

# Freightways Annual Shareholders Meeting

29 October 2015

Freightways



Sue Sheldon

Chairman's Introduction

# Agenda

- Chairman's Introduction
- Managing Director's Review and Trading Update
- Resolutions



# Financial Highlights

\$M	Note	2015 Result	Non-recurring items	Underlying trading result Jun-15	Underlying trading result Jun-14	Increase
Revenue		479.5	-	479.5	432.3	10.9%
EBITDA	(i)	86.5	9.0	95.5	83.9	13.9%
EBITA	(ii)	73.8	9.0	82.8	72.0	15.0%
NPATA	(iii)	44.8	6.5	51.3	44.0	16.6%
NPAT	(iv)	43.3	6.5	49.7	43.0	15.8%
EPS (cents)		28.0	4.2	32.2	27.9	15.4%

**Notes:**

- (i) Operating profit before interest, tax, depreciation and amortisation
- (ii) Operating profit before interest, tax and amortisation
- (iii) Net profit after tax (NPAT) before amortisation
- (iv) Profit for the year attributable to the shareholders

# Non-Recurring Items

- 2015 result included 5 more trading days than PCP: approximate benefit \$7m revenue, \$2m EBITDA & EBITA and \$1.4m NPATA and NPAT
- Directors believe non-recurring items should be excluded when assessing the underlying trading performance of Freightways. The following non-recurring items have been excluded from the financial analysis and related commentary in this presentation:

2014: a one-off expense of \$1.25m in IM division related to final Filesaver earnout payment

2015:

- one-off expense of \$7.6m (\$5.5m after tax) to write-down the carrying value of aircraft and spares
- one-off expense of \$0.7m (\$0.5m after tax) to be spent in 2016 to transition from current aircraft
- one-off expense of \$0.65m (\$0.45m after tax) to be spent in 2017 to relocate TIMG Australia's operations

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# Express Package & Business Mail

	Jun-15 \$M	Jun-14 \$M	Increase
Operating Revenue	359.9	331.9	8.4%
EBITDA*	68.3	60.7	12.6%
EBITA*	61.7	54.5	13.2%
EBITA Margin*	17.1%	16.4%	

\* Excludes non-recurring items

# Information Management

	Jun-15 \$M	Jun-14 \$M	Increase
Operating Revenue	121.7	102.7	18.4%
EBITDA*	28.7	24.4	17.9%
EBITA*	24.1	20.1	20.2%
EBITA Margin*	19.8%	19.5%	

\* Excludes non-recurring items



# Final Dividend

- Final dividend: 12.5 cps
- Imputation credits: 4.8611 cps (at 28% tax rate)
- Supplementary dividend: 2.2059 cps
- Record date: 18 September 2015
- Payment date: 5 October 2015
- No DRP was offered in respect of the 2015 Final Dividend



# Dean Bracewell

## Managing Director's Presentation


















# Managing Director's Presentation

- Industry Overview and Business Description
- Business Strategy
- Trading Update
- Outlook

# Express Package & Business Mail







# Express Package & Business Mail

Network Courier	Point-to-Point	Business Mail	Support
			
			
			
			
			

# Information Management



# Information Management

		 
Manage	Transform	Destroy
Archive Security	Imaging & document capture	Secure destruction
DataBank & data security	Automated accounts payable	eDestruction
FileSaver	Workflow Solutions	Product destruction
Secure Distribution Services	Digital mailroom	Paper recycling
LitSupport – Bureau Services	LitSupport - eDiscovery	

# Business Strategy





# Business Strategy

- Develop organic growth opportunities
- Diversification: Industry and Geography
- Positioning, People, Performance, Profit
- Explore complementary acquisition and alliance opportunities

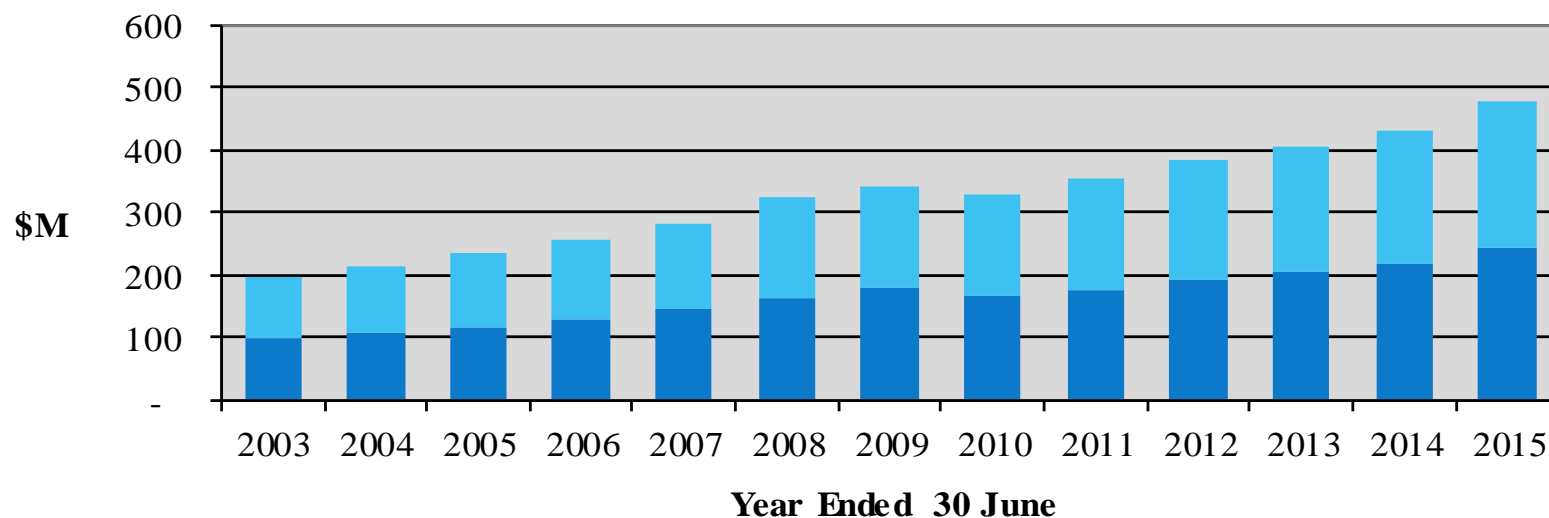


# Trading Update

Freightways



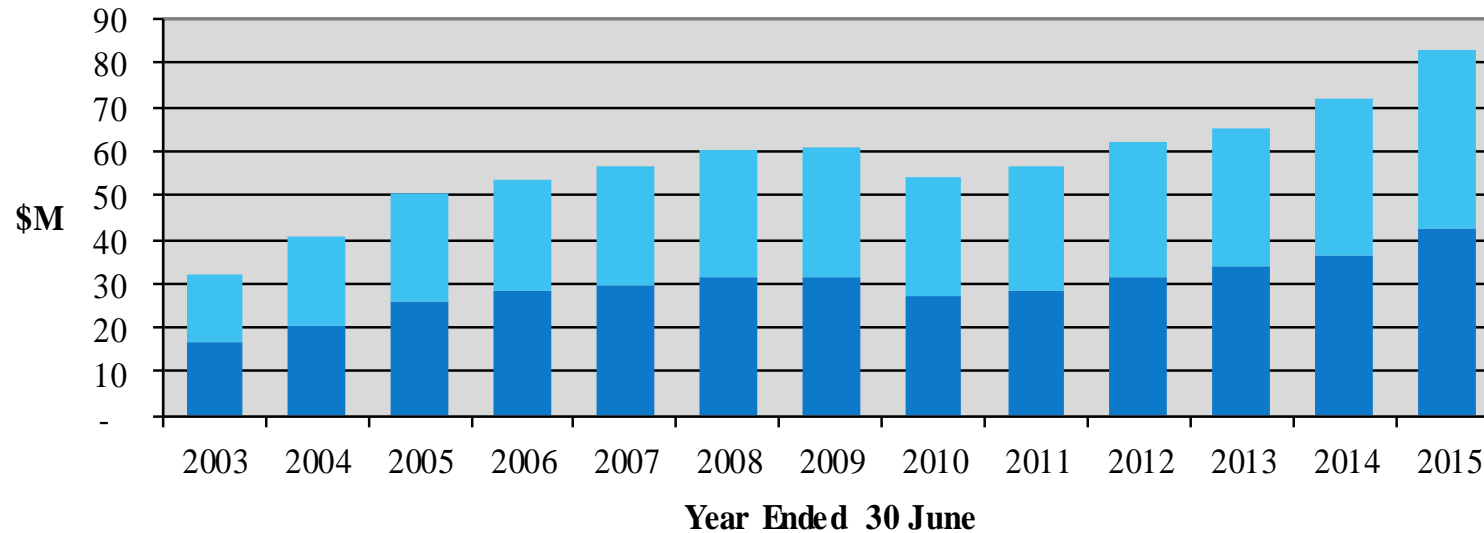
# Operating Revenue



- 11% higher revenue compared to PCP



# EBITA



- 15% higher EBITA compared to PCP



NB: This graph represents the operating profit before interest, tax and amortisation of intangibles, exclusive of any non-recurring items

# Consolidated financial performance

(Qtr ended 30 September 2015)

	Quarter ended:			Excluding extra 5 trading days:	
	Sep-15 \$000	Sep-14 \$000	Increase	Sep-14 \$000	Increase
Operating Revenue	126,783	122,299	3.7%	115,299	10.0%
EBITDA	25,296	24,406	3.6%	22,406	12.9%
EBITA	22,215	21,345	4.1%	19,345	14.8%
NPATA	13,951	13,661	2.1%	12,221	14.2%
NPAT	13,479	13,363	0.9%	11,923	13.1%

# Express package & business mail

(Qtr ended 30 September 2015)

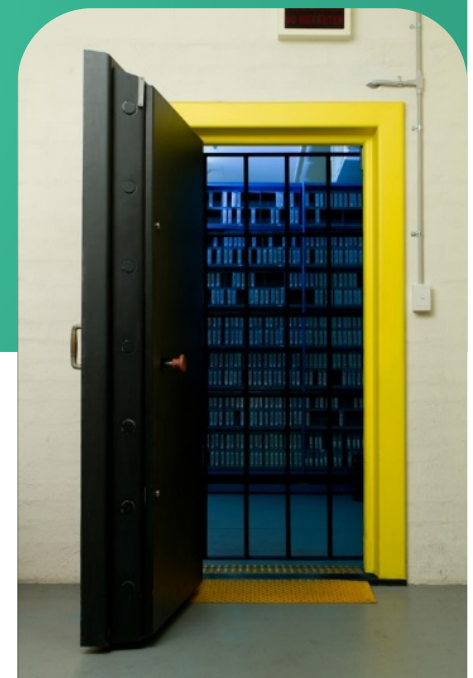
	Quarter ended:			Excluding extra 5 trading days:	
	Sep-15 \$000	Sep-14 \$000	Decrease	Sep-14 \$000	Increase
<b>Operating Revenue</b>	92,187	94,276	(2.2)%	88,276	4.4%
<b>EBITDA</b>	17,067	17,881	(4.6)%	16,381	4.2%
<b>EBITA</b>	15,601	16,299	(4.3)%	14,799	5.4%
<b>EBITA Margin</b>	16.9%	17.3%		16.8%	

# Information management

(Qtr ended 30 September 2015)

	Quarter ended:			Excluding extra 5 trading days:	
	Sep-15 \$000	Sep-14 \$000	Increase	Sep-14 \$000	Increase
<b>Operating Revenue</b>	35,178	28,795	22.2%	27,795	26.6%
<b>EBITDA</b>	8,633	6,997	23.4%	6,497	32.9%
<b>EBITA</b>	7,426	5,914	25.6%	5,414	37.2%
<b>EBITA Margin</b>	21.1%	20.5%		19.5%	

# Outlook





# Outlook

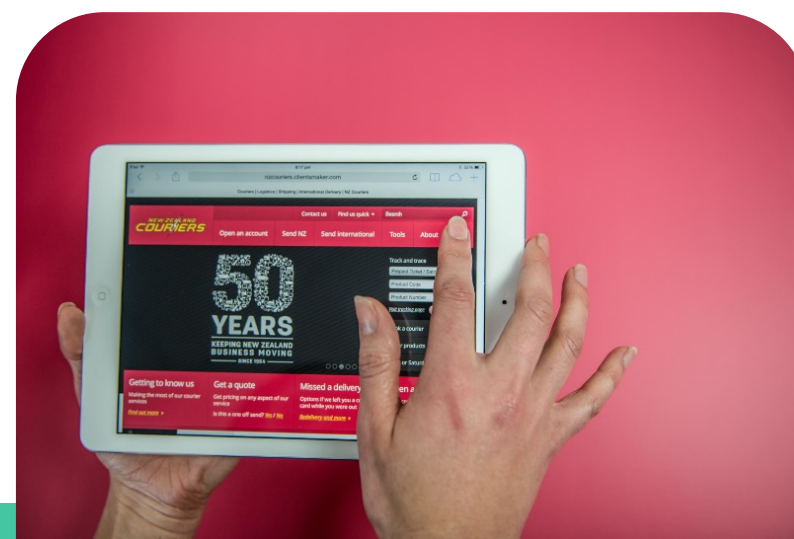
- Well positioned to benefit from the growth opportunities that exist in the markets we operate in
- Express package market expected to continue to expand, albeit not at the same rate as seen in FY15 result
- Our smaller business mail operations of DX Mail and Dataprint expected to sustain their positive growth, largely from market share gains
- Information management market is expected to continue to grow, both in relation to the physical and digital services offered by our businesses
- Strategic growth opportunities, including alliances and acquisitions, will continue to be investigated and developed where they make commercial sense

# Questions



# Resolutions

- Election of Director
- Re-election of Directors
- Approval of Directors' Fees
- Authority to fix Auditors' Remuneration



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Freightways

