Channel

Infrastructure NZ

NZX AND ASX RELEASE

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Channel delivers strong HY26 result, with contracted growth supporting earnings outlook

Channel Infrastructure NZ Limited (NZX: CHI, ASX: CHI), New Zealand's largest fuel import terminal business, has today released its financial results for the six months ended 30 June 2026 (HY26). Key highlights include:

- Strong HY26 financial result, with revenue up 4% to $72.9 million and EBITDA of $48.8 million
- Normalised Free Cash Flow from operations was $33.6 million, down from $35.2 million reflecting phasing of maintenance capital expenditure. Maintenance capex remains on track for 8-10% of revenue for FY26
- FY26 EBITDA guidance upgraded to $103 – $108 million, from May upgrade of $97 – $105 million
- Interim dividend increased 16% to 7.25 cents per share up from 6.25 cents per share in HY25
- World-class operational performance maintained through a period of disruption to global fuel supply markets, with pipeline and tank availability of 99%
- An additional 123 million litres of jet and diesel storage brought into service, increasing in-service storage at Marsden Point by approximately 40%. The 93 million litre New Zealand Government diesel storage project was delivered safely, on time, and on budget in just nine weeks
- Further contracted earnings growth expected in FY27 as a result of full-year contributions from recently completed growth projects
- US$5.95 million sale and removal of fully decommissioned CCR Platformer unit as part of critical enabling works for Marsden Point Biorefinery. Given the global environment the consortium's equity raising process is taking longer than originally anticipated and credible potential equity providers remain actively engaged and due diligence is well progressed, however, the timing of Final Investment Decision will likely now extend into 2027

Key Financial Metrics[1]

	HY26 $m	HY25 $m	% change
Revenue	**72.9**	70.2	+4%
EBITDA	**48.8**	48.5	+1%
EBITDA Margin	**67%**	69%	
Growth Capital Expenditure	**25.1**	11.5	118%
Normalised Free Cash Flow	**33.6**	35.2	-5%
Free Cash Flow Conversion	**69%**	73%	
Total Ordinary Dividend	**7.25cps**	6.25cps	+16%

[1] Continuing Operations

Chair James Miller said: “We are focused on selective and value-accretive growth as we build a world-class mid-stream energy infrastructure company across Australasia. The investments we have made are translating into long-term contracted revenues and growing cash flows, supporting the Board’s focus on stable and growing dividends.

“This is another strong operational and financial result for Channel. We have upgraded FY26 EBITDA guidance for the second time this year, increased the interim dividend by a significant 16%, and delivered significant contracted growth that will contribute to earnings through the second half of 2026 and into 2027.

“The Marsden Point Energy Precinct is our strategic priority and has the potential to be transformational for Northland – bringing investment, skilled jobs and new industries to the region, while cementing Marsden Point’s role at the heart of New Zealand’s energy future.”

Chief Executive Rob Buchanan said: “The first half of 2026 demonstrates what Channel can deliver. In six months we have brought 123 million litres of additional jet and diesel storage into service – increasing our in-service storage at Marsden Point by around 40% – while maintaining world-class asset availability through a period of global fuel supply disruption.

“The increased focus on energy security is creating opportunities for Channel to leverage its world-class operating ability and proven project delivery capability for further conversion opportunities. Potential renewable fuels projects, such as the Marsden Point Biorefinery, become even more valuable for New Zealand by supporting the security of New Zealand’s fuel supply chain as well as underpinning its long-term sustainability goals.

“As we continue to demonstrate, we remain disciplined about growth. We are focused on opportunities where Channel can use the strategic value of the infrastructure we already own and the capability of our team to develop and deliver infrastructure solutions that create value for shareholders while strengthening the fuel supply chains in which we operate.”

Dividend

The Board has declared a HY26 interim unimputed dividend of 7.25 cents per share which will be paid on 24 September 2026 and represents a 16% increase on the HY25 dividend. Participants in the Dividend Reinvestment Plan may elect to receive Channel shares for part or all of their interim dividend entitlement, at a 1% discount to the calculated market price for the shares, calculated in accordance with the Dividend Reinvestment Plan Offer Document dated 27 February 2026.

Guidance and outlook

The Board has upgraded FY26 EBITDA guidance to $103–$108 million, from $97–$105 million in May, reflecting the earlier commissioning of Z Energy jet storage, additional Government diesel storage revenue and greater visibility of fuel throughputs.

Looking ahead to FY27, EBITDA will benefit from full-year contributions from the Z Energy jet storage and Higgins bitumen import terminal contracts, together expected to contribute approximately $9 million, and approximately $14 million from the New Zealand Government diesel storage contract.

Maintenance capital expenditure guidance of 8–10% of revenue, Normalised Free Cash Flow conversion guidance and Channel’s dividend policy remain unchanged.

- 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 NZST 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 410 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. Channel also has more than 350 million litres of tank capacity available for repurposing to finished product storage to support fuel security projects and a further 45 hectares of consented, freehold land available for greenfields fuel storage projects.

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