MOVE LOGISTICS GROUP LIMITED
2023 ANNUAL MEETING

25 October 2023



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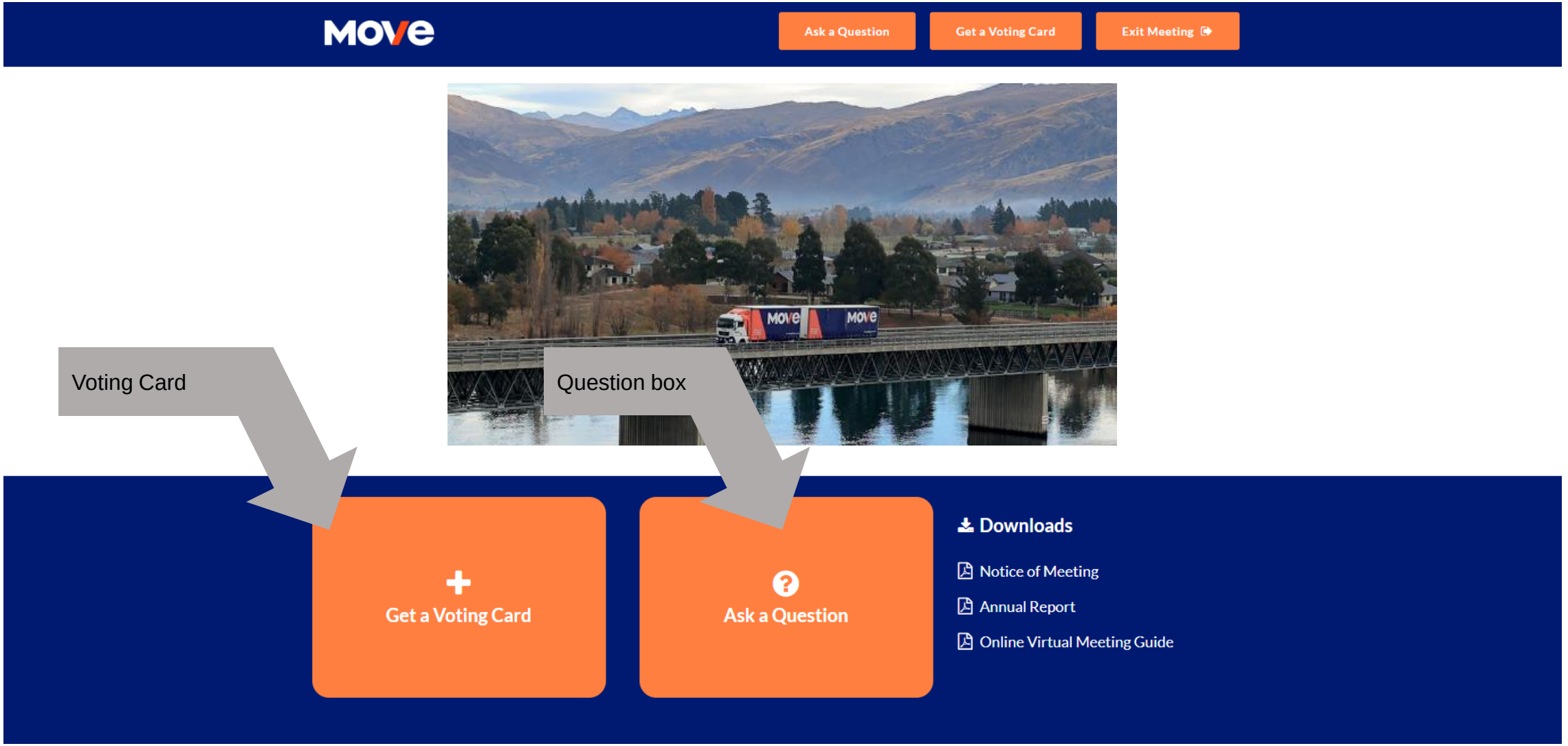
CHAIR LORRAINE WITTEN

VOTING AND ASKING QUESTIONS



AGENDA

- Chair and CEO Presentations
- Shareholder Discussion
- Resolutions
- General Business
- Close of the Meeting



BOARD



Lorraine Witten
Chair



Chris Dunphy
Non-independent Director



Julia Raue
Independent Director
Standing for Election



Mark Newman
Independent Director



Grant Devonport
Independent Director



Danny Chan
Independent Director
Retiring at ASM

INTRODUCING CRAIG EVANS

Commenced as MOVE CEO in February 2023

Extensive industry experience: 35 years with Mainfreight. Prior to that, four years with Freightways

Leadership: From branch level to national management. Six-plus years as Mainfreight New Zealand Country Manager

Based in Christchurch, travels the network extensively



STRONG LEADERSHIP TEAM
Leading our pathway to success



Craig Evans
CEO
Appointed Feb 2023



Lee Banks
CFO
Appointed Jul 2013



Anthony Barrett
CIO
Appointed Apr 2022



Rachel Hustler
GM People & Culture
Appointed Jul 2023



Ricky Clark
National Sales Manger
Appointed Oct 2023



James Watters
COO Contract Logistics
Appointed Nov 2021



Justin Marshall
National Freight Manager
Appointed Mar 2022



Dale Slade
GM Oceans
Appointed May 2020



Warwick Bell
GM Specialist Lifting
Appointed Dec 2018

/ GOVERNANCE MATTERS

- Focus on MOVE's performance in a challenging operating environment
- Appointment of new CEO, strategy review and implementation of Project Blueprint
- Resilience and risk management, with continued focus on ESG and Health & Safety
- Capital investment into growth initiatives, fleet and technology
- Conversion of Convertible Note and reduction in debt
- Development of company-wide cash profit sharing scheme
- Board succession planning

FY24 TO DATE

Trading conditions:

- 1H operating conditions have been tougher and for longer than anticipated - high inflation and interest rates dampening customer demand, and increased competitive pricing pressure

Management and Board focus:

- Adding value to our customers to grow revenue
- Improving margin
- Strengthening each division

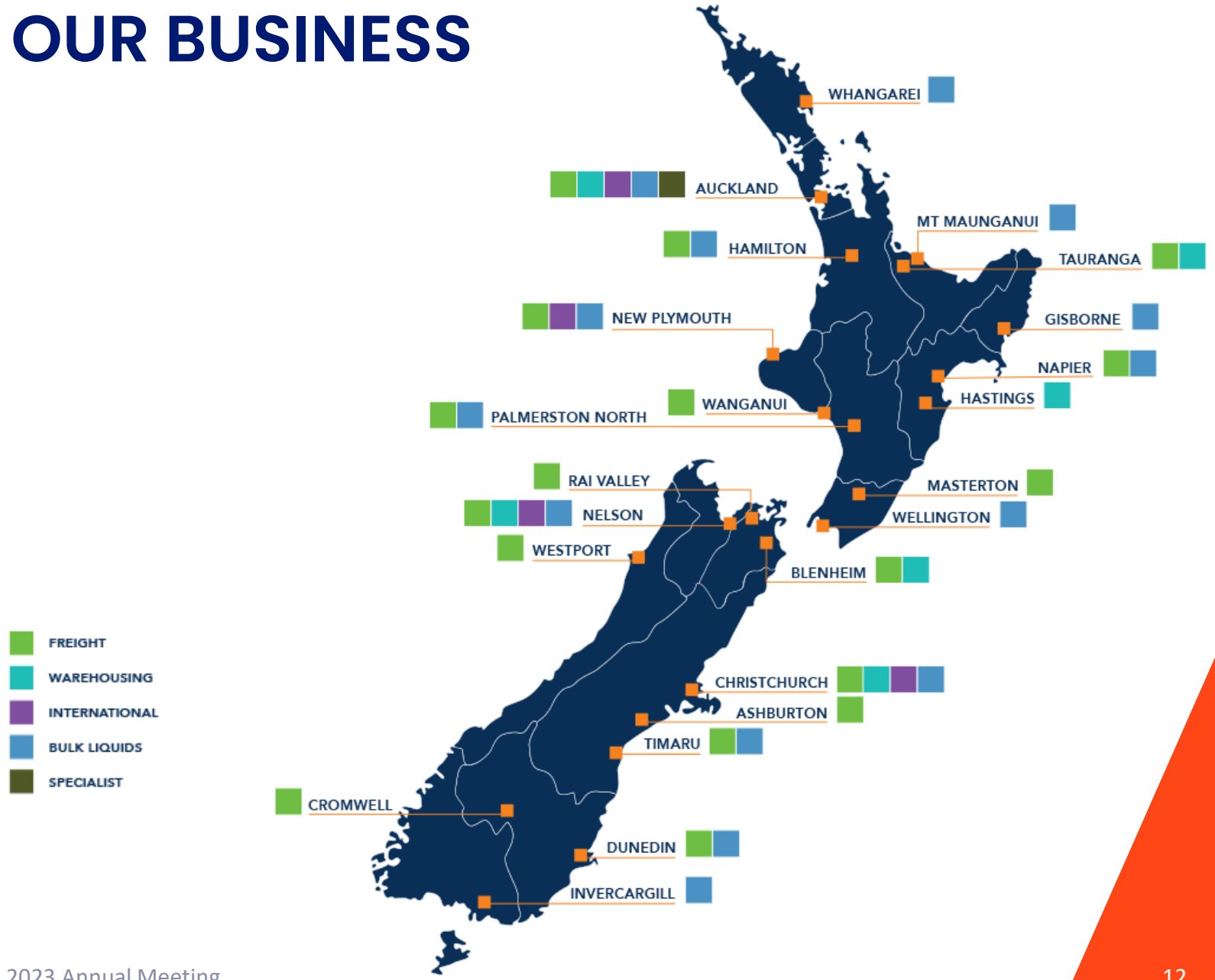


CHIEF EXECUTIVE OFFICER CRAIG EVANS

OUR BUSINESS

We are one of New Zealand's largest transport and logistics providers

- National network with regional strength
- 41 branches, depots, crossdocks, warehouses and offices across New Zealand



OUR VISION

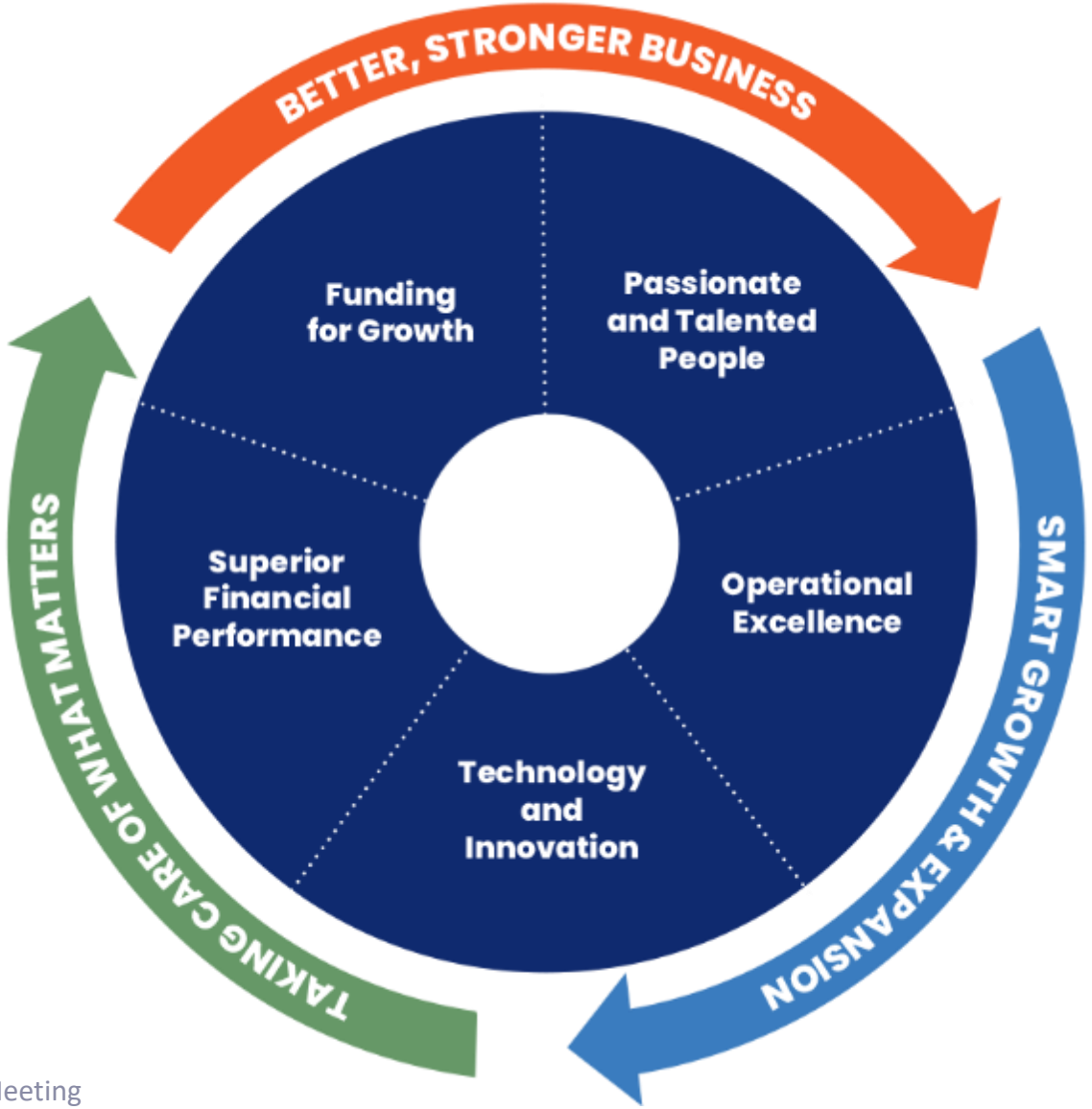
To be the preferred freight and logistics company in Australasia

STRATEGY FOR GROWTH

Our Vision: To be the preferred freight and logistics provider in Australasia

Our Mission: To keep our customers moving

Our Mantra: Customer, Safety, Team



FY23 PERFORMANCE SNAPSHOT

INCOME	EBITDA	EBIT	NLAT[2]
	Normalised[1]	Normalised[1]	
$347.7m	**$47.4m**	**$3.9m**	**$(7.2)m**
FY22: $364.0m	FY22: $56.2m	FY22: $11.5m	FY22: $(4.2)m

LTIFR	CAPEX	GEARING	FREE CASHFLOW
14.72	**$19.5m**	**17.2%**	**$35.4m**
FY22: 15.81	FY22: $5.7m	FY22: 22.3%	FY22: $45.1m

FY22 restated to include Specialist division following decision to retain the business

Softer result in face of headwinds, ongoing Freight improvement programme and as the business is reshaped to support growth

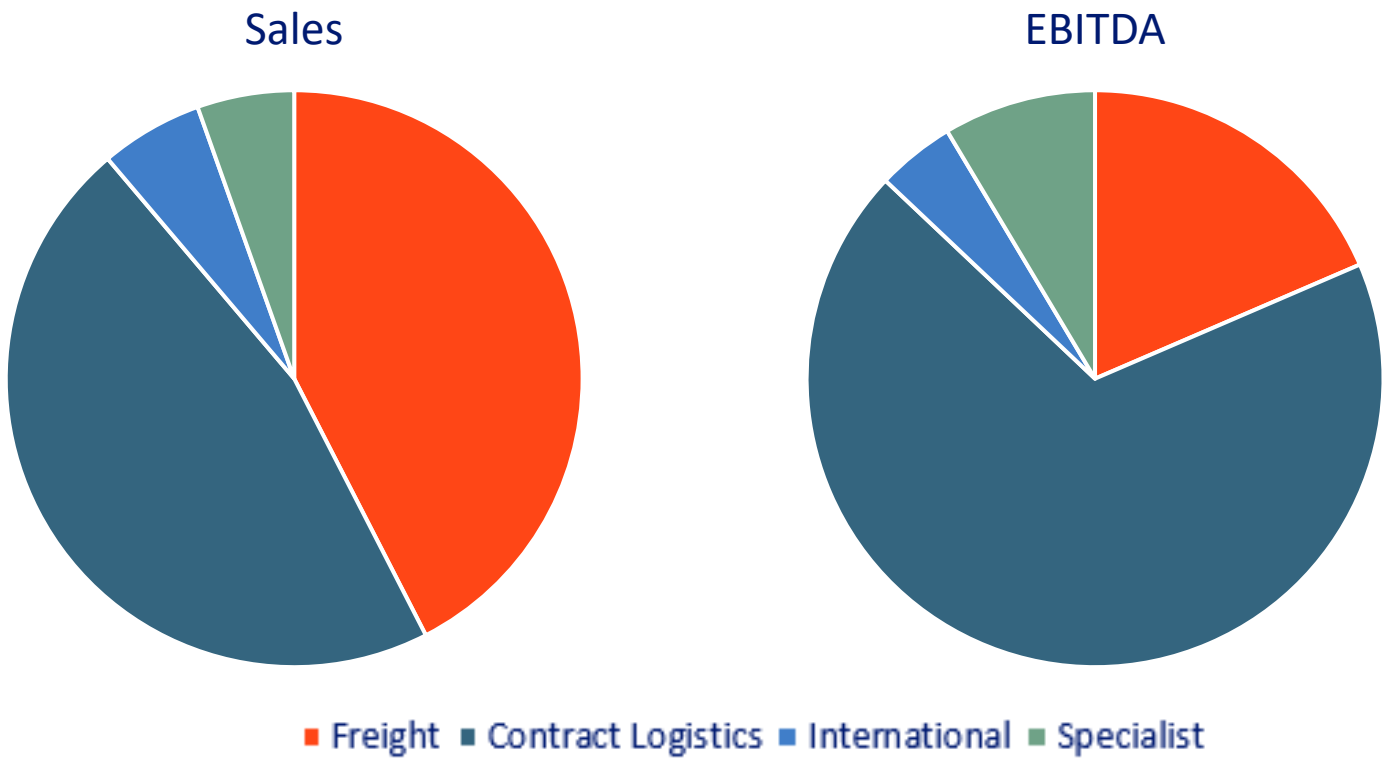
- Moderating consumer demand in response to economic conditions
- Impact of weather events on customer activity and operations
- Investment in future growth initiatives
- Soft result from Freight business driven by customer contraction - improvement programme ongoing

1. *Normalised EBITDA and Normalised EBIT exclude non-controlling interest and non-trading adjustments of $1.7m pre-tax related to asset impairment & restructuring the business (FY22: $3.4m). FY23 EBITDA before non-trading was $45.7m.*
2. *Attributable to owners of the company*

FY23 BUSINESS PERFORMANCE

Freight and Contract Logistics are the primary contributors to group revenue and EBITDA

International and Specialist are smaller services with growth opportunities



UPDATE ON KEY STRATEGIC PRIORITIES

4Q23: Commenced Project Blueprint to reshape & strengthen the business, and drive organic growth

WORK OUR ASSETS SMARTER

- Continuation of the Freight improvement programme
- Accelerated the fleet replacement programme
- Digital transformation continuing with ongoing development of new transport management system
- Implementation of new HR software in progress
- Investment in new digital hardware

BUILD OUR MULTI-MODAL OFFER

- Increased collaboration across the group to create a one stop shop for end to end supply chain solutions
- Moving from silo to group mentality
- Building internal economies and synergies
- Launch of pilot of trans-Tasman shipping service

DELIVER FOR OUR CUSTOMERS

- Increasing market share as customers look for provider value
- Accelerated the rebranding programme to build awareness of our unified offer
- Significant new customer partnerships in Contract Logistics including renewal of Z Energy agreement
- Focus on higher value, higher margin business

UPSIZE OUR BUSINESS

- Specialist division welcomed back into the Group following review
- Investing in and expanding core competencies to drive organic growth

TAKING CARE OF WHAT MATTERS

- Priority focus on health & safety, people and culture – continuing improvement in safety metrics
- Well progressed towards CRD reporting in FY24

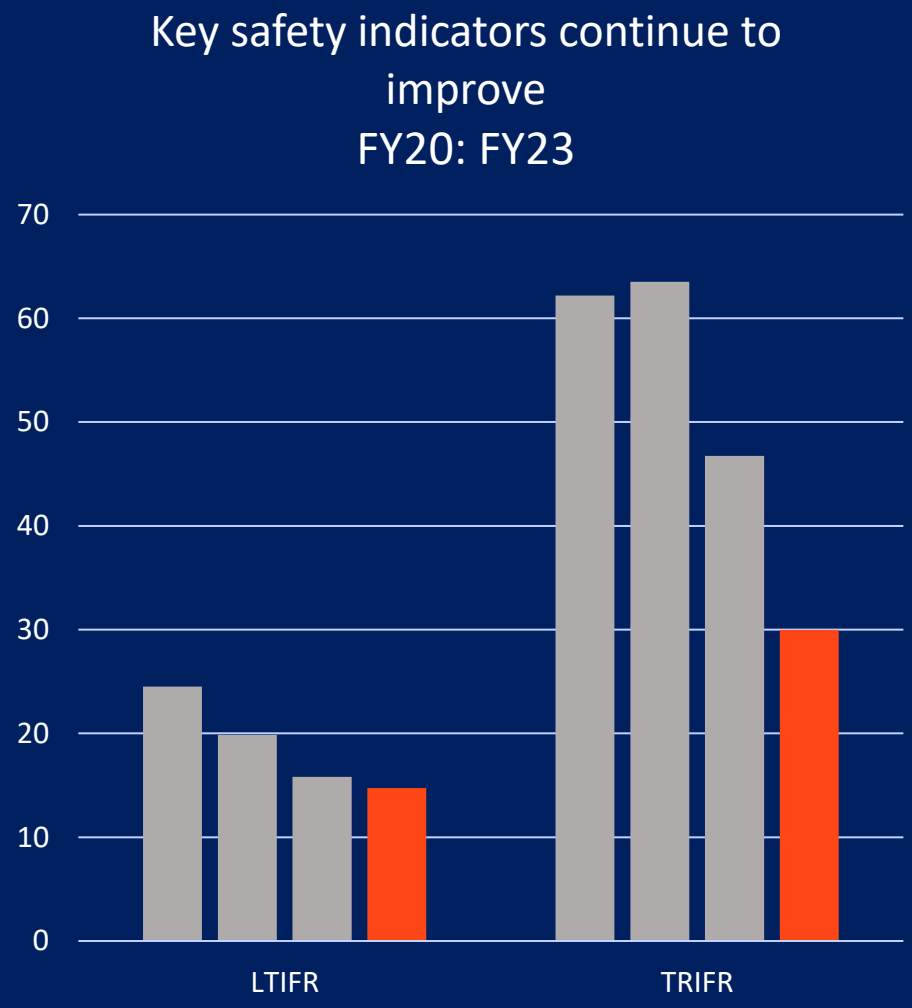
STRONG LEADERSHIP

- Appointment of Craig Evans as CEO from 1 February 2023
- New leadership of Freight business
- New GM People & Culture from July 23
- New National Sales Manager from October 23

SUSTAINABILITY

People, communities, environment

- Appointed a Group Sustainability Lead in July 2022
- Monthly and annual safety awards
- Commitment through the business to decarbonisation – 3% YOY reduction in total gross emissions to 146k tonnes (includes full scope 3)
- Progressed multi-modal strategy to reduce number of trucks on the road through use of coastal shipping and rail
- Technology driving improvements in driver behaviour, fuel consumption and route optimisation
- Significant work done towards Climate Related reporting in FY24
- Appointment of GM People & Culture from 1 July 2023



/ VIDEO – FOCUS ON PEOPLE & CULTURE



PROJECT BLUEPRINT

12 – 18 month dual pathway programme to reshape and strengthen the business, and drive organic growth

PRIORITIES	
RESHAPE AND STRENGTHEN THE BUSINESS **Immediate benefit**	**DRIVE ORGANIC GROWTH** **Short to medium term benefit**
• Comprehensive review of operating costs and structure • Remove cost from the organisation • Maximise performance, productivity and utilisation	• Investment in sales resource • Careful customer acquisition • Focus on building base volumes while allowing capacity for higher margin business • Primary focus on organic growth and collaboration across the industry

PROJECT BLUEPRINT GREENSHOOTS

We have identified what needs to be done across the business to achieve success and have a clear plan in place. Early benefits are being seen from the work underway.

BETTER, STRONGER BUSINESS	✓ Creating higher levels of accountability and measurability across the business, particularly at regional branch level ✓ FuseIT being developed with rollout targeted for completion in 1H CY2024 ✓ Implementing robust processes and operational disciplines ✓ Priority focus on productivity and utilisation ✓ Standardisation of rates, operating costs and processes across the different Freight businesses
SMART GROWTH & EXPANSION	✓ Increasing awareness of MOVE's end to end supply chain solution – more customer enquiries and invitations to tender ✓ Transition to a sales-led organisation including appointment of a new National Sales manager and investment into an expanded sales team
TAKING CARE OF WHAT MATTERS	✓ Established a strong leadership team with the right people in the right roles ✓ Engaging with our people and taking them on the journey ✓ Attracting and developing our pool of quality people – new GM P&C; development of Graduate Programme ✓ Sense of excitement across the organisation

FREIGHT

Strong foundations - one of the largest freight networks in New Zealand

Improvement programme remains underway

- New leadership from 2H23
- Restructure into clear LCL and FTL services - LCL provides the most opportunity for MOVE
- Rebuild in activity is key focus
- Investment in business – technology, people and branding

Key opportunity to drive revenue and profit for MOVE over the long term



CONTRACT LOGISTICS

Strong customer relationships and improved utilisation of assets

Warehousing capacity at high levels with strong customer renewal rates and new customer activity

- Renewal of Z Energy long term agreement in FY23
- Investment into new trucks and trailers, and exploration of sector-specific opportunities
- Continuing focus on utilisation of capacity and getting the most out of the assets we own
- Some softening anticipated as customer activity slows in response to economic conditions



INTERNATIONAL

Pilot of new trans-Tasman shipping service, extending MOVE's end to end supply chain solution

- Slowdown in freight forwarding services in response to economic climate
- Pilot of trans-Tasman service:
  - Provides an additional revenue stream as well as an add-on for our supply chain offer
  - Acquisition of new vessel and start-up of trans-Tasman shipping service in January 2023
  - Commenced consistent scheduling of services in June 2023
  - Mechanical failure in August 2023 currently being remedied – insurance to cover significant portion of cost, charter vessel to ensure continuity of service
- Withdrawal of proposed NZ coastal service due to vessel design limitations to meet essential requirements



SPECIALIST

High performing business, delivering strong margins

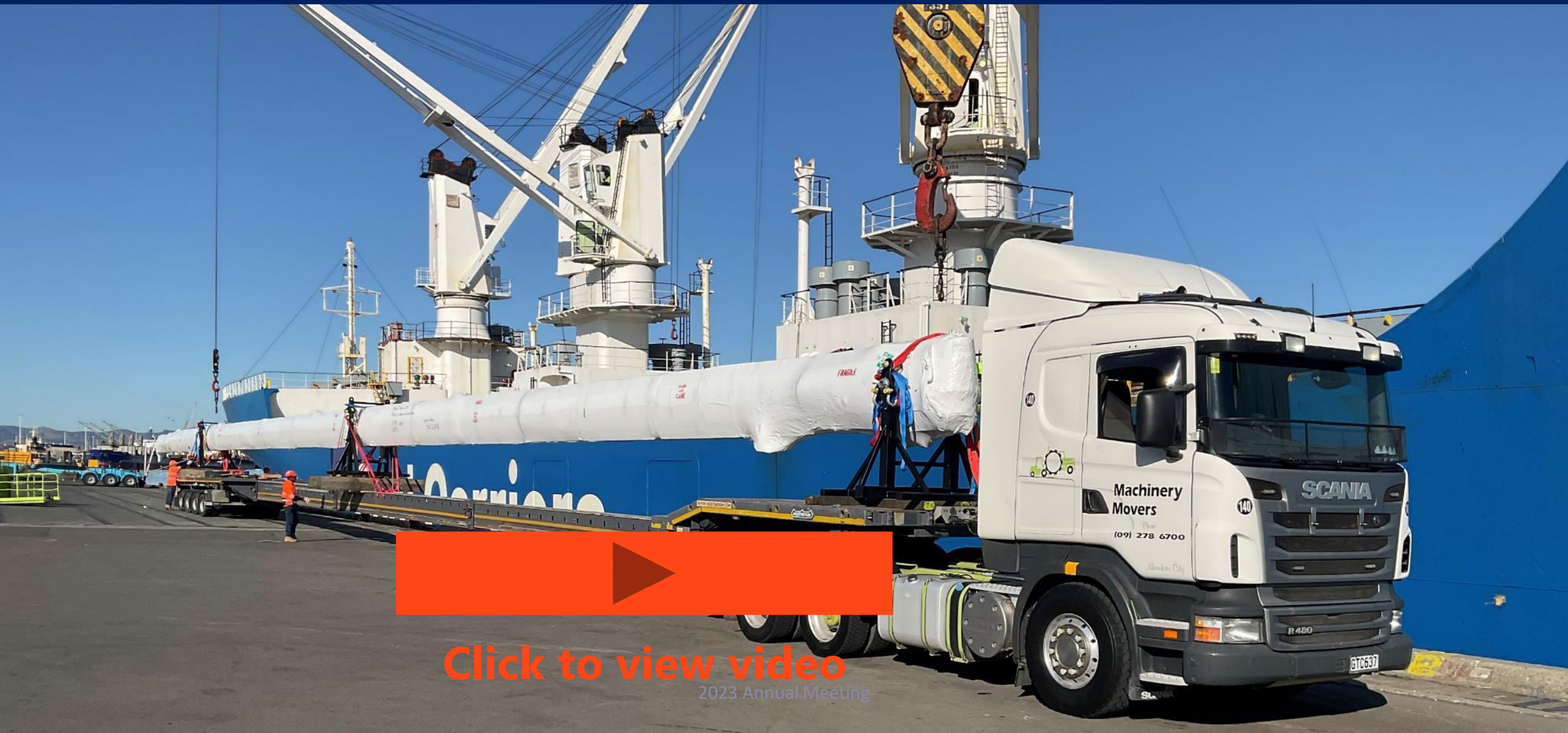
- Strong pipeline of work in place
- Can be subject to time delays due to weather events and project timelines

Opportunities:

- Grow existing market share
- Expand into other sectors and regions
- Synergy across MOVE's customer base
- NZ infrastructure rebuild activity following weather events
- Large projects in areas where MOVE has expertise eg alternative energy projects, commercial construction



/ VIDEO – OUR SPECIALIST BUSINESS



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LOOKING AHEAD

Market outlook:

- Measurable downtrading for some customers in first quarter due to economic conditions, and election year uncertainty
- Increased market competition has emerged as the economy continues to tighten
- Inflationary pressures expected to continue

Business Outlook:

- Freight improvement programme remains in progress, some softening in Contract Logistics expected in response to economic conditions
- Focus on Project Blueprint - embedding change, improving productivity, driving revenue and delivering customer service excellence
- Opportunity to build market share as customers consider alternatives

RESILIENCE

- Robust Freight, Fuel and Warehouse networks, providing customers with certainty despite weather events
- Ability to mobilise a large fleet enables MOVE to work around network outages, such as derailments and line closure
- Strong investment in technology
- Diversified across customers and sectors
- Refreshed leadership team and Board with significant industry experience and expertise

/ SHAREHOLDER DISCUSSION



RESOLUTIONS

RESOLUTIONS

RESOLUTION 1:
To record the re-appointment of PricewaterhouseCoopers as the Company's auditor and to authorise the Directors to fix the auditor's remuneration for the ensuring year

RESOLUTION 2:
That Julia Raue, who was appointed by the Board during the year, be elected as a Director of the Company

OTHER BUSINESS

CLOSE OF THE MEETING

APPENDICES

Non-GAAP Reconciliation

$Millions	FY23	FY22
Net profit/(loss) before income tax (GAAP measure)	**(7.59)**	**(3.21)**
Add back:		
Share of loss of associates	.07	.10
Net finance costs	9.66	11.18
Loss in investment in associates	-	.06
Restructuring costs	.59	1.63
Share acquisition costs	.11	.14
Goodwill and asset impairment	1.03	1.62
Depreciation & Amortisation	43.48	44.67
EBITDA excluding non-trading items (non-GAAP measure)	**47.35**	**56.19**
Net profit/(loss) after income tax (GAAP measure) attributable to owners	**(7.19)**	**(4.21)**
Add back:		
Non-controlling interests	1.35	1.10
Other non-trading expenses, net of tax:		
Goodwill and asset impairment	1.03	1.62
Restructuring costs	.43	1.18
Share acquisition costs	.11	.14
Net profit/(loss) after tax excluding non-trading items (non-GAAP measure)	**(4.27)**	**(.17)**

MOVE Logistics Group uses several non-GAAP measures when discussing financial performance and the Board and Management believes this provides a better reflection of the company's underlying performance.

Glossary:

- EBITDA: Earnings before interest, tax, depreciation, amortisation excluding income and impairment from associates
- Normalised EBITDA: EBITDA before non trading costs
- Normalised EBIT: Normalised EBITDA less depreciation and amortisation
- Free cash flow: EBITDA excluding non-cash items plus movements in working capital, less net capital expenditure
- Net debt: interest bearing liabilities less cash and cash equivalents
- LTIFR: Lost time injury frequency rate
- TRIFR: Total recordable injury frequency rate

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