

Napier Port Holdings Limited

Supplemental Selected Financial Information (unaudited)

The below supplemental selected financial information provides a summary of financial information for the half year period ended 31 March 2021 (HY2021) compared to the corresponding half year period in 2020 (HY2020).

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	HY2021	HY2020
Financial period	6 months ending 31 Mar 21	6 months ending 31 Mar 20
Financial performance:		
Revenue ⁽²⁾	52,585	52,284
Result from operating activities ⁽³⁾	21,293	21,736
Net profit after tax	10,574	12,430
Underlying net profit after tax ⁽⁴⁾	10,574	11,149
Balance sheet and cash flow items:		
Dividends paid	10,000	5,000
Total assets	424,968	373,660
Cash and cash equivalents	2,659	16,125
Total liabilities	78,309	36,665
Total debt	34,741	-
Net cash flows from operating activities	14,563	13,426
Underlying net cash flows from operating activities ⁽⁵⁾	14,563	13,935

Notes:

1. 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 unaudited financial statements of Napier Port Holdings for HY2021. 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.
2. Revenue relates to operating income as disclosed in the financial statements for Napier Port.
3. 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.
4. 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 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.
5. 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 and the tax implications of this adjustment 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 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
- (iii) 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	HY2021	HY2020
Reported net profit after tax	10,574	12,430
Adjustments:		
IPO transaction and related costs/ (reversals)	-	(201)
Impairment of infrastructure assets for 6 Wharf development	-	551
Tax impact of adjustments	-	(123)
Tax benefit of reinstatement of tax depreciation on buildings	-	(1,508)
Underlying net profit after tax	10,574	11,149

1.3 Reconciliation of underlying net cash flows from operating activities

NZ\$000	HY2021	HY2020
Reported net cash flows from operating activities	14,563	13,426
Adjustments		
IPO transaction and related costs	-	478
Tax impact of adjustments	-	31
Underlying net cash flows from operating activities	14,563	13,935