SOLUTION DYNAMICS

Management Discussion and Analysis

FY2025 Result Overview

Solution Dynamics Limited ("SDL" or "Company") recorded a net profit after tax of $2.62 million for FY2025. This was 7.1% lower than the profit of $2.82 million the prior financial year. FY2025 earnings per share was 17.8 cents, down 7.0% from 19.2 cents in FY2024.

The Company's revenue rose to $41.3 million (up 6.9% from $38.7 million). Some of the increase was the result of a pass through of (very low margin) higher postage charges while the Company's largest customer saw little business in 2H and its revenue contribution was down 15% overall for the year. The revenue highlight was that the other nine of of SDL's top ten customers saw strong growth of 21% for the year.

SDL's New Zealand operations again gained market share in a (still) falling local print and mail market, marked by a continuation of the FY2024 trend of securing ongoing new work from local councils in particular. Some of this is from council customers new to SDL, some is the increasing trend amongst larger councils to outsource print work previously undertaken in-house.

SDL's International operations generated new business from new accounts following the successful onboarding of a marketing services company in North America. There was also success with new products in the dental market from an existing customer who has embedded SDL's software in its software solutions. However, this growth was overshadowed by the decline in our largest customer revenue contribution. This resulted in a 3.8% overall reduction of SDL's total Software & Technology revenue to $24.1 million.

Following the reduction in our largest customer's revenue the Company swiftly enacted a significant cost restructuring. This started in late 1H and continued through 3Q with the benefits fully seen in the final quarter of FY2025 and it will annualise across FY2026.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") declined 8.0% to $4.45 million (FY2024 $4.84 million). Gross Profit was 3.8% lower, helped by a general price increase at the start of FY2025. Selling, General and Administration ("SG&A") expenses were effectively controlled, declining 1.7% over the full year. SG&A was noticeably split over FY2025, rising 6.8% year-on-year in 1H, but then aggressively declining 10.0% year-on-year in 2H following SDL's restructuring that commenced in late 1H.

Cash flow from operations improved to $4.30 million (FY2024 $3.36 million) and the net cash and short-term deposit position at year end was $11.19 million (FY2024 $7.95 million). Normalising this for year-end accruals plus adjusting for around $1.3 million of capital expenditure (print inserter equipment) in early FY2026, the current cash position is around $9 – 10 million (about 61 – 68 cents per share).

The directors have declared a final dividend of 3.0 cents per share (FY2024 2.5 cents), bringing total cash dividends for FY2025 of 3.0 cents per share (FY2024 9.5 cents) with all dividends fully imputed. The total FY2025 dividend of 3.0 cents brings the FY2025 payout ratio to 16.8%.

The directors are conscious of the current share price and note it is presently less than the current cash backing per share. The Company is unable to undertake share buybacks when it is in possession of potentially material, non-public information or during the "black out" period between year end (30 June) and reporting the annual result. Should the share price remain around or near current levels and there is no material, non-public information, share buybacks will be undertaken.

Major Customer Update

The most significant factor in FY2025 was SDL's largest customer advising it would transition from a single supplier (SDL) model to a multi-vendor (SDL and one other) model, with the full profitability impact to only be fully felt in FY2026. SDL was advised it will remain a supplier to the customer and that the customer now expects to tender its communications programme services (software/professional services and print/logistics) on a project by project basis.

Subsequently, that customer has seen its funding reduced as a result of both American (closure of US Aid) and British government policy changes. Whether this affects the customer's future communications activity levels remains unclear; SDL is forecasting only minor future revenue.

The Company appropriately moved forward with a comprehensive restructure, affecting both New Zealand and international operations. This resulted in a material level of cost reduction and a focus on reducing costs wherever possible will remain. Additionally, from 1 January 2025 the Directors reduced Board fees to the level prior to the last fee increase in 2022 with the Chair no longer receiving fees entirely.

FY2025 Business Performance

FY2025 was a challenging year for the SDL team, who demonstrated resilience while navigating the impact of the major customer RFP and resulting business restructure. Despite what was a highly disrupted period of operations, revenue growth was achieved in all regions, a commendable achievement. The Company considers the FY2025 result was a solid outcome given those circumstances, but remains cognisant of the challenges ahead.

The New Zealand operation's ongoing focus on new business activity – needed to offset overall mail market declines – has continued to deliver wins primarily in the Councils market, with growth in digital transactions, cross selling of SDL Postage, and market share gains. Overall volumes of physical mail in New Zealand continue their multi-year decline – NZ Post's FY2024 annual report noted a 15% mail volume reduction, indicating SDL's 7% decline in mail lodgements was a reasonable result. New Zealand revenues also benefited from 12% growth in digital volumes, which is a key area of focus.

A continued focus on operational efficiency has led to notable improvements in internal systems with successful implementation of a new ERP system, a print job management system and increased emphasis on workflow automation, reducing operational costs and enabling further headcount reductions, although much remains to be done.

International operations made good progress over the year, despite the effect of SDL's major customer RFP.

The North American market is back to profitable growth for SDL, with revenue up 4% for the year, 27% in 2H, partly driven by the addition of the GRI marketing services business we acquired late in 1H resulting in gross profit for that market growing 34% in the second half. GRI brings valuable new marketing services capability to SDL that complements the Company's software, as well as a range of clients including The Hartford Insurance Group.

Renewal of ISO 27001:2022 certification

This internationally recognised standard verifies our robust Information Security Management System (ISMS), which safeguards both company and client data through comprehensive security protocols. Our risk management framework encompasses all aspects of our operations—from organisational policies and business processes to IT infrastructure.

At the heart of our ISMS is a commitment to continuous improvement. This enables us to adapt to our evolving business needs, counter emerging cybersecurity threats and strengthen previously identified vulnerabilities.

The renewal of this certification reinforces our dedication to maintaining the highest standards of information security for us and our customers.

Europe/UK grew 33% largely due to one customer in the dental software sector, following an RFP that saw SDL successfully retain and grow the Company's share of their business. SDL continued to benefit with our software supporting the growth of our major North American partner, Pitney Bowes, across the US, UK, France, and Japan.

As noted earlier, SDL implemented broad-based price increases across the customer base during the year, although at lower levels than in FY2024 and focused on mitigating ongoing supply chain and inflation pressures in both NZ and internationally. The labour market remains noticeably soft and staff cost pressures have somewhat abated compared to recent years.

With the restructure completed, the business is now appropriately resourced and well-aligned to execute its strategic objectives. We remain committed to refining and improving processes while ensuring that exceptional delivery for our customers is our highest priority.

Business Description

SDL operates in the global Customer Communications market, providing a comprehensive suite of software technology, professional services, and managed services to facilitate the digital transformation of global customer communications. SDL operates primarily in New Zealand, North America and the UK. The Company's products and services are represented by two revenue streams:

- Services (split into Digital Print & Document Handling, and Outsourced Services); and,
- Software & Technology.

Services reflects the New Zealand business where SDL owns and operates mail house activities. Within Services, Digital Print & Document Handling revenues are generated from digital printing and mail house processing for two categories of mail items: transactional mail, such as invoices and statements, direct marketing and promotional mail. Outsourced Services such as envelope printing and postage are typically bundled as part of the total solution albeit generally at much lower margins.

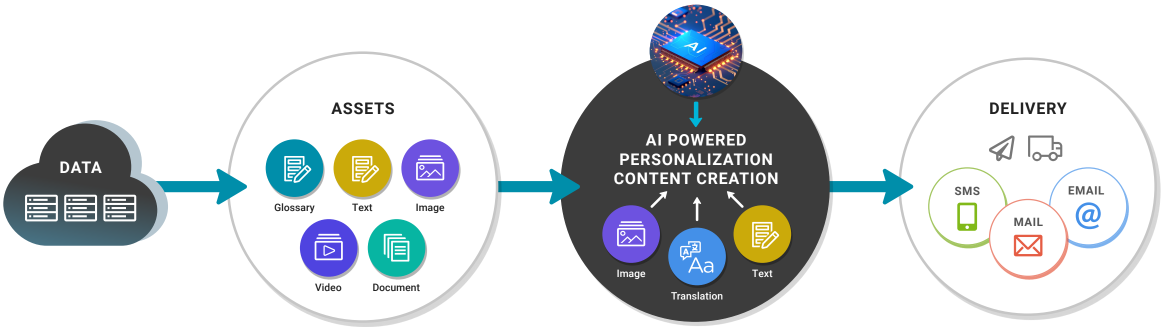
Software & Technology, reflecting the International business principally in North America and the UK, provides a comprehensive suite of global customer communications cloud solutions. This cloud service provides a complete global solution while the DMC (Digital Mail Centre) leverages and extends the capabilities of the SDL cloud to the desktop through a simple yet powerful user experience. Primary components of the SDL technology stack include:

- complex digital document management, workflow and integration;
- complete digital and print multi-channel distribution;
- global distributed print integration in over 50 countries;
- digital asset management;
- digital and print campaign optimisation and management;
- document scanning, workflow and archiving;
- artificial intelligence applied to document enhancement;
- document composition and hyper-personalisation;
- desktop digital mail centre User Interface (UI);
- data quality and enhancement; and,
- dashboards and analytics.

SDL has several different business models for international clients. For some, the Company provides only software and related consulting services, but for others it also integrates with third party printing and logistics providers, on which it will typically earn a modest margin.

For these latter clients, the software charge and print/logistics margins are typically aggregated into an overall charge to the customer. This means Software & Technology revenues are a mix of pure software and software consulting revenues for some clients, while others also include third party printing and logistics revenues that are generated from SDL's software. The third-party printing and logistics revenues are the larger proportion of total Software & Technology revenue.

The following diagram is a simplified workflow depiction. Data and assets that feed into content creation can emanate from multiple sources and often require manipulation or validation before use. Content can be personalised as customers require, and omni-channel output can then be delivered across physical and digital channels.



The often complex nature of the data and assets involved in content creation means SDL's solutions are typically highly modified for enterprise customers and difficult to "shrink wrap" into a one-size-fits-all software package.

The ongoing primary focus for most clients is digital transformation of customer communications, while improving the efficiency and effectiveness of printed communications. The majority of SDL's revenue in FY2025 remains from printed communications, a declining sector; growth, revenue generation and differentiation globally are increasingly focused around software and digital communications transformation.

Total Software & Technology revenue (some of which is revenue billed from New Zealand) as a proportion of total revenue was around 58% in FY2025 (FY2024 65%).

Description and Review of Revenue Streams

Services

Services is the Company's New Zealand operation that provides mail house solutions to high-volume postal mail users in the business-to-consumer sector. Services operates leased, high-speed digital colour and monochrome printers. In addition to digital printing, Services also provides the ancillary document handling operations such as automated envelope inserting and flow-wrap.

Services now bases its sales approach around digital transformation; some of the largest SDL clients in New Zealand rely on SDL for digital services from data quality and enhancement, to digital channel distribution and closed loop reporting.

Particularly in the Council market, SDL has seen high success in helping Councils move their ratepayers move from print to digital. SDL provides both physical and digital communications from a single integrated platform that has a high level of self-service capability.

Services revenue also includes Outsourced Services, which encompasses a variety of outsourced functions or components such as postage, third party offset printing, freight, paper and envelopes, and digital channel delivery. The Company has an access agreement with NZ Post and an alternative carrier which provides wholesale rates and bulk mail discounts off retail rates. The gross profit margins on many of these outsourced components, especially postage, are low but an important component of the total solution.

In a declining overall mail market and despite market share gains, SDL's mail volumes fell around 7% on the prior year (FY2024 mail volumes fell 3%). The Company increased market share in New Zealand, including ongoing wins in the Council vertical.

SDL has a large and long-standing New Zealand water utility customer. The Company is actively engaged with a broad range of Councils that will require water billing communications as sector reforms (Local Water Done Well) require the establishment of numerous council-controlled organisations as separate entities. Assuming the reforms continue as currently planned, SDL sees this as an area of growth in the next several years.

The headwinds to physical transactional mail are exacerbating as increasing postage rates accelerate customers' switch to digital. From 1 July 2025, NZ Post increased its standard medium-sized letter retail pricing by $0.60 to $2.90 a rise of 26% (on top of a 15% increase the prior year). NZ Post has stated that bulk mail prices will also change although the level of increase is not yet known. SDL holds a competitive cost position in the domestic mail house market and has recently implemented a further broad-based price increase.

On the digital communications side, SDL's New Zealand volume of customer emails rose about 12% (following a 19% increase in FY2024) largely as a result of the continued switch from physical to electronic communications. Email volumes are now approaching the level of physical mail volumes for SDL and on a run-rate basis had surpassed print volumes at FY2025 year end. However, the revenue and gross profit per item for an electronic communication is significantly lower than for the same physical print and mail item.

SDL Services Revenue Breakdown (all figures $000)	**FY2025**	**FY2024**	**Percentage Change**
Digital Printing and Document Handling	4,512	4,449	1.4%
Outsourced Services & Other	12,686	9,142	38.8%
Total Services Revenue	**17,198**	**13,591**	**26.5%**

Revenue growth of 26.5% in FY2025 was pleasing. While much of that related to low-margin pass through of higher postage prices to customers, achieving growth in Digital Printing & Document Handling of 1.4% was a good result in the context of the physical market continuing to decline. The postal market decline will be an ongoing headwind that makes growth difficult to achieve, however, the annualised benefit from FY2025 gains and further price increases in July 2025, combined with sales pipeline opportunities, suggests growth is possible in FY2026.

SDL Software & Technology

Software & Technology generated revenue of $24.1 million in FY2025, a decline of 3.8% on the prior year's revenue of $25.1 million.

SDL saw double digit growth in the UK market. The Company's largest customer, based in North America, saw a decrease in revenue of around 15% (due to outcome of RFP). Revenue in North America, excluding the Company's largest customer, saw an overall revenue growth of 4% primarily due to the successful onboarding of a marketing services company in North America.

Software & Technology revenue is partly platform based, typically under SaaS (Software as a Service) arrangements, which can be priced as a monthly subscription tiered base on volume or on a per document basis. It also includes revenue where SDL manages the total communications solution including document printing and distribution for the customer. The printing and distribution component forms the larger part of Software & Technology's revenue and is lower margin.

SDL continues to streamline its global customer communications platform, DMC, to improve the ability for customers to access and self-serve. DMC simplifies onboarding of customers and sending and tracking of documents through physical and digital channels. DMC integrates with other SDL products including the document composition platform, Composer, and the automation tool, Autoprod, to enable creation of highly personalised communications at scale. DMC integrates with SDL's print partner network through the Company's distributed print platform, Jupiter, to manage and provide real time status updates on job completion and mailing. SDL's expertise in global postage management delivers significant cost savings by leveraging DMC to optimise production and delivery logistics. The Company's objective is to grow SaaS platform revenue at a faster rate than print services by focusing on digital transformation.

Communication channels are no longer a "one size fits all"; customers now receive increasingly personalised messaging through multi-media channels. SDL's software platforms enable one to one personalisation of each form of communication – whether a customer email, an invoice or account statement, or a piece of marketing collateral – as a means to enrich and deepen the relationships that SDL's customers have with their customers.

SDL excels at enabling organisations to drive down the cost of customer communications while improving client engagement. Leading global brands rely on the Company's software to simplify sending of complex global customer communications through print and digital channels. SDL's global network of mail service providers delivers significant savings in print and postage costs. As the secular decline in mail continues, SDL's software platforms provide an omni-channel bridge to digital transformation.

For a more detailed view of SDL's software solutions, refer to the Company's website at: https://solutiondynamics.com/customer-solutions/

The International Growth Fund ("IGF") co-funding grant from NZ Trade and Enterprise ("NZTE") that supports a range of market development activities in North America was in place for all of FY2025. The IGF provides 50:50 co-funding for eligible project costs up to a maximum of $0.6 million from NZTE over a three-year period and expires in November 2025.

Financial Performance

SDL's decline in FY2025 earnings was primarily the effect of lower Software & Technology/International revenue from SDL's major customer in 2H. A broadly-based price increase helped offset inflationary cost pressures (although there are now fewer staff cost pressures).

Gross Profit declined 3.8% from pressure on Cost of Goods Sold. While SG&A costs saw a 6.8% increase in 1H, the second half was down 10.0% from restructuring gains (after some one-off restructuring costs).

EBITDA reduced 8.0% to $4.45 million (FY2024 $4.84 million).

Summary Financial Performance (all figures $000)	**FY2025**	**FY2024**	**Percentage Change**
Total Revenue	41,324	38,668	6.9%
Less: Cost of Goods Sold	27,038	23,824	13.5%
Gross Profit	**14,286**	**14,844**	**-3.8%**
Gross Margin (%)	34.6%	38.4%	
Less: Selling, General & Admin (SG&A)	9,840	10,009	-1.7%
EBITDA	**4,446**	**4,835**	**-8.0%**
EBITDA margin (%)	10.8%	12.5%	
Depreciation	861	851	1.2%
Amortisation	60	54	11.1%
EBIT	**3,525**	**3,930**	**-10.3%**
Net Interest	-123	-125	-1.6%
Income Tax	1,029	1,236	-16.7%
Net Profit after Tax	**2,619**	**2,819**	**-7.1%**
Tax rate	**28.2%**	**30.5%**	

SDL's earnings in FY2025 benefitted from NZTE's market development co-funding assistance, which totalled $0.2 million pre-tax ($0.2 million in FY2024).

The following table highlights first and second half performance for the last two financial years. The timing of a small number of particularly large customer jobs during the year can materially alter the split of first and second half earnings, with one order slipping from late FY2024 into early FY2025 but that order not repeating in late FY2025.

SDL Half Financial Years (all figures $000)	2H FY2025	2H FY2024	Percent Change	1H FY2025	1H FY2024	Percent Change
Total Revenue	15,233	15,902	-4.2%	26,091	22,766	14.6%
EBITDA	731	834	-12.4%	3,715	4,001	-7.1%
EBITDA margin	4.8%	5.2%		14.2%	17.6%	
Net Profit after Tax	**276**	**346**	**-20.2%**	**2,343**	**2,473**	**-5.3%**

Balance Sheet, Liquidity and Debt

SDL closed the year with net cash (i.e. cash plus short-term deposits less interest-bearing debt) on hand of $11.19 million (FY2024 $7.95 million) or around 76 cents per share. This net cash figure excludes debt liabilities relating to Lease Liabilities arising from the Lease Accounting standard; these liabilities are approximately offset by Right to Use Lease Liabilities.

The Directors intend to maintain a prudent approach to balance sheet management but have nevertheless continued to review acquisition opportunities, including one particular opportunity late in 2H, although none have progressed to date.

The Company maintains an overdraft arrangement from ANZ Bank with a $200,000 limit. This was unused during FY2025.

Selected Balance Sheet and Cashflow Figures (all figures $000)	FY2025	FY2024	Change
Net Cash/(Debt & Borrowings)	11,193	7,950	3,243
Non-Current Assets	1,646	1,745	-99
Right of Use Assets	1,354	1,795	-441
Net Other Assets/(Liabilities)	-1,490	-673	-817
Right of Use Liabilities	-1,387	-1,815	428
Net Assets	**11,316**	**9,002**	**2,314**
Cashflow from Trading	3,501	3,429	72
Movement in Working Capital	792	-74	866
Cash Inflow from Operations	**4,293**	**3,355**	**938**

Capital expenditures for the year totalled around $0.1 million (FY2024 $0.2 million), largely relating to laptops and IT hardware. The Company does not capitalise software development.

Net assets include intangible assets of around $1.1 million, which is all goodwill and subject to an annual impairment test.

SDL operates with a largely neutral working capital balance, meaning growth typically does not require additional investment of capital.

Taxation and Dividends

SDL pays full New Zealand tax on locally generated earnings and the Company's overall tax rate in FY2025 was 28.2% (NZ statutory tax rate is 28%).

SDL pays dividends only to the extent that it can fully impute them and also subject to the Company not experiencing any one-off requirements for abnormal capital expenditure or any significant acquisition or investment activity. The Company did not pay an interim dividend following the result of its largest customer's RFP and consequent restructuring. SDL will be paying a FY2025 final dividend of 3.0 cents per share.

Earnings and Dividends per Share	FY2025	FY2024	Percentage Change
Closing Shares on Issue ('000)	14,706	14,720	-0.1%
Reported Earnings per Share (cents)	**17.8**	**19.2**	**-7.0%**
Dividend per Share (cents)	**3.0**	**9.5**	**-68.4%**
Dividend Proportion Imputed	100.0%	100.0%	
Dividend Payout ratio	**16.8%**	**49.6%**	

The final dividend of 3.0 cents per share will be fully imputed and paid on 26 September 2025.

The number of shares on issue was slightly down year-on-year as SDL commenced a share buyback during FY2025, although this paused prior to year-end as the Company was holding material, non-public information. At financial year end, the Company had outstanding ESOP rights to key staff members in the plan who collectively hold rights to 0.59 million shares.

Risk Factors

Mail volume in New Zealand, in line with global trends, continues to decline, particularly for transactional mail. NZ Post standard-mail retail postage rates increased 26% at end FY2025 (on top of a 15% increase at end FY2024). The Company has several key domestic contracts that, if lost, could place material pressure on local profitability although much of this is under medium-term contract. SDL reiterates its expectation that consolidation in the New Zealand print market is inevitable, with some current capacity rationalisation underway as one sizeable digital printer has indicated it is ceasing operations. The Company emphasises it will not participate unless there is clear value enhancement for shareholders.

SDL's largest five customers accounted for 55% of revenue (FY2024: 60%). This revenue concentration includes the Company's largest customer, which, following its RFP during FY2025, appears likely to contribute minimal revenue in FY2026. Loss of one or more of the residual top five customers would cause financial results to change materially.

The Company's software provides critical document management, distributed print, and storage functions for its clients. SDL needs to ensure it continues to maintain appropriate levels of software development and quality control, along with well-trained staff for software delivery and support. Cyber and data security remains a known high-risk area which, while difficult to mitigate, sees SDL retaining ISO270001 certification and currently in the process of obtaining SOC2 certification. The Company regularly reviews its IT and data security arrangements including using external consultants.

The Company operates a single site facility for its New Zealand print and mail house production, with an offsite for data and server backup. The Directors are conscious of the operational risk a single site implies for digital imaging and mail house operations. SDL has a reciprocal disaster recovery ("DR") plan with another printer, as well as a degree of backup capability with a division of its major print equipment supplier.

The Company mainly relies on distribution channel partners to market its software products into the UK, Europe and the US. This means SDL has little or no contact with many of the end user customers of its products. While these channel partner arrangements are currently stable there is no guarantee these arrangements will continue. SDL does continue to drive value for its channel partners and aims to ensure its software meets ongoing channel partner requirements.

While the risks noted represent ongoing challenges and headwinds, the market opportunities to help organisations with their global customer communications digital transformation can be significant. SDL holds a strong position in global postage management and distributed print, capturing significant savings as the first step in the digital transformation journey.

Leading customers and channel partners rely on SDL's digital document management platform and the Company's sales and marketing efforts enable growth in key vertical global markets and offer longer term paybacks. Nevertheless, the shorter-term headwinds in the global environment, especially relating to macroeconomic conditions, are producing significant uncertainty and this could materially affect the Company's results.

FY2026 Outlook

SDL is continuing to grow market share in New Zealand, although the overall decline in the print and mail house market continues unabated, exacerbated by further increases from postal operators globally, including NZ Post, in postage rates. This is inevitably hastening the migration from physical to digital communications. As local councils roll out their "water" initiatives, SDL will gain new business from both new and existing customers. There is recent evidence of market consolidation with the withdrawal of a large mail production provider in New Zealand. SDL continues to be committed to an integrated digital plus print solution for its customers and is making the necessary investments in hardware and software required to support an integrated omni-channel solution. The annualised effect of wins in FY2025, along with a strong pipeline of opportunities, should see SDL's New Zealand operations continue to deliver solid results.

International growth (outside the RFP by SDL's major customer) improved in FY2025. A key prospect market, global charities, was historically a major source of revenue and profit growth for SDL but has been severely impacted by the loss of government funding in both the US and UK. The earnings outlook assumes that these challenges to global charities funding will continue in FY2026.

Beyond global charities, there is, however, growing momentum in revenue growth in North America and the UK, albeit with pressure from customers to reduce costs. The Company's challenge, like many smaller organisations, is to profitably scale the international business and that remains the focus.

Key growth initiatives in FY2026 include:

1. Leverage SDL's Campaign+ software with AI enabled features to become global market leader in dental sector Practice Marketing Software, expanding reach within our largest UK customer, and integrating into other dental practice platforms. An executive with deep dental sector domain expertise has been hired in the UK to drive this growth initiative.
2. Build our brand as experts in digital deliverability with "best in class" technology and know-how, focused on improving client outcomes.
3. Expand penetration within SDL's top 10 clients, emphasising the Company's domain and digital deliverability expertise, AI value, high customer service capability and ease of doing business.
4. Continue to evaluate synergistic bolt-on acquisitions that would enable SDL to scale quickly in digital-plus-print customer communications.

SDL continues to invest in software development, adding AI-enabled features that focus on improving client outcomes. The rapidly developing and changing AI (large language models – LLMs) field is both a threat and opportunity in the customer communications market. SDL has been enhancing its digital offering by integrating AI into the customer communications platform. Market trials are underway with one of SDL's larger UK customers and we expect to fully launch AI enhancements in FY2026.

In addition to the large customer risk, the Company cautions that significant volatility in results is possible and a number of factors, especially macroeconomic headwinds, are outside the Company's control.

SDL is forecasting a net profit for FY2026, currently in the range of $0.1 million to $0.6 million. The predominant cause of the earnings change from FY2025 is the effect of SDL's largest customer moving to a multi-vendor purchasing model in mid-FY2025, partially offset by the subsequent significant restructuring to lower the Company's cost base.

Global economic environment and political instability remains elevated, which, along with domestic New Zealand economic headwinds, makes forecasting difficult.

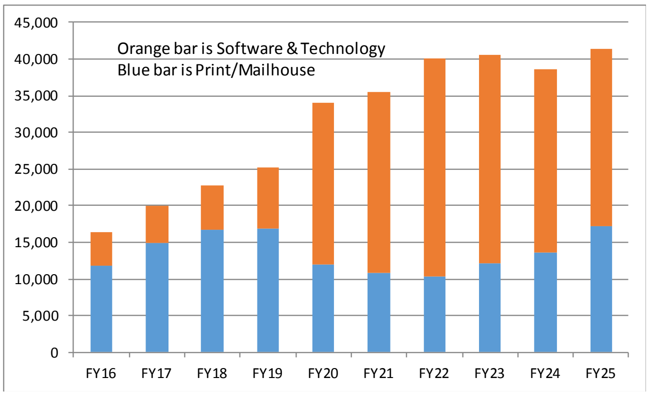
Key Financial Trend Metrics

Revenue ($ 000)

Revenue CAGR (10 year) 12.2%

Software CAGR (9 year) 21.3%

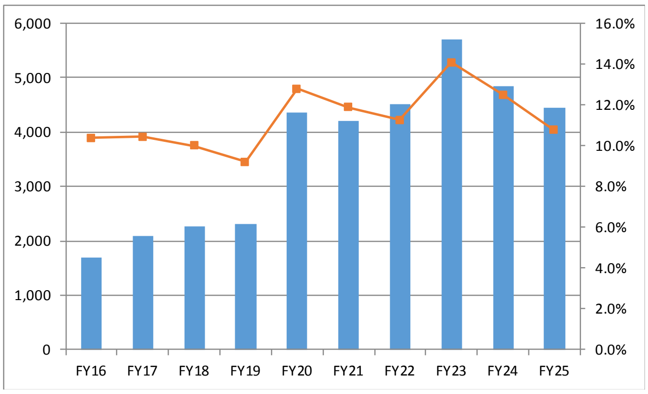
Print/Mail CAGR (9 year) 6.0%



EBITDA ($ 000)

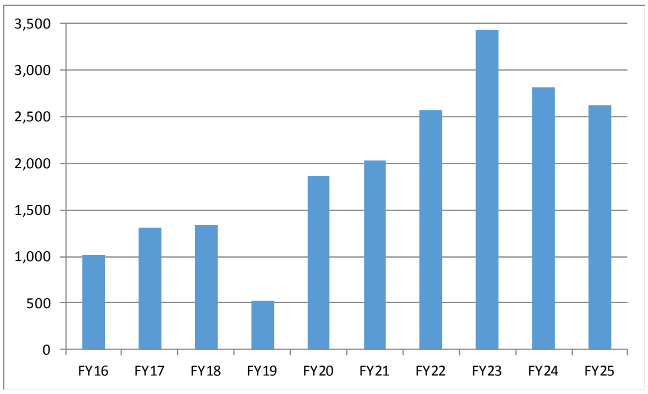
CAGR (10 year) 14.8%

EBITDA is as reported in financial statements, noting this is affected by the change of accounting standard to NZ IFRS 16 (accounting for leases) in FY2020 (increases reported EBITDA) so FY2020 onwards is not comparable with prior years.



Net Profit ($ 000)

CAGR (10 year) 12.5%



Dividends (cents per share)

CAGR (10 year) 7.2%

Chart excludes imputation credits.

All dividends are fully imputed.

Total dividends last 10 years:

- 82 cents per share (cash)

113.9 cents per share (incl imputation)