

# Company Profile

Ord Minnett Research

11 July 2025

## AGL Energy Limited (AGL.AX)

AGL Energy Limited (AGL) is a Company engaged in the operation of energy businesses and investments, including electricity generation and storage, gas storage, the sale of electricity and gas to residential, business and wholesale customers, and the retailing of broadband and mobile services.

**Customer Markets:** Customer Markets comprises the Consumer and Large Business customer portfolios responsible for the retailing of electricity, gas, broadband/mobile/voice, solar and energy efficiency products and services to residential, small and large business customers. Customer Markets also includes sales, marketing, brand, customer contact and call centre operations, and AGL's electrification and innovation growth areas.

**Integrated Energy:** Integrated Energy operates AGL's power generation portfolio and other key assets, including coal, gas, wind and hydro generation facilities, grid-scale batteries, natural gas storage and production facilities, and development projects.

**Investments:** Investments comprise the Company's interests in the ActewAGL Retail Partnership, Tilt Renewables, Ovo Energy Australia and other investments.

### Snapshot

Last Price	\$9.81
Market Cap.	\$6,600 million
52 Week High/Low	\$12.20 - \$9.67
Shares on issue	672 million
GICS Industry	Multi-Utilities

### Key Dates

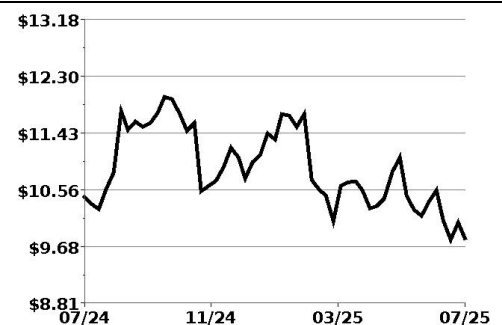
Accounts Close	30 June
AGM	25 Sep 2024
Listing Date	12 Oct 2006

### Investment Fundamentals

		2024A	2025E	2026E	2027E
Sales Rev.	\$m	4,003	3,925	4,042	4,175
Rep Profit	\$m	711.0	375.2	644.7	656.5
Norm Profit	\$m	812.0	677.4	697.2	709.0
Rep EPS	¢	105.7	55.8	95.8	97.6
Norm EPS	¢	120.7	100.7	103.6	105.4
Rep PE	x	9.0	9.7	9.4	9.3
Norm PE	x	8.1	9.7	9.4	9.3
DPS	¢	61.0	47.9	51.8	52.7
Yield	%	5.6	4.9	5.3	5.4
Franking	%	--	85	70	70
ROE	%	14.9	12.6	12.3	11.9

Source: Ord Minnett

### Share Price Chart



### Total Return on \$10,000 Investment



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Ratios and Substantial Shareholders						
		2020A	2021A	2022A	2023A	2024A
Profitability Ratios						
EBITDA Margin	%	19.93	0.76	10.99	0.63	16.36
EBIT Margin	%	13.60	-5.94	5.48	-4.61	10.67
Net Profit Margin	%	8.67	-2.42	2.87	-4.51	5.82
Return on Equity	%	12.83	-4.71	5.66	-12.22	14.07
Return on Assets	%	7.91	-0.66	2.73	-2.88	6.33
Debt/Safety Ratios						
Net Debt/Equity	%	36.74	56.25	41.61	53.43	33.07
Interest Cover	x	9.08	-2.83	3.29	-2.48	4.49
Top 5 Substantial Shareholders						
Michael Alexander Cannon-Brookes					11.3%	
The Vanguard Group Inc.					5.0%	

Source: Morningstar

Principals & Directors	
<b>Principals</b>	
Company Secretary	Ms Melinda Hunter Mr John Patrick Fitzgerald
<b>Directors</b>	
Mr Mark Alan Bloom ( Non-Executive Director )	
Mr Miles John George ( Non-Executive Director )	
Ms Elizabeth (Betsy) Donaghey ( Non-Executive Director )	
Mr John Carl Pollaers ( Non-Executive Director )	
Ms Christine Francis Holman ( Non-Executive Director )	
Mr Graham John Cockroft ( Non-Executive Director )	
Ms Vanessa (Fernandes) Sullivan ( Non-Executive Director )	
Mr Damien Nicks ( Chief Executive Officer, Managing Director )	
Ms Kerry Elizabeth Schott ( Non-Executive Director )	
Mr Mark William Twidell ( Non-Executive Director )	

Source: Morningstar

## Recent Operational History

**14 February 2025** - AGL Energy reported NPAT down 83.2% to \$97m for the half-year ended 31 December 2024. Revenue from ordinary activities were \$7,132m, up 15.3% from last year. Diluted EPS was 14.4 cents compared to 85.6 cents last year. No dividend was declared.

**12 February 2025** - AGL Energy provided small decrease in Underlying Profit as increased earnings from fleet flexibility more than offset by Consumer customer margin compression and increased D&A due to increased investment in the fleet. Statutory profit includes items and loss on fair value of energy derivative contracts. Customer Markets earnings reflect expected Consumer margin compression following a period of heightened market competition and lower wholesale prices. Operating free cash flow down due to tax paid and increased investment in sustaining capex, with the impact of Energy Bill Relief Credits being normalised.

**12 February 2025** - AGL Energy provided Statutory Profit after tax: \$97m, including items of \$245m, which included an increase in onerous contract provisions of \$165m and Retail Transformation costs of \$45m, and a negative movement in the fair value of financial instruments of \$31m. Underlying EBITDA: \$1,068m, down 1% on 1H FY2024. Underlying Net Profit after tax: \$373m, down 7% on 1H FY2024. Fully franked interim dividend of 23 cents per share declared. Total Injury Frequency Rate (TIFR) down to 2.8 (per million hours worked) from 3.5 in FY2024.

Peer Analysis			Market Cap	Price	PE (x)		EPS Growth		Dividend Yield		Franking	
Company Name	Code	Recommendation	(\$m)	(\$)	2025	2026	2025	2026	2025	2026	2025	2026
Origin Energy	ORG	Hold	20,122	11.68	12.6	15.6	35.4	-19.1	5.1	5.1	100	100
APA Group	APA	Accumulate	10,879	8.34	--	44.0	-15.0	136.5	6.9	7.0	--	50
AGL Energy	AGL	Hold	6,600	9.81	9.7	9.4	-16.6	2.9	4.9	5.3	85	70

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Please contact your Ord Minnett Adviser for further information on our document.

## Guide to Ord Minnett recommendations

Our recommendations are based on the total return of a stock – nominal dividend yield plus capital appreciation – and have a 12-month time horizon.	
<b>SPECULATIVE BUY</b>	We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have a strong capital appreciation but also has high degree of risk and there is a significant risk of capital loss.
<b>BUY</b>	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months.
<b>ACCUMULATE</b>	We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness.
<b>HOLD</b>	We expect the stock to return between 0% and 5%, and believe the stock is fairly priced.
<b>LIGHTEN</b>	We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings.
<b>SELL</b>	We expect the total return to lose 15% or more.
<b>RISK ASSESSMENT</b>	Classified as Lower, Medium or Higher, the risk assessment denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, historical volatility of its share price, nature of its operations and other relevant quantitative and qualitative criteria. Risk is assessed by comparison with other Australian stocks, not across other asset classes such as Cash or Fixed Interest.

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