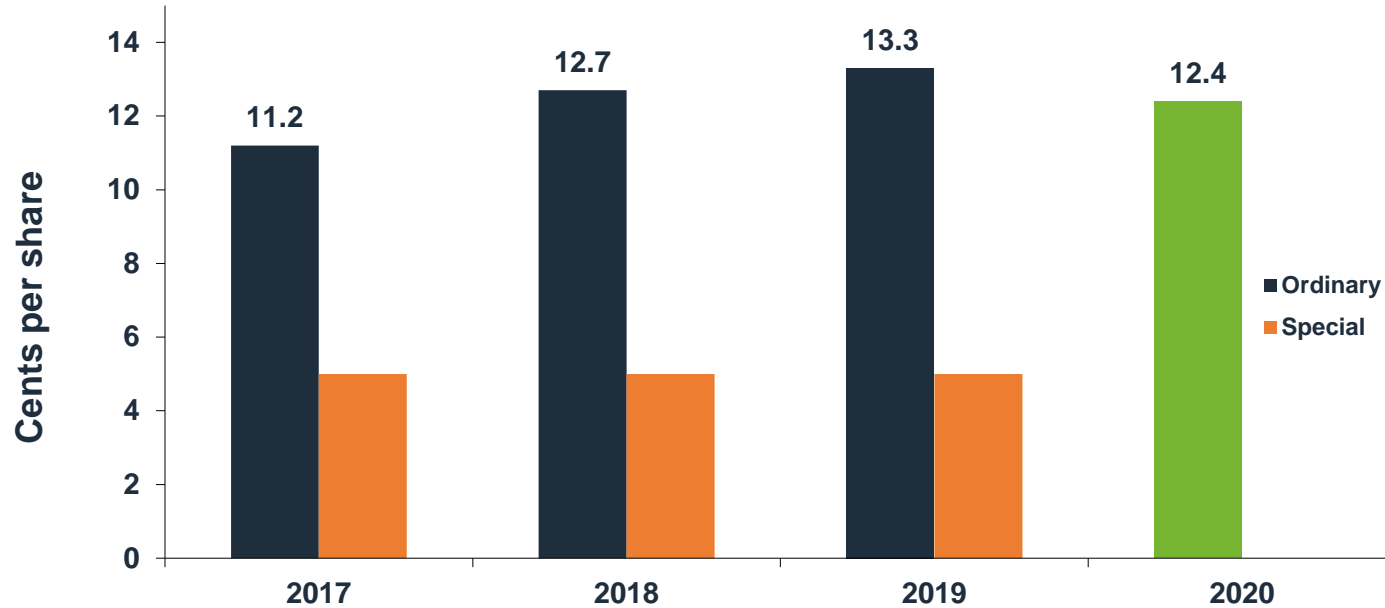
Group Net Profit After Tax down 10.5%



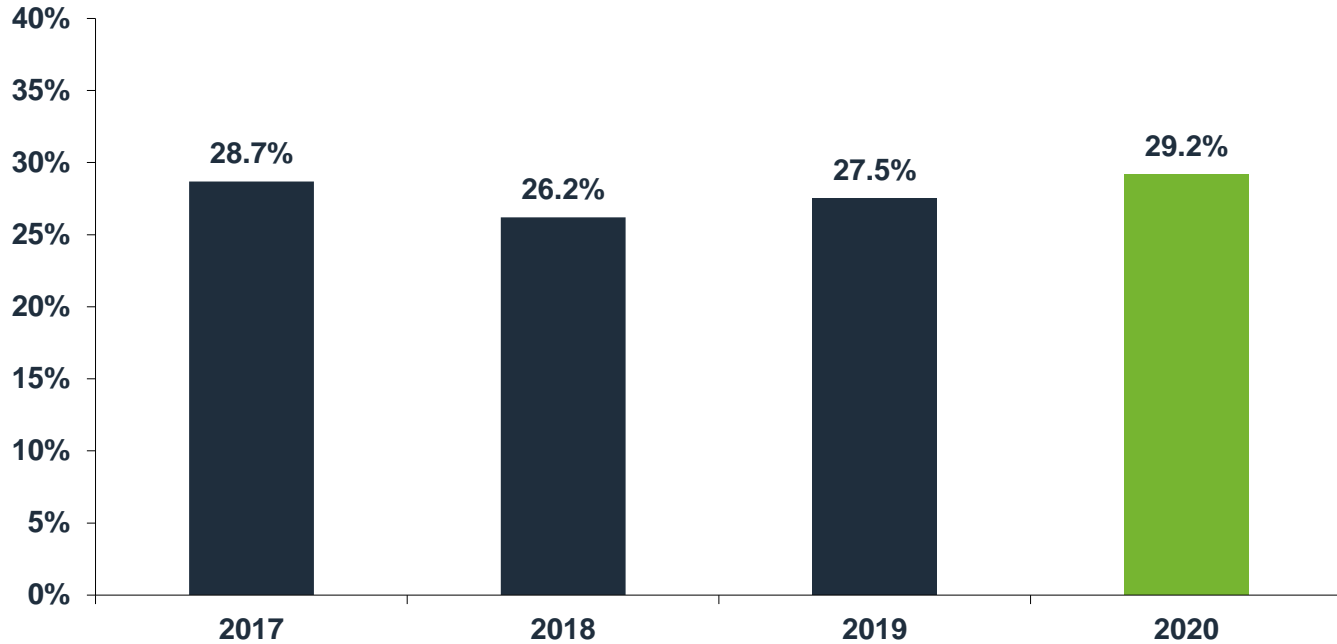
Underlying Group Net Profit After Tax down 5.4%



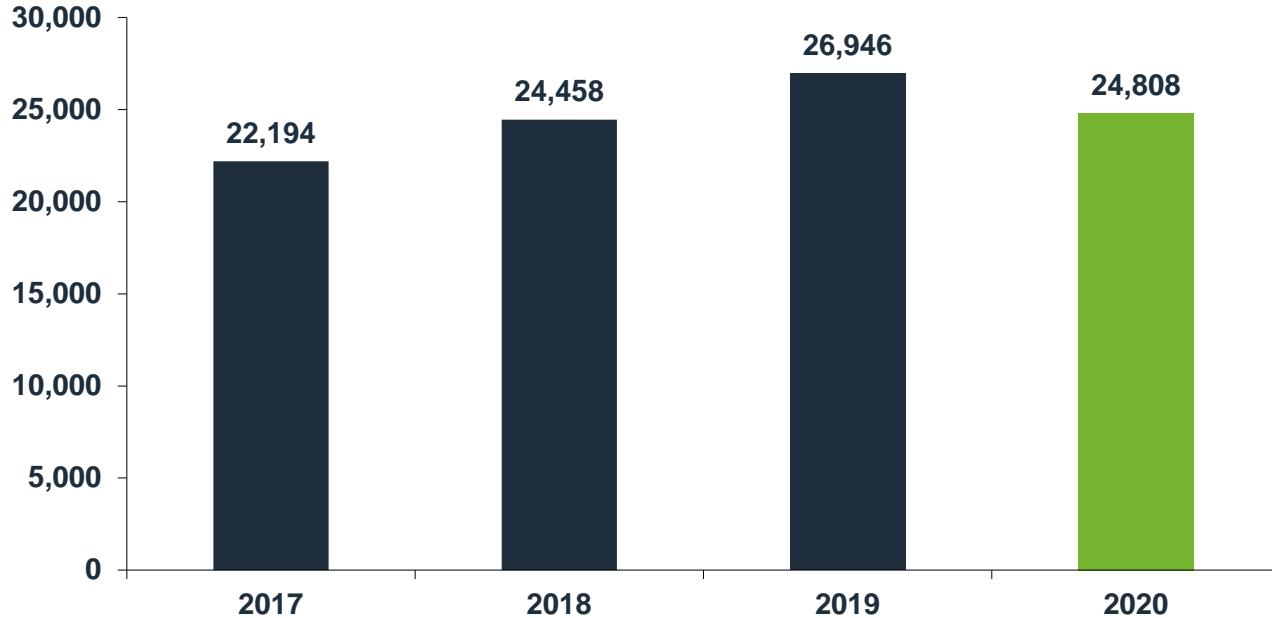
Ordinary Dividends maintained at 90% of Underlying Net Profit After Tax



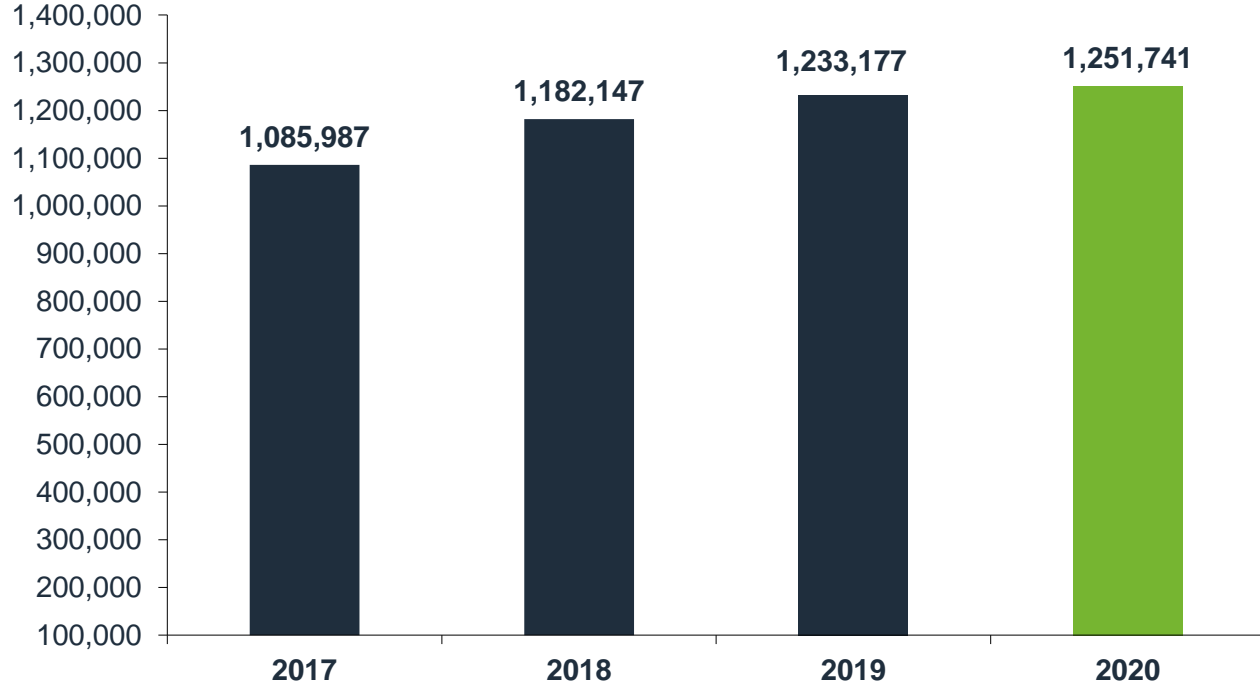
Net Debt / Net Debt+Equity



Total Trade down 8%

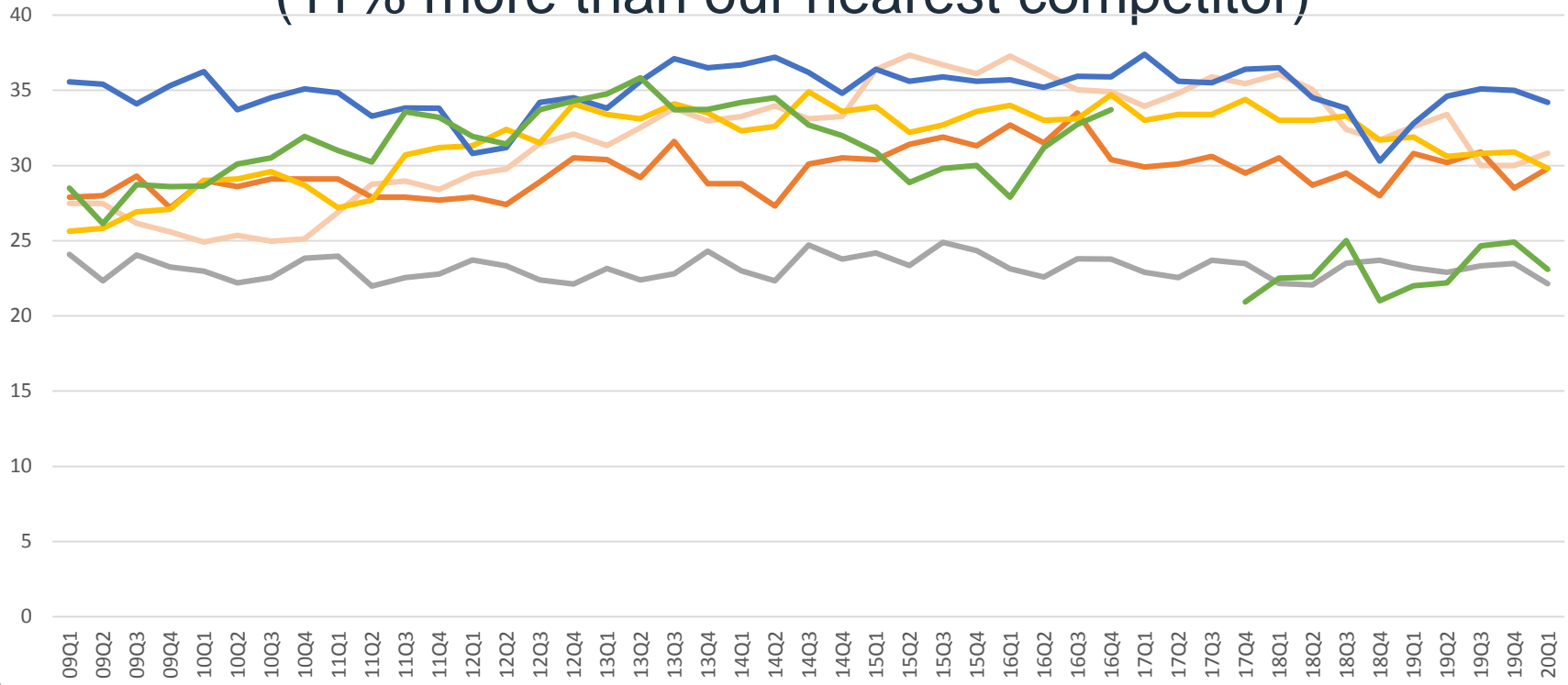


Container Volumes up 2%



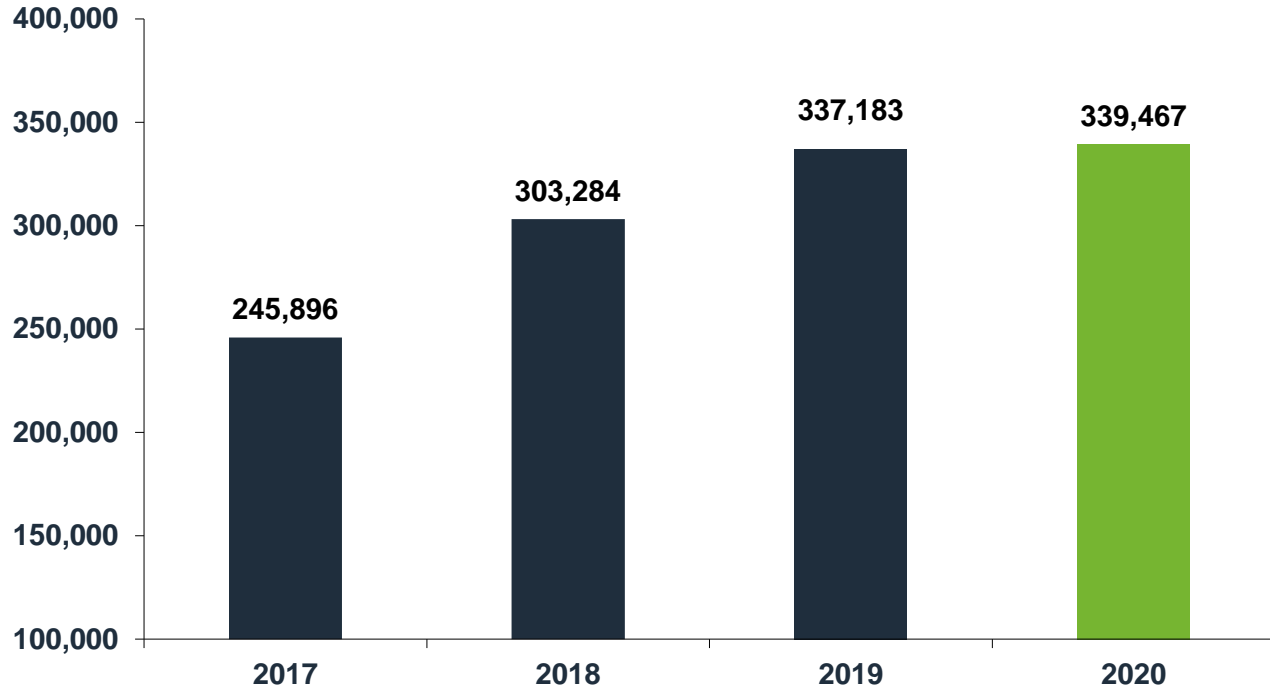
NZ Port Productivity – Net Crane Rate

(11% more than our nearest competitor)



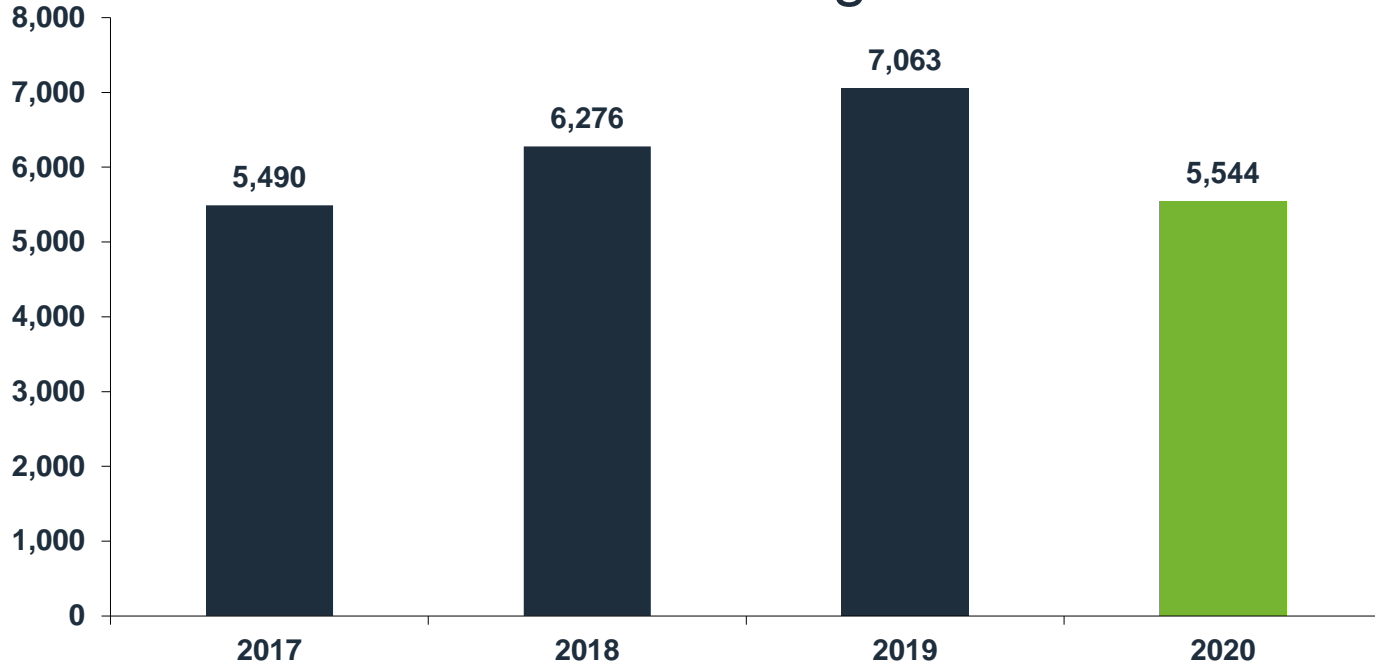
Transhipped Container Volumes

representing nearly a third of all containers handled

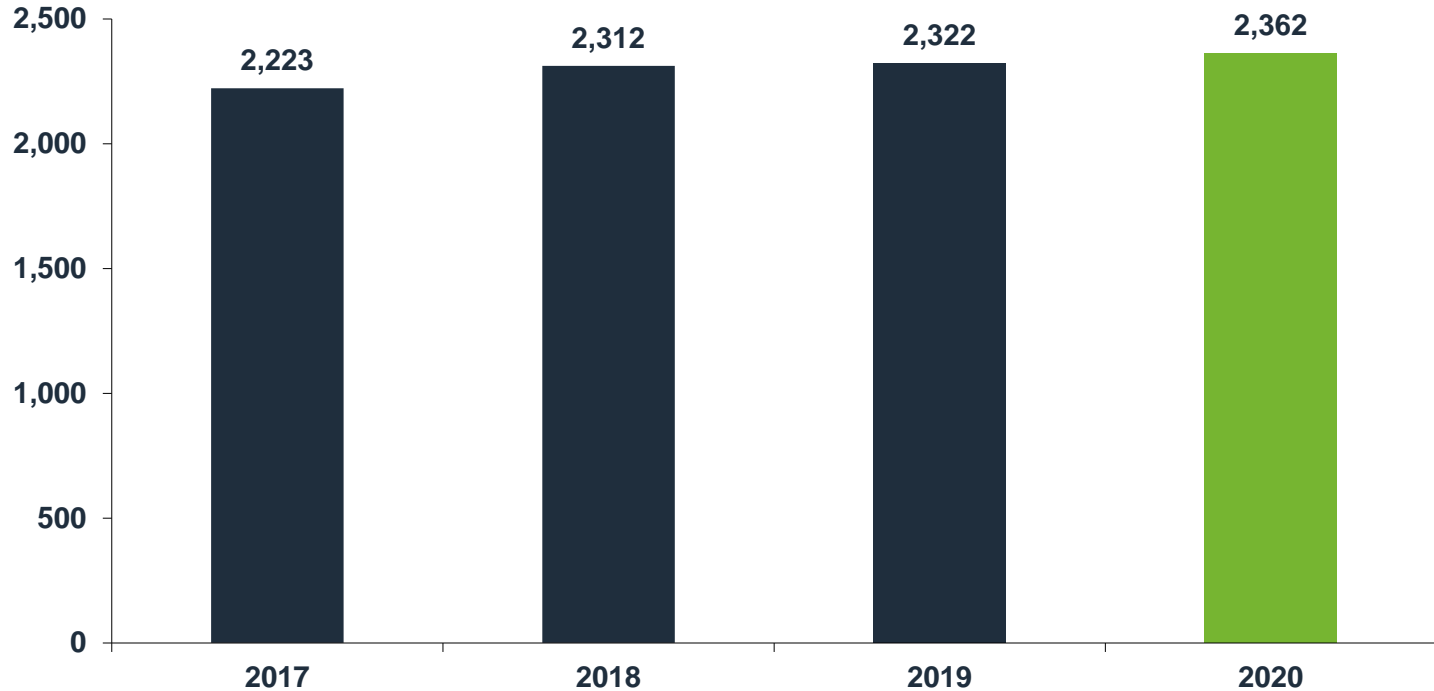


Log Exports down 22%

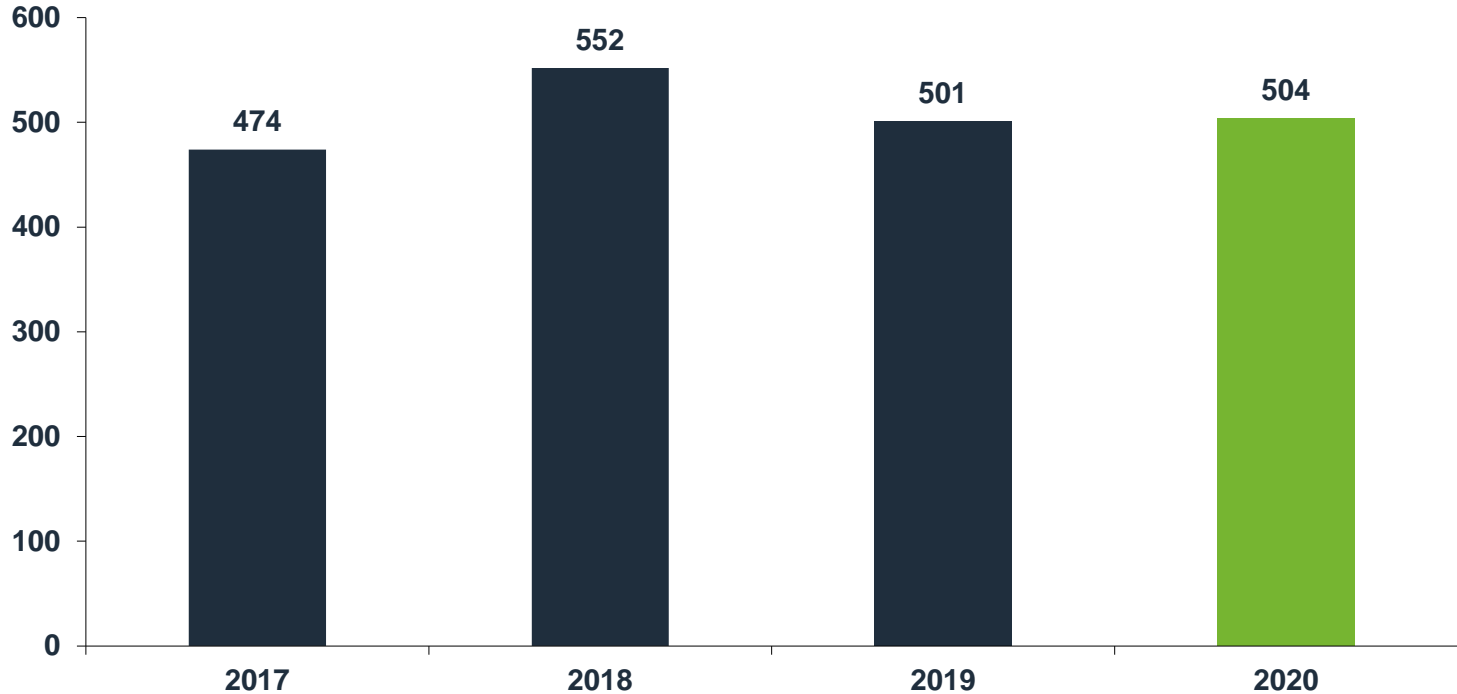
deemed non-essential cargo for 2 months



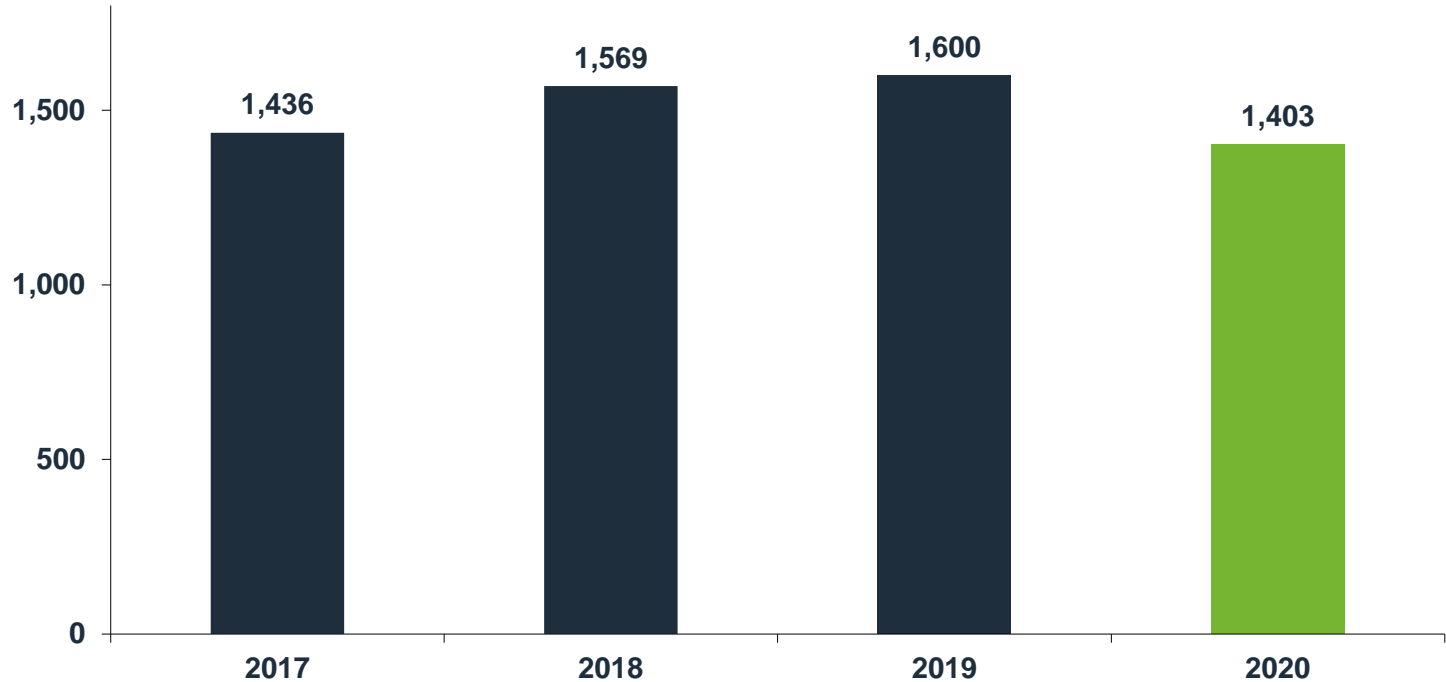
Dairy Exports Up 2%



Fertiliser Imports up 1%



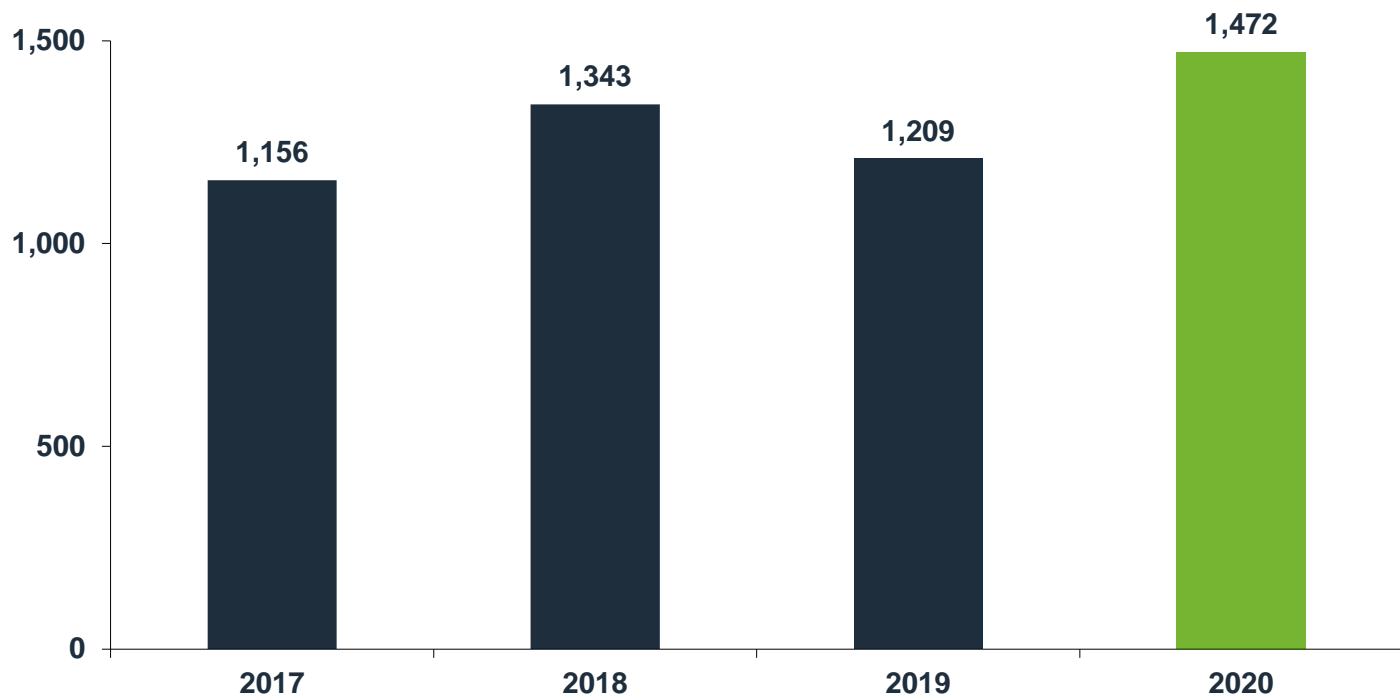
Oil Products down 12%



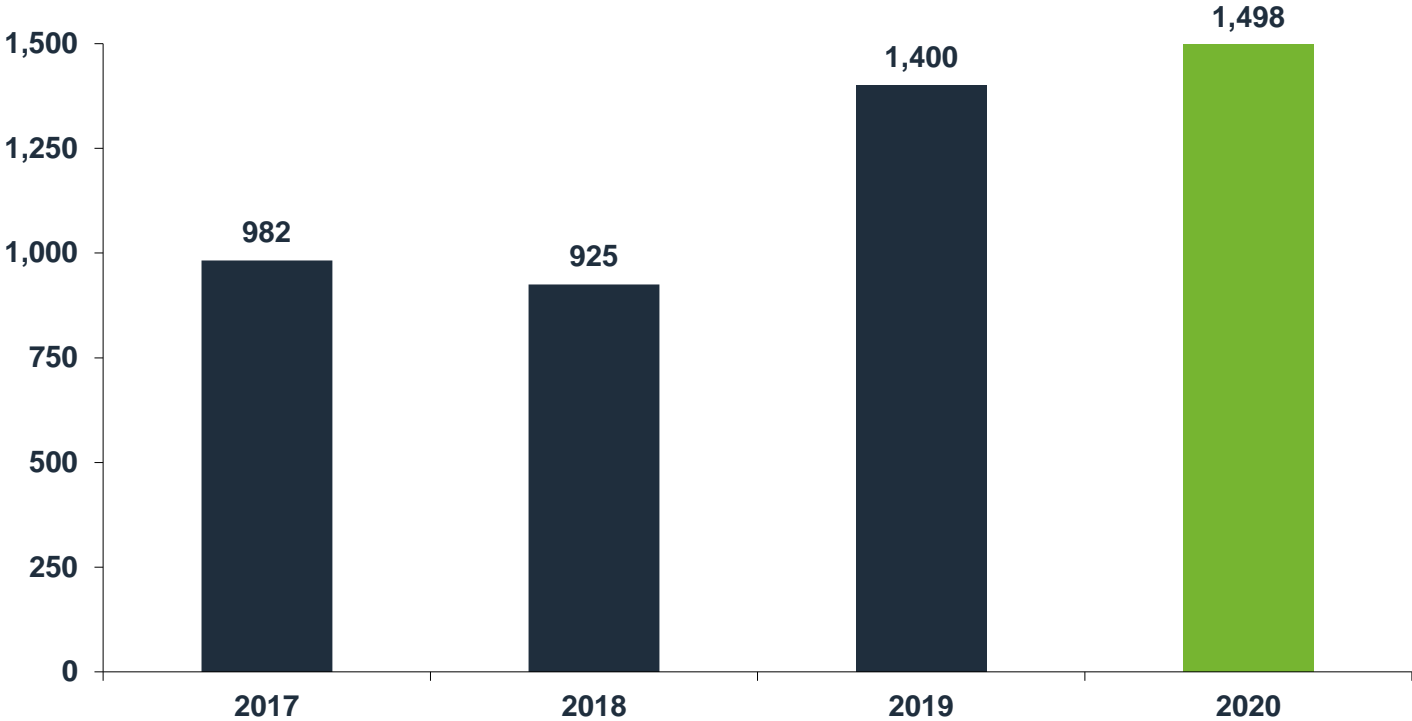
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Grain & Dairy Feed Supplement Imports up 22%



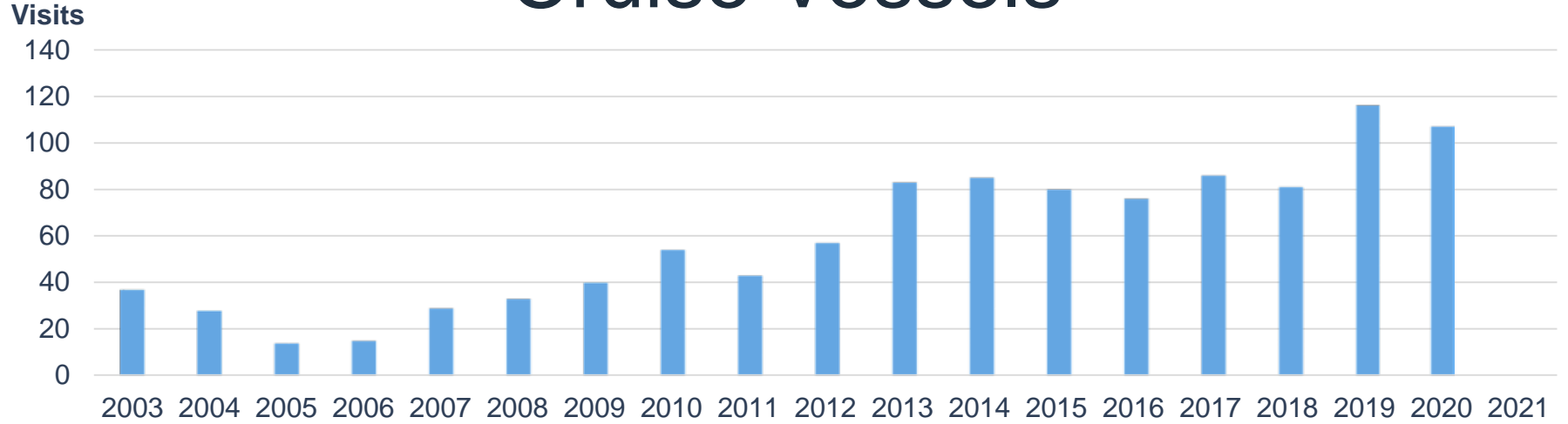
Kiwifruit Volumes up



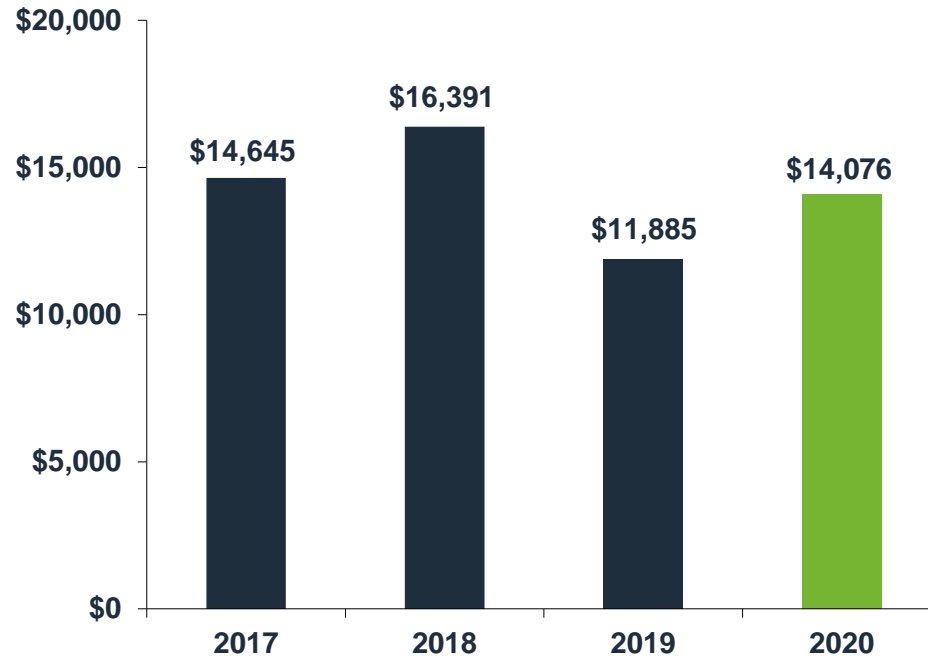
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Cruise Vessels



Subsidiaries & Associates Net Profit After Tax up 18%



Northport

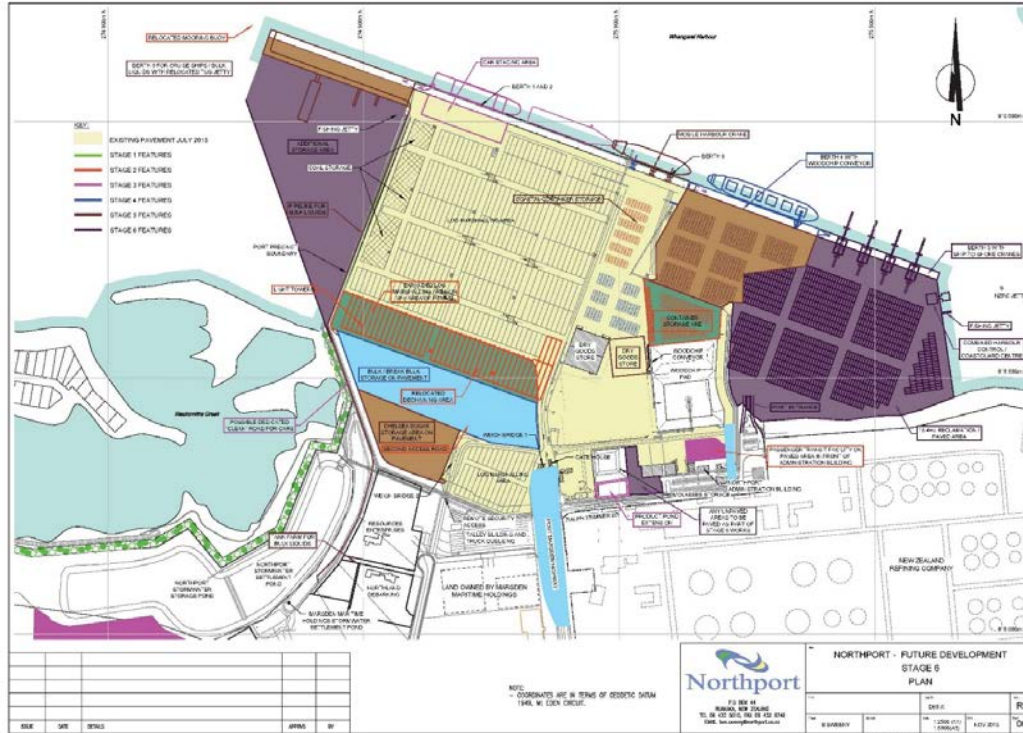


- Trade down 11%
- Earnings down 2.2%
- Handled 12,314 TEUs



Northport

Future Expansion



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Coda Group



- Normalised loss of \$0.197 million, after removing impact of IFRS16 leases (normalised loss FY19 \$1.29m)
- Impairment to goodwill of \$6.9 million recognised due to impacts of COVID-19 on the business
- Cost cutting and margin growth initiatives underway

PrimePort Timaru



- Strong focus on Asset Management Plan
- Earnings up \$0.817 million to \$2.897 million
- Trade volumes down 10.2%

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Timaru Container Terminal



- Handled 80,800 TEUs v 80,378 TEUs in FY19
- Underlying Earnings maintained (excluding IFR16 impacts)

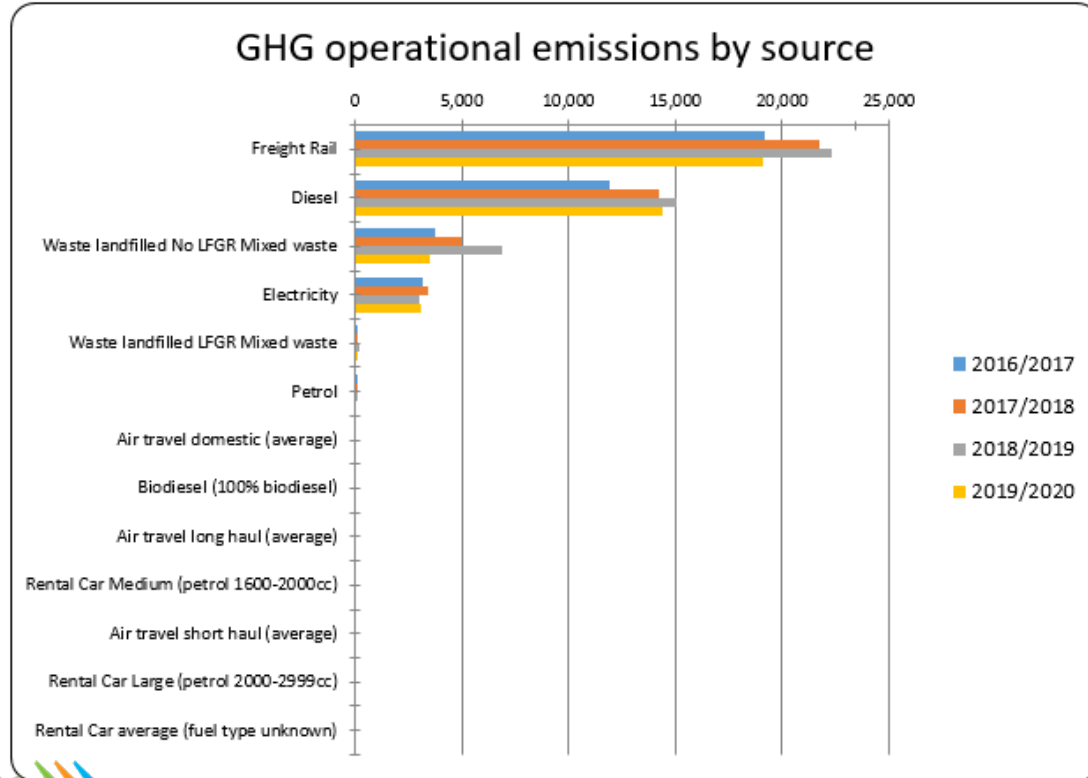
Quality Marshalling



- Earnings maintained at \$2.528 million
- Lower import rail volumes

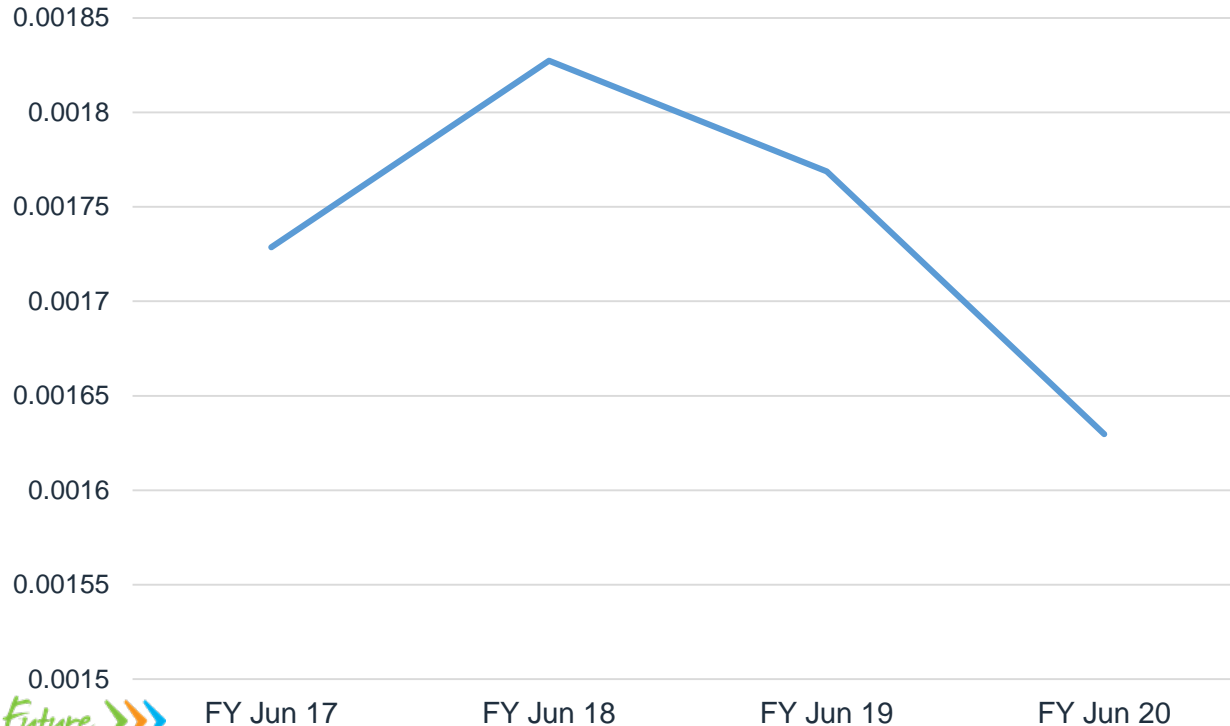
Emission Management

15.3% reduction in absolute emissions



Emissions / Tonne of Cargo

Tonnes of CO2e per tonne throughput (all business)

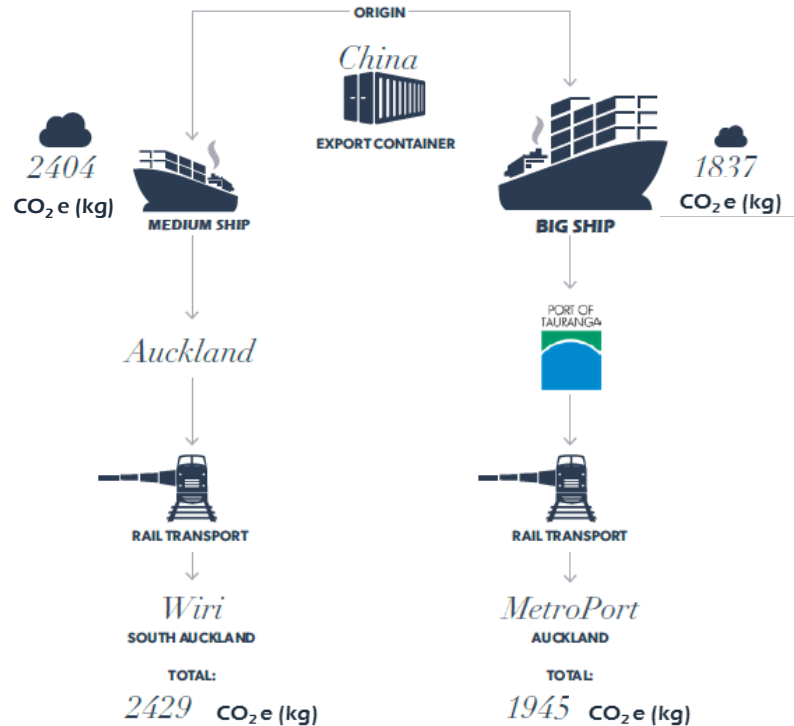


Electric Cars - Hybrid Straddles

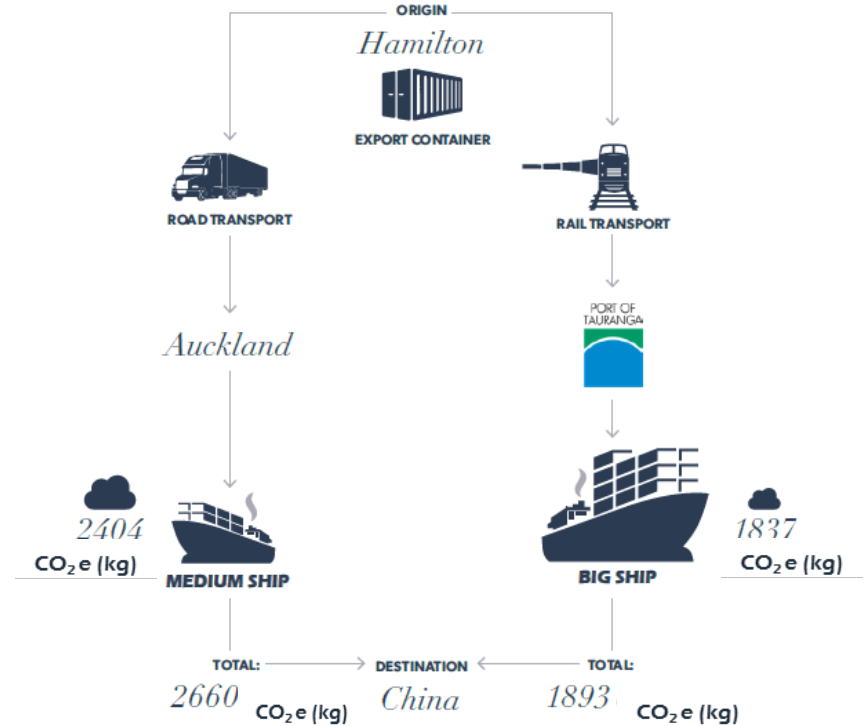


Bigger Ships Offer a Lower Carbon Supply Chain

Import cargo from China to South Auckland CO₂ emission comparison



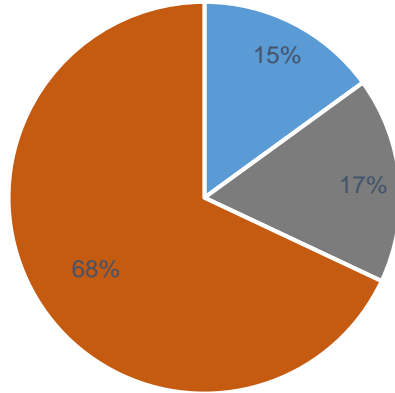
Export cargo from Hamilton to China CO₂ emission comparison



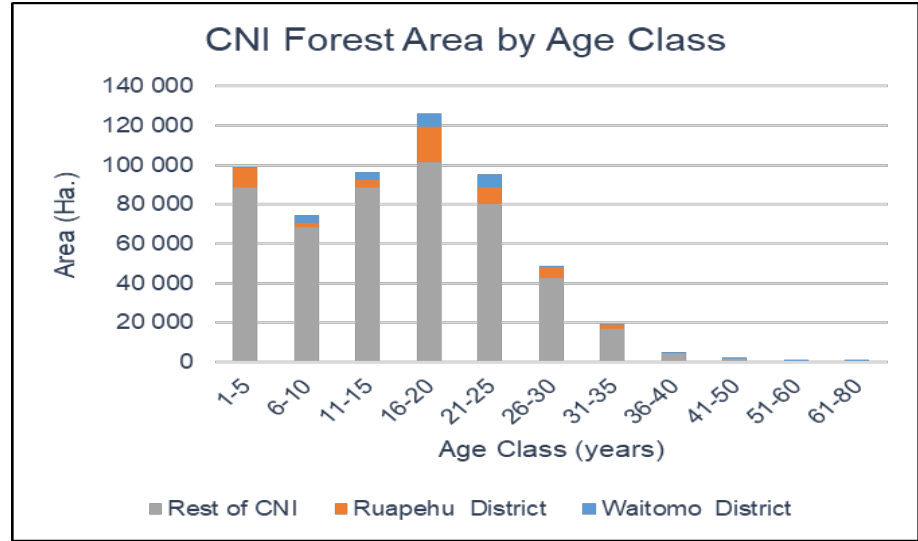
Outlook 2020



Export Log Supply

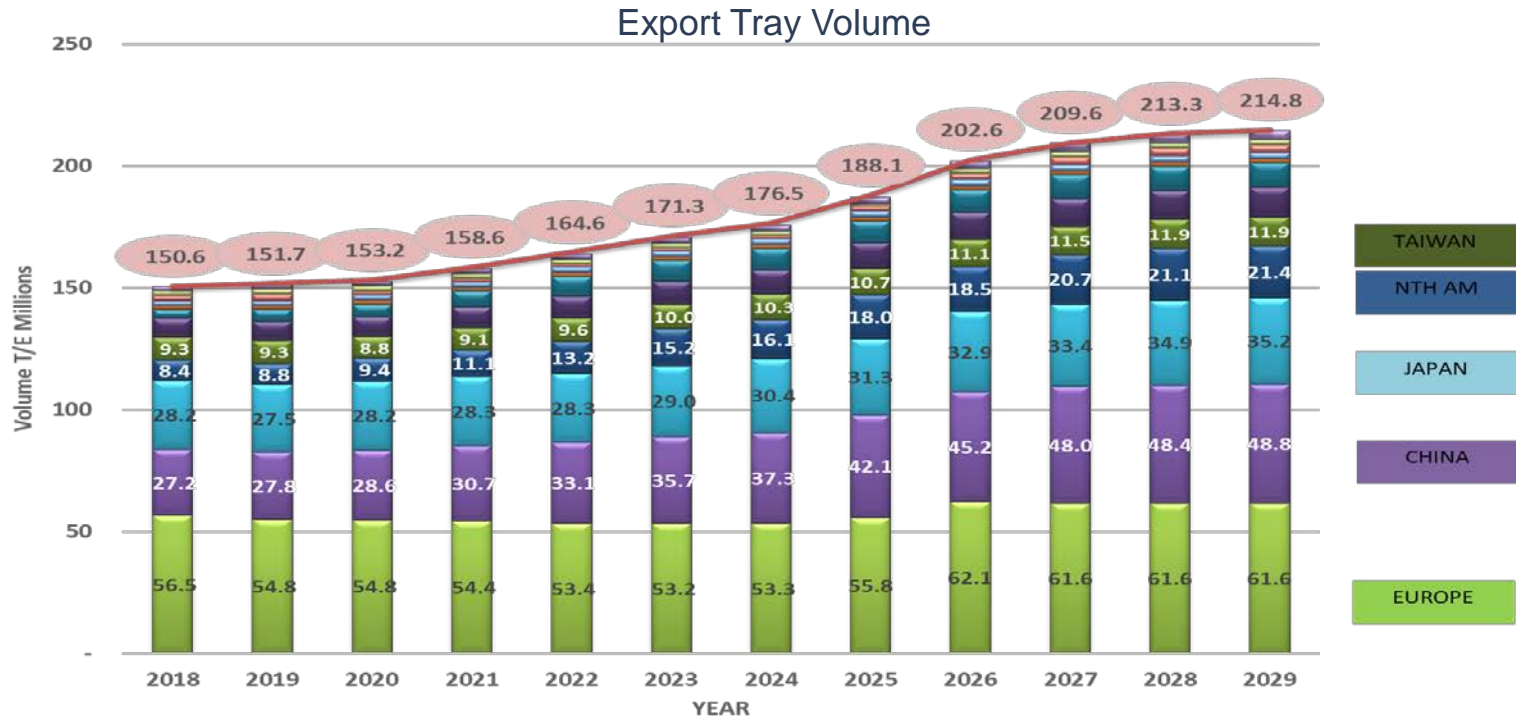


■ At Wharf Gate ■ Mix ■ Forest Owner



Forecast export log volume circa 6.2 million FY21

Kiwifruit - Zespri's Forecast

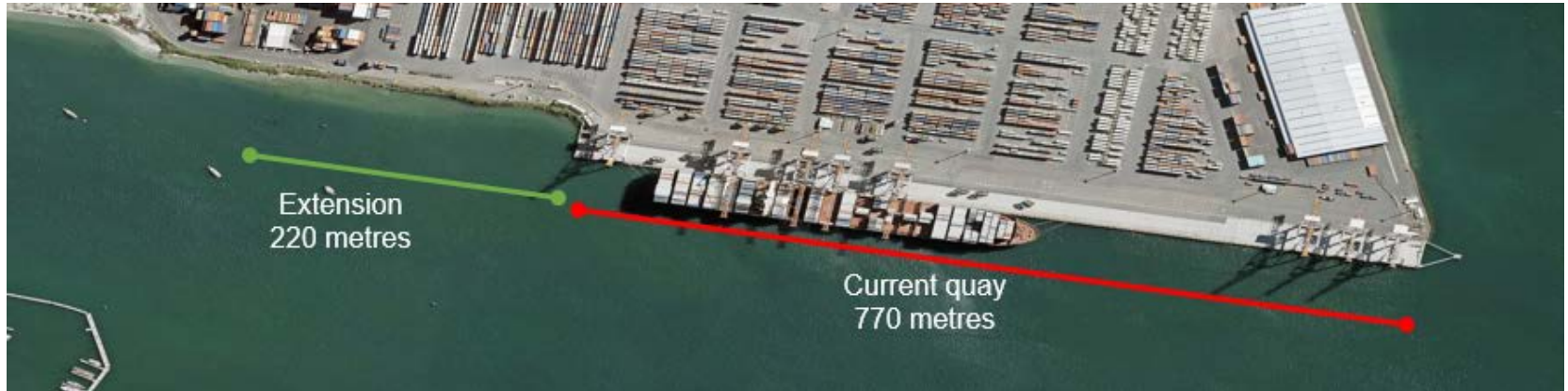


Tainui - 50 year Agreement for Ruakura Inland Port 480 hectares industrial development



Berth Extension

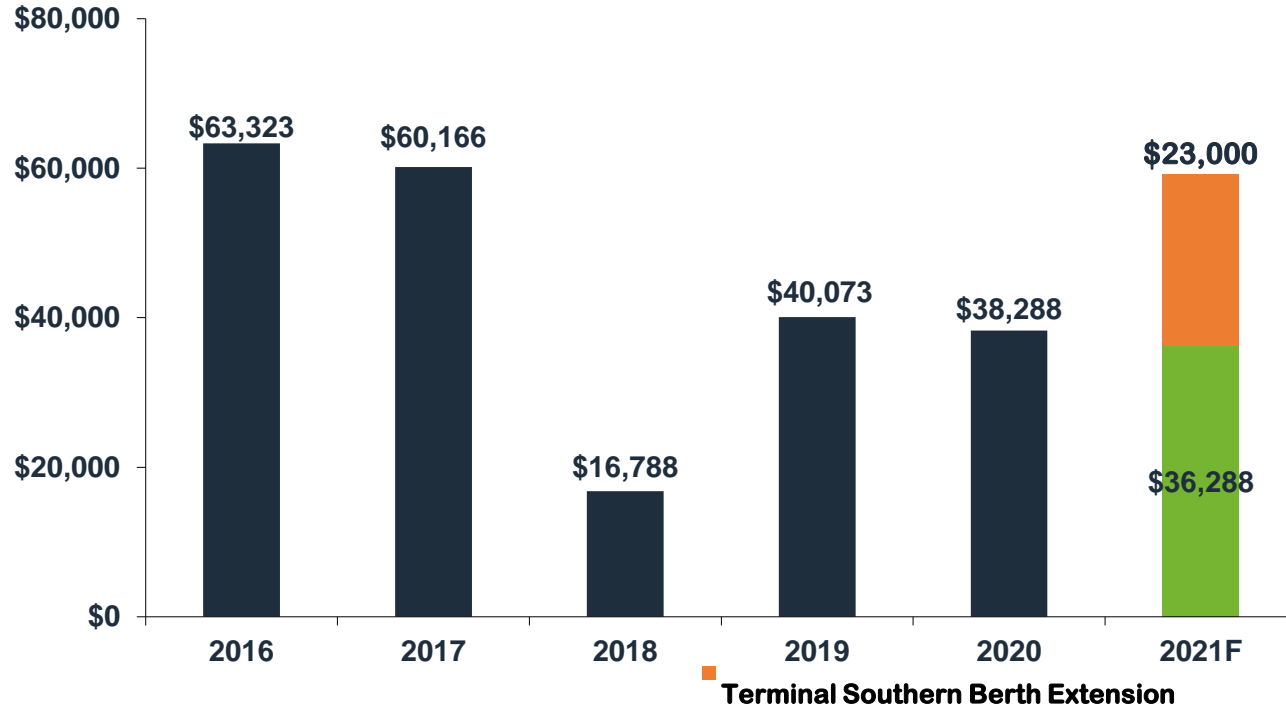
- The total length of the quay is currently 770 metres and is equipped with eight STS cranes.
- Initial berth extension circa 220 meters
- Early contractor engagement undertaken – design circa 90% complete
- Consent to be lodged 2020



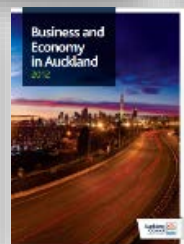
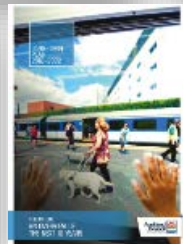
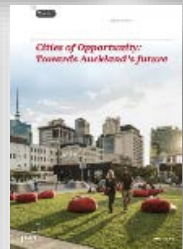
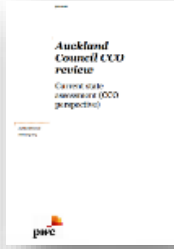
Full Build Out ~3M TEUs



Parent Capital Expenditure 2016-2021



24 Previous Upper North Island Port Studies



Upper North Island Supply Chain Study

- *“POT, located in the Bay of Plenty, is New Zealand’s fastest growing and most productive port, rated as one of the 10 most efficient ports in the world”.*
- *“The undeveloped POAL land value in the Future Port study was estimated at \$1,400/m², with a total value just exceeding \$1 billion” (\$533/m² in current balance sheet).*
- *“The high land value that is required to continue operations at the POAL site means that Auckland ratepayers are potentially missing out on subsidies approximately worth \$5b to \$6b.”*
- *“Prime Minister Jacinda Ardern says moving Auckland’s port is not a question of if, but of when.” (NZ Herald – 13/11/2019)*

Analysis of the Upper North Island Supply Chain Strategy
Working Group Options for moving freight from the Ports of
Auckland



David Moore, Gary Blick and Preston Davies

Results of the cost benefit analysis (\$ million net present value)

	Northport expansion	Port of Tauranga expansion	Shared increase at Northport & Tauranga	Firth of Thames (new port)	Manukau Harbour (new port)
Total benefits	957	957	957	1,009	1,579
Total costs	7,209	4,661	7,804	8,303	3,561
Net benefits	-6,252	-3,703	-6,847	-7,294	-1,982
Benefit-cost ratio	0.133	0.205	0.123	0.121	0.443
Rank	3	2	4	5	1

THANK YOU



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