

OPERATIONAL PERFORMANCE FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2020

Operational performance highlights:

- **582,990** electricity network connections, up 1.7% on September 2019
- **114,584** gas network connections, up 2.0% on September 2019
- **7.0%** lift in 9kg LPG bottle swaps
- **9.2%** growth of advanced meter fleet (1,746,990 installed across Aus/NZ)
- **Over 300,000** advanced meters now installed in Australian market

Commentary:

Covid-19 has continued to impact Vector's business operations during the September quarter, with New Zealand at alert level 2 and Auckland at alert level 3 for much of the quarter. In Australia, our teams have also been impacted by various levels of Government restrictions. As a lifeline utility, Vector has continued to operate essential services during this period across its electricity, gas, fibre and metering businesses.

The first quarter has seen Auckland's growth continue, in turn driving strong network connection numbers across Vector's electricity and gas networks. In the year to 30 September, total electricity connection numbers grew by 1.7% compared to a year earlier. Electricity distributed volume for the quarter was down 0.6% on the prior September quarter, driven by reduced activity from the industrial and commercial sectors due to COVID-19.

Auckland's continuing growth helped drive an uplift in gas network distribution customers, with a 2.0% increase in total connections compared to September 2019. Gas distribution volume over the September quarter was slightly down compared with the prior year.

Vector's metering business continues to perform in an increasingly competitive market both here and in Australia. Connection numbers increased by 9.2% on September 2019, with a total fleet of 1,746,990. We have now installed over 300,000 advanced meters in Australia.

BottleSwap has seen a 7.0% increase in the number of 9kg bottles swapped in the quarter compared with the September 2019 quarter.

Natural gas, gas liquids and Liquigas LPG tolling are down on the September 2019 quarter, with the reduction in natural gas volumes driven primarily by the loss of a large customer in January 2020.

On 31 March 2020, the group completed the sale of its interests in the Kapuni Gas Treatment Plant (KGTP) and co-generation facility. As a result of the sale of KGTP we have changed the methodology of calculating liquids volumes to reflect continuing activities only. LPG volumes include LPG sold by the group's OnGas business. LPG and Natural Gasoline sold by KGTP have been excluded as the plant is no longer owned. Comparatives have been restated.

SAIDI minutes for the six months ended 30 September 2020 are 25.8% lower than the comparable period which is primarily due to fewer extreme weather events, network investments to improve resilience and ongoing initiatives to reduce impact on customers.

creating a new energy future

	3 months ended 30 September		
	2020	2019	% change
Electricity			
Customers ^{1, 5}	582,990	573,522	1.7%
New connections	3,839	3,214	19.4%
Net movement in customers ²	2,930	2,397	22.2%
Volume distributed (GWh)	2,348	2,363	(0.6%)
SAIDI (minutes) – 6 months to 30 September ³			
Normal operations – unplanned	48.0 ⁴	68.6	(30.0%)
Normal operations - planned	22.6	23.6	(4.2%)
Major network events	0.0	3.0	N/A
Total	70.6	95.2	(25.8%)
Gas Distribution			
Customers ^{1,5}	114,584	112,316	2.0%
New connections	959	832	15.3%
Net movement in customers ²	624	674	(7.4%)
Distribution volume (PJ)	4.3	4.4	(2.3%)
Gas Trading			
Natural gas sales (PJ) ⁶	2.8	4.3	(34.9%)
Gas liquid sales (tonnes) ⁷	13,000	13,158	(1.2%)
9kg LPG bottles swapped ⁸	176,494	164,927	7.0%
Liquigas LPG tolling (tonnes) ⁹	30,677	31,361	(2.2%)
Metering			
Electricity: advanced meters ^{1, 10}	1,746,990	1,599,717	9.2%

1. As at 30 September.
2. Net number of customers added during the period, includes disconnected, reconnected and decommissioned ICPs.
3. SAIDI (minutes) for the 6 months ended 30 September 2020 is an unaudited value and subject to change.
4. SAIDI in relation to normal operations and major network events has been updated in accordance with the DPP3 regulatory guidelines.
5. Billable ICPs.

6. Excludes gas sold as gas liquids.
7. The group completed the sale of its interests in the Kapuni Gas Treatment Plant (KGTP) and co-generation facility on 31 March 2020. As a result, we have changed the methodology of calculating liquids volumes to reflect continuing activities only. LPG volumes include LPG sold by the OnGas business. LPG and Natural Gasoline sold by KGTP is now excluded. Comparatives have been restated to reflect this.
8. Number of 9kg LPG bottles swapped and sold during the year.
9. The group has revised the methodology for Liquigas LPG tolling to reflect new contractual terms and calculates product tolling domestic and exports. Product further tolled in South Island has been removed.
10. The number of advanced meters as at 30 September 2020 includes 170,861 meters managed but not owned by Vector (30 September 2019: 160,389).

The Excel version can be found at: <http://vector.co.nz/news>

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About Vector

Vector is New Zealand's leading network infrastructure company which runs a portfolio of businesses delivering energy and communication services to more than one million homes and commercial customers across the country. Vector is leading the country in creating a new energy future for customers and continues to grow and invest in the growth of Auckland, and in a wide range of activities and locations. Vector is listed on the New Zealand Stock Exchange with ticker symbol VCT. Our majority shareholder, with voting rights of 75.1%, is Entrust. For further information, visit www.vector.co.nz