



NZX RELEASE

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Channel Infrastructure delivers another strong financial result

Channel Infrastructure NZ Limited (**Channel** or **Channel Infrastructure**) (NZX: CHI), New Zealand's largest fuel import terminal business, has today released its financial results for the six months ended 30 June 2025 (HY25).

Highlights

- Strong safety track record maintained
- Growth in EBITDA, despite loss of legacy Wiri lease revenue, reflected increases in contracted revenue, PPI escalation and cost discipline
- Throughput of 1.7 billion litres reflected relatively stable jet, petrol and diesel demand. Jet fuel demand is in line with Channel's guidance on the outlook for jet demand for FY25 and consistent with Air New Zealand's well-signalled aircraft availability issues
- Announced today a nine-year extension to the additional storage contract¹ originally announced in 2022 generating ~\$50 million of additional revenue over nine-year contract extension term (pre-PPI indexation), commencing in Q1 2028. Extension requires growth capital expenditure investment of \$20 - \$26 million across 2026 to 2030
- Z Energy jet storage project is now projected to be completed early (H2 2026 v Q1 2027 previously) with the project more than 50% completed and tracking within budget
- Seadra is progressing work on its proposed Marsden Point biorefinery project with a final investment decision expected in 2026
- Released updated Capital Allocation Framework in May, with increased dividend payout ratio of 70-90% of Normalised Free Cash Flow
- The Board has concluded its review of the target leverage range and will broaden the target range to BBB/BBB+ (currently equivalent to a leverage ratio of between 3x and 4.5x Net Debt/EBITDA) to accommodate growth
- The Board has determined Channel will undertake an ASX Foreign Exempt listing in 2026 as a natural progression for the Company. Channel will also be added to the FTSE Global Small Cap index with effect from September 2025
- FY25 Guidance unchanged
- The Board has declared an interim dividend of 6.25 cents per share and has introduced a Dividend Reinvestment Plan that will be offered for the interim dividend with a 1% discount

¹ Announced November 2022, initial contract term 5-years from 2023

Key Financial Highlights – Continuing Operations

	HY25 \$m	HY24 \$m	% change
Revenue	70.2	69.8	+1%
EBITDA	48.5	48.1	+1%
EBITDA Margin	69%	69%	-
Growth Capital Expenditure	11.5	12.7	n/a
Normalised Free Cash Flow	35.2	32.7	+8%
Free Cash Flow Conversion	73%	68%	+5% ²
Total Ordinary Dividend	6.25cps	4.4cps	+42% ³

Commenting, Chair James Miller said “Channel has delivered another strong and stable financial result. The Board is focused on a stable and growing dividend and in line with the increased dividend pay-out ratio we announced in May, the Board has declared an interim dividend of 6.25 cents per share, a 42%³ increase on last year.

“Channel’s key growth priorities are to deliver projects in the Marsden Point Energy Precinct, including additional storage to provide fuel supply resilience, as well as synergistic consolidation opportunities where they are available across the Marsden Point to Auckland fuels supply chain. The execution of our world-class terminal operations strategy, which is helping to create value for our customers through operational excellence, has positioned Channel as one of the few natural consolidators of fuels terminal infrastructure. Channel already holds a premium suite of assets in the New Zealand fuels supply chain, particularly in aviation fuel, and will consider measured step-out acquisition opportunities in New Zealand or Australia where it enhances the overall quality of Channel’s business.”

CEO Rob Buchanan said “We continue to drive for world-class execution of our projects, with the Z Energy jet tank conversion over 50% complete and now projected to be brought into service in H2 2026, ahead of the original Q1 2027 commissioning date. Today we have also signed a nine-year extension to the storage contract announced in November 2022, which will be worth an additional \$50 million over the life of the contract. Meanwhile, Channel continues to progress the Marsden Point Energy Precinct, which could be transformational for Northland, and New Zealand once delivered. We are working to progress the proposed diesel-fueled electricity peaker and we remain focused on our long-term future fuels growth opportunities. While future fuels projects are complex and take time, they offer significant fuel security benefits by manufacturing fuel from domestic feedstocks, in addition to aiding the long-term pathway for decarbonisation of aviation and heavy transport which remains reliant on emerging future fuels technologies.”

² Increase year-on-year

³ Increased pay-out ratio and targeted 50/50 split (previous 40/60 split)

Strong and stable financial result in line with guidance

Revenue increased 1% to \$70.2 million, with additional contracted revenue from the Transmix contract more than offsetting the impact of the expiry of the legacy Wiri lease⁴ arrangement for the period. EBITDA from continuing operations was \$48.5 million (HY24: \$48.1 million) and EBITDA from continuing operations excluding the Wiri lease of \$47.5 million, up 5% from HY24. Normalised Free Cash Flow was \$35.2 million (up 8%), which represents a 73% Free Cash Flow conversion. Net debt at the end of the period was stable at \$297 million (31 December 2024: \$296 million).

Maintenance capital expenditure was \$6.0 million⁵ with ongoing investment in upgrading terminal control systems, scheduled jetty upgrades and statutory tank inspections. Conversion capital expenditure of \$1.7 million reflected continued work on upgrading the bunds with construction weighted towards H2 2025 onwards. Growth capital expenditure of \$11.5 million reflected the completion of private storage bund upgrades, the Z Energy jet tank conversion and site clearing works associated with the Higgins bitumen import terminal.

Refreshed Capital Allocation Framework

In May, the Board announced an updated Capital Allocation Framework. Reflecting confidence in the business outlook and access to capital, while seeking to be efficient with shareholders' capital, the Board increased the dividend policy payout ratio from 60%-70% to 70-90% of Normalised Free Cash Flow.

The Board has now reviewed Channel's target leverage range and has determined that a broader target is appropriate in the context of Channel's growth trajectory to provide greater funding flexibility. Channel has broadened its target credit metric from a shadow BBB+ (leverage ratio of between 3x and 4x Net Debt/EBITDA) to a shadow BBB/BBB+ credit rating (leverage ratio of between 3x and 4.5x Net Debt/EBITDA). Channel has also commissioned a shadow credit rating report that indicates a current shadow rating of BBB+. In the short-term, it is not anticipated that the broader leverage target would result in a meaningful step-change in leverage for the business absent additional growth opportunities.

The Board has today declared an unimputed ordinary interim dividend of 6.25 cents per share, which will be paid on 24 September 2025. The Board confirmed in May that it expected to pay a FY25 total ordinary dividend of between 12 – 12.5 cents per share. This interim dividend payment reflects this guidance and the 50/50 split between interim and final dividend (previously 40/60).

Following the successful capital raise last year, the Board recognises that some shareholders would prefer the opportunity to increase their investment in Channel instead of receiving a cash dividend. Therefore, the Board has introduced a Dividend Reinvestment Plan. Shares for the HY25 interim dividend will be offered at a discount of 1% to a price based on the market price, calculated in accordance with the Dividend Reinvestment Plan Offer dated 26 August 2025.

As signalled at the ASM, the Board has now determined to undertake an ASX Foreign Exempt listing in 2026 as a natural progression for the Company and a way of accessing a broader pool of institutional and retail investors who wish to share in Channel's success.

⁴ Wiri lease arrangement expired February 2025

⁵ Capital expenditure is on an accrual basis, \$7 million on a cash basis

An Energy Precinct for New Zealand

The Marsden Point Energy Precinct outlines a range of opportunities for Channel to support New Zealand's energy transition. Channel continues to make steps towards the delivery of the Energy Precinct.

Today Channel has announced that it has signed a nine-year extension to the storage contract originally announced in November 2022 generating ~\$50 million of additional revenue over the nine-year contract extension term (pre-PPI indexation), commencing in Q1 2028. Growth capital expenditure investment of \$20 - \$26 million across 2026 to 2030 will be invested to support the delivery of this revenue.

As announced in July, a final investment decision by the Seadra consortium on the Marsden Point biorefinery is now expected in 2026. Work is now focused on completing the plant configuration and updating the Front-End Engineering and Design (FEED) study for the Marsden Point location, commercial contracts with suppliers and customers, confirming consenting requirements with Channel, plant build and operation of the biorefinery, and completion of financing arrangements. Seadra Energy is partnering with consortium members Qantas, Renova Inc, Kent Plc, and ANZ.

Fortescue has now concluded the pre-feasibility phase for the 300MW ~60 million litre e-Sustainable Aviation Fuel (e-SAF) production facility following detailed engineering and design studies and developing further details on the economic viability of the project. Fortescue considers the Marsden Point site remains best placed for an economically viable e-SAF project with its electricity connection, proximity to the fuel import terminal system and pipeline to Auckland, with e-SAF able to be distributed as a drop-in fuel. Subsequent phases of Fortescue's e-SAF project will depend on regulatory certainty to drive long-term offtake demand for e-SAF that supports the long-term economics of Fortescue's project.

Work continues on the electricity peaking project, with FEED for a potential diesel peaker plant at Marsden Point nearing completion. The next step is to seek electricity market participant support to progress with this project and agree commercial terms. Channel would only proceed with the project with long-term contracted commitment from electricity market participants.

Channel also continues to work with customers to evaluate storage options to meet the Government's incoming increase in the diesel minimum stockholding obligation and potential customers and counterparties on other commercial storage opportunities.

Growth beyond Marsden Point

As part of Channel's refreshed strategy released October 2023, Channel signalled to the market that it would look to grow beyond Marsden Point. Channel remains committed to pursuing the acquisition of terminal assets outside Marsden Point with a view to enhancing the overall quality of the business.

Channel's status as a proven operator of high hazard facilities and in-depth knowledge of the operational requirements of its global customers make it one of the few natural acquirers of fuels terminal infrastructure.

Channel continues to be highly focused on synergistic consolidation opportunities along Channel's current supply chain to Auckland where they are available. Beyond the Auckland fuels supply chain, which comprises the premium suite of fuels infrastructure assets in New Zealand, there may be certain assets in New Zealand or Australia that would enhance the overall quality of Channel's business either through exposure to growing liquid fuels markets (such as the aviation fuel market and/or renewable fuels) or exposure to a larger and growing economy. Such measured step-outs would be considered where there is opportunity to utilise Channel's investment in world-class operations and proven operation of high-hazard facilities to support our customers' strategies as they evolve, and their capital is reprioritised.

FY25 guidance

Channel is on track to deliver its FY25 guidance. FY25 Normalised EBITDA is expected to be between \$89-\$94 million, despite the loss of ~\$6 million of revenue from the legacy Wiri lease arrangement, reflecting increases in contracted revenue and the benefit of PPI indexation. In line with HY25 throughput trends and original guidance provided, Channel continues to assume jet throughput will be flat on FY24 reflecting the slower rebound of New Zealand tourism compared to Australia and Air New Zealand's well-signalled aircraft availability issues. Guidance also factors in the significant program of planned tank maintenance outages at customer-owned Wiri site across FY25 which will continue to cause temporary throughput fluctuations through the second half of FY25.

FY25 Guidance (provided February 2025)		
Normalised EBITDA	\$89-94 million (FY24 excluding Wiri lease: \$89.1 million)	No change
Maintenance capex	8-10% revenue (FY24: 9%)	No change
Normalised Free Cash Flow conversion factor	Broadly in line with FY24 (FY24: 67%)	No change
Ordinary Dividend	Between 12.0-12.5 cps (FY24: 11 cps)	No change

- ENDS -

Conference Call

Channel's Chief Executive, Rob Buchanan and Chief Financial Officer, Alexa Preston will give a presentation on the Company's financial and operational performance at 10:30am today.

To access the audio call, dial 09 929 1687 (New Zealand) or 02 9007 3187 (Australia) and ask to be connected to the Channel results briefing. To pre-register for direct access to the call, go to [Event Registration](#)

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About Channel Infrastructure

Channel Infrastructure is New Zealand's largest fuel import terminal business, storing and distributing 40% of New Zealand's transport fuel, including 80% of New Zealand's jet fuel. We receive, store, test and distribute petrol, diesel, and jet fuel that our customers import and supply to Auckland and Northland.

Fuel is imported via our deep-water harbour and jetty infrastructure at Marsden Point and stored in more than 290 million litres of contracted storage tanks on site. The fuel is then distributed via our 170-kilometre pipeline to Auckland, or by our customers (bp, Mobil, and Z Energy) via truck into Northland. We underpin the resilience of New Zealand's fuel supply chain with our tank capacity, which enables increased storage of fuel in New Zealand, and through efficient, low-emission distribution of the fuel into the Auckland market. Given our proximity to Auckland, and critical role in the jet fuel supply chain, Channel is well positioned to support the renewable fuel transition in New Zealand.

Our plan for growth includes supporting fuel resilience for New Zealand through additional fuel storage on our site, unlocking the strategic value of the Marsden Point Energy Precinct Concept which reflects the significant role Channel could play in supporting New Zealand's energy transition – through potential opportunities including supporting the manufacture of lower-carbon future fuels, as well as a range of potential energy security opportunities, and exploring expansion beyond Marsden Point.

Channel Infrastructure's wholly-owned subsidiary, Independent Petroleum Laboratory Limited, provides fuel quality testing services throughout New Zealand.

For more information on Channel Infrastructure, please visit: www.channelnz.com