



MARKET RELEASE

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NZX: GNE / ASX: GNE

Genesis delivers earnings of \$356 million and a full year dividend of 17.20cps

	Year ended June 2020	Change year on year ¹
EBITDAF²	\$356 million	Down 4% on FY19 of \$369 million
Net Profit	\$46 million	Down \$13 million on FY19 of \$59 million
Underlying Earnings³	\$53 million	Down \$11 million on FY19 of \$64 million
Earnings Per Share	4.47 cents	Down 1.36 cps from FY19 of 5.83 cps
Underlying Earnings Per Share	5.14 cents	Down 1.21 cps from FY19 of 6.35 cps
Final Dividend Per Share	8.675 cents	Up 1% on FY19 of 8.6 cents
Full Year Dividend Per Share	17.20 cents	Up 1% on FY19 of 17.05 cents
Free Cash Flow⁴	\$168 million	Down 6% on FY19 of \$178 million

Genesis regularly flexed its portfolio of fuels and generation assets to ensure a solid result during a year of exceptionally dry North Island conditions, multiple planned and unplanned market outages and the disruption of COVID-19.

Genesis Energy (GNE) today announced that it delivered EBITDAF for the year of \$356 million and Net Profit (NPAT) of \$46 million, with underlying earnings of \$53 million. Genesis declared an increased final dividend of 8.675 cps, and a full year dividend increase to 17.20 cents per share.

“The second half of FY20 tested our portfolio flexibility through multiple gas and transmission outages, exceptionally low North Island hydro catchment inflows and the COVID-19 lockdown. Despite those uncontrollable events, Genesis people demonstrated great resilience and adapted quickly to support our customers through difficult conditions,” said Genesis Energy CEO Marc England.

“Overall, hydro generation fell by 491 GWh versus the year prior. This meant Huntly Power Station’s back-up generation was called upon more regularly to stabilise wholesale electricity prices for all market participants.”

On top of these volatile conditions was the national COVID-19 disruption, which affected industrial and commercial electricity consumption, but was partially offset by an increase in consumption from residential customers.

“Our retail business has continued its momentum from the first half, backed by increased uptake of our digital products and promotions, such as Power Shout, which saw a record 141,000 customers participate in May. Genesis now has 121,000 dual fuel customers, an increase of 3%. Our new customer care package, launched at the end of 2019, was boosted by \$250,000 to support our vulnerable customers facing hardship during the COVID-19 lockdown.”

“Genesis’ uniquely diversified generation portfolio, flexible retail products and strong customer support networks have demonstrated our value to all market participants. I am proud to say that our business strategy has been thoroughly stress tested this year and has performed under the challenging conditions.

¹ Due to the adoption of NZ IFRS 16 and changes to the segment reporting structure as outlined in the notes to the audited financial statements, FY19 comparable financials have been restated in this presentation. As a result prior comparable period metrics may also have changed.

² Earnings before net finance expenses, income tax, depreciation, depletion, amortisation, impairment, Fair Value changes and other gains and losses. Refer to consolidated comprehensive income statement in the 2020 audited financial statements for a reconciliation from EBITDAF to Net Profit after tax

³ Net Profit adjusted for non-cash fair value adjustments and business acquisition costs.

⁴ Free Cash Flow is EBITDAF, less finance expense, cash taxes paid and stay in business capital expenditure.



“We are continuing our Future-gen strategy with a target to develop 2,650 GWh of new renewable generation options that will enable us to transition our baseload thermal generation portfolio to renewables. We will achieve the first 450 GWh of this, as Waipipi Wind Farm comes online in early 2021. Having already removed 1.8 million tonnes of CO₂ from our portfolio in the last 10 years, Future-gen will enable us to further reduce our carbon emissions by another 1 million tonnes in the next 5 to 10 years. The closure of the Tiwai smelter, if it goes ahead, represents an exciting prospect to potentially accelerate our Future-gen strategy.”

Final dividend and a dividend reinvestment plan

The Genesis Board has declared a final dividend of 8.675 cents per share, which has a record date of 11 September 2020 and will be paid on 25 September 2020. Genesis is pleased to confirm the continuation of its dividend reinvestment plan to provide shareholders a cost-effective way to reinvest in Genesis’ growth strategy. Shareholders will have until 14 September 2020 to opt into the dividend reinvestment plan.

FY21 guidance

EBITDAF guidance for the full year ended 30 June 2021 is in a range of between \$395 million to \$415 million. This is subject to hydrological conditions, any material events, one-off expenses or other unforeseen circumstances. Genesis continues to target its strategic goal of \$400+ million EBITDAF in FY21. Capital expenditure guidance for FY21 is up to \$95 million.

Further information on the company’s operations and financing can be found in the investor presentation of the full year results and the Company’s Annual Report at nzx.com/instruments/GNE and www.genesisenergy.co.nz/reports-and-presentations

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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. 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. More information can be found at www.genesisenergy.co.nz