

Napier Port Holdings Limited

Supplemental Selected Financial Information (unaudited)

The below supplemental selected financial information provides a summary of financial information for the year ended 30 September 2021 (FY2021) compared to the corresponding period in 2020 (FY2020).

Except where information is denoted as being extracted directly from audited financial statements, the supplemental selected financial information is unaudited.

Selected financial information ⁽¹⁾

NZ\$000	FY2021	FY2020
Financial period	12 months ending 30 Sept 21	12 months ending 30 Sept 20
Financial performance:		
Revenue ⁽²⁾	109,460	100,427
Result from operating activities ⁽³⁾	43,787	41,166
Net profit after tax	23,164	22,012
Underlying net profit after tax ⁽⁴⁾	21,964	20,528
Balance sheet and cash flow items:		
Dividends paid	15,591	5,000
Total assets	479,997	385,379
Cash and cash equivalents	1,403	7,936
Total liabilities	125,150	39,134
Total debt	77,065	-
Net cash flows from operating activities	34,790	29,327
Underlying net cash flows from operating activities ⁽⁵⁾	34,790	29,705

Notes:

- The selected financial information (excluding any financial information in the selected financial information table that is identified as being underlying financial information) is extracted from the audited financial statements of Napier Port Holdings Limited ('Napier Port') for FY2021. Some line items in the selected financial information include adjustments applied by Napier Port (denoted 'underlying'). An explanation of these adjustments is contained in section 1.1 below.
- Revenue relates to operating income as disclosed in the financial statements for Napier Port.
- Result from operating activities is a non-NZ GAAP measure and is as disclosed in the financial statements for Napier Port. The measure is calculated as operating income less operating expenses. The measure excludes income and expenses related to depreciation, amortisation, impairment, and retirement of operating and other assets, income and expenses arising from fair value changes, non-recurring and abnormal, and joint-venture and other investment activity.
- Underlying net profit after tax is a non-NZ GAAP measure that comprises reported net profit after tax adjusted for Initial Public Offering (IPO) costs, unrealised fair value movements and the impairment of certain assets relating to the construction of 6 Wharf as described in section 1.1 below. Tax expense has been adjusted to reflect the tax implications of the adjustments and the tax benefit associated with the reinstatement of tax depreciation on buildings. A reconciliation to reported net profit after tax is included in section 1.2 below.
- Underlying cash flows from operating activities is a non-NZ GAAP measure that comprises net cash flows from operating activities adjusted for cash IPO costs, receipt of the Covid-19 wage subsidy and the tax implications of these adjustments on the basis that cash taxes would be paid in the corresponding reporting period. A reconciliation to reported net cash flows from operating activities is included in section 1.3 below.

1.1 Description of adjustments

In determining the use of adjustments, the Directors have considered only those items that they believe are required to ensure consistency and comparability of the financial information over the periods presented. The adjustments that Napier Port considers are appropriate are explained below:

- (i) removal of the one-off transaction costs relating to the IPO;
- (ii) removal of fair value movements as these are unrealised and non-core activity;
- (iii) removal of the impairment of existing infrastructure assets arising as a result of the 6 Wharf development. Certain existing seawall and paving assets are required to be removed in order for the new 6 Wharf development assets to be constructed. The impairment expense arising, recorded in the Income Statement, has been adjusted for given its unusual and non-recurring nature; and
- (iv) removal of the one-off deferred tax benefit relating to the reinstatement of tax depreciation on commercial buildings.

1.2 Reconciliation of underlying net profit after tax

NZ\$000	FY2021	FY2020
Reported net profit after tax	23,164	22,012
Adjustments:		
IPO transaction and related costs/ (reversals)	-	(285)
Fair value movements	(1,200)	(1,000)
Impairment of infrastructure assets for 6 Wharf development	-	551
Tax impact of adjustments	-	(100)
Tax benefit of reinstatement of tax depreciation on buildings	-	(650)
Underlying net profit after tax	21,964	20,528

1.3 Reconciliation of underlying net cash flows from operating activities

NZ\$000	FY2021	FY2020
Reported net cash flows from operating activities	34,790	29,327
Adjustments		
IPO transaction and related costs	-	478
Tax impact of adjustments	-	(100)
Underlying net cash flows from operating activities	34,790	29,705