Market/media release

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Portfolio flexibility drives strong FY25 results and increased energy security for New Zealand

Financial Summary

	12 months, June 2025	12 months, June 2024	Change
Normalised EBITDAF 1	NZ$470.4m	NZ$413.1m	+14%
Reported EBITDAF 2	NZ$454.3m	NZ$407.2m	+12%
Gross Margin	NZ$863.5m	NZ$770.3m	+12%
Net Profit after tax	NZ$169.1m	NZ$131.1m	+29%
Operating Expenses	NZ$409.2m	NZ$363.1m	+13%
Earnings Per Share	15.5 cps	12.2 cps	+27%
Total Dividends Per Share	14.3 cps	14.0 cps	+2%

Strategy Execution Highlights

- Delivered 10-year Huntly Firming Options (HFOs) signed with Meridian, Mercury and Contact for 150 MW, subject to regulatory review.
- Delivered Gen35 strategy acceleration with credible pathway to mid-to-upper $500m EBITDAF by FY28.
- Delivered the Lauriston solar farm operational; Edgecumbe and Leeston progressing to FID.
- Delivering stage 1 BESS, construction of the 100 MW/200 MWh Huntly Battery Energy Storage System ('BESS'), due for completion in Q1 FY27, with feasibility work underway for a second 200 MWh stage.
- Delivered full acquisition and delivered integration of Ecotricity; majority stake in ChargeNet secured.
- Delivered retail simplification, completed, improved customer satisfaction and brand equity.
- Delivered strategic fuel reserve established at Huntly Power Station (HPS) with 600 kt of coal.
- Delivered hot water control trial and LED bulb distribution, delivering scalable demand flexibility.
- Continuing biomass supply chain development to support long-term coal displacement at HPS.

FY25 Operating Environment

FY25 was marked by high volatility across the energy sector. Declining gas availability, low hydrology and increased reliance on thermal generation tested the resilience of the sector. Genesis responded by flexing its portfolio to support both its customers and the wider market, with Huntly Power Station playing a central role in maintaining national energy security.

Genesis accelerated the delivery of Gen35, focusing on achieving near-term earnings growth and establishing a clear pathway to long-term earnings resilience and growth beyond FY28. This will be supported by overall market expansion and improving margins from existing activities. The flexibility provided by Huntly Power Station and hydro schemes enhanced earnings resilience during both wet and dry periods, as demonstrated through FY25.

During dry periods, Genesis ran all three Rankines and used fuel flexibility to cover customer needs and support the wider market. Unit 5 provided baseload generation at about 60% capacity, with the remaining 40% used to toll gas from other operators. Unit 6 was upgraded to switch between gas and diesel, enhancing its peaking capability. Genesis also maintained a strategic fuel reserve and signed long-term HFOs to support national energy security.

Retail operations delivered improved performance, driven by a focus on simplification, efficiency, and value over volume. A lower-cost operating model was implemented, with the reduction of approximately 200 roles, while strong customer satisfaction metrics were maintained. A single-brand strategy was adopted, and we are in the process of consolidating Frank and Ecotricity under the Genesis brand to enhance market clarity, alignment, and operational efficiency.

The integration of Ecotricity will enhance Genesis' presence in the commercial and industrial segment, while the investment in a majority stake in ChargeNet secured a strategic foothold in the fast-growing electric vehicle charging market. Genesis also completed a large-scale demand flexibility trial involving over 17,000 customers, shifting hot water load away from peak periods and freeing up over 50 MW of peak capacity.

The LPG business delivered a strong performance in FY25, generating $65 million in gross margin, underpinned by stable sales volumes across our customer base and continued high levels of network reliability. This solid result reflects LPG's important role as a secure energy source in an increasingly constrained natural gas market environment, positioning the business to capitalise on ongoing market opportunities while maintaining our commitment to providing reliable energy solutions to our customers.

Technology transformation progressed with billing and CRM platform upgrades, financial management system upgrade and a project to enhance our trading and risk management system. FY26 will see a peak in digital project investment, with delivery of the new billing and CRM platform, finance management system upgrade and enhanced trading and risk management systems.

Group Financial Performance

Group revenue increased on the prior year, reflecting a combination of higher wholesale electricity prices, the contribution from Ecotricity following its full acquisition in November 2024 and higher transmission and distribution costs that are passed through to customers in line with regulatory requirements

Gross Margin increased by 12%, supported by improved retail netbacks, portfolio optimisation, and higher asset availability. Gross margin absorbed a significant increase in fuel costs, largely driven by the cost of Gas and Coal within a very constrained gas market.

Net Profit After Tax (NPAT) was $169 million, up from $131 million in FY24. This 29% uplift on the prior year was off the back of leveraging our portfolio flexibility, produced 30% more electricity than planned during winter 2024, cost out and valuation changes.

The Debt Leverage Ratio improved to 2.6x (from 2.7x) and within the Company's BBB+ credit rating. The Board has declared a final dividend of 7.17 cents per share, taking the total FY25 dividend to 14.3 cps

Netback Commentary

Genesis delivered a strong uplift in Group Gross Margin in FY25, underpinned by a material improvement in retail netback across all customer segments and fuels. The strategic focus on margin over volume continued to deliver results, with targeted customer acquisition, product simplification and pricing optimisation driving higher unit margins.

Electricity netback improved significantly while Commercial and Industrial customers contributed strongly, with tailored energy solutions and hedging strategies enhancing profitability. Residential and SME segments also saw an uplift, reflecting disciplined pricing and improved operational efficiency. Electricity netback was also supported by the integration of Ecotricity.

Gas and LPG netbacks also contributed positively, with Genesis leveraging its portfolio flexibility to manage fuel costs and pass-through value to customers. LPG in particular, is now transitioned to a standalone business unit to unlock further strategic value.

Customer electrification initiatives, including EV plans and flexible load programs, further supported netback growth by aligning customer demand with portfolio generation. The successful hot water control trial and LED bulb distribution programme demonstrated scalable demand flexibility, reducing peak load and enhancing portfolio economics.

The retail business also achieved a NZ$65 million uplift in gross margin. This was achieved despite inflationary pressures and higher transmission and distribution costs, which were largely passed through to customers. The result reflects Genesis' ability to protect and grow margin in a volatile market environment.

Overall, Genesis' netback performance in FY25 highlights the effectiveness of its Gen35 strategy in driving sustainable earnings growth through margin enhancement, portfolio optimisation, and disciplined cost control.

Sustainability & Community

Genesis invested $5.6 million in community initiatives during the year, more than doubling the prior year's contribution. This coincided with the launch of a 10-year Community Investment Framework aligned with our long-term objectives, focusing on positive social and environmental outcomes for communities connected to Genesis' generation assets.

Employee engagement remained high at 79%, exceeding national benchmarks, with 86% trusting in their leaders and 91% reporting they feel safe at work. ISO 45001 accreditation was also achieved, reflecting Genesis' ongoing commitment to maintaining high standards of health, safety, and wellbeing.

While total emissions rose to 3,587ktCO2e (scopes 1, 2, and 3) from 3,231 ktCO2e in FY24, this was due to higher thermal generation during periods of low hydro and wind availability to support New Zealand's energy security. The underlying trend remains towards lower baseload emissions as new renewables displace gas generation over time. Genesis remains committed to achieving net zero by 2040 and is actively pursuing biomass and other low-emission fuel alternatives.

Capital Management & Outlook

Genesis remains committed to delivering a balanced yield-plus-growth strategy, maintaining a BBB+ credit rating, and investing in renewables, flexible generation and digital infrastructure to support New Zealand's energy transition.

Stay-in-business capex increases from FY25 to a range of between $130 million - $140 million, with investment to prolong the life of the Huntly scheme and maintain a high level of asset reliability. Growth capex outlook of up to $300 million will be allocated to renewables opportunities.

Guidance for FY26 normalised EBITDAF is in the range of $430 million - $460 million, subject to hydrological conditions, gas availability, plant reliability, and stable market conditions.

Genesis Investor Day is scheduled for 26th - 27th November 2025.

Commentary and Quotes from Malcolm Johns

“The Company navigated four very different quarters, with gas supply declining faster than forecast and the need to support other generators during the winter of 2024. The year saw periods of extreme dryness in the first and third quarters, with Huntly’s three Rankine units running at high capacity to meet customer needs and support the wider market. The Company’s ability to switch between fuels, including gas, coal and diesel, proved essential in responding to market volatility. This fuel flexibility is expected to become increasingly important as the gas market becomes less reliable and fluctuating wind and hydro generation contribute to greater price volatility. Despite these headwinds, Genesis’ portfolio flexibility enabled the delivery of a solid financial result.”

“Huntly Power Station once again played a critical role in ensuring both earnings resilience and security of supply for New Zealand. It is now widely accepted that Huntly is essential to the country’s future energy security and will remain a core asset within the Genesis portfolio. HPS is now backing up national wind generation more often than it is backing up dry hydro periods. Energy security is required across minutes, hours, days, weeks and months, and HPS has asset and fuel flexibility to monetise the full spectrum. Hydro generation also provided significant value, leveraging the geographic diversity of the Company’s hydro schemes to capture rainfall in different regions and deliver between 2.6 and 3 TWh per annum.”

“Our strategy to drive earnings growth through leveraging our portfolio flexibility mitigated most of these impacts, delivering a solid FY25 financial result.”

“The leadership team emphasised that Gen35 is focused on delivering both near-term earnings growth and a clear pathway to long-term earnings resilience beyond FY28. This will be achieved through market growth, improved margins from existing operations, and investment in flexible, efficient generation assets. The target of mid to upper $500 million EBITDAF by FY28 remains in place, based on average hydro conditions and no material adverse events.”

“In retail, the business has been simplified and strengthened, with the integration of Ecotricity, consolidation under a single Genesis brand, and the expansion of the Company’s presence in the EV charging market through a majority stake in ChargeNet. The Company also completed a successful large-scale demand flexibility trial, further demonstrating its ability to deliver innovative solutions for customers and the market.”

“We look forward to Investor Day in November when we will share our capital allocation plan and talk more about how we will accelerate through Horizon 2 of Gen35, delivering our financial objectives and the wider strategy post FY28, as we continue to play our part in New Zealand’s energy transition.”

1 Normalised EBITDAF: EBITDAF adjusted for non-routine restructuring costs ($2.4 million), acquisition costs ($2.0 million) and provision for Crown royalties settlement for Kupe Venture Limited - PML 38146 ($11.7 million).

2 Reported EBITDAF: Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, unrealised fair value changes, and other gains.

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