

The logo for Trust power is centered on the left side of the page. It consists of the word "Trust" in a large, white, sans-serif font, with "power" in a smaller, white, sans-serif font below it. The text is overlaid on a large, multi-colored circular graphic that is being worked on by several small human figures. One figure is on a ladder, another is holding a rope, and others are standing around the base of the circle. The background is a solid purple color with a subtle gradient.

**Trust**  
power™

**all the  
little  
things**

**/ Q4-19  
/ Quarterly Operating Report  
/ March 2019**

**bomg**

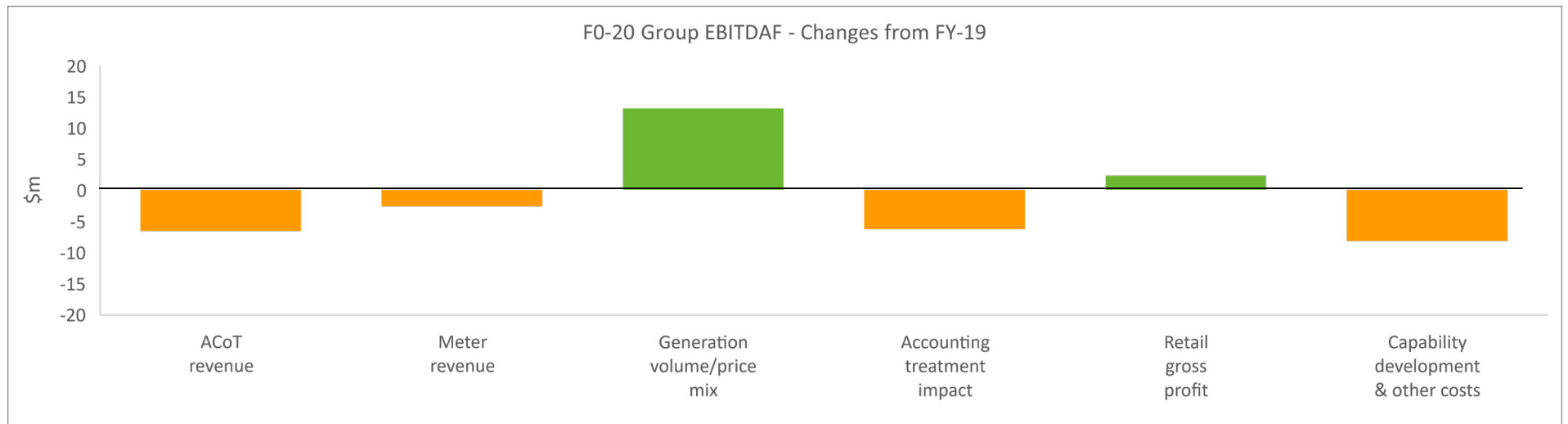
# Market Guidance Update

## FY-19

- Trustpower updates its EBITDAF guidance for the FY-19 financial year to be in the range of \$220m – \$226m.

## FY-20

- Trustpower also wishes to advise that it expects its FY-20 EBITDAF to be in the range of \$205m - \$225m
- The FY-20 forecast is underpinned by the following assumptions:
  - Generation volumes for FY-20 of ~1,870 (incl KCE). This is below the expected long-run average of 1,917 GWh, reflecting current below average lake storage levels.
  - NZ Wholesale prices are in line with current forward pricing for the year
  - Average temperatures and average electricity consumption for the year
  - Total average mass market customers between 230,000 and 240,000 including circa 103,000 telco customers



# Key Highlights



- Q4-19 again saw 82% of all new customer acquisitions take multiple products, with a 7.5% increase year-on-year of total customers taking 2+ products to 107,000.
- Total retail electricity sales volume was flat vs the pcp for Q4-19, with Mass Market/SME gaining 7.2%, and C&I decreasing 5.4%.
- Customer churn for those who take our telco-bundled products continued to track well below those that take energy-only products in Q4-19.
- 62% of all our broadband customers are now on fibre, up from 51% same time last year. 87% of our telco customers are now taking medium and fast speed plans (100+MB download). Up from 75% this time last year.
- Virtual contacts and first contact resolution both showed increases against the pcp, despite higher contacts in the period.



- Q4-19 electricity generation volumes were below long-run average, and below the pcp by 26% due to high generation volumes in Q3-19 lowering lake levels and low rainfall during the quarter.
- Our ability to extract higher than TWAP was again evident in the last quarter, with a GWAP/TWAP ratio of 1.08.
- Asset availability averaged over 97% over the quarter (note March 2019 data was not yet available at time of publishing).

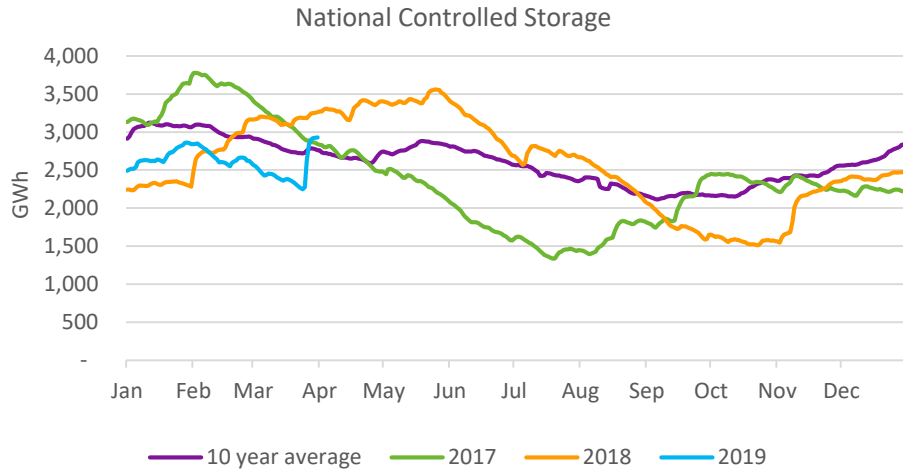


- National Controlled Storage recovered strongly in late Q4-19 to be sitting just above the national 10-year average.
- Forward ASX prices rose for every forward year over the quarter, particularly short-dated strips.
- National demand (only currently available to Feb-19) grew by 3.2% vs the prior corresponding period.

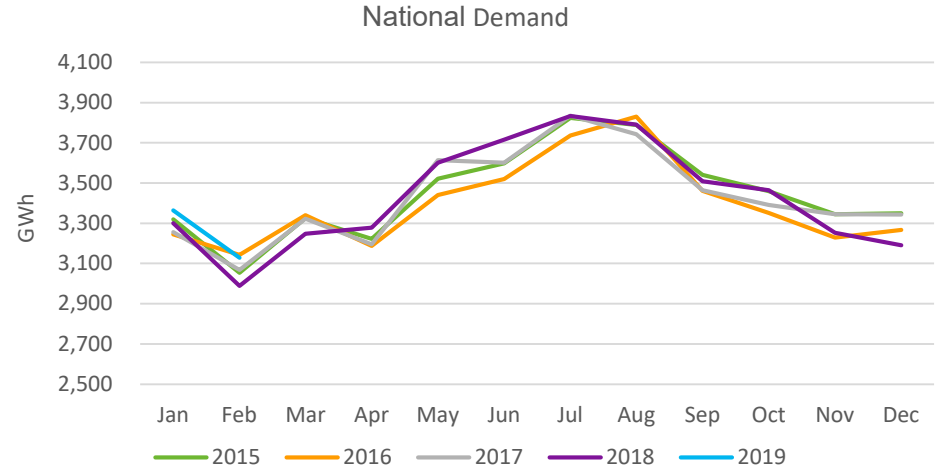
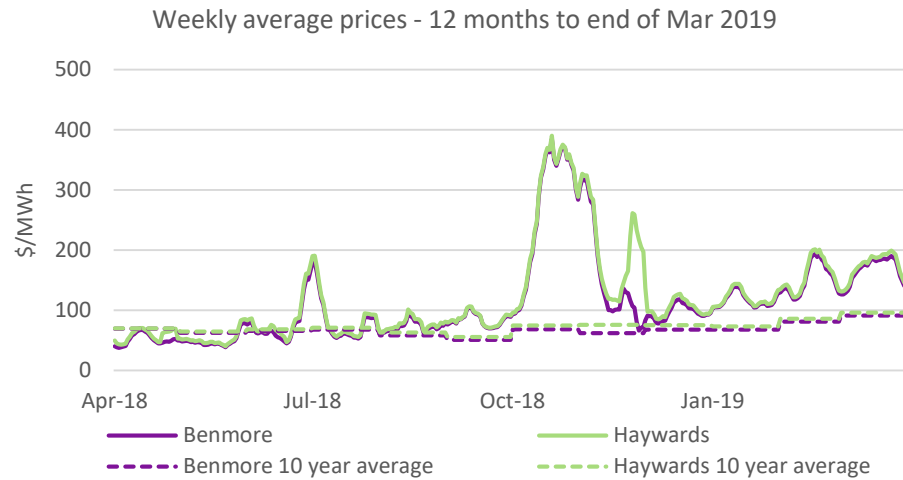


- Issued new 10 year \$100m senior retail bond.
- Our ISP has topped the Netflix speed rankings for the previous two months, despite competitors splitting their results into Fibre-only and DSL-only.
- Our smart metering deployment programme continues with ~7,800 meters deployed at the end of March 2019.

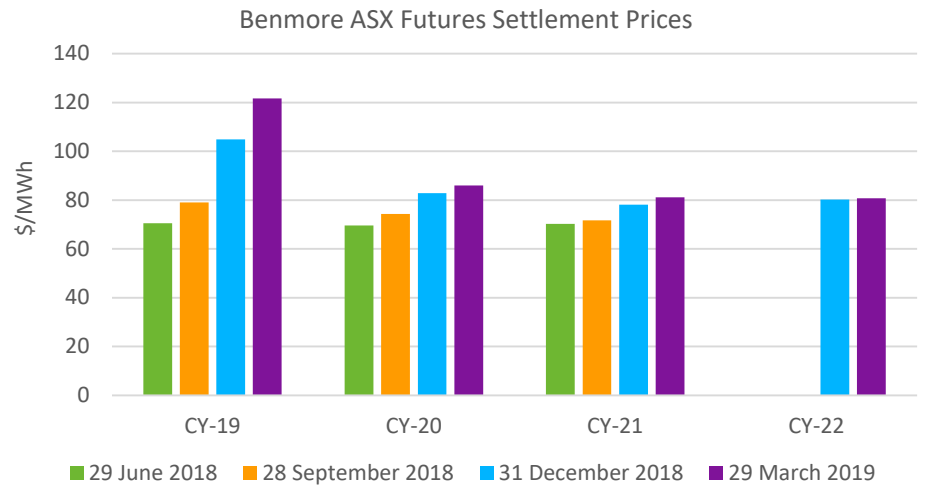
# Wholesale electricity market



SOURCE: NZX Hydro

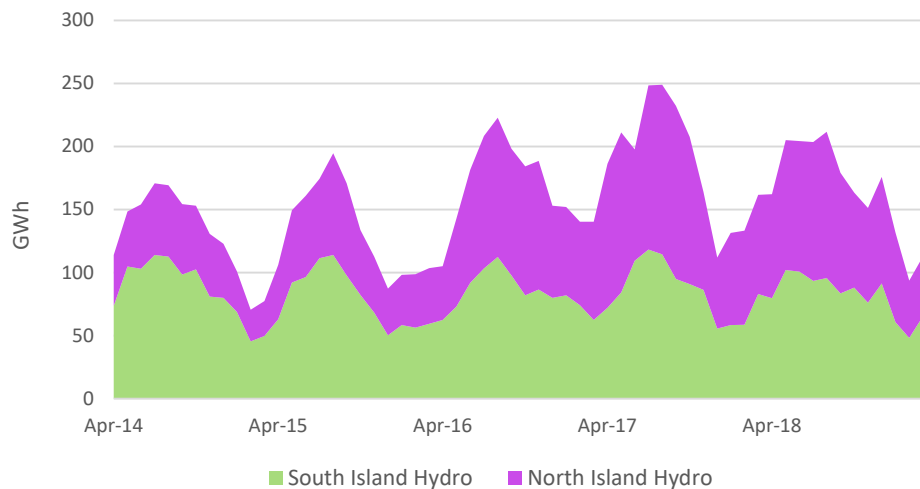


SOURCE: Electricity Authority

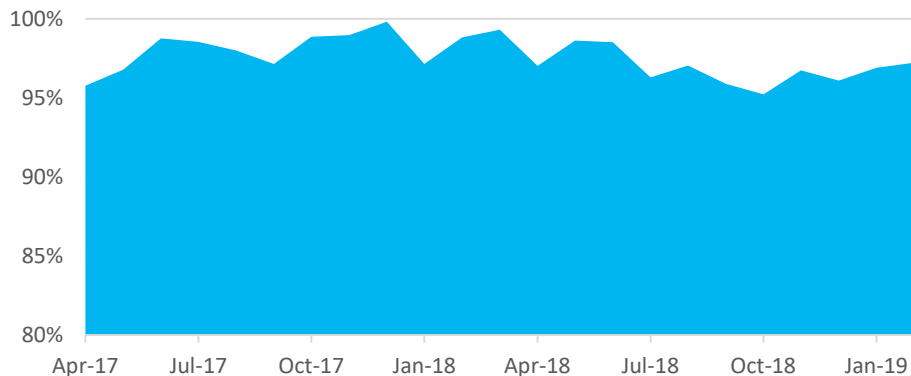


# Generation

Monthly Generation Volumes

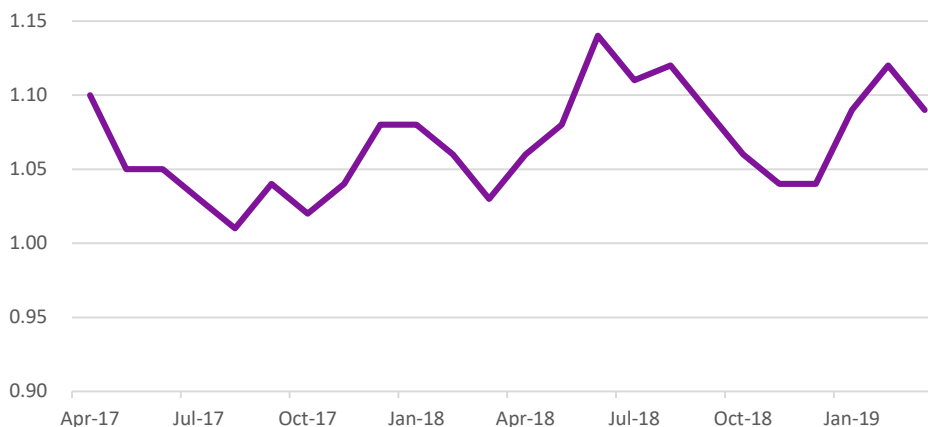


Asset Availability



NOTE: Asset availability for March 2019 not yet available at time of publishing

GWAP / TWAP



\* See glossary for definitions

**Q4-19  
NI Generation**  
↓ **38%**  
vs pcp

**Q4-19  
SI Generation**  
↓ **15%**  
vs pcp

**Q4-19  
GWAP/TWAP**  
**1.08**

**\$164/MWh** New Zealand Load Weighted Average Price (LWAP)

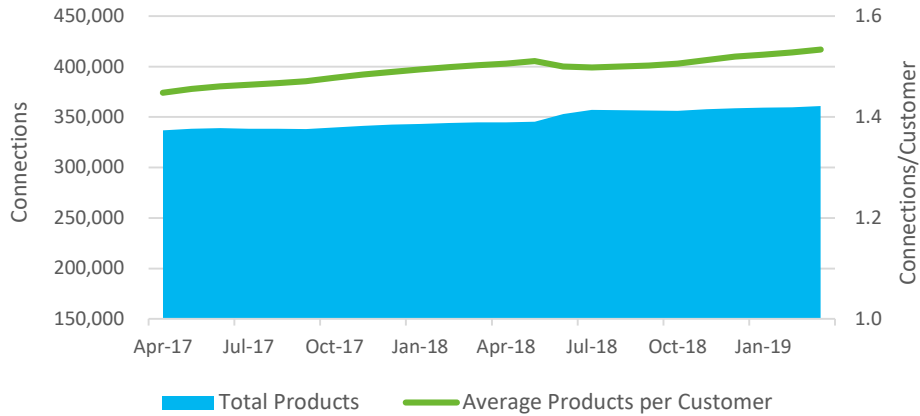
**\$163/MWh** New Zealand Generation Weighted Average Price (GWAP)

NOTE: Q4 Prices

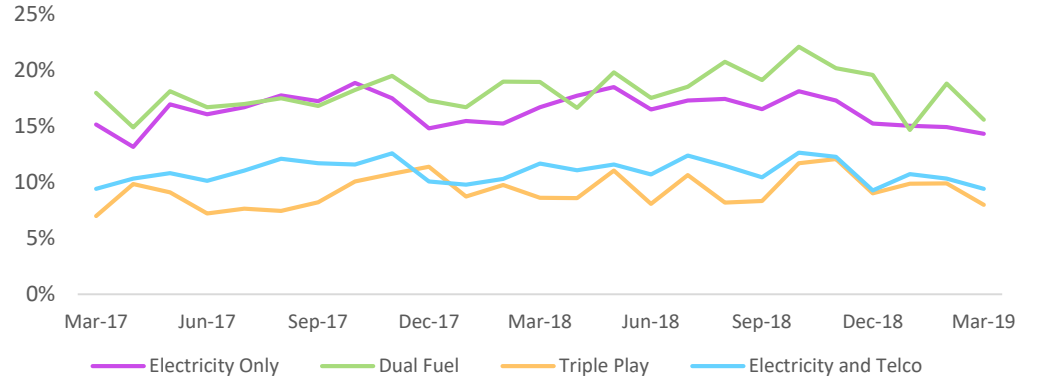


# Retail

### Average Products per Customer

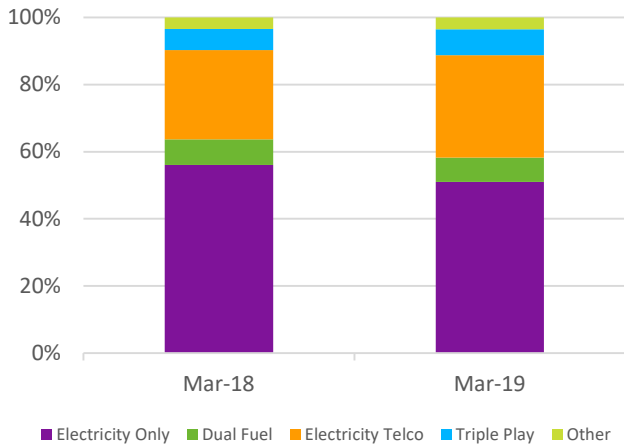


### Electricity Only vs Multi-Product Churn



NOTE: Excludes C&I customers

### Customer Mix

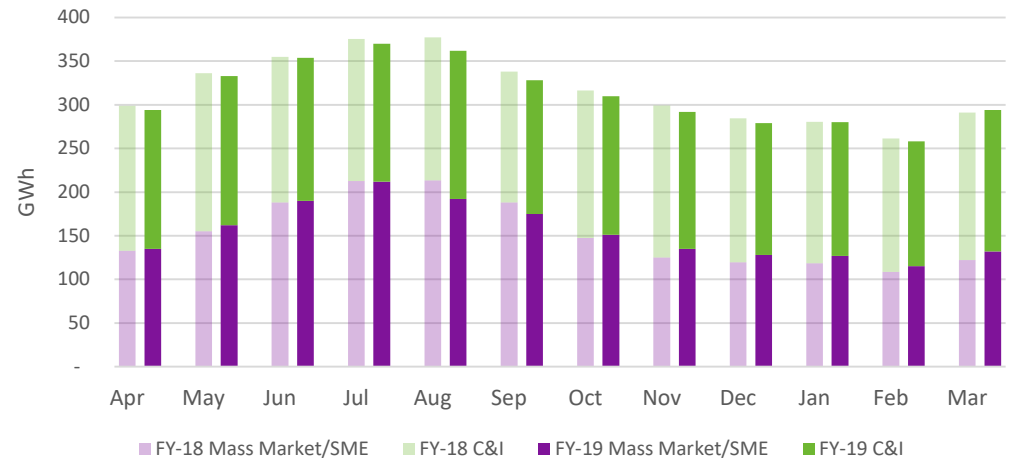


Q4-19 acquisitions  
- 2+ products  
**82%**

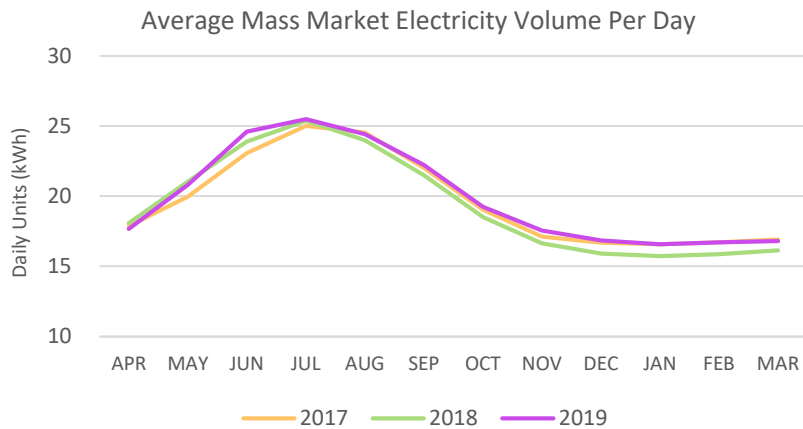
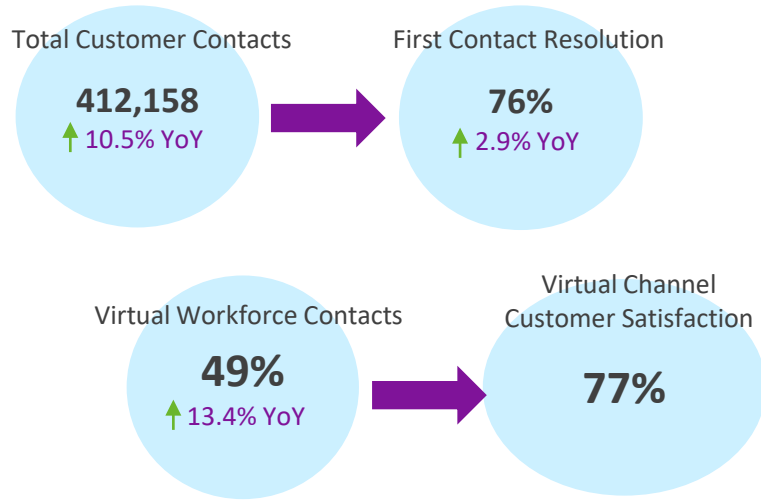
YoY customers  
taking 2+  
products  
**↑7.5%**

\* See glossary for definitions

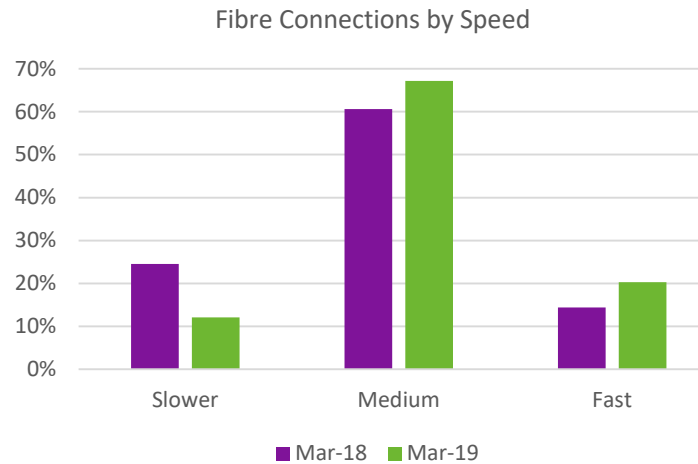
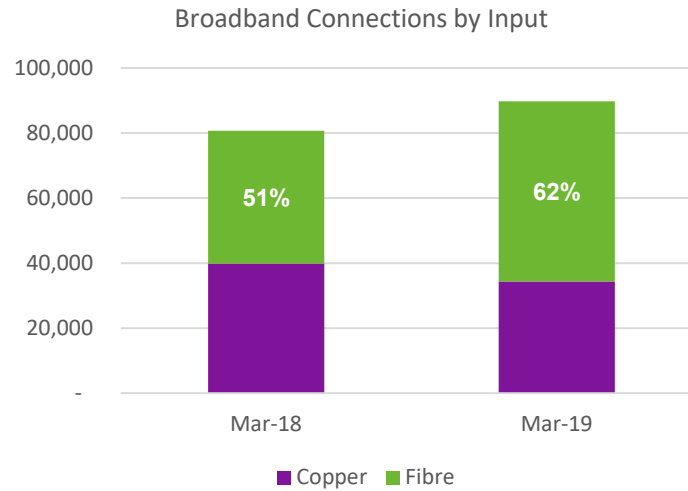
### Total Retail Sales Volumes



# Retail



\* See glossary for definitions



**NZ UFB Market Share**  
**7.2%**

**YoY Total Data Usage**  
**↑ 43%**

**Netflix Ranking**

Jan-19: **2<sup>nd</sup>**

Feb-19: **1<sup>st</sup>**

Mar-19: **1<sup>st</sup>**

# Operating stats

	Q1 FY-17	Q1 FY-18	Q1 FY-19	Q2 FY-17	Q2 FY-18	Q2 FY-19	Q3 FY-17	Q3 FY-18	Q3 FY-19	Q4 FY-17	Q4 FY-18	Q4 FY-19
<b>Customers, Sales and Service</b>												
Electricity connections (000s)	279	276	270	278	273	270	279	273	269	276	273	267
Telecommunication connections (000s)	66	79	89	69	80	91	73	85	94	76	87	96
Gas connections (000s)	35	37	38	34	37	38	35	37	38	36	37	39
Total utility accounts	380	392	397	378	390	399	384	395	401	385	397	402
Customers with two or more services (000s)	82	94	101	84	94	102	88	98	105	90	100	107
Mass market sales - Fixed Price (GWh)	481	476	488	585	614	579	437	392	414	392	349	364
Time of use sales - Fixed Price (GWh)	201	227	216	216	199	218	211	239	227	207	233	219
Time of use sales - Spot (GWh)	332	287	272	320	279	263	304	269	240	288	251	246
<b>Total customer sales (GWh)</b>	<b>1,014</b>	<b>990</b>	<b>976</b>	<b>1,121</b>	<b>1,092</b>	<b>1,060</b>	<b>952</b>	<b>900</b>	<b>881</b>	<b>887</b>	<b>833</b>	<b>829</b>
Average spot price of electricity purchased (\$/MWh)	63	79	80	55	97	88	47	96	207	52	87	164
Gas Sales (TJ)	258	308	303	406	406	384	192	185	194	157	113	125
Annualised electricity ICP churn rate*	16%	21%	20%	18%	21%	20%	18%	19%	20%	16%	16%	15%
Annualised electricity ICP churn rate - total market*	21%	21%	21%	21%	23%	23%	20%	21%	22%	18%	19%	17%
<b>Generation Production and Procurement</b>												
North Island generation production (GWh)	203	330	289	315	402	322	278	251	235	214	226	164
South Island generation production (GWh)	227	266	282	314	327	273	248	233	255	218	200	174
<b>Total New Zealand generation production (GWh)</b>	<b>430</b>	<b>596</b>	<b>571</b>	<b>629</b>	<b>729</b>	<b>595</b>	<b>526</b>	<b>484</b>	<b>490</b>	<b>432</b>	<b>426</b>	<b>338</b>
Average spot price of electricity generated (\$/MWh)	60	81	78	58	101	87	46	88	200	49	83	163
Net third party fixed price volume purchased (GWh)	448	409	423	423	361	348	366	348	319	489	421	373
<b>Other Information</b>												
Resource consent non-compliance events**	3	2	4	2	1	2	3	2	2	6	3	2
Recordable Injuries	3	9	4	3	7	3	7	7	2	13	7	4
Staff numbers (full time equivalents)	787	782	805	813	787	798	796	803	801	786	803	818

\* Churn statistics are calculated using market data available up to February 2019

\*\* Events are recorded only when they have been confirmed as non-compliance events by the relevant regulatory authority. The number of historically reported non-compliant events are subject to change given timings in confirmation of non-compliance.



# Operating stats

	YTD FY-17	YTD FY-18	YTD FY-19	Full Year FY-17	Full Year FY-18	Full Year FY-19
<b>Customers, Sales and Service</b>						
Electricity connections (000s)	276	273	267	276	273	<b>267</b>
Telecommunication connections (000s)	76	87	96	76	87	<b>96</b>
Gas connections (000s)	36	37	39	36	37	<b>39</b>
Total utility accounts	385	397	402	385	397	<b>402</b>
Customers with two or more services (000s)	90	100	107	90	100	<b>107</b>
Mass market sales - Fixed Price (GWh)	1,895	1,831	1,845	1,895	1,831	<b>1,845</b>
Time of use sales - Fixed Price (GWh)	835	898	880	835	898	<b>880</b>
Time of use sales - Spot (GWh)	1,244	1,086	1,021	1,244	1,086	<b>1,021</b>
<b>Total customer sales (GWh)</b>	<b>3,974</b>	<b>3,815</b>	<b>3,746</b>	<b>3,974</b>	<b>3,815</b>	<b>3,746</b>
Average spot price of electricity purchased (\$/MWh)	55	91	131	55	91	<b>131</b>
Gas Sales (TJ)	1,013	1,012	1,006	1,013	1,012	<b>1,006</b>
Annualised electricity ICP churn rate*	18%	18%	19%	18%	18%	<b>19%</b>
Annualised electricity ICP churn rate - total market*	20%	21%	21%	20%	21%	<b>21%</b>
<b>Generation Production and Procurement</b>						
North Island generation production (GWh)	1,010	1,209	1,010	1,010	1,209	<b>1,010</b>
South Island generation production (GWh)	1,007	1,026	984	1,007	1,026	<b>984</b>
<b>Total New Zealand generation production (GWh)</b>	<b>2,017</b>	<b>2,235</b>	<b>1,994</b>	<b>2,017</b>	<b>2,235</b>	<b>1,994</b>
Average spot price of electricity generated (\$/MWh)	52	88	125	52	88	<b>125</b>
Net third party fixed price volume purchased (GWh)	1,726	1,539	1,463	1,726	1,539	<b>1,463</b>
<b>Other Information</b>						
Resource consent non-compliance events**	14	8	10	14	8	<b>10</b>
Recordable Injuries	26	30	13	26	30	<b>13</b>
Staff numbers (full time equivalents)	786	803	818	786	803	<b>818</b>

\* Churn statistics are calculated using market data available up to February 2019

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# Glossary

Term	Definition
<b>ACPU</b>	Average Cost Per User. Direct costs (COS) only – does not include CTS
<b>AMPU</b>	Average Margin Per User – difference between ARPU and ACPU
<b>ARPU</b>	Average Revenue Per User. Includes acquisition capitalisation and amortisation
<b>Asset Availability</b>	Total hours asset(s) available or operating/Total hours in month. Excl planned outages.
<b>Bundled Customer</b>	Customer that has 2+ products with Trustpower
<b>C&amp;I</b>	Commercial and Industrial customers
<b>Customer Churn</b>	The rate of attrition of customers expressed as an annualised percentage. Customer churn is only counted if we lose the customer (not individual products or moves).
<b>Customer Contact</b>	A channel agnostic customer interaction where service has been provided
<b>E-Bill</b>	Receives their bill electronically rather than post
<b>EOM</b>	End Of Month

Term	Definition
<b>First contact resolution (FCR)</b>	Where the customers reason for calling is resolved at first point of contact. Does not count if they contact again within 14 days.
<b>FTE</b>	Full Time Equivalent
<b>Gross Margin</b>	Gross Revenue – Direct Cost of Sales
<b>GWAP</b>	Generation Weighted Average Price – Average revenue per unit
<b>GWh</b>	Gigawatt hour(s) – unit of energy
<b>Input</b>	Broadband connections segmented by delivery type
<b>ISP</b>	Internet Service Provider
<b>KCE</b>	King Country Energy
<b>LY</b>	Last year
<b>LWAP</b>	Load Weighted Average Price – Average cost of energy per unit for the retail business

# Glossary

Term	Definition
<b>Main lakes</b>	Waipori, Cobb and Coleridge schemes.
<b>Market Share</b>	Total Trustpower fibre connections / total NZ fibre connections.
<b>Mbps</b>	Megabytes per second (measure of internet data transfer speed)
<b>MM</b>	Mass Market customers
<b>MWh</b>	Megawatt hour(s) – unit of energy
<b>Netflix Ranking</b>	Published monthly on <a href="https://www.ispspeedindex.netflix.com/country/new-zealand">ispspeedindex.netflix.com/country/new-zealand</a>
<b>NI</b>	North Island
<b>OPEX</b>	Operating expenditure
<b>Pcp</b>	Prior corresponding period
<b>PoP</b>	A physical location that houses telco equipment
<b>Recordable Injury</b>	Lost Time and Medical Treatment Injuries

Term	Definition
<b>Rev</b>	Revenue
<b>SI</b>	South Island
<b>SME</b>	Small-Medium Enterprise
<b>Speed</b>	Slower: <100 Mbps, Medium: 100 Mbps, Fast: >100 Mbps
<b>TRIFR</b>	Total Reportable Injury Frequency Rate. Measured per 200,000 hours.
<b>TWAP</b>	Time-Weighted Average Price
<b>Var</b>	Variance
<b>Virtual Channel Customer Satisfaction</b>	The satisfaction rating of digital channels that are non-staffed (including Bot , App and Virtual Agents)
<b>Virtual workforce contact</b>	Contact not handled by a person – e.g. Chabot, self service.
<b>YoY</b>	Year-On-Year
<b>YTD</b>	Year-To-Date

The logo for Trust power features the words "Trust" and "power" stacked vertically in a white, sans-serif font. The text is centered within a cluster of four overlapping circles in shades of green, blue, purple, and orange. The circles are semi-transparent, creating a layered effect.

**Trust**  
**power**™



## Contact

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/ Chief Financial Officer & Company Secretary

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The logo for bomet features the word "bomet" in a white, lowercase, sans-serif font. It is positioned at the bottom center of the slide, partially overlapping a large, semi-transparent circle that is part of a decorative graphic at the bottom of the page.

**bomet**™