

<b>Meteorological Service of New Zealand Limited</b>	
<b>Annual results announcement – 1 September 2020</b>	
<b>Reporting period</b>	12 months to 30 June 2020
<b>Previous reporting period</b>	12 months to 30 June 2019

<b>Amount (Millions)</b>	<b>12 months ended 30 June 2020</b>	<b>12 months ended 30 June 2019</b>	<b>% change</b>
<b>Revenue from ordinary activities</b>	\$NZ 60.31	\$NZ 61.12	(1.3%)
<b>Profit from ordinary activities after tax</b>	\$NZ 1.36	\$NZ 2.56	(46.7%)
<b>Operating profit</b>	\$NZ 2.43	\$NZ 4.80	(49.3%)

<b>Final dividend</b>	\$NZ nil	\$NZ 1.21	100%
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The Directors of MetService are pleased to announce a \$2.43 million operating profit for the 2019/20 financial year.

MetService Chair Sophie Haslem states: “Our financial performance for the 2019/20 financial year was in alignment with readjusted targets set during the first COVID-19 lock down period. MetService generated revenue of \$60.3 million, down 1.3% on the prior year (\$61.1 million). The decrease in revenue is a direct result of the impacts of COVID-19 to MetService. Our aviation and online advertising business units were the most adversely affected.”

MetService experienced an increase in operating costs in the 2019/20 financial year, totalling \$57.9 million, up from \$56.3 million in the year prior. Operating expenses increased in the areas of cloud-based data storage solutions, staff costs and costs associated with the Moana Project.

Net cash flow from operating activities remained strong at \$11.2 million for the 2019/20 financial year, slightly down on the prior year of \$11.8 million. Strong net cash flow allowed further repayment of borrowings of \$1 million and further strengthening of our balance sheet.

The net gearing ratio at 2019/20 financial year end was 14%, significantly better than the Statement of Corporate Intent target of 24.1%.

As a result of COVID-19, leading to reduced profitability, there was no dividend payment in the 2019/20 financial year.

**Key projects completed or underway in the 2019/20 financial year included:**

- From January 2020, MetService began providing weather graphics to Al Jazeera Media Network for their estimated global audience of 566 million households. The three-year contract provides the award-winning global news organisation with our innovative weather graphics system called Weatherscape XT, along with weather data for 3,000 cities worldwide.
- A major revamp of metservice.com was launched, greatly enhancing our ability to communicate urgent severe weather advice and more daily forecasts now and into the future. New features include the addition of search functionality, interactive map displays, higher-resolution rain radar imagery at all radar locations and the ability for users to 'favourite' frequently used forecast pages, so they are easily accessible.
- The Moana Project, led by MetService, is a five-year multi-agency programme aimed at understanding ocean circulation, connectivity and marine heatwaves. The project involves New Zealand's leading marine scientists and is making great progress to better understand and forecast our oceans' behaviour.
- The site agreement of a radar for coastal Otago, with work well underway on progressing the \$2.8 million dual-polarisation radar project to help improve forecasts and warnings. Following building and resource consent and the construction and delivery of key components for the radar, the project was on track to be operable by May 2020. However, delays as a result of COVID-19 shifted the project completion date to spring 2020.