

## APA Group 2023 AGM report

ASX code	APA
Meeting date	Thursday, 26 October 2023
Type of meeting	Hybrid
Monitor	Lewis Gomes and Sue Howes
Pre AGM-meeting	Held with James Fazzino (Director), Kynwynn Strong (Acting CFO), Rebecca Culbertson (Head of Investor Relations) and Michael Forde (Acting GM, Capital Markets and Corporate Finance)

### Meeting Statistics

Number of holdings represented by ASA	N/A
Number of shares represented by ASA	N/A
Value of shares represented by ASA	N/A
Total number attending meeting	81 physical and 265 online (237 guests)
Market capitalisation	\$10.3 billion
ASA open proxies voted	ASA voted in favour of all resolutions

Climate transition was a feature of this meeting with the Chair's address strongly putting the case for the need for a well-managed transition. This can be found [here](#).

Related questions covered:

- APA's involvement in the Beetaloo basin - only MoU at this stage.
- Alinta acquisition.
- Victorian Government ban on new gas connection - minor effect on results over time (90% industrial supply in Victoria). The company thinks the better policy would be reduction of coal reliance before targeting gas.
- What more can be done regarding climate transition – referred to recent Boston Consulting report indicating increase renewable generation, retire coal fired generation, electrify light vehicles and invest in renewable gases.
- The 20% against vote in FY22 on the climate transition plan – discussion has occurred with those against the plan and this and changes that have occurred as a result are documented at the beginning to this year's plan.

Feedback had been received prior to the meeting on the remuneration plan. Concerns raised related to FY23 STI targets not being high enough and FY24 grant should have a different starting point re TSR measure. This has resulted in several investors voting against Rem report. ASA raised the use of ROC and the Chair indicated they would be looking at this over the next 12 months.

The against vote on the remuneration report was 25.79%. All other resolutions passed with greater than 90% for.

All directors standing for election or re-election spoke well and gave colour as to how their experience assisted the Board and company going forward, particular focus will be on electrical engineering, safety, gas production, and consumers.

Several questions were asked about the Alinta deal:

- All proceeds from the recent raise were used in this acquisition.
- 99% of retail shareholders had proportional access and received a discount to placement participants.
- There are no results in the FY23 year as it is too soon.
- The company is confident it did not pay above the odds for Alinta and that the acquisition will be cash positive in its first year and value accretive ongoing and returns above cost of capital.
- The company will try to give more visibility over Alinta, Basslink, and the Pilbara in future reports.

The company has flagged that it will need to invest more capital in the business to maintain efficiency as it grows and that the focus will be developing organically greenfield projects rather than looking for acquisitions.

The debt management of the company was questioned, and hedging is used to manage this as well as refinancing from time to time to ensure the best available position.

An issue was raised about the level of capital in distributions and why this occurs – related to the internal development of assets and the associated depreciation and amortisation.

Basslink is seen as strategically beneficial as it brings another skillset into the business (sub-sea cable expertise), which will assist with development offshore renewables.

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