

Working Paper 2025/05

# Reviewing Non-GAAP Financial Information in Annual Reports and Market Announcements of NZSX-listed Companies

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## Preface

Misinformation and disinformation are not confined to the media; they can also arise through the public communications of organisations. Annual reports and market announcements that include non-GAAP performance measures risk introducing inaccurate information into the marketplace. This is particularly concerning given that investors, insurers, suppliers, wholesalers, consumers and bankers often rely on these reports – and New Zealand Stock Exchange (NZX) announcements – to assess a company’s performance and financial stability, and make key decisions.

A growing grey zone has emerged around non-GAAP reporting. Without standards to ensure comparability across time or between companies, non-GAAP data can be used to tell the story that management wants to tell. But when does non-GAAP cross the line into misinformation, or even disinformation? For preparers, the benefits of shaping the narrative are clear. But what about users of this information? Preparers may argue that they are meeting the needs of users, but are they? How can we tell? And if users’ needs are not being met by GAAP, why are standard setters not being more proactive?

Producing information is costly, so the significant investments companies are making in preparing and publishing non-GAAP reporting suggest they believe the benefits outweigh these costs. This raises critical questions: why are existing GAAP standards being overtaken by non-GAAP information, and why are regulators not being more proactive in challenging financial disclosures that lack clear standards? Further, when does disinformation become misinformation, and how can poor reporting be identified and addressed? Most importantly, how do we prevent non-GAAP disclosures from distorting the understanding of financial reality?

This paper provides insight into the scale of the issue. It aims to give standard setters and regulators an accurate and accessible source of data on non-GAAP reporting practices in New Zealand. Our hope is that it will spark further research and debate on how to manage this emerging risk to the effective functioning of our markets and the wider economy. A well functioning economy is vital for sustaining jobs and incomes, which makes resolving this issue both urgent and important – especially in the face of new and emerging disruptions. Failure to act creates a moral hazard that New Zealand can ill afford.

Recent developments, particularly the introduction of NZ IFRS 18 and MPMs (management-defined performance measures), represent meaningful progress toward addressing this issue. However, their effectiveness will ultimately depend on strong leadership and firm regulatory oversight to ensure the standard is implemented as intended and not diluted over time.

In this paper, although we make separate findings for annual reports and result announcements, they are part of one interconnected system. This underscores the need for the NZX, the Financial Markets Authority (FMA) and the Companies Office to put in place a more robust, aligned and cost-effective system of governance. Governance is failing to keep pace with the real world.

Looking ahead, we hope this type of research – and regular reviews of the whole system – continue to inform improvements in reporting standards and regulatory oversight.



Wendy McGuinness

Chief Executive

Table 1: The legal basis for issuing financial reporting and climate reporting standards and guidance

Legislation	Financial Reporting Act 2013	Financial Markets Authority Act 2011	Financial Markets Conduct Act 2013 <sup>1</sup>
Confers the legal authority to issue:	Standards and guidance	Guidance only	Not applicable
<b>Public information (financial reporting)<sup>2</sup></b>	<p><b>GAAP (NZ Accounting Standards)</b></p> <p>Section 29: Tiers of financial reporting for different classes of reporting entities [Note: The tier structure is a key element of New Zealand’s differential reporting system. Under the new GAAP standard, NZ IFRS 18: <i>Presentation and Disclosure in Financial Statements</i>, measures previously classified as non-GAAP, referred to as MPMs, will now fall within GAAP for Tier 1 and Tier 2 for-profit entities. The standard becomes mandatory from 1 January 2027.]</p> <p>Section 20: Auditing and assurance standards [Note: These standards only relate to GAAP.]</p>		
<b>Public information (climate reporting)</b>	<p><b>Climate reporting (NZ Climate Standards)</b></p> <p>Section 9AA: Meaning of climate-related disclosure framework</p> <p>In addition, NZ SAE 1: Assurance Engagements over Greenhouse Gas Emissions Disclosures is provided to support climate reporting</p> <p>Section 19B: Purpose of climate standards and climate-related disclosures</p>		<p>Section 461O: Meaning of climate reporting entity</p> <p>Section 461Z: Climate statements must be prepared</p> <p>Section 461ZH: Assurance engagement required for parts of climate statements relating to greenhouse gas emissions</p>
<b>External Reporting Board (XRB) role</b>	<p>Section 8: Meaning of generally accepted accounting practice [Note: This is only applicable if the information conforms with the financial reporting standards and/or an authoritative notice.]</p> <p>Section 19A: Guidance for purposes of non-financial reporting [Note: XRB ‘may issue non-binding guidance that relates to non-financial reporting’.]</p>		<p>Section 461J: External Reporting Board must have regard to indication of level of public accountability.<sup>3</sup></p> <p>Section 461K: FMC reporting entities considered to have higher level of public accountability.<sup>1</sup></p>
<b>Public information (non-GAAP)<sup>4</sup></b>	<p>Section 18: Non-GAAP standards [Note: XRB can issue a non-GAAP financial reporting standard, but it must state that it is a non-GAAP standard. The Institute is aware of only one XRB standard that is a non-GAAP standard, Tier 4 (NFP) Standard Reporting Requirements for Tier 4 Not-for-Profit Entities.]</p>	<p>Section 9: FMA’s functions [Note: Under s 9(1)(a) (ii) the FMA can issue guidance notes.<sup>5</sup>]</p>	
<b>Private information</b>	<p>[Note: Neither the XRB nor the FMA has the mandate to issue standards or guidance on internal management information, as this falls outside the scope of their respective regulatory functions.]</p>		

**Notes to Table 1:**

1. There are also Financial Markets Conduct Regulations 2014.
2. The financial reporting standards framework sets out how the accounting standards (which have the same meaning as the financial reporting standards) operate together (see definition of ‘accounting standards’ in the Glossary on p.75). Note s 12: Functions of Board [XRB] issue financial reporting standards [being] ... generally accepted accounting practice or non-GAAP standards and s 17: Financial reporting standards may cover non-financial reporting.
3. See definition of ‘public accountability’ in the Glossary on p.80.
4. Non-GAAP information is considered to be all other financial information in the public arena, including non-GAAP financial information contained in financial statements, annual reports and result announcements, and climate-related financial information that is not required under a standard.
5. This includes guidance on how entities should present non-GAAP financial information, but the guidance is not enforceable.

# 1.0 Introduction

## 1.1 Purpose

The purpose of this research is threefold:

- to analyse the extent to which NZSX-listed companies are presenting non-Generally Accepted Accounting Principles (non-GAAP) financial measures (what we refer to as non-GAAP measures in our research) in their annual reports.
- to recommend ways to improve the presentation of non-GAAP financial information (what we refer to as non-GAAP information in our research) in the annual reports of NZSX-listed companies, and
- to support the introduction of the *New Zealand Equivalent to International Financial Reporting Standard 18: Presentation and Disclosure in Financial Statements* (NZ IFRS 18), which becomes mandatory from 1 January 2027. NZ IFRS 18 applies to Tier 1 and 2 for-profit entities. It introduces the concept of a management-defined performance measure (MPM), which is a specific type of non-GAAP measure, and replaces NZ IAS 1 Presentation of Financial Statements (see Appendix 2).

The content of this paper can be summarised as follows:

- Section 2.0 discusses the terminology used and background information on non-GAAP reporting, both internationally and in New Zealand.
- Section 3.0 outlines the method used for the analysis contained in this paper, the limitations, and the assumptions.
- Section 4.0 provides the quantitative results of our research into the NZSX-listed companies' annual reports and market announcements that discuss financial results (what we refer to as result announcements in this paper). It also includes results from our secondary analysis comparing companies listed only on the NZSX in 2023 to companies listed on both the ASX Main Board and NZSX, as well as companies listed on the Unlisted Securities Exchange (USX) and state-owned enterprises (SOEs).
- Section 5.0 details observations on the consistency and clarity of non-GAAP disclosures in annual reports and result announcements.
- Section 6.0 looks at examples of good practice and poor practice by companies that used non-GAAP measures in their annual reports and result announcements.
- Section 7.0 sets out the Institute's recommendations for standard setters and regulators to minimise market risks for users of financial information. This section also contains recommendations for those interested in undertaking research in this space.

## 1.2 Purpose of Project *ReportingNZ*

This paper forms part of the Institute's Project *ReportingNZ*. This project actively contributes to building an informed society, and the paper reflects the important role that financial markets conduct reporting entities (FMC entities) play within society. When entities operate efficiently and reflect the values of the communities in which they operate, they add value through employment, taxation revenue and support of community initiatives. However, entities can also present challenges if they do not reflect societal values or operate transparently. Project *ReportingNZ* looks into the role of annual reports as a tool for improving relationships between entities and the communities they operate in. It also examines annual reports as one of the few ways to collect readily available data on entities for use as evidence in policy development.

An underlying assumption of Project *ReportingNZ* is that New Zealand's financial reporting standards framework is no longer fit for purpose. Questions about what report-users need to know, in what format and in what time frame, need to be explored and assessed regularly to ensure reports are timely, relevant, cost-effective and useful. The adage 'we manage what we measure' has been a guiding principle through the evolution of Project *ReportingNZ*. We developed this paper to offer standard setters and regulators an accurate, accessible and long-term source of meaningful data on the reporting of non-GAAP information in New Zealand. Our hope is that standard setters and regulators make better policy decisions and offer more useful guidance as a result of this research. The overall aim is to ensure investors and other stakeholders have timely, useful and reliable information to make better investment and consumption decisions.

## 1.3 Series of working papers on NZSX-listed companies

In 2025, the Institute published three separate but related working papers.

### 1. Working Paper 2025/05 – Reviewing Non-GAAP Financial Information in Annual Reports and Market Announcements of NZSX-listed Companies [this paper]

This paper identifies and examines the extent to which non-GAAP information is currently being presented in annual reports, and in some cases financial statements and NZX announcements. The relevance of this paper is that reporters are currently preparing a lot of additional information outside of GAAP that is not required under the accounting standards issued by the External Reporting Board (XRB). They are doing this voluntarily and at considerable cost, without common terms that enable investors and other stakeholders to compare companies.

### 2. Working Paper 2025/06 – Analysing Climate Statements Contained in 2023 and 2024 Annual Reports of NZSX-listed Companies<sup>1</sup>

*Working Paper 2025/06* examines some aspects of recently published climate statements. It aims to contribute to research on how New Zealand might better report and manage climate risks and maximise opportunities in the transition to a low-carbon economy. It provides a quantitative assessment of the state of climate reporting in New Zealand through the lens of NZSX-listed companies that have published annual reports that mention New Zealand Climate Standards (NZ CS). The Institute was encouraged by progress in climate reporting, with 68% of companies making full or partial NZ CS disclosures in 2024, up from 34% in 2023. This regime provides a clear template for consistent reporting across time and companies, whether in annual reports or linked external documents, and shows that adoption is achievable. However, the Institute noted with concern that the Financial Markets Conduct Amendment Bill 2025 (Amendment Paper 446) proposes to significantly reduce the number of climate reporting entities (CREs).<sup>2</sup> MBIE stated if the reporting threshold was raised to \$1 billion, the number of CREs would be reduced from 164 to 34.

### 3. Working Paper 2025/07 – Analysing Carbon Offsetting Information Disclosed in 2021–2024 Annual Reports of NZSX-listed Companies<sup>3</sup>

*Working Paper 2025/07* examines and identifies the extent to which carbon offsetting information has been disclosed in the 2021–2024 annual reports of NZSX-listed companies. This paper aims to contribute to the dialogue on how New Zealand might manage risks and maximise opportunities of carbon offsetting reporting, and in turn, contribute to the country's transition to a low-carbon economy. The reporting of carbon offsetting commitments can be considered a type of anticipated financial effects (AFE) in the International Financial Reporting Standards (IFRS S2). Similarly, in New Zealand, it can be considered a type of anticipated financial impacts (AFI) in NZ CS, in climate-related financial disclosures. Hence, the recommendations from *Working Paper 2025/07* should be read in conjunction with the 16 recommendations in Section 8 of *Working Paper 2025/06*. The Institute observed that the information that companies disclosed on purchased carbon credits lacked detail and comprehensiveness, and that there was a lack of consistency across companies. This was in contrast to the detailed information disclosed about customer carbon credit schemes. While several factors may explain this disparity, one likely reason is the marketing advantage associated with customer-focused schemes. To address this disparity, the Institute recommends the development of stronger standards and clearer guidance on best practices for reporting purchased carbon credits (including customer-focused schemes).

Note: It is important to note that the Financial Reporting Act 2013 established two different frameworks under two different sections of the Act.

- The financial reporting standards framework. The generally accepted accounting practice (GAAP) financial reporting standards are established under s 8 of the Financial Reporting Act 2013. Section 4 of the XRB A1 standard outlines what currently constitutes GAAP.
- The climate-related disclosure framework (such as the NZ CS). The framework is established under s 12(aa) of the Financial Reporting Act 2013. This means that the climate-related disclosure framework is neither GAAP nor non-GAAP, but is its own reporting framework.

Non-GAAP information is defined here in negative terms: it encompasses disclosures not required under GAAP as well as financial information outside the scope of the climate-related disclosure framework.

## 2.0 Background

### 2.1 Terminology

Generally Accepted Accounting Principles (GAAP) refer to standardised accounting measures that NZSX-listed companies are legally obligated to disclose in the financial statements of their annual reports. GAAP financial information is derived from New Zealand's equivalents to International Financial Reporting Standards (NZ IFRS).

Section 39(6) of the Financial Market Conduct Regulations 2014 refers to a 'non-GAAP financial measure', which is defined as follows:

#### **Non-GAAP financial measures (Non-GAAP measures)**

A non-GAAP financial measure is 'a numerical measure of an issuer or an issuing group's historical or future financial performance, financial position, or cash flows that is used as an alternative to, or to supplement, a GAAP financial measure'.

The term is also used in the Financial Markets Authority's (FMA's) 2017 *Disclosing non-GAAP financial information* guidance note.<sup>4</sup> For the purposes of this paper we have removed 'financial' and just used 'non-GAAP measures', as non-GAAP measures are always financial in nature. They are specifically defined as financial metrics that do not comply with GAAP. Other non-financial metrics (like customer satisfaction scores or employee turnover rates) are not considered non-GAAP; instead, they are typically reported as key performance indicators (KPIs) or part of broader sustainability/ESG reporting.

Non-GAAP measures differ from standard GAAP reporting, and most importantly, are not defined by IFRS. Non-GAAP is the term most commonly used in the US.<sup>5</sup> In contrast, Europe tends to use the term alternative performance measures (APMs).<sup>6</sup> Australia often uses the term non-IFRS. In New Zealand, the term non-GAAP is preferred. The XRB did undertake some research in 2017 that used the term APMs (see definition below) in relation to non-GAAP information. However, the term 'APM' is not used in any accounting standards issued by the XRB.

#### **Alternative performance measures (APMs)**

APMs are company performance measures other than those reported in a company's financial statements. Examples of APMs include 'underlying profits', 'normalised profits', EBIT (earnings before interest and tax) and EBITDA (earnings before interest, tax, depreciation and amortisation).<sup>7</sup>

NZ IFRS 18 outlines requirements for the 'presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses'.<sup>8</sup> NZ IFRS 18 introduces the concept of a management-defined performance measure (MPM), which is a specific type of non-GAAP measure. The XRB ran education sessions on the implications of NZ IFRS 18 in late 2025.<sup>9</sup>

#### **Management-defined performance measures (MPMs)**

MPMs are 'a subtotal of income and expenses that:

- (a) an entity uses in public communications outside financial statements;
- (b) an entity uses to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole; and
- (c) is not listed in paragraph 118 [of NZ IFRS 18], or specifically required to be presented or disclosed by NZ IFRS'.<sup>10</sup>

Examples include 'adjusted profit, normalised/underlying earnings, and adjusted earnings before interest, tax, depreciation and amortisation'. The External Reporting Board (XRB) has indicated that preparers will need to consider whether EBITDA meets the definition of MPM above.<sup>11</sup>

Unlike GAAP measures, non-GAAP measures and APMs lack standard definitions and are not easily comparable across companies. Depending on your perspective, non-GAAP measures and APMs can either enhance or complicate investment decisions. However, the accepted practice is to minimise the risk for investors by prioritising GAAP information, placing non-GAAP measures/APMs alongside GAAP information and where appropriate, reconciling non-GAAP measures and APMs against the most directly comparable GAAP measures.<sup>12</sup>

Key terms discussed in this working paper include:

#### **Management commentary**

The Institute uses the term ‘management commentary’ to refer to any part of the annual report outside of the financial statements. Management commentaries constitute narrative reports that ‘provide context within which to interpret the financial position’, providing ‘management with an opportunity to explain its objectives and its strategies for achieving those objectives’.<sup>13</sup>

#### **Market announcements**

Market announcements relate to all announcements made by NZSX-listed companies released publicly on the NZX Market Announcement Platform. They contain information that issuers must release to the market to meet their obligations under the NZX Listing Rules and their content is identified by specific type codes.

#### **Non-GAAP information**

The Institute uses the term ‘non-GAAP information’ to include mentions of the terms ‘non-GAAP’ or ‘non-IFRS’ and/or the reporting of selected non-GAAP measures.

#### **Public communications**

NZ IFRS 18 refers to public communications that sit outside a company’s financial statements. ‘Public communications include management commentary, press releases and investor presentations. For the purpose of defining management-defined performance measures, public communications exclude oral communications, written transcripts of oral communications and social media posts.’<sup>14</sup>

#### **Result announcements**

The Institute uses the term ‘result announcements’ to refer to market announcements that directly or indirectly discuss the financial results in some detail. Examples include announcements coded as ‘FLLYR’ and ‘HALFYR’, or announcements coded as ‘MKTUPDATE’ and ‘GENERAL’ that relate to financial results. Importantly, result announcements generally consist of a summary or overview page/s, as well as accompanying attachments.

#### **Selected non-GAAP measures**

Given that there is a wide range of possible non-GAAP terminology, the Institute decided to ensure a consistent approach by using a small, identical set of non-GAAP measures to search both annual reports and result announcements. In this paper, selected non-GAAP measures include: Adjusted, EBIT, Free cash flow, Normalised, Proforma/pro-forma/pro forma and Underlying. Please note that each of these terms, except ‘free cash flow’, captures a range of non-GAAP measures (e.g. ‘Underlying NPAT’). See Table A6.1 in Appendix 6 for a list of all variations of non-GAAP measures found in 2023 and 2024 annual reports, and Table A8.1 in Appendix 8 for a list of all variations of non-GAAP measures found in 2023 result announcements.

## **2.2 What is the problem?**

The issue with non-GAAP information is that it lacks a universally accepted set of standards, allowing organisations to present data that may not be verifiable or easily comparable across companies. In some cases, this can result in listed companies making misleading or inaccurate disclosures in annual reports and result announcements. So, the inclusion of non-GAAP measures can undermine the reliability of financial reporting, distort market behaviour, and contribute to growing distrust among investors and stakeholders.

Importantly, companies operating in the public domain are held to a higher standard of transparency and accountability. For this reason, most NZSX-listed companies fall under Tier 1 reporting, which requires them to meet the most rigorous financial reporting standards.

So far, the approach to addressing the non-GAAP problem has been to require disclosure statements that clearly identify when information is non-GAAP, specify where the non-GAAP data is presented, and provide a reconciliation between GAAP and non-GAAP measures. This is intended to improve transparency and help stakeholders better understand the differences between GAAP and non-GAAP. However, our research found that these mechanisms are not working and that standard setters urgently need to enforce these mechanisms and/or put in place new mechanisms.

The practice of reporting non-GAAP measures has drawn criticism for unduly complicating and confusing financial figures and providing a ‘rosier picture of performance’ compared to the corresponding GAAP measures.<sup>15</sup> The FMA stated that non-GAAP financial information ‘has the potential to be misleading if inconsistently presented, inadequately defined, not reconciled to the most comparable GAAP financial information and/or used to obscure financial results determined in accordance with GAAP’.<sup>16</sup>

Nevertheless, these measures continue to be used for a variety of reasons, including:

- to supplement GAAP measures by providing a more complete picture of a company's financial performance
- to account for operations that companies believe are not adequately accounted for under GAAP, or
- to adjust measures to provide a 'core' or 'underlying' figure when figures are skewed by certain activities (similar to adjustments to inflation).<sup>17</sup>

Encompassing all three of these reasons is the use of non-GAAP measures to adjust financial figures in the face of non-recurring, unusual or extraordinary costs, with the intention of providing better insight into the 'core' figures, or what the figures could look like in the future. For example, a KPMG review of 72 annual reports from 2019 and 35 from 2020 found that reporting of non-GAAP financial information had increased by 21% across the two years, likely due to the significant financial impact of COVID-19.<sup>18</sup>

Non-GAAP measures are considered to be a 'response to economic demand for information that is not satisfied solely by GAAP earnings'.<sup>19</sup> GAAP standards are rigorous, highly regulated, predictable and conservative and can prevent a company from presenting a more nuanced depiction of financial performance. Non-GAAP measures are better at accounting for one-off payments, future profitability, and external shocks like economic downturns or COVID-19. Yet while non-GAAP can be argued to be more informative, it could also be seen as 'self-serving',<sup>20</sup> in that management may select or adjust these measures to highlight favourable outcomes.

For this reason, standard setters, regulators and accounting firms regularly review the risks associated with non-GAAP measures (see recent reviews by XRB and FMA below).

### External Reporting Board (XRB)

In 2016, the XRB conducted a survey to understand user perspectives on the usefulness of non-GAAP financial measures within financial reports. The results highlighted how ingrained and ubiquitous non-GAAP measures are for report users. The survey received 87 responses and produced a summary report, *Alternative Performance Measures: Are they meeting user needs?* The survey found:

- 89% of respondents indicated they found non-GAAP measures useful or sometimes useful.
- 21% of respondents indicated they use GAAP as the primary measure of performance, while 18% indicated they use non-GAAP as the primary measure of performance. 56% of respondents indicated that they use both non-GAAP and GAAP measures together to understand performance.
- 71% of respondents understood the reason why a company was using non-GAAP measures and 76% agreed the non-GAAP measures met the intended purpose.
- 69% of respondents disagreed that performance measures should be limited to GAAP measures, while 17% said they agreed.
- 75% of respondents thought non-GAAP measures should be assured.<sup>21</sup>

Respondents made a number of suggestions to improve the quality and usefulness of non-GAAP measures, including:

- explaining how each non-GAAP measure is derived/calculated
- providing comparisons for previous years and explaining any changes
- explaining why selected components are included or excluded
- indicating whether each measure is a GAAP or non-GAAP measure, and
- reconciling to the closest GAAP measure.<sup>22</sup>

It is interesting to note that the XRB in a 7 October 2025 presentation listed the following concerns raised by international users:

- Not always clear why a particular non-GAAP measure is communicated or how it was calculated.
- Sometimes difficult to find information about these measures.<sup>23</sup>

## Financial Markets Authority (FMA)

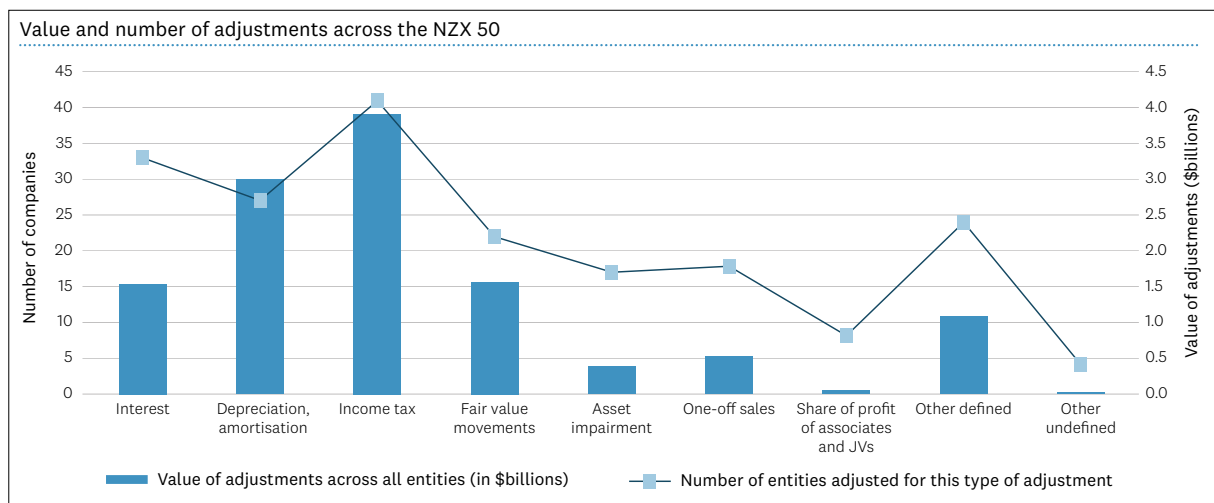
In 2013, the FMA released *Monitoring of non-GAAP disclosures*, a review of the uptake of its previous year's non-GAAP reporting guidance note (see Section 2.3 on p.15). The FMA reviewed the market communications of 23 NZSX-listed entities and found that 17 of the 23 companies reported non-GAAP profit greater than their GAAP profit: the sample generated a total GAAP profit of \$2348 million compared to a non-GAAP profit of \$4143 million.<sup>24</sup> Following on from this, in its 2017 *Disclosing non-GAAP financial information* guidance note, the FMA warned that non-GAAP financial information 'has the potential to be misleading if inconsistently presented, inadequately defined, not reconciled to the most comparable GAAP financial information and/or used to obscure financial results determined in accordance with GAAP'.<sup>25</sup>

## PricewaterhouseCoopers (PwC)

Another review of the use of non-GAAP financial measures by NZSX-listed companies was carried out by PwC in 2017, looking at the reporting practices of the NZX 50 (see Figure 1). The study, *An alternative picture of performance*, found that while 46 (92%) of the companies altered their profit figure (amounting to \$4.8 billion worth of adjustments), only 11 of the 46 reported a figure lower than the original GAAP figure.<sup>26</sup> Furthermore, 9% of these adjustments were undefined, making it difficult to assign them to a relevant category (e.g. interest, income tax, depreciation, amortisation).

Figure 1: Adjustments made to values using non-GAAP financial measures

Source: PwC, *An alternative picture of performance*, June 2017.<sup>27</sup>



## Wall Street Journal

There is other anecdotal evidence of companies whose GAAP measures show they are less profitable than their non-GAAP measures. For example, a study undertaken by the *Wall Street Journal* found that in 2016, 94% of the S&P 500 chose to report non-GAAP financial information with the potential to increase the GAAP profit by 44%.<sup>28</sup>

## New Zealand Treasury

It is interesting to note that in the 2020 *Financial Statements of the Government of New Zealand*, the New Zealand Treasury stated it had removed any fiscal strategy indicators that were non-GAAP, including removing 'operating balance before gains and losses' (OBEGAL) from the Statement of Financial Performance. Treasury added that 'while this measure is derived from GAAP numbers, the operating balance is the "bottom line" GAAP performance measure in the Statement of Financial Performance'. The report explained that it had removed this content to 'help clarify and tidy the Financial Statements of Government'.<sup>29</sup>

## 2.3 Regulation of non-GAAP measures presented in company reports

Non-GAAP measures emerged in the early 2000s, alongside the rise of dot-com companies, whose new business models benefited from alternative performance metrics.<sup>30</sup> International accounting bodies have been paying attention to their emergence for over two decades.

In 2002, the International Organization of Securities Commissions (IOSCO) released a *Cautionary Statement Regarding Non-GAAP Results Measures*, to alert issuers, investors and other users of financial information that is not prescribed by GAAP to take care when presenting and interpreting non-GAAP measures. An updated statement was released in 2016. It states:

Non-GAAP financial measures can be useful to issuers and investors because they can provide additional insight into an issuer's financial performance, financial condition and/or cash flow. The use of non-GAAP financial measures also can provide issuers with flexibility in communicating useful, entity specific information. Problems can arise, however, when non-GAAP financial measures are presented inconsistently, defined inadequately, or obscure financial results determined in accordance with GAAP. Furthermore, non-GAAP financial measures typically lack a standardised meaning and, if so, are generally not comparable from one issuer to the next.<sup>31</sup>

The European Securities and Markets Authority (ESMA) released *Guidelines on Alternative Performance Measures* in 2015; and the International Accounting Standards Board (IASB) issued the 2017 discussion paper *Disclosure Initiative – Principles of Disclosure*, which sought feedback on how best to regulate non-IFRS disclosures.<sup>32,33</sup>

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which includes adding new subtotals into the Statement of Profit and Loss, to ensure comparability across companies.<sup>34</sup> Additionally, the new standard adds a requirement on management-defined performance measures (MPMs), which would enable subtotals of income and expenses that are not defined under IFRS (but used to communicate management's view of an aspect of a company's financial performance) to be presented in the financial statements with a reconciliation to GAAP totals.<sup>35</sup> The accounting standard *New Zealand Equivalent to International Financial Reporting Standard 18 Presentation and Disclosure in Financial Statements* (NZ IFRS 18) was issued by XRB and has a mandatory date of 1 January 2027, meaning it must be applied by Tier 1 and Tier 2 for-profit entities for accounting periods that begin on or after this date.<sup>36</sup> In June 2025, the XRB published an amendment that reduced the disclosure requirements on Tier 2 entities (see Appendix 2).

### United States

In 2002, the US Government passed the Sarbanes-Oxley Act, which sought to enhance the financial disclosures of public companies, including requirements for the US Securities Exchange Commission (US SEC) to adopt rules around non-GAAP disclosures.<sup>37</sup> In 2003, US SEC published *Regulation G: Conditions for Use of Non-GAAP Financial Measures*. Put into effect in 2003, the regulation requires that non-GAAP financial information is not misleading, that companies provide directly comparable GAAP measures when disclosing non-GAAP measures, and that they reconcile differences between the two.<sup>38</sup>

The US SEC will engage with public companies if it is concerned by non-GAAP disclosures in public announcements. It first released guidance on non-GAAP measures in 2016, which it then expanded in December 2022 with more detail on what constitutes a violation of its non-GAAP rules.<sup>39</sup> In 2022, 22% of the 863 letters that US SEC sent to public companies questioned company compliance with a section in its guidance on calculations of non-GAAP measures. In 2023, approximately 30% of 1346 letters US SEC sent to companies contained at least one comment related to non-GAAP financial information.<sup>40</sup>

### Australia

In 2011, the Australian Securities and Investments Commission (ASIC) issued *Regulatory Guide 230: Disclosing Non-IFRS Financial Information*. This 'provides guidance on when users may or may not include non-IFRS financial information in financial reports and what additional disclosure should be made so the information is not misleading'.<sup>41</sup> Sections 296(1) and 304 of the Corporations Act 2001 require that financial statements be prepared in accordance with Australian Accounting Standards, meaning that non-GAAP financial information cannot be presented within the financial statements and notes to financial statements.

Some exceptions are made for EBIT (as a subtotal of the Statement of Profit and Loss and Other Comprehensive Income [if not presented in bold, a requirement of the standard]), and for results from operating activities or operating profit and loss (if these subtotals are presented below the operating subtotal, and are determined after deducting depreciation, amortisation, impairment and other items that are considered part of operating activities).<sup>42</sup>

As part of ASIC's financial reporting surveillance programme, a regular review of selected financial reports of listed companies and other significant public interest entities takes place to ensure financial reports have been prepared in accordance with the law.<sup>43</sup>

In 2021, ASIC published a media release on its website, having reviewed the financial report of ColorTV Limited. ASIC raised concerns about the presentation of EBITDA operating profit/loss as a non-IFRS profit measure in ColorTV Limited's profit and loss statement. ASIC reminded preparers of financial information that non-IFRS profit measures should generally not be included in financial statements. In August 2022, ColorTV Limited reissued the financial statements without the non-IFRS measure.<sup>44</sup>

In March 2023, ASIC published another media release indicating that Southern Cross Media Group Limited had removed its presentation of a non-IFRS profit measure following an ASIC review of its 2022 financial report. ASIC had raised concerns about the presentation of 'Profit before depreciation, amortisation, interest, impairment, fair value movements on financial derivatives and income tax expenses for the year from continuing operations' in the company's statement of profit and loss, as it was not in accordance with GAAP.<sup>45</sup>

## New Zealand

The Financial Reporting Act 2013 requires selected companies to prepare financial statements in accordance with accounting standards issued by the XRB. Exceptions exist if a company is not large and not an FMC reporting entity (see the Companies Act 1993 and the Financial Markets Conduct Act 2013).<sup>46</sup>

In addition to the legal requirement in the Financial Reporting Act 2013, the Financial Markets Conduct Act 2013 (FMCA) includes clauses that prohibit the provision of misleading or unsubstantiated financial information, including in relation to future matters (pro forma figures). Following the enactment of the FMCA, the FMA released its 2012 *Guidance Note: Disclosing non-GAAP financial information*, which was subsequently updated in 2017 as the *Disclosing non-GAAP financial information* guidance note.<sup>47</sup>

Companies listed on the NZSX (and other FMC reporting entities) are encouraged to follow the FMA's guidance note. This note sets out the FMA's expectations on the presentation of non-GAAP financial information outside of financial statements, including market announcements, management commentary, investor presentations, disclosure documents filed with the Registrar, and licensed market operators. FMA's guidance note also provides guidance on including reconciliations in the financial statements.

The guidance note confirms it does not constitute legal advice and does not replace GAAP or the law. However, it recommends adherence to its principles in order to reduce the risk of publishing misleading disclosures (prohibited under the FMCA) to obscure financial results.<sup>48</sup> It sets out six principles regarding the presentation of non-GAAP financial information (see excerpt in Appendix 4):

- Principle 1: Defining the non-GAAP financial information
- Principle 2: Prominence
- Principle 3: Reconciliation
- Principle 4: Consistency
- Principle 5: Unbiased
- Principle 6: One-off/non-recurring items.<sup>49</sup>

The Institute is not aware of whether the FMA actively monitors non-GAAP disclosures in the public announcements of FMC reporting entities.

Furthermore, our understanding is that the current legislation does not give the FMA remit to regulate non-GAAP financial information in the financial statements, in contrast to ASIC, which was given remit under Australia's Corporations Act 2001.

In 2017, a review of financial reporting by NZX 50 companies examined how the six principles outlined above were applied in practice. It found that 33% of the companies displayed non-GAAP financial information with greater prominence outside the financial statements. The review also looked at reconciliation, noting that although 96% of companies provided reconciliation between non-GAAP and GAAP figures, there was no standard place in the report to find these reconciliations. It found that:

- 24% of companies placed reconciliation in both the annual report and financial statements
- 20% of companies placed reconciliation in the annual report only
- 52% of companies placed reconciliation in the financial statements only.<sup>50</sup>

More recently, in May 2020, the FMA published a review of financial reporting in light of COVID-19. The FMA identified multiple examples of annual reports that failed to adhere to its 2017 *Disclosing non-GAAP financial information* guidance note. The review emphasised the use of ‘boilerplate’ reasoning, lack of reconciliation, prominence, and inaccurate labelling, particularly when adjustments did not correspond to the abbreviation used.<sup>51</sup> As a result, the FMA reinstated the expectation that entities comply ‘with all the principles (including consistency) in the FMA 2017 guidance note’.<sup>52</sup>

Furthermore, in May 2024, the XRB issued a new accounting standard, NZ IFRS 18, which will become mandatory from 1 January 2027 (see Appendix 1). Of particular relevance to this working paper, the accounting standard will require entities to disclose information relating to ‘management-defined performance measures’ (MPMs) (which are a specific type of APM or non-GAAP measure).<sup>53</sup> Required disclosures, and presentation of these disclosures, include but are not limited to:

- information relating to the management-defined performance measure(s) in a single note
- how the management-defined performance measure(s) compares with the measure(s) defined by NZ IFRS
- labelling each management-defined performance measure and describing it in a clear and understandable manner that does not mislead users of financial statements, and
- reconciliation between each management-defined performance measure and the most directly comparable total or subtotal specifically required to be presented or disclosed by NZ IFRS.<sup>54</sup>

## 2.4 Regulatory disparities between listed and unlisted public companies in New Zealand

New Zealand’s financial reporting standards framework and the climate-related disclosure framework distinguish between listed public companies, whose shares are traded on licensed markets like the NZX, and unlisted public companies, whose shares are not publicly traded. While both are classified as ‘public’ entities, the reporting burden they face differs significantly.

Listed and unlisted companies can be defined as follows:

- **Listed public companies:** These companies have access to a broad investor base as their shares are publicly traded on a stock exchange; in New Zealand, this stock exchange is the NZX.<sup>55</sup> Due to their public trading status, these companies are subject to stringent compliance and disclosure requirements. They are regulated by NZX listing rules and broader financial market legislation, such as the FMCA.<sup>56</sup>
- **Unlisted public companies:** These companies are publicly owned firms whose shares are not traded on stock exchanges but through private transactions or over-the-counter markets. They typically have a more limited investor pool and they face fewer regulatory obligations, despite being classified as public entities.<sup>57</sup>

The number of listed public companies in New Zealand has been in steady decline since 2015, reaching a 40-year low of 112 in 2024.<sup>58</sup> Meanwhile, there is no record of unlisted significant private companies in New Zealand. This raises questions about market transparency and regulatory consistency. The current frameworks may inadvertently incentivise companies to remain unlisted, or even delist from the NZSX, to avoid the higher costs and scrutiny associated with listed status. This could undermine market transparency and investor protection. As unlisted companies can still raise capital from the public, they should comply

with the same regulatory compliance standards as listed companies to ensure investors have access to reliable, accurate and comprehensive financial information. This is particularly relevant to the disclosure of non-GAAP information.

### **The Unlisted Securities Exchange (USX)**

The USX provides a trading platform for small- to medium-sized companies that are not listed on the NZSX. Established in 2003, it presents itself as a ‘step on the road to joining a licensed financial product market’ like the NZX, providing ‘a low-cost, first step for companies to facilitate share trading while examining their future options’.<sup>59</sup>

While the USX offers an alternative route for capital access, it does not impose the same level of regulatory oversight as other trading platforms. In 2015, the USX was granted an exemption from subpart 7 of Part 5 of the Financial Markets Conduct Act 2013 (see Exemption Notice for a list of conditions).<sup>60</sup>

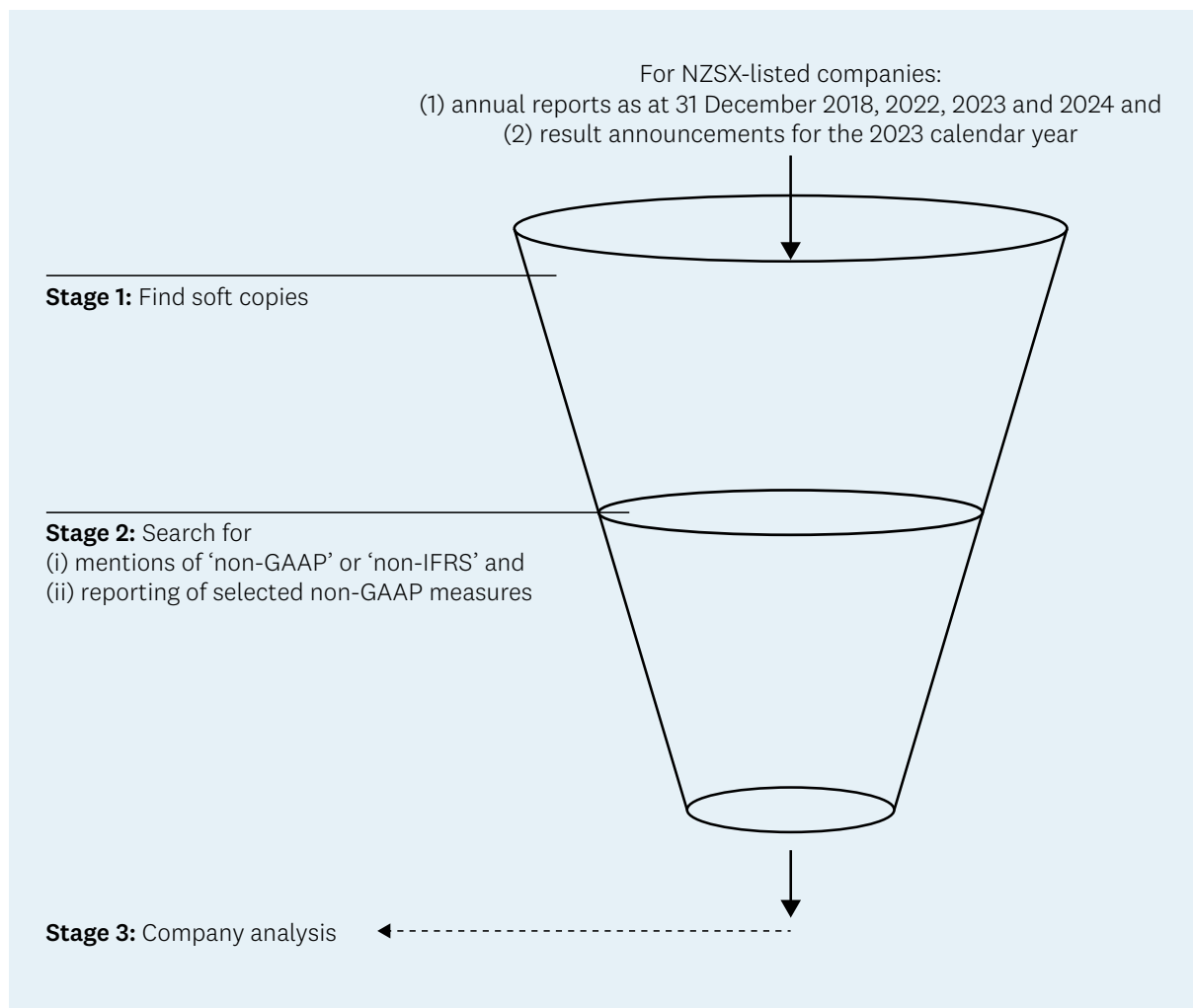
This exemption was heavily criticised by the NZX, which stated that it directly undermined the FMCA’s goal of improving public confidence in New Zealand’s capital markets, at a time when market confidence was still fragile after the 2008 financial crash. The NZX argued that ‘such an exemption would result in significant and unnecessary risks to the confidence, integrity and reputation of New Zealand’s capital markets’.<sup>61</sup>

Today, New Zealand’s economy remains fragile, and the NZX’s reasoning remains resonant.

## 3.0 Methodology

The Institute has taken the FMA’s 2017 guidelines as a basis for the analysis of the extent to which non-GAAP information is included in NZSX-listed company annual reports. It should be noted that the FMA guidelines are not mandatory but, instead, encourage best practice. Assessing breaches of company legislation is beyond the scope of this research, and their presentation (as far as we are aware) is not monitored. The overarching method is set out in Figure 2.

Figure 2: Method to determine the prevalence of non-GAAP information in NZSX-listed company annual reports and result announcements



### 3.1 Method for analysis of NZSX-listed companies’ annual reports

The following methodology describes the stages taken to review the 2018, 2022, 2023 and 2024 annual reports of NZSX-listed companies. The decision to include a data set from 2018 was to identify if there were any significant changes over the six-year period between 2018 and 2024 in the uptake of reporting non-GAAP measures.

#### Stage 1: Find soft copies of each NZSX-listed company’s annual report

Annual reports were grouped by date of a company’s end of financial year. For example, a report dated 31 December 2023 but published in 2024 was grouped in the 2023 data set.

Annual reports for the year were found on the NZX website (under each entity). NZSX-listed company data sets were taken directly from the NZX Main Board web page (NZSX). The Institute removed trusts, funds and cooperatives, only including companies with the term ‘Limited’ or ‘Corporation’ in the company name. See Table 2 overleaf.

**Step 1:** Use NZX Research Centre to generate lists of NZSX-listed entities at 31 December of each calendar year.

On the market activity page, specific dates as well as the specific board/market (e.g. NZSX) can be selected to view the NZSX-listed entities on the chosen date. To generate lists of NZSX-listed companies used in this research, the date 31 December, the relevant years and the NZSX were selected.

Please note that in some cases 31 December was either a Saturday or Sunday (non-trading days) and a list of NZSX-listed entities could not be generated. In these cases, the nearest date to 31 December that was a trading day was selected. This occurred in 2023 (29 December 2023 was used) and 2022 (30 December 2022 was used). The Institute has equated these dates to 31 December for the purposes of our research.

For example, in 2024, there were 180 entities on the NZSX.

**Step 2:** Remove non-Limited entities from the generated lists of NZSX-listed entities.

To ensure the generated lists only considered NZSX-listed companies, we removed trusts and funds by only including companies with ‘Limited’ or ‘Corporation’ in their name.

For example, in 2024, 57 entities were removed, so 123 companies went through to the next stage.

**Step 3:** Search companies’ NZX announcements on the NZX website to find soft copies of annual reports.

For example, in 2024, 123 annual reports were found, meaning no annual reports were missing.

**Other actions:**

If a company’s annual report was not found, it was excluded from Step 2. This occurred in one case in each of 2018 and 2022, and three cases in 2023. All 2024 annual reports were found.

If a company did not include its financial statements within the annual report, the two separate documents were merged and treated as one document.

**Table 2: Available annual reports for the years 2018, 2022, 2023 and 2024**

NZSX-listed entities	2018	2022	2023	2024
Number of NZSX-listed companies (found on NZX website)	124	133	133	123
Annual reports not found	-1	-1	-3	0
Available annual reports (found in NZX announcements)	123	132	130	123

**Note to Table 2:**

More detail can be found in Table A5.2 in Appendix 5.

**Stage 2: Search for mentions of ‘non-GAAP’ or ‘non-IFRS’ and selected non-GAAP measures**

To assess and record whether a company included non-GAAP information within the annual report, the Institute used the ‘advanced search’ function in Adobe Acrobat Pro to search for any mentions of ‘non-GAAP’ or ‘non-IFRS’ and for selected non-GAAP measures.

The definition of selected non-GAAP measures and the reason behind the choice of these can be found in Section 2.1 on p.11 and in the glossary on p.81.

The FMA guidelines recommend that companies state whether non-GAAP information has been audited or reviewed. To assess and record this, the term ‘audit’ was also searched (if an explicit statement had not already been found by the previous word search). While the guidelines indicate that including it within the financial statements or notes to financial statements is not sufficient evidence of a non-GAAP measure being audited, it was considered to have been audited if the figure sat within the financial statements.

One of the principles in the FMA report is reconciliation. Reconciliation is important because it helps to both maintain integrity of financial statements and detect any discrepancies or errors that have arisen during the accounting process. It is recommended that entities reconcile the non-GAAP information with the most directly comparable GAAP financial information. Reconciliation occurs either through presentation as a subtotal in one of the financial statements, or through provision of a separate table or discussion of adjustments made in the annual report. Note, if a reconciliation was not captured using the above terminology, the consolidated financial statements were checked to see if ‘operating profit’ (a term sometimes used interchangeably with EBIT) was included within the subtotals of one of the balance sheets. See for example, Green Cross Health Limited and Restaurant Brands NZ Limited in Appendix 7.

Other components of the FMA guidelines were recorded during the exercise, if found in the text relating to non-GAAP information, including:

- whether the company explained why it was choosing to disclose non-GAAP measures within the report
- what part of the annual report the information was found in (to understand the prominence of the non-GAAP measure/s), and
- whether the annual report mentioned an external document containing a non-GAAP policy or calculations.

### **Stage 3: Compare companies listed only on the NZSX with companies listed on both the NZSX and the ASX Main Board**

As a secondary analysis of the 2023 annual reports of NZSX-listed companies, comparisons on the use of selected non-GAAP measures (including identification, assurance and reconciliation) were made between companies listed only on the NZSX and companies listed on both the NZSX and the Australian Securities Exchange Main Board (ASX Main Board). The purpose of this secondary analysis was to explore if NZSX-listed companies that are also listed on the ASX Main Board are more transparent about the use of non-GAAP measures. This was analysed due to our understanding that there is more regulation and monitoring of the use of non-GAAP measures in the Australian market, by Australian legislation and ASIC (see Section 2.3).

To identify which companies were listed on both exchanges, the Institute cross-checked the 31 December 2023 list of NZSX-listed companies against the 31 January 2024 list of ASX Main Board companies (also called the company directory), retrieved from the ASX website. Companies that had not published a 2023 annual report at this time were excluded from this comparison. Please note that this analysis was not repeated for the 2018, 2022 and 2024 annual reports.

For the purposes of this paper, we use the term ‘NZSX’ to refer to entities listed on the NZX Main Board and the term ‘ASX Main Board’ to refer to entities listed on the Australian Securities Exchange (ASX).

### **Stage 4: Compare companies listed on the NZSX with companies listed on the USX**

To provide insight into the impact of disparities in regulatory compliance requirements between listed and unlisted companies, the Institute assessed the presentation of selected non-GAAP measures (including identification, assurance and reconciliation) in the 2023 and 2025 annual reports of USX-listed companies and compared these results to the 2023 results for NZSX-listed companies.

**Step 1:** Find soft copies of each USX-listed company’s annual report.

The Institute collected the annual reports of USX-listed companies by searching the announcements lodged by each company on the USX website.

In 2023, there were 14 companies listed on the USX. One company did not publish a 2023 annual report. Therefore, the data set for 2023 consists of 13 annual reports.

In 2025, as at 24 November, there were 16 companies listed on the USX. Three companies had not yet published their 2025 annual reports. Therefore, the data set for 2025 consists of 13 annual reports.

**Step 2:** Search for mentions of ‘non-GAAP’ or ‘non-IFRS’ and selected non-GAAP measures.

Annual reports were searched following the same process as Stage 2 of the method (see p.20).

### **Stage 5: Compare companies listed on the NZSX with state-owned enterprises (SOEs)**

On the whole, SOEs are subject to similar regulatory compliance requirements to listed companies. Given this, the Institute wanted to compare the level of transparency around the use of non-GAAP measures by SOEs and NZSX-listed companies. Therefore, the Institute assessed the presentation of selected non-GAAP measures (including identification, assurance and reconciliation) in the 2023 and 2025 annual reports of SOEs and compared these results to the 2023 results for NZSX-listed companies.

**Step 1:** Find soft copies of each SOE’s annual report.

The Institute compiled a list of SOEs from Schedule 2 of the State-Owned Enterprises Act 1986. The website of each SOE was then searched for its annual report. The Electricity Corporation of New Zealand Limited, which is now a residual entity with the sole remaining task of winding up land title issues, was excluded as it does not publish an annual report.<sup>62</sup> Therefore, for both 2023 and 2025, the data sets consist of 10 SOEs.

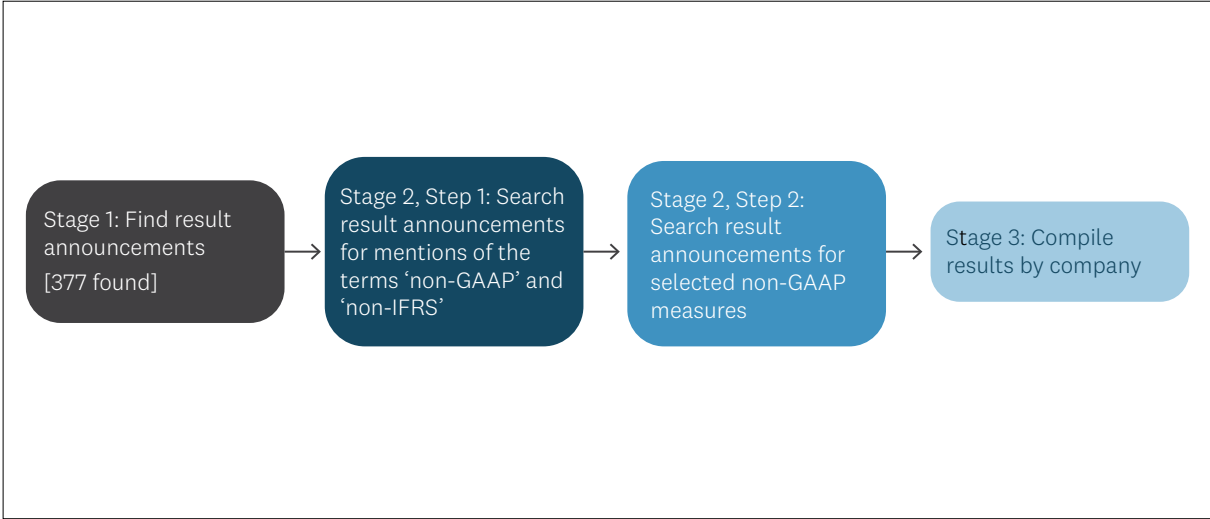
**Step 2:** Search for mentions of ‘non-GAAP’ or ‘non-IFRS’ and selected non-GAAP measures.

Annual reports were searched following the same process as Stage 2 of the method (see p.20).

### 3.2 Method for analysis of NZSX-listed companies’ result announcements

Figure 3 describes the method taken to review the 2023 result announcements published on the NZX website by NZSX-listed companies. This part of the analysis was carried out in January 2024, meaning that several companies that were included in the data set of NZSX-listed annual reports had since delisted from the NZX Main Board.

Figure 3: Method to analyse NZSX-listed companies’ 2023 market announcements



#### Stage 1: Find soft copies of result announcements published in 2023 by NZSX-listed companies

The Institute analysed 377 result announcements of 130 NZSX-listed companies. Many companies had a large list of announcements, so the search was refined to announcements that were coded as coded as ‘FLLYR’ and ‘HALFYR’, or announcements coded as ‘MKTUPDATE’ and ‘GENERAL’ that related to financial results.

Given the range of different terms (e.g. earnings announcements, result announcements, market announcements) we decided to refer to these 377 market announcements as ‘result announcements’. One of the recommendations suggests more clarity should be provided by NZX on how these documents should be referred to in the public arena. Appendix 3 contains the NZX key document on result announcements.

#### Stage 2: Search for mentions of ‘non-GAAP’ or ‘non-IFRS’ and selected non-GAAP measures

The two-step process for those result announcements and their accompanying attachments is explained below.

Note, the Institute did not search accompanying attachments if the main body of the announcement contained selected non-GAAP measures (see Step 2(a)).

**Step 1:** Search result announcements for mentions of the terms ‘non-GAAP’ and ‘non-IFRS’.

Adobe Acrobat Pro’s ‘advanced search’ function was used to find mentions of ‘non-GAAP’ or ‘non-IFRS’ in the 377 announcements and accompanying attachments. As many companies made a number of announcements, the findings were divided into three categories:

- None: None of the company’s result announcements mention the terms ‘non-GAAP’ or ‘non-IFRS’.
- Some: Some of the company’s result announcements mention ‘non-GAAP’ or ‘non-IFRS’, but not all. For example, if a company had two result announcements that included one of the selected non-GAAP measures, but only one mentioned the non-GAAP measures, the company was categorised as ‘some’.
- All: All the company’s result announcements mention ‘non-GAAP’ or ‘non-IFRS’.

**Step 2:** Search result announcements for selected non-GAAP measures.

Step 2 was broken up into two sub-steps:

**Step 2(a):** If the main body of the result announcement contained any of the selected non-GAAP measures, its accompanying attachments were not searched for selected non-GAAP measures. Hence, these result announcements did not go forward to Step 2(b). See Figure 33; there were 151 result announcements in this group.

**Step 2(b):** If the main body of the result announcement did not contain any of the selected non-GAAP measures, its accompanying attachments were then searched. See Figure 33; there were 89 result announcements in this group.

This was because the aim was to scope which non-GAAP measures were commonly used, rather than undertake an in-depth analysis by location, type or quantity.

### Stage 3: Compile results by company

By compiling the data from Stage 1 and 2, result announcements could then be divided into three categories:

- Result announcements that contain selected non-GAAP measures and mention these as non-GAAP
- Result announcements that contain the selected non-GAAP measures but do not mention that these are non-GAAP
- Result announcements that do not contain selected non-GAAP measures.

As companies published multiple result announcements and the results for each announcement (including accompanying attachments) were different, companies were divided into three categories when determining results:

- None (i.e. none of the result announcements contains selected non-GAAP measures)
- Some (i.e. at least one of the result announcements contains selected non-GAAP measures, but not all)
- All (i.e. all of the result announcements contain selected non-GAAP measures).

For example, if a company had two result announcements that included a selected non-GAAP measure, but only one identified that measure as ‘non-GAAP’, the company was categorised as ‘some’.

## 3.3 Assumptions

The following assumptions were made when designing the method.

1. If a company only partially identified measures in the annual report as non-GAAP (i.e. used more than one non-GAAP measure but only explicitly stated that one of them was non-GAAP), then it was recorded as having explicitly mentioned the use of non-GAAP measures.
2. If a company mentioned a non-GAAP measure, but did not include a figure, or only included a statistic (as a percentage), this was not recorded as the use of a non-GAAP measure.

3. If a company only partially reconciled its non-GAAP measure to a comparable GAAP measure (i.e. used more than one non-GAAP measure but reconciled only one of those measures), then it was marked as having reconciled a selected non-GAAP measure.
4. If a company explained why it had presented non-GAAP information in the annual report for at least one of the selected non-GAAP measures used, it was recorded that the company had explained why. This is despite, in some cases, the company explaining the ‘reason’ for only some of the selected non-GAAP measures.
5. There were a number of assumptions made in regard to whether selected non-GAAP measures had been audited:
  - a. If a selected non-GAAP measure sat in the management commentary (and not in the financial statements), with no mention that it had been audited, then it was assumed it had *not* been audited.
  - b. If a selected non-GAAP measure sat inside the financial statements or notes to the financial statements without an explicit statement that it had not been audited, then it was assumed it *was* audited.
  - c. If a company included more than one non-GAAP measure, with some sitting within the financial statements and others sitting in the management commentary, then it was assumed they were audited (unless explicitly mentioned), as the Institute did not cross-check where each measure was placed to find discrepancies.
6. Some companies used the terms ‘EBIT’ and ‘Operating Profit’ interchangeably in (i) the financial statements and (ii) the management commentary of their annual report. This was found in the assessment of whether a company had reconciled its non-GAAP measures with GAAP because the company would refer to EBIT throughout the annual report but include the term ‘Operating Profit’ within the financial statements. In these situations, we considered a reconciliation of ‘EBIT’ and ‘Operating Profit’ was disclosed, but our view is more research is needed to have confidence that a detailed reconciliation was provided in line with the 2017 FMA guidance (see principle 3: Reconciliation, in Appendix 4).
7. Highlight pages usually contain infographics with high-level performance measures. They often have different titles such as ‘highlights’, ‘summary’ or ‘the year in numbers’. These were considered to be highlights if they sat at the front and contained summarised, high-level infographics or figures.
8. If a company’s financial statements were prepared under a different set of accounting standards (e.g. US GAAP), reconciliation was treated in the same way, especially given that reconciliation is mandatory under US regulations.

### 3.4 Limitations

The following set of limitations are due in part to the qualitative nature of the exercise and the limited time and resources.

1. This research looks at the type and quantity of information and does not assess the quality of this information. The extent to which information is accurate or informative is outside the scope of this research.
2. The Institute only searched a small number of common types of non-GAAP measures (see selected non-GAAP measures in the glossary). Therefore, a number of non-GAAP measures will have been missed. This is particularly relevant to companies that included non-GAAP information in their annual report but did not always explicitly state they had done so.
3. This research does not assess whether non-GAAP information is misleading investors. To look at how the financial figures presented in the reports differ between non-GAAP and GAAP equivalents was beyond the scope of this research.

Some of the FMA guideline principles are subjective by nature, for example, ensuring that the non-GAAP information is not presented with undue and greater prominence than GAAP financial information.<sup>63</sup> We therefore did not make any judgements on the presentation of the information. However, we have recorded whether the non-GAAP information was found in the highlights. See discussion in Section 4.1, Observation 3 in Section 5.1 and examples in Appendix 7.

4. The Institute tried to reduce subjectivity as much as possible regarding disclosing *why* a company has presented non-GAAP information in the annual report; however, there is a small level of subjectivity in this analysis. The Institute was careful to differentiate between what and why.
5. The figures used for this data on reconciliations include companies that only provided partial reconciliations. For example, if a company only reconciled two out of three selected non-GAAP measures used, the Institute has treated the company's measures as 'being reconciled'. See also assumption 5 in Section 3.3 above.
6. Some companies included a link to an external document reconciling the non-GAAP measures with the most comparable GAAP measure, or a non-GAAP policy. This research looks only at the content of annual reports so the information in these additional documents was not analysed. However, where there was mention of an additional document, this was recorded.
7. As part of the NZSX-listed companies analysis, 2023 market announcements coded as 'ANNREP' were excluded from the search to avoid recording annual report information twice. Consequently, some of the selected non-GAAP measures could have been used within these announcements and as a result may have been missed.

# 4.0 Results

Note: All percentages are rounded to the nearest integer. Where percentages did not add up to 100 when rounded, the percentage closest to .5 was rounded up or down. In cases where all percentages contain a .5, the lower percentage was rounded down.

## 4.1 Analysis of annual reports

### 4.1.1 Comparison by year of NZSX-listed companies

**Methodology:** The method for this subsection is explained in Section 3.1, Stage 2: Search for mentions of ‘non-GAAP’ or ‘non-IFRS’ and selected non-GAAP measures.

#### 1. An increasing proportion of companies are mentioning that they report non-GAAP information

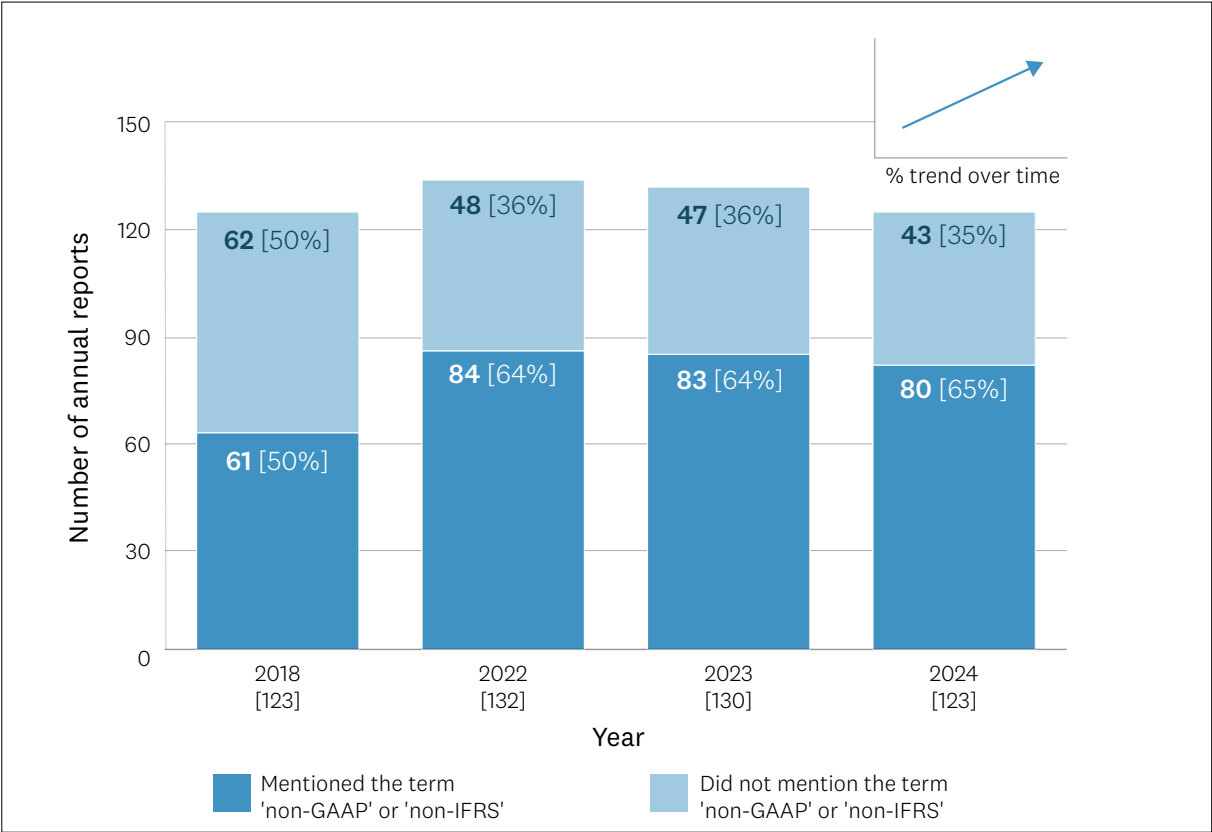
There has been an increase in companies mentioning that they report non-GAAP information in their annual reports (see Figure 4 below). Of the companies that included non-GAAP terms in their annual reports:

- 50% (61 out of 123) mentioned the term ‘non-GAAP’ or ‘non-IFRS’ in 2018
- 64% (84 out of 132) mentioned the term ‘non-GAAP’ or ‘non-IFRS’ in 2022
- 64% (83 out of 130) mentioned the term ‘non-GAAP’ or ‘non-IFRS’ in 2023
- 65% (80 out of 123) mentioned the term ‘non-GAAP’ or ‘non-IFRS’ in 2024.

Interestingly, the term ‘non-IFRS’ is still used in some annual reports (see Michael Hill International Limited and Downer EDI Limited in Appendix 7).

Four companies used the term ‘alternative performance measure’: Argosy Property Limited in 2018, AoFrio Limited in 2022, ANZ Group Holdings Limited in 2023 and Asset Plus Limited in 2024. One company, Westpac Banking Corporation, used the term ‘non-AAS’, i.e. non-Australian Accounting Standards. Both were considered equivalent to the term ‘non-GAAP’. Other variations of the term were also used by companies, including ‘non-NZ GAAP’ and ‘non-Generally Accepted Accounting Practice’.

Figure 4: Mentions of the terms ‘non-GAAP’ or ‘non-IFRS’ in 2018, 2022, 2023 and 2024 annual reports of NZSX-listed companies



**2. Most NZSX-listed companies are including a number of non-GAAP measures alongside GAAP to show performance**

Across all four years, a large majority of NZSX-listed companies included non-GAAP measures within their annual reports. Notably, the number of companies including non-GAAP information in their annual reports increased by 10% between 2018 and 2024 (see Figure 5 below):

- 70% (86 out of 123) contained selected non-GAAP measures in their annual reports in 2018
- 79% (104 out of 132) contained selected non-GAAP measures in their annual reports in 2022
- 82% (107 out of 130) contained selected non-GAAP measures in their annual reports in 2023
- 80% (99 out of 123) contained selected non-GAAP measures in their annual reports in 2024.

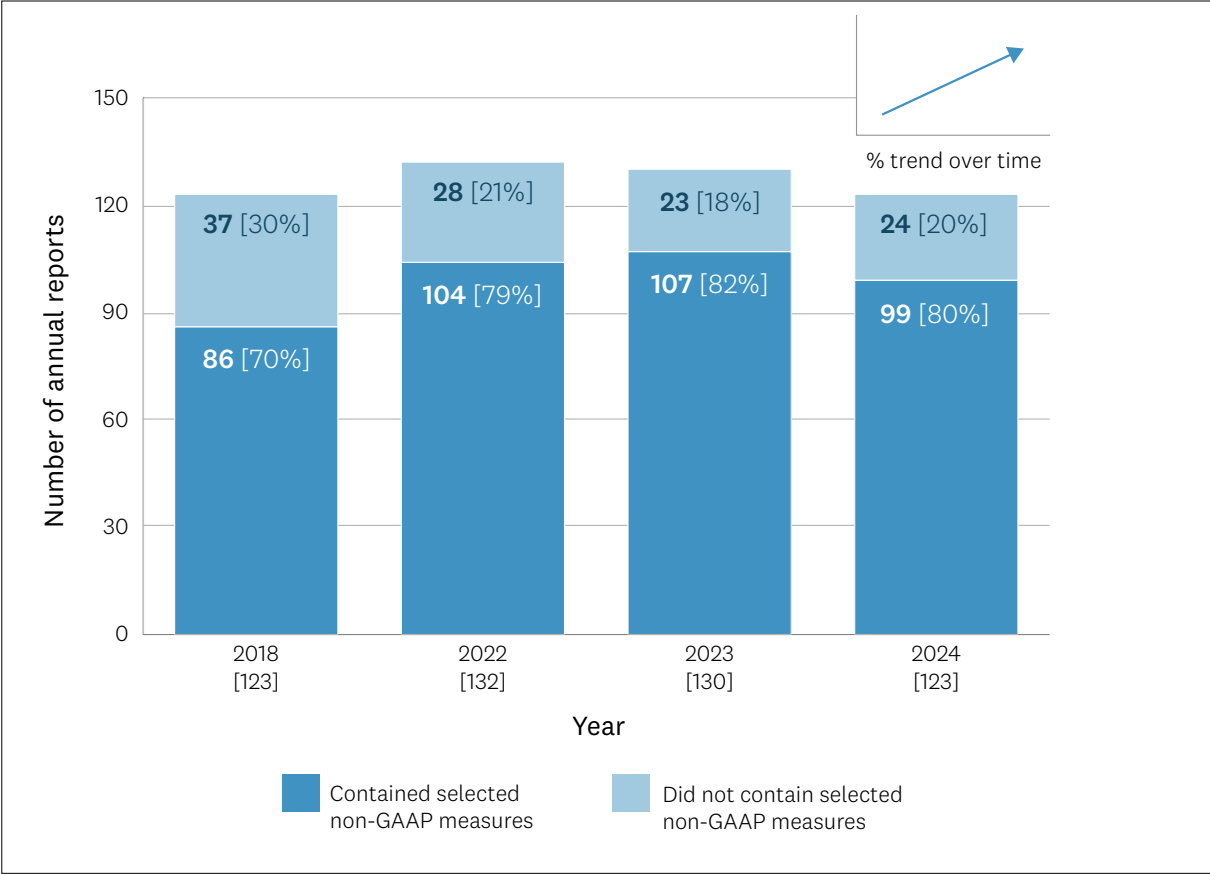
In the remainder of this section, companies that did not include non-GAAP measures in their annual reports have been removed.

Notably, there is a gap between the number of companies using non-GAAP measures and the number of companies reporting the term ‘non-GAAP’ or ‘non-IFRS’. This means that some companies are failing to identify for users which financial measures are non-GAAP. Of the companies that included selected non-GAAP measures in their annual reports:

- 29% (25 out of 86) did not mention the term ‘non-GAAP’ or ‘non-IFRS’ in 2018
- 19% (20 out of 104) did not mention the term ‘non-GAAP’ or ‘non-IFRS’ in 2022
- 22% (24 out of 107) did not mention the term ‘non-GAAP’ or ‘non-IFRS’ in 2023
- 19% (19 out of 99) did not mention the term ‘non-GAAP’ or ‘non-IFRS’ in 2024.

Despite transparency around the use of non-GAAP measures improving between 2018 and 2022, progress has since stagnated. All companies should clearly identify which financial measures are non-GAAP, in accordance with principle 1 of the FMA’s 2017 *Disclosing non-GAAP financial information* guidance note (see p.16 and Appendix 4).

**Figure 5: Reporting of selected non-GAAP measures in 2018, 2022, 2023 and 2024 annual reports of NZSX-listed companies**



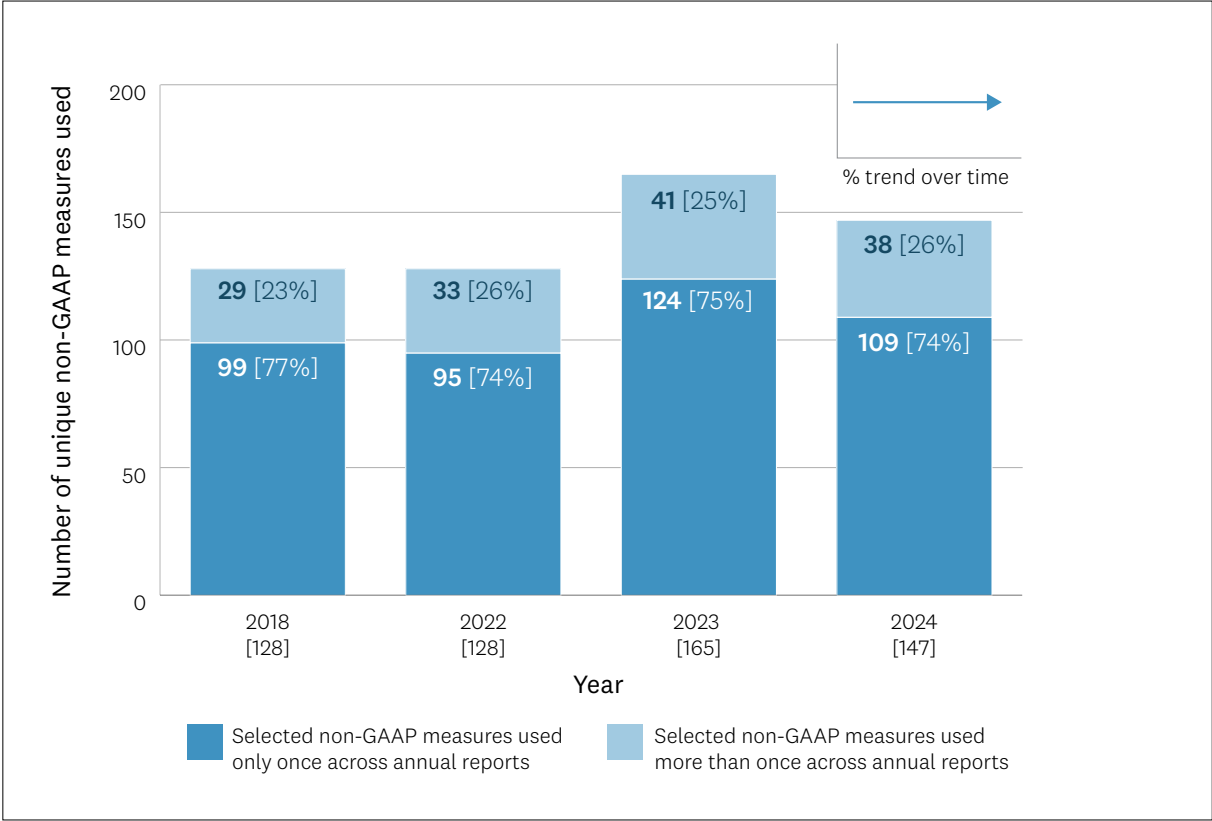
**3. Companies are using a diverse range of non-GAAP measures, making comparison difficult**

Most selected non-GAAP measures appeared only once across the annual reports for each year, making them one-offs and company specific. The proportion of these one-off measures remained relatively consistent over time:

- 77% (99 out of 128) of selected non-GAAP measures found across the full set of annual reports were used only once in 2018\*
- 74% (95 out of 128) of selected non-GAAP measures found across the full set of annual reports were used only once in 2022\*
- 75% (124 out of 165) of selected non-GAAP measures found across the full set of annual reports were used only once in 2023
- 74% (109 out of 147) of selected non-GAAP measures found across the full set of annual reports were used only once in 2024.

The lack of consistency in terminology, as well as in calculations and presentation of the information, demonstrates the difficulty in comparing non-GAAP measures across different companies (see Figure 6). See Appendix 6 for a full list of variations of selected non-GAAP measures used in the 2023 and 2024 annual reports of NZSX-listed companies.

**Figure 6: Recurrence of selected non-GAAP measures reported in 2018, 2022, 2023 and 2024 annual reports of NZSX-listed companies**



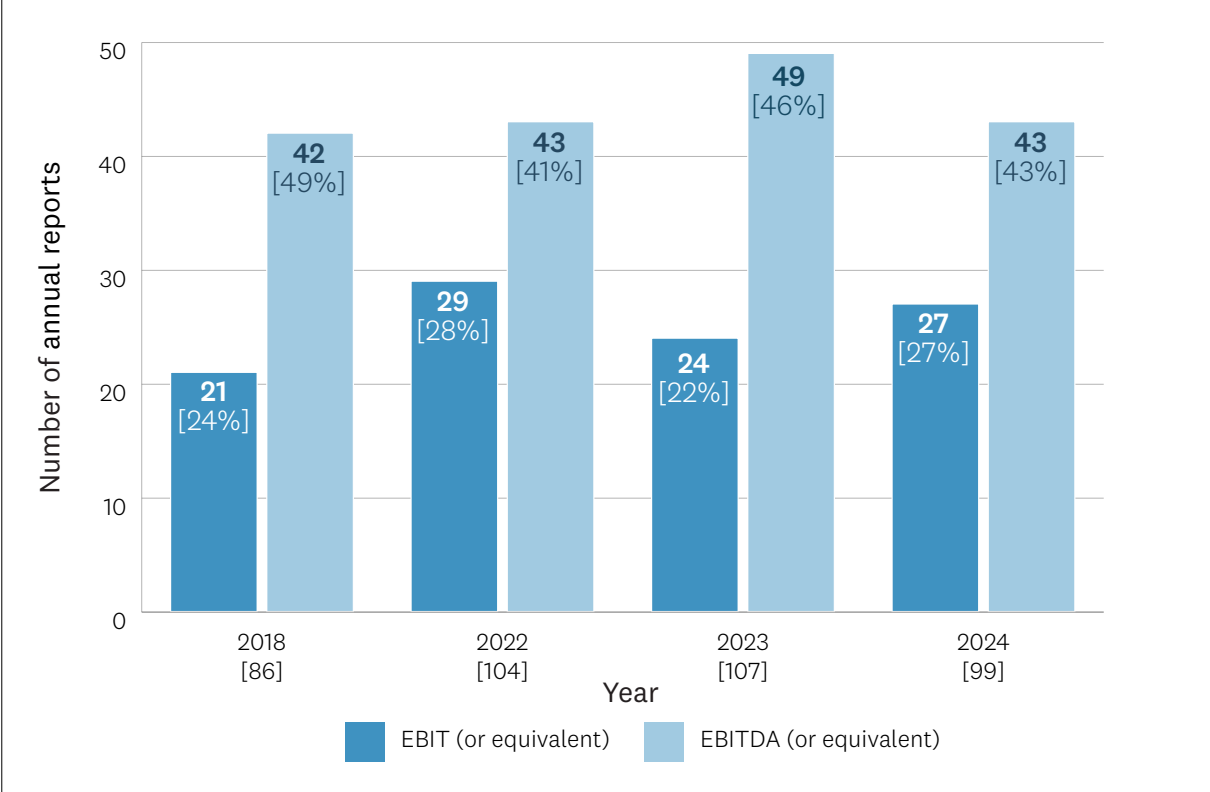
**Note to Figure 6**

The original 2018 and 2022 research files can no longer be found. Unfortunately, when moving systems, the files were accidentally lost. However, our records show that both 2018 and 2022 data were independently checked in 2023.

**4. 'EBIT' and 'EBITDA' are the most commonly mentioned non-GAAP terms in annual reports**

Figure 7 shows that the use of EBIT and/or EBITDA is widespread, with almost half of companies using 'EBITDA'. The Institute noticed that companies seemed to be failing to identify these measures more often than other non-GAAP measures, perhaps due to how common they have become. Some companies even labelled these measures as GAAP (see Section 6.1 on p.63).

Figure 7: Mentions of the terms 'EBIT' or 'EBITDA' in 2018, 2022, 2023 and 2024 annual reports of NZSX-listed companies



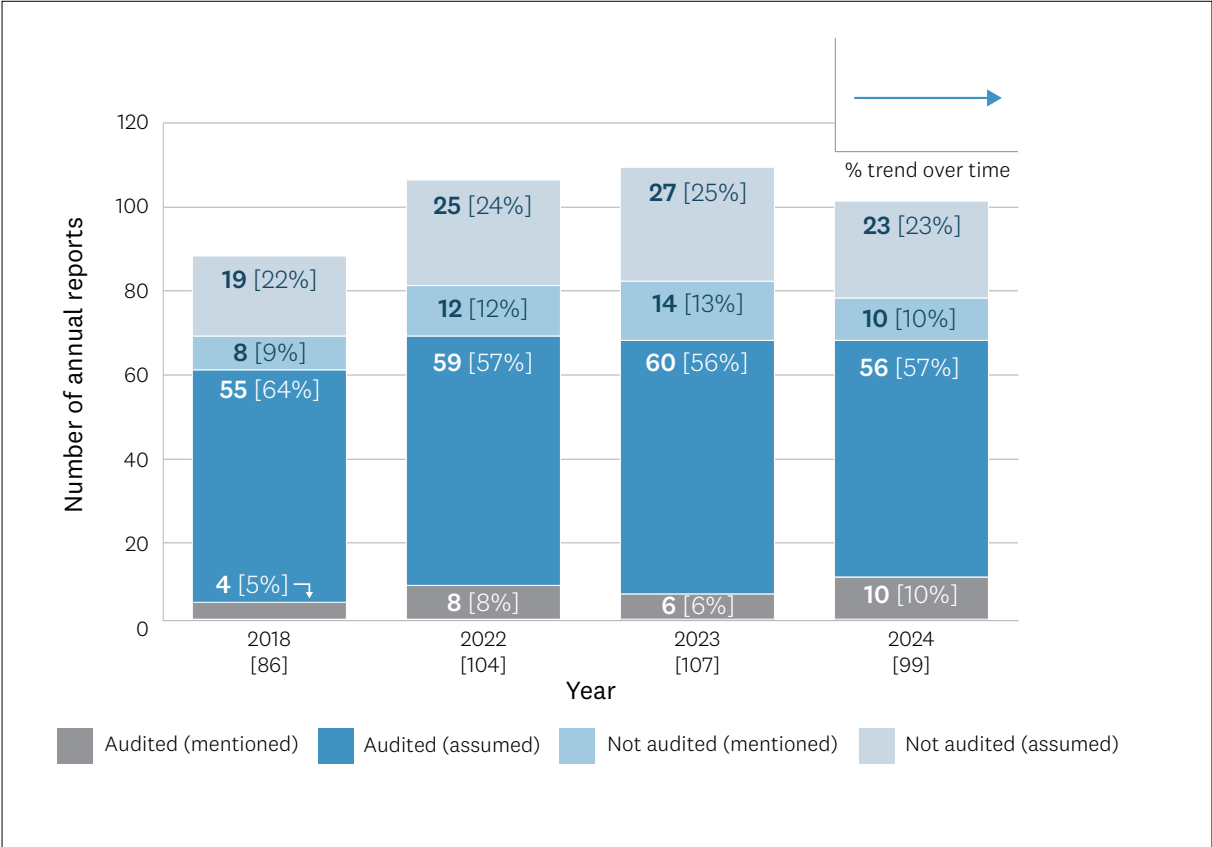
**Notes to Figure 7:**

- Equivalents of 'EBIT' include 'operating profit' and 'profit/(loss) before interest and tax'.
- Equivalents of 'EBITDA' include 'earnings before interest, taxes, depreciation, and amortisation'.

**5. Most companies are not stating whether the non-GAAP information has been audited**

The recommendation to state whether non-GAAP figures have been audited has had the lowest uptake among the FMA guidelines, with little improvement found between 2018 and 2024. Only a small number of companies mention whether non-GAAP information has or has not been audited, although this increased from 14% in 2018 to 20% in 2024. This means, in 2024, the vast majority (80%, or 79 out of 99 companies) did not mention whether non-GAAP information had been audited or not (see Figure 8). In this situation, the Institute could only assume whether companies had or had not audited non-GAAP information (see Section 3.3).

Figure 8: Assurance of selected non-GAAP measures in 2018, 2022, 2023 and 2024 annual reports of NZSX-listed companies



**6. Most companies are reconciling their non-GAAP measures with comparable GAAP measures**

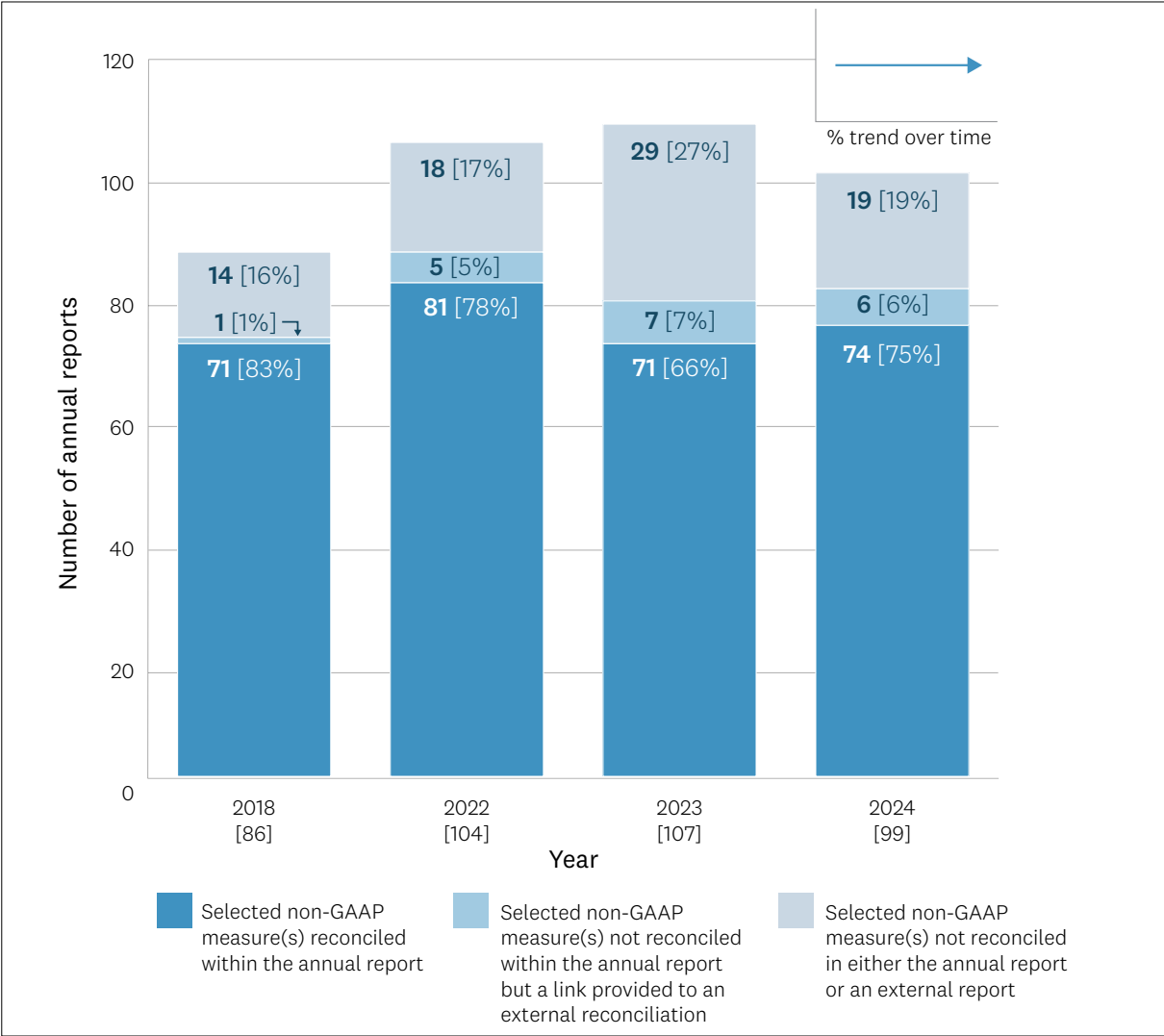
The Institute assessed how many companies are reconciling selected non-GAAP measures with comparable GAAP measures. Note that the Institute did not differentiate between companies that reconciled all selected non-GAAP measures used in the annual report, and companies that only reconciled some of those non-GAAP measures.

Although there is an improvement in the level of reconciliations in 2024, illustrated by Figure 9 below, 19% of companies is still a significant number failing to complete reconciliations.

- 16% (14 out of 86) of companies did not reconcile non-GAAP measures with GAAP measures in 2018
- 17% (18 out of 104) of companies did not reconcile non-GAAP measures with GAAP measures in 2022
- 27% (29 out of 107) of companies did not reconcile non-GAAP measures with GAAP measures in 2023
- 19% (19 out of 99) of companies did not reconcile non-GAAP measures with GAAP measures in 2024.

Often companies using multiple non-GAAP measures did not reconcile all of them. Some companies also reconciled non-GAAP measures in their income statements. Though this does not breach the guidelines issued by the FMA in 2017, the practice has been criticised by international bodies such as ASIC.<sup>64</sup> Many companies did not label their reconciliation/s, making them difficult to find. Note that the Institute did not differentiate between companies that identified reconciliation/s within the annual report and those that included reconciliation/s but did not label them as such.

Figure 9: Reconciliation of selected non-GAAP measures in 2018, 2022, 2023 and 2024 annual reports of NZSX-listed companies

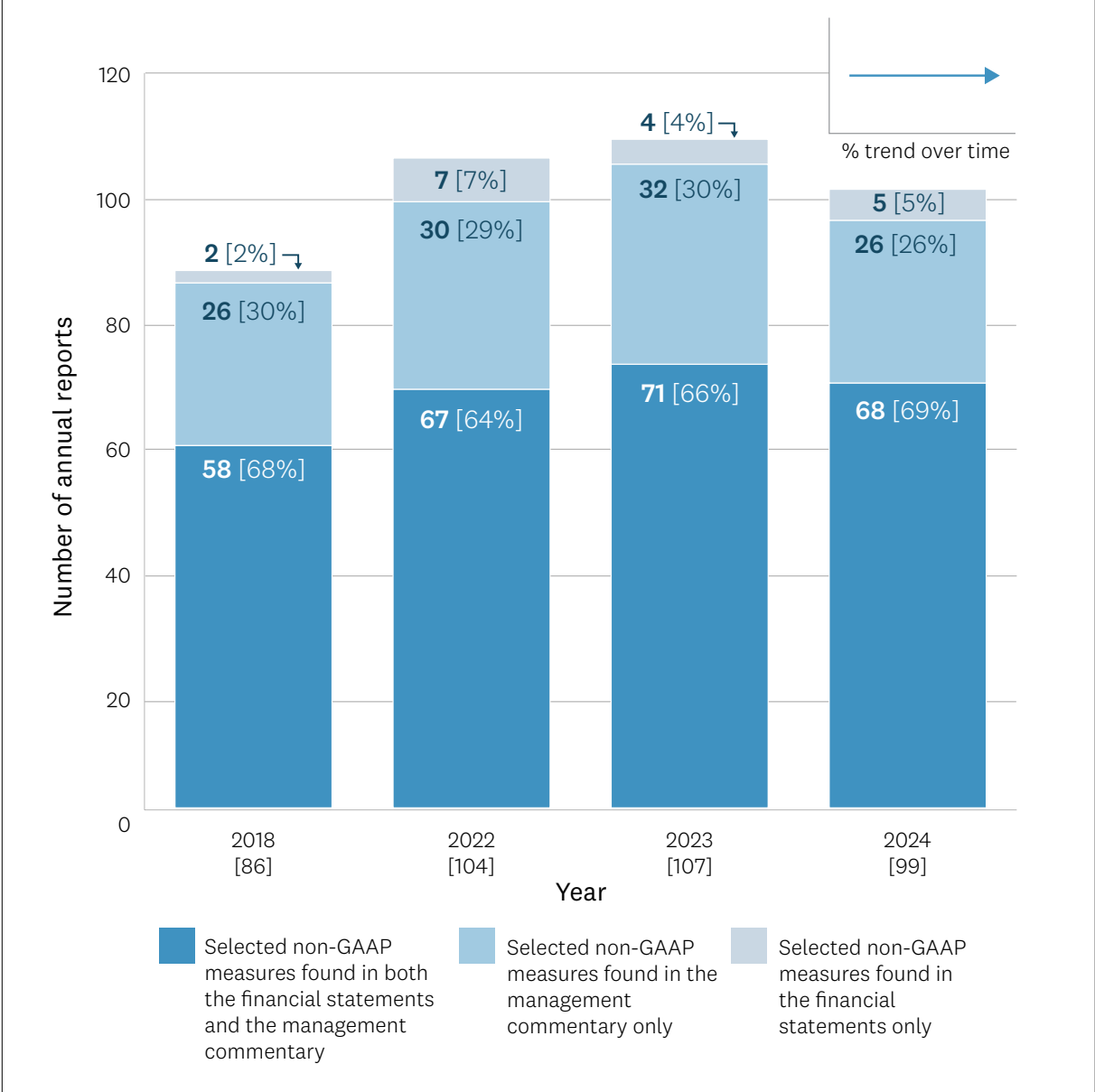


**Notes to Figure 9:** Companies that have only made partial reconciliations (e.g. two out of three selected non-GAAP measures reconciled) have been treated as providing reconciliation.

**7. Most companies that are using non-GAAP measures are placing the information in both the financial statements and the management commentary**

Across all four data sets, selected non-GAAP measures were found in almost all sections of annual reports, with most companies placing non-GAAP measures in both the financial statements and the management commentary (see Figure 10).

Figure 10: Location of selected non-GAAP measures included in 2018, 2022, 2023 and 2024 annual reports of NZSX-listed companies



## 8. The majority of companies are presenting non-GAAP measures within the highlights section of the annual report

Across all four years, most companies presenting non-GAAP measures are including these figures within the highlights section of their annual reports. Highlights sections are usually presented as colourful infographics at the front of the management commentary and provide an easy-to-read summary of the performance of the company.

Deciding whether it is appropriate for non-GAAP measures to be presented more prominently than GAAP measures is a matter of judgement. Consequently, the Institute decided not to analyse the prominence and location of non-GAAP measures in any detail. However, we found many cases in which non-GAAP measures seemed to have greater prominence than GAAP measures, including some that were not labelled as non-GAAP. See discussion in Observation 3 of Section 5.1 and the examples of Ebos Group Limited and Infratil Limited in Appendix 7.

Given the majority of annual reports include non-GAAP measures within their highlights, the positioning of this information suggests it is a key metric that preparers of annual reports want users of the reports to look at. This is a critical place where non-GAAP measures should be clearly identified and reconciled.

Notably, the inclusion of non-GAAP measures in the highlights section of an annual report is becoming more common. See Figure 11 below:

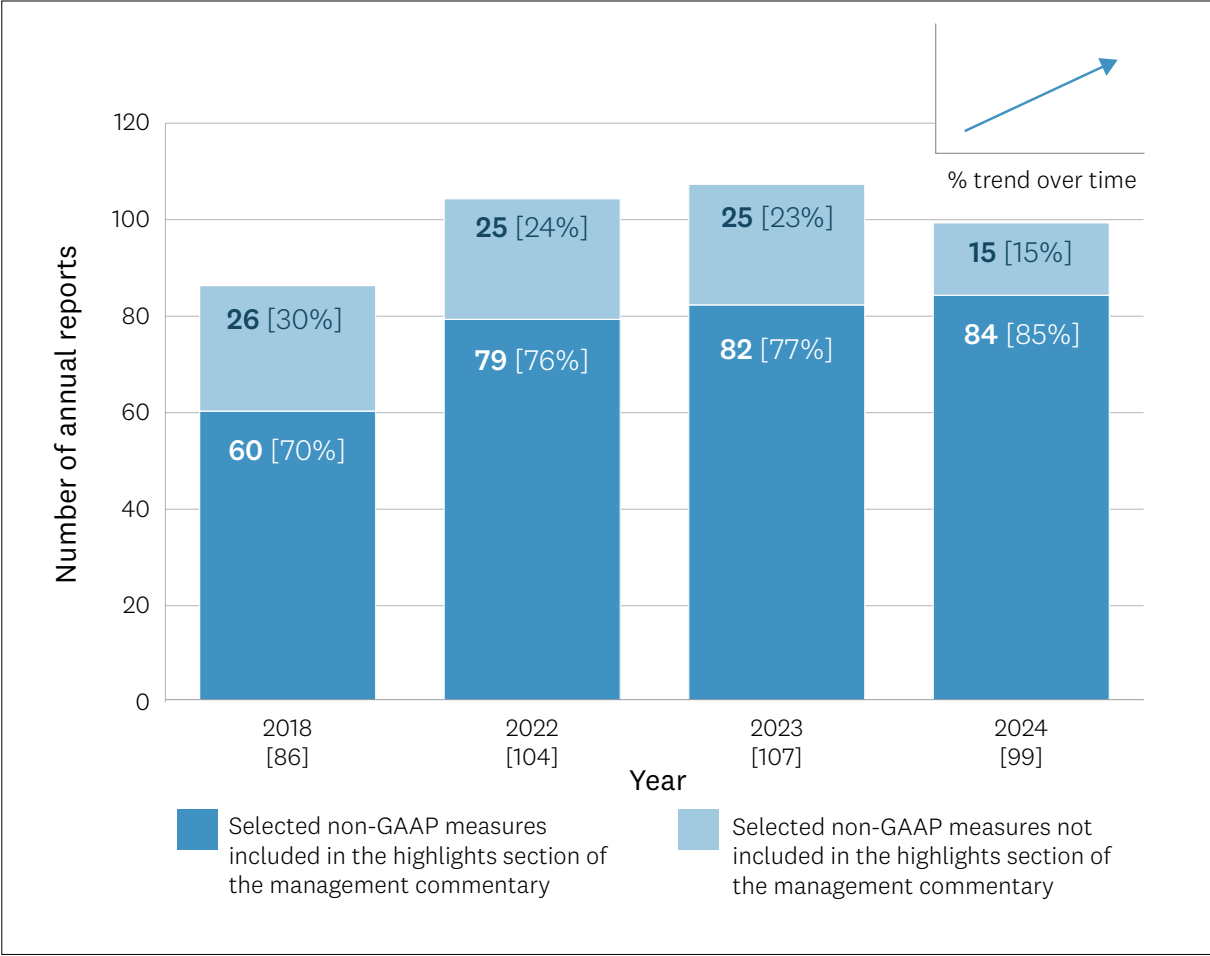
- 70% (60 out of 86) contained selected non-GAAP measures in the highlights section in 2018
- 76% (79 out of 104) contained selected non-GAAP measures in the highlights section in 2022
- 77% (82 out of 107) contained selected non-GAAP measures in the highlights section in 2023
- 85% (84 out of 99) contained selected non-GAAP measures in the highlights section in 2024.

Many companies are presenting non-GAAP measures in the highlights section of their annual reports without identifying these measures as non-GAAP anywhere in the annual report. This applied to:

- 17% of companies (15 out of 86) in 2018
- 12% of companies (12 out of 104) in 2022
- 15% of companies (16 out of 107) in 2023
- 15% of companies (15 out of 99) in 2024.

While undertaking this research, the Institute found that 15 2023 annual reports used non-GAAP measures in the highlights section of the annual report but did not label them as non-GAAP. See for example the 2023 annual reports of Blis Technologies Limited, Ebos Group Limited, Marsden Maritime Holdings Limited, Skellerup Holdings Limited and Vital Limited.

Figure 11: Selected non-GAAP measures in the highlights sections of 2018, 2022, 2023 and 2024 annual reports of NZSX-listed companies



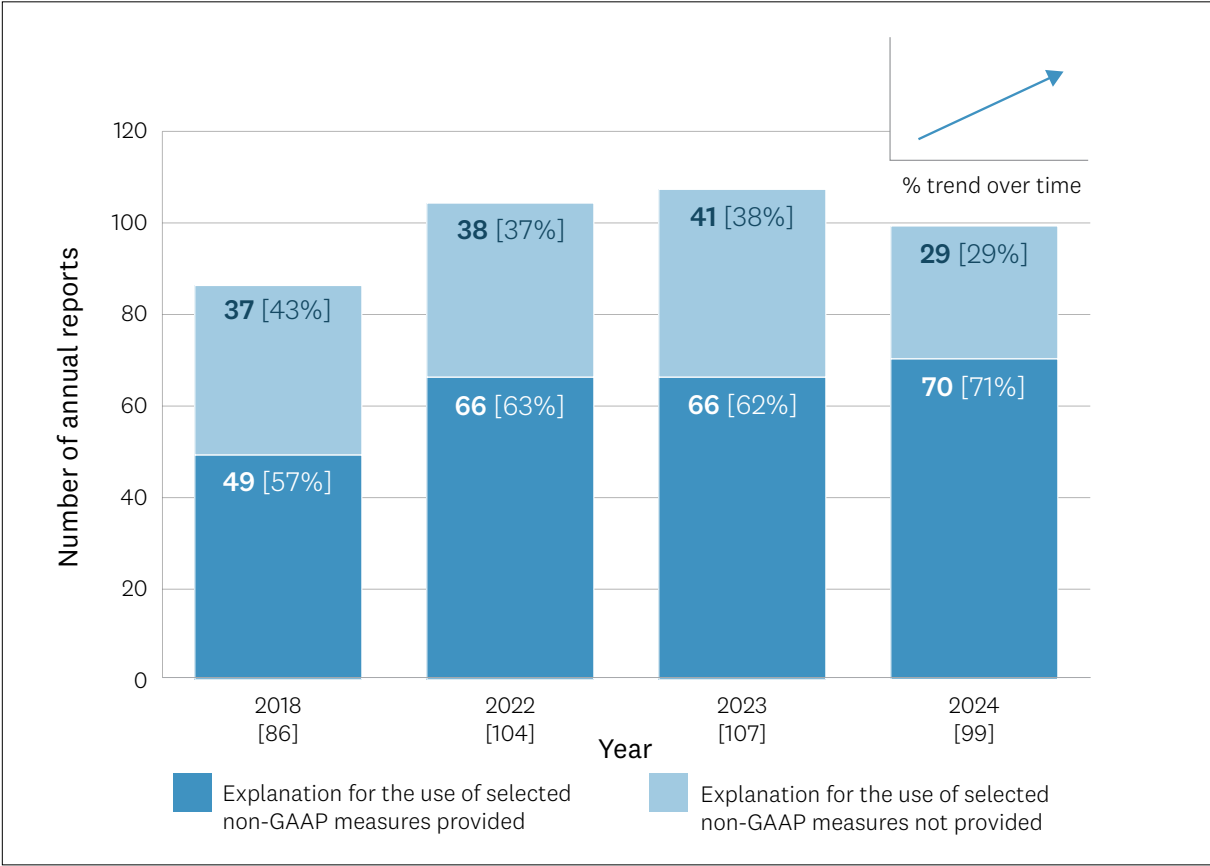
**9. Companies are, for the most part, explaining why they have chosen to present selected non-GAAP measures in their annual report**

The number of companies adopting the FMA guideline that encourages explaining why a non-GAAP measure has been included within the annual report has increased by almost 15% between 2018 and 2024. See Figure 12 below:

- 57% (49 out of 86) of annual reports explained why selected non-GAAP measures had been used in 2018
- 63% (66 out of 104) of annual reports explained why selected non-GAAP measures had been used in 2022
- 62% (66 out of 107) of annual reports explained why selected non-GAAP measures had been used in 2023
- 71% (70 out of 99) of annual reports explained why selected non-GAAP measures had been used in 2024.

Explanations were typically vague and generic, with many companies using almost identical wording, for example, ‘these non-NZ GAAP measures provide useful information to readers to assist in the understanding of the financial performance and position of the Group’,<sup>65</sup> or non-GAAP measures ‘are used internally to evaluate the performance of business units’.<sup>66</sup>

**Figure 12: Explanations given for the reporting of selected non-GAAP measures in 2018, 2022, 2023 and 2024 annual reports of NZSX-listed companies**



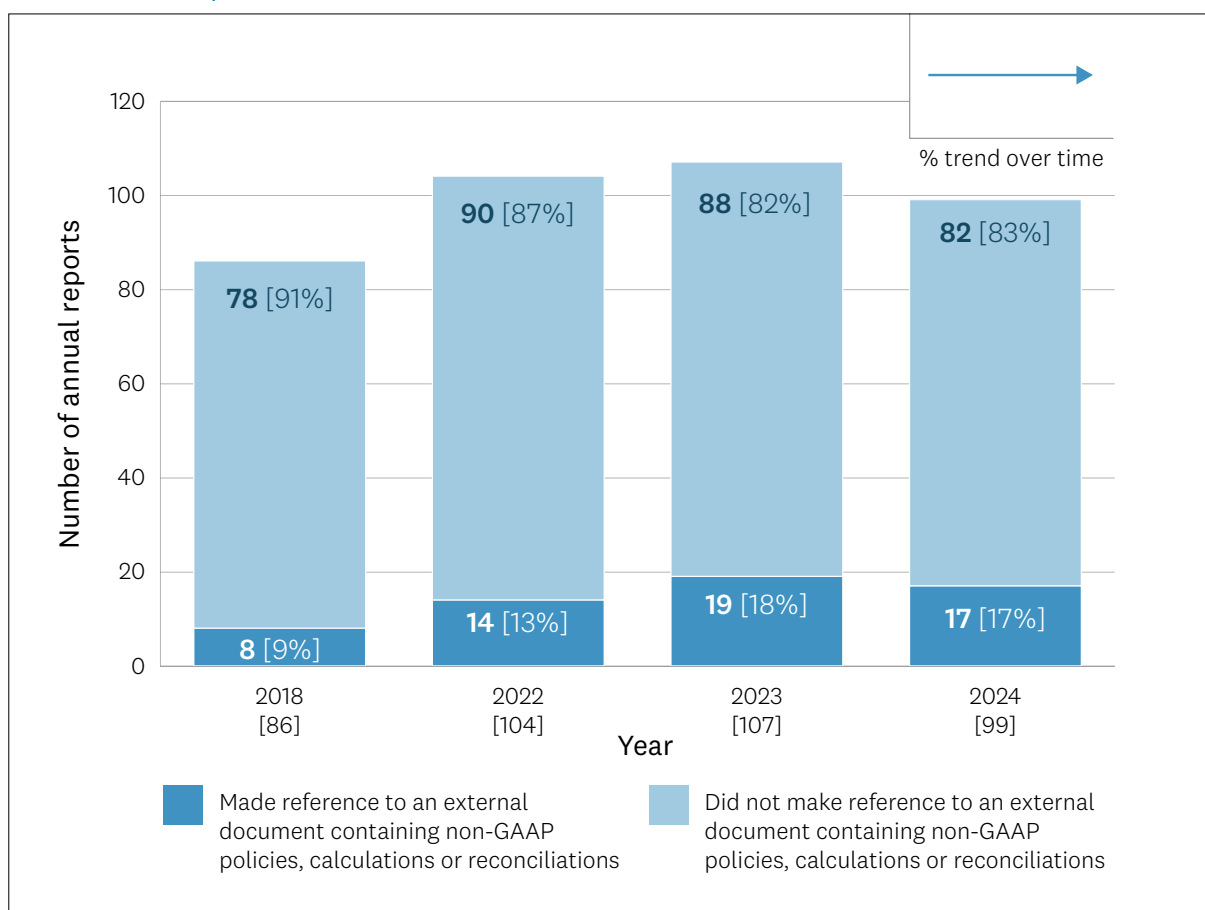
### 10. A small number of companies are referencing an external document containing their non-GAAP policies, calculations or reconciliations

The percentage of companies mentioning an external document that contains the company’s non-GAAP policies, calculations or reconciliations has remained relatively constant from 2018 to 2024 (see Figure 13 below):

- 9% (8 out of 86) referred to an external document containing non-GAAP policies, calculations or reconciliations in 2018
- 13% (14 out of 104) referred to an external document containing non-GAAP policies, calculations or reconciliations in 2022
- 18% (19 out of 107) referred to an external document containing non-GAAP policies, calculations or reconciliations in 2023
- 17% (17 out of 99) referred to an external document containing non-GAAP policies, calculations or reconciliations in 2024.

This is perhaps indicative of companies developing their own set of non-GAAP measures that enable increased comparability over time.

Figure 13: Reference to external non-GAAP documents in 2018, 2022, 2023 and 2024 annual reports of NZSX-listed companies



### 4.1.2 Comparison of NZSX-listed only versus NZSX- and ASX Main Board-listed companies in 2023

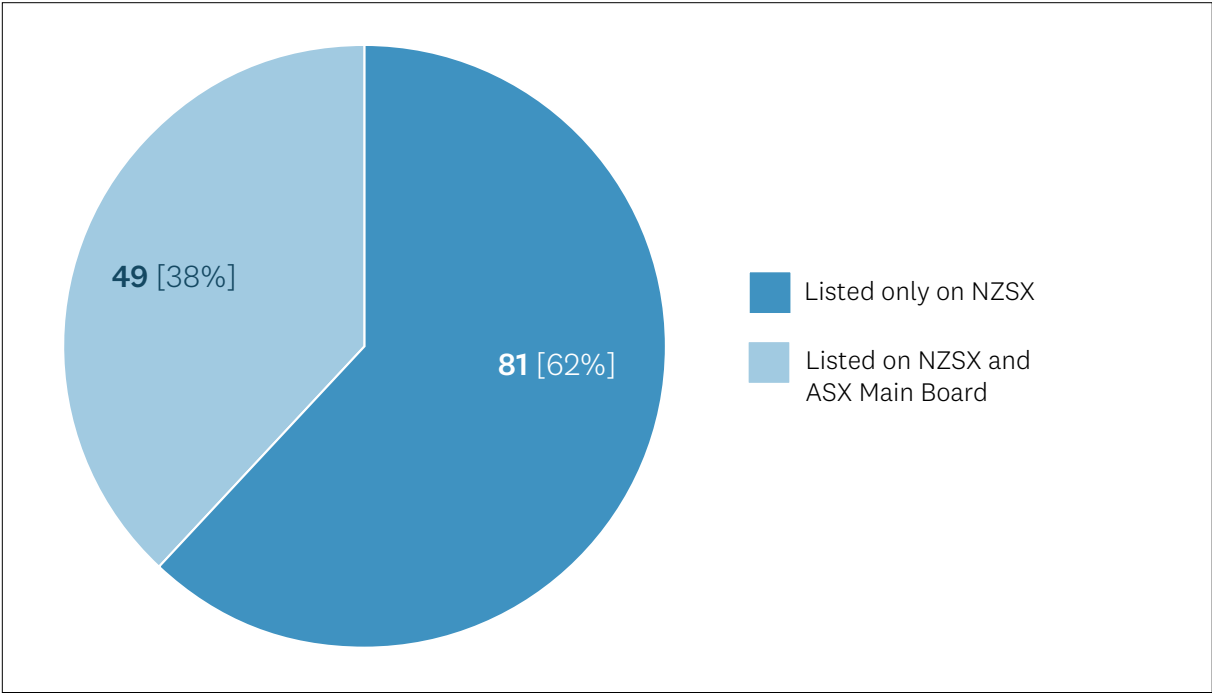
**Methodology:** The method for this subsection is explained in Section 3.1, Stage 3: Compare companies listed only on the NZSX with companies listed on both the NZSX and the ASX Main Board.

Figure 14 below illustrates how many NZSX-listed companies in 2023 were listed on both the NZSX and ASX Main Board and how many were listed on the NZSX only. The observations in the remainder of the section compare these two different groups. This data allows us to compare reporting requirements between the NZSX and the ASX Main Board.

Please note that this analysis was only completed for 2023 annual reports.

**Figure 14: Number of companies listed only on the NZSX or both the NZSX and ASX Main Board**

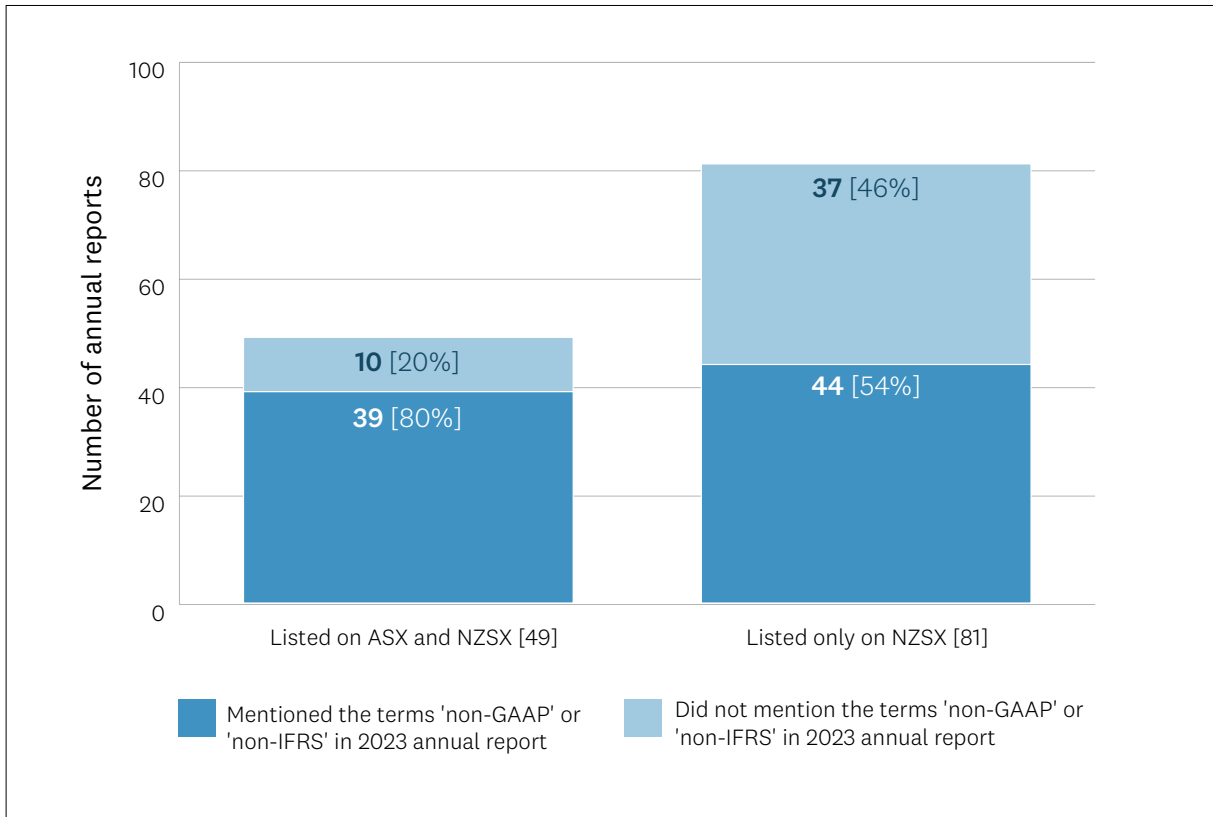
Note: This is out of 130 available 2023 annual reports.



**1. Companies listed on both exchanges are more likely to mention the term ‘non-GAAP’ or ‘non-IFRS’ in their annual reports**

Companies listed on both exchanges were more likely to use the term ‘non-GAAP’ or ‘non-IFRS’ than companies listed only on the NZSX. See Figure 15 below.

Figure 15: Mentions of the term ‘non-GAAP’ or ‘non-IFRS’ in the 2023 annual reports of companies listed on both the NZSX and ASX Main Board and companies listed only on the NZSX



**2. Companies listed on both exchanges are more likely to contain selected non-GAAP measures in their annual reports**

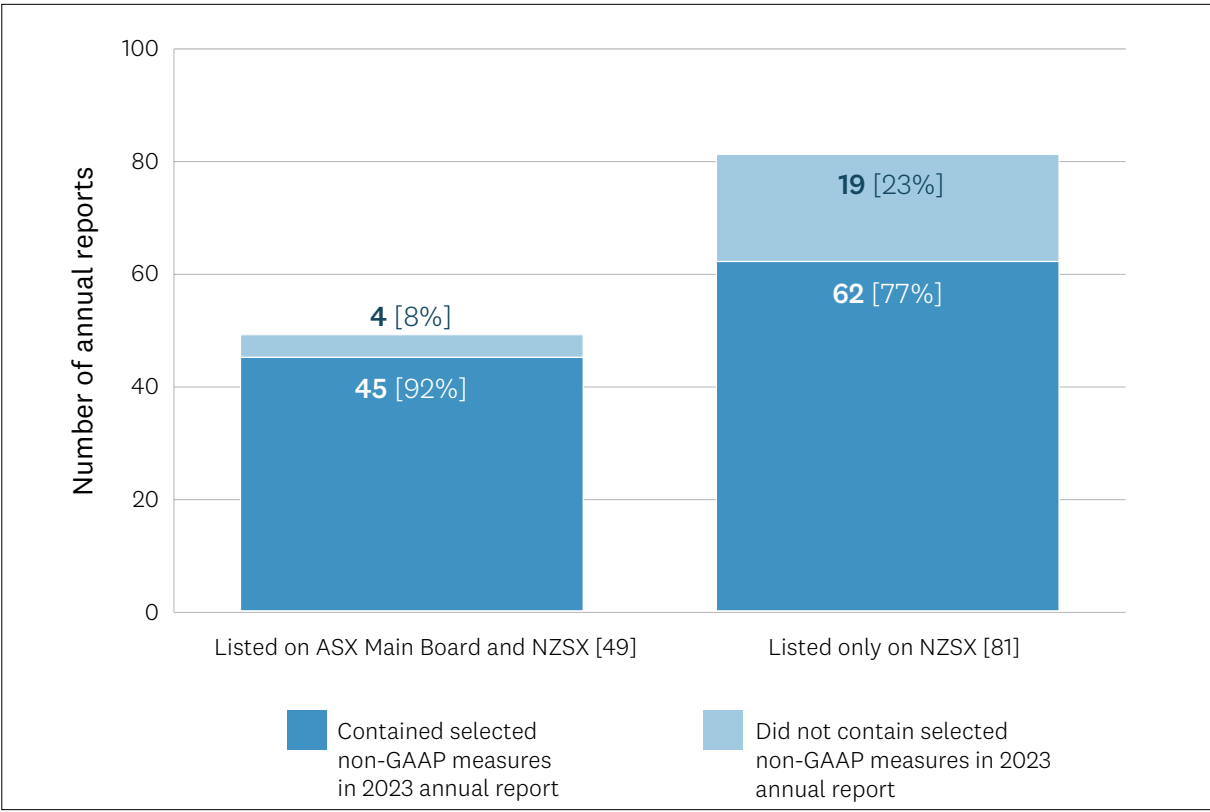
Selected non-GAAP measures were found to be more common in the 2023 annual reports of companies that are listed on both exchanges (92%, or 45 out of 49), compared with companies that are listed only on the NZSX (77%, or 62 out of 81). See Figure 16 below.

Selected non-GAAP measures were found to be more commonly labelled as ‘non-GAAP’ or ‘non-IFRS’ in the 2023 annual reports of companies that were listed on both exchanges. Of the companies that included selected non-GAAP measures in their 2023 annual reports:

- 87% (39 out of 45) of those listed on both exchanges mentioned the term ‘non-GAAP’ or ‘non-IFRS’
- 71% (44 out of 62) of those listed only on the NZSX mentioned the term ‘non-GAAP’ or ‘non-IFRS’.

This may imply that the ASX Main Board places a stronger requirement or provides more guidance on providing clearer disclosures.

Figure 16: Reporting of selected non-GAAP measures in the 2023 annual reports of companies listed on both the NZSX and ASX Main Board and companies listed only on the NZSX

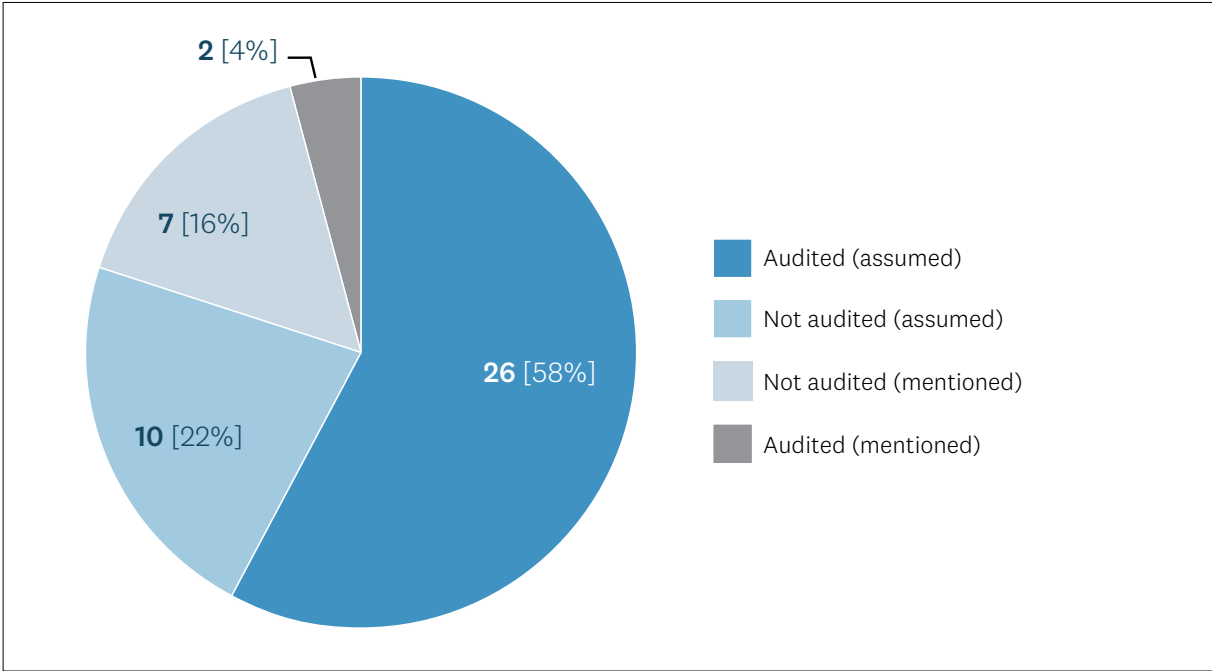


**3. Companies listed on both exchanges and companies listed only on the NZSX provide a similar level of auditing assurance regarding selected non-GAAP measures**

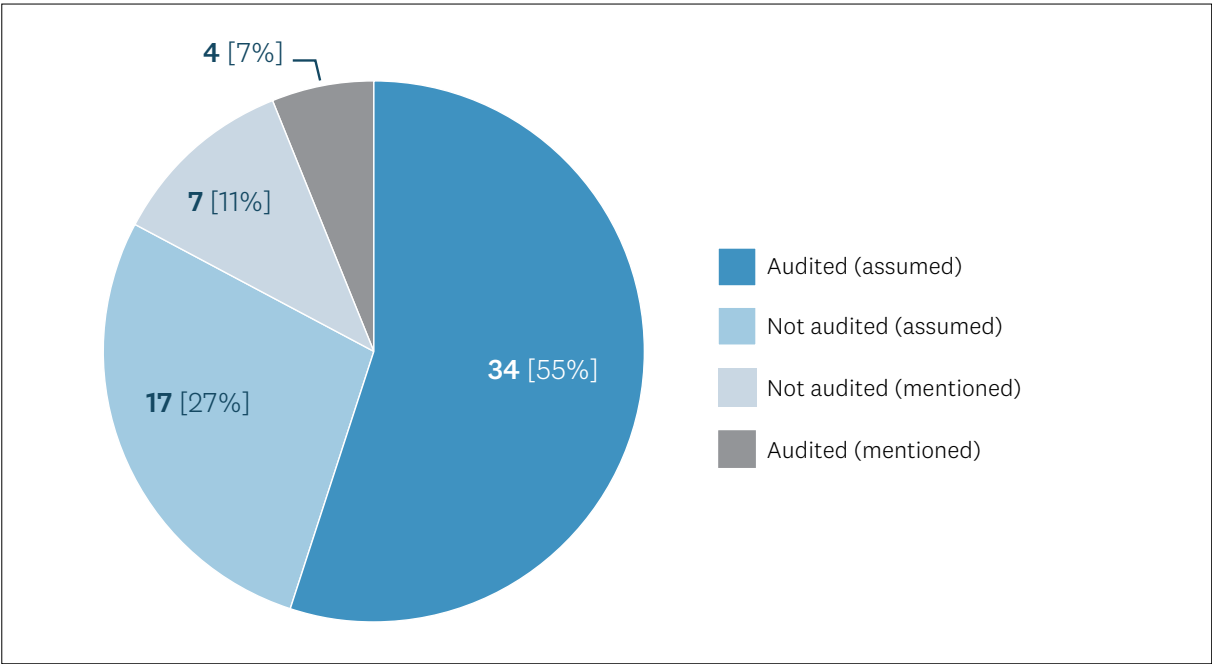
Figures 17 and 18 illustrate the level of assurance that companies obtained for selected non-GAAP measures contained within their 2023 annual reports. The results are similar between the groups, with 62% (28 out of 45) of companies listed on both exchanges receiving an audit of the non-GAAP measures used (including cases where it was not explicitly stated that the figure/s had been audited but they were assumed to have been audited because they sit in the financial statements), compared with 61% (38 out of 62) of companies listed only on the NZSX.

However, there is a difference in how companies discuss the audit of non-GAAP measures. 22% (10 out of 45) of companies that were listed on both exchanges were explicit about whether non-GAAP measures were audited, compared to 18% (11 out of 62) of companies listed only on the NZSX.

**Figure 17: Assurance of selected non-GAAP measures in the 2023 annual reports of companies listed on both the NZSX and ASX Main Board**



**Figure 18: Assurance of selected non-GAAP measures in the 2023 annual reports of companies listed only on the NZSX**

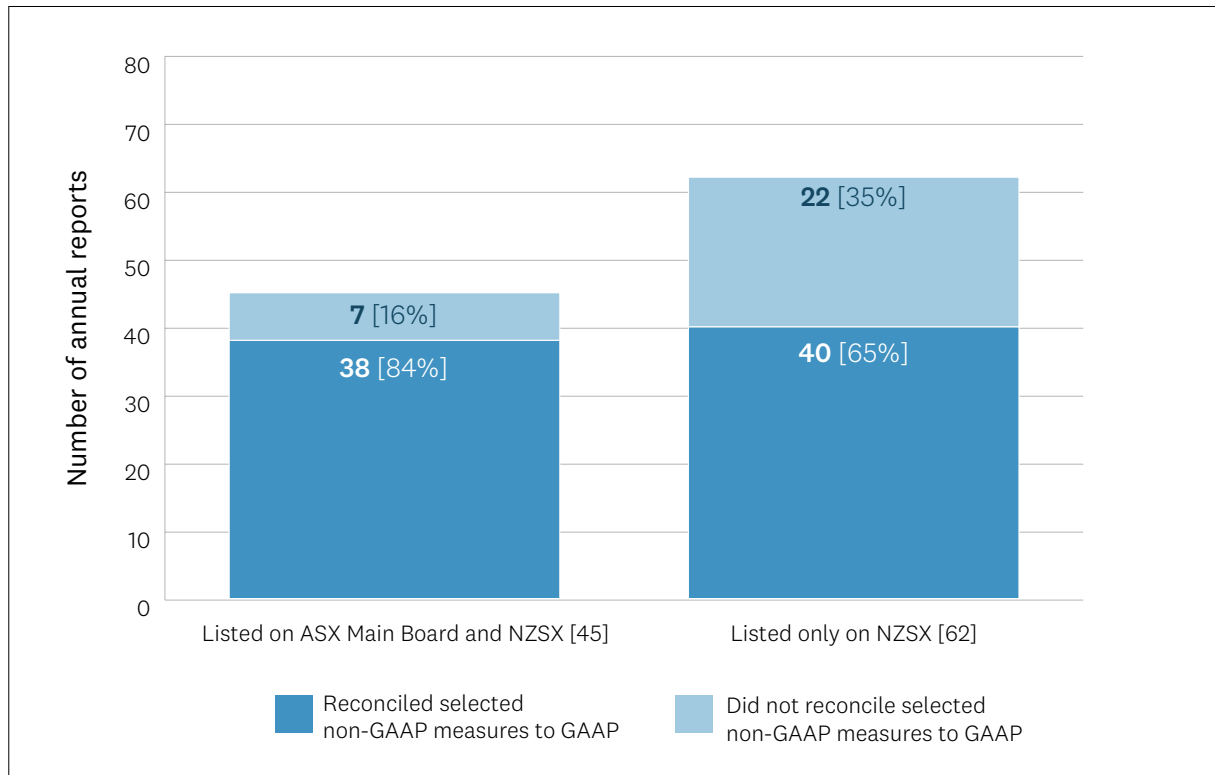


**4. Companies listed on both exchanges are more likely to reconcile the selected non-GAAP measures used in their annual reports**

Selected non-GAAP measures were more commonly reconciled by companies listed on both exchanges (84%, or 38 out of 45), with four of those reconciliations found in an external document. This is compared with reconciliations by companies listed only on the NZSX (65%, or 40 out of 62), three of whose reconciliations were found in an external document. See Figure 19 and Table 3 below.

Arguably, best practice would be for all companies to prepare reconciliations between GAAP and non-GAAP measures and for all reconciliations to be found in the annual report.

**Figure 19: Reconciliation of selected non-GAAP measures in the 2023 annual reports of companies listed on both the NZSX and ASX Main Board and companies listed only on the NZSX**



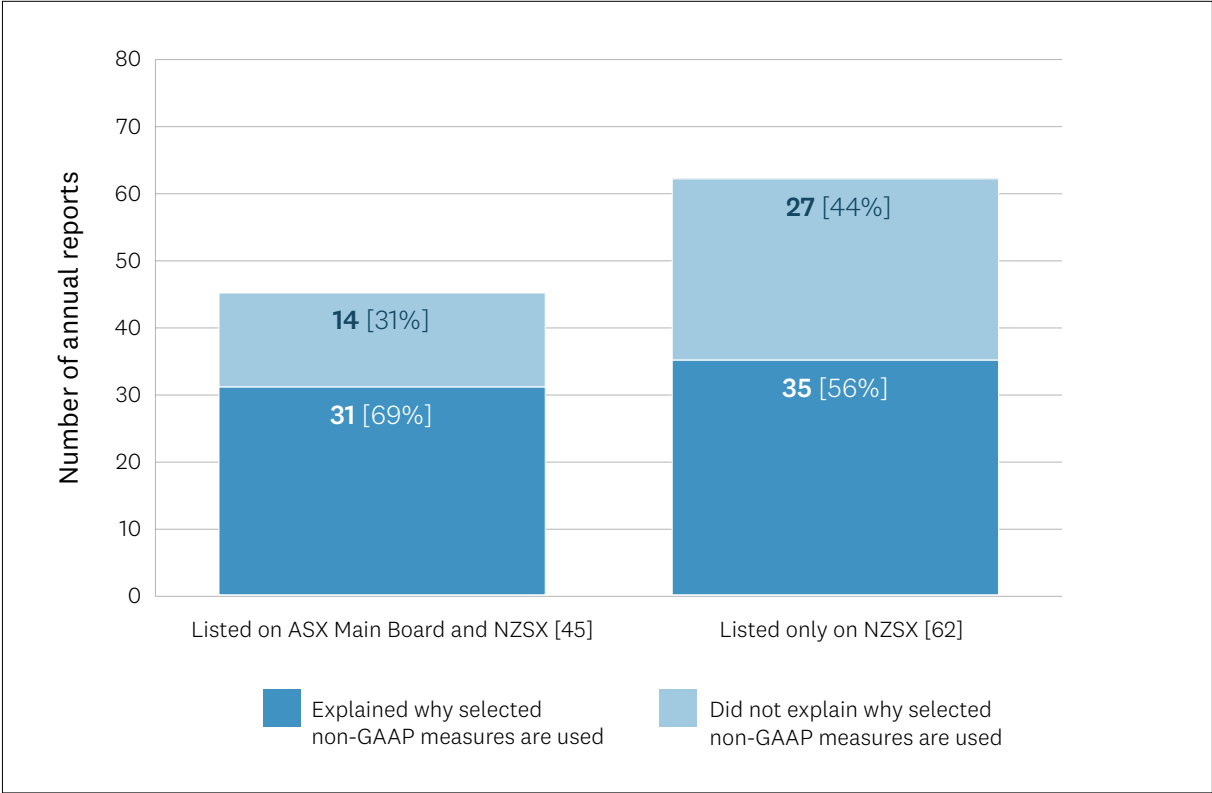
**Table 3: Reconciliation of selected non-GAAP measures in the 2023 annual reports of companies listed on both the NZSX and ASX Main Board and companies listed only on the NZSX**

Extent of reconciliation	Listed on the ASX Main Board and the NZSX	Listed on the NZSX only
Total number of companies that reconciled selected non-GAAP measures	84% (38 out of 45)	65% (40 out of 62)
• Reconciled selected non-GAAP measures in annual report	76% (34 out of 45)	60% (37 out of 62)
• Reconciled selected non-GAAP measures in an external document	9% (4 out of 45)	5% (3 out of 62)
Did not reconcile selected non-GAAP measures	16% (7 out of 45)	35% (22 out of 62)

**5. Companies listed on both exchanges are more likely to explain why non-GAAP measures are used in their annual reports**

Companies listed on both the NZSX and ASX Main Board commonly provided explanations for their use of non-GAAP measures within their 2023 annual reports. A higher percentage of companies listed on both the NZSX and ASX Main Board (69%, or 31 out of 45) provided non-GAAP explanations compared with companies listed on the NZSX (56%, or 35 out of 62). See Figure 20.

Figure 20: Explanations given for selected non-GAAP measures contained in the 2023 annual reports of companies listed on both the NZSX and ASX Main Board and companies listed only on the NZSX



### 4.1.3 Comparison of NZSX-listed versus USX-listed companies in 2023 and 2025

**Methodology:** The method for this subsection is explained in Section 3.1, Stage 4: Compare companies listed on the NZSX with companies listed on the USX.

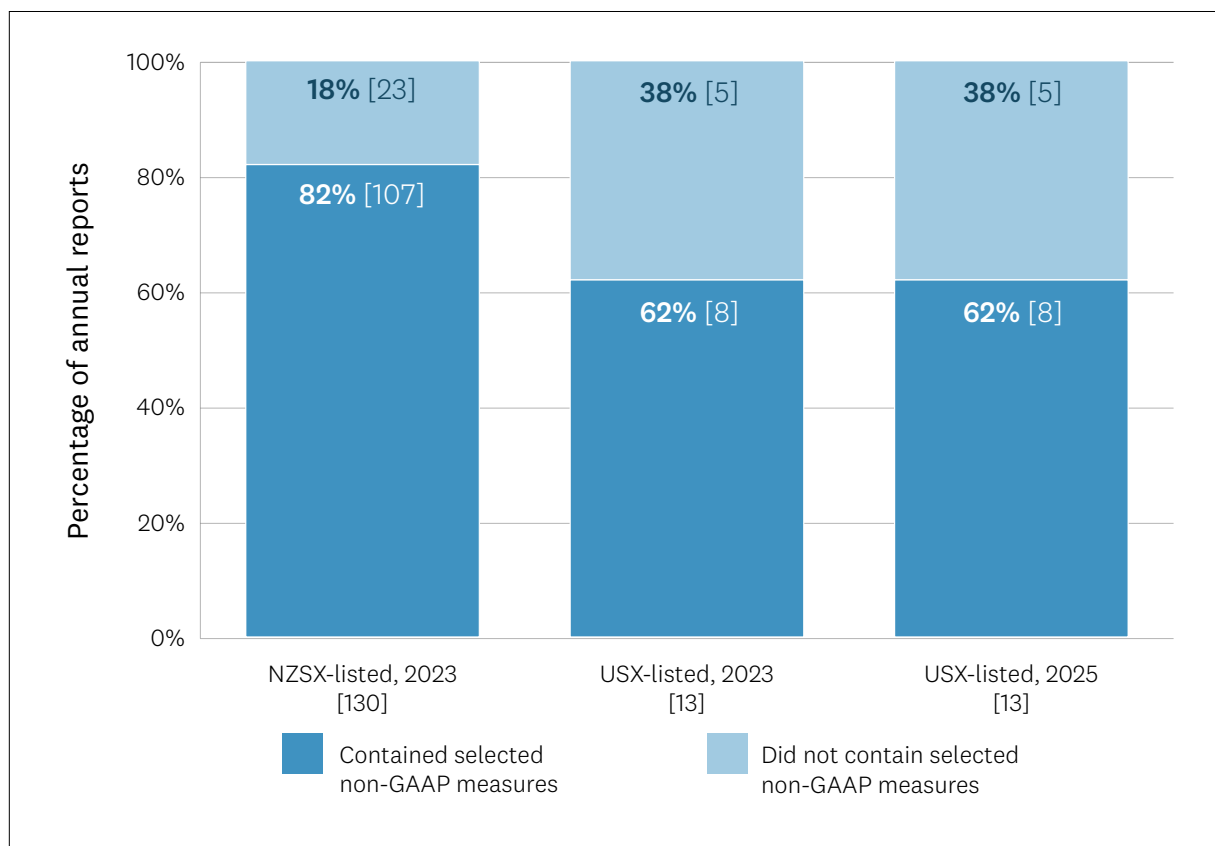
Below are the results from the Institute’s analysis of the 2023 and 2025 annual reports of USX-listed companies, as compared to the results for the 2023 annual reports of NZSX-listed companies. Although the USX data sets are small, they give an indication of the level of transparency of unlisted public companies versus NZSX-listed companies regarding non-GAAP information.

#### 1. USX-listed companies are less likely to use selected non-GAAP measures in their annual reports

In 2023 and 2025, 62% of USX-listed companies (8 out of 13) used selected non-GAAP measures in their annual report, compared to 82% of NZSX-listed companies (107 out of 130) in 2023. See Figure 21 below.

In the remainder of this section, companies that did not include non-GAAP measures in their annual reports have been removed.

Figure 21: Reporting of selected non-GAAP measures in annual reports of NZSX- and USX-listed companies

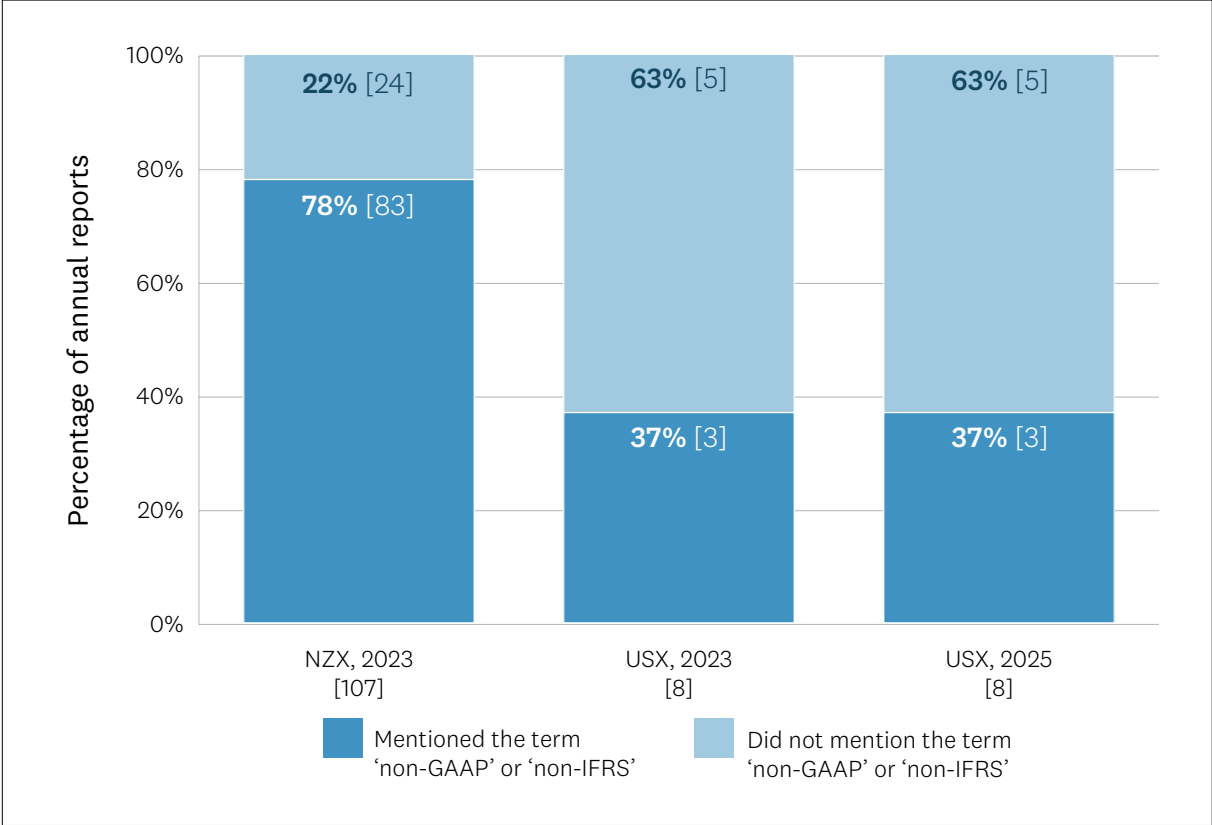


Note: The data sets we are comparing in the subsections below are significantly different in size. Because of this, we have chosen to show percentages rather than numbers in the graphs, in order to compare the proportions.

**2. USX-listed companies are less likely to identify that measures are non-GAAP**

In 2023 and 2025, only 38% of USX-listed companies (3 out of 8) identified where measures used were non-GAAP, compared to 78% of NZSX-listed companies (83 out of 107) in 2023. See Figure 22 below. In 2023, only two companies used the term non-GAAP, with one company describing EBITDA as a measure that ‘does not have a standardized meaning prescribed by generally accepted accounting practice’.<sup>67</sup> In 2025, five companies used the term ‘non-GAAP’. However, two of these companies only used the term ‘non-GAAP’ when discussing the new requirements under NZ IFRS 18, and were therefore treated as a non-mention in this research.

Figure 22: Mentions of the terms ‘non-GAAP’ or ‘non-IFRS’ in annual reports of NZSX- and USX-listed companies



**3. USX-listed companies are less likely to provide auditing assurance regarding selected non-GAAP measures**

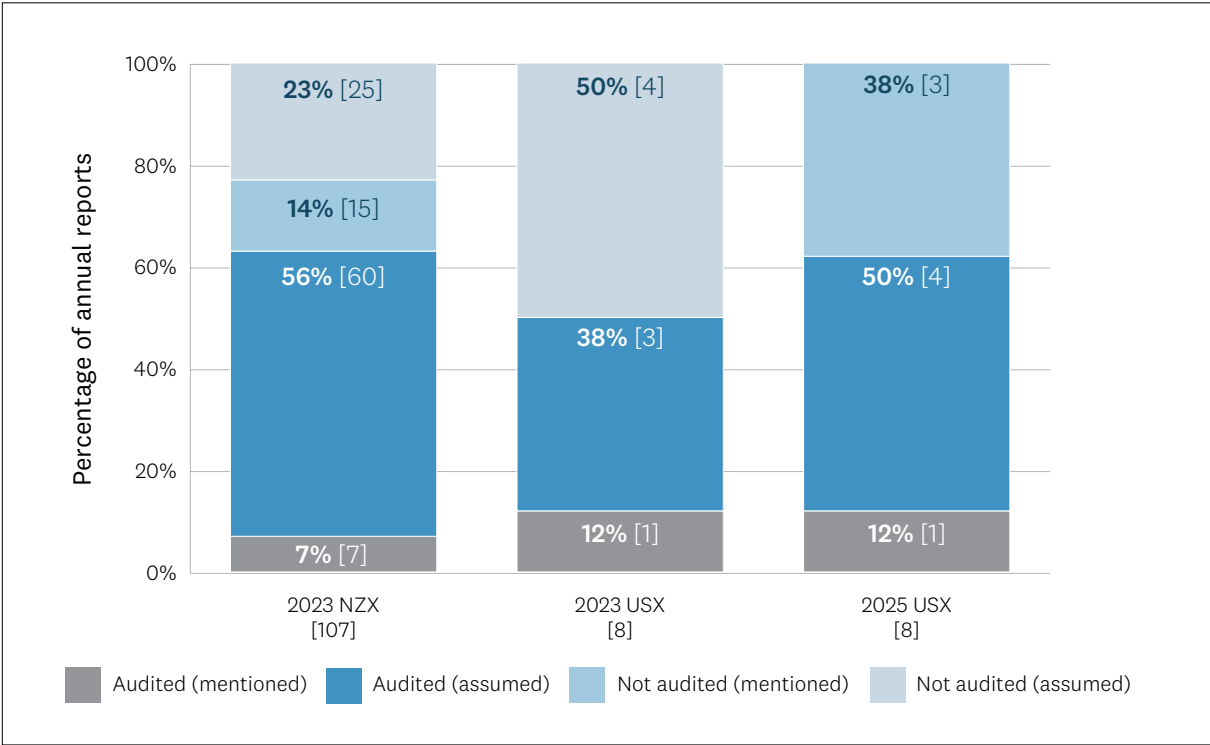
In 2023, 63% of NZSX-listed companies (67 out of 107) received an audit of the non-GAAP measures used. Only 7 of these companies were explicit about whether non-GAAP measures had been subject to audit.

In 2023, 50% of USX-listed companies (4 out of 8) received an audit of the non-GAAP measures used. The remaining four companies did not include non-GAAP measures in their financial statements.

In 2025, 63% (5 out of 8) of USX-listed companies received an audit of the non-GAAP measures used.

Across both years, only one USX-listed company was explicit about whether non-GAAP measures had been subject to audit. See Figure 23 below.

Figure 23: Assurance of selected non-GAAP measures in annual reports of NZSX- and USX-listed companies



**4. The percentage of USX-listed companies reconciling selected non-GAAP measures has increased to a similar level to NZSX-listed companies**

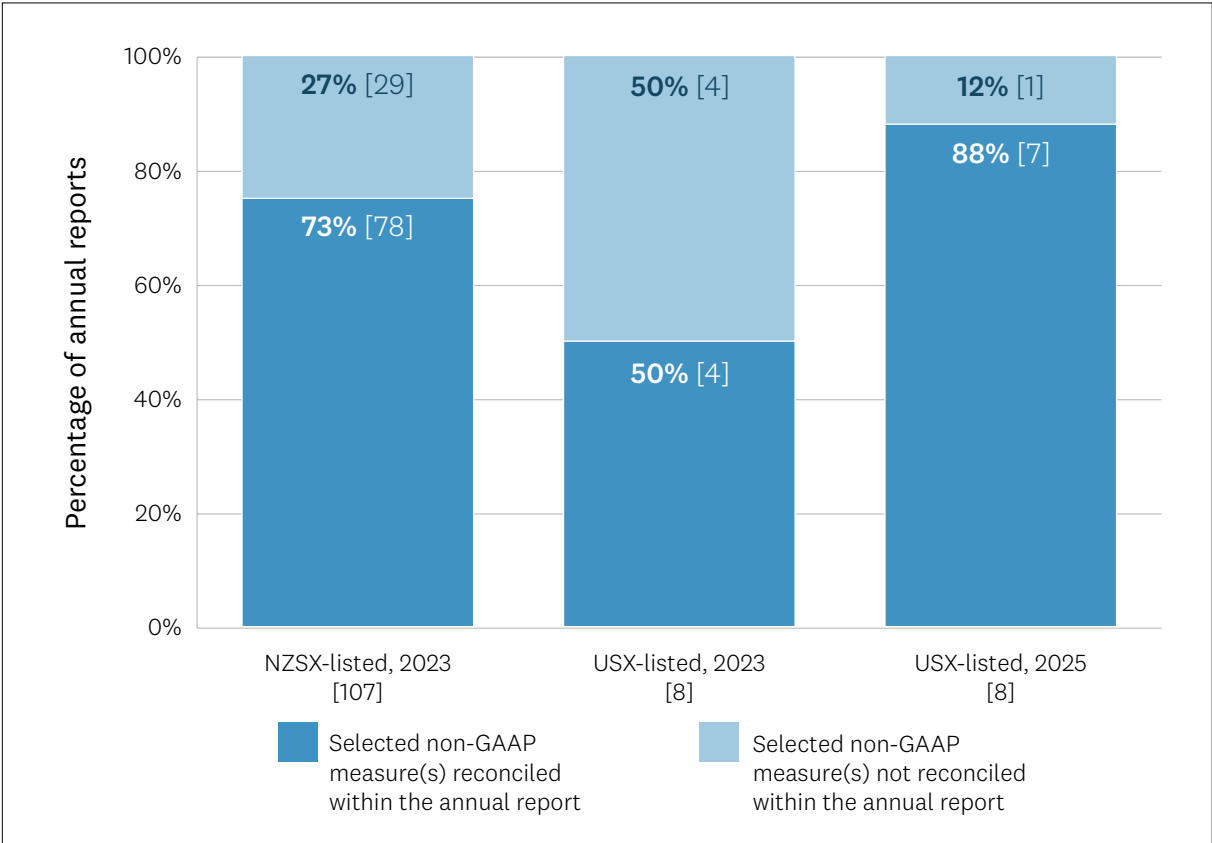
In 2023, 73% of NZSX-listed companies (78 out of 107) reconciled at least one of the selected non-GAAP measures to the most directly comparable GAAP measure.

In 2023, 50% of USX-listed companies (4 out of 8) reconciled at least one of the selected non-GAAP measures to the most directly comparable GAAP measure.

In 2025, 88% of USX-listed companies (7 out of 8) reconciled at least one of the selected non-GAAP measures. See Figure 24 below.

Across both years, only one USX-listed company explicitly identified where non-GAAP measures were reconciled.

Figure 24: Reconciliation of selected non-GAAP measures in annual reports of NZSX- and USX-listed companies



**5. USX-listed companies are less likely to present selected non-GAAP measures in the highlights section of their annual reports**

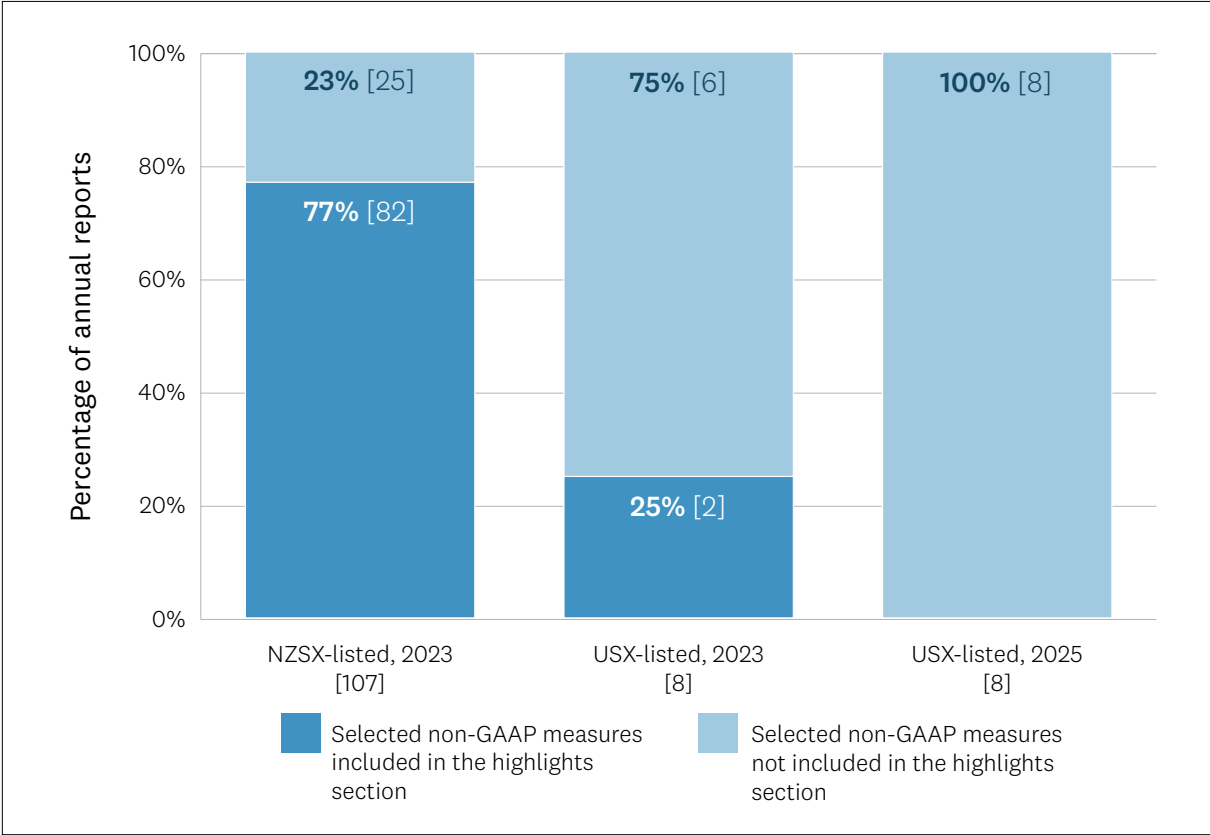
In 2023, 77% of NZSX-listed companies (82 out of 107) presented selected non-GAAP measures in the highlights section of their annual reports.

In 2023, 25% of USX-listed companies included selected non-GAAP measures in the highlights section of their annual reports.

In 2025, no USX-listed companies presented selected non-GAAP measures in the highlights section. See Figure 25 below.

This indicates that non-GAAP information is given less prominence by USX-listed companies than by NZSX-listed companies.

Figure 25: Selected non-GAAP measures in the highlights sections of annual reports of NZSX- and USX-listed companies



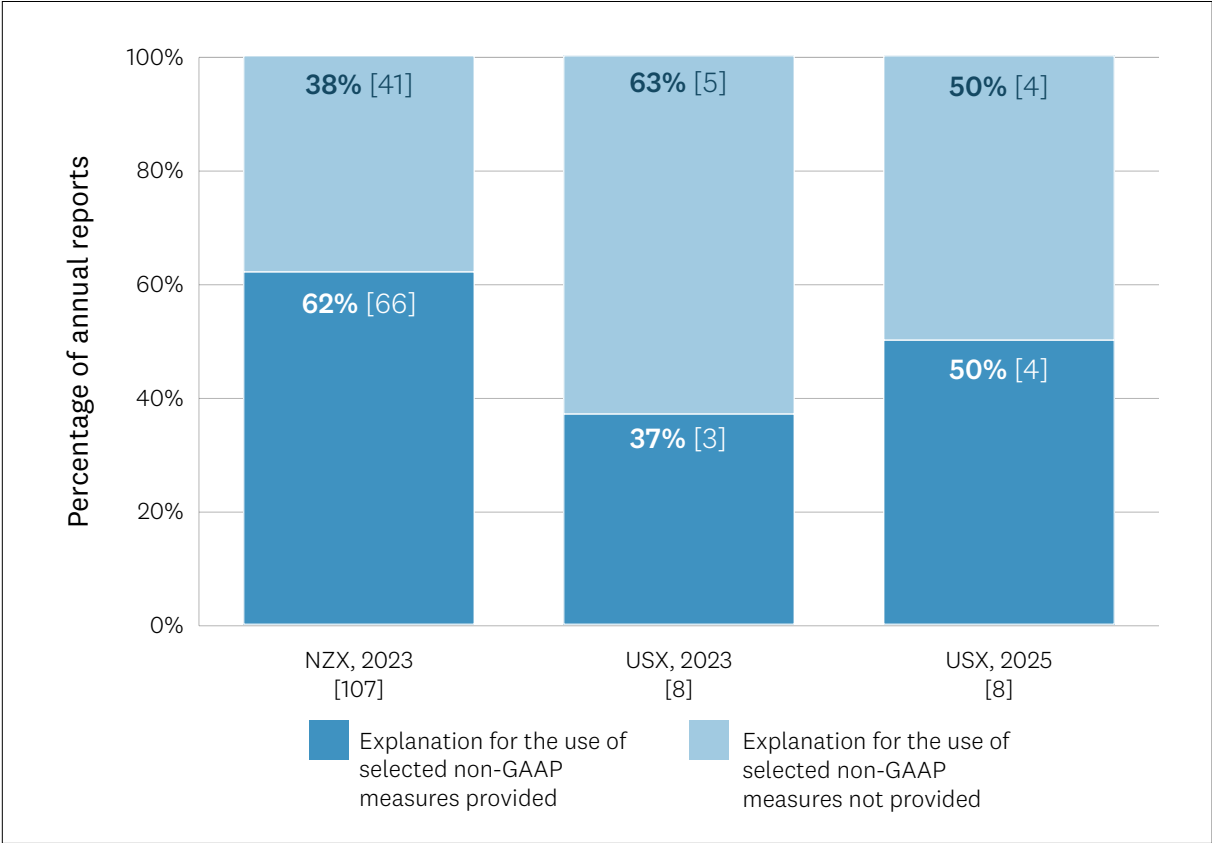
**6. USX-listed companies are less likely to explain why non-GAAP measures are used in their annual reports**

In 2023, 62% of NZSX-listed companies (66 out of 107) provided a reason for why non-GAAP measures had been used.

In 2023, 37% of USX-listed companies (3 out of 8) provided a reason for why non-GAAP measures had been used.

In 2025, 50% of USX-listed companies (4 out of 8) provided a reason for why non-GAAP measures had been used. See Figure 26 below.

Figure 26: Explanations given for the reporting of selected non-GAAP measures in annual reports of NZSX- and USX-listed companies



Overall, this analysis indicates that unlisted companies are far less likely to identify non-GAAP measures. They are also less likely to explain why non-GAAP measures are used. However, unlisted companies are also less likely to use non-GAAP measures, and these measures are given less prominence than in the annual reports of listed companies. The reconciliation and auditing of non-GAAP measures have increased in the past two years but in most cases, this information was implicit or assumed. The annual reports of NZSX-listed companies reflected a similar trend.

#### 4.1.4 Comparison of NZSX-listed companies versus SOEs in 2023 and 2025

**Methodology:** The method for this subsection is explained in Section 3.1, Stage 5: Compare companies listed on the NZSX with state-owned enterprises (SOEs).

Below are the results from the Institute’s analysis of the 2023 and 2025 annual reports of SOEs, as compared to the results for the 2023 annual reports of NZSX-listed companies. Although the number of SOEs is small, this analysis gives an indication of the level of transparency of government-owned for-profit entities versus listed companies regarding non-GAAP information.

##### 1. A similar proportion of SOEs and NZSX-listed companies are using selected non-GAAP measures in their annual reports

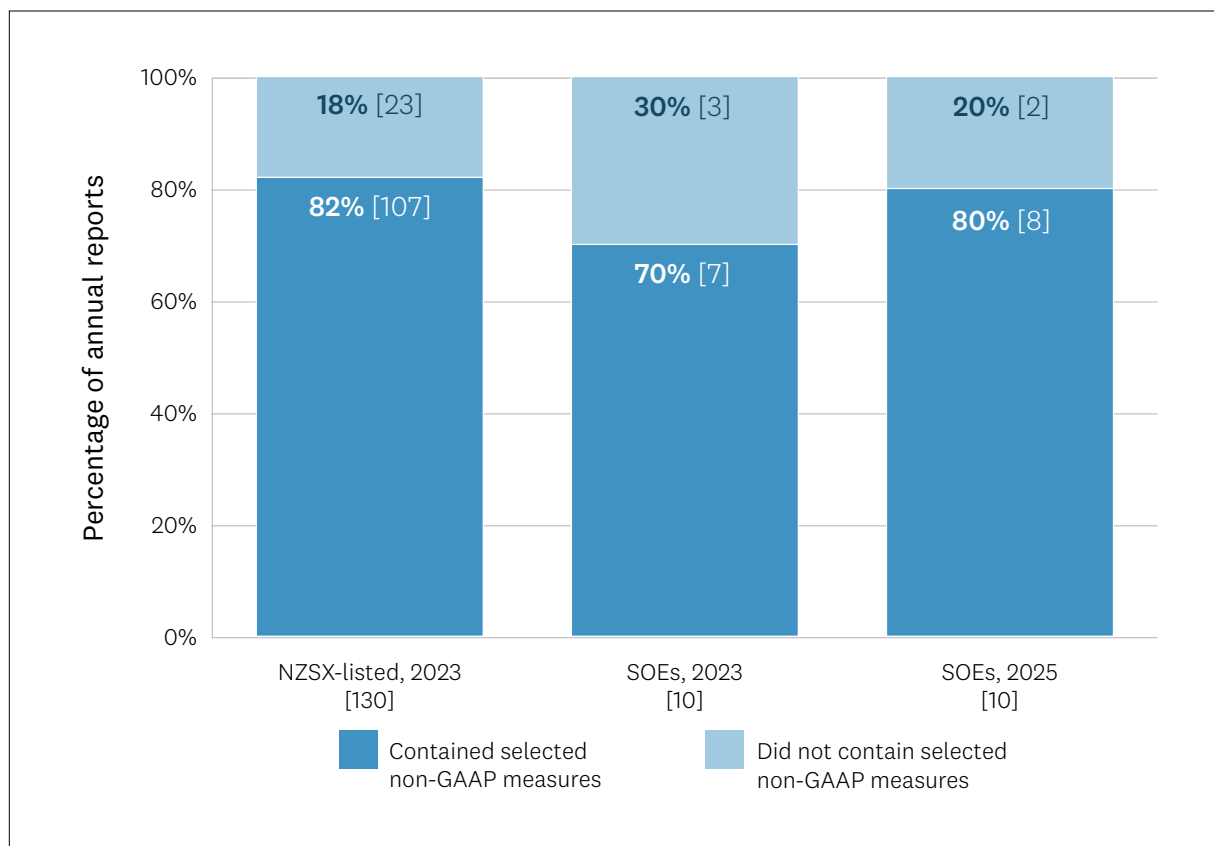
In 2023, 82% of NZSX-listed companies (107 out of 130) used selected non-GAAP measures in their annual reports.

In 2023, 70% of SOEs (7 out of 10) used selected non-GAAP measures in their annual reports.

In 2025, 80% of SOEs (8 out of 10) used selected non-GAAP measures in their annual reports. See Figure 27 below.

In the remainder of this section, companies that did not include non-GAAP measures in their annual reports have been removed.

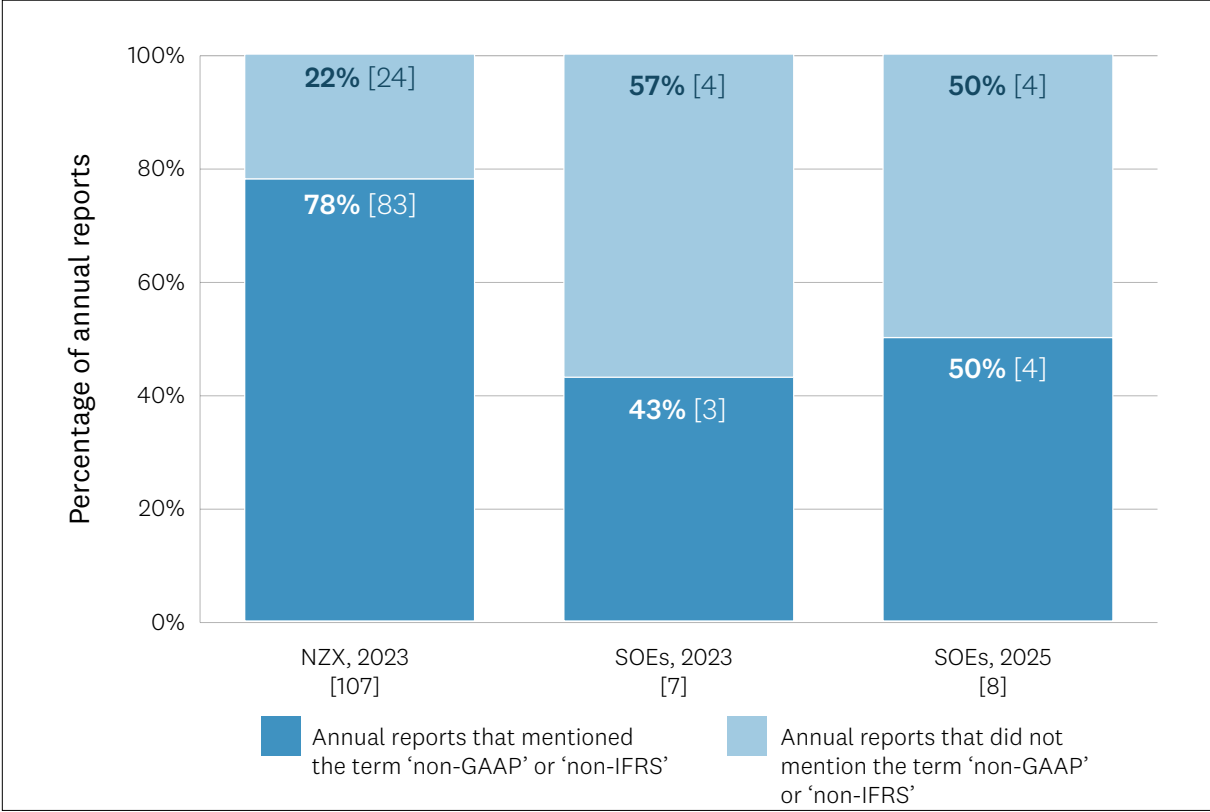
Figure 27: Reporting of selected non-GAAP measures in annual reports of NZSX-listed companies and SOEs



**2. SOEs are less likely to identify that measures are non-GAAP**

In 2023, 78% of NZSX-listed companies (83 out of 107) identified where measures used were non-GAAP, compared to 43% of SOEs (3 out of 7). In 2025, 50% of SOEs (4 out of 8) identified these measures. See Figure 28 below. In 2025, five SOEs mentioned the term ‘non-GAAP’, but one SOE used this term only when describing the new requirements under NZ IFRS 18.

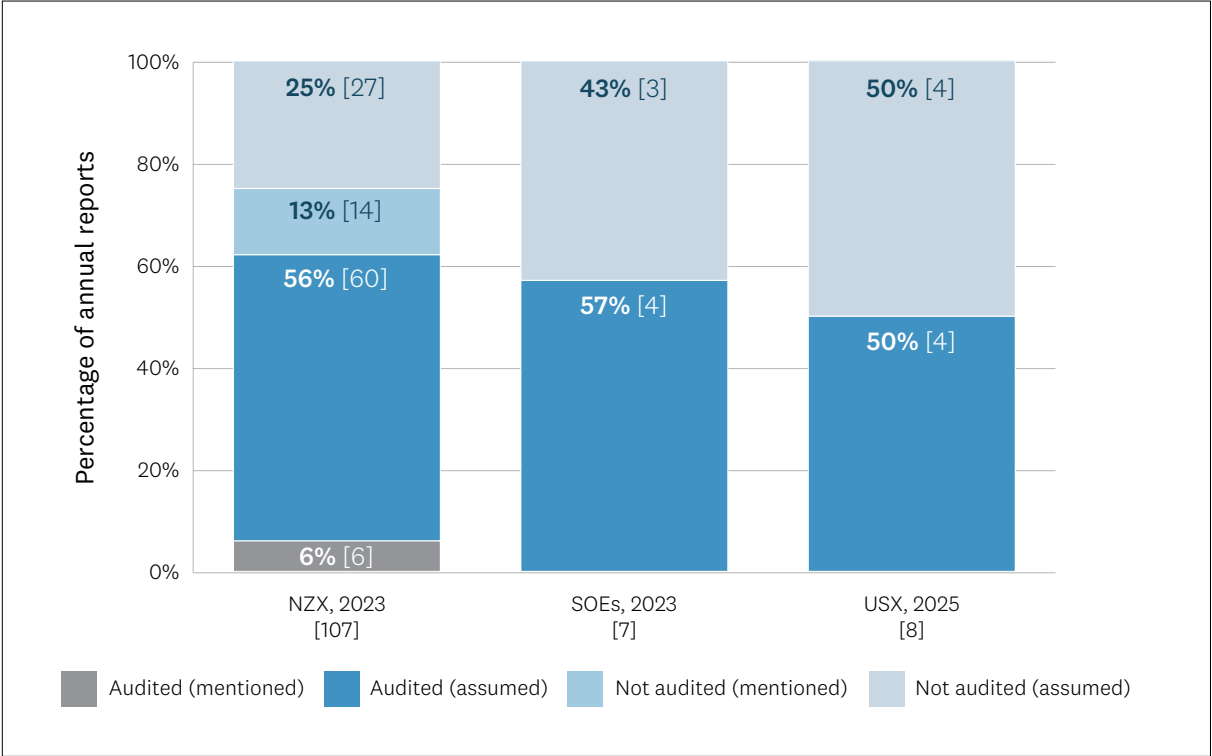
Figure 28: Mentions of the terms ‘non-GAAP’ or ‘non-IFRS’ in annual reports of NZSX-listed companies and SOEs



**3. SOEs are less likely to provide auditing assurance regarding selected non-GAAP measures**

In 2023, 63% of NZSX-listed companies (67 out of 107) received an audit of the non-GAAP measures used. In 2023, 57% of SOEs (4 out of 7) received an audit of the non-GAAP measures used. In 2025, 50% of SOEs (4 out of 8) received an audit of the non-GAAP measures used. This reflects the fact that four SOEs in 2023 and 2025 included non-GAAP measures in the financial statements of their annual reports, so it was assumed the measures had been audited. Across both years, no SOE was explicit about whether non-GAAP measures had been subject to audit. See Figure 29 below.

Figure 29: Assurance of selected non-GAAP measures in annual reports of NZSX-listed companies and SOEs



**4. A similar proportion of SOEs and NZSX-listed companies reconciled non-GAAP measures in their annual reports**

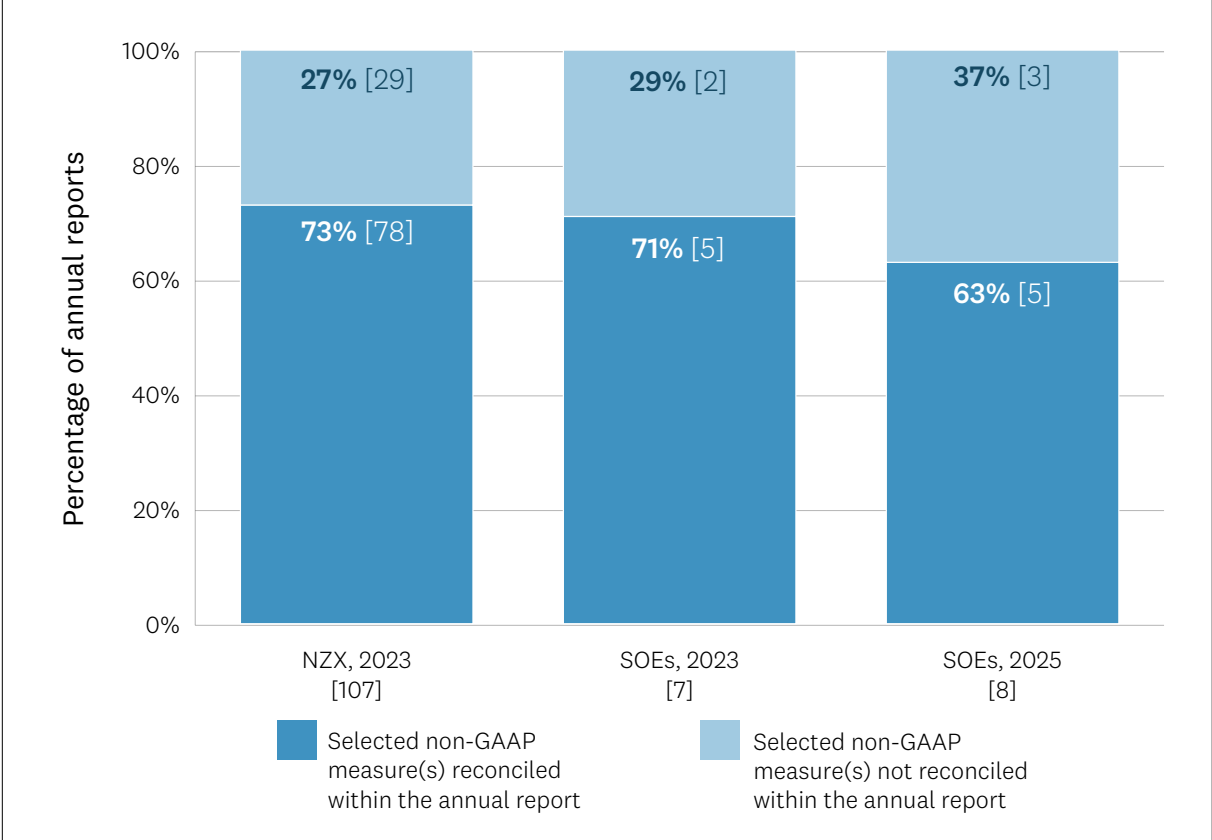
In 2023, 73% of NZSX-listed companies (78 out of 107) reconciled at least one of the selected non-GAAP measures to the most directly comparable GAAP measure.

In 2023, 71% of SOEs (5 out of 7) reconciled at least one of the selected non-GAAP measures to the most directly comparable GAAP measure.

In 2025, 63% of SOEs (5 out of 8) reconciled at least one of the selected non-GAAP measures. See Figure 30 below.

Across both years, two SOEs explicitly identified where non-GAAP measures were reconciled.

Figure 30: Reconciliation of selected non-GAAP measures in annual reports of NZSX-listed companies and SOEs



**5. SOEs are less likely to present selected non-GAAP measures in the highlights section of their annual reports**

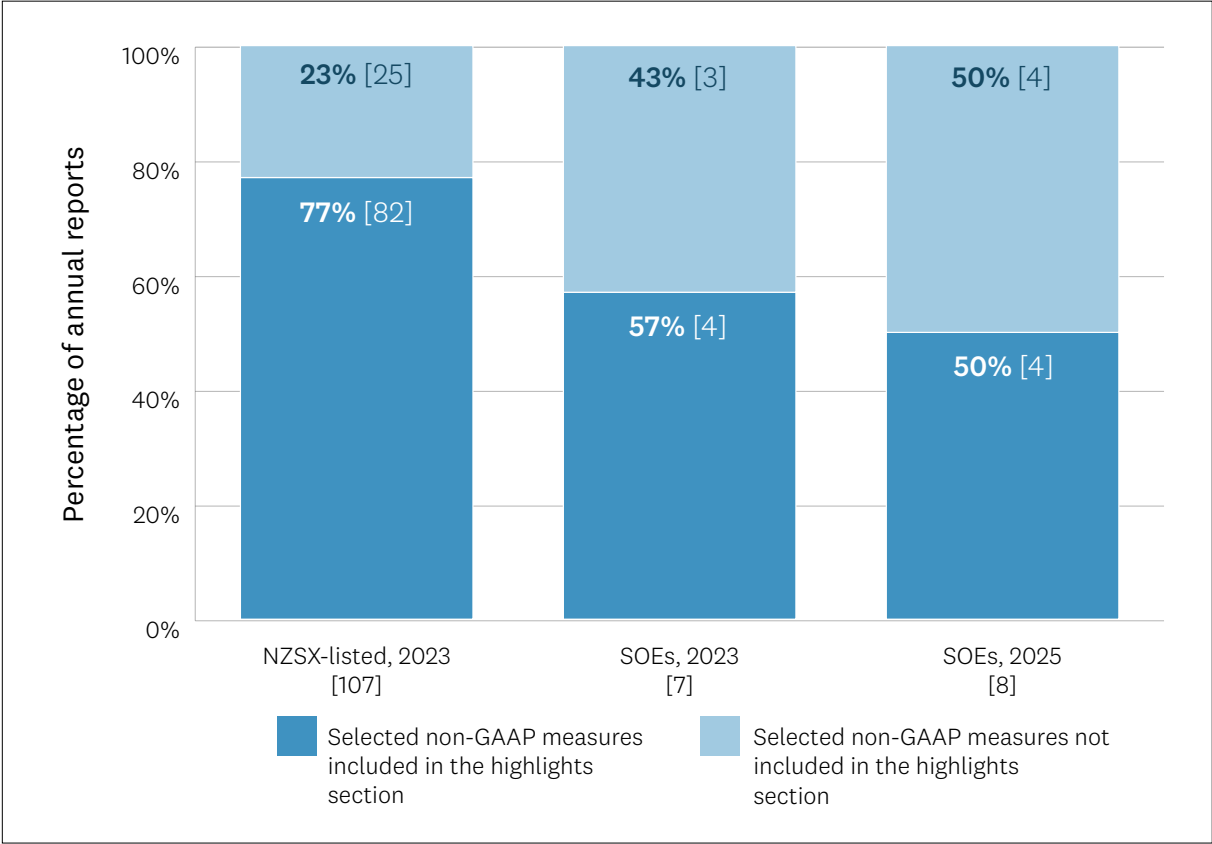
In 2023, 77% of NZSX-listed companies (82 out of 107) included selected non-GAAP measures in the highlights section of their annual reports.

In 2023, 57% of SOEs (4 out of 7) included selected non-GAAP measures in the highlights section of their annual reports.

In 2025, 50% of SOEs (4 out of 8) included selected non-GAAP measures in the highlights section. See Figure 31 below.

This indicates that non-GAAP information is given less prominence by SOEs than by NZSX-listed companies.

**Figure 31: Selected non-GAAP measures in the highlights sections of annual reports of NZSX-listed companies and SOEs**



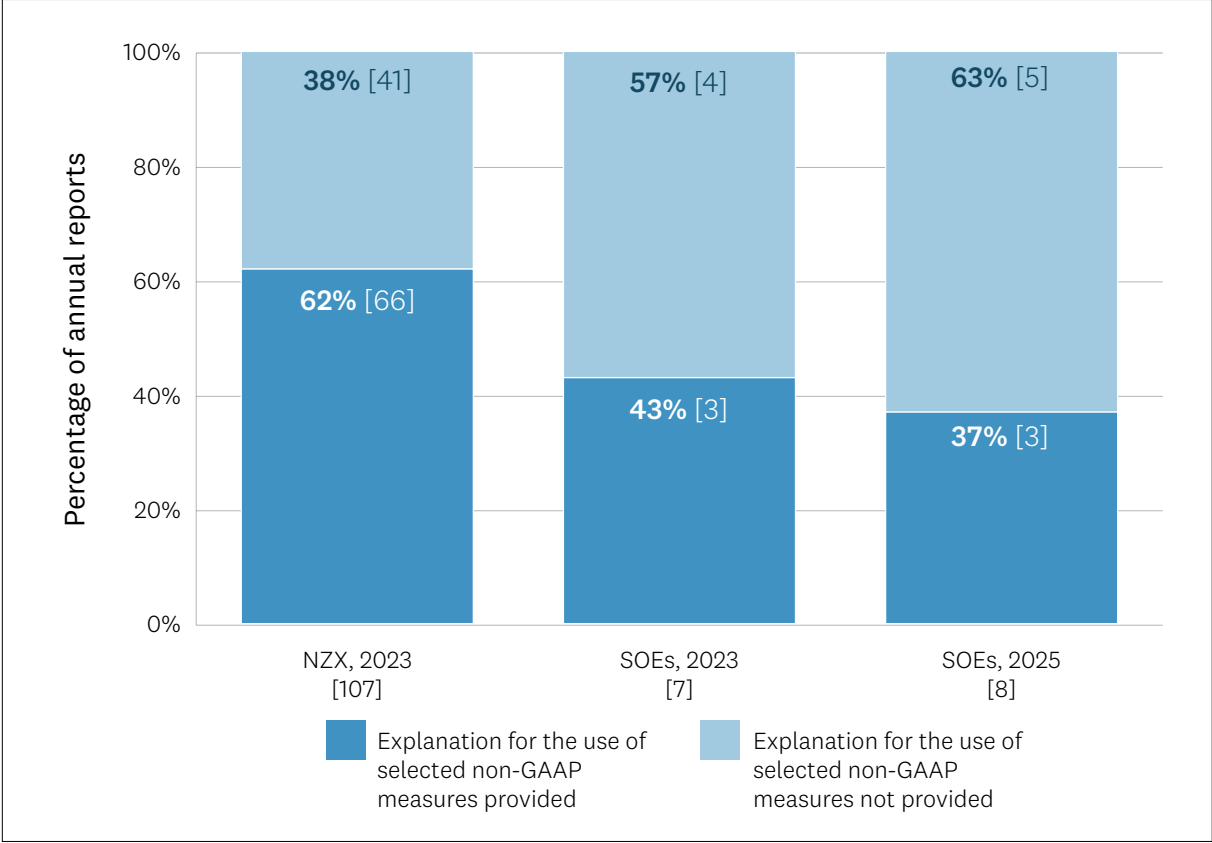
**6. SOEs are less likely to explain why non-GAAP measures are used in their annual reports**

In 2023, 62% of NZSX-listed companies (66 out of 107) provided a reason for why non-GAAP measures had been used.

In 2023, 43% of SOEs (3 out of 7) provided a reason for why non-GAAP measures had been used.

In 2025, 37% of SOEs (3 out of 8) provided a reason for why non-GAAP measures had been used. See Figure 32 below.

**Figure 32: Explanations given for the reporting of selected non-GAAP measures in annual reports of NZSX-listed companies and SOEs**



Overall, this analysis indicates that the use of non-GAAP measures is widespread among SOEs, but they are given less prominence than in the annual reports of NZSX-listed companies. However, SOEs are providing far less information about non-GAAP measures, particularly in relation to identification, assurance and reconciliation.

## 4.2 Analysis of NZSX-listed companies’ result announcements

Figure 33 summarises the results from the analysis of the 2023 result announcements of NZSX-listed companies and also shows the process we used (see the glossary on p.75 for the Institute’s definition of a result announcement).

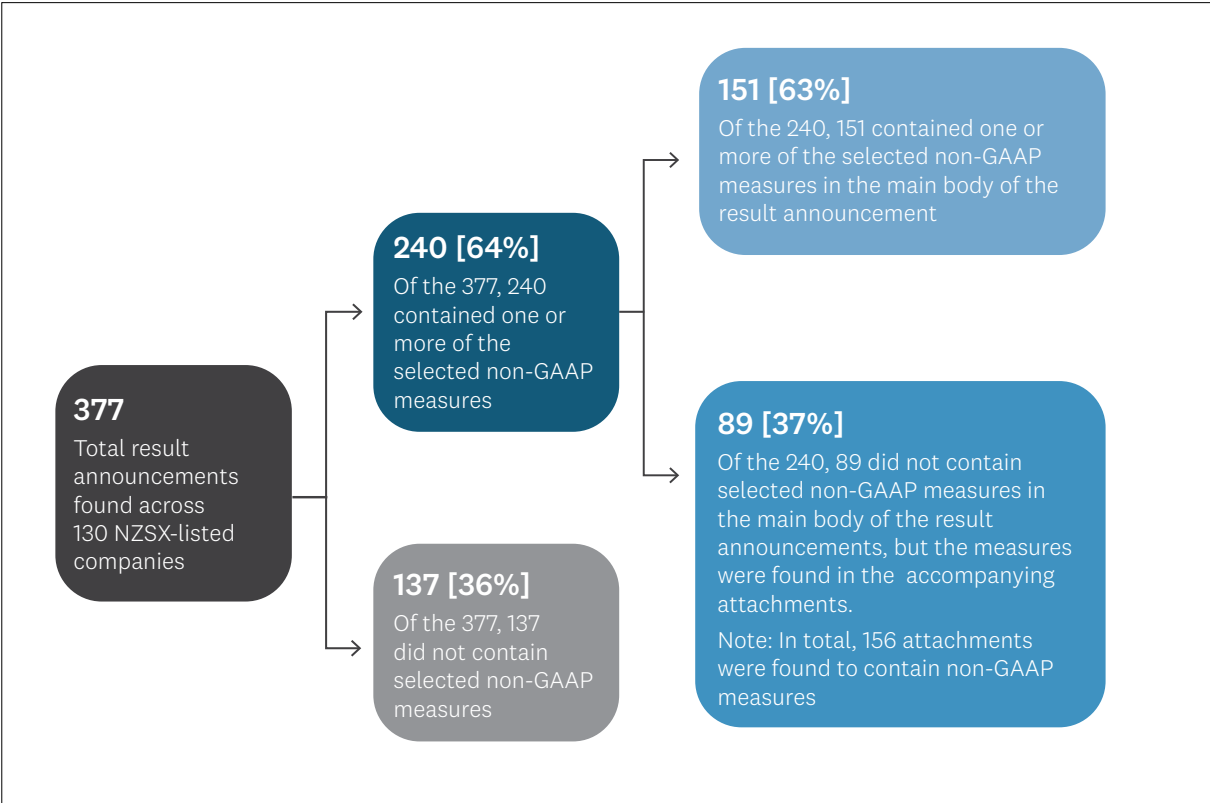
When interpreting the figures below, it is important to distinguish between non-GAAP measures that are identified in the result announcement as non-GAAP, and those that are not. In the former case, the reader is told that the information presented does not conform to GAAP standards and therefore it is flagged in the user’s mind that there may be issues with the measure.

Initial observations:

- The main body of result announcements was far less likely to contain non-GAAP measures than accompanying attachments were.
- Many companies recommended that their result announcements should be read alongside the annual report and/or financial statements, where further information on non-GAAP measures could be found (e.g. reconciliation). This was not always the case, and arguably, NZX and the FMA should provide stronger guidance on this point.

Figure 33: Flow chart of research method for the analysis of selected non-GAAP measures in NZSX-listed companies’ 2023 result announcements

Note: This illustrates Stage 2, Step 2 of the method in Section 3.2.



**1. The majority of companies did not mention that they were reporting non-GAAP information**

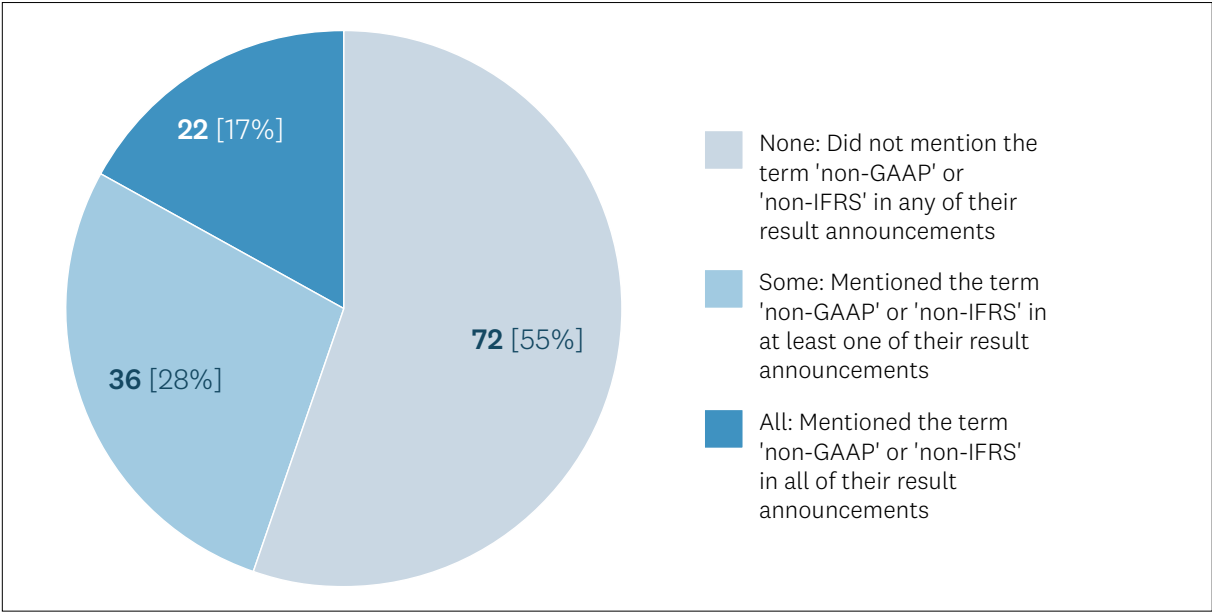
Only 45% of companies mentioned the term 'non-GAAP' or 'non-IFRS' in at least one of their market announcements. Of these:

- 17% (22 out of 130) mentioned the term 'non-GAAP' or 'non-IFRS' in all of their market announcements
- 28% (36 out of 130) mentioned the term 'non-GAAP' or 'non-IFRS' in some of their market announcements.

This means that 55% (72 out of 130) did not mention the term 'non-GAAP' or 'non-IFRS' in any of their market announcements. See Figure 34 below.

**Figure 34: Mentions of the terms 'non-GAAP' or 'non-IFRS' in 2023 result announcements**

Note: This is out of 130 companies.



**2. The majority of NZSX-listed companies are including non-GAAP information in their announcements and supporting attachments**

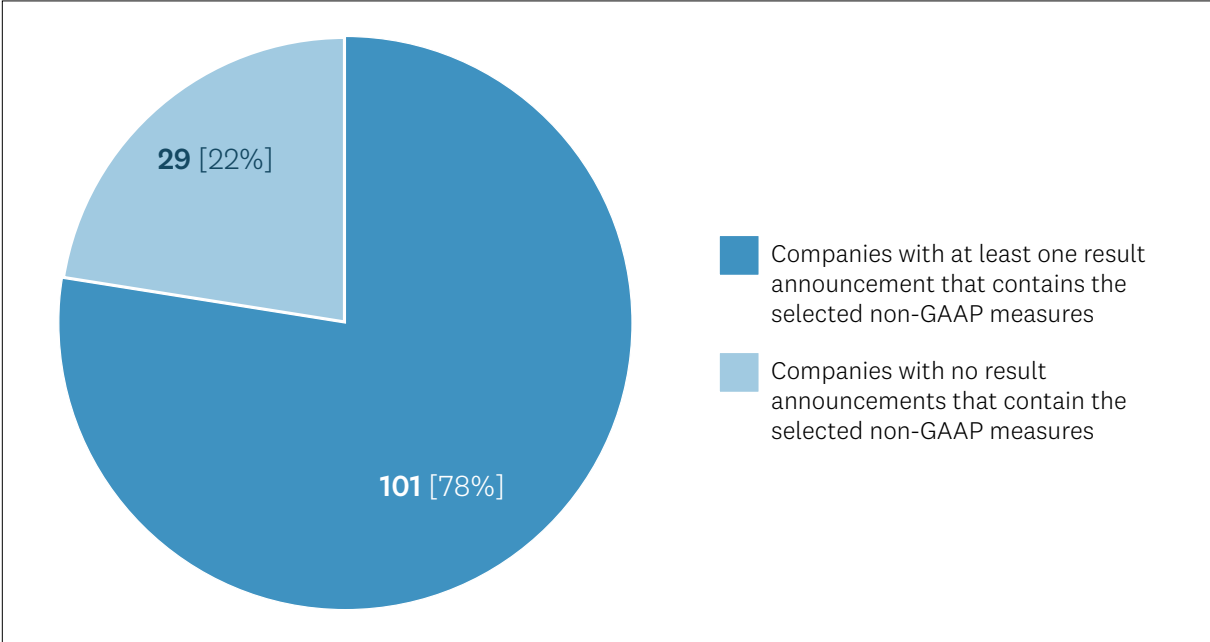
78% (101 out of 130) of NZSX-listed companies in 2023 included non-GAAP information within their market announcements, either in the announcement itself or in attached documents. See Figure 35 below.

Notably, there is a gap between the number of companies using non-GAAP measures and the number of companies mentioning the term ‘non-GAAP’ or ‘non-IFRS’. This means that some companies are failing to identify for users which financial measures are non-GAAP. Of the companies that included selected non-GAAP measures in at least one of their market announcements:

- 42% (43 out of 101) did not mention the term ‘non-GAAP’ or ‘non-IFRS’ in any of their market announcements that contained non-GAAP measures
- 30% (30 out of 101) mentioned the term ‘non-GAAP’ or ‘non-IFRS’ in some of their market announcements that contained non-GAAP measures
- Only 28% (28 out of 101) mentioned the term ‘non-GAAP’ or ‘non-IFRS’ in all of their market announcements that contained non-GAAP measures.

**Figure 35: Reporting of selected non-GAAP measures in 2023 result announcements**

Note: This is out of 130 companies.



**Note to Figure 35:**

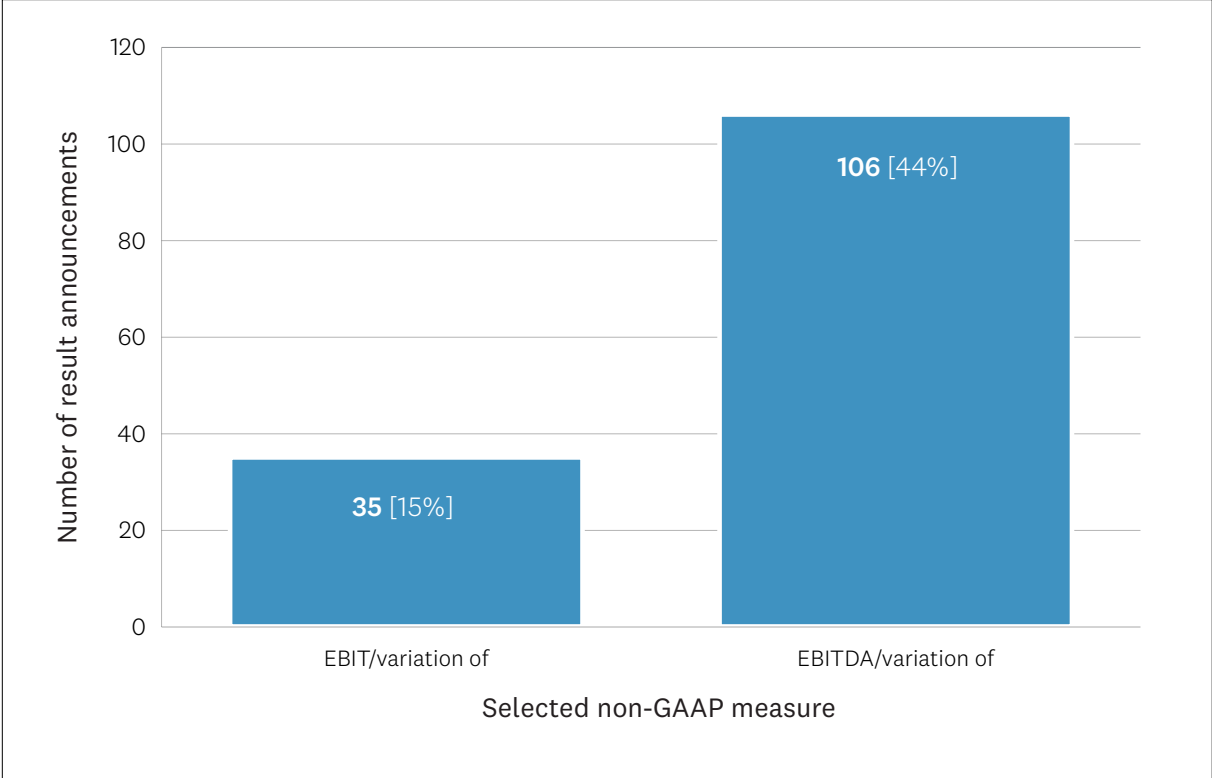
A total of 240 result announcements that contained selected non-GAAP measures were published by these 101 companies in 2023. Of these, 63% (151 out of 240) contained non-GAAP information in the announcements themselves. For the remaining 37% (89 out of 240), non-GAAP information was found only in the attached documents.

**3. EBITDA is the most popular non-GAAP measure used**

EBITDA (along with variations of EBITDA) was the most popular non-GAAP measure used across all the market announcements (including attachments). See Figure 36 below.

Figure 36: Number of 2023 result announcements (including accompanying attachments) that mentioned EBIT or EBITDA

Note: This is out of 240 result announcements.



**Notes to Figure 36:**

- Equivalents of 'EBIT' include 'operating profit' and 'profit/(loss) before interest and tax'.
- Equivalents of 'EBITDA' include 'earnings before interest, taxes, depreciation, and amortisation'.

## 5.0 Observations

### 5.1 Annual reports

#### 1. Each company has a different way of presenting non-GAAP information

Assessing the use of non-GAAP information proved difficult. Each company had its own way of presenting it. Some non-GAAP information was labelled as such, while some was not. Some companies placed reconciliations within the balance sheets, others in notes to the financial statements (unlabelled and only found through the word search).

Furthermore, many companies only partially identified and explained the selected non-GAAP measures. A company might have included four different non-GAAP measures but only labelled two of them and reconciled one of them. This made gathering the relevant data slow. Often decisions on the treatment of data had to be made on a case-by-case basis, which resulted in the lengthy list of assumptions and limitations in Sections 3.3 and 3.4.

#### 2. Very little has changed from 2018 to 2024

The 2018 annual reports were included in the analysis to indicate any shifts over six years in the use of non-GAAP measures. The starkest differences were that the companies including non-GAAP information increased by 10% and the number of companies being explicit about whether non-GAAP information was audited increased by over 5%. Otherwise, the presentation of non-GAAP information and the data collected regarding reconciliations has remained relatively similar across all four years analysed.

#### 3. Non-GAAP information is often given undue prominence

In 2013, the FMA released the report *Monitoring of non-GAAP disclosures*, which measured the presentation of non-GAAP financial information against its 2012 guidance note. It found that greater prominence was given to non-GAAP financial information in the presentation of financial performance measures, including instances where communications were ‘overwhelmed by multiple non-GAAP measures with little or no emphasis on the GAAP measure’.<sup>68</sup> The report also found that in several cases, reconciliation of non-GAAP to the most comparable GAAP measure was omitted, with no corresponding information available.<sup>69</sup> The FMA noted:

Another useful example of giving undue prominence to non-GAAP financial information, not covered in the guidance note and commonly seen, is the presentation of non-GAAP profit information in a graph. Where graphs are presented with non-GAAP information alone there is the potential to be misleading. We expect issuers to present a balanced disclosure of non-GAAP with the equivalent GAAP disclosure if they are using a graph.<sup>70</sup>

The FMA’s 2017 *Disclosing non-GAAP financial information* guidance note states:

Prominence: we have updated this principle stating that non-GAAP financial information **should not be** presented with undue and greater prominence than the most comparable GAAP financial information. Our review of non-GAAP disclosures against the 2012 guidance note revealed entities often give greater prominence to non-GAAP financial information.

In many cases, this resulted in an unbalanced view of their performance. **By ensuring non-GAAP financial information is not given greater prominence**, emphasis or authority, an entity is more likely to disclose information that presents a balanced ‘whole’ picture of its performance.<sup>71</sup> [bold added]

The Institute found that an increasing majority of companies presented non-GAAP measures in the highlights section of their annual reports, which is a key indicator of their prominence (see point 8 in Section 4.1). Additionally, though the Institute did not gather data around the use of graphs to present non-GAAP information, we noticed that several companies did so (see examples of Ebos Group Limited and Infratil Limited in Section 6.1).

#### 4. Companies are defining the same acronyms differently

Non-GAAP measures such as ‘EBITDA’ and variations such as ‘EBITDAF’ were widely referenced and used by companies. However, there was considerable variation in the extended definitions of acronyms.

For example, of the nine companies using EBITDAF as a measure in 2023, only three aligned exactly with the XRB's definition of 'earnings before interest, tax, depreciation, amortisation, and fair value adjustments'.<sup>72</sup> The remaining six each defined the measure differently. The following terminology was used in place of 'fair value adjustments':

- Impairment, unrealised fair value changes and other gains and losses<sup>73</sup>
- Change in the fair value of financial instruments, gain on sale and impairments<sup>74</sup>
- Unrealised changes in fair value of hedges, impairment and gains or losses on sales of assets<sup>75</sup>
- Fair value movements of financial instruments, and asset impairments<sup>76</sup>
- Foreign Currency (Gains)/Losses and Fair value remeasurement of contingent consideration.<sup>77</sup>

#### **5. A small number of companies stated in their annual reports that the non-GAAP information had been audited**

Several companies indicated that their non-GAAP measures included in the annual report had undergone a review or been assured. The Institute is interested in understanding how these figures were audited when there are, as yet, no assurance standards for non-GAAP measures. See Section 6.1, point 3 and Appendix 7 for examples of companies disclosing whether non-GAAP financial information has been subject to audit.

#### **6. Very few companies included all non-GAAP information in one place**

Most companies presented non-GAAP measures in multiple places throughout their annual reports, often in both the management commentary and the financial statements. Reconciliations, definitions and reasoning were also often in different places in the report. Collating and presenting non-GAAP financial information in one easily found space greatly increases clarity and ease for annual report users (see example of Bremworth Limited and Vector Limited in Section 6.1 and Appendix 7). However, the FMA's 2017 guidance note provides no direction on where non-GAAP information should be disclosed.

From January 2027, MPMs will effectively become a form of GAAP, meaning the location requirements for MPMs will be set out in NZ IFRS 18 (see paragraphs 117–125 in Appendix 1). This does not address the placement of the remaining non-GAAP information that will continue to sit within these key public documents post-January 2027. This ongoing gap highlights the need for the FMA to provide more detailed guidance on the appropriate location of non-GAAP information to ensure consistency and clarity in disclosure practices.

#### **7. Companies that are listed on both the NZSX and the ASX included more FMA guideline principles than those listed on the NZSX only**

There are stricter rules around disclosing non-GAAP measures in Australia under *Regulation 230: Disclosing Non-IFRS Financial Information*. Therefore, it is not surprising that the 49 available 2023 annual reports of NZSX-listed companies that are also listed on the ASX were, on average, more likely to have:

- included non-GAAP measures within the annual report (91% of companies on both exchanges included non-GAAP measures, compared with 79% of companies on the NZSX only)
- explicitly identified measures as non-GAAP in the annual report (85% of companies on both exchanges that included non-GAAP measures explicitly stated they were using them, compared with 71% of companies on the NZSX only)
- explained why the company had included those non-GAAP measures (67% of companies on both exchanges stated why they had included non-GAAP measures, compared with 55% of companies on the NZSX only)
- stated whether the non-GAAP measure had not been audited (18% of companies on both exchanges indicated that the non-GAAP measures had not been audited, compared with 11% of companies on the NZSX only)
- reconciled the non-GAAP financial information to the most comparable GAAP measure (82% of companies on both exchanges included a reconciliation in the annual report, or linked the user to a document, compared with 65% of companies on the NZSX only).

While the Institute did not look at the impact that the size of a company had on the extent to which it disclosed non-GAAP financial information, a study carried out in 2015 found that listed companies that are large and ‘have higher analyst following and have a higher proportion of independent directors’<sup>78</sup> are more likely to disclose non-GAAP earnings. This provides a further reason for the discrepancies above as companies listed on both exchanges are likely to be bigger in size.

## 8. Risks of half-yearly reporting

Half-yearly reporting within NZX announcements carries further risks regarding the use of non-GAAP measures.<sup>79</sup> These short-term targets can stifle long-term planning and encourage companies to use non-GAAP measures, which are able to be adjusted to depict a more favourable financial performance. It is important, therefore, for there to be rules regarding the use of non-GAAP measures within six-monthly financial performance announcements of NZSX-listed companies, such as requirements to label the measures as non-GAAP, describe why this measure was suitable, and reconcile the measure with the nearest GAAP equivalent. It is important to note that the US is considering reducing their reporting from three-monthly to six-monthly. Interestingly, this initiative is gaining support from advocates of climate reporting, who wish to see the focus shift from short- to long-term considerations.<sup>80</sup>

## 5.2 Result announcements

The research findings presented in Section 4.2 demonstrate that non-GAAP measures are increasingly becoming standard practice in the public communications of NZSX-listed companies. Preparers clearly view these measures as integral to both evaluating and presenting a company’s performance, reinforcing the role of non-GAAP measures as a key component of financial reporting.

Preparers and auditors must also take into account the principle of a true and fair view. For instance, when an auditor issues a clean (unmodified) opinion, it signifies that the financial statements fairly represent the company’s financial position and performance, in line with accounting standards and relevant legislation. A qualified opinion, on the other hand, indicates that while most of the financial statements provide a true and fair view, a specific area contains a material misstatement or lacks sufficient evidence. An adverse opinion reflects that the financial statements as a whole fail to present a true and fair view or are not prepared in accordance with accounting standards.<sup>81</sup>

The observations for result announcements are as follows:

### 1. Non-GAAP reporting has increased but the checks and balances have not

Non-GAAP reporting has been significantly embraced by issuers, but the checks and balances embedded into the system have not been. This may be due to issuers being ignorant of the requirement or because there has been no oversight, so preparers have not worried about the potential market risks. Given the important role result announcements play in informing investors, it is surprising that greater care is not taken by the FMA and NZX to emphasise to issuers their responsibility to ensure that they do not provide misleading information.

### 2. Result announcements should align with NZ IFRS 18

Based on our understanding of how the system will work post-January 2027, from that date issuers will be required to ensure their financial statements report in a way that meets the requirements of NZ IFRS 18: *Presentation and Disclosure in Financial Statements – Management-defined performance measures* (see Appendix 1). In our view, aligning result announcement reporting with financial reporting will not only strengthen alignment with annual reports but ensure investors receive consistent, comparable and reliable information.

### 3. Knowledge gap 1: Users may lack clarity on what constitutes GAAP versus non-GAAP information

Users may have very poor knowledge of what non-GAAP information is. This may also be due to new investors entering the market and thinking these figures are standardised, because they are common and sit in an official-looking document.

**4. Knowledge gap 2: Users may not be told that non-GAAP information is contained in a result announcement**

Even when users understand the distinction between GAAP and non-GAAP, if companies fail to disclose that they are presenting non-GAAP measures, the implications may not be clear.

**5. Knowledge gap 3: Users may have normalised non-GAAP measures**

Because non-GAAP measures are now so widespread, users may assume they are reliable simply because they appear in result announcements endorsed by NZX and managed by the FMA. This underscores the critical need for clear disclosure and reconciliation, to avoid misunderstanding and to ensure investors and stakeholders can accurately interpret a company's performance.

**6. There is an urgent need to get ahead of this before a market failure occurs**

There is an urgent need to address this issue proactively before a significant market failure arises. Even in periods of stability, economic shocks can and do occur. With the current environment marked by heightened uncertainty and a number of disruptions unfolding at an unprecedented pace, it is both timely and essential to strengthen our systems now to ensure resilience to the challenges ahead.

## 6.0 Examples of good practice and poor practice

The analysis below is broadly organised based on the principles in the FMA’s 2017 *Disclosing non-GAAP financial information* guidance note (see Table 4 below and excerpt in Appendix 4).<sup>82</sup>

The examples from annual reports below have been selected to illustrate the extent to which companies are adopting the guidance note. While this section comprises a high-level discussion, more detail can be found in Appendix 7 (which contains excerpts from 2023 and 2025 annual reports) and Appendix 9 (which contains excerpts from 2025 result announcements).

Table 4: Description of non-GAAP good practice

FMA	McGuinness Institute interpretation	
See excerpt from FMA’s 2017 guidance note in Appendix 4	Description of non-GAAP good practice	Definition of good practice
Principle 1: Defining the non-GAAP financial information Principle 4: Consistency	Labelling	If a company presents non-GAAP information, it has noted whether the annual report (including the financial statements and management commentary) contains non-GAAP information and labelled all non-GAAP measures accordingly. Non-GAAP information is also contained in one place and referenced in the table of contents. Ideally non-GAAP measures are defined in a glossary. See principles 1 and 4 in the FMA’s 2017 guidance note in Appendix 4.
Principle 1: Defining the non-GAAP financial information Principle 4: Consistency	Reasoning	If a company presents non-GAAP measures, it explains its reasons for doing so. See principles 1 and 4 in the FMA’s 2017 guidance note in Appendix 4.
Principle 1: Defining the non-GAAP financial information Principle 4: Consistency	Auditing	If a company presents non-GAAP information, it indicates whether the non-GAAP measures have been audited or not. See principles 1 and 4 in the FMA’s 2017 guidance note in Appendix 4.
Principle 2: Prominence Principle 5: Unbiased	Prominence	Whenever a company presents non-GAAP information, it is not presented with greater prominence than GAAP information. See principles 2 and 5 in the FMA’s 2017 guidance note in Appendix 4.
Principle 3: Reconciliation	Reconciliation	If a company presents non-GAAP measures, it has reconciled the non-GAAP measures with the most directly comparable GAAP measures. See principle 3 in the FMA’s 2017 guidance note in Appendix 4.

### 6.1 2023 annual reports

Below we discuss the first five principles outlined in the FMA’s 2017 guidance note in relation to 2023 annual reports. It was decided to not explore principle 6: One-off/non-recurring items in any detail, as we were looking for broad trends on how non-GAAP was presented, rather than one-off events.

#### 6.1.1 Principle 1: Defining the non-GAAP financial information and principle 4: Consistency

##### Labelling

The FMA’s 2017 guidance note states that ‘entities should clearly label non-GAAP financial information in a way that distinguishes it from GAAP financial information’.<sup>83</sup> We were expecting to find non-GAAP measures either clearly identified throughout annual reports or ideally explained in a dedicated section.

The guidance note also discusses the importance of consistency. For example, it states that ‘if an entity chooses to present non-GAAP financial information, a consistent approach should be adopted from period to period’. Interestingly the guidance note also says that ‘if there has been a change in approach from the previous period, an explanation about the nature of the change, entities should provide the reasons for the change, and the financial impact of the change’.<sup>84</sup> Although the research did not look in detail at consistency over time, Appendix 7 does compare 2023 and 2025 annual reports.

Many companies consistently identified non-GAAP measures wherever they were used, and some also had a dedicated section on non-GAAP, either in the management commentary or financial statements.

#### **Example 1 – Good practice: Identified throughout**

Bremworth Limited clearly identified measures as non-GAAP each time they were used, indicated by the use of the term ‘non-GAAP’ 26 times in its 2023 annual report. Bremworth Limited was also exemplary in providing a dedicated section on non-GAAP measures and, in its reference to the FMA’s guidelines on non-GAAP disclosures, providing a breakdown of the key suggestions and how the company has aligned with them.

#### **Example 2 – Good practice: A dedicated section**

Vector Limited listed ‘non-GAAP financial information’ as a subsection on the contents page in the management commentary. This subsection included what non-GAAP measures were used and why, and a reconciliation of non-GAAP measures with GAAP measures. It also directed readers to an external document for more detail. Collating and presenting non-GAAP financial information in one easily found space greatly increases clarity and ease for annual report users.

#### **Example 3 – Poor practice: Use of non-GAAP measures without any mention of ‘non-GAAP’**

Vital Limited used multiple non-GAAP measures in both the management commentary and financial statements. These measures included EBITDA, adjusted EBITDA and adjusted NPAT. None of the measures were identified as non-GAAP anywhere in the report.

#### **Example 4 – Poor practice: Selective identification of non-GAAP measures**

Several companies labelled some but not all non-GAAP measures within their annual reports. For example, Downer EDI Limited identified underlying results as non-IFRS (underlying EBITA and underlying EBIT), and these measures were clearly reconciled, and declared as unaudited. However, EBIT, EBITA and free cash flow were not identified as non-IFRS anywhere in the report. Total revenue was also classified as a non-statutory disclosure, and it is unclear whether this is non-GAAP or not.

#### **Example 5 – Poor practice: Failure to label non-GAAP information in the highlights section**

Several companies did not distinguish measures as non-GAAP on highlights pages, despite identifying them elsewhere in the annual report. For example, Just Life Group Limited declared EBITDA as a non-GAAP measure in its financial statements but not in its highlights section. The company also stated that it uses non-GAAP measures which ‘include EBITDA and EBIT’, leaving it unclear as to whether this is a comprehensive list of all non-GAAP measures used. See point 8 in Section 4.1 and Section 6.2.2 for more examples.

#### **Example 6 – Poor practice: Labelling non-GAAP measures as GAAP**

A small number of companies labelled non-GAAP measures as GAAP within their annual reports. In all cases, the non-GAAP measures were EBITDA or a truncated/expanded version of EBITDA. For example, NZ King Salmon Investments Limited labelled EBIT and EBITDA as GAAP measures despite these being common non-GAAP measures.

#### **Example 7 – Poor practice: Definition of EBITDA used that does not align with the standard definition given by the XRB**

The XRB defines EBITDA as ‘earnings before interest, tax, depreciation and amortisation’.<sup>85</sup> Most companies used this definition when presenting EBITDA information. However, Smartpay Holdings Limited defined EBITDA as ‘earnings before interest, tax, depreciation, amortisation expense, foreign exchange adjustments, share performance rights amortisation expense, financial instrument realised/unrealised revaluation

movements, and impairment and loss on disposal of property, plant and equipment'. This explicitly contradicts the FMA's 2017 guidance note, which states that 'it is not appropriate to label a measure as EBITDA if it excludes items which are not interest, tax, depreciation or amortisation'.

### Reasoning

The FMA's 2017 guidance note states that 'entities should clearly explain the reasons for presenting the non-GAAP financial information'.<sup>86</sup>

#### **Example 8 – Good practice: Detailed and specific reasoning provided for use of non-GAAP measures**

In contrast to many companies that provided only a short sentence on why they had used non-GAAP measures, Michael Hill International Limited gave more details. The company stated that the non-GAAP measures provide 'additional meaningful information on the drivers of the business, performance and trends, as well as the position of the Group', and 'enhance the comparability of information between reporting periods by adjusting for non-recurring or controllable factors which affect IFRS measures, to aid the user in understanding the Group's performance'.

### Auditing

The FMA's 2017 guidance note states that entities should 'disclose whether the non-GAAP financial information has been subject to audit or review'. It also notes that 'we do not consider non-GAAP financial information to have been subject to audit or review merely by virtue of the adjustment or component being taken from audited or reviewed financial statements'.<sup>87</sup> Despite this, most companies (80% in 2023) did not specify whether non-GAAP financial information had been audited.

Only 6% (6 out of 107) of NZSX-listed companies whose 2023 annual reports contained selected non-GAAP measures explicitly stated that their non-GAAP information had been audited.

Only 14% (15 out of 107) of NZSX-listed companies whose 2023 annual reports contained selected non-GAAP measures explicitly stated that their non-GAAP information had not been audited.

#### **Example 9 – Good practice: Explicit declaration of non-GAAP financial information as audited**

Kiwi Property Group Limited used three non-GAAP measures (operating profit, funds from operations and adjusted funds from operations), which were all reconciled in the five-year financial summary (outside of the financial statements) and had a footnote declaring that the data had 'been the subject of an audit'.

#### **Example 10 – Good practice: Explicit declaration of non-GAAP financial information as unaudited**

My Food Bag Limited provided a disclaimer at the start of its annual report that the non-GAAP measures presented were 'not subject to audit'. It was also exemplary in clearly indicating where reconciliations of non-GAAP measures could be found.

### 6.1.2 Principle 2: Prominence and principle 5: Unbiased

The FMA's 2017 guidance note states that 'entities should not present non-GAAP financial information with undue and greater prominence, emphasis or authority than the most directly comparable GAAP financial information'.<sup>88</sup> Assessing the application of its 2012 guidance in 2013, the FMA found that many companies were giving greater prominence to non-GAAP financial information in the presentation of financial performance measures. The 2013 FMA report *Monitoring of non-GAAP disclosures* was particularly concerned about the presentation of non-GAAP measures in graphs. As a result, the FMA strengthened the prominence principle in its 2017 update of the guidance note (see Observation 3 in Section 5.1 and Appendix 4). Nonetheless, companies are still giving considerable prominence to non-GAAP information, with the Institute noting several companies that used non-GAAP measures in graphs.

While related, 'unbiased' refers specifically to the requirement that entities should not use non-GAAP measures 'to avoid presenting adverse information to the market or to over-emphasise favourable information'.<sup>89</sup>

### **Example 11 – Poor practice: Presentation of non-GAAP measures in graphs and highlights without identifying them as non-GAAP**

Ebos Group Limited included multiple non-GAAP measures (underlying earnings per share, underlying NPAT and underlying EBITDA) without identifying them as such anywhere in the annual report. The company also included non-GAAP financial information in its highlights section, giving the measures prominence without stating their nature.

### **Example 12 – Poor practice: Presentation of EBITDAF as a standalone measure in graphs**

Infratil Limited used ‘net earnings before interest, tax, depreciation, amortisation, financial derivative movements, re-evaluations, and non-operating gains or losses on the sales of investments and assets’ (EBITDAF) in multiple graphs to display trends over time.

## **6.1.3 Principle 3: Reconciliation**

The FMA’s 2017 guidance note states that ‘entities should provide a reconciliation from the non-GAAP financial information to the most directly comparable GAAP financial information’.<sup>90</sup>

In 2023, 66% (71 out of 107) of NZSX-listed companies whose 2023 annual reports contained selected non-GAAP measures reconciled them to the most directly comparable GAAP measure in their annual reports. This was typically done in one of two ways: implicitly within the income statement or explicitly in a standalone table, the latter providing greater clarity for readers.

### **Example 13 – Good practice: Clear reconciliation and reference to where this can be found**

Delegat Group Limited included clear calculations reconciling EBIT and EBITDA to NPAT, alongside reconciliations of all operating performance measures. Delegat also included this reconciliation, as well as definitions, reasoning, and a statement in the Chair’s Report that non-GAAP financial information had been ‘read by the auditors’. This was exemplary in, firstly, demonstrating how non-GAAP financial information can be contained in one space and, secondly, providing clarifications upfront, with the Chair’s Report being one of the first ports of call for annual report users.

### **Example 14 – Poor practice: Insufficient reconciliation**

Geo Limited had a dedicated page on non-GAAP financial information, which stated that the ‘non-GAAP measure of earnings’ (i.e. EBITDA) was reconciled. However, the table referred to only showed the figures for EBITDA alongside the most comparable GAAP measures, without itemising the adjustments made to calculate it. This does not meet the standard for reconciliation in the FMA guidelines, which states that ‘entities should itemise and explain each significant adjustment separately’.<sup>91</sup>

## **6.2 2023 result announcements**

An excerpt setting out the requirements for full- and half-year announcements can be found in the 1 April 2023 *NZX Listing Rules Appendix 2: Results Announcements* (see Figure 37 below). While this section does not explicitly address non-GAAP information, it does permit issuers to provide additional facts, figures or interpretative notes, provided these ‘include any additional information necessary to ensure the announcement is not misleading’. This raises the critical question of what constitutes a misleading disclosure versus a non-misleading disclosure.

The Institute’s position is that in order to not be considered misleading, full-year result announcements should comply with the requirements of NZ IFRS 18: *Presentation and Disclosure in Financial Statements – Management-defined performance measures* when the standard becomes mandatory in 2027 (see Appendix 1). To illustrate this, Appendix 9 sets out examples of good practice and poor practice around the labelling of non-GAAP measures, drawn from the 2025 result announcements of NZSX-listed companies. The Institute selected companies based on their use of non-GAAP measures in result announcements (see Section 4.2). Most companies had not changed how non-GAAP measures were presented between 2023 and 2025. Only the 2025 result announcements are presented in Appendix 9 to give a more up-to-date picture of current practice.

Figure 37 provides an insight into the extent to which preparers must decode what may be considered ‘misleading’ (or not). An assessment of this term is central to decisions preparers and auditors need to make. In our view, there remains a lack of clarity, and NZX and issuers may not always align with the Institute’s view of what constitutes good or poor practice. Importantly, we acknowledge that this is a matter of judgement until more guidance is forthcoming. Nevertheless, we believe it is essential to share our perspective, using real-world examples to demonstrate what we consider is not misleading (good practice), versus disclosures that could be regarded as potentially misleading (poor practice). In Appendix 9, we look at one aspect of reporting practice: labelling.

Figure 37: Excerpt from NZX Listing Rules Appendix 2: Results announcements

Source: NZX Listing Rules Appendix 2: Results Announcements, 2023<sup>32</sup>

**Full Year and Half-Year Results Announcement**

All Results Announcements must comply with the following requirements:

- 1 All statements must be prepared in compliance with New Zealand equivalents to International Financial Reporting Standards issued by the External Reporting Board or the equivalent foreign accounting standards.
- 2 A statement of the accounting policies (if any) that the directors believe are critical to the portrayal of the Issuer’s financial condition and results and which require the directors to make judgements and estimates about matters that are inherently uncertain.
- 3 If there has been any material change in accounting policies applied in preparation of the statements reflected in the announcement, it must disclose the impact of the change.
- 4 If the financial statements have been audited, a copy of the audit report should be provided with the announcement.
- 5 The announcement may include any additional facts, figures or interpretative notes that the Issuer wishes to include, and must include any additional information required by any applicable financial reporting standard or necessary to ensure the announcement is not misleading.

## 7.0 Recommendations

New Zealand has long been recognised as a global leader in developing and implementing relevant, practical standards. It was among the first nations to adopt accrual accounting in the public sector and to introduce mandatory climate-related reporting requirements.<sup>93,94</sup> This proactive approach has resulted in preparers, investors, bankers, insurers and other users being better informed about financial and climate information.

The current loose approach to reporting non-GAAP measures comes with clear risks for investors and other stakeholders. The Institute believes there is a need for stronger regulations to bring greater standardisation and to provide clarity, consistency and comparability.

This is particularly important given the proliferating use of AI. The growing prevalence of non-GAAP reporting makes it essential that AI systems in finance are designed with safeguards for transparency, reconciliation, and regulatory compliance. Without these protections, AI risks amplifying misleading information rather than clarifying it. For example, AI models trained on financial disclosures must be able to distinguish between GAAP and non-GAAP measures. If companies fail to clearly label non-GAAP information, AI systems may misclassify or misinterpret performance data. This creates a moral hazard, as users could rely on AI-driven analytics to reinforce non-GAAP narratives without conducting proper checks.

At the same time, AI has the potential to strengthen oversight. It could detect inconsistencies between result announcements and financial statements, and flag disclosures that deviate from NZ IFRS 18 requirements. As non-GAAP measures become increasingly normalised, AI could either magnify risks or serve as a valuable tool to reconcile information and alert users and regulators to issues. Looking forward, the real value of AI may be in enabling other large data sets to be more easily compared. This opens the door to aligning goals and strategies, spotting gaps, verifying public communications, and reducing duplication across documents like financial statements, annual reports and NZX result announcements. AI, managed well, should contribute to putting in place a policy ecosystem able to anticipate and prepare for the future.<sup>95</sup>

The recommendations below aim to minimise market risks for preparers and users of financial information.

### 7.1 External Reporting Board (XRB)

**Recommendation 1: XRB should establish a non-GAAP standard on reporting non-GAAP financial information, for implementation post-January 2027.**

The reporting of management-defined performance measures (MPMs) is a good start, but more guidance is needed on other non-GAAP measures. Given the prevalence of non-GAAP information, the XRB should consider whether it is an appropriate time to develop a dedicated non-GAAP standard for Tier 1 reporters, in order to guide preparers and improve the quality of information for users of annual reports and market announcements. We understand that a non-GAAP standard could be implemented on either a voluntary or a mandatory basis. See s 4 and s 18(2) of the Financial Reporting Act 2013. Section 18 of the Act states that a ‘financial reporting standard may state that it is a non-GAAP standard’. This should include a requirement to reconcile non-GAAP with the most directly comparable GAAP measure. This would bring New Zealand in line with Regulation G in the US.<sup>96</sup>

**Recommendation 2: XRB should explore/conduct research into the costs, benefits and risks of standardising regulatory compliance requirements across all public companies (listed and unlisted, including SOEs).**

In the Institute’s view, the designation of ‘public’ should carry consistent obligations, regardless of trading venue. As the public can still invest in unlisted companies, these companies should be held to the same standards of financial transparency as listed companies. This would increase investor confidence and market stability. Consequently, the regulation of non-GAAP financial disclosures should be standardised across all public companies (listed and unlisted, including SOEs), to maintain integrity and fairness. Where appropriate, differential reporting should be applied to ensure that public accountability is fair and balanced. Hence, XRB should issue a non-GAAP standard (see recommendation 1 above), and the FMA should update its 2017 *Disclosing non-GAAP financial information* guidance note, to accompany that new standard. Equally, more research needs to be done to understand the difference in compliance costs for NZSX- versus USX-listed companies. Failure to address disparities in costs and requirements may deter new listings and encourage regulatory arbitrage, weakening the overall transparency of the financial system.

## 7.2 The regulator, licensed stock exchange operators and operators of broker-traded markets

This includes all those that actively engage with and/or manage the financial markets: the regulator (FMA), licensed stock exchange operators (NZX and ASX) and operators of broker-traded markets (USX).

### Guidance, research and regular reviews

**Recommendation 3: FMA should issue more up-to-date guidance on the presentation of non-GAAP information.**

The FMA is not able to issue a formal standard (this authority sits solely with the XRB) but it can issue updated guidance (see s 9(1)(a)(ii) of the Financial Markets Authority Act 2011 and Table 1 on p.8). The FMA's 2017 *Disclosing non-GAAP financial information* guidance note is not comprehensive and an updated version would provide a valuable interim step. Much of the poor practice observed to date stems from the absence of a clear direction from the FMA. As outlined in Recommendation 1 in Section 7.1, our strong preference is for the XRB to issue a dedicated non-GAAP disclosure standard governing the presentation of non-GAAP information in annual reports and results announcements. We do not consider guidance alone to be sufficient. If the XRB decides not to issue a non-GAAP standard, the law should be amended to enable the FMA to undertake this work. Arguably, one standard setter should be responsible for all information in the public domain (i.e. GAAP, climate reporting and non-GAAP).

**Recommendation 4: FMA should monitor the use of non-GAAP financial information; regularly report to the public on the quality of reporting; and actively communicate with companies it deems to have presented misleading non-GAAP information.**

Similar to its international counterparts, ASIC and the US SEC, the FMA should have a more active watchdog role, monitoring the use of non-GAAP financial information to ensure it has been calculated and presented in a manner that aligns with the guidelines. If there are breaches or causes for concern regarding non-GAAP measures presented, then that company should be contacted, and an announcement published if it results in any changes.

**Recommendation 5: FMA should explore/conduct research into the costs, benefits and risks of standardising regulatory compliance requirements across all public companies (listed and unlisted, including SOEs).**

As in Recommendation 2 in Section 7.1 above.

### Financial statements

**Recommendation 6: FMA should make clear that non-GAAP information should not be disclosed within the financial statements (this will ensure reporting practices in New Zealand are consistent with Australia).**

Sections 296(1) and 304 of the Corporations Act 2001 (Australia) require that financial statements be prepared in accordance with Australian Accounting Standards, meaning that non-GAAP financial information cannot be presented within the financial statements and notes to financial statements. See explanation in Section 2.3.

### Annual reports

**Recommendation 7: NZX Listing Rules and USX Market Rules should require that a company's legal name and its New Zealand Business Number (NZBN) be prominently displayed on the front page or inside cover of the annual report.**

In accordance with *ISA (NZ) 700 (Revised): Forming an Opinion and Reporting on Financial Statements International Standards on Auditing (New Zealand)*, the company's audit report must include the official legal name of the organisation whose financial statements are being audited. *ISA (NZ) 700 (Revised)* requires the report to clearly identify the entity whose financial statements have been audited.<sup>97</sup> While undertaking this research, the Institute observed that the legal name was not always prominent and, in many cases, a shortened marketing name was used. In a few cases, the name in the audit report did not align with the NZX website Main Board (NZSX). For example, the Institute found that 12 companies had different names on the NZSX versus in their audit reports (see Table A5.1 in Appendix 5). These discrepancies may be explainable, but without an explanation, they can create unnecessary confusion for users of annual reports, including auditors, regulators and investors. As AI is likely to result in more detailed analysis of companies occurring online, these discrepancies may amplify the confusion. Please note, this working paper uses the official name found on the NZSX, not the name in the audit report.

**Recommendation 8: FMA, NZX and USX should review the prominence of non-GAAP financial information in annual reports and provide more guidance to NZSX-listed and USX-listed companies.**

The concept of prominence already exists as one of the six principles in the FMA's 2017 *Disclosing non-GAAP financial information* guidance note, and has been incorporated into NZ IFRS 18.<sup>98</sup> Although the FMA reviewed the prominence of non-GAAP measures in 2013, it is timely to review current practice and emerging practice given that the XRB has issued NZ IFRS 18. Our view is that a further review should be carried out and used to develop updated guidance on this concept. See Observation 3 in Section 5.1.

**Recommendation 9: NZX Listing Rules should require companies to explicitly state (post-January 2027) whether non-GAAP information has been audited or reviewed within their annual report, and audit reports should explain how the audit or review has been undertaken.**

Very few companies that used non-GAAP measures stated whether the information had been assured. Examples of good practice are Kiwi Property Group Limited and My Food Bag Group Limited (see Section 6.1 and Appendix 7). The FMA's 2017 *Disclosing non-GAAP financial information* guidance note states that they 'do not consider non-GAAP financial information to have been subject to audit or review merely by virtue of the adjustment or component being taken from audited or reviewed financial statements'. Furthermore, NZ IFRS 18 does not include a requirement for companies to state whether measures have been audited or not.<sup>99</sup> The *NZX Listing Rules* should be amended to require companies to state whether non-GAAP financial information included in annual reports and financial statements has been audited.

### Result announcements

**Recommendation 10: FMA, NZX and USX should require all result announcements to be clearly titled 'result announcements'.**

The issue is that the NZX definition of market announcements' 'earning data', which is contained in the *NZX Data Guide – Market Announcement Platform ('MAP') Data Guide*, lacks clarity, does not mention GAAP (or non-GAAP), and relates to far more than earnings. Page 10 of the *Guide* defines earnings data as 'information from your preliminary full year or half year financial statements on items such as total profit/loss after tax, shareholder funds, intangibles, and number of shares on issue as at the balance date'.

In our view, a result announcement should be regarded as an official public statement of a company's profitability or preliminary profitability. To qualify as an announcement on earnings, it should include data on total profit or loss after tax. While information such as shareholder funds, intangibles, and the number of shares on issue at the balance date can provide a useful context, it is not, in our view, strictly necessary to meet the definition of an announcement on earnings.

We consider the addition of earnings data in a market announcement should trigger it to become a result announcement.

**Recommendation 11: FMA, NZX and USX should review the prominence of non-GAAP information in result announcements.**

The principle of prominence merits further consideration in relation to the presentation of non-GAAP measures in market announcements. A review of 2023 full-year (FLLYR) and half-year (HALFYR) disclosures revealed suboptimal practices in the communication of such measures. Given the importance of transparent and reliable financial information in supporting efficient market function, we recommend a follow-up review be conducted in 2025.

This research is not resource-intensive, but it is valuable for reinforcing market confidence through the consistent and appropriate use of non-GAAP financial information. Entities making public disclosures should stay cognisant of the need to present financial data in a way that enables users to make informed decisions. Ensuring that non-GAAP measures are clearly distinguished and appropriately contextualised is essential to maintaining investor trust and the integrity of financial reporting.

**Recommendation 12: NZX should require that any non-GAAP financial information in result announcements be reconciled to GAAP information within the announcement.**

Many companies recommended that their market announcements should be read alongside the annual report and/or financial statements, where further information on non-GAAP measures could be found (e.g. reconciliation). As this was not always the case, NZX should require companies that choose to disclose non-GAAP financial information within result announcements to label the information as non-GAAP,

and reconcile the figure with the nearest GAAP figure. The Institute considers that if it is best practice to reconcile financial information in annual reports, then announcements should be held to the same level of accountability.

**Recommendation 13: *NZX Listing Rules* and *USX Market Rules* should require that any non-GAAP financial figures presented within result announcements be identified as being a non-GAAP measure.**

The Institute found that most companies displayed non-GAAP financial figures in their result announcements on the NZSX in 2023, with few of these being identified as such. Announcements are generally a summarised version of the attached interim/half-/full-year report and contain high-level figures to show the performance of the company at the time. Because announcements are quick snapshots, it is important that the inclusion of non-GAAP financial information be identified as such, with calculations and reconciliations included in the summary. This is to prevent misleading users of the information and to ensure that users can easily navigate across companies and compare financial performances.

## 7.3 Researchers

Because this type of research is complex and difficult to undertake, the Institute has outlined below what it would do differently if it were to re-examine non-GAAP reporting in the future:

**Recommendation 14: Researchers should reflect on the 12 lessons gained from undertaking this research**

### Both annual reports and result announcements

**Recommendation 14 (1):** Include searches for the terms ‘alternative performance measure’ and ‘APM’, and ‘management-defined performance measure’ and ‘MPM’. These terms were not widely used when the research began but are becoming increasingly common.

**Recommendation 14 (2):** Record whether companies reconciled all, some or none of the measures identified as non-GAAP, and distinguish between reconciliations that were explicitly labelled and those that were included but not identified as such. Refer to points 3 and 6 in Section 3.3 and to principle 3: Reconciliation, as outlined in the excerpt from the 2017 FMA guidance note provided in Appendix 4.

**Recommendation 14 (3):** Conduct more detailed analysis of the use of EBIT and EBITDA, assessing the proportion of companies that identified these measures using terms such as non-GAAP, non-IFRS, alternative performance measure (APM), or management-defined performance measure (MPM).

**Recommendation 14 (4):** Examine and assess the level of alignment between the content of result announcements and the resulting financial statements. For instance, consider whether reported results tend to be overstated or understated, and identify whether any observable trends emerge across specific companies or industries.

**Recommendation 14 (5):** Examine whether companies are inflating or deflating their non-GAAP financial figures, as compared to the most directly comparable GAAP figures (e.g. repeat the PwC research shown in Figure 1).

**Recommendation 14 (6):** Investigate whether non-GAAP financial information has been audited.

### Annual reports

**Recommendation 14 (7):** Examine annual reports more closely to identify companies that did not disclose they were reporting non-GAAP, non-IFRS, APM or MPM information, but nevertheless published measures that did not meet GAAP. Of particular concern are companies that failed to alert users to the use of such measures while still providing data based on them.

**Recommendation 14 (8):** Explore in more detail where non-GAAP information was presented (e.g. the financial statements versus the management commentary).

**Recommendation 14 (9):** Search all annual reports for every term listed in Appendix 6. Recognise that some companies use non-GAAP measures without explicitly labelling them as such. For example, our process identified the term ‘annualised recurring revenue’ only once. However, another company also used the term in its annual report but did not classify it as non-GAAP, meaning our search overlooked it.

## Result announcements

**Recommendation 14 (10):** Establish a tighter definition of what constitutes a result announcement. Ideally, NZX should require a clear definition of an earnings announcement and ensure companies consistently use these terms. This forms the basis of Recommendation 2 (see p.68).

**Recommendation 14 (11):** Examine and access the content of the main body (summary page) of the announcement from the accompanying attachments. The summary page should clearly explain what the attachments are and what they cover, and make clear whether non-GAAP information is contained in the result announcement and where it can be found. This distinction is also reflected in Recommendation 2 (see p.68).

**Recommendation 14 (12):** Clarify the role of NZ IFRS 18 in relation to NZX and FMA, and outline their expectations regarding the use of GAAP and non-GAAP measures. Specifically, determine how these regulators expect issuers to apply NZ IFRS 18 when presenting management-defined performance measures, and what standards they require to ensure consistency, transparency, and the avoidance of misleading disclosures.

## 7.4 The Finance and Expenditure Committee (Parliament)

Financial reporting can be divided into three types: standardised public information (i.e. GAAP), voluntary non-standardised public information (i.e. non-GAAP), and confidential management information not available to the public. The Finance and Expenditure Committee (the Committee) should ensure that mandatory reporting requirements strike an appropriate balance between the interests of those preparing financial information and those using it. As the financial reporting standards framework and the climate-related disclosure framework evolve to meet user needs and adapt to technological change, they must be regularly reviewed and assessed. Key questions include whether their purpose is being met, whether the balance between the interests of preparers and users is appropriate, and whether hidden risks or over-regulation exist. However, the Institute is concerned that public policy decisions related to financial reporting are not sufficiently evidence-based. While consultation is valuable, it is overly subjective and influenced by private interests, with the public interest inadequately represented. The following three recommendations are designed for the Committee to consider as part of its 2026 work programme.

**Recommendation 15: The Committee should commission an independent comparison of reporting requirements for companies listed on both the NZX and ASX Main Boards.**

With many issuers operating across the two exchanges, alignment is essential. Where differences in regulation are unavoidable, those distinctions should be made transparent to ensure consistency, confidence and fairness in the market.

**Recommendation 16: The Committee should commission a comprehensive, independent review of the costs, benefits and risks of the Unlisted Securities Exchange (USX).**

Established in New Zealand in December 2003, USX has now operated for 22 years. With its continued growth and increasing influence on the economy, such an assessment will help ensure its role remains aligned with national financial stability and long-term economic objectives. Importantly, USX was designed to serve smaller issuers under lighter regulation, while NZX continues to operate as the main, fully regulated exchange for larger companies and institutional investors. A detailed analysis is required to determine whether the current level of regulation is appropriate, or whether different regulatory approaches are necessary. This recommendation connects directly to our full and final recommendation below.

**Recommendation 17: The Committee should commission a comprehensive mapping of all New Zealand entities, including for-profit organisations (NZSX-listed companies, USX-listed companies and SOEs) as well as not-for-profit entities. Each entity should be categorised by type, purpose, level of public accountability and current reporting requirements, with inconsistencies clearly identified.**

The Institute may seek to prepare an infographic in 2026 to illustrate this landscape as we were not able to find such a diagram. While there is deep expertise in specific areas of the financial markets and reporting by public organisations more generally, oversight across the system as a whole remains limited. A structured mapping exercise will highlight gaps, overlaps, and opportunities to strengthen transparency and governance.

## Abbreviations

<b>AFFO</b>	Adjusted funds from operations
<b>AML/CFT</b>	Anti-Money Laundering and Countering Financing of Terrorism
<b>AMRR</b>	Annualised monthly recurring revenue
<b>AMTN</b>	Australian Medium-Term Note
<b>ANZSIC</b>	Australian and New Zealand Standard Industrial Classification 2006
<b>APMs</b>	Alternative performance measures
<b>ARR</b>	Annualised Recurring Revenue
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Stock Exchange
<b>BAU</b>	Business as usual
<b>CAC</b>	Costs to acquire customers
<b>CDP</b>	Formerly known as ‘Carbon Disclosure Project’, now only referred to as CDP
<b>Companies Office</b>	New Zealand Companies Office
<b>COR</b>	Combined operating ratio
<b>CTS</b>	Costs to service and support
<b>EBIT</b>	Earnings before interest and tax
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>EBITDAF</b>	Earnings before interest, taxes, depreciation, amortisation, and fair value adjustments
<b>EBITDAI</b>	Earnings before finance income and expense, income tax, depreciation, amortisation, and net investment income
<b>EBT</b>	Earnings before tax
<b>EER</b>	Extended External Reporting
<b>EMTN</b>	Euro Medium-Term Notes
<b>EPS</b>	Earnings per share
<b>ESMA</b>	European Securities and Markets Authority
<b>ETS</b>	Emissions Trading Scheme
<b>FCI</b>	Future contracted income
<b>FFO</b>	Funds from operations
<b>FLLYR</b>	Full-year announcement
<b>FMA</b>	Financial Markets Authority
<b>FMC</b>	Financial Markets Conduct
<b>FRC UK</b>	Financial Reporting Council (UK)
<b>FY</b>	Financial year
<b>GAAP</b>	Generally accepted accounting practice
<b>GRI</b>	Global Reporting Initiative
<b>GWP</b>	Gross written premium

<b>HALFYR</b>	Half-year announcement
<b>IAS</b>	International Accounting Standards
<b>IASB</b>	International Accounting Standards Board
<b>IFRS</b>	International Financial Reporting Standards
<b>IIRC</b>	International Integrated Reporting Council
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>IPSASB</b>	International Public Sector Accounting Standards Board
<b>IR</b>	Integrated Reporting
<b>MPM</b>	Management-defined performance measure
<b>MER</b>	Management expense ratio
<b>NAV</b>	Net Asset Value
<b>Non-ASIC</b>	Not on an ASIC register (see ASIC above)
<b>Non-GAAP</b>	Non-generally accepted accounting practice
<b>NFP</b>	Not-for-profit
<b>NPAT</b>	Net profit after tax
<b>NPATA</b>	Net Profit after tax and amortisation
<b>NPATAS</b>	Net profit after tax attributable to shareholders
<b>NPBT</b>	Net profit before tax
<b>NTA</b>	Net tangible assets
<b>NZ IFRS RDR</b>	NZ IFRS Reduced Disclosure Regime
<b>NZ IFRS</b>	New Zealand equivalents to International Financial Reporting Standards
<b>NZSX</b>	NZX Main Board (also NZX Equity Market)
<b>NZX</b>	New Zealand Stock Exchange
<b>NZX Listing Rules</b>	NZX Limited: Main Board/Debt Market Listing Rules
<b>OPEX</b>	Operating expenses or expenditure
<b>PBE</b>	Public benefit entity
<b>PD&amp;D</b>	Product design and development
<b>PwC</b>	PricewaterhouseCoopers
<b>RDR</b>	Reduced Disclosure Regime
<b>Registrar</b>	Registrar of Financial Service Providers
<b>ROE</b>	Return on average ordinary equity
<b>ROTE</b>	Return on average tangible ordinary equity
<b>SaaS</b>	Software as a Service
<b>SOE</b>	State-owned enterprise
<b>TSR</b>	Total shareholder return
<b>USX</b>	Unlisted Securities Exchange
<b>XRB</b>	External Reporting Board

# Glossary

Many of the terms in this glossary are used in legislation or other rules, protocols and compliance standards that shape international reporting. Relevant legislation that outlines definitions of any terms below is included in *Working Paper 2018/04 – Legislation Shaping the Reporting Framework: A compilation*. Other terms are used specifically in the context of McGuinness Institute research. To minimise repetition, we have given prominence to the definitions given in standards used by for-profit entities rather than not-for-profit entities.

## Accounting standards

The External Reporting Board Standard *A1 Application of the Accounting Standards Framework* states that the term accounting standard has ‘the same meaning as “financial reporting standard” and includes an “applicable financial reporting standard” as defined in the Financial Reporting Act 2013’.

## Accounting standard framework

Refers to the External Reporting Board Standard *A1 Application of the Accounting Standards Framework*.

## Alternative performance measures (APMs)

‘APMs are company performance measures other than those reported in a company’s financial statements. Examples of APMs include “underlying profits”, “normalised profits”, EBIT (earnings before interest and tax) and EBITDA (earnings before interest, tax, depreciation and amortisation).’<sup>100</sup>

## Announcements

‘Market announcements distributed in real time.’<sup>101</sup> See ‘NZX announcements’.

## Annual report

Defined varyingly across the public and private sectors in a range of documents. Contents of an annual report are specified in s 211 of the Companies Act 1993 and NZX Listing Rule 3.7 and 3.8. For further information, see p.7 in ISA (NZ) 720 (Revised).

## Australian Securities and Investments Commission (ASIC)

Used in the context of this research as a determinant of financial filing requirements (see also ‘Overseas ASIC companies/ overseas non-ASIC companies’).

## Auditing/assurance requirements

The different legal obligations of various public and private sector entities to have their financial statements subject to an assurance engagement.

## Climate-related disclosure framework

The framework (such as the NZ CS) is established under s 12(aa) of the Financial Reporting Act 2013.

## Companies Register

A website operated by the New Zealand Companies Office where company details are stored.

## Directors

A legal term defined for companies under s 126(1) of the Companies Act 1993 and for other entities under Rule 1.9 as ‘any person occupying a position in that entity, or in the Manager of such entity, that is comparable with that of a director of a company’.<sup>102</sup>

## Earnings

‘Income or profit of an entity. May be expressed as gross or net.’<sup>103</sup>

## Earnings before interest and tax (EBIT)/earnings before interest, tax, depreciation and amortisation (EBITDA)

‘EBIT represents earnings (or net income/profit, which is the same thing) that have interest and taxes added back to them. On an income statement, EBIT can be easily calculated by starting at the Earnings Before Tax line and adding back to that figure any interest expenses the company may have incurred ... EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortization. The additional adding back of Depreciation and Amortization is the only difference between EBIT vs EBITDA’.<sup>104</sup> ‘EBITDA is a measure of profitability that excludes the costs of financing, taxation, and asset ageing.’<sup>105</sup>

### **Earnings data (market announcements)**

‘Earnings data refers to the following pieces of information from your preliminary full year or half year financial statements: Total profit/loss after tax, shareholder funds, intangibles, number of shares on issue as at the Balance Date.’<sup>106</sup>

### **Entity**

A legal term defined in s 5 of the Financial Reporting Act 2013.

### **External Reporting Board (XRB)**

It is the XRB’s role to ‘develop and issue reporting standards on accounting, audit and assurance, and climate, for entities across the private, public, and not-for-profit sectors’.<sup>107</sup>

### **Financial Markets Authority (FMA)**

‘New Zealand’s principal conduct regulator for financial markets.’<sup>108</sup>

### **Financial reporting standards**

A set of standards defined in s 5 of the Financial Reporting Act 2013 and issued by the XRB for the public and private sectors.<sup>109</sup> It has the same meaning as ‘accounting standards’ above.

### **Financial Stability Board (FSB)**

A Switzerland-based entity that acts as a monitor of the global financial system, making recommendations and co-ordinating national financial authorities.<sup>110</sup>

### **Financial statements**

An accounting and filing document defined in s 6 of the Financial Reporting Act 2013. ‘A financial statement reports on financial activities and performance of a business over a certain period in the past. Lenders and investors use it to judge a business’s financial health and earnings potential.’<sup>111</sup>

Some large New Zealand, and all large overseas companies, must file annual audited financial statements under the Companies Act 1993. All Financial Markets Conduct (FMC) reporting entities must lodge annual audited financial statements under the Financial Markets Conduct Act 2013.<sup>112</sup>

See also ‘general purpose financial statements’.

### **FMA reporting entity**

An FMA reporting entity is not the same as an FMC reporting entity. The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act) describes a person who needs to comply with the AML/CFT Act as a ‘reporting entity’. The definitions of ‘reporting entity’ can be found in s 5 of the AML/CFT Act and in the Anti-Money Laundering and Countering Financing of Terrorism (definitions) Regulations 2011. An FMA reporting entity is not a defined term under the AFT/CMT Act, but is used to describe a ‘reporting entity’ that is supervised by the FMA, in its role as an AML/CFT supervisor, under s 130 of the AML/CFT Act. The FMA’s website contains a list of 1457 FMA reporting entities as at 31 January 2023.<sup>113</sup> FMA reporting entities have an obligation to report to the FMA on a regular basis.<sup>114</sup>

### **FMC reporting entity**

FMC reporting entities, in contrast to FMA reporting entities, are those persons described in s 451 of the Financial Markets Conduct Act 2013 (FMC Act). An ‘FMC reporting entity’ is required to comply with the obligations contained in Part 7 of the FMC Act. ‘These obligations include keeping proper accounting records, preparing financial statements, having those financial statements audited, and lodging those financial statements and audit report with the Companies Office within four months of the balance date of the FMC reporting entity.’<sup>115</sup>

### **For-profit entities**

‘Reporting entities that are not public benefit entities’.<sup>116</sup> These entities apply NZ IFRS accounting standards. If an entity does not meet PBE criteria, it is, for the purposes of reporting, a for-profit entity.

### **Full-year announcement (FLLYR)**

The NZX announcement code used when NZSX-listed companies are releasing their preliminary full-year results.<sup>117</sup>

### **General purpose financial statements**

An accounting term used in NZ IAS 1 *Presentation of Financial Statements*, but usually referred to simply as ‘financial statements’, ‘intended to meet the needs of users who are not in a position to require an entity to prepare reports tailored to their particular information needs’.<sup>118</sup>

### **Generally accepted accounting practice (GAAP)**

A legal and accounting term defined in s 8 of the Financial Reporting Act 2013. They are ‘accounting standards issued by the XRB Board or the NZASB and are the primary indicators of generally accepted accounting practices (GAAP) in New Zealand’.<sup>119</sup> Section 4 of the XRB A1 standard outlines what currently constitutes GAAP:

4. The financial statements of various reporting entities are required by legislation to comply with ‘generally accepted accounting practice’ (GAAP). GAAP comprises:
  - (a) accounting standards issued by the XRB, or its sub-Board the New Zealand Accounting Standards Board (NZASB), pursuant to section 12(a) of the Financial Reporting Act 2013; and
  - (b) authoritative notices issued by the XRB or the NZASB, pursuant to section 12(c) of the Financial Reporting Act 2013.

See also s 7: Matters relating to GAAP in Financial Markets Conduct Regulations 2014.

### **Half-year announcement (HALFYR)**

The NZX announcement code used when NZSX-listed companies are releasing their preliminary half-year results.<sup>120</sup>

### **International Accounting Standards (IAS) (an accounting term)**

International Accounting Standards (IAS) are a set of earlier accounting guidelines that were issued between 1973 and 2001 by the International Accounting Standards Committee (IASC). When IASC was replaced by the IASB in 2001, the earlier standards were replaced by International Financial Reporting Standards (IFRS). The IASB adopted the existing IAS standards and continues to manage them, but new standards are now issued under the IFRS name.<sup>121</sup> (See also ‘International Financial Reporting Standards (IFRS)’.)

### **International Accounting Standards Board (IASB)**

An independent body that produced IAS and now produces IFRS.<sup>122</sup> (See also ‘International Accounting Standards’ above and ‘International Financial Reporting Standards’ below.)

### **International Financial Reporting Standards (IFRS) (an accounting term)**

An accounting term that refers to the accounting standards issued by the IASB since 2001.<sup>123</sup> (See also ‘International Accounting Standards (IAS)’.)

### **International Public Sector Accounting Standards (IPSAS)**

A set of standards for public sector entities to use when preparing financial statements, issued by the International Public Sector Accounting Standards Board.<sup>124</sup>

### **Issuer**

A legal term defined in s 11 of the Financial Markets Conduct Act 2013.

### **Management commentary**

The Institute uses the term ‘management commentary’ to refer to any part of the annual report outside of the financial statements. XRB defines management commentary as:

- A particular form of general purpose financial reports that provide information that:
- (a) enhances users’ understanding of the entity’s financial performance and financial position reported in its financial statements; and
  - (b) provides management’s insight into factors, including sustainability-related factors, that could affect the entity’s ability to create value and generate cash flows across all time horizons, including in the long term.<sup>125</sup>

### **Management-defined performance measure (MPM)**

NZ IFRS 18 defines a management-defined performance measure as:

a subtotal of income and expenses that:

- (a) an entity uses in public communications outside financial statements;
- (b) an entity uses to communicate to users of financial statements management’s view of an aspect of the financial performance of the entity as a whole; and
- (c) is not listed in paragraph 118 [of NZ IFRS 18], or specifically required to be presented or disclosed by NZ IFRS.<sup>126</sup>

Examples include ‘adjusted profit, normalised/underlying earnings, and adjusted earnings before interest, tax, depreciation and amortisation’. The External Reporting Board (XRB) has indicated that preparers will need to consider whether EBITDA meets the definition of MPM above.

### **Material information**

Unless otherwise stated, this report defines material information broadly in line with the European Union *Guidelines on non-financial reporting: Supplement on reporting climate-related information*.<sup>127</sup> Although it is applied to climate change here, it is the Institute’s view that it can be applied to all other material information. Material information is also defined in s 231(1) of the Financial Markets Conduct Act 2013, which is referred to in the NZX Listing Rules glossary.<sup>128</sup> The XRB definition is ‘information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity’.<sup>129</sup>

### **Market announcements**

Market announcements relate to all announcements made by NZSX-listed companies released publicly on the NZX Market Announcement Platform. They contain information that issuers must release to the market to meet its obligations under the NZX Listing Rules and their content is identified by specific type codes.

### **New Zealand equivalents to International Financial Reporting Standards (NZ IFRS)**

Defined by XRB as follows:

Standards and Interpretations adopted by the International Accounting Standards Board (IASB).

They comprise:

- (a) International Financial Reporting Standards;
- (b) International Accounting Standards;
- (c) IFRIC Interpretations; and
- (d) SIC Interpretations.<sup>130</sup>

### **New Zealand Stock Exchange (NZX)**

The NZX is a licensed market operator as defined in s 6 of the Financial Markets Conduct Act 2013.

### **Non-ASIC**

(See ‘Australian Securities and Investments Commission (ASIC)’.)

### **Non-GAAP information (in this paper includes non-climate-related disclosure information)**

Non-GAAP is not specifically defined in legislation but for the purposes of this paper we have treated it as any financial information that is published by an organisation, usually in the management commentary of an annual report, that is not standardised, such as information that is not required under the financial reporting standards framework (being GAAP) or the climate-related disclosure framework. Note there is a discussion of specific non-GAAP terms, such as EBITDA, in clause 39, Miscellaneous rules relating to financial information, of the Financial Markets Conduct Regulations 2014 (see ‘generally accepted accounting practice (GAAP)’).

### **Non-GAAP financial measures (Non-GAAP measures)**

As defined in s 2(5) of the Financial Markets Conduct Regulations 2014, a non-GAAP financial measure is ‘a numerical measure of an issuer or an issuing group’s historical or future financial performance, financial position, or cash flows that is used as an alternative to, or to supplement, a GAAP financial measure’.

### **Non-GAAP information**

The Institute uses the term ‘non-GAAP information’ to include mentions of the terms ‘non-GAAP’ or ‘non-IFRS’ and/or the reporting of selected non-GAAP measures.

### **Non-GAAP standard**

‘Non-GAAP standard is defined in s 5 of the Financial Reporting Act 2013 and means a financial reporting standard issued by the XRB that is stated in the standard to be a non-GAAP standard. All the non-GAAP standards issued by the XRB are currently cash-based standards.’<sup>131</sup> The only non-GAAP standard issued by the XRB is Tier 4 (NFP) Standard Reporting Requirements for Tier 4 Not-for-Profit Entities (2023), pursuant to s 18 of the Financial Reporting Act 2013.

## **NZX announcements**

Components of a continuous ‘disclosure framework which seeks to ensure the timely release of material information by issuers’.<sup>132</sup> (See ‘material information’.) The announcements ensure integrity and promote ‘fair, orderly and transparent markets’ through the provision of timely, relevant and equally accessible information.<sup>133</sup> There is no ‘prescriptive list of information’ that needs to be included in announcements, because this will depend ‘on the content and the reason for the announcement’, although there is some guidance provided on information that should generally be disclosed following a material transaction.<sup>134</sup>

## **NZX Corporate Governance Code (NZX Code)**

A document that sets out eight principles to guide NZSX-listed companies:

- Principle 1: Ethical standards
- Principle 2: Board composition and performance
- Principle 3: Board committees
- Principle 4: Reporting and disclosure
- Principle 5: Remuneration
- Principle 6: Risk management
- Principle 7: Auditors
- Principle 8: Shareholder rights/relations<sup>135</sup>

See also ‘FMA Handbook’, which includes stakeholder interests in Principle 8.<sup>136</sup>

## **NZX Main Board (NZSX) (a legal term)**

‘The NZX Equity Market (NZSX) is the premier market for NZX’s listed equities and funds in New Zealand and is home to some of New Zealand and Asia-Pacific’s most successful and dynamic companies.’<sup>137</sup>

## **Officers (Company officers)**

A term defined in NZX Listing Rule 3.8.1(c) as follows:

A person, however designated, who is concerned or takes part in the management of the Issuer’s business and reports directly to: (a) the Board; or (b) a person who reports to the Board.<sup>138</sup>

## **Overseas ASIC companies/overseas non-ASIC companies**

Terms used specifically by the McGuinness Institute in Project *ReportingNZ* to denote the legal status of an overseas company as registered with the Australian Securities and Investments Commission (or not). (See also ‘Australian Securities and Investments Commission (ASIC)’.)

## **Overseas company**

A legal term defined in ss 2 and 332 of the Companies Act 1993.

## **Performance report/statement**

An accounting term for public benefit entities defined as follows:

A set of statements which collectively tell the story of the entity over the financial year. This includes the entity information, statement of service performance, statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies, and notes to the performance report prepared in accordance with this Standard.<sup>139</sup>

For registered charities, performance reports are the financial statements that Tier 3 and 4 charities attach to their annual return, which contain both financial and non-financial information, such as mission or purpose. From 1 January 2022, all Tier 1 and Tier 2 charities were required to report service performance information.<sup>140</sup>

## **Preparers (report preparers)**

A term used specifically by the McGuinness Institute in Project *ReportingNZ* to refer to CFOs of significant companies in New Zealand. The term was developed for the 2017 *Preparers’ Survey*, which focuses on significant companies because of their impact on New Zealand’s economy and because of their potential as drivers of change in EER practices. (See also ‘users (report users)’ below.)

## **Pro forma**

‘A pro forma financial statement is a document that predicts future financial results using estimated data.’<sup>141</sup>

### **Public accountability (an accounting term)**

The definition of public accountability in XRB A1 has two parts:

*Part 1* refers to the IASB definition (based on the international standard IFRS for SMEs): An entity has public accountability if its shares or debt are traded on the public market – or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

*Part 2* refers to a New Zealand-specific ‘deeming provision’: An entity has public accountability if it is an ‘FMC reporting entity’ with ‘higher level of public accountability’ as defined under the Financial Markets Conduct Act 2013 (FMC Act).<sup>142</sup>

Public accountability is defined in *XRB A1: Application of the Accounting Standards Framework* as:

- 7 For the purpose of applying the Tier 1 criteria, an entity has public accountability if:
  - (a) it meets the IASB definition of public accountability as specified in paragraph 8 (subject to paragraph 10); or
  - (b) it is deemed to have public accountability in New Zealand in accordance with paragraph 9.
- 8 In accordance with the IASB definition, an entity has public accountability if:
  - (a) its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or
  - (b) it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (most banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks would meet this second criterion).
- 9 An entity is deemed to have public accountability in New Zealand if:
  - (a) it is an FMC reporting entity or a class of FMC reporting entities that is considered to have a ‘higher level of public accountability’ than other FMC reporting entities under section 461K of the Financial Markets Conduct Act 2013; 2 or
  - (b) it is an FMC reporting entity or a class of FMC reporting entities that is considered to have a ‘higher level of public accountability’ by a notice issued by the Financial Markets Authority (FMA) under section 461L(1)(a) of the Financial Markets Conduct Act 2013.
- 10 Notwithstanding paragraph 8(b), an FMC reporting entity is not considered to have public accountability unless it is considered to have a ‘higher level of public accountability’ than other FMC reporting entities in accordance with paragraph 9(a) or 9(b).<sup>143</sup>

### **Public benefit entities (PBEs) (an accounting term)**

Describes an entity ‘whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders’.<sup>144</sup> PBEs include not-for-profit and public sector entities.

### **Public communications**

NZ IFRS 18 refers to public communications that sits outside a company’s financial statements. ‘Public communications include management commentary, press releases and investor presentations. For the purpose of defining management-defined performance measures, public communications exclude oral communications, written transcripts of oral communications and social media posts.’<sup>145</sup>

### **Reporting entity**

A legal term defined in s 5 of the Financial Reporting Act 2013.

### **Result announcements**

The Institute uses the term ‘result announcements’ to refer to market announcements that directly or indirectly discuss the financial results in some detail. Examples include announcements coded as ‘FLLYR’ and ‘HALFYR’, or announcements coded as ‘MKTUPDATE’ and ‘GENERAL’ that relate to financial results. Importantly, result announcements generally consist of a summary or overview page/s, as well as accompanying attachments.

### **S&P 500 (a financial term)**

An index developed and maintained by S&P Dow Jones Indices, which comprises 500 leading American companies and is ‘widely regarded as the best single gauge of large-cap U.S. equities’.<sup>146</sup>

### Selected non-GAAP measures

Given that there is a wide range of possible non-GAAP terminology, the Institute decided to ensure a consistent approach by using a small, identical set of non-GAAP measures to search both annual reports and result announcements. In this paper, selected non-GAAP measures include: Adjusted, EBIT, Free cash flow, Normalised, Proforma/pro-forma/pro forma and Underlying. Please note that each of these terms, except 'free cash flow', captures a range of non-GAAP measures (e.g. 'Underlying NPAT'). See Table A6.1 in Appendix 6 for a list of all variations of non-GAAP measures found in the 2023 and 2024 annual reports, and Table A8.1 in Appendix 8 for a list of all variations of non-GAAP measures found in the 2023 result announcements.

### Significant companies (a group of companies)

For-profit companies that have a considerable impact on New Zealand's capital (comprising human, social, natural and financial/physical capitals). Examples specific to Project *ReportingNZ* include companies on the 2017 Deloitte Top 200 or NZSX.

### Significant entities (a group of organisations)

Organisations that have a considerable impact on New Zealand's human, social, natural and financial/physical capital. This concept aligns with Treasury's *Living Standards Framework*.<sup>147</sup> It includes significant companies and other significant entities such as government departments, Crown agents and Crown entities, state-owned enterprises and local authorities.

### Stakeholder

Anyone affected by an organisation's operations including, among others, 'customers, employees, the public, the government, and anyone else affected by the business'.<sup>148</sup>

### Statement of cash flows

A report that illustrates 'inflows and outflows of cash and cash equivalents' governed by NZ IAS 7 *Statement of Cash Flows* and PBE IPSAS 2 *Statement of Cash Flows*.<sup>149</sup> All Tier 1 and Tier 2 for-profit entities must produce cash flow statements, although Tier 2 companies may adhere to an RDR. Entities are required to report against three types of activity in the statement of cash flows:

- operating activities ('principal revenue-producing activities')
- investing activities ('acquisition and disposal of long-term assets'), and
- financing activities ('activities that result in changes in the size and composition of the contributed equity and borrowings of the entity').<sup>150</sup>

### Tax expense (tax income) (an accounting term)

Refers to 'the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax'.<sup>151</sup>

### Tier strategy

An accounting strategy adopted by for-profit entities and PBEs that establishes different levels of financial reporting with respect to different classes of reporting entities. The 'tiered approach is intended to match the benefits with the cost of preparing financial statements, based on the size of the entity'.<sup>152</sup> (See Tables 5 and 6 below.)

**Table 5: For-profit entity tiers and accounting standards as at January 2022**

Source: XRB, 2022, p.10<sup>153</sup>

Tier	Tier criteria	Accounting standards
Tier 1	<ul style="list-style-type: none"><li>• Has public accountability (as defined); or</li><li>• Is a for-profit public sector entity that has total expenses &gt;\$30 million</li></ul>	NZ IFRS
Tier 2	<ul style="list-style-type: none"><li>• Has no public accountability (as defined); and</li><li>• Is a for-profit public sector entity that has total expenses ≤\$30 million and elects to be in Tier 2.</li></ul>	NZ IFRS RDR

**Table 6: Public benefit entity tiers and accounting standards as at January 2022**

Source: XRB, 2022, p.14<sup>154</sup>

Tier	Tier criteria	Accounting standards
Tier 1	<ul style="list-style-type: none"> <li>Has public accountability (as defined); or</li> <li>Has total expenses (including grants) &gt; \$30 million</li> </ul>	PBE Standards
Tier 2	<ul style="list-style-type: none"> <li>Has no public accountability (as defined); and</li> <li>Has total expenses (including grants) ≤ \$30 million</li> </ul> <p><i>and elects to be in Tier 2.</i></p>	PBE Standards (RDR)
Tier 3	<ul style="list-style-type: none"> <li>Has no public accountability (as defined); and</li> <li>Has expenses ≤ \$2 million</li> </ul> <p><i>and elects to be in Tier 3.</i></p>	PBE SFR-A (PS) or PBE SFR-A (NFP)
Tier 4	<ul style="list-style-type: none"> <li>Has no public accountability (as defined); and</li> <li>Has total operating payments of less than \$140,000 in each of the previous two reporting periods (i.e. not a 'specified not-for-profit entity'); and</li> <li>Is permitted by an enactment to comply with a 'non-GAAP Standard'</li> </ul> <p><i>and elects to be in Tier 4.</i></p>	PBE SFR(C) (PS) or PBE SFR(C) (NFP)

### Total revenue (an accounting term)

An accounting term defined in s 9 of *XRB A2 Meaning of Specified Statutory Size Thresholds* as 'all income, revenue and gains that are required to be recognised in profit or loss and excludes the components of other comprehensive income'.<sup>155</sup>

### Unlisted code companies

These are a subset of medium-sized unlisted public companies that have 50 or more holders of voting securities and meet certain asset/revenue thresholds. They occupy a regulatory grey area where public accountability is expected but not uniformly enforced.<sup>156</sup>

### Unlisted Securities Exchange (USX)

USX 'is a Financial Product Market operating under an exemption from subpart 7 of Part 5 of the Financial Markets Conduct Act 2013 ("the Act") and certain conditions specified in the Exemption Notice. Investors trading in securities quoted on Unlisted trade at their own risk and do not have the protections provided by Part 5 of the Act, in relation to: insider trading, market manipulation, continuous disclosure, substantial holding disclosure, relevant interest disclosures, and the monitoring of market obligations by the FMA. USX provides a facility for trading previously allotted securities. USX has its own Market Rules and monitors compliance by Issuers with those Rules. Before an investor may trade (via a broker) in securities quoted on USX, the investor's broker will require the investor to sign the USX Information and Disclaimer form, which provides a fuller explanation about USX's status and what this means for investors.' Importantly, USB is unlisted, and is therefore not a licensed financial product. In this paper, the Institute has used the term 'USX-listed companies' to refer to companies listed on the Unlisted Securities Exchange.<sup>157</sup>

### Users (report users)

A term used specifically by the McGuinness Institute in Project *ReportingNZ* to refer to any interested parties who use the reports of organisations to learn more about their operations.

# Appendix 1: Excerpt from NZ IFRS 18: Presentation and Disclosure in Financial Statements – Management-defined performance measures (May 2024)

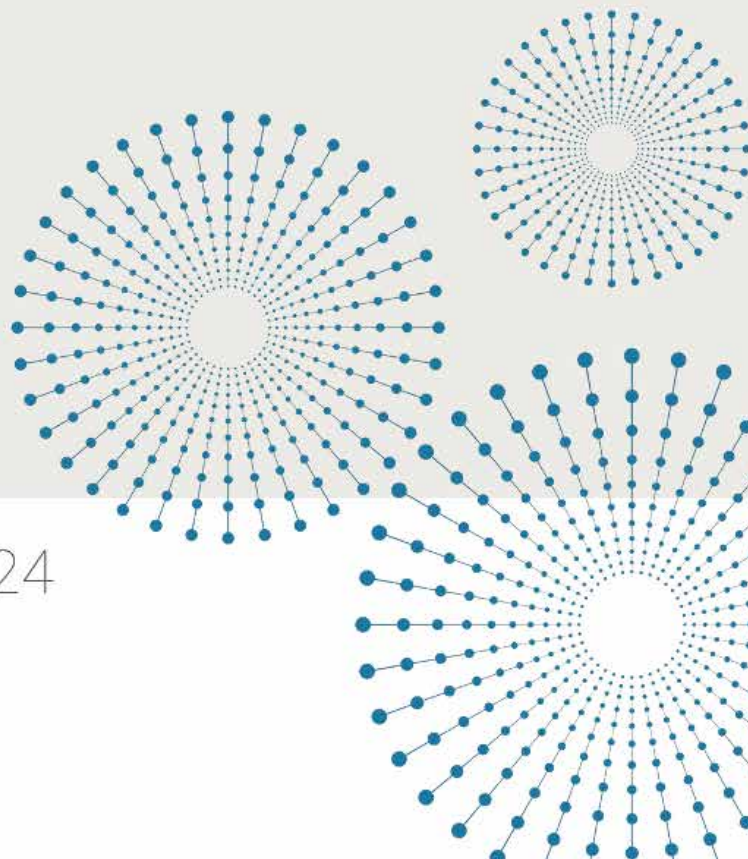


## NZ IFRS 18

### Presentation and Disclosure in Financial Statements

**Mandatory from 1 January 2027**

Issued May 2024





## **New Zealand Equivalent to International Financial Reporting Standard 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18)**

### **Issued May 2024**

This Tier 1 and Tier 2 For-profit Accounting Standard has been issued as a result of a new IFRS<sup>®</sup> Accounting Standard.

NZ IFRS 18 incorporates the equivalent IFRS Accounting Standard as issued by the International Accounting Standards Board (IASB).

In finalising this Standard, the New Zealand Accounting Standards Board has carried out appropriate consultation in accordance with section 22(1) of the Financial Reporting Act 2013.

### **Legal status of Standard**

This Standard was issued on 23 May 2024 by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to section 12(a) of the Financial Reporting Act 2013.

This Standard is secondary legislation for the purposes of the Legislation Act 2019.

The Standard, pursuant to section 27(1) of the Financial Reporting Act 2013, takes effect on the 28<sup>th</sup> day after the date of its publication. The Standard was published under the Legislation Act 2019 on 23 May 2024 and takes effect on 20 June 2024.

### **Commencement and application**

The Standard has a mandatory date of 1 January 2027, meaning it must be applied by Tier 1 and Tier 2 for-profit entities for accounting periods that begin on or after this date.

Application to an earlier accounting period is permitted for accounting periods that end after this Standard takes effect – refer to paragraphs NZ C1.1 – NZ C1.3 of this Standard.

Tier 1 for-profit entities that comply with NZ IFRS 18 will simultaneously be in compliance with IFRS 18 *Presentation and Disclosure in Financial Statements*.

NZ IFRS 18 includes RDR disclosure concessions and associated RDR paragraphs for entities that qualify for and elect to apply Tier 2 for-profit accounting requirements in accordance with XRB A1 *Application of the Accounting Standards Framework*. Entities that elect to report in accordance with Tier 2 accounting requirements are not required to comply with paragraphs in this Standard denoted with an asterisk (\*). However, an entity is required to comply with any RDR paragraph associated with a disclosure concession that is adopted.

This Standard, when applied, will supersede NZ IAS 1 *Presentation of Financial Statements*.

## NZ IFRS 18

**Information to be presented in the statement of changes in equity or disclosed in the notes**

- 109 **For each component of equity an entity shall either present in the statement of changes in equity or disclose in the notes an analysis of other comprehensive income by item (see paragraph 107(c)(ii)).**
- 110 **An entity shall either present in the statement of changes in equity or disclose in the notes the amount of dividends recognised as distributions to owners during the reporting period, and the related amount of dividends per share.**
- RDR 110.1 A Tier 2 entity is not required to disclose the related amount per share of dividends recognised as distributions to owners during the period.
- 111 In paragraph 107, the components of equity include, for example, each class of contributed equity, the accumulated balance of each class of other comprehensive income and retained earnings.
- 112 Changes in an entity's equity between the beginning and the end of the reporting period reflect the increase or decrease in its net assets during the period. Except for changes resulting from transactions with owners in their capacity as owners (such as equity contributions, reacquisitions of the entity's own equity instruments and dividends) and transaction costs directly related to such transactions, the overall change in equity during a period represents the total amount of income and expenses, including gains and losses, generated by the entity's activities during that period.

**Notes****Structure**

- 113 **An entity shall disclose in the notes:**
- (a) information about the basis of preparation of the financial statements (see paragraphs 6A–6N of NZ IAS 8) and the specific accounting policies used (see paragraphs 27A–27I of NZ IAS 8);
  - (b) information required by NZ IFRS that is not presented in the primary financial statements; and
  - (c) other information that is not presented in the primary financial statements, but is necessary for an understanding of any of them (see paragraph 20).
- 114 **An entity shall, as far as practicable, present notes in a systematic manner (see paragraph B112). In determining a systematic manner, the entity shall consider the effect on the understandability and comparability of its financial statements. An entity shall cross-reference each item in the primary financial statements to any related information in the notes. If amounts disclosed in the notes are included in one or more line items in the primary financial statements, an entity shall disclose in the note the line item(s) in which the amounts are included.**
- 115 **An entity may disclose notes providing information about the basis of preparation of the financial statements and specific accounting policies used in a separate section of the financial statements.**
- \*116 **If not disclosed elsewhere in information published with the financial statements, an entity shall disclose in the notes:**
- (a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office);
  - (b) a description of the nature of the entity's operations and its principal activities;
  - (c) the name of the parent and the ultimate parent of the group; and
  - (d) if it is a limited-life entity, information regarding the length of its life.

**Management-defined performance measures****Identification of management-defined performance measures**

- 117 **A *management-defined performance measure* is a subtotal of income and expenses that (see paragraphs B113–B122):**
- (a) an entity uses in public communications outside financial statements;

- (b) an entity uses to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole; and
- (c) is not listed in paragraph 118, or specifically required to be presented or disclosed by NZ IFRS.

118 Subtotals of income and expenses that are not management-defined performance measures are:

- (a) gross profit or loss (revenue minus cost of sales) and similar subtotals (see paragraph B123);
- (b) operating profit or loss before depreciation, amortisation and impairments within the scope of NZ IAS 36;
- (c) operating profit or loss and income and expenses from all investments accounted for using the equity method;
- (d) for an entity that applies paragraph 73, a subtotal comprising operating profit or loss and all income and expenses classified in the investing category;
- (e) profit or loss before income taxes; and
- (f) profit or loss from continuing operations.

119 **An entity shall presume that a subtotal of income and expenses that it uses in public communications outside its financial statements communicates to users of financial statements management's view of an aspect of the financial performance of the entity as a whole, unless, applying paragraph 120, the entity rebuts the presumption.**

120 An entity is permitted to rebut the presumption described in paragraph 119 and assert that a subtotal does not communicate management's view of an aspect of the financial performance of the entity as a whole, but only if it has reasonable and supportable information available that demonstrates the basis for the assertion (see paragraphs B124–B131).

#### **Disclosure of management-defined performance measures**

121 **The objective of the disclosures for management-defined performance measures is for an entity to provide information to help a user of financial statements understand:**

- (a) the aspect of financial performance that, in management's view, is communicated by a management-defined performance measure; and
- (b) how the management-defined performance measure compares with the measures defined by NZ IFRS.

122 **An entity shall disclose information about all measures that meet the definition of management-defined performance measures in paragraph 117 in a single note (see paragraphs B132–B133). This note shall include a statement that the management-defined performance measures provide management's view of an aspect of the financial performance of the entity as a whole and are not necessarily comparable with measures sharing similar labels or descriptions provided by other entities.**

123 **An entity shall label and describe each management-defined performance measure in a clear and understandable manner that does not mislead users of financial statements (see paragraphs B134–B135). For each management-defined performance measure, the entity shall disclose:**

- (a) a description of the aspect of financial performance that, in management's view, is communicated by the management-defined performance measure. This description shall include explanations of why, in management's view, the management-defined performance measure provides useful information about the entity's financial performance.
- (b) how the management-defined performance measure is calculated.
- (c) a reconciliation between the management-defined performance measure and the most directly comparable subtotal listed in paragraph 118 or total or subtotal specifically required to be presented or disclosed by NZ IFRS (see paragraphs B136–B140).
- (d) the income tax effect (determined by applying paragraph B141) and the effect on non-controlling interests for each item disclosed in the reconciliation required by (c).
- (e) a description of how the entity applies paragraph B141 to determine the income tax effect required by (d).

124 If an entity changes how it calculates a management-defined performance measure, adds a new management-defined performance measure, ceases using a previously disclosed management-defined performance

## NZ IFRS 18

measure or changes how it determines the income tax effects of the reconciling items required by paragraph 123(d), it shall disclose:

- (a) an explanation that enables users of financial statements to understand the change, addition or cessation and its effects.
- (b) the reasons for the change, addition or cessation.
- (c) restated comparative information to reflect the change, addition or cessation unless it is impracticable to do so. An entity's selection of a management-defined performance measure is not an accounting policy choice. Nonetheless, in assessing whether restating the comparative information is impracticable, an entity shall apply the requirements in paragraphs 50–53 of NZ IAS 8.

125 If an entity does not disclose the restated comparative information required by paragraph 124(c) because it is impracticable to do so, it shall disclose that fact.

## Capital

\*126 **An entity shall disclose in the notes information that enables users of financial statements to evaluate the entity's objectives, policies and processes for managing capital.**

\*127 To comply with paragraph 126 an entity shall disclose in the notes:

- (a) qualitative information about its objectives, policies and processes for managing capital, including:
  - (i) a description of what it manages as capital;
  - (ii) when an entity is subject to externally imposed capital requirements, the nature of those requirements and how those requirements are incorporated into the management of capital; and
  - (iii) how it is meeting its objectives for managing capital.
- (b) summary quantitative data about what it manages as capital. Some entities regard some financial liabilities (for example, some forms of subordinated debt) as part of capital. Other entities regard capital as excluding some components of equity (for example, components arising from cash flow hedges).
- (c) any changes in (a) and (b) from the preceding reporting period.
- (d) whether during the reporting period it complied with any externally imposed capital requirements to which it is subject.
- (e) when it has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

\*128 An entity shall base the note disclosures in paragraph 127 on the information provided internally to key management personnel.

\*129 An entity may manage capital in a number of ways and be subject to a number of different capital requirements. For example, a conglomerate may include entities that undertake insurance activities and banking activities and those entities may operate in several jurisdictions. When an aggregate disclosure of capital requirements and how capital is managed would not provide useful information or would distort a financial statement user's understanding of an entity's capital resources, the entity shall disclose separate information for each capital requirement to which the entity is subject.

## Other disclosures

130 **An entity shall either present in the statement of financial position or the statement of changes in equity or disclose in the notes:**

- (a) **for each class of share capital:**
  - (i) **the number of shares authorised;**
  - (ii) **the number of shares issued and fully paid, and issued but not fully paid;**
  - (iii) **par value per share, or a statement that the shares have no par value;**
  - (iv) **a reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;**

## NZ IFRS 18

- B130** Paragraph 120 applies to a subtotal and not to individual items of income and expense that comprise the subtotal. Accordingly, an entity cannot assert that a subtotal does not communicate management's view of an aspect of the financial performance of the entity as a whole based on information that demonstrates that an individual item (or items) of income or expense within the subtotal does not represent such a view.
- B131** An entity might change its use of a subtotal to communicate to users of its financial statements management's view of an aspect of the financial performance of the entity as a whole. As a result a subtotal might become, or cease to be, a management-defined performance measure. Judgement is required to identify whether a measure not originally identified as a management-defined performance measure has become one, or whether a measure previously identified as a management-defined performance measure has ceased to be one. For example, an entity might be required by a regulator to report a particular subtotal that, when first used, does not communicate management's view of an aspect of the financial performance of the entity as a whole. Over time the process of producing the subtotal might lead to management using the measure internally to assess and monitor the entity's financial performance or expanding the commentary and explanations in public communications beyond the regulatory requirements, with the result that the measure meets the definition of a management-defined performance measure.

**Disclosure of management-defined performance measures***Single note for information about management-defined performance measures*

- B132** Paragraph 122 requires an entity to include in a single note all information about management-defined performance measures required by paragraphs 121–125. If an entity also discloses other information in that note, the information in the note shall be labelled in a way that clearly distinguishes the information required by paragraphs 121–125 from the other information.
- B133** For example, if an entity applies NZ IFRS 8 and the reportable segment information includes a management-defined performance measure, the entity may disclose the required information about the management-defined performance measure in the same note as other reportable segment information, provided the entity either:
- includes in that note the information required by paragraphs 121–125 for all its management-defined performance measures and, to fulfil the requirements in paragraph B132, labels the information in the note in a way that clearly distinguishes the information required by paragraphs 121–125 from the information required by NZ IFRS 8; or
  - provides a separate note that includes the information required for all its management-defined performance measures, including those for which the entity includes information in the reportable segment information.

*A clear and understandable manner*

- B134** Paragraph 123 requires an entity to label and describe its management-defined performance measures in a clear and understandable manner that does not mislead users of financial statements. To provide such a description, an entity shall disclose information that enables a user of financial statements to understand the items of income or expense included and excluded from the subtotal. Therefore, an entity shall:
- label and describe the measure in a way that faithfully represents its characteristics in accordance with paragraph 43 (see paragraph B135); and
  - provide information specific to management-defined performance measures—that is:
    - if the entity has calculated the measure other than by using the accounting policies it used for items in the statement(s) of financial performance, the entity shall state that fact and the calculations it has used for the measure; and
    - if, in addition, the calculation of the measure differs from accounting policies required or permitted by NZ IFRS, the entity shall state that additional fact and, if necessary, an explanation of the meaning of terms it uses (see paragraph B135(b)).
- B135** To label and describe the measure in a way that faithfully represents its characteristics, an entity shall:
- label the measure in a way that represents the characteristics of the subtotal (for example, using the label 'operating profit before non-recurring expenses' only for a subtotal that excludes from operating profit all expenses identified by the entity as non-recurring); and

## NZ IFRS 18

- (b) explain the meaning of terms it uses in its descriptions that are necessary to understand the aspect of financial performance being communicated (for example, explaining how the entity defines 'non-recurring expenses').

***Reconciliation to the most directly comparable total or subtotal***

- B136** Paragraph 123(c) requires an entity to reconcile each management-defined performance measure to the most directly comparable subtotal listed in paragraph 118 or total or subtotal specifically required to be presented or disclosed by NZ IFRS. For example, an entity that discloses in the notes a management-defined performance measure of adjusted operating profit or loss shall reconcile that measure to operating profit or loss. In aggregating or disaggregating the reconciling items disclosed, an entity shall apply the requirements in paragraphs 41–43.
- B137** For each reconciling item, an entity shall disclose:
- the amount(s) related to each line item in the statement(s) of financial performance; and
  - a description of how the item is calculated and contributes to the management-defined performance measure providing useful information (see paragraphs B138–B140), if necessary to provide the information required by paragraphs 123(a) and 123(b).
- B138** The description required in paragraph B137(b) is required if there is more than one reconciling item and each item is calculated using a different method or contributes to providing useful information in a different way. For example, an entity might exclude from a management-defined performance measure several items of expense, some because they were identified as outside management's control and others because they were identified as non-recurring. In such cases, disclosure of which items contributed to which type of adjustment would be required to explain how the management-defined performance measure provides useful information.
- B139** A single explanation might apply to more than one item or might apply to all reconciling items collectively. For example, an entity might exclude several items of income or expense in calculating a management-defined performance measure based on an entity-specific application of 'non-recurring'. In such a case, a single explanation that includes the entity's definition of 'non-recurring' that applies to all reconciling items might satisfy the requirement in paragraph B137(b).
- B140** Applying paragraph 123(c), an entity is permitted to reconcile a management-defined performance measure to a total or subtotal that is not presented in the statement(s) of financial performance. In such cases, an entity:
- shall reconcile that total or subtotal to the most directly comparable total or subtotal presented in the statement(s) of financial performance; and
  - is not required to disclose the information required by paragraphs 123(d) and 123(e) for the reconciliation in (a).

***Income tax effect for each item disclosed in the reconciliation***

- B141** An entity is required by paragraph 123(d) to disclose the income tax effect for each item disclosed in the reconciliation between a management-defined performance measure and the most directly comparable subtotal listed in paragraph 118 or total or subtotal specifically required to be presented or disclosed by NZ IFRS. An entity shall determine the income tax effect required by paragraph 123(d) by calculating the income tax effects of the underlying transaction(s)
- at the statutory tax rate(s) applicable to the transaction(s) in the tax jurisdiction(s) concerned;
  - based on a reasonable pro rata allocation of the current and deferred tax of the entity in the tax jurisdiction(s) concerned; or
  - by using another method that achieves a more appropriate allocation in the circumstances.
- B142** If, applying paragraph B141, an entity uses more than one method to calculate the income tax effects of reconciling items, it shall disclose how it determined the tax effects for each reconciling item.

# Appendix 2: Excerpt from RDR Concessions – NZ IFRS 18 Presentation and Disclosure in Financial Statements, Amendments to NZ IFRS 18 and NZ IAS 34 (June 2025)

The cover page features the XRB logo at the top left, which includes the text 'Te Kāwai Ārahi Pūrongo Mōwaho' and 'EXTERNAL REPORTING BOARD'. The main title is 'RDR Concessions – NZ IFRS 18 Presentation and Disclosure in Financial Statements' in a large, bold, blue font. Below the title is the subtitle 'Amendments to NZ IFRS 18 and NZ IAS 34'. A white banner on the left side states 'Mandatory from 1 January 2027'. At the bottom left, it says 'Issued June 2025' with a small graphic of four colored bars (green, grey, blue, orange). The background is light grey with decorative circular patterns of blue dots and lines on the right side.

**XRB** | Te Kāwai Ārahi Pūrongo Mōwaho  
EXTERNAL REPORTING BOARD

## RDR Concessions – NZ IFRS 18 Presentation and Disclosure in Financial Statements

### Amendments to NZ IFRS 18 and NZ IAS 34

Mandatory from 1 January 2027

Issued June 2025

## Part A – Introduction

This amending Standard modifies the disclosure requirements in NZ IFRS 18 *Presentation and Disclosure in Financial Statements* and NZ IAS 34 *Interim Financial Reporting* for Tier 2 for-profit entities.

## Part B – Scope

This Standard applies to Tier 2 for-profit entities. A Tier 2 entity is not required to comply with the disclosure requirements in this Standard denoted with an asterisk (\*).

## Part C – Amendments to NZ IFRS 18 *Presentation and Disclosure in Financial Statements*

Paragraphs NZ 1.3, RDR 84.1 and RDR 85.1 are added. New text is underlined. Asterisks are added to paragraphs 82(b), 83, 84, 85 and 121–125 to indicate disclosure concessions for Tier 2 entities with respect to these paragraphs. The asterisks are underlined.

### Scope

#### **NZ 1.3 With respect to management-defined performance measures:**

- (a) A Tier 2 entity is not required to comply with the disclosure requirements in paragraphs 121–125 and paragraphs B132–B142. However, if a Tier 2 entity chooses to disclose information in the notes about one or more management-defined performance measures, the Tier 2 entity must comply with all the disclosure requirements in paragraphs 121–125 and paragraphs B132–B142.
- (b) Paragraphs 117–120 and B113–B131 are definitional in nature and contain principles to enable an entity to identify whether it has one or more management-defined performance measures for the purposes of applying the disclosure requirements in paragraphs 121–125 and paragraphs B132–B142.

### Statement of profit or loss

#### **Items to be presented in the statement of profit or loss or disclosed in the notes**

#### **Presentation and disclosure of expenses classified in the operating category**

- 82 If an entity presents one or more line items comprising expenses classified by function in the operating category of the statement of profit or loss, it shall:

## Appendix 2 Results Announcement

### Full Year Results Announcement:

The following information must be contained in each Results Announcement given in respect of a full year:

- 1 Information prescribed by NZX from time to time. This information must be identified as "Results for announcement to the market" and under Rule 3.26.1 in the format as specified by NZX from time to time.
- 2 The following information, which may be presented in whatever way the Issuer considers is the most clear and helpful to users, e.g., combined with the body of the announcement, combined with notes to the financial statements, or set out separately.
  - (a) A statement of financial performance.
  - (b) A statement of financial position. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.
  - (c) A statement of cash flows. The statement of cash flows may be condensed but must report as line items each significant form of cash flow.
  - (d) Details of individual and total dividends or distributions and dividend or distribution payments, which:
    - (i) have been declared, and
    - (ii) relate to the period (in the case of ordinary dividends or ordinary dividends and special dividends declared at the same time) or were declared within the period (in the case of special dividends).
  - (e) A statement of movements in equity.
  - (f) Net tangible assets per Quoted Equity Security with the comparative figure for the previous corresponding period.
  - (g) A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must take account of those Classes of Financial Products that are Quoted and include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which may include but not be limited to discussion of the following.
    - (i) The earnings per Quoted Equity Security and the nature of any dilution aspects.
    - (ii) Returns to shareholders including distributions and buy backs.
    - (iii) Significant features of operating performance.
    - (iv) The results of segments that are significant to an understanding of the business as a whole.
    - (v) A discussion of trends in performance.
    - (vi) The issuer's dividend policy.

- (vii) Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.
- (iv) A statement as to whether the announcement is based on financial statements which have been audited, are in the process of being audited, or have not yet been audited and:
  - (i) If the financial statements have not yet been audited and are likely to be subject to qualification, a description of the likely qualification; or
  - (ii) If the financial statements have been audited, a statement of any qualifications that the auditors have made to those financial statements;

#### Half-Year Results Announcement

The following information must be contained in each Result Announcement in respect of a half year:

- 1 Information prescribed by NZX from time to time. This information must be identified as "Results for announcement to the market" and under Rule 3.26.1 in the format as specified by NZX from time to time.
- 2 The following information, which may be presented in whatever way the Issuer considers is the most clear and helpful to users, e.g., combined with the body of the announcement, combined with notes to the financial statements, or set out separately.
  - (a) A statement of financial performance
  - (b) A statement of financial position, which may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.
  - (c) A statement of cash flows, which may be condensed but must report as line items each significant form of cash flow.
  - (d) Details of individual and total dividends or distributions and dividend or distribution payments, which:
    - (i) have been declared; and
    - (ii) relate to the period (in the case of ordinary dividends or ordinary dividends and special dividends declared at the same time) or were declared within the period (in the case of special dividends).
  - (e) A statement of movements in equity.
  - (f) Net tangible assets per Quoted Equity Security with the comparative figure for the previous corresponding half year period.
  - (g) A commentary on the results for the half year period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous half year periods. The commentary must take account of those Classes of Financial Products that are Quoted and include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which may include but not be limited to discussion of the following.
    - (i) The earnings per Quoted Equity Security and the nature of any dilution aspects.
    - (ii) Returns to shareholders including distributions and buy backs.

- (iii) Significant features of operating performance.
- (iv) A discussion of trends in performance.
- (v) the Issuer's dividend policy.
- (vi) Any other factors which have affected the results in the half year period or which are likely to affect results in the future, including those where the effect could not be quantified.
- (h) A statement as to whether the announcement is based on audited or unaudited half year financial statements and, if the financial statements have been audited, a statement of any qualifications that the auditors have made to those financial statements.

**Full Year and Half-Year Results Announcement**

All Results Announcements must comply with the following requirements:

- 1 All statements must be prepared in compliance with New Zealand equivalents to International Financial Reporting Standards issued by the External Reporting Board or the equivalent foreign accounting standards.
- 2 A statement of the accounting policies (if any) that the directors believe are critical to the portrayal of the Issuer's financial condition and results and which require the directors to make judgements and estimates about matters that are inherently uncertain.
- 3 If there has been any material change in accounting policies applied in preparation of the statements reflected in the announcement, it must disclose the impact of the change.
- 4 If the financial statements have been audited, a copy of the audit report should be provided with the announcement.
- 5 The announcement may include any additional facts, figures or interpretative notes that the Issuer wishes to include, and must include any additional information required by any applicable financial reporting standard or necessary to ensure the announcement is not misleading.

# Appendix 4: Excerpt from FMA’s Disclosing non-GAAP financial information (14 July 2017)



## Disclosing non-GAAP financial information

We describe financial information outside of financial statements that is not prepared and presented in accordance with generally accepted accounting practice (GAAP), or is presented as an alternative to statutory profit, as ‘non-GAAP financial information.’

This guidance replaces our 2012 Guidance note: Disclosing non-GAAP financial information to reflect the requirements of the Financial Markets Conduct Act 2013 (FMC Act) and our findings from the review of non-GAAP financial information since 2012.

### About this guidance note:

This guidance note is primarily for FMC reporting entities and their directors. It aims to outline the FMA’s expectations on the use of non-GAAP financial information.

Financial Markets Authority | [www.fma.govt.nz](http://www.fma.govt.nz)

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WELLINGTON OFFICE | Level 2 | 1 Grey Street | PO Box 1179 | Wellington 6140

Guidance note: Disclosing non-GAAP financial information

## Presenting non-GAAP financial information

Financial statements' primary purpose is to provide existing and potential investors, lenders and other creditors ('primary users' or 'users') with useful information to help them make informed decisions about the FMC reporting entity.

They also help primary users to assess management's stewardship of the resources entrusted to them. In other words, financial statements prepared in accordance with GAAP provide users with a defined basis for conducting financial analysis and aim to ensure comparison over time and amongst different entities.

For example, reporting of GAAP profit provides a reader with financial information that is consistently calculated and comparable over time and across all FMC reporting entities.

FMC reporting entities commonly supplement their GAAP based financial information with non-GAAP financial information they believe more accurately reflects their performance, financial position and/or cash flows.

Non-GAAP profit measures (also known as alternative performance measures), are one of the most common forms of non-GAAP financial information. Common terms include: 'underlying earnings', 'normalised profit', 'cash earnings', 'adjusted earnings' and 'earnings before non-recurring items'. These terms typically lack a standardised meaning and are generally not comparable between entities because they may use the same term to refer to different calculations.

In our view, additional disclosures should be made to reduce the risk of misleading disclosure when non-GAAP financial information is used.

The FMC Act contains a number of provisions that deal with misleading information including prohibiting:

- misleading or deceptive conduct (sections 19-21 of Part 2);
- the making of false or misleading representations (section 22 of Part 2);
- the making of unsubstantiated representations (section 23 of Part 2); and
- offers of financial products where there is:
  - a statement in the PDS, any accompanying application form or the register entry that is false or misleading or is likely to mislead;
  - an omission from the PDS, or the register entry, of information required to be contained in the PDS or the register entry; or
  - a circumstance that has arisen since the PDS was lodged with the Registrar that would have been required to be disclosed if it had arisen before the PDS was lodged, and the circumstance is not so disclosed or otherwise contained in the PDS or the register entry; andthe matter is materially adverse from the point of view of an investor (section 82 of Part 3).

In the table below, we set out the principles on presenting non-GAAP financial information.

When disclosing non-GAAP financial information, management should exercise judgement when deciding how much information is needed to explain a particular measure. They should take into account how familiar their investors are with the measure, and the nature of the communication it is included in.

We encourage FMC reporting entities to have an internal policy, authorised by their directors, on the use and disclosure of non-GAAP financial information. This should be specific to the entity and consistently applied from period to period.

In addition to this guidance note, the 'Disclosure of non-GAAP financial information questions and answers' section on the FMA's [website](#) provides additional insight into specific aspects of the guidance note.



## Guidance on presenting non-GAAP financial information

Principle	Explanation
<b>Defining the non-GAAP financial information</b>	<p><i>Definition</i></p> <p>Entities should define non-GAAP financial information and support it with a clear explanation of the basis of calculation.</p> <p><i>Clear labeling</i></p> <p>Entities should clearly label non-GAAP financial information in a way that distinguishes it from GAAP financial information.</p> <p>The term or label should accurately describe and reflect the non-GAAP financial information. For example, it is not appropriate to label a measure as EBITDA if it excludes items which are not interest, tax, depreciation or amortisation.</p> <p>The term or label should not cause confusion with GAAP information.</p> <p><i>Use of non-GAAP financial information</i></p> <p>Entities should clearly explain the reasons for presenting the non-GAAP financial information, including:</p> <ul style="list-style-type: none"> <li>• why the information is useful to investors</li> <li>• how it is used internally by management<sup>6</sup>.</li> </ul> <p>Entities should make a statement that the non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. You should also disclose whether the non-GAAP financial information has been subject to audit or review<sup>7</sup>.</p>
<b>Prominence</b>	<ul style="list-style-type: none"> <li>• Entities should not present non-GAAP financial information with undue and greater prominence, emphasis or authority than the most directly comparable GAAP financial information.</li> <li>• When presenting non-GAAP financial information, entities should not in any way confuse or obscure presentation of GAAP financial information.</li> </ul>

<sup>6</sup> Note for for-profit FMC reporting entities: NZ IFRS 8 *Operating Segments* (NZ IFRS 8) requires disclosure of profit or loss for segments based on the measure reported internally to management. This may be different to the profit calculated in accordance with statutory financial reporting requirements. In most cases, we expect that any non-GAAP profit information disclosed will not differ from the segment reporting disclosures in the financial statements. If non-GAAP profit information is disclosed and it differs from the segment reporting disclosures in the financial statements, an explanation should be included justifying this difference. No explanation is required if the differences comprise only normal inter-segment eliminations or corporate expense allocations.

<sup>7</sup> We do not consider non-GAAP financial information to have been subject to audit or review merely by virtue of the adjustment or component being taken from audited or reviewed financial statements.

### Reconciliation

- Entities should provide a reconciliation from the non-GAAP financial information to the most directly comparable GAAP financial information<sup>8</sup>.
- Entities should itemise and explain each significant adjustment separately.
- If reconciling items that are components of GAAP financial information, entities should identify them in the financial statements.
- If you cannot extract a reconciling item directly from the financial statements, you should show how the number is calculated in the accompanying notes.
- If presenting comparative non-GAAP financial information for a previous period, entities should provide reconciliation to the corresponding GAAP financial information for that previous period.

### Consistency

- If an entity chooses to present non-GAAP financial information, a consistent approach should be adopted from period to period.
- Where presented, entities should also provide the non-GAAP financial information for comparative periods.
- If there has been a change in approach from the previous period, an explanation about the nature of the change, entities should provide the reasons for the change, and the financial impact of the change.

### Unbiased

- Non-GAAP financial information should be unbiased. Entities should not use it to avoid presenting adverse information to the market or to over-emphasise favourable information.

### One-off / non-recurring items

- Entities should not describe items that have occurred in the past or are reasonably likely to occur in a future period as 'one-off' or 'non-recurring'. For example, it may be misleading to describe items such as impairment losses and restructuring costs as 'non-recurring' or 'one-off' when they are generally of a recurring nature in many businesses and usually occur over the life of a business (although they may only arise every few years).
- No 'cherry picking' adjustments. In the case of exclusion of non-recurring items, the exclusion should reflect *all* non-recurring items for the relevant period (i.e. both non-recurring charges as well as any non-recurring gains) regardless of whether they are related or not.

<sup>8</sup> An entity may disclose a reconciliation in each document where non-GAAP financial information is disclosed, or, make a direct reference to where this information is available. If an entity provides the reconciliation by reference, the reconciliation must be easily and readily accessible.

## Appendix 5: List of NZSX-listed companies

Table A5.1: Comparison of the names of 123 companies on the NZSX with the legal names in the audit report

No.	Code	Company name found on the NZSX as at 31 December 2024	Company name found in the audit report of the 2025 financial statements	Comparing company names on the NZSX with the name used in the company's audit report
1.	2CC	2 Cheap Cars Group Limited	2 Cheap Cars Group Limited	Same
2.	AFC	AFC Group Holdings Limited	AFC Group Holdings Limited	Same
3.	AFI	Australian Foundation Investment Company Limited	Australian Foundation Investment Company Limited	Same
4.	AFT	AFT Pharmaceuticals Limited	AFT Pharmaceuticals Limited	Same
5.	AGL	Accordant Group Limited	Accordant Group Limited	Same
6.	AIA	Auckland International Airport Limited	Auckland International Airport Limited	Same
7.	AIR	Air New Zealand Limited (NS)	Air New Zealand Limited	Same
8.	ALF	Allied Farmers Limited (NS)	Allied Farmers Limited	Same
9.	ANZ	ANZ Group Holdings Limited	ANZ Group Holdings Limited	Same
10.	AOF	AoFrio Limited	AoFrio Limited	Same
11.	APL	Asset Plus Limited	Asset Plus Limited	Same
12.	ARB	ArborGen Holdings Limited	ArborGen Holdings Limited	Same
13.	ARG	Argosy Property Limited	Argosy Property Limited	Same
14.	ATM	The a2 Milk Company Limited	The a2 Milk Company Limited	Same
15.	BAI	Being AI Limited	Being AI Limited	Same
16.	BFG	Burger Fuel Group Limited	Burger Fuel Group Limited	Same
17.	BGP	Briscoe Group Limited	Briscoe Group Limited	Same
18.	BLT	Blis Technologies Limited	Blis Technologies Limited	Same
19.	BPG	Black Pearl Group Limited	Black Pearl Group Limited	Same
20.	BRM	Barramundi Limited	Barramundi Limited	Same
21.	BRW	Bremworth Limited	Bremworth Limited	Same
22.	CCC	Cooks Coffee Company Limited	Cooks Coffee Company Limited	Same
23.	CDI	CDL Investments New Zealand Limited	CDL Investments New Zealand Limited (Group)	Different, see '(Group)'
24.	CEN	Contact Energy Limited	Contact Energy Limited	Same
25.	CHI	Channel Infrastructure NZ Limited	Channel Infrastructure NZ Limited	Same
26.	CMO	The Colonial Motor Company Limited	The Colonial Motor Company Limited	Same
27.	CNU	Chorus Limited (NS)	Chorus Limited	Same
28.	CRP	Chatham Rock Phosphate Limited	Chatham Rock Phosphate Limited	Same
29.	CVT	Comvita Limited	Comvita Limited (Group)	Different, see '(Group)'
30.	DGL	Delegat Group Limited	Delegat Group Limited	Same
31.	DOW	Downer EDI Limited	Downer EDI Limited	Same
32.	EBO	Ebos Group Limited	EBOS Group Limited	Same, but note capitalisation of 'Ebos'
33.	ENS	Enprise Group Limited	Enprise Group Limited	Same
34.	ERD	EROAD Limited	EROAD Limited	Same
35.	FBU	Fletcher Building Limited	Fletcher Building Limited	Same

No.	Code	Company name found on the NZSX as at 31 December 2024	Company name found in the audit report of the 2025 financial statements	Comparing company names on the NZSX with the name used in the company's audit report
36.	FCG	Fonterra Co-operative Group Limited (NS)	Fonterra Co-operative Group Limited	Same
37.	FPH	Fisher & Paykel Healthcare Corporation Limited	Fisher & Paykel Healthcare Corporation Limited	Same
38.	FRW	Freightways Group Limited	Freightways Group Limited	Same
39.	FWL	Foley Wines Limited	Foley Wines Limited	Same
40.	GEN	General Capital Limited	General Capital Limited	Same
41.	GFI	Greenfern Industries Limited	Greenfern Industries Limited	Same
42.	GNE	Genesis Energy Limited (NS)	Genesis Energy Limited	Same
43.	GTK	Gentrack Group Limited	Gentrack Group Limited	Same
44.	GXH	Green Cross Health Limited	Green Cross Health Limited	Same
45.	HFL	Henderson Far East Income Limited	Henderson Far East Income Limited	Same
46.	HGH	Heartland Group Holdings Limited	Heartland Group Holdings Limited	Same
47.	HLG	Hallenstein Glasson Holdings Limited	Hallenstein Glasson Holdings Limited	Same
48.	IFT	Infratil Limited	Infratil Limited	Same
49.	IKE	ikeGPS Group Limited	ikeGPS Group Limited	Same
50.	IPL	Investore Property Limited (NS)	Investore Property Limited	Same
51.	IPR	Iperion Limited	Iperion Limited	Same
52.	KFL	Kingfish Limited	Kingfish Limited	Same
53.	KMD	KMD Brands Limited	KMD Brands Limited (Group)	Different, see '(Group)'
54.	KPG	Kiwi Property Group Limited	Kiwi Property Group Limited	Same
55.	LIC	Livestock Improvement Corporation Limited (NS)	Livestock Improvement Corporation	Different, see 'Limited'
56.	MCK	Millennium & Copthorne Hotels New Zealand Limited	Millennium & Copthorne Hotels New Zealand Limited	Same
57.	MCY	Mercury NZ Limited (NS)	Mercury NZ Limited	Same
58.	MEE	Me Today Limited	Me Today Limited	Same
59.	MEL	Meridian Energy Limited (NS)	Meridian Energy Limited	Same
60.	MFB	My Food Bag Group Limited	My Food Bag Group Limited	Same
61.	MFT	Mainfreight Limited	Mainfreight Limited	Same
62.	MHJ	Michael Hill International Limited	Michael Hill International Limited	Same
63.	MLN	Marlin Global Limited	Marlin Global Limited	Same
64.	MMH	Marsden Maritime Holdings Limited	Marsden Maritime Holdings Limited	Same
65.	MNW	Manawa Energy Limited	Manawa Energy Limited	Same
66.	MOV	Move Logistics Group Limited	Move Logistics Group Limited	Same
67.	MPG	Metro Performance Glass Limited	Metro Performance Glass Limited	Same
68.	MWE	Marlborough Wine Estates Group Limited	Marlborough Wine Estates Group Limited	Same
69.	NPH	Napier Port Holdings Limited	Napier Port Holdings Limited	Same
70.	NTL	New Talisman Gold Mines Limited	New Talisman Gold Mines Limited	Same

No.	Code	Company name found on the NZSX as at 31 December 2024	Company name found in the audit report of the 2025 financial statements	Comparing company names on the NZSX with the name used in the company's audit report
71.	NWF	NZ Windfarms Limited	NZ Windfarms Limited	Same
72.	NZL	New Zealand Rural Land Company Limited (NS)	New Zealand Rural Land Company Limited	Same
73.	NZK	NZ King Salmon Investments Limited	New Zealand King Salmon Investments Limited	Different, 'NZ' or 'New Zealand'
74.	NZM	NZME Limited	NZME Limited	Same
75.	NZX	NZX Limited	NZX Limited	Same
76.	OCA	Oceania Healthcare Limited	Oceania Healthcare Limited	Same
77.	PCT	Precinct Prop NZ Ltd & Invest Ltd Stapled Security (NS)	Precinct Properties New Zealand Limited and Precinct Properties Investments Limited	Different, see abbreviations and 'Stapled Security'
78.	PEB	Pacific Edge Limited	Pacific Edge Limited	Same
79.	PFI	Property For Industry Limited	Property for Industry Limited	Same
80.	PGW	PGG Wrightson Limited	PGG Wrightson Limited	Same
81.	PHL	Promisia Healthcare Limited	Promisia Healthcare Limited	Same
82.	POT	Port of Tauranga Ltd	Port of Tauranga Limited	Different, 'Ltd' or 'Limited'
83.	PYS	PaySauce Limited	PaySauce Limited	Same
84.	RAD	Radius Residential Care Limited	Radius Residential Care Limited	Same
85.	RAK	Rakon Limited	Rakon Limited	Same
86.	RBD	Restaurant Brands NZ Limited	Restaurant Brands New Zealand Limited	Different, 'NZ' or 'New Zealand'
87.	RTO (previously BGI)	RTO Limited	RTO Limited	Same
88.	RUA	RUA Bioscience Limited	RUA Bioscience Limited	Same
89.	RYM	Ryman Healthcare Limited	Ryman Healthcare Limited	Same
90.	SAN	Sanford Limited	Sanford Limited	Same
91.	SCL	Scales Corporation Limited	Scales Corporation Limited	Same
92.	SCT	Scott Technology Limited	Scott Technology Limited	Same
93.	SDL	Solution Dynamics Limited	Solution Dynamics Limited	Same
94.	SEK	Seeka Limited	Seeka Limited	Same
95.	SKC	SkyCity Entertainment Group Limited	SkyCity Entertainment Group Limited	Same
96.	SKL	Skellerup Holdings Limited	Skellerup Holdings Limited	Same
97.	SKO	Serko Limited	Serko Limited	Same
98.	SKT	Sky Network Television Limited	Sky Network Television Limited	Same
99.	SMI	Santana Minerals Limited	Santana Minerals Limited	Same
100.	SML	Synlait Milk Limited	Synlait Milk Limited	Same
101.	SPG	Stride Prop & Stride Invest Mgmt Ltd Stapled Security	Stride Property Limited and Stride Investment Management Limited	Different, see abbreviations and 'Stapled Security'
102.	SPK	Spark New Zealand Limited	Spark New Zealand Limited	Same
103.	SPN	South Port New Zealand Limited	South Port New Zealand Limited	Same
104.	SPY	Smartpay Holdings Limited	Smartpay Holdings Limited	Same

No.	Code	Company name found on the NZSX as at 31 December 2024	Company name found in the audit report of the 2025 financial statements	Comparing company names on the NZSX with the name used in the company's audit report
105.	STU	Steel & Tube Holdings Limited	Steel & Tube Holdings Limited (Group)	Different, see '(Group)'
106.	SUM	Summerset Group Holdings Limited	Summerset Group Holdings Limited	Same
107.	SVR	Savor Limited	Savor Limited	Same
108.	TAH	Third Age Health Services Limited	Third Age Health Services Limited	Same
109.	THL	Tourism Holdings Limited	Tourism Holdings Limited	Same
110.	TGG	T&G Global Limited	T&G Global Limited	Same
111.	TRA	Turners Automotive Group Ltd	Turners Automotive Group Limited	Different, 'Ltd' or 'Limited'
112.	TRU	TruScreen Group Limited	TruScreen Group Limited	Same
113.	TWL	Trade Window Holdings Limited	Trade Window Holdings Limited	Same
114.	TWR	Tower Limited	Tower Limited	Same
115.	VCT	Vector Limited	Vector Limited	Same
116.	VGL	Vista Group International Ltd	Vista Group International Limited	Different, 'Ltd' or 'Limited'
117.	VNT	Ventia Services Group Limited Ordinary Shares	Ventia Services Group Limited	Same
118.	VSL	Vulcan Steel Limited	Vulcan Steel Limited	Same
119.	VTL	Vital Limited	Vital Limited delisted from the NZSX on 3 October 2025.	Same
120.	WBC	Westpac New Zealand Limited	Westpac New Zealand Limited	Same
121.	WCO	WasteCo Group Limited	WasteCo Group Limited	Same
122.	WHS	The Warehouse Group Limited	The Warehouse Group Limited	Same
123.	WIN	Winton Land Limited	Winton Land Limited	Same

Table A5.2: Available annual reports for the years 2018, 2022, 2023 and 2024

NZSX-listed entities	2018	2022	2023	2024
Number of NZSX-listed companies (found on NZX website)	124	133	133	123
Annual reports not found	-1	-1	-3	0
Available annual reports (found in NZX announcements)	123	132	130 <sup>1</sup>	123 <sup>2</sup>

**Notes to Table A5.2:**

1. In 2023, TASK Group Holdings Limited was still analysed as it delisted during that year. Southern Charter Financial Group Limited changed its name in 2023 to Iperion Limited Ordinary Shares and in our analysis we used the former.
2. Although Fonterra Co-operative Group Limited Shares was excluded from the 2018, 2022 and 2023 analysis, it was included for 2024. Blackwell Global Holdings Limited changed its name to RTO Limited and in our analysis we used the latter.

Table A5.3: Types of reports found on the Companies Register for NZSX-listed companies, 2018–2024

NZSX-listed entities	2018	2019	2020	2021	2022	2023	2024
Annual reports filed (including financial statements on the Companies Register)	N/A	N/A	87	N/A	N/A	N/A	79
Financial statements filed on the Companies Register only (no annual report)	N/A	N/A	36	N/A	N/A	N/A	41
Annual report and financial statements not filed	N/A	N/A	N/A	N/A	N/A	N/A	3 <sup>1</sup>
<b>Number of NZSX-listed companies</b>	<b>124</b>	<b>132</b>	<b>132</b>	<b>138</b>	<b>133</b>	<b>133</b>	<b>123</b>

**Note to Table A5.3:**

1. As at 24 April 2025, the following three financial statements could not be found on the Companies Register: Summerset Group Holdings Limited; Vista Group International Limited; and Ventia Services Group Limited.

## Appendix 6: Selected non-GAAP measures reported in 2023 and 2024 annual reports of NZSX-listed companies

Table A6.1: Non-GAAP measures used in the 2023 and 2024 annual reports of NZSX-listed companies

Non-GAAP measure	2024 annual reports	2023 annual reports
Adjusted basic earnings per share	Used once only	Not found
Adjusted Earnings per Share	Used once only	Used more than once
Adjusted EBIT	Used more than once	Used more than once
Adjusted EBITDA	Used more than once	Used more than once
Adjusted EBITDAI	Used once only	Used more than once
Adjusted EBT	Used once only	Not found
Adjusted free cash flow	Used once only	Used once only
Adjusted NAV return	Used more than once	Used more than once
Adjusted net asset value	Used more than once	Used more than once
Adjusted net debt	Used once only	Used more than once
Adjusted net earnings	Used once only	Used once only
Adjusted net operating cashflow	Used once only	Not found
Adjusted net operating profit before interest, income tax and impairment of goodwill	Not found	Used once only
Adjusted NPAT	Used more than once	Not found
Adjusted NPAT before unusual items	Not found	Used once only
Adjusted operating profit before net finance expense, other income/(expenses) and income tax	Used once only	Not found
Adjusted US-GAAP EBITDA	Used once only	Used once only
AFFO	Used more than once	Used more than once
AMTN at hedged rates	Used once only	Not found
Annualised Monthly Recurring Revenue (AMRR)	Used once only	Used once only
Annualised Recurring Revenue (ARR)	Used once only	Not found
Annualised Transactional Monthly Revenue	Used once only	Not found
Annuity EBITDA	Not found	Used once only
Average Revenue Per Booking	Used once only	Not found
Average Revenue per Completed Room Night	Used once only	Not found
Average tangible ordinary equity	Used once only	Used once only
Business as usual (BAU) claims ratio	Used once only	Not found
Capital expenditure	Used once only	Used more than once
Capital expenditure including intangible assets	Used once only	Used once only
Cash EBITDA	Used once only	Not found
Cash flow from development activity	Used once only	Not found
Cash flow from existing operations	Used once only	Not found
Cash on hand	Used once only	Not found
Cash profit	Used once only	Used once only
Cash usage	Not found	Used once only
Combined operating ratio (COR)	Used once only	Not found
Commercial Test numbers	Used once only	Used once only
Comparable EBIT	Used once only	Used once only
Constant currency	Not found	Used once only
Contribution margin	Used more than once	Used once only
Core net interest income	Not found	Used once only

Non-GAAP measure	2024 annual reports	2023 annual reports
Core NIM	Not found	Used once only
Costs to Acquire Customers (CAC)	Used once only	Used once only
Costs to Service & Support (CTS)	Used once only	Used once only
CPS	Not found	Used once only
Debt to EBITDA ratio	Used more than once	Not found
Distributable profit	Used more than once	Used once only
Distributable profit before income tax	Not found	Used once only
Dividend payout ratio (excluding notable Items)	Used once only	Used once only
Dividend return	Used more than once	Used more than once
Earnings before interest, tax and impairment	Used once only	Not found
Earnings before interest, tax, other gains and losses and impairment	Used once only	Not found
EBIT	Used more than once	Used more than once
EBIT before significant items	Used once only	Used once only
EBIT margin before significant items	Not found	Used once only
EBITA	Used more than once	Used more than once
EBITA margin	Used once only	Not found
EBITAS	Not found	Used once only
EBITDA	Used more than once	Used more than once
EBITDA margin	Used once only	Used more than once
EBITDAF	Used more than once	Used more than once
EBITDAFI	Not found	Used once only
EBITDAI	Used once only	Used once only
EBITDAL	Not found	Used once only
EBITDRASA	Not found	Used once only
EBT	Used once only	Not found
EBTDA	Used once only	Used once only
EMTN at hedged rates	Used once only	Used once only
Energy margin	Not found	Used once only
Expense to income ratio (excluding notable Items)	Used once only	Used once only
FFO	Used more than once	Used more than once
Financial return ratio	Used once only	Not found
Free cash flow	Used more than once	Used more than once
Free cash flow available to shareholders	Not found	Used once only
Future Contracted Income (FCI)	Used once only	Used once only
Gearing ratio	Used once only	Not found
Gross performance return	Used more than once	Used more than once
Gross written premium (GWP)	Used once only	Not found
Growth capital expenditure (CAPEX)	Not found	Used once only
Ingredients margin	Not found	Used once only
Laboratory Throughput	Used once only	Used once only
Liquidity coverage ratio (LCR)	Used once only	Used once only
Management expense ratio (MER)	Used once only	Not found
Manager's net interest	Used once only	Not found
Net debt	Used more than once	Used more than once
Net debt at carrying value	Used once only	Not found
Net debt at hedged rates	Used once only	Used once only
Net debt to EBITDA ratio	Used more than once	Not found

Non-GAAP measure	2024 annual reports	2023 annual reports
Net funds employed	Not found	Used once only
Net interest income	Not found	Used once only
Net operating assets	Used once only	Not found
Net operating profit before interest, income tax and impairment of goodwill	Not found	Used once only
Net profit	Not found	Used once only
Net profit after tax (excluding notable Items)	Used once only	Used once only
Net profit after tax attributable to shareholders (NPATAS)	Used once only	Not found
Net profit after tax excluding notable Items (long-term average credit loss basis)	Not found	Used once only
Net rental income	Used once only	Used once only
Net stable funding ratio (NSFR)	Used once only	Used once only
Net Tangible Assets	Used more than once	Used more than once
Net Tangible Assets per ordinary shares	Used once only	Used once only
Net tangible assets per security	Used once only	Not found
Net tangible assets per share	Not found	Used more than once
Non-interest income (including net fee income, net wealth management and insurance income, trading income and other income)	Not found	Used once only
Non-recurring revenues	Used once only	Used once only
Non-SaaS revenues	Used once only	Used once only
Normalised earnings per share (EPS)	Used once only	Used more than once
Normalised EBIT	Used more than once	Used more than once
Normalised EBITDA	Used more than once	Used more than once
Normalised EBITDA margin	Used once only	Used once only
Normalised EBT	Used once only	Not found
Normalised free cash flow	Used once only	Used once only
Normalised gross profit	Used once only	Not found
Normalised group surplus after tax	Not found	Used once only
Normalised net profit after tax (NPAT)	Used more than once	Used more than once
Normalised profit	Not found	Used once only
Normalised Return on Net Assets	Used once only	Not found
Normalised Revenue	Used once only	Used once only
Normalised surplus after tax	Used once only	Not found
Normalised tax rate	Not found	Used once only
Normalised win rate	Not found	Used once only
NPATA	Not found	Used once only
NTA per share	Used more than once	Not found
Op cashflow (Adjusted) less Capex	Not found	Used once only
Operating & investing cash flows (excl. impact of funds invested in term deposit)	Not found	Used once only
Operating Adjusted EBITDA	Used once only	Used once only
Operating costs	Not found	Used once only
Operating earnings per share (EPS)	Used once only	Used once only
Operating EBIT	Used once only	Used more than once
Operating EBITDA	Used more than once	Used more than once
Operating EBITDAFI	Used once only	Not found
Operating expenses	Used once only	Not found

Non-GAAP measure	2024 annual reports	2023 annual reports
Operating expenses (including staff expenses, occupancy expenses, technology expenses and other expenses)	Not found	Used once only
Operating free cash flow	Not found	Used more than once
Operating gross profit	Not found	Used once only
Operating NPAT	Used once only	Used more than once
Operating profit	Not found	Used once only
Operating profit before net finance expense, other income/ (expenses) and income tax	Used once only	Not found
Operating profit before NZ IFRS 16	Not found	Used once only
Operating profit before tax	Used once only	Used once only
Operating revenue	Not found	Used more than once
OPEX ratio	Used more than once	Used more than once
Other items	Used once only	Not found
Portfolio value	Used once only	Not found
Pre-provision profit	Not found	Used once only
Pre-provision profit (excluding notable Items)	Used once only	Used once only
Pro forma EBIT	Used once only	Used once only
Pro forma NPATA	Used once only	Not found
Pro forma total revenue	Used once only	Not found
Pro forma Underlying NPAT	Not found	Used once only
Pro-forma adjustments	Not found	Used once only
Pro-forma Cash Flow	Not found	Used once only
Pro-forma EBITDA	Used once only	Used more than once
Pro-Forma operating EBITDA	Used once only	Not found
Pro-forma revenue	Not found	Used once only
Product design and development (PD&D) costs	Used once only	Used once only
Profit after tax (normalised)	Used once only	Not found
Profit Before Abnormal Items and Taxation	Not found	Used once only
Profit before income tax (normalised)	Used once only	Used once only
Profit before net finance expense, other (expense)/ income and income tax	Not found	Used once only
Profit before net finance expense, other (expense)/income and income tax	Used more than once	Not found
Profit before other (expense)/income and income tax	Used more than once	Used more than once
Profit/(loss) before impairment, interest and tax	Not found	Used once only
Profit/(loss) before interest and tax	Not found	Used once only
Proportionate EBITDAF	Used once only	Not found
RCOP EBIT excluding significant items	Not found	Used once only
RCOP EBITDA	Not found	Used once only
RCOP NPAT	Not found	Used once only
RCOP NPAT excluding significant items	Not found	Used once only
Recurring revenues	Used once only	Used once only
Replacement cost operating profit (RCOP) EBIT	Not found	Used once only
Reported EBIT	Not found	Used once only
Reported EBITDA pre-impairment	Used once only	Not found
Return on average ordinary equity (ROE) (excluding Notable Items)	Used once only	Not found
Return on average shareholders' equity	Not found	Used once only

Non-GAAP measure	2024 annual reports	2023 annual reports
Return on average tangible ordinary equity (ROTE)	Used once only	Not found
Return on capital	Used once only	Not found
Return on Invested Capital Pre-tax (ROIC)	Not found	Used once only
Return on tangible equity (excluding notable Items)	Not found	Used once only
Return on tangible ordinary equity	Not found	Used once only
ROTE (excluding Notable Items)	Used once only	Not found
SaaS revenues	Used once only	Used once only
Segment EBIT	Not found	Used once only
Segment EBITDAF	Not found	Used once only
Significant items	Used more than once	Used once only
Stay-in-Business (SIB) Capital Expenditure (CAPEX)	Not found	Used once only
Store EBITDA before G&A and other items	Not found	Used once only
Store EBITDA before G&A, NZ IFRS 16 and other items	Used once only	Not found
Terminal EBITDA growth rate	Used once only	Not found
Total milk price	Used once only	Not found
Total NPAT excluding the impact of NZ IFRS 16	Not found	Used once only
Total one-off costs	Used once only	Not found
Total revenue	Not found	Used once only
Total shareholder return (TSR)	Used more than once	Used more than once
Total Spend	Used once only	Not found
Total tax expense on an Adjusted basis	Not found	Used once only
Trading cash flow	Not found	Used once only
Trading Margin	Not found	Used once only
Turnover	Used once only	Used once only
Underlying cash flow	Used more than once	Not found
Underlying Cost per Available Seat Kilometre (CASK)	Not found	Used once only
Underlying cost to income ratio	Not found	Used once only
Underlying CTI	Not found	Used once only
Underlying earnings	Used once only	Used more than once
Underlying earnings after tax	Used once only	Not found
Underlying earnings per share (EPS)	Used more than once	Used more than once
Underlying EBIT	Used more than once	Used more than once
Underlying EBITA	Not found	Used once only
Underlying EBITDA	Used more than once	Used more than once
Underlying EBITDAF	Used once only	Used once only
Underlying EBITDAR	Used once only	Not found
Underlying GWP	Not found	Used once only
Underlying impairment expense ratio	Not found	Used once only
Underlying net interest margin	Not found	Used once only
Underlying net operating income	Not found	Used once only
Underlying normalised cash conversion	Used once only	Not found
Underlying NPAT	Used more than once	Used more than once
Underlying NPAT attributable to shareholders	Not found	Used once only
Underlying NPATA	Used more than once	Used more than once
Underlying NPBTA	Used once only	Used once only
Underlying NPS	Not found	Used once only
Underlying operating expenses	Not found	Used once only

Non-GAAP measure	2024 annual reports	2023 annual reports
Underlying profit	Used more than once	Used more than once
Underlying RCOP NPAT	Not found	Used once only
Underlying return on equity	Not found	Used once only
Underlying revenue	Used once only	Not found
Underlying total revenue	Used once only	Not found
Unusual items	Used once only	Not found
US-GAAP EBITDA	Not found	Used once only
Working Capital	Used more than once	Used once only

## Appendix 7: Examples of good practice and poor practice in 2023 and 2025 annual reports

This appendix provides a selection of companies' annual reports discussed in Section 6.1. See Table 4 in Section 6.0 for the Institute's understanding of good practice. The notes overleaf correspond with the row number in Table A7.1.

The annual reports for 2025 were also searched to find out whether there had been significant improvements in the quality of non-GAAP reporting for these companies. As shown in this appendix, there has been very little improvement.

Table A7.1: Examples of good practice and poor practice in 2023 and 2025 annual reports

No.	Company	Type of company	Page numbers, 2023 annual report	Page numbers, 2025 annual report	Page numbers company is discussed in this paper
1.	Bremworth Limited	NZSX-listed	38, 136-137	6, 109-110	60, 64, 112, 114-119
2.	Delegat Group Limited	NZSX-listed	10, 13	6, 9	66, 112, 120-123
3.	Downer EDI Limited	NZSX-listed	12, 13, 16, 40	3, 27, 29	26, 64, 112, 124-130
4.	Ebos Group Limited	NZSX-listed	4-5, 30	6-7, 34-35	33, 59, 66, 112, 131-136
5.	Geo Limited	NZSX-listed	1, 54	See note 5	66, 112, 137-138,
6.	Green Cross Health Limited	NZSX-listed	4, 18	N/A	20, 112, 139-140
7.	Infratil Limited	NZSX-listed	26, 40, 70	18-19	33, 59, 66, 112, 141-144
8.	Just Life Group Limited	NZSX-listed	6, 23, 24	19, 20	64, 112, 145-149
9.	Kiwi Property Group Limited	NZSX-listed	5, 40-41, 75	5, 35, 70	56, 69, 112, 150-156
10.	Michael Hill International Limited	NZSX-listed	52	31	26, 65, 112, 157-158
11.	My Food Bag Group Limited	NZSX-listed	Inside cover	Inside cover	69, 112, 159-160
12.	NZ King Salmon Investments Limited	NZSX-listed	9	15	64, 112, 161-162, 178, 185
13.	Restaurant Brands NZ Limited	NZSX-listed	52, 59, 61	N/A	20, 112, 163-165
14.	Smartpay Holdings Limited	NZSX-listed	102	88	64, 113, 166-167
15.	Vector Limited	NZSX-listed	7, 54	5, 55	60, 64, 113, 168-171
16.	Vital Limited	NZSX-listed	2, 4, 20	N/A	33, 64, 113, 172-174

## Notes to Table A7.1

### 1. Bremworth Limited

**Good practice – labelling:** Bremworth Limited identified non-GAAP measures every time they were used. In 2025, Bremworth included a new highlights section in its annual report which presented normalised results, giving non-GAAP results more prominence. However, these results were identified as non-GAAP and presented alongside the most directly comparable GAAP measure. This is still good practice.

### 2. Delegat Group Limited

**Good practice – reconciliation:** In both its 2023 and 2025 annual reports, Delegat Group Limited provided explicit and clear reconciliations of EBITDA and EBIT to NPAT. This was provided upfront in the Chair’s Report, alongside definitions, reasoning and clarification that non-GAAP measures had been audited.

### 3. Downer EDI Limited

**Poor practice – labelling:** In both 2023 and 2025, Downer EDI Limited labelled underlying results as non-IFRS but failed to identify EBIT, EBITA or free cash flow as non-IFRS anywhere in the annual report.

### 4. Ebos Group Limited

**Improved practice – prominence:** In its 2023 annual report, Ebos Group Limited presented multiple underlying results in graphs and in the highlights section, without identifying these measures as non-GAAP anywhere in the report. In 2025, Ebos identified underlying results as non-GAAP and provided an explicit reconciliation of these measures. It did not present any non-GAAP measures in graphs. This is a significant improvement. However, underlying results were still not identified as non-GAAP in the highlights section of the report.

### 5. Geo Limited

**Poor practice – reconciliation:** In its 2023 annual report, while Geo Limited stated that EBITDA was reconciled, the reconciliation table did not meet the FMA’s guidance that ‘entities should itemise and explain each significant adjustment separately’. Geo has not published a 2025 annual report and delisted from the NZSX on 8 February 2024.

### 6. Green Cross Health Limited

**Observation:** Green Cross Health Limited used the terms ‘EBIT’ and ‘operating profit’ interchangeably. In its 2023 annual report, the term ‘operating profit’ was used most often, but this can be treated as equivalent to EBIT (see p.4 of the annual report). The financial statements only referred to ‘operating profit’ and not ‘EBIT’.

### 7. Infratil Limited

**Improved practice – prominence:** In its 2023 annual report, Infratil Limited used the non-GAAP measure EBITDAF in multiple graphs to display trends over time. In 2025, EBITDAF was used in just one graph.

### 8. Just Life Group Limited

**Improved practice – labelling:** Just Life Group Limited failed to identify EBITDA as a non-GAAP measure when presenting it in the highlights section of its 2023 annual report, despite identifying this measure as non-GAAP in the financial statements. In 2025, Just Life Group had removed its highlights section and ‘EBITDA’ and ‘EBIT’ were identified each time they were used. However, it remains unclear whether the company used other non-GAAP measures in addition to these.

### 9. Kiwi Property Group Limited

**Good practice – auditing:** In both its 2023 and 2025 annual reports, Kiwi Property Group Limited explicitly stated that the non-GAAP measures used had been subject to audit.

### 10. Michael Hill International Limited

**Good practice – reasoning:** In both its 2023 and 2025 annual reports, Michael Hill International Limited provided a dedicated section for non-IFRS information. This section included a comprehensive list of the non-GAAP measures used in the report, alongside a detailed explanation of why they were used and a reconciliation. It was also explicitly stated that non-IFRS information had not been subject to audit.

### 11. My Food Bag Group Limited

**Good practice – auditing:** In both its 2023 and 2025 annual reports, My Food Bag Group Limited provided a disclaimer on the inside cover that non-GAAP measures had been used and had not been audited.

### 12. NZ King Salmon Investments Limited

**Poor practice – labelling:** In a table illustrating the ‘Group Financial Performance’, NZ King Salmon Investments Limited labelled EBITDA and EBIT as GAAP measures. This was the case in both its 2023 and 2025 annual reports.

### 13. Restaurant Brands NZ Limited

**Observation:** Restaurant Brands NZ Limited used the term ‘operating profit’ instead of EBIT. The terms can be seen as interchangeable, as in the notes to the financial statements, it was stated that ‘operating profit refers to earnings before interest and taxation’.

#### 14. Smartpay Holdings Limited

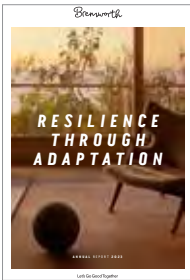
**Poor practice – labelling:** In its 2023 annual report, Smartpay Holdings Limited defined EBITDA as ‘earnings before interest, tax, depreciation, amortisation expense, foreign exchange adjustments, share performance rights amortisation expense, financial instrument realised/unrealised revaluation movements, and impairment and loss on disposal of property, plant and equipment’. The definition provided in its 2025 annual report was very similar. This does not align with the definition of EBITDA provided by the XRB and FMA, which is ‘earnings before interest, tax, depreciation and amortisation’.

#### 15. Vector Limited

**Good practice – labelling:** Vector Limited had a dedicated non-GAAP section in both its 2023 and 2025 annual reports. This section contained reconciliations and the reasons why non-GAAP measures had been used, and was listed on the contents page.

#### 16. Vital Limited

**Poor practice – labelling:** Vital Limited used non-GAAP measures including EBITDA, adjusted EBITDA and adjusted NPAT in the management commentary and financial statements of its 2023 annual report. These measures were not labelled as non-GAAP anywhere in the report. Vital did not publish a 2025 annual report and delisted from the NZSX on 3 October 2025.

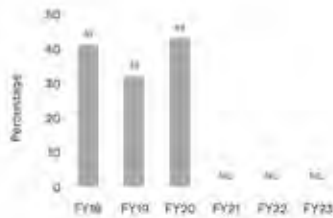


# Bremworth Limited Annual report 2023

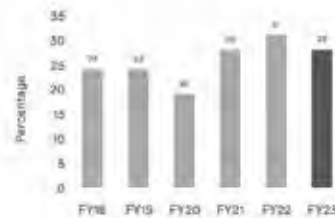
## TREND STATEMENT SIX YEAR PERFORMANCE GRAPHS

Unaudited

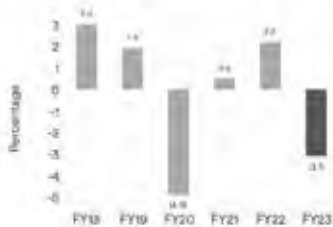
GEARING %



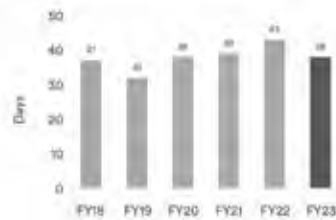
GROSS PROFIT %



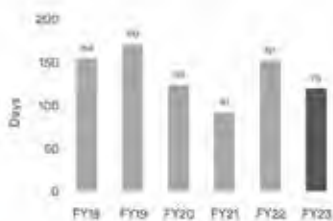
RETURN (NORMALISED NPAT)  
ON ASSETS %



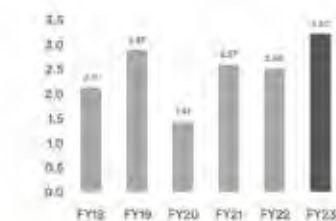
DAYS SALES IN RECEIVABLES



INVENTORY TURNOVER IN DAYS



CURRENT RATIO



Normalised is a non-GAAP measure of financial performance and therefore falls within the Financial Markets Authority's guidance notion "Disclosing non-GAAP financial information". Normalised results are not audited and exclude items that are not expected to occur on a regular basis either by virtue of quantum or nature. Full commentary on the disclosure of non-GAAP financial information and a reconciliation from the non-GAAP financial information to the most directly comparable GAAP financial information, including that for the previous period, can be found on pages 137 to 139.

**Bremworth Limited**  
 Annual report 2023 (continued)

**GOVERNANCE AND OTHER DISCLOSURES**  
**TREND STATEMENT (CONT'D)**

**GLOSSARY OF FINANCIAL TERMS**

<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>EBIT</b>	Earnings before interest and tax
<b>EBITDA (normalised)</b>	Earnings before abnormal costs, interest, tax, depreciation and amortisation
<b>EBIT (normalised)</b>	Earnings before abnormal costs, interest and tax
Net assets	Total assets less total liabilities

**USE OF FUNDS AND RETURN ON INVESTMENT**

<b>Return on average shareholders' equity (normalised)</b>	Profit/(Loss) after tax (normalised) Average shareholders' equity
<b>Basic earnings per ordinary share (normalised)</b>	Profit/(Loss) after tax (normalised) Weighted average number of ordinary shares on issue during the year
<b>Diluted earnings per ordinary share (normalised)</b>	Profit/(Loss) after tax (normalised) Weighted average number of ordinary shares on issue during the year (including the maximum number of shares that could be issued under the Company's LTI Scheme and the Bremworth Option Scheme)

**FINANCIAL STRUCTURE**

<b>Net tangible asset backing per ordinary share</b>	Net assets less goodwill and intangible assets Number of ordinary shares on issue at balance date
<b>Equity ratio</b>	Shareholders' equity Shareholders' equity and total liabilities

**GOVERNANCE AND OTHER DISCLOSURES**  
**DISCLOSURE OF NON-GAAP FINANCIAL INFORMATION**

The Directors acknowledge that the Annual Report, including the Trend Statement from pages 133 to 136, contains financial information that is non-GAAP (Generally Accepted Accounting Practice) and therefore falls within the Financial Markets Authority's guidance note on "Disclosing non-GAAP financial information" issued in July 2017.

The Trend Statement has been prepared using the audited GAAP-compliant financial statements of the Group.

The Directors believe that the non-GAAP financial information contained within the Trend Statement (more particularly, the non-GAAP measures of financial performance such as "EBITDA (normalised)", "EBIT (normalised)", "Profit before income tax (normalised)" and "Profit after tax (normalised)" as well as the various other financial ratios that are based on normalised results - for example, earnings per share) provide useful information to investors regarding the performance of the Group because the calculations exclude restructuring costs and other gains/losses (for example, gain/loss on sale of property and investments) that are not expected to occur on a regular basis either by virtue of quantum or nature.

In arriving at this view, the Directors have also taken cognisance of the regular requests by users of the consolidated financial statements, including analysts and shareholders, regarding the nature and quantum of abnormal items within the GAAP-compliant results and the way analysts distinguish between GAAP and non-GAAP measures of profit.

The disclosure of the non-GAAP financial information is also consistent with how the financial information for the Group is reported internally, and reviewed by the Chief Executive Officer as its chief operating decision maker, and provides what the Directors and management believe gives a more meaningful insight into the underlying financial performance of the Group and a better understanding of how the Group is tracking after taking into account items of an abnormal nature, including items that are unlikely to recur or otherwise unusual in nature.

Non-GAAP financial information does not have standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information prescribed by other entities.

In collating the Trend Statement, the Directors have taken into account all of the requirements within the guidance note. More specifically, these include:

- outlining why non-GAAP financial information is useful to investors and how it is used internally by management;
- identifying the source of non-GAAP financial information;
- ensuring that:
  - non-GAAP financial information is not presented with undue and greater prominence, emphasis or authority than the most directly comparable GAAP financial information;
  - presentation of non-GAAP financial information does not in any way confuse or obscure presentation of GAAP financial information;
  - a reconciliation from the non-GAAP financial information to the most directly comparable GAAP financial information, including that for the previous period, can be easily accessed (see below);
  - a consistent approach is adopted from period to period with respect to the presentation of non-GAAP financial information, including that for comparative periods;
  - where there is any change in approach from the previous period, the nature of the change is explained and the reasons and financial impact provided;
  - non-GAAP financial information is unbiased; and
- taking care when describing, or referring to, items as 'one-off' or 'non-recurring'.



# Bremworth Limited

## Annual report 2025

**BREM WORTH ANNUAL REPORT 2025**

# FY25 RESULTS AT A GLANCE

REDUCED OPERATING CASH OUTFLOWS

## MARKED IMPROVEMENT FROM ADDRESSING WORKING CAPITAL

2H25 (\$4.7M) V 1H25 (\$21.8M)

<p>GAAP PROFIT AFTER TAX</p> <h1>\$19.1m</h1> <p>UP 311% LARGELY BECAUSE OF INSURANCE RECEIPTS</p>	<p>NORMALISED LOSS AFTER TAX<sup>1</sup></p> <h1>\$(16.0m)</h1> <p>UP 150% DUE TO CYCLONE GABRIELLE DISRUPTIONS AND CHALLENGING CONDITIONS</p>
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INCREASED REVENUES

<h1>+5%</h1> <p>CARPETS</p>	<h1>↑</h1>	<h1>+25%</h1> <p>WOOL</p>
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<p>CYCLONE GABRIELLE INSURANCE SETTLEMENT</p> <h1>\$104m</h1> <p>FINAL \$42M RECEIVED 2H25</p>	<p>SIGNIFICANTLY REDUCED COST BASE</p> <h1>↓↓↓</h1> <p>ACROSS THE ENTIRE BUSINESS FROM COST OF SALES THROUGH TO DISTRIBUTION AND ADMINISTRATION EXPENSES</p>
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<sup>1</sup> Normalised is a non-GAAP measure, with more information included under Disclosure of Non-GAAP Financial Information on pages 109 to 111 of the Annual Report.

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FINANCIAL REPORT DISCLOSURE

**DISCLOSURE OF NON-GAAP FINANCIAL INFORMATION**

The Directors acknowledge that the Annual Report, including the Trend Statement from pages 105 to 108, contains financial information that is non-GAAP (Generally Accepted Accounting Practice) and therefore falls within the Financial Markets Authority's guidance note on "Disclosing non-GAAP financial information" issued in July 2017.

The Trend Statement has been prepared using the audited GAAP-compliant financial statements of the Group.

The Directors believe that the non-GAAP financial information contained within the Trend Statement (more particularly, the non-GAAP measures of financial performance such as "EBITDA (normalised)", "EBIT (normalised)", "Profit/(Loss) before income tax (normalised)" and "Profit/(Loss) after tax (normalised)" as well as the various other financial ratios that are based on normalised results – for example, earnings per share) provides useful information to investors regarding the performance of the Group because the calculations exclude insurance claims, restructuring costs, provision for onerous contracts and other gains/losses (for example, gain/loss on sale of property and investments) that are not expected to occur on a regular basis either by virtue of quantum or nature.

In arriving at this view, the Directors have also taken cognisance of the regular requests by users of the consolidated financial statements, including shareholders, regarding the quantum and nature of abnormal items within the GAAP-compliant results and the way shareholders distinguish between GAAP and non-GAAP measures of profit.

The disclosure of the non-GAAP financial information is also consistent with how the financial information for the Group is reported internally, and reviewed by the Chief Executive Officer as its chief operating decision maker, and provides what the Directors and management believe gives a more meaningful insight into the underlying financial performance of the Group and a better understanding of how the Group is tracking after taking into account items of an abnormal nature, including items that are unlikely to recur or otherwise unusual in nature.

Non-GAAP financial information does not have standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information prescribed by other entities.

In collating the Trend Statement, the Directors have taken into account all of the requirements within the guidance note. More specifically, these include:

- outlining why non-GAAP financial information is useful to investors and how it is used internally by management;
- identifying the source of non-GAAP financial information;
- ensuring that:
  - non-GAAP financial information is not presented with undue and greater prominence, emphasis or authority than the most directly comparable GAAP financial information;
  - presentation of non-GAAP financial information does not in any way confuse or obscure presentation of GAAP financial information;
  - a reconciliation from the non-GAAP financial information to the most directly comparable GAAP financial information, including that for the previous period, can be easily accessed (see page 110);
  - a consistent approach is adopted from period to period with respect to the presentation of non-GAAP financial information, including that for comparative periods;
  - where there is any change in approach from the previous period, the nature of the change is explained and the reasons and financial impact provided;
  - non-GAAP financial information is unbiased; and
  - taking care when describing, or referring to, items as 'one-off' or 'non-recurring'.

# Bremworth Limited

## Annual report 2025 (continued)



### BREMWORTH ANNUAL REPORT 2025

## DISCLOSURE OF NON-GAAP FINANCIAL INFORMATION (CONT'D)

### RECONCILIATION OF GAAP-COMPLIANT TO NON-GAAP-COMPLIANT MEASURES OF PROFIT AFTER TAX

	Year ended 30 June 2025			Year ended 30 June 2024		
	GAAP \$000	Adjustments \$000	Normalised \$000	GAAP \$000	Adjustments <sup>1</sup> \$000	Normalised \$000
Revenue	\$88,424	-	\$88,424	\$80,204	-	\$80,204
EBITDA	21,584	(35,129)	(13,545)	6,365	(11,051)	(4,686)
Depreciation - owned assets	(1,166)	-	(1,166)	(858)	-	(858)
Depreciation - right-of-use assets	(1,129)	-	(1,129)	(1,057)	-	(1,057)
Amortisation - intangible assets	(25)	-	(25)	(25)	-	(25)
EBIT	19,264	(35,129)	(15,865)	4,425	(11,051)	(6,626)
Finance costs	(860)	-	(860)	(825)	-	(825)
Finance income	1,032	-	1,032	1,344	-	1,344
Profit/(Loss) before tax	19,436	(35,129)	(15,693)	4,944	(11,051)	(6,107)
Tax expense	(333)	-	(333)	(301)	-	(301)
Profit/(Loss) after tax	19,103	(35,129)	(16,026)	4,643	(11,051)	(6,408)
Abnormal gains after tax	-	35,129	35,129	-	11,051	11,051
Profit after tax (GAAP)	-	-	\$19,103	-	-	\$4,643

<sup>1</sup> \$495,000 of costs for year ended 30 June 2024 reclassified as restructuring costs to align with current year presentation

### Analysis of abnormal items<sup>1</sup>

	Year ended 30 June 2025			Year ended 30 June 2024		
	Profit before tax \$000	Tax effect \$000	Profit after tax \$000	Profit before tax \$000	Tax effect \$000	Profit after tax \$000
Cyclone Gabrielle related insurance income	42,230	-	42,230	26,500	-	26,500
Cyclone Gabrielle related asset write offs and expenses and asset impairment reversed	(2,568)	-	(2,568)	(13,981)	-	(13,981)
Whanganui fire related insurance income	527	-	527	-	-	-
Whanganui fire related asset write offs	(1,439)	-	(1,439)	-	-	-
Restructuring costs	(2,725)	-	(2,725)	(1,568)	-	(1,568)
Onerous contract	(896)	-	(896)	-	-	-
Total	\$35,129	-	\$35,129	\$11,051	-	\$11,051

<sup>1</sup> \$495,000 of costs for year ended 30 June 2024 reclassified as restructuring costs to align with current year presentation



## Delegat Group Limited Annual report 2023

### DELEGAT ANNUAL REPORT 2023 CHAIR'S REPORT

#### PERFORMANCE HIGHLIGHTS

- Record Global Case Sales of 3,676,000, up 9%.
- Operating NPAT<sup>1</sup> of \$59.3 million, up 2%.
- Operating EBITDA<sup>1</sup> of \$120.4 million, up 7%.
- Reported NPAT of \$64.8 million, up 3%.
- Cash from Operations of \$59.7 million, down 9%.

The Group presents its financial statements in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

To provide further insight into the Group's underlying operational performance, the Group has also included in this report an Operating Performance Report. This Operating Performance Report excludes the impact of fair value adjustments required under NZ IFRS for grapes and derivative instruments. As a fully integrated winemaking and sales operation, Operating Profit includes the fair value adjustment in respect of grapes when packaged wine is sold rather than on harvest of the grapes, and the fair value adjustment on derivative instruments when these foreign exchange contracts and interest rate swaps are realised.

The Group has included a reconciliation of Operating Profit to Reported Profit which eliminates from each line in the Statement of Financial Performance all fair value adjustments.<sup>1</sup>

**TABLE 1 OPERATING PERFORMANCE**

NZ\$ millions	June 2023	June 2022	% change vs 2022
Operating Revenue <sup>1</sup>	375.8	325.4	15%
<b>Operating Gross Profit<sup>1</sup></b>	<b>182.1</b>	<b>144.2</b>	<b>12%</b>
Operating Gross Margin	43%	44%	
Operating Expenses <sup>2</sup>	(65.3)	(55.4)	-18%
<b>Operating EBIT<sup>1</sup></b>	<b>96.8</b>	<b>68.8</b>	<b>9%</b>
Operating EBIT % of Revenue	26%	27%	
Interest and Tax	(37.5)	(30.7)	-22%
<b>Operating NPAT<sup>4</sup></b>	<b>59.3</b>	<b>58.1</b>	<b>2%</b>
Operating NPAT % of Revenue	16%	18%	
<b>Operating EBITDA<sup>3</sup></b>	<b>120.4</b>	<b>112.2</b>	<b>7%</b>
Operating EBITDA % of Revenue	32%	34%	

Footnote

- Operating Revenue is before fair value adjustments on grapes in accordance with NZ IFRS.
- Operating EBIT is before fair value adjustments on foreign exchange contracts, interest rate swaps, forward contracts and the fair value adjustments on grapes and derivative instruments.
- Operating EBITDA is before fair value adjustments on grapes and derivative instruments (if any) and any other non-recurring items.
- Operating NPAT is before fair value adjustments on grapes and derivative instruments (if any) and any other non-recurring items.

Operating Performance is a non-GAAP measure and as such does not have a standardized meaning provided by GAAP. It may therefore not be comparable to non-GAAP measures presented by other entities. The Chair and Managing Directors' Reports are read by the auditor as part of their responsibilities in respect of other information disclosed in their audit report.

# Delegat Group Limited

## Annual report 2023 (continued)

DELEGAT ANNUAL REPORT 2023 CHAIR'S REPORT

### RECONCILIATION OF REPORTING TO OPERATING PERFORMANCE

Accounting for all fair value adjustments under NZ IFRS, the Group's reported audited financial performance for the year ended 30 June 2023 is reconciled to Operating Profit as detailed in table 4.

### CASH FLOW

The Group generated Cash Flows from Operations of \$59.7 million in the current year, which is a decrease of \$5.9 million or 9% on the previous year. This decrease is principally due to funding a higher working capital in respect of the 2023 vintage. A total of \$66.2 million was paid for additional property, plant, and equipment during the year, this includes vineyard developments in New Zealand, and development of the Hawke's Bay and Marlborough wineries, which will provide earnings growth into the years ahead. The Group distributed \$20.2 million to Shareholders in dividends. Additional borrowings of \$73.3 million were drawn down to fund the increased capital investment during the year.

The Group has a \$420 million syndicated Senior debt facility, having secured an additional \$39.9 million facility in July 2022 to finance the previously leased Dashwood Vineyard, located in Marlborough's Awatere Valley, and having secured an additional \$45.0 million revolving facility in June 2023. The Group is well positioned to fund its current operations as well as future capital investment in both New Zealand and Australia. The Group's net debt at 30 June 2023 amounted to \$319.4 million, an increase of 28% compared to last year and remains well within the Group's long-term bank debt facilities.

**TABLE 4 RECONCILIATION OF REPORTING TO OPERATING PERFORMANCE**

NZ\$ millions	June 2023			June 2022		
	Operating	Fair Value Adjustment	Reported	Operating	Fair Value Adjustment	Reported
Revenue	375.8	5.6	381.4	325.4	0.3	325.6
Cost of Sales	(213.7)	2.1	(211.6)	(181.2)	6.6	(174.6)
<b>Gross Profit</b>	<b>162.1</b>	<b>7.7</b>	<b>169.8</b>	<b>144.2</b>	<b>6.8</b>	<b>151.0</b>
Operating Expenses	(65.3)	-	(65.3)	(55.4)	-	(55.4)
<b>EBIT<sup>1</sup></b>	<b>96.8</b>	<b>7.7</b>	<b>104.5</b>	<b>88.8</b>	<b>6.8</b>	<b>95.6</b>
Interest and Tax	(37.5)	(2.3)	(39.7)	(30.7)	(1.9)	(32.6)
<b>NPAT<sup>2</sup></b>	<b>59.3</b>	<b>5.5</b>	<b>64.8</b>	<b>58.1</b>	<b>4.9</b>	<b>63.0</b>
<b>EBIT<sup>1</sup></b>	<b>96.8</b>	<b>7.7</b>	<b>104.5</b>	<b>88.8</b>	<b>6.8</b>	<b>95.6</b>
Depreciation and amortisation	23.6	-	23.6	23.4	-	23.4
<b>EBITDA<sup>3</sup></b>	<b>120.4</b>	<b>7.7</b>	<b>128.1</b>	<b>112.2</b>	<b>6.8</b>	<b>119.0</b>

Notes:  
1. EBIT means earnings before interest and tax.  
2. NPAT means net profit after tax.  
3. EBITDA means earnings before interest, tax, depreciation and amortisation.



## Delegat Group Limited Annual report 2025

DELEGAT ANNUAL REPORT 2025 CHAIR'S REPORT

### PERFORMANCE SUMMARY

- Global Case Sales of 3,188,000, down 12%.
- Operating NPAT of \$51.1 million, down 14%.
- Operating EBITDA of \$116.5 million, down 9%.
- Reported NPAT of \$49.0 million, up 56%.
- Cash from Operations of \$105.7 million, up 86%.

The Group presents its financial statements in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

To provide further insight into the Group's underlying operational performance, the Group has also included in this report an Operating Performance Report. This Operating Performance Report excludes the impact of fair value adjustments required under NZ IFRS for grapes and derivative instruments and the tax effects of the removal of depreciation deductions on buildings in the prior year. As a fully integrated winemaking and sales operation, Operating Profit includes the fair value adjustment in respect of grapes when packaged wine is sold rather than on harvest of the grapes, and the fair value adjustment on derivative instruments when these foreign exchange contracts and interest rate swaps are realised.

The Group has included a reconciliation of Operating Profit to Reported Profit which eliminates from each line in the Statement of Financial Performance all fair value adjustments<sup>1</sup>.

TABLE 1 OPERATING PERFORMANCE<sup>1</sup>

NZ\$ millions	June 2025	June 2024	% change vs 2024
Operating Revenue <sup>2</sup>	549.6	625.7	-7%
<b>Operating Gross Profit<sup>3</sup></b>	<b>156.3</b>	<b>171.2</b>	<b>-8%</b>
Operating Gross Margin	45%	46%	
Operating Expenses <sup>4</sup>	(69.3)	(68.5)	-1%
<b>Operating EBIT<sup>3</sup></b>	<b>89.0</b>	<b>102.7</b>	<b>-13%</b>
Operating EBIT % of Revenue	25%	27%	
Interest and Tax	(37.9)	(43.0)	12%
<b>Operating NPAT<sup>4</sup></b>	<b>51.1</b>	<b>59.7</b>	<b>-14%</b>
Operating NPAT % of Revenue	15%	16%	
<b>Operating EBITDA<sup>4</sup></b>	<b>116.5</b>	<b>128.5</b>	<b>-9%</b>
Operating EBITDA % of Revenue	53%	54%	

<sup>1</sup> Notes:  
<sup>2</sup> Operating Revenue is shown net of sale movements on derivative instruments of grapes.  
<sup>3</sup> Operating Gross Profit is before the net fair value movements on biological produce (harvest adjustment) and the NZ IFRS adjustment relating to wine.  
<sup>4</sup> Operating EBITDA and NPAT are before any fair value adjustments on derivative instruments (FX losses) and any other non-recurring items.  
<sup>5</sup> Operating EBIT, EBITDA and NPAT are before any fair value adjustments and any non-recurring items.

Operating Performance is a non-GAAP measure and is not audited. It may therefore not be comparable to non-GAAP measures presented by other entities. The Chair and Chief Executive Officer's Report are read by the investor as part of their responsibility in respect of other information disclosed in their audit report.

# Delegat Group Limited

## Annual report 2025 (continued)

DELEGAT ANNUAL REPORT 2025 CHAIR'S REPORT

### RECONCILIATION OF REPORTING TO OPERATING PERFORMANCE

Accounting for all fair value adjustments under NZ IFRS, the Group's reported audited financial performance for the year ended 30 June 2025 is reconciled to Operating Profit as detailed in table 4.

### CASH FLOW

The Group generated Cash Flows from Operations of \$105.7 million in the current year, which is an increase of \$48.8 million or 86% on the previous year. This increase is principally due to lower working capital investment when compared to the prior year. A total of \$44.2 million was paid for additional property, plant and equipment during the year. This includes vineyard developments in New Zealand, and development of the Hawke's Bay and Marlborough wineries, which will provide earnings growth into the years ahead. The Group distributed \$20.2 million to Shareholders in dividends.

The Group has a \$420 million syndicated Senior debt facility and is well positioned to fund its current operations as well as future capital investment in both New Zealand and Australia. The Group's net debt at 30 June 2025 amounted to \$328.6 million, a decrease of 9% compared to last year due to the strong operating cash flows and remains well within the Group's long-term bank facilities. Future growth in cashflows will support our capital expenditure programme.

**TABLE 4 RECONCILIATION OF REPORTING TO OPERATING PERFORMANCE**

NZ\$ millions	June 2025			June 2024		
	Operating	Fair Value Adjustment	Reported	Operating	Fair Value Adjustment	Reported
Revenue	349.6	-	349.6	375.7	2.7	378.3
Cost of Sales	(191.3)	3.7	(187.6)	(204.5)	(24.0)	(228.4)
<b>Gross Profit</b>	<b>158.3</b>	<b>3.7</b>	<b>162.0</b>	<b>171.2</b>	<b>(21.3)</b>	<b>149.9</b>
Operating Expenses	(69.3)	(6.6)	(75.9)	(68.5)	-	(68.5)
<b>EBIT<sup>1</sup></b>	<b>89.0</b>	<b>(2.9)</b>	<b>86.1</b>	<b>102.7</b>	<b>(21.3)</b>	<b>81.4</b>
Interest and Tax	(37.9)	0.8	(37.1)	(43.0)	(7.0)	(50.0)
<b>NPAT<sup>2</sup></b>	<b>51.1</b>	<b>(2.1)</b>	<b>49.0</b>	<b>59.7</b>	<b>(28.3)</b>	<b>31.4</b>
<b>EBIT<sup>1</sup></b>	<b>89.0</b>	<b>(2.9)</b>	<b>86.1</b>	<b>102.7</b>	<b>(21.3)</b>	<b>81.4</b>
Depreciation and amortisation	27.5	-	27.5	25.8	-	25.8
<b>EBITDA<sup>3</sup></b>	<b>116.5</b>	<b>(2.9)</b>	<b>113.6</b>	<b>128.5</b>	<b>(21.3)</b>	<b>107.2</b>

Notes:  
1. EBIT means earnings before interest and tax.  
2. NPAT means net profit after tax.  
3. EBITDA means earnings before interest, tax, depreciation and amortisation.



# Downer EDI Limited

## Annual report 2023

### Directors' Report

#### Sustainability

At Downer, sustainability means being environmentally sustainable as well as prioritising the safety of our people, achieving sustainable growth, building trusted relationships and ensuring we have a diverse and inclusive workforce. Downer's commitments to sustainability are outlined in its policies, which are accessible from the Downer website ([www.downergroup.com](http://www.downergroup.com)). The Group's 2023 Sustainability Report details Downer's sustainability related performance for the financial year ended 30 June 2023 and can be found on the Company website ([www.downergroup.com/2023sustainabilityreport](http://www.downergroup.com/2023sustainabilityreport)).

As Downer embarks on a phase of change through the transformation program, Downer's Purpose, Promise and Pillars will be pivotal in setting a vision for the organisation and its people. With that in mind, we have evolved our Purpose and Promise and updated our Pillars. In FY23, Downer changed its Purpose to articulate a higher ambition. With sustainability at the forefront of how organisations build strategy, allocate capital and contribute to activities that support energy transition, it was important for Downer to articulate our ambition in a way that resonates more meaningfully with all stakeholders.

Downer embeds sustainability in the way we deliver our services and operate our business across the Tasman. Downer's new Purpose is: 'Enabling communities to thrive'. With Downer's services impacting millions of lives every day, the sustainability of the Group's operations is paramount – for its people, partners, shareholders, customers and their customers. Downer delivers these services while managing the impacts of its activities on people, the environment and the communities in which the Group operates whilst working collaboratively with its supply chain. Downer's capability is well placed for the energy transition and decarbonisation effort that is required to meet Australia and New Zealand's net zero emissions target. For further information please refer to **Downer's 2022 Climate Change Report**. The Climate Change Report has been prepared to provide shareholders and potential shareholders with information on Downer's net zero targets, approach to climate risks and opportunities as well as our climate-related plans, activities, and disclosures in accordance with the Taskforce for Climate related Financial Disclosures (TCFD).

#### Group Financial Performance

The main features of the result for the 12 months ended 30 June 2023 were:

- Total revenue<sup>1</sup> of \$12.6 billion, up 5.4%
- Statutory EBITA<sup>2</sup> loss of \$227.3 million, down from earnings of \$341.3 million at 30 June 2022<sup>3</sup>
- Underlying<sup>4</sup> EBITA earnings of \$323.4 million, down 15.5% from \$382.5 million
- Underlying EBITA margin of 2.6%, down from 3.2% at 30 June 2022



<sup>1</sup> Total revenue is a non-statutory disclosure and includes revenue, other income and notional revenue from joint ventures and other alliances not proportionately consolidated.

<sup>2</sup> Earnings before interest, tax and amortisation of acquired intangibles (EBITA).

<sup>3</sup> FY22 have been restated following certain accounting adjustments identified as described in Note A to the Financial Report.

<sup>4</sup> The underlying result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review.

- Statutory loss before interest and tax (EBIT) of \$253.5 million, down from earnings of \$306.5 million at 30 June 2022
- Statutory net loss after tax and before amortisation of acquired intangible assets (NPATA) of \$367.3 million, down from \$164.8 million profit,
- Statutory net loss after tax (NPAT) of \$385.7 million, down from profit of \$140.4 million.

Total revenue, excluding contribution from divested Mining and Hospitality businesses in FY22, increased by 9.0%. This was led by Rail and Transit Systems in the Transport segment, Telecommunications in the Utilities segment and Government and Health & Education in the Facilities segment.

Despite the strong revenue growth, underlying EBITA has been negatively impacted by losses in the Utilities business.

Underlying Cash conversion for the period was 64.9%, attributable to weak cash conversion in the first half, driven primarily by timing of supplier payments on the completion of the Sydney Growth Trains (SGT) project and settlement of prior period project claims. Cash conversion in the second half improved meaningfully to 110%. Weak operating cash flow performance and the statutory loss were the primary drivers for the increase in gearing, up 5.3% to 23.1% since June 2022.

Net finance costs increased by \$2.6 million or, 3.0%, to \$88.0 million driven by an increase in average debt drawn as a result of lower operating cash flows.

The underlying effective tax rate of 25.5% is lower than the statutory corporate tax rate of 30.0% primarily due to the impact of non-taxable distributions from joint ventures and lower tax rates in overseas jurisdictions (e.g. New Zealand).

Individually Significant Items (ISIs) totalled a \$550.7 million loss before interest and tax for the year, (\$541.5 million loss after tax). Additional information is provided on the following pages of the Review of Operations and in Note B3 to the Financial Report.

#### Power maintenance contract

On 8 December 2022, Downer announced that it had identified the historical misreporting of revenues and work in progress in one of its maintenance contracts in its Australian Utilities business.

The contract is for the supply and maintenance, new connections, faults and capital works services.

As a result of the historical misreporting, post-tax earnings were overstated by a total of \$22.2 million between April 2020 and 30 June 2022, of which \$1.7 million relates to FY20, \$8.9 million relates to FY21 and \$11.6 million relates to FY22. Downer is working on a number of initiatives to return the contract to an overall profitable position by the end of the contractual term.

# Downer EDI Limited

## Annual report 2023 (continued)

### Directors' Report

#### Changes to segment reporting

Following the restructure of the Group and the creation of a Trans-Tasman operating model, the Hawkins building business in New Zealand has transitioned from the Facilities segment to the Transport segment to align with how the businesses are managed and reported internally to the Group CEO.

Power Systems transitioned from the Transport segment to the Utilities segment as reported at 31 December 2022 following a change in internal management structure.

#### Underlying EBITA and reconciliation to Statutory NPAT

The table below provides a comparison of the underlying<sup>1</sup> earnings for FY23 versus the results for FY22 and a reconciliation to statutory NPAT.

Underlying <sup>1</sup> EBITA (A\$m)	Reporting Segment	FY23	FY22 <sup>2</sup>	Variance <sup>3</sup> (%)
Transport <sup>4</sup>	Transport	288.9	269.4	7.2%
Utilities <sup>5</sup>	Utilities	(10.3)	59.9	>(100)%
Facilities <sup>6</sup>	Facilities	162.1	162.1	-
<b>Urban Services Businesses</b>		<b>440.7</b>	<b>491.4</b>	<b>(10.3)%</b>
Business disposed <sup>7</sup>	Facilities/All other segments	-	(8.4)	100.0%
Corporate	Unallocated	(117.3)	(100.5)	(16.7)%
<b>Group Underlying EBITA<sup>8</sup></b>		<b>323.4</b>	<b>382.5</b>	<b>(15.5)%</b>
Amortisation of acquired intangibles (pre-tax)		(28.2)	(34.8)	24.7%
<b>Underlying EBIT</b>		<b>297.2</b>	<b>347.7</b>	<b>(14.5)%</b>
Net interest expense		(88.0)	(85.4)	(3.0)%
Tax expense		(53.4)	(73.0)	26.8%
<b>Underlying NPAT</b>		<b>155.8</b>	<b>189.3</b>	<b>(17.7)%</b>
Amortisation of acquired intangibles (post tax)		18.4	24.4	(24.6)%
<b>Underlying NPATA<sup>9</sup></b>		<b>174.2</b>	<b>213.7</b>	<b>(18.5)%</b>
Items outside of underlying NPATA		(550.7)	(41.2)	>(100)%
Tax effect on items outside underlying NPATA		9.2	(7.7)	>100%
<b>Statutory NPATA</b>		<b>(367.3)</b>	<b>164.8</b>	<b>&gt;(100)%</b>
Amortisation of acquired intangibles (post tax)		(18.4)	(24.4)	24.6%
<b>Statutory NPAT</b>		<b>(385.7)</b>	<b>140.4</b>	<b>&gt;(100)%</b>

- The underlying result is a non-GFS measure used internally by Management to assess the performance of the business. Non-GFS measures have not been subject to audit or review.
- FY22 Transport, Utilities and Facilities contribution have been restated as a result of the change in operating segments (refer to Note 8D).
- The Australian Transport Projects business disposed during the period is included in the Transport segment.
- Represents the contribution of Mining (\$B1 million) and Hospitality (loss \$16.5 million) businesses disposed in prior period.
- Downer calculates EBITA and NPATA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.
- FY22 results have been restated (refer to Note A for further details).

# Downer EDI Limited

## Annual report 2023 (continued)

### Directors' Report

#### Segment financial performance

##### Transport

Transport comprises Downer's Road Services, Rail and Transit Systems and Projects businesses.



##### Transport

- Total revenue is a non-statutory disclosure and includes revenue, other income and national revenue from joint ventures and other alliances not proportionately consolidated.
- Downer calculates EBITA by adjusting EBIT to add back acquired intangible amortisation expenses. Due to rounding, divisional percentages do not add up precisely to 100%.

Transport revenue increased by 10.3%, or \$641.5 million, to \$6.9 billion, while EBITA increased by 72% or \$19.5 million to \$288.9 million. The Road Services business continued to be adversely impacted by wet weather (primarily in the first half), labour market challenges and increased transport and logistics costs. This was offset by strong revenue and margin performance on long-term Rail maintenance contracts and an uplift in Transport Projects margin in Australia.

##### Road Services

Downer manages and maintains road networks across Australia and New Zealand and manufactures and supplies products and services to create safe, efficient and reliable journeys. Downer offers one of the largest non-government owned road infrastructure services businesses in Australia and New Zealand, maintaining more than 50,000 kilometres of roads in Australia and in New Zealand.

Downer creates and delivers solutions to its customers' challenges through strategic asset management and a leading portfolio of products and services. Downer is a leading manufacturer and supplier of bitumen-based products and an innovator in the sustainable asphalt industry and circular economy, using recycled products and environmentally sustainable methods to produce asphalt.

##### Rail and Transit Systems

Downer has over 100 years rail experience providing end-to-end, innovative transport solutions. Downer is a leading provider of rollingstock asset management services in Australia, with expertise in delivering whole-of-life asset management support to its customers. Downer's capability spans all sectors, from rollingstock to infrastructure, and every project phase, from design and manufacture to through-life-support, fleet maintenance, operations and comprehensive overhaul of assets.

The Kenils Downer joint venture is Australia's largest private provider of multi-modal public transport solutions, with contracts to operate and maintain Yarra Trams in Melbourne, the Gold Coast light rail system in Queensland, Adelaide Metro and an integrated public transport system for the city of Newcastle in New South Wales. Kenils Downer is also one of Australia's most significant bus operators.

##### Projects

Downer delivers multi-disciplined infrastructure solutions through services such as, the design and construction of light rail, heavy rail, signalling, track and station works, rail safety technology, bridges, roads and vertical construction (through Downer's Hawkins business in New Zealand). Downer has a long history of delivering infrastructure projects under a variety of contracting models. Downer's integrated capabilities enable intelligent transport solutions, road network management and maintenance.

In the year ended 30 June 2023, Downer completed the divestment of the Australian Transport Projects business to a wholly owned subsidiary of Gamuda Berhad, a large engineering and construction company listed in Malaysia. Downer retains a strong presence in New Zealand in infrastructure project services, in both transport and vertical construction.

##### Utilities

Downer offers a range of services to customers across the power and gas, water, telecommunications and renewables sectors.



##### Utilities

- Total revenue is a non-statutory disclosure and includes revenue, other income and national revenue from joint ventures and other alliances not proportionately consolidated.
- Downer calculates EBITA by adjusting EBIT to add back acquired intangible amortisation expenses. Due to rounding, divisional percentages do not add up precisely to 100%.

Utilities revenue increased by 112%, or \$227.9 million, to \$2.3 billion, while EBITA decreased \$70.2 million to a loss of \$10.3 million. Despite the Telecommunications business in both Australia and New Zealand performing well (both revenue and EBITA), the Utilities segment EBITA was heavily impacted by losses in a Power Maintenance contract, underperformance across the portfolio of Water construction projects and in a renewable windfarm project in New Zealand together with losses in the meter reading business associated with labour availability, productivity and weather-related challenges.

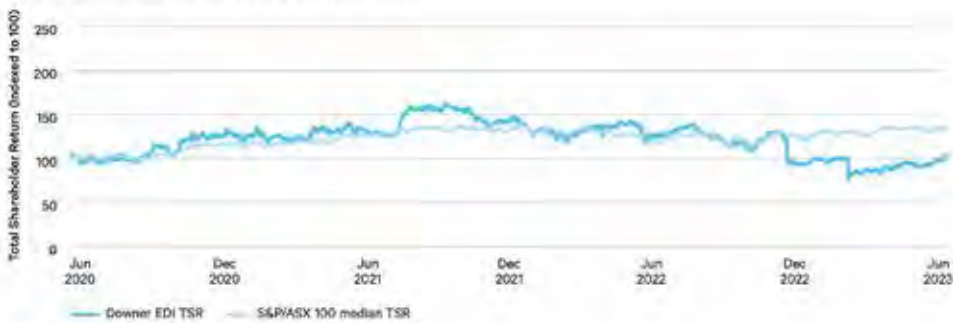
# Downer EDI Limited

## Annual report 2023 (continued)

### Directors' Report

The following graph shows the Company's performance compared to the median performance of the ASX 100 over the three-year period to 30 June 2023. Relative TSR is a measure in Downer's LTI plan. Performance is reflected in TSR outcomes of the 2020 and 2021 LTI plans, where this measure was not achieved. Further detail is at section 7.3.4.

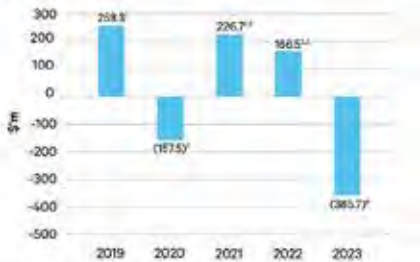
#### Downer EDI TSR compared to S&P/ASX 100 median\*



\* S&P/ASX 100 composite as at 30/06/2020

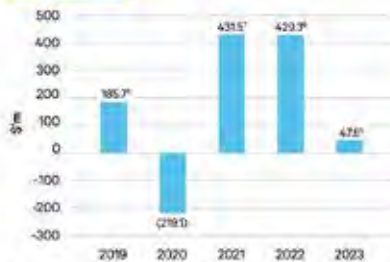
The graphs below illustrate Downer's performance against key financial and non-financial performance indicators over the last five years. Downer has identified certain accounting adjustments in its Australian Utilities business involving historical misreporting of revenue and contract assets in one of Downer's maintenance contracts. As a consequence, the Group identified accounting adjustments to prior periods, including financial years 2020, 2021 and 2022 in relation to the measure of progress. The adjustments have been corrected by restating each of the affected financial statement line items for prior periods.

#### Net profit after tax



- Adjusted for material unbudgeted transactions by \$18.0 million net decrease.
- Adjusted for material unbudgeted transactions and irregularly significant items. 2019: \$51.8 million net increase, 2022: \$29.1 million net increase.
- Restated for certain accounting adjustment in its Australian Utilities business. (refer to Note A to the consolidated financial statements).
- Represents statutory NPAT.

#### Free cash flow<sup>1</sup>



- Following the adoption of AASB 16 Leases which resulted in a change in accounting policy from FY20, historical Free Cash Flows are not restated.
- Adjusted for material unbudgeted transactions. 2019: \$65.2 million net increase, 2022: \$10.5 million net decrease, and 2023: \$36.0 million net decrease related to the divestment of the Australian Transport Project Business.
- Adjusted for material unbudgeted transactions, including the payment for Spillies shares. 2021: \$33.1 million net decrease.

#### Basic earnings per share<sup>2</sup>



- Historical basic earnings per share for 2019 were restated as a result of 200 million shares issued from the capital raising as part of the acquisition of the remaining shares in Scotiabank. The weighted average number of shares (WANG) is calculated (EPS) was adjusted by an adjustment factor of 0.887.

#### Safety

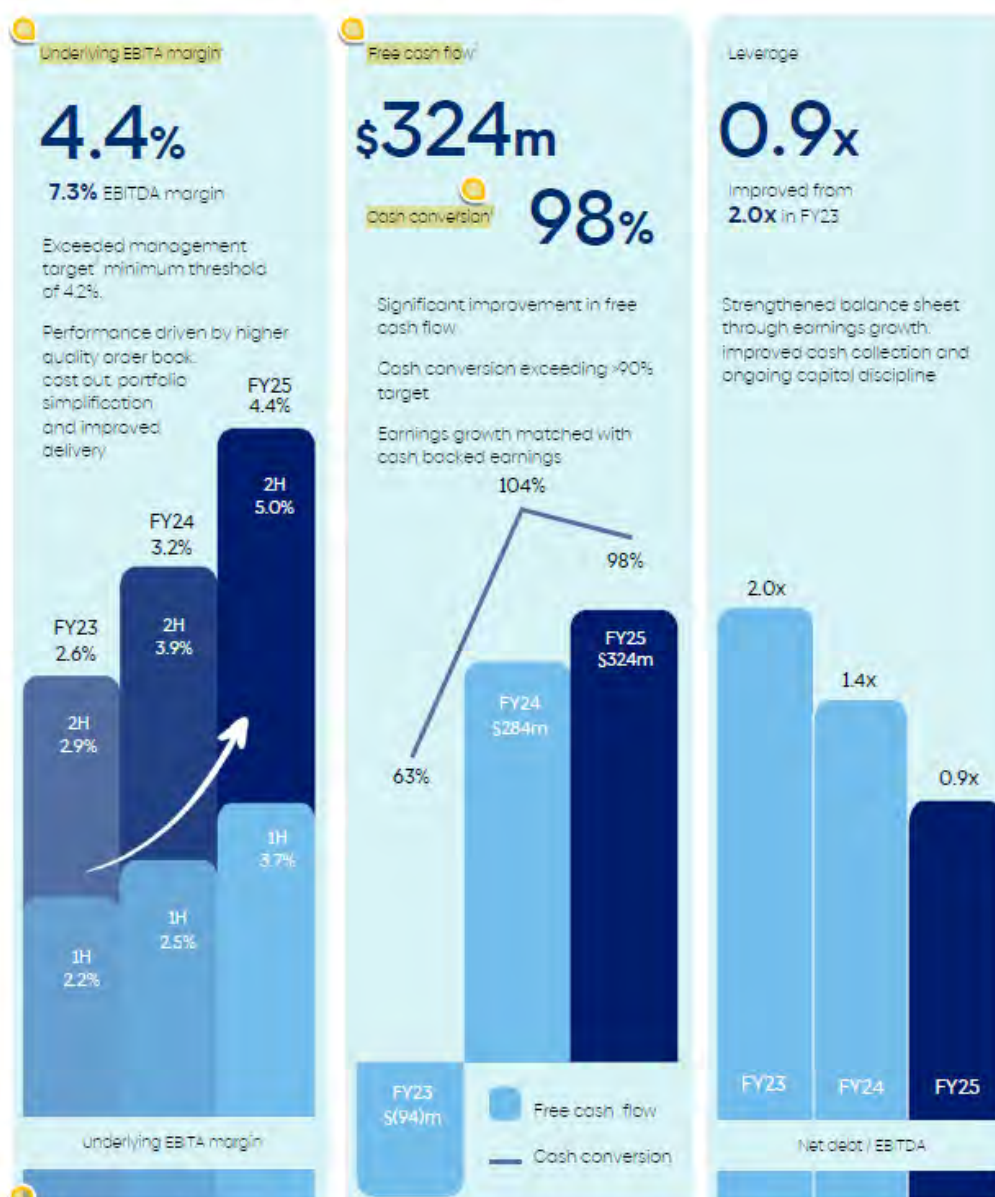


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## Downer EDI Limited Annual report 2025

### Margin uplift supported by strong cash conversion



- Underlying EBITA, NPATA and normalised cash conversion are non-IFRS measures that are used by management to assess the performance of the business. They have been calculated from the statutory measures and defined in the Directors' Report Group Financial Performance section on pages 27 and 28.
- The management targets, >4.2% minimum threshold EBITA margin in FY25 and >4.5% average EBITA margin across FY25 and FY26, are incorporated into Downer's long-term incentive plan and are not provided as guidance.
- Free cash flow is calculated as operating cash flow, less payments of net capital expenditure, principal lease payments and advances to/from JVs.

# Downer EDI Limited

## Annual report 2025 (continued)

### Group financial performance

Downer's financial result for the twelve months to 30 June 2025 demonstrates the success of our transformation program, which enhanced contract margin performance, exceeded cost reduction targets and delivered improvements in EBITA margin performance across our businesses.

\$'m	Statutory			Underlying (excl. IS)			Pro forma <sup>1</sup> (excl. divestments and AHFS)		
	FY25	FY24	Change	FY25	FY24	Change	FY25	FY24	Change
Revenue <sup>2</sup>	10,531.5	11,050.8	(4.7) %	10,885.7	11,967.6	(9.0) %	10,566.2	10,832.2	(2.5) %
EBIT	283.2	180.5	56.9 %	453.2	357.7	26.7 %	437.7	359.8	21.7 %
EBITA <sup>3</sup>	310.7	203.6	52.6 %	474.2	380.8	24.5 %	458.7	382.9	19.8 %
EBITA <sup>3</sup> %	3.0 %	1.8 %	12 pp	4.4 %	3.2 %	12 pp	4.3 %	3.5 %	0.8 pp
NPATA <sup>4</sup>	168.4	98.3	71.3 %	279.4	210.1	33.0 %	264.2	211.3	25.0 %
NPAT	149.1	82.1	81.6 %	264.7	193.9	36.5 %	249.5	195.1	27.9 %

- Revenue includes revenue and other income. Total revenue for underlying and pro forma is a non-statutory disclosure and also includes notional revenue from joint ventures and other alliances not proportionately consolidated.
- Downer calculates EBITA and NPATA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.
- The underlying result is a non-IFRS measure that is used by management to assess the performance of the business and includes the contribution of divested businesses and assets held for sale. Non-IFRS measures have not been subject to audit or review.
- Pro forma reflects the statutory results adjusted for individually significant items (ISI) (refer to Note B3 of the Annual Report) and excludes the revenue and EBITA contribution relating to completed divestments and assets held for sale to provide a like for like comparison between reporting periods. The pro forma result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review.

### Improvement delivered across key financial metrics

- Statutory NPAT grew 81.6% to \$149.1 million, based on improved EBIT, with reduced impact of individually significant items (ISI) including divestments, restructuring charges and impairments, and lower net finance costs, partially offset by higher tax expense.
- Underlying NPATA grew by 33.0% to \$279.4 million which delivered at the top end of our \$265-280 million guidance range. Pro-forma NPATA grew by 25.0% to \$264.2 million (adjusted for the impact of divestments).
- Underlying EBITA margin increased to 4.4% compared to 3.2% in FY24.
- Pro forma EBITA of \$458.7 million grew by 19.8%.
- Pro forma revenue was \$10.6 billion which declined by 2.5% from FY24. Revenue grew in Power, Water, and Rail & Transit Services. This was offset by our risk guardrail reset in Transport Projects and softness in Australian Transport agency spend impacting Road Services, New Zealand discretionary maintenance spend on utilities and facilities, and reductions in Telecommunications and Industrial & Energy revenue.
- Growth in earnings was matched with normalised<sup>1</sup> cash conversion of 97.9%, which exceeded our target of greater than 90%.
- Achieved cumulative annualised gross cost out of \$213 million since transformation program initiated in February 2023, exceeding the \$200 million target that was updated at Downer's 1H25 results.
- Strengthened balance sheet with net debt to EBITDA of 0.9x, down from 1.4x at 30 June 2024.
- Final dividend of 14.1 cents per share increased by 28% compared to the FY24 final dividend. This reflects a payout ratio of 65% on 2H25 with the final dividend 100% franked compared to 50% franked in FY24.

<sup>1</sup> Normalised underlying cash conversion has been adjusted to remove the cash outflows associated with FY24 and FY25 ISI (not in underlying EBITDA) totalling \$92.0m (FY24 equivalent of \$75.9m and \$23.5m Australian Transport Projects GST payment). Cash conversion is calculated as operating cash flow excluding tax and interest divided by underlying EBITDA.

## Downer EDI Limited

### Annual report 2025 (continued)

#### Underlying EBITA and reconciliation to Statutory NPAT

\$'m	Reporting segment	FY25	FY24	Change
Transport	Transport	290.7	250.4	16.1 %
Energy & Utilities <sup>2</sup>	Energy & Utilities	121.7	85.7	42.0 %
Facilities <sup>2</sup>	Facilities	153.8	147.2	4.5 %
Corporate	Unallocated	(92.0)	(102.5)	10.2 %
<b>Group underlying<sup>1</sup> EBITA<sup>3</sup></b>		<b>474.2</b>	<b>380.8</b>	<b>24.5 %</b>
Underlying amortisation of acquired intangibles (pre-tax)		(21.0)	(23.1)	9.1 %
<b>Underlying<sup>1</sup> EBIT<sup>3</sup></b>		<b>453.2</b>	<b>357.7</b>	<b>26.7 %</b>
Net interest expense		(82.1)	(88.7)	7.4 %
Tax expense		(106.4)	(75.1)	(41.7)%
<b>Underlying<sup>1</sup> NPAT</b>		<b>264.7</b>	<b>193.9</b>	<b>36.5 %</b>
Underlying amortisation of acquired intangibles (post tax)		14.7	16.2	(9.3)%
<b>Underlying<sup>1</sup> NPATA<sup>3</sup></b>		<b>279.4</b>	<b>210.1</b>	<b>33.0 %</b>
Total individually significant items <sup>4</sup>		(163.5)	(177.2)	7.7 %
Tax effect on individually significant items		52.5	65.4	(19.7)%
<b>Statutory NPATA<sup>3</sup></b>		<b>168.4</b>	<b>98.3</b>	<b>71.3 %</b>
Statutory amortisation of acquired intangibles (post tax) <sup>4</sup>		(19.3)	(16.2)	19.1 %
<b>Statutory NPAT</b>		<b>149.1</b>	<b>82.1</b>	<b>81.6 %</b>

- The underlying result is a non-FRS measure that is used by management to assess the performance of the business and includes the contribution of divested businesses and assets held for sale. Non-FRS measures have not been subject to audit or review.
- FY24 results for the Facilities and Energy & Utilities (previously Utilities) segments have been restated as a result of the change in operating segments. Refer to Note B1 of the Financial Report for further detail.
- Downer calculates EBITA and NPATA by adjusting EBIT and NPAT to add back acquired intangible assets amortisation expense.
- Note B3 of the Financial Report includes \$6.5 million (\$4.6 million post tax) of accelerated amortisation of acquired intangible assets within individually significant items of \$170.0 million.

The merger of our Utilities and Industrial & Energy businesses, including the New Energy business, into the Energy & Utilities segment consolidates our capabilities across the Tasman to meet the growing customer demand driven by the energy transition. This merger positions Downer to participate in the pipeline of large-scale transmission projects, battery and storage system installations, substation builds, and innovative energy solutions for major mining and energy sector operations. Further organisational changes merged sub-scale businesses and closed underperforming sites to drive further efficiencies with a heightened focus on cost to serve.

As a result, during the period we have reclassified the Industrial & Energy and the New Energy businesses from the Facilities segment into the Energy & Utilities (previously Utilities) segment to reflect the merged operations and as a consequence the FY24 results for the Facilities and Energy & Utilities segments have been restated. Refer to Note B1 in the Financial Report for further detail.



# Ebos Group Limited Annual report 2023



EBOS Group Limited  
Annual Report 2023

# Financial Summary

**EBOS has achieved another record result driven by organic growth and prior year acquisitions, reflecting the defensive and diversified nature of our Group earnings.**

Group revenue exceeded \$12 billion for the first time, up 14.0% on the prior year, driven by growth in both our Healthcare and Animal Care segments, including strong performances from our Community Pharmacy, Institutional Healthcare, Contract Logistics and Animal Care divisions.



EBOS recorded Underlying EBITDA of \$582.0 million, representing 33.2% growth and Underlying NPAT of \$281.8 million, representing 23.0% growth.



### Healthcare

The Healthcare segment reported revenue of \$11.7 billion and Underlying EBITDA of \$517.0 million, representing 14.6% and 32.7% growth respectively. In Australia, Healthcare revenue increased to \$9.4 billion and Underlying EBITDA increased to \$416.0 million, representing 15.3% and 27.5% growth respectively. In New Zealand and Southeast Asia, Healthcare revenue increased to \$2.3 billion and Underlying EBITDA increased to \$101.0 million, representing 11.6% and 59.7% growth respectively.

This growth was driven by our leading market positions and strong contributions from our Community Pharmacy, TWC, Institutional Healthcare and Contract Logistics divisions and businesses. Each of our divisions in the Healthcare segment recorded double digit GOR growth, with Institutional Healthcare recording particularly strong growth due to contribution from acquisitions completed in FY22.

### Animal Care

The Animal Care segment had a strong performance with revenue of \$560.8 million and Underlying EBITDA of \$99.1 million, representing 3.6% and 24.0% growth respectively.

This growth was driven by strong performances from our leading brands and businesses (Black Hawk, Vitapet and Lyppard), the benefits of our new pet food manufacturing facility and growth in Animates, our New Zealand pet retail joint venture.

### Cash flow and balance sheet

EBOS has generated underlying operating cash flow of \$404.7 million. This cash performance reflects strong earnings growth and disciplined net working capital management, partially offset by higher finance costs and tax payments. Net capital expenditure for the year was \$97.8 million.

Return on Capital Employed for June 2023 of 15.1% was below FY22 by 350bp and is in-line with target. The reduction in ROCE was due to the long-term investment in building our position in the medical technology distribution sector through the acquisition of LifeHealthcare.

Net Debt: EBITDA ratio at 30 June 2023 was 1.52x, reflecting strong cash flow and earnings growth<sup>1</sup>.

### Acquisitions

Consistent with our strategy of investing for growth, on 31 July 2023 we completed the acquisition of Superior Pet Food Co, which is a leading manufacturer and supplier of premium dog rolls based in New Zealand and is also a supplier of dog treats. This acquisition expands our portfolio of branded products in attractive categories, increases our in-house manufacturing capabilities and accelerates our new product development initiatives.

### Dividends

The Directors are pleased to declare a final FY23 dividend of NZ 57.0 cents per share, which equates to a full-year dividend of NZ 110.0 cents per share. For the full year, this represents an increase of 14.6% on the prior year and a dividend payout ratio of 68.5%.

The record date for the final dividend is 8 September 2023 and the dividend will be paid on 29 September 2023. The final dividend will be imputed to 25% for New Zealand tax resident shareholders and will be fully franked for Australian tax resident shareholders. Reflecting the Group's strong operating performance, cash flow and balance sheet, the DRP will not be available for the final dividend.

<sup>1</sup> Net debt excludes a put option liability of \$165 million, representing the estimated consideration to acquire the remaining 49% equity ownership of the Transmedic business not currently owned by the Group. Net debt: EBITDA also excludes IFRS 16 lease impacts.



# Ebos Group Limited Annual report 2025



## Summary of Results



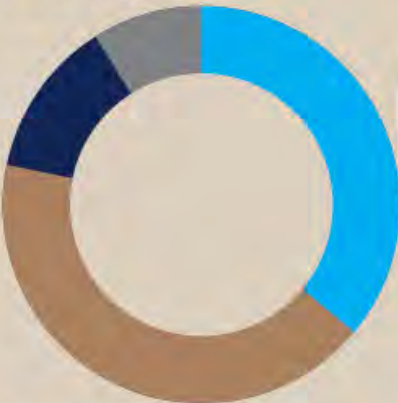
# Ebos Group Limited

## Annual report 2025 (continued)

### Segment And Divisional Earnings Overview

Data based on gross operating revenue, which comprises revenue less cost of sales.

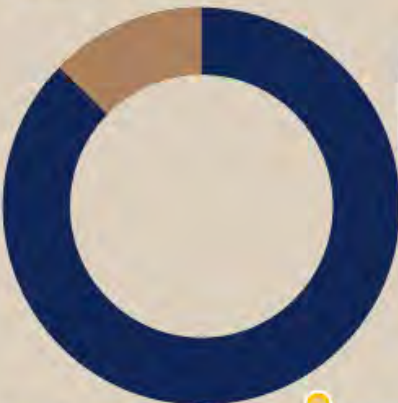
#### Gross Operating Revenue



**Division distribution**

- Pharmacy 36%
- Institutional Healthcare 42%
- Animal Care 13%
- Contract Logistics 9%

#### Gross Operating Revenue



**Segment distribution**

- Healthcare 87%
- Animal Care 13%

#### Revenue



77% Australia  
23% New Zealand and Southeast Asia

#### Underlying EBITDA



77% Australia  
23% New Zealand and Southeast Asia

# Ebos Group Limited

## Annual report 2025 (continued)

EBOS Annual Report 2025

## Financial Summary

### EBOS delivers solid FY25 result in line with guidance

Group revenue was \$12.3 billion, up 12.0%<sup>1</sup> on the prior year, driven by growth in both our Healthcare and Animal Care segments, including strong performances from our Community Pharmacy, TerryWhite Chemmart, Institutional Healthcare and Animal Care divisions.

EBOS recorded Underlying EBITDA of \$585 million, representing 7.5% growth and Underlying NPAT of \$258 million.<sup>1</sup>

#### Healthcare

The Healthcare segment reported revenue of \$11.6 billion and Underlying EBITDA of \$500 million, representing 11.8% and 6.9% growth respectively.<sup>1</sup> In Australia, Healthcare revenue was \$9.0 billion and Underlying EBITDA was \$397 million, representing 12.9% and 5.9% growth respectively.<sup>1</sup> In New Zealand and Southeast Asia, Healthcare revenue increased to \$2.6 billion and Underlying EBITDA increased to \$103 million, representing 8.1% and 10.8% growth respectively.<sup>1</sup>

Healthcare segment growth was driven by our leading positions and solid contributions from our Community Pharmacy, TWC and Institutional Healthcare businesses.

#### Animal Care

The Animal Care segment had a strong performance with revenue of \$673 million and Underlying EBITDA of \$124 million, representing 16.3% and 10.4% growth respectively.<sup>1</sup>

This growth was supported by the branded business and the contribution of earnings from the SVS acquisition.

#### Cash flow and balance sheet

EBOS generated underlying cash flow before capex of \$448 million, up \$81 million on the prior corresponding period, supporting our organic growth, M&A strategy, shareholder returns and balance sheet management. Net capital expenditure for the year was \$146 million.

Return on Capital Employed for June 2025 was 13.0%, 20 basis points lower than June 2024<sup>4</sup>.

The Net Debt: EBITDA ratio at 30 June 2025 was 1.92x, which is a slight increase on the 1.89x reported in the prior corresponding period.

#### Acquisitions

Consistent with our strategy of investing for growth, since July 2024 we have completed five acquisitions<sup>2,3</sup>, including the remaining 10% interest in Transmedic, two small bolt-on acquisitions within our Medical Technology business, and two acquisitions in Animal Care.

#### Dividends

The Directors are pleased to declare a final FY25 dividend of NZ 61.5 cents per share, which equates to a full year dividend of NZ 118.5 cents per share. This represents a dividend payout ratio of 83.8%.

The record date for the final dividend is 5 September 2025 and the dividend will be paid on 24 September 2025. The final dividend will be imputed to 25% for New Zealand tax resident shareholders and will be fully franked for Australian tax resident shareholders. The Group's Dividend Reinvestment Plan (DRP) will be operational for the upcoming final dividend. Shareholders can elect to take shares in lieu of a cash dividend at a discount of 2.5% to the volume weighted average share price.

#### Outlook

Our portfolio is well positioned for long-term growth with continued positive healthcare and animal care industry trends supporting the resilience of our businesses. Near-term macro pressures include a competitive wholesale pharmacy environment, soft hospital capital spend and subdued consumer sentiment impacting discretionary pet categories.

In FY26, the Group is targeting Underlying EBITDA of \$615 – 635 million, reflecting -7% midpoint growth, with positive contributions from both the Healthcare and Animal Care segments.

In FY26, we expect capital expenditure of approximately \$130 – 140 million, marking the successful completion of our major distribution centre renewal program. In future years, annual capital expenditure should be approximately 30% lower, on a comparable basis. Underlying depreciation and amortisation is expected to be approximately \$140 – 150 million, reflecting the investments we've made in recent years and the increased capacity of our expanded distribution centres.

Leverage remains within targeted range, with headroom to fund growth initiatives from existing liquidity and balance sheet capacity. Net finance costs are expected to be approximately \$110 – 120 million, assuming no additional debt funding requirements. The effective tax rate is expected to be approximately 28%.

In Q4 FY26, the Group will host an investor day which will provide deeper insights into strategic priorities and long-term growth drivers. The event will also outline the Group's capital management framework and future capital deployment priorities.



<sup>1</sup> Underlying results are non-GAAP financial measures to reflect our underlying financial performance. Growth for FY25 Underlying compared to FY24 Underlying is not realised to exclude the Chemist Warehouse Australia contract. Refer to page 35 for a reconciliation to statutory results.

<sup>2</sup> Two additional small acquisitions were completed in FY25 and not noted above.

<sup>3</sup> Includes Next Generation Pet Foods that was completed on 1 July 2025.

# Ebos Group Limited

## Annual report 2025 (continued)

### Business Overview

#### Reconciliation of Statutory to Underlying Results

This Annual Report contains a number of non-GAAP financial measures to reflect our underlying financial performance. Because they are not defined by GAAP or IFRS, EBOS' calculation of these measures may differ from similarly titled measures presented by other companies and they should not be considered in isolation from, or construed as an alternative to, other financial measures determined in accordance with GAAP. Although EBOS believes they provide useful information in measuring the financial performance and condition of EBOS' business, readers are cautioned not to place undue reliance on these non-GAAP financial measures.

FY25 and FY24 Underlying earnings exclude one-off M&A transaction costs, non-recurring restructuring and site transition costs and the amortisation (non-cash) expense attributable to acquisition PPA of finite life intangible assets. To provide a like-for-like comparison to the prior corresponding period, where applicable, this table includes comparisons against underlying earnings exclusive of the estimated earnings from the Chemist Warehouse Australia (CWA) contract for the 30 June 2024 period.

The following tables provide reconciliations between Statutory and Underlying for the Group results and the Healthcare and Animal Care Segments. Figures in the following tables are subject to rounding and totals may not precisely sum across all line items.

#### Group

\$m	FY25					FY24				
	Revenue	EBITDA	EBIT	PBT	NPAT	Revenue	EBITDA	EBIT	PBT	NPAT
<b>Statutory result</b>	<b>12,267</b>	<b>556</b>	<b>409</b>	<b>302</b>	<b>215</b>	<b>13,189</b>	<b>606</b>	<b>477</b>	<b>383</b>	<b>272</b>
M&A transaction costs	-	11	11	11	10	-	10	10	10	7
Restructuring & site transition costs	-	18	18	18	13	-	9	9	9	6
PPA amortisation (non-cash)	-	-	27	27	19	-	-	26	26	18
Total underlying earnings adjustments	-	29	56	56	42	-	19	45	45	32
<b>Underlying result</b>	<b>12,267</b>	<b>585</b>	<b>465</b>	<b>359</b>	<b>258</b>	<b>13,189</b>	<b>624</b>	<b>522</b>	<b>428</b>	<b>303</b>
CWA estimated earnings	-	-	-	-	-	(2,236)	(80)	(80)	-	-
<b>Underlying result excluding CWA</b>	<b>12,267</b>	<b>585</b>	<b>465</b>	-	-	<b>10,953</b>	<b>544</b>	<b>442</b>	-	-

#### Healthcare and Animal Care

\$m	Healthcare				Animal Care			
	FY25		FY24		FY25		FY24	
	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
<b>Statutory result</b>	<b>11,593</b>	<b>472</b>	<b>12,610</b>	<b>537</b>	<b>673</b>	<b>123</b>	<b>579</b>	<b>104</b>
M&A transaction costs	-	10	-	2	-	1	-	8
Restructuring & site transition costs	-	18	-	9	-	-	-	-
Total underlying earnings adjustments	-	28	-	11	-	1	-	8
<b>Underlying result</b>	<b>11,593</b>	<b>500</b>	<b>12,610</b>	<b>548</b>	<b>673</b>	<b>124</b>	<b>579</b>	<b>112</b>
CWA estimated earnings	-	-	(2,236)	(80)	-	-	-	-
<b>Underlying result excluding CWA</b>	<b>11,593</b>	<b>500</b>	<b>10,374</b>	<b>468</b>	-	-	-	-



# Geo Limited

## Annual report 2023

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# Geo Limited

## Annual report 2023 (continued)

### NON-GAAP FINANCIAL INFORMATION

For the year ended 30 June 2023

GEO's standard profit measure prepared under NZ GAAP is net profit after tax (NPAT). GEO has used a non-GAAP profit measure of earnings in this document (defined detailed and reconciled to GAAP measures below) and intends to do so in the future allowing investors to compare periods. The directors and management believe this measure provides useful information to readers to assist in understanding the Company's financial performance and position.

These measures are also used internally to evaluate performance of the business to establish operational goals and to allocate resources. Non-GAAP profit measures are not prepared in accordance with NZ GAAP (and therefore do not comply with International Financial Reporting Standards) are not uniformly defined and therefore have not been subject to audit or review. Therefore, the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should be viewed in isolation.

YEAR ENDED 30 JUNE	2023 \$'000	2022 \$'000	VARIANCE \$'000	VARIANCE %
<b>Revenues</b>				
Recurring subscription revenue	3,072	3,113	(41)	-1.3%
Other revenues (incl. grants)	429	395	34	+8.6%
<b>Total revenues</b>	<b>3,501</b>	<b>3,508</b>	<b>(7)</b>	<b>-0.2%</b>
Geo Annual Recurring Revenue - at 30 June	3,265	3,332	(67)	-2.0%
<b>Earnings</b>				
Statutory net (loss) after tax	(6,124)	(3,180)	(2,944)	+92.6%
<b>EBITDA<sup>1</sup></b>	<b>(4,811)</b>	<b>(2,009)</b>	<b>(2,804)</b>	<b>+139.6%</b>
<b>Operating &amp; investing cash flows (excl. impact of funds invested in term deposit)<sup>2</sup></b>				
Operating cash flows	(4,323)	(1,648)	(2,675)	+162.3%
Investing cash flows (excl. term deposit investment)	(1,258)	(1,091)	(167)	+15.3%
<b>Total underlying operating &amp; investing cash flows</b>	<b>(5,581)</b>	<b>(2,739)</b>	<b>(2,842)</b>	<b>+101.8%</b>

- EBITDA is the statutory net less from operations less interest, tax, depreciation, amortisation and write down of intangibles and does not have a standardised meaning prescribed by NZ GAAP.
- Cash invested in term deposits for a period greater than 90 days were classified as an investing cash outflow in FY22. Funds held by GEO on term deposit matured in November 2022. To allow for ease of comparison to prior period, the impact of cash invested in term deposit has been removed from Operating and Investing Cash Flows for the purpose of this summary.



# Green Cross Health Limited

## Annual report 2023

### +

# The year at a glance

## Group Performance

<p><b>Group Revenue</b></p> <p> <b>\$493.6m</b></p> <p>▲ 3% increase vs FY22</p>	<p><b>Operating Profit/EBIT</b></p> <p> <b>\$34.3m</b></p> <p>▼ 29% decrease vs FY22</p>
<p><b>Net Profit After Tax</b></p> <p> <b>\$45.2m*</b></p> <p>▲ 89% increase vs FY22 (attributable to shareholders)</p>	<p><b>Net Cash</b></p> <p> <b>\$34.7m</b></p> <p>▲ 64% increase vs FY22 (represents cash &amp; cash equivalents less borrowings)</p>
<p><b>Net Assets</b></p> <p> <b>\$202.0m</b></p> <p>▲ 18% increase vs FY22</p>	<p><b>Dividends Per Share</b></p> <p> <b>\$7.0c</b></p> <p>▲ 8% increase vs FY22 (based on dividends declared during the financial year)</p>

\* Includes profit from discontinued operation (Community Health Division) plus gain on divestment, totalling \$30.3m net of tax

## Divisional Performance

<p><b>Pharmacy Operating Profit</b></p> <p> <b>\$21.1m</b></p> <p>▼ 41% decrease vs FY22</p>	<p> </p>
<p><b>Medical Operating Profit</b></p> <p> <b>\$16.2m</b></p> <p>▲ 1% increase vs FY22</p>	<p> </p>

# Green Cross Health Limited

## Annual report 2023 (continued)



# Consolidated statement of comprehensive income

For the year ended 31 March 2023

	Notes	2023 \$'000	2022* (Restated) \$'000
<b>Continuing operations</b>			
<b>Operating revenue</b>	5	493,614	476,086
<b>Operating expenditure</b>	7.2	(439,396)	(407,616)
Depreciation and amortisation expense	12,14	(6,820)	(7,070)
Depreciation - leases	13	(15,266)	(15,907)
Impairment	12,14	(129)	(841)
Share of equity accounted net earnings	16	1,315	1,893
<b>Operating profit before interest and tax</b>		<b>34,316</b>	<b>46,545</b>
Interest income		584	78
Interest expense		(1,453)	(678)
Interest expense - leases		(6,346)	(5,305)
<b>Net interest expense</b>		<b>(7,217)</b>	<b>(6,105)</b>
<b>Profit before tax</b>		<b>27,099</b>	<b>42,440</b>
Income tax expense	8	(6,804)	(13,021)
<b>Profit from continuing operations</b>		<b>20,295</b>	<b>29,419</b>
<b>Discontinued operation</b>			
Profit and gain from discontinued operation, net of tax	4	30,254	3,675
<b>Profit for the year</b>		<b>50,549</b>	<b>33,094</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>50,549</b>	<b>33,094</b>
<b>Attributable to:</b>			
Shareholders of the Parent		45,234	23,902
Non-controlling interest		5,315	9,192
		<b>50,549</b>	<b>33,094</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)	9	31.57	16.70
Diluted earnings per share (cents)	9	31.46	16.64
<b>Earnings per share - continuing operations</b>			
Basic earnings per share (cents)	9	10.45	14.13
Diluted earnings per share (cents)	9	10.42	14.08

\* Comparative information includes re-presentations for consistency with the current periods and restatements, refer Note 25.  
The accompanying Statement of Accounting Policies and notes to the Consolidated Financial Statements on pages 22 to 46 form part of the Financial Statements.



# Infratil Limited

## Annual report 2023

### Financial Trends

These graphs were chosen to illustrate the key financial trends over the last decade.

#### Shareholder Returns

Between 1 April 2013 and 31 March 2023 Infratil provided its shareholders with an average after tax return of 19.4% per annum.

\$1,000 invested at the start of the period would have compounded to \$5,888 by 31 March 2023, assuming that all distributions were reinvested.

- Dividend Return
- Capital Return
- Accumulation Index



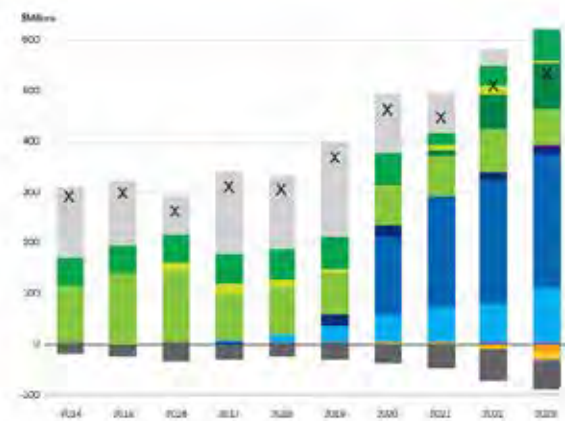
#### Proportionate EBITDAF

The calculation of Proportionate EBITDAF is outlined on page 7 of this report. It is intended to show Infratil's share of the operating earnings of the companies in which it invests.

Proportionate EBITDAF is a non-GAAP financial measure.

The figures include the contribution of assets held for sale.

- CDC Data-Connect
- Orion Energy
- One NZ
- Mint Renewables
- Fortysouth
- Diagnostic Imaging
- Kao Itoha
- Hironakaustrials
- Manawatu Energy
- Wellington Airport
- Longroad Energy
- Corporate
- Celltec
- Gold
- X Total



# Infratil Limited

## Annual report 2023 (continued)

### CDC Data Centres

#### CDC locations:

##### Current and under development

CDC's unique, highly interconnected and shareable ecosystem offers government, hyperscale and commercial clients opportunities to connect and collaborate securely, according to their strategic needs.

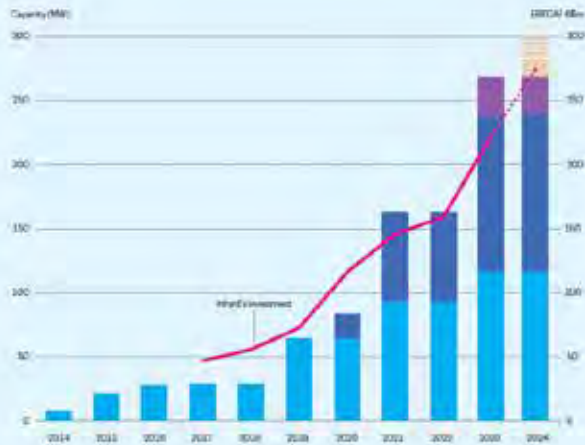
The combination of high credit quality clients and large contracts with long Weighted Average Lease Expires is unique globally in the data centre industry.



#### Facilities & Capacity

When Infratil acquired its stake in CDC Data Centres in 2016 it had 28MW of available capacity spread across 2 campuses in Canberra.

At 31 March 2023 the business has grown to 268MW of operating capacity spread across 13 data centres and 4 campuses, including Sydney and Auckland. Over that time EBITDA has grown from A\$47.5 million per annum to over A\$215 million per annum.



# Infratil Limited

## Annual report 2023 (continued)

### Passengers & Routes

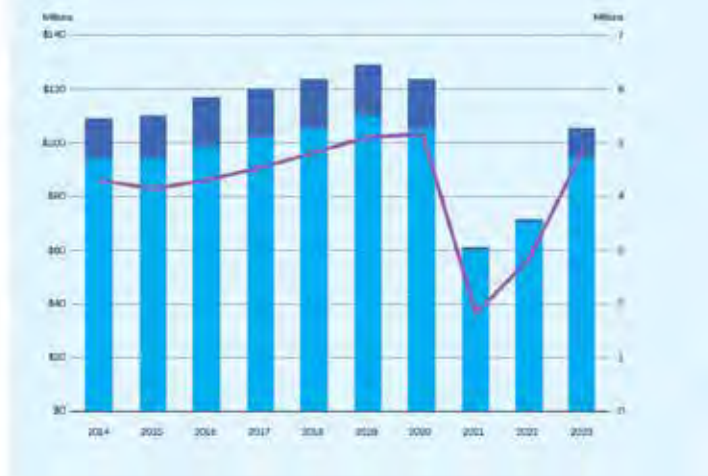
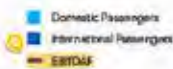
In the last 12 months Wellington Airport welcomed over 5.2 million travellers, an increase from just 3.5 million in FY2022. Domestic travel is approaching normal with around 4.7 million domestic passengers using the airport during the year and most domestic routes have now reopened.

It was a steady rebuild for international travel with Air New Zealand resuming regular international flights on 31 March 2022, followed by Qantas in May 2022 and then Jetstar and Fiji Airways in June 2022. Singapore Airlines and Virgin Australia have not yet returned to Wellington.



### EBITDAE & Passengers

In the decade to FY2020, passengers rose stably at 2% per year and earnings 4%. The restrictions on movement and travel that were put in place to prevent the spread of covid clearly had a huge impact on passenger numbers. Earnings are expected to reach FY2020 levels in the year ahead (FY2024), while passenger numbers are expected to continue growing sustainably, returning to pre-covid levels by mid-decade.



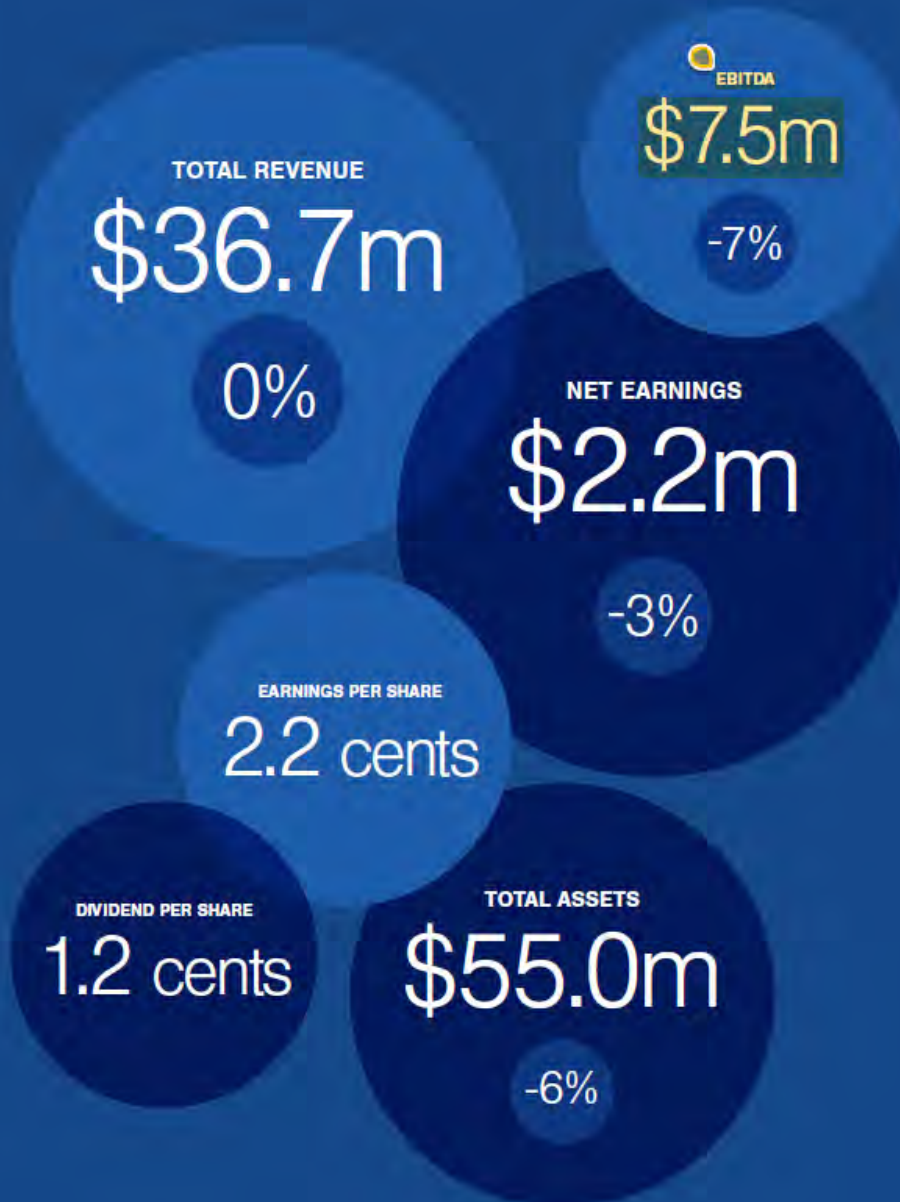




## Just Life Group Limited Annual report 2023

### Year ended 30 June 2023 highlights

JUST LIFE GROUP ANNUAL REPORT 2023



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# Just Life Group Limited

## Annual report 2023 (continued)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### Financial Performance

OPERATING SEGMENTS 30 June 2023	Note	Healthy Living \$000	Healthy Homes \$000	Just Life Group Corporate \$000	Total Group \$000
Over time		10,529	3,430	-	13,959
At a point in time		11,224	11,249	-	22,473
<b>Revenue</b>		<b>21,753</b>	<b>14,679</b>	-	<b>36,432</b>
Other income and government grants		145	107	13	265
Employee costs		(6,844)	(3,070)	(533)	(10,447)
Other trading expenses		(7,996)	(10,045)	(614)	(18,655)
Acquisition costs		-	-	(55)	(55)
<b>EBITDA<sup>(1)</sup></b>		<b>7,058</b>	<b>1,671</b>	<b>(1,189)</b>	<b>7,540</b>
Depreciation		(1,206)	(82)	-	(1,288)
Amortisation of right of use assets		(243)	(345)	-	(588)
Amortisation of contract assets		-	-	-	-
Amortisation of other intangible assets		(810)	(147)	-	(957)
<b>EBIT<sup>(2)</sup></b>		<b>4,799</b>	<b>1,097</b>	<b>(1,189)</b>	<b>4,707</b>
Interest expense		(1,225)	(438)	-	(1,663)
<b>Profit/(loss) before income tax</b>		<b>3,574</b>	<b>659</b>	<b>(1,189)</b>	<b>3,044</b>
Income tax expense		(1,400)	(319)	832	(887)
<b>Profit/(loss) for the period</b>		<b>2,174</b>	<b>340</b>	<b>(357)</b>	<b>2,157</b>
Total additions to non-current assets excluding financial instruments and deferred tax assets		(1,452)	(35)	-	(1,487)

(1) EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, and impairment losses.

(2) EBIT is a non-GAAP measure and is defined as earnings before net finance costs and income tax.

# Just Life Group Limited

## Annual report 2023 (continued)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### Financial Performance

JUST LIFE GROUP ANNUAL REPORT 2023

OPERATING SEGMENTS 30 June 2022	Note	Healthy Living \$000	Healthy Homes \$000	Just Life Group Corporate \$000	Total Group \$000
Over time		10,226	3,554	-	13,780
At a point in time		10,422	12,016	-	22,438
<b>Revenue</b>		<b>20,648</b>	<b>15,570</b>	<b>-</b>	<b>36,218</b>
Other income and government grants		231	160	-	391
Employee costs		(6,364)	(2,924)	(479)	(9,767)
Other trading expenses		(6,879)	(10,962)	(551)	(18,392)
Acquisition costs		-	-	(379)	(379)
<b>EBITDA</b>		<b>7,636</b>	<b>1,844</b>	<b>(1,409)</b>	<b>8,071</b>
Depreciation		(1,167)	(85)	(135)	(1,387)
Impairment of goodwill		-	(800)	-	(800)
Amortisation of right of use assets		(164)	(307)	-	(471)
Amortisation of contract assets		(15)	-	-	(15)
Amortisation of other intangible assets		(716)	(172)	-	(888)
<b>EBIT</b>		<b>5,574</b>	<b>480</b>	<b>(1,544)</b>	<b>4,510</b>
Interest expense		(67)	(18)	(944)	(1,029)
<b>Profit/(loss) before income tax</b>		<b>5,507</b>	<b>462</b>	<b>(2,488)</b>	<b>3,481</b>
Income tax expense		(1,631)	(374)	752	(1,253)
<b>Profit/(loss) for the period</b>		<b>3,876</b>	<b>88</b>	<b>(1,736)</b>	<b>2,228</b>
Total additions to non-current assets excluding financial instruments and deferred tax assets		(1,319)	(10)	-	(1,329)

### Geographic information

	30 June 2023 \$000	30 June 2022 \$000
<b>Total revenue by geographic area</b>		
New Zealand	35,832	36,141
Overseas	600	77
<b>Total</b>	<b>36,432</b>	<b>36,218</b>

The revenue information above is based on the locations of the customers. Revenue from overseas customer amounted to \$600,000 (2022: \$77,000), arising from sales in the Healthy Living segment.

Just Life Group Limited uses several non-GAAP measures when discussing financial performance. These include EBITDA and EBIT and may be used internally by management to evaluate performance, analyse trends and allocate resources. These non-GAAP measures do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS.

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## Just Life Group Limited Annual report 2025

JUST LIFE GROUP ANNUAL REPORT 2025

### 2.2 Operating segments

An operating segment is a component of an entity that engages in business activities, which earns revenue and incurs expenses and for which the chief operating decision maker (CODM) reviews the operating results on a regular basis and makes decisions on resource allocation. The Group has determined its CODM to be the Chief Executive Officer and Board of Directors on the basis that it is this group which determines the allocation of resources to segments and assesses their performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Group sells its products both domestically within New Zealand and to overseas markets, with a mission to empower customers with options for 'healthy living' and 'healthy homes'. The seven major brands have been allocated to the following segments:

- Healthy Living – Just Water, About Health, Herbal Ignite, Natural Solutions, LoveSkin
- Healthy Homes – Solatube, Hometech

The Cylinder Guy brand was discontinued during the year and is no longer part of the Group's operations.

The CODM has identified three groups of cash generating units (CGUs) for the assessment of goodwill impairment. These groups of CGUs consist of Just Water, Health Supplements (including About Health, Herbal Ignite, Natural Solutions, LoveSkin), and Hometech. This information can be found in Note 7.2. The Just Life Group Corporate segment includes the corporate overhead costs of the Group.

OPERATING SEGMENTS 30 June 2025	Healthy Living \$000	Healthy Homes \$000	Just Life Group Corporate \$000	Total Group \$000
Over time	10,567	-	-	10,567
At a point in time	11,202	3,727	-	14,929
<b>Revenue</b>	<b>21,769</b>	<b>3,727</b>	<b>-</b>	<b>25,496</b>
Other income and government grants	144	18	-	162
Employee costs	(7,315)	(682)	(498)	(8,495)
Other trading expenses	(7,908)	(2,849)	(468)	(11,225)
Acquisition costs	-	-	(18)	(18)
<b>EBITDA<sup>a</sup></b>	<b>6,690</b>	<b>214</b>	<b>(984)</b>	<b>5,920</b>
Depreciation	(1,332)	(36)	(1)	(1,369)
Impairment of goodwill	(6,000)	-	-	(6,000)
Amortisation of right of use assets	(450)	(178)	-	(628)
Amortisation of other intangible assets	(735)	(8)	-	(743)
<b>EBIT<sup>b</sup></b>	<b>(1,827)</b>	<b>(8)</b>	<b>(985)</b>	<b>(2,820)</b>
Interest income	-	-	24	24
Interest expense	(469)	(161)	(812)	(1,442)
<b>Profit/(loss) before income tax</b>	<b>(2,296)</b>	<b>(169)</b>	<b>(1,773)</b>	<b>(4,238)</b>
Income tax expense	(1,037)	47	495	(495)
<b>Profit/(loss) for the period from continuing operations</b>	<b>(3,333)</b>	<b>(122)</b>	<b>(1,278)</b>	<b>(4,733)</b>
Total additions to non-current assets excluding financial instruments and deferred tax assets	(2,115)	-	-	(2,115)

<sup>a</sup> EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, and impairment losses.

<sup>b</sup> EBIT is a non-GAAP measure and is defined as earnings before net finance costs, and income tax.

# Just Life Group Limited

## Annual report 2025 (continued)

JUST LIFE GROUP ANNUAL REPORT 2025

OPERATING SEGMENTS 30 June 2024	Healthy Living \$000	Healthy Homes \$000	Just Life Group Corporate \$000	Total Group \$000
Over time	10,583	3,598	-	14,181
At a point in time	11,480	507	-	11,987
<b>Revenue</b>	<b>22,063</b>	<b>4,105</b>	<b>-</b>	<b>26,168</b>
Other income and government grants	58	16	1	75
Employee costs	(7,144)	(1,028)	(577)	(8,749)
Other trading expenses	(8,135)	(3,318)	(603)	(12,056)
Delisting expenses	-	-	(161)	(161)
<b>EBITDA<sup>a</sup></b>	<b>6,842</b>	<b>(225)</b>	<b>(1,340)</b>	<b>5,277</b>
Depreciation	(1,227)	(62)	-	(1,289)
Amortisation of right of use assets	(421)	(180)	-	(601)
Amortisation of other intangible assets	(813)	(70)	-	(883)
<b>EBIT<sup>b</sup></b>	<b>4,381</b>	<b>(537)</b>	<b>(1,340)</b>	<b>2,504</b>
Interest expense	(439)	(188)	(1,105)	(1,732)
<b>Profit/(loss) before income tax</b>	<b>3,942</b>	<b>(725)</b>	<b>(2,445)</b>	<b>772</b>
Income tax expense	(1,104)	522	464	(118)
<b>Profit/(loss) for the period from continuing operations</b>	<b>2,838</b>	<b>(203)</b>	<b>(1,981)</b>	<b>654</b>
Total additions to non-current assets excluding financial instruments and deferred tax assets	(1,377)	-	-	(1,377)

Continuing Operations	30 June 2025 \$000	30 June 2024 <sup>c</sup> \$000
<b>Total revenue by geographic area</b>		
New Zealand	25,054	25,631
Overseas	604	612
<b>Total</b>	<b>25,658</b>	<b>26,243</b>

The revenue information above is based on the locations of the customers. Revenue from overseas customer amounted to \$604,000 (2024: \$612,000), arising from sales in the Healthy Living segment.

Just Life Group Limited uses several non-GAAP measures when discussing financial performance. These include EBITDA and EBIT and may be used internally by management to evaluate performance, analyse trends and allocate resources. These non-GAAP measures do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS.

<sup>a</sup> EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, and impairment losses.

<sup>b</sup> EBIT is a non-GAAP measure and is defined as earnings before net finance costs, and income tax.

<sup>c</sup> The comparatives have been reclassified to exclude discontinued operations.



# Kiwi Property Group Limited

## Annual report 2023



# Kiwi Property Group Limited

## Annual report 2023 (continued)

### Five-year summary

#### Financial performance

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022	2021	2020	2019
	\$m	Restated <sup>1</sup>	Restated <sup>1</sup>	\$m	\$m
Property revenue and management fees	259.1	255.9	244.2	243.6	237.5
<b>Total revenue</b>	<b>259.1</b>	<b>255.9</b>	<b>244.2</b>	<b>243.6</b>	<b>237.5</b>
Direct property expenses	(52.8)	(75.4)	(76.3)	(54.5)	(54.6)
Employment and administration expenses	(32.7)	(25.8)	(23.1)	(22.6)	(20.9)
<b>Total expenses</b>	<b>(85.5)</b>	<b>(101.2)</b>	<b>(101.4)</b>	<b>(77.1)</b>	<b>(76.5)</b>
<b>Profit before net finance expenses, other income/ (expenses) and tax</b>	<b>173.6</b>	<b>154.7</b>	<b>142.8</b>	<b>166.5</b>	<b>162.0</b>
Interest income	0.2	0.2	0.3	0.2	0.2
Interest and finance charges	(44.2)	(38.4)	(36.0)	(37.0)	(37.7)
Net fair value gain/(loss) on interest rate derivatives	5.7	18.5	6.3	(9.9)	(11.0)
<b>Net finance expenses</b>	<b>(38.3)</b>	<b>(19.7)</b>	<b>(29.4)</b>	<b>(46.7)</b>	<b>(48.5)</b>
<b>Profit before other income/(expenses) and income tax</b>	<b>135.3</b>	<b>135.0</b>	<b>113.4</b>	<b>119.8</b>	<b>113.5</b>
Net fair value (loss)/gain on investment properties	(352.6)	128.8	109.0	(289.9)	47.7
Litigation settlement income	6.0	-	-	-	-
(Loss)/gain on disposal of investment properties	(3.5)	(3.1)	-	-	0.9
<b>Other (expenses)/income</b>	<b>(350.1)</b>	<b>125.7</b>	<b>109.0</b>	<b>(289.9)</b>	<b>48.6</b>
<b>(Loss)/profit before income tax</b>	<b>(214.8)</b>	<b>260.7</b>	<b>222.4</b>	<b>(170.1)</b>	<b>162.1</b>
Income tax expense	(12.9)	(36.4)	(25.9)	(16.6)	(24.0)
<b>(Loss)/profit after income tax<sup>2</sup></b>	<b>(227.7)</b>	<b>224.3</b>	<b>196.5</b>	<b>(186.7)</b>	<b>138.1</b>

<sup>1</sup> Restated to comply with guidance issued by the International Financial Reporting Interpretations Committee (IFRIC) on rental statements. Refer to Note 15 of the consolidated financial statements for further information.

<sup>2</sup> The reported profit has been prepared in accordance with New Zealand Generally Accepted Accounting Practice (ZAAP) and complies with New Zealand Equivalents to International Financial Reporting Standards. The reported profit information has been extracted from the annual consolidated financial statements which have been the subject of an audit pursuant to New Zealand Auditing Standards issued by the External Reporting Board.

#### Reconciliation of (loss)/profit before tax to operating profit before tax

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022	2021	2020	2019
	\$m	Restated <sup>1</sup>	Restated <sup>1</sup>	\$m	\$m
<b>(Loss)/profit before income tax</b>	<b>(214.8)</b>	<b>260.7</b>	<b>222.4</b>	<b>(170.1)</b>	<b>162.1</b>
Adjusted for:					
Net fair value loss/(gain) on investment properties	352.6	(128.8)	(109.0)	289.9	(47.7)
Loss/(gain) on disposal of investment properties	3.5	3.1	-	-	(0.9)
Litigation settlement income	(6.0)	-	-	-	-
Net fair value (gain)/loss on interest rate derivatives	(5.7)	(18.5)	(6.3)	9.9	11.0
<b>Operating profit before income tax<sup>2</sup></b>	<b>129.6</b>	<b>116.5</b>	<b>107.1</b>	<b>129.7</b>	<b>124.5</b>

<sup>1</sup> Restated to comply with guidance issued by the International Financial Reporting Interpretations Committee (IFRIC) on rental statements. Refer to Note 15 of the consolidated financial statements for further information.

<sup>2</sup> Operating profit before income tax is an alternative non-GAAP performance measure used by Kiwi Property to assist investors in assessing the Company's performance from year to year by adjusting for a number of non-operating items. Operating profit before income tax does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. The reported operating profit before income tax has been extracted from the Company's annual consolidated financial statements which have been the subject of an audit pursuant to New Zealand Auditing Standards issued by the External Reporting Board.

# Kiwi Property Group Limited

## Annual report 2023 (continued)

### Five-year summary (continued)

#### Adjusted funds from operations

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022	2021	2020	2019
	\$m	Restated <sup>1</sup>	Restated <sup>1</sup>	\$m	\$m
<b>(Loss)/profit after income tax</b>	<b>(227.7)</b>	<b>224.3</b>	<b>196.6</b>	<b>(186.7)</b>	<b>138.1</b>
Adjusted for:					
Net fair value loss/(gain) on investment properties	352.6	(128.8)	(109.0)	289.9	(47.7)
Loss/(gain) on disposal of investment properties	3.5	3.1	-	-	(0.9)
Net fair value (gain)/loss on interest rate derivatives	(5.7)	(18.5)	(6.3)	9.9	11.0
Litigation settlement income	(6.0)	-	-	-	-
Reversal of lease liability movement in investment properties	(0.1)	(0.1)	(0.1)	(0.1)	-
Straight-lining of fixed rental increases	(1.2)	(3.0)	-	(1.2)	(2.0)
Amortisation of tenant incentives and leasing fees	7.7	8.3	7.1	7.1	7.0
Rent deferrals received/(rent deferrals) (COVID-19)	0.2	1.5	(1.7)	-	-
Depreciation recovered on disposal of investment properties	0.5	3.6	-	-	4.5
Share-based payment expense <sup>2</sup>	1.4	1.2	-	-	-
Depreciation of property, plant and equipment <sup>3</sup>	1.1	1.3	-	-	-
Deferred tax (benefit)/expense	(4.8)	13.9	11.3	(5.3)	(3.1)
<b>Funds from operations<sup>3</sup></b>	<b>121.5</b>	<b>106.6</b>	<b>97.8</b>	<b>113.6</b>	<b>106.9</b>
Maintenance capital expenditures	(6.6)	(3.0)	(5.3)	(7.5)	(6.9)
Capitalised tenant incentives and leasing fees	(2.2)	(3.4)	(3.1)	(3.9)	(8.4)
One-off costs <sup>4</sup>	3.8	-	-	-	-
<b>Adjusted funds from operations<sup>5</sup></b>	<b>116.5</b>	<b>100.4</b>	<b>89.4</b>	<b>102.2</b>	<b>91.6</b>

1 Restated to comply with guidance issued by the International Financial Reporting Interpretations Committee (IFRIC) on rental abatements. Refer to Note 12 of the consolidated financial statements for further information.

2 Represents non-cash expenses included in the determination of funds from operations with effect from 1 April 2021. No adjustment has been made in respect of prior years. Funds from operations (FFO) is an alternative non-GAAP performance measure used by Kiwi Property to assist investors in assessing the Company's underlying operating performance. FFO is a measure commonly used by real estate entities to describe their underlying and recurring earnings from operations. FFO does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. FFO is calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia (the Guidelines). The reported FFO information has been extracted from the Company's annual consolidated financial statements which have been the subject of an audit pursuant to New Zealand Auditing Standards issued by the External Reporting Board.

3 One-off costs comprise expenses incurred in the implementation of software projects and other non-recurring transactions.

4 Adjusted funds from operations (AFFO) is an alternative non-GAAP performance measure used by Kiwi Property. AFFO is a measure commonly used by real estate entities to describe their underlying and recurring cash flows from operations. Broadly, AFFO adjusts FFO by deducting the cost of lease incentives, leasing fees, annual maintenance capital expenditure for sustaining and maintaining existing space and one-off costs. AFFO does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. AFFO is calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia (the Guidelines). The reported AFFO information has been extracted from the Company's annual consolidated financial statements which have been the subject of an audit pursuant to New Zealand Auditing Standards issued by the External Reporting Board.

**3.4.3 Capital management**

The Group's capital includes equity and interest-bearing liabilities. The Group maintains a strong capital base to ensure investor, creditor and market confidence and to sustain the Group's ongoing activities. The impact of the level of capital on shareholder returns and the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position is managed by the Group. The Group is subject to the capital requirement imposed by the Group's Senior Facilities Agreement governing its interest-bearing liabilities which requires that total finance debt be maintained at no more than 50% (previously 45%) of the total tangible assets of the Group. Gearing for the Group's fixed-rate bonds is maintained at no more than 45%, with the exception of KPG060 which is maintained at no more than 50%, as governed by the Master Trust Deed between the Group and the Supervisor (Public Trust). However, the Group actively manages its debt to its internal treasury policy which sets a target gearing range of 25% to 35%. In certain market conditions, the Group may temporarily operate outside the internal target gearing range. The Group has complied with its Senior Facilities Agreement capital requirement at all times throughout the year.

The Group actively manages liquidity risk to ensure that it is able to access sufficient funds on a timely basis to meet operational expenses, capital and debt expiry commitments as and when they fall due. To enhance its access to a range of funding sources, the Group has secured credit ratings from S&P Global Ratings. To minimise liquidity risk, the Group ensures that it maintains sufficient capacity in its overall debt facilities to cover projected debt (current debt plus Board approved capital commitments), has ready access to sufficient cash reserves or available debt drawdowns, and reliably forecasts its expected cash requirements. Further detail on liquidity risk is provided in note 4.3.



Dividend payments are based on a range of factors, including with particular reference to the Group's adjusted funds from operations (AFFO) which is the primary basis on which dividend amounts are determined. AFFO is a non-GAAP performance measure used by the Group to determine underlying and recurring cash flows from operations. AFFO is calculated with reference to the guidelines established by the Property Council of Australia. In determining a dividend payment, the Group will have regard to, amongst other things, the solvency requirements under the Companies Act 1993, its banking and green bond covenants and internal financing targets, its future investment plans, current and forecast earnings, operating cash flows, and the economic climate and competitive environment. Having regard to these matters, the Group will target a dividend payout ratio of approximately 50% to 100% of AFFO.

At balance date, the market capitalisation of the Group (being the 31 March 2023 closing share price, as quoted on the NZX Main Board, multiplied by the number of shares on issue) was below the carrying amount of the Group's net assets and shareholders' funds. In considering the difference, the Group notes that 98% of total assets at 31 March 2023 are investment properties which are carried at fair value as detailed in note 3.2.

Factors that may influence market capitalisation include, amongst other things:

- Broader market and investor sentiment
- Property market segment sentiment, particularly with regard to retail assets
- Effect of leverage of debt funding and including corporate overheads
- The impact of rising interest rates, inflation, supply chain issues and other market factors

In the review of valuations and the considerations around fair value determined by the independent valuers (as disclosed in note 3.2), and having considered the influencing factors above, the Group considers the carrying amount of net assets is appropriate.



# Kiwi Property Group Limited

## Annual report 2025

TOTAL RENTAL GROWTH

**+4.3%**

FY24 4.4%

NET PROFIT AFTER TAX

**\$57.0m**

FY24 -\$2.1m

TENANT SALES

**\$2.10b**

↓1.6%

PORTFOLIO OCCUPANCY

**96.9%**

RESIDUAL APARTMENTS LEASED  
AS AT 16 MAY 2025

**85%**



1. Excluding the gross-up of lease liabilities required by NZ IFRS 16 Leases. Property portfolio valuation includes Drury Stage 1 land, carried at \$89.2m, which was transferred to inventories at 31 March 2024.

Note: Refer to the Annual Results Presentation on FY25 for the definition and determination of sales and the non-GAAP performance measures net rental income, adjusted funds from operations, portfolio value and operating profit before tax. Comparative figures relate to the FY24 period.

# Kiwi Property Group Limited

## Annual report 2025 (continued)

### Five-year summary (continued)

#### Adjusted funds from operations

FOR THE YEAR ENDED 31 MARCH

	2025	2024	2023	2022	2021
	\$m	\$m	\$m	Restated <sup>1</sup> \$m	Restated <sup>1</sup> \$m
<b>Profit/(loss) after income tax</b>	<b>57.0</b>	<b>(2.1)</b>	<b>(227.7)</b>	<b>224.3</b>	<b>196.5</b>
Adjusted for:					
Net fair value loss/(gain) on investment properties	11.6	77.8	352.6	(128.8)	(109.0)
Net fair value loss/(gain) on interest rate derivatives	10.1	4.1	(5.7)	(18.5)	(6.3)
Loss on disposal of investment properties	-	1.7	3.5	3.1	-
Litigation settlement income	-	-	(6.0)	-	-
Reversal of lease liability movement in investment properties	-	-	(0.1)	(0.1)	(0.1)
Straight-lining of fixed rental increases	(2.4)	(15)	(12)	(3.0)	-
Amortisation of tenant incentives and leasing fees	6.6	6.5	7.7	8.3	7.1
Rent deferrals received/(rent deferrals) (COVID-19)	-	-	0.2	1.5	(1.7)
Depreciation recovered on disposal of investment properties	-	2.8	0.5	3.6	-
Share-based payment expense <sup>2</sup>	1.0	1.9	1.4	1.2	-
Depreciation of property, plant and equipment <sup>2</sup>	0.7	0.8	1.1	1.3	-
Deferred tax expense/(benefit)	16.9	10.6	(4.8)	13.9	11.3
<b>Funds from operations<sup>3</sup></b>	<b>101.5</b>	<b>102.6</b>	<b>121.5</b>	<b>106.8</b>	<b>97.8</b>
Maintenance capital expenditure	(5.1)	(5.3)	(6.6)	(3.0)	(5.3)
Capitalised tenant incentives and leasing fees	(4.1)	(3.3)	(2.2)	(3.4)	(3.1)
One-off costs					
Software implementation projects	-	3.1	2.0	-	-
Bondholder consent fee	-	1.8	-	-	-
Other one-off costs	0.5	0.9	1.8	-	-
<b>Adjusted funds from operations<sup>4</sup></b>	<b>92.8</b>	<b>99.8</b>	<b>116.5</b>	<b>100.4</b>	<b>89.4</b>

- 1 Restated to comply with guidance issued by the International Financial Reporting Interpretations Committee (IFRIC) on rental abatements. Refer to Note 15 of the 2023 consolidated financial statements for further information.
- 2 Represents non-cash expenses included in the determination of funds from operations with effect from 1 April 2021.
- 3 Funds from operations (FFO) is an alternative non-GAAP performance measure used by Kiwi Property to assist investors in assessing the Company's underlying operating performance. FFO is a measure commonly used by real estate entities to describe their underlying and recurring earnings from operations. FFO does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. FFO is calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia (the Guidelines). The reported FFO information has been extracted from the Company's annual consolidated financial statements which have been the subject of an audit pursuant to New Zealand Auditing Standards issued by the External Reporting Board.
- 4 Adjusted funds from operations (AFFO) is an alternative non-GAAP performance measure used by Kiwi Property. AFFO is a measure commonly used by real estate entities to describe their underlying and recurring cash flows from operations. Broadly, AFFO adjusts FFO by deducting the cost of lease incentives, leasing fees, annual maintenance capital expenditure for sustaining and maintaining existing space and one-off costs. AFFO does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. AFFO is calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia (the Guidelines). The reported AFFO information has been extracted from the relevant annual consolidated financial statements which have been the subject of an audit pursuant to New Zealand Auditing Standards issued by the External Reporting Board.

# Kiwi Property Group Limited

## Annual report 2025 (continued)

### 3.7.2 Dividends

Dividends paid during the year comprised:

	Payment date	2025 cps	2025 \$000	Payment date	2024 cps	2024 \$000
Dividends paid		1,425	22,688		1,425	22,392
Imputation credits		0,190	3,020		0,274	4,307
<b>Q4 final dividend</b>	<b>21-Jun-24</b>	<b>1,615</b>	<b>25,708</b>	21-Jun-23	1,699	26,699
Dividends paid		1,350	21,507		1,425	22,524
Imputation credits		0,283	4,666		0,267	4,226
<b>Q1 interim dividend</b>	<b>20-Sep-24</b>	<b>1,633</b>	<b>26,173</b>	20-Sep-23	1,692	26,750
Dividends paid		1,350	21,655		1,425	22,672
Imputation credits		0,374	5,999		0,227	3,610
<b>Q2 interim dividend</b>	<b>20-Dec-24</b>	<b>1,724</b>	<b>27,654</b>	20-Dec-23	1,652	26,282
Dividends paid		1,350	21,799		1,425	22,672
Imputation credits		0,333	5,372		0,327	5,100
<b>Q3 interim dividend</b>	<b>24-Mar-25</b>	<b>1,683</b>	<b>27,171</b>	22-Mar-24	1,752	27,870
<b>Total dividends paid</b>		<b>5,475</b>	<b>87,649</b>		<b>5,700</b>	<b>90,260</b>
<b>Total imputation credits</b>		<b>1,189</b>	<b>19,057</b>		<b>1,095</b>	<b>17,341</b>
<b>Total dividends</b>		<b>6,664</b>	<b>106,706</b>		<b>6,795</b>	<b>107,601</b>

Dividend payments are based on a range of factors, including with particular reference to the Group's adjusted funds from operations (AFFO), which is the primary basis on which dividend amounts are determined. AFFO is a non-GAAP performance measure used by the Group to determine underlying and recurring cash flows from operations. AFFO is calculated with reference to the guidelines established by the Property Council of Australia. In determining a dividend payment, the Group will have regard to, amongst other things, the solvency requirements under the Companies Act 1993, its banking and green bond covenants and internal financing targets, its future investment plans, current and forecast earnings, operating cash flows, and the economic climate and competitive environment. Having regard to these matters, the Group will target a dividend payout ratio of approximately 90% to 100% of AFFO.

The Group operates a Dividend Reinvestment Plan (DRP) which allows eligible shareholders to elect to reinvest dividends in shares. The Board, at its sole discretion, may suspend the DRP at any time and/or apply a discount to which shares are issued under the DRP. The DRP applied to the dividend payments shown above, with the exception of the Q4 final dividend. In total, \$29.8 million of dividends were reinvested.



# Michael Hill International Limited

## Annual report 2023

### NON-IFRS FINANCIAL INFORMATION

This report contains certain non-IFRS financial measures of historical financial performance. Non-IFRS financial measures are financial measures other than those defined or specified under all relevant accounting standards. The measures therefore may not be directly comparable with other companies' measures. Many of the measures used are common practice in the industry in which the Group operates. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, or more important than, IFRS measures. The presentation of non-IFRS measures is in line with Regulatory Guide 230 issued by Australian Securities and Investments Commission (ASIC) to promote full and clear disclosure for investors and other users of financial information, and minimise the possibility of those users being misled by such information.

The measures are used by management and directors for the purpose of assessing the financial performance of the Group and individual segments. The directors also believe that these non-IFRS measures assist in providing additional meaningful information on the drivers of the business, performance and trends, as well as the position of the Group. Non-IFRS financial measures are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or controllable factors which affect IFRS measures, to aid the user in understanding the Group's performance. Consequently, non-IFRS measures are used by the directors and management for performance analysis, planning, reporting and incentive setting. These measures are not subject to audit.

The non-IFRS measures used in describing the business performance include:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Earnings before interest and tax (EBIT)
- Comparable EBIT
- Significant items

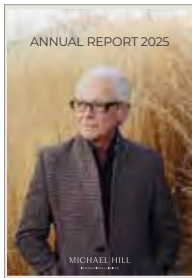
#### COMPARABLE EBIT

##### COMPARABLE EBIT HAS BEEN CALCULATED AS FOLLOWS:

	2021	2022
	\$'000	\$'000
<b>Statutory EBIT</b>	38,483	73,235
<b>Add back costs relating to:</b>		
Impact of IFRIC 18 related guidance	7,336	5,988
Employee restructuring costs	754	
Benefits acquisition/transaction costs	1,260	
<b>Loss items relating to:</b>		
Impact of AASB 16 leases	(6,044)	(3,889)
Government grants received (AU, NZ, CA)		(2,864)
<b>Comparable EBIT</b>	58,889	63,860

### ENVIRONMENTAL REGULATIONS

The Group has determined that no particular or significant environmental regulations apply to it.



# Michael Hill International Limited

## Annual report 2025

### DIRECTORS' REPORT, CONTINUED.

#### NON-IFRS FINANCIAL INFORMATION

This report contains certain non-IFRS financial measures of historical financial performance. Non-IFRS financial measures are financial measures other than those defined or specified under all relevant accounting standards. The measures therefore may not be directly comparable with other companies' measures. Many of the measures used are common practice in the industry in which the Group operates. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, or more important than, IFRS measures. The presentation of non-IFRS measures is in line with Regulatory Guide 230 issued by Australian Securities and Investments Commission (ASIC) to promote full and clear disclosure for investors and other users of financial information, and minimise the possibility of those users being misled by such information.



The measures are used by management and directors for the purpose of assessing the financial performance of the Group and individual segments. The directors also believe that these non-IFRS measures assist in providing additional meaningful information on the drivers of the business, performance and trends, as well as the position of the Group. Non-IFRS financial measures are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or controllable factors which affect IFRS measures, to aid the user in understanding the Group's performance. Consequently, non-IFRS measures are used by the directors and management for performance analysis, planning, reporting and incentive setting. These measures are not subject to audit.

The non-IFRS measures used in describing the business performance include:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Earnings before interest and tax (EBIT)
- Comparable EBIT
- Significant item

#### COMPARABLE EBIT

Comparable EBIT has been calculated as follows:

	2025 \$'000	2024 \$'000
<b>Reported EBIT</b>	<b>18,857</b>	<b>14,228</b>
Add back costs relating to:		
Impact of IFRIC SaaS-related guidance	929	4,450
Litigation judgement	(3,031)	4,000
Bevilles integration costs	1,029	2,372
Employee restructure costs	1,157	962
CEO transition costs	436	-
Brand impairment	7,400	-
Less items relating to:		
Impact of AASB16 Leases	(11,432)	(10,114)
<b>Comparable EBIT</b>	<b>15,345</b>	<b>15,898</b>

#### ENVIRONMENTAL REGULATIONS AND CLIMATE REPORTING

The Group has determined that no particular or significant environmental regulations apply to it.

Under New Zealand's Financial Markets Conduct (Climate-related Disclosures for Foreign Listed Issuers) Exemption Notice 2024 (Notice), Michael Hill International Limited does not have a large presence in New Zealand and has a primary listing on the ASX. Michael Hill International Limited relied on the exemption in clause 6 of the Notice in respect of its FY25 period and is therefore an exempt entity. In the FY25 period, the Group was not required to comply with any Australian climate-related disclosure requirements. The climate statements voluntarily prepared by the Group can be found in the FY25 ESG Report. The Group acknowledges the upcoming application of the mandatory climate-related disclosure requirements under the Australian Sustainability Reporting Standards in the FY26 period.



# My Food Bag Group Limited Annual report 2023

MY FOOD BAG GROUP LIMITED ANNUAL REPORT 2023



In this annual report references to the 'Company' are references to My Food Bag Group Limited. References to 'My Food Bag' or the 'Group' are to My Food Bag Group Limited together with its subsidiary My Food Bag Limited. All references to financial years (eg, 'FY22' and 'FY23') are to the financial year ended 31 March. References to '\$' and 'NZ\$' are to New Zealand dollars.

The annual report includes certain non-GAAP financial information, including EBITDA, ingredients margin and Contribution margin. These measures are used extensively by the Board and management as indicators of underlying profitability. Non-GAAP measures are not defined in NZ IFRS and are not subject to audit. Non-GAAP performance measures are not defined consistently by all companies. Accordingly, these performance measures may not be comparable with similarly titled measures used by other companies. Reconciliations of Non-GAAP financial information to a comparable GAAP measure are shown on page 58.



## My Food Bag Group Limited Annual report 2025

MY FOOD BAG GROUP LIMITED ANNUAL REPORT 2025



In this annual report references to the 'Company' are references to My Food Bag Group Limited. References to 'My Food Bag' or the 'Group' are to My Food Bag Group Limited together with its subsidiary My Food Bag Limited. All references to financial years (e.g. 'FY24' and 'FY25') are to the financial year ended 31 March. References to \$ and NZ\$ are to New Zealand dollars.

The annual report includes certain non-GAAP financial information, including EBITDA, gross margin and Contribution margin. These measures are used internally by the Board and management as indicators of underlying profitability. Non-GAAP measures are not defined in NZ IFRS and are not subject to audit. Non-GAAP performance measures are not defined consistently by all companies.

Accordingly, these performance measures may not be comparable with similarly titled measures used by other companies. Reconciliations of Non-GAAP financial information to a comparable GAAP measure are shown on page 60.

FY24 included a part 53rd week based on where My Food Bag's weekly delivery cycle fell in the financial year. This last delivery weekend coincided with Easter, which (as expected) had fewer deliveries and relatively higher labour costs. The earnings associated with this part 53rd week were materially lower than usual as a result. All reported numbers are inclusive of this part 53rd week.

The annual report refers to Active Customers these are defined as the unique number of customers who have purchased in the last 13 weeks.





# NZ King Salmon Investments Limited Annual report 2025

## Performance Highlights

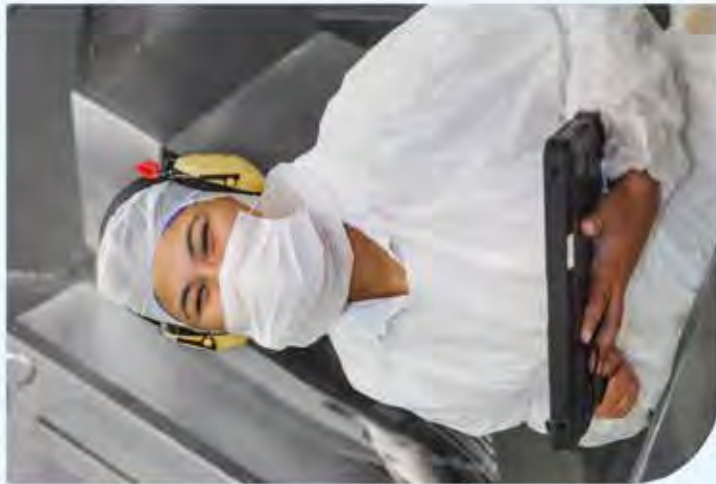
### Biological Performance and Supply Chain Impacts

The result for this reporting period was impacted by a period of challenging biological performance, which affected this period's harvest volumes and the biomass at sea. This was mainly driven by subdued feed outs due to suppressed appetite over the summer months, resulting in smaller than originally forecast fish.

In order to meet weekly harvest biomass targets, we had to harvest more fish than originally planned. This reduced the time available for fish to grow, further compounding the issue. As a result, smaller fish were

harvested, creating both efficiency and yield challenges for the processing team due to the manual labour demands of our current infrastructure. On the sales side, the move to smaller fish also created difficulties with key customers and markets whose preference is for larger fish.

The change in balance date to 30 September has reduced the current reporting period to 8 months. The prior period reflects a 12 month period to 31 January 2025. Accordingly, the amounts presented in the table below may not be directly comparable.



### Group Financial Performance

NZS000s	FY25 (Sept)		FY25 (Jan)		FY25 (Sept)		FY25 (Jan)		% chg
	8 months	12 months	12 months	12 months	8 months	12 months	12 months		
Volume Sold (t)	5,260	6,552	5,260	5,260	5,200	5,260	5,260	5,260	(50%)
Revenue	117,719	210,993	117,719	117,719	210,993	210,993	210,993	210,993	(64%)
Gross Profit	10,237	45,565	45,565	25,053	25,053	25,053	25,053	25,053	(77%)
Gross Profit %	0%	22%	22%	22%	22%	22%	22%	22%	28%
EBITDA	(3,709)	20,364	20,364	7,044	7,044	7,044	29,259	29,259	14%
EBITDA %	(3%)	13%	13%	6%	6%	6%	14%	14%	14%
EBIT	(6,599)	18,247	18,247	1,104	1,104	1,104	21,592	21,592	-
NPAT	(6,327)	13,359	13,359	1,444	1,444	1,444	15,767	15,767	-

Notes: (i) Primary for the NXS definition of Post-Form Harvesting (PHF).



## Restaurant Brands NZ Limited Annual report 2023

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2023

\$NZ000s	Note	31 Dec 2023	31 Dec 2022
Store sales revenue	1, 2	1,322,187	1,239,048
Other revenue	1, 2	73,064	59,170
<b>Total revenue</b>		<b>1,395,251</b>	<b>1,298,218</b>
Cost of goods sold		(1,165,352)	(1,077,075)
<b>Gross profit</b>		<b>229,899</b>	<b>221,143</b>
Distribution expenses		(9,509)	(8,244)
Marketing expenses		(68,461)	(61,849)
General and administration expenses		(67,186)	(61,445)
Other income	2	4,700	2,465
Other expenses	2	(10,831)	(5,365)
<b>Operating profit</b>		<b>78,612</b>	<b>86,705</b>
Financing expenses	4	(56,193)	(44,528)
<b>Profit before taxation</b>		<b>22,419</b>	<b>42,177</b>
Taxation expense	16	(6,156)	(10,094)
<b>Profit after taxation attributable to shareholders</b>		<b>16,263</b>	<b>32,083</b>
<b>Other comprehensive income:</b>			
Exchange differences on translating foreign operations		955	10,515
Derivative hedging reserve		-	954
Income tax relating to components of other comprehensive income		-	(182)
<b>Other comprehensive income for the period, net of tax</b>		<b>955</b>	<b>11,287</b>
<b>Total comprehensive income for the period attributable to shareholders</b>		<b>17,218</b>	<b>43,370</b>
Basic and diluted earnings per share (cents)	3	13.04	25.72

The accompanying material accounting policy information and notes form an integral part of the consolidated financial statements.

# Restaurant Brands NZ Limited

## Annual report 2023 (continued)

### BASIS OF PREPARATION (CONTINUED)

for the year ended 31 December 2023

#### New disclosure requirements and changes in accounting policies

There are various standards, amendments and interpretations which are published but not yet effective and were assessed as having an immaterial impact on the Group. There are no NZ IFRS, NZ IFRIC interpretations or other applicable IFRS Accounting Standards that are effective for the first time for the financial year beginning on or after 1 January 2023 that had a material impact on the consolidated financial statements.

On 14th of December 2022 the External Reporting Board (XRB) published its climate-related disclosure standards. The mandatory reporting regime for disclosing risk in the annual report is for reporting periods beginning after 1 January 2023. Climate-related Disclosures will be reported at the time of the issuance of the annual report.

#### Expected changes to income tax legislation

On 8 October 2021, 136 countries reached an agreement for a two-pillar approach to international tax reform (“OECD agreement”). In May 2023 the New Zealand Government has announced that New Zealand will adopt the OECD-led global tax initiative aimed at ensuring large multinationals pay a minimum tax rate of 15 per cent in participating countries. The OECD agreement is likely to see changes in corporate tax rates in a number of countries in the next few years.

Applying the OECD Pillar Two model rules and determining their impact on the IFRS financial statements is complex and poses a number of practical challenges. It is not immediately apparent how entities would apply the principles and requirements in IAS 12 Income Taxes in accounting for top-up tax arising from the Pillar Two model rules – specifically, whether the recognition and measurement of deferred tax assets and liabilities would be impacted. If deferred tax assets and liabilities would be impacted by the rules, this would be from the date when the relevant national legislation is enacted or substantively enacted.

As at 31 December 2023, the Pillar Two requirements have not been enacted in any of the territories in which the Group operates and as a result there is no impact on these consolidated financial statements.

#### Use of non-GAAP measures within the consolidated financial statements

The consolidated financial statements include non-GAAP financial measures that are not prepared in accordance with NZ IFRS. The non-GAAP financial measures used in the consolidated financial statements are referenced below along with an explanation as to why these measures provide relevant and reliable information for investors and how the Group uses the information internally:

- Operating profit/(loss) before NZ IFRS 16 - Operating profit before NZ IFRS 16 is used by the Group to review the underlying operating profit without the non-cash adjustment relating to NZ IFRS 16 - Leases. This is how many of the external users of the consolidated financial statements also view the performance of the business.
- EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is a key business measure that provides information on the business on a cash basis before funding and tax costs. This is a key measure used by the banks, with the Group’s debt covenants based on this figure, and also is a key assumption within the impairment testing because it reflects how management evaluates and manages the performance of its cash generating units.
- EBITDAL - Earnings Before Interest, Tax, Depreciation, Amortisation and Lease costs. This is another measure used by the banks, with the Group’s total fixed charge coverage ratio based on this figure.
- EBITDA before general and administration expenses, NZ IFRS 16 and other items – The Group calculates EBITDA before G&A (general and administration expenses) and other items by taking net profit before taxation and adding back (or deducting) financing expenses, other items, depreciation, amortisation and G&A. The Group also refers to this measure as Store EBITDA before G&A and other items. This measure provides the results of the Group’s core operating business and excludes those costs not directly attributable to stores. This is believed to be a useful measure to assist in the understanding of the financial performance of the Group.
- Net profit after taxation excluding NZ IFRS 16 – This is calculated by taking profit after taxation attributable to shareholders and excluding lease items whilst also allowing for any tax impact of those items. This measure reflects the performance of the business, excluding costs associated with NZ IFRS 16 and is considered a useful measure to assist with understanding the financial performance of the Group.
- Capital expenditure including intangible assets – This represents additions to property, plant and equipment and intangible assets. This measure represents the amount of investment in the business and is therefore a useful measure to assist the understanding of the Group’s financial position.
- Other items – These relate to non-core business items disclosed as other income and other expenses as set out in note 2.

# Restaurant Brands NZ Limited

## Annual report 2023 (continued)

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

#### PERFORMANCE

##### 1. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The Group is split into four geographically distinct operating divisions; New Zealand, Australia, Hawaii and California. The chief operating decision makers, responsible for allocating resources and assessing performance of the operating segments, have been identified as the Group Chief Executive Officer (Group CEO) and Group Chief Financial Officer (Group CFO). The chief operating decision makers consider the performance of the business from a geographic perspective, being New Zealand, Australia, Hawaii (including Guam and Saipan) and California while the performance of the corporate support function is assessed separately.

The Group is therefore organised into four operating segments, depicting the four geographic regions the Group operates in and the corporate support function located in New Zealand. All segments operate quick service and takeaway restaurant stores.

The Group evaluates performance and allocates resources to its operating segments on the basis of segment assets, segment revenues, Store EBITDA before general and administration expenses, NZ IFRS 16 and operating profit before other items. Operating profit refers to earnings before interest and taxation. Revenue is from external customers.

Segment assets include items directly attributable to the segment (i.e. property, plant and equipment, intangible assets and inventories). Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill. The Group has not disclosed segment liabilities as the chief operating decision makers evaluate performance and allocate resources purely on the basis of aggregated Group liabilities.

# Glossary

**ATE**  
Average ticket size represents the total value of transactions processed on an average of the number of transactions processed.

**AVERAGE MONTHLY TVU PER UNIT**

Average Monthly TVU per unit represents the total value of transactions processed in a month as an average of the number of transacting terminals for the month.

**COGS**

Cost of goods sold represent the costs associated with the provision of the services provided by the terminal. These costs form part of Operating Expenses reported in Note 7 of the FY23 Financial Statements.

**EBITDA**

A non-GAAP measure representing earnings before interest, tax, depreciation, amortisation, expenses, foreign exchange adjustments, share performance rights amortisation expense, financial instrument revaluation, unrealised revaluation movements, and impairment and loss on disposal of property, plant and equipment.

**FREE CASH FLOW**

A non-GAAP measure representing cash flows from operating activities and cash flows from investing activities as reported in the Statement of Cash Flows.

**FY**

Financial year ended 31 March.

**NPS**

Net Promoter Score measures the percentage of promoters versus detractors of the business. It is calculated as the difference between the percentage of promoters (to be billed or collectible) from 6. Company's perception of NPS from that city NPS score above 0 is good, ranging above 20 is favourable, above 50 is excellent and above 80 is world class.

(Source: What is a good net promoter score (NPS) - ranked by Philippines Insights Team - 7 March 2023).

**PCP**

Prior Comparable Period

**SeaaS**

Software as a Service is a method of software delivery in which software is accessed online via a subscription rather than bought and installed on individual computers.

**TRANSACTION TERMINAL**

A transacting terminal represents a terminal that is processing transactions in the period.

**TTV**

Total Transaction Value represents the total value of transactions processed.

**Y/Y**

Year on Year



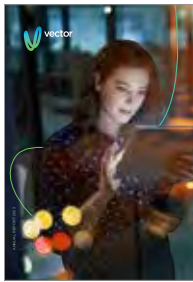
## Smartpay Holdings Limited Annual report 2023

THE  
ANNUAL  
REPORT  
2023

# Glossary

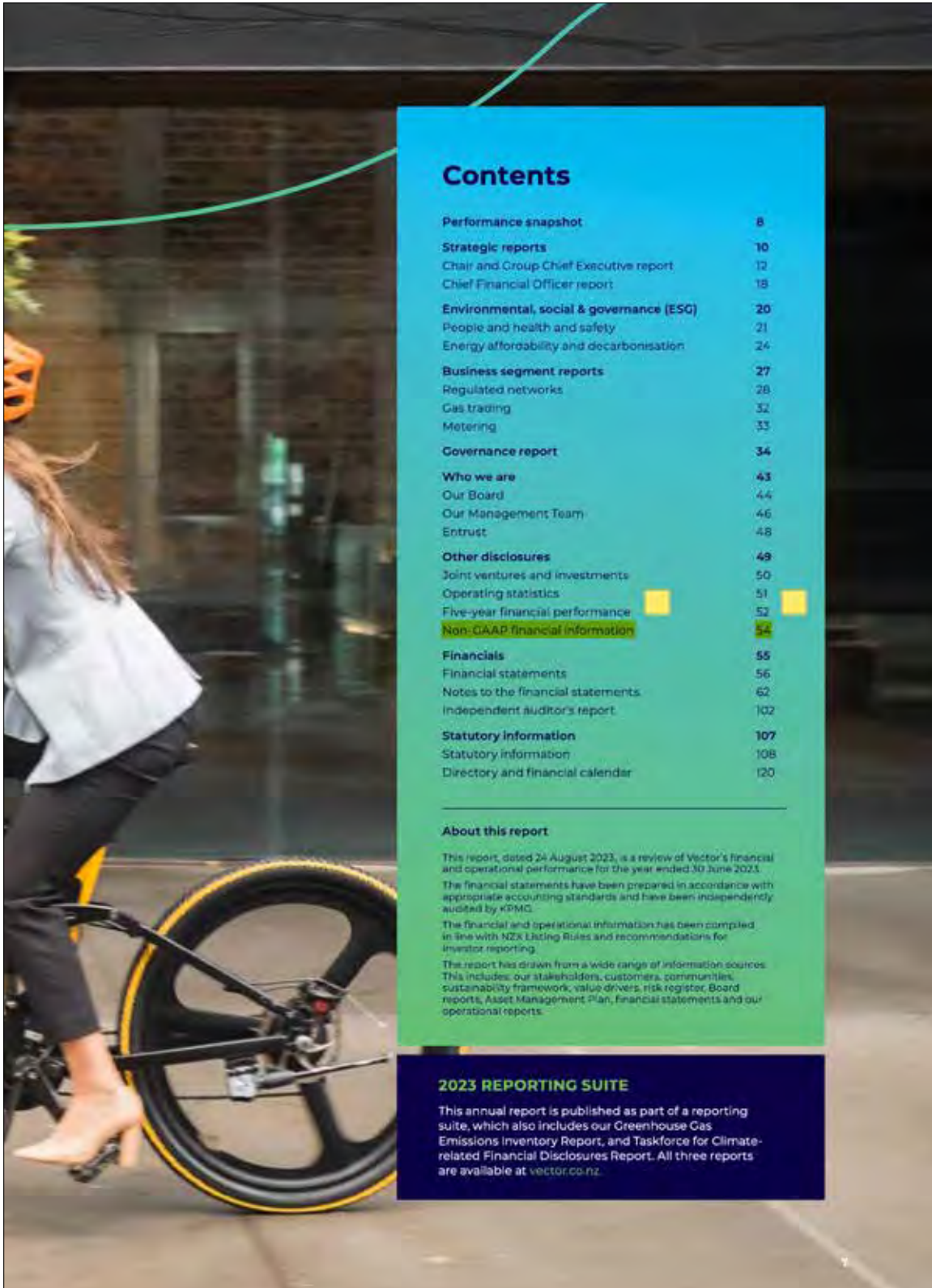
<b>ATP</b>	Average ticket size represents the total value of transactions processed as a percentage of the number of transactions processed.
<b>AVERAGE MONTHLY TPV PER UNIT</b>	Average Monthly TPV per unit represents the total value of transactions processed in a month as an average of the number of transacting terminals for the month.
<b>COGS</b>	Cost of Goods Sold represents the costs associated with the provision of the services provided by the terminal. These costs form part of Operating Expenditure reported in Note 7 of the FY25 Financial Statements.
<b>EBITDA</b>	A non-GAAP measure representing earnings before interest, income and finance costs, taxation, depreciation, amortisation, foreign exchange adjustments, gains/losses on disposals, impairment losses and other non-recurring items. EBITDA is a non-GAAP measure and is not intended to be used as a substitute for GAAP measures.
<b>FREE CASH FLOW</b>	A non-GAAP measure representing cash flows from operating activities and cash flows from investing activities as reported in the Statement of Cash Flows.
<b>FY</b>	Financial year ended 31 March.
<b>GPS</b>	Net Promoter Score measures the percentage of promoters versus detractors on a simple measurement of "how likely is it that you would recommend Smartpay to a friend or colleague?" Smartpay's Net Promoter Score for FY25 is 42, which is a score considered above and above 30 is a good score.
<b>POP</b>	Point of Purchase (POP) is a location where goods (sold) are purchased by the customer (Retailer) (Retail - 1 March 2025).
<b>Units</b>	Units sold is a metric which is a method of utility delivery which compares units sold on a unit basis to units sold on a unit basis bought and installed on individual computers.
<b>TRANSACTION TERMINAL</b>	A transacting terminal represents a terminal that is processing transactions in the period.
<b>TPV</b>	Total Transaction Value represents the total value of transactions processed.
<b>WY</b>	Year on year.





# Vector Limited

## Annual report 2023



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#### About this report

This report, dated 24 August 2023, is a review of Vector's financial and operational performance for the year ended 30 June 2023. The financial statements have been prepared in accordance with appropriate accounting standards and have been independently audited by KPMG.

The financial and operational information has been compiled in line with NZX Listing Rules and recommendations for investor reporting.

The report has drawn from a wide range of information sources. This includes our stakeholders, customers, communities, sustainability framework, value drivers, risk register, Board reports, Asset Management Plan, financial statements and our operational reports.

#### 2023 REPORTING SUITE

This annual report is published as part of a reporting suite, which also includes our Greenhouse Gas Emissions Inventory Report, and Taskforce for Climate-related Financial Disclosures Report. All three reports are available at [vector.co.nz](http://vector.co.nz).

# Vector Limited

## Annual report 2023 (continued)

Non-GAAP financial information

## Non-GAAP financial information

Vector's standard profit measure prepared under New Zealand Generally Accepted Accounting Practice (GAAP) is net profit. Vector has used non-GAAP profit measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate the performance of business units, to establish operational goals and to allocate resources. For a more comprehensive discussion on the use of non-GAAP profit measures, please

refer to the policy 'Reporting non-GAAP profit measures' available on our website (vector.co.nz). Non-GAAP profit measures are not prepared in accordance with New Zealand International Reporting Standards (NZ IFRS) and are not uniformly defined; therefore, the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation from or considered as a substitute for measures reported by Vector in accordance with NZ IFRS.

### Definitions:

#### EBITDA

Earnings before interest, taxation, depreciation, amortisation and impairments from continuing operations.

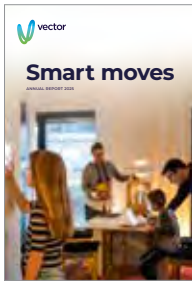
#### Adjusted EBITDA

EBITDA adjusted for fair value changes, associates, third-party contributions, and significant one-off gains, losses, revenues and/or expenses.

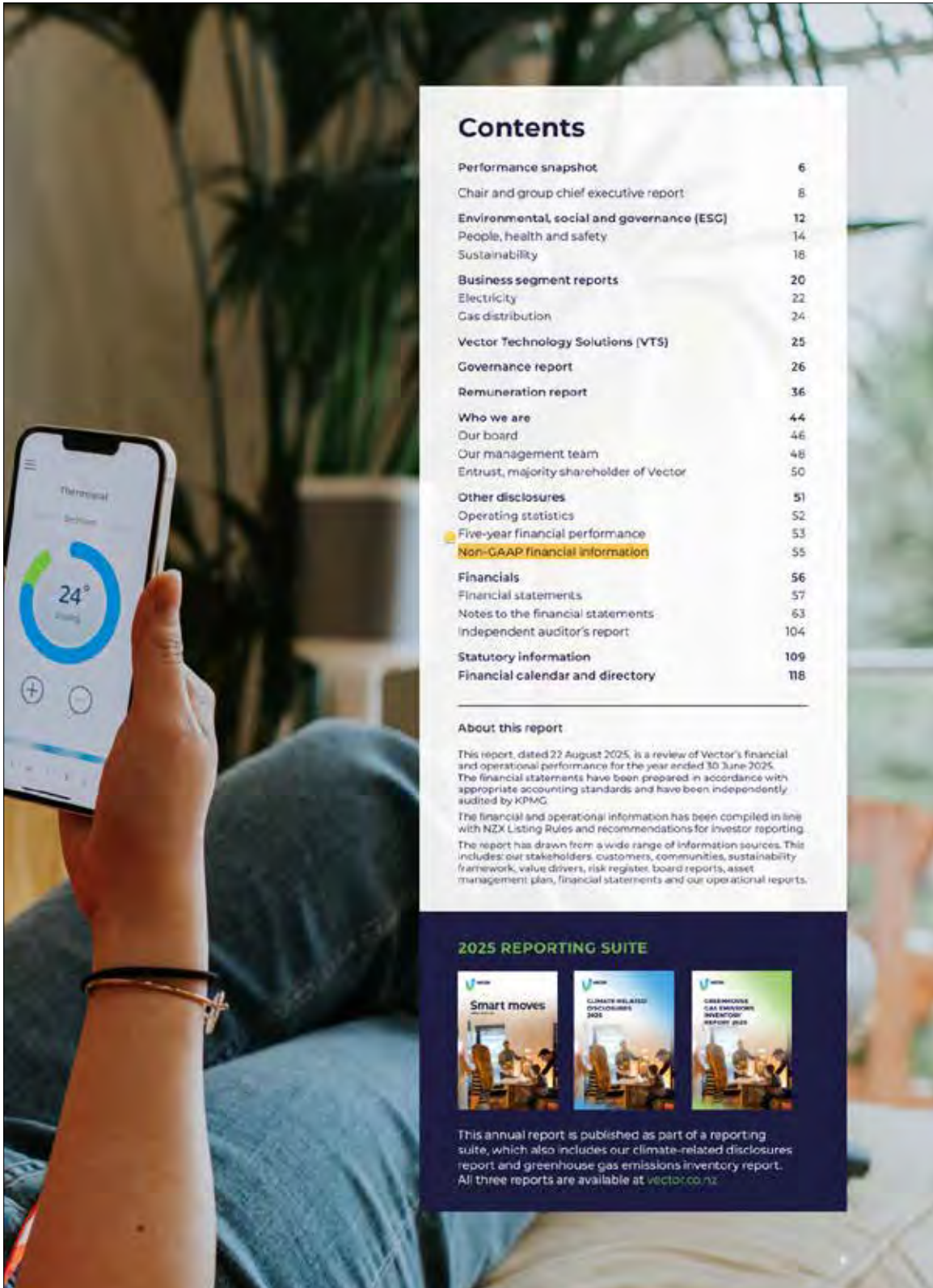
### GAAP to Non-GAAP Reconciliation

YEAR ENDED 30 JUNE (\$ MILLION)	2023	2022
Group EBITDA and adjusted EBITDA		
Reported net profit for the period (GAAP) – continuing operations	112.6	102.5
Add back: net interest costs	145.7	104.7
Add back: tax (benefit)/expense	47.1	57.2
Add back: depreciation and amortisation	204.8	194.2
Add back: impairment	–	40.2
<b>EBITDA – continuing operations</b>	<b>510.2</b>	<b>498.8</b>
Adjusted for:		
Capital contributions	(188.3)	(151.8)
Fair value change on financial instruments	13.2	(3.6)
Gain on sale of investment in associate	–	(7.1)
<b>Adjusted EBITDA – continuing operations</b>	<b>335.1</b>	<b>336.3</b>
<b>Adjusted EBITDA – discontinued operations</b>	<b>188.2</b>	<b>173.7</b>
<b>Total group adjusted EBITDA</b>	<b>523.3</b>	<b>510.0</b>

YEAR ENDED 30 JUNE (\$ MILLION)	2023			2022		
	SEGMENT EBITDA	LESS CAPITAL CONTRIBUTIONS AND OTHER MOVEMENTS	SEGMENT ADJUSTED EBITDA	SEGMENT EBITDA	LESS CAPITAL CONTRIBUTIONS AND OTHER MOVEMENTS	SEGMENT ADJUSTED EBITDA
Segment adjusted EBITDA						
Regulated segment	558.9	(187.3)	371.6	506.1	(150.3)	355.8
Gas trading	26.9	–	26.9	21.9	–	21.9
<b>Total reported segments</b>	<b>585.8</b>	<b>(187.3)</b>	<b>398.5</b>	<b>528.0</b>	<b>(150.3)</b>	<b>377.7</b>
Corporate and other	(75.6)	12.2	(63.4)	(29.2)	(12.2)	(41.4)
<b>Total – continuing operations</b>	<b>510.2</b>	<b>(175.1)</b>	<b>335.1</b>	<b>498.8</b>	<b>(162.5)</b>	<b>336.3</b>
Metering – discontinued operations	188.2	–	188.2	173.7	–	173.7
<b>Total group</b>	<b>698.4</b>	<b>(175.1)</b>	<b>523.3</b>	<b>672.5</b>	<b>(162.5)</b>	<b>510.0</b>



# Vector Limited Annual report 2025



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### About this report

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The financial and operational information has been compiled in line with NZX Listing Rules and recommendations for investor reporting. The report has drawn from a wide range of information sources. This includes our stakeholders, customers, communities, sustainability framework, value drivers, risk register, board reports, asset management plan, financial statements and our operational reports.

### 2025 REPORTING SUITE



This annual report is published as part of a reporting suite, which also includes our climate-related disclosures report and greenhouse gas emissions inventory report. All three reports are available at [vector.co.nz](http://vector.co.nz).

## Non-GAAP financial information

Vector's standard profit measure prepared under New Zealand Generally Accepted Accounting Practice (GAAP) is net profit. Vector has used non-GAAP profit measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate the performance of business units, to establish operational goals and to allocate resources. For a more comprehensive discussion on the use of non-GAAP profit measures, please

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### Definitions:

#### EBITDA

Earnings before interest, taxation, depreciation, amortisation, impairment, associates and fair value changes.

#### Adjusted EBITDA

EBITDA adjusted for customer contributions, and significant one-off gains, losses, revenues and/or expenses.

### GAAP to Non-GAAP reconciliation

YEAR ENDED 30 JUNE (\$ MILLION)	2025	2024
Group EBITDA and adjusted EBITDA		
Reported net profit for the period (GAAP) – continuing operations	154.7	75.8
Add back: net interest costs	72.4	52.1
Add back: tax (benefit)/expense	96.5	97.7
Add back: Depreciation and amortisation	231.4	218.3
Add back: impairment	37.0	60.0
Add back: associates (share of net (profit)/loss)	21.1	24.9
Add back: fair value changes on financial instruments	8.5	12.0
<b>EBITDA</b>	<b>611.6</b>	<b>540.8</b>
Adjusted for:		
Capital contributions	(210.5)	(195.3)
<b>Adjusted EBITDA – continuing operations</b>	<b>401.1</b>	<b>345.3</b>
Adjusted EBITDA – discontinued operations	12.9	36.5
<b>Total group adjusted EBITDA</b>	<b>414.0</b>	<b>381.8</b>

YEAR ENDED 30 JUNE (\$ MILLION)	2025			2024		
	SEGMENT EBITDA	LESS CAPITAL CONTRIBUTIONS	SEGMENT ADJUSTED EBITDA	SEGMENT EBITDA	LESS CAPITAL CONTRIBUTIONS AND OTHER MOVEMENTS	SEGMENT ADJUSTED EBITDA
Segment adjusted EBITDA						
Electricity distribution	547.8	(195.9)	351.9	478.3	(183.2)	295.1
Gas distribution	60.0	(13.3)	46.7	55.5	(10.7)	44.8
<b>Total reported segments</b>	<b>607.8</b>	<b>(209.2)</b>	<b>398.6</b>	<b>533.8</b>	<b>(193.9)</b>	<b>339.9</b>
Other	3.8	(1.3)	2.5	6.8	(1.4)	5.4
<b>Total – continuing operations</b>	<b>611.6</b>	<b>(210.5)</b>	<b>401.1</b>	<b>540.6</b>	<b>(195.3)</b>	<b>345.3</b>
Discontinued operations – gas trading	12.9	–	12.9	19.9	–	19.9
Discontinued operations – natural gas	–	–	–	16.6	–	16.6
<b>Total discontinued operations</b>	<b>12.9</b>	<b>–</b>	<b>12.9</b>	<b>36.5</b>	<b>–</b>	<b>36.5</b>
<b>Total group</b>	<b>624.5</b>	<b>(210.5)</b>	<b>414.0</b>	<b>577.1</b>	<b>(195.3)</b>	<b>381.8</b>



**Vital Limited**  
Annual report 2023

# FY23 at a Glance

Revenue **\$28.1m** ↓ 10.6% on FY22

Operating Costs **\$21.7m** ↓ 16.9% on FY22

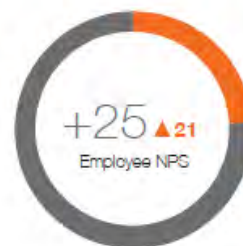
Adjusted EBITDA<sup>1</sup> **\$6.4m** ↑ 13.9% on FY22

Adjusted NPAT<sup>2</sup> **\$0.5m** ↑ \$1.8m on FY22  
\*Excluding Extraordinary Items

Capital Expenditure **\$3.5m** ↓ 31.9% on FY22

Adjusted Free Cash Flow<sup>3</sup> **\$2.9m** ↑ \$3.1m on FY22

Net Promoter Score



2 Vital Annual Report FY23

1. Post lease/rent costs that are otherwise treated as Depreciation and Interest  
2. Excludes IFRS 16 adjustments resulting from changes to lease profiles  
3. Adjusted EBITDA (as above) less capital expenditure

# Directors' and CEO Commentary

## OVERVIEW: A solid year of turnaround progress

Vital Limited (Vital) is pleased to report a solid result for the FY2023 year. It was a year in which we met or exceeded all of the targets we had set at the start of the financial year and continued to make progress across all aspects of our strategy to reposition Vital for future growth.

Turnaround Metrics (all figures \$m)	FY2023 Actual Result	FY2023 Metrics Guidance
Revenue	28.1	27.5 – 28.5
Adjusted EBITDA <sup>1</sup>	6.4	5.8 – 6.5
Adjusted NPAT <sup>2</sup>	0.5	0.0 – 0.2
Adjusted free cash flow <sup>3</sup>	2.9	1.6 – 2.4

1. Post lease/rent costs that are otherwise treated as Depreciation and Interest  
 2. Excludes IFRS 16 adjustments resulting from changes to lease profiles  
 3. Adjusted EBITDA (as above) less capital expenditure

Our turnaround strategy is centred on key fundamentals: maximising the utilisation of our high-quality Wired and Wireless network assets, tightly managing costs and the efficiency of our business, investing in key customer relationships, and improving our sales capabilities to drive new revenue and growth opportunities.

Financially, while we are not yet where we aspire to be longer-term, we delivered outcomes at the higher end of the

FY2023 turnaround guidance metrics. Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) were \$6.4 million, at the high end of the guidance range of \$5.8-6.5 million.

Revenue was down from \$31.5 million in FY2022 to \$28.1 million for FY2023, partly reflecting strong competition and a loss in non-recurring revenue, and strategic decisions to optimise our customer base, but still within the guidance range of \$27.5-28.5 million. Adjusted net profit after tax (NPAT) was \$0.6 million, well above the FY2022 result and above our guidance of \$0.0-0.2 million. Adjusted free cash flow was \$2.9 million, also above our guidance of \$1.6-2.4 million.

Following the significant disruptions of the previous year, FY2023 saw a major repositioning of Vital. This included driving cost and network efficiencies, as well as building up our sales channels

# Vital Limited

## Annual report 2023 (continued)

### Notes to the Consolidated Financial Statements

► For the year ended 30 June 2023

#### 6 Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Other items comprise the Group's external borrowings from Bank of New Zealand Limited, and corporate overhead costs.

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Group's CEO reviews internal management reports on a monthly basis.

The following summary describes the operations in each of the Group's reportable segments:

**Wireless Networks:** this segment includes the traditional mobile radio business of Vital Limited along with associated finance leasing, data and GPS tracking products and the wireless broadband business.

**Wired Networks:** this segment includes the wired broadband business of Vital Data Limited who provides broadband connectivity and ancillary related services to a range of wholesale customers and end users.

**Other:** this segment includes shared costs and other items not directly attributable to one of the other segments.

Information regarding the results of each reportable segment is included below. Revenues, Costs, Assets and Liabilities are measured in accordance with the Group's Accounting Policies in Note 3, as included in the internal management reports that are reviewed by the Group's CEO. Segment EBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of the Group's segments relative to other entities that operate within these industries.

Group 2023	Wireless Networks \$000's	Wired Networks \$000's	Other \$000's	Total \$000's
Operating revenue & other income				
- Sales to customers outside the Group	18,465	9,666	-	28,131
Total revenue	18,465	9,666	-	28,131
Costs				
- Operating costs paid to suppliers	(10,977)	(3,896)	(1,760)	(16,633)
Total costs	(10,977)	(3,896)	(1,760)	(16,633)
<b>EBITDA</b>	<b>7,488</b>	<b>5,770</b>	<b>(1,760)</b>	<b>11,498</b>
Depreciation and amortisation	(6,389)	(2,413)	-	(8,803)
Impairment	-	-	-	-
<b>EBIT</b>	<b>1,099</b>	<b>3,357</b>	<b>(1,760)</b>	<b>2,695</b>
Finance income	-	-	84	84
Finance expense	-	-	(3,054)	(3,054)
Net finance costs	-	-	(2,970)	(2,970)
Profit/(Loss) before income tax	1,099	3,357	(4,730)	(275)
Income tax benefit/(expense)	-	-	92	92
<b>Net Profit/(Loss)</b>	<b>1,099</b>	<b>3,357</b>	<b>(4,638)</b>	<b>(183)</b>
Capital expenditure	2,848	645	-	3,493
Total assets	36,378	31,404	-	67,782
Total liabilities	22,933	9,865	14,000	46,298

## Appendix 8: Selected non-GAAP measures reported in 2023 result announcements of NZSX-listed companies

Table A8.1: Non-GAAP measures contained in 2023 result announcements and accompanying attachments

Non-GAAP measures contained in 2023 result announcements and accompanying attachments	Number of times non-GAAP measure appears
Adjusted AFFO	1
Adjusted annual NPAT	1
Adjusted EBIT	2
Adjusted EBITDA	9
Adjusted EBITDAI	9
Adjusted funds from operations (AFFO)	3
Adjusted NAV return	33
Adjusted net asset value	32
Adjusted net debt	1
Adjusted net earnings	1
Adjusted net profit	1
Adjusted NPAT	11
Adjusted NTA	2
Adjusted profit	1
Adjusted Revenue	2
Adjusted revenue EBITDAI	1
Adjusted revenue NPAT	1
Adjusted US GAAP EBITDA	2
AFFO (see also above)	9
Annualised Monthly Recurring Revenue (AMRR)	2
Businesses sold and/or held-for-sale profit	1
CAPEX	4
Cash Conversion Days	2
CASK	1
Commercial tests	6
Contracted Income (FCI)	1
Core net interest income	1
Core NIM	1
Costs to Acquire Customers (CAC)	1
Costs to Service & Support (CTS)	1
Customer EBITDAF	4
Distributable Profit	5
Dividend payout ratio (excluding Notable Items)	
Earnings before tax and interest (see also EBIT below)	1
Earnings per share (normalised)	3
EBIT	20
EBITA margin	1
EBITDA	86
EBITDA after ERP	1
EBITDAF	16
EBITDAFI	2
EBITDAI	10

Non-GAAP measures contained in 2023 result announcements and accompanying attachments	Number of times non-GAAP measure appears
EBITDASA and RASK	1
Energy Margin	2
Expense to income ratio (excluding Notable Items)	1
FFO	3
Free cash flow	1
Gearing	2
Gross Operating Revenue	2
Gross performance return	33
Gross Profit	2
Group Underlying EBITA	1
Net Debt	3
Net Debt: EBITDA and Return on Capital Employed	2
Net debt at hedged rates	1
Net rental income	2
Net tangible asset per share	2
Net underlying profit per share	2
Normalised EBIT	4
Normalised EBITDA	7
Normalised EBITDA after ERP	1
Normalised free cash flow	1
Normalised Gross Profit	1
Normalised net loss after tax	1
Normalised net profit	3
Normalised NPAT	1
Normalised profit	1
Normalised profit before tax (PBT)	1
Normalised Revenue	5
Normalised sales	1
NPATA	1
Operating earnings (EBITDA)	3
Operating EBIT	3
Operating EBITDA	16
Operating free cash flow	2
Operating Gross Profit	1
Operating NPAT	5
Operating Performance	1
Performance measures excluding the impact of Notable Items	1
Pre-provision profit	1
Pro forma EBITDA	1
Pro forma underlying NPAT	3
Pro-forma AFFO	1
Pro-forma EBITDA	2
Proportionate EBITDAF	2
RCOP EBIT	6
RCOP EBITDA	1
Record EBITDA	1
Replacement Cost Operating Profit	1

Non-GAAP measures contained in 2023 result announcements and accompanying attachments	Number of times non-GAAP measure appears
Reported EBITDA from continuing operations	1
Reported EBITDA from discontinuing operations	1
Return on average tangible ordinary equity (ROTE)	1
Sales volume	2
Segment EBITDA	1
Total laboratory throughput	5
Total shareholder return	33
Underlying average monthly cash burn	1
Underlying CASK	1
Underlying cost to income (CTI)	2
Underlying earnings	5
Underlying earnings per share	2
Underlying EBIT	1
Underlying EBITDA	18
Underlying EBITDA margin	2
Underlying EPS	7
Underlying financial position	1
Underlying growth	1
Underlying impairment expense ratio	1
Underlying labour cost	1
Underlying loss including large events	1
Underlying Net Interest Income	2
Underlying Net Interest Margin	3
Underlying net profit	3
Underlying net profit after tax	4
Underlying Net Profit after Tax attributable to the owners of the Company	4
Underlying NPAT	7
Underlying NPATA	3
Underlying NPBTA	1
Underlying operating earnings	1
Underlying PBT	4
Underlying profit	6
Underlying return on equity (ROE)	2
US GAAP EBITDA	2

## Appendix 9: Examples of good and poor labelling practice in 2025 result announcements

This appendix provides a selection of 2025 result announcements for the companies discussed in Section 6. The Institute only reviewed result announcements for labelling. Refer to Table 4 (p.63) in Section 6.0 for the Institute’s interpretation of effective labelling of non-GAAP measures in practice. The notes below Table A9.1 correspond with the row number in the table.

Table A9.1: Examples of good practice and poor practice in 2025 result announcements

No.	Company	Type of company	Date of result announcement	Good or poor practice	Page numbers company is discussed in this paper
1.	2 Cheap Cars Group Limited (2CC)	NZSX-listed	13 November 2025	Poor practice	178–179
2.	AFT Pharmaceuticals Limited (AFT)	NZSX-listed	22 May 2025	Good practice	178, 180
3.	Air New Zealand Limited (AIR)	NZSX-listed	20 February 2025	Room for improvement	178, 181–182
4.	Fisher & Paykel Healthcare Corporation Limited (FPH)	NZSX-listed	28 May 2025	Good practice	178, 183
5.	Kordia Group Limited	SOE	1 September 2025	Poor practice	178, 184
6.	NZ King Salmon Investments Limited (NZK)	NZSX-listed	27 March 2025	Poor practice	64, 112, 161–162, 178, 185
7.	The New Zealand Merino Company Limited (NZMC)	USX-listed	26 August 2025	Poor practice	178, 186

### Notes to Table A9.1

#### 1. 2 Cheap Cars Group Limited

**Poor practice:** The main body of the result announcement included non-GAAP measures, yet readers were not informed that non-GAAP information was included.

#### 2. AFT Pharmaceuticals Limited

**Good practice:** The main body of the result announcement acknowledged that EBITDA is a non-GAAP measure and provided a reconciliation.

#### 3. Air New Zealand Limited

**Room for improvement:** The main body of the result announcement did not contain any non-GAAP measures, nor did it alert readers to their inclusion in the attachments. Nevertheless, non-GAAP measures were contained within the accompanying attachment, where it did acknowledge the presence of non-GAAP information. As a result, users were not made aware in the main body that the attachments included non-GAAP measures.

#### 4. Fisher & Paykel Healthcare Corporation Limited

**Good practice:** The main body of the result announcement acknowledged that non-GAAP measures were contained within its results and that the company used the term ‘underlying net profit after tax’.

#### 5. Kordia Group Limited

**Poor practice:** The main body of the result announcement included EBITDA (a non-GAAP measure), yet readers were not informed about the presence of non-GAAP information.

#### 6. NZ King Salmon Investments Limited

**Poor practice:** The main body of the FLYR result announcement included pro-forma operating EBITDA (a non-GAAP measure), yet readers were not informed about the presence of non-GAAP information. Interestingly, the company’s 2025 annual report did acknowledge that pro-forma operating EBITDA is a non-GAAP profit measure (see p.162). This note was not in its 2023 annual report.

#### 7. The New Zealand Merino Company Limited

**Poor practice:** The main body of the result announcement included EBIT (a non-GAAP measure), yet readers were not informed that non-GAAP information was included.

## 2 Cheap Cars Group Limited result announcement (13 November 2025)

S&P/NZX50 13,508 ↑0.44% S&P/NZX20 7,721 ↑0.39% S&P/NZX10 12,901 ↑0.74% Tuesday, 02 Dec 2025 16:53:50 NZDT

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### 2CC Group Interim results for Half Year 2026

13/11/2025, 08:30 NZDT, HALFYR

13 November 2025  
Market announcement:  
NZX:2CC

Interim dividend declared despite challenging market conditions

2 Cheap Cars Group Limited (NZX:2CC) has reported net profit after tax (NPAT) of \$1.01m for the half year ended 31 September 2025 (HY26), down from \$1.67m in HY25.

Summary of key results  
(Figures quoted are in NZ dollars; comparisons are made against HY25)

- Revenue and income: \$39.77 million down from \$42.01 million
- Gross margin YTD: \$7.86 million, down from \$9.06 million
- **Underlying EBITDA** (including finance income): \$3.1 million, down from \$3.8 million
- **Net profit after tax (NPAT)**: \$1.01 million, down from \$1.67 million
- **Underlying earnings per share (EPS)**: 2.2 cents per share vs 3.7 cps
- Vehicle sales: 3,504 units, down 13%

Performance overview

The first half of FY26 was challenging, with continued economic weakness, margin pressure, low immigration numbers and high regulatory costs directly impacting the used vehicle industry, and the cost-of-living crisis weighing heavily on consumer confidence.

These conditions saw revenue decline 5% to \$39.8 million in the first half of FY26, reflecting lower sales volumes. It was partially offset by improved retail pricing and stronger finance and insurance penetration. Finance penetration rose to 32%, up five percentage points, while insurance penetration reached 41%, supported by lower interest rate and effective sales execution.

Gross margin decreased by two percentage points to 19%, primarily due to the impact of carbon tax costs under the Clean Car Standard. The \$0.7 million decrease in NPAT primarily reflected the \$0.7 million after-tax impact of the Clean Car Standard, as other favourable and unfavourable movements largely offset each other.

However, the Group continues to maintain a strong balance sheet, with \$4.6 million in cash, stable debt levels, and inventory carefully managed to align with current demand.

Market overview

Weak economic growth, subdued consumer confidence, and a significant reduction in net migration collectively reduced imported used vehicle sales volumes in HY26.

The Clean Car Standard, has exacerbated this situation through increased complexity and costs for used vehicle importers due to shifting compliance thresholds and rising carbon credit costs.

While overall trading conditions remain subdued, several external factors have provided partial offsets. Lower interest rates are improving vehicle affordability through reduced finance costs, while a strong New Zealand dollar against the Japanese yen has supported more favourable import pricing. There is, however, significant international competition for late-model, fuel-efficient Japanese vehicles that is continuing to drive up procurement costs and tighten supply.

The Company is also beginning to benefit from increased local sourcing opportunities through direct purchases from the public, alongside trade-ins, which, while still a small fraction of total purchases, help to reduce exposure to carbon credit obligations and support a more balanced inventory mix.

Strategic update

## AFT Pharmaceuticals Limited result announcement (22 May 2025)

S&P/NZX50 13,489 +0.18%
S&P/NZX20 7,725 +0.20%
S&P/NZX10 12,916 +0.26%
Monday, 17 Nov 2025 11:30:05 NZDT

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AFT SEES STRONG FY 26 AS REVENUE REACHES NEW RECORD

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### AFT sees strong FY 26 as revenue reaches new record

**22/05/2025, 08:30 NZST, FLLYR**

AFT Pharmaceuticals Limited, Level 1, 129 Hurstmere Road, Takapuna, Auckland 0622, New Zealand Incorporated in New Zealand ARBN: ARBN 609 017 969 [investor.relations@aftp pharm.com](mailto:investor.relations@aftp pharm.com)  
22 MAY 2025

FINANCIAL RESULTS FOR THE YEAR TO 31 MARCH 2025

AFT sees strong FY 26 as revenue reaches new record

AFT Pharmaceuticals (NZX:AFT, ASX:AFF) today reports it has again achieved another year of record revenue with annual sales exceeding \$200 million<sup>1</sup> and it is now firmly focused on its revenue target of \$300 million by the end of the 2027 financial year.

The diversified pharmaceuticals company reports continued strong growth in its core Australasian business, while the expected robust recovery in its Asia and International businesses during the second half year, have lifted revenue for the year to the end of March 2025 to another record of \$208.0 million, a 6% increase over FY 24.

Operating profits have meanwhile reached \$17.6 million in line with guidance given at the half year, lifted by the growth in revenue and expansion of product margins. These gains were diluted by the significant one-off events flagged in 1H 25, including destocking by several of our largest customers and a since resolved doctors' strike in South Korea that impacted both sales and earnings.

A video of Dr Hartley Atkinson discussing a summary of the result can be viewed at the following link: [https://bit.ly/AFTPharmaceuticals\\_FY25](https://bit.ly/AFTPharmaceuticals_FY25).

HIGHLIGHTS

- Full year operating revenue up 6% to \$208.0 million, lifted by 11% growth in product sales and royalties across all territories and \$0.7 million of licensing income
- Strong Australian sales growth of 17%, offset by the one-off factors of destocking and interruptions to demand for Maxigesic IV in 1H 25
- EBITDA2 of \$20.9 million down 10% and operating profit of \$17.6 million down 27%, in line with guidance given at the half year
- Operating profit in Australia rose 65% following growth investments made last year delivering the expected benefits
- Net profit after tax decreases 23% to \$12.0 million
- Balance sheet strong with net debt of \$14.5 million down from \$16.2 million at the end of FY 24 and \$29.9 million at the end of FY 23 despite significant investments for growth
- Consistent with confidence in outlook an increased dividend declared of 1.8 cents per share, (1.6 cents declared FY 24)
- \$200 million revenue exceeded and now focused on the \$300 million target

<sup>1</sup> All comparisons are to FY 24 and all figures are in New Zealand dollars unless otherwise stated.

<sup>2</sup> EBITDA is a non-GAAP measure of financial performance. It is defined and reconciled to AFT's statutory profit netted under New Zealand GAAP of Net Profit After Tax in the 2025 Annual Report released to the NZX and ASX today.

- Ongoing significant investment with FY 26 guidance for increased operating profit of \$20 million to \$24 million

AFT Pharmaceuticals Chair David Flacks said: "AFT has delivered another strong result, especially when considered against the one-off disruptions in the first half of the year. "We have grown in our core Australasian and Asian markets. We have meanwhile continued to invest for the long-term with the addition of new medicines to our product development portfolio and an expanded offer in the markets in which we operate. We are locking to the new financial year with confidence."

Co-Founder and Managing Director Dr Hartley Atkinson said: "Aside from delivering continued strong growth in our core Australasian businesses we have significantly advanced our strategy to extend our reach across multiple geographies and added to our research and development (R&D) pipeline. These efforts have come at the cost of short-term earnings growth, but we are convinced they will deliver growth in long term shareholder value.

"Highlights for the year include launching Maxigesic tablets in the US, following on from the intravenous form of the medicine, Maxigesic IV; the launch of our proprietary antiseptic cream in mainland China, and the completion of multi-licensing agreements around the world including Maxigesic IV in China, and Brazil. In a credit to our out-licensing activities we were identified as the only company in the world last year to secure two licensing agreements into China, the world's second largest pharma market3.

"We are also pleased with the progress we are making with AFT's business operations established in Singapore, Hong Kong, South Africa, the US, Canada, Europe, and the UK. We have a roadmap for growth in each of these markets founded on a portfolio of our own products and medicines: we are in-licensing.

"Our own products for these markets now include a significant development programme of injectable drugs with a potential market value of over US\$400 million. Our approach to these new markets avoids an over-exposure to the US and at present we do not see a significant impact of new US tariffs to our business.

"Finally, we have extended our research and development programme to 12 separate projects following the addition of two projects over the last year — a novel topical keloid scar treatment and a new treatment for iron infusions. Together these projects offer entry into markets with a considerable value, for example the iron injection market is forecast to reach US\$7.4 Billion by 20334.

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## Air New Zealand reports 2025 Interim Result

### 20/02/2025, 08:30 NZDT, HALFYR

Air New Zealand delivers solid interim result, announces share buy-back

**Summary**

- Earnings before taxation of \$155 million
- Net profit after taxation of \$106 million
- Network capacity down 4 percent, with up to 5 narrowbody and 3 widebody jets grounded due to additional global engine maintenance requirements
- Unimputed interim ordinary dividend of 1.25 cents per share declared
- Share buy-back of up to \$100 million announced

Air New Zealand has today announced earnings before taxation of \$155 million for the first half of the 2025 financial year, achieving a result at the upper end of the guidance range provided to the market in November 2024. Net profit after taxation was \$106 million.

Chair Dame Therese Walsh said the result highlights the airline's resilience and adaptability, amid a continuation of significant operational and economic headwinds that have persisted since the second half of the 2024 financial year.

"This is a strong result when you consider the headwinds we have been navigating for almost a year now. It reflects the hard work and dedication of our 11,600-strong Air New Zealand whānau and the effectiveness of the actions we have taken, and continue to take, to mitigate these challenges and position the airline for future success."

Dame Therese went on to say that based on the airline's balance sheet strength and the result announced today, shareholders will receive an unimputed interim ordinary dividend of 1.25 cents per share. The dividend will be paid on 19 March 2025, to shareholders on record as at 7 March 2025.

She also noted that the Board was pleased to announce the commencement of a share buy-back of up to \$100 million, reflecting confidence in the airline's long-term outlook.

"Air New Zealand's strong balance sheet, liquidity and financial discipline provides us with the flexibility to successfully manage the short-term challenges we face, while also continuing to invest in our future and return capital to our shareholders."

"The share buy-back programme we have announced today reflects our confidence in the strength of Air New Zealand's fundamentals and our commitment to delivering value to our shareholders, while ensuring we remain well-positioned for the future."

On the financial performance for the half, Chief Executive Officer Greg Foran praised his team, noting the significant challenges they faced, including aircraft groundings associated with additional engine maintenance requirements impacting Pratt & Whitney and Rolls-Royce customers globally.

"Investment in modern, fuel-efficient aircraft is an important part of Air New Zealand's fleet strategy. But with over \$1 billion worth of our newest, most efficient aircraft grounded at times, it's been a tough year so far. Delivering the performance we have and maintaining such a strong balance sheet, is a real credit to our people and I'm proud of what we have achieved."

Passenger revenue decreased five percent to \$2.9 billion, driven by a four percent reduction in capacity due to fleet constraints and lower domestic demand, particularly in the corporate and government segments. Also included within passenger revenue for the half is \$10 million of credit breakage for unused customer credits considered highly unlikely to be redeemed. This compares to \$45 million of credit breakage recognised in the same period last year.

Cost control remained a key focus throughout the period, as the airline navigated aircraft groundings caused by global additional engine maintenance requirements. Despite receiving \$94 million in compensation from engine manufacturers, the airline estimates that first half earnings would have been approximately \$40 million higher had it been able to operate aircraft as intended. This financial impact reflects the adverse economics of suboptimal deployment of aircraft, significant overhead costs associated with managing disrupts and resiliency measures taken to protect market share.

Mr Foran said that while the airline is pleased to have received some compensation, it is frustrating to still be in this position.

## FORWARD-LOOKING STATEMENTS AND DISCLAIMER

This presentation is given on behalf of Air New Zealand Limited (NZX: AIR and AIR030; ASX: AIZ). The information in this presentation:

- is provided for general purposes only and is not an offer or invitation for subscription, purchase, or a recommendation of securities in Air New Zealand
- should be read in conjunction with, and is subject to, Air New Zealand's condensed Group interim financial statements ('interim financial statements') for the six months ended 31 December 2024, prior annual and interim reports and Air New Zealand's market releases on the NZX and ASX
- is current at the date of this presentation, unless otherwise stated. Air New Zealand is not under any obligation to update this presentation after its release, whether as a result of new information, future events or otherwise
- may contain information from third-parties. No representations or warranties are made as to the accuracy or completeness of such information
- refers to the six months ended 31 December 2024 unless otherwise stated
- contains forward-looking statements of future operating or financial performance. The forward-looking statements are based on management's and directors' current expectations and assumptions regarding Air New Zealand's businesses and performance, the economy and other future conditions, circumstances and results. These statements are susceptible to uncertainty and changes in circumstances. Air New Zealand's actual future results may vary



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- contains statements relating to past performance which are provided for illustrative purposes only and should not be relied upon as a reliable indicator of future performance
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**Non-GAAP financial information**

The following non-GAAP measures are not audited: CASK, Net Debt, Gross Debt, EBITDA, and RASK. Amounts used within the calculations are derived from the interim financial statements where possible. The interim financial statements are subject to review by the Group's external auditors. The non-GAAP measures are used by management and the Board of Directors to assess the underlying financial performance of the Group in order to make decisions around the allocation of resources.

Refer to slide 33 for a glossary of the key terms used in this presentation.

AIR NEW ZEALAND 2025 INTERIM RESULTS
2

## Fisher & Paykel Healthcare Corporation Limited result announcement (28 May 2025)

S&P/NZX50 13,480 ↑0.11%
S&P/NZX20 7,719 ↑0.11%
S&P/NZX10 12,903 ↑0.16%
Monday, 17 Nov 2025 11:49:06 NZDT

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**About Fisher & Paykel Healthcare**  
 Fisher & Paykel Healthcare is a leading designer, manufacturer and marketer of products and systems for use in acute and chronic respiratory care, surgery and the treatment of obstructive sleep apnea. The company's products are sold in over 120 countries worldwide. For more information about the company, visit our website [www.fphcare.com](http://www.fphcare.com).

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 +64 22 511 4050

Authorised by Fisher & Paykel Healthcare Corporation Limited's Board of Directors.

**Accompanying Documents**  
 Attached to this news release are the following additional documents:

- Results in Brief
- Annual Report 2025
- Investor Presentation 2025
- NZX Results Announcement
- NZX Distribution Notice

**Full Year Results Conference Call**  
 Fisher & Paykel Healthcare will host a conference call today to discuss the results for the 2025 financial year. The conference call is scheduled to begin at 10:00am NZST, 8:00am AEST Wednesday, 28 May (6:00pm US EDT, Tuesday 27 May) and will be broadcast simultaneously online.

To listen to the webcast, access the company's website at [www.fphcare.com/investor](http://www.fphcare.com/investor). An online archive of the event will be available approximately two hours after the webcast and will remain on the site for two weeks.

To listen and participate in the conference call via phone, please register via 'GlobalMeet' by clicking this link. Once registered, click 'Call Me' and you will receive a phone call connecting you through to the conference line.

**Non-GAAP financial information**  
 Constant currency information included within this news release is non-GAAP financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and track the company's comparative financial performance without the impacts of spot foreign currency fluctuations and hedging results and has been prepared on a consistent basis each year. The company's constant currency framework can be found on the company's website at [www.fphcare.com/ccf](http://www.fphcare.com/ccf).

Underlying net profit after tax, referenced within this news release, is a non-GAAP performance measure and is not defined or specified under the requirements of NZ IFRS. The company believes that this non-GAAP measure, which is not considered to be a substitute for or superior to NZ IFRS measures, provides stakeholders with additional helpful information on the performance of the business.

A reconciliation between reported results and constant currency underlying net profit after tax is available in the company's Annual Report 2025.

**Downloads**

- Record full-year revenue result for FY21
- Results in Brief
- FY25 Annual Report
- FY25 Investor Presentation
- NZX Results Announcement
- NZX Distribution Notice

kordia
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**KORDIA GROUP LIMITED**

Results for announcement to the market

<b>Reporting Period</b>	Year ended 30 June 2025
<b>Previous Reporting Period</b>	Year ended 30 June 2024

	Year to 30 June 2025 [NZD'000]	Year to 30 June 2024 [NZD'000]	Percentage change
Revenue from ordinary activities	146,387	147,640	(1%)
Earnings before interest, tax, depreciation and amortisation <b>(EBITDA)</b>	22,850	17,212	32.8%
Profit/(loss) after tax from continuing operations	4,968	339	1365%

**KORDIA GROUP POST FULL YEAR RESULTS**

Kordia has today announced its results for the financial year to June 2025, with the company delivering stable revenue and **EBITDA**. Highlights from the year include:

- Revenue of \$146m
- **EBITDA of \$23m, up 32.8%**
- Net profit after tax of \$5m, up 1365% on FY24
- Strong contribution from the Maritime division, with key contracts re-signed
- Stable performance from the Media business, including a renewed contract with TVNZ
- Key contracts successfully secured for the field engineering team
- Positive results for cloud services despite a competitive market

Kordia's Chair Sophie Haslem says the results show Kordia's transformation programme is taking the business in the right direction.

"Following a particularly challenging result in the prior year, Kordia undertook a significant transformation to improve operations, efficiency, and financial sustainability.

These changes are ensuring Kordia continues to remain an innovative technology leader in New Zealand for the years ahead."

## NZ King Salmon Investments Limited result announcement (27 March 2025)

S&P/NZX50 13,484 ↓ 0.18% S&P/NZX20 7,698 ↓ 0.27% S&P/NZX10 12,855 ↓ 0.35% Wednesday, 03 Dec 2025 11:02:21 NZDT

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HOME / ANNOUNCEMENTS / NZ KING SALMON INVESTMENTS LTD RELEASES FY25 RESULTS

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### NZ King Salmon Investments Ltd releases FY25 results

27/03/2025, 08:30 NZDT, FLLYR

27 March 2025

NZX/ASX Code: NZK

NZK - NEW ZEALAND KING SALMON INVESTMENTS LIMITED ANNOUNCES FY25 RESULT

New Zealand King Salmon Investments Limited has published its financial result for the year ended 31 January 2025.

Please find the following materials attached:

1. NZK - FY25 Media Announcement
2. NZK - Results Announcement
3. NZK - FY25 Annual Report
4. NZK - FY25 Investor Presentation

New Zealand King Salmon Investments Ltd (NZX & ASX: NZK) reports its financial performance for the year ended 31 January 2025 (FY25). Key points include:

- FY25 net profit for the year of \$13.4 million, compared to a net profit for the year of \$28.5 million in FY24.
- **FY25 Pro-Forma EBITDA was a profit of \$29.7 million, compared to an EBITDA profit of \$24.5 million in FY24.**
- Revenues increased from \$187.1 million in FY24 to \$210.9 million in FY25 (an increase of 13%).

New Zealand King Salmon Chair Mark Dewdney said: "We have continued to make solid improvement during FY25. Our teams throughout the business have worked incredibly hard during the year, and our strong financial performance is a credit to them. Our strong balance sheet gives us the confidence and ability to invest in our future growth plans, which are anchored by our Blue Endeavour open ocean farm."

"Looking toward FY26, we were pleased to announce our entry into a significant, multi-year government partnership under the Ministry for Primary Industries Sustainable Food and Fibres Futures fund. This will greatly assist our growth investments in the years ahead. Unfortunately, on the other hand we have experienced elevated mortality as we start FY26, following two summers of low mortality. This elevated mortality will result in a reduction in both our harvest and earnings for FY26. These events can occur in primary sector businesses, and this is why we need to maintain a strong balance sheet. This combined with a strong focus on risk will ensure we can continue to pursue our growth strategy. We are confident that we can do this."

New Zealand King Salmon Chief Executive Officer Carl Carrington said: "While we are pleased with the continued improvements to our financial performance, our investment into our new strategy, understanding our organisational capabilities and our risk management framework is designed to prepare our company to achieve further growth and improvements in terms of our market potential, consumer demand for King salmon remains high. We see major growth opportunities in key markets, such as North America, Australia and China. We are actively planning sales and market development to ensure the increased supply from Blue Endeavour meets growing demand."

Acknowledging the above, Carl noted, "The foundation of our success will always be our fish. Maintaining our 'fish come first' approach is essential, as healthy, thriving fish are key to both our growth and long-term sustainability. By prioritising their welfare, we safeguard our stable core business and drive steady improvements — one eye on the now, and the other on the future. This is underpinned by our new strategic purpose statement 'towards a healthier tomorrow'. FY26 is shaping up to be an exciting year for New Zealand King Salmon with the Blue Endeavour opportunity becoming operational, albeit on a pilot scale. We are scheduled to have our Blue Endeavour fish at the Waihiwai site in April, with these fish being transferred to the Blue Endeavour site in October, this represents another important milestone for the Company."

- **The Board is providing Pro-Forma EBITDA guidance in a range of \$15m - \$24m for FY26.**

Authorised by:

Board of Directors of New Zealand King Salmon Investments Limited

For investor or analyst queries, please contact:



26 August 2025

**THE NEW ZEALAND MERINO COMPANY LIMITED (NZMC) ANNOUNCES ANNUAL RESULT YEAR ENDED 30 JUNE 2025**

**Key points**

- **EBIT<sup>1</sup>** of \$1.23 million, up \$3.86 million on last year
- NPAT of \$0.16 million, up \$3.45 million on last year
- Net operating cashflow up \$9.85 million on last year, to \$15.75 million
- No trade facility debt at 30 June 2025, down from \$10.00 million of borrowings a year ago
- 85,000 bales sold, with 69% into contract, down from 115,000 bales last year
- No dividend declared for year-ended 30 June 2025, in-line with dividend policy

The 2025 financial year has delivered an improved result for NZMC, with a return to profitability despite the continued challenges facing the wider industry.

A year into the three-year EpicFibre strategy, NZMC has made progress on right-sizing the cost base of the business, invested in systems and resources to drive efficiencies, effectively managed business reputation and commercial risk, and refocused back on the core business of wool.

**Business performance**

The volume of wool sold by NZMC totalled 85,000 bales, down from 115,000 last year, with the percentage of bales going into contract increasing to 69.2%, up from 54.9% in the prior year.

NZMC has recorded an **EBIT<sup>1</sup>** result of \$1.23 million for the year ended 30 June 2025, up \$3.86 million on last year, driven by continuing improvements in supply-chain pull-through and a focus on strong cost management.

The improved trading performance, cash management and lower bank interest rates have resulted in a significant reduction in the cost of borrowing, with bank interest costs<sup>2</sup> down 66% to \$0.57 million.

<sup>1</sup> EBIT is profit before income tax with net finance costs added back  
<sup>2</sup> Bank interest costs exclude interest on lease liabilities

The New Zealand Merino Company Limited  
 Level 2, 123 Victoria Street, Central City, Christchurch 8013, New Zealand  
[www.nzmerino.co.nz](http://www.nzmerino.co.nz)

# Endnotes

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