



## MARKET RELEASE

Date: 14 February 2018

### A successful half year with EBITDAF up 28%

	Half year ended December 31 2017	Change year on year
<b>EBITDAF<sup>1</sup></b>	\$200 million	28% increase on HY17 of \$156 million
<b>Net Profit</b>	\$28 million	24% decline on HY17 of \$37 million
<b>Underlying earnings<sup>2</sup></b>	\$43 million	14% increase on HY17 of \$37 million
<b>Earnings per share</b>	2.84 cents	Down 24% from 3.74 cps
<b>Underlying Earnings Per Share</b>	4.26 cents	Up 14% from 3.74 cps
<b>Dividend per share</b>	8.3 cents	Up 1% on HY17 on 8.2 cents
<b>Free cash flow<sup>3</sup></b>	\$129 million	37% increase on HY17 of \$95 million

#### A successful half year

Genesis Energy (GNE) announced today a positive first half of FY18 as its diverse portfolio, new acquisitions and strategy, delivered an EBITDAF of \$200 million in the half year ended 31 December 2017, 28% higher than the prior comparable period. Net profit is down 24% to \$28 million due to non-cash fair value adjustments however underlying earnings are up 14% to \$43 million.

Genesis Chair, Dame Jenny Shipley said Genesis has had a successful half year, in which we've stuck to our strategic vision while building the momentum for future growth.

"We have embedded our newly acquired Kupe stake and LPG distribution business, delivered on swaption agreements with other generators and delivered a 2017 total shareholder return 7% above the NZX50 average as at 31 Dec 2017."

Chief Executive Marc England said the result reflected the strong wholesale performance as Genesis' flexible portfolio responded well to volatile conditions. Higher generation volumes in volatile market conditions, strong Kupe production and value from acquisitions were partially offset by investment in operating costs for growth.

"Wholesale performance was very strong for the half year with record wholesale prices for November and December and higher than average generation. As expected the swaption agreements we have with other companies were called on during this period."

"Genesis' diverse generation portfolio played a central role in maintaining the reliable supply of electricity to New Zealand communities and businesses when hydro lake storage was low at the beginning and end of the half year period."

"During this period Genesis launched a refreshed brand, developed new energy insight tools for customers and successfully integrated its new LPG business as foundations for its pivot towards a more more customer centric and technology enabled future," said England.

#### Interim dividend and a new dividend reinvestment plan

The Genesis board has declared an interim dividend of 8.3 cents per share, an increase of 1% which has a record date of 6 April 2018 and will be paid on 20 April 2018.

Genesis is also pleased to announce a dividend reinvestment plan has been introduced to provide shareholders a cost effective way to reinvest in Genesis' growth strategy. The New Zealand government has committed to

<sup>1</sup> Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses

<sup>2</sup> Net Profit adjusted for non cash fair value adjustments and business acquisition costs.

<sup>3</sup> Free Cash Flow is EBITDAF, less finance expense, taxes paid and stay in business capital expenditure



participate to the extent required to retain its 51% holding. Shareholders will have until the 6 April 2018 to opt into the dividend reinvestment plan.

### **FY2018 guidance**

EBITDAF guidance for the full year ended 30 June 2018 has been updated to a \$350 million to \$360 million range. Kupe production contracts favoured the first half result and the unplanned extended outage at Tekapo B is estimated to have a \$12 million impact on full year performance which is largely weighted to the second half year.

Further information on the company's operations and financing can be found in the investor presentation of the full year results at [nzx.com/markets/NZSX/securities/GNE](http://nzx.com/markets/NZSX/securities/GNE) and [www.genesisenergy.co.nz/presentations](http://www.genesisenergy.co.nz/presentations).

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### **About Genesis Energy**

Genesis Energy (NZX: GNE, ASX: GNE) is a diversified New Zealand energy company. It sells electricity, reticulated natural gas and LPG through its retail brands of Genesis Energy and Energy Online. It is New Zealand's largest energy retailer with around 503,000 customers. The Company generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis Energy also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis Energy had revenue of \$NZ2bn during the 12 months ended 30 June 2017. More information can be found at [www.genesisenergy.co.nz](http://www.genesisenergy.co.nz)