



## Infratil Newsletter – February 2026



Markets have continued to focus on AI-related news in the short time since our early December newsletter. This focus drove significant market volatility in the last few weeks and at the time of writing Infratil's share price is some 6% below the NZ\$11.86 close when we published that newsletter. This represents an even larger gap to our 30 September 2025 net asset value of \$15.55 per share.

Despite market concerns about AI demand risk, we remain confident in CDC's outlook and in January we released the latest independent valuation for CDC. This showed a 2.5% uplift in value with a significant increase in operating capacity, following the completion of construction projects, and allowances for the benefits of densification (i.e. more computing power able to fit into planned data centre space) beginning to be recognised.

Global demand signals for data centre space remain strong. The latest USA reporting season has seen hyperscalers – Amazon, Alphabet (Google), Meta and Microsoft – announce capital expenditure plans totalling about US\$650 billion in 2026. Most of this investment is for AI infrastructure, such as servers, chips and data centres.

Alphabet CEO Sundar Pichai said Alphabet's biggest challenge is: "Compute capacity. Be it power, land, supply chain constraints, how do you ramp up to meet this extraordinary demand for this moment?"

Strong demand for data centre capacity continues in Australia and our focus is on helping CDC accelerate the delivery of capacity to meet it. We're also looking at how our international renewable energy investments can play a larger part in helping address data centre power needs.

That said, as the rest of the content of this newsletter shows, Infratil isn't just about data centres. There's plenty of positive activity happening across the other businesses that make up almost half our net asset value.

### **Contact Energy advances battery, solar and geothermal investment**

Contact announced a NZ\$525 million equity raise earlier this week coinciding with the release of their positive [half-year results](#). The acquisition of Manawa Energy's assets, together with a full period of generation at the new Te Huka 3 geothermal plant, helped drive a lift in their earnings. Renewable generation was 97% of total electricity generation in the half.

Contact CEO Mike Fuge said: "Contact is taking significant steps to ensure its readiness to support New Zealand's growing electricity demand, with 3–5TWh of new grid demand expected in the next five years. We're investing in the infrastructure required to support a more renewable, resilient and affordable energy future for New Zealand."

Infratil is supportive of Contact's growth and we took up our pro rata share of the equity raise. The funding will be used to advance a range of renewable energy projects including:

- building a further 200 megawatts (MW) of battery storage at Glenbrook, near Auckland
- the 150MW Glorit solar farm north of Auckland – to be owned in a 50/50 joint venture
- drilling to explore upsizing Tauhara 2's geothermal capacity from 50MW to 60-70MW.



*Contact plans to add another 200MW battery capacity to the 100MW facility (pictured) just completed at Glenbrook in South Auckland.*

## CDC boosts operating capacity

We published the latest [independent valuation](#) for CDC in early January. The independent valuation showed Infratil's 49.72% interest in CDC lifting about 2.5%, or A\$174 million, in the quarter to A\$6,954 million. This is based on the midpoint of the assessed 31 December total valuation range of A\$13.1 billion to A\$15.0 billion for CDC.

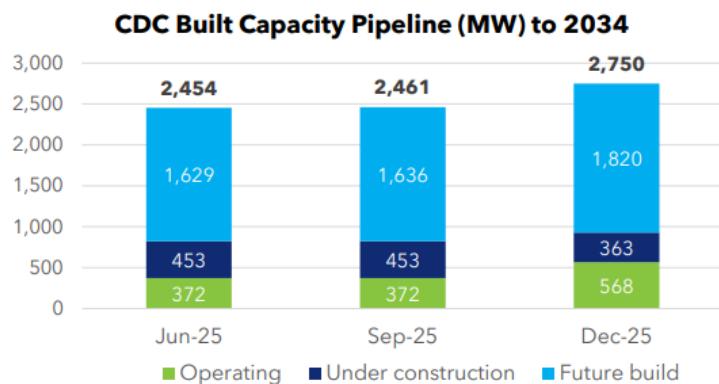
The valuation update showed a significant jump in operating capacity across CDC's sites. Inaugural operations at CDC's Marsden Park (Sydney) and Beard (Canberra) campuses, as well as the second data centre at the Brooklyn campus, lifted operating capacity by 196MW.

As we have noted previously, a material portion of CDC's revenue is generated under contracts that include either inflation-linked price adjustments or fixed percentage escalators. These contractual features help offset inflationary cost pressures and support real revenue growth alongside new capacity coming online, underpinning earnings stability and, in turn, valuation.

CDC's planned pipeline also grew by 289MW, reflecting expanded capacity across under-construction and future build sites. This included the benefits of design and densification updates at some sites, as well as recognition of more of the planned capacity at the new campus now under construction in Perth.

The forecast A\$250 million equity commitment that we announced last year has now been approved by the Infratil Board, and we expect funds to flow this quarter.

The CDC team will be providing an update on market trends and developments at an investor presentation in Sydney on 26 March.



*Slide 3: [CDC Independent Valuation](#), 31 December 2025*

## Sale of RetireAustralia and Infratil Property completed

We recently completed the sale process for two of our previously announced asset divestments. The sale of RetireAustralia achieved net proceeds of NZ\$333 million and

our legacy property asset achieved NZ\$55 million. The sale process for Fortysouth remains subject to Overseas Investment Office approval.

These three sales mean we're over halfway to our medium term \$1 billion divestment target and will help provide substantial capacity to fund our anticipated future growth through to at least the end of FY27. We expect to provide an update on both the Fortysouth process and our strategic review of Qscan at our FY26 results in May.

### **Infratil rated BBB+**

We received some welcome news a few days before Christmas when S&P Global Ratings assigned Infratil a BBB+ credit rating with a stable outlook. This is a strong investment grade rating and it is the first time we've had a credit rating.

Our CFO, Andrew Carroll, said this is a key milestone in our strategy to broaden our funding options, enhance borrowing terms and reduce financing costs. "After nearly three decades of strong funding support, Infratil's scale and this rating, positions us to access new debt markets and strengthens our capacity for future growth."

### **Wellington Airport paves the way to more destinations**

It has been all go at Wellington Airport this summer. Work was completed on the new fire station on the western side of the runway and work is now underway on the new engineered materials arresting system (EMAS) safety buffer zones.

More than 3,000 EMAS blocks have been laid so far, with the southern end of the runway just completed. The remaining work is expected to be completed in March. That will cap a year of activity to enable the upgrade, including building new runway access taxiways and lighting systems, and adapting the instrument landing system.

The Wellington Airport team have been busy promoting the runway development to various airlines. The new buffer zones will extend the usable length of the runway with a landing distance increase of over 130m and a take-off distance increase of 26m on the most restricted direction. These changes mean aircraft such as an Airbus A350, for example, could begin to operate to destinations such as Singapore.

In the meantime, the Airport has already had some new and interesting aircraft visit over summer:

- Air New Zealand commenced trial flights for its BETA electric aircraft between Wellington and Blenheim. Wellington Airport has been working for over a year to provide the infrastructure and prepare for the trial of the small gauge next generation aircraft. [This article](#) features Rachel Drew, from our manager

Morrison, talking in her role as Wellington Airport's board chair about the Airport's focus on sustainability.

- Qantas began operating an Airbus A220 between Wellington and Brisbane. This marks the first time Qantas has operated this aircraft on an international route and it brings a 50% reduction in noise footprint, as well as up to 25% less fuel burn, compared to previous generation aircraft.



*Top image: the new EMAS runway extension at the southern end of the runway. Bottom left: the Air New Zealand BETA electric aircraft. Bottom right: Qantas' Airbus A220 arrives in Wellington.*

### **Longroad enters 2026 with momentum**

Longroad Energy put together a [short video](#) that shows their growing scale and momentum heading into 2026. They've already reached some noteworthy milestones in the last few months.

The Sun Pond solar and storage project in Maricopa County, Arizona, was placed into service in December 2025. Sun Pond will enable 112MW solar power and 85MW battery storage capacity once commercial operations begin by mid-2026. The project will generate enough electricity to power about 35,000 average American homes.

The [Zeta project](#) to build 99MW solar and 75MW battery storage in Merced County, California, has now entered construction phase. The project is expected to be completed in 2027 and is located on approximately 650 acres of private farmland.

Demand for energy remains elevated in the United States and one of the key drivers is the rapid growth in data centre construction. Solar energy is a fast and effective solution for data centre supply, as evidenced by Longroad's 400MW 1,000 Mile project being built to supply a Meta data centre. Longroad is putting more focus on this opportunity with recruitment underway for new roles dedicated to data centre development.



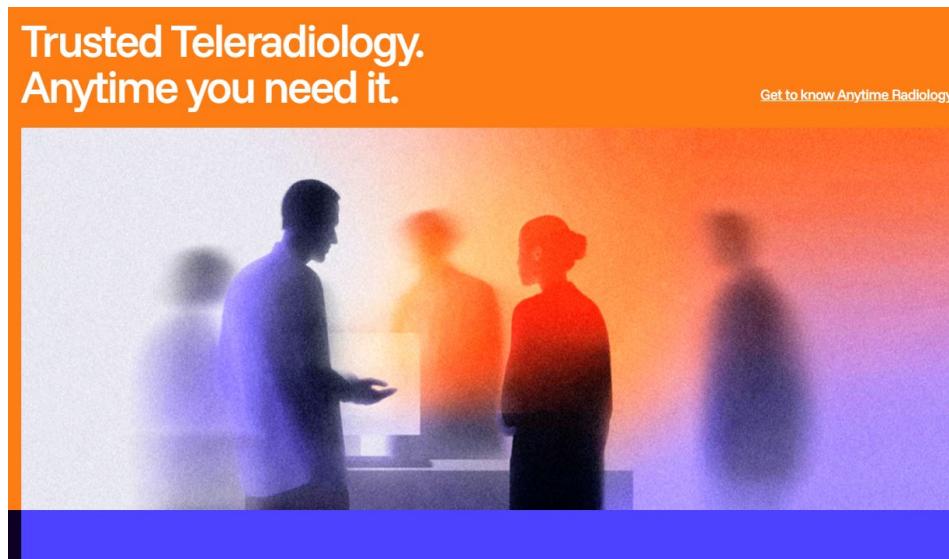
*The Sun Pond solar and battery storage project in Arizona.*

### **Introducing *Anytime Radiology***

In November we said we were establishing a standalone teleradiology service provider, combining RHCNZ and Qscan assets and staff, to be owned by Infratil alongside doctors and management.

We're pleased to confirm that *Anytime Radiology* is up and running, with the goal of strengthening the delivery, reliability, and performance of urgent after-hours and remote reporting services. The organisation currently services 57 acute hospitals in Australasia

through a network of teleradiologists around the globe, with offices in London, Sydney, Auckland and Christchurch. You can find out more at <https://www.anytimerad.com>



### Other portfolio company updates

- **One NZ** has begun closing its 3G mobile network, with Southland and Otago the first regions switched off. You can check the shutdown progress here: <https://one.nz/3g-shutdown/>. The retirement of 3G means more radio spectrum can be used for 4G and 5G services. This will boost speeds, coverage and reliability. Coverage options in remote areas have also increased with One NZ's [announcement](#) that Starlink capability is being expanded from texting to include select apps and satellite voice calling, via WhatsApp, for eligible customers.
- **Kao Data** [announced](#) Downing Renewable Developments will develop, build and operate a 40MW solar PV farm to supply Kao Data's Harlow data centre campus. This supports Kao Data's target to be fully net zero by 2030 and shows how operators can address broader industry challenges such as power pricing and availability.
- **Gurin Energy** CEO Assaad Razzouk is passionate about climate issues and keeps track of global developments. [One of his 'charts of the year'](#) showed the rapid fall in battery costs and the corresponding rise in battery storage capacity. That was followed by [this chart](#) showing how solar investment in recent years has outstripped forecasts.

Follow us on LinkedIn or visit our website at [infratil.com](https://infratil.com) for future updates and presentations. If you'd like to provide us with feedback, please email [info@infratil.com](mailto:info@infratil.com)