ASX CEO Connect

Damien Nicks – Chief Financial Officer

8 December 2020

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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

Good morning everyone and thank you for listening in.

I am Damien Nicks, AGL's Chief Financial Officer, and today I'd like to talk to you about AGL, who we are, our performance and how our company is transforming.

AGL is a leading Australian integrated essential services provider. We have a proud history of more than 180 years, from lighting the first gas lamp in 1841 to today, where we play a leadership role building and running some of Australia's largest solar, wind and battery infrastructure.

Our earnings are underpinned by the 4.2 million-strong electricity, gas and now telecommunications services we provide to residential, small and large business and wholesale customers.

We serve almost 30% of Australian households, and I am pleased to say that we are progressing very well towards our growth target of 4.5 million customer services by 2024.

Employing over 4,000 people nationwide, we operate a diverse and robust electricity generation portfolio with an operated generation capacity of over 11,000 MW, equating to approximately 20% of the total generation capacity within Australia's National Electricity Market.

We are also proud to be one of Australia's leading investors in renewable energy – to date, our portfolio includes over 2,500 MW of renewable generation capacity, and Australia's largest non-government owned hydropower fleet.

At AGL, our vision for Australia's energy future is that it will be both smart and affordable, delivered from renewable energy sources, which are backed by flexible energy storage technologies.

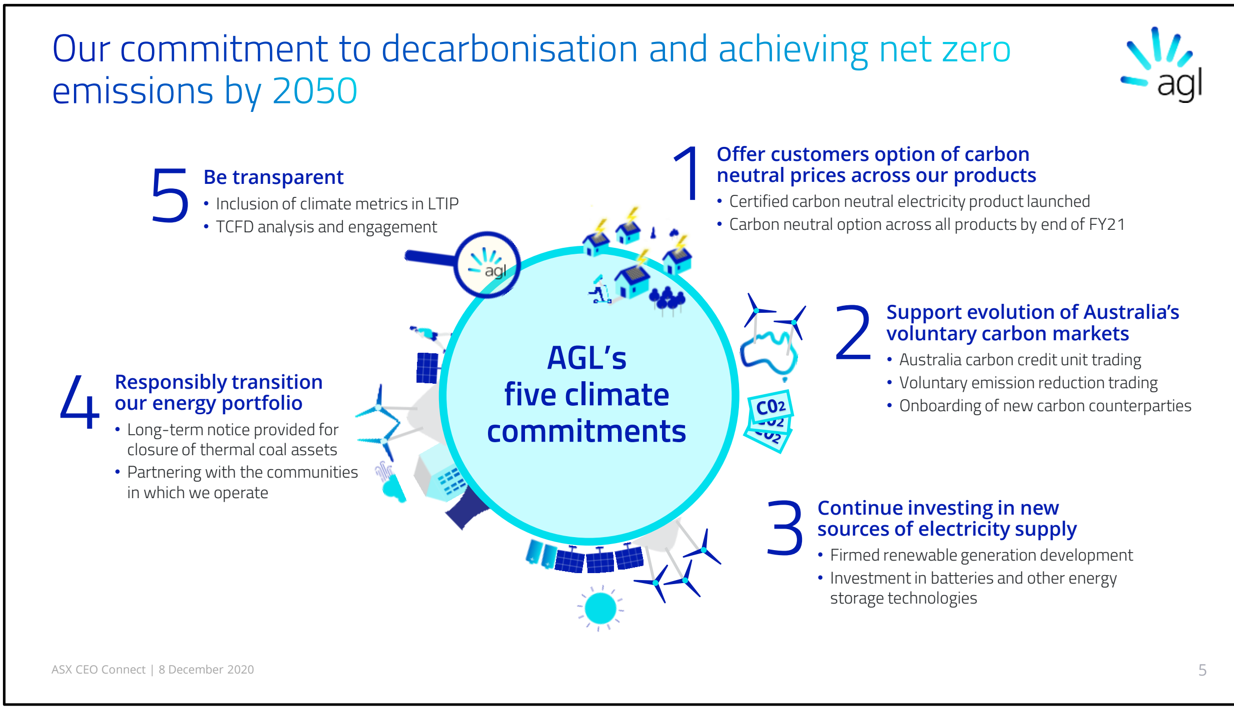
Our portfolio today, coupled with our investment pipeline of storage and firming capacity, positions us well to help drive Australia's energy transition to a low carbon economy.

We have three strategic priorities: Growth, Transformation and Social Licence.

“Growth” reflects our desire to expand our customer base, evolve our retail offerings, and invest in opportunities that shape the energy system of tomorrow.

“Transformation” highlights our need to keep evolving in a rapidly changing world.

“Social Licence” embodies our strong commitment to our communities, especially in a year which has challenged so many Australians through severe bushfires, drought and now COVID-19, and I am proud of our role in responding to all three crises.



This year, we released a refreshed Climate Statement and announced our target of net zero emissions by 2050, as well as five commitments you can see on the screen.

As one of Australia's largest energy generators and private investors in renewables, we have a clear path forward to lead the energy transition.

We believe Australia's future is to once again be a domestic energy superpower, this time driven by plentiful renewable energy, and AGL will be at the forefront of this change.

Our business today – Customer Markets

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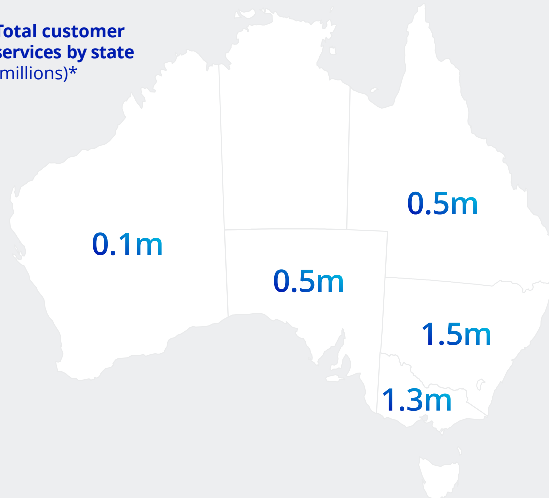
Customer Markets

Leading Australian essential services provider

- **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

I'll now provide a brief overview of our business, which we operate in two segments, Customer Markets and Integrated Energy.

Customer Markets is responsible for retailing electricity, gas and now broadband services to our customer base.

As mentioned earlier, our business is centred on the 4.2 million-strong customer services we provide to residential, small and large business and wholesale customers, mainly across the eastern and southern states.

This number is steadily rising and has been boosted by three acquisitions we've made in the past 18 months, in line with our growth agenda.

The acquisitions of Click Energy and Perth Energy focused on increasing customer numbers to drive economies of scale and expand our presence on the West Coast of Australia.

The acquisition of Southern Phone Company added 168,000 customers in broadband and phone markets.

In addition to our focus on growing the breadth and scale of our customer base, we have made significant investment in recent years in strengthening and transforming our digital capabilities to deliver a simpler, more intuitive experience for customers.

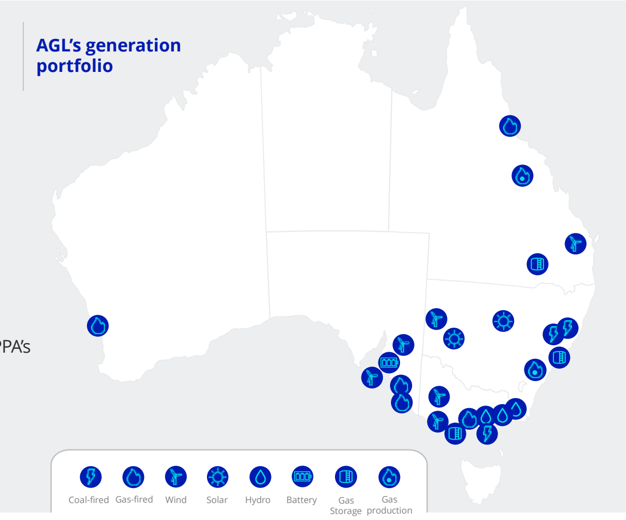
This has been key in driving our shift beyond core energy into a multi-product offering, in a world in which consumers are becoming more digitally active.

Our business today – Integrated energy

Integrated Energy

Efficient, flexible and balanced supply portfolio

- **> 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



Moving on to our Integrated Energy business which is responsible for running our electricity generation portfolio, as well as our wholesale gas and broader trading and origination activities.

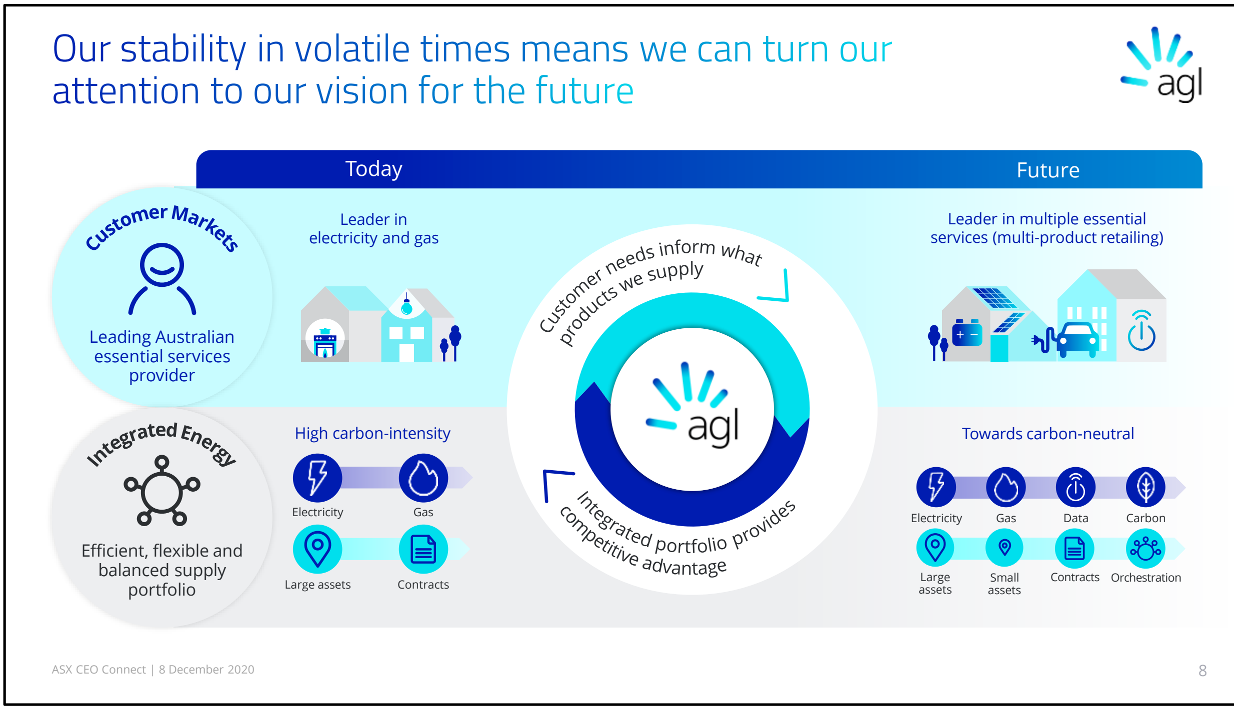
Our portfolio produces more than 40 terawatt hours of electricity a year, through thermal coal, gas, wind, solar and hydro plant.

As a result of our significant generation capacity, the key earnings driver for integrated energy is the wholesale electricity price. To manage and smooth the fluctuations in the prices of our key commodities, we have sophisticated risk management and trading capabilities.

Today, our fleet includes three coal-fired generators: Bayswater, Liddell and Loy Yang A. We have committed to the orderly closure of these generators in the coming decades and are progressing well towards transitioning our portfolio to new sources of generation and storage, in line with our commitment to achieving net zero emissions by 2050.

To date, we have more than 2,500 MW of renewable generation capacity in our portfolio, including large-scale solar, wind and hydro infrastructure.

In addition, our investment pipeline includes plans to develop 850 MW of grid-scale batteries across a number of our generation sites by 2024, as well as gas-fired power stations and plans for a liquified natural gas import project in Victoria.



Let's now look at how we are evolving.

Customer Markets is moving from being a leader in electricity and gas retailing only, to becoming a leader in the provision of multiple essential services, including broadband and the delivery of other relevant services.

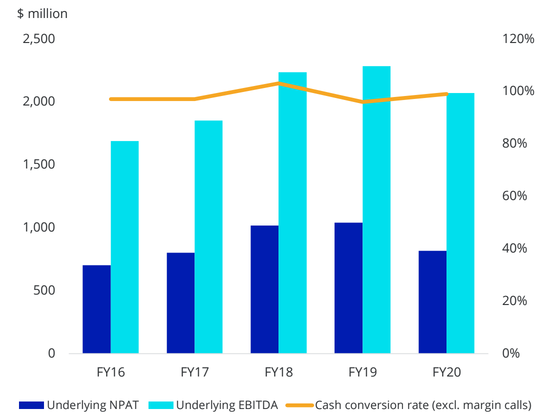
Integrated Energy is moving from the carbon intensive, large asset portfolio of today with a long exposure to energy commodity markets, towards a carbon neutral portfolio of more diverse, flexible and decentralised assets balanced by customer demand.

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

Moving now to our financials.

On this slide you can see a snapshot of our FY20 financial result and on the right our historic high levels of cash generation.

The financial and operational challenges we faced in FY20 were well flagged – the major unplanned outage at AGL Loy Yang, lower wholesale energy prices and higher depreciation expense.

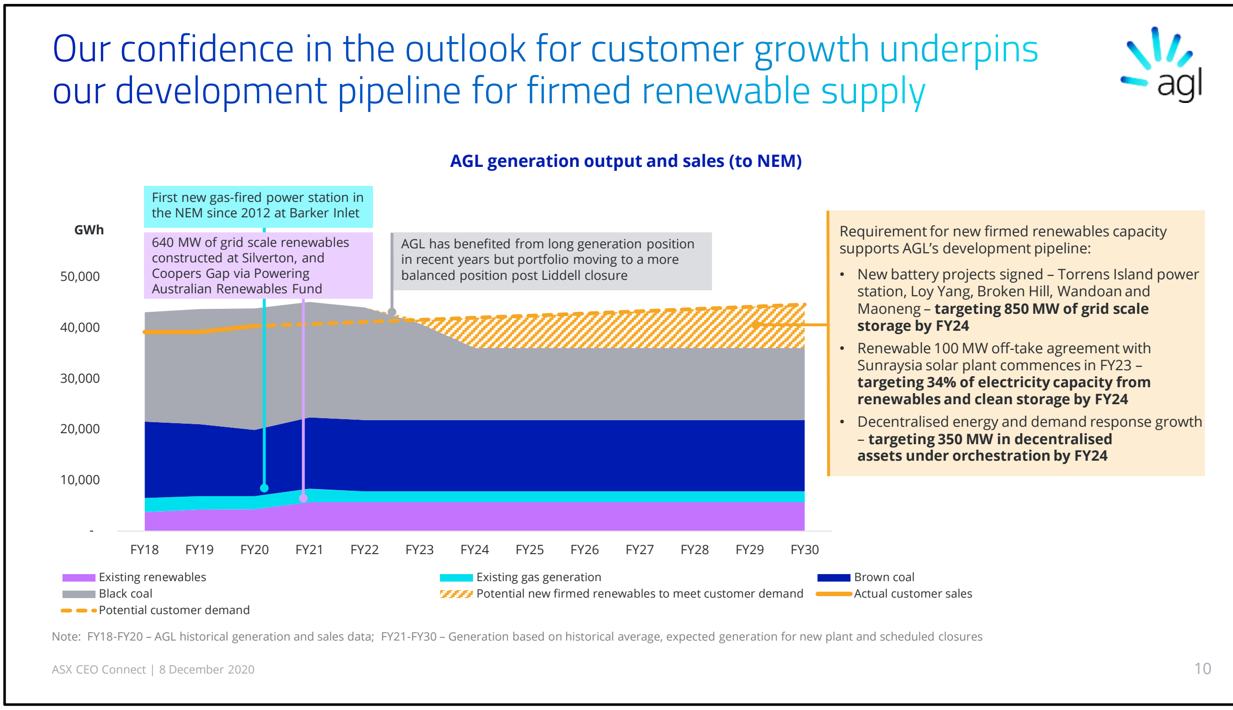
So, in the context of the year’s unanticipated disruptions, not least 38 million dollars of costs related to COVID-19, the team still delivered Underlying net profit after tax within our guidance range, albeit down 22 percent on the prior year.

Our Underlying EBITDA was down 9 percent. EBITDA is a better proxy for the relative strength of our cash flow than net profit, which in recent years has been impacted by higher depreciation expense arising from recent investments.

Net cash from operations was very strong in the year, up 35 percent due to a strong working capital contribution from margin receipts, as wholesale prices fell.

On the right-hand side of this slide, you can see strong cash flow conversion continues to be a positive feature of AGL’s performance.

Combined with a lower outlook for capital expenditure in the short term, this cash conversion underpins our confidence in the financial strength of the business despite the challenging environment.



Moving now to some of our announced growth investments.

Our announced capital projects focus on firmed renewables and energy storage, as the energy market transitions away from coal and old centralised models.

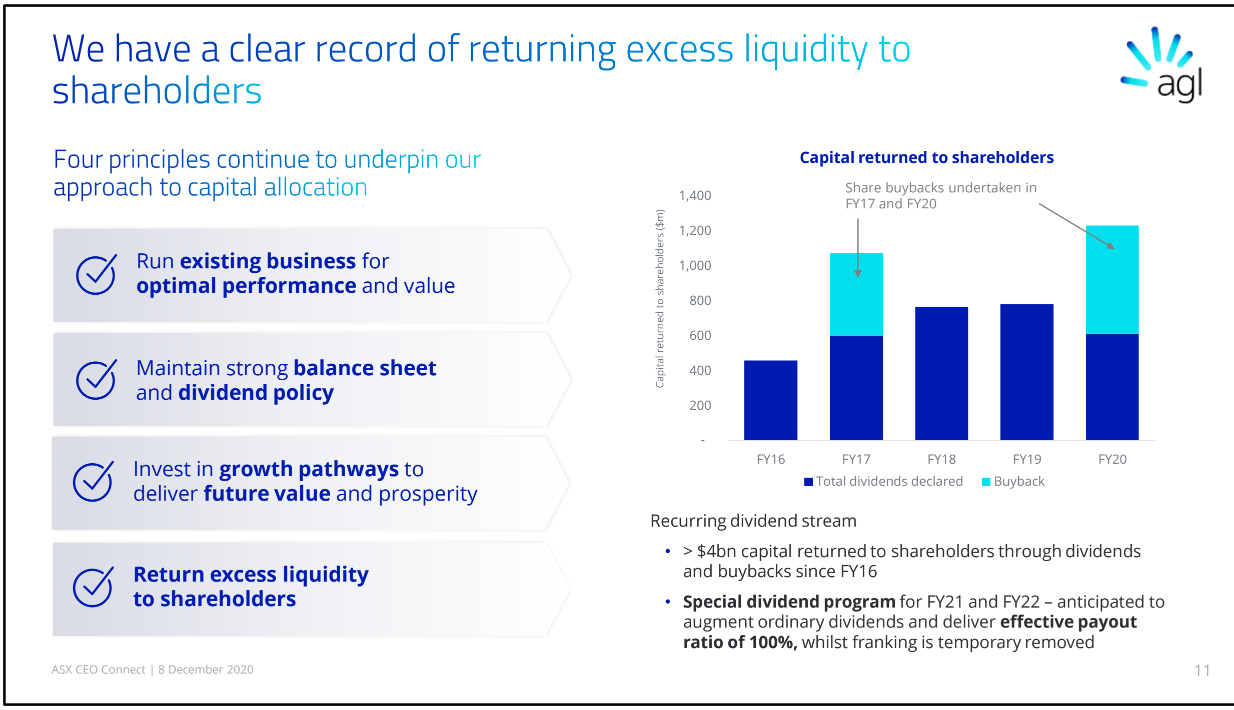
This chart looks at our future core generating output out to 2030.

You can see a significant decrease in the mid-2020s as the Liddell and Torrens A power stations retire, and you would see further declines in the 2030s and 2040s as other plants retire if we were to extrapolate further.

AGL's strategy is to build or contract dispatchable generation, support investment in firmed renewables and continue to invest in the accelerating emergence of batteries and other energy storage technologies.

In the call-out box on the right you can see some of the projects we are working on and the targets we have set ourselves for FY24.

These plans contain at least four large grid-scale batteries, renewable offtake agreements and projects to optimise home solar, batteries and residential and commercial demand.



Before I conclude, I wanted to touch on our capital allocation.

Firstly, to run the existing business for optimal performance and value. We are continually assessing the optimal balance between investment and return in our core assets and the recurring cost efficiencies we are delivering.

Our second principle is to maintain a strong balance sheet and dividend policy.

For those not familiar, our policy is a payout ratio of 75 percent of Underlying Profit after tax, franked to 80 percent – although dividends will be unfranked in the short term as we consume some historic tax losses.

In FY21 and 22, we have flagged our intention to undertake a special dividend program of an additional 25 percent payout, bringing our effective payout ratio to 100 percent while franking is temporarily unavailable.

Our third principle is to invest in growth, which we continue to do with a corporate hurdle rate 300 basis points above our weighted average cost of capital.

And our last principle is to return excess liquidity to shareholders.

The proof points on the delivery of this principle are illustrated on the right, reflecting share buy-backs undertaken in recent years.

In 2020, AGL delivered more than 1.2 billion dollars of capital to shareholders via dividends and share buy-backs, and since FY17 we have returned about 40 percent of EBITDA through dividends and buybacks.

In closing, we are certainly living in very challenging times, but amidst this environment, I am pleased to say that AGL retains a robust financial position from which to continue to pay dividends to our shareholders, maintain our current asset base and invest in new growth opportunities.

For AGL, while earnings pressures are increasing, and we have had a challenging start to the year, our cash flow remains strong and we are executing our strategy with discipline.

We remain very focused on growing the breadth and scale of our customer base, becoming a provider of multiple essential services while delivering a simpler, more digitised experience for customers.

We also remain steadfast in driving Australia's energy transition.

We have several high-quality, large-scale projects in the works to help deliver this transition, the development of which will drive shareholder value, while supporting job growth and the broader economic recovery from the pandemic.

Most importantly, we have the expertise and a dedicated workforce to meet these challenges – be it at our generation sites, trading desks or on the phone to customers.

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Thank you

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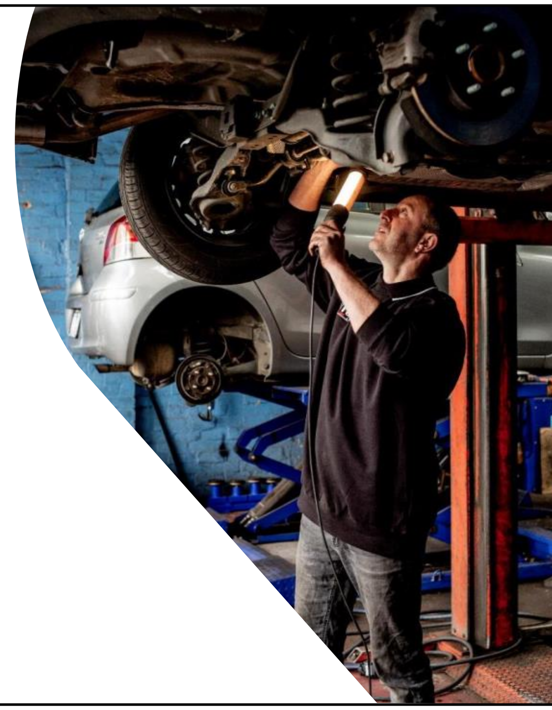

Thank you again for your time and I'll open the floor to any questions.