



ASX CEO Connect

Damien Nicks – Chief Financial Officer

8 December 2020



Disclaimer and important information

- The material in this presentation is general information about AGL's activities as at the date of this presentation. It is provided in summary form and does not purport to be complete. It should be read in conjunction with AGL's periodic reporting and other announcements lodged with the Australian Securities Exchange.
- This presentation is not an offer or recommendation to purchase or subscribe for securities in AGL Energy Limited or to retain any securities currently held. It does not take into account the potential and current individual investment objectives or the financial situation of investors.
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- This presentation includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results may materially vary from any forecasts in this presentation. Future major expenditure remains subject to standard Board approval processes.

Statutory Profit and Underlying Profit:

- Statutory Profit is prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards, which comply with International Financial Reporting Standards.
- Underlying Profit is Statutory Profit adjusted for significant items and changes in fair value of financial instruments.
- Underlying Profit is presented with reference to the Australian Securities & Investments Commission's Regulatory Guide 230 "Disclosing non-IFRS financial information" issued in December 2011. AGL's policy for reporting Underlying Profit is consistent with this guidance. The Directors have had the consistency of the application of the policy reviewed by the external auditor of AGL Energy Limited.
- Amounts presented as Statutory Profit and Underlying Profit are those amounts attributable to owners of AGL Energy Limited.

Proudly Australian for more than 180 years



Leading integrated essential services provider

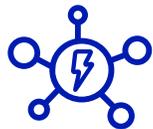


Over 120,000 individual shareholders – mainly everyday Australians



4.2 million customer services and growing

- Now serving almost 30% of Australian households
- Gas, electricity and mobile and broadband service offerings



Diverse electricity generation portfolio, with an operated capacity > 11,000 MW

- Thermal generation, natural gas and renewables
- Includes > 2,500 MW of renewable generation capacity, comprising large-scale solar, wind and Australia's largest privately owned hydropower fleet
- Strong investment pipeline to drive Australia's energy transition

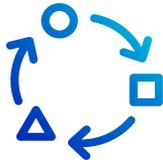


Progressing our three strategic pathways of Growth, Transformation and Social Licence



Growth

Accelerate growth to meet evolving customer needs



Transformation

Reposition, refresh and reinvigorate AGL



Social Licence

Meet and exceed rising community expectations



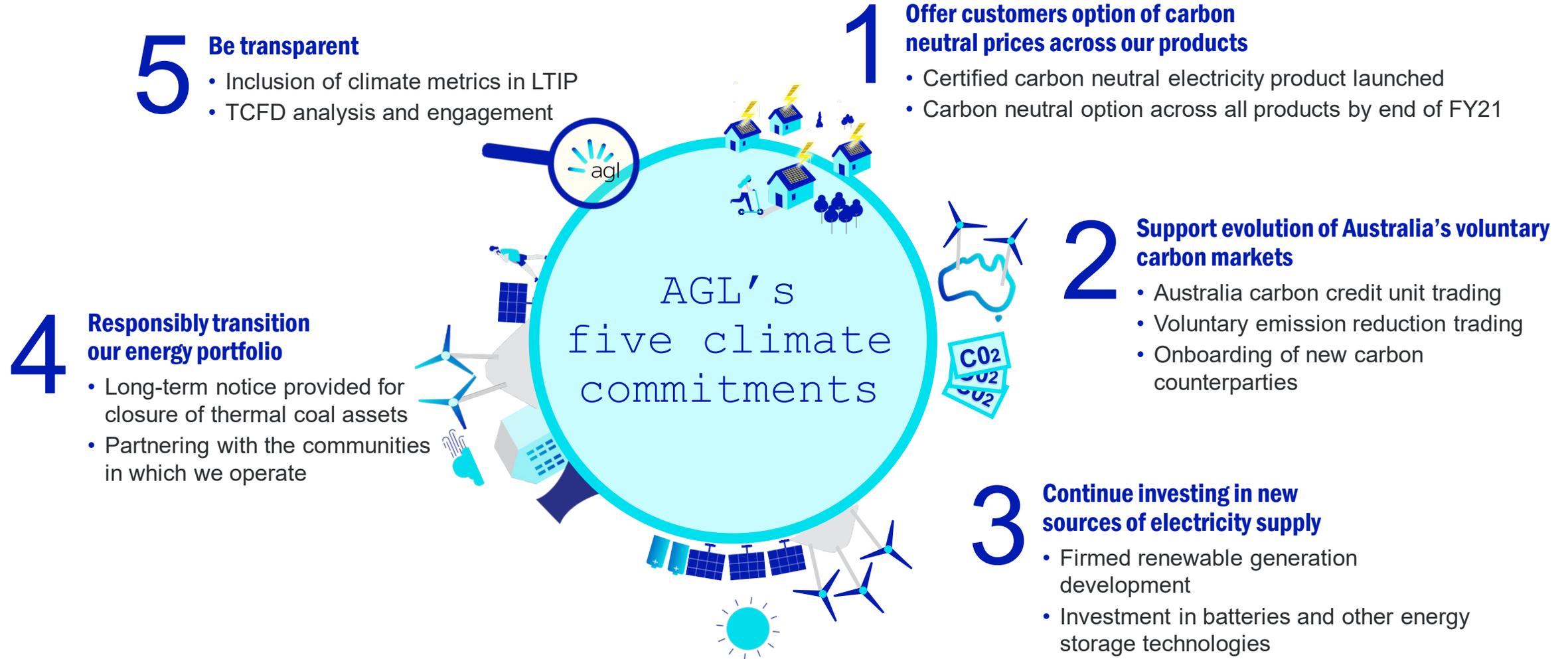
Energy, data and mobility for customers

Distributed energy and storage

Large-scale storage and flexible capacity

Baseload capacity and renewables

Our commitment to decarbonisation and achieving net zero emissions by 2050

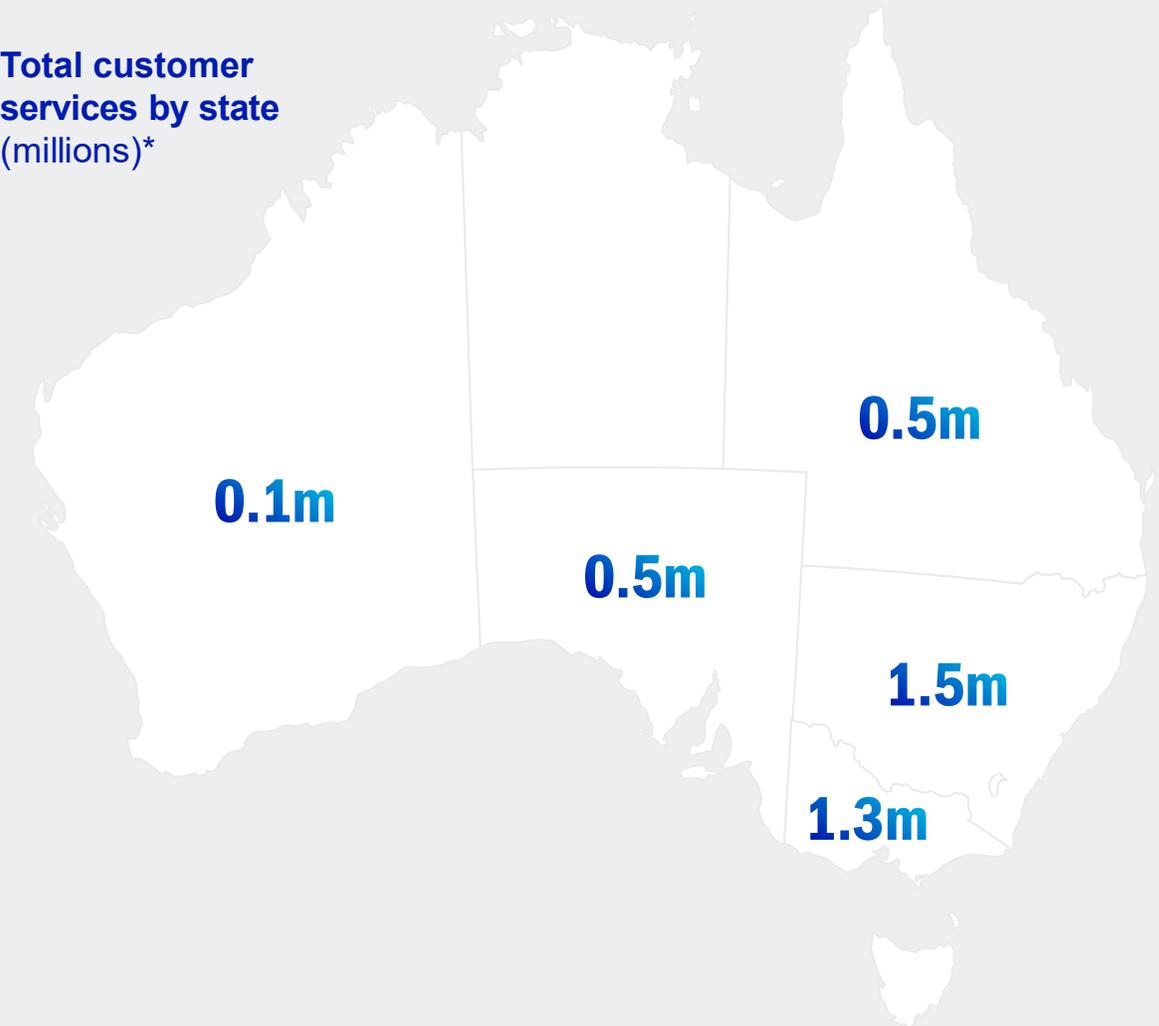


Our business today – Customer Markets



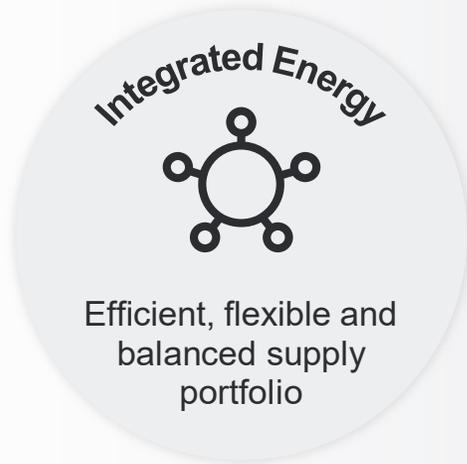
- **4.2 million** customer services and growing
- Retail, commercial and industrial and wholesale customers
- Gas, electricity and now mobile and broadband service offerings
- Value accretive acquisitions completed – moving beyond core energy into multi-product retailing
- Strong focus on delivering simpler, more digitised experience for customers

Total customer services by state (millions)*



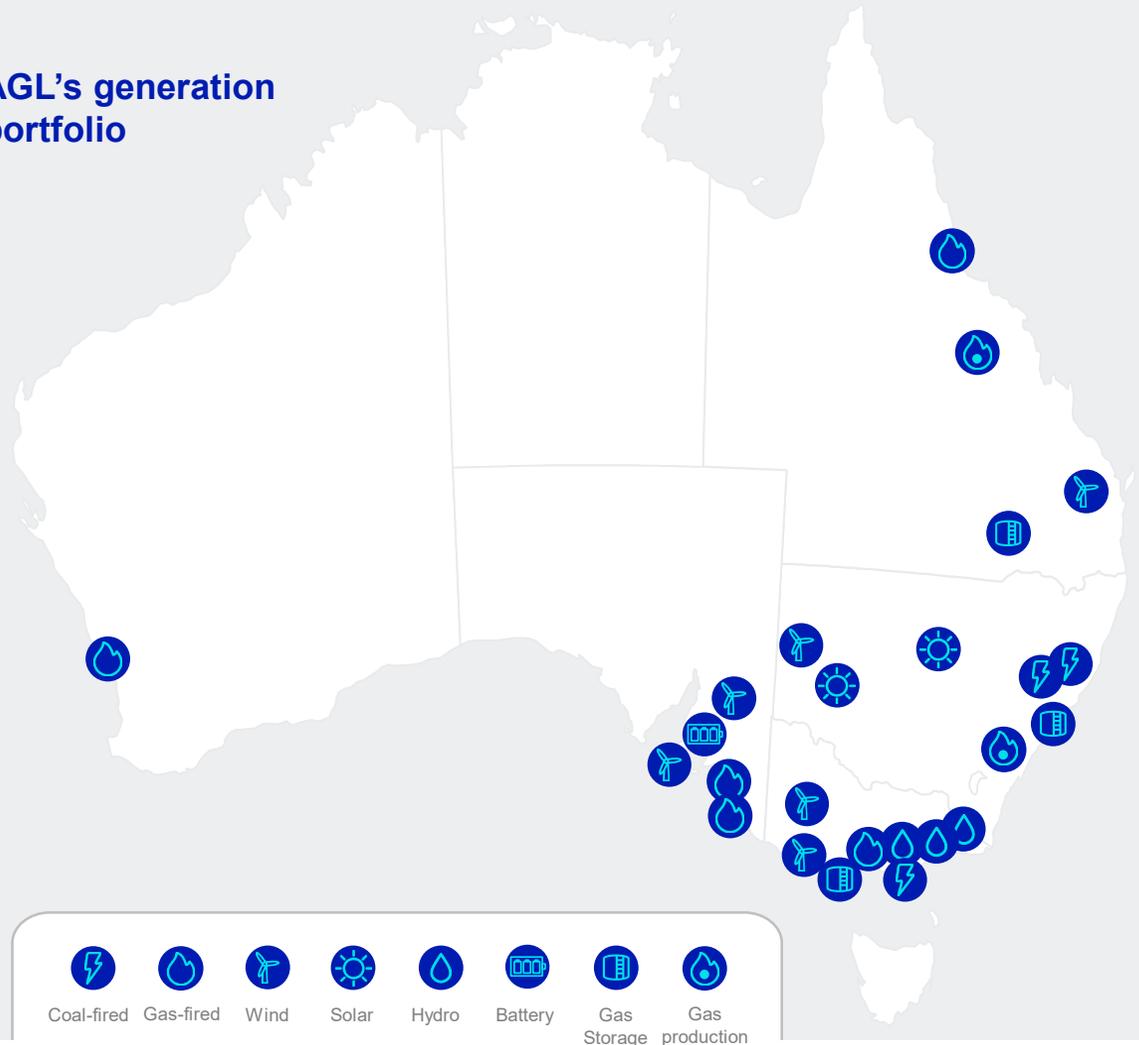
*AGL added over 215,000 customer services through the acquisition of Click Energy in September 2020

Our business today – Integrated energy

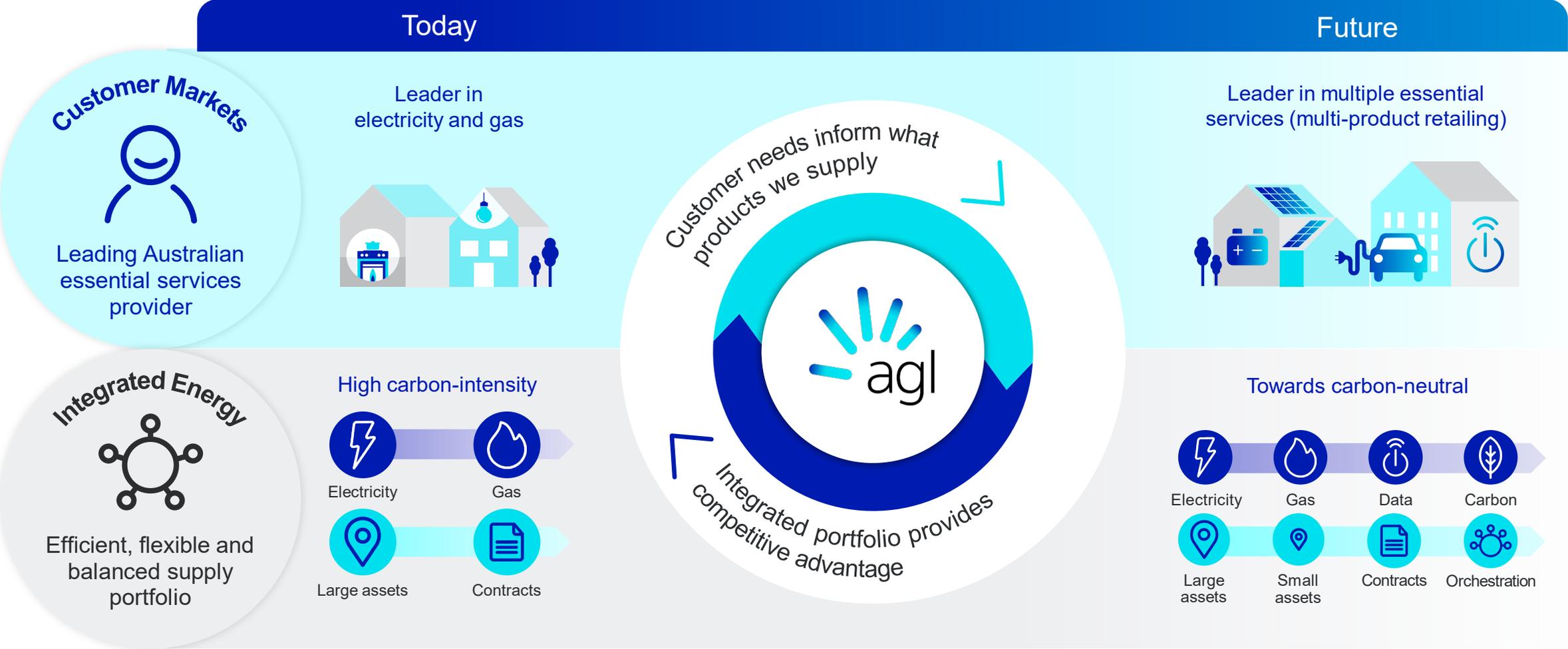


- > 40 TWh of annual energy generation
- Generated from coal, gas and large-scale renewables
- Investment pipeline includes grid scale batteries and solar PPA's
- Well positioned for transition in a carbon constrained world
- Committed to achieving net zero emissions by 2050

AGL's generation portfolio



Our stability in volatile times means we can turn our attention to our vision for the future



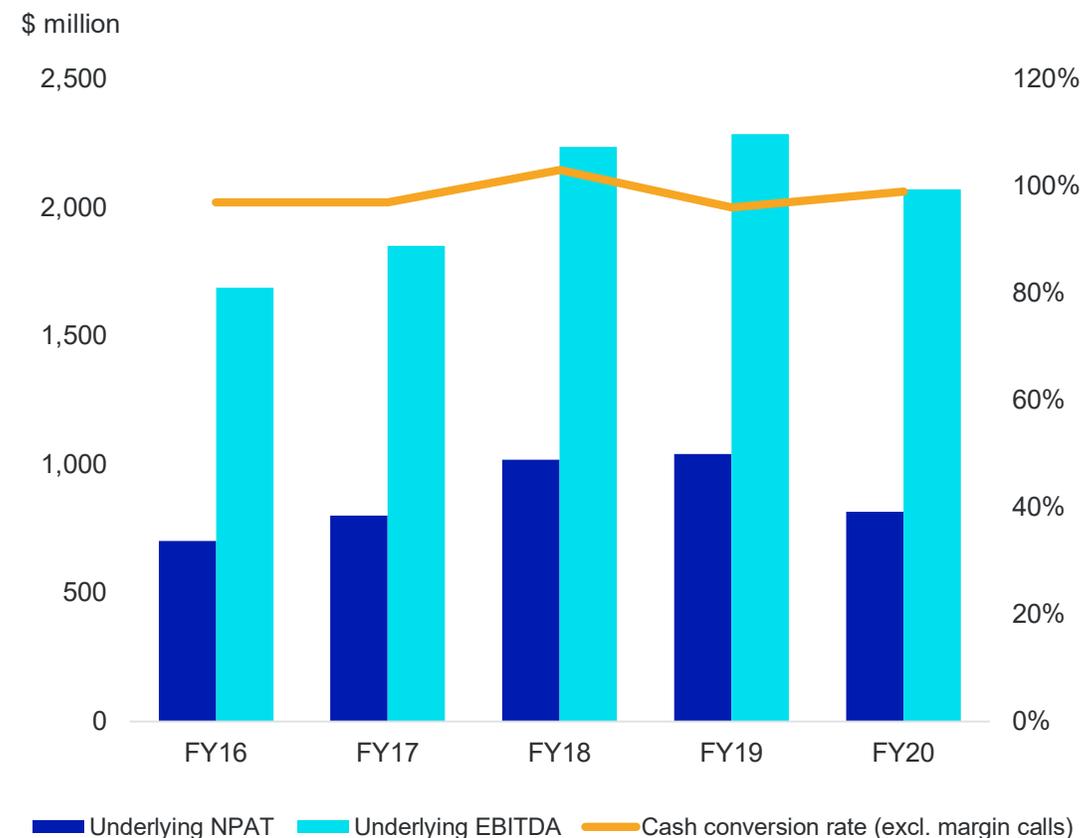
Financial result reflects continued strong cash flow despite expected reduction in profit



FY20 Financial highlights

Statutory profit after tax	\$1,015m	12%	↑
Underlying EBITDA	\$2,070m	9%	↓
Underlying profit after tax	\$816m	22%	↓
Net cash provided by operating activities	\$2,156m	35%	↑
Total dividend declared	98 cps	18%	↓
Return on Equity	10.0%	2.5ppts	↓

Cash conversion

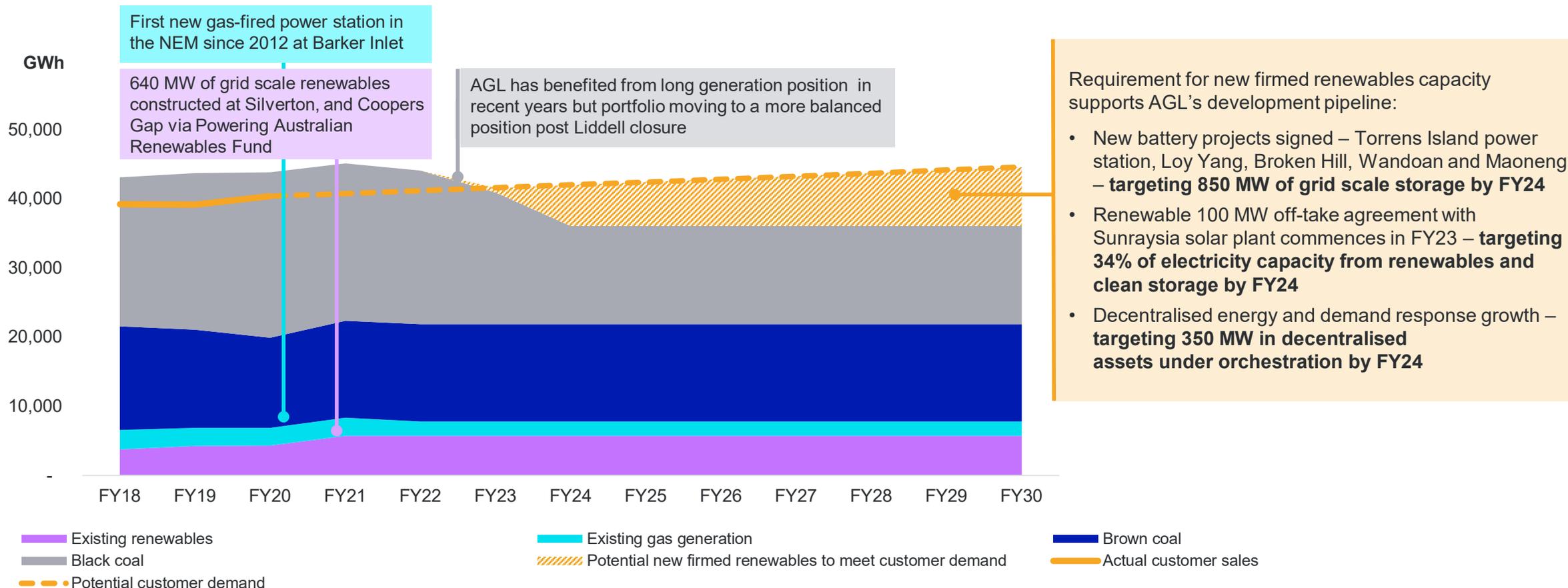


Ongoing strength in cash conversion underpins our confidence in capital management outlook

Our confidence in the outlook for customer growth underpins our development pipeline for firming renewable supply



AGL generation output and sales (to NEM)



Note: FY18-FY20 – AGL historical generation and sales data; FY21-FY30 – Generation based on historical average, expected generation for new plant and scheduled closures

We have a clear record of returning excess liquidity to shareholders



Four principles continue to underpin our approach to capital allocation

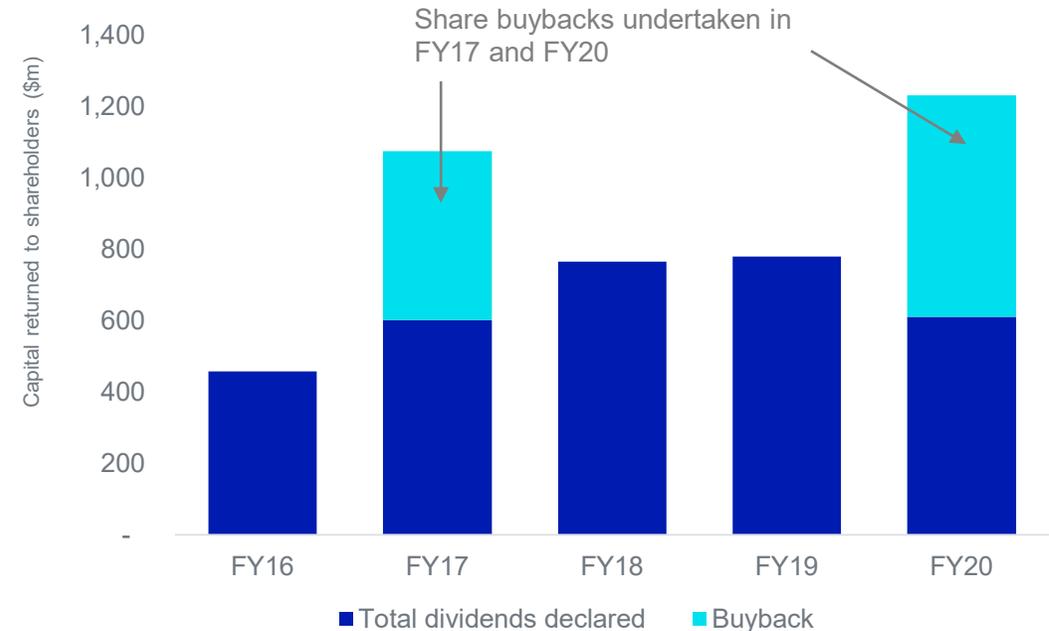
✓ Run **existing business** for optimal performance and value

✓ Maintain strong **balance sheet** and **dividend policy**

✓ Invest in **growth pathways** to deliver **future value** and prosperity

✓ **Return excess liquidity to shareholders**

Capital returned to shareholders



Recurring dividend stream

- > \$4bn capital returned to shareholders through dividends and buybacks since FY16
- **Special dividend program** for FY21 and FY22 – anticipated to augment ordinary dividends and deliver **effective payout ratio of 100%**, whilst franking is temporary removed



Thank you

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