

Quarterly Operating Report | Q1-23 | June 2022



Quarterly Insights

ASX curve lifts, spot prices stay high

Forward ASX pricing rose over the quarter in all forward years by around 12-15%. This follows large increases in the preceding quarter of ~35%. Spot pricing over the period remained elevated, averaging close to \$200/MWh.

Scheme inflows

April and May were particularly challenging months, with inflows being 29% and 25% below average respectively. June inflows recovered significantly to be 29% above average. Total quarterly inflows were 5% below average.

Generation volumes impacted

Total Q1-23 generation volumes were 419 GWh (3% lower than the pcp), impacted by lower inflows noted above. The pcp was also impacted by lower-than-average inflows (3% below average).

C&I customer volumes

The graphic in slide 5 highlights the impact of nationwide lockdowns due to COVID-19. April volumes in FY-21 are substantially lower than both FY-22 and FY-23, with a similar but smaller variance for Aug-Sep FY-22 v FY-21, due to the extended lockdown period for Auckland and Northland.

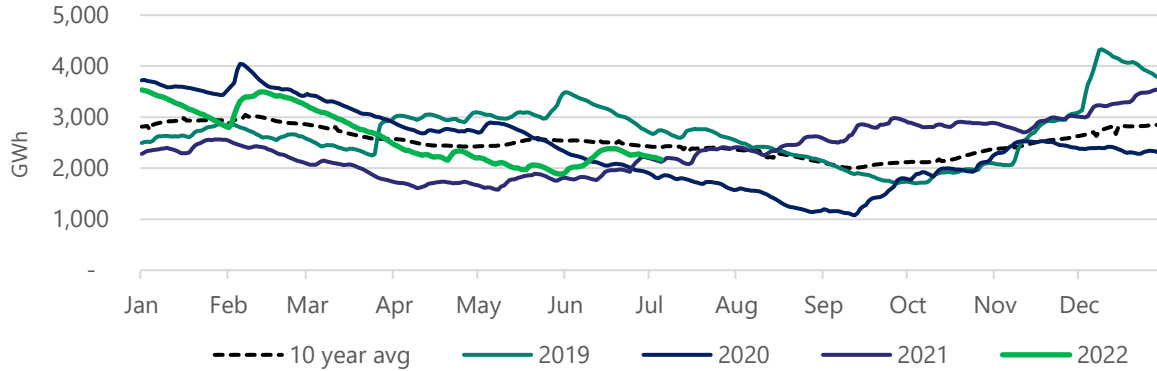
Customer volumes are down in the most recent quarter (vs the pcp). This is driven by both reduced consumption for those customers who were current across all periods, plus customer losses in the intervening months.

Storage

National storage declined considerably during the quarter; however, the return of strong inflows has levels now sitting at 92% of the ten-year average. Manawa controlled storage is also strongly positioned, sitting at 103% of average.

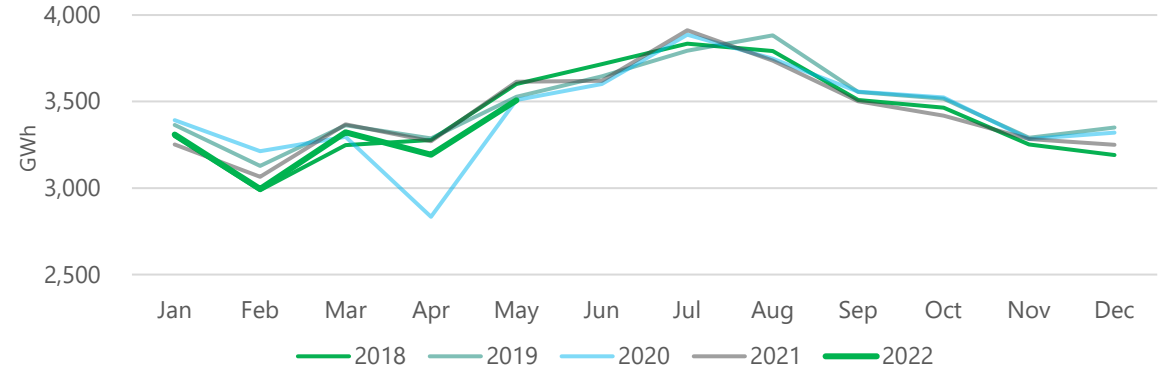
Wholesale Electricity Market

National Controlled Storage



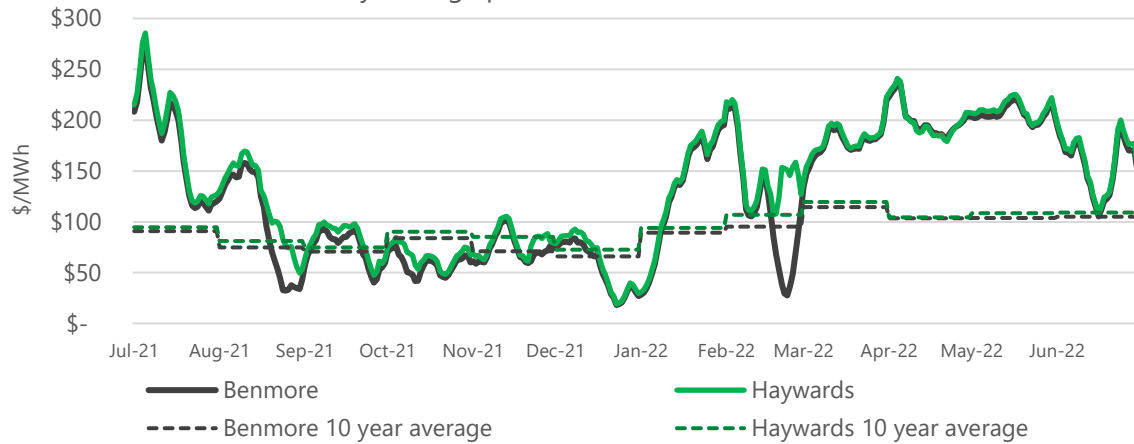
SOURCE: NZX Hydro

National Demand

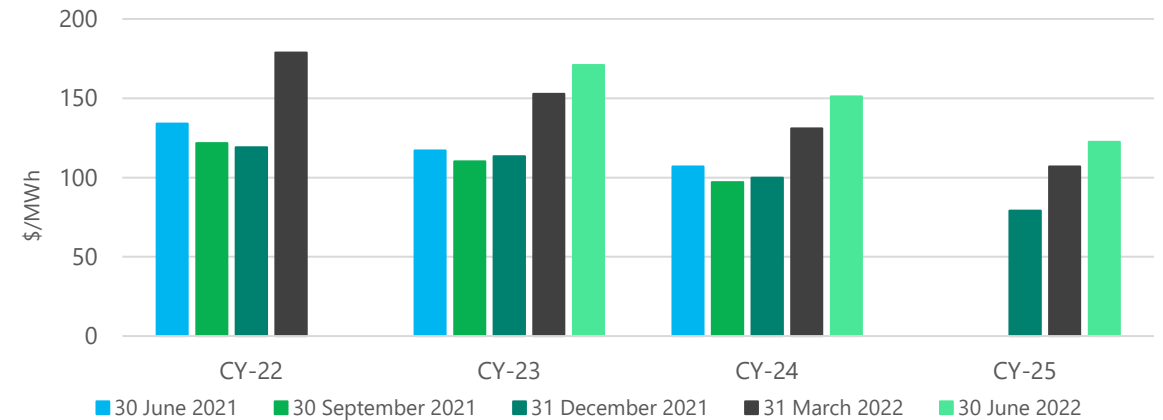


SOURCE: Electricity Authority. Reconciled demand not available for June at time of release.

Weekly average prices - 12 months to end of Jun 2022

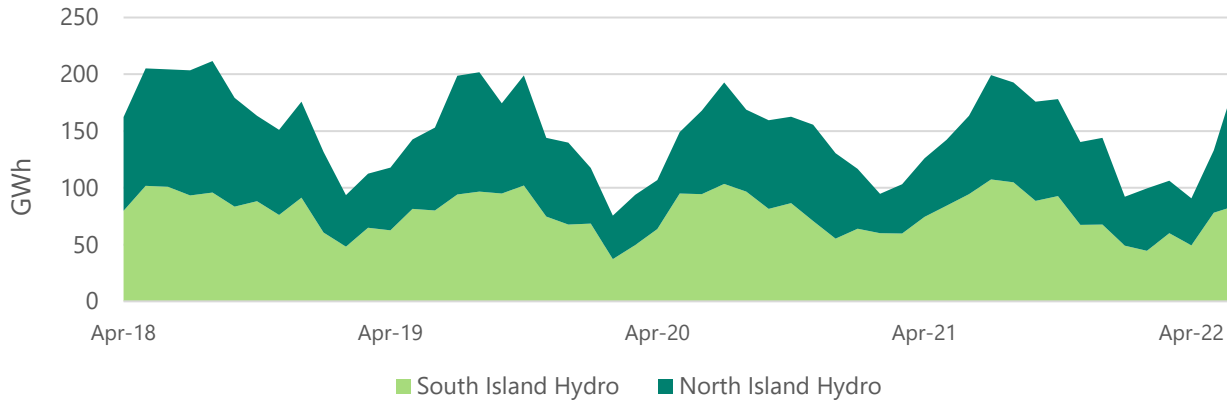


Benmore ASX Futures Settlement Prices

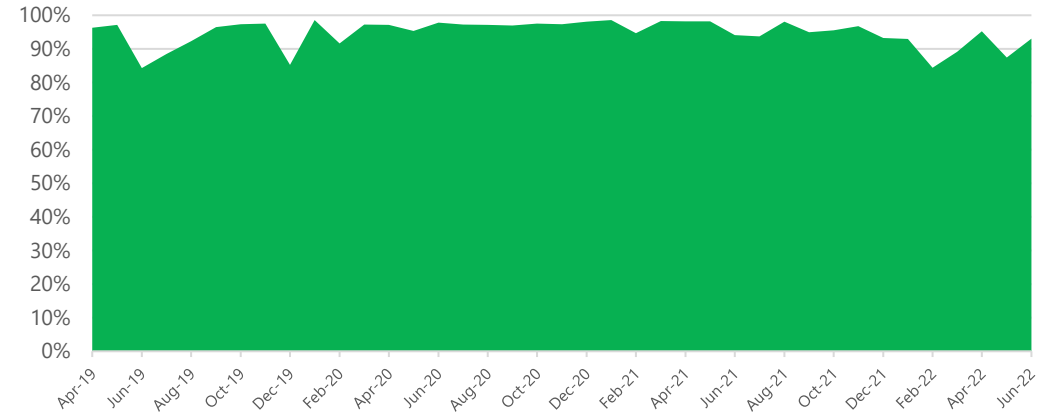


Generation

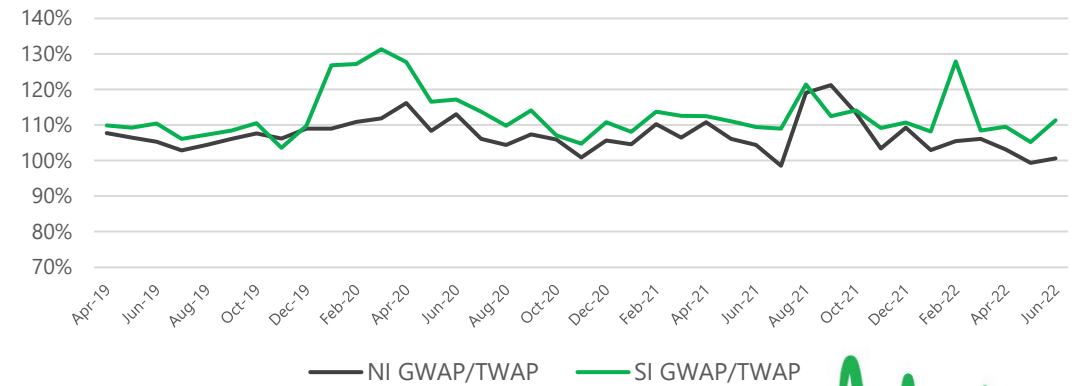
Monthly Generation Volumes



Percentage of Potential Revenue Achieved



GWAP / TWAP



**Q1-23
NI Generation**
↑16%
vs pcp

**Q1-23
SI Generation**
↓16%
vs pcp

Q1-23 GWAP/TWAP
NI **1.01**
SI **1.11**

\$201/MWh
\$189/MWh

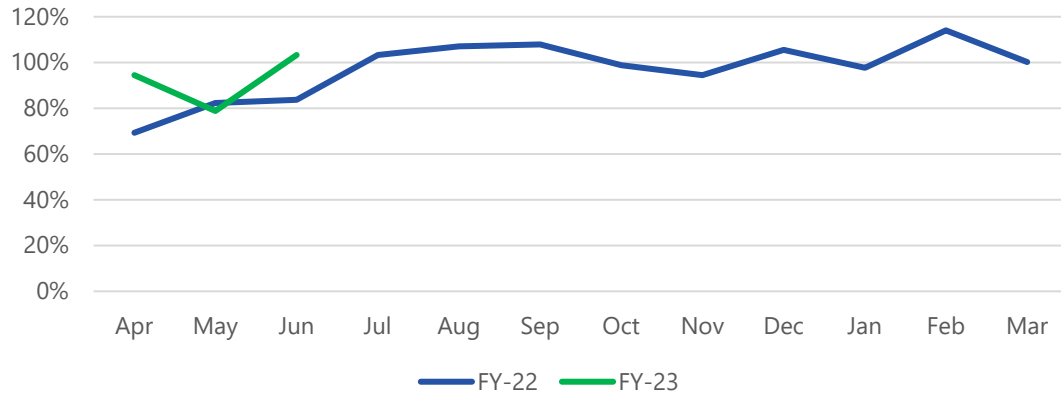
New Zealand Load Weighted Average Price (LWAP)
New Zealand Generation Weighted Average Price (GWAP)

NOTE: Q1 Prices

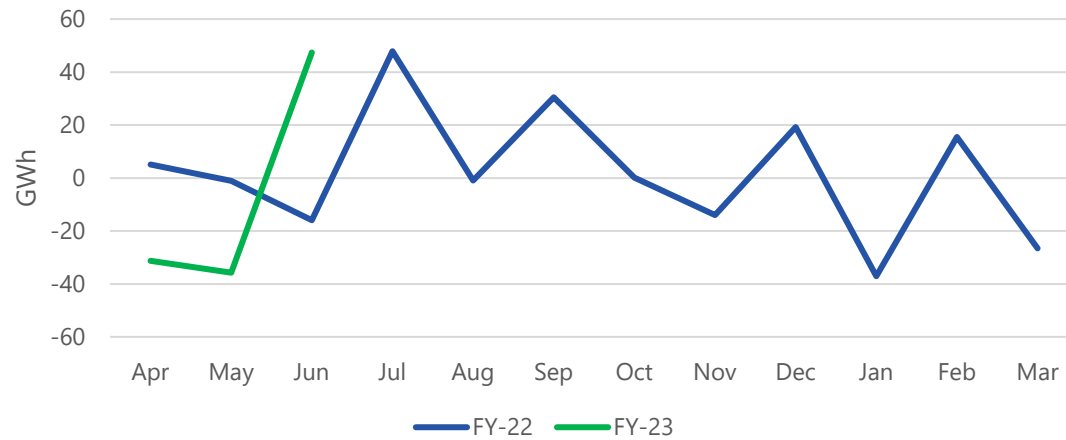


Generation

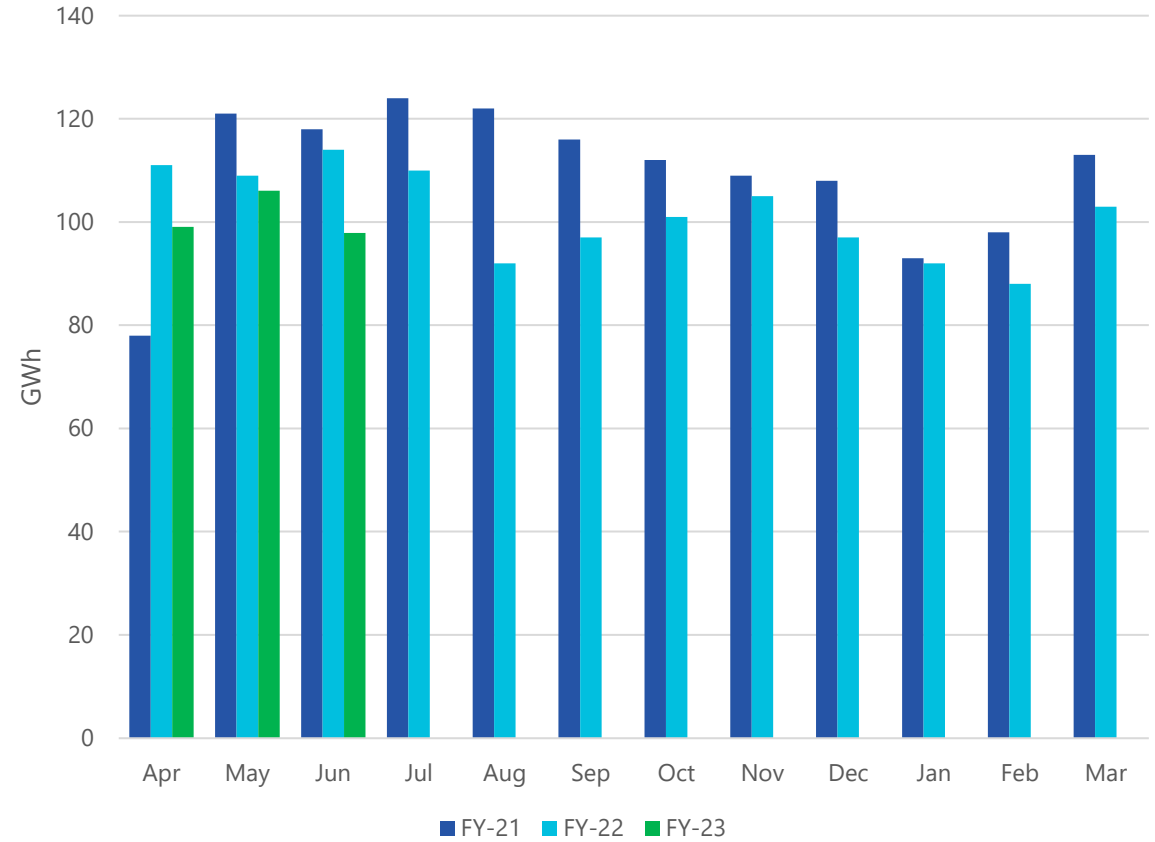
Manawa Lake Levels - % of long term average



Inflow variance to long term average



C&I Customer Volumes



Operating stats

	Q1 FY-21	Q1 FY-22	Q1 FY-23	Q2 FY-21	Q2 FY-22	Q2 FY-23	Q3 FY-21	Q3 FY-22	Q3 FY-23	Q4 FY-21	Q4 FY-22	Q4 FY-23
Sales												
MM Retail sales (GWh)*	480	474	129	571	603		402	387		371	355	
C&I sales - Fixed Price (GWh)	113	104	105	137	102		125	104		108	97	
C&I sales - Spot (GWh)	204	231	197	224	196		203	200		195	186	
MCY sales (GWh)	-	-	360	-	-		-	-		-	-	
Total Sales (GWh)	797	809	791	932	901		730	691		674	638	
LWAP (\$/MWh)	128	288	201	140	156		116	75		219	176	
Generation Production and Procurement												
North Island generation production (GWh)	171	179	207	240	267		236	235		130	144	
South Island generation production (GWh)	253	253	212	282	301		213	228		184	154	
Wind PPA offtake (GWh)	147	150	142	177	169		163	152		118	128	
Net other external procurement (GWh)	97	94	121	66	52		60	67		131	119	
Total Production and Procurement (GWh)	668	676	682	764	790		672	681		563	545	
GWAP (\$/MWh)	130	287	189	139	148		112	72		218	171	
Other Information												
Resource consent non-compliance events [^]	1	1	3	2	2		6	2		1	-	
Recordable Injuries	-	1	1	3	2		-	1		2	2	
Staff numbers (full time equivalents)	806	790	233	813	766		816	789		801	777	

* MM Retail business sold to Mercury on 1st May 2022.

[^] 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-21	YTD FY-22	YTD FY-23	Full Year FY-21	Full Year FY-22	Full Year FY-23
Sales						
MM Retail sales (GWh)*	480	474	129	1,824	1,819	
C&I sales - Fixed Price (GWh)	113	104	105	483	407	
C&I sales - Spot (GWh)	204	231	197	826	813	
MCY sales (GWh)	-	-	360	-	-	
Total Sales (GWh)	797	809	791	3,133	3,039	
LWAP (\$/MWh)	128	288	201	147	176	
Generation Production and Procurement						
North Island generation production (GWh)	171	179	207	777	824	
South Island generation production (GWh)	253	253	212	931	936	
Wind PPA offtake (GWh)	147	150	142	605	599	
Net other external procurement (GWh)	97	94	121	354	332	
Total Production and Procurement (GWh)	668	676	682	2,667	2,692	
GWAP (\$/MWh)	130	287	189	144	166	
Other Information						
Resource consent non-compliance events^	1	1	3	10	5	
Recordable Injuries	0	1	1	5	6	
Staff numbers (full time equivalents)	806	790	233	801	777	

* MM Retail business sold to Mercury on 1st May 2022.

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Glossary

Term	Definition
Asset Availability	Total hours asset(s) available or operating/Total hours in month. Excluding planned outages.
C&I	Commercial and Industrial customers
EOM	End Of Month
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
KCE	King Country Energy
LY	Last year
LWAP	Load Weighted Average Price – Average cost of energy per unit for the retail business
Main lakes	Waipori, Cobb and Coleridge schemes.
MWh	Megawatt hour(s) – unit of energy

Term	Definition
NI	North Island
OPEX	Operating expenditure
pcp	Prior corresponding period
Percentage of Potential Revenue Achieved	Total monthly Manawa Energy (excluding KCE) generation spot revenue less the value of lost market revenue due to outages, expressed as a percentage.
Recordable Injury	Lost Time and Medical Treatment Injuries
SI	South Island
TRIFR	Total Reportable Injury Frequency Rate. Measured per 200,000 hours.
TWAP	Time-Weighted Average Price
Var	Variance
YoY	Year-On-Year
YTD	Year-To-Date

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