

FREIGHTWAYS ANNUAL SHAREHOLDERS MEETING

26 October 2023
NZX | ASX : FRW

Freightways



MARK CAIRNS

Chairman

BE(Hons), BBS, MGMT, FEngNZ, CFInstD

WELCOME AND INTRODUCTION



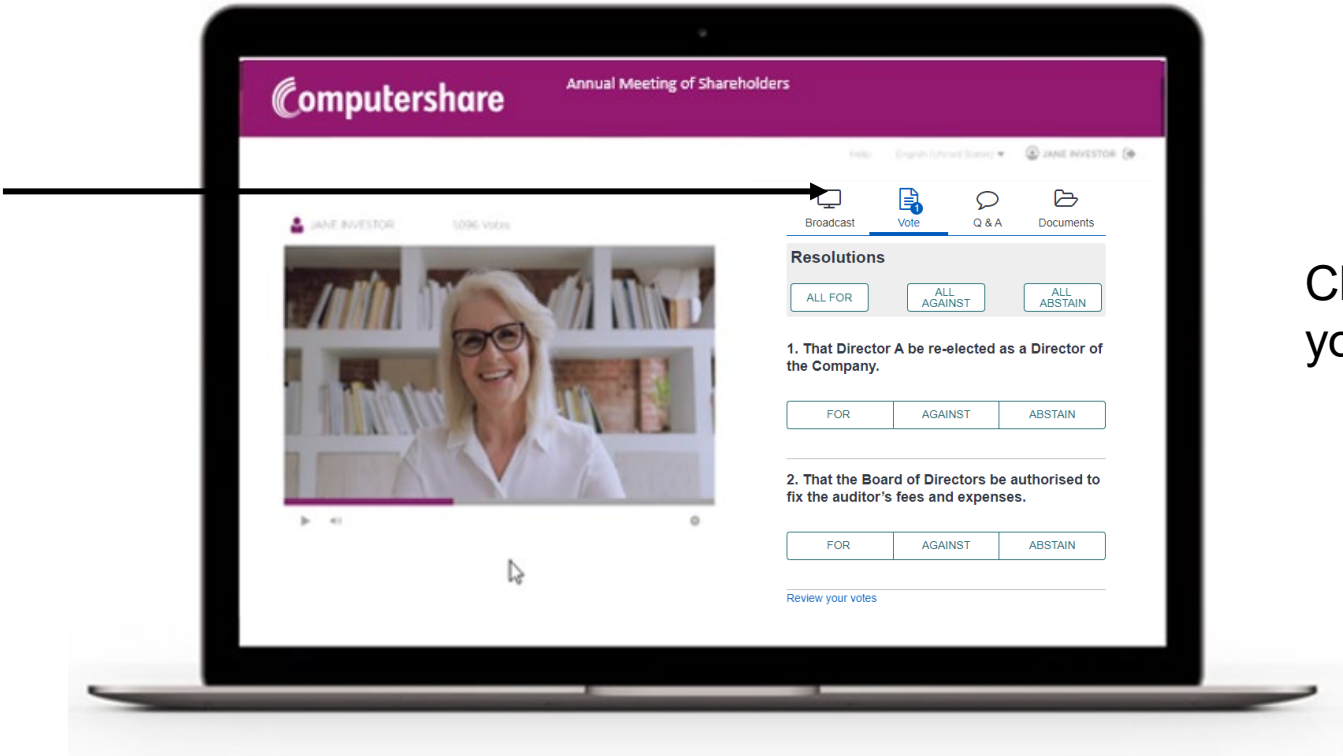
Shareholder and Proxyholder Voting and Q&A Participation

SHAREHOLDER & PROXYHOLDER VOTING

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the **VOTE** tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.

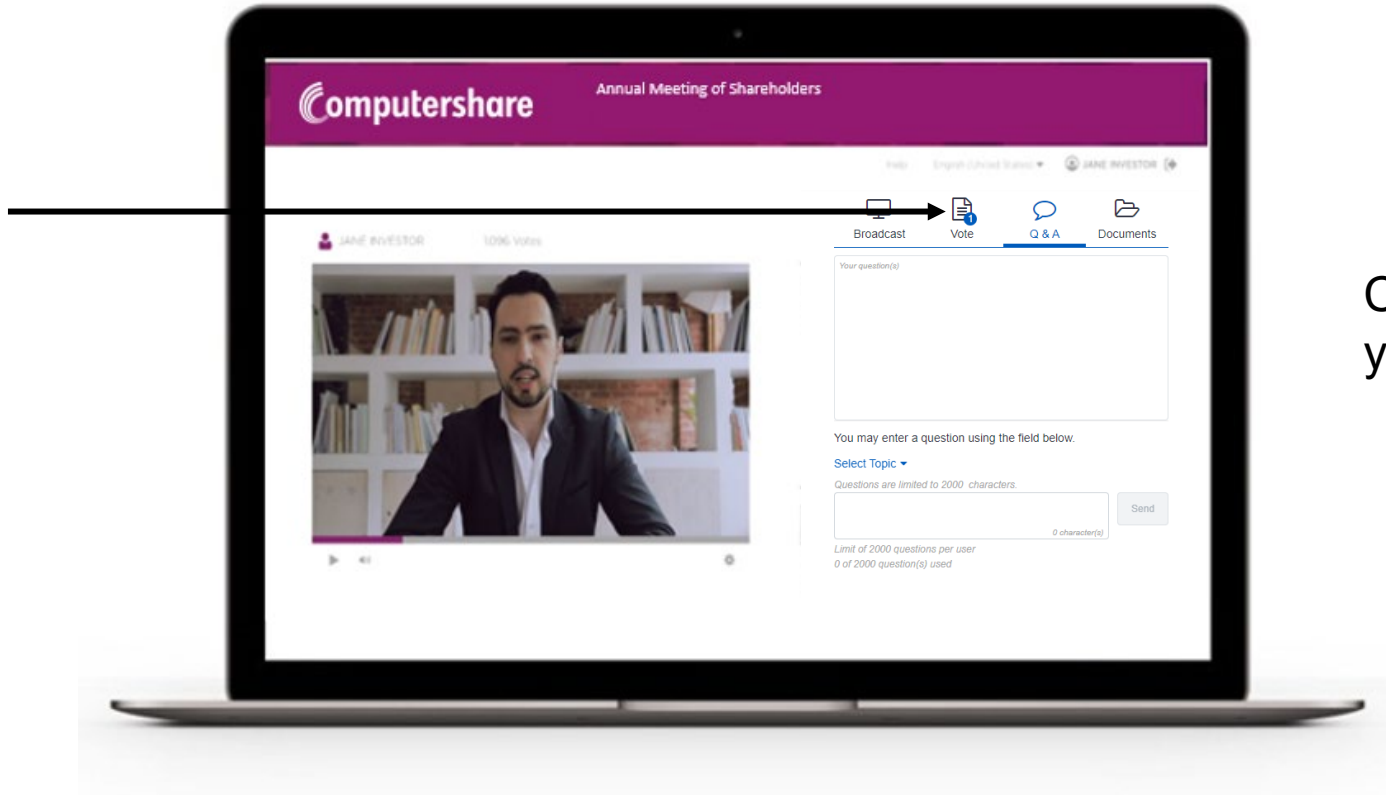


Click **Vote** and select your voting direction.

SHAREHOLDER & PROXYHOLDER Q&A PARTICIPATION

WRITTEN QUESTIONS: Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the **Q&A** tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

HELP: The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.

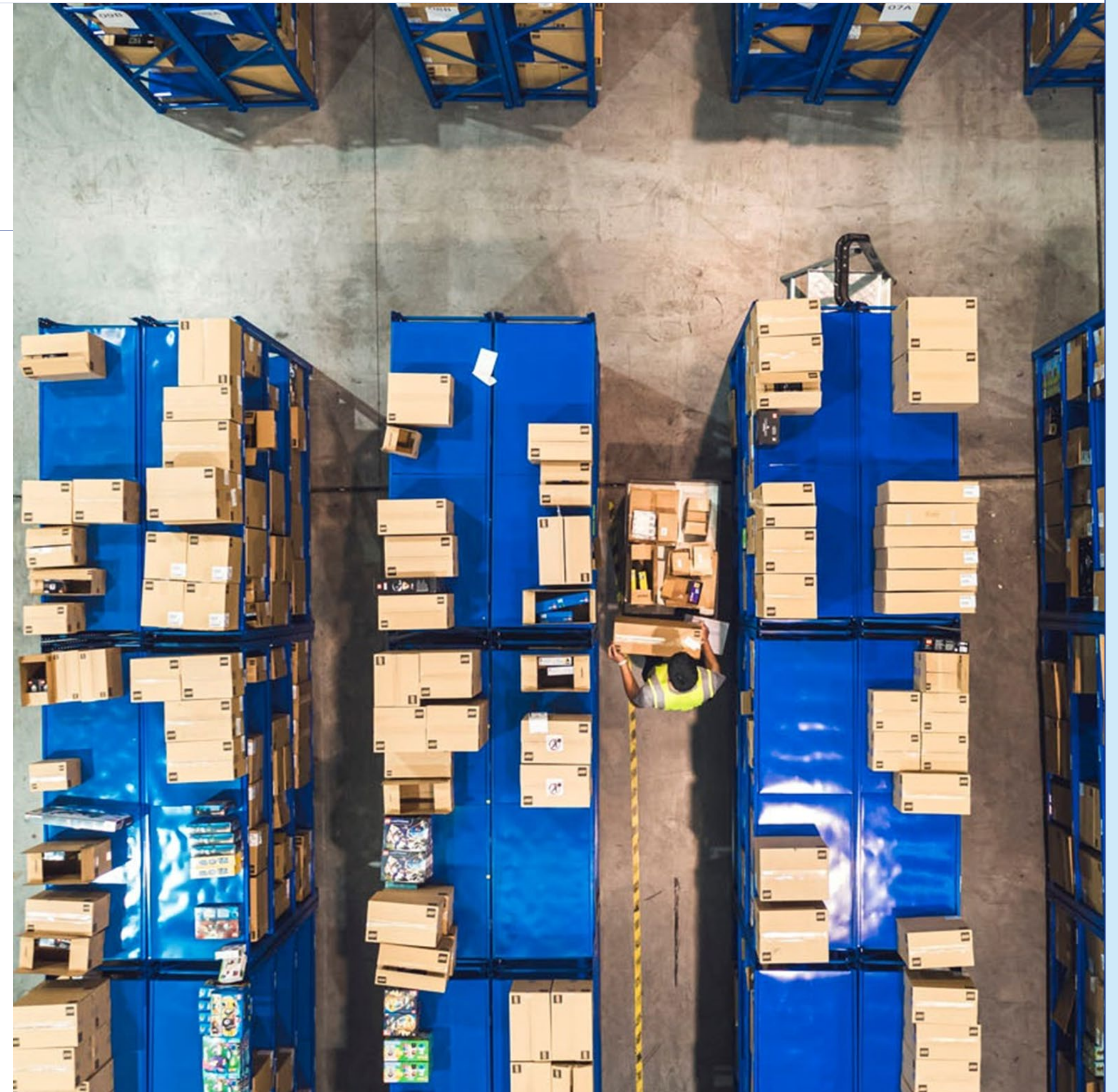


Click **Q&A** and select your voting direction.

AGENDA

Freightways Annual Shareholders Meeting

- Chairman's Welcome & Introduction
- CEO's Strategy and Trading Update
- Voting and Questions
- Resolutions



FY23 HIGHLIGHTS



<div>REVENUE GROWTH</div> <div>▲ 29%</div> <div>ACROSS FREIGHTWAYS</div>	<div>REVENUE GROWTH</div> <div>▲ 32%</div> <div>EXPRESS PACKAGE & BUSINESS MAIL</div>
<div>REVENUE GROWTH</div> <div>▲ 15%</div> <div>INFORMATION MANAGEMENT</div>	<div>NPAT* GROWTH</div> <div>▲ 7%</div> <div>ACROSS FREIGHTWAYS</div>
<div>EBITA** GROWTH</div> <div>▲ 15%</div> <div>ACROSS FREIGHTWAYS</div>	<div>CASH FLOW</div> <div>▲ 26%</div> <div>ACROSS FREIGHTWAYS</div>

* GAAP – Generally Accepted Accounting Principles (IFRS-compliant) ** Non-GAAP

DIVIDEND

Dividend Policy aligned with Capital Management Policy, balancing a few objectives -

OBJECTIVES:

- 1. The setting of the dividend is subordinated to the overall capital structure of Freightways. When debt is considered high, the cash dividend will be reduced to allow for faster debt reduction
- 2. The dividend is set at a level that the Board expects to be sustainable in the medium term
- 3. Subject to the first two principles, the Board will aim to pay 75% to 80% of the NPATA adjusted for significant one-offs

Final dividend	19 CPS (37 CPS for the year)
Imputation credits	7.39 cps (fully imputed at 28% tax rate)
Supplementary dividend	3.3529 cps
Record date	15 September 2023
Payment date	2 October 2023
Dividend reinvestment plan	Offered with a discount of 2%

MARK TROUGHEAR

Chief Executive Officer






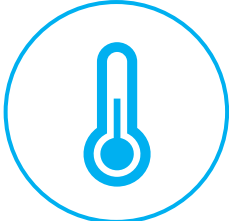
BMS, WAIKATO UNIVERSITY

STRATEGY AND TRADING UPDATE



THREE HORIZONS OF GROWTH



— We move you to a better place —

OUR CAPABILITIES			
 STRIVE FOR EFFICIENCY NETWORK DENSITY	 DELIVER RELIABLY ALWAYS DELIVER ON TIME	 LOVE OUR CUSTOMERS SALES APPROACH & CULTURE	 ACT LIKE AN ENTREPRENEUR M&A GROWTH / INNOVATION
ACTIVITIES	HORIZON 1	HORIZON 2	HORIZON 3
BUSINESS DIVISION	EXTEND AND DEFEND	GROW SCALE	ESTABLISH NEW LINES OF BUSINESS
 EXPRESS PACKAGE & BUSINESS MAIL	B2B <ul style="list-style-type: none">Focus on a profitable market share gainsImprove the resilience of airfreight networkAssess metropolitan “local” service levels, infrastructure costs and pricing	B2C <ul style="list-style-type: none">Leverage our trans-Tasman presence for cross border eCommerce customersMaintain high levels of service to be able to command a premium for B2C deliveries	OVERSIZE (25KG+) <ul style="list-style-type: none">Scale Oversize revenue in NZNew business teams to grow Allied’s market share in Oversize in AUAssess bolt-on M&A opportunities in AU
 TEMPERATURE CONTROLLED LOGISTICS	NATIONAL DELIVERY <ul style="list-style-type: none">Pursue market share opportunities as new infrastructure (trucks and depots) comes on stream	3PL <ul style="list-style-type: none">Utilisation of 95% in AucklandRuakura has now opened, targeting 50% utilisation by end of FY24	SAME DAY <ul style="list-style-type: none">Roll out of national delivery for convenience storesGrow scale with new coolstore capacity brought on during 2023





THREE HORIZONS OF GROWTH

————— *We move you to a better place* —————

OUR CAPABILITIES			
 STRIVE FOR EFFICIENCY NETWORK DENSITY	 DELIVER RELIABLY ALWAYS DELIVER ON TIME	 LOVE OUR CUSTOMERS SALES APPROACH & CULTURE	 ACT LIKE AN ENTREPRENEUR M&A GROWTH / INNOVATION

ACTIVITIES	HORIZON 1	HORIZON 2	HORIZON 3
BUSINESS DIVISION	EXTEND AND DEFEND	GROW SCALE	ESTABLISH NEW LINES OF BUSINESS
 INFORMATION MANAGEMENT	STORAGE <ul style="list-style-type: none">• Improvement in utilisation of existing warehouses through market share gains• AU boxes now >3m, strongest growth achieved in WA (up 7% year on year)	DIGITISATION <ul style="list-style-type: none">• Large scale digital project completed in NZ• Digital revenues in AU up 39% for year, we will continue to target growth in AU and NZ	ECOMMERCE 3PL <ul style="list-style-type: none">• STOCKA eCommerce offering showing strong growth. To meet demand a new 3PL warehouse is expected to be added in June 2024
 WASTE RENEWAL	SECURE DESTRUCTION <ul style="list-style-type: none">• Paper prices likely to be more volatile in FY24• Continued focus on market share gains	MEDICAL WASTE <ul style="list-style-type: none">• VIC processing plant built and awaiting EPA approval• Target market share gains in VIC, NSW, QLD	HIGH VALUE WASTE <ul style="list-style-type: none">• Build profitability in SaveBoard after establishment year• Target product destruction market• Continue to source circular loop solutions for hard to recycle waste

Sustainability – Our Key FY24 Initiatives

SDG	FREIGHTWAYS KEY FY24 INITIATIVES
 <div>SDG#3 GOOD HEALTH & WELLBEING</div>	<ul style="list-style-type: none">• Health and safety in employment: Injury reduction. TRIFR continues to reduce year on year
 <div>SDG#8 DECENT WORK & ECONOMIC GROWTH</div>	<ul style="list-style-type: none">• Our commitment is to improve Contractor earnings year on year• L&D – We will continue to invest in training our people so 80% or more of our promotions come from within
 <div>SDG#9 INDUSTRY, INNOVATION & INFRASTRUCTURE</div>	<ul style="list-style-type: none">• We have a customer churn rate of <2% of revenue• We are committed to continued growth in Horizon's 2 & 3
 <div>SDG#13 CLIMATE ACTION</div>	<ul style="list-style-type: none">• GHG emissions reduction with a target to reduce Scope 1, 2 & 3 emissions by 50% by 2035, ensuring that our contribution to Global Warming is no greater than 1.5 degrees Celsius• The average age of linehaul vehicles (in our direct control) is 4 years or less• Commitment to assisting the development of circular re-use of waste

Carbon Emissions Reduction – Progress Update

TIMELINE	INITIATIVE	COMMENT
2023	Green building specification for new buildings	Discovery being completed on specification standards for all new buildings, including: <ul style="list-style-type: none"> Solar Panels EV charging stations Reticulating storm water Recycled building materials
2027	Rollover current aircraft fleet to new jets that achieve greater fuel efficiency	Currently exploring newer jet options that are more fuel efficient.
2029	100% of company cars are PHEV or EV	Charging infrastructure and increasing supply + operating costs are currently barriers to progress. Expect this to improve by 2025.
2030	Metro truck fleet are EV or alternate fuel	Charging infrastructure, limited-supply and high operating costs are still barriers to progress. Funding options to bridge additional cost of ownership being explored.
2030	Linehaul truck fleet begins to transition to alternate fuel cell	Hydrogen fuelling infrastructure, limited-supply and high operating costs are still barriers to progress. Funding options to bridge additional cost of ownership being explored. Close monitoring of new technologies in terms of: capability, safety, commerciality.
2028-2035	Light commercial fleet (vans) transitions to alternate fuel cell	Charging infrastructure, limited-supply and high operating costs are still barriers to progress. Funding options to bridge additional cost of ownership being explored. Close monitoring of new van models to assess for time/weight/range capabilities – current available options are very limited. Contractor incomes well-aligned to be able to transition.

Q1 TRADING UPDATE



- In NZ, we have experienced a continuation of same-customer decline in volumes but in AU we have also seen the start of a similar slowdown in same-customer activity;
- Both markets have seen new business gains which are partially mitigating the underlying poor economic conditions;
- An easing of the labour market has been observed and we expect a lower rate of wage inflation from the back end of FY24 when new pay rates are applied;
- The Ruakura temperature-controlled facility has opened for Big Chill and customers will steadily be onboarded over the coming year;
- The delay in EPA licence for Med-X in VIC is delaying our recovery in Waste Renewal, we now expect approval in the new year;
- We are experiencing lower paper prices for recycled paper in both AU and NZ;
- A cost out / re-pricing programme at SRX initiated, expected to benefit H2.

Q1 Consolidated Performance – Unaudited

	Note	Q1 FY24 \$m	Q1 FY23 \$m	Change %
Operating Revenue		298.0	237.4	25.5
EBITDA (non-GAAP)	(i)	55.4	49.5	11.9
EBITA (non-GAAP)	(ii)	36.5	34.0	7.4
NPATA (non-GAAP)	(iii)	21.6	21.0	2.9
NPAT (GAAP)	(iv)	18.4	19.3	(4.7)

NOTES

- i. Operating profit before interest, tax, depreciation and amortisation
 - ii. Operating profit before interest, tax and amortisation
 - iii. Net profit after tax before amortisation
 - iv. Net profit after tax
- GAAP – Generally Accepted Accounting Principles (IFRS-compliant)
 - Results in this table are after NZ IFRS16 (Leases). Refer to appendices for reconciliation to results before NZ IFRS16.

Q1 Express Package & Business Mail – Unaudited and excludes lease accounting

	Q1 FY24 \$m	Q1 FY23 \$m	Change %
Operating Revenue	246.0	184.8	33.1
EBITDA (non-GAAP)	34.4	31.1	10.6
EBITA (non-GAAP)	30.4	27.9	9.0
EBITA Margin	12.4%	15.1%	

Results in this table are before NZ IFRS16 (Leases) and are accordingly non-GAAP. Refer to appendices for reconciliation to results after NZ IFRS16.

NOTES

- i. GAAP – Generally Accepted Accounting Principles (IFRS-compliant)

Q1 Information Management– Unaudited and excludes lease accounting

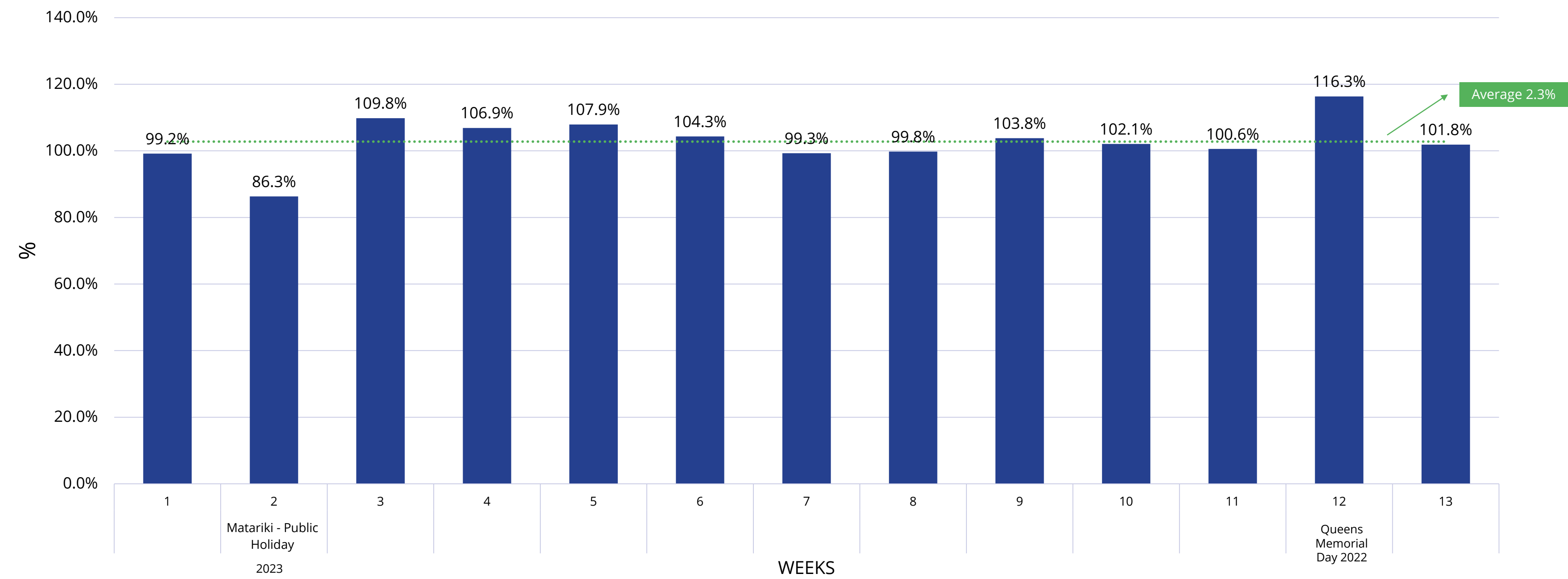
	Q1 FY24 \$m	Q1 FY23 \$m	Change %
Operating Revenue	52.9	53.6	(1.3)
EBITDA (non-GAAP)	8.4	9.7	(13.4)
EBITA (non-GAAP)	6.4	7.5	(14.7)
EBITA Margin	12.1%	14.0%	

Results in this table are before NZ IFRS16 (Leases) and are accordingly non-GAAP. Refer to appendices for reconciliation to results after NZ IFRS16.

NOTES

- i. GAAP – Generally Accepted Accounting Principles (IFRS-compliant)

NZ Network Courier Item Trend For Q1, FY24 as a % Of FY23



CONCLUSION & OUTLOOK

- Existing customers continue to trade approximately 5% below the pcg (on average), new business has helped close some of that gap in both NZ and AU;
- We expect express volumes and paper pricing to continue their current soft trend in both NZ and AU over the course of the short term until signs of an economic recovery emerge;
- The economic environment seems to be worse than we were expecting. Whilst we will be trying to minimise its impact and adjust our cost base in a sustainable way, we now see a risk that EBITA will be at or below the level of last year.

We have a highly experienced and committed team, many of whom have been with us for decades. Our people will continue to be our greatest strength regardless of the economic climate. As we enter a new year their safety and well-being remains foremost in our minds.

- The tight labour market has eased in NZ over the past 3 months and we now have a higher number of applicants per role, we expect this to have a moderating effect on future wage inflation within our businesses, with most of the impact in FY25;
- We continue to assess a number of M&A opportunities for fit and value.

QUESTIONS?

If you wish to ask a question, please simply raise your hand.

For those joining online, select the “Q&A” tab on the right half of your screen at anytime.

Type your question into the field and press “Send”.

Your question will be immediately submitted.



RESOLUTIONS

- That Mark Rushworth be re-elected as a director of Freightways
- That Peter Kean be re-elected as a director of Freightways
- That the total quantum of the annual directors' fee pool be increased by \$107,855 from an aggregate of \$857,145 to an aggregate of \$965,000, such aggregate amount to be divided amongst the directors as they deem appropriate
- That the directors are authorised to fix the Auditors' remuneration



Resolution 1

MARK RUSHWORTH

Re-elected as a director of
Freightways.



Resolution 2

PETER KEAN

Re-elected as a director of
Freightways.



Resolution 3

ANNUAL DIRECTORS' FEE POOL

That the total quantum of the annual directors' fee pool be increased by \$107,855 from an aggregate of \$857,145 to an aggregate of \$965,000, such aggregate amount to be divided amongst the directors as they deem appropriate.



Resolution 4

AUDITORS'

REMUNERATION

That the directors are authorised to fix the Auditors' remuneration.



Disclaimer

READ THIS PRESENTATION WITH THE FINANCIAL STATEMENTS

The financial results in this presentation should be read in conjunction with the financial statements for the year ended 30 June 2023, which can be found in the NZX preliminary results announcement.

NO OFFER OR INVESTMENT ADVICE

This presentation is for information purposes only. It is not a product disclosure statement, prospectus or investment statement. Nothing in it constitutes an invitation to subscribe for shares, securities or financial products in Freightways, or investment or any other kind of advice. Any investor should consult their own professional advisors and conduct their own independent investigation of Freightways and the information contained in this presentation, including any statements relating to the future performance of Freightways. The information in this presentation is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of this presentation.

OUR NON-GAAP INFORMATION

Certain items of financial information included in this presentation are "non-GAAP" financial measures. These non-GAAP financial measures do not have a standardised meaning prescribed by New Zealand Accounting Standards and so may not be comparable to similarly named measures presented by other entities. Freightways believes that these measures provide useful information in measuring the financial position and performance of the Freightways business. However, undue reliance should not be placed on non-GAAP financial measures included in this presentation.

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This presentation may include forward-looking statements regarding future events and the future financial performance of Freightways. Such forward-looking statements are based on current expectations and involve risks and uncertainties. Freightways cautions investors not to place undue reliance on these forward-looking statements, which reflect Freightways' views only as of the date of this presentation. Actual results may be materially different from those stated in any forward-looking statements. Freightways gives no warranty or representation as to its future financial performance or any future matter. Consistent with the NZX and ASX listing rules Freightways will communicate with the market if there is a material change, however it will not update this presentation.

DISCLAIMER

None of Freightways, its affiliates, or their respective advisers or representatives, give any warranty or representation as to the accuracy or completeness of the information contained in this presentation, and exclude their liability to the maximum extent permitted by law.



APPENDICES



Financial Summary - For the Financial Year Ended 30 June 2023

	Note	FY23 \$m	FY22 \$m	Change %
Revenue		1,121.6	873.1	28.5
EBITDA (non-GAAP)	i.	214.9	184.9	16.2
EBITA (non-GAAP)	ii.	145.3	126.5	14.8
NPATA (non-GAAP)	iii.	86.6	77.7	11.5
NPAT (GAAP)	iv.	75.3	70.2	7.3
Basic EPS (cents)		43.1	42.3	

- NOTES
- i. Operating profit before interest, tax, depreciation and amortisation.
 - ii. Operating profit before interest, tax and amortisation.
 - iii. Net profit after tax before amortisation.
 - iv. Profit for the year attributable to shareholders.
 - v. GAAP – Generally Accepted Accounting Principles (IFRS-compliant)

Express Package & Business Mail – For the financial year ended 30 June 2023

	FY23 \$m	FY22 \$m	Change %
Operating Revenue	911.1	689.0	32.2
EBITDA (non-GAAP)	169.8	142.2	19.4
EBITA (non-GAAP)	125.4	107.5	16.7
EBITA Margin	13.8%	15.6%	
NPAT (GAAP)	78.1	70.0	11.6

NOTES

- i. Results in this table are after NZ IFRS16 (Leases).

Information Management – For the financial year ended 30 June 2023

	FY23 \$m	FY22 \$m	Change %
Operating Revenue	214.3	187.1	14.6
EBITDA (non-GAAP)	56.4	55.2	2.1
EBITA (non-GAAP)	32.7	33.1	(1.3)
EBITA Margin	15.3%	17.7%	
NPAT (GAAP)	18.0	18.2	(1.1)

NOTES

- i. Results in this table are after NZ IFRS16 (Leases).

Appendix. unaudited

FREIGHTWAYS GROUP	Note	Q1 FY24 \$M	Q1 FY24 \$M	Q1 FY24 \$M	Q1 FY23 \$M	Q1 FY23 \$M	Q1 FY23 \$M
		POST NZ IFRS16	NZ IFRS16 ADJUSTMENT	PRE NZ IFRS16 (NON-GAAP)	POST NZ IFRS16	NZ IFRS16 ADJUSTMENT	PRE NZ IFRS16 (NON-GAAP)
Operating Revenue		298.0	-	298.0	237.4	-	237.4
EBITDA (non-GAAP)	(i)	55.4	(15.1)	40.3	49.5	(11.7)	37.8
EBITA (non-GAAP)	(ii)	36.5	(2.5)	34.0	34.0	(2.0)	32.0
NPATA (non-GAAP)	(iii)	21.6	0.9	22.5	21.0	0.5	21.5
NPAT (GAAP)	(iv)	18.4	0.9	19.3	19.3	0.5	19.8

Appendix. Reconciliation of Pre-NZ IFRS16 to Post-NZ IFRS16 (Unaudited)

EXPRESS PACKAGE & BUSINESS MAIL	Q1 FY24 \$m	Q1 FY23 \$m	Change %
Operating Revenue	246.0	184.8	33.1
EBITDA (before NZ IFRS16)	34.4	31.1	10.6
Add: NZ IFRS16 adjustment	9.9	6.9	44.3
EBITDA (after NZ IFRS16)	44.3	38.0	16.6
EBITA (before NZ IFRS16)	30.4	27.9	9.0
Add: NZ IFRS16 adjustment	1.5	1.0	50.8
EBITA (after NZ IFRS16)	31.9	28.9	10.5

NOTES

- i. EBITDA and EBITA are non-GAAP measures

Appendix. Reconciliation of Pre-NZ IFRS16 to Post-NZ IFRS16 (Unaudited)

INFORMATION MANAGEMENT	Q1 FY24 \$m	Q1 FY23 \$m	Change %
Operating Revenue	52.9	53.6	(1.3)
EBITDA (before NZ IFRS16)	8.4	9.7	(13.4)
Add: NZ IFRS16 adjustment	5.1	4.8	6.3
EBITDA (after NZ IFRS16)	13.5	14.5	(6.9)
EBITA (before NZ IFRS16)	6.4	7.5	(14.7)
Add: NZ IFRS16 adjustment	1.1	1.0	10.0
EBITA (after NZ IFRS16)	7.4	8.6	(14.0)

NOTES

- i. EBITDA and EBITA are non-GAAP measures

FREIGHTWAYS ANNUAL SHAREHOLDERS MEETING

26 October 2023
NZX | ASX : FRW

Freightways



ANNUAL SHAREHOLDERS MEETING

A. CHAIRMAN'S INTRODUCTION

Slide 1. Freightways - 26 October 2023, Annual Shareholders Meeting

Slide 2. Mark Cairns, Chairman

Nau mai, haere mai. Tena tatou katoa.

Good morning Ladies and Gentlemen. I am Mark Cairns, the Chairman of Freightways.

Welcome to today's Annual Shareholders Meeting. It's great to be able to be meeting in person again, and a very warm welcome to the people joining us online also.

With us today are my fellow directors; Mark Rushworth, Peter Kean, Abby Foote, David Gibson and Fiona Oliver. Mark and Peter are standing for re-election and will address the meeting later today.

We will shortly be hearing from our Chief Executive, Mark Troughear. Up on the stage, we also have our Chief Financial Officer, Stephan Deschamps and our General Counsel and Company Secretary, Nicola Silke. Other members of our Executive are also present in the room today, keen to have a chat with you over a sausage roll after the conclusion of the formal business.

Also here today are the Company's Auditors, PricewaterhouseCoopers and the Company's external legal advisors, Russell McVeagh.

We have a quorum of shareholders, so I declare the meeting open.

Firstly a few housekeeping matters: The bathrooms are located in the western foyer area – near where you entered. In the unlikely event of an emergency, you will be required to evacuate and gather at the assembly point outside on Reimer's Avenue. Should this occur please exit the room through the rear doors and follow the directions of Eden Park staff or security. Could I request you take this opportunity to switch your mobile phones to silent please?

Slide 3. How to ask questions

As set out in your meeting guide, any shareholder or proxy attending the meeting or participating online, is eligible to ask a question.

Can I ask please that shareholders give their name when speaking asking questions, and to confirm if they are a shareholder or proxy holder. As usual, during question time, roving microphones will be available to ensure that your questions are conveyed to everyone present and online. Please wait for the microphone prior to asking your question.

If you are attending online, please select the Q&A tab on the right half of your screen anytime, then type your question into the field and press

'Send'. Please note that while you can submit questions from now on, I will not address them until the relevant time in the meeting.

We may amalgamate questions of a similar nature. If, at the end of the meeting, you don't feel your question was addressed or you would like to discuss it further, please contact us via the Investor Contact on our website.

Should you require any assistance using the Computershare Online Platform, you can type your query in the Q&A tab in the same manner as typing a question and one of the Computershare team will assist with the chat function and reply to your query. Alternatively, you can call Computershare on 0800-650-034.

All of the resolutions put to shareholders today will be decided by way of a poll.

The polls will be administered by our share registry and the results of the polls will be announced via the stock exchanges after the close of the meeting.

Slide 3. How to vote

If you are attending the meeting virtually, when asked at the relevant time that resolutions are put, if you are eligible to vote at this meeting, you will be able to cast your vote under the Vote tab. Once the voting has opened, the resolutions will allow votes to be submitted. To vote,

simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution. Your vote has been cast when the tick appears. To change your vote, simply select 'Change Your Vote'. You have the ability to change your vote, up until the time I declare voting closed. In order to provide you with enough time to vote, I will shortly open the voting for all resolutions.

Persons attending the meeting, who are not shareholders, proxy holders or corporate representatives of a shareholder, may not vote.

I now declare voting open on all items of business. The resolutions will now be open in the vote tab, please submit your votes at any time. I will give you a warning before I move to close voting.

I will remind everyone again of these two processes when we come to vote on the resolutions later in the meeting.

Slide 4. Meeting Order

I would now like to run through the structure of the meeting:

The Notice of Meeting, which includes the explanatory notes, was circulated to all shareholders and I intend to take this as read.

I will begin with procedural matters, and then summarise some of the Company's highlights over the last Financial Year. I will then ask our Chief Executive Mark Troughton, to provide an overview of the Company, update on current trading performance, and give a commentary on our outlook for the remainder of the financial year

Following Mark's presentation and any questions relating to the management of the company, I will then introduce the formal resolutions as outlined in the Notice of Meeting.

Proxies have been appointed for the purpose of this meeting in respect of approximately 73 million ordinary shares. As was indicated on the proxy form, where proxy discretion has been given, as Chairman, I intend to vote those proxies in favour of the four resolutions set out in the Notice of Meeting. I also note that as set out in the proxy form, the directors standing for re-election will abstain from voting discretionary proxies in respect of their appointments. As requested by the New Zealand Shareholders Association, we will not disclose the voting of proxies received ahead of shareholders voting on them today.

The Financial Statements for the year ended 30 June 2023 are set out in the Company's Annual Report, released to shareholders in August.

I would now like to speak briefly to some of the highlights of Freightways' 2023 year.

Slide 5. General highlights – Financials FY2023

Despite a more challenging economic environment, I am proud to report that the business still managed to generate a significant revenue increase of 29% to more than \$1.1 billion. A strong contributor to this increase was our first major acquisition in the Australian parcel market with Allied Express, but even our existing businesses increased their revenues by more than 7%, against these headwinds, reflecting both price increases and on-going market share gains on the back of market leading service levels.

As was the case last year, our bottom line growth was not as fast as our topline one. This mostly reflects the ongoing scarcity and cost of labour, largely experienced during the first half of the year. With many positions remaining vacant for extended periods of time, we had to increase the use of temporary workers, at higher cost, in order to maintain our service levels. Additionally, productivity was impacted, requiring more staff than normal, increasing labour costs by 10%. Earnings Before Interest Tax and Amortisation (EBITA) increased by 15%, to \$145.3 million.

The acquisition of Allied Express has increased our level of debt and hence our interest expense. Net Profit After Tax (NPAT) increased by almost 7% to \$75.3 million.

We are now seeing evidence that the labour pressure is easing, and we are focusing this year and the next on margin restoration.

Slides 6. – Dividend

Freightways were pleased to announce a Final Dividend of 19 cents per share, bringing the total annual dividend to 37 cents per share, stable on the prior year. When setting the dividend, the Board is mindful both of the expectations of our shareholders and of our balance sheet capacity. With debt currently close to the maximum level we are comfortable with, the Board decided to pay the Dividend at 75% of our earnings.

To wrap up - It has been another big year. I consider the business is in very good shape with many future opportunities. I would like to thank our 6,000 strong team, ably led by Mark and his Management Team who have had an unwavering focus on *“Moving you to a Better Place”*.

I would like to thank my fellow Directors and you our investors, for your continued loyalty and support, particularly throughout the difficult COVID years.

Nga mihi nui.

I will now hand over to Mark.

Slide 7. Freightways – Mark Troghear, Chief Executive Officer

B. CHIEF EXECUTIVE OFFICER'S REVIEW AND TRADING UPDATE

Thankyou Mark.

Welcome to those shareholders joining us for our 2023 ASM.

Also welcome those from the FRW team in the room, I would like to express my thanks to you and your teams for the outstanding work you have done over the past year.

I'll talk to a brief summary of;

- FRW Strategy including our high level ESG goals, and
- Provide a trading update for Q1 along with some comments on the outlook for the year ahead]

Slide 8. Freightways Growth Strategy

FRW operates a number of specialist logistics businesses which at their core: pick-up, process and deliver collectively over 100m items per annum

These operations span express package & business mail, temperature-controlled distribution, information management and waste renewal.

The core capabilities that underpin our success in these markets are;

- A focus on striving for efficiency: (100m items, 500m individual movements)

- Delivering reliably for our customers – where accuracy is paramount
- Loving our customers – retaining their loyalty, understanding their needs – both now and in the future, and
- Acting like entrepreneurs across all of our businesses activities, investing money as if it were our own, constantly searching for new horizons of growth

We consider each of these activities has 3 horizons of growth as depicted in the table.

- The first horizon, is the base from which we established our operations. It provides the infrastructure, customer base and resources for our networks.
- The second, represents the activities we are rapidly scaling, leveraging the base established in horizon 1
- Horizon 3, represents future revenue streams which we are currently developing now, and that we expect to be material in 5 years' time.

Slide 8. Strategy – Express Package and Business Mail

Horizon One: B2B

EXTEND AND DEFEND

- Focus on a profitable market share gains
- Improve the resilience of airfreight network
- Assess metropolitan “local” service levels, infrastructure costs and pricing

Horizon Two: B2C

GROW SCALE

- Leverage our trans-Tasman presence for cross border eCommerce customers
- Maintain high levels of service to be able to command a premium for B2C deliveries

Horizon Three: Oversize

ESTABLISH NEW LINES OF BUSINESS

- Scale Oversize revenue in NZ
- New business teams to grow Allied's market share in Oversize in AU
- Assess bolt-on M&A opportunities in AU

Slide 8. Strategy – Temperature Controlled

[Horizon One: National Delivery

EXTEND AND DEFEND

- Pursue market share opportunities as new infrastructure (trucks and depots) comes on stream

Horizon Two: 3PL

GROW SCALE

- Utilisation of 95% in Auckland
- Ruakura has now opened, targeting 50% utilisation by end of FY24

Horizon Three: Same Day

ESTABLISH NEW LINES OF BUSINESS

- Roll out of national delivery for convenience stores
- Grow scale with new coolstore capacity brought on during 2023

Slide 9 Strategy – Information Management

Horizon One: Storage

EXTEND AND DEFEND

- Improvement in utilisation of existing warehouses through market share gains
- AU boxes now >3m, strongest growth achieved in WA (up 7% year on year)

Horizon Two: Digitisation

GROW SCALE

- Large scale digital project completed in NZ
- Digital revenues in AU up 39% for year, we will continue to target growth in AU and NZ

Horizon Three: eCommerce 3PL

ESTABLISH NEW LINES OF BUSINESS

- STOCKA eCommerce offering showing strong growth. To meet demand a new 3PL warehouse is expected to be added in June 2024

Slide 9 Strategy – Waste Renewal

[Horizon One: Secure Destruction]

EXTEND AND DEFEND

- Paper prices likely to be more volatile in FY24
- Continued focus on market share gains

Horizon Two: Medical Waste

GROW SCALE

- VIC processing plant built and awaiting EPA approval
- Target market share gains in VIC, NSW, QLD

Horizon Three: High Value Waste

ESTABLISH NEW LINES OF BUSINESS

- Build profitability in SaveBoard after establishment year
- Target product destruction market
- Continue to source circular loop solutions for hard to recycle waste

Slide 10 ESG Update

FRW approach to ESG is to target our work on those areas where we and our stakeholders feel we can move the dial. The 4 SDG's presented on this slide are our primary areas of focus.

3. GOOD HEALTH AND WELLBEING

Health and safety in employment

- Health and safety in employment: Injury reduction. TRIFR continues to reduce year on year.

8. DECENT WORK AND ECONOMIC GROWTH

- Our commitment is to improve Contractor earnings year on year and ensure we lead the market with the quality of contractors within our fleets
- L&D – We will continue to invest in training our people so 80% or more of our promotions come from within

9. INDUSTRY, INNOVATION AND INFRASTRUCTURE

- We will target to maintain a customer churn rate of <2% of revenue
- We are committed to continued growth in Horizon's 2 & 3

13. CLIMATE ACTION

- GHG emissions reduction with a target to reduce Scope 1, 2 & 3 emissions by 50% by 2035, ensuring that our contribution to Global Warming is no greater than 1.5 degrees Celsius
- The average age of linehaul vehicles (in our direct control) is 4 years or less

Commitment to assisting the development of circular re-use of waste through SRX - our waste renewal business.

Slide 11 Carbon Reduction

TIMELINE	INITIATIVE	COMMENT
2023	Green building specification for new buildings	Discovery being completed on specification standards for all new buildings, including: <ul style="list-style-type: none"> • Solar Panels • EV charging stations • Reticulating storm water • Recycled building materials
2027	Rollover current aircraft fleet to new jets that achieve greater fuel efficiency	Currently exploring newer jet options that are more fuel efficient.
2029	100% of company cars are PHEV or EV	Charging infrastructure and increasing supply + operating costs are currently barriers to progress. Expect this to improve by 2025.
2030	Metro truck fleet are EV or alternate fuel	Charging infrastructure, limited-supply and high operating costs are still barriers to progress. Funding options to bridge additional cost of ownership being explored.
2030	Linehaul truck fleet begins to transition to alternate fuel cell	Hydrogen fuelling infrastructure, limited-supply and high operating costs are still barriers to progress. Funding options to bridge additional cost of ownership being explored. Close monitoring of new technologies in terms of: capability, safety, commerciality.
2028-2035	Light commercial fleet (vans) transitions to alternate fuel cell	Charging infrastructure, limited-supply and high operating costs are still barriers to progress. Funding options to bridge additional cost of ownership being explored. Close monitoring of new van models to assess for time/weight/range capabilities – current available options are very limited. Contractor incomes well-aligned to be able to transition.

Slide 12. Q1 Trading Update

- In NZ, we have experienced a continuation of same-customer decline in volumes but in AU we have also seen the start of a similar slowdown in same-customer activity;
- Both markets have seen new business gains which are partially mitigating the underlying poor economic conditions;
- An easing of the labour market has been observed and we expect a lower rate of wage inflation from the back end of FY24 when new pay rates are applied;
- The Ruakura temperature-controlled facility has opened for Big Chill and customers will steadily be onboarded over the coming year;
- The delay in EPA licence for Med-X in VIC is delaying our recovery in Waste Renewal, we now expect approval in the new year;
- We are experiencing lower paper prices for recycled paper in both AU and NZ;
- A cost out / re-pricing programme at SRX initiated, expected to benefit H2.

Slide 13 Consolidated Trading Performance - Q1 Unaudited and includes lease accounting

- The 1st quarter of FY23 saw revenue up 25.5% to \$298m, EBITDA up 11.9% to \$55.4m and EBITA up 7.4% to 36.5m on the pcg
- NPAT was down on the pcg due to higher debt and interest rates as well as an increase in amortisation costs

The key features of the trading result were:

- Higher revenue – driven by the addition of Allied Express to the group, market share gains in most businesses and price increases implemented in July
- Labour costs were also materially higher reflecting the tight labour conditions that exist on both sides of the Tasman, increases in minimum wage driving up the entry rates as well as additional sick leave provisions

Slide 14 Q1 Express Package & Business Mail Unaudited and excludes lease accounting

- The 1st quarter of FY23 saw revenue up 33%, EBITDA up 10.6% and EBITA up 9% on the pcip

Slide 15 Q1 Information Management – Unaudited and excludes lease accounting

- The 1st quarter of FY23 saw revenue down 1.3%, EBITDA down 13.4% and EBITA down 14.7% on the pcip
- Our storage businesses have demonstrated solid growth in the first quarter however the recovery for MDX which was expected at the end of the first quarter with the impending EPA approval for our Victorian medical waste facility has been delayed until early 2024.
- We are also experiencing lower paper prices in both NZ and AU

Slide 16 NZ Network Courier Item Trend For Q1, FY24 as a % Of FY23

The graph illustrates the growth in items for our NZ Network Express Package businesses (consistent with previous presentations) over the first quarter of FY24.

The graph shows weekly item growth v the corresponding week last year and averages 2.3% over the period. A proportion of that growth represents smaller items from new cross border eCommerce customers which travel through the network at a lower price per item than our average.

Slide 17. Outlook

- Existing customers continue to trade approximately 5% below the pcg (on average), new business has helped close some of that gap in both NZ and AU;
- We expect express volumes and paper pricing to continue their current soft trend in both NZ and AU over the course of the short term until signs of an economic recovery emerge;
- The economic environment seems to be worse than we were expecting. Whilst we will be trying to minimise its impact and adjust our cost base in a sustainable way, we now see a risk that EBITA will be at or below the level of last year.
- The tight labour market has eased in NZ over the past 3 months and we now have a higher number of applicants per role, we expect this to have a moderating effect on future wage inflation within our businesses, with most of the impact in FY25;
- We continue to assess a number of M&A opportunities for fit and value.

- I'd like to once again thank the experienced and committed teams of people who continue to be our greatest strength, their safety and well-being remains foremost in our minds.

ENDS