28 May 2025

Navigating beyond the noise

Infratil today announced a strong full-year proportionate operational EBITDAF of $986 million, towards the upper end of guidance of $960–$1,000 million.

Infratil CEO Jason Boyes said the result reflects strong operating earnings growth over the year of $986 million (8.6%), driven by growing contributions from CDC Data Centres, One NZ, Wellington Airport and RetireAustralia.

The year-on-year uplift also captures the benefit of a full 12-month contribution from One NZ, following Infratil's acquisition of the remaining 49.95% stake in June 2024. A final dividend of 13.25 cents per share was declared which brings the full year total dividend to 20.50 cents per share, a +2.5% increase on 2024.

"Overall, the operating results were pleasing, particularly given inflationary pressures heading into the year, significant change programmes at One NZ and Qscan, airline fleet shortages affecting Wellington Airport, regulatory uncertainty for Longroad Energy and RHCNZ Medical Imaging, and global market volatility.

"One NZ's above target performance stands out, given the difficulties the New Zealand economy has faced, and demonstrates the differentiated position of our business. CDC and Longroad's strong growth continued. Qscan produced excellent double-digit earnings growth with RHCNZ Medical Imaging not far behind, with both getting on top of the sector's inflationary pressures.

"For the first half of the year, investors focussed on the potentially transformative impact of artificial intelligence, including for us, accelerating demand for data centre space and electricity to power those data centres. This calendar year, investors have focussed closely on the pace of that acceleration, and now U.S. tariffs, amid tight New Zealand's economic conditions.

"While we do not ignore current events in a world that feels vastly different from a year ago, and certainly are not immune to them, our focus as always remains on generating sustainable growth with a long-term perspective on assets that last 30 years or more.

Key achievements and strategic milestones set the stage for scaled growth

Mr Boyes said three significant strategic milestones were achieved over the course of the year.

"First, we agreed to merge Manawa Energy into Contact Energy at an attractive valuation for both parties. It brings Infratil improved cash flow and continues our exposure to the New Zealand energy sector with attractive growth opportunities over the next two to three years.

"Secondly, Infratil agreed to acquire 1.58% of CDC, at an attractive valuation considering the improved governance rights we now have. The acquisition followed a competitive sale process run by one of the other shareholders in CDC, and we and another CDC shareholder, Future Fund, exercised our pre-emptive rights to acquire the 12.04% stake instead of the leading bidder. The transaction was also significant for confirming the private market valuation for a minority stake in the business was more than 30% higher than the previous independent valuation.

“Thirdly, Infratil was added to the MSCI Global Standard Index, which is an important index comprising New Zealand’s largest listed companies. This index is closely followed by global investors, so is critical to broadening our shareholder base. We were also added to the Australian ASX300 index which has helped open numerous doors with new investors offshore to tell our story.”

Well set for strong multi-year growth as data centre demand continues to expand

Mr Boyes said as global demand for fit-for-purpose AI infrastructure accelerates, Australia and New Zealand are emerging as critical destinations.

“CDC is exceptionally well positioned, benefitting from geopolitical trust, energy stability, and regulatory certainty - factors that are becoming increasingly important to global hyperscale and AI customers.”

CDC delivered EBITDAF of A$330 million for the year, up A$59 million (22%) on the prior period, driven by commissioning across Melbourne and New Zealand and higher utilisation across existing data centres.

“CDC signed more than 230MW of new contracts during the year - including reservations and rights of first refusal - its largest ever annual addition,” said Mr Boyes. “CDC expects to double its EBITDAF over the next two years, with approximately 80% of that revenue contracted, demonstrating its ability to convert demand into earnings.”

To support future growth, CDC has commenced construction at Marsden Park, one of the largest data centre campuses in the Southern Hemisphere, and Laverton, CDC’s second campus in Victoria, with the potential to add ~1GW of capacity between them.

Mr Boyes said it was also pleasing to see One NZ’s performance slightly ahead of guidance midpoint despite a challenging economic backdrop.

“One NZ delivered EBITDAF of $605 million, with strong contributions from the Consumer Mobile and Wholesale segments. The result reflects continued execution on cost discipline and simplification, partially offset by expected declines in legacy fixed services and increased competition in the Enterprise segment.”

One NZ remains well-positioned to drive further operational upside from ongoing strategic initiatives, including the T-One transformation programme, AI adoption, and simplification workstreams.

“A major development during the year was the launch of EonFibre - a new B2B fibre business with over 11,000km of national infrastructure. As one of New Zealand’s largest fibre networks, EonFibre will improve asset utilisation and is expected to unlock long-term third-party revenue and platform monetisation.”

In the United Kingdom, near-term capacity and AI-ready designs have positioned Kao Data to capture demand in a constrained London market.

“In FY2025, Kao continued the phased build-out of its KLON-02 data centre at its Harlow campus, adding 8.8MW of high-density AI infrastructure. All completed phases have been sold, with strong customer interest in the remaining stages. To stay ahead of demand, Kao has now commenced development of KLON-03, a 17.6MW facility purpose-built for next-generation, direct-to-chip liquid-cooled compute.”

The long-term case for renewables stands firm amid global policy shifts

Mr Boyes said Boston-based Longroad Energy had a milestone year with its largest construction programme seeing 1.3GW of projects reach commercial operations during the period, with a further 0.4GW completed already this year.

“Longroad’s execution has extended well beyond delivery with early action to preserve tax credit eligibility ahead of Inflation Reduction Act reform. With 1.8GW of projects across the next two years already safe harboured, and all expected to meet the revised 31 December 2028 placed-in-service deadline, the business is well positioned to navigate evolving policy settings.”

An additional 3GW of projects are under active assessment for potential acceleration ahead of the 2028 deadline. “We’re building optionality into the pipeline and assessing what projects could potentially be brought forward,” said Mr Boyes. While the so-called “Big Beautiful Bill” has passed the House, it remains subject to Senate approval.

The impact of recently announced Liberation Day tariffs is expected to be limited, except for battery storage systems, or BESS. Longroad intends to utilise the current tariff pause to secure 0.4GW of BESS for its FY2026 projects, while FY2027 includes ~0.5GW of BESS that may require higher pricing to preserve project economics.

“Despite policy and trade volatility, we remain positive about the underlying fundamentals of the U.S. power market. U.S. power demand growth continues at historic highs, supporting PPA volumes and pricing. Solar remains the fastest and most cost-effective form of new generation - and will be critical to meeting future demand.

“In Asia, Gurīn Energy has made significant strides. The Palauig Solar Power Plant in the Philippines is now operational under a 20-year revenue agreement, and we’re advancing two further solar projects - one already in construction.”

Momentum also continues to build behind Project Vanda, Gurīn’s flagship cross-border project to supply Singapore with renewable energy from Indonesia. While still highly conditional, the US$2-3 billion development remains a strategic priority, now with over 70% of the required land secured and a conditional licence from Singapore authorities in place.

“We’re targeting final investment decision on Project Vanda in late 2025, with financial close expected in the first half of 2026. Key next steps include final approvals in Indonesia and Singapore, marine surveys, EPC contracting, and securing offtake and financing. We’ll continue to keep shareholders well informed as we approach this important milestone.

“Gurīn has expanded into Japan, where it is advancing a 500MW battery storage pipeline. Grid access has already been secured for the first 240MW, creating real momentum in a market where scale and first-mover advantage matter.”

In Europe, Galileo’s first project exits mark an important new phase, demonstrating their ability to realise value and recycle capital as the pipeline scales, said Mr Boyes.

“Recent asset sales across Italy, Germany, and the UK highlight the platform’s quality and discipline. Galileo’s pipeline has now grown to 16.1GW across 10 European markets. The focus remains on progressing a high-quality, technology-diverse development pipeline while selectively crystallising value through asset sales and partnerships.” Construction is also set to begin shortly on two new solar PV projects in Italy.

Strong performance supported by technology-enabled innovation

RHCNZ Medical Imaging delivered 9% year-on-year EBITDAF growth, supported by strong organic volume growth, an ongoing shift toward higher-value modalities, and network expansion. Three new clinics were opened during the year, two in Hamilton and one in Tauranga, now New Zealand's largest comprehensive radiology site. New flagship clinics currently under development in Auckland and Dunedin Central will further strengthen RHCNZ's presence in key urban markets, meeting growing demand across both public and private health sectors.

In Australia, Qscan delivered 14% year-on-year EBITDAF growth. The result was driven by yield expansion - supported by Medicare indexation, a continued mix shift toward higher-value modalities, and a revised pricing strategy - as well as productivity gains from Qscan's AI-enabled reporting platform, improved workforce efficiency, and operating leverage across its clinic network.

RetireAustralia also delivered a strong year, reaching a major milestone with the completion of the third and final stage of The Verge at Burleigh, comprising 168 homes. Construction is progressing on a further 187 units across three active developments: Tarragal Glen, Carlyle Gardens, and the Arcadia Retirement Living community in Yeronga. Portfolio occupancy remains high at 96.2%, with waitlists across 26 of 29 villages, reflecting sustained demand for high-quality retirement living.

Wellington Airport delivered EBITDAF of $103 million for the year, up 22% on the prior period. The result reflects resilient demand for travel, with international passenger volumes up 7% despite ongoing domestic headwinds. Domestic passenger numbers declined by 4%, impacted by airline fleet and capacity constraints.

Valuation & incentive fees

Following the CDC transaction announcement in February, CDC's independent valuer confirmed their view that the transaction met all criteria to be considered fair market value and subsequently adopted A$13.7 billion as the mid-point of its independent valuation. This valued Infratil's investment at NZ$7.2 billion, up from NZ$4.4 billion at the same time last year.

Following this, and alongside the independent valuations of its other international assets, Infratil has accrued a $350.6 million incentive fee payable to Morrison as at 31 March 2025, and payable over three years. This includes the write-down of Infratil's investment of RetireAustralia by $85 million to $404 million.

FY2025 Guidance

FY2025 Proportionate Operational EBITDAF guidance has been set at $1,000-$1,050 million, reflecting the scaling of the operating assets at key portfolio companies. This excludes Manawa Energy, and on a like-for-like basis is up 9% on the FY2025 result.

Proportionate Development EBITDAF guidance range for our renewable development companies (Gurīn Energy, Galileo, Mint Renewables) is for a loss of $85-$105 million.

FY2026 Proportionate Capital Expenditure guidance is set at $2.2-$2.6 billion.

Shareholder returns, interim dividend and dividend reinvestment plan

"In terms of our returns to shareholders, we will pay a unimputed final dividend of 13.25 cents per share, a 1.9% increase from the prior period Mr Boyes said.

The dividend reinvestment plan ('DRP') will operate for the final dividend, with a 2% discount applied to the DRP strike price. A copy of the DRP Offer Document is available on our website.

The timetable for the dividend and DRP is:

Event	Date
FY2025 Annual Results release	Today
Ex-Date for Dividend	11 June
Record Date	12 June
Last Date to submit a participation notice	13 June
Start date for determining market price for DRP	16 June
End date for determining market price for DRP	30 June
Strike Date	1 July
Share Issue Date/Dividend Payment Date	2 July
Allotment announcement	2 July

Investor Briefing

There will be a briefing for institutional investors, analysts and media commencing at 11.00am. A webcast of the presentation will be available live on the below link.

https://infratil.com/for-investors/results/annual-results-for-the-year-ended-31-march-2025/infratil-results-31-march-2025-live-presentation/

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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$18 billion, Infratil targets after-tax returns to shareholders of 11-15% p.a. over the long-term.

For more information, visit www.infratil.com and LinkedIn