Monthly Operating Report

January 2024

contact

January overview.

For the month of January 2024

» The Customer business recorded:
  - Mass market electricity and gas sales of 272GWh (January 2023: 268GWh)
  - Mass market netback of $143.32/MWh (January 2023: $124.05/MWh)

» The Wholesale business recorded:
  - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 684GWh (January 2023: 570GWh)
  - Electricity and steam net revenue of $113.64/MWh (January 2023: $98.20/MWh)
  - Electricity generated (or acquired) of 755GWh (January 2023: 577GWh)
  - The unit generation cost, which includes acquired generation was $41.59/MWh (January 2023: $38.30/MWh)
    - Own generation cost in the month of $38.60/MWh (January 2023: $38.30/MWh)

» Tauhara project progress vs. target for January 2023 was 99% vs. 100%[1] .

» Te Huka 3 project progress vs. target for January 2023 was 78% vs. 76%[1] .

» Otahuhu futures settlement wholesale price for the 2nd quarter of 2024 (ASX):
  - As at 12 February 2024: $193/MWh
  - As at 31 January 2024: $185/MWh
  - As at 29 December 2023: $211/MWh

» Due to a data issue with our external provider, the hydrology data has been excluded from the operating report this month.

» Contact's contracted gas volume (including contracted swaps) for the next 12 months is 10.9PJ

[1] The progress target for Tauhara and Te Huka 3 follows an S-Curve model in line with standard project management practice (for large scale infrastructure projects). This will result in more gradual increments in the reporting of target and actual progress as the projects near completion. Figures rounded to the nearest percentage.

Note: Mean hydro references on this page are based on the mean of all reported periods (i.e. both pre- and post-market data), sourced from NZX.
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Hydro storage and forward prices.

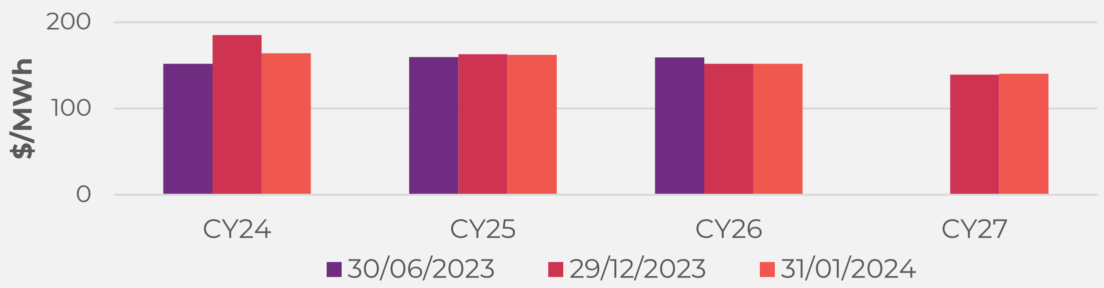
New Zealand controlled hydro storage against mean

12 MONTHS

Due to a data issue with our external provider, the hydrology data has been excluded from the operating report this month.

ASX futures settlement

Otahuhu



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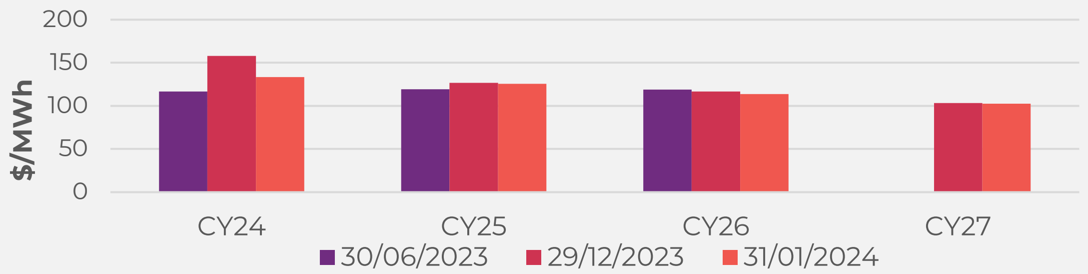
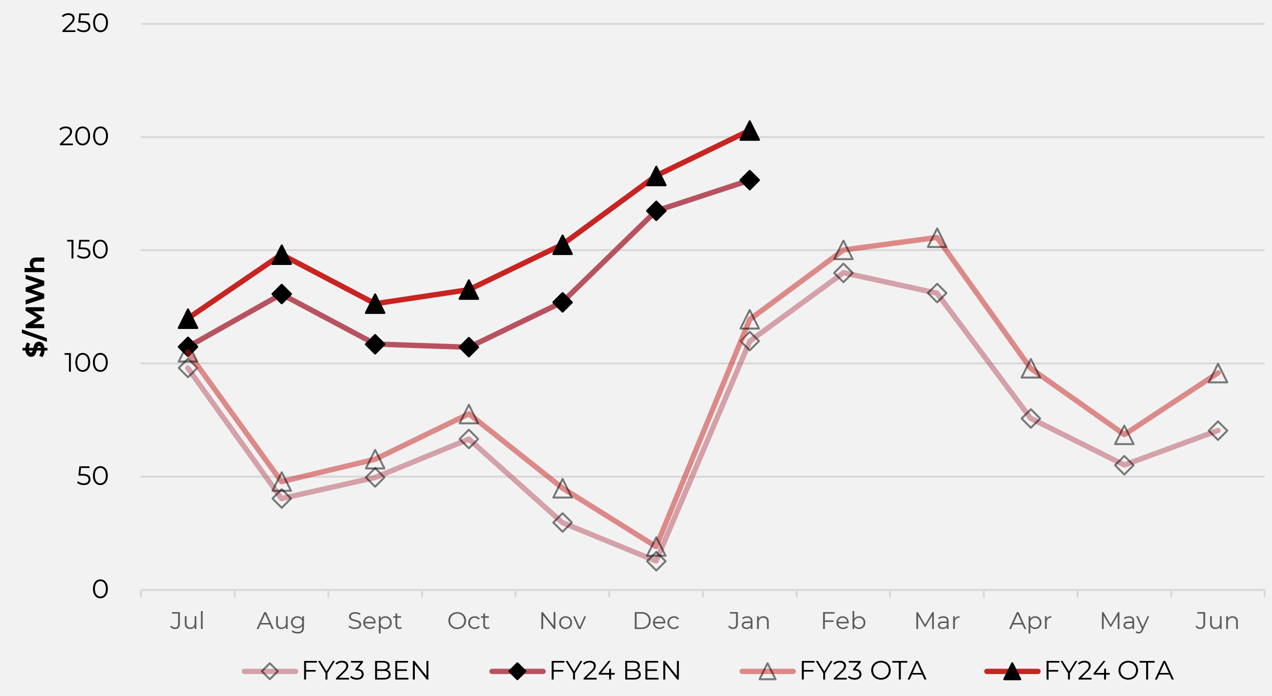
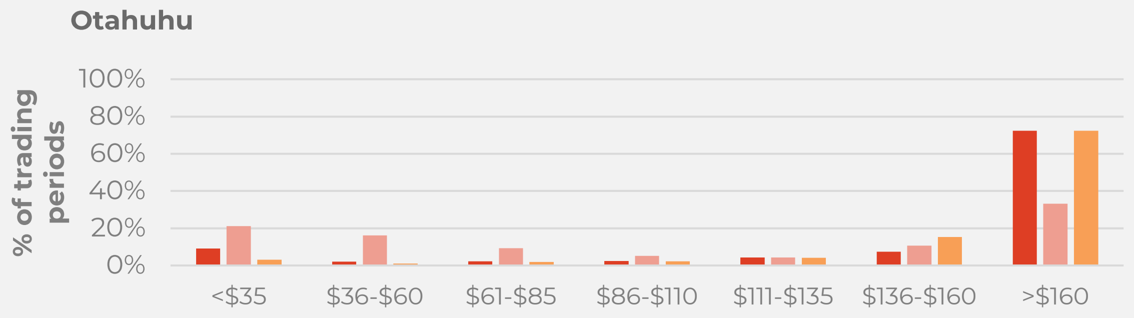


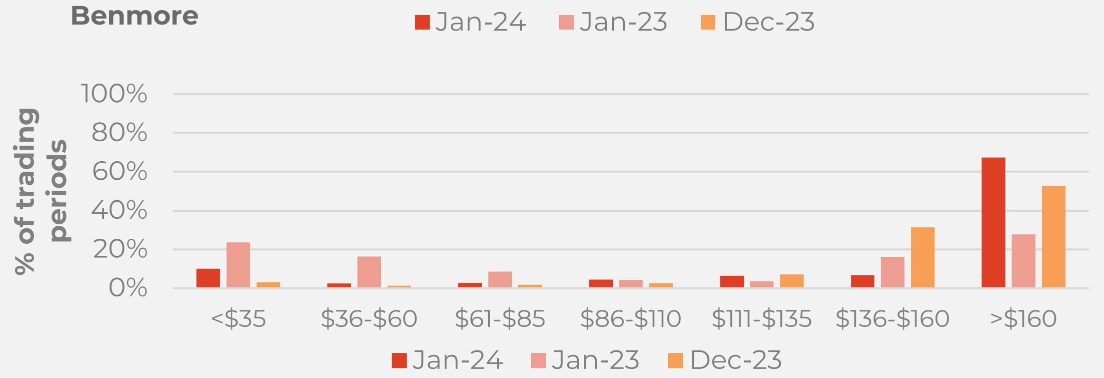
Wholesale market.

Wholesale electricity pricing



Distribution of wholesale market price by trading periods

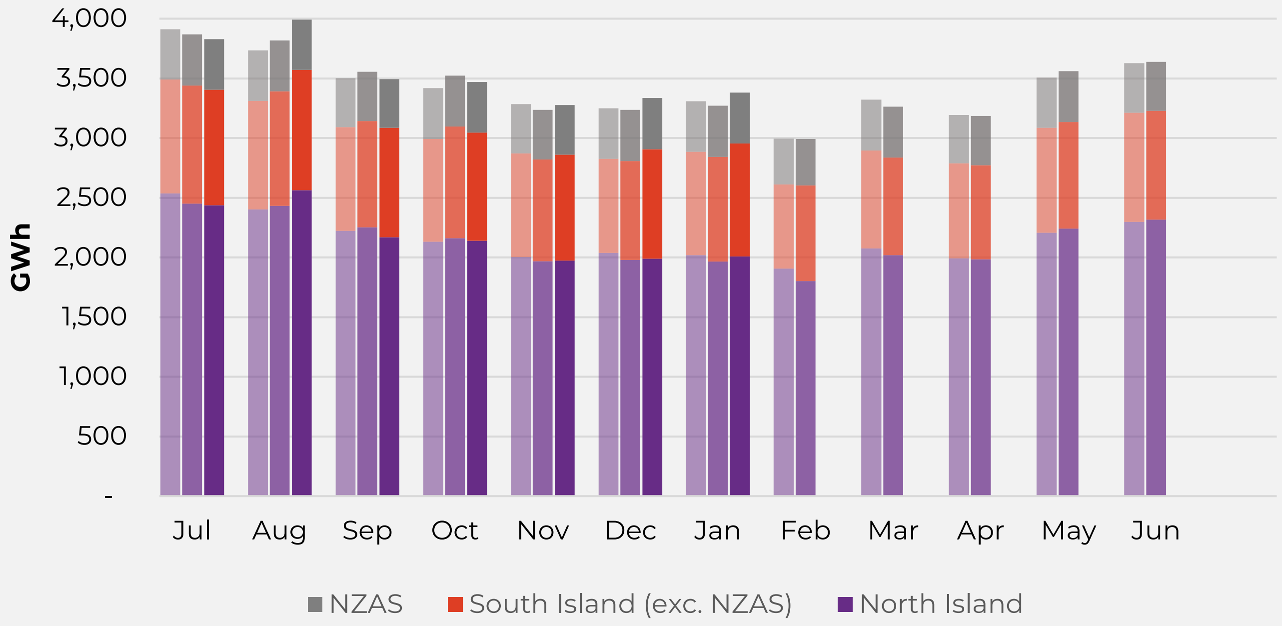




Electricity demand.

Total national demand

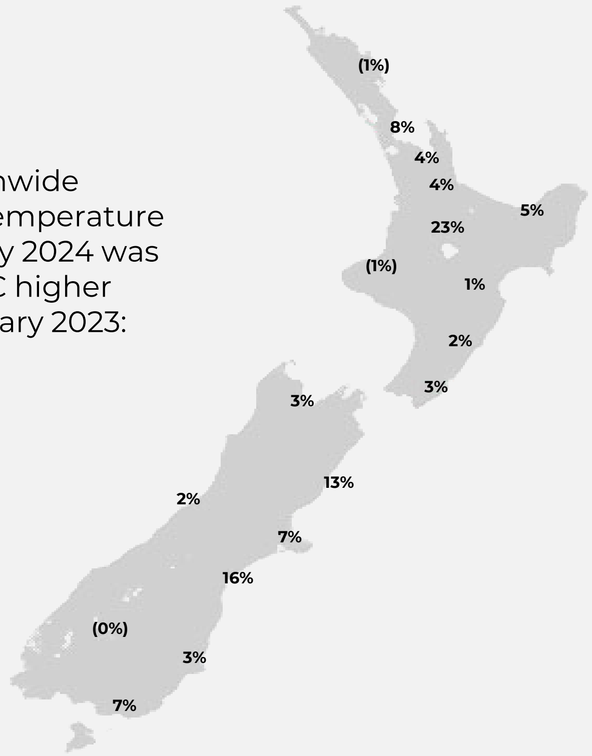
FY22, 23 and 24 respectively



» New Zealand electricity demand was up 3.4% on January 2023 (up 2.2% on January 2022)

Regional demand change (%) on January 2023

The nationwide average temperature for January 2024 was 18.5C, 0.1°C higher than January 2023: 18.4°C



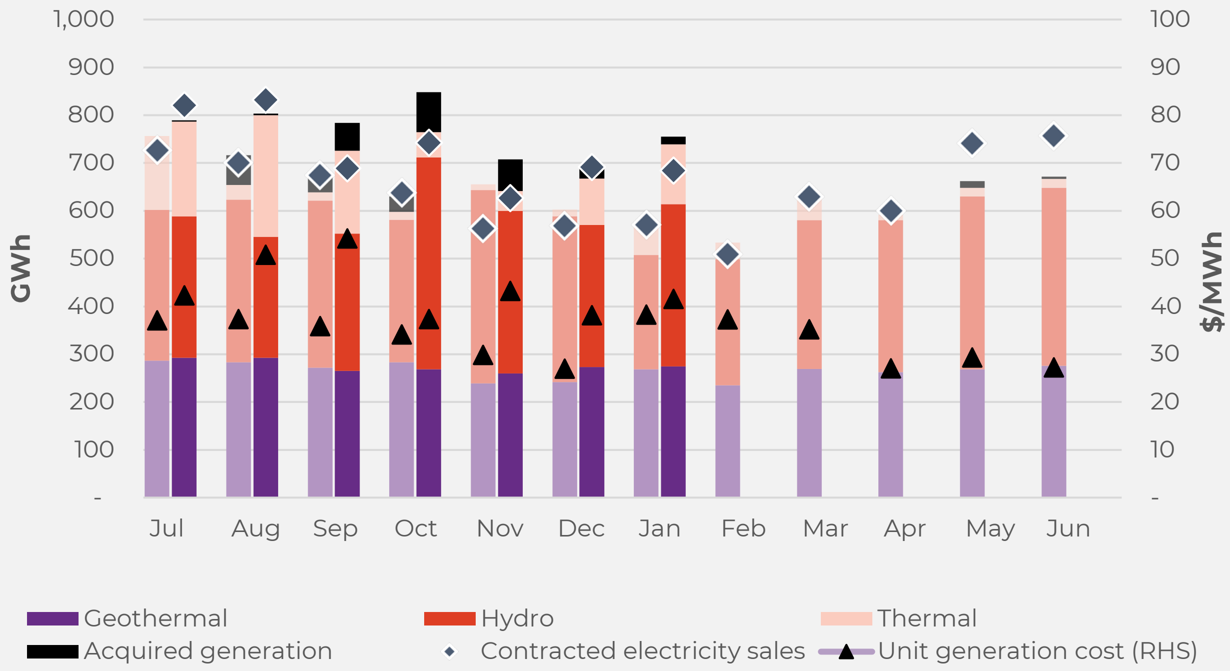
Source: Contact and Electricity Authority grid demand (reconciled) http://www.emi.ea.govt.nz

Regional demand is excluding NZAS

Business performance.

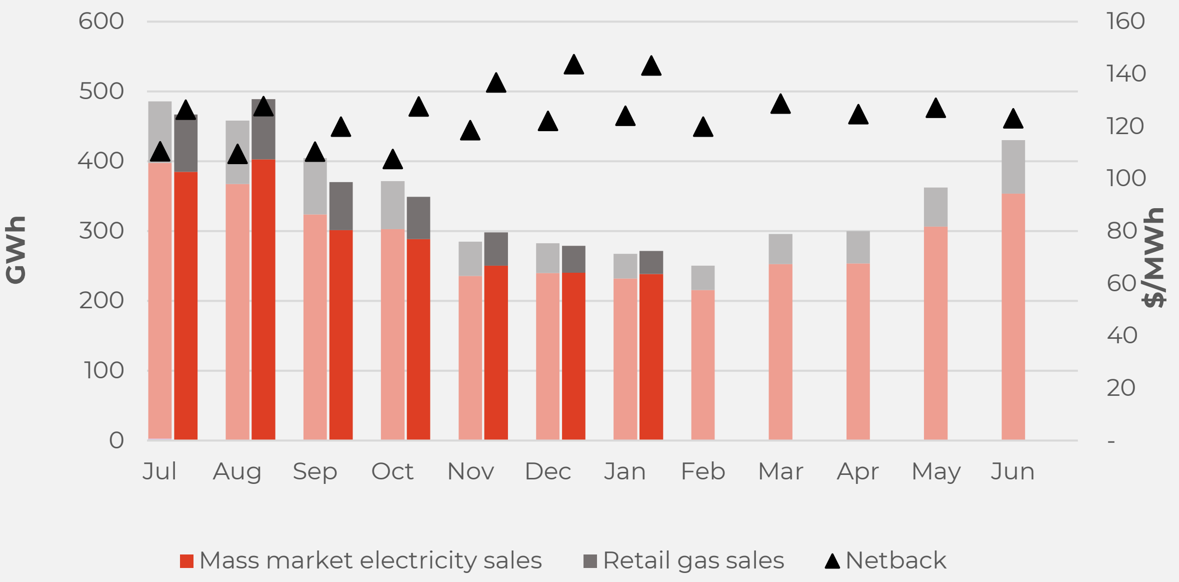
Wholesale

Generation mix, gross sales position and unit generation cost (FY23 and 24 respectively)



Retail

Retail sales volumes and netback (FY23 and 24 respectively)



Operational data.

		Measure	The month ended January 24	The month ended January 23	The month ended December 23	Seven months ending January 24	Seven months ending January 23
Retail	Mass market electricity sales	GWh	239	232	240	2,109	2,098
	Retail gas sales	GWh	33	35	39	416	456
	Mass market electricity and gas sales	GWh	272	268	279	2,525	2,554
	Average electricity sales price	$/MWh	311.17	290.23	310.60	283.77	262.19
	Electricity direct pass thru costs	$/MWh	(137.03)	(135.10)	(137.77)	(122.32)	(119.00)
	Cost to serve	$/MWh	(22.61)	(20.69)	(18.44)	(17.24)	(15.78)
	Customer netback	$/MWh	143.32	124.05	143.83	130.84	113.50
	Energy cost	$/MWh	(124.49)	(110.31)	(101.49)	(129.37)	(111.79)
	Actual electricity line losses	%	7%	6%	6%	6%	6%
	Retail gas sales	PJ	0.1	0.1	0.1	1.5	1.6
	Electricity ICPs	#	429,500	424,500	428,500	431,000	428,000
	Gas ICPs	#	70,500	69,500	70,500	70,500	70,500
	Broadband connections	#	91,000	79,000	90,000	89,000	75,500
Wholesale	Electricity sales to Customer business	GWh	258	248	256	2,246	2,237
	Electricity sales to Commercial and Industrial	GWh	134	135	119	820	961
	Electricity CFD sales	GWh	292	187	316	2,019	1,244
	Contracted electricity sales	GWh	684	570	692	5,086	4,442
	Steam sales	GWh	5	41	18	123	377
	Total electricity and steam net revenue[1]	$/MWh	113.64	98.20	96.02	122.44	102.38
	C&I netback (at the ICP)	$/MWh	111.47	107.20	93.06	121.18	115.69
	C&I line losses	%	4%	4%	4%	4%	4%
	Thermal generation	GWh	125	61	97	943	307
	Geothermal generation	GWh	274	268	273	1,926	1,874
	Hydro generation	GWh	339	239	297	2,255	2,292
	Spot electricity sales	GWh	739	568	667	5,125	4,473
	Electricity sales – Direct	GWh	-	9	-	-	54
	Acquired generation	GWh	16	0	25	255	131
	Electricity generated (or acquired)	GWh	755	577	692	5,379	4,658
	Unit generation cost (including acquired generation)[2]	$/MWh	(41.59)	(38.30)	(38.13)	(44.01)	(34.34)
	Spot electricity purchases	GWh	(392)	(374)	(375)	(3,067)	(3,144)
	CFD sale settlements	GWh	(292)	(187)	(316)	(2,019)	(1,244)
	Spot exposed purchases / CFD settlement	GWh	(684)	(562)	(692)	(5,086)	(4,388)
	Spot revenue and settlement on acquired generation (GWAP)	$/MWh	189.09	114.66	177.49	139.93	64.83
	Spot purchases and settlement on CFDs sold (LWAP)	$/MWh	(199.28)	(128.89)	(180.02)	(146.75)	(73.47)
	LWAP/GWAP	%	105%	112%	101%	105%	113%
	Gas used in internal generation	PJ	1.0	0.8	0.9	7.7	4.2
	Gas storage net movement (extraction) / injection	PJ	0.1	0.0	(0.0)	(0.5)	2.1
	Progress tracking actual *(target)* for Tauhara (grey) and Te Huka 3 (no fill)	%	99% *(100%)* 78% *(76%)*	N/A	98% *(100%)* 75% *(72%)*	N/A	N/A
Contact	Total customer connections	#	596,000	577,000	596,000	597,000	580,000
	Realised gains / (losses) on market derivatives not in a hedge relationship[3]	$m	0.30	(3.21)	0.03	(2.33)	(11.18)

[1] Contact has made reclassifications to better align with IFRIC guidance on IFRS 9 resulting in realised gains/losses from market derivatives not in a hedge relationship (includes market making activity) no longer being reported in operating income (EBITDAF). FY23 figures have been restated.
[2] Unit generation costs are calculated excluding the impact of an onerous provision for the Ahuroa Gas Storage facility (AGS).
[3] This includes market making activity and is reported outside of EBITDAF.

Environment, Social and Governance (ESG)

Material theme	Measure	Unit	Q2 F24	Q2 FY23
Climate Change*	Greenhouse Gas (GHG) Emissions from generation assets[1]	kt CO^{2}-e	144	111
	GHG intensity of generation[2]	kt CO^{2}-e / GWh	0.069	0.060
Water	Water Freshwater take[3]	Million cubic metres	0.50	0.60
	Non-consumptive water usage[4]	Million cubic metres	4,285	4,630
	Geothermal fluid discharge to awa (rivers)	Million cubic metres	3.5	2.90
Biodiversity	Native rākau (trees) planted by Contact[5]	#	2,516	26,364
	Pests caught[6]	#	508	643
Community	Community initiatives and organisations supported	#	44	22
Inclusion and Diversity	Board	% Women/ % Men	50% / 50%	57% / 43%
Inclusion and Diversity	Key Management Personnel	% Women/ % Men	20% / 80%	20% / 80%
Inclusion and Diversity	Employee Gender balance[7]	% Women/ % Men	47% / 53%	46% / 53%

Note: This information is updated quarterly (September, January, March, June)

[1] Scope 1 – Stationary combustion. In FY23 stationary combustion was 99.94% of Contact's total Scope 1 emissions
[2] Carbon equivalent from stationary combustion / electricity generated and sold via the spot wholesale market
[3] Freshwater taken to support operations at geothermal and thermal. Please note the Te Rapa power station closed in June 2023, contributing to the decrease in this figure
[4] Water that flows through our Roxburgh power station and cooling water for our geothermal power stations
[5] Does not include DrylandsCarbon/Forest Partners activities
[6] Predominantly stoats, rats and possums
[7] Includes all permanent, fixed term and casual employees. 1.6% and 1.4% unspecified in Q2 FY24 and Q2 FY23 respectively.

Keep in touch.

Investors

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