



## MEDIA RELEASE

For immediate release

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### Strong performance in both retail and generation contribute to Trustpower's positive result for FY2021

FY2021 Financial Results Summary:

	FY2021	FY2020	CHANGE %
Profit after tax from continuing operations (\$M)	30.7	97.6	-69
Operating Earnings EBITDAF* (\$M)	200.2	186.5	+7
Retail Earnings EBITDAF* (\$M)	47.0	35.3	+33
NZ Generation Earnings EBITDAF* (\$M)	154.1	154.2	-0
Underlying Earnings after tax** (\$M)	94.2	75.5	+25
Operating cash flow (\$M)	161.3	153.1	+5
Generation volume (GWh)	1,708	1,759	-3
Fully imputed dividend (Cents)	18.5	15.5	+19
Underlying Earnings** per share (Cents)	30.1	24.1	+25

Trustpower Limited (NZX: TPW) today announced its financial results for the year ended 31 March 2021, seeing off the challenges of 2020 to deliver a seven percent increase in EBITDAF\*.

Both the retail and generation operations contributed to the strong result. Retail earnings increased 33 percent on the previous year, from \$35.3 million to \$47.0 million, with the introduction of mobile to the company's bundled product offering and continued customer migration to higher value broadband plans seeing a significant increase in telco revenue.

Generation delivered a solid EBITDAF\* of \$154.1 million, in line with the previous year, despite extended dry sequences seeing inflows only reach 83 percent of average levels.

"Trustpower's balanced portfolio of geographically dispersed assets, an ongoing commitment to asset enhancement, and astute placement of product to market has seen us recover from a reduced half year result to end the year in line with last year," says Trustpower chief executive David Prentice.

The year included a number of significant operational achievements, which saw the company delivering on previously stated ambitions and demonstrating a responsiveness to the changing post-COVID operating environment. Highlights include:

- The stand up of the Amazon Connect telephony system in just ten days to enable quality customer service and sales operations while working from home.
- The continued expansion of Trustpower's ISP infrastructure from the USA into Singapore, delivering an improved customer experience that is cost effective.
- The addition of mobile to Trustpower's bundled product set with strong weekly growth rates.

- Launch of the ‘Meant to be together’ brand advertising campaign, reinforcing Trustpower’s position as the market leader in bundled utility products.
- The launch of a voice of customer programme to track, understand and remedy pain points in the customer experience journey, as part of a commitment to customer-centricity.
- Successful execution of asset maintenance and enhancements despite ongoing COVID-19 Alert Level changes throughout the year.
- Enhancements at Waipori, Cobb and Kumara contributing an additional 9.5GWh in annual generation volumes.

Trustpower Chair Paul Ridley-Smith says the strong performance of each operation reaffirmed the Board’s decision to explore the potential sale of the retail business and establishment of a standalone generation business.

“We firmly believe in the growth potential of both the generation and retail businesses. These results confirm that both generation and retail are sound operations that could thrive independently of each other.”

## **STRATEGIC REVIEW**

On 28 January 2021 [Trustpower announced a strategic review of its retail business](#). This review is aimed at testing market interest in the sale of its mass market retail business and exploring the business case for a standalone generation business. On 28 April 2021 Trustpower announced its intention to enter into due diligence with a number of interested parties to further explore the possible sale of the retail business. At the time of this announcement the process remains ongoing.

## **DIVIDEND**

Mr Ridley-Smith announced the Board has approved a fully imputed dividend of 17.0 cents per share, as well as a one-off special dividend of 1.5 cents per share, also fully imputed. Mr Ridley-Smith says the special dividend is a ‘catch up’ on the previous year where Trustpower declared a reduced dividend of 15.5 cents per share amidst the uncertainty surrounding the impacts of COVID-19.

Together with the interim dividend of 17 cents per share paid in December 2020, this provides a total fully imputed dividend of 35.5 cents per share for the 2021 financial year. The dividend will be paid on 18 June 2021.

## **FY2022 GUIDANCE**

Trustpower will look to provide market guidance once the results of the strategic review are known.

## **ENDS**

**Notes:** FY2021 financial statements for Trustpower Limited have been lodged with NZX and are available from the NZX and Trustpower websites.

## **Contacts**

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## About Trustpower

Trustpower is New Zealand's fifth largest electricity generator and fourth largest energy retailer by market share, with approximately 12% electricity retail market share. It owns 25 hydro power schemes throughout New Zealand with a total installed capacity of 498MW. It operates a multi-product retail business, including electricity, gas and telecommunications products with approximately 265,000 electricity connections, 44,000 gas connections and 112,000 telecommunications connections. For further information see [trustpower.co.nz](http://trustpower.co.nz)

\*EBITDAF (Earnings before interest, tax, depreciation, amortisation, fair value movements of financial instruments, asset impairments and discount on acquisition adjustments) is a non-GAAP financial measure commonly used within the electricity industry as a measure of performance as it shows the level of earnings before the impact of gearing and non-cash charges such as depreciation and amortisation.

\*\*Underlying Earnings is a non GAAP (Generally Accepted Accounting Principles) financial measure. Trustpower believes that this measure is an important additional financial measure to disclose as it excludes movements in the fair value of financial instruments which can be volatile year to year depending on movement in long term interest rate and or electricity future prices. Also excluded in this measure are items considered to be one off and not related to core business such as changes to the company tax rate or impairment of generation assets.