

ASX Announcement

12 May 2021

AusNet Services Full Year 2021 Results Release and Presentation

The following documents are attached:

1. AusNet Services Full Year 2021 Results Release
2. Investor Presentation

Naomi Kelly
Company Secretary

This announcement was authorised for release by the Board of AusNet Services Ltd.

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ASX Announcement

12 May 2021

AusNet Services Full Year 2021 Results

AusNet Services (AusNet) reported its full year results for the period ended 31 March 2021 (FY2021), announcing a total dividend of 9.5cps, at the upper end of the FY2021 dividend guidance range of 9.0 - 9.5cps, franked to 40%.

The year was highlighted by a challenging and rapidly changing external environment. Against this backdrop we delivered a solid performance across a number of important outcomes, including:

- We reprioritised, deferred, and stopped several non-critical works and projects to minimise customer disruption and support our people;
- We concluded our 2021-26 Electricity Distribution Price Review. The final outcome supports our customers while also allowing for expenditures to maintain and improve network reliability and safety;
- We demonstrated our emergency management capability in our response to several major customer interruptions during the year;
- We strengthened our balance sheet in order to take advantage of future growth opportunities; and
- After adjusting for a number of one-off and unusual items, we delivered slightly improved financial performance across all key metrics.

Going forward, the external environment will continue to present challenges that may impact our future performance and will require us to adapt, manage and respond.

Tony Narvaez, Managing Director of AusNet said, "Our response to the significant challenges during the year has demonstrated our resilience. We continue to adapt our organisation and strategy, to deliver value to all our stakeholders, as we play our role in supporting the energy transition. We remain focused on positioning our business to succeed in an environment of government policy change and intervention, extreme weather events and technological change. Our transformation program will help us adapt to the changing energy landscape and deliver improvements across our key strategic priorities."

A\$M	FY 2021	FY 2020	Variance
Revenues	1,924.5	1,977.6	↓ 2.7%
EBITDA	1,154.6	1,196.6	↓ 3.5%
Earnings before interest and tax	690.7	732.1	↓ 5.7%
Profit before income tax	424.1	415.4	↑ 2.1%
Net profit after tax	302.1	290.7	↑ 3.9%
Cash flow from operations	844.5	720.6	↑ 17.2%
Dividend (cps)	9.50	10.20	↓ 6.9%
Franking	40%	50%	

Operating & Financial Review

The declines in both revenue and EBITDA were impacted by several material items across both FY2020 and FY2021:

- In the current year, we recognised a \$30.7 million impairment charge against the goodwill and certain software assets of our Geospatial business that services both our internal regulated businesses as well as external customers. This impairment is as a result of a change in strategic direction to explore partnership models with specialist providers.
- The prior year included additional revenues from our catch-up recognition of historical gifted assets (\$19.1 million), the revenue arising from the completion of the West Gate Tunnel relocation project (\$20.7 million), and \$14.7 million of bushfire remediation costs as a result of the major bushfire event in December 2019 / January 2020.
- There were several items that had a material impact on revenues but only a minimal impact on EBITDA. These were the \$9.2 million decrease in our easement tax obligation, the cessation of our material sales business in Growth & Future Networks in late FY2020 (\$16.2 million), and the prior year sale of inventory (\$12.8 million) to Downer as part of our transfer of electricity distribution maintenance functions.

After excluding all of these items, revenue and EBITDA increased by \$24.8 million and \$14.4 million respectively. This residual increase in revenue is largely reflective of \$26.7 million higher Transmission Use of System (TUoS) recoveries, which is a combination of prior year under recovery and higher current year TUoS expense of \$13.8 million.

Operating expenses (after excluding these items as well as the TUoS expense increase) declined \$3.4 million largely due to our transformation program which delivered \$9.0 million of operating cost savings for the year (net of implementation costs). This was partly offset by a \$7.0 million increase in non-discretionary costs associated with bushfire insurance, land tax and various levies from regulators.

While EBITDA was \$42.0 million lower, net profit after tax increased by \$11.4 million or 3.9 per cent. Recently completed contracted infrastructure projects resulted in a \$9.6 million increase in lease interest income. In addition, net finance charges were reduced due to reversal of previous hedge accounting losses, while a \$13.3 million income tax credit was recognised as a result of amended tax returns for the 2016-2019 period that were lodged in the current year.

Cash flows from operations improved by 17.2 per cent to \$844.5 million. This was primarily due to the prior year including non-recurring cash payments, including a \$20.1 million improvement in tax paid due to prior year true-up amounts, \$11.4 million to Downer as part of the transfer of the electricity distribution maintenance program, and bushfire response costs. In addition, cash EBITDA (which excludes items such as impairment, gifted assets and curtailment gain) and working capital both improved.

Outlook

We remain focused on driving improvement across our key strategic priorities of customer passion, energised people, operational excellence, and accelerating growth. We are committed to maintaining strong capital management settings. This will enable us to successfully manage risks and take advantage of future opportunities, deliver long-term shareholder value, and ultimately play a role in contributing to a sustainable energy future. The following guidance is provided:

- FY22 dividend guidance of 9.5 cps
- FY22 franking outcome to be determined when FY22 tax profile is confirmed
- Targeting \$13.5bn asset base by FY26, (\$11bn Regulated Asset Base, \$2.5bn¹ Contracted Infrastructure Assets)
- Forecast Net Debt to Regulated and Contracted Asset Base of less than 70% to FY26

Dividend Key Dates

The FY2021 final dividend of 4.75 Australian cps is 40% franked. The Dividend Reinvestment Plan (**DRP**) will be in operation for the FY2021 final dividend at a 2% discount to the average trading price. The average trading price will be the average of the volume weighted average price of shares sold in ordinary market transactions on the ASX between 25 May 2021 and 7 June 2021 (inclusive).

For further information please refer to the DRP rules at www.ausnetservices.com.au.

Relevant dates:

12 May 2021	Announcement of Full Year 2021 Results and final dividend
20 May 2021	Ex-dividend date for final dividend
21 May 2021	Record date for final dividend
24 June 2021	Payment of final dividend

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

About AusNet Services

Headquartered in Melbourne, Australia, AusNet engages over 1,500 employees to service over 1.5 million customers. AusNet 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. The company also has an unregulated business called Growth & Future Networks (includes Mondo business and customer-initiated excluded transmission services), focusing on contracted infrastructure and energy services.

For more information visit AusNet Services' website, www.ausnetservices.com.au.

Naomi Kelly
Company Secretary

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Full Year 2021 Results

For the period ended 31 March 2021

A photograph of a young woman with blonde hair, smiling at the camera. She is wearing a white hard hat with the "AusNet services" logo, clear safety glasses, and a bright yellow high-visibility work shirt with a dark blue collar. The shirt also has the "AusNet services" logo on the left chest and a small red tag that says "Hard Yellies". She is standing in front of a blurred background of solar panels on a roof.

Connecting
Communities

Disclaimer

The AusNet Services Group (**AusNet**) comprises AusNet Ltd and its subsidiaries.

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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%

External Environment

COVID-19: supported customers, employees and partners by adapting new ways of working. Strengthened business through proactive capital management and reprioritised expenditure

Policy & Regulatory: continued customer engagement to inform regulatory proposals

Energy Transition: supporting various Victorian Government Policy initiatives to facilitate renewable generation. Advancing Western Victoria Transmission Network Project to increase network capacity

Extreme weather: supporting communities with bushfire and storm restoration



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

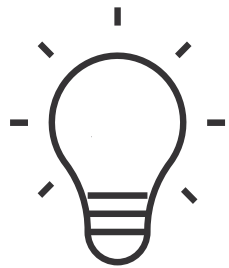


**accelerate
growth**

Through the energy
transition

Growth

Investing in a new energy future



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

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

¹ Contracted assets in service or currently under construction

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

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

Investment highlights

Our purpose is to “connect communities with energy & accelerate a sustainable future”

Essential infrastructure

- 100% own and operate a portfolio of regulated and contracted infrastructure assets totalling \$11.2bn
- Essential infrastructure assets based in Victoria (energy transmission and distribution) with over 1.5m customers
- Diverse asset base with staggered regulatory resets

Accelerating Growth

- Targeting \$13.5bn asset base by FY26, comprising \$11bn RAB, \$2.5bn¹ contracted infrastructure assets
- Continue to pursue large-scale transmission projects and renewable connections

Financial Discipline

- Prudent financial metrics and sustainable dividends. Stand alone credit ratings from Moody's (A3) and S&P (A-)
- Predictable cash flows and revenues, predominantly set on a regulated revenue cap basis or under long term fixed price contracts
- Diversified debt portfolio, both in terms of maturity and source

Sustainability

What it means for AusNet

- Operating an economically, environmentally and socially sustainable business, delivering safe and reliable energy to customers
- Managing key environmental, social and governance risks and opportunities to support long-term growth and performance

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

Financial Performance



Capital Management

Prudent, long term funding to support growth pipeline

Funding

Issued AUD \$1,732m hybrids & AUD \$400m long term bonds in FY21

FY21 cost of funds 4.24% (FY20: 4.46%)

\$2.3bn of Liquidity¹

\$1.5bn of cash & short-term deposits

\$0.8bn undrawn bank debt facilities

Prudent maturity profile

Less than 15% of debt portfolio maturing in any given year

Average debt tenor 7.6yrs (FY20: 6.8yrs)

Ratings & metrics

FFO / Net Debt 11.3%²

67% Net Debt/RCAB³

A-/Stable (S&P)

A3/Stable (Moody's)

Note:

1. As at 31 March 2021
2. Based on 12 months to 31 March 2021. Calculated as EBITDA less customer contributions, tax paid, net interest paid (inclusive of interest income, lease interest income & capitalised finance charges) add 50% Hybrid Interest Expense, and Loss on sale of assets divided by face value of debt (including 50% equity credit adjustment for Hybrid Securities) less cash and cash equivalents and short-term deposits
3. Debt at face value less cash divided by Regulated / Contracted Asset Base. Includes full amount of Hybrids, despite receiving 50% equity credit

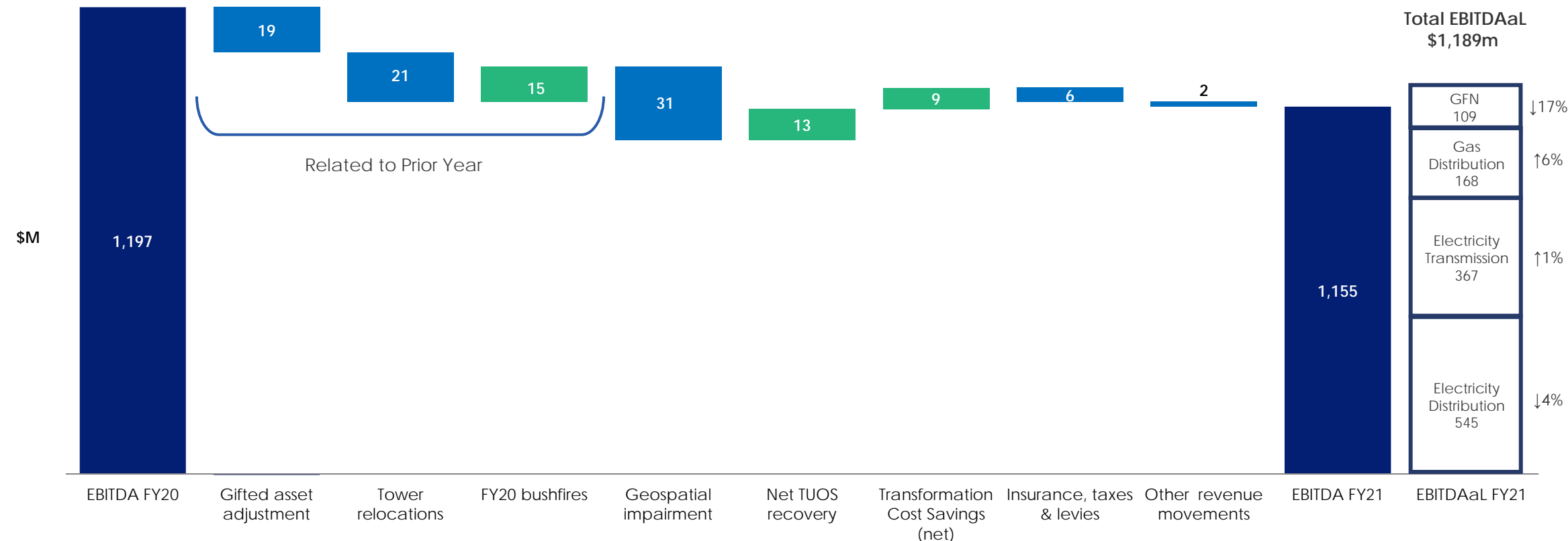
Financial Performance

- EBITDA decline impacted by geospatial impairment (\$31m) and prior year gifted asset adjustment (\$19m)
- NPAT further impacted by \$25m hedge accounting gain (FY20: \$22m loss) and tax credit from June 2015 corporate restructure (\$13m)
- Higher residential volumes for electricity distribution in first half offset by milder summer and 9.5% price reductions from 1 Jan 2021
- Completion of large unregulated infrastructure connections in prior year have contributed additional \$14m in revenue and lease interest income
- Strong cash flow supporting total dividends at the upper end of guidance range, 40% franked (FY20 50% franked)

A\$M	FY 2021	FY 2020	Variance
Statutory Result			
Revenue	1,924.5	1,977.6	↓2.7%
EBITDA	1,154.6	1,196.6	↓3.5%
EBIT	690.7	732.1	↓5.7%
PBT	424.1	415.4	↑2.1%
NPAT	302.1	290.7	↑3.9%
Cash flow from operations	844.5	720.6	↑17.2%
Dividends (cps)	9.50	10.20	↓6.9%

EBITDA Performance

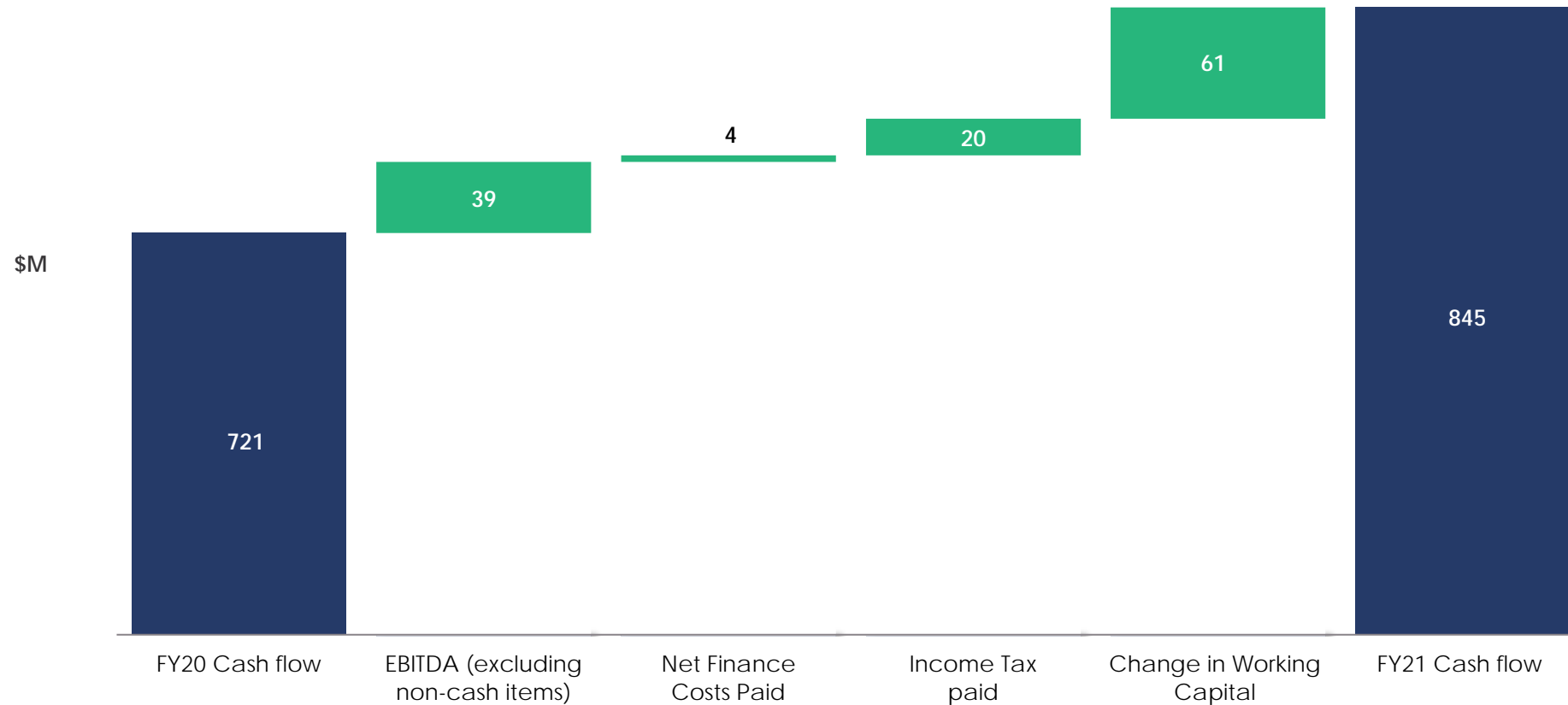
- Regulated revenue flat for gas distribution and transmission, small decline in electricity distribution (excl TuoS recovery) from 1 Jan 2021 price decline and lower cross boundary revenue
- Key transformation savings include operating model change, contract savings and enhanced asset management



Note: Chart excludes \$9m movement in easement and land tax which are pass through items and inventory sale due to Downer outsourcing in FY20 (\$13m) at book value. Tower relocations relate to West Gate Tunnel Project which saw several transmission towers removed and replaced.

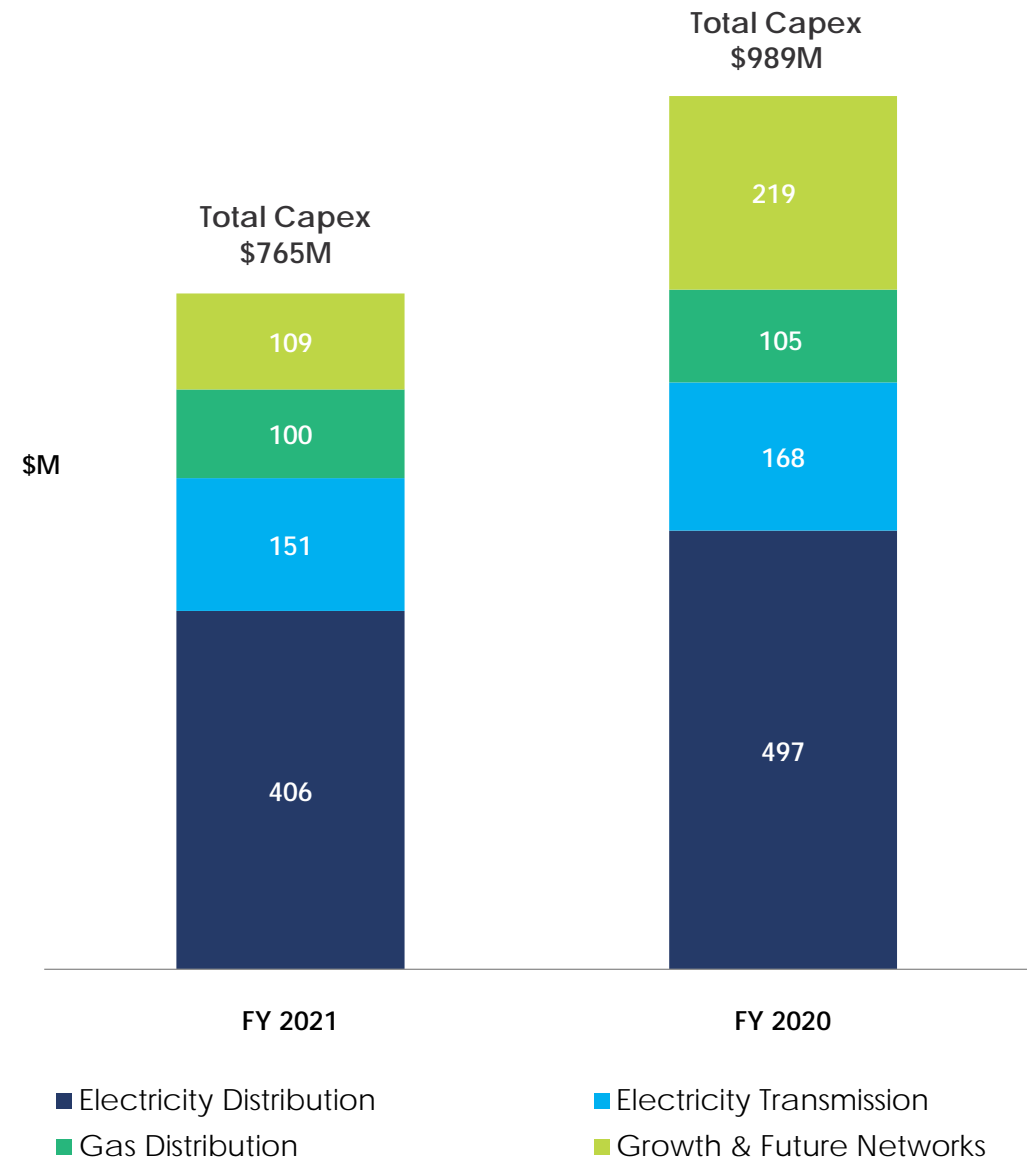
Cash Flow from Operations

- Improved receivable collections relative to prior period (\$42m)
- FY20 cash flow includes employee leave payments (\$11m) arising from transfer of employees to delivery partners



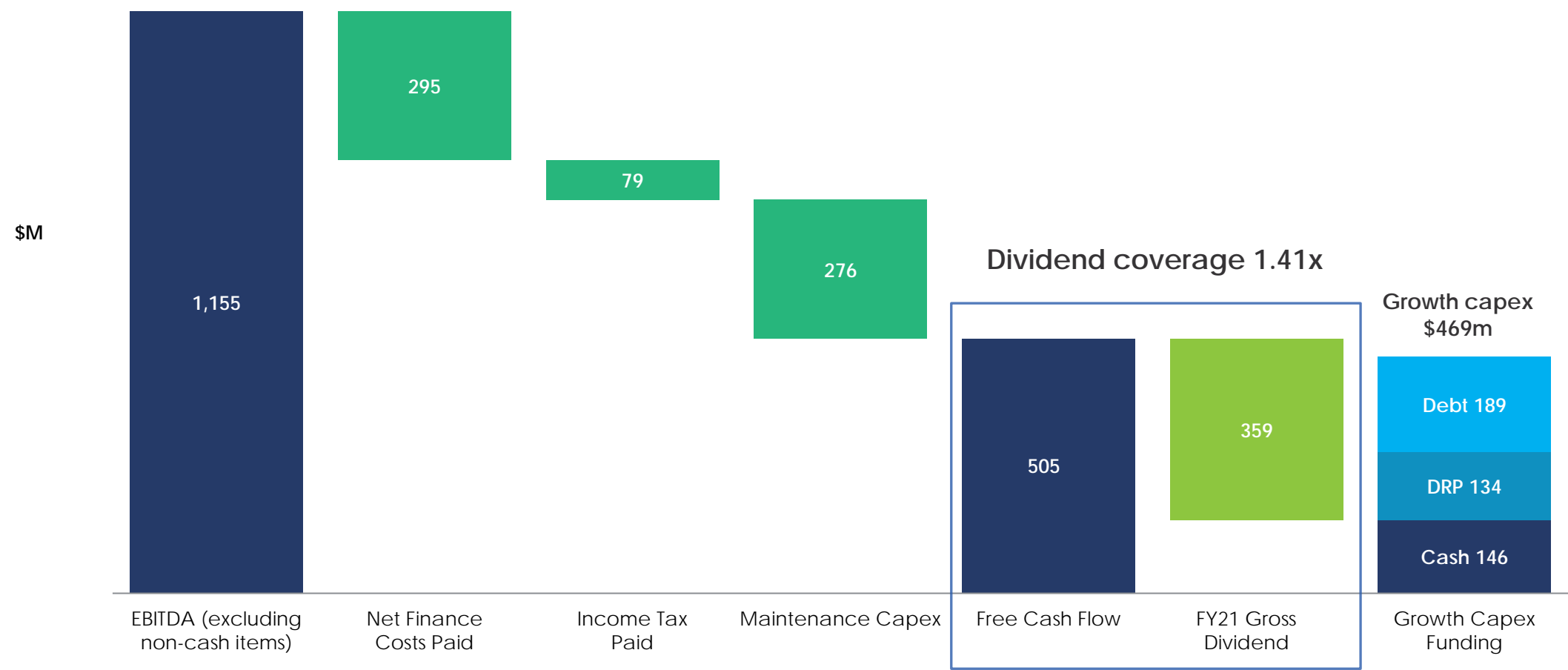
Capital Investment

- Growth and Future Networks spend declined due to completion of major wind farm connections in prior period
- Electricity distribution impacted by deferral of non-critical works, supporting customers during COVID-19 lock-down
- Growth / maintenance capex split 63%/37%
- FY21 capital investment includes customer contributions \$85m (FY20: \$124m)
- FY21 Regulated & Contracted Asset Base of \$11.2bn (RAB: \$10.3bn, CAB \$892m) up 2.8% (FY20: \$10.9bn)



Dividend and Capital Investment Funding

- Dividends remain fully covered by strong operating cash flows (EBITDA is used as a proxy when considering dividends)



Note: Capital investment as per cash flow statement \$745m. Estimated regulatory straight-line depreciation \$467m (indexation \$111m)

Core Networks



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

TRR 2022-27

- Proposal submitted to the AER in October 2020. Draft Decision expected by July 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 July 2021



EDPR 2021-26

1 April 2022



TRR 2022-27

1 July 2023



GAAR 2023-28

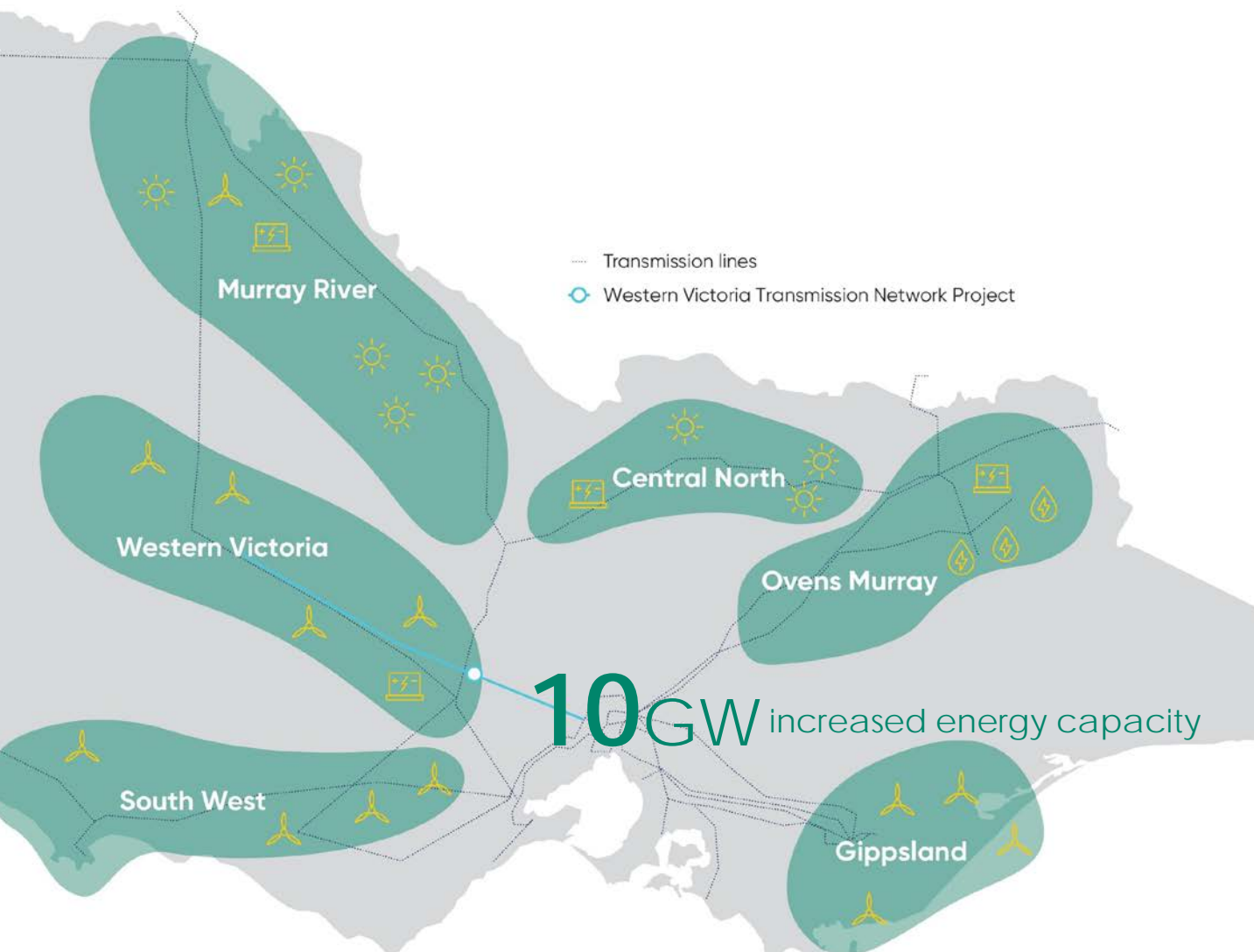
Growth & Future Networks

As part of the operating model transformation, Growth & Future Networks incorporates the Mondo business and customer-initiated excluded transmission services



Infrastructure Growth Pipeline

The pipeline of opportunities positions the business well for long-term growth. Targeting \$2.5bn asset base by FY26¹



NEM-wide growth²

26GW of VRE needed to replace coal-fired generation by 2040

Grid-scale connection opportunities

- Preliminary works of c.1,500MW including Golden Plains Wind Farm and Ryan Corner / Hawkesdale Wind Farms

Western Victoria Transmission Network Project

- Broad Area of Interest narrowed down to several corridor options for further investigation and consultation

Renewable Energy Zones

- Undertaking feasibility studies

System Strength Remediation

- Network partner for 300MW Victorian Big Battery

Map source: Victorian Renewable Energy Zones Development Plan Directions Paper February 2021 which could unlock 10GW of renewable energy generation capacity

² VRE = Variable Renewable Energy. Source: AEMO 2020 Integrated System Plan. 26GW includes Victoria.

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

Energy Services

Investing in new and emerging technologies and behind-the-meter assets to transition to a new energy future as part of a decentralised energy market



Energy Demand & Generation Exchange (EDGE) Project – DER Marketplace Trial

- Industry flagship project that will influence future market design
- Innovative initiative with AEMO and co-funded with ARENA to develop a marketplace where Distributed Energy Resources play a significant role in providing value to customers



Deakin University Microgrid Project

- Microgrid development located at Waurin Ponds campus
- Project combines intelligent solar and battery technology to achieve a diversified energy ecosystem

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

Appendices



Tax and franking profile

Lower net tax payable expected in FY22, due to accelerated tax depreciation and refunds sought for non-assessable gifted asset revenues (VPN decision)

FY22 franking outcome to be determined when FY22 tax profile is confirmed

Items contributing to lower expected net tax payable

Instant Asset Write-off incentive

- Announced as part of the 2020-21 Federal Budget. Immediate deduction allowed for the full value of new, eligible, depreciable assets of any value that are first used or installed before 30 June 2022.

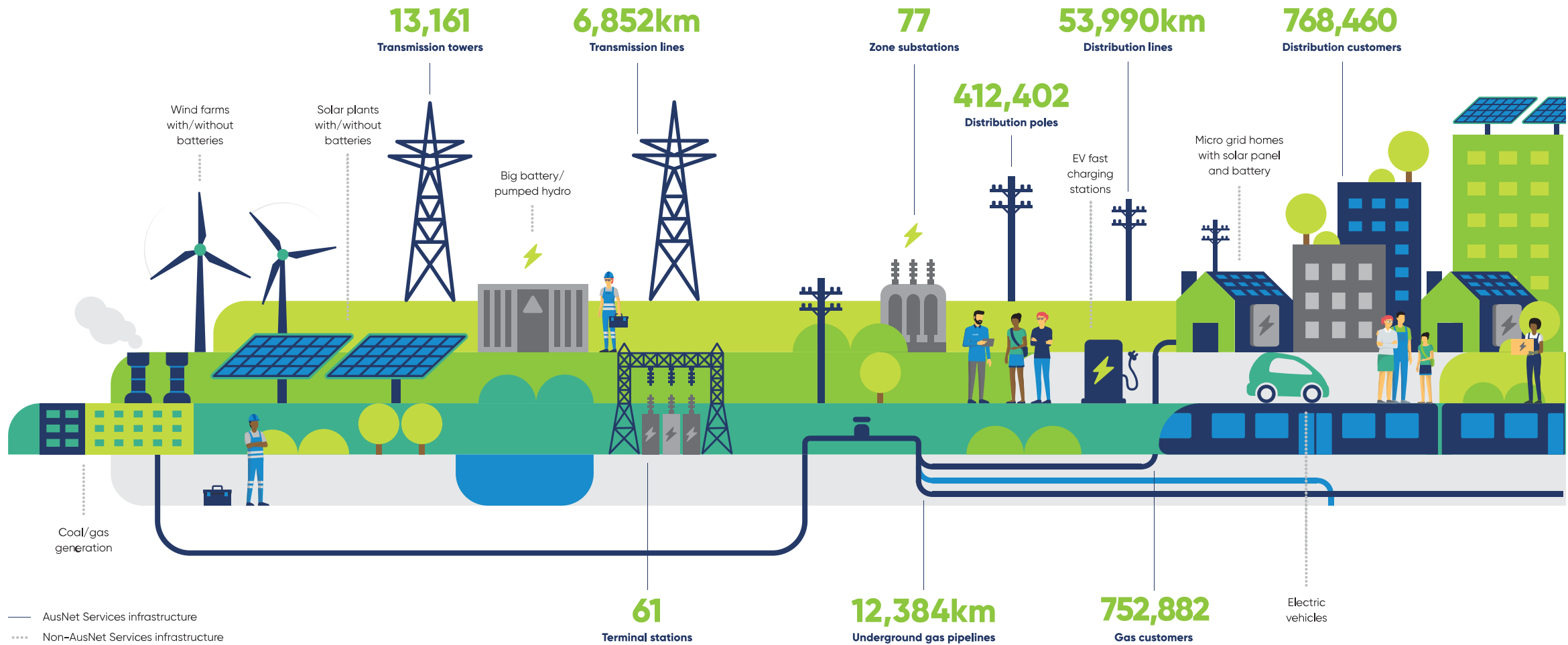
Non-assessable gifted asset revenues (VPN decision)

- AusNet is pursuing (by way of objection) a \$37.5m refund of tax paid on FY16-FY20 gifted asset revenue. Currently being considered by ATO.

Tax Base Step-up arising from June 2015 restructure

- AusNet filed an objection during FY21 concerning tax consolidation and capital allowance outcomes arising from the June 2015 corporate restructure.
- Specifically, the objection contends that the interaction of capital gains tax and tax consolidation provisions results in a higher uplift in tax base from the time of restructure.
- Based on several assumptions, AusNet estimates this potential uplift to be up to \$485m, which if, and to the extent successful, would be realised over the life of the assets and noting that some of this benefit relates to prior periods and therefore any refund of tax may trigger franking deficit tax.
- An objection decision is pending from the ATO. If the objection is rejected, AusNet will consider options available to clarify the operation of the law. The ultimate outcome of the objection is inherently uncertain.
- If appeal options are not sought, or AusNet is ultimately unsuccessful, there is no change to the current tax payment profile as AusNet has adopted the ATO's position throughout this period of uncertainty and has paid tax accordingly.

The Energy Supply Chain



Electricity Transmission Network

- Regulated revenues predominantly decreased due to lower easement tax pass-through (\$9m)
- FY22 revenue cap \$579m (includes \$174 m of easement land tax pass-through and \$14m incentive revenues)
- Customer-initiated excluded prescribed and excluded negotiated transmission services are now captured in the 'Growth & Future Networks' segment \$34m (FY20: \$56m).

A\$M	FY 2021	FY 2020 (Restated)	Variance
Revenue	601.2	612.3	↓1.8%
EBITDA	366.6	364.1	↑0.7%
EBITDA Margin	61.0%	59.5%	↑2.5%
EBIT	270.5	270.5	0.0%
EBIT Margin	45.0%	44.2%	↑1.8%
Regulated Asset Base	3,690	3,620	↑1.9%

Electricity Distribution Network

- Expected revenue cap from 1 July 2021 to 30 June 2022, \$812m, includes TUOS pass through of \$117m, \$6m STPIS penalty and \$26m jurisdictional scheme (solar PFIT & ESV levy) pass through (subject to AER approval)
- FY21 TUOS revenue \$115m (FY20:\$89m). FY21 TUOS costs \$107m (FY20:\$93m)
- FY21 metering revenue \$47m (FY20: \$48m)
- Customer contributions \$69m (FY20: \$91m), lower due to true up from prior periods
- Excluded revenues \$24m (FY20: \$27m)
- Operating expenses include allocation of geospatial impairment \$19m

A\$M	FY 2021	FY 2020 (Restated)	Variance
Revenue	922.7	934.7	↓1.3%
EBITDA	545.4	566.4	↓3.7%
EBITDA Margin	59.1%	60.6%	↓2.5%
EBIT	287.5	304.7	↓5.6%
EBIT Margin	31.2%	32.6%	↓4.3%
Volumes (GWh)	7,426	7,531	↓1.4%
Connections	768,460	753,601	↑2.0%
Regulated Asset Base	4,874	4,694	↑3.8%

Gas Distribution Network

- Higher revenues due to a 4% increase in average tariffs and additional volumes due to COVID-19 restrictions and favourable weather
- Customer contributions \$9m (FY20: \$9m)
- Other revenues \$1m (FY20: \$2m)

A\$M	FY 2021	FY 2020	Variance
Revenue	224.9	223.8	↑0.5%
EBITDA	167.9	159.0	↑5.6%
EBITDA Margin	74.7%	71.0%	↑5.2%
EBIT	107.4	96.9	↑11.0%
EBIT Margin	47.8%	43.3%	↑10.4%
Volume (PJ)	70.2	68.3	↑2.8%
Connections	752,882	732,479	↑2.8%
Regulated Asset Base	1,708	1,676	↑1.9%

Growth & Future Networks

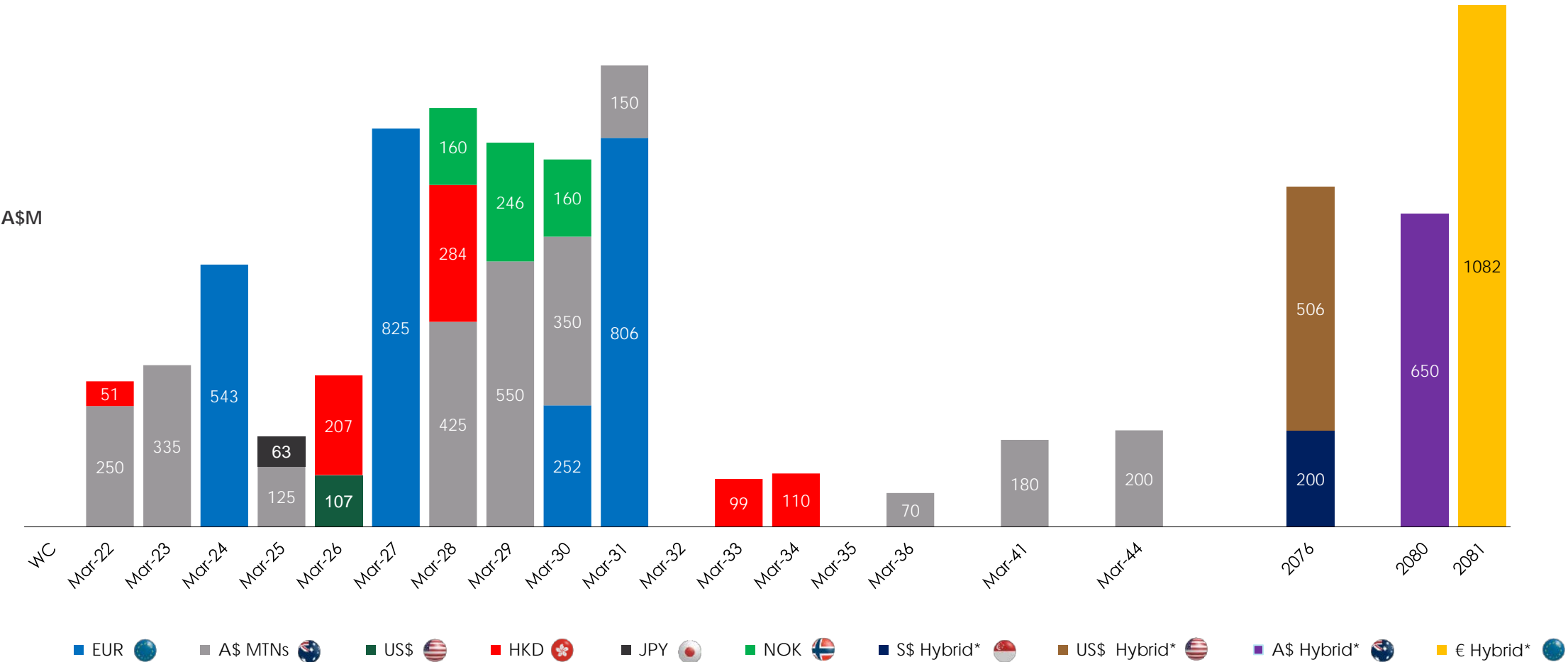
- Segment includes Mondo business and customer-initiated excluded prescribed and excluded negotiated transmission services previously in the electricity transmission segment \$34m (FY20: \$56m). Reduction in customer-initiated revenue due to West Gate Tunnel Project tower relocations in FY2020 (\$21m)
- Higher lease interest income due to completion of several renewable connections in FY20
- Cessation of materials sales business, net EBITDA impact of \$1m
- Operating expenses include allocation of geospatial impairment \$12m

A\$M	FY 2021	FY 2020 (restated)	Variance
Revenue	185.2	217.3	↓14.8%
Lease Interest Income	34.3	24.7	↑38.9%
EBITDA after lease income (EBITDAal)	109.0	131.8	↓17.3%
EBITDAal margin	49.7%	54.4%	↓8.6%
EBIT after lease income (EBITal)	59.6	84.7	↓29.6%
EBITal Margin	27.2%	35.0%	↓22.3%
Contracted Asset Base ¹	892	867	↑2.9%

¹ Contracted assets in service or currently under construction

Debt Maturity Profile

- Net Debt \$7.4bn (as at 31 Mar 2021) - offshore debt shown at hedged rates, includes \$1.5bn cash and short-term deposits



Note: First call date for hybrid securities: \$US & \$S in Sep 2021; \$A Oct 2025 & € in Sep 2026

Sound Fundamentals

Financial Metrics	FY 2021	FY 2020
Market Capitalisation	\$7.0bn	\$6.4bn
Total Assets	\$14.6bn	\$14.3bn
Regulated / Contracted Asset Base	\$11.2bn	\$10.8bn
Total Borrowings (Face Value)	\$9.0bn	\$7.7bn
Net Debt ¹	\$7.6bn	\$8.9bn
Net Gearing (Carrying Value) ²	69%	75%
Net Debt (Face Value) to Regulated / Contracted Asset Base ³	67%	67%
FFO / Net Debt ⁴	11.3%	10.2%
Credit Ratings (S&P / Moody's)	A- / A3	A- / A3

Note

1. Net debt is debt at carrying value. Includes full amount of Hybrids, despite receiving 50% equity credit

2. Calculated as net debt at carrying value divided by net debt at carrying value plus equity

3. Debt at face value less cash divided by Regulated / Contracted Asset Base. Includes full amount of Hybrids, despite receiving 50% equity credit

4. Based on 12 months to 31 March 2021. Calculated as EBITDA less customer contributions, tax paid, net interest paid (inclusive of interest income, lease interest income & capitalised finance charges) add 50% Hybrid Interest Expense, and Loss on sale of assets divided by face value of debt (including 50% equity credit adjustment for Hybrid Securities) less cash and cash equivalents including short term deposits

Current Regulatory Determinations

Regulatory period	Electricity distribution 2016-20	Electricity distribution 2021-26	Electricity transmission 2017-22	Gas distribution 2018-22
Beta	0.70	0.60	0.70	0.70
Risk Free Rate	2.93%	1.46%	2.52%	2.73%
Cost of Debt	5.52%	4.64%	4.94%	5.04%
Gamma	0.40	0.585	0.40	0.40
Market Risk Premium	6.50%	6.10%	6.50%	6.50%
Nominal Vanilla WACC	6.31%	4.83%	5.80%	5.94%
Return on Equity	7.50%	5.12%	7.10%	7.30%
Net Capex (Nominal)	\$1,788m	\$1,570m	\$780m	\$522m
Opex (Nominal)	\$1,355m	\$1,400m	\$1,225m	\$293m
Revenue (Nominal)	\$3,524m	\$3,771m	\$2,742m	\$1,040m

Note: Data in table is based on original regulatory determinations. Electricity Distribution includes Metering. EDPR 2021-26 period comes into effect 1 July 2021

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. The company also has an unregulated business called Growth & Future Networks (includes Mondo business and customer-initiated excluded transmission services), focusing on contracted infrastructure and energy services.

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