



2024 Annual Results Presentation



Meridian.













Neal Barclay – Chief Executive



Meridian's completed Harapaki Wind Farm in Hawke's Bay



Key points

| | | |
|--|--|--|
| FY24 DIVIDEND | UNDERLYING NET PROFIT AFTER TAX | HARAPAKI WIND FARM |
| <p>21 cps </p> | <p>\$359M </p> | <p>176MW</p> <p>FULLY OPERATIONAL AND ON BUDGET</p> |
| EMPLOYEE ENGAGEMENT | NZAS AGREEMENTS | FAST TRACK APPROVAL BILL |
| <p>75% </p> | <p>20 years</p> | <p>  </p> <p>WAIINU ENERGY PARK & WESTERN BAYS SOLAR PROJECTS</p> |
| LODGED | LODGED | COMMITMENT |
| <p> </p> <p>RUAKĀKĀ SOLAR & MANAWATŪ BESS CONSENTS</p> | <p></p> <p>WAITAKI RECONSENT APPLICATION REFERRED TO ENVIRONMENT COURT</p> | <p></p> <p>TO MANAPŌURI ELECTRIC HYDROFOIL FERRY</p> |



Fuel scarcity

Dry and calm winter conditions see hydro storage at record August lows.

Meridian has experienced record low May to August inflows.

Acquired 800GWh of hedges (\$258/MWh average cost) to manage a 1,000GWh hydro inflow deficit to average.

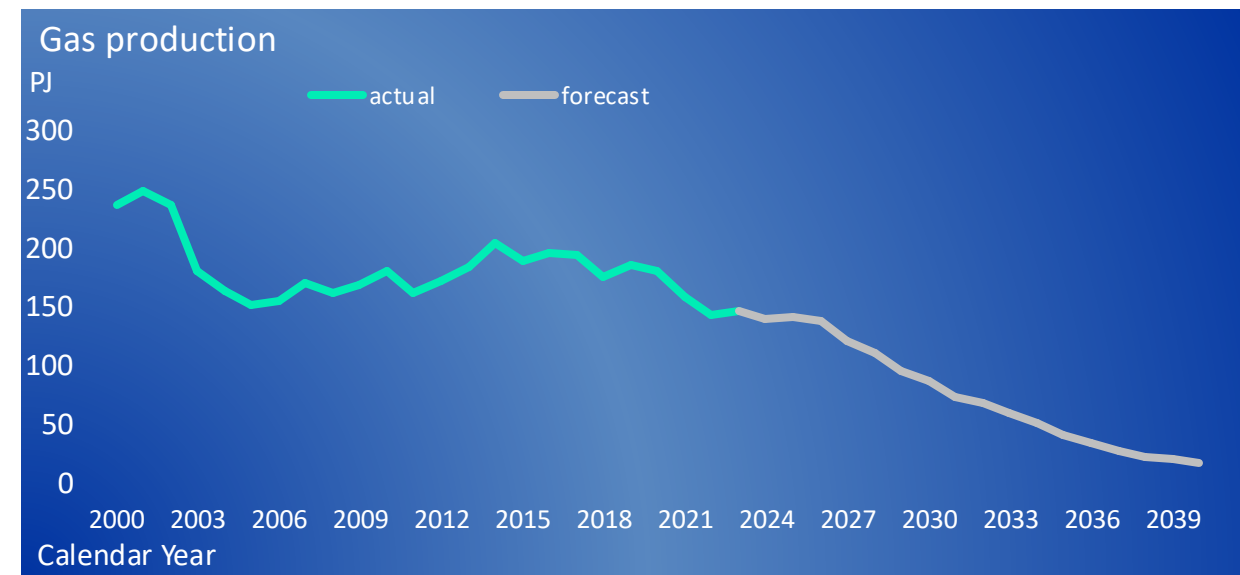
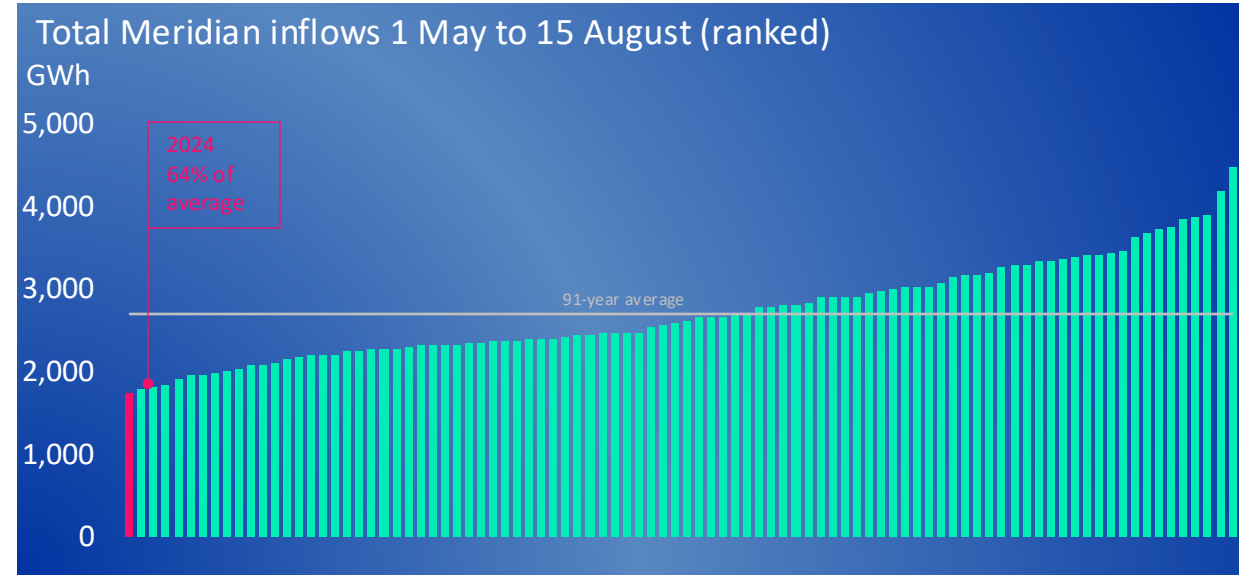
Possible earlier access to up to 832GWh of contingent hydro storage in the next 2 months.

Majority of that is up to a further 5 metres of storage at Lake Pūkaki.

Successive years of declining gas production and reserves estimates.

Large industrial gas demand reduction in the short term in response to supply shortages.

Longer term focus is on improving upstream investment conditions and consideration of LNG importation.

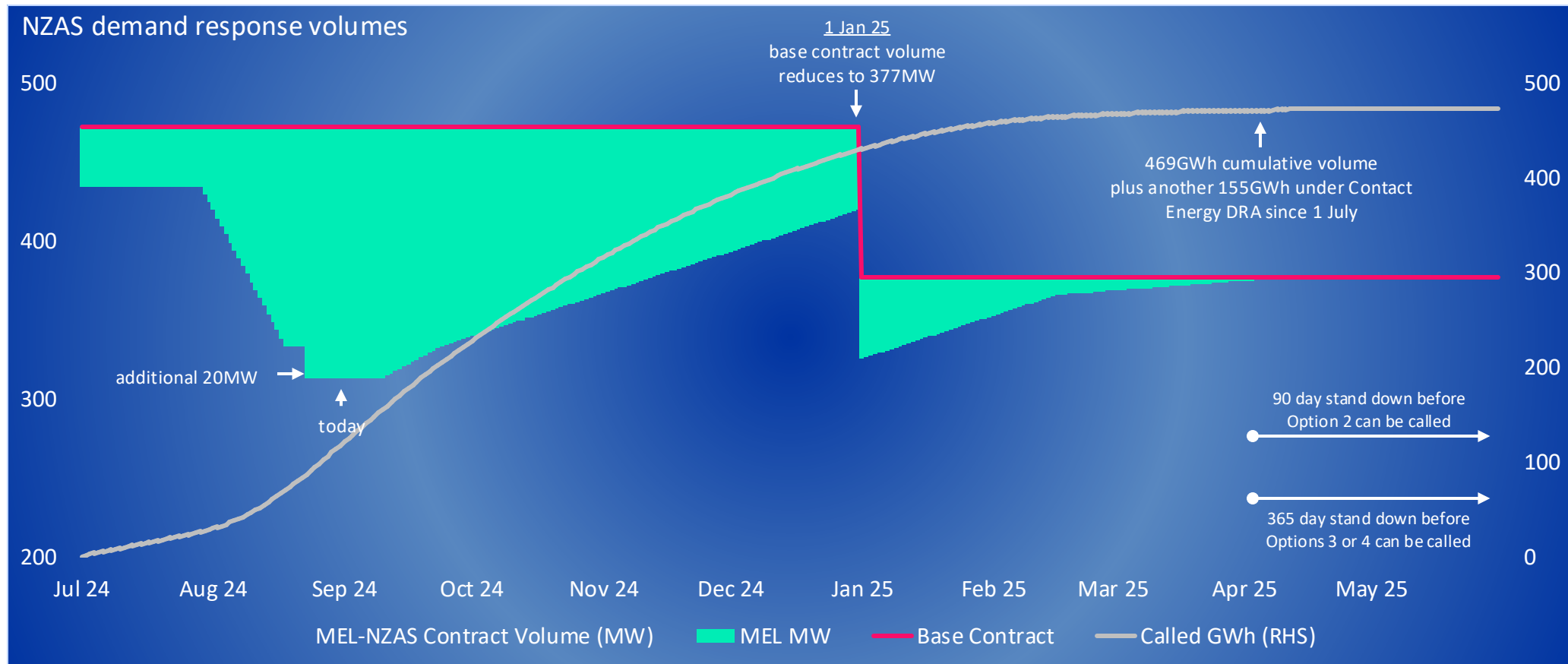




NZAS demand response

Option 2 (37.5MWh per hour) called on 26 June, then Option 4 (138.75MWh per hour) on 17 July.

NZAS has subsequently accelerated Option 4 ramp down and reduced consumption by a further 20MWh per hour more than Option 4 volume.





Our people

Further increase in employee engagement, top quartile of New Zealand companies.

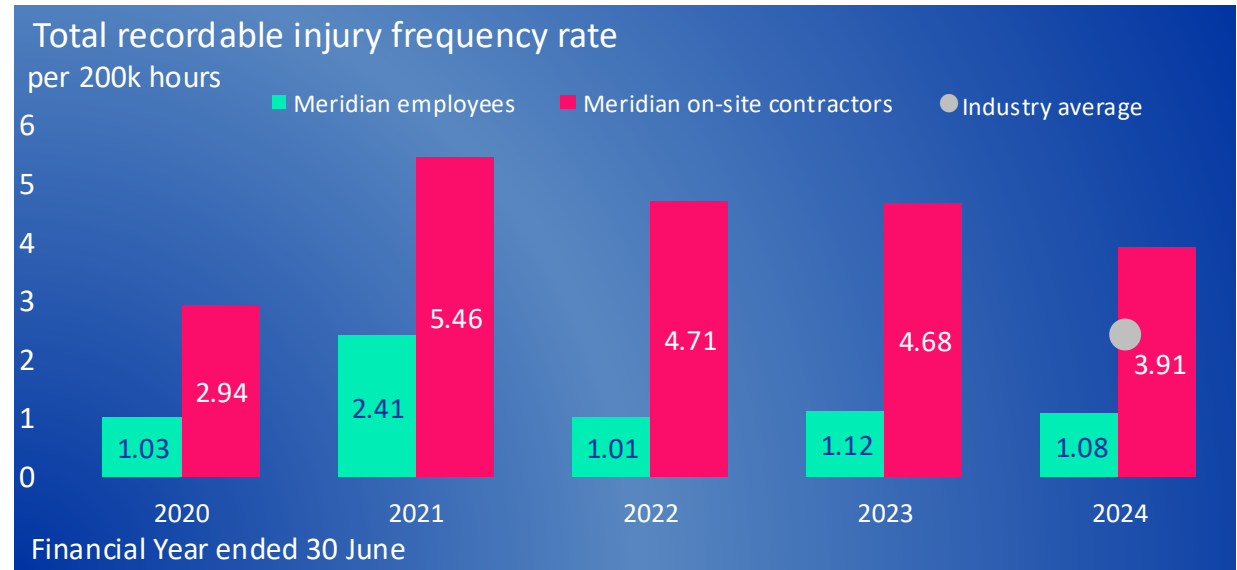
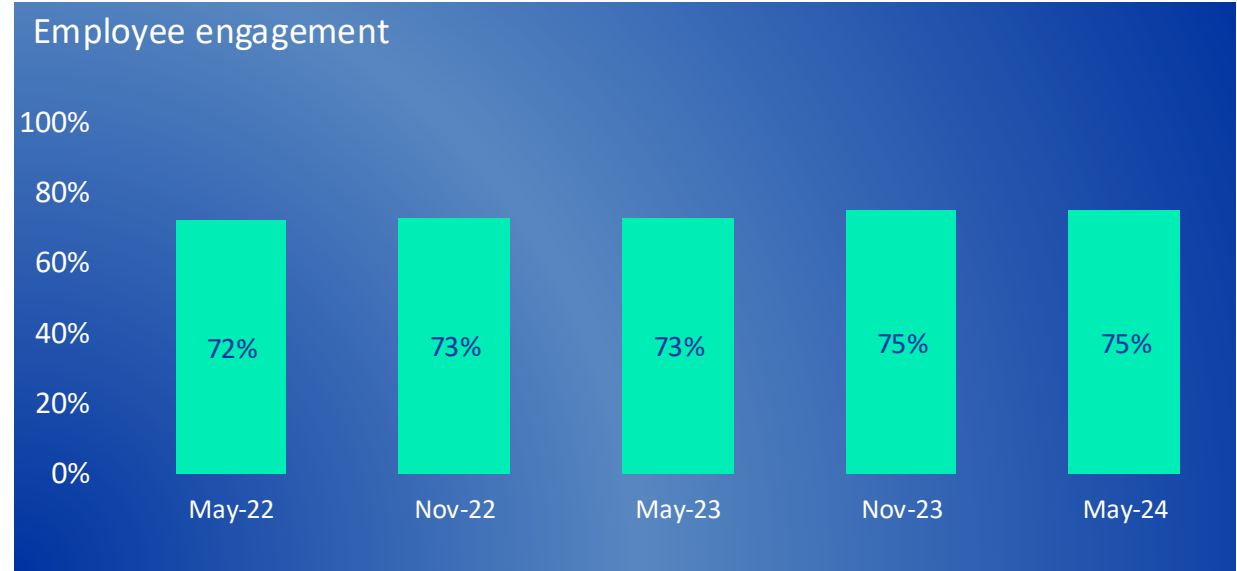
New operating models established in Generation and Retail teams.

Formalised wellbeing approach addressing work design and prioritisation, change, complex projects and social connectivity.

Steady level of reportable injuries, mainly minor in nature.

Learning teams process an established part of safety culture.

New health and safety management system implemented to better capture and share information.





Our customers

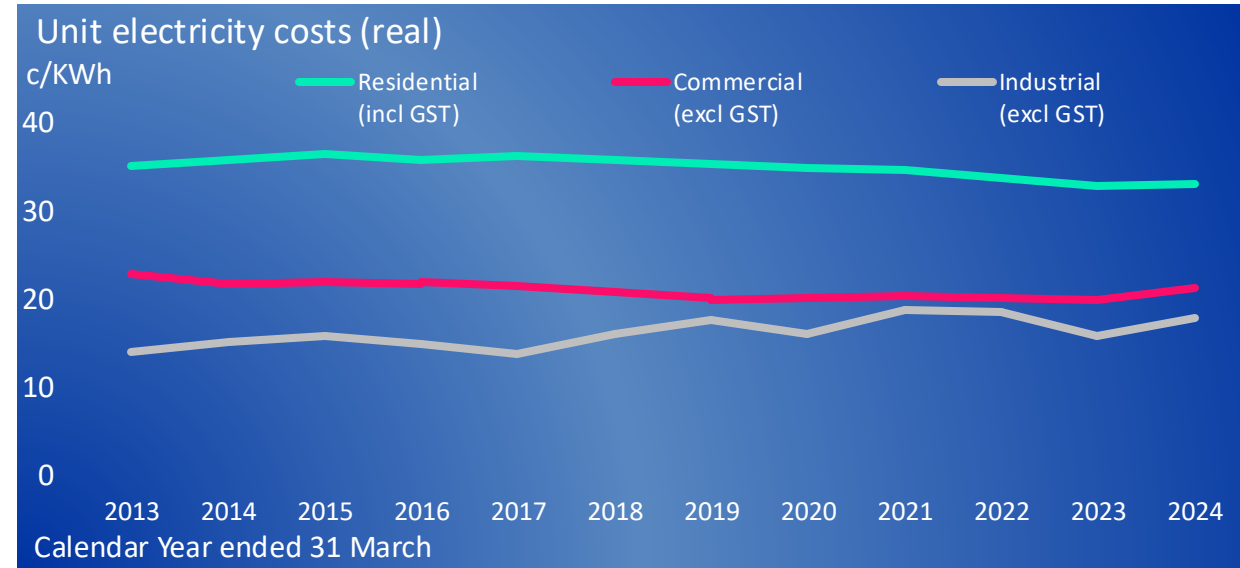
Developing new propositions for customers to participate through shifting their energy use.

1,400 customers supported by Meridian's Energy Wellbeing Programme.

525GWh of process heat conversion now committed – targeting double that by FY30.

35% increase in customer purchases of Renewable Energy Certificates (863GWh).

Rolling C&I customers and managing contract terms to alleviate short-term wholesale market price pressures.



Solar installation at Waipuna Community Services in Canterbury



Transmission and distribution costs

Draft Commerce Commission proposal issued in May 2024 on 2026-30 regulated revenues for Transpower and distribution companies.

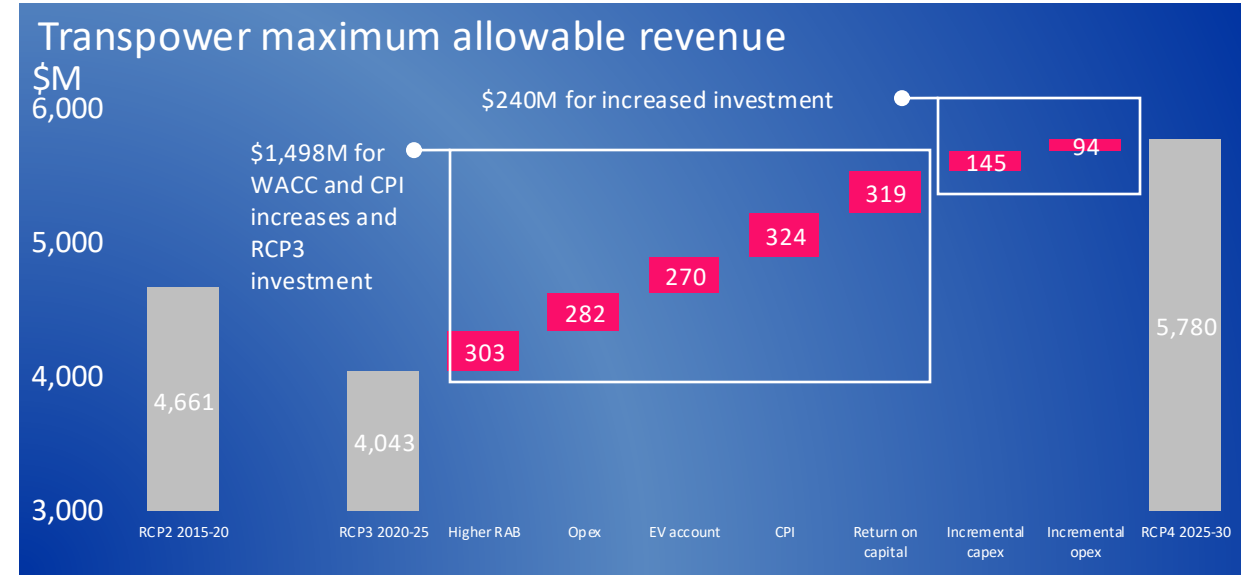
Regulated revenue increases are significant, more than 40% in real terms above the current regulatory period.

Most of the increase is attributable to inflation and higher regulated cost of capital.

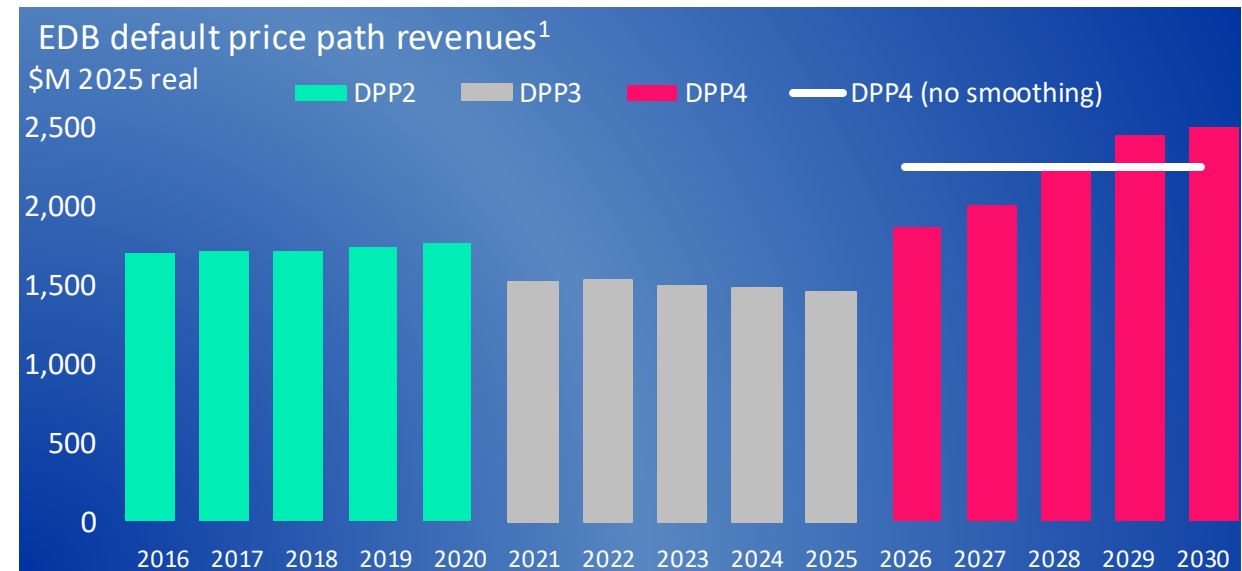
Some of the increase is attributable to increased network investment.

The Commission is proposing smoothing to reduce the step change in costs to consumers on 1 April 2025.

The Commission’s final decisions are expected in November 2024.



Source: Commerce Commission New Zealand Te Komihana Tauhokohoko



Source: Commerce Commission New Zealand Te Komihana Tauhokohoko

¹All default price path electricity distribution businesses excluding Aurora

Our sustainability

Half by 30 is Meridian's goal to cut operational emissions in half by 2030.

This represents a challenging target with construction and Scope 3 emissions.

Long-term net zero target to reduce absolute Scope 1-3 emissions by 90% by FY50.

Climate-related Disclosures published in compliance with Aotearoa NZ Climate Standards.

3rd annual Climate Action Plan published.

Our priority

Manage emissions and build capability

Our priority is to reduce our own emissions and ensure we're prepared for the impacts of climate change.



Construction
emissions



Half by 30



Net Zero



Impression of the electric hydro-foiling ferry Meridian will bring to Lake Manapōuri



Ruakākā BESS construction

All 80 battery containers now installed on site.

Transpower works delay to connection to Bream Bay substation will push commissioning into early 2025.

Project costs expected to be at the \$186M budget.

Pre-commissioning of battery strings now underway.

Consent application submitted for a second battery located in the Manawatū.



Completed container installation at Meridian's Ruakākā Battery Energy Storage system near Whangārei



Investment in a low carbon future

\$2B invested into new and existing assets in the last 10 years.

Stable returns on assets and equity (3%-5% per annum).

New generation investment of \$3B to deliver at least 7 projects by 2030.

With a total investment envelope of \$10B+ for 20 projects by 2050.



Lake Pūkaki, Mackenzie Basin, South Canterbury

Indicative Investment Profile





Renewable development pipeline

5.0GW (12TWh) of development options
2.7GW secured, 2.3GW in advanced options



Wind

Total 1.7GW

Te Rere Hau (170MW)

Mt Munro (90MW)

Waiinu (350MW)

Manawatū (200MW)

Post 2033 options

Advanced options (900MW)

Solar

Total 3.2GW

Ruakākā (120MW)

Waikato (100MW)

Western Bays stage 1 (250MW)

Swannanoa (200MW)

Waiinu stage 1 (200MW)

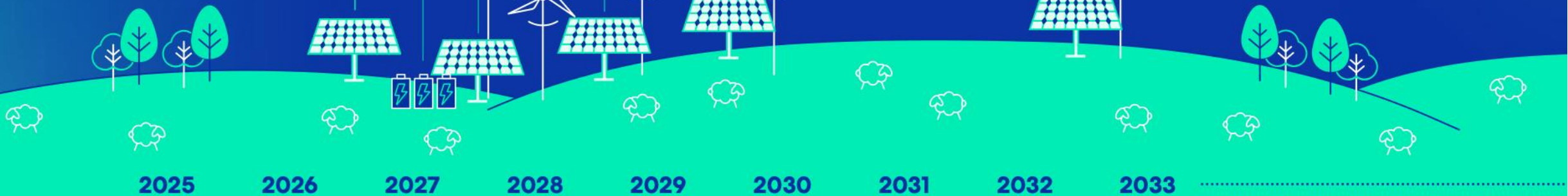
Secured options (900MW)

Advanced options (1,400MW)

Battery storage

Total 0.1GW

Manawatū (100MW)



August 2024



Mike Roan – Chief Financial Officer



Ōhau A hydro station in the Mackenzie Basin, South Canterbury



Dividend

Change to an operating free cash flow-based dividend policy.

Final ordinary dividend declared of 14.85cps (+25%), 80% imputed.

Brings FY24 full year ordinary dividend declared to 21.00cps (+17%), 80% imputed.

Dividend reinvestment plan will apply to this final dividend at 2% discount.

| \$M | <u>Operating free cash flow</u> | |
|--------------------------------------|---------------------------------|------------|
| | 2024 | 2023 |
| Operating cash flow | 667 | 509 |
| Stay in business capital expenditure | (72) | (46) |
| Operating free cash flow | 595 | 463 |
| Annual dividend declared | 543 | 462 |
| Annual dividend declared (cps) | 21.0 | 17.9 |
| Payout ratio | 91% | 100% |

Dividend Reinvestment Plan Dates

| | | | |
|------------------|--------|-----------------------------|--------|
| Ex dividend date | 4 Sep | Strike price announced | 11 Sep |
| Record date | 5 Sep | Dividend paid/shares issued | 20 Sep |
| Elections close | 10 Sep | | |

Meridian's new ordinary dividend policy

Meridian's ordinary dividend policy is to make distributions at a dividend payout ratio, within an average over time, of 80% to 100% of Operating Free Cash Flow, subject to the Board's due consideration of:

- Meridian's working capital requirements and its medium-term investment programme;
- a sustainable financial structure from Meridian, recognising the Company's targeted long-term credit rating of BBB+ by S&P; and
- the risks from short and medium term economic, market and catchment hydrology conditions and expected financial performance.

Operating Free Cash Flow is calculated as Operating Cash Flow, less the annual capital cost of maintaining Meridian's asset base and systems (Stay in Business Capital Expenditure).



Movement in EBITDAF

FY24 EBITDAF +16% increase on FY23.

4% higher retail contracted sales revenue.

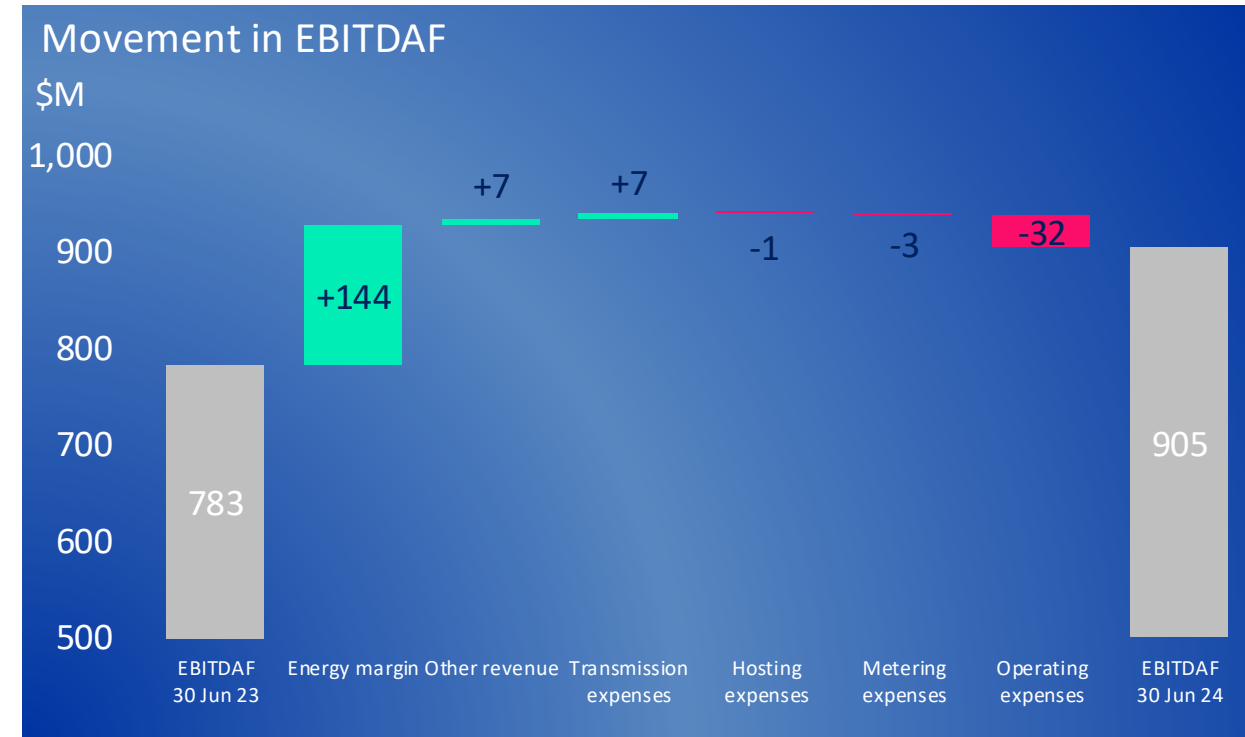
2% lower generation volumes at 133% higher average price.

114% increase in the average price paid to supply customers.

Increased financial energy margin from higher financial contract and hedging volumes at higher wholesale prices.

Other revenue increases from R&D tax incentive and Te Rere Hau recoverable costs.

+\$32M (+13%) increase in FY24 operating costs.



Energy margin

Sales volume growth in all mass market segment, with corporate sales -0.2%.

Lift in both mass market and corporate average pricing.

2% lower physical at generation (hydro -5%, wind +20% including 135MWh from Harapaki).

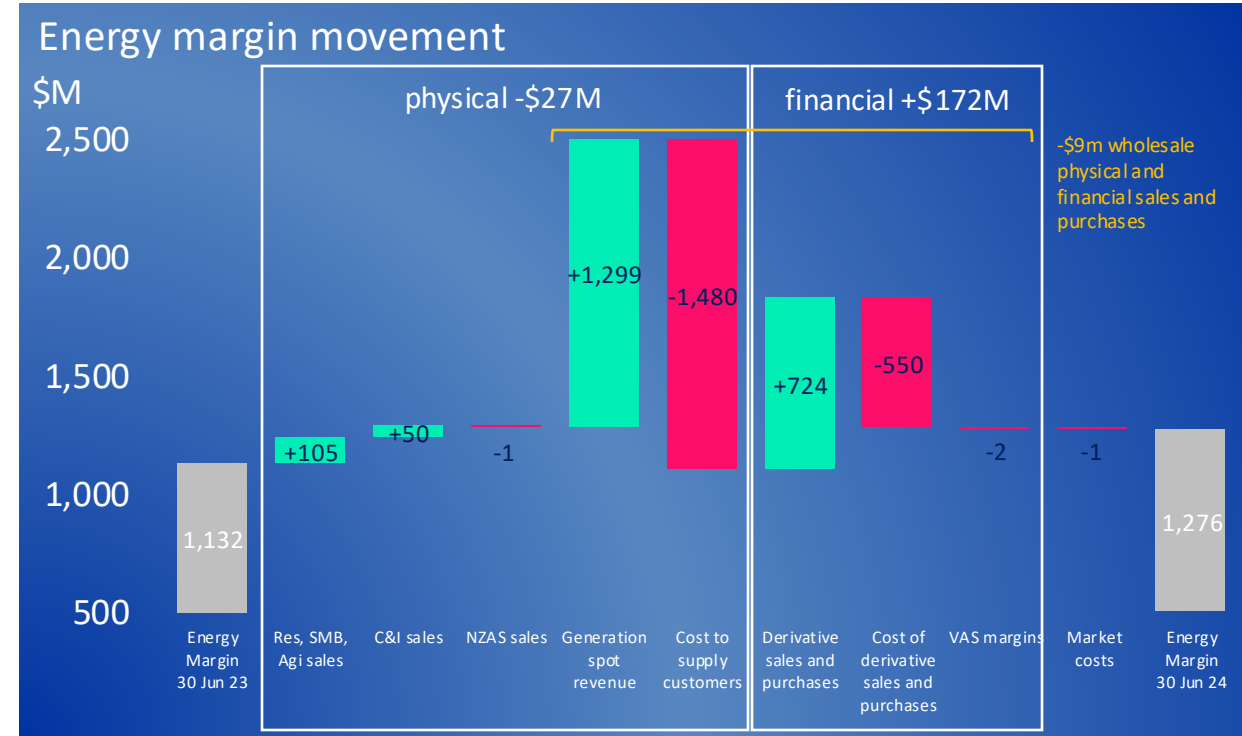
Generation spot, financial contract and hedging revenues all reflected higher wholesale prices.

Those higher wholesale prices increased supply and hedging costs.

Higher hedging volumes and contracted sales increased costs.

+\$12M net benefit of contract close outs in FY24 (FY23 +\$46M).

Wholesale physical and financial sales and purchases reasonably balanced.





Retail customers

Sales volumes growth in residential (+2%), small medium business (+2%), large business (+8%), agricultural (+18%).

Higher mass market net average sales price.

Mass market revenue increased +\$105M (+15%).

-0.2% decrease in corporate sales volume at a higher net average sales price.

Corporate sales revenue increased +\$51M (+10%).

| Retail customer sales | Average price (\$/MWh) | Total sales volume (GWh) | North Island sales volume (GWh) | South Island sales volume (GWh) |
|------------------------------|---------------------------|--------------------------------|---------------------------------------|---------------------------------------|
| FY24 | | | | |
| Residential | | 1,799 | 998 | 801 |
| Small medium business | | 1,669 | 1,024 | 645 |
| Agricultural | | 1,474 | 411 | 1,063 |
| Large business | | 661 | 427 | 234 |
| Total mass market | \$146 | 5,603 | 2,860 | 2,743 |
| Corporate | \$139 | 3,908 | 2,222 | 1,686 |
| FY23 | | | | |
| Residential | | 1,765 | 973 | 792 |
| Small medium business | | 1,632 | 1,008 | 624 |
| Agricultural | | 1,249 | 388 | 861 |
| Large business | | 612 | 398 | 214 |
| Total mass market | \$136 | 5,258 | 2,767 | 2,491 |
| Corporate | \$126 | 3,917 | 2,509 | 1,408 |

| Average price (\$/MWh)¹ | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|-------|-------|-------|-------|-------|
| Mass market | \$114 | \$123 | \$127 | \$136 | \$146 |
| Corporate | \$99 | \$98 | \$107 | \$126 | \$139 |

¹Volume weighted average electricity price received from retail customers, less distribution costs



Generation

FY24 inflows were 93% of average, lowest annual inflows in seven years.

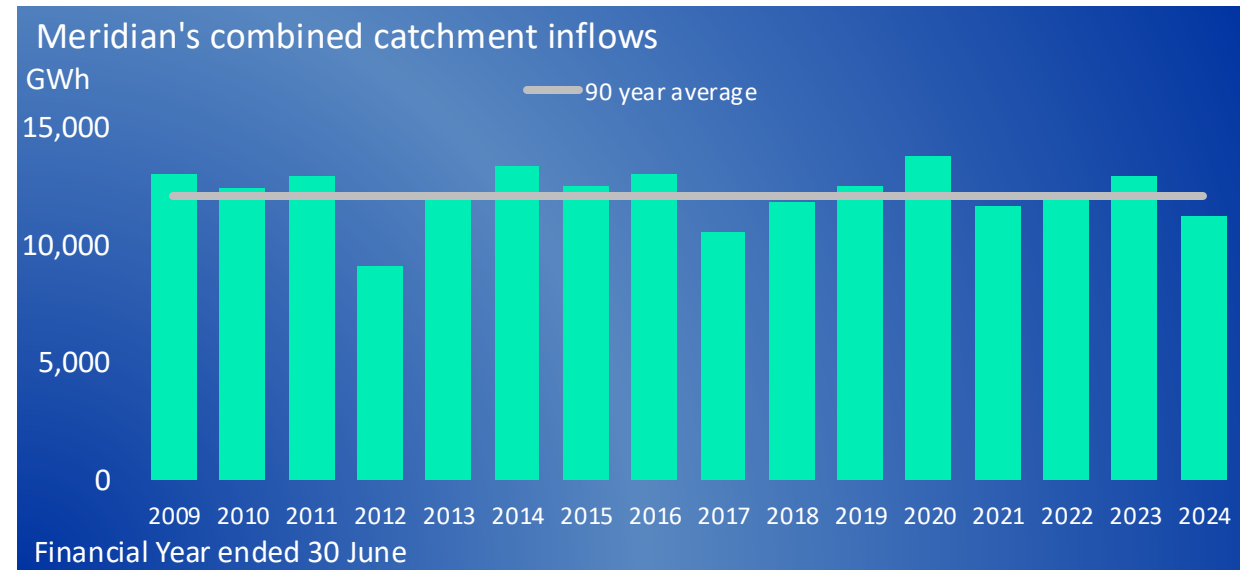
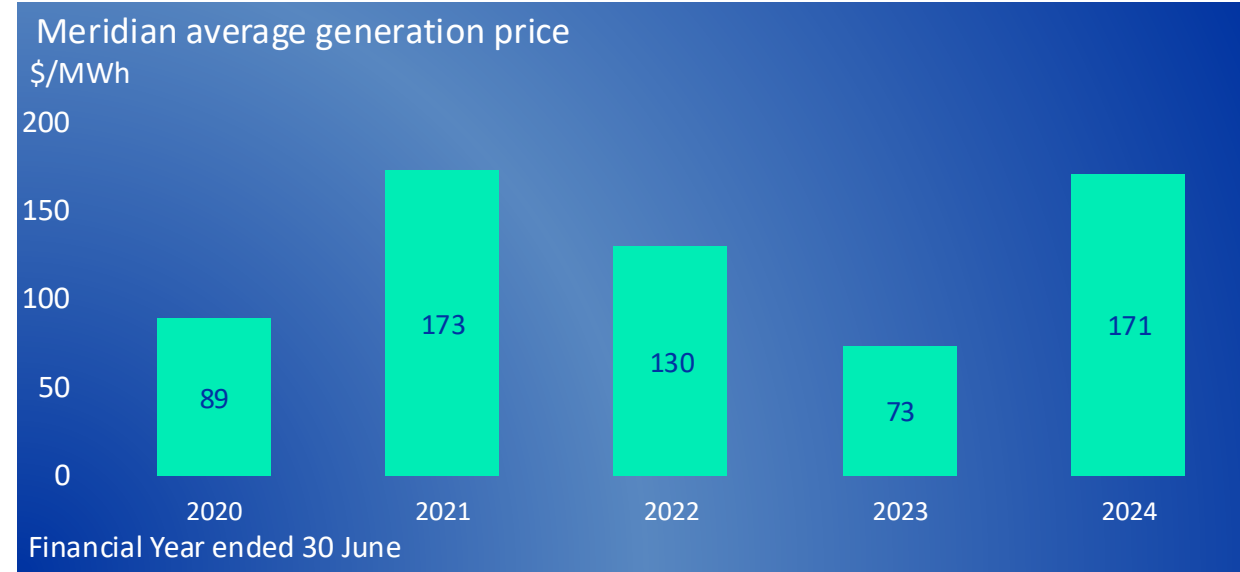
FY24 hydro generation decreased 5%.

Increased station capacity of Benmore (540MW to 552MW) and increased capacity of each of the seven Manapōuri units (125MW to 128MW).

Manapōuri transformer failures in November 2022 and July 2023. New transformer is due at the end of calendar year 2024 and a second transformer in late 2025.

FY24 wind generation increased 20% from higher wind speeds and asset availability.

Prolonged transformer outage at West Wind Farm is constraining capacity to 98MW. Return to full 143MW expected in October 2024.





Operating costs

FY24 operating costs at top end of the February 2024 revised \$276M-\$282M guidance range.

Original guidance range was \$268M-\$274M.

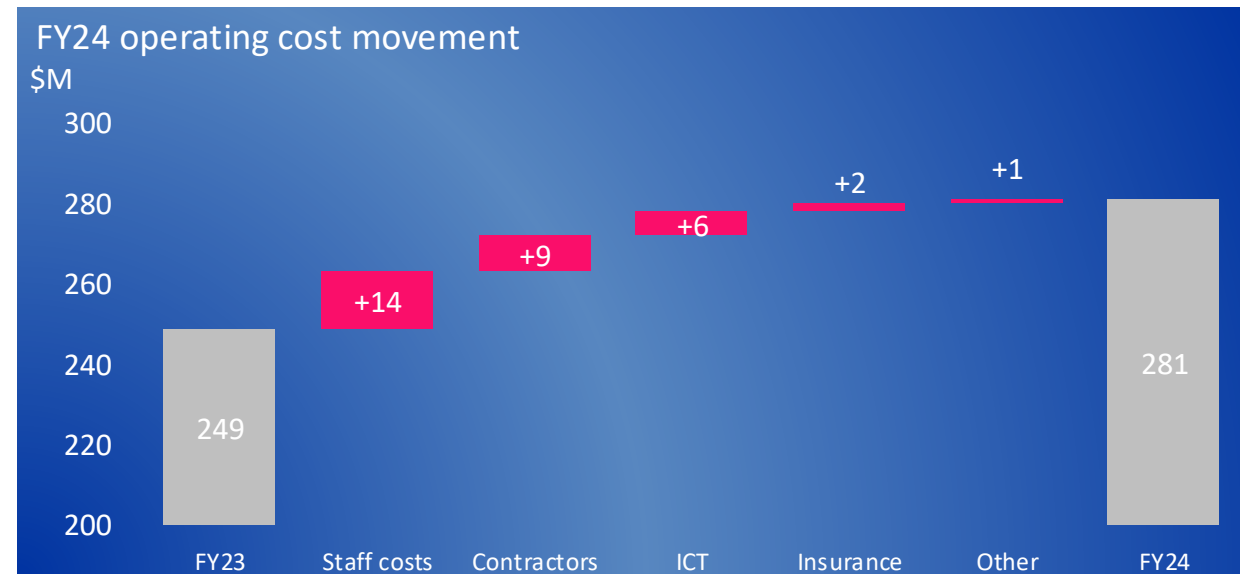
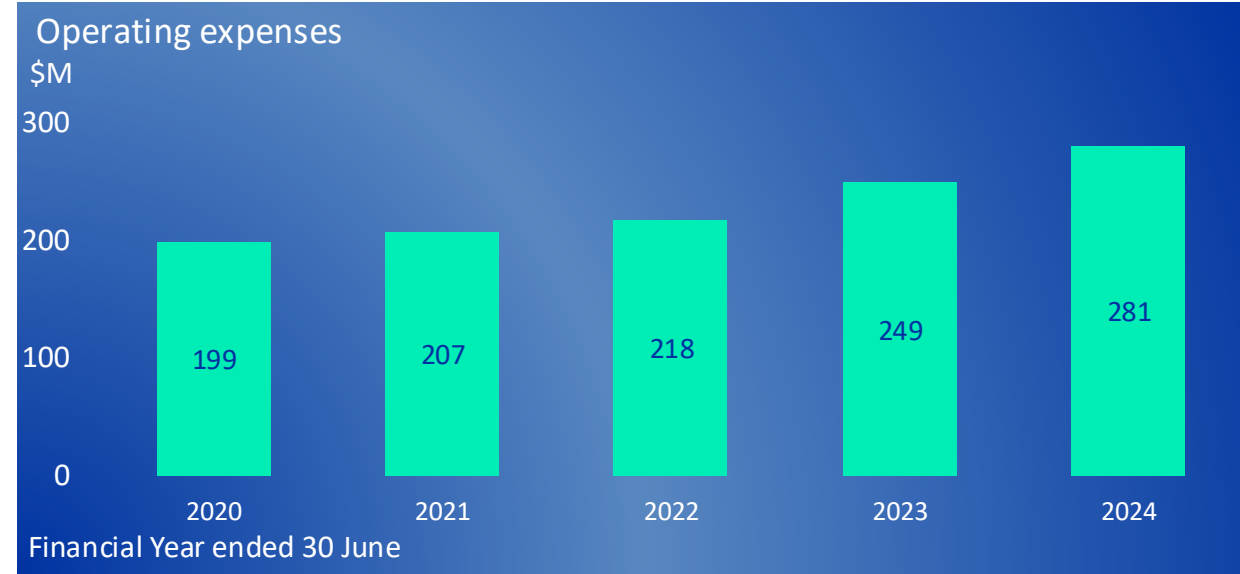
+\$32M (+13%) increase in FY24 operating costs from:

- 6% average remuneration increase;

- Additional staff and contract resources in development, consenting, retail transformation;

- Finance system upgrade; and

- Insurance costs.





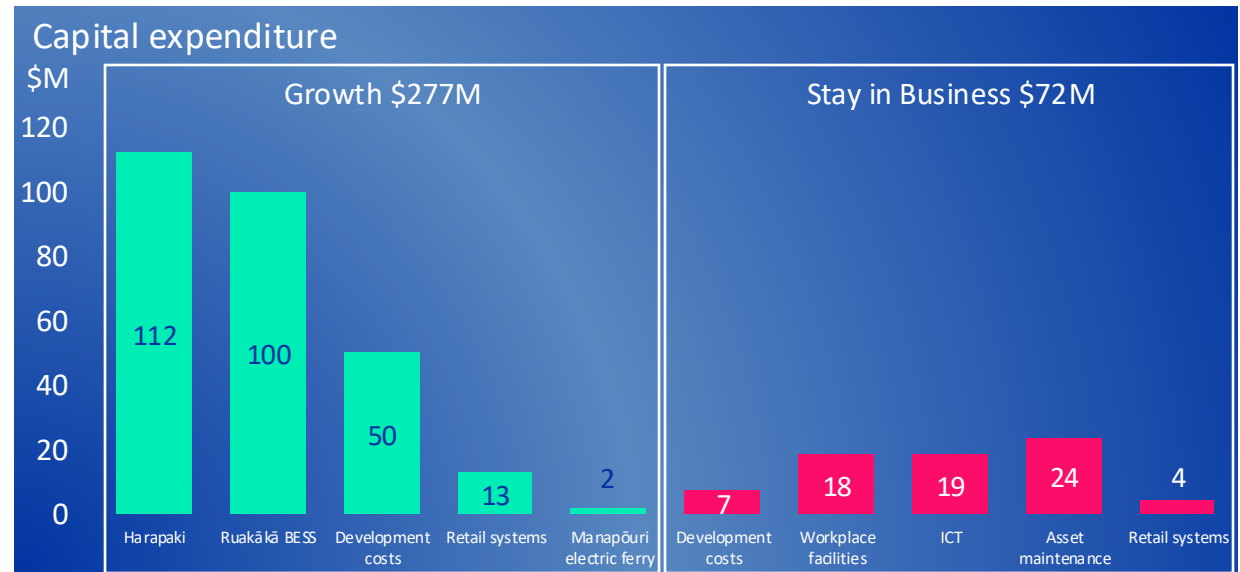
Capital expenditure

FY24 capital expenditure at bottom end of the February 2024 revised \$345M-\$370M guidance range.

Original guidance range was \$420M-\$445M.

Project construction and land purchases are the bulk of growth capex.

Lift in FY24 stay in business capex from premises and vehicle costs.





Current Meridian consenting

| Consent pathway | Legislation | Process | Meridian project |
|--|---------------------------|--|---|
| Non-Notified Council decision | RMA | Either with or without a hearing. Right of objection only (no appeal) for an applicant of an adverse decision. | <ul style="list-style-type: none"> • Harapaki Wind Farm: Numerous consent variations. 2013–2022. • Ruakākā BESS: District and Regional Consents. Lodged June 2022, granted September and November 2022. • Swannanoa Solar: Proposing application lodgment H2 2024. • Manawatū BESS: Lodged July 2024. |
| Limited Notified Council decision | RMA | Either with or without a hearing. An Environment Court Appeal by submitters or the applicant. | |
| Notified Council decision | RMA | Either with or without a hearing. An Environment Court Appeal by submitters or the applicant. | <ul style="list-style-type: none"> • Ruakākā Solar: Lodged October 2023. District Council Consent and Archeology Permit granted February 2024. Regional Council consent notified March 2024, Council hearing August 2024. |
| Direct Referral to the Environment Court | RMA | | <ul style="list-style-type: none"> • Mt Munro Wind Farm: Lodged March 2023, notified November 2023. Environment Court hearing September 2024. Decision end of 2024 or early 2025. • Waitaki Hydro re-consenting: Lodged July 2023, notified July 2024, Environment Court hearing mid-2025. |
| Call-in to the Environmental Protection Agency | RMA | By the Minister for the Environment and referred for a hearing. | |
| COVID Fast Track | COVID Recovery Act | No longer available for new consent applications. Some consents still being processed. | <ul style="list-style-type: none"> • Te Rere Hau (NZ Windfarms) core repowering site and Aokautere extension <ul style="list-style-type: none"> • Core repowering site applied December 2021, decision May 2023. • Aokautere extension site applied March 2023, hearing panel appointed in April 2024, granted August 2024. |
| Existing Fast Track | RMA | Formerly the short lived NBEA* Fast Track that was added to the RMA in late 2023. | |
| Proposed new Fast Track | Fast Track Approvals Bill | Intended for nationally and regionally significant projects. Draft legislation is currently before Select Committee. | <ul style="list-style-type: none"> • Waiinu Energy Park, South Taranaki. • Western Bays Solar, Taupō. |

* Natural and Build Environment Act 2023



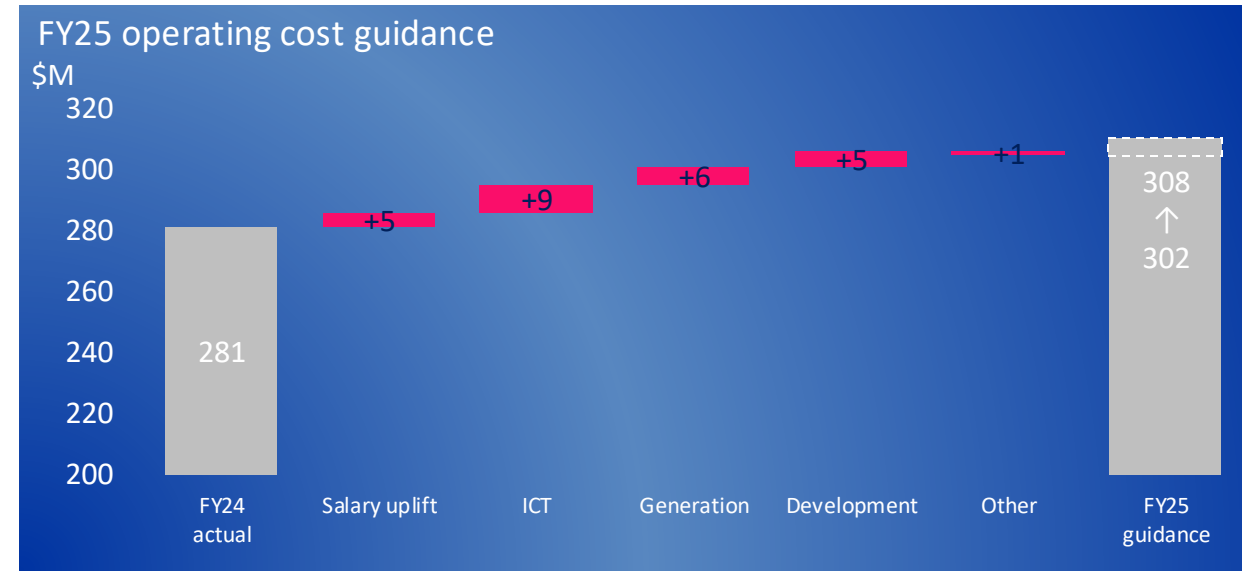
Cost guidance

\$302M-\$308M FY25 operating costs.

Increases from consenting costs, retail transformation, finance system upgrade and remuneration increases.

\$295M-\$325M FY25 capex costs.

Growth capex includes completion of BESS and commencement of solar build at Ruakākā and further phase on retail transformation.



SIB capex includes generation control system replacement and gravel removal at Lake Manapōuri control structure.

| | FY25 Cost Guidance | | | FY24 Actual | | |
|----------------------------------|--------------------|-------|------------------------|-------------|-------|---------------|
| | Generation | Flux | Total | Generation | Flux | Total |
| Operating Costs | | \$17M | \$302M - \$308M | | \$18M | \$281M |
| Stay in Business | | | \$95M - \$105M | | | \$72M |
| Growth | | | \$200M - \$220M | | | \$277M |
| Total Capital Expenditure | | | \$295M - \$325M | | | \$349M |
| Total Cash Costs | \$125M - \$130M | | | \$100M | | |



Below EBITDAF

\$98M increase in NPBT¹ from the net change in fair value of hedges² (\$309M decrease in FY23).

\$18M for impairment of software assets.

+\$13M increase in net finance costs from higher levels of net debt.

Higher tax expense on higher NPBT.

Resulted in a \$334M (+352%) increase in NPAT³.

\$44M (+14%) increase in Underlying NPAT⁴ largely from higher cash flows with higher depreciation, financing and tax costs.

\$3,152M increase in generation and plant asset valuation.

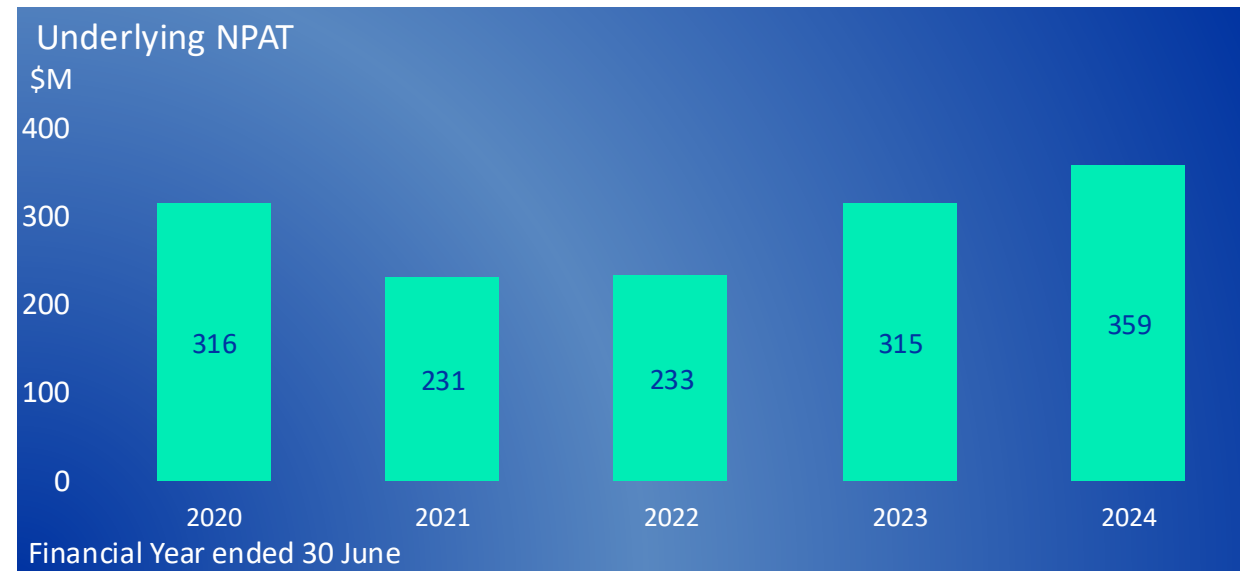
¹Net profit before tax

²Net changes in the fair value of unrealised energy hedges and treasury hedges

³Net profit after tax

⁴Net profit after tax adjusted for the effects of changes in fair value of unrealised hedges, electricity option premiums and other non-cash items and their tax effects

A reconciliation of NPAT to Underlying NPAT is on page 50





Debt and funding

June 2024 total borrowings of \$1,347M¹.

Total funding facilities of \$1,956M, of which \$625M were undrawn.

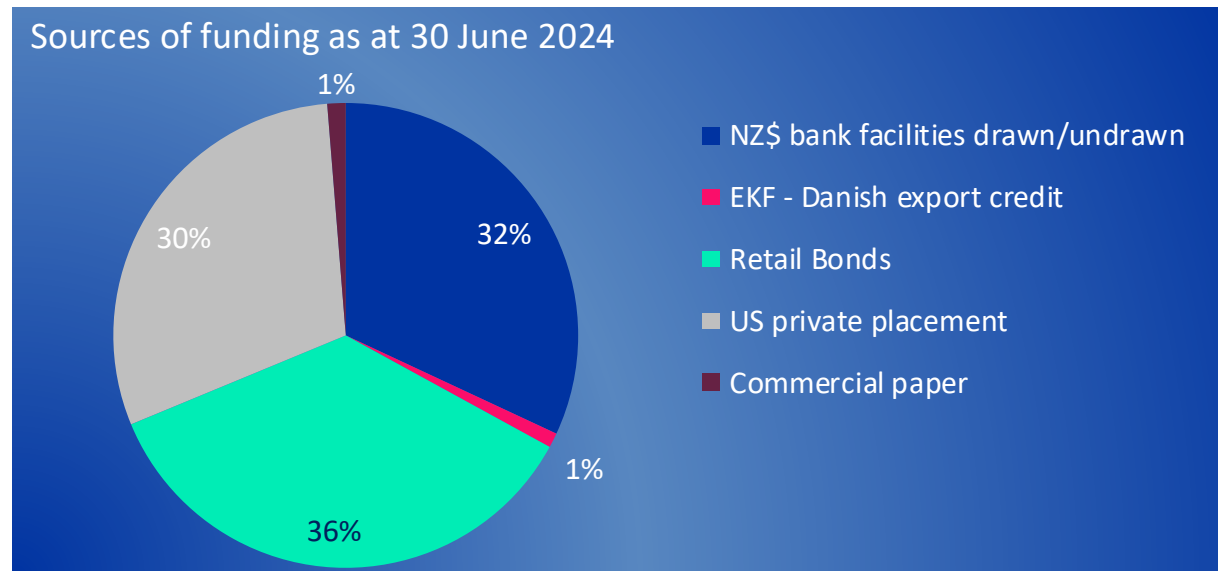
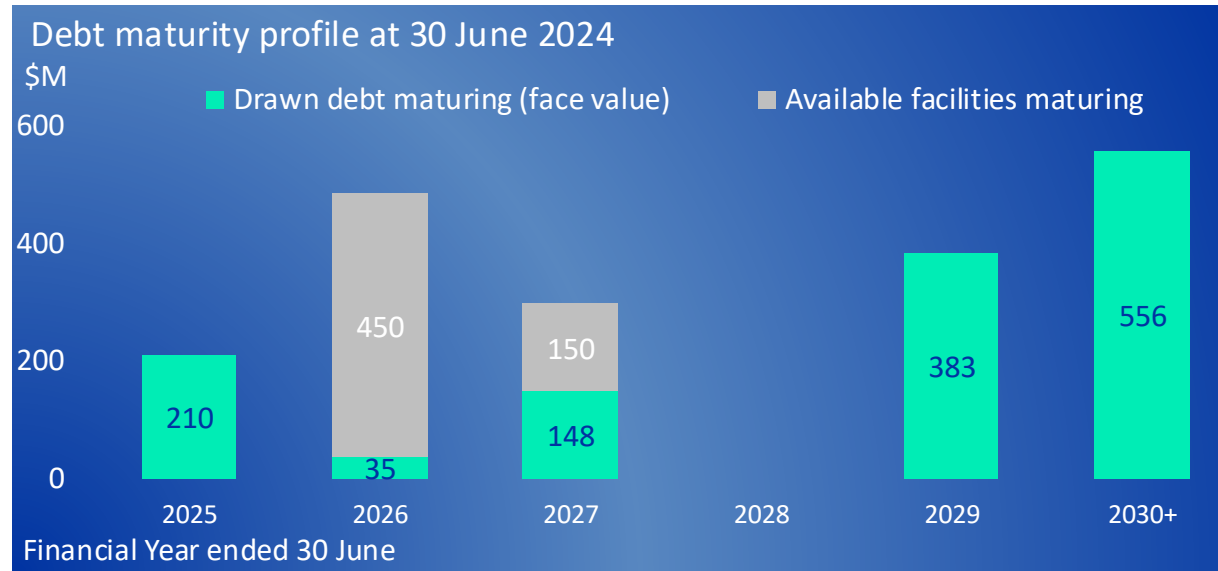
All facilities classified under Meridian’s Green Finance Programme.

FY24 net debt of \$1,274M, up +3% from FY23.

FY24 net debt to EBITDAF at 1.4x (FY23: 1.6x).

Credit rating maintained at BBB+/Stable.

Successful \$300M issue of 6-year unsecured, unsubordinated, fixed rate green bonds in March 2024.



¹Including \$18M fair value adjustment

July operating results

Total Meridian inflows were 78% of average, lowest July inflows since 2011.

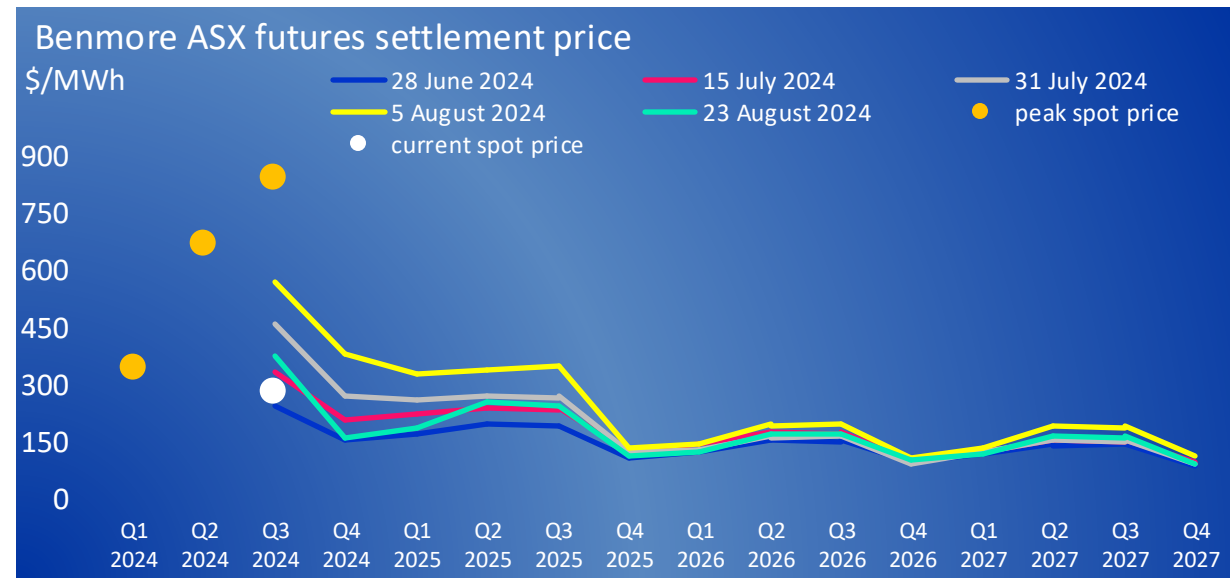
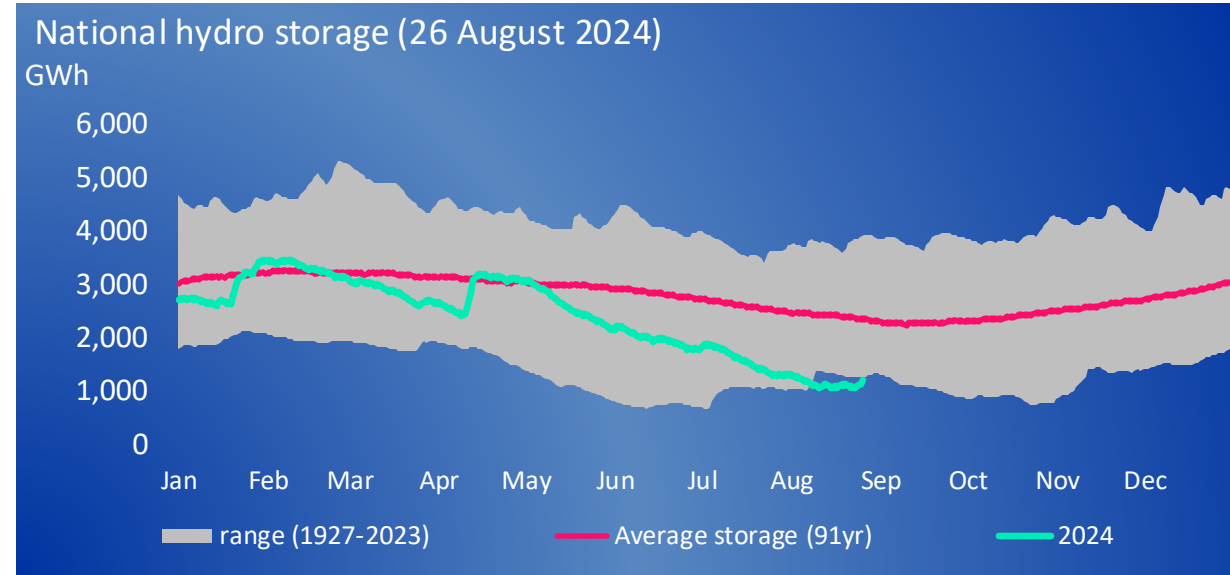
Waitaki hydro storage at 45% of average, snow storage at 65% of average at 31 July.

National hydro storage at record low August levels, currently 51% of 91-year average.

Meridian’s physical generation volumes slightly below retail and NZAS contracted sales in July.

Near-term ASX prices falling with further NZAS and Methanex announcements.

Accounting treatment of new NZAS base contract is changing to be recognised as a derivative in the income statement.





Neal Barclay – Chief Executive



Maintenance work at Meridian's West Wind Farm near Wellington



FY25 targets

Te kaupapa matua

Our priorities

Te mahi

Our key initiative

Te whaingā

Our targets

FY25 Horizon 1

| | | | |
|---------------------------------|---|--|--|
| Grow renewable generation | Delivering scale energy projects at pace: <ul style="list-style-type: none"> Build renewable generation options. Deliver on our 7 in 7. Secure long-term access to water. | <ul style="list-style-type: none"> Harapaki and Ruakākā BESS delivered Gain 3 consents Lodge 3 consents on further 7 in 7 options | <ul style="list-style-type: none"> Achieve FID on two renewable projects Commence construction of Ruakākā solar |
| | Accelerate electrification of transport and process heat | <ul style="list-style-type: none"> Install 75 fast chargers by the end of FY25 | <ul style="list-style-type: none"> Convert 200GWh of MOU process heat to contracts |
| | Grow system flexibility | <ul style="list-style-type: none"> 173MW from new transformers at Manapōuri and West Wind Hydro generation unit up-ratings and constraint removals totalling 50–60MW | <ul style="list-style-type: none"> Sign 10MW of additional demand flexibility 5,000 residential customers on DR product |
| Deliver cleaner, cheaper energy | Develop digital capability and innovation to achieve scale and grow customer relationships Expansion of the energy product set that unlocks the value of transport electrification, process heat and demand flex | <ul style="list-style-type: none"> Customer numbers grow to 395k | |
| | Continued investment in energy hardship/community programmes and a focus on innovation to promote equitable access to the energy transition | <ul style="list-style-type: none"> Support 1k customers in energy hardship | <ul style="list-style-type: none"> Increase community decarb distributions to \$1.5m in FY25 |
| | Policy advocacy that promotes climate action and supports New Zealanders through the energy transition | <ul style="list-style-type: none"> ETS seen as primary tool to drive energy transition | <ul style="list-style-type: none"> Favourable consenting reforms Navigate near-term Winter capacity constraints |
| Deliver operational excellence | Build operational flex and agility while sustaining excellent asset productivity | <ul style="list-style-type: none"> Improved AMP that supports maximising availability of existing assets delivered | <ul style="list-style-type: none"> Reduce annual routine outage days by >100 days Implement advanced analytics trial |
| | Modern data and digital systems to promote collaboration, operational efficiency, innovation and data-driven decisions | <ul style="list-style-type: none"> Finance Transformation live Portfolio tool capacity improvements implemented Identity and Access management solution delivered | <ul style="list-style-type: none"> Market Maker enhancements delivered Enterprise wide data lake delivered and scaling in progress |
| Grow capability and culture | Grow a diverse and inclusive, skilled workforce that reflects the country we live in | <ul style="list-style-type: none"> 25% women in senior roles Reduce Māori and Pacifica representation gap by 10% on the baseline each year | <ul style="list-style-type: none"> Maintain/achieve engagement in top 25% of NZ orgs Deliver new Wellbeing Strategy |
| | Safety leadership that grows in maturity as we build into the energy transition | <ul style="list-style-type: none"> Growing the maturity of the Safety Culture through improvement in the lead indicators from FY24, while managing lag indicators | |
| | Sustainability culture and leadership that benefits people and planet, inspires climate action, and attracts investors | <ul style="list-style-type: none"> ESG accountability formalised in Business Units Half by 30 FY24 initiatives delivered | <ul style="list-style-type: none"> Upper quartile Asia Pacific ESG performance (DJSI index measure) |



Final thoughts

FY24 was a year of milestones.

Challenging start to FY25 with record dry winter conditions.

Leaning on hedge arrangements to manage lake levels.

Unprecedented demand response from NZAS.

Support for our C&I customers with current high wholesale price volatility.



Manapouri hydro station in the Fiordland National Park



Questions





Additional information



Segment results

| \$M | <u>Wholesale</u> | | <u>Retail</u> | | <u>Other & unallocated</u> | | <u>Inter-segment</u> | | <u>Total</u> | |
|---------------------------------|------------------|------------|---------------|------------|--------------------------------|-------------|----------------------|-------------|--------------|--------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Contracted sales | 633 | 530 | 1,363 | 1,207 | - | - | - | - | 1,996 | 1,737 |
| Cost to supply customers | (3,487) | (1,549) | (1,326) | (1,006) | - | - | 1,507 | 1,065 | (3,306) | (1,490) |
| Net cost of hedging | 285 | (121) | - | - | - | - | - | - | 285 | (121) |
| Generation spot revenue | 2,319 | 1,020 | - | - | - | - | - | - | 2,319 | 1,020 |
| Inter-segment electricity sales | 1,507 | 1,065 | - | - | - | - | (1,507) | (1,065) | - | - |
| Virtual asset swap margins | (9) | (7) | - | - | - | - | - | - | (9) | (7) |
| Other market revenue/(costs) | (9) | (9) | - | 2 | - | - | - | - | (9) | (7) |
| Energy margin | 1,239 | 929 | 37 | 203 | - | - | - | - | 1,276 | 1,132 |
| Other revenue | 4 | 3 | 18 | 16 | 23 | 23 | (9) | (13) | 36 | 29 |
| Energy transmission expense | (73) | (80) | - | - | - | - | - | - | (73) | (80) |
| Hosting expenses | - | - | - | - | (4) | (3) | - | - | (4) | (3) |
| Electricity metering expenses | - | - | (49) | (46) | - | - | - | - | (49) | (46) |
| Gross margin | 1,170 | 852 | 6 | 173 | 19 | 20 | (9) | (13) | 1,186 | 1,032 |
| Employee expenses | (31) | (27) | (38) | (36) | (65) | (56) | - | - | (134) | (119) |
| Other operating expenses | (67) | (65) | (40) | (34) | (48) | (38) | 8 | 7 | (147) | (130) |
| Operating expenses | (98) | (92) | (78) | (70) | (113) | (94) | 8 | 7 | (281) | (249) |
| EBITDAF | 1,072 | 760 | (72) | 103 | (94) | (74) | (1) | (6) | 905 | 783 |



EBITDAF reconciliation to the income statement

| | 2024 | 2023 | | 2024 | 2023 |
|---|----------------|----------------|---|--------------|--------------|
| Income statement (\$M) | | | Segment earnings statement (\$M) | | |
| Energy sales to customers | 2,487 | 2,140 | Energy margin | 1,276 | 1,132 |
| Generation revenue | 2,333 | 1,053 | Other revenue | 36 | 29 |
| Energy related services revenue | 11 | 10 | Energy transmission expense | (73) | (80) |
| Other revenue | 25 | 19 | Hosting expenses | (4) | (3) |
| Total operating revenue | 4,856 | 3,222 | Energy metering expense | (49) | (46) |
| Energy expenses | (2,956) | (1,331) | Gross margin | 1,186 | 1,032 |
| Energy distribution expenses | (739) | (688) | Employee expenses | (134) | (119) |
| Energy transmission expenses | (73) | (80) | Other operating expenses | (147) | (130) |
| Hosting expenses | (4) | (3) | EBITDAF | 905 | 783 |
| Electricity metering expenses | (134) | (46) | | | |
| Employee expenses | (49) | (119) | | | |
| Other expenses | (147) | (130) | | | |
| Total operating expenses | (4,102) | (2,397) | | | |
| Depreciation and amortisation | (334) | (294) | | | |
| Impairment of assets | (18) | (10) | | | |
| <i>realised energy hedges</i> | 151 | (42) | | | |
| <i>unrealised energy hedges</i> | 102 | (333) | | | |
| Net change in fair value of energy hedges | 253 | (375) | | | |
| Net finance costs | (57) | (44) | | | |
| Net change in fair value of treasury hedges | (4) | 24 | | | |
| Net profit before tax | 594 | 126 | | | |
| Income tax expense | (165) | (31) | | | |
| Net profit after tax | 429 | 95 | | | |



Six monthly results

| \$M | 1H | | | 2H | | | Total | | |
|---|------------|------------|-------------|------------|--------------|------------|--------------|--------------|------------|
| | 2024 | 2023 | change | 2024 | 2023 | change | 2024 | 2023 | change |
| Contracted sales | 966 | 826 | 140 | 1,030 | 911 | 119 | 1,996 | 1,737 | 259 |
| Cost to supply customers | (1,265) | (523) | (742) | (2,041) | (967) | (1,074) | (3,306) | (1,490) | (1,816) |
| Net cost of hedging | 51 | (68) | 119 | 234 | (53) | 287 | 285 | (121) | 406 |
| Generation spot revenue | 885 | 371 | 514 | 1,434 | 649 | 785 | 2,319 | 1,020 | 1,299 |
| Virtual asset swap margins | (3) | (4) | 1 | (6) | (3) | (3) | (9) | (7) | (2) |
| Other market revenue/(costs) | (5) | (4) | (1) | (4) | (3) | (1) | (9) | (7) | (2) |
| Energy margin | 629 | 598 | 31 | 647 | 534 | 113 | 1,276 | 1,132 | 144 |
| Other revenue | 16 | 14 | 2 | 20 | 15 | 5 | 36 | 29 | 7 |
| Energy transmission expense | (36) | (41) | 5 | (37) | (39) | 2 | (73) | (80) | 7 |
| Hosting expenses | (2) | - | (2) | (2) | (3) | 1 | (4) | (3) | (1) |
| Electricity metering expenses | (25) | (23) | (2) | (24) | (23) | (1) | (49) | (46) | (3) |
| Gross margin | 582 | 548 | 34 | 604 | 484 | 120 | 1,186 | 1,032 | 154 |
| Operating expenses | (139) | (123) | (16) | (142) | (126) | (16) | (281) | (249) | (32) |
| EBITDAF | 443 | 425 | 18 | 462 | 358 | 104 | 905 | 783 | 122 |
| Depreciation & amortisation | (164) | (144) | (20) | (170) | (150) | (20) | (334) | (294) | (40) |
| Asset related adjustments | 11 | (6) | 17 | (30) | (4) | (26) | (18) | (10) | (8) |
| Net change in fair value of energy hedges | 11 | (5) | 16 | 91 | (328) | 419 | 102 | (333) | 435 |
| Net finance costs | (25) | (23) | (2) | (32) | (21) | (11) | (57) | (44) | (13) |
| Net change in fair value of treasury hedges | (13) | 32 | (45) | 9 | (8) | 17 | (4) | 24 | (28) |
| Net profit before tax | 263 | 279 | (16) | 331 | (153) | 484 | 594 | 126 | 468 |
| Income tax expenses | (72) | (78) | 6 | (93) | 47 | (140) | (165) | (31) | (134) |
| Net profit after tax | 191 | 201 | (10) | 238 | (106) | 344 | 429 | 95 | 334 |
| Underlying net profit after tax | 175 | 181 | (6) | 184 | 134 | 50 | 359 | 315 | 44 |



Earnings from continuing operations

| <u>NZ Operations</u> | | | | | |
|-------------------------------------|----------------|--------------|--------------|--------------|--------------|
| Financial year ended 30 June | 2024 | 2023 | 2022 | 2021 | 2020 |
| \$M | | | | | |
| Contracted sales | 1,996 | 1,738 | 1,582 | 1,433 | 1,327 |
| Cost to supply customers | (3,306) | (1,490) | (2,463) | (2,896) | (1,486) |
| Net cost of hedging | 285 | (121) | 148 | 271 | 11 |
| Generation spot revenue | 2,319 | 1,020 | 1,757 | 2,193 | 1,266 |
| Virtual asset swap margins | (9) | (7) | 2 | (3) | 9 |
| Other market revenue/(costs) | (9) | (8) | (4) | (4) | (5) |
| Energy margin | 1,276 | 1,132 | 1,022 | 994 | 1,122 |
| Other revenue | 36 | 29 | 27 | 27 | 24 |
| Energy transmission expense | (73) | (80) | (79) | (82) | (116) |
| Hosting expenses | (4) | (3) | (2) | (1) | (1) |
| Energy metering expense | (49) | (46) | (43) | (39) | (36) |
| Gross margin | 1,186 | 1,032 | 925 | 899 | 993 |
| Employee expenses | (134) | (119) | (100) | (97) | (102) |
| Other operating expenses | (147) | (130) | (116) | (110) | (104) |
| Operating expenses | (281) | (249) | (216) | (207) | (206) |
| EBITDAF | 905 | 783 | 709 | 692 | 787 |



Retail

Customers

+2% increase in customers since June 2023.

Residential, business, agri segment

+2% increase in residential volumes.

+2% increase in small business volumes.

+18% increase in agri volumes.

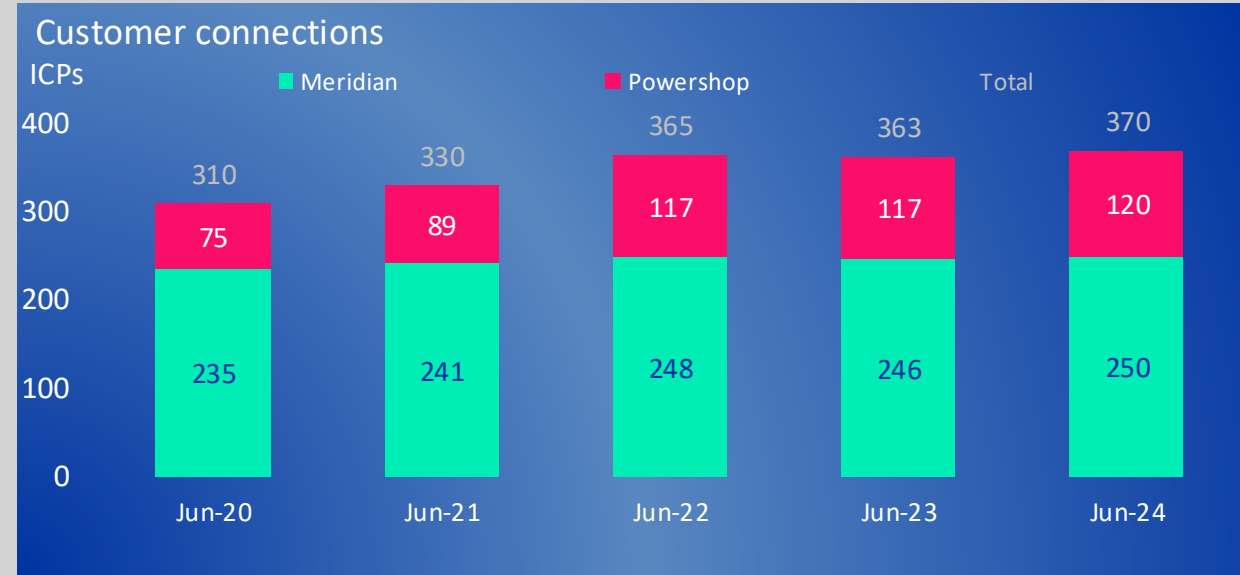
+8% increase in large business volumes.

+8% increase in average sales price.

Corporate segment

-0.2% decrease in volumes.

+10% increase in average sales price.



Hydrology

Inflows

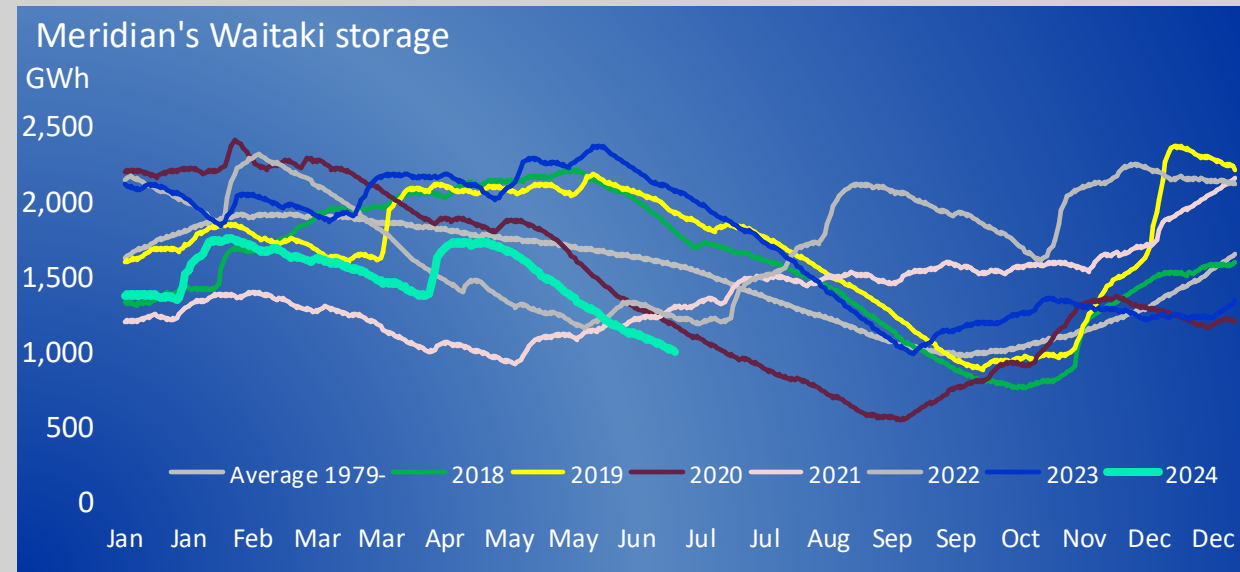
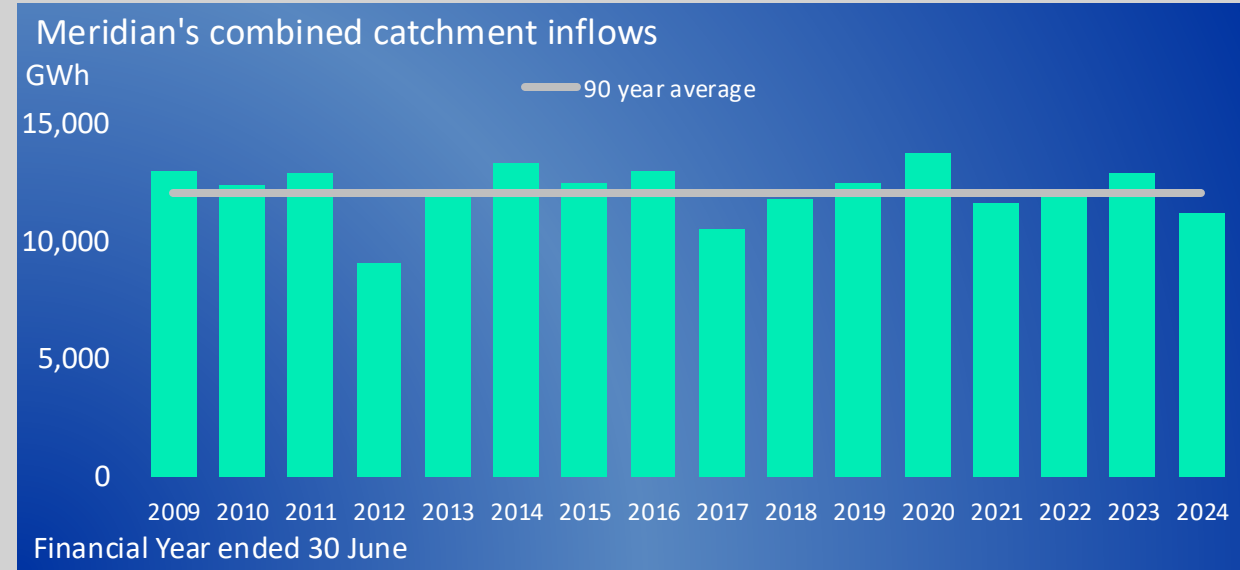
FY24 inflows were 93% of historical average.

July 2024 inflows were 78% of average.

Storage

Meridian's Waitaki storage at 30 June 2024 was 63% of historical average.

By 31 July 2024, this position was 45% of average.





Generation

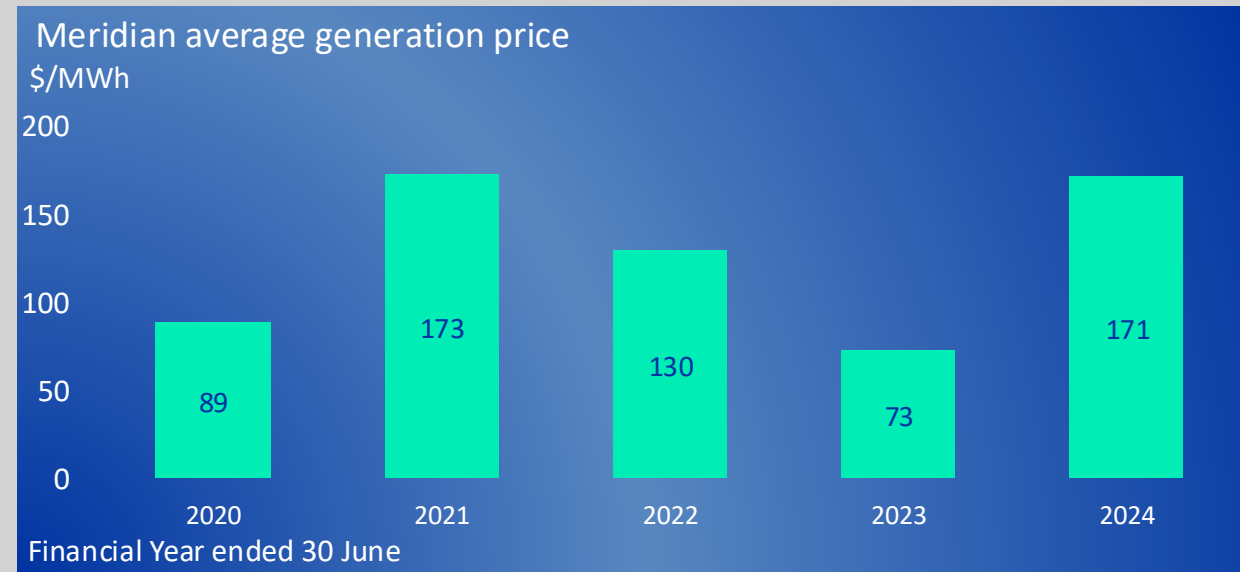
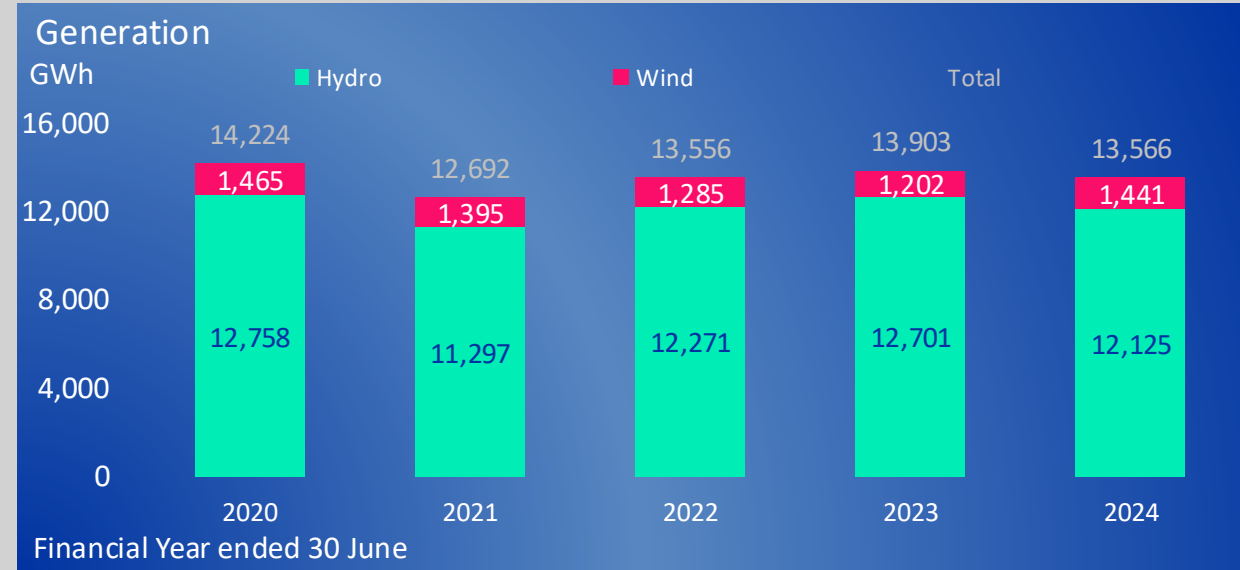
Volume

FY24 generation was -2% lower than FY23 with lower hydro generation and higher wind generation.

Price

FY24 average price Meridian received for its generation was +133% higher than FY23.

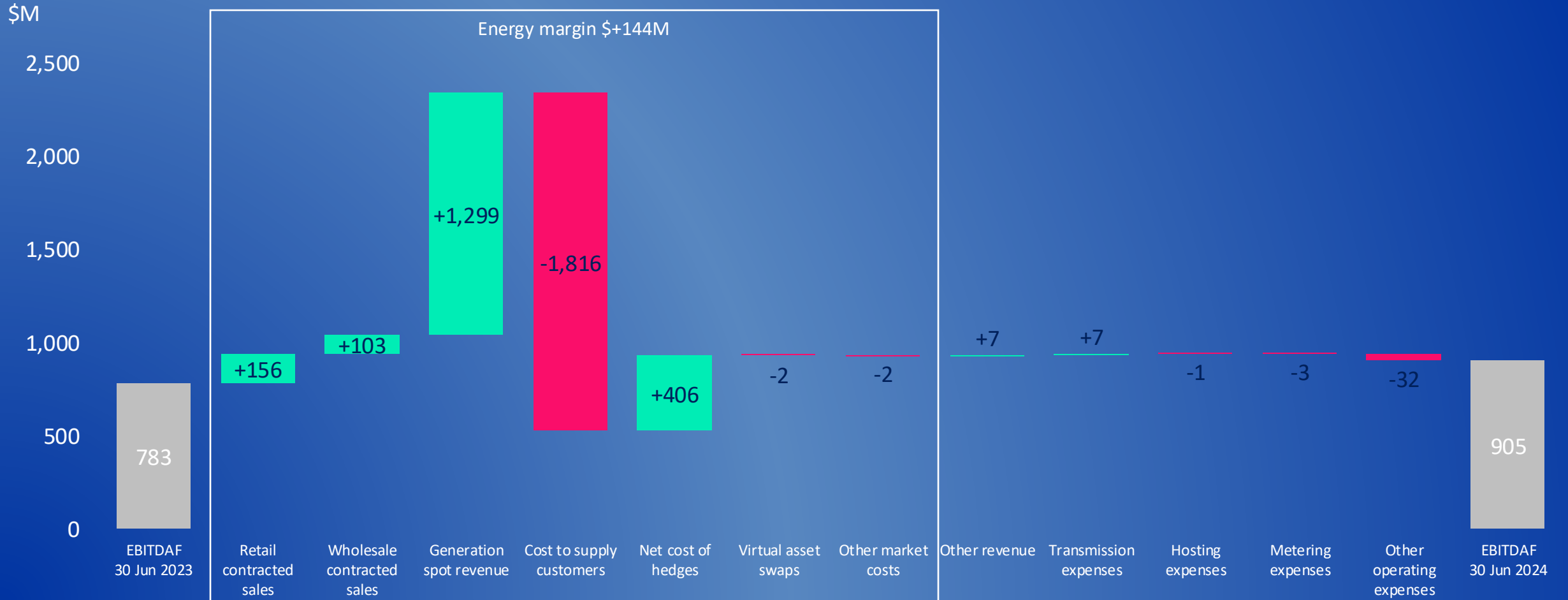
FY24 average price Meridian paid to supply customers was +114% higher than FY23.





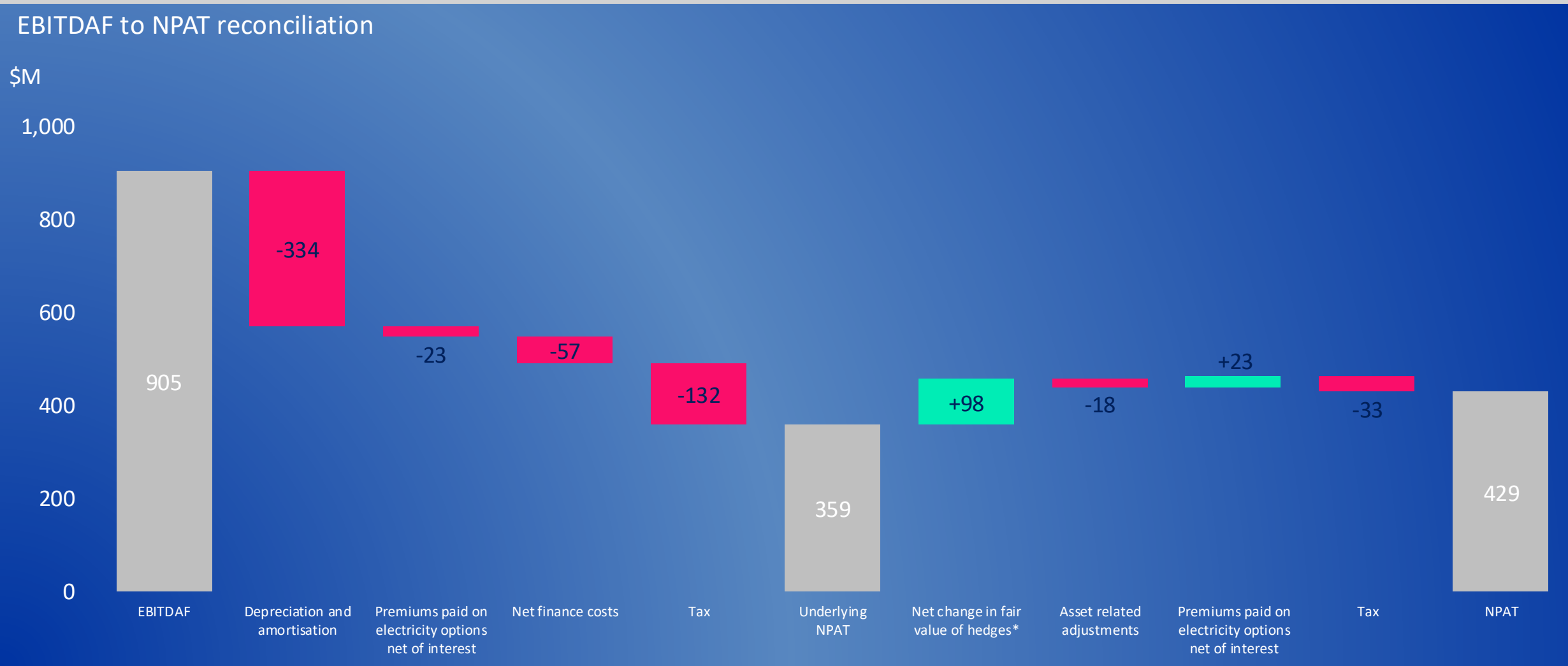
FY24 EBITDAF

Movement in EBITDAF





EBITDAF to NPAT



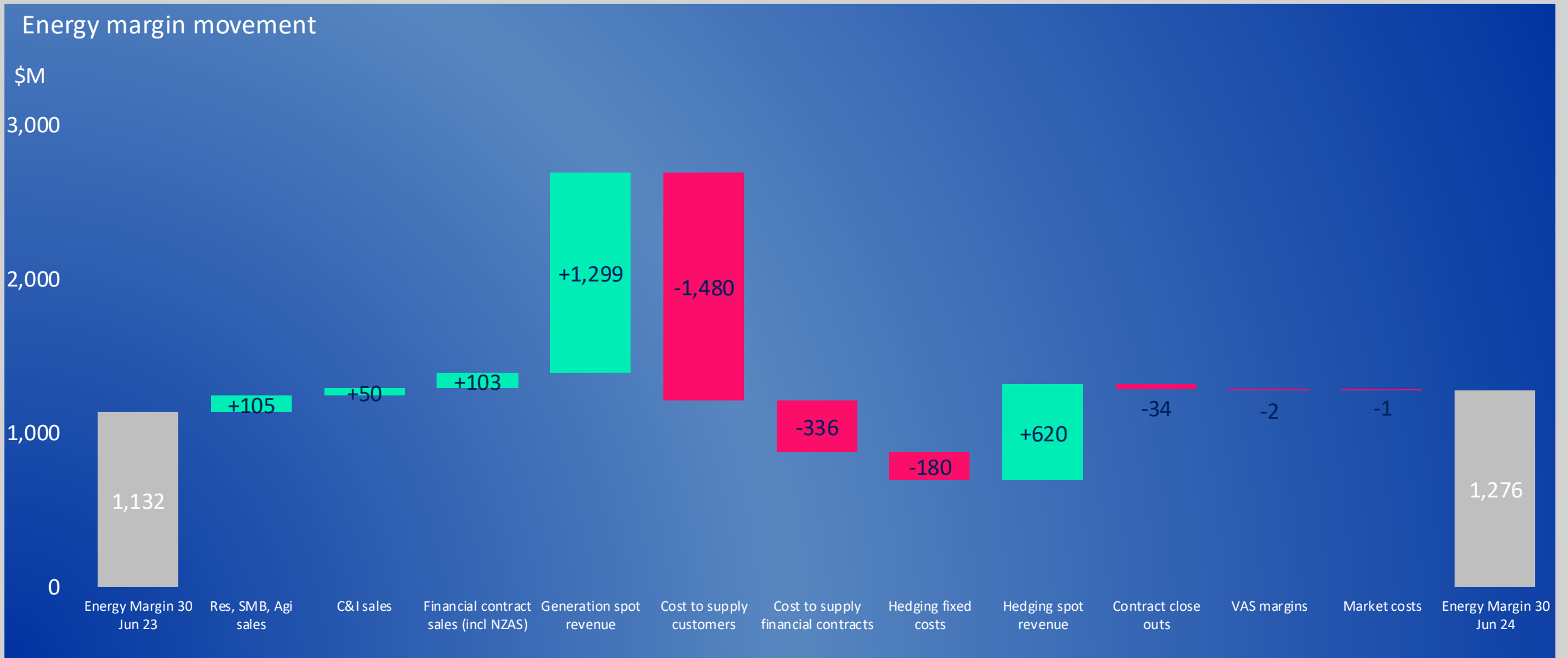
*Net changes in the fair value of unrealised energy hedges and treasury hedges



Energy margin



Energy margin





Energy margin

| | FY24 | | | FY23 | | |
|--|---------------|-------------|--------------|---------------|-------------|--------------|
| | Volume | VWAP | \$M | Volume | VWAP | \$M |
| Res, business, agri sales | 5,603 | \$146 | 820 | 5,258 | \$136 | 715 |
| Corporate and industrial sales | 3,908 | \$139 | 543 | 3,917 | \$126 | 493 |
| Retail contracted sales | 9,511 | \$143 | 1,363 | 9,175 | \$132 | 1,208 |
| NZAS sales | 5,002 | | | 5,009 | | |
| Financial contract sales | 3,417 | | | 3,098 | | |
| Wholesale contracted sales | 8,419 | \$75 | 633 | 8,107 | \$65 | 530 |
| Cost to supply retail customers | 10,050 | -\$186 | (1,870) | 9,674 | -\$89 | (858) |
| Cost to supply wholesale customers | 5,002 | -\$171 | (854) | 5,009 | -\$77 | (385) |
| Cost of financial contracts | 3,417 | -\$171 | (583) | 3,098 | -\$80 | (247) |
| Cost to supply customers and contracts | 18,469 | -\$179 | (3,306) | 17,780 | -\$84 | (1,490) |
| Hedging costs | 5,782 | -\$132 | (766) | 4,767 | -\$123 | (586) |
| Hedging spot revenue | 5,782 | \$180 | 1,039 | 4,767 | \$88 | 419 |
| Close-outs | | | 12 | | | 46 |
| Net cost of hedging | | | 285 | | | (121) |
| Hydro generation | 12,115 | | | 12,701 | | |
| Wind generation | 1,441 | | | 1,202 | | |
| Generation revenue | 13,556 | \$171 | 2,319 | 13,903 | \$73 | 1,020 |
| Virtual asset swap margins | 0 | | (9) | 0 | | (7) |
| Other | | | (9) | | | (8) |
| Energy margin | | | 1,276 | | | 1,132 |



Energy margin

A non-GAAP financial measure representing energy sales revenue less energy related expenses and energy distribution expenses.

Used to measure the vertically integrated performance of the retail and wholesale businesses.

Used in place of statutory reporting which requires gross sales and costs to be reported separately, therefore not accounting for the variability of the wholesale spot market and the broadly offsetting impact of wholesale prices on the cost of retail electricity purchases.

Defined as:

Revenues received from sales to customers net of distribution costs (fees to distribution network companies that cover the costs of distribution of electricity to customers), sales to large industrial customers and fixed price revenues from financial contracts sold (contract sales revenue).

The volume of electricity purchased to cover contracted customer sales and financial contracts sold (cost to supply customers).

The fixed cost of derivatives used to manage market risks, net of spot revenue received from those derivatives (net cost of hedging).

Revenue from the volume of electricity that Meridian generates (generation spot revenue).

The net margin position of virtual asset swaps with Genesis Energy and Mercury New Zealand.

Other associated market revenues and costs including Electricity Authority levies and ancillary generation revenues, such as frequency keeping.



NZAS Demand Response Agreement

Summary of demand response options

| Option | Equivalent reduced consumption (MWh per hour) | Exercisable Reduction from Meridian demand response agreement (MWh per hour) | Usual Ramp-Down Notice Period | DR Period (equivalent number of days) | Usual Ramp-Down Period (equivalent number of days) | Usual Ramp-Up Notice Period (equivalent number of days) | Usual Ramp-Up Period (equivalent number of days) | Maximum Calls |
|--------|---|--|-------------------------------|---------------------------------------|--|---|--|--|
| 1 | 25 | 18.75 | 3 Business Days | Minimum 10 days, maximum 150 days | 5 days | 3 days | 15 days | Unlimited, but the Option cannot be exercised more than 4 times in any 12-month period |
| 2 | 50 | 37.5 | 3 Business Days | Minimum 15 days, maximum 145 days | 10 days | 3 days | 30 days | Unlimited, but the Option cannot be exercised more than 2 times in any 18-month period |
| 3 | 100 | 75 | 3 Business Days | Minimum 22 days, maximum 137 days | 18 days | 5 days | 100 days | The Option cannot be exercised more than 8 times over the Term |
| 4 | 185 | 138.75 | 5 Business Days | Minimum 30 days, maximum 75 days | 25 days | 5 days | 200 days | The Option cannot be exercised more than 4 times over the Term |

Stand down periods apply between the exercise of Options.



Funding metrics

Net debt/EBITDAF is the principal metric underpinning S&P credit rating.

S&P calculation of net debt/EBITDAF includes numerous adjustments to reported numbers:

Borrowings adjusted for the impact of leases; and

Cash balances adjusted for restricted cash.

| <u>Net debt to EBITDAF</u> | | | | | |
|-------------------------------------|--------------|-------------|-------------|-------------|-------------|
| Financial year ended 30 June | 2024 | 2023 | 2022 | 2021 | 2020 |
| \$M | | | | | |
| Drawn borrowings | 1,331 | 1,221 | 1,126 | 1,589 | 1,491 |
| Lease liabilities payable | 30 | 27 | 41 | 97 | 104 |
| Less: cash and cash equivalents | (221) | (212) | (363) | (148) | (176) |
| Add back: restricted cash | 134 | 196 | 43 | 97 | 67 |
| Net debt | 1,274 | 1,232 | 847 | 1,635 | 1,486 |
| EBITDAF | 905 | 783 | 709 | 692 | 853 |
| Net debt to EBITDAF (times) | 1.4 | 1.6 | 1.2 | 2.4 | 1.7 |

Fair value movements

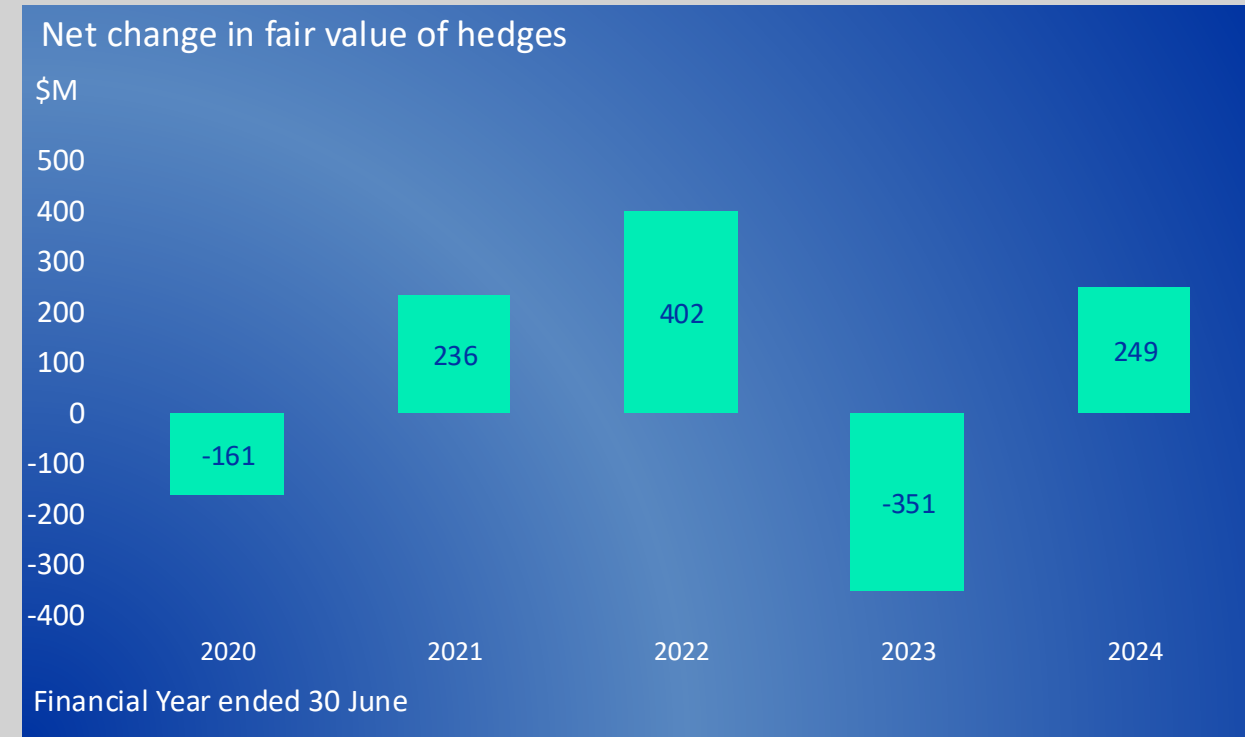
Meridian uses derivative instruments to manage interest rate, foreign exchange and electricity price risk.

As forward prices and rates on these instruments move, non-cash changes to their carrying value are reflected in NPAT.

Accounting standards only allow hedge accounting if specific conditions are met, which creates NPAT volatility.

\$253M increase in NPBT from fair value of energy hedges from higher forward electricity prices (\$375M decrease in FY23).

\$4M decrease in NPBT from fair value of treasury hedges from lower forward interest rates (\$24M increase in FY23).





Proforma income statement

| <u>Proforma income statement</u> | | | | | |
|--|-----------------|-----------------|-----------------|------------------|------------------|
| Financial year ended 30 June | 2024 | 2023 | 2022 | 2021 | 2020 |
| | <i>reported</i> | <i>reported</i> | <i>reported</i> | <i>pro forma</i> | <i>pro forma</i> |
| \$M | | | | | |
| Operating revenue | 4,856 | 3,222 | 3,776 | 4,115 | 3,357 |
| Operating expenses | (4,102) | (2,397) | (3,188) | (3,634) | (2,560) |
| Depreciation and amortisation | (334) | (294) | (293) | (271) | (312) |
| Asset related adjustments | (18) | (10) | (2) | - | (58) |
| Net change in fair value of energy hedges | 253 | (375) | 266 | 368 | (57) |
| Finance costs | (69) | (55) | (73) | (81) | (85) |
| Interest income | 12 | 11 | 3 | - | 1 |
| Net change in fair value of treasury hedges | (4) | 24 | 136 | 79 | (48) |
| Net profit before tax | 594 | 126 | 625 | 576 | 238 |
| Income tax expense | (165) | (31) | (174) | (161) | (63) |
| Net profit after tax from continuing operations | 429 | 95 | 451 | 415 | 175 |
| Net profit after tax from discontinued operations | - | - | 213 | 13 | - |
| Net profit after tax | 429 | 95 | 664 | 428 | 175 |

Financial years ended 30 June 2020-2021 restated for change in presentation of realised energy hedge balances



Segment earnings statement

| Segment earnings statement | | | | | |
|--|--------------|-------------|-------------|-------------|-------------|
| Financial year ended 30 June | 2024 | 2023 | 2022 | 2021 | 2020 |
| \$M | | | | | |
| New Zealand energy margin | 1,276 | 1,132 | 1,022 | 994 | 1,122 |
| Australia energy margin | - | - | - | - | 122 |
| Other revenue | 36 | 29 | 27 | 27 | 27 |
| Energy transmission expense | (73) | (80) | (79) | (82) | (123) |
| Hosting expenses | (4) | (3) | (2) | | |
| Electricity metering expense | (49) | (46) | (43) | (39) | (36) |
| Employee and other operating expenses | (281) | (249) | (216) | (208) | (259) |
| EBITDAF | 905 | 783 | 709 | 692 | 853 |
| Depreciation and amortisation | (334) | (294) | (293) | (271) | (312) |
| Asset related adjustments | (18) | (10) | (2) | - | (58) |
| Net change in fair value of energy hedges | 102 | (333) | 145 | 157 | (113) |
| Net finance costs | (57) | (44) | (70) | (81) | (84) |
| Net change in fair value of treasury hedges | (4) | 24 | 136 | 79 | (48) |
| Net profit before tax | 594 | 126 | 625 | 576 | 238 |
| Income tax expense | (165) | (31) | (174) | (161) | (63) |
| Net profit after tax from continuing operations | 429 | 95 | 451 | 415 | 175 |
| Net profit after tax from discontinued operations | - | - | 213 | 13 | - |
| Net profit after tax | 429 | 95 | 664 | 428 | 175 |



Underlying NPAT reconciliation

| <u>UNPAT</u> | | | | | |
|--|--------------|-------------|-------------|-------------|-------------|
| Financial year ended 30 June | 2024 | 2023 | 2022 | 2021 | 2020 |
| \$M | | | | | |
| Net profit after tax | 429 | 95 | 664 | 428 | 175 |
| Underlying adjustments | | | | | |
| Discontinued operations | - | - | (213) | (13) | - |
| <u>Hedging instruments</u> | | | | | |
| Net change in fair value of energy hedges | (102) | 333 | (145) | (157) | 113 |
| Net change in fair value of treasury hedges | 4 | (24) | (136) | (79) | 48 |
| Premiums paid on electricity options net of interest | (23) | (17) | (20) | (20) | (20) |
| <u>Assets</u> | | | | | |
| Asset related adjustments | 18 | 10 | 2 | - | 58 |
| Total adjustments before tax | (103) | 302 | (512) | (269) | 199 |
| <u>Taxation</u> | | | | | |
| Tax effect of above adjustments | 33 | (82) | 81 | 72 | (58) |
| Underlying net profit after tax | 359 | 315 | 233 | 231 | 316 |



Cash flow statement

| Cash flow statement | | | | | |
|---|----------------|--------------|--------------|--------------|--------------|
| Financial year ended 30 June | 2024 | 2023 | 2022 | 2021 | 2020 |
| \$M | | | | | |
| Receipts from customers | 4,614 | 3,354 | 3,934 | 4,164 | 3,375 |
| Interest received | 12 | 11 | 2 | - | 1 |
| Payments to suppliers and employees | (3,719) | (2,637) | (3,254) | (3,472) | (2,520) |
| Interest paid | (80) | (65) | (76) | (82) | (79) |
| Income tax paid | (160) | (154) | (145) | (179) | (173) |
| Operating cash flows | 667 | 509 | 461 | 431 | 604 |
| Sale of property, plant and equipment | - | 2 | 2 | - | - |
| Sales of subsidiaries and other assets | 8 | - | 768 | - | - |
| Purchase of property, plant and equipment | (281) | (316) | (141) | (76) | (43) |
| Purchase of intangible assets and investments | (54) | (13) | (31) | (38) | (21) |
| Investing cash flows | (327) | (327) | 598 | (114) | (64) |
| Borrowings drawn | 467 | 255 | 210 | 108 | 172 |
| Borrowings repaid | (357) | (160) | (685) | (10) | (60) |
| Shares purchased for long-term incentive | (3) | (2) | (2) | (3) | (2) |
| Lease liabilities repaid | (2) | (3) | (7) | (7) | (7) |
| Dividends paid | (436) | (423) | (360) | (433) | (546) |
| Financing cash flows | (331) | (333) | (844) | (345) | (443) |
| Net increase/(decrease in cash and cash equivalents) | 9 | (151) | 215 | (28) | 97 |



Balance sheet

| Balance sheet | | | | | |
|--|---------------|--------------|--------------|--------------|--------------|
| Financial year ended 30 June | 2024 | 2023 | 2022 | 2021 | 2020 |
| \$M | | | | | |
| Cash and cash equivalents | 221 | 212 | 363 | 148 | 176 |
| Trade receivables | 536 | 334 | 399 | 491 | 323 |
| Financial instruments | 233 | 86 | 213 | 192 | 100 |
| Other current assets | 61 | 60 | 66 | 86 | 66 |
| Total current assets | 1,051 | 692 | 1,041 | 917 | 665 |
| Property, plant and equipment | 12,192 | 8,989 | 7,830 | 8,598 | 8,594 |
| Intangible assets | 62 | 73 | 85 | 84 | 64 |
| Financial instruments | 224 | 186 | 413 | 214 | 265 |
| Other non-current assets | 14 | - | - | 43 | 34 |
| Total non-current assets | 12,492 | 9,248 | 8,328 | 8,939 | 8,957 |
| Payables, accruals and employee entitlements | 565 | 313 | 467 | 602 | 388 |
| Current portion of term borrowings | 234 | 214 | 159 | 378 | 88 |
| Other current liabilities | 205 | 138 | 96 | 130 | 172 |
| Total current liabilities | 1,004 | 665 | 722 | 1,110 | 648 |
| Borrowings | 1,113 | 1,022 | 1,004 | 1,298 | 1,600 |
| Deferred tax | 2,949 | 2,103 | 1,932 | 1,940 | 1,850 |
| Other non-current liabilities | 231 | 163 | 188 | 284 | 442 |
| Total non-current liabilities | 4,293 | 3,288 | 3,124 | 3,522 | 3,892 |
| Net assets | 8,246 | 5,987 | 5,523 | 5,224 | 5,082 |



Glossary

| | |
|--|--|
| Hedging volumes | buy-side electricity derivatives excluding the buy-side of virtual asset swaps |
| Average generation price | the volume weighted average price received for Meridian's physical generation |
| Average retail contracted sales price | volume weighted average electricity price received from retail customers, less distribution costs |
| Average wholesale contracted sales price | volume weighted average electricity price received from wholesale customers (including NZAS) and financial contracts |
| Combined catchment inflows | combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes |
| Cost of hedges | volume weighted average price Meridian pays for derivatives acquired |
| Cost to supply contracted sales | volume weighted average price Meridian pays to supply contracted customer sales and financial contracts |
| Contracts for Difference (CFDs) | an agreement between parties to pay the difference between the wholesale electricity price and an agreed fixed price for a specified volume of electricity. CFDs do not result in the physical supply of electricity |
| Customer connections | number of installation control points, excluding vacants |
| GWh | gigawatt hour. Enough electricity for 125 average New Zealand households for one year |
| Historic average inflows | the historic average combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes over the last 84 years |
| Historic average storage | the historic average level of storage in Meridian's Waitaki catchment since 1979 |
| HVDC | high voltage direct current link between the North and South Islands of New Zealand |
| ICP | New Zealand installation control points, excluding vacants |
| ICP switching | the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated |
| MWh | megawatt hour. Enough electricity for one average New Zealand household for 46 days |
| National demand | Electricity Authority's reconciled grid demand www.emi.ea.govt.nz |
| NZAS | New Zealand Aluminium Smelters Limited |
| Retail sales volumes | contract sales volumes to retail customers, including both non half hourly and half hourly metered customers |
| Financial contract sales | sell-side electricity derivatives excluding the sell-side of virtual asset swaps |
| Virtual Asset Swaps (VAS) | CFDs Meridian has with Genesis Energy and Mercury New Zealand. They do not result in the physical supply of electricity |



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companies and they should not be considered in isolation from, or construed as an alternative to, other financial measures determined in accordance with GAAP. Although Meridian believes they provide useful information in measuring the financial performance and condition of Meridian's business, readers are cautioned not to place undue reliance on these non-GAAP financial measures.

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www.meridianenergy.co.nz/investors

All currency amounts are in New Zealand dollars unless stated otherwise.