

>> QUARTERLY HIGHLIGHTS

NEW WIND GENERATION

PARTIALLY OFFSET 25TH
PERCENTILE HYDRO INFLOWS

TAUPO STORAGE CONSERVED

PROVIDING A STRONG
PORTFOLIO POSITION FOR Q3

ELECTRICITY YIELD GROWTH

THROUGH MASS MARKET
SALES GROWTH

>> COMMENTARY

Market summary

Lower national inflows during the quarter were reflected in higher spot electricity prices averaging \$156/MWh in Auckland. Forward prices remain high at \$167/MWh in Auckland for financial years 2024 to 2026 as at 31 December 2023.

Normal hydro inflows in December and portfolio management has provided a strong Q3 starting hydro position

Lower quartile inflows in the Waikato catchment over the quarter saw Q2 hydro generation reduce to 928GWh (353GWh or 28% lower than PCP). Wind generation was higher at 579GWh (191GWh or 49% higher than PCP) this was primarily a result of new wind generation from Turitea South and Kaiwera Downs 1 wind farms. Strong hydro inflows at the end of the quarter and into January provides healthy storage leading into Q3FY24. Mass market yield growth was \$16/MWh higher for the quarter relative to PCP, this was partly a result of one-off accounting adjustments and reduced acquisition activity. For the financial year we are forecasting full hydro generation of 4,000GWh.

Gentrack billing system migration successfully completed

Electricity connections are flat on PCP and 5k lower compared to prior quarter, this quarter on quarter movement was primarily a result of focusing on customer migration. The programme of work to migrate to the Gentrack billing system has been successfully completed.

>> OPERATING STATISTICS

OPERATING INFORMATION	Three months ended 31 December 2023		Three months ended 31 December 2022		Six months ended 31 December 2023		Six months ended 31 December 2022		
CONNECTION NUMBERS ('000s)									
Electricity connections (ICPs)		579		579					
Gas connections	¹	102		98					
Telecommunication connections	²	154		146					
Mobile connections		20		15					
Customers with 2 or more products		186		183					
		VWAP ³ (\$/MWh)	Volume (GWh)	VWAP ³ (\$/MWh)	Volume (GWh)	VWAP ³ (\$/MWh)	Volume (GWh)	VWAP ³ (\$/MWh)	Volume (GWh)
ELECTRICITY SALES									
Physical		147.61	1,549	135.60	1,590	151.76	3,491	141.71	3,522
Mass Market	⁴	169.54	992	153.55	962	161.82	2,363	153.83	2,287
Commercial & Industrial	⁵	108.54	557	108.08	628	130.68	1,128	119.27	1,235
Network Losses			85		82		190		173
Physical Purchases	⁶	154.58	1,635	52.86	1,672	142.82	3,680	66.06	3,695
Financial		120.45	821	99.22	865	127.33	1,665	110.97	1,799
End User CfDs		115.05	262	103.95	301	118.20	623	104.67	605
Other Sell CfDs	⁷	122.98	559	96.69	564	132.78	1,042	114.16	1,194
Spot Settlement of CfDs		150.47		45.82		138.65		58.00	
Spot Customer Purchases		144.79	28	47.26	28	134.98	60	58.73	59
Gas Sales (\$/GJ, TJ)	¹	24.48	447	20.99	449	23.01	1,286	19.92	1,227
Gas Purchases (\$/GJ,TJ)	¹	12.47	449	12.48	453	13.42	1,295	13.23	1,239
Telco Sales (\$/month/connection)	²	86.09		81.48		85.15		81.14	
Telco Costs (\$/month/connection)	²	60.59		58.33		58.91		57.31	
ELECTRICITY GENERATION									
Physical		134.52	2,151	49.12	2,274	126.90	4,486	60.84	4,817
Hydro		156.03	928	52.16	1,281	143.65	2,072	65.49	2,735
Geothermal (consolidated)	⁸	144.10	644	41.64	606	133.09	1,305	53.70	1,294
Wind Spot		129.16	267	33.31	116	119.22	482	41.57	234
Wind PPA		55.00	312	58.24	271	65.01	627	62.68	554
Financial		105.78	742	93.78	710	107.07	1,587	95.45	1,583
Buy CfDs	⁷	105.78	742	93.78	710	107.07	1,587	95.45	1,583
Spot Settlement of CfDs		146.12		43.88		134.56		58.05	
Net Position	⁹		125		176		101		352

¹ Includes LPG bottle connections

² Includes mobile and from December 2022 NOW connections

³ VWAP is volume weighted average energy-only price sold to customers after lines, metering and fees

⁴ Mass market includes residential segments and non time-of-use commercial customers

⁵ Fixed-price, variable-volume (FPVV) sales to time-of-use commercial customers

⁶ Excludes spot customer purchases

⁷ Includes the Manawa CFD volumes relating to the Trustpower retail transaction since May 2022

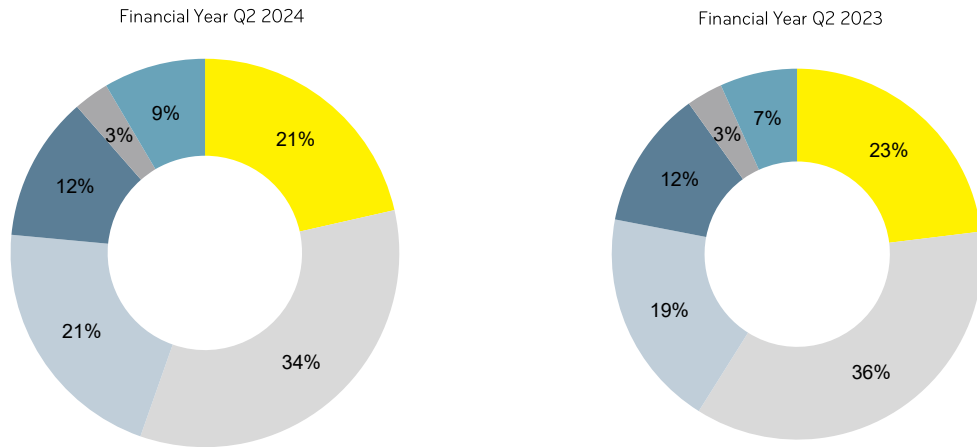
⁸ Includes Mercury's 65% share of Nga Awa Purua generation

⁹ Includes all physical and financial buys and sells except spot customer purchases and wind ppa

>> MARKET DATA

> ELECTRICITY GENERATION BY COMPANY FOR THE THREE MONTHS ENDED 31 DECEMBER

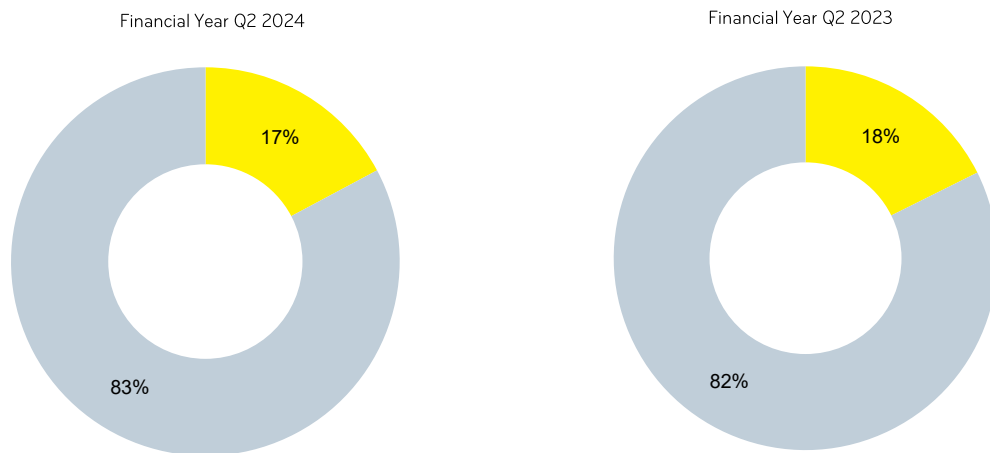
- MERCURY
- MERIDIAN ENERGY
- CONTACT ENERGY
- GENESIS ENERGY
- MANAWA ENERGY
- OTHER



Source: Transpower SCADA

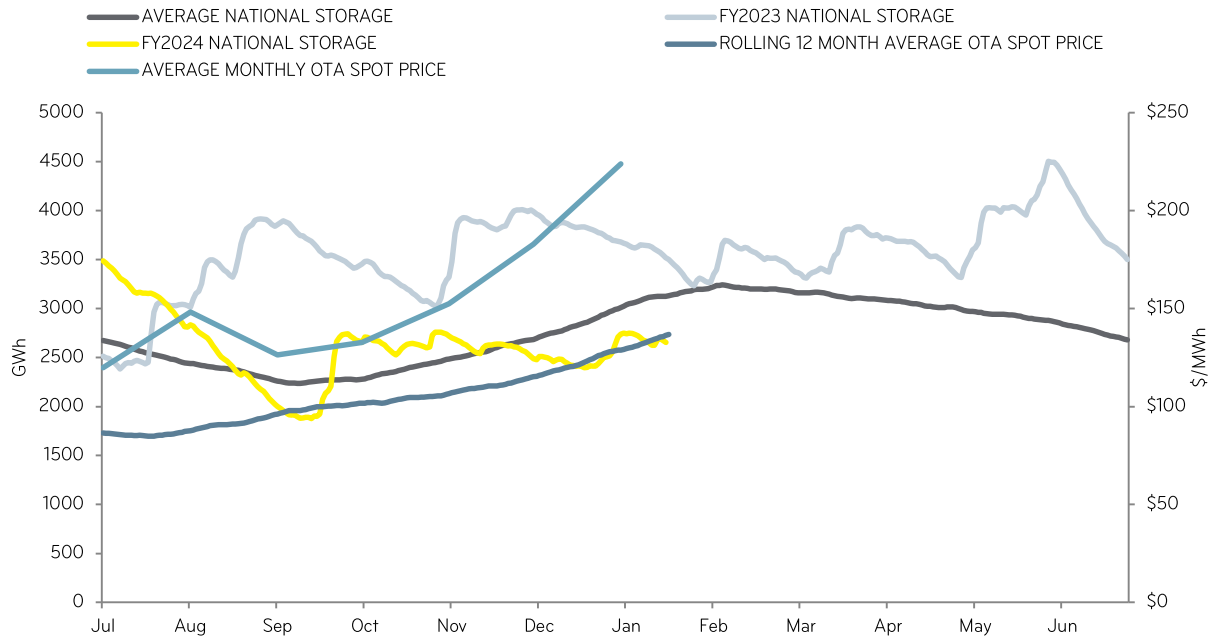
> SHARE OF ELECTRICITY SALES (GWh) FOR THE THREE MONTHS ENDED 31 DECEMBER (EXCLUDING CFDs)

- MERCURY
- OTHER



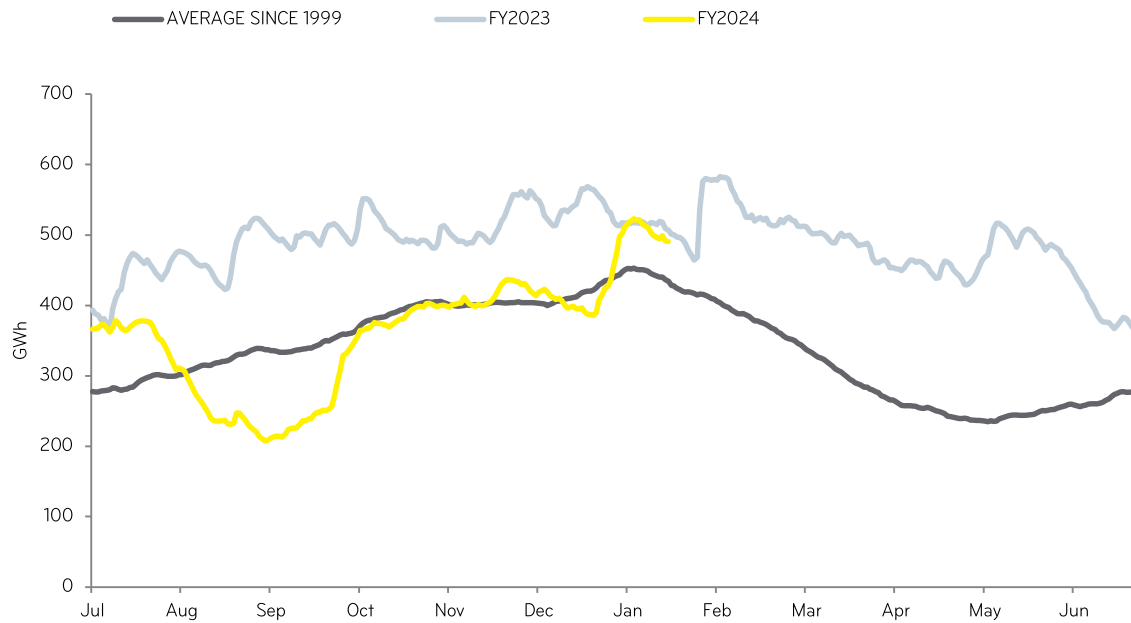
Source: Mercury Purchases and Transpower SCADA

> OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



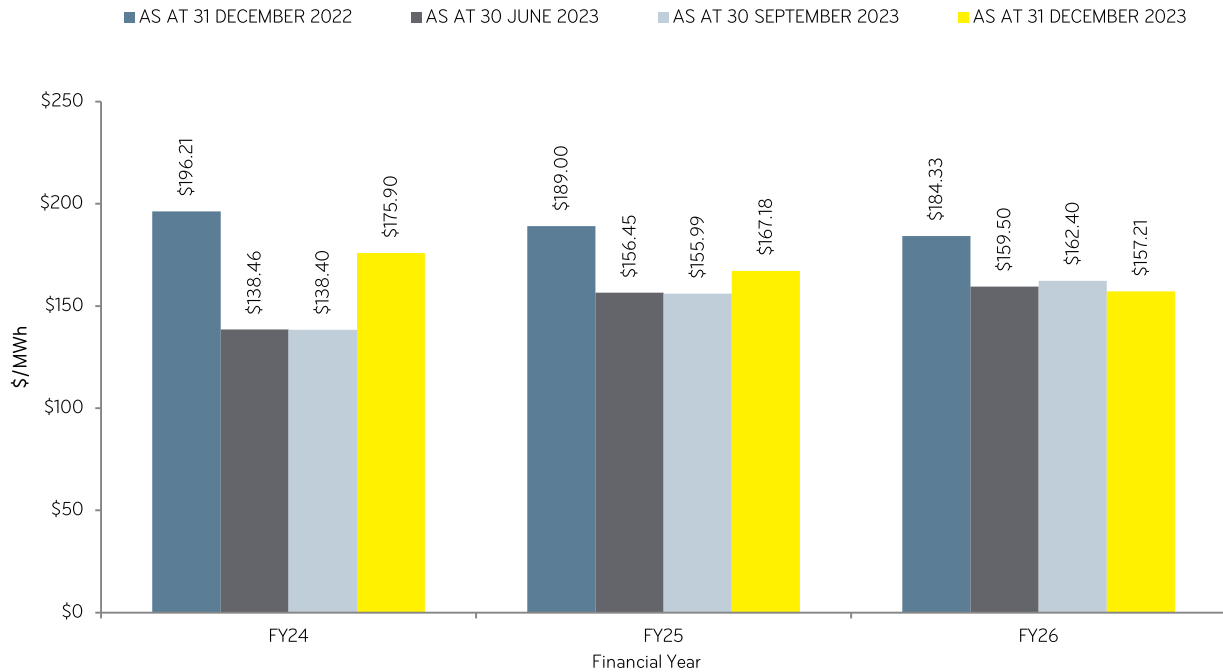
Source: NZX Hydro and NZEM Pricing Manager (NZX)

> TAUPO STORAGE



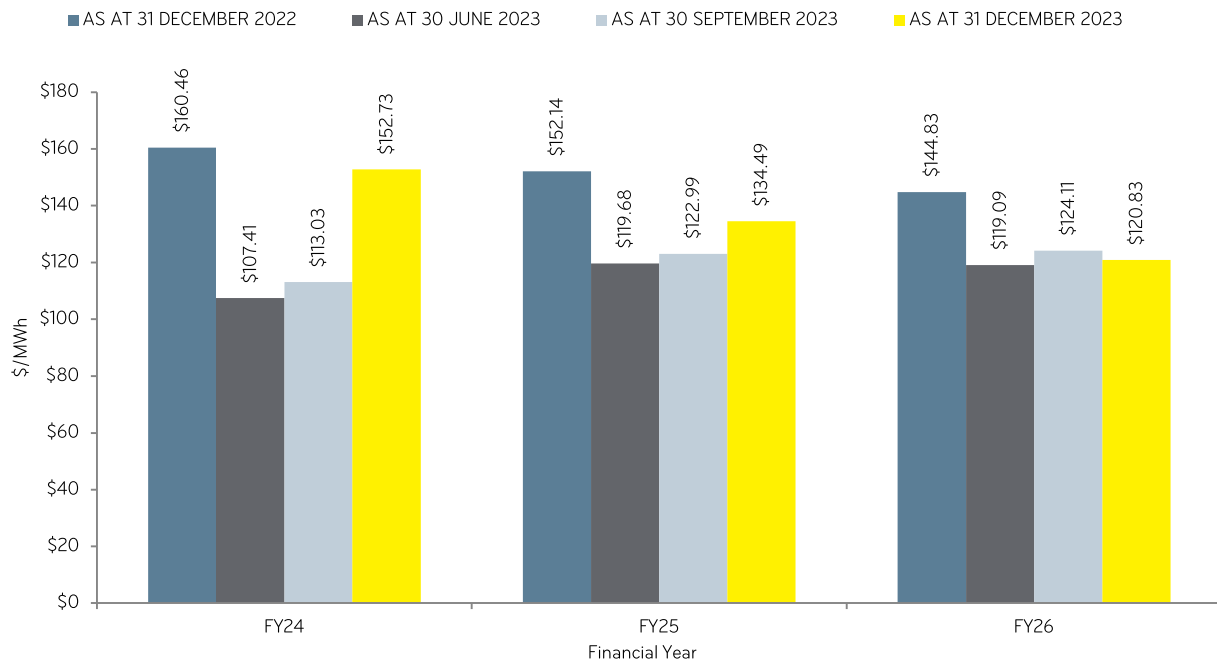
Source: NZX Hydro

> OTAHUHU ASX FUTURES SETTLEMENT PRICE



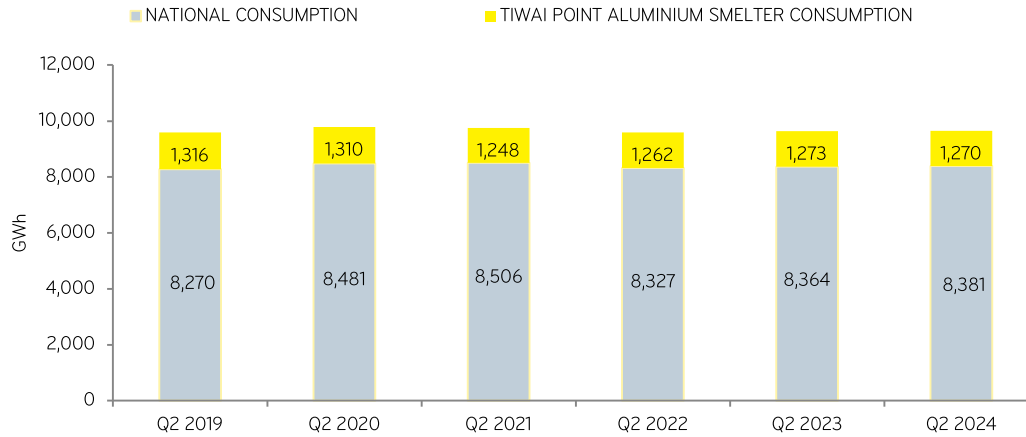
Source: ASX

> BENMORE ASX FUTURES SETTLEMENT PRICE



Source: ASX

> NATIONAL CONSUMPTION (NON-TEMPERATURE ADJUSTED)



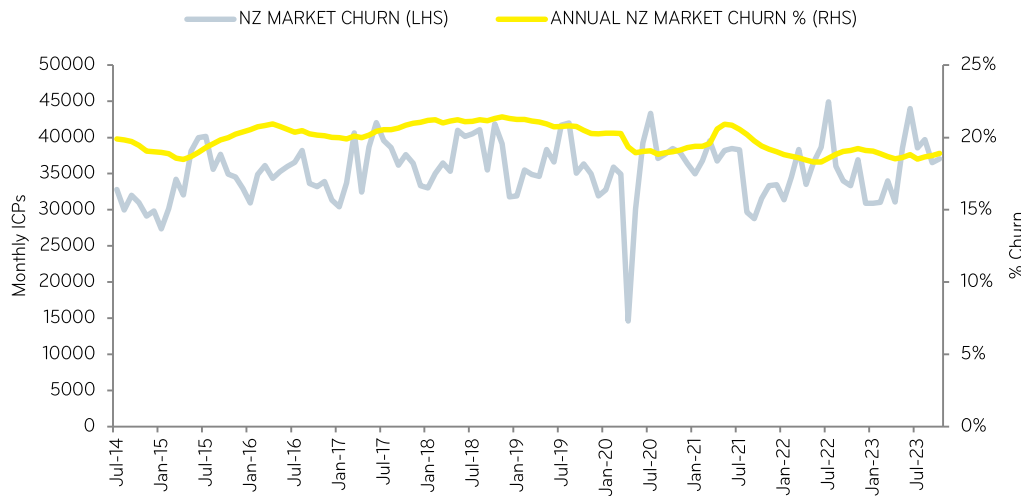
Source: Transpower Information Exchange

> AUCKLAND CLIMATE SUMMARY (°C)

FINANCIAL YEAR	Q1	Q2	Q3	Q4
2024	12.2	16.8	-	-
2023	12.9	17.2	19.2	15.1
2022	12.2	17.8	20.8	15.1
2021	12.3	16.9	19.5	14.8
2020	12.3	16.7	19.5	14.4
Historical Average (since 1999)	11.9	16.2	19.5	14.2

Source: Met Service

> MONTHLY TOTAL CONSUMER RETAIL SWITCHING (ICPs)



Source: Electricity Authority