TIL LOGISTICS 2020 ANNUAL SHAREHOLDERS MEETING

28 October 2020

Trevor Janes, Chairman

4. CHAIR'S PRESENTATION

5. TIL LOGISTICS GROUP

TIL is one of New Zealand's largest domestic freight and logistics companies, and we offer an end to end supply chain with a nationwide network of branches, depots and warehouses, a dedicated team of more than 1400 employees, owner drivers and contractors.

One of our strengths is our regional presence – while many of our competitors can transport goods on the main routes between metro centres, there are very few that can provide a more locally connected network, as well as a full end to end supply chain solution, which is why many customers turn to us for the transport and logistics needs.

6. OUR VISION AND VALUES

Our goal is to be a premier transport and logistics company by delivering operational excellence and superior customer service and value.

And yes, that does mean that we may consider opportunities for our company outside of New Zealand.

While our home country will remain our most important market, we currently provide services in the Pacific Islands. Australia also offers opportunities, but we are very aware that it is a very different market to New Zealand and we would only expand our operations there if we felt we had a strong competitive position and were leveraging off our core strengths in New Zealand.

We remain committed to investing in our people, ensuring a safe working environment, reducing our environmental impact and always acting in a way that is consistent with our values.

7. BOARD REPORT FOR FY20

The FY20 financial year was a challenging year for our business and our people.

We had a very disappointing first half result, mainly due to the underperformance of the Freight division. A new leadership team was put in place and following a 100-day review, a detailed action plan began to be executed.

We then had to contend with the challenges of COVID-19 in the second half. This had a material impact across all our businesses, with reduced volumes and deferred projects. The health, safety and wellness of our people was a priority, as was preserving jobs. In line with this, we received

Government wage subsidies which allowed us to retain and pay over 1,500 employees at least 80% of their wages, or 100% if working during the lockdown.

We have seen recovery since the first lockdown was lifted, however we are very conscious of the ongoing effect that the pandemic continues to have, both socially and economically.

Given the recessionary outlook and the sense that the full impact of COVID-19 has still to be felt, the Board felt it prudent to not declare a final dividend for FY20. We are conscious of the value dividends provide to shareholders and will look to resume dividends in FY21, subject to trading conditions and financial performance continuing to improve.

On behalf of the Board, I would like to extend my thanks to everyone in the TIL team for their dedication, support and hard work, both during the lockdown and as we dealt with pent up demand and the ongoing recovery of the business once the lockdown lifted.

Alan and his leadership team have developed a detailed strategic plan which is fully supported by the Board, and we have full confidence in the team to action this and deliver results for our shareholders.

The Board implemented a Long Term Incentive Plan for senior executives of the Company. The Plan, which measures the Company's total shareholder return relative to the NZX50 over a three year period, is intended to align the interests of senior executives with those of the shareholders.

Health & safety remains a priority for the Board and we take the safety and wellbeing of our employees, contractors, owner drivers and communities very seriously. It is an essential component to everything we do.

Unfortunately, there was a serious incident in late May, where one of our people was badly injured. We are pleased that he is now back on the road to recovery, but this incident reinforces the need to be constantly vigilant and continually looking at ways to improve our safety performance.

Technology continues to form a key part of our critical risk controls, including in cab solutions to monitor driver fatigue and provide alerts.

Our efforts in this area are being recognised and most recently, TIL was shortlisted for the Australasian Fleet Champions Awards for our driver safety initiatives using Autosense and Guardian technology.

8. OUTLOOK AND STRATEGIC PRIORITIES

COVID-19 has demonstrated the value of being a group of scale, with the ability to invest into health and safety, training, systems and infrastructure. We expect the challenges from COVID-19 to continue in FY21 with the flow on effects to be felt for some time.

Our main focus remains on growing our existing businesses and improving margins. The four main priorities for the year are:

- The continuing improvement of the Freight division, with a focus on lifting margins
- Organic growth of our existing businesses
- Expanding the International offer and services
- Building stronger connections and synergies across the Group and promoting our end to end customer solution.

Alan will talk to these shortly.

We will also look at acquisition opportunities that arise but, having rejected one such proposal during the year, will continue to be disciplined in whatever we do in this space.

While the economy is faring better than expected, we remain cautious about the trading environment in FY21 and the impact of further possible lockdowns. We are pleased with the company's progress to date, with our first quarter results ahead of the same time last year due, in part, to pent up demand and seasonality as well as a positive recovery since lockdown

Based on this, and dependent on the timing of a large windfarm project which is currently expected to be undertaken in the current financial year, the Board has confirmed its earlier guidance that EBITDA for FY21 is expected to be at least that of the FY20 post IFRS-16 result of $57.4m.

I will now hand over to Alan to talk about our progress and the opportunities for each of our divisions in the year ahead.

Alan Pearson, Chief Executive Officer

9. CEO'S PRESENTATION

10. FY20 OPERATING ENVIRONMENT

I'd like to start by running through the events of FY20 and our results. I'll keep it quite short as we've already covered them in detail in our results announcement, presentation and annual report.

As Trevor has said, it was a challenging year with adverse market conditions and the underperformance of the Freight division in the first half of the year, followed on by the COVID-19 pandemic, which led to a significant decrease in economic activity and had a material impact on many of our customers, with a flow on effect on our business.

In spite of this, we delivered a 50% profit increase on a pre-NZ IFRS 16 basis, increasing from $4m to $6m.

11. FY20 KEY EVENTS

The main events during the year were the Freight review and turnaround plan, which Dallas will talk to in more detail shortly; and the focus on organic growth, which saw us open two new warehouses, one in Christchurch and one in Auckland; and acquire the remaining 50% in ATL which is a Cromwell based freight business,.

We continued to refresh the leadership team with several new appointments – Dallas Vince joined the company as divisional CEO for Freight early in 2020 and immediately jumped feet first in to a 100-day review of the business and development of our improvement plan. He joins Steven Owles, Richard Mather, Clayton Imbs and Warwick Bell who head up our other divisions.

We also appointed Charles Bolt to the new role of General Counsel and Company Secretary and Peter Simone as Acting Group HR & Safety Manager while Dallas Guilford is on maternity leave.

I would like to thank the leadership team, for all their support during the year. There was an incredible amount of work undertaken, particularly during the lockdown and as we developed and executed plans to keep our workers and customers safe and help our businesses survive and recover. Their support and efforts have been greatly appreciated.

We continued to build on our relationships with existing customers and worked to secure new partnerships.

For example, we secured a major transport contract for the Turitea windfarm project to move the blades and turbines by road from two North Island ports onto a steep site sat the top of the Tararua Ranges; and in fact, during the lockdown, we moved 99 massive wind turbine blades from Port Taranaki to Palmerston North to create space in the Port for incoming cargo.

COVID created some timing issues for a number of our big projects, but most of them are now up and running again.

We continued to invest into technology and after a pilot of our new transport management system, we are now making further refinements. In the meantime, we have upgraded and enhanced our existing software platform and this is delivering more data and insights to enable us to better manage our business.

12. FY20 RESULTS

Like all companies, we were required to adopt the new IRFS 16 Leases accounting standard in FY20. This has a material impact on a number of elements of the Group's balance sheet and income statement, but no material impact on the Group's cash flows.

FY20 sales revenue was down on last year, particularly in Q4 due to COVID-related restrictions.

Our International and Specialist divisions continued their trends of half yearly sales growth, with Specialist benefitting from the commencement of the major windfarm project in 2H20.

Warehousing & Logistics was in line with the prior year, with growing utilisation of the new warehouse capacity, which came online during FY20, partially offsetting the additional costs associated with this growth.

All our divisions delivered improvements in EBITDA in the second half compared with the first half, with results for all divisions also well ahead of the second half in the prior year.

Likewise, margins for all divisions, except Freight, were in line with or ahead of the prior year.

Net profit after tax was up 50% on a like for like basis (pre-NZ IFRS 16) to $6.0m, with a reported net profit after tax of $2.0m.

TIL has sound working capital disciplines resulting in a solid cash position at year-end of $11.9m.

Borrowings increased to $86.3m, reflecting the acquisition of the remaining 50% shareholding in ATL. The Board remains focused on reducing borrowings and carefully managing our capital expenditure.

13. OUR BUSINESSES

TIL offers an end to end supply chain solution. We have one of New Zealand's largest domestic freight and logistics platforms, with a nationwide offer built on regional brands and businesses.]

14. TIL OPERATES ACROSS FIVE DIVISIONS

Our group is organised into five operating divisions, across Freight, Bulk Liquids, Warehousing & Logistics, Specialist Lifting & Transport (SLTG) and International Freight Forwarding.

One of our strategic priorities is to leverage the scope and scale of our group to deliver a greater number of services to our customers, for example, warehousing and logistics as well as transport.

15. DIVISION REVENUE AND EBITDA

In FY20, almost half of our revenue came from the Freight division, with Bulk Liquids and Warehousing & Logistics making up a further 43%.

We expect to see the contribution to operating profit change to more appropriately reflect the sales volume of each division, as the Freight improvement programme takes effect.

16. FREIGHT

Freight is our biggest division and lifting its performance provides one of our biggest opportunities to deliver increased value and bottom line profitability.

Combined with our Warehousing & Logistics division, we have a fleet of around 2,300 trucks, trailers, forklifts and light vehicles. And in In FY20, our trucks travelled more than 45 million kilometres, delivering goods from Bluff to Kaitaia and everywhere in between.

The importance of freight to NZ was highlighted by COVID-19 restrictions, keeping store shelves stocked and supplies delivered to critical businesses throughout the lockdown period.

New Zealand has around 4,500 trucking businesses, and the industry is highly competitive. To be successful, we need to be delivering excellent customer service, tightly managing our costs, and operating as efficiently and safely as possible.

These are all key components of the Freight improvement plan and I will now invite Dallas Vince, division CEO for Freight, to talk to you more on this.

17. FREIGHT IMPROVEMENT PLAN

Dallas Vince, Divisional CEO Freight

I joined TIL earlier this year and my first priority was to undertake a 100-day review of the division. This meant talking to as many customers as I could, holding roadshows, talking to our people and Owner drivers and getting out on the road. This reaffirmed the strengths of the Freight business and identified opportunities where we could improve.

We then brought the team together to capture these and develop rigorous plans. This has resulted in more than 70 business improvement initiatives that range from delivery of our customer promise and adding direct benefits our bottom line through to initiatives that improve health and safety, culture and create a better workplace for our people.

We are already seeing good progress on these initiatives and today I wanted to talk to you about of some of the things we are doing.

The review confirmed that that we have strong regional businesses and employee and customer loyalty. In addition, our assets, footprint, national coverage, brands and customer base offer a significant competitive advantage for us.

We are now focused on creating stronger connections between our regional businesses, as well as leveraging the wider Group offer to deliver a bundled customer transport and warehouse solution across the country, as well as domestic services for our International division.

The review also highlighted an opportunity to improve our sales function. Dale Slade came on board as GM Sales and has already led a turnaround in the sales team and its focus. We've expanded our team with three additional sales people focused on key regions, redefined what we need from the sales team and focussed on individual's strengths to drive a more results driven sales force.

We have had a big focus on operational improvements such as the use of new technology and processes to ensure we are accurately charging clients for the correct weight and volume of the goods we transport. And if we can automate this process, then it will deliver further accuracy and timeliness. To assist with this, we are bringing in two state of the art scanning machines that scan and weigh freight before updating invoicing information and photographing freight for future reference.

We've also been looking at our fleet and are planning some rationalisation. We will be utilising more owner drivers, particularly for metro work, and have criteria in place for the vehicles they use, particularly around maximum age of the truck, to ensure they are efficient, safe and have lower carbon emissions.

We've mapped our whole network, looked at opportunities for rationalisation of runs and service improvements, we have started to right size our fleet and we are carrying out a branch by branch reviews of assets deployed to properties, and locations we hold, with a view to right size the business, get lean and grow again.

I am excited about the prospects for TIL's Freight business. We have great brands, great people and, with our team working together, I am confident we can deliver a strong turnaround and lift in performance.

Thank you for listening. I will be available for questions at the end of the presentations. Now, I will pass you back to Alan.

18. WAREHOUSING & LOGISTICS PROGRESS

FY20 marked the culmination of a three year investment into new warehouses and, already, several of these are near capacity, including the East Tamaki warehouse which was opened in July and is already fully occupied by a key customer in the food and beverage sector.

The MOVE Logistics division of TIL does not just warehouse products, it also arranges transportation, logistics and distribution services and provides an expert supply chain management function for customers. The team at MOVE are now working more closely with the International and Freight divisions to offer a one-stop logistics solution for clients, and have identified opportunities in the regions for growth.

While the flow on effects of COVID-19 on customer volumes are expected to continue, first quarter revenue has been in in line with the prior year with continuing growth expected as we fill additional capacity.

Pleasingly, as well as stronger than anticipated volumes we are also generating stronger margins as a result of the focus on costs.

19. BULK LIQUIDS

We are specialists in the transport of bulk liquids. In particular, we operate one of the largest fuel distribution providers in the country through Pacific Fuel Haul.

There was a material impact on fuel volumes during FY20, with reduced vehicle movements in a tougher economic environment and during lockdown.

First quarter revenue is slightly down on last year, due to the ongoing reduction in fuel transportation. However, EBITDA and margins are ahead of prior year due to cost management, as well as reduced overheads and fuel savings.

Our focus for the year is to continue to build on long term strategic partnerships with key customers, to grow non-fuel related Bulk Liquid transport, and to maintain our focus on costs and efficiencies.

We are well advanced in negotiations for new, long term contract with a key customer and are working closely with our partner to develop opportunities with hydrogen fuel.

20. INTERNATIONAL

Our international division is small but it's an important cog in our supply chain and delivers a strong margin.

FY20 was a positive year with increased activity in the sector.

ISO Tank & Shipping services increased revenue with greater domestic demand for ISO equipment & services. These are large stainless-steel pressure vessels held within a 20" steel frame that are used for the transportation and storage of bulk liquids, both food grade and chemical. They provide a safe, reliable and cost-effective way to transport bulk liquids which are both hazardous and non-hazardous.

We lifted our presence and performance in Australia and this is an area where we see opportunities to grow our business and expand our footprint.

We continue to focus on cross-Group benefits, with increased volumes for the International business to drive warehousing and transport demand for items once they reach New Zealand.

First quarter trading was below the prior year, mainly due to the impact of COVID-19 and the slow recovery of the NZ oil & gas exploration sector, where we provide a lot of services.

For the rest of the year, we expect continuing challenges as a result of economic conditions, limitations to cross-border trade and reduced oil & gas activity.

21. SPECIALIST

Specialised Lifting and Transport continues to be a solid acquisition. Our heavy haulage service has a strong position in New Zealand and on some jobs we are the only transporter with the trucks, machinery, personnel and skills to move extremely large and heavy items.

The large windfarm transport contract that was secured in February, saw some work undertaken in 2H20 but, along with other large projects, much of this has been deferred to the latter part of FY21.

This helped to boost first quarter trading ahead of last year, as deferred activity was recommenced in the new financial year.

The slowdown in construction across the country has seen increasing competition and price pressure. Our focus remains on providing a safe, high quality service that delivers on time and to specification.

The Auckland construction market remains busier than other regions, and we are benefitting from the acquisition of the assets of Fletcher Construction's Asset Hub at the start of this financial year. At the same time, we also entered a long term contract to supply them with heavy transport and logistics services. This is a site on the end of the Southern Motorway where Fletchers keep all their heavy equipment, such as cranes. They transport this equipment to construction sites around the country and this is the work that we are now doing for them.

We anticipate a strong pipeline of activity for the Specialist business over the year, with the positive impact of increased infrastructure spending and Government stimulus. With our expertise and experience we are well positioned for these projects from moving bridges and wall slabs through to large partitions and steel structures.

22. HEALTH AND SAFETY

We take the safety and wellbeing of our employees, contractors, owner drivers and communities very seriously. It is an essential component to everything we do and is one of our core values.

We continue to invest in training, technology and staff engagement to continuously improve our safety culture and performance. This investment does not come cheaply but we believe it is an indispensable part of our social licence to operate.

Our efforts are being recognised and, most recently, TIL has been shortlisted for the Australasian Fleet Champions Awards for our driver safety initiatives using Autosense and Guardian technology.

23. ENVIRONMENT

We remain very aware of the impact the trucking industry has on the environment and we remain committed to reducing our carbon emissions.

We have established an improvement programme and a number of initiatives are underway. One example is our 500+ forklift fleet, which we are gradually updating over time to safer, more efficient and lower carbon emission equipment.

We are also beginning to use LED lighting, and green building techniques for our new warehouse developments, we are a cornerstone partner of Z Energy for the use of bio fuels across our truck fleet and our in-cab technology also assists with fuel efficiency.

24. HYDROGEN FUEL ALTERNATIVE

We are exploring alternative fuels and are in partnership with Hiringa to investigate the development of hydrogen cell fuel technology.

This is gaining pace with the first hydrogen refuelling stations to be set up in 2021 and New Zealand's largest truck leasing business providing funding to allow large corporates to move to hydrogen fuel.

A number of other businesses are also looking at what they can do, and we are currently in negotiations with a major food and beverage customer to transport goods between Auckland and Palmerston North using a hydrogen fuelled truck.

25. PEOPLE

Our people are the backbone of our company, from the truck drivers who spend hundreds of hours every year travelling New Zealand's roads, to the warehouse staff, admin, support teams and the managers who lead our business.

While driver recruitment problems have eased, the industry still has challenges attracting young people. We are participating with industry and government led initiatives in order to address the long term problem.

New appointments and changes were made during the year to strengthen our executive team, and we also established a centralised HR team to provide better support for our people across the Group.

Our team of over 1,400 employees has extensive industry knowledge and expertise, some of which has been built up over decades of working in the sector and through economic cycles. We believe this experience will be of benefit as we face the challenges of the coming year and make the most of opportunities which will come our way.

26. INDUSTRY SEGMENTS

The current environment has demonstrated the benefits of having a range of customers across a variety of industry sectors and regions. This has meant that TIL has not been overly exposed to some of the deep shocks that have affected specific industries and parts of the economy.

The primary sector, particularly agriculture, has remained relatively untouched by the pandemic, as has the downstream supply chain, that is supermarkets and grocery stores. This is a big sales area for both our Freight and Warehousing divisions and we expect this relative resilience to continue.

The hospitality trade has seen more of an impact, with restaurants and bars affected by the shutdowns and a lack of international tourism, and this is having an effect on some of our customers in the food and beverage industry. Our FY21 Budgets and previous market announcement reflected this phenomena and we see no reason to alter this view despite some solid domestic business activity.

Building products is another big sector for us. While we have seen a slowdown in the construction sector this year, we do expect it to pick up again over the next 12 to 18 months, supported by Government spending on large infrastructure projects, although commercial and residential construction may take longer. On this front we take our lead from major customers such as Fletcher Building who see some improvement within this sector compared to prior indications. With the financial year charging on it is now more of question of what will accumulate in FY21 versus FY22.

We transport oil and gas across the country, for some of New Zealand's largest providers. Demand for both oil and gas reduced substantially during the lockdowns, however, is recovering back to the levels seen in the prior year if one ignores the lower aviation demand and warm winter effect on gas consumption.

We also provide services to other logistics providers, who will manage the supply chain for their clients and then sub-contract out to freight and warehouse businesses, such as TIL. We have seen an

increase in demand as businesses look to strengthen their supply chains, and are also seeing a shift back to a more direct relationship with providers.

27. STRATEGIC PRIORITIES

As Trevor has said, we have identified four areas of focus for FY21 being:

- The continuing improvement of the Freight division, with a priority focus on lifting margins.
- Organic growth through - the expansion of Bulk Liquids into non-fuel sectors; the expansion of Specialist services into a broader weight range; and optimising MOVE's new warehousing capacity.
- Expanding the International offer and services; and
- Building stronger connections and synergies across the Group and promoting our end to end customer solution.

We will continue to focus on social and environmental initiatives to enrich our business.

Cash and cashflow management remains a priority. Technology is a key enabler for our strategy, with new systems currently being refined to further enhance efficiencies and performance.

We are confident that, with the work we are doing, TIL will emerge stronger and better in the years ahead. Indeed, we should be better placed than many other businesses in the 'new normal', with strong brands and a diverse customer base across multiple sectors.

Our focus on sales and customer partnerships is delivering benefits. For example, we are now working with a major food company to move their goods from their manufacturing plants to the Woolworths distribution centre; and we have expanded our partnership with a major beverage provider who has taken over 100% of our new MOVE warehouse in East Tamaki, for finished product as well as packaging materials.

We have also expanded the partnership we have with one of New Zealand's biggest non-alcoholic beverage companies and are now moving their goods to more places across New Zealand. This is based on the advantages we offer with our national network.

And recently we transported the America Cup boats which had arrived on the world's biggest plane, from the airport to the base in Auckland's viaduct, all under maximum secrecy.

28. 1Q21 TRADING UPDATE

We are now four months into the financial year. Our first quarter is seasonally our quietest time of the year. Our Group revenue for the first quarter was in line with the same quarter in the prior year, despite the impact of COVID restrictions in Auckland in August.

Group EBITDA has increased ahead of the same time last year, with all divisions, apart from the small International division, delivering results ahead of the prior comparative period. In part, this reflects pent up demand and the recommencement of deferred projects since lockdown.

Of note, EBITDA is back in line with the higher results seen in the first quarter two years ago.

Based on current performance, we remain on track to achieve our FY21 forecast EBITDA of at least that of the FY20 post IFRS-16 result of $57.4m.

29. OUTLOOK

While our first quarter performance has been positive, we remain cautious about the economic environment and expect the challenges of COVID-19 to continue in FY21 with the flow on effects to be felt for some time. We are monitoring business confidence and the economy carefully, as this closely links to the transport and freight industry.

We do see opportunities for our Group, with COVID-19-related Government fiscal stimulus likely to support increasing freight volumes; a global trend of businesses using 3rd party warehousing & logistics providers (3PL) such as TIL ; and continuing high demand in some sectors such as food & beverage, aquaculture, viticulture and other primary industries. TIL already has a footprint in these sectors and we will look to build on our reputation and expertise to grow our market share.

ENDS