

23 February 2023

ASX ANNOUNCEMENT

APA Group (ASX: APA)

FINANCIAL RESULTS PRESENTATION

APA Group provides the attached financial results presentation for the half year ended 31 December 2022.

Authorised for release by Amanda Cheney

Company Secretary
APA Group Limited

For further information, please contact:

Investor enquiries:

Andrew Gibson

General Manager Investor Relations

Telephone: +61 3 8416 2466

Mob: +61 437 169 292

Email: Andrew.Gibson@apa.com.au

Media enquiries:

Michael Cox

Corporate Affairs Manager

Telephone: +61 2 8044 7002

Mob: +61 429 465 227

Email: Michael.Cox@apa.com.au

About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$22 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 assets. We are also an owner and operator of 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.

**always
powering
ahead**

For personal use only

Strengthening communities through responsible energy

FY23 Half Year Result
February 2023

apa



Disclaimer

This presentation has been prepared by APA Group Limited (ACN 091 344 704) as responsible entity of the APA Infrastructure Trust (ARSN 091 678 778) and APA Investment Trust (ARSN 115 585 441) (APA Group).

The information in this presentation does not contain all the information which a prospective investor may require in evaluating a possible investment in APA Group and should be read in conjunction with the APA Group's other periodic and continuous disclosure announcements which are available at www.apa.com.au.

All references to dollars, cents or '\$' in this presentation are to Australian currency, unless otherwise stated.

Not financial product advice: Please note that APA Group Limited is not licensed to provide financial product advice in relation to securities in the APA Group. This presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire APA Group securities and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek professional advice if necessary.

Past performance: Past performance information should not be relied upon as (and is not) an indication of future performance.

Forward looking statements: This presentation contains certain forward looking information, including about APA Group, which is subject to risk factors. "Forward-looking statements" may include indications of, and guidance on, future earnings and financial position and performance, statements regarding APA Group's future strategies and capital expenditure, statements regarding estimates of future demand and consumption and statements regarding APA's climate transition plans and strategies, the impact of climate change and other sustainability issues for APA, energy transition scenarios, actions of third parties, and external enablers such as technology development and commercialisation, policy support, market support, and energy and offsets availability. Forward-looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'goal', 'ambition' and other similar expressions and include, but are not limited to, forecast EBIT and EBITDA, free cash flow, operating cash flow, distribution guidance, estimated asset life.

At the date of this presentation, APA Group believes that there are reasonable grounds for these forward looking statements and due care and attention have been used in preparing this presentation. However, the forward looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions and are subject to risk factors associated with the industries in which APA Group operates. Forward-looking statements, opinions and estimates are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of APA Group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not materially differ from these forward-looking statements, opinions and

estimates. A number of important factors could cause actual results or performance to differ materially from such forward-looking statements, opinions and estimates. There are also limitations with respect to climate scenario analysis, and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis is not an indication of probable outcomes and relies on assumptions that may or may not prove to be correct or eventuate.

Investors should form their own views as to these matters and any assumptions on which any forward-looking statements are based. APA Group assumes no obligation to update or revise such information to reflect any change in expectations, contingencies or assumptions.

Investment risk: An investment in securities in APA Group is subject to investment and other known and unknown risks, some of which are beyond the control of APA Group. APA Group does not guarantee any particular rate of return or the performance of APA Group.

Non-IFRS financial measures: APA Group results are reported under International Financial Reporting Standards (IFRS). However, investors should be aware that this presentation includes certain financial measures that are non-IFRS financial measures for the purposes of providing a more comprehensive understanding of the performance of the APA Group. These non-IFRS financial measures include FCF, EBIT, EBITDA and other "normalised" measures. Such non-IFRS information is unaudited, however the numbers have been extracted from the audited financial statements.

Not an offer: This presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Securities may not be offered or sold, directly or indirectly, in the United States or to persons that are acting for the account or benefit of persons in the United States, unless they have been registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

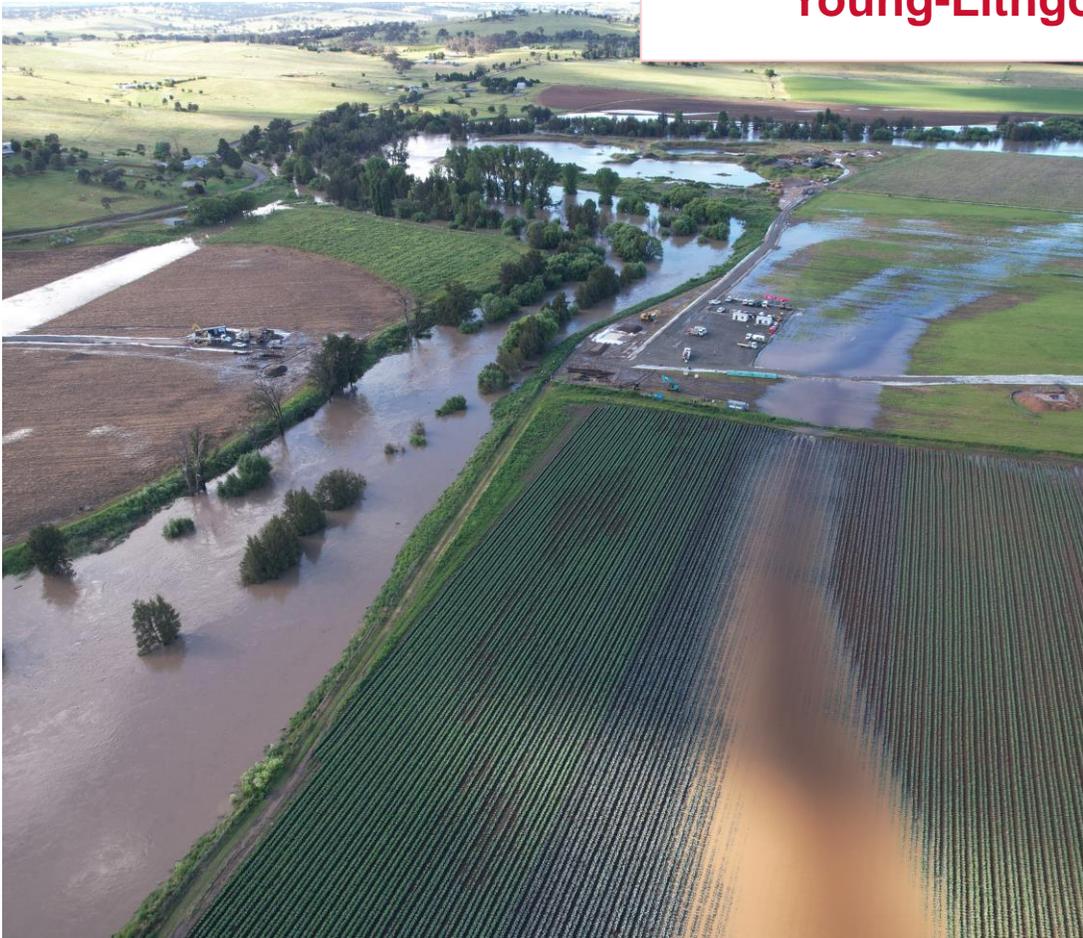
Non-GAAP financial measures: Investors should be aware that certain financial data included in this presentation are "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures are EBITDA, normalised EBITDA and statutory EBITDA. The disclosure of such non-GAAP financial measures in the manner included in the presentation may not be permissible in a registration statement under the U.S. Securities Act. These non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although APA Group believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this presentation.

In the spirit of reconciliation APA acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community.

We pay our respects to their elders past and present, and extend that respect to all Aboriginal and Torres Strait Islander Peoples today.

With a commitment to continuous learning APA starts all meetings with a safety or customer discussion

Young-Lithgow Pipeline Response



Source: Young-Lithgow November 2022

A solid 1H23 result as APA continues to invest to support Australia's energy transition

A solid 1H23 result

- Underlying EBITDA up 2.5%
- DPS⁽¹⁾ up 4.0% and FY23 DPS guidance of 55.0 cps reaffirmed
- Free Cash Flow down 6.0% impacted by timing of working capital receipt (up ~2.0% excluding this impact)
- Strong balance sheet with \$2.3b of cash and undrawn debt facilities

Investment in growth

- \$465m invested in organic projects, including expansion of the East Coast grid and progress with Northern Goldfields Interconnect (NGI) and Mica Creek Solar Farm
- \$758m⁽²⁾ acquisition of Basslink, expanding our electricity transmission capability and our footprint into Tasmania

Critical role in the energy transition

- A leading Australian listed energy infrastructure business with a proven track record in developing and operating energy infrastructure
- Partnering with our customers to achieve their decarbonisation ambitions
- Delivering energy solutions to the market that are reliable, affordable and lower emissions, which is critical for a successful energy transition

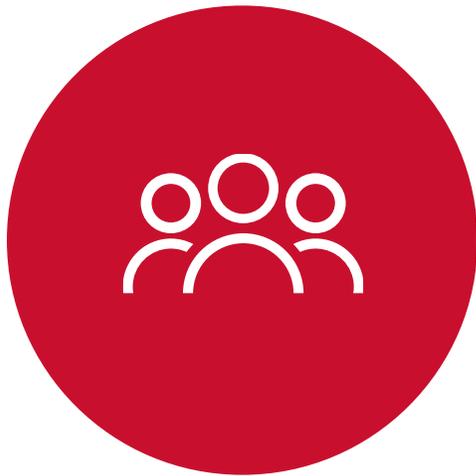
Partner of Choice

- Our ambition is to be the partner of choice to deliver infrastructure solutions for the energy transition
- We are investing in capability to ensure we can achieve our strategic ambitions and support the needs of our customers and our communities
- We are making disciplined investments across numerous market opportunities to capitalise on growth and maximise long term returns

(1) DPS = Distribution per security

(2) Excludes cash balances acquired of \$25.3m

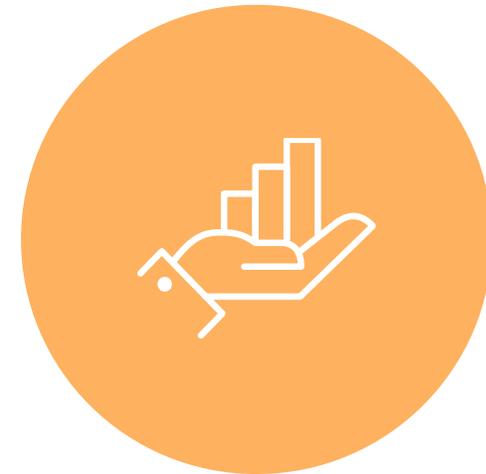
We are building momentum across the business with a relentless focus on three priority areas



**Our
People**



**Operational
Excellence**



**Creating
Value**

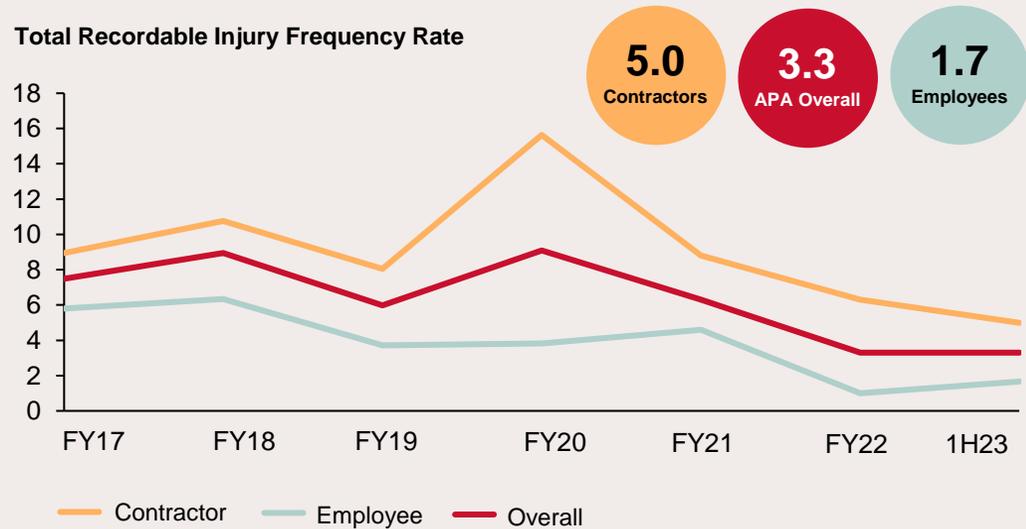
OUR PEOPLE

Delivering continuous improvement in our people outcomes

Safety

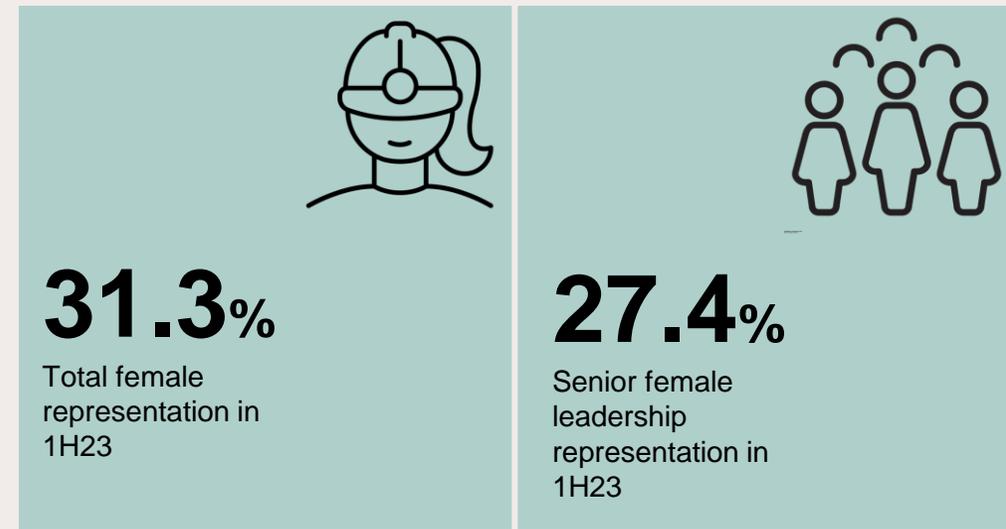
35% reduction in Total Recordable Injury Frequency Rate (TRIFR)⁽¹⁾

Total Recordable Injury Frequency Rate



Gender diversity

Targeted focus on improving our female representation



(1) TRIFR reduction for 1H23 period versus the previous corresponding period of 1H22. TRIFR is measured as the number of lost time and medically treated injuries sustained per million hours worked. Data includes both employees and contractors.

OUR PEOPLE

Targeted programs and initiatives to ensure we are an employer of choice

Industry recognition

We are proud to be recognised as a top employer for our Graduate program and as a great employer for women

#1

In the Oil, Gas, Energy & Resource sector



Australian Association of Graduate Employers

#34

Top 100 graduate employers



AFR GradConnection

Endorsed as a **great employer for women**



Employee benefits

We are committed to providing competitive employee benefits to ensure our people feel safe, valued and motivated to do their very best every day

Hybrid@APA



Flexible
Ways of Working

Gender equity



Enhanced **parental leave entitlements**



Commitment to **gender pay equity**

OPERATIONAL EXCELLENCE

A solid 1H23 result and growth in distributions in line with FY23 guidance

<p>Segment Revenue¹ up</p> <p>5.2% to \$1,175m</p>	<p>Underlying EBITDA² up</p> <p>2.5% to \$879m Up 4.0% excluding Orbost</p>	<p>Free Cash Flow (FCF)³ down</p> <p>6.0% to \$484m Up 2.0% excluding impact from timing of working capital receipt</p>
<p>Balance Sheet</p> <p>11.3% FFO/Net Debt \$2.3b of available liquidity</p>	<p>1H23 DPS⁴</p> <p>26.0 cps Up 4.0% on 1H22</p>	<p>FY23 DPS⁴ guidance reaffirmed</p> <p>55.0⁵ cps Forecast to be up 3.8% on FY22</p>

(1) Segment 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.

(2) Underlying Earnings before interest, tax, depreciation, and amortisation ("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.

(3) FCF = Free Cash Flow. Free Cash Flow is Operating Cash Flow adjusted for strategically significant transformation projects, less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs.

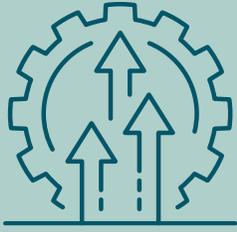
(4) DPS = Distribution per security

(5) 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 discretion of the board at the time. FY23 distribution guidance of 55.0 cps includes 26.0 cps of distribution for the six months ended 31 December 2022.

For personal use only

OPERATIONAL EXCELLENCE

Case study: Basslink Integration



Strong progress with our integration of Basslink



Improvements and investments already implemented to enhance system strength, such as an upgraded ride-through system



100% availability in 1H23 since ownership



OPERATIONAL EXCELLENCE

Progressing our Sustainability initiatives

Sustainability roadmap achievements in 1H23

- Reconciliation & First Nations Manager appointed
- Enhanced data disclosures via the release of our new Sustainability Data book containing annual ESG related performance information
- Development of the Responsible Procurement Strategy
- New Health, Safety, Environment and Heritage Strategy
- Ongoing uplift of modern slavery risk management activities



OPERATIONAL EXCELLENCE

Progressing our Climate Transition Plan initiatives

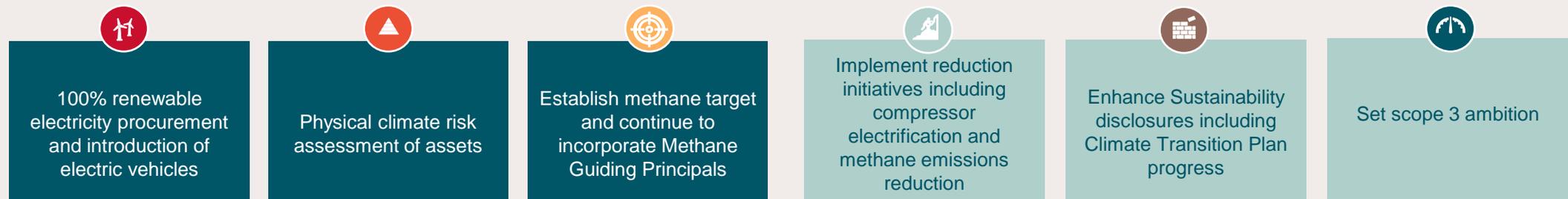
Climate Transition Plan achievements in 1H23

- Aligned Group Executives' remuneration to climate-related performance
- Enhanced governance framework to include a Safety and Sustainability Committee of the Board
- Progressed emissions reduction initiatives and purchased carbon offsets to support our FY23 requirements from the following projects:
 - Coronga Peak Regeneration Project (Australia)
 - Evergreen REDD+ Project (Brazil)
 - Katingan Restoration and Conservation Project (Indonesia)

FY23 Climate Transition Plan initiatives

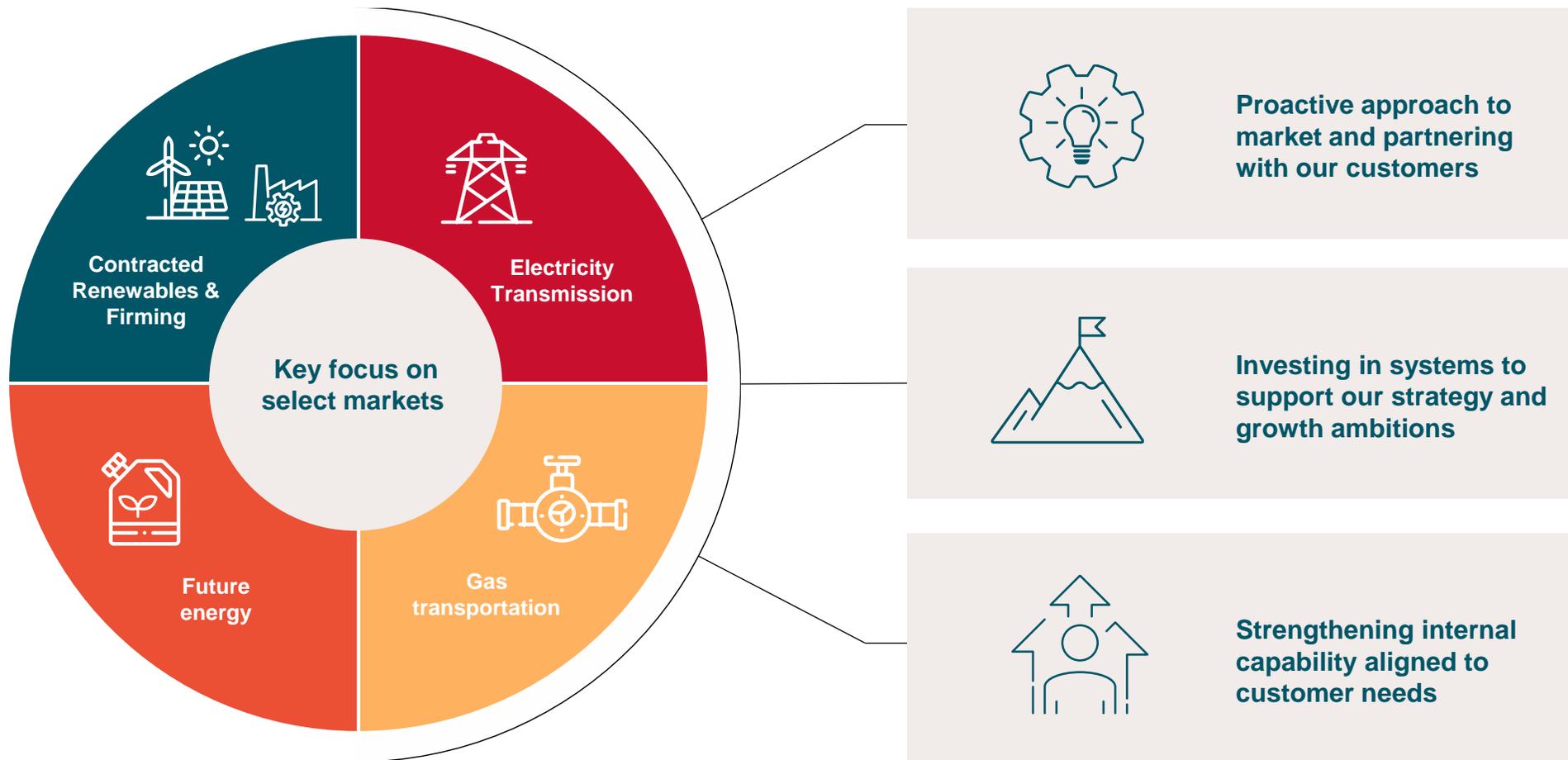
ON TRACK TO BE DELIVERED IN FY23

PROGRESSING MULTI-YEAR DELIVERABLES

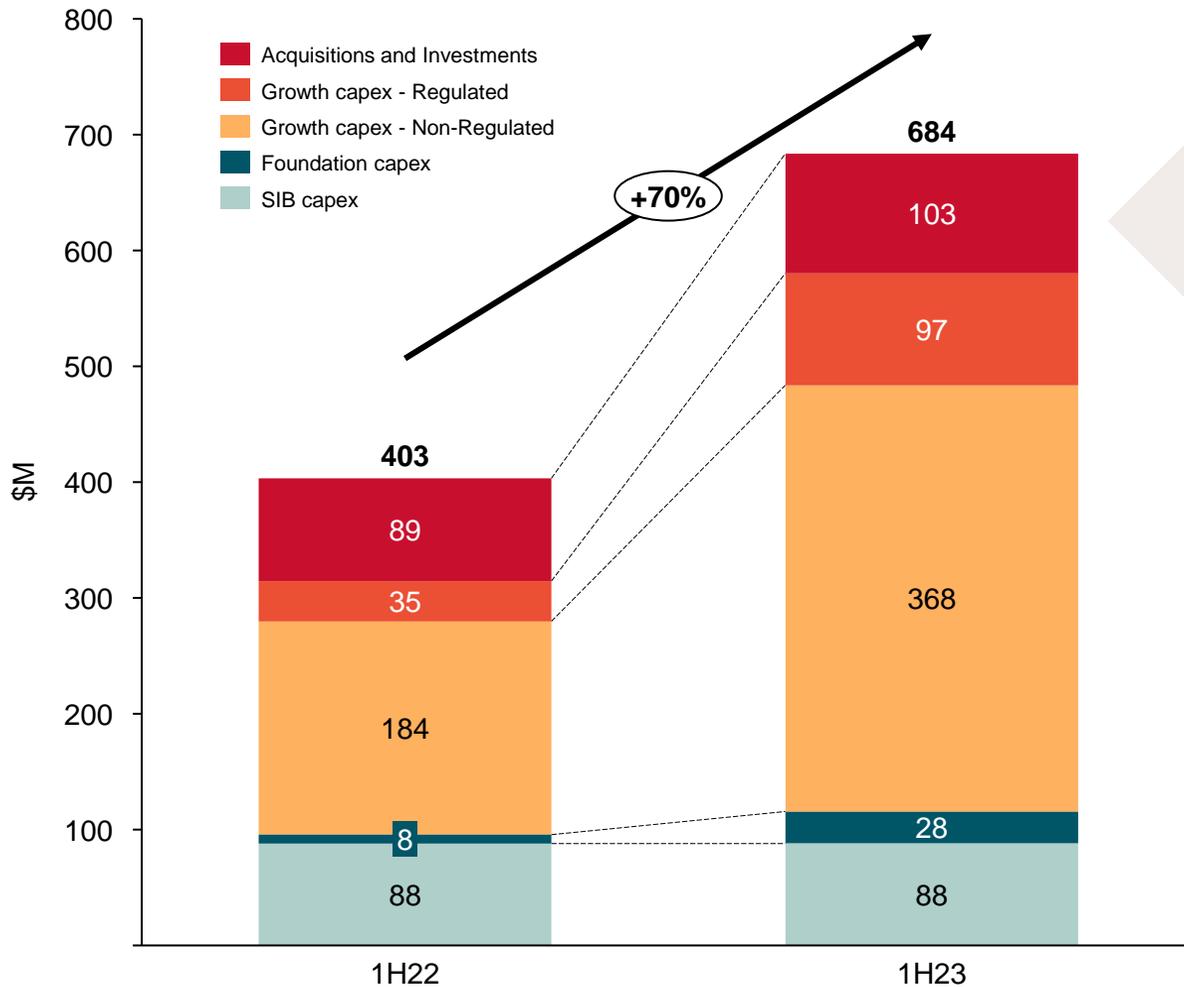


CREATING VALUE

Creating value as the partner of choice delivering infrastructure solutions for the energy transition



Significant investment in 1H23 to support growth



\$103m represents cash component of \$758m⁽¹⁾ Basslink acquisition completed in 1H23.

Key drivers for capex in 1H23

- Acquisitions and investments in 1H23 relates to the cash investment in Basslink
- Growth capex on regulated assets included:
 - Western Outer Ring Main project
 - Winchelsea Compressor Station
- Growth capex on Non Regulated assets included:
 - East Coast Grid capacity expansion
 - Kurri Kurri Gas Lateral
 - Northern Goldfields Interconnect (anticipating gradual ramp up post completion)
 - Gruyere Hybrid Energy Microgrid
 - Mica Creek Solar Farm
- Foundation capex included corporate real estate and technology investments

Notes: Numbers in the chart may not add up due to rounding
 The capital expenditure shown in this table represents payments for property, plant and equipment 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. (1) Excludes cash balances acquired of \$25.3m

For personal use only

Investing to strengthen our foundations for a sustainable future

For personal use only

Technology	Business Resilience	Net Zero
<p>Investing in systems and processes to drive efficiency, scalability and strengthen customer and employee experience</p> <hr/> <p>Programs underway include:</p> <ul style="list-style-type: none"> • A new cloud-based ERP • A new gas flow optimisation system • A new consolidated payroll system • A new Field Mobility system <p>These system are key platforms to support future growth</p>	<p>Ongoing strengthening of APA's business resilience</p> <hr/> <p>Investing for a secure future:</p> <ul style="list-style-type: none"> • Strengthening the security of our physical assets • Ongoing investment in cyber security protection and response capability • Enhancing platforms necessary to run large and complex energy solutions such as our new Integrated Operations Centre 	<p>Delivering our Net Zero operational commitments⁽¹⁾</p> <hr/> <p>Gas infrastructure target</p> <ul style="list-style-type: none"> • 30% reduction⁽²⁾ in emissions by 2030 and net zero by 2050 <p>Power generation goal</p> <ul style="list-style-type: none"> • 35% reduction⁽²⁾ in emissions intensity by 2030 and net zero by 2040
<p>Capability</p>	<ul style="list-style-type: none"> • Electricity Transmission • Renewable Power Generation • Climate and Sustainability 	<ul style="list-style-type: none"> • Technology and Cyber Security • Regulatory & Compliance • Government Relations & Corporate Affairs

(1) Further information in relation to APA's climate targets, goals and commitments can be located in the Climate Transition Plan 2022

(2) On FY21 base year

CREATING VALUE

Case study: Our new state of the art National Integrated Operations Centre

Centralised control and operations of our renewable power, gas fired power, gas transmission, and electricity transmission assets in one state of the art facility

New 24/7 backup facility ensures business continuity should access to the primary centre be inhibited





**Financial
performance**

**Kynwynn Strong
Acting CFO**

1H23 delivering growth in EBITDA and distributions; balance sheet remains robust

Financial summary		1H23	1H22 ⁽¹⁾	Change ⁽²⁾	%
Revenue (excluding pass-through) ⁽³⁾	\$m	1,231.9	1,117.7	10.2%	
Segment revenue (excluding pass-through) ⁽⁴⁾	\$m	1,175.4	1,117.4	5.2%	
Underlying EBITDA⁽⁵⁾	\$m	878.9	857.7	2.5%	
<i>Underlying EBITDA (excluding Orbest)⁽⁶⁾</i>	\$m	875.6	841.6	4.0%	
Non-operating items ⁽⁷⁾	\$m	11.7	5.5	111.2%	
Reported EBITDA ⁽⁸⁾	\$m	890.6	863.2	3.2%	
Depreciation and amortisation	\$m	(356.4)	(371.2)	4.0%	
Net interest expense ⁽⁹⁾	\$m	(229.4)	(239.2)	4.1%	
Income tax expense	\$m	(114.0)	(98.7)	(15.5%)	
Reported NPAT	\$m	190.7	154.1	23.8%	
Free Cash Flow ⁽¹⁰⁾	\$m	484.3	515.1	(6.0%)	
Distribution per security	cents	26.0	25.0	4.0%	
Cash and undrawn debt facilities	\$m	2,268.3	1,774.6	27.8%	

Key points to note

- A solid 1H23 result driven by our Energy Infrastructure portfolio
- Underlying 1H23 EBITDA margin of 75%, lower than 77% in 1H22 due to investment in internal capability
- Profit from non-operating items increased, driven by Basslink debt revaluation and AEMC market compensation receipt
- Lower depreciation and amortisation due to non-recurrence of 1H22 accelerated depreciation as part of the replacement plan of certain assets
- Net interest expense lower due to higher interest income during the period
- Reported NPAT up 24%; no significant items
- Free Cash Flow (FCF) declined due to \$41m of cash falling due on the first business day of January 2023 instead of the last business day of December 2022 (month end fell on a weekend). FCF was up 2.0% excluding impact from timing of working capital receipt
- 1H23 DPS up 4% representing a payout ratio of 63.3%
- Strong financial position with \$2.3b cash and committed corporate liquidity lines

Notes: Numbers in the table may not add up due to rounding

(1) The comparative information has been restated as a result of the payroll review. For further information refer to APA Infrastructure Trust's 1H23 Financial Report.

(2) Positive/negative changes are shown relative to impact on profit or other relevant performance metric; n.m. = not meaningful

(3) 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.

(4) 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.

(5) Underlying Earnings before interest, tax, depreciation, and amortisation ("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.

(6) Underlying 1H23 EBITDA excluding the earnings from Basslink and the Orbest Gas Processing Plant was \$867.9m (1H22: \$841.6m).

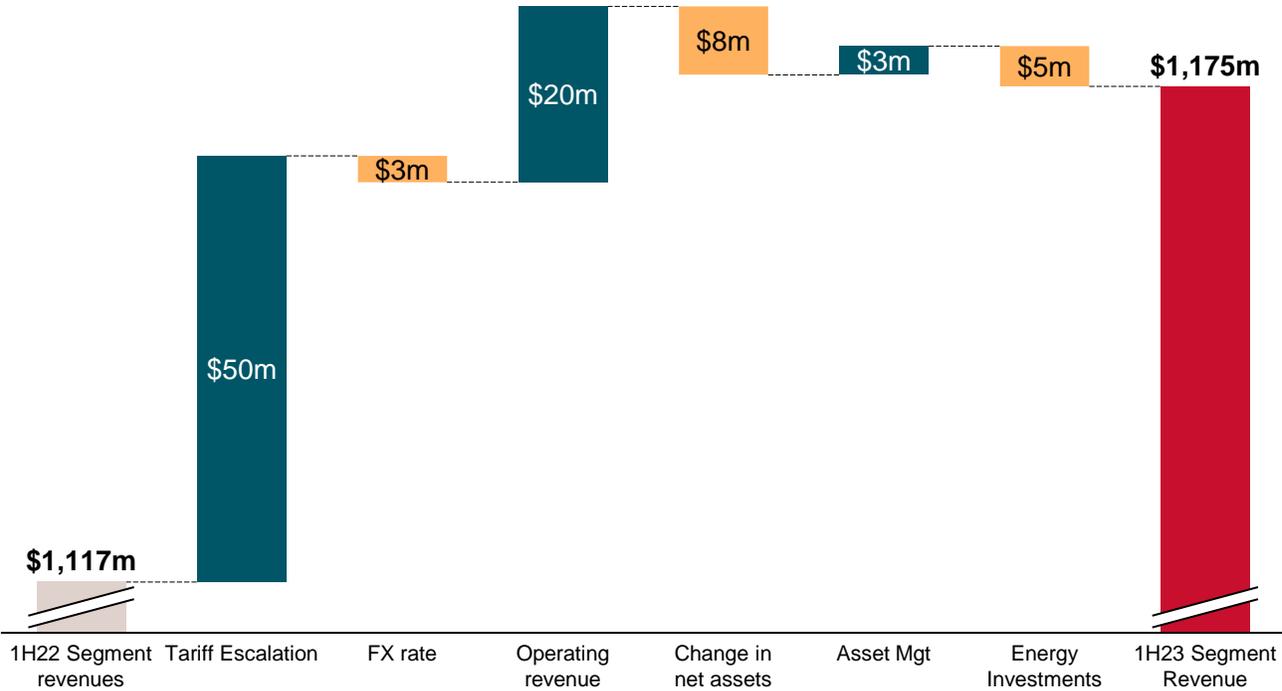
(7) Refer to slide 38 in Appendix for further detail

(8) Earnings before interest, tax, depreciation, and amortisation ("EBITDA") including non-operating items.

(9) Excluding finance lease and investment interest income, any gains or losses on revaluation of derivatives included as part of EBIT for segment reporting purposes.

(10) Free Cash Flow is Operating Cash Flow adjusted for strategically significant transformation projects, less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs

Revenue growth driven by inflation linked tariffs and improved operating activity in a number of assets



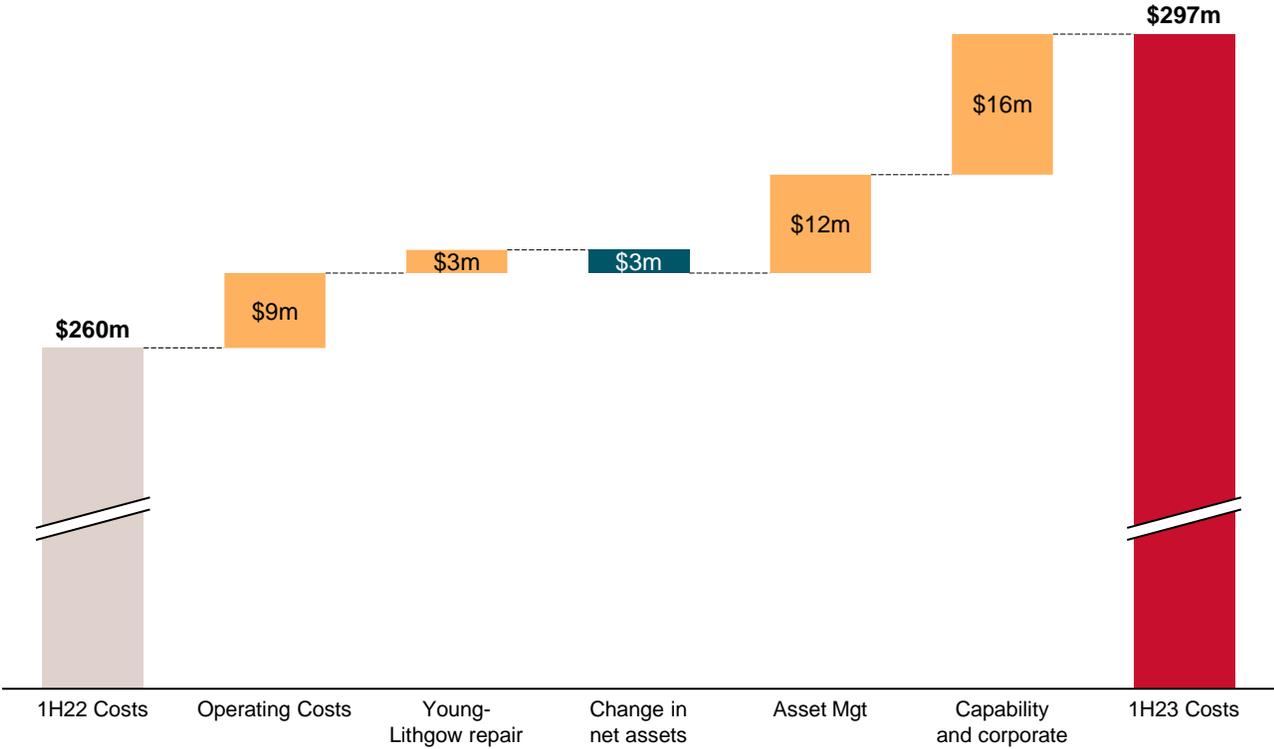
Key drivers

- Inflation linked tariff escalation was the key driver of revenue
- East Coast assets contributed to higher operating revenue. Increase on prior period also reflects a one-off \$8m decrease in 1H22
- Change in net assets includes revenue impact from the sale of Orbost Gas Processing Plant, partly offset by the acquisition of Basslink
- Increase in Asset Management driven by higher third-party projects
- Decline in Energy Investments with lower revenues from SEAGas due to a restructured customer contract

(1) Segment revenue excludes: pass-through revenue; Wallumbilla Gas Pipeline hedge accounting unwind; interest revenue on Basslink debt investment; Basslink AEMC market compensation and other interest income.

Higher cost base from ongoing investment in capability

For personal use only



- Operating costs higher, mainly due to increased maintenance activity
- Young-Lithgow repair costs ~\$3m
- Movement in cost base associated with net asset movements - acquisition of Basslink and sale of Orbost
- Increased Asset Management costs due to a higher proportion of low margin projects
- Higher investment in capability and corporate driven by:
 - Increased investment in capability across all parts of the business including Electricity Transmission and Renewables to deliver growth
 - Increased costs relating to technology and security, more normalised travel and climate transition plan

EBITDA growth driven by strong Energy Infrastructure performance

EBITDA by segment		1H23	1H22	Change ⁽¹⁾	%
Energy Infrastructure:					
East Coast	\$m	344.7	341.0	1.1%	
<i>East Coast (excluding Orbest)</i>	<i>\$m</i>	<i>341.5</i>	<i>324.9</i>	<i>5.1%</i>	
West Coast	\$m	152.0	136.7	11.2%	
Wallumbilla Gladstone Pipeline ⁽²⁾	\$m	297.0	278.7	6.6%	
Electricity Generation and Transmission	\$m	112.8	99.7	13.2%	
Total Energy Infrastructure	\$m	906.6	856.0	5.9%	
Asset Management	\$m	32.9	41.1	(19.9%)	
Energy Investments	\$m	11.5	16.2	(29.2%)	
Corporate Costs	\$m	(72.1)	(55.6)	(29.6%)	
Underlying EBITDA⁽³⁾	\$m	878.9	857.7	2.5%	
<i>Orbest EBITDA (sale completed 28 July 2022)</i>	<i>\$m</i>	<i>3.3</i>	<i>16.1</i>	<i>(79.7%)</i>	
<i>Underlying EBITDA (excluding Orbest)⁽⁴⁾</i>	<i>\$m</i>	<i>875.6⁽⁴⁾</i>	<i>841.6</i>	<i>4.0%</i>	

Key drivers

- East Coast up 1% (up 5% excluding Orbest) driven by inflation linked tariffs, higher volumes and new contracts, partly offset by Young Lithgow repair costs
- West Coast up 11%, with inflation contributing approximately half of this improvement. The increase on prior period also reflects a one-off \$8m decrease in 1H22
- WGP up 7% driven by inflation linkage, partly offset by FX (-\$3m)
- Electricity Generation and Transmission up 13% driven by an initial contribution from Basslink (~\$8m, segment up 5% excluding Basslink) and inflation benefits
- Asset Management down 20% driven by lower customer contributions and a higher proportion of lower margin activities
- Energy Investments down 29% largely due to a lower SEAGas contribution, driven by a restructured customer contract
- Corporate costs up 30% due to investment in capability to support growth initiatives
- Underlying EBITDA up 2.5% (up 4.0% excluding Orbest)

Notes: Numbers in the table may not add up due to rounding

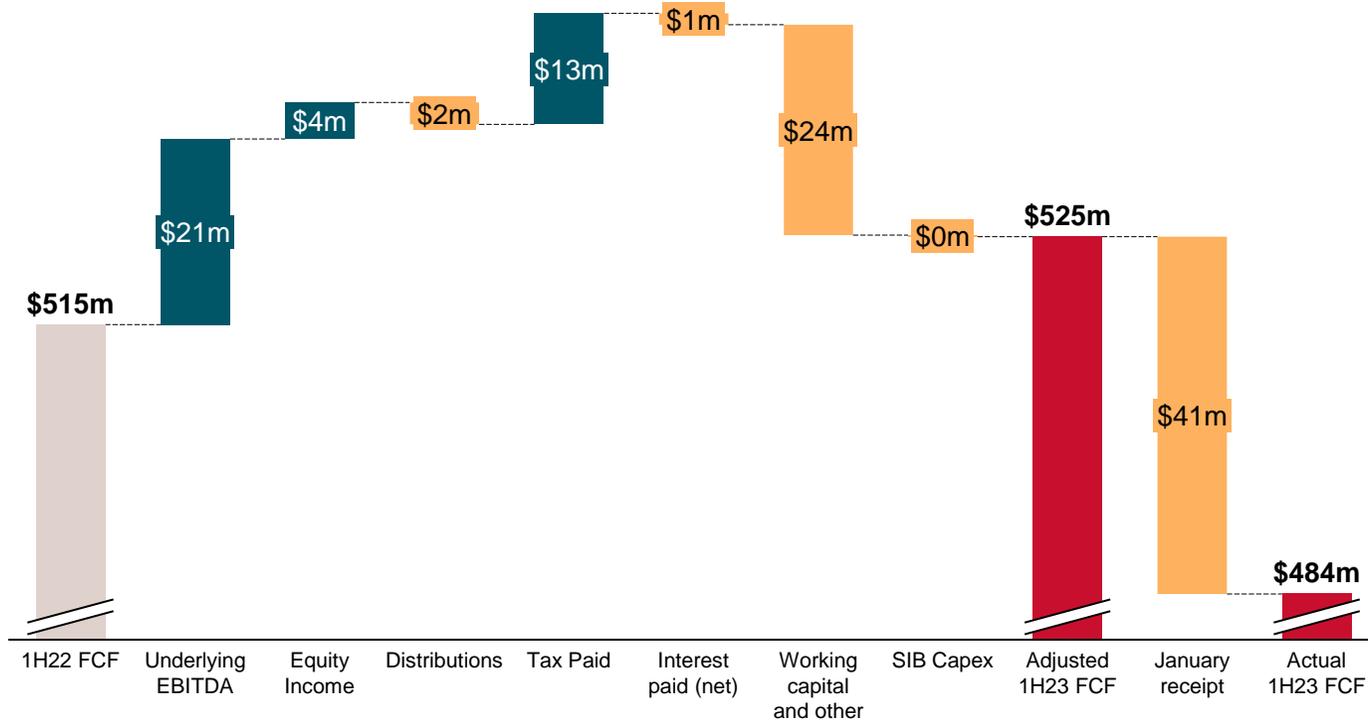
(1) Positive/negative changes are shown relative to impact on profit or other relevant performance metric.

(2) 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.

(3) Earnings before interest, tax, depreciation, and amortisation (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.

(4) Underlying 1H23 EBITDA excluding Orbest and Basslink was up 3.1% to \$867.9m (1H22: \$841.6m).

Free Cash Flow impacted by timing of \$41m working capital receipt



Key drivers of Free Cash Flow (FCF)⁽¹⁾

- Higher underlying EBITDA
- Lower cash tax due to accelerated depreciation allowance on new projects through to 30 June 2023
- Working capital \$24m lower due to general movements period over period
- Stay in business (SIB) capex flat on prior period
- \$41m cash receipt fell into January 2023 due to 31 December 2022 falling on a weekend. Had it been collected in December 2022, 1H23 FCF would have been up 2.0% on 1H22

(1) Free Cash Flow (FCF) is Operating Cash Flow adjusted for strategically significant transformation projects, 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.

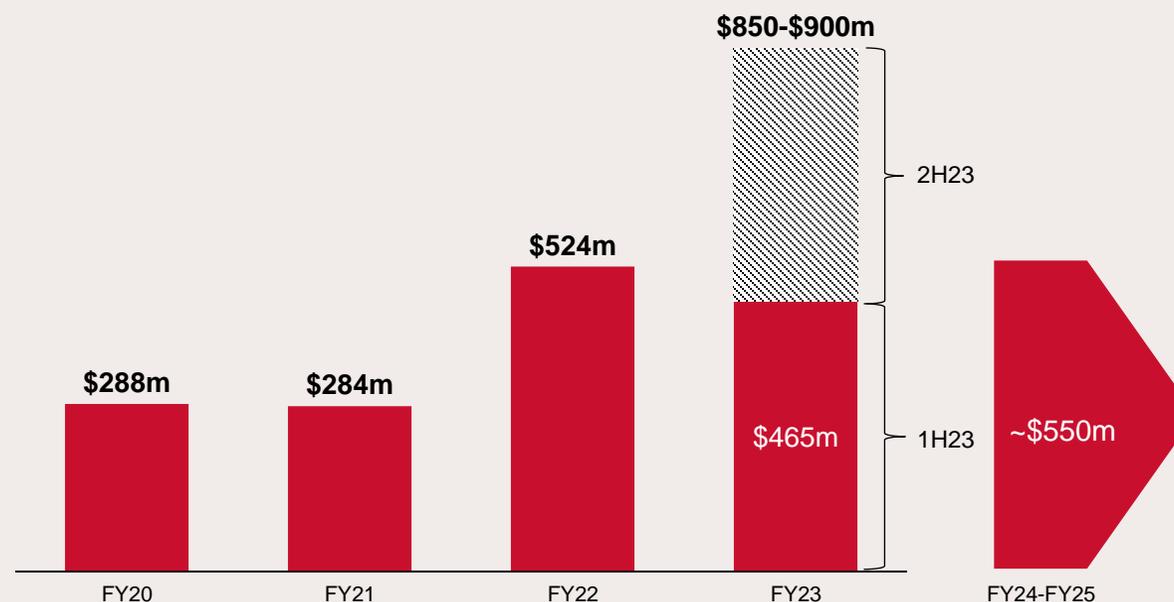
Balance sheet capacity to invest in growth, with organic opportunities in excess of \$1.4b

Robust Balance Sheet and liquidity position

	1H23	1H22
Cash & undrawn debt facilities	\$2.3b	\$1.8b
Net debt	\$10.5b	\$9.1b
Average cost of debt ⁽¹⁾	4.4%	4.5%
Average duration of debt	6.2yrs	7.3yrs
FFO/Net debt ⁽²⁾	11.3%	11.2%
FFO/Interest (times)	3.5x	3.3x

- Significant headroom to fund growth and/or support capital management
- \$1.6b of undrawn facilities
- No material debt refinancing obligations until FY25
- Drawn debt is 100% hedged / fixed
- BBB/Baa2 ratings with stable outlook

FY23 to FY25 pipeline of capex opportunities >\$1.4b



Over 60% of the >\$1.4b capex opportunities pipeline is expected to be invested in FY23, which will include delivery of Stage 1 of the East Coast gas grid expansion ahead of 2023 winter demand peaks

(1) The average cost of debt has been calculated using period end FX and hedged rates to better reflect actual debt outstanding at period end (comparative year has also been restated). Based on the previous methodology, average cost of debt was 4.6% in 1H22.

(2) The credit metrics ratios are now calculated to be more aligned with the credit rating agency methodology (comparatives have also been restated). Based on the previous methodology, FFO/ Net Debt was 11.5% for the 12 months to 30 June 2022. FFO/ Interest is unchanged at 3.6 times for the 12 months to 30 June 2022.

Disciplined capital allocation framework to maximise securityholder value

For personal use only

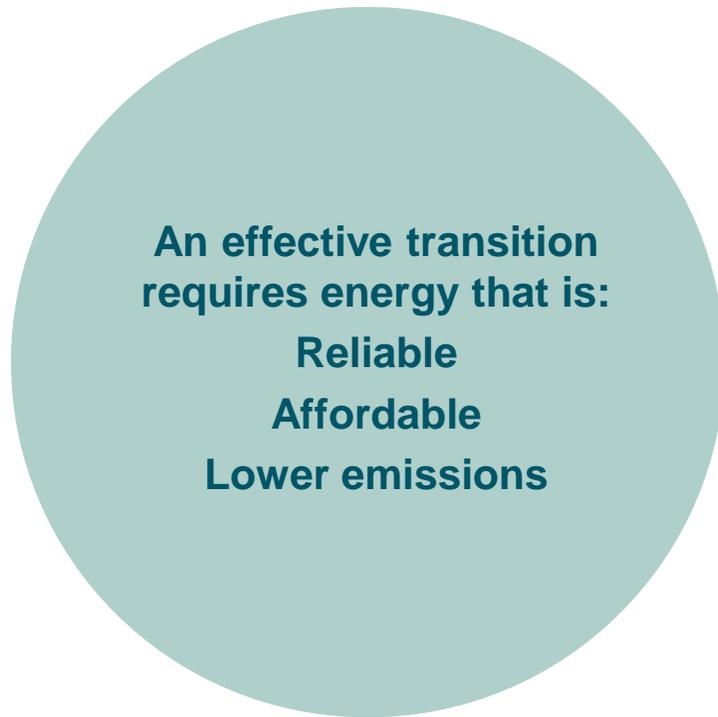
 Stay In Business capex	 Foundational capex	 Organic growth and M&A opportunities	 Distributions	 Other capital management
<ul style="list-style-type: none">• Ensures safe and reliable operations• SIB capex includes operational asset and technology lifecycle costs	<ul style="list-style-type: none">• Programs to strengthen the foundations and sustainability of APA including:<ul style="list-style-type: none">– Technology platforms– Securing our assets– Net zero investments	<ul style="list-style-type: none">• Creating long term value for securityholders• Subject to risk adjusted hurdle rates• Commitment to investment grade credit metrics	<ul style="list-style-type: none">• Targeting a payout ratio of 60-70%	<ul style="list-style-type: none">• Flexibility to deploy capital management initiatives as required:<ul style="list-style-type: none">– Liability management / debt refinancing– Security buy-backs (not active at present)– Distribution reinvestment plan (not active at present)

Market Dynamics

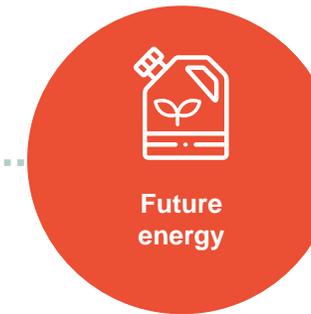
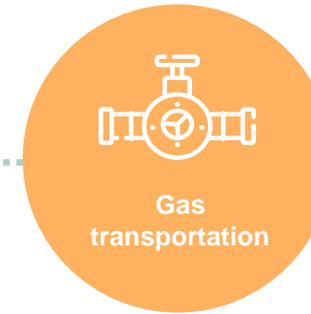
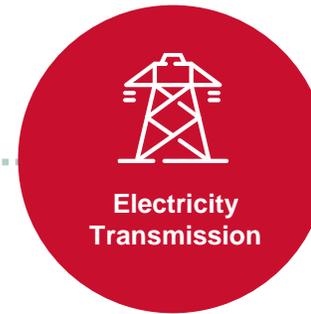
Adam Watson
CEO & MD



To be the partner of choice in delivering infrastructure solutions for the energy transition



We are supporting Australia's energy transition through investment in:

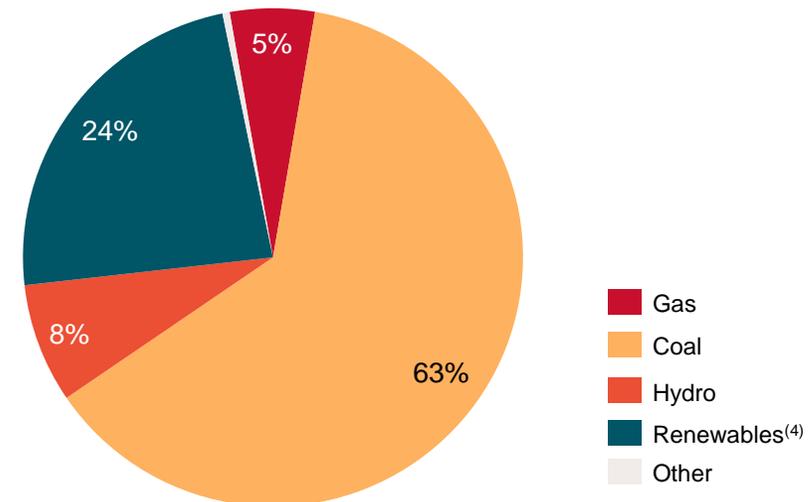


As coal retires, renewable energy firmed with gas will be essential to deliver the most reliable, affordable and low-emissions pathway to decarbonise our energy system

Renewables can't do all the heavy lifting as coal generation comes out

- Coal still represents around two thirds of the energy mix of the NEM
- AEMO expects 14GW, or 60%, of current coal fired capacity to withdraw from the NEM by 2030⁽¹⁾
- Two of Australia's largest clean energy projects, the planned Snowy 2.0 and Battery of the Nation, expected to deliver 4.5GW of electricity⁽²⁾, leaving a significant gap in what is required to replace coal
- As renewables increase so too will the intermittency of the NEM
- Batteries can't do all the heavy lifting, with the Victorian Big Battery (one of the largest in the world) providing 300MW, enough to power around 1m Victorian homes for 0.5hr⁽³⁾
- The exit of coal will require gas firming to help fill the gap

Coal generation accounts for >60% of electricity generation in the NEM – AEMO expects more than half of the capacity underpinning this to exit by 2030
2021 NEM energy mix⁽²⁾



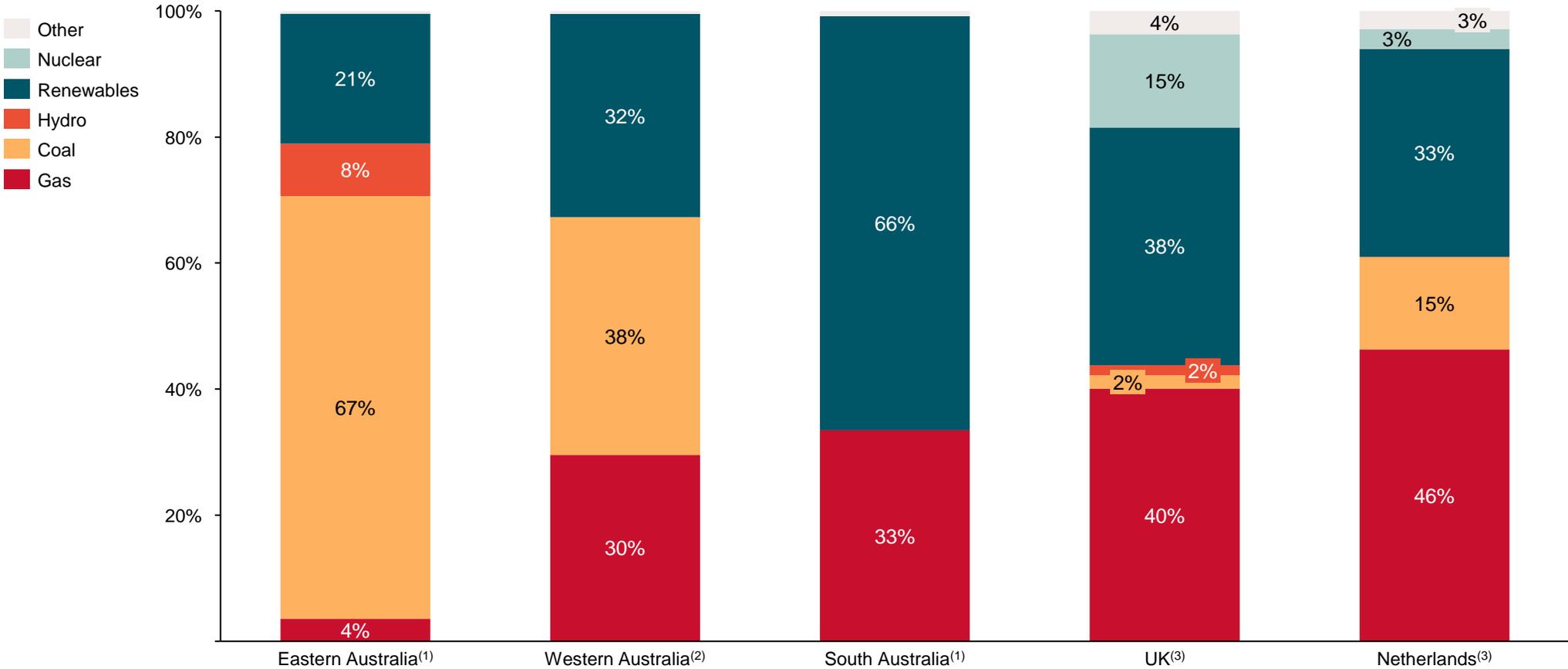
(1) AEMO Integrated System Plan 2022; Step Change Scenario

(2) AER State of the Energy Market 2022; 2021 data

(3) www.victorianbigbattery.com.au

(4) Includes rooftop solar

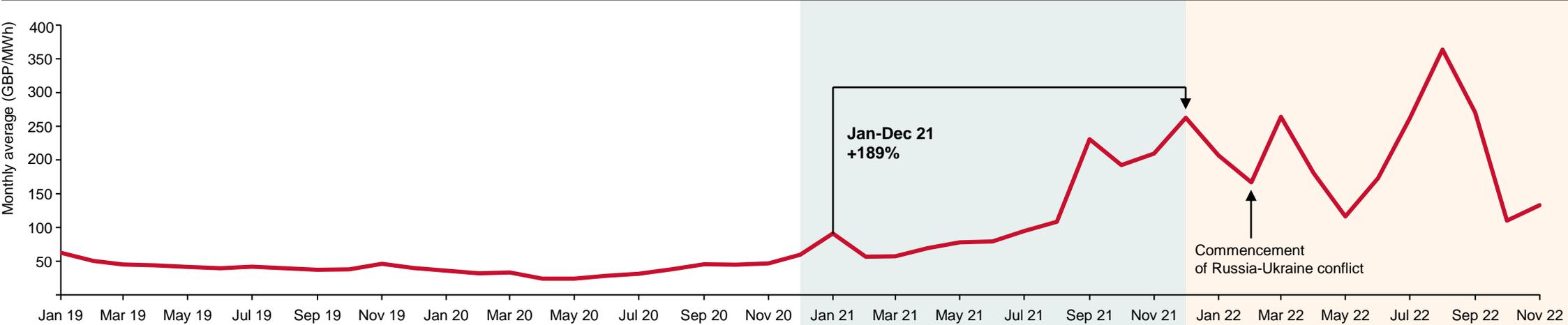
Eastern Australia has significantly more coal generation compared to more progressed regions where gas plays a key role in firming renewables



Note: % of generation output, by fuel source
 (1) AER State of the Energy Market 2022; 2021 data. Eastern Australia includes Queensland, New South Wales (including the Australian Capital Territory), Victoria and Tasmania (excludes South Australia).
 (2) OpenNEM; 2021 data
 (3) BP Statistical Review of World Energy 2022; 2021 data.
 (4) Percentages may not total 100 due to rounding

The UK experienced affordability challenges in 2021 with an over-reliance on gas imports, lower performing renewables and insufficient baseload

UK electricity prices day ahead baseload contracts – monthly average⁽³⁾



- Gas is used to fuel around 40% of the UK's electricity generation and plays a key role in firming renewables⁽¹⁾
- However, the UK is reliant on imports for around 50% of its gas needs⁽¹⁾
- This reliance on gas imports contributed to a sharp rise in electricity prices in CY21, a situation exacerbated by the Russia-Ukraine conflict from late February CY22
- The UK is now looking to become more self-sufficient in gas⁽²⁾

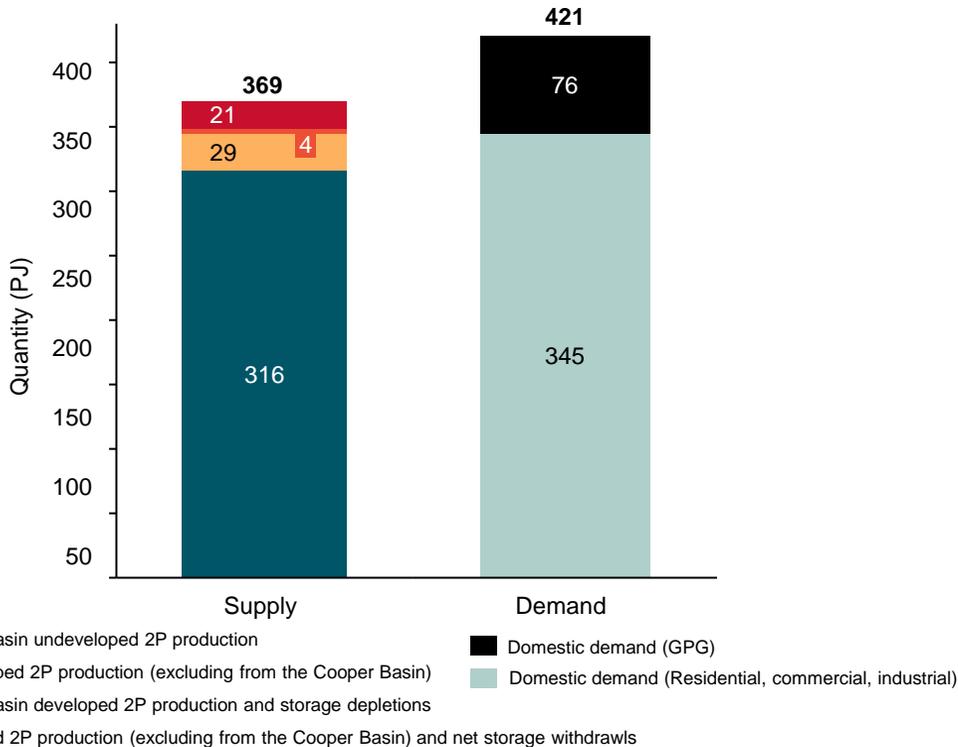
- CY21 challenges:**
- Renewable generation down 8% yoy⁽⁴⁾
 - Coal 2% of generation mix after energy transition (vs 39% in CY12)⁽⁵⁾
 - Production of gas in the UK down 17% yoy⁽⁶⁾ and low storage
 - Net imports of gas and electricity up 30%⁽⁶⁾ and 37%⁽⁷⁾ yoy respectively

- CY22:**
- Affordability further impacted by the Russia-Ukraine conflict that commenced in Feb 22
 - UK now aims to invest significantly in nuclear so that by 2050, up to a quarter of power consumed in Great Britain will be from nuclear⁽²⁾

Source: (1) UK Energy in Brief 2022, Department for Business, Energy & Industrial Strategy. (2) Policy Paper, British energy security strategy, 7 April 2022, GOV.UK (3) ofgem.gov.uk, Energy and Data Research, Data Portal, Wholesale market indicators (4) BP Statistical Review of World Energy 2022 (5) National Statistics publication Energy Trends produced by the Department for Business, Energy and Industrial Strategy (BEIS) (6) Energy Trends: UK gas - GOV.UK. 2021 provisional data (7) <https://www.gov.uk/government/collections/digest-of-uk-energy-statistics-dukes>. Dukes 2022

Committed domestic gas supply is essential to ensure an orderly energy transition in Australia, and APA is playing its role by expanding east coast transportation capacity

ACCC forecast a potential gas supply shortfall of 52 PJ in southern states (excludes Qld) in 2023⁽¹⁾



Expansion of East Coast Grid to help alleviate the risk of gas supply shortfalls in southern states of Australia

- Maturing gas supply in southern states increasing risks of near-term gas supply shortfalls
- More gas is required from the northern basins which will need to be transported to the southern markets
- Reliance on southern storage also likely to increase
- Investment of >\$340m in FY23 into APA's East Coast Grid will help facilitate bringing gas from the north to meet peak demand in southern markets
- The magnitude of the shortfall in the southern states is projected to increase over time, and by 2034 is forecast to be as large as 300PJ using AEMO's Progressive Change demand scenario⁽¹⁾
- We are in a heightened period of regulatory and policy uncertainty which could increase the likelihood of a disorderly energy transition

Support for domestic gas supply and transportation is required for a smooth transition to deliver energy that is reliable, affordable and lower emissions

(1) ACCC – Gas inquiry 2017-2025 Interim report January 2023
 (2) Total may not add up due to rounding

Q&A Session



Closing remarks



APA well positioned to support the energy transition



(1) 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 discretion of the board at the time. FY23 distribution guidance of 55.0 cps includes 26.0 cps of distribution for the six months ended 31 December 2022.

For personal use only

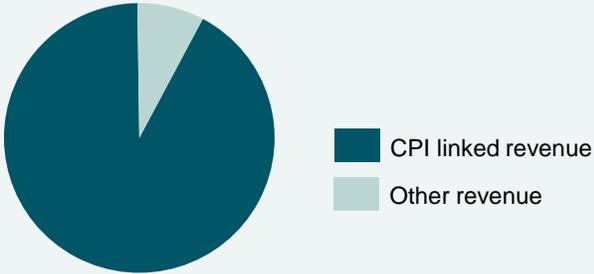
Supplementary Financials



APA is well positioned to benefit from rising inflation

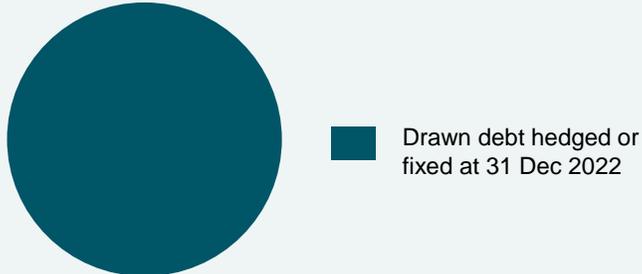
Revenue

Majority of APA's revenue is indexed to inflation⁽¹⁾



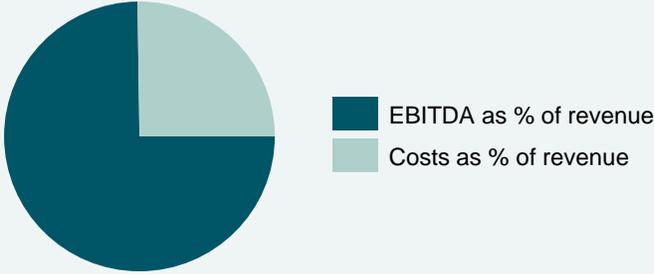
Drawn debt

Fully hedged/fixed with average maturity of 6.2 yrs⁽²⁾



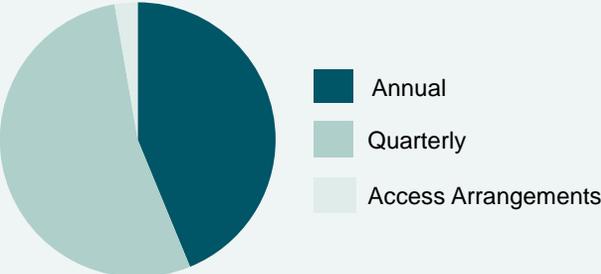
EBITDA

High EBITDA margins⁽³⁾



Inflation escalation⁽⁴⁾

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

Notes:
 (1) 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).
 (2) As at 31 December 2022
 (3) For 1H23 excluding passthrough revenue and significant items
 (4) For Australian contracts

Historical underlying EBITDA by asset – Energy Infrastructure

\$ million	1H23	1H22 ⁽¹⁾	FY22 ⁽¹⁾	FY21 ⁽¹⁾	FY20 ⁽¹⁾	FY19 ⁽¹⁾	FY18 ⁽¹⁾
East Coast Grid							
Wallumbilla Gladstone Pipeline	297.0	278.7	577.7	549.5	538.7	542.2	515.7
South West Queensland Pipeline	131.9	120.9	245.2	232.8	254.4	250.0	244.3
Moomba Sydney Pipeline	72.5	76.4	137.9	151.5	160.8	149.4	147.1
Victorian Systems ⁽²⁾	74.4	83.7	143.2	113.4	101.9	114.0	124.6
Roma Brisbane Pipeline	29.4	22.7	47.9	51.5	56.9	58.4	60.9
Carpentaria Gas Pipeline	16.6	14.0	28.8	29.0	29.5	36.8	39.0
Other Qld assets	12.6	13.5	24.9	22.4	21.4	19.1	12.4
Northern Territory							
Amadeus Gas Pipeline	7.0	8.6	16.8	22.7	19.9	19.2	22.9
South Australia							
SESA Pipeline and other SA assets	0.3	1.2	1.6	2.4	2.3	2.1	2.6
East Coast total (incl WGP)	641.8	619.6	1,224.0	1,175.2	1,185.8	1,191.2	1,169.5
East Coast total (excl WGP)	344.7	341.0	646.3	625.7	647.1	649.0	653.8
Western Australia							
Goldfields Gas Pipeline	90.2	77.6	166.6	155.1	149.9	125.2	111.8
Eastern Goldfields Pipeline	28.3	26.6	53.5	50.7	51.0	45.6	37.7
Mondarra Gas Storage and Processing Facility	19.3	18.3	35.8	36.9	36.1	33.8	32.8
Pilbara Pipeline System	13.9	13.3	26.5	25.7	27.6	28.2	27.8
Other WA assets	0.3	0.9	4.7	1.7	6.3	3.0	3.4
Western Australia Total	152.0	136.7	287.1	270.1	270.9	235.8	213.5
Electricity Generation and Transmission							
Diamantina Power Station	61.7	58.5	111.3	94.3	89.4	90.9	88.3
Badgingarra Wind and Solar Farms	19.0	18.5	38.9	32.1	33.5	14.7	-
Emu Downs Wind and Solar Farms	13.3	13.0	27.2	26.7	24.8	23.2	23.3
Darling Downs Solar Farm	5.5	5.4	11.2	13.6	15.7	11.0	-
Gruyere Power Station	5.6	4.2	7.4	7.6	6.9	3.2	-
Basslink & Others	7.7	-	-	-	-	-	-
Electricity Generation and Transmission Total	112.8	99.7	196.0	174.3	170.3	143.0	111.6
Total	906.6	856.0	1,707.1	1,619.6	1,627.0	1,570.0	1,494.6

Notes: Numbers in the table may not add up due to rounding

(1) The comparative information has been restated as a result of the payroll review. For further information refer to APA Infrastructure Trust's 1H23 Financial Report.

(2) Includes the earnings from Orbost of \$16.1 million in 1H22 and \$3.3 million in 1H23. The sale of Orbost was completed in July 2022.

Revenue and EBITDA by geography

\$ million	1H23	1H22 ⁽¹⁾	Change (\$)	Change (%) ⁽²⁾
Revenue				
Energy Infrastructure				
Queensland	652.3	609.3	43.0	7.1%
New South Wales	91.9	90.2	1.7	1.9%
Victoria	108.8	112.3	(3.5)	(3.1%)
South Australia	0.7	1.5	(0.8)	(51.6%)
Northern Territory	14.0	14.3	(0.3)	(2.2%)
Western Australia	229.9	210.7	19.2	9.1%
Energy Infrastructure total	1,097.6	1,038.3	59.4	5.7%
Asset Management	64.4	60.9	3.5	5.8%
Energy Investments	11.5	16.2	(4.7)	(29.2%)
Other non-contracted revenue	1.9	2.1	(0.2)	(7.4%)
Total segment revenue	1,175.4	1,117.4	58.0	5.2%
Pass-through revenue	267.0	266.6	0.3	0.1%
Wallumbilla Gas Pipeline hedge accounting discontinuation	(18.4)	-	(18.4)	n.m.
Interest income on Basslink debt investment	49.5	-	49.5	n.m.
Basslink AEMC market compensation	15.3	-	15.3	n.m.
Unallocated revenue	10.1	0.3	9.8	3,159.2%
Total Revenue	1,498.9	1,384.4	114.5	8.3%
Underlying EBITDA				
Energy Infrastructure				
Queensland	554.8	513.7	41.1	8.0%
New South Wales	72.5	76.4	(3.9)	(5.1%)
Victoria	82.1	83.7	(1.6)	(1.9%)
South Australia	0.3	1.2	(0.9)	(76.6%)
Northern Territory	7.0	8.6	(1.6)	(18.4%)
Western Australia	189.9	172.4	17.5	10.1%
Energy Infrastructure total	906.6	856.0	50.6	5.9%
Asset Management	32.9	41.1	(8.2)	(19.9%)
Energy Investments	11.5	16.2	(4.7)	(29.2%)
Corporate costs	(72.1)	(55.6)	(16.5)	(29.6%)
Underlying EBITDA	878.9	857.7	21.2	2.5%

Notes: Numbers in the table may not add up due to rounding

(1) The comparative information has been restated as a result of the payroll review. For further information refer to APA Infrastructure Trust's 1H23 Financial Report.

(2) Positive/negative changes are shown relative to impact on profit or other relevant performance metric; n.m. = not meaningful

Non-operating items

(\$ million)	1H23	1H22
Underlying EBITDA	878.9	857.7
Fair value gains/losses on contracts for difference ⁽¹⁾	(10.1)	8.2
Technology transformation projects ⁽²⁾	(21.7)	(2.7)
Wallumbilla Gas Pipeline hedge accounting unwind ⁽³⁾	(18.4)	-
Basslink debt revaluation, interest and integration costs ⁽⁴⁾	49.3	-
Basslink AEMC market compensation ⁽⁵⁾	15.3	-
Payroll review ⁽⁶⁾	(2.7)	-
Total reported EBITDA⁽⁷⁾	890.6	863.2

Notes: Numbers in the table may not add up due to rounding

(1) Net loss/gain arising from a contract for difference in an electricity sales agreement with a customer that economically hedges the fair value of the electricity sales agreement for which hedge accounting is not applicable;

(2) Costs associated with technology and transformation projects, 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.

(3) In February 2022, following 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. The revenues were previously 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.

(4) Income including accrued interest and the revaluation gain up until the date of acquisition of Basslink Pty Ltd and its subsidiary on 20 October 2022, net of integration costs of \$0.2 million incurred in half year to 31 December 2022.

(5) On 15 December 2022, the Australian Energy Market Commission (AEMC) approved Basslink's compensation claim of \$15.3 million for direct costs following the application of the administered price cap during an administered price period in Queensland, New South Wales, Victoria and South Australia in June 2022

(6) The impact of time value of money on unpaid salary and wages and other related costs due to the payroll review as announced to the ASX on 19 August 2022.

(7) EBITDA including non-operating items

EBITDA bridge to Free Cash Flow

\$ million	1H23	1H22 ⁽¹⁾	% Change ⁽²⁾
Underlying EBITDA⁽³⁾	878.9	857.7	2.5%
less Equity Accounted Earnings	(11.5)	(15.6)	(26.3%)
Underlying EBITDA Excluding Associates/JV's	867.4	842.0	3.0%
Change in Working Capital/other	(55.3)	9.1	(707.7%)
Cash impact of Non Operating Items/Other ⁽⁴⁾	(21.7)	(2.7)	(703.7%)
Gross Operating Cash Flow	790.3	848.5	(6.9%)
plus Dividends from Associates and JV's	11.4	13.9	(18.0%)
Proceeds from repayment of finance Lease	0.6	0.6	(2.8%)
Net Interest	(223.5)	(222.2)	0.6%
Tax	(25.2)	(37.9)	(33.4%)
Operating Cash Flow	553.6	602.9	(8.2%)
SIB CAPEX	(88.0)	(87.8)	0.2%
Material Technology Transformation Projects ⁽⁵⁾	18.8	-	n.m.
Free Cash Flow⁽⁶⁾	484.3	515.1	(6.0%)

Notes: Numbers in the table may not add up due to rounding

(1) The comparative information has been restated as a result of the payroll review. For further information refer to APA Infrastructure Trust's 1H23 Financial Report.

(2) Positive/negative changes are shown relative to impact on profit or other relevant performance metric; n.m. = not meaningful

(3) Excluding non-operating and significant items

(4) Represents cash 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. The \$21.7m comprises: \$18.8m of Strategically Significant Transformation Projects and \$2.9m SaaS customisation and configurations costs. This does not include the other non-operating items- 'Fair value loss on contract for difference', 'WGP hedge accounting discontinuation', 'Basslink debt revaluation, interest and acquisition costs' and 'Basslink AEMC market compensation'.

(5) \$18.8m of non-operating expenses relating to Strategically Significant Transformation Projects is added back to calculate Free Cash Flow

(6) Free Cash Flow is Operating Cash Flow less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs

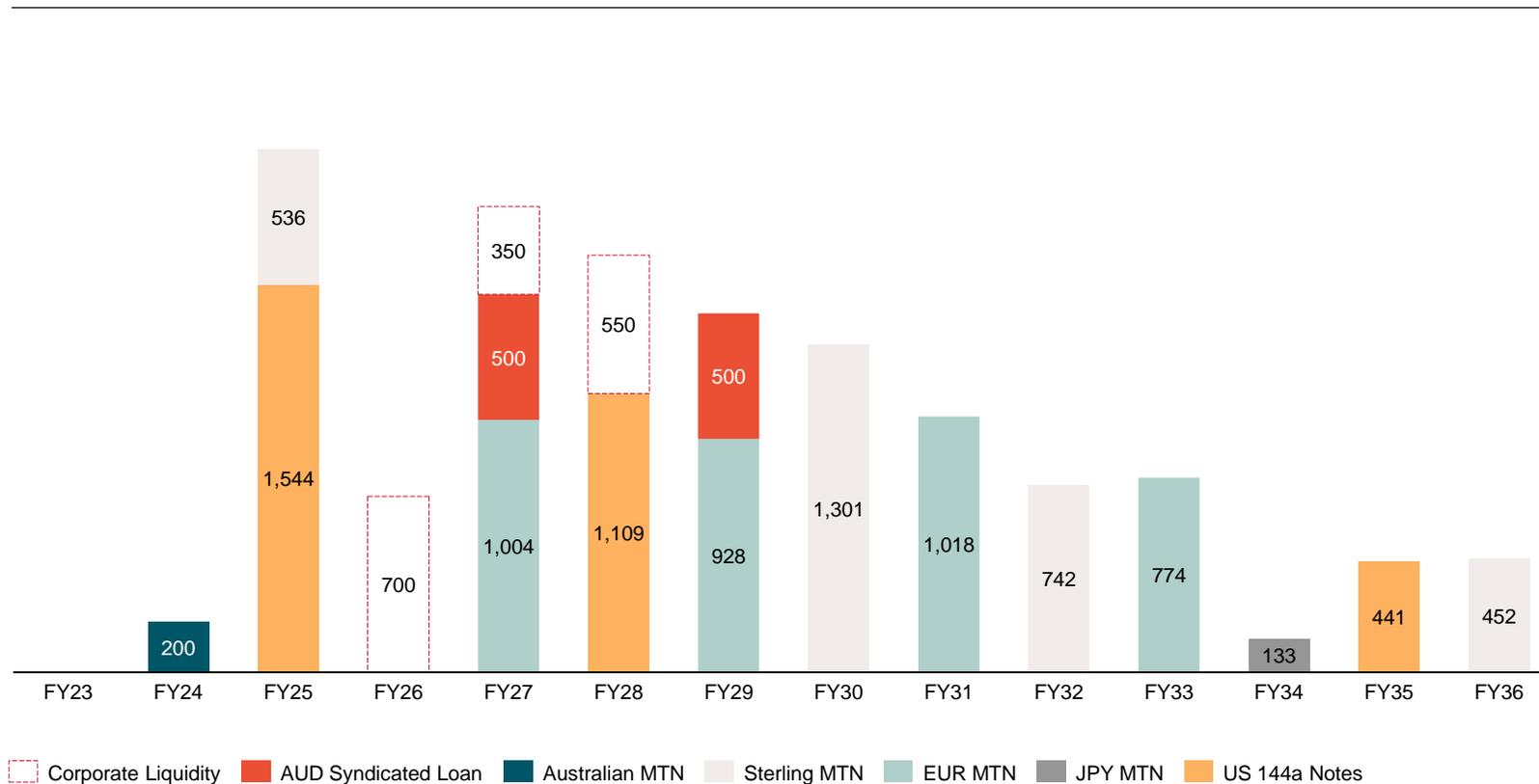
1H23 Capital expenditure

	Description of major projects	1H23 (\$ million)	1H22 (\$ million)	FY22 (\$ million)
Growth capex				
Regulated	Western Outer Ring Main (WORM); Winchelsea Compressor Station; Victorian Transmission System, Roma Brisbane Pipeline and Goldfields Gas Pipeline Access Arrangement allowed expenditure	96.6	34.7	68.4
Non-Regulated				
- East Coast Gas	South West Queensland Pipeline and Moomba Sydney Pipeline capacity expansion, Kurri Kurri Gas Lateral	75.3	57.5	129.3
- West Coast Gas	Northern Goldfields Interconnect	189.0	76.3	217.4
- Electricity Generation and Transmission	Gruyere Hybrid Energy Microgrid, Mica Creek Solar Farm	94.8	27.0	75.7
- Customer contribution projects and others	Various pipeline relocation projects	8.9	23.2	33.2
Total growth capex		464.6	218.7	524.0
SIB capex				
- Asset Lifecycle capex	Diamantina Power Station, Moomba Sydney Gas Pipeline	76.0	69.7	122.9
- IT Lifecycle capex		12.0	18.2	7.3
Total SIB capex		88.0	87.8	130.2
Foundation capex				
- Technology and Other capex		9.7	-	17.9
- Corporate Real Estate		17.9	7.9	17.0
Total foundation capex		27.6	7.9	34.9
Total capital expenditure		580.2	314.5	689.1
- Acquisitions and Investments		103.4	88.8	587.4
Total capital and investment expenditure		683.6	403.3	1,276.5

Notes: Numbers in the table may not add up due to rounding

The capital expenditure shown in this table represents payments for property, plant and equipment 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.

Balance Sheet capacity to fund growth



- \$2.3b of available liquidity
- BBB/Baa2 ratings with stable outlook
- FFO: Net Debt⁽³⁾ of 11.3% providing significant headroom to fund growth and support capital management
- No material debt refinancing obligations until FY25
- Average cost of debt⁽⁴⁾ in 1H23 4.4%
- Average maturity 6.2 years
- Drawn debt is 100% hedged or fixed
- \$1.6b of undrawn facilities

1) APA debt maturity profile as at 31 Dec 2022
 2) The USD denominated obligations have been translated at the spot USD:AUD FX rate, 0.6808
 3) The FFO/Net debt is now calculated to be more closely aligned with credit rating agency methodology
 4) The average interest rate is now calculated using period end FX and hedged rates to better reflect actual debt outstanding at period end

5 year normalised financials

Financial Performance		1H23	1H22	FY22	FY21	FY20	FY19	FY18
Revenue	\$m	1,498.9	1,384.4	2,732.4	2,605.3	2,590.6	2,452.2	2,386.7
Revenue excluding pass-through ⁽¹⁾	\$m	1,231.9	1,117.7	2,236.6	2,144.5	2,129.5	2,031.0	1,941.4
Underlying EBITDA ⁽²⁾	\$m	878.9	857.7	1,692.3	1,628.8	1,649.9	1,570.0	1,514.8
Total reported EBITDA ⁽³⁾	\$m	890.6	863.2	1,630.2	1,638.8	1,652.0	1,565.2	1,514.3
Depreciation and amortisation expenses	\$m	(356.4)	(371.2)	(735.2)	(674.4)	(650.8)	(611.3)	(578.9)
Reported EBIT ⁽³⁾	\$m	534.2	492.0	895.0	964.5	1,001.2	953.9	935.4
Net interest expense ⁽³⁾	\$m	(229.4)	(239.2)	(483.0)	(504.8)	(507.8)	(497.4)	(509.7)
Income tax expense	\$m	(114.0)	(98.7)	(180.4)	(61.6)	(184.4)	(174.5)	(164.8)
Profit/(loss) after tax including significant item	\$m	190.7	154.1	259.7	0.7	309.0	282.1	260.9
Significant items - after income tax	\$m	-	-	19.7	(278.1)	-	-	-
Profit after tax excluding significant item	\$m	190.7	154.1	240.0	278.8	309.0	282.1	260.9
Financial Position								
Total assets	\$m	15,739.7	14,665.9	15,836.3	14,741.7	15,994.3	15,429.2	15,226.7
Total drawn debt ⁽⁴⁾	\$m	11,181.3	9,975.4	11,146.2	9,665.7	9,983.6	9,352.1	8,810.4
Total equity	\$m	2,248.1	2,815.8	2,628.4	2,951.0	3,199.6	3,583.6	4,116.6
Cash Flow								
Operating Cash Flow ⁽⁵⁾	\$m	553.6	602.9	1,197.3	1,051.0	1,087.5	1,007.3	1,031.1
Free Cash Flow ⁽⁶⁾	\$m	484.3	515.1	1,080.6	901.9	956.6	893.7	919.0
Key financial ratios								
Earnings/(loss) per security including significant items	cents	16.2	13.0	22.1	0.1	26.2	23.9	22.9
Earnings/(loss) per security excluding significant items	cents	16.2	13.0	20.4	23.7	26.2	23.9	22.9
Free Cash Flow per security	cents	41.0	43.7	91.6	76.4	81.1	75.7	80.8
Distribution per security	cents	26.0	25.0	53.0	51.0	50.0	47.0	45.0
Funds From Operations to Net Debt ⁽⁷⁾	%	11.3	11.2	11.1	11.0	12.1	10.7	10.7
Funds From Operations to Interest	times	3.5	3.3	3.6	3.1	3.2	3.0	3.0
Weighted average number of securities	M	1,179.9	1,179.9	1,179.9	1,179.9	1,179.9	1,179.9	1,136.9

Notes: Numbers in the table may not add up due to rounding

- (1) Pass-through revenue is offset by pass-through expenses within underlying EBITDA. Pass-through revenue arises in the asset management operations in respect of costs incurred and passed on to Australian Gas Networks Limited (AGN) and GDI in respect of the operation of the AGN and GDI assets respectively. Any management fee earned for the provision of these services is recognised within total revenue.
- (2) Underlying earnings before interest, tax, depreciation, and amortisation ("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.
- (3) Excludes significant items.
- (4) APA's liability to repay debt at relevant due dates of the drawn facilities. This amount represents current and non-current borrowings as per balance sheet and is adjusted for deferred borrowing costs, the effect of unwinding of discount, unrealised foreign exchange differences reported in equity and deducting other financial liabilities that are reported as part of borrowings in the balance sheet. The drawn debt is now calculated to be more closely aligned with credit rating agency methodology. 1H22 and FY22 comparative period have been restated for this new calculation. FY18-FY21 comparative information remains unchanged.
- (5) Operating Cash Flow = net cash from operations after interest and tax payments.
- (6) Free Cash Flow is Operating Cash Flow adjusted for strategically significant transformation projects, less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs.
- (7) The FFO/Net debt is now calculated to be more closely aligned with credit rating agency methodology. 1H22 and FY22 comparative period have been restated for this new calculation. FY18-FY21 comparative information remains unchanged.

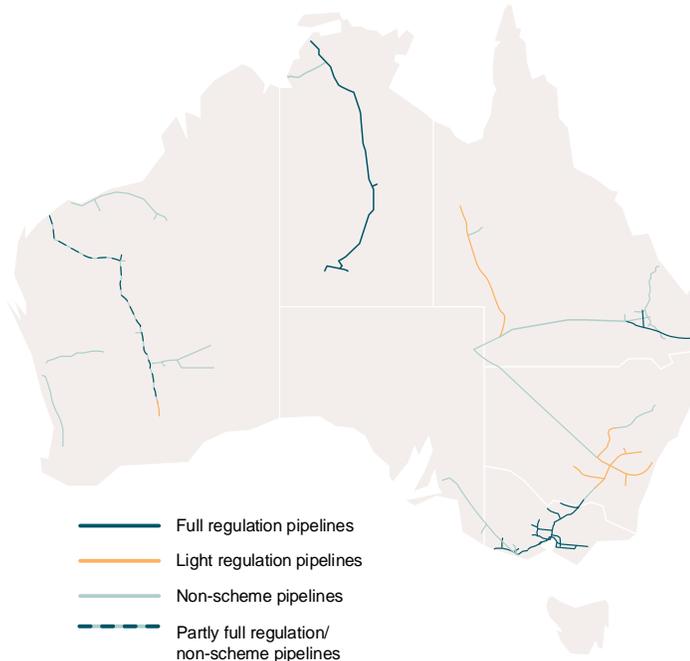
Regulatory dynamics

For personal use only



Regulation of Australian gas pipelines

APA pipelines by regulation type



- In 1H23, 8.4% of Energy Infrastructure revenue was from scheme (full regulation) assets.
- Gas pipelines are regulated by the Australian Energy Regulator (AER) or, the Economic Regulation Authority of Western Australia (ERA), depending on their location.
- Australia's economic regulatory regime for gas pipelines is set out in the National Gas Law (NGL) and the National Gas Rules (NGR). Some of APA's pipelines have been covered by the National Gas Access Regime since it was introduced in the 1990's.
- There are currently two frameworks under the NGR:
 - 1) Scheme pipelines (NGR Parts 8-12) are subject to either:
 - Full regulation, where the AER or ERA must approve a full access arrangement that sets out reference tariffs, terms and conditions in a negotiate-arbitrate framework. Pipeline users can opt for non-regulated services on full regulation pipelines; or
 - Light regulation, where pipeline owners must publish services and prices and comply with information provision requirements to support negotiations or alternatively seek regulatory approval for a limited access arrangement. A regulatory arbitration mechanism is available in the case of access disputes.
 - 2) Non-Scheme pipelines (NGR Part 23) – The Part 23 regime came into effect from August 2017 and provides for tariffs and terms to be negotiated, supported by additional information disclosure and a commercial arbitration mechanism in the event of a dispute.

In May 2021, the Energy National Cabinet Reform Committee (ENCRC) published a Regulation Impact Statement decision on Ministers' preferred option to improve gas pipeline regulation, which proposed to discontinue light regulation and transition to two forms of regulation:

- A "heavier" form for scheme pipelines, based on the current full regulation, and
- A "lighter" form for non-scheme pipelines, based on the current Part 23 regime.

Pipelines currently subject to full regulation, and non-scheme pipelines, will not experience much change, whilst those currently subject to light regulation will become non-scheme pipelines and transition to the new "lighter" form of regulation.

The legislative package to give effect to these reforms passed the South Australian (lead legislator) Parliament in November 2022. The legislative package, if proclaimed by the SA Governor (subject to a separate adoption process in WA), provides the AER and ERA with the power to decide whether gas pipelines will be subject to the "heavier" or "lighter" form of regulation.

Both scheme and non-scheme pipelines would also be subject to a new information disclosure regime under the NGR.

Regulation of Australian gas pipelines (continued)

Schedule of regulatory reset dates for APA	Current regulatory period	2022	2023	2024	2025	2026	2027
	Vic Transmission System ⁽¹⁾						
Goldfields Gas Pipeline							
Amadeus Gas Pipeline							
Roma Brisbane Pipeline ⁽²⁾							
Access arrangement	<ul style="list-style-type: none"> Apply for a term, generally 5 years Set out the terms and conditions of third party access, including <ul style="list-style-type: none"> At least one reference service that is commonly sought by customers – for pipelines, this is generally firm forward-haulage services A reference (benchmark) tariff for the reference service 						
Reference tariff	<ul style="list-style-type: none"> Provides a default tariff for customers seeking the reference service but tariffs can also be negotiated for other services Determined with reference to regulated revenue, capacity and volume forecasts 						
Regulated revenue	<ul style="list-style-type: none"> Determined using the building block approach to recover efficient costs including: <ul style="list-style-type: none"> Forecast operating and maintenance costs Regulatory asset depreciation and Return on value of regulated assets (regulated asset base) based on WACC determination Current rate of return guideline in effect until December 2022; a new Guideline is expected to be released in February 2023 WACC based on 60:40 debt equity split 						
Regulated asset base (RAB)	<ul style="list-style-type: none"> Opening RABs have been settled with the regulator; there are no reassessments for approved RABs RABs adjusted every access arrangement period <ul style="list-style-type: none"> Increased by capital invested into the asset and reduced by regulatory depreciation costs 						

(1) Victorian Transmission System access arrangement from 1 January 2023 to 31 December 2027

(2) Roma Brisbane Pipeline access arrangement from 1 July 2022 to 30 June 2027

APA overview

For personal use only



APA is a leading Australian energy infrastructure business playing a key role in the transition of Australia's energy system

Delivering secure, reliable and affordable energy

- Operating critical infrastructure to deliver energy to residential and commercial users, generators and industrial customers
- Progressing the expansion of the East Coast Grid to bring gas to southern markets ahead of forecast shortfalls
- Building new energy solutions such as the NGI to support resources and industrial growth in WA

Decarbonise our energy system

- Investing in electricity transmission and REZs to support decarbonisation
- Supporting customer decarbonisation via renewable energy solutions and microgrids
- Participating in hydrogen projects via our Pathfinder program

Create value

- Earnings stability from highly contracted and regulated operations
- Maintaining investment discipline, a competitive cost of capital and a strong balance sheet to fund growth

Diverse energy infrastructure portfolio

Gas infrastructure



Transmission ⁽¹⁾

>15,000 km transmission pipelines



Storage

12,000 tonnes LNG
18 PJ gas



Distribution⁽²⁾

>29,500 km gas mains and pipelines
>1.4 million gas customers

Power Generation



Renewable energy ⁽¹⁾

342 MW Wind
251 MW Solar



Gas fired ⁽¹⁾

440 MW

Electricity transmission



243 km high voltage lines⁽¹⁾

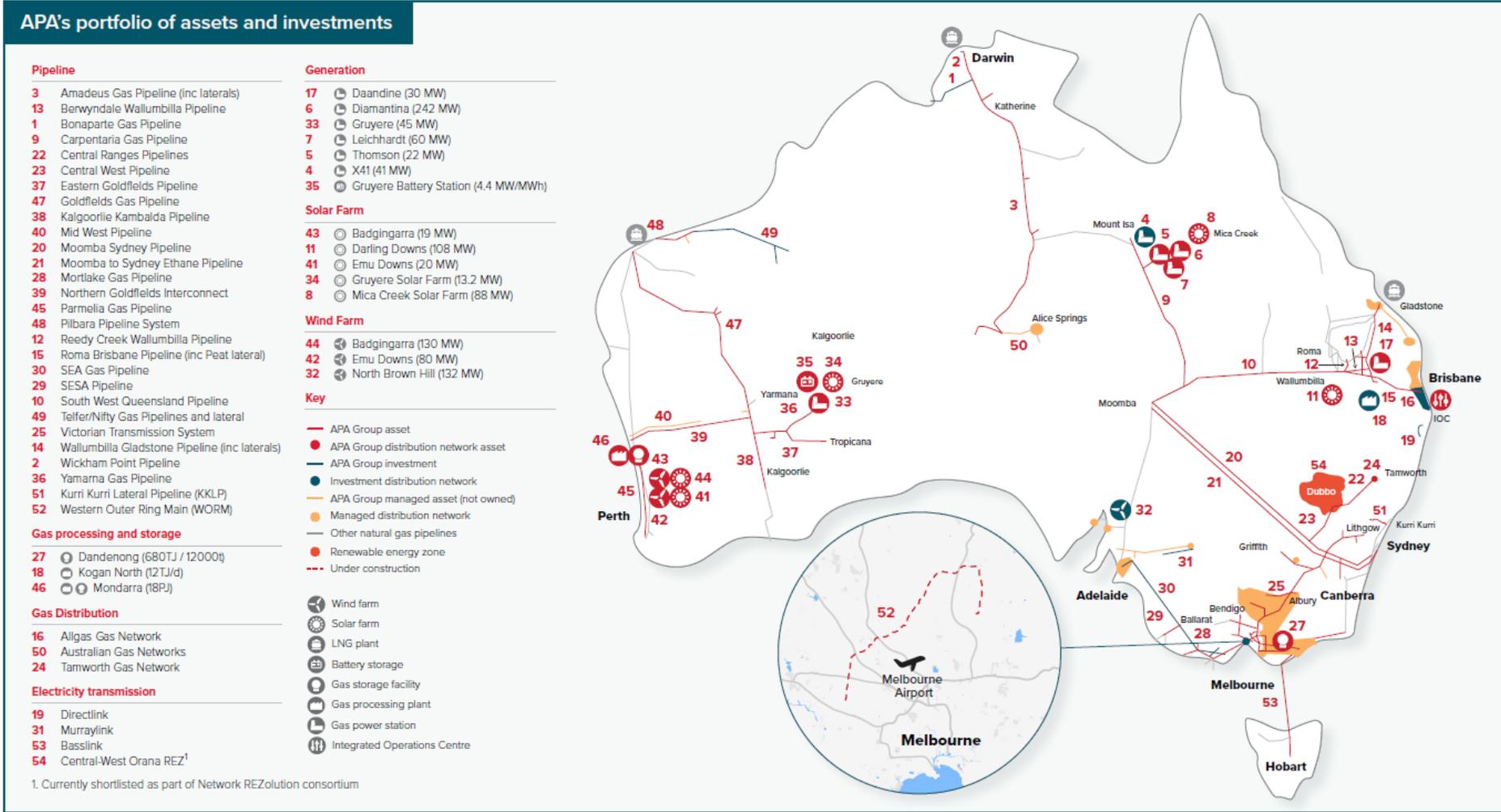


370 km deep-sea cable (including overland section)

(1) 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)

(2) Includes 100% of assets operated by APA Group in Queensland, New South Wales, Victoria and South Australia

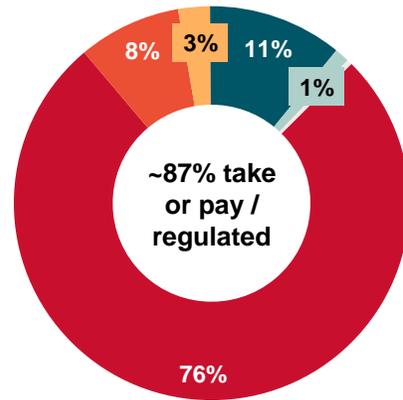
Existing APA operational footprint diversified across a range of energy infrastructure assets



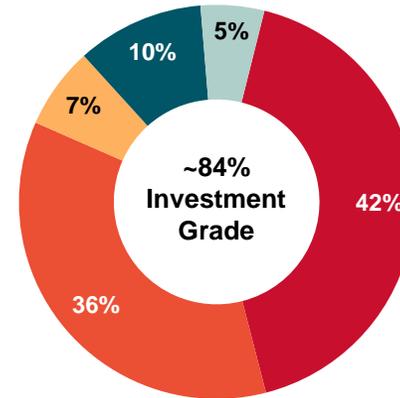
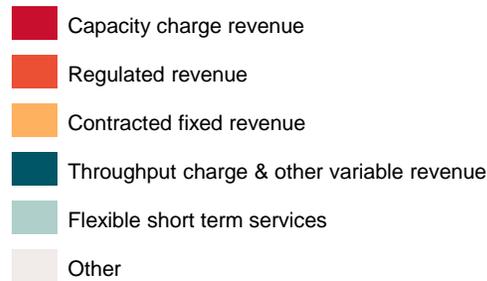
Diversified business model

Characteristics of Energy Infrastructure (EI) revenue:

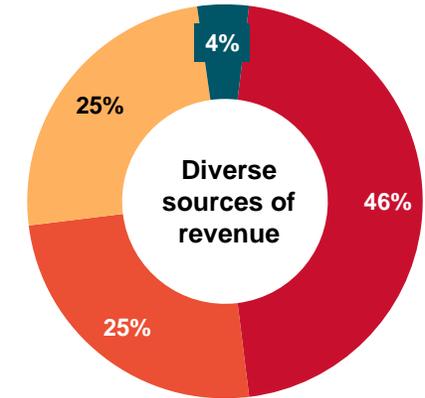
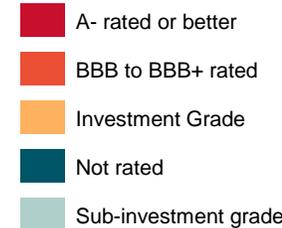
- Solid risk management processes in place
- Manage counterparty risks by:
 - Diversification of customers and industry exposures
 - Assessment of counterparty creditworthiness
 - Entering into stable contracted revenue to support major capital spend



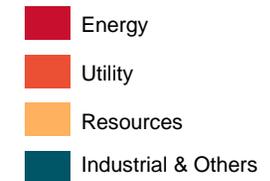
EI Revenue by revenue type



EI Revenue by customer credit rating



EI Revenue by customer industry



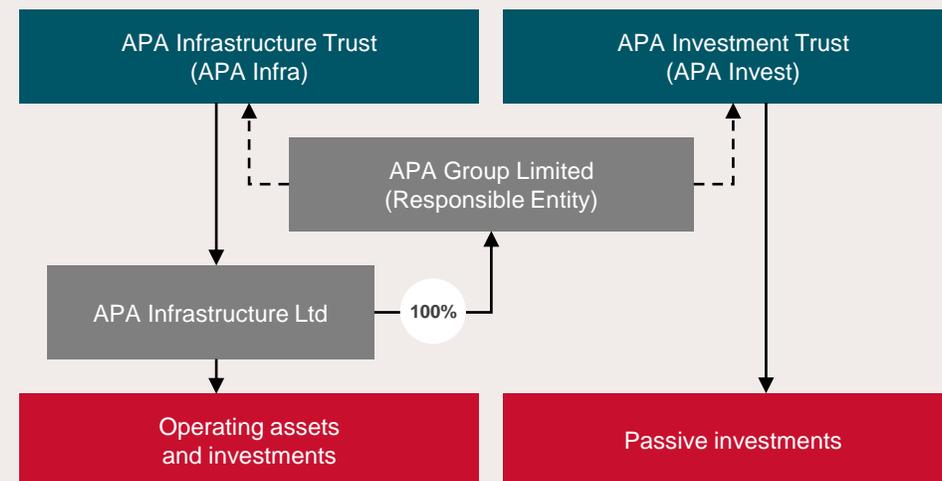
Group structure

- 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

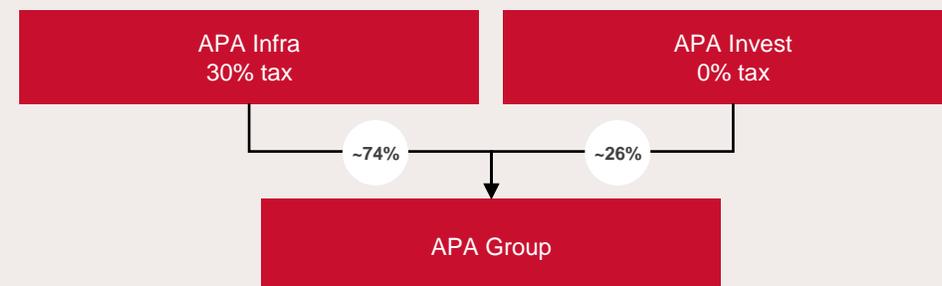
Financial reporting segments within APA Infra

- 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

Group Structure



Tax Structure



Thank you



For further information

Andrew Gibson

General Manager, Investor Relations

M: +61 437 169 292

E: andrew.gibson@apa.com.au

www.apa.com.au

