



ASX & Media Release

Presentation to Macquarie Australia Conference

8 May 2024

AGL Energy Limited's Managing Director & Chief Executive Officer, Damien Nicks, will present at the Macquarie Australia Conference today. A copy of the presentation is attached.

Authorised for release by AGL's Market Disclosure Committee.

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About AGL Energy

At AGL, we believe energy makes life better and are passionate about powering the way Australians live, work and move. Proudly Australian for more than 185 years, AGL supplies around 4.3 million^[1] energy and telecommunications customer services. We're committed to becoming a leading multi-product retailer, making energy and other essential services simple, fair and transparent. 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 gas production 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 low 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.

^[1] Services to customers number is as at 31 December 2023.



2024 Macquarie Australia Conference

8 May 2024



Thank you, Ian, and good afternoon, everyone – thank you for joining me for this presentation.

Thank you also to Macquarie for hosting a great conference as always.

For those I haven't met, my name is Damien Nicks – Managing Director and CEO, and it is my pleasure to be up here presenting today.

At AGL, we have an ambitious decarbonisation plan and clear business strategies in place – and we are executing well on these strategies, including strong progress against our 5.8-gigawatt development pipeline of new renewable generation and firming assets.

At our half year result in February, I spoke in detail about our significant investment in flexibility to capture value from a changing energy market, as well as optimise realised pricing outcomes on the supply side of our portfolio.

Today I want to delve even further and talk about how AGL is optimising both its energy supply and customer load profiles to optimise risk and return in this dynamic energy market.

I'll also speak to our strong operational performance, key milestones achieved since the half year result, and importantly, how we are continuing to support our customers through this ongoing period of cost-of-living pressures.

We've also updated our FY24 guidance which I'll cover in my concluding comments.

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Before we begin, please take note of our standard disclaimer.

Delivering on our strategy, strong operational performance and meeting our transition plan objectives



Key milestones achieved since February

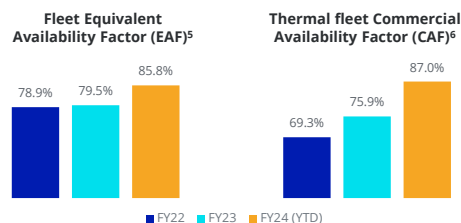
- ✓ **Continuing to progress our development pipeline**
 - Construction commenced on 500 MW Liddell Battery in New South Wales
 - 50 MW Broken Hill Battery in commissioning
 - Joint Venture with Someva Renewables to develop Pottinger Energy Park in NSW announced
- ✓ **Growing our development pipeline**
 - Offshore wind licence granted to Gippsland Skies¹
- ✓ **Furthering our Energy Hub strategy**
 - MOU with SunDrive Solar to explore development of the advanced PV manufacturing at Hunter Energy Hub in NSW

1. Gippsland Skies Offshore Wind is a consortium comprised of Mainstream Renewable Power, Reventus Power, AGL Energy and DIRECT Infrastructure, in which AGL has a 20% interest.
2. Year-to-date (YTD) performance from 1 July 2023 to 31 March 2024.
3. Average nameplate capacity across the four Loy Yang A Power Station Units is ~550 MW.
4. Average nameplate capacity across the four Baywater Power Station Units is ~680 MW.
5. FY22 and FY23 EAF performance excludes Liddell Power Station.
6. Thermal fleet CAF performance includes Bayswater and Loy Yang A Power Stations (and excludes the Liddell Power Station).

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Continued strong generation performance

- YTD² EAF and CAF significantly above prior two financial years
- Progressing second phase of coal-fired flexibility upgrades, which are within design parameters:
 - Loy Yang A - Units 1,3 and 4 registered with AEMO to be flexed down by a further ~70 MW to ~230 MW³
 - Bayswater – Targeting to flex Units 2,3 and 4 down by a further ~30 MW to ~170 MW⁴
- Insourcing of windfarm O&M has led to an uplift in availability since November 2023



I'm pleased to say that we continue to deliver as an organisation – recording strong operational performance as well as executing on our strategy and transition plan objectives.

Starting on the left-hand side – we continue to make good progress against our development pipeline.

The 500-megawatt Liddell battery is under construction, the 50-megawatt Broken Hill battery is in the commissioning stage, and in early March, we announced a Joint Venture with Someva Renewables for the development of the Pottinger Energy Park in New South Wales – which is expected to consist of a 1.2-gigawatt wind farm, 300-megawatt solar farm and 500-megawatt, 4-hour duration grid-scale battery.

We also announced last week that Gippsland Skies - a consortium of which AGL is a partner, was granted an offshore wind licence, which I will discuss in more detail on the following slide.

We are also furthering our Energy Hub strategy, with a Memorandum of Understanding signed with SunDrive to explore the development of solar PV manufacturing at our Hunter Energy Hub in New South Wales. If established, the advanced manufacturing facility is expected to be the first of its kind in Australia.

Turning to the right-hand side – you can see that we've had excellent fleet generation performance, denoted by the two orange FY24 year-to-date bars for both the fleet Equivalent and Commercial availability metrics, which are materially higher than the prior two financial years.

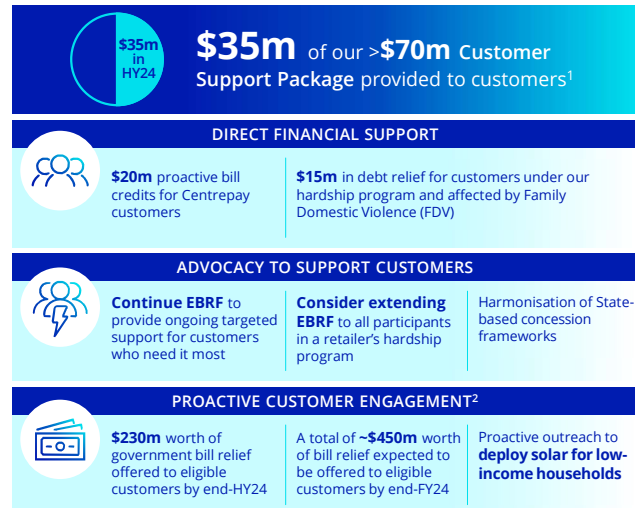
Importantly, we are progressing the second phase of our coal-fired flexibility upgrades - Three Loy Yang A units have been registered with AEMO to be flexed down by a further 70 megawatts to approximately 230 megawatts per unit, and we're working towards flexing three Bayswater units a further 30 megawatts down to 170 megawatts per unit – taking our total coal flexibility to 3.2 gigawatts.

Advancing our customer business and supporting and advocating for our customers in need



Advancing our customer business – key achievements

- ✓ **ElectrifyNow expanded in March**
 - AGL is the first energy retailer to use Consumer Data Right (CDR) electricity data to estimate potential energy bill and carbon savings to simplify the home electrification journey
- ✓ **Cadell Microgrid Energy as a Service**
 - AGL continues to expand its Energy as a Service portfolio to support customer decarbonisation, recently completing microgrid construction of a 4.9 MW solar farm with 4.2 MWh battery system
- ✓ **Velocity partnership**
 - Earn Velocity Points when you join AGL Energy, rewarding new and existing customers
- ✓ **Netflix exclusive partnership**
 - AGL Netflix plan includes Netflix for the life of your plan, delivering great value and ease for customers



1) Includes \$33m in direct financial support, and \$2 million in additional engagement and training. Customer Support Package will be delivered over a 2-year period.
 2) Funds delivered as part of the National Energy Bill Relief program ("EBRF") in conjunction with Federal and State government bodies.

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On the Customer side of our business, we continue to see strong advancements. This includes the expansion of our ElectrifyNow product and the recent completion of a Microgrid at the Cadell Almond Farm in New South Wales, consisting of a solar farm and battery system.

We have also established successful partnerships with leading brands, Netflix and Velocity, to reward our customers.

At AGL, we are acutely aware of the ongoing cost-of-living pressures many Australians are experiencing, and I'd like to take a few moments to talk about our customers and address how we are continuing to support them through this challenging period.

Last June, we announced an increase to our customer support funding to at least 70-million dollars in FY24 and FY25 – this is in addition and complementary to the Government's National Energy Bill Relief Fund, which provides bill credits for our most vulnerable customers.

And at the half year result in February, you may recall we reported that we had accelerated our support package spend, with 35 million dollars of the customer support package utilised in the first half of FY24 to deliver assistance to customers who need it most.

Importantly, we continue to proactively engage with customers who are experiencing cost of living pressures, providing customers with payment support and government grant assistance, as well as the continued deployment of free-solar for low-income households.

On the screen, you can see a significant amount of government bill relief has been offered to eligible customers in the first half of FY24, with more expected to be offered by the end of the financial year.

Based on the success and the efficiency of the program to date, we have been strongly advocating for the continuation of the National Energy Bill Relief Fund to provide ongoing targeted support for customers feeling cost of living pressures. We are also advocating for the harmonisation of state concession schemes.

Expanding and progressing our development pipeline

- Feasibility license granted for 2.5 GW offshore wind project off the Gippsland region of Victoria
 - Gippsland Skies could contribute up to \$3.7b to the economy and could provide up to 4,700 direct jobs over the estimated 40-year project life, when fully operational
- Joint venture signed with Someva Renewables for the development of the Pottinger Energy Park in NSW

	Firming	Renewables	TOTAL
In operation	250 MW	-	250 MW
DEVELOPMENT PIPELINE			
Commissioning / under construction	550 MW	-	550 MW
Other	2.2 GW	2.8 - 3.1 GW	5.0 - 5.3 GW
Total development pipeline	2.7 GW	2.8 - 3.1 GW	~5.8 GW
EARLY-STAGE OPPORTUNITIES			
Gippsland Skies Offshore Wind ¹	-	2.5 GW	2.5 GW
Other Renewables	-	1.2 GW	1.2 GW
Firming	0.5 GW	-	0.5 GW
Total early-stage opportunities	0.5 GW	3.7 GW	4.2 GW



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¹ Gippsland Skies Offshore Wind is a consortium comprised of Mainstream Renewable Power, Reventus Power, AGL Energy and DIRECT Infrastructure, in which AGL has a 20% interest.

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Importantly, we continue to expand and progress our development pipeline.

Last week we were very pleased to announce that the consortium, Gippsland Skies, was awarded a feasibility licence for a 2.5-gigawatt offshore wind development off the coast of Victoria.

Gippsland Skies will be an important part of AGL's ambition to add 12 gigawatts of additional renewable and firming capacity.

The development of this significant offshore wind project could also be an ideal complement to the transition of AGL's Loy Yang Power Station in the Latrobe Valley, following its targeted closure by the end of FY35.

The build out of new infrastructure, new skills and local supply chains will be critical for both.

As we progress the development of this offshore wind project, we hope to create a new era of innovation and new careers for the Gippsland region.

I've mentioned our Joint Venture with Someva Renewables. The largest part of the Pottinger Energy Park is the wind farm, where we are targeting a final investment decision in FY27.

Importantly, as we build out our pipeline, we will continue to review market dynamics, customer demand and development pipeline options and seek to accelerate options and the decarbonisation pathway where possible.

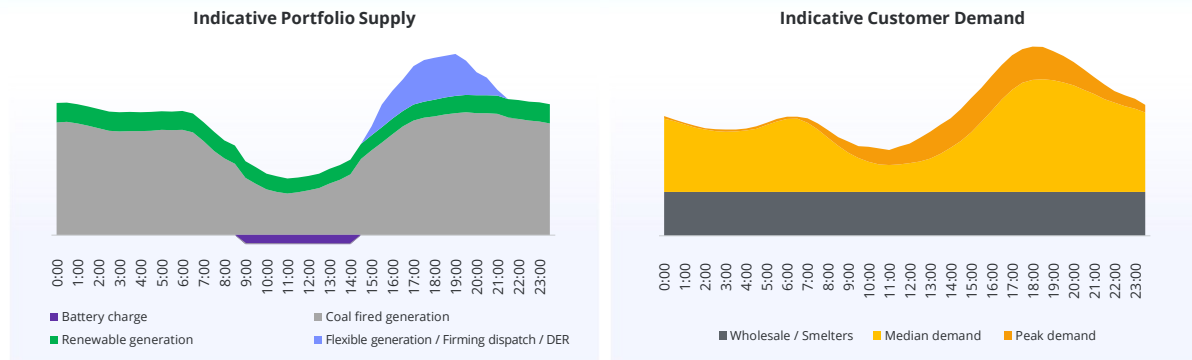
We also continue to advocate for streamlining the approval and connection process for grid-scale assets in order to accelerate the transition.

Key to our performance is matching our generation with customer load to optimise risk and return



AGL's aim is to match the shape of its customer load with its supply portfolio to minimize supply risk and deliver cost effective electrons to customers:

- 1) AGL is investing in its electricity portfolio (flexible assets / DER / thermal unit flexibility) to most economically supply its customers
- 2) AGL is actively working to ensure its customer load profiles best match its supply profile



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Turning now to a broader discussion of how we are optimising both our energy supply and customer load profiles to enhance risk and return outcomes.

Essentially, our aim is to match the shape of our customer load with our supply portfolio to minimise supply risk and deliver electrons to customers as economically as possible.

We are achieving this in two primary ways.

Firstly, through investing in our generation and firming portfolio - whether it be new grid-scale batteries, expanding our DER portfolio or coal-fired flexibility upgrades - to optimise realised pricing outcomes and most economically supply our customers during times of peak energy demand.

Secondly, we are actively shifting our customer load profiles, especially in terms of contract length and volume, to best match our supply portfolio.

The two graphs on the screen indicatively show the “match-up” between our portfolio supply and customer demand profiles.

On the left-hand side, shaded in grey, you can see the positive impact of our coal-fired flexibility upgrades, with the ability to ramp down generation during the daytime hours of peak solar generation.

Our grid scale batteries will also typically charge through this same period of low or negative pricing.

And the blue and dark orange crests indicatively show the combined ability of our flexible generation, firming and decentralised asset portfolios to meet the “peaky” Consumer demand profile during the evening periods.

We continue to grow our existing 1.7 GW flexible fleet, in addition to almost 3.2 GW of coal-fired flexing capacity to capture volatility



An overview of AGL's flexible asset portfolio

- Legend**
- Operated by AGL
 - Under construction/commissioning
 - Controlled dispatch of electricity/contracted use or interest
 - ⚡ Gas-peaker
 - ⚡ Coal-fired (unit flexibility upgrades)
 - 💧 Hydro
 - 🔋 Grid-scale battery

1. Average nameplate capacity across the four Bayswater Power Station Units is ~680 MW. Specific nameplate capacities are Unit 1: 650 MW, Units 2,3 and 4: 685 MW.
 2. Average nameplate capacity across the four Loy Yang A Power Station Units is ~550 MW. Specific nameplate capacities are Unit 2: 530 MW, Units 1,3 and 4: 560 MW.
 * Projects funded / owned by other parties. Map reflects assets as at 31 December 2023. Generation assets operated or controlled by AGL, which have an installed capacity of less than 50 MW are not shown on this map.
 AGL's flexible asset portfolio includes the Kwinana Swift Power Station (Gas-peaker) in Western Australia.

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1.7 GW of existing hydro, gas peaking and battery assets



Thermal unit flexibility increased to almost 3,200 MW

STRATEGIC TARGETS



1.5 GW of grid scale batteries targeted by FY27



Aiming to grow DER assets to 1.6 GW by FY27

Importantly, we continue to grow our existing 1.7-gigawatt flexible fleet and almost 3.2-gigawatts of coal-fired flexing capacity, to capture value in a changing energy market and best supply our customer demand.

On the left-hand side, you can see our vast portfolio of flexible assets across the NEM states, consisting of gas peakers, hydro assets and grid scale batteries.

And as I discussed at our half year result in February, our ability to flex our thermal fleet enables us to manage the impacts of lower customer demand, or negative pool pricing, during those daytime periods of peak solar generation.

Importantly, two of our FY27 strategic targets are focused on materially expanding our flexible asset portfolio.

Our growing and strategically positioned grid scale battery portfolio is well placed to manage peak customer demand and leverage the increasing volatility in the NEM as renewable penetration grows.

With our existing sites and connections to the grid, we have an advantage in the amount of time it takes us to stand up these batteries.

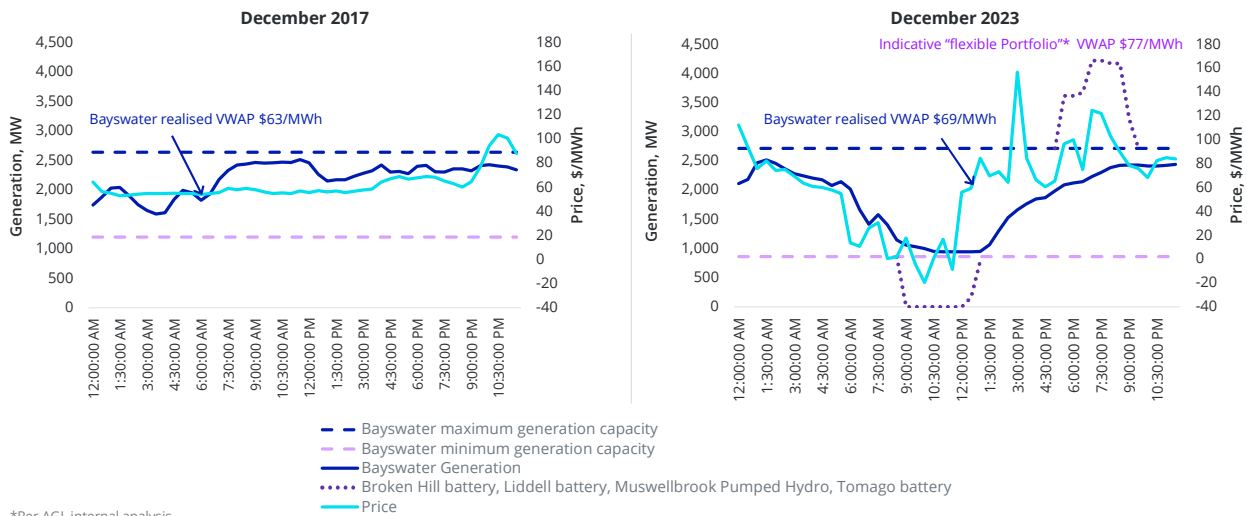
And Distributed Energy and Orchestration includes our ability to shift loads and orchestrate rooftop solar generation in response to network, pricing and market signals.

A flexible fleet and leading trading capabilities allows AGL to dispatch at the most optimal times



Two days in NSW, six years apart, same average pool price (\$62/MWh)

...with a materially different shape and improved pricing outcome for AGL



*Per AGL internal analysis.
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I'll now cover how this investment in our increasingly flexible fleet coupled with our leading trading capabilities enables AGL to capture improved pricing outcomes by dispatching at optimal times.

The graphs you can see here indicatively show the price and AGL's generation across two days in New South Wales, six years apart, however with the same average pool price of 62 dollars per megawatt hour.

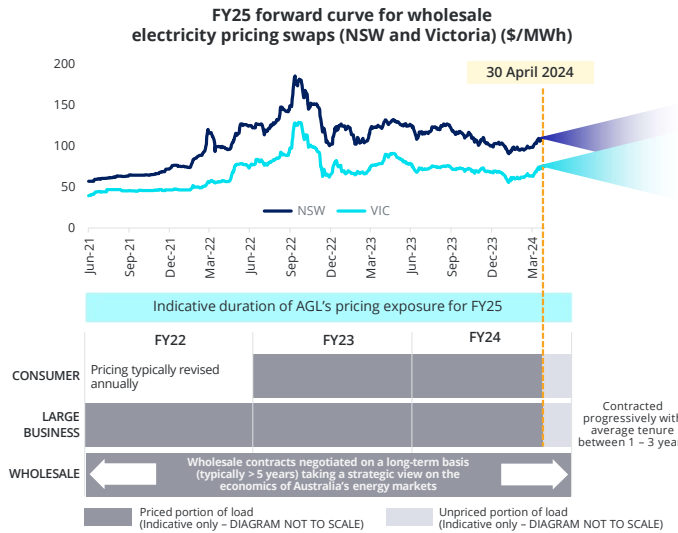
The graph on the left is from December 2017 and shows Bayswater effectively running throughout the day as a baseload generator, with a realised volume weighted average price or "VWAP" of 63 dollars per megawatt hour.

The right-hand side shows the chart from December 2023, where you can see the drop off in price in the middle of the day, the "duck curve", and Bayswater flexing down during this period, recording a materially stronger price of 69 dollars per megawatt hour.

The key part I'd like to highlight however is the dark purple dotted line - which indicatively shows the combined impact of the planned projects of Broken Hill, Liddell and Tomago batteries, as well as Muswellbrook Pumped Hydro, as if these projects were operational.

The result, per our calculations, would be a realised VWAP of 77 dollars per megawatt hour, over 20 percent above the realised price outcomes from December 2017. It should be noted that if there is no volatility in the market, then clearly this would not play out like this.

Customer contract duration determines when wholesale prices roll into earnings



- Varied customer demand profiles sees wholesale pricing gradually roll into customer pricing
- AGL is actively working to optimise its customer load profile
- FY23 customer volumes:
 - Consumer: 38%, 14.5 TWh, ~18 month roll through of wholesale pricing
 - Large Business: 27%, 10.3 TWh, ~2.5 average weighted life
 - Wholesale: 35%, 13.3 TWh, long term smelter contracts, plus ACTEW AGL supply agreement

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Turning now to customer pricing – and how wholesale prices roll through the earnings of each of our customer segments.

The left-hand side gives you a good representation of how wholesale pricing, and in this example FY25 forward curves, impact the three customer categories you can see on the bar chart.

We have shown the New South Wales and Victorian FY25 forward curves, as these states are where a large portion of our customers are located.

Starting from the top – for our Consumer customers, these are re-priced annually, we have shown in effect how the wholesale component of the DMO is calculated.

Based on this - as at 30 April, we would have accounted for the majority of the wholesale component of pricing for FY25, with only the small portion in light grey still to play out.

Our Large Business customers are contracted throughout the year with an average tenure of between one to three years. These customers are contracted based on the forward curves at the time, this means that on average, you would have about a third of that customer load re-pricing each year.

Wholesale customers at the bottom are largely not impacted by forward curves movements, and are negotiated on a long-term basis taking a strategic view of the market and our portfolio position.

Customer load is actively managed to optimise contract length, volumes, supply risk and returns



CONSUMER

- Leading consumer electricity business with 2.4m¹ customer services. EVs and electrification expected to drive long term growth in demand, expected to deliver long term growth in earnings
- Consumer load shape has more pronounced peaks with increased rooftop solar roll out. AGL is working to shift and optimise the Consumer load shape with current and future DER programs

LARGE BUSINESS

- Focus on executing longer term renewable linked power purchase agreements (5+ years)
- Largest market share in delivering behind the meter customer solutions (rooftop solar, batteries, DER)
- Electrification to continue to grow long term demand, expected to deliver long term growth in earnings

WHOLESALE

- Alcoa smelter contract recontacted to 2035

	CUSTOMER TYPE	INDICATIVE CONTRACT LENGTH	VOLUME (FY23)	INDICATIVE LOAD SHAPE
ELECTRICITY PORTFOLIO	CONSUMER (RETAIL) 	Pricing typically revised annually to reflect changes in costs, including wholesale costs	14.5 TWh (38%)	Variable
	LARGE BUSINESS 	Contracted progressively with average tenure between 1 – 3 years.	10.3 TWh (27%)	Varies by customer
	WHOLESALE 	Long term contracts (Fixed pricing)	13.3 TWh (35%)	Flat

1) As at 31 December 2023.
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Importantly, we are actively managing our customer load across our three major segments to optimise contract length, volumes, supply risk and returns.

On the Consumer side, we have a leading consumer electricity business with over 2.4 million consumer services - with growing EV penetration and the shift to electrification expected to drive long-term growth in electricity demand.

As I've discussed before, the Consumer load shape has become "peaky" in recent years with the growing uptake of rooftop solar – and the key point here is that we are working to shift and optimise our Consumer load shape with our current and future DER programs.

Pleasingly, in Large Business, we've generated good momentum in executing long-term renewable power purchase agreements – the six- and seven-year PPAs with NBN Co and CSL, being examples of this, and we continue to evolve this business segment.

We also have the largest market share in delivering behind the meter customer solutions, and the shift to electrification is also set to benefit the Large Business segment.

And finally, for the Wholesale segment – last August, we signed a nine-year agreement to continue to supply Alcoa's Portland smelter until 2035 to align with the targeted shape of Loy Yang A's generation profile.

On the right-hand side, you can see an overview of our three customer types by indicative contract length, volume and load shape.

FY24 guidance update



FY24 guidance ranges updated:

- Underlying EBITDA between \$2,120 million and \$2,200 million (previously between \$2,025 million and \$2,175 million)
- Underlying NPAT between \$760 million and \$810 million (previously between \$680 million and \$780 million)

The update to guidance reflects the continued strong operational and financial performance of the business since the half year results, due to improved plant availability, flexibility and generation, higher consumer demand over the summer period in New South Wales and Queensland, and continued strong Customer Markets performance.

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

I'll now conclude the presentation by talking to our updated FY24 guidance.

We now expect Underlying Net Profit After Tax to be between 760 million dollars and 810 million dollars.

Pleasingly, our updated guidance ranges reflect the continued strong operational and financial performance of the business since the half year results in February – due to improved plant availability, flexibility, and generation, and higher consumer demand over the summer period in New South Wales and Queensland, and the continued strong performance of the Consumer business more broadly.

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

Thank you again for your time, and I'll now hand back to Ian.