



Media release: 30 September 2022

SOLID PERFORMANCE DESPITE COVID CHALLENGES FOR CHRISTCHURCH CITY HOLDINGS LIMITED

- Group revenue \$1.056 billion
 - NPAT \$121 million
- \$16 million dividend returned to the city
- \$383 million increase in the equity value of CCHL

Despite significant disruptions caused by the ongoing impacts of COVID, the Christchurch City Holdings Limited (CCHL) Group lifted its annual earnings the organisation announced today, returning a \$16 million dividend to the Christchurch City Council and growing the balance sheet of the Group by \$383 million.

CCHL Group revenue for the 2022 Financial Year was \$1.056 billion, with net profit after tax of \$121 million, including unrealised gains (including revaluations of investment property) of \$59 million. CCHL's Group revenue was \$1.024 billion in 2021 with a net profit of \$92 million.

The CCHL Group includes the city's major infrastructure companies, Christchurch Airport, Lyttelton Port Company (LPC), Orion Group, Enable, EcoCentral and Citycare Group. The Group's total assets increased to \$5.3 billion in 2022 from \$4.8 billion in 2021.

Despite the ongoing effects of the pandemic, the Group demonstrated its ability to balance any challenges across its diverse portfolio of assets. Several subsidiaries exceeded their targeted revenue performance, including:

- LPC saw revenue increase \$20 million due to increased container volumes and charges,
- Rising connection numbers allowed Enable to deliver a \$12m increase in revenue,
- Above-budget electricity distribution revenue led to an \$11m revenue increase for Orion.

As a result of the extended lockdown in the Auckland region, Citycare's operating revenue fell by \$11 million, while CIAL's revenue remained consistent with FY21, despite the impacts of closed borders and travel restrictions.

CCHL Acting Chair Alex Skinner said the Group has made significant progress despite facing COVID disruptions and a range of new issues in the post-COVID environment, such as a constrained labour market and rapidly rising inflation.

"As highlighted in the report, the diversity of our portfolio, our historically prudent, intergenerational approach and our focus on balancing the needs of our stakeholders has underscored the strength of the Group," says Alex Skinner.

"We have also been looking towards the future, to lay the groundwork for potentially transformative opportunities for our community, economy and region."

Mr Skinner highlighted the planning being undertaken by Orion to play a key role in a low carbon future, Christchurch Airport's focus on the decarbonisation of the aviation sector, Enable's position as a core communications provider for the city, and the Port's expansion of its container terminal as some of the significant long-term strategies the Group is undertaking. Citycare's acquisition of Spencer Henshaw, completed after the reporting period, will also extend the organisation's commitment to New Zealand's social housing network.

This year CCHL also began a planned process of introducing integrated reporting principles, providing a greater focus on the full range of impacts for its activities.

“Although the approach is somewhat different, the adoption of the integrated reporting also highlights the consistent strategic approach we’ve taken to assets and their contribution to the region, the economy and the community for some time,” says Alex Skinner.

“We were also delighted this year to present CCHL’s first annual sustainable finance report for the sustainability bond issued during the financial year – marking a major milestone that reflects the organisation’s approach to providing long-term economic, social and environmental returns to the city and region.”

CCHL launched its first Sustainability Bond offer in late October 2021, with \$150 million allocated. The bond, which saw strong demand on launch, was only the second sustainability bond issued in New Zealand.

“We also look forward to the outcome of the strategic review, currently being undertaken by Christchurch City Council, which is designed to ensure CCHL’s focus is fit for purpose for the next generation of the organisation’s development and role in the city,” says Alex Skinner.

Mr Skinner, who will take over as Interim Chair on Monday (3 October), following the retirement of Jeremy Smith due to travel requirements, says he would like to pay tribute to all the members of the CCHL Group who have worked through the many disruptions of the past year to deliver not only a strong financial performance, but also the social, cultural and community focused results highlighted in the Annual Report.

“I’d like to thank our team for their resilience, flexibility and commitment. They have played an integral role in providing our community with a range of key services, while facing extraordinary disruptions in their own lives.”

To download a copy of the CCHL Annual Report 2022, visit: www.cchl.co.nz/annual-reports.

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