



ASX & Media Release

1H25 Results Announcement

12 February 2025

AGL Energy Limited (AGL) today announced its results for the six months ended 31 December 2024 (1H25).

1H25 Results Highlights and FY25 Guidance

- Statutory Profit after tax: \$97 million, including significant items of \$(245) million, which included an increase in onerous contract provisions of \$(165) million and Retail Transformation costs of \$(45) million, and a negative movement in the fair value of financial instruments of \$(31) million
- Underlying EBITDA: \$1,068 million, down 1% on 1H24
- Underlying Net Profit after tax: \$373 million, down 7% on 1H24
- Fully franked interim dividend of 23 cents per share declared
- FY25 earnings guidance range narrowed:
 - Guidance range for FY25 Underlying EBITDA between \$1,935 and \$2,135 million (previously between \$1,870 and \$2,170 million)
 - Guidance range for FY25 Underlying Net Profit after tax between \$580 and \$710 million (previously between \$530 and \$730 million)

CEO Commentary - 1H25 Results Highlights and FY25 Guidance

AGL Managing Director and CEO, Damien Nicks, said: "We delivered a strong first half result in line with expectations, driven by the flexibility of our generation fleet and its ability to capture higher realised electricity pricing. This included continued strong earnings from our growing battery portfolio."

"As anticipated, the result was impacted by increased Consumer customer margin compression due to lower customer pricing and heightened market competition. Our increased investment in the growth of the business and reliability and flexibility of our assets, combined with the impact of inflation, led to higher operating costs and depreciation and amortisation."

"Importantly, these results mean we are on track to deliver full-year earnings in line with our FY25 guidance range, and the reinstatement of a fully franked dividend for our shareholders."

1H25 Operational and Strategy Highlights

- Total Injury Frequency Rate (TIFR) down to 2.8 (per million hours worked) from 3.5 in FY24
- Total AGL customer services: 4.5 million¹, up 46k on FY24; Strategic Net Promoter Score (NPS) remains positive at +3
- Total generation volumes: 15.9 TWh, in line with 1H24; Thermal Fleet Equivalent Availability Factor (EAF) of 78.5%, 5.5pp lower than 1H24
- Retail Transformation Program progressing and already delivering benefits; AGL's strategic 20% investment in Kaluza completed in January
- Development pipeline increased to 7.0 GW

¹ Services to customers number is as at 31 December 2024 and excludes approximately 309,000 services to customers of ActewAGL

- Flexible fleet capacity grown to 7.6 GW; additional 1.4 GW of FIDs targeted in FY25/26
- Second virtual battery agreement secured with Neoen; Western Downs BESS (200 MW) expected operational by July 2026
- 500 MW Liddell Battery on track for commencement of operations in early 2026

CEO Commentary – 1H25 Operational Highlights

AGL Managing Director and CEO, Damien Nicks, said: “We are very pleased to report an improvement in our Total Injury Frequency rate, down to 2.8 per million hours worked, driven by our relentless focus on preventing injuries across the organisation, which has included numerous safety awareness campaigns and targeted workshops. The reversal of the disappointing trend we’ve seen over the past few years is a testament to the hard work of all our employees.”

“Customer Markets continues to grow our customer base across all our product offerings, even as heightened market competition persists. The retail market has seen high volumes of customer product swapping in recent years due to price increases and broader cost-of-living pressures, which have also increased pressure on margins. Despite this, we continue to maintain a healthy spread to market churn, and our Strategic NPS and customer advocacy remains positive at +3, ahead of our residential customer peers.”

“Assisting our customers with the ongoing cost of living pressures remains a key priority, and we’ve utilised \$75 million of our \$90 million Customer Support Package to customers that need it the most. This is in addition to \$915 million of Government Bill Relief we have distributed to customers on behalf of the Federal and Queensland Governments. We’ve now embedded the Customer Support Program into our everyday operations, including the upgrading of digital resources to improve accessibility and streamline support for customers in need.”

“Whilst the availability of our fleet was down for the half, largely due to the occurrence of two planned major outages compared to one in the prior corresponding period and some unplanned minor outages, our ability to run these assets harder at night helped us maintain generation volumes. This, combined with the flexibility of our fleet and its availability during price volatility events, helped contribute to the strong Integrated Energy earnings result.”

CEO Commentary – Business Transition and Strategic Execution

“We continue to deliver on our strategic priorities for Customer Markets and Integrated Energy – connecting every customer to a sustainable future and transitioning our energy portfolio.”

“Our Retail Transformation program, which includes the implementation of Kaluza as announced last year, is progressing and already delivering benefits. Product simplification has led to a 19% reduction in customer plans, and we’ve seen operating cost benefits for the half. We also completed the 20% strategic equity investment in Kaluza in January 2025.”

“On the commercial and industrial customer front, we continue to help them electrify and decarbonise. We now have \$130 million in EaaS portfolio capital committed or deployed, up 57% on 1H24, and commercial assets under management and monitoring have grown to 296 MW, up 26% on 1H24.”

“In transitioning our energy portfolio, our development pipeline has increased to 7.0 GW, which includes the successful integration of Firm Power and Terrain Solar acquired in September 2024. As we seek to accelerate options and our decarbonisation pathway where possible, we now have a clear pathway to Financial Investment Decision (FID) for 1.4 GW of batteries over the next 12-18 months.”

“This will add to our current flexible fleet capacity of 7.6 GW, which grew by 200 MW over the half with the addition of a second 200 MW virtual battery agreement with Neoen, and enable our ambition to build and operate a leading battery portfolio in the National Electricity Market. Construction of our 500 MW Liddell Battery is on schedule, and we now expect the first 250 MW to be operational by early 2026, and the remaining 250 MW by April 2026.”

Statutory and Underlying Profit

AGL's Statutory profit after tax was \$97 million. This included significant items of \$(245) million (post-tax) excluded from Underlying Net profit, which included an increase in onerous contract provisions of \$(165) million and Retail Transformation costs of \$(45) million, and a negative movement in the fair value of financial instruments of \$(31) million. This movement is non-cash, albeit required under Australian Accounting Standards.

Underlying Net Profit after tax, which excludes the movements in the fair value of financial instruments and significant items, was \$373 million, down 7%.

Dividends and Capital Management

AGL delivered underlying cash from operating activities (before significant items, interest and tax) of \$741 million, \$99 million lower than 1H24 due to a \$381 million prepayment of bill relief received prior to the start of the period, of which \$257 million has been credited to AGL's customer accounts over the period. Excluding this prepayment, AGL's operating cash flow was \$998 million, an increase of \$158 million, largely driven by margin variation inflows of \$123 million, reflecting movements of initial and variation margins within AGL's futures book. The rate of conversion of EBITDA to operating cash flow, excluding the prepayment mentioned above, rehabilitation and margin calls, was 86 percent, up from 84 percent in the prior corresponding period.

At 31 December 2024, AGL had \$1,453 million of cash and undrawn committed debt facilities available.

AGL has declared an interim fully franked dividend for FY25 of 23 cents per share. AGL's dividend policy is to target a payout ratio of 50 to 75 percent of annual Underlying Net Profit after tax. The amount of the FY25 interim dividend has been determined using a target of 50 to 75 percent payout ratio of Underlying Net Profit after tax for the total FY25 dividend. The amount and payment of the FY25 full year dividend remains subject to Board discretion, market conditions, actual FY25 Underlying Net Profit after tax and the ongoing funding and liquidity requirements of the business.

The interim dividend will be paid on 27 March 2025.

Outlook

AGL has narrowed its underlying earnings guidance ranges for FY25:

- Underlying EBITDA between \$1,935 and \$2,135 million (previously between \$1,870 and \$2,170 million)
- Underlying Net Profit after tax between \$580 and \$710 million (previously between \$530 and \$730 million)

Narrowing of FY25 guidance reflects a strong first half performance, with earnings expected to moderate in the second half due to:

- the ongoing value captured from the flexibility of our generation fleet expected to be partly offset by typical weather seasonality, reflected in lower customer gas and electricity demand compared to the first half;
- ongoing customer competition; and
- increases in depreciation, amortisation and finance costs.

All guidance is subject to any impacts arising from regulatory and government intervention, variability in trading conditions and plant availability.

Change of Chair and Auditor and retirement of Markus Brokhof

As announced on 14 August 2024, Patricia McKenzie will step down from the Board today and Miles George has been appointed Chair of the Board. The Board thanks Patricia for her outstanding contribution over the last five years.

After the completion of a competitive tender process, AGL has appointed PwC as auditor from FY26, subject to regulatory approvals and approval from shareholders at the 2025 Annual General Meeting on 3 October 2025. AGL's current auditor, Deloitte, will undertake the FY25 audit.

Miles George, on behalf of the Board, said "I would like to thank Deloitte for its high-quality audit work over a number of years. In accordance with contemporary governance principles, the Board has decided to change auditors and looks forward to working with PwC from FY26".

Markus Brokhof, AGL's Chief Operating Officer, has also advised that he will be retiring with effect from 15 September 2025. AGL Managing Director and CEO, Damien Nicks, said "Markus has been an invaluable member of AGL's Executive Team since joining AGL in April 2020. While Markus will remain at AGL until September, I would like to thank him for his commitment and excellent contribution during a period of significant change for AGL and the energy industry, which has been instrumental in delivering AGL's strategy and current strong position. I wish him all the very best as he moves to this next chapter. We will now begin a process for an orderly transition. As we continue to deliver the strategic transition of our energy portfolio, this will include reshaping the Integrated Energy segment due to the increasing size and complexity of this business".

Presentation, Webcast and Conference Call

AGL will hold a webcast and conference call to discuss the 1H25 result at 11.00am (AEDT), today, Wednesday, 12 February 2025. Questions will be taken at the conclusion of the webcast.

A copy of the presentation will be lodged with the ASX and made available on AGL's website.

All 1H25 documents, the pre-recorded presentation and webcast are accessible via <https://www.agl.com.au/about-agl/investors/results-centre>

Pre-registration is required to access the conference call and the live question and answer session.

A transcript and archive of the webcast will be available on AGL's website in due course.

Authorised for release by AGL's Board of Directors.

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About AGL Energy

At AGL, we believe energy makes life better and are passionate about powering the way Australians live, move and work. Proudly Australian for more than 185 years, AGL supplies around 4.5 million^[1] energy, telecommunications and Netflix customer services. AGL is committed to providing our customers simple, fair and accessible essential services as they decarbonise and electrify the way they live, work and move. AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, batteries and other firming technology, and storage assets. We are building on our history as one of Australia's leading private investors in renewable energy to now lead the business of transition to a lower emissions, affordable and smart energy future in line with the goals of our Climate Transition Action Plan. We'll continue to innovate in energy and other essential services to enhance the way Australians live, and to help preserve the world around us for future generations.

For more information visit [agl.com.au](https://www.agl.com.au).

^[1] Services to customers number is as at 31 December 2024.