

**MAINFREIGHT LIMITED**  
**Preliminary Half Year Announcement**  
**For the Six Months ended 30 September 2022**



Preliminary half year report on consolidated results (including the results for the previous corresponding half year).

This report has been prepared in a manner which complies with generally accepted accounting practice and fairly presents the matters to which the report relates and is based on unaudited financial statements.

The Listed Issuer has a formally constituted Audit Committee of the Board of Directors.

**Income Statement**  
**For the Six Months ended 30 September 2022**

	Notes	Six Months Ended 30 Sept 2022 unaudited \$NZ000	Six Months Ended 30 Sept 2021 unaudited \$NZ000	Year ended 31 March 2022 audited \$NZ000
<b>Total Revenue</b>		<b>3,003,333</b>	<b>2,274,386</b>	<b>5,218,259</b>
Transport Costs		(1,895,050)	(1,450,091)	(3,356,790)
Labour Expenses		(520,152)	(422,422)	(886,614)
Other Expenses		(165,632)	(115,962)	(263,818)
<b>Earnings before Finance Costs, Tax, Depreciation and Amortisation</b>		<b>422,499</b>	<b>285,911</b>	<b>711,037</b>
Depreciation of Right to Use Assets		(70,562)	(59,160)	(127,289)
Finance Costs Relating to Lease Liabilities		(8,010)	(7,572)	(15,731)
Other Depreciation & Amortisation Expenses		(38,968)	(34,862)	(73,324)
Other Finance Costs		(3,247)	(2,331)	(5,312)
<b>Profit before Taxation</b>		<b>301,712</b>	<b>181,986</b>	<b>489,381</b>
Income Tax Expense		(84,694)	(51,176)	(133,984)
<b>Net Profit for the Period</b>		<b>217,018</b>	<b>130,810</b>	<b>355,397</b>
<b>Earnings per share</b>				
Basic and diluted earnings (cents per share)		<b>215.51</b>	<b>129.90</b>	<b>352.93</b>

**Statement of Comprehensive Income**  
**For the Six Months ended 30 September 2022**

<b>Net Profit for the Period</b>	<b>217,018</b>	<b>130,810</b>	<b>355,397</b>
<b>Other Comprehensive Income for the Period, Net of Tax</b>			
<i>Other comprehensive income to be reclassified to profit/(loss) in subsequent periods</i>			
Exchange Differences on Translation of Foreign Operations	98,163	(4,314)	(7,412)
Income Tax Effect	1,149	162	(1,047)
<b>Net Other Comprehensive income to be reclassified to profit/(loss) in subsequent periods</b>	<b>99,312</b>	<b>(4,152)</b>	<b>(8,459)</b>
<i>Other comprehensive income not to be reclassified to profit/(loss) in subsequent periods</i>			
Revaluation of Land including Foreign Exchange Movements	3,971	(625)	82,659
Income Tax effect	-	-	(15,016)
Defined Benefit Pension Provision	(20)	(5)	455
Income Tax effect	3	1	(114)
<b>Net Other Comprehensive income not to be reclassified to profit/(loss) in subsequent periods</b>	<b>3,954</b>	<b>(629)</b>	<b>67,984</b>
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>103,266</b>	<b>(4,781)</b>	<b>59,525</b>
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>320,284</b>	<b>126,029</b>	<b>414,922</b>

The accompanying notes form part of these interim financial statements

	30 Sept 2022	30 Sept 2021	31 Mar 2022		30 Sept 2022	30 Sept 2021	31 Mar 2022
	unaudited	unaudited	audited		unaudited	unaudited	audited
	\$NZ000	\$NZ000	\$NZ000		\$NZ000	\$NZ000	\$NZ000
<b>Current Assets</b>				<b>Current Liabilities</b>			
Bank	260,857	121,122	202,258	Bank	-	-	-
Trade Debtors	846,560	600,974	805,568	Trade Creditors & Accruals	628,783	446,314	562,004
Income Tax Receivable	-	-	275	Employee Entitlements	139,594	93,361	152,305
Other Debtors	92,273	47,164	48,563	Provision for Taxation	21,512	15,815	56,609
				Lease Liability for Right of Use Assets	138,024	126,068	121,136
				Asset Finance Loans	9,241	8,976	8,841
	1,199,690	769,260	1,056,664		937,154	690,534	900,895
<b>Non-current Tangible Assets</b>				<b>Non-current Liabilities</b>			
Property	1,085,749	792,887	925,190	Bank Term Loan	256,678	205,937	176,005
Plant & Equipment	200,749	169,005	185,020	Employee Entitlements	2,985	3,567	2,519
Right of Use Assets	689,988	573,952	585,970	Deferred Tax Liability	11,389	7,204	10,684
				Lease Liability for Right of Use Assets	583,970	468,212	490,099
				Asset Finance Loans	21,201	21,924	18,480
	1,976,486	1,535,844	1,696,180		876,223	706,844	697,787
<b>Non-current Intangible Assets</b>				<b>Total Liabilities</b>	1,813,377	1,397,378	1,598,682
Software	52,465	58,398	52,081	<b>Shareholders' Equity</b>			
Goodwill	225,540	209,446	204,498	Share Capital	85,821	85,821	85,821
Other Intangible Assets	1,419	1,440	1,288	Retained Earnings	1,281,491	982,879	1,152,081
Deferred Tax Asset	19,722	18,751	17,240	Revaluation Reserve	212,708	140,469	208,737
				Foreign Currency Translation Reserve	82,193	(12,812)	(17,119)
	299,146	288,035	275,107	Defined Benefit Pension Reserve	(268)	(596)	(251)
<b>Total Assets</b>	<b>3,475,322</b>	<b>2,593,139</b>	<b>3,027,951</b>	<b>Total Equity</b>	1,661,945	1,195,761	1,429,269
				<b>Total Liabilities &amp; Equity</b>	<b>3,475,322</b>	<b>2,593,139</b>	<b>3,027,951</b>

The accompanying notes form part of these interim financial statements

	Ordinary Shares	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Defined Benefit Pension Reserve	Retained Earnings	Total Equity
	\$NZ000	\$NZ000	\$NZ000	\$NZ000	\$NZ000	\$NZ000
<b>Six Months to 30 September 2022 (unaudited)</b>						
<b>Balance at 1 April 2022</b>	85,821	208,737	(17,119)	(251)	1,152,081	1,429,269
Profit for the Period	-	-	-	-	217,018	217,018
Other Comprehensive Income	-	3,971	99,312	(17)	-	103,266
<b>Total Comprehensive Income for the Period</b>	-	3,971	99,312	(17)	217,018	320,284
<b>Transactions with Owners in their Capacity as Owners</b>						
Supplementary Dividends	-	-	-	-	(3,523)	(3,523)
Dividends Paid	-	-	-	-	(87,608)	(87,608)
Foreign Investor Tax Credit	-	-	-	-	3,523	3,523
<b>Balance at 30 September 2022</b>	<b>85,821</b>	<b>212,708</b>	<b>82,193</b>	<b>(268)</b>	<b>1,281,491</b>	<b>1,661,945</b>
<b>Six Months to 30 September 2021 (unaudited)</b>						
<b>Balance at 1 April 2021</b>	85,821	141,094	(8,660)	(592)	897,383	1,115,046
Profit for the Period	-	-	-	-	130,810	130,810
Other Comprehensive Income	-	(625)	(4,152)	(4)	-	(4,781)
<b>Total Comprehensive Income for the Period</b>	-	(625)	(4,152)	(4)	130,810	126,029
<b>Transactions with Owners in their Capacity as Owners</b>						
Supplementary Dividends	-	-	-	-	(1,513)	(1,513)
Dividends Paid	-	-	-	-	(45,314)	(45,314)
Foreign Investor Tax Credit	-	-	-	-	1,513	1,513
<b>Balance at 30 September 2021</b>	<b>85,821</b>	<b>140,469</b>	<b>(12,812)</b>	<b>(596)</b>	<b>982,879</b>	<b>1,195,761</b>
<b>Twelve Months to 31 March 2022 (audited)</b>						
<b>Balance at 1 April 2021</b>	85,821	141,094	(8,660)	(592)	897,383	1,115,046
Profit for the Period	-	-	-	-	355,397	355,397
Other Comprehensive Income	-	67,643	(8,459)	341	-	59,525
<b>Total Comprehensive Income for the Period</b>	-	67,643	(8,459)	341	355,397	414,922
<b>Transactions with Owners in their Capacity as Owners</b>						
Supplementary Dividends	-	-	-	-	(3,674)	(3,674)
Dividends Paid	-	-	-	-	(100,699)	(100,699)
Foreign Investor Tax Credit	-	-	-	-	3,674	3,674
<b>Balance at 31 March 2022</b>	<b>85,821</b>	<b>208,737</b>	<b>(17,119)</b>	<b>(251)</b>	<b>1,152,081</b>	<b>1,429,269</b>

	Six Months Ended 30 Sept 2022 unaudited \$NZ000	Six Months Ended 30 Sept 2021 unaudited \$NZ000	Year ended 31 March 2022 audited \$NZ000
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers	3,564,724	2,609,928	4,930,932
Interest Received	-	-	341
Payments to Suppliers and Team Members	(3,140,401)	(2,356,438)	(4,289,186)
Finance Charge on NZ IFRS 16 Leases	(8,010)	(7,572)	(15,731)
Interest Paid	(3,247)	(2,331)	(5,312)
Income Taxes Paid	(121,630)	(65,174)	(117,247)
<b>Net Cash Flows from Operating Activities</b>	<b>291,436</b>	<b>178,413</b>	<b>503,797</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from Sale of Property, Plant & Equipment	1,625	1,411	3,724
Proceeds from Sale of Software	2	-	66
Repayments by Team Members	3	3	-
Purchase of Property, Plant & Equipment	(171,671)	(79,600)	(175,908)
Purchase of Software	(8,011)	(13,798)	(16,962)
Advances to Team Members	-	-	-
<b>Net Cash Flows from Investing Activities</b>	<b>(178,052)</b>	<b>(91,984)</b>	<b>(189,080)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds of Long Term Loans	143,671	20,000	74,792
Dividend Paid to Shareholders	(87,608)	(45,314)	(100,699)
Repayment of Loans	(73,524)	(23,310)	(104,724)
Lease Payments NZ IFRS 16	(67,106)	(56,232)	(119,336)
<b>Net Cash Flows from Financing Activities</b>	<b>(84,567)</b>	<b>(104,856)</b>	<b>(249,967)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>28,817</b>	<b>(18,427)</b>	<b>64,750</b>
Net Foreign Exchange Differences	29,782	(6)	(2,047)
Cash and Cash Equivalents at Beginning of Period	202,258	139,555	139,555
<b>Cash and Cash Equivalents at End of Period</b>	<b>260,857</b>	<b>121,122</b>	<b>202,258</b>
<b>Comprised:</b>			
Bank and Short Term Deposits	260,857	121,122	202,258
Bank Overdraft	-	-	-
	<b>260,857</b>	<b>121,122</b>	<b>202,258</b>

The accompanying notes form part of these interim financial statements

## 1 Corporate Information

The preliminary half year report announcement of Mainfreight Limited ("the parent") and its subsidiaries ("the Group") for the six months ended 30 September 2022 was authorised for issue in accordance with a resolution of the Directors.

Mainfreight Limited is a company limited by shares incorporated in New Zealand whose shares are publicly traded on the NZX Main Board (New Zealand Stock Exchange).

## 2 Accounting Policies

Accounting policies remain consistent with the prior year ended 31 March 2022 financial statements.

## 3 Required NZX Disclosures

	<b>Six Months Ended</b> <b>30 Sept 2022</b> <b>unaudited</b>	<b>Parent</b> <b>Six Months Ended</b> <b>30 Sept 2021</b> <b>unaudited</b>	<b>Year ended</b> <b>31 March 2022</b> <b>audited</b>
	Shares	Shares	Shares
<b>Movements in Ordinary Shares on Issue</b>			
Closing balance	100,698,548	100,698,548	100,698,548
Average balance during the period	100,698,548	100,698,548	100,698,548
	<b>\$NZ000</b>	<b>\$NZ000</b>	<b>\$NZ000</b>
<b>Net Tangible Assets</b>			
Net Tangible Assets	1,362,799	907,726	1,154,162
Net Tangible Assets per Security (cps)	1,353.35	901.43	1,146.16
<b>Dividends Paid and Proposed</b>			
Recognised Amounts			
Declared and Paid during the Period to Parent Shareholders			
Final Fully Imputed Dividend for 2021: 45 cents (2021: 45 cents)	87,608	45,314	
Unrecognised Amounts			
Interim Fully Imputed Dividend for 2023: 85.0 cents (2022: 55.0 cents)	85,594	55,384	

After the balance date, the above unrecognised dividends were approved by Directors' resolution dated 9 November 2022. These amounts have not been recognised as a liability as at 30 September 2022 but will be brought to account in the full year to 31 March 2023.

#### 4 Segmental Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

The Group operates in the domestic supply chain (i.e. moving and storing freight within countries) and air and ocean freight industries (i.e. moving freight between countries).

New Zealand, Australia, The Americas and Europe are each reported to management as one segment as the businesses there perform both domestic and air and ocean services.

The segmental results from operations are disclosed below.

##### Geographical Segments

The following table represents revenue, margin and certain asset information regarding geographical segments for the six months ended 30 September 2022 and 30 September 2021.

	New Zealand	Australia	The Americas	Asia	Europe	Inter-Segment	Total
	\$NZ000	\$NZ000	\$NZ000	\$NZ000	\$NZ000	\$NZ000	\$NZ000
<b>Six Months to 30 September 2022 (unaudited)</b>							
Operating Revenue							
- Sales to Customers outside the Group	644,599	771,856	891,421	159,147	536,310	-	3,003,333
- Intersegment Sales	10,745	33,905	68,097	117,833	44,366	(274,946)	-
<b>Total Revenue</b>	<b>655,344</b>	<b>805,761</b>	<b>959,518</b>	<b>276,980</b>	<b>580,676</b>	<b>(274,946)</b>	<b>3,003,333</b>
PBT & Abnormal Items	74,457	69,968	93,586	25,200	38,501	-	301,712
Net Interest Expense	2,395	4,493	2,842	43	1,484	-	11,257
Depreciation & Amortisation	30,167	26,864	21,995	2,293	28,211	-	109,530
Capital Expenditure	50,653	97,749	18,104	631	10,918	-	178,055
Trade Receivables	156,056	219,082	297,944	65,784	203,009	(95,315)	846,560
Non-current Assets	788,268	661,574	388,159	20,669	416,962	-	2,275,632
Total Assets	953,982	932,103	808,950	190,523	685,079	(95,315)	3,475,322
Total Liabilities	402,931	477,734	485,433	116,328	426,266	(95,315)	1,813,377
<b>Six Months to 30 September 2021 (unaudited)</b>							
Operating Revenue							
- Sales to Customers outside the Group	498,446	557,604	623,796	155,954	438,586	-	2,274,386
- Intersegment Sales	3,819	15,684	30,350	175,574	29,632	(255,059)	-
<b>Total Revenue</b>	<b>502,265</b>	<b>573,288</b>	<b>654,146</b>	<b>331,528</b>	<b>468,218</b>	<b>(255,059)</b>	<b>2,274,386</b>
PBT & Abnormal Items	48,070	47,279	49,218	16,253	21,166	-	181,986
Net Interest Expense	2,553	3,736	2,178	68	1,368	-	9,903
Depreciation & Amortisation	26,231	23,661	14,780	1,459	27,891	-	94,022
Capital Expenditure	43,907	19,826	11,554	764	15,936	-	91,987
Trade Receivables	118,497	140,979	198,856	130,973	123,728	(112,059)	600,974
Non-current Assets	710,955	474,775	236,200	18,106	383,843	-	1,823,879
Total Assets	807,806	635,269	473,339	199,436	589,348	(112,059)	2,593,139
Total Liabilities	338,545	361,164	310,092	136,982	362,654	(112,059)	1,397,378

4 Segmental Reporting - continued

	New Zealand	Australia	The Americas	Asia	Europe	Total
	\$NZ000	\$AU000	\$US000	\$US000	€EU000	\$NZ000
<b>Revenue Local Currency</b>						
Six Months to 30 September 2022	644,599	697,372	562,843	100,485	326,988	3,003,333
Six Months to 30 September 2021	498,446	525,040	441,398	110,353	260,432	2,274,386
<b>Growth</b>	<b>29.3%</b>	<b>32.8%</b>	<b>27.5%</b>	<b>-8.9%</b>	<b>25.6%</b>	<b>32.1%</b>
				<b>Excluding FX Impact</b>		<b>26.3%</b>
<b>PBT Local Currency</b>						
Six Months to 30 September 2022	74,457	63,216	59,090	15,911	23,474	301,712
Six Months to 30 September 2021	48,070	44,518	34,827	11,501	12,568	181,986
<b>Growth</b>	<b>54.9%</b>	<b>42.0%</b>	<b>69.7%</b>	<b>38.3%</b>	<b>86.8%</b>	<b>65.8%</b>
				<b>Excluding FX Impact</b>		<b>57.8%</b>
<b>PBT to Revenue Margin</b>						
Six Months to 30 September 2022	<b>11.6%</b>	<b>9.1%</b>	<b>10.5%</b>	<b>15.8%</b>	<b>7.2%</b>	<b>10.0%</b>
Six Months to 30 September 2021	<b>9.6%</b>	<b>8.5%</b>	<b>7.9%</b>	<b>10.4%</b>	<b>4.8%</b>	<b>8.0%</b>

Division Segments

The following table represents revenue and PBT in respect of the three main types of services for the six months ended 30 September 2022 and 30 September 2021.

	Domestic Transport	Warehousing	Air & Ocean	Total
	\$NZ000	\$NZ000	\$NZ000	\$NZ000
<b>Six Months to 30 September 2022 (unaudited)</b>				
Revenue	1,113,253	355,299	1,534,781	3,003,333
PBT & Abnormal Items	109,938	28,940	162,834	301,712
<b>Six Months to 30 September 2021 (unaudited)</b>				
Revenue	894,315	264,615	1,115,456	2,274,386
PBT & Abnormal Items	72,913	22,188	86,885	181,986

	30 Sep 2022 unaudited \$NZ000	30 Sep 2021 unaudited \$NZ000
<b>Reconciliation between non-GAAP and the Income Statement</b>		
<b>Profit before Taxation for the Year</b>	<b>301,712</b>	<b>181,986</b>
Finance Costs Relating to Lease Liabilities	8,010	7,572
Other Finance Costs	3,247	2,331
<b>EBITA</b>	<b>312,969</b>	<b>191,889</b>
Depreciation of Right of Use Assets	70,562	59,160
Other Depreciation and Amortisation Expenses	38,968	34,862
<b>EBITDA (Adjusted)</b>	<b>422,499</b>	<b>285,911</b>

EBITDA (adjusted) is defined as earnings before net interest expense, tax, depreciation, amortisation, and royalties (segment only; not Group).

There are no customers in any segment that comprise more than 10% of that segment's revenue.

Bank term loan is allocated based on segment net assets excluding bank term loan.

The geographical segments are determined based on the location of the Group's assets.