



PORT OTAGO

Interim Report

For the six months ended 31 December 2025



Overview of group results

	Unaudited 6 months December 2025 \$000	Unaudited 6 months December 2024 \$000	Audited Year to June 2025 \$000
Total revenue	64,530	61,204	132,328
Contribution from operating activities	18,775	15,508	37,944
One-off gains on disposal of property	2,042	6,379	10,681
Profit for the period (after tax)	13,707	15,153	64,604
Net cash flow surplus from operating activities	14,180	2,479	35,014
Total assets	1,008,863	925,744	988,363
Shareholder's equity	775,813	730,443	762,120
Equity ratio	77%	79%	77%
Trade:			
Container and bulk cargo vessel arrivals	242	234	488
Otago cruise vessel arrivals	18	26	91
Total ship calls	260	260	579
Container throughput (TEU - twenty-foot equivalent units)	113,600	113,200	249,000
Bulk cargo volume (000's tonnes)	1,012	805	1,701

Underlying profit

Underlying profit excludes fair value changes of investment property adjusted for changes that relate to development projects completed during the period, as revaluation changes can distort financial results and make it difficult to compare profits between years.

	Unaudited 6 months December 2025 \$000	Unaudited 6 months December 2024 \$000	Audited Year to June 2025 \$000
Profit for the period	13,707	15,153	64,604
Less			
Unrealised change in the fair value of investment property	-	-	(32,974)
Income tax on revaluations	-	-	1,820
Profit for the period before revaluations	13,707	15,153	33,450
Plus			
Development margin on completed property projects	-	-	4,304
Income tax on development margin	-	-	(807)
Development margin net of tax	-	-	3,497
Underlying profit	13,707	15,153	36,947

Half year review from the Chair and Chief Executive

Always open

Our plan to be “always open” relies on our ability to adapt to larger ships and ensuring our harbour defences are resilient to the increasing number of extreme weather events.

Our project to deepen the Lower Harbour to 14m is largely complete, with final surveying expected in March 2026. We are looking forward to welcoming the largest container vessels calling on the New Zealand coast - the Southern Star Rio fleet - capable of loading an additional 2000 tonnes each sailing, reducing the cost per container and lessening the environmental impact.

Work is underway on engineering solutions to improve the resilience of the Aramoana mole. The mole is our key harbour defence in keeping the Otago Harbour always open and mitigating the channel infill from storm events.

Providing our shipping lines and customers with high levels of reliability allows them to improve planning landside, ultimately resulting in more efficient supply chains to market.

Last year, we engaged with Fonterra to understand how we could jointly improve efficiency for their lower South Island volumes through Port Chalmers. The outcome was the November 2025 sale of our dairy logistics business on Back Beach Road, including the transfer of our dairy logistics staff, to Fonterra. Alongside the sale, Fonterra signed a 35-year lease on the 34,000m² warehouse (formerly known as D-Shed). The transaction allows Fonterra to operate and control both the Mosgiel and Port Chalmers stores.

In January, our new Damen 2312 Tug Ōtepoti left China to undertake her 6070 nautical mile journey to Port Chalmers. She is currently being integrated into the Port Otago marine fleet before joining our other 70-tonne bollard-pull tug, Tairaoa, to safely assist vessels in the Otago

Harbour. Ōtepoti replaces the 20-year-old Tug Otago and will provide the increased towage capability needed to manoeuvre the bigger ships when they arrive.

Construction of the new Damen trailing suction hopper dredge, is on schedule for delivery in the last quarter of 2026. This new dredge, alongside our backhoe dredge, Takutai, maintains our in-house capability to ensure our shipping channel is always open.

Space to grow

In October 2025, the new \$12.5m Port Chalmers Container Terminal rail pad was completed on time and under budget and officially opened by Minister of Rail the Hon Winston Peters. The rail pad was the enabling stage of the inland port project, Southern Link, at Mosgiel. Work is now underway on a container operation at Mosgiel (across the road from Southern Link), which we expect to be open in March 2026. This will provide additional container storage and handling capacity for our customers going into the peak of the season. Our Fast-Track resource consent application for the 40ha Southern Link inland port will be lodged in March 2026.

We have been working with our log customers to accommodate the additional log storage volumes from the “wall of wood” expected to come out of Otago and Southland in the next few years. We have negotiated the relocation of a key tenant within our Dunedin Bulk Port, to an alternative Port Otago owned site outside the port zone. This frees up 2ha that will be developed into additional log space by later this year, taking the total Dunedin Bulk Port log yard to 6ha.

Construction of the new Otago Regional Council head office in Maclaggan Street is nearing completion with the council team moving into the new fit-for-purpose facility during the next two months.

Our financial value

Profit for the period ended 31 December 2025 was \$13.7m, down \$1.5m compared to the \$15.2m delivered during the same period last year.

Pleasingly, the contribution from operating activities was up \$3.3m, due to increased revenue and flat operating costs. The comparative interim result included one-off gains from the sale of property assets of \$6.4m, up \$4.4m on the \$2.0m for the same period this year.

Revenue from marine and cargo services was up 3% to \$38.5m. Bulk cargo tonnes increased 26% to more than 1.0m tonnes, while container throughput was similar to the same period last year, and cruise vessel arrivals were 18, compared to 26.

Container volumes of 113,600 TEU included a 3% increase in full import and export volumes, although transship container numbers were down. Lower South Island export dairy and meat volumes are forecast to remain strong in the second half of the financial year, because of favourable pastoral growing conditions. Log export volumes increased to more than 650,000 tonnes for the six months – up 42% on the comparative period – as log exporters managed windthrown trees from storm events and stable demand from Chinese and Korean markets.

Property rental income from the Auckland, Hamilton and Dunedin property portfolio increased 8% to \$21.5m.

Borrowings increased by \$7m over the six months, to \$171m. This includes \$150m funded by the Otago Regional Council via loans from the New Zealand Local Government Funding Agency (LGFA). During the six-month period, the loans were restructured to short-term loans, reducing the funding cost with the debt now classified as a current liability. Total assets for the group increased to more than \$1b for the first time, with an equity ratio of 77%.

Outlook

We welcomed the weekly MSC Wallaby service to Port Chalmers in February. Combined with the existing three Maersk services and ANL Trans-Tasman service, our regional exporters and importers have the choice of five services across the world's three largest shipping lines.

The wet spring and summer across our region have boosted grass growth and we expect higher volumes of meat and dairy products to flow through the port's container terminal in the second half of the financial year.

Our forestry customers will continue to work through the clean-up of windthrown trees, potentially resulting in 10% more volume through our Dunedin Bulk Port and Port Chalmers log yards.

Demand for new warehouse builds in Hamilton and Auckland remain subdued. However, our underlying investment portfolio is 99% occupied and we are achieving positive market rental uplifts, due to the relative higher cost of new build alternatives.

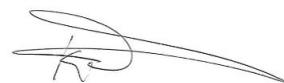
Continued geopolitical uncertainty and impacts on trade lanes remain a disruption risk for New Zealand imports and exports, but we are prepared to adapt and change, so we can be always open.

Our balance sheet remains conservatively geared, leaving the business well positioned to take advantage of opportunities as they arise.

An interim dividend of \$10m, up from \$9 million last year, was paid on 19 February 2026.



Tim Gibson
Chair



Kevin Winders
Chief Executive

Condensed income statement

For the six months ended 31 December 2025

	Unaudited 6 months December 2025 \$000	Unaudited 6 months December 2024 \$000	Audited Year to June 2025 \$000
Revenue			
Marine and cargo services	38,477	37,378	82,136
Warehousing and logistics services	4,583	3,947	9,404
Property rentals	21,470	19,879	40,788
Total revenue	64,530	61,204	132,328
Operating expenses			
Staff costs	(22,986)	(22,744)	(47,689)
Purchased materials and services	(16,164)	(16,259)	(32,881)
Depreciation and amortisation	(6,605)	(6,693)	(13,814)
Total operating expenses	(45,755)	(45,696)	(94,384)
Contribution from operating activities	18,775	15,508	37,944
One-off gains on disposal of property	2,042	6,379	10,681
Joint venture share of profit (loss)	(249)	-	(369)
Financing costs	(2,462)	(2,619)	(4,879)
Fair value change in ineffective interest rate swaps	(51)	(1,138)	(1,188)
Unrealised change in the fair value of investment property	-	-	32,974
Profit before income tax	18,055	18,130	75,163
Income tax expense	(4,348)	(2,977)	(10,559)
Profit for the period	13,707	15,153	64,604

The accompanying notes form part of these interim financial statements.

Condensed statement of comprehensive income

For the six months ended 31 December 2025

	Unaudited 6 months December 2025	Unaudited 6 months December 2024	Audited Year to June 2025
	\$000	\$000	\$000
Profit for the period	13,707	15,153	64,604
Other comprehensive income			
Fair value change in effective interest rate swaps and forward foreign exchange contracts (net of tax)	(14)	(1,981)	(1,755)
Total comprehensive income for the period	13,693	13,172	62,849

Condensed statement of changes in equity

For the six months ended 31 December 2025

	Unaudited 6 months December 2025	Unaudited 6 months December 2024	Audited Year to June 2025
	\$000	\$000	\$000
Equity at the beginning of the period	762,120	717,271	717,271
Total comprehensive income for the period	13,693	13,172	62,849
Dividends paid to owners	-	-	(18,000)
Equity at the end of the period	775,813	730,443	762,120

The accompanying notes form part of these interim financial statements.

Condensed statement of financial position

As at 31 December 2025

	Unaudited December 2025 \$000	Unaudited December 2024 \$000	Audited June 2025 \$000
Current assets			
Cash and cash equivalents	629	86	110
Trade and other receivables	19,204	23,128	18,032
Non-current assets held for sale	10,835	1,305	-
Maintenance inventories	2,037	2,041	1,915
Derivative financial instruments	749	658	870
Other financial assets	336	-	483
Income tax receivable	-	423	-
	33,790	27,641	21,410
Non-current assets			
Property inventories	16,300	14,361	14,908
Investment property	659,054	622,622	661,820
Property, plant and equipment	288,512	248,220	275,788
Investment in joint venture	7,438	6,251	6,986
Intangible assets	3,426	3,894	3,635
Derivative financial instruments	343	667	574
Other financial assets	-	2,088	3,242
	975,073	898,103	966,953
Total assets	1,008,863	925,744	988,363
Current liabilities			
Trade and other payables	21,688	11,933	19,384
Borrowings	160,746	67,013	60,693
Employee entitlements	7,293	5,493	7,418
Derivative financial instruments	1,558	626	1,058
Lease liabilities	399	307	293
Income tax payable	488	-	2,936
	192,172	85,372	91,782
Non-current liabilities			
Borrowings	10,000	79,426	102,832
Employee entitlements	1,129	1,023	1,116
Derivative financial instruments	893	2,253	1,676
Lease liabilities	1,559	1,836	1,576
Deferred tax liabilities	27,297	25,391	27,261
	40,878	109,929	134,461
Total liabilities	233,050	195,301	226,243
Equity			
Share capital	20,000	20,000	20,000
Reserves	381,235	360,985	384,805
Retained earnings	374,578	349,458	357,315
Total equity	775,813	730,443	762,120
Total equity and liabilities	1,008,863	925,744	988,363

The accompanying notes form part of these interim financial statements.

Condensed cash flow statement

For the six months ended 31 December 2025

	Unaudited 6 months December 2025	Unaudited 6 months December 2024	Audited Year to June 2025
	\$000	\$000	\$000
Cash flows from operating activities			
Receipts from customers	59,806	55,375	127,031
Payments to suppliers and employees	(38,716)	(39,814)	(73,967)
Interest paid	(1,206)	(2,975)	(5,269)
Income tax payments	(6,755)	(9,103)	(11,543)
Net GST received (paid)	1,051	(1,004)	(1,238)
Net cash flows from operating activities	14,180	2,479	35,014
Cash flows from investing activities			
Proceeds from sale of investment property	5,967	18,951	32,604
Proceeds from sale of property, plant and equipment	674	7,122	10,240
Insurance proceeds	-	-	602
Purchase and development of investment property	(12,168)	(16,128)	(30,436)
Purchase of property, plant and equipment	(16,830)	(11,215)	(41,896)
Advance to joint venture	(701)	(6,251)	(7,355)
Interest capitalised	(1,056)	(816)	(1,870)
Net cash flows used in investing activities	(24,114)	(8,337)	(38,111)
Cash flows from financing activities			
Borrowing proceeds (repayments)	10,610	6,035	21,485
Dividends paid	-	-	(18,000)
Repayment of lease liabilities	(157)	(146)	(333)
Net cash flows from financing activities	10,453	5,889	3,152
Increase (decrease) in cash held	519	31	55
Cash held at beginning of period	110	55	55
Cash held at end of period	629	86	110

The accompanying notes form part of these interim financial statements.

Reconciliation of profit to net cash flows from operating activities

	Unaudited 6 months December 2025 \$000	Unaudited 6 months December 2024 \$000	Audited Year to June 2025 \$000
Profit for the period	13,707	15,153	64,604
Plus/(less) non-cash items			
Unrealised change in the fair value of investment property	-	-	(32,974)
Depreciation and amortisation	6,605	6,693	13,814
Unrealised fair value change in financial instruments	51	1,138	1,188
Movement in non-current employee entitlements	13	9	102
Movement in deferred tax	36	527	2,309
Plus/(less) items classified as investing activities			
One-off gains on disposal of property	(2,042)	(6,379)	(10,681)
Insurance proceeds	-	-	(602)
Joint venture share of (profit) loss	249	-	369
Movement in working capital items			
Trade and other receivables	(1,172)	(4,541)	1,016
Trade and other payables	2,304	(2,716)	4,734
Current employee entitlements	(125)	(2,069)	(144)
Income tax payable	(2,448)	(6,652)	(3,293)
Maintenance inventories	(122)	6	132
Movement in other working capital items classified as investing activities	(2,876)	1,310	(5,560)
Net cash flows from operating activities	14,180	2,479	35,014

Notes to the condensed financial statements

For the six months ended 31 December 2025 (unaudited)

1. General information

The unaudited interim condensed financial statements presented are those of Port Otago Limited ("the Company") its subsidiaries and share of joint ventures and joint operations ("the Group"). The Company is a limited liability company incorporated in New Zealand and registered under the Companies Act 1993.

2. Summary of significant accounting policies

Basis of Preparation

These unaudited condensed interim financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting. The unaudited interim financial statements are presented in New Zealand dollars, which is the Group's functional currency.

The unaudited condensed interim financial statements should be read in conjunction with the consolidated financial statements and related notes in the Company's Annual Report for the year ended 30 June 2025.

Comparatives

Certain immaterial adjustments have been made to the prior period comparatives to align with the current period disclosure.

3. Critical estimates and assumptions

At each balance date, the Group reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful lives and residual value estimates of property, plant and equipment requires the Group to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Group, and expected disposal proceeds from the future sale of the asset.

4. Investment property valuation

Investment properties are carried at valuations undertaken by independent registered valuers as at 30 June 2025. The Board has received and considered advice from management that there has been no overall material change to those valuations. Borrowing costs and other costs recognised in the accounting period that are

directly attributable to the acquisition of long-term investment property development projects are capitalised as part of the cost of those assets. Property inventories are transferred to investment property at carrying value, with fair value determined at balance date, where a change in use is evidenced by the inception of an operating lease to another party.

5. Derivative financial instruments

The Group uses derivative financial instruments (interest rate swaps and foreign exchange forward contracts) to economically hedge its exposure to interest rate and foreign currency risks arising from operational, financing and investment activities.

6. Commitments

At 31 December 2025 the Group had commitments for capital expenditure of \$15.1 million (31 December 2024: \$56.3 million, 30 June 2025: \$33.6 million) which relates to purchases and refurbishments of port assets and investment property.

7. Contingencies

There are no contingent liabilities at 31 December 2025 other than those arising in the normal course of business.

8. Events after balance date

Dividends

On 17 February 2026, the directors declared an interim dividend of \$10.0 million.

Directory

Directors

Tim Gibson	Chair
Pat Heslin	Deputy Chair
Bob Fulton	
Becky Lloyd	
Chris Hopkins	
Anne McLeod	
Rick Herd	

Director Intern

Kate Stainton-Herbert

Leadership Team

Kevin Winders	Chief Executive
Stephen Connolly	Chief Financial Officer
Grant Bicknell	GM Marine & Infrastructure
Leigh Carter	Head of People
David Chafer	GM Property
Deanna Matsopoulos	GM Operations
Ross Buchan	Head of Safety
Craig Usher	GM Customer
Peter Sinclair	Head of IT
Kevin Kearney	Strategic Projects Manager
Jodi Taylor	Executive Assistant

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Bankers

ANZ Bank New Zealand Limited

Solicitors

Anderson Lloyd

Auditors

Ernst & Young on behalf of the
Auditor-General



