BUSINESS OPERATIONS



(L to R) Michael Punter, State Mge QLD - Wayne Morris, COO

2020 Was an "Opportunistic Year" for ACFS

The start of 2020 seemed like it had all the trademarks of a downturn. But where times are tough and short-term forecasts are uncertain, ACFS think big-picture and take a long-term approach to business management and planning. The continuous improvement and development program took ACFS to the next phase of growth by making significant investments in 2020 by expanding their business, focusing their investment on infrastructure, IT and their people.

Since April 2020, ACFS has had a positive trajectory of growth and a reinvention of their operating processes as a result of COVID-19. Whilst competitors maintained the status quo in the large majority, ACFS saw beyond the horizon and worked smarter to achieve what they call their "Zone Strategy" which has been in development for many years, resulting in successful outcomes such as:

1. Melbourne

- i. New 70,000sqm Warehouse and Container Yard in Altona
- ii. 11,000sqm extension of the Port of Melbourne Empty Parks

2. Sydney

- New 19,000sqm Warehouse in Eastern Creek
- ii. 4,000sqm extension to our Port Botany Empty Park
- iii. The commencement on the construction of a new 100,000sqm Rail Intermodal (Stage 1) at St Marys, in conjunction with Pacific National. This facility will develop additional warehousing in stages 2 & 3, which is part of the 440,000sqm site overall.

3. Brisbane

i. 37,000sqm of Container Yard

expansion, including FCL and Empty container storage, increasing to a total of 3,100 TEU of full FCL storage, and a total of 4,500 TEU in empty container storage.

4. Adelaide

 Acquisition of Kerry Logistics Transport and warehousing business

5. National

 i. Additional 19 x Higher Productivity Vehicles, Euro 6 (HPV's) Truck/Trailer combination. ACFS has maintained its focus on achieving its Strategic Zone Structure to position themselves as a value-add solutions based business partner to its customer base. That value-add has been developed through its infrastructure on the Port in every major port, as well as its off-Port facilities that link the Supply Chain through rail and / or higher productivity vehicle combinations, connecting the Port to final mile delivery of Containers and / or product.

ACFS has been delivering solid organic growth throughout 2020 with current and new customers, but growth was materially enhanced with the awarding of the largest import volume contract customer in July 2020, that added an additional 125,000 TEU of volume annually. The ability to quickly maintain services levels for existing customers, while absorbing a large inflow of new volume at short notice can directly be attributed to the foresight of the business and the investment ACFS made in preparing for growth as an essential services and goods provider.

In addition to continuous capital investment in Infrastructure, ACFS have also strategically aligned with Shipping

Lines right across the country. This alignment enables ACFS to efficiently complete the supply chain task in full, by also servicing shipping lines, importers and exporters through the empty depot process 24hrs per day, whilst also ensuring that they have access to empty depots during times of congestion. 2020 also saw ACFS enter into a national agreement with Shipping Line ZIM who recently re-entered the Australian market, whilst also on boarding other shipping lines in specific state based empty depot facilities.

ACFS CEO - Arthur Tzaneros specifically makes mention and credits the entire ACFS team who fuelled the company's growth through unprecedented times. ACFS's hard working staff have ensured that the challenges that were presented by the COVID-19 pandemic, such as vessel bunching, congestion at the Terminals and empty parks, Industrial Action, and many more industry issues were all made as seamless as possible to their customer base.

Whilst not giving much away in regard to its strategy and growth plans, it's very clear that 2021 will be an exciting year



(L to R) Wayne Morris, COO and Bryan Rau - 3PL Mgr VIC

for ACFS that will deliver the business its most important strategic asset in St Marys, where they state approx. 70% of all ACFS import volume in NSW will be destined for this facility within a few years.

