

Freightways



ANNUAL SHAREHOLDERS MEETING

27 October 2016

AN INTRODUCTION FROM THE CHAIRMAN,

SUE SHELDON

AGENDA

1. Chairman's Introduction
2. Managing Director's Review and Trading Update
3. Resolutions



FINANCIAL HIGHLIGHTS

\$M	Note	2016 Result	Non-recurring items	Underlying trading result		Increase
				Jun-16	Jun-15*	
Revenue		505.4	-	505.4	479.5	5.4%
EBITDA	(i)	92.1	6.3	98.4	95.5	3.1%
EBITA	(ii)	81.4	6.3	87.7	82.8	5.9%
NPATA	(iii)	51.5	4.6	56.0	51.9	8.0%
NPAT	(iv)	49.8	4.6	54.4	50.3	8.0%
EPS (cents)		32.2	2.9	35.1	32.6	7.7%

* Jun15 included 5 extra trading days

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

EXPRESS PACKAGE & BUSINESS MAIL

	Jun-16 \$M	Jun-15** \$M	Change
Operating Revenue	370.3	359.9	2.9%
EBITDA*	66.5	68.3	(2.6%)
EBITA*	62.1	61.7	0.6%
EBITA MARGIN*	17%	17%	

* excluding non-recurring items

** Jun15 included 5 extra trading days

INFORMATION MANAGEMENT

	Jun-16 \$M	Jun-15** \$M	Change
Operating Revenue	136.8	121.7	12.5%
EBITDA*	33.2	28.7	15.8%
EBITA*	28.4	24.1	18.0%
EBITA MARGIN*	21%	20%	

* excluding non-recurring items

** Jun15 included 5 extra trading days

FINAL DIVIDEND

- Final dividend: 14.5 cps
- Imputation credits: 5.6389 cps (at 28% tax rate)
- Supplementary dividend: 2.5588 cps
- Record date: 16 September 2016
- Payment date: 3 October 2016
- No DRP was offered in respect of this final dividend

MANAGING DIRECTOR'S REVIEW AND TRADING UPDATE

DEAN BRACEWELL

AGENDA

1. Industry Overview and Business Description
2. Business Strategy
3. Trading Update
4. Outlook



Express Package & Business Mail

Freightways

EXPRESS PACKAGE & BUSINESS MAIL

Network Courier	Point-to-Point	Business Mail	Support
			
			
			
			
			



Information Management

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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

Freightways

BUSINESS STRATEGY

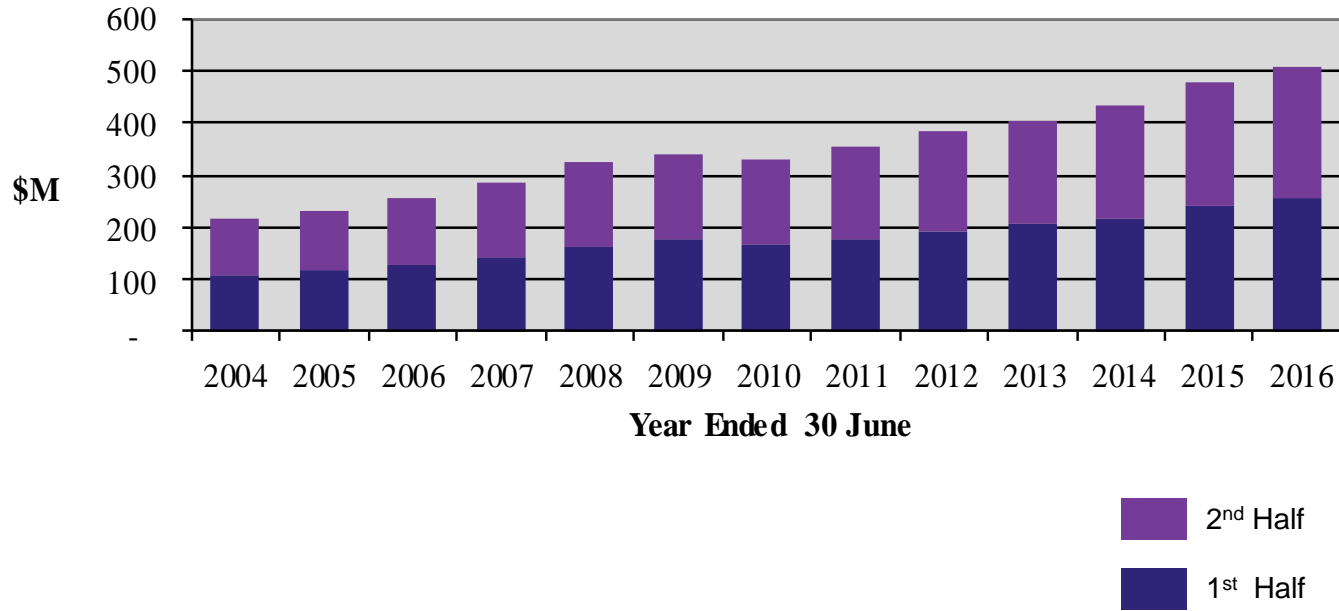
- Develop organic growth opportunities
- Diversification by industry and geography
- Positioning, People, Performance, Profit
- Explore complementary acquisition and alliance opportunities



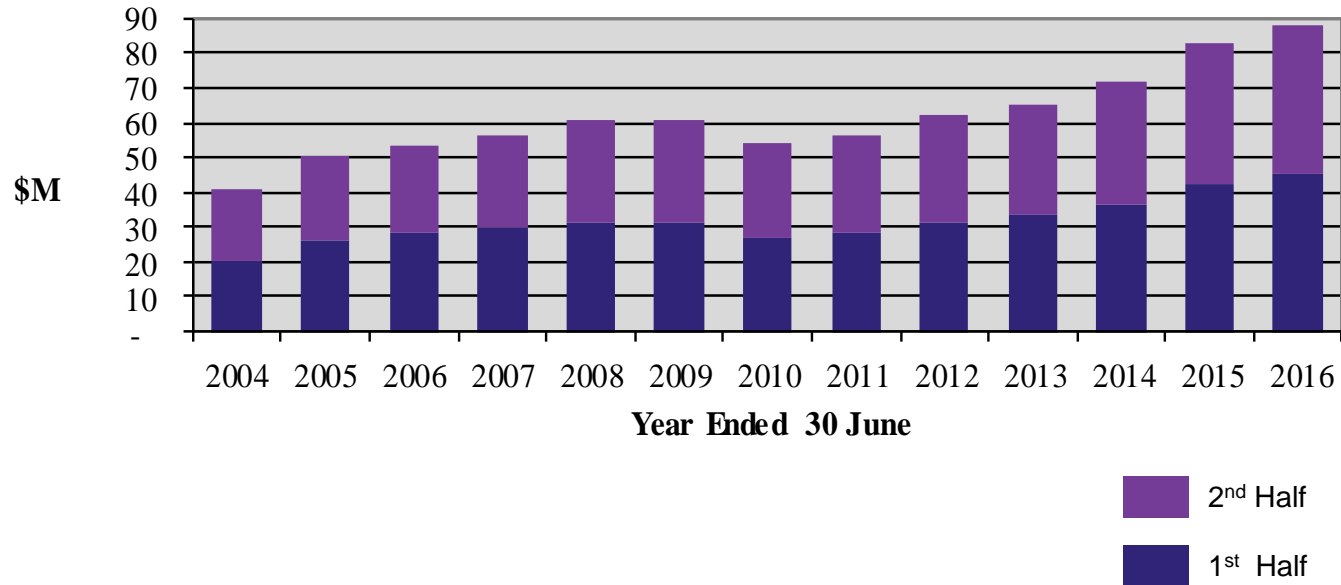
Trading Update

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OPERATING REVENUE



EBITA



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

CONSOLIDATED FINANCIAL PERFORMANCE

	Quarter ended:		
	Sep-16 \$000	Sep-15 \$000	Variance
Operating Revenue	133,868	126,783	5.6%
EBITDA	25,459	25,296	0.6%
EBITA	22,679	22,215	2.1%
NPATA	15,226	13,951	9.1%
NPAT	14,808	13,479	9.9%

EXPRESS PACKAGE & BUSINESS MAIL

	Quarter ended:		
	Sep-16 \$000	Sep-15 \$000	Variance
Operating Revenue	98,218	92,187	6.5%
EBITDA	17,317	17,067	1.5%
EBITA	16,159	15,601	3.6%
EBITA Margin	16.5%	16.9%	

INFORMATION MANAGEMENT

	Quarter ended:		
	Sep-16 \$000	Sep-15 \$000	Variance
Operating Revenue	35,937	35,178	2.2%
EBITDA	8,537	8,633	(1.1%)
EBITA	7,325	7,426	(1.4%)
EBITA Margin	20.4%	21.1%	



Outlook

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OUTLOOK

- Volumes and activity experienced in this first quarter result support Freightways' expectations of again improving its overall year-on-year performance.
- As previously stated in our full year announcement in August:
 - Results from the Express Package & Business Mail division will partly be offset by the investment we are making in increased capacity to accommodate current and future expected growth in the information management division
 - Additionally, some one-off project work achieved by Shred-X in 2016 is not expected to repeat in 2017
- Capital expenditure for the year ahead is expected to be approximately \$23 million
- Cash flows are expected to remain strong throughout the 2017 financial year
- Freightways will continue to adapt and position itself to realise the growth opportunities that exist in the markets it operates in, along with seeking out and developing strategic growth opportunities, including acquisitions and alliances where it makes commercial sense to do so



NEW ZEALAND
COURIERS

we've got it sorted ✓

Questions

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RESOLUTIONS

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

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