

A man with a beard, wearing a dark suit jacket, white shirt, and blue tie, is shown in profile, pouring coffee from a white kettle into a white cup. The scene is set in a brightly lit room, possibly a cafe or office, with a window and a framed picture in the background. The lighting is warm and focused on the man's face and hands.

FY19 Q3 Performance Report

18 April 2019

GENESIS ENERGY LIMITED



FY19 Q3 Performance Summary

Customer

Genesis' focus on its customers has received a positive response from the market with improvements in both brand NPS and interaction NPS. Genesis' gross churn, a new disclosure for the quarter, is down 1.8 ppt whilst net churn is also down. Dual fuel customer numbers continue to steadily increase, while netback margins were up across all fuels. Sales into the residential market segment remain under pressure, whilst Genesis' focus on its portfolio optimisation has resulted in further growth across its business segment.

Wholesale

Genesis' long volume in the market was curtailed this quarter by a combination of low inflows, swaption calls and ongoing market gas constraints. Portfolio fuel costs increased 32% on the same period last year, due to the increased cost of imported coal and reduced hydro generation. Total generation for the period was up 9% , however hydro generation was down 23%. Wholesale market prices remained high throughout the quarter with gas supply constraints and below average hydro inflows.

Kupe

Kupe operated at nearly 96% of capacity over the period, following scheduled statutory maintenance undertaken in the previous quarter. Gas production was up 2.5% versus the same time last year, LPG yield was up 9.2% whilst oil yield was down 9% due to the natural decline in the field. Oil sales were up 7.6% versus the prior comparable period, with a realised oil price of NZ\$81 a barrel.

Note: The prior comparable period (PCP) is defined as Q3 FY18, unless an alternative comparison is stated. New disclosures for the period are market with an orange star (★) in the segment metrics tables.

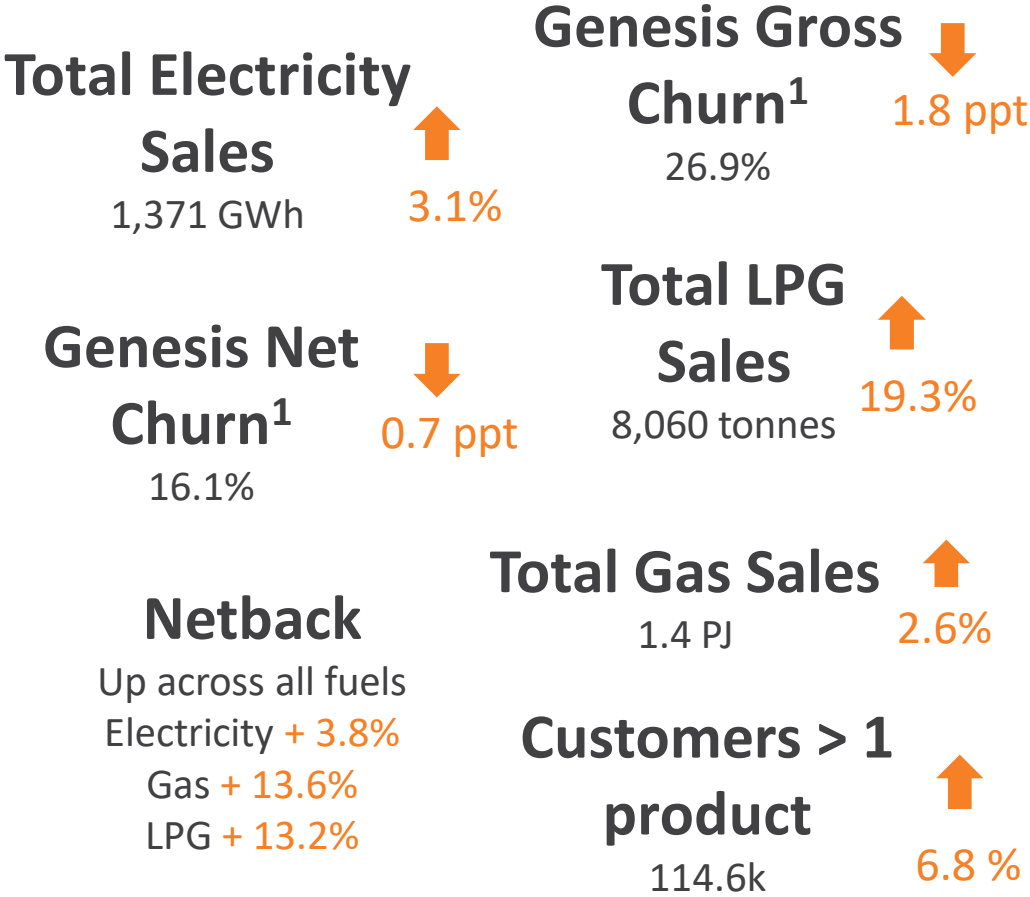
The wholesale market was challenging this quarter, with ongoing gas constraints and low hydro inflows in the North Island impacting long volumes in the market. This was in part mitigated by the decision to bring back Unit 2 at Huntly.

Tracey Hickman, EGM Generation & Wholesale

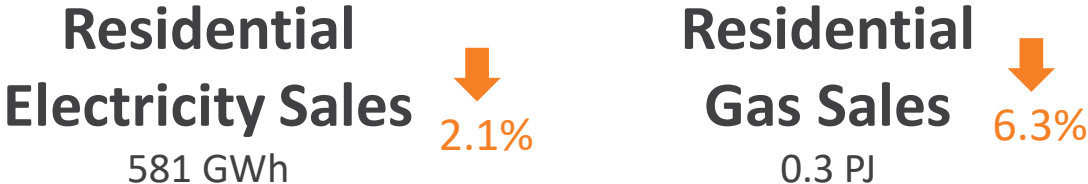


Customer Segment Performance

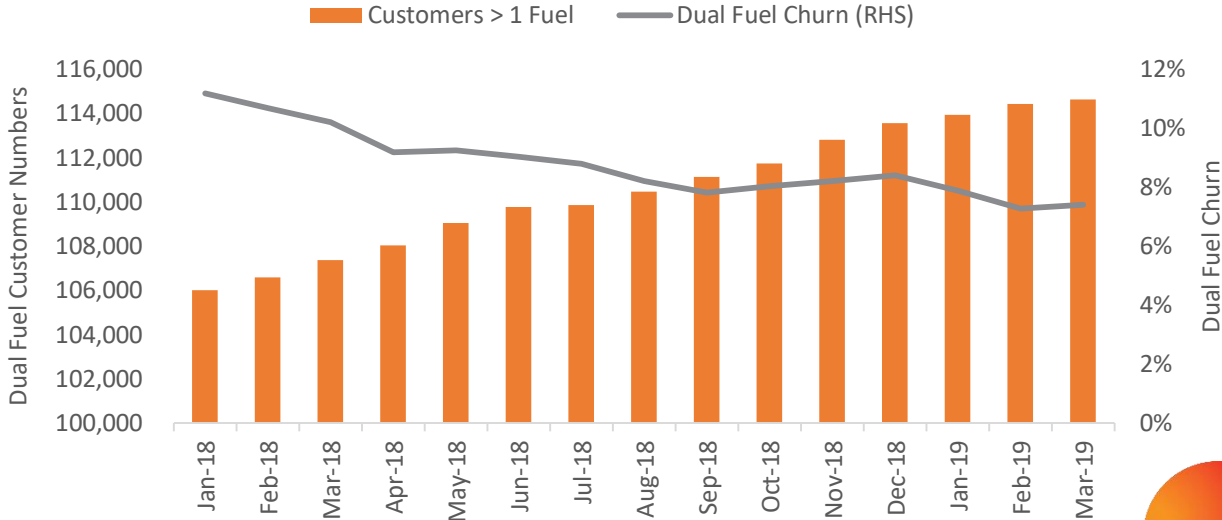
Highs



Lows



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



1. Genesis residential 3 month rolling average churn (excluding EOL)



Wholesale Segment Performance

Highs

Average Price Received for Generation¹
 \$162/MWh
 ↑ 83.3%

High Plant Reliability
 95.5%
 Forced Outage Factor down to 0.3%

Total Generation
 up to 1,781 GWh due to gas shortages and low hydro storage
 ↑ 9.1%

Rankine Output
 540 GWh
 ↑ 120.0%

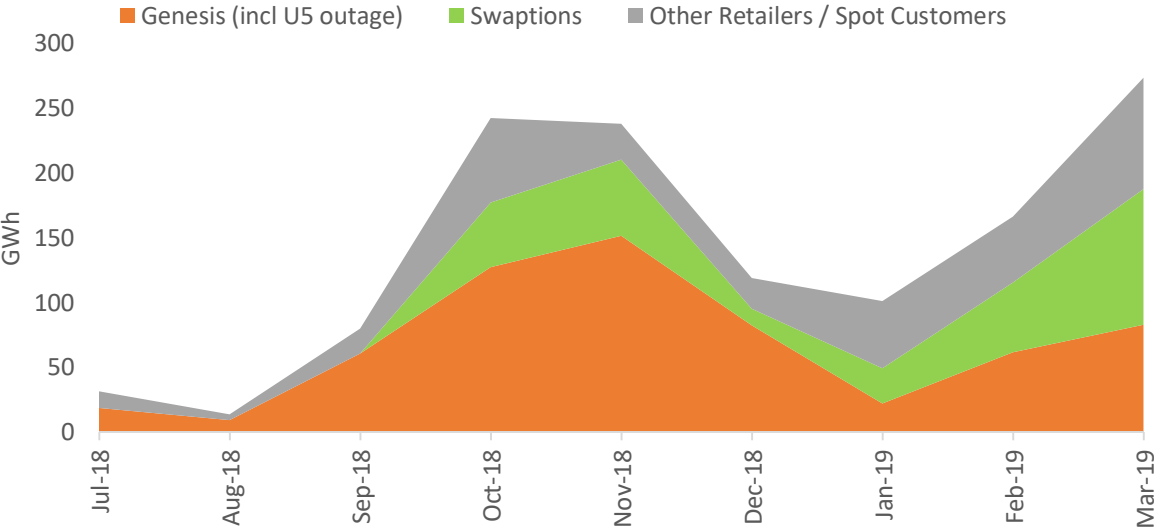
Lows

Average Portfolio Fuel Cost
 \$57 MWh
 ↑ 32.3%

Average Thermal Fuel Cost
 \$78 MWh
 ↑ 11.7%

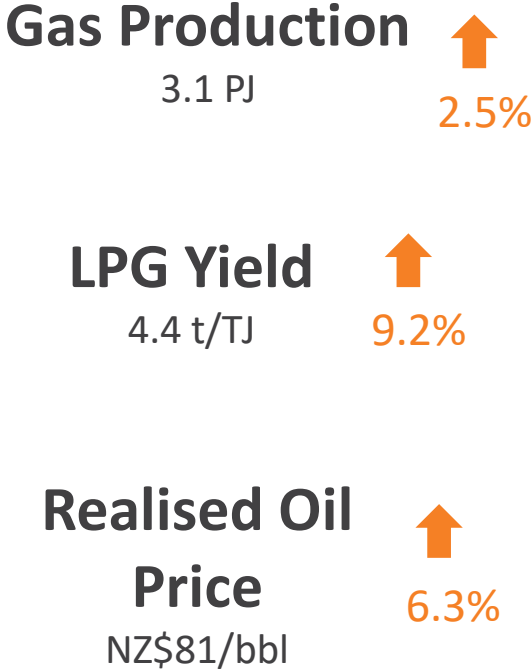
Hydro Generation
 482 GWh
 ↓ 23.2%

HUNTLY RANKINE UTILISATION (GWh)

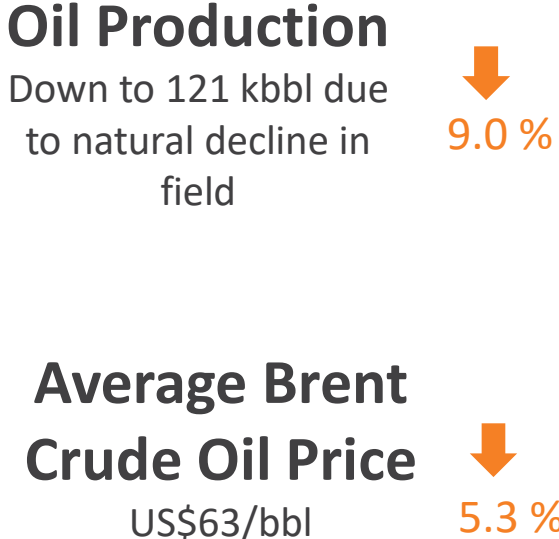


Kupe Segment Performance

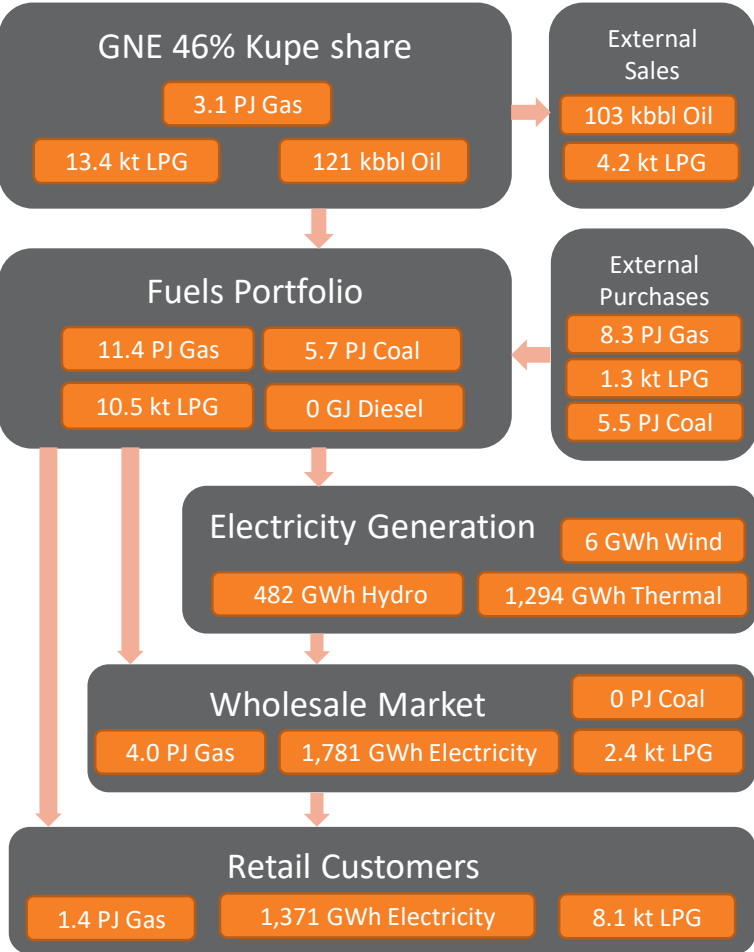
Highs



Lows



Q3 FY19 INTEGRATED PHYSICAL ENERGY FLOWS¹



1. LPG/Oil/Coal difference represent movement in stock



Glossary

CUSTOMER

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	Based on customers instigating a trader switch or home move, as opposed to net churn being post home move save and retentions
Net Customer Churn	Based on losing and gaining accounts under a Single Customer View
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
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)

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

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) or Cap/Collar/Floor contracts
Electricity CFD Sales - Wholesale (GWh)	Settlement volumes of generation hedge sale contracts, including ASX but excluding Financial Transmission Right (FTRs) or Cap/Collar/Floor contracts (including Swaptions)
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

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

Customer Metrics

CUSTOMER SEGMENT	Q3 FY19	Q3 FY18	% Change	Var.	YTD FY19	YTD FY18	% Change	Var.
CUSTOMER								
Brand Net Promoter Score - Genesis (%)	13.0%	6.0%	116.7%	7.0%				
★ Interaction Net Promoter Score - Genesis (%)	48.3%	45.3%	6.6%	3.0%				
★ Gross Customer Churn (3 month rolling average, %)	26.9%	28.7%	(6.1%)	(1.8%)				
Net Customer Churn (3 month rolling average, %)	16.1%	16.8%	(4.0%)	(0.7%)				
Electricity Netback (\$/MWh)	\$100.93	\$97.22	3.8%	\$3.71	\$103.05	\$98.98	4.1%	\$4.08
Gas Netback (\$/GJ)	\$10.10	\$8.89	13.6%	\$1.21	\$9.05	\$8.90	1.7%	\$0.15
LPG Netback (\$/t)	\$753.21	\$665.44	13.2%	\$87.77	\$793.50	\$750.44	5.7%	\$43.06
CUSTOMER NUMBERS¹								
Customers > 1 Fuel	114,630	107,352	6.8%	7,278				
Electricity Only Customers	331,402	344,205	(3.7%)	(12,803)				
Gas Only Customers	16,806	18,395	(8.6%)	(1,589)				
LPG Only Customers	34,263	34,271	(0.0%)	(8)				
Total Customers	497,101	504,223	(1.4%)	(7,122)				
Electricity ICPs Active-Occupied	498,696	503,802	(1.0%)	(5,106)				
Gas ICPs Active-Occupied	106,387	105,333	1.0%	1,054				
LPG Customer Connections (#)	66,543	60,225	10.5%	6,318				
Total ICPs	671,626	669,360	0.3%	2,266				
VOLUMES AND PRICE²								
Volume Weighted Average Electricity Selling Price - Resi (\$/MWh)	\$267.13	\$265.93	0.4%	\$1.19	\$255.71	\$253.14	1.0%	\$2.57
Volume Weighted Average Electricity Selling Price - SME (\$/MWh)	\$219.30	\$217.47	0.8%	\$1.83	\$219.78	\$216.49	1.5%	\$3.29
Volume Weighted Average Electricity Selling Price - C&I (\$/MWh)	\$123.91	\$116.34	6.5%	\$7.57	\$125.40	\$118.93	5.4%	\$6.46
Residential Electricity Sales (GWh)	581	593	(2.1%)	(12)	2,200	2,237	(1.6%)	(37)
SME Electricity Sales (GWh)	264	262	0.7%	2	804	816	(1.4%)	(11)
C&I Electricity Sales (GWh)	527	475	10.9%	52	1,506	1,285	17.2%	221
Total Electricity Sales - Customer (GWh)	1,371	1,330	3.1%	41	4,510	4,338	4.0%	172
Volume Weighted Average Gas Selling Price - Resi (\$/GJ)	\$59.23	\$53.18	11.4%	\$6.05	\$33.30	\$33.51	(0.6%)	(\$0.22)
★ Volume Weighted Average Gas Selling Price - SME (\$/GJ)	\$19.17	\$18.76	2.2%	\$0.41	\$16.23	\$16.98	(4.4%)	(\$0.75)
★ Volume Weighted Average Gas Selling Price - C&I (\$/GJ)	\$10.52	\$9.59	9.7%	\$0.93	\$10.33	\$10.14	1.8%	\$0.19
Residential Gas Sales (PJ)	0.3	0.3	(6.3%)	(0.0)	2.0	1.9	1.6%	0.0
SME Gas Sales (PJ)	0.3	0.2	13.0%	0.0	1.2	1.0	15.6%	0.2
C&I Gas Sales (PJ)	0.8	0.8	2.8%	0.0	2.7	2.4	16.2%	0.4
Total Gas Sales (PJ)	1.4	1.4	2.6%	0.0	5.9	5.3	10.8%	0.6
Volume Weighted Average LPG Selling Price - Resi (\$/tonne)	\$3,026	\$2,488	21.6%	\$538	\$2,449	\$2,424	1.0%	\$25
★ Volume Weighted Average LPG Selling Price - SME/Bulk (\$/tonne)	\$1,409	\$1,506	(6.5%)	(\$98)	\$1,477	\$1,515	(2.5%)	(\$37)
Bottled LPG Sales (tonnes)	2,351	2,360	(0.4%)	(9)	10,824	9,861	9.8%	964
SME & Other Bulk LPG sales (tonnes)	5,709	4,399	29.8%	1,310	16,616	15,179	9.5%	1,437
Total LPG Sales Volumes (tonnes)	8,060	6,759	19.3%	1,301	27,440	25,039	9.6%	2,400

Wholesale Metrics

WHOLESALE SEGMENT	Q3 FY19	Q3 FY18	% Change	Var.	YTD FY19	YTD FY18	% Change	Var.
GENERATION								
Gas (GWh)	808	857	(5.7%)	(49)	1,887	2,652	(28.8%)	(765)
Coal (GWh)	486	144	238.0%	342	1,088	522	108.7%	567
Total Thermal (GWh)	1,294	1,001	29.3%	293	2,975	3,173	(6.2%)	(198)
Hydro (GWh)	482	627	(23.2%)	(145)	2,183	2,314	(5.6%)	(130)
Wind (GWh)	6	5	20.6%	1	17	15	9.8%	1
Total Renewable (GWh)	487	632	(22.9%)	(144)	2,200	2,329	(5.5%)	(129)
Total Generation (GWh)	1,781	1,632	9.1%	148	5,175	5,502	(5.9%)	(327)
Average Price Received for Generation - GWAP (\$/MWh)	\$162.27	\$88.54	83.3%	\$73.73	\$152.04	\$93.90	61.9%	\$58.15
Generation Emissions (ktCO ₂)	857	523	64.1%	335	1,955	1,683	16.1%	272
Generation Carbon Intensity (tCO ₂ /GWh)	482	320	50.4%	161	378	306	23.5%	72
Forced Outage Factor (FOF)	0.3%	6.4%	(95.5%)	(6.1%)	0.2%	3.3%	(93.4%)	(3.1%)
Equipment Availability Factor (EAF)	76.1%	84.1%	(9.5%)	(8.0%)	86.4%	90.3%	(4.3%)	(3.9%)
Rankine Output (GWh)	540	246	120.0%	295	1,256	859	46.2%	397
Rankines Fueled by Coal (%)	90%	59%	53%	31%	87%	61%	43%	26%
WHOLESALE								
Electricity Purchases - Customer (GWh)	1,440	1,392	3.4%	47	4,742	4,553	4.2%	189
Average Customer Electricity Purchase Price - LWAP (\$/MWh)	\$162.92	\$88.07	85.0%	\$74.85	\$148.74	\$95.78	55.3%	\$52.96
LWAP/GWAP Ratio (%)	100%	99%	0.9%	0.9%	98%	102%	(4.1%)	(4.2%)
Gas Purchases (PJ)	11.4	11.5	(1.1%)	(0.1)	31.3	35.9	(13.0%)	(4.7)
Coal Purchases (PJ)	5.5	2.3	136.4%	3.2	12.1	4.3	182.4%	7.8
Electricity CFD Purchases - Wholesale (GWh)	450	619	(27.2%)	(168)	1,612	1,412	14.2%	200
Electricity CFD Sales - Wholesale (GWh)	756	831	(9.0%)	(75)	1,861	2,225	(16.3%)	(363)
★ Swaption Sales - Wholesale (GWh)	188	33	462.0%	155	311	263	18.5%	49
Wholesale Gas Sales (PJ)	4.0	3.4	17.8%	0.6	10.8	9.8	9.6%	0.9
Wholesale Coal Sales (kilotonnes)	-	2.9	(100.0%)	(2.9)	5.1	12.0	(57.4%)	(6.9)
Wholesale LPG Sales (tonnes)	2,415	1,294	86.5%	1,120	5,621	13,544	(58.5%)	(7,923)
Gas Used In Internal Generation (PJ)	5.9	6.7	(11.9%)	(0.8)	14.6	20.9	(30.3%)	(6.3)
★ Weighted Average Gas Burn Cost (\$/GJ)	\$9.12	\$8.43	8.2%	\$0.69	\$8.65	\$7.92	9.3%	\$0.74
Coal Used In Internal Generation (PJ)	5.7	1.7	229.2%	4.0	12.6	6.0	108.5%	6.6
★ Weighted Average Coal Burn Cost (\$/GJ)	\$6.63	\$5.38	23.2%	\$1.25	\$6.2	\$5.4	15.4%	\$0.83
Weighted Average Fuel Cost - Portfolio (\$/MWh)	\$56.76	\$42.89	32.3%	\$13.87	\$41.82	\$37.85	10.5%	\$3.97
★ Weighted Average Fuel Cost - Thermal (\$/MWh)	\$78.13	\$69.96	11.7%	\$8.17	\$72.74	\$65.62	10.9%	\$7.12
Coal Stockpile - closing balance (kilotonnes)	266	257	3.5%	9				

1. GWAP represents the average price received for generation prior to the outcome or settlement of any financial contracts.

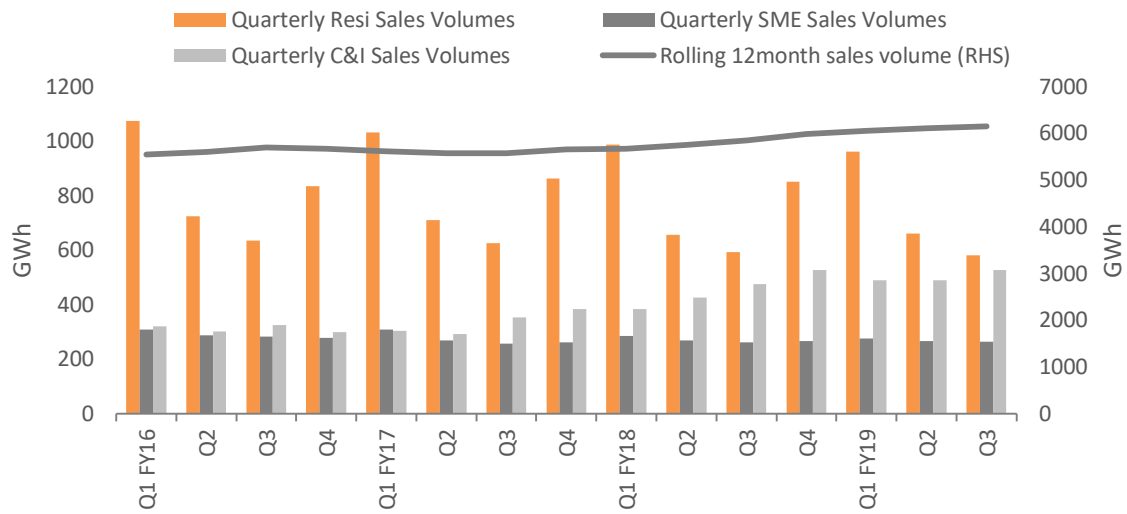
Kupe and Other Metrics

KUPE SEGMENT	Q3 FY19	Q3 FY18	% Change	Var.	YTD FY19	YTD FY18	% Change	Var.
KUPE								
Gas Production (PJ)	3.1	3.0	2.5%	0.1	8.7	9.1	(3.8%)	(0.3)
Gas Sales (PJ)	3.1	3.0	2.5%	0.1	8.5	9.1	(6.1%)	(0.6)
Oil Production (kbbbl)	121	132	(9.0%)	(12)	356	413	(13.9%)	(57)
Oil Production Yield (bbl/TJ)	39.5	44.5	(11.3%)	(5.0)	41	45.6	(10.5%)	(4.8)
Oil Sales (kbbbl)	103	96	7.6%	7	271	337	(19.6%)	(66)
Realised Oil Price (NZD/bbl)	\$81.39	\$76.56	6.3%	\$4.82	\$87.41	\$77.77	12.4%	\$9.65
Average Brent Crude Oil (USD/bbl)	\$63.20	\$66.76	(5.3%)	(\$3.55)	\$66.88	\$60.08	11.3%	\$6.80
LPG Production (kt)	13.4	11.9	11.9%	1.4	37.0	34.4	7.6%	2.6
LPG Production Yield (t/TJ)	4.4	4.0	9.2%	0.4	4.2	3.8	11.8%	0.4
LPG Sales (kt)	13.2	11.7	12.5%	1.5	36.9	34.4	7.3%	2.5
OTHER								
CORPORATE								
Headcount (FTE)	1,038	1,012	2.6%	26				
Total Recordable Injury Frequency Rate	1.35	1.36	(0.7%)	(0.01)				

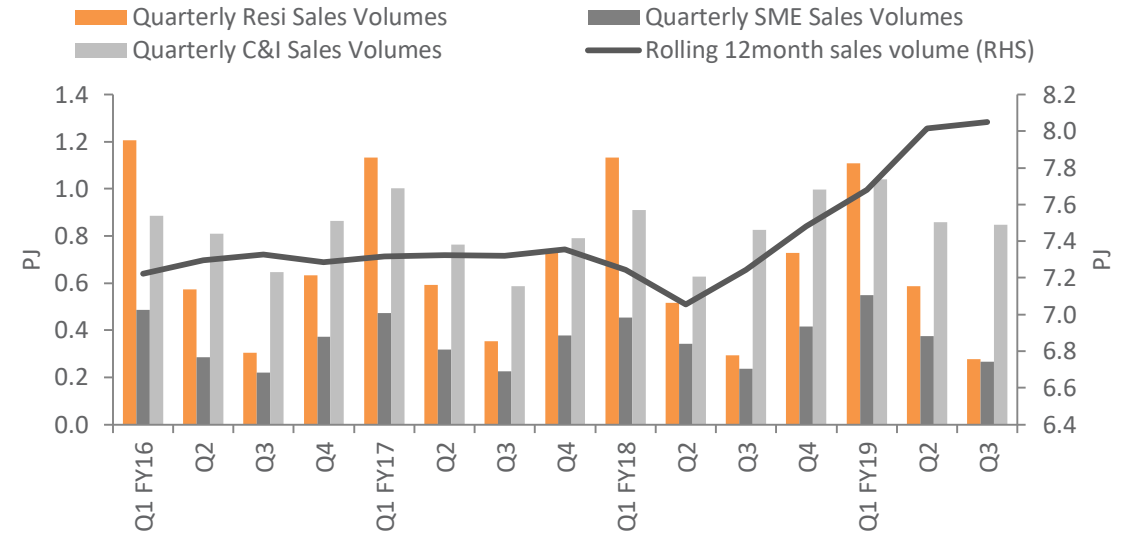
1. TRIFR now being reported to include contractors. Prior period has been restated on same basis.

Appendix: Customer Segment

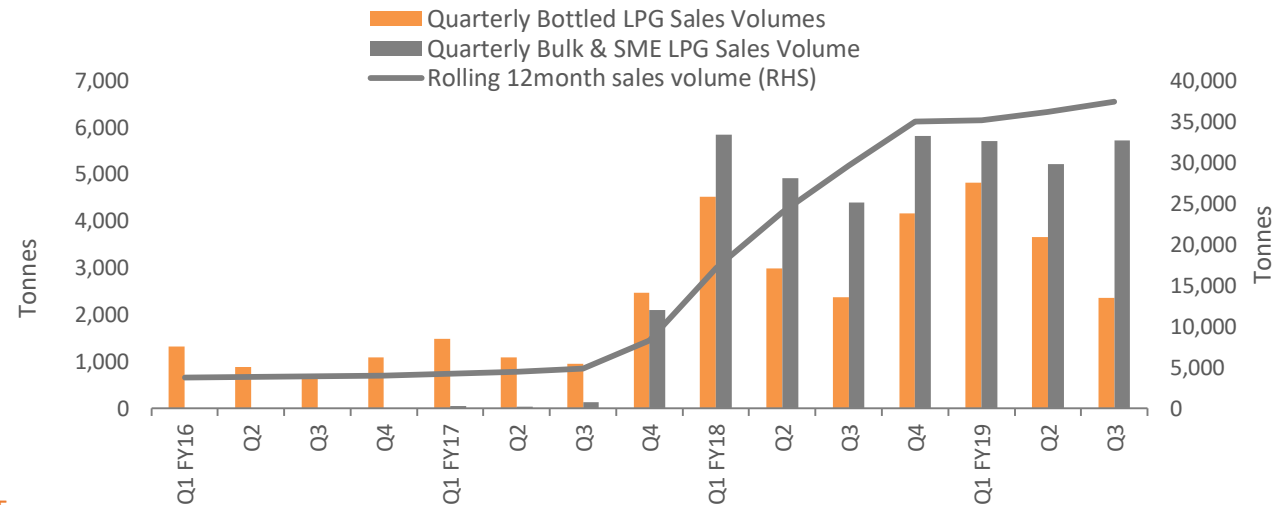
ELECTRICITY SALES VOLUMES (GWh)



GAS SALES VOLUMES (PJ)

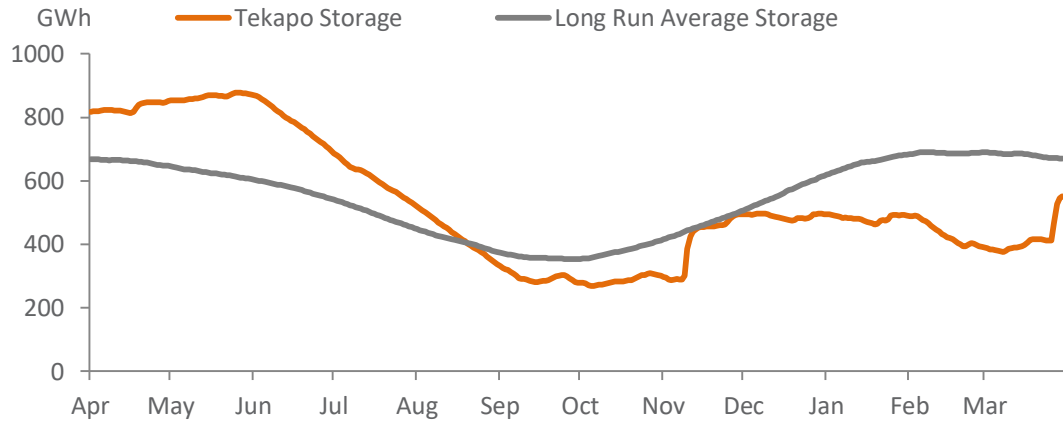


LPG SALES VOLUMES (tonnes)



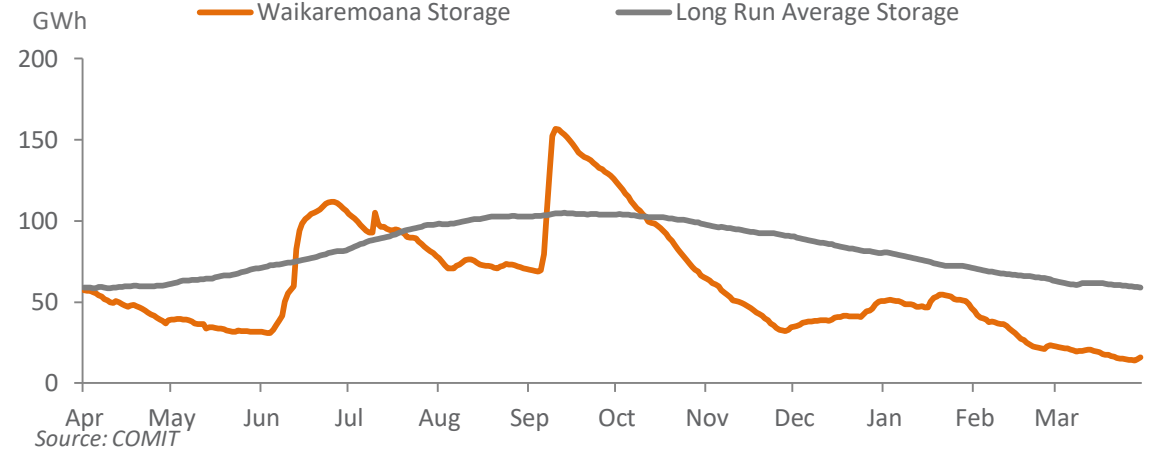
Appendix: Wholesale Segment

TEKAPO STORAGE vs LONG RUN AVERAGE



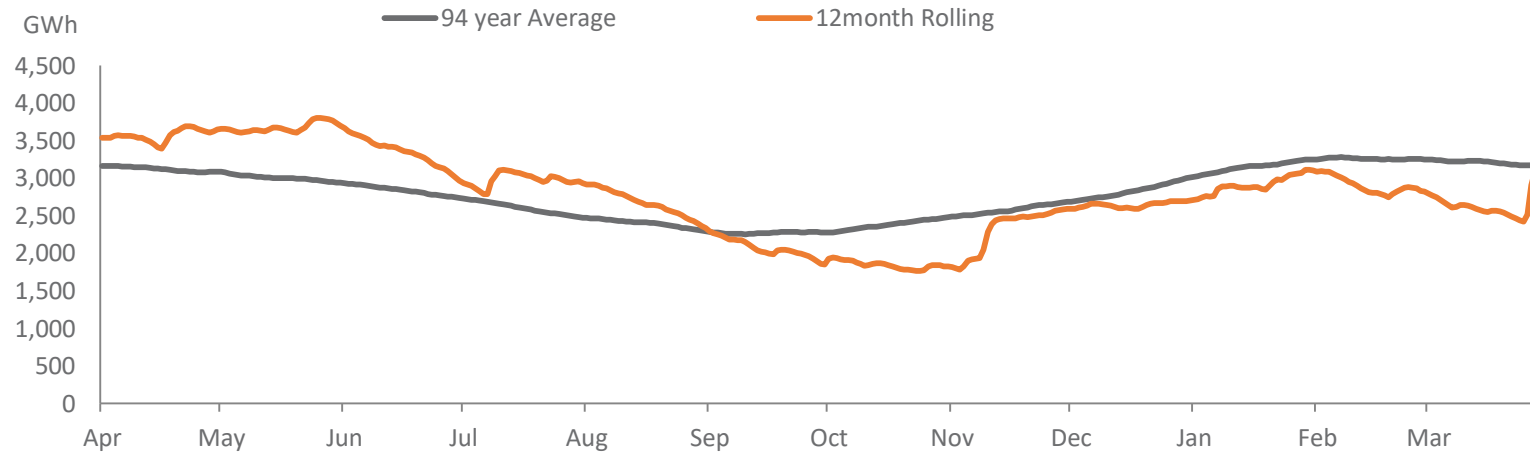
Source: COMIT

WAIKAREMOANA STORAGE vs LONG RUN AVERAGE



Source: COMIT

NEW ZEALAND DAILY STORAGE

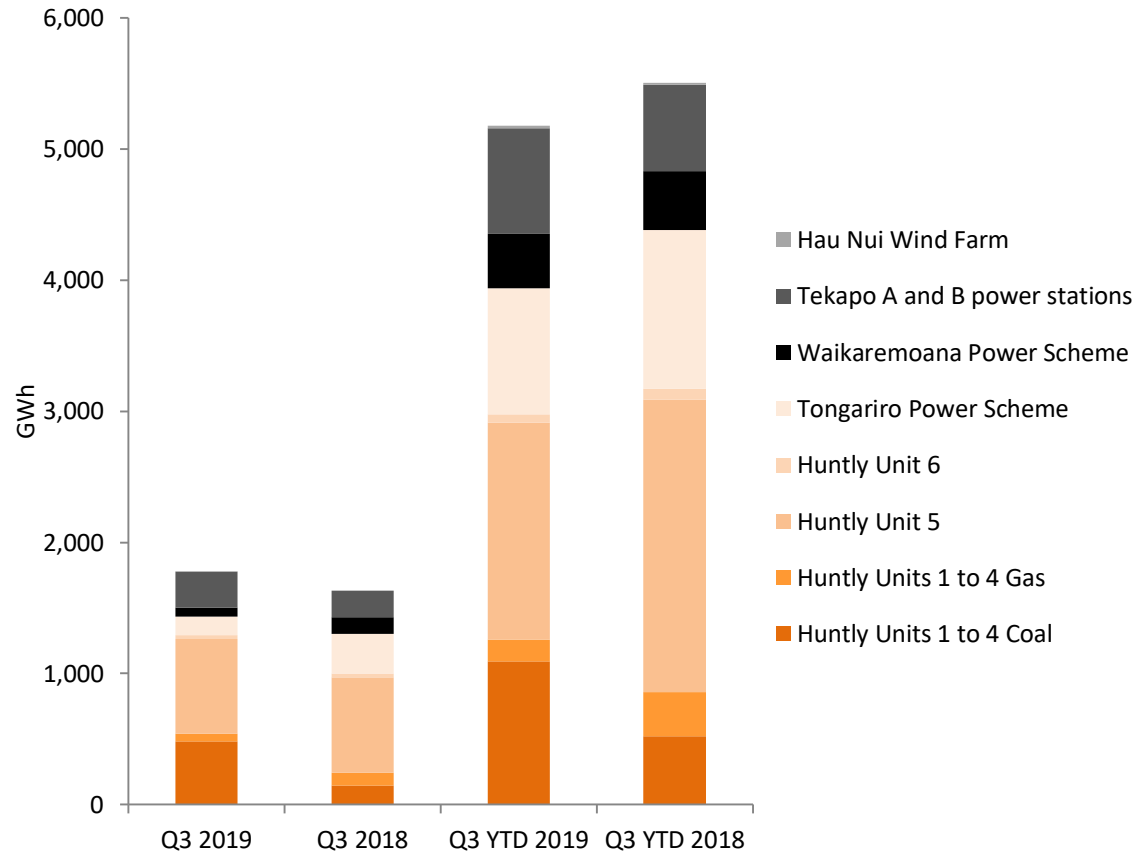


Source: COMIT

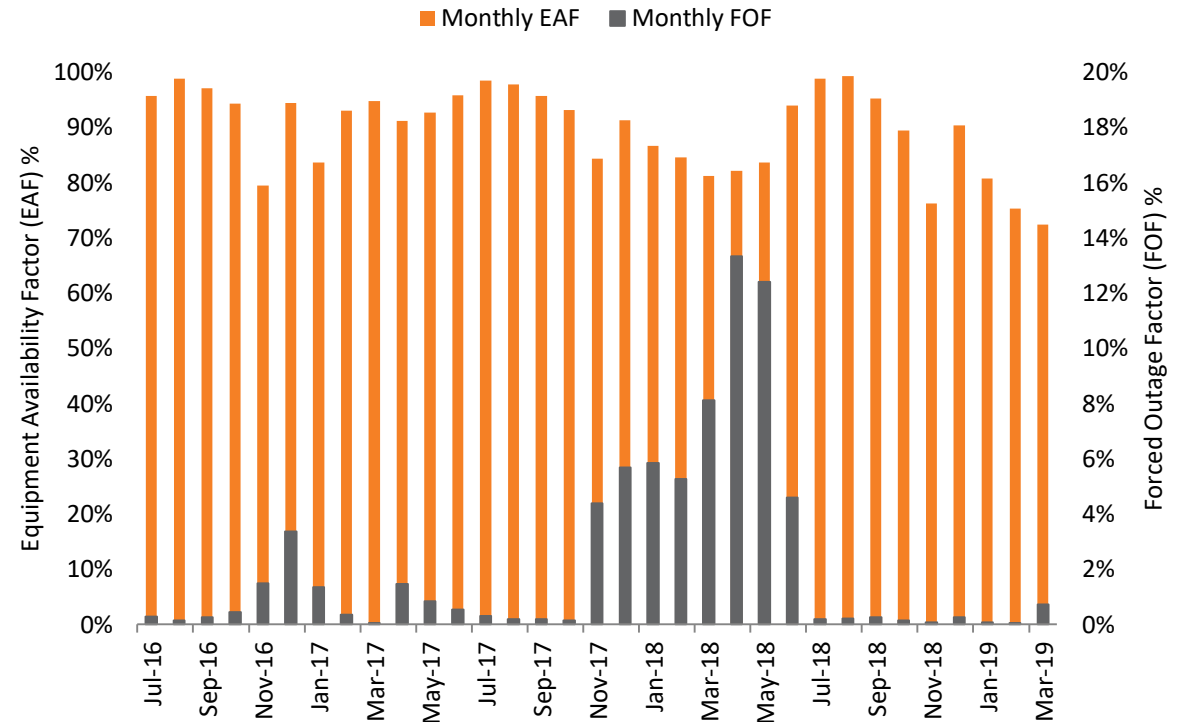


Appendix: Wholesale Segment

GENERATION BY POWER STATION

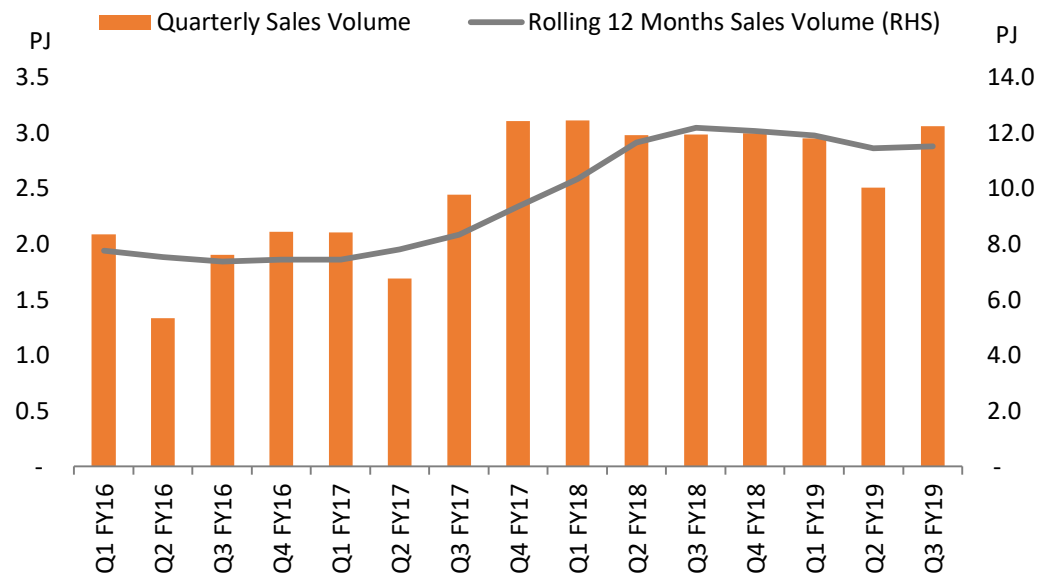


PLANT PERFORMANCE

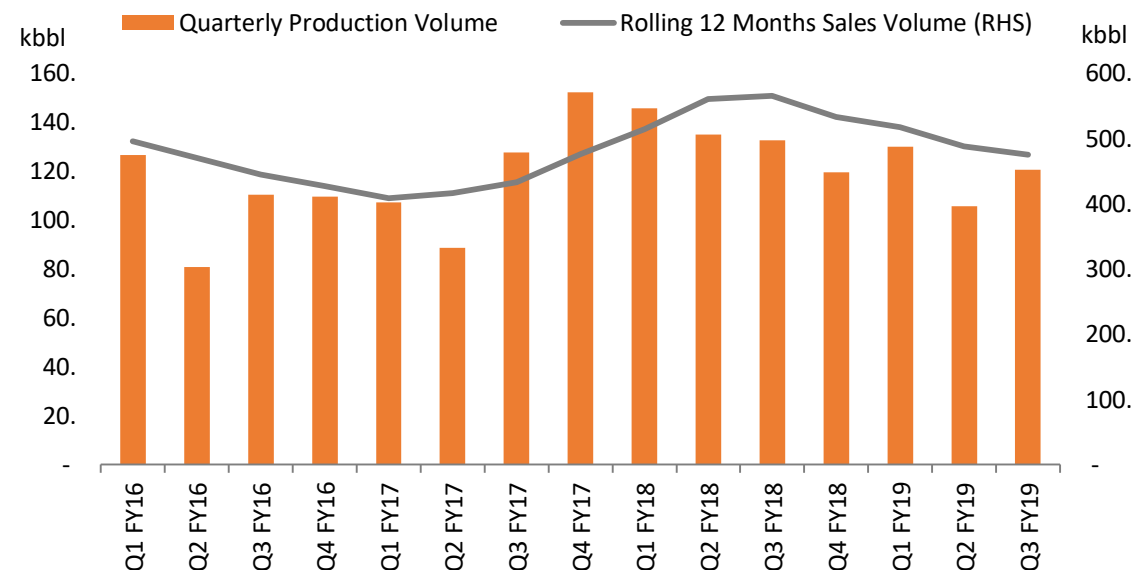


Appendix: Kupe Segment

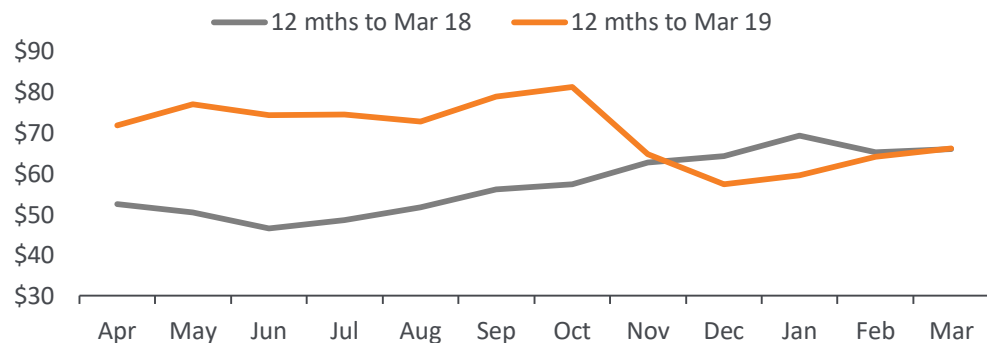
KUPE GAS SALES VOLUMES (GENESIS SHARE, PJ)



KUPE OIL PRODCUTION VOLUMES (GENESIS SHARE, kbbi)



BRENT CRUDE OIL SPOT PRICE (USD/bbl)



OIL PRICE AND FOREX RISK MANAGEMENT

FORWARD RISK MANAGEMENT		
Oil Price Hedges	% Hedged	Average Oil Price
1-12 months	71%	\$56.50
13-24 months	47%	\$59.20
25-36 months	12%	\$68.00
USD/NZD Hedges		Rate
1-12 months	61%	0.687
13-24 months	44%	0.693
25-36 months	12%	0.675

