



MARKET RELEASE

Date: 26 January 2021

NZX: GNE / ASX: GNE

FY21 Q2 PERFORMANCE REPORT

Genesis Energy today released to the NZX/ASX its FY21 Q2 Performance Report for the three months ended 31 December 2020. The FY21 Q2 Performance Report is available from the Genesis Energy page at www.nzx.com or <https://www.genesisenergy.co.nz/investors>.

“Genesis has committed to the most aggressive emissions reduction target by a New Zealand energy company. We chose the 1.5° target knowing it will be difficult but achievable with the right planning and pathway.” said Marc England, Chief Executive.

CORPORATE

Genesis committed to a Science Based Target consistent with limiting global warming to 1.5° C. Genesis has committed to reducing emissions by at least 1.2 million tonnes by 2025¹. The Future-gen programme will displace baseload thermal generation and replace with lower cost renewable alternatives by 2030.

RETAIL

Cost to serve continued to trend downwards, although some costs were delayed and are expected to be incurred in FY21 H2 (increasing CTS by approximately \$1). Customer churn increased on pcp², driven by higher nationwide home moving switches (up 10%³) and the ending of winbacks. Genesis' LPG business continued to perform, with Q2 the strongest summer period ever. The continued momentum was supported by residential customer growth in the main centres, and strong growth from our new depot in Whangarei.

WHOLESALE

Waipipi development remains on schedule and is expected to be fully operational by early March. Generation commenced in November and provided Genesis with 30 GWh of renewable energy in the quarter. Above average inflows at the Tongariro scheme enabled Genesis to maintain hydro generation levels, whilst building storage in our lakes. The La Nina event is forecast to result in lower South Island inflows in Q3 and Genesis may be called upon to provide additional thermal back-up to the market.

KUPE

Strategic review of Kupe proceeding as planned. Conclusion expected by the middle of CY 2021. A minor outage early in December meant that production was down on Q1. Global oil prices continued to strengthen with Brent crude exceeding \$50 USD/bbl for the first time since February 2020.

ENDS

¹ Combined scope 1, 2, & 3 emissions compared to a FY20 base year.

² Pcp refers to FY 20 Q2 unless otherwise stated.

³ EA Move Switching (Sep 20 to Nov 20) <https://www.emi.ea.govt.nz/Retail/Reports>



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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 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 \$NZ2.6 billion during the 12 months ended 30 June 2020. More information can be found at www.genesisenergy.co.nz



FY21 Q2 Performance Report

26 January 2021



FY21 Q2 Quarterly Performance Highlights

Corporate	Genesis committed to a Science Based Target consistent with limiting global warming to 1.5° C. Genesis has committed to reducing emissions by at least 1.2 million tonnes by 2025 ¹ . The Future-gen programme will displace baseload thermal generation and replace with lower cost renewable alternatives by 2030.
Retail	Cost to serve continued to trend downwards, although some costs were delayed and are expected to be incurred in FY21 H2 (increasing CTS by approximately \$1). Customer churn increased on pcp ² , driven by higher nationwide home moving switches (up 10% ³) and the ending of winbacks. Genesis' LPG business continued to perform, with Q2 the strongest summer period ever. The continued momentum was supported by residential customer growth in the main centres and strong from our new depot in Whangarei.
Wholesale	Waipipi development remains on schedule and is expected to be fully operational by early March. Generation commenced in November and provided Genesis with 30 GWh of renewable energy in the quarter. Above average inflows at the Tongariro scheme enabled Genesis to maintain hydro generation levels, whilst building storage in our lakes. The La Nina event is forecast to result in lower South Island inflows in Q3 and Genesis may be called upon to provide additional thermal back-up to the market.
Kupe	Strategic review of Kupe proceeding as planned. Conclusion expected by the middle of CY 2021. A minor outage early in December meant that production was down on Q1. Global oil prices continued to strengthen with Brent crude exceeding \$50 USD/bbl for the first time since February 2020.

¹ Combined scope 1, 2, & 3 emissions compared to a FY20 base year.

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³ EA Move Switching (Sep 20 to Nov 20) <https://www.emi.ea.govt.nz/Retail/Reports>



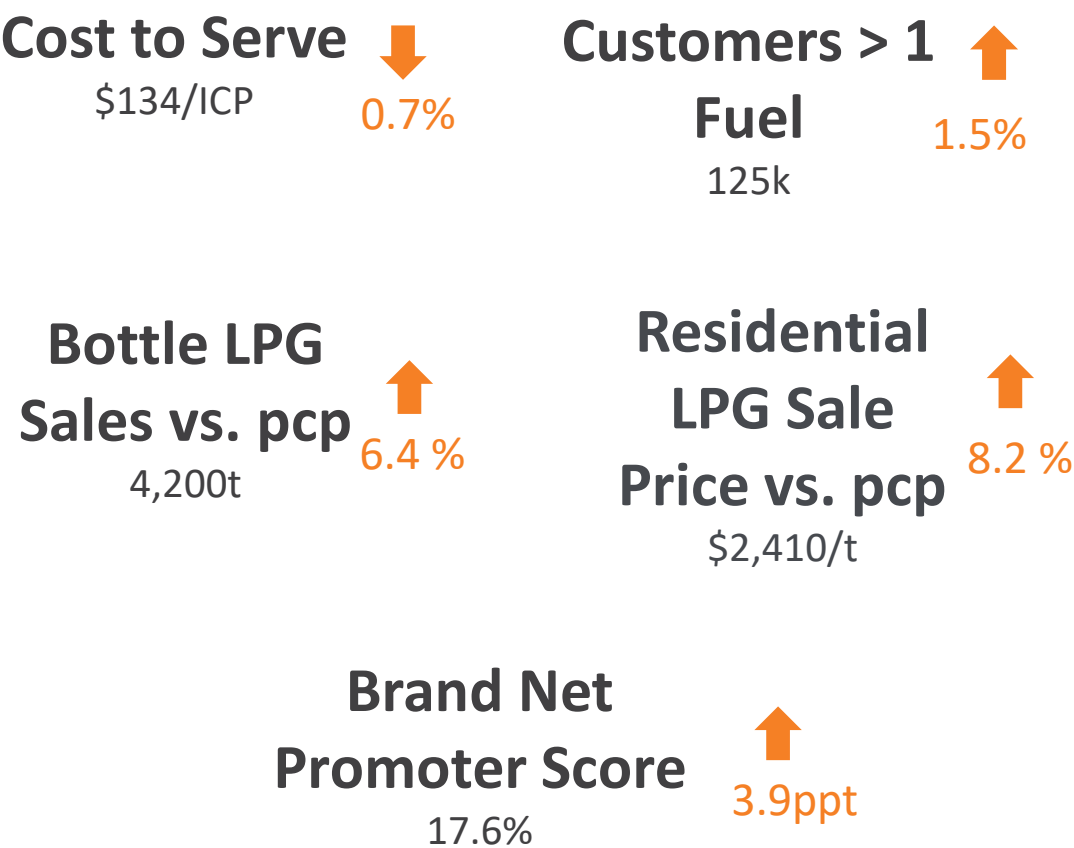
Genesis has committed to the most aggressive emissions reduction target by a New Zealand energy company. We chose the 1.5° target knowing it will be difficult but achievable with the right planning and pathway.

Marc England
Chief Executive



Retail Segment Performance vs FY21 Q1

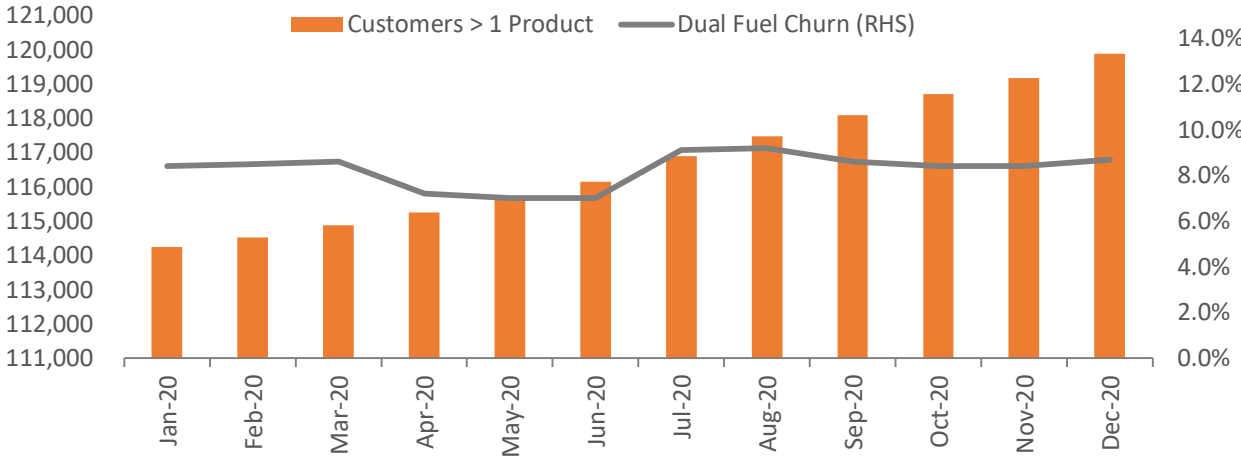
Highs



Lows



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



Wholesale Segment Performance vs Prior Comparable Period

Highs

Total Generation ↑
1,682 GWh 13%

Power Purchase Agreements ↑
30 GWh

Average Gas Burn Cost ↓
\$9.0/GJ 7.2%

Average Coal Burn Cost ↓
\$6.0/GJ 16%

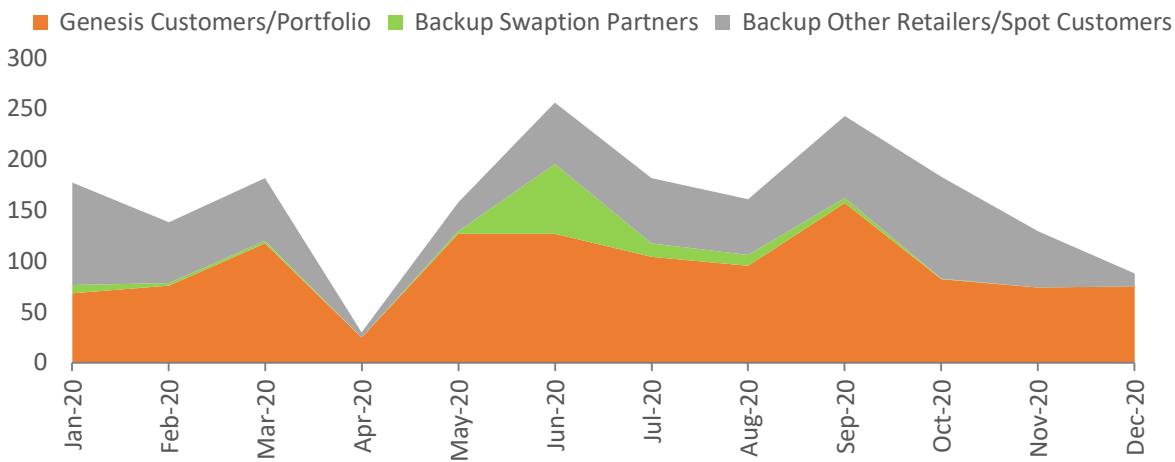
Ave. Generation Price (GWAP) ↑
\$116.10 (\$/MWh) 7.3%

Lows

Hydro Generation ↓
674 GWh 2.7%

Generation Emissions ↑
625 ktCO2 11%
Increased thermal backup required to support low lake levels and reduced gas supply.

HUNTLY RANKINE UTILISATION (GWh)



Kupe Segment Performance vs Prior Comparable Period

Highs

Gas Production

2.6 PJ



44%

Oil Production

83 kbbbl



26%

**Brent Crude exceeds
\$50 USD/bbl**

Lows

Realised Oil Price

NZ\$63.61



27%

**Oil Production
Yield**

31.2 bbl/TJ



14%

Glossary (Updated)

RETAIL		
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		Defined as customers instigating a trader switch or home move
Net Customer Churn		Defined as Gross Churn post home move saves, retention and acquisition activity
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
Cost to Serve (\$ per ICP)		Retail costs associated with serving customers across all fuel types divided by the total numbers of ICPs at time of reporting
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 and Technology & Digital cost centre)
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
POWER PURCHASE AGREEMENTS		
Wind (GWh)		Energy purchased through long term agreements with generator
Average Price Received for Generation - GWAP (\$/MWh)		Price received at production node. (E.g. Waipipi at WVY1101 node)
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), Cap/Collar/Floor contracts and PPAs
Electricity CFD Sales - Wholesale (GWh)		Settlement volumes of generation hedge sale contracts, including ASX but excluding Financial Transmission Right (FTRs), Cap/Collar/Floor contracts and PPAs
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 GJ/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

Retail Operating Metrics

RETAIL SEGMENT		Q2 FY21	Q2 FY20	% Change	Var.	Q1 FY21	% Change	Var.
RETAIL								
	Brand Net Promoter Score - Genesis (%)	17.6%	15.6%	12.8%	2ppt	13.7%	28.5%	3.9ppt
	Interaction Net Promoter Score - Genesis (%)	44.7%	38.0%	17.6%	6.7ppt	44.3%	0.9%	0.4ppt
	Gross Customer Churn (3 month rolling average, %)	26.8%	26.4%	1.5%	0.4ppt	26.3%	1.9%	0.5ppt
	Net Customer Churn (3 month rolling average, %)	16.9%	15.9%	6.3%	1ppt	17.2%	(1.7%)	(0.3)ppt
	Cost to Serve (\$ per ICP)	\$134	\$139	(3.6%)	(\$5)	\$135	(0.7%)	(\$1)
	Electricity Netback (\$/MWh)	\$114.54	\$101.39	13.0%	\$13.15	\$128.25	(10.7%)	(\$13.71)
	Gas Netback (\$/GJ)	\$10.5	\$9.8	7.1%	\$0.7	\$10.6	(0.9%)	(\$0.1)
	LPG Netback (\$/t)	\$1,012	\$960	5.4%	\$52	\$1,070	(5.4%)	(\$58)
CUSTOMER NUMBERS								
	Customers > 1 Fuel	124,996	119,227	4.8%	5,769	123,131	1.5%	1,865
	Electricity Only Customers	303,518	320,731	(5.4%)	(17,213)	309,276	(1.9%)	(5,758)
	Gas Only Customers	15,649	16,022	(2.3%)	(373)	15,922	(1.7%)	(273)
	LPG Only Customers	33,584	33,969	(1.1%)	(385)	33,612	(0.1%)	(28)
	Total Customers	477,747	489,949	(2.5%)	(12,202)	481,941	(0.9%)	(4,194)
	Electricity ICPs Active-Occupied	487,149	497,435	(2.1%)	(10,286)	490,705	(0.7%)	(3,556)
	Gas ICPs Active-Occupied	105,483	105,572	(0.1%)	(89)	105,388	0.1%	95
	LPG Customer Connections	76,864	71,349	7.7%	5,515	75,173	2.2%	1,691
	Total ICPs	669,496	674,356	(0.7%)	(4,860)	671,266	(0.3%)	(1,770)
VOLUMES AND PRICE								
	Volume Weighted Average Electricity Selling Price - Resi (\$/MWh)	\$270.43	\$264.97	2.1%	\$5.46	\$260.37	3.9%	\$10.06
	Volume Weighted Average Electricity Selling Price - SME (\$/MWh)	\$211.99	\$223.29	(5.1%)	(\$11.30)	\$219.39	(3.4%)	(\$7.40)
	Volume Weighted Average Electricity Selling Price - C&I (\$/MWh)	\$119.53	\$116.03	3.0%	\$3.50	\$159.22	(24.9%)	(\$39.69)
	Residential Electricity Sales (GWh)	638	661	(3.5%)	(23)	933	(31.6%)	(295)
	SME Electricity Sales (GWh)	276	287	(3.8%)	(11)	271	1.8%	5
	C&I Electricity Sales (GWh)	597	507	17.8%	90	572	4.4%	25
	Total Electricity Sales - Customer (GWh)	1,511	1,455	3.8%	56	1,775	(14.9%)	(264)
	Volume Weighted Average Gas Selling Price - Resi (\$/GJ)	\$37.6	\$36.3	3.6%	\$1.3	\$28.6	31.5%	\$9.0
	Volume Weighted Average Gas Selling Price - SME (\$/GJ)	\$17.0	\$16.3	4.3%	\$0.7	\$15.4	10.4%	\$1.6
	Volume Weighted Average Gas Selling Price - C&I (\$/GJ)	\$12.2	\$11.1	9.9%	\$1.1	\$10.5	16.2%	\$1.7
	Residential Gas Sales (PJ)	0.6	0.6	0.0%	-	1.1	(45.5%)	(0.5)
	SME Gas Sales (PJ)	0.4	0.4	0.0%	-	0.5	(20.0%)	(0.1)
	C&I Gas Sales (PJ)	0.7	0.8	(12.5%)	(0.1)	1.2	(41.7%)	(0.5)
	Total Gas Sales (PJ)	1.6	1.8	(11.1%)	(0.2)	2.8	(42.9%)	(1.2)
	Volume Weighted Average LPG Selling Price - Resi (\$/tonne)	\$2,410	\$2,337	3.1%	\$73	\$2,373	1.6%	\$37
	Volume Weighted Average LPG Selling Price - SME/Bulk (\$/tonne)	\$1,542	\$1,421	8.5%	\$121	\$1,533	0.6%	\$9
	Bottled LPG Sales (tonnes)	4,200	3,949	6.4%	251	5,858	(28.3%)	(1,658)
	SME & Other Bulk LPG sales (tonnes)	5,843	6,404	(8.8%)	(561)	7,241	(19.3%)	(1,398)
	Total LPG Sales Volumes (tonnes)	10,044	10,353	(3.0%)	(309)	13,099	(23.3%)	(3,055)

Wholesale Operating Metrics

WHOLESALE SEGMENT		Q2 FY21	Q2 FY20	% Change	Var.	Q1 FY21	% Change	Var.
GENERATION								
Gas (GWh)		644	599	7.5%	45	752	(14.4%)	(108)
Coal (GWh)		359	304	18.1%	55	553	(35.1%)	(194)
Total Thermal (GWh)		1,003	903	11.1%	100	1,305	(23.1%)	(302)
Hydro (GWh)		674	693	(2.7%)	(19)	781	(13.7%)	(107)
Wind (GWh)		5	7	(28.6%)	(2)	6	(16.7%)	(1)
Total Renewable (GWh)		680	700	(2.9%)	(20)	787	(13.6%)	(107)
Total Generation (GWh)		1,682	1,603	4.9%	79	2,091	(19.6%)	(409)
Average Price Received for Generation - GWAP (\$/MWh)		\$116.10	\$108.22	7.3%	\$7.88	\$136.96	(15.2%)	(\$20.86)
Generation Emissions (ktCO2)		625	565	10.6%	60	956	(34.6%)	(331)
Generation Carbon Intensity (tCO2/GWh)		372	352	5.7%	20	457	(18.6%)	(85)
Forced Outage Factor (FOF)		0.8%	0.9%	(11.1%)	(0.1)ppt	0.2%	300.0%	0.6ppt
Equivalent Availability Factor (EAF)		88.9%	86.7%	2.5%	2.2ppt	96.5% ¹	(7.9%)	(7.6)ppt
Rankine Output (GWh)		397	324	22.5%	73	585	(32.1%)	(188)
Rankines Fueled by Coal (%)		90%	94%	(4.3%)	(4)ppt	95%	(5.3%)	(5)ppt
POWER PURCHASE AGREEMENTS								
Wind (GWh)		30	-	0.0%	30	-	0.0%	30
Average Price Received for PPA - GWAP (\$/MWh)		\$97.95	\$0.00	0.0%	\$97.95	\$0.00	0.0%	\$97.95
WHOLESALE								
Electricity Purchases - Retail (GWh)		1,590	1,537	3.4%	53	1,873	(15.1%)	(283)
Average Retail Electricity Purchase Price - LWAP (\$/MWh)		\$115.82	\$104.10	11.3%	\$11.72	\$140.21	(17.4%)	(\$24.39)
LWAP/GWAP Ratio (%)		100%	96%	4.2%	4ppt	102%	(2.0%)	(2)ppt
Gas Purchases (PJ)		10.7	10.2	4.9%	0.5	12.5	(14.4%)	(1.8)
Coal Purchases (PJ)		7.8	3.2	143.8%	4.6	4.2	85.7%	3.6
Electricity CFD Purchases - Wholesale (GWh)		627	458	36.9%	169	477	31.4%	150
Electricity CFD Sales - Wholesale (GWh)		816	482	69.3%	334	645	26.5%	171
Swaption Sales - Wholesale (GWh)		1	20	(95.0%)	(19)	30	(96.7%)	(29)
Wholesale Gas Sales (PJ)		4.0	3.8	5.3%	0.2	4.0	0.0%	-
Wholesale Coal Sales (kilotonnes)		-	-	-	-	-	-	-
Wholesale LPG Sales (tonnes)		3,827	908	321.5%	2,919	4,168	(8.2%)	(341)
Gas Used In Internal Generation (PJ)		5.0	4.6	8.7%	0.4	5.7	(12.3%)	(0.7)
Weighted Average Gas Burn Cost (\$/GJ)		\$9.0	\$9.7	(7.2%)	(\$0.7)	\$9.0	-	\$0.0
Coal Used In Internal Generation (PJ)		4.05	3.45	17.4%	0.6	6.32	(35.9%)	(2.3)
Weighted Average Coal Burn Cost (\$/GJ)		\$6.0	\$7.1	(15.5%)	(\$1.1)	\$6.1	(1.6%)	(\$0.1)
Weighted Average Fuel Cost - Portfolio (\$/MWh)		\$48.48	\$44.97	7.8%	\$3.51	\$49.25	(1.6%)	(\$0.77)
Weighted Average Fuel Cost - Thermal (\$/MWh)		\$81.33	\$79.83	1.9%	\$1.50	\$78.95	3.0%	\$2.38
Coal Stockpile - Closing Balance (kilotonnes)		496	374	32.6%	122	328	51.2%	168
Coal Stockpile - Stored Energy (PJ)		10.9	8.2	32.9%	2.7	7.2	51.4%	3.7

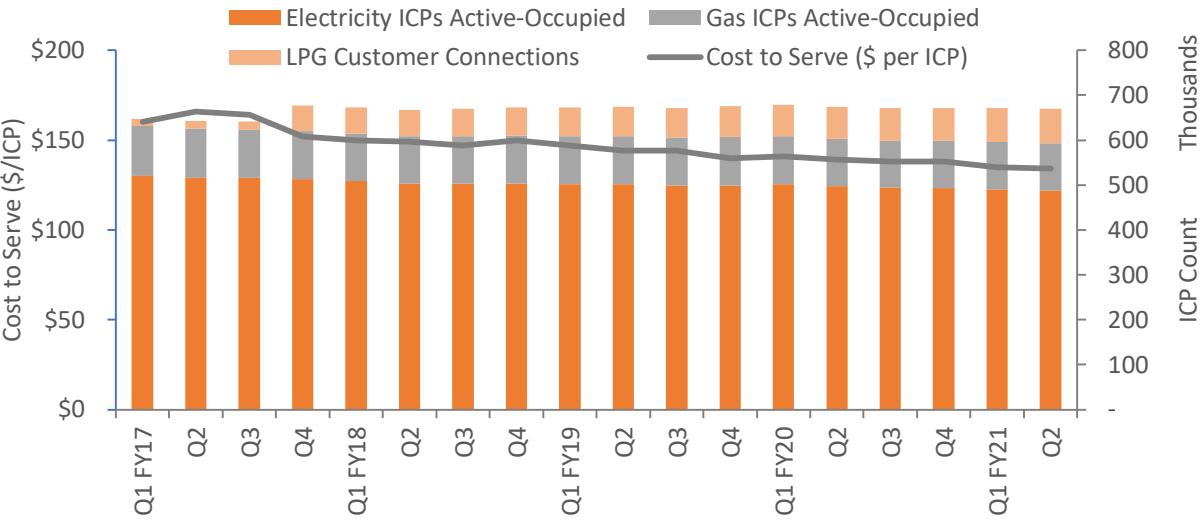
¹ Q1 FY21 numbers have been corrected from a previous report.

Kupe and Other Operating Metrics

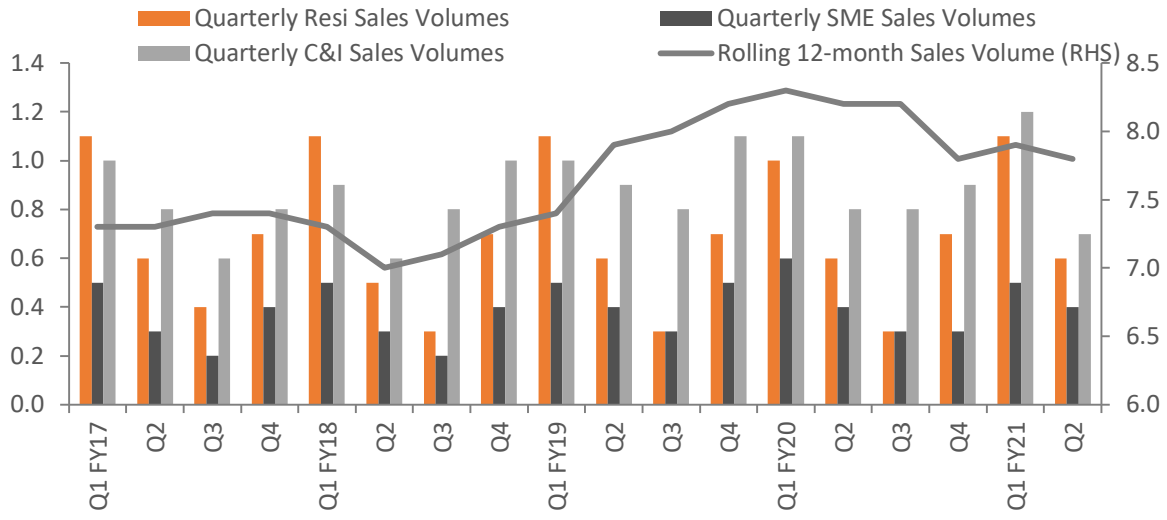
KUPE SEGMENT		Q2 FY21	Q2 FY20	% Change	Var.	Q1 FY21	% Change	Var.
KUPE								
	Gas Production (PJ)	2.6	1.8	44.4%	0.8	3.0	(13.3%)	(0.4)
	Gas Sales (PJ)	2.6	1.8	44.4%	0.8	3.0	(13.3%)	(0.4)
	Oil Production (kbbbl)	83	66	25.8%	17	96	(13.5%)	(13.0)
	Oil Production Yield (bbl/TJ)	31.2	36.1	(13.6%)	(4.9)	31.6	(1.3%)	(0.4)
	Oil Sales (kbbbl)	81	72	12.5%	9	77	5.2%	4.0
	Realised Oil Price (NZD/bbl)	\$63.61	\$86.81	(26.7%)	(\$23.20)	\$73.74	(13.7%)	(10.1)
	Average Brent Crude Oil (USD/bbl)	\$44.22	\$63.25	(30.1%)	(\$19.03)	\$43.00	2.8%	1.2
	LPG Production (kt)	11.4	8.0	42.5%	3.4	13.0	(12.3%)	(1.6)
	LPG Production Yield (t/TJ)	4.3	4.4	(2.3%)	(0.1)	4.3	0.0%	-
	LPG Sales (kt)	11.0	8.0	37.5%	3.0	13.4	(17.9%)	(2.4)
OTHER		Q2 FY21	Q2 FY20	% Change	Var.	Q1 FY21	% Change	Var.
CORPORATE								
	Headcount (FTE)	1,099	1,080	1.8%	19	1,077	2.0%	22
	Total Recordable Injury Frequency Rate	2.02	1.23	64.2%	0.79	2.12	(4.7%)	(0.10)

Appendix: Retail Segment

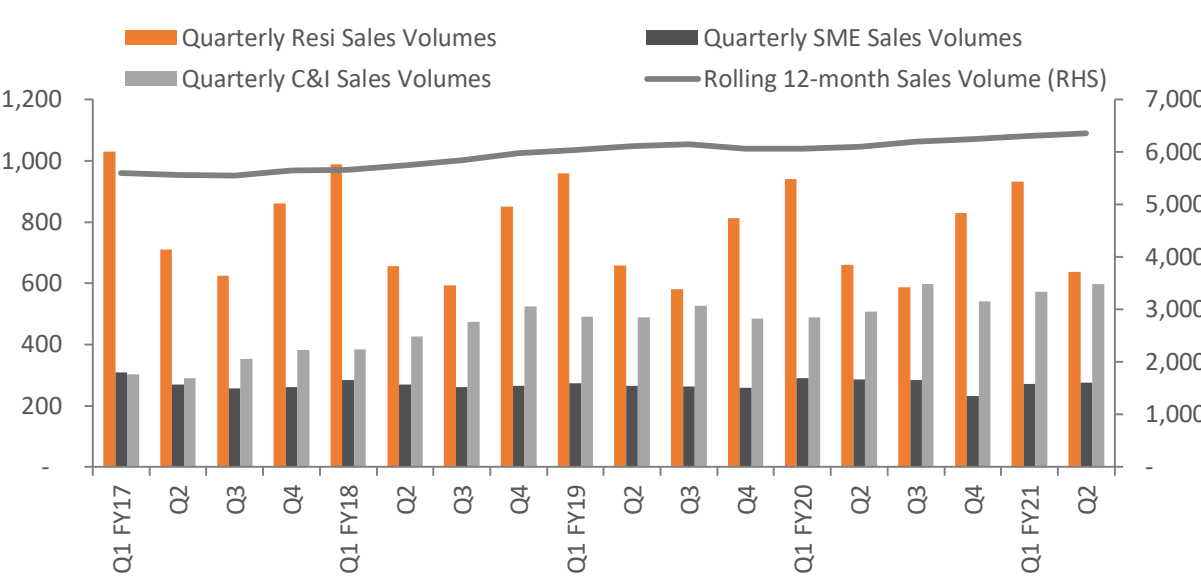
ICP NUMBER & COST TO SERVE (\$/ICP)



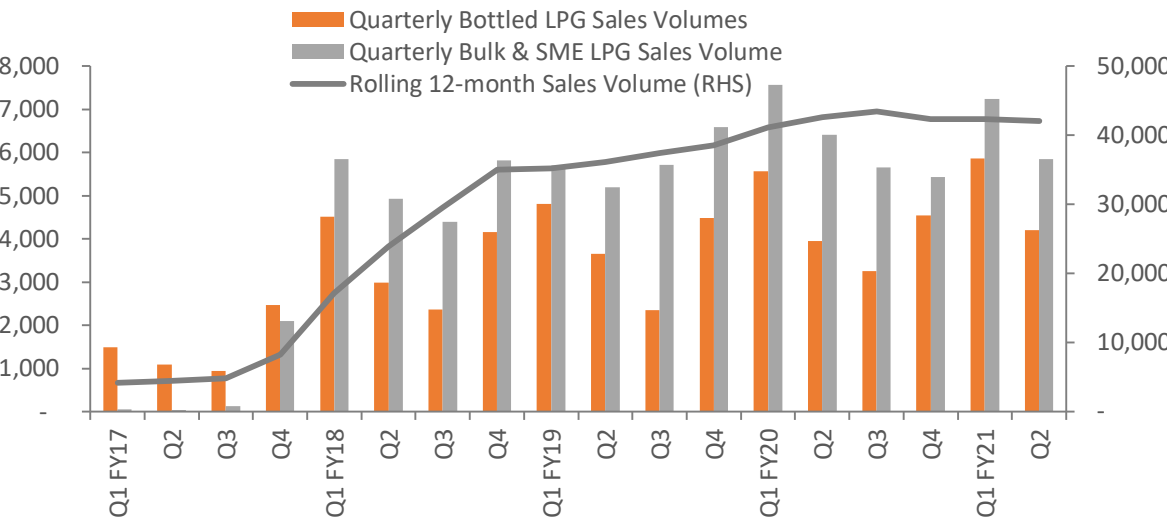
GAS SALES VOLUME (PJ)



ELECTRICITY SALES VOLUMES (GWh)

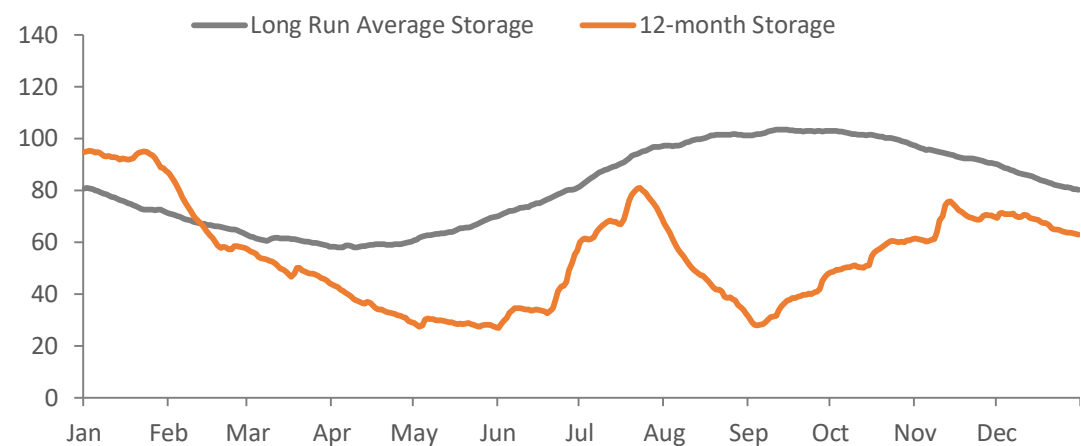


LPG SALES VOLUMES (Tonnes)

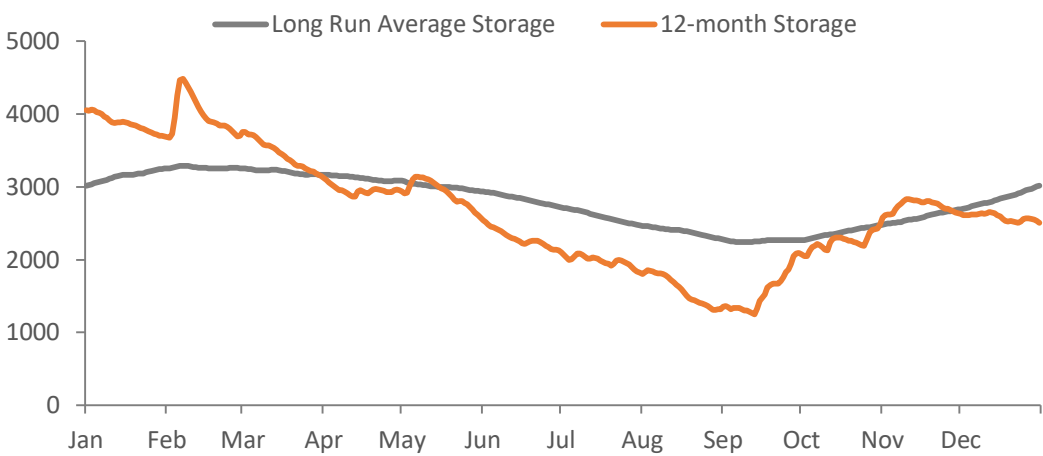


Appendix: Wholesale Segment

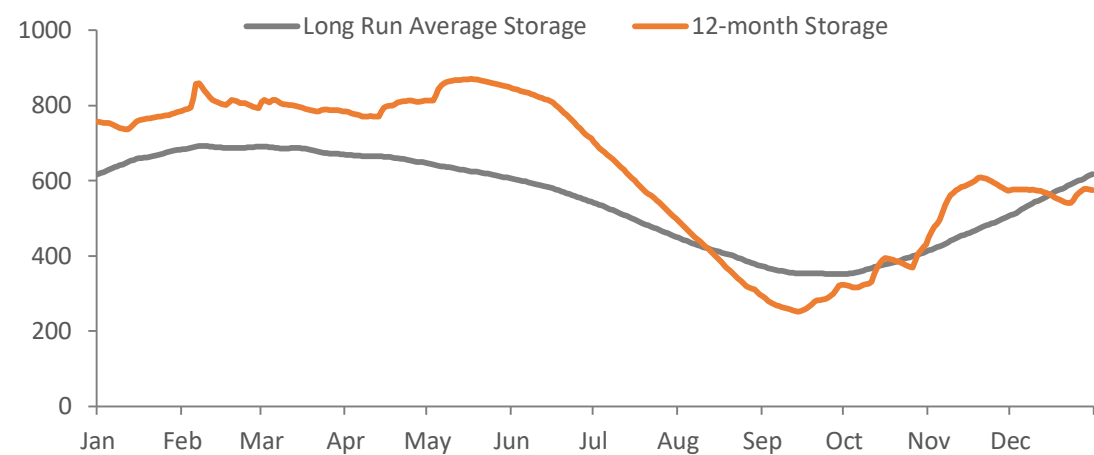
WAIKAREMOANA STORAGE Vs LONG RUN AVERAGE (GWh)



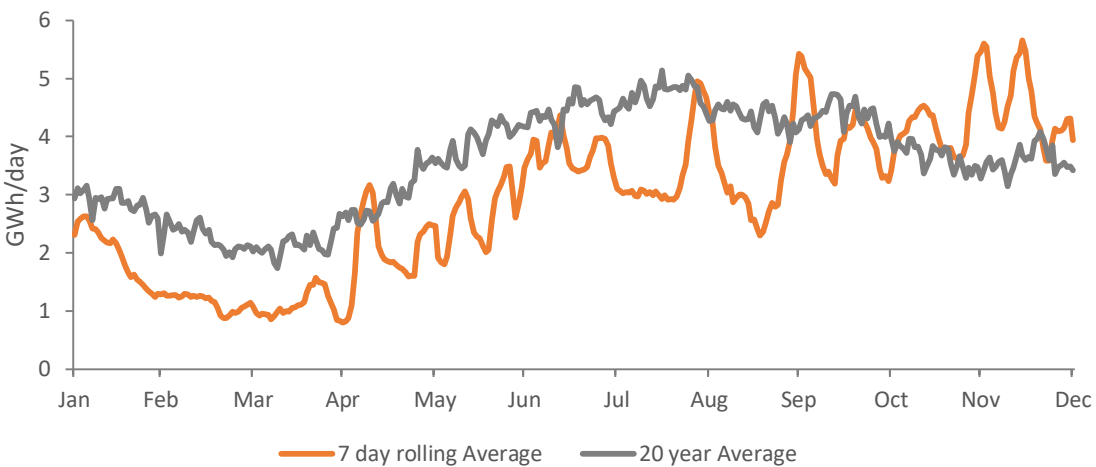
NEW ZEALAND DAILY STORAGE (ALL GENERATORS, GWh)



TEKAPO STORAGE Vs LONG RUN AVERAGE (GWh)

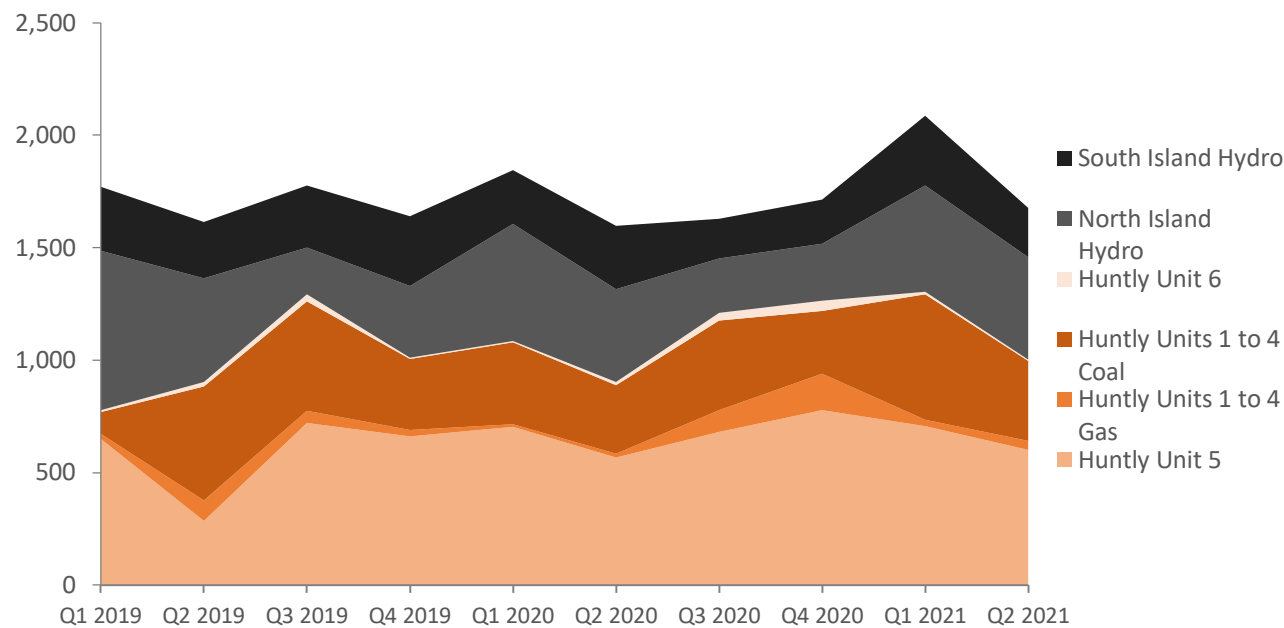


TONGARIRO GENERATION vs 20y AVERAGE



Appendix: Wholesale Segment

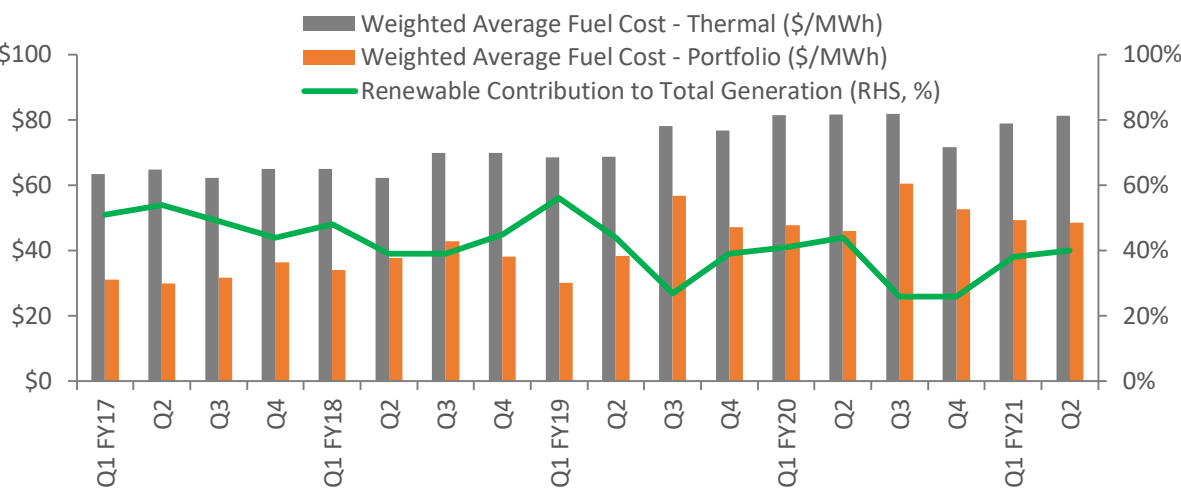
GENERATION BY POWER STATION (GWh)



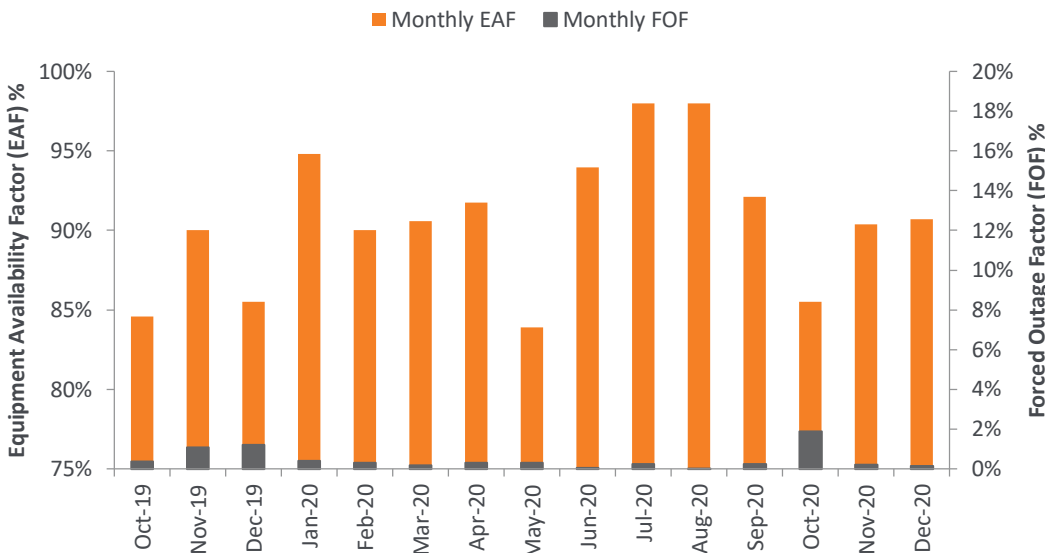
ASX FUTURES SPOT PRICING (\$/MWh)



PORTFOLIO AND THERMAL FUEL COSTS

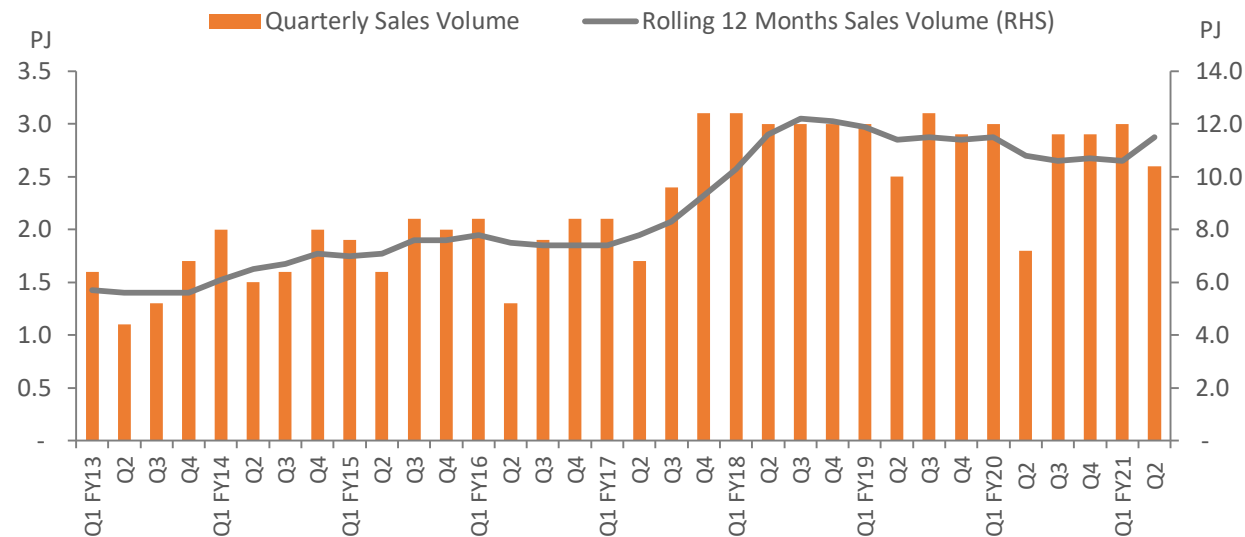


PLANT PERFORMANCE

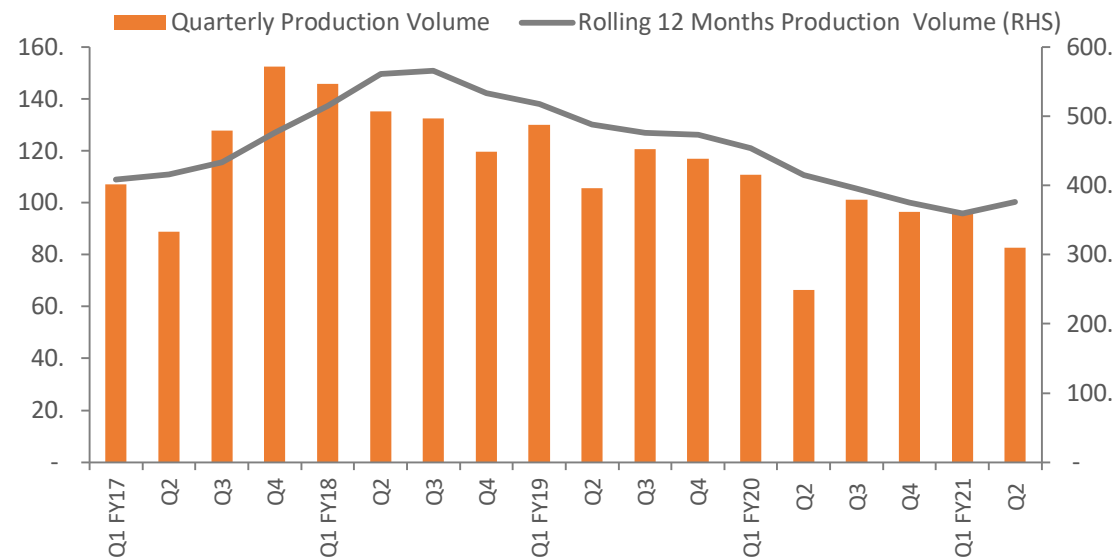


Appendix: Kupe Segment

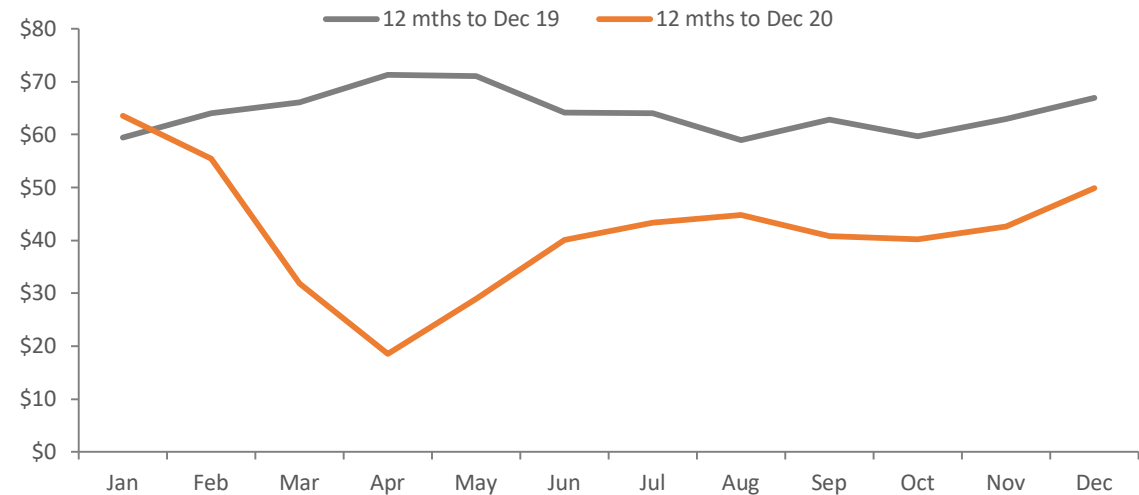
KUPE GAS SALE VOLUMES (GENESIS SHARE, PJ)



KUPE OIL PRODUCTION VOLUMES (GENESIS SHARE, KbbI)



BRENT CRUDE OIL SPOT PRICE (USD/bbl)



OIL PRICE AND FOREX RISK MANAGEMENT

FORWARD RISK MANAGEMENT		
Oil Price Hedges (USD/bbl)		% Hedged
1-12 months		52%
13-24 months		28%
25-36 months		0%
USD/NZD Hedges		Rate
1-12 months		71%
13-24 months		50%
25-36 months		0%