TRANSPOWER

Media release

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Transpower FY26 Result: Aotearoa New Zealand's electrification journey gathers pace

	12 months ended 30 June 2026 (FY26)	**12 months ended 30 June 2025 (FY25)**
Net Profit After Tax	$176m	$107m
Operating revenue	$1.15b	$986m
Operating expenses	$446m	$420m
Capital expenditure	$644m	$613m
Final dividend	$30m	$72m

Major strategic highlights:

Delivering at pace today, preparing for the step change in electrification ahead

- Enabled 18 new renewable generation, battery and capacity upgrade projects to connect and/or commission, adding 669 MW. That is more than five times that of FY22, and enough to power around 211,000 households. Over the next 15 years, New Zealand will need to develop and connect as much new generation as was built over the previous 40 years.
- Accelerated the customer connection pipeline - advancing a record 22 new generation connection projects into the delivery phase. We are responding to connection demand with pace and efficiency.
- Commissioned the first digital substation at Ohangai in Taranaki, delivering the substation in record time to support Fonterra's electrification plans.
- Identified $53m of savings from our ongoing productivity improvement programme, which will be delivered across the remaining four years of RCP4.

Accelerating for the future

- Published the draft 10-year System Operator strategy and advanced the Te Kanapu grid blueprint programme engaging across NZ to plan the future grid.
- Secured Commerce Commission approval for the $1.1 billion first stage of work to renew the critical High Voltage Direct Current (HVDC) electricity link between the North and South Islands, $47m to rebuild Redclyffe substation and $50.5m to replace the 31km line between Ōtāhuhu and Whakamaru.
- Commenced an operational review of the Transmission Pricing Methodology.

Planned earnings increase to support grid reinvestment

Transpower has reported net profit after tax of $176m and operating earnings (EBITDAIF) of $704m. The increase in earnings reflects increased operating revenue under the current Commerce Commission approved regulatory control period (RCP4), along with the associated step-up in investment in capability to meet the grid investment need. Transpower has a clear plan to reinvest these profits to replace and refurbish ageing parts of the grid to ensure the grid can continue to support the significant growth of electrification.

The 17% growth in operating revenue primarily reflects the higher Weighted Average Cost of Capital in RCP4 for transmission revenue; while the 6% increase in operating expenses is driven by additional grid maintenance including the impacts of severe weather, planned step changes in technology investment and the final phase of a planned increase of the organisation's workforce necessary to deliver RCP4 outcomes.

The expected increase in capital expenditure reflects the increased investment approved under RCP4. Transpower maintains strong investment grade credit metrics and has continued to access global financial markets to support the funding required for investment in the grid.

The Board declared a final dividend of 2.5 cents per share, or $30 million. This is slightly above the dividend forecast in Transpower's Statement of Corporate Intent.

Strengthening the grid for growth and resilience

Transpower Chair Michele Embling says "Transpower has delivered a strong year of performance while continuing to invest in the national grid and power system operations that New Zealand needs for the future. Our focus remains on keeping power flowing, maintaining disciplined cost control, and enabling the electrification that will support economic growth and resilience across Aotearoa New Zealand."

Transpower CEO, James Kilty says "These results demonstrate our focus on delivering for customers today, while preparing for an increasingly electrified future. We continued to strengthen critical national infrastructure, connect new generation and customers, and improve the way we plan and operate the power system. As electrification gathers pace, and the power system rapidly changes with more variable, inverter-based resources and new technologies, our job is to ensure the grid and System Operator continue to support growth while delivering reliable service at the lowest overall cost for consumers. The pace of change across the energy system is unprecedented and it is important that we, and the whole sector, stay ahead of the changes."

"We have a significant work programme ahead of us to support New Zealand's electrification. Over the next 15 years, New Zealand will need to develop and connect as much new generation as was built over the previous 40 years. That will require commitment from across industry, and Transpower is ready for this challenge," says James Kilty.

During the year, Transpower enabled the connection and/or commissioning of 669MW of new renewable generation, batteries, and capacity upgrades. At the end of June there were also 22 new generation connection projects in the delivery phase, representing an additional 3,000 MW worth of capacity set to be delivered by the end of 2028, provided customers commit.

“We are pleased to support customers to advance their projects to a point where they are ready to invest. Through our system operator function, we continue to report on the need for those customers to invest to ensure a secure and reliable grid as New Zealand electrifies,” says James Kilty.

Meeting record demand through new investment
“Earlier this month we saw a cold snap set new records for electricity demand on consecutive days, 8 of the 10 highest peaks of all time were set in the last month. The strong pipeline of new investment in generation is essential to ensure that we can continue to meet those record peaks and the nation’s future electricity needs. We look forward to working with the industry to deliver the infrastructure that is needed,” says James Kilty.

“Thank you to everyone at Transpower, and to our partners across the sector, for your hard work keeping electricity flowing for New Zealand homes and businesses now and into the future,” says Michele Embling.

Transpower's FY26 Integrated Annual Report which includes detailed financial statements as well as a range of environmental, social, and economic metrics is available to read here.

For further information, please contact: Transpower Communications Team, 021 195 8613.