MARKET RELEASE

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NZX: GNE / ASX: GNE

Strategy execution gaining momentum in challenging period

	6 months December 2024	6 months December 2023	Change
Gross Margin	$409.0m	$383.6m	7%
EBITDAF[1]	$216.5m	$202.1m	7%
Operating expenses	($192.5m)	($181.5m)	(6%)
Net Profit after Tax (NPAT)	$70.3m	$38.3m	83%
Earnings Per Share	6.5 cps	3.5 cps	81%

Key Messages

- Flexibility drove strong financial performance – challenging half year
- Retail model reset to lower cost & lighter touch - well underway
- Renewable generation - development driving long term cash flows
- Flexible generation - development developing new cash flows
- Financial resilience – key focus

Genesis Energy ("**Genesis**") delivered a strong financial performance in H1 FY25, leveraging portfolio flexibility in a challenging environment posting EBITDAF of $216.5m and NPAT of $70.3m. The financial result was impacted by dry winter conditions and industry wide gas shortages.

Chief Executive, Malcolm Johns, commented "During the winter period, Genesis demonstrated its growing ability to leverage its flexibility, navigating a dry winter, long spring gas and wet start to summer. The market has been incredibly dynamic. We have been clear that Genesis will no longer fund broad market back-up in either spare generation capacity or stored fuel and we welcome the major players in the sector coming together to explore supporting thermal back up for longer into the transition.

"In addition to leveraging flexibility in our BAU activities, in H1 FY25, we have also made positive progress against our 8 by '28 key initiatives, accelerating Horizon 2 of the Gen35 strategy. Successful delivery of this strategy will redefine our portfolio in FY28. By FY28 ore cashflows will be underpinned by c5 TWh pa of renewable capacity supporting our 6 TWh pa of higher-margin long-term customer demand. New cashflows will be driven from 1,300 MW of flexible generation to manage increasing market volatility in a high renewables grid."

Strategy progress made in H1 FY25

We continued the migration of our retail operating model to a lower cost, lighter touch approach for our customers. Through this process, we have reduced FTE by ~200. The new enhanced Retail billing platform is progressing to plan, with the Frank brand expected to go live in CY2025.

[1] EBITDAF: Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, unrealised fair value changes and other gains and losses

Our broad demand side flexibility programme began with the launch of a 12-month hot water control trial with up to 10,000 residential customers. To date more than 5,500 customers have enrolled in the trial delivering more than 17 MW of flexibility.

During the period we acquired a majority stake in ChargeNet, securing access to an end-to-end value pool for the electrification of New Zealand's road transport. Pleasingly, we were able to acquire the remaining 30% of Ecotricity, providing access to a valuable customer segment with strong growth potential.

Our renewable generation pathway remains focused on solar development due to speed to market, lower capital costs and overall improving economics. In the period, we secured two advanced stage solar farm opportunities (Edgecumbe[2] and Leeston[3]). Edgecumbe is an advanced stage, fully consented site for a 127 MWp solar farm, with FID[4] targeted in H1 FY26 and commercial operations commencing in 2H FY27. Leeston is a fully consented large scale 67 MWp solar farm in the Canterbury region, and commercial operations commencing in early 2027. In addition, a 200 MWp solar site near Foxton in Manawatū-Whanganui was accepted for inclusion in the Fast Track Approvals Act.

Flexible assets, fuels and market products support the need for peaking and firming capacity in a growing renewable energy market. Stage one of our battery storage programme at Huntly Power Station, a 100 MW/200 MWh battery installation, is expected to commence construction by the end of FY25, and remains on track for commercial operations in Q1 FY27. We recently signed a terms sheet with Foresta to advance negotiations for a torrefied biomass supply at Huntly. Genesis is exploring opportunities to increase gas flexibility, including storage options.

Guidance

Reflecting dry weather impacts and fuel prices in H1 FY25, recent updates on Tariki well drilling, and a range of hydrology outcomes, guidance for FY25 EBITDAF is expected to be ~$460 million. FY25 capital expenditure of between $130m - $140m, with spend profile adjusted for select projects to manage affordability.

Working with industry to explore long-dated commercial contracts to support Huntly.

Continued focus on delivering multiple milestones in H2 FY25 against 8by28 initiatives. Upcoming investor day planned for late 2025.

Important Note: outlook remains subject to key assumptions and caveats related to hydrological conditions, gas availability, plant availability, and material adverse events.

ENDS

[2] Genesis owns 100%
[3] Conditional agreement to purchase development rights
[4] Final investment decision

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About Genesis
Genesis (NZX: GNE, ASX: GNE) is a diversified New Zealand energy company. Genesis sells electricity, reticulated natural gas and LPG through its retail brands of Genesis and Frank and is one of New Zealand's largest energy retailers with more than 490,000 customers. The Company generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis had revenue of $NZ3.1 billion during the 12 months ended 30 June 2024. More information can be found at www.genesisenergy.co.nz