To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	15 February 2024
From	Helen Hardy	Pages	4
Subject	**Origin Reports Half Year Results**		

Please find attached the ASX/Media Release relating to Origin Energy's Results for the half year ended 31 December 2023.

Regards

Authorised by:
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Company Secretary

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ASX/Media Release

15 February 2024

Half Year Results 2024

Origin Energy Limited (Origin) today announced its results for the half year ended 31 December 2023.

Statutory profit was $995 million, an increase from $399 million in the prior corresponding half. Improved earnings across all business segments contributed to an increase in Underlying profit to $747 million. Underlying EBITDA was $1,995 million.

Origin received cash distributions from Australia Pacific LNG of $648 million for the half year.

Adjusted free cash flow was $142 million, compared to ($439 million) in the prior corresponding half.

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

Performance summary	HY2024	HY2023
Statutory profit	$995 million	$399 million
Statutory EPS	57.8 cps	23.2 cps
Underlying profit	$747 million	$44 million
Underlying EPS	43.4 cps	2.5 cps
Underlying EBITDA	$1,995 million	$1,059 million
Interim dividend	27.5 cps fully franked	16.5 cps unfranked

Origin CEO Frank Calabria said, “It’s pleasing to report a strong result for the first half, which reflects good operating performance and growth across our Integrated Gas, Energy Markets and Octopus Energy businesses.

“Australia Pacific LNG continues to deliver very good cash flow to Origin and our Integrated Gas team was able to lift production compared with the prior corresponding half through effective well optimisation activity and by bringing more wells online. Importantly, Australia Pacific LNG continues to be one of the largest gas suppliers to the east coast domestic market.

“In Energy Markets, earnings increased across both the electricity and natural gas segments as our generation assets performed well and on the recovery of higher wholesale costs from previous periods and lower fuel costs.

“In retail, we are seeing the benefits of our investment in Kraken and implementing a more customer-centric operating model. We grew our customer base for the sixth straight half - and at the fastest rate in two and half years - adding 56,000 new accounts to a total of 4.6 million, as more customers take up our electricity, gas and broadband offerings.

“At a time of continued cost of living pressures across the economy, we remain focused on supporting the most vulnerable members of our community. We have shielded those financially vulnerable customers in our Power On program from price increases and committed up to $45 million over this financial year to support customers in hardship.

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"We have continued to accelerate renewables and storage in our portfolio, having committed approximately $1 billion to develop two large scale batteries at our Eraring and Mortlake power stations. We also acquired a prospective 500 MW greenfield wind development in New South Wales and are progressing potential offshore wind projects in Victoria and New South Wales.

"We are growing the percentage of large business customers contracting non-traditional energy sources, and scaling our 360EV fleet, employee subscription and charging solutions. Our market leading virtual power plant (VPP), Origin Loop, has expanded to 1.2 GW of capacity and 366,000 connected assets. Orchestrating distributed energy assets through our VPP gives Origin greater flexibility in managing supply and demand, allowing us to work with residential and business customers to share savings and more efficiently meet their needs.

"Octopus Energy continues its impressive growth trajectory, becoming the second largest energy retailer in the UK and growing Kraken technology licensing to more than 50 million accounts contracted worldwide, reinforcing our belief in its unique capabilities and strong platform for future growth.

"We expect Origin's strong first half performance to carry over into the second half and this is reflected in improved guidance for Energy Markets EBITDA for FY2024.

"I am confident in Origin's prospects and believe we are uniquely positioned to capture value from the energy transition. Our strategic direction is clear, and the recent performance of the business demonstrates good momentum and builds further confidence in our ability to execute.

"It is also appropriate at this time that we evaluate the key strategic choices available to us against an evolving market context. We are well positioned to pursue attractive transition investment opportunities to drive future growth and deliver good returns to shareholders," Mr Calabria said.

Dividend

The Board has determined a fully franked interim dividend of 27.5 cents per share. The dividend will be paid on 28 March 2024 to shareholders registered as at 6 March 2024.

Origin intends to release an updated shareholder distribution policy prior to full year results in August 2024.

OPERATING PERFORMANCE

Energy Markets

Underlying EBITDA for Energy Markets increased to $1,044 million, compared to $231 million in the prior corresponding half, with improved earnings across the electricity and gas portfolios. The result was driven by good performance of our generation assets, the recovery of higher wholesale costs from previous periods through tariffs, and a decline in fuel costs primarily due to lower coal prices. However, cost to serve increased primarily reflecting higher bad and doubtful debts.

Octopus Energy

Origin's share of Octopus Energy EBITDA was a loss of ($12 million), an improvement of $71 million over the prior corresponding half. The continued strong performance of the fast-growing UK retail and Kraken technology licensing businesses was offset by investment in its services business and international expansion. Completion of the acquisition of Shell Energy UK and Germany has cemented Octopus' position as the largest electricity retailer and second largest gas retailer in the UK energy market.

Integrated Gas

Underlying EBITDA for Integrated Gas rose 5 per cent compared to the prior corresponding period to $1,001 million. Gains in LNG trading and hedging, and higher production, were partially offset by a decline in Origin's share of Australia Pacific LNG revenue due to lower commodity prices.

Outlook

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

FY2024

Energy Markets EBITDA is expected to be $1,600 - $1,800 million, excluding Octopus Energy. The improved guidance is driven by higher electricity gross profit due to lower electricity procurement costs and growth in customer accounts, while gas gross profit is also expected to be higher following the repricing of wholesale gas supply contracts. Improved gross profit is expected to be partially offset by higher cost to serve, driven by increasing bad and doubtful debts and higher temporary workforce.

Origin's share of Octopus Energy EBITDA is expected to be a positive contribution of less than $100 million. Improved earnings from the UK retail business in the second half reflecting seasonality and an ongoing contribution from the Kraken technology licensing business as it grows, is expected to be partly offset by no repeat of the recovery in margins from the lag in regulated tariffs reset in the second half of FY2023, increased investment in the services business and international growth, the full year impact of Bulb acquisition accounting adjustments and rising renewable energy prices.

Australia Pacific LNG production for FY2024 is expected to be 680 - 710 PJ, reflecting the ongoing benefit of workover execution, offset by the unplanned turndown of wells after an LNG vessel lost power at Curtis Island. Australia Pacific LNG is expected to distribute between $1.2 and $1.4 billion in cash to Origin for FY2024, inclusive of oil hedging.

FY2025

For FY2025, Energy Markets EBITDA is expected to be lower compared to FY2024, driven by a reduction in electricity gross profit as regulated customer tariffs decline in line with wholesale costs, partially offset by lower cost to serve. This outlook assumes current forward energy prices are maintained and priced into customer tariffs.

For further information:

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