



NZX AND ASX RELEASE

27 February 2026

Channel Infrastructure delivers solid FY25 financial result

Channel Infrastructure NZ Limited (NZX:CHI, ASX:CHI), New Zealand's largest fuel import terminal business, has today released its financial results for the twelve months ended 31 December 2025 (FY25).

Highlights

- Consistent safety performance and a strong underlying financial result delivered in line with guidance
- Marsden Point fuel throughput for Q4 2025 was the highest since import terminal operations began with jet throughput the highest since Q1 2019
- Z Energy jet storage project ahead of schedule, and together with bitumen import terminal remains on track for completion in H2 2026
- Additional storage contract extension signed in August delivering ~\$50 million of incremental revenue across the extended nine-year contract period (pre-PPI indexation), commencing in Q1 2028
- Acquired a strategic 25% interest in the Somerton jet fuel pipeline to Melbourne Airport, which recorded the busiest month in its history, with 3.4 million passengers in December 2025
- Committed \$30 million to critical infrastructure upgrades across 2026 and 2027 in support of the Marsden Point Energy Precinct redevelopment including relocation of control room and construction of new combined administration building
- Updated Capital Allocation Framework, with increased dividend payout ratio of 70-90% of Normalised Free Cash Flow and broadened target credit metric range to BBB/BBB+
- Listed on ASX in December providing access to a broader pool of institutional and retail investors to support continued growth
- Strong pipeline of growth options progressed during the year, including the Marsden Point Biorefinery project, and commercial storage at Marsden Point. Continue to evaluate strategic acquisition opportunities in New Zealand and Australia
- FY26 EBITDA guidance of \$95-100 million, maintenance capex guidance of 8-10% of revenue and normalised free cash flow conversion broadly in line with FY25
- The Board has declared an unimputed ordinary final dividend of 6.75 cents per share taking total dividends for the year to 13.0 cents per share for FY25, representing a dividend payout ratio of 80%

Key Financial Highlights – Continuing Operations

	FY25 \$m	FY24 \$m	% change
Revenue	140.2	139.8	-%
EBITDA	93.4	95.1	-2%
EBITDA Margin	67%	68%	-1%
Growth Capital Expenditure	27.1	29.3	-8%
Normalised Free Cash Flow	66.9	63.4	+5%
Free Cash Flow Conversion	72%	67%	+5%
Total Ordinary Dividend	13.0cps	11.0cps	+18% ¹

Commenting, Chair James Miller said “2025 has been another year of considerable momentum for Channel, with excellent progress made toward achieving our strategic objectives. Our driving focus remains the critical role that Channel plays in providing resilient energy infrastructure solutions. Following a stronger than anticipated free cash flow generation in the second half of the year, the Board is delighted to have declared a FY25 final unimputed dividend of 6.75 cents per share, representing an increase of 18% compared to last year and exceeding our dividend guidance range by 0.5 cents per share. This brings the total dividend to 13.0 cents per share. Channel continues to deliver exceptional returns with a dividend yield of 7.0%², a free cash flow yield of 8.7%³ and a Total Shareholder Return of 63%, significantly outperforming the NZX50.

“Channel’s clear plan for growth is centered on delivering the Marsden Point Energy Precinct, which will be transformational for the Company, and for Northland. The extensive and varied energy projects under consideration as part of the Marsden Point Energy Precinct will have a measurable impact for New Zealand. Channel has a strong pipeline of growth options which were progressed during the year, including the Marsden Point Biorefinery project, and commercial storage at Marsden Point.

“Recognising the strategic opportunities for the Company that would deliver long-term value to shareholders, the Board is pleased to have retained Rob Buchanan as Chief Executive through the remainder of this decade and with Rob incentivised towards achievement of these goals.”

Chief Executive Rob Buchanan said “2025 was another incredibly busy year and I am proud of everything the Channel team has delivered. Operationally we have maintained our strong safety record, made excellent progress toward our world class ambition, and reliably delivered over 3.5 billion litres of fuel through our infrastructure to keep the New Zealand economy moving. We continued to grow shareholder value with a \$50 million additional storage contract extension signed, the Z Energy jet storage project on track to be delivered ahead of schedule and the new Higgins bitumen import terminal well underway. Taken together, these projects, and our existing critical role in New Zealand’s energy supply chain, position the company for future growth and success. We take very seriously the crucial role we play for New Zealand,

¹ Increased dividend policy payout ratio to 70-90% from 60-70% of Normalised Free Cash Flow

² Based on dividends declared for FY25, and share price as at 31 December 2024 of \$1.87 per share

³ Based on Normalised Free Cashflow for FY25, and share price as at 31 December 2024 of \$1.87 per share

and remain committed to delivering reliable and resilient infrastructure that supports New Zealand's future growth.

"In November we made our first steps into the Australian market, with the acquisition of a strategic position in Melbourne's jet fuel supply chain. On top of all of this, we have continued to ensure we are using shareholders' funds as efficiently as possible with an updated capital allocation framework with an increased dividend payout and a broader target credit range. Our successful ASX listing at the end of 2025 was a significant milestone and reflects how far Channel has come and the significant opportunities for growth that are ahead of us."

Strong and stable financial result in line with guidance

Revenue was \$140.2 million broadly in line with last year, reflecting PPI indexation and increased throughput, and a full year contribution from the transmix contract. This was offset by a contracted step down in the fixed terminal fee and the conclusion of the legacy Wiri leasing arrangement from the 1990s.

Channel continues to maintain strong operating cost discipline, with the underlying cost base broadly flat year on year and total expenses up \$2 million reflecting one-off ASX listing fees of \$1 million and \$1.5 million of growth related costs including the successful acquisition of the Somerton pipeline.

Reported EBITDA was \$93.4 million, compared to \$95.1 million in 2024. Taking out the one-off impacts of the expiry of the Wiri lease, pro-forma EBITDA increased from \$89.1 million to \$92.4 million (+4%). Normalised Free Cash Flow was \$66.9 million, which represents a 72% Free Cash Flow conversion. Following the review of our Capital Allocation Framework we are now targeting credit rating metrics consistent with a BBB/BBB+ shadow credit rating and net debt finished the year at \$330 million with leverage well within this target band.

Over 2025, customers imported 3.5 billion litres of fuel through Channel's infrastructure, with continued growth in jet fuel demand and relatively stable diesel and stronger petrol demand than anticipated.

Proven execution capabilities with projects delivered safely, on budget, and on time

Over the past two years, the Channel team has executed four growth projects, delivering an additional ~\$170 million (before PPI indexation) in incremental revenue over 15 years. This includes an extension signed in August to the previously announced additional storage contract, set to generate \$50 million of additional revenue over the nine-year contract extension term (pre-PPI indexation), and commencing in the first quarter of 2028.

The Z Energy jet storage project which was signed in August 2024 is on track for early delivery, and remains in line with budget. The project, which will become New Zealand's equal largest jet fuel tank, is likely to be delivered in the third quarter of 2026, ahead of the original schedule of Q1 2027. Works for the new Higgins bitumen import terminal began in September 2025. This project is expected to generate total revenue over the term of the contract of ~\$45 million (prior to PPI indexation) and remains on track for completion in H2 2026.

Selective and disciplined growth

The Marsden Point Biorefinery project continues to progress well. Air New Zealand has now joined the consortium alongside Qantas, Renova, Kent and ANZ Bank enhancing the project's offtake profile. The addition of another airline reinforces the project's potential as a cornerstone of New Zealand's future sustainable aviation fuel (SAF) supply chain, which would make the scarce supply of renewable fuel more accessible. The creation of domestic fuel manufacturing capacity using domestic feedstock would also further enhance New Zealand's fuel security.

Engineering work has progressed, with further refinement of the plant configuration and deeper design integration with existing site infrastructure. The consortium has also confirmed that final form agreements for feedstock supply and key product offtake have now been prepared.

Following a comprehensive market sounding process with international project financiers and export credit agencies, a select group of lenders has been shortlisted to participate in a formal debt raising process. The Preliminary Information Memorandum has been developed, and when finalised, will be issued to financiers.

Channel continues to support the consortium in progressing the project in its capacity as landlord and ancillary infrastructure provider, working with the consortium on associated commercial arrangements and consenting requirements, and anticipates a final investment decision by the consortium later this year.

Channel completed FEED on a 72MW diesel-powered electricity peaking plant within the Marsden Point Energy Precinct, with the cost of the FEED having been borne by two electricity market participants. Electricity market participants with whom Channel has engaged see a diesel peaker situated north of Auckland as a useful resilience asset for firming renewables, supporting Upper North Island grid stability and assisting with dry year risk on a separate node to the key thermal generation assets in New Zealand. Channel's project would be relatively fast to construct and benefits from the significant fuel reserves already stored on Channel's Marsden Point site, providing for near immediate start up as required.

Channel was in advanced discussions with several parties regarding a long-term capacity contract to underwrite the development costs of the project, to be funded by Channel. Following the New Zealand Government's announcement that it is considering proposals relating to a potential LNG import facility, development of the project has been paused, pending the outcome of the Government's work on the facility.

While Marsden Point remains the Board's priority, the Company will also look to grow beyond our Marsden Point site where there are on-strategy consolidation opportunities. Channel's primary focus is on Channel's current supply chain to Auckland International Airport, but the Board will also consider measured step-out opportunities in New Zealand and Australia.

In November, Channel announced the strategic acquisition of a 25% stake in the Somerton jet fuel pipeline, which forms part of the only jet fuel pipeline supply chain servicing Melbourne Airport. This measured step-out presents the Company with a unique and exciting opportunity and enhances the quality of Channel's overall business with a complementary dedicated jet fuel asset in a high growth market.

Melbourne Airport travel is expected to grow strongly in the coming years, and it is already Australia's second busiest airport. In December 2025, Melbourne Airport recorded its busiest month on record with 3.4 million passengers. As part of considering this investment, there were a number of adjacent growth opportunities identified which have the potential to materially enhance the value of the existing investment and provide new capital deployment opportunities, while adding to the resilience of jet fuel supply to Melbourne Airport.

Capital Allocation and Shareholder returns

In 2025 the Board refreshed the Capital Allocation Framework reflecting its confidence in the business outlook and access to capital for growth initiatives, while seeking to be efficient with Shareholder's capital. The Board increased the dividend payout ratio to 70-90% from 60-70% of Normalised Free Cash Flow.

The Board also broadened the Company's target credit metrics from those consistent with a shadow BBB+ credit rating to a shadow BBB/BBB+ credit rating, appropriate in the context of Channel's growth trajectory to provide greater funding flexibility. In the short-term, it is not anticipated that the broader leverage target

would result in a meaningful step change in leverage for the business absent any additional significant growth opportunities.

In late December, the Company marked another significant milestone in its growth with our listing on the ASX as a foreign exempt issuer. This milestone is important for the Company as it provides access to a broader pool of institutional and retail shareholders to support Channel's continued growth.

The Board has declared a FY25 final unimputed dividend of 6.75 cents per share, which will be paid 26 March 2026. This brings the total dividend to 13.0 cents per share, up 18% from 11 cents per share last year. Participants in the Dividend Reinvestment Plan will have the opportunity to receive Channel shares for part or all of their FY25 final dividend entitlement amount, at a 1% discount to the calculated market price for the shares, calculated in accordance with the Dividend Reinvestment Plan Offer dated 27 February 2026.

FY26 guidance

Looking forward to FY26, EBITDA from continuing operations is expected to be in the range of \$95-100 million. This compares to \$93.4 million for FY25 or \$92.4 million excluding the legacy Wiri lease revenue which expired in February 2025. The guidance also reflects the benefit of the additional revenue from the early commencement of the Z Energy storage project, the Higgins bitumen import terminal in H2 2026 and PPI indexation of 3.25% (FY25: 4.18%). In line with Auckland Airport's public passenger outlook statements, Channel anticipates year on year jet fuel growth of ~2% with some additional passenger demand being absorbed by available seat capacity on existing flights.

Maintenance capital expenditure for FY26 is expected to be between 8-10% of revenue (FY25: 8.8%) and Normalised Free Cash Flow conversion is anticipated to be broadly in line with FY25 (FY25: 72%).

- ENDS -

Conference Call

Channel's Chief Executive, Rob Buchanan and Chief Financial Officer, Alexa Preston will give a presentation on the Company's financial and operational performance at 10:30am NZT today.

To access the audio call, dial 09 929 1687 (New Zealand) or 02 9007 3187 (Australia) and ask to be connected to the Channel results briefing. To pre-register for direct access to the call, go to [Event Registration](#).

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About Channel Infrastructure

Channel Infrastructure is New Zealand's largest fuel import terminal business, storing and distributing 40% of New Zealand's transport fuel, including 80% of New Zealand's jet fuel. We receive, store, test and distribute petrol, diesel, and jet fuel that our customers import and supply to Auckland and Northland.

Fuel is imported via our deep-water harbour and jetty infrastructure at Marsden Point and stored in more than 290 million litres of contracted storage tanks on site. The fuel is then distributed via our 170- kilometre pipeline to Auckland, or by our customers (bp, Mobil, and Z Energy) via truck into Northland. We underpin the resilience of New Zealand's fuel supply chain with our tank capacity, which enables increased storage of fuel in New Zealand, and through efficient, low-emission distribution of the fuel into the Auckland market. Given our proximity to Auckland, and critical role in the jet fuel supply chain, Channel is well positioned to support the renewable fuel transition.

Our plan for growth includes supporting fuel resilience for New Zealand through additional fuel storage on our site, unlocking the strategic value of the Marsden Point Energy Precinct Concept which reflects the significant role Channel could play in supporting New Zealand's energy transition – through potential opportunities including supporting the manufacture of lower-carbon future fuels, as well as a range of potential energy security opportunities, and exploring expansion beyond Marsden Point.

Channel Infrastructure also owns a 25% interest in the Somerton jet fuel pipeline to Melbourne Airport and its wholly-owned subsidiary, Independent Petroleum Laboratory Limited, provides fuel quality testing services throughout New Zealand.

For more information on Channel Infrastructure, please visit: www.channelnz.com