Freightways

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Freightways FY26 Results

Monday, 17 August 2026

FY26

FRW: NZX | ASX

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Presenters and Agenda

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	**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

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- 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



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Financial Summary and Capital Management



Stephan Deschamps | Chief Financial Officer

Financial Highlights

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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)

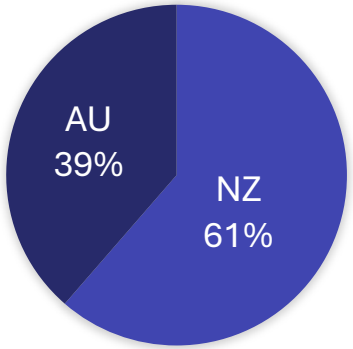
Note:

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

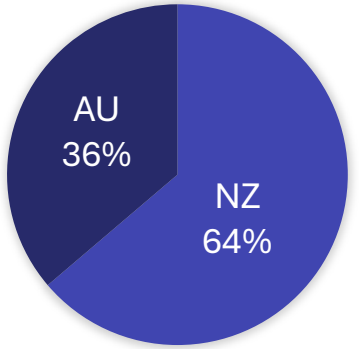
Australia Growing as a Contributor to Group Results

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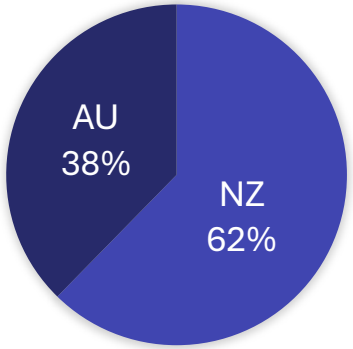
Revenue **FY26**



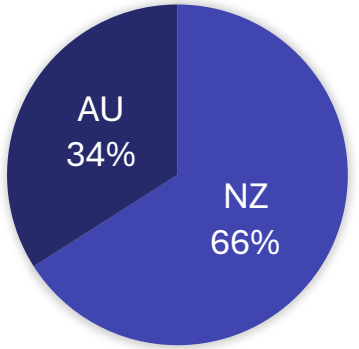
Revenue **FY25**



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

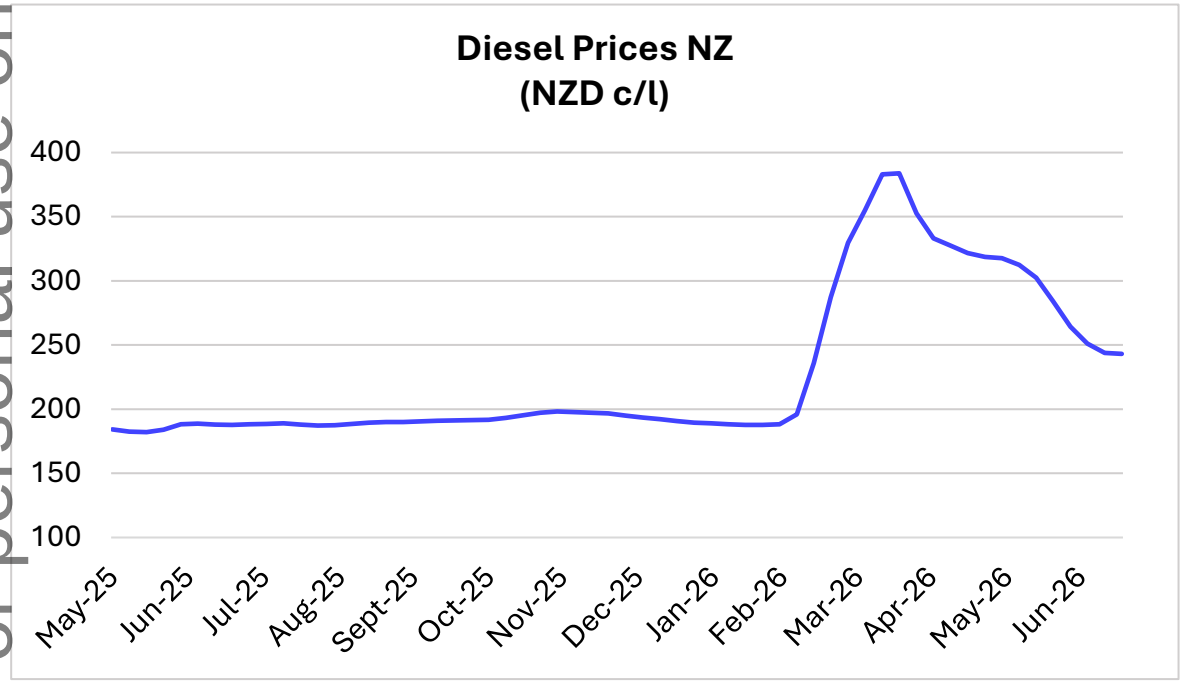
FY26 Performance Overview:

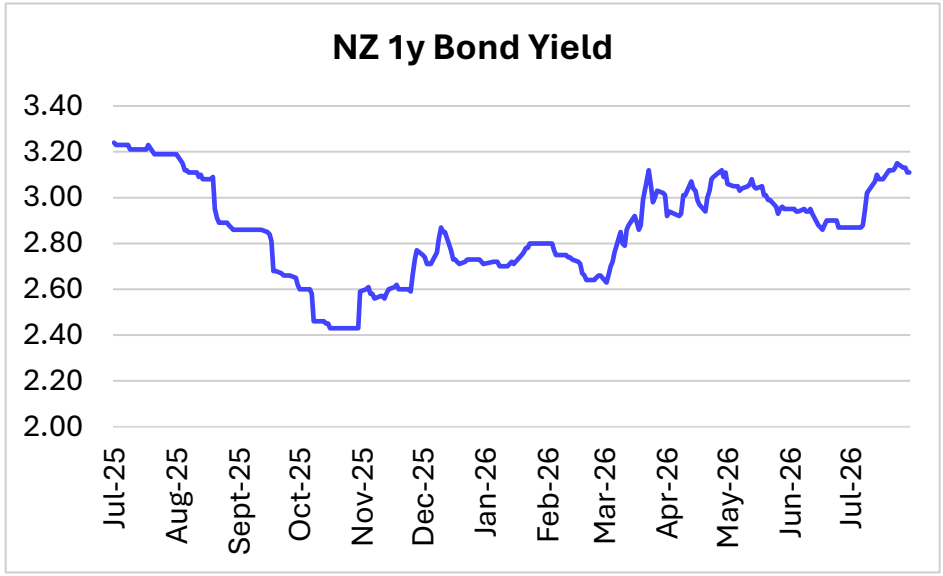
- Clear signs of recovery in Q2 and Q3, abruptly halted by the war in the Middle East
- Current demand has not returned to pre-Middle East war levels
- More modest inflationary pressure in our cost base
- Slight margin improvement continues

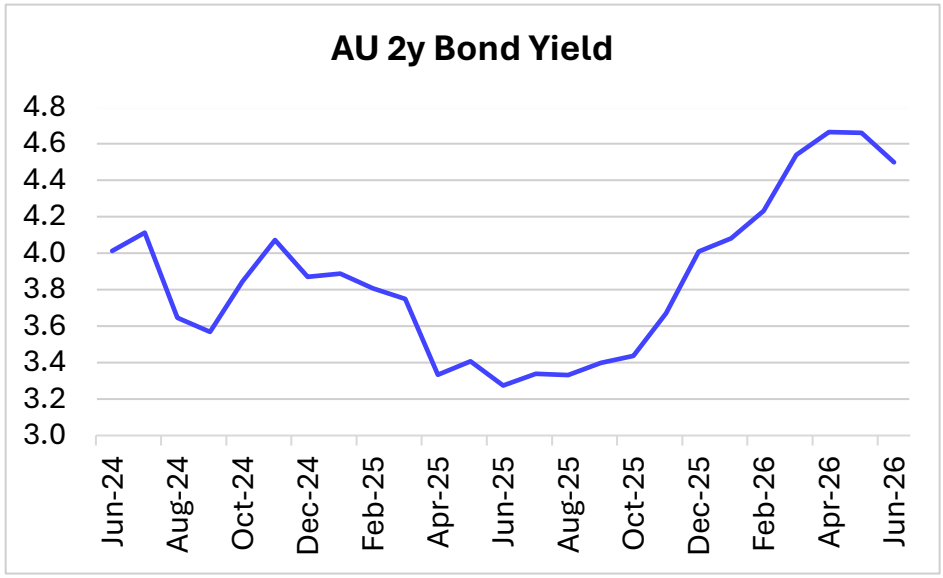
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External Economic Drivers Brought Recovery to a Halt

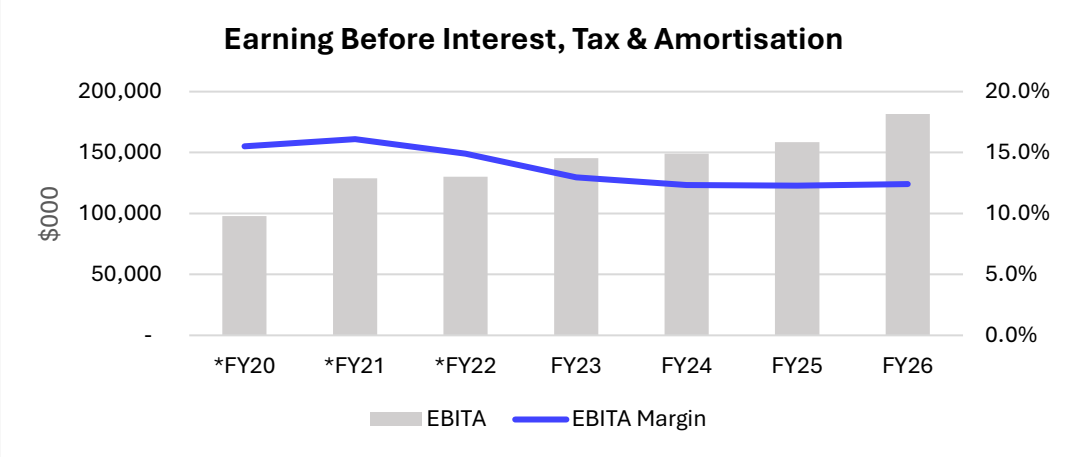
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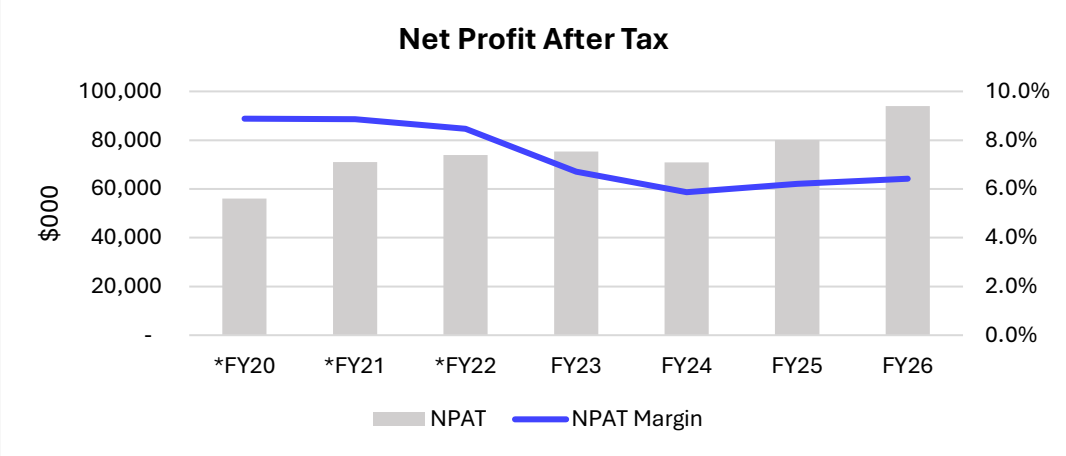






Further Margin Improvement Across The Group





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.

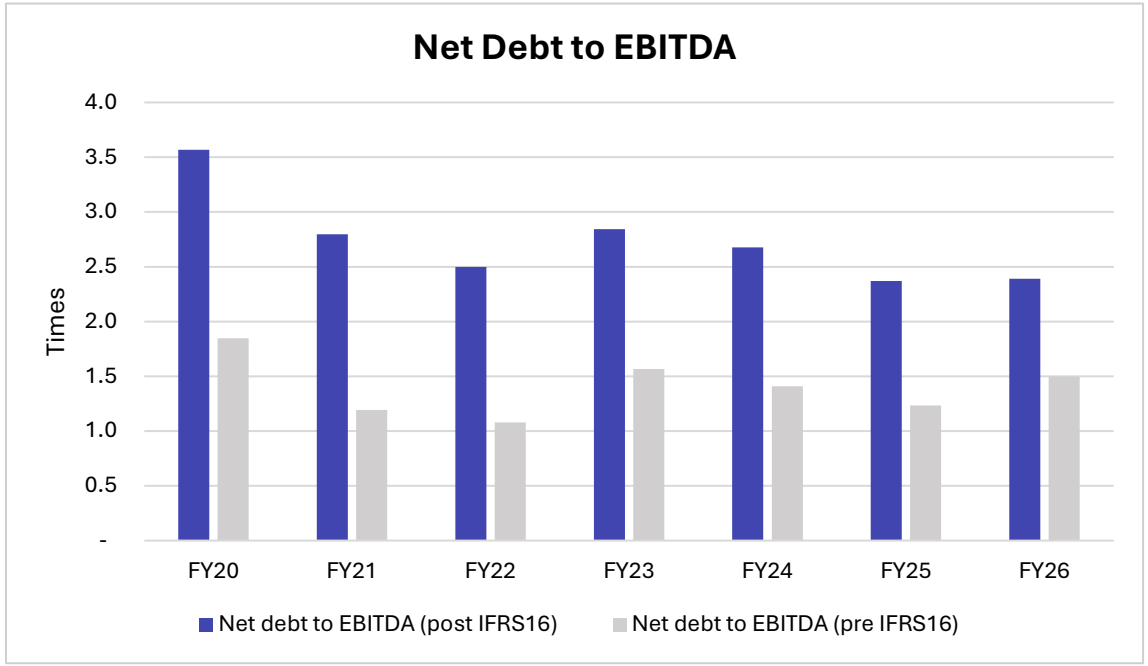
Margin performance:

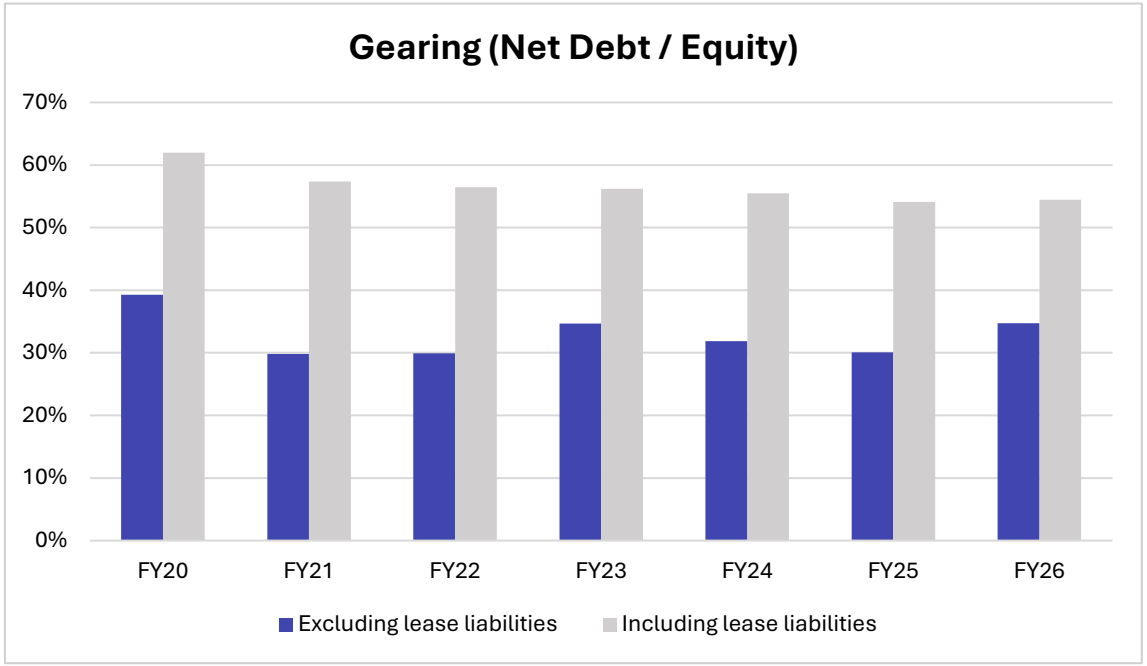
- Focus on margin continues, with many businesses showing improvement
- Post Haste, DX and Allied Express particularly strong in EP, and TIMG NZ also showing good progress
- Shred-X improved over last year and should continue to strengthen margins as their reset is largely complete
- BCD remains impacted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

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Leverage Reflects Acquisition Of VTFE From Feb 26

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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.

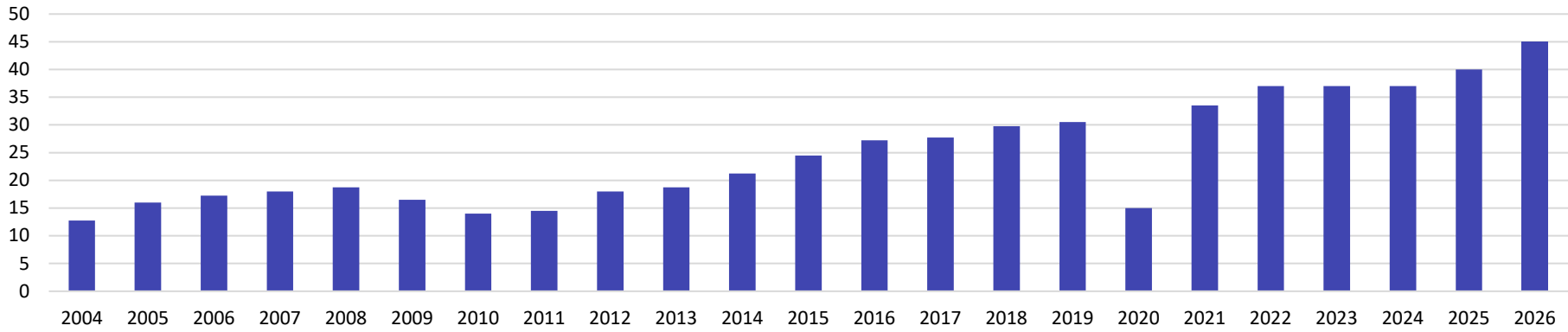
FY26 Dividend Increases By 12.5%

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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

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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

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	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 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

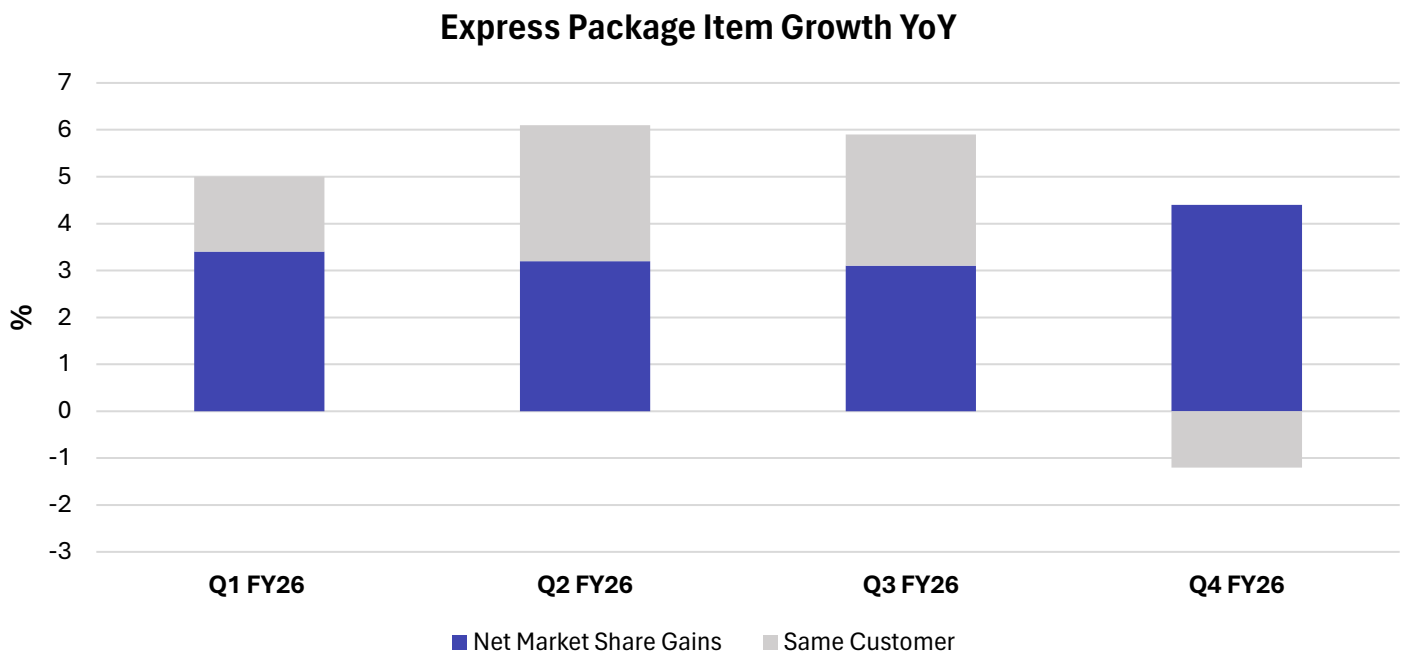
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New Zealand

- 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

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- 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

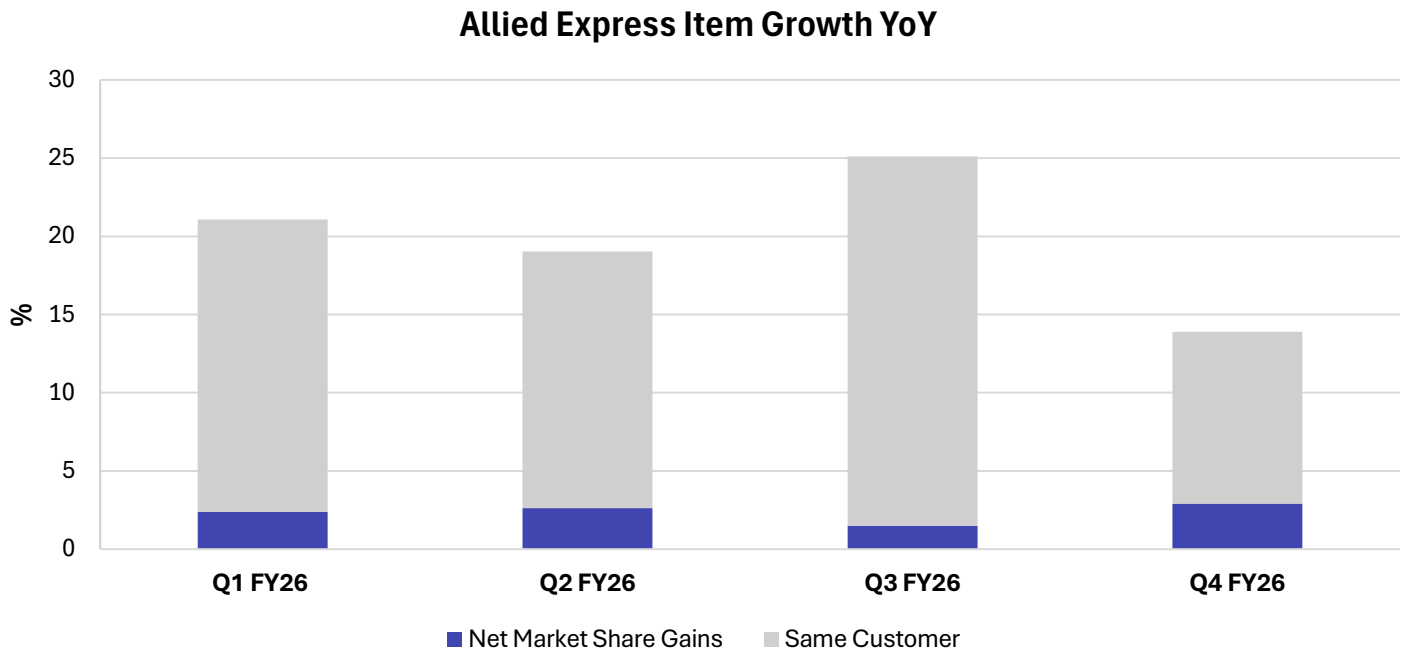
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Australia

- 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 787-800 aircraft. 787-800s 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



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Divisional Performance Information Management & Waste Renewal



Mark Troughear | Chief Executive Officer

Neil Wilson | General Manager, Freightways

FY26 Information Management & Waste Renewal

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	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

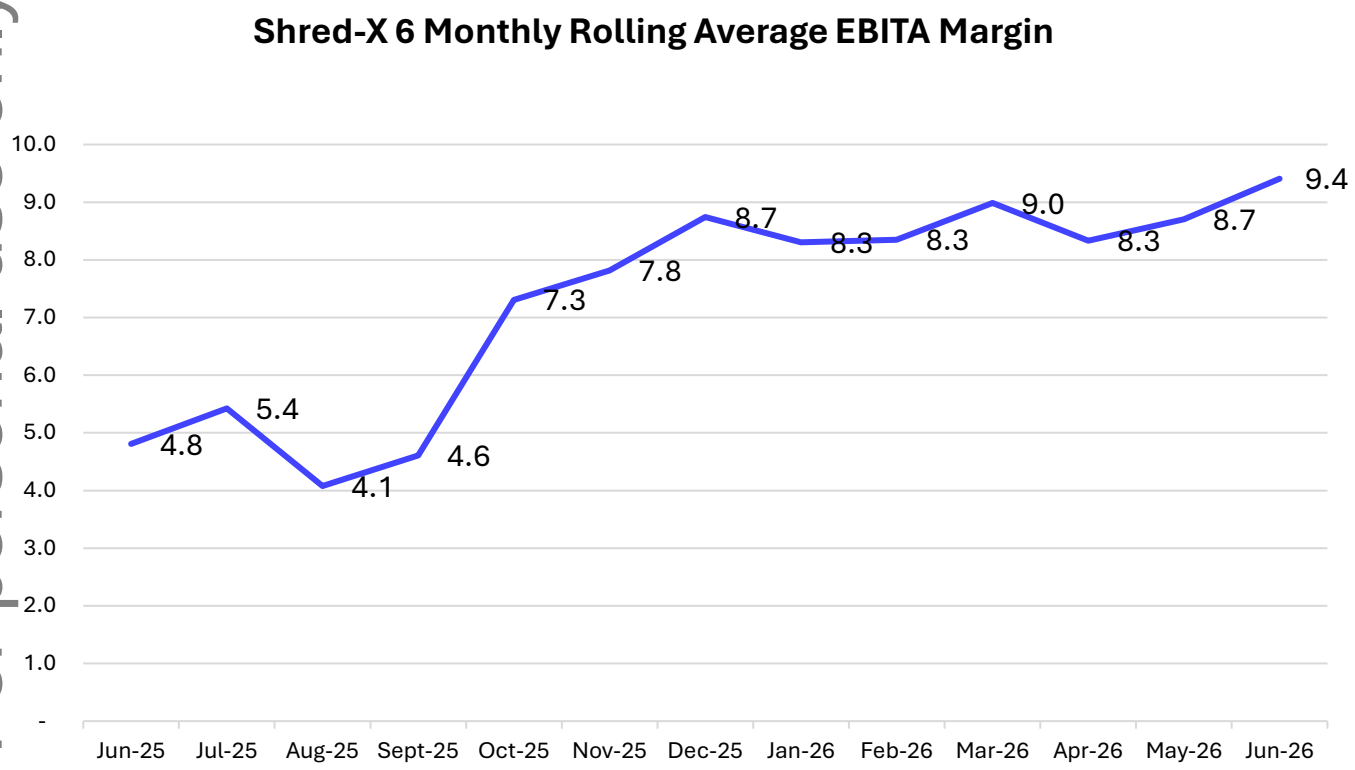
1. Operating profit before interest, tax and amortisation
2. Net profit after tax

FY26 Performance Overview:

- Revenue stable with growth from pricing improvement and waste renewal
  - Document Destruction grew 4%
  - Medical waste grew7%
  - 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 during FY26 resulting in 8% less revenue
- Shred-X reset largely complete with the business on an improved margin run rate in Q4

Shred-X | Med-X Margin Improvement

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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

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Horizon One

Archive / Media

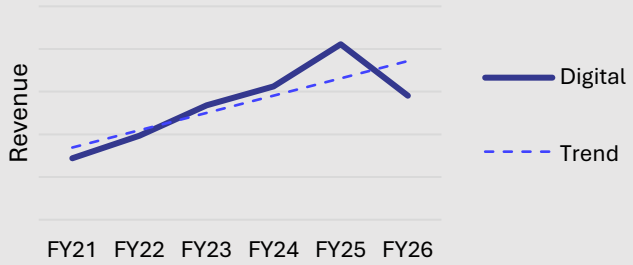
- Focus on running lean operations to maximise returns
- Yield management approach where warehouses are at or near capacity using pricing and destruction levers
- New business to fill lower utilisation warehouses or new H3 products to develop alternative uses

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

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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



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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





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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

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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

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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

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Questions

FY26

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Appendix – Reconciliation of Post-IFRS16 to Pre-IFRS16

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FREIGHTWAYS GROUP	Notes	FY26 ($m)			FY25 ($m)		
		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

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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

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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).

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Results for announcement to the market		
Name of issuer	FREIGHTWAYS GROUP LIMITED	
Reporting Period	12 months to 30 June 2026	
Previous Reporting Period	12 months to 30 June 2025	
Currency	New Zealand dollars	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$1,463,645	13.5%
Total Revenue	$1,463,645	13.5%
Net profit/(loss) from continuing operations	$93,958	17.3%
Total net profit/(loss)	$93,958	17.3%
Final Dividend		
Amount per Quoted Equity Security	$0.33333333	
Imputed amount per Quoted Equity Security	$0.09333333	
Record Date	11 September 2026	
Dividend Payment Date	1 October 2026	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security (in dollars and cents per security)	$(1.13)	$(0.79)
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to the attached annual report and results presentation.	
Authority for this announcement		
Name of person authorised to make this announcement	Stephan Deschamps	
Contact person for this announcement	Stephan Deschamps	
Contact phone number	+64 27 562 5666	
Contact email address	stephan.deschamps@freightways.co.nz	
Date of release through MAP	17 August 2026	

The information set out in this announcement is based on the audited financial statements of the Group for the financial year ended 30 June 2026. An unqualified audit opinion was issued by the Group's auditors in relation to those financial statements.

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Section 1: Issuer information				
Name of issuer	Freightways Group Limited			
Financial product name/description	Fully Paid Ordinary Shares			
NZX ticker code	FRW			
ISIN (If unknown, check on NZX website)	NZFREE0001S0			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year	X	Quarterly	
	Half Year		Special	
	DRP applies			
Record date	Friday, 11 September 2026			
Ex-Date (one business day before the Record Date)	Thursday, 10 September 2026			
Payment date (and allotment date for DRP)	Thursday, 1 October 2026			
Total monies associated with the distribution[1]	$42,959,000			
Source of distribution (for example, retained earnings)	Current earnings for the year ending 30 June 2026			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution[2]	$0.33333333			
Gross taxable amount [3]	$0.33333333			
Total cash distribution[4]	$0.24000000			
Excluded amount (applicable to listed PIEs)	$-			
Supplementary distribution amount	$0.04235294			
Section 3: Imputation credits and Resident Withholding Tax[5]				
Is the distribution imputed	Fully imputed			
If fully or partially imputed, please state imputation rate as % applied[6]	28%			
Imputation tax credits per financial product	$0.09333333			

[1] Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

[2] "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (**RWT**).

[3] "Gross taxable amount" is the gross distribution minus any excluded income.

[4] "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.

[5] The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

[6] Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.

Resident Withholding Tax per financial product	$0.01666667	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	N/A	
Start date and end date for determining market price for DRP	N/A	N/A
Date strike price to be announced (if not available at this time)	N/A	
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)	N/A	
DRP strike price per financial product	N/A	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	N/A	
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Stephan Deschamps	
Contact person for this announcement	Stephan Deschamps	
Contact phone number	+64 27 562 5666	
Contact email address	stephan.deschamps@freightways.co.nz	
Date of release through MAP	17 August 2026	

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