FY23 Half-Year Result

9 February 2023

Agenda

1 **Results Highlights and Business Update**
Damien Nicks – Managing Director and CEO

2 **Strategy Update**
Damien Nicks – Managing Director and CEO

3 **Financial Overview**
Gary Brown – Chief Financial Officer

4 **Outlook**
Damien Nicks – Managing Director and CEO

5 **Q&A**

First half result impacted by outages and a challenging period for energy markets; Stronger plant performance sets up for improved second half

Refreshed strategy and accelerated decarbonisation pathway announced in late-September

RESULTS SUMMARY

- **Underlying EBITDA down 16%** to $604 million; **Underlying NPAT down 55%** to $87 million; impacted by prolonged Loy Yang A Unit 2 outage caused by a generator rotor defect
- $(706) million of charges (post tax) taken for asset impairments and rehabilitation provision increase due to accelerated decarbonisation pathway
- **Interim ordinary dividend** of 8 cents per share (unfranked)
- **Strong growth** in **customer services (+61k)**; **Strategic NPS** reached a **new record high of +12;** 199 MW DER assets orchestrated (+44%)

BUSINESS UPDATE

- **Highly experienced Board and Management teams in place –** Patricia McKenzie confirmed as Chair; Damien Nicks as Managing Director and CEO; Gary Brown as CFO
- **TIFR down to 1.7** (per million hours worked), reflecting a disciplined and sustained focus on safety culture and performance
- **Refreshed strategy** and **decarbonisation pathway** accelerated
- **250 MW Torrens Island** and **50 MW Broken Hill batteries anticipated operational in mid-2023**
- **Material Federal Government intervention** including **temporary domestic commodity price caps**

ACCELERATED DECARBONISATION PATHWAY

- Liddell Power Station on track to close in April 2023; 8 $MtCO_2e$ annual emissions reduction[1]
- **Targeted earlier closure** of **Loy Yang A** by **end of FY35** - supporting the transition to a **lower carbon world aligned** with the **Paris Agreement goals**[2]
- Ambition to add up to **12 GW of renewable and firming assets by end of 2035**; Interim target of 5 GW by 2030
  - **Total investment required of up to $20 billion**[3] – to be funded from a combination of AGL's balance sheet, offtakes and via partnerships
- Advancing 500 MW Liddell battery and 250 MW, 8-hour storage Muswellbrook Pumped Hydro
- **Inaugural Climate Transition Action Plan endorsed by shareholders** at the **2022 AGM**

GUIDANCE AND OUTLOOK

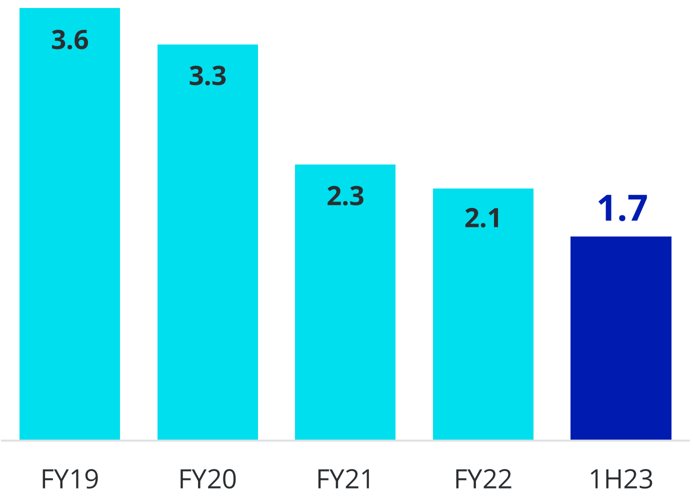
- **FY23 Underlying EBITDA guidance** narrowed to between **$1,250 million** to **$1,375 million**[4] (previously between $1,250 and $1,450 million)
- **FY23 Underlying NPAT guidance** narrowed to between **$200 million** to **$280 million**[4] (previously between $200 and $320 million)
- Forward wholesale electricity pricing has lowered from historically high levels, albeit remains elevated compared to FY20 and FY21 levels, which we expect to be reflected in earnings growth for FY24

1) Liddell Power Station accounts for around 8 $MtCO_2e$ of Scope 1 and 2 greenhouse gas emissions annually on average. Upon its closure, scheduled to occur in April 2023, these emissions will cease.
2) Based on scenario modelling of the National Electricity Market (NEM) undertaken by ACIL Allen (as outlined in Appendix A of AGL's Climate Transition Action Plan, September 2022), utilising a carbon budget for the NEM which is consistent with limiting global temperature increases to well below two degrees Celsius above pre-industrial levels.
3) Based on capital cost estimates from AEMO Inputs, Assumptions and Scenarios Workbook, June 2022, adjusted for AGL views where considered appropriate.
4) All guidance is subject to any impacts arising from regulatory and government intervention, variability in trading conditions and plant availability.

Safety performance continues to improve; Strategic NPS reached a new record high of +12

Safety

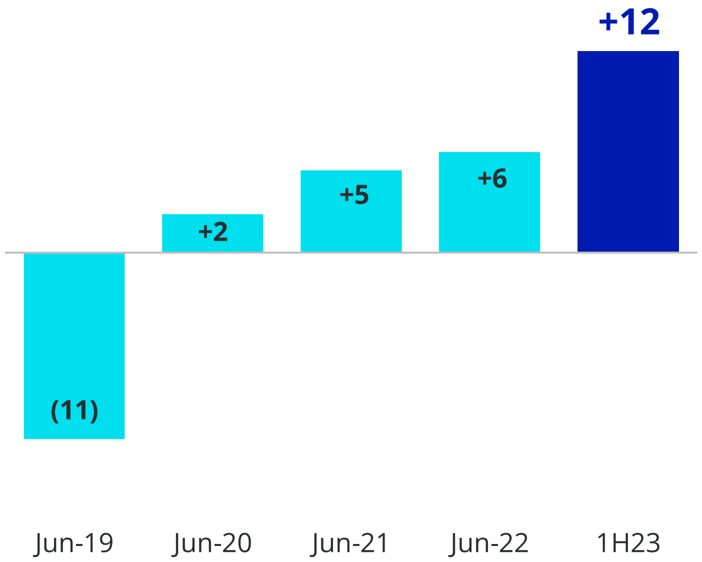
Total Injury Frequency Rate* (per million hours worked)



- ✓ Consistent improvement since FY19, reflecting a disciplined and sustained focus on safety culture and performance

Customers

Strategic NPS (Net Promoter Score)



- ✓ Excellent result considering the challenging market conditions for energy retailers

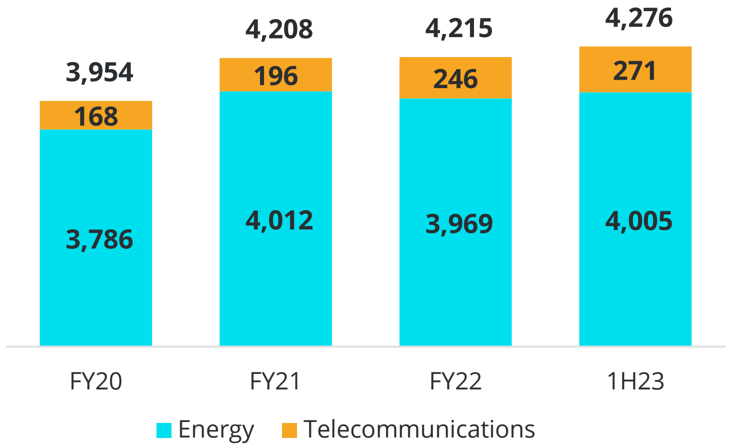
*For employees and contractors

Strong Customer Markets performance through challenging market conditions for energy retailers

Customer growth, reduced churn and lower operating costs achieved in the period

Continued growth and value focus

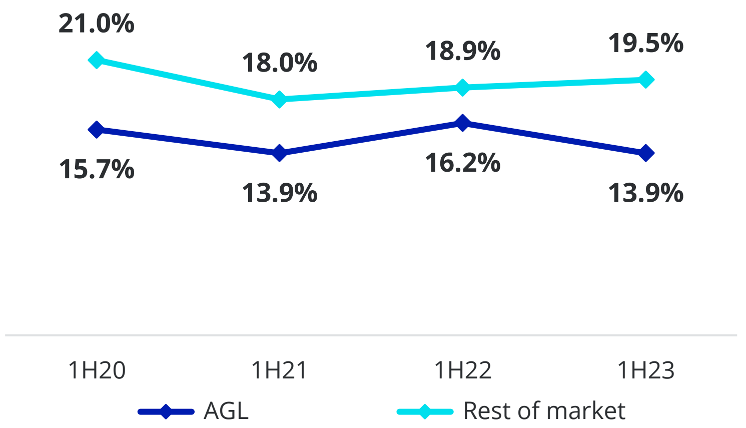
Customer services ('000)



- Customer services up **61k** vs FY22
- **36k energy** and **25k telecommunications** services growth
- Gross margin up $11m vs 1H22 driven by customer value management and growth businesses

Improved retention and service quality

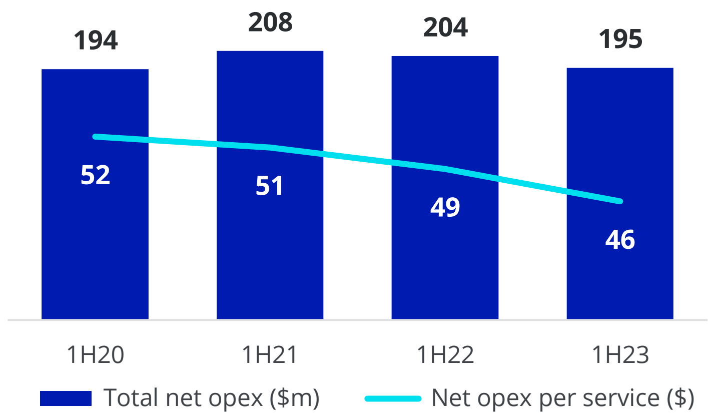
Churn (%)



- AGL churn vs rest of market increased to **5.6 ppts in a higher churn environment**
- Strategic NPS increased to **record high of +12**, 6 points above FY22
- AGL has the **least consumer electricity customer complaints** of any Tier 1 retailer[1]. Ombudsman complaints reduced 15% vs 1H22[2]

Increased operational efficiency

Consumer net operating costs[3]



- Net opex per service **down 12%** since 1H20 driven by lower underlying net bad debt expense (NBDE) and labour savings
- Increased total opex expected in 2H23 due to NBDE seasonality, technology investments and growth
- **Over 1.1m** active mobile app and my account users - AGL mobile app rated **#1 amongst its Australian peers**, with a 4.7 out of 5 star rating[4]

[1] Per FY22 Q4 reporting cycle (AER) and FY22 Q4 reporting cycle (ESC)
[2] Ombudsman complaints per 10,000 customers
[3] Incudes fees, charges and recoveries. Excludes depreciation, amortisation and SaaS
[4] 4.7 star rating on App Store

Significant progress made in Customer Market's priority areas

STRENGTHEN OUR CORE BUSINESS

#1
brand awareness
in energy[1]

52%
digital only customers

9%
increase in Consumer EBIT
per service vs 1H22[2]

ACCELERATE FUTURE VALUE POOLS

20.1% Customer Markets Green Revenue
+1.8ppts vs FY22[3]

199 MW decentralised assets under orchestration,
+44% vs 1H22

Leading commercial behind-the-meter renewables technology with
+21% revenue growth vs. 1H22[4]

>178 MW
of commercial solar assets under monitoring and management
+28% vs. FY22

Strategic partnerships to make home charging a one-stop-shop for drivers

KALUZA
AN OVO COMPANY

30% Ovo Energy Australia customers migrated to Kaluza

1 AGL Brand & Marketing Communications Tracking Program – Q2 FY23.
2 Based on Consumer EBITDA per service less Consumer share of Customer Markets depreciation and amortisation.
3. Covers Customer Markets revenue only.
4. AGL is ranked #1 for Commercial Solar market share per SunWiz Australia PV Report: 15 KW – 5MW (January 2023).

The generation fleet, supported by a portfolio of contracts, derivatives and firming capacity, is well positioned to create future value

Managing flexibility and reliability of ageing thermal fleet

COMMERCIAL AVAILABILITY*

65.2% ↓ **8.5 pp** vs 1H22

- Excluding Liddell performance, thermal fleet commercial availability was **72.2%**
- Confluence of planned and unplanned outages in the first quarter
- Sustained unplanned outage of Loy Yang Unit 2, with return to service in October
- Challenged performance of Liddell with 68 days of unplanned outages (first quarter), primarily due to boiler tube leaks
- Strong second quarter performance with high Liddell and Loy Yang availability
- Investment in chemical cleans, film forming substances, and roll-out of digital twins to uplift performance
- Successful lower minimum generation testing completed at Bayswater and Loy Yang A

Trading captured upside, minimised risk

VOLATILITY CAPTURED**

54.8% ↓ **10.4 pp** vs 1H22

- Reduction on prior year due to reduced coal generation availability in NSW and VIC in the volatile winter months
- Increased volatility in the market driven by severe weather events and unexpected outages in the market
- Increased use of firming assets and traded instruments, including Settlements Residue Auction (SRAs) and weather derivatives
- Long term hedged coal portfolio, reducing exposure to rise in prices and minimising impact of commodity price caps

Generation from broader portfolio

GENERATION VOLUMES

19.1TWh ↓ **7.4%** vs 1H22

- Lower generation influenced by softer wholesale pricing in November and December
- Liddell Unit 3 closure contributed to approximately 50% of total generation reduction on previous corresponding period (pcp)
- Renewable generation volume 13% higher on pcp
- Hydro generation volume 145% higher on pcp, due to higher water inflows
- Wind generation volume decreased 9% on pcp, primarily due to Macarthur Wind Farm converter defects

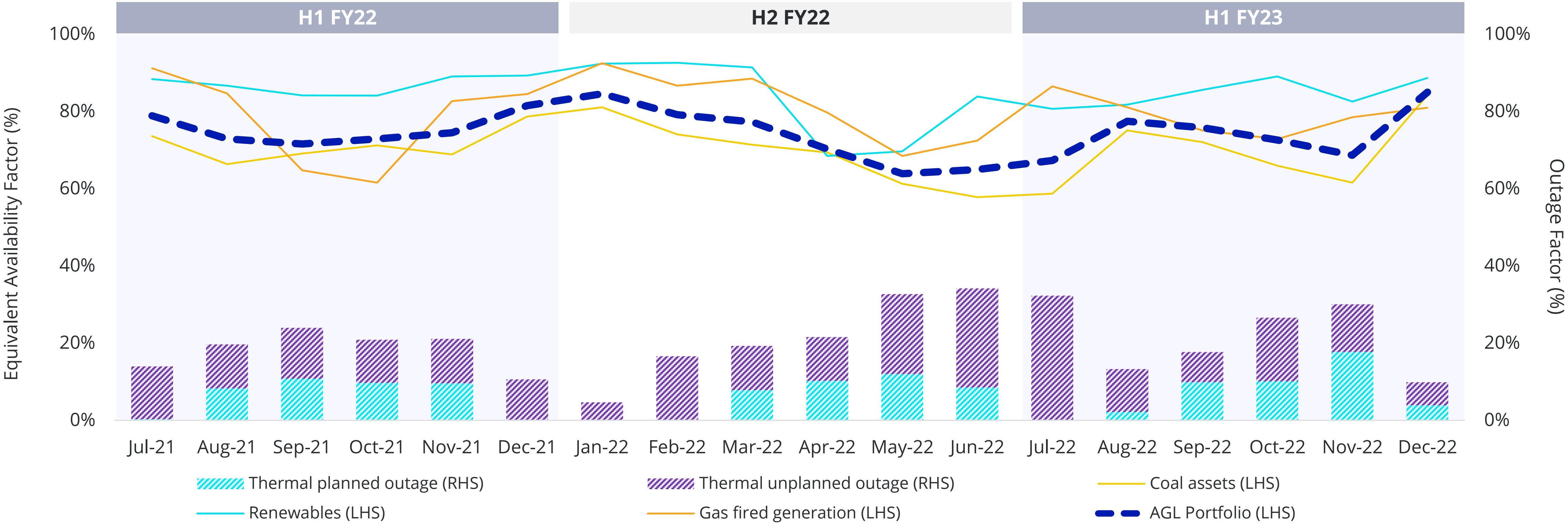
* For AGL's coal-fired generation assets.

** Value of volatility captured by generation divided by value if all capacity of dispatchable assets were generating.

After a challenging start to the half, fleet availability has improved, with a continued focus on reducing unplanned outages

Reduced fleet availability driven by extended Loy Yang unit 2 outage and additional unplanned outages from Liddell as it approaches end of life

Equivalent Availability and Outage Factors (%)



*Thermal includes Bayswater, Liddell, Loy Yang, and Torrens Island generation sites

Key focus areas to improve future availability and enable safe and responsible transition of our thermal fleet

Reduction in derates through increased maintenance on mills and precipitators

Reduction in forced outages through minimising known failure modes

Improving preventative maintenance to reduce return to service times

Enhanced efficiency and flex through turbine and generator upgrades

Loy Yang mill maintenance

Bayswater boiler chemical clean

Bayswater generator upgrade

Loy Yang Unit 2 rotor refurbishment

Accelerated decarbonisation pathway, renewable pipeline and integrated industrial Energy Hubs to support a sustainable transition

Progressively decarbonising and transitioning our generation portfolio

- Liddell Power Station closure on track for April 2023; for a total emissions reduction (Scope 1 and 2) of 8 million tonnes per annum[1]
- Torrens Island 'B' Power Station closure on 30 June 2026

Advancing renewables and firming capacity to achieve 5 GW target

- 250 MW 1 hour battery under construction at Torrens Island; expected to commence operations in mid 2023
- 50 MW 1 hour battery under construction at Broken Hill; expected to commence operations in mid 2023
- ARENA funding agreement negotiations underway for Phase 1 of 500 MW Liddell battery
- Clover Power Station capacity upgrade ongoing to unlock increased firming capacity

Feasibility studies underway to bring opportunities to commercialisation

- Hydrogen feasibility studies and discussions progressing alongside industry partners at Hunter and Torrens Hubs
- Thermal storage feasibility study underway with ARENA funding at Torrens Island
- Muswellbrook Pumped Hydro feasibility underway with partner Idemitsu on 250 MW 8-hour storage

Rationalising the upstream and midstream gas portfolio

- Divestment process underway for Moranbah Gas Project and North Queensland Energy Joint Venture with targeted completion in second half
- Divestment process underway for Surat assets in Queensland
- Advanced discussions with relevant stakeholders in New South Wales to determine mid-term future for Newcastle Gas Storage Facility

1) Liddell Power Station accounts for around 8 $MtCO_2e$ of Scope 1 and 2 greenhouse gas emissions annually on average. Upon its closure, scheduled to occur in April 2023, these emissions will cease.

Strategy Update

Damien Nicks, Managing Director and CEO

Macarthur Wind Farm, Victoria

AGL is leading Australia's energy transition

Connecting our customers to a sustainable future

4.3 million services provided nationally - helping our customers decarbonise the way they live, work and move

Transitioning our energy portfolio

Ambition to add up to 12 GW of new generation and firming by end of 2035, requiring a total investment of up to $20 billion

Leading the energy transition for all Australians

We will enable this transformation by ensuring a strong foundation:

ESG at the forefront

ESG at the forefront of what we do; playing a pioneering role in sustainability beyond carbon

Future focused, high performing culture

Develop and embed a future focused, purpose-driven organisation with our people as the driving force

Technology at the core

Unlocking growth through technology, digitisation and AI - enhancing customer experience as well as trading, operational and risk management capabilities

We have a defined strategy which aims to deliver a responsible and accelerated low carbon future

AGL's DECARBONISATION ROADMAP

By end of 2025

2023
Liddell Power Station closed

8 $MtCO_2e$
Annual emissions reduction[1]

850 MW
Grid scale batteries in place

Target by end of 2030

Up to 5 GW
Renewable generation, firming and DER capacity targeted to be in place

Target by end of 2035

2030-2033
Bayswater Power Station closure

By end FY35
Loy Yang A Power Station targeted closure

40 $MtCO_2e$
Annual emissions reduction[2]

Net Zero
for operated Scope 1 and 2 emissions after coal closures[3]

Ambition to add up to 12 GW
of renewable generation, firming and DER capacity (requiring a total investment of up to $20 billion)

Continued ambition to be **net zero by 2050** for Scope 1, 2 and 3 emissions

Relentless focus on our performance as a **leading Australian retailer of essential services**

Ongoing commitment to the supply of **affordable** and **reliable energy,** and **supporting** our **customers' transition** to a low **carbon future**

Strong focus on **working with our people** to explore opportunities for **career transition** including retraining, reskilling, transition to retirement and alternative career pathways

1) Liddell Power Station accounts for around 8 $MtCO_2e$ of Scope 1 and 2 greenhouse gas emissions annually on average. Upon its closure, scheduled to occur in April 2023, these emissions will cease.
2) AGL's operated Scope 1 and 2 greenhouse gas emissions, as reported under the National Greenhouse and Energy Reporting Act 2007, are around 40 MtCO2e annually on average and will reduce to net zero with AGL's net zero commitment after coal closures.
3) AGL will be net zero for operated Scope 1 and 2 emissions following the closure of all AGL's coal-fired power stations, targeted by end FY35.

We continue to strengthen our core to unlock future growth

STRENGTHENING OUR CORE BUSINESS…

Leading energy retailer; large and diversified customer base
Protect and grow our brand leadership through compelling propositions and extending our energy solutions offering

Low-cost operator
Drive down cost to serve through simplification and development of our digital ecosystem, automation, and unlocking value from technology partnerships

Low-cost baseload generation position; supported by strong fuel supply arrangements
Leverage strong operating cash flow to help fund the transformation of AGL's generation portfolio

Strong growth pipeline with access to high-quality projects
Leverage existing assets and infrastructure to create low emissions integrated industrial Energy Hubs

Sophisticated trading and risk management capability
Opportunity for growth by expanding the footprint in traded markets (such as the carbon value chain)

…TO UNLOCK FUTURE VALUE POOLS

Accelerate decarbonisation transition
Expand our decarbonisation solutions for the way we live, work and move
>17% annual emissions reduction by FY24; 52% by FY35 (against FY19 baseline)[1]

Drive electrification
Drive electrification through the propositions we offer
22% increase in electricity consumption[2] *from 2020 to 2030*

Accelerate renewable and flexible capacity development
Strive towards our 12 GW ambition of new renewable generation and firming capacity before end of 2035
4.7x increase in AGL renewable and green firming (nameplate) from 2023 to 2035

Accelerate decentralisation
Lead in decentralised assets and associated energy solutions
>40% of households expected to have Solar by 2030[3]

New energy technology
Build capability to remotely manage distributed energy resources in a flexible and digital-led way, and apply AI and algorithms to manage flexible portfolio
Expected 5 –10x increase in DER nameplate by 2030

1) Per AGL's Climate Transition Action Plan – September 2022; Emissions comprise Scope 1 and 2 greenhouse gas emissions from AGL's operated facilities, as reported under the National Greenhouse and Energy Reporting Act 2007.
2) NEM Underlying Energy Consumption. Source: AEMO 2022 ISP – Step Change Scenario, BloombergNEF 2022, ABS population projections, Australia Government – Global Australia
3) Includes standalone solar and solar paired with storage. Source: AEMO 2022 ISP – Step Change Scenario, BloombergNEF 2022, ABS population projections, Australia Government – Global Australia

AGL is making strong progress on delivering on its strategy

	TODAY	NEAR TERM FOCUS
Connecting our customers to a sustainable future	• Growth in customer services and record high NPS • 199 MW of distributed energy under orchestration and #1 market share for Commercial Solar • Leading technology investments unlocking simplification, digitisation and automation	• Accelerate growth of decentralised assets under orchestration and electrification, underpinned by new technology • Propel growth in e-mobility starting with in-home charging • Maintain Commercial Solar market leading position; expand C&I energy solutions portfolio
Transitioning our energy portfolio	• Existing 3.2 GW pipeline of firming and renewables and access to >3.5 GW Tilt development pipeline • 250 MW Torrens Island and 50 MW Broken Hill batteries anticipated operational in mid-2023 • Hydrogen feasibility studies underway at Torrens and Hunter hubs; feasibility study into Muswellbrook Pumped Hydro. Capacity upgrade of existing Clover Hydro	• Closure of Liddell Power Station on track for April 2023 • Deliver upon 850 MW grid-scale battery target by FY24 – focusing on accelerated development of 500 MW Liddell Battery (ARENA backed) • Advance project pipeline to deliver upon 5 GW target by 2030

Financial Overview

Gary Brown, Chief Financial Officer

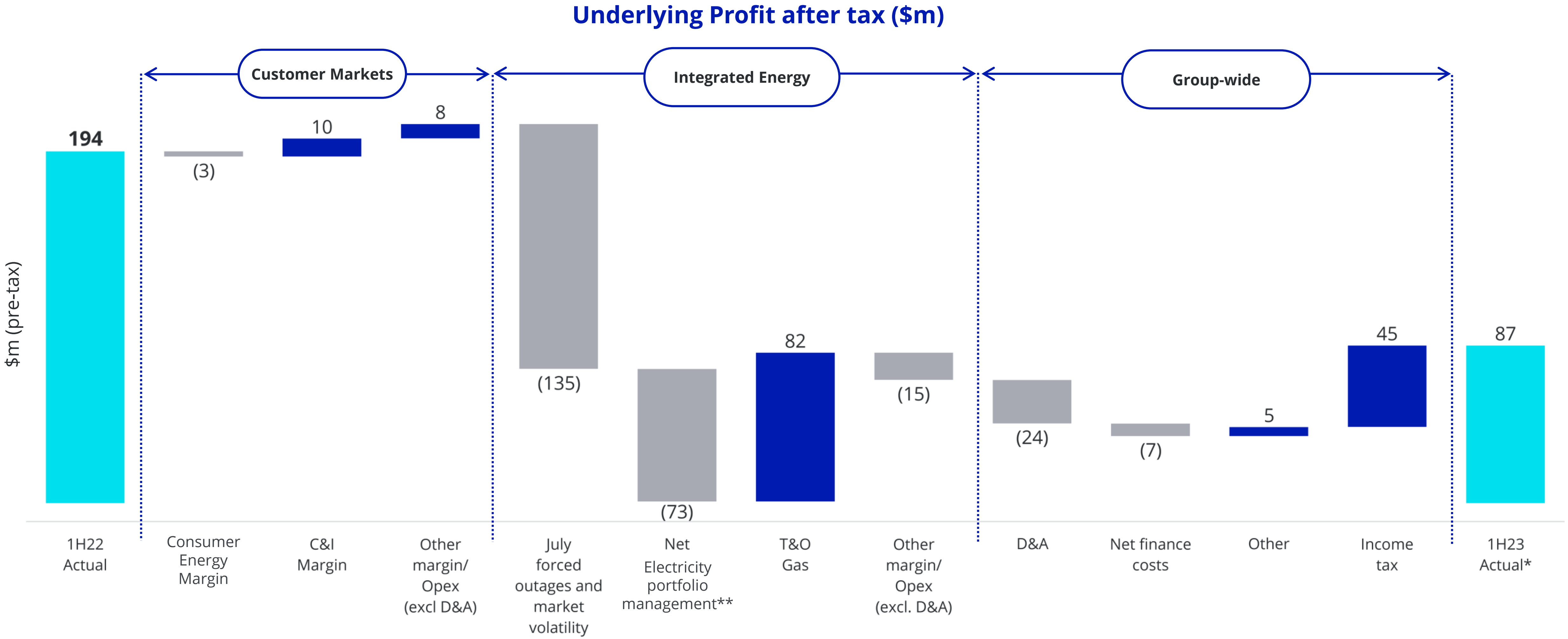
Eildon Power Station, Victoria

Earnings and cashflow impacted by unplanned outages amidst unprecedented energy market conditions

Statutory NPAT includes $(706) million of charges (post tax) taken for asset impairments and rehab provision increase due to AGL's accelerated decarbonisation plan

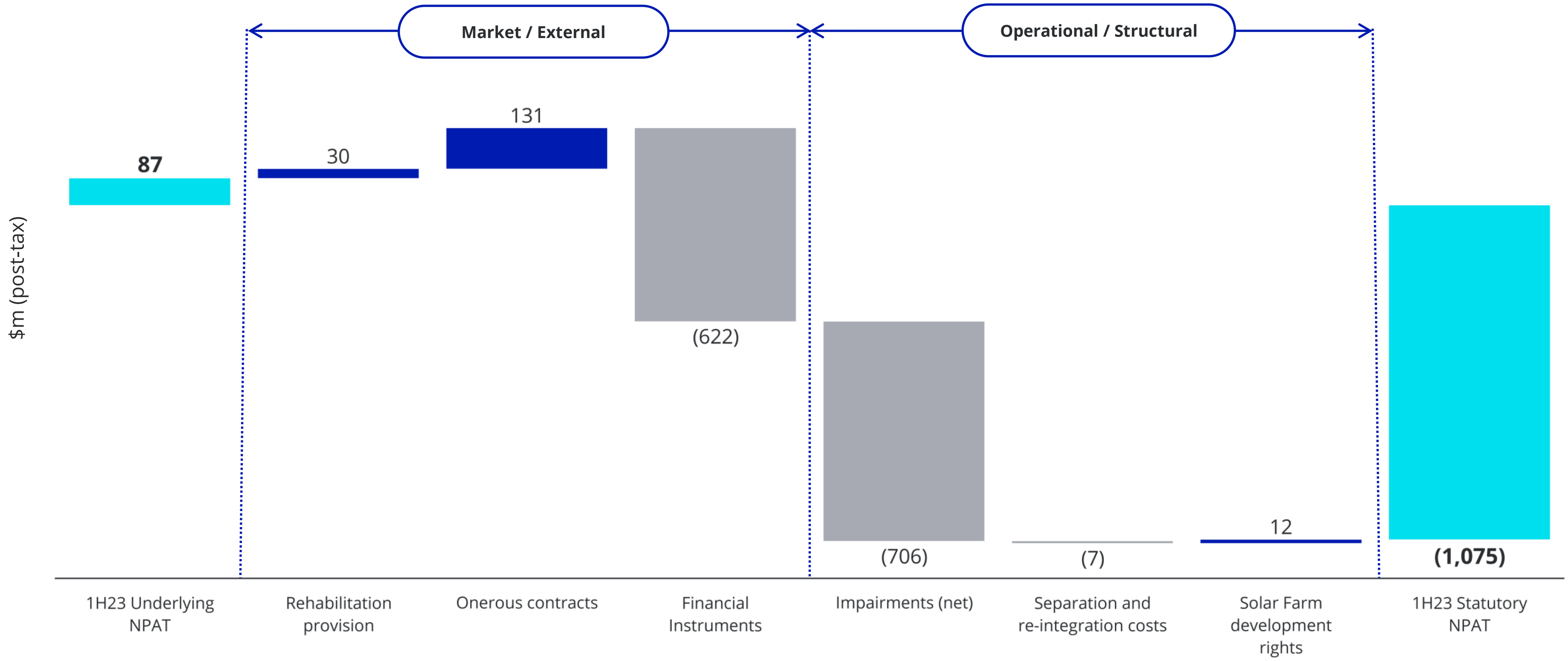
	1H23	Change from 1H22
Statutory NPAT	**$(1,075)m**	
Underlying EBITDA	**$604m**	**(16)%** ↓
Underlying NPAT	**$87m**	**(55)%** ↓
Net cash provided by operating activities	**$37m**	**(94%)** ↓
Dividends	**8 cps**	**(50%)** ↓
Return on Equity	**1.9%**	**(5.4)pp** ↓

Reduction in Underlying Profit reflects challenging electricity market conditions in July, Loy Yang Unit 2 outage, and closure of Liddell Unit 3

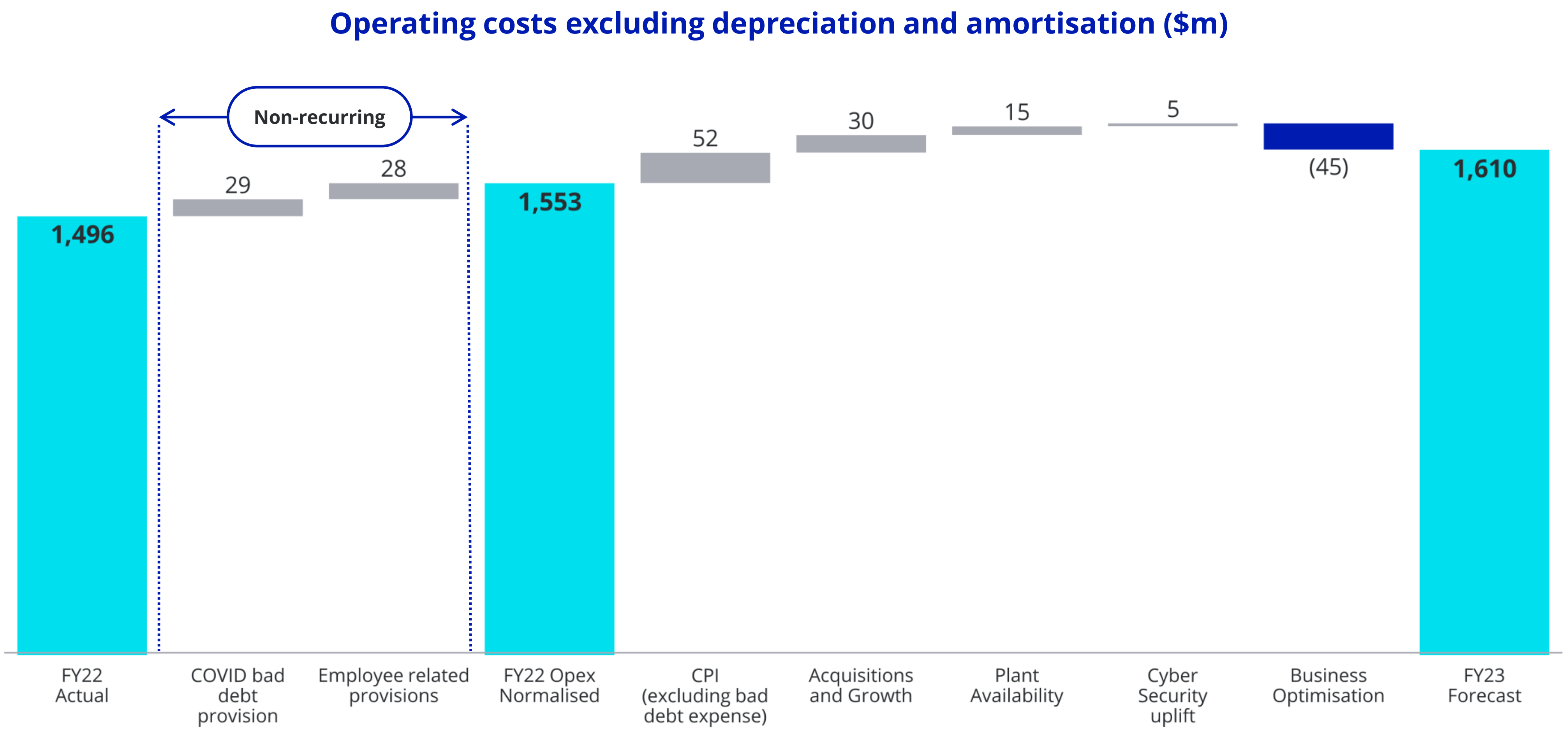


*Underlying Profit after tax attributable to AGL shareholders
**Includes impact of Loy Yang Unit 2 outage, Liddell Unit 3 closure, and increased hydro generation

Statutory Loss driven by impairment charges from bringing forward asset closure dates and a negative fair value movement in derivatives



Costs continue to be well managed in a period of significant inflationary pressures



Operating cash flow and EBITDA conversion rate impacted by working capital outflows

Cash conversion expected to revert to historical levels by the end of FY23

$m	1H23	1H22
Underlying EBITDA	**604**	**723**
Equity accounted income	(9)	(3)
Accounting for onerous contracts	(43)	(67)
Other assets/liabilities and non-cash items	(61)	17
Working capital – margin receipts/(calls)	(119)	122
Working capital – net (payables) / receivables	(98)	(179)
Working capital – inventory / green assets	(64)	195
Working capital – other	(105)	(1)
Underlying operating cash flow before significant items, interest and tax	**105**	**807**
Net finance costs paid	(49)	(42)
Income taxes paid	(27)	(53)
Significant items	8	(51)
Net cash provided by operating activities	**37**	**661**
Sustaining capital expenditure (accruals basis)	(195)	(216)
Growth capital expenditure (accruals basis)	(72)	(62)
Other investing activities	(55)	(274)
Net cash used in investing activities	**(322)**	**(552)**
Net cash used in financing activities	**492**	**(93)**
Net increase/(decrease) in cash and cash equivalents	**207**	**16**
Cash conversion rate	17%	112%
Cash conversion rate (excl. margin calls)	37%	95%

Working Capital

- Large working capital outflows in the half impacted operating cash flow, in particular payables and margin calls
- Sharp increases in wholesale electricity prices in June 2022 resulted in significant working capital inflows in FY22, with AGL being a net purchaser on high wholesale prices during plant outages. As stated at the time, the majority of these inflows have reversed in 1H23
- Forward energy prices decreased in 1H23 partly in response to Government commodity price intervention, resulting in further working capital outflows in future margin receipts / calls
- Cash conversion is expected to revert back to AGL's historical rates by the end of FY23

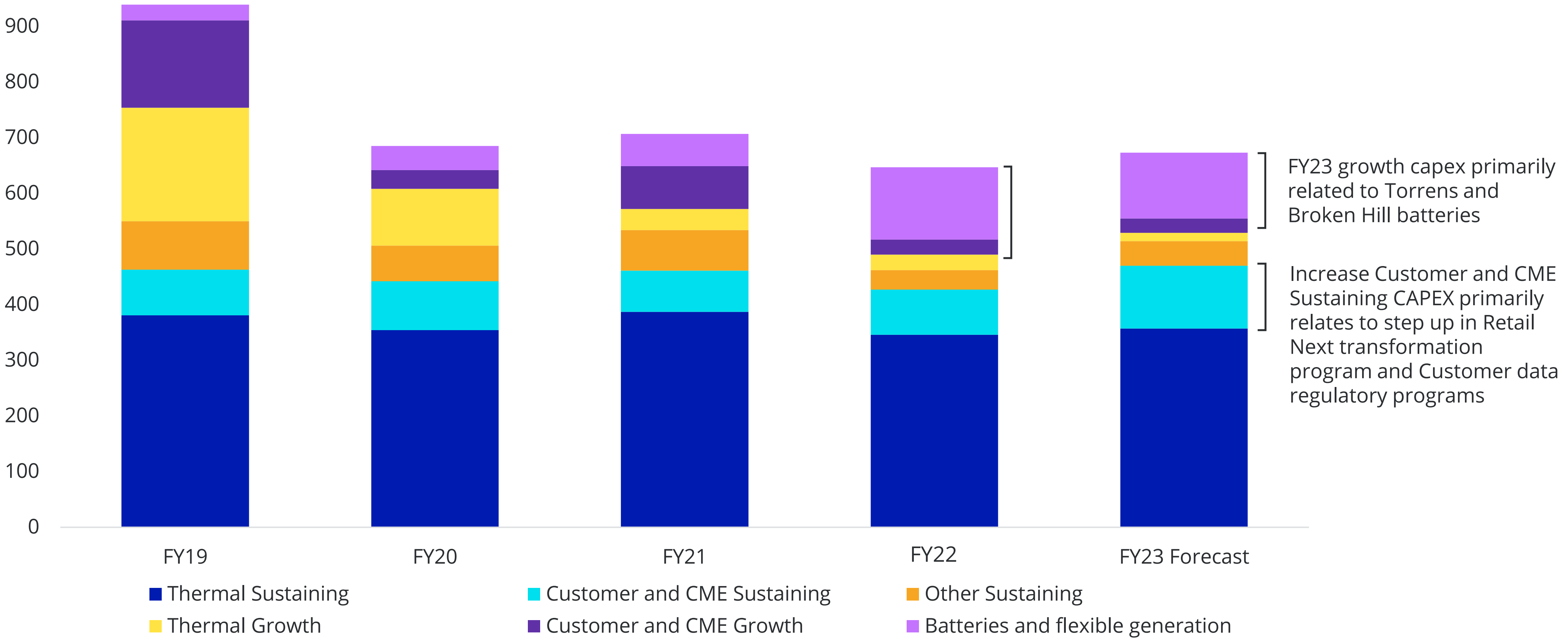
Rating and headroom

- Baa2 (stable outlook) rating confirmed by Moody's
  - 25.5% FFO to net debt; expected to increase in H2 in line with guidance
  - Process to refinance maturing debt well underway
- Significant headroom to debt covenants:
  - Gearing covenant, less than 50% → currently 35.4%
  - Funds from operations (FFO) / interest cover covenant, more than 2.5x → currently 9.6x
- $485 million of cash and undrawn committed debt facilities available

Over $120 million of growth capex in FY23 focused on investment in batteries

Approximately $670 million total capital expenditure forecasted for FY23;
Delivering over $90 million sustaining capex reduction objective in FY23 (against FY21 baseline)

Historic and forecast capital expenditure ($m)



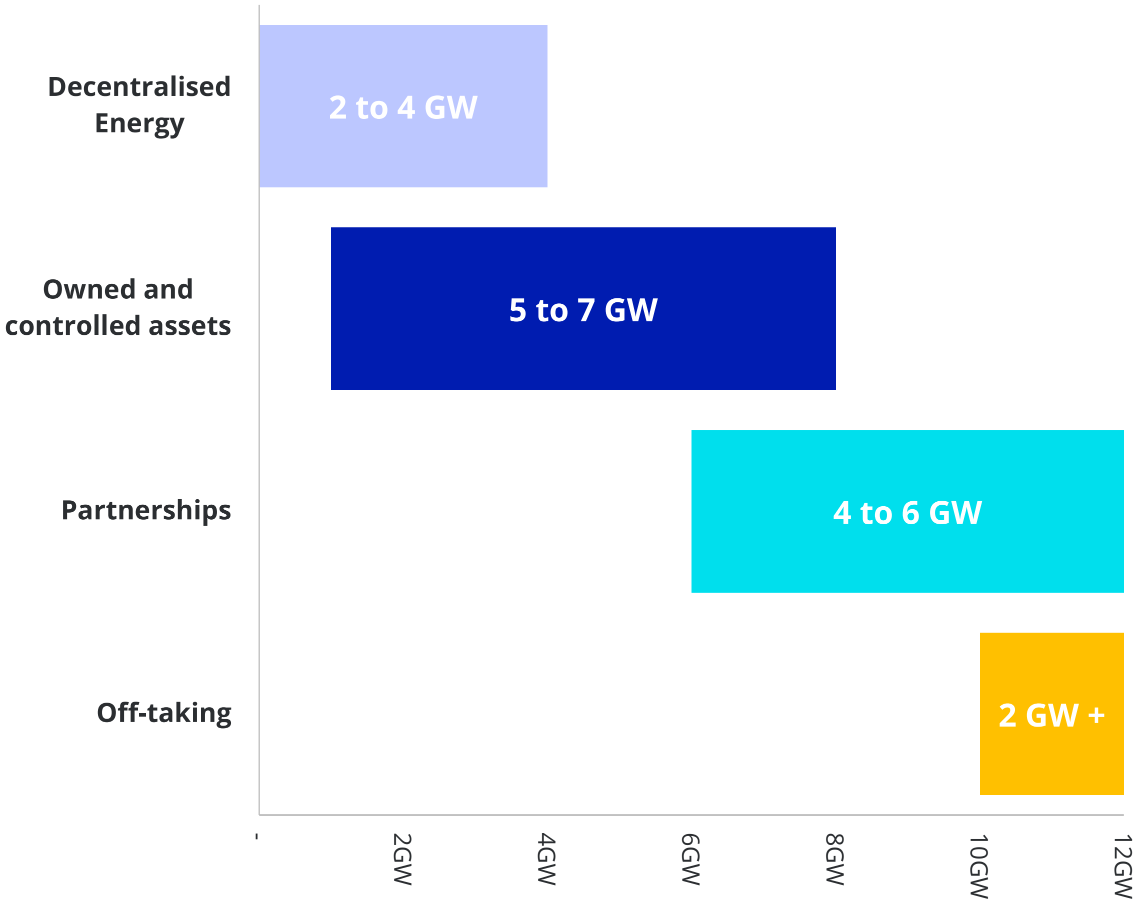
Financial Overview - Growth

Gary Brown, Chief Financial Officer

Construction of the 250 MW Torrens Island grid scale battery in South Australia, anticipated to be operational in mid-2023

Delivering on AGL's portfolio growth ambition

Indicative ranges for the primary channels to deliver the ~12 GW ambition



Decentralised Energy

- AGL to source and orchestrate energy from its large retail and C&I customer base (rooftop solar, batteries, energy management solutions) and DER

Owned and controlled assets

- Includes existing 3.2 GW development pipeline
- Focused on higher returning firming assets with dispatch control (grid scale batteries and pumped hydro projects)
- Control over development, operation and maintenance of assets
- Developments would be funded via a combination of:
  - Operating cash flows from existing operations
  - Corporate level equity and debt
  - Project level debt
  - Capital recycling via the sell-down of developed and operating assets

Partnerships

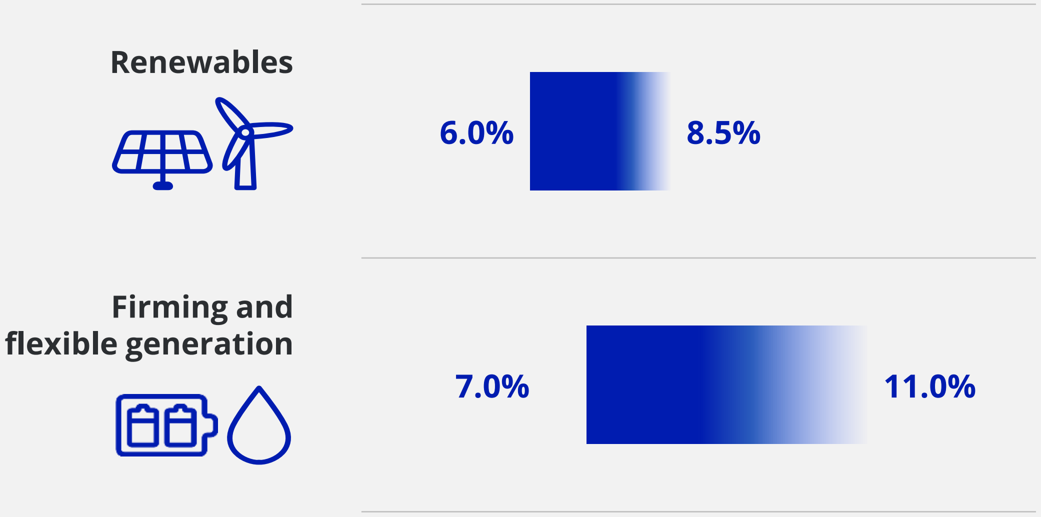
- Includes access to >3.5 GW development pipeline via Tilt Renewables
- Opportunity to leverage third party capital and accelerate development options by partnering with renewable asset developers
- Potential for equity upside as well as developer / manager returns

Off-taking

- Potential to leverage the scale and diversity of AGL's customer base to achieve favourable supply terms

AGL will seek to maximise investment returns via a combination of development and ongoing services

Expected post-tax returns for future investments*



- AGL's existing customer load enables it to pursue the best available opportunities to optimise returns on invested capital when sourcing its energy requirements
- When self-developing, AGL expects to generate **strong risk adjusted returns** by **participating across the entire development value chain**
- AGL will also benefit from its **existing infrastructure, economies of scale** and its strong capabilities in the procurement, development, management and ongoing servicing of energy projects

Notes:
1. Returns estimated using comparable companies with similar cash flow risk characteristics and where available, comparable transactions. There are no comparable companies operating solely in the technology types analysed and therefore estimations are subject to deviations.
2. Comparable company data reflects peers analysis undertaken.

* Post-tax weighted average cost of capital.

Outlook

Damien Nicks, Managing Director and CEO

Wattle Point Wind Farm, South Australia

Federal Government interventions support near term customer affordability, albeit risk longer term consequences for business and investment confidence

Key components:	Potential impacts on AGL and energy markets:
Customer bill rebates for eligible households and small businesses (to be paid for by the government)	Targeted support for low to medium income households and businesses welcomed, particularly for vulnerable customers Market events have seen a flight to quality retailers with resilient business models
Temporary coal and gas commodity price caps introduced*; **Mandatory Code of Conduct** for gas producers	Increased regulatory instability and uncertainty impacting business and investment confidence, particularly for gas and coal suppliers Policy certainty and clarity is key to encouraging new investment required for the energy transition AGL has risk-managed its energy supply portfolio responsibly on a long-term basis
Proposed reforms to **Safeguard Mechanism** released in early January	AGL supports the role of the Safeguard Mechanism to deliver emissions reductions across the economy, via long-term signals that aim to deliver carbon abatement at the lowest cost to industry, and ultimately consumers All AGL electricity generation facilities exempt

AGL's underlying business fundamentals remain strong despite market interventions

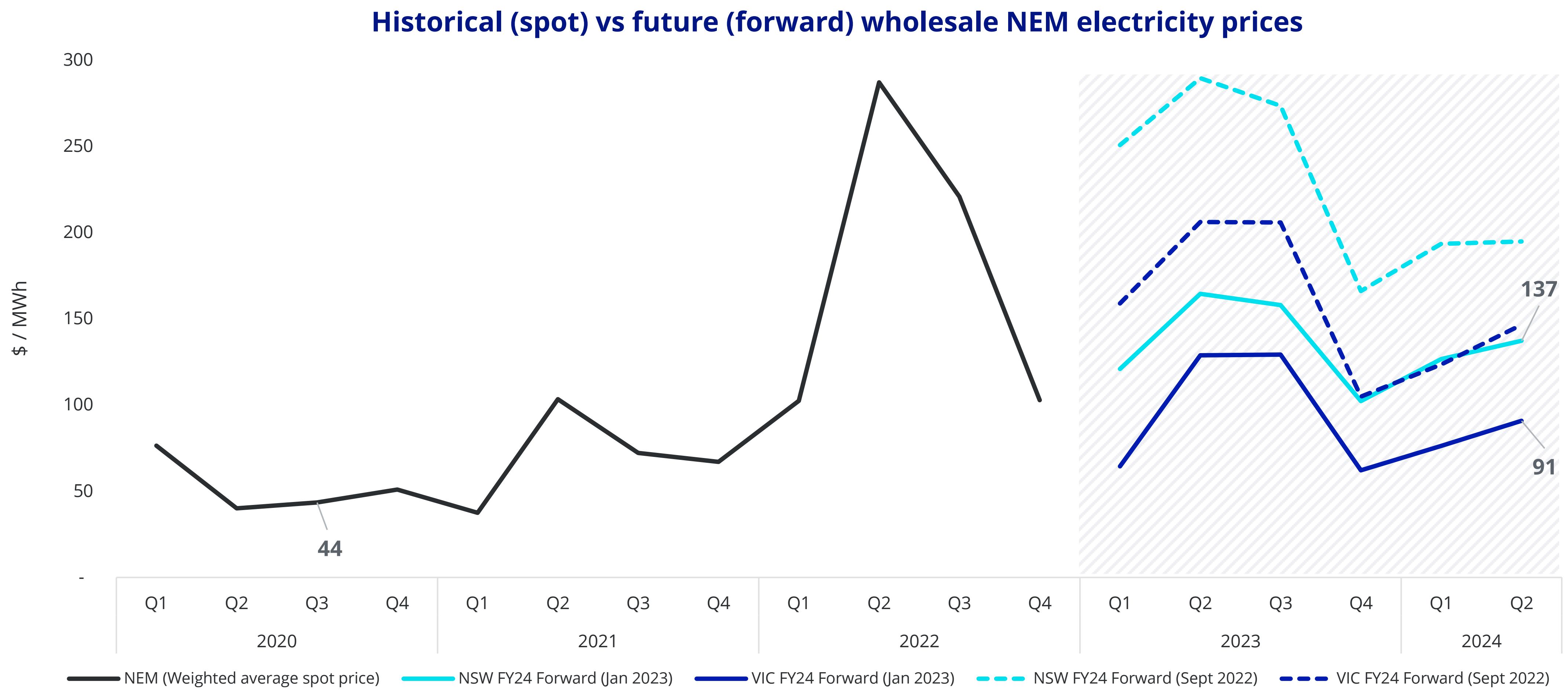
Majority of coal-fired generation supported by a combination of wholly owned Loy Yang mine and production-cost linked fuel supply (Bayswater) – minimising exposure to rising global commodity prices / impact of temporary domestic commodity price caps

Robust risk management ensuring retail strength and stability (as well as prudent margin management) in a highly volatile market

Temporary commodity price caps have contributed to lower forward wholesale electricity pricing. These forward prices remain elevated compared to FY20 / FY21 levels, which we expect to see reflect in earnings growth for FY24.

*For a period of 12 months
** Including a "reasonable pricing" mechanism for gas producers

Lower wholesale electricity forward prices; Forward prices remain elevated compared to FY20 and FY21



ASX Energy, Market Summary (January 2023, September 2022) NEM, AEMO Volume Weighted Price

FY23 guidance and Outlook

FY23 guidance range narrowed:

- Underlying EBITDA between $1,250 and $1,375 million (previously between $1,250 and $1,450 million)
- Underlying NPAT between $200 and $280 million (previously between $200 and $320 million)

FY23 guidance reflects an expected improved second half, in line with expectations, with the following drivers:

- Increased generation expected due to improved plant availability and a reduction in planned and forced outages, partly offset by lower forward electricity prices
- Customer margin expected to improve due to an increase in customer services
- Operating costs (excluding depreciation and amortisation) forecast to increase half-on-half, largely due to seasonal net bad debt expense and inflationary impacts we continue to manage closely
- Operating cash conversion of Underlying EBITDA expected to return to historic average rates

Outlook beyond FY23 remains positive:

- Wholesale electricity pricing remains elevated compared to prior periods with AGL expected to benefit as historical contract positions are reset in FY24 and FY25
- Sustained periods of higher wholesale electricity prices expected to flow through to retail pricing outcomes
- Torrens Island and Broken Hill batteries commencing operations in mid-2023
- Lower earnings from the closure of the remaining three units of Liddell Power Station expected to be more than offset by the above

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

Supplementary Information

Reconciliation of Statutory Profit to Underlying Profit

$m	1H23	1H22	Change
Statutory NPAT	**(1,075)**	**555**	**(1,630)**
Adjust for following post-tax items:			
Movement in onerous contracts	(131)	(316)	185
Impairments	706	4	702
Separation and re-integration costs	7	24	(17)
Restructuring and integration costs	-	12	(12)
Wellington North Solar Farm	(12)	-	(12)
Movement in rehabilitation provision	(30)	-	(30)
(Profit) / Loss on fair value of financial instruments after tax	622	(85)	707
Underlying NPAT	**87**	**194**	**(107)**

Pool Generation volume

GWh	1H23	1H22	Change
Asset			
AGL Macquarie – Bayswater	6,411	6,781	(5)%
AGL Macquarie – Liddell	2,897	4,087	(29)%
AGL Loy Yang	6,095	6,498	(6)%
AGL Torrens	458	523	(12)%
Barker Inlet	181	124	46%
Kwinana Swift	70	0	100%
SA wind	608	621	(2)%
VIC hydro	736	287	156%
VIC wind	355	551	(36)%
NSW solar	212	141	50%
Other gas	91	55	65%
NSW wind	272	278	(2)%
NSW hydro	15	20	(25)%
QLD wind	687	653	5%
Total	**19,088**	**20,619**	**(7)%**
Generation type			
Coal	15,403	17,366	(11)%
Gas	800	702	14%
Wind	1,922	2.103	(9)%
Hydro	751	307	145%
Solar	212	141	50%
Total	**19,088**	**20,619**	**(7)%**

Customer services

	31 December 2022 ('000)	30 June 2022 ('000)	Change
Consumer Electricity	**2,462**	**2,443**	**1%**
New South Wales	904	908	0%
Victoria	760	737	3%
South Australia	357	361	(1)%
Queensland	441	437	1%
Consumer Gas	**1,528**	**1,510**	**1%**
New South Wales	615	618	(0)%
Victoria	593	582	2%
South Australia	137	136	1%
Queensland	89	88	1%
Western Australia	94	86	9%
Total Consumer energy services	**3,990**	**3,953**	**1%**
Dual fuel services	2,343	2,304	2%
Average consumer energy services	**3,985**	**3,963**	**1%**
Total Large Business energy services	**15**	**16**	**(6)%**
Total energy services	**4,005**	**3,969**	**1%**
Total Telecommunication services	**271**	**246**	**10%**
Total AGL customer services	**4,276**	**4,215**	**1%**

Electricity sales volumes

GWh	1H23	1H22	Change
Consumer			
New South Wales	2,932	2,982	(2)%
Victoria	2,206	2,061	7%
South Australia	927	1,012	(8)%
Queensland	1,317	1,341	(2)%
Consumer total	**7,382**	**7,396**	**0%**
Large Business			
New South Wales	2,293	1,992	15%
Victoria	973	849	15%
South Australia	617	610	1%
Queensland	681	827	(18)%
Western Australia	772	778	(1)%
Large Business total	**5,336**	**5,056**	**6%**
Wholesale total*	**6,683**	**7,289**	**(8)%**
Electricity sales volume total	**19,401**	**19,741**	**(2)%**

*Includes purchased volumes sold to ActewAGL during 1H23 of 1,265 GWh (1H22 1,200 GWh)

Gas sales volumes

PJ	1H23	1H22	Change
Consumer			
New South Wales	8.7	8.7	-
Victoria	18.6	19.1	(3)%
South Australia	1.6	1.6	-
Queensland	1.3	1.1	18%
Western Australia	0.8	0.7	14%
Consumer total	**31.0**	**31.2**	**(1)%**
Large Business			
New South Wales	1.0	0.4	150%
Victoria	2.4	2.6	(8)%
South Australia	0.2	0.2	-
Queensland	1.9	2.2	(14)%
Western Australia	3.2	3.3	(3)%
Large Business total	**8.7**	**8.7**	**-**
Wholesale customers and Generation*	**38.5**	**41.6**	**(7)%**
Gas sales volume total	**78.2**	**81.5**	**(4)%**

*Includes volumes sold to AGL owned generation assets during 1H23 of 8.0 PJ (1H22 8.0 PJ)

Generation portfolio performance

Asset	State	Type	Status	Capacity* (MW)	Carbon intensity (tCO_2e/MWh)	1H23 sent out generation (GWh)
AGL Macquarie - Bayswater	NSW	Black coal	Owned	2,690	0.95	6,581
AGL Macquarie - Liddell	NSW	Black coal	Owned	1,500	0.99	3,040
AGL Loy Yang	VIC	Brown coal	Owned	2,210	1.27	6,257
Total coal				**6,400**		**15,878**
AGL Torrens	SA	Gas steam turbine	Owned	600	0.63	464
Barker Inlet	SA	Gas reciprocating engine	Owned	211	0.61	186
Yabulu	QLD	CCGT	Control dispatch	121	0.60	39
Somerton	VIC	OCGT	Owned	170	0.77	57
Kwinana Swift	WA	OCGT	Owned	109	0.72	68
Total oil and gas				**1,211**		**814**
Macarthur	VIC	Wind	Control dispatch	420	0.01	285
Hallett	SA	Wind	Control dispatch	351	0.00	542
Wattle Point	SA	Wind	Control dispatch	91	0.00	113
Oaklands Hill	VIC	Wind	Control dispatch	67	0.00	81
Silverton	NSW	Wind	Control dispatch (Tilt Renewables)	199	0.00	345
Coopers Gap	QLD	Wind	Control dispatch (Tilt Renewables)	452	0.00	722
VIC hydro	VIC	Hydro	Owned	731	0.01	840
NSW hydro	NSW	Hydro	Owned	54	0.01	27
NSW solar	NSW	Solar	Control dispatch (Tilt Renewables)	156	0.00	146
Total renewables				**2,520**		**3,101**
Generation portfolio at 31 December 2022				**10,131**	**0.90**	**19,793**
NEM industry average					**0.63**	

Note: The difference between sent out generation and pool generation volume is due to marginal loss factors, non-scheduled generation and auxiliary usage.

*Capacity listed differs from AEMO Registered capacity. Bayswater Power Station capacity includes the 2 x 25 MW capacity upgrades for units 4 and 2 and AGL Torrens excludes all A station units which have been closed, and unit B1 which has been mothballed.

Carbon intensity includes Scope 1 and 2 emissions. Scope 1 emissions associated with material fuels at material sites are actuals; other emissions data is estimated based on FY22 intensity and FY23 generation output.

Capacity and performance reflects AGL's 50% interest in the output of Yabulu Power Station.

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Contact

James Thompson
Head of Investor Relations
Mobile: +61 403 183 563
Email: jthompson5@agl.com.au

Rehan Fernando
Manager – Investor Relations
Mobile: +61 498 010 668
Email: rfernando@agl.com.au

Sophia Li
Treasurer
Mobile: +61 476 809 190
Email: sli4@agl.com.au