



Port of Tauranga

Connecting New Zealand and the World

Presentation to Analysts

23 August 2024

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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 and challenges

For the year ended 30 June 2024

Group Net Profit After Tax

2022	2023	2024
\$111.3	\$117.1	\$90.8¹

Revenue

2022	2023	2024
\$375.3	\$420.9	\$417.4

Container volumes

2022	2023	2024
1.24	1.18	1.15

Ship visits

2022	2023	2024
1,369	1,432	1,427

Total trade

2022	2023	2024
25.6	24.7	23.6

Imports

2022	2023	2024
9.7	9.0	7.8

Exports

2022	2023	2024
15.9	15.7	15.8

Subsidiary and associate company earnings

2022	2023	2024
\$15.0	\$13.3	\$9.4

Total ordinary dividend

2022	2023	2024
14.7	15.6	14.7

Final dividend

2022	2023	2024
8.2	8.8	8.7

Scholarships

2022	2023	2024
18	18	18

Greenhouse gas emissions reduction (Scope 1 and 2)

2022	2023	2024
11.2%	9.1%	3.9%

Container crane rate

2022	2023	2024
32.1	27.9	30.1

Total Recordable Injury Frequency Rate

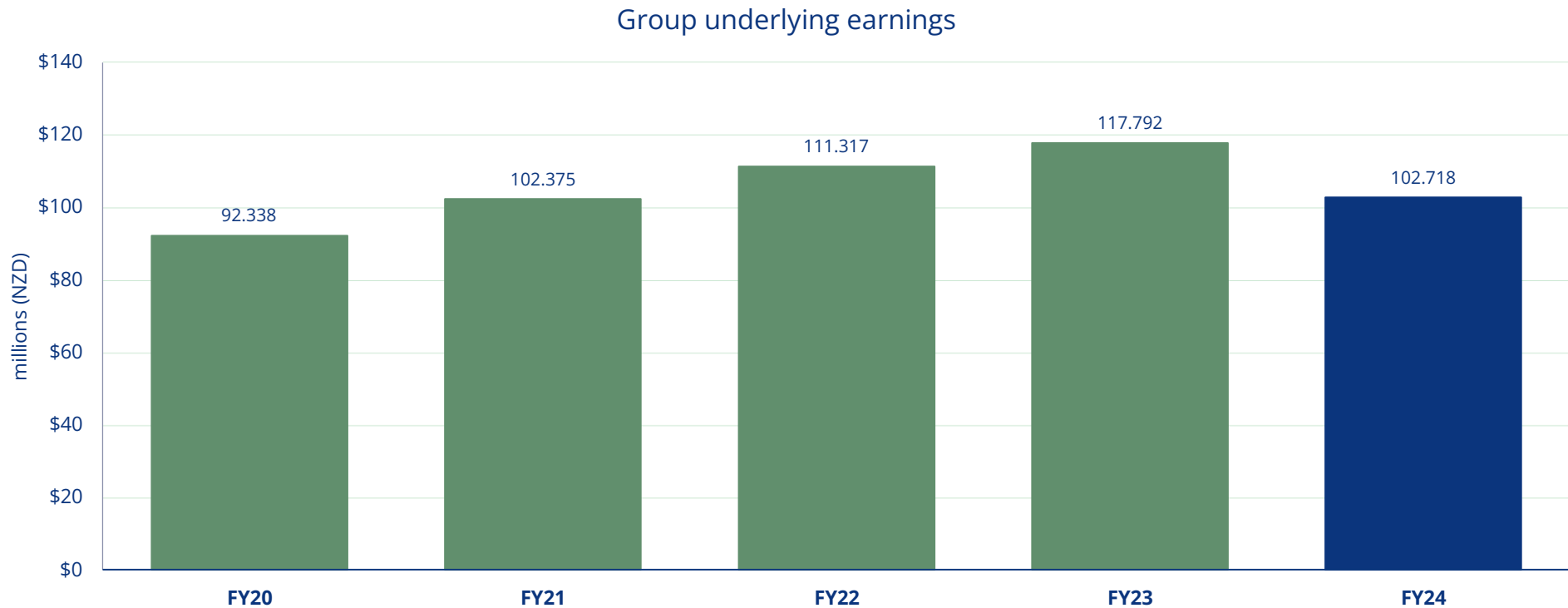
2022	2023	2024
0	4.5	2.2
per million hours worked (Port of Tauranga only)		
per million hours worked (Port of Tauranga and contractors combined)		
26.7	20.7	13.2
(36.2% decrease)		

¹ Includes one-off deferred tax expense of \$11.9 million. Underlying Group profit is \$102.7 million

² TEUs = twenty foot equivalent units, a standard measure of shipping containers

Group underlying earnings down 12.8%

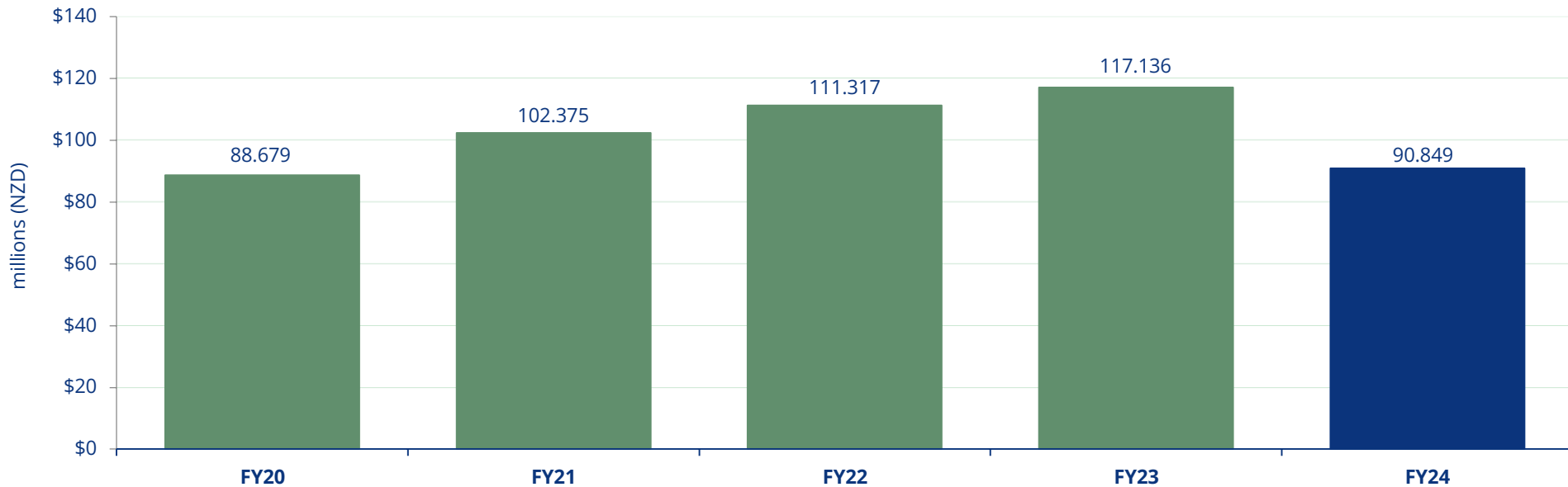
For the year ended 30 June 2024



Group reported net profit after tax down 22%

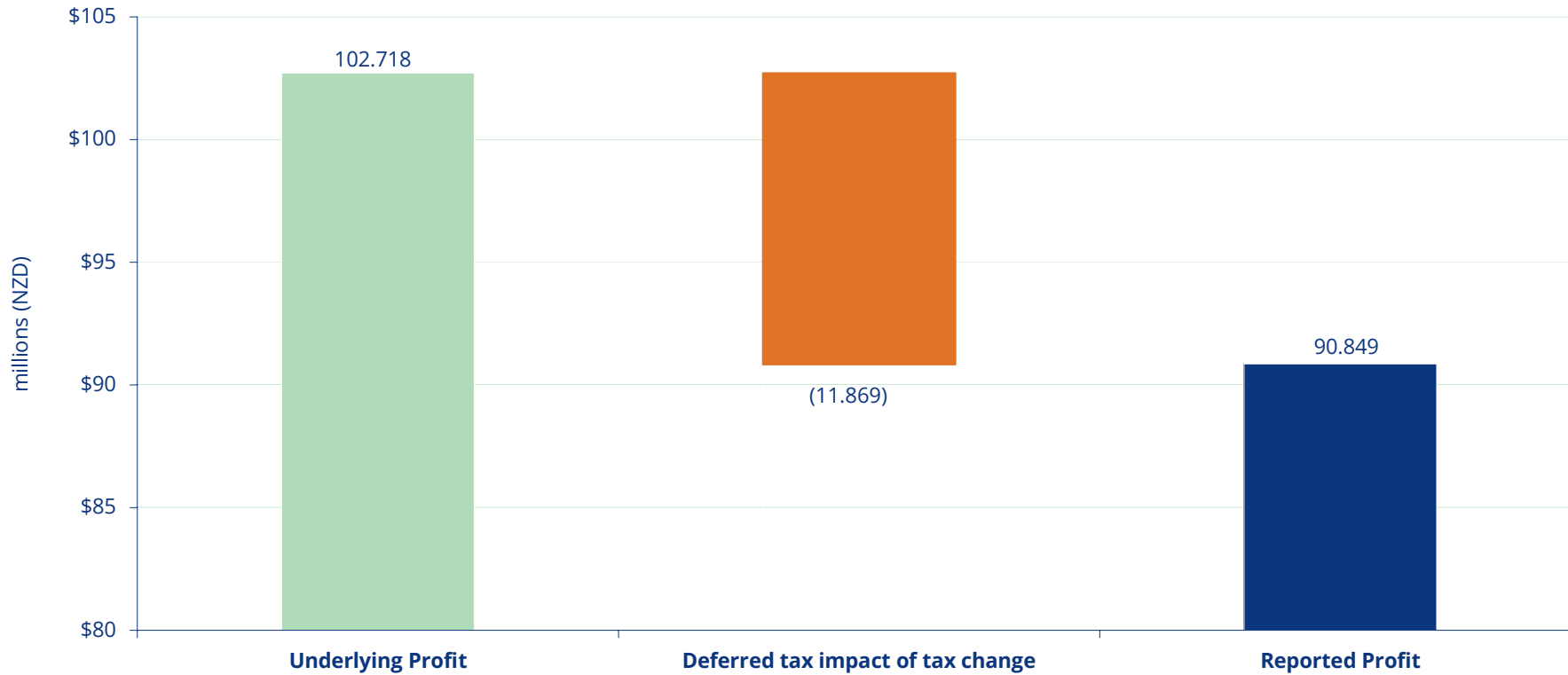
For the year ended 30 June 2024

Group net profit after tax
For the year ended June 2024



Group underlying earnings

For the year ended 30 June 2024



Ordinary dividends decreased 5.8%

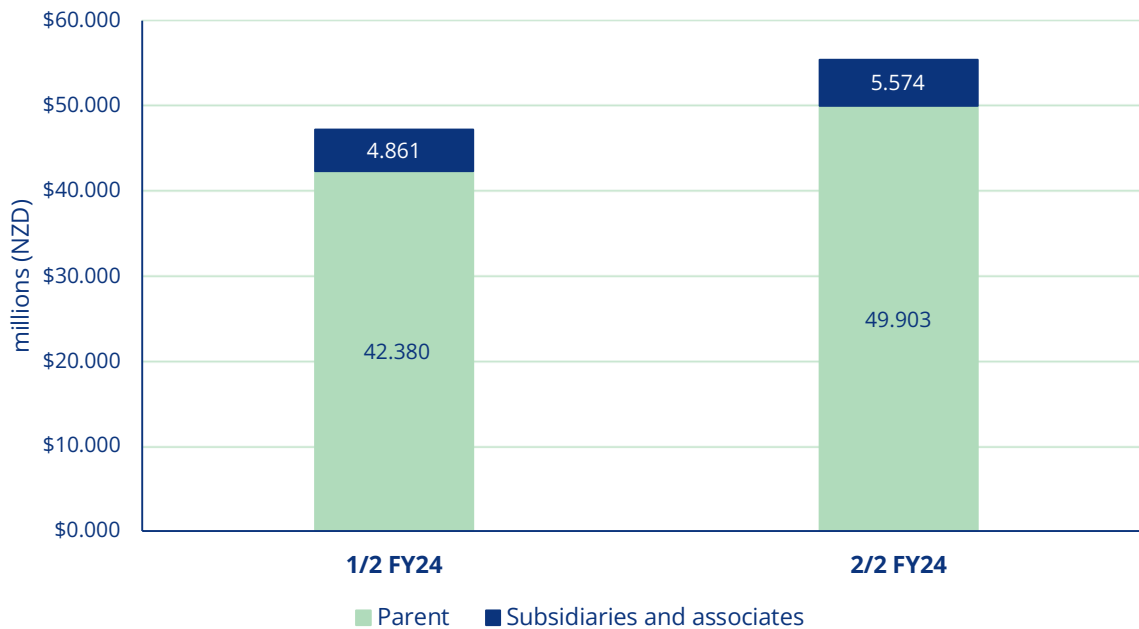
For the year ended 30 June 2024



A much improved second half performance

For the year ended 30 June 2024

Group underlying earnings up 17.4% to \$55.477 million in the second half

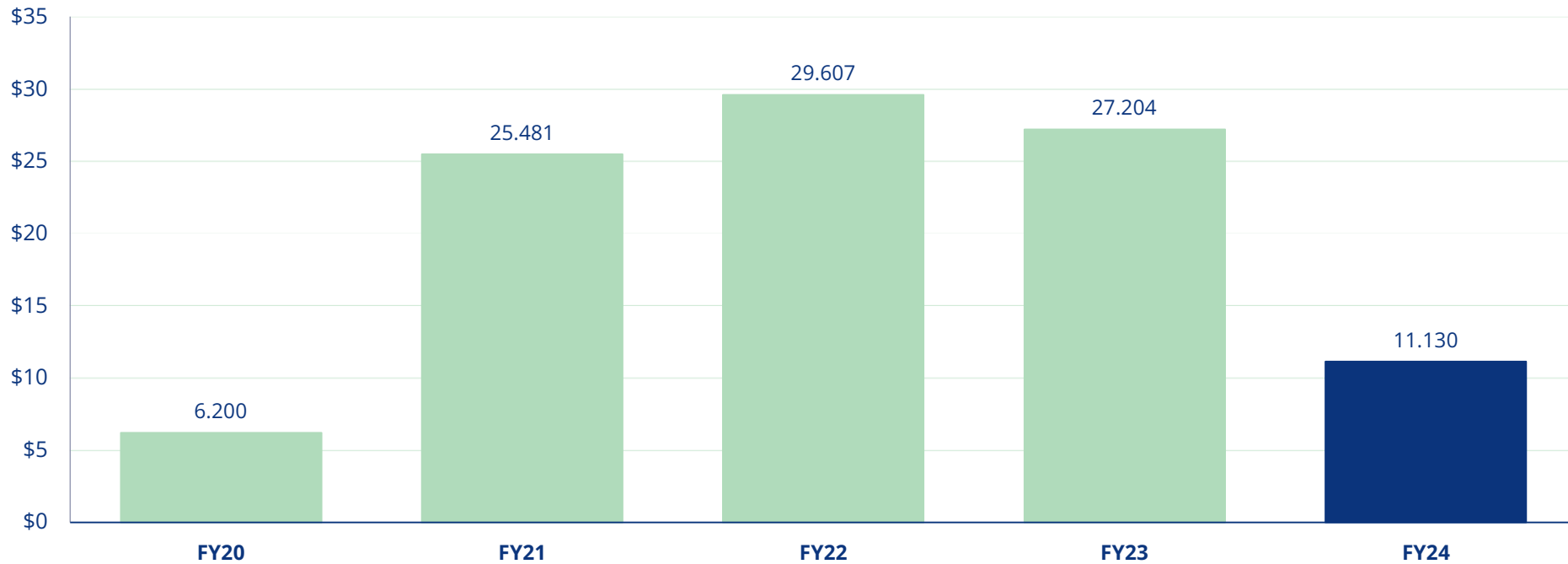


	1/2 FY24	2/2 FY24	Movement
Trade volumes tonnes	11,634,279	12,014,535	3.3%
Total containers (TEUs)	536,928	610,422	13.7%
Vessel Visits	674	753	11.7%

Terminal storage revenues down 59%

For the year ended 30 June 2024

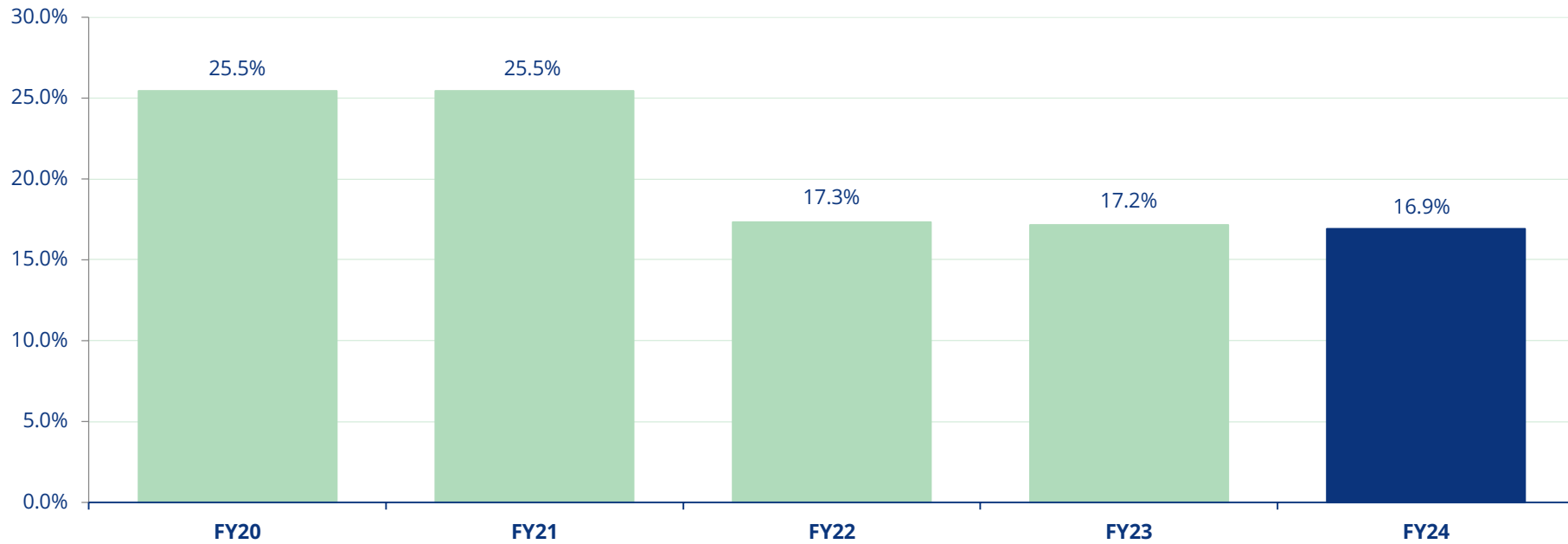
Terminal container storage income



Net debt / net debt + equity

For the year ended 30 June 2024

Net debt / net debt + equity
For the year ended June 2024



Total trade down 4.2% (- 8.5% half year)

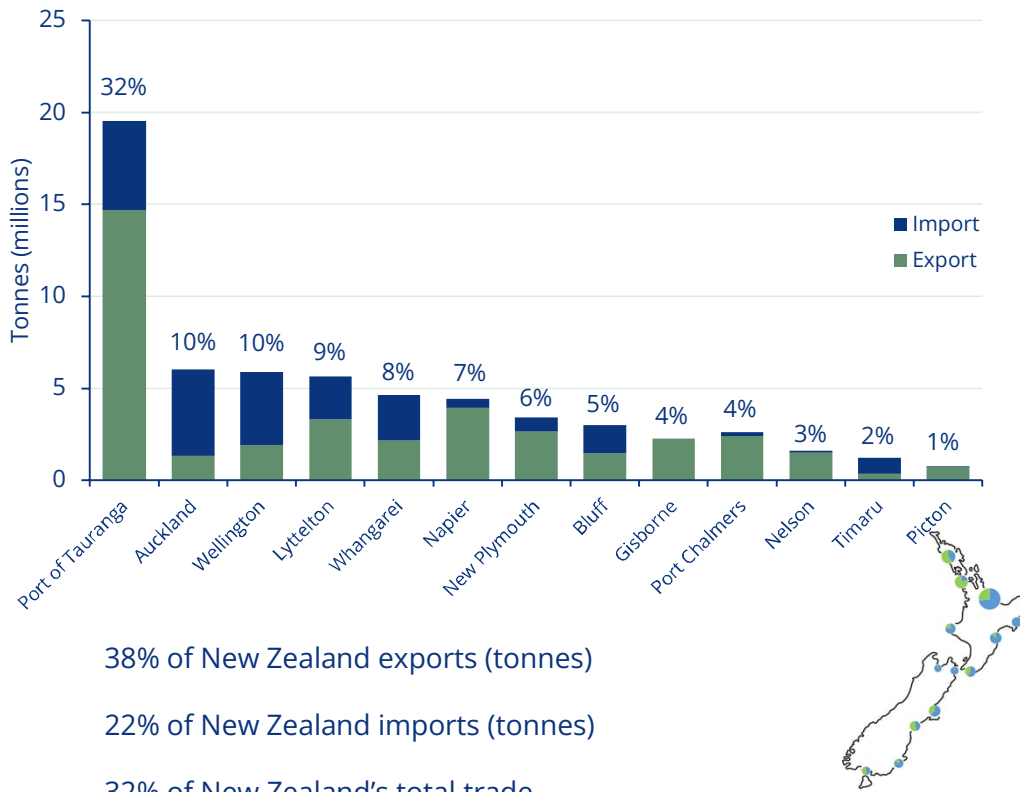
For the year ended 30 June 2024



New Zealand's largest port

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Total New Zealand tonnes by port FY2024



38% of New Zealand exports (tonnes)

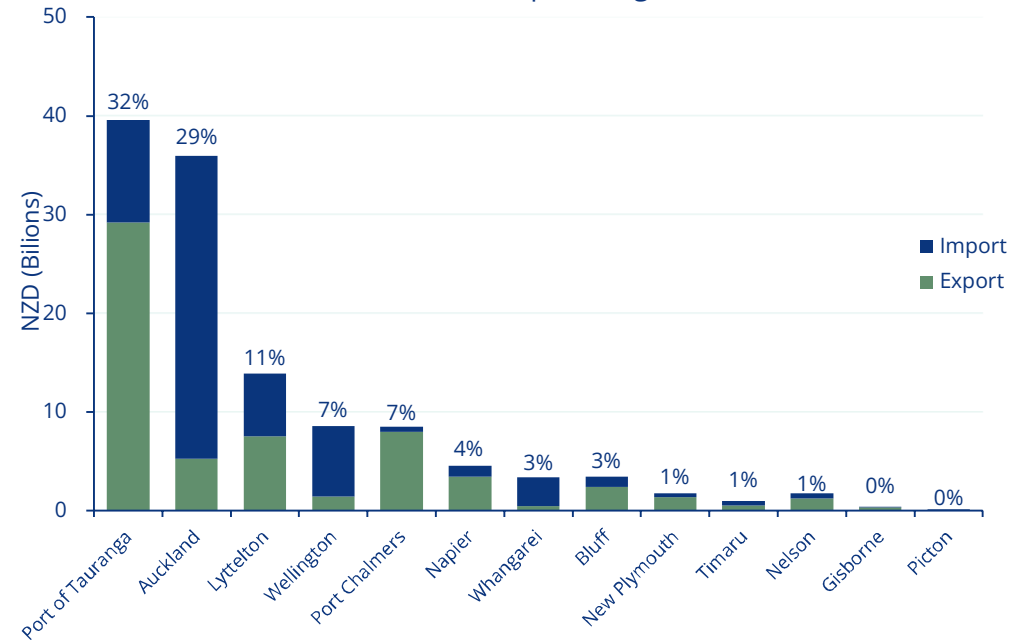
22% of New Zealand imports (tonnes)

32% of New Zealand's total trade



Source: StatsNZ: Overseas Cargo Statistics
12 months to June 2024

Total New Zealand sea port cargo value FY2024



47% of New Zealand exports by value

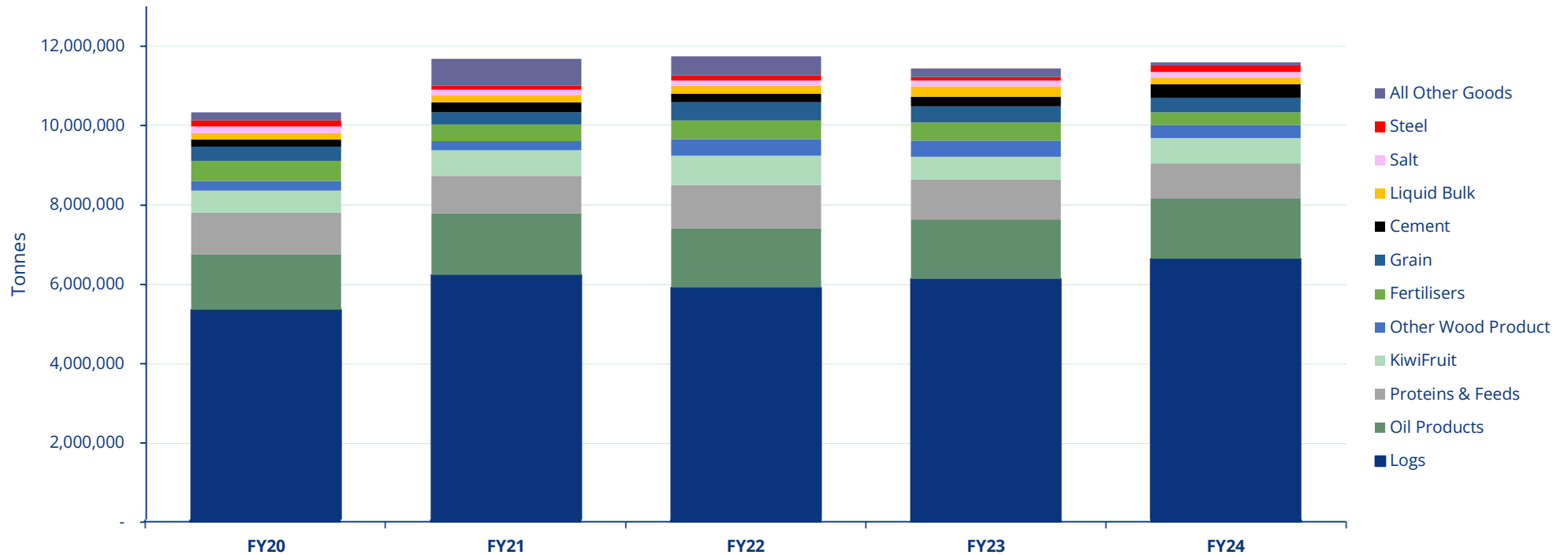
17% of New Zealand imports by value

32% New Zealand's total trade by value

Bulk cargo up by 1.4% (+5% at the half year)

For the year ended June 2024

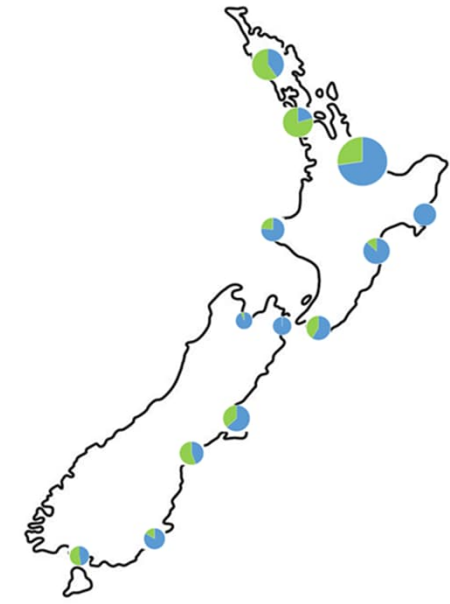
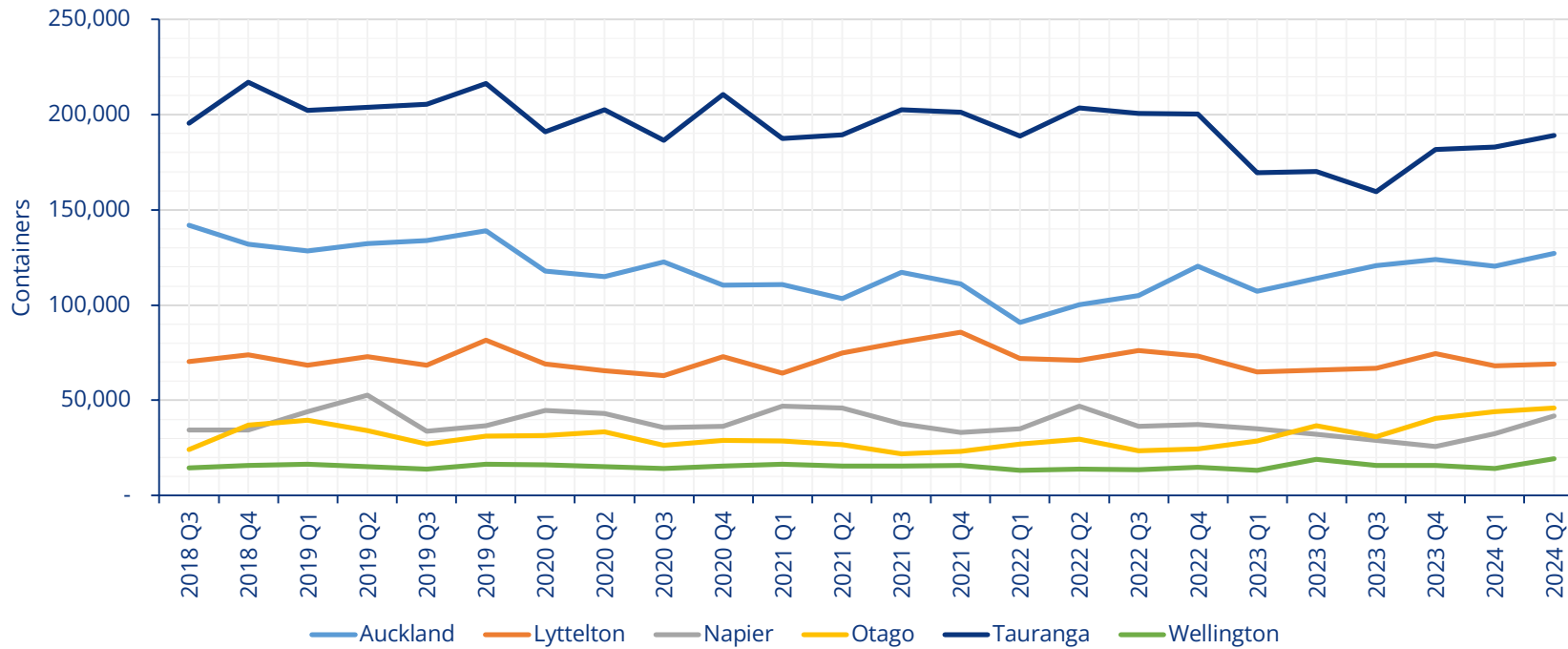
Overall breakbulk volumes by commodity for the year ended June 2024



New Zealand's largest container terminal

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New Zealand Ports total containers handled by quarter (FIGS MOT)



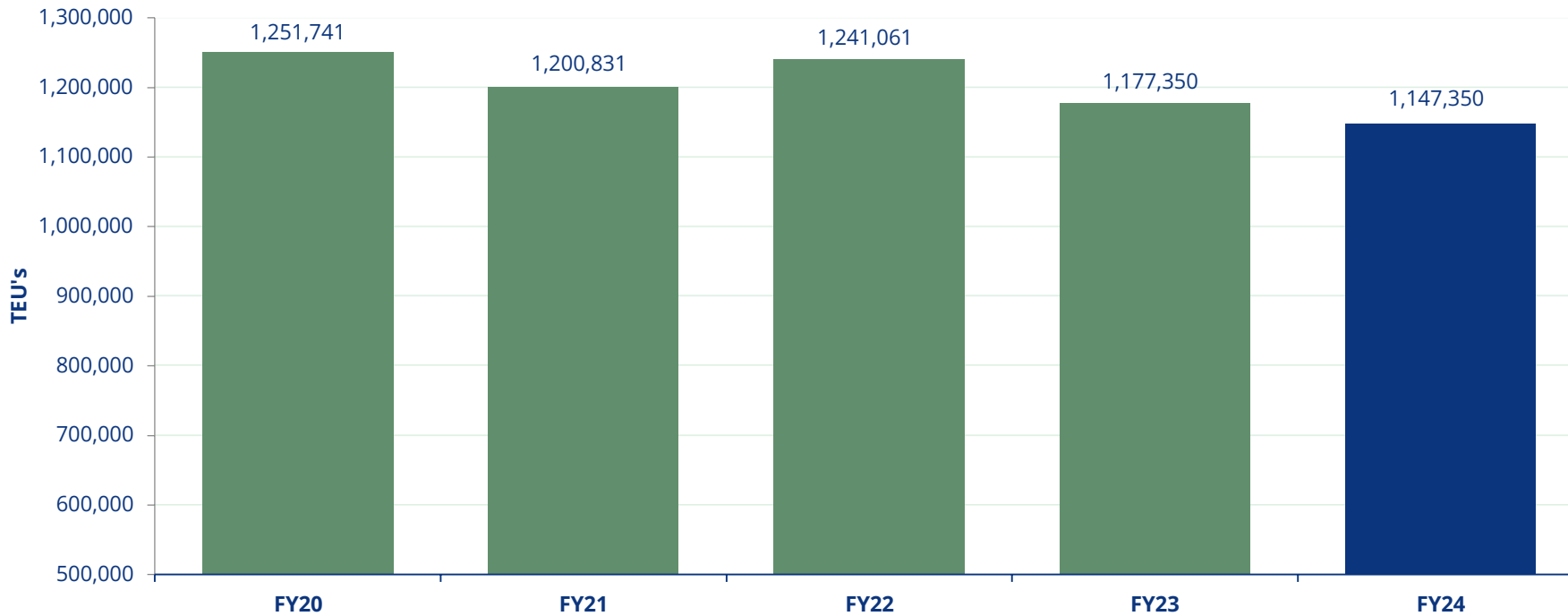
39% of New Zealand's container trade

Source: FIGS, Ministry of Transport
12 months to June 2024

Total container volumes down 2.5% (-15% at half year)

For the year ended 30 June 2024

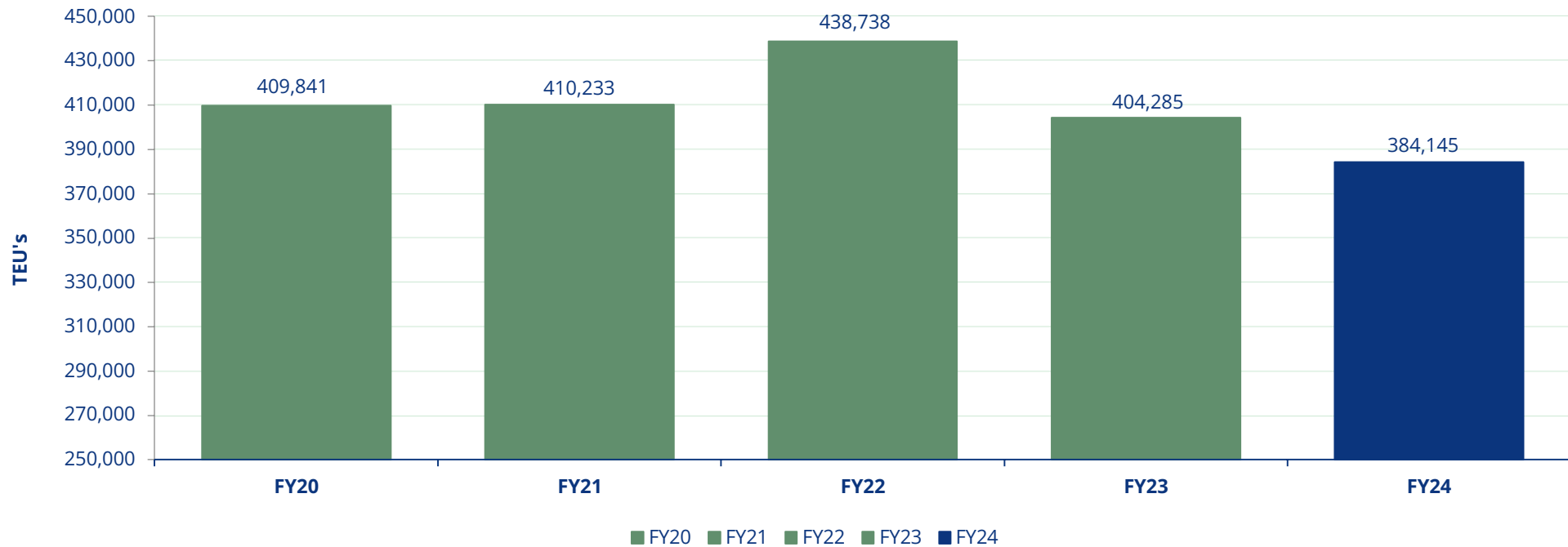
Container volumes down 2.5%
Year ended June 2024



Import container volume down 4.9% (-17.9% at the half year)

For the year ended 30 June 2024

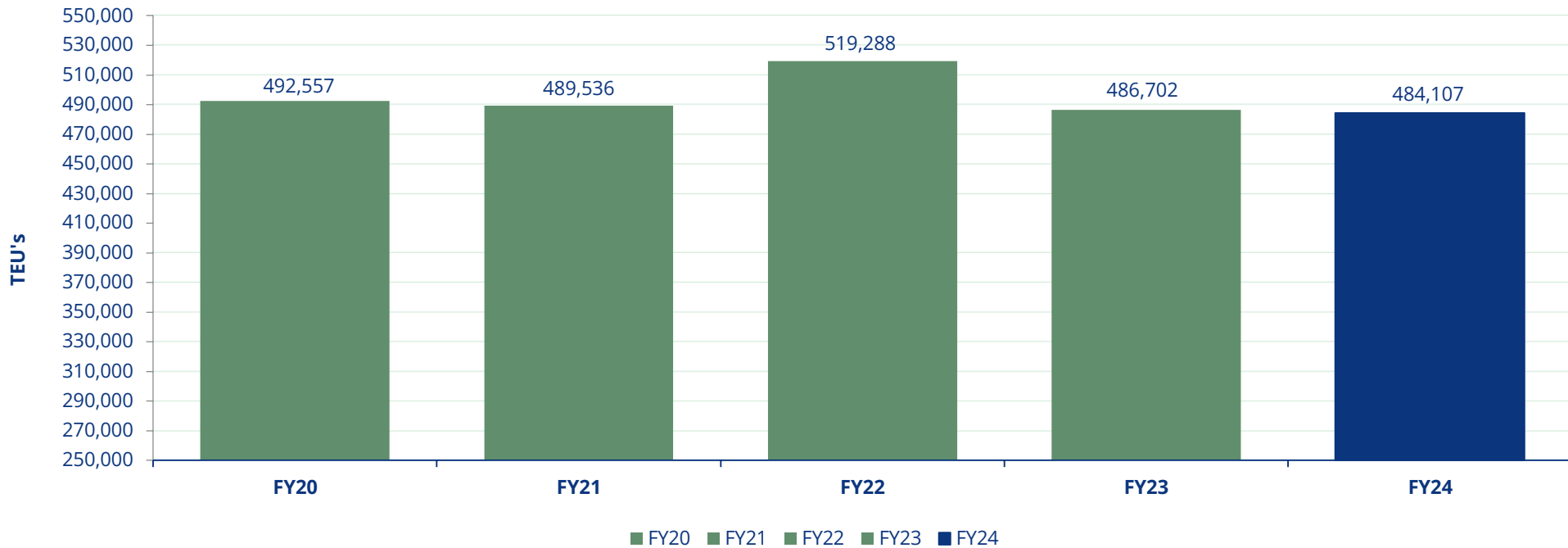
For the year ended June 2024



Export container volume down 0.5% (-8% at the half year)

For the year ended 30 June 2024

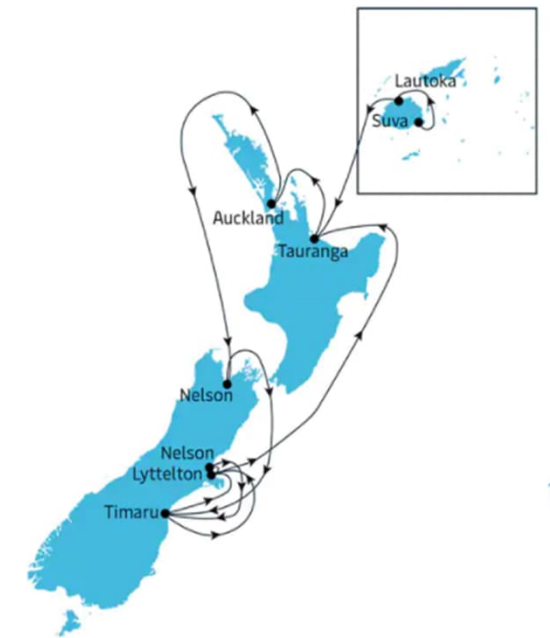
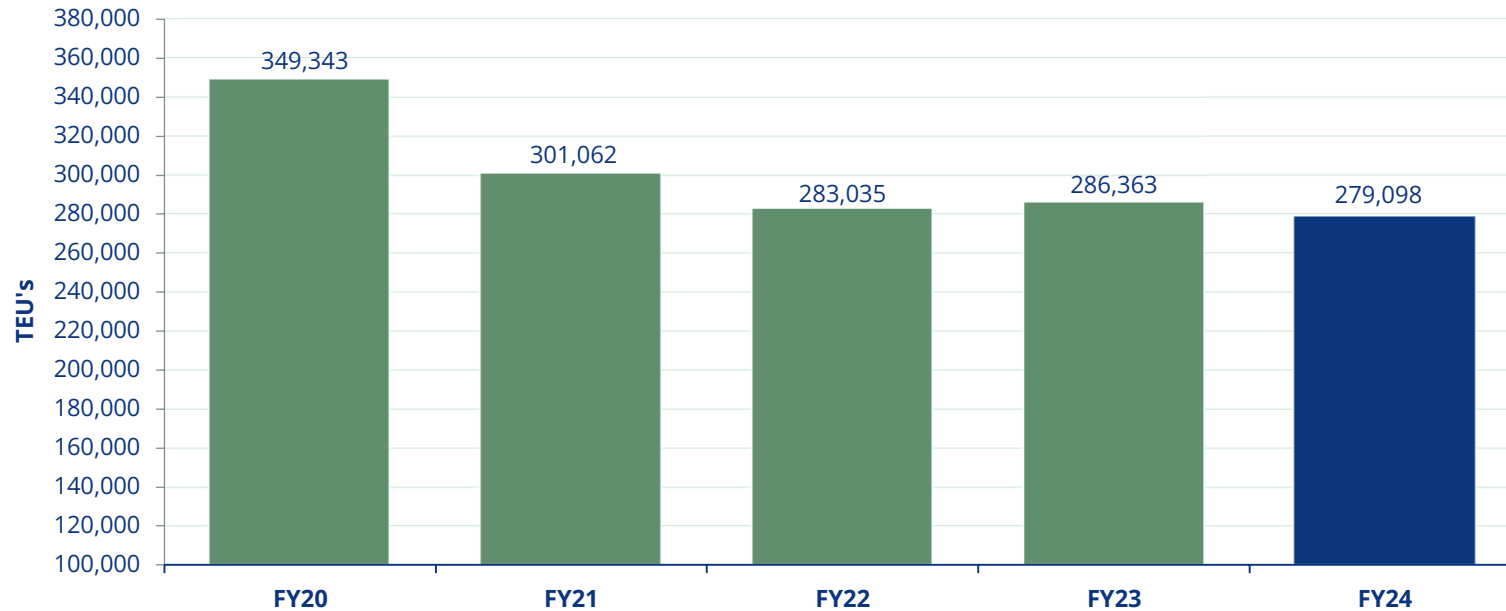
For the year ended June 2024



Transshipment container volume down 2.5% (-25% at the half year)

For the year ended 30 June 2024

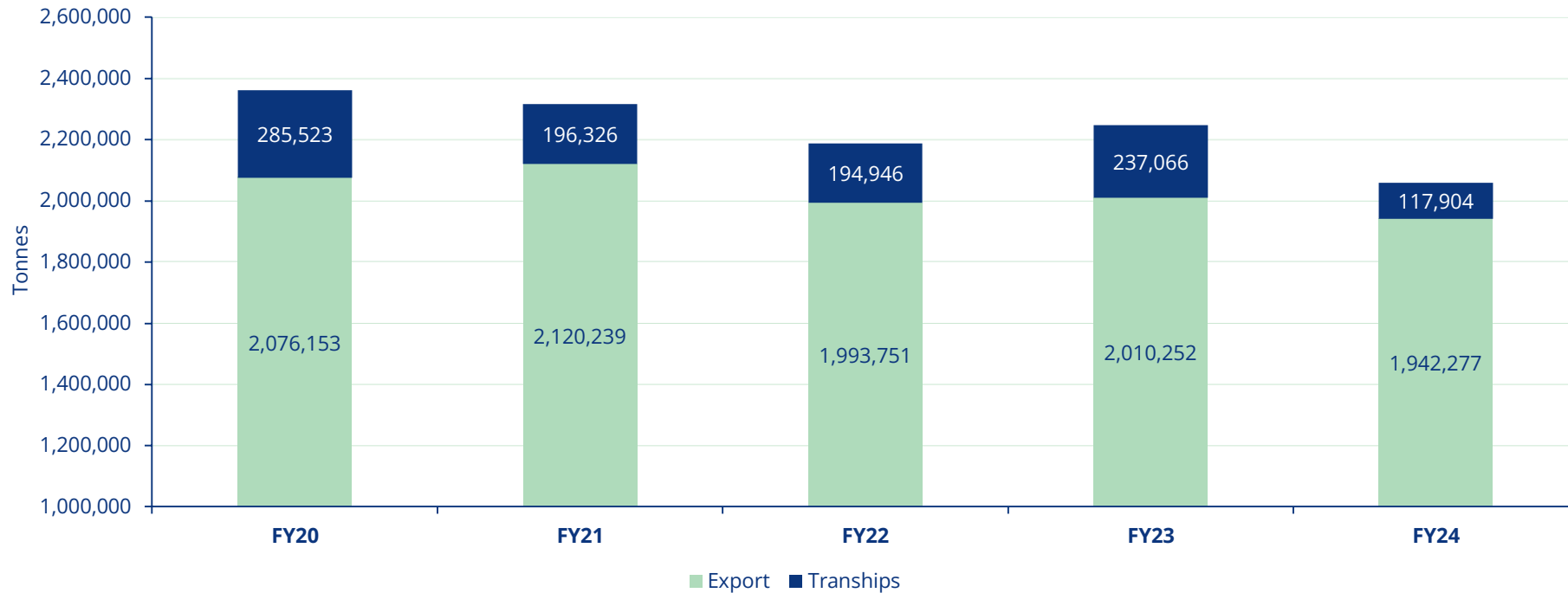
For the year ended June 2024



Total dairy volume down 8.3%

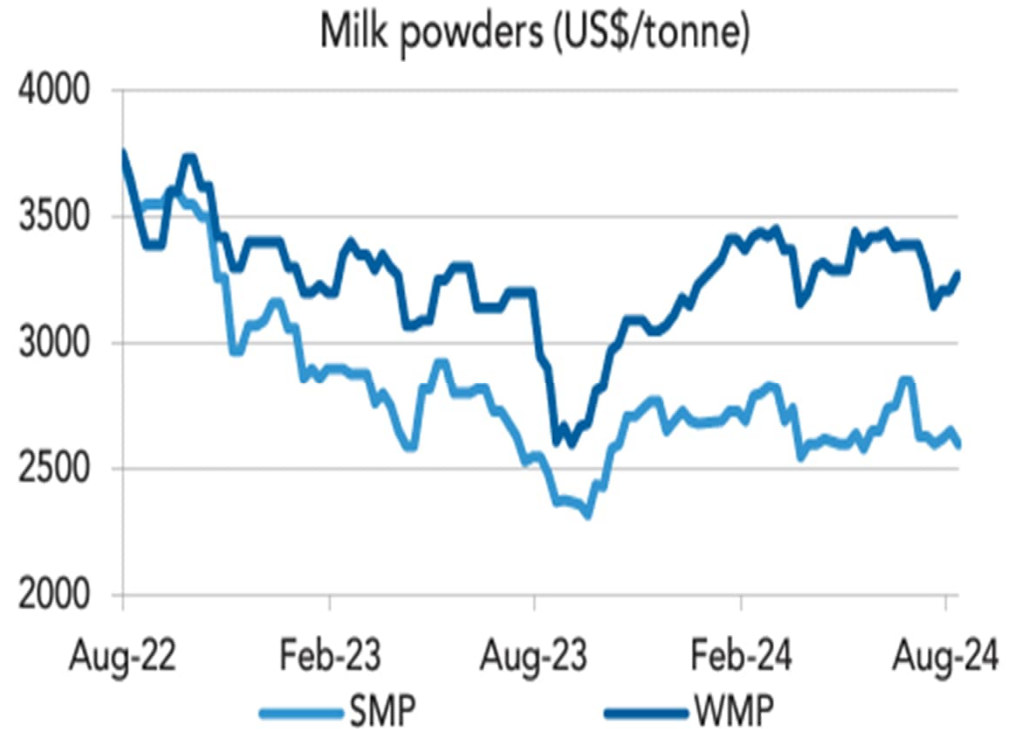
For the year ended 30 June 2024

Dairy – direct export and transhipment
For the year ended June 2024



Dairy outlook

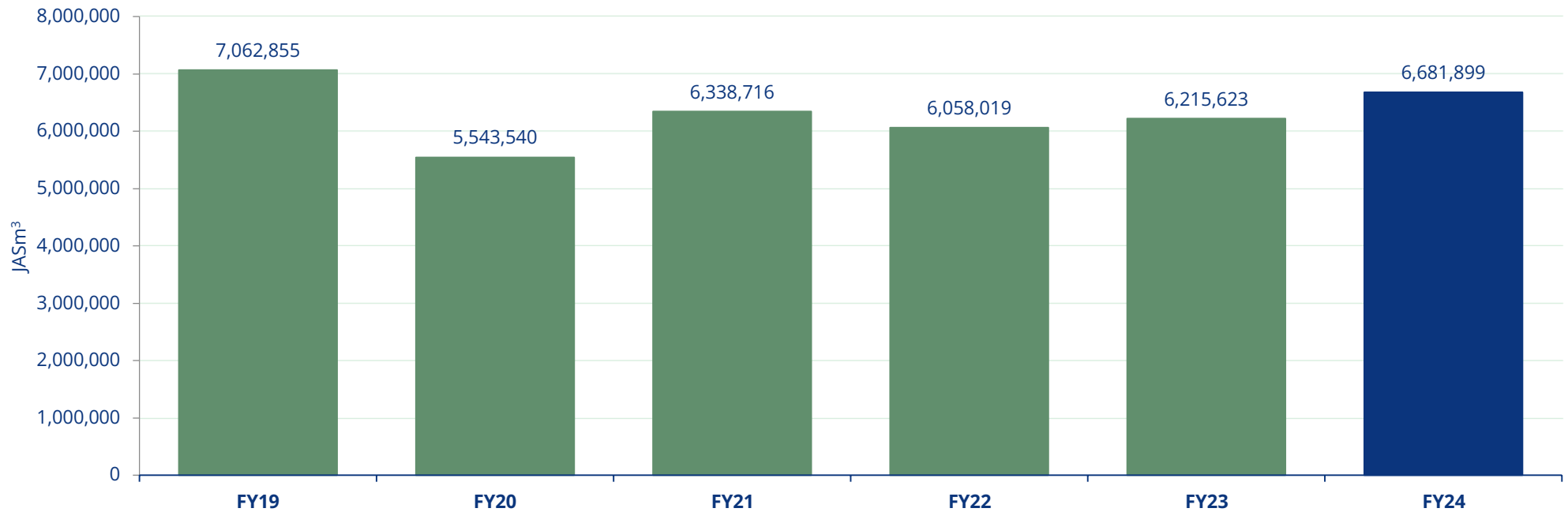
- Milk volumes continue to be in line with previous season, with product mix continuing to move away from whole milk powder into butter, cheese and skim milk powder.
- Looking forward, milk supply and demand dynamics remain finely balanced - China import volumes have not yet recovered to historic levels, with demand shifts to Middle East and Americas.
- Some signs of market pricing recovery – indications are that could take 18 months to normalise.
- China production , economic recovery and geopolitical response- a watching concern.



Log exports up 7.5%

For the year ended 30 June 2024

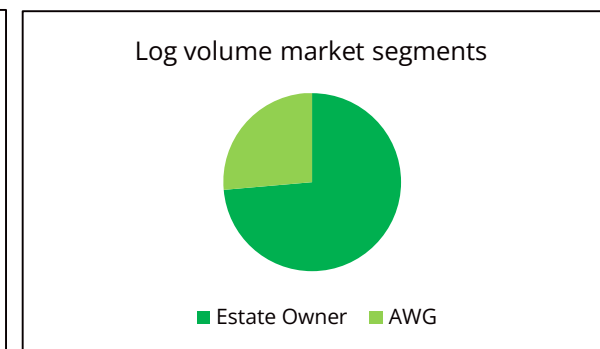
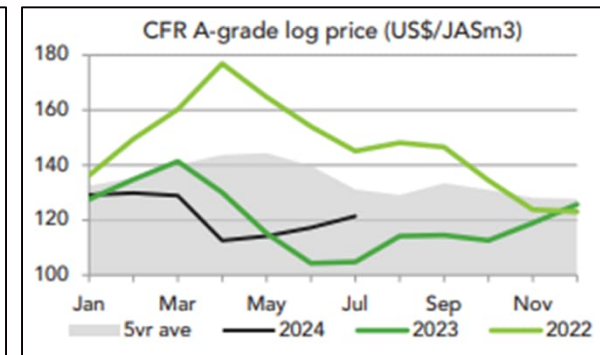
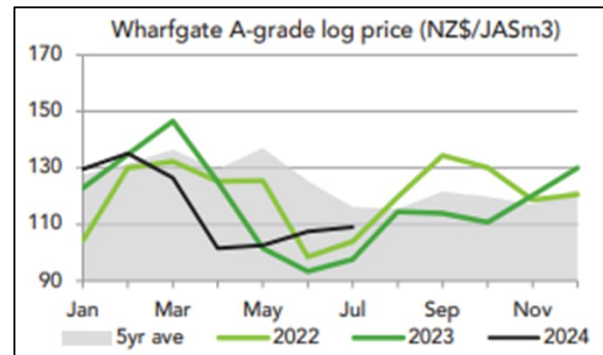
Log exports
year ended June 2024



Forestry outlook

- Downturn in China continuing to weigh on the export market.
- Some optimism that market has bottomed out.
- Overall declining NZ volume to China however 74% of Tauranga export volume from forest estate owners who manage a sustainable cut to generate fixed income - as such less price sensitive.

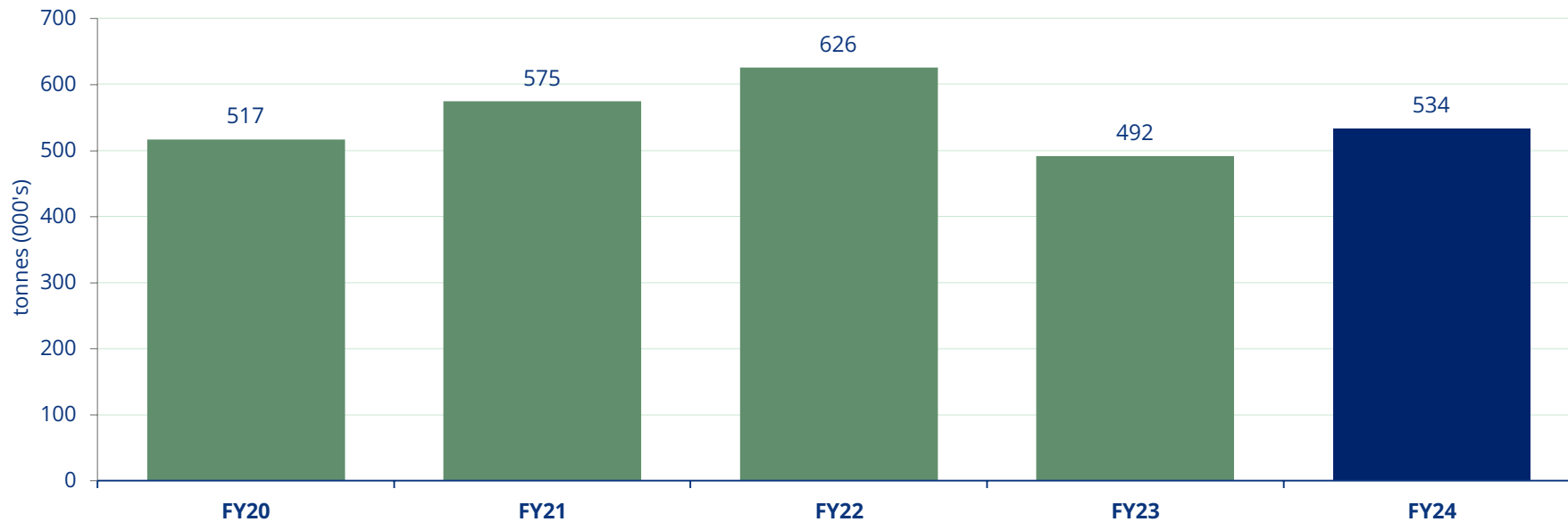
AgriHQ



Direct kiwifruit volume up 8.5%

For the year ended 30 June 2024

Direct kiwifruit exports
For the year ended June 2024

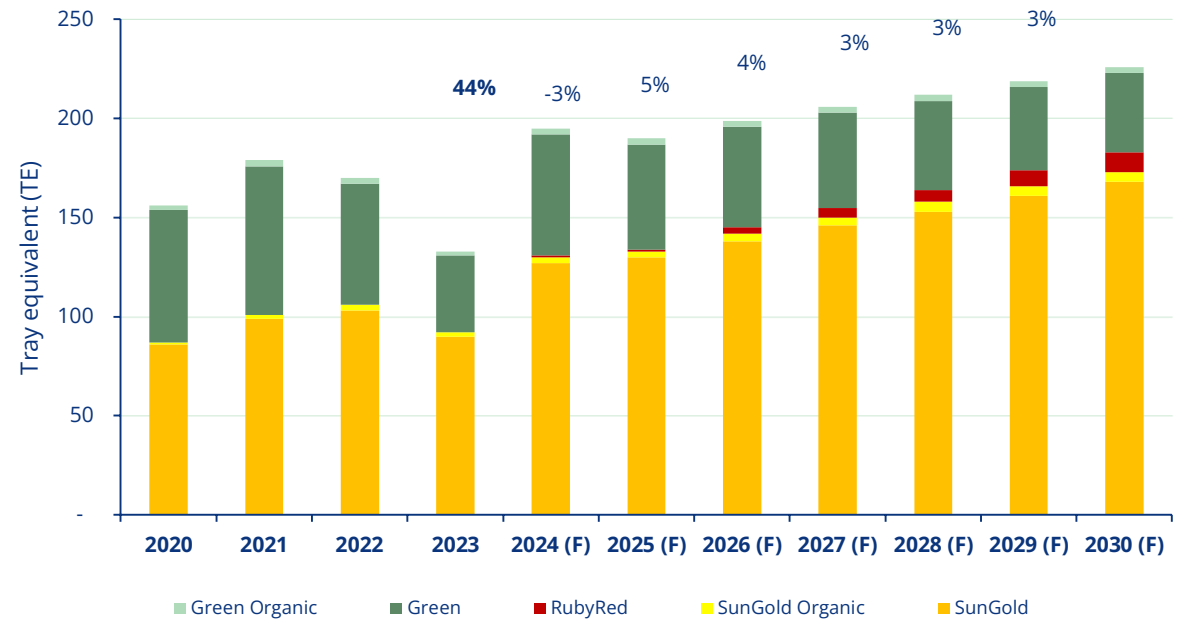


Kiwifruit outlook

- The 2024 crop is a gross crop of 194 million tray equivalents – this is a record crop packed.
- 44% increase on the 135 million trays packed in 2023.
- As at mid August 2024 150 million trays (77%) have been shipped.
- The 2024 season is being described as the “dream season” where despite the significant increase in volume the industry have managed the fruit extremely well assisted by great weather and fruit quality.
- Fruit quality is good with very low fruit loss and quality issues reported for the season to date.



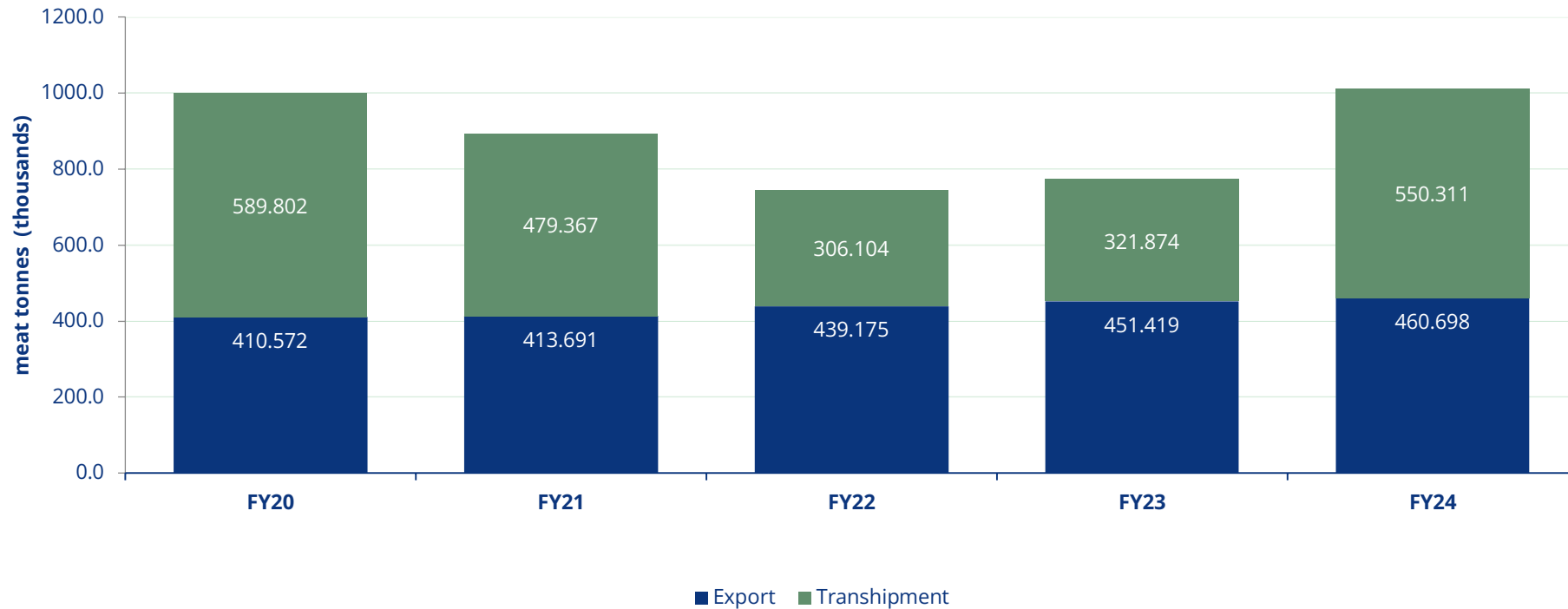
Kiwifruit export annual volume growth by variety
(2024 = actual submit)



Total meat volumes up 29%

For the year ended 30 June 2024

Total meat volumes
Export up 2% and transhipment up 71%
For the year ended June 2024

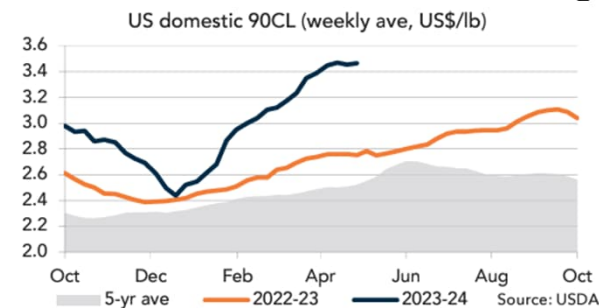
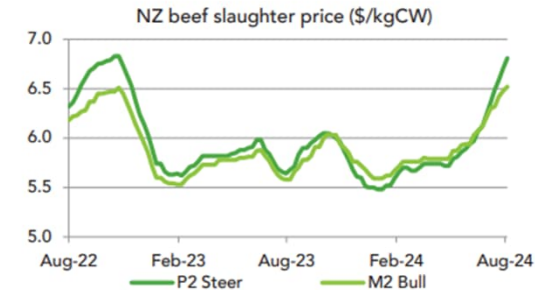
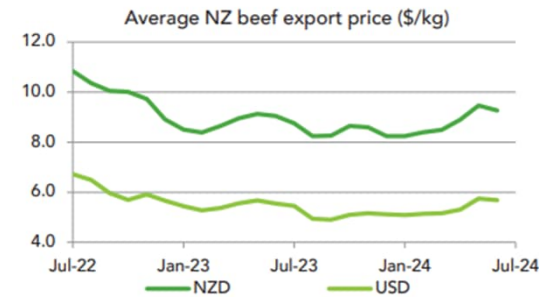


Meat outlook

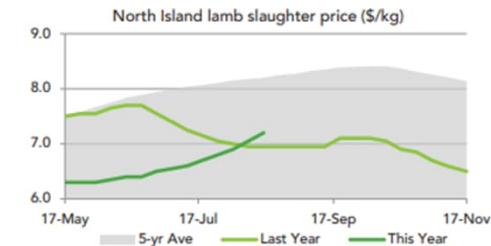
- Significant reduction in US domestic supply driving strong beef demand.
- Australia red meat exports to the US have doubled compared to same period in 2023 - significant volume transhipped via New Zealand.
- Strong export demand projected to continue to North America, UK and Japan helping offset softened demand from China.
- Beef production forecast to decline ~2% due to a smaller cattle herd and lower slaughter. Prices to increase driven by demand.
- Lamb export volumes to decrease ~ 4%, with revenue forecasted in line with the current year due to lower production – poor returns expected to improve.
- Long term outlook for meat demand is strong with growth in consumption in low to middle income countries.
- UK exports to continue increasing due to duty-free access under the NZ-UK Free Trade Agreement.



<https://www.mfat.govt.nz/en/trade/mfat-market-reports/nz-exports-to-the-us-strong-growth-continues-june-2024>

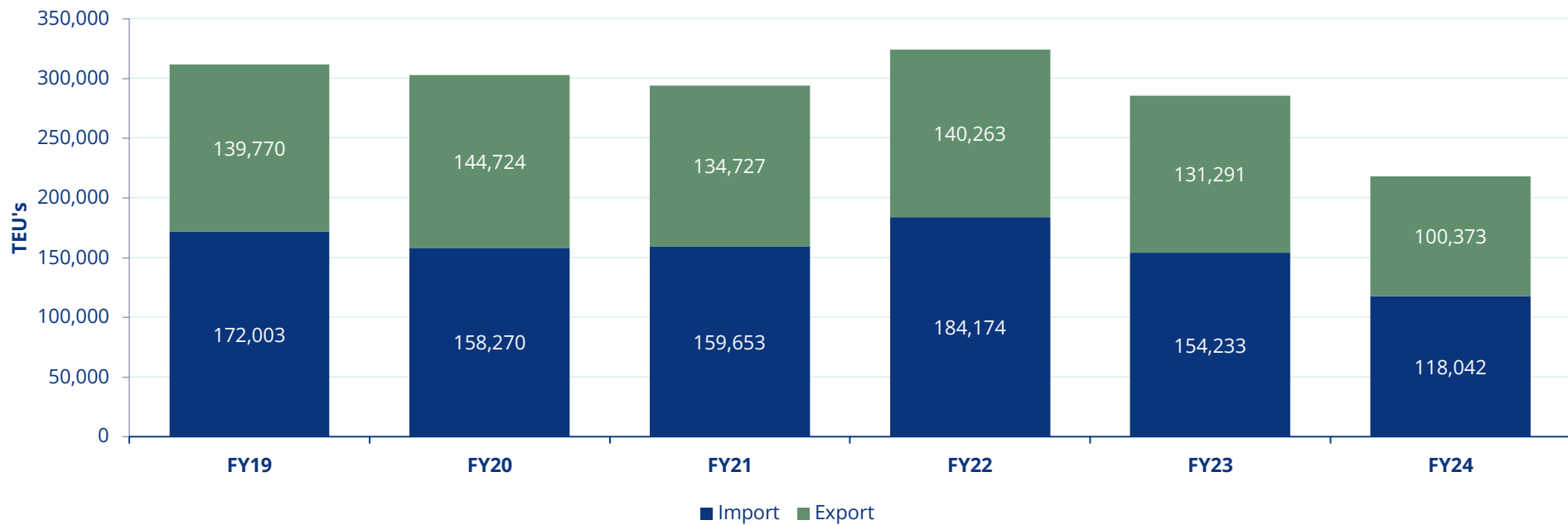


AgriHQ



MetroPort containers down 23.5%

MetroPort volume FY2024



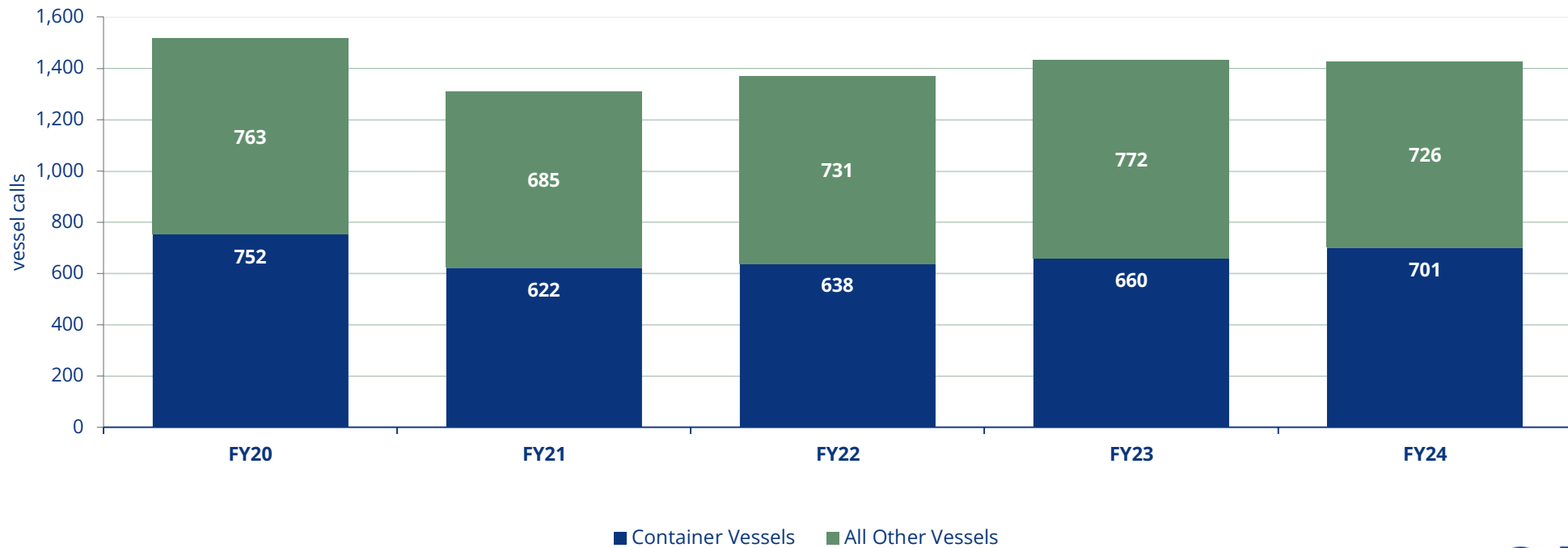
- Significant increases in cost and lower domestic consumption - driving reduction in demand.
- Current MetroPort train programme 54 trains per week vs 92 PCP.
- Train programme matched to import demand due to round trip requirement.

Vessel calls

0.3% decrease in total vessel calls FY24 vs PCP

6.2% increase in container vessel calls FY24 vs PCP

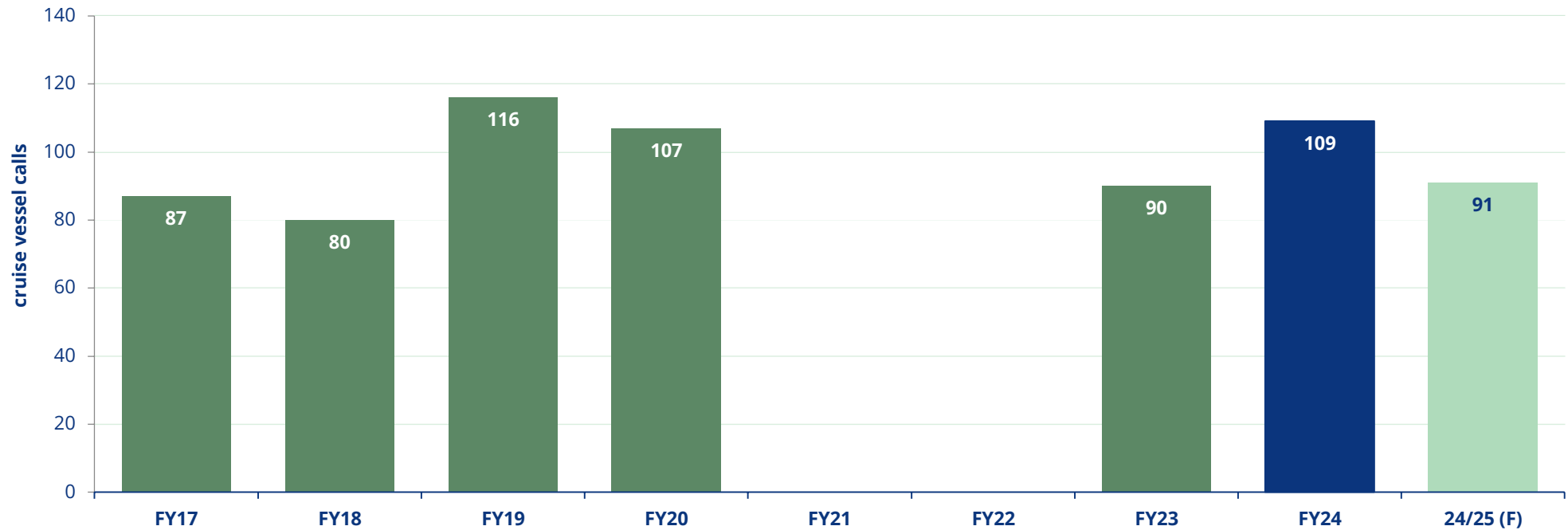
Vessel calls
For the year ended 30 June 2024



Cruise vessels

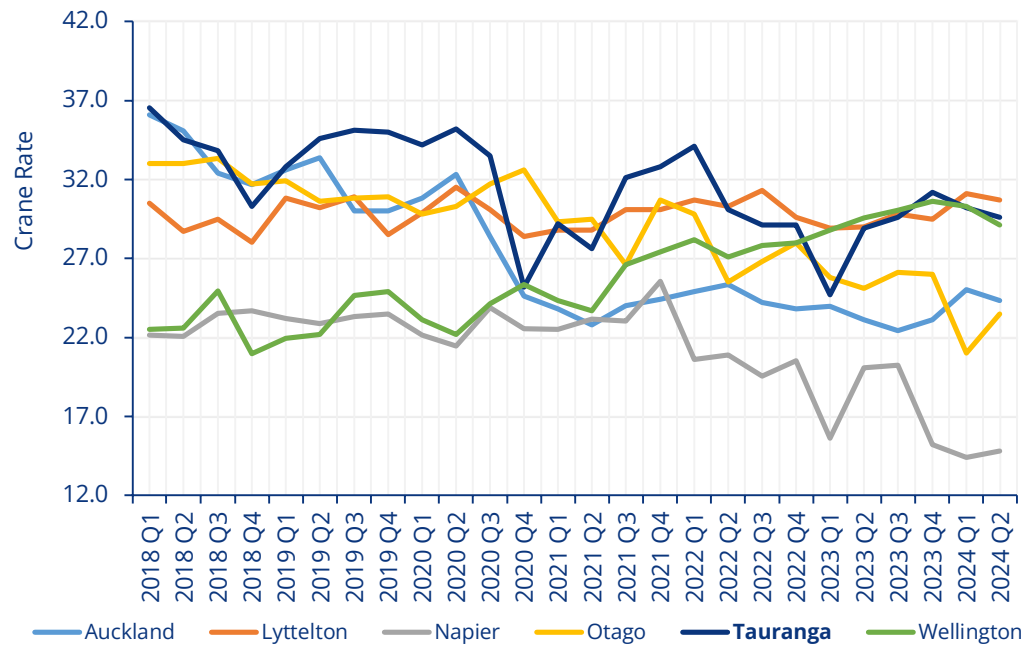
Cruise season total vessel visits to Mount Maunganui

For the year ended 30 June 2024

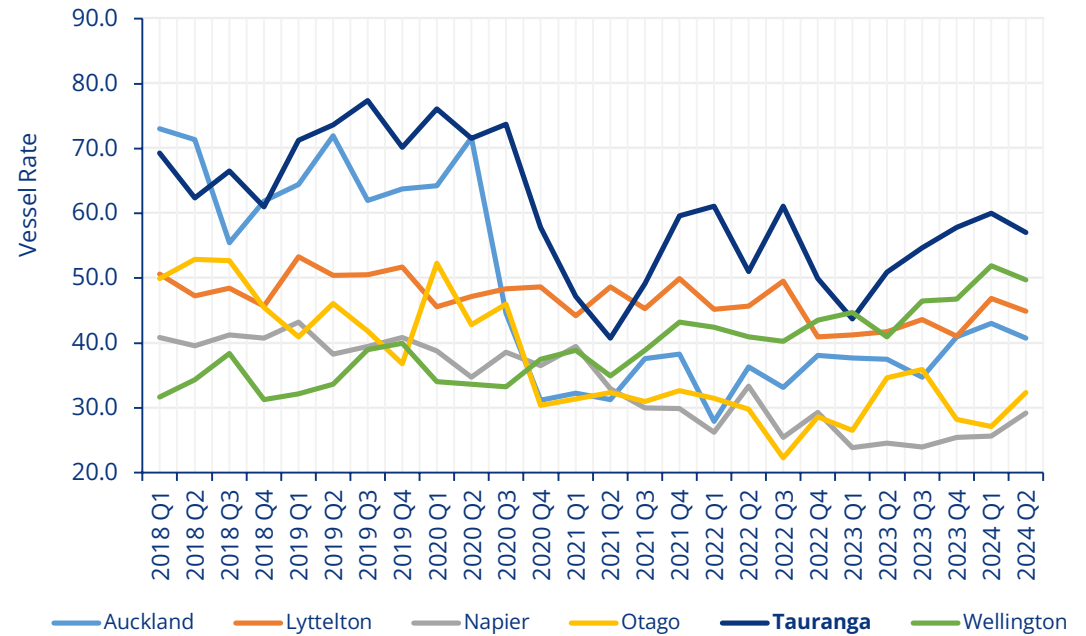


New Zealand Port productivity

New Zealand ports - crane rate 2018 - 2024
 National average: 25.7, down 0.5% on previous year
 Port of Tauranga FY24 average: 30.1, up 8% PCP



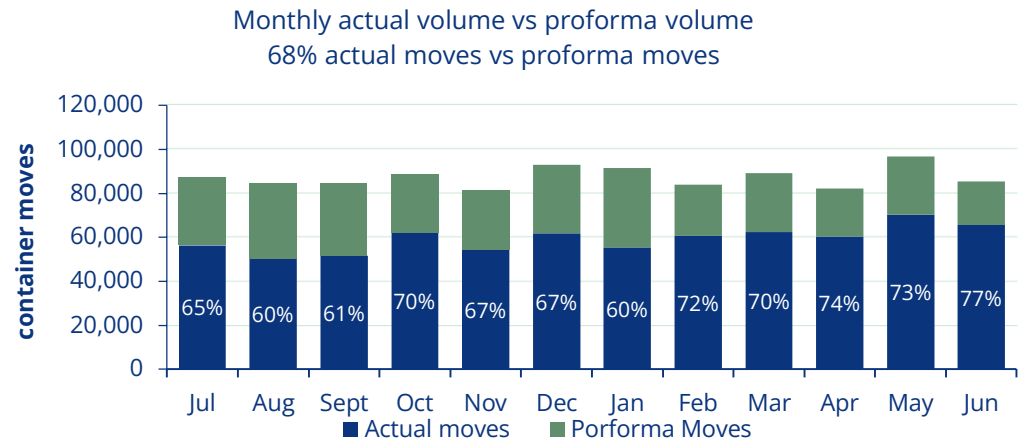
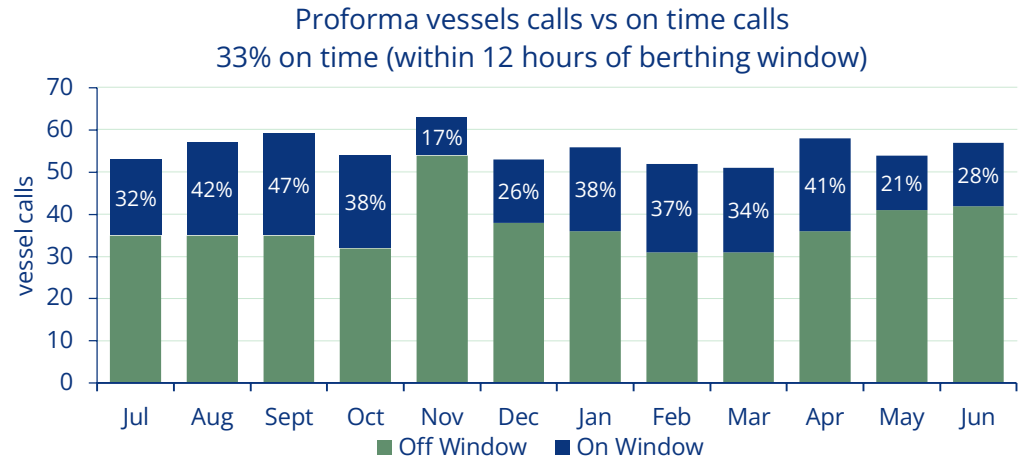
New Zealand ports - vessel rate 2018 - 2024



Source: FIGS, Ministry of Transport

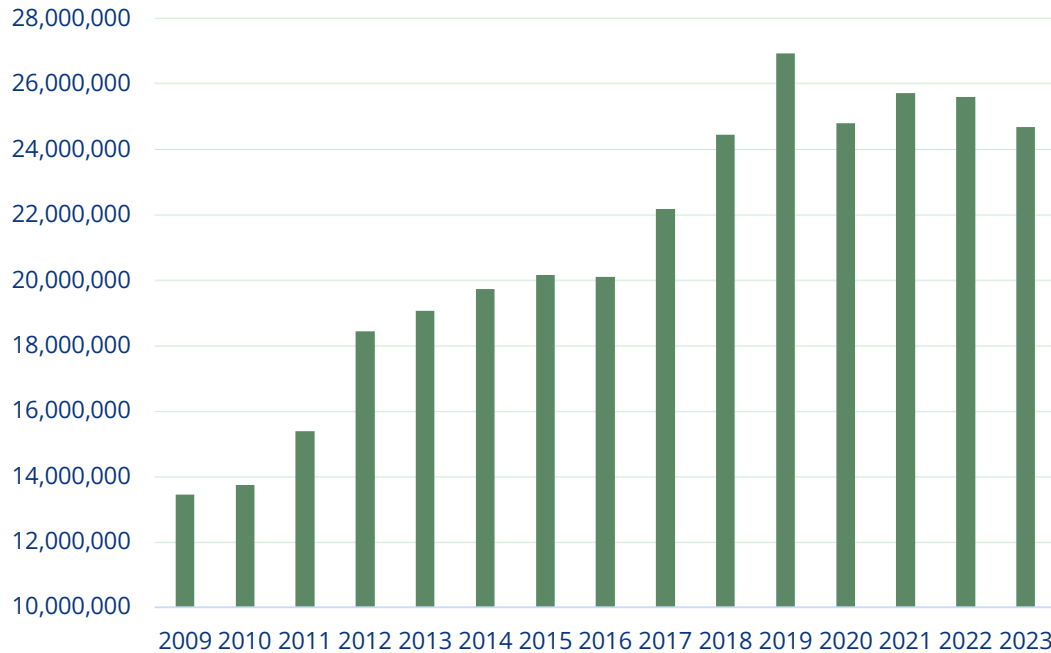
Pro-forma berth window performance

- Berth windows reinstated 6 March 2023.
- Port of Tauranga has made significant investment to maintain required berth window productivity and performance.
- Cascading impact from previous port delays - Port of Tauranga last NZ port call for majority of services.
- Current on time proforma arrival circa 30%.
- Labour resource improved throughout the year along with improving driver training and experience levels.
- Actual volume vs pro forma volume = 68% for FY2024.



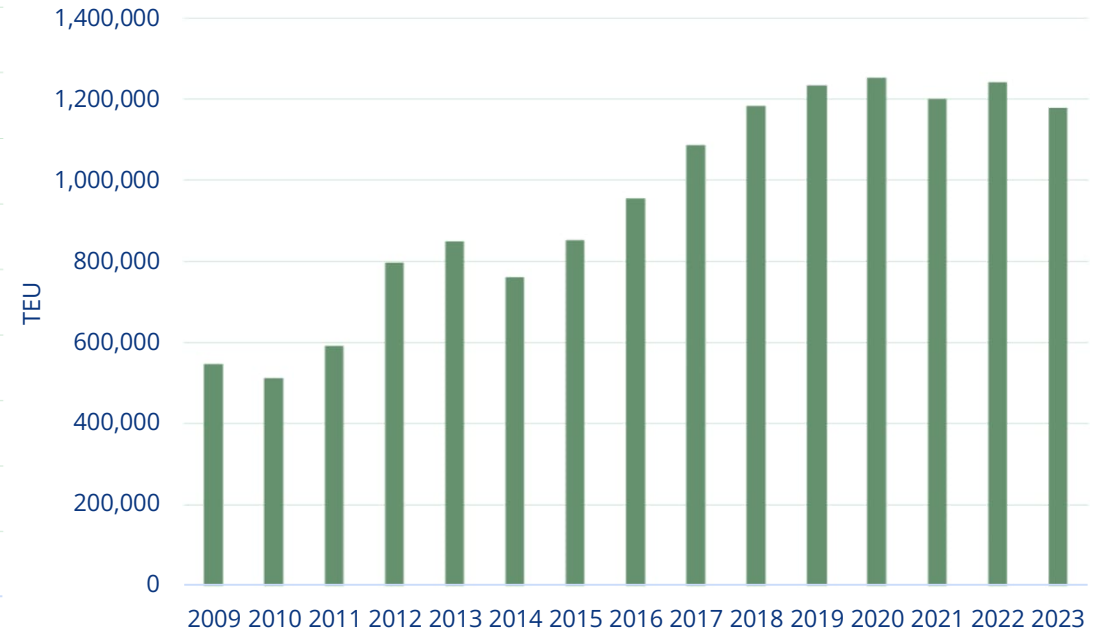
A decade of export led growth

Port of Tauranga total tonnes



100% increase in total tonnage 2009-2019 (pre covid)

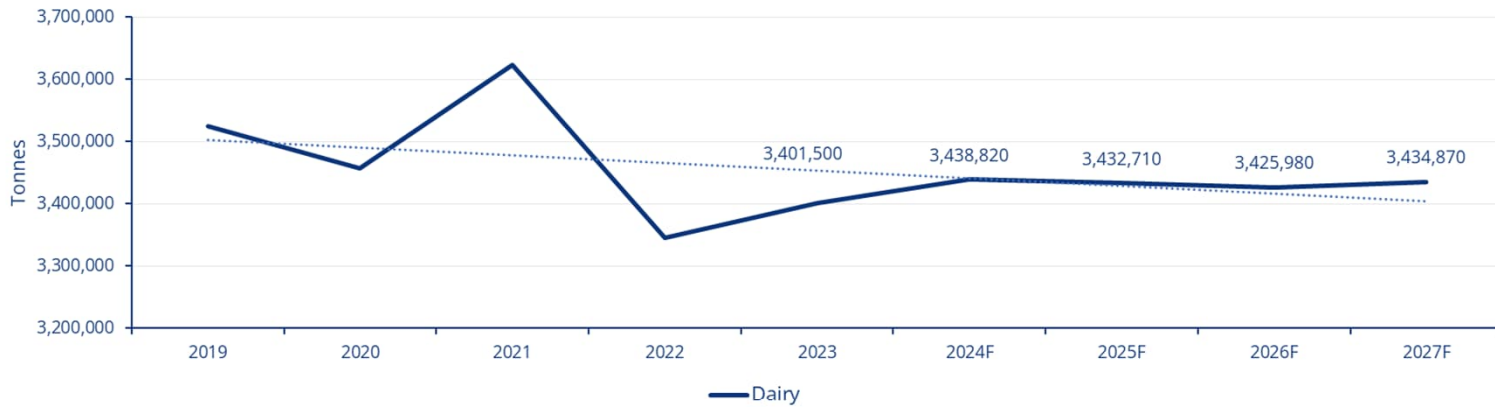
Port of Tauranga total containers (TEU)



126% increase in containers 2009-2019 (pre covid)

Primary sector outlook

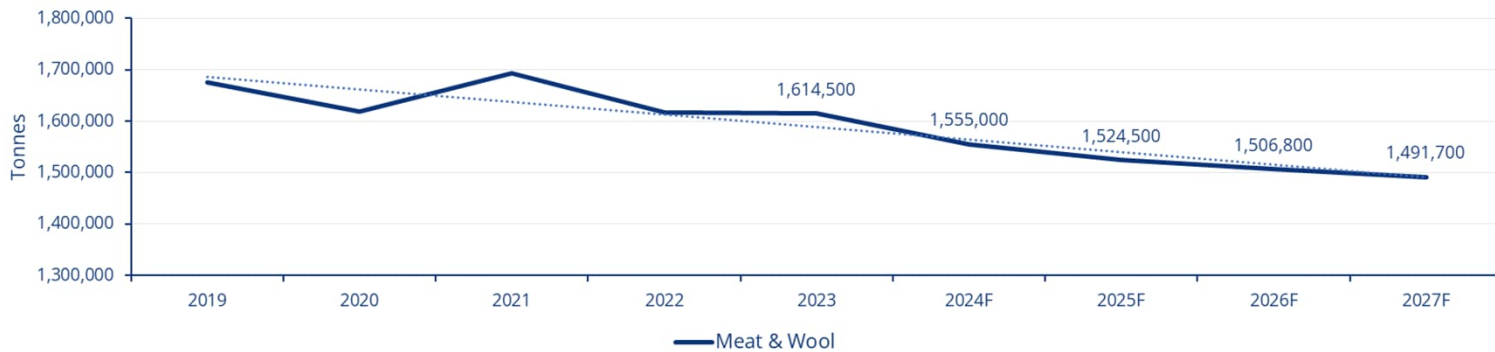
Dairy exports - situation and outlook for primary industries
+1% 2024, 0% 2025, 0% 2026, 0% 2027



Dairy volume forecast to be flat for next five years.

POT export / tranship volume FY 2024 - 2.06M tonnes.

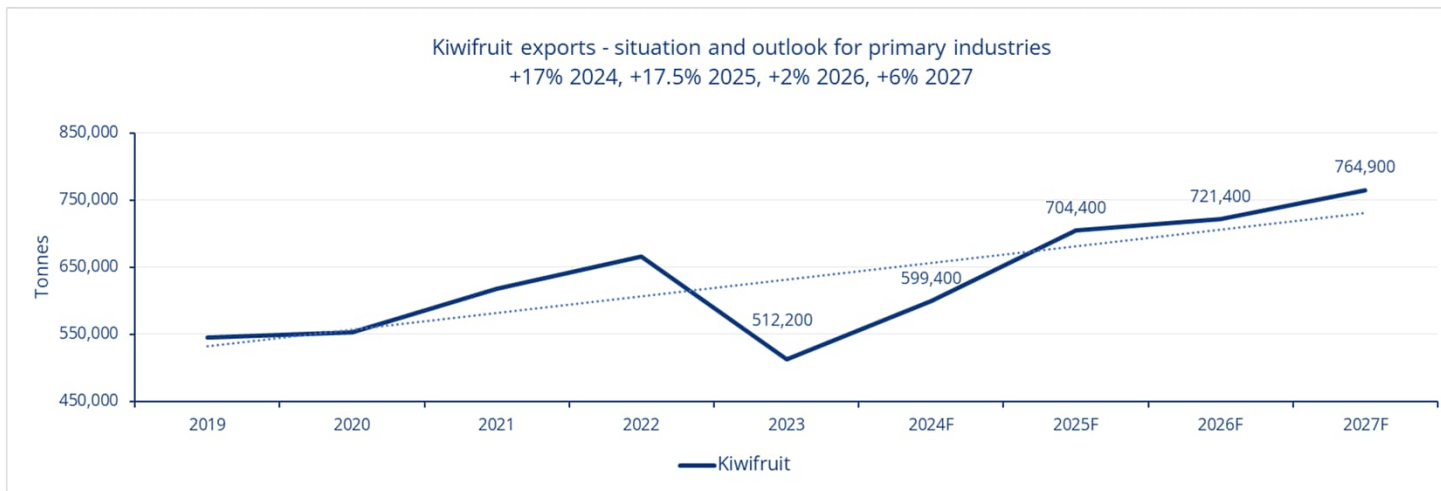
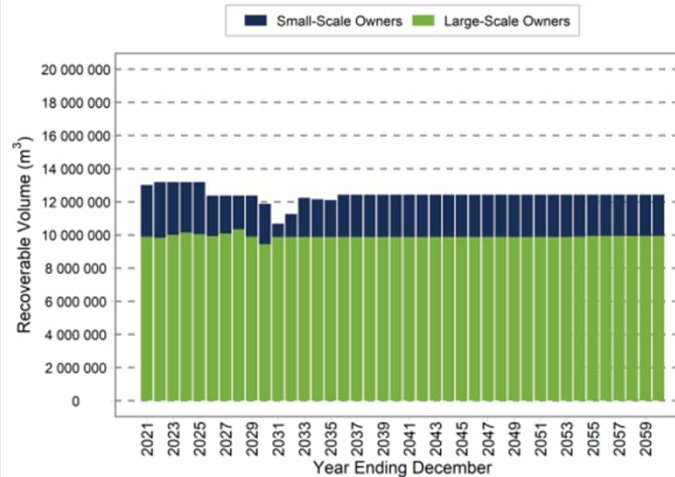
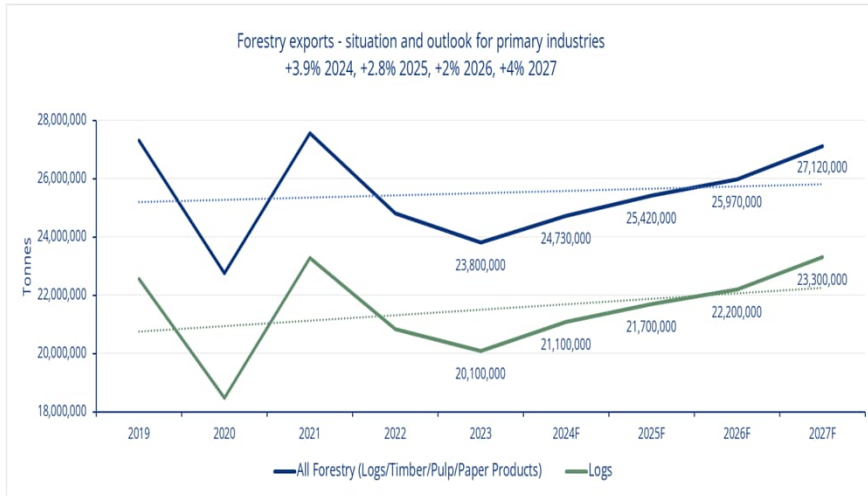
Meat & wool exports - situation and outlook for primary industries
-4% 2024, -2% 2025, -1% 2026, -1% 2027



Red meat exports forecast to decline 8% over next five years.

POT export / tranship volume FY2024 - 1M tonnes.

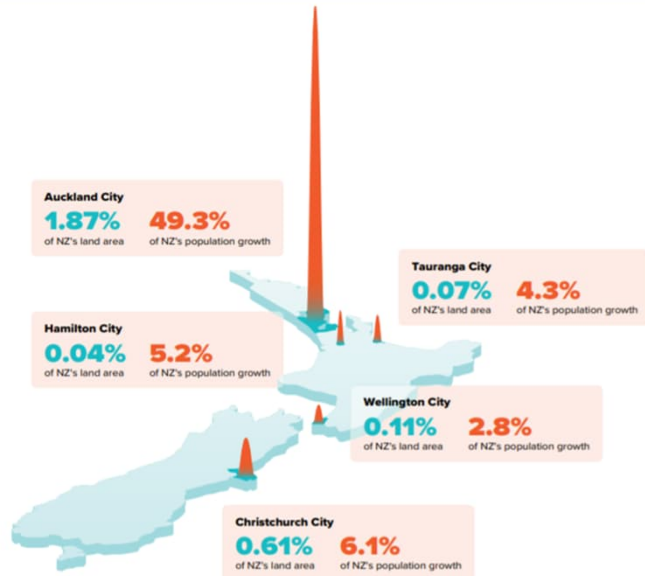
Primary sector outlook



- Forestry and fibre exports forecast to increase 13% over next five years.
- CNI forestry volume static at circa 12M m3.
- FY24 POT log volume - 6.7M tonnes.
- POT wood products / paper / pulp - 1.9M tonnes.
- Forecast 50% increase in export kiwifruit volume over next five years.
- FY 2024 volume – 544,000 tonnes.

Changing demographics – driving future growth

GROWTH CENTRES IN NEW ZEALAND OVER 2 DECADES



Massey University | [massey.ac.nz](https://www.massey.ac.nz) | 0800 MASSEY

VERY DIFFERENT REGIONAL STORIES

1. Auckland will grow by **500,000 to 700,000** over the next two decades and ultimately be home to **40%** of all New Zealanders
2. Hamilton and Tauranga will grow rapidly with overspill from Auckland, Christchurch will continue to grow while Wellington's growth will slow
3. Smaller centres will struggle to retain essential services and younger residents – and there will be population stagnation for some and decline for others



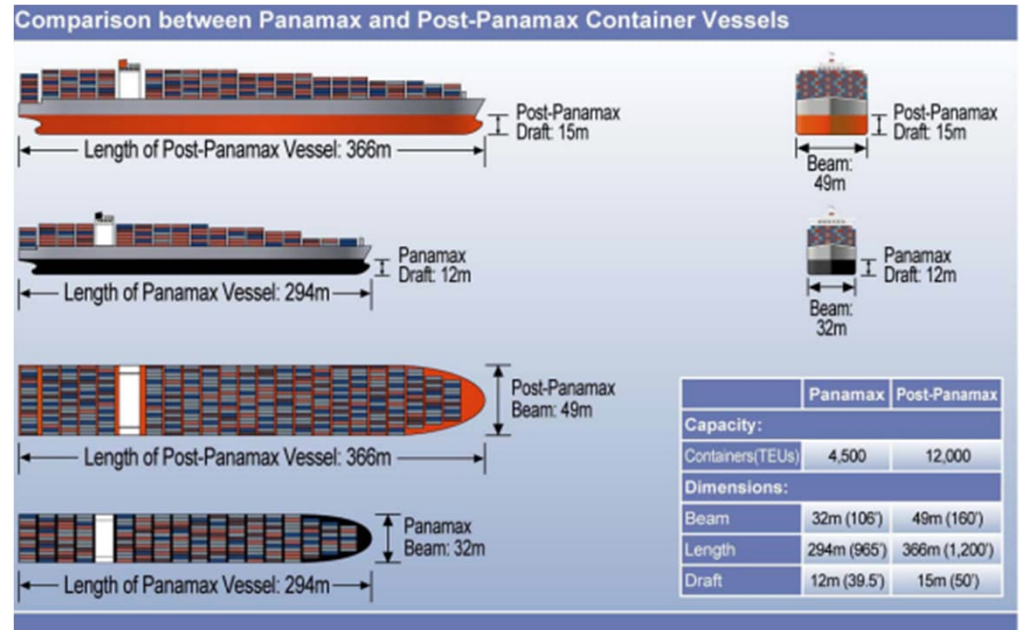
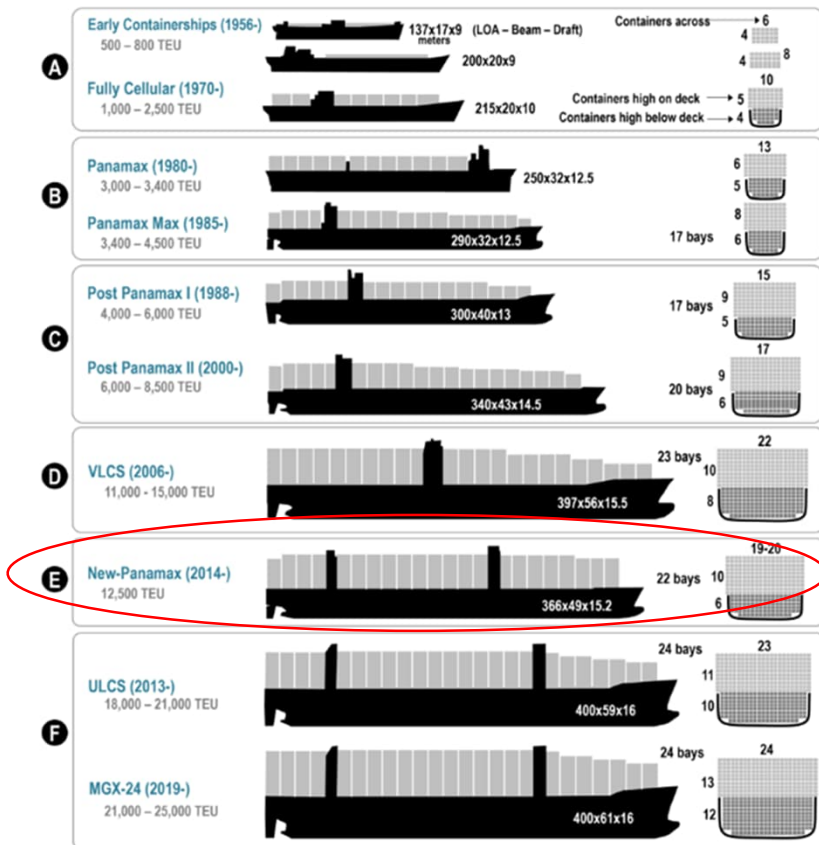
Massey University | [massey.ac.nz](https://www.massey.ac.nz) | 0800 MASSEY

Paul Spoonley
Distinguished Professor Emeritus/Co-Director, He Whenua Taurikura
BOPRC Spatial Planning Awareness Week
November 2023

Container vessel trends

Current Post-Panamax vessels calling New Zealand circa 25 years old

Evolution of Containerships



Larger container vessels will continue to cascade from Post-Panamax to New-Panamax (12,000 - 15,000 TEU).

Required vessel draught 15 - 15.5 metres.

Bigger ships = lower carbon supply chain

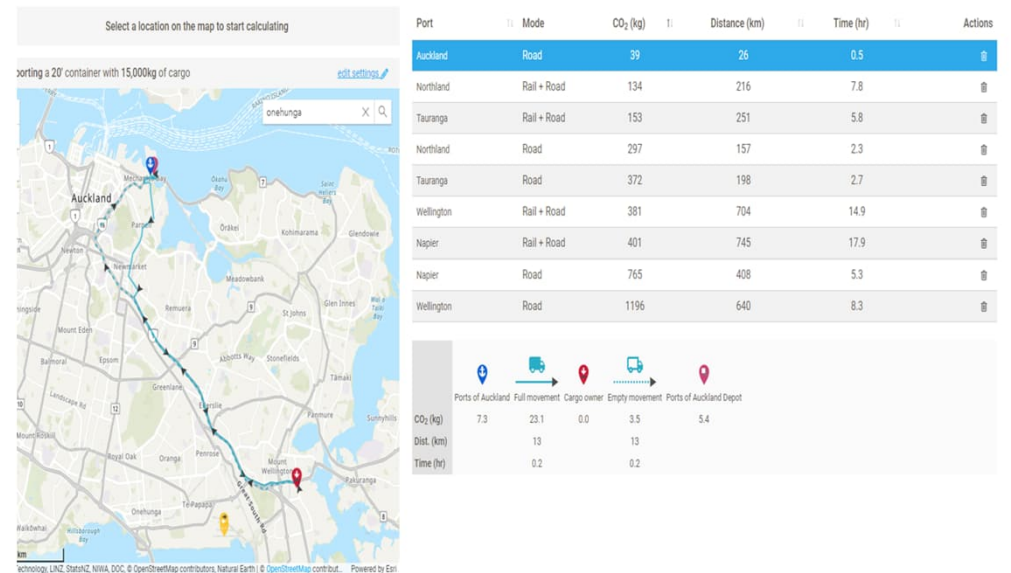
Ocean freight + landside CO2e

Currently a 24% Saving in CO2e via Port of Tauranga



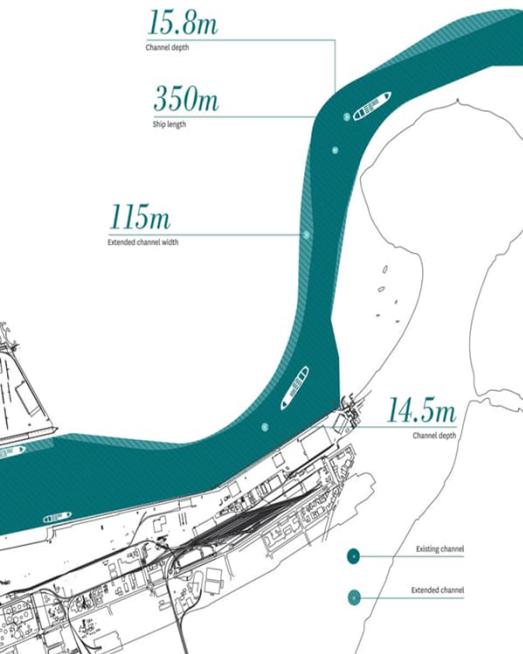
CO2e calculations are based on a 20' 15 tonne container shipped on a typical container vessel size of; 3,000-4,000 TEUs (via Auckland) and 8,000+ TEUs (via Tauranga)

Carbon Calculator TOITŪ



- Landside emissions account for 1.6% of the total import container emissions via Auckland.
- Combined landside + ocean freight (39kgs + 2,404kgs) (4,000 TEU vessel) ex-North Asia = 2,443kgs via Auckland.
- Combined landside + ocean freight (153kgs + 1,837kgs) (8,000 TEU vessel) ex-North Asia = 1,990kgs via Tauranga (17% saving).

New Zealand's hub port



Australia

- Melbourne 14.0m
- Sydney 13.8m
- Brisbane 14.0m
- Perth 14.5m

New Zealand

- Auckland 12.5m
- **Tauranga (consented to 16m HW) 14.7m**
- Napier 12.4m
- Centreport 12.4m
- Lyttelton 13.2m
- Otago 13.5m
- NorthPort 14.5m



Future draught will cater for future services up to 16 mtrs (minimum high tide 1.5mtrs).

Smaller regional ports will become reliant on a coastal feeder network.

A resilient upper North Island supply chain



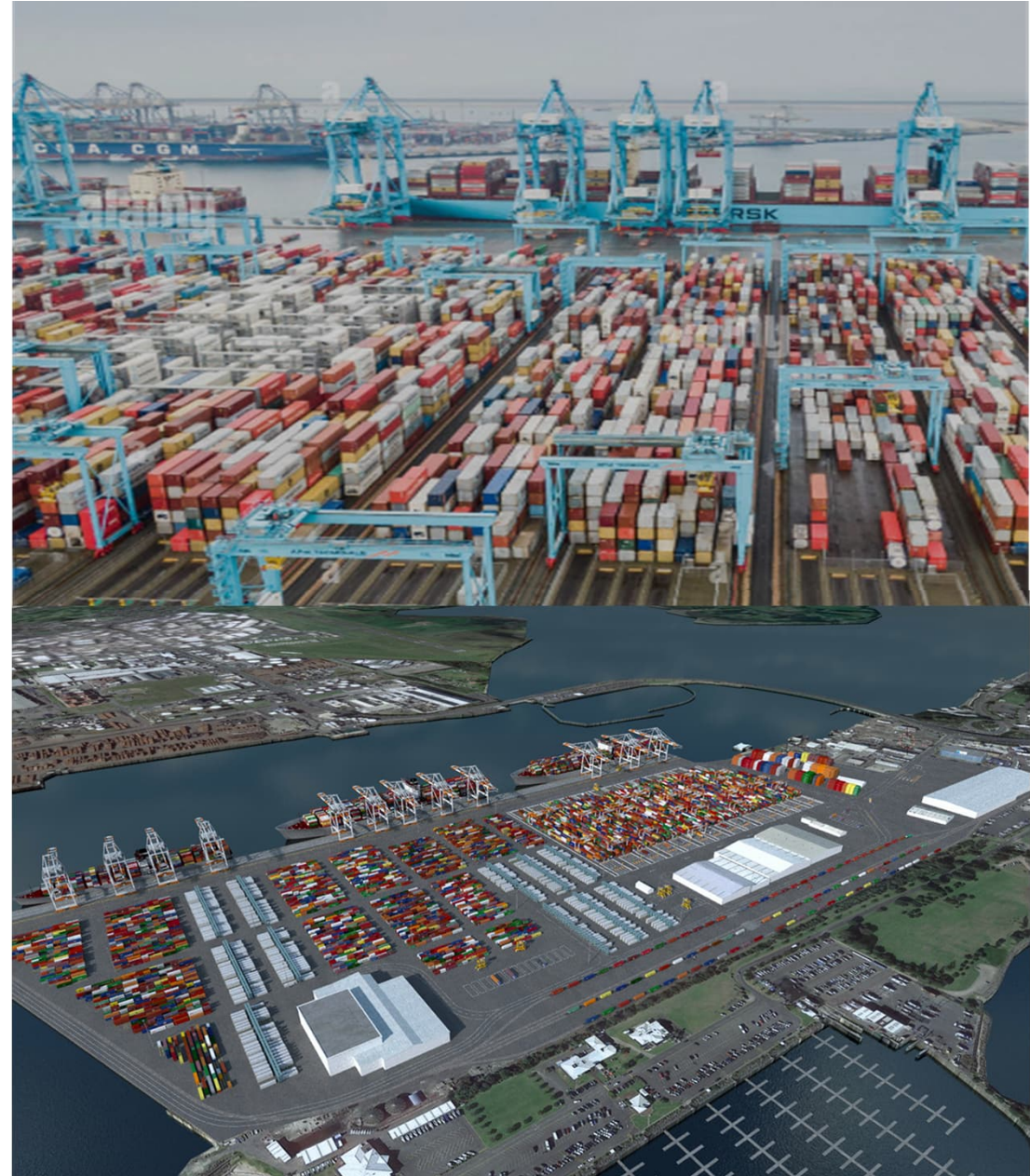


Berth consent - update

- Environment court interim decision received 13 December 2023:
 - Stage 1 Sulphur Point (285-meter berth extension) provisionally granted subject to further directions being addressed to the satisfaction of the Court 6-month time frame provided - (June 2024) – court extension provided until September 2024.
 - Final decision expected ~3 months following satisfaction of court directions.
 - A decision on stage 2 (extension to Mount Maunganui wharves and second stage of Sulphur Point extension) is reserved pending further matters being addressed and a further hearing required.
- 2-year construction once consent obtained.
- All berth developments are within the current Port footprint.
- Unable to provide berth windows for new container services due to berth capacity constraints.
- Have also applied to have Stella Passage consent to be included in new Fast-track legislation.

Terminal automation project

- Introduction of new electric Auto Stacking Cranes (ASC).
- Shortlist of two potential vendors.
- Detailed vendor evaluation and discussions nearing completion.
- Vendor selection and deployment linked to timing of berth extension.
- ~75% reduction in emissions relative to straddle operation.
- Staged bolt-on introduction relative to volume growth requirements.



Subsidiaries and associates net profit after tax down 29.3%

For the year ended 30 June 2024





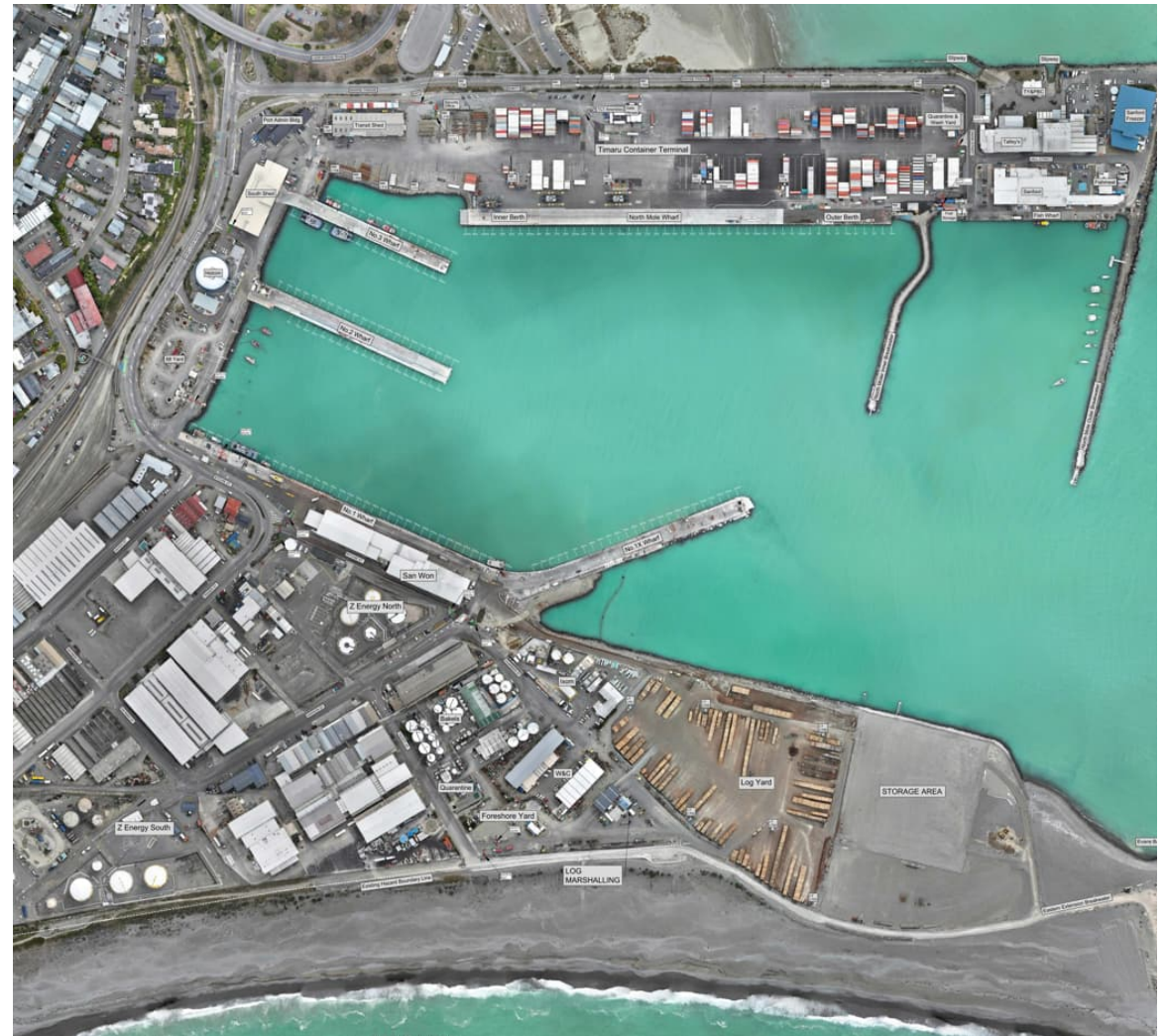
Northport

- Reported profit down 5.2% to \$6.727 million. But normalised earnings up 0.9% on the prior year.
- One-off tax change deferred tax impact of \$0.432 million.
- Breakbulk volumes down 6.6% to 2.420 million tonnes.
- Log volumes down 8.8% to 1.847 million tonnes.
- Container volumes down 14.1% to 14,535 TEU.
- Strong contribution once again from NorthTugz.





- Reported profit down 76.3% to \$0.451 million. Normalised profit down 46.1% to \$1.023 million.
- One-off tax change deferred tax impact of \$0.572 million.
- Bulk trade volumes down 8% to 1.623 million tonnes.
- Log volumes down 15% to 0.286 million tonnes.
- Vessel calls increased by 3.9% to 416 including 13 cruise vessels.



CODA

- Reported an operating loss of $-\$1.182$ million vs a loss of $-\$0.245$ million in the prior corresponding period.
- Very challenging trading environment with high inflationary costs, lower consumer demand and corresponding drop in import volumes.
- Concentrating on simplifying and right sizing the business – exiting unprofitable areas.
- The sale of MetroBox has allowed the return of $\$15$ million in capital to POTL over FY23 and FY24.





- Profit of \$0.181 million down 88.2% from \$1.537 million in the prior year.
- Storage revenue is down by \$1.391 million which has impacted profitability.
- Container volumes up 5.4% to 82,862 TEU.
- New mobile harbour crane ordered.





QUALITY
MARSHALLING

- Profit of \$3.371 million up 15.5% on the prior year.
- QM negatively impacted by lower MetroPort volumes as the operate the rail CT site.
- However, reefer and generator revenue were higher due to a much better kiwifruit season.
- Quality Marshalling is the operator of the Ruakura Inland Port.



Ruakura INLAND PORT

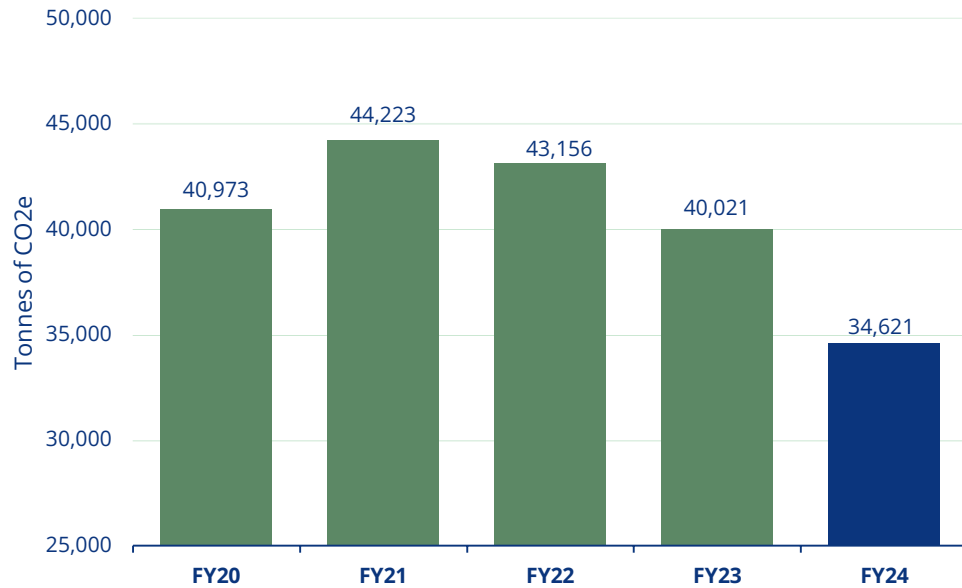
- RIP made a loss of $-\$0.392$ million for the year up from the loss of $-\$0.039$ million in FY23. Anticipating profits next year.
- Building momentum – have won Kmart's south Island volumes and are seeing increasing rail use by the Maersk cool store.
- Competitive KiwiRail pricing the key to unlocking this asset.
- RIP is looking to develop an additional 3.28 ha of land into empty container depot yards. This yard will be leased by ContainerCo.



Total greenhouse gas emissions down 13.5%

For year ended June 2024

Total greenhouse gas emissions
For the year ended 30 June 2024



21% reduction since base year (2018)

Kilograms of CO2e per tonne of cargo
For the year ended 30 June 2024



Decrease of 9.1% from previous year

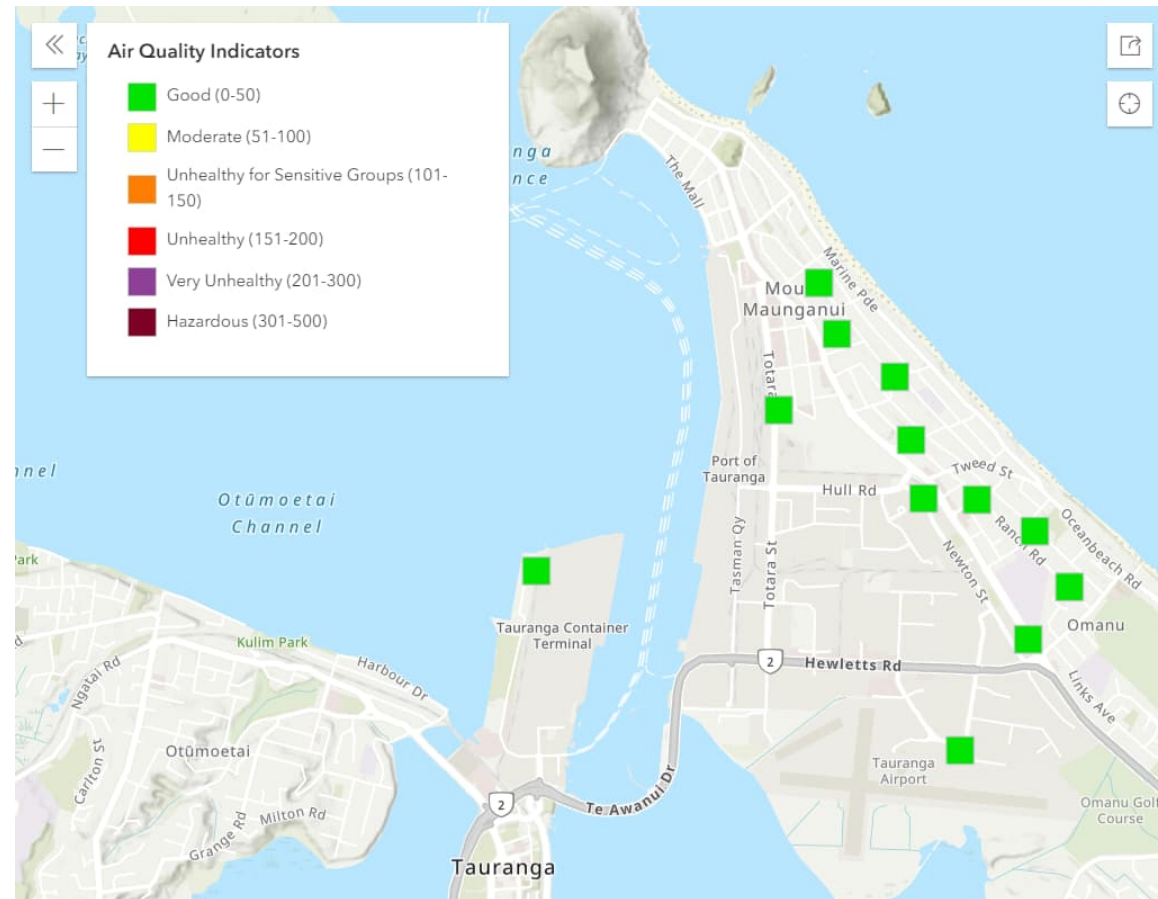
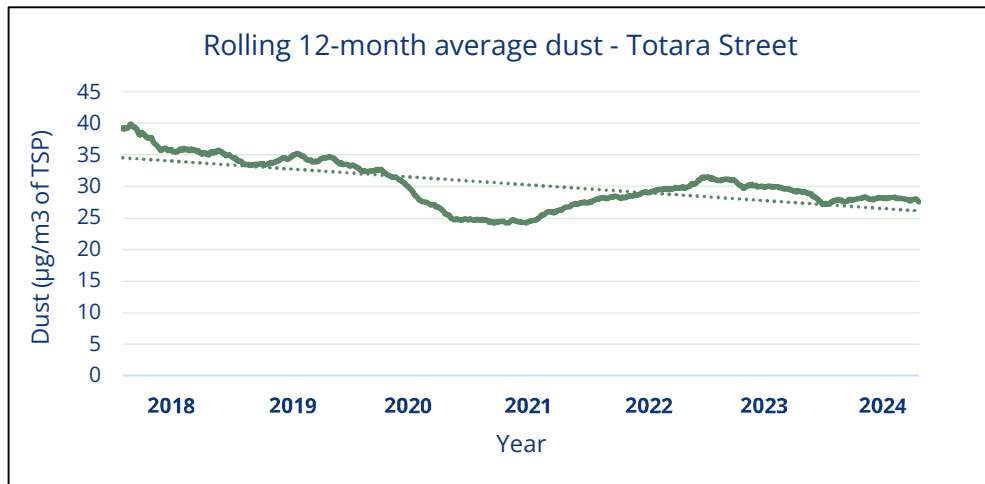


Certified under Toitu *carbonreduce* program, scope 1, 2 and some 3 emissions.



Air quality initiatives and improvements

- POTL and BOPRC currently expanding knowledge of residential air quality, including a dust source apportionment study currently underway.
- Dust concentrations in the industrial area adjacent the Port activities continue to show improvement.



Air quality initiatives and improvements



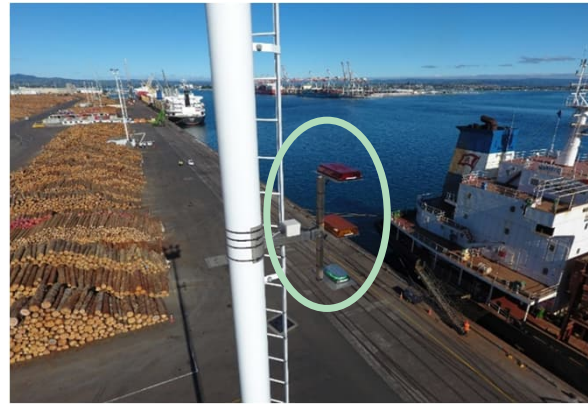
New wind fencing



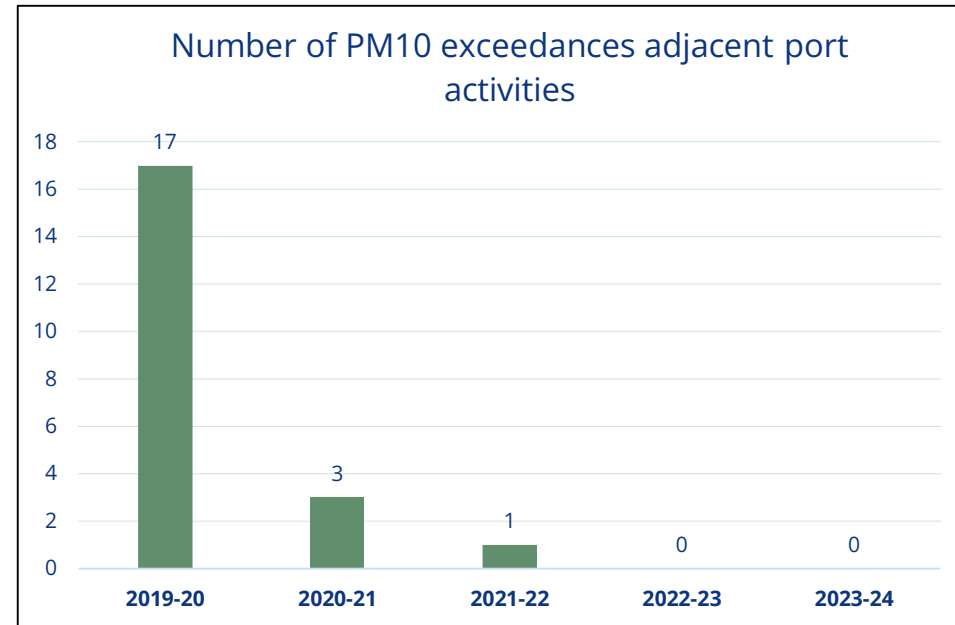
Bulk hopper water misting



Boundary enhancements



Visual wind monitor alarms



Water quality - stormwater and harbour health

- Comprehensive stormwater monitoring.
- Compliant with all stormwater quality limits.
- New Mount treatment system to be installed FY25
- Harbour water quality meets Aus NZ Environment & Conservation Council (ANZECC) guidelines for marine water quality.





Tertiary Scholarships via
Turirangi Te Kani Memorial
Nga Matarae Charitable Trust



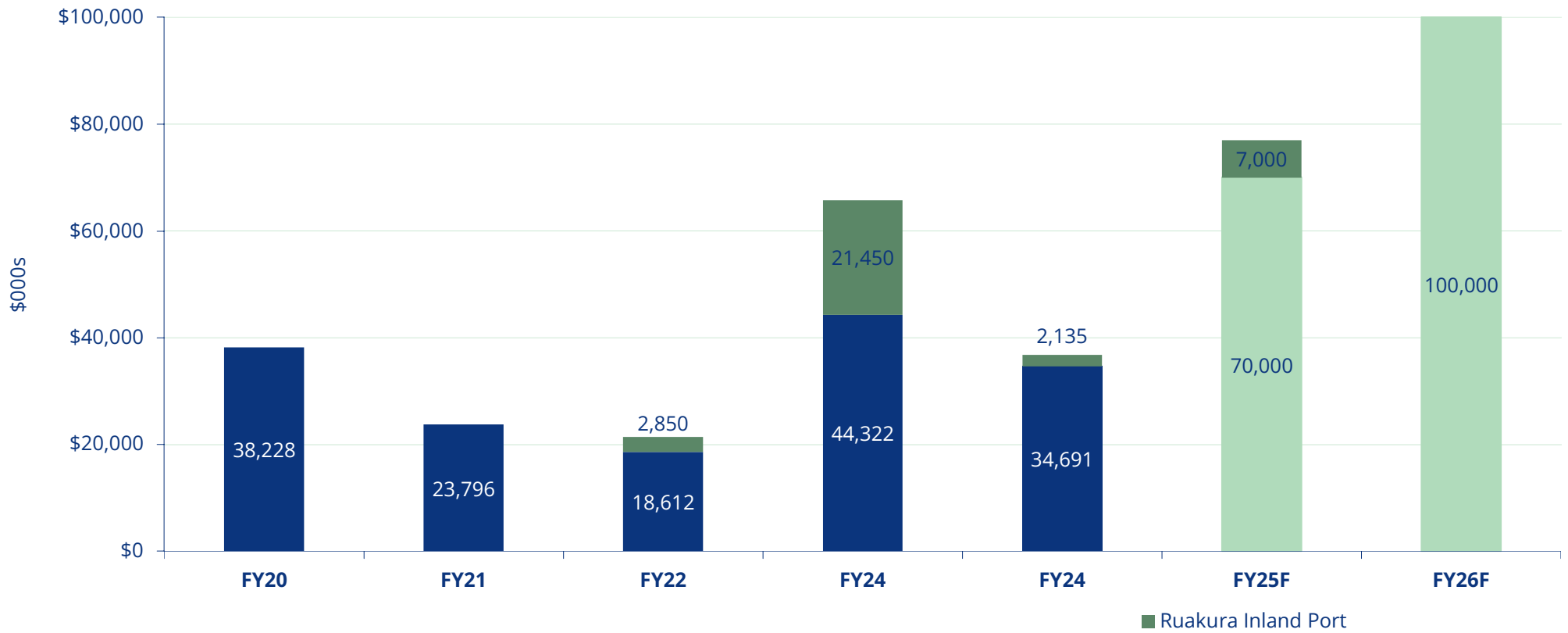
Sponsorships and community partnerships



SPECIAL NEEDS CHILDREN PARTY

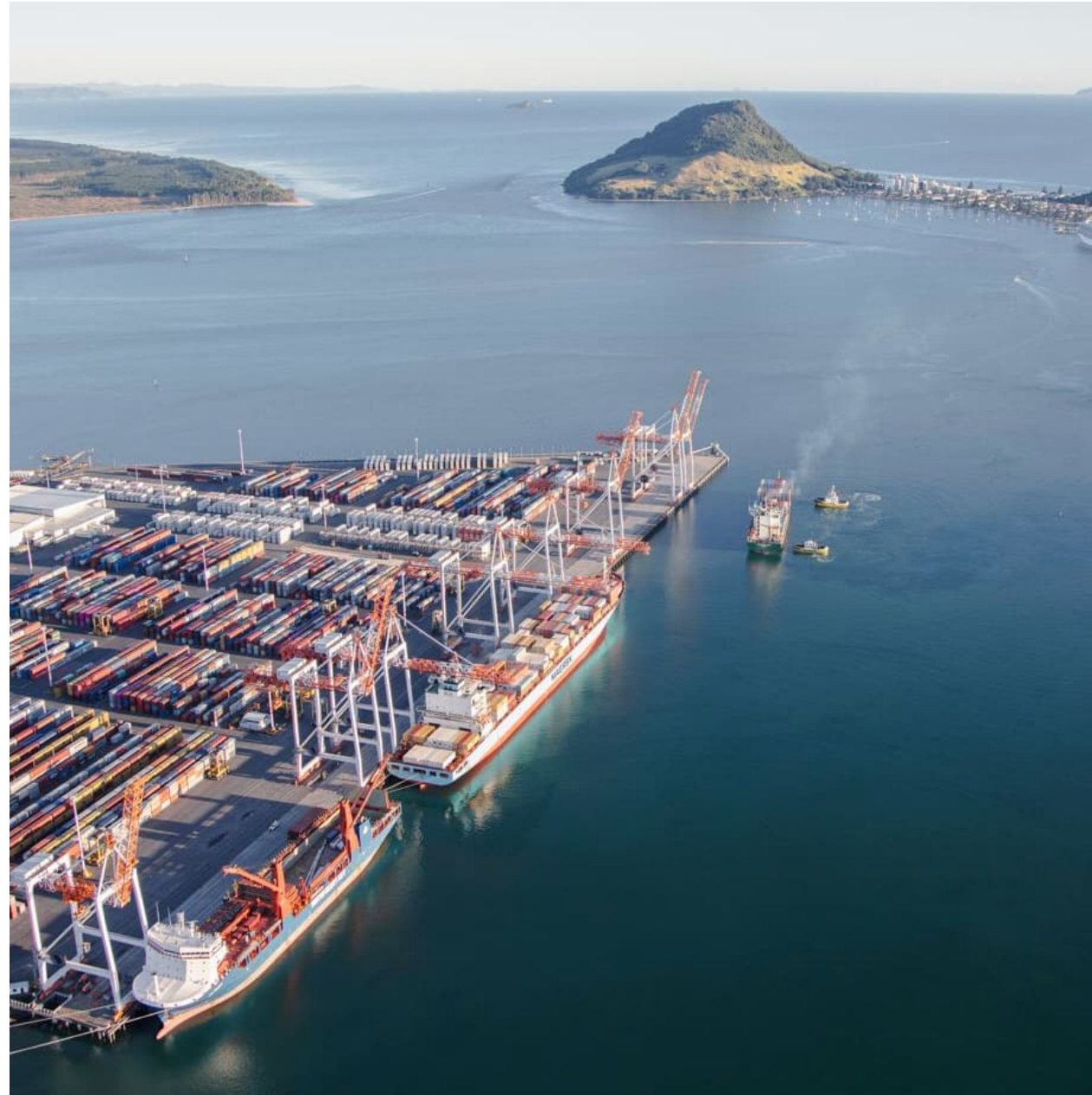


Parent capital expenditure 2020 – 2026



Outlook 2025

- Export commodity price pressure remains with some improvement expected in FY 2025.
- Domestic economy expected to remain subdued for first half of FY25.
- Expect to handle circa 1.2 million TEU.
- Log volume expected to be - circa 6M JAS FY25.
- Service delivery, safety, productivity, cost control and margin improvement remain a focus.
- FY25 earnings guidance will be provided at AGM in October.
- Infrastructure investment remains a priority to improve resilience and capacity.
- Port of Tauranga remains well placed in a challenging operating environment.



Thank you



Port of Tauranga
Connecting New Zealand and the World