

18 August 2025

FY25 performance powered by geothermal expansion and resilient risk management

	Twelve months ended 30 June 2025 FY25		Twelve months ended 30 June 2024 FY24	
	Underlying ⁱ	Reported	Against underlying	
EBITDAF ⁱⁱ	\$774m	\$872m	↑	17% from \$663m
Profit	\$261m	\$331m	↑	13% from \$230m
Profit per share	32.7 cps	41.6 cps	↑	12% from 29.1 cps
Operating free cash flow ⁱⁱⁱ	\$434m		↑	2% from \$424m
Stay-in-business capital expenditure (cash)	\$110m		↓	29% from \$156m
Growth capital expenditure (cash)	\$363m		↓	14% from \$424m

Key strategic highlights

- Manawa Scheme of Arrangement approved (acquisition completed 11 July 2025).
- New long-term agreement to supply electricity to Fonterra, supporting electrification.
- Tauhara and Te Huka 3 geothermal stations online.
- Glenbrook-Ohurua battery, Kōwhai Park solar and Te Mihi Stage 2 under construction.
- Supported the market over dry periods.
- Medium-term gas supply secured to support generation and gas-reliant businesses.

Financial performance

Contact Energy Limited (Contact) has today reported net profit of \$331 million in FY25 and operating earnings (EBITDAF) of \$872m. Reported figures include a release of the Ahuroa Gas Storage facility (AGS) onerous contract provision of \$98 million within EBITDAF (\$71 million within net profit after tax). The release, which takes the onerous contract provision to nil, is a non-cash movement reflecting improved confidence in the ability to access storage capacity and the rising value of thermal flexibility.

Excluding the release, underlying net profit is up 13 percent on FY24 to \$261 million and EBITDAF is up 17% to \$774 million.^{iv} Contact's operating result was underpinned by a 34 percent uplift in geothermal generation, effective use of risk management assets and contracts and better alignment of long-term sales to the market price of electricity.

Hydro volatility characterised operating conditions in FY25, and gas supply continued to tighten, with domestic production down more than 20 percent over the last calendar year. Together, these conditions impacted wholesale pricing as more expensive thermal generation was required to cover the reduction in hydro generation in the market.

Contact contracted additional short-term gas from Methanex and utilised its flexible gas storage capacity at AGS to support gas-backed electricity supply. As a result, Contact was positioned to provide risk management support to other market participants, with sales of Contracts for Difference (CFDs) 0.5TWh above plan in FY25.

Operating free cash flow of \$434 million is up two percent on the prior year driven by improved operating performance and reduced stay-in-business capex. These improvements were partly offset by relatively higher levels of working capital (due to higher value and levels of stored gas) and higher interest paid (due to reduced interest capitalisation following the completion of Tauhara). In FY25, growth capital expenditure was \$363 million as Contact invested its entire reported net profit for the year into renewable development projects.

The Board declared a final dividend of 23 cents per share, taking the annual dividend declared for FY25 to 39 cents per share. Shareholders will have the option to participate in Contact's dividend reinvestment plan at a two percent discount.

Manawa

In FY25, Contact entered into a Scheme of Arrangement to acquire Manawa Energy Limited (Manawa). The acquisition completed on 11 July 2025 resulting in the combination of the two businesses and, importantly for New Zealand electricity users, bringing together our complementary, geographically diversified hydro schemes.

Through Manawa, Contact has acquired 25 hydro schemes with around 500MW of capacity and winter-weighted generation. The schemes are complementary to Contact's existing Clutha Mata-au hydro scheme.

"We now have an even more diverse and resilient generation portfolio, allowing Contact to offer more fixed price supply agreements to the market. Access to this type of hedging adds resilience, and support, for New Zealand's large energy users to reduce their exposure to spot market prices in dry years," said CEO Mr Mike Fuge.

"We're one month into our integration with Manawa. This is a quality, well-run business with a committed and passionate team. We are now working closely together to ensure a smooth integration."

Demand

Flexible demand is an increasingly important source of system resilience as the New Zealand market reduces its reliance on thermal generation. As at 30 June 2025, Contact had reached a total 188MW of contracted flexible demand, including 141MW already online.

Contact's new long-term supply agreement with the New Zealand Aluminium Smelter (NZAS) began on 1 July 2024 on improved pricing. Demand response was immediately activated by Meridian in response to dry market conditions at the start of 1H25. Across multiple demand response agreements, NZAS released ~0.8TWh to the market in FY25.^v

Renewable development

In FY25, Contact's newly-commissioned Tauhara and Te Huka 3 geothermal plants generated 1.5TWh of baseload renewable output, reducing reliance on thermal generation in a challenging market. This output alone is equivalent to ~60% of the year-on-year fall in market hydro generation in FY25.

"This year demonstrated the critical role geothermal energy plays in the country. This is baseload renewable electricity, not dependent on the weather. Our \$1.2 billion investment in Tauhara and Te Huka 3 all comes down to this: delivering the right projects, at the right time, for New Zealand," said Mr Fuge.

Construction began on three new projects this year: Our 100MW Glenbrook-Ohurua BESS, 168MWp Kōwhai Park solar farm and 101MW Te Mihi Stage 2 geothermal plant.^{vi} Following on from the Tauhara and Te Huka 3 geothermal builds in Taupo, these new projects are

bringing more investment and activity to the regions, supporting small businesses and local employment.

Decarbonising the portfolio

Contact is committed to reaching net zero emissions from generation by 2035.^{vii}

Market conditions in FY25 illustrated the ongoing role that flexible thermal generation plays to support hydro volatility in the New Zealand market. Having secured access to ~6PJ of short-term gas from Methanex and drawing on the flexibility of the AGS gas storage facility, Contact generated 738GWh above its expected mean thermal output for FY25.

“Contact has shown how we can effectively deploy risk management levers, including through gas contracting and generation, to support a dry market like we’ve just seen. Importantly, with our new geothermal assets online and Manawa generation, we expect 98%^{viii} renewable output from our portfolio in a mean year going forward”.

Contact’s remaining baseload gas generation plant, Taranaki Combined Cycle (TCC), was made available for 2025. TCC has reached end-of-life and will close at the end of the year.

Retail

Total retail connections reached 646,000 across electricity, gas and broadband, up 21,000 on FY24, with a focus on multi-product customer growth (up 7%). Retail electricity net price has improved to partially recover rising energy and lines costs.

Supporting our customers to manage their energy usage, we continue to see growth in our Time of Use ‘Good’ plans, with 140,000 New Zealand households taking advantage of discounted or free off-peak energy. Since launching in August 2021, customers have received 260 million hours of free power. Contact also expanded its Hot Water Sorter programme to more than 20,000 customers, shifting ~4GWh of electricity load away from peak demand periods.

Contact remains focused on supporting its customers in energy hardship and has removed disconnection and reconnection fees under its Energy Wellbeing programme. As a result, disconnections have dropped 30 percent year on year. Our partnership with Women’s Refuge continues, with Contact providing free power and broadband to all refuges and safehouses nationwide.

Outlook

Looking ahead, the next twelve months will see Contact delivering the effective integration of the Manawa business and bringing two new renewable energy projects online. Both the grid-scale battery at Glenbrook and the Kōwhai Park solar farm are expected online in 2H FY26.

“We will continue to deliver the new renewable electricity projects and innovative supply arrangements that are needed to support the energy transition in New Zealand. Progress will require both visionary aspiration and the ability to remain responsive to this country’s energy needs. We are excited about the future, and the leading role Contact is playing in New Zealand’s energy transition,” said Mr Fuge.

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1/ MORE INFORMATION

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2/ WEBCAST

A webcast to support the full year results announcement will be held at 11am, NZ (New Zealand) time on 18 August 2025. If you would like to attend the live presentation, please see the details below to view the webcast off your chosen device:

Click here to register for the webcast: [Contact Energy FY25 results webcast registration](#)

Or access this link via our website: <https://contact.co.nz/aboutus/investor-centre>

ⁱ In FY25, a release of the AGS onerous contract provision equated to \$98m within EBITDAF and \$71m within profit. In FY24 a net movement in the AGS onerous contract provision equated to \$12m within EBITDAF and \$5m within profit. Underlying performance excludes these impacts.

ⁱⁱ Refer to slide 50 of the FY25 results presentation for a definition and reconciliation between statutory profit and the non-GAAP profit measure earnings before net interest expense, tax, depreciation, amortisation, change in fair value of financial instruments (EBITDAF).

ⁱⁱⁱ Refer to Note A3 of the 2025 Full Year financial statements for a definition and reconciliation between cash flow from operating activities and the non-GAAP measure operating free cash flow. Operating free cash flow represents cash available to repay debt, to fund distributions to shareholders and growth capital expenditure.

^{iv} Adjusting for one-off Manawa-related transaction and integration costs, underlying EBITDAF was \$792m.

^v Based on observed volume at the Tiwai node.

^{vi} Partial replacement for Contact's Wairakei A&B station.

^{vii} Scope 1 and 2 emissions.

^{viii} Based on long-term average hydrological conditions and an expectation of 200GWh to 300GWh of gas generation through the Stratford peakers following the planned closure of TCC in late 2025.