



GENESIS ENERGY

Investor Roadshow

May/June 2017

Marc England, Chief Executive
Chris Jewell, Chief Financial Officer



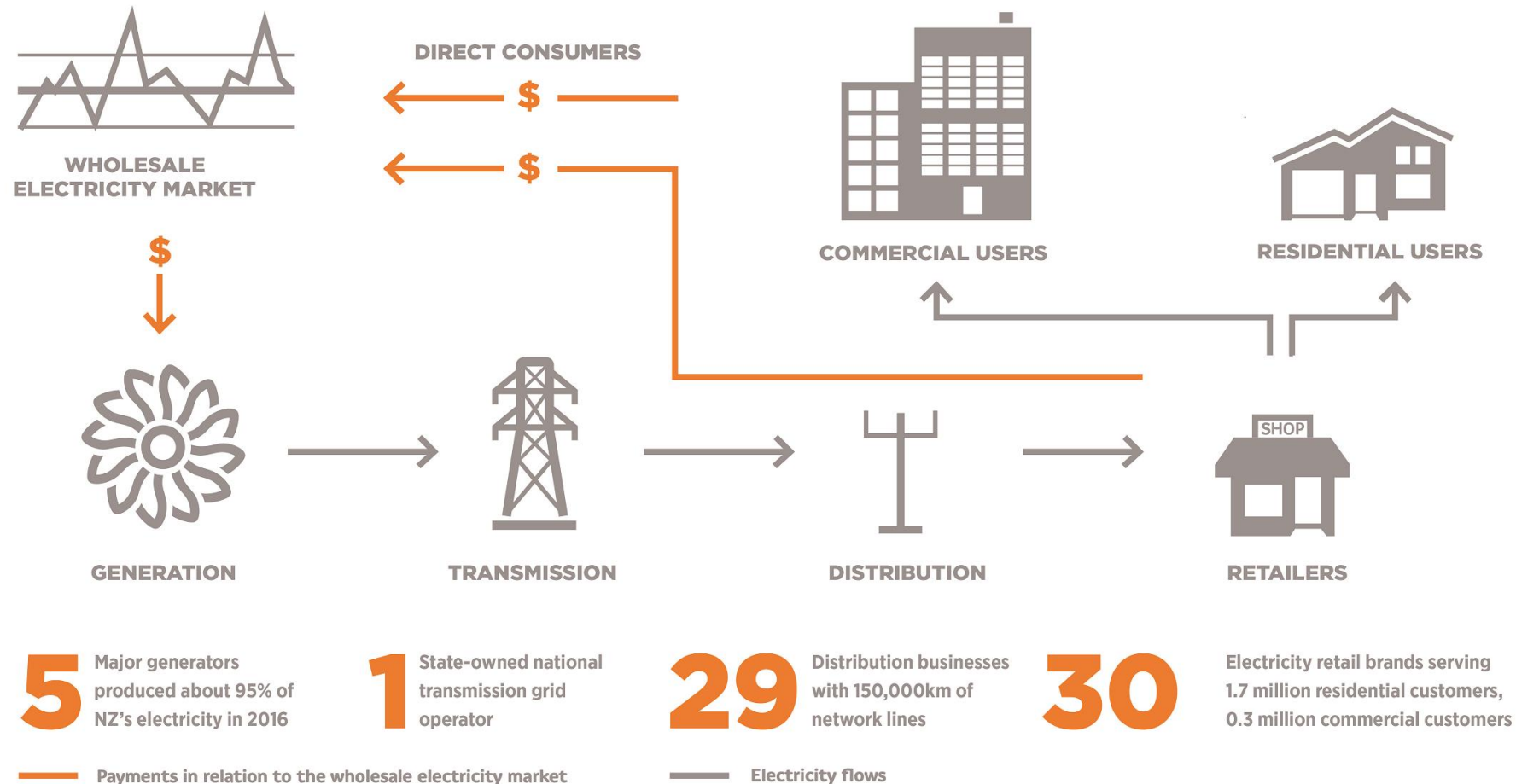
Market Overview



Overview of the NZ Energy Sector



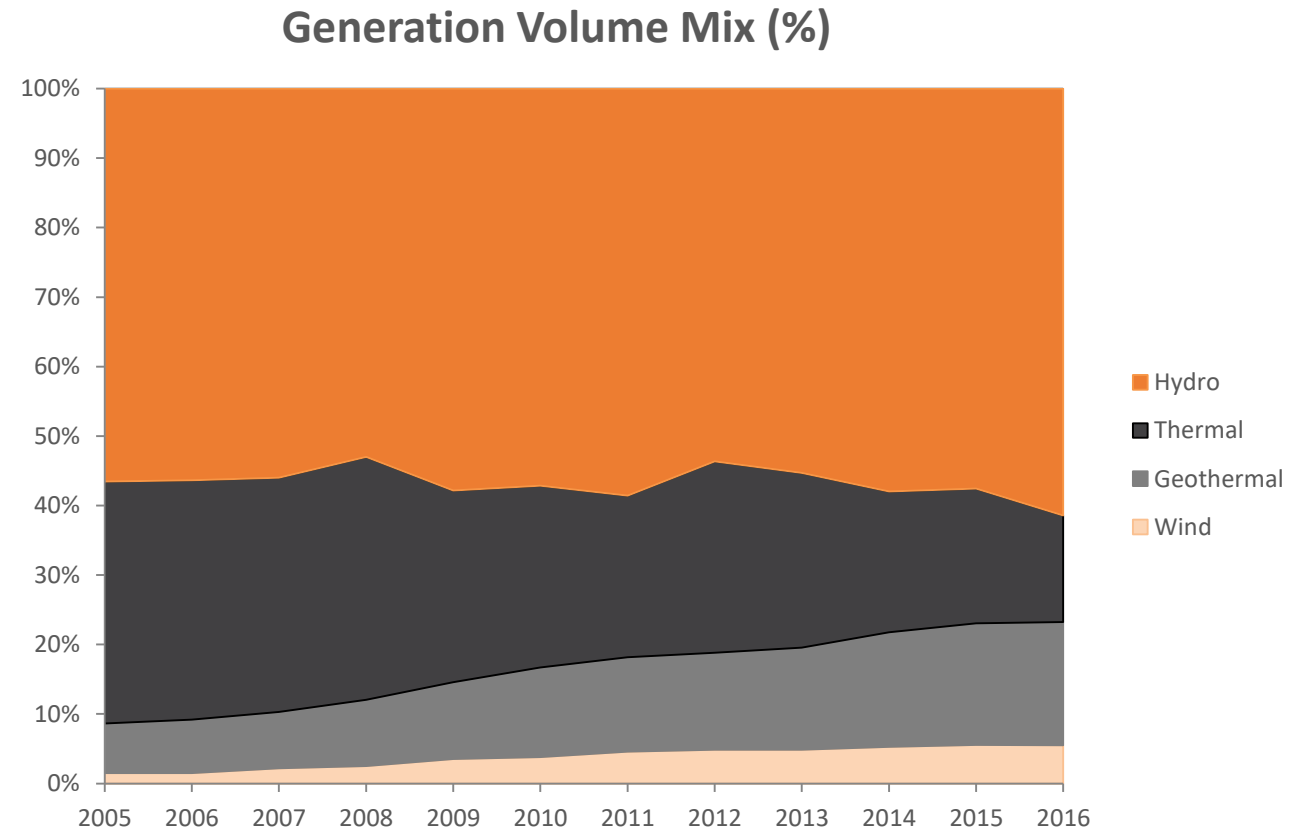
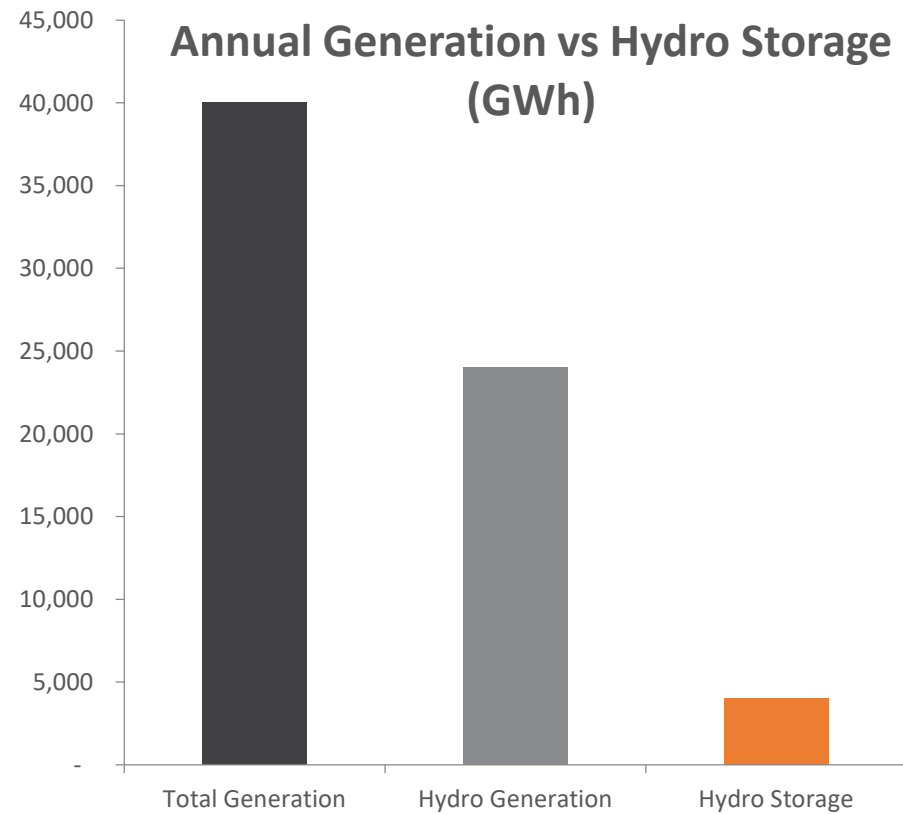
New Zealand Energy Sector



NZ Electricity Market



85% renewable, mainly hydro, but with limited storage



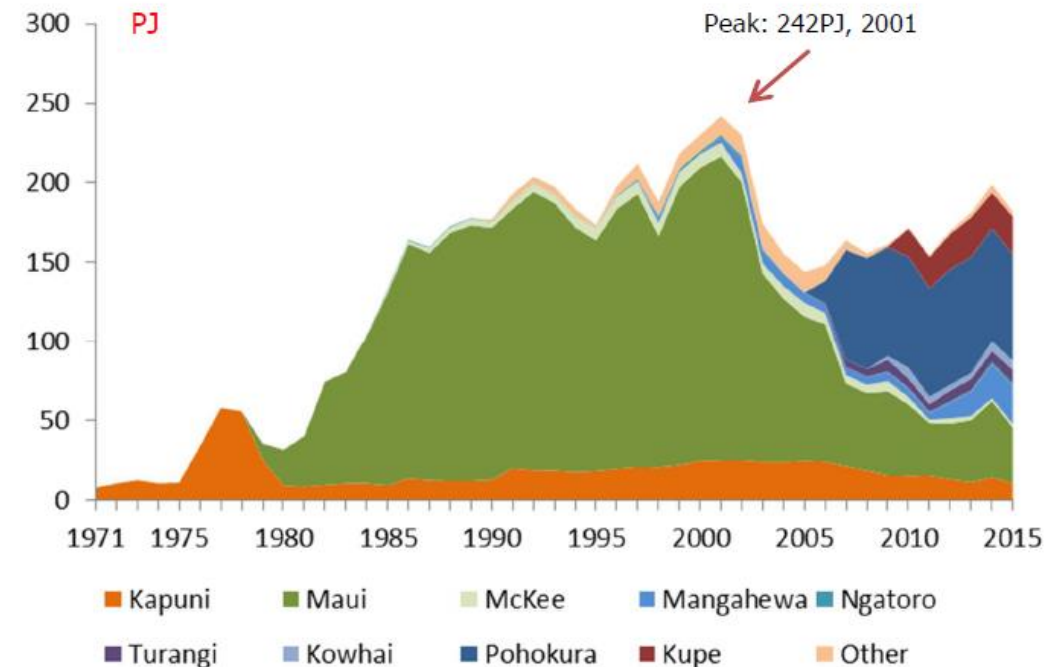
NZ Gas Market



Natural gas produced in one region with stable supply

- Currently 15 producing fields in Taranaki
- The decline in oil price has led to a decline in wells drilled since the 2011 peak
- There is currently an oversupply of gas, but this may become more balanced by 2020 if current levels of exploration continue
- Gas reserves are stable as smaller fields replace Maui's dwindling production

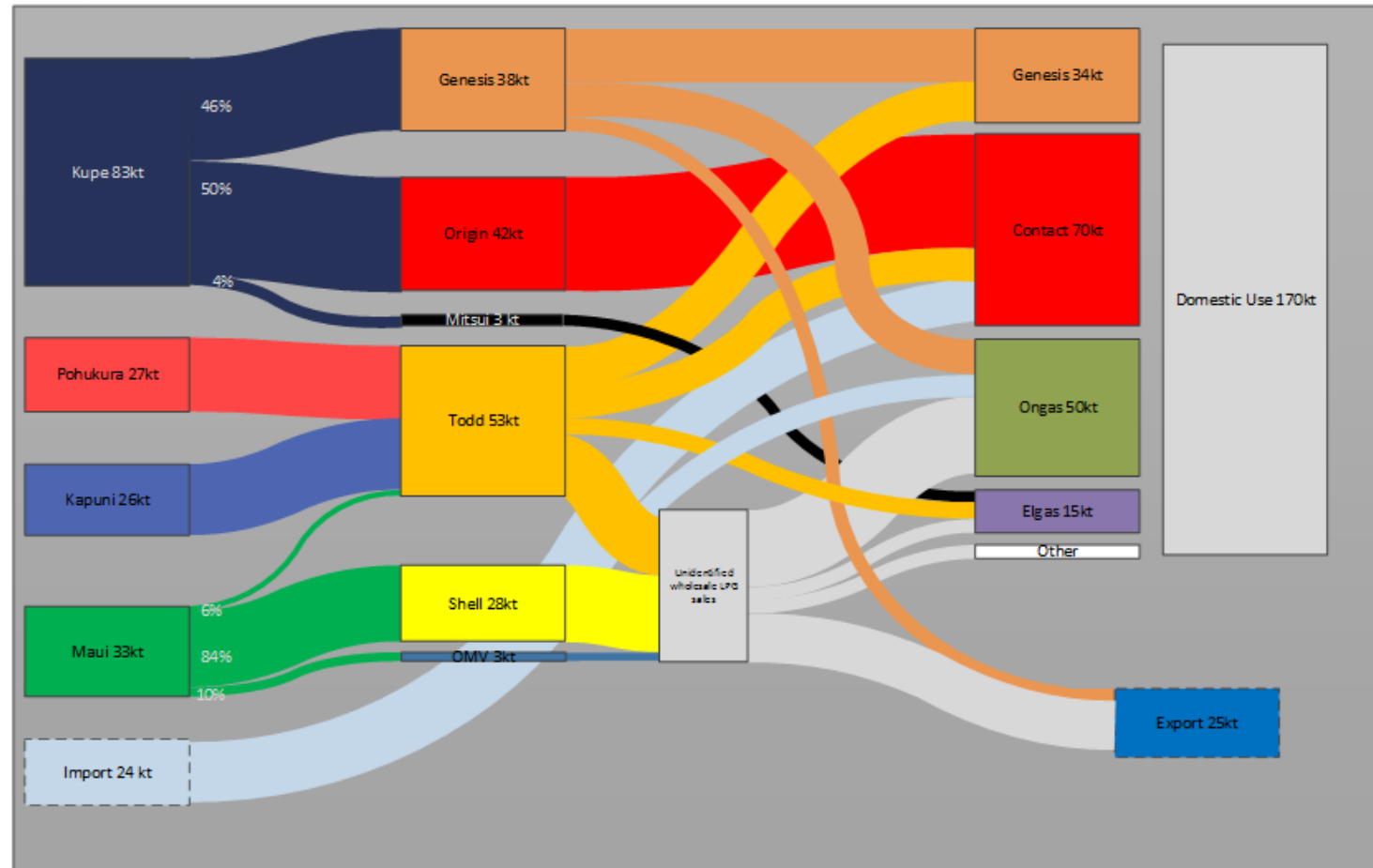
NET NATURAL GAS PRODUCTION



NZ LPG Market



New Zealand is historically an exporter of LPG but is becoming more balanced¹



1. Pro forma for the Genesis Energy Nova Retail LPG Acquisition

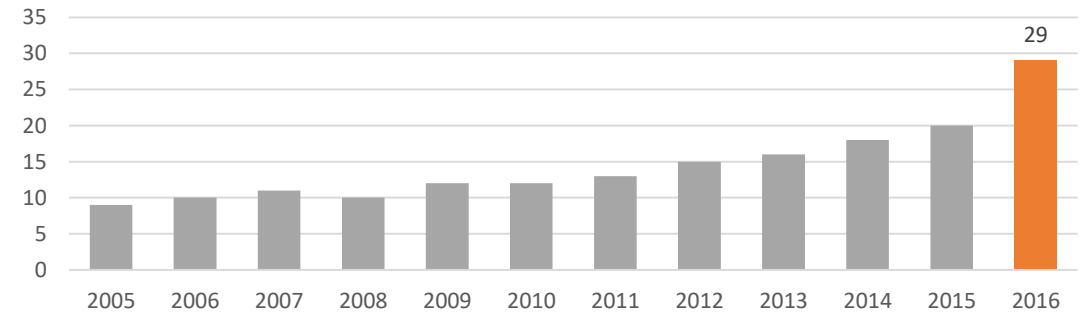
Energy Retailing



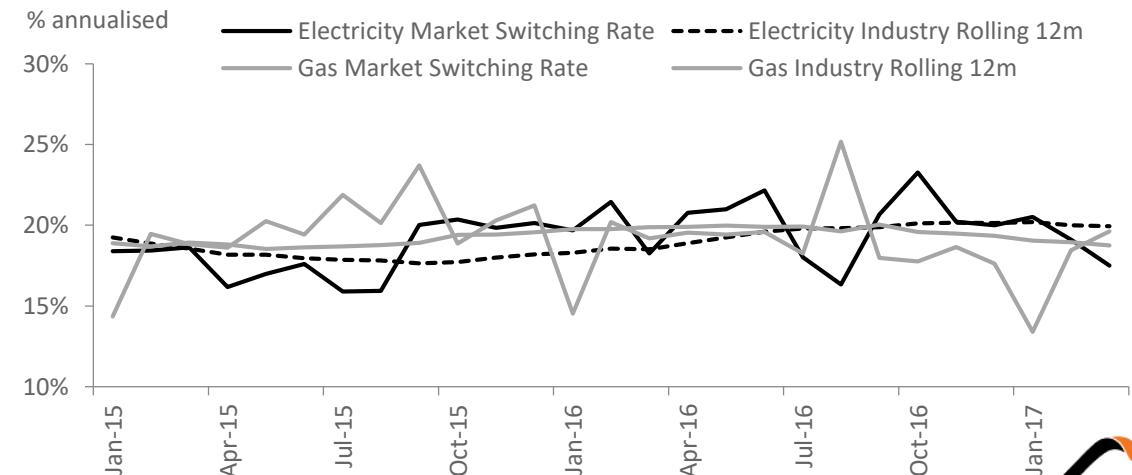
Competitive retail landscape however traditional retailers still dominate

- 1 in 5 customers switch each year as the number of energy participants continues to increase
 - Price led competition but loyalty becoming increasingly important
- Demand growth has been low, with the exception of LPG which has seen over 6% growth in the past 5 years in the key 45kg and bulk segments
- Distributed energy costs remain high relative to other fuel types but they are declining and in time will become an economic option

ACTIVE RETAILERS (>100 ICPS)



INDUSTRY CUSTOMER CONNECTION SWITCHING



Genesis Energy Overview



About Genesis Energy



Largest electricity and gas retailer with a flexible generation portfolio and integrated fuel position

HUNTLY

948

Peak Capacity/MW

WAIKAREMOANA

138

Peak Capacity/MW

TONGARIRO

362

Peak Capacity/MW

HAU NUI

8

Peak Capacity/MW

TEKAPO A&B

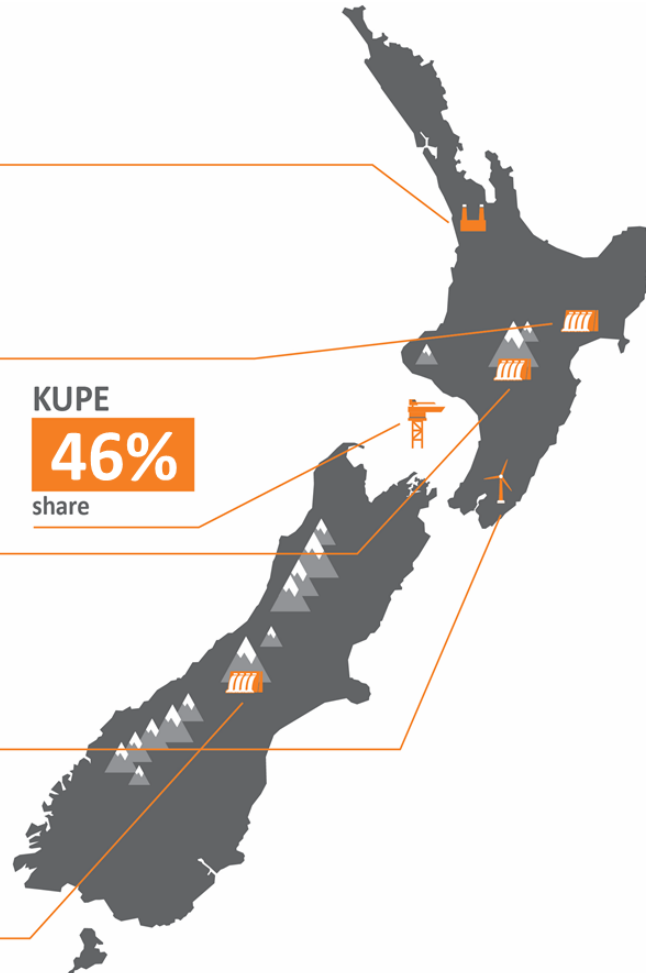
185

Peak Capacity/MW

KUPE

46%

share



NORTH ISLAND
ELECTRICITY CUSTOMERS

426,003

SOUTH ISLAND
ELECTRICITY CUSTOMER BASE

84,206

GAS CUSTOMER BASE

Natural Gas

Bottled Gas (LPG)

105,433 | **53,334¹**

CUSTOMERS USING APPS

105,043

ADVANCED METER INSTALLATIONS

397,682

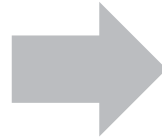
About Genesis Energy



Only fully integrated energy management company in New Zealand



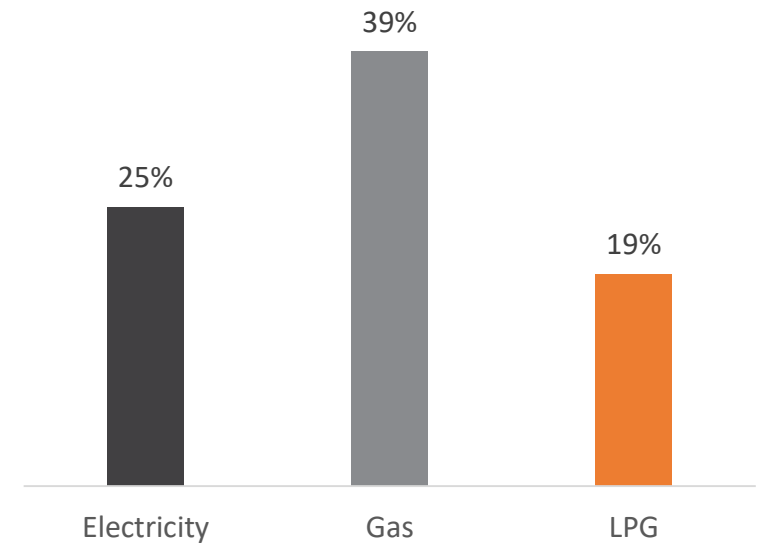
Production



Generation



Market Share¹



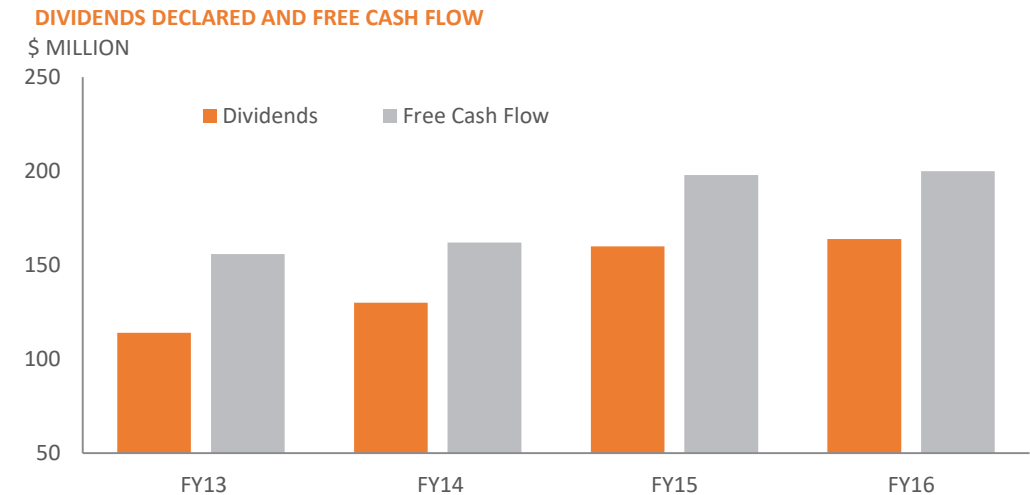
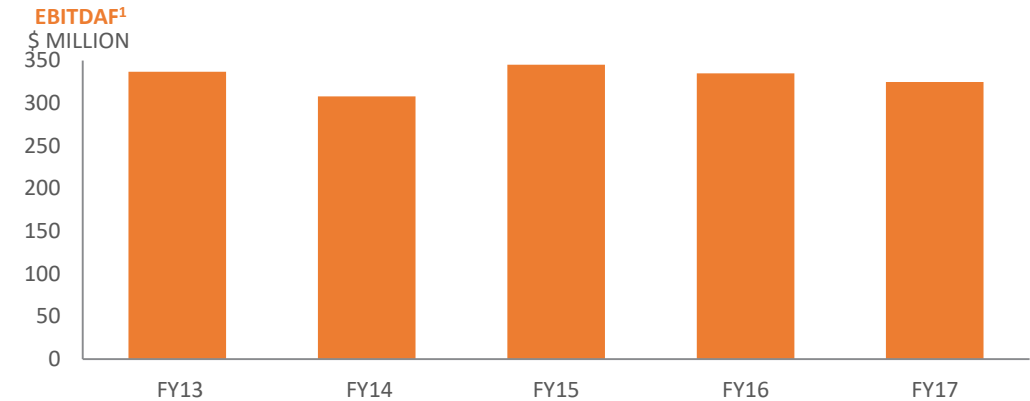
Retail

Financial Overview



A growing dividend stream over time with a BBB+ credit rating

- \$156 million of EBITDAF delivered in first half of FY17 in line with expectations and guidance
- EPS up 4% over the first half
- 8.2cps dividend declared and paid representing a 7.2% cash yield annualised
- Dividend policy to grow over time in real terms
- Committed to BBB+ credit rating
 - Genesis Energy continues to target a net debt to EBITDAF ratio of 2.5x to 2.8x over time
 - Recently completed successful \$225 million hybrid bond raising resulting in pro forma gearing of 33%



1. FY17 based on mid point of guidance



Strategy and Performance Update

Genesis Energy Highlights



A reinvigorated strategy in place



Reset Vision and Strategy



Transformation Journey Underway



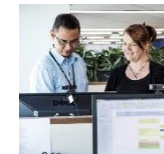
Announced Acquisition of an Additional 15% Interest in Kupe



Announced Acquisition of Nova Energy Retail LPG Business



Strong Health & Safety Performance with lowest TRIFR in market

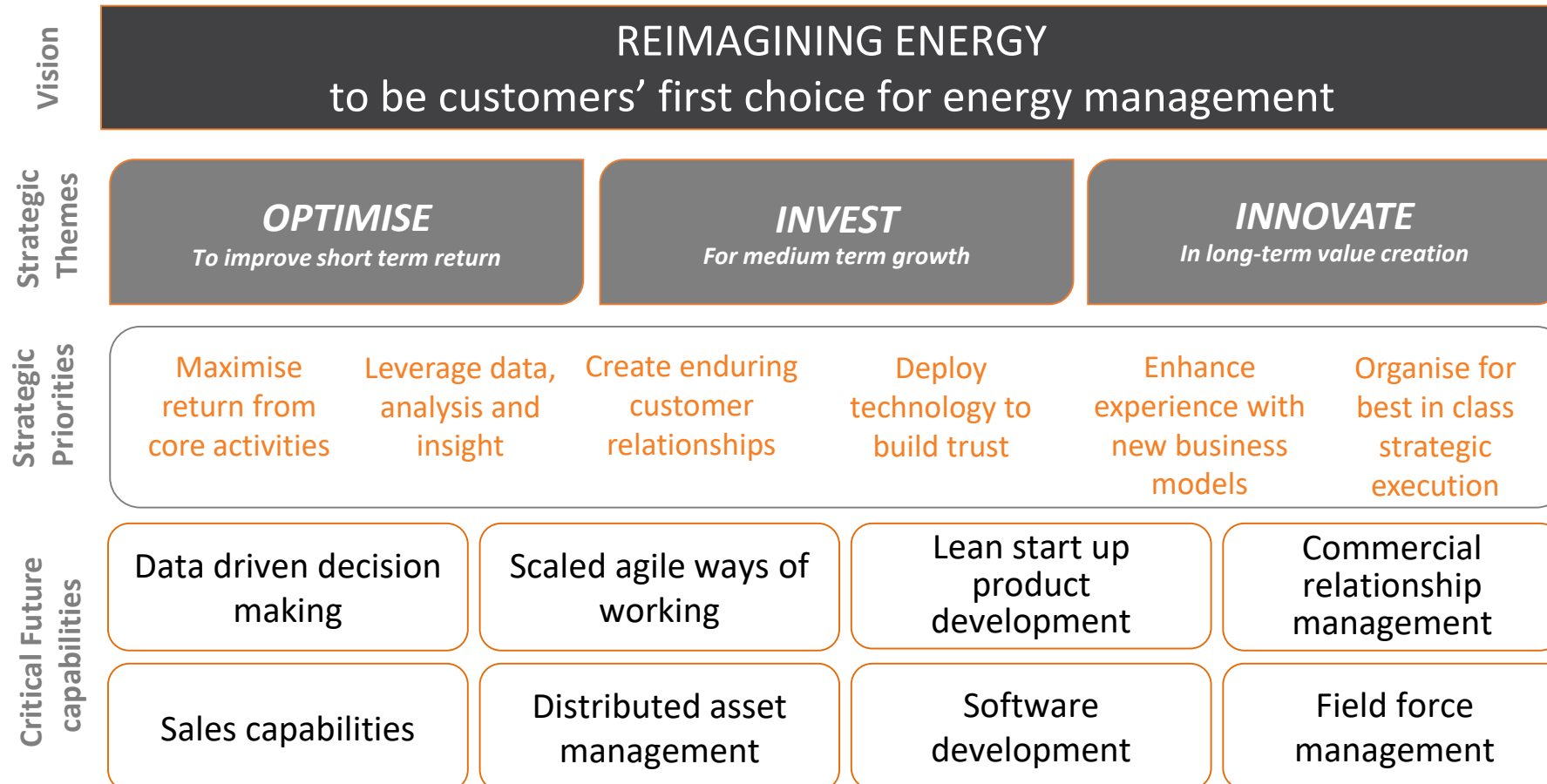


FY17 EBITDAF Guidance Range \$320 to \$330 million

Strategy



Our plan on a page



Strategic Themes

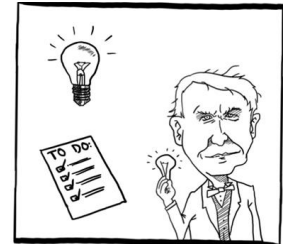


To Energy Management



Optimise
To improve short term
return

1. Optimise generation
2. Optimise "Traditional Retail"
 - Deliver best in class cost to serve
 - Drive loyalty into the customer base
 - Win and keep valuable customers
3. Seeking corporate efficiency gains



Innovate
For medium term growth

1. Enable products and services based on new customer data flows
2. Become market maker of customer comfort, convenience and control
3. Maximise the value of our Bottled Gas resources
4. Grow market share in Business to Business segment
5. Create an empowered and accountable agile culture and way of working



Invest
In long-term value creation

1. Investment into systems and data capabilities, including accelerated foundation investment in retail
2. Develop eco-system platforms that deliver comfort, convenience and control for customers and advantage for Genesis Energy
3. Obtain greater influence of our Kupe business
4. Targeted business growth

Optimise

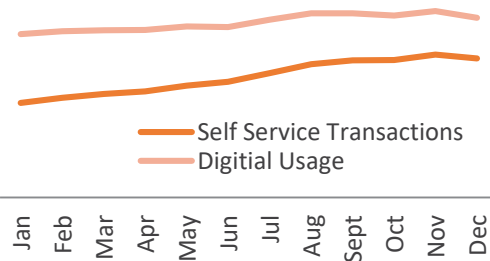


To improve short term returns



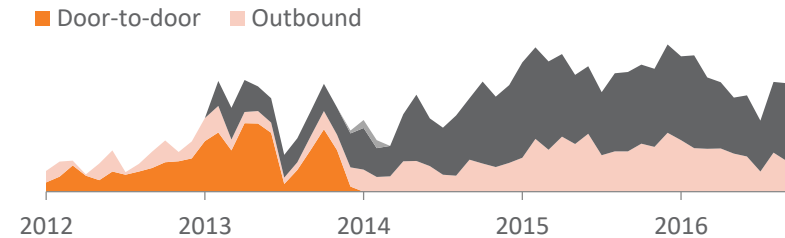
\$6 million in cost savings delivered in HY17

CUSTOMER INTERACTIONS



Call volumes down and self service interactions up

SALES BY ACQUISITION CHANNEL

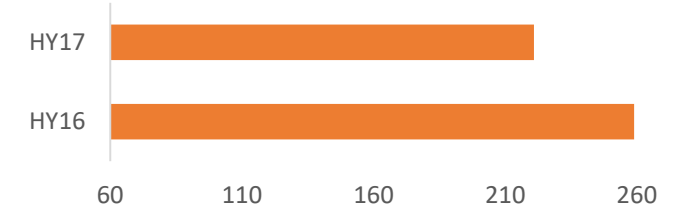


Online acquisitions channels growing



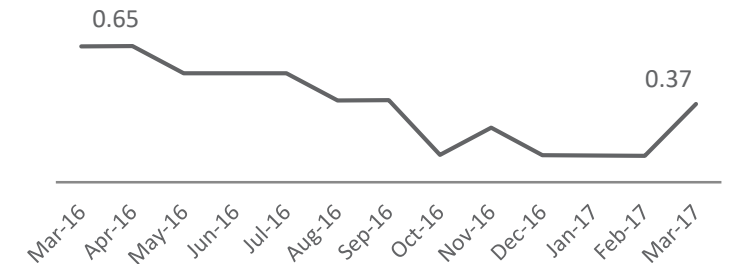
Became a member of Flybuys in May 2017, NZ's largest loyalty program

COST TO ACQUIRE PER CUSTOMER



Cost to acquire down 15% from lower and less frequent discounts

TOTAL RECORDABLE INJURY FREQUENCY RATE



TRIFR down 42% year and lowest in peer group

Innovate



For medium term growth

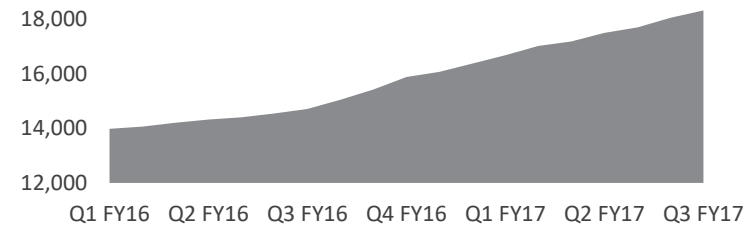


**Agile way of working
embedded in business**



**Held an inaugural
hackathon in March 2017**

LPG CUSTOMERS



**LPG customers up 25%
year on year**



**Implemented C&I bottle
management solution**

South Wairarapa -
**LOCAL ENERGY
PROJECT**

**Launched NZ's first real world
research and development
energy community**



**SME field force in place
Q3 FY17**

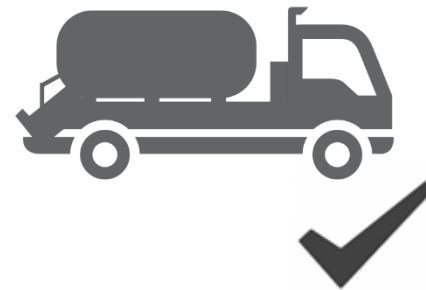
Invest



In long term value creation



Kupe – building on our integrated fuels strategy and creating a flexible fuels strategy with 15% share acquisition from NZOG



LPG – investing to grow retail and bulk market share with acquisition of Nova Energy Retail LPG business



Distributed generation and Energy Management products – launched 'The Local Energy Project'



Foundation technology systems – New integrated digital and voice platform in place with further investment planned to support optimisation of the customer experience

Acquisition of 15% stake in Kupe



Greater fuel flexibility and JV influence

1. **Enhances 'Integrated Fuels Strategy' to create value from production through to generation and retail:**
 - Ownership of more uncontracted gas volumes
 - Additional LPG volumes, 21% of national production, to boost position in wholesale LPG market
 - Improved support for retail LPG growth initiative
 - Attractively priced LPG contract for all of NZOG's share of LPG
2. **Improves level of influence and control within the JV**
3. **Underpins progressive dividend policy with a more diverse earnings stream**
4. **Strengthens medium term Balance Sheet metrics**
5. **Kupe field well understood by Genesis Energy and a strong performing quality asset**



Nova Energy Retail LPG Acquisition



Pivotal moment in customer centric-growth strategy with \$192 million acquisition

- ✓ **Significant LPG distribution network** covering key demand centres in New Zealand and complementary to Genesis Energy's existing footprint
- ✓ **Well established customer base** across residential, commercial and industrial customers
- ✓ **Distribution chain ideally positioned** to capture ongoing growth in New Zealand's LPG market
- ✓ **Experienced operating team** adding to Genesis Energy's existing capabilities
- ✓ **~\$17 million in additional EBITDAF** before integration costs and synergies
- ✓ **Option to acquire Nova's interest in Liquigas**



Nova LPG Benefits for Genesis Energy



Creating value in our LPG business in an attractive market whilst supporting the strategy of delivering a superior offering of integrated energy management solutions



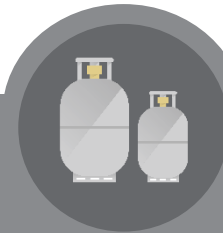
Becoming a LPG retailer of scale in a growth market with higher margins

Total LPG market share increases from 3% to 19% in a market with attractive dynamics



Improved customer loyalty through integrating the customer experience

Scale allows an improved holistic customer offering and acceleration of innovation activities



Unlocking new customer segments

Superior distribution network will allow Genesis Energy to unlock further growth



Capturing additional margin from upstream position

Rebalancing upstream and downstream LPG positions



Scale capability in distribution with associated margin benefits

Leveraging distribution network capabilities to reduce costs

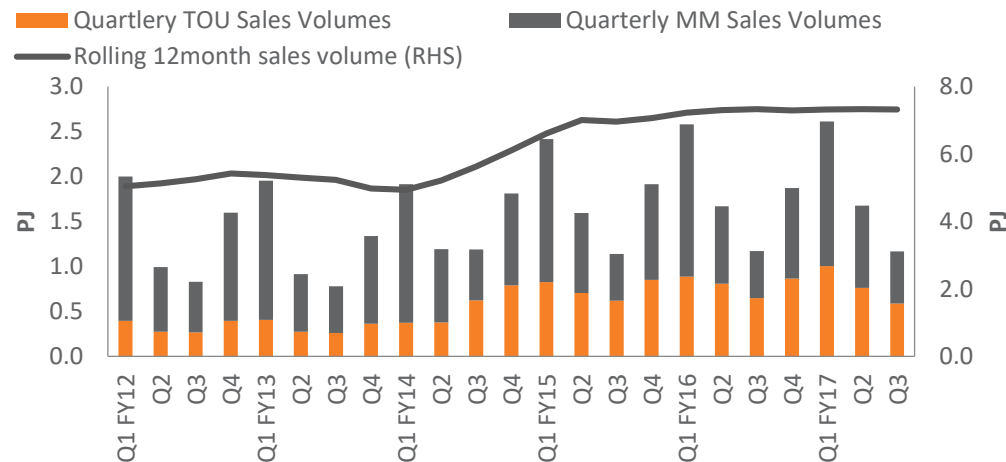
Customer Performance Update



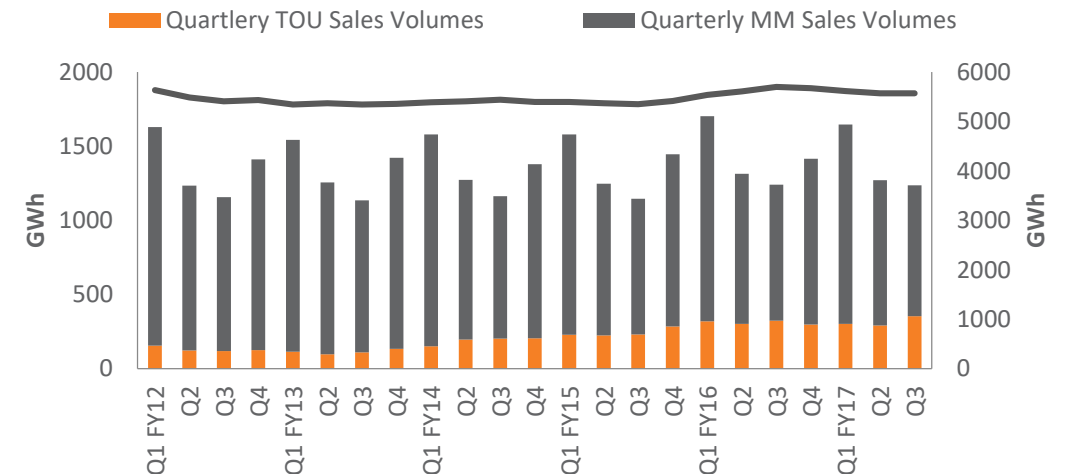
Retail prices are up whilst LPG growth remains strong

- Whilst electricity demand remains subdued, prices have been increasing up 1.7% this year for mass market customers and 4.4% for time of use (TOU) customers
- Gas prices have also been increasing up 1.7% with sales up in both the mass and TOU markets
- LPG growth has been strong, with customer connections increasing 24.6% over the past year

RETAIL GAS SALES VOLUMES (PJ)



ELECTRICITY SALES VOLUMES (GWh)



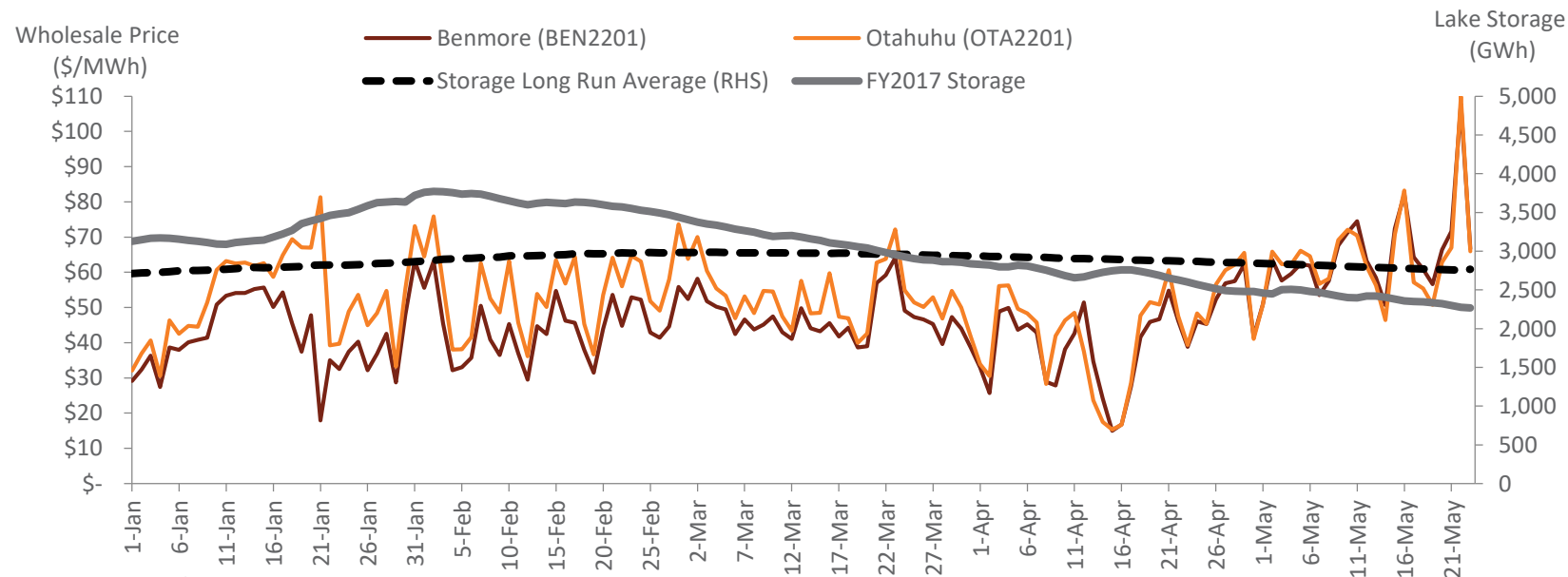
Wholesale Performance Update



Current wholesale conditions favourable to Genesis

- Wet in the North but dry in the South means North Island hydro is running hard and thermal generation is ramping up
- Genesis Energy has the most diverse generation portfolio in the market to capture the benefits of different types of market conditions

DAILY AVERAGE WHOLESALE PRICES & NATIONAL HYDRO STORAGE



Source: COMIT/Genesis Energy

Kupe Performance Update

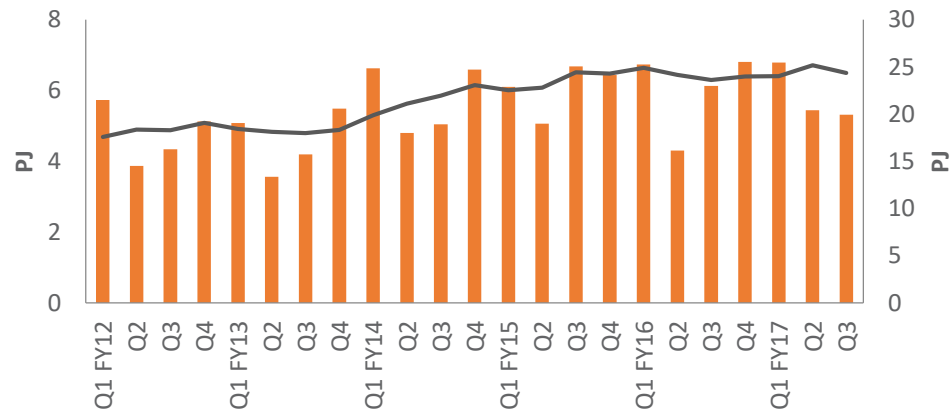


Moved to 46% ownership from 1 January 2017

- Gas production up 17% for the year due to increased ownership percentage
- Oil sales down as the joint venture has moved towards larger and less frequent oil shipments to seek cost benefits from economies of scale
- Oil prices remain consistently higher than the comparable period last year

TOTAL JV KUPE GAS PRODUCTION (PJ)

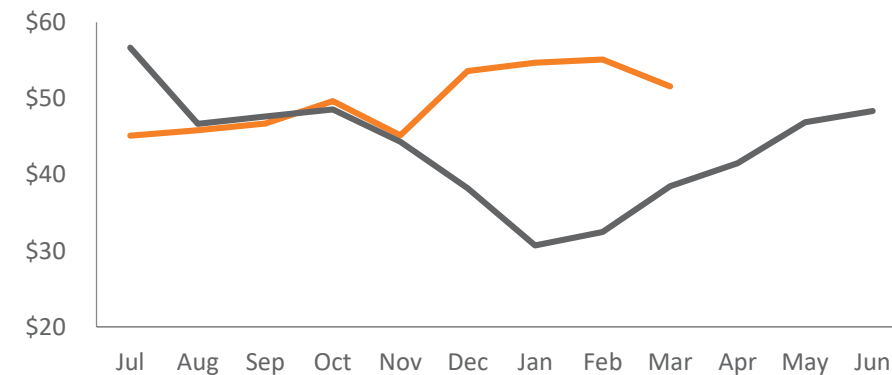
■ Quarterly Production Volumes — Rolling 12 months production volumes (RHS)



BRENT CRUDE OIL PRICE

— FY2017 — FY2016

USD/bbl



A photograph of two children in a field at sunset. The child on the left holds a solar-powered light that is glowing. The child on the right holds a solar-powered fan that is spinning, blowing their hair. Both devices are connected to a central solar panel (not fully visible) via red and black cables. The background shows a field of tall grass and a line of trees under a warm, orange-hued sky.

Outlook

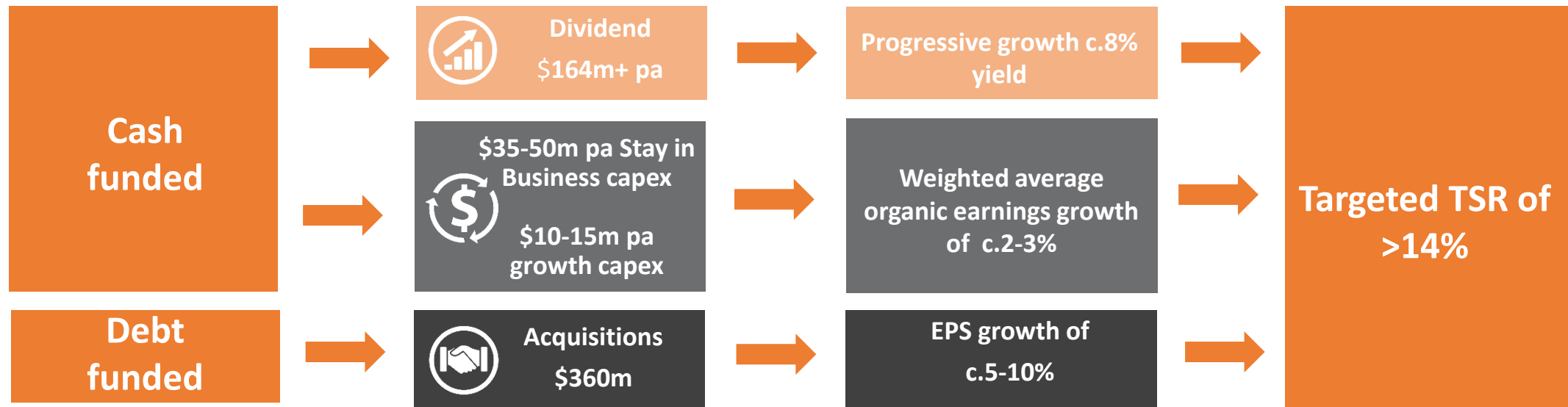
Outlook



Targeting an upper quartile TSR of >14%

- FY17 EBITDAF guidance range of \$320 to \$330 million including increased share of Kupe and transaction costs associated with acquisition of Nova Energy Retail LPG business¹
- Target earnings profile remains to deliver \$400+ million of EBITDAF in FY21

HOW WE THINK ABOUT CREATING SHAREHOLDER VALUE



1. Subject to any material events, significant one-off expenses or other unforeseen circumstances

Why Genesis Energy?



Yield plus growth strategy in motion as Genesis Energy transforms

Customer Centric

- **Brand strength** and **largest customer base** provides strong platform for growth
- **Obsession with customer experience** will drive increased loyalty and lower costs
- Leveraging technology to **improve the energy experience** for customers

Generation Flexibility

- **Unique position** to flex thermal, renewable and on market activities underpins earnings profile
- Closer integration of maintenance, operations and wholesale activities will **optimise asset base**
- Large retail market share and long retail South Island position **reduces price risks of Tiwai closure**

Integrated Fuel Position

- **Flexibility over fuel supply** to support generation and retail needs
- **Upside opportunity** from accelerated production and priority access to uncontracted gas
- Access to increased LPG production provides **strong alignment** with growth aspirations

Leading Market Disruption

- **Defining new approaches** to energy management
- Accelerating change through **agile ways of working**
- **Embracing unpredictability** to develop resilience in rapidly evolving market

Thank You

