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ASX & Media Release

FY26 Results Announcement

12 August 2026

AGL Energy Limited (AGL) today announced its results for the twelve months ended 30 June 2026 (FY26).

FY26 Results Highlights and FY27 Guidance

- Statutory Profit after tax: $756 million, up $644 million from FY25
- Underlying EBITDA in line with guidance: $2,100 million, up 2% from FY25
- Underlying Net Profit after tax in line with guidance: $631 million, down 2% on FY25
- Fully franked final dividend of 26 cents per share declared; total dividend for FY26 of 50 cents per share (fully franked), equating to a payout ratio of 53.3% of Underlying Net Profit after tax
- FY27 earnings guidance range:
    - Guidance range for FY27 Underlying EBITDA between $1,900 and $2,200 million
    - Guidance range for FY27 Underlying Net Profit after tax between $470 and $670 million
- Targeting a dividend payout ratio range between 55 - 60% of Underlying NPAT for the FY27 dividend, within existing policy, expected to be fully franked
- Targeting $50 million of sustainable net opex reductions by FY27, with $30 million already delivered in FY26

CEO Commentary – FY26 Results Highlights

AGL Managing Director and CEO, Damien Nicks, said: “Our strong result reflected excellent business performance across AGL. The strength of our integrated business helped mitigate the impact of softer market conditions.”

“Continuing from the first half, Customer Markets saw growth in customer services, positive customer satisfaction outcomes, and a return to more sustainable margins.”

“The improved availability and flexibility of our generation asset portfolio, including the continued strong performance of our batteries, supported resilience against a period of low price volatility in the NEM, which was driven by a combination of milder weather, strong NEM-wide renewable generation and coal fleet availability, battery capacity growth, and lower transmission constraints.”

“As expected, gross margin across our gas portfolio decreased due to an increase in gas purchase costs, reflecting the gradual roll-off of lower priced legacy gas supply contracts during the year.”

“We maintained a disciplined approach to costs during a period of persistent inflation, holding operating costs broadly flat on the prior year while delivering $30 million of our targeted $50 million by FY27 net operating cost reduction program. Higher depreciation and amortisation was as anticipated, and reflected continued investment in the availability, flexibility and growth of our asset portfolio.”

“Our strong underlying operating cash flows and cash conversion rate supported a higher dividend compared to FY25, and allows us to target a dividend payout ratio of between 55 - 60% for the FY27 dividend.”

FY26 Operational and Strategy Highlights

- Total Injury Frequency Rate (TIFR) up to 2.2 (per million hours worked) from 2.0 in FY25
- Total AGL customer services: 4.6 million[1], up 92k on FY25; Customer Satisfaction (CSAT) increased to 84.1 from 81.6 in FY25
- Fleet Equivalent Availability Factor (EAF) of 83.4%, 4.3pp higher than FY25; Total generation volumes: 31.8 TWh, down 3.4% on FY25
- Flexible fleet capacity advanced to 8.7 GW
- Liddell Battery operational; Construction of Tomago Battery progressing, LTESA secured
- Construction commenced on 220 MW Kwinana Swift Gas 2 Project in WA
- Palmer Wind Farm 1[2] and Waddi Wind Farm 2[3] –15-year PPAs signed with Tilt Renewables
- Over 65 PJ of medium-term gas supply contracted; 2.9m tonnes of coal contracted in FY26
- 19.9% equity interest in Tilt Renewables divested for $750m[4]
- Progressing investment partnership for development of 2GW+ wind farm portfolio
- Kaluza further expanded global presence – global agreement signed between Kaluza and ENGIE
- Telco business divested and long-term strategic partnership entered into with Aussie Broadband

CEO Commentary – FY26 Operational Highlights

AGL Managing Director and CEO, Damien Nicks, said "We continued the material improvement in our business performance achieved in the first half of the year. We maintained a strong safety record, with a Total Injury Frequency Rate of 2.2 per million hours worked. While slightly higher than FY25, it remains well below FY23 and FY24 levels. This is a positive outcome given the significant amount of operational and maintenance activity undertaken across our sites during the year, although we remain focused on further improving our safety performance."

"Customer Markets delivered another outstanding year, characterised by customer growth and higher customer satisfaction. We grew our customer base despite elevated competitive activity, supported by underlying energy customer growth and the successful integration of the Ampol Energy customer portfolio. Encouragingly, our churn advantage to the rest of the market improved to 4.9 percentage points. We also achieved higher customer satisfaction outcomes, with Customer Satisfaction increasing to 84.1 and strategic Net Promoter Score improving to +10."

"As committed, we delivered an improved fleet availability outcome for the year, with EAF increasing 4.3 percentage points to 83.4%. Higher commercial availability and greater plant flexibility enabled AGL to generate when market conditions were most favourable despite lower market volatility, softer wholesale prices and lower overall generation volumes. This performance highlights the value of our increasingly flexible and diversified asset portfolio in a transitioning energy market."

[1] Services to customers number is as at 30 June 2026 and excludes approximately 298,000 services to customers of ActewAGL, and Netflix services.

[2] Commercial operations targeted to commence in December 2028.

[3] Commercial operations targeted to commence in second half of 2028.

[4] Pre-transaction costs.

CEO Commentary – Business Transition and Strategic Execution

"We've had another strong year of strategic execution as we continue to deliver our strategy for long-term value creation, while strengthening the resilience, flexibility and optionality of the business through the energy transition."

"We are very well positioned with the scale, maturity and quality of our development pipeline, providing significant optionality to prioritise and execute projects that deliver the strongest strategic fit and risk-adjusted returns."

"Our flexible asset fleet has also grown by 0.4 GW to 8.7 GW, spread across a diverse range of assets including batteries, hydro and 3.3 GW of coal-fired unit flexibility - positioning AGL to respond to evolving market conditions throughout the energy transition."

"We signed two long-term wind Power Purchase Agreements with Tilt Renewables, further diversifying our electricity supply portfolio and supporting our target to add 6 GW of renewable and firming capacity by 2030."

"Construction has commenced on the 220 MW Kwinana Swift Gas 2 Project in Western Australia, and I'm pleased to report that the 500 MW Liddell Battery commenced operations in July, and construction of the 500 MW Tomago Battery is well under way."

"The divestment of our 19.9% equity interest in Tilt Renewables was an example of our disciplined approach to capital allocation and recycling. The transaction crystallised significant value, delivering a gain on sale of approximately $268 million post-tax, with proceeds redeployed towards higher-returning firming projects and transition opportunities."

"We have commenced engagement with a range of potential capital partners regarding the development of more than 2 GW of renewable projects from our pipeline. This process is focused on identifying structures that improve capital efficiency while maintaining strategic and operational flexibility. We look forward to providing further updates as this work progresses."

"Our Retail Transformation Program continues to make progress, with key capabilities deployed and savings of $25 million delivered ahead of plan. We are focused on delivering the program successfully, and following a detailed review of the next phase of implementation, we now expect the program to extend by up to 12 months and costs to increase by an additional $100 million to $150 million. This reflects the scale and complexity of the program, bolstering of our delivery approach and additional investment to de-risk implementation. Importantly, the anticipated strategic and operational benefits of the program remain unchanged, including the expected annual pre-tax cash savings of $70-90 million, however with full benefits now expected from FY30. We believe this additional investment supports the delivery of a modern, scalable retail platform that will underpin long-term customer and shareholder value."

"Kaluza continued to generate strong momentum during the year and expanded its global presence, highlighted by the signing of ENGIE as its third major customer and largest deployment to date, more than doubling contracted meters to over 25 million meters."

"And finally, we announced a long-term strategic partnership with Aussie Broadband, alongside the divestment of our telecommunications business for consideration of approximately $115 million paid in ~7% of Aussie Broadband's shares. This will allow us to simplify our Customer Markets operations, reduce ongoing operating costs and maintain a bundled customer proposition through the AGL brand."

Statutory and Underlying Profit

AGL's Statutory profit after tax was $756 million. This included a $268 million post-tax gain from the divestment of Tilt Renewables, a positive post-tax movement in the fair value of financial instruments of $179 million and a $67 million post tax gain from the revaluation of onerous contracts, which was partly offset by $(227) million post-tax in charges associated with asset impairments recognised on the generation fleet and development projects and $(69) million of post-tax Retail Transformation costs. The fair value movement of financial instruments is non-cash, however is required under Australian Accounting Standards.

Underlying Net Profit after tax, which excludes the movements in the fair value of financial instruments and significant items, was $631 million, down 2%.

Dividends and Capital Management

AGL delivered underlying cash from operating activities (before significant items, interest and tax) of $1,693 million, $110 million higher than FY25, driven by the unwinding of a prepayment of bill relief in the prior year and the increase in Underlying EBITDA, partly offset by higher margin calls. The rate of conversion of EBITDA to operating cash flow, excluding the prepayment mentioned above, rehabilitation and margin calls, was 97 percent, down from 101 percent in the prior year.

At 30 June 2026, AGL had $1,551 million of cash and undrawn committed debt facilities available.

AGL has declared a final fully franked dividend for FY26 of 26 cents per share. AGL's dividend policy is to target a payout ratio of 50 to 75 percent of annual Underlying Net Profit after tax. The payout ratio for the FY26 total dividend was 53.3 percent, which recognises the proceeds received from the sale of Tilt Renewables, and the ongoing funding and liquidity requirements of the business, including for the construction of the Tomago battery and Kwinana Swift Gas 2 Project.

The final dividend will be paid on 24 September 2026.

Outlook

AGL's FY27 guidance range and targeted dividend payout ratio reflects the earnings resilience of the business and durability of cash flows through evolving market conditions:

- Underlying EBITDA between $1,900 and $2,200 million
- Underlying NPAT between $470 and $670 million
- Targeting a dividend payout ratio range between 55 - 60% of Underlying NPAT, expected to be fully franked

The guidance ranges above reflect the following drivers compared to FY26:

- Stable consumer energy margins
- A full year of earnings from the Liddell Battery
- Lower operating costs across the business from the FY27 net operating cost-out target
- The impact of lower wholesale electricity prices rolling through contracted positions, although at a premium to current market prices through AGL's hedged position and flexible fleet
- Increased gas costs as low-cost legacy contracts roll off
- An increase in depreciation and amortisation of ~$50 million and a reduction in finance costs by ~$30 million.

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

Presentation, Webcast and Conference Call

AGL will hold a webcast and conference call to discuss the FY26 results at 11.00am (AEST), today, Wednesday, 12 August 2026. Questions will be taken at the conclusion of the webcast.

A copy of the presentation will be lodged with the ASX and made available on AGL's website.

All FY26 documents and the webcast are accessible via https://www.agl.com.au/about-agl/investors/results-centre

Pre-registration is required to access the conference call and the live question and answer session.

A transcript and archive of the webcast will be available on AGL's website in due course.

Authorised for release by AGL's Board of Directors.

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About AGL Energy

At AGL, we believe energy makes life better and are passionate about powering the way Australians live, move and work. Proudly Australian for more than 185 years, AGL supplies around 4.6 million[5] customer services. AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, and batteries and other firming and storage technology. We are building on our history as one of Australia's leading private investors in renewable energy to be a leader in the transition to a lower emissions and smart energy future in line with the goals of our Climate Transition Action Plan.

For more information visit agl.com.au

[5] Services to customers number is as at 30 June 2026.