



# Beyond the horizon

Port of Tauranga Limited – Market Update and  
Interim Consolidated Financial Statements February 2024

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# Connecting New Zealand and the World

## Tauranga Moana

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Port of Tauranga is invested in the wellbeing of Tauranga city, the harbour and its people.

## Te Moana-a-Toi Bay of Plenty

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The Port is an anchor for the Bay of Plenty economy, providing a stable income and creating prosperity well beyond the region.

## Aotearoa New Zealand

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As the only New Zealand port able to accommodate larger container vessels, Port of Tauranga provides nationally significant infrastructure.

## Tōpito o te ao The world

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Port of Tauranga is New Zealand's largest and most efficient port, enabling essential access to global markets. Port of Tauranga connects New Zealand and the world.



# Highlights and challenges

Six months ended 31 December 2023

**Group net profit after tax**  
million

**\$47.2** a 24.7% decrease from \$62.7 million

**Total trade**  
million tonnes

**11.6** an 8.5% decrease from 12.7 million tonnes

**Container volumes**  
TEUs<sup>1</sup>

**536,928** a 15.8% decrease from 637,728

**Transhipped containers**  
TEUs<sup>1</sup>

**119,848** a 25.1% decrease

**Ship visits**

**674** a 3.9% decrease from 701

**Imports**  
million tonnes

**3.9** a 22.7% decrease from 5.0 million tonnes

**Exports**  
million tonnes

**7.8** a 0.6% increase from 7.7 million tonnes

**Log exports**  
million tonnes

**3.6** a 19.2% increase from 3.0 million tonnes

**Direct dairy exports**  
tonnes

**949,687** a 4.4% decrease from 993,360 tonnes

**Subsidiary and associate company earnings**

**34.2%** decrease

**Interim dividend**

**6.0** cents per share

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<sup>1</sup>TEUs = twenty foot equivalent units, a standard measure of shipping containers.



**Review**

Chair and Chief Executive’s review

# Port of Tauranga Limited navigated tough trading conditions to deliver a \$47.2 million profit for the six months ended 31 December 2023

Earnings were impacted by lower overall trade volumes, especially in imported and transhipped containers, and higher operating costs, including rail charges.

Total trade volumes reduced 8.5% compared with the first half of the 2023 financial year, to 11.6 million tonnes (down from 12.7 million tonnes). Container numbers reduced 15.8% to 536,928 TEUs.

However, log exports were boosted by the early harvesting and export of cyclone-damaged trees.

The gradual return to shipping schedule reliability after a long period of congestion has seen productivity return to pre-Covid levels, with a 5% increase in container productivity compared with the previous corresponding period.

**Financial results**

Group Net Profit After Tax was \$47.2 million, a 24.7% decrease from the \$62.7 million reported in the previous six month period.

Operating revenue was \$200.0 million, a 5.6% decrease from \$211.9 million in the first half of the 2023 financial year.

Operating expenses increased 2.0% to \$106.3 million.

The Port of Tauranga Board of Directors has declared a fully imputed interim dividend of 6.0 cents per share.

**Cargo trends**

Log export volumes increased 19.2% compared with the previous corresponding period, boosted by the ongoing early harvesting of cyclone-damaged trees in the Central North Island forests.

Container transhipment decreased 25% compared with the previous corresponding period, due to changes in coastal shipping rotations.

Import container volumes decreased 17.9%, reflecting lower consumer demand and increases in MetroPort rail costs. Export container volumes decreased 8%, reflecting an early end to the kiwifruit season and a slow start to the dairy export season. Direct dairy exports decreased 4.4% in volume for the six-month period.



**Leonard Sampson**  
Chief Executive



**Review**

Chair and Chief Executive’s review



“ In August we celebrated the opening of the Ruakura Inland Port near central Hamilton. The nine-hectare facility will eventually grow to 30 hectares and is part of Tainui Group Holdings’ Ruakura Superhub freight and logistics precinct. ”

Direct kiwifruit export volumes were down 16.6% in volume as a result of well-publicised seasonal issues.

Overall, ship visits decreased 3.9% to 674 over the six-month period.

**Berth extension urgently needed**

Port of Tauranga Limited has received an interim decision of the Environment Court, provisionally granting resource consent for Stage 1 of its planned Sulphur Point wharf extension. The consent is subject to further matters being addressed to the satisfaction of the Court.

Further details can be found on page 7.

**Ruakura Inland Port**

In August we celebrated the opening of the Ruakura Inland Port near central Hamilton. The nine-hectare facility, a 50/50 joint venture with Tainui Group Holdings (TGH), will eventually grow to 30 hectares and is part of TGH’s Ruakura Superhub freight and logistics precinct.

The new inland port, connected by rail to Auckland and Tauranga, has already been utilised by Kmart and Big Chill, which opened purpose-built facilities in the Ruakura Superhub in September and October respectively. Maersk has opened another cool store facility in the precinct in recent weeks.

Ruakura Inland Port is a game changer for the upper North Island supply chain, unlocking efficient and lower carbon pathways to international markets for Waikato-based importer and exporters.

**New equipment for container terminal**

Port of Tauranga has commissioned a further four hybrid straddle carriers to add to the three already in use at the container terminal. The hybrid models are approximately 25% more fuel efficient than the diesel-electric models that make up the balance of the fleet.

We have dismantled the oldest ship-to-shore container crane and taken delivery of components for a new crane. The new crane will be assembled on site in the coming months and will return the terminal to a nine-crane operation when it is commissioned later in the year.

**Environmental initiatives**

Port of Tauranga has recently agreed to help fund some of the air quality monitoring in the industrial area to enable Bay of Plenty Regional Council to introduce supplementary air sensors into nearby residential areas. The council is posting real-time air quality indicators from the sensors on its [website](#).

The 12 new sensors, while not as accurate as the monitors in the industrial area, are designed to detect particulate matter – including salt-laden air, as well as NO2 (nitrogen dioxide), which can be generated from ships’ engines, petrol and diesel vehicles.

Read more about dust control and identification measures on page 8.



## Review

### Chair and Chief Executive’s review

“The return of a more consistent operating environment provides opportunities to further enhance our systems and processes to improve productivity.”

### Community investment

Port of Tauranga has invested in community infrastructure in a partnership with Tauranga City Council.

The Port funded a new natural playground opposite Te Ngaio Reserve at Mount Maunganui. It is part of the new three kilometre Marine Parade Coastal Path that was officially opened just before Christmas.

The Port also funded a new viewing platform at the northern end of the Mauao base walking track. The platform is part of a bigger project sharing the history and stories of Mauao with its many visitors and it overlooks Awaiti (Little River), the spot where the ancestral voyaging waka Takitimu took refuge.

### Outlook for 2024

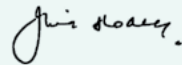
The outlook for the Group for the second half of the 2024 financial year is expected to be mixed.

We expect the return to shipping schedule reliability to continue following the recent resolution of industrial action in some Australian ports. The return of a more consistent operating environment provides opportunities to further enhance our systems and processes to improve productivity and customer service. Opportunities have also been created by the opening of the Ruakura Inland Port near central Hamilton in August 2023.

However, domestic economic conditions remain challenging, and international conflicts are causing shipping delays and increases in freight rates.

Based on the first half performance, full year earnings are expected to be between \$95 million and \$107 million (compared with \$117.1 million in the 2023 financial year).

Port of Tauranga’s annual results for the 2024 financial year will be announced on Friday, 23 August.



**Julia Hoare**  
Chair



**Leonard Sampson**  
Chief Executive



**Julia Hoare**  
Chair



**Case study**

Berth extension gains provisional resource consent

## Interim court decision on berth extension

The first stage of Port of Tauranga’s long-planned container berth extension has been given provisional resource consent by the Environment Court following a hearing in March 2023.

The project is critical to ensuring New Zealand has the export capacity it needs in coming years.

The resource consent application was lodged in May 2021. The application is for a total of 385 metres of additional berth, plus new berths at the Mount Maunganui wharves.

Stage 1 involves constructing 285 metres of additional berth to the south of the Port’s existing container berths, and associated dredging. The Court’s decision on whether to grant consents for Stage 2 of the Sulphur Point wharf extension, and for the Mount Maunganui wharves, is reserved pending the provision of further information.

The Port is progressing the work required to be completed by the middle of 2024, which includes environmental evidence, discussions with tangata whenua and the Bay of Plenty Regional Council.

The project remains a critical piece of national infrastructure and the Port is keen to move as quickly as possible in meeting the needs of New Zealand importers and exporters.





## Case study

Pollution monitors record improvement in air quality since 2019



## Dust reduction success

Dust pollution monitors on the Port of Tauranga boundary show a dramatic improvement in air quality since 2019.

Port of Tauranga has undertaken a range of initiatives to reduce airborne dust. Vacuum sweeper trucks collect dust and debris from the wharves, and concrete barriers have been installed to contain traffic and heavy equipment to more frequently swept roadways.

Nearly two kilometres of wind fences are installed, water misting technology is used on dry cargo hoppers and wind limits are enforced when handling potentially dusty cargoes.

To help inform action plans for further improvements, Port of Tauranga has installed a dust monitor close to the Mount Maunganui residential area.

The unit is collecting dust samples that can be analysed. Although it will not be able to identify all sources of dust, it will be able to give a better picture of general dust sources including sea spray, petrol and diesel exhaust, ship exhaust and other potential causes.

Additional units will be installed in 2024.





# Interim Consolidated Financial Statements

for the six months ended 31 December 2023  
Port of Tauranga Limited and Subsidiaries

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**Port of Tauranga Limited and Subsidiaries**  
Consolidated Income Statement  
for the six months ended 31 December 2023

	(Unaudited) Six Months Ended 31 December 2023 Group NZ\$000	(Unaudited) Six Months Ended 31 December 2022 Group NZ\$000	(Audited) Year Ended 30 June 2023 Group NZ\$000
<b>Total operating revenue (refer to note 6)</b>	200,011	211,924	420,929
Contracted services for port operations	(47,285)	(48,121)	(98,975)
Employee benefit expenses	(28,001)	(26,587)	(51,334)
Direct fuel and power expenses	(7,904)	(9,883)	(18,822)
Maintenance of property, plant and equipment	(8,345)	(7,177)	(15,497)
Other expenses	(14,735)	(12,441)	(25,960)
<b>Operating expenses</b>	<b>(106,270)</b>	<b>(104,209)</b>	<b>(210,588)</b>
<b>Results from operating activities</b>	<b>93,741</b>	<b>107,715</b>	<b>210,341</b>
Depreciation and amortisation	(22,087)	(19,676)	(40,423)
	(22,087)	(19,676)	(40,423)
<b>Operating profit before finance costs, share of profit from Equity Accounted Investees and taxation</b>	<b>71,654</b>	<b>88,039</b>	<b>169,918</b>
Finance income	215	263	1,161
Finance expenses (refer to note 7)	(11,248)	(9,240)	(20,522)
<b>Net finance costs</b>	<b>(11,033)</b>	<b>(8,977)</b>	<b>(19,361)</b>
Share of profit from Equity Accounted Investees	3,250	6,000	16,611
Impairment of investment in Equity Accounted Investees	0	0	(7,871)
	3,250	6,000	8,740
<b>Profit before income tax</b>	<b>63,871</b>	<b>85,062</b>	<b>159,297</b>
Income tax expense	(16,630)	(22,337)	(42,161)
<b>Profit for the period</b>	<b>47,241</b>	<b>62,725</b>	<b>117,136</b>
Basic earnings per share (cents)	7.0	9.3	17.4
Diluted earnings per share (cents)	6.9	9.2	17.2

These statements are to be read in conjunction with the notes on pages 14 to 17.

**Port of Tauranga Limited and Subsidiaries**  
Consolidated Statement of Comprehensive Income  
for the six months ended 31 December 2023

	(Unaudited) Six Months Ended 31 December 2023 Group NZ\$000	(Unaudited) Six Months Ended 31 December 2022 Group NZ\$000	(Audited) Year Ended 30 June 2023 Group NZ\$000
Profit for the period	47,241	62,725	117,136
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified to profit or loss:</b>			
Cash flow hedge – changes in fair value	(2,550)	3,693	2,293
Cash flow hedge – reclassified to profit or loss	(1,296)	186	(44)
Share of net change in cash flow hedge reserves of Equity Accounted Investees	(216)	272	209
<b>Items that will never be reclassified to profit or loss:</b>			
Asset revaluation, net of tax	0	0	23,530
Share of net change in revaluation reserves of Equity Accounted Investees	1	3,653	16,817
<b>Total other comprehensive income</b>	<b>(4,061)</b>	<b>7,804</b>	<b>42,805</b>
<b>Total comprehensive income</b>	<b>43,180</b>	<b>70,529</b>	<b>159,941</b>



**Port of Tauranga Limited and Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
for the six months ended 31 December 2023

	Share Capital Group NZ\$000	Share Based Payment Reserve Group NZ\$000	Hedging Reserve Group NZ\$000	Revaluation Reserve Group NZ\$000	Retained Earnings Group NZ\$000	Total Equity Group NZ\$000
<b>Balance at 30 June 2022</b>	<b>75,154</b>	<b>4,204</b>	<b>9,051</b>	<b>1,892,109</b>	<b>93,920</b>	<b>2,074,438</b>
Profit for the period	0	0	0	0	62,725	62,725
Total other comprehensive income	0	0	4,151	3,653	0	7,804
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>4,151</b>	<b>3,653</b>	<b>62,725</b>	<b>70,529</b>
Decrease in share capital	(12)	0	0	0	0	(12)
Dividends paid during the period	0	0	0	0	(55,790)	(55,790)
Equity settled share based payment accrual	0	755	0	0	0	755
Shares issued upon vesting of management long term incentive plan	278	(280)	0	0	2	0
<b>Total transactions with owners in their capacity as owners</b>	<b>266</b>	<b>475</b>	<b>4,151</b>	<b>3,653</b>	<b>6,937</b>	<b>15,482</b>
<b>Balance at 31 December 2022</b>	<b>75,420</b>	<b>4,679</b>	<b>13,202</b>	<b>1,895,762</b>	<b>100,857</b>	<b>2,089,920</b>
Profit for the period	0	0	0	0	54,411	54,411
Total other comprehensive income	0	0	(1,693)	36,694	0	35,001
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>(1,693)</b>	<b>36,694</b>	<b>54,411</b>	<b>89,412</b>
Decrease in share capital	(60)	0	0	0	0	(60)
Dividends paid during the period	0	0	0	0	(46,264)	(46,264)
Equity settled share based payment accrual	0	708	0	0	0	708
<b>Total transactions with owners in their capacity as owners</b>	<b>(60)</b>	<b>708</b>	<b>(1,693)</b>	<b>36,694</b>	<b>8,147</b>	<b>43,796</b>
<b>Balance at 30 June 2023</b>	<b>75,360</b>	<b>5,387</b>	<b>11,509</b>	<b>1,932,456</b>	<b>109,004</b>	<b>2,133,716</b>
Profit for the period	0	0	0	0	47,241	47,241
Total other comprehensive income	0	0	(4,062)	1	0	(4,061)
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>(4,062)</b>	<b>1</b>	<b>47,241</b>	<b>43,180</b>
Decrease in share capital	(815)	0	0	0	0	(815)
Dividends paid during the period	0	0	0	0	(59,875)	(59,875)
Equity settled share based payment accrual	0	697	0	0	0	697
Shares, previously subject to call option, issued	4,722	(4,722)	0	0	0	0
Shares issued upon vesting of management long term incentive plan	300	(510)	0	0	210	0
<b>Total transactions with owners in their capacity as owners</b>	<b>4,207</b>	<b>(4,535)</b>	<b>(4,062)</b>	<b>1</b>	<b>(12,424)</b>	<b>(16,813)</b>
<b>Balance at 31 December 2023</b>	<b>79,567</b>	<b>852</b>	<b>7,447</b>	<b>1,932,457</b>	<b>96,580</b>	<b>2,116,903</b>

These statements are to be read in conjunction with the notes on pages 14 to 17.



**Port of Tauranga Limited and Subsidiaries**  
**Consolidated Statement of Financial Position**  
as at 31 December 2023

	(Unaudited) 31 December 2023 Group NZ\$000	(Unaudited) 31 December 2022 Group NZ\$000	(Audited) 30 June 2023 Group NZ\$000
<b>Assets</b>			
Property, plant and equipment	2,427,297	2,391,970	2,424,090
Right-of-use assets	53,350	38,709	50,045
Intangible assets	21,701	22,222	22,305
Investments in Equity Accounted Investees	212,685	204,405	213,746
Receivables and prepayments	18,133	19,683	18,890
Derivative financial instruments	10,834	17,407	15,514
<b>Total non current assets</b>	<b>2,744,000</b>	<b>2,694,396</b>	<b>2,744,590</b>
Cash and cash equivalents	20,366	30,744	8,506
Receivables and prepayments	65,077	71,799	69,152
Inventories	1,829	2,088	1,986
Derivative financial instruments	230	255	35
<b>Total current assets</b>	<b>87,502</b>	<b>104,886</b>	<b>79,679</b>
<b>Total assets</b>	<b>2,831,502</b>	<b>2,799,282</b>	<b>2,824,269</b>
<b>Equity</b>			
Share capital	79,567	75,420	75,360
Share based payment reserve	852	4,679	5,387
Hedging reserve	7,447	13,202	11,509
Revaluation reserve	1,932,457	1,895,762	1,932,456
Retained earnings	96,580	100,857	109,004
<b>Total equity</b>	<b>2,116,903</b>	<b>2,089,920</b>	<b>2,133,716</b>

	(Unaudited) 31 December 2023 Group NZ\$000	(Unaudited) 31 December 2022 Group NZ\$000	(Audited) 30 June 2023 Group NZ\$000
<b>Liabilities</b>			
Loans and borrowings (refer to note 10)	193,901	309,221	290,775
Derivative financial instruments	6,799	10,646	9,242
Employee benefits	1,521	1,585	1,524
Deferred tax liabilities	113,035	116,182	116,388
Lease liabilities	55,622	40,260	51,957
Contingent consideration	0	161	30
<b>Total non current liabilities</b>	<b>370,878</b>	<b>478,055</b>	<b>469,916</b>
Loans and borrowings (refer to note 10)	295,000	180,000	160,000
Derivative financial instruments	268	0	7
Trade and other payables	41,966	37,863	38,412
Revenue received in advance	136	1,116	2,951
Employee benefits	1,674	2,475	4,371
Income tax payable	3,382	8,714	13,582
Lease liabilities	1,027	812	955
Contingent consideration	268	327	359
<b>Total current liabilities</b>	<b>343,721</b>	<b>231,307</b>	<b>220,637</b>
<b>Total liabilities</b>	<b>714,599</b>	<b>709,362</b>	<b>690,553</b>
<b>Total equity and liabilities</b>	<b>2,831,502</b>	<b>2,799,282</b>	<b>2,824,269</b>
<b>Net tangible assets per share (dollars per share)</b>	<b>3.11</b>	<b>3.07</b>	<b>3.14</b>

**Port of Tauranga Limited and Subsidiaries**  
**Consolidated Statement of Cash Flows**  
for the six months ended 31 December 2023

	(Unaudited) Six Months Ended 31 December 2023 Group NZ\$000	(Unaudited) Six Months Ended 31 December 2022 Group NZ\$000	(Audited) Year Ended 30 June 2023 Group NZ\$000
<b>Cash flows from operating activities</b>			
Receipts from customers	208,886	208,931	412,568
Interest received	215	199	1,028
Payments to suppliers and employees	(112,461)	(111,718)	(205,027)
Taxes paid	(28,689)	(28,815)	(42,776)
Interest paid	(11,411)	(9,630)	(21,221)
<b>Net cash inflow from operating activities</b>	<b>56,540</b>	<b>58,967</b>	<b>144,572</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	7	39	109
Dividends from Equity Accounted Investees	5,381	6,020	19,520
Purchase of property, plant and equipment	(21,771)	(18,386)	(44,840)
Purchase of intangible assets	(13)	0	(582)
Interest capitalised on property, plant and equipment	(419)	(94)	(335)
Investment in Equity Accounted Investees	(1,285)	(14,450)	(21,450)
Payment of contingent consideration	(520)	(2,700)	(3,136)
<b>Total net cash used in investing activities</b>	<b>(18,620)</b>	<b>(29,571)</b>	<b>(50,714)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	35,111	55,180	35,339
Repayment of borrowings	0	(5,000)	(25,000)
Repurchase of shares	(801)	0	0
Repayment of lease liability	(495)	(314)	(909)
Dividends paid	(59,875)	(55,790)	(102,054)
<b>Net cash used in financing activities</b>	<b>(26,060)</b>	<b>(5,924)</b>	<b>(92,624)</b>
<b>Net increase in cash held</b>	<b>11,860</b>	<b>23,472</b>	<b>1,234</b>
Add opening cash brought forward	8,506	7,272	7,272
<b>Ending cash and cash equivalents</b>	<b>20,366</b>	<b>30,744</b>	<b>8,506</b>

These statements are to be read in conjunction with the notes on pages 14 to 17.

	(Unaudited) Six Months Ended 31 December 2023 Group NZ\$000	(Unaudited) Six Months Ended 31 December 2022 Group NZ\$000	(Audited) Year Ended 30 June 2023 Group NZ\$000
<b>Reconciliation of profit for the period to cash flows from operating activities</b>			
<b>Profit for the period</b>	<b>47,241</b>	<b>62,725</b>	<b>117,136</b>
<b>Adjustments for non cash and non operating items</b>			
Depreciation and amortisation expense	22,087	19,676	40,423
Decrease in deferred taxation balances	(2,159)	(1,431)	(434)
Share of profits retained by Equity Accounted Investees	(3,250)	(6,000)	(16,611)
Other	834	1,201	9,856
	<b>17,512</b>	<b>13,446</b>	<b>33,234</b>
Less movements in working capital	(8,213)	(17,204)	(5,798)
<b>Net cash flows from operating activities</b>	<b>56,540</b>	<b>58,967</b>	<b>144,572</b>



## Port of Tauranga Limited and Subsidiaries

### Notes to the Interim Consolidated Financial Statements

for the six months ended 31 December 2023

#### 1 Reporting entity

Port of Tauranga Limited (the Parent Company) is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX). It is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013. The Parent Company, which is designated as profit-oriented for financial reporting purposes, is an issuer in terms of the Financial Reporting Act 2013.

The unaudited interim financial statements (the financial statements) for Port of Tauranga Limited comprise the Port of Tauranga Limited, its Subsidiaries, and the Group's interest in Equity Accounted Investees (together referred to as the Group).

#### 2 Basis of preparation

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and New Zealand International Accounting Standard (NZ IAS) 34 Interim Financial Reporting. They do not include all information required for full annual financial statements and should be read in conjunction with the annual financial statements and related notes included in Port of Tauranga Limited's Integrated Annual Report for the year ended 30 June 2023.

#### 3 Significant accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2023.

#### 4 Accounting estimates and judgements

The preparation of the financial statements in conformity with NZ IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty, were the same as those applied to the Group's consolidated financial statements for the year ended 30 June 2023.

#### 5 Segment information

The Group determines and presents operating segments based on the information that is internally provided to the Chief Executive, who is the Group's Chief Operating Decision Maker (CODM), as defined by NZ IFRS 8 Operating Segments.

The Group operates in three main reportable segments, being:

- **Port operations:** This consists of providing and managing port services, and cargo handling facilities through the Port of Tauranga Limited and Timaru Container Terminal Limited. Port terminals and bulk operations have been aggregated together within the Port Operations segment, due to the similarities in economic characteristics, customers, nature of products and processes, and risks.
- **Property services:** This consists of managing and maintaining the Port of Tauranga Limited's property assets.
- **Marshalling services:** This consists of the contracted terminal operations and marshalling activities of Quality Marshalling (Mount Maunganui) Limited.

The three main business segments are managed separately as they provide different services to customers and have their own operational and marketing requirements.

The remaining activities of the Group are not allocated to individual business segments.

The Group operates in one geographical area, that being New Zealand.

Due to the significant shared cost base of the Port activities, operating costs, measures of profitability, assets and liabilities are aggregated and are not reported to the CODM at a segment level, but rather at a port level, as all business decisions are made at a "whole port level".

**Port of Tauranga Limited and Subsidiaries**  
Notes to the Interim Consolidated Financial Statements  
for the six months ended 31 December 2023

**5 Segment information (continued)**

	Port Operations Group NZ\$000	Property Services Group NZ\$000	Marshalling Services Group NZ\$000	Unallocated <sup>(1)</sup> Group NZ\$000	Inter Segment Group NZ\$000	Group NZ\$000
<b>(Unaudited) Six months ended 31 December 2023</b>						
Revenue (external)	177,603	20,558	1,527	0	0	199,688
Inter segment revenue	1	94	9,944	0	(10,039)	0
<b>Total segment revenue</b>	<b>177,604</b>	<b>20,652</b>	<b>11,471</b>	<b>0</b>	<b>(10,039)</b>	<b>199,688</b>
<b>Other income and expenditure:</b>						
Share of profit from Equity Accounted Investees	0	0	0	3,250	0	3,250
Interest income	0	0	0	215	0	215
Other income	0	0	0	548	(225)	323
Interest expense	0	0	0	(11,248)	0	(11,248)
Depreciation and amortisation expense	0	0	(490)	(21,597)	0	(22,087)
Other unallocated expenditure	0	0	(8,487)	(107,750)	10,264	(106,270)
Income tax expense	0	0	(621)	(16,009)	0	(16,630)
Total other income and expenditure	0	0	(9,895)	(152,591)	10,039	(152,447)
<b>Total segment result</b>	<b>177,604</b>	<b>20,652</b>	<b>1,576</b>	<b>(152,591)</b>	<b>0</b>	<b>47,241</b>
(Unaudited) Six months ended 31 December 2022						
Revenue (external)	192,745	18,099	568	0	0	211,412
Inter segment revenue	3	83	10,194	0	(10,280)	0
<b>Total segment revenue</b>	<b>192,748</b>	<b>18,182</b>	<b>10,762</b>	<b>0</b>	<b>(10,280)</b>	<b>211,412</b>
<b>Other income and expenditure:</b>						
Share of profit from Equity Accounted Investees	0	0	0	6,000	0	6,000
Interest income	0	0	0	263	0	263
Other income	0	0	0	704	(225)	479
Interest expense	0	0	0	(9,240)	0	(9,240)
Depreciation and amortisation expense	0	0	(491)	(19,185)	0	(19,676)
Other unallocated expenditure	0	0	(8,090)	(106,591)	10,505	(104,176)
Income tax expense	0	0	(611)	(21,726)	0	(22,337)
Total other income and expenditure	0	0	(9,192)	(149,775)	10,280	(148,687)
<b>Total segment result</b>	<b>192,748</b>	<b>18,182</b>	<b>1,570</b>	<b>(149,775)</b>	<b>0</b>	<b>62,725</b>

<sup>(1)</sup> Operating costs are not allocated to individual business segments within the Parent Company.



**Port of Tauranga Limited and Subsidiaries**  
Notes to the Interim Consolidated Financial Statements  
for the six months ended 31 December 2023

**6 Operating revenue**

	(Unaudited) Six Months Ended 31 December 2023 Group NZ\$000	(Unaudited) Six Months Ended 31 December 2022 Group NZ\$000
<b>Revenue from contracts with customers</b>		
Container terminal revenue	118,390	137,583
Multi cargo revenue	36,398	32,559
Marine services revenue	24,342	23,204
	179,130	193,346
<b>Other revenue</b>		
Rental revenue	20,558	18,099
Other income	323	479
<b>Total operating revenue</b>	<b>200,011</b>	<b>211,924</b>

**7 Finance expenses**

	(Unaudited) Six Months Ended 31 December 2023 Group NZ\$000	(Unaudited) Six Months Ended 31 December 2022 Group NZ\$000
Interest expense on borrowings	10,292	8,287
Less:		
Interest capitalised to property, plant and equipment	(419)	(94)
	9,873	8,193
Interest expense on lease liabilities	1,287	1,027
Ineffective portion of change in fair value of cash flow hedge	11	0
Change in fair value of hedged risk	77	0
Amortisation of interest rate collar premium	0	20
<b>Total finance expenses</b>	<b>11,248</b>	<b>9,240</b>

**8 Dividends**

The following dividends were paid by the Group:

	(Unaudited) Six Months Ended 31 December 2023 Group NZ\$000	(Unaudited) Six Months Ended 31 December 2022 Group NZ\$000
Final dividend of 8.8 cents per share (2022: 8.2 cents per share)	59,877	55,790
<b>Total dividends paid</b>	<b>59,877</b>	<b>55,790</b>

**9 Property, plant and equipment**

**Acquisitions and disposals**

During the six months ended 31 December 2023, the Group acquired assets with a cost of \$21.261 million.

**10 Loans and borrowings**

	(Unaudited) 31 December 2023 Carrying Value Group NZ\$000	(Unaudited) 31 December 2022 Carrying Value Group NZ\$000
Commercial papers	195,000	180,000
Standby revolving cash advance facility	100,000	120,000
Fixed rate bonds	193,901	189,221
<b>Total loans and borrowings</b>	<b>488,901</b>	<b>489,221</b>
Current	295,000	180,000
Non current	193,901	309,221
<b>Total loans and borrowings</b>	<b>488,901</b>	<b>489,221</b>

As at 31 December 2023 the Group's current liabilities exceed the Group's current assets. Despite this fact, the Group does not have any liquidity or working capital concerns as \$280 million (2022: \$260 million) of the term standby revolving cash advance facility remains undrawn. Within the term facility, \$100 million matures 31 December 2025, \$130 million matures 31 December 2026 and \$50 million matures 30 September 2028.

**Port of Tauranga Limited and Subsidiaries****Notes to the Interim Consolidated Financial Statements**

for the six months ended 31 December 2023

**11 Leases**

During the six months ended 31 December 2023, the Group had right-of-use assets additions of \$4.226 million (2022: \$0.075 million) and increases to lease liabilities of \$4.226 million (2022: \$0.075 million). There have been no disposals or reductions in the right-of-use assets (2022: nil).

**12 Related party transactions and balances**

Related party transactions and balances with related parties:

	(Unaudited) Six Months Ended 31 December 2023 Group NZ\$000	(Unaudited) Six Months Ended 31 December 2022 Group NZ\$000
<b>Transactions with Equity Accounted Investees</b>		
Services provided to Port of Tauranga Limited	310	270
Services provided by Port of Tauranga Limited	2,427	2,148
Accounts receivable by Port of Tauranga Limited	167	42
Accounts payable by Port of Tauranga Limited	27	53
Advances by Port of Tauranga Limited	1,400	1,400
Services provided by Quality Marshalling (Mount Maunganui) Limited	419	160
Accounts receivable by Quality Marshalling (Mount Maunganui) Limited	93	42
Services provided to Timaru Container Terminal Limited	1,538	1,414
Services provided by Timaru Container Terminal Limited	342	74
Accounts receivable by Timaru Container Terminal Limited	32	0
Accounts payable by Timaru Container Terminal Limited	134	184

During the six months ended 31 December 2023, the Group entered into transactions with companies in which Group Directors hold directorships. These directorships have not resulted in the Group having significant influence or control over the operations, policies, or key decisions of these companies.

No related party debts have been written off or forgiven during the period.

**Controlling entity**

Quayside Securities Limited owns 54.14% (as at 31 December 2022: 54.14%) of the issued ordinary shares in Port of Tauranga Limited.

**12 Related party transactions and balances (continued)**

Quayside Securities Limited is beneficially owned by Bay of Plenty Regional Council, the Ultimate Controlling Party. Transactions with the Ultimate Controlling Party during the period include services provided to Port of Tauranga Limited \$0.114 million (six months ended 31 December 2022: \$0.211 million).

**Transactions with Directors and Members of the Executive Leadership Team**

The Group does not provide any non cash benefits to Directors in addition to their Directors' fees.

	(Unaudited) Six Months Ended 31 December 2023 Group NZ\$000	(Unaudited) Six Months Ended 31 December 2022 Group NZ\$000
<b>Directors</b>		
Directors' fees recognised during the period	442	447
<b>Members of the Executive Leadership Team</b>		
Salaries and short-term employee benefits recognised during the period	2,291	2,023
Share based payments recognised during the period	(72)	343
<b>13 Commitments</b>		
<b>Capital commitments</b>		
Estimated capital commitments for the Group contracted for at the reporting date but not provided for	20,546	18,325

Capital commitments at 31 December 2023 relate largely to the purchase of two cranes: one for the Parent Company, and one for Timaru Container Terminal.

**14 Subsequent events**

An interim dividend of 6.0 cents per share has been declared subsequent to reporting date.



# Independent review report



To the Shareholders of Port of Tauranga Limited

The Auditor-General is the auditor of Port of Tauranga Limited, its subsidiaries and the Group's interest in equity accounted investees (together the "Group"). The Auditor-General has appointed me, Brent Manning, using the staff and resources of KPMG to carry out the review of the interim consolidated financial statements of the Group on his behalf.

## Report on the interim consolidated financial statements

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements on pages 10 to 17 do not:

- i. present fairly in all material respects the Group's financial position as at 31 December 2023 and its financial performance and cash flows for the six month period ended on that date; and
- ii. comply with NZ IAS 34 Interim Financial Reporting.

We have completed a review of the accompanying interim consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the six month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.

### Basis for conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410 (Revised)"). Our responsibilities are further described in the *Auditor's Responsibilities for the review of the financial statements* section of our report.

We are independent of Port of Tauranga Limited, in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Our firm has also provided other services to the Group in relation to Agreed Upon Procedures. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as reviewer of the Group. The firm has no other relationship with, or interest in, the Group.

### Use of this Independent Review Report

This report is made solely to the Shareholders as a body. Our review work has been undertaken so that we might state to the Shareholders those matters we are required to state to them in the Independent Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders as a body for our review work, this report, or any of the opinions we have formed.



### Responsibilities of the Directors for the interim consolidated financial statements

The Directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the interim consolidated financial statements in accordance with NZ IAS 34 Interim Financial Reporting;
- implementing necessary internal control to enable the preparation of interim consolidated financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



### Auditor's Responsibilities for the review of the interim consolidated financial statements

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 (Revised). NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting.

A review of interim consolidated financial statements in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410 (Revised)") is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim consolidated financial statements.

Brent Manning  
KPMG

On behalf of the Auditor-General  
Wellington, New Zealand  
22 February 2024

# Company directory

## Registered Directors

J C Hoare  
*Chair*

A M Andrew

D J Bracewell

A R Lawrence

D W Leeder

Sir Robert McLeod KNZM  
*(resigned 31 October 2023)*

J B Stevens

F S Whineray  
*(appointed 31 October 2023)*

## Executive

L E Sampson  
*Chief Executive*

M J Dyer  
*GM Corporate Services*

B J Hamill  
*GM Commercial*

S R Kebbell  
*Chief Financial Officer and Company Secretary*

P M Kirk  
*GM Health and Safety*

D A Kneebone  
*GM Property and Infrastructure*

R A Lockley  
*GM Communications*

## Registered Office

Salisbury Avenue  
Mount Maunganui

Private Bag 12504  
Tauranga Mail Centre  
Tauranga 3143  
New Zealand

Telephone 07 572 8899  
Email [marketing@port-tauranga.co.nz](mailto:marketing@port-tauranga.co.nz)  
Website [www.port-tauranga.co.nz](http://www.port-tauranga.co.nz)

## Auditors

KPMG  
Tauranga  
(On behalf of the Auditor-General)

## Solicitors

Holland Beckett Law  
Tauranga

## Bankers

ANZ Bank New Zealand Limited  
Bank of New Zealand  
Commonwealth Bank of Australia  
China Construction Bank (New Zealand) Limited

## Credit Rating Agency

S&P Global (Standard & Poor's)  
Australia

Port of Tauranga Limited's rating: A-/Stable/A-2

## Share Registry

For enquiries about share transactions,  
change of address or dividend payments, contact:

Link Market Services Limited  
PO Box 91976  
Victoria Street West  
Auckland 1142  
New Zealand

Telephone 09 375 5998  
Facsimile 09 375 5990  
Email [enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz)  
Website [www.linkmarketservices.co.nz](http://www.linkmarketservices.co.nz)

Copies of the Integrated Annual Report and  
Market Update (which replaced the Interim  
Report) are available from our website.

## Financial Calendar

22 March 2024	Interim dividend payment
30 June 2024	Financial year end
23 August 2024	Annual results announcement
4 October 2024	Final dividend payment
25 October 2024	Annual Meeting
28 February 2025	Half year results announcement

## International Standard Serial Numbers

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