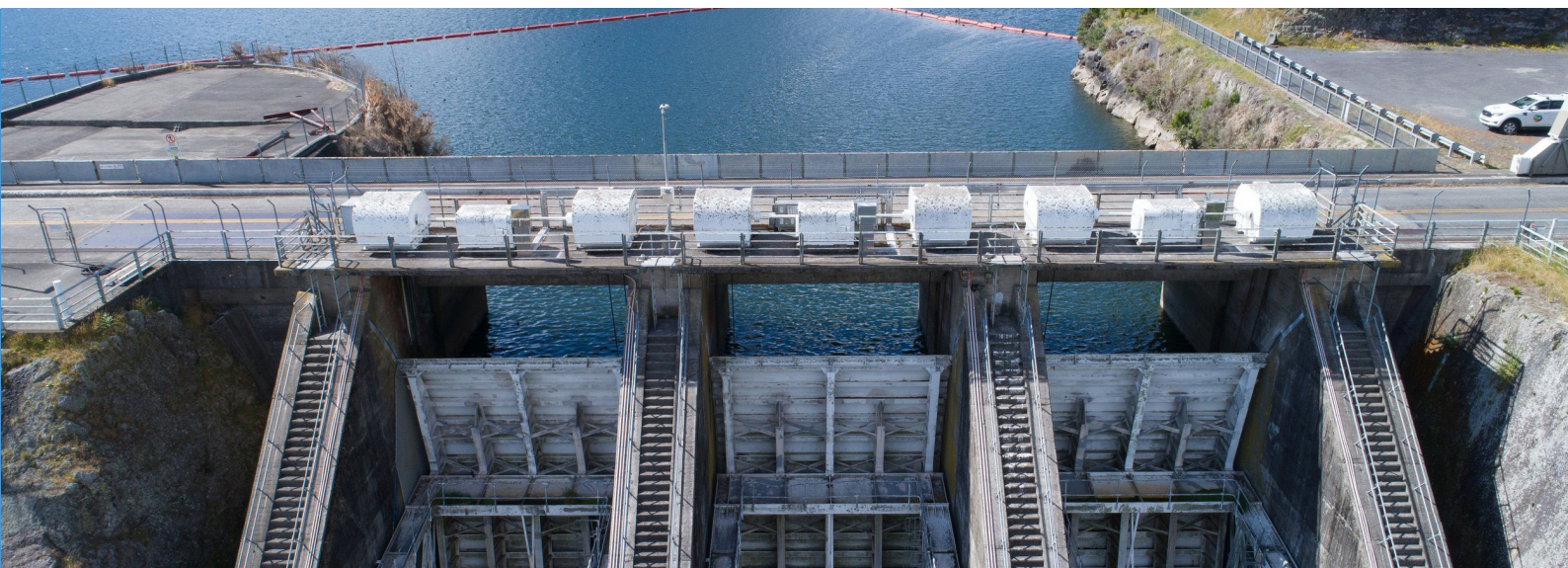




Manawa Energy powers up treasury management the easy way



CUSTOMER

Manawa Energy

CHALLENGE

To find an independent valuation tool to meet IFRS accounting standards for both interest rate swaps and foreign exchange.

SOLUTION

Hedgebook has inbuilt third-party independent valuations to meet IFRS and other accounting standards, such as US GAAP / AASB, to make treasury management easy.

OUTCOME

For over a decade Hedgebook has enabled Manawa Energy to confidently manage, value and report on hundreds of millions of dollars of interest rate swaps and FX contracts. It is now looking to expand that usage.

How Manawa Energy keeps on top with Hedgebook

The need to adopt IFRS accounting standards back in 2007 drove Manawa Energy to look for an independent valuation of its interest rate swaps and foreign exchange contracts. Head of Finance, Karl Wansbone, is not sure how they came across Hedgebook but signing up was an easy decision from what he could recall - and they quite simply haven't looked back.

Manawa Energy powering up with Hedgebook

Manawa Energy is a leading force in New Zealand's renewable energy sector, helping to power the country with clean, sustainable hydroelectricity. With a nationwide portfolio of hydro stations, they're driving the transition to a low-carbon future. Beyond generation, Manawa Energy optimises operations through energy trading and asset management—ensuring reliable, renewable power for all.

Powering this requires careful and prudent financial management including the use of interest rate swaps to cover a base level of debt as part of its capital structure. Manawa Energy also has sizable investments in maintaining its hydro generation schemes and building out new infrastructure over the years, such as wind farms, which required significant foreign exchange hedging.

"While our interest rate risk has been reasonably stable for some time our FX exposure is more material," explains Karl Wansbone. "We have a number of projects replacing generators and turbines that require components to be imported from Europe. Over the years we have also invested in building wind farms which required us to cover hundreds of millions of FX at any one time. Hedgebook has allowed us to flex and scale as the company strategy changes."

Manawa Energy is growing its Hedgebook usage

The Manawa Energy finance team looks after both treasury and accounting for financial instruments. While its current usage of Hedgebook is relatively straight forward the team is excited about where it can now take them.

“Hedgebook has allowed us to flex and scale as the company strategy changes.”

Karl Wansbone, Manawa Energy

“To be fair we haven't yet utilized Hedgebook to its full extent,” says Karl. “Currently we use it on at least a monthly basis to do our ‘fair values’. If we trade FX or interest rate swaps we record that in Hedgebook at the time.

“We also use it to do independent valuations, credit value adjustments and other sensitivities for half year and year end reporting.”

Moving forward, the team are investing in expanding Hedgebook's usage into managing Manawa Energy's policy position as well as tracking interest payments on bank loans and bonds.

Treasury management the easy way – with Hedgebook

Karl reports his team have found Hedgebook simple to learn and intuitive to use. It makes interest rate swap management straightforward and continues to support the team in handling treasury management the easy way.

“For the basic stuff we currently use Hedgebook for, it is simple and works well. Auditors trust it and it won't cause you any heart ache. The system has always worked, and we have never had any issues at year end.

“We've got it there to remove stress and that is why we are looking to use it more fully. While our usage may currently be quite basic – it should be a different story in a few months' time.”

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About Hedgebook

Hedgebook is an intuitive and easy-to-use treasury management system that helps treasurers and finance departments improve the way they record, report and proactively manage foreign exchange, interest rates and commodities risk. Simple and intuitive, Hedgebook provides real-time visibility and insights of hedge positions for better hedging decisions and eases the burden of management and compliance reporting.

For more information visit:
www.hedgebook.com

