

AGL Energy 2023 AGM report

ASX code	AGL
Meeting date	Tuesday, 21 November 2023
Type of meeting	Hybrid (and webcast)
Monitor	Lewis Gomes and Julieanne Mills
Pre AGM-meeting	With Chairman Patricia McKenzie, NED and Chair PPC Graham Cockroft, Lauren Redman and James Thompson.

Meeting Statistics

Number of holdings represented by ASA	362
Number of shares represented by ASA	1,413,194
Value of shares represented by ASA	\$14.5m
Total number attending meeting	396 (104 in person and 292 online)
Market capitalisation	\$6.76 billion
ASA open proxies voted	ASA voted in favour of all the resolutions except the spill motion.

The Chairman and new CEO presented an upbeat AGM with a focus on the progress AGL has made on their new strategic plan. It is a good start but there is plenty of work ahead. Strategic targets for 2027 appear reasonable but as an Australasian Centre for Corporate Responsibility (ACCR) question suggested, the planned 12GW by 2035 only replaces 60% of AGL's coal generated portfolio and how does AGL maintain market share given the projected market growth. There are plenty of unknowns and uncertainty ahead. The FY23 progress includes:

- Long term power purchase agreement (PPA) agreements with Alcoa, Microsoft, CSL, NBN.
- Increased upgrades of power plants to be able to flex down power plants, with 50MW of flex down in FY24
- 1.1GW of decentralized orchestration including Portland and Tomago aluminium smelters.
- 800MW storage with Torrens Island, Broken Hill and Liddell batteries
- Acceleration where appropriate.
- Closed Camden Gas plant and sold Morandah Gas
- Vic Govt agreement for Loy Yang A closure in 2035

Guidance for FY24 was reinforced with a range of \$1.875-\$2.175bn EBITDA for FY24 and underlying NPAT of \$580-\$780m range.

A question about dividend franking had the chair explaining that there were currently large tax losses that needed to be exhausted before franking could be utilized and that was likely to play out over a couple of years. The dividend payout ratio has decreased to 50-75% and no guidance was given on the likely payout.

Mike Cannon-Brookes investment vehicle Grok chose to abstain from a vote on the remuneration report, citing weak LTI incentives that didn't go far enough and the need for more ambitious targets.

All resolutions were carried however that was largely due to Grok abstaining from voting on the remuneration. If this had been an against vote the vote would have been close to 23% and a second strike. Grok also abstained from voting on the re-election of Mark Bloom. The disclosure of votes at the AGM was hardly transparent with no percentages, no abstaining vote displayed and 16 seconds to absorb the detail.

All those up for election spoke to the meeting. The chair stressed that all directors were acting independently, strategically and collegiately. Three Directors must stand for election every year and Grok nominees will be spread out over the next few years.

The chair of the remuneration committee spoke to the remuneration report.

A surprising number of votes were received against the proportional takeover provisions with a 20.17% vote recorded against the resolution. It requires a 75% vote to succeed.

Interestingly retail shareholder numbers have now reduced, with proportion on the register down to 40%.

A webcast of the AGM can be found here:

<https://aql2023aqm.chimeaqm.live/app/start>

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