



COVID-19 Update

Trustpower continues to operate well under current lockdown conditions:

- Trustpower is an essential service business and has the significant majority staff working remotely from home, supported by our recent investments in technology and capability, as well as business continuity plans.
- Customer contacts are being handled by agents from home, as well as dedicated staff remaining on site under strict health and safety conditions. Recent automation work and technology improvements mean in the two weeks post lockdown 92% of the 250,000 customer contacts could be handled by automated channels. In addition, Webchat volumes have doubled, and our overall satisfaction ratings are 93% . This is a positive indicator that ensuring our staff could work from home pre a crisis and our investment in automation is ensuring our customers are well serviced during this time.
- Trustpower has been proactively contacting our most vulnerable customers to check their wellbeing, removed data caps for our broadband customers, and taken a number of other proactive steps to ensure our customers facing hardship will continue to have the services and support that they need at this unprecedented time.
- Payments and invoices are being processed remotely with no delays.
- Our generation stations are continuing to perform well, our focus remains on turning around both planned and unplanned outages which are at expected levels. We are also working through our planned maintenance and compliance activities as scheduled.
- Domestic electricity demand is showing a significant increase however this is more than offset by decreases in SME and commercial/Industrial usage. Total national demand is down around 15%.
- Our ISP network has seen significant increases in data demand from people working from home (and increased streaming). The network has more capacity headroom and continues to provide a reliable and consistent service.
- There has been a reduction in actual and forward wholesale electricity prices, particularly in the short term. Trustpower's robust risk mitigation framework is expected to minimise any potential downside to our trading position.
- We continue to monitor and assess all metrics across the business, including cash collection and credit.
- Our strong balance sheet ensures we are well positioned if adverse conditions impact cash flow or profitability.

Key Highlights



- Total products and products per customer continue to grow, with 84% of all customer acquisitions in Q4-20 taking 2 or more products from us. We have seen an 8.4% YoY growth in the number of customers taking 2+ products.
- Energy-only churn has been in decline since late 2018 which is representative of the quality and tenure of the remaining customers in this segment. Remaining energy-only customers are predominantly our low-churn legacy customers who do not yet take telco products from us.
- Mass Market total customer electricity demand was flat with the pcp, whilst C&I demand was down 15.6%. This was primarily due to the loss of some large C&I customers in the period, and the early impacts of COVID and lockdown in March. Mass Market average units per day was flat with the PCP and for the FY-20 financial year in total (vs FY-19).
- We continue to see a shift in customer preference for higher-speed fibre plans, with almost 30% of all our fibre customers taking a 'high speed' product, and 73% of all our customers now on fibre (vs copper).
- 79% of all customer contacts across the period were handled virtually (no human interaction required), up 11% on the pcp. First contact resolution and customer satisfaction levels also remained high, despite a 25% increase in total contacts vs the pcp.



- Total electricity generation volumes were down 50.5 GWh (15%) vs the pcp, with low North Island inflows and low South Island volumes due to suppressed prices disincentivising stored water release.
- We maintained our ability to achieve above-average prices for our generation, with our GWAP/TWAP ratios for the quarter of 1.11 and 1.37 in the North and South Islands respectively. Average GWAP achieved across the quarter was \$79/MWh, 52% lower than the pcp.
- Asset availability (measured as % of potential total) returned to more normal levels across the quarter.

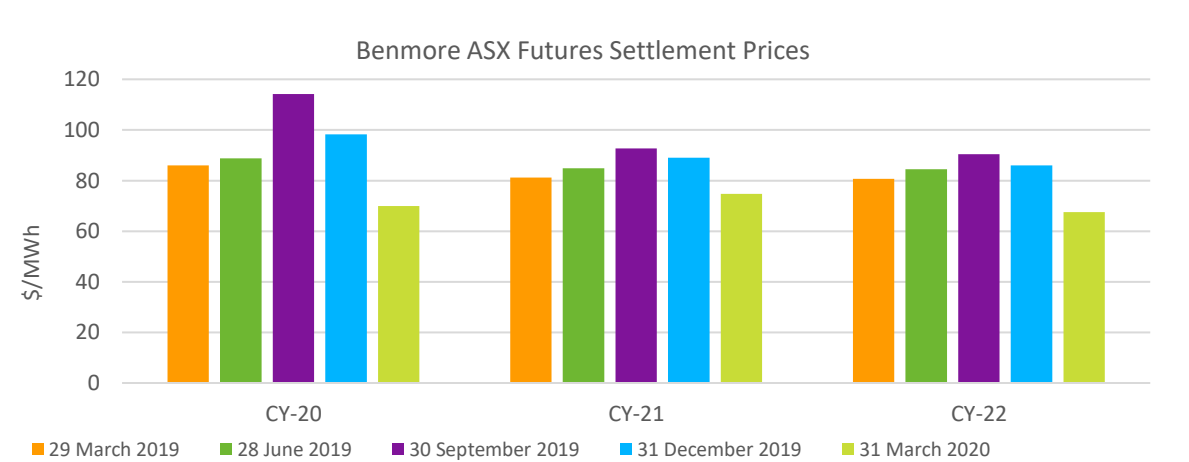
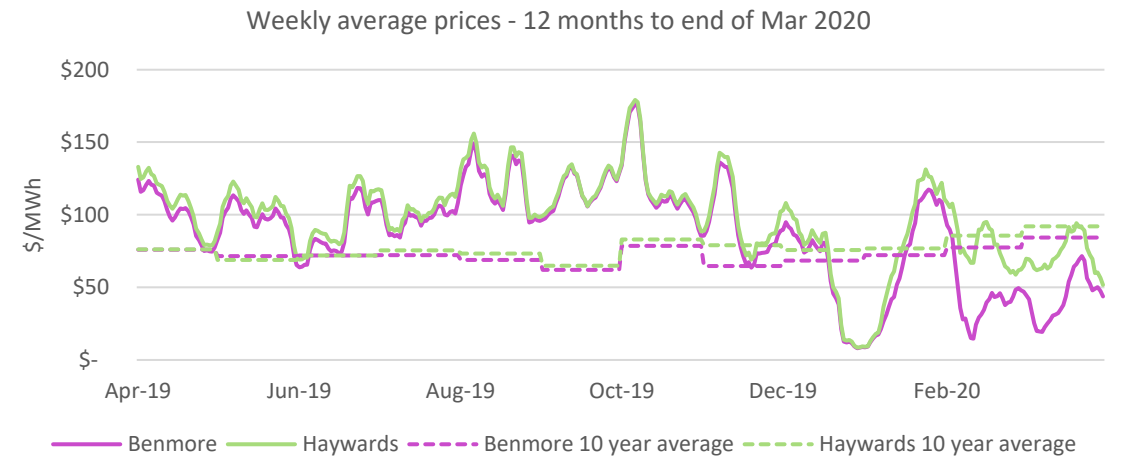
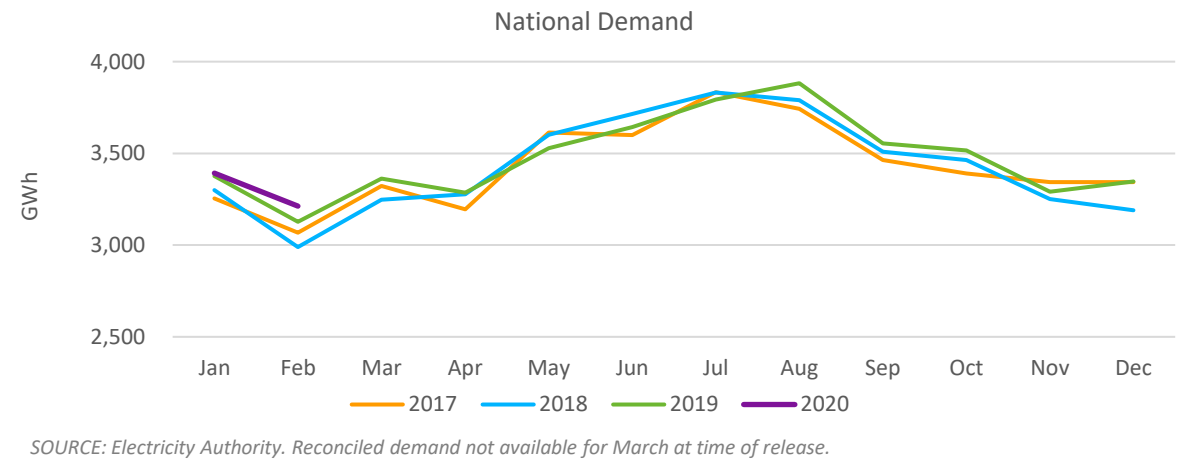
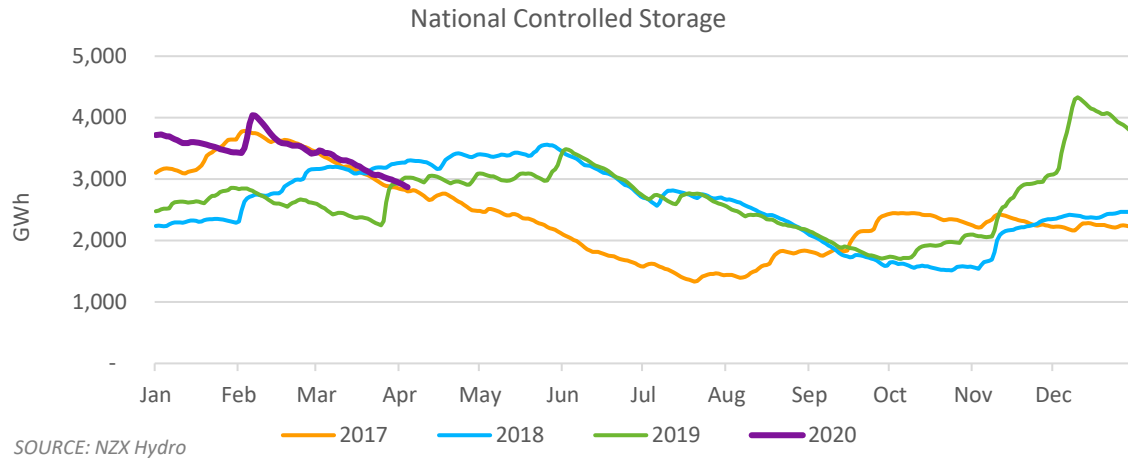


- National Controlled Storage at 31st March 2020 sat at 107% of the 10-year average.
- The onset of the COVID-19 pandemic has seen a material decrease in wholesale forward pricing, particularly in CY-20. Actual pricing since late March has also fallen materially.
- National demand for the start of the calendar year (to 28th February) has been strong, up 1.5% on the pcp, and up 5.0% on the same period for 2018.



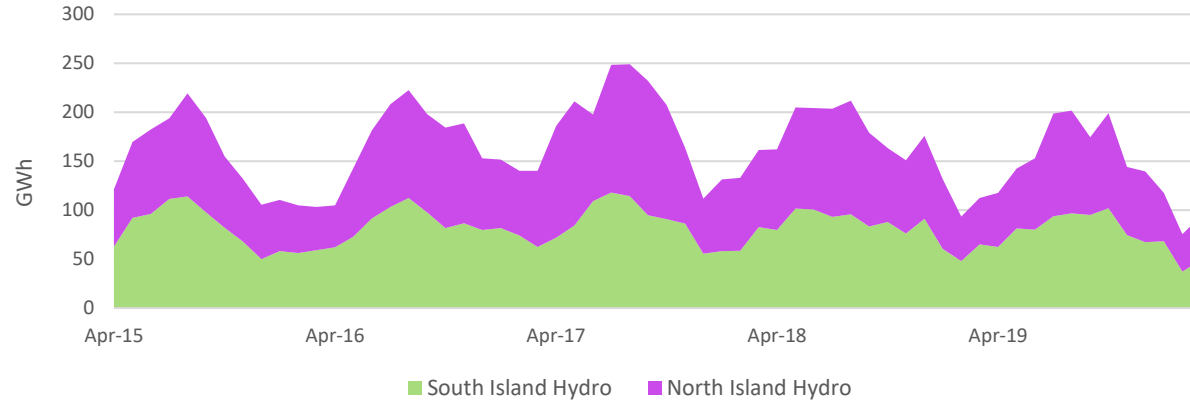
- Our Mobile Project remains on target for an early May delivery, the vast majority of development is complete and the staff trial we have underway is going well.

Wholesale electricity market

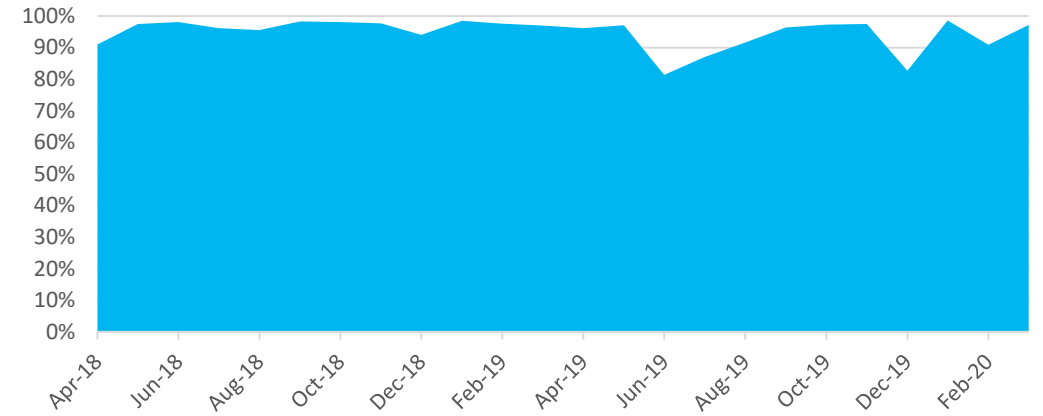


Generation

Monthly Generation Volumes



Percentage of Potential Revenue Achieved



**Q4-20
NI Generation**

↓ 20%
vs pcp

**Q4-20
SI Generation**

↓ 11%
vs pcp

Q4-20 GWAP/TWAP

NI 1.11
SI 1.37

\$80/MWh

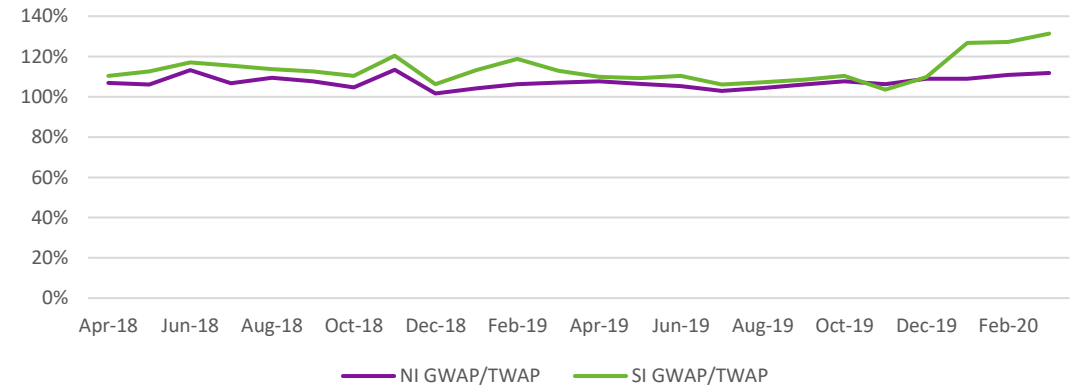
New Zealand Load Weighted Average Price (LWAP)

\$79/MWh

New Zealand Generation Weighted Average Price (GWAP)

NOTE: Q4 Prices

GWAP / TWAP

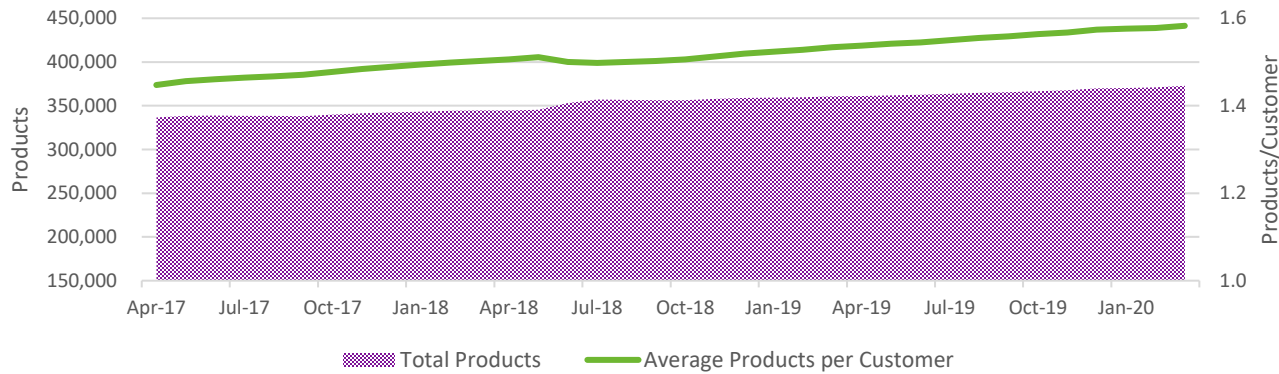


* See glossary for definitions

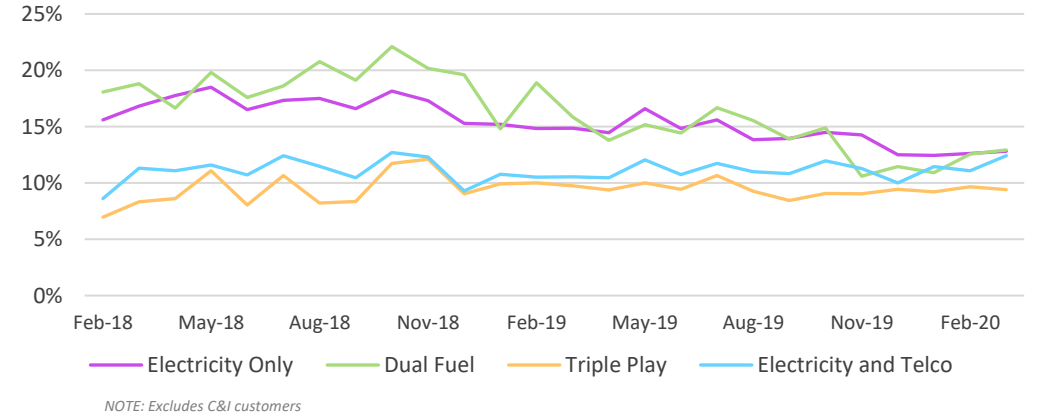


Retail

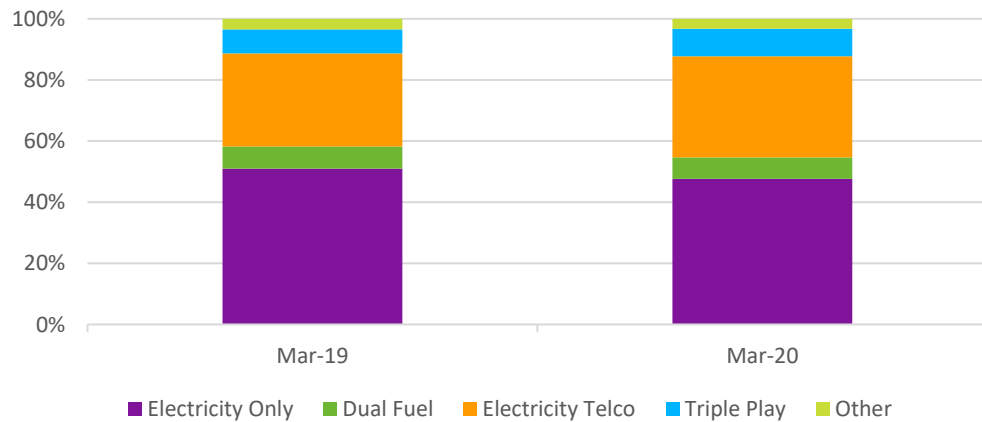
Average Products per Customer



Electricity Only vs Multi-Product Churn



Customer Mix



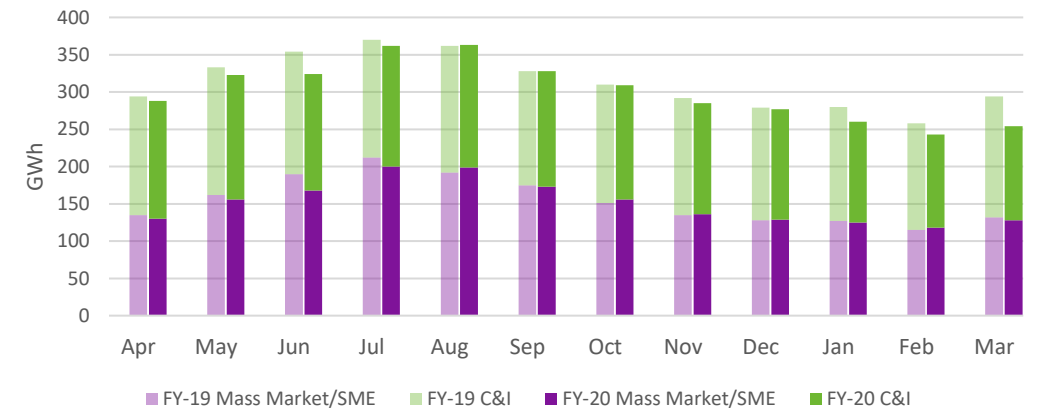
Q4-20 acquisitions
- 2+ products

84%

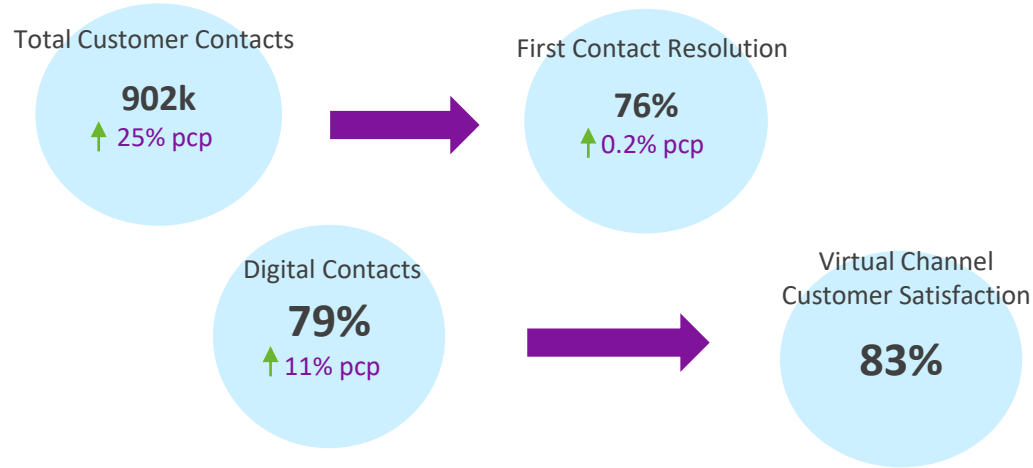
YoY customers
taking 2+
products

↑ 8.0%

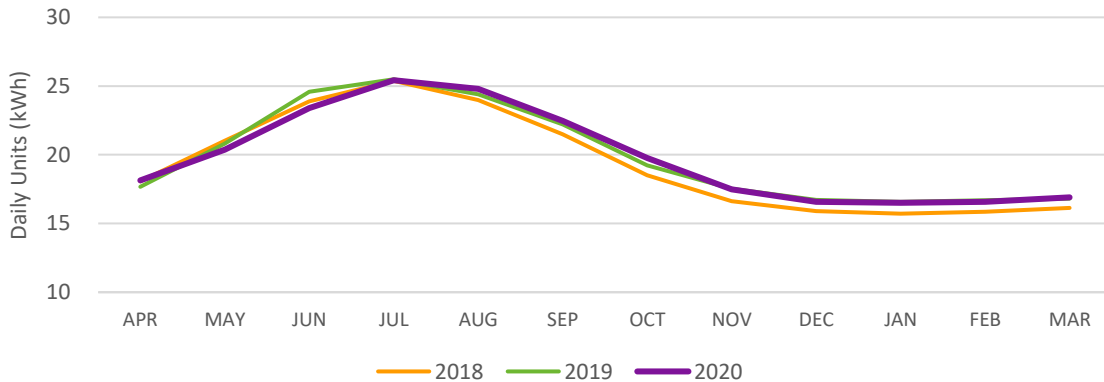
Total Retail Sales Volumes



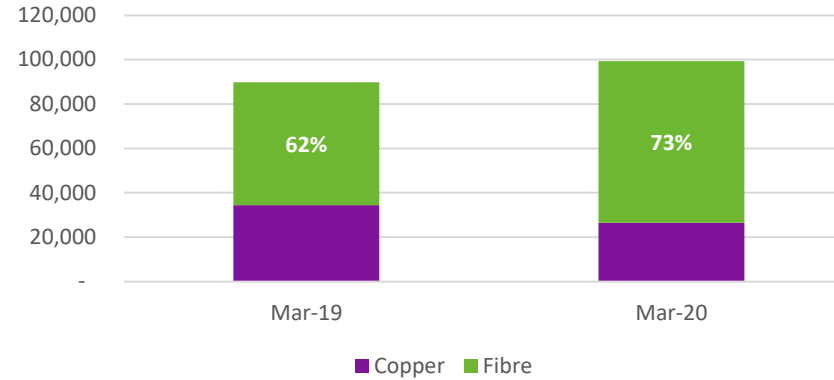
Retail



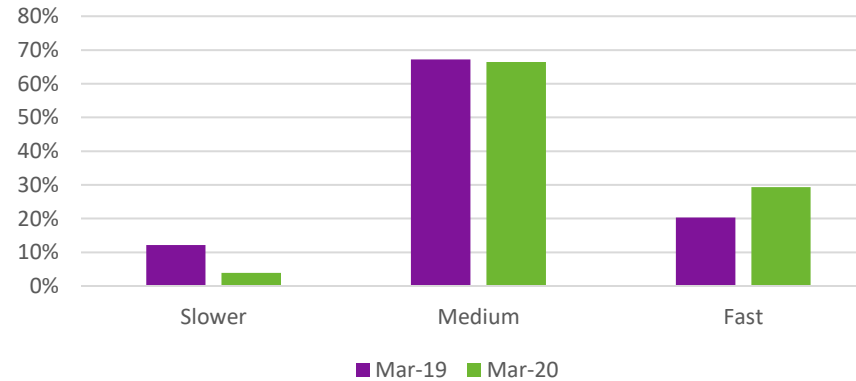
Average Mass Market Electricity Volume Per Day



Broadband Connections by Input



Fibre Connections by Speed



**NZ UFB
Market Share**

7.1%

NOTE: Estimate at Mar-20

**Total Data
Usage (vs pcp)**

↑ 68%

**Total Data
Usage per
customer (vs pcp)**

↑ 51%



Operating stats

	Q1 FY-18	Q1 FY-19	Q1 FY-20	Q2 FY-18	Q2 FY-19	Q2 FY-20	Q3 FY-18	Q3 FY-19	Q3 FY-20	Q4 FY-18	Q4 FY-19	Q4 FY-20
Customers, Sales and Service												
Electricity connections (000s)	276	270	266	273	270	266	273	269	266	273	267	266
Telecommunication connections (000s)	79	89	98	80	91	100	85	94	101	87	96	104
Gas connections (000s)	37	38	39	37	38	40	37	38	40	37	39	41
Total utility accounts (000s)	392	397	403	390	399	406	395	401	406	397	402	411
Customers with two or more services (000s)	94	101	109	94	102	111	98	105	114	100	107	116
Mass market sales - Fixed Price (GWh)	476	488	453	614	579	572	392	414	421	349	364	371
Time of use sales - Fixed Price (GWh)	227	216	210	199	218	208	239	227	223	233	219	185
Time of use sales - Spot (GWh)	287	272	271	279	263	275	269	240	224	251	246	202
Total customer sales (GWh)	990	976	934	1,092	1,060	1,055	900	881	868	833	829	758
Average spot price of electricity purchased (\$/MWh)	79	80	115	97	88	126	96	207	105	87	164	80
Gas Sales (TJ)	308	303	266	406	384	370	185	194	196	113	125	154
Annualised electricity ICP churn rate*	21%	20%	18%	21%	20%	18%	19%	19%	17%	17%	17%	17%
Annualised electricity ICP churn rate - total market*	21%	22%	20%	23%	22%	22%	21%	21%	19%	20%	19%	19%
Generation Production and Procurement												
North Island generation production (GWh)	330	289	189	402	322	289	251	235	238	226	164	132
South Island generation production (GWh)***	266	282	224	327	272	286	233	256	244	200	174	155
Total New Zealand generation production (GWh)	596	571	413	729	595	575	484	490	483	426	338	287
Average spot price of electricity generated (\$/MWh)	81	78	110	101	87	122	88	200	103	83	163	79
Net third party fixed price volume purchased (GWh)***	409	423	393	361	348	387	348	319	346	421	373	386
Other Information												
Resource consent non-compliance events**	2	4	6	1	2	3	2	2	6	3	2	6
Recordable Injuries	9	4	0	7	3	2	7	2	1	7	4	0
Staff numbers (full time equivalents)	782	805	779	787	798	812	803	801	814	803	818	809

* Churn statistics are calculated using market data available up to February 2020

** 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.

*** Minor changes made to some historical figures due to calculation errors or rounding

Operating stats

	Full Year FY-18	Full Year FY-19	Full Year FY-20
Customers, Sales and Service			
Electricity connections (000s)	273	267	266
Telecommunication connections (000s)	87	96	104
Gas connections (000s)	37	39	41
Total utility accounts	397	402	411
Customers with two or more services (000s)	100	107	116
Mass market sales - Fixed Price (GWh)	1,831	1,845	1,817
Time of use sales - Fixed Price (GWh)	898	880	826
Time of use sales - Spot (GWh)	1,086	1,021	972
Total customer sales (GWh)	3,815	3,746	3,615
Average spot price of electricity purchased (\$/MWh)	91	131	109
Gas Sales (TJ)	1,012	1,006	986
Annualised electricity ICP churn rate*	18%	19%	17%
Annualised electricity ICP churn rate - total market*	21%	21%	20%
Generation Production and Procurement			
North Island generation production (GWh)	1,209	1,010	849
South Island generation production (GWh)	1,026	984	910
Total New Zealand generation production (GWh)	2,235	1,994	1,759
Average spot price of electricity generated (\$/MWh)	88	125	107
Net third party fixed price volume purchased (GWh)	1,539	1,463	1,512
Other Information			
Resource consent non-compliance events**	8	10	21
Recordable Injuries	30	13	3
Staff numbers (full time equivalents)	803	818	809

* Churn statistics are calculated using market data available up to February 2020

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Glossary

Term	Definition
ACPU	Average Cost Per User. Direct costs (COS) only – does not include CTS
AMPU	Average Margin Per User – difference between ARPU and ACPU
ARPU	Average Revenue Per User. Includes acquisition capitalisation and amortisation
Asset Availability	Total hours asset(s) available or operating/Total hours in month. Excl planned outages.
Bundled Customer	Customer that has 2+ products with Trustpower
C&I	Commercial and Industrial customers
Customer Churn	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).
Customer Contact	A channel-agnostic interaction with a customer
Digital Contact	% of customer interactions that are via digital channels. Note: prior to September 2019 Trustpower only reported digital contacts that it considered displaced a staffed contact. In line with industry practice we now report all digital contacts.
E-Bill	Receives their bill electronically rather than post

Term	Definition
EOM	End Of Month
First contact resolution (FCR)	Where the customer's reason for contacting is resolved at first point of contact. Does not count if they contact again within 14 days.
FTE	Full Time Equivalent
Gross Margin	Gross Revenue – Direct Cost of Sales
GWAP	Generation Weighted Average Price – Average revenue per unit reference to Benmore for South Island and Whakamaru for North Island
GWh	Gigawatt hour(s) – unit of energy
Input	Broadband connections segmented by delivery type
ISP	Internet Service Provider
KCE	King Country Energy
LY	Last year

Glossary

Term	Definition
LWAP	Load Weighted Average Price – Average cost of energy per unit for the retail business
Main lakes	Waipori, Cobb and Coleridge schemes.
Market Share	Total Trustpower fibre connections / total NZ fibre connections.
Mbps	Megabytes per second (measure of internet data transfer speed)
MM	Mass Market customers
MWh	Megawatt hour(s) – unit of energy
Netflix Ranking	Published monthly on ispspeedindex.netflix.com/country/new-zealand
NI	North Island
OPEX	Operating expenditure
Pcp	Prior corresponding period
Percentage of Potential Revenue Achieved	Total monthly Trustpower (excluding KCE) generation spot revenue less the value of lost market revenue due to outages, expressed as a percentage.
PoP	A physical location that houses telco equipment. (Point of Presence)

Term	Definition
Product	Electricity, Telco, Gas, or LPG. If one customer has multiple connections for a product, the product only counts once.
Recordable Injury	Lost Time and Medical Treatment Injuries
Rev	Revenue
SI	South Island
SME	Small-Medium Enterprise
Speed	Slower: <100 Mbps, Medium: 100 Mbps, Fast: >100 Mbps
TRIFR	Total Reportable Injury Frequency Rate. Measured per 200,000 hours.
TWAP	Time-Weighted Average Price
Var	Variance
Virtual Channel Customer Satisfaction	The satisfaction rating of digital channels that are non-staffed (including Bot, App and Virtual Agents)
YoY	Year-On-Year
YTD	Year-To-Date



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