



Quarterly Operating Report | Q1-22 June 2021

Quarterly Insights

National storage on the up

National storage recovered somewhat over the quarter to end up at 85% of average.

Wholesale pricing remains strong

Ongoing gas supply issues have contributed towards continuing strong wholesale electricity prices across the quarter, with forward ASX prices also remaining at elevated levels.

Telco and mobile growth progressing well

Fibre customers reached a record 82% of broadband connection type, with 98% now on medium and fast plans. Mobile connections also showed solid growth reaching over 9,000 connections. Data volumes per customer were up only 2% on the pc, however this was due to an unusually high data usage in Q1-21 due to COVID lockdowns.

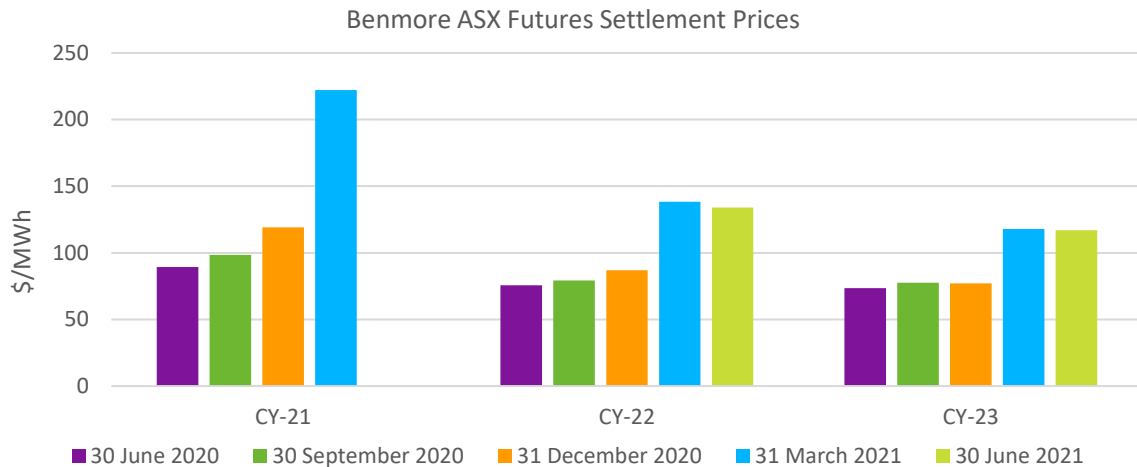
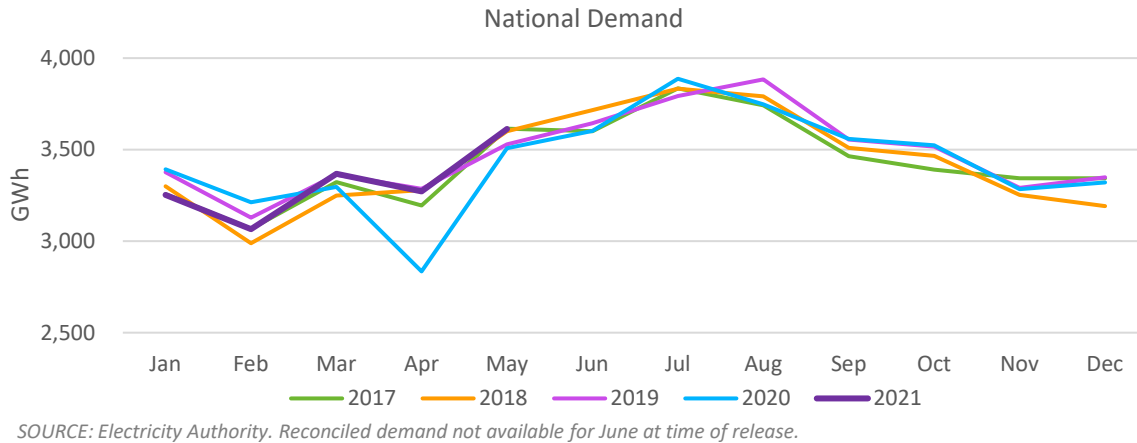
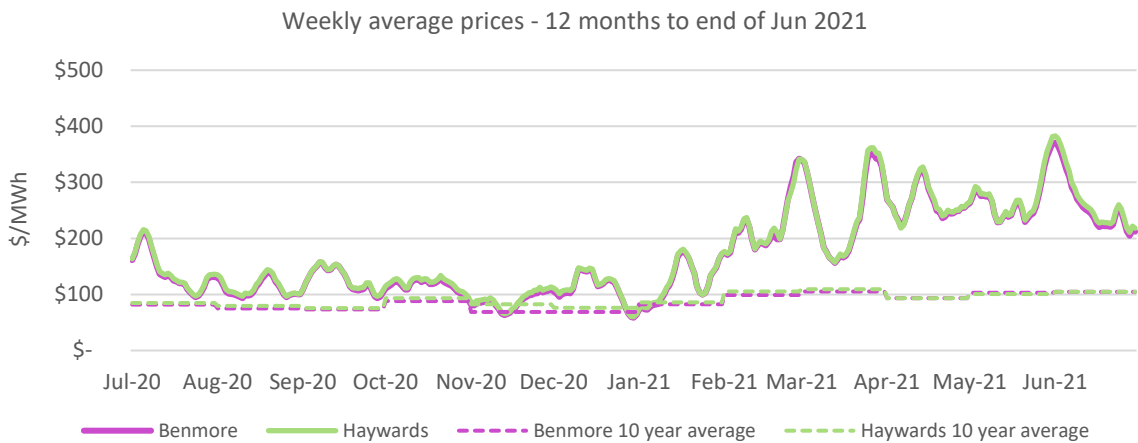
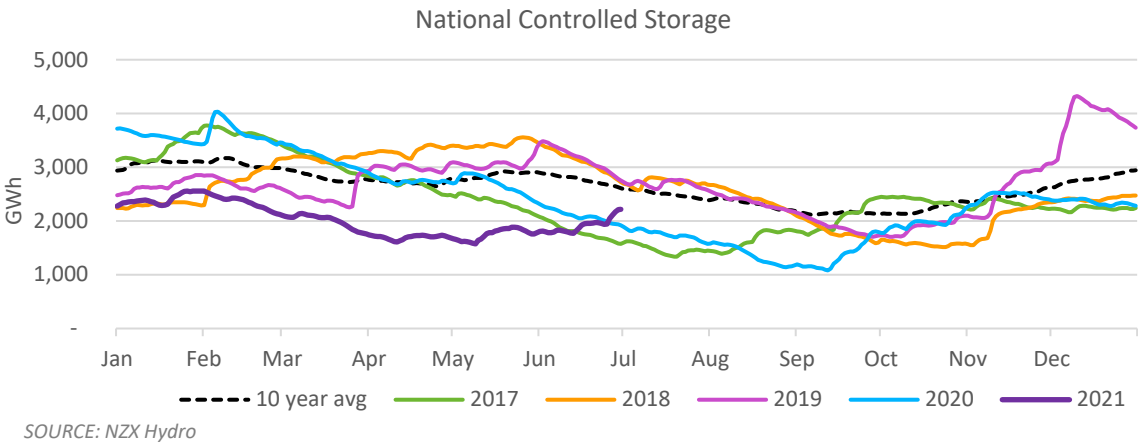
Bundling is still the winner

125,000 customers now take 2 or more products from us (up 9% on the pc), and new customer acquisition uptake of multiple products continues to be strong with over 80% choosing 2+ products.

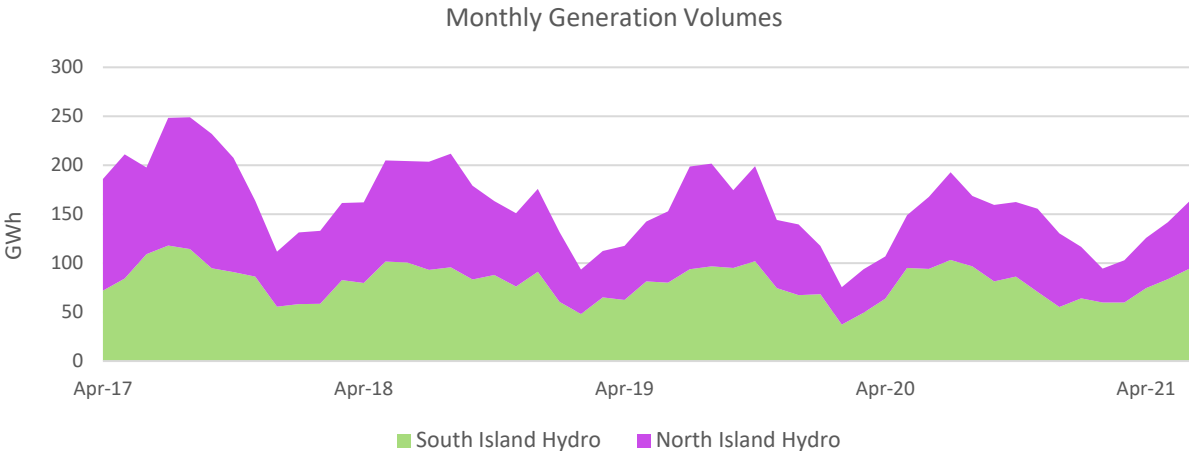
Customer preference for digital engagement continues

Q1-22 saw high levels of customer contacts (over 1.7 million, up 23% on the pc). 85% of these were resolved via digital channels as customer preference and new offerings mitigate the impact of higher enquiries and actions. Customers continue to see positive outcomes with these channel, with 84% customer satisfaction across the quarter.

Wholesale electricity market



Generation



Q1-22
NI Generation
↑ **5%**
vs pcp

Q1-22
SI Generation
0%
vs pcp

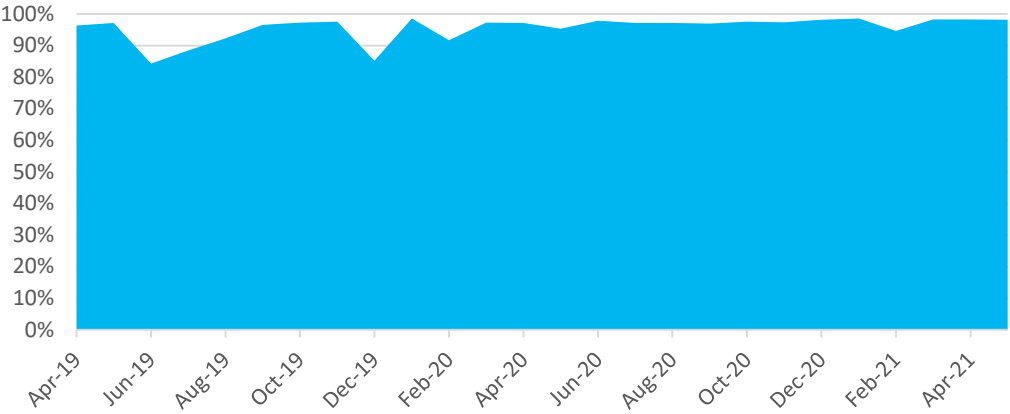
Q1-22 GWAP/TWAP
NI 1.07
SI 1.10

\$288/MWh New Zealand Load Weighted Average Price (LWAP)

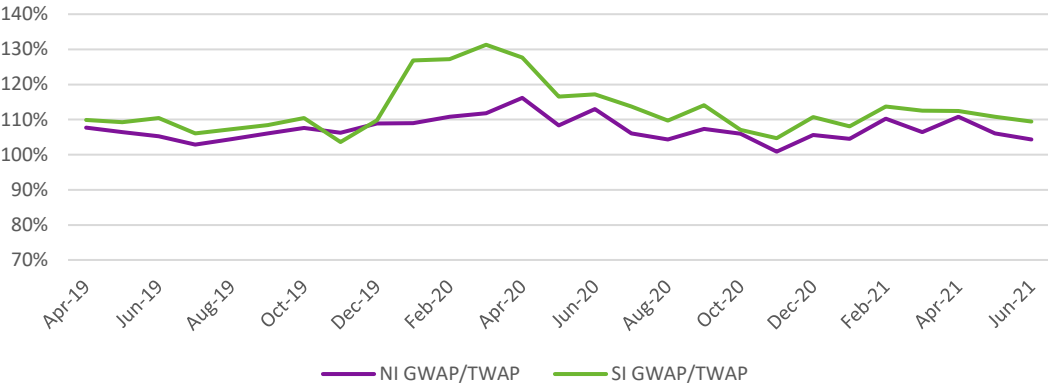
\$287/MWh New Zealand Generation Weighted Average Price (GWAP)

NOTE: Q1 Prices

Percentage of Potential Revenue Achieved



GWAP / TWAP

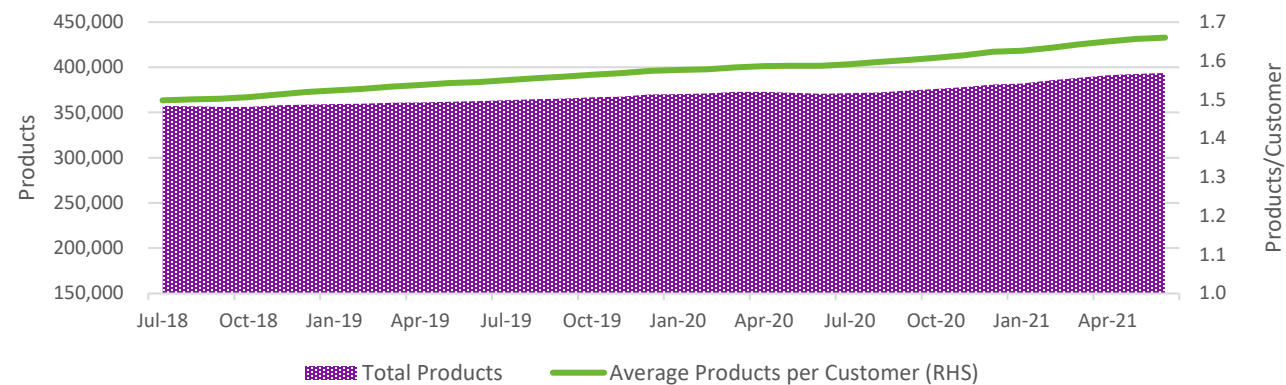


* See glossary for definitions

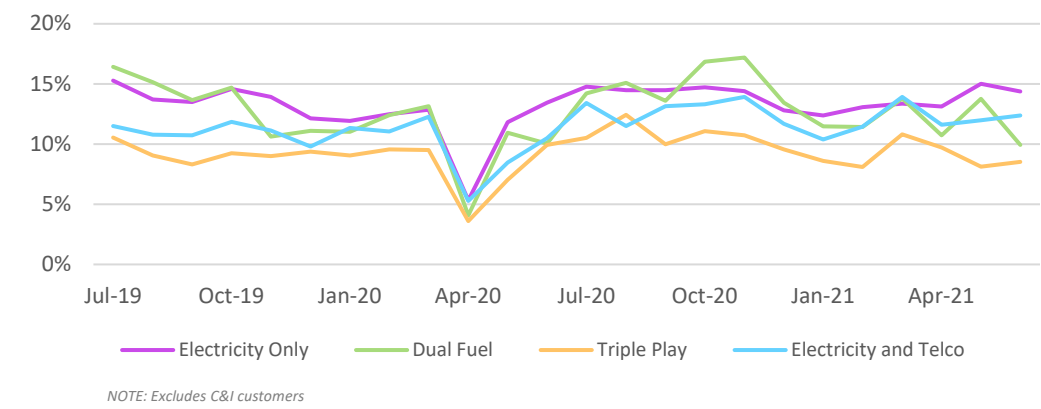


Retail

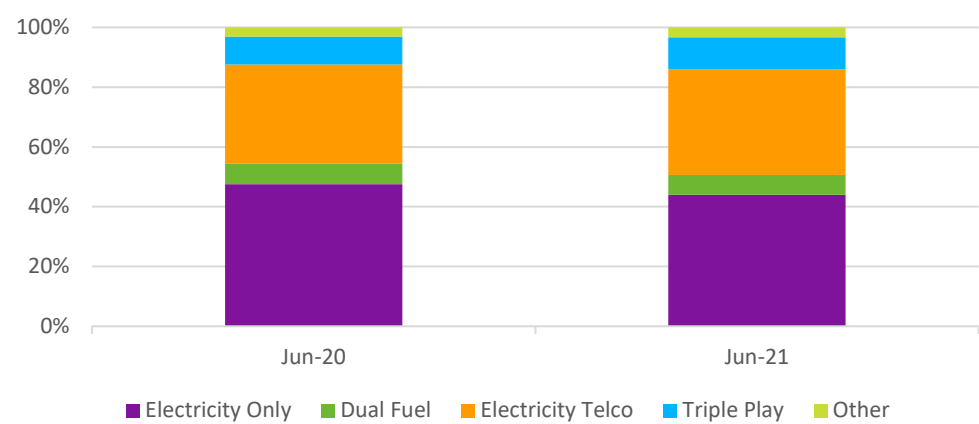
Average Products per Customer



Electricity Only vs Multi-Product Churn



Customer Mix



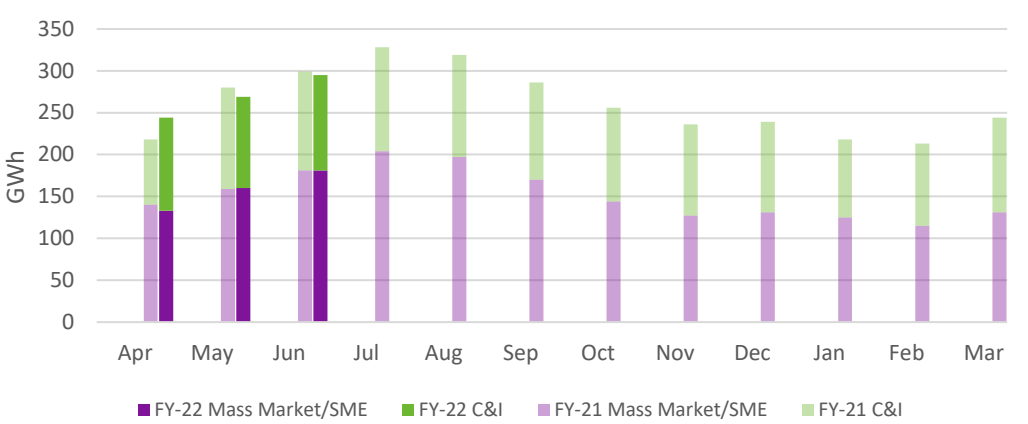
Q1-21 acquisitions
- 2+ products

82%

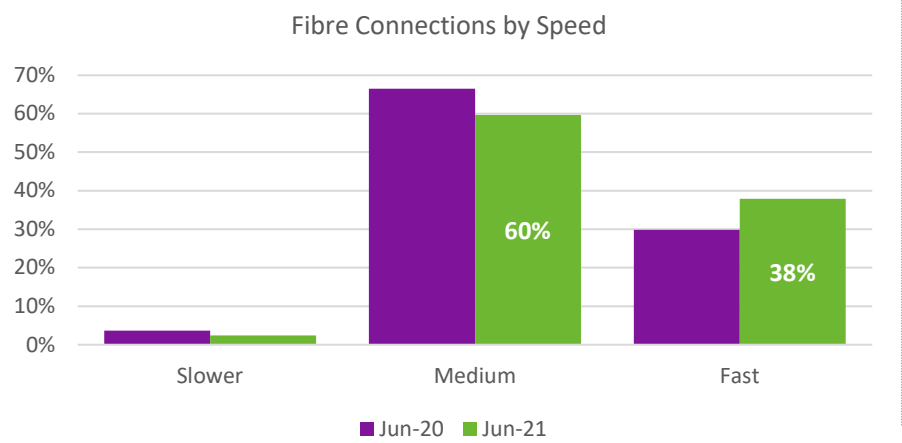
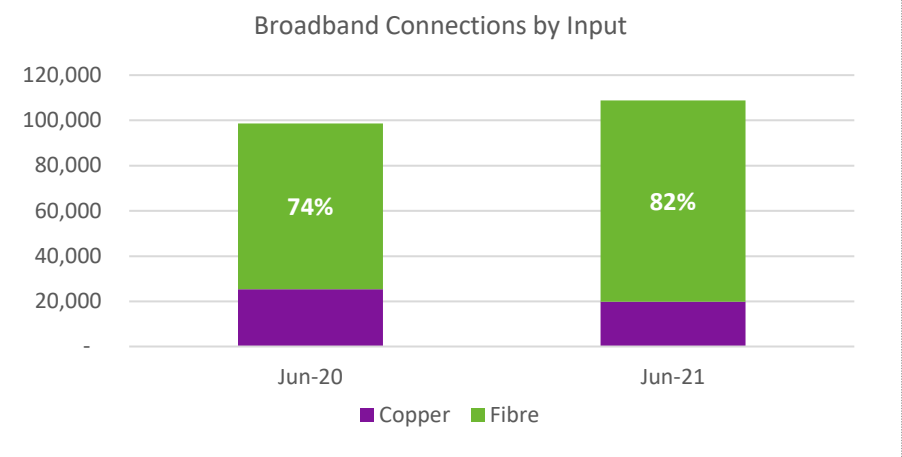
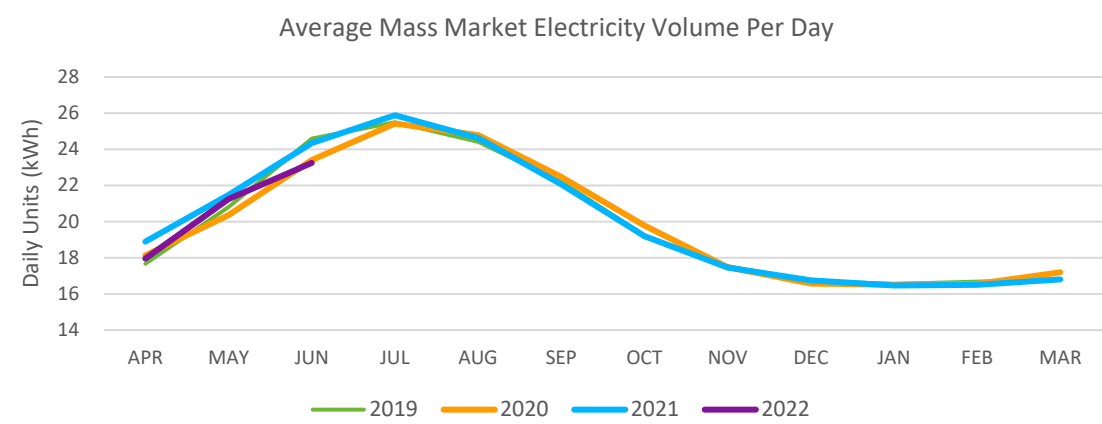
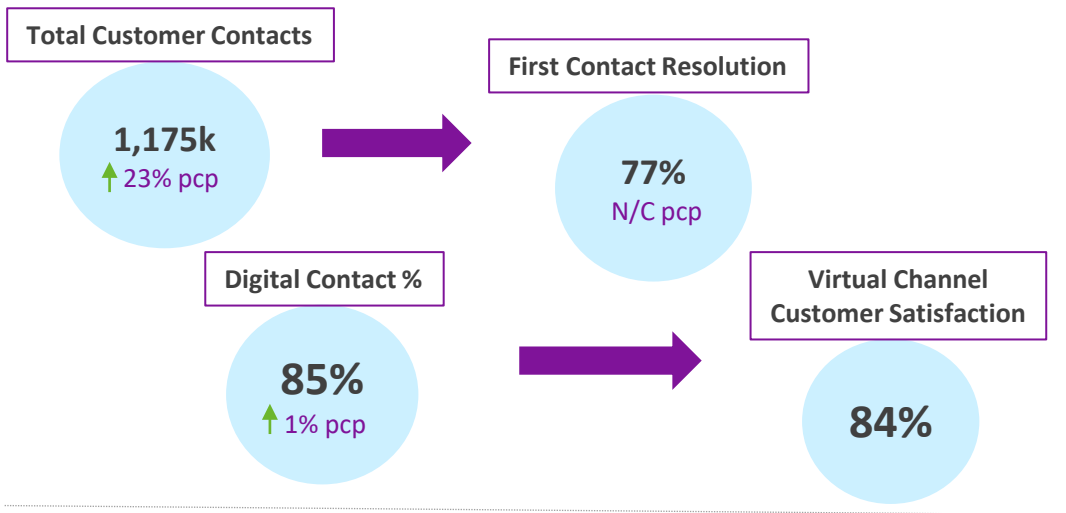
YoY customers
taking 2+
products

↑ 8.5%

Total Retail Sales Volumes



Retail



**NZ UFB
Market Share**

7.5%

NOTE: At Dec-20

**Total Data
Usage (vs pcp)**

↑ 12%

**Total Data
Usage per
customer (vs pcp)**

↑ 2%



Operating stats

	Q1 FY-20	Q1 FY-21	Q1 FY-22	Q2 FY-20	Q2 FY-21	Q2 FY-22	Q3 FY-20	Q3 FY-21	Q3 FY-22	Q4 FY-20	Q4 FY-21	Q4 FY-22
Customers, Sales and Service												
Electricity connections (000s)	266	264	265	266	263		266	264		266	265	
Telecommunication connections (000s)	98	104	114	100	106		103	108		104	112	
Gas connections (000s)	39	41	45	40	42		41	43		41	44	
Total utility accounts (000s)	403	409	424	406	411		410	415		411	421	
Customers with two or more services (000s)	109	115	125	111	117		114	120		116	123	
Mass market sales - Fixed Price (GWh)	453	480	474	572	571		421	402		371	371	
Time of use sales - Fixed Price (GWh)	210	113	104	208	137		223	125		185	108	
Time of use sales - Spot (GWh)	271	204	231	275	224		224	203		202	195	
Total customer sales (GWh)	934	797	809	1,055	932		868	730		758	674	
Average spot price of electricity purchased (\$/MWh)	115	128	288	126	140		105	116		79	218	
Gas Sales (TJ)	266	301	297	370	408		196	183		154	147	
Annualised electricity ICP churn rate*	18%	13%	19%	18%	19%		17%	18%		17%	17%	
Annualised electricity ICP churn rate - total market*	20%	15%	20%	22%	22%		19%	21%		19%	20%	
Generation Production and Procurement												
North Island generation production (GWh)	189	171	179	289	240		238	236		132	130	
South Island generation production (GWh)***	224	253	253	286	282		244	213		155	184	
Total New Zealand generation production (GWh)	413	424	432	575	521		483	449		287	314	
Average spot price of electricity generated (\$/MWh)	110	130	287	122	139		103	112		79	218	
Net third party fixed price volume purchased (GWh)	393	244	244	387	243		346	223		386	249	
Other Information												
Resource consent non-compliance events**	6	1	1	3	2		6	6		6	1	
Recordable Injuries	-	-	1	2	3		1	-		-	2	
Staff numbers (full time equivalents)	779	806	790	812	813		814	816		809	801	

• * Churn statistics are calculated using market data available up to May 2021

• ** Events are recorded only when they have been confirmed as non-compliance events by the relevant regulatory authority. The number of historically reported non-compliant events are subject to change given timings in confirmation of non-compliance.

Operating stats

	YTD FY-20	YTD FY-21	YTD FY-22	Full Year FY-20	Full Year FY-21	Full Year FY-22
Customers, Sales and Service						
Electricity connections (000s)	266	264	265	266	265	
Telecommunication connections (000s)	98	104	114	104	112	
Gas connections (000s)	39	41	45	41	44	
Total utility accounts	403	409	424	411	421	
Customers with two or more services (000s)	109	115	125	116	123	
Mass market sales - Fixed Price (GWh)	453	480	474	1,817	1,824	
Time of use sales - Fixed Price (GWh)	210	113	104	826	483	
Time of use sales - Spot (GWh)	271	204	231	972	826	
Total customer sales (GWh)	934	797	809	3,615	3,133	
Average spot price of electricity purchased (\$/MWh)	115	128	288	131	108	
Gas Sales (TJ)	266	301	297	986	1,039	
Annualised electricity ICP churn rate*	18%	13%	19%	17%	17%	
Annualised electricity ICP churn rate - total market*	20%	15%	20%	20%	19%	
Generation Production and Procurement						
North Island generation production (GWh)	189	171	179	849	777	
South Island generation production (GWh)	224	253	253	910	931	
Total New Zealand generation production (GWh)	413	424	432	1,759	1,708	
Average spot price of electricity generated (\$/MWh)	110	130	287	125	107	
Net third party fixed price volume purchased (GWh)	393	244	244	1,512	959	
Resource consent non-compliance events**	6	1	1	21	10	
Recordable Injuries	-	-	1	3	5	
Staff numbers (full time equivalents)	779	806	790	809	801	

* Churn statistics are calculated using market data available up to May 2021

** Events are recorded only when they have been confirmed as non-compliance events by the relevant regulatory authority. The number of historically reported non-compliant events are subject to change given timings in confirmation of non-compliance.

Glossary

Term	Definition
ACPU	Average Cost Per User. Direct costs (COS) only – does not include CTS
AMPU	Average Margin Per User – difference between ARPU and ACPU
ARPU	Average Revenue Per User. Includes acquisition capitalisation and amortisation
Asset Availability	Total hours asset(s) available or operating/Total hours in month. Excl planned outages.
Bundled Customer	Customer that has 2+ products with Trustpower
C&I	Commercial and Industrial customers
Customer Churn	The rate of attrition of customers expressed as an annualised percentage. Customer churn is only counted if we lose the customer (not individual products or moves).
Customer Contact	A channel-agnostic interaction with a customer
Digital Contact	% of customer interactions that are via digital channels. Note: prior to September 2019 Trustpower only reported digital contacts that it considered displaced a staffed contact. In line with industry practice we now report all digital contacts.
E-Bill	Receives their bill electronically rather than post

Term	Definition
EOM	End Of Month
First contact resolution (FCR)	Where the customers reason for contacting is resolved at first point of contact. Does not count if they contact again within 14 days.
FTE	Full Time Equivalent
Gross Margin	Gross Revenue – Direct Cost of Sales
GWAP	Generation Weighted Average Price – Average revenue per unit reference to Benmore for South Island and Whakamaru for North Island
GWh	Gigawatt hour(s) – unit of energy
Input	Broadband connections segmented by delivery type
ISP	Internet Service Provider
KCE	King Country Energy
LY	Last year

Glossary

Term	Definition
LWAP	Load Weighted Average Price – Average cost of energy per unit for the retail business
Main lakes	Waipori, Cobb and Coleridge schemes.
Market Share	Total Trustpower fibre connections / total NZ fibre connections.
Mbps	Megabytes per second (measure of internet data transfer speed)
MM	Mass Market customers
MWh	Megawatt hour(s) – unit of energy
Netflix Ranking	Published monthly on ispspeedindex.netflix.com/country/new-zealand
NI	North Island
OPEX	Operating expenditure
Pcp	Prior corresponding period
Percentage of Potential Revenue Achieved	Total monthly Trustpower (excluding KCE) generation spot revenue less the value of lost market revenue due to outages, expressed as a percentage.
PoP	A physical location that houses telco equipment. (Point of Presence)

Term	Definition
Product	Electricity, Telco, Gas, or LPG. If one customer has multiple connections for a product, the product only counts once.
Recordable Injury	Lost Time and Medical Treatment Injuries
Rev	Revenue
SI	South Island
SME	Small-Medium Enterprise
Speed	Slower: <100 Mbps, Medium: 100 Mbps, Fast: >100 Mbps
TRIFR	Total Reportable Injury Frequency Rate. Measured per 200,000 hours.
TWAP	Time-Weighted Average Price
Var	Variance
Virtual Channel Customer Satisfaction	The satisfaction rating of digital channels that are non-staffed (including Bot, App and Virtual Agents)
YoY	Year-On-Year
YTD	Year-To-Date



Contact

Kevin Palmer
/ Chief Financial Officer & Company Secretary
021 471 779
kevin.palmer@trustpower.co.nz

