

19 February 2026

ASX ANNOUNCEMENT

**APA Group (ASX: APA)**

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

## **APA delivers strong 1H26 results, uplifts organic growth pipeline, and reduces costs from a simplified business**

APA Group (ASX:APA) today announces its financial results for the half year ended 31 December 2025 (1H26), delivering growth in revenue, earnings and distributions.

Underlying EBITDA is up 7.6% to \$1,092 million (1H25: \$1,015 million), driven by inflation-linked tariff escalation, new asset contributions (including Kurri Kurri Lateral Pipeline, Port Hedland Solar and Battery Project and the Atlas to Reedy Creek Pipeline), and progress with enterprise-wide cost reduction initiatives, which included corporate costs decreasing 13.6% compared with the prior corresponding period.

As a result, Underlying EBITDA margins increased to 77.3%, an increase of 280bps compared with 1H25.

Statutory net profit after tax increased to \$95 million (1H25: \$34 million) reflecting EBITDA growth and lower net interest expense, which was partly offset by depreciation on new assets.

### **CEO comments**

APA CEO and Managing Director Adam Watson, said:

"APA has delivered another strong half year operational and financial result, as we continue to deliver our commitments and create value for our securityholders.

"We have reaffirmed our EBITDA guidance range for the full year, with an expectation now to exceed the midpoint of this range. FY26 distribution guidance was also reaffirmed.

"We're on track to achieve our full year cost-out target of \$50 million and we have made good progress to simplify APA, with the divestment of our Networks business and our agreement to divest our 20% interest in GDI.<sup>1</sup>

"We remain well placed to capitalise on emerging opportunities in our growth markets, with a strong balance sheet and significant internal funding capacity. We continue to build momentum with new growth projects, which includes our work with CS Energy to develop the Brigalow Peaking Power Plant.<sup>2</sup>

"We also today announce we are progressing Stage 3 of our East Coast Gas Grid Expansion Plan. These capacity expansion investments by APA, along with future planned expansions, make it crystal clear that pipeline capacity will not be a constraint to solving projected east coast gas supply shortfalls.<sup>3</sup>

"Our progress with our growth strategy has resulted in an increase in our FY26-FY28 organic growth pipeline from \$2.1 billion to ~\$3 billion.

"The recent S&P rating agency threshold modification provides an additional \$1 billion of capacity to fund new growth from our balance sheet, and underlines the quality of APA's earnings and strength of the business more broadly.

"Today's result demonstrates that APA is delivering on commitments, while simultaneously positioning the business to play a central role in the energy transition. This result highlights APA's disciplined execution against our strategy and the sustained focus on long-term value creation for our securityholders."

<sup>1</sup> Completion of the divestment of the Tamworth distribution network and completion of the GDI divestment are each subject to conditions precedent.

<sup>2</sup> Development of the project remains conditional and subject to any necessary external and Government approvals, finalisation of several development matters, as well as entry into full form documentation.

<sup>3</sup> Stage 3A has reached FID, Stage 3B remains subject to final board approval. AEMO 2025 Gas Statement of Opportunities, page 87, includes both APA and other pipeline expansions.

## Key highlights

- Total statutory revenue (excluding pass-through revenue) up 2.0% to \$1,391 million (1H25: \$1,364 million).
- Free Cash Flow (FCF)<sup>4</sup> of \$556 million, up 0.7%, with growth in Underlying EBITDA partly offset by higher interest and tax, and one-off timing impacts related to the divestment of the Networks business.
- 1H26 distribution of 27.5 cents per security, up 1.9% (1H25: 27.0 cents per security).
- FY26 Underlying EBITDA guidance remains unchanged at \$2,120 million and \$2,200 million, with current expectation to exceed the midpoint of the range.<sup>5</sup>
- FY26 distribution guidance reconfirmed at 58.0 cents per security.<sup>2</sup>
- Organic growth pipeline for FY26–FY28 increased from \$2.1 billion to ~\$3 billion, to be funded from existing balance sheet capacity and the Distribution Reinvestment Plan (DRP).<sup>6</sup>
- Progress with simplification of business and momentum in delivery of growth strategy, with a focus on core infrastructure assets that deliver returns well above APA's cost of capital.
- Positive regulatory outcome with Bulloo Interlink, a critical component of APA's East Coast Gas Grid Expansion Plan, subject to a lighter form of regulation upon commissioning and exempt from becoming a heavy regulation pipeline for at least 10 years.
- Balance sheet remains strong with FFO/Net Debt well above threshold. S&P modification increased funding capacity by more than \$1 billion with APA's BBB (stable) long-term credit rating confirmed and BBB rating downside FFO/Net Debt threshold modified from 9.5% to 8.5%.

## Distribution

The Board of Directors has resolved to pay an interim distribution for 1H26 of 27.5 cents per security. This represents a 1.9% increase on the 1H25 interim distribution of 27.0 cents per security.

The 27.5 cent interim distribution is comprised of a distribution of 21.42 cents per security from APA Infrastructure Trust and a distribution of 6.08 cents per security from APA Investment Trust. The APA Infrastructure Trust distribution represents a fully franked profit distribution of 6.30 cents per security and a 15.12 cents per security capital distribution. The APA Investment Trust distribution represents an unfranked profit distribution of 1.10 cents per security and a 4.98 cents per security capital distribution. The distribution is expected to be paid on 18 March 2026.

The Distribution Reinvestment Plan operated for this interim distribution for the half year ended 31 December 2025 at a discount of 1.5%.

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

FY26 distributions are expected to be 58.0 cents per security, an increase of 1.8% on FY25. FY26 Underlying EBITDA guidance remains unchanged at \$2,120 million – \$2,200 million, with current expectation to exceed the midpoint of the range.

## 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 Daylight Time (AEDT). The briefing will be a live audio webcast and accessible from the APA website: [apa.com.au/investors/](https://apa.com.au/investors/). To participate and ask questions in the briefing, pre-registration is required via the link on APA's website. Registered participants will receive a calendar invitation, dial-in details and a unique code which is to be quoted when dialling into the call.

ENDS

**Authorised for release by the Disclosure Committee**

<sup>4</sup> Free cash flow is defined as Operating Cash Flow adjusted for certain non-operating items, less stay-in-business capital expenditure. Stay-in-business capital expenditure comprises operational asset lifecycle replacement costs and technology lifecycle costs.

<sup>5</sup> Disclaimer: 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 19 February 2026.

<sup>6</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 22 of the Investor Presentation released to the ASX on 19 February 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](http://apa.com.au).