



11 June 2019

## Contact invests in Simply Energy

**Contact Energy announced today an investment of \$10.7 million over three financial years to acquire a 49.9% shareholding in Simply Energy, a specialist Wellington-based electricity solutions business which provides tailored solutions for commercial and industrial energy clients.**

Contact Energy (Contact) has invested in an innovative energy solutions company to help commercial and industrial customers reduce their carbon footprint and accelerate our strategy to decarbonise New Zealand's energy system.

"Our commercial and industrial customers have told us they want to transition to a lower carbon future through a partnership that goes beyond the competitive electricity price we already offer," Contact's Chief Generation and Development Officer James Kilty says.

"In Simply Energy we see a track record of delivering innovative, bespoke electricity supply solutions, including wholesale electricity supply, hedging and tariff services combined with energy management solutions and we are looking forward to working with them to help our customers make the transition in an economically sensible way."

As a result of the investment, Simply Energy will broaden the range of products and services for customers. It will also work closely with our fulfilment partners to provide tailored services to those who want to switch from fossil fuels to renewable electricity.

Simply Energy Managing Director Murray Dyer says the investment is an important and significant step towards a lower carbon future.

"This is an exciting venture for Simply Energy and Contact to provide more sustainable energy solutions for customers. We have an aligned business plan and structure to ensure our customers have access to some of the most innovative energy solutions. We look forward to working with Contact to further develop these services to help customers transition to a lower carbon future."

Simply will continue to operate independently as a trusted service partner to its existing customers but with full access to add innovative products to Contact's commercial and industrial customer base.

The purchase price, which is payable over three financial years, includes a \$2 million injection into Simply to fund investment in systems and technology to enhance the range of products and services available to customers.

Contact will use existing credit facilities to fund the investment, which is expected to complete by the end of June 2019. Contact expects the investment in Simply to be earnings accretive from FY21 onwards. Contact has the option to increase its shareholding in two years depending on the success of the venture in achieving our decarbonisation priorities.



## **About Simply Energy**

Simply Energy is the service partner of choice for New Zealand independent generators, distribution companies, electricity retailers and commercial energy users with three core service offerings:

- Generation management services for embedded generators including landfill waste to energy generation, hydro, geothermal, wind, gas engines and solar generation.
- Retail services for independent retailers and new entrants. Bespoke agile services and turn-key “white label” retail solutions for established retailers and distribution companies.
- Electricity supply solutions for commercial and industrial energy consumers. These include wholesale electricity supply, hedging and tariff services combined with energy management solutions.

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