Results Announcement

For the 6 months ended 30 September 2019

Infratil

13 November 2019

Disclaimer

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Significant capital invested in high performing renewable energy, data and connectivity platforms

- Divestments and tightening of the portfolio substantially complete
- Acquisition of 49.9% of Vodafone New Zealand completed on 31 July 2019 for $1.03 billion
- Capex of $326 million invested during the period, including $123 million in renewables and $127 million at CDC Data Centres
- Partially imputed interim dividend of 6.25 cents per share (cps)
- Total shareholder return of 25.4% for the 6 months to 30 September 2019

Financial Highlights

Major cash generating businesses supporting capital requirements of growth platforms

6 months to 30 September ($Millions)	2019	2018	Variance	% Change
Net Parent Surplus (continuing activities)	56.4	58.5	(2.1)	(3.6%)
Underlying EBITDAF[1] (continuing activities)	289.4	284.6	4.8	1.7%
Net Operating Cash Flow	68.0	142.7	(74.7)	(52.3%)
Capital Expenditure & Investment	1,362.2	301.6	1,060.6	351.7%
Earnings per share (cps) (continuing activities)	9.5	10.5	(1.0)	(9.5%)

Notes:

1. Underlying EBITDAF is an unaudited non-GAAP measure. Underlying EBITDAF does not have a standardised meaning and should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS, as it may not be comparable to similar financial information presented by other entities. A reconciliation of Underlying EBITDAF to Net profit after tax is provided in Appendix I

Results Summary

Steady operating result as capital is deployed and strategic disposals are completed

30 September ($Millions)	2019	2018
Operating revenue	802.4	736.2
Operating expenses	(485.7)	(425.0)
Operating earnings	316.7	311.2
International incentive fee	(12.8)	(29.4)
Depreciation & amortisation	(75.2)	(83.7)
Net interest	(85.6)	(72.1)
Tax expense	(46.1)	(46.2)
Revaluations	(17.2)	12.6
Discontinued operations[1]	8.3	13.7
Net profit after tax	88.1	106.1
Minority earnings	(31.7)	(47.6)
Net parent surplus	56.4	58.5

- Operating revenue includes a full period production contribution from Tilt's Salt Creek and the impact of higher average spot prices in New Zealand for Trustpower
- Incentive fee accrual driven by Infratil's investments in CDC Data Centres, Tilt Renewables and Longroad Energy
- Net interest has increased as capital is deployed to new investments and capex developments are completed
- Reduction in depreciation and amortisation reflects the revaluations of Generation Assets as at 31 March 2019
- Discontinued operations include ANU PBSA, NZ Bus, Perth Energy and Snapper

Notes:

1. Discontinued operations represent businesses that have been divested, or businesses which will be recovered principally through a sale transaction rather than through continuing use

Underlying EBITDAF[1]

Capital investment drives EBITDAF growth

30 September ($Millions)	2019	2018
Trustpower	107.1	129.6
Tilt Renewables	75.4	72.5
Wellington Airport	50.4	49.6
CDC Data Centres	26.3	17.7
RetireAustralia	2.9	5.0
Longroad Energy	17.8	51.1
Vodafone NZ	39.1	-
Corporate and Other	(29.6)	(40.9)
Underlying EBITDAF[1] (continuing)	289.4	284.6
NZ Bus	5.9	13.2
Perth Energy	12.1	25.3
ANU PBSA	0.5	5.5
Snapper	(1.5)	(2.3)
Total Underlying EBITDAF[1]	306.4	326.3

- Lower contribution from **Trustpower**, with higher average spot prices and lower generation volumes
- **Tilt Renewables** includes a full contribution from Salt Creek and overall portfolio wind conditions in line with long-term expectations
- **CDC Data Centres** year-on-year earnings growth as new facilities come online
- **Longroad Energy** includes the gain on the sale of Project Rio Bravo, a wind development in Texas, USA
- Current period includes an initial 2-month contribution from **Vodafone NZ** following completion of the acquisition on 31 July 2019
- **Corporate and Other** includes an incentive fee accrual of $12.8 million ($29.4 million in the comparative period)
- Contributions from ANU PBSA, NZ Bus, Perth Energy and Snapper reflect their respective ownership periods before disposal

Notes:

1. Underlying EBITDAF is an unaudited non-GAAP measure. Underlying EBITDAF does not have a standardised meaning and should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS, as it may not be comparable to similar financial information presented by other entities. A reconciliation of Underlying EBITDAF to Net profit after tax is provided in Appendix I

Capital Expenditure & Investment

Building a balanced portfolio capable of delivering long-term capital growth

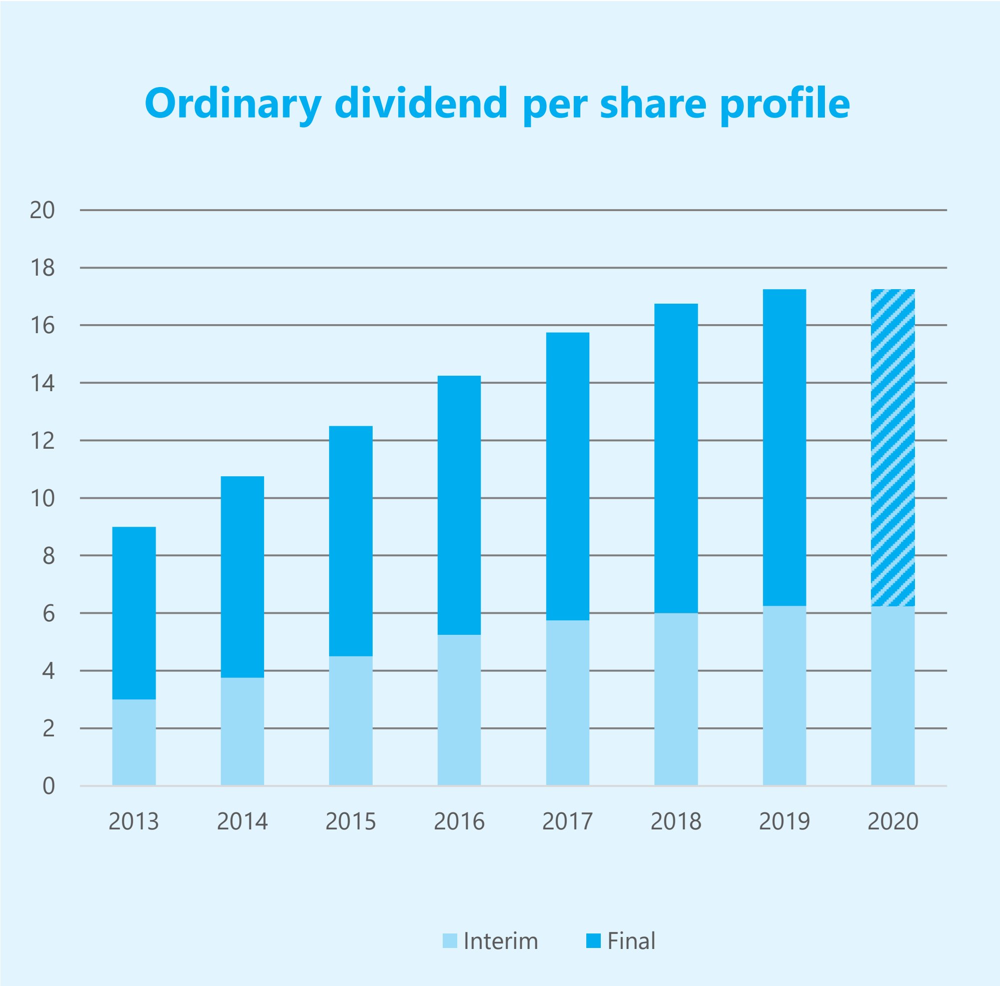
30 September ($Millions)	2019	2018
Trustpower	16.4	11.4
Tilt Renewables	117.3	50.6
Wellington Airport	32.0	44.8
CDC Data Centres[1]	126.5	20.7
RetireAustralia[1]	13.5	15.9
NZ Bus	2.7	12.7
Other	18.1	10.3
Capital Expenditure	326.5	166.4
Vodafone NZ	1,029.6	-
Longroad Energy	5.9	71.1
Tilt Renewables[2]	-	55.0
ANU PBSA	-	9.1
Investment	1,035.5	135.2
Total Capex & Investment	1,362.2	301.6

Notes:
1. The amounts depicted are Infratil's proportionate share of the investee company's capital expenditure
2. Shares acquired under Infratil and Mercury Energy's full cash takeover offer for Tilt Renewables Limited

- **Tilt Renewables'** ongoing construction of the Dundonnell Wind Farm (336MW) and commencement of construction of the Waipipi Wind Farm (133MW)
- **Wellington Airport** completed its main terminal upgrade
- **CDC**'s ongoing development including:
  - Eastern Creek 2, Sydney (10MW) – final handover forecast for December 2019;
  - Hume 4, Canberra (25MW) – final handover forecast for FY20; and,
  - Commencement of construction of Eastern Creek 3, Sydney (25MW)
- **RetireAustralia** includes completion of construction of the Glengara Care Apartments which are expected to welcome their first residents in November 2019
- Other includes the construction of the **Infratil Infrastructure Property**'s 154 room Travelodge hotel and carpark in the Wynyard Quarter – forecast completion June 2020

Distributions

FY2020 interim dividend maintained at FY2019 interim level on a cents per share basis



Interim Ordinary Dividend

- An interim ordinary dividend of 6.25 cps payable on 13 December 2019, partially imputed with 1.5 cps of imputation credits attached
- On par with the 2019 interim dividend, but an increase in absolute dollar terms given the additional shares on issue
- The record date will be 29 November 2019
- The dividend reinvestment plan will be reactivated for this dividend, however, shareholders will need to re-elect into the plan

Dividend Outlook

- Infratil expects its FY2020 final dividend to be maintained at the same level as the FY2019 final dividend on a cents per share basis

Debt Capacity & Facilities

Duration extended through new retail bond issues and bank facilities capacity preserved

Maturities to 31 March ($Millions) Infratil and wholly-owned subsidiaries[1]	Total	FY20	FY21	FY22	FY23	FY24-FY30	>FY30
Bonds	1,404.7	149.0	-	93.9	193.7	736.2	231.9
Wholly-owned drawn bank debt	337.0						
Wholly-owned drawn bank faciliities	873.0	33.0	410.0	115.0	200.0	115.0	-

- Infratil and wholly-owned subsidiaries' Net bank debt of $306.4 million and drawn bank facilities of $337.0 million as at 30 September 2019 (undrawn facilities of $536.0 million)
- The acquisition of Vodafone NZ was part-funded by $400.0 million of new debt facilities
- Bond maturities of $68.5 million and $80.5 million in November 2019 and February 2020 respectively
- On 22 October Infratil opened a new bond issue (IFT300) maturing in March 2026, offering up to $50 million of bonds (with the option to accept up to $75 million in oversubscriptions)

Notes:
1. Infratil and wholly-owned subsidiaries excludes Trustpower, Tilt, Wellington Airport, CDC Data Centres, RetireAustralia, Longroad Energy and Vodafone NZ

Debt Capacity & Facilities

Moderate Gearing and Funds Available for Investment remain

30 September ($Millions)	2019	2018
Net bank debt (cash on hand)	306.4	(85.2)
Infratil Infrastructure bonds	1,172.8	769.6
Infratil Perpetual bonds	231.9	231.9
Market value of equity	3,244.9	1,996.6
Total capital	4,956.0	2,913.0
Gearing (net debt/total capital)	34.5%	31.5%
Infratil undrawn bank facilities	536.0	319.0
100% subsidiaries cash	30.6	121.0
Unpaid Tilt acceptances	-	(42.0)
Funds available	566.6	398.0

- The market value of equity has increased by $1,248.3 million since 30 September 2019. This included:
  - the increase in the IFT share price from $3.57 (September 2018) to $4.92; and,
  - The $400 million placement and rights issue.
- In the 6 months to 30 September 2019, Infratil issued $156.3 million of the IFT280 bond series (maturing December 2026) and $112.1 million of the IFTHC series (annual rate re-set, maturing December 2029)
- Investment and re-investment opportunities across the portfolio continue to exceed current available capital

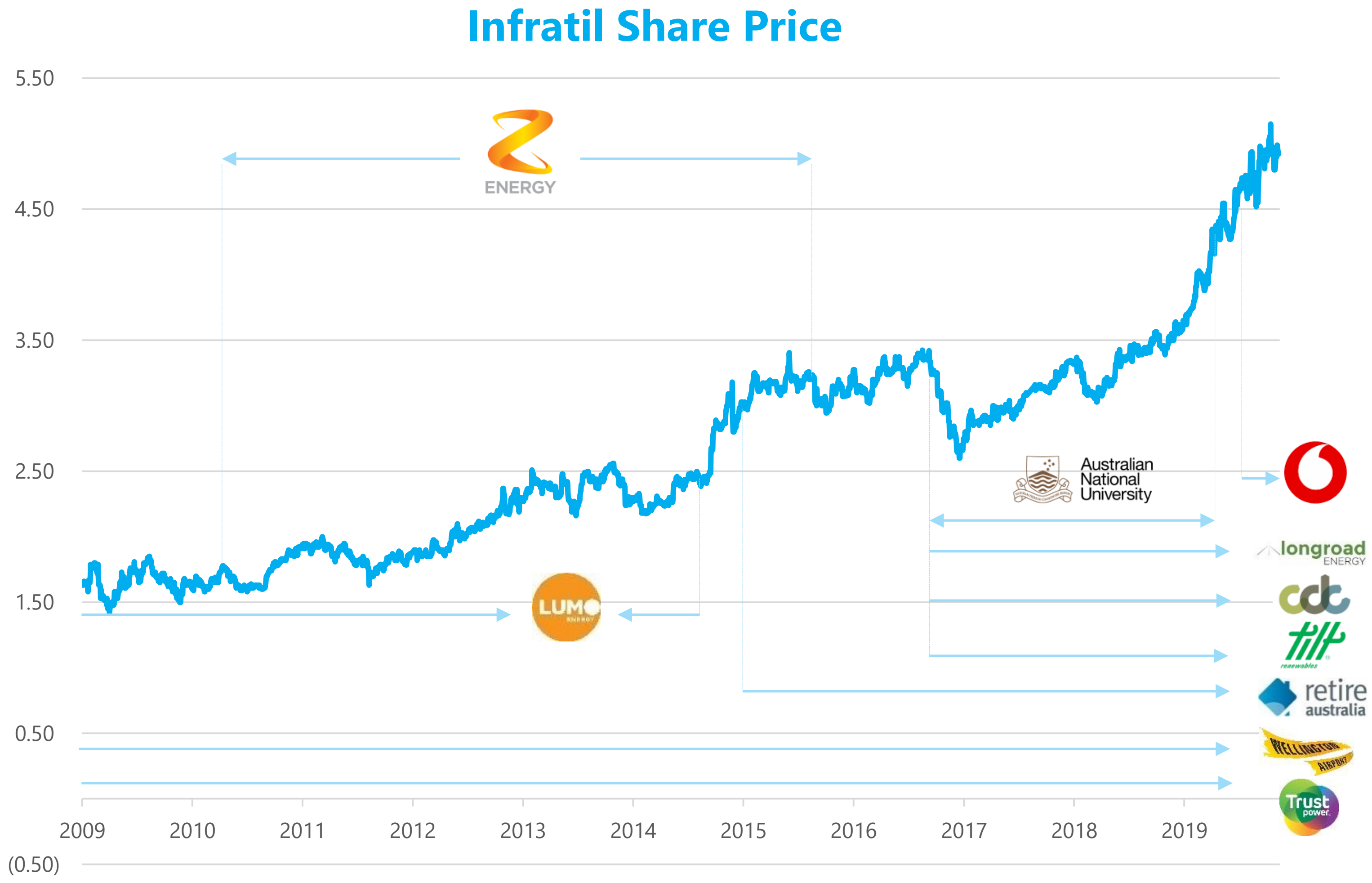
Notes:
1. Infratil and wholly-owned subsidiaries excludes Trustpower, Tilt, Wellington Airport, CDC Data Centres, RetireAustralia, Longroad Energy and Vodafone NZ

Share Price Performance

Outstanding returns delivered over the short, medium and long-term

Total Shareholder Return [1]

Period	TSR
YTD	25.4%
1 Year	50.8%
5 Year	20.7%
10 Year	19.6%
Inception – 25 years	18.0%

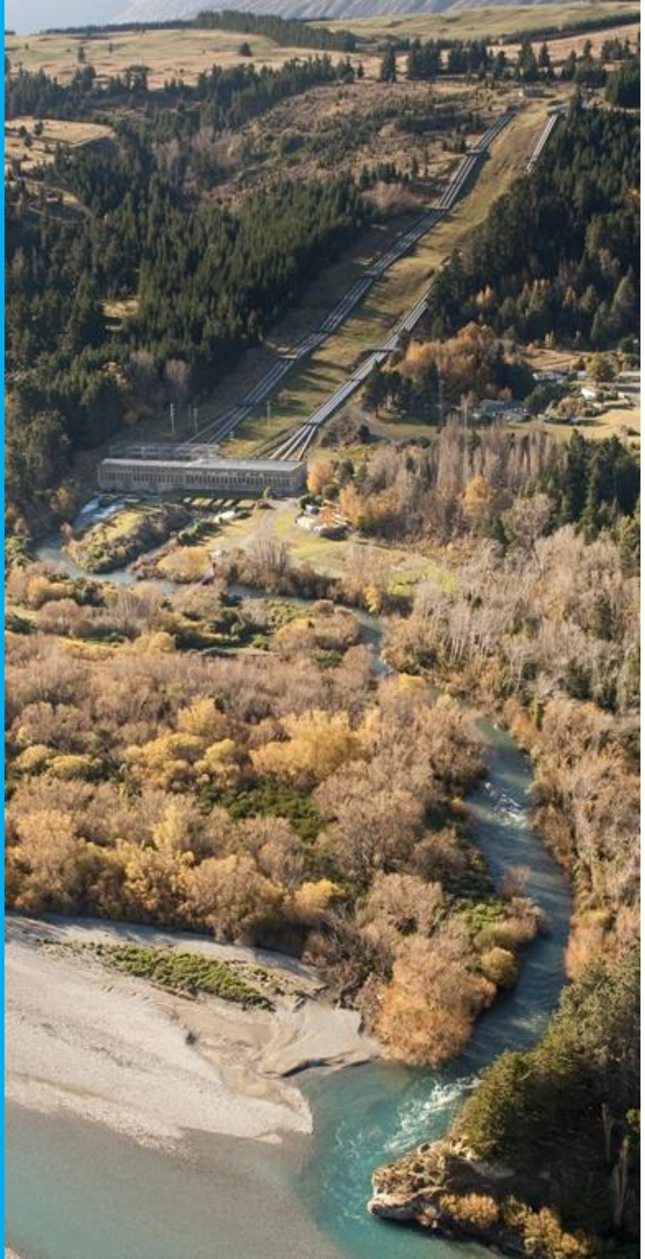


[1]Total shareholder returns are to 30 September 2019 based on a closing share price of $4.92

Operating Businesses

Infratil

Trustpower
Diverse generation portfolio highlights resiliency during unplanned outage



Financial

- EBITDAF[1] of $107.1 million was $22.5 million (17.3%) below the comparative period of $129.6 million
- Current period impacted by lower generation volumes resulting from plant outages and materially lower North Island inflows compared to the prior period

Customers

- Total retail utility accounts 406,000, up 7,000 on the comparative period, while customers with two or more products rose 8.8% to over 111,000
- Successful bundling strategy remains a key growth opportunity, as bundled customers demonstrate increased loyalty, and satisfaction, bringing higher long-term value
- Wireless Broadband offerings launched in August, with a Mobile offering coming soon

Generation

- Generation volumes significantly impacted by hydrology relative to the comparative period and the Highbank outage for three months (43GWh reduction)
- Trustpower storage has recovered well, creating a strong position to capitalise on above average wholesale prices
- Asset enhancements continue to be a key strategic priority

1. EBITDAF is an unaudited non-GAAP measure and is defined at Appendix I.

Tilt Renewables

Balanced focus on delivery of development and optimisation of the existing portfolio

Financial

- EBITDAF[1] of A$71.4 million was A$4.5 million (6.3%) above the comparative period of A$66.9 million
- Australian asset production up 22GWh (or 3%) on the comparative period largely as a result of less curtailment from Snowtown 1 and 2 assets
- Production from New Zealand assets 30GWh lower (or 8%) due to wind conditions reverting towards P50 (inline with expectation) and below target availabilities

Construction and development

- Construction has commenced on the 133MW Waipipi Wind Farm, with a forecast cost of NZ$277.0 million project, without the need for shareholder equity
- Combined with the Dundonnell Wind Farm, Tilt now has 469MW under construction for a total forecast investment of more than $900 million

Snowtown 2 Wind Farm Strategic Review

- Strategic review announced in June 2019, with a further update expected by the end of the calendar year
- Portfolio debt structure has been optimised to allow the divestment to proceed with minimal impact on the balance of Tilt's financing

1. EBITDAF is an unaudited non-GAAP measure and is defined at Appendix I.

Wellington Airport
Consistent earnings growth and completion of significant infrastructure projects

Financial

- EBITDAF[1] of $50.4 million was $0.8 million (1.6%) above the comparative period of $49.6 million
- Passenger growth was flat over the six months as airlines paired capacity and increased loadings
- Main terminal upgrade completed
- Arrival of Singapore Airlines' Airbus A350-900 on the Wellington-Singapore route via Melbourne, increasing from four to five times weekly from 1 January 2020
- Recently named Airport of the Year for 2019 at the NZ Airports Association Awards

Outlook

- 2040 master plan now published for public feedback, following extensive consultation with airlines and other stakeholders
- Master plan shows how the airport will cater for an increase in travellers to 12 million per year by 2040
- Consultation with the airport's airline customers over aeronautical charges for the five year period 2020 to 2024 has commenced

1. EBITDAF is an unaudited non-GAAP measure and is defined at Appendix I.

CDC Data Centres

Rapid growth continues with a range of ongoing, diversified growth options

Financial

- Current period reported EBITDAF[1] A$51.7 million (100%), up A$17.8 million (+52.5%) from the comparative period
- Strong performance comes from continued revenue growth from new data centres and additional utilisation of existing data centres
- FY2020 forecast reported EBITDAF[1] of A$110-A$120 million from a pipeline of opportunities with new and existing clients
- Current run rate EBITDAF[1] of A$120 million, with the 31 March 2020 run rate EBITDAF[1] forecast as $A135 million -A$145 million

Growth and development

- New Eastern Creek site in Western Sydney could be Australia's largest data centre campus (by capacity) if its full capacity of 120MW is built out
- Development accelerating with construction of the following data centres underway:
  - Eastern Creek 2 (13MW) – final handover forecast for December 2019;
  - Hume 4 (25MW) – final handover forecast for FY20;
  - Eastern Creek 3 (25MW)
- Whole of portfolio weighted average lease expiry (WALE) has extended to 9.0 years, and 16.7 years with options (HY2019: 4.6 years, and 13.1 years with options)

1. EBITDAF is an unaudited non-GAAP measure and is defined at Appendix I.

Vodafone NZ
Committed to transformation and market leadership

Financial

- The current period includes an initial 2-month EBITDAF[1] contribution from Vodafone NZ of $39.1 million
- FY2020 forecast EBITDAF[1] of $460-$490 million excluding transaction costs and non-cash IFRS 15/16 adjustments

Transformation programme

New operating model in place and detailed strategy development is underway for capability step-change

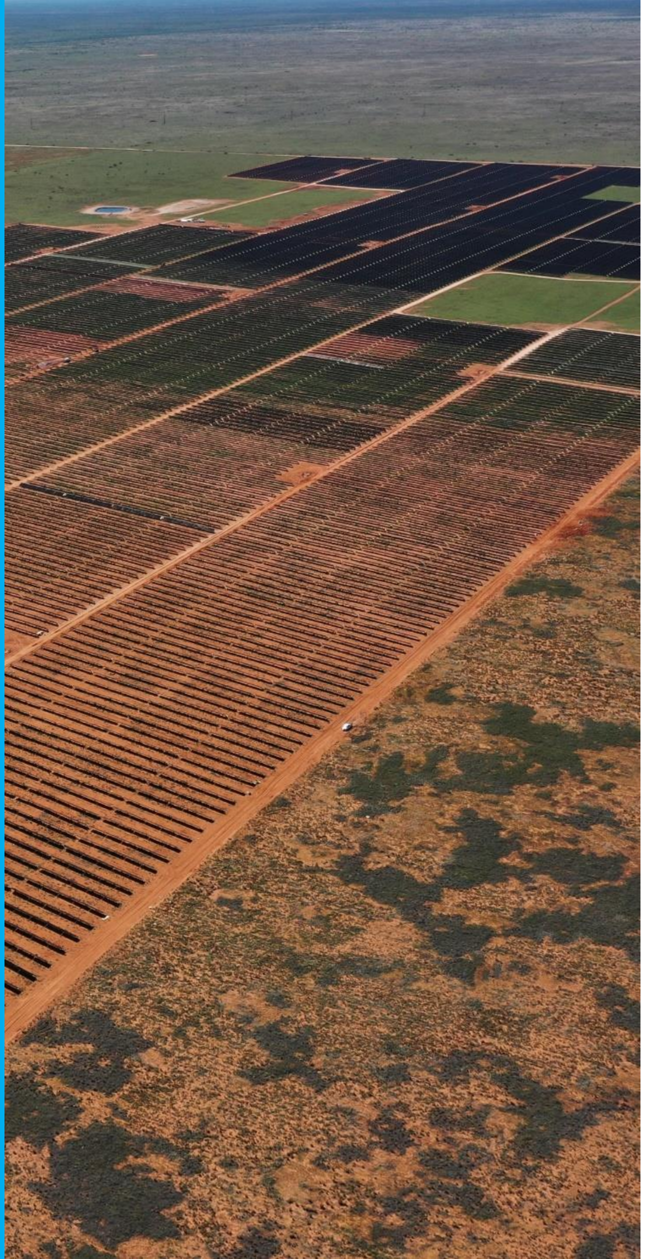
- New channel expansion with Noel Leeming to significantly improve mobile performance and in-home technology experience
- Fixed Wireless Access (FWA) being scaled
- Digitisation and simplification will enable a greater range of strategic choices

Extensive infrastructure network

- Long-term growth requires execution on business improvement programme and successful investments, e.g. in 5G and FWA
- 5G launching December 2019 in Auckland, Wellington, Christchurch and Queenstown
- Best-in-class partnerships in Cloud with AWS and Azure

1. EBITDAF is an unaudited non-GAAP measure and is defined at Appendix I.

Longroad Energy
Expanded development of renewables in the US



Financial

- HY2020 Associate earnings of NZ$17.8 million, compared to NZ$51.2 million in the comparative period
- To date Infratil has invested NZ$154.1 million, and received distributions and capital returns of NZ$161.6 million
- During the period Longroad announced that it had closed the financing of its 243MW El Campo wind project. Longroad sold a 50% equity interest in the project on financial close and while it retains the other 50% has not recorded any gain on the sale to date

Operations

- Total operating portfolio of 684MW and managing construction of a further 622MW
- Providing operating and maintenance services to 2,292MW including 985MW for third parties

Development

- As well as the 243MW El Campo wind project, during the period Longroad also closed financing and commenced construction of the 379MW Prospero Solar project

Pipeline

- Next wave of projects includes up to 700MW of near-term development projects

Longroad Energy
Construction on 622MW of generation against a full year goal of 800MW is underway

Project	Capacity	Status
Project Rio Bravo Texas Wind	238MW	• LEH developed and financed - US$300 million • 100% of the project sold in December 2018 • **Development gain recognised** on completion of construction in June 2019
El Campo Texas Wind	243MW	• LEH developed and financed - US$335 million • 50% of the equity has been sold to two Danish pension funds • Longroad will provide construction management, asset management, operations, and services to the project over a 20-year term • Remaining 50% consolidated by LEH, therefore **no development gain recognised**
Prospero I Texas Solar	379MW	• LEH developed and financed - US$416 million • When completed in 2020 will be one of the largest solar farms in the U.S. • 12-year Power Purchase Agreement for the project's power off-take in place • Marketing currently underway • Potential for the sale to be structurally similar to El Campo
Foxhound Virginia Solar	108MW	• Targeting financial close by March 2020 • 12 month construction period • Marketing currently underway

RetireAustralia

Patience remains to realise long-term market opportunity for high quality retirement living, with a built-in continuum of care

Financial

- Underlying Profit[1] of A$5.5 million, a decrease from A$9.1 million in HY2019
- 130 resale settlements vs 128 in HY2019. Total collect A$16.6 million vs A$17.1 million with the mix of units sold driving the lower average collect
- FY2020 performance weighted to second half of the year, with 174 settlements forecast vs 130 achieved in first half (76 units deposited at 30 September)
- Mandatory buyback legislation also being considered in NSW
  - A$7.3 million of buybacks funded in Queensland and South Australia during the period

Development

- 2 urban villages (The Verge, Burleigh Golf Club (Queensland) and The Rise, Wood Glen (NSW)) currently under construction
- Pre-construction work completed at The Verge. Stage 1 is set to deliver 40 Independent Living Apartments in FY2021
- 70 purpose-built care apartments completed at Glengara (NSW) with first residents expected in November 2019
- Total development pipeline of 833 units

1. Underlying Profit is an unaudited non-GAAP measure and is defined at Appendix I.

Strategic Review Update

Portfolio divestments and tightening substantially complete

ANU PBSA

- In May 2019 Infratil disposed of its 50% interest in the Australian National University's Student Accommodation concession to AMP Capital for cash proceeds of A$162.1 million, as well as distributions at completion of A$4.8 million

Snapper

- The sale of Snapper to Allectus Capital completed on 31 May 2019 for nominal consideration

NZ Bus

- On 2 September 2019 Infratil completed the sale of NZ Bus to Next Capital
- Upfront cash proceeds of $93 million have been received. The final consideration after post-completion adjustments for working capital, capital expenditure, and an earnout mechanism is expected to be between $125-145 million

Perth Energy

- On 3 September 2019 Infratil completed the sale of Perth Energy to AGL
- Infratil received cash proceeds of A$53.3 million for its 80% shareholding, with final proceeds to be adjusted for working capital and net debt
- Infratil may receive further sale proceeds of up to A$18.6 million in cash within three years however as at 30 September these contingent amounts have not been recognised
- Completion of the sale released Infratil from its credit support of Perth Energy which as at 31 March 2019 amounted to A$64.7 million

FY2020 Outlook

Guidance maintained and reflects Vodafone acquisition

FY2020 earnings guidance and dividends

- FY2020 Underlying EBITDAF[1] guidance from continuing operations maintained at $655-$695 million
- Key assumptions include:
  - Trustpower EBITDAF guidance of $200-$215 million
  - Tilt EBITDAF guidance of A$127-$132 million
  - Infratil's share of CDC's reported EBITDAF of A$110-A$120 million
  - Longroad contribution assumes two development project gains together with the Rio Bravo development gain[2]
  - Infratil's share of Vodafone NZ full year FY2020 Underlying EBITDAF of between NZ$460-$490 million[3] with an expectation towards the bottom end of that range excluding transaction costs and non-cash IFRS 15/16 adjustments
  - Accrued incentive Fees are excluded from guidance

Guidance ($Millions)	2020
Underlying EBITDAF	655-695
Net Interest	165-175
Depreciation & amortisation	150-160
Capital expenditure	700-800

- Infratil expects to maintain its FY2020 final dividend at the FY2019 final dividend level on a cents per share basis
- Underlying EBITDAF guidance is presented on a continuing operations basis and therefore excludes any contributions from NZ Bus, ANU, Perth Energy and Snapper[4]
- Capital expenditure excludes the acquisition of Vodafone NZ, and includes a proportionate share of capital expenditure spent by other associates

Notes:
1. Underlying EBITDAF and EBITDAF are non-GAAP measures and are reconciled and defined at Appendix I
2. Longroad Energy has closed the financing of its 243MW El Campo wind project including the sale of a 50% equity interest to two Danish pension funds. As the sell down was for a 50% stake, Longroad will continue to consolidate the project and no gain on sale has been recorded to date
3. 8 month contribution from Vodafone NZ, based on a 49.9% share of Underlying EBITDAF from 1 August 2019
4. Discontinued operations represent businesses that have been divested, or businesses which will be recovered principally through a sale transaction rather than through continuing use

Realising value across the portfolio

Balanced portfolio offering growth and resilience

- Major cash generating businesses delivering targeted returns and supporting capital requirements of growth platforms
- Portfolio favourably aligned with high-conviction trends
- Diversified cashflows generating reliable non-correlated returns across several jurisdictions

Proprietary growth options will drive continued investment and valuation upside

Multiple growth platforms delivering opportunities to deploy significant capital

- Significant in-flight project delivery in U.S. and Australasian renewables and Australasian data and telecommunications
- Ongoing strengthening of global renewables pipeline and Australian data centre options

Rationing capital to sequence highest-value developments

- Default position to prioritise capital to support existing platform opportunities
- Continuing evaluation of capital required in key growth platforms

For further information:

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Appendix I
Reconciliation of NPAT to Underlying EBITDAF

Underlying EBITDAF is an unaudited non-GAAP ('Generally Accepted Accounting Principles') measure of financial performance, presented to provide additional insight into management's view of the underlying business performance.

Specifically, in the context of operating businesses, Underlying EBITDAF provides a metric that can be used to report on the operations of the business (as distinct from investing and other valuation movements).

Market analysts also use Underlying EBITDAF as an input into company valuation and valuation metrics used to assess relative value and performance of companies across a sector.

30 September ($Millions)	2019	2018
Net profit after tax	88.1	106.1
Less: share of RetireAustralia associate earnings	(6.5)	10.3
Less: share of CDC Data Centres associate earnings	(79.5)	(30.2)
Less: share of Vodafone NZ associate earnings	3.2	-
Plus: share of RetireAustralia Underlying Profit	2.9	5.0
Plus: share of CDC Data Centres EBITDAF	26.3	17.7
Plus: share of Vodafone NZ EBITDAF	39.1	-
Net loss/(gain) on foreign exchange and derivatives	16.4	(12.0)
Net realisations, revaluations and (impairments)	0.8	(0.6)
Discontinued operations	(8.3)	(13.7)
Underlying earnings	82.5	82.6
Depreciation & amortisation	75.2	83.7
Net interest	85.6	72.1
Tax	46.1	46.2
Underlying EBITDAF (continuing operations)	289.4	284.6

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- **Underlying EBITDAF** is presented on a continuing operations basis and excludes any contributions from discontinued operations.
- Underlying EBITDAF comprises:
  - 100% of the EBITDAF of the entities which are fully consolidated for Infratil's Group Financial Statements, that is Trustpower, Tilt Renewables and Wellington Airport;
  - Infratil's share of EBITDAF for CDC Data Centres (48%) and Vodafone NZ (49.9%);
  - Infratil's 50% share of the Underlying Profit of RetireAustralia (see definition below); and
  - Infratil's 40% share of the surplus before tax of Longroad Energy.
- Infratil's approach to calculating Underlying EBITDAF is consistent with the prior reporting period, with the exception of CDC Data Centres which was previously included on the basis of Infratil's share of Net profit after tax. Management's view is that this change provides additional insight into the underlying business performance of CDC Data Centres following growth in this investment.
- **EBITDAF** is net earnings before interest, tax, depreciation, amortisation, financial derivative movements, revaluations, impairment, gains or losses on the sales of investments.
- **Underlying Profit** is a non-GAAP performance measure used by RetireAustralia that removes the impact of unrealised fair value movements on investment properties, impairment of property, plant and equipment, one-off gains and deferred taxation, while adding back realised resale gains and realised development margins. It is management's view that Underlying Profit provides a more predictable and consistent measure of performance year-on-year for RetireAustralia and is viewed as a better reflection of the underlying performance.