Quarterly Operating Report

Q2-22

Quarterly Insights

National storage on the up

National storage recovered strongly over the quarter to end up at 138% of average. Storage was at 85% at the start of the quarter.

Forward wholesale pricing remains firm

All future ASX calendar year prices have declined since last quarter, although future pricing remains firm. Spot prices have edged lower over the quarter.

Hydro volumes better than pcp

Hydro generation volumes were 9% higher than the pcp due to a return to more normal levels of inflows. Last year was impacted by severe drought conditions in the North Island.

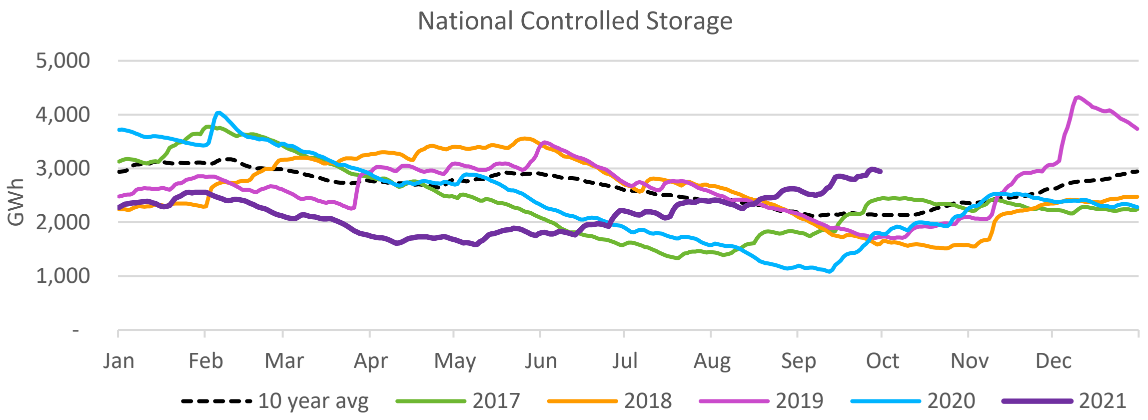
Generation plant utilised well

Selective placement of our stored water resulted in premium pricing over average prices for both our North Island and South Island generation volumes.

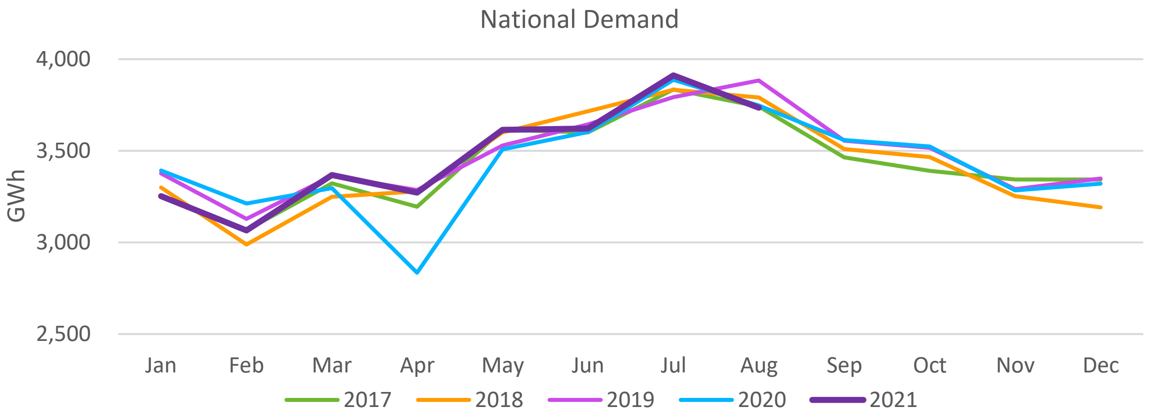
Retail growth steady

All retail metrics continue to show positive momentum over the quarter, despite further COVID disruption. Fibre uptake and speed, bundled customers, mobile connections, products per customer, and digital uptake all increased over the pcp.

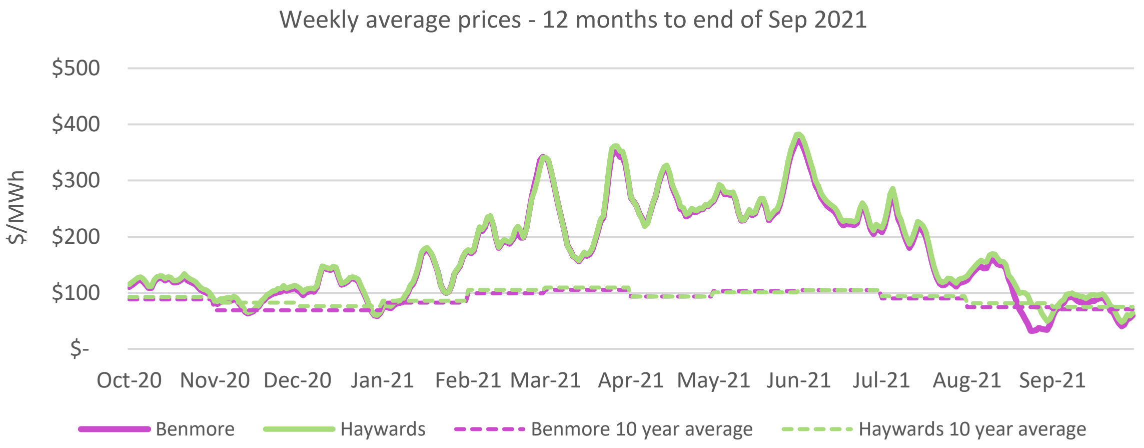
Wholesale electricity market

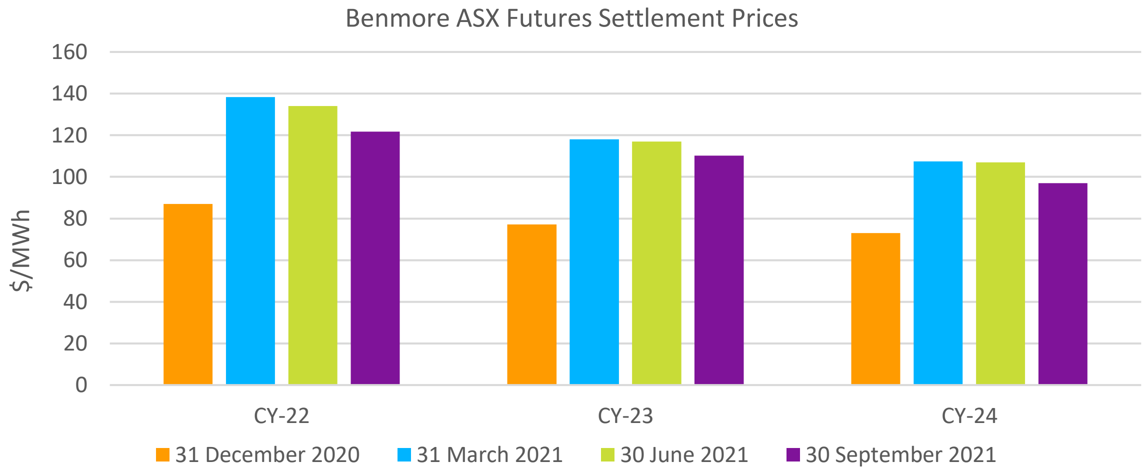


SOURCE: NZX Hydro

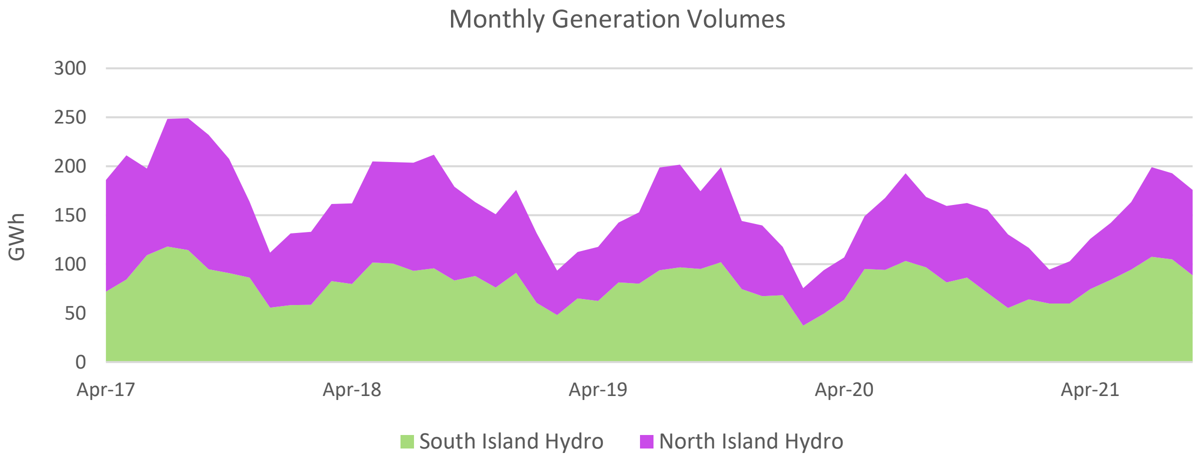


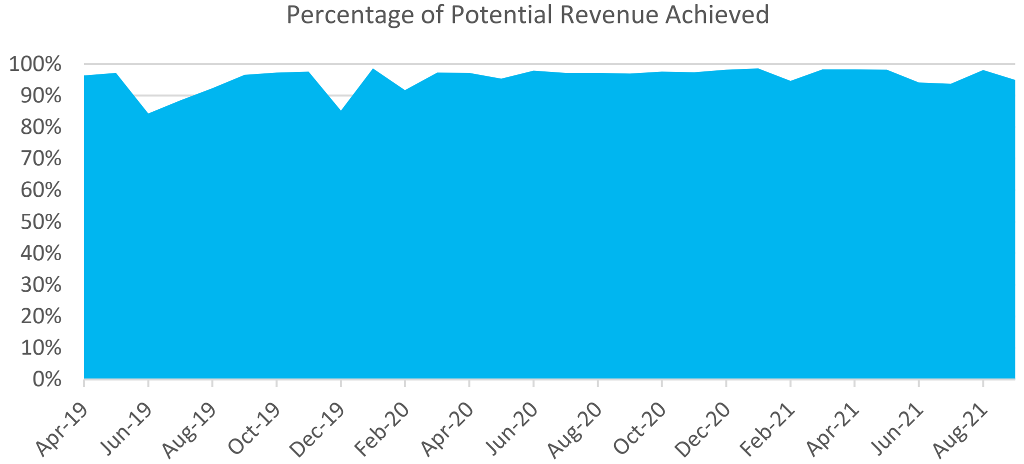
SOURCE: Electricity Authority. Reconciled demand not available for June at time of release.



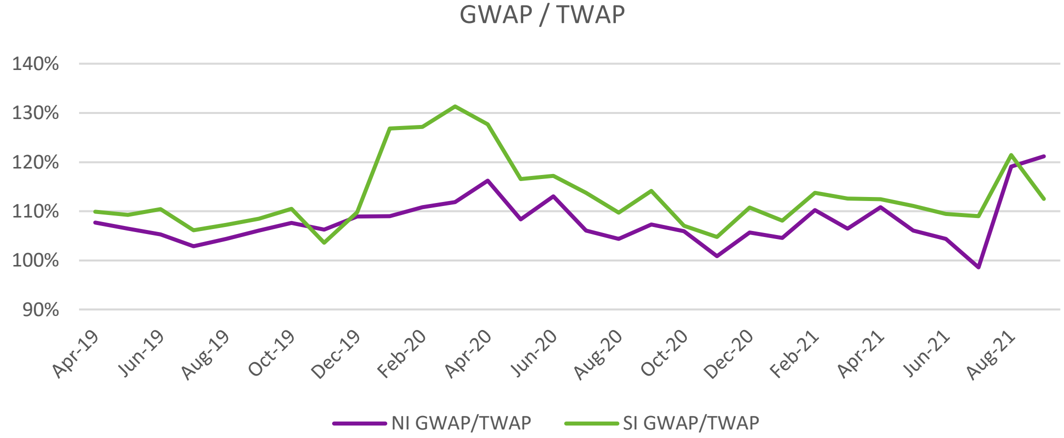


Generation





Q2-22 NI Generation	Q2-22 SI Generation	Q2-22 GWAP/TWAP	
↑ 11% vs pcp	↑ 7% vs pcp	NI	1.11
		SI	1.16



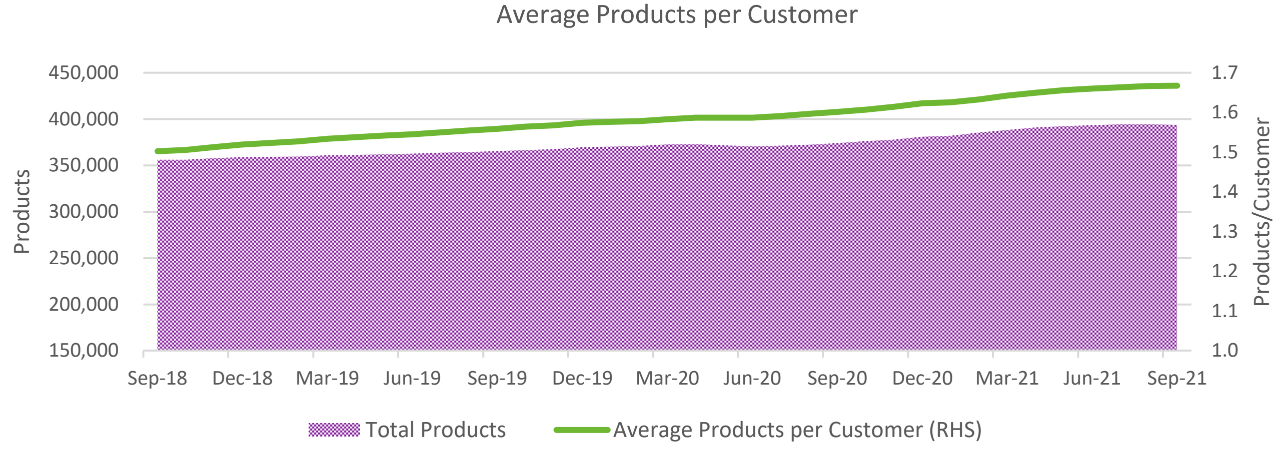
$155/MWh New Zealand Load Weighted Average Price (LWAP)

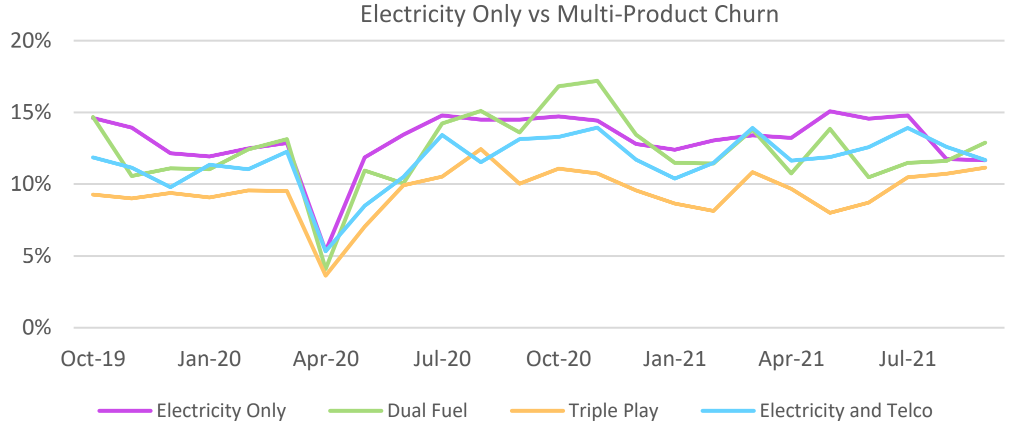
$148/MWh New Zealand Generation Weighted Average Price (GWAP)

NOTE: Q2 Prices include the provisional $10,000 pricing on the 9th of August

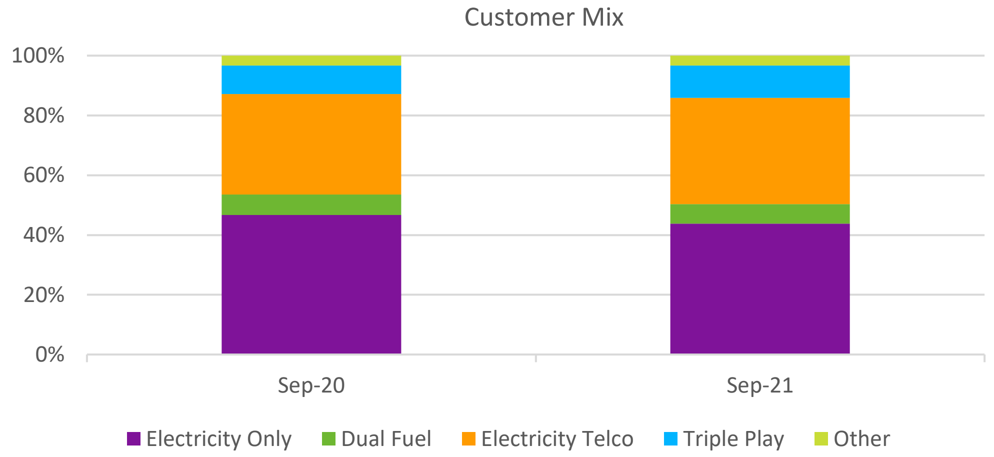
** See glossary for definitions*

Retail





NOTE: Excludes C&I customers

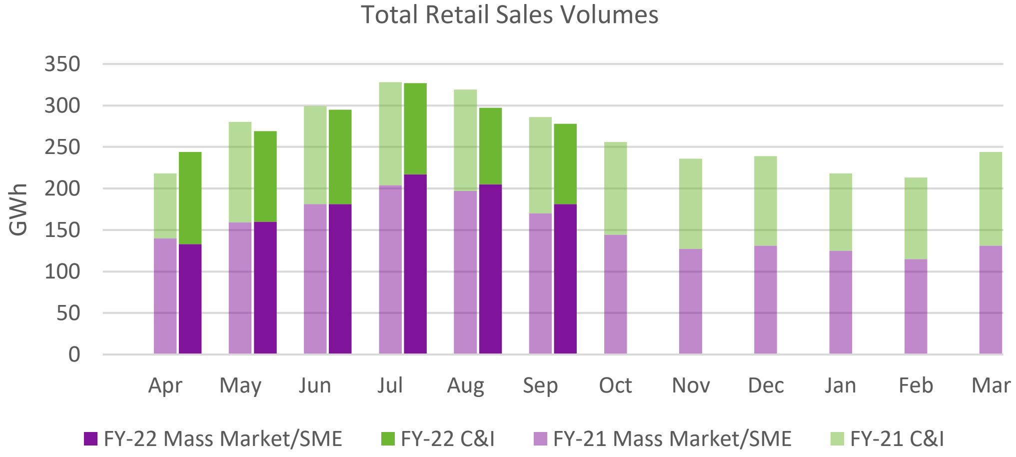


Q1-21 acquisitions - 2+ products

81%

YoY customers taking 2+ products

↑ 6.9%



Retail

Total Customer Contacts

1,178k
↑ 9% pcp

First Contact Resolution

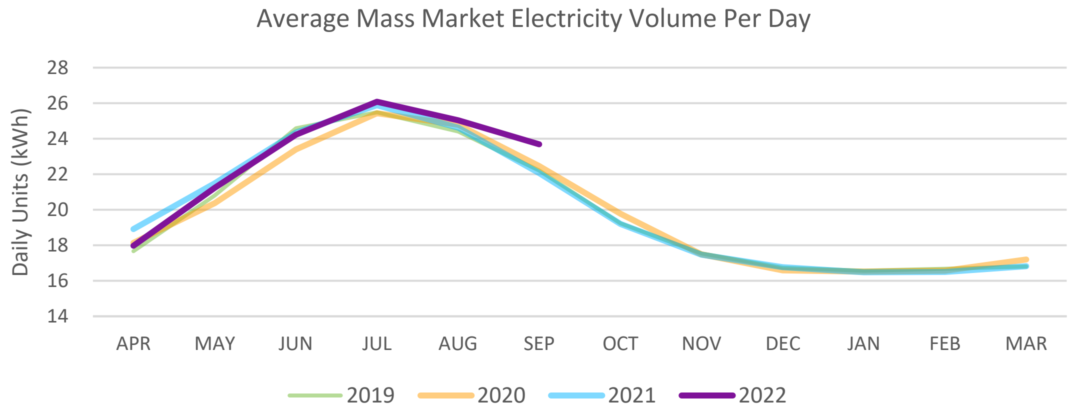
77.6%
↑ 2% pcp

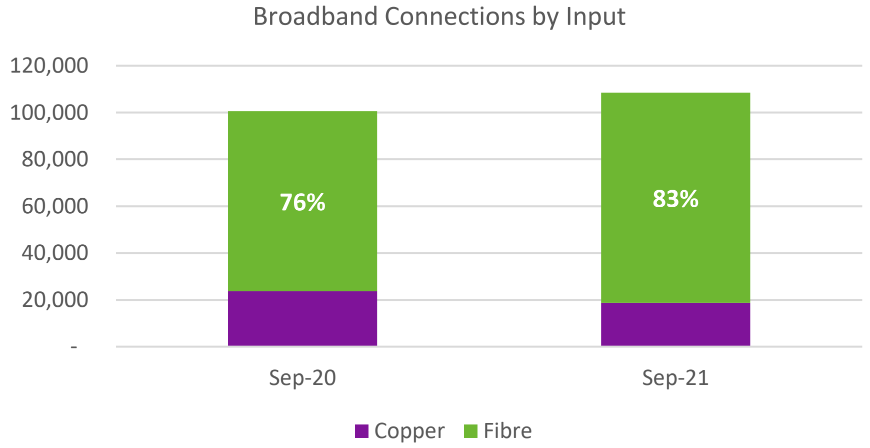
Digital Contact %

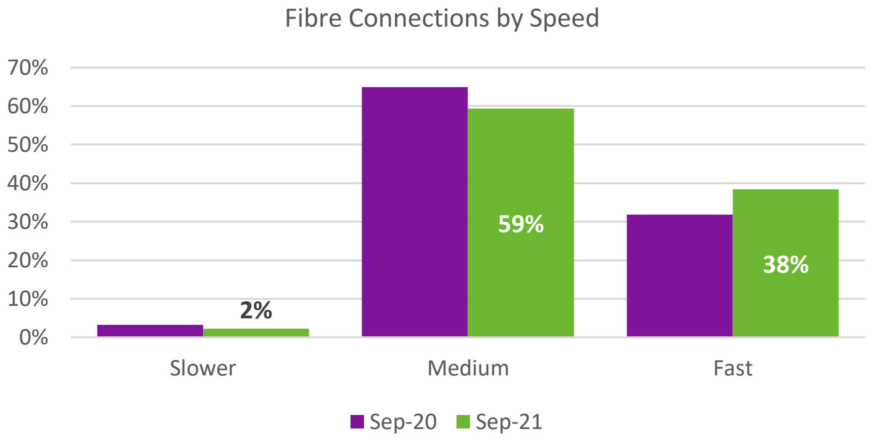
86%
↑ 5% pcp

Virtual Channel Customer Satisfaction

86%







NZ UFB Market Share

7.7%

NOTE: At Jun-21

Total Data Usage (vs pcp)

↑ 29%

Total Data Usage per customer (vs pcp)

↑ 18%

Operating stats

	Q1 FY-20	Q1 FY-21	Q1 FY-22	Q2 FY-20	Q2 FY-21	Q2 FY-22	Q3 FY-20	Q3 FY-21	Q3 FY-22	Q4 FY-20	Q4 FY-21	Q4 FY-22
Customers, Sales and Service												
Electricity connections (000s)	266	264	265	266	263	**264**	266	264		266	265	
Telecommunication connections (000s)	98	104	114	100	106	**114**	103	108		104	112	
Gas connections (000s)	39	41	45	40	42	**45**	41	43		41	44	
Total utility accounts (000s)	403	409	424	406	411	**423**	410	415		411	421	
Customers with two or more services (000s)	109	115	125	111	117	**125**	114	120		116	123	
Mobile connections (000s)	-	-	9	-	1	**10**	-	4		-	6	
Mass market sales - Fixed Price (GWh)	453	480	474	572	571	**603**	421	402		371	371	
Time of use sales - Fixed Price (GWh)	210	113	104	208	137	**102**	223	125		185	108	
Time of use sales - Spot (GWh)	271	204	231	275	224	**196**	224	203		202	195	
Total customer sales (GWh)	934	797	809	1,055	932	901	868	730		758	674	
Average spot price of electricity purchased ($/MWh)***	115	128	288	126	140	**156**	105	116		79	219	
Gas Sales (TJ)	266	301	297	370	408	**492**	196	183		154	147	
Annualised electricity ICP churn rate*	18%	13%	18%	18%	19%	**17%**	17%	18%		16%	17%	
Annualised electricity ICP churn rate - total market*	20%	15%	21%	22%	22%	**18%**	19%	21%		19%	20%	
Generation Production and Procurement												
North Island generation production (GWh)	189	171	179	289	240	**267**	238	236		132	130	
South Island generation production (GWh)	224	253	253	286	282	**301**	244	213		155	184	
Total New Zealand generation production (GWh)	413	424	432	575	521	568	483	449		287	314	
Average spot price of electricity generated ($/MWh)***	110	130	287	122	139	**148**	103	112		79	218	
Net third party fixed price volume purchased (GWh)	393	244	244	387	243	**222**	346	223		386	249	
Other Information												
Resource consent non-compliance events**	6	1	1	3	2	**2**	6	6		6	1	
Recordable Injuries	-	-	1	2	3	**2**	1	-		-	2	
Staff numbers (full time equivalents)	779	806	790	812	813	**766**	814	816		809	801	

- ** Churn statistics are calculated using market data available up to August 2021.*
- *** 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.*
- **** Provisional prices for August 9th have been used within calculations*

Operating stats

	YTD FY-20	YTD FY-21	YTD FY-22	Full Year FY-20	Full Year FY-21	Full Year FY-22
Customers, Sales and Service						
Electricity connections (000s)	266	263	**265**	266	265	
Telecommunication connections (000s)	100	106	**114**	104	112	
Gas connections (000s)	40	42	**45**	41	44	
Total utility accounts	406	411	**424**	411	421	
Customers with two or more services (000s)	111	117	**125**	116	123	
Mobile connections (000s)	-	1	**10**	-	6	
Mass market sales - Fixed Price (GWh)	1,025	1,051	**1,077**	1,817	1,824	
Time of use sales - Fixed Price (GWh)	418	250	**206**	826	483	
Time of use sales - Spot (GWh)	546	428	**427**	972	826	
Total customer sales (GWh)	**1,989**	**1,729**	**1,710**	3,615	3,133	
Average spot price of electricity purchased ($/MWh)	120	134	**217**	108	147	
Gas Sales (TJ)	636	709	**789**	986	1,039	
Annualised electricity ICP churn rate*	18%	16%	**18%**	17%	17%	
Annualised electricity ICP churn rate - total market*	21%	19%	**20%**	20%	19%	
Generation Production and Procurement						
North Island generation production (GWh)	479	410	**446**	849	777	
South Island generation production (GWh)	510	535	**554**	910	931	
Total New Zealand generation production (GWh)	**989**	**945**	**1,000**	1,759	1,708	
Average spot price of electricity generated ($/MWh)	117	135	**208**	107	144	
Net third party fixed price volume purchased (GWh)	780	487	**466**	1,512	959	
Resource consent non-compliance events**	9	3	**3**	21	10	
Recordable Injuries	2	3	**3**	3	5	
Staff numbers (full time equivalents)	812	813	**766**	809	801	

** Churn statistics are calculated using market data available up to August 2021*
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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 customers 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

Contact

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