



## MARKET RELEASE

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### FY20 Q3 PERFORMANCE REPORT AND MARKET UPDATE

Genesis Energy today released to the NZX/ASX its FY20 Q3 Performance Report for the three months ended 31 March 2020, which includes an update on guidance for the year end, 30 June 2020. The FY20 Q3 Performance Report is available from the Genesis Energy page at [www.nzx.com](http://www.nzx.com) or <https://www.genesisenergy.co.nz/investors>.

Genesis understands that the current global COVID-19 pandemic and economic situation is a stressful time for its customers, shareholders and broader communities within which it operates. The addendum to this Q3 Performance Report contains a early view high level summary of the impact and response from Genesis, to the current market environment.

#### FY20 Q3 Performance Summary

*"We remain committed to meeting our customers' needs throughout these uncertain times, both from a customer care and energy security perspective," said Marc England, Chief Executive Officer.*

#### RETAIL

Genesis' cost to serve has continued to decrease, down to \$138 per ICP from \$139 in the previous quarter and \$144 in the prior comparable period (pcp). Customers choosing to purchase more than one fuel increased 5,222 on the pcp and 625 on the previous quarter, whilst both gross and net churn continued to fall, gross churn down 1.3 ppt on the pcp and 1.9 ppt down on the previous quarter. Total electricity sales volume was up by 7.1% and total LPG sales volume up 10.5% on the pcp, with total gas sales volume held flat at 1.4 PJ. All three fuel Netbacks increased on the pcp, with electricity up 8%, gas up 5% and LPG up 29%. The country's level 4 lockdown that commenced on 26 March has positively impacted residential demand by 10-15%, with SME demand being down 45% and industrial demand down 25%.

#### WHOLESALE

Genesis' volume weighted average fuel cost for its thermal generation was up 4.8% on the pcp to \$82/MWh, with the average portfolio fuel cost up 6.7% to \$61/MWh. Hydro generation was down 13% to 419 GWh. Whilst Lake Tekapo saw average inflows driven by the significant rainfall in February, generation remained low due to a planned Tekapo outage and Lake Waikaremoana inflows at 53% of average for the quarter, driven by a very dry February month where inflows were only 18% of average. Total generation was 1,633 GWh, down 8.3% on the prior year, and received an average price of \$87/MWh. Plant availability was strong, Genesis' Equivalent Availability Factor (EAF) at 91.8%, up 21% on the pcp.

#### KUPE

Kupe gas production was down 6.0% on the pcp to 2.9 PJ due to the wireline intervention campaign carried out in February, during which all three wells were logged and perforation added to two of the producing wells. Preliminary results are positive and the Joint Venture Operator (Beach Energy) is continuing its work to estimate the uplift to production rates. Kupe production capacity was back up to 77 TJ/day from 8 March. LPG yield remains high at 4.4 t/TJ, whilst oil yield was down 11% to 35.3 bbl/TJ due to the natural decline in the field. A significant decline in Brent Crude during the quarter



translated to a realized oil price of NZD69/bbl, down 15.6% on the pcp. Oil price hedging in place for the next 12 months consists of a 63% weighting priced at USD58/bbl.

#### MARKET UPDATE

Due to the ongoing and below average North Island inflows, year-to-date hydro generation being 312 GWh below the prior year and a two week delay to the return to service of Tekapo B, Genesis has revised its FY20 EBITDAF guidance to \$355 million to \$365 million. We continue to closely monitor any financial impacts that may arise due to COVID-19 .

ENDS

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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 Energy 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 \$NZ2.7 billion during the 12 months ended 30 June 2019. More information can be found at [www.genesisenergy.co.nz](http://www.genesisenergy.co.nz)