



MAINFREIGHT LIMITED
ANNUAL MEETING OF SHAREHOLDERS
30 JULY 2020

“Disruption equals Opportunity”

A quick look back at F20 ...

GROWTH

8,631 Team members up 552
282 Branches up 22
26 Countries up 2 (Spain & South Korea)

REVENUE

Revenue up 4.8% to \$3.10 billion (excluding FX up 3.6%)
An increase of \$141.31 million

PROFIT BEFORE TAX*

PBT: \$206.25 million

NET SURPLUS*

Net surplus after tax before abnormal items: \$147.98 million

* NZ GAAP figures: post-NZ IFRS 16

Discretionary Bonus / Dividend / Earnings Per Share

BONUS

Payable at Board's discretion to qualifying team members (4,771 people)
\$27.3 million, in line with prior year (for payment in August)

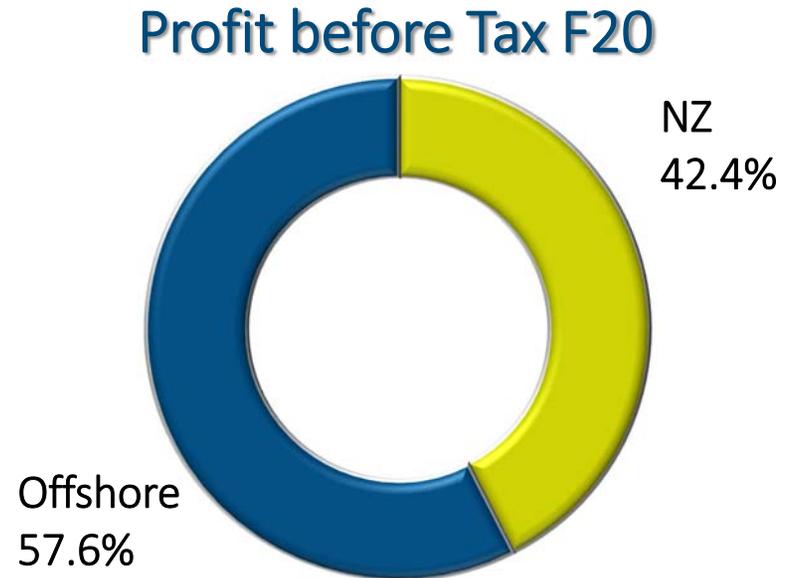
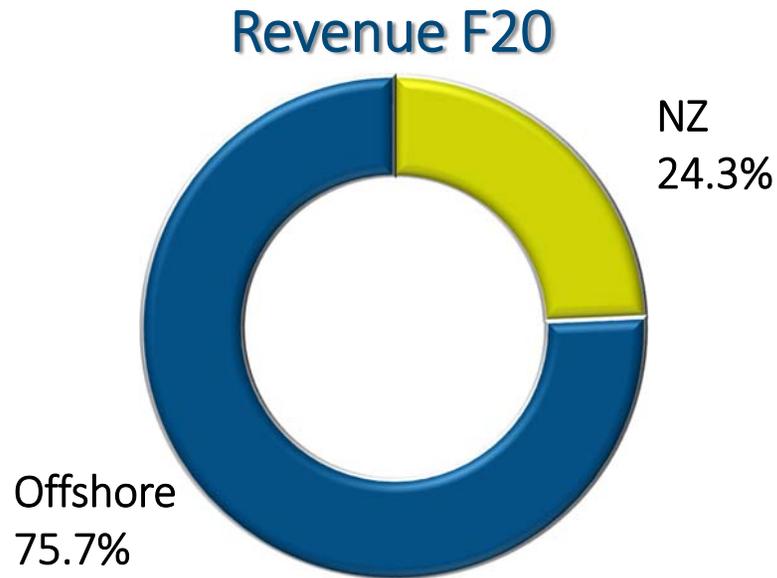
DIVIDEND

Total dividend for year 59.0 cents per share, up 3.0 cents or 5.4%
from 56.0 cents in the previous year

EARNINGS

Adjusted earnings per share 146.9 cents

Contribution: New Zealand vs Offshore



Performance by Division – Our 3 Core Products

TRANSPORT

Revenue:	\$1.576 billion	up 8.6%
Profit Before Tax:	\$119.36 million	

WAREHOUSING

Revenue:	\$0.384 billion	up 10.1%
Profit Before Tax:	\$34.32 million	

AIR & OCEAN

Revenue:	\$1.135 billion	down 1.8%
Profit Before Tax:	\$52.57 million	

Trading Update: Revenue*

May actuals plus June/July “weeklies”
17 weeks of trading (1 April to 26 July)

NZ\$000		THIS YEAR	LAST YEAR	VAR %
New Zealand	NZ\$	268,594	265,348	1% ↑
Australia	AU\$	287,904	253,773	13% ↑
Asia	US\$	51,776	36,835	41% ↑
Europe	EU€	145,210	144,257	1% ↑
Americas	US\$	167,741	172,710	(3)% ↓
Group	NZ\$	1,188,638	1,094,297	8%# ↑

* Includes inter-company revenue

Excluding FX: 5% over last year

“We’re keeping busy”



Trading Update: PBT*

May actuals plus June/July “weeklies”
17 weeks of trading (1 April to 26 July)

NZ\$000		THIS YEAR	LAST YEAR	VAR %
New Zealand	NZ\$	16,721	18,098	(8)% ↓
Australia	AU\$	17,856	6,689	167% ↑
Asia	US\$	2,601	1,590	63% ↑
Europe	EU€	4,071	4,712	(13)% ↓
Americas	US\$	3,755	5,756	(35)% ↓
Group	NZ\$	53,242	44,242	20%# ↑

* Post-NZ IFRS 16

Excluding FX: 18% over last year

“It’s the long-term stuff that really counts”



Trading Update: Total Company

- Revenue increase of NZ\$94.3 million includes:
 - Air charter opportunities of NZ\$23.8 million, but at lower margin levels
 - Other new business of \$67 million (Q1)
- Profit improvement dominated by Australian performance assisted by our exposure to multiple economies



Trading Update: New Zealand

- April trading saw revenues and profits decline dramatically, in Level 4 lockdown
- Post-Level 4 lockdown (May to July) trading has improved significantly, and YTD revenue now just ahead of prior year
- Expectations for this trend to continue, albeit not at the elevated levels post-Level 4 lockdown
- Expect half year result in line with prior year
- All divisions contributing with market share gains



Trading Update: Australia

- Our strongest regional performer, with expectations for the current results to continue
- New business gains/market share assisting
- Transport network performance assisting / regional branches
- Current COVID-19 spike and increased restrictions have not disrupted or altered freight flow and/or volumes



Trading Update: Asia

- Benefit of PPE shipments April to June
- Southeast Asia a key area for stronger growth and development
- COVID-19 infection rates on increase, but not impacting freight volumes, export or import
 - Some restrictions on number of team members in branches
 - Freight volume increases ex China creating space availability issues



Trading Update: Europe

- April and May – tough trading conditions experienced
- June and July – marked improvement, and ahead of the year prior
- Summer holiday period (July/August) now underway, with the expected decline in volumes
- COVID-19 increases seen recently do not appear to have had any impact on trading volumes



Trading Update: Americas

- Trading remains slow for Transport and CaroTrans with Warehousing and Air & Ocean improving
- Expect the Americas to take longer to recover as COVID-19 infection levels continue to increase
- Customer trading is improving, however converting new customers is taking longer than expected



Capital Expenditure

\$155 m

Spent in 2020 financial year
\$112 million on land & buildings

\$80 m

Expected capital investment in FY21
\$120 million deferred

2022

FY22 spend likely to increase;
dependent on trading developments

Current Net Debt

NET DEBT

Net debt of \$120 million
Gearing ratio at 11.1%
Undrawn facilities of \$220 million

COVENANTS

Interest Cover and Total Debt Cover Ratios remain well within banking requirements



Netherlands: Zaltbommel Stage 2
Completed: early 2020



Netherlands: Born
Completed: 2018
New solar installation





Mt Maunganui: Mangatawa
Targeted completion: August 2020

Our Customers

- Top industry verticals of our customers:
 - DIY/Homeware 16%
 - FMCG/Food/Beverages 15%
 - Technology/Electronics 11%
 - Retail 11%
 - Medical/Healthcare 7%



Sustainability

- Measurement of emissions: calendar 2019
 - 1.66 million tonnes CO₂-e
 - 97.7% freight related: air, road, rail, sea
 - Carbon intensity factor improving/efficiency
 - Increase likely in current year (airfreight charter activity)
- Initiatives:
 - Electric alternatives – forklifts, trucks, other vehicles
 - Solar energy / green building construction
 - Recycling / waste exchange / vegetable gardens
 - Water collection / usage
 - Customer engagement on freight mode usage, eg rail vs road



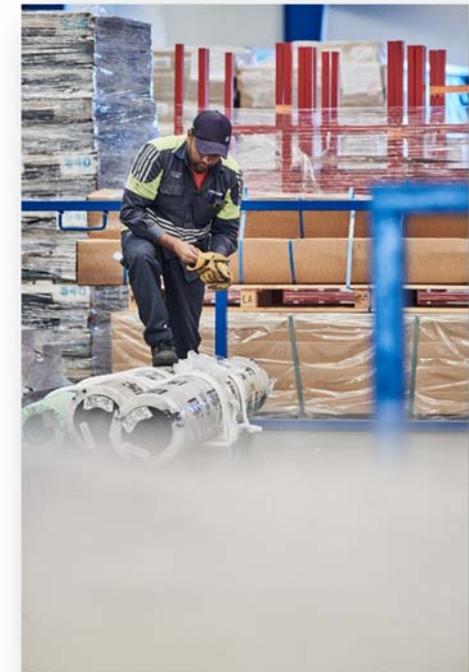
Global Supply Chain Status

- Air freight:
 - Remains volatile and expensive
 - Improving from March/April levels
- Sea freight
 - Usage improving / rates increasing
 - “Blank” sailings causing space allocation issues
- Warehousing
 - Enquiry on the increase
 - Outsourcing for customers looking to offset fixed cost of owned warehousing
- Flight to quality / manufacturing hub diversity – multiple countries



Priorities and Actions

- Strong sales focus – retention of customers and gaining of new customers – high priority
- High standards; quality services
- No COVID-19 related redundancies for our permanent team members
- Cash flow/cash collection a strong focus
- Cost and margin management: branch/national level
- Salary review implemented 1st July 2020
 - NZ / Australia 3.0%
 - Asia 1.6%
 - Europe/USA Review in September



Mainfreight Corporate Governance

- We are proud of the governance that guides our Company
- We do not blindly follow perceived best practice; in some cases the interests of the Company and its shareholders are not best-served by those guidelines
- We have applied the principles of good corporate governance and adopted robust measures that support our efforts to grow this magnificent Company, for the benefit of our team and shareholders around the world, for the next 100+ years

Corporate Governance – continued ...

- Mainfreight's Board of Directors
 - Comfortable with current level of six directors
 - Tenure and experience are a key part of who we are – at Board, Management and Team level
 - Board is comfortable with the independence of Simon Cotter, Bryan Mogridge, Kate Parsons and Richard Prebble
- Somewhat surprised and troubled that board composition is a topic of conversation, when facing threats of current pandemic and global recession, against the successful formula that has guided us profitably for a very long time

We Continue To ...

- Be positive and optimistic about the year ahead, with a hint of caution
- Believe our people, culture and quality are key differentiators
- Want to be useful and effective for our customers
- Seek growth and intensity for our network
- Think bigger and bolder, no matter the pandemic and economic situations
- Keep thinking and acting long term
- Maintain current strategic direction of the business



The determination, positivity and hard work of our people has been nothing short of staggering; they deserve a huge thank you from all of us

*Special people
Special company*