

## Meteorological Service of New Zealand Limited

### Annual results announcement - 15 September 2021

<b>Reporting period</b>	12 months to 30 June 2021
<b>Previous reporting period</b>	12 months to 30 June 2020

<b>Amount (Millions)</b>	<b>12 months ended 30 June 2021</b>	<b>12 months ended 30 June 2020</b>	<b>% change</b>
<b>Revenue</b>	\$NZ 59.44	\$NZ 60.31	(1.4%)
<b>Profit after tax</b>	(\$NZ 0.59)	\$NZ 1.36	(143.1%)
<b>Operating profit</b>	(\$NZ 0.22)	\$NZ 2.43	(108.9%)

<b>Final dividend</b>	\$NZ nil	\$NZ nil	0%
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The Directors of MetService announce a \$0.22 million operating loss for the 2020/21 financial year, with a year-on-year loss of revenue of 1.4%. The decrease is driven by the drop in aviation revenue resulting from the impacts of COVID-19 on international travel.

Operating profit, excluding one off costs relating to the seismic strengthening project for the Kelburn facility and related data centre move was \$2.3 million.

MetService Chair Sophie Haslem states: "The financial performance of our underlying business remained positive this year and was in alignment with targets set down in our Statement of Corporate Intent. Revenue of \$59.4 million was 1.4% down on the previous year. Net cash flow from operating activities remained strong at \$9.3 million for the financial year."

#### **Key projects completed or underway in 2020/21 included:**

- The Otago Radar was in operation from December, the \$3 million radar is the 10th in the national network of weather radars owned and operated by MetService. Situated 25 kilometres northwest of Dunedin, the radar provides excellent coverage of Dunedin city and the Taieri and Clutha River catchments.
- This year MetService replaced critical hardware identified as near 'end of life', while moving services into a hybrid cloud environment.
- MetService introduced mountain weather hazards - changes were made to both internal mountain forecasting procedures and the experiences users of



metservice.com have when engaging with the organisation's 12 mountain and park forecast locations. The most significant change was the introduction of mountain weather hazards, issued daily for up to three days in advance.

- MetService issued just the second Red Warning, for heavy rain in the Canterbury region. Red Warnings are reserved for only the most severe weather events. With more than 28 hours' notice, local authorities and emergency services had as much time as possible to prepare and warn their communities.
- As part of the Moana Project, New Zealand's first marine heatwave forecasts were produced this year. By using advanced ocean modelling to forecast when and where marine heatwaves are likely to occur, the Moana Project team aims to provide warnings to ocean industries and coastal communities.
- In 2020, Sky News UK signed a three-year contract with the United Kingdom based MetService team to present the weather news across its platforms. Weatherscape, the broadcast media graphics platform owned by MetService provides weather graphics to more than 30 broadcasters globally.

MetService completed a further repayment of borrowings of \$2.5 million to strengthen the balance sheet ahead of the expected ongoing costs of earthquake strengthening the MetService headquarters in Wellington and technical and engineering facilities in Paraparaumu in the next two years.

The net gearing ratio at 2020/21 financial year end was 7.1%, significantly better than the Statement of Corporate Intent target of 34.7%.

As a result of COVID-19, leading to reduced profitability, there was no dividend payment in the 2020/21 financial year.