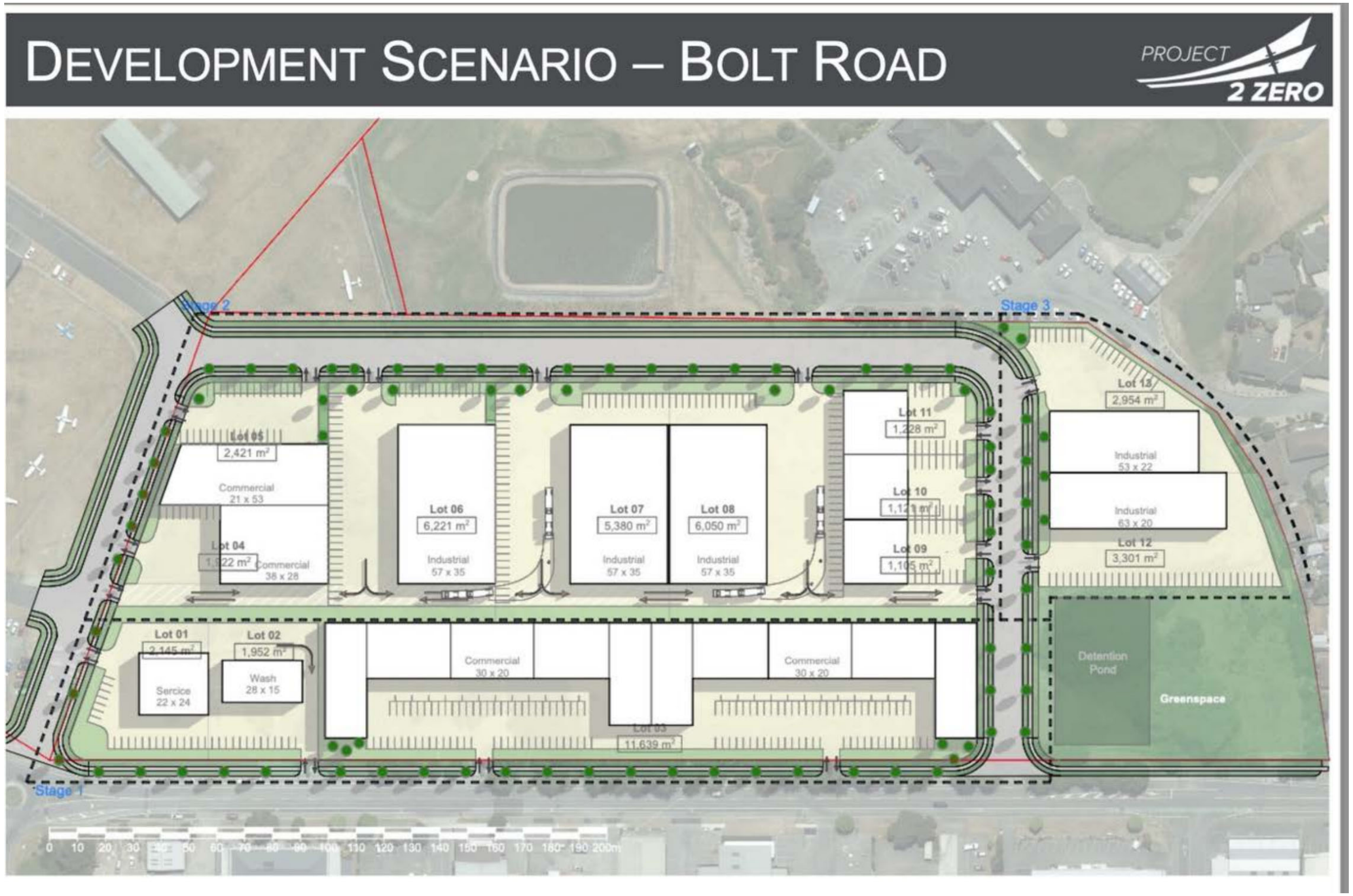
Joint Committee Of Tasman District And Nelson City Councils - 13 March 2025 Attachments


DEVELOPMENT SCENARIO – BOLT ROAD
PROJECT
2 ZERO
Stage 2
Stage 3
Stage 1
Lot 05
2,421 m²
Commercial
21 x 53
Lot 04
Commercial
38 x 28
Lot 06
6,221 m²
Industrial
57 x 35
Lot 07
5,380 m²
Industrial
57 x 35
Lot 08
6,050 m²
Industrial
57 x 35
Lot 11
Lot 10
Lot 09
Lot 13
2,954 m²
Industrial
53 x 22
Industrial
63 x 20
Lot 12
3,301 m²
Lot 01
Sercice
22 x 24
Lot 02
1,952 m²
Wash
28 x 15
Commercial
30 x 20
Lot 03
11,639 m²
Commercial
30 x 20
Detention
Pond
Greenspace
0 10 20 30 40 50 60 70 80 90 100 110 120 130 140 150 160 170 180 190 200m

IHL

Infrastructure Holdings Limited

Joint Shareholder Committee Meeting
13 March 2025

PORT NELSON

NELSON AIRPORT
Good things start here.

IHL FY26 SOI - Approach

✓ **November** – IHL Board strategy presentations from subsidiaries

✓ **February** – Draft SOI submitted to shareholders

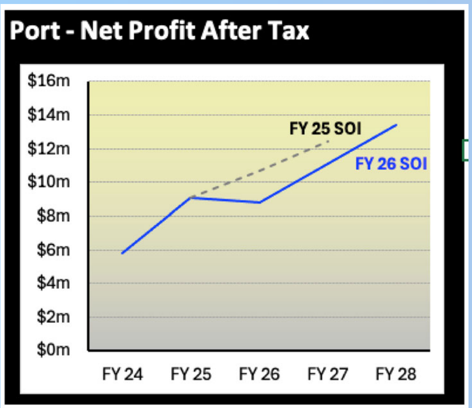
→ **March** – Draft SOI/SoCI's & challenge session

- **July** – Final SOI submitted to shareholders
- **Ongoing** – focus on value creation and delivering sound Return on Investment

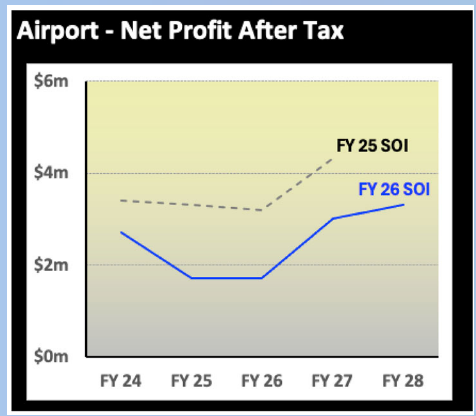
FY 26 SOI – Key Messages

- **Financial** Profit subdued but dividends maintained
- **Climate** 1-3% reduction in GGE during FY26
- **Customer & Community** Enhanced services & community dialogue
- **People & Safety** Refreshed safety systems

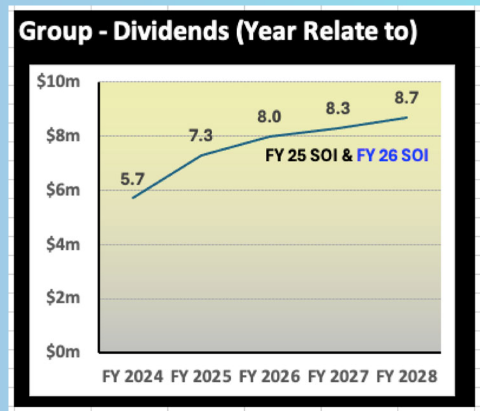
FY 26 SOI – Profit & Dividends



- Freight & service volumes – expect to remain subdued longer than expected
- Profit – recovery to a growth trajectory now projected for FY26
- Response – tune pricing, improve efficiency, rebalance investment

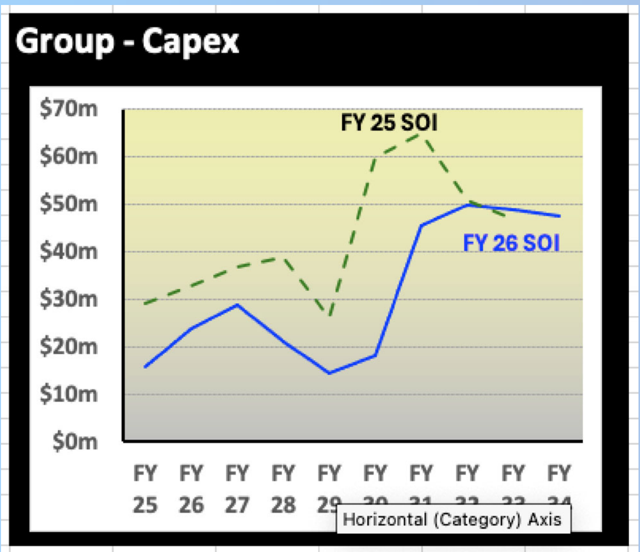


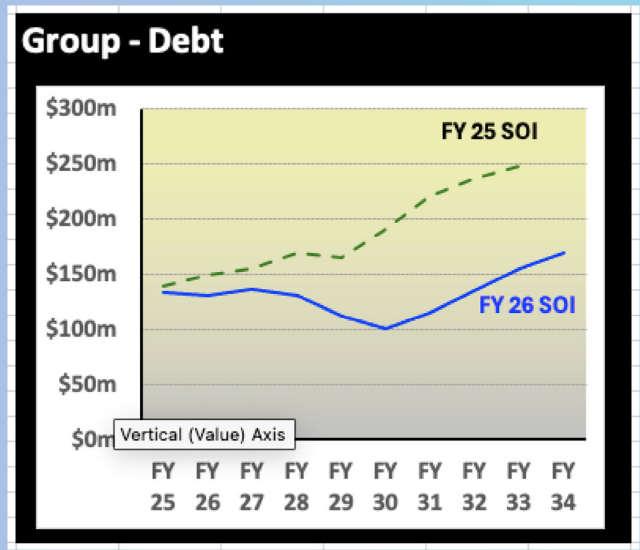
- Passenger numbers – down due to seat reductions/constraints
- Profit - Lower seat numbers expected to persist. Therefore, growth trajectory more muted.
- Response – tune pricing, improve efficiency, rebalance investment



- Maintained increase in dividends
- Result = very high payout ratios in FY26
- 74% PNL vs sector benchmarks of ~ 30-60%
- 88% NAL vs sector benchmark of 40-70%

FY 26 SOI – Investment & Debt





- Rebalanced capex in response to slower growth ($13m pa average reduction)
- Challenge session will explore whether have over-corrected

- Debt reflects capital spend. Relatively low level of additional debt required over next few years
- For next few years:
  - Investment is mainly in renewal capex
  - Relatively low investment in growth
  - Enables high payout ratio (income)

Investment Risks & Opportunities

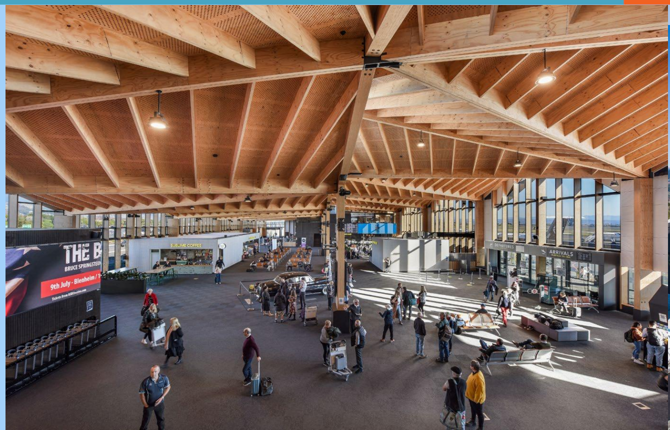
Medium Term Risks

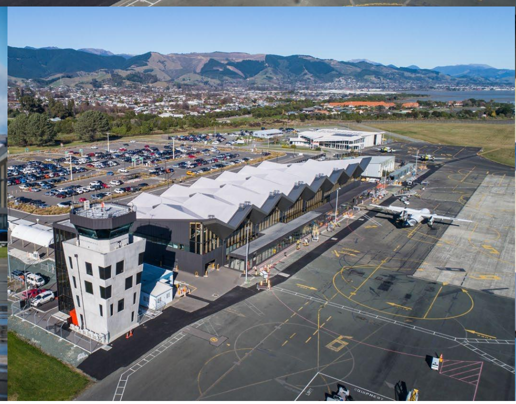
- Subdued PNL freight volumes
- Limited seat capacity constrains NAL ability to grow
- Delivering satisfactory return on investment

Opportunities

- ➢ Enhancing use of assets
- ➢ Identifying & realizing synergies

Questions





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Joint Committee Meeting

13 March 2025

PORT NELSON

Contents

- Board overview
- First Half FY25
- Looking Forward

PNL Board Focus

- Health & Safety
- Profitability
- People
- New Business

2025FY: Half-Year - Cargo Throughput

Overall cargo flat but with some areas particularly weak

Cargo (000's, RT)	2025 1/2 year	Variance %	
		SOCI	2024
Logs	540	5%	0%
Apples	60	(22%)	(24%)
Wine	145	5%	3%
Processed Timber	155	0%	2%
Fish	72	16%	(17%)
Petroleum	155	(8%)	(17%)
Cars	34	(34%)	(42%)
Other	349	1%	8%

2025FY: Half-Year – Financial Performance

Reduced activity in some business units impacting profitability

Financial Performance (000,000)	2025 1/2 year		Variance %	
			SOCI	2024
Revenue	$	41.8	(7%)	(2%)
Expenses	$	29.8	(6%)	(6%)
Depreciation	$	5.6	(2%)	6%
Interest	$	2.2	(12%)	0%
Tax	$	1.2	(25%)	32%
Net Profit after Tax	$	3.0	(22%)	15%

2025FY: Half-Year - Stakeholder Performance

Customers:

- Container crane rate performance improved
- Relocation of container truck transfer area
- Increased mineral sand exports

Environment:

- Delivery of new crane
- Completed the first Port Climate-Related Disclosures Report

2025FY: Half-Year - Stakeholder Performance Cont.

People:

- Progressing our emergency management planning
- Traffic management & permit to work system
- Improvements from employee engagement survey

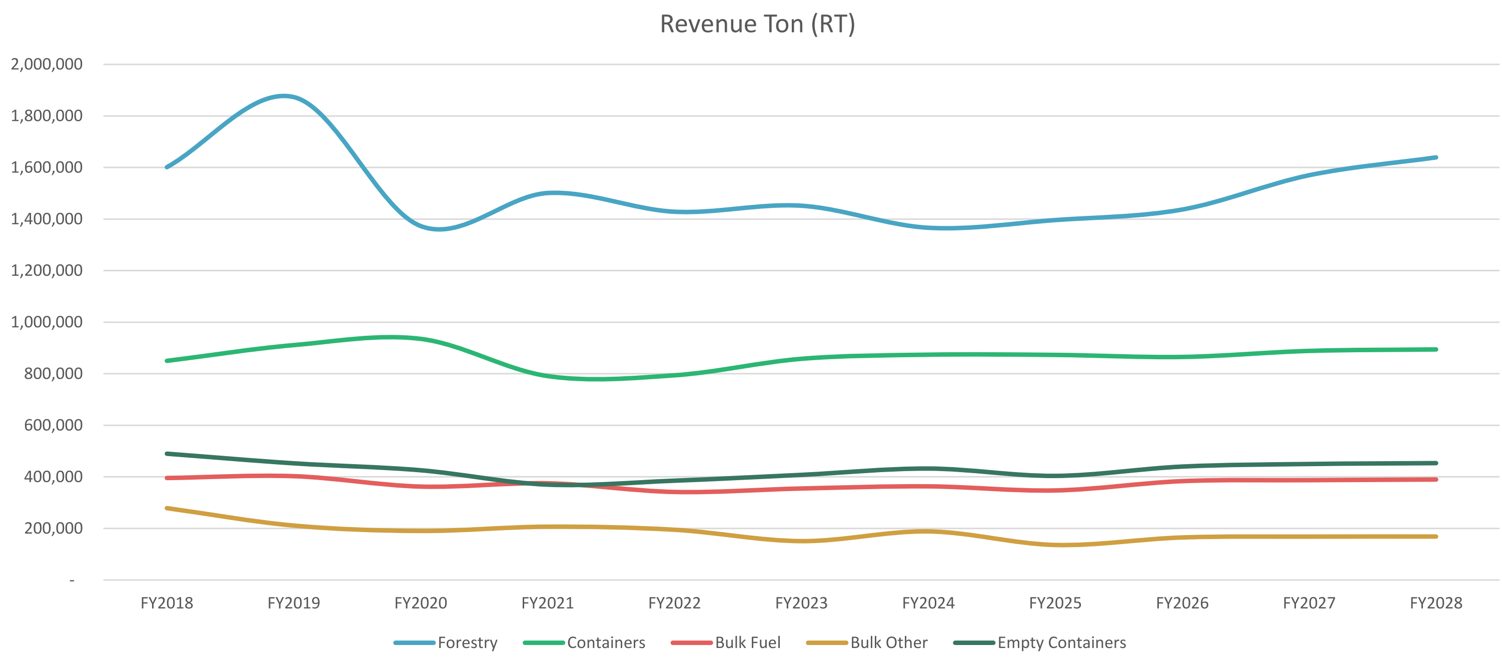
Community:

- Iwi gifting ingoa Māori for pilot launch (Mānuka) & Marlborough Inland Port (Honomai)
- 20th annual charity golf tournament raised $30k for Riding for Disabled

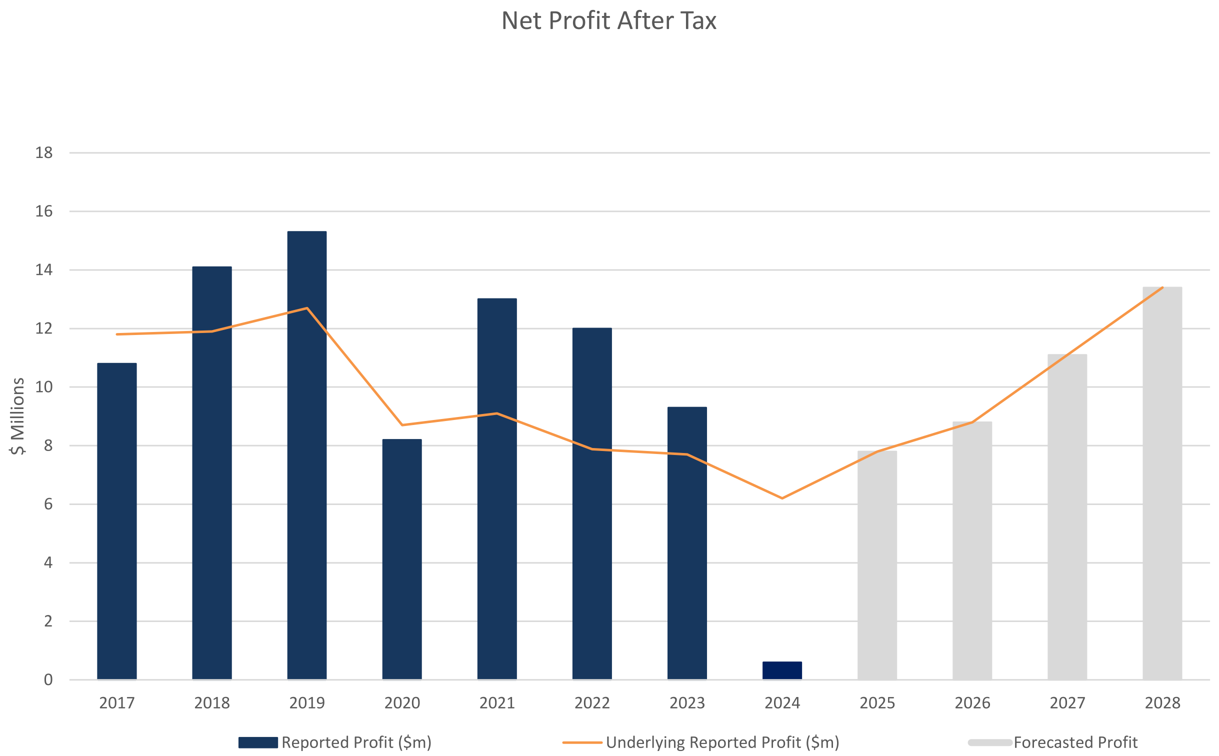
Shareholders:

- Marlborough Inland Port completed
- Slipway redevelopment progressing
- Pilot launch delivered

Looking Forward: Cargo Throughput



Looking Forward: Financial Performance



Looking Forward: Stakeholder Performance

Customers:

- Ensuring operational delivery through Honomai meets customer expectations & expected commercial outcomes
- Establishing travel lift operations at the slipway that meet expectations & deliver expected commercial results
- Review of the Port layout to ensure there is capacity to meet future demand

Environment:

- Focus on our investment in electrifying cranes delivers the expected results
- Delivering on our noise management and noise mitigation obligations
- Meeting our climate disclosure reporting commitments

Looking Forward - Stakeholder Performance Cont.

People:

- Ensuring our operations are consistent with the Approved Code of Practice
- Ongoing improvement to management of critical risks
- Refreshing our ASPIRE values

Community:

- Ongoing engagement with Te Tauihu iwi
- Celebrating the 125th anniversary of the formation of the Nelson Harbour Board

Shareholders:

- Implementing pricing that moves PNL business to achieving appropriate Return on Capital by 2028FY
- Progressing Masterplan changes
- Exploring growth opportunities for our QuayConnect business & commercial property holdings

PORT NELSON

QUAYCONNECT

QUAYPACK

STEVEDORING

www.portnelson.co.nz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Good things start here.
JOINT COMMITTEE
March 2025
Brendan Cook, CEO
Quinton Hall, Board Chair
Adrian Ferris, Chief Financial Officer

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AGENDA

- Vision, Purpose, Values
- Flight Update
    - Air NZ Fleet Challenges
    - Passengers
    - Financial results (EBITDA)
    - Progress to date
- Flight Plan (Future)
- Q&A

Our Vision
Tō Tātou Tirohanga Whakamua

To be a world-class airport where zero-emissions aircraft operate.

Kia noho hei taunga rererangi o te ao e whakahaere ana i ngā waka rererangi kore tuku.

Our Purpose
Tō Tātou Whāinga Matua

To contribute to a sustainable and prosperous Nelson-Tasman

Kia tāpae atu ki a Whakatū-Aorere hei wāhi whakauka, tōnui hoki.

Our Values
Ō Tātou Uara

INTEGRITY	NGĀKAU PONO
TEAMWORK	MAHITAHI
CONTINUOUS IMPROVEMENT	WHAKAPAI AKE
OPENNESS	NGĀKAUNUI
SAFETY	MARUTAU
ACCOUNTABILITY	NOHO HAEPAPA

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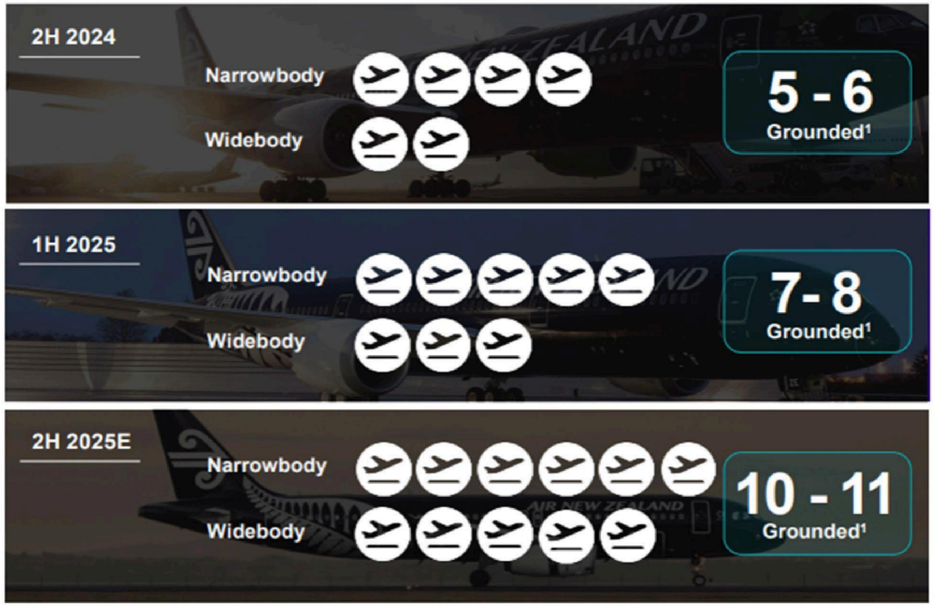
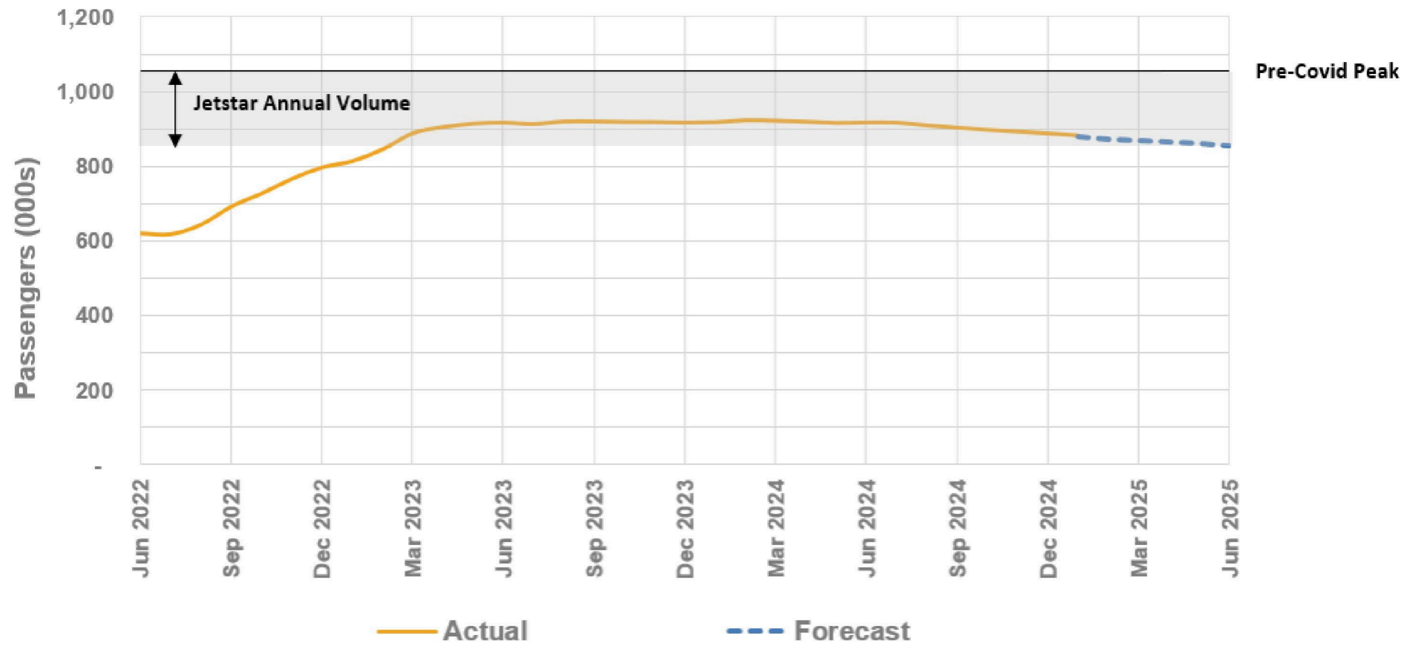
AIR NZ FLEET CHALLENGES

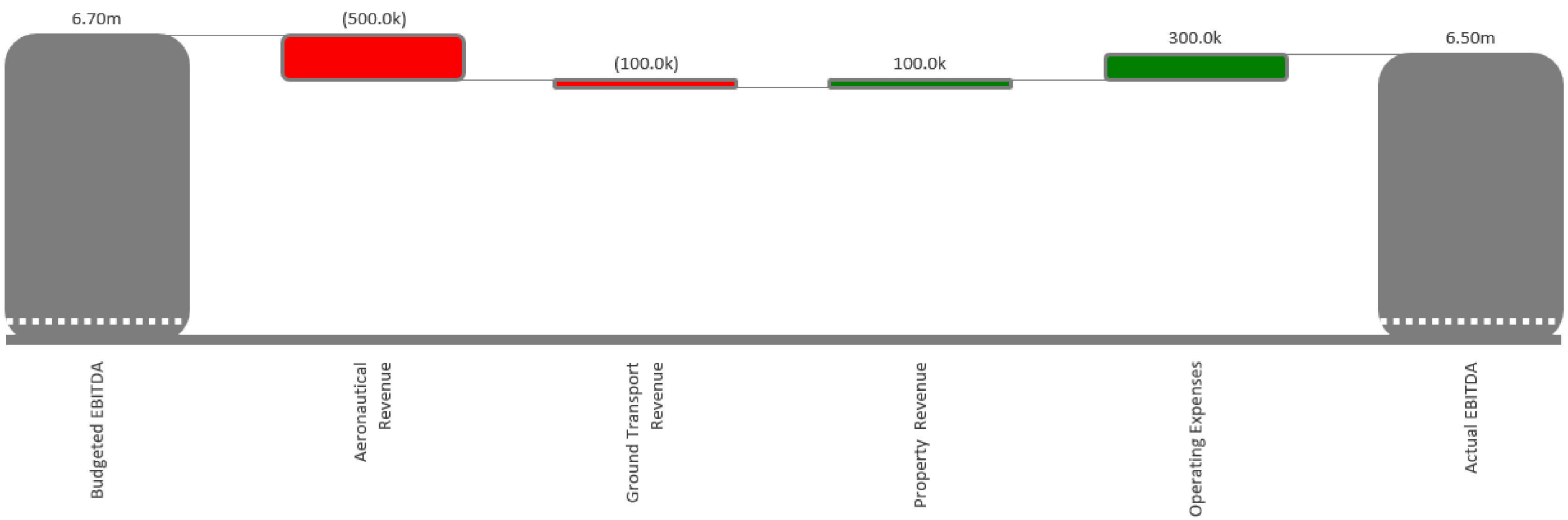
Up to 11 aircraft expected to be grounded at times in 2H 2025



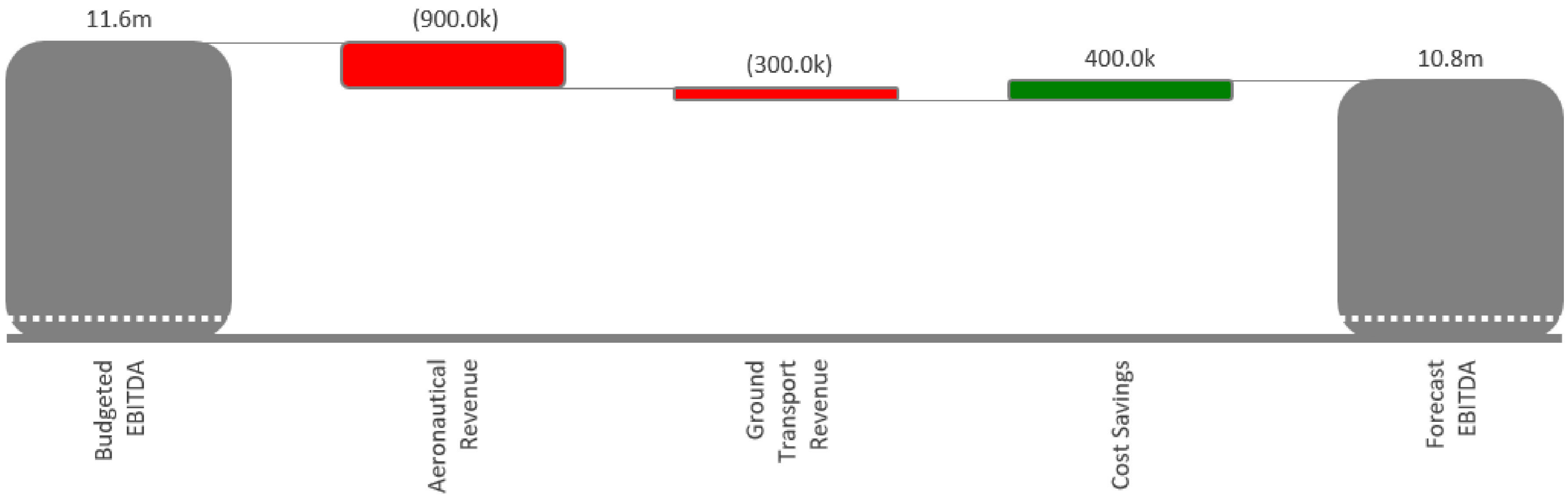
PASSENGER ACTIVITY (12 month rolling total)



EBITDA Walk – Year-to-Date January



Forecast EBITDA FY25



PROGRESS TO DATE

SOI Targets (30 June 2025)

People, Culture and Values	●	On-track
Health, Safety and Risk	●	On-track
Infrastructure and Property	●	On-track or achieved
Customers and Stakeholders	●	On-track
Environmental Sustainability	●	On-track
Financial Results	●	EBITDA not on track, other metrics on-track

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OTHER HIGHLIGHTS

- Apron Project Stage 1 complete
- Sustainable staff commuting - WorkRide scheme, Aotearoa Bike Challenge
- Sponsorship activity: Nelson Fringe Festival, Nelson Tasman Hospice, Playspace Whakatū, Nelson Tasman Chamber of Commerce, The Bay Trail Run, NM Rescue Helicopter, Big Brothers Big Sisters, The Spectacle
- Collaborative marketing underway with Air NZ, Sounds Air, Originair
- Coffee cup and lid composting scheme (since Sept)
- Stormwater resilience upgrade complete (runway to detention basin phase)
- Airport House building roof replaced and improved
- Staff happiness survey – 8.3 out of 10, 93% participation

FLIGHT PLAN …

Customers and Stakeholders

- Annual Customer Survey March – April
- Introduction of Sunflower Lanyard scheme
- Refreshed airport brand, then website

People, Culture and Values

- Phase 1 cultural design projects in terminal in partnership with iwi

Environmental Sustainability

- Introduction of soft plastics recycling
- Climate Disclosure Reporting towards full compliance in FY26

Infrastructure and Property

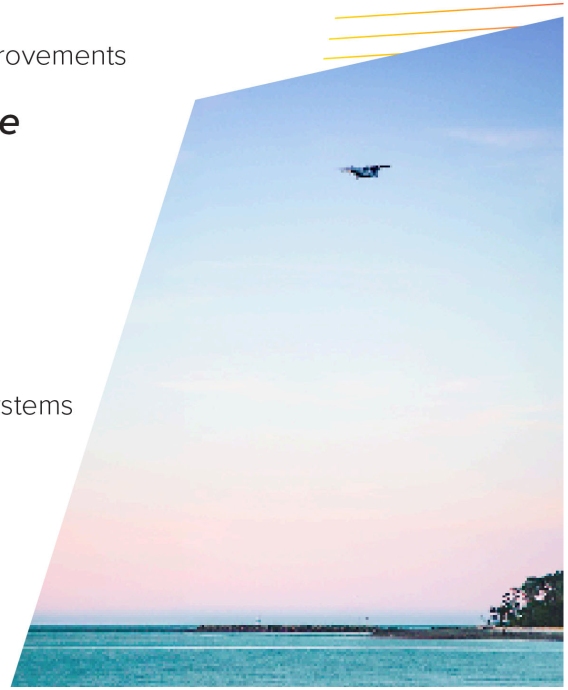
- Further stormwater resilience improvements, terminal to detention basin
- Terminal thermal comfort improvements

Financial Performance

- Pricing reviews
- Proactive cost management

Risk Management

- Continued evolution of risk management process and systems

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Good things start here.
THANK YOU
Q AND A
Good things start here.