

Meteorological Service of New Zealand Limited	
Annual results announcement – 30 August 2019	
Reporting period	12 months to 30 June 2019
Previous reporting period	12 months to 30 June 2018

Amount (Millions)	12 months ended 30 June 2019	12 months ended 30 June 2018	% change
Revenue from ordinary activities	\$NZ 61.12	\$NZ 59.71	2.4%
Profit from ordinary activities after tax	\$NZ 2.56	\$NZ 3.35	(23.6%)
Operating profit	\$NZ 4.80	\$NZ 4.86	(1.2%)

Final dividend	\$NZ 1.21	\$NZ 1.06	14.2%
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The Directors of MetService are pleased to announce a \$4.8 million operating profit for the 2018/19 financial year, driven by year-on-year revenue growth of 2.4%.

MetService Chair Ant Howard states: “Our financial performance for the financial year was in alignment with targets set down in our Statement of Corporate Intent. MetService generated revenue of \$61.1 million, up 2.4% on the prior year (\$59.7 million). Excluding core Government contracts, the increase is driven mainly by an increase in advertising revenue from our digital platforms.”

The increase in revenue allowed the company to deliver an operating profit of \$4.8 million for the financial year, similar to the result of the prior year.

MetService experienced an increase in operating costs in the 2018/19 financial year, mainly related to the continuation of the company’s resilience initiatives, particularly through introducing more cloud-based data storage solutions.

Key projects completed or underway in 2018/19 included:

- The Moana Project, led by MetService’s oceanographic division, is a five-year multi-agency programme aimed at understanding ocean circulation, connectivity and marine heatwaves. The launch of the project, in conjunction with iwi and other partners, took place in July 2019.

- In May 2019, MetService introduced a new level of land-based warnings reserved for the most extreme weather events, with new colours and graphics that more clearly signify the type of alert in place. By adopting colour codes for warning criteria, MetService has made it easier for people to identify extreme events. This approach aligns with international standards.
- Major progress was made in the refresh of metservice.com; users of the refreshed site will have access to the same information no matter which device they use. The new design makes it easier for information from third parties to be ingested and shared through metservice.com in the future. The new site is currently in beta phase, for the public and stakeholders to feedback on, and will replace the current site before the end of 2019.
- The agreement of a radar site for coastal Otago, allowing construction of the radar to commence in early 2020 and to be operational by the end of the 2019/20 financial year. Data from the radar, the tenth in the MetService network, will help forecasters, hydrologists and emergency managers better understand weather impacts on river catchments, infrastructure and their communities.

Net cash flow from operating activities for the 2018/19 financial year remained strong at \$11.8 million, slightly up on the prior year (\$11.6 million). This has allowed further repayment of borrowings of \$1 million and further strengthening of the balance sheet.

The net gearing ratio at the 2018/19 financial year end was 23.6%, significantly better than the Statement of Corporate Intent target of 30.6% and below the Board's targeted range of 30% to 35%.

Total Shareholder Return for the financial year is at 8.1% (prior year 5.6%), reflecting the company's increase in valuation year-on-year and the final dividend payment of \$1.2 million relating to the prior financial year.