



19 May 2021

Infratil Full Year Results for the year ended 31 March 2021

Infrastructure investment company Infratil Limited ('Infratil') (NZX, ASX ticker code IFT) today announced its full year results for the year ended 31 March 2021. Infratil owns renewable energy, digital infrastructure, airport and social infrastructure businesses in growth sectors. These businesses operate across Australia, New Zealand, the United States and Europe, and include CDC Data Centres, Vodafone New Zealand Trustpower, Tilt Renewables, Wellington Airport, Qscan Group, RetireAustralia and Longroad Energy.

Infratil's performance for the year ended 31 March 2021 demonstrated the benefits of sector and jurisdictional diversification. Proportionate EBITDAF¹ from continuing operations of \$398.8 million for the year was up from \$370.2 million in the comparative period. The impact of Covid on the Infratil portfolio (in particular for Wellington Airport and Vodafone New Zealand) was offset by strong cost control and the continued demand for high-quality data centres facilities, which saw CDC Data Centres earnings growth of 25%.

Infratil's share of the net loss for the year was \$49.2 million, driven by unrealised energy derivative losses at Trustpower and increased management incentive fees, which reflect valuation increases that are not recognised for accounting purposes.

Despite the challenges and restrictions put in place to prevent the spread of Covid, during the year Infratil and its portfolio businesses undertook capital expenditure and investment of \$1,235 million, including \$250 million in digital infrastructure and technology, \$590 million in renewable energy, and \$310 million in the initiation of a new diagnostic imaging platform through Qscan Group.

Infratil's total shareholder return for the year was 91.9%, comprising 4.3% after tax dividend return and 87.6% capital gain, including the rights issue.

Infratil has also declared a final dividend of 11.5 cents per share, a 4.5% increase on the prior year, reflecting confidence in future forecast cash flows.

A remarkable year; global pandemic, first takeover offer in 26 years, and largest ever divestment

Infratil's businesses have done an exceptional job managing the prolonged impacts of the Covid crisis; servicing our people and customers safely, while safeguarding the capital of shareholders. While Covid demonstrated the benefits of the sector and jurisdictional diversification within Infratil's portfolio, it has been the incredible work of employees within the portfolio companies that protected retirement village residents, kept the lights on and helped to keep people working and connected.

The indicative offer Infratil received from AustralianSuper was a real time endorsement of the quality of Infratil's assets and their attractiveness to sophisticated investors. Since the indicative offer, the value of Infratil has continued to be demonstrated through the outcome of the strategic review of Tilt Renewables, the ongoing appreciation of the value of CDC Data Centres and the establishment of a new diagnostic imaging platform.

In rejecting the offer Infratil Chair, Mark Tume noted that "the offer was undervaluing what is both a special group of businesses and a unique and relatively unconstrained operating model."

¹ Proportionate EBITDAF shows Infratil's operating costs and its share of the EBITDAF of the companies it has invested in. It excludes discontinued operations and management incentive fees. A reconciliation of net profit after tax to Proportionate EBITDAF is provided in the 31 March 2021 Annual Results Presentation.

The divestment of Tilt Renewables shows the disconnect to private market valuations, with the process also highlighting the accelerating global demand for decarbonisation aligned assets. The shareholder value recognised through the Scheme Implementation Agreement is material, with the NZ\$8.10 offer price equivalent to a 106.6% premium above the Tilt share price prior to the announcement of Infratil Limited's strategic review on 4 December 2020. On completion the transaction is forecast to deliver gross proceeds to Infratil in excess of \$2.0 billion.

An opportunity to create a meaningful Australasian healthcare platform

On 22 December 2020, Infratil acquired 56.25% of Australian based Qscan for A\$289.6 million (NZ\$309.6 million), followed by the announcement after balance date that Infratil has now also entered into an unconditional agreement to acquire between 53.5% and 58.5% of Pacific Radiology, for between NZ\$312 million to NZ\$344 million.

Diagnostic Imaging is an idea that matters. A value-based shift towards early diagnosis and preventative care can significantly improve the healthcare lifecycle for patients and address system inefficiencies.

Infratil CEO Jason Boyes said the acquisitions "create a meaningful Australasian healthcare platform with a number of potential synergies and adjacent opportunities. The purchases also confirm our continuing confidence in thematic areas which are driving our capital allocation in communications and digital infrastructure, decarbonisation, and aging populations".

Following the acquisition of Pacific Radiology and receipt of the Tilt Renewables sale proceeds, Infratil will have net cash of more than \$1 billion for investment.

Infratil Considers Infrastructure Bond Offer

Infratil is considering making a new offer of unsecured, unsubordinated fixed rate Infrastructure bonds maturing on 15 December 2027. Full details of the offer are expected to be released in the week beginning 24 May 2021. No money is currently being sought and no Bonds can be applied for until the offer opens.

Outlook and Guidance for the year ended 31 March 2022

Guidance for the year ended 31 March 2022 is for Proportionate EBITDAF of between \$470 million and \$520 million (excluding Tilt Renewables and Pacific Radiology).

The dividend outlook is for continued growth, reflecting the timing of forecast future cashflows from both CDC Data Centres and Vodafone, as well those from the recent investments in Qscan Group and Pacific Radiology.

Infratil continues to be willing to invest ahead of the mainstream infrastructure market and take on more complex operating businesses to position Infratil's shareholders in next generation infrastructure. In anticipation of receiving the funds from the sale from Tilt Renewables, management has been particularly active developing reinvestment options, which will prioritise growth from existing businesses where possible.

Investor briefing

There will be a briefing for institutional investors, analysts and media commencing at 10.00am (NZT). The briefing and Q&A session will also be available by webcast and teleconference.

A webcast of the presentation will be available live at: <https://edge.media-server.com/mmc/p/j9af8ij9>

Any enquiries should be directed to:

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