

NZX Announcement

19 October 2021

Acquisition of ProducePronto

Freightways is pleased to announce the acquisition of ProducePronto that will form a part of the Express Package Division. Freightways has signed a conditional sale and purchase agreement and expects to take ownership on 1 November 2021.

ProducePronto operate a 4PL service with 365 day/year, same-day fresh and frozen delivery to convenience outlets nationally and businesses across Auckland. ProducePronto has facilities in Auckland, Wellington and Christchurch and delivers with employees in tri-temperature-controlled vehicles. Their operations are complementary to our express and temperature-controlled capabilities and provide a third horizon of growth building on our successful acquisition of Big Chill in 2020.

ProducePronto's unique model provides rapid delivery of ambient, fresh and frozen items, and we expect to accelerate its growth by leveraging our existing network. Like Freightways' other businesses, ProducePronto have created a positive culture and offer high levels of service; they operate a quality logistics model, and they have strong relationships with their customers.

The acquisition benefits Freightways by:

- Accelerating the development of the temperature-controlled express parcel niche,
- Further diversifying our earnings in the chilled and frozen space, and
- Leveraging our core network and capabilities in pick-up, process and delivery.

ProducePronto by the numbers:

- \$10m – Purchase price
- \$4m – Potential earn-out over 3 years
- \$16m revenue and \$1.6m EBITDA in FY21, with growth runway
- 1,000 – Business customers across Auckland receiving fruit, milk and lunch deliveries
- 240 – nationwide convenience store deliveries every day receiving fresh and frozen food.
- 41 – Staff including 20 drivers
- 3 – Facilities in Auckland, Wellington and Christchurch
- 365 – Days per year operation

For further information please contact:

Mark Troghear
CEO
Freightways Limited
Ph: +64 9 571 9673