

AusNet
services

Annual General Meeting

15 July 2021



Connecting
Communities

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Non-IFRS information

- Other than as indicated, the financial information contained in this document is directly extracted or calculated from the annual financial report. Throughout this document some non-IFRS financial information is stated (operating expenses excluding certain items and regulated and contracted asset bases). We believe these non-statutory measures provide useful information to understand the financial performance of the Group, but should not be considered as an indication of, or substitution for reported information.
- The non-IFRS financial information has not been audited by the Group’s auditors.

FY21 Highlights



\$845M

Cash flow
↑ 17%

\$302M

NPAT
↑ 4%



\$1,155M

EBITDA
↓ 4%



9.50cps

(40% franked)
FY21 Dividend



2.71

Recordable Injury
Frequency Rate
(RIFR)
↓ 32%



7.2/10 (avg)

Electricity Distribution
Customer Satisfaction
↑ 3%



8.3/10 (avg)

Gas Distribution
Customer Satisfaction
↑ 5%

Our strategy

Own and operate the best energy networks, growing through connecting people with new energy

AusNet's key strategic priorities



**customer
passion**

Guides us in everything



**energised
people**

Thriving and supported
to achieve



**operational
excellence**

Always finding the best
and safest way



**accelerate
growth**

Through the energy
transition

Growth

FY21 Asset Base \$11.2bn

\$10.3bn Regulated Asset Base (RAB) ↑ 3%

\$0.9bn Contracted Asset Base (CAB)¹ ↑ 3%

Renewable Energy Zone Development Plan (RDP)

Victorian Government's RDP could enable 10GW of renewable energy generation capacity in Victoria across 6 Renewable Energy Zones

Investing in a new energy future



¹ Contracted assets in service or currently under construction

² Total value under contract (unconditional) regardless of construction phase, currently \$1,021m

Opportunity Pipeline

8,000MW of renewable projects (wind 4,500MW, solar 1,300MW, storage 2,000MW, other 200MW)

Targeting FY26 Asset Base \$13.5bn

\$11bn Regulated Asset Base

\$2.5bn² Contracted Infrastructure Assets

Responsible and Sustainable Business

Our ESG commitments



FY21 Highlights

Extended COVID-19 customer bill relief to Dec 2020 (gas distribution) and Jan 2021 (electricity distribution). Deferred non-essential maintenance to minimise disruption and outages

Bushfire mitigation. Continued investment including REFCL* and other safety measures of \$108m (FY20: \$147m)

Launched Employee Network Groups in addition to Young Professionals Network - Women, Disability, Working Parents and Cultural and Ethnic Diversity

Modern Slavery. Developed risk framework and tools to identify and manage risks of modern slavery in our operations and supply chain

Task Force on Climate Related Financial Disclosures. Updated climate risk assessment & scenario analysis

* Rapid Earth Fault Current Limiter

Network Highlights



- Practical completion achieved for 730MW of wind and solar connections
- West Melbourne Terminal Station Rebuild - energisation of new 66kV gas insulated switchgear and 220/66kV transformers
- Progressed major terminal station rebuilds at Springvale and Fishermans Bend
- Replacement and cutover of seven, 500kV Transmission Towers due to a major wind event in January 2020



- Practical completion achieved for 250MW of wind and solar connections
- New connection growth of 2%
- Customer Satisfaction 7.2 (avg), up 3%
- Connected additional 21,000 residential customers' solar PV systems, adding more than 120MW of generation capacity
- August storms saw 140,000 customers impacted. Concerted emergency response effort from AusNet and delivery partners to restore supply
- REFCL project progressing to plan with compliance achieved at 13 zone substations in Tranche 1 & 2



- Continued network expansion, with 310km of new gas pipelines and 3% customer growth
- Customer Satisfaction of 8.3 (avg), up 5%
- As a founding member of the Australian Hydrogen Centre, AusNet is working on a feasibility project in its network area

Regulation

EDPR 2021-26

- Final Decision is an endorsement of the agreements reached with the Customer Forum – a customer representative body established in an Australia first trial of directly negotiated price/service agreements
- Increase in allowed real returns from Draft Decision, due to application of the AER's Inflation Review and an increase in the 10 year government bond rate
- Opex approved, incorporating an increase of \$45m to reflect higher insurance premiums
- Capex approved to enable investment in network safety, security and reliability, including in assets that will help reduce bushfire risk, such as the REFCL program
- Continued investment that will allow more customers to connect their solar panels and batteries to the network and export power
- A new incentive scheme that rewards improvements in customer experience

1 July 2021



EDPR 2021-26

TRR 2022-27

- Draft Decision received 30 June 2021
- Final Decision due January 2022. New period commences 1 April 2022

Victorian Renewable Energy Zones (REZ) Development Plan

- Victorian Government has released a Directions Paper outlining a plan to unlock 10GW of renewable energy capacity enabled by \$540m REZ Fund

GAAR 2023-28

- Proposal to be submitted to the AER by 1 July 2022. Draft Decision expected by December 2022
- Final decision due by April 2023. New period commences 1 July 2023
- Joint engagement with Australian Gas Infrastructure Group

1 April 2022



TRR 2022-27

1 July 2023



GAAR 2023-28

Outlook

Guidance

1. FY22 dividend guidance of 9.5 cps
2. FY22 franking outcome to be determined when FY22 tax profile is confirmed
3. Targeting \$13.5bn asset base by FY26, (\$11bn RAB, \$2.5bn¹ contracted infrastructure assets)
4. Forecast net debt to regulated and contracted asset base of <70% to FY26

¹ Total value under contract (unconditional) regardless of construction phase, currently \$1,021m

Further Information and Contacts

Headquartered in Melbourne, Australia, AusNet engages over 1,500 employees to service over 1.5 million customers. AusNet Services is the largest diversified energy network business in Victoria, owning and operating over \$11 billion of regulated and contracted assets. The company owns and operates three core regulated networks - electricity distribution, gas distribution and the state-wide electricity transmission network as well as contracted energy infrastructure and energy and technical services businesses.

For more information visit www.ausnetservices.com.au

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