



NZX AND MEDIA RELEASE

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NAPIER PORT WITHDRAWS EARNINGS GUIDANCE

Following the Government's announcement that it is moving its Covid-19 Alert to Level 4, Napier Port (NZX.NPH) announces it is withdrawing its earnings guidance for the year to 30 September 2020.

While Napier Port is classified as an essential service¹ and therefore can continue operating under the Level 4 alert, many exporters and importers that direct cargo through Napier Port are classified as non-essential services. In accordance with the Government's virus containment measures, these businesses are expected to cease operations for the duration of the Level 4 alert, which is now expected to last at least 4 weeks.

As a direct result of recent trading conditions and these new developments Napier Port now expects to see reduced levels of logs, pulp and timber forest products. Based on the Government's announcement, food and beverage cargos, notably meat, pipfruit and fresh produce, are not expected to be materially affected by the containment measures, providing cargo owners remain able to maintain their normal operations. We continue to engage with our customers to understand the possible impacts of the current conditions.

Napier Port now expects the cargo flows through Napier Port to be lower than those assumed in its financial forecasts with a material impact on its financial outlook for the 2020 financial year. However, at present Napier Port is not able to quantify the extent of that impact.

Meanwhile, as the contractors now working on the development of the new 6 Wharf are not classified as essential service providers, Napier Port expects work to be suspended on the wharf until the Covid-19 Alert is reduced to a lower level.

Napier Port Chief Executive Todd Dawson said: "We welcome the containment measures as the right step to combat the spread of Covid-19. We are committed to working with the Government and local health authorities to protect our people and the broader community from the virus.

"Meanwhile as an essential service provider in Hawke's Bay, we are also focused on ensuring we play our role in minimising the impact of the pandemic on the region and the wider economy by ensuring the free flow of essential cargo across our wharves.

"Napier Port is well capitalised with a strong balance sheet and access to liquidity, with cash and cash equivalents of approximately \$14 million and \$180 million in undrawn debt facilities, the majority of which mature in late 2024.²

"We continue to monitor the Covid-19 outbreak and the impact on our business. We will update the market as further information comes to hand," Mr Dawson said.

¹ <https://covid19.govt.nz/assets/essential-services-list.pdf>

² A \$60 million facility matures in July 2023, while the remainder matures in September 2024

Napier Port is committed to keeping the market informed, and expects to provide further information to the market when announcing trade data for its half-year to 31 March 2020 during April and its half-year financial results in late May.

ENDS

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About Napier Port

Napier Port is New Zealand's fourth largest port by container volume. We are the main gateway for Hawke's Bay exports and operate a long-term regional infrastructure asset that supports the regional economy. Our strategic purpose is to collaborate with the people and organisations that have a stake in helping our region grow. View Napier Port's investor centre: www.napierport.co.nz/investor-centre/