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EVOLUTION**



Key Highlights



- Bundled acquisitions continue to perform strongly, with 84% of all new acquisitions taking 2 or more products. This is an 8.6% YoY increase in the total amount of customers taking 2+ products, and our products/customer metric reach a new high.
- Q3-20 total retail electricity volumes were broadly in line with the previous year, with modest increases in our Mass Market segment (+1.7% vs pcp) offset by a reduction in our C&I segment (-3.6% vs pcp). Mass Market average units per day was up by 1.1% vs the pcp.
- Customer churn for those who take our telco-bundled products continued to track well below those that take energy-only products, with a continuation of flattening customer churn across all bundles.
- 71% of our broadband customers are now on fibre, up from 59% at the same time last year. Data volumes on our ISP network were up 52% in absolute terms, and 30% on a per customer basis.
- Virtual contacts for the period increased 11% vs the pcp whilst first contact resolution also showed a small increase, despite 34% higher contacts in the period.



- Total electricity generation volumes were down 7.5 GWh (1.5%) vs the pcp, with higher North Island volumes more than offset by lower South Island volumes due to lower prices driving lower stored water release.
- We maintained our ability to achieve above-average prices for our generation, with our GWAP/TWAP ratio for the quarter of 1.12. Average GWAP achieved across the quarter was \$103/MWh.
- Asset availability (measured as % of potential total) was negatively impacted in December 2019 mainly due to planned works being undertaken while prices were low.

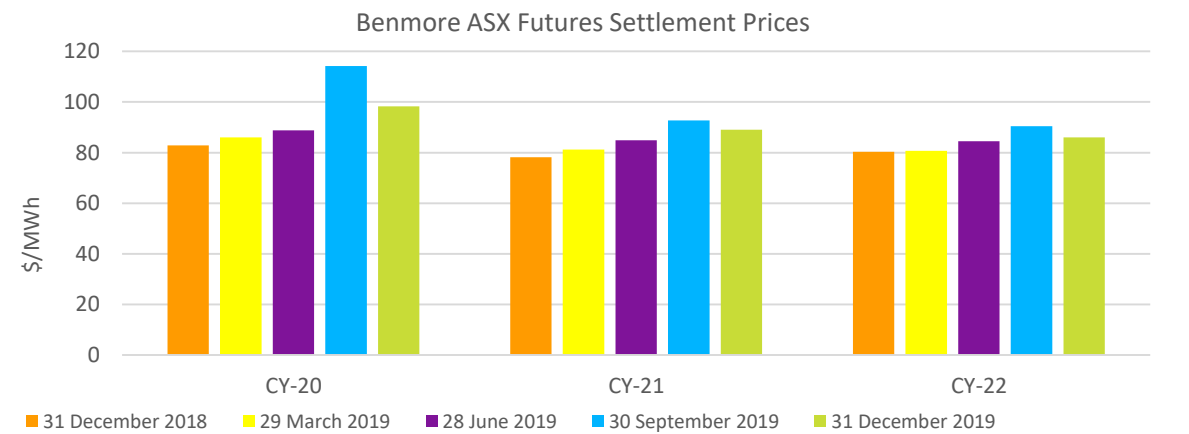
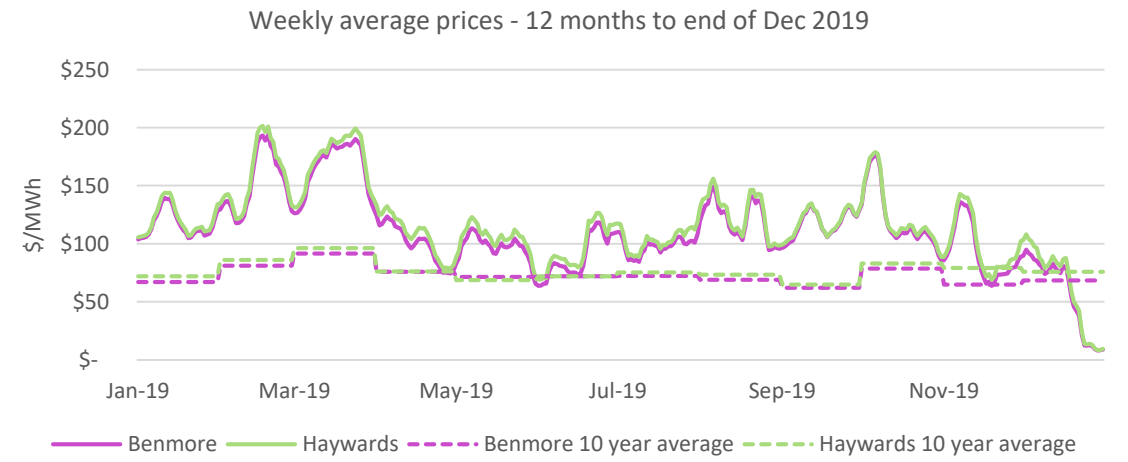
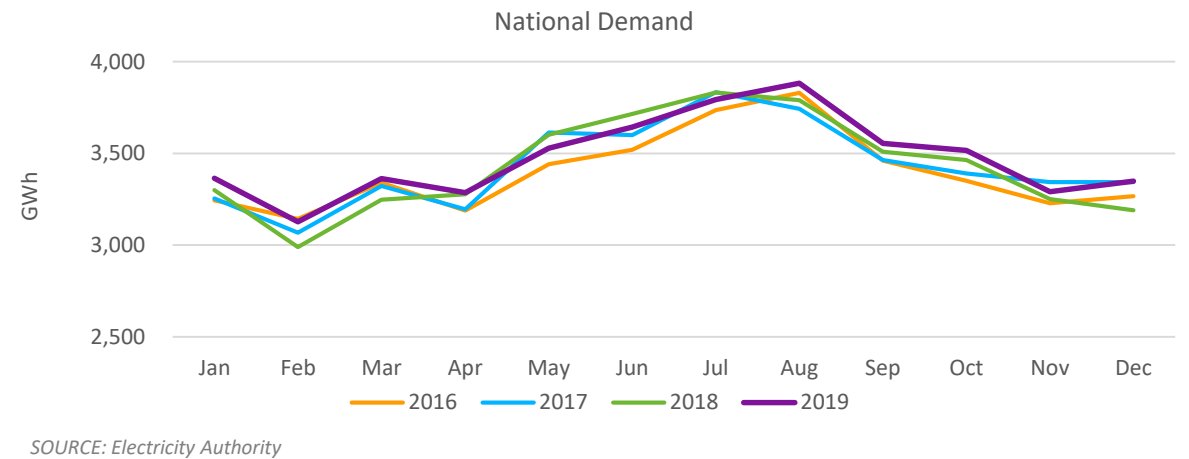
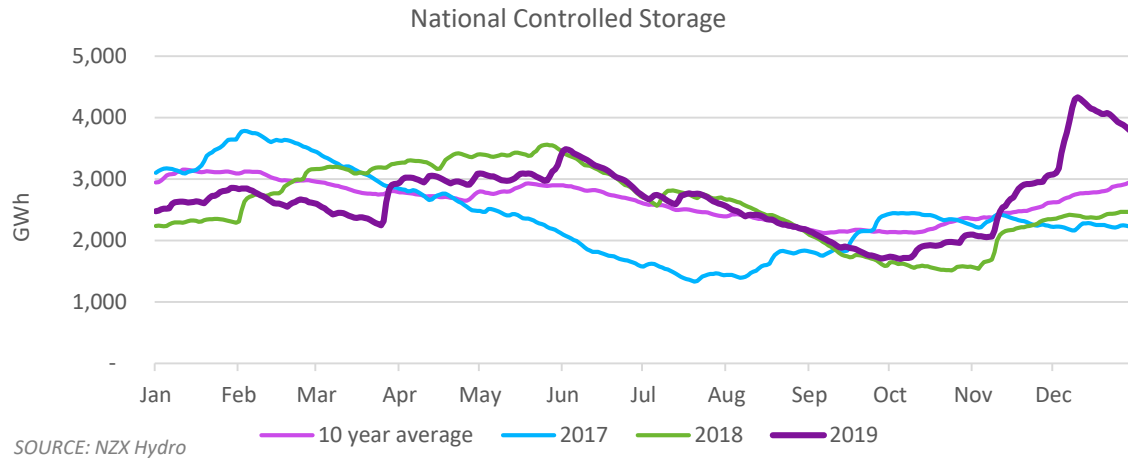


- National Controlled Storage at 31st December 2019 sat at 127% of the 10-year average after strong inflows in November and December 2019.
- Higher storage levels and strong inflows were reflected in pricing, with spot prices falling sharply in December, and forward ASX prices also falling, especially in CY-20.
- National demand grew 2.4% in the quarter ending 31st December 2019 (vs pcp) and was up 1.2% YoY (vs CY-19).



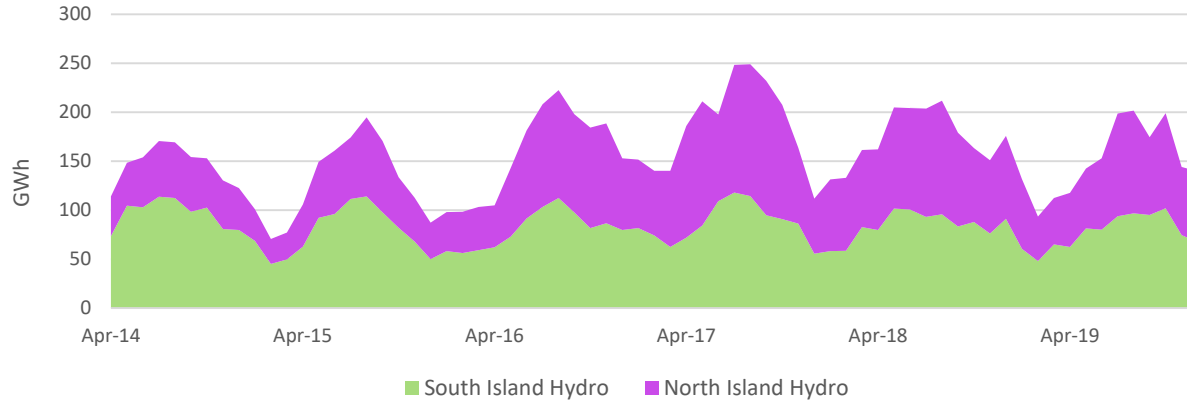
- The sale of the Legacy metering business was completed in November.
- Smart meter deployment has now reached over 40,000 meters and is on track for completion in mid calendar year 2021.

Wholesale electricity market

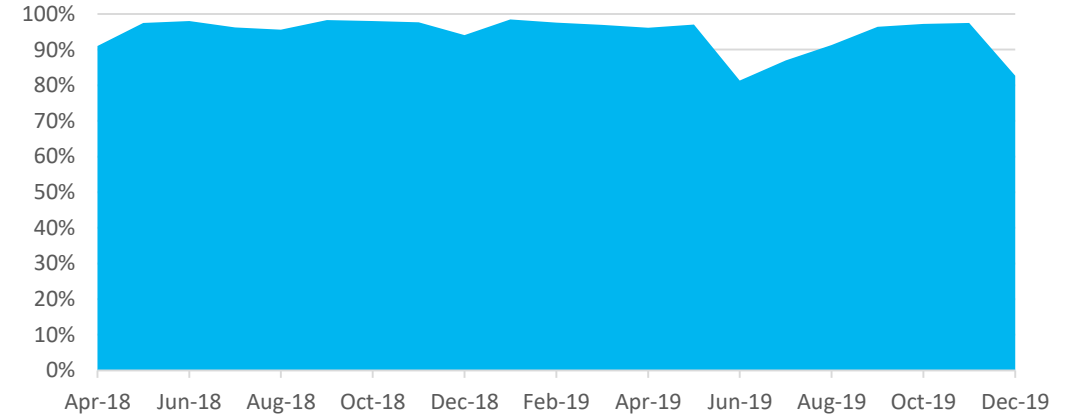


Generation

Monthly Generation Volumes



Percentage of Potential Revenue Achieved



**Q3-20
NI Generation**

↑ **2%**
vs pcp

**Q3-20
SI Generation**

↓ **4%**
vs pcp

Q3-20 GWAP/TWAP

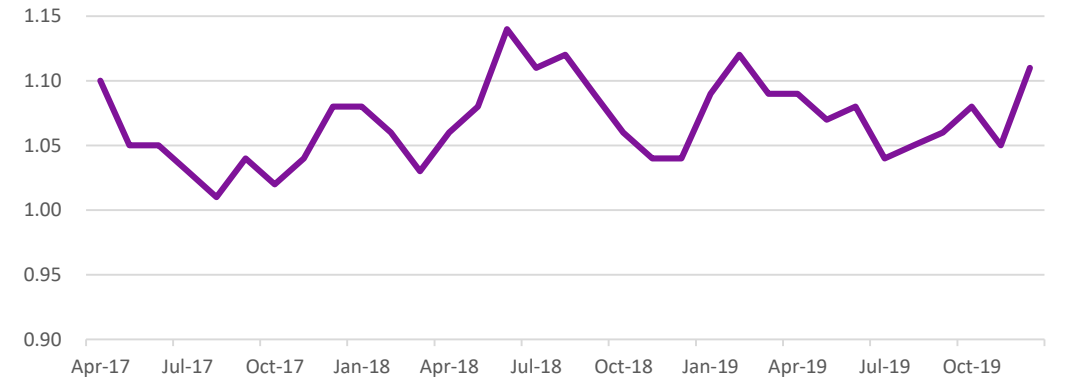
1.12

\$105/MWh New Zealand Load Weighted Average Price (LWAP)

\$103/MWh New Zealand Generation Weighted Average Price (GWAP)

NOTE: Q3 Prices

GWAP / TWAP

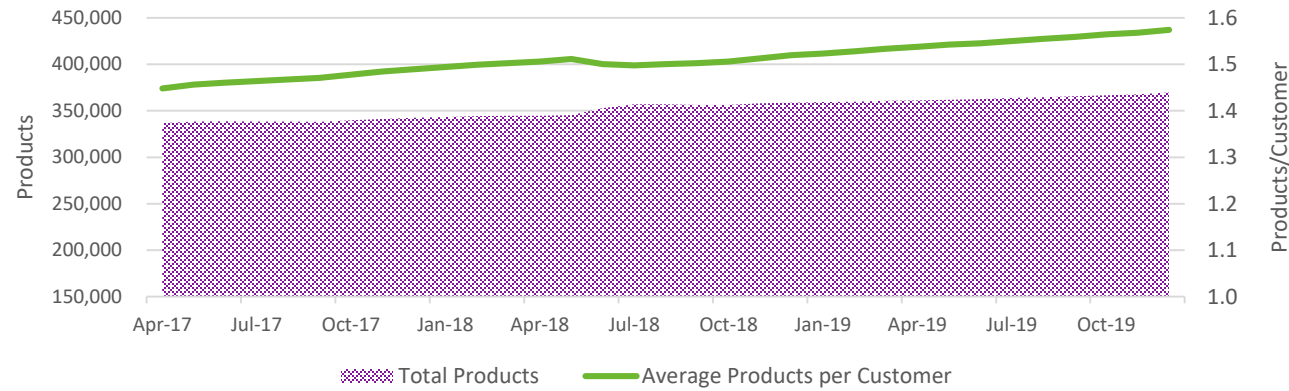


* See glossary for definitions

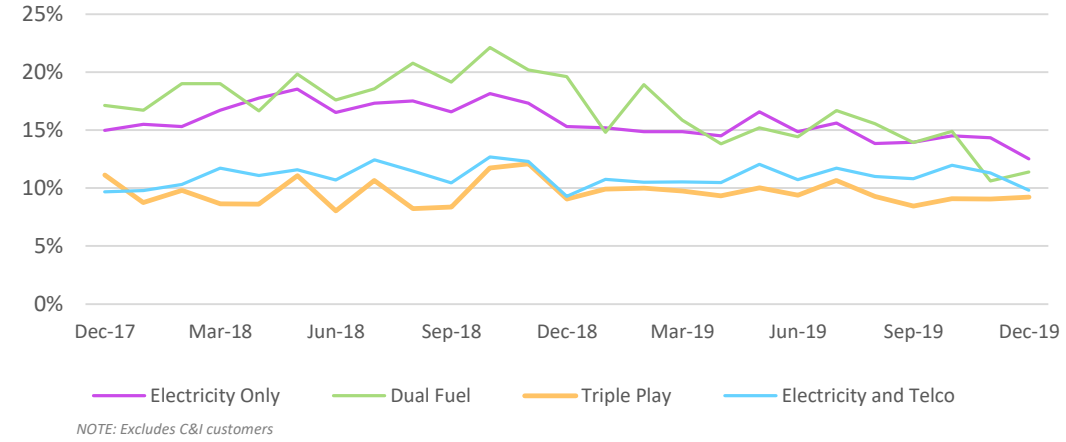


Retail

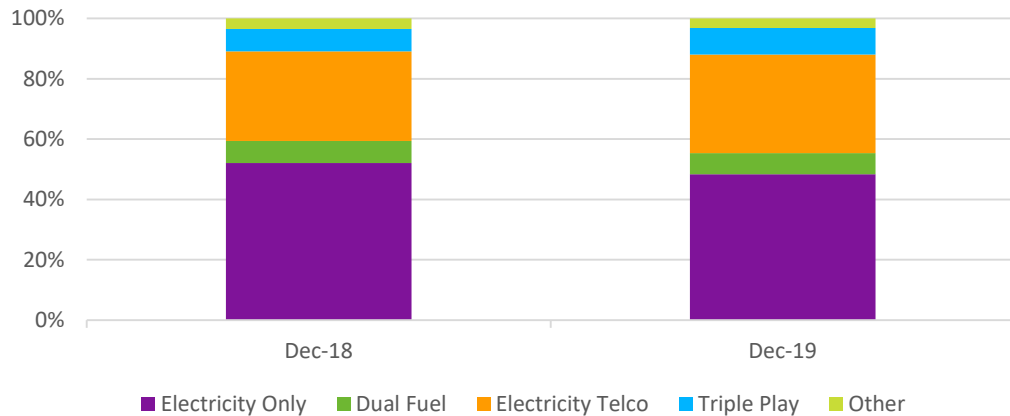
Average Products per Customer



Electricity Only vs Multi-Product Churn



Customer Mix



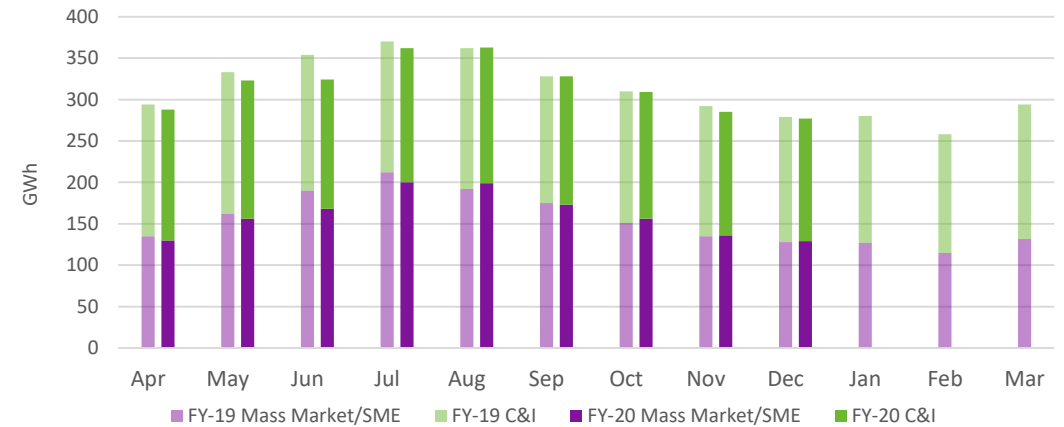
Q2-20 acquisitions - 2+ products

84%

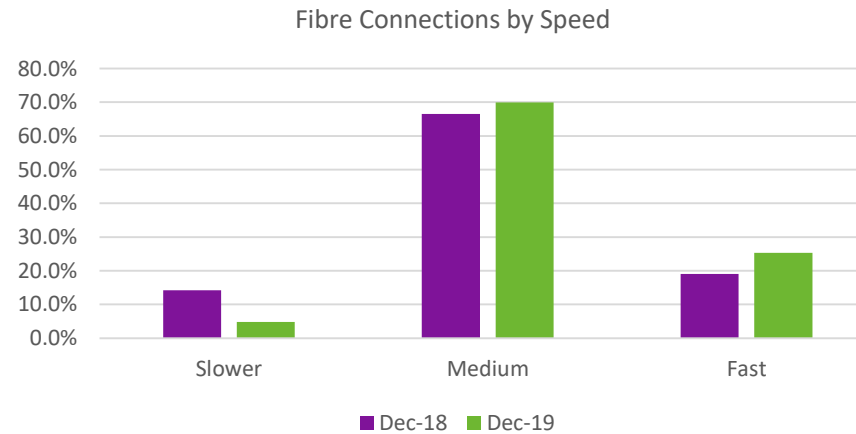
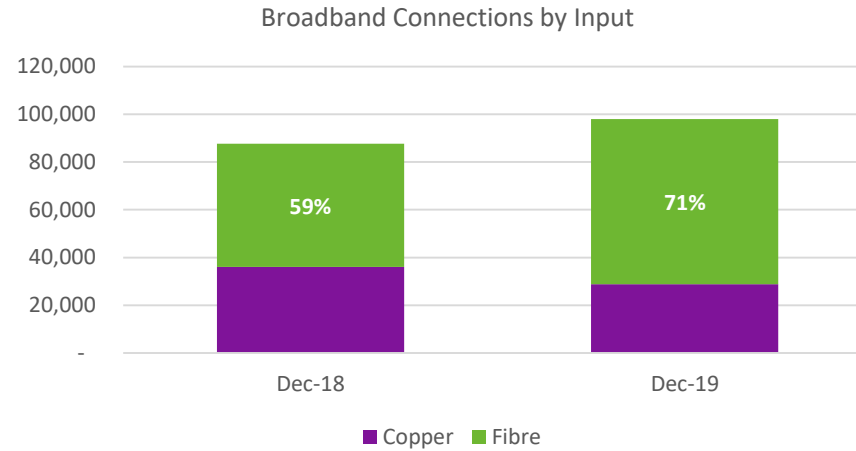
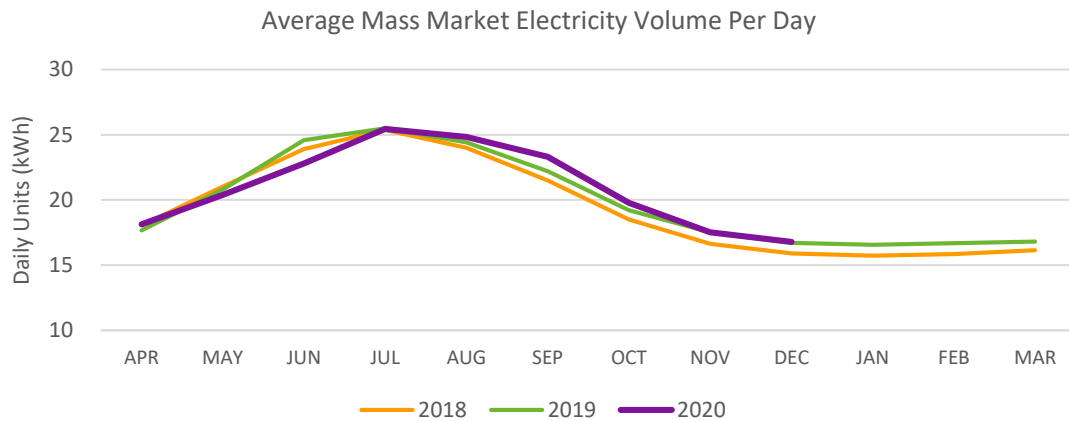
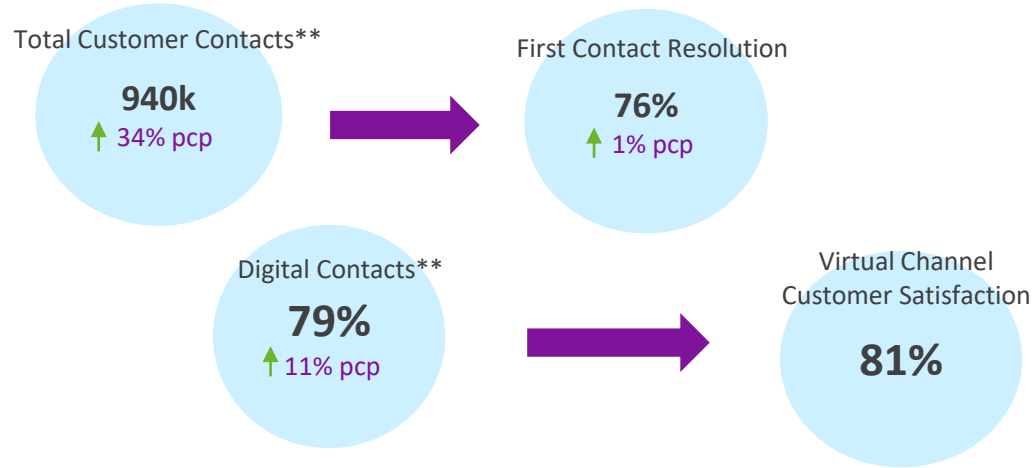
YoY customers taking 2+ products

↑ 8.6%

Total Retail Sales Volumes



Retail



NZ UFB Market Share

7.3%

NOTE: Current to Sep-19

Total Data Usage (vs pcp)

↑ 52%

Netflix Ranking

Oct-19: **1st**

Nov-19: **2nd**

Dec-19: **2nd**



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	265	273	267	
Telecommunication connections (000s)	79	89	98	80	91	100	85	94	101	87	96	
Gas connections (000s)	37	38	39	37	38	40	37	38	40	37	39	
Total utility accounts (000s)	392	397	403	390	399	406	395	401	406	397	402	
Customers with two or more services (000s)	94	101	109	94	102	111	98	105	114	100	107	
Mass market sales - Fixed Price (GWh)	476	488	453	614	579	572	392	414	421	349	364	
Time of use sales - Fixed Price (GWh)	227	216	210	199	218	208	239	227	223	233	219	
Time of use sales - Spot (GWh)	287	272	271	279	263	275	269	240	224	251	246	
Total customer sales (GWh)	990	976	934	1,092	1,060	1,055	900	881	868	833	829	
Average spot price of electricity purchased (\$/MWh)	79	80	115	97	88	126	96	207	105	87	164	
Gas Sales (TJ)	308	303	266	406	384	370	185	194	196	113	125	
Annualised electricity ICP churn rate*	21%	20%	18%	21%	20%	18%	19%	20%	19%	16%	15%	
Annualised electricity ICP churn rate - total market*	22%	22%	20%	23%	22%	23%	21%	22%	20%	19%	17%	
Generation Production and Procurement												
North Island generation production (GWh)	330	289	189	402	322	289	251	235	238	226	164	
South Island generation production (GWh)***	266	282	224	327	272	286	233	256	244	200	174	
Total New Zealand generation production (GWh)	596	571	413	729	595	575	484	490	483	426	338	
Average spot price of electricity generated (\$/MWh)	81	78	110	101	87	122	88	200	103	83	163	
Net third party fixed price volume purchased (GWh)***	409	423	400	361	348	394	348	319	353	421	373	
Other Information												
Resource consent non-compliance events**	2	4	3	1	2	7	2	2	12	3	2	
Recordable Injuries	9	4	0	7	3	2	7	2	1	7	4	
Staff numbers (full time equivalents)	782	805	779	787	798	812	803	801	814	803	818	

- Churn statistics are calculated using market data available up to November 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.
- *** Minor changes made to some historical figures due to calculation errors or rounding

Operating stats

	YTD FY-18	YTD FY-19	YTD FY-20	Full Year FY-18	Full Year FY-19	Full Year FY-20
Customers, Sales and Service						
Electricity connections (000s)	273	269	265	273	267	
Telecommunication connections (000s)	85	94	101	87	96	
Gas connections (000s)	37	38	40	37	39	
Total utility accounts	395	401	406	397	402	
Customers with two or more services (000s)	98	105	114	100	107	
Mass market sales - Fixed Price (GWh)	1,482	1,481	1,446	1,831	1,845	
Time of use sales - Fixed Price (GWh)	665	661	641	898	880	
Time of use sales - Spot (GWh)	835	775	770	1,086	1,021	
Total customer sales (GWh)	2,982	2,917	2,591	3,815	3,746	
Average spot price of electricity purchased (\$/MWh)	98	121	116	91	131	
Gas Sales (TJ)	899	881	832	1,012	1,006	
Annualised electricity ICP churn rate*	19%	20%	18%	18%	19%	
Annualised electricity ICP churn rate - total market*	22%	22%	21%	21%	21%	
Generation Production and Procurement						
North Island generation production (GWh)	983	846	717	1,209	1,010	
South Island generation production (GWh)	826	810	754	1,026	984	
Total New Zealand generation production (GWh)	1,809	1,656	1,471	2,235	1,994	
Average spot price of electricity generated (\$/MWh)	89	117	112	88	125	
Net third party fixed price volume purchased (GWh)	1,118	1,090	1,147	1,539	1,463	
Other Information						
Resource consent non-compliance events**	5	8	22	8	10	
Recordable Injuries	23	9	3	30	13	
Staff numbers (full time equivalents)	803	801	814	803	818	

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

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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
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
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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