To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	18 August 2022
From	Helen Hardy	Pages	4
Subject	**2022 Full Year Results**		

Please find attached a release on the above subject.

Authorised for lodgement by:

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origin

ASX/Media Release

18 August 2022

2022 full year results

Origin Energy Limited (Origin) reports underlying profit rose 30 per cent to $407 million for the full year ended 30 June 2022, as strong commodity prices drove higher earnings in Integrated Gas, offset by lower earnings in Energy Markets due to very challenging market conditions.

Underlying EBITDA rose to $2,114 million, compared to $2,036 million in the prior year.

On a statutory basis, Origin has announced a loss of $1,429 million, reflecting a $2,196 million non-cash impairment. A $4,354 million uplift of in-the-money Energy Markets derivative assets associated with the hedging of high wholesale electricity and gas prices resulted in the requirement to recognise the non-cash impairment of goodwill. This does not reflect the performance of the business, future cash flows, or any impact to future value.

Origin benefitted from a record cash distribution from Australia Pacific LNG of $1,595 million, due to higher realised oil and spot LNG prices. This distribution contributed to a strong free cash flow position of $1,062 million.

Adjusted net debt reduced $1,801 million to $2,838 million, as strong cash flow and proceeds from the sale of a 10 per cent interest in Australia Pacific LNG enabled Origin to pay down debt, invest in growth and deliver returns to shareholders, including a $250 million share buyback.

The board has determined a partly franked final dividend of 16.5 cents per share.

Performance summary	FY2022	FY2021
Statutory profit/(loss)	($1,429) million	($2,281 million)
Statutory EPS	(81.5 cps)	(129.6 cps)
Underlying profit	$407 million	$314 million
Underlying EPS	23.2 cps	17.8 cps
Underlying EBITDA	$2,114 million	$2,036 million
Free cash flow	$1,062 million	$1,030 million
Adjusted net debt	$2,838 million	$4,639 million
Final dividend	16.5 cps	7.5 cps

Origin CEO Frank Calabria said, “The value of Origin’s integrated business is evident in this result, as higher commodity prices drove strong earnings from Integrated Gas, helping to offset lower earnings from Energy Markets as it grappled with an almost unparalleled year in terms of market conditions.

“Overall, I’m pleased with how the business navigated a myriad of challenges from high commodity prices and volatile wholesale energy prices; to fuel supply shortages and multiple weather events, while being able to deliver higher underlying profit and strong cash flow.

“Higher fuel costs and coal supply constraints limiting output from Eraring Power Station were among the factors contributing to a decline in Energy Markets earnings. There were also highlights, including a strong performance in natural gas, growth in total customer accounts, and recent improvements in coal supply to Eraring. We’ve now locked in contracts for 4.4 million tonnes of coal supply — the majority of our needs for FY2023.

"Despite the challenges faced by the industry recently, Origin has played a vital role in keeping the lights on for customers with other generators experiencing multiple outages, thanks to the excellent operating performance of our generation fleet.

"We are acutely aware that in this environment, some of our customers have been concerned about rising prices, and will continue to prioritise help for those in a vulnerable financial position.

"In Integrated Gas, operational performance at Australia Pacific LNG was strong, with reserves increasing due to higher estimated recoveries from producing fields, and revenue rising sharply on the strength of higher global commodity prices. Origin's cash distribution from Australia Pacific LNG was a record $1,595 million.

"Importantly, Australia Pacific LNG continued to be a major provider of gas to the east coast market, supplying 150 PJs to domestic customers. We are proud to have been a net contributor to the domestic market since the project's inception and will continue playing an important role in meeting the gas needs of local customers.

"It is a time of considerable change in the energy industry, and earlier this year we articulated our refreshed strategy and ambition to lead the energy transition through cleaner energy and customer solutions.

"We took a significant step toward this ambition in February when we submitted notice giving us the ability to close Eraring Power Station in August 2025, up to seven years earlier than planned. Once retired, we estimate this will deliver a material reduction in our emissions.

"Other progress includes the acquisition of 1,300 MW of solar farm development projects and advancing a number of battery developments, expanding our virtual power plant to 258 MW across 121,000 connected services and progressing potential hydrogen opportunities.

"Our focus on customer solutions has helped deliver strong growth in customer accounts, and new products and services including electric vehicle car sharing for apartment buildings. The launch of Origin Zero has put us in a stronger position to help large businesses to achieve their decarbonisation goals.

"As the energy transition continues to accelerate, we remain focused on playing our role in providing reliable, affordable, and cleaner energy to Australians, and working to get that balance right," Mr Calabria said.

Dividend

The board has determined to pay a final dividend of 16.5 cents per share, franked to 75 per cent. Shareholders received total dividends for FY2022 of 29 cents per share, representing 47 per cent of free cash flow. The final dividend will be paid on 30 September 2022 to shareholders registered as at 7 September 2022.

Given the company's continued focus on capital management, the Board has taken the decision to suspend the dividend reinvestment plan until further notice.

OPERATING PERFORMANCE

Energy Markets
Underlying EBITDA for Energy Markets of $365 million was lower than the prior year, amid very challenging operating conditions. High commodity prices and domestic supply interruptions, combined with volatile wholesale electricity prices, higher fuel costs and wet weather impacted earnings.

Origin added 193,000 customer accounts this year, with a total of 4.5 million customer accounts at year end, driven by the acquisition of WINconnect and a doubling in broadband customers.

Origin's investment in Octopus continues to exceed expectations. The company has grown to become the UK's fifth largest energy retailer, increasing its customer base by 25 per cent to 5.5 million customer accounts. Its low-cost operating model and market-leading Kraken platform have increasing global appeal during the energy transition, due to an ability to rapidly transform both business operations and customer experience. More than 25 million customer accounts are now contracted on the platform globally, with many other opportunities being pursued.

More than half of Origin's electricity and gas customers have been migrated to Kraken, with the full migration on target for completion by December 2022. We have achieved $170 million of a targeted $200-$250 million in cash cost savings by FY2024.

Integrated Gas
Integrated Gas Underlying EBITDA increased by 62 per cent to $1,837 million, driven by high commodity prices, sustained low operating and capital costs, and stable production.

Wet weather impacts were offset by operational improvements, enabling Australia Pacific LNG to maintain stable production. Australia Pacific LNG's proved plus probable (2P) reserves increased 901 PJ before production and divestments, representing reserves replacement of 116 per cent, due to higher estimated recoveries from producing fields.

Outlook
There remains uncertainty around the range of potential earnings outcomes for FY2023. Underlying earnings are expected to be higher, driven by growth in earnings from the gas business, while electricity gross profit is expected to remain supressed. Risk of coal under-delivery remains, including due to rail and mine performance. Origin will continue to assess the outlook for the business with a view to providing an update when there is less uncertainty.

In FY2024, Origin anticipates further growth in underlying earnings. The magnitude of this growth is dependent on fuel and energy prices and the extent to which these are reflected in customer tariffs, the outcome of a price review on ~50 PJ of gas supply, and delivery of targeted retail savings.

Australia Pacific LNG production for FY2023 is expected to be 680 – 710 PJ, reflecting ongoing strong field performance and allowing for the impact of recent wet weather events.

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