



# **Marlborough Electric Power Trust**

**Annual Reporting Meeting**

**16 December 2021**

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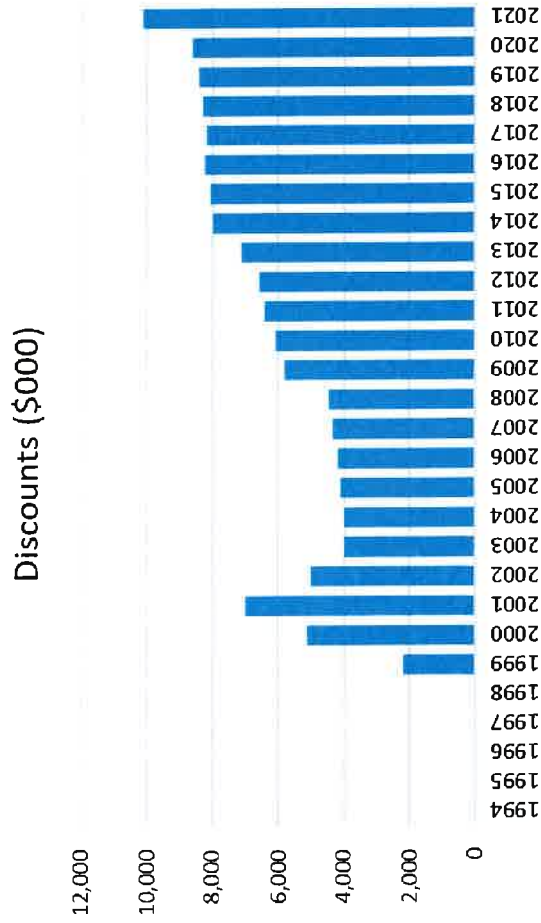
# Return on Investments 2021



- The company's \$459m of equity can be split between the parent entity, its cash balance and its investments in NEL and YWG.
- MLL has invested \$136m in YWG (including intercompany loan) and has had \$0.6m returned through interest income. In addition, during the year YWG's equity value increased by \$12.8m, following the vineyard revaluation.
- NEL returned a \$0.7m dividend, along with a \$0.06m increase in equity value.
- Group overall post-tax cash return on investments was 0.92%. Below the Statement of Corporate Intent target of 4.02%.

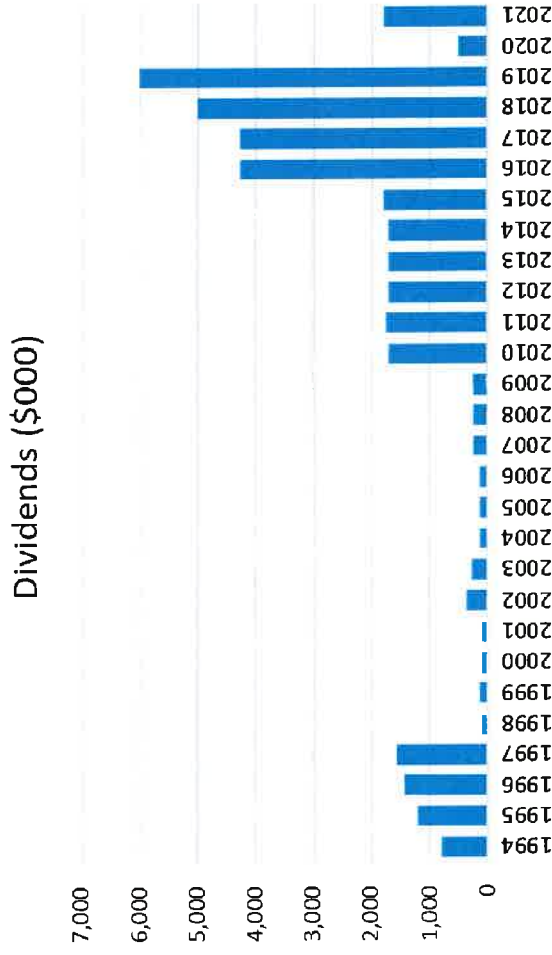
# MLL Discounts

- MLL has continued to give discounts according to the electricity usage of each customer.
- These have continued to grow while MLL has continued to be a 'successful business' as per its constitution and Section 36 of the Energy Act requirements. MLL brought forward a portion of its discount for FY21, to help with COVID relief. Six months of discount paid in August 2020 and a further eight months paid in May 2021. Average consumer received \$274 of credit on their electricity account.
- Trust Deed objectives: To operate on a commercial, for profit basis, with a view to earning optimal return on its assets.
  - Trust deed says optimal means best or most favourable, not necessarily maximum.



# MLL Dividends to help fund MEPT Distributions

- 1998 - 2009: Discounts were used instead of dividends as they were more tax efficient.
- 2009 - 2015: Trust issued a \$50 distribution to cover all ICPs.
- 2016 - 2020: Company investments returned dividends to help fund a Trust distribution of \$150 per ICP, which subsequently rose to \$200 per ICP in 2019. In 2020 no distribution was made, due to uncertainty of COVID impacts.
- MEPT continues to review dividend payments from MLL, based on overall company performance. This year the Trust authorised a \$1.8m dividend from MLL thus the Distribution in early 2022 will be \$50.



# Marlborough Electric Power Trust Equity

- 1993: Vesting of 28m MLL shares issued to MEPT at \$1/share.
- 1996: MLL bought a 50% stake in Nelson City Network (which it still has, and continues to deliver a dividend to MLL).
- 2004: Company revaluation of network assets added \$90m to equity.
- 2015: Sale of OtagoNet and subsequent purchase of Yealands Wine Group.
- Today the MEPT's value of equity in the MLL Group is \$459m.

