

20 August 2025

ASX ANNOUNCEMENT

**APA Group (ASX: APA)**

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

## **APA DELIVERS STRONG FY25 EARNINGS AND ANNOUNCES FY26 GUIDANCE, WITH CONTINUED COST REDUCTIONS AND MOMENTUM IN GROWTH PROJECTS**

APA Group (ASX:APA) today announces its financial results for the year ended 30 June 2025, delivering a strong earnings performance towards the top end of guidance, robust asset performance across the portfolio and momentum with growth projects.

The result was underpinned by a strong performance from APA's gas transmission and storage business, a full year contribution from the Pilbara Energy System (PES) business, contributions from newly commissioned assets, inflation-linked tariff escalation and improved underlying EBITDA margins reflecting robust asset performance and targeted cost reduction initiatives.

### **Key highlights**

- Underlying EBITDA towards top end of guidance, up 6.4% to \$2,015 million (FY24: \$1,893 million).
- Total statutory revenue (excluding pass-through revenue) up 4.7% to \$2,713 million (FY24: \$2,591 million).
- Underlying EBITDA margins increased to 74.2%, reflecting strong asset performance and cost reduction initiatives.
- Ongoing progress on comprehensive, enterprise-wide cost reduction initiatives, delivering corporate cost growth below inflation<sup>1</sup> and an FY26 cost-out target of approximately \$50 million.
- Free Cash Flow<sup>2</sup> (FCF) of \$1,083 million, marginally higher than the prior year, reflecting strong EBITDA growth partly offset by higher interest costs and tax payments.
- Statutory net profit after tax of \$129 million, which is lower than the prior period. The FY24 result included \$879 million of favourable significant items after tax largely associated with the non-cash write-up of an asset. Excluding these significant items from FY24, the FY25 Statutory net profit after tax was 8.4% higher than the prior period.
- FY25 distribution of 57.0 cents per security (cps), up 1.8%. (FY24: 56.0 cps) in line with guidance.
- FY26 distribution guidance is 58.0 cps, up 1.0 cps on FY25.<sup>3</sup>
- Underlying EBITDA guidance for FY26 of \$2,120 million – \$2,200 million,<sup>3</sup> representing growth at the mid point of 7.2% on FY25, ahead of inflation and supported by contribution from new assets and cost reduction initiatives.
- \$655 million of capital investment in growth projects for FY25, including acquisition of Atlas to Reedy Creek Pipeline and completion of construction of Port Hedland Solar and Battery project and Kurri Kurri lateral pipeline project, funded from existing balance sheet capacity.
- Growth momentum supported by: Five-year East Coast Gas Grid Expansion Plan announced and early works progressed; executed Development Agreement to deliver Sturt Plateau Pipeline in the Beetaloo Basin; key transmission corridors in the Pilbara assigned Priority Project status; and Project Development and Gas Transportation and Storage Agreement executed to deliver a lateral natural gas pipeline and storage facility for CS Energy's Brigalow project.
- Organic growth development pipeline increased to ~\$2.1 billion, to be funded from the existing balance sheet and Distribution Reinvestment Plan (DRP).<sup>4</sup>
- Favourable regulatory outcomes achieved, including the Australian Energy Regulator's (AER) final decision to not regulate the South West Queensland Pipeline, and the final decision to accept APA's application to convert Basslink into a Transmission Network Service Provider, to operate as a regulated asset from July 2026, subject to the AER's determination of an acceptable Regulated Asset Base.
- 2025 Climate Transition Plan (CTP) released, building on delivery under the 2022 CTP and highlighting ongoing portfolio resilience to physical climate and transition risks.<sup>5</sup>

<sup>1</sup> Inflation calculated as trimmed mean for year-ended 30 June 2025 of 2.7%. Source: ABS (EHP1AUYOY).

<sup>2</sup> Free cash flow is defined as Operating Cash Flow adjusted for strategically significant transformation projects, acquisition, integration and disposal-related costs, and capital returns from Joint Ventures, less stay-in-business capital expenditure. Stay-in-business capital expenditure comprises operational asset lifecycle replacement costs and technology lifecycle costs.

<sup>3</sup> Underlying EBITDA and distribution guidance are subject to asset performance, macroeconomic factors and regulatory changes. In particular, Basslink is expected to be traded as an uncontracted market provider during the reporting period and earnings associated with that asset may be subject to potentially material variability and fluctuations. Guidance is not a predictor or guarantee of future performance and is subject to uncertainties and risks – please see the Disclaimer on page 2 of the Investor Presentation released to the ASX on 20 August 2025.

<sup>4</sup> Estimated organic growth capital expenditure pipeline 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. For forecast sources and uses of cash FY26–28 – please see page 19 of the Investor Presentation released to the ASX on 20 August 2025.

<sup>5</sup> Further information in relation to APA's climate targets, goals and ambitions is available in the CTP released to the ASX on 20 August 2025.

## CEO comments

APA CEO and Managing Director, Adam Watson, said:

"APA has delivered a strong financial and operating result in FY25, with revenue, earnings and distribution growth, robust asset performance across the portfolio and ongoing momentum with our growth strategy.

"The understanding and acceptance of the role of gas in the Australian energy sector underpins our growth story. We are confident in the long-term critical role gas will play across Australia. Our East Coast Gas Grid Expansion Plan, early works in the Beetaloo, opportunities in gas-powered generation and ongoing growth in remote power generation in the Pilbara, demonstrate how we expect our core business will underpin our growth for years to come.

"Across FY25 we continued to progress major growth opportunities, with a focus on disciplined capital allocation and the prioritisation of opportunities that will deliver the best returns for our securityholders. We have taken steps to simplify our business, delivering corporate cost growth below inflation<sup>6</sup> and announcing a cost-out target of approximately \$50 million for FY26. This combined with strong ongoing performance of the business will help us deliver securityholder returns. Our three-year ~\$2.1 billion organic growth pipeline will be funded from existing balance sheet capacity and the DRP."

## Distribution

The Board of Directors has resolved to pay a final distribution for FY25 of 30.0 cps bringing total distributions for the year to 57.0 cps. This represents a 1.8% increase on the FY24 distribution of 56.0 cps.

The 30.0 cps final distribution is comprised of a fully franked profit distribution of 6.5 cps and a capital distribution of 16.1 cps from APA Infrastructure Trust, and an unfranked profit distribution of 1.1 cps and a capital distribution of 6.3 cps from APA Investment Trust. The final distribution is expected to be paid on 10 September 2025.

The Distribution Reinvestment Plan will operate for this final distribution for the year ended 30 June 2025 at a discount of 1.5%.

## FY26 outlook<sup>7</sup>

FY26 distributions are expected to be 58.0 cps, an increase of 1.0 cps (+1.8%) on FY25. APA's guidance on distributions growth balances the need to fund APA's organic growth pipeline, while maintaining our investment grade credit ratings. Underlying EBITDA guidance is being provided for FY26 of \$2,120 million to \$2,200 million.

## Webcast and conference call

A briefing for analysts and investors will be held today, hosted by Adam Watson, Chief Executive Officer and Managing Director, and Garrick Rollason, Chief Financial Officer at 9.00am Australian Eastern Standard Time.

The briefing will be a live audio webcast and accessible from the APA website: [www.apa.com.au/investors](http://www.apa.com.au/investors). To participate in the analyst briefing and ask questions, pre-registration is required via the following [link](#). Upon registering, participants will receive a calendar invitation, dial-in details, and a unique access code, which must be quoted when joining the call.

ENDS

## Authorised for release by Amanda Cheney

Company Secretary

APA Group Limited

For further information, please contact:

<sup>6</sup> Inflation calculated as trimmed mean for year-ended 30 June 2025 of 2.7%. Source: ABS (EHPIAUYOY).

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**About APA Group (APA)**

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. As Australia's energy infrastructure partner, we own and/or manage and operate a diverse, \$27 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose, securing Australia's energy future, we deliver around half of the nation's domestic gas through 15,000 kilometres of gas pipelines that we own, operate and maintain. Through our investments in electricity transmission assets, we connect Victoria with South Australia, Tasmania with Victoria and New South Wales with Queensland, providing vital flexibility and support for the grid. We also own and operate power generation assets, including gas powered, wind and solar assets 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).