To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	15 August 2024
From	Helen Hardy	Pages	5
Subject	**2024 Full Year Results**		

Please find attached a release on the above subject.

Authorised for lodgement by:

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Company Secretary
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ASX/Media Release

15 August 2024

Origin reports significant uplift in operational and financial performance

Origin Energy Limited (Origin) reported statutory profit for the full year ended 30 June 2024 of $1,397 million, up from $1,055 million in the prior year.

Underlying profit increased to $1,183 million, $436 million higher than the prior year, driven by an uplift in earnings in the Energy Markets and Integrated Gas businesses. Underlying EBITDA rose to $3,528 million, from $3,107 million in the prior year.

Origin received cash distributions from Australia Pacific LNG of $1,384 million. Net of Origin oil hedging, cash distributions were $1,367 million.

Adjusted free cash flow was $1,296 million, compared with $965 million in FY23, driven by higher earnings from Energy Markets, partially offset by a lower distribution from Australia Pacific LNG due to lower commodity prices.

The Board determined a fully franked final dividend of 27.5 cents per share.

Performance summary	FY24	FY23
Statutory profit	$1,397 million	$1,055 million
Statutory EPS	81.1 cps	61.3 cps
Underlying profit	$1,183 million	$747 million
Underlying EPS	68.7 cps	43.4 cps
Underlying EBITDA	$3,528 million	$3,107 million
Final dividend	27.5 cps fully franked	20 cps fully franked

Origin CEO Frank Calabria said, “Origin’s operational and financial performance highlights the benefits of the company’s diverse portfolio, with higher earnings from Energy Markets and LNG trading more than offsetting lower earnings from Australia Pacific LNG and Octopus Energy.

“Origin’s balance sheet remains strong, with good cash generation supporting an increase in returns to shareholders and enabling capital to be reinvested into renewables and storage as we accelerate execution of our strategy.

“We are acutely aware of the pressure on household budgets at this time given the rising cost of living and recognise the role we play in providing reliable and affordable energy for customers. We welcome energy bill relief for all households provided by federal and state governments, with Origin’s focus on supporting our most vulnerable customers with $100 million committed across FY24 and FY25, including to freeze tariffs for these customers.

“An important factor in helping to keep downward pressure on prices is ensuring reliable energy, and it is pleasing to see how well our generation fleet performed. Output from Eraring Power Station rose by 2.1 TWh to 14.3 TWh, with Origin’s fleet of gas peaking power stations also increasing output as they helped firm increasing variability of supply in the grid.

“Retail continued its growth momentum as customer accounts further increased, as did sales of broadband and electric vehicle subscriptions, while Origin’s virtual power plant, Loop, scaled to 1.4 GW of capacity under management. Origin is Australia’s leading retail energy brand, and we aim to deliver unrivalled customer service underpinned by Kraken, Loop and advanced data and analytics capabilities, providing a foundation for continued growth.

“In Integrated Gas, Australia Pacific LNG continued to demonstrate its world-class operations, with well optimisation activities helping deliver an increase in production and continued strong cash generation, although this was lower than the prior year reflecting a moderation in global commodity prices. Origin's commodity hedging and LNG trading activities delivered a positive earnings contribution compared to the prior year.

“Origin’s share of Octopus Energy EBITDA was lower, primarily due to lower earnings from the UK retail business and continued investment in growth. The outlook for growth at Octopus remains positive, evidenced by its continued growth in customer numbers including a 35 per cent increase in UK retail accounts and increased earnings from Kraken licensing, which has quickly established itself as a market leading technology platform to transform energy and utilities.

“We continue to demonstrate good momentum on executing Origin’s strategy. We have established a pipeline of renewables developments in NSW, including the large-scale and advanced Yanco Delta wind farm development, along with the Ruby Hills and Northern Tablelands wind farms and Salisbury Solar Farm projects.

“We made several strategic storage investments, building a portfolio of 1.5 GW of owned and tolled battery systems across two- and four-hour dispatch duration through developments at Eraring, Mortlake and the offtake of the Supernode battery.

“The outlook for FY25 is for Energy Markets EBITDA to be lower than FY24, with electricity profit expected to decrease as tariffs reprice to reflect lower wholesale costs and retail margins, and on higher coal procurement costs. At Octopus Energy, earnings are expected to increase while Australia Pacific LNG production is expected to continue to perform well.

“Over the medium term, we believe Origin’s leading customer position, diverse portfolio of energy assets, and growing renewables and storage pipeline, combined with access to global growth through Octopus Energy, positions the company advantageously as the energy transition progresses. Origin is in a strong position to deliver value for our customers, communities and shareholders,” Mr Calabria said.

Dividend

The Board determined a fully franked final dividend of 27.5 cents per share. Shareholders will receive total fully franked dividends for FY24 of 55 cents per share, representing 73 per cent of adjusted free cash flow. In FY23, total dividends were 36.5 cents per share.

The dividend will be paid on 27 September 2024 to shareholders registered as at 6 September 2024.

OPERATING PERFORMANCE

Energy Markets

Underlying EBITDA for Energy Markets was $1,655 million, an increase of $617 million on the prior year primarily driven by increased electricity profit as higher wholesale costs were recovered following a period of under recovery. In addition, fuel costs were lower due to the legislated coal price cap. Natural gas profit declined, as trading gains from the previous year were not repeated and gas procurement costs were higher.

Total customer accounts increased by 132,000 to 4.7 million, driven by new electricity, gas and broadband customers. Origin's average churn of 13.2 per cent remained considerably better than the market average of 20.1 per cent. Cost to serve increased, partly due to higher bad and doubtful debt expense reflecting higher bill sizes and slower collections, with the cost of living impacting on customers' ability to pay their bills. Additional regulatory and compliance activity also contributed to higher costs, as Origin sought to strengthen its systems and controls as part of the Kraken implementation, with a view to delivering the best possible outcome for our customers.

Origin Zero more than doubled the number of business customers on solutions broader than electricity or natural gas, providing digital insights subscriptions, demand management and electric vehicle solutions. Loop, Origin's virtual power plant, grew connected assets by approximately 70 per cent, to 1.4 GW.

Integrated Gas

Underlying EBITDA for Integrated Gas was $1,951 million, $32 million higher than the prior year, due to increased production and hedging gains, partially offset by lower commodity prices.

Australia Pacific LNG production increased three per cent to 694 PJ as a result of continuing well and field optimisation activities.

Octopus Energy

Origin's share of Octopus Energy (UK) Underlying EBITDA was $55 million, a $185 million decrease from FY23, reflecting lower earnings in the UK retail business following the recovery of higher wholesale prices in tariffs in the prior period. Investment in scaling the international and services business and higher costs associated with UK government energy schemes also impacted earnings. This was partly offset by a 73 per cent increase in Kraken licensing revenue and a 60 per cent uplift in customer accounts contracted to the platform globally.

Octopus' rapid growth continued with a 35 per cent increase in UK retail customer accounts and the addition of more than 900,000 international retail customer accounts, a 190 per cent increase during the period.

Outlook

The following guidance is provided on the basis that market conditions and the regulatory environment do not materially change.

Origin expects Energy Markets Underlying EBITDA in FY25 of $1,100–$1,400 million.

Electricity gross profit is expected to decrease with regulated tariffs reflecting lower wholesale costs and reduced retail margins, combined with higher coal costs. Forecast FY25 coal requirements of 5-6 million tonnes have been contracted or hedged, and are expected to be ~$30/tonne higher than in FY24.

Cost to serve is expected to modestly improve in FY25, with improving bad and doubtful debts and lower labour spend partly offset by the commencement of Kraken licence fees and additional investment in brand and digital. Origin continues to pursue further improvements to cost to serve and is targeting a reduction from FY24 of $100-$150 million by FY26.

Australia Pacific LNG production is expected to be 685–710 PJ (APLNG 100 per cent), reflecting stable operations. Unit capital expenditure and operating expenditure is expected to be steady at $3.9–$4.3/GJ.

Gains from LNG Trading are expected to be $400–$450 million in FY25, and $50–$150 million in FY26.

Octopus Energy FY25 Underlying EBITDA contribution is expected to grow to $100–$200 million as further growth in the UK retail business and Kraken licensing is partly offset by continued investment in scaling the business.

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