



MARKET RELEASE

Date: 9th December 2020

NZX: GNE / ASX: GNE

GENESIS STAKEHOLDER DAY (STRATEGY PRESENTATION)

Genesis Energy Limited (**Genesis**) hosts its 2020 Stakeholder Day today to consider how we can empower New Zealand's sustainable future.

The presentation from the afternoon strategy session is attached and is available on our Investor website, <https://www.genesisenergy.co.nz/investors>. Video highlights of the session will be made available following the event, also on our Investor website.

ENDS

For media enquiries, please contact:

Allan Swann

Communications Manager

Genesis Energy

M: 027 211 4874

For investor relations enquiries, please contact:

Tim McSweeney

Investor Relations Manager

Genesis Energy

M: 027 200 5548

About Genesis Energy

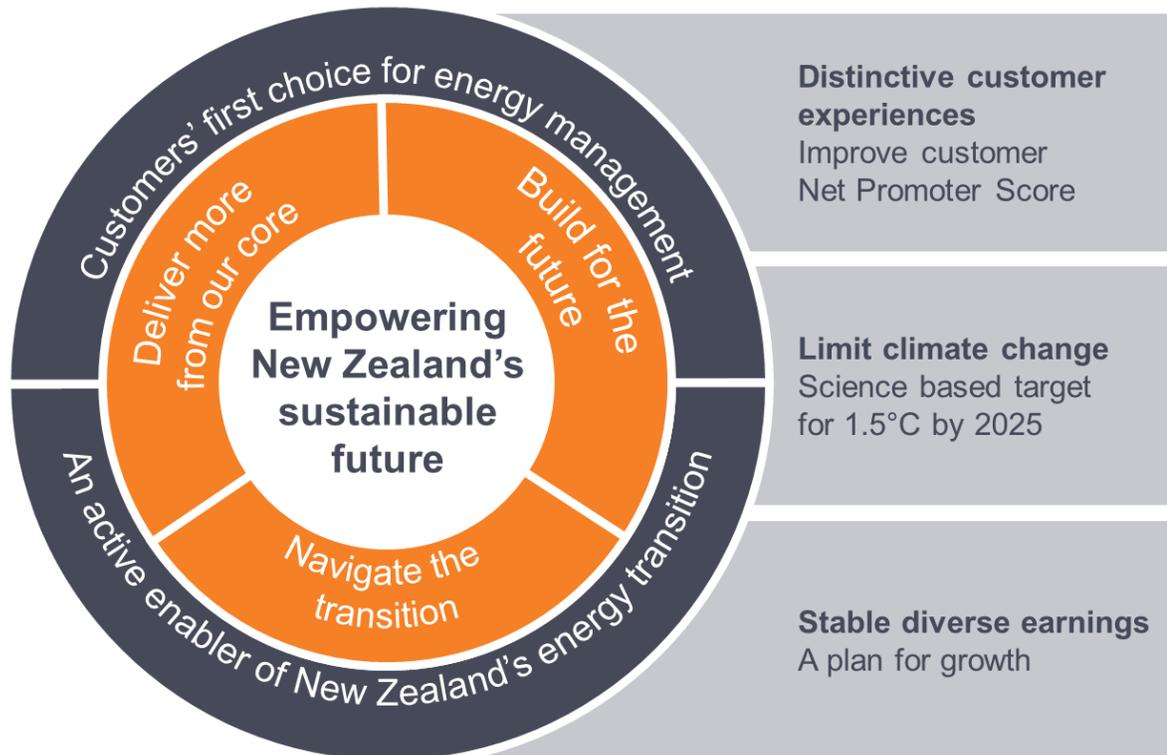
Genesis Energy (NZX: GNE, ASX: GNE) is a diversified New Zealand energy company. Genesis sells electricity, reticulated natural gas and LPG through its retail brands of Genesis and Energy Online and is New Zealand's largest energy retailer with approximately 500,000 customers. The Company generates electricity 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 \$NZ2.6bn during the 12 months ended 30 June 2020. More information can be found at www.genesisenergy.co.nz

Genesis Stakeholder Day Strategy sessions



genesis With you. For you.

We're refreshing our purpose, strategies and vision as we head into the 2020's

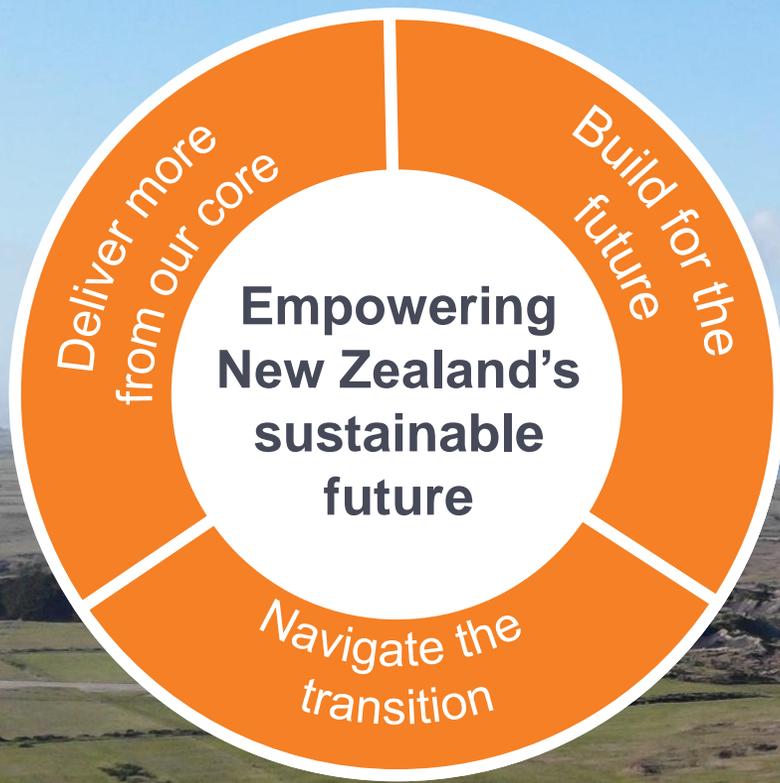


Our refreshed retail strategy emphasises six key priorities, **delivering more for our core whilst building for the future**

- 1 Create residential experiences that build customer loyalty
- 2 Grow our market share of small business customers
- 3 LPG #1 or #2 in every region
- 4 Unleash Energy Online in the tier 2 market
- 5 Design products for emerging energy management needs
- 6 Invest in technology and data to create consistent and distinctive end to end Customer Experiences

Our Future-gen strategy focuses on the opportunity to **deliver value uplift** by actively managing the energy transition

- 1 New renewables displacing baseload thermal
- 2 Secure gas flexibility through contracts and storage
- 3 Emissions abatement from forestry
- 4 Improved plant efficiency and MW capacity



**Deliver more
from our core**

Continue to leverage the stability from our diverse revenue streams, and grow in markets where we identify compelling opportunities

**Navigate the
transition**

Manage an economic transition to a lower carbon portfolio, delivering carbon reductions for Genesis and our customers and supporting a stable electricity market.

**Build for the
future**

Building the capabilities, systems and infrastructure for future value growth



The strategy break-outs cover three strategic themes core to our future but not everything we do

Customer strategy

Delivering more for our customers



Digital and innovation strategy

Powering Genesis' next horizon



Future-gen strategy

Actively enabling New Zealand's energy transition



Customer strategy

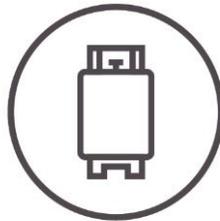
Delivering more for our customers



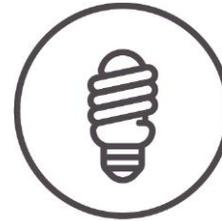
The first phase has seen good success, **building momentum for the next horizon**



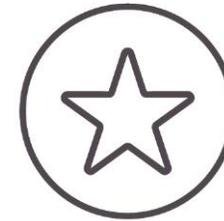
Reduced cost-to-serve from \$160 to \$140 per ICP



Expanded LPG business, now #3 with 26% market share



Increased the proportion of dual fuel customers from 20% to 25%



Clear brand leadership and ownership of energy management



Digital interactions increased from 47% to 65%



Maintained market share: 23% of electricity ICPs and 35% of gas ICPs



Reduced net churn from 18.8% to 14.8%

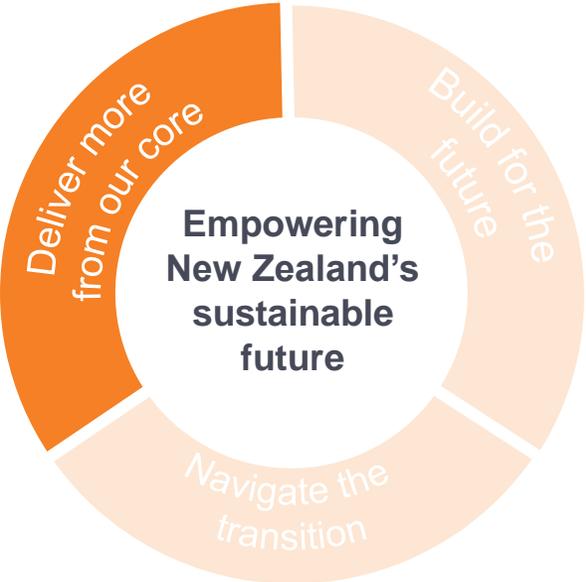


Grown Retail EBITDAF from \$110m to \$134m

*FY18 to FY20

We are delivering more for our core through **customer loyalty, retention and care**

**Total Retail EBITDAF Uplift
\$15 million by FY2024**

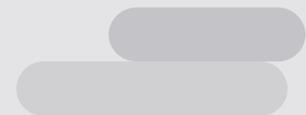


- 1** Create residential experiences that build customer loyalty
- 2** Grow our market share of small business customers
- 3** LPG #1 or #2 in every region

- 4** Unleash Energy Online in the tier 2 market
- 5** Design products for emerging energy management needs
- 6** Invest in technology and data to create consistent and distinctive end to end customer experiences

Key Goals FY22 to FY24
2% churn reduction
+7% of SME book (elec & gas)
+35% volume

Residential experiences that build customer loyalty



Power Shout as a **reward recognition system** for customers

Power Shout has delivered:

7 Million hours

of free power given to customers over the last 3 years

Over **200,000 customers**

we're regularly engaging with and rewarding

An immediate

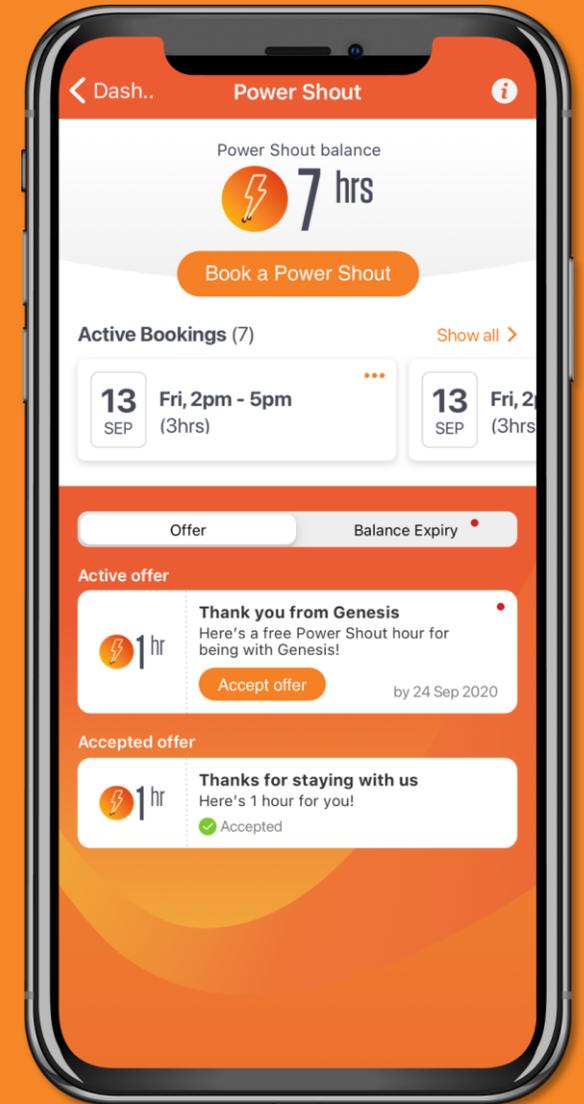
2% churn improvement

in those who have taken up Power Shouts

What's next?

We're launching **Power Shout hours** – putting the control firmly in our customer's hands

- Earn Power Shout hours **on every bill**
- **Gift** them to others
- Further encouragement for our customers to engage with their energy
- Match Power Shout offers to power demand to optimise supply and demand balance



Home move journey an **untapped retention opportunity**

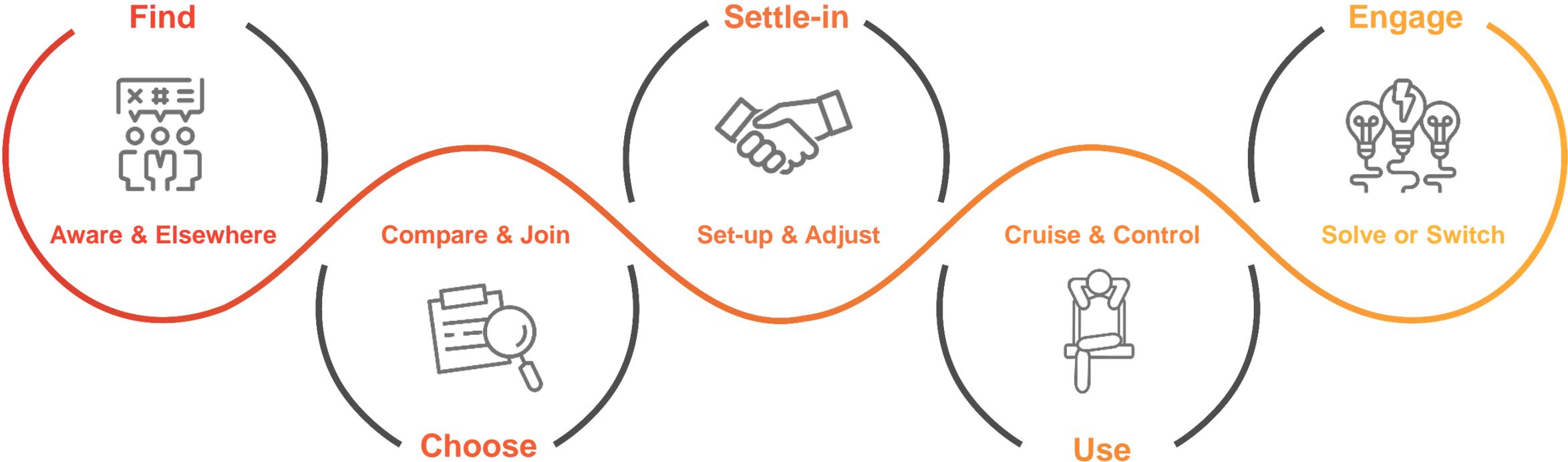
50%

of people who move home, switch providers

~\$2 million

EBITAF opportunity if we retain an additional 5,500 customers through home moves

Quick wins yielding on average **30%** more home move digital journeys from 2019



Manaaki Kenehi – an opportunity to do more for vulnerable customers

Over
1,000

customers contacted
in 7 weeks through
proactive early
intervention

Reduced customer
disconnections by

65%

Aug 2019 to Aug 2020

15%

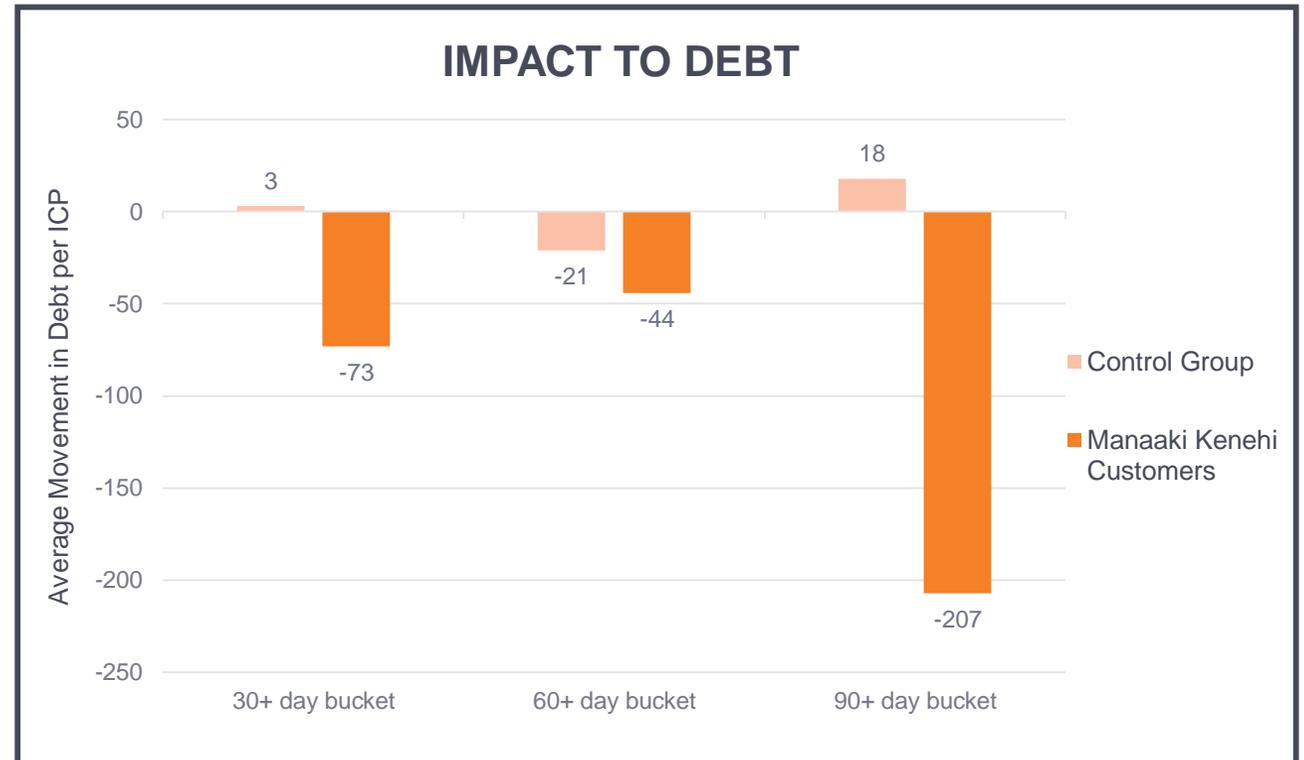
average debt
reduction across
all debt buckets

Te Tira Manaaki o Kenehi

Engaged in a proactive early engagement trial,
targeting customers that:

- 1) Are **high tenure** who have found themselves in **unusual hardship**
- 2) Have displayed the **top ranking predictive variable** to aged debt

We review each customer's account with a view to set them up for success – ranging from pricing plans, education on monitoring usage and agency referrals



“
There was no judgement [by Genesis] because
we were a little behind, it was about helping us

”
– Steve



Grow our market share of small business customers



Smaller businesses **bring higher margins** and are a **large volume segment** of the market

By FY2024:

Grow by
3,900
ICPs

Drive
20%
Dual Fuel uptake

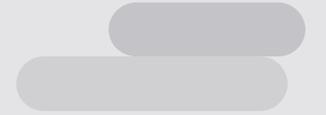
Scale digital channel to
12%
acquisition

What's next?

- Targeted acquisition through partnerships and digital channel to drive profitable growth
- Leveraging relevant residential propositions (e.g. Energy IQ and Power Shout) to retain and attract customers
- Creating distinctive product and service experiences our customers love



LPG #1 or #2 in every region



Transforming CX and service capability through digital enablement

By FY2024:

35% volume growth

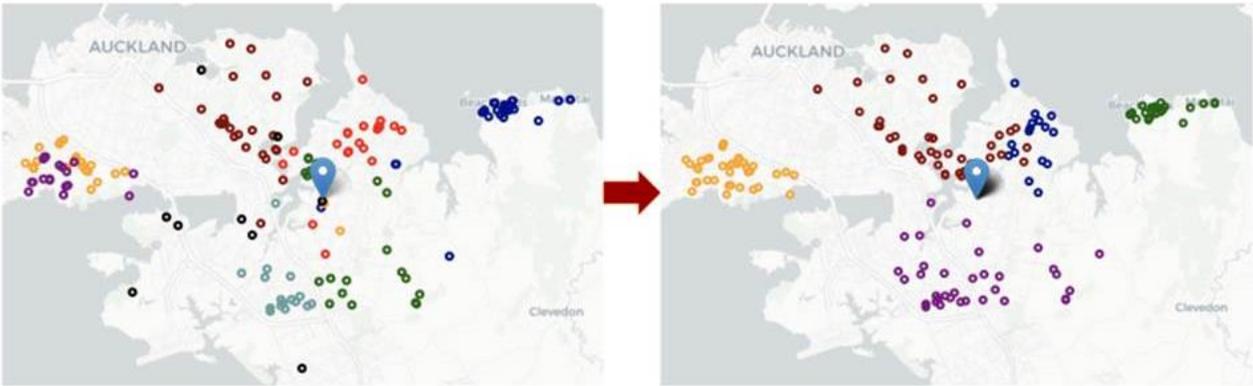
Reduce single fuel churn by 2%

Laying foundations for future growth

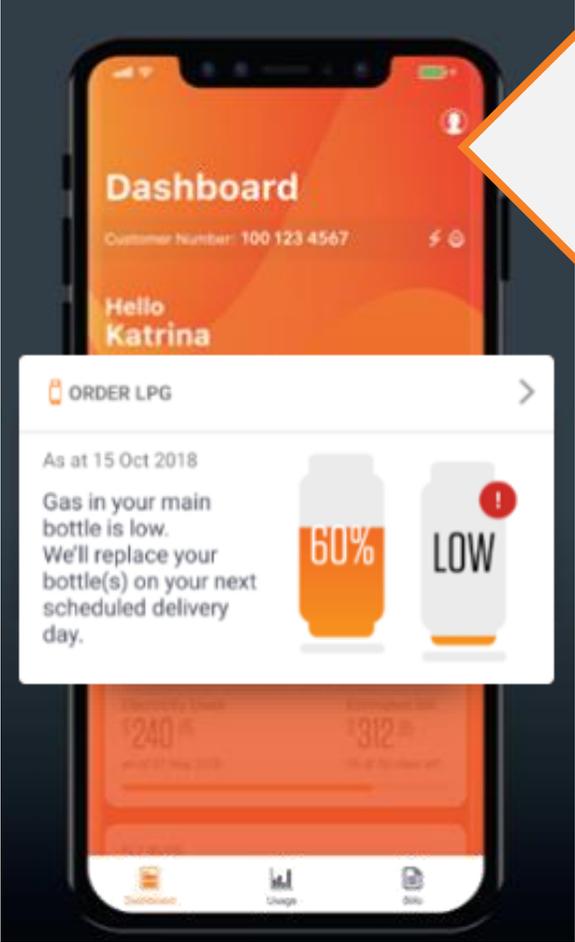
Targeted volume and optimised routing drives lower CTD

PREVIOUS OPERATIONS

OPTIMISED ROUTING



*Vehicle on black route (FJF308) did some deliveries not included in consignment schedule



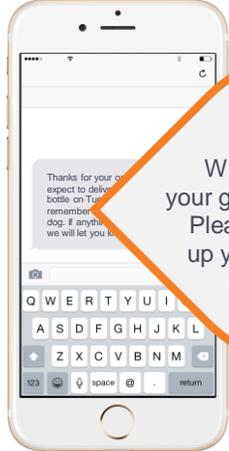
“Simplicity and assurance of a constant gas supply”

—

“It’s proactive rather than reactive”

—

“Not having to go and check the bottle. Especially in winter”



Thanks for your order. We expect to deliver your gas bottle on Tuesday. Please remember to tie up your dog. If anything changes we will let you know.

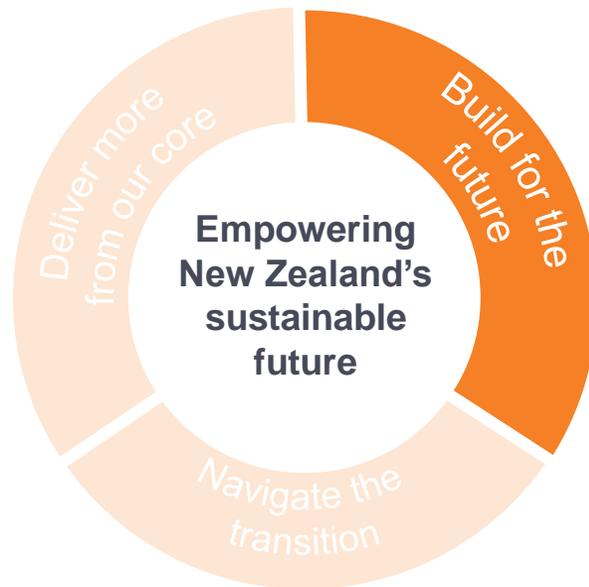
*Actual customer feedback

Digital and innovation strategy

Powering Genesis' next horizon



We are continuing to **explore emerging customer** needs to build for the future



- 1 Create residential experiences that build customer loyalty
- 2 Grow our market share of small business customers
- 3 LPG #1 or #2 in every region
- 4 Unleash Energy Online in the tier 2 market
- 5 Design products for emerging energy management needs
- 6 Invest in technology and data to create consistent and distinctive end to end customer experiences

Several global trends **are playing out**



Appetite for de-carbonising increasing

- > Government
- > Investors
- > Businesses
- > Consumers



Adjacent industries participating

- > Oil and gas
- > Tech
- > Telco
- > Vehicles

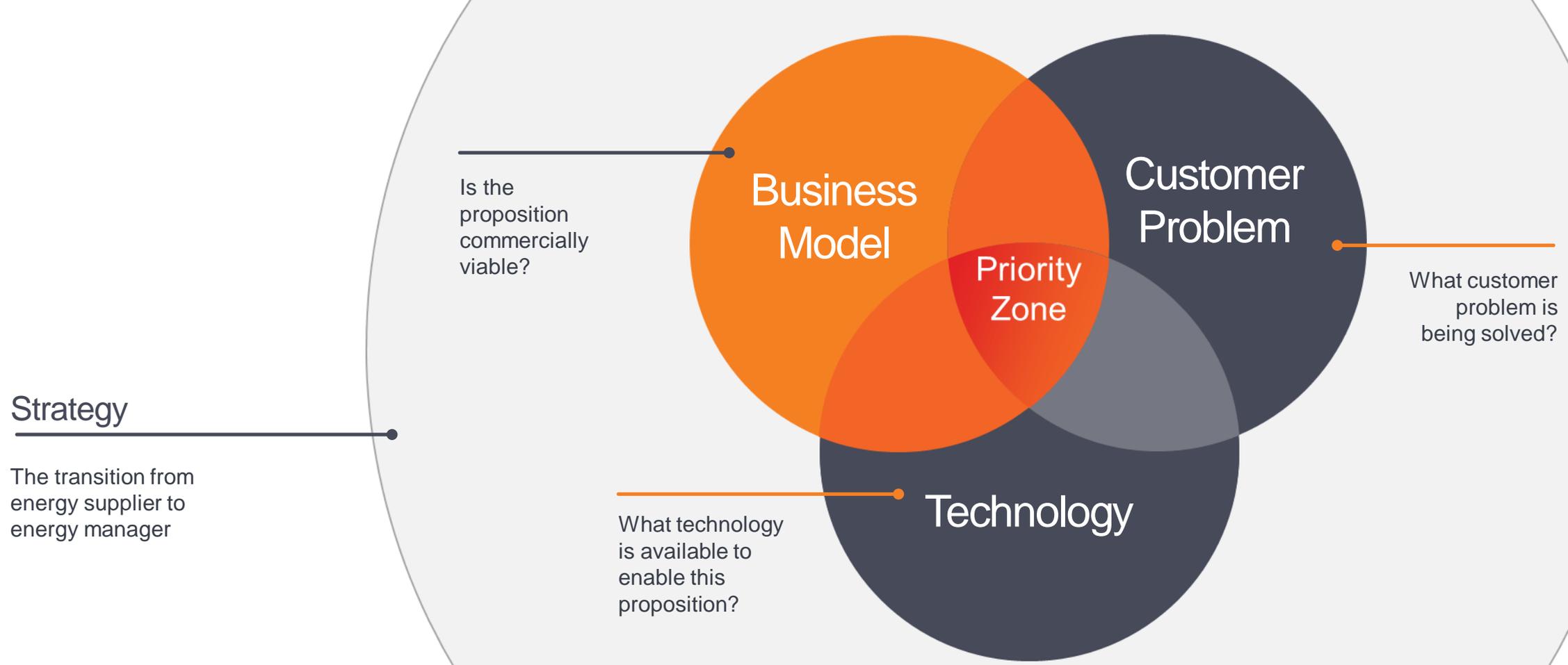


Decentralisation

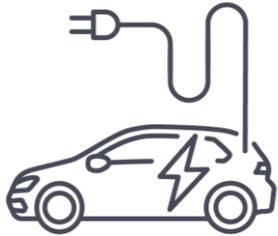
- > Digital platform models
- > Distributed generation and storage
- > Electric vehicles
- > Demand load shifting

Future propositions

Determining the focus



4 focus territories for developing future propositions



EVs

- Helping New Zealand transition to electrified transport
- By supporting an ecosystem level approach, we aim to drive purchase decisions and behaviour change



IN-HOME

- To support our customers with products and services that help them to make, store and use energy at home more effectively



ADVICE

- Helping all customers make informed choices about energy



SUSTAINABILITY

- To empower customers to make choices and take action to reduce carbon emissions

Our vision for large businesses and energy services



Welcome, James

Business account #: 2938472

See all your Energy, Carbon and Market Insights in one place and learn how Genesis can help you manage them.

Customer dashboard

↑ 7% more than last month

View your energy usage dashboard >

Energy insights

New peak demand: 2,243 kVA

Your network spend has increased by \$20,000 / year

A usage spike on Tues 28th October increased your network spend. Investigate now >

Carbon insights

19 tonnes CO₂ emissions / month

Carbon offset price \$35 / tonne

Costing your business \$665 / month 2% ↑

Explore your options to manage carbon here >

Market contract pricing

↓ 8% Price drop since last year

Your contract renews in 70 days. You'll pay \$9,092 less per year thanks to better market pricing.

Renew your contract >



Energy management technology

293 kWh \$2,923 / day

- Lighting \$725.23 / day
- Heating & ventilation \$308.85 / day
- On-floor power \$45.23 / day

Learn where your power is going >

Fleet electrification

Want to electrify your fleet of vehicles? We've partnered with Zilch to bring you the most cost effective solution.

Start using Zilch electric vehicles >

Decarbonisation as a service

We have helped businesses reduce their carbon footprint by up to 40%.

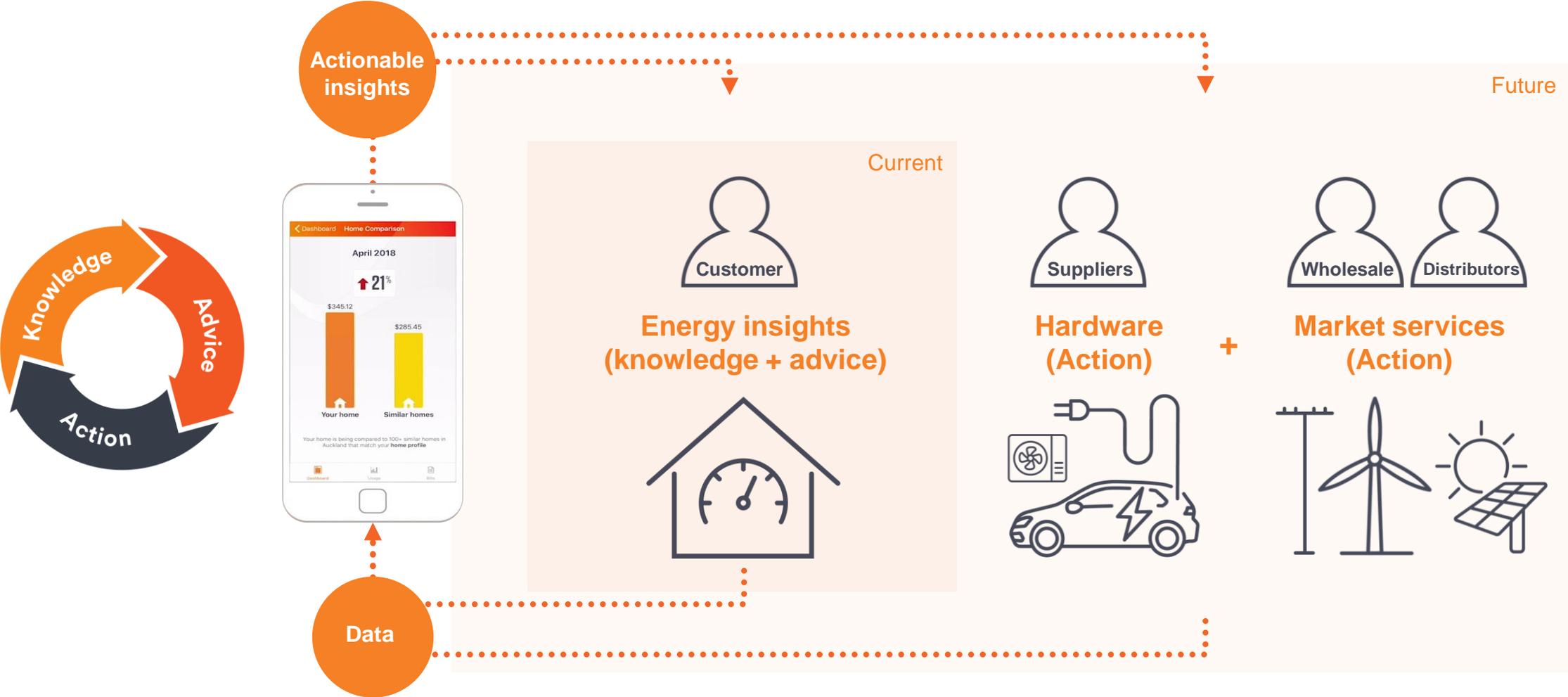
Learn about our decarbonisation services >

Business Energy Services

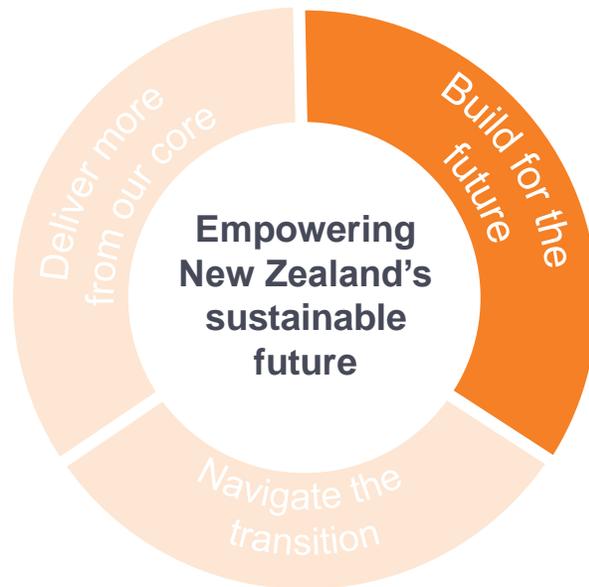
Audits	Fuel conversion
Monitor targets	CAPEX

Learn strategies to optimise your energy >

Our vision for residential energy management: Increasing range of data leads to **enhanced actionable insights for customers**



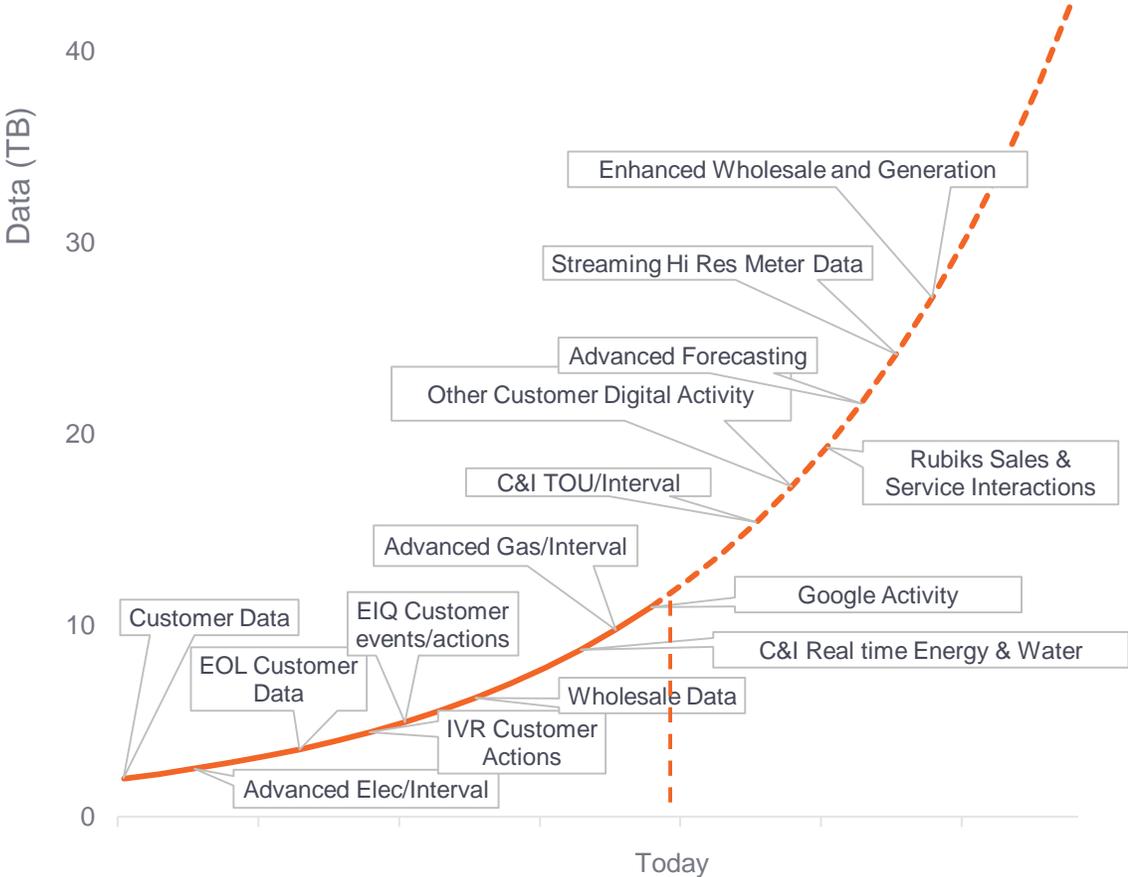
We are **investing in the technology** needed to deliver our customer strategy



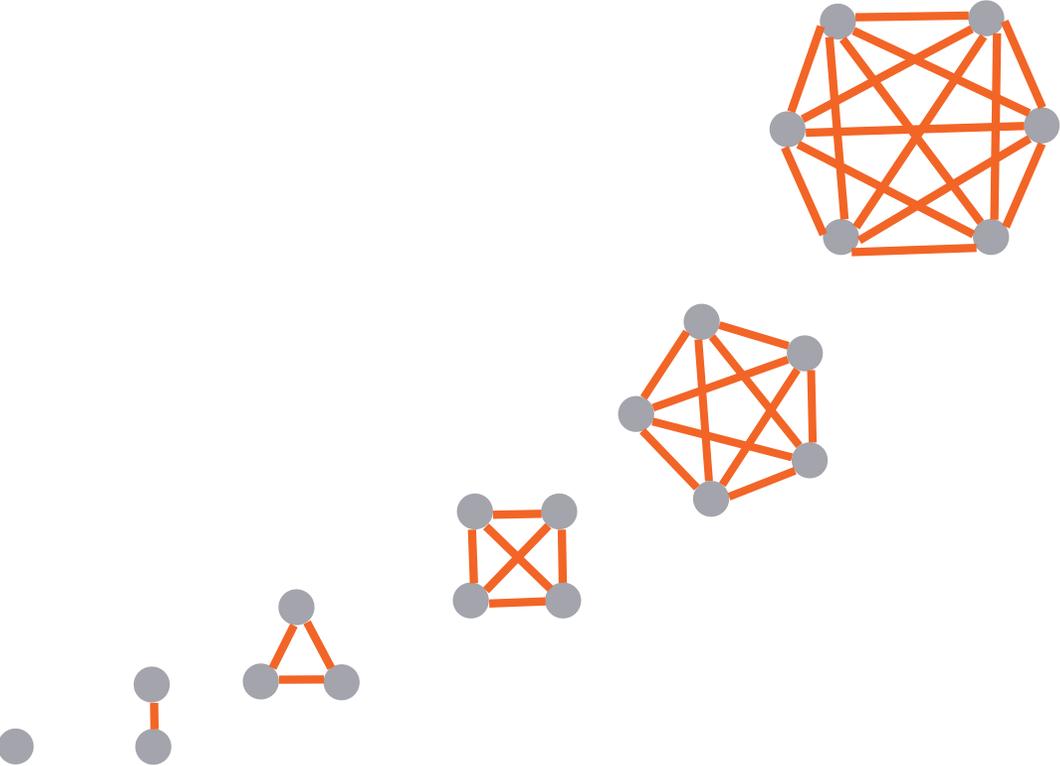
- 1 Create residential experiences that build customer loyalty
- 2 Grow our market share of small business customers
- 3 LPG #1 or #2 in every region
- 4 Unleash Energy Online in the tier 2 market
- 5 Design products for emerging energy management needs
- 6 Invest in technology and data to create consistent and distinctive end to end customer experiences

Range and volume of data is growing, presenting ever greater opportunities to understand and serve customers

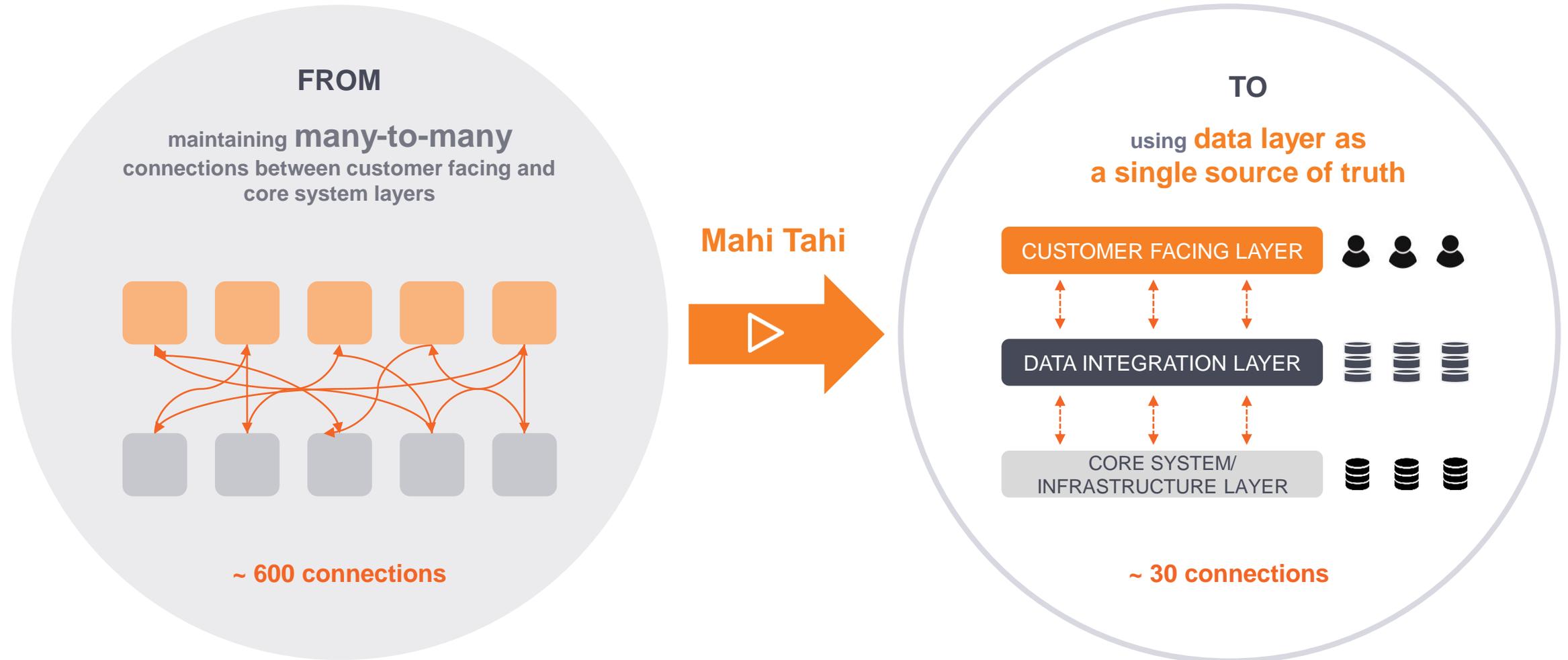
VOLUME OF DATA IN OUR DATA WAREHOUSE



Computation, connectedness and potential grow exponentially with growing data sources

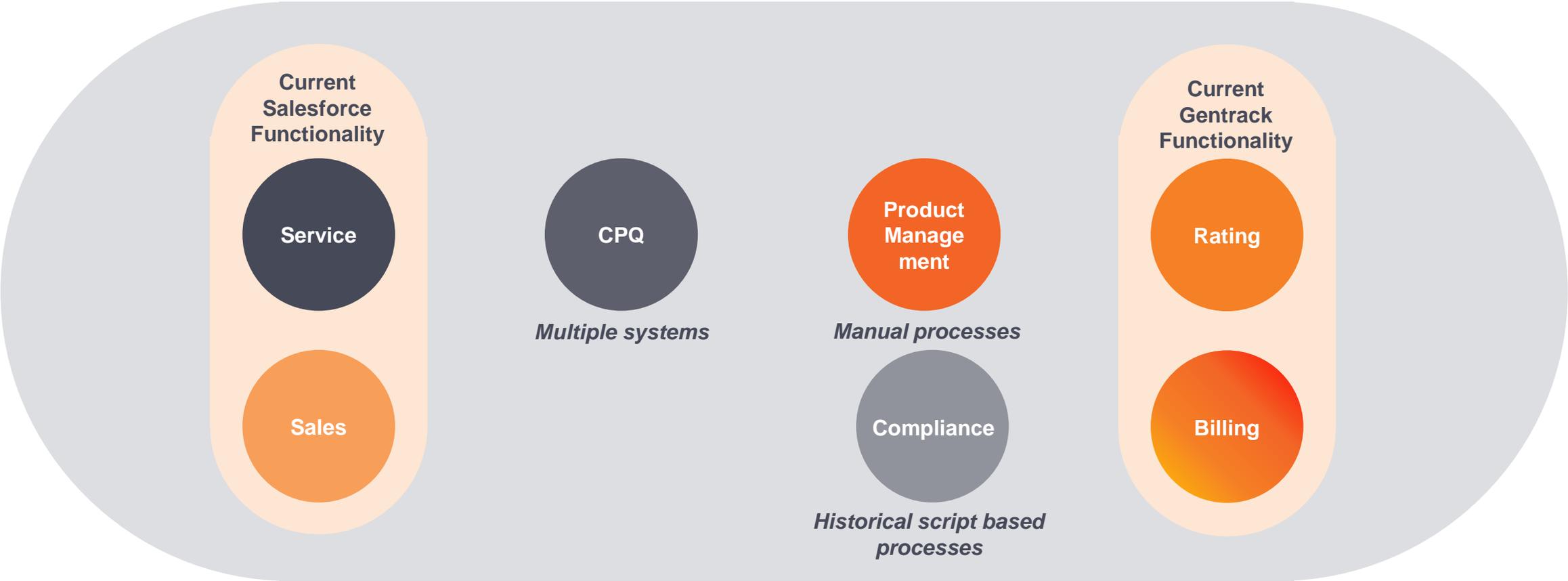


Mahi Tahi will simplify data flows by **centralising and decoupling the data landscape**



Project Rubiks reconsiders several customer systems as a group, **re-platforming our sales, service and billing capabilities**

Rubiks Scope



A unique opportunity to pivot technology to **obtain business agility and enable rapid delivery of desired customer experiences**



Multi-year cycle of slow, high cost change



Continuous, fast, small, low risk change to achieve high value and velocity

Rubiks + Mahi Tahi have the potential to deliver a **step change in retail performance**

Example business outcomes from international peers

+20%
self service

-50%
integration costs

+35%
NPS

-84%
Time to quote

+10%
Cross sell

-15%
Cost

Source: Discussions with potential technology partners and international utilities

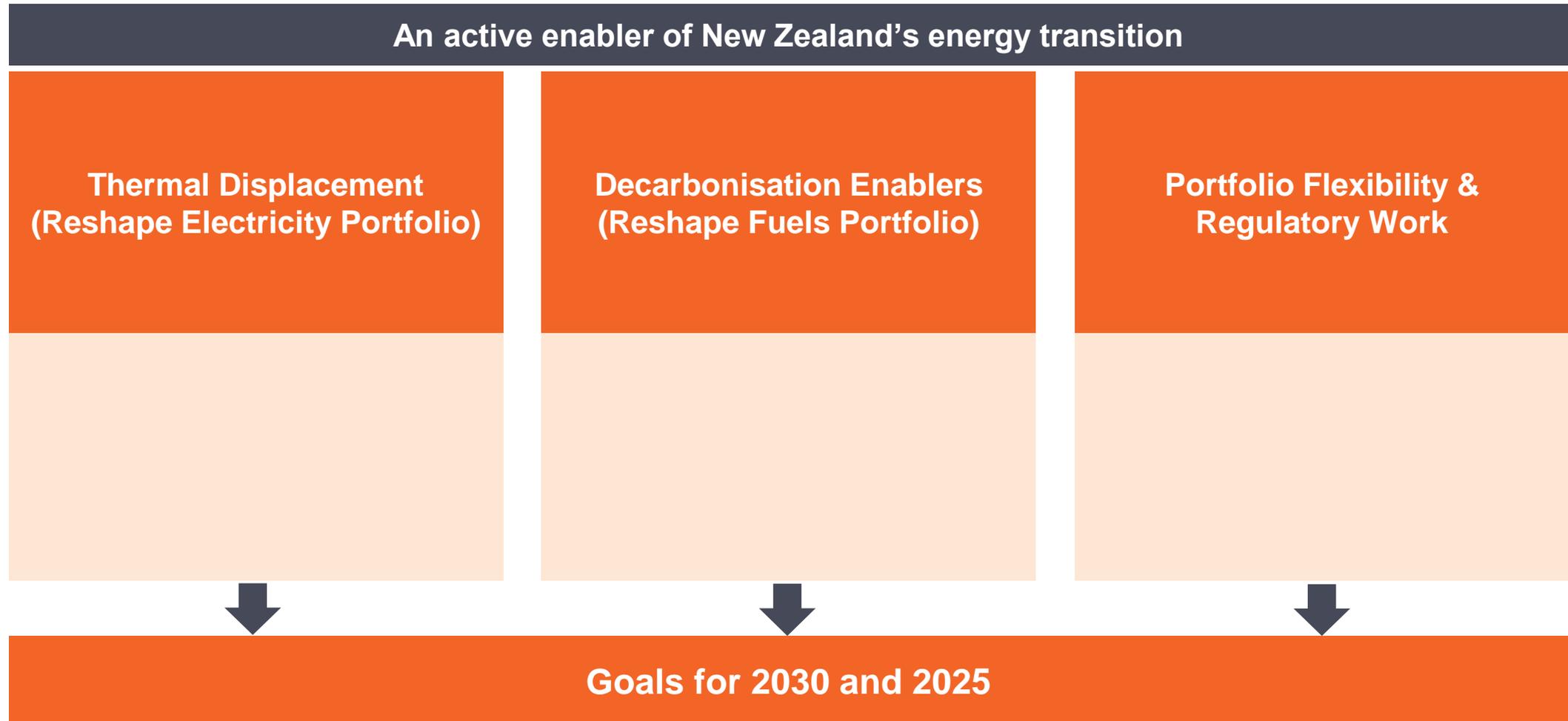
Future-gen strategy

Actively enabling New Zealand's energy transition

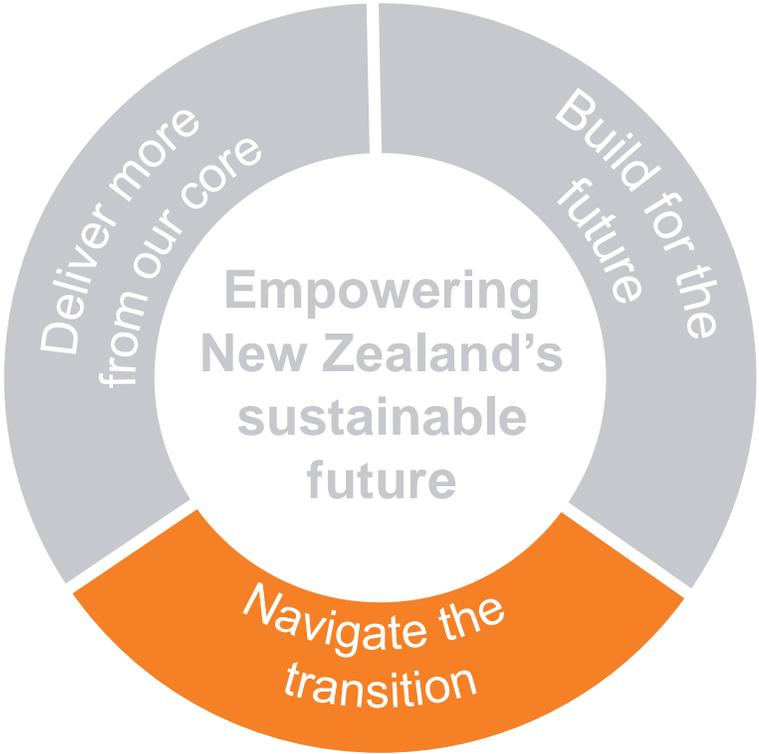


genesis With you. For you.

Proactively and economically displace baseload thermal with affordable and reliable renewable electricity



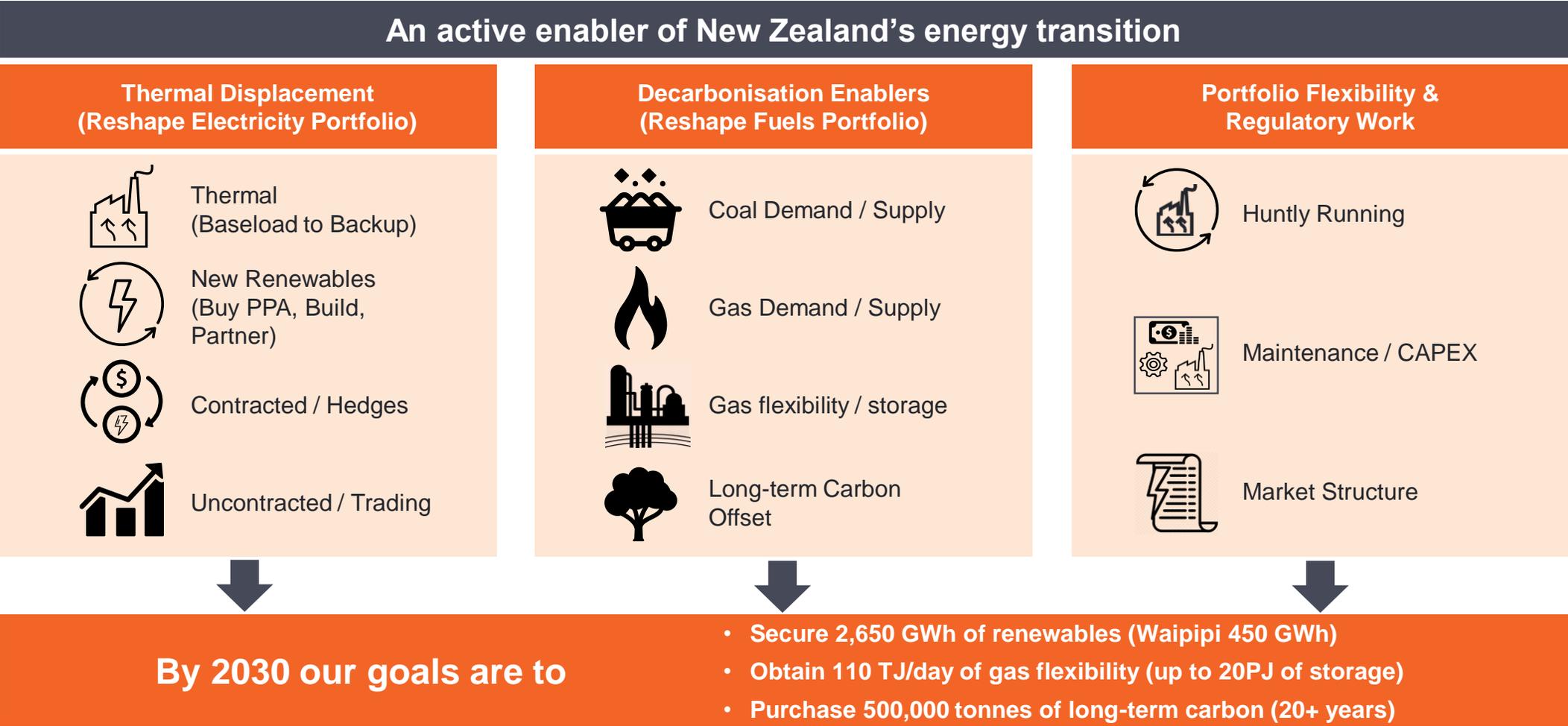
Long-term opportunity to **deliver value uplift** by actively managing the energy transition



- 1 New renewables displacing baseload thermal
- 2 Secure gas flexibility through contracts and storage
- 3 Emissions abatement from forestry
- 4 Improved plant efficiency and MW capacity

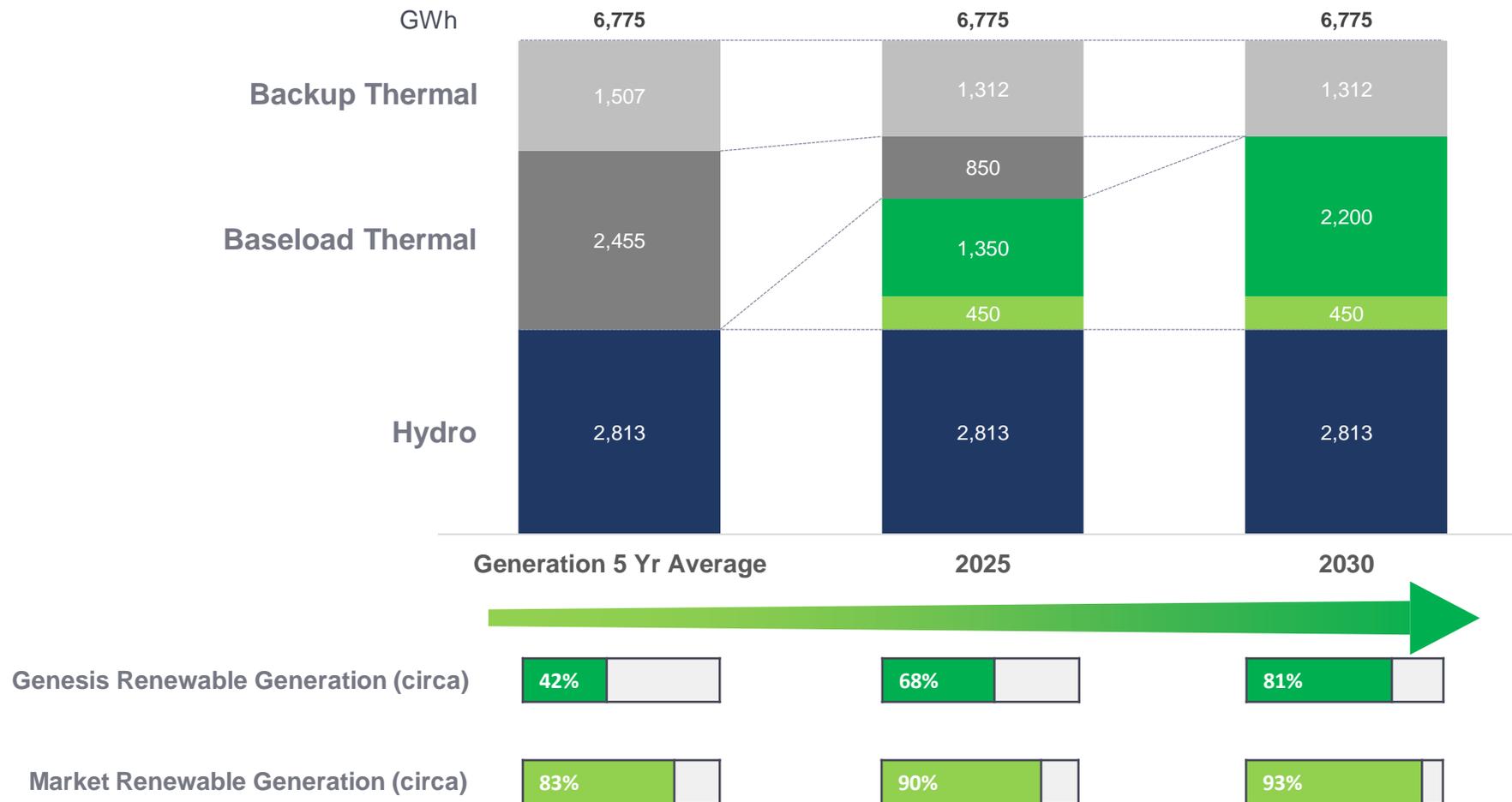
Key Metrics By 2030
2,650 GWh of renewables
110 TJ/day flexibility and 20PJ storage
500,000 tonnes of carbon credits

Three areas of focus to create value from flexibility and optionality in our generation portfolio

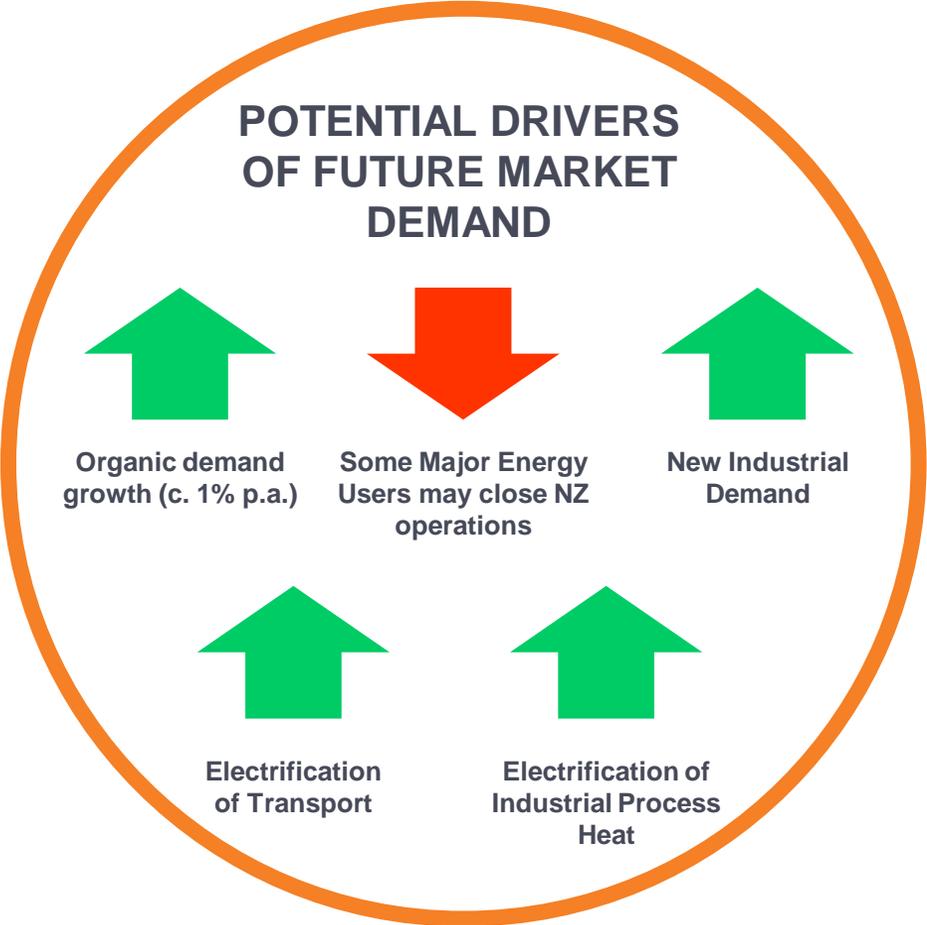
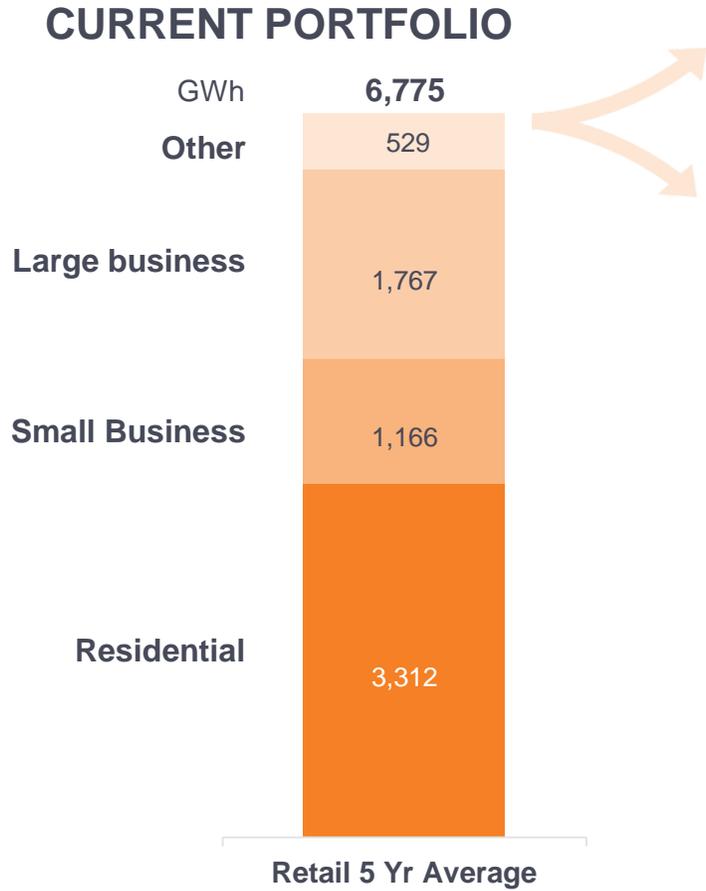


Cheaper renewable electricity will actively displace baseload thermal

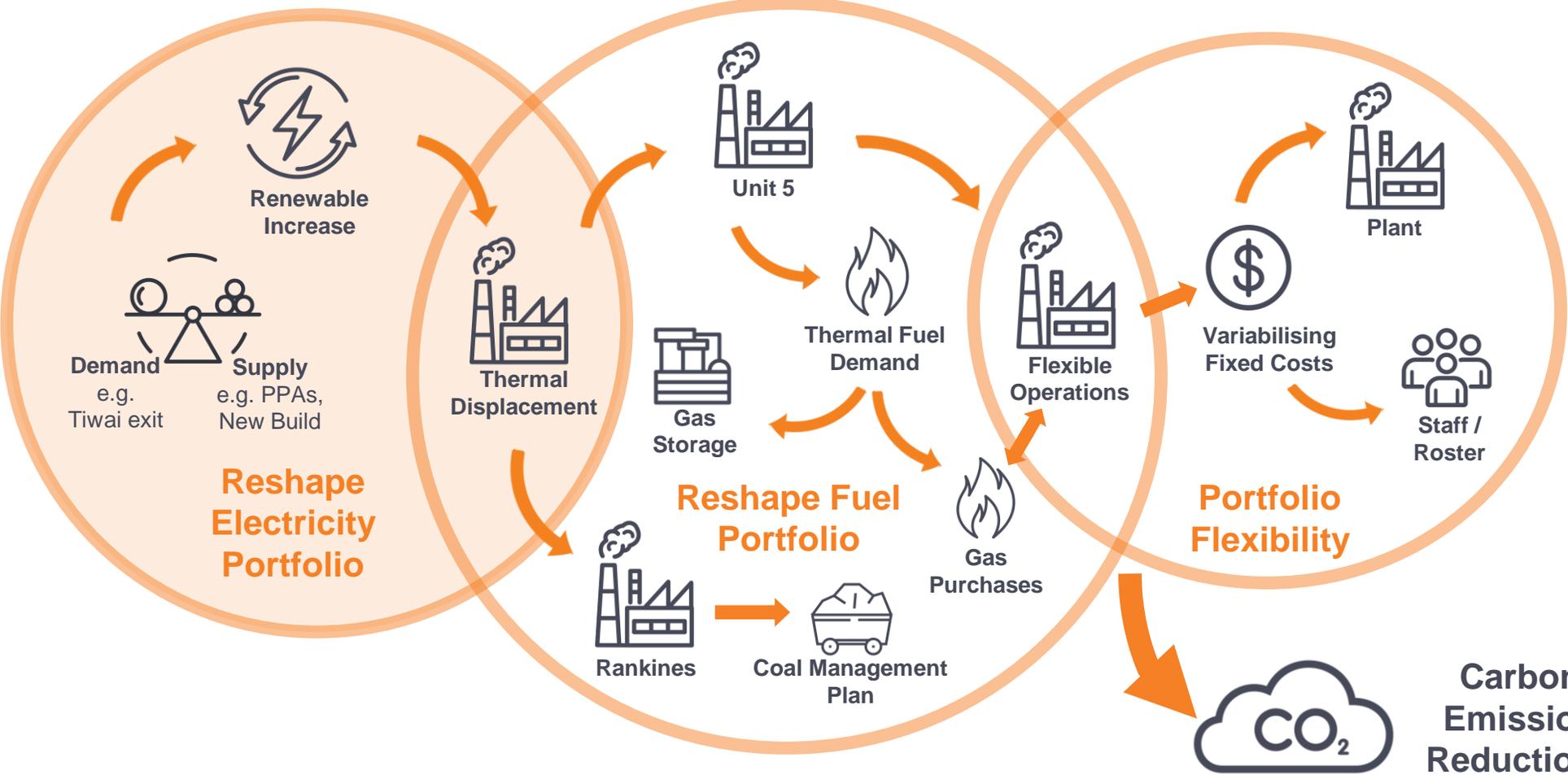
PORTFOLIO CHANGES ASSUMING FLAT DEMAND



Our increased optionality and flexibility lets us create value in any demand scenario



We will actively transform our portfolio to maximise value in preparation of inevitable market changes



Portfolio flexibility is required to create opportunities in light of market uncertainties

Renewable Electricity Generation



Closure of Tiwai



Other Market Uncertainties



Realising value in uncertain times requires us to think differently to create **greater flexibility and optionality** in our portfolio



Outage and Plant Investment

- > Governance processes
- > Asset strategies vs portfolio needs
- > Predictive analytics
- > Risk based inspections
- > Supplier relationships

Operational Structures

- > Low cost bias
- > Operator maintainer
- > Flex to meet demand
- > External resources as required

Flexible Fuel Supply

- > Enable thermal backup
- > Gas flexibility and storage commitments
- > Coal storage and commitments
- > Commitment matching certainty

Achieving Future-gen goals is **how we will deliver** Science Based Targets



2025

Gas flexibility

110 TJ/day
(55 TJ/day injection /
withdrawal)
20 PJ Storage

**Renewable
electricity**

1,800 GWh
(incl. Waipipi 450 GWh)

Carbon credits

Dryland hits target
(150 kilotonnes
below market price)
Extra 100 kt secured

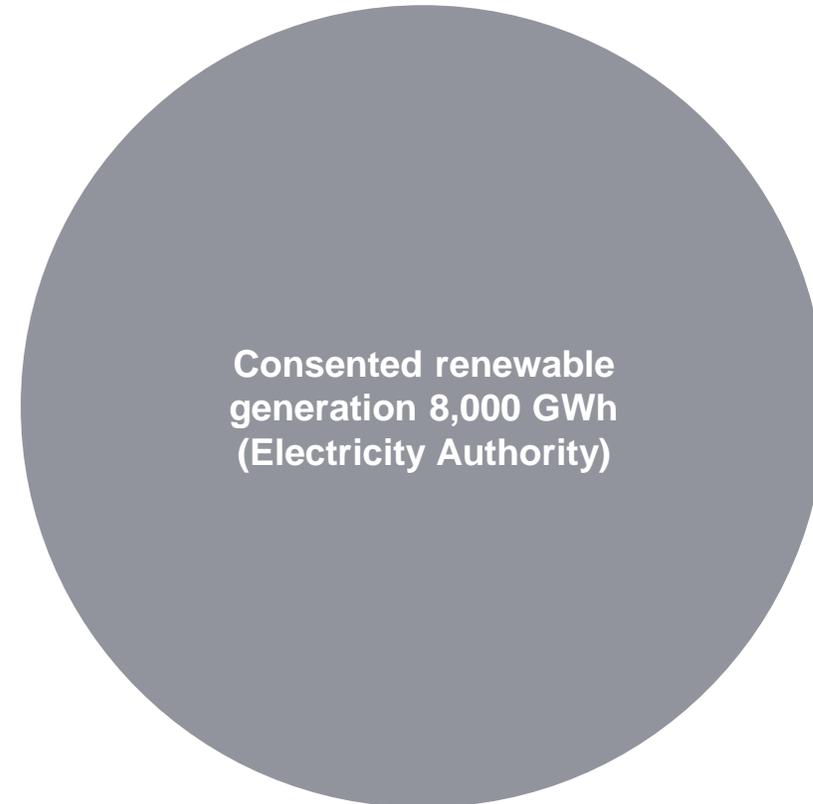
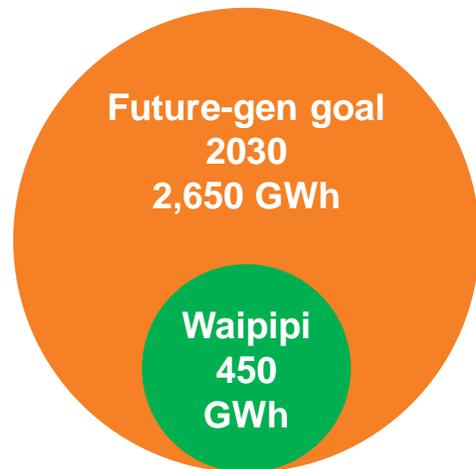
2030

110 TJ/day
(55 TJ/day injection /
withdrawal)
20 PJ Storage

2,650 GWh
(incl. Waipipi 450 GWh)

500,000 tonnes
below market price

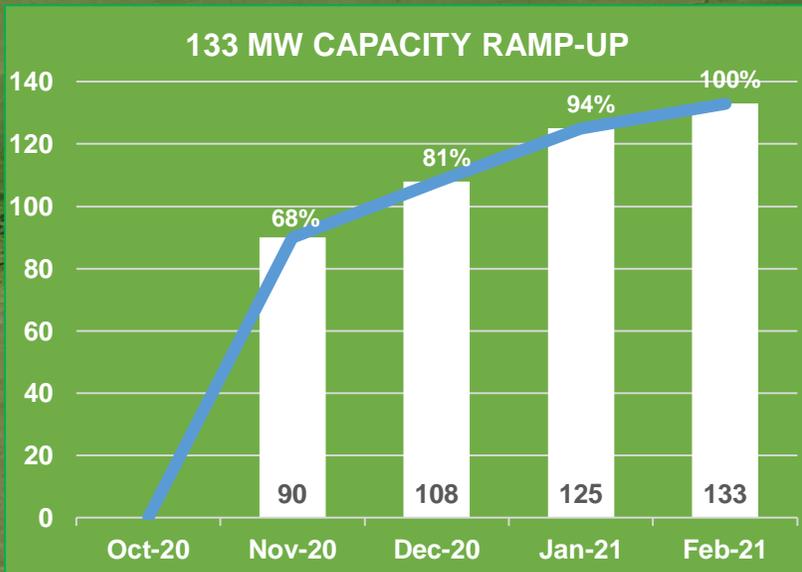
Pipeline for new renewable electricity developments exceeds our stated ambition



Opportunities
identified in
MBIE
Generation
stack
c. 100,000
GWh

Tilt Strategic Partnership

DrylandCarbon Partnership



Chief Financial Officer Wrap-up

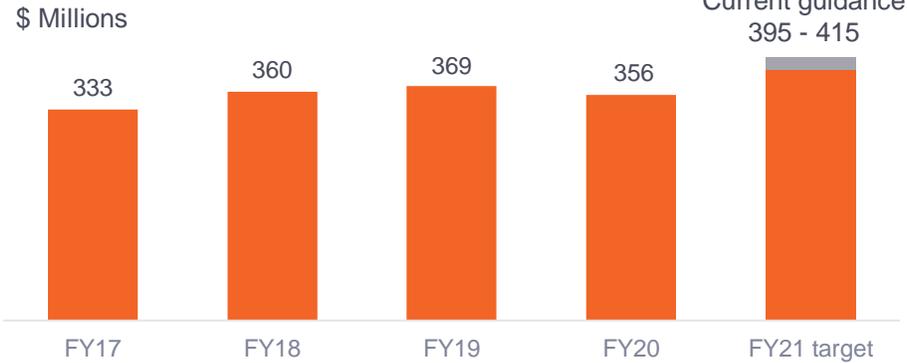
Tracking our path through the transition



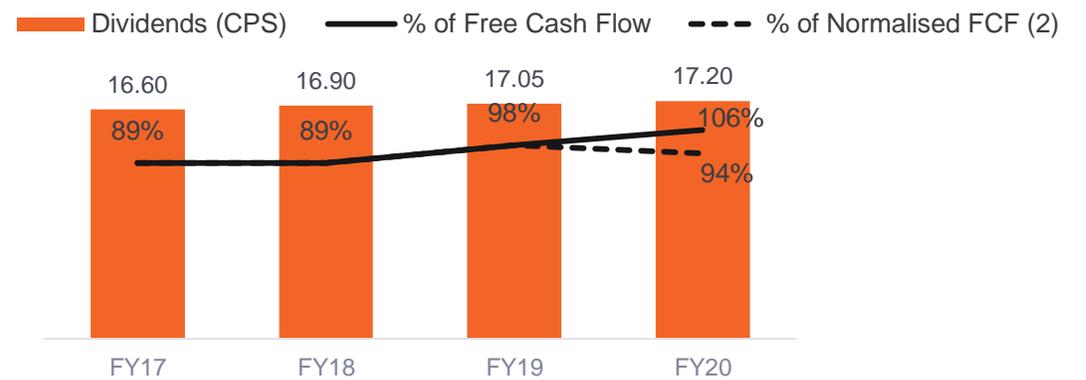
genesis With you. For you.

Our financial track record shows we are a business that does what it says it will do – we are on track for the \$400m target set in FY16

FY17 to FY21 EBITDAF



FY17 TO FY20 DIVIDEND CENTS PER SHARE & PAY-OUT HISTORY

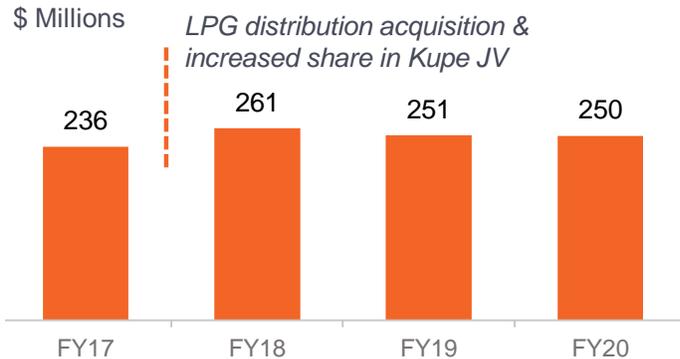


¹ Gross yield based on closing share price as at 18 August 2020, \$2.80.

² Free cash flow represents EBITDAF less tax paid, net interest and stay in business capital expenditure.

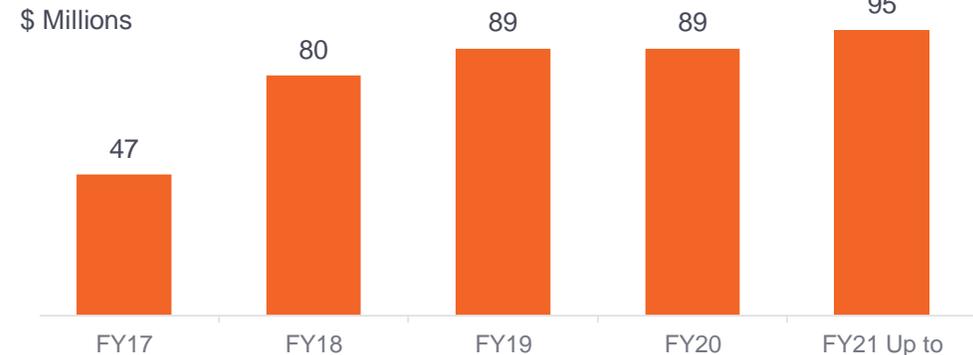
³ Large one-off items include the Tekapo gate, Tekapo turbine overhaul and Tekapo turbine runners upgrades.

FY17 TO FY20 CONTROLLABLE OPERATING EXPENSES¹



¹ Controllable operating expenses refer to Employee Benefits plus Other Operating Expenses. In FY20 Genesis updated its segment reporting and this included realigning the Technology & Digital function previously in Corporate to the Retail Segment. All comparable periods have been adjusted to reflect the new segment note structure.

FY17 TO FY21 CAPITAL EXPENDITURE¹



¹ Capital expenditure excludes M&A activities.

² Capital Expenditure amounts differ from amounts stated in the financial statements due to exclusion of capital expenditure relating to Huntly U5's Long Term Maintenance contract (LTMA) (FY20: \$16.5m).

Our purpose fits within our **vision and strategy**



Our plan spans two horizons
Horizon 1 – FY22 to FY24

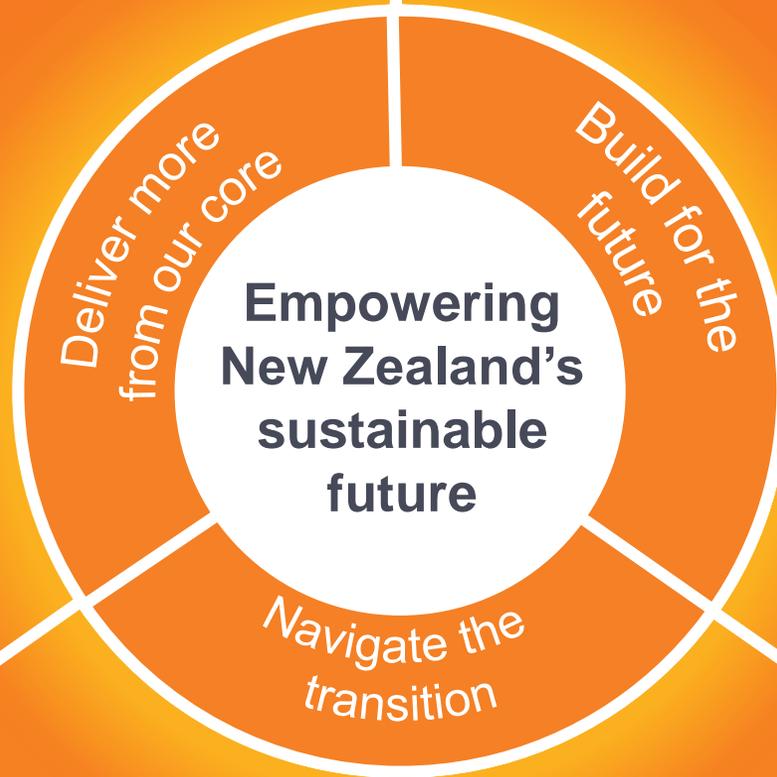
Horizon 2 – FY24 and beyond

Our Horizon 1 Targets

- ↑ Retail EBITDAF - \$15m
- ↑ Wholesale EBITDAF - \$30m

Driven by

- ↓ Churn
- ↑ Small business share
- ↑ Retail LPG volume
- ↑ Energy Online share of Tier 2 mkt
- ↑ Brand, Interaction, Journey Customer NPS
- ↑ Plant efficiency & MW capacity
- ↓ Legacy gas position
- ↑ Employee NPS



Horizon 1 Targets

- Delivering sales / service / billing platform
- Delivering core data platform
- Kupe Strategic review – mid 2021
- Skills complementing a technology enabled evolution

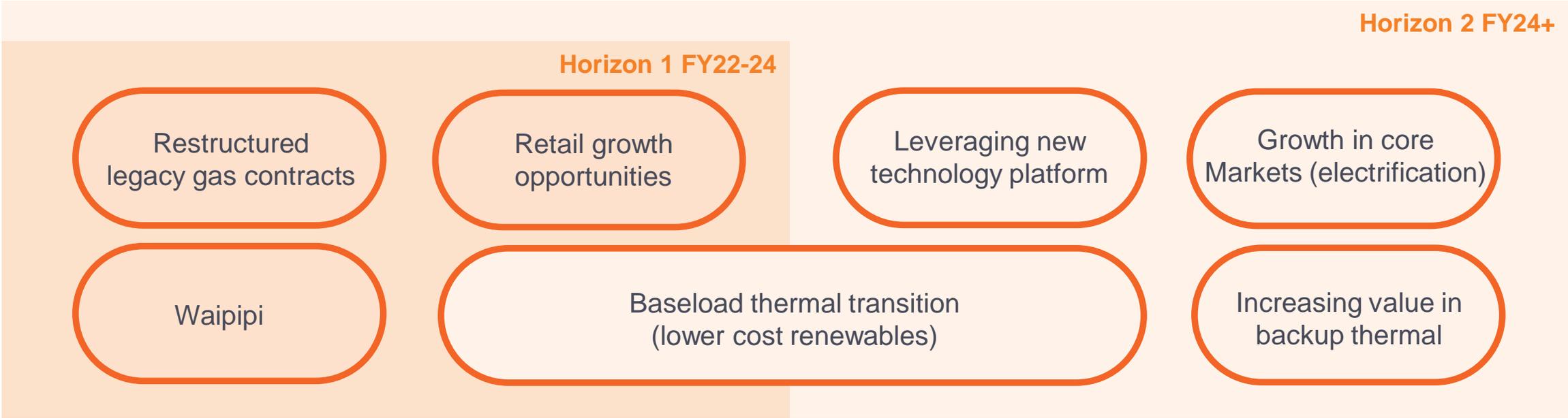
Horizon 1 Targets

- ↑ 50% of large business customers subscribed to Energy Services
- ↑ EIQ engagement
- An adaptive and empowered culture

Horizon 2 Targets

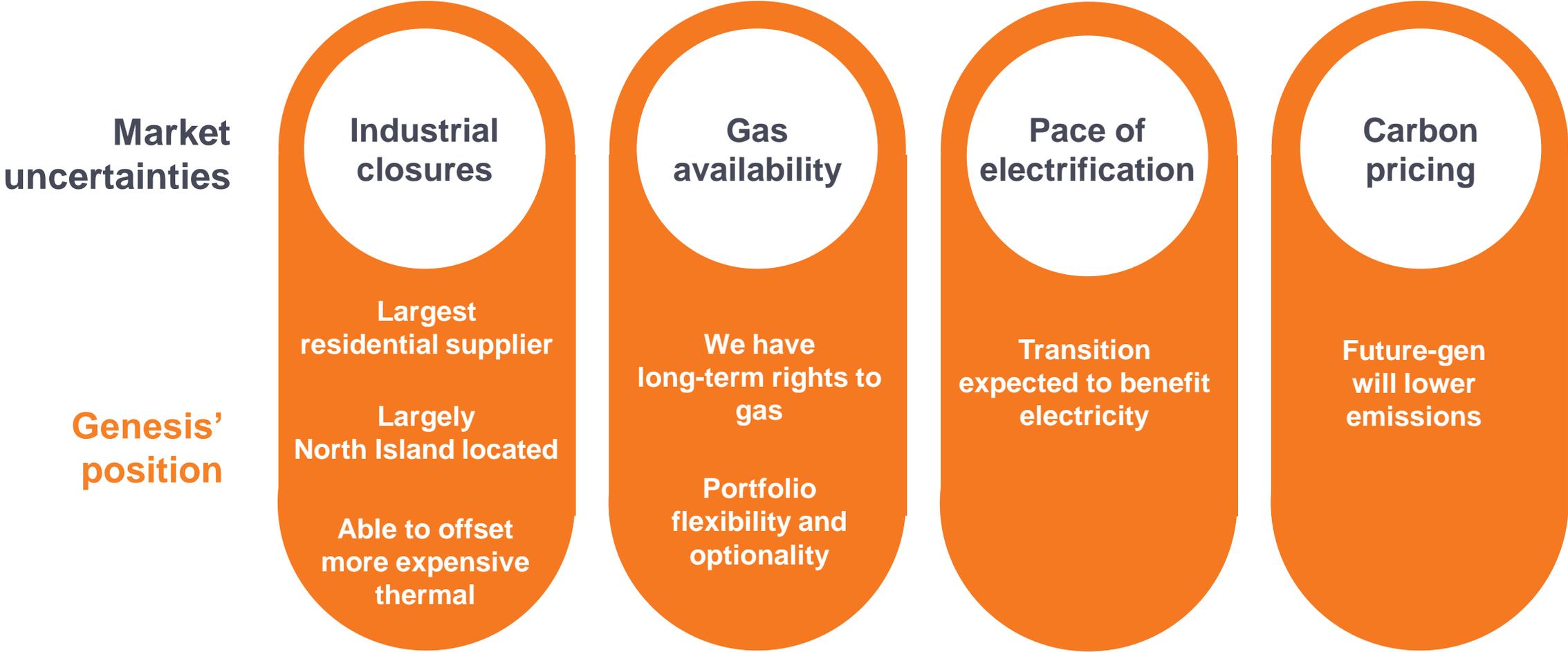
- ↑ Renewables - 2650 GWh
- ↑ Gas storage - 110 TJ/day, 20 PJ storage
- ↑ Forestry carbon credits - 500 kt
- ↑ EBITDAF through the transition
- ↑ Thermal plant flexibility

A number of opportunities to grow earnings and de-risk carbon exposure



Incremental EBITDAF Potential	Up to \$45m	TBC over time
Investment required	Nil to low	Depends on execution choice
De-risked investment proposition		

Genesis is well positioned for market uncertainties

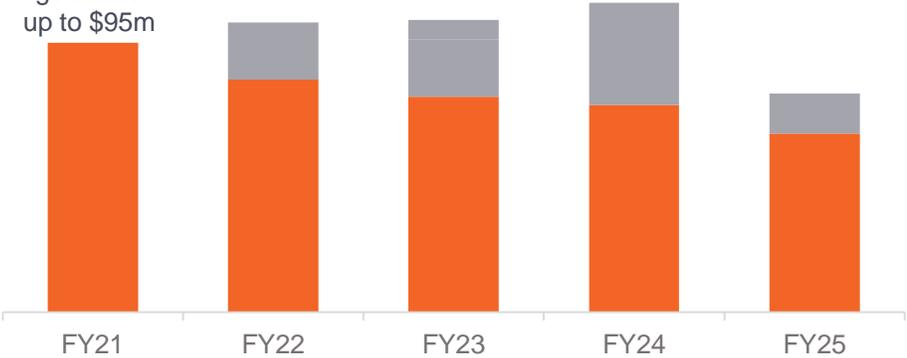


Stable capex outlook and strengthening balance sheet

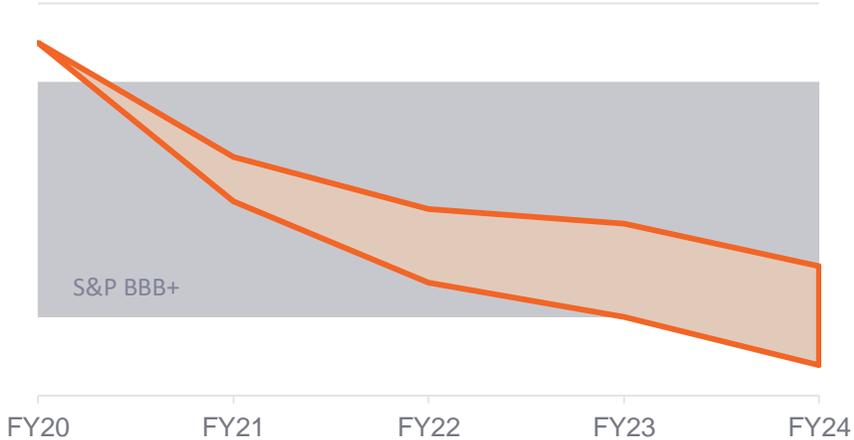
CAPEX OUTLOOK

■ Baseline CAPEX spend
 ■ Upcoming CAPEX decisions (Kupe dev & billing/sales platform)

Current guidance up to \$95m

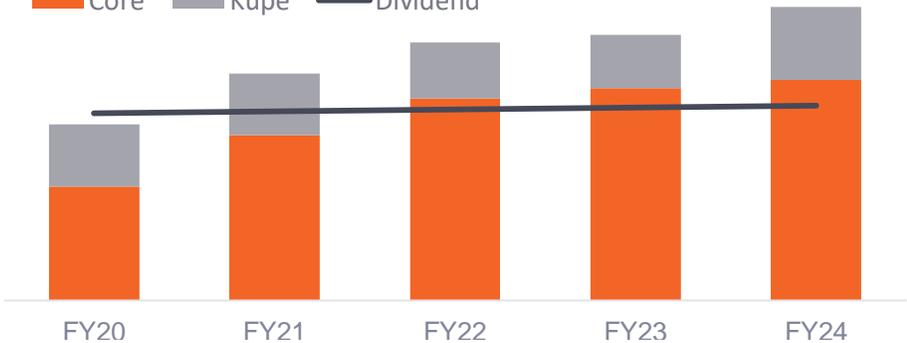


DEBT/EBITDAF

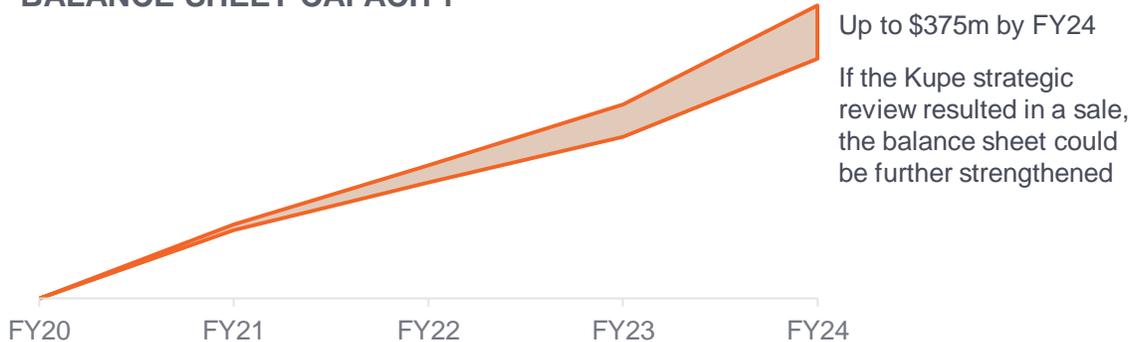


FREE CASH FLOW AND DIVIDEND

■ Core
 ■ Kupe
 — Dividend



BALANCE SHEET CAPACITY



Our commitments

Distinctive customer experiences

Improve customer
Net Promoter Score

Limit climate change

Science based target
for 1.5°C by 2025

Stable diverse earnings

A plan for growth

Why invest in Genesis?

- 1 Attractive growing dividend
- 2 Earnings growth and improved balance sheet
- 3 Reducing carbon exposure
- 4 Strong team with an innovative culture

Disclaimer

This presentation has been prepared by Genesis Energy Limited ('Genesis Energy') for information purposes only. The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information required for an investor to evaluate an investment. This presentation may contain projections or forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks.

Although management may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realised. EBITDAF, underlying profit and free cash flow are non-GAAP (generally accepted accounting practice) measures. While all reasonable care has been taken in compiling this presentation, to the maximum extent permitted by law Genesis Energy accepts no responsibility for any errors or omissions and no representation is made as to the accuracy, completeness or reliability of the information. This presentation does not constitute investment advice. All reference to \$ are New Zealand dollars, unless specifically stated.