

100% CONSUMER OWNED

Electra is wholly owned by its 46,333 consumers, stretching from Paekakariki in the south to Foxton and Tokomaru in the north. Shares in the company are held on behalf of all consumers by a Trust whose six Trustees are elected under a Trust Deed to represent the beneficiaries' interests and protect their asset.

As your elected representatives, the Electra Trust is committed to ensuring power is delivered safely and reliably to every home, business, school and organisation that we represent.

We do this by working with the Board and Senior Leadership Team to maximise the annual Electra price discount that is credited to each electricity account on the Electra network.

“Congratulations to everyone at Electra, past and present, for their exemplary service and commitment to the people of Horowhenua and Kāpiti over the last 100 years.

Our community is fortunate to have such a dedicated team who, through all sorts of challenges: weather events; ‘cars versus poles’; tree maintenance; technical upgrades and dangerous ‘live line’ work, remain focused on keeping the power on while maintaining the highest health and safety standards.

All of this makes the Electra team one of the most successful in the country, and we as a community are fortunate to have owned this jewel since the early Nineties. The future is full of challenges in the energy sector, but we couldn't be in better hands. Congratulations are very much in order.”



Sharon Crosbie,
CNZM OBE, Chair, Electra Trust



ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

IN BRIEF

\$5.5M

in price discounts issued in 2023 (incl.GST)

Over the last 30 years we are proud to have been able to deliver more than

\$222M

in price discounts to the consumers on the Electra network (incl.GST)

We have a significant role to play in supporting the growth and performance of our region.



ELECTRA - Registered Office
Corner Bristol and Exeter Streets - PO Box 244, Levin 5540
Phone 0800 ELECTRA (0800 353 2872) - www.electra.co.nz

View Annual Report online
www.electra.co.nz/our-company/disclosures

For the latest network information
0800 LOST POWER www.electra.co.nz Mobile App

OUR RESULTS

HIGHLIGHTS

For years ended 31 March	2023	2022	2021
Electricity sold (GWh)	429	424	421
Revenue (\$000)	53,196	44,883	45,387
Price discount issued, excl GST (\$000)	4,742	5,100	5,100
Total shareholders' funds to total assets	46%	58%	57%

NETWORK COMPANY ONLY

For years ended 31 March	2023	2022	2021
Electricity operating costs per consumer	\$369	\$301	\$293
Capital expenditure costs per consumer*	\$293	\$294	\$313
Reliability average outage minutes per consumer per year	102	101	74

“It is pleasing to report the Electra Group produced a \$5.3m net profit for the year ended 31 March 2023, underpinned by a strong annual result in our core network business.

The government's decarbonisation and electrification commitments present a challenge for our network business, and we are preparing our network for the significant expected electricity demand this will bring over the next decade. The level of investment required to meet this challenge is considerable but it will lead to economic benefits for our region, including additional employment opportunities within our business.

As always, we remain focused on ensuring that, over the long term, we provide network services that are reliable, sustainable, affordable and fit for the future.”



Neil Simmonds,
Chief Executive

FINANCIAL PERFORMANCE HIGHLIGHTS

In thousands of dollars

NZ IFRS

2023 2022

<i>Total operating revenue (net of price discount) earned by the Group from continuing operations</i>	Operating revenue	53,196	44,883
<i>The discount for each individual consumer was based on the amount of network charges paid</i>	Discount issued to consumers (excl. GST)	(4,742)	(5,100)
	Operating surplus / (deficit)	8,083	2,529
	Taxation	180	646
	Profit / (loss) from discontinued operations	(2,967)	(3,066)
<i>After price discount and then deducting costs of running the business we're left with this figure</i>	Net profit / (loss) after taxation	5,296	110
<i>We paid a dividend to the Electra Trust to cover the Trust's expenses</i>	Dividends	(300)	(300)

Net revaluations	43,095	-
Equity at start of year	174,346	174,357
Equity at end of year	222,437	174,346

FINANCIAL POSITION HIGHLIGHTS

In thousands of dollars

2023 2022

Share capital	18,000	18,000	
Retained earnings	81,309	76,000	
Reserves	123,128	80,346	
<i>This is the amount that owners have invested in the Group and is the Group net asset value. It's made up of the original share capital, revaluation reserves and retained earnings.</i>	Total shareholders' equity	222,437	174,346
<i>Includes deferred tax liabilities of \$57m</i>	Long term liabilities	174,047	122,030
	Total current liabilities	86,124	6,664
	Total shareholders' funds and liabilities	482,608	303,040
	Long term assets	469,092	275,844
	Total current assets	13,516	27,196
<i>The total assets of which 21% is funded by borrowings</i>	Total Assets	482,608	303,040

Cash Flow Highlights

In thousands of dollars

2023 2022

<i>The cash generated from day to day operations</i>	Net cash flows from operations	14,574	14,586
<i>The cash spent on assets and new investments (including sales)</i>	Net cash flows to investing	(19,842)	(3,829)
<i>The loans borrowed or repaid and dividends paid</i>	Net loans raised and cash flows from financing	(755)	(2,817)
	Net (decrease)/increase in cash held	(6,023)	7,940
<i>Cash in bank at the beginning of the year (incl. short term deposits)</i>	Opening cash	13,008	5,068
<i>The bank balance at the end of the year (including short term deposits)</i>	Ending cash carried forward	6,985	13,008

THE ELECTRA GROUP

The Electra Group works together to deliver a range of products and services that contribute to the Group's overall financial performance and the value we provide to our beneficiaries - the consumers connected to the Electra network. We are also committed to supporting regional growth and the wellbeing of the communities we serve.

ELECTRA LIMITED

an electricity network company, based in Levin with a branch in Paraparaumu, employing 119 people.

SUBSIDIARIES

ELECTRA SERVICES LIMITED

trading as SECURELY®, employing 50 people and based in Levin, the company is a medical alarm and security monitoring business as well as a call centre business.

QUAIL RIDGE COUNTRY CLUB

a retirement village in Kerikeri in the Far North and its associated construction company, Kerikeri Falls Investments Limited, employing 14 people.

MINORITY INTEREST SHAREHOLDINGS

PULSE ENERGY ALLIANCE LIMITED PARTNERSHIP (SHAREHOLDING 4.02%)

A minority shareholding in an energy retailing company.

LINAX LIMITED (SHAREHOLDING 6.8%)

A small investment in a locally-based sustainable footwear company.

HOROWHENUA DEVELOPMENTS LIMITED (SHAREHOLDING 25.0%)

A minority shareholding in a large-scale commercial property development company, based in Levin.

KEY HIGHLIGHTS

\$59.5M
in total Group revenue

46,333
consumers connected to our network

559
new connections to the network this year

\$222M
in price discounts (incl. GST) issued to electricity consumers over the last 30 years

\$5.3M
Group net profit after tax

OUR NETWORK

We own and operate the electricity network in the Kāpiti and Horowhenua regions, stretching from Foxton and Tokomaru in the north, to Paekakariki in the south.

Our network of 2,380km in circuits supplies 46,333 consumers across an area of 1,628km², making us New Zealand's ninth largest lines company in terms of connections to the network.

TOTAL ELECTRICITY DELIVERED
429 GWh

AVERAGE SALES PER CUSTOMER
9,259 kWh

MAXIMUM DEMAND
108 MW

NETWORK AREA
1,628 KM²

TRANSMISSION & DISTRIBUTION
2,380 KM

TRANSFORMER CAPACITY
350,534 kVA

ANNUAL CONNECTION - CONNEXIS COMPETITION

The Annual Connection – Connexis Competition is the premier annual event for the electricity industry's highly skilled line workers, bringing together line mechanics and cable jointers from all around the country to showcase their skills and technical abilities over three days of keenly contested competitions.

The 2022 event was hosted by Electra at the Levin Showgrounds, bringing crews into the region and boosting the local economy, particularly the hospitality sector, at a historically quieter time of the year.

Congratulations to our Levin and Paraparaumu-based teams that entered the three-day event, winning three competitions and the Dougie Trophy for the "Best Presented Line Mechanics Team".



LOOKING AHEAD

Despite challenging economic conditions nationally, we believe our region is well placed for the opportunities ahead.

The completion of major infrastructure projects including the Transmission Gully Motorway and connecting Expressways through to Ōtaki are stimulating regional growth and creating economic opportunities throughout our region. The planned extension of the Expressway from Ōtaki to north of Levin will further improve access to the northern districts of our region and drive growth for years to come.

Construction remains the largest contributor to local economic and job growth, and this looks likely to continue with significant population growth forecast for the next 20 years.

The government's commitment to a decarbonised New Zealand, fuelled predominantly by the electrification of key transport, process heat and water and space heating technologies, is a massive opportunity for our industry.

The investment required to ensure electricity networks are prepared for demand growth is significant. At a local level, we will be investing more than \$214 million in our network over the next 10 years.

This investment will ensure that we continue to deliver a safe and reliable electricity supply across the network and have the capacity to meet the challenges and opportunities presented by sustained regional growth, transport electrification and decarbonisation goals.

136,525
forecast population of the Kāpiti and Horowhenua region by 2041 (currently estimated to be 94,600)



SERVING THE COMMUNITY FOR 100 YEARS

It is a privilege to lead the Electra Group as we celebrate our centenary this year.

We want to acknowledge the foresight and courage of the original HEPB board members who formed the company 100 years ago, as well as all the people who have served the company in the intervening years. Our poles and wires are nothing without the people that have built and continue to maintain them and give our owners outstanding service and reliability. Over the last 100 years our people have helped to create a solid base for us to build on. We have accepted the challenge of doing the same for those who will follow us.

The opportunities ahead from regional growth and the challenges from decarbonisation and electrification will mean electricity demand on our network will likely double, so ensuring we can meet this demand growth will be vital. That is why we have committed to investing more than \$214 million in our network over the next 10 years, to create the flexibility and capacity needed to meet the growing needs of everyone connected to our network.

As always, our priority is to deliver a safe, reliable and cost-effective electricity supply to the people of Kāpiti and Horowhenua, and to continue to work together with our local councils to identify opportunities to deliver economic and employment opportunities to our region.

Our business is strong and well positioned for the next 100 years. We are ready for the opportunities ahead.

Neil Simmonds, Chief Executive, Electra Group

Shelly Mitchell-Jenkins, Chair, Electra Group

