

**MAINFREIGHT LIMITED
ANNUAL MEETING OF SHAREHOLDERS
30 JULY 2019**



MAINFREIGHT

A quick look back at F19 ...

GROWTH

8,079 Team members up 506
260 Branches up 13
24 Countries up 2 (Malaysia & Japan)

REVENUE

Revenue up 12.9% to \$2.95 billion (excluding FX up 10.8%)
An increase of \$337.39 million
Offshore revenues now exceed \$2.24 billion

EBITDA

EBITDA at \$257.05 million, up 19.5% or \$41.94 million
Excluding FX up 18.0%

NET SURPLUS

Net surplus after tax before abnormal items up 26.0%
to \$141.08 million

Discretionary Bonus / Dividend / Earnings Per Share

BONUS

Payable at Board's discretion to qualifying team members
Up \$6.5 million to \$27.2 million

DIVIDEND

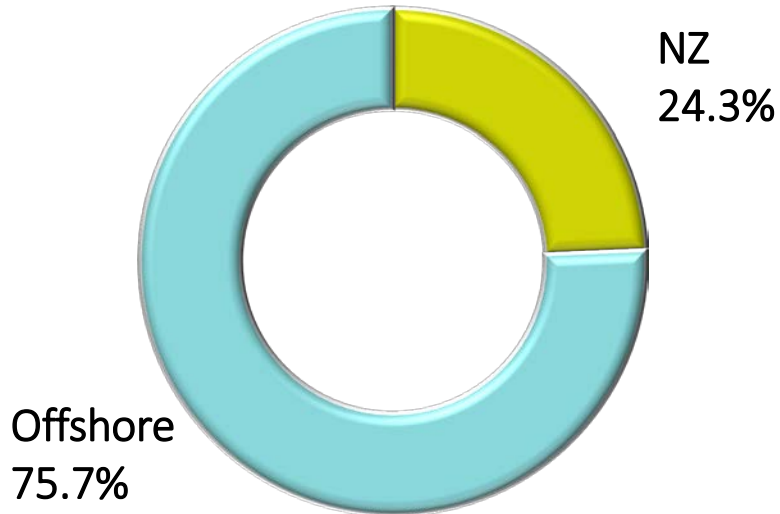
Total dividend for year 56.0 cents per share, up 11.0 cents or 24.4%
from 45.0 cents in the previous year

EARNINGS

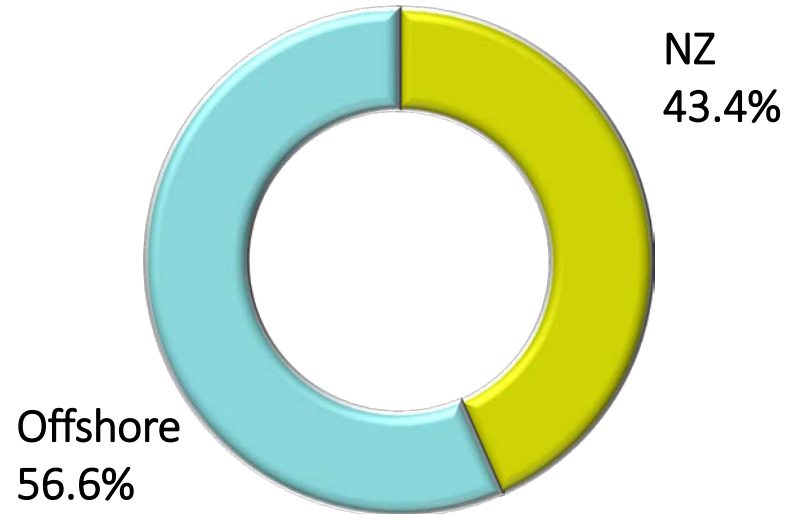
Adjusted earnings per share 140 cents, up from 111 cents in the previous
year

Contribution: New Zealand vs Offshore

Revenue F19



Net Profit F19

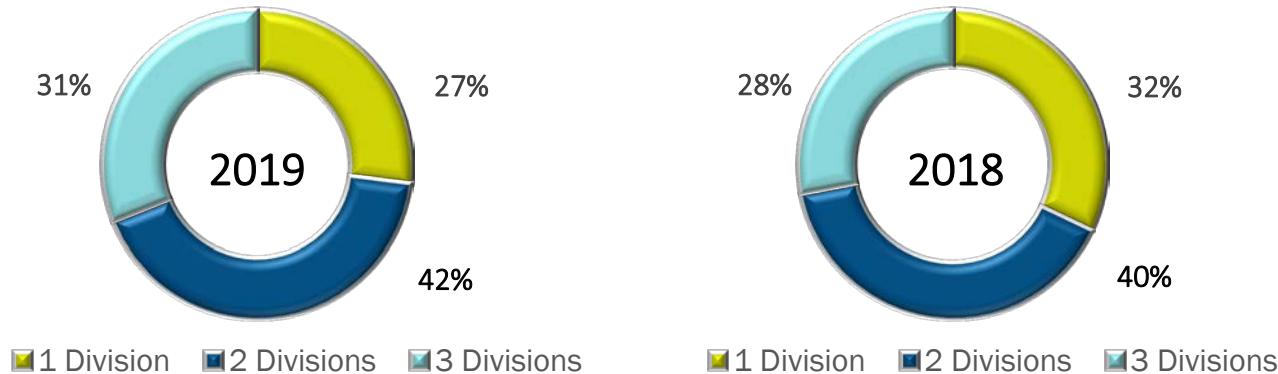


Performance by Division – Our 3 Core Products

NZ\$000		THIS YEAR	LAST YEAR	VARIANCE		VAR ex FX	
Group	Revenue	2,954,087	2,616,700	12.9%	↑	10.8%	↑
	EBITDA	257,049	215,114	19.5%	↑	18.0%	↑
Transport	Revenue	1,450,942	1,297,013	11.9%	↑	10.2%	↑
	EBITDA	156,681	128,382	22.0%	↑	21.2%	↑
Warehousing	Revenue	346,567	289,080	19.9%	↑	17.5%	↑
	EBITDA	37,282	33,142	12.5%	↑	10.9%	↑
Air & Ocean	Revenue	1,156,578	1,030,607	12.2%	↑	9.6%	↑
	EBITDA	63,086	53,590	17.7%	↑	14.9%	↑

Our Customers

- Total customers: 35,000+
- Primarily FMCG, Food/beverage, DIY, retail, pharmaceutical and manufacturing
- Top 500 customers produce 56% of revenue
- 31% of Top 500 now utilize all three products, up from 28% last year



Core Strategic Initiatives

- Intensification of our network
 - Globally, regionally, within cities
- Be closer to our customers
 - Our network: not agents or others
- Added value and simple, effective technology
- High quality, purpose-built facilities
- Dedicated, motivated, energetic and well-rounded team of people

Our Areas of Focus

- It's about our People
 - Culture
 - Sharing our strategy and direction
- It's about our Network
 - Customers that fit, and help our intensification
- It's about our Quality
 - Our customers matter
- It's about our Growth
 - Sales – organic growth
 - 3 core products: Transport, Air & Ocean, Warehousing
 - Growth mindset – all contribute to winning business



Capital Expenditure

\$90 m

This year; delayed settlements on property transactions

\$430 m

Expected capital investment next two years

37

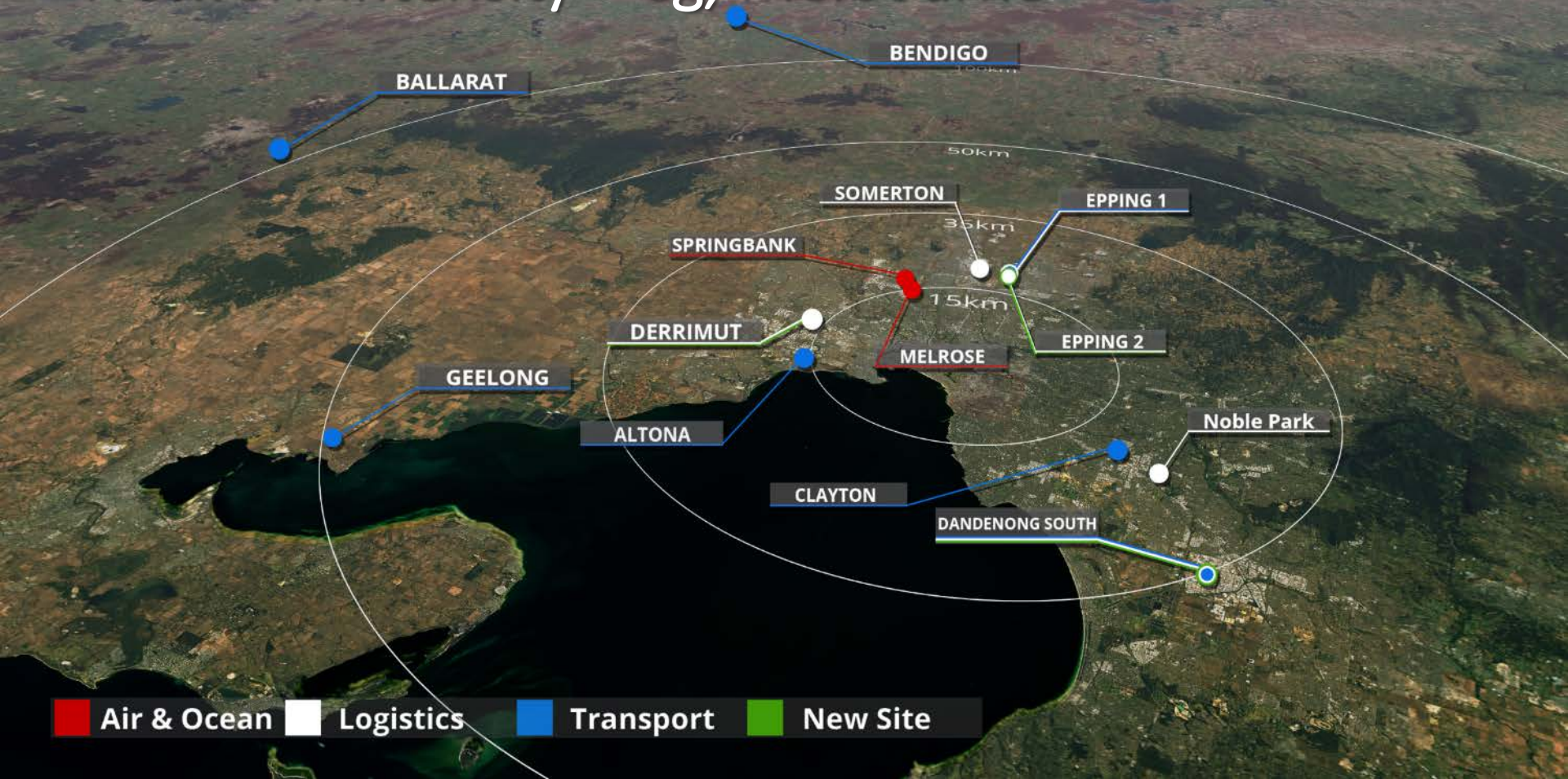
Land and building projects underway

Our Network Model – Why?

- Decentralised, provide services where our customers need them
- Offer fully integrated, end-to-end service
- Retain freight in our network
- Control quality, consistency and service
- Capitalise on organic growth



Network Intensity – eg, Melbourne





Melbourne: Epping II
Targeted completion: April 2020

"The little yellow digger ..."



Melbourne: Dandenong
Targeted completion: mid-2021

Glasscocks Road

"Size does matter"

Other Locations: Recently completed and planned



Sydney: Kookaburra
Completed: early 2019

"Flying the flag"



STAGE 2

STAGE 1

Sydney: Enfield
Planning underway

"Rail rocks"



Mt Maunganui: Mangatawa
Targeted completion: late 2020

"This will be special"



West Auckland: Hobsonville
Targeted completion: 2021

“Westies”



Netherlands: Zaltbommel
Completed: late 2018

“There ain’t no hills in the Netherlands”

- Plus a raft of smaller Warehousing and Transport facilities in various regions and countries – leased and owned



Trading Updates: Overview

- First quarter to June 2019 ahead of prior year
 - Could have been better
 - Fewer trading days in April: New Zealand & Australia most affected
 - Improved contributions from Europe and the Americas (and to a lesser extent from Asia)
 - Air & Ocean and Warehousing divisions across all regions contributed better than Transport
- Expect half year to show improvement
 - Sales pipelines reasonably full
 - Economic conditions concerning, but expect to offset with stronger sales activity



External Factors

BREXIT

Maintaining watch; will present opportunities

China/USA

Lower volumes on direct trade-lanes; partially offset by increases in other Southeast Asia/USA lanes

Global Trade

Evidence of slowing international trade; looking to market share activity to offset wherever possible

Sales / Sales / Sales



What Fuels our 100-year Journey?

- Our people: individuals who get us, will grow our culture, and are with us for a career
- Our customers: be effective and useful for them
- Quality: be better than expected and keep improving
- Growth: think bigger and bolder
- Longevity: think next decade, not next quarter

Be here for future generations!



*We remain an ambitious
bunch of so & so's!*

