



27 August 2018

Z Energy invests in Flick Electric

Z Energy announced today an investment of \$46 million to acquire a 70.1% shareholding in Flick Electric, the Wellington based retail electricity supplier that was the first power company in the country to offer customers access to the wholesale price of electricity. The investment brings together an electricity industry disruptor and New Zealand's largest transport energy company.

Z's Chief Executive, Mike Bennetts, said that the companies will be focused on maximising the innovation potential of the energy sector as it transitions to a lower carbon future.

"We view this as a partnership that brings together Flick's start-up mentality, differentiated offer, technology and talent, along with Z's innovation and marketing capability, operational scale and resources," said Mike.

Flick's CEO, Steve O'Connor, says that Z's investment will help Flick realise its potential.

"Over the past four years we've proven there's an appetite for a new engagement model in energy retail, which has entrenched our vision to bring disruptive energy technologies to as many people as possible. This partnership, and the expertise and capital it brings to Flick, will allow us to do more, faster, and have a greater impact on New Zealanders' lives."

The partnership with Flick is also in line with Z's commitment to a lower carbon New Zealand.

"This is another step towards the long-term sustainability of Z, and the role we play in a lower carbon transport future," said Mike.

"Our investment in Flick is part of Z's "What is Next" strategy and Capital Management plan as disclosed in our [Investor Day materials](#) in September 2017. We are continuously assessing options to invest and extend into adjacencies in one of our three preferred market spaces – future fuels, mobility and the last mile. Where it makes commercial sense to do so, you should expect Z to take action," he said.

Flick Electric is a privately held company that reported revenues of \$43.4 million for the financial year ended 31 March 2018.

Z Energy will pay an initial consideration of \$15.6 million for 22% of Flick in new issued capital and an additional \$30.4 million for the purchase of an additional 48.1% of existing shares to take the total shareholding to 70.1%. In the next quarter the governance of Flick will change to reflect Z's majority shareholding position.

Recognising that two of Z's Directors, Mark Cross and Steve Reindler, were conflicted, the governance of this transaction was entirely managed by a Board Committee comprising of Z's other Directors. Z understands both directors will be considering their positions in the conflicted companies.



Z Energy will use existing credit facilities to fund the investment and the transaction will not impact current FY19 earnings or dividend guidance. Z Energy expects the investment in Flick Electric to be earnings accretive from FY21 onwards.

Ends

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Q+A with Mike and Steve will be held on [Z's Facebook page](#) at 10 am today