



## MARKET RELEASE

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### FY20 Q1 Performance Report

Genesis Energy today released to the NZX/ASX its FY20 Q1 Performance Report for the three months ended 30 September, 2019. The FY20 Q1 Performance Report is also available from the [Genesis Investor Centre](#).

### FY20 Q1 Performance Summary

#### RETAIL

Genesis' gross churn declined further over the quarter, down 1.6 ppt on the prior year, with net churn down marginally, by 0.6 ppt. Customers choosing to purchase more than one fuel increased by 7,900 on the prior comparable period (pcp) and total ICP's increased by nearly 6,300. A key driver of this growth being a positive response to Genesis' '[For Dairy](#)' product, launched in May, and continued growth in LPG. Netback margins were up materially across all fuels. Total electricity sales was down by 0.5% on the prior year, with residential sales down 2.1% on pcp.

#### WHOLESALE

The fuel constraints observed in the prior year continued over the first quarter FY20 driven by gas outages, declining gas production at Kupe and lower than average inflows in all hydro catchments. As a result, spot prices remained elevated with the price received for generation up \$39/MWh on pcp to \$125/MWh. The combination of these factors, including Genesis' hydro generation 23% lower than the prior comparable period, meant that thermal generation was up 39% on the prior comparable period. Genesis' average portfolio fuel cost increased 59% on pcp with the need for coal-fired generation to replace unavailable gas and lower hydro generation volumes.

#### KUPE

Kupe operated at 97.2% of available capacity over the period, up from 95.8% on pcp, although included two short unplanned maintenance outages in late September. Gas production was flat versus pcp at 3.1 PJ, LPG yield remained high at 4.4 t/TJ, whilst oil yield was down 15% due to the natural decline in the field. Oil sales for Genesis were recorded at 66,000 barrels, down 5% on pcp, with a realised oil price of NZ\$83/bbl, up 7% on the prior year. Notably, the Joint Venture approved the commencement of Kupe's Inlet Compression Project, expected to be completed by mid-2021.

"It was pleasing to see Genesis' retail strategy continue to deliver growth in what is a competitive market place, whilst our Wholesale portfolio managed the ongoing fuel constraints observed in the second half of FY19," said Chief Executive Marc England.

#### 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)