



STOCK EXCHANGE LISTINGS: NZX (MCY) / ASX (MCY)

NEWS RELEASE

Mercury NZ Limited – HY2025 Results and Interim Report

25 February 2025 – Attached are the following documents in relation to Mercury's financial results for the six months ended 31 December 2024.

- > NZX Results Announcement
- > News Release
- > NZX Distribution Notice

The following documents are being loaded separately on ASX online:

- > Mercury's HY2025 Interim Report
- > Financial Results Presentation

Dividend information filed on Appendix 3A.1 will follow.

ENDS

Howard Thomas

General Counsel and Company Secretary
Mercury NZ Limited

For investor relations queries, please contact:

Paul Ruediger
Head of Business Performance & Investor
Relations
027 517 3470
investor@mercury.co.nz

For media inquiries, please contact:

Shannon Goldstone
Reputation and Social Impact Lead
027 210 5337
mercurycommunications@mercury.co.nz

ABOUT MERCURY NZ LIMITED

Mercury generates electricity from 100% renewable sources: hydro, geothermal and wind. We are also a retailer of electricity, gas, broadband and mobile services. We're listed on the New Zealand Stock Exchange and the Australian Stock Exchange with the ticker symbol 'MCY', with foreign exempt listed status. The New Zealand Government holds a legislated minimum 51% shareholding in the Company.

Visit us at: www.mercury.co.nz



Results for announcement to the market		
Name of issuer	Mercury NZ Limited (MCY)	
Reporting Period	6 months to 31 December 2024	
Previous Reporting Period	6 months to 31 December 2023	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$1,755,000	+9.35%
Total Revenue	\$1,755,000	+9.35%
Net profit/(loss) from continuing operations	(\$67,000)	-138.51%
Total net profit/(loss)	(\$67,000)	-138.51%
Interim Dividend		
Amount per Quoted Equity Security	\$0.09600000	
Imputed amount per Quoted Equity Security	\$0.03733333	
Record Date	06 March 2025	
Dividend Payment Date	01 April 2025	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$3.26	\$3.36
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to accompanying unaudited financial statements.	
Authority for this announcement		
Name of person authorised to make this announcement	Howard Thomas, Company Secretary	
Contact person for this announcement	Howard Thomas, Company Secretary	
Contact phone number	+64 9 308 8200	
Contact email address	Howard.Thomas@Mercury.co.nz	
Date of release through MAP	25/02/2025	

Unaudited financial statements accompany this announcement.



STOCK EXCHANGE LISTINGS: NZX (MCY) / ASX (MCY)

NEWS RELEASE

Robust performance in challenging conditions

25 February 2025 – Careful portfolio management helped mitigate the full impact of dry weather and reduced generation for Mercury over the period.

HY25 FINANCIAL RESULTS SUMMARY

	HY2025	HY2024	Change %
EBITDAF (\$M)	418	434	(4)%
NET PROFIT AFTER TAX (\$M)	(67)	174	(139)%
STAY-IN-BUSINESS CAPITAL EXPENDITURE (\$M)	73	60	22%
ELECTRICITY GENERATION (GWh)	4,191	4,486	(7)%
INTERIM FULLY IMPUTED ORDINARY DIVIDEND (CENTS PER SHARE) – TO BE PAID ON 1 APRIL 2025	9.6	9.3	3%

KEY INFORMATION

- > Challenging conditions: Low hydro inflows contributed to reduced generation, impacting earnings.
- > Significant investment in renewables: 46% of HY25 earnings reinvested into new and existing assets; \$1 billion currently committed to new renewables.
- > Prioritising security of supply: in addition to taking direct action, contributing to whole-of-system solutions.

“Despite challenging operational conditions, we’ve continued to pursue growth in new renewables and importantly, support security of supply,” said Mercury Chair Scott St John.

“We’ve seen good progress on our commitment to investing over \$1 billion in new renewables, with three renewable projects under construction – enough to power up to 142,000 houses with renewable energy,” said Mr St John.

FINANCIAL OVERVIEW

Lake Taupō was above normal levels by the end of the calendar year, despite low hydro inflows, due to a focus on rebuilding storage ahead of winter 2025.

Mercury reported EBITDAF over the period of \$418 million (\$16 million down on the prior comparable period) largely reflecting lower generation and increased operating expenses, offset by increased sales yields. Net profit after tax was a loss of \$67 million for the period (\$241 million lower than the prior comparable period), largely due to adverse non-cash movements of non-hedge accounted electricity derivatives.

Operational expenditure tracked up to \$207 million (\$16 million up on the prior comparable period) reflecting continued investment in generation maintenance.

Meanwhile, stay-in-business capital expenditure for the period was \$73 million (up \$13 million on the prior comparable period) and growth capital expenditure was \$139 million (up \$69 million on the prior comparable period). This largely related to construction costs for new generation projects (fifth unit at Ngā Tamariki geothermal station, Kaiwera Downs stage 2 and Kaiwaikawe wind farms).

“Nearly 50% of our first half earnings have been reinvested in new and existing renewable assets,” said Mr St John.



NAVIGATING COMPLEXITY THROUGH THE TRANSITION

Mr St John said the period was marked by significant challenges for both New Zealand and the sector, including inflationary and cost of living pressures.

Energy transition challenges also emerged with low national hydro storage and gas supply constraints tightening New Zealand's increasingly intermittent renewable supply. This led to increased price volatility, with flow on impacts for a small number of industrial consumers that did not have fixed price contracts.

"Collaboration from sector participants was key to helping manage this tight period, including demand response from industrials. Discussions to explore market options for the Huntly Power Station will be one of the important measures we take into the future to help improve security of supply.

"Mercury and others in the sector are firmly focussed on security of supply as the number one priority that will drive further traction on the energy transition. In addition to actions the sector is taking, we believe it should be a key focus of regulatory processes currently underway."

DELIVERING MORE RENEWABLES

Mercury's Chief Executive, Stew Hamilton, said Mercury had progressed work over the period to build more renewables.

"There is an enormous level of activity underway to support New Zealand's electrification and further improve security of supply, including construction of more renewables. I'm incredibly proud of the hard work our team are putting in, with three new builds currently on the go," he said.

This included the \$287 million Kaiwaikawe Wind Farm (77 MW), confirmed over the period and with construction now underway. Additionally, the \$486 million Kaiwera Downs Wind Farm expansion (155 MW) is on track to reach full generation by the end of the 2026 calendar year and the \$267 million Ngā Tamariki Geothermal Station expansion and associated geothermal drilling (46 MW) is expected to deliver first generation late this calendar year.

Generation maintenance and enhancement also continued to deliver positive outcomes with the \$90 million Karāpiro Hydro Station upgrade (representing a 16.5 MW uplift) on track for completion in August 2025. As part of the \$175 million geothermal drilling campaign, two of the three planned wells were completed over the period and the third finished after period end.

ENABLING CUSTOMER BENEFITS THROUGH ELECTRIFICATION

A continued focus on supporting consumers to shift to and benefit from electrification shaped much of Mercury's customer-focussed activity over the period.

Following period end, New Zealand Aluminium Smelters became Mercury's largest customer, with the commencement of a 20-year contract (657 GWh pa) broadly equivalent to the annual output of the entire Kaiwera Downs Wind Farm. Mercury also agreed a long-term contract with Fonterra to support the electrification of their Edgcumbe and Waitoa operations.

"In addition to large industrials, households will play an increasingly important role supporting the supply and demand balance in New Zealand's electricity system, and we're encouraging customers to participate in the transition."

Over the period, the second phase of a hot water control trial was completed and work is now underway to scale this offering. Progress was also made on EV time-of-use charging trial.

Mercury's customer care programme continued to be a critical input into energy equity, with strong inroads made. This included continuing to provide hedges to social retailers at rates that enable them to deliver on their goal of eliminating energy hardship, with 31 GWh volume sold to Nau Mai Rā and Toast Electric over the period.

"We also did not make any post-pay disconnections for people unable to pay due to hardship. The team are making great progress, but there's plenty more opportunities to build on this and we'll keep working hard in this space," said Mr Hamilton.

Looking forward, energy prices (gas and electricity) for consumers are expected to increase across the board. From April, the overall electricity bill increase for Mercury residential customers will be approximately 9.7% on average. This primarily reflects increases in lines and transmission charges due to rising costs and the level of investment in infrastructure required, in line with the Commerce Commission's price path reset for the next five-year period. It also reflects the rise in the cost of wholesale electricity and other costs.

"While ensuring resilient, safe, and secure electricity is paramount, we recognise that the impacts will be felt to varying degrees with our customers. We are committed to directing our support to those who need it most."

OTHER KEY OPERATIONAL ACTIVITIES

- > Energy Transition Framework signed by all sector participants following period-end.



- > Steady energy customer numbers, including 200,000 customers with two or more products.
- > Welcomed new Chief Executive, Stew Hamilton following a comprehensive search process.

INTERIM DIVIDEND

The Board has declared a fully imputed interim dividend of 9.6 cents per share, up 3% on the 1HY24 interim dividend. Full year dividend guidance is unchanged at 24.0 cents per share, expected to be the 17th consecutive year of ordinary dividend growth. Mercury's Dividend Reinvestment Plan continues, with shareholders able to reinvest their dividends into Mercury shares at a 2% discount.

GUIDANCE

FY25 EBITDAF guidance remains at \$820 million. Guidance may change and remains subject to any material events, significant one-off expenses or other unforeseen circumstances including changes to hydrological conditions.

ENDS

Howard Thomas

General Counsel and Company Secretary
Mercury NZ Limited

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Paul Ruediger
Head of Business Performance & Investor Relations
027 517 3470
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Distribution Notice

Section 1: Issuer information			
Name of issuer	Mercury NZ Limited		
Financial product name/description	Mercury NZ Limited ordinary shares		
NZX ticker code	MCY		
ISIN (If unknown, check on NZX website)	NZMRPE0001S2		
Type of distribution (Please mark with an X in the relevant box/es)	Full Year		Quarterly
	Half Year	X	Special
	DRP applies	X	
Record date	06/03/2025		
Ex-Date (one business day before the Record Date)	05/03/2025		
Payment date (and allotment date for DRP)	01/04/2025		
Total monies associated with the distribution	\$134,349,539		
Source of distribution (for example, retained earnings)	Income available for distribution		
Currency	NZD		
Section 2: Distribution amounts per financial product			
Gross distribution	\$ 0.13333333		
Gross taxable amount	\$ 0.13333333		
Total cash distribution	\$ 0.09600000		
Excluded amount (applicable to listed PIEs)	N/A		
Supplementary distribution amount	\$ 0.01694118		
Section 3: Imputation credits and Resident Withholding Tax			
Is the distribution imputed	Fully imputed		
If fully or partially imputed, please state imputation rate as % applied	28%		
Imputation tax credits per financial product	\$ 0.03733333		
Resident Withholding Tax per financial product	\$ 0.00666667		

Section 4: Distribution re-investment plan

DRP % discount (if any)	2.0%	
Start date and end date for determining market price for DRP	10/03/2025	14/03/2025
Date strike price to be announced (if not available at this time)	17/03/2025	
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)	Treasury stock and new issue	
DRP strike price per financial product	TBC	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	07/03/2025	

Section 5: Authority for this announcement

Name of person authorised to make this announcement	Howard Thomas, Company Secretary
Contact person for this announcement	Howard Thomas, Company Secretary
Contact phone number	+64 9 308 8200
Contact email address	Howard.Thomas@Mercury.co.nz
Date of release through MAP	25/02/2025