Freightways

HY26 Results

Monday, 16 February 2026

HY26

FRW: NZX | ASX

Disclaimer

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Presenters and Agenda

Mark Troughear
CHIEF EXECUTIVE OFFICER

Overview, Divisional Performance, and Outlook

Stephan Deschamps
CHIEF FINANCIAL OFFICER

Financial Summary and Capital Management

Aaron Stubbing
GENERAL MANAGER
EXPRESS PACKAGE

Divisional Strategy, Express Package

Neil Wilson
GENERAL MANAGER
FREIGHTWAYS

Divisional Strategy, Information Management

Overview

- Consistent performance over the HY across all businesses

- Slight lift in Q2 volumes in NZ for Express and Temperature Controlled transport as economic conditions improve

- Higher demand for economy over premium services

- Acquisition of VTFE adds a complementary B2B express service in Australia
    - Aim to grow organically and inorganically from this foothold

- Balance sheet forecast to be in the mid-range of policy by end of FY26

Financial Highlights

Revenue	* EBITA growth	NPAT growth	* EBITA margin
▲ 8.5%	▲ 12.2%	▲ 17.2%	▲ 13.4%
to $718.2m	to $96.5m	to $52.5m	from 13.0% HY25

Cash generated from operations	Basic earnings per share	Net Debt	Dividend (HY)
▲ 28.3%	▲ 17.2%	▼ (6.7%)	▲ 10.5%
to $134.2m	to 29.3cps	to $587.1m	to 21c (19c in HY25)

Note:
- *Non-GAAP (Generally Accepted Accounting Principles)
- cps – cents per share

Financial Summary
& Capital Management

Presenter:

Stephan Deschamps
Chief Financial Officer

Positive Momentum In An Improving Environment

	Notes	HY26 $m	HY25 $m	Change %
Operating Revenue		718.2	662.1	8.5
EBITA (non-GAAP)	*1*	96.5	86.0	12.2
EBITA margin		13.4%	13.0%	
NPAT	*2*	52.5	44.7	17.2
NPAT margin		7.3%	6.8%	
Basic Earnings Per Share (cents)		29.3	25.0	17.2

Notes:

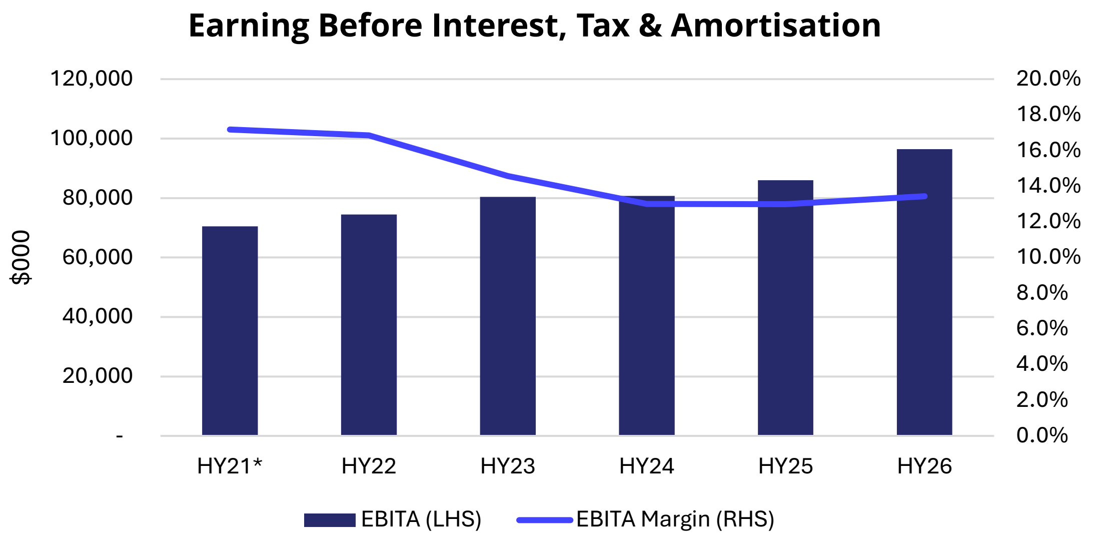
> Results in this table are unaudited and after adjustments for NZ IFRS16 (Leases)
> Refer to appendices for reconciliation to results before NZ IFRS16

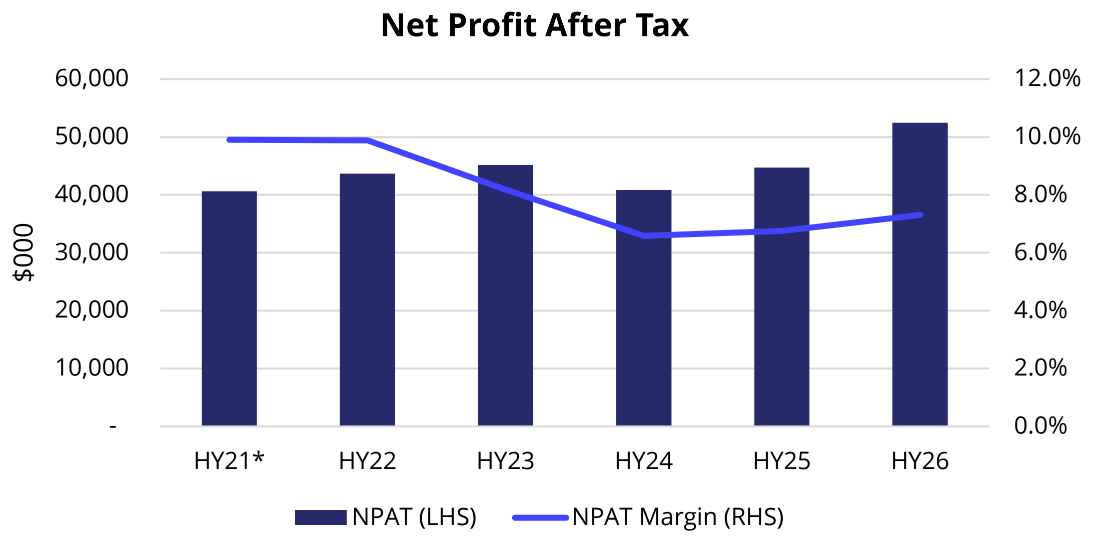
1. Operating profit before interest, tax and amortisation
2. Net profit after tax

HY26 Performance Overview:

- Economic environment has slightly improved in NZ, Australia is stable
- NZ same-customer growth emerging – particularly in economy services
- Cost base is stable – particularly with regard to labour costs
- Net debt and interest spend reducing, allowing for greater increase of NPAT

FRW EBITA Margins Improving





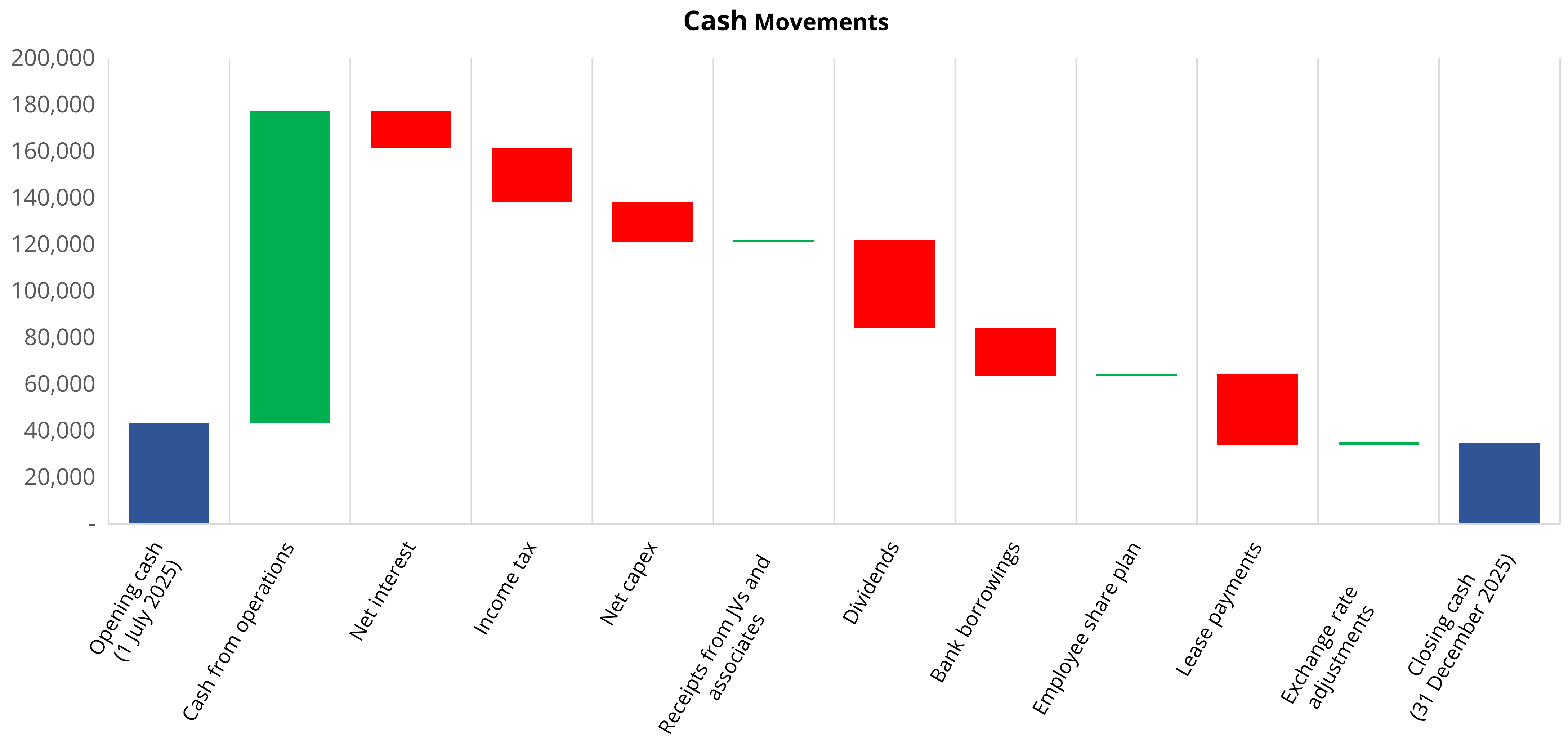
Margin performance:

- Focus on margin re-building is gaining traction, with most businesses showing improvement
- Post Haste, DX and Allied Express particularly strong in EP, and TIMG NZ also showing good increases in margin
- Shred-X rebuilding with a number of one-off and restructuring costs temporarily impacting the margin
- Any significant improvement for BCD requires stronger economic environment translating into more transport activity
- Cost inflation remains moderate - focus continues on margin improvement

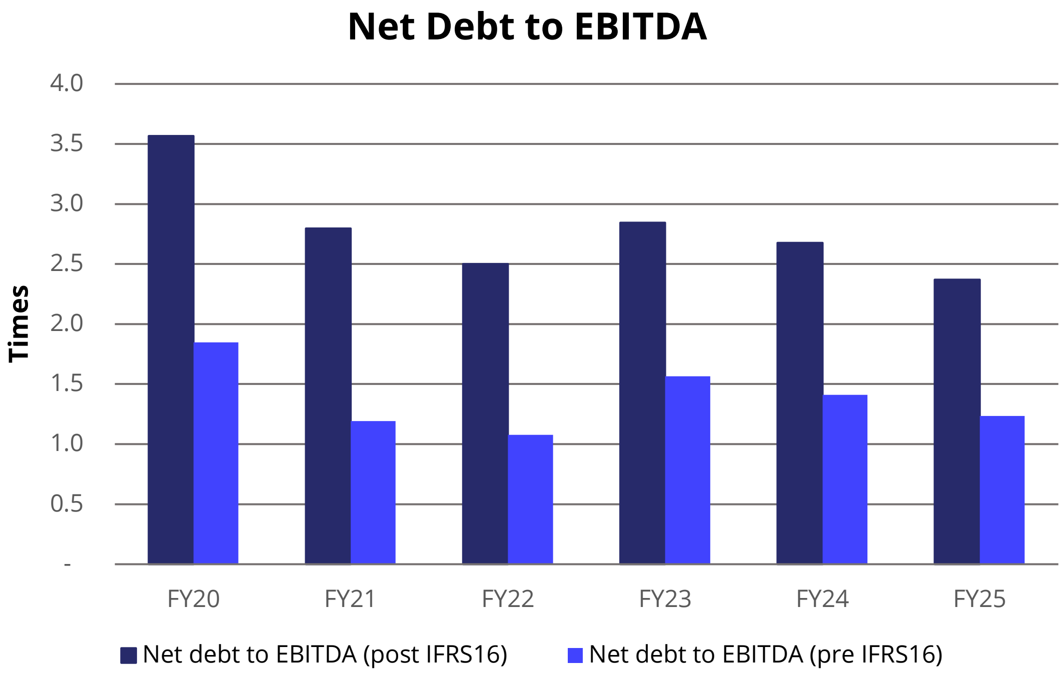
Note:

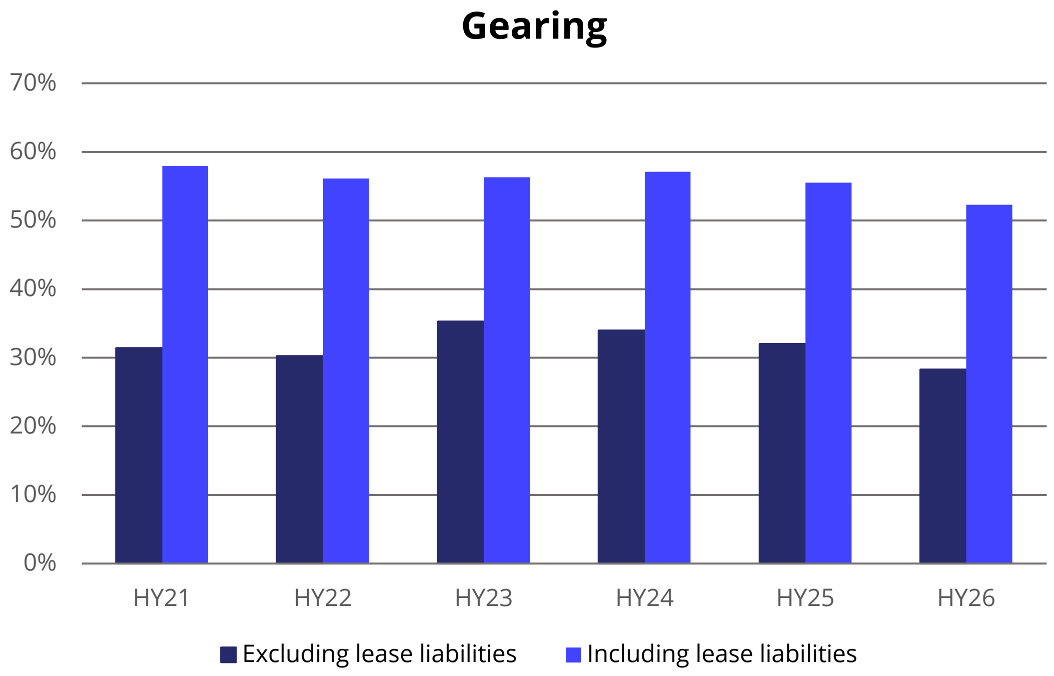
* For consistent comparison, EBITA and NPAT for HY21 on this page exclude change in fair value of contingent consideration for Big Chill Distribution Limited of $19.5m.

Strong Cash Flow generation supported debt reduction



BAU cash generation delivers gearing improvement





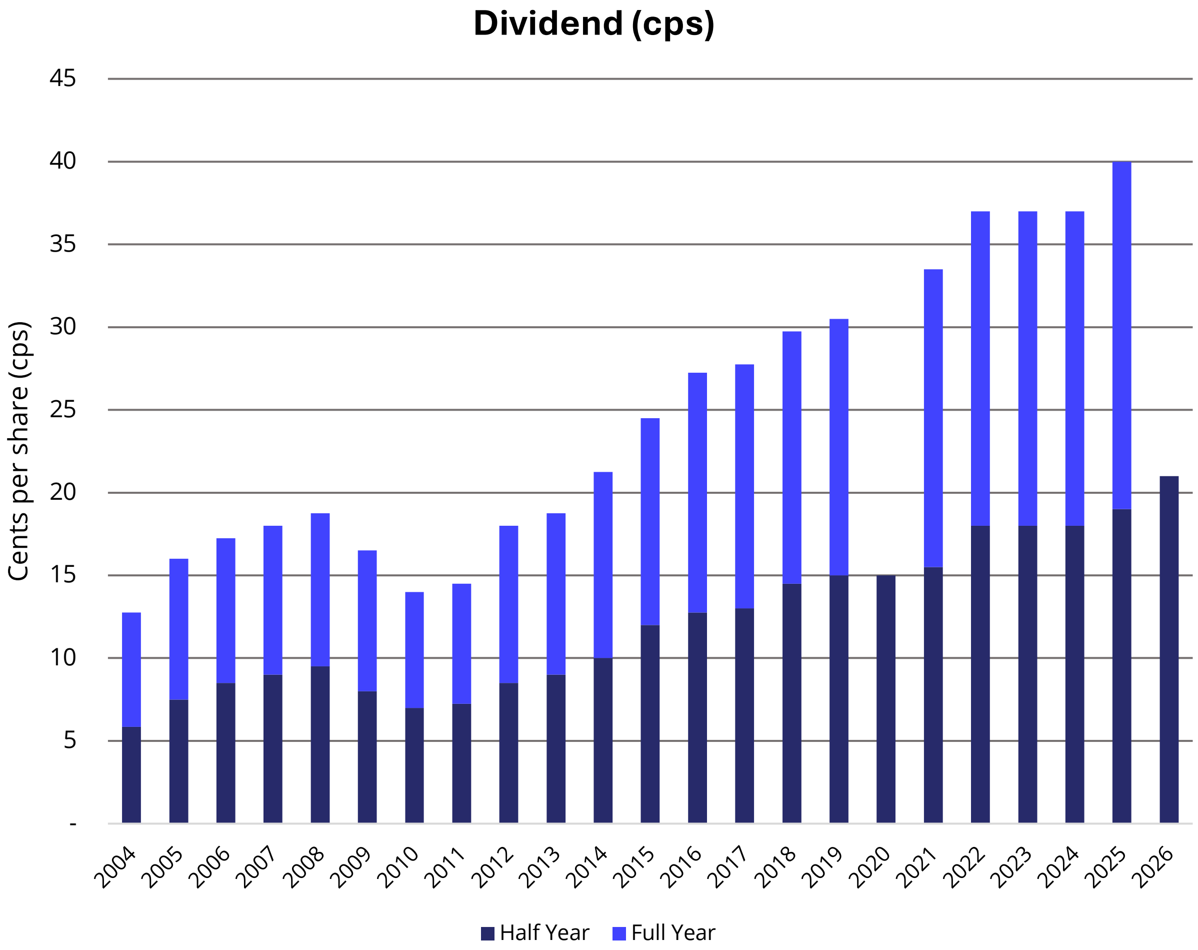
Note:
For consistent comparison, EBITDA for FY20, FY21 and FY22 in the graph above exclude net non-recurring expenses of approximately $9m, $23m and $4m, respectively. The non-recurring expenses include items such as change in fair value of contingent considerations (earn-out accruals), impairment of intangible assets and inventory write-down.

Note:
The graph above excludes the impact of the recently completed acquisition of VT Freight Express (VTFE). Including the acquisition, the gearing, both excluding and including lease liabilities, is expected to be approximately 35% and 55%, respectively.

HY26 Dividend increases by 10.5%

HY26 Dividend	HY25 Dividend
21cps	**19**cps

post IFRS16



Notes:

- cps = Cents Per Share - Interim dividend of 21cps, fully imputed in NZ, 46% franked in Australia

Divisional Performance
Express Package & Business Mail

Presenters:

Mark Troughear
Chief Executive Officer

Aaron Stubbing
General Manager, Express Package

HY26 Express Package & Business Mail Result

	Notes	HY26 $m	HY25 $m	Change %
Operating Revenue		604.0	547.2	10.4
EBITA (non-GAAP)	1	91.2	80.0	14.0
EBITA margin		15.1%	14.6%	
NPAT	2	56.6	49.6	14.0

Notes:

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- Refer to appendices for reconciliation to results before NZ IFRS16

1. Operating profit before interest, tax and amortisation
2. Net profit after tax

HY26 Performance Overview:

- Revenue growth driven by:
  - Same-customer growth
  - Net market share gains
  - Price increases executed at the start of the FY
- Allied and Post Haste performed particularly well through the period with strong demand for their oversize and economy services respectively
- Pleasing uplift in margin despite the *Evolve* costs in the half year ($1.8m incremental cost vs the pcp)
- DX Mail continued their momentum in Q2
- Big Chill revenue and earnings both up even though the recovery appears slower in the food / hospitality sector

Temperature Controlled

3PL Utilisation	Same-Customer Transport Volume Growth
Auckland **96%** Ruakura **78%** Christchurch **86%** at Dec 2025	**2.9%** For HY26

HY26 NZ Express Package Volume (excl BCD)

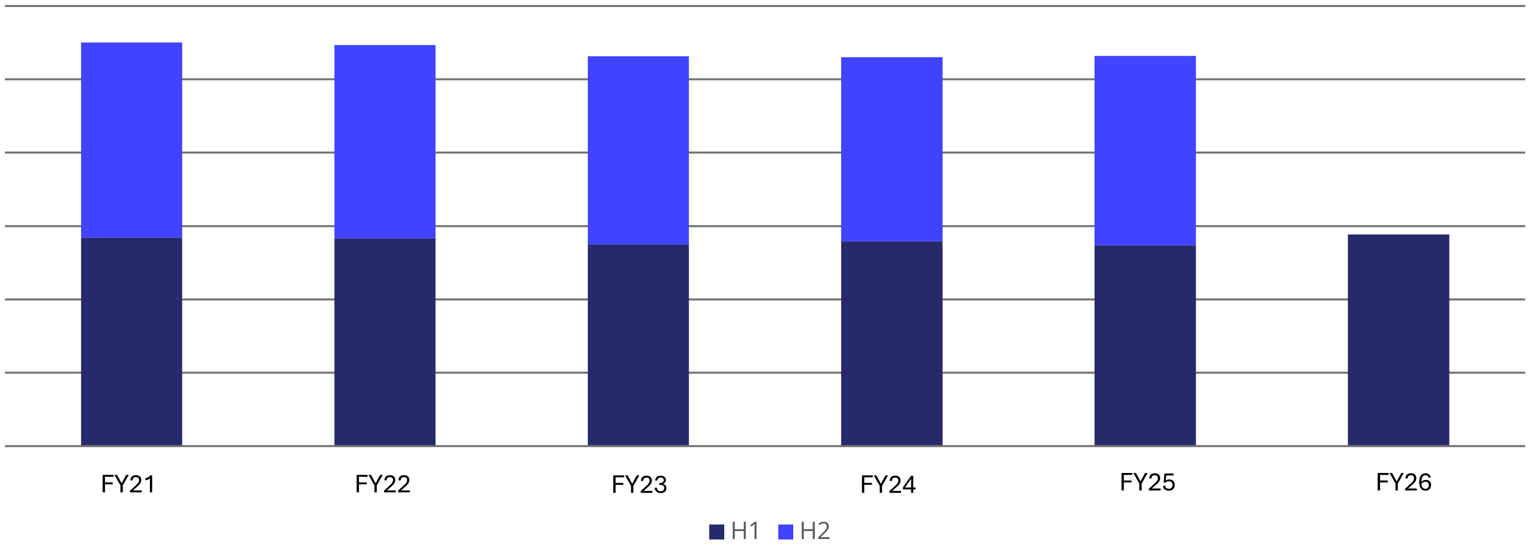
New Zealand:

- Item growth of 3% from net market share gains (wins – losses)
- Same customer volumes increased by 2.5%
- Underpinned by cross boarder e-commerce work
- NZ EP economy services have benefited from a cost conscious market
- Premium (overnight, same day) services experiencing more modest demand

HY26 Network Items v pcp

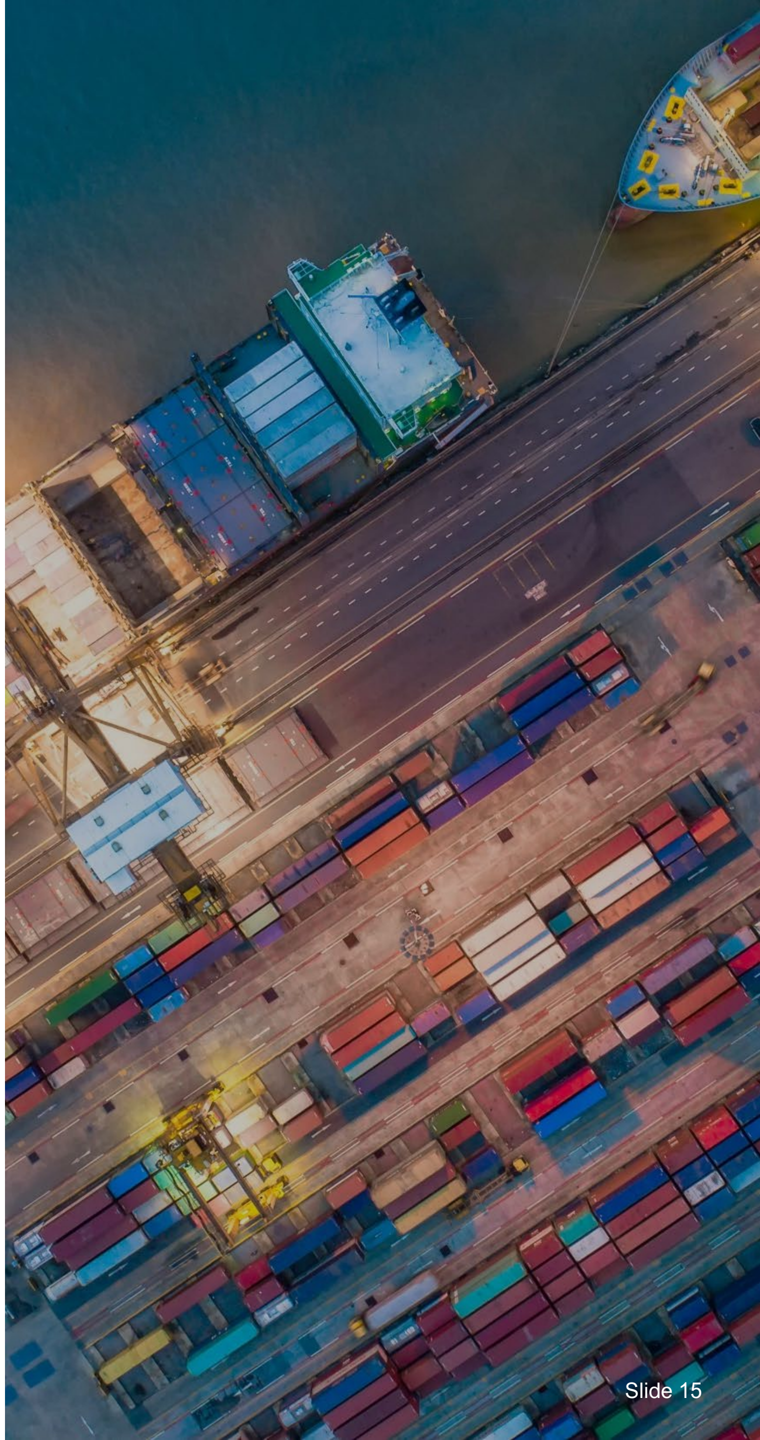
▲ 5.5%

NZ Express Package - Items



Freightways Global

- Facilitates international freight and e-commerce into NZ EP brands
- Provides ~5% of the NZ EP volume each week (albeit at lower margin)
- From 1 April a new tariff commences, altering the cost structure for customs clearance
- Items consigned as express commercial shipments will incur a $2.21/ item charge (400 grams)
- “Mail” items will incur a $1.28/kg charge
- Unknown at this stage as to whether some volume will migrate from express to mail to avoid the higher fees
- Pursuing mitigation strategy that includes; clearance via a FRW UPU/postal channel to access the mail levy



Air Network Update

- Airwork, our JV partner in Parcelair, was placed in receivership last July
- The business is operating as a going concern and the receivers are currently undertaking a sale process which we expect to be finalised in the first quarter of 2026
- Both air network suppliers continued to perform as expected during the peak volume period in the last quarter of 2025
- It is anticipated that 2 of the remaining 737-400 aircraft will be retired from our network in late 2026 and be replaced with 2x 737-800s to provide a core 3x 737-800 network
- 737-800s are more fuel efficient with additional payload capability
- We expect the change to be cost neutral for FRW other than incurring $2.4m of provisioned one-off transition costs

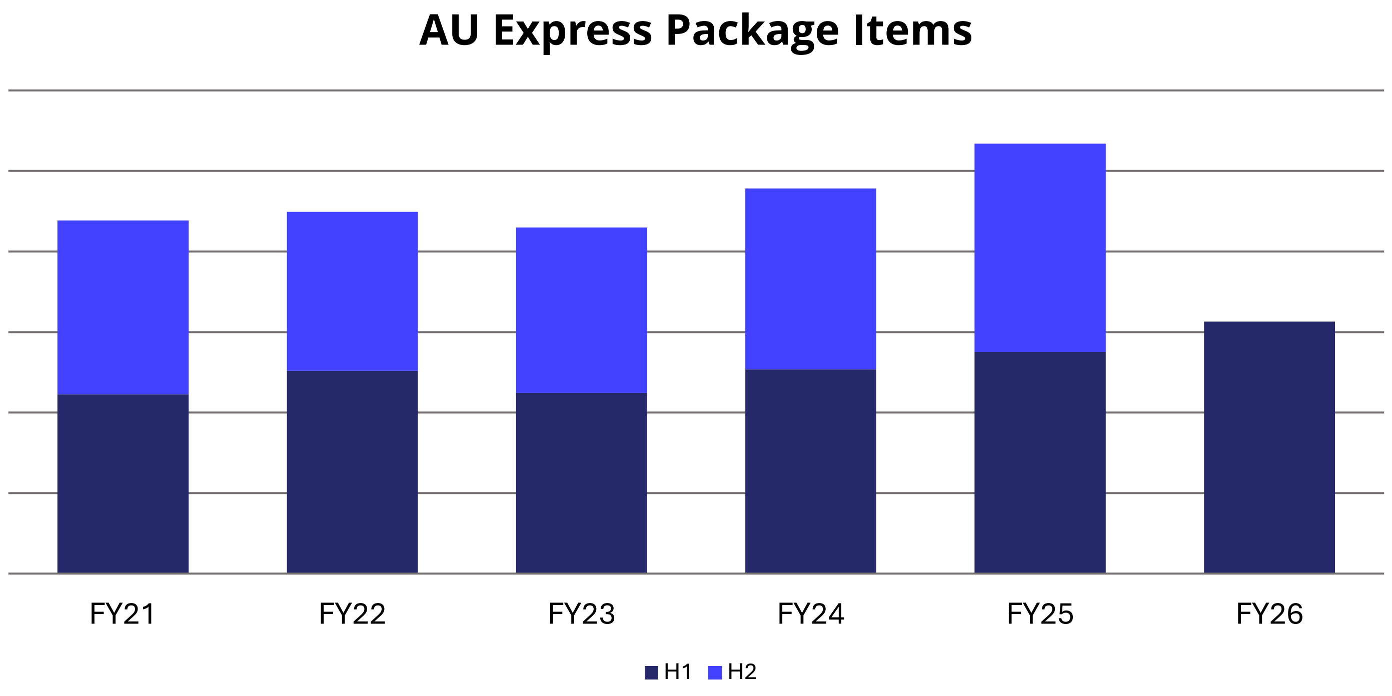
HY26 AU Express Package Volume

Australia

- Allied delivered strong volume growth in H1 FY26
- Improved share of wallet, same-customer organic growth and new business wins all contributed
- Black Friday sales were particularly strong through November and December
- Focus is on customer experience and DIFOT

HY26 Network Items v pcp

▲ **13.8%**



Divisional Performance Information Management & Waste Renewal

Presenters:

Mark Troughear
Chief Executive Officer

Neil Wilson
General Manager, Freightways

HY26 Information Management & Waste Renewal Result

	Notes	HY26 $m	HY25 $m	Change %
Operating Revenue		117.1	117.6	(0.4)
EBITA (non-GAAP)	1	15.7	15.5	1.3
EBITA margin		13.4%	13.2%	
NPAT	2	8.8	8.5	3.6

Notes:

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1. Operating profit before interest, tax and amortisation
2. Net profit after tax

HY26 Performance Overview:

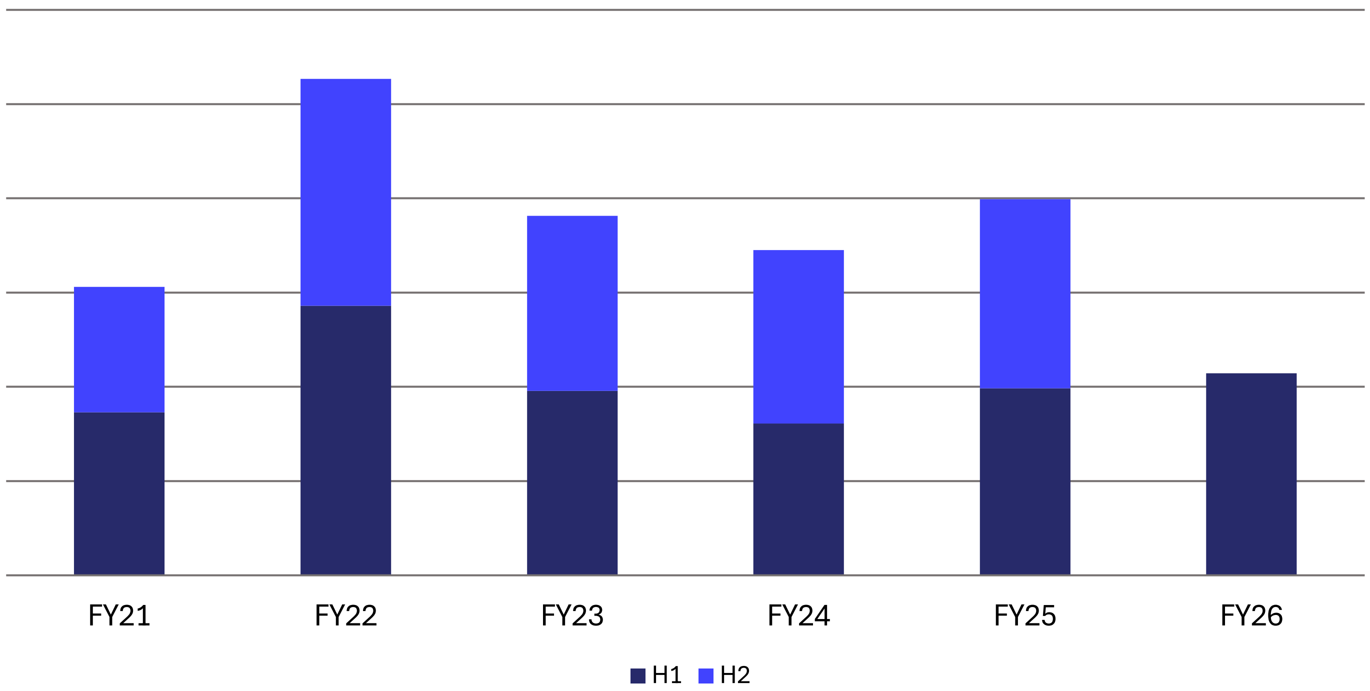
- Positive revenue growth from pricing improvement and waste renewal
  - Secure Destruction grew 5%
  - Medical waste grew 8%
- Offset by TIMG digital revenue declining by 14% due to the conclusion of a key government project during the H1 period.
- LitSupport bureau revenues grew by 7%. Retaining a state legislative print contract for a further 3 years helped underpin this performance
- $1.6m of one-off and restructuring net costs for SRX in the HY

Shred-X Profit Improvement Initiatives

Initiatives:

- Right size the network following the exiting of unprofitable revenue steams
  - Assess the regional operating model for efficiencies
  - Improve fleet efficiency
- Reducing overhead costs

Medical Waste Revenue



Mergers & Acquisitions

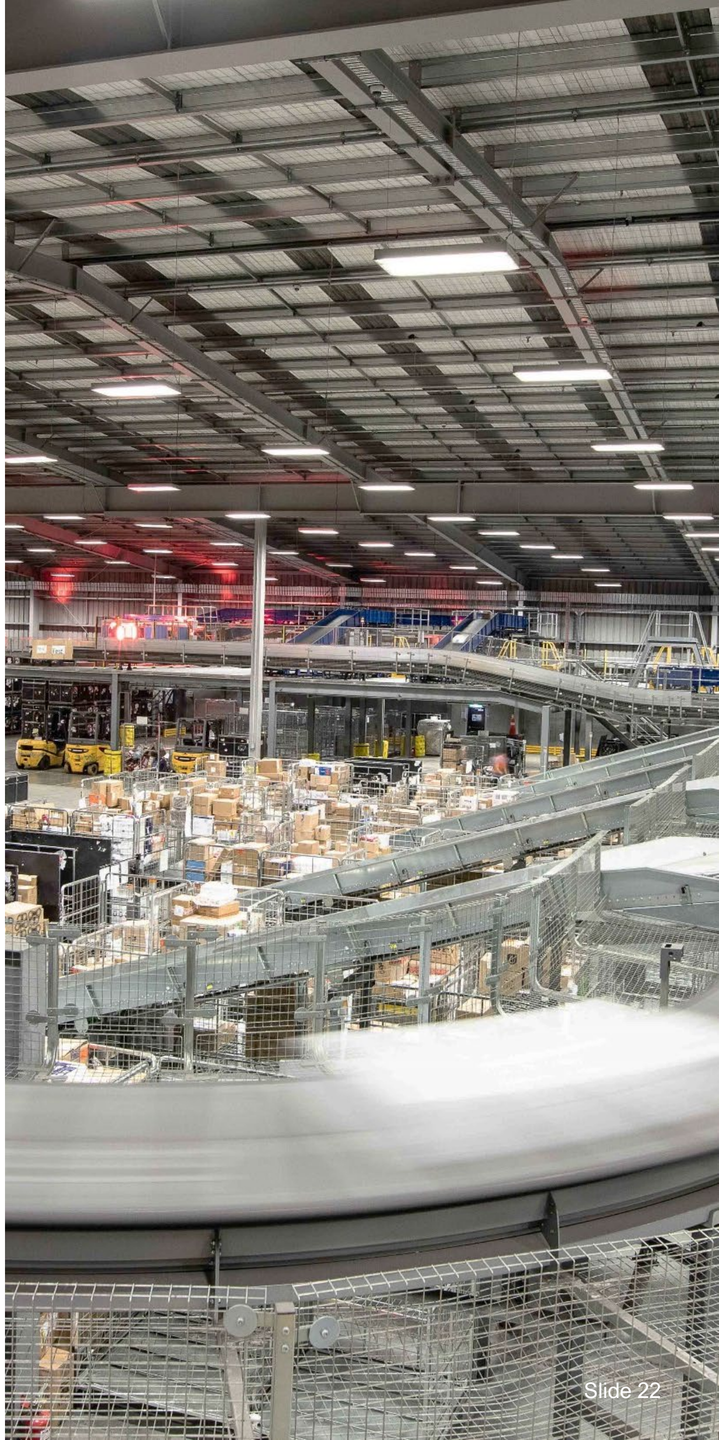
Presenter:

Mark Troughear
Chief Executive Officer

Disciplined Approach to M&A | AU Opportunity

Acquisition Strategy and Investment Criteria:

- Our primary focus will be proactively targeting acquisitions which either add to Allied Express or VTFE by either:
  - Expanding their geographic footprint, or
  - Providing an adjacent service
- We would expect these targets to be closely complementary (e.g. add a state or city to either network), or synergistic with existing operations (bolt-on with an existing state operation)
- We will maintain a disciplined approach to acting on opportunities
- Balance sheet remains strong with additional debt headroom; we remain committed to our Capital Management policy



VT Freight Express

About:

- B2B services for a wide range of industries including the building, healthcare, retail and plumbing sectors
- Strong presence in Victoria and a growing volume of interstate freight
- Track record of revenue and profit growth
- Asset light model using a contractor fleet and leased facilities
- Very similar service and customer profile to Post Haste

Strategy:

The acquisition builds Freightways' presence and capability in the express market in Australia in a niche that is complementary to the existing Allied Express B2C niche

We expect to be able to build market share both organically and through further M&A off the initial density that VTFE provides

The Acquisition:

- A$71m purchase price
- VTFE recorded A$77m revenue in the 12 months to October 2025
- The transaction is expected to be 6% EPS accretive to Freightways from the first year

VTFE BY THE NUMBERS:

- Services most states and territories in Australia
- **87** Contractors
- **49** Staff
- **350+** clients (range SME to large multi-national corporates)

VT Freight Express

Benefits for Freightways

- Leveraging Freightways' core capabilities in express pick up, processing and delivery which currently represents the majority of its earnings
- Providing an entry point for the growth of B2B services in Australia
- Complementary to Allied Express (which is focused on B2C deliveries)
- Consistent with Freightways' multi brand strategy:
  - > VTFE will maintain their own leadership and remain focussed on their niche
  - > The businesses will share resources with Allied where it makes sense to do so

Next Steps

- Early alignment underway across safety, operational systems, reporting, and commercial disciplines
- Assess expansion of operations into NSW to help build a truly national service offering
- Network optimisation and operational efficiency, improving utilisation across linehaul and depot operations

Allied Express Post-Investment Review

Revenue

10.8%

3 Year CAGR

*** EBITA growth**

16.5%

3 Year CAGR

Cashflow

16.6%

Average cashflow return over 3 years

ROI

15.8%

Average return on invested capital over the last 3 years

Note:

- *Non-GAAP (Generally Accepted Accounting Principles)

- Strong revenue growth since acquisition enabled by:
  - > new sales teams
  - > Increased share of wallet
  - > market share gains
- Investment in automated sortation systems in the larger depots (NSW and VIC) have enabled the handling of peak period volume without caps on customer volume
- Margins have improved as scale has built
- Firmly established in the Oversize market

Outlook

Presenter

Mark Troughear
Chief Executive Officer

FY26 Outlook

- We continue to expect a steady improvement in same-customer volumes in H2 of FY26 in NZ - where economic recovery has been gradual
- We will continue our efforts to drive margin improvement in the second half of the year
- Our focus is on leveraging our service quality to retain our customers and attract new business for all of our brands. This has yielded positive results across our network
- We will have a proactive focus on M&A that is directly complementary to growing our Australian express network

- Volumes expected to increase as the NZ economy strengthens
- Focus on improving margins continues
- Disciplined M&A approach, with complementary opportunities being explored

Freightways

Questions

HY26

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Appendix – Reconciliation of Post-IFRS16 to Pre-IFRS16 (unaudited)

FREIGHTWAYS GROUP		HY26 ($m)			HY25 ($m)		
	Notes	Post NZ IFRS16	NZ IFRS16 adjustment	Pre NZ IFRS16 (non-GAAP)	Post NZ IFRS16	NZ IFRS16 adjustment	Pre NZ IFRS16 (non-GAAP)
Operating Revenue		718.2	-	718.2	662.1	-	662.1
EBITDA (non-GAAP)	1	143.4	(39.0)	104.4	130.5	(36.4)	94.1
EBITA (non-GAAP)	2	96.5	(7.1)	89.3	86.0	(6.1)	79.9
NPATA (non-GAAP)	3	58.6	1.3	59.9	51.0	1.8	52.8
NPAT	4	52.5	1.3	53.8	44.7	1.8	46.5

NOTES

- *Results in this table are unaudited*

1. Operating profit before interest, tax, depreciation and amortisation.
2. Operating profit before interest, tax and amortisation.
3. Net profit after tax before amortisation.
4. Net profit after tax.

Appendix – Reconciliation of Post-IFRS16 to Pre-IFRS16 (unaudited)

EXPRESS PACKAGE & BUSINESS MAIL	Notes	HY26 ($m)	HY25 ($m)
Operating Revenue		604.0	547.2
EBITDA (after NZ IFRS16)	1	123.4	110.6
Less: NZ IFRS16 adjustment		(27.3)	(25.5)
EBITDA (before NZ IFRS16)	1	96.1	85.1
EBITA (after NZ IFRS16)	2	91.2	80.0
Less: NZ IFRS16 adjustment		(4.8)	(4.0)
EBITA (before NZ IFRS16)	2	86.4	76.0

NOTES

- *Results in this table are unaudited*

1. Operating profit before interest, tax, depreciation and amortisation (non-GAAP).
2. Operating profit before interest, tax and amortisation (non-GAAP).

Appendix – Reconciliation of Post-IFRS16 to Pre-IFRS16 (unaudited)

INFORMATION MANAGEMENT & WASTE RENEWAL	Notes	HY26 ($m)	HY25 ($m)
Operating Revenue		117.1	117.6
EBITDA (after NZ IFRS16)	1	29.6	28.6
Less: NZ IFRS16 adjustment		(11.6)	(10.8)
EBITDA (before NZ IFRS16)	1	18.0	17.8
EBITA (after NZ IFRS16)	2	15.7	15.5
Less: NZ IFRS16 adjustment		(2.3)	(2.2)
EBITA (before NZ IFRS16)	2	13.4	13.3

NOTES

- *Results in this table are unaudited*

1. Operating profit before interest, tax, depreciation and amortisation (non-GAAP).
2. Operating profit before interest, tax and amortisation (non-GAAP).