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ASX & Media Release

1H26 Results Announcement

11 February 2026

AGL Energy Limited (AGL) today announced its results for the six months ended 31 December 2025 (1H26).

1H26 Results Highlights and FY26 Guidance

- Statutory Profit after tax: $94 million, including a loss on the fair value of financial instruments of $(143) million, and significant items of $(116) million, which included Retail Transformation costs of $(45) million and an increase in onerous contract provisions of $(42) million
- Underlying EBITDA: $1,092 million, flat to 1H25
- Underlying Net Profit after tax: $353 million, down 6% on 1H25
- Fully franked interim dividend of 24 cents per share declared
- FY26 earnings guidance ranges narrowed:
  - Underlying EBITDA between $2,020 and $2,180 million (previously between $1,920 and $2,220 million)
  - Underlying Net Profit after tax between $580 and $680 million (previously between $500 and $700 million)
- Targeting $50 million of sustainable net operating cost reductions in FY27

CEO Commentary - 1H26 Results Highlights and FY26 Guidance

AGL Managing Director and CEO, Damien Nicks, said: “The strength of our first half result was delivered by our excellent operational performance. In Customer Markets we saw an improvement in customer margins, driven by growth in our customer base 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, helped mitigate a period of low price volatility in the NEM, which was driven by milder weather, and lower transmission constraints.”

“As anticipated, increased depreciation and amortisation was driven by the continued investment in the availability and flexibility of our assets.”

“Importantly, this result sets us up to deliver our FY26 earnings guidance, where we have narrowed the expected ranges.”

“We are also implementing a cost out program that is targeting sustainable net operating cost reductions of $50m per annum, with the full benefit from FY27 onwards.”

1H26 Operational and Strategy Highlights

- Total Injury Frequency Rate (TIFR) up to 2.1 (per million hours worked) from 2.0 in FY25
- Total AGL customer services: 4.7 million[1], up 108k on FY25; Customer Satisfaction (CSAT) increased to 83.8 from 81.6 in FY25
- Total generation volumes: 15.4 TWh, down 2.8% on 1H25; Fleet Equivalent Availability Factor (EAF) of 80.1%, 2.6pp higher than 1H25
- Retail Transformation progressing well; key capabilities deployed with committed benefits tracking to plan
- Kaluza further expands global presence, agreement signed with ENGIE to deploy its Energy Intelligence Platform
- Development pipeline increased to 11.3 GW
- Palmer Wind Farm 1 (SA)[2] – signed 15-year PPA for 123 MW with Tilt Renewables
- Waddi Wind Farm 2 (WA)[3] – signed 15-year PPA for 105 MW with Tilt Renewables
- CIS contract awarded to proposed 600 MW Hexham Wind Farm in Victoria
- Construction commenced on the 500 MW Tomago Battery; Liddell Battery first 250 MW targeted for third quarter and full operations (entire 500 MW) in fourth quarter of FY26
- Secured 40 PJ gas agreement with Esso Australia commencing in 2028; Gas to be supplied from the Gippsland Basin over 5 years
- Agreement to divest equity interest (19.9%) in Tilt Renewables for $750m[4]

CEO Commentary – 1H26 Operational Highlights

AGL Managing Director and CEO, Damien Nicks, said “AGL delivered strong operational performance across the business for the half. In terms of safety performance, we had a marginal increase in our Total Injury Frequency Rate, up to 2.1 per million hours worked, however this metric remains significantly lower than FY23 and FY24. Overall, this is a good result particularly across two major coal plant outages in the period, however we will continue to strive to improve this metric.”

“Amidst another period of elevated customer market activity, we recorded excellent growth in overall customer services, primarily led by growth in underlying energy services and the acquisition of the Ampol Energy customer base. Customer Satisfaction (CSAT) improved to 83.8, and we’ve maintained a healthy spread to market churn of 5.3 percentage points.”

“Importantly, the Retail Transformation Program continues to progress well – key capabilities have been deployed with committed benefits tracking to plan.”

“We’ve also delivered a stronger fleet availability result for the half and remain on track for improved fleet availability for the full year. Importantly, higher commercial availability and improved plant flexibility allowed AGL to generate when market conditions were most favourable and the assets were required.”

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[1] Services to customers number is as at 31 December 2025 and excludes approximately 303,000 services to customers of ActewAGL.

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

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

[4] Pre transaction costs and subject to typical completion adjustments.

CEO Commentary – Business Transition and Strategic Execution

“We’ve had an excellent period across the business as we continue with the delivery of our strategy, headlined by the transition of our energy portfolio where we’ve continued to make great progress.”

“Our development pipeline has grown to 11.3 GW, up from 9.6 GW as reported in FY25. Overall, we are very well positioned with the size, maturity and quality of our development pipeline, with our continued focus on the timely and disciplined execution of projects of the highest portfolio value.”

“During the half, we signed two 15-year Power PPAs with Tilt Renewables to offtake electricity generation from the Palmer Wind Farm in South Australia and the Waddi Waddi Wind Farm in Western Australia. These renewable energy PPAs add important diversification to our future electricity supply portfolio and are key milestones towards our target to add 6 GW of renewable and firming capacity by 2030.”

“In late October, we entered into an agreement to purchase four new gas turbines from Siemens AB for approximately $185 million, and subject to a Final Investment Decision being reached, this project will further strengthen our firming and flexible asset base and grow our portfolio and revenue diversification in Western Australia.”

“Construction has commenced on the 500 MW Tomago Battery in New South Wales, and the Liddell Battery has commenced hold point testing, with the first 250 MW targeted to come online in the third quarter, and the full 500 MW expected to be fully online in the fourth quarter.”

“Encouragingly, Kaluza has also generated some great momentum in the past six months, with the signing of its second major external customer in Engie, boding well for growth in other regions.”

“In early November, we also announced an agreement to divest 19.9% of our interest in Tilt Renewables for $750 million, which is expected to be completed in the third quarter of FY26, with the proceeds expected to be deployed towards our investment in flexible, dispatchable capacity and provide additional balance sheet flexibility.”

AGL enters into long-term strategic partnership with Aussie Broadband

“Today we are pleased to announce a strategic, long-term partnership with Aussie Broadband (ABB). The agreement will see the divestment of our telecommunications business, with our 400k telecommunications customer services acquired by ABB in exchange for proceeds of approximately $115 million of shares in ABB (~22.03 million shares or ~7.5% of ABB’s current issued capital), with the opportunity for AGL to increase its equity if there is net growth in these customer services.”

“This partnership allows AGL to simplify its Customer Markets operations and reduce ongoing operating costs, whilst maintaining our growing AGL Telco brand and retaining the retention benefits bundled offering provides.”

“Importantly, our customers will continue to benefit from bundling their AGL energy and telco services, with the added benefit of access to Aussie Broadband’s award-winning customer service and products. Both parties are committed to a seamless customer migration over FY27.”

The issuance of shares to AGL is expected to occur in June 2026, to coincide with the beginning of the migration of AGL’s customers to ABB. There are a limited number of customary conditions precedent to this transaction completing. ACCC approval has been granted for this transaction.

Statutory and Underlying Profit

AGL’s Statutory profit after tax was $94 million. This included a loss on the fair value of financial instruments of $(143) million, and significant items of $(116) million, which included Retail Transformation costs of $(45) million and an increase in onerous contract provisions of $(42) million. The fair value movement of financial instruments is non-cash, albeit 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 $353 million, down 6%.

Dividends and Capital Management

AGL delivered underlying cash from operating activities (before significant items, interest and tax) of $836 million, $24 million higher than 1H25, driven by the unwinding of a prepayment of bill relief in the prior corresponding period, partly offset by higher margin calls in the current period. The rate of conversion of EBITDA to operating cash flow, excluding the prepayment mentioned above, rehabilitation and margin calls, was 93 percent, up from 90 percent in the prior corresponding period.

At 31 December 2025, AGL had $1,175 million of cash and undrawn committed debt facilities available.

AGL has declared an interim fully franked dividend for FY26 of 24 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 amount of the FY26 interim dividend has been determined using this target for the total FY26 dividend. The amount and payment of the FY26 full year dividend remains subject to Board discretion, market conditions, actual FY26 Underlying Net Profit after tax and the ongoing funding and liquidity requirements of the business.

The interim dividend will be paid on 26 March 2026.

Outlook

AGL has narrowed its underlying earnings guidance ranges for FY26:

- Underlying EBITDA between $2,020 and $2,180 million (previously between $1,920 and $2,220 million)
- Underlying Net Profit after tax between $580 and $680 million (previously between $500 and $700 million)

Narrowing of FY26 guidance reflects:

- strong first half performance driven by consumer margins
- lower than previously indicated operating costs due to disciplined cost management; and
- lower than previously indicated depreciation due to greater water price certainty on the future rehabilitation of Loy Yang

As expected, earnings are skewed to the first half in line with typical seasonality of customer gas and electricity demand, and the gradual roll-off of lower-priced legacy gas supply contracts

AGL is also targeting $50 million of sustainable net operating cost reductions in FY27.

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 1H26 result at 11.00am (AEDT), today, Wednesday, 11 February 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 1H26 documents, the pre-recorded presentation and 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 4.7 million[5] energy, telecommunications and Netflix 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. We'll continue to innovate in energy and other services to enhance the way Australians live, work and move.

For more information visit agl.com.au

[5] Services to customers number is as at 31 December 2025.