



22 February 2024

ASX ANNOUNCEMENT

**APA Group (ASX: APA)**  
**also for release to APA Infrastructure Limited (ASX: AP2)**

## **APA 1H24 Results Presentation**

APA Group provides the attached financial results presentation for the half year ended 31 December 2023.

**-ENDS-**

**Authorised for release by Amanda Cheney**

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APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$27 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation's gas usage and connect Victoria with South Australia, Tasmania with Victoria and New South Wales with Queensland through our investments in electricity transmission assets. We also own and operate renewable power generation assets in Australia, with wind and solar projects across the country. APA Infrastructure Limited is a wholly owned subsidiary of APA Infrastructure Trust and is the borrowing entity of APA Group. For more information visit APA's website, [apa.com.au](http://apa.com.au).

A man wearing a blue hard hat with the 'apa' logo, sunglasses, and a high-visibility yellow safety shirt is operating a drone. He is standing in a field during sunset, with a warm golden glow in the background. A large red triangle is on the left side of the image, and a large yellow arrow shape points to the right on the right side.

**apa**

# FY24 Half Year Result

22 February 2024

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## Acknowledgement of Country

At APA, we acknowledge the Traditional Owners and Custodians of the lands on which we live and work throughout Australia.

We acknowledge their connections to land, sea and community.

We pay our respects to their Elders past and present, and commit to ensuring APA operates in a fair and ethical manner that respects First Nations peoples' rights and interests.



## Safety share: Hand safety awareness program to address one of our key physical injury risks

Hand, finger and wrist injuries have made up **29%** of all recordable injuries over the past four financial years.

The main causes of these injuries has been inadequate hazard awareness, inappropriate operational equipment and personal protection equipment (PPE) selection.



To improve hazard awareness and appropriate PPE selection, we have partnered with **Safer Together** and the **Helping Hands Program**.



**apa**

*APA's foremost priority is the health, safety and wellbeing of our workforce and our communities.*

# Agenda

**1**

1H24 Highlights and FY24 Outlook

**2**

1H24 Financial Performance

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Market Dynamics and Strategy

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Closing Remarks and Q&A



# 1H24 Highlights and FY24 Outlook

Badgingarra Solar Farm

01



# Recent acquisitions performing well, in line with business cases, driving a solid 1H24 performance



## Solid 1H24 result

- Solid operating and financial performance across our portfolio
- Pilbara Energy System (Pilbara Energy) acquisition (Alinta) integration on track and earnings contribution in line with business case
- Basslink integration on track and earnings contribution in line with business case



## Executing on our growth strategy

- Significant growth platform established with the acquisition of Pilbara Energy
- EDF partnership announced to support our Electricity Transmission strategy
- Raised \$875m equity, \$1.25bn debt and \$828m hybrid to strengthen balance sheet and support growth



## Outlook remains positive

- Reaffirmed FY24 DPS guidance of 56cps\*
- FY24 Underlying EBITDA guidance of \$1,870m-\$1,910m which is consistent with all considerations previously provided\*\*
- FY24-26 organic growth pipeline >\$1.8bn plus >\$3bn Pilbara pipeline\*\*\*
- Customer appetite for decarbonisation continuing to grow, underpinning APA's renewable platform and the critical role of gas

\*DPS guidance is subject to asset performance, macroeconomic factors, regulatory changes as well as timing of distributions from non-100% owned assets, with distributions to be determined at the Board's discretion. It does not take into account the impact of any potential acquisitions or divestments by APA and any associated funding arrangements.

\*\*FY24 Underlying EBITDA guidance has been provided by APA in light of the recent Pilbara Energy acquisition. APA's Market Disclosure Policy states that APA does not ordinarily provide earnings guidance or interest guidance, however the ongoing provision of guidance will be considered by the Board at a future time. Underlying EBITDA guidance is subject to asset performance, macroeconomic factors and regulatory changes. It does not take into account the impact of any potential acquisitions or divestments by APA. For further information regarding revenue and cost considerations please see the 2023 November Investor Day presentation released on ASX on 15 November 2023 and page 30. Underlying EBITDA guidance is not a predictor or guarantee of future performance and is subject to uncertainties and risks – please see the Disclaimer on page 2.

\*\*\*Based on forecast capex requirements of development pipeline projects in real 2023 dollars.



# In 1H24 we have delivered solid growth in earnings and Free Cash Flow



## Underlying EBITDA<sup>(1)</sup>

**+5.8% to \$930m**

Strong contribution from acquisitions and inflation tailwinds, with lower variable revenue and ongoing investment in capability during the period



## Free Cash Flow (FCF)<sup>(2)</sup>

**+12.8% to \$546m**

Up 4.0% excluding the impact of the 1H23 delayed working capital receipt

Driven by solid EBITDA growth partly offset by increased stay-in-business (SIB) capex investment



## 1H24 DPS<sup>(3)</sup>

**26.5 cps**

Up 1.9% on 1H23

# Reaffirmed FY24 DPS guidance of 56 cps and providing FY24 Underlying EBITDA guidance of \$1,870-1,910m



## FY24 DPS guidance\* reaffirmed

**56.0 cps**

Up 1.8% on FY23, reflecting the desire to balance distribution growth with the funding of our growth ambitions



## FY24 Underlying EBITDA guidance\*\*

**\$1,870-1,910m**

Guidance range incorporates all considerations previously provided\*\* (FY23 results, November 2023 Investor Day)

\*Distribution guidance is subject to asset performance, macroeconomic factors, regulatory changes as well as timing of distributions from non-100% owned assets, with distributions to be determined at the Board's discretion. It does not take into account the impact of any potential acquisitions or divestments by APA and any associated funding arrangements.

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# Our 1H24 performance was achieved through continued focus on our three delivery pillars



## Our People

Ensuring our people are motivated, engaged, safe and well

- ✓ Reduction in recordable injuries
- ✓ Improved gender balance



## Operational Excellence

Safe, reliable and efficient operations, and maintaining a strong social licence

- ✓ Progressed Sustainability agenda
- ✓ Pilbara and Basslink integrations in line with business cases



## Creating Value

Disciplined operations and investments to maximise value for our customers, our communities and our securityholders

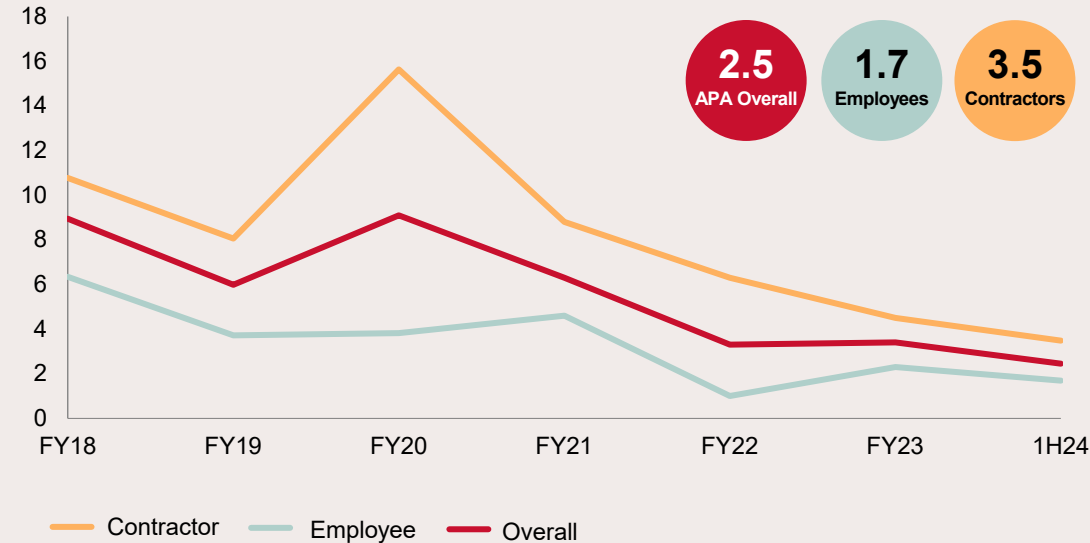
- ✓ Pilbara acquisition completed, creating a growth platform
- ✓ Strengthened balance sheet with new capital issuances

# Our People: We are embedding a safe, respectful and inclusive workplace

## Safety of our people

Continued reduction of employee and contractor injuries

Total Recordable Injury Frequency Rate (TRIFR)<sup>(4)</sup>



## Inclusion & Gender diversity

Continued focus on improving the gender balance across the organisation



**32.8%**  
Total female representation increased from 31.8% in FY23

**35.0%**  
Senior female leadership representation<sup>(5)</sup> increased from 31.4% in FY23

## Wellbeing and Support

Confidential care and support available on demand for employees and their families



**23% increase in adoption rate<sup>(6)</sup>**  
Employee and family wellbeing service adoption rate is 37%

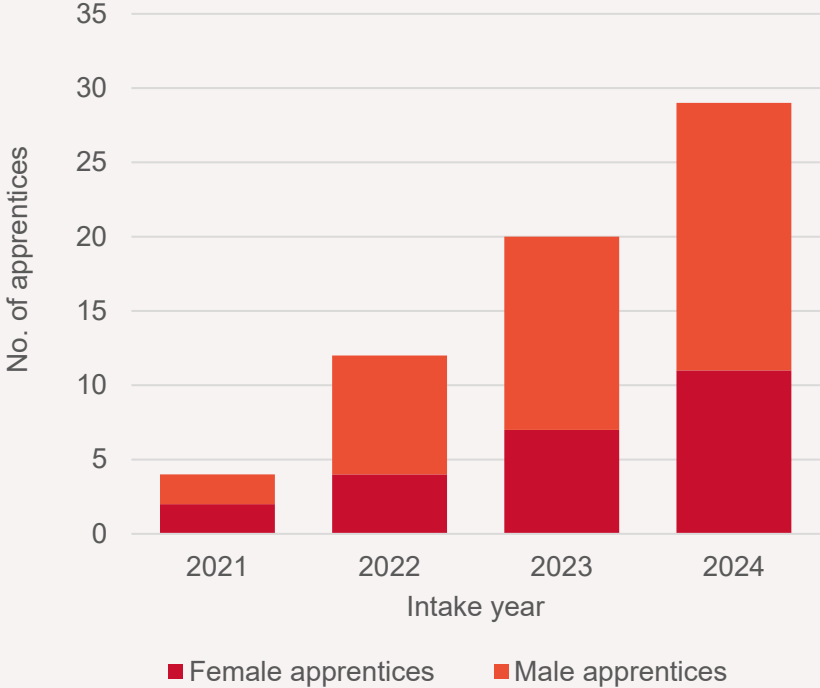
# Case study - Our People: Growing apprenticeship program

Building a diverse workforce from the ground up



Apprentice group workshop at Darling Downs Solar Farm

Apprentice intake



# Operational Excellence: Safe and reliable energy supply to our customers is central to our strategy



## APA Assets<sup>(7)</sup>

**618 GWh**

Renewable energy generated

**895 GWh**

Gas energy generated

**594 PJ**

Gas delivered

**888 MW**

HVDC transmission availability

**>120**

Commercial customers



## Operational Metrics<sup>(7)</sup>

**>99.5%**

Remote grid customer availability

Including North West Power System<sup>(8)</sup> and Gruyere

**>90%**

HVDC availability

Including Basslink, MurrayLink and DirectLink

**>99.9%**

Gas transmission nominations

delivery of firm gas nominations accepted across all Australian States and Territories



## Ongoing focus

### New asset integration

Integration of recent investments:

- East Coast Grid Expansion
- Basslink
- Northern Goldfields Interconnect (NGI)
- Dugald River Solar Farm
- Pilbara Energy
- Western Outer Ring Main

### Continuous Improvement

- Continual work on improving performance across the operations

# Case study – Operational Excellence: Ensuring energy reliability for our customers

## Storm impact at Gruyere Solar Farm

### A storm event occurred on 31 December 2023

Whilst only 277 of the +25,000 panels were damaged, the entire solar farm was disabled



Gruyere Solar Farm following storm event

Safe and reliable power supply for our customers was maintained as our accompanying gas power station immediately covered customers' requirements

- ✓ Timely response to incident
- ✓ Safe containment of damage
- ✓ Maintained uninterrupted supply to our customer in adverse conditions
- ✓ Comprehensive communication with customer

# Operational Excellence: Supporting our customers and communities through our sustainability agenda



## Climate Transition Plan delivery

- Set a methane reduction target of at least 30% by 2030 compared with FY21 base year, in addition to our existing climate commitments
- Released our first Climate Report September 2023
- Demonstrated progress against our climate target and goals<sup>(9)</sup>



Reduction in gas infrastructure operational emissions

**6.7%**  
net reduction  
compared to FY21



Reduction in power generation infrastructure emissions intensity

**5.3%**  
net reduction  
compared to FY21



Reduction in electricity transmission emissions

**98%**  
reduction  
(excl. line losses)  
compared to FY21



## Reconciliation Action Plan (RAP) launched

- Launched our inaugural RAP October 2023
- Work is progressing to implement our 72 deliverables detailed in the RAP and is focused on:
  - Cultural learning and awareness
  - First Nations employment opportunities
  - Increased First Nations business procurement spend
  - Staff engagement





# Creating Value: Integration and earnings contributions from new assets in line with business cases

## Basslink

**Completed  
20 October 2022**  
Integration progressing in line with business case

**1H24 EBITDA contribution in line with business case**  
\$27m for 6 months

100% availability (outside of planned maintenance) reflecting outstanding operational performance

Expands electricity transmission capability and footprint

## Pilbara Energy (Alinta)

**Completed  
1 November 2023**  
Integration progressing in line with business case

**1H24 EBITDA contribution in line with business case**  
\$21m for first two months and a forecast FY24 8 months contribution of ~\$90m\*

Expected to be Free Cash Flow per security accretive in the first full year of ownership (FY25)

>\$3bn\*\* renewables-focused development pipeline

\*The EBITDA consideration on this slide reflect management's current expectations in the relevant financial year. They are subject to review and change from time to time. See the disclaimer in slide 2 of this presentation for further details regarding forward-looking statements

\*\*Based on forecast capex requirements of development pipeline projects in real 2023 dollars.

# Creating Value: Pilbara Energy score card



## Asset Performance

- \$21m EBITDA for first 2 months in 1H24 – in line with expectations
- FY24 contribution expected to be ~\$90m (8 months)
- Zero unplanned customer outages
- Zero health, safety or environmental incidents

**Delivering in line with business case**



## Integration Progress

- All people and HR systems integrated
- Integration of systems under the Transitional Services Agreement (TSA) progressing to plan
- Integration of all IT, systems and processes to be completed in late 2024
- Business continuity maintained through transition and early integration phases

**On track for completion of integration in Q3 2024**



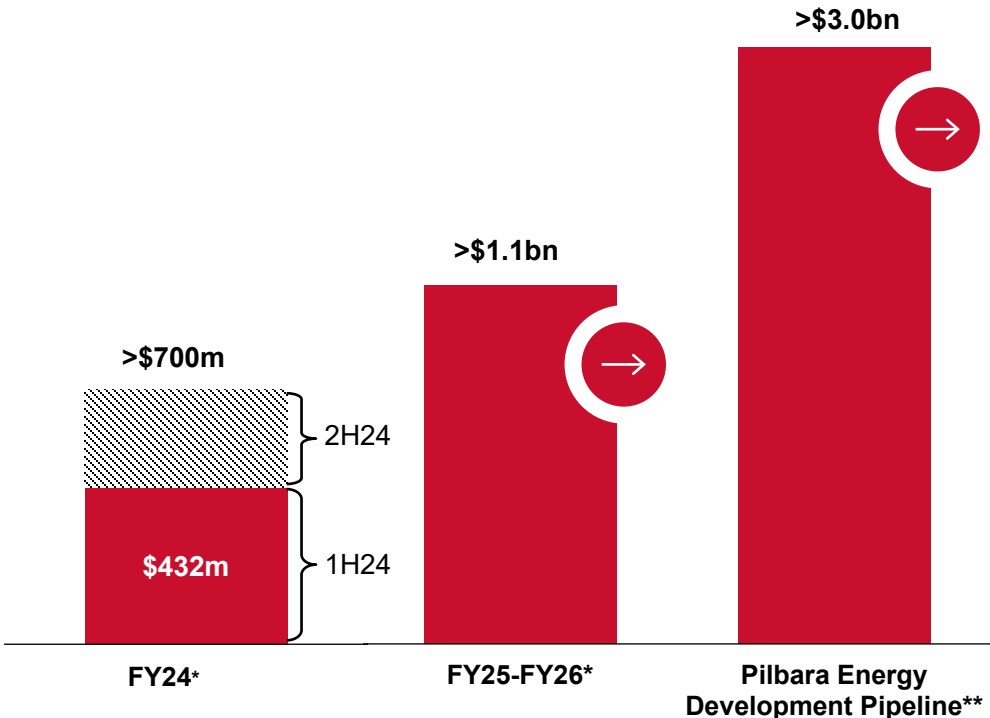
## Organic growth opportunities

- Port Hedland Solar Farm and BESS project construction on track – scheduled for completion Q4 CY24
- Positive progress with customers on emerging opportunities

**Organic growth opportunities remain consistent with business case**

# Creating Value: Attractive pipeline of near and long-term growth opportunities of >\$1.8bn

FY24 to FY26 pipeline of organic capex opportunities >\$1.8b\*



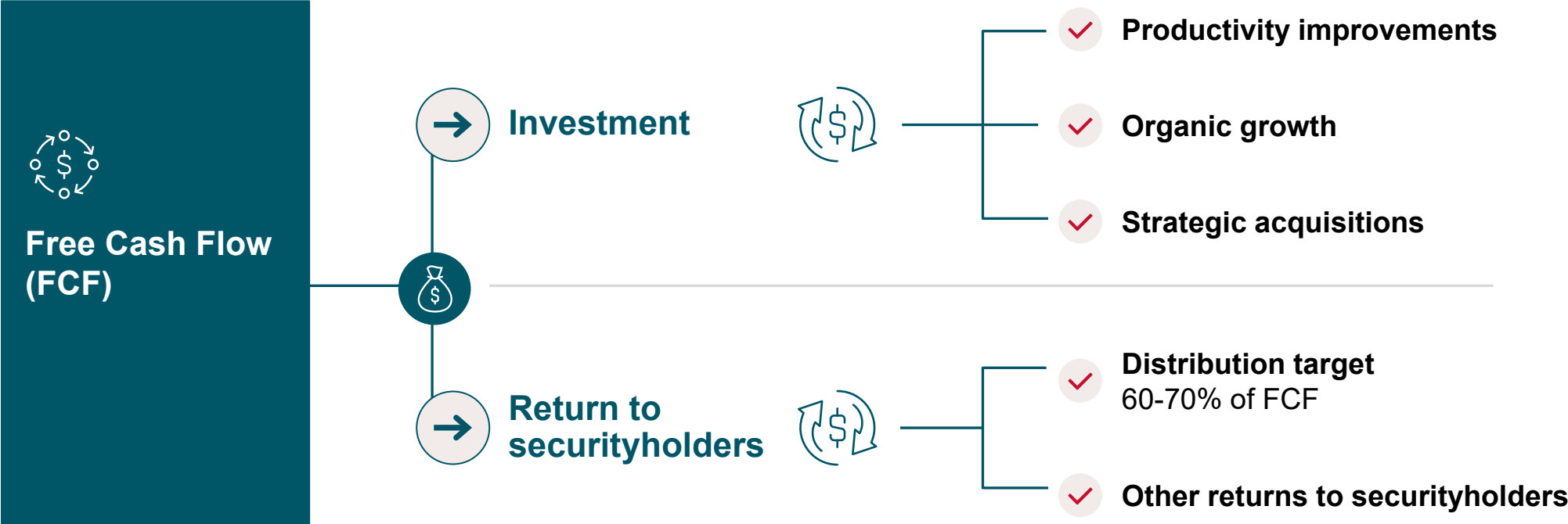
Organic growth opportunities (examples)

	<b>Contracted Renewables and Firming</b>	<ul style="list-style-type: none"> <li>• Port Hedland solar and BESS (construction underway)</li> <li>• &gt;\$3.0bn Pilbara Energy development pipeline</li> </ul>
	<b>Electricity Transmission</b>	<ul style="list-style-type: none"> <li>• New England Renewable Energy Zone (REZ)</li> <li>• VicGrid</li> </ul>
	<b>Gas Transmission</b>	<ul style="list-style-type: none"> <li>• Beetaloo</li> <li>• East Coast Grid Stage 2 (construction underway)</li> <li>• Kurri Kurri Lateral (construction underway)</li> </ul>
	<b>Future Energy</b>	<ul style="list-style-type: none"> <li>• Wesfarmers (Hydrogen)</li> <li>• Santos (CCS)</li> </ul>

\*Estimated organic growth capital expenditure pipeline for FY24 to FY26 reflects management’s current expectations based on project design and is subject to change up to final investment decision and agreement on definitive documents. Actual expenditure in each year will depend on project commitments and timing, and may differ from estimates as a result of increased costs, delays or other factors.

\*\*Based on forecast capex requirements of development pipeline in real 2023 dollars.

# Creating Value: Capital allocation framework maximises securityholder value



## Capital allocation foundations

1. Maintain investment grade BBB / Baa2 credit ratings
2. Allocate capital based on maximising premium to risk adjusted WACC relative to securityholders alternatives e.g. buybacks
3. Deliver sustainable distributions to securityholders
4. Execute on value accretive growth opportunities with disciplined investment hurdles



# 1H24 Financial Performance

Garrick Rollason  
CFO

Port Hedland Power Station



# 1H24 has delivered 6% growth in Underlying EBITDA and 4% growth in normalised Free Cash Flow

		1H24	1H23	1H24 vs 1H23 <sup>(10)</sup>
<b>Underlying EBITDA<sup>(11)</sup></b>	<b>\$m</b>	<b>930</b>	<b>879</b>	<b>5.8%</b>
<i>Underlying EBITDA margin</i>	%	73.2%	74.8%	n.m.
<b>Free Cash Flow<sup>(12)</sup></b>	<b>\$m</b>	<b>546</b>	<b>484</b>	<b>12.8%</b>
<b>Distribution per security</b>	<b>cents</b>	<b>26.5</b>	<b>26.0</b>	<b>1.9%</b>
Revenue (excluding pass-through) <sup>(13)</sup>	\$m	1,274	1,232	3.4%
Segment revenue (excluding pass-through) <sup>(14)</sup>	\$m	1,271	1,175	8.2%
Non-operating items <sup>(15)</sup>	\$m	(90)	11	n.m.
Reported EBITDA <sup>(16)</sup>	\$m	840	890	-5.6%
NPAT excluding significant items	\$m	74	191	-61.3%
Significant items after tax <sup>(17)</sup>	\$m	975	-	n.m.
Statutory NPAT inc significant items	\$m	1,049	191	n.m.

		1H24	1H23
Net debt	\$m	11,409	10,513
Liquidity ratio	times	2.0x	1.5x
Credit ratings (S&P/Moody's)	metric	BBB/Baa2	BBB/Baa2
FFO/Net Debt	%	9.9%	11.3%
Weighted average cost of debt	%	4.6%	4.4%

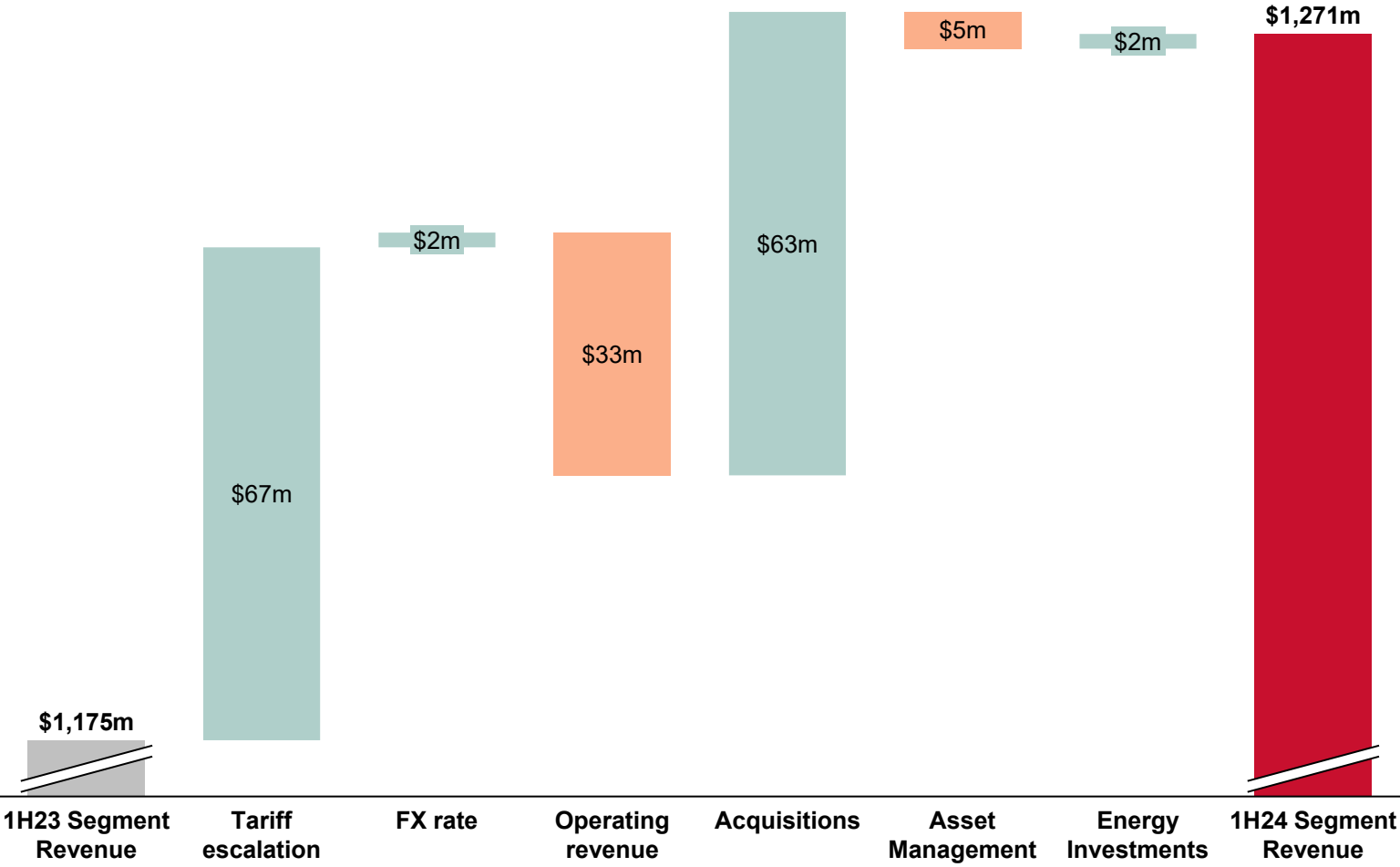
n.m. = not meaningful.

# Strong contribution from new assets and continued investment in our business in 1H24

EBITDA	Costs	Capex
<p><b>Growth from new assets and inflation</b></p>	<p><b>Continued investment in capability</b></p>	<p><b>Continued investment in existing assets and foundational capex</b></p>
<p><b>+\$67m</b> Inflation linked tariff escalation</p>	<p><b>+\$10m</b> Electricity Transmission business development, with investment in capability and New England REZ bid costs</p>	<p><b>+\$22m</b> Stay-in-business capex of \$110m in 1H24 including:</p> <ul style="list-style-type: none"> <li>• Recently acquired assets</li> <li>• Gas transmission pipeline integrity works</li> <li>• Maintenance program at Diamantina Power Station (DPS)</li> </ul>
<p><b>+\$21m</b> Pilbara Energy 2 months contribution</p>	<p><b>+\$7m</b> Corporate costs of \$79m in 1H24, including continued investment in corporate capability, technology, sustainability and a non-cash Long Term Incentives (LTI) mark-to-market adjustment</p>	<p><b>-\$1m</b> Foundational capex of \$27m in 1H24 including:</p> <ul style="list-style-type: none"> <li>• Grid Solutions Program</li> <li>• Emissions reduction program</li> <li>• Security programs</li> </ul>
<p><b>+\$19m</b> Basslink 6 months contribution of \$27m in 1H24 (\$8m in 1H23)</p>	<p><b>+\$24m</b> Technology transformation opex of \$46m in 1H24, including Enterprise Resource Planning (ERP)</p>	

Reported increase/decrease is against 1H23

# Revenue growth driven by inflation linked tariffs and recent acquisitions

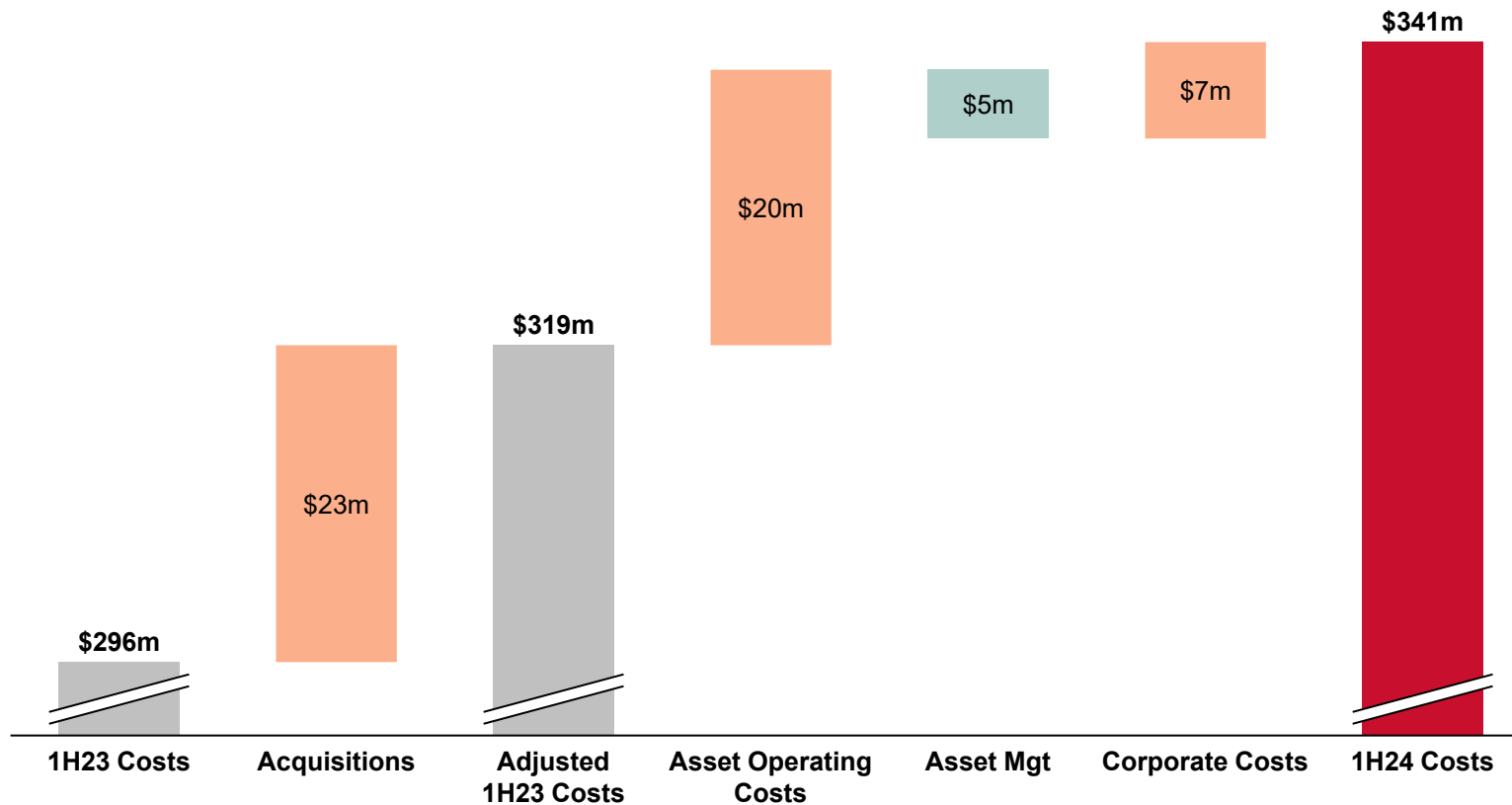


### Key drivers

- Inflation linked tariff escalation:
  - \$44m impact in Energy Infrastructure ex Wallumbilla Gladstone Pipeline (WGP)
  - \$23m impact for WGP
- Decline in operating revenue reflects lower customer volumes on Victorian Transmission System (VTS) due to warmer winter, lower variable demand on DPS and Roma Brisbane Pipeline (RBP) and divestment of Orbest (-\$6m)
- Acquisitions driven by Pilbara Energy (\$39m) and Basslink (\$24m)
- Asset Management impacted by a change in project mix with lower 'cost plus margin' projects and higher customer contribution projects, which resulted in lower revenue, but higher EBITDA



# Costs have grown as we integrate new acquisitions and continue to invest in capability



## Key drivers

- Recently acquired assets (Pilbara Energy and Basslink), increased asset operating costs at North West Power System and investment in Electricity Transmission business development
- Corporate costs up 9.7% due to investment in corporate capability, technology, sustainability and a non-cash LTI mark-to-market adjustment. Corporate costs are up 5.6% excluding the impact of the LTI adjustment

# EBITDA growth across all segments

EBITDA by segment		1H24	1H23	% Change <sup>(18)</sup>
East Coast	\$m	349	345	1.2%
West Coast	\$m	165	152	8.6%
Wallumbilla Gladstone Pipeline <sup>(19)</sup>	\$m	321	297	8.1%
Power Generation <sup>(20)</sup>	\$m	110	105	4.8%
Electricity Transmission <sup>(20)</sup>	\$m	17	8	112.5%
<b>Total Energy Infrastructure</b>	<b>\$m</b>	<b>962</b>	<b>907</b>	<b>6.1%</b>
<b>Asset Management</b>	<b>\$m</b>	<b>34</b>	<b>33</b>	<b>3.0%</b>
<b>Energy Investments</b>	<b>\$m</b>	<b>13</b>	<b>11</b>	<b>18.2%</b>
Corporate Costs	\$m	(79)	(72)	(9.7%)
<b>Underlying EBITDA<sup>(21)</sup></b>	<b>\$m</b>	<b>930</b>	<b>879</b>	<b>5.8%</b>
<i>Underlying EBITDA margin</i>	%	73.2%	74.8%	n.m.

## Key drivers

- East Coast - warmer winter (VTS) and lower variable revenue (RBP)
- West Coast - contribution from additional 11.8% ownership of Goldfields Gas Pipeline (GGP) and initial contribution from NGI
- WGP – inflation (\$23m) and favourable FX movement (\$2m)
- Power Generation – initial contribution from Pilbara Energy and Dugald River Solar Farm, partly offset by lower earnings from Diamantina Power Station (DPS)
- Electricity Transmission - half year contribution from Basslink (\$27m), partly offset by business development costs

n.m. = not meaningful.

# Non-operating items includes ongoing non-cash items and foundational investment

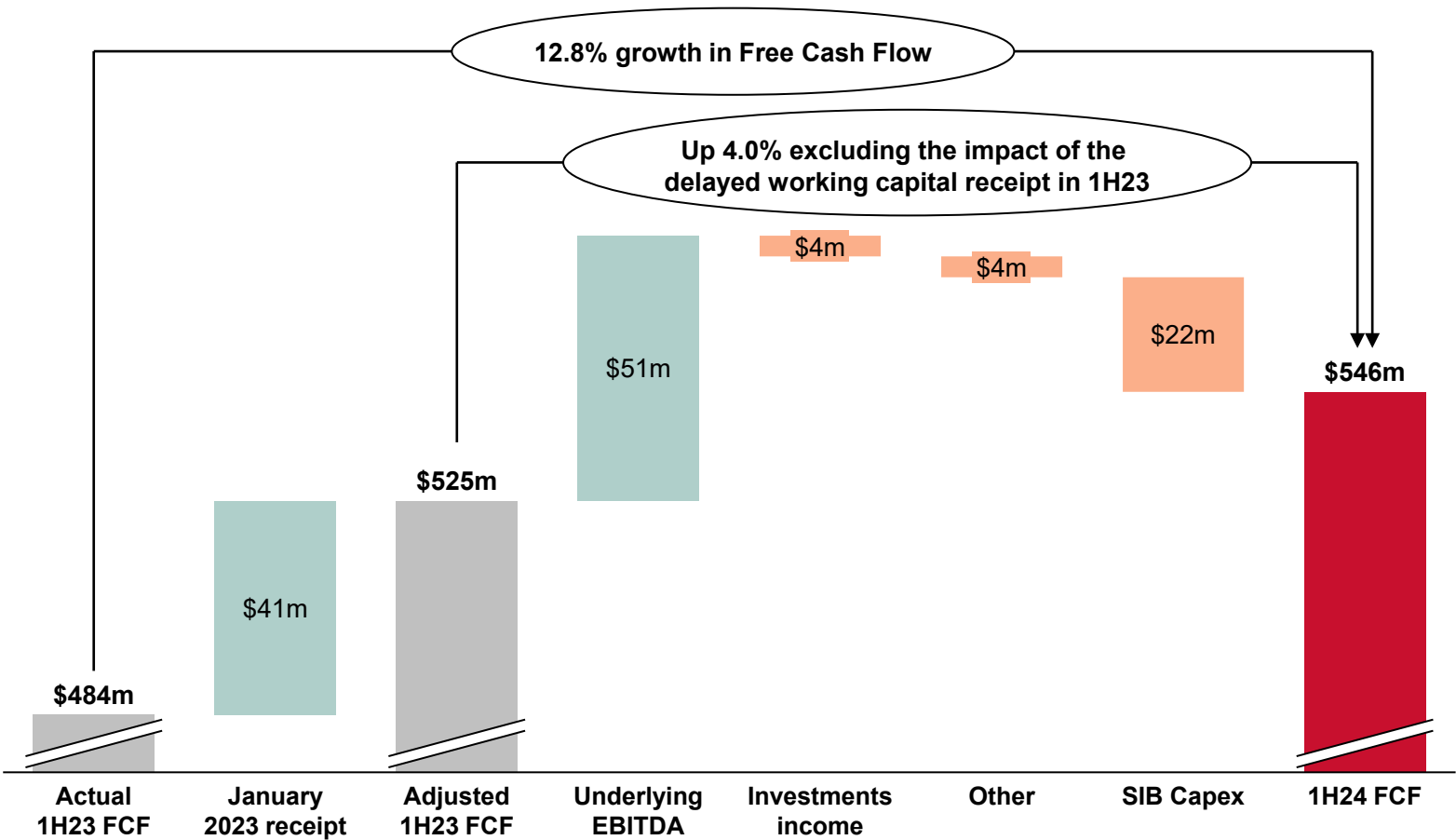
		1H24	1H23	% Change
<b>Underlying EBITDA<sup>(22)</sup></b>	<b>\$m</b>	<b>930</b>	<b>879</b>	<b>5.8%</b>
Technology transformation projects <sup>(23)</sup>	\$m	(46)	(22)	109.1%
Fair value loss on contracts for difference <sup>(24)</sup>	\$m	(22)	(10)	120.0%
Wallumbilla Gas Pipeline hedge accounting unwind <sup>(25)</sup>	\$m	(19)	(18)	5.6%
Pilbara Energy integration costs	\$m	(3)	-	n.m.
Basslink non-operating net income	\$m	-	64	n.m.
Payroll Review	\$m	-	(3)	n.m.
<b>Total Non-Operating items</b>	<b>\$m</b>	<b>(90)</b>	<b>11</b>	<b>n.m.</b>
<b>Reported EBITDA<sup>(26)</sup></b>	<b>\$m</b>	<b>840</b>	<b>890</b>	<b>(5.6%)</b>
<b>Significant items after tax</b>	<b>\$m</b>	<b>975</b>	<b>-</b>	<b>n.m.</b>

## Key drivers

- Technology transformation costs increased with the investment in key foundational projects, including the ERP
- Electricity contracts for difference are non-cash and will remain volatile from period to period
- Ongoing non-cash amortisation of the discontinued WGP hedge
- Significant items relate to remeasurement of APA's 88.2% interest in GGP in accordance with accounting standards partly offset by Pilbara Energy acquisition and stamp duty costs

n.m. = not meaningful

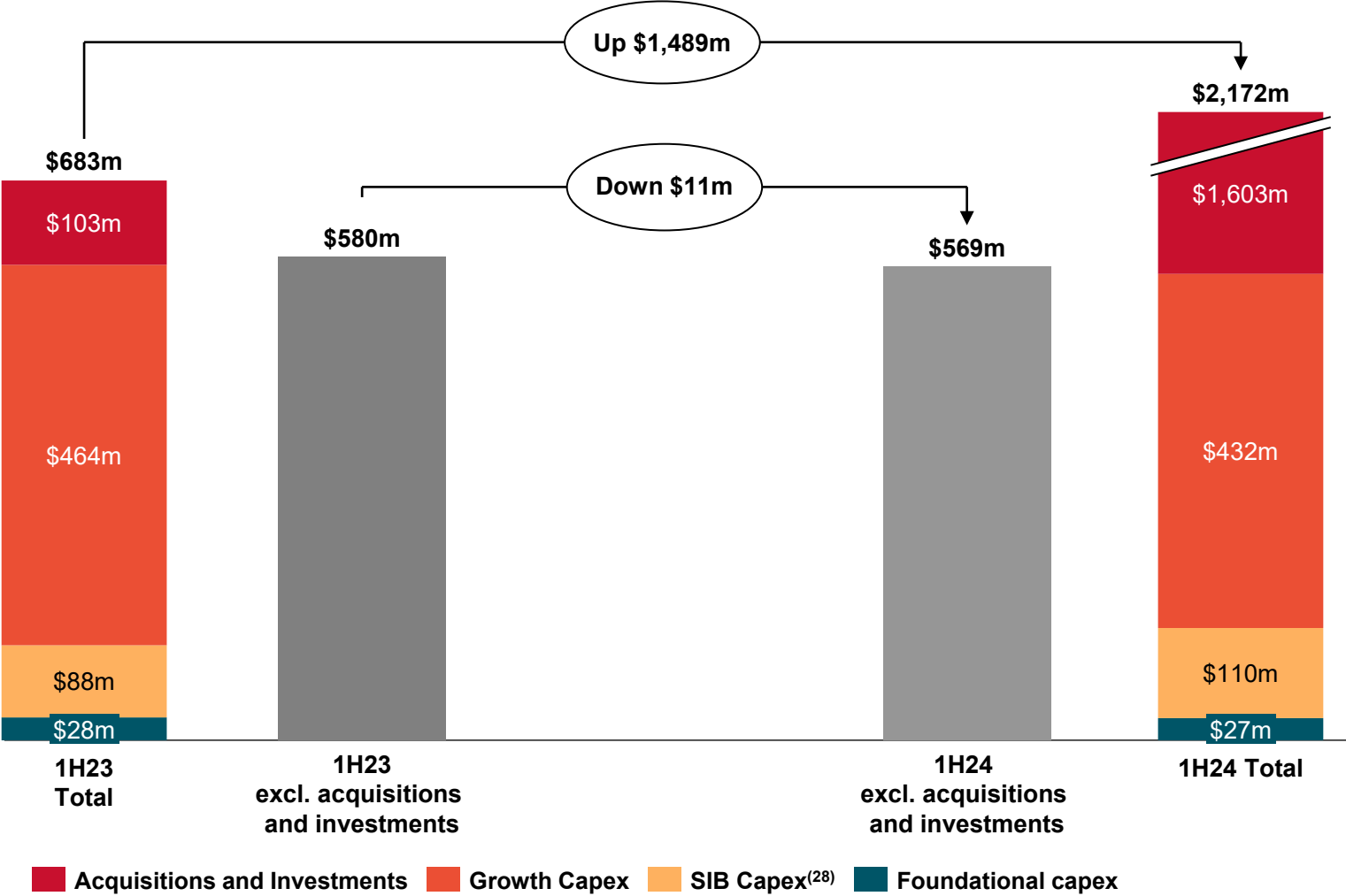
# Strong Free Cash Flow<sup>(27)</sup> growth reflects underlying earnings growth, partly offset by higher SIB capex ensuring asset excellence



### Key drivers

- Recently acquired assets (2 months contribution from Pilbara Energy and 6 months contribution from Basslink)
- SIB capex higher due to gas transmission pipeline integrity works, DPS maintenance program and recently acquired assets
- Investments income lower due to reduction in dividends from SEAGas

# Continued capital investment in 1H24 to drive longer term growth and ensure reliability of our assets



**Acquisitions**

- Pilbara Energy acquisition

**Growth**

Includes:

- East Coast Grid expansion
- Kurri Kurri Lateral
- Northern Goldfields Interconnect
- Western Outer Ring Main (WORM)

**SIB**

Includes:

- Pipeline integrity works
- DPS maintenance program

**Foundational**

Includes:

- Grid Solutions Program
- Emissions reduction program
- Security programs

# Balance sheet positioned to support investment in future growth

## Treasury principles:



Retain investment grade  
BBB / Baa2 credit ratings



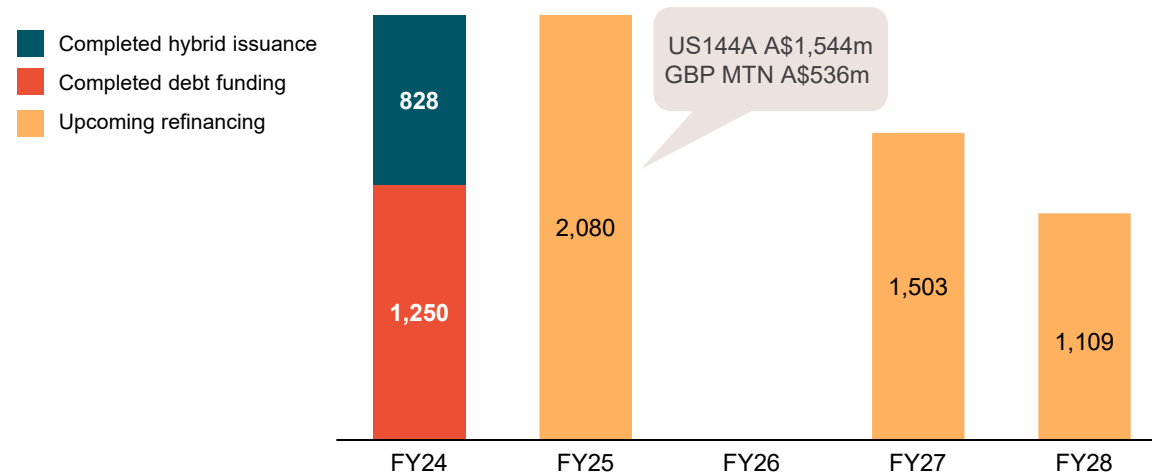
Diversity of funding with  
the ability to access funds  
from a variety of markets



Strong liquidity  
on a 12 month  
look forward basis

	1H24	1H23
Net debt	\$11.4bn	\$10.5bn
Liquidity: Cash & Undrawn facilities	\$2.9bn	\$2.3bn
Average duration of debt	5.7 years	6.2 years
Weighted average cost of debt	4.6%	4.4%
Maximum maturing in one year	17%	19%
FFO/Net Debt	9.9%	11.3%
FFO/Interest	3.3x	3.6x
Liquidity ratio	2.0x	1.5x

## Completed debt funding and upcoming refinancing activities (A\$m)



	FY24 completed	FY25	FY26	FY27	FY28
Weighted average cost of debt refinanced / maturing (by FY)	6.92%	4.97%	n.m.	4.92% 4.40% <sup>(29)</sup>	5.29%
Weighted average cost of hybrid issued (by FY)	9.30%	n.m.	n.m.	n.m.	n.m.
Percentage of drawn debt (by FY)	16%	16%	n.m.	12%	9%

# Outlook considerations remain unchanged\*

Underlying EBITDA	Costs	Capex
<b>Growth from new assets and inflation</b>	<b>Continued investment in capability</b>	<b>Continued investment in existing assets and foundational capex</b>
<ul style="list-style-type: none"><li>• 8 month contribution of Pilbara Energy (~\$90 million), in line with the business case, and full year contribution from Basslink</li><li>• East Coast Grid Expansion and Northern Goldfields Interconnector expected to ramp up over the coming years</li><li>• Port Hedland Solar and BESS expected to be commissioned in 1H FY25</li></ul>	<ul style="list-style-type: none"><li>• Corporate costs in FY24 expected to grow at approximately 13% compared with FY23, moderating in FY25</li><li>• Technology transformation costs expected to peak in FY24 at ~\$100m driven by ERP and security projects; expected to moderate in FY26</li><li>• Technology costs includes ~\$20m of ongoing SaaS implementation costs which will continue into the future, aligned with our cloud strategy</li></ul>	<ul style="list-style-type: none"><li>• SIB capex (pre Pilbara Energy) expected to peak in FY24 at ~\$200m, including Basslink, gas transmission pipeline integrity works and maintenance program at DPS</li><li>• SIB capex (pre Pilbara Energy) is expected to taper over the following two years as integrity works moderate</li><li>• Pilbara Energy SIB is expected to be ~\$25-30m on an annualised basis</li><li>• Foundational capex expected to peak in FY24 at ~\$150m, which includes our Grid Solutions Program, emissions reduction program and security programs</li></ul>

\*The considerations on this slide reflect management's current expectations. They are based on management's view of the current and anticipated needs of APA Group in the relevant financial year. They are subject to review and change from time to time. See the disclaimer in slide 2 of this presentation for further details regarding forward-looking statements



# Market Dynamics and Strategy

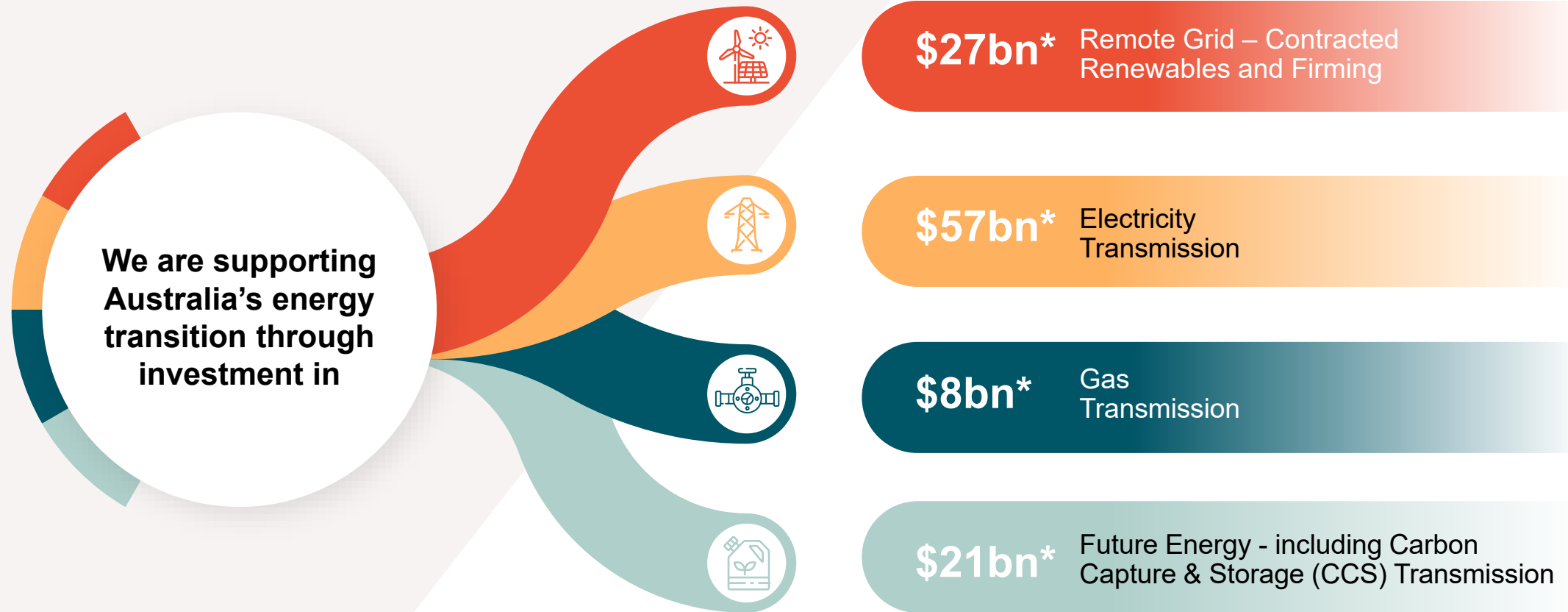
Adam Watson  
CEO & MD

Mondarra gas pipeline









# Strategy remains unchanged - to be the partner of choice in delivering infrastructure solutions for the energy transition



\*Estimated addressable market sizes in Australia. Estimates are based on a number of key assumptions, including in relation to macroeconomic factors, future technology advancements and costs, market demand, regulatory requirements and government policies and there can be no assurance the estimates are accurate. The actual addressable market sizes may differ materially from the estimates because events frequently do not occur as projected.

# APA is adapting to shifting energy market dynamics

MARKET DYNAMIC	OPPORTUNITY / RISK	IMPLICATIONS FOR APA
 <p><b>Customer Decarbonisation</b></p>	<p>Customers facing pressure to deliver a faster <b>decarbonisation pathway</b>. Increasing acknowledgement of renewables and gas as the pathway to deliver net zero.</p>	<p>Demand for established operators to partner to deliver on requirements. Significant market opportunity to provide bundled energy solutions.</p>
 <p><b>Pace of Transition</b></p>	<p><b>Slower than expected roll out of the transition</b> due to policy concerns, rising costs, access to equipment and materials, skilled labour shortages, land approvals and transmission constraints.</p>	<p><b>Prolonged dependency</b> on existing energy infrastructure assets. <b>Growth</b> will come to those who can work collaboratively with customers and the community to accelerate the energy transition.</p>
 <p><b>Role of Gas</b></p>	<p><b>Growing community and government recognition of the essential role of gas</b> to support the build-out of renewables (outside of Victoria).</p>	<p><b>Growing awareness</b> of the significant challenges to maintain a reliable and affordable energy system is increasing the dependency on APA's gas infrastructure over the long term.</p>
 <p><b>Policy &amp; Regulation</b></p>	<p><b>Policy and regulatory intervention</b> continue to challenge the success of an orderly energy transition</p>	<p>APA needs to ensure it retains its social licence by delivering <b>benefits to customers and the community</b>. APA's investment in the east coast grid will continue to be made on the basis of the creation and protection of value to our securityholders.</p>

# Regulatory matters being addressed

## Basslink

- The conversion application and revenue proposal are currently under consideration by the Australia Energy Regulator (AER)
- The AER's draft decision is expected to be released on 14 June 2024

## Goldfields Gas Pipeline

- Next regulatory access arrangement for the period 1 January 2025 to 31 December 2029 has been submitted to the Economic Regulatory Authority (ERA) for assessment and approval

## Form of Regulation Reviews

- Changes to National Gas Law came into effect in March 2023
- The AER has new regulatory powers to initiate a process to review the form of regulation applied to major pipelines



The AER has advised it is undertaking a series of reviews on pipelines over several years



The AER has stated they have no pre-determined outcome in mind



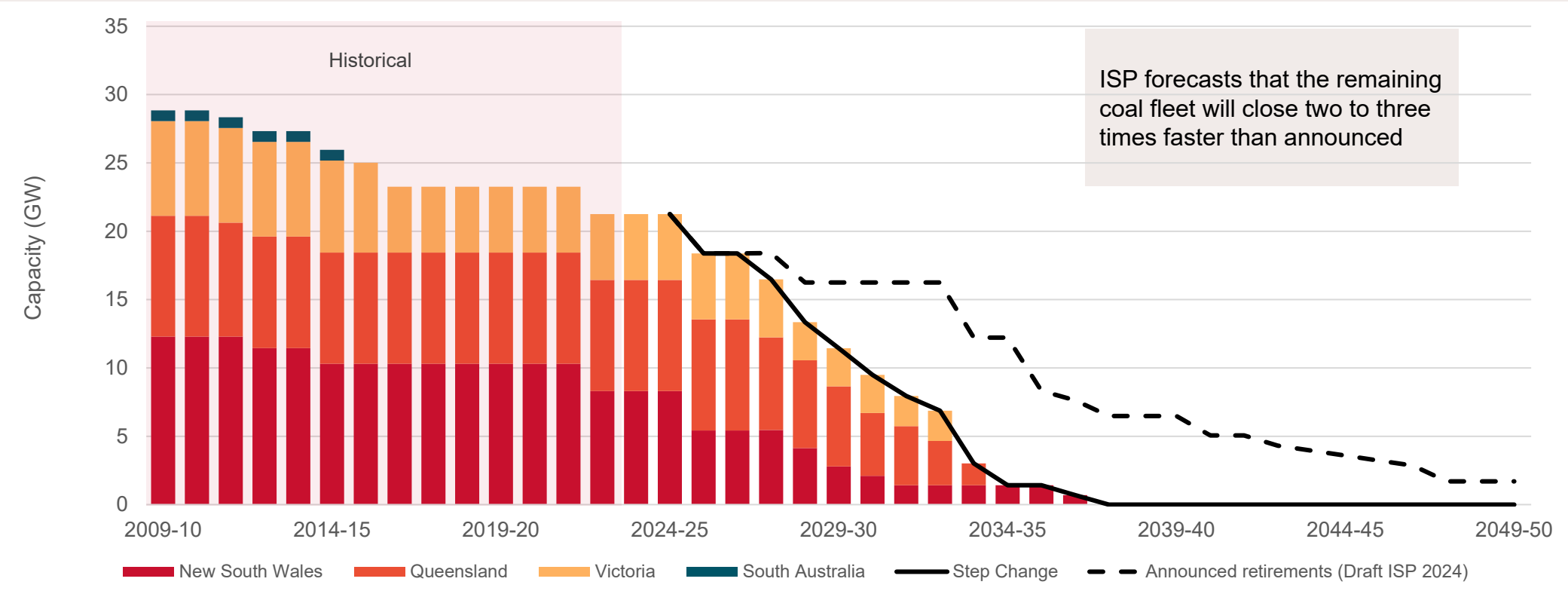
It is expected the first form of regulation review will commence, and conclude, by the end of the calendar year



The AER has communicated that the South West Queensland Pipeline will be the first pipeline subject to a form of regulation review

# The most efficient and effective way to decarbonise Australia's energy system is to retire coal and build out renewables supported by gas

**AEMO's 2024 Draft Integrated System Plan (ISP) Step Change scenario forecasts ~20 GW of all coal generation will close by 2035 (90% of current capacity); last unit to shut by 2038**

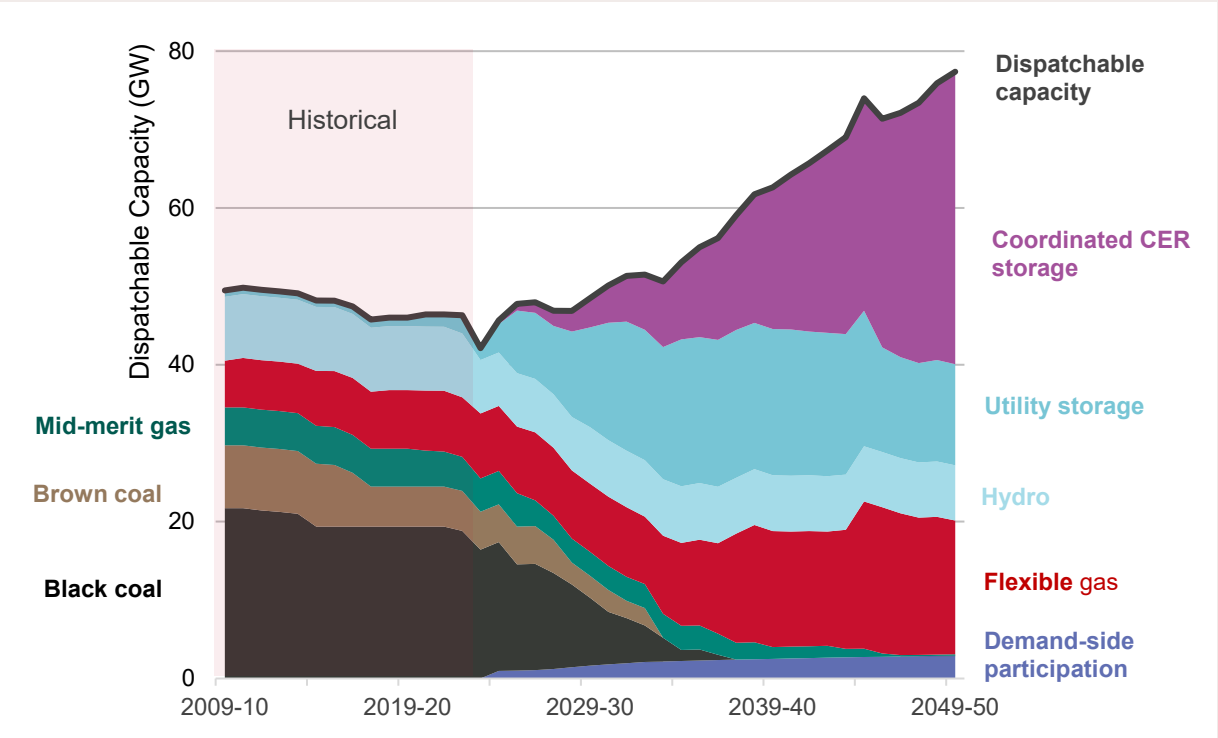


AEMO 2024 Draft ISP, Figure 1

# Demand for peak gas firming capacity is forecast to more than double<sup>(30)</sup> by 2050 to support the retirement of coal and build out of renewables

2024 Draft ISP requires more dispatchable capacity, including gas powered generation (GPG), with 17 GW of installed GPG capacity required by 2050

National Energy Market (NEM) under the 2024 Draft ISP step change scenario requires the following by 2050...



AEMO 2024 Draft ISP, Figure 14



**New Generation**  
**7-fold** increase in grid-scale variable renewable energy (ISP forecast 126 GW)



**Electricity Transmission**  
**10,000 km** of additional transmission infrastructure



**Firming**  
**4-fold** capacity increase:  
 – 13 GW of new gas generation  
 – 34 GW of new battery energy storage system (BESS)

# Case study - Victoria's Gas Power Generation (GPG) response helps secure the grid and deliver reliable energy to Victorians

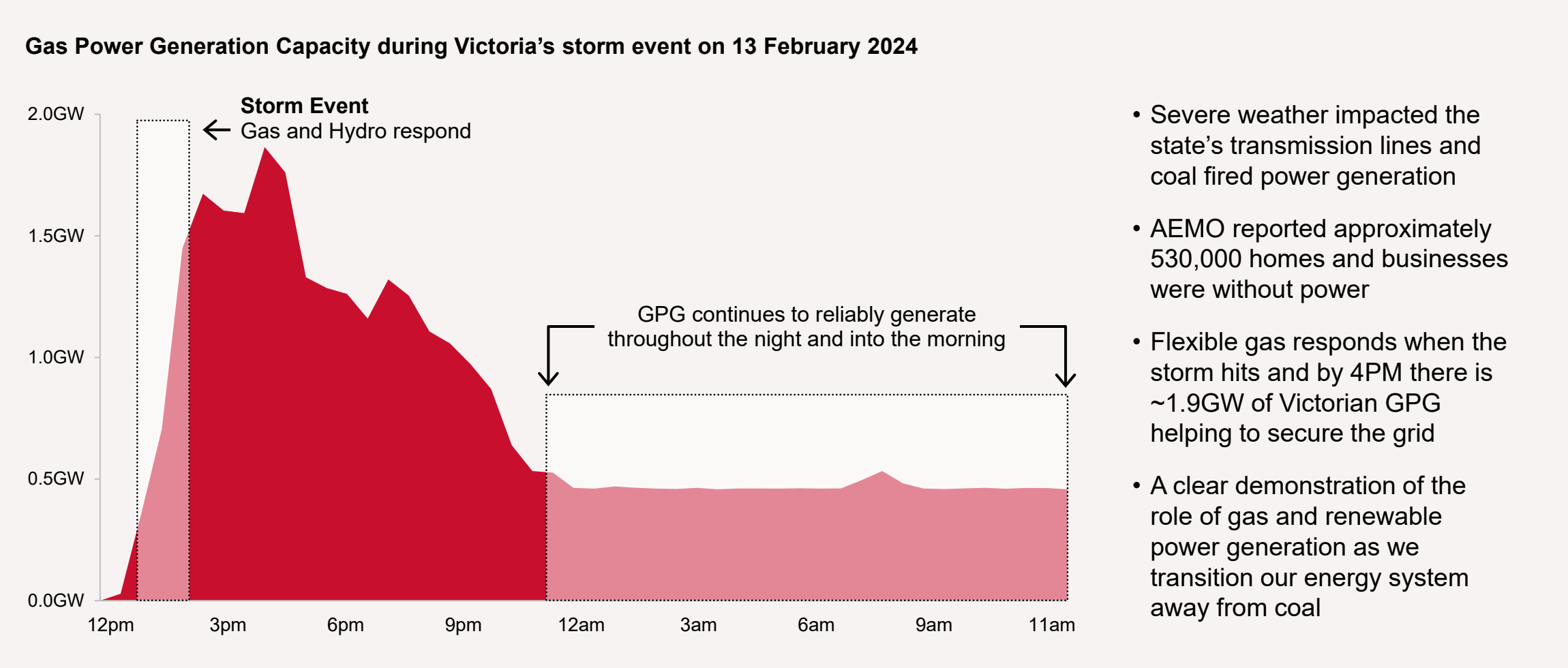


Chart – OpenNEM

# Gas will continue to play a critical role beyond supporting the transition to renewables

An effective transition requires energy that is...



- 1 Firming the accelerated build out of renewables and exit of coal**  
Approx. 120 TWh per annum of additional renewables is required to meet 82% renewable electricity by 2030
- 2 Powering essential Australian industry, farming, manufacturing and minerals processing**  
Without a viable commercial alternative, gas is the only energy solution for high heat industry and feedstock e.g. cement, glass, aluminium, steel, fertilisers
- 3 Powering remote grid systems / industries and displacing higher carbon intensive fuels**  
Significant opportunity to displace diesel with renewables and gas in the immediate term



## Closing Remarks

Adam Watson  
CEO & MD

Dugald River Solar Farm





# Today's key messages



## Solid 1H24 result

- Solid operating and financial performance across our portfolio
- Pilbara Energy integration on track and earnings contribution in line with business case
- Basslink integration on track and earnings contribution in line with business case



## Executing on our growth strategy

- Significant growth platform established with the acquisition of Pilbara Energy
- EDF partnership announced to support our Electricity Transmission strategy
- Raised \$875m equity, \$1.25bn debt and \$828m hybrid to strengthen balance sheet and support growth



## Outlook remains positive

- Reaffirmed FY24 DPS guidance of 56cps\*
- FY24 Underlying EBITDA guidance of \$1,870m-\$1,910m\*\* which is consistent with all considerations previously provided
- FY24-26 organic growth pipeline >\$1.8bn plus >\$3bn Pilbara pipeline\*\*\*
- Customer appetite for decarbonisation continuing to grow, underpinning APA's renewable platform and the critical role of gas

\*DPS guidance is subject to asset performance, macroeconomic factors, regulatory changes as well as timing of distributions from non-100% owned assets, with distributions to be determined at the Board's discretion. It does not take into account the impact of any potential acquisitions or divestments by APA and any associated funding arrangements.

\*\*FY24 Underlying EBITDA guidance has been provided by APA in light of the recent Pilbara Energy acquisition. APA's Market Disclosure Policy states that APA does not ordinarily provide earnings guidance or interest guidance, however the ongoing provision of guidance will be considered by the Board at a future time. Underlying EBITDA guidance is subject to asset performance, macroeconomic factors and regulatory changes. It does not take into account the impact of any potential acquisitions or divestments by APA. For further information regarding revenue and cost considerations please see the 2023 November Investor Day presentation released on ASX on 15 November 2023 and page 30. Underlying EBITDA guidance is not a predictor or guarantee of future performance and is subject to uncertainties and risks – please see the Disclaimer on page 2.

\*\*\*Based on forecast capex requirements of development pipeline projects in real 2023 dollars.

apa

# Q & A





# Supplementary Financials

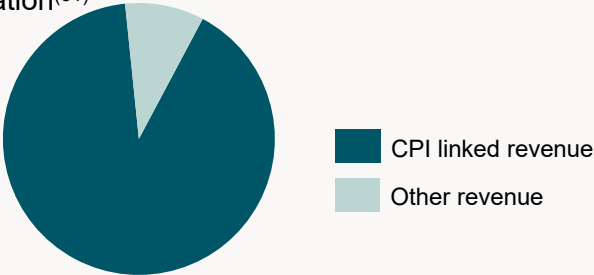


Diamantina Power Station

# Inflation linked revenues

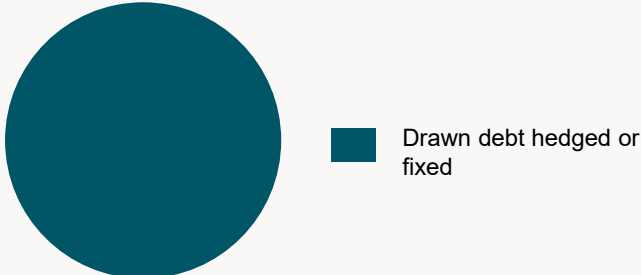
## Revenue

Majority of APA's fixed revenue is indexed to inflation<sup>(31)</sup>



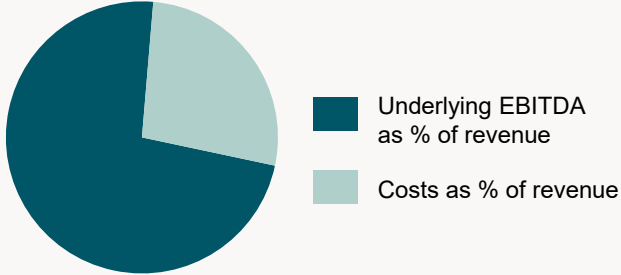
## Drawn debt

Fully hedged/fixed with average maturity of 5.7 yrs<sup>(32)</sup>



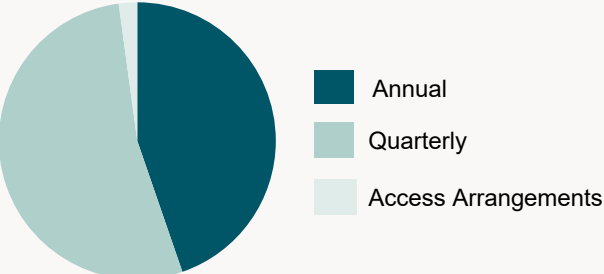
## EBITDA

High EBITDA margins<sup>(33)</sup>



## Inflation escalation<sup>(34)</sup>

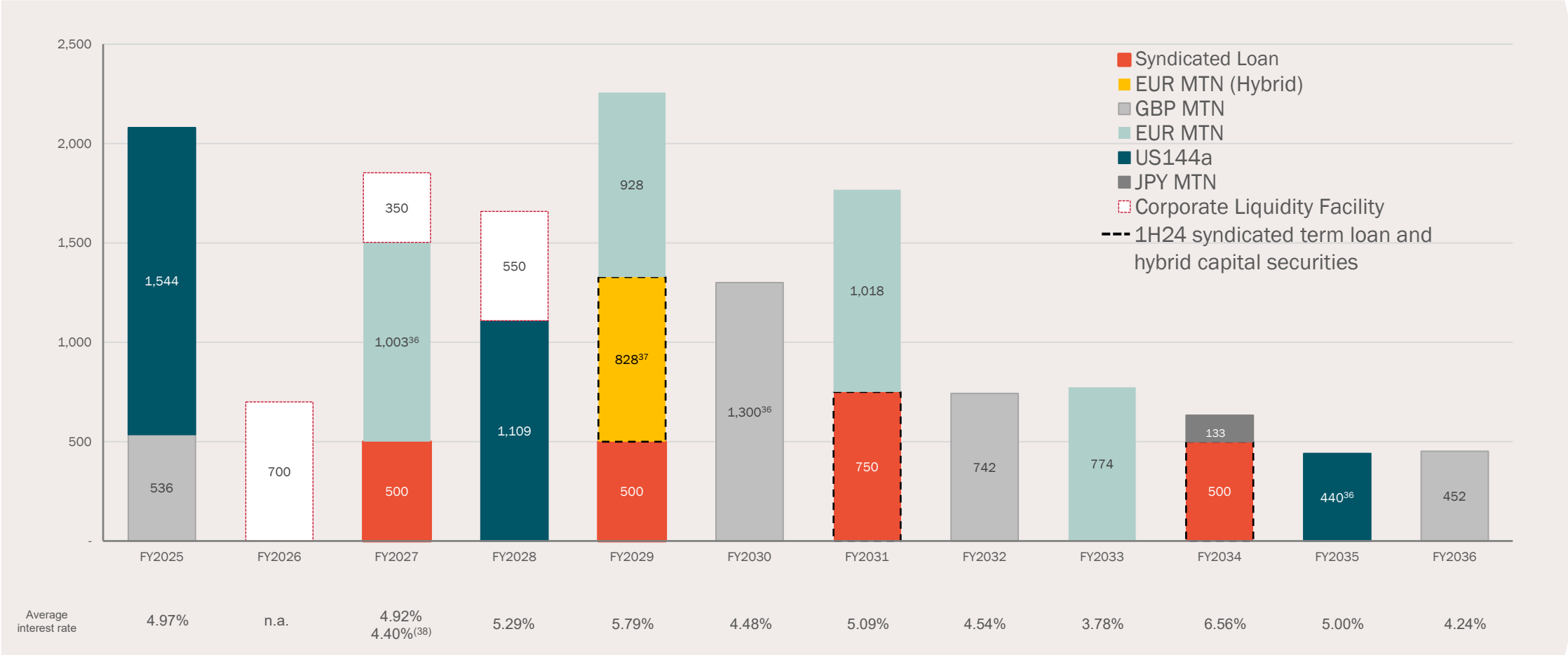
Approx. timing of inflation linked revenue escalation



## Commentary

- A mix of annual and quarterly inflators in Australia
- WGP US revenue is adjusted for US inflation indices annually from 1 January each year. The adjustment is based on a blend of the US Consumer Price Index (CPI) and US Producer Price Index (PPI) from the previous 12 months to November
- Various contract factors can result in the spot inflation rate not translating directly through to APA Group revenues (at the portfolio level)
- Inflation linked revenues will support the funding of the opex investments we are making through FY24 and FY25, designed to strengthen resilience and achieve sustainable growth over the long term
- Temporarily, this will translate into not all of the inflationary benefits flowing through to EBITDA

# Diversity of funding sources and maturities<sup>(35)</sup>



# 1H24 Financial results summary

Financial summary		1H24	1H23	% Change <sup>(39)</sup>
Revenue (excluding pass-through) <sup>(40)</sup>	\$m	1,274	1,232	3.4%
Segment revenue (excluding pass-through) <sup>(41)</sup>	\$m	1,271	1,175	8.2%
<b>Underlying EBITDA<sup>(42)</sup></b>	<b>\$m</b>	<b>930</b>	<b>879</b>	<b>5.8%</b>
Non-operating items <sup>(43)</sup>	\$m	(90)	11	n.m.
Reported EBITDA <sup>(44)</sup>	\$m	840	890	(5.6%)
Depreciation and amortisation	\$m	(435)	(356)	(22.2%)
Net interest expense <sup>(45)</sup>	\$m	(260)	(229)	(13.5%)
Income tax expense (excluding significant items)	\$m	(71)	(114)	37.7%
NPAT (excluding significant items)	\$m	74	191	(61.3%)
Significant items after tax <sup>(46)</sup>	\$m	975	-	n.m.
Statutory NPAT (including significant items)	\$m	1,049	191	n.m.
Free Cash Flow <sup>(47)</sup>	\$m	546	484	12.8%
<b>Distribution per security</b>	<b>cents</b>	<b>26.5</b>	<b>26.0</b>	<b>1.9%</b>
Cash and undrawn debt facilities <sup>(48)</sup>	\$m	2,938	2,268	29.5%

# Historical Underlying EBITDA by asset – Energy Infrastructure

\$ million	1H24	1H23	FY23	FY22	FY21 <sup>(49)</sup>	FY20 <sup>(49)</sup>	FY19 <sup>(49)</sup>
<b>East Coast Grid</b>							
Wallumbilla Gladstone Pipeline	321	297	620	578	550	539	542
South West Queensland Pipeline	145	132	262	245	233	254	250
Moomba Sydney Pipeline	75	73	126	136	152	161	149
Victorian Systems	68	74	129	142	113	102	114
Roma Brisbane Pipeline	22	29	54	48	52	57	58
Carpentaria Gas Pipeline	18	17	35	29	29	30	37
Other Qld assets	14	13	24	28	24	23	20
<b>Northern Territory</b>							
Amadeus Gas Pipeline	7	7	14	17	23	20	19
<b>South Australia</b>							
SESA Pipeline and other SA assets	-	-	1	1	2	2	2
<b>East Coast total (incl WGP)</b>	<b>670</b>	<b>642</b>	<b>1,265</b>	<b>1,224</b>	<b>1,178</b>	<b>1,188</b>	<b>1,191</b>
<b>East Coast total (excl WGP)</b>	<b>349</b>	<b>345</b>	<b>645</b>	<b>646</b>	<b>628</b>	<b>649</b>	<b>649</b>
<b>Western Australia</b>							
Goldfields Gas Pipeline <sup>(50)</sup>	93	90	177	167	155	150	125
Eastern Goldfields Pipeline	28	28	59	54	51	51	46
Mondarra Gas Storage and Processing Facility	25	19	41	36	37	36	34
Pilbara Pipeline System	14	14	28	27	26	28	28
Other WA assets	5	1	-	5	2	6	3
<b>Western Australia Total</b>	<b>165</b>	<b>152</b>	<b>305</b>	<b>289</b>	<b>271</b>	<b>271</b>	<b>236</b>
<b>Power Generation</b>							
North West Power System	50	62	110	109	94	89	91
Badgingarra Wind and Solar Farms	19	19	35	39	32	34	15
Emu Downs Wind and Solar Farms	13	13	30	27	27	25	23
Darling Downs Solar Farm	6	5	12	11	14	16	11
Gruyere Power Station	6	6	12	8	8	7	3
Pilbara Energy system	16	-	-	-	-	-	-
<b>Power Generation Total</b>	<b>110</b>	<b>105</b>	<b>199</b>	<b>194</b>	<b>175</b>	<b>171</b>	<b>143</b>
<b>Electricity Transmission</b>							
Basslink & Others	17	8	24	-	-	-	-
<b>Electricity Transmission Total</b>	<b>17</b>	<b>8</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>962</b>	<b>907</b>	<b>1,793</b>	<b>1,707</b>	<b>1,624</b>	<b>1,630</b>	<b>1,570</b>

# Revenue and Underlying EBITDA by geography

\$ million	1H24	1H23	Change (\$)	Change (%) <sup>(51)</sup>
<b>Revenue</b>				
<b>Energy Infrastructure</b>				
Queensland	686	652	34	5.2%
New South Wales	87	92	(5)	-5.4%
Victoria	124	109	15	13.8%
South Australia	1	1	-	0.0%
Northern Territory	13	14	(1)	-7.1%
Western Australia	280	230	50	21.7%
<b>Energy Infrastructure total</b>	<b>1,191</b>	<b>1,098</b>	<b>93</b>	<b>8.5%</b>
Asset Management	59	64	(5)	-7.8%
Energy Investments	13	11	2	18.2%
Other non-contracted revenue	8	2	6	300.0%
<b>Total segment revenue (excluding pass-through)</b>	<b>1,271</b>	<b>1,175</b>	<b>96</b>	<b>8.2%</b>
Pass-through revenue	242	267	(25)	-9.4%
Wallumbilla Gas Pipeline hedge accounting discontinuation	(19)	(18)	(1)	-5.6%
Interest income on basslink debt investment	-	50	(50)	n.m.
Basslink AEMC Market Compensation	-	15	(15)	n.m.
Unallocated revenue	22	10	12	n.m.
<b>Total revenue</b>	<b>1,516</b>	<b>1,499</b>	<b>17</b>	<b>1.1%</b>
<b>Underlying EBITDA</b>				
<b>Energy Infrastructure</b>				
Queensland	576	555	21	3.7%
New South Wales	75	73	2	2.7%
Victoria	85	82	3	3.8%
South Australia	-	-	-	-
Northern Territory	7	7	-	-
Western Australia	219	190	29	15.3%
<b>Energy Infrastructure total</b>	<b>962</b>	<b>907</b>	<b>55</b>	<b>6.0%</b>
Asset Management	34	33	1	3.0%
Energy Investments	13	11	2	18.2%
Corporate costs	(79)	(72)	(7)	-9.7%
<b>Underlying EBITDA</b>	<b>930</b>	<b>879</b>	<b>51</b>	<b>5.8%</b>



# Underlying EBITDA bridge to Free Cash Flow

\$ million	1H24	1H23	% Change <sup>(52)</sup>
<b>Underlying EBITDA<sup>(53)</sup></b>	930	879	5.8%
less Equity Accounted Earnings	(13)	(12)	-8.3%
<b>Underlying EBITDA Excluding Associates/JV's</b>	<b>917</b>	<b>867</b>	<b>5.8%</b>
Change in Working Capital/Other	(3)	(54)	94.4%
Cash impact of Non Operating Items/Other <sup>(54)</sup>	(78)	(22)	-254.5%
<b>Gross Operating Cash Flow</b>	<b>836</b>	<b>791</b>	<b>5.7%</b>
plus Dividends from Associates and JV's	8	11	-27.3%
Proceeds from repayment of finance Lease	1	1	-
Net Interest	(226)	(224)	-0.9%
Tax	(26)	(25)	-4.0%
<b>Operating Cash Flow</b>	<b>593</b>	<b>554</b>	<b>7.0%</b>
SIB CAPEX	(110)	(88)	-25.0%
Payroll remediation payment to employees	13	-	n.m.
Acquisition and integration costs	19	-	n.m.
Material Technology Transformation Projects <sup>(55)</sup>	31	18	72.2%
<b>Free Cash Flow<sup>(56)</sup></b>	<b>546</b>	<b>484</b>	<b>12.8%</b>

# 1H24 Capital and investment expenditure<sup>(57)</sup>

\$ million	Description of major projects	1H24	1H23
<b>Growth capex</b>			
<b>Regulated</b>	Western Outer Ring Main (WORM), Winchelsea Compressor Station; Access Arrangement allowed expenditure	67	97
<b>Non-Regulated</b>			
East Coast Gas	South West Queensland Pipeline and Moomba Sydney Pipeline capacity expansion, Kurri Kurri Gas Lateral	299	75
West Coast Gas	NGI, Binduli	26	189
Power Generation	Gruyere Hybrid Energy Microgrid, Dugald River Solar Farm, Port Hedland Solar	28	95
Electricity Transmission		-	-
Customer contribution projects and others	Various pipeline re-location and pipeline protection projects	12	8
<b>Total growth capex</b>		<b>432</b>	<b>464</b>
<b>SIB capex</b>			
Asset Lifecycle capex		96	76
IT Lifecycle capex		14	12
<b>Total SIB capex</b>		<b>110</b>	<b>88</b>
<b>Foundational capex</b>			
Technology and Other capex		24	10
Corporate Real Estate		3	18
<b>Total Foundational capex</b>		<b>27</b>	<b>28</b>
<b>Total capital expenditure</b>		<b>569</b>	<b>580</b>
Acquisitions and Investments		1,603	103
<b>Total capital and investment expenditure</b>		<b>2,172</b>	<b>683</b>

# 5-year normalised financials

Financial Performance		1H24	1H23	FY23	FY22	FY21	FY20	FY19
Total revenue	\$m	1,516	1,499	2,913	2,732	2,605	2,591	2,452
Total revenue excluding pass-through <sup>(58)</sup>	\$m	1,274	1,232	2,401	2,236	2,145	2,130	2,031
Underlying EBITDA <sup>(59)</sup>	\$m	930	879	1,725	1,692	1,629	1,650	1,570
Total reported EBITDA <sup>(60)</sup>	\$m	840	890	1,686	1,630	1,639	1,652	1,565
Depreciation and amortisation expenses	\$m	(435)	(356)	(750)	(735)	(674)	(651)	(611)
Reported EBIT <sup>(60)</sup>	\$m	405	534	936	895	965	1,001	954
Net interest expense	\$m	(260)	(229)	(459)	(483)	(505)	(508)	(497)
Significant items - before income tax	\$m	975	-	-	28	(397)	-	-
Income tax expense (including significant items)	\$m	(71)	(114)	(190)	(180)	(62)	(184)	(175)
Statutory net profit after tax (including significant items)	\$m	1,049	191	287	260	1	309	282
Significant items - after income tax	\$m	975	-	-	20	(278)	-	-
Net profit after tax (excluding significant items)	\$m	74	191	287	240	279	309	282
<b>Financial Position</b>								
Total assets	\$m	20,032	15,866	15,866	15,836	14,742	15,994	15,429
Total drawn debt <sup>(61)</sup>	\$m	13,161	11,181	11,241	11,146	9,666	9,984	9,352
Total equity	\$m	3,643	1,910	1,910	2,629	2,951	3,200	3,584
<b>Cash Flow</b>								
Operating cash flow <sup>(62)</sup>	\$m	593	554	1,206	1,197	1,051	1,088	1,007
Free cash flow <sup>(63)</sup>	\$m	546	484	1,070	1,081	902	957	894
<b>Key financial ratios</b>								
Earnings/(loss) per security including significant items	cents	84.2	16.2	24.3	22.1	0.1	26.2	23.9
Earnings/(loss) per security excluding significant items	cents	6.0	16.2	24.3	20.4	23.7	26.2	23.9
Free cash flow per security	cents	42.6	41.0	90.7	91.6	76.4	81.1	75.7
Distribution per security	cents	26.5	26.0	55.0	53.0	51.0	50.0	47.0
Funds From Operations to Net Debt	%	9.9%	11.3%	10.6%	11.1%	11.0%	12.1%	10.7%
Funds From Operations to Interest	Times	3.3x	3.6x	3.3x	3.6x	3.1x	3.2x	3.0x
Weighted average number of securities	m	1,246	1,180	1,180	1,180	1,180	1,180	1,180



# Regulatory Dynamics

Diamantina Power Station

06



# Regulation of Australian gas pipelines

## APA pipelines by regulation type



In 1H24, 7.2% of Energy Infrastructure revenue (excluding pass through revenue) was derived from regulated tariffs under regulatory determinations. This includes gas pipelines that are classified as scheme pipelines and subject to full regulation under the National Gas Rules (NGR), as well as electricity transmission systems subject to revenue regulation under the National Electricity Rules (NER). It does not include revenue from APA’s non-scheme pipelines that are subject to an information disclosure and arbitration regime under the NGR. It also does not include revenue from Basslink, which is not currently subject to NER revenue regulation.

Gas pipelines in Australia are regulated under the National Gas Law (NGL) and NGR by the Australian Energy Regulator (AER) or the Economic Regulation Authority of Western Australia (ERA). On 2 March 2023, amendments to the NGL and NGR were proclaimed and came into effect across all States except Western Australia. Prior to these amendments the NGL and NGR established three regulatory pipeline frameworks:

1. Scheme pipelines (NGR Parts 8-12) subject to full regulation with regulator approved tariffs and terms and conditions.
2. Scheme pipelines subject to light regulation where pipeline owners publish services and prices and comply with information provision requirements.
3. Non-Scheme pipelines (NGR Part 23) where tariffs and terms are negotiated between parties.

The 2 March 2023 amendments to the NGL and NGR discontinue light regulation and transition to two forms of regulation:

1. A ‘heavier’ form of regulation, based on the previous full regulation for scheme pipelines; or
2. A ‘lighter’ form of regulation, based on the previous Part 23 (now Parts 10-12) regime for non-scheme pipelines.

In practice, pipelines previously subject to full regulation are not expected to experience much change. APA’s non-scheme pipelines and pipelines previously subject to light regulation will transition to the new ‘lighter’ (non-scheme) form of regulation.

Following on from this legislative change, the regulator will now have the power to determine the form of regulation to apply to a particular pipeline. In effect, this means that the AER can decide to apply full regulation to pipelines that are currently non-scheme. If a pipeline becomes subject to full regulation as a scheme pipeline, the AER would then have the role of approving access arrangements, including reference tariffs, for that pipeline. In order to establish reference tariffs, a value would need to be ascribed to the pipeline capital base for regulatory purposes, and forecasts of capital and operating expenditure approved for each access arrangement period (usually a five year period).

APA understands that the AER intends to review the form of regulation for a number of major pipelines (including some APA pipelines), pursuant to its new powers. The AER has indicated to APA that it is likely to commence a form of regulation review for the South West Queensland Pipeline in the coming months. A form of regulation review is likely to take at least six months to complete.

APA is now also required to publish actual contracted prices across its pipeline network. Further changes to the information disclosure framework will take place from FY25, under a new Pipeline Information Disclosure Guideline.

# Regulation of Australian gas pipelines (continued)

	Current regulatory period	2023	2024	2025	2026	2027	2028	
<b>Schedule of regulatory reset dates for APA</b>	Vic Transmission System <sup>(64)</sup>	[Dark teal bar spanning 2023-2027]						
	Goldfields Gas Pipeline	[Dark teal bar spanning 2023-2024]						
	Amadeus Gas Pipeline	[Dark teal bar spanning 2023-2026]						
	Roma Brisbane Pipeline <sup>(65)</sup>	[Dark teal bar spanning 2023-2027]						
<b>Access arrangement</b>	<ul style="list-style-type: none"> <li>• Apply for a term, generally 5 years</li> <li>• Set out the terms and conditions of third party access, including               <ul style="list-style-type: none"> <li>– At least one reference service that is commonly sought by customers – for pipelines, this is generally firm forward-haulage services</li> <li>– A reference (benchmark) tariff for the reference service</li> </ul> </li> </ul>							
<b>Reference tariff</b>	<ul style="list-style-type: none"> <li>• Provides a default tariff for customers seeking the reference service but tariffs can also be negotiated for other services</li> <li>• Determined with reference to regulated revenue, capacity and volume forecasts</li> </ul>							
<b>Regulated revenue</b>	<ul style="list-style-type: none"> <li>• Determined using the building block approach to recover efficient costs including:               <ul style="list-style-type: none"> <li>– Forecast operating and maintenance costs</li> <li>– Regulatory asset depreciation and</li> <li>– Return on value of regulated assets (regulated asset base) based on WACC determination</li> <li>– Current rate of return guideline was released in February 2023</li> <li>– WACC based on 60:40 debt equity split</li> </ul> </li> </ul>							
<b>Regulated asset base (RAB)</b>	<ul style="list-style-type: none"> <li>• Opening RABs have been settled with the regulator; there are no reassessments for approved RABs</li> <li>• RABs adjusted every access arrangement period               <ul style="list-style-type: none"> <li>– Increased by capital invested into the asset and reduced by regulatory depreciation costs</li> </ul> </li> </ul>							

**apa**

## Appendix

Badgingarra Wind Farm



# APA's diverse energy infrastructure portfolio

## GAS INFRASTRUCTURE



### Transmission<sup>(66)</sup>

>15,000 km transmission pipelines



### Storage

12,000 tonnes LNG  
18 PJ gas



### Distribution<sup>(67)</sup>

>29,500 km gas mains and pipelines  
>1.5 million gas customers

## POWER GENERATION



### Renewable energy<sup>(66)</sup>

342 MW Wind  
311 MW Solar  
39 MW BESS



### Gas fired<sup>(66)</sup>

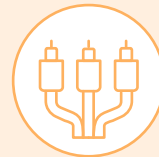
884 MW

## ELECTRICITY TRANSMISSION



>800 km high voltage electricity transmission<sup>(66)</sup>

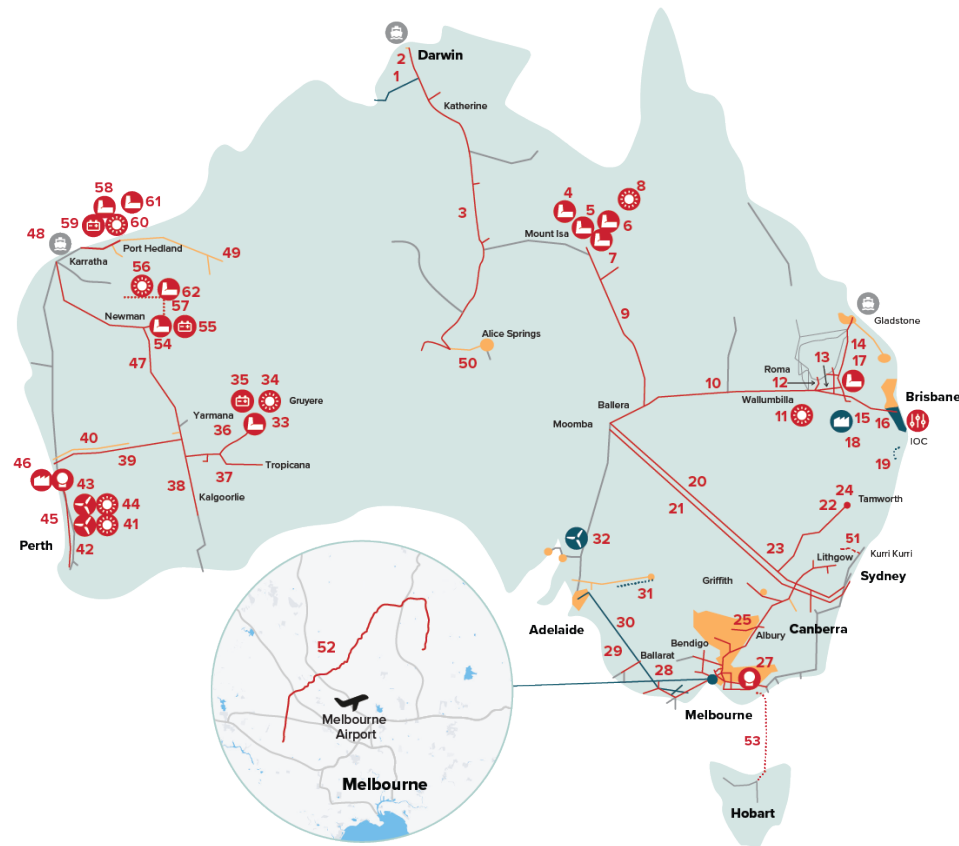
including



290 km deep-sea cable



# APA's operational footprint is across a range of energy infrastructure assets



## Pipeline

- 3 Amadeus Gas Pipeline (inc laterals)
- 13 Berwyndale Wallumbilla Pipeline
- 1 Bonaparte Gas Pipeline
- 9 Carpentaria Gas Pipeline (inc laterals)
- 22 Central Ranges Pipelines
- 23 Central West Pipeline
- 37 Eastern Goldfields Pipeline
- 47 Goldfields Gas Pipeline (GGP)
- 38 Kalgoorlie Kambalda Pipeline
- 40 Mid West Pipeline
- 20 Moomba Sydney Pipeline (inc laterals) (MSP)
- 21 Moomba to Sydney Ethane Pipeline
- 28 Mortlake Gas Pipeline
- 39 Northern Goldfields Interconnect
- 45 Parmelia Gas Pipeline (PGP)
- 48 Pilbara Pipeline System
- 12 Reedy Creek Wallumbilla Pipeline
- 15 Roma Brisbane Pipeline (inc Peat lateral)
- 30 SEA Gas Pipeline
- 29 SESA Pipeline
- 10 South West Queensland Pipeline (SWQP)
- 49 Telfer/Nifty Gas Pipelines and lateral
- 25 Victorian Transmission System (VTS)
- 14 Wallumbilla Gladstone Pipeline (inc laterals)
- 2 Wickham Point Pipeline
- 6 Yamama Gas Pipeline
- 51 Kurri Kurri Lateral Pipeline (KKLP)\*
- 52 Western Outer Ring Main (WORM)

## Gas Processing and Storage

- 27 Dandenong
- 18 Kogan North
- 46 Mondarra

## Gas Distribution

- 16 Allgas Gas Network
- 50 Australian Gas Networks
- 24 Tamworth Gas Network

## Electricity Transmission

- 19 Directlink
- 31 Murraylink
- 53 Basslink
- 57 Pilbara – HV Transmission Lines

## Generation

- 17 Daandine (30 MW)
- 6 Diamantina (242 MW)
- 33 Gruyere (47 MW)
- 7 Leichhardt (60 MW)
- 5 Thomson (22 MW)
- 4 X41 (41 MW)
- 54 Newman (232 MW)
- 58 Port Hedland (126 MW)
- 61 Boodarie (84 MW)
- 35 Gruyere Battery Station (4.4 MW / 4.4 MWh)
- 55 Newman Battery (35 MW / 11.4 MWh)
- 59 Port Hedland Battery\* (35 MW / 34.1 MWh)
- 62 Roy Hill Diesel Power Station (6 MW)

\* Asset under construction.

## Solar Farm

- 43 Badgingarra (19 MW)
- 11 Darling Downs (108 MW)
- 41 Emu Downs (20 MW)
- 34 Gruyere (13.2 MW)
- 8 Dugald River (88 MW)
- 56 Chichester (60 MW)
- 60 Port Hedland\* (47 MW)

## Wind Farm

- 44 Badgingarra (130 MW)
- 42 Emu Downs (80 MW)
- 32 North Brown Hill (132 MW)

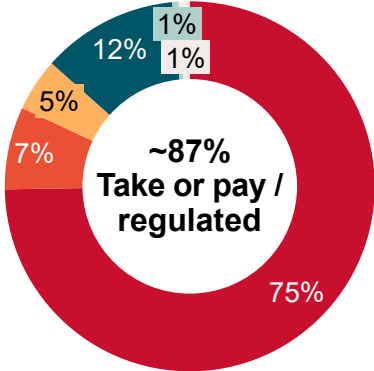
## Key

- APA Group asset
- APA Group distribution network asset
- APA Group investment
- Investment distribution network
- ..... Electricity transmission
- APA Group managed asset (not owned)
- Managed distribution network
- Other natural gas pipelines
- Under construction
- ☀ Wind farm
- ☀ Solar farm
- 🏭 LNG plant
- 🔋 Battery storage
- 🏭 Gas storage facility
- 🏭 Gas processing plant
- 🏭 Gas power station
- 🏭 Integrated Operations Centre

# Diversified business model

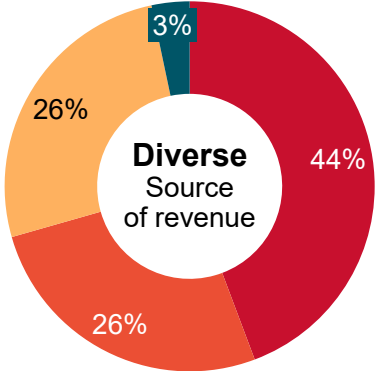
## Characteristics of APA's Energy Infrastructure (EI) revenue:

- Risk management policies and processes
- Manage counterparty risks by:
  - Diversification of customers and industry exposures
  - Assessment of counterparty creditworthiness
  - Stable contracted revenue to support major capital spend



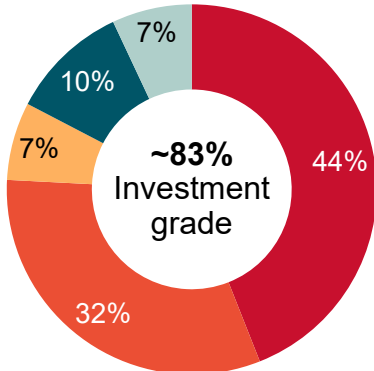
1H24 Energy Infrastructure Revenue by Revenue Type

- Capacity charge revenue
- Regulated revenue
- Contracted fixed revenue
- Throughput charge & other variable revenue
- Flexible short term services
- Other



1H24 Energy Infrastructure Revenue by Customer Industry Segment

- Energy
- Utility
- Resources
- Industrial & Others



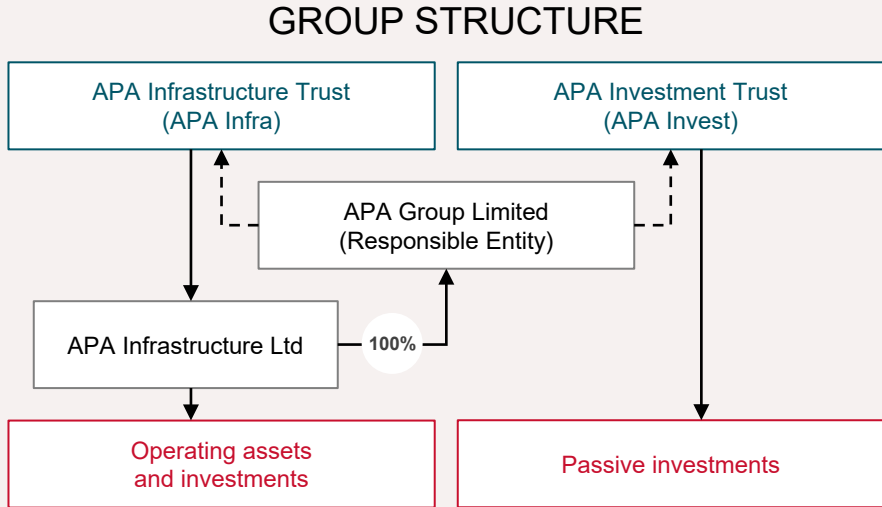
1H24 Energy Infrastructure Revenue by Counterparty Credit Rating<sup>(68)</sup>

- A- rated or better
- BBB to BBB+ rated
- Investment Grade
- Not rated
- Sub-investment grade

Total in the chart may not add to 100% due to rounding

# Group structure

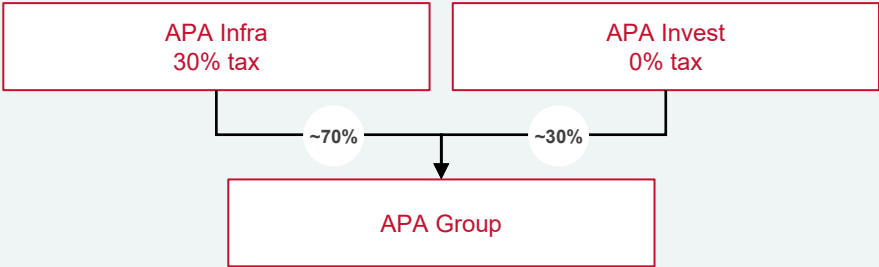
- APA Group is **listed** as a **stapled structure** on the **Australian Securities Exchange** (ASX:APA)
- APA is comprised of two registered managed investment schemes:
  - APA Infrastructure Trust (ARSN 091 678 778)
  - APA Investment Trust (ARSN 115 585 441) is a pass-through trust
- APA Group Limited (ACN 091 344 704) is the responsible entity of APA Infra and APA Invest
- The units of APA Infra and APA Invest are stapled and must trade and otherwise be dealt with together
- APA Infrastructure Limited (ABN 89 009 666 700), a company wholly owned by APA Infra, is APA's borrowing entity and the owner of the majority of APA's operating assets and investments



## Financial reporting segments within APA Infrastructure

- Energy Infrastructure: APA's wholly or majority owned energy infrastructure assets
- Asset Management: provision of asset management and operating services for the majority of APA's investments, legacy operating agreement for AGN distribution networks, and incidental services on behalf of third parties
- Energy Investments: interests in energy infrastructure investments

## TAX STRUCTURE



# Endnotes

1. Page 8: Underlying earnings before interest, tax, depreciation, and amortisation ("Underlying EBITDA") excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items. Reported increase is against 1H23.
2. Page 8: Free Cash Flow is Operating Cash Flow adjusted for strategically significant transformation projects, acquisition and integration costs, payroll remediation payments to employees, less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs. Reported increase is against 1H23.
3. Page 8: DPS = Distribution per security
4. Page 11 TRIFR is measured as the number of lost time and medically treated injuries sustained per million hours worked. Data includes both employees and contractors.
5. Page 11: Senior Leaders comprise "other executives/general managers" and "senior managers" as reported to WGEA.
6. Page 11: Increase in the adoption rate for Employees & Families from 30 June FY23.
7. Page 13: Operational metrics are for the 6 months to 31 December 2023. Capacity is as at 31 December 2023. Excludes Pilbara Energy.
8. Page 13: North West Power System (NWPS) is located in Mt Isa, western Queensland and provides customers with remote grid energy.
9. Page 15: Further information in relation to APA's climate targets, goals and commitments can be located in the Climate Transition Plan 2022. Baselines under our Climate Transition Plan may need to be adjusted from time to time to the extent necessary/appropriate to reflect acquisitions or divestments undertaken by APA or other factors
10. Page 21: Positive/negative changes are shown relative to impact on profit or other relevant performance metric; n.m. = not meaningful
11. Page 21: Underlying earnings before interest, tax, depreciation, and amortisation ("Underlying EBITDA") excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items.
12. Page 21: Free Cash Flow is Operating Cash Flow adjusted for strategically significant transformation projects, acquisition and integration costs, payroll remediation payments to employees, less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs.
13. Page 21: Statutory revenue excluding pass-through. Pass-through revenue is offset by pass-through expenses within EBITDA. Any management fee earned for the provision of these services is recognised within total revenue.
14. Page 21: Segment revenue excludes: pass-through revenue; Wallumbilla Gas Pipeline hedge accounting unwind; income revenue on Basslink debt investment; Basslink AEMC market compensation and other interest income.
15. Page 21: Refer to page 26 for further detail.
16. Page 21: Earnings before interest, tax, depreciation, and amortisation ("EBITDA") including non-operating items and excluding significant items.
17. Page 21: Significant items are due to the remeasurement of APA's previously held interest in GGTP, partly offset by acquisition and stamp duty costs incurred on the acquisition of Pilbara Energy
18. Page 25: Positive/negative changes are shown relative to impact on profit or other relevant performance metric.
19. Page 25: Wallumbilla Gladstone Pipeline is separated from East Coast Grid in this table as a result of the significance of its revenue and EBITDA in the Group. It is categorised as part of the East Coast Grid cash-generating unit for impairment assessment purposes.
20. Page 25: The Electricity Generation and Transmission sub-segment has been split into Power Generation and Electricity Transmission to align the segment with the nature of operations post the acquisition of the Pilbara Energy. The results of the Pilbara Energy are included within Power Generation and the remaining 11.8% of GGTP is included within West Coast following the acquisition on 1 November 2023.
21. Page 25: Underlying earnings before interest, tax, depreciation, and amortisation ("Underlying EBITDA") excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items.
22. Page 26: Underlying earnings before interest, tax, depreciation, and amortisation ("Underlying EBITDA") excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items.

# Endnotes

23. Page 26: Costs associated with technology and transformation projects to develop and uplift organisation capabilities, including SaaS customisation and configuration costs incurred during implementation.
24. Page 26: Net loss arising from electricity contracts for difference that economically hedge the future cash flows of the electricity contracts for which hedge accounting is not applicable.
25. Page 26: In February 2022, following the entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025 that were hedged by USD denominated 144A notes. WGP hedge accounting discontinuation reflects the non-cash amortisation of the amount deferred in the hedging reserve over the same period relating to the discontinued hedge relationship.
26. Page 26: EBITDA including non-operating items and excluding significant items.
27. Page 27: Free Cash Flow (FCF) is Operating Cash Flow adjusted for strategically significant transformation projects, acquisition and integration costs, payroll remediation payments to employees, less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs. FCF supports APA's operations and the maintenance of capital assets.
28. Page 28: SIB capex comprises both Asset and IT lifecycle maintenance.
29. Page 29: FY27 shows the two tranches separately and not as an average with the AUD Syndicated Loan at 4.92% and the EUR MTN, which is denominated in USD, at 4.40%.
30. Page 36: 2024 Draft ISP figure 2.
31. Page 43: Contracts within Australia that contain inflation linked escalations typically apply a formula based on either quarterly, bi annual or annual Australian Consumer Price Index (CPI).
32. Page 43: As at 22 February 2024.
33. Page 43: For 1H24 excluding passthrough revenue.
34. Page 43: For Australian fixed revenue contracts.
35. Page 44: APA debt maturity profile as at 31 December 2023.
36. Page 44: The USD denominated obligations have been translated at the spot USDAUD FX rate 0.6813 (as at 31 December 2023).
37. Page 44: Hybrid security which has a 60-year maturity. However, for the purposes of this chart we show it as maturing at the first call date in 2029.
38. Page 44: FY27 shows the two tranches separately and not as an average with the AUD Syndicated Loan at 4.92% and the EUR MTN, which is denominated in USD, at 4.40%.
39. Page 45: Positive/negative changes are shown relative to impact on profit or other relevant performance metric; n.m. = not meaningful.
40. Page 45: Statutory revenue excluding pass-through. Pass-through revenue is offset by pass-through expenses within EBITDA. Any management fee earned for the provision of these services is recognised within total revenue.
41. Page 45: Segment revenue excludes: pass-through revenue; Wallumbilla Gas Pipeline hedge accounting unwind; income on Basslink debt investment; Basslink AEMC market compensation and other interest income.
42. Page 45: Underlying earnings before interest, tax, depreciation, and amortisation ("Underlying EBITDA") excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items.
43. Page 45: Non-operating items are deemed to be activities and transactions that are not directly attributable to the performance of APA Group's business operations.
44. Page 45: Earnings before interest, tax, depreciation, and amortisation ("EBITDA") including non-operating items and excluding significant items.
45. Page 45: Excluding finance lease and investment interest income, any gains or losses on revaluation of derivatives included as part of EBIT for segment reporting purposes.
46. Page 45: Significant items are due to the remeasurement of APA's previously held interest in GGTP, partly offset by acquisition and stamp duty costs incurred on the acquisition of Pilbara Energy

# Endnotes

47. Page 45: Free Cash Flow is Operating Cash Flow adjusted for strategically significant transformation projects, acquisition and integration costs, payroll remediation payments to employees, less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs
48. Page 45: APA holds \$1,600 million in liquidity lines to ensure it is meeting Treasury liquidity targets at all times.
49. Page 46: The comparative information has been restated as a result of the payroll review. For further information refer to APA Group's FY22 Annual Report.
50. Page 46: 100% of GGP owned by APA, with the remaining 11.8% of GGP acquired 1<sup>st</sup> November, 2023.
51. Page 47: Positive/negative changes are shown relative to impact on profit or other relevant performance metric; n.m. = not meaningful
52. Page 48: Positive/negative changes are shown relative to impact on profit or other relevant performance metric; n.m. = not meaningful
53. Page 48: Underlying earnings before interest, tax, depreciation, and amortisation ("Underlying EBITDA") excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items.
54. Page 48: The \$78m comprises: 1) \$46m of Strategically Significant Transformation Projects which represents costs associated with technology transformation projects to develop and uplift the organisation capabilities, including SaaS customisation and configuration costs incurred during implementation, which were previously capitalised prior to the publication of the IFRIC Agenda decision in April 2021, 2) \$19m of acquisition and integration costs, and 3) \$13m payroll remediation payment to employees.
55. Page 48: Non-operating expenses relating to Strategically Significant Transformation Projects added back to calculate Free Cash Flow.
56. Page 48: Free Cash Flow (FCF) is Operating Cash Flow adjusted for strategically significant transformation projects, acquisition and integration costs, payroll remediation payments to employees, less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs. FCF supports APA's operations and the maintenance of capital assets.
57. Page 49: The capital expenditure shown in this table represents payments for property, plant and equipment and intangibles as disclosed in the cash flow statement, and excludes accruals brought forward from the prior period and carried forward to the next period. Represents stay-in-business capital expenditure not recoverable from customers and/or regulatory frameworks.
58. Page 50: Pass-through revenue is offset by pass-through expenses within EBITDA. Any management fee earned for the provision of these services is recognised as part of asset management revenues.
59. Page 50: Underlying earnings before interest, tax, depreciation, and amortisation ("Underlying EBITDA") excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items.
60. Page 50: EBITDA including non-operating items and excluding significant items.
61. Page 50: This amount represents the actual debt outstanding in Australian dollars at period end.
62. Page 50: Operating cash flow = net cash from operations after interest and tax payments.
63. Page 50: Free cash flow (FCF) is Operating Cash Flow adjusted for strategically significant transformation projects, acquisition and integration costs, payroll remediation payments to employees, less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs.
64. Page 53: Victorian Transmission System access arrangement from 1 January 2023 to 31 December 2027.
65. Page 53: Roma Brisbane Pipeline access arrangement from 1 July 2022 to 30 June 2027.
66. Page 55: Includes 100% of assets operated and/or under construction by APA Group, which form part of Energy Investments segment, including SEA Gas, EII and EII2 (each partially owned).
67. Page 55: Includes 100% of assets operated by APA Group in Queensland, New South Wales, Victoria and South Australia.
68. Page 57: An investment grade credit rating from either S&P (BBB- or better) or Moody's (Baa3 or better), or a joint venture with an investment grade average rating across owners. Ratings shown as equivalent to S&P's rating scale.

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