

# 2025/26 Half Yearly Report

Report for the period 1 July 2025 to 31 December 2025

## Activity and Performance Targets

The specific 2025/26 Activity and Performance Targets for TDHL are set annually in the Statement of Intent and are designed to support the higher-level Strategic Priorities and Outcomes. An assessment of TDHL's achievement against the activity targets is set out below:

<p><b>Intergenerational Investments</b></p> <p>Annually undertake at least one workshop with each associate on Board skills matrix, succession planning, strategic outlook and financial performance.</p> <p><b>On track.</b> AEL workshops in Oct &amp; Nov. PPT planned for Feb.</p>	<p><b>Property Portfolio</b></p> <p>Achieve a three-year rolling average return on investment of 7% or greater for port property held for investment purposes.</p> <p>To be calculated at the end of the 2025/26 financial year.</p>	<p><b>New Investments and Diversification</b></p> <p>Identify and assess at least 3 new investment opportunities.</p> <p><b>On track.</b> Board actively reviewing new opportunities.</p>	<p><b>Shareholder Return</b></p> <ul style="list-style-type: none"> <li>Pay a dividend to TDC of \$1.4m.</li> <li>Hold at least 1 workshop with Council per annum.</li> <li>Achieve statutory compliance.</li> </ul> <p><b>YTD cash to TDC=\$441,618</b> Dividend to be paid 6/26. Workshop held 11/25 and planned for 4/2026.</p>
<p><b>Relationships + Partnerships</b></p>		<p><b>That the TDHL Chair and/or GM present the quarterly reports to Council.</b></p> <p><b>On track.</b> Chair and GM presented reports at 9/11 and 9/12/25 Council meetings. Next report to be presented at 31 March Council meeting.</p>	

**Timaru District Council**



- TDHL would like to thank the Mayor and Councillors for their attendance at the November AGM.
- At the AGM we also welcomed two new directors to the Board, Justin Riley and Keri Johnston
- The Chair and General Manager provided the new and returning Councillors with an induction workshop later in November.
- The Chair and GM also presented the Q1 report at the 9/12/2025 Council meeting.

**Alpine Energy**



- Along with other shareholders, the Chair and GM attended a workshop with the Alpine Board in late Oct 2025. The focus was on the future strategic direction of the company.
- The new Chair, Tony King provided a performance update at the 24/11/25 TDHL Board meeting.
- The Shareholders received a briefing from the Chair on the MoU with Aurora and collaboration initiative.
- The focus for the next quarter will be developing a joint Letter of Expectations.

**PrimePort Timaru**



- With new faces on the TDHL and PrimePort Boards, a joint Board to Board meeting was held in late November 2025.
- The Chair and GM met one-on-one with TDHL appointees in October.
- Coming up, the PrimePort Chair will provide a performance update at the February TDHL Board meeting.

**Property Portfolio**



- October and November saw several major construction projects completed including the Union Bank Restoration, Venture Timaru tenancy and 59 Hayes St sealing.
- TDHL staff continue to work closely with PrimePort on new tenancy and development opportunities.

## Financial Performance Targets

An assessment of TDHL's achievement against the performance targets is set out to the right.

Measure	2025/26 SOI Target	Forecast
<b>EBITA</b>	\$2,556,558	✓ \$2,626,123
<b>Net Profit to S/H funds</b>	3.6%	✓ 3.98%
<b>Dividends</b>	\$1.4m	<i>To be determined in June 2026</i>
<b>Shareholder funds to total assets</b>	Greater than 60%	✓ 84%

## Profit and Loss - For the 6 months ended 31 December 2025

- The year to date operating profit of \$709k is positive to budget of \$632k. Rental payments falling due in the second half of the financial year and ongoing cost control will improve this further.
- As Showgrounds is yet to settle, Earnings after Tax is behind budget. More clarity on this situation is expected in coming months.
- No provision has been made for associate and revaluation incorporation at this stage.

PROFIT & LOSS	2025/2026 (YTD)	Budget 2025/2026(YTD)	Budget 2025/2026 (Full FY)	Forecast 2025/2026 (Full FY)
Revenue	\$1,842,119	\$1,907,127	\$3,948,295	\$3,862,195
Cost of Sales	\$500,073	\$611,962	\$1,168,340	\$1,070,614
<b>Gross Profit</b>	<b>\$1,342,046</b>	<b>\$1,295,165</b>	<b>\$2,779,955</b>	<b>\$2,791,581</b>
Expenses	\$632,698	\$662,816	\$1,332,997	\$1,316,933
<b>Operating Profit</b>	<b>\$709,348</b>	<b>\$632,349</b>	<b>\$1,446,958</b>	<b>\$1,474,647</b>
Other Income	\$800,000	\$750,000	\$750,000	\$800,000
Showgrounds - Cash Recognition	\$0	\$351,475	\$351,475	\$351,475
<b>Earnings Before Interest &amp; Tax</b>	<b>\$1,509,348</b>	<b>\$1,733,825</b>	<b>\$2,548,434</b>	<b>\$2,626,123</b>
Interest Income	\$48,976	\$14,457	\$28,914	\$63,433
Interest Expenses	\$593,387	\$564,069	\$1,084,563	\$1,259,136
<b>Earnings Before Tax</b>	<b>\$964,937</b>	<b>\$1,184,213</b>	<b>\$1,492,785</b>	<b>\$1,430,421</b>
Tax Expenses	\$0	\$0	\$199,881	\$200,921
<b>Earnings After Tax</b>	<b>\$964,937</b>	<b>\$1,184,213</b>	<b>\$1,292,904</b>	<b>\$1,229,500</b>
Associate Surplus and Property Revaluation	\$0	\$351,475	\$9,495,549	\$10,608,488
<b>Net Income</b>	<b>\$964,937</b>	<b>\$832,738</b>	<b>\$10,788,453</b>	<b>\$11,837,988</b>

## Movements in Equity - For the 6 months ended 31 December 2025

Movements in Equity	2025/2026 (YTD)
Equity - Opening Balance	\$186,655,169
Current Year Earnings	\$964,937
Equity Dividends Paid	\$0
<b>Total Equity</b>	<b>\$187,620,106</b>

## Balance Sheet - As at 31 December 2025

BALANCE SHEET	2024/2025 (YTD)	2025/2026 (YTD)
<b>ASSETS</b>		
Cash & Equivalents	\$630,500	\$424,269
Accounts Receivable	\$185,205	\$286,772
Other Current Assets	\$1,278,886	\$1,572,627
<b>Total Current Assets</b>	<b>\$2,094,591</b>	<b>\$2,283,668</b>
Fixed Assets	\$27,327	\$1,213,445
Investments or Other Non-Current Assets	\$214,520,120	\$219,950,151
<b>Total Non-Current Assets</b>	<b>\$214,547,447</b>	<b>\$221,163,596</b>
<b>Total Assets</b>	<b>\$216,642,038</b>	<b>\$223,447,264</b>
<b>LIABILITIES</b>		
Accounts Payable	\$200,111	\$95,555
Tax Liability	\$619,024	\$326,711
Other Current Liabilities	\$8,131,703	\$13,659,154
<b>Total Current Liabilities</b>	<b>\$8,950,838</b>	<b>\$14,081,420</b>
Long Term Debt	\$21,680,613	\$21,745,738
<b>Total Non-Current Liabilities</b>	<b>\$21,680,613</b>	<b>\$21,745,738</b>
<b>Total Liabilities</b>	<b>\$30,631,452</b>	<b>\$35,827,158</b>
<b>EQUITY</b>		
Retained Earnings	\$136,515,334	\$138,845,984
Current Earnings	\$486,067	\$964,937
Other Equity	\$49,009,186	\$47,809,186
<b>Total Equity</b>	<b>\$186,010,586</b>	<b>\$187,620,106</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$216,642,038</b>	<b>\$223,447,264</b>

## Statement of Cash Flows – For the 6 months ended 31 December 2025

	2024/2025 (YTD)	2025/2026 (YTD)
<b>OPERATING ACTIVITIES</b>		
Rentals	\$1,971,170	\$2,005,382
Interest received	\$18,279	\$11,838
Dividends Received	\$750,000	\$800,000
	<b>\$2,739,448</b>	<b>\$2,817,220</b>
Payments to suppliers and employees	(\$1,403,292)	(\$1,564,710)
Interest Payments & Line of Credit	(\$943,794)	(\$383,615)
	<b>(\$2,347,086)</b>	<b>(\$1,948,325)</b>
<b>Cash Flow from Operating Activities</b>	<b>\$392,362</b>	<b>\$868,894</b>
<b>INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	\$0	(\$29,792)
Showgrounds Sale	\$100,000	\$0
Capital Works	(\$848,095)	(\$2,101,060)
Invstment portfolio	\$0	(\$2,000,000)
<b>Cash Flow from Investing Activities</b>	<b>(\$748,095)</b>	<b>(\$4,130,852)</b>
<b>FINANCING ACTIVITIES</b>		
Change in Long Term Debt	\$800,000	\$4,100,000
Term deposit	(\$800,000)	(\$562,862)
<b>Cash Flow from Financing Activities</b>	<b>\$0</b>	<b>\$3,537,138</b>
<b>Change in Cash &amp; Equivalents</b>	<b>(\$355,733)</b>	<b>\$275,181</b>
Cash & Equivalents, Opening Balance	\$986,233	\$149,088
Cash & Equivalents, Closing Balance	\$630,500	\$424,269

# Segmented Portfolio Return 2021/22 to 2024/25



- The graphs above show the last 4 years return from each of TDHL’s investment sectors. The top graph shows absolute/dollar return and the lower graph shows percentage return.
- These show the strong cash and capital returns generated from the property portfolio and the predominance of the capital return that is generated by the associates (with the exception of AEL last year). It is important to note that Alpine and PrimePort are subject to 3 to 5 yearly asset revaluation cycles that result in a lumpy capital return profile. TDHL is required to revalue its property portfolio annually.