



Financial and Operational Results

HALF YEAR ENDING 31 DECEMBER 2024

Presentation Date: 26 February 2025

Disclaimer

This presentation contains forward-looking statements.

Forward-looking statements often include words such as “anticipates”, “estimates”, “expects”, “intends”, “plans”, “believes” and similar words in connection with discussions of future operating or financial performance.

The forward-looking statements are based on management's and directors' current expectations and assumptions regarding Vector's businesses and performance, the economy and other future conditions, circumstances and results.

As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Vector's actual results may vary materially from those expressed or implied in its forward-looking statements.

Agenda

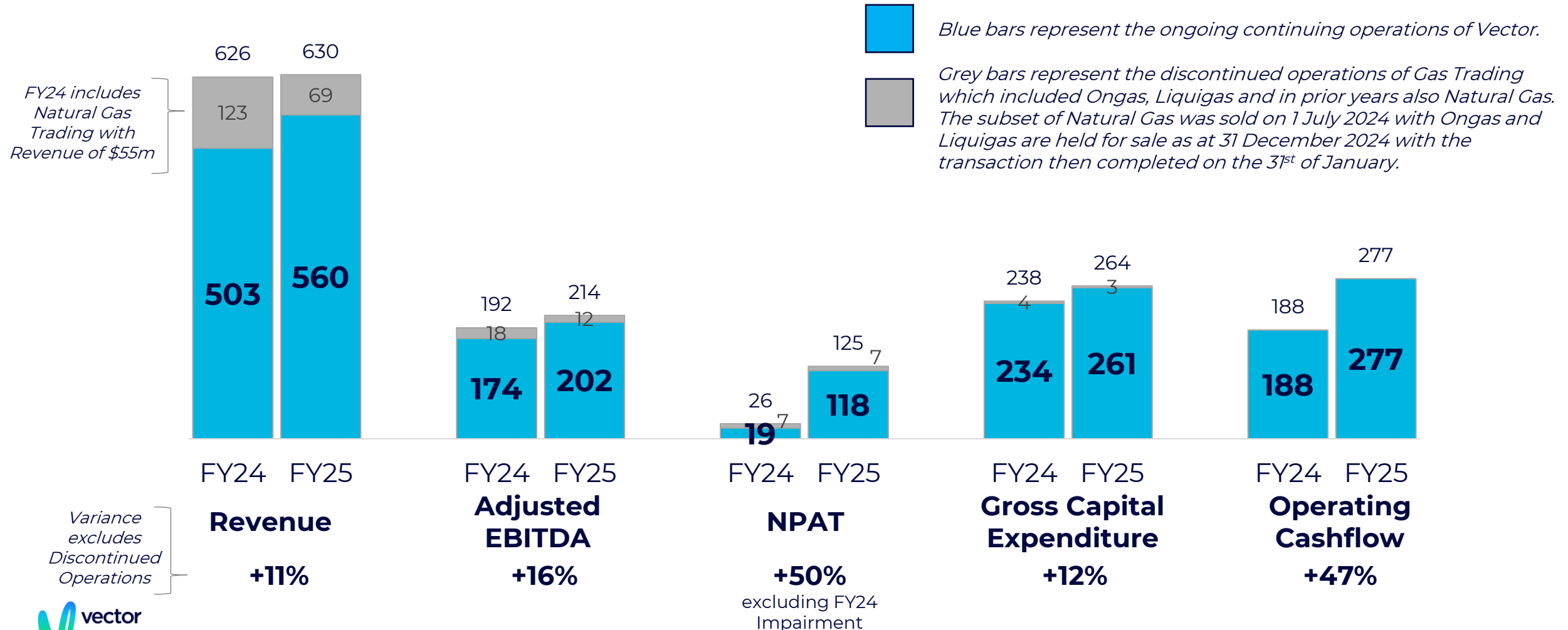
- Overview of Financial Performance
- Financial Performance
- Segment Performance
- Outlook & Market Commentary
- Q&A

OVERVIEW OF FINANCIAL PERFORMANCE

Overview of financial performance

Figures shown in
\$NZD Millions

Half Year FY25 vs Half Year FY24



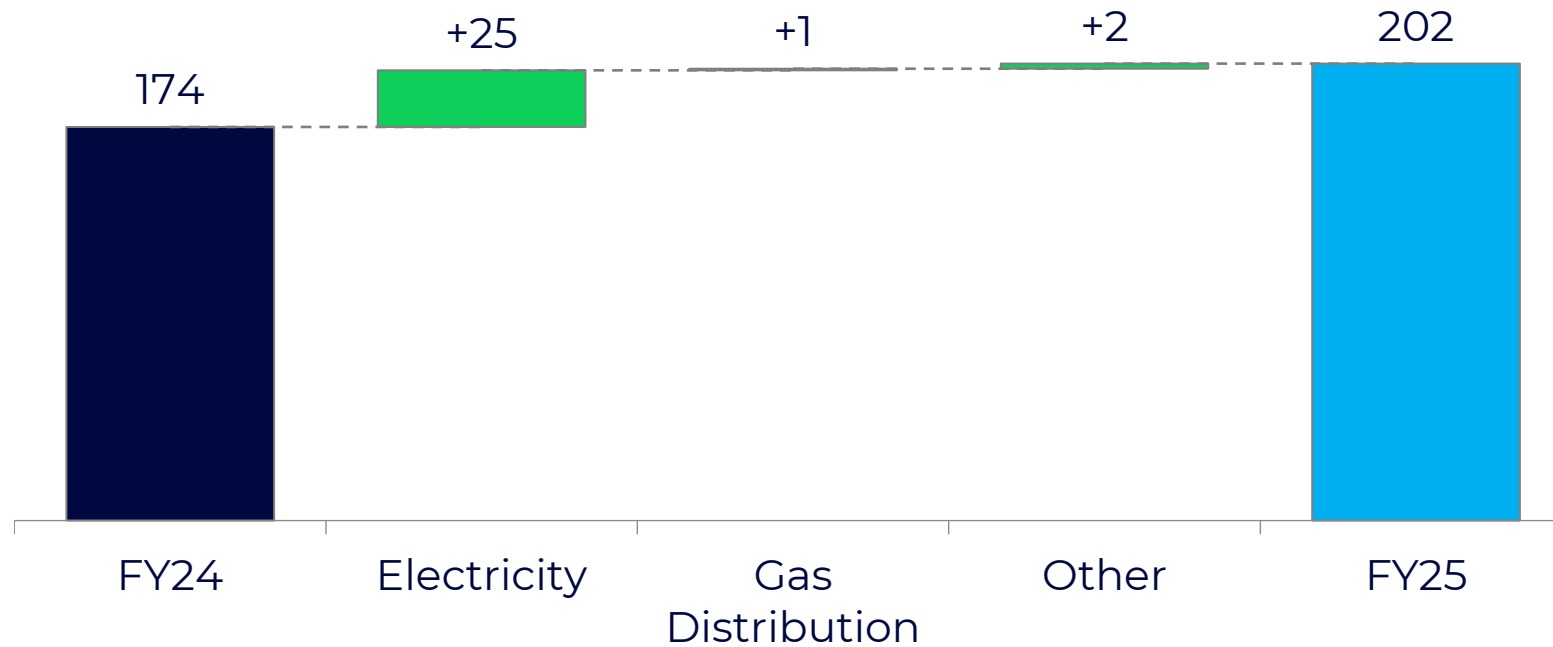
Adjusted EBITDA is not a GAAP measure of profit. For a reconciliation of adjusted EBITDA to EBITDA and net profit refer to the appendix of this presentation.
FY24 refers to Financial Year 24 for the six month period ending 31 December 2023. FY25 refers to Financial Year 25 for the six month period ending 31 December 2024

FINANCIAL PERFORMANCE



Earnings from continuing operations are up \$28m / 16%

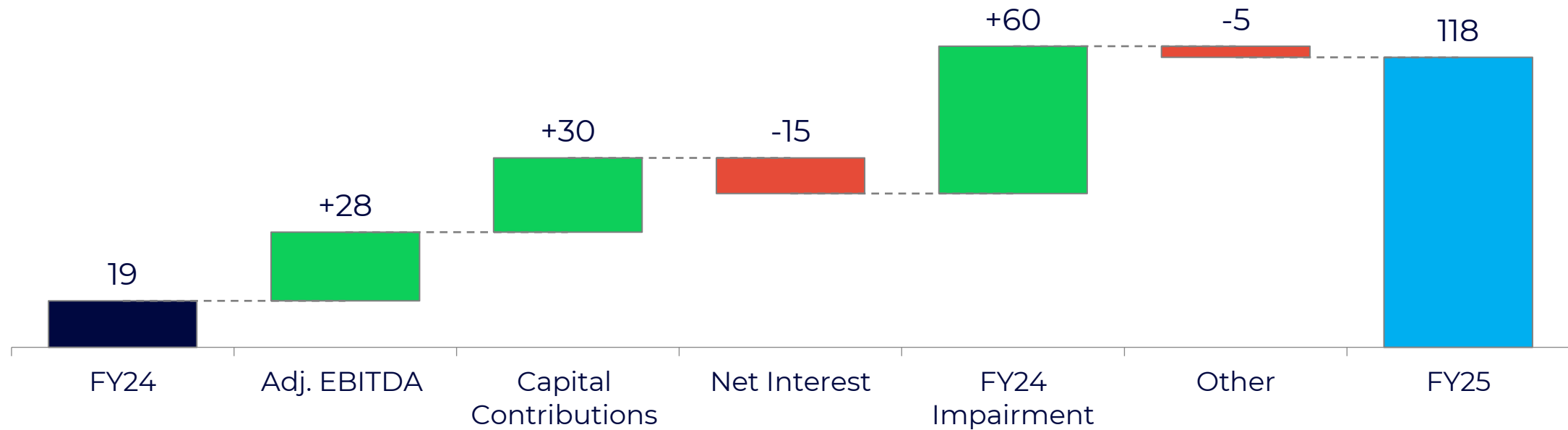
FY25 H1 adjusted EBITDA movement vs prior year (\$M)



- With the sale of our gas trading segment, we now have a new segment reporting structure of electricity, gas distribution and other.
- Other is a non-reportable segment and includes VTS, HRV, Vector Fibre, Equalise and group eliminations.
- Corporate centre is now allocated out to the revenue generating business units in line with the regulatory allocation methodology.

NPAT from continuing operations is \$118m

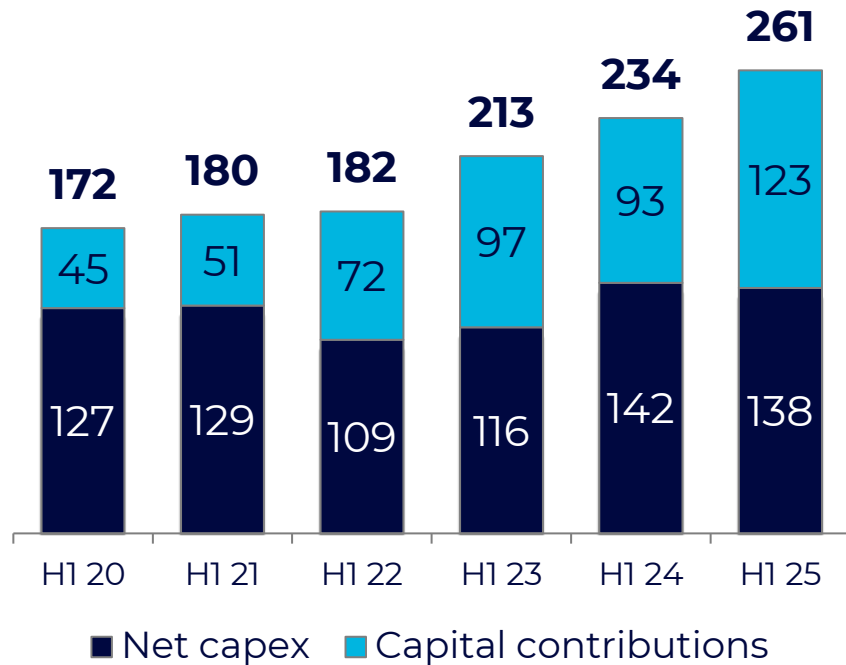
FY25 H1 NPAT from continuing operations movement vs prior year (\$M)



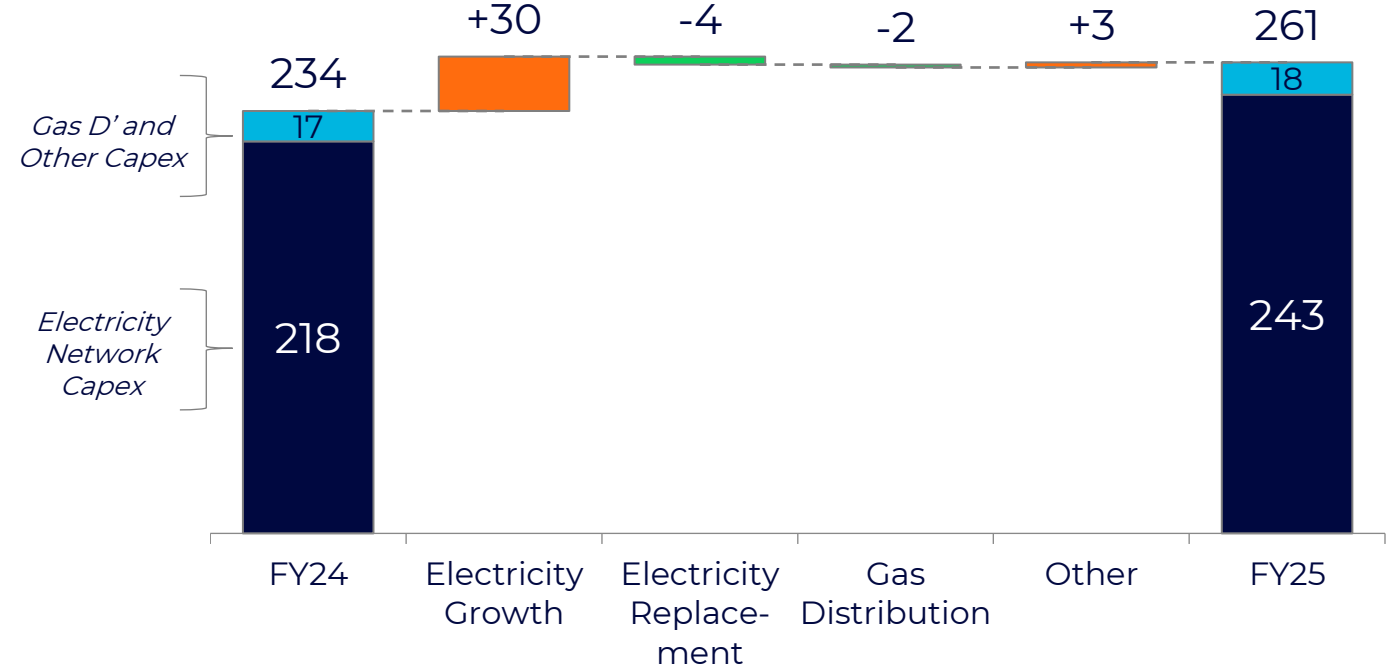
"Other" includes, depreciation and amortisation, share of associates, fair value changes on financial instruments and tax.

Gross capex of \$261m

Gross Capital Expenditure (\$M)



FY25 H1 Gross Capex movement vs prior year (\$M)



- Gross capex increase of \$27m to \$261m. Net capex (after deducting contributions) down (2%) to \$138m. Contributions up 32% to \$123m, largely attributable to new data centres and a large KiwiRail project and system growth contributions driven by higher incremental capacity
- Year on year decrease in replacement capex on the network primarily driven by work completed last year to improve resilience and restore the network post the extreme weather events in FY23

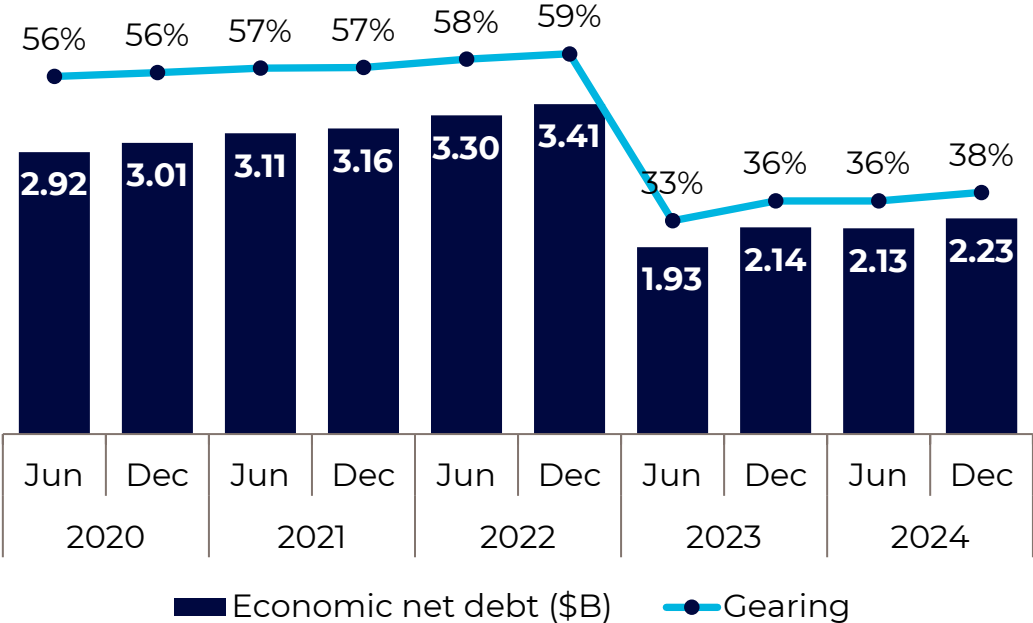


Note 1. All years adjusted to exclude discontinued operations; 2. Capex figures prior to December 2021 do not include ROU additions.

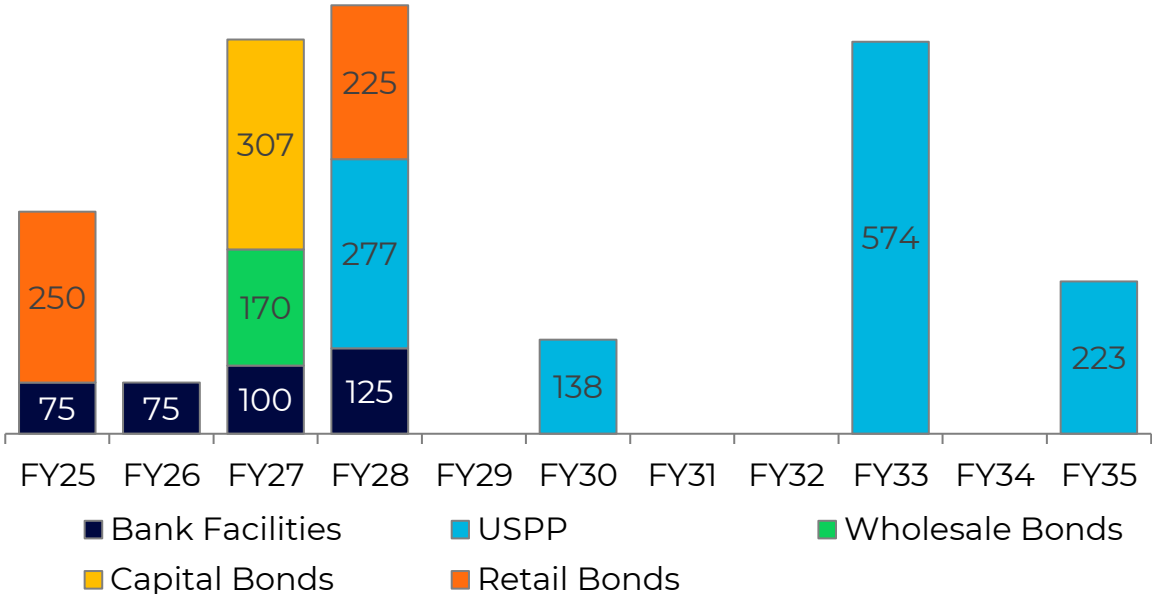
Group debt

Vector's Standard and Poor's credit rating remains at BBB+ with a stable outlook

Net Economic Debt and Gearing (\$B)



Debt Maturity Profile (\$M)



Note. Gearing is defined as economic net debt to economic net debt plus adjusted equity. Adjusted equity means total equity adjusted for hedge reserves.

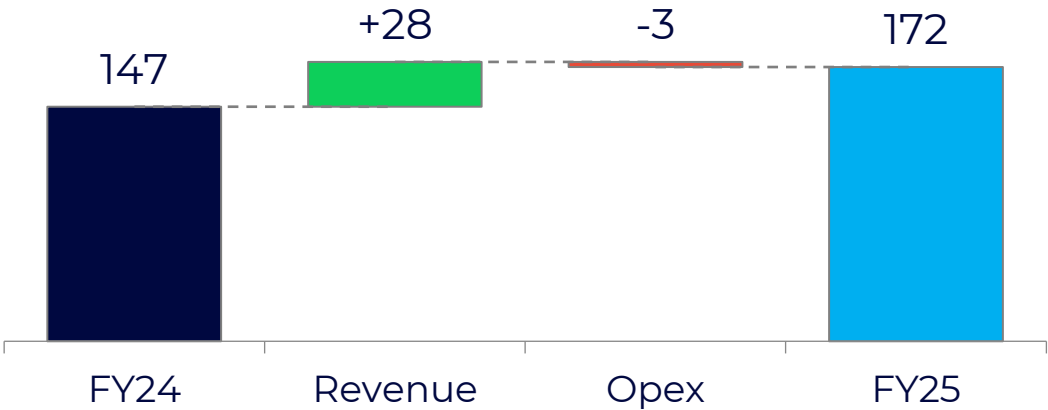
SEGMENT PERFORMANCE



Electricity earnings up \$25m / 17%

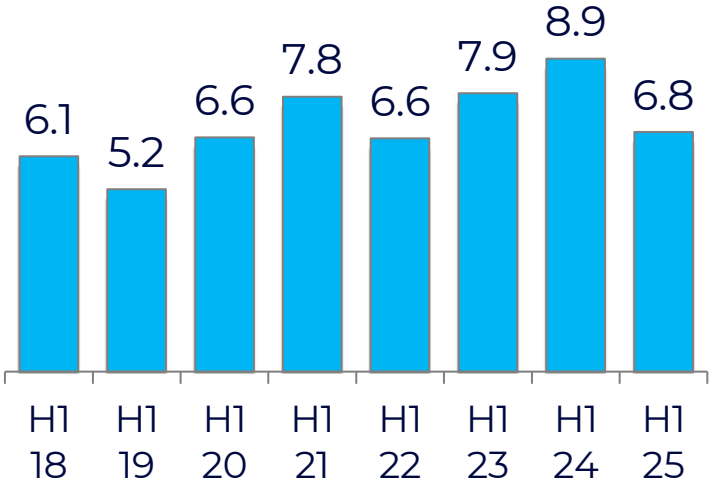
- Electricity revenue is higher due to price adjustments reflecting the impact of high historic inflation. We are now recovering this through higher prices as per the regulatory model which has a 2 year lag on recovery.
- Opex costs are largely consistent to prior year.
- Total net connections continue to grow with electricity connections up 1.5% on H1 FY24 to 628,990
- However, new connections in H1 FY25 have been 2,079 lower than in H1 FY24, reflective of the broader economic slowdown.

Adjusted EBITDA Movement (\$M)



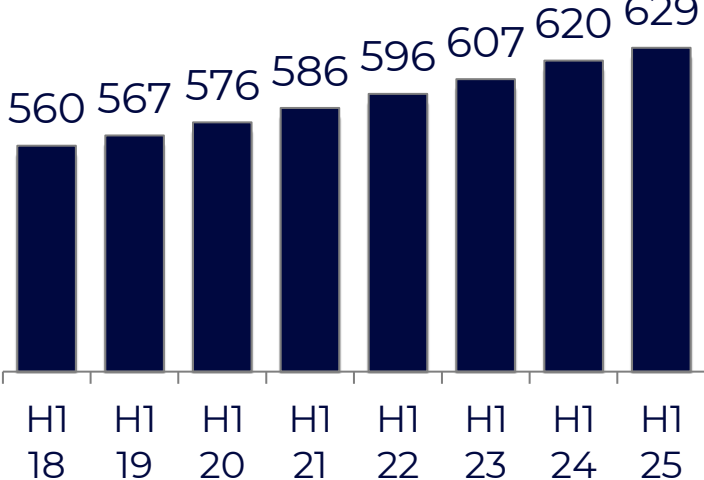
New Connections

000's



Total Connections

000's

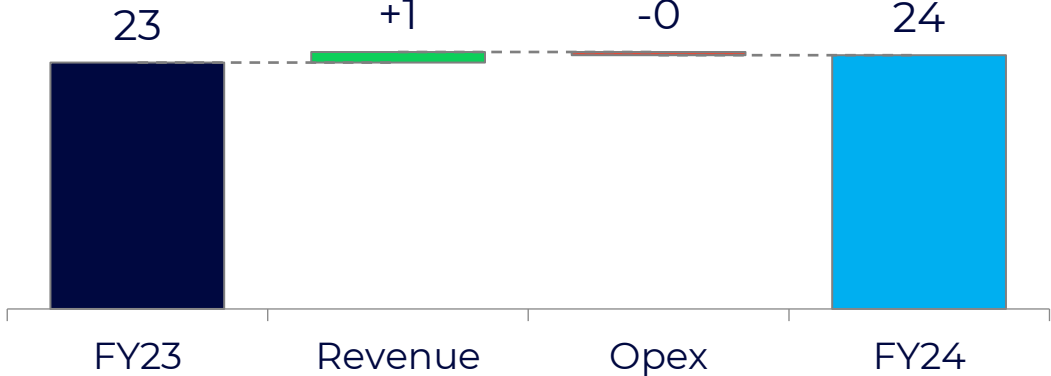


Note 1. New connections refers to gross new connections. Net connections accounts for disconnections and cancellations which represents the movement in total connections.

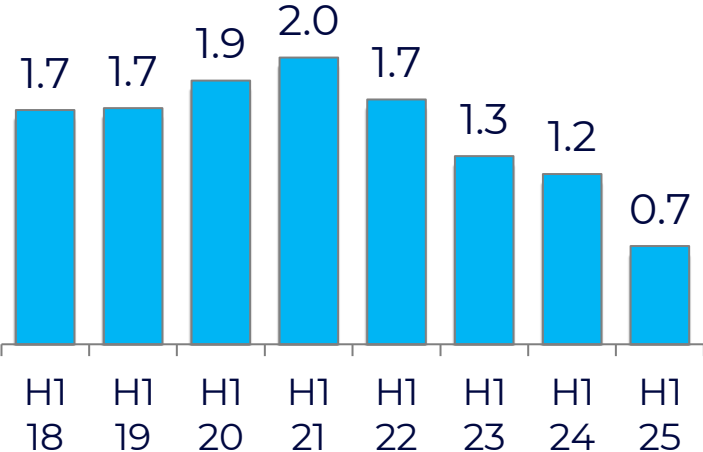
Gas Distribution earnings up \$1m / 3%

- Our Gas Distribution business builds and maintains the gas network within the wider Auckland region.
- Gas revenue is higher due to price increases and prior period wash up partially offset by lower volumes. Volumes were 7% lower compared with H1 FY24, due to lower demand from both the residential and industrial and commercial sectors.
- Opex costs are consistent to prior year.
- Total net connections continue to grow with gas connections up 0.4% on H1 FY24 to 120,761.
- However, new gas connections in H1 FY25 were down 510 on H1 FY24.

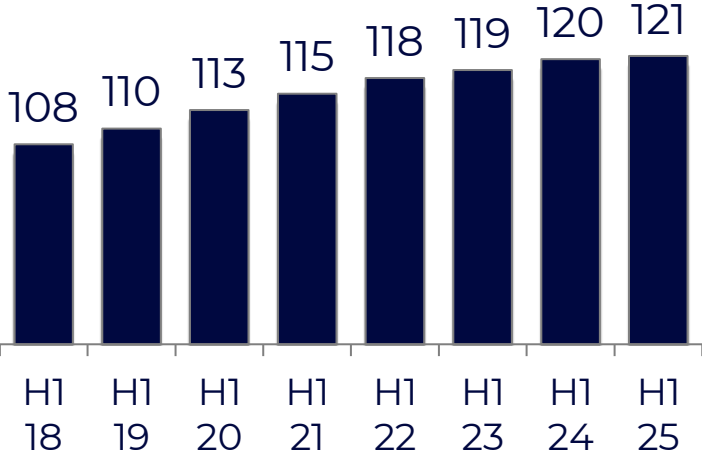
Adjusted EBITDA Movement (\$M)



New Connections
000's



Total Connections
000's



Note 1. New connections refers to gross new connections. Net connections accounts for disconnections and cancellations which represents the movement in total connections.

Bluecurrent

- Vector's 50% equity accounted share of Bluecurrent's FY25 H1 net loss was \$10.8m (includes amortisation of intangible assets and depreciation).
- While this business is making a net loss, it is still cash generative and performing in line with expectations.
- We are forecasting to receive \$50m to \$55m in distributions for the FY25 year in relation to our 50% shareholding.
- NBV of Vector's investment in Bluecurrent joint venture is \$647m as at 31 December 2024



OUTLOOK & MARKET COMMENTARY

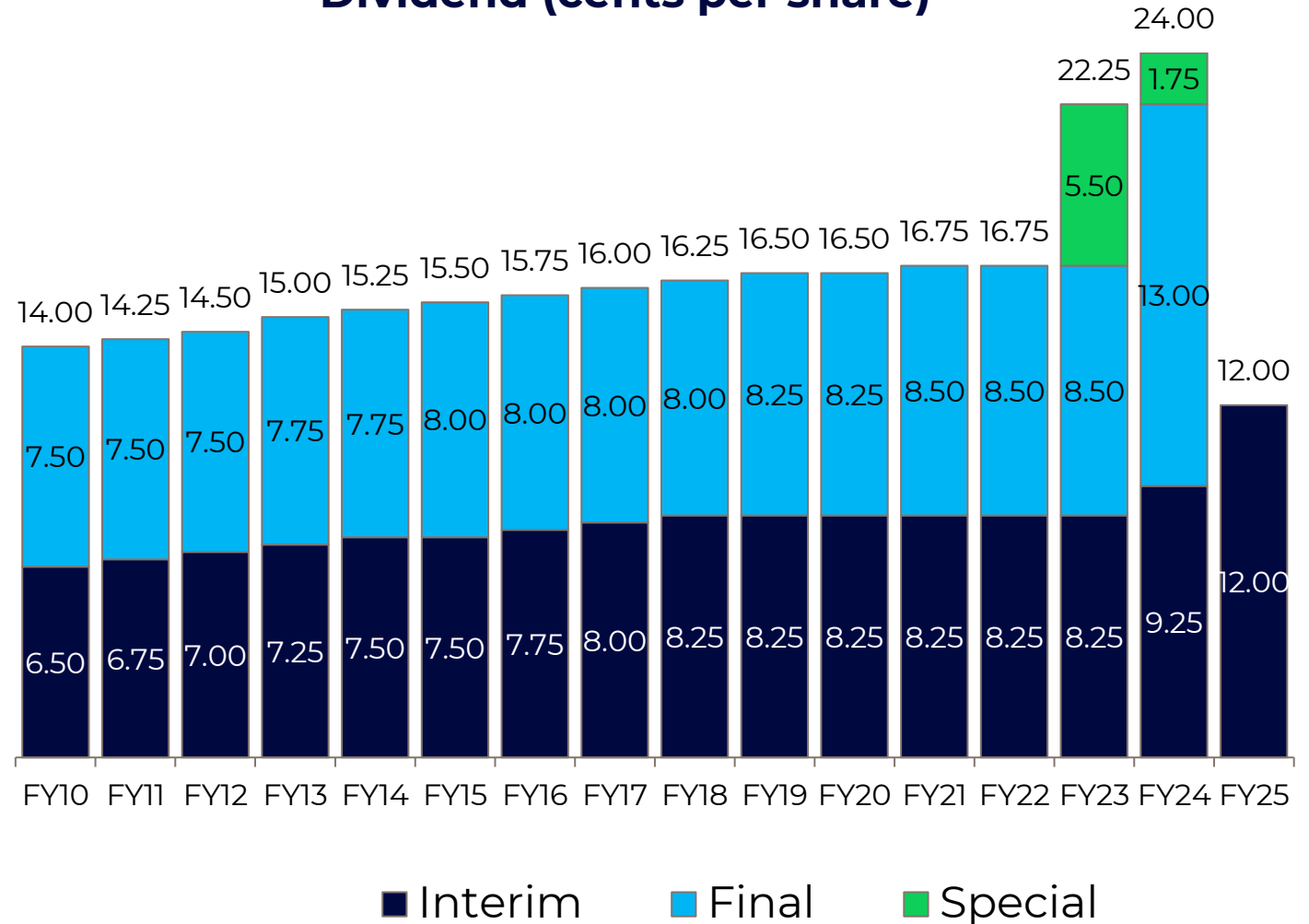
Outlook – FY25

- With the dividend policy linked to cashflow, going forward we will be providing guidance on adjusted EBITDA, gross capex and capital contributions.
- For FY25 the range is as follows. Note that this includes discontinued operations.
 - Adjusted EBITDA: \$400m - \$415m
 - Gross Capex: \$495m - \$525m
 - Capital Contributions: \$215m – \$245m
- The current DPP3 regulatory period will end on 31 March 2025 with DPP4 starting 1 April 2025. This is the start of the new five year regulatory period as set by the Commerce Commission.

Interim FY25 Dividend

- Interim dividend of 12.00 cents per share with no imputation
- Dividend record date of 21 March 2025 and payment date of 31 March 2025
- The new dividend policy aims to distribute 70% to 100% of free cash flow as a dividend to shareholders

Dividend (cents per share)



Q&A

ANY QUESTIONS?



APPENDICES

Segment Results – Continuing Operations

	Electricity				Gas Distribution				Other ¹				Total			
	H1 FY24	H1 FY25	Δ		H1 FY24	H1 FY25	Δ		H1 FY24	H1 FY25	Δ		H1 FY24	H1 FY25	Δ	
Adjusted EBITDA																
Revenue excl. Capital Contributions	344	372	28	+8%	33	34	1	+3%	33	31	(2)	-5%	410	437	28	+7%
Operating Expenses	(197)	(200)	(3)	-2%	(10)	(10)	(0)	-3%	(30)	(26)	4	+13%	(236)	(236)	0	+0%
Adjusted EBITDA	147	172	25	+17%	23	24	1	+3%	3	6	2	+75%	174	202	28	+16%
Capex																
Growth	99	130	30	+30%	7	6	(1)	-14%	5	7	2	+37%	112	143	31	+28%
Replacement	118	114	(4)	-4%	4	3	(1)	-21%	1	2	1	+89%	123	119	(4)	-3%
Gross Capex	218	243	26	+12%	10	9	(2)	-17%	6	9	3	+45%	234	261	27	+12%
Capital Contributions	86	117	31	+36%	6	6	(1)	-11%	0	1	0	+67%	93	123	30	+33%
Net Capex	131	127	(5)	-4%	4	3	(1)	-26%	6	9	3	+44%	142	138	(3)	-2%

1. Other is not a reportable segment. Includes VTS, HRV, Vector Fibre, Equalise and inter-segment eliminations,

GAAP to Non-GAAP Reconciliation

Vector's standard profit measure prepared under New Zealand GAAP is net profit. Vector has used non-GAAP profit measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate resources. For a more comprehensive discussion on the use of non-GAAP profit measures, please refer to the policy 'Reporting non-GAAP profit measures' available on our website (vector.co.nz).

Non-GAAP profit measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported by Vector in accordance with NZ IFRS.

Definitions

EBITDA

Earnings before interest, taxation, depreciation, amortisation, impairment, associates and fair value changes.

Adjusted EBITDA

EBITDA adjusted for third party contributions and significant one-off gains, losses, revenues and/or expenses.

GAAP to Non-GAAP reconciliation	FY24	FY25
Group EBITDA and Adjusted EBITDA	\$M	\$M
Reported net profit for the period (GAAP)- continuing operations	18.9	118.1
Add back: net interest costs	24.5	39.0
Add back: tax (benefit)/expense	38.4	50.4
Add back: depreciation and amortisation	109.5	110.7
Add back: impairment	60.0	-
Associates (share of net (profit)/loss)	9.0	10.8
Fair value change on financial instruments	6.1	(4.4)
EBITDA - continuing operations	266.4	324.6
<i>Adjusted for:</i>		
Capital contributions	(92.8)	(123.0)
Adjusted EBITDA- continuing operations	173.6	201.6
Adjusted EBITDA- discontinued operations	18.4	12.0
Total Group adjusted EBITDA	192.0	213.6

Extract from the financial statements

END