

Release

Stock Exchange Listings NZX (MEL) ASX (MEZ)

Meridian rebounds off back of near-record inflows

25 February 2026

Meridian Energy has reported operating cash flows of \$336 million for the six months ending 31 December 2025. This compares to \$50 million in the same period last year when the company's financial performance was impacted by the cost of hedge and demand response contracts required to support customers and electricity security through the record drought of Winter 2024.

The company recorded a net profit after tax (NPAT) of \$227 million, compared to a net loss after tax of \$121 million for the first half of FY25. EBITDAF¹ was \$506 million, up from \$257 million, while underlying NPAT increased from -\$5 million to \$143 million. The latter two are both non-GAAP measures.

Meridian's results for 1H FY26 were fuelled by a \$264m (59%) year-on-year increase in energy margin – the result of record wind generation and the second-best lake inflows on record. These conditions put downward pressure on wholesale electricity prices, with daily spot prices averaging \$84 per MWh over the six months to 31 December and falling to an average of \$12 per MWh in December. The company also achieved record retail sales volumes, up 12% on last year.

Meridian Chief Executive Mike Roan says this is a strong result and a welcome change from the hit the company took last year after committing significant funds to help support Aotearoa's security of supply through Winter 2024.

"A core part of our business is to manage weather variability, so we were pleased Mother Nature came to the party in the first half of the year. These conditions helped deliver a strong financial result and a period of extremely low wholesale prices. This is a sign of a market that continues to function well."

"At the same time, the job is not done. That's why we continue to work hard to improve the electricity system and what it offers consumers. Over the past six months we have advanced our development pipeline, enhanced the performance of existing assets, maintained our pursuit of contingent storage and taken steps towards making electricity more affordable for Kiwi homes and businesses. These remain our top priorities and this strong result will help us deliver them more quickly," says Mike Roan.

The Meridian Board has declared an interim ordinary dividend of 6.40 cents per share, up from 6.15 cents per share in the first half of FY25. The dividend reinvestment plan will apply to this interim dividend at a 2% discount.

¹Earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges, impairments and gains or losses on sale of assets. EBITDAF is a non-GAAP financial measure but is commonly used within the electricity industry as a measure of performance as it shows the level of earnings before impact of gearing levels and non-cash charges such as depreciation and amortisation. Market analysts use the measure as an input into company valuation and valuation metrics used to assess relative value and performance of companies across the sector.

Half-Year Highlights

Meridian has continued to move at pace towards its goal of having seven projects in construction ready between 2023 and 2030. With Harapaki Wind Farm and the Ruakākā BESS completed and operational, construction is progressing on the Ruakākā and Te Rahui solar farms. Ruakākā is on schedule for first power in November and the first stage of Te Rahui – a 50/50 joint venture with Nova, who is leading construction – is scheduled for final power by mid-2027.

The company is targeting final investment decisions on three other projects this calendar year: Mt Munro Wind Farm in the Wairarapa and the repowering of the Te Rere Hau Wind Farm in the Manawatū and the second stage of the Te Rahui solar farm. Meridian also expects four consenting outcomes by mid-2026: Swannanoa Solar (200 MW), Waikato Solar (100 MW), Manawatu Solar (100 MW) and the reconsenting of the Waitaki Power Scheme.

“Meridian is committed to doing its share of the heavy lifting required to give Kiwis cheaper power and fuel the growth of our economy. Our team has done an excellent job of building momentum in our pipeline. We now hold 8.0 TWh of secured development options and a further 7.3 TWh of advanced prospects – more than a third of New Zealand’s current electricity demand.”

“While we have made significant progress in advancing generation developments to offset the reduction of domestic gas, we need more firming capacity to restore the energy balance that New Zealand has historically enjoyed. Meridian has adjusted elements of our strategy to reflect and prioritise this, such as exploring hydro development options for the first time in decades.”

Meridian achieved record retail sales volumes, boosted by the acquisition of Flick customers last August, increasing its residential market share from 17.5% to 19.5%. The migration of residential and commercial customers to Meridian’s new Kraken platform has also made progress. More than 75,000 customers have now been migrated and the company is on track to complete all mass-market customer migrations in the middle of the calendar year and the remaining corporate and industrial customer accounts by late 2026.

“New Zealand has a highly competitive retail electricity market, and it’s vital that we invest in technology that will enable us to innovate for all customers. People want more affordable energy and an increasing range of options for how and when they use it. We’re already ramping up the rollout of our Smart Hot Water product, which gives discounts to customers for allowing us to control when their cylinder heats so we can take pressure off the grid in peak periods. Our competitive solar buyback rates and EV plans are also helping Kiwis reduce their overall energy bills,” says Mike Roan.

The Generation team has excelled in the first half of FY26, maximising plant availability to enable the company to manage high inflows and wind speeds while also carrying out significant maintenance projects. These include a rotor replacement at Ōhau C and multiple large-scale projects at Manapōuri. We’re lucky to have a world class generation team who are passionate about the role our assets play in supporting Kiwi homes and businesses. The team is making increasing use of AI and other technologies to maximise plant availability. This is something we believe has huge potential.”

Meridian has received further endorsement of its sustainability performance. In February, the company secured its best result to date in the S&P Global Corporate Sustainability Assessment, achieving an S&P Global Sustainability Yearbook 2026 distinction – Top 10% score globally in our sector, with a score of 83 out of 100. The CSA is used to determine Dow Jones Best-in-Class Indices inclusion, due in April 2026. “It’s currently our tenth successive year in this Index and the placement is hard won. The Index provides customers, communities and investors independent validation that Meridian meets globally relevant environmental, social and governance (ESG) standards right across our business operations. Ultimately that translates into good outcomes for people and planet and is a core element of Meridian’s competitive advantage,” says Mike Roan.

MERIDIAN FINANCIAL RESULTS FOR SIX MONTHS ENDING 31 DECEMBER 2025		
<u>Segment Earnings Statement (\$m)</u>	2025	2024
Energy margin	708	444
Other revenue	24	26
Hosting expense	(1)	(2)
Energy transmission expense	(45)	(37)
Electricity metering expenses	(27)	(26)
Employee and other operating expenses	(153)	(148)
EBITDAF	506	257
Depreciation and amortisation	(261)	(225)
Asset related adjustments	(3)	(8)
Unrealised changes in fair value of energy hedges	124	(143)
Net finance costs	(45)	(38)
Net change in fair value of treasury hedges	(4)	(11)
Net profit before tax	317	(168)
Income tax expense	(90)	47
Net profit after tax	227	(121)
<u>Underlying net profit after tax</u>	2025	2024
Net profit after tax	227	(121)
Underlying adjustments		
<u>Hedging instruments</u>		
Unrealised changes in fair value of energy hedges	(124)	143
Net change in fair value of treasury hedges	4	11
Premiums paid on electricity options net of interest	(3)	(4)
<u>Assets</u>		
Asset related adjustments	3	8
Total adjustments before tax	(120)	158
<u>Taxation</u>		
Tax effect of above adjustments	36	(42)
Underlying net profit after tax	143	(5)

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