



# INTERIM FINANCIAL STATEMENTS

for the six months ended 31 December 2024

# Group Condensed Interim Financial Statements


for the six months ended 31 December 2024 (unaudited)

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## GROUP CONDENSED INTERIM FINANCIAL STATEMENTS

These group condensed interim financial statements for the six months ended 31 December 2024 are dated 25 February 2025, and signed for and on behalf of Vector Limited by:

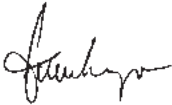


Chair



Chair, audit committee

And management of Vector Limited by:



Group Chief Executive



Chief Financial Officer



# Independent Auditor's Review Report

To the shareholders of Vector Limited (Group)

Report on the group condensed interim financial statements

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the group condensed interim financial statements on pages 5 to 24 do not:

- present fairly, in all material respects, the Group's financial position as at 31 December 2024 and its financial performance and cash flows for the 6 month period then ended and comply with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (**NZ IAS 34**) issued by the New Zealand Accounting Standards Board.

We have completed a review of the accompanying group condensed interim financial statements which comprise:

- the group interim balance sheet as at 31 December 2024;
- the group interim profit or loss, other comprehensive income, changes in equity and cash flows for the 6 month period then ended; and
- notes, including material accounting policy information.

## Basis for conclusion

We conducted our review of the financial statements in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity (NZ SRE 2410 (Revised))*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the interim consolidated financial statements* section of our report.

We are independent of Vector Limited in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Our firm has provided other services to the Group in relation to the annual audit, regulatory assurance services, other assurance services, agreed upon procedures and compliance services in relation to R&D tax credit. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

## Use of this Independent Auditor's Review Report

This report is made solely to the shareholders. Our review work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the Independent Auditor's Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders for our review work, this report, or any of the conclusions we have formed.



## Responsibilities of directors for the group condensed interim financial statements

The directors on behalf of the Group are responsible for:

- the preparation and fair presentation of the group condensed interim financial statements in accordance with NZ IAS 34; and
- implementing necessary internal control to enable the preparation of group condensed interim financial statements that is fairly presented and free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the group condensed interim financial statements

Our responsibility is to express a conclusion on the group condensed interim financial statements based on our review.

NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the group condensed interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34.

A review of the group condensed interim financial statements prepared in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the financial statements.

The engagement partner on the audit resulting in this independent auditor's review report is Matthew Diprose.

For and on behalf of:

A handwritten signature in blue ink that reads 'KPMG'.

KPMG  
Auckland

25 February 2025

## Profit or Loss

	NOTE	31 DEC 2024 6 MONTHS (UNAUDITED) \$M	31 DEC 2023 6 MONTHS (UNAUDITED) \$M	30 JUN 2024 12 MONTHS (AUDITED) \$M
<b>Continuing operations:</b>				
Revenue	4	560.5	502.7	1,013.0
Operating expenses	4	(235.9)	(236.3)	(472.4)
Depreciation and amortisation		(110.7)	(109.5)	(218.3)
Interest income		10.9	27.6	51.7
Interest costs		(49.9)	(52.1)	(103.8)
Impairment of goodwill	8	–	(60.0)	(60.0)
Fair value change on financial instruments		4.4	(6.1)	(12.0)
Share of net profit/(loss) in joint ventures	7	(10.8)	(9.0)	(24.9)
<b>Profit/(loss) before income tax</b>		<b>168.5</b>	57.3	173.3
Income tax benefit/(expense)		(50.4)	(38.4)	(97.7)
<b>Net profit/(loss) for the period from continuing operations</b>		<b>118.1</b>	18.9	75.6
Net profit/(loss) for the period from discontinued operations	5,6	7.3	7.1	15.4
<b>Net profit/(loss) for the period</b>		<b>125.4</b>	26.0	91.0
<b>Net profit/(loss) for the period attributable to</b>				
Owners of the parent – continuing operations		118.1	18.9	75.6
Owners of the parent – discontinued operations		6.3	5.7	13.0
Non-controlling interests – discontinued operations		1.0	1.4	2.4
<b>Basic and diluted earnings per share (cents)</b>				
Continuing operations	10	11.8	1.8	7.6
Discontinued operations	10	0.6	0.6	1.3
<b>Total</b>	10	<b>12.4</b>	2.4	8.9

## Other Comprehensive Income

	NOTE	31 DEC 2024 6 MONTHS (UNAUDITED) \$M	31 DEC 2023 6 MONTHS (UNAUDITED) \$M	30 JUN 2024 12 MONTHS (AUDITED) \$M
<b>Net profit/(loss) for the period</b>		<b>125.4</b>	26.0	91.0
<b>Other comprehensive income net of tax- continuing operations</b>				
<i>Items that may be re-classified subsequently to profit or loss:</i>				
Net change in fair value of hedge reserves		<b>(27.0)</b>	(30.4)	(29.5)
Translation of foreign operations		<b>1.9</b>	(2.2)	(1.5)
<i>Items that will not be re-classified subsequently to profit or loss:</i>				
Share of other comprehensive income of joint ventures	7	<b>(15.0)</b>	(7.9)	1.9
Fair value change on financial asset		<b>-</b>	(8.8)	(8.3)
<b>Other comprehensive income/(loss) for the period net of tax -continuing operations</b>		<b>(40.1)</b>	(49.3)	(37.4)
<b>Total comprehensive income/(loss) for the period net of tax</b>		<b>85.3</b>	(23.3)	53.6
<b>Total comprehensive income for the period attributable to</b>				
Owners of the parent – continuing operations		<b>78.0</b>	(30.4)	38.2
Owners of the parent – discontinued operations		<b>6.3</b>	5.7	13.0
Non-controlling interests – discontinued operations		<b>1.0</b>	1.4	2.4

## Balance Sheet

	NOTE	31 DEC 2024 (UNAUDITED) \$M	31 DEC 2023 (UNAUDITED) \$M	30 JUN 2024 (AUDITED) \$M
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		8.7	26.1	77.4
Short-term deposits		–	302.1	27.2
Trade and other receivables		87.5	159.9	100.0
Contract assets		70.7	83.8	97.7
Derivatives	9	1.2	2.9	3.2
Inventories		17.5	22.2	26.4
Contingent consideration		9.8	10.7	12.4
Intangible assets		5.3	7.5	7.6
Income tax		20.4	16.5	20.2
Disposal group held for sale	5,6	188.6	9.7	9.7
<b>Total current assets</b>		<b>409.7</b>	<b>641.4</b>	<b>381.8</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		1.0	1.0	1.0
Derivatives	9	104.2	76.9	83.2
Contingent consideration		35.5	39.7	29.9
Investment in joint venture	7	647.2	715.9	684.2
Investment in private equity		–	–	0.5
Intangible assets	8	1,091.6	1,128.1	1,132.1
Property, plant and equipment (PPE)		4,715.9	4,519.5	4,667.2
Right of use assets (ROU)		44.1	53.3	58.3
Income tax		78.8	100.2	85.3
Deferred tax		–	2.5	2.1
<b>Total non-current assets</b>		<b>6,718.3</b>	<b>6,637.1</b>	<b>6,743.8</b>
<b>Total assets</b>		<b>7,128.0</b>	<b>7,278.5</b>	<b>7,125.6</b>

## Balance Sheet (CONTINUED)

	NOTE	31 DEC 2024 (UNAUDITED) \$M	31 DEC 2023 (UNAUDITED) \$M	30 JUN 2024 (AUDITED) \$M
<b>CURRENT LIABILITIES</b>				
Trade and other payables		187.9	192.5	223.1
Provisions		1.3	1.4	2.3
Borrowings	3,9	249.7	240.1	249.5
Derivatives	9	0.1	0.9	0.5
Contract liabilities		60.5	62.3	73.9
Lease liabilities		6.4	6.9	7.1
Income tax		–	0.8	0.7
Disposal group held for sale	5,6	28.2	–	–
<b>Total current liabilities</b>		<b>534.1</b>	504.9	557.1
<b>NON-CURRENT LIABILITIES</b>				
Provisions		–	5.4	7.1
Borrowings	3,9	1,919.3	2,025.6	1,789.0
Derivatives	9	113.9	170.9	165.7
Contract liabilities		5.2	7.1	6.8
Lease liabilities		47.2	55.7	61.0
Deferred tax		795.0	715.2	762.2
<b>Total non-current liabilities</b>		<b>2,880.6</b>	2,979.9	2,791.8
<b>Total liabilities</b>		<b>3,414.7</b>	3,484.8	3,348.9
<b>EQUITY</b>				
Equity attributable to owners of the parent		3,698.3	3,778.1	3,761.5
Non-controlling interests in subsidiaries		15.0	15.6	15.2
<b>Total equity</b>		<b>3,713.3</b>	3,793.7	3,776.7
<b>Total equity and liabilities</b>		<b>7,128.0</b>	7,278.5	7,125.6
Net tangible assets per share (cents)	10	260.1	264.3	262.2
Gearing ratio (%)	10	37.5	36.2	36.2



## Cash Flows

	NOTE	31 DEC 2024 6 MONTHS (UNAUDITED) \$M	31 DEC 2023 6 MONTHS (UNAUDITED) \$M	30 JUN 2024 12 MONTHS (AUDITED) \$M
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers		533.4	567.0	1,048.3
Customer contributions received		110.5	71.6	184.1
Interest received		10.6	6.8	33.5
Payments to suppliers and employees		(323.0)	(401.4)	(704.6)
Interest paid		(52.3)	(54.8)	(111.4)
Income tax paid		(2.3)	(1.2)	(4.8)
<b>Net cash flows from/(used in) operating activities</b>	11	<b>276.9</b>	188.0	445.1
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of PPE		0.3	0.6	2.7
Purchase and construction of PPE		(245.9)	(234.7)	(464.7)
Purchase and construction of software intangibles		(14.4)	(7.2)	(24.0)
Proceeds from contingent consideration		4.6	4.6	11.4
Proceeds from sale of discontinued operations		4.7	-	-
Repayment of loans advanced		14.9	-	95.6
Proceeds from sale of investment in associate		-	1.4	1.4
Other investing cash flows		0.6	(15.5)	(15.4)
<b>Net cash flows from/(used in) investing activities</b>		<b>(235.2)</b>	(250.8)	(393.0)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	3,9	35.0	-	15.0
Repayment of borrowings	3,9	(15.0)	-	(255.0)
Dividends paid	3	(148.7)	(141.0)	(234.9)
Lease liabilities payments		(4.4)	(5.0)	(9.6)
<b>Net cash flows from/(used in) financing activities</b>		<b>(133.1)</b>	(146.0)	(484.5)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(91.4)</b>	(208.8)	(432.4)
Cash and cash equivalents at beginning of the period		104.6	537.0	537.0
<b>Cash and cash equivalents at end of the period</b>		<b>13.2</b>	328.2	104.6
<b>Cash and cash equivalents comprise:</b>				
Bank balances and on-call deposits		13.2	26.1	77.4
Short term deposits		-	302.1	27.2
		<b>13.2</b>	328.2	104.6

### Discontinued operations

The cash flows above reflect the entire Vector group cash flows for the six months to 31 December 2024 and comparative periods. Refer to note 6 for separately disclosed cash flows from discontinued operations.

## Changes in Equity

(unaudited)

	NOTE	ISSUED SHARE CAPITAL \$M	TREASURY SHARES \$M	HEDGE RESERVES \$M	OTHER RESERVES \$M	RETAINED EARNINGS \$M	NON- CONTROLLING INTERESTS \$M	TOTAL EQUITY \$M
<b>Balance at 1 July 2023</b>								
<b>(audited)</b>		880.0	(0.1)	55.7	(5.0)	3,012.2	15.2	3,958.0
Net profit/(loss) for the period		-	-	-	-	24.6	1.4	26.0
Other comprehensive income		-	-	(30.4)	(18.9)	-	-	(49.3)
<b>Total comprehensive income</b>		-	-	(30.4)	(18.9)	24.6	1.4	(23.3)
Dividends		-	-	-	-	(140.0)	(1.0)	(141.0)
<b>Total transactions with owners</b>		-	-	-	-	(140.0)	(1.0)	(141.0)
<b>Balance at 31 December 2023</b>		880.0	(0.1)	25.3	(23.9)	2,896.8	15.6	3,793.7
Net profit/(loss) for the period		-	-	-	-	64.0	1.0	65.0
Other comprehensive income		-	-	0.9	11.0	-	-	11.9
<b>Total comprehensive income</b>		-	-	0.9	11.0	64.0	1.0	76.9
Dividends		-	-	-	-	(92.5)	(1.4)	(93.9)
<b>Total transactions with owners</b>		-	-	-	-	(92.5)	(1.4)	(93.9)
<b>Balance at 30 June 2024</b>								
<b>(audited)</b>		880.0	(0.1)	26.2	(12.9)	2,868.3	15.2	3,776.7
Net profit/(loss) for the period		-	-	-	-	124.4	1.0	125.4
Other comprehensive income		-	-	(27.0)	0.3	(13.4)	-	(40.1)
<b>Total comprehensive income</b>		-	-	(27.0)	0.3	111.0	1.0	85.3
Dividends	3	-	-	-	-	(147.5)	(1.2)	(148.7)
<b>Total transactions with owners</b>		-	-	-	-	(147.5)	(1.2)	(148.7)
<b>Balance at 31 December 2024</b>		880.0	(0.1)	(0.8)	(12.6)	2,831.8	15.0	3,713.3

# Notes to the Interim Financial Statements

## 1. Company information

### Reporting entity

Vector Limited is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the NZX Main Board (NZSX). The company is an FMC entity for the purposes of Part 7 of the Financial Markets Conduct Act 2013. Vector's condensed interim financial statements (the interim financial statements) comply with this Act.

The interim financial statements presented are for Vector Limited Group ("Vector" or "the group") as at, and for the six months ended 31 December 2024. The group comprises Vector Limited ("the parent") and its subsidiaries.

Vector Limited is a 75.1% owned subsidiary of Entrust which is the ultimate parent entity for the group.

The primary operations of the group are electricity and gas distribution, telecommunications, digital services and new energy solutions.

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## 2. Summary of material accounting policies

### Basis of preparation

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as applicable to interim financial statements, and as appropriate to profit oriented entities. They comply with NZ IAS 34 *Interim Financial Reporting*.

These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the group financial statements and related notes included in Vector's 2024 Annual Report. The interim financial statements for the six months ended 31 December 2024 and 31 December 2023 are unaudited.

All financial information is presented in New Zealand dollars (\$) and has been rounded to the nearest 100,000, unless otherwise stated.

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### Seasonality

Vector's electricity and gas businesses are affected by the seasonal demand for energy, which generally increases during periods of colder weather. Accordingly, financial results for the first half of the financial year reported in the interim financial statements are generally more profitable than those of the second half of the year.

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## 3. Material transactions and events

Material transactions and events that have occurred during the six months to 31 December 2024:

### Operations held for sale

On 25 July 2024, Vector entered into a conditional agreement for the sale of LPG business Vector Ongas, and the group's 60.25% shareholding in Liguigas Limited, for \$150.0 million. Vector Ongas and Liguigas were previously included in the gas trading segment, and have been reclassified as discontinued operations held for sale from 31 July 2024. The sale was completed on 31 January 2025. Refer to note 6 for further details.

### Sale of discontinued operations

On 1 July 2024, Vector completed the sale of remaining contracts in the natural gas business to Nova Energy Limited for consideration of \$9.7 million, which was equal to the carrying amount of the business. No gain on loss on disposal was recognised. Refer to note 5 for further details.

## Notes to the Interim Financial Statements

### 3. Material transactions and events (continued)

#### Commerce commission decisions

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On 20 November 2024, the Commission released the final decision for its fourth Default Price-quality Path ("DPP4"), which relates to the 5 years beginning 1 April 2025 for electricity distribution businesses. The decision provides expenditure allowances that align with Vector's submitted 2024 Asset Management Plan. This decision impacts the future cash flows we can expect to earn from our electricity distribution businesses and is reflected in the impairment testing of this cash generating unit.

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#### Regulatory quality thresholds

For the regulatory year to 31 March 2024, Vector was not in breach of its unplanned SAIDI and SAIFI quality limits.

The third Default Price-quality Path ("DPP3"), which relates to the 5 years ending 31 March 2025, requires electricity distribution businesses to comply with an Extreme Event Standard. This is specified as a limit of SAIDI exceeding 120 minutes in a 24 hour period or exceeding six million customer interruption minutes in a 24 hour period, providing the exceedance is not the result of major external factors. Major external factors are events such as natural disasters (which would include extreme weather), fires, wildlife, and third-party interference.

In June 2023, Vector recorded an interruption of around 6.6 million customer minutes following faults on the Wellsford-Warkworth sub-transmission circuit. Despite there being compelling evidence that the events were a result of major external factors, Vector was unable to determine this with absolute certainty, therefore took the prudent and conservative approach of reporting the outages as an exceedance of the Extreme Event Standard limit.

We have not recognised a provision in respect of this incident at 31 December 2024.

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#### Regulatory consultations

On 25 October 2024, the Electricity Authority opened two consultations.

The first of these is the Distribution connection pricing proposed code amendment consultation which purports to improve connection pricing methodologies so they are more efficient and have greater consistency across distributors.

The second consultation, the 'Network connection project – stage one' seeks to improve the efficiency of connecting to the electricity distribution network and upgrading existing connections.

Vector has lodged submissions on both consultations providing its feedback on the proposals. The distribution connection pricing proposed code amendments would impact the level of contributions Vector can charge for customer connections.

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## Notes to the Interim Financial Statements

### 3. Material transactions and events (continued)

#### Debt programme

During the six months ended 31 December 2024, the group drew down \$35.0 million and repaid \$15.0 million of bank facilities for a net \$20.0 million movement in facilities (six months to 31 December 2023: nil net movement).

#### Dividends

Vector Limited's final dividend (including special dividend) for the year ended 30 June 2024 of 14.75 cents per share was paid on 16 September 2024. The dividend was unimputed. The total dividend paid was \$147.5 million.

Liquigas Limited, a subsidiary of the group, paid dividends of \$1.2 million to the company's non-controlling interests during the six months to 31 December 2024.

### 4. Segment information

#### Segments

Vector reports on two reportable segments in accordance with NZ IFRS 8 *Operating Segments*.

The reportable segments are:

**Electricity distribution** Auckland electricity distribution services.

**Gas distribution** Auckland gas distribution services.

Since Vector's Annual Report for the year ended 30 June 2024, the gas trading businesses within the gas trading segment have been reclassified as discontinued operations held for sale, and the gas trading segment is no longer a reportable segment. Details of the gas trading businesses can be found in note 6.

Following the reclassification of the gas trading segment, Vector's reportable segments were assessed in accordance with NZ IFRS 8 *Operating Segments*. This has resulted in the electricity and gas distribution segments being recognised as separate reporting segments for the six months ended 31 December 2024. These were previously combined into the regulated networks reportable segment.

Other includes telecommunications, digital services, energy solution services and corporate operations. The reportable segments have also been updated to include a portion of shared corporate costs, in line with allocations used for the most recent regulatory reporting period.

Comparative information has been updated to reflect these changes. There have been no other changes to the reportable segments and policies.

## Notes to the Interim Financial Statements

### 4. Segment information (continued)

31 DEC 2024 6 MONTHS (UNAUDITED)	ELECTRICITY DISTRIBUTION \$M	GAS DISTRIBUTION \$M	OTHER \$M	INTER- SEGMENT ELIMINATIONS \$M	TOTAL \$M
External revenue:					
Sales	371.2	34.2	32.1	-	437.5
Customer contributions	116.8	5.7	0.5	-	123.0
Inter-segment revenue	1.0	-	8.6	(9.6)	-
<b>Segment revenue</b>	<b>489.0</b>	<b>39.9</b>	<b>41.2</b>	<b>(9.6)</b>	<b>560.5</b>
External expenses:					
Electricity transmission expenses	(96.8)	-	-	-	(96.8)
Network and asset maintenance	(36.3)	(4.3)	(1.4)	-	(42.0)
Employee benefit expenses	(22.6)	(2.3)	(14.4)	-	(39.3)
Other expenses	(38.3)	(3.7)	(15.8)	-	(57.8)
Inter-segment expenses	(6.1)	-	(3.5)	9.6	-
<b>Segment operating expenses</b>	<b>(200.1)</b>	<b>(10.3)</b>	<b>(35.1)</b>	<b>9.6</b>	<b>(235.9)</b>
<b>Segment EBITDA</b>	<b>288.9</b>	<b>29.6</b>	<b>6.1</b>	<b>-</b>	<b>324.6</b>
Depreciation and amortisation	(88.5)	(12.7)	(9.5)	-	(110.7)
<b>Segment EBIT</b>	<b>200.4</b>	<b>16.9</b>	<b>(3.4)</b>	<b>-</b>	<b>213.9</b>
<b>Segment capital expenditure</b>	<b>243.4</b>	<b>8.6</b>	<b>9.4</b>	<b>-</b>	<b>261.4</b>

Reconciliation of segment reporting to profit or loss:	31 DEC 2024 6 MONTHS (UNAUDITED) \$M
<b>Segment EBIT reported in the segment information</b>	<b>213.9</b>
Interest income	10.9
Interest costs	(49.9)
Fair value change on financial instruments	4.4
Share of net profit/(loss) in joint venture	(10.8)
<b>Profit before tax from continuing operations</b>	<b>168.5</b>

## Notes to the Interim Financial Statements

### 4. Segment information (continued)

31 DEC 2023 (RESTATED) 6 MONTHS (UNAUDITED)	ELECTRICITY DISTRIBUTION \$M	GAS DISTRIBUTION \$M	OTHER \$M	INTER- SEGMENT ELIMINATIONS \$M	TOTAL \$M
External revenue:					
Sales	343.1	33.2	33.6	–	409.9
Customer contributions	86.1	6.4	0.3	–	92.8
Inter-segment revenue	0.9	–	9.5	(10.4)	–
<b>Segment revenue</b>	<b>430.1</b>	<b>39.6</b>	<b>43.4</b>	<b>(10.4)</b>	<b>502.7</b>
External expenses:					
Electricity transmission expenses	(93.9)	–	–	–	(93.9)
Network and asset maintenance	(37.5)	(4.1)	(1.7)	–	(43.3)
Employee benefit expenses	(23.1)	(2.4)	(16.2)	–	(41.7)
Other expenses	(35.7)	(3.3)	(18.4)	–	(57.4)
Inter-segment expenses	(6.6)	(0.2)	(3.6)	10.4	–
<b>Segment operating expenses</b>	<b>(196.8)</b>	<b>(10.0)</b>	<b>(39.9)</b>	<b>10.4</b>	<b>(236.3)</b>
<b>Segment EBITDA</b>	<b>233.3</b>	<b>29.6</b>	<b>3.5</b>	<b>–</b>	<b>266.4</b>
Depreciation and amortisation	(85.6)	(12.6)	(11.3)	–	(109.5)
Impairment	–	(60.0)	–	–	(60.0)
<b>Segment EBIT</b>	<b>147.7</b>	<b>(43.0)</b>	<b>(7.8)</b>	<b>–</b>	<b>96.9</b>
<b>Segment capital expenditure</b>	<b>217.5</b>	<b>10.4</b>	<b>6.5</b>	<b>–</b>	<b>234.4</b>

Reconciliation of segment reporting to profit or loss:

	31 DEC 2023 6 MONTHS (UNAUDITED) \$M
<b>Segment EBIT reported in the segment information</b>	<b>96.9</b>
Interest income	27.6
Interest costs	(52.1)
Fair value change on financial instruments	(6.1)
Share of net profit/(loss) in joint venture	(9.0)
<b>Profit before tax from continuing operations</b>	<b>57.3</b>

## Notes to the Interim Financial Statements

### 4. Segment information (continued)

30 JUN 2024 (RESTATED) 12 MONTHS (AUDITED)	ELECTRICITY DISTRIBUTION \$M	GAS DISTRIBUTION \$M	OTHER \$M	INTER- SEGMENT ELIMINATIONS \$M	TOTAL \$M
External revenue:					
Sales	687.4	65.1	65.2	–	817.7
Customer contributions	183.2	10.7	1.4	–	195.3
Inter-segment revenue	2.0	–	15.6	(17.6)	–
<b>Segment revenue</b>	<b>872.6</b>	<b>75.8</b>	<b>82.2</b>	<b>(17.6)</b>	<b>1,013.0</b>
External expenses:					
Electricity transmission expenses	(188.9)	–	–	–	(188.9)
Network and asset maintenance	(74.5)	(8.2)	(3.2)	–	(85.9)
Employee benefit expenses	(45.4)	(4.7)	(31.3)	–	(81.4)
Other expenses	(72.6)	(7.1)	(36.5)	–	(116.2)
Inter-segment expenses	(12.9)	(0.3)	(4.4)	17.6	–
<b>Segment operating expenses</b>	<b>(394.3)</b>	<b>(20.3)</b>	<b>(75.4)</b>	<b>17.6</b>	<b>(472.4)</b>
<b>Segment EBITDA</b>	<b>478.3</b>	<b>55.5</b>	<b>6.8</b>	<b>–</b>	<b>540.6</b>
Depreciation and amortisation	(171.3)	(25.1)	(21.9)	–	(218.3)
Impairment	–	(60.0)	–	–	(60.0)
<b>Segment EBIT</b>	<b>307.0</b>	<b>(29.6)</b>	<b>(15.1)</b>	<b>–</b>	<b>262.3</b>
<b>Segment capital expenditure</b>	<b>457.0</b>	<b>22.2</b>	<b>20.0</b>	<b>–</b>	<b>499.2</b>

Reconciliation of segment reporting to profit or loss:	30 JUNE 2024 12 MONTHS (UNAUDITED) \$M
<b>Segment EBIT reported in the segment information</b>	<b>262.3</b>
Interest income	51.7
Interest costs	(103.8)
Fair value change on financial instruments	(12.0)
Share of net profit/(loss) in joint venture	(24.9)
<b>Profit before tax from continuing operations</b>	<b>173.3</b>



## Notes to the Interim Financial Statements

### 5. Discontinued operations - natural gas

On 1 July 2024, Vector completed the sale of remaining contracts in the natural gas business to Nova Energy Limited for consideration of \$9.7 million, which was equal to the carrying amount of the business. No gain or loss on disposal was recognised. At 31 December 2024, Vector has received \$4.7 million of the consideration, with the remaining consideration due in three further instalments on a quarterly basis between 31 January 2025 and 31 July 2025.

The disposal group was presented as discontinued operations in the interim financial statements for the six months ended 31 December 2023 as well as in the 2024 Annual Report. Comparatives show the discontinued operations separately from the continuing operations.

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### 6. Discontinued operations held for sale – gas trading

On 25 July 2024, Vector signed a conditional agreement for the sale of the Ogas LPG business, and shares in Liquigas Limited ("the gas trading business"). The sale was completed on 31 January 2025.

Vector has determined that the gas trading business meets the criteria to be classified as non-current assets held for sale, and this classification has been made from 31 July 2024. The assets and liabilities of the gas trading business are presented in the balance sheet of the interim financial statements as a disposal group held for sale.

The gas trading business was previously included in the group's gas trading segment. The result of the disposal group for the six months to 31 December 2024 is presented in the profit or loss of the interim financial statements as discontinued operations. Depreciation and amortisation of assets of the gas trading business ceased from 31 July due to the held for sale classification. Comparatives have been restated to show the discontinued operations separately from continuing operations.

## Notes to the Interim Financial Statements

### 6. Discontinued operations held for sale – gas trading (continued)

	31 DEC 2024 6 MONTHS (UNAUDITED) \$M	31 DEC 2023 6 MONTHS (UNAUDITED) \$M	30 JUN 2024 12 MONTHS (AUDITED) \$M
<b>Profit and loss of discontinued operations – gas trading</b>			
Revenue	69.3	68.3	128.3
Operating expenses	(57.3)	(56.9)	(108.4)
Depreciation and amortisation	(1.5)	(6.2)	(12.5)
Interest income	0.1	0.2	0.3
Interest cost	(0.6)	(0.2)	(0.9)
<b>Profit/(loss) before income tax</b>	<b>10.0</b>	<b>5.2</b>	<b>6.8</b>
Income tax benefit/(expense)	(2.7)	(2.5)	(2.5)
<b>Net profit/(loss) for the period- discontinued operations – gas trading</b>	<b>7.3</b>	<b>2.7</b>	<b>4.3</b>
<b>Capital expenditure of discontinued operations – gas trading</b>	<b>3.0</b>	<b>3.7</b>	<b>10.9</b>
<b>Cash flows from discontinued operations – gas trading</b>			
Net cash flows from/(used in) operating activities	12.3	12.5	25.7
Net cash flows from/(used in) investing activities	(3.0)	(3.8)	(8.4)
Net cash flows from/(used in) financing activities	(3.6)	(3.0)	(7.1)
<b>Net cash inflow/(outflow)</b>	<b>5.7</b>	<b>5.7</b>	<b>10.2</b>

	31 DEC 2024 (UNAUDITED) \$M
<b>Disposal group held for sale</b>	
<b>Assets</b>	
Cash and cash equivalents	4.5
Trade and other receivables	18.7
Inventories	7.7
Intangible assets (including goodwill)	40.6
Property, plant and equipment	106.2
Right of use assets (ROU assets)	10.4
Deferred tax	0.5
<b>Total disposal group assets held for sale</b>	<b>188.6</b>
<b>Liabilities</b>	
Trade and other payables	8.4
Provisions	7.8
Lease liabilities	11.6
Income tax	0.4
<b>Total disposal group liabilities held for sale</b>	<b>28.2</b>
<b>Non-controlling interest in subsidiaries held for sale</b>	<b>15.0</b>

## Notes to the Interim Financial Statements

### 6. Discontinued operations held for sale – gas trading (continued)

#### Policies

Vector classifies a disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The disposal group is measured at the lower of carrying amount and fair value less costs to sell.

The two criteria that must be met to classify a disposal group as held for sale are:

- The disposal group is available for immediate sale in its present condition; and
- The sale transaction is highly probable.

A disposal group held for sale is also reported as discontinued operations if it meets the below criteria:

- It is a component of the groups' business, the operations and cash flows of which can be clearly distinguished from the rest of the group.
- It represents a separate major line of business or geographical area of operations.

### 7. Investment in joint venture

INVESTEES	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	EQUITY INTEREST HELD		
			31 DEC 2024	31 DEC 2023	30 JUN 2024
<b>Bluecurrent</b>					
Bluecurrent Holdings NZ Limited	Metering services	New Zealand	50%	50%	50%
Bluecurrent Holdings (Australia) Pty Ltd	Metering services	Australia	50%	50%	50%

Movement in the carrying amount of joint venture	31 DEC 2024 (UNAUDITED) \$M	31 DEC 2023 (UNAUDITED) \$M	30 JUN 2024 (AUDITED) \$M
Opening carrying value	684.2	727.4	727.4
Shareholder loans	(11.2)	5.4	(20.2)
Share of net profit/(loss)	(10.8)	(9.0)	(24.9)
Share of other comprehensive income	(15.0)	(7.9)	1.9
<b>Closing carrying value</b>	<b>647.2</b>	<b>715.9</b>	<b>684.2</b>

## Notes to the Interim Financial Statements

### 8. Intangible assets

#### Goodwill impairment assessments

Goodwill is tested at least annually for impairment against the recoverable amount of the cash generating units ("CGU") to which it has been allocated.

As at 31 December 2024, CGUs within the group are: electricity, gas distribution, LPG, Liquigas, Fibre, Vector Technology Solutions (VTS) and E-Co Products. Management performed impairment assessments on electricity and gas distribution CGUs at 31 December 2024. The Fibre, VTS and E-Co Products CGUs do not contain goodwill and are to be assessed at 30 June 2025. The LPG and Liquigas CGUs were not assessed as they are recognised as held for sale as at 31 December 2024.

No impairment was found for the electricity and gas distribution CGUs at 31 December 2024. The group had recognised an impairment of \$60.0 million of goodwill allocated to the gas distribution CGU at 31 December 2023.

The recoverable amounts attributed to the electricity and gas distribution CGUs are calculated on the basis of value-in-use using discounted cash flow models. Post-tax discount rates of between 6.0% and 6.3% for the electricity CGU and between 6.4% and 6.7% for the gas distribution CGU (31 December 2023: 6.1% and 6.4% electricity, 6.6 and 6.9% gas distribution) have been applied in determining the recoverable amount.

We have previously disclosed the risks and uncertainty associated with future gas supply, customer attitudes towards gas, and policy direction to adequately manage this transition. This has possible implications for the gas industry and therefore the risk that Vector's gas assets may need to be impaired in the future. Vector has \$109.2 million of goodwill allocated to its gas distribution business at 31 December 2024.

### 9. Borrowings and derivatives

	NET DERIVATIVES \$M	BORROWINGS \$M
Balance at 30 June 2024 (audited)	(79.8)	(2,038.5)
Fair value movements:		
Foreign exchange rates	115.6	(115.6)
Interest rates and other fair value changes	(44.4)	5.1
Drawdowns	-	(20.0)
<b>Balance at 31 December 2024 (unaudited)</b>	<b>(8.6)</b>	<b>(2,169.0)</b>
<b>Fair value at 31 December 2024 (unaudited)</b>	<b>(8.6)</b>	<b>(2,254.9)</b>

## Notes to the Interim Financial Statements

### 10. Financial ratios

	31 DEC 2024 6 MONTHS (UNAUDITED) \$M	31 DEC 2023 6 MONTHS (UNAUDITED) \$M	30 JUN 2024 12 MONTHS (AUDITED) \$M
<b>Basic and diluted earnings per share</b>			
Net profit from continuing operations attributable to owners of the parent	118.1	18.9	75.6
Net profit from discontinued operations attributable to owners of the parent	6.3	5.7	13.0
<b>Net profit attributable to owners of the parent</b>	<b>124.4</b>	<b>24.6</b>	<b>88.6</b>
Weighted average ordinary shares outstanding during the period (no. of shares)	999,973,657	999,973,657	999,973,657
Earnings per share from continuing operations	11.8 cents	1.8 cents	7.6 cents
Earnings per share from discontinued operations	0.6 cents	0.6 cents	1.3 cents
<b>Total earnings per share</b>	<b>12.4 cents</b>	<b>2.4 cents</b>	<b>8.9 cents</b>

	31 DEC 2024 (UNAUDITED) \$M	31 DEC 2023 (UNAUDITED) \$M	30 JUN 2024 (AUDITED) \$M
<b>Net tangible assets per share</b>			
Net assets attributable to owners of the parent	3,698.3	3,778.1	3,761.5
Less total intangible assets	(1,096.9)	(1,135.6)	(1,139.7)
<b>Total net tangible assets</b>	<b>2,601.4</b>	<b>2,642.5</b>	<b>2,621.8</b>
Ordinary shares outstanding (number of shares)	999,973,657	999,973,657	999,973,657
<b>Net tangible assets per share</b>	<b>260.1 cents</b>	<b>264.3 cents</b>	<b>262.2 cents</b>

	31 DEC 2024 (UNAUDITED) \$M	31 DEC 2023 (UNAUDITED) \$M	30 JUN 2024 (AUDITED) \$M
<b>Economic net debt to economic net debt plus adjusted equity ratio ("gearing ratio")</b>			
Face value of borrowings	2,185.1	2,405.1	2,165.1
Lease liabilities	53.6	62.6	68.1
Less cash and cash equivalents	(8.7)	(328.2)	(104.6)
<b>Economic net debt</b>	<b>2,230.0</b>	<b>2,139.5</b>	<b>2,128.6</b>
Total equity	3,713.3	3,793.7	3,776.7
Adjusted for hedge reserves	0.8	(25.3)	(26.2)
<b>Adjusted equity</b>	<b>3,714.1</b>	<b>3,768.4</b>	<b>3,750.5</b>
<b>Economic net debt plus adjusted equity</b>	<b>5,944.1</b>	<b>5,907.9</b>	<b>5,879.1</b>
<b>Gearing ratio</b>	<b>37.5%</b>	<b>36.2%</b>	<b>36.2%</b>

## Notes to the Interim Financial Statements

### 11. Cash flows

Reconciliation of net profit/(loss) to net cash flows from/(used in) operating activities including discontinued operations	31 DEC 2024 6 MONTHS (UNAUDITED) \$M	31 DEC 2023 6 MONTHS (UNAUDITED) \$M	30 JUN 2024 12 MONTHS (AUDITED) \$M
Net profit/(loss) for the period:	125.4	26.0	91.0
<b>Items not associated with operating activities:</b>			
Contingent consideration associated with investing activities	(4.6)	(4.6)	(11.4)
PPE items associated with investing activities	1.0	8.0	(4.7)
Movements in emission units associated with investing activities	(2.3)	1.6	0.8
Lease liabilities items associated with financing activities	0.2	–	(0.3)
	(5.7)	5.0	(15.6)
<b>Non-cash items</b>			
Depreciation and amortisation	112.2	115.7	230.8
Non-cash portion of interest costs (net)	(0.5)	(8.2)	(17.0)
Fair value change on financial instruments	(4.3)	6.1	12.0
Share of net (profit)/loss in joint ventures	10.8	9.0	24.9
Impairment of goodwill	–	60.6	60.6
Increase/(decrease) in deferred tax	45.0	35.3	82.4
Non-cash movement in provisions	(0.3)	0.6	0.3
Other non-cash items	–	3.4	(1.0)
	162.9	222.5	393.0
<b>Changes in assets and liabilities</b>			
Trade and other payables	(26.5)	(69.5)	(46.2)
Provisions	(0.3)	(19.7)	(17.1)
Contract liabilities	(12.0)	(14.3)	(3.0)
Contract assets	29.7	1.4	(12.4)
Inventories	1.1	(1.1)	(5.3)
Trade and other receivables	(3.5)	31.4	42.7
Income tax	5.8	6.3	18.0
	(5.7)	(65.5)	(23.3)
<b>Net cash flows from/(used in) operating activities including discontinued operations</b>	<b>276.9</b>	<b>188.0</b>	<b>445.1</b>

## Notes to the Interim Financial Statements

### 12. Capital commitments

	31 DEC 2024 (UNAUDITED) \$M	31 DEC 2023 (UNAUDITED) \$M	30 JUN 2024 (AUDITED) \$M
Capital commitments at end of period - continuing operations	114.6	166.2	137.2
Capital commitments at end of period - discontinued operations	2.2	4.2	0.9
<b>Total capital commitments</b>	<b>116.8</b>	<b>170.4</b>	<b>138.1</b>

**Capital commitments** Capital commitments includes capital expenditure which has been committed to, but not provided for at balance date.

### 13. Related party transactions

**Majority shareholder transactions** Vector Limited has paid its majority shareholder, Entrust, dividends of \$110.8 million during the period (six months ended December 2023: \$105.1 million, 12 months ended 30 June 2024: \$174.6 million).

**Bluecurrent transactions** The group has \$197.7 million of shareholder loans to Bluecurrent as at 31 December 2024 (31 December 2023: \$234.4 million, 30 June 2024: \$208.9 million). Interest income on the loans for the six months to 31 December 2024 was \$6.8 million (six months ended 31 December 2023: \$8.0 million, 12 months ended 30 June 2024: \$15.4 million).

**Outstanding balances** At 31 December 2024, the group has no other material outstanding balances due to or from related parties of the group (31 December 2023 and 30 June 2024: not material).

### 14. Contingent liabilities

**Disclosures** The directors are aware of claims that have been made against entities of the group and, where appropriate, have recognised provisions for these within the financial statements.

No material contingent liabilities have been identified.

## Notes to the Interim Financial Statements

### 15. Events after the end of the period

**Sale of discontinued operations**

On 31 January 2025, the sale of the group's LPG business Vector OnGas, and the group's 60.25% shareholding in Liquigas Limited completed. No adjustment is required to these financial statements in respect of this event. The indicative gain on disposal relating to this transaction is estimated to be \$4 million, and this will be finalised and disclosed in the financial statements for the year ended 30 June 2025.

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**Interim dividend**

On 25 February 2025, the board declared an unimputed interim dividend for the year ended 30 June 2025 of 12.00 cents per share.

No adjustment is required to these interim financial statements in respect of this event.

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**Financial statements approval**

The interim financial statements were approved by the board of directors on 25 February 2025.

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Vector's standard profit measure prepared under New Zealand Generally Accepted Accounting Practice (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 ([www.vector.co.nz](http://www.vector.co.nz)).

Non-GAAP profit measures are not prepared in accordance with New Zealand International Financial Reporting Standards (NZ IFRS) 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 from 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 customer contributions, and significant one-off gains, losses, revenues and/or expenses.

## GAAP TO NON-GAAP RECONCILIATION

	31 DEC 2024 6 MONTHS \$M	31 DEC 2023 6 MONTHS \$M
Group EBITDA and adjusted EBITDA		
<b>Reported net profit for the period (GAAP)- continuing operations</b>	<b>118.1</b>	18.9
Add back: net interest costs	<b>39.0</b>	24.5
Add back: tax (benefit)/expense	<b>50.4</b>	38.4
Add back: depreciation and amortisation	<b>110.7</b>	109.5
Add back: impairment	-	60.0
Add back: associates (share of net (profit)/loss)	<b>10.8</b>	9.0
Add back: fair value changes on financial instruments	<b>(4.4)</b>	6.1
<b>EBITDA – continuing operations</b>	<b>324.6</b>	266.4
<i>Adjusted for:</i>		
Capital contributions	<b>(123.0)</b>	(92.8)
<b>Adjusted EBITDA- continuing operations</b>	<b>201.6</b>	173.6
<b>Adjusted EBITDA- discontinued operations</b>	<b>12.0</b>	18.4
<b>Total group adjusted EBITDA</b>	<b>213.6</b>	192.0

Segment adjusted EBITDA	31 DEC 2024 6 MONTHS \$M			31 DEC 2023 6 MONTHS \$M		
	SEGMENT EBITDA	LESS CAPITAL CONTRIBUTIONS AND OTHER MOVEMENTS	SEGMENT ADJUSTED EBITDA	SEGMENT EBITDA	LESS CAPITAL CONTRIBUTIONS AND OTHER MOVEMENTS	SEGMENT ADJUSTED EBITDA
Electricity distribution	288.9	(116.8)	172.1	233.3	(86.1)	147.2
Gas distribution	29.6	(5.7)	23.9	29.6	(6.4)	23.2
<b>Total reported segments</b>	<b>318.5</b>	<b>(122.5)</b>	<b>196.0</b>	262.9	(92.5)	170.4
Other	6.1	(0.5)	5.6	3.5	(0.3)	3.2
<b>Total – continuing operations</b>	<b>324.6</b>	<b>(123.0)</b>	<b>201.6</b>	266.4	(92.8)	173.6
Discontinued operations – gas trading	12.0	–	12.0	11.4	–	11.4
Discontinued operations – natural gas	–	–	–	7.0	–	7.0
<b>Total discontinued operations</b>	<b>12.0</b>	<b>–</b>	<b>12.0</b>	18.4	–	18.4
<b>Total group</b>	<b>336.6</b>	<b>(123.0)</b>	<b>213.6</b>	284.8	(92.8)	192.0

# Calendar and Directory

## FINANCIAL CALENDAR

### 2025

Record date for interim dividend	21 March
Interim dividend paid	31 March
Third quarter operating statistics	April
Fourth quarter operating statistics	July
Full year result and annual report	August
Final dividend*	September
Annual meeting	September

\* Dividends are subject to Board determination.

## INVESTOR INFORMATION

Ordinary shares in Vector Limited are listed and quoted on the New Zealand Stock Market (NZSX) under the company code VCT. Vector also has capital bonds and unsubordinated fixed rate bonds listed and quoted on the New Zealand Debt Market (NZDX). Current information about Vector's trading performance for its shares and bonds can be obtained on the NZX website at [www.nzx.com](http://www.nzx.com). Further information about Vector is available on our website [www.vector.co.nz](http://www.vector.co.nz).

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