Freightways

FY26

Freightways FY26 Results

Monday, 17 August 2026

FRW: NZX | ASX

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 full year ended 30 June 2026, which can be found in the Freightways full year results announcement available on the NZX and ASX platforms.

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 financial product, legal, financial, investment, tax or any other advice or a recommendation. 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.

Forward looking statements: 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. The information in this presentation is current at the date of this presentation, unless otherwise stated. Freightways is not under any obligation to update this presentation after its release, whether as a result of new information, future events or otherwise.

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.

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

NZ Express Package

Neil Wilson
General Manager,
Freightways

AU Express Package & Information Management

Overview

- Our businesses have remained resilient in a complex economic environment. Activity levels lifted in Q2 and Q3 across most lines of business, but then quickly fell as higher fuel prices impacted consumer demand. We promptly adjusted our fuel recovery mechanisms
- The focus on improving margins remains intact, and it is pleasing to see progress across a range of our businesses. We are also focused on improving those that are lagging
- Economy services continued to enjoy higher demand than higher priced premium services
- The Australian EP businesses continued their impressive contribution with Allied performing particularly well and VTFE contributing 5 months of earnings
- Balance sheet in the mid-range of policy post the VTFE acquisition

Financial Summary and Capital Management

Stephan Deschamps | Chief Financial Officer

Financial Highlights

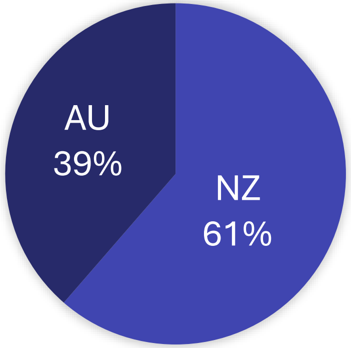
Revenue	▲ 13.5%	to $1,463.6m
* EBITA growth	▲ 14.6%	to $181.6m
NPAT growth	▲ 17.3%	to $94m
* EBITA margin	▲ 12.4%	from 12.3% FY25
Cash Generated From Operations	▲ 14.9%	to $279.4m
Basic earnings per share	▲ 17.2%	to 52.4cps
Net Debt/ EBITDA	▶ 2.4x	
Dividend (FY)	▲ 12.5%	to 45c (40c in FY25)

Note:

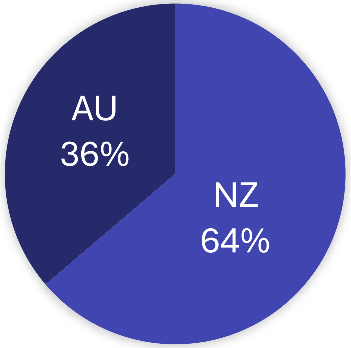
- *Non-GAAP (Generally Accepted Accounting Principles)
- cps – cents per share

Australia Growing as a Contributor to Group Results

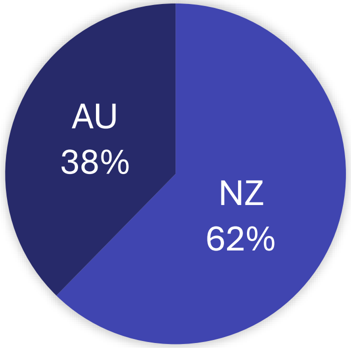
Revenue **FY26**



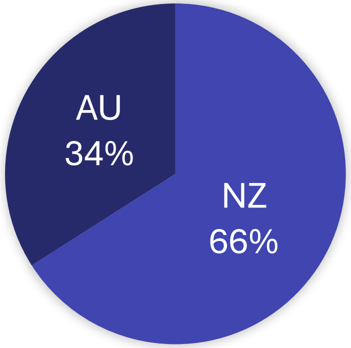
Revenue **FY25**



EBITA **FY26**



EBITA **FY25**



Things Were Going Better Until…

	Notes	FY26 $m	FY25 $m	Change %
Operating Revenue		1,463.6	1,289.6	13.5
EBITA (non-GAAP)	*1*	181.6	158.4	14.6
EBITA margin		12.4%	12.3%	
NPAT	*2*	94.0	80.1	17.3
NPAT margin		6.4%	6.2%	
Basic Earnings Per Share (cents)		52.4	44.7	17.2

Notes:

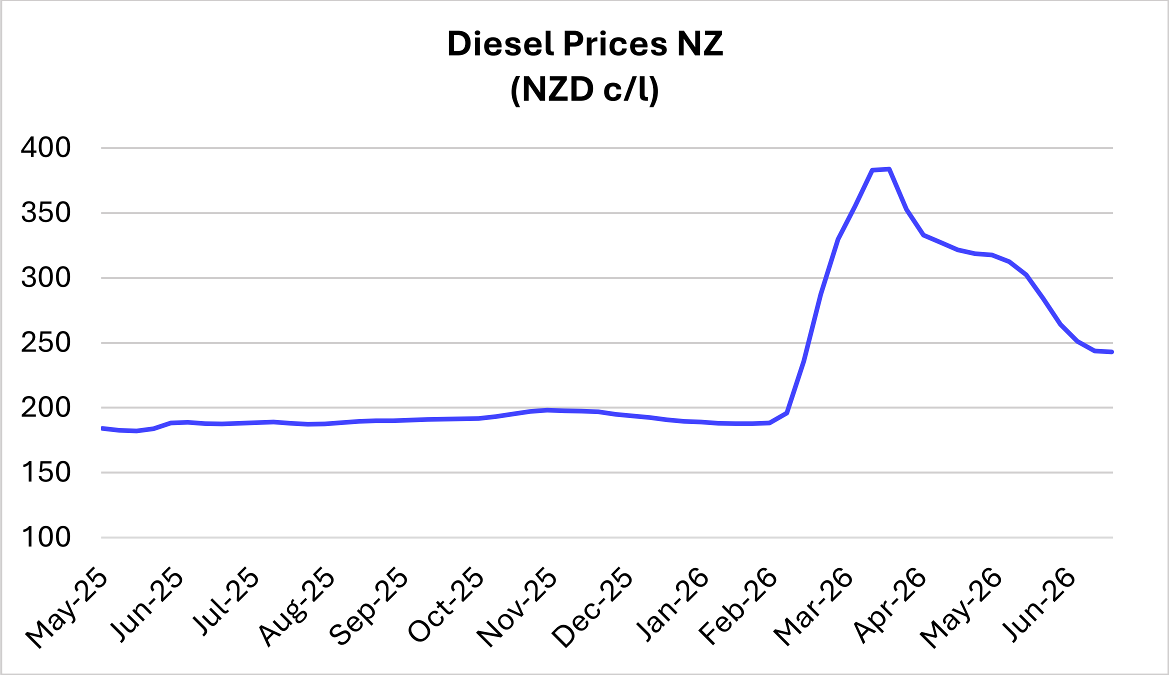
> Results in this table are after adjustments for NZ IFRS16 (Leases)
> Refer to appendices for reconciliation to results before NZ IFRS16

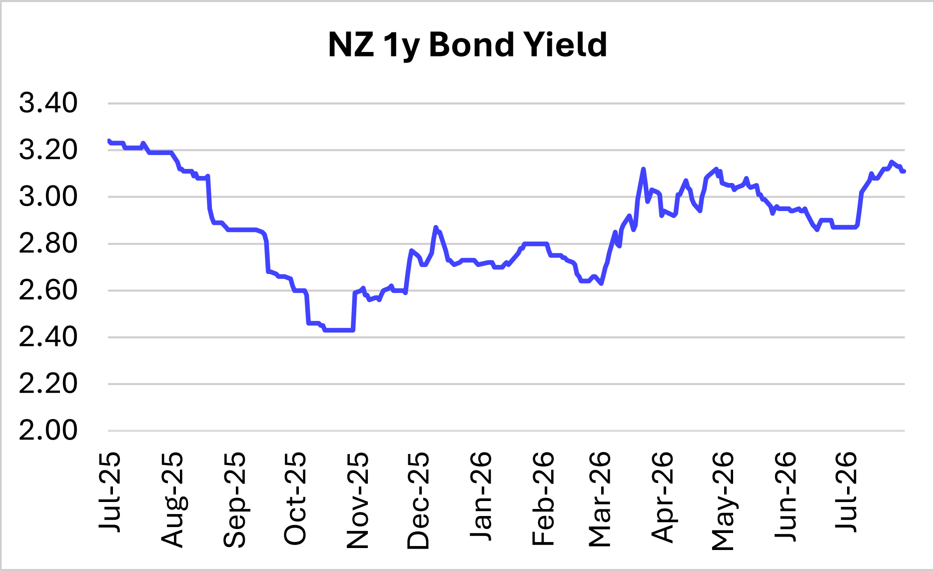
1. Operating profit before interest, tax and amortisation
2. Net profit after tax

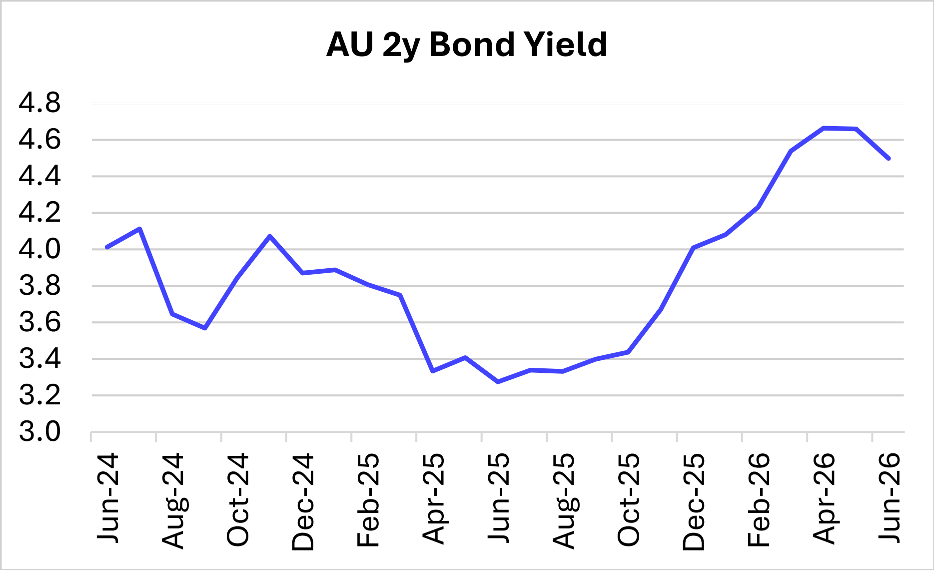
FY26 Performance Overview:

- Clear signs of recovery in Q2 and Q3, abruptly halted by the war in the Middle East
- Current demand has not returned to pre-Middle East war levels
- More modest inflationary pressure in our cost base
- Slight margin improvement continues

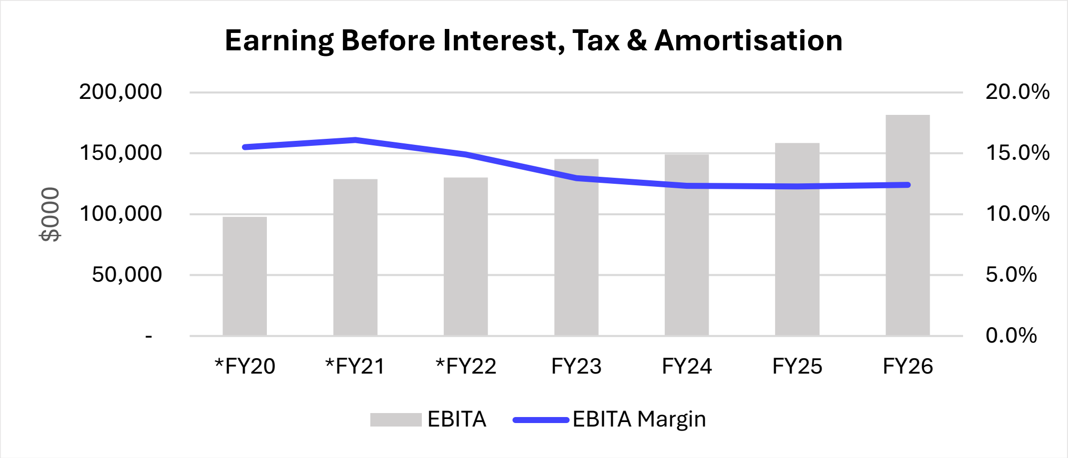
External Economic Drivers Brought Recovery to a Halt

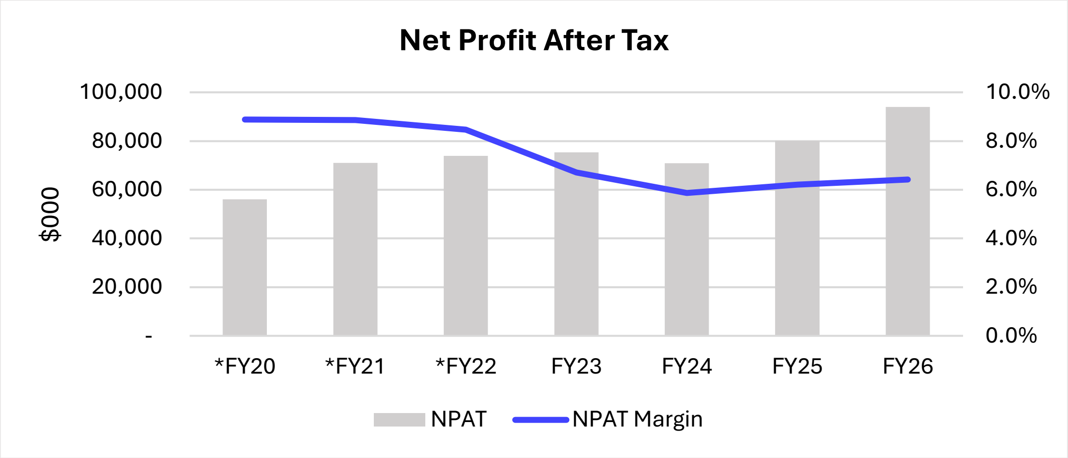






Further Margin Improvement Across The Group





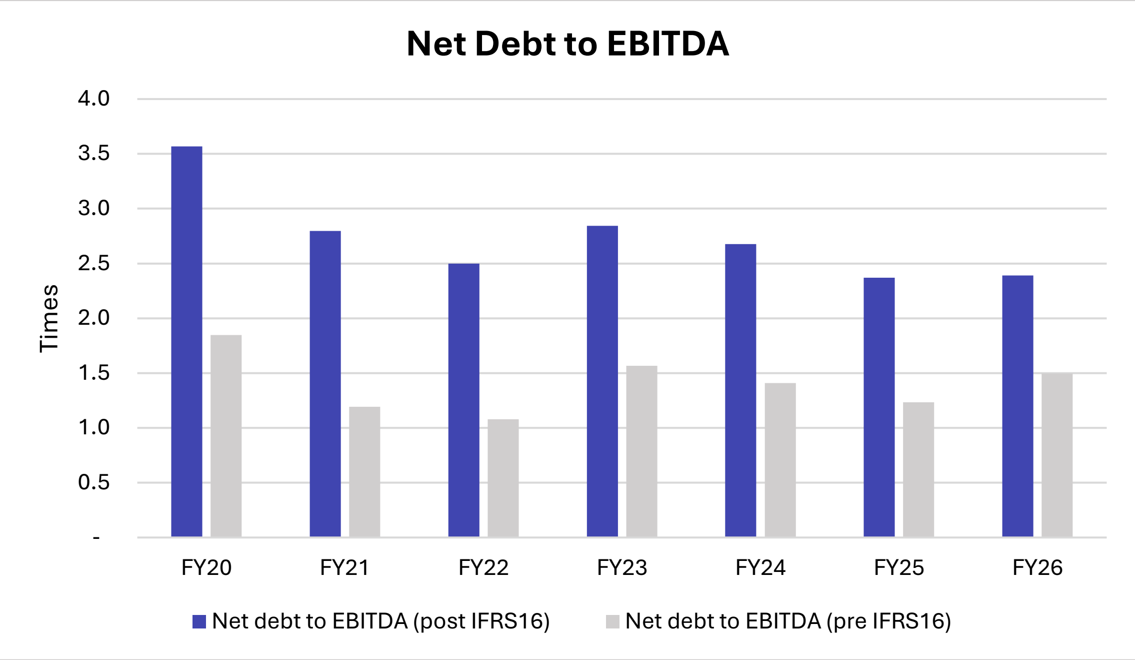
Note:

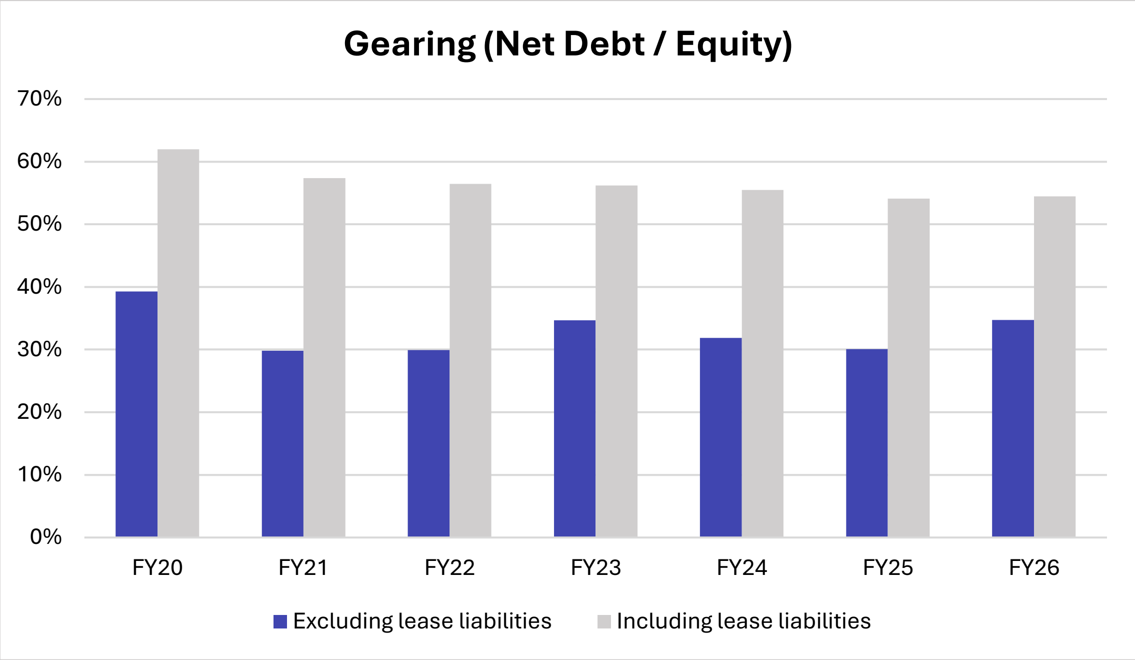
* For consistent comparison, EBITA and NPAT for FY20, FY21 and FY22 on this page exclude net non-recurring expenses of approximately $9m, $23m and $4m, respectively. The non-recurring expenses include items such as change in fair value of contingent considerations (earn-out accruals), impairment of intangible assets and inventory write-down.

Margin performance:

- Focus on margin continues, with many businesses showing improvement
- Post Haste, DX and Allied Express particularly strong in EP, and TIMG NZ also showing good progress
- Shred-X improved over last year and should continue to strengthen margins as their reset is largely complete
- BCD remains impacted by the economic environment and the state of the Hospitality sector

Leverage Reflects Acquisition Of VTFE From Feb 26





Note:

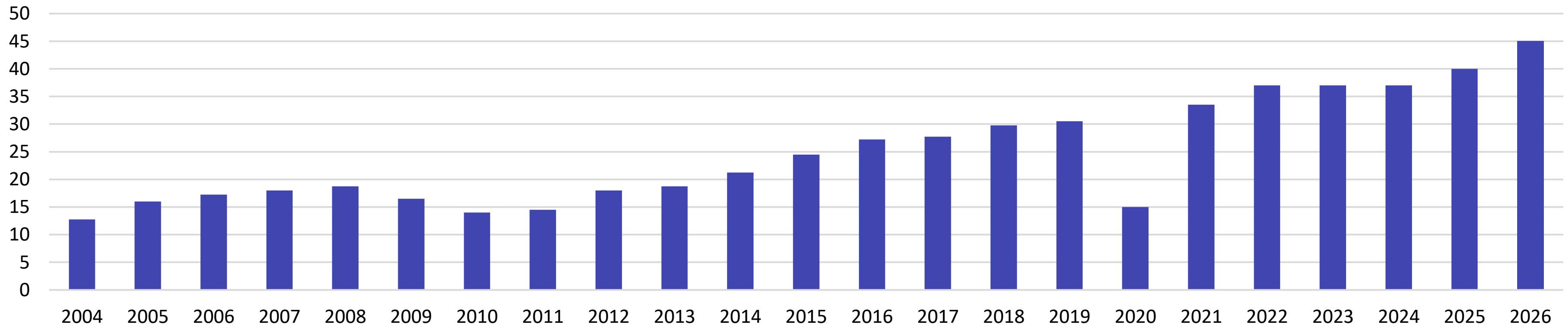
For consistent comparison, EBITDA for FY20, FY21 and FY22 in the graph above exclude net non-recurring expenses of approximately $9m, $23m and $4m, respectively.
The non-recurring expenses include items such as change in fair value of contingent considerations (earn-out accruals), impairment of intangible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

FY26 Dividend Increases By 12.5%

FY26 Final Dividend	FY25 Final Dividend
24 cps	**21** cps
(FY 45cps)	(FY 40cps)

post IFRS16

Dividends (cps)



Notes:

- cps = Cents Per Share - Final dividend of 24cps, fully imputed in NZ, 49% franked in Australia

Divisional Performance
Express Package & Business Mail

Mark Troughear | Chief Executive Officer

Aaron Stubbing | General Manager, Express Package

Neil Wilson | General Manager, Freightways

FY26 Express Package & Business Mail

	Notes	FY26 $m	FY25 $m	Change %
Operating Revenue		1,235.2	1,061.0	16.4
EBITA (non-GAAP)	1	168.1	143.3	17.3
EBITA margin		13.6%	13.5%	
NPAT	2	102.1	86.7	17.8

Notes:

- Results in this table are after adjustments for NZ IFRS16 (Leases)
- Refer to appendices for reconciliation to results before NZ IFRS16
- VTFE contributed $40m of revenue and $1.7m of NPAT (NZD)

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

FY26 Performance Overview:

- Revenue growth driven by:
  - > Same-customer growth
  - > Net market share gains
  - > Price increases executed at the start of the FY
  - > 5 months of VTFE contribution c.NZ$40m
- Allied, Post Haste and DX Mail all recorded strong revenue and EBIT growth reflecting strong momentum in their respective niches
- Overnight airfreight and point to point had lower demand during the year (premium services) but that volume was generally picked up in our economy services
- Big Chill had a positive Q2 and 3 before the impact of higher fuel prices took toll on consumer demand
- Higher fuel costs in FY26 impacted margins in March and April as fuel prices rose

FY26 NZ Express Package Network Volume

New Zealand

- Item growth of 5.1%
  > 3.6% from net market share gains (wins – losses)
  > Same customer volumes were positive for 3 quarters but fell to -1.2% in Q4.

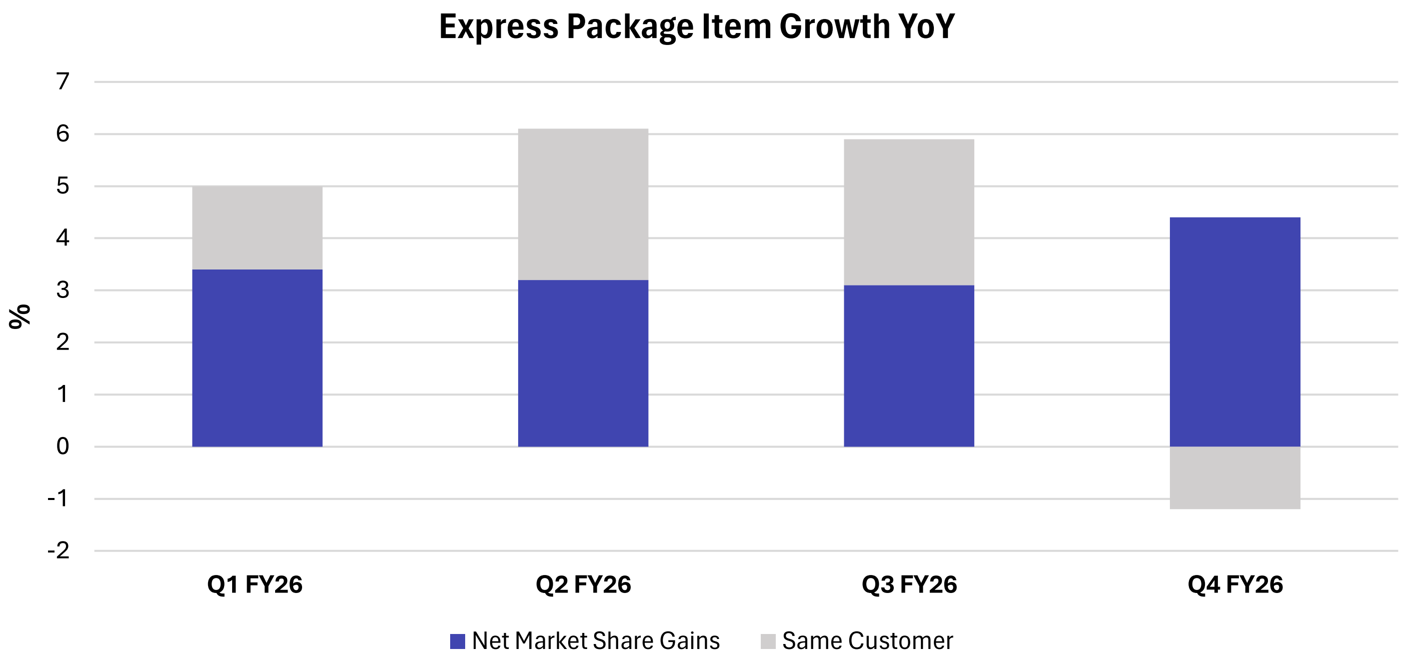
- A cost-conscious market has supported growth in economy at the expense of premium services

- Key Sector Trends (item change YoY)
  > eCommerce sector: +73%
  > Retail sector: (-5%)
  > Manufacturing sector: Flat
  > Health sector: +15%

- eCommerce volumes have moderated over the last 2 months

FY26 NZ Network Items v pcp

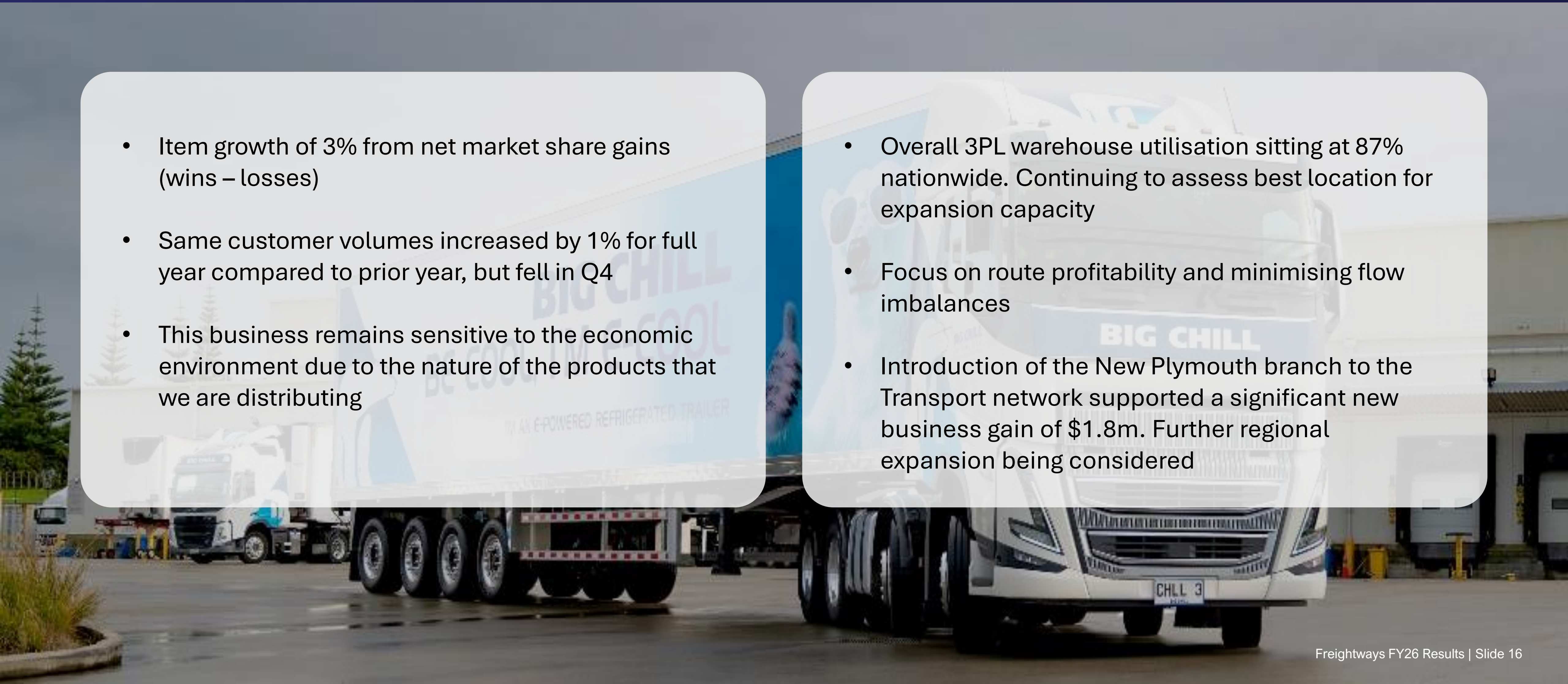
▲ **5.1%**



FY26 Temperature Controlled Volume

- Item growth of 3% from net market share gains (wins – losses)
- Same customer volumes increased by 1% for full year compared to prior year, but fell in Q4
- This business remains sensitive to the economic environment due to the nature of the products that we are distributing

- Overall 3PL warehouse utilisation sitting at 87% nationwide. Continuing to assess best location for expansion capacity
- Focus on route profitability and minimising flow imbalances
- Introduction of the New Plymouth branch to the Transport network supported a significant new business gain of $1.8m. Further regional expansion being considered



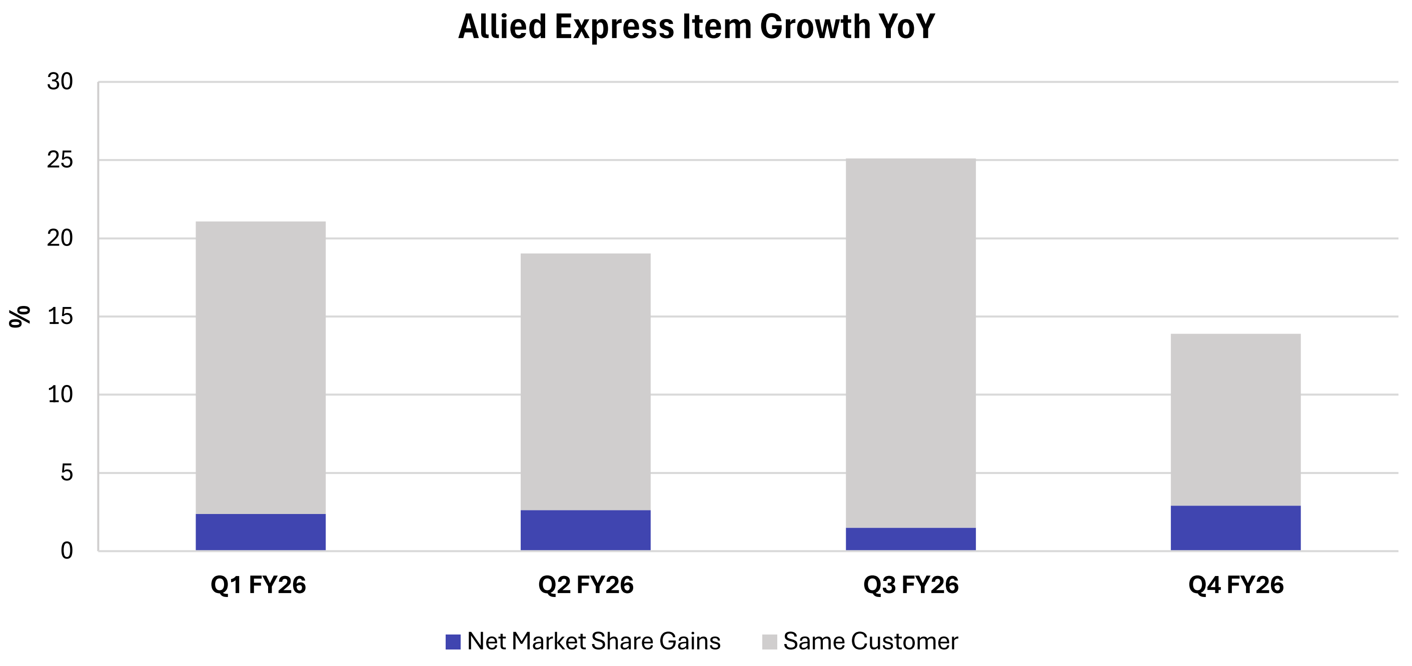
FY26 Allied Express Package Volume

Australia

- Item growth of 20%
  - 2% from net market share gains (wins – losses)
  - Same customer volumes increased by 18%
- Additional capacity in VIC assisted managing increased volume
- Allied's big and bulky B2C niche benefited from share of wallet growth during FY26
- Over the last 6 weeks, we have seen some softening of demand from some of our larger B2C customers as well as from B2B segments such as construction

FY26 Allied Express Network Items v pcp

▲20%



Air Network Update

- Airwork, our JV partner in Parcelair, was placed in receivership in July 2025
- The business has continued to operate as a going concern while the receivers worked through a sale process
- Both Airwork and Texel (our other air network supplier) performed well in terms of scheduled reliability throughout FY26
- We expect to maintain continuity of service regardless of the future supplier of air network services
- We expect that by the end of 2026 the network will be serviced completely by 737-800 aircraft. 737-800s are more fuel efficient with additional payload capacity
- We expect the change to be mostly cost neutral for FRW, other than incurring previously provisioned one-off transition costs

Divisional Performance Information Management & Waste Renewal

Mark Troughear | Chief Executive Officer

Neil Wilson | General Manager, Freightways

FY26 Information Management & Waste Renewal

	Notes	FY26 $m	FY25 $m	Change %
Operating Revenue		234.0	233.6	0.2
EBITA (non-GAAP)	1	31.6	31.3	1.0
EBITA margin		13.5%	13.4%	
NPAT	2	16.9	17.3	(2.3)

Notes:

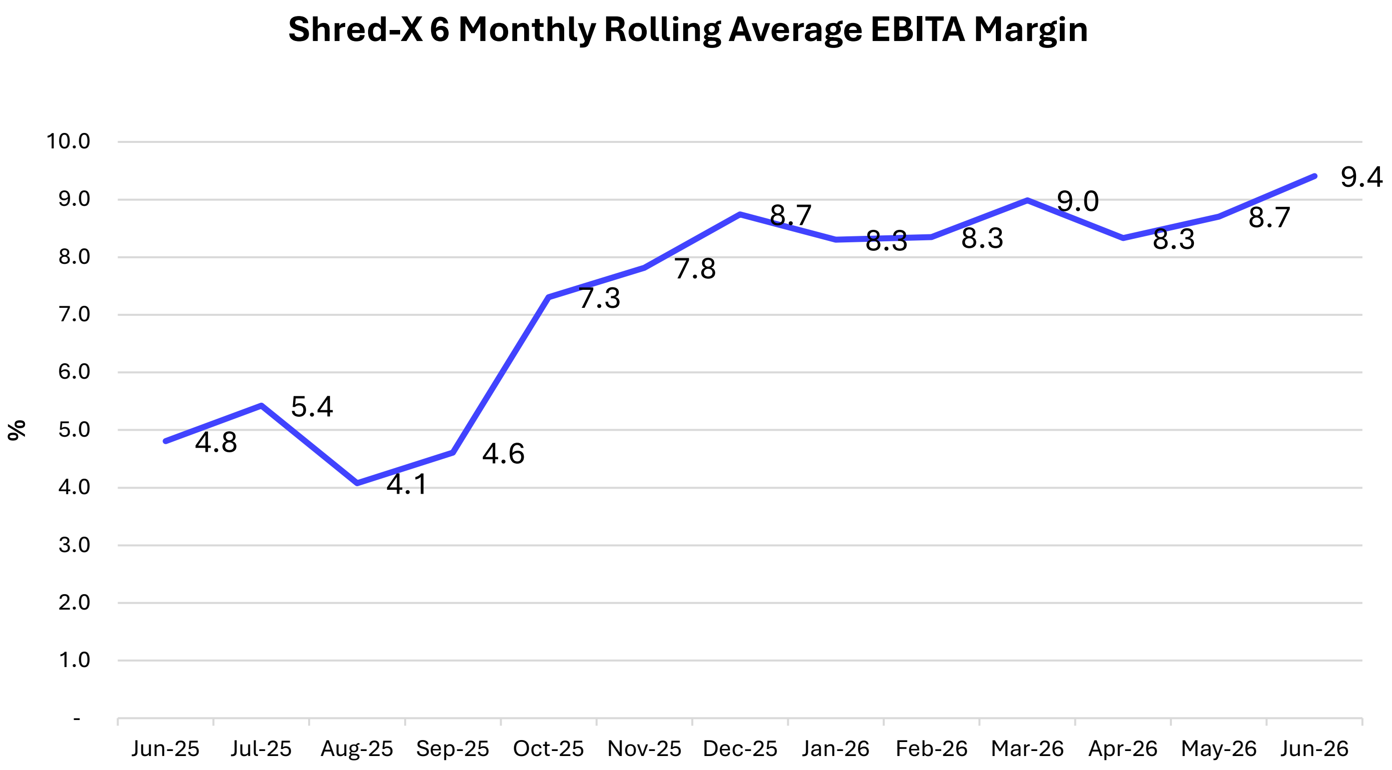
- Results in this table are after adjustments for NZ IFRS16 (Leases)
- Refer to appendices for reconciliation to results before NZ IFRS16

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

FY26 Performance Overview:

- Revenue stable with growth from pricing improvement and waste renewal
  - Document Destruction grew 4%
  - Medical waste grew 7%
  - E-waste grew by 10%
- Document storage revenues grew by 3% with pricing initiatives offsetting flat volumes
- TIMGAU margins fell as a result of lower digitalisation revenue
- Paper prices were lower by 8% during FY26
- Shred-X reset largely complete with the business on an improved margin run rate in Q4

Shred-X | Med-X Margin Improvement



FY26 Performance Overview:

- Pick up network optimisation – 12% reduction in driver FTE
- Focus on productivity / efficiency – 8% reduction in staff FTE
- Pricing improvement initiatives over 2 years
- Improvements in HSE focus reducing Workcover premiums
- Removal of low margin paper rebates (July 2026)
- Growth in IT Asset Disposal volumes
- Introduction of fuel surcharge to shield against fuel spikes

Information Management Revenue

Horizon One

Archive / Media

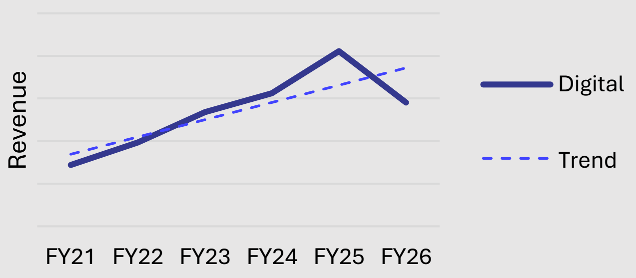
- Focus on running lean operations to maximise returns
- Yield management approach where warehouses are at or near capacity using pricing and destruction levers
- New business to fill lower utilisation warehouses or new H3 products to develop alternative uses

Horizon Two

Digitalisation

- Consultative selling to unlock new digitalisation opportunities e.g. privacy law changes
- TIMG AU impacted by reduced demand for digitisation in the last year

TIMG AU Digital Revenues



Horizon Three

- Invest in H3 opportunities – continue to scale Stocka in NZ and launch in AU
- Market test new AI assisted digital products to ensure scalable
- TIMG NZ a significant contributor of cash to the Group: ROIC of c.23% and FCF in excess of $10m

Future Investment

Mark Troughear | Chief Executive Officer

Aaron Stubbing | General Manager, Express Package

NZ Capacity + Expansion

CHRISTCHURCH Airport – Expansion:

Objective – Scale for growth and bring all of our NZ EP Brands back under one roof

- The expanded facility will increase operational capacity by around 50%

  Current site footprint 12,000m2 - Expanding to 28,000m2

- Warehouse from 9,000m2 to 20,000m2
- FY27 capex of $8.2m

Timelines:

- Occupation from Q2, 2027

NZ Capacity + Expansion

PALMERSTON NORTH Airport - New Build:

Objective - Increase operational footprint and locate our NZ EP Brands and linehaul in a single Lower North Island hub

- The expanded facility will increase operational capacity by 40%
- Current Estate 2,300m2 - Expanding to 5,500m2
- Warehouse from 1,500m2 to 3,000m2
- FY27 capex of $0.5m

Timelines:

- Occupation from Q1, 2027

AUSTRALIA:

What does the future look like for Freightways?

- We expect in the medium-term that AU has the potential to surpass NZ in terms of revenue and earnings for FRW
- The AU express market is estimated at around A$13bn p.a. and, below the 3 tier-one players, is very fragmented with most operators targeting a particular niche
- Combination of organic and inorganic opportunities exist in the AU Express market within a number of target niches
- FRW have explored over 70 targets over the past 3-4 years to build a shortlist of opportunities that align with our ambition
- We expect to deploy more of our capital to this geography in the medium term, but still within our Capital Management Policy

MERGERS & ACQUISITION

Australia Focus

There are a targeted number of M&A targets to consider in Australia. We continue to operate a disciplined approach to these opportunities focused on:

- Adding to Allied Express or VTFE by either expanding their geographic footprint, or providing an adjacent service
- Considering larger stand-alone, quality express package businesses where they have a strong position in a niche, or have a service advantage in comparison to the market
- Other opportunities which are complementary to our existing lines of business where strong synergies or bolt-on potential exists

Outlook

Mark Troughear | Chief Executive Officer

Outlook

- Our businesses have proven to be resilient over the past 3 years of soft economic activity. Same-customer activity was recovering and positive before the war, but has turned negative since April

- We expect that same-customer volumes in both markets will remain soft and only improve progressively when there is a sustained fall in fuel prices

- The pace of recovery will also be dependent on broader economic conditions but overall, it will be another year of “softer for longer” than initially expected

- Additional capacity in Christchurch and Palmerston North and the investment in *Evolve* will support long term growth in NZ Express Package division

- Margin improvement remains a focus, across all businesses and particularly with the IM division in AU

- We will continue to grow our EP presence in both B2B and B2C in Australia

- We will continue to have a proactive focus on targeted M&A that is complementary to growing our Australian express network

Volumes expected to increase when fuel prices fall

Focus on improving margins continues

Disciplined M&A approach, with complementary opportunities being explored within the parameters of our Capital Management Policy

Freightways

Questions

FY26

Appendix – Reconciliation of Post-IFRS16 to Pre-IFRS16

FREIGHTWAYS GROUP		FY26 ($m)			FY25 ($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		1,463.6	-	1,463.6	1,289.6	-	1,289.6
EBITDA (non-GAAP)	1	278.1	(80.4)	197.7	248.6	(74.2)	174.4
EBITA (non-GAAP)	2	181.6	(14.7)	166.9	158.4	(12.9)	145.5
NPATA (non-GAAP)	3	108.3	2.2	110.5	92.4	3.4	95.8
NPAT	4	94.0	2.2	96.2	80.1	3.4	83.5

NOTES

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

EXPRESS PACKAGE & BUSINESS MAIL	Notes	FY26 ($m)	FY25 ($m)
Operating Revenue		1,235.2	1,061.0
EBITDA (after NZ IFRS16)	1	234.3	204.7
Less: NZ IFRS16 adjustment		(56.0)	(51.4)
EBITDA (before NZ IFRS16)	1	178.3	153.3
EBITA (after NZ IFRS16)	2	168.1	143.3
Less: NZ IFRS16 adjustment		(9.9)	(8.5)
EBITA (before NZ IFRS16)	2	158.2	134.8

NOTES

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

INFORMATION MANAGEMENT & WASTE RENEWAL	Notes	FY26 ($m)	FY25 ($m)
Operating Revenue		234.0	233.6
EBITDA (after NZ IFRS16)	1	60.2	58.5
Less: NZ IFRS16 adjustment		(24.2)	(22.5)
EBITDA (before NZ IFRS16)	1	36.0	36.0
EBITA (after NZ IFRS16)	2	31.6	31.3
Less: NZ IFRS16 adjustment		(4.8)	(4.4)
EBITA (before NZ IFRS16)	2	26.8	26.9

NOTES

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