

19 May 2022

Full year results for the period ended 31 March 2022

Infratil produces record result, highlights significant investment into high conviction sector platforms

Infratil Limited today announced a record net parent surplus of \$1.17 billion for the year ended 31 March 2022 - the largest annual profit since Infratil's establishment.

Proportionate EBITDAF of \$513.9 million (before changes in the accounting treatment of SaaS expenses) was delivered above the mid-point of guidance which was \$500 million to \$520 million.

Proportionate EBITDAF including the SaaS adjustment was \$474.9 million, up 27.9% percent on the previous year's \$371.2 million. The increase predominately reflects strong earnings growth from Vodafone and an increased earnings contribution from Infratil's new healthcare platform.

Infratil chief executive Jason Boyes said "the Tilt Renewables sale had delivered a significant gain of over \$1 billion to shareholders, but the year was most notable for the significant investment activity across the portfolio, with proportionate capital expenditure and investment of over \$1.4 billion. This investment was spread across our key sectors - renewable energy, digital infrastructure and healthcare - and also saw us enter new geographies, expanding our global footprint with new investments in the United Kingdom (Kao Data) and Asia (Gurīn Energy)."

"Our strong result represents a series of past strategic decisions and execution over a number of years. We now see significant future potential in the high-quality sector platforms we are developing across the portfolio. Our investments in the healthcare sector are a great example, where during the year we grew with the acquisition of three diagnostic imaging groups in New Zealand. These businesses now sit alongside Australian based Qscan group, representing a material Australasian diagnostic imaging platform."

"Our healthcare portfolio is strategically compelling with strong synergy opportunities. The investment outlook is very positive, benefitting from the long-term tailwinds of an ageing demographic and increasing healthcare expenditure."

"There was also considerable investment activity in our global renewables platform, as alongside the need to rapidly decarbonise the global economy, energy security became an increasingly important perspective in understanding renewable generation. Alongside our United States, European and New Zealand platforms, we committed US\$233 million to establish Gurīn Energy, a renewable energy development platform headquartered in Singapore."

Across these platforms Infratil invested almost \$300 million during the year developing new renewables projects. The majority of this was undertaken by Longroad Energy which completed the 200MW Sun Streams 2 solar project in Arizona and the 331MW Prospero 2 solar project in Texas.

With rising global demand for connectivity, the last 12 months also saw an expansion of Infratil's digital infrastructure portfolio with the acquisition of 40% of London based data centre business Kao Data for \$217.9 million.

CDC Data Centres has made significant progress during the year on construction of four new data centres, Auckland 1 & 2, Eastern Creek 4 and Hume 5. These will be completed in the first half of FY2023,

increasing total built capacity by over 60% to 268MW, and with significant capacity already contracted will drive immediate uplift in revenues. In addition to this, land was acquired in Melbourne during the year that can accommodate 150MW of capacity, with development now underway.

These contributed to the increase in the valuation of Infratil's investment in CDC to between A\$2.8 billion to A\$2.9 billion. Up over 30% from A\$2.1 billion to A\$2.3 billion at the same time last year.

Vodafone delivered a strong result, with improved trading and a disciplined approach to cost driving a 15.7% increase in EBITDAF. As the easing global pandemic allows for more international travel, the business should also see a rebound in roaming revenues. It is continuing to drive efficiencies through cost management initiatives and removing business complexity. Meanwhile, it signalled the possible sale of its passive mobile tower infrastructure assets, the largest tower portfolio in New Zealand.

"Wellington Airport has come through another turbulent year, navigating numerous Covid-19 setting changes. It is now focussed on the resumption of international travel and the ramp up of domestic passengers and is continuing to take a cautious approach to capital deployment. We continue to see long-term value in the asset."

Infratil Chair Mark Tume, who yesterday announced he is stepping down from leading the Board at the end of May, with current Board member Alison Gerry succeeding him as Chair, highlighted the financial year's excellent results, delivering returns to shareholders of 18.4% - continuing on years of strong performance.

"Infratil's after tax return since listing in March 1994 has been 18.7% per annum, and over the last ten years the returns have averaged 21.6% per annum after tax.

"Our shareholder returns are a result of Infratil's ability to position itself at the forefront of trends – with Tilt Renewables a perfect example. While the realisation reflects exceptionally well in this year's annual result, it is testament to a clear strategy, careful planning and quality execution over the last 24 years. It is a reminder that developing infrastructure in "idea that matters" is a slow and patient process but can create significant value and deliver outsized returns."

"I have great confidence that with Alison as Chair, and a very capable Board and management team, Infratil will continue to deliver outstanding results for shareholders."

Incoming chair Alison Gerry steps up to the role having been an independent director on Infratil's Board and Chair of the Audit and Risk Committee since 2014. She has had a governance career for the last 15 years and is also on the boards of ANZ Bank and Air New Zealand, Chair of Sharesies and Co-founder of OnBeingBold.

Mr Boyes said that Infratil's balance sheet remains strong, even after a busy 12 months of new investments. Total available liquidity at 31 March was \$1,672.6 million, including \$773 million of cash.

"There is a significant pipeline of opportunities, both across our existing platforms and also as we evaluate additional opportunities in key sectors and new geographies. We will apply a disciplined approach to allocating capital when assessing potential investments to maintain our record of delivering strong returns to shareholders in line with our ten-year total shareholder return target of 11-15%."

As part of its full year results announcement Infratil has also declared a fully imputed final dividend of 12.0 cents per share, a 4.3% increase on the prior year.

Guidance for the year ended 31 March 2023 is for Proportionate EBITDAF of between \$510 million to \$550 million, up 11.5% on FY2022 at the midpoint.

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.

The briefing will also be webcast live from <https://infratil.com/for-investors/company-results/>

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