



Company Announcement Office
Exchange Centre
Level 6
20 Bridge Street
Sydney, NSW 2000
Australia

20 August 2019

Mercury NZ Limited (ASX/NZX MCY) – 2019 Full Year Results

Attached are the following documents in relation to Mercury NZ Limited's full year results for the year ended 30 June 2019.

- > NZX Results Announcement
- > News Release
- > NZX Distribution Notice

Mercury's 2019 Annual Report and 2019 Financial Results Presentation are being loaded separately on ASX online.

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

For the purposes of ASX Listing Rule 1.15.3, Mercury NZ Limited confirms that it has complied with the NZX Listing Rules during FY2019.

Yours faithfully

Howard Thomas
General Counsel and Company Secretary



Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	Mercury NZ Limited	
Reporting Period	12 months to 30 June 2019	
Previous Reporting Period	12 months to 30 June 2018	
Currency	New Zealand dollars	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$2,000,000	11.2%
Total Revenue	\$2,000,000	11.2%
Net profit/(loss) from continuing operations	\$357,000	52.6%
Total net profit/(loss)	\$357,000	52.6%
Final Dividend		
Amount per Quoted Equity Security	\$ 0.09300000	
Imputed amount per Quoted Equity Security	\$0.03616667	
Record Date	13/09/2019	
Dividend Payment Date	30/09/2019	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$2.54	\$2.35
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to accompanying audited financial statements	
Authority for this announcement		
Name of person authorised to make this announcement	Howard Thomas, Company Secretary	
Contact person for this announcement	Howard Thomas, Company Secretary	
Contact phone number	+64 9 308 8200	
Contact email address	Howard.Thomas@Mercury.co.nz	
Date of release through MAP	20/08/2019	

Audited financial statements accompany this announcement.

STOCK EXCHANGE LISTINGS: NZX (MCY) / ASX (MCY)

NEWS RELEASE

Mercury rises to challenge with strong FY2019 result

Summary of FY2019 performance

>> Operating earnings (EBITDAF) \$505 million, down 11%

- Influenced by lower hydro generation and only eight months of Metrix earnings

>> Net profit after tax \$357 million, up 53%

- Influenced by gain on sale of Metrix and lower interest costs

>> Final ordinary dividend 9.3 cents per share, fully imputed, to be paid on 30 September 2019

- Brings our total ordinary dividend to 15.5 cents per share, fully imputed, up 2.6%
- 11th consecutive year of ordinary dividend growth

20 August 2019 – Mercury produced a strong result under unusual weather and market conditions in its financial year to 30 June 2019, Chief Executive Fraser Whineray said today.

Announcing Mercury's annual results, Mr Whineray said that the overall performance of the business was even more pleasing than last year's record earnings, as Mercury executed a number of key strategic moves to position the company for long-term sustainable growth.

Financial year milestones included: the sale of Mercury's Metrix smart metering business for \$272 million; the announcement of a major refurbishment programme for its Karapiro hydro station; consolidation of three Auckland premises into one new Auckland office in Newmarket; the roll-out of a new customer IT platform (SAP Commerce Cloud); and the announcement of the construction of Mercury's first wind farm, at Turitea near Palmerston North.

Operating earnings (EBITDAF) of \$505 million were down 11% (FY2018 \$566 million), impacted by early wet weather across the Waikato catchment giving way to an acutely dry period from September. Annual hydro generation of 4,006GWh was in line with the company's long-term average but was 941GWh down on the record established last year.

Annual geothermal generation set a record, reaching 2,896GWh, coinciding with record high annual spot prices caused in part by gas supply and thermal generation constraints from October 2018.

"Making the most of the challenging hand dealt by Waikato catchment inflows and elevated spot pricing required a very strong performance from generation and wholesale markets teams in FY2019," Mr Whineray said.

"Our assets were prudently managed through challenging weather and wholesale market conditions. High geothermal availability (97.7%), as the only renewable energy source that is not weather dependent, maximised the opportunity of historically high spot prices."

Mercury reduced retail acquisition activity and focused on customer value and loyalty as retail margins contracted with elevated spot prices and ongoing high levels of retail competition.

Mercury's record profit of \$357 million was up \$123 million on the prior year's record, as the company benefited from lower interest costs as historic hedges matured, and from the gain on sale of its Metrix smart metering business. As with the prior year, there were no impairments recorded.



Financial Results

	FY2019	FY2018	FY2017	FY2016	FY2015
EBITDAF (\$M)	505	566	523	493	482
NET PROFIT AFTER TAX (\$M)	357	234	184	160	47
UNDERLYING EARNINGS AFTER TAX (\$M)	161	198	176	152	145
FULLY IMPUTED ORDINARY DIVIDEND (CENTS PER SHARE)	15.5	15.1	14.6	14.3	14.0
FULLY IMPUTED SPECIAL DIVIDENDS (CENTS PER SHARE)			5.0		7.5
UNIMPUTED SPECIAL DIVIDEND (CENTS PER SHARE)				4.0	
SHARE BUYBACK (\$M)		50			
ELECTRICITY GENERATION (GWh)	6,902	7,704	7,533	6,842	6,536

Dividend

Mercury Chair Joan Withers announced a final ordinary dividend of 9.3 cents per share, fully imputed. This brings our total ordinary dividend to 15.5 cents per share, fully imputed, up 2.6% on FY2018. It is Mercury's 11th consecutive year of ordinary dividend growth.

"Our underlying performance and the bold and carefully considered moves we have executed successfully are all indicators that Mercury is well positioned for growth in a dynamic market," Mrs Withers said.

Total shareholder returns (TSR) of 42.5% included significant share price appreciation, which valued the company at \$6.3 billion at financial year end, compared with \$4.6 billion at the same time last year.

FY2020 Guidance

EBITDAF guidance is \$485 million for FY2020, based on forecast mean hydro and geothermal generation (~6,620GWh). This guidance is subject to any material events, significant one-off expenses or other unforeseeable circumstances including hydrological conditions.

FY2020 ordinary dividend guidance has been issued at 15.8 cents per share, a 2% increase on FY2019.

Mercury will continue to provide updates of its mid-point estimate of full-year hydro generation with its quarterly operating statistics.

Outlook

Mr Whineray said that Mercury anticipates solid long-term demand growth as renewable electricity's advantages are increasingly unlocked through technology advances in applications such as transport and industrial heat, and as consumers demand cheaper, cleaner, locally generated and low-carbon sources of energy to power their lives.

"We will continue to explore inspiring ways to encourage the transition to electrified transport for the long-term benefit of the country as well as our owners."

ABOUT MERCURY NZ LIMITED

Mercury's mission is energy freedom. Our purpose is to inspire New Zealanders to enjoy energy in more wonderful ways and our goal is to be New Zealand's leading energy brand. We focus on our customers, our people, our partners and our country; maintain a long-term view of sustainability; and promote wonderful choices. Mercury is energy made wonderful.

For further information: Media – 0272 105 337; Investors – 0275 173 470. Visit us at: www.mercury.co.nz



Section 1: Issuer information				
Name of issuer	Mercury NZ Limited			
Financial product name/description	Mercury NZ Limited ordinary shares			
NZX ticker code	MCY			
ISIN (If unknown, check on NZX website)	NZMRPE0001S2			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year	X	Quarterly	
	Half Year		Special	
	DRP applies			
Record date	13/09/2019			
Ex-Date (one business day before the Record Date)	12/09/2019			
Payment date (and allotment date for DRP)	30/09/2019			
Total monies associated with the distribution	\$126,639,706.85			
Source of distribution (for example, retained earnings)	Income available for distribution			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution	\$0.12916667			
Total cash distribution	\$0.09300000			
Excluded amount (applicable to listed PIEs)	N/A			
Supplementary distribution amount	\$0.01641176			
Section 3: Imputation credits and Resident Withholding Tax				
Is the distribution imputed	Fully imputed			
If fully or partially imputed, please state imputation rate as % applied	100%			
Imputation tax credits per financial product	\$0.03616667			
Resident Withholding Tax per financial product	\$0.00645833			
Section 5: Authority for this announcement				
Name of person authorised to make this announcement	Howard Thomas, Company Secretary			
Contact person for this announcement	Howard Thomas, Company Secretary			

Contact phone number	+64 9 308 8200
Contact email address	Howard.Thomas@Mercury.co.nz
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