Speakers: APA Group CEO and Managing Director, Adam Watson, and APA Group CFO, Garrick Rollason
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CEO and Managing Director Adam Watson address

Good morning, everyone.

Thank you for joining us for today's FY26 results presentation. I'm joined by Garrick Rollason, our CFO, as well as our Investor Relations team. I'd like to acknowledge the Gadigal people of the Eora nation, Traditional Custodians of the land on which I'm speaking. First Nations people have taken care of our lands and waterways for the past 60,000 years. We acknowledge and pay our respects to their Elders past and present.

I'll start today's presentation with a safety share, on slide 4. APA is a truly national business, with assets and teams operating all over Australia. Most of our front-line workforce operate in remote and regional areas, and staying connected via telecommunication and technology platforms, is a key part of staying safe.

Which is why we've undertaken a program of work to enhance connectivity, including the deployment of a range of platforms, such as Starlink, across 70 of our operational sites. This investment means our employees are better connected with our Integrated Operations Centre, they're better connected to their families and colleagues, and they have the tools to better organise and schedule how, and when, they undertake their day-to-day work on our assets.

In isolation, this is an important initiative to strengthen the safety and care of our people.

But it's more than that – enhancing our technology platforms in our remote sites allows our people to get on with the critical work they perform every day, in both a safe and efficient way.

On slide 5 we highlight three key takeaways from today's results:

First, we've delivered a strong financial result. Underlying EBITDA is up an impressive 8.3%, and ahead of the midpoint of guidance. EBITDA margins have expanded by 370 basis points - which we are incredibly proud of. Free Cash Flow is up 3.2%, also stronger than expectations.

We've exceeded our FY26 cost reduction target of $50 million, delivering total enterprise-wide cost reductions of $80 million in the year. This includes a 20.6% reduction in corporate costs. The annualised savings we've delivered are approximately $100 million. Some of the cost savings reflect the benefits generated from simplifying our business. This included the divestment of the Networks and GDI operations that were no longer core to our growth strategy.

The second key point - our growth outlook is compelling and is supported by favourable market fundamentals. The role of gas in enabling the energy transition and ensuring energy reliability and affordability, is now widely recognised. Over the last year, we've completed the Sturt Plateau Pipeline, our first project in the Beetaloo Basin, and an important project to bring this significant opportunity to life. We've announced an agreement with CS Energy to deliver the Brigalow Peaking Power Plant, underlying the attractiveness of our GPG strategy and we've announced further expansion of our East Coast Gas Grid, via compression and the Bulloo Interlink. To complement this, we've also recently announced the expansion of the South West Pipeline in Victoria.

The third key point - APA has a strong balance sheet - with the capacity to fund growth, grow distributions and maintain credit metrics. Our FY27-29 organic growth pipeline has increased from $3 billion to $3.5 billion, reflecting the strong growth we see across our target markets. We're taking a disciplined approach to progressing the right opportunities with the highest returns - returns that are well above our cost of capital and we have the balance sheet capacity to fund this.

Slide 6 sets out our financial highlights in more detail.

As mentioned, we delivered 8.3% growth in underlying EBITDA and our EBITDA margins expanded by 370 basis points. This was driven by robust asset operations across the portfolio, along with contributions from new assets, inflation linked tariff escalation and the enterprise-wide cost reductions.

We see earnings growth continuing into FY27, having announced today FY27 underlying EBITDA guidance of between $2.26 billion and $2.34 billion. The midpoint of this range would represent a 5.4% increase on FY26, which would be another excellent result.

Our distributions for the full year FY26 totalled 58 cents per security – marking our 22nd consecutive year of distribution growth.

We expect growth to continue into FY27, announcing today distribution guidance of 59 cents per security for the year ahead.

Slide 7 sets out a number of performance highlights across our key non-financial metrics.

We recorded zero actual serious harm incidents. We're incredibly proud of this. Our methane abatement and compressor efficiency work contributed to a 21% reduction in gross emissions across our gas infrastructure portfolio, against our FY21 baseline. Notably, this was achieved without the surrender of any carbon credits in FY26 to meet our Safeguard Mechanism requirements.

Our Employee Experience score was solid at 68%, during a period of significant change for our people. I'd like to thank all APA employees for their perseverance and resilience over the past twelve months, and for their continued uplift in our focus on customer experience and service delivery.

We continued to improve gender representation, increasing our representation of women to 34.2%, which is well ahead of industry benchmarks. And, we continued to deliver against our Reconciliation Action Plan commitments, with ongoing progress on cultural awareness and First Nations supplier engagement.

Moving now to our strategy and market dynamics on slide 9.

Our strategy remains unchanged. We're focused on building networks, through the development of assets under long-term, capacity-based, inflation-linked contracts. We continue to strengthen our capabilities in our core growth markets of gas transmission & storage, and contracted power generation. This includes having built competitive advantages through initiatives such as our strategic partnerships with the likes of Siemens Energy, GE Vernova and Solar Turbines, for the procurement of turbines and associated power generation equipment.

We remain confident that we have the business focussed on the right key markets, and that our diversification enables us to create value within a dynamic energy market. This is all in the pursuit of providing opportunities for our people, strengthening our communities, creating value for customers, and capturing value for you, our securityholders.

Our organic growth pipeline for FY27 to FY29 is now $3.5 billion, as outlined on slide 10.

The bulk of this is made up of projects already announced to the market, such as the East Coast Gas Grid expansion, the South West Pipeline expansion, the Brigalow Peaking Power Plant and lateral pipeline, and the Sybella Solar and Battery project we announced today. Looking beyond the $3.5 billion pipeline, we also continue to progress a number of attractive longer-term opportunities. Of particular focus are the opportunities in the Beetaloo Basin, Gas Powered Generation to support the ongoing introduction of renewables into our power grids, and behind-the-meter solutions for our remote mining customers and our emerging AI and data centre customers.

I'll now quickly step you through an update on some of our larger projects in the coming slides, starting with the East Coast Gas Grid expansion on slide 11. In February 2026 we announced Stage 3 of our East Coast Gas Grid Expansion Plan, to increase the capacity of the east coast network by around 30%.

This builds on the 25% increase in north to south capacity that we've already delivered since 2023.

Our announcement in February included Final Investment Decision of $260 million on Stage 3A to deliver three new compressors to increase north-to-south capacity for winter 2029. We're also investing $220 million in Stage 3B to continue early works and procurement of long lead items for the Bulloo Interlink - the environmental assessments are now underway.

The market need for our Stage 3 Expansion Plan has always been very clear. It represents a timely and cost competitive solution to predicted southern market supply shortfalls - and also supports the ongoing role that gas will play to firm renewables over time.

With the Federal Government's proposed domestic gas reservation requirements now progressing, we are seeing a positive shift in sentiment and appetite for this increased capacity. We have great confidence APA's expansion plan will deliver benefits for our customers and securityholders - just as our previous expansions along this corridor have done.

The AER's recent decision to approve APA's South West Pipeline expansion is further evidence that the demand for expansion is there.

Moving now to slide 12

We have significantly progressed our work to help bring the Beetaloo Basin to life. Phase 1 of our development in the Beetaloo is complete with construction of the Sturt Plateau Pipeline. First gas is due to flow shortly, for the benefit of our communities and industry in Darwin.

Phase 2 is progressing, as we move forward with work related to the potential expansion of the SPP via additional compression. This is designed to support the ongoing commercialisation of the basin for our upstream customers, and provide further energy security for Darwin.

Phase 3 of our work in the Beetaloo is focused on connecting the basin to domestic and regional LNG markets. This is a significant, multi-billion-dollar opportunity for APA.

APAs proposed North to East Australia Pipeline would deliver gas to Australia's East Coast Gas Grid - and underwrite the extension of Australia's Gladstone LNG export facilities beyond the 2030s. The NEAP, as it's known, has progressed to the formal environmental assessment stage. Similarly, we're also progressing pipeline routes for APA's proposed Darwin to Beetaloo Pipeline, which would bring additional gas from the Beetaloo up to Darwin, alongside APA's existing Amadeus Pipeline.

Moving to slide 13

Investment in GPG capacity is essential to ensure Australia's energy system is cost effective and reliable, as we transition from baseload coal to intermittent renewables. While batteries continue to play an important role to firm renewables - unlike GPG, batteries are unable to provide system strength to deal with the inertia of multiple intermittent renewable systems.

In December 2025, APA was pleased to announce a partnership with CS Energy in Queensland, to develop the 400 MW Brigalow Peaking Power Plant.

We're in the process of finalising that agreement - and making great progress with delivery, including civil and bulk earthworks, turbine procurement, and awarding major construction contracts.

The project will connect into APA's Roma Brisbane Pipeline, via a new lateral transport and storage pipeline, which is also being delivered by APA.

Moving to slide 14

We've progressed our development pipeline for remote contracted power generation in multiple locations.

We're pleased to announce today an agreement with Evolution Mining to develop the Sybella Solar and Battery project in Mt Isa. The $259 million project will deliver low cost, low emissions energy to support Evolution's Ernest Henry operations, and be firmed by APA's Diamantina Power Station.

Sybella is a great example of how we've leveraged the skills and experience of the Pilbara Energy team to bring this important project to life in Mt Isa.

Our Pilbara business continues to perform strongly.

We're progressing with planning and approvals for our strategic sites in the region, including the Newman Renewable Energy Hub, to support our customers who are committed to the decarbonisation of their operations.

I'll now hand-over to Garrick to take you through detail of our financial performance.

CFO address Garrick Rollason

Thanks Adam, and good morning, everyone.

FY26 represents a strong, clean result, as we continue to execute our growth strategy. I am particularly pleased we were able to deliver cost reductions ahead of our target, and also growth in free cash flow.

I'll start with our headline financials on slide 16.

We have delivered strong growth in Underlying EBITDA, up 8.3% for the year as the benefits of inflation-linked tariffs, earnings from new assets and cost-reductions were realised. Underlying EBITDA margin increased by 370 basis points, to 77.9 per cent.

Free cash flow was up broadly in line with inflation, through the benefits of higher earnings and cost reductions, partially offset by increased funding costs to support growth, and cash tax payments. And, we delivered cost reductions ahead of our target.

Moving to slide 17, where I'll step through the drivers of our 8.3 per cent uplift in Underlying EBITDA. The combination of inflation-linked tariff escalation and contributions from new assets increased earnings by $136 million.

We delivered new earnings from the Kurri Kurri Lateral and Atlas to Reedy Creek pipelines, as well as a full-year contribution from the Port Hedland solar and battery, alongside inflation-linked tariff escalations across the portfolio.

Pleasingly, we also delivered enduring enterprise-wide cost reductions of $80 million, exceeding our target of $50 million, and including a 21% reduction in corporate costs. I will have more to say on this on a subsequent slide. Offsetting these improvements was the expected loss of earnings from the sale of the non-core Networks and GDI businesses, as we simplified the business to focus on our core strategy. We also saw lower earnings from VTS due to milder winter conditions this year, but this was partially offset by strong performance from our contracted power generation assets.

Slide 18 summarises the drivers of free cash flow, which was up 3.2% to just over $1.1 billion. Consistent with our previous statements, the uplift in Underlying EBITDA was partially offset by higher interest and cash tax paid. Higher interest costs reflect increases in net debt to fund growth and a marginally higher average cost of debt. Higher cash tax reflects the continuation of tax instalment payments, which recommenced in the second half of last year.

The change in working capital recorded in our first half and primarily related to one-off timing impacts arising from the divested Networks business, unwound in the second half of the year. Beyond this year, we expect to see free cash flow growing broadly in line with inflation as earnings continue to increase and tax normalises.

Moving to Slide 19 and an overview of capex.

We continued to invest in projects to support long-term growth, strengthen our foundations and maintain safe and reliable asset operations. We invested in growth capital expenditure through early works on the East Coast Gas Grid expansion, the Sturt Plateau and Brigalow pipelines, and the Brigalow Peaking Power Plant and as Adam said previously, we have increased our

organic growth capex pipeline from $3 billion to approximately $3.5 billion over the next three years.

All of this capital expenditure is consistent with our capital allocation framework, which is outlined in the appendix, and is targeted to achieve returns over our hurdle rate of at least 150 basis points above our post-tax WACC. Foundational capex was lower than guidance primarily due to timing of projects which sees some expenditure move into FY27, but overall our total spend on foundational capex remains unchanged. Stay-in-business capex was in-line with guidance and moving forward we are expecting it to grow in-line with inflation.

I'll cover funding on the next slide.

We have existing balance sheet capacity to fund our $3.5 billion organic growth pipeline over FY27 to FY29.

This organic growth pipeline includes inflight and identified growth projects across gas transmission and storage, GPG, remote grid and other on-grid contracted power generation projects. Adam showed a breakdown of the $3.5 billion on a previous slide.

This strong balance sheet position, combined with active capital management and the predictable, capacity-based, inflation-linked revenues, leaves us well positioned to deliver on our $3.5 billion of organic growth opportunities.

Next, I'll cover our strong progress on our cost reduction target on slide 21.

The key message is we have delivered ahead of target on our enterprise-wide cost reductions. We have delivered cost reductions of $80 million in FY26 exceeding our target of $50 million.

We achieved this by leveraging the foundational investments made into the business over the past three years. We also focussed on simplifying the business through the divestment of the non-core Networks and GDI businesses, which saw 725 employees transferred to the new owner. Combined, these asset sales generated cash proceed of $101 million in FY26 and were value accretive for securityholders.

We now have the business set-up to drive ongoing, enduring and sustainable cost improvements. We are expecting an annualised run-rate of $100 million in savings in FY27, inclusive of the $80 million delivered in FY26.

My final slide addresses our earnings guidance for FY27. Today we are providing FY27 underlying EBITDA guidance of between $2.26 billion and $2.34 billion.

Key drivers of the growth in earnings include inflation-linked tariff escalations and contributions from new assets, including the Sturt Plateau Pipeline and Basslink's conversion to a regulated asset.

Cost reduction initiatives are expected to contribute an incremental $20 million in FY27, representing an annualised FY27 run-rate of $100 million, as we continue to drive sustainable cost and efficiency improvements.

The midpoint of guidance represents a 5.4% growth year-on-year.

And with that, I'll hand back to Adam.

CEO and Managing Director Adam Watson address

Thanks Garrick.

Moving to slide 24.

We've delivered another very strong result for FY26.

- We've delivered strong financial outcomes
- Our growth outlook continues to strengthen
- And we have a strong balance sheet with the capacity to fund growth and distributions.

The guidance we've provided today for FY27 is further evidence of our strong momentum.

Which takes us to our investment thesis on slide 25.

We're well placed to capitalise on emerging opportunities, within a $100 billion-plus addressable market. Our $3.5 billion organic growth pipeline for FY27 – FY29 is focussed on opportunities that will create value for our securityholders and we can fund this growth from our existing balance sheet.

We have a strong business model, with inflation linked revenues and high margins. Our distribution yield remains attractive and our outlook remains strong.

I'd like to say thank you to the entire APA team, who have all contributed to today's fantastic results and to our exciting future.

Thank you for your time. Let's now move to Q&A.