



CK Infrastructure Holdings Limited

# INTERIM RESULTS 2025

13 AUGUST 2025

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# Key Messages

## Solid Financial Performance in 1H25

- Profit contributions from operations **+6% y-o-y**
- Profit attributable to shareholders was **+1% y-o-y** to **HK\$4.3 billion** in 1H25

## Sustainable Dividend Growth

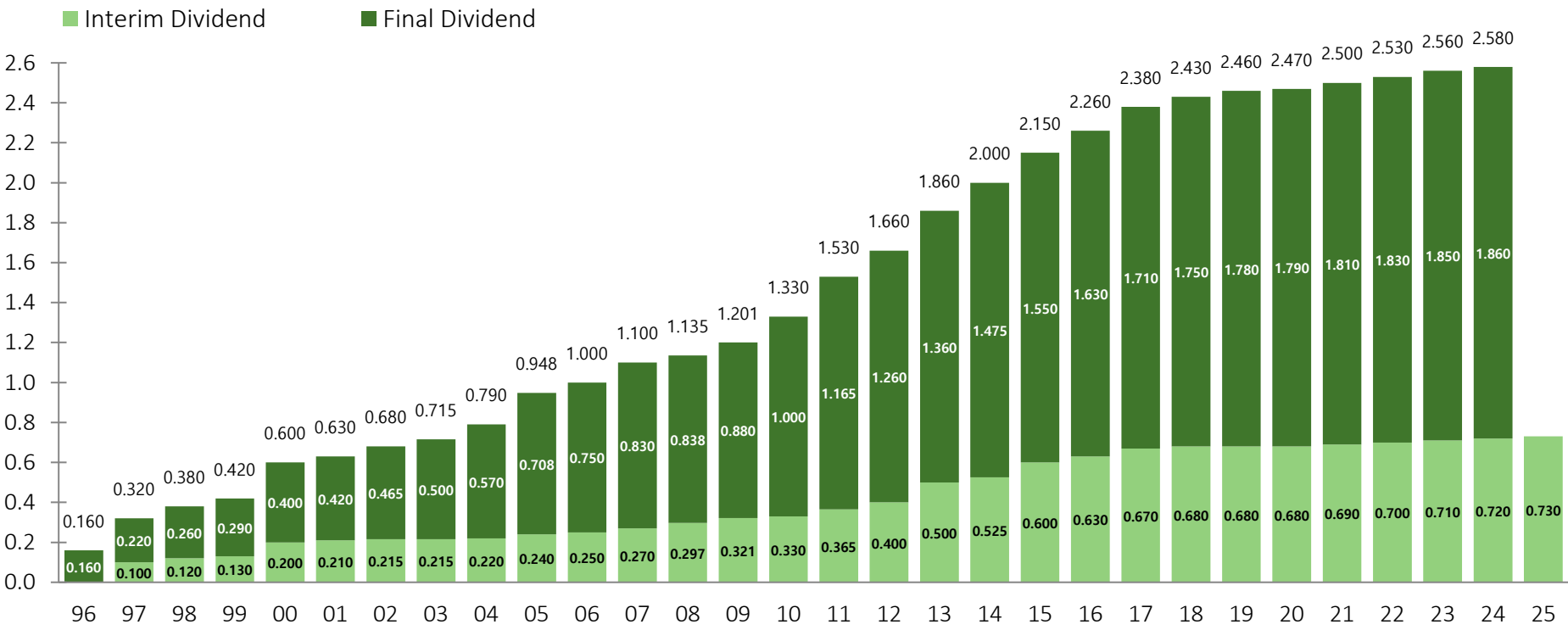
- Interim DPS at HK\$0.73 per share (+1% y-o-y)

## Promising Organic Growth and M&A Opportunities

- Regulated business portfolio is expected to have solid asset bases' growth in coming years
- Key contracted businesses is delivering solid growth
- Market dynamic is favorable for CKI to acquire new businesses

# Sustainable Dividend Growth

## Dividends per Share (HK\$)





# FINANCIAL REVIEW AND FINANCIAL MANAGEMENT



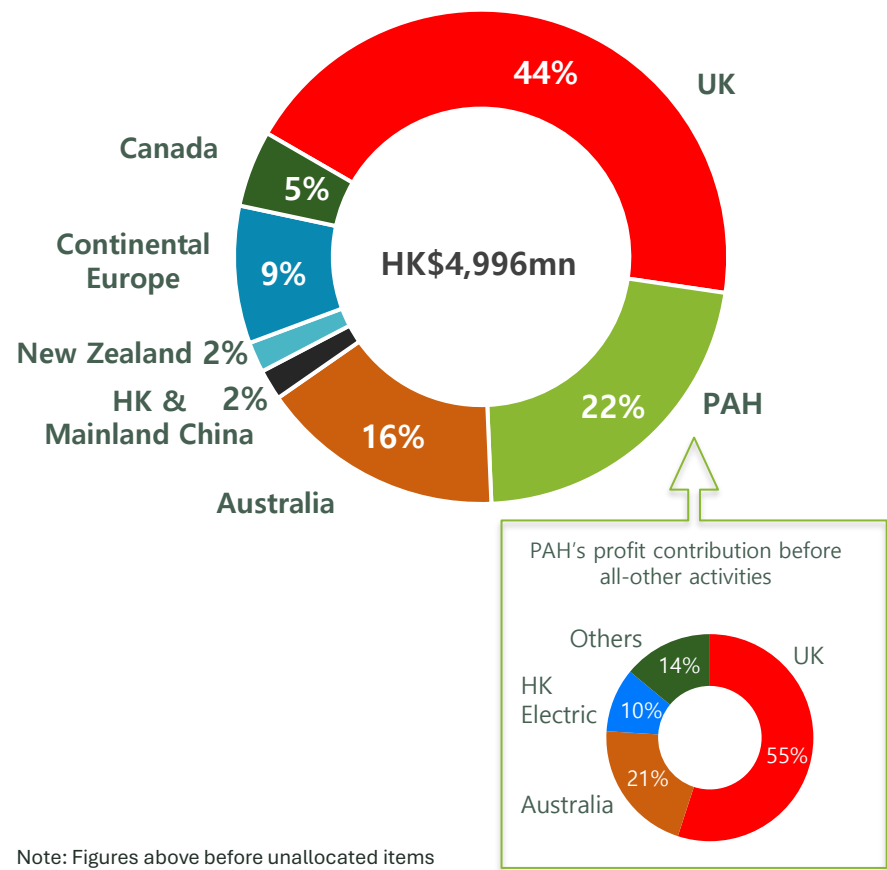
# 2025 Interim Results Overview

(in HK\$ million)	1H25	1H24	Change
Investment in Power Assets (PAH)	1,095	1,082	+1%
United Kingdom portfolio	2,223	1,865	+19%
Australia portfolio	793	864	-8%
Continental Europe portfolio	432	419	+3%
Canada portfolio	275	301	-9%
New Zealand portfolio	80	80	0%
HK & Mainland China portfolio	98	96	+2%
<b>Total Contribution from Businesses</b>	<b>4,996</b>	<b>4,707</b>	<b>+6%</b>
Treasury Related Activities & Others	(429)	(177)	-142%
Distribution to Perpetual Securities	(219)	(219)	0%
<b>Profit Attributable to Shareholders</b>	<b>4,348</b>	<b>4,311</b>	<b>+1%</b>
<b>Earnings per share (HK\$)</b>	<b>1.73</b>	<b>1.71</b>	<b>+1%</b>

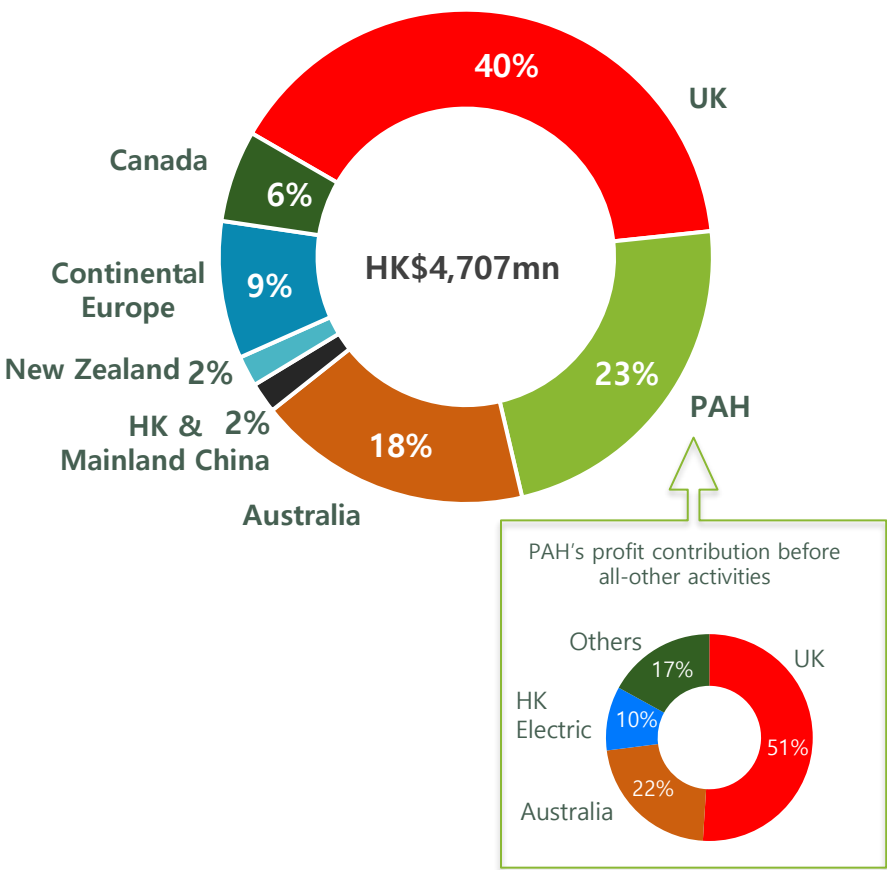
- Solid performance from international businesses and HK Electric
- +17% y-o-y in local currency term (LC)
- Strong performances across the major businesses, particularly Northumbrian Water, the Group's three gas distribution networks and UKPN
- -5% y-o-y in LC
- Lower contribution from Energy Developments due to expiry of various lucrative contracts and lower electricity prices than the highs in previous year
- Solid operating performances for Australian Gas Infrastructure Group and Victoria Power Networks
- Flat y-o-y in LC
- Strong performance for ista in 1H25
- Phase one reconstruction of Dutch Enviro Energy's waste-to-energy plant in Rosenberg has been completed
- -5% y-o-y in LC
- Lower contribution from Canadian Power
- Reliance Home Comfort reported good growth
- +4% y-o-y in LC
- Strong performance for Enviro NZ
- Steady performances for both Mainland China operation and the material businesses
- Lower exchange gains and higher net finance costs y-o-y

# Profit Contribution by Region

## 1H2025



## 1H2024



# Group Financial Positions

		Jun 30, 2025	Dec 31, 2024
Cash on Hand (HK\$ million)		4,721	8,105
Debts (HK\$ million)		20,706	19,241
Net Debt (HK\$ million)		15,985	11,136
Total Equity (HK\$ million)		135,235	131,243
Net Debt to Net Total Capital ratio	Group level	10.6%	7.8%
	Look through basis <sup>1</sup>	48.7%	47.0%

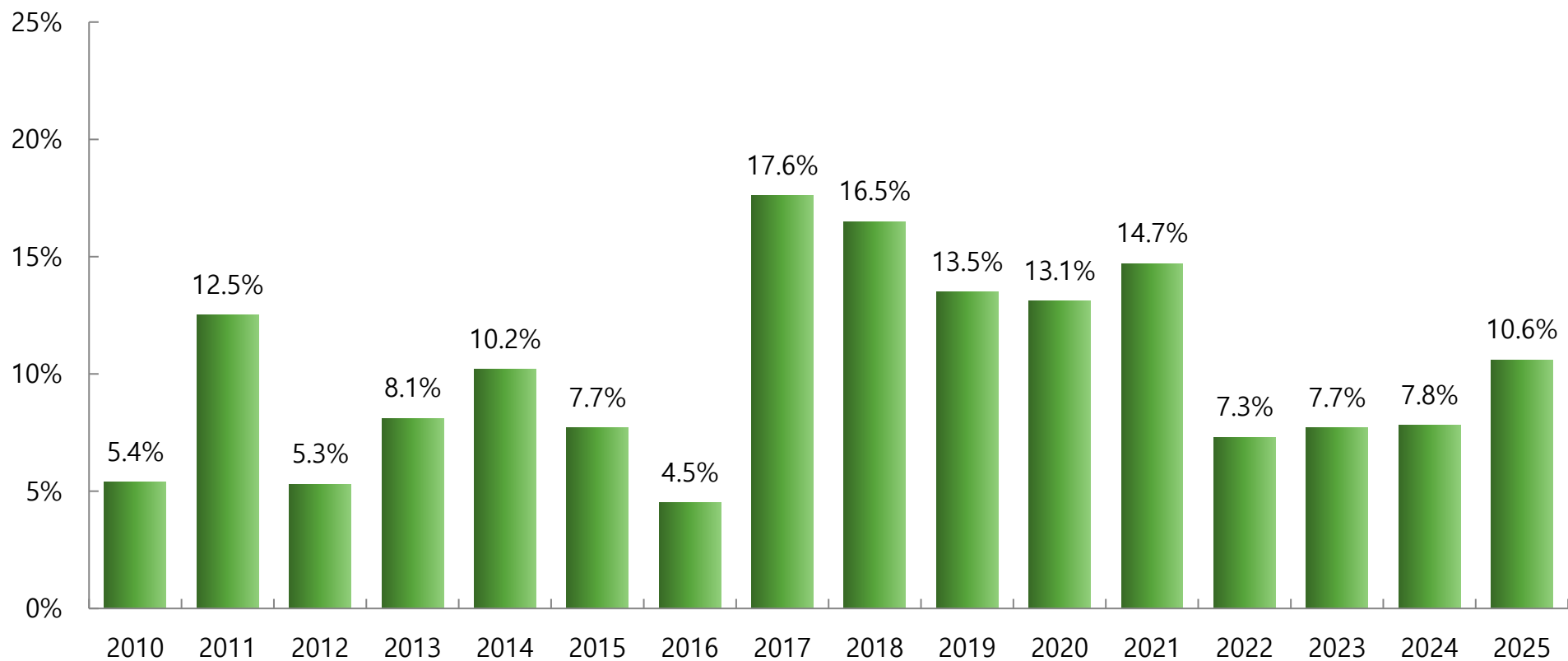
Note:

1. Include sharing of net debt in infrastructure investment portfolio on a look-through basis



# Gearing Ratio Since 2010

Net Debt / Net Total Capital



# Credit Rating and Debt Maturity

## Credit Rating

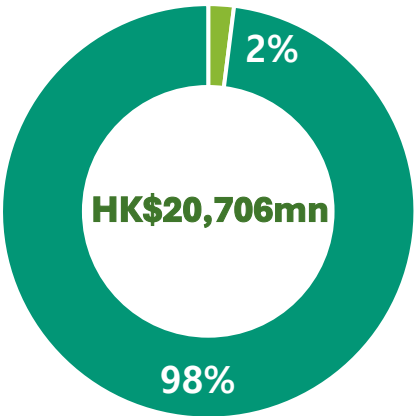
**A/Stable by S&P**

*Last updated on 19 February 2025*

"A-" or above by S&P since 1997

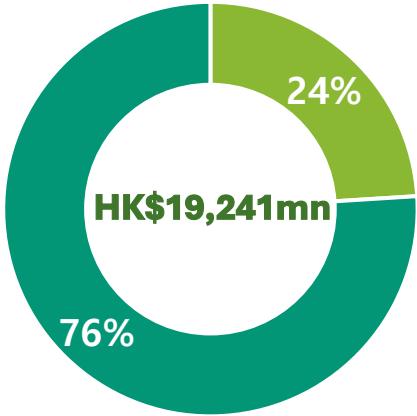
## Debt Maturity Profile

**30 June 2025**



■ Within 1 year   ■ 2-5 years

**31 Dec 2024**



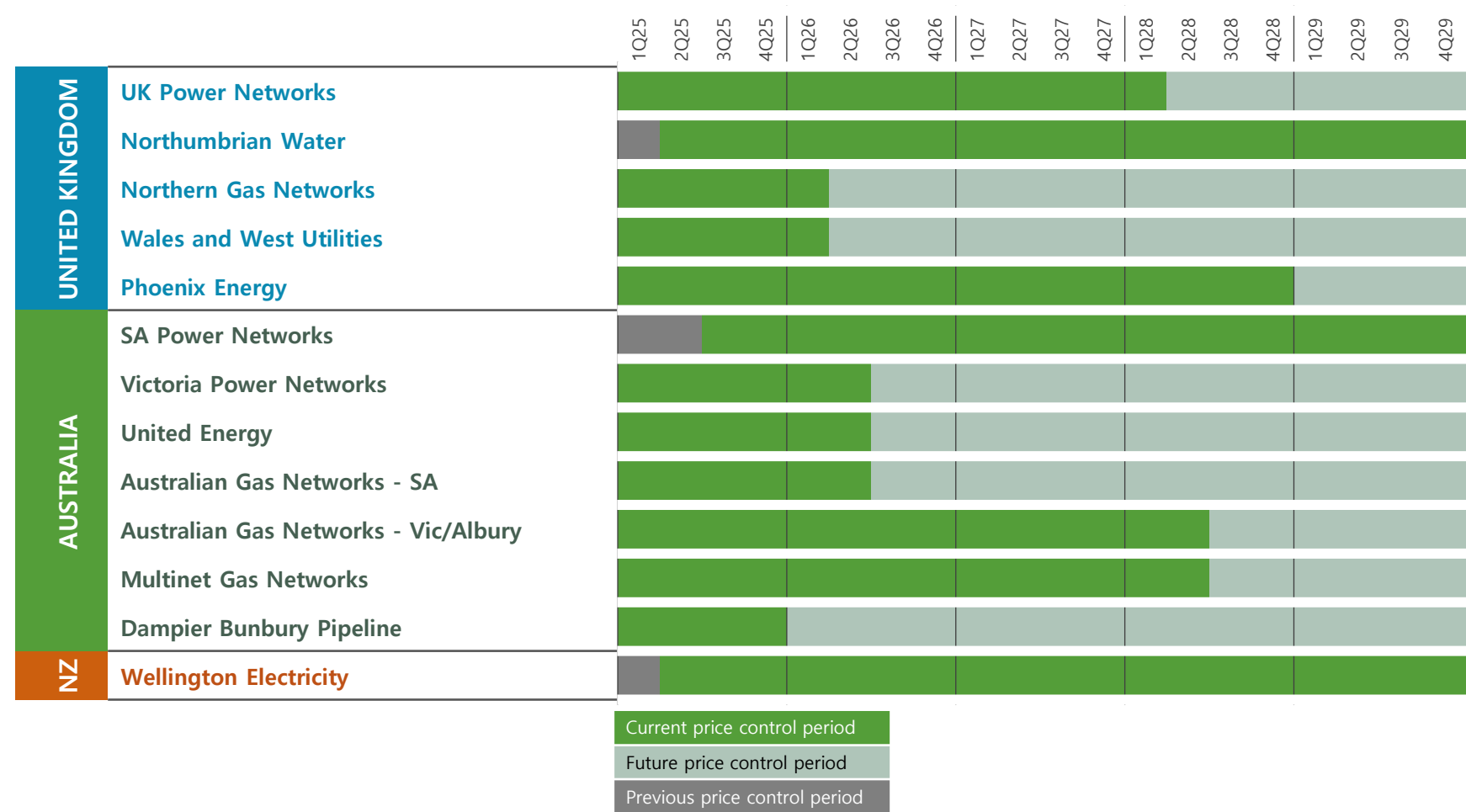
■ Within 1 year   ■ 2-5 years

# INTERNATIONAL BUSINESSES UPDATES

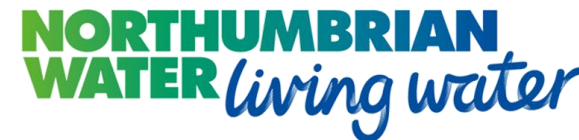


# Regulatory Resets Timetable

Nine of the 13 businesses will have their regulatory resets between 2025-26



# UK Portfolio – Regulatory Resets for Water



- Northumbrian Water, alongside several other water companies, is currently appealing to the Competition and Markets Authority (CMA) against the water regulator's PR24 Final Determination (FD)
- The CMA's final decision is expected in December 2025, but no later than early 2026

## Comparison of FDs: PR24 (2025-2030) vs PR19 post-CMA decision (2020-2025)

	Totex allowance <sup>1</sup> (£ billion)	Allowed return on equity (real)	Allowed cost of debt (real)	Allowed return on capital <sup>2</sup> (real)
PR24 FD	6.8	5.10%	3.15%	4.03%
PR19 post-CMA decision	3.9	4.73%	2.18%	3.20%
Difference	+74%	+37bps	+97bps	+83bps

Source: Ofwat

### Note:

- Totex allowances presented in 2024/25 prices
- Appointee WACC, including a 6bps retail margin



# UK Portfolio – Regulatory Resets for Gas Distribution

- NGN and WWU – the RIIO-GD3 process is underway with business plan submissions completed in December 2024 and Draft Determinations published by Ofgem in July 2025. The new regulatory period will start on 1 April 2026 for five years



Totex allowance<sup>1</sup>  
GBP1,568 million



Totex allowance<sup>1</sup>  
GBP1,502 million

Comparison: RIIO-GD2 FD (2021-2026) vs RIIO-GD3 DD (2026-2031)

	Allowed return on equity (real)	Implied real cost of debt	Allowed return on capital (real)
RIIO-GD3 Draft Determination	6.04%	3.00%	4.22%
RIIO-GD2 Final Determination	4.30%	1.88%	2.85%
Difference	+174bps	+112bps	137bps

Source: Ofgem

Note:

- RIIO-GD3 Draft Determination Totex allowances, in 2024/25 prices and post efficiency adjustments

# Australia Portfolio – Regulatory Reset for SA Power Networks

SA Power Networks commenced its new regulatory period on 1 July 2025. Overall, the final decision from the Australian Energy Regulator (AER) awarded higher total expenditure and allowed returns for the 2025 to 2030 regulatory period.



## Comparison of the FDs between 2025-2030 and 2020-2025

	Revenue allowance <sup>1</sup> (A\$ billion)	Capex allowance <sup>2</sup> (A\$ billion)	Allowed return on equity (nominal)	Allowed cost of debt <sup>3</sup> (nominal)	Allowed return on capital <sup>3</sup> (nominal)
2025-2030 FD	5.3	2.3	8.33%	4.66%	6.12%
2020-2025 FD	3.9	1.6	4.56%	4.87%	4.75%
Difference	+34%	+41%	+377bps	-21bps	+137bps

Source: AER

### Note:

1. Revenue allowances are presented in nominal figures, and do not reflect actual inflation, cost of debt updates, passthroughs or other adjustments
2. Capex allowance for 2020-25 and 2025-30 periods are presented in 2019-20 prices, and 2024-25 prices, respectively
3. Allowed cost of debt as at the start of each regulatory control period. The actual cost of debt is updated annually

# M&A Outlook

## M&A pipeline remains robust

- Increasing backlog from stalled deals and closed-end funds nearing maturity
- Changing financial profile of certain asset classes unlocking new targets
- Public market valuations in certain geographies and industries conducive to take-privates and asset disposals, and have focused sellers on M&A as the primary exit option

## Less competitive sale processes

- Financial investors have become more selective given fundraising challenges, the need to return capital before deploying new capital, as well as higher return requirements
- In addition to value, deal certainty is becoming increasingly important to sellers
- Processes are increasingly tailored to accommodate buyer diligence and timelines

## CKI is well positioned to take advantage of a “buyer’s market”

- We see opportunities to acquire quality assets at reasonable valuations given our ability to take a long-term view, add value from an operational expertise perspective, and manage energy transition considerations
- We will, however, maintain our investment discipline and not have a “must-win” attitude

# SUSTAINABILITY UPDATES



# Sustainability Updates

## Sustainability Progress in 2025

- **Decarbonisation continues**
  - The Group's scope 1 and 2 emission -6.0% y-o-y and -15.6% versus our baseline in 2020
  - On track to achieve the Group's targets
- **Capture energy transition opportunities and invest in future resilience and efficiencies**
  - Unwavering commitment to invest in energy transition
  - Total spending on sustainable activities amount to HK\$15.2 billion<sup>1</sup> in 2024
- **Enhancement in sustainability disclosures**
  - With the new HKEX ESG Reporting Code effective from 1<sup>st</sup> January 2025, the Group is looking forward to further enhancements in FY2025 disclosure

## Latest ESG Ratings



**BBB**  
*(upgraded from BB in Dec 2024)*



**51**



**29.5 (Medium Risk)**  
*(Last updated in July 2025)*



**B** on Climate Change  
**A-** on Supplier Engagement  
Assessment



Hang Seng Corporate  
Sustainability Index Series

**A**

Note:


1. Include investment made by CKI and its partners, capex and operating expenditures for the businesses on a 100% basis



# Low-carbon Transition Plan


## Transition Levers

1




**Decarbonising Our Generation Portfolio:**  
Phasing out coal and prioritising renewable energy sources

2




**Modernising and Digitalising Electricity Networks:**  
Enhancing grid efficiency and reliability

3




**Promoting the Reduction & Recovery of Methane and Carbon Dioxide:**  
Targeting emissions at their source

4




**Embracing the Hydrogen Economy:**  
Supporting the development and adoption of hydrogen as a clean energy source

5



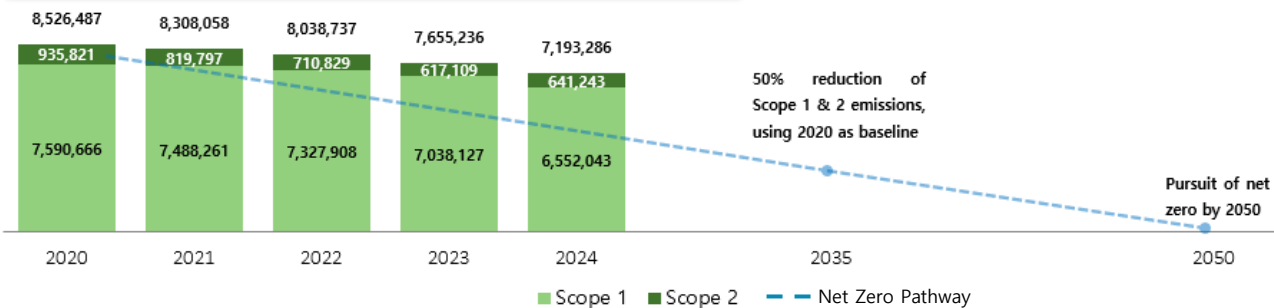
**Operating in a Resource-saving Manner:**  
Minimising waste and optimising processes

6

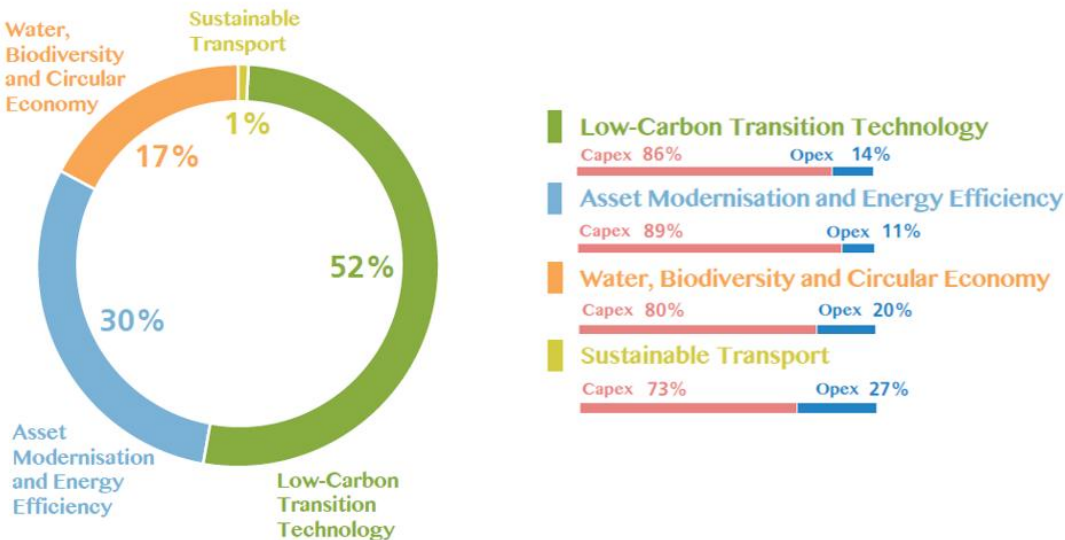


**Developing Cleaner Methods to Produce Products and Deliver Services:** Innovating across the value chain to minimise environmental impact

## Performance against Targets (tCO<sub>2</sub>e)



## Total Spending on Sustainable Activities in 2024 :HK\$ 15.2 billion

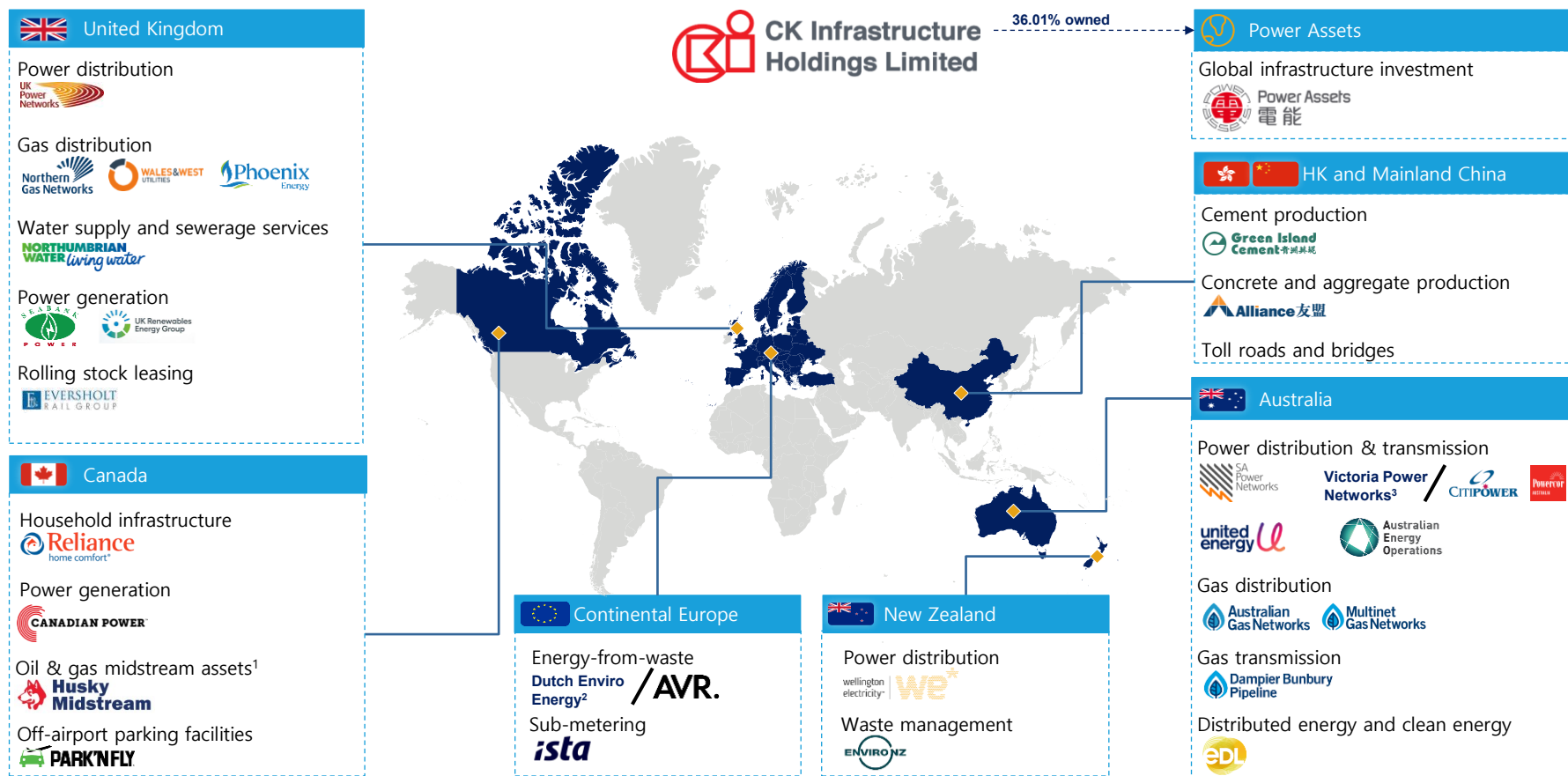


# APPENDICES



# Appendix 1 – Diversified Global Infrastructure Company

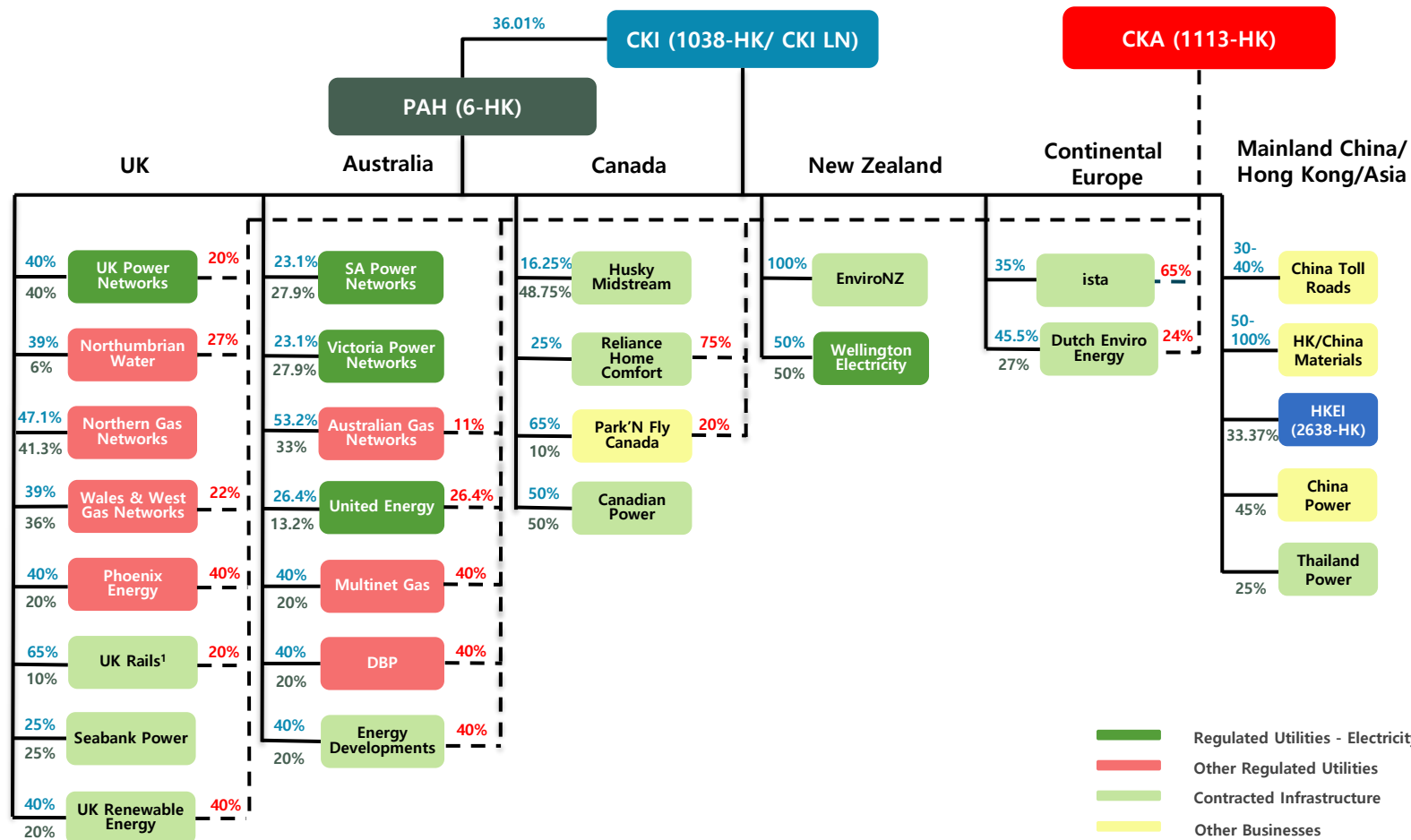
## Portfolio businesses across geographies and asset classes



### Notes:

1. Also referred to as Canadian Midstream Assets
2. Dutch Enviro Energy owns AVR
3. Victoria Power Networks is the holding company of Powercor and CitiPower






# Appendix 2 – The CK Group Infrastructure Portfolio



Note:

- CKHH's profit sharing interest in CKI is 75.67%
- The percentages above represent the economic interests from each project (CKI in blue, PAH in grey and CKA in red)
- 1. The Group entered into an agreement to divest UK Rails

# Appendix 3 - UK Regulated Businesses

				
Regulatory Asset Value <sup>1</sup>	Regulatory Capital Value <sup>1</sup>	Regulatory Asset Value <sup>1</sup>	Regulatory Asset Value <sup>1</sup>	Total Regulatory Value <sup>1</sup>
£8.6 billion as of 31 Mar 2024 (+6% y-o-y)	£5.4 billion as of 31 Mar 2024 (+7% y-o-y)	£2.9 billion as of 31 Mar 2024 (+5% y-o-y)	£2.9 billion as of 31 Mar 2024 (+5% y-o-y)	£0.8 billion as of 31 Dec 2024 (+1% y-o-y)
<ul style="list-style-type: none"><li>▪ Best performer in the UK electricity distribution sector</li><li>▪ Healthy balance sheet and strong credit rating, providing good headroom to support future investment</li></ul>	<ul style="list-style-type: none"><li>▪ Listed for 13<sup>th</sup> time as one of the World's Most Ethical Companies (Ethisphere Institute, March 2025)</li><li>▪ One of only two water companies in Great Britain with zero serious pollutions in 2024 (EA report, July 2025)</li></ul>	<ul style="list-style-type: none"><li>▪ The RIIO-GD3 process is underway with business plan submissions completed in December 2024 and Draft Determinations published by Ofgem in July 2025. The new regulatory period will start on 1 April 2026 for five years</li></ul>	<ul style="list-style-type: none"><li>▪ Solid contribution to the Group since acquisition</li></ul>	










Note:  
1. Companies' information and presented on a 100% basis



# Appendix 4 - Australia and NZ Regulated Businesses

## Electricity Distribution

Excellent operational performances – top ranks in the regulator’s benchmarking report<sup>1</sup>  
All our electricity distribution networks will have regulatory resets in 2025-2026

 	 	 	 	
Regulatory Asset Base <sup>2</sup>	Regulatory Asset Base <sup>2</sup>	Regulatory Asset Base <sup>2</sup>	Regulatory Asset Base <sup>2</sup>	Regulated Asset Base <sup>2</sup>
A\$5.3 billion as of 1 July 2025 (+3% y-o-y)	A\$8.1 billion as of 30 Jun 2024 (+9% y-o-y)	A\$2.9 billion as of 30 Jun 2024 (+8% y-o-y)	A\$2.9 billion as of 30 Jun 2024 (+8% y-o-y)	NZ\$0.8 billion as of 31 Mar 2024 (+5% y-o-y)

## Gas Distribution

	Regulatory Asset Base <sup>3,4</sup> A\$4.1 billion as of 30 Jun 2024 (+5% y-o-y)		Regulatory Asset Base <sup>3</sup> A\$1.6 billion as of 30 Jun 2024 (+10% y-o-y)
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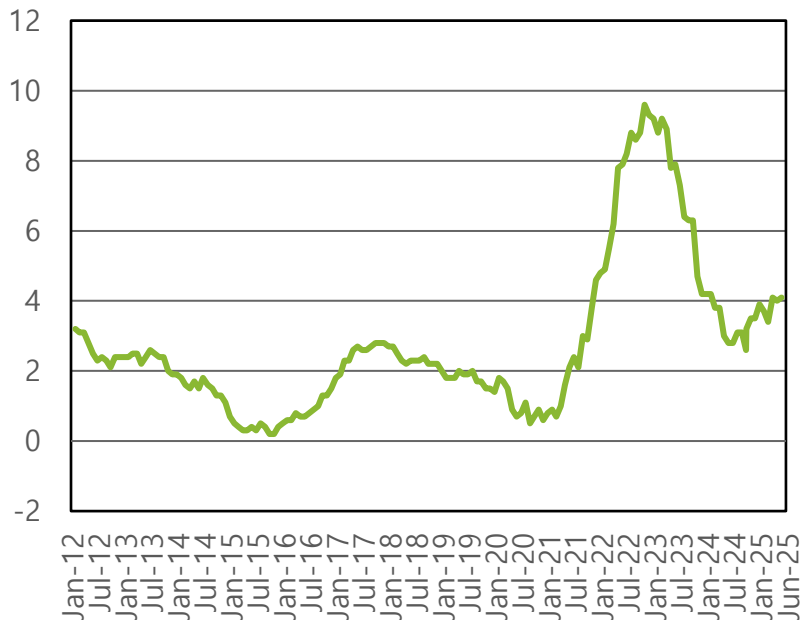
Note:

- 1. Based on Australian Energy Regulator’s Annual Benchmarking Report 2024
- 2. Companies’ information and presented on a 100% basis. The Regulated Asset Base includes assets used to provide standard control services and alternative control services
- 3. Companies’ information and presented on a 100% basis.
- 4. Australian Gas Networks’ Regulatory Asset Base reflect operations in Australian Gas Networks (South Australia) and Australian Gas Networks (Victoria & Albury) only

# Appendix 5 – Inflation Impact to Regulated Businesses

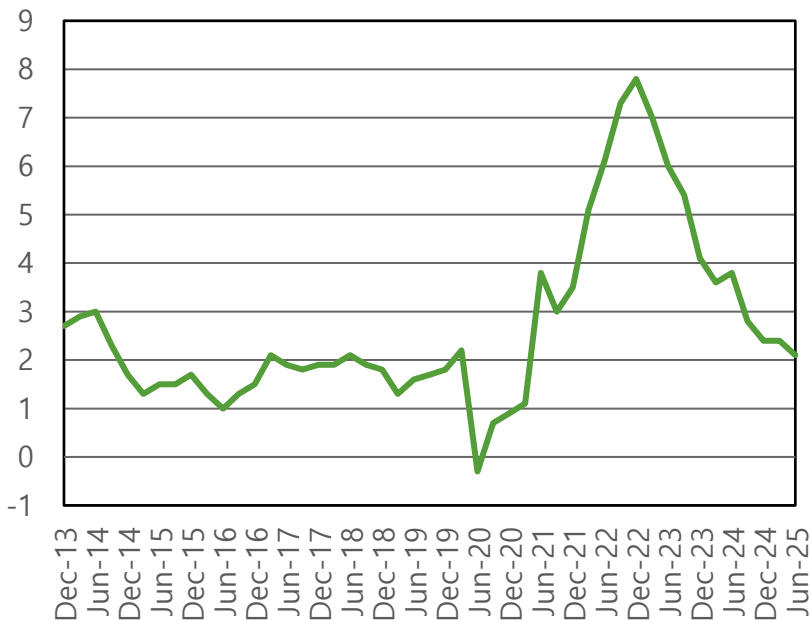
Higher inflation would translate into higher revenue and regulated asset bases for our regulated businesses in the UK and Australia in long run

UK CPIH Year-on-Year change (monthly data)








Source: Office for National Statistics UK

Australia CPI Year-on-Year change (quarterly data)



Source: Australian Bureau of Statistics

# Appendix 6 - Plays a Critical Role in Energy Transition

1	 Modernising electricity networks	Decoupling demand from emissions, 100% of power distribution businesses to invest in smart energy solutions
2	 Innovative diversified portfolio	Green and transition technologies implemented across business units as part of individual decarbonisation plans
3	 Operating gas networks and advocating green hydrogen and biomethane application	A critical transition fuel in the Australian and UK net zero plans <sup>1</sup> as the lowest emission hydrocarbon
4	 Ensuring high asset integrity	Strengthening asset resilience against future climate risks with a proven system reliability and safety record
5	 Supporting a just transition	Dedicated to improving social wellbeing throughout value chain through initiatives include fundings for vulnerable customers, innovation projects to identify those in needs and educational programmes on energy savings

Note:

1. As set out in Australia’s Future Gas Strategy (May 2024), gas will support the economy’s transition to net zero. In the UK, its Energy Security Plan (April 2023) denotes that natural gas will continue to play a critical but different role in our energy system for decades to come.

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