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APA

20 August 2026

ASX ANNOUNCEMENT

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

APA delivers strong FY26 results and exceeds cost-out target, with further momentum on growth strategy

APA Group (ASX:APA) today announces its financial results for the year ended 30 June 2026, delivering a strong earnings performance with growth in EBITDA, free cash flow and distributions.

Underlying EBITDA is up 8.3% to $2,183 million (FY25: $2,015 million), exceeding the midpoint of guidance, driven by inflation-linked tariff escalation, contributions from newly commissioned assets and $80 million in cost-out initiatives, exceeding the $50 million target.

Underlying EBITDA margins increased to 77.9% (+370bps), reflecting enterprise-wide cost reductions and robust asset performance across the portfolio, and Free Cash Flow increased 3.2% to $1,118 million.

CEO comments

APA CEO and Managing Director, Adam Watson, said:

“FY26 was a year of strong financial and operational performance as we continue to deliver on our commitments to securityholders and position APA to capture value from our ~$3.5 billion organic growth pipeline.

“Our underlying earnings were up 8.3% and above the mid-point of guidance, supported by new assets and ongoing strong operational performance. $80 million in cost-out initiatives were delivered across the year, exceeding our target. Securityholder distributions again increased for the 22nd consecutive year.

"There is significant momentum with our growth strategy for the benefit of our customers, communities and securityholders. This is underpinned by strong demand for new energy infrastructure and confidence in the role of gas to support industry and provide grid stability for Australia's electricity networks. Our momentum is being fuelled by APA’s deep operational capability and the competitive advantages we have established.

“Over the last year we announced further expansion of our East Coast Gas Grid and an expansion of the South West Pipeline. We entered into agreements with CS Energy to deliver the Brigalow Peaking Power Plant and lateral pipeline, and we completed construction of the Sturt Plateau Pipeline, our first project in the Beetaloo Basin.

“We also today announce a final investment decision to construct, own and operate the Sybella Creek Solar Farm and Battery Energy Storage System in Mount Isa, Queensland, to be underpinned by a long term Energy Supply Agreement with Evolution Mining. Forming part of our remote grid growth strategy, this project is expected to be value and free cash flow accretive, will diversify our customer base in Mount Isa, and will support the delivery of greater efficiencies from the operation of the Diamantina Power Facility.

“Our strong balance sheet supports the funding of our $3.5 billion FY27-FY29 organic growth pipeline, while maintaining distributions growth and supporting credit metrics.[1] Given the breadth of opportunities ahead, we will continue to be disciplined in allocating capital to the best opportunities, with the greatest returns, for the creation of long-term securityholder value.

"There is clear customer and market support for the development of new renewable energy sources and for the role of gas in Australia's energy sector - and APA is proud of the role we play as Australia’s energy infrastructure partner."

FY26 key highlights

- Underlying EBITDA up 8.3% to $2,183 million (FY25: $2,015 million), exceeding the mid-point of guidance, with a strong contribution from newly commissioned assets, inflation-linked tariff escalation and enterprise-wide cost reduction initiatives
- Underlying EBITDA margins increased to 77.9% (+370bps), reflecting robust asset performance across the portfolio and enterprise-wide cost reduction initiatives of $80 million, exceeding the $50 million target (and including a 20.6% reduction in corporate costs), with an annualised run-rate of $100 million in FY27
- Free Cash Flow[2] (FCF) up 3.2% to $1,118 million, (FY25: $1,083 million) underpinned by strong operating cash flow, offsetting higher tax and interest costs
- Total statutory revenue (excluding pass-through revenue) up 1.9% to $2,764 million (FY25: $2,713 million)

[1] Please see slide 10 of the Investor Presentation, released to the ASX on 20 August 2026, for more information about APA's anticipated FY27-FY29 organic growth pipeline.
[2] Free cash flow is defined as Operating Cash Flow adjusted for certain non-operating items and stay-in-business capital expenditure. Stay-in-business capital expenditure comprises operational asset lifecycle replacement costs and technology lifecycle costs.

- Statutory net profit after tax increased 81.4% to $234 million, (FY25: $129 million)
- FY26 distribution of 58.0 cents per security (cps), up 1.8%. (FY25: 57.0 cps) in line with guidance
- Ongoing business simplification, with the Networks and GDI divestments, operating model restructure, restructure of corporate functions, reduction in external spend and streamlining IT project delivery and lifecycle management
- $546 million of capital investment in growth projects, including the Brigalow Peaking Power Plant and Brigalow Pipeline, the East Coast Gas Grid expansion and the Sturt Plateau Pipeline
- Organic growth development pipeline increased to ~$3.5 billion (up from $3.0 billion), with capacity to fund this investment from the existing balance sheet and Distribution Reinvestment Plan (DRP)[3]
- Beyond this pipeline, APA continues to progress a number of attractive longer term growth opportunities including Beetaloo gas transmission pipelines, contracted gas-powered generation, remote grid power generation and integrated energy solutions to support the data centre industry. We are advancing pre-feasibility work, technical assessments and government and regulatory planning and approval processes across these opportunities to ensure that we are moving forward and ready for potential customers
- Favourable ratings downdriver modifications from S&P Global and Moody's Ratings, reducing APA's Funds From Operations to Net Debt threshold. Balance sheet also strengthened with a $1.5 billion hybrid and senior unsecured debt raise

FY26 distributions

The Board of Directors has resolved to pay a final distribution for FY26 of 30.5 cps bringing total distributions for the year to 58.0 cps. This represents a 1.8% increase on the FY25 distribution of 57.0 cps.

The 30.5 cps final distribution is comprised of a fully franked profit distribution of 9.6 cps and a capital distribution of 15.3 cps from APA Infrastructure Trust, and an unfranked profit distribution of 0.9 cps and a capital distribution of 4.7 cps from APA Investment Trust. The final distribution is expected to be paid on 16 September 2026.

The Distribution Reinvestment Plan will operate for this final distribution for the year ended 30 June 2026 at a discount of 1.5%.

FY27 outlook[4]

Underlying EBITDA guidance for FY27 is $2,260 million to $2,340 million, representing growth at the midpoint of 5.4% on FY26, supported by inflation-linked tariff escalation, contribution from the new Sturt Plateau Pipeline, conversion of Basslink to a regulated asset, and the annualised benefit of the enterprise-wide cost reduction initiatives.

FY27 distributions are expected to be 59.0 cps, an increase of 1.0 cps (+1.7%) on FY26. APA's guidance on distributions growth balances the need to fund APA's organic growth pipeline, while maintaining our investment grade credit ratings.

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 10:30am Australian Eastern Standard Time.

The briefing will be a live audio webcast and accessible from the APA website: www.apa.com.au/investors. To participate and/or ask questions in the briefing, pre-registration is required via the following link. Registered participants will receive a calendar invitation, dial-in details, and a unique access code, to be quoted when joining the call.

ENDS

Authorised for release by the Disclosure Committee

For further information, please contact:

[3] 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 FY27-29 - please see page 20 of the Investor Presentation released to the ASX on 20 August 2026.
[4] Underlying EBITDA and distribution guidance are subject to asset performance, macroeconomic factors and regulatory changes. It does not take into account any acquisitions or divestments by APA. 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 2026.

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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 operate a portfolio of more than $20 billion of assets. This includes gas transmission, processing, compression and storage assets. Through our gas powered and renewable assets we generate electricity that powers our communities. We also own and operate battery storage and electricity transmission infrastructure. Consistent with our purpose of securing Australia's energy future, APA delivers around half of the nation's domestic gas through more than 15,000 kilometres of gas pipelines that we own, operate and maintain. 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.