



## **MARKET ANNOUNCEMENT**

**Date: 29 August 2018**

NZX: GNE / ASX: GNE

## **Genesis Energy Limited – 2018 Full Year Results**

Please find attached the following documents relating to Genesis Energy Limited's full year results for the year ended 30 June 2018. The documents are ordered as follows:

- A. Media Announcement
- B. 2018 Full Year Results Presentation
- C. NZX Appendix 1
- D. NZX Appendix 7

The 2018 Annual Report has been loaded as a stand alone document on GNE ASX announcements and is available on Genesis Energy's Investor website, <https://www.genesisenergy.co.nz/investors>

Dividend information filed on Appendix 3A.1 will follow this release.

**ENDS**

*For media enquiries, please contact:*

*Emma-Kate Greer*

*Group Manager Corporate Relations*

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*Wendy Jenkins*

*Group Manager Planning and Investor Relations*

*Genesis Energy*

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### **About Genesis Energy**

Genesis Energy (NZX: GNE, ASX: GNE) is a diversified New Zealand energy company. It sells electricity, reticulated natural gas and LPG through its retail brands of Genesis Energy and Energy Online. It is New Zealand's largest energy retailer with around 500,000 customers. The Company generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis Energy also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis Energy had revenue of \$NZ2.3bn during the 12 months ended 30 June 2018. More information can be found at [www.genesisenergy.co.nz](http://www.genesisenergy.co.nz)



## MARKET RELEASE

Date: 29 August 2018

NZX: GNE / ASX: GNE

### Delivering sustainable growth with EBITDAF up 8%

	Year ended June 2018	Change year on year
EBITDAF <sup>1</sup>	\$361 million	8% increase on FY17 of \$333 million
Net Profit	\$20 million	86% decline on FY17 of \$119 million
Earnings per share	1.98 cents	Down 9.9 cps from 11.88 cps
Final dividend per share	8.6 cents	Up 2% on FY17 on 8.4 cents
Free cash flow <sup>2</sup>	\$184 million	\$2m increase on FY17 of \$182 million

#### Strong sustainable growth and a commitment to a more future-focused New Zealand

Genesis Energy (GNE) announced today that it delivered sustainable growth in FY18 as its integrated portfolio, acquisitions and strategy execution delivered EBITDAF<sup>1</sup> of \$361 million, 8% higher than the prior financial year. Net profit fell to \$20 million due to non-cash fair value adjustments, however free cash flow and dividends increased.

Genesis Chairman, Dame Jenny Shipley, said the result reflects strong performance as the integration between Kupe and the company's flexible generation portfolio delivered value in response to variable wholesale market conditions. The Customer Segment performed well in a year of transition that included the integration of a new LPG operation, a billing system migration and a brand relaunch with the backdrop of increasing electricity market competition.

"The Genesis Board, Executive and I are also proud to share Genesis' Sustainability Framework with you as part of our Annual Report. This document underlines the Company's ongoing commitment to deliver sustainable growth for shareholders, innovation for our customers, a supportive workplace for our people and lasting benefits to society," says Dame Jenny.

Chief Executive, Marc England, said Genesis has demonstrated the value in a diverse portfolio this year, not only across a geographically and fuel diverse electricity generation portfolio but also between the different business models of the Kupe Joint Venture, Wholesale Electricity and our multi-fuel Customer Segment.

"Over FY18 we have created a multi-fuel, single service platform to support our yield plus growth investment proposition. Today, Genesis customers have more knowledge and visibility than they have ever had to help them monitor, predict and compare their energy spend. We are now also adding a holistic approach to sustainability as we demonstrate commitment to supporting New Zealand's transition to a low emissions economy," says England.

#### Final dividend and a dividend reinvestment plan

The Genesis board has declared a final dividend of 8.6 cents per share, an increase of 2% which has a record date of 5 October 2018 and will be paid on 19 October 2018.

Genesis is pleased to announce the continuation of its dividend reinvestment plan introduced at the half year FY18 to provide shareholders a cost-effective way to reinvest in Genesis' growth strategy. The New Zealand government has committed to participate to the extent required to retain its 51% holding. Shareholders will have until 5 October 2018 to opt into the dividend reinvestment plan.

<sup>1</sup> Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses

<sup>2</sup> Free Cash Flow is EBITDAF, less finance expense, cash taxes paid and stay in business capital expenditure



## **FY2019 guidance**

EBITDAF guidance for the full year ended 30 June 2019 is in a range of between \$350 million to \$370 million. This assumes average hydrological conditions, and includes the forecast impact from the planned Huntly Unit 5 mid-life outage estimated at a 50 day duration. Capital expenditure guidance for FY19 is up to \$85 million.

Further information on the company's operations and financing can be found in the investor presentation of the full year results at [nzx.com/markets/NZSX/securities/GNE](http://nzx.com/markets/NZSX/securities/GNE) and [www.genesisenergy.co.nz/presentations](http://www.genesisenergy.co.nz/presentations).

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# FY18 Result Presentation

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29 August 2018

Marc England – CHIEF EXECUTIVE

Chris Jewell – CHIEF FINANCIAL OFFICER



# AGENDA

**1** Year in Review

**2** Financial Performance

**3** Strategic Update and Outlook

**4** Supplementary Information





# 1. Year in Review

Our VISION is to be customers' first choice for energy management

## Results at a glance

EBITDAF  
\$ **361** m  
Up 8%  
FY17 \$333m

NPAT  
\$ **20** m  
Down 83%  
due to generation revaluations  
FY17 \$119m

\$ **331** m  
Up 33%  
Operating cashflow  
FY17 \$249m

FY18 total dividend  
**16.9** cps  
Up 2%  
FY17 16.6c  
Imputation 80%

Total generation  
**7,105** GWh  
Up 11%  
supports volatile market

Record  
**25.5** PJ  
Up 5%  
Kupe gas production

Brand revitalised



New Zealand's 2018 # 1  
energy utility (Colmar  
Brunton & Reptrak)



**Energy IQ**  
launched with  
over 100,000  
unique users  
engaged

### Excellence in execution on foundational investment

**1** integrated **LPG**  
distribution platform.  
Genesis now servicing  
around 60,000 LPG  
customers.

**1** billing platform servicing  
EOL & Genesis brands.  
100,000+ EOL customers  
successfully migrated.

**1** integrated operations  
centre delivering  
operational  
efficiencies, digital  
interactions up 46%.

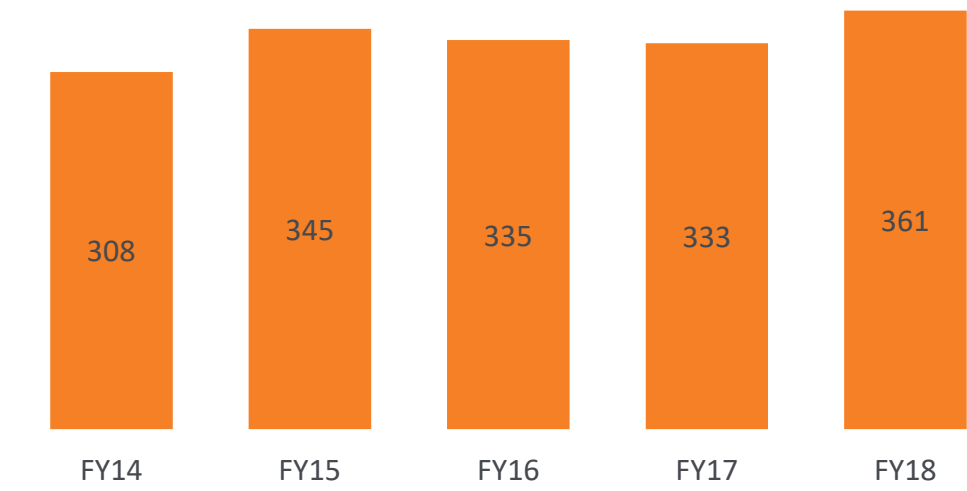


# Earnings growth

— EBITDAF growth of 8%, and continued growth in FY18 dividends at a 6.9% net yield<sup>1</sup>

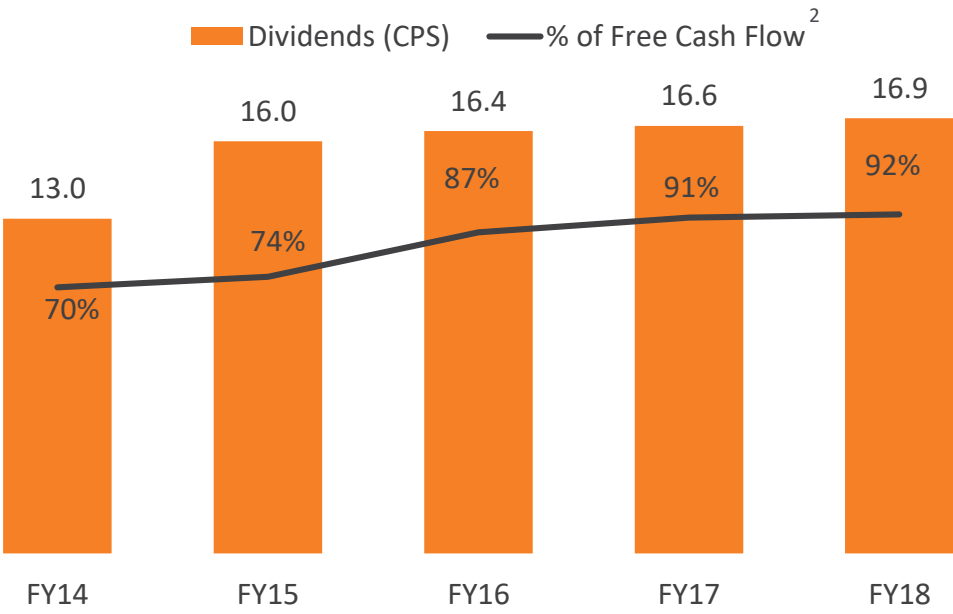
## EBITDAF

\$ MILLIONS



Average of 4% growth per annum since FY2014

## DIVIDEND CENTS PER SHARE & PAYOUT HISTORY



Full year dividend of 16.9 cps declared (up 1.8%), with 80% imputation, representing a 6.9% net yield. DRP offer remains in place with 2.5% discount.

1. Net yield based on closing share price as at 29 June 2018, \$2.44.  
2. Free cash flow represents EBITDAF less tax paid, net interest and stay in business capital expenditure





# Brand performance

— a focus on brand and loyalty initiatives is shifting perceptions and reducing churn versus market



## BRAND METRIC

	Genesis May 17	Genesis May 18	Genesis vs Competitors
First to market with new technology	14%	29%	+14 ppt
Puts people in control of their energy use	15%	23%	+11 ppt
Market leader	21%	33%	+15 ppt
Knows you and understands what you need	60%	67%	+8 ppt

SOURCE: Campaign Tracking, The Purpose Business

## CORPORATE REPUTATION RANKINGS

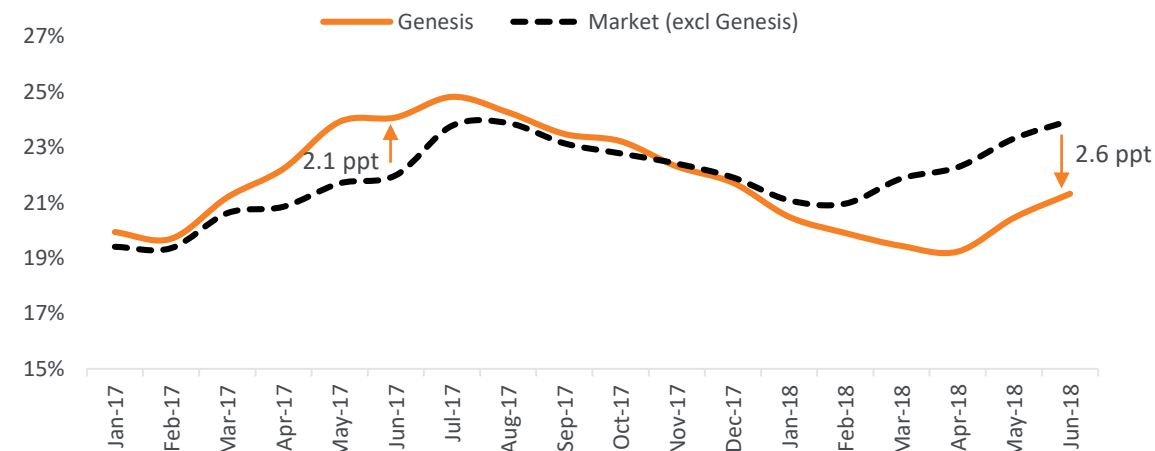
### New Zealand's 2018 # 1 ranked energy utility



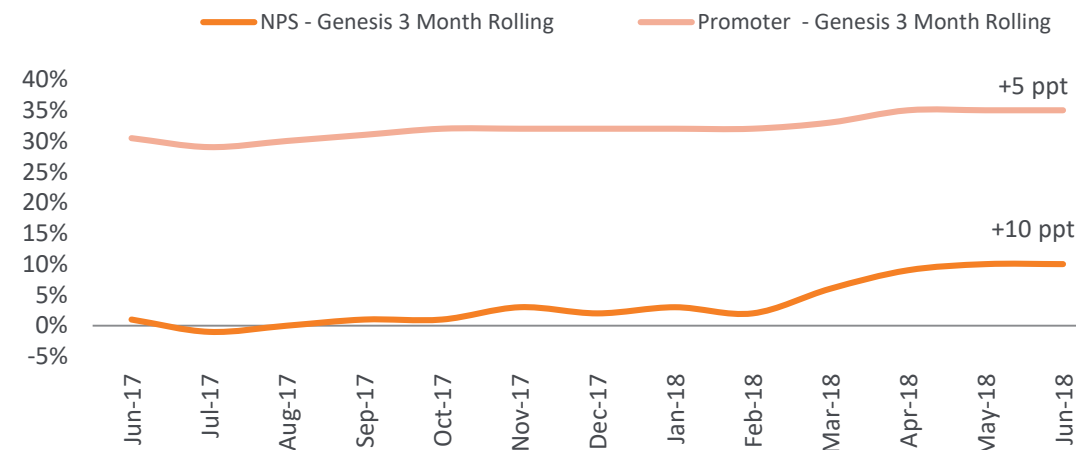
Reptrak

	2017	2018	Genesis vs Competitors
	20 <sup>th</sup>	13 <sup>th</sup>	1 <sup>st</sup>
	13 <sup>th</sup>	5 <sup>th</sup>	1 <sup>st</sup>

## RESIDENTIAL ELECTRICITY CHURN (EXCL EOL, ROLLING 3 MONTH)



## GENESIS NPS AND PROMOTER SCORE



# Product innovation

— providing knowledge and insight to customers to help them manage their bills

> 100,000

Total unique users for My Account/Energy IQ

> 280,000

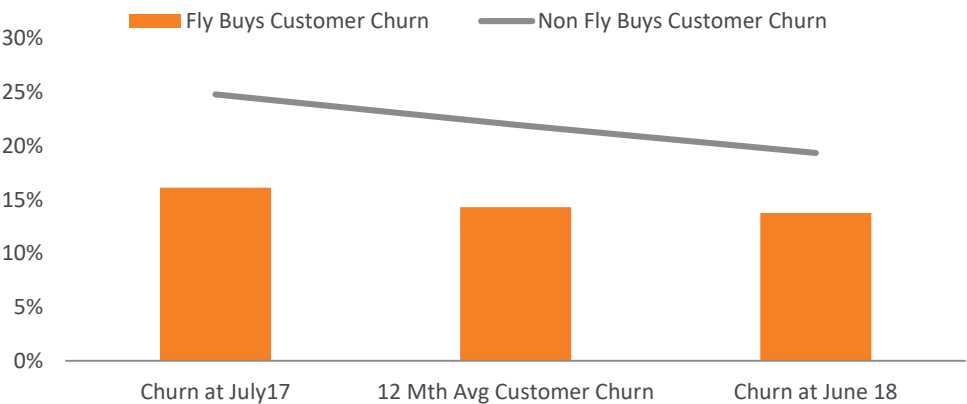
Power Shouts redeemed<sup>1</sup>

↑ 30 % on pcp

Customers linked to Fly Buys, >150,000

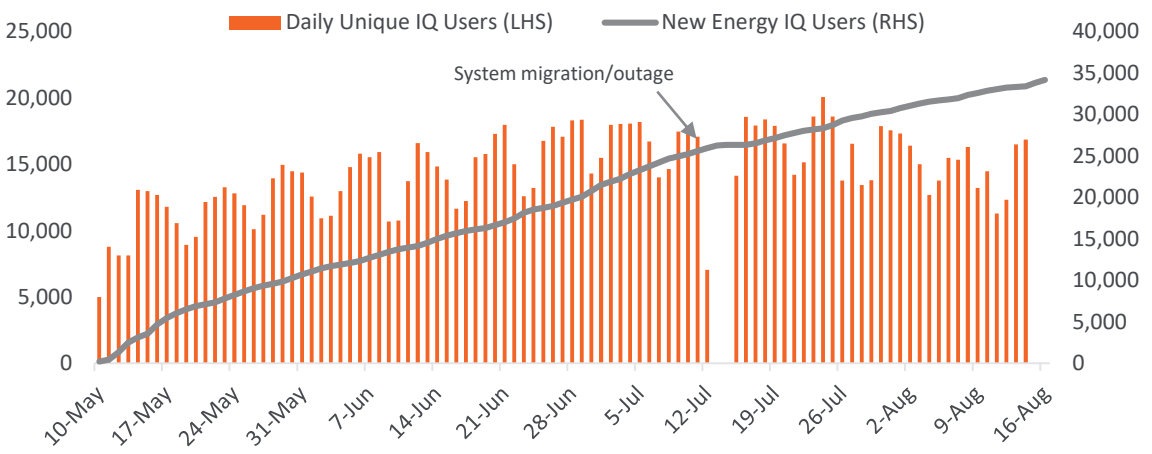
“Hi. Your app is the best - it helps me to keep my power bill down as I now know exactly which appliances use the most electricity.”

FLYBUY CHURN IMPACT (EXCL EOL)

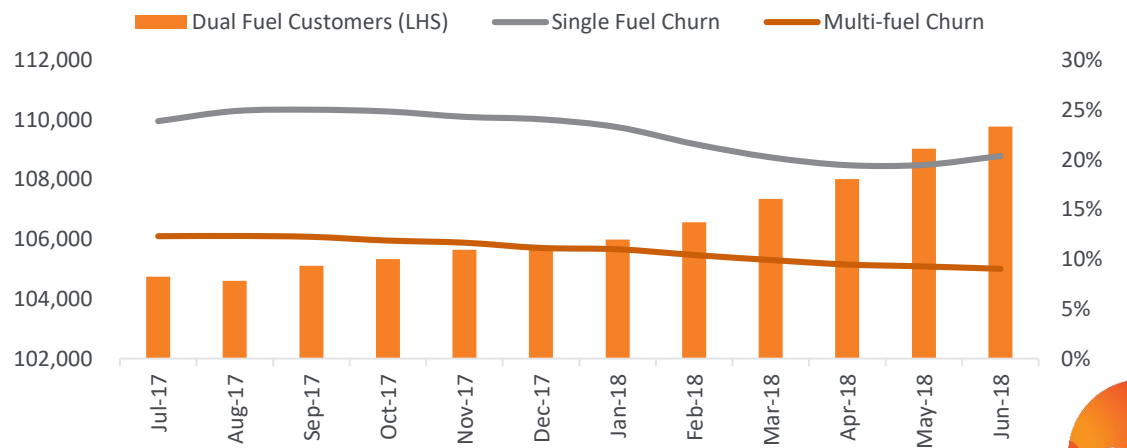


1. Power Shouts redeemed from March to August 2018

DAILY ENERGY IQ USERS / NEW USERS SINCE LAUNCH (MAY 2018)



DUAL FUEL CUSTOMER GROWTH (UP 5%) AND CHURN (ROLLING 3 MONTH)



# Customer service efficiency

— digital transformation gaining momentum, focus on customer service and efficiency

100,000 +

EOL customers migrated onto Genesis’ single billing platform

↓13 %

\$1m reduction in bad debt expense

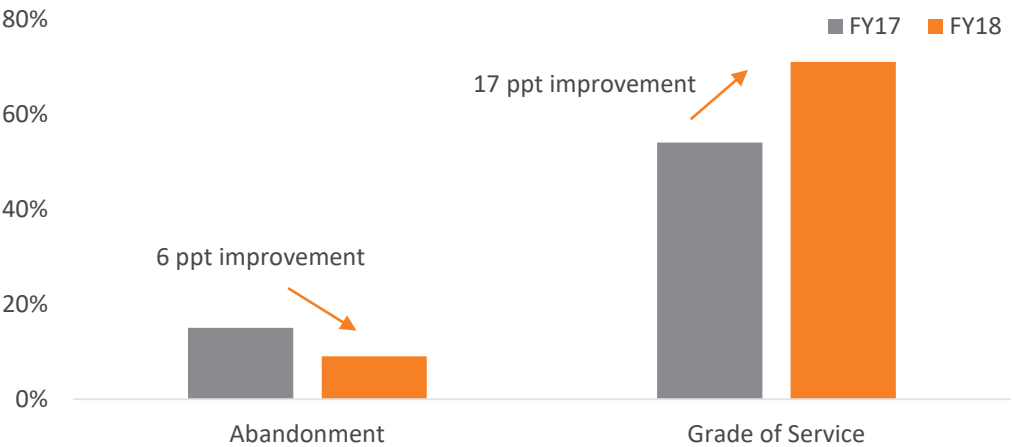
↑46 %

1.3m total digital self serve interactions

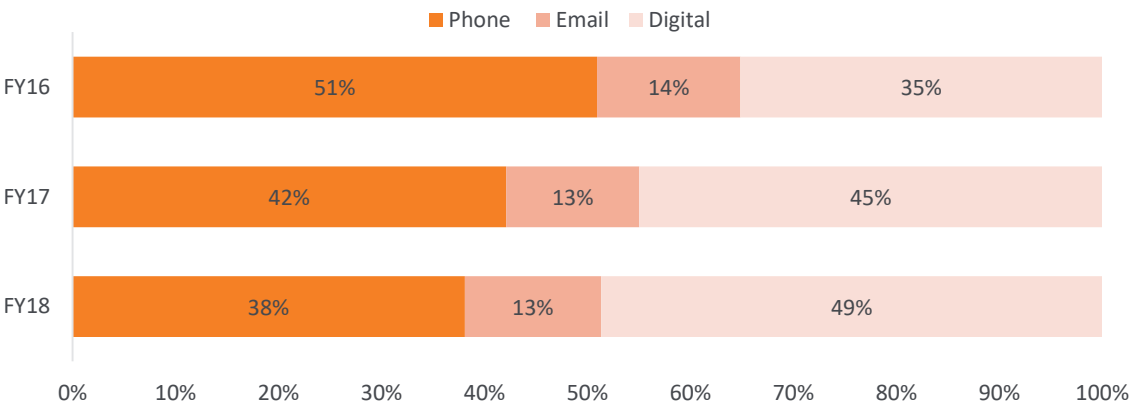
80 % ↑10 ppt

\$1.3m field services costs recovered

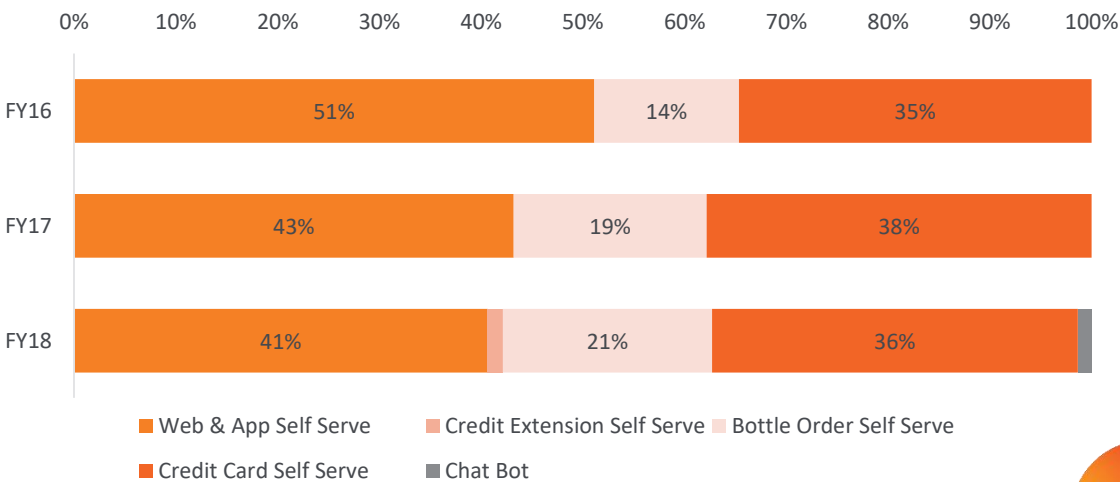
CALL CENTRE SERVICE METRICS (GENESIS & EOL)



CUSTOMER INTERACTIONS



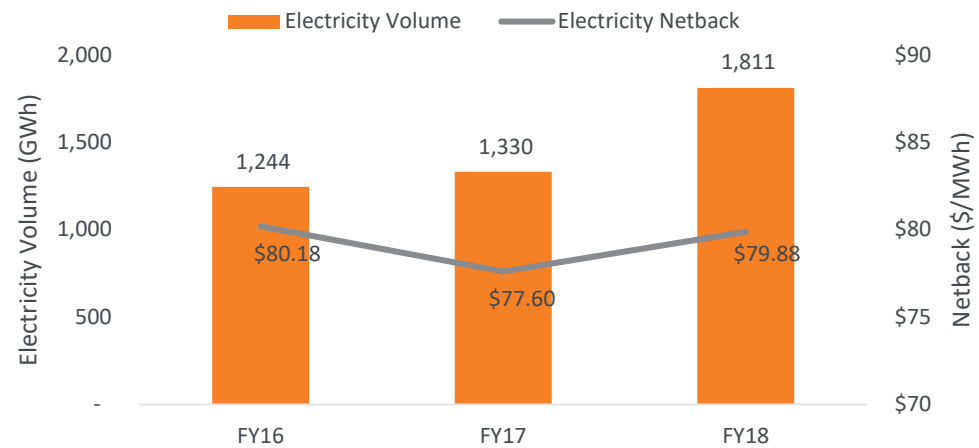
DIGITAL INTERACTION BREAKDOWN



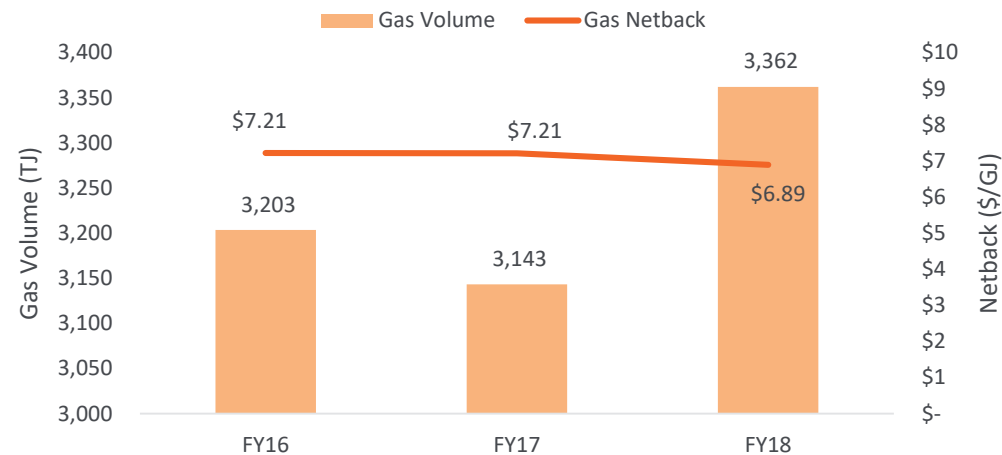
# B2B growth

— building momentum with stable netback while growing electricity volumes 19% and gas volumes 6%

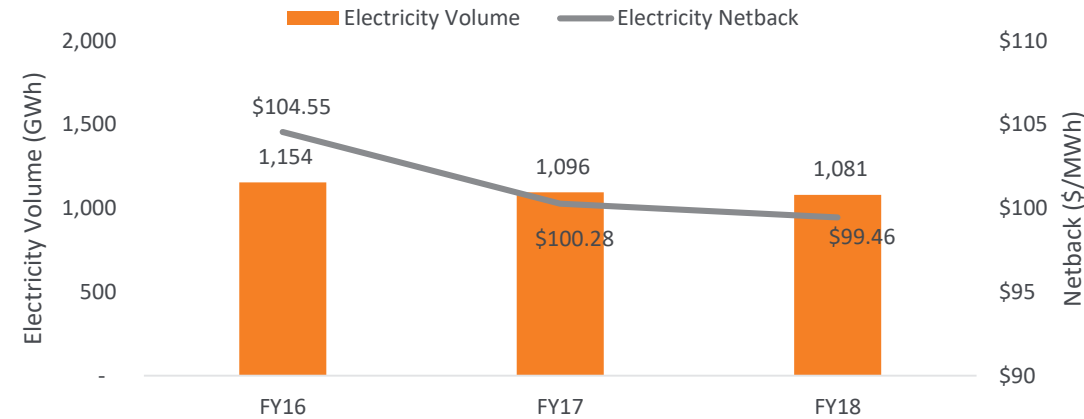
## C&I ELECTRICITY



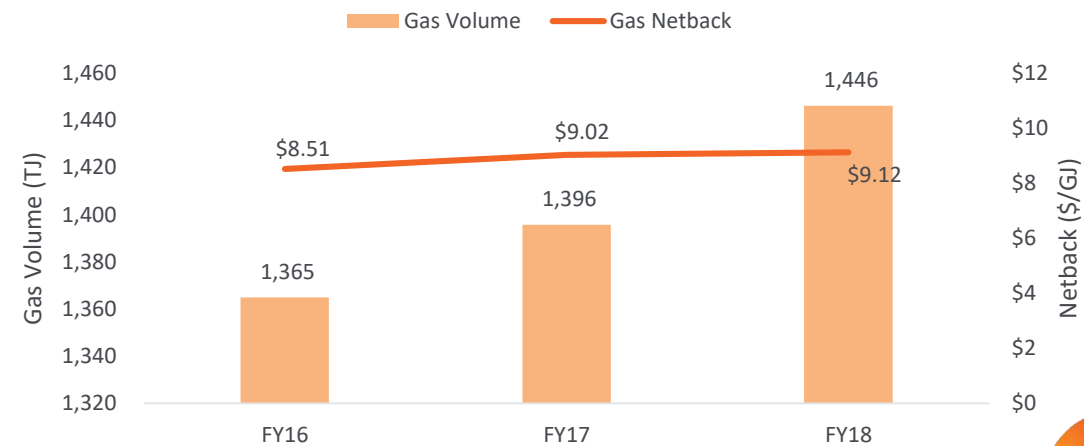
## C&I GAS



## SME ELECTRICITY



## SME GAS

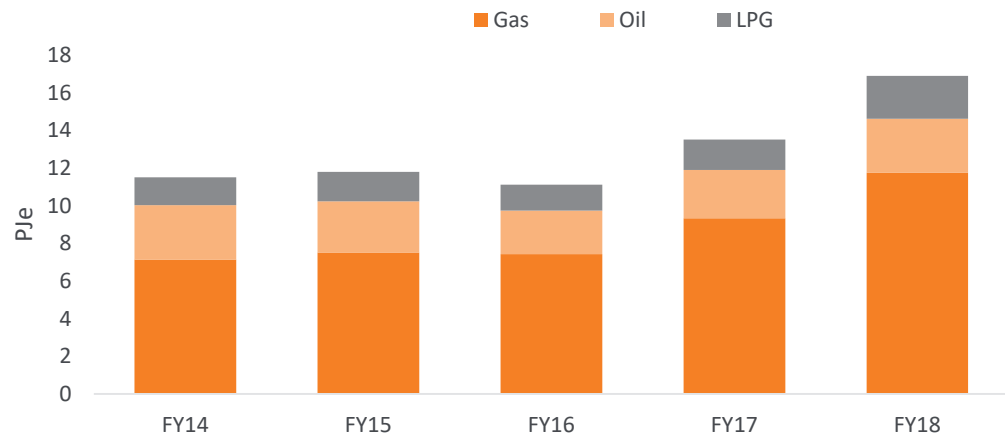




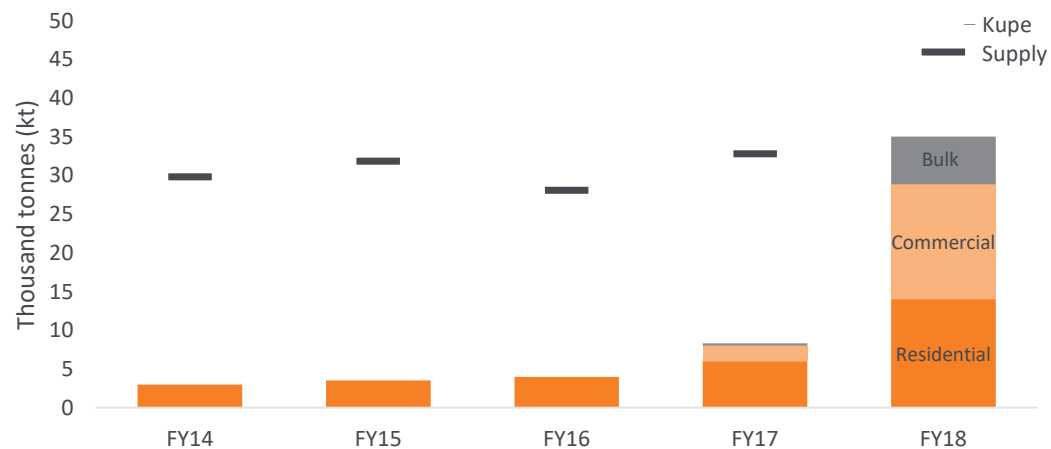
# Value through integration

— integrated Kupe position driving value through Wholesale flexibility and LPG Customer growth potential

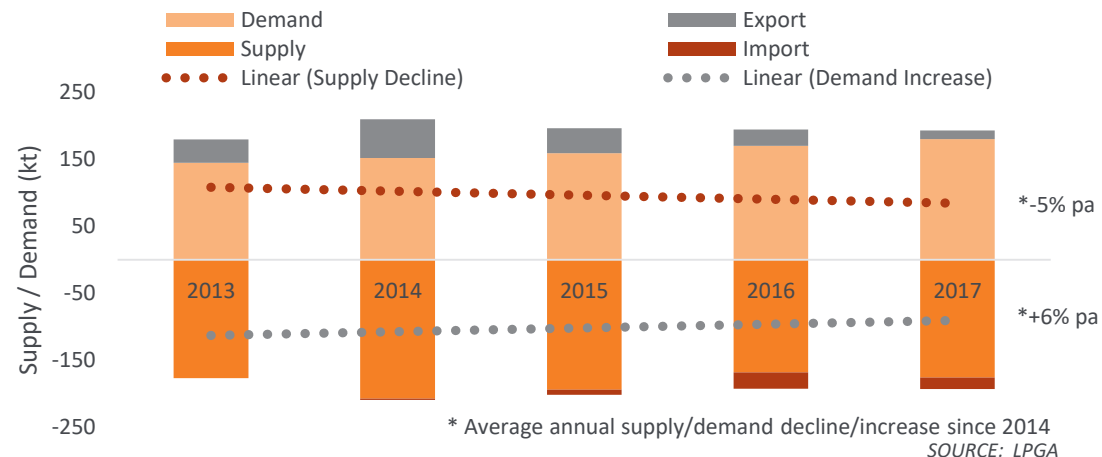
KUPE PRODUCTION (GENESIS SHARE, PJe)



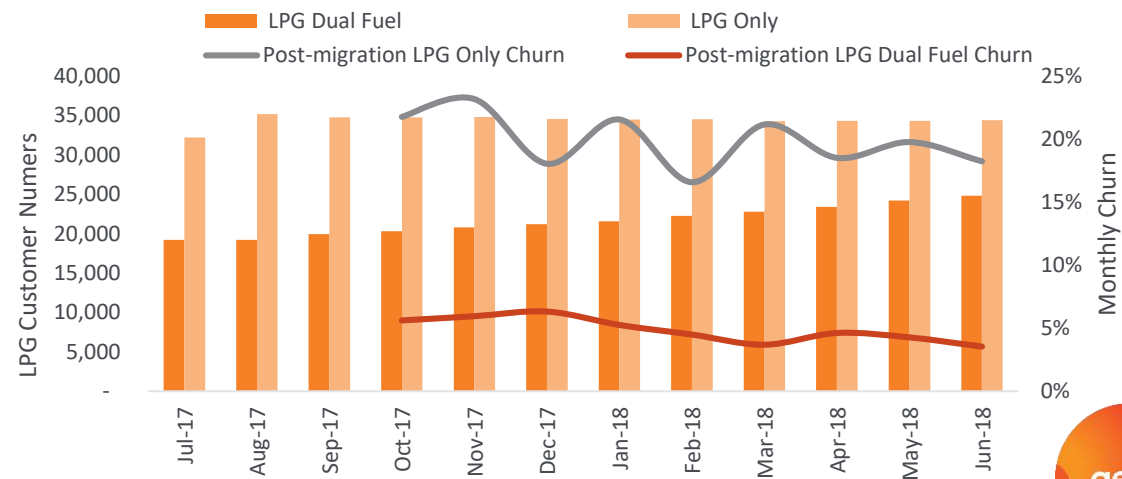
GENESIS CUSTOMER LPG DEMAND



NEW ZEALAND LPG SUPPLY/DEMAND (BY CALENDAR YEAR)



MASS MARKET LPG CUSTOMERS & CHURN



# Generation flexibility

— flexible assets and fuels portfolio delivers value in volatile hydro conditions

**7,105 GWh**

Generation up 11% to support volatile market

**\$92 ↑ 51%**

Average price received for generation (GWAP)

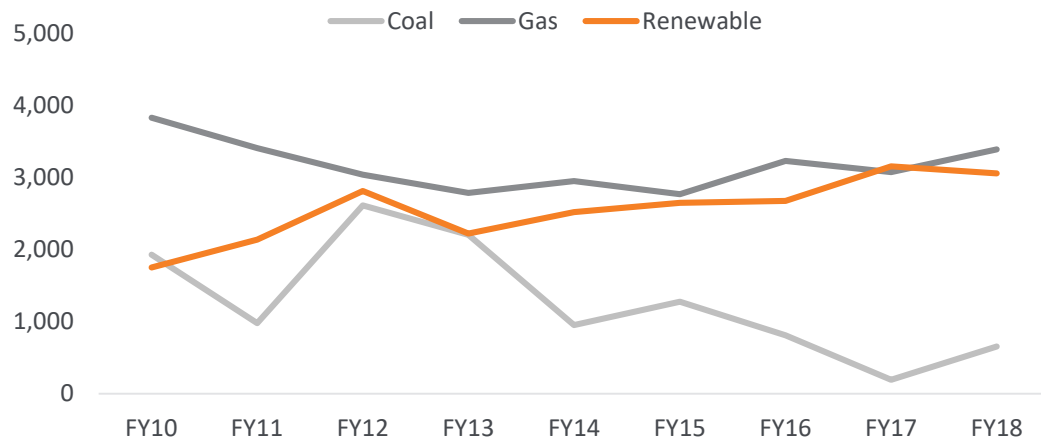
**3 fuels**

An integrated portfolio means flexibility and security

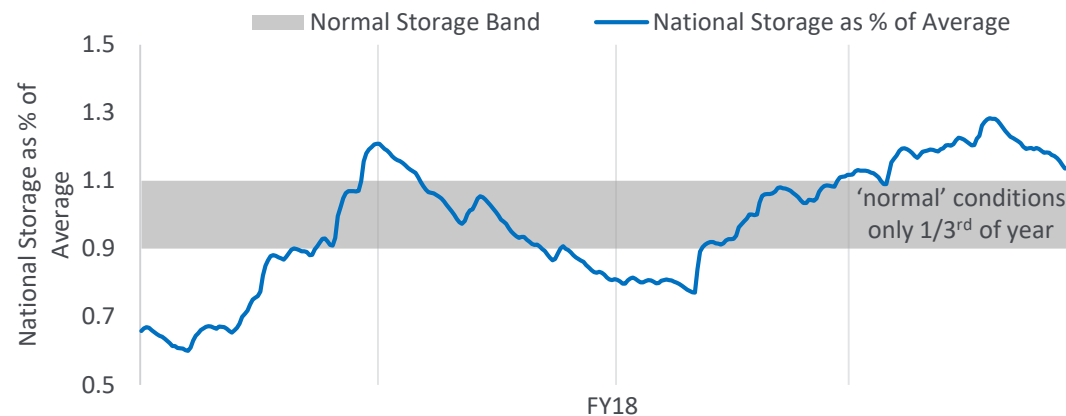
**88 %**

of Rankine demand coming from market

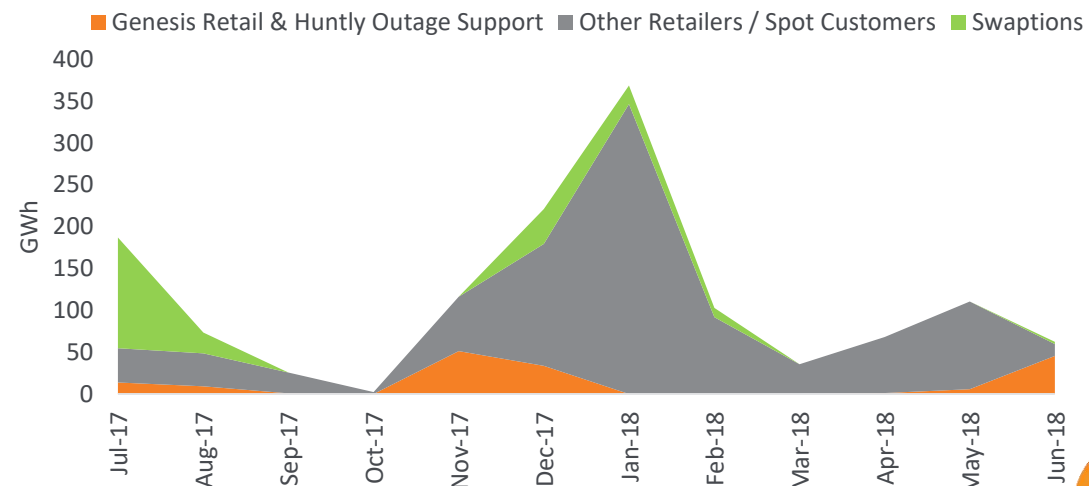
GENERATION BY FUEL TYPE (GWh)



NEW ZEALAND HYDRO CONDITIONS



RANKINE UNIT DEMAND (MONTHLY GWh)



Coal phased out in normal conditions by **2025**



\$240.32



Your home

\$200.50



Similar homes

CURRENT BILL PERIOD

Electricity Used

\$ 140.85

as of 07 May 2018

Estimated Bill

\$262.85

15 of 30 days left



Hello  
Alex

## 2. Financial Performance

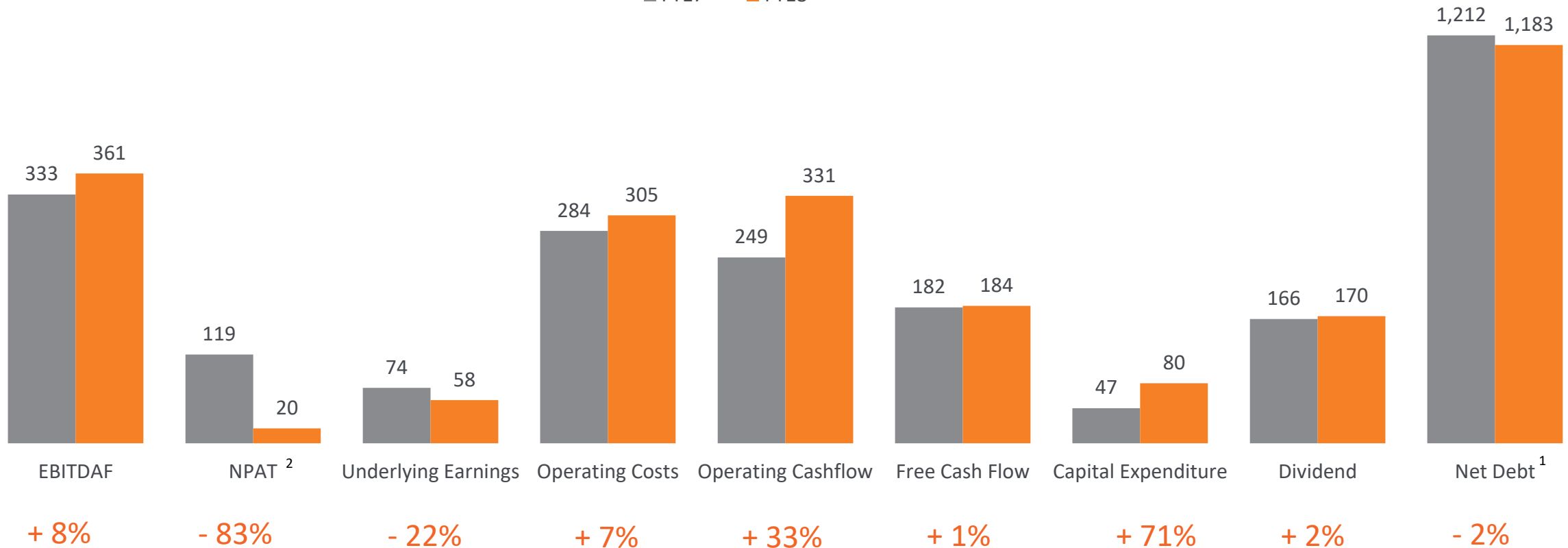
# FY18 financial highlights

— EBITDAF up 8%, investment in operating and capital expenditure up, free cash flow up 1%, net debt down \$29m

## FINANCIAL HIGHLIGHTS

\$ MILLIONS

■ FY17 ■ FY18



1. Net Debt is shown on a separate scale to other financial comparisons

2. Impacted by \$100.3m non-cash fair value asset adjustments on Huntly Rankine units, FY18 \$48.8m decrease against a FY17 \$51.5m gain.



# Underlying earnings

— investing in foundation systems and growth

## UNDERLYING EARNINGS BRIDGE

\$ MILLIONS

Favourable   Unfavourable



Change in underlying earnings reflects investment in growth and additional depreciation, depletion and amortisation (DDA)

- 1. Approximately half is one off investment in the brand refresh
- 2. Primarily sales teams and technology support
- 3. Net acquisitions and other EBITDAF movements, additional depreciation from asset revaluations and shorter life assets from technology investment and associated tax impacts



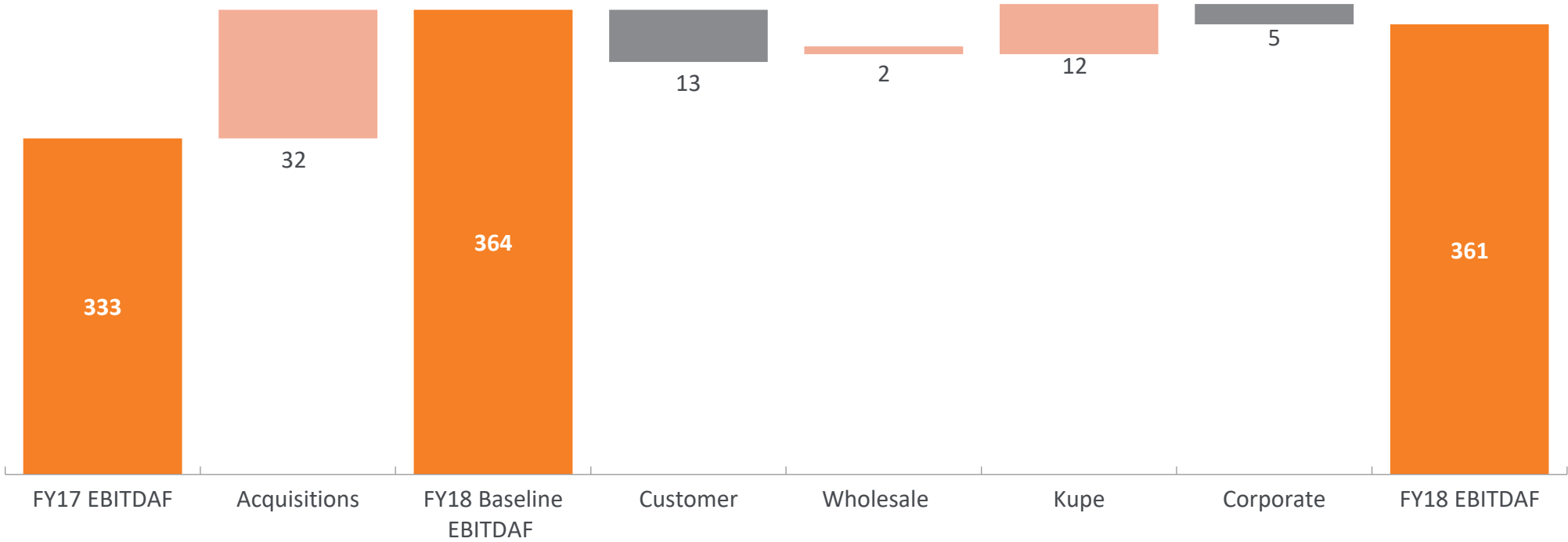
# FY18 EBITDAF waterfall

— EBITDAF growth of 8% driven by record Kupe gas production, strong thermal generation and acquisitions

FY18 vs FY17 EBITDAF

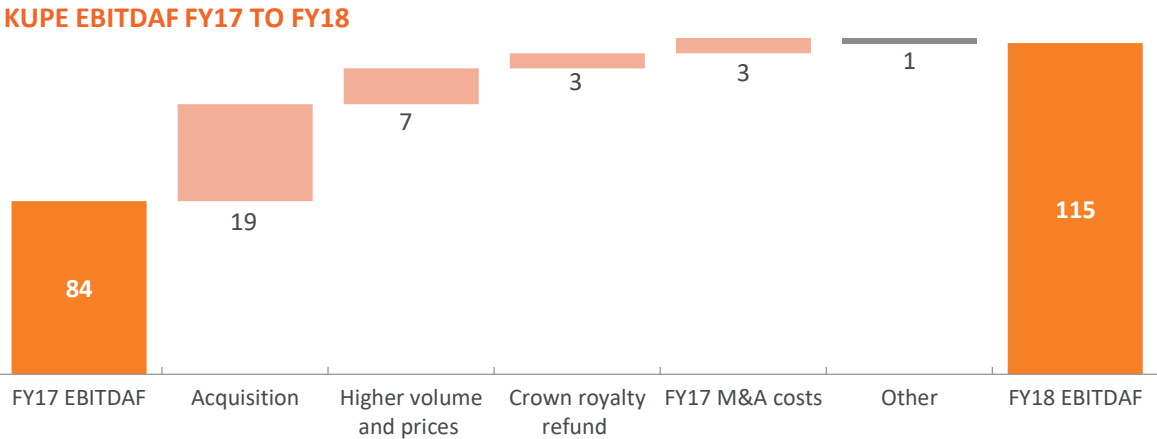
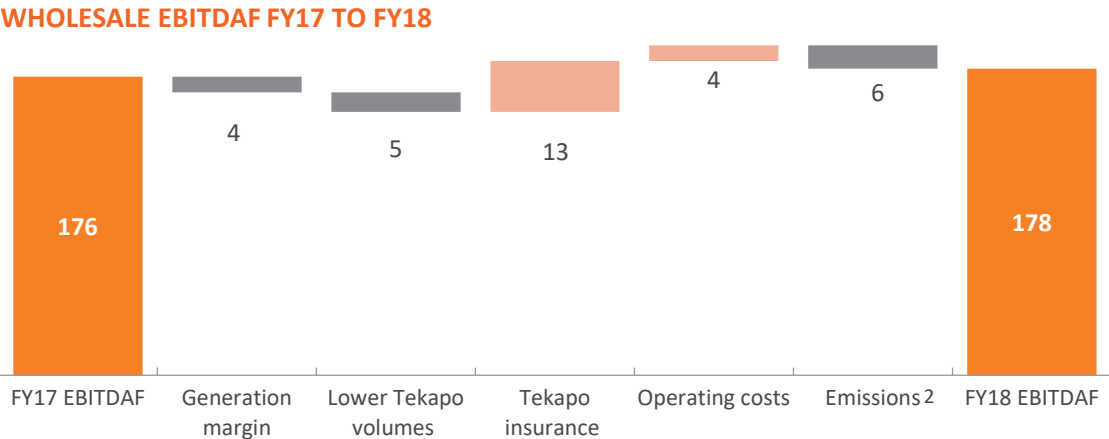
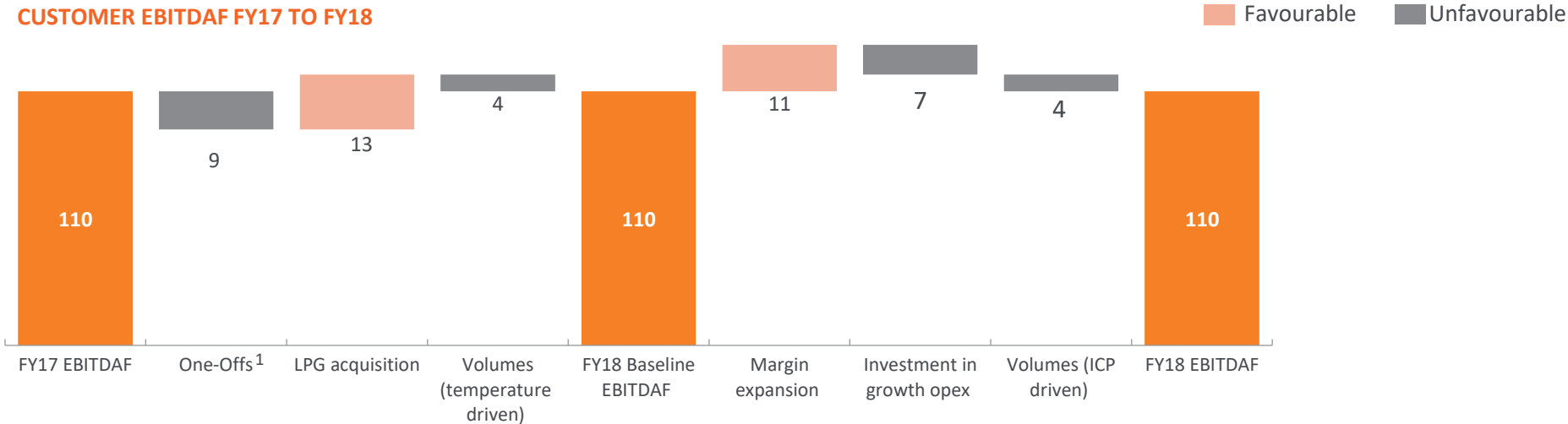
\$ MILLIONS

Favourable    Unfavourable



# Segment EBITDAF

— stable performance in Customer and Wholesale, strong Kupe outcome



1. One-offs includes FY17 and FY18 related items and \$3m of one-off investment in brand refresh  
2. Based on increased carbon prices and change to ETS

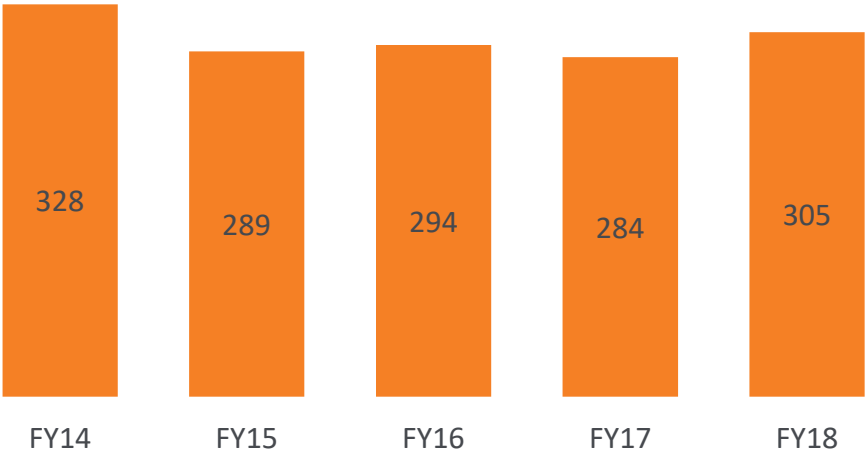


# Operating expenses

— up 7%, following acquisitions and investment in growth

## OPERATING EXPENSES<sup>1</sup>

\$ MILLIONS

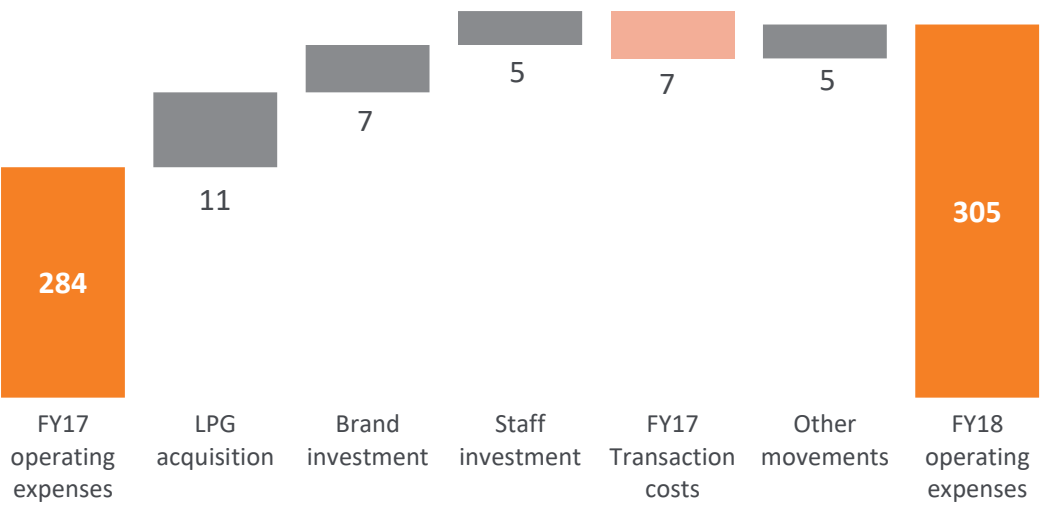


Reflects acquisitions and investment in growth, as per previous guidance

## OPERATING EXPENSE BRIDGE

\$ MILLIONS

Favourable Unfavourable



\$12 million of additional investment to support growth, largely in brand, and sales and technology staff costs

1. Operating costs refers to “other operating expenses and employee benefits”.



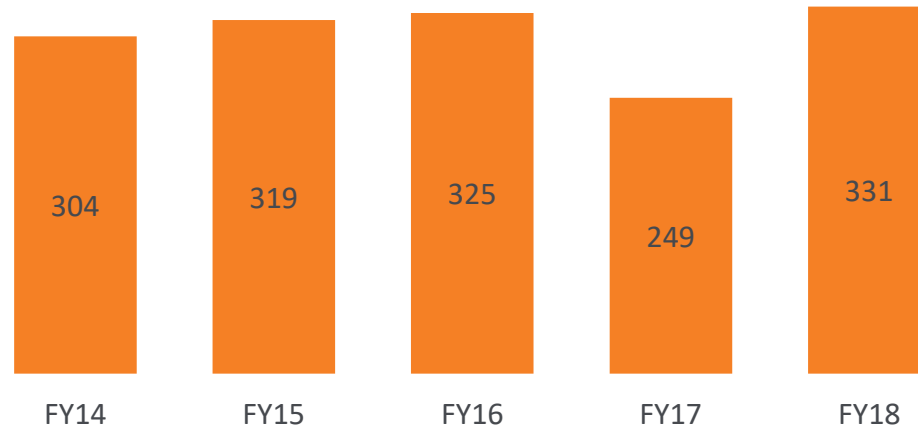


# Cash flow

— operating cash flow up 33% and free cash flow up \$2m

## OPERATING CASH FLOW

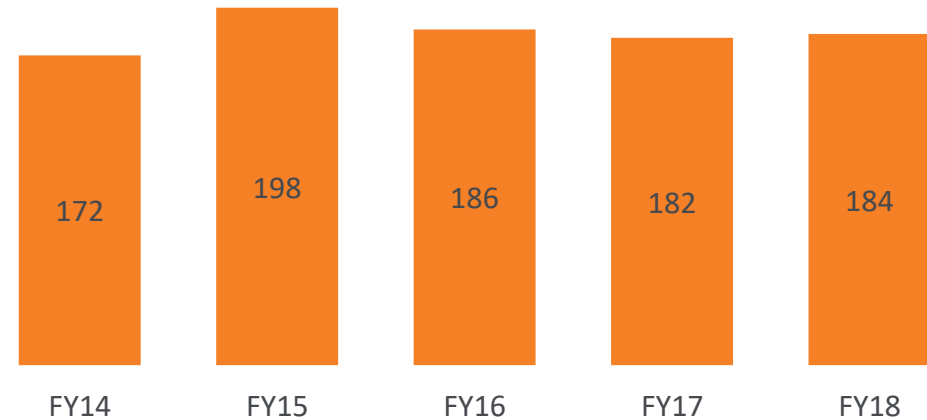
\$ MILLIONS



Higher operating cash flow reflects growth in EBITDAF, and timing differences in working capital.

## FREE CASH FLOW<sup>1</sup>

\$ MILLIONS

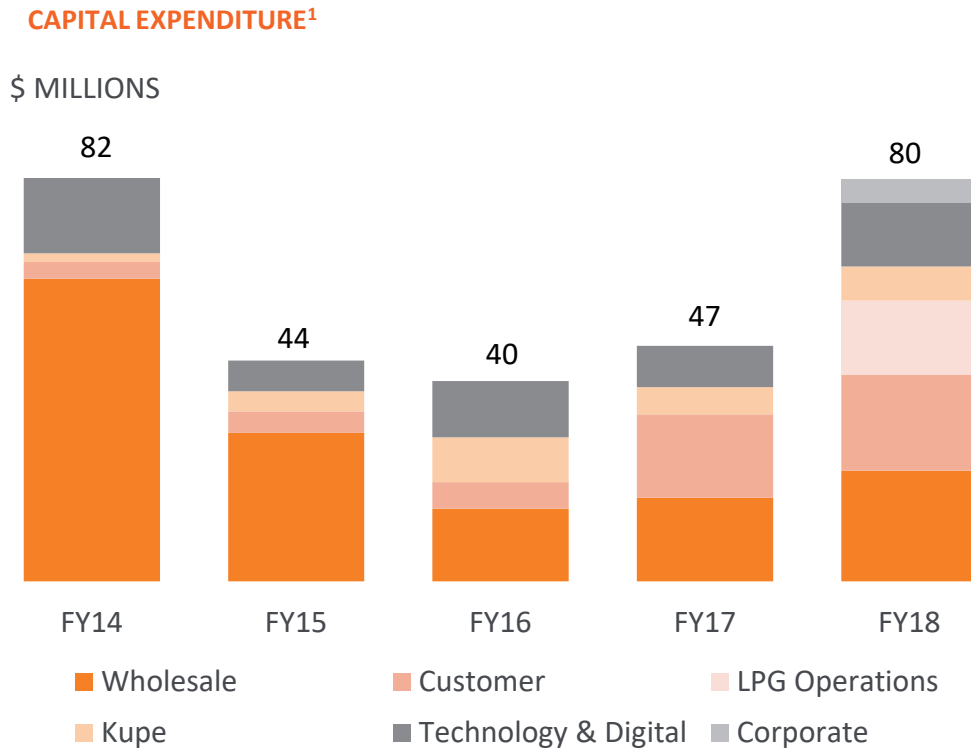


Free cash flow has increased \$2m on FY17, reflecting higher EBITDAF offset by higher interest expense and stay in business capital

1. Free cash flow represents EBITDAF less tax paid, net interest and stay in business capital expenditure. This is a change in methodology from FY17 with tax paid replacing an adjusted tax calculation. All historical information has been restated to the new measure.

# Capital expenditure

— increase reflects a year of investment in integration of LPG operations and platform investment in Customer



Growth capex coupled with stay in business requirements

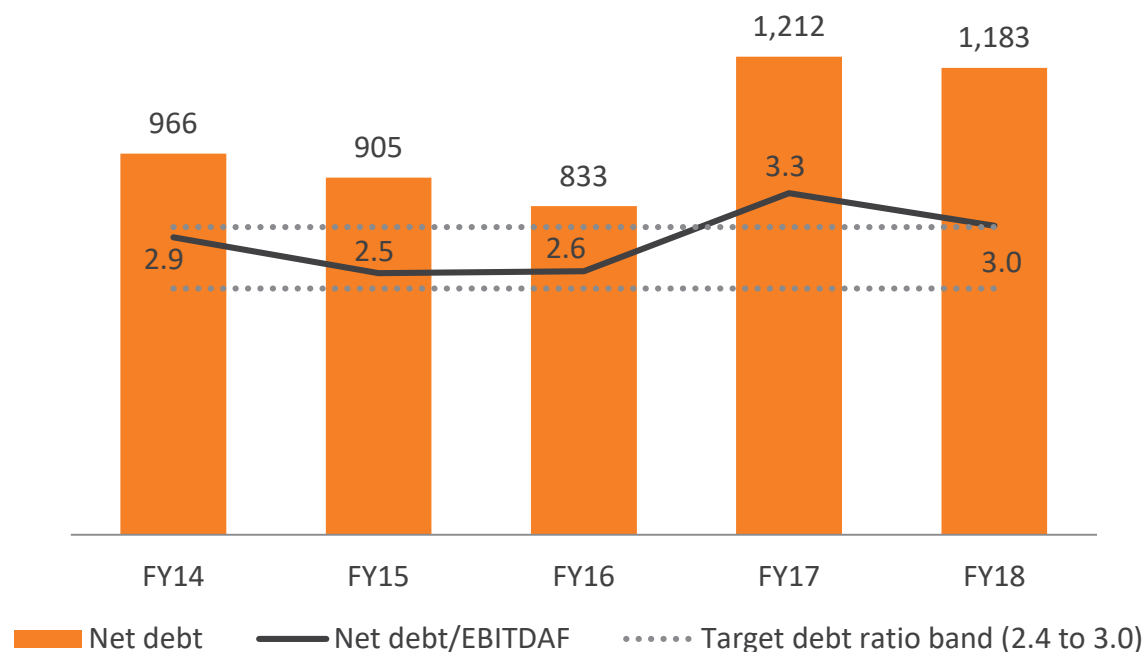
1. Capital expenditure excludes M&A activities.

- Stay in business capex (SIB) includes (\$51m, FY18 guidance issued was \$50-60m):
  - Tekapo G3 refurbishment, EOL billing migration, Tuai generator refurbishments, Tokaanu U4 turbine maintenance, Rangipo fire protection upgrade, and other generation asset useful life extensions and Kupe
- Other capex includes (\$26m):
  - LPG integration costs, the Local Energy Project, Technology and Digital development projects; and
  - Early exit of third party LPG distribution contract related capex i.e. trucks, cylinders and depots
- Corporate capex includes the fit-out for the new Kenehi regional operations office in Hamilton, \$3.6m, where 60% of Genesis' staff work.

# Capital structure

— net debt has reduced by \$29m, debt/EBITDAF down 0.3 to 3.0

NET DEBT AND NET DEBT/EBITDAF RATIO<sup>1</sup>



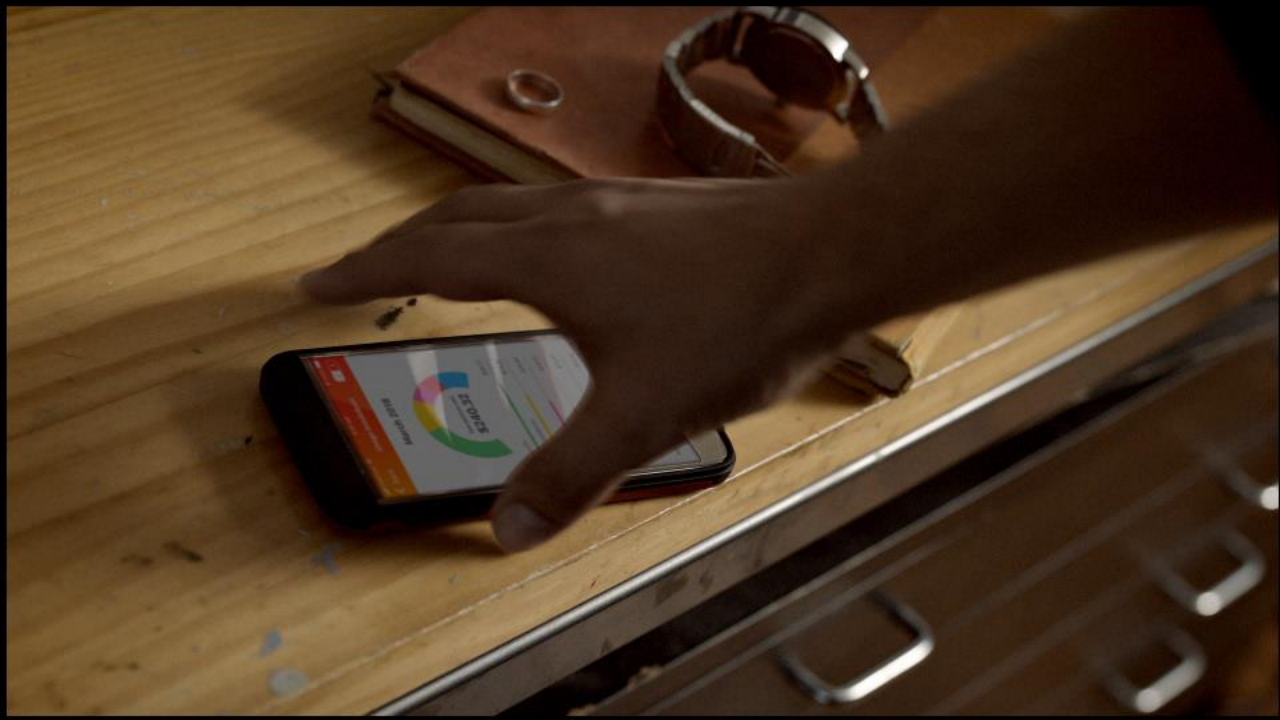
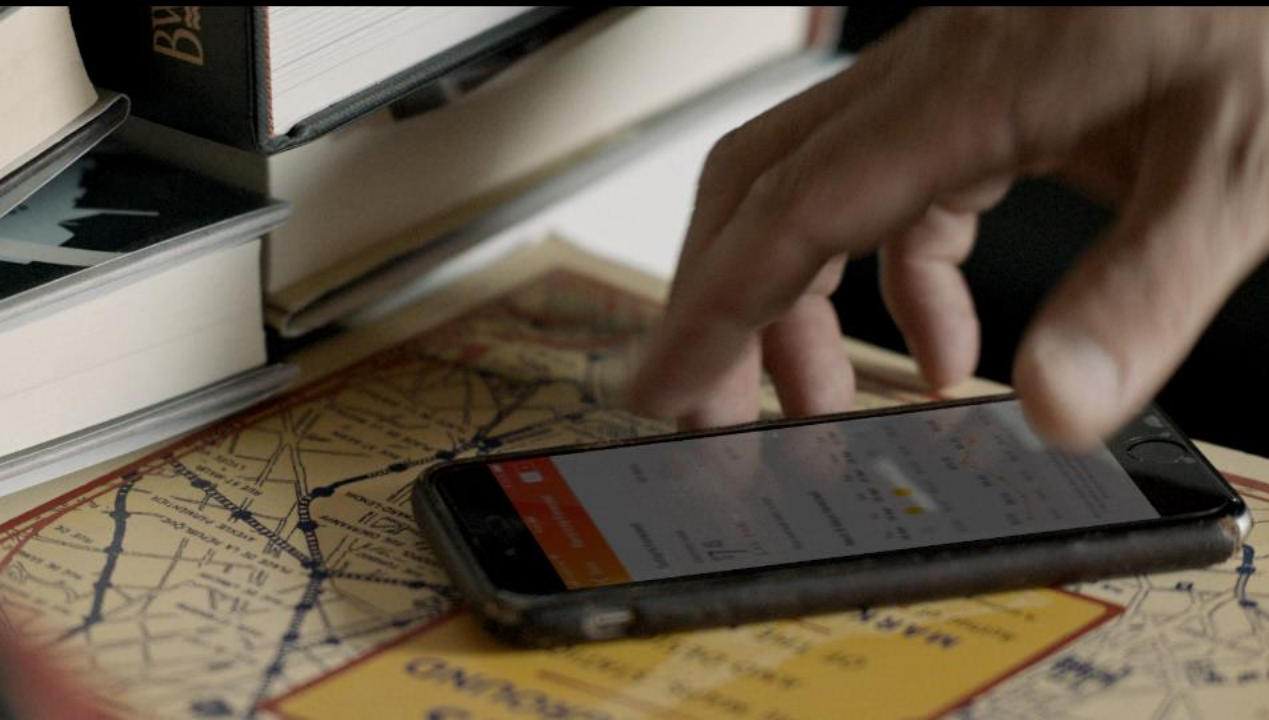
Net debt to EBITDAF metric improving,  
average debt tenor at 11.4 years

- S&P reaffirmed BBB+ credit rating post acquisitions in January 2018
- Dividend reinvestment plan (DRP) announced at HY18. A 23% uptake delivered \$19m of new capital
- \$240m of Capital Bonds maturing in FY 2049 were issued on 16 July 2018 at a favourable coupon rate of 4.65%. \$200m of existing Capital Bonds with a coupon rate of 6.19% were redeemed at the same time.
- Continuation of DRP and increased Capital Bond issuance demonstrates commitment to maintain BBB+ credit rating

1. Standard and Poor's make a number of adjustments to Net Debt and EBITDAF for the purpose of calculating credit metrics. The most significant of these is the 50% equity treatment attributed to the Capital Bonds.








### 3. Strategy Update and Outlook





# Delivery of priority strategic actions

— significant progress made towards strategic goals – more work to do in FY19

	FY18 Actions	Status
 <b>Deliver operational excellence and value optimisation</b>	<ul style="list-style-type: none"> <li>• Simplify operating model – billing system amalgamation/ back-office</li> <li>• Grow self and assisted service through digitisation</li> <li>• Pursuing initiatives to increase earnings in wholesale</li> </ul>	<p>Ongoing</p> <p>Ongoing</p> <p>Complete</p>
 <b>Increase value share of residential category</b>	<ul style="list-style-type: none"> <li>• Brand launch and loyalty retention initiatives</li> <li>• Retail sales team established for Residential</li> <li>• Improved customer experience link with loyalty</li> </ul>	<p>Complete</p> <p>Complete</p> <p>Ongoing</p>
 <b>Targeted growth in business category</b>	<ul style="list-style-type: none"> <li>• Additional field sales teams targeting dual fuel</li> <li>• New industry specific products developed</li> <li>• Targeted price increases</li> <li>• Commercialised first new value propositions</li> </ul>	<p>Complete</p> <p>Complete</p> <p>Complete</p> <p>Ongoing</p>
 <b>Grow LPG category</b>	<ul style="list-style-type: none"> <li>• Integration of LPG distribution business and accelerated contract exit</li> <li>• Weigh scales prototype certified, customer tested and in market</li> <li>• Targeted growth in commercial markets</li> </ul>	<p>Complete</p> <p>Complete</p> <p>Ongoing</p>
 <b>Build energy services</b>	<ul style="list-style-type: none"> <li>• Increased service co-creation via Local Energy Project</li> <li>• Development of digital energy use services e.g. Energy IQ</li> <li>• Continued growth in emerging markets e.g. solar, storage &amp; EVs</li> </ul>	<p>Complete</p> <p>Ongoing</p> <p>Ongoing<sup>1</sup></p>

1. Trials continue with further activity dependant on reaching inflexion point for investment

# Strategy: We are Performing while Transforming

— an update to be provided at Genesis' Investor Day 7<sup>th</sup> November 2018, in Hamilton

Our VISION is to reimagine energy to be customers' first choice for energy management

Our PURPOSE is to put control in our customers' hands

Our STRATEGY is to use our integration to fuel innovation

## Generation, fuels & wholesale

- Our integrated fuel position minimises costs for us and our customers.
- Our generation mix gives us flexibility to maximise value in the energy markets.
- We are leading the way to transition the NZ energy sector successfully to a more renewable future.

## Customer & energy management

- We offer a full three fuel (electricity, gas and LPG) solution for our customers.
- We aim to differentiate our products with seamless service, useful insights and digital tools.
- Our ambition is to change how consumers engage with their energy.

PERFORMING: Operational proficiency and efficiency today



Grow our earnings and deliver top quartile shareholder returns



Be #1 or #2 in every product market



Energise our people and improve engagement



Keep our people healthy and safe



Maximise the value of our assets, products and businesses

TRANSFORMING: Innovation for long-term value creation and success



Increase # of customers using energy management tools and increase digital interactions



Be New Zealand's most loved brand



Move toward a lower carbon future



Employees are engaged advocates for our brands and products



Embrace diversity of thought

23



# Outlook and guidance

## — guidance for FY19 EBITDAF is \$350 to \$370 million

- FY19 EBITDAF guidance range is \$350 to \$370 million subject to hydrological conditions, any material events, one-off expenses or other unforeseeable circumstances. Key assumptions include:
  - \$10 million negative impact from Huntly Unit 5 mid-life inspection
  - Return to normal hydrology
  - Increase in emissions costs through higher carbon prices (average of \$6/tCO<sub>2</sub> achieved FY18) and change to ETS<sup>1</sup>
  - Growth in Customer segment
- FY19 capital expenditure guidance of up to \$85 million. Key assumptions include:
  - \$11 million for Huntly Unit 5 mid-life inspection excluding plant parts included in Long-term Maintenance Agreement
  - Replacement of turbine runners at Tekapo, Unit 1 Rankine cold survey
  - Ongoing investment for LPG business expansion
  - \$10 million Kupe BAU investment plus development studies for inlet compressor and subsurface studies for wells. If the Kupe JV commits to proceeding with the inlet compressor project further capital of up to \$30 million is expected over the period FY20 to FY21<sup>2</sup>
- FY20 EBITDAF to be impacted by planned Kupe 25-30 day outage and increased emissions costs
- FY21 target remains to deliver \$400+ million EBITDAF

1. Reflects change to the Emissions Trading Scheme to move to a one-for-one unit obligation from 1 January 2019

2. FY19 development studies incorporates (Front End Engineering Design) FEED to the value of \$3 to \$4 million. Kupe capex guidance estimates are Genesis Energy's assessment of an incomplete proposal. No development study (incorporating FEED) has been completed for the inlet compressor project and the joint venture has not agreed a settled estimate of the timing or cost. No capital estimate beyond FY19 is provided for additional wells as part of phase two expansion.



## 4. Supplementary Information

# Financial statements

Income Statement	FY18 (\$m)	FY17 (\$m)	Variance
<b>Revenue</b>	2,304.5	1,951.1	18.1%
Total Operating Expenses	(1,944.0)	(1,618.6)	20.1%
<b>EBITDAF</b>	<b>360.5</b>	<b>332.5</b>	<b>8.4%</b>
Depreciation, Depletion & Amortisation	(205.7)	(174.6)	
Impairment of Non-Current Assets	(0.4)	(2.4)	
Revaluation of Generation Assets	(48.8)	51.5	
Fair Value Change	(3.1)	22.6	
Other Gains (Losses)	(0.7)	(1.6)	
<b>Earnings Before Interest &amp; Tax</b>	<b>101.8</b>	<b>228.0</b>	<b>(55.4%)</b>
Interest	(74.3)	(60.5)	
Tax	(7.7)	(48.8)	
<b>Net Profit After Tax</b>	<b>19.8</b>	<b>118.7</b>	<b>(83.3%)</b>
Earnings Per Share (cps)	1.98	11.88	
Stay in Business Capital Expenditure	50.8	39.4	28.9%
Free Cash Flow <sup>1</sup>	183.7	181.6	1.2%
Dividends Per Share (cps)	16.9	16.6	1.8%
Dividends Declared as a % of FCF	92.4%	91.4%	1 ppt

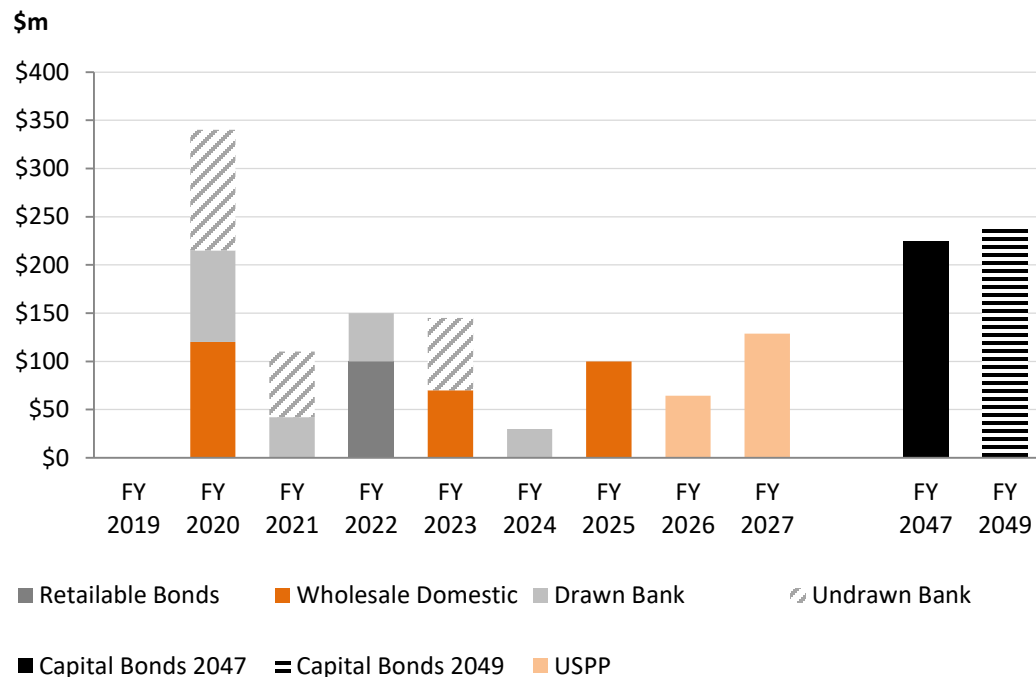
1. Free cash flow represents EBITDAF less cash tax paid, net interest and stay in business capital expenditure. This is a change in methodology from FY17 with tax paid replacing an adjusted tax calculation. All historical information has been restated to the new measure.

Balance Sheet	FY18 (\$m)	FY17 (\$m)	Variance
Cash and Cash Equivalents	49.3	27.8	
Other Current Assets	343.8	344.5	
Non-Current Assets	3,841.9	3,847.0	
<b>Total Assets</b>	<b>4,235.0</b>	<b>4,219.3</b>	<b>0.4%</b>
Total Borrowings	1,255.4	1,259.8	
Other Liabilities	1,018.1	977.6	
<b>Total Equity</b>	<b>1,961.5</b>	<b>1,981.9</b>	<b>(1.0%)</b>
Adjusted Net Debt	1,182.9	1,211.5	
Gearing per bank Covenants	32.4%	32.3%	
EBITDAF Interest Cover	6.4x	6.6x	
Net Debt/EBITDAF	3.0x	3.3x	

Cash Flow Summary	FY18 (\$m)	HY17 (\$m)	Variance (\$m)
Net Operating Cash Flow	330.6	248.5	
Net Investing Cash Flow	(82.2)	(409.6)	
Net Financing Cash Flow	(226.9)	154.0	
<b>Net Increase (Decrease) in Cash</b>	<b>21.5</b>	<b>(7.1)</b>	<b>403%</b>

# Diversified funding profile

## GENESIS DEBT PROFILE



The \$240m of Capital Bonds maturing in FY 2049 were issued on 16 July 2018 following a successful capital raising in June 2018. \$200m of existing Capital Bonds were redeemed at the same time.

## Debt Information

	FY18 (\$m)	FY17 (\$m)	Variance
Total Debt	\$ 1,255.4	1,259.8	
Cash and Cash Equivalents	\$ 49.3	27.8	
<b>Headline Net Debt</b>	<b>\$ 1,206.1</b>	<b>1,232.0</b>	<b>(2.1%)</b>
USPP FX and FV Adjustments	\$ 23.2	20.5	
<b>Adjusted Net Debt<sup>1</sup></b>	<b>\$ 1,182.9</b>	<b>1,211.5</b>	<b>(2.4%)</b>
Headline Gearing	39.0%	38.9%	+0.1ppts
Adjusted Gearing	38.6%	38.5%	+0.1ppts
Covenant Gearing	32.4%	32.3%	+0.1ppts
Net Debt/EBITDAF <sup>2</sup>	3.0x	3.3x	
Interest Cover	6.4x	6.6x	
Average Interest Rate	5.8%	5.7%	
Average Debt Tenure	11.4 yrs	11.0 yrs	

1. Net debt has been adjusted for foreign currency translation and fair value movements related to USD denominated borrowings which have been fully hedged with cross currency swaps
2. Standard and Poor's make a number of adjustments to Net Debt and EBITDAF for the purpose of calculating credit metrics. The most significant of these is the 50% equity treatment attributed to the Capital Bonds.



# Operational highlights

Customer Key Information	FY18	FY17	Variance
<b>EBITDAF (\$ millions)</b>	<b>109.8</b>	<b>109.6</b>	<b>+0.2%</b>
Electricity Netback (\$/MWh)	\$97.84	\$102.84	(4.9%)
Gas Netback (\$/GJ)	\$8.31	\$8.65	(3.9%)
LPG Netback (\$/t)	\$727.17	N/A	
Electricity Only Customers	341,545	357,900	
Gas Only Customers	18,444	19,134	
LPG Only Customers	34,370	32,166	
Customers with > 1 Fuel	109,767	104,586	
<b>Total Customers</b>	<b>504,126</b>	<b>513,786</b>	<b>(1.9%)</b>
<b>Total Electricity and Gas ICP's</b>	<b>609,316</b>	<b>620,634</b>	<b>(1.8%)</b>
Volume Weighted Average Electricity Selling Price – Resi (\$/MWh)	\$252.26	\$251.44	+0.3%
Volume Weighted Average Electricity Selling Price – SME (\$/MWh)	\$216.66	\$215.38	+0.6%
Volume Weighted Average Electricity Selling Price – C&I (\$/MWh)	\$121.46	\$120.04	+1.2%
Volume Weighted Average Gas Selling Price (\$/GJ)	\$27.12	\$27.14	(0.1%)
Customer Electricity Sales (GWh)	5,980	5,653	+5.8%
Customer Gas Sales (PJ)	7.5	7.4	+1.4%
Customer LPG Sales (tonnes)	35,005	8,287	+322.4%

Wholesale Key Information	FY18	FY17	Variance
<b>EBITDAF (\$ millions)</b>	<b>178.0</b>	<b>176.1</b>	<b>+1.1%</b>
Renewable Generation (GWh)	3,056	3,154	(3.1%)
Thermal Generation (GWh)	4,049	3,268	+23.9%
<b>Total Generation (GWh)</b>	<b>7,105</b>	<b>6,422</b>	<b>+10.6%</b>
GWAP (\$/MWh)	91.59	60.63	+51.1%
LWAP/GWAP Ratio	101%	100%	+1 ppts
Weighted Average Fuel Cost (\$/MWh)	37.91	32.54	+16.5%
Coal/Gas Mix (Rankines only)	63/37	41/59	
Kupe Key Information	FY18	FY17	Variance
<b>EBITDAF (\$m)</b>	<b>115.3</b>	<b>84.4</b>	<b>+36.6%</b>
Gas Sales (PJ)	12.1	9.3	+30.1%
Oil Production (kbbl)	533	476	+12.0%
Oil Sales (kbbl)	533	507	+5.1%
LPG Sales (kt)	46.1	32.1	+43.6
Remaining Kupe Reserves (2P, Pje) <sup>1</sup>	351.1	373.1	+14.2
Average Brent Crude Oil (USD/bbl)	64	50	+28.0%
Average Hedged Price (USD/bbl)	58	57	+1.8%

1. FY18 remaining reserves include FY18 production of 36.2 Pje, and represent a 4% increase in total reserves in FY18 (14 Pje).

# Key metrics

Increase value share of residential category	FY16	FY17	FY18
% of residential customer with > 1 fuel product	21.3%	21.5%	22.9%
Electricity gross margin per customer	\$377	\$414	\$404
Gas gross margin per customer	\$314	\$332	\$336
Net promotor score	-5%	1%	10%
Target growth in business category	FY16	FY17	FY18
Total B2B electricity volume sold (excluding TOU) GWh	1,154	1,096	1,081
% of business customers with > 1 fuel product	8.6%	7.7%	9.2%
Electricity gross margin (\$/MWh)	\$23.9	\$27.5	\$33.0
Gas gross margin (\$/GJ)	\$2.53	\$3.79	\$3.79
Build energy services	FY16	FY17	FY18
# MVP delivered	NA	5	6
# services launched	NA	1	4
# customers engaging with an energy services product	NA	7,700	40 – 80k (est)
# unique Energy IQ users	N/A	N/A	>100,000

Operational excellence & value optimisation		FY16	FY17	FY18
Customer cost to serve (per ICP)		\$165	\$161	\$158
Customer assisted interactions (per ICP)		2.28	2.25	2.67
Generation Opex savings (year on year)		\$4.7m	\$4.3m	\$3.9m
Equivalent availability factor		89.0%	92.5%	91.1%
Grow LPG category		FY16	FY17	FY18
Total LPG customers		15,890	51,179	59,169
LPG volume in tonnes		3,949	8,287	35,005
% of LPG customers with > 1 Product		75%	37%	42%
Customer netback by segment	FY17	1H18	2H18	FY18
Residential - Electricity (\$/MWh)	\$114.1	\$106.6	\$109.2	\$107.8
Residential - Gas (\$/GJ)	\$10.1	\$9.6	\$9.8	\$9.7
Residential - LPG (\$/tonne)	N/A	\$533.7	\$590.2	\$559.9
SME - Electricity (\$/MWh)	\$100.3	\$97.5	\$101.5	\$99.5
SME - Gas (\$/GJ)	\$9.0	\$9.3	\$9.0	\$9.1
SME - LPG (\$/tonne)	N/A	\$1,006.9	\$868.2	\$941.5
C&I - Electricity (\$/MWh)	\$77.6	\$79.4	\$80.2	\$79.9
C&I - Gas (\$/GJ)	\$7.2	\$7.2	\$6.6	\$6.9
C&I - LPG (\$/tonne)	N/A	\$588.6	\$594.0	\$591.4



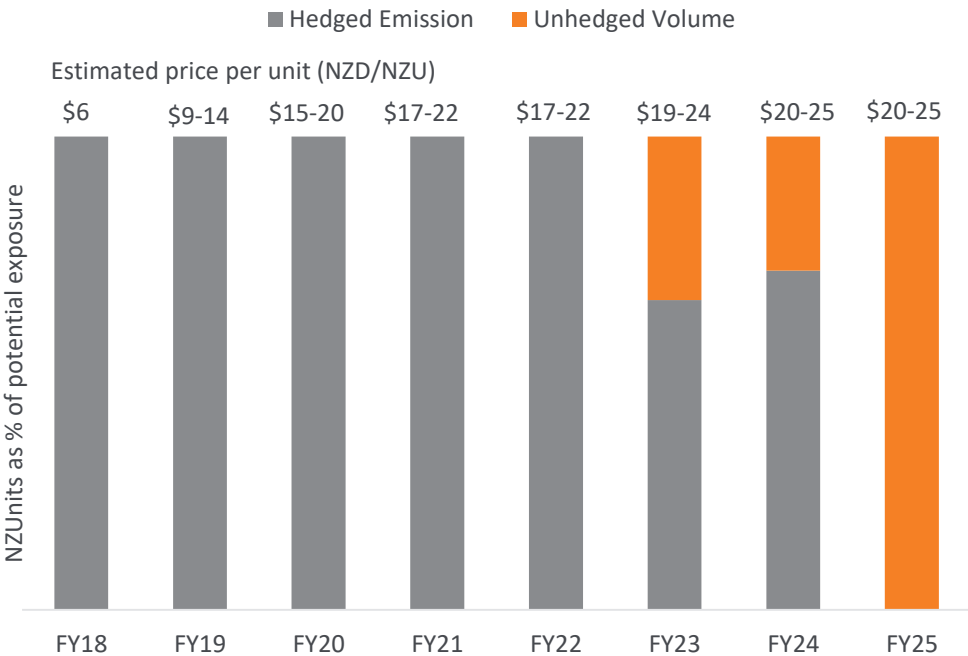
# Additional disclosures

TAKE-OR-PAY FORWARD GAS PURCHASES<sup>1</sup>



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

CARBON HEDGE POSITION



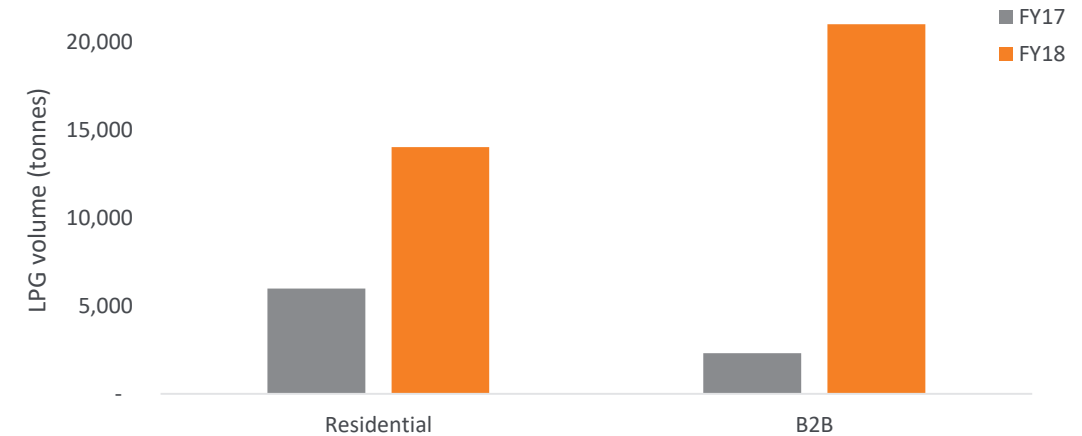
# LPG integration and growth

— 16% growth in customers and lower churn metrics support strategic rationale of acquisition

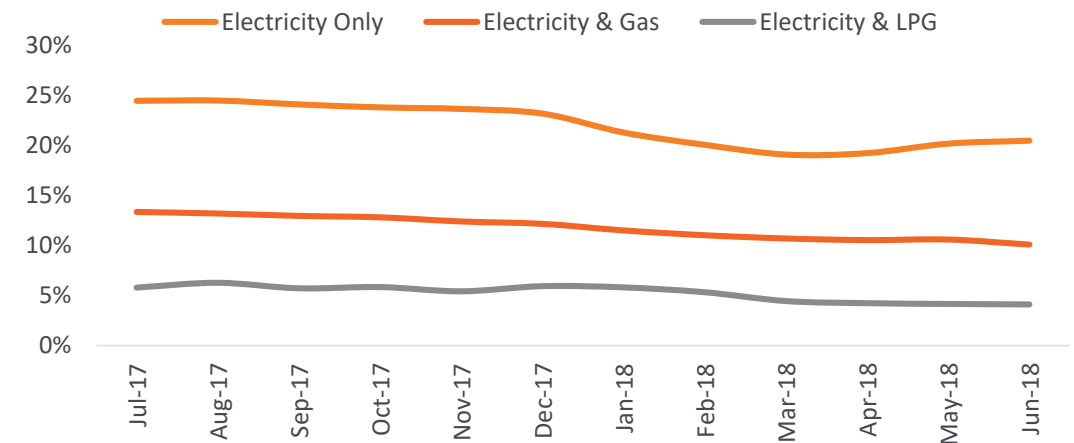
## INTEGRATION UPDATE

Activity	Status
<b>Staff</b>	<ul style="list-style-type: none"> <li>&gt;75 staff migrated</li> <li>74% employee engagement rating</li> <li>LPG Operations TRIFR down from 12.93 (Sep17) to 5.3 by 30 June 2018</li> </ul>
<b>Systems</b>	<ul style="list-style-type: none"> <li>Billing and distribution fully migrated</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>90% migrated onto Genesis billing platform</li> <li>LPG customer churn in line with forecast</li> <li>LPG dual fuel customer increased 30% over the year</li> <li>Self-service ordering of bottles up from 60% to 81%</li> </ul>
<b>Call Centre</b>	<ul style="list-style-type: none"> <li>160,000 calls handled p.a. down to 120,000</li> <li>Call centre LPG services and sales team established</li> </ul>
<b>Brand</b>	<ul style="list-style-type: none"> <li>27 depots, 99 Genesis-branded vehicles</li> <li>Over 100,000 Genesis branded cylinders</li> </ul>
<b>3<sup>rd</sup> Party LPG Distribution Exit</b>	<ul style="list-style-type: none"> <li>Exit of Elgas LPG distribution contract servicing GE/EOL customers 8 months early (March 2018).</li> <li>Approximately 60,000 customers now serviced from a Genesis controlled / branded delivery network</li> </ul>

## LPG VOLUME GROWTH



## RESIDENTIAL CUSTOMER CHURN (EXCL EOL, ROLLING 3 MONTHS)





WITH YOU.  
FOR YOU.

## Genesis Energy Limited

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### Appendix 1

GENESIS ENERGY LIMITED  
INCORPORATED IN NEW ZEALAND

#### FULL YEAR REPORT

Reporting period                      twelve months to 30 June 2018  
Previous reporting period           twelve months to 30 June 2017

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET – 29 AUGUST 2018

Revenue and Net Profit	30 June 2018 Amount (\$NZ million)	30 June 2017 Amount (\$NZ million)	Percentage change
Revenues from ordinary activities	2,304.5	1,951.1	15.3%
Profit (loss) from ordinary activities after tax attributable to security holder.	19.8	118.7	-83.3%
Net profit (loss) attributable to security holders	19.8	118.7	-83.3%

Dividends – Ordinary Shares	30 June 2018 Amount per security (NZ cents)	30 June 2017 Amount per security (NZ cents)	Percentage change
Final dividend	8.6	8.4	2%
Final dividend - imputed amount	2.68	2.61	2%

Record date: 05 October 2018

Payment date: 19 October 2018

#### COMMENTARY ON RESULTS FOR THE PERIOD

For commentary on the results please refer to the results presentation attached.

#### FINANCIAL INFORMATION

The Appendix 1 form should be read in conjunction with the consolidated financial statements for the year ended 30 June 2018 as attached.

Net Tangible Assets – Ordinary Shares	30 June 2018 Amount per security (NZ cents)	30 June 2017 Amount per security (NZ cents)	Percentage change
Net Tangible Asset	156.9	161	-2.56%

**Notice of event affecting securities**

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.  
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one  
(Please provide any other relevant  
details on additional pages)

Full name of Issuer	Genesis Energy Limited		
Name of officer authorised to make this notice	Matthew Osborne, General Counsel and Company Secretary	Authority for event, e.g. Directors' resolution	Directors' resolutions
Contact phone number	09 951 9294	Contact fax number	
		Date	29 / 08 / 2018

<b>Nature of event</b> Tick as appropriate	Bonus Issue <input type="checkbox"/>	If ticked, state whether: Rights Issue non-renounceable <input type="checkbox"/> Capital change <input type="checkbox"/> Call <input type="checkbox"/>	Taxable Dividend <input checked="" type="checkbox"/>	/ Non Taxable <input type="checkbox"/>	Conversion <input type="checkbox"/>	Interest <input type="checkbox"/>	Rights Issue Renounceable <input type="checkbox"/>
			If ticked, state whether: Interim <input type="checkbox"/> Full Year <input checked="" type="checkbox"/>			Special <input type="checkbox"/>	DRP Applies <input checked="" type="checkbox"/>

**EXISTING securities affected by this** *If more than one security is affected by the event, use a separate form.*

Description of the class of securities	Ordinary Shares	ISIN	NZGNEE0001S7
			<i>If unknown, contact NZX</i>

**Details of securities issued pursuant to this event** *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities		ISIN	
			<i>If unknown, contact NZX</i>
Number of Securities to be issued following event		Minimum Entitlement	
Conversion, Maturity, Call Payable or Exercise Date		Treatment of Fractions	
	Enter N/A if not applicable	Tick if <i>pari passu</i> <input type="checkbox"/>	OR provide an explanation of the ranking
Strike price per security for any issue in lieu or date Strike Price available.			

**Monies Associated with Event** *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

<i>In dollars and cents</i>		Source of Payment	Retained Earnings
Amount per security (does not include any excluded income)	\$0.086 per share		
Excluded income per security (only applicable to listed PIEs)	Not Applicable		
Currency	NZ Dollars	Supplementary dividend details - NZSX Listing Rule 7.12.7	Amount per security in dollars and cents
Total monies	\$86,684,058		\$0.012141 per share
			Date Payable
			19 October, 2018

**Taxation** *Amount per Security in Dollars and cents to six decimal places*

In the case of a taxable bonus issue state strike price	\$	Resident Withholding Tax	\$0.010453 per share	Imputation Credits (Give details)	\$0.026756 per share
		Foreign Withholding Tax	\$0.000000	FDP Credits (Give details)	\$0.000000

**Timing** (Refer Appendix 8 in the NZSX Listing Rules)

<b>Record Date 5pm</b> For calculation of entitlements -	5 October 2018	<b>Application Date</b> Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.	19 October 2018
<b>Notice Date</b> Entitlement letters, call notices, conversion notices mailed	Not Applicable	<b>Allotment Date</b> For the issue of new securities. Must be within 5 business days of application closing date.	Not Applicable

**OFFICE USE ONLY**

Ex Date:  
Commence Quoting Rights  
Cease Quoting Rights 5pm:  
Commence Quoting New Securities  
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

