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CCHL WEATHERS COVID UNCERTAINTY TO PROVIDE IMPROVED RESULT

Christchurch City Holdings Limited (CCHL) has focused on improved performance and efficiency across the Group to provide better-than-expected returns to the city, despite the impacts of COVID-19.

CCHL, the investment arm of Christchurch City Council, reported a Group profit of \$93 million, from revenue of over \$1 billion for the year ended 30 June 2021. The organisation made dividend payments of \$34 million to Christchurch City Council – higher than its Statement of Intent (SOI) target of \$18.8 million.

The CCHL Group includes the city's major infrastructure companies, Christchurch Airport, Lyttelton Port Company, Orion Group, Enable, EcoCentral and Citycare Group, with total Group assets valued at \$4.79 billion in June 2021.

CCHL CEO Paul Munro says the Group managed to achieve an improved result in 2021, due to combined strength of the organisation, strong cost control and the performance of the Group's subsidiaries.

"While the impact of COVID-19 on some of CCHL's trading entities has been significant, the Group holds a diverse group of key infrastructure assets, which enabled us to balance the challenges some of our subsidiaries faced," says Paul Munro.

"Ultimately, the performance across the Group saw us able to continue to bounce-back from the impacts of COVID-19 and be able to contribute to the social and economic recovery of the city and the wider region."

Several of the Group's subsidiaries exceeded targets provided in organisation's SOI, with Christchurch Airport experiencing a high level of domestic travel demand and Lyttelton Port Company seeing buoyancy in trade volumes. Citycare's operating revenue also grew as a result of growth in capital projects and new contracts.

Group assets have also increased from almost \$4.55 billion in 2020 to over \$4.79 billion in 2021, mainly due to the continued property development programme by CIAL, the revaluation of the fibre network at Enable, the capital programme at Orion and the revaluation of assets at LPC.

Over the course of the year, CCHL also wound down Development Christchurch Limited's (DCL) operations and divested the former Red Bus Limited's operating contracts.

CCHL's dividend payment to Christchurch City Council increased from \$22 million in 2020 to \$34 million in 2021, largely due to the payment of Enable's first dividend and a special dividend paid by RBL Property, as a result of the sale of its ECan bus contracts in December 2020.

CCHL Chair Jeremy Smith says the uncertainty faced because of the COVID-19 pandemic was a true test of the organisation's capabilities, strengths and leadership, making this year's result something everyone in the Group can be proud of.

"The strength we already had as a Group pre-COVID was reinforced and extended throughout this year, particularly in the increasing level of knowledge-sharing and interconnectedness displayed right across CCHL," says Jeremy Smith.

"I would like to pay tribute to every member of the Group, who have helped through this extraordinary period to keep the lights on, data flowing, goods arriving, and people moving around the country, while ensuring our community lives and works in an environment that is clean and safe. And in doing so, they have made a wide range of contributions to our community."

Looking forward, Jeremy Smith says the Group will turn its attention to significant intergenerational challenges, particularly climate change, as it looks to take advantage of the opportunities it has to help the local community and region, while continuing to deal with the challenges posed by COVID-19.

CCHL's 2021 Annual Report is available for download from www.cchl.co.nz/annual-reports.

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