Meridian.

Financial Commentary.

Five-year performance

EBITDAF[1] (continuing operations)

Financial year ended 30 June

Net Profit after Tax (continuing operations)

Financial year ended 30 June

Underlying NPAT[2]

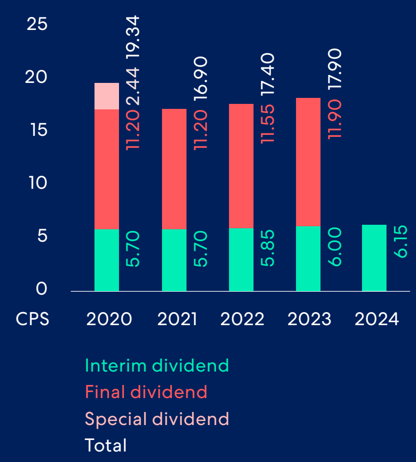
Financial year ended 30 June

Operating cash flows

Financial year ended 30 June

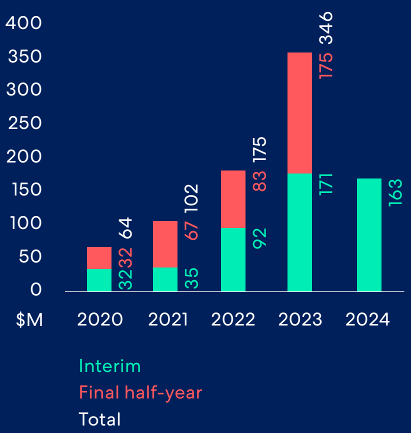
Dividend declared

Financial year ended 30 June



Capital expenditure

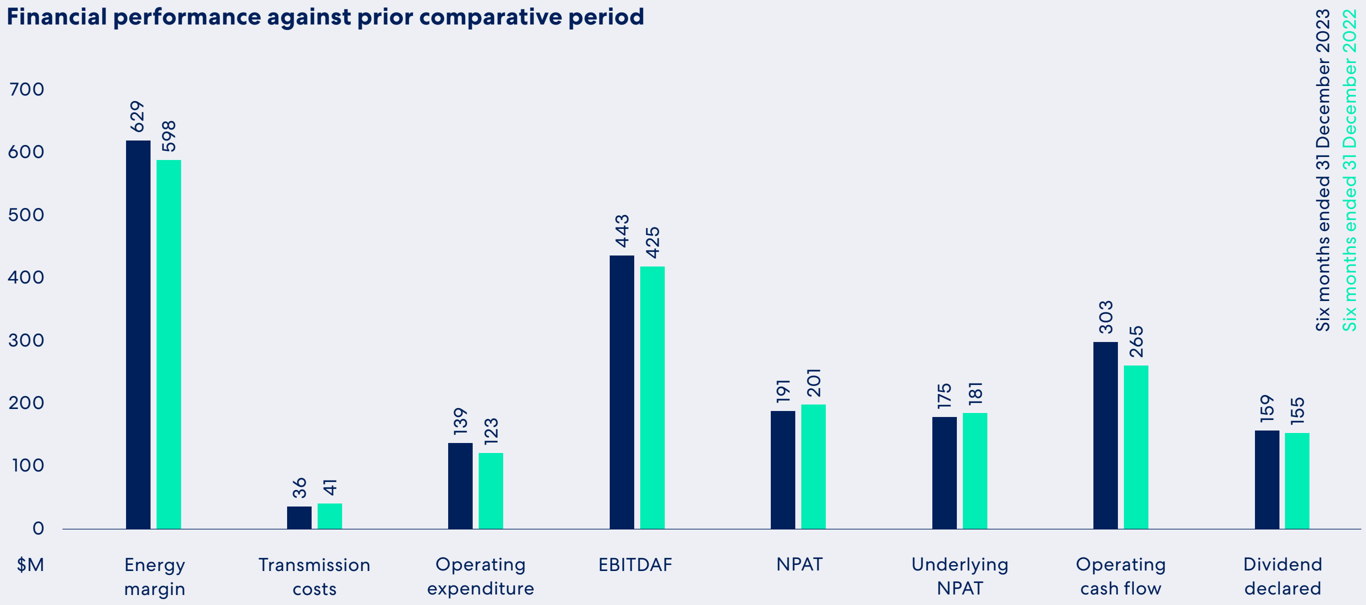
Financial year ended 30 June



1. EBITDAF is a non-GAAP financial measure of earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges, impairments and gains and losses on sale of assets.
2. Net profit after tax adjusted for the effects of changes in fair value of unrealised hedges, electricity option premiums and other non-cash items and their tax effects.

Overview

Financial performance against prior comparative period



Meridian has reported net profit after tax of $191 million for the six months ended 31 December 2023, $10 million (5%) lower than the same period last year. Included in the result is an unrealised loss in the value of hedge instruments amounting to $2 million (compared with a gain last year of $27 million). Also included in the result is a $9 million gain on the sale of assets and investments, from a refund of Australian stamp duty originally paid on the purchase of the Green State Power hydro assets in 2018.

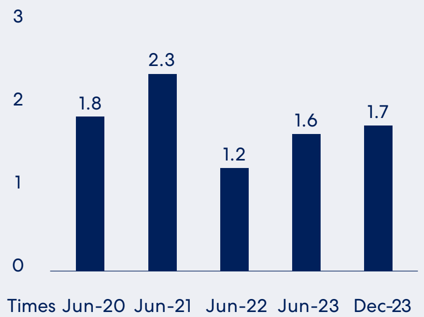
Meridian has reported EBITDAF of $443 million, $18 million (4%) higher than the prior corresponding period. Higher retail and wholesale contracted sales and higher average generation prices helped to offset the impacts of lower generation volumes. Those higher wholesale market prices also increased the cost of supplying customers.

The Board has announced an interim ordinary dividend of 6.15 cents per share, 3% higher last year's interim dividend. The interim ordinary dividend will be 80% imputed and Meridian's Dividend Reinvestment Plan will apply to this interim ordinary dividend. Shareholders are reminded outcomes from discussions with the owners of the Tiwai Point aluminium smelter on a potential contract beyond 2024 remain uncertain. The interim dividend will be paid, and new shares issued under the reinvestment plan on 26 March 2024.

Dividends declared	1H FY2024		1H FY2023	
	cents per share	imputation	cents per share	imputation
Ordinary dividends	6.15	80%	6.00	80%

Meridian's balance sheet remains in a strong position, with the company maintaining a BBB+ credit rating as defined by rating agency Standard & Poor's.

Net debt/EBITDAF



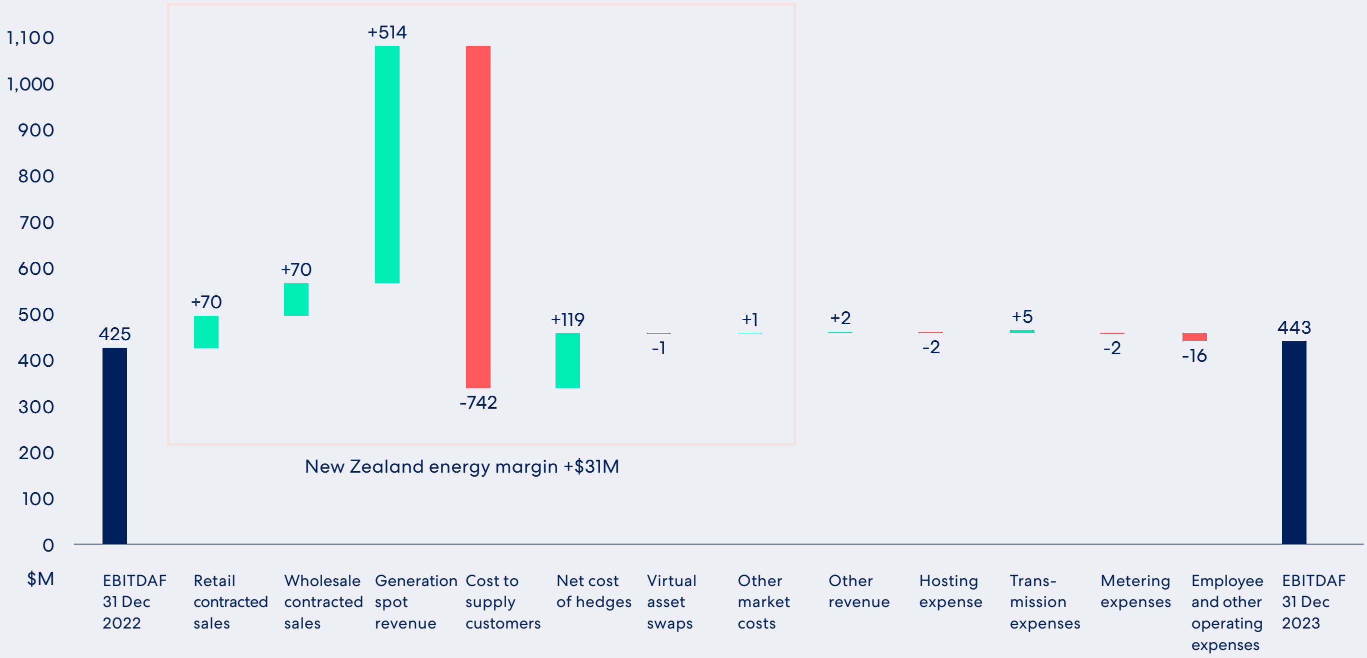
Cash flows

Operating cash flows were $303 million for 1H FY2024[2], $38 million (14%) higher than 1H FY2023[3], largely a result of the impacts of higher customer sales and higher wholesale prices, with increases in the amounts of income tax and interest paid during the period.

Total Capital expenditure in 1H FY2024 was $163 million, of which $30 million was stay in business capital expenditure. Growth capital expenditure largely reflects the Harapaki wind farm construction in Hawke's Bay and the Ruakākā battery energy storage system.

Earnings

Movement in EBITDAF



EBITDAF was $443 million in 1H FY2024, $18 million (4%) higher than the same period last year.

2. The six months ended 31 December 2023
3. The six months ended 31 December 2022

Energy margin

Energy margin is a measure of the combined financial performance of Meridian's retail and wholesale businesses.

$M		1H FY2024	1H FY2023
Retail contracted sales revenue	Revenues received from sales to retail customers net of distribution costs (fees to distribution network companies that cover the costs of distribution of electricity to customers)	**670**	600
Wholesale contracted sales revenue	Sales to large industrial customers and fixed price revenues from derivatives sold	**296**	226
Costs to supply customers	The volume of electricity purchased to cover contracted customer sales	**-1,265**	-523
Net hedging position	The fixed cost of derivatives used to manage market risk, net of the spot revenue received from those derivatives	**51**	-68
Generation spot revenue	Revenue from the volume of electricity that Meridian generates	**885**	371
Net VAS revenue	The net revenue position of virtual asset swaps (VAS) with Genesis Energy and Mercury New Zealand	**-3**	-4
Other	Other associated market revenues and costs including Electricity Authority levies and ancillary generation revenues such as frequency keeping)	**-5**	-4
Total New Zealand energy margin		**629**	**598**

Energy margin was $629 million in 1H FY2024, $31 million (5%) higher than the same period last year, with Meridian continuing to deliver strong sales momentum in its retail business. Sales volumes in small/medium business, large business, agricultural and corporate segments in the six months to December 2023 grew by 1%, 6%, 9% and 3% respectively. Residential volumes were 1% lower than last year.

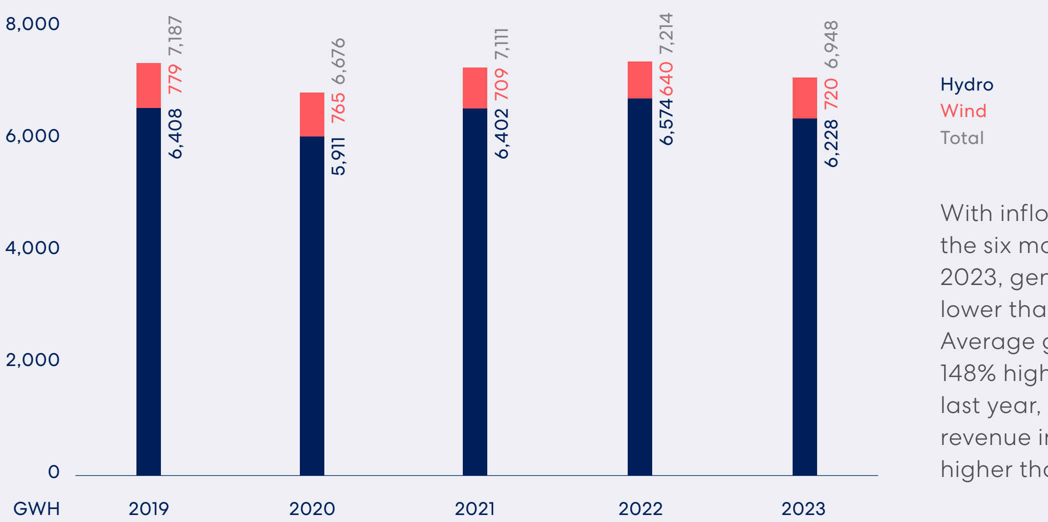
Wholesale contracted sales revenue was $70 million (31%) higher in 1H FY2024. Wholesale derivative sales volumes were 23% higher at a 23% higher average price than the same period last year. Sales to the Tiwai Point aluminium smelter were at similar levels to 1H FY2023.

The costs to supply customers increased $742 million (142%) in 1H FY2024 with a 134% higher average cost Meridian paid to supply customers on 4% higher volumes.

The net cost of hedging was $119 million lower in 1H FY2024 with higher average spot prices and 27% higher hedging volumes. The net position on forward contract close outs in 1H FY2024 decreased $34 million compared to 1H FY2023.

New Zealand generation

Six months ended 31 December



With inflows below average across the six months ended 31 December 2023, generation volumes were 4% lower than the same period last year. Average generation prices were 148% higher than the same period last year, resulting in generation revenue in 1H FY2024 being 139% higher than last year.

Harapaki wind farm construction, Hawke's Bay

Expenses

1H FY2024 saw a 9% increase in metering expenses and a 12% decrease in transmission expenses. Employee and other operating costs were $139 million in 1H FY2024, reflecting higher staff salary costs and one-off costs associated with Meridian's move to new Wellington offices.

Net profit after tax

NPAT from continuing operations was $191 million in 1H FY2024, $10 million (5%) lower than the same period last year and included movements in the fair value of energy hedges and treasury hedges.

These fair value movements relate to non-cash changes in the carrying value of derivative instruments and are influenced by changes in forward prices and rates on these derivative instruments.

Unrealised fair value movements in energy hedges increased net profit before tax by $11 million in 1H FY2024, compared to a $5 million decrease in the same period last year, reflecting changes in forward electricity prices.

Fair value movements in treasury hedges decreased net profit before tax by $13 million in 1H FY2024, compared to a $32 million increase in the same period last year, reflecting changes in wholesale interest rates.

Net financing costs increased 9% compared to the same period last year and income tax expense was $72 million in 1H FY2024, $6 million (8%) lower than the same period last year, reflecting lower net profit before tax.

After removing the impact of unrealised fair value movements and other one-off or infrequently occurring events, Meridian's underlying NPAT (reconciliation on page 6) was $175 million in 1H FY2024. This was $6 million (4%) lower than the same period last year.

Income statement

$M For the six months to 31 December	2023	2022
New Zealand energy margin	**629**	598
Other revenue	**16**	14
Hosting expense	**(2)**	–
Energy transmission expense	**(36)**	(41)
Electricity metering expense	**(25)**	(23)
Employee and other operating expenses	**(139)**	(123)
EBITDAF	**443**	**425**
Depreciation and amortisation	**(164)**	(144)
Impairment of assets	**2**	(6)
Gain on sale of assets and investments	**9**	–
Net unrealised change in fair value of energy hedges	**11**	(5)
Net finance costs	**(25)**	(23)
Net change in fair value of treasury instruments	**(13)**	32
Net profit before tax	**263**	**279**
Income tax expense	**(72)**	(78)
Net profit after tax	**191**	**201**

Underlying net profit after tax

$M For the six months to 31 December	2023	2022
Net profit after tax	**191**	201
Underlying adjustments		
Hedging instruments		
Net unrealised change in fair value of energy hedges	**(11)**	5
Net change in fair value of treasury instruments	**13**	(32)
Premiums paid on electricity options net of interest	**(9)**	(9)
Assets	**–**	–
Gain on sale of assets and investments	**(9)**	–
Impairment of assets	**(2)**	6
Total adjustments before tax	**(18)**	(30)
Taxation		
Tax effect of above adjustments	**2**	10
Underlying net profit after tax	**175**	**181**