

FY18 Q4 Performance Report

18 July 2018



Q4 FY18 Performance Summary

Customer

- Customer churn fell nearly 4 percentage points on the prior comparable period (pcp) to 18% and customers with more than one product were up by 5,181. Netback fell 5% on pcp to \$82/MWh due to increased investment in marketing and business sales teams, and increased B2B volumes.
- Total electricity sales volume was up 9% to 1,642 GWh, B2B increased 23%, offset by a 1% fall in residential sales volumes.
- Total gas sales volume was up 12% to 2.1 PJ, B2B up 16%, and total LPG sales volume up 119% on pcp.

Wholesale

- Tekapo's 80 MW generator returned to service on 2 June with Lake Tekapo storage at 144% of average.
- Average generation price received was \$84/MWh. LWAP/GWAP ratio was down 5 percentage points to 98%, a positive result.
- Total generation volume was down 16% on pcp to 1,603 GWh. Carbon emissions were down 14% on pcp to 454 ktCO².

Kupe

- Field production for the quarter was 83% of maximum capacity, down 13 percentage points on pcp, partly due to a 4.5 day plant outage and lower demand from generation. Gas production was down on pcp from 3.0 PJ to 2.7 PJ.
- LPG sales were up 8% on pcp to 11.8 kt with LPG yield at 4.29 t/TJ of gas produced, up 14% on pcp.
- 196 kbbl of oil sales were recorded, down 21% on pcp. Average spot price for oil was up 50% on pcp, to USD74/bbl.



Genesis' investment in brand and Energy Management products and service levels are having a measurable impact on brand perception, resulting in below market churn rates.

James Magill, Executive General Manager Product Marketing



Customer Segment Performance

Highs

Customer Churn¹

Down from 21.1% Q4 FY17 to 17.5% **3.6 ppt**

737 GWh

B2B electricity sales **22.8%**

Customer > 1 Product

5,181 up on Q4 FY17 **5.0%**

2.1 PJ

Total gas sales volumes **12.3%**

1,642 GWh

Total Electricity retail sales volumes **9.0%**

10%

Genesis Brand Net Promoter score climbs **9 ppt**

Lows

851 GWh

Residential electricity sales volume **1.2%**

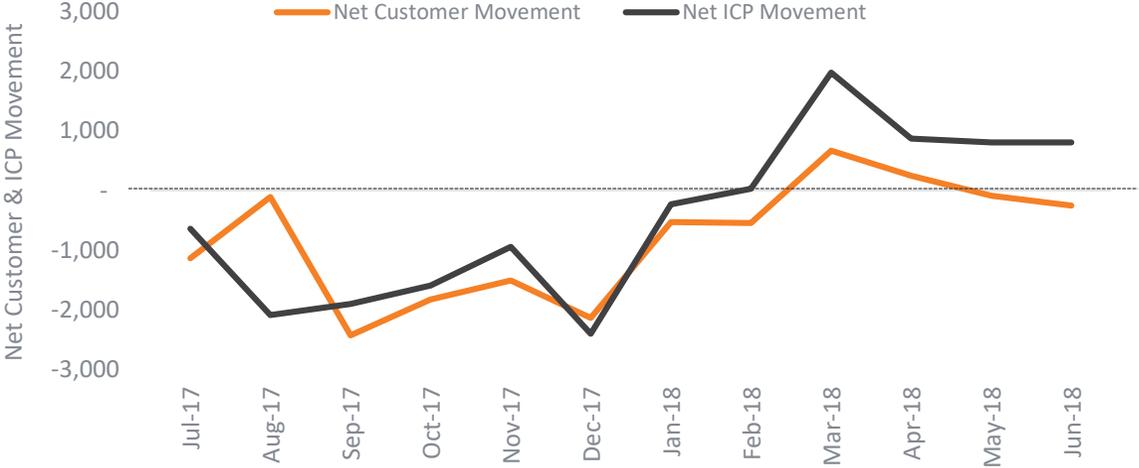
\$82/MWh

Netback down due to B2B volume increase & investment in growth **5.1%**

0.7 PJ

Residential gas sales volume **1.2%**

NET CUSTOMER & ICP MOVEMENT (ALL FUELS)



1. Based on losing and gaining accounts under a Single Customer View



Wholesale Segment Performance

Highs

\$84/MWh
Average price received for generation **↑ 6.1%**

Tekapo
80 MW returned to service on 2 June 2018

LWAP / GWAP
Ratio down due to portfolio optimisation **↓ 5 ppt**

283 ktCO2
Generation emissions down **↓ 13.7%**

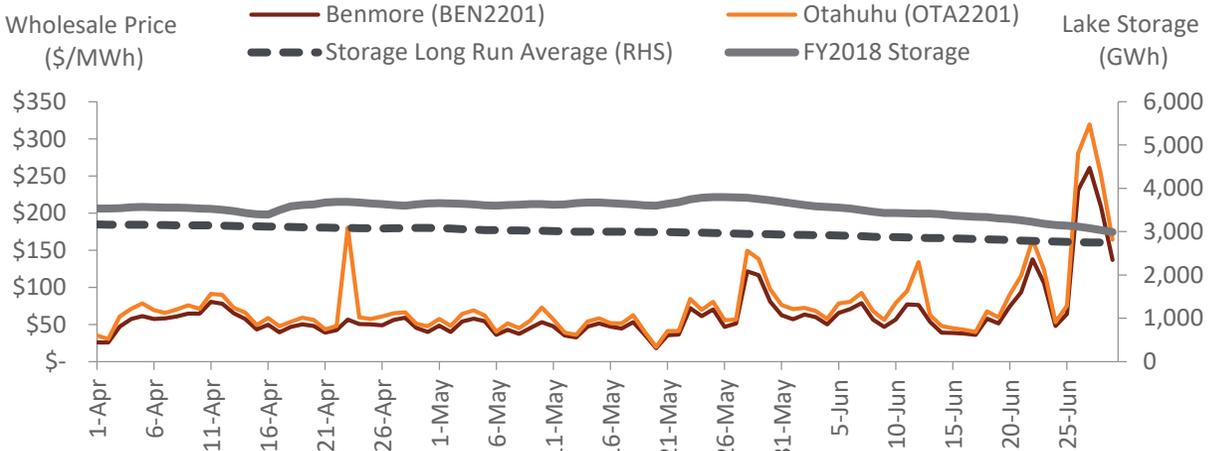
310 kilotonne
Huntly coal stockpile inventory levels optimised **↓ 11.0%**

Lows

86.5%
Equipment Availability Factor (EAF) down **↓ 7.1%** partly due to Tekapo outage

727 GWh
Renewable generation down partly due to Tekapo outage **↓ 12.7%**

DAILY AVERAGE WHOLESALE PRICES & NATIONAL HYDRO

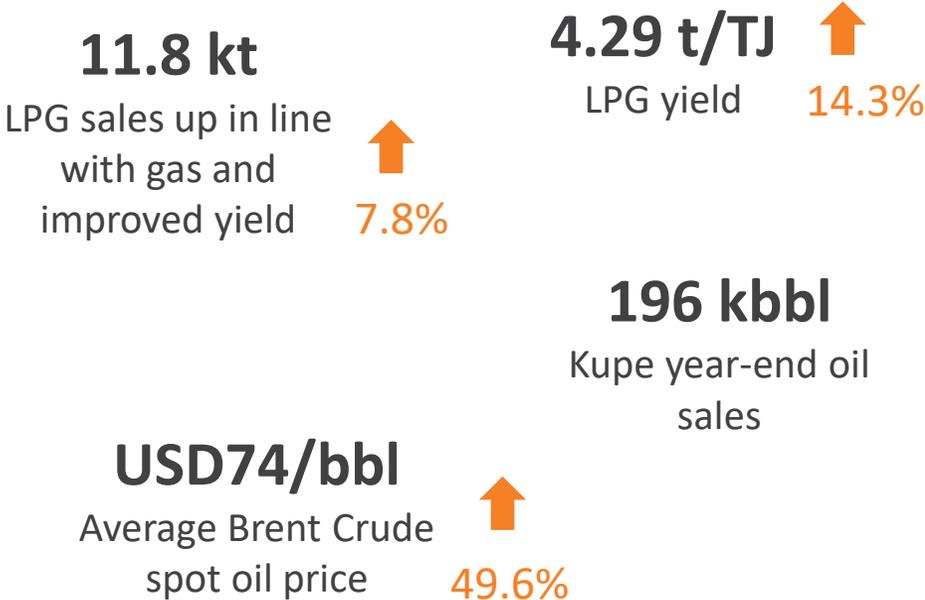


Source: COMIT/Genesis Energy

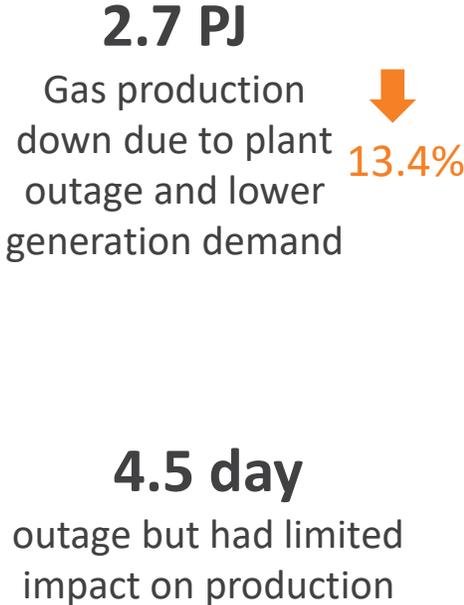


Kupe Segment Performance

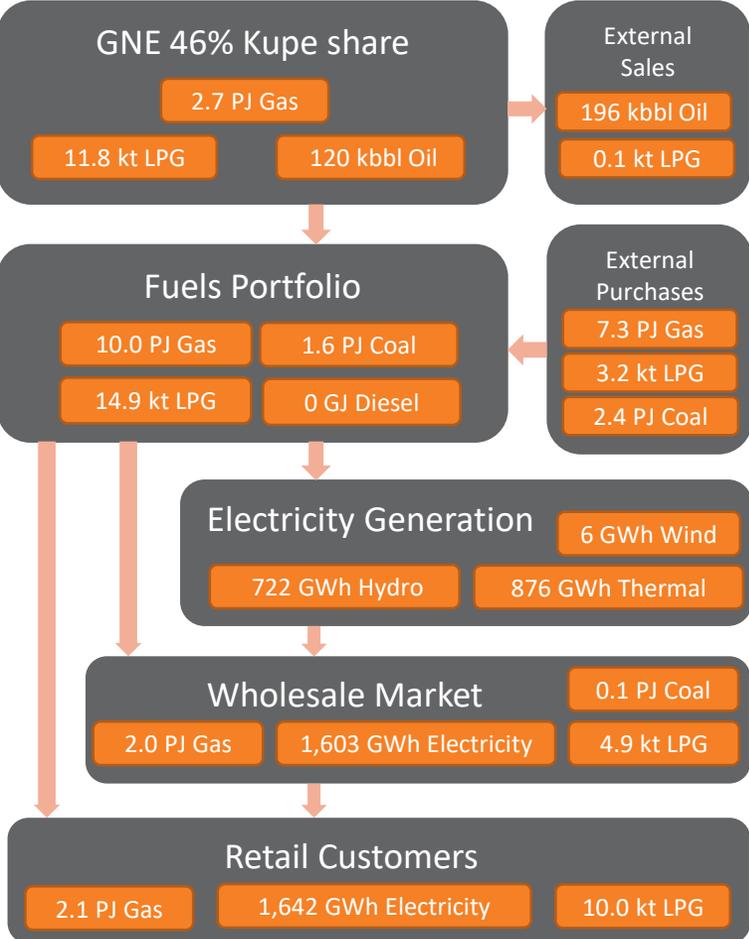
Highs



Lows



Q4 INTEGRATED PHYSICAL ENERGY FLOWS¹



1. LPG difference represents movement in storage



Glossary

CUSTOMER	
Brand Net Promoter Score	Based on survey question "How likely would you be to recommend Genesis Energy/Energy Online to your friends or family?"
Electricity Market Share	Market share based on Electricity Authority data for the end of quarter
Gas Market Share	Market share based on Gas Industry Company data for the end of quarter
Customers	Electricity and gas customers are defined by single customer view, regardless of number of connections (ICP's)
Single Customer View	Represents unique customers which may have multiple ICP's
ICP	Installation Connection Point, a connection point that is both occupied and has not been disconnected (Active-Occupied)
Customer Churn	Based on losing and gaining accounts under a Single Customer View
MVP	Minimal Viable Product
Resi, SME, C&I	Residential, small and medium enterprises and commercial & industrial customers
Volume Weighted Average Electricity Selling Price - \$/MWh	Average selling price for customers including lines/transmission and distribution and after prompt payment discount
Volume Weighted Average Gas Selling Price - \$/MWh	Average selling price for customers including lines/transmission and distribution and after prompt payment discount
Average Retail Electricity Purchase Price - LWAP (\$/MWh)	Excludes settlements from electricity derivatives.
LPG Customer Connections	Defined as number of customers
Bottled LPG Sales (tonnes)	Represents 45kg LPG bottle sales
Other Bulk and SME LPG Sales (tonnes)	Represents bulk, 3rd party distributors and SME sales
Wholesale LPG Sales (tonnes)	Represents wholesale, export sales and transfers to Huntly power station
Electricity Sales - Wholesale (GWh)	Includes contracts for difference and options (excluding futures)
Electricity Purchases - Wholesale (GWh)	Includes contracts for difference and options (excluding futures)
Retail Netback (\$/MWh)	Customer Segment EBITDAF plus electricity and gas purchase cost divided by total electricity and gas sales volumes
GENERATION	
Coal (GWh)	Coal generation is calculated by applying coal burn to monthly average heat rates
Average Price Received for Generation - GWAP (\$/MWh)	Excludes settlements from electricity derivatives.
Coal Used In Internal Generation (PJ)	Results have been revised to reflect changes in coal kilo tonnes to PJ conversion rate and volume methodology
Rankines Fuelled by Coal (%)	The proportion of coal used in the Rankine units
Equipment Availability Factor (EAF)	The percentage of time a power station is available to generate electricity
Forced Outage Factor (FOF)	The percentage of time a power station is unavailable to generate electricity due to unplanned failure or defect.
WHOLESALE	
Weighted Average Fuel Cost (\$/MWh)	Total cost of fuel burnt plus emissions on fuel burnt divided by total generation (thermal, hydro and wind)
CORPORATE	
Total Recordable Injury Frequency Rate	Rolling 12 month TRIFR per 200,000 hours worked for employees and contractors
Headcount	Based on full time equivalents, excluding contractors
KUPE	
Oil Hedge Levels (%)	% hedged for remainder of FY as % of forecast sales

Customer Metrics

CUSTOMER SEGMENT	Q4 FY18	Q4 FY17	% Change	Var.	YTD FY18	YTD FY17	% Change	Var.
CUSTOMER								
Brand Net Promoter Score - Genesis Energy (%)	10.0%	1.0%	900.0%	9.0%				
Retail Netback (\$/MWh)	\$81.92	\$86.29	(5.1%)	(\$4.38)	\$80.33	\$83.81	(4.2%)	(\$3.48)
CUSTOMER NUMBERS¹								
Electricity Only Customers	341,545	357,900	(4.6%)	(16,355)				
Gas Only Customers	18,444	19,134	(3.6%)	(690)				
LPG Only Customers	35,639	33,435	6.6%	2,204				
Customers > 1 Product	109,767	104,586	5.0%	5,181				
Total Customers	505,395	515,055	(1.9%)	(9,660)				
Electricity ICPs Active-Occupied	503,234	513,725	(2.0%)	(10,491)				
Gas ICPs Active-Occupied	106,082	106,909	(0.8%)	(827)				
Total ICPs	609,316	620,634	(1.8%)	(11,318)				
VOLUMES AND PRICE								
Volume Weighted Average Electricity Selling Price - Resi (\$/MWh)	\$249.93	\$252.79	(1.1%)	(\$2.86)	\$252.26	\$251.44	0.3%	\$0.81
Volume Weighted Average Electricity Selling Price - SME (\$/MWh)	\$217.17	\$218.64	(0.7%)	(\$1.47)	\$216.66	\$215.38	0.6%	\$1.28
Volume Weighted Average Electricity Selling Price - C&I (\$/MWh)	\$127.64	\$129.89	(1.7%)	(\$2.24)	\$121.46	\$120.04	1.2%	\$1.42
Residential Electricity Sales (GWh)	851	862	(1.2%)	(11)	3,088	3,227	(4.3%)	(139)
SME Electricity Sales (GWh)	265	261	1.5%	4	1,081	1,096	(1.4%)	(15)
C&I Electricity Sales (GWh)	525	383	37.3%	143	1,811	1,330	36.2%	481
Electricity Sales - Retail (GWh)	1,642	1,505	9.0%	136	5,980	5,653	5.8%	327
Electricity Sales - Wholesale (GWh)	679	587	15.7%	92	2,389	1,998	19.6%	391
Electricity Purchases - Retail (GWh)	1,745	1,587	10.0%	158	6,295	5,964	5.6%	331
Electricity Purchases - Wholesale (GWh)	591	284	108.4%	308	1,873	1,313	42.7%	560
Average Retail Electricity Purchase Price - LWAP (\$/MWh)	\$82.42	\$81.28	1.4%	\$1.14	\$92.12	\$60.53	52.2%	\$31.59
LWAP/GWAP Ratio (%)	98%	103%	(4.4%)	(4.6%)	101%	100%	0.7%	0.7%
Volume Weighted Average Gas Selling Price (\$/GJ)	\$25.40	\$26.15	(2.9%)	(\$0.75)	\$27.12	\$27.14	(0.1%)	(\$0.02)
Residential Gas Sales (PJ)	0.7	0.7	(1.2%)	(0.0)	2.7	2.8	(5.2%)	(0.1)
SME Gas Sales (PJ)	0.4	0.4	9.7%	0.0	1.4	1.4	3.6%	0.1
C&I Gas Sales (PJ)	1.0	0.8	26.2%	0.2	3.4	3.1	7.0%	0.2
Retail Gas Sales (PJ)	2.1	1.9	12.3%	0.2	7.5	7.4	1.7%	0.1
LPG²								
LPG Customer Connections (#)	64,791	58,799	10.2%	5,992				
Bottled LPG Sales (tonnes)	4,151	2,463	68.6%	1,688	14,012	5,981	134.3%	8,031
Other Bulk & SME LPG sales (tonnes)	5,814	2,091	178.0%	3,723	20,993	2,306	810.5%	18,687
Total LPG Sales Volumes (tonnes)	9,965	4,554	118.8%	5,411	35,005	8,287	322.4%	26,718
Wholesale LPG Sales (tonnes)	4,996	7,658	(34.8%)	(2,663)	29,668	24,792	19.7%	4,876

1. June 2017 customer numbers restated post LPG integration.

2. Historical LPG figures restated post LPG integration.

Wholesale Metrics

WHOLESALE SEGMENT	Q4 FY18	Q4 FY17	% Change	Var.	YTD FY18	YTD FY17	% Change	Var.
GENERATION								
Gas (GWh)	740	927	(20.1%)	(187)	3,392	3,082	10.0%	309
Coal (GWh)	135	138	(2.2%)	(3)	657	186	254.2%	472
Total Thermal (GWh)	876	1,065	(17.8%)	(190)	4,049	3,268	23.9%	781
Hydro (GWh)	722	831	(13.2%)	(109)	3,036	3,133	(3.1%)	(98)
Wind (GWh)	6	4	37.6%	2	21	21	0.1%	0
Total Renewable (GWh)	727	835	(12.9%)	(108)	3,056	3,154	(3.1%)	(98)
Total Generation (GWh)	1,603	1,900	(15.7%)	(297)	7,105	6,422	10.6%	683
Average Price Received for Generation - GWAP (\$/MWh)	\$83.69	\$78.88	6.1%	\$4.81	\$91.59	\$60.63	51.1%	\$30.96
Rankine Output (GWh)	183	271	(32.6%)	(89)	1,042	453	130.1%	589
Rankines Fueled by Coal (%)	74%	51%	45.2%	23%	63%	41%	54%	22%
Generation Emissions (ktCO ₂)	454	526	(13.7%)	(72)	2,137	1,474	45.0%	663
Generation Carbon Intensity (tCO ₂ /GWh)	283	277	2.3%	6	301	230	31.1%	71
Forced Outage Factor (FOF)	10.1%	0.9%	971.0%	9.2%	4.6%	0.9%	419.8%	3.7%
Equipment Availability Factor (EAF)	86.5%	93.2%	(7.1%)	(6.7%)	91.1%	92.5%	(1.5%)	(1.4%)
WHOLESALE								
Gas Purchases (PJ)	10.0	12.2	(18.5%)	(2.3)	45.9	45.6	0.8%	0.3
Coal Purchases (PJ)	2.4	1.4	72.8%	1.0	6.7	1.4	365.0%	5.2
Wholesale Gas Sales (PJ)	2.0	2.9	(31.1%)	(0.9)	11.8	14.2	(16.8%)	(2.4)
Wholesale Coal Sales (PJ)	0.1	0.1	(21.1%)	(0.0)	0.4	0.7	(48.0%)	(0.3)
Gas Used In Internal Generation (PJ)	5.8	7.4	(21.7%)	(1.6)	26.7	23.9	11.5%	2.8
Coal Used In Internal Generation (PJ)	1.6	1.5	4.8%	0.1	7.6	2.3	237.4%	5.4
Weighted Average Fuel Cost (\$/MWh)	\$38.13	\$36.43	4.7%	\$1.71	\$37.91	\$32.54	16.5%	\$5.37
Coal Stockpile - closing balance (kilotonnes)	310.7	349.2	(11.0%)	(38.6)				

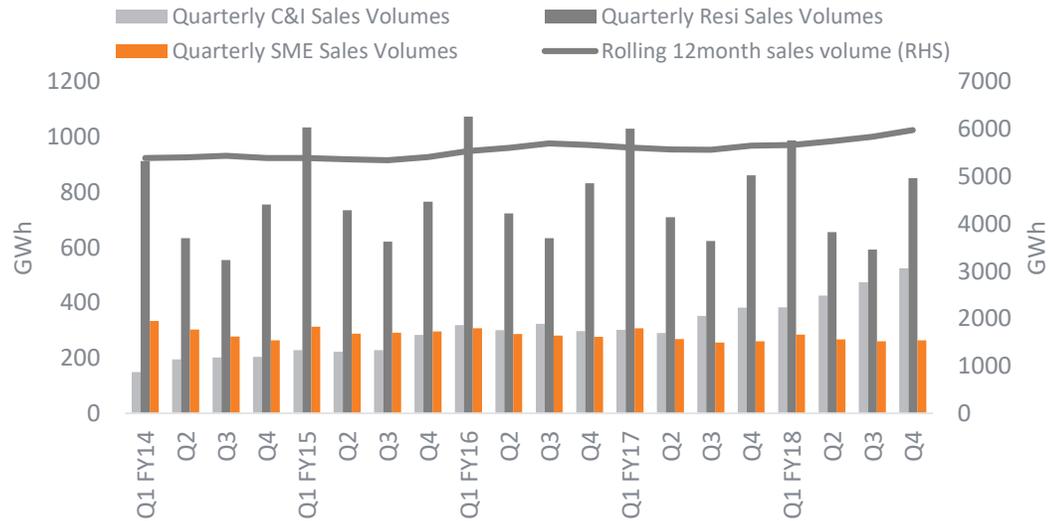
Kupe and Other Metrics

KUPE SEGMENT	Q4 FY18	Q4 FY17	% Change	Var.	YTD FY18	YTD FY17	% Change	Var.
KUPE								
Gas Production (PJ)	2.7	3.1	(13.4%)	(0.4)	11.8	9.3	25.9%	2.4
Oil Production (kbbbl)	119.5	152.3	(21.5%)	(32.8)	533	475.9	12.0%	56.9
Oil Sales (kbbbl)	196.4	247.6	(20.7%)	(51.2)	533	507	5.2%	26.5
Average Brent Crude Oil (USD/bbl)	\$74.35	\$49.69	49.6%	\$24.66	\$63.65	\$49.70	28.1%	\$13.95
LPG Sales (kt)	11.8	10.9	7.8%	0.9	46.1	32.1	43.6%	14.0
LPG Production (kt)	11.5	11.6	(1.0%)	(0.1)	45.9	32.8	40.1%	13.1
OTHER								
CORPORATE¹								
Headcount (FTE)	1,041	754	38.1%	287				
Total Recordable Injury Frequency Rate	1.25	0.78	60.3%	0.47				

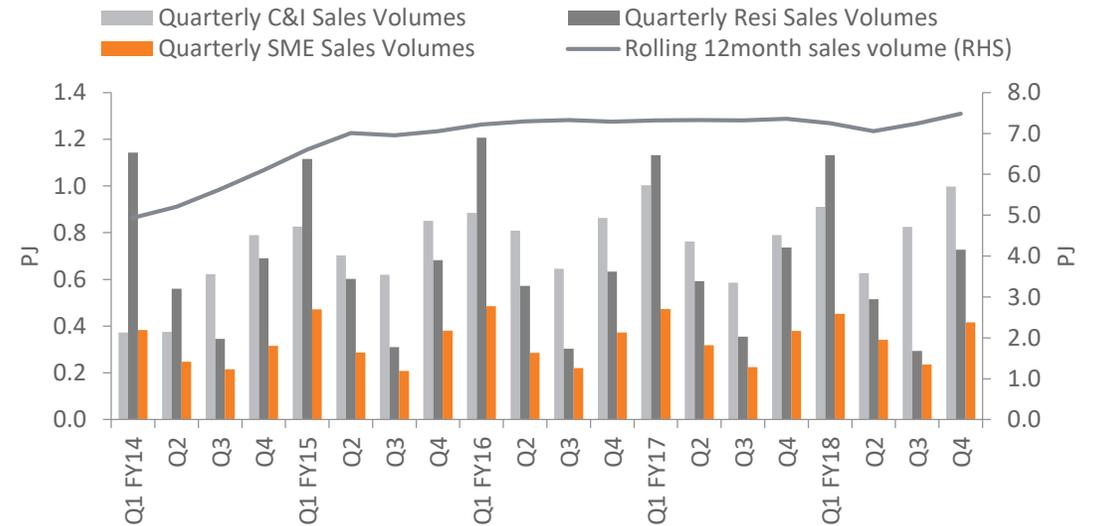
1. TRIFR now being reported to include contractors. Prior period has been restated on same basis

Appendix: Customer Segment

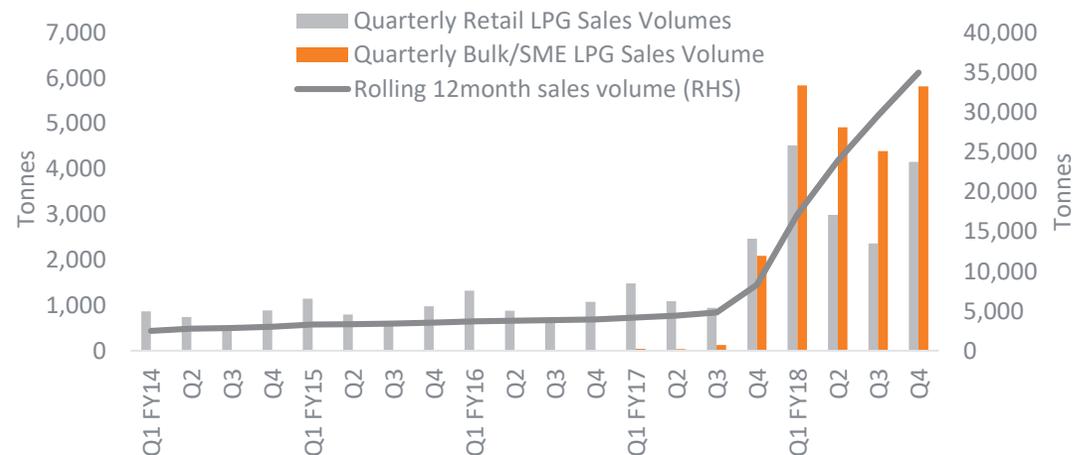
ELECTRICITY SALES VOLUMES (GWh)



RETAIL GAS SALES VOLUMES (PJ)

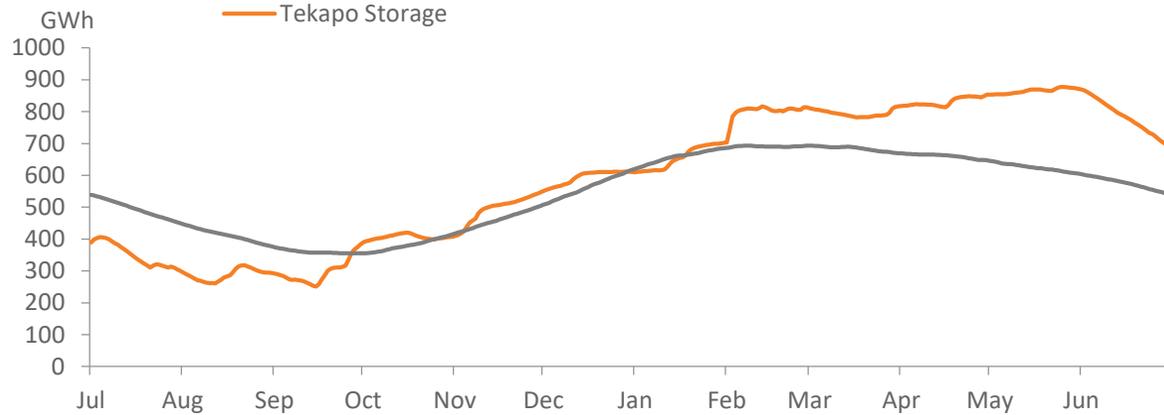


LPG SALES VOLUMES (tonnes)



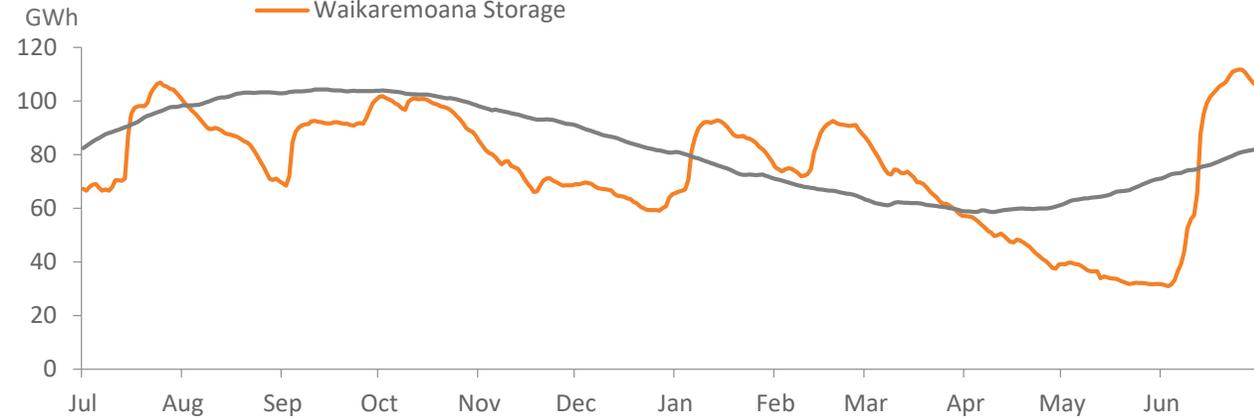
Appendix: Wholesale Segment

TEKAPO STORAGE vs LONG RUN AVERAGE - Q4 FY2018



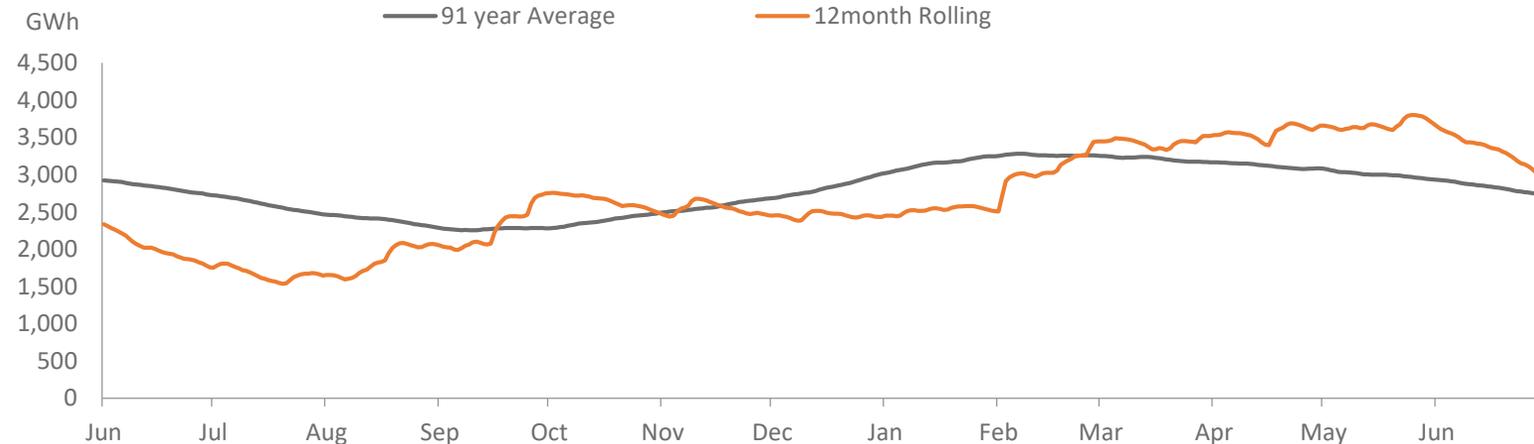
Source: COMIT

WAIKAREMOANA STORAGE vs LONG RUN AVERAGE - Q4 FY2018



Source: COMIT

NEW ZEALAND DAILY STORAGE

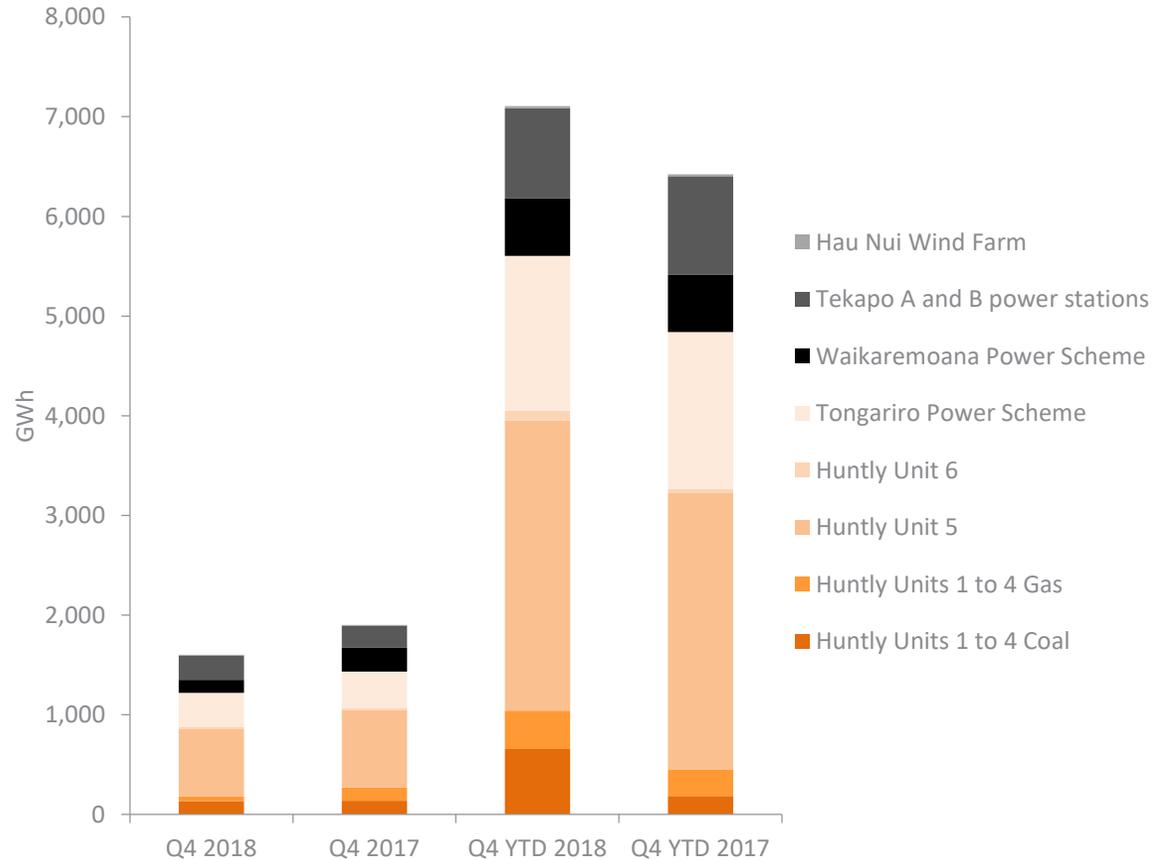


Source: COMIT

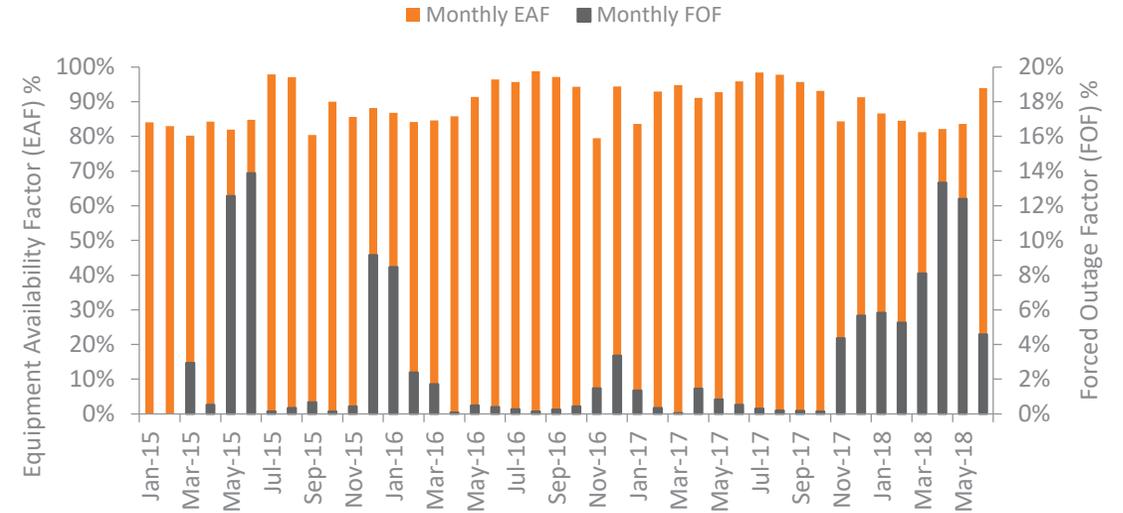


Appendix: Wholesale Segment

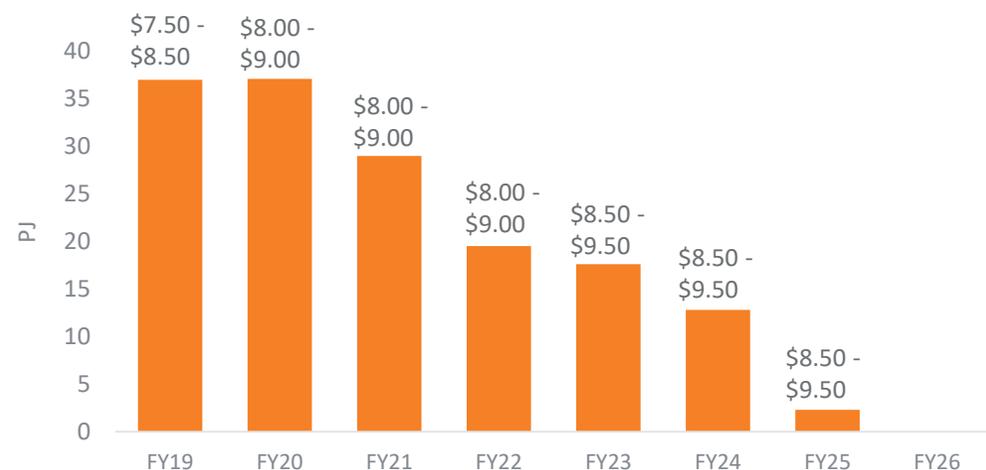
GENERATION BY POWER STATION



PLANT PERFORMANCE



TAKE-OR-PAY FORWARD GAS PURCHASES¹ – Q4 DISCLOSURE

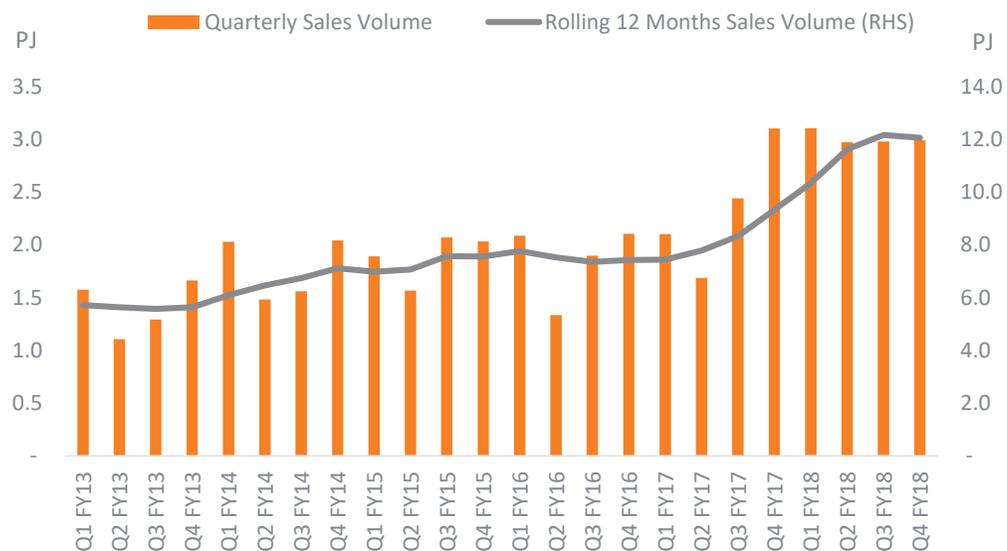


1. Represents gas contracts under which Genesis is required to take the product or pay a penalty. Includes Kupe and PPI adjustments

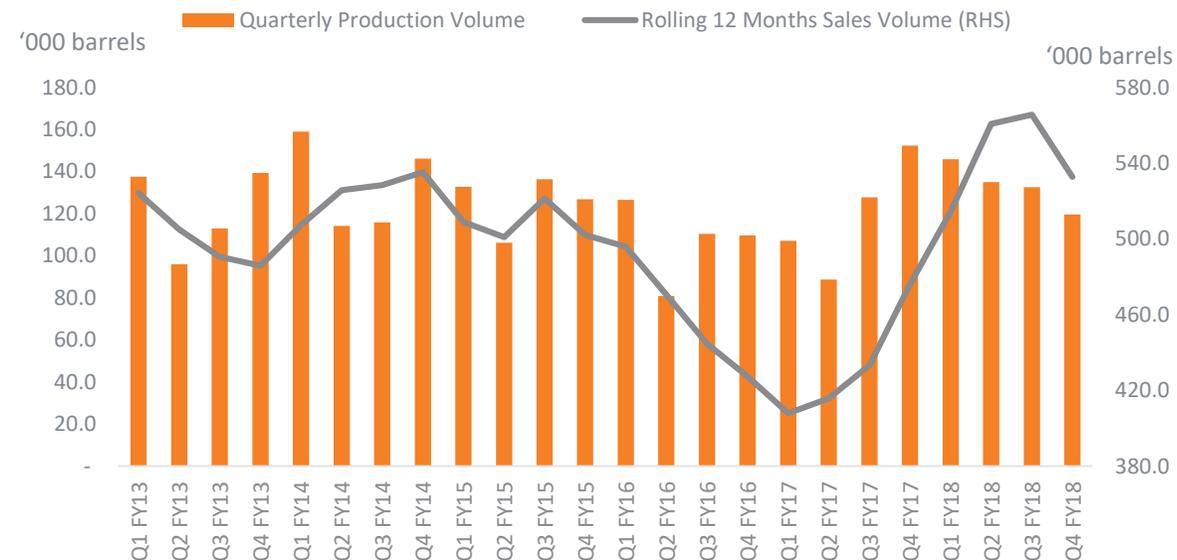


Appendix: Kupe Segment

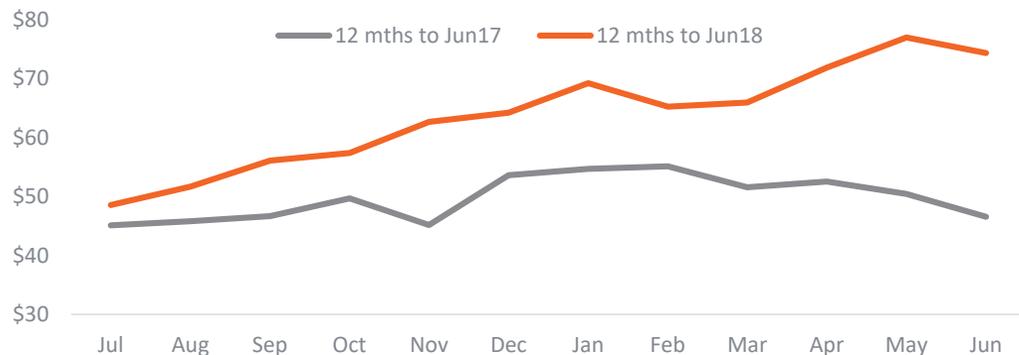
KUPE GAS VOLUMES (PJ)



KUPE OIL PRODUCTION VOLUMES (kbbbl)



BRENT CRUDE OIL SPOT PRICE (USD/bbl)



OIL PRICE and FOREX RISK MANAGEMENT

FORWARD RISK MANAGEMENT		
Oil Price Hedges (USD)	% Hedged	Average Oil Price
1-12 months	70%	\$54.70
13-24 months	61%	\$56.50
25-36 months	41%	\$61.10
USD/NZD Hedges		Rate
1-12 months	63%	0.684
13-24 months	54%	0.700
25-36 months	15%	0.691

