

2023 AGL INVESTOR DAY

Friday 16 June 2023

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DAMIEN NICKS

SLIDE 1

Good morning everyone and welcome to AGL's 2023 Investor Day. My name is Damien Nicks, Managing Director and CEO. A very well welcome to everyone in the room here at our Melbourne office and those joining from the webcast. Thank you for taking the time to be with us today. We are excited to share with you further detail on our accelerated decarbonization plan for our customer and our generation portfolios which we announced in September, as well as greater discussion on our business strategies and future vision for this company.

I'd first like to acknowledge the traditional owners of the land I'm presenting on today, the Wurundjeri people of the Kulin nation, and pay my respects to their Elders past and present. I'd also like to acknowledge the traditional owners of the various lands from which you are joining from, and the people of Aboriginal and Torres Strait Islander origin on the webcast.

SLIDE 2

We have a disclaimer up here, I'll ask you to read it very briefly and then we'll get into today's proceedings.

SLIDE 3

So into the agenda, we have the following executive team members presenting today and I'll ask them to please stand up as I introduce them. First, Jo Egan, Chief Customer Officer, Markus Brokhof, Chief Operating Officer, and Gary Brown, Chief Financial Officer. We also have with us today from the Executive Team, Melinda Hunter, General Counsel and Company Secretary and Suzanne Falvi, who recently joined us as newly appointed Executive General Manager of Corporate Affairs. Welcome, Suzanne.

You can see the agenda up on the screen here, and I'll kick off by setting the scene by providing a brief strategic overview and a business and guidance update for both FY23 and FY24 outlook. I'll then ask Jo to then discuss how we are connecting our customers to a sustainable future, and our vision for the customer markets business. Markus will then delve deeper into our ambition to add 12 gigawatts of renewable generation and firming capacity in place by the end of 2035 to meet our future customer demand.

More specifically, the rationale, composition, and expected timing of the delivery of the 12 gigawatt ambition as well as further ambition, sorry, further discussion on our current operations and rehabilitation being undertaken on some of our legacy sites. During lunch, we'll have some informal education sessions in the breakout areas, which will be hosted by some of our senior leaders within the company, and they'll be over on the panels over there.

After lunch, Gary will speak to how we'll fund the transition of our business and our refreshed capital allocation principles. You'll then have the opportunity to ask questions of Jo, Markus, Gary, and myself, and I'll wrap up with some closing remarks and conclude the informal proceedings of the day.

SLIDE 4

So now let's get started. It's been five months since I was appointed the permanent CEO of AGL, and eight months since I took over in interim capacity. I'm very pleased to say that we certainly are building very strong positive momentum across our business and the market. Last September, we announced a refresh strategy and one of the most significant decarbonisation initiatives in Australia, this included the accelerated closure of Loy Yang A together with our ambition to supply 12 gigawatts of new generation and firming capacity by the end of 2035, which will reshape AGL's generation portfolio. This represents a major step forward in Australia's decarbonization journey, ultimately connecting our customers to a sustainable future.

Encouragingly, our inaugural climate transition action plan was endorsed at the 2022 Annual General Meeting by our shareholders. At the half year result in February, we reported strong organic growth in customer services, and a record high NPS, all amidst a period of heightened market volatility.

Good progress was also made in advancing our development pipeline and delivering on our plans and I'm pleased to say that the Torrens Island battery and Broken Hill batteries are near operational.

Despite the challenged start to the year first half of the financial year in terms of fleet performance, we've had a much stronger performance across the portfolio for the second half, both financially and operationally, as we forecasted at the half year. Markus will speak to measures we have actively undertaken to improve thermal fleet reliability as we continue to leverage these low-cost baseload generation assets and the strong operating cash flows they generate to help fund the future of AGL and the transition. Importantly, we've also seen a strong improvement in employee engagement across the business and I look forward to sharing the results of our recent staff engagement survey at the full-year result in August.

SLIDE 5

I'd now like to introduce you to our refreshed purpose, "Powering Australian Life," backed by a bold and accelerated plan to connect our customers to a sustainable future and transition our energy portfolio. We'll drive this transition ensuring a strong foundation across our business, embracing ESG, continuing to empower our people as a driving force of a safe future-focused and purpose-driven business, and importantly, leveraging technology, digitization, and AI to enhance customer experience and strengthen our trading operations and risk management capabilities. All of this will be underpinned by financial stewardship and effective capital management to drive strong return for shareholders.

I'd also like to highlight our new brand platform, "Join the Change." At AGL, We are well positioned to lead the energy transition in Australia, and our new brand is an invitation to all our stakeholders, be it our customers, employees, government, community, investors to join and partner with us in creating an exciting low carbon future. And finally, our refreshed values are bring on tomorrow, can do, will do, and be safe, be supportive, which have been selected to foster and in innovative, inclusive, collaborative and future-focused culture.

SLIDE 6

This slide provides a good overview of our business today from an operational perspective. On the left-hand side you can see a customer load of nearly 40 terawatt-hours and it's roughly split one third each between retail, large business, and wholesale customers. In terms of generation, Bayswater and Loy Yang are the lowest cost baseload generation assets in New South Wales and Victoria, respectively, and on a short run marginal basis, and they're supported by favorable fuel supply arrangements and comprise the majority of our generation output. Bayswater is supported by a production cost linked coal supply agreement until 2028 and Loy Yang A sources brown coal from its wholly-owned adjoining brown coal mine.

Importantly, Markus will also speak to the significant investment made in flexing these traditionally baseload assets to account for the growing penetration of variable renewable energy in the NEM. All of the volumes you can see on this page relate to FY22. However, you will see that we've adjusted the coal generation volumes to exclude Liddell, and therefore provide an indication of a marginally short position for FY24 and beyond.

Renewables and firming assets comprise the balance of our generation portfolio, approximately 5.5 terawatt hours. Our gas portfolio is also well-balanced between customer demand and contracted supply with over half of our customer load comprising wholesale customers. As you can see, our integrated business model, underscored by a large and diversified customer base and low-cost baseload generation positions us well for earnings and cash growth to help us fund the transition of our business, particularly in a sustained higher wholesale electricity environment.

SLIDE 7

This slide, I think, provides a good depiction of the expected future state of AGL, a demand-driven and firming portfolio curated to meet the expected growth of future energy demand. Jo will speak to this in more detail, but on the left-hand side you can see customer markets is well positioned to leverage the projected increase in gross electricity demand through electrification, as well as future population growth in major capital cities. We'll also aim to maintain our number one position in commercial and solar, and endeavor to help our commercial industrial customers transition to a low carbon-sourced energy.

Importantly, Jo will also discuss the shift from being a commodity supplier to scaling energy as a service, which includes asset orchestration supported by numerous services including EV leasing and charging, decentralized energy, as well as asset monitoring and management. On the right-hand side, per our accelerate plan, we aim to progressively transition away from coal-fired generation with a high-quality renewable generation and firming portfolio of approximately eight and 7.3 gigawatts respectively in place by the end of 2035.

Markus will speak to four new potential value streams from the proposed energy hub developments, including firming renewable electricity for hub participants and orchestration of flexible industrial load. A key point to highlight at the bottom here is that we'll continue to competitively contract gas to meet customer and generation requirements. However, we expect this portfolio to decline over time driven by customer electrification. Gas however will continue to play a role in the transition and will be required until long duration storage is solved by the market.

SLIDE 8

Gary will cover this slide in more detail, no doubt there'll be plenty of questions, but on the left-hand side you can see the expected transition of our earnings mix over the next 12 years, progressively shifting away from earnings largely derived from thermal assets to a low-carbon earnings mix. Now, please note this graph is indicative only, it is how we broadly anticipate our future earnings mix in FY36, and it'll be supported by Customer Markets earnings growth delivered through the drivers I mentioned on the previous slide, as well as our high-quality renewable generation and firming portfolio. As mentioned, the projected shift to electrification is expected to gradually reduce customer demand over time.

SLIDE 9

This slide provides, I think, a good recap of our accelerated decarbonization plan, and the key targets across our 12-year roadmap. Our first key milestone was achieved in late April with the safe closure of Liddell Power Station after over 50 years of operation delivering an annual emissions reduction of 8 million tons of CO2 equivalent per annum. Importantly, we maintained our commitment to no forced redundancies and transferred just over 100 employees from Liddell to Bayswater.

We are well on target to achieve our 850-megawatt grid scale battery target by the end of FY24, as mentioned. The Torrens and Broken Hill batteries are near operational, and we are acutely focused on the accelerated development of the 500-megawatt Liddell battery. As I shared, as part of the half year results announcement, the Liddell battery will be Arena-backed with funding negotiations progressing for the first 250-megawatt phase.

Impressively, we have significantly advanced our development pipeline by over 60% to 5.3 gigawatts since we last reported at the half year result, and we'll continue to build out the options to enable us to effectively execute on the deployment of assets to meet our customer and market needs. We're also well on track to deliver upon our interim target to have five gigawatts of new renewable generation, firming, and DR capacity in place by the end of 2030.

Importantly, the delivery of this strategy is centered on maintaining our relentless focus on our valued customer base, continuing to strive towards our ambition to be net zero for all emissions by 2050, and importantly, working closely with our people to explore opportunities for career transition as we progress towards a low- carbon energy future.

SLIDE 10

This slide provides a bit more detail on our commitment to the decarbonization journey and takes into account all of our stakeholders as we continue to embrace ESG. With 12 years through the target retirement of our coal fleet, we'll continue to work closely with our people, our customers, communities, and all levels of government, striving to ensure the way we transition helps deliver a balanced and responsible outcome for all stakeholders.

SLIDE 11

Importantly, our new strategic targets for FY27 align with the long-term transition plans for our business, and I'll briefly speak to these starting on the top row from left to right. We'll be further striving to improve customer experience aiming for a strategic NPS score of +20. We're also targeting to have 60% of customers engaging with us solely through digital channels. Speed-to-market metric refers to our agility in new energy propositions for customers in a complex and ever-changing retail landscape. Additionally, we are aiming to materially increase revenue derived from green-related products and generation compared to FY19 as a benchmark. And the 300-megawatt, behind the meter target of assets installed, relates to the expansion of the C&I business segment, which Jo will discuss further.

Turning to the bottom row now, fleet asset flexibility, availability, and reliability will be crucial as we look to leverage strong operating cash flows from our low-cost generation position to help fund the transition of our business. Despite the challenged start to the year in terms of fleet performance, Markus will share that our year-to-date equivalent availability is encouraging around 77%, higher than the previous two financial years, and we'll be striving to step this up to 88%.

We'll also aim to have 2.1 gigawatts of renewable and firming capacity assets contracted and in delivery by the end of FY27, including a total of 1.5 gigawatts of grid scale batteries contracted and in delivery. This positions us well to meet our interim target to have five gigawatts of renewable generation and firming in place by the end of 2030.

Decentralized assets under orchestration will be also a major growth focus area for us over the medium term with a target of 1.6 gigawatts by the end of FY27. Now, this includes our contracts with Portland and Tomago Aluminium smelters which both have demand response mechanisms and provisions attached. And finally, with our energy hub developments progressing well, we'll aim to have six to eight major industrial clients located on or connected to our major generation hubs.

SLIDE 12

At AGL, we are incredibly well-positioned to lead the energy transition and generate strong returns for shareholders. We have a simple and clear investment proposition which summarizes our core business strengths as an integrated company and how we intend to leverage these to deliver the future of AGL. Firstly, we have strong positive momentum in our earnings and cash flow outlook underscored by a low-cost baseload generation position, flexible portfolio, and high-quality development pipeline with strong optionality. Our extensive experience in low-carbon asset development combined with high privileged sites and infrastructure positions us well to generate strong returns from our new firming and renewable generation assets.

Secondly, AGL is a leading energy retailer with a large and diversified customer base, well-positioned to leverage the expected increase in energy demand through electrification, access new value pools, and drive further efficiency in its core operations. Thirdly, we have a disciplined capital allocation framework underpinned by commitment to an investment-grade balance sheet to deliver on the transition of our business whilst maximizing value and shareholder returns. And finally, AGL represents an opportunity to join the change and invest in Australia's energy transition, connecting our customers to a sustainable future and transitioning our energy portfolio.

SLIDE 13

I shall touch on guidance quickly, no doubt there'll be many questions later on. So a revised FY23 guidance and FY24 guidance is updated on the screen for you here, as well as a change in our dividend policy from FY24 onwards. Now I think as you can see from this slide, we have narrowed the underlying earnings guidance range for FY23. The updated ranges reflect an improved second half in line with expectations driven by increased generation due to improved plant availability and a reduction in forced outages. Also, we saw higher customer margin due to disciplined margin management and growth in customer services.

This is partly offset by higher operating costs due to increased maintenance spend, seasonal net bad debt expense, and inflationary impacts which we'll continue to manage incredibly closely.

Additionally, we've provided guidance for FY24 earnings as follows, Underlying EBITDA of between \$1.875 billion and \$2.175 billion, and Underlying Profit After Tax of between \$580 and \$780 million.

Encouragingly, the anticipated increase in earnings for FY24 reflects the drivers you can see on the screen. Firstly, sustained periods of higher wholesale electricity pricing which have been reflected in pricing outcomes and reset through contract positions. Secondly, the expected improvement of planned availability and flexibility of the asset fleet, including the commencement of Torrens Island and Broken Hill batteries, as well as the non-recurrence of forced outages and market volatility impacts from July '22, which totaled approximately \$130 million pre-tax. This is expected to be partly offset by the closure of Liddell power station and higher operating costs, including the impact of higher revenue from pricing outcomes, increasing variable costs such as net bad debt expense and anticipated market activity. We also expect increased maintenance spend to improve asset availability and reliability and, of course, the impact of inflation we're all seeing.

Today, we've also announced a change to our dividend policy effective from the FY24 dividend. AGL will target a payout ratio of 50 to 75% of underlying profit after tax, franked to the extent possible. This replaces AGL's current policy which we announced back in September 2016 of targeting a payout ratio of 75% of underlying profit after tax. Gary will speak to this in some more detail, however, the change to our dividend policy reflects a AGL's commitment to maintaining our Baa2 investment credit grade rating and enables the flexible deployment of capital to strengthen the core business and realise timely opportunities through the energy transition whilst also maintaining and maximising returns to shareholders. Please note that for the FY23 final dividend, AGL intends that this is declared as per the current policy targeting a payout ratio of 75% of underlying profit after tax.

SLIDE 14

So in summary, we are in a strong position to deliver upon the AGL of tomorrow, and I'll now hand over to the team to continue that discussion. Jo will cover how we're poised to navigate, grow, succeed in what is a really complex energy retailing market. Markus will speak to the strong optionality that underpins our 12-gigawatt ambition, as well as the advancement of our development pipeline to 5.3 gigawatts. And Markus will also discuss the measures undertaken to improve asset fleet availability, flexibility, and reliability. Gary will then round out the discussion on how our earnings mix is expected to change as we transition away from thermal generation to a low carbon generation and firming portfolio, and also the size and the timing of a AGL's expected balance sheet commitment towards the 12 gigawatts as well as our refreshed capital allocation. On that note, I'll now hand over to Jo. Enjoy the morning.

JO EGAN

SLIDE 15 (divider slide)

SLIDE 16

Thank you, Damien, and good morning, everybody. I am delighted to be here today to share with you some highlights of our Customer Markets strategy, and the enormous potential we see for our retail business in the future. Today I'll take you through an update on the core business, a reminder on our competitive strengths and how we create value. I'm pleased to say that the retail business continues to be in great shape and despite the challenges in the economic environment, our customers do continue to be happy with our service. We have made strong progress in our areas of strategic focus, particularly on improving value, growth in decarbonisation, and leveraging technology to lower our cost base and transform the retail business. I'll also touch on some of the market trends we are observing and how we are responding to those, including the incredible growth opportunities we see on the customer side as we lean into the energy transition.

Now, to deliver on our nation's target of net zero by 2050, not only must we transition the generation side of our business, but customers need to electrify. The scale of this change is enormous and will likely require a considerable shift in policy to incentivise. AGL sees this as a unique opportunity to partner with our customers to achieve these goals while accessing new value pools through the transition. And finally, I'll provide an update on our Retail Transformation program. We're already underway and delivering strong results in simplification, digitisation and cost out, but there is more to do. We have an ambitious agenda to leverage new technologies to unlock value, enable the electrification transition and deliver on our strategy. And this complete transformation will not only change the way we work, but the way we interact with our customers.

SLIDE 17

As you know, AGL is a leading Australian energy retailer. The 4.3 million customer services we support across energy and telco, translating to more than 30% of households in the national electricity market. We have a proven track record of success. Our leading brand and resilient business model has enabled us to continue to hold this position through periods of extreme volatility, and in one of the world's most competitive energy markets. In addition, we have demonstrated the strength of our brand and go-to-market capabilities across new products and services such as telco, which had increased to 270,000 services at the half year, and we have seen continued growth through the most recent period.

Our extensive energy industry knowledge and a disciplined approach to value management puts us in a strong position to navigate current and future market volatility. The scale and quality of our customer base continues to be one of our competitive strengths, and the role of the customer markets business to strengthen and maintain this portfolio is critical for our enterprise, underpinning

the future investment required for the transition of the generation fleet, which Markus will share more on later. This position, coupled with our strong and loyal customer relationships, are continually demonstrated in our transfer to market and our strong NPS.

As I mentioned, AGL's brand is a key asset and as a category leader in awareness and consideration, this does help cement our market leadership in growing segments. A great example of this is in commercial solar where we command a lead three times larger than our nearest competitor. We will continue to focus on customer experience, value management, cost discipline, and embracing new technology transformation to deliver value to our customers and our shareholders.

SLIDE 18

Now, there is no doubt that the industry and the market conditions we operate in pose a number of challenges. However, they do also present significant opportunities for AGL to leverage. Current economic conditions are resulting in customers facing significant cost of living pressures. We understand that higher energy prices will put more pressure on household budgets and risk more consumers facing energy poverty. I want to be clear that at AGL we are committed to supporting our customers through this period, and I will touch on the investments we are making through our customer support package later on.

Digitisation has and will continue to revolutionize industries globally, and the energy sector is no exception to this. As technology advances, customers are no longer just comparing AGL to other energy retailers, they expect seamless digital experiences and instant access to personalised information. Recent advances in generative AI and the use of data will totally reshape traditional ways of working and create disruptive advances in consumer offerings.

They also provide incredible opportunities for businesses like ours to improve our customer experience and reduce our costs. Now, this is not without risk, and we must balance the benefits and social license impacts carefully. Recognising the power of technology, we are well underway in our transformation journey. We have great made great progress. Our AGL app continues to maintain its leadership as the highest rated energy app. We are digitising and automating our operations, simplifying our products and processes, and enhancing the way we serve our customers. These changes have already delivered material cost reduction with further efficiency to come.

Electrification and decarbonisation is the third trend dominating our market. By 2050, electricity consumption is expected to double with an enormous amount of this expected to sit behind the meter. These dramatic shifts require extraordinary change, not just in how we manage the grid, but also in the way we connect our customers to new products and services. Now, we recognise that to be successful, this shift will require us to change our approach. We must offer the right advice, products, and financing options to support customers through this transition, and to be a partner of choice, we must continue to build trust, leverage our deep energy expertise, and deliver superior customer experience across all our channels.

We've already seen great success in this area as evidenced by our growth in green revenue and assets under orchestration, however, we see the potential as much larger.

SLIDE 19

As outlined earlier, to deliver on our nation's net-zero ambitions, we have an incredible opportunity in front of us to support our customers as they decarbonise and transition to an electrified future. With electricity demand likely to double by 2050, and a significant portion of this behind the meter, AGL has the prospect of capturing growing demand and transforming customers relationship with energy. Now, for households this increased consumption is expected to come from the replacement and upgrade of five key assets in the home, electric vehicle charging, solar, batteries, heating and cooling, and hot water are likely to account for over 70% of future household energy load.

Electric vehicle charging alone is expected to consume 2,000 kilowatts per annum with 80% of consumption forecasted to happen at the home. It is clear that electrification of transport is a key requirement on our path to net zero, and as policy continues to evolve to enable this, the uptake of electric vehicles is likely to accelerate quickly. In addition, behind the meter capacity we'll continue to grow with an 80% increase expected in rooftop solar by 2030, further illustrating the opportunity for home energy management solutions to maximize value from orchestration of flexible load.

And when we think about the value pools across these big five energy assets in the home, we predict more than an \$8 billion per annum market across the entire value chain by 2035. How AGL plays across this value chain, leveraging our strong position and retail customer base to create value for AGL and our customers will continue to evolve.

Business electrification is expected to accelerate over the next decade with AMO projecting 30 terawatts of additional electricity demand across the NEM by 2030 due to industrial process electrification. Businesses and industries are increasingly seeking ways to improve energy efficiency, reduce their operating costs whilst achieving their sustainability goals. The demand for solutions and services that optimise energy usage and integrate seamlessly into existing infrastructure will only grow in prominence. We have a high conviction that throughout this journey customers will seek expert advice looking for companies they trust to make the transition easy whilst providing the most value. And whilst this is a multi-decade journey, by leading and developing new solutions, AGL intend to capture new value and support our customers and the market through the energy transition.

SLIDE 20

To capture this opportunity at scale, our ambition is to be the partner of choice for customers as they electrify and decarbonise the way they live, move, and work. For customers embarking on an electrification journey today, there is no easy path to follow, the market is fragmented and personalised advice is not easily accessible. We see that by removing friction points and utilising the rich data and insights we have, we can provide an integrated end-to-end solution. Our aim is to deliver accessible, easy to understand, and affordable energy solutions for our customers no matter where they are on their electrification journey. At home, this might be as simple as supporting a customer replace a hot waters system or a cooktop, or it could be a complex installation and an of EV charger and solar and battery bundle.

Energy management services will include flexible load management and orchestration through our virtual power plant. And whilst vehicle to grid or vehicle to home orchestration is yet to be unlocked in Australia, we believe there is a clear economic and environmental case to leverage these batteries on wheels at scale. In the near term, we will continue to focus on smart charging trials to manage flexibility and have a focus on capturing home charging consumption, partnering with others to provide on-the-go solutions for our customers, and I'll be happy to share more on that later.

For our business customers, the challenges are similar but we are seeing this segment act more quickly as they develop their own net zero pathways and respond to market trends. Our focus here is on continuing to grow our energy solutions business and scale our energy as a service offering.

This strategy is underpinned by our retail transformation program, and I'll touch more on this later.

SLIDE 21

As I've outlined the range of products and service AGL aim to provide our customers will continue to expand to enable the electrification journey and this will require new commercial models as we intend to deliver energy as a service at scale, moving away from traditional commodity at a price, these new models can fundamentally change how our customers engage with us and how we generate returns, with a shift to a revenue mix and capital profile towards longer term annuity revenue streams. This can deliver more certain outcomes for customers, removing variability in bills, and creating stability in earnings for AGL.

And finally, managing the complexity of these assets can be undertaken by us, taking away the hassle for customers whilst ensuring that we can maximise orchestration value. Ultimately, this will develop a much deeper relationship with the customer, can extend tenure margin, and increase customer lifetime value. AGL is responding to this opportunity by rapidly expanding our decarbonisation and energy management solutions to create value and support our customers through the transition. Our solar and battery customers are up 18% year-to-date, and our Peak Energy rewards program continues to be one of the largest flexible demand response programs in the country.

We have also commenced hot water orchestration trials and are generating great interest from our customers here. We see this has a potential to provide significant flexible capacity. We also launched our EV subscription two years ago now, and it's the largest of its kind in the country. More recently, we completed our Arena funded smart charging trial, to test customer engagement, orchestration of residential electric vehicle charging, and the impact this has on the grid.

We maintained market leadership in commercial solar space delivering three times more commercial solar than our nearest competitor, and this is a great position to leverage as we see the demand for energy storage and charging solutions grow. We have a large and growing asset management and monitoring portfolio with 200 megawatts of assets being real-time monitored and continue to scale our energy as a service offering, and behind the meter PPA portfolio.

Now, we'll shift here and talk to some of these case studies in more detail.

SLIDE 22

Just a few months ago we launched our pilot of Electrify Now, a platform that's underpinned by advanced analytics to provide personalised recommendations for our customers on their electrification journey. This program, which is a first of its kind in Australia, aims to make the home electrification journey simple and accessible to all customers. The technology utilises the customer's own smart meter data and advanced analytics to tailor recommendations, advice and solutions based on a customer's own needs, usage patterns, and their decarbonisation goals.

In just three months, we've presented over three and a half thousand customers with tailored solutions for their home, generating hardware recommendations worth over \$100 million in revenue. And whilst this is all very early, the program could create substantial value by fostering deeper relationships and increased loyalty with our customers. We see this as just the beginning. As Electrify Now evolves, it has the potential to unlock new revenue streams such as hardware sales and on-bill financing. These avenues can not only increase our overall revenue, but also pave the way for new commercial opportunities through a broader ecosystem.

SLIDE 23

Looking beyond the home, I am thrilled to share with you our exclusive immobility partnership with BP Pulse. This partnership intends to make charging at the home and on the go simple and affordable for our customers and it will help accelerate the electrification of transport for all Australians. By leveraging our mutual strengths, BP and AGL can bring the best of our capabilities together and we can provide our customers with an integrated charging experience that is reliable and seamless no matter where they are. We will launch the partnership next month in New South Wales where AGL customers on an EV plan will gain exclusive benefits when they charge with BP Pulse.

Another key aspect of the agreement is to collaborate on the deployment of public charging infrastructure powered by renewable energy, and this aligns to both companies' focuses to deliver a low-carbon future where customers are at the forefront of the transition to net zero. This partnership aligns with our focus on supporting the electrification of transportation in Australia and enables the shift to EV to be easy for our customers. And most importantly, it will help us capture the increase in home charging consumption and complement our investment in smart charging solutions. Our collective expertise and resources are expected to increase customer outreach and enable further cross-sell opportunities. And I think finally for both organisations the partnership strengthens our competitive position as fuel and energy sectors converge.

SLIDE 24

As I've mentioned, for our corporate and industrial customers, our strength and focus is on scaling Energy-as-a-Service. Our large business customers are setting the pace of the transition as they navigate their own pathway to net zero, with around half of the ASX 200 already announcing climate commitments. Demand for behind the meter assets is increasing at pace with a 10 times increase in commercial solar capacity. To capture and maximize value through this market growth, our vision is to be the trusted net partner for our C&I customers. Our existing leadership position in commercial energy solutions coupled with our large C&I customer energy portfolio provides a really excellent platform to deliver on that vision.

Now, scaling Energy-as-a-Service is really about integrating the components of our core offering and creating value by providing a differentiated service across energy solutions, asset management, orchestration, and even asset financing. We are seeing more and more customers seeking an integrated offering to support sustainability goals whilst also providing certainty and reliability.

A great example of this is the Kerarbury Almond Farm detailed on this slide. At this site, AGL has supported the customer, creating an end-to-end innovative and largely renewable energy system which has lowered their energy costs, providing price certainty, and improving reliability and sustainability outcomes. AGL conducted a full design and feasibility assessment and is now moving into construction after which we will own, operate and maintain the microgrid on the customer's behalf.

It means long-term annuity revenue streams for AGL, but also allows us to optimise energy production and consumption through asset management and orchestration as part of our VPP, whilst also providing firm energy, where required, to meet the customer's needs. We see a large emerging opportunity in this space, and looking ahead, our ambition is to create a \$1 billion asset portfolio through Energy-as-a-Service targeting high single digit IRR across the portfolio on capital deployed.

SLIDE 25

Our Retail Transformation program is well underway to strengthen our core business, drive competitive advantage, and support future energy needs. By embracing digital technologies and transforming operations, we are already positioning AGL to thrive in a rapidly changing digital era. To capture the opportunities we've discussed today and continue to improve our customer experience, we are well aware that we must further harness AI and data-driven insights, have the agility in our business to respond and capture changing market dynamics, and be efficient in our operations. We are already doing this by establishing a digital lean and flexible business underpinned by leading modular technology.

We have dramatically simplified our product portfolio, reducing plans by 50%, improving speed-to-market by 40%, and we are continuing to leverage AI with over 5 million transactions now managed through this technology. And whilst we have already delivered significant efficiency as outlined on the left-hand side of this slide, continued discipline, managing our cost base is critical as we face near-term headwinds and reinvest in growth.

Next year, as Damien outlined, we face a period of higher revenues due to price increases, there will be an associated increase in cost, not only due to net bad debt as a direct percentage of revenue, but other variable costs to protect our base. However, over the medium term, we expect the sustainable position will continue to deliver savings, and we have an ambition to realise this through our next phase of retail platform decisions.

As we make longer term billing and broader retail platform choices, we are developing a new business and technical architecture that will harness the power of technology to deliver new products and services at lower cost and greater speed. And whilst technology is critical, this is a whole of business transformation, so adapting our operating model and culture to improve agility, reduce handoffs and continue to improve the customer experience is central to our ongoing success.

SLIDE 26

Finally, I'd like to touch on how AGL will support our customers in this high inflationary period. As we know, Australian households and businesses are facing significant affordability challenges due to higher cost of living pressures. We know that over 60% of Australians believe this to be the most important issue for government to address, and at AGL we are committed to supporting our customers through this period. We have already announced a \$70 million investment in our customer support funding over the next two years. This builds on top of the government Energy Bill Relief Fund, and includes up to \$400 in bill credits for our most vulnerable customers on our Staying Connected hardship program.

We are also using advanced analytics to proactively identify and contact customers who may be facing financial challenges, offering them proactive support and connecting them to relevant government assistance. We have also invested in simplifying our communications and specialised training for our contact center agents to help improve energy literacy and accessibility. And our strong performance in collections management over recent years means we are well set up to manage this period, and historical learnings have also been leveraged to ensure we can both, support customers and tightly manage our costs.

SLIDE 27

So in summary, the customer business is well positioned to continue to drive value through its core whilst also capturing new and growing value as electrification accelerates. The fundamental strengths of our retail business continue to be our large quality customer base, our leading brand, strong operating discipline, and deep energy expertise. We already have a compelling suite of decarbonisation products and services and we'll continue to expand these to meet our customers needs and capture future growth and importantly, whilst we navigate the multi-decade journey of the energy transition, we will continue to focus on growing customer value and unlocking further efficiency through Retail Transformation so we continue to deliver near-term value to both our shareholders and our customers. I'll now hand to Markus.

MARKUS BROKHOF

SLIDE 28 (divider slide)

SLIDE 29

Thanks a lot, Jo. And good morning, everybody, I'm very grateful that I can give you some insights in shaping our portfolio of tomorrow. The portfolio transition is clearly accelerating, and I would like to focus today on the development pipeline, our energy hubs, rehabilitation, and then at the end of the day, the performance of our asset fleet, and I will also give some flavor to our gas business.

A 60% uplift of our development pipeline to 5.3 gigawatts is a great achievement. We are making progress across all our ambitions. We increased the development pipeline with our Tomago battery, with the Queensland battery, and also, with a solar, wind, and battery complex in New South Wales. In addition, we signed yesterday a power purchase agreement for a wind farm offtake from the Rye Park Wind Farm in New South Wales for 178 megawatts with Tilt Renewables, where we are also 20% shareholder. A great achievement and shows you that we are in parallel to our asset portfolio continuing to develop, also, contractual options.

Energy Hubs are also taking shape. The workforce transition is for sure in the center of all our activities, that's our commitment under ESG. Master plans for the Energy Hubs are developed. Last week we entered into a memorandum of understanding with Solar Recovery Corporation, a fantastic development, and shows you that we take the ambition to have a circular economy on our hubs serious, but also shows you that we are continuing to develop our partnerships.

And then the safe decommissioning is well underway. Retirement of Liddell was a big highlight, even very challenging for our workforce, and it was also unique that we shut down a running power station. Our center of excellence provides a blueprint for all our decommissioning and rehabilitation work.

Finally, and importantly, our equivalent availability factor is increasing as outlined already by Damien in the beginning. We have a strategic asset management plans and maintenance strategies in place to help drive an additional 10% uplift of our equivalent availability factor by 2027. This is ambitious but we believe we can realise it. We have a clear pathway to deliver on the 12-gigawatt ambition, the approach to the five-gigawatt target is very clear. We have already one gigawatt in full development, 1.9 gigawatt in full development, and another 2.2 gigawatt in early phase. Another 1.2 gigawatt of capacity is in an explorative phase.

SLIDE 30

Our 12-gigawatt ambition is supported by strong optionality and is looking as well at emerging technologies. To achieve this target, we are expanding our partnerships, including Tilt, looking selective at acquisitions, and underwriting power purchase agreements as already outlined with Tilt. We are a preferred partner for offtakes on the back of our large retail portfolio.

SLIDE 31

The development pipeline we will be built up to, have options which will be exercised depending on the environment, on the economical environment, and also the portfolio needs, and we will execute this options, in the trader language, when they are in the money.

AGL will find the most efficient way of sourcing the required energy and firming capacity. The development pipeline, and that I would like to emphasise, is clearly focused on quality, speed to market, and customer demand, and proper risk management. The pathway to internal development or external offtakes will vary with an overall aim to optimise cost and risks.

SLIDE 32

This map shows AGL's current entire development pipeline and does not include any powered purchase agreements currently concluded or in negotiation likes the PPA signed with Tilt yesterday. It also, and I would like to point it out, that's a snapshot of the national energy market, is not including Western Australia where we have additional activities on the C&I side, but also we have generation capacity and additional ambition to grow our pipeline.

A great uplift by 60% demonstrate that AGL is seen as a valuable and also as a trustworthy partner. Broken Hill and Torrens Island battery will add another 300 megawatt to the national energy market and are in the final stage of construction, and will look to move over to operations. Three recent developments assets have been added in New South Wales and Queensland to our option portfolio. Please refer to the orange icons on the map.

We have also submitted a feasibility license application for offshore wind development off the coast in Victoria for 2.5 gigawatts. Offshore wind is not counted in our development pipeline so far, it's only onshore project. Our expertise and capability in land access and approvals as well as connection is gaining momentum.

SLIDE 33

On this slide, I would like to point out that we have ongoing rehabilitation activities and we are already spending sizeable amount every year for healing the country. We have a strong rehabilitation capability and expertise and are receiving many requests for advice in this area, even from our competitors. This is a unique advantage as we further move into transition.

SLIDE 34

Highlights include the Liddell decommissioning and the rehabilitation of the Liddell ash dam because the ash dams in our portfolio have the highest cost of rehabilitation. But I would like also point out that we do quite extensive plug and abandon work at our Camden gas fields. The foundation of our rehabilitation capability is built on strong diligent planning and implementation, which should be shown here on this slide. You can see here we have a demolition and rehabilitation plans for all sites. Every asset has its particularities, but process and project management is in common.

Our ongoing largest projects at the moment are clearly the decommissioning of our Torrens A station, which went out of operation last year, all four units, and the Liddell power station. Safety and environment in this respect is our top priority.

SLIDE 35

In parallel to the site rehabilitation, we are building integrated industrial energy hubs, and the emphasis is really on integrated industrial because energy hubs are evolving everywhere, or maybe not. There are many opportunities for investment in energy hubs. We need to take a considered and strategically congruent approach to our investments reflecting risk appetite, and strategic alignment.

For simplicity, we have displayed here, four value streams. Each has, for sure, different value drivers and capital requirements. The four value streams are targeting firming renewable electricity customised for our industrial clusters, new hub products such as hydrogen and e-fuels and the creation of portfolio value to our asset portfolio as well as new industry exposure, depending on our industrial partnerships which are evolving over time.

SLIDE 36

We are making progress at all our energy hubs. Highlights includes the three energy hubs, which you'll see here on this map as the Torrens hub, Latrobe Valley hub, and Hunter hub are all at various material stages of development. The various hydrogen partnerships at each of the energy hubs are progressing accordingly to plan. I just want to name FFI as a partner, but also our Japanese partner under the hydrogen energy supply chain.

Battery developments are progressing, and the financial investment decision for our 500-megawatt battery is targeted in this fourth quarter of this calendar year. The circular economy concept is evolving and we are proud to work with Solar Recovery Corporation together, and more partnerships are in the pipeline. New technologies on battery storage technologies and solar thermal development are at feasibility stages. We are also proud that we have taken a final investment decision of an indigenous agricultural project at Liddell. It's a project with one of our First Nation groups for Manuka Honey for closing the gap. Several other First Nations projects are in the planning stage.

SLIDE 37

In this section, we would like now to focus on our operation of our asset fleet.

SLIDE 38

Our existing thermal assets will supply AGL's customer load, but will also provide very healthy cash flows throughout the transition, and will also finance the transition. We aim to increase our equivalent availability factor to 88% by financial year 2027. How do we do this? Strategic asset managed plans are in place that ensure, capital invested is in the right area. Investing in strategic spares or spare parts to have redundancy and maintenance strategies, which are focusing on critical equipment components such as precipitators and mills, which caused, historically, a lot of derates.

But also using digital innovation in the world of internet of things, using sensors, drones, et cetera to identify early wear and tear. Healthy conditions of critical equipment components is crucial for the reliability and availability. In addition, we are focusing on reliable, flexible, low-load operations, particularly at Bayswater and Loy Yang. We have added substantial additional flexibility to our terminal fleet, 2,900 megawatts, a great achievement, and we strongly believe we can, in the next phase, add another 600 megawatt of flexibility.

SLIDE 39

Finally, I would like to elaborate on our gas business in AGL and the current supply demand balance. Despite the fact that natural gas demand is declining over time on the back of electrification, gas continues to be the transition fuel in AGL's portfolio. Gas will also be a value driver for the medium term and is a critical requirement for firming renewables. There is no new and large gas volumes available for term supplies in the southern states, which are priced at the gas cap. Short-term gas prices have been a key driver of electricity pricing outcomes reflecting the marginal nature of gas powered generation in the national energy market, particular in winter months.

SLIDE 40

Our active engagement and support of smaller producers to underwrite new gas supplies will be our main strategic pillar to increase our domestic gas portfolio. In addition, partnership with third party LNG import project will be a key source of flexible and scalable gas supplies in the future, particular post '27. AGL's presence across the NEM enables trading value to be generated through optimisation of supply, demand, haulage, and storage. We also need to meet the flexible demand of our AGL customers and our gas peakers as a primary focus.

We have recently added successfully more than 100 petajoules to our gas portfolio with signing of agreements with Cooper Energy, Senex, ExxonMobil, and other producers, a fantastic achievement for our customers.

SLIDE 41

I would conclude that I'm overall very satisfied with the progress we are making on transitioning our portfolio. I'm confident that we are delivering on our 12 gigawatt ambition by 2035, and our emphasis will be to develop and execute on our pipeline of 5.3 gigawatt by 2030.

There will be new projects and partnership announced in the upcoming month. Watch out. Thanks a lot for your attention.

GARY BROWN

SLIDE 42

All right, welcome back everyone. And again, good afternoon. It's great to again be with you all in person.

SLIDE 43

Jo provided a great insight into our customer portfolio of the future. And Markus has delved further into our 12 gigawatt ambition of new renewable generation and firming. Importantly, the rationale and timing for this new build, as well as highlighting the expansion of our existing development pipeline by over 60% to 5.3 gigawatts. Today, I'll discuss our plans to fund the transformation of our customer and generation portfolios, as well as outline our refreshed capital allocation framework. On the screen, you can see four key pillars that I will speak to.

The first being the replacement of thermal generation earnings. AGL expects to retain strong earnings from its low cost thermal generation assets. And we aim to materially replace these earnings over time with earnings growth from customer markets, as well as our renewable and firming assets built or contracted.

Secondly, AGL's targeted portfolio rebuild is projected to be backed by strong future customer energy demand, requiring development lead time before significant capital is deployed. More specifically here, AGL expects to fund approximately half of its 12 gigawatt ambition, equating to approximately 5.5 gigawatts on its balance sheet. This is estimated to cost between eight to \$10 billion dollars, with the potential for capital recycling.

In terms of timing, we estimate this will require approximately three to four billion dollars of capital by FY30, with a further \$5 to \$6 billion dollars deployed in the lead up to thermal closures targeted by FY36. Assets developed on AGL's balance sheet will also be weighted towards higher returning firming assets. And importantly, we expect to generate strong excess returns during the transition of our generation portfolio - underscored by the strength of our existing customer load, highly strategic asset base, and extensive low carbon development expertise.

The third pillar encompasses our relentless pursuit to continue to strengthen our core business, as well as our continued commitment to an investment grade credit rating balance sheet. Both of which will set the business up well to unlock future growth.

And finally, I'll conclude with our refreshed capital allocation framework, which includes a more flexible and sustainable dividend policy of 50 to 75% of underlying NPAT - which we believe will help maintain our strong credit profile and enable us to continue to invest in our existing business, whilst allowing prudent capital allocation to transition our customer and generation portfolios, and importantly drive strong future returns for our shareholders.

SLIDE 44

This slide tackles three key themes.

The first, we aim to materially replace our current earnings with our revised business model by FY36.

Second, our earnings mix is expected to significantly shift in its composition towards firming renewables and Customer Markets. And lastly, the risk profile of our business is expected to dramatically shift as we move through the transition. The first key takeaway from this slide is that we expect earnings from our low-cost base load generation position today will be materially replaced by earnings growth from customer markets and our new portfolio of firming and renewable generation assets built or contracted.

Turning to customer markets, earnings growth is expected to be underscored by a progressive shift to electrification, combined with population growth across the major capital cities of the eastern seaboard. Both of which are expected to materially increase future energy demand. We will aim to see significant growth and deployment of capital into our firming and renewables business as we look to deploy eight to ten billion dollars for the approximate 5.5 gigawatts of self-developed assets.

As I'll cover on the following slides, the majority of our new portfolio build is expected to be built in the late '20s and early '30s, explaining the sharp increase in contribution of earnings from firming assets from around FY32 to FY36. In relation to our earnings mix in the center, please note this is indicative only. We're not here to provide 12 years of guidance. This is rather illustrating how we're shifting the mix of earnings away from thermal to low carbon earnings. Our Customer Markets business will continue to be a strong contributor due to its strong customer base, electrification and ongoing growth ambition.

We are targeting the phasing out of our coal earnings, as we exit Bayswater between 2030 and '33, and Loy Yang A targeted by the end of FY35. Our wholesale gas business is expected to also decrease in its contribution as legacy contracts roll off, and the country continues to electrify and move away from gas. And finally, earnings from renewables and firming assets are expected to significantly increase in proportion, as the thermal assets come offline and the build out continues.

The third key area I'd like to highlight here is the expected lower risk returns of our future low carbon generation portfolio. The progressive shift away from thermal generation to a lower carbon energy supply portfolio, is expected to lead to a significant reduction in operating leverage and asset risk over time as operationally intensive thermal assets are replaced with capital intensive renewables and firming assets. This will result in an expected trend to lower risk cash flows as the portfolio's rebuilt. Essentially, we're moving away from operational intensive thermal assets to infrastructure style green assets, which are capital intensive and when the resource costs are very low. Hence the potential to generate strong risk adjusted returns from these lower opex assets.

Overall, from a portfolio perspective we aim to be able to provide firm services for customers providing reliable cash flow streams.

SLIDE 45

Our ambition to add 12 gigawatts of new renewable generation and firming in place by FY36 is expected to consist of large, multi-year developments, that will require time to develop before significant capital is deployed. Overall, the key goal is to source electrons, that is, the megawatt hours as economically as possible. And to control the firming, which allows us to best manage our customer demand. Of the 12 gigawatts shown in the graph, we aim to develop approximately 5.5 gigawatts on our balance sheet, which is split between around 80% of firming assets, and circa 30% of the required renewable assets.

Explaining this slide further and starting on the left-hand side - overall, we plan to add 12 gigawatts of renewables and firming to our fleet by FY36. If we break this down into time periods, we will add close to one gigawatt in total by 2025, which is approximately 500 megawatts per annum. We plan to add approximately five gigawatts by 2030, of which approximately two gigawatts is firming and the balance is renewables. Equating, again, to approximately one gigawatt per annum. And between 2030 and '35, we will add approximately six to seven gigawatts, or approximately 1.3 gigawatts per annum.

Please also note the build profile takes into account the readiness of developments along with our projected requirements. Turning now to the right-hand side, the 5.5 gigawatts to be built on our balance sheet is expected to be weighted towards higher returning firming assets. Building upon our existing development pipeline of grid scale batteries and pumped hydro projects. We expect these developments will be funded via a combination of cashflow from existing operations, corporate level debt, project level debt. And capital recycling via the sell down of developed and operating assets.

The remaining approximately six and a half gigs is expected to be procured by joint ventures, partnerships, third party off-takes and decentralized energy. Joint ventures and partnerships will comprise a large component, primarily focused on renewables such as wind. And it's important to note this includes the 3.5 gigawatt development pipeline from Tilt Renewables, on top of the almost one gigawatt of operating assets. Importantly, we will aim to partner with renowned renewable asset developers, which will deliver additional capital and expertise, and help accelerate our development pipeline. Additionally, the pipeline exists for capital recycling via renewable developments. When off-taking, we intend to leverage the scale and diversity of our customer base to achieve the most favorable supply mix and terms. And finally, AGL will source and orchestrate energy from its large retail and C&I customer base, including rooftop solar, batteries and energy management solutions.

SLIDE 46

Now turning specifically to the development of the 5.5 gigawatts of assets on our balance sheet, and how we will fund it. As mentioned, we anticipate this will cost between \$8 to \$10 billion in total. By time periods, this equates to approximately \$1 billion between now and the end of FY25, \$3 to

\$4 billion by FY30, and an additional 5 to 6 billion by FY36. And as illustrated on the left-hand side, near term capital spend will be relatively light, approximately one billion dollars, and primarily focused on the accelerated development of the 500-megawatt ARENA backed Liddell Battery. It's important to note per the graph, that firming is a larger proportion of the projected spend. And as alluded to on the previous slide, the majority of our capital spend will be in the lead up to thermal closures.

Importantly, as Damien discussed earlier, the core fundamentals of our integrated business model underscored by: 1. our large and diversified customer base, and 2. our low cost base load generation position, as well as for earnings and cash growth to help fund the transition of our business, especially in sustained higher wholesale electricity pricing environments.

Turning now to expected returns from future investments. On the right-hand side, you can see returns and ranges for the observable companies and projects. And we've provided this primarily as an indication of the types of returns that we would expect to see.

The key takeaway here is that we believe that our strategic asset base, extensive renewable development expertise, market leading trading capabilities, as well as the strength of our customer base, would position us well to target the upper band of potential returns from the transition of our development portfolio. When self-developing as an integrated player, we expect to target strong risk-adjusted returns by participating across the entire development value chain. Whether it be management, trading or other ancillary and ongoing services, that typically would not be available to a pure play energy company.

SLIDE 47

On this slide, I'd like to highlight the successful partial refinancing of our existing debt facilities, as well as the pricing of new long-term debt in the US private placement market that we completed in late April. The new debt facilities and notes total the equivalent of over 1.6 billion Australian dollars, which is an outstanding achievement. Importantly, these new facilities included a \$500 million green capex loan with five and seven year maturities, which will be used to fund existing firming and renewable energy projects.

Impressively, our weighted average tenant debt almost doubled to 4.7 years, and we expanded our lending group of domestic and offshore banks. This excellent outcome amidst a challenging economic environment underscores the strong lender support and confidence in AGL's core fundamentals, as well as our accelerated decarbonisation plan announced last September. We see significant ongoing interest in terms of willingness of financial parties keen to deploy capital into the transition. Additionally, we already have partners such as Tilt, where we have a 20% interest and have access to offtakes. We also note that we have an excellent track record of raising capital for clean energy projects, having now raised over \$4 billion of debt and equity funding into renewable assets since 2008, and are confident in our ability to access a growing pool of global capital dedicated to the energy transition. We will look to continue this positive momentum in the next calendar year, with the refinancing of our FY25 and '26 debt maturities, targeting additional green capital to deploy across our growing development portfolio.

SLIDE 48

Turning now to our dividend policy. AGL expects to generate significant returns over the next few years as spoken about prior. In order to assist in the development of the 5.5 gigawatts and continue to maintain our existing fleet, and continue to evolve our customer markets business to be technology led, we will be shifting towards a more flexible and sustainable dividend policy. From FY24 onwards we will be targeting a dividend payout ratio of 50 to 75% of underlying profit after tax, franked to the extent possible. What we are aiming to do with this new range is balance the need to provide sustainable returns to shareholders, whilst preserving capital for the significant requirements to transition our portfolio.

The last bar of the graph on the right-hand side indicates forecast dividends per share for both 50% and 75% payout ratios, based on a FY24 underlying NPAT guidance range of \$580 million to \$780 million. Please note that this is just a forecast, but demonstrates our ability to deliver an ongoing strong dividend even at the 50% payout ratio, based on the expected uplift in underlying NPAT. Subject to AGL's taxable income and the recoupment of tax losses in the future, AGL may begin to pay partly franked dividends from the interim FY25 dividend. Overall, this revised payout ratio will enable a flexible deployment of capital, strengthen our core business as well as realise timely opportunities through the energy transition, all whilst maximising returns to shareholders.

SLIDE 49

In closing, I'd like to run through our refreshed capital allocation framework, which effectively summarises everything I've just run through today. We have a disciplined and strategic approach to capital allocation, underlined by the principles of maintaining strong financial strength and flexibility, prudently allocating capital to transition our customer and generation portfolios, and importantly maximising value and shareholder returns. These are underscored by our continued commitment to an investment grade balance sheet, and shift towards a more flexible and sustainable dividend policy, providing the capital agility to balance investment in core operations and growth, all whilst maximising shareholder returns.

We are also committed to strengthen our core business, including the continued and prudent investment in maintenance capital to ensure reliable and safe thermal operations, whilst continuing to invest in our retail technology stack. In terms of our ambition to add up to 12 gigawatts of new generation and firming in place by FY36, just under half of the 12-gigawatt ambition or 5.5 gigawatts is expected to be funded on AGL's balance sheet, weighted towards higher returning firming assets such as batteries and pumped hydro.

Near-term capital outlay is expected to be fairly light, focused on the accelerated development of the Liddell Battery with three to \$4 billion to be deployed by 2030. And the majority of the capital outlay prior to thermal closures in the mid 2030s. Overall, the key goal here is to source electrons that is megawatt hours as economically as possible and to control the firming, which allows us to best manage our customer demand. When self-developing, we will aim to maximise risk adjusted returns by participating across the entire development chain. We will actively seek to partner with renowned renewable asset developers, leveraging third party capital and expertise to accelerate our development options. And when off-taking we will leverage the scale and diversity of our customer base to achieve the most favorable supply mix and terms. Thank you again for your time, and I'll now hand back to Damien.

Q&A

Damien Nicks:

Thank you, Gary. And I think we're now going to go to Q&A. I believe there's going to be some microphones in the room. I've got one to my left, one to my right. So I'm going to have the team join me up on stage. You get to see Markus' wonderful shoes while he is up here. Question. Sorry, go for it.

Tom Allen (UBS):

With me, Damien?

Damien Nicks:

Yeah mate, go.

Tom Allen (UBS):

Thanks. Congratulations on the positive update today, and on the safe retirement of Liddell. Regarding Liddell coming out, in the 30 days after it came out, average realized wholesale electricity prices in New South Wales step changed 80%. Can you comment on using that data point, the market preparedness for structurally higher wholesale electricity prices in the medium term? The session Simon spoke to at lunch, he mentioned how futures at the moment don't have liquidity to see the events of Eraring, potentially, coming out from the middle of the decade. So should we be preparing for significantly higher wholesale prices in the second half of the decade?

Damien Nicks:

Yeah, look, I'll cover this off briefly but then I'll hand over to Markus. But the way to think about this, we gave the market seven years notice on Liddell, so Liddell coming out of the market should not have been a surprise. There were other factors that did come through during that period of time. What you're seeing in there though is the supply demand pressure that we're seeing in the market. So what we need to see happen is more renewables, more firming coming to the market. And that's why you're seeing today us talk to how we're going to deliver as quickly as we can. But Markus, do you want to just touch on briefly on what you're seeing long term?

Markus Brokhof:

I believe there are upcoming two tipping points, on the one end it's coming out of New South Wales, Eraring. If it comes out and there are most probably a lot of question marks, and I will not do any speculation around this. And then another tipping point is their loan, it's all depending what is the build out of renewable, what is the build out of farming capacity. And then I think one topic which will be probably very crucial to understand, what is happening on the gas markets in the future, because as I said gas will be the price setter for electricity. So we will need to understand perfectly what is the government policy, what is the environmental framework in which we are acting when it comes to new gas supplies. I think that will be crucial in order to determine how the futures market will evolve. But liquidity is an issue and that's something which is in particular also very challenging. If you hedge your assets, I think you need to have a very clear contracting strategy because liquidity in the market is only for two years.

Damien Nicks:

And maybe just to add to that, I think what you're seeing in the market too is a much better coordination that's happening out there between the operators, the market operator and those participants in the market. I'm seeing a lot more of that. There's a lot more conversation which will ultimately drive to the right end point, but there needs to be a whole heap more of that. Mark.

Mark Busuttill (JP Morgan):

Thanks Damien. Obviously, through the pipeline of development projects that you've talked about, a large part of that is renewables. You've just signed a PPA with Tilt. Over the last year and a half, two years we've seen some significant increases in interest rates. So maybe can you talk to the trends you're seeing in PPA prices? Have you seen a large escalation in PPA prices over that period, and do you think that's also a driver of electricity prices in the future?

Damien Nicks:

Yeah, look, absolutely. Over the last few years we've seen PPA prices step up across the whole market, whether that be just renewables or firming as well. We've absolutely seen that happen and I think we'll continue to see that happen. I think supply chain is having a big impact, particularly here into Australia right now. Renewables entering the country, you've got the pressures of the IRA bill in the US as well. I think starting to draw capital away, so it will have an impact there on renewable pricing. I think the other thing is labour, labour and that supply as well, getting enough people to be able to deliver these projects into the future. But I think over time you'll see that go through with the cycles as you normally would in any economic cycle. So for us having that optionality and making that decision when to execute to Gary's point and Markus, when to execute on those projects to be most efficient is going to be really important too.

Mark Busuttill (JP Morgan):

Can I pin you down to a number? We're seeing mid-50s in PPAs, are we talking the 70s now is-

Damien Nicks:

We're certainly talking higher than fifties, that's for sure. Absolutely. Mark, does that answer your question? Some of the newer PPAs are in the market in the 70s for sure. Cathy, do you want to choose?

Reinhardt van der Walt (BAML):

Thanks a lot Reinhardt out here from Bank of America. Maybe just a question on the competitive dynamics, excuse me, in mass market retail. So it looks like a couple of months ago you were pricing new tariffs pretty much in line with the DMO, which is quite different to the old 20% discounts that we used to see. And based on the step up for next year, it looks like it's going to be pretty flat to the DMO again. Are we ever going to return to that competitive dynamic where you're pricing at a discount to the DMO? It's obviously much harder to start a new retail business now even though the forward curve is in backwardation, the rules are a little bit different. So is the DMO probably going to be the best indication going forward for where you're pricing?

Damien Nicks:

Look, I think the DMO this time round is seeing an interesting number across the different states. Victoria, if you like the VDO, we're pretty aligned there on that one. We're a bit higher in the other states. Some of that was driven by where we use retail interval data and solar in particular. So that was where some of the difference was for us for the DMO. Look, I think over time we've seen an increased step-up in competition over the last couple of months. We've certainly seen that in the

market. I think with the pricing changes that are out there, we are anticipating further competition in the market. I think it's going to be state by state, but Jo do you want to make any comments on...

Jo Egan:

Yeah, I think Damien, you're spot on there, it's a state by state proposition. And we are seeing much more active competition in Victoria versus the other states at the moment, particularly since DMO was released. And it will just depend on the competitive environment and retailers, different strategies that the DMO pricing certainly, the wholesale component is quite a bit lower than where forward prices are at the moment in those states. So that does make heavy discounting challenging. That said, we can see it change quite dramatically. Last year competition was very flat, in Q3 this financial year we saw it pick up again, and now it's stabilizing. So there's a range of factors to consider.

Reinhardt van der Walt (BAML):

That's very helpful. Thank you. If I can maybe just sneak in one quick one. We haven't heard anything about gas power generation today. But looking at even \$12 gas, call it 15 bucks delivered and where wholesale electricity prices are probably going to trade, it does seem like there's a little bit of an arbitrage opportunity there. Are you waiting to first see Eraring leave the NEM and for things to get sort of really volatile before you maybe entertain the idea of GPG?

Damien Nicks:

You're talking about us getting into more gas peakers you mean?

Reinhardt van der Walt (BAML):

That's right.

Damien Nicks:

Look, I think what we've always said until we see whether the market's going to solve for long duration storage, i.e. longer than eight to 12 hours, we'll continue to have gas peakers potentially in the mix as a solution for that period 2030 to '35. So we'll continue to build out the options there. Our peaker in SA, which we built four years ago on and off in five minutes, it's been a really good asset for us in the market. And so that's the sort of assets we'll look to continue to see whether they make sense. Right now though the terminology gas is a transition fuel, there's no mechanism right now that supports gas from a peaking perspective in generation. So that's the work we'll continue to do in our various discussions with various levels of government. Rob.

Rob Koh (Morgan Stanley):

Thanks very much for the presentations. Can I maybe ask a couple of questions again on the retail side. Firstly there were some government announcements about as much as three billion of support for vulnerable customers, clearly a high priority. I'm just wondering if there's any update on that. And then secondly Ms. Egan you mentioned opportunities with generative models to improve efficiency. And just wondering if you could maybe flesh out what your current call center spend is, and if I'm on the right track thinking that way.

Damien Nicks:

All right. So I'll kick it off first and then maybe Jo, I'll hand over to you on what we're doing there in AI. From the government, the customer bill rebate I think you're referring to it's about \$3 billion. About one and a half billion dollars is coming from the feds, and one and a half billion is coming from the various states in different forms. We're a supporter of this. I think it makes a lot of sense. It will come off the bill, so it will come off the customer bill based on their concession level or so forth. So that's being worked through at the moment.

That will kick off in the first quarter of FY24 and it will go to those customers that most need it, which I think is a good thing. On top of that, we've obviously got our own affordability measures we've put in place to again help target those customers that need it most. But again, I think it's the right way to approach it comes directly off the bill, as opposed to cash being handed out from an inflationary perspective. But Jo maybe do you want to touch on?

Jo Egan:

Yeah, sure. So Rob, we already use a lot of AI in the business as I'm sure you appreciate. The generative AI is opening up a whole new world of opportunities. The priority area we're looking at, at the moment, is how we can capture that through the deployment of our new CRM. It has the opportunity to summarize customer history and events, bring data from meter data, call history, interactions into neat summary notes for an agent, so they don't have to try and diagnose cases. So we're currently implementing Salesforce CRM and that's one of the priority areas we're looking at. We'll obviously improve efficiency on call handling time and also customer experience.

Dale Koenders (Barrenjoey):

Hi Dale Koenders from Barrenjoey. Two part question, just firstly maybe a bit cute because you've only just given FY24 guidance. But how are you thinking about FY25 like potential for roll off of electricity prices through a two to three year contract book? You've spoken about increased generation reliability, you've spoken about new projects and batteries starting up. Do you think that the FY24 level of earnings is sustainable over the next couple of years?

Damien Nicks:

So Dale, I'm not going to give you FY25 guidance, let me be very clear right now. And Gary didn't provide 12 years of guidance when he put that chart up as well, so just so we're clear. Look, what I would say though we have talked about strong earnings outlook and that's why today we're providing you the FY24 outlook. We're providing you targets that we are going for, particularly around if you think about Markus' space around improving availability of assets, that will go a long way also to help with earnings. But no, I'm not going to go to '25.

Dale Koenders (Barrenjoey):

Okay. And then just the second part, trying to dive into the comment you said that materially replacing earnings through energy transition. So do I read through that, that the eight to \$10 billion it doesn't completely replace all the earnings off of today's base is it, or off of '24s base? But it's a higher quality set of earnings?

Damien Nicks:

I'll get Gary to talk to that one. He's been dying to answer that question, so we'll hand to Gary.

Gary Brown:

I was very careful with what my word materially. But the way we're looking at it is if you compare FY24 out to FY35, and of course there's a lot of things to play out. Of course, we've got a very significant change in the earnings mix through that, and the quality of those earnings as I spoke about before. But we have said materially we do see those earnings being relatively similar, a very different profile. But again, it's very difficult to predict out that far into the future.

Dale Koenders (Barrenjoey):

Okay, thanks for the FY35 guidance.

Damien Nicks:

I think Ian.

Ian Myles (Macquarie):

You mentioned electrification going through the business and the opportunities there, but didn't really talk about the gas side of the business, which will obviously shrink over that same time. Maybe give some color on the profitability you make out of selling a megawatt of electricity versus megawatt of gas to the purchases, and are you leveraged to that electrification from a sales point of view?

Damien Nicks:

Yeah, so look I'll start with that one. So the way we quite deliberately talked about gas today, we see gas becoming a declining part of our earnings mix over the next 10, 15 years as electrification happens, absolutely. What you've seen today and I think Markus and team to contract a 100 PJs of gas from '24. Does those still make it very clear, gas is a very important part of this business for the coming years, to not only support our customers but also support the generation and the supply of energy. In terms of your question, I think you're saying are we going to make as much money out of gas going forward? Sorry. We have legacy gas contracts that roll off by '27, '28, so that will certainly decline. By the point we get to there, you're more making a margin on top of the gas we're selling. But Markus do you want to maybe cover off on what you think we're going to do in electricity versus gas?

Markus Brokhof:

Most probably, I think at the moment it's clear our margins on the gas are higher than on the electricity side. I think that's clear. Going forward that will switch because most probably the contracting gas, or the contracted gas which we are at the moment procuring is higher prices than what the legacy contracts are. I think there's quite a uncertainty I would say how this will evolve. Because if the market will become short, I think we are very place to earn then some margins going forward. But I think there's so much uncertainty going forward.

I think the most crucial time, I believe post '27 we will see most probably a very tense demand and supply situation, and then everything could happen. I think we are well-placed with our haulage and storage capacities in the market. And we will continue to develop this flexibility in our portfolio. But it's impossible to predict if the margins are substantially decreasing or decreasing.

Damien Nicks:

And I think where Ian's also going from a retail perspective is the electrification that Jo talked about is significant. When you talk about the amount of additional energy that's going to be required as households, electrify is huge. A car itself is about 30% additional into the home. And I should add and Jo will be pleased for me to say I signed up to the AGL EV Nevada list just yesterday, so we've got that one away as well.

Jo Egan:

Well done, Gary.

Damien Nicks:

So just another one on the books Jo. But look the electrification home will certainly add a lot.

Gordon Ramsay (RBC):

Gordon Ramsay, RBC, just interested in your view on your outlook for generation capacity versus demand. In terms of the change in your production portfolio of electricity, do you want to be long or short going forward?

Damien Nicks:

Markus, do you want to take that one, initially?

Markus Brokhof:

I would say yes we are not short in general, our position in each state is totally different. And we are securing our portfolio, this interconnection capacity, with caps and so on. There is most probably a lot of trading instruments in order to cope with certain short position particular after the Liddell retirement. It's clear we are short on capacity in New South Wales, maybe balanced on energy. So you have to always consider both elements of the equation. And then once Liddell Battery for example, will take financial investment decision coming into the mix. We are investing in Torrens and so on. We are building then capacity in addition. So I think at the end of the day we would be balanced most probably overall, and we will be balanced. And maybe with this is ambition plan which we have displayed as well. We will be even getting maybe long for certain period of time. But then I think in this environment it's clear, risk management is everything and we put a lot of emphasis on this. Going long is wrong.

Damien Nicks:

And that can be the quote of the day from Markus going long is wrong. But look what I would say with Liddell closing, we've had a number of years to plan for this as well. So in terms of what Markus is saying in terms of contracting and ensuring that we are protected ourselves from a risk management perspective, absolutely, that's what we've done in readiness post Liddell.

Max Vickerson (Morgans):

Max Vickerson from Morgan's here. Just a quick question on the carbon market. Obviously, the government's got a bit of focus more on the ACCU side of things than LGCs. But how stable do you think the LGC market will be going forward? You contemplate things like timestamped LGCs becoming a reality anytime soon, and how would that play out on your investment decisions?

Damien Nicks:

Look, we'll continue to play heavily into that market. We've put a lot more resources into that space to continue to grow in that space from both the trading and the management of that area. It is now a big part of our business. What we've seen when you say is it going to be stable over time. You look at it and you see it hasn't been stable, that is absolutely clear. So again, having appropriate risk management around the trading in that particular area. And making sure we have access to it as well has been a big value driver for us. But Markus, maybe do you want to touch on some of the other parts we've worked on the last six months?

Markus Brokhof:

I think the example when we entered now in the Tilt transaction and off takes of Rye Park, I think it's a good example how we are procuring an additional green certificate. I think the big question mark is what is happening post 2030 once the regime is over? There's a lot of question marks. What are the ACCU prices going forward, that will be very much related. How much a new build will come into the market when it comes to renewables, and how much clients are switching over to green energy?

There's no prediction possible, houses, prices will evolve. At the moment I think we are well-placed

when you look at our renewable portfolio and our secure PPAs, we are well -placed to respond to our customers.

Tom Allen (UBS):

Thanks. In terms of better protecting your earnings mix going forward from chaos events in the market, unplanned outages, volatility. And we started the day by recognizing that July, 2022 there was 130 million pre-tax of impact from exactly those events. Perhaps describing that moving the moving the portfolio into a more neutral position, selling less cap contracts than you have historically. Can we be confident that in the likely event that at some point in the future there are more unplanned outages that impact the portfolio, that it won't cost you a 100 million of earnings again?

Damien Nicks:

So maybe I'll start with that one first. We've spent a considerable amount of both money and time ensuring we're protecting the portfolio. Markus talked to having spares available from a rotor perspective, that's effectively a self-insurance tool that we've taken out. So rather than being out of the market for six months, I might've been out for a month or two. So we've taken those decisions, they're decisions that those assets would ordinarily last 20 odd years, but we have done that. So that provides that protection in terms of time of outage.

In terms of our trading and how we're going to trade and risk manage that, we'll continue to assess the quality of those assets as we go. And we continue to spend money on those to ensure the availability and the flexibility is there. That flexibility is also going to be a big part of how we think about our risk management going forward. Markus talked to, what was it, what are we up to about 2.9, 2,900 megs now of flexibility as well, so that also provides you some of that. But Markus maybe touch on how we're thinking about that cap position.

Markus Brokhof:

For sure looking forward, I think our fleet as you said will be become not younger. So I think we have to consider this in our hedging strategy as you most probably implied already. We are doing this on a day-to-day basis. Look at our portfolio, how we are hedged and what we need to do in addition. But it's also fair to say these were extraordinary events. Yes it could happen every time, again, there were accumulation of events which has led to this huge loss beginning of July. And I think it would be not good if we wouldn't have some lessons learned of it out of it.

I think you have seen this on the graphs. Yes, we are putting more emphasis on the critical components on our maintenance. We have adopted also our asset management strategy, because at the end of the day that needed to be done because we have announced also earlier closure. And I think there are certain things we have done. I think I said this already in the half year chamber cleans of our boilers, we have done this for all our base water units now in order to prevent the tube leaks, and this will be a continuous process going forward. Also using international experience in order to prevent first outages and that's the strategy going forward.

Damien Nicks:

And I think just the balance of the portfolio, we'll continue to build out that portfolio. The breadth of that portfolio also protect us during that time as well. So not only do our trading risk management protect us, whilst it was a big loss, we were able to use the breadth of our portfolio, the hydros and so forth as well to protect during that time. So we'll continue to build that breadth out, so that we've got levers to be able to pull when things happen. All right. Coming your way Ian.

Ian Myles (Macquarie):

You mentioned the batteries in your portfolio and you talk about developing I think Liddell you say FID '24 and Loy Yang in '26. Given the opportunity set in batteries, why is it taking so long to actually bring these projects to FID? It seems the retailers or the gentailers like yourself seem much longer than whoever's in the industry to bring these to fruition.

Damien Nicks:

Yeah, look Ian, I think the best example I can give of recent times the Torrens Island battery. We took FID on that battery only 18 months ago and stood it up. So we are working as fast on the other batteries to get them stood up. Liddell only just closed, so bear in mind-

Ian Myles (Macquarie):

Yep, you've got site approvals already.

Damien Nicks:

That's right, but bear in mind we have the closure of Liddell to manage, but we are going as quickly as we can to get that stood up. We're in negotiations also with ARENA for funding and so forth. You also got to make sure that it will absolutely deliver what you need, and what the cost of that battery is a big part of that as well. You have seen escalation in battery costs. So again, you want to manage that through this decision process. When is the right time to execute on those to manage that efficiency.

Ian Myles (Macquarie):

And just on that battery, how much battery do you need across your portfolio to effectively firm that short term two to four hours of energy, or two hours because most of them are two hours. Two hours of energy because it's equivalent to buying gas, how much capacity do you actually need in a portfolio?

Damien Nicks:

Is that at the end of coal or is that-

Ian Myles (Macquarie):

Well, from now, what it's now to where it's going, because coal doesn't firm very well versus gas.

Damien Nicks:

So probably the way to answer that is we plan to build effectively 5.5 gigs of firming, which is going to be a combination of battery and other pieces by the time we get to 2035, so that's when we get there at that end. In terms of what we need right now we'll continue to... the connect for SA will come on shortly, so that will enable that battery to go the other direction as well. But Markus maybe touch on Liddell and speed there.

Markus Brokhof:

I think that the battery at Liddell, the 500 megawatt, most probably covers, I think we have other contractual arrangement in place. We also would like to outline, we don't need to build everything on our own. We can also contract something, and we have done this as well with Neoen and so on. So there will be certain deals in the pipeline, which we are doing in addition to secure additional capacity. And overall I would say batteries are not competing with gas peakers in the short term. Gas

peakers are much more valuable in the period plus six hours and so on. So that's the main driver there, that's I think the answer to this.

Damien Nicks:

Rob.

Rob Koh (Morgan Stanley):

Thank you. Maybe a question for Mr. Brown. I'm just measuring the charts on pages 45 and 46. And just want to get a sense for your CapEx kind of budget for 26 to 30, are you factoring in learning rates for technology, or cost reductions? And also does that include any equity contribution for Tilt, which I guess is just more of a modeling question?

Gary Brown:

Thanks Rob. I'm not exactly sure which one's slide 45, I presume it's the capital contribution at the \$10 billion. So that absolutely takes into account the learning rates, and they're the learning rates that are consistent with some of the AEMO assumptions as well. That \$8 to \$10 billion that we're talking about doesn't necessarily take into account all of the Tilt equity contributions, because of course we need to wait and see how that plays out. But of course the difference between the 5.5 gigawatts that we're going to build. And the 12 gigawatts, some of that will be delivered through offtakes like Tilt. And of course we'll need to determine at the appropriate point in time how much equity contribution would be required. Of course, some of that may come from internal Tilt cash flows as well.

Rob Koh (Morgan Stanley):

Yeah, great. Thank you, that's really clear. Sorry, I just had one extra question. I guess you made a comment around potentially moving to partly franked dividends from FY25. And that's subject to all kinds of things between then it's not guidance, but is that still the GIAC accumulated tax losses. And maybe a business idea for you, is there a way to get someone to approve a same business test and use them in the energy hub later on?

Gary Brown:

Look, the way I'd probably answer that is based on our estimates going forward in terms of the utilization of those tax losses, we see them being utilized / partly franked around FY25. I won't comment on any other schemes that you're thinking about there Rob. Our position is probably in FY25 is when they'll start to be available-

Damien Nicks:

But they are GIAC original losses-

Gary Brown:

Yeah.

Damien Nicks:

... that's right. Blake.

Blake Henricks (Firetrail):

Thank you. Just one for Gary or two actually. The first one is of the \$4 billion of CapEx out to 2030, is there any variability or potential changes in that around potential partners who could come in with equity funding, whether it's IRA style or ARENA? Is there any money out there do you think that could reduce that CapEx potentially?

Gary Brown:

Look the 5.5 gigs that we've talked about and how much this the total eight to \$10 billion, that is what we anticipate is our requirement to do that. If we were to introduce a third party capital provider and effectively partially recycle some of those assets, that is effectively in addition to that. And, again, we see really strong pools of capital willing to do that.

We talk about our own build and then we talk about partnerships, and that's in that partnerships bucket, which it effectively gets you from the five and a half gigs a fair way out to the 12 gigs as well. In addition to that, our eight to \$10 billion, there will be periods throughout that journey when we will have access to things like ARENA funding and those sorts of things. But we don't currently assume that we'll get any particular funding towards any of those projects through there. But of course we're always trying to optimize our way through the capital process. At the end of the day what we're trying to do is access as cheap electrons as possible to ultimately provide that through to our customers because it is a competitive environment out there.

Blake Henricks (Firetrail):

Yeah, okay, thank you. I haven't put it all together, but could you give us an idea of your thinking on the absolute level of net debt in the business and how that should trend? We're sitting here probably a year ago and people were saying, you'd never be able to access funding markets again and you've got to run net cash. And it's a bit of a different story today obviously, but how does that net debt trend in your mind?

Gary Brown:

Yep, so firstly, as we've talked about today we're absolutely committed to our investment credit rating of big, which is currently Baa2. And with that it obviously comes certain metrics. So the sort of gearing levels that we feel comfortable is pretty much where we are today type thing, that's sort of 30%, 35% range. That's the range that we would probably anticipate going forward.

We want to make sure we maintain sufficient headroom above those moody credit metrics as well. Of course, we will be gradually deploying capital throughout that period as well. And I think it'll come in licks here and there and it won't always be completely even, we need to make sure we've got the flexibility within our balance sheet to do that. Which is again one of the key reasons why we've adjusted our dividend payout ratio today, because it's effectively part of the broader equation.

Vijay Singham (NAB):

Damien, just changing tact probably a bit. Can you comment on, so you said eight months since interim and since January officially. Can you comment on how well the board's been working together, the leadership team and your achievements over that period?

Damien Nicks:

That's a big question, a long answer. Look what I would say, look, I think the board's working incredibly well together. They've settled in really well. They've got the heads around the business, they're behind the strategy, and that's really important from where we are right now. In terms of the management team, I think we're doing a fantastic job, but you might have to ask the board that question. But look, I think we have had a huge year in terms of what we've had to deliver. We've had to settle the business back down.

We've had to reengage our people. We've had to deliver a new strategy. We've had to close Liddell, we've signed a huge range of contracts over the last three months around gas contracts, PPAs, BP Pulse. It has been a mammoth nine months. But I think it's really set us up for that great positive momentum where we sit right now, it's a real buzz in the organization, real buzz where we going, which is great for our people. I think great for the market and the broader stakeholders as well.

So I've been really impressed with what as a team we've delivered. It has been a huge year, and it's also good to look forward positively compared to where we've come from. So I'm excited. I think there's lots more to do though. What you've just seen us put up here today is a big strategy in front of us. We've got to continue to deliver on that strategy, and ultimately we'll be judged on our success or not. One more I think, so make it a good one.

Mark Busuttill (JP Morgan):
Can I do two?

Damien Nicks:
It depends on your first one.

Mark Busuttill (JP Morgan):

We've arguably seen the biggest increase in retail prices ever this year, yet policymakers have remained remarkably quiet in an industry where we've seen a lot of intervention. Can you talk a little bit about that? Is there finally a recognition from policymakers that prices need to rise to incentivize investment? And I'm going to sneak in my second because it's somewhat related. The last three summers have been relatively mild linear weather. We've now had Liddell closure, renewable capacity growth is pretty meager, and heading into what's potentially a hot summer. Is the system ready for it and are you anticipating it's going to be lights out in Sydney CBD this summer?

Damien Nicks:

All right, let me start with the first part of that question then we'll come back to the second. So on a retail pricing perspective, we clearly recognize the impact and the affordability challenge this is having on the broader economy. Clearly, today with banking interest rates, cost of living, we don't underestimate the impact of that. And that's why we came out very early to put out our affordability package. We've been working very closely with government over the last six to nine months, particularly around the customer bill rebates. We're a supporter of that program. And I think I'd say the government over the last 12 months has certainly recognized where this is going. For them to come out in October last year, talk about 56% price increases then put the intervention in place, it's now resulted in pricing crisis into the '20s.

So I think there's a recognition that wholesale prices have driven a huge amount of that change. I think there's also a recognition that we've all got to get on and drive this transition. The transition won't come for free. However, what I would say, and I always say to people, coal will ultimately leave the market. So coal is leaving the market over the next 10 to 15 years, that means we have to replace those assets. They're going to get to the end of their life no matter what happens. So we're going to have to replace the assets, the market's going to have to replace those assets. And therefore we need to try and do it as efficiently and effectively as we can. I think the quicker the renewables come in, then you'll start to see pricing start to come off to a degree sometime into the future. It's going to be a question of timing.

The second part of the question was will the lights go out? I do not believe the lights will go out. Certainly the system is tight and that has been recognized. But again, everyone's pushing as quickly as they can to bring whatever they can bring into the market as quickly as they can. I think you're right, it's the first potential hot summer we've had in three years. But again, generators like ourselves we no longer think about summer readiness. We're thinking about summer and winter readiness, when we're thinking about our assets. If anything winter can sometimes be more volatile. But again, really something we'll be watching very, very closely, making sure our assets are ready. And working with the market operator as well to ensure that we are working across the market to ensure that we keep reliability for the whole market.

Damien Nicks (Closing Remarks):

All right, I think that was it for questions. Let me just conclude then on formal part of the day and just thank everyone for coming. Thank you for all your engagement. Thanks for being part of this journey with us. And also thank you to Markus, Jo and Gary and also the executive team, but also the teams sitting behind here that really helped us pull this day together. Huge amount of work that goes into it, so a big thank you to everyone. Look, I am I think to Vijay's question really excited about where we can take this organisation. I'm really excited about where we are right now.

I think there's a huge amount we can do, still a huge amount of delivery we need to get underway from a strategy perspective, but we absolutely got positive momentum behind us. So I encourage you to all join the change, get behind us, and let's really drive this transition and drive the transition of AGL. It's going to be a very different place. We're 186 years old today. We'll be a very different organization in 10 years time. So again, thank you very much. Really appreciated the conversation. We'll hang around for a while if you want to catch up. Thank you.