



MARKET RELEASE

Date: 25 July 2019

NZX: GNE / ASX: GNE

FY19 Q4 PERFORMANCE REPORT

Genesis Energy today released to the NZX/ASX its FY19 Q4 Performance Report for the three months ended 30 June, 2019. The FY19 Q4 Performance Report is also available from the Genesis Investor Centre, linked [here](#).

FY19 Q4 Performance Summary

CUSTOMER

Genesis' gross churn has continued to fall over the quarter, down 3 ppt on the prior year, with net churn down 2 ppt. Customers with more than one fuel increased by 7,400 on the prior comparable period (pcp) and total ICP's increased by 2,800, with the standout performance being in LPG. Netback margins were up materially across all fuels. Electricity demand was down by 5% on the prior year, with mild temperatures a contributor to lower consumption. Genesis' focus on product innovation was a highlight with the launch of ['For Dairy'](#) in May.

WHOLESALE

Pohokura outages and low inflows into North Island catchments prevailed throughout the quarter, impacting generation mix. Thermal generation was up 16% on the prior year and hydro generation 13% lower. Wholesale spot prices remained elevated with the price received for generation up \$33/MWh on pcp. Genesis' average portfolio fuel cost increased 24% on pcp. Rankine Unit 1 completed re-certification, providing for a further four years operating license, and returned to service in June. Notably, Genesis signed a 130 MW Waverley Wind Farm off-take agreement with Tilt Renewables, an important milestone in implementing the [Future-gen](#) framework.

KUPE

Plant reliability remained high for Kupe, operating at 99.7% of available capacity over the period. Gas production was up 15% versus the prior comparable period, LPG yield was up 2.6%, whilst oil yield was down 15% due to the natural decline in the field. Oil sales for Genesis were recorded at 170,000 barrels, down 13% on pcp due to the timing of shipments, and a realised oil price of NZ\$89/bbl, up 6% on pcp.

"The innovative products we are delivering to our customers is helping to establish a platform for enhanced customer engagement and sustainable growth," said Chief Executive Marc England.

ENDS

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About Genesis Energy

Genesis Energy (NZX: GNE, ASX: GNE) is a diversified New Zealand energy company. Genesis sells electricity, reticulated natural gas and LPG through its retail brands of Genesis Energy and Energy Online and is New Zealand's largest energy retailer with approximately 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 also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis had revenue of \$NZ2.3bn during the 12 months ended 30 June 2018. More information can be found at www.genesisenergy.co.nz

FY19 Q4 Performance Report

23 July 2019

GENESIS ENERGY LIMITED



FY19 Q4 Performance Summary

Customer

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Wholesale

Pohokura outages and low inflows into North Island catchments prevailed throughout the quarter, impacting generation mix. Thermal generation was up 16% on the prior year and hydro generation 13% lower. Wholesale spot prices remained elevated with the price received for generation up \$33/MWh on pcp. Genesis' average portfolio fuel cost increased 24% on pcp. Rankine Unit 1 completed re-certification, providing for a further four years operating license, and returned to service in June. Notably, Genesis signed a 130 MW Waverley Wind Farm off-take agreement with Tilt Renewables, an important milestone in implementing the [Future-gen](#) framework.

Kupe

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Note: The prior comparable period (pcp) is defined as Q4 FY18, unless an alternative comparison is stated



The innovative products we are delivering to our customers is helping to establish a platform for enhanced customer engagement and sustainable growth.



Marc England, Chief Executive Officer

Customer Segment Performance

Highs

Genesis Gross Churn¹
26.9%
↓ 2.8 ppt

Netback
Up across all fuels
Electricity + 6.4%
Gas + 13.6%
LPG + 16.2%

Genesis Net Churn¹
15.4%
↓ 1.9 ppt

Total Gas Sales
2.3 PJ
↑ 6.5%

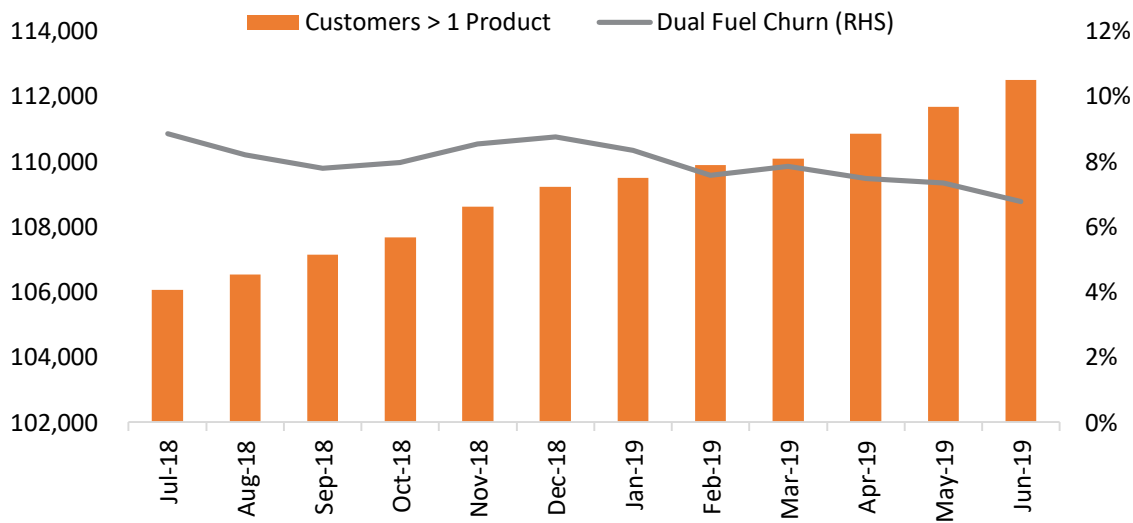
Total LPG Sales
11,067 tonnes
↑ 11.1%

Customers > 1 fuel
117.1k
↑ 6.8 %

Lows

Total Electricity Sales
Down to 1,557 GWh partly due to mild temperatures translating to lower demand
↓ 5.2%

RESIDENTIAL DUAL FUEL CUSTOMER NUMBERS & CHURN (3 MONTH ROLLING AVERAGE)



1. Genesis residential 3 month rolling average churn (excluding EOL)



Wholesale Segment Performance

Highs

**Average Price
Received for
Generation**
\$116/MWh

↑
39.0%

**High Plant
Reliability**
Forced Outage Factor
down to 0.6%

↓
94.5%

Total Generation
1,646 GWh

↑
2.7%

Thermal Output
up to 1,012 GWh in
support of low North
Island inflows

↑
15.6%

Lows

**Average Portfolio
Fuel Cost**
\$47/MWh

↑
23.9%

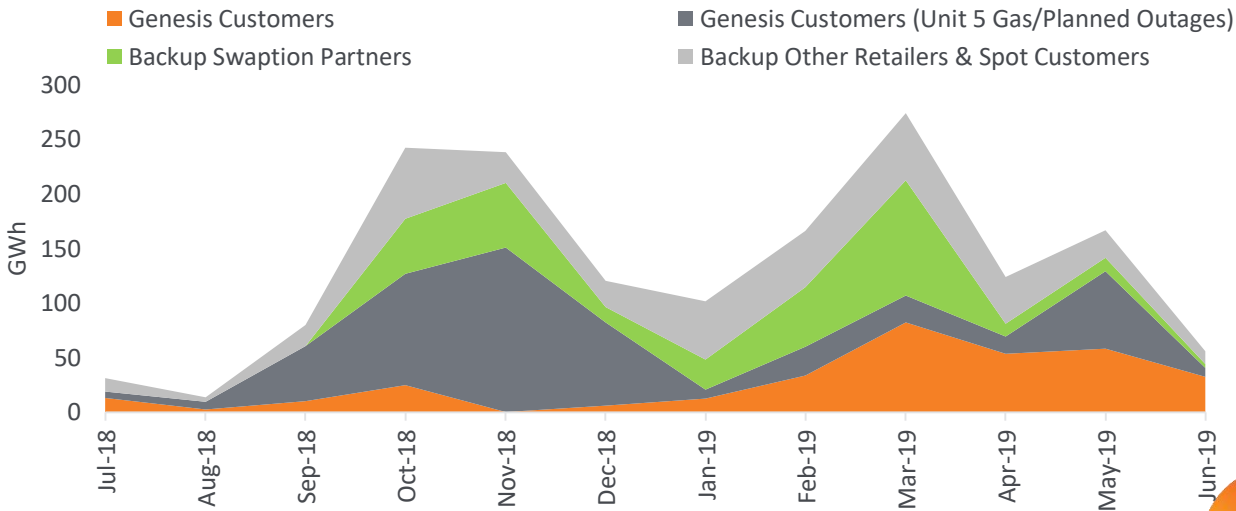
**Average Thermal
Fuel Cost**
\$77/MWh

↑
10.0%

**Hydro
Generation**
629 GWh

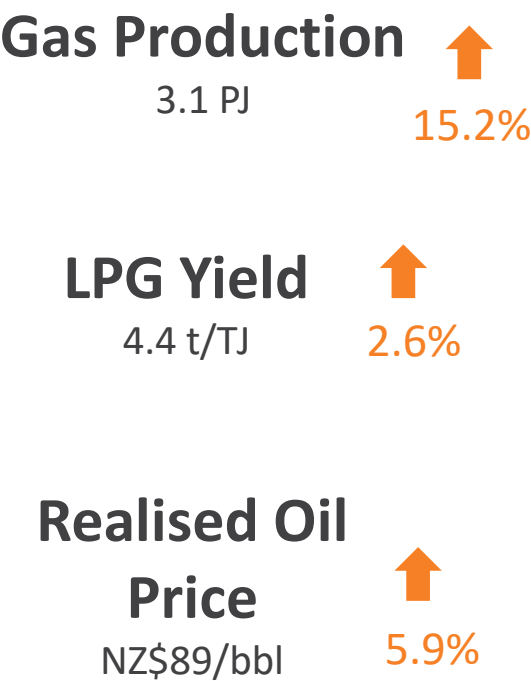
↓
12.9%

HUNTLY RANKINE UTILISATION (GWh)

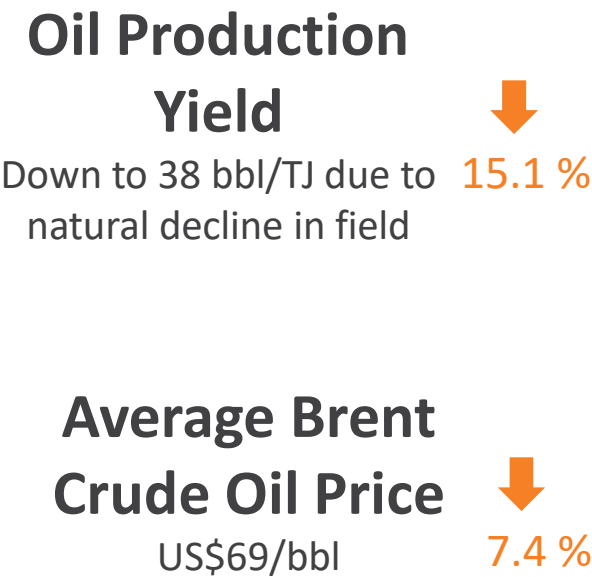


Kupe Segment Performance

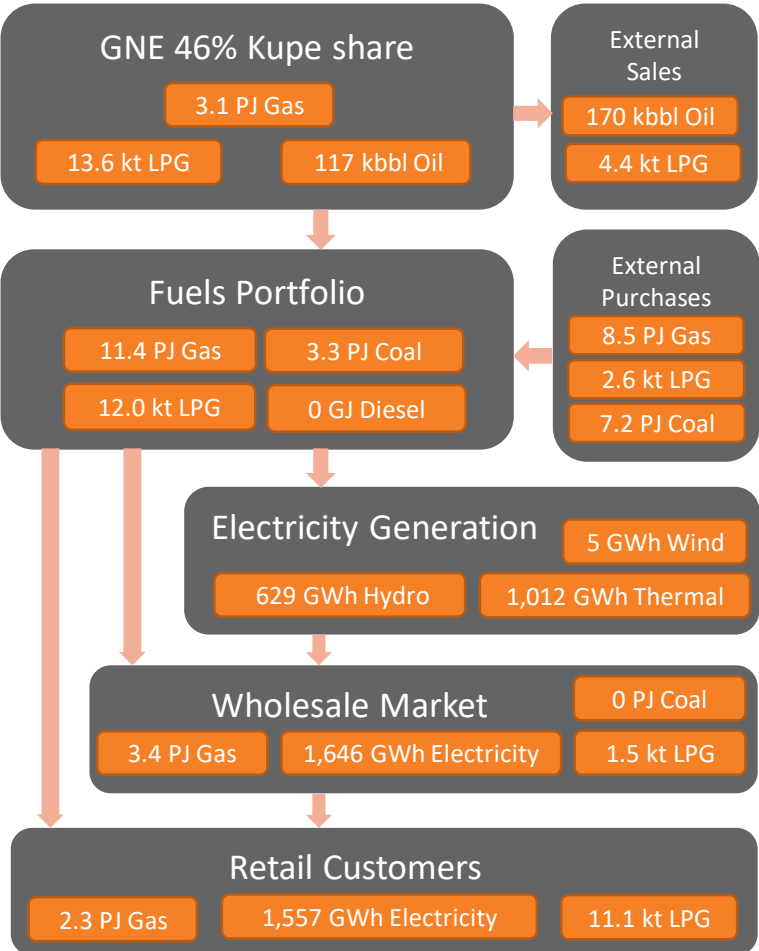
Highs



Lows



Q4 FY19 INTEGRATED PHYSICAL ENERGY FLOWS¹



1. LPG/Oil/Coal difference represents movement in stock



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?"
Interaction Net Promoter Score (%)	Based on survey question "Based on your recent Interaction With GE/EOL, how likely would you be to recommend GE/EOL to your Friends/Family?"
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)
LPG Customer Connections	Defined as number of customers
Gross Customer Churn	Based on customers instigating a trader switch or home move, as opposed to net churn being post home move save and retentions
Net Customer Churn	Based on losing and gaining accounts under a Single Customer View
Resi, SME, C&I	Residential, small and medium enterprises and commercial & industrial customers
B2B	Business to Business, including both SME and C&I
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 - \$/GJ	Average selling price for customers including transmission and distribution and after prompt payment discount
Volume Weighted Average LPG Selling Price - \$/tonne	Average selling price for customers including after prompt payment discount
Bottled LPG Sales (tonnes)	Represents 45kg LPG bottle sales
SME & Other Bulk LPG sales (tonnes)	Represents SME and other bulk and 3rd party distributors
Netback (\$/MWh, \$/GJ, \$/tonne)	Customer EBITDAF by fuel type plus respective fuel purchase cost divided by total fuel sales volumes, stated in native fuel units (excluding corporate allocation costs)

GENERATION

Average Price Received for Generation - GWAP (\$/MWh)	Excludes settlements from electricity derivatives.
Coal (GWh)	Coal generation is calculated by applying coal burn to monthly average heat rates
Coal Used In Internal Generation (PJ)	Results have been revised to reflect changes in coal kilo tonnes to PJ conversion rate and volume methodology
Rankine's 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

Average Retail Electricity Purchase Price - LWAP (\$/MWh)	Excludes settlements from electricity derivatives
Electricity CFD Purchases - Wholesale (GWh)	Settlement volumes of generation hedge purchase contracts, including ASX but excluding Financial Transmission Right (FTRs) or Cap/Collar/Floor contracts
Electricity CFD Sales - Wholesale (GWh)	Settlement volumes of generation hedge sale contracts, including ASX but excluding Financial Transmission Right (FTRs) or Cap/Collar/Floor contracts (including Swaptions)
Swaption Sales - Wholesale (GWh)	Electricity (swap/option) sales contract volume called, a subset of the Electricity CFD Sales - Wholesale (GWh)
Wholesale LPG Sales (tonnes)	Represents wholesale, export sales and transfers to Huntly power station
Weighted Average Gas Burn Cost (\$/GJ)	Total cost of gas burnt divided by generation from gas fired generation, excluding emissions
Weighted Average Coal Burn Cost (\$/GJ)	Total cost of coal burnt divided by generation from coal fired generation, excluding emissions
Weighted Average Fuel Cost - Portfolio (\$/MWh)	Total cost of fuel burnt plus emissions on fuel burnt divided by total generation (thermal, hydro and wind)
Weighted Average Fuel Cost - Thermal (\$/MWh)	Total cost of fuel burnt plus emissions on fuel burnt divided by total generation from thermal plant
Coal Stockpile - Stored Energy (PJ)	The coal stockpile closing balance in tonnes divided by an estimated nominal energy content of Huntly's coal (22,000GJ/t)

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, including contractors

KUPE

Oil Price realised (NZD/bbl)	Oil price received including hedge outcome for oil and foreign exchange
Oil Price realised (USD/bbl)	The underlying benchmark crude oil price that is used to set the price for crude oil sales
Oil Hedge Levels (%)	% hedged for remainder of FY as % of forecast sales

Customer Metrics

CUSTOMER SEGMENT	Q4 FY19	Q4 FY18	% Change	Var.	YTD FY19	YTD FY18	% Change	Var.
CUSTOMER								
Brand Net Promoter Score - Genesis Energy (%)	10.0%	10.0%	-	0ppt				
Interaction Net Promoter Score - Genesis (%)	42.7%	40.3%	6.0%	2.4ppt				
Gross Customer Churn (3 month rolling average, %)	26.9%	29.7%	(9.4%)	(2.8)ppt				
Net Customer Churn (3 month rolling average, %)	15.4%	17.3%	(11.2%)	(1.9)ppt				
Electricity Netback (\$/MWh)	\$110.36	\$103.74	6.4%	\$6.62	\$104.93	\$100.28	4.6%	\$4.64
Gas Netback (\$/GJ)	\$9.21	\$8.10	13.6%	\$1.10	\$9.10	\$8.67	4.8%	\$0.42
LPG Netback (\$/t)	\$941.20	\$810.27	16.2%	\$130.92	\$835.95	\$767.47	8.9%	\$68.48
CUSTOMER NUMBERS¹								
Customers > 1 Fuel	117,138	109,710	6.8%	7,428				
Electricity Only Customers	328,415	341,546	(3.8%)	(13,131)				
Gas Only Customers	16,549	17,823	(7.1%)	(1,274)				
LPG Only Customers	34,181	35,124	(2.7%)	(943)				
Total Customers	496,283	504,203	(1.6%)	(7,920)				
Electricity ICPs Active-Occupied	499,476	503,671	(0.8%)	(4,195)				
Gas ICPs Active-Occupied	107,114	106,204	0.9%	910				
LPG Customer Connections (#)	68,466	62,365	9.8%	6,101				
Total ICPs	675,056	672,240	0.4%	2,816				
VOLUMES AND PRICE								
Volume Weighted Average Electricity Selling Price - Resi (\$/MWh)	\$256.12	\$249.93	2.5%	\$6.19	\$255.82	\$252.26	1.4%	\$3.57
Volume Weighted Average Electricity Selling Price - SME (\$/MWh)	\$225.45	\$217.17	3.8%	\$8.28	\$221.17	\$216.66	2.1%	\$4.51
Volume Weighted Average Electricity Selling Price - C&I (\$/MWh)	\$139.00	\$127.64	8.9%	\$11.35	\$128.71	\$121.46	6.0%	\$7.25
Residential Electricity Sales (GWh)	812	851	(4.6%)	(39)	3,012	3,088	(2.5%)	(76)
SME Electricity Sales (GWh)	260	265	(1.9%)	(5)	1,064	1,081	(1.5%)	(16)
C&I Electricity Sales (GWh)	485	525	(7.7%)	(40)	1,991	1,811	10.0%	180
Total Electricity Sales - Customer (GWh)	1,557	1,642	(5.2%)	(85)	6,067	5,980	1.5%	88
Volume Weighted Average Gas Selling Price - Resi (\$/GJ)	\$32.15	\$31.13	3.3%	\$1.01	\$32.99	\$32.86	0.4%	\$0.12
Volume Weighted Average Gas Selling Price - SME (\$/GJ)	\$15.50	\$15.35	0.9%	\$0.15	\$16.01	\$16.51	(3.0%)	(\$0.50)
Volume Weighted Average Gas Selling Price - C&I (\$/GJ)	\$10.27	\$9.91	3.6%	\$0.36	\$10.31	\$10.07	2.4%	\$0.24
Residential Gas Sales (PJ)	0.7	0.7	0.5%	0.0	2.7	2.7	1.3%	0.0
SME Gas Sales (PJ)	0.5	0.4	18.5%	0.1	1.7	1.4	16.4%	0.2
C&I Gas Sales (PJ)	1.1	1.0	5.9%	0.1	3.8	3.4	13.1%	0.4
Total Gas Sales (PJ)	2.3	2.1	6.5%	0.1	8.2	7.5	9.5%	0.7
Volume Weighted Average LPG Selling Price - Resi (\$/tonne)	\$2,491	\$2,267	9.9%	\$224	\$2,461	\$2,378	3.5%	\$83
Volume Weighted Average LPG Selling Price - SME/Bulk (\$/tonne)	\$1,496	\$1,501	(0.4%)	(\$5)	\$1,483	\$1,511	(1.9%)	(\$28)
Bottled LPG Sales (tonnes)	4,483	4,151	8.0%	332	15,308	14,012	9.2%	1,296
SME & Other Bulk LPG sales (tonnes)	6,584	5,814	13.2%	770	23,200	20,993	10.5%	2,207
Total LPG Sales Volumes (tonnes)	11,067	9,965	11.1%	1,102	38,507	35,005	10.0%	3,503

Wholesale Metrics

WHOLESALE SEGMENT	Q4 FY19	Q4 FY18	% Change	Var.	YTD FY19	YTD FY18	% Change	Var.
GENERATION								
Gas (GWh)	696	740	(6.0%)	(45)	2,583	3,392	(23.8%)	(809)
Coal (GWh)	316	135	134.0%	181	1,404	657	113.7%	747
Total Thermal (GWh)	1,012	876	15.6%	136	3,987	4,049	(1.5%)	(62)
Hydro (GWh)	629	722	(12.9%)	(93)	2,812	3,036	(7.4%)	(224)
Wind (GWh)	5	6	(2.5%)	(0)	22	21	6.5%	1
Total Renewable (GWh)	634	727	(12.8%)	(93)	2,834	3,056	(7.3%)	(222)
Total Generation (GWh)	1,646	1,603	2.7%	43	6,821	7,105	(4.0%)	(284)
Average Price Received for Generation - GWAP (\$/MWh)	\$116.32	\$83.69	39.0%	\$32.64	\$143.42	\$91.59	56.6%	\$51.83
Generation Emissions (ktCO2)	589	457	29.1%	133	2,491	2,139	16.5%	352
Generation Carbon Intensity (tCO2/GWh)	358	285	25.7%	73	365	301	21.3%	64
Forced Outage Factor (FOF)	0.6%	10.1%	(94.5%)	(9.5%)	0.3%	5.0%	(94.0%)	(4.7%)
Equivalent Availability Factor (EAF)	79.5%	86.5%	(8.1%)	(7.0%)	84.7%	89.4%	(5.2%)	(4.7%)
Rankine Output (GWh)	343	183	87.5%	160	1,599	1,042	53.5%	557
Rankines Fueled by Coal (%)	92%	74%	24.3%	18%	88%	63%	39%	25%
WHOLESALE								
Electricity Purchases - Customer (GWh)	1,653	1,745	(5.3%)	(92)	6,395	6,298	1.5%	97
Average Customer Electricity Purchase Price - LWAP (\$/MWh)	\$111.08	\$82.42	34.8%	\$28.66	\$139.01	\$92.08	51.0%	\$46.93
LWAP/GWAP Ratio (%)	95%	98%	(3.0%)	(3.0%)	97%	101%	(3.6%)	(3.6%)
Gas Purchases (PJ)	11.4	10.0	13.9%	1.4	42.7	45.9	(7.1%)	(3.3)
Coal Purchases (PJ)	7.2	2.4	201.1%	4.8	19.3	6.7	189.1%	12.6
Electricity CFD Purchases - Wholesale (GWh)	644	611	5.3%	33	2,255	2,023	11.4%	232
Electricity CFD Sales - Wholesale (GWh)	613	486	26.2%	127	2,475	2,711	(8.7%)	(236)
Swaption Sales - Wholesale (GWh)	30	-	-	30	342	266	28.6%	76
Wholesale Gas Sales (PJ)	3.4	2.0	69.2%	1.4	14.1	11.8	19.7%	2.3
Wholesale Coal Sales (kilotonnes)	-	4.8	(100.0%)	(4.8)	5.1	16.9	(69.6%)	(11.8)
Wholesale LPG Sales (tonnes)	1,315	1,252	5.0%	63	6,936	14,796	(53.1%)	(7,860)
Gas Used In Internal Generation (PJ)	5.7	5.8	(1.9%)	(0.1)	20.2	26.7	(24.2%)	(6.5)
Weighted Average Gas Burn Cost (\$/GJ)	\$8.80	\$8.38	5.0%	\$0.42	\$8.69	\$8.02	8.4%	\$0.68
Coal Used In Internal Generation (PJ)	3.3	1.6	102.4%	1.6	15.9	7.6	107.2%	8.2
Weighted Average Coal Burn Cost (\$/GJ)	\$6.83	\$5.69	19.9%	\$1.13	\$6.33	\$5.44	16.3%	\$0.89
Weighted Average Fuel Cost - Portfolio (\$/MWh)	\$47.23	\$38.13	23.9%	\$9.10	\$43.13	\$37.91	13.8%	\$5.22
Weighted Average Fuel Cost - Thermal (\$/MWh)	\$76.82	\$69.81	10.0%	\$7.00	\$73.78	\$66.53	10.9%	\$7.25
Coal Stockpile - Closing Balance (kilotonnes)	489	311	57.3%	178				
Coal Stockpile - Stored Energy (PJ)	22.2	14.1	57.3%	8.1				

Kupe and Other Metrics

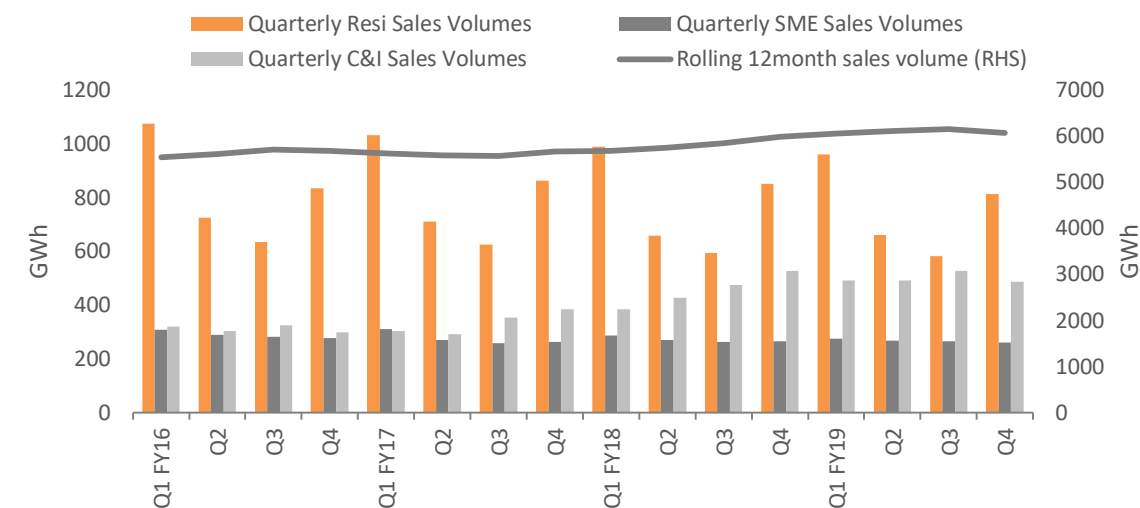
KUPE SEGMENT	Q4 FY19	Q4 FY18	% Change	Var.	YTD FY19	YTD FY18	% Change	Var.
KUPE								
Gas Production (PJ)	3.1	2.7	15.2%	0.4	11.8	11.8	0.6%	0.1
Gas Sales (PJ) ¹	2.9	3.0	(4.1%)	(0.1)	11.4	12.1	(5.6%)	(0.7)
Oil Production (kbbl)	117	120	(2.2%)	(3)	473	533	(11.2%)	(60)
Oil Production Yield (bbl/TJ)	37.7	44.5	(15.1%)	(6.7)	40.0	45.3	(11.8%)	(5.3)
Oil Sales (kbbl)	170	196	(13.4%)	(26)	441	533	(17.3%)	(92)
Realised Oil Price (NZD/bbl)	\$88.86	\$83.88	5.9%	\$4.99	\$87.97	\$80.02	9.9%	\$7.96
Average Brent Crude Oil (USD/bbl)	\$68.83	\$74.35	(7.4%)	(\$5.53)	\$68.77	\$63.65	8.0%	\$5.12
LPG Production (kt)	13.6	11.5	18.2%	2.1	50.6	45.9	10.3%	4.7
LPG Production Yield (t/TJ)	4.4	4.3	2.6%	0.1	4.3	3.9	9.6%	0.4
LPG Sales (kt)	13.8	11.8	17.0%	2.0	50.7	46.1	9.8%	4.5
OTHER								
CORPORATE								
Headcount (FTE)	1,075	1,041	3.3%	34				
Total Recordable Injury Frequency Rate ²	1.43	1.34	6.7%	0.09				

1. Gas sales volume was not proportionate with production in Q4 FY19 due to as historic sales volumes being rebalanced within the Joint Venture.

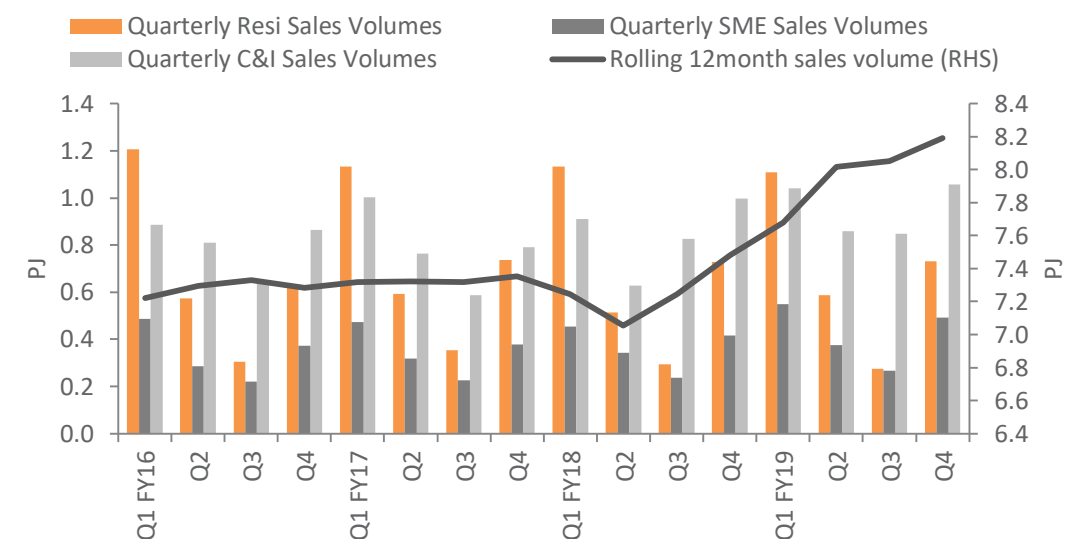
2. TRIFR now being reported to include contractors. Prior period has been restated on same basis.

Appendix: Customer Segment

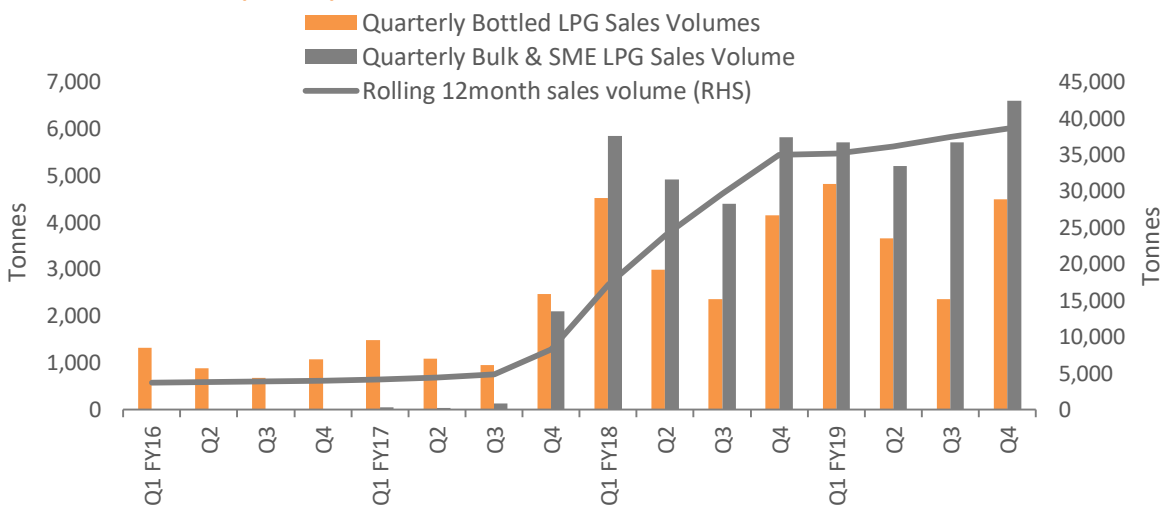
ELECTRICITY SALES VOLUMES (GWh)



GAS SALES VOLUMES (PJ)

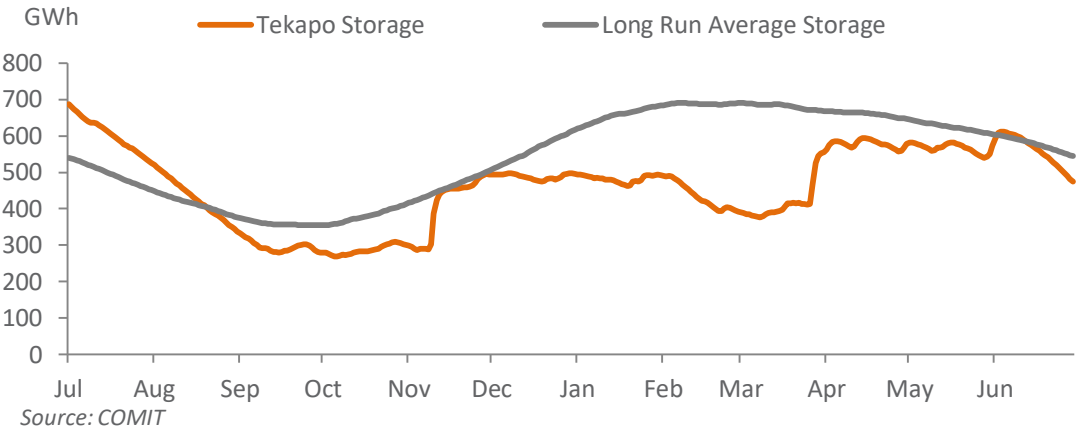


LPG SALES VOLUMES (Tonnes)

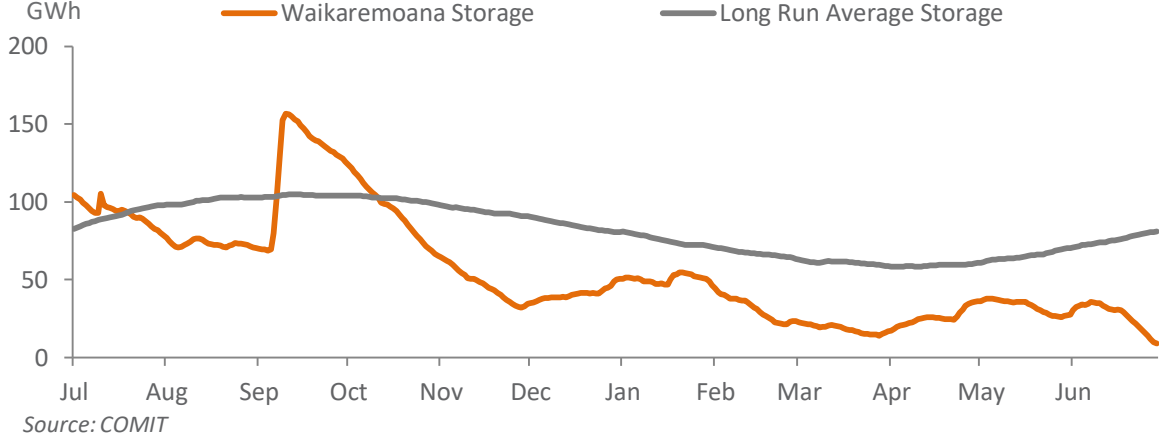


Appendix: Wholesale Segment

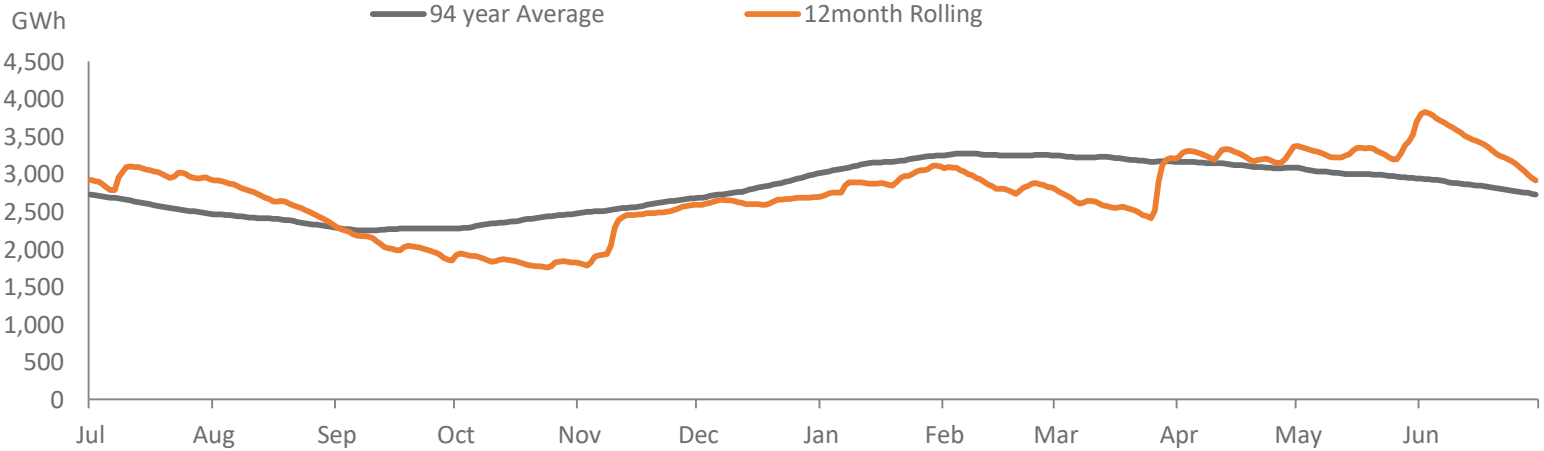
TEKAPO STORAGE vs LONG RUN AVERAGE



WAIKAREMOANA STORAGE vs LONG RUN AVERAGE



NEW ZEALAND DAILY STORAGE

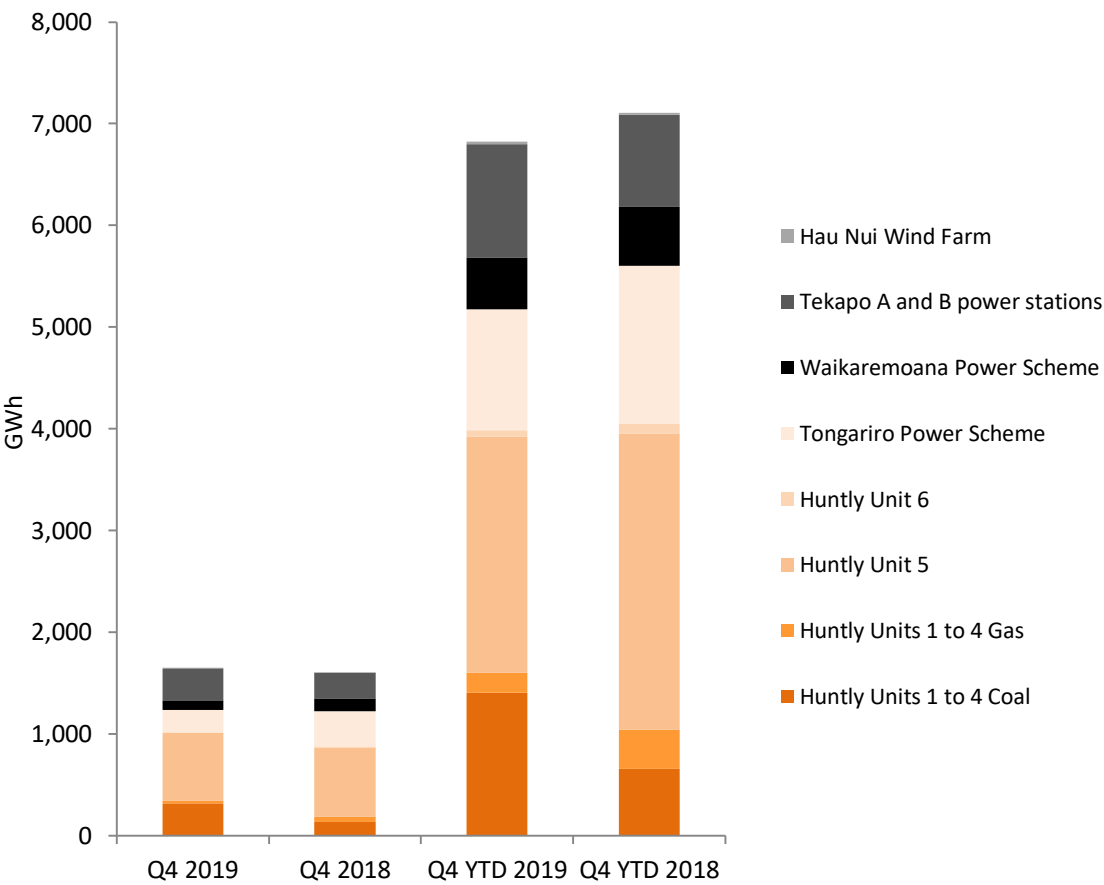


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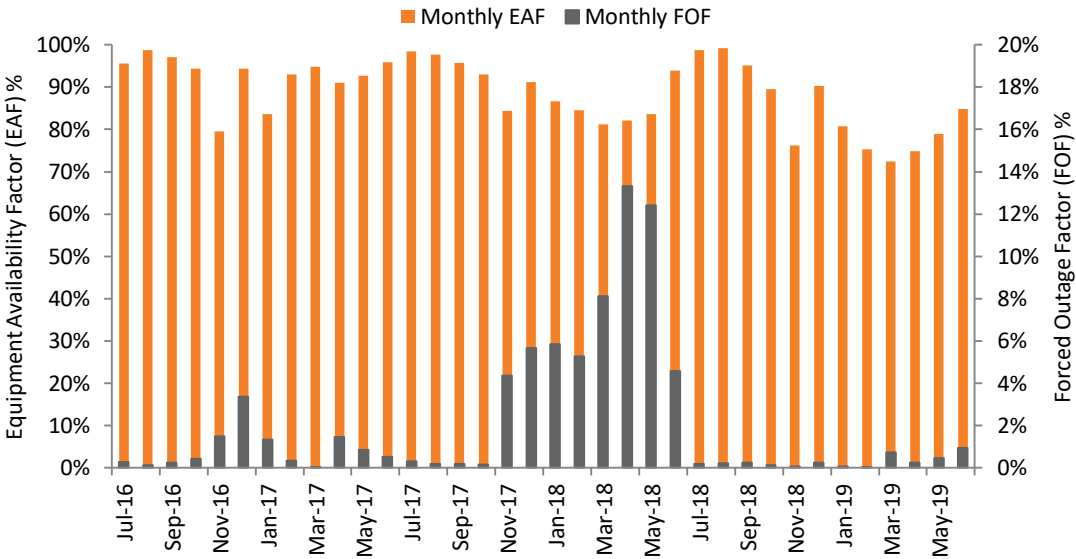


Appendix: Wholesale Segment

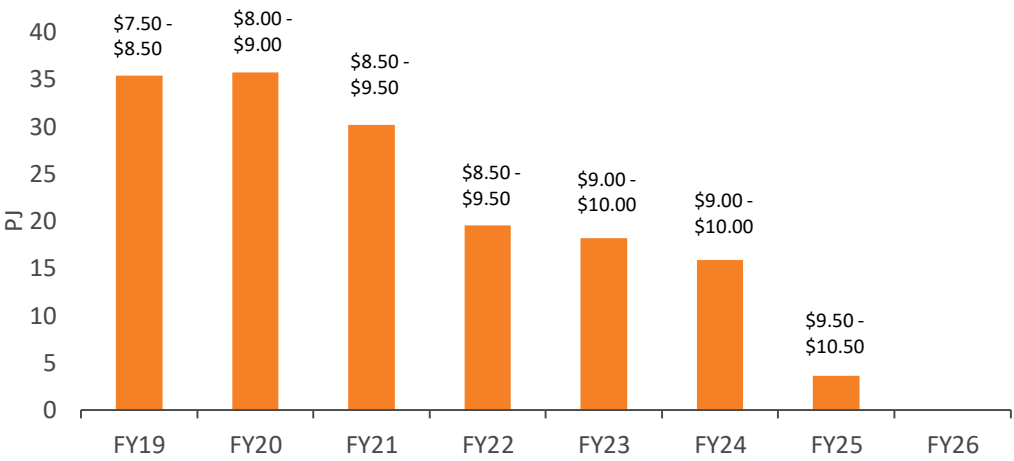
GENERATION BY POWER STATION



PLANT PERFORMANCE



TAKE-OR-PAY FORWARD GAS PURCHASES¹ – Q4 DISCLOSURE

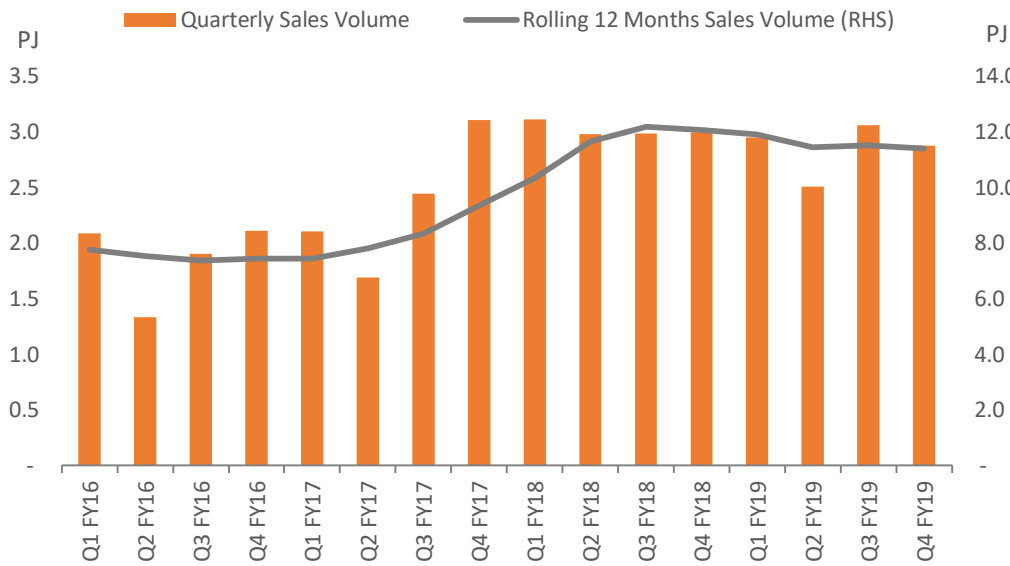


1. Represents gas contracts under which Genesis is required to take the product or pay a penalty. Includes Kupe and PPI adjustments

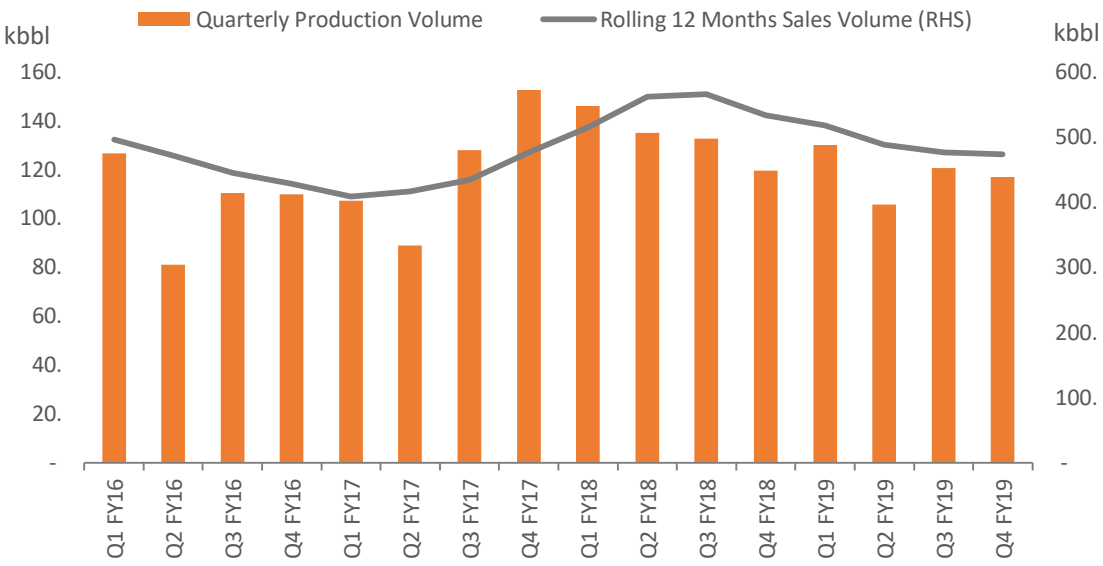


Appendix: Kupe Segment

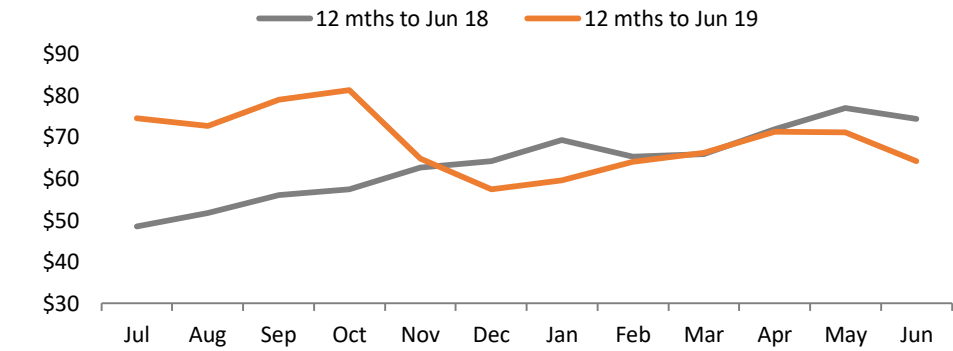
KUPE GAS SALES VOLUMES (GENESIS SHARE, PJ)



KUPE OIL PRODCUTION VOLUMES (GENESIS SHARE, kbbi)



BRENT CRUDE OIL SPOT PRICE (USD/bbl)



OIL PRICE AND FOREX RISK MANAGEMENT

FORWARD RISK MANAGEMENT		
Oil Price Hedges		Average Oil Price
1-12 months	60%	\$56.50
13-24 months	49%	\$62.40
25-36 months	5%	\$58.10
USD/NZD Hedges		Rate
1-12 months	75%	0.680
13-24 months	48%	0.690
25-36 months	16%	0.670

