



14 November 2024

## **Infratil delivers earnings growth and remains upbeat on investment outlook**

Infratil today announced Proportionate operational EBITDAF for the half year of \$506 million – a 25% increase on the \$400 million from the same period the previous year – with full year guidance on track.

The net loss attributable to shareholders was \$212.2 million, which was down from a net surplus of \$1.1 billion in the prior period. The prior year included a \$1.1 billion accounting revaluation of Infratil's stake in One NZ, with the current period impacted by elevated amortisation relating to that transaction and negative \$63 million of foreign exchange and derivative revaluations.

The operational earnings growth was off the back of strong contributions from CDC, One NZ and Wellington Airport, while also reflecting the period of One NZ under full ownership following our purchase of Brookfield's 49.95% stake in June last year.

Infratil CEO Jason Boyes said that delivering increased operational EBITDAF was an impressive accomplishment despite the testing domestic landscape and global volatility, with Infratil's operating performance across key areas of its portfolio showing marked resilience. Operational EBITDAF increased 7% compared with the first half of 2023 on a like for like basis.

The Company will pay shareholders an unimputed interim dividend of 7.25 cents per share ('cps'). In the first half of the financial year, Infratil delivered a total shareholder return of 14.5%, a significant achievement in a market where the NZX50 grew by 2.7%. Over the last five years, Infratil's total shareholder returns have averaged over 23% annually.

Mr Boyes said that with geopolitical tensions, persistent inflation, and high living costs shaping the investment landscape, Infratil will continue its disciplined approach to capital allocation and its focus on capturing long-term value across its investments.

"External valuation indicators underscore the strong global appeal for digital assets. The independent valuation of Infratil's CDC investment at 30 September 2024 increased A\$753 million over the six months since 31 March 2024. This equates to approximately NZ\$0.84 per Infratil share, showcasing the substantial value being created.

"CDC's EBITDAF for the period was A\$159 million, up A\$36 million (29%) from the prior period, driven by the commissioning of the first Melbourne data centre (34MW) in June and higher utilisation across existing data centres.

"CDC continues to experience significant growth in demand, driving an expansion of its development pipeline. Reflecting the increased demand signals, CDC's forecast build capacity for FY2034 has expanded by over 1,000MW since March 2024."

Mr Boyes said it was pleasing to see One NZ performance in line with our expectations and with a number of strategic priorities on track.

"One NZ's EBITDAF for the period was \$304 million, an increase of \$25 million (9%) from the prior period. Growth was driven by consumer mobile and a strong focus on cost management, with the benefits now flowing through from action taken on cost in the previous financial year."



Mobile ARPU increased to \$33.80 from \$32.45. Operating costs reduced by \$14 million compared to a year ago. EBITDAF margin continues to expand increasing to 32% up from 29% for the first half of 2024, partially reflecting fewer low margin handset sales.

In the United Kingdom, Kao Data has secured planning permission for its new 40MW data centre in Stockport, Manchester. Kao Data is also expanding its Slough and Harlow campuses.

Mr Boyes highlighted the progress made by US Renewables developer, Longroad Energy, having completed construction on 652MW of new capacity this year, with an additional 1.1GW under construction.

“We are expecting to close 0.7GW of new projects in FY2025, while revenue arrangements have been signed for another 1.1GW of projects which are expected to close in FY2026. Negotiations are ongoing for a further 0.2GW, taking the current total for FY2025 and FY2026 to 2.0GW.”

“The recent U.S. elections have created some uncertainty until the implications for green policies such as the Inflation Reduction Act and tariffs are known, with modest exposure currently expected across our FY2025/26 projects. We could see the industry slowdown until this uncertainty is resolved, however U.S. renewables fundamentals remain strong, driven by escalating demand for decarbonisation solutions, as well as rising power demand, particularly from sectors like data centres, AI, and the onshoring of manufacturing.”

Mr Boyes said that if Contact Energy’s proposed acquisition of Manawa Energy proceeds, it will provide significant benefits to Infratil, with upfront cash proceeds and the potential for increased dividends from Contact, enhancing Infratil’s flexibility.

“We announced in September that Infratil has committed to support Contact Energy’s proposed acquisition of Manawa Energy, if certain regulatory conditions are satisfied, most notably Commerce Commission approval. Under the proposal, Contact Energy will acquire 100% of Manawa.

“If it proceeds as announced, Infratil will receive approximately \$186 million in gross cash proceeds and will hold an estimated 9.5% stake in Contact Energy upon completion.

Mr Boyes said Infratil’s Healthcare sector continues to make steady progress, with strong management and productivity enabling growth, despite persistent cost inflation in the sector.

“In New Zealand, RHCNZ Medical Imaging remains on track for year-on-year EBITDAF growth of around 10% and has opened three new clinics this year: two in Hamilton and one in Tauranga. In addition, development continues at new flagship sites in both Auckland and Dunedin.

“In Australia, Qscan is also on track for 10% year-on-year EBITDAF growth driven by improvements in clinic productivity, a continual shift to more complex modalities, and Medicare increasing payments for some scans for inflation.

“RetireAustralia has reached a significant milestone with the completion of the third and final stage of The Verge at Burleigh, on the Gold Coast, in total comprising 168 homes. Construction is also progressing at Arcadia Retirement Living, located in the Yeronga Priority



Development Area in Brisbane, and the project to develop 170 homes is expected to complete in FY2027.

“Wellington Airport EBITDAF for the period was \$63 million, an increase of (25%) from the prior period. It continues to see solid demand for travel continuing in the face of the domestic headwinds this year. International passenger numbers were up 12% from the same period last year, while domestic passenger numbers are down 4.4% as a result of airline capacity challenges.”

Mr Boyes highlighted that Infratil retains significant liquidity to support further internal and external investment opportunities.

“In June, we secured additional capital through a well-supported \$1.275 billion equity raise to bolster our liquidity, enhance our investment capacity, and support growth across the portfolio. At 30 September, gearing was 10%, down from 20% at 31 March.

“A significant portion of the capital that we raised is earmarked for CDC, alongside other investment across the portfolio to support future earnings growth. Recent comparable transactions in the data centre, diagnostic imaging, and airport sectors all support, or point to potential upside in the current valuations of our portfolio companies.

“Infratil’s portfolio continues to deliver outstanding returns to shareholders, and the investments we have made this year should support future returns in line with our stated target return of 11% to 15% per annum to shareholders over a 10-year period.

“The current, uncertain macroeconomic and geopolitical backdrop reaffirms the importance of a diversified portfolio that balances both growth potential and resilience. Infratil’s diversity spans key sectors, strategic geographies, and a measured approach to risk—positioning us to navigate today’s challenges effectively. Together, these core assets ensure resilience and predictable cash flows, enabling us to sustain momentum toward growth even as economic conditions remain volatile.”

The FY2025 Proportionate operational EBITDAF guidance range has been narrowed at the top end to NZ\$960–\$1,000 million (previously NZ\$962–\$1,012 million).

Proportionate EBITDAF guidance range for our renewable development companies (Gurīn Energy, Galileo, Mint Renewables) has reduced to a loss of NZ\$65–\$75 million (previously NZ\$80–\$90 million).

“We remain dedicated to delivering sustainable value to shareholders and navigating this challenging environment with a focus on resilience, strategic growth, and disciplined capital management.”

### **Shareholder returns, interim dividend and dividend reinvestment plan**

“In terms of our returns to shareholders, we will pay a unimputed interim dividend of 7.25 cents per share, a 3.6% increase from the prior period. Infratil’s share price also rose from \$10.89 to \$12.25 during the period to 30 September”, Mr Boyes said.

The dividend reinvestment plan (‘DRP’) will operate for the interim dividend, with a 2% discount applied to the DRP strike price. A copy of the DRP Offer Document is attached.



The timetable for the dividend and DRP is:

Event	Date
HY2025 Interim Results release	Today
Ex-Date for Dividend	20 November
Record Date	21 November
Last Date to submit a participation notice	22 November
Start date for determining market price for DRP	25 November
End date for determining market price for DRP	6 December
Strike Date	9 December
Share Issue Date/Dividend Payment Date	10 December
Allotment announcement	10 December

### Investor Briefing

There will be a briefing for institutional investors, analysts and media commencing at 10.00am. A webcast of the presentation will be available live on the below link.

<https://infratil.com/for-investors/reports-results-meetings-investor-days/results/half-year-results-for-the-period-ended-30-september-2024/video-of-announcement-september-2024/>

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### About Infratil:

Launched in 1994, Infratil Limited is a New Zealand headquartered, global infrastructure investment company (NZX: IFT, ASX: IFT). Infratil's purpose is to invest wisely in ideas that matter and, in doing so, create long-term value for shareholders. It invests in renewables, digital infrastructure, healthcare and airports, with operations in New Zealand, Australia, Europe, Asia and the United States. With group assets currently in excess of NZ\$15 billion, Infratil targets returns to shareholders of 11-15% p.a. over the long-term.

For more information, visit [www.infratil.com](http://www.infratil.com) and [LinkedIn](#).