[START OF TRANSCRIPT]

[Video] *Around the clock, nonstop. Aurizon is always moving. The wheels of Australia's largest rail freight company are always turning. Moving around 250 million tonnes a year. We're constantly connecting miners, primary producers, and other customers with domestic and international markets. Moving mountains to keep business powering on. Our people are always moving too, they're planning, analysing, innovating, moving our precious commodities right across our vast continent, safely and reliably. Whatever's down the track, we're prepared and optimistic as we continue to move towards helping create a more sustainable future. And Aurizon is committed to growing the communities where we live and work. Making a difference, night and day 24/7. We move. We deliver.*

Slide 1. Investor Day

[James Coe, Head of Investor Relations] Good afternoon. I am James Coe, head of Investor Relations and welcome to the Aurizon Investor Day. Welcome to those that have travelled today to be with us here in Darwin, and for those following online. Some housekeeping before we begin. We have two emergency exits here on either side of the lifts that you passed on the way in, and the bathrooms are on the far side of this floor again, on the other side on the lifts. For those in the room, now is the opportunity to check your phone is on silent mode prior to the presentations beginning. And a reminder to those on the webcast that the time on the agenda that we'll see shortly is in Australian Central Standard Time.

Today's session will be recorded and subsequently available on the Aurizon website. The opportunity to ask questions for those in the room will be at the very end of the session today where all members of the Aurizon Day Group executive team will be available to take questions. I draw everyone's attention to slide two and slide three in the pack, and I ask you to take the time to read given the substantive information that is in the pack that will be presented today. Now I'd like to welcome Elias from the Clontarf Foundation for the Acknowledgement of Country.

Slide 2. Disclaimer

Slide 3. Important Information about this presentation

Slide 4. Acknowledgement of Country

[Elias] Afternoon all. My name is Elias and I am current year 10 student at Palmerston College and I have been part of the Palmerston Clontarf Academy for four years. I would like to acknowledge that this event is being held on the traditional lands of the Larrakia people and pay my respects to the elders past, present, and emerging. I would like to extend that respect to all aboriginal people here in attendance. Thank you and enjoy your afternoon.

[James Coe, Head of Investor Relations] Thanks very much Elias. Not many organisations in the country that have an operational footprint of Aurizon, but the Clontarf Foundation does with 150 academies around the country. We've partnered with Clontarf for almost 10 years now, including at our local Berrimah base here in Darwin. I now welcome Matt Jones, General Manager of Bulk Central for a safety share.

Slide 5. Safety Share: Initiative

[Matt Jones, General Manager Bulk Central] Thanks James. So, I've got a safety share today on level crossing safety. I wanted to share a near miss report that occurred in Bulk Central just a couple of months after the acquisition went through and talk about our response to the incident. So essentially, at our Ivanhoe crossing, which is about 300 kilometres south of where we are today in Darwin, we had a heavy vehicle pass over a level crossing and ultimately our train crew reported that as a near miss. So we went and conducted an investigation to start with, and as a result of that investigation, ordinarily you'd think, well, look, there's not too much we can do about these things because public behaviour is one of the major contributors for near misses at level crossings. However, there are actually a number of things we can do fairly simple, and in this instance I'd like to share those with you.

So following the investigation, we ultimately reduced the track speed on that level crossing. From 110 down to 60 kilometres an hour, we were able to level out the road access and exit to the level crossing so that the trucks that pass over that crossing don't start going uphill. We were able to clear the sighting distances in both directions by removing vegetation and doing some grading work, and perhaps most significantly, our Northern Territory operations manager was able to travel to the nearby quarry, meet with the management and the employees at the quarry and remind them of their at-risk behaviours and their obligations as professional drivers.

So, for this broader audience, the stuff we can all do here too, and I'd encourage everyone to promote level crossing awareness and safe behaviours with your family and friends. At Aurizon, we do exactly the same with all of our employees. In fact, we partner with the Track Safe Australia organisation who, in early August each year, run Rail Safety Week. So in just a couple of weeks, you'll probably all see in various parts of the media, the TV, radio, print, social media, a significant campaign on level crossing safety across the country. I'd very much suggest to everyone here when you do see some of that promotional material, use that as the prompt to go and talk to your family and friends and encourage safe behaviours. And when I talk about safe behaviours, probably the top three things would be paying attention, look both left and right before you enter a crossing. Don't exceed the speed limit when approaching a level crossing and absolutely don't enter the crossing when the red lights are flashing. So that's my key safety message for everyone and thanks for your time.

Slide 6. Group Executive Team

[James Coe, Head of Investor Relations] Thanks Matt. Joining us today is the group executive Team as shown on this slide, and it may be the first time many of you are meeting Anna Dartnell and Cat Peppler each having been appointed to the group executive team earlier on this year, perhaps also Gareth Long who has moved from group executive corporate to group executive containerised freight. Now on that, I'll hand over to Andrew Harding, managing director and CEO.

Andrew Harding, Managing Director & Chief Executive Officer

Slide 7. Agenda

Good afternoon and a warm welcome to those who have joined us here in Darwin and those following the webcast.

The agenda today starts with an update of our strategic aims and we will also look back on our performance since our Investor Day in Newcastle two years ago.

In recognition of the investment made in Containerised Freight and Bulk, we will then have presentations by Gareth and Anna on their respective business units.

We will round out the day with George presenting our approach to capital allocation and fleet.

Slide 8. Key messages for today

I will start with the key messages we are sharing today.

Aurizon has continued to build upon our position as Australia's leading integrated rail provider. Following the acquisition of One Rail, we have an operational footprint that covers each state in mainland Australia (and of course the northern Territory where we meet today)

We have the largest fleet of locomotives and wagons in Australia, enabling us to deploy capacity to support our customers' growth ambitions.

Our Network and Coal businesses continue to be resilient and consistently generate free cash flow, enabling over 5 billion dollars of returns to our investors since 2016.

Following on from the introduction at our 2021 Investor Day, today we are strengthening our Bulk growth aspirations driven by:

- a larger addressable market; and more importantly
- a greater market share position on the back of our One Rail acquisition.

Finally, and why we have invited everyone to Darwin, we introduce our aspirations for Containerised Freight including a land-bridging concept. Darwin’s proximity to Asia combined with Aurizon’s rail infrastructure make it a logical land-bridge with links to major capital cities.

A journey that we estimate will save up to seven days for freight moving from Shanghai to Melbourne compared to the traditional shipping method.

We look forward to discussing these themes in more detail throughout the presentation.

Slide 9. FY2023

Before we begin, and ahead of our Results next month, I will take this opportunity to briefly address the recently completed financial year.

As noted at our first half Results in February, prolonged wet weather has had a significant impact on our customers and supply chains. A third-party derailment in Central Queensland in late January also saw the Blackwater corridor closed for almost two weeks. In addition, Aurizon has not been immune from labour shortages, with train drivers and electricians in short supply, which at times, has impacted our operations.

Full year EBITDA will be at the bottom of the range provided at the first half results, with a continuation of some of the challenging operating conditions from first half continuing into the March quarter.

The One Rail acquisition (and divestment of East Coast Rail) took place during the year and we have achieved synergies aligned with our initial projections.

Total capex is expected to be within the guidance of $750m to $800m.

As noted on this slide, we saw an uptick in demand in the June quarter, providing confidence going into FY24.

Slide 10. FY2024

We are guiding to a step-up in earnings in FY24, with EBITDA of $1.59 billion to $1.68 billion.

Network is supported by:

- an uplift in the regulatory asset base to $6.2 billion as a result of actual inflation being in excess of projected inflation; and
- the preliminary reset WACC of 8.18% applying from 1 July, up from 6.3% in the year prior.

Projected volumes for Network align with the regulatory assumption of 208 million tonnes.

A reminder that any revenue cap amounts from FY23 will be recovered in FY25 and we will provide further information about this at our full year results.

Coal revenue and earnings are supported by the expectation of a recovery in volumes, in addition to CPI-linked contracts. Strong steel production from India and a resumption of coal trade with China are supportive of demand. For Australian supply, we expect to see production during the year from mines such as Olive Downs, Wilkie Creek, Malabar and New Acland.

Bulk revenue and earnings are supported by the expectation of higher volumes and activity, in addition to the full year contribution of Bulk Central.

Finally to Containerised Freight, which for this year will be reported in *Other*. We are expecting EBITDA to be broadly neutral as we ramp-up to the initial schedule of seven services a week, equivalent to around two hundred thousand TEUs per annum.

As per our normal practice, we do not assume any material disruptions to commodity supply chains such as extreme or prolonged weather or major derailments.

Moving to a brief overview of Aurizon and our strategic aims.

Slide 11. Overview and Strategic Aims

Slide 12. About Aurizon

Aurizon is the largest rail-based transport business in Australia. Our purpose is to grow regional Australia by delivering bulk commodities to the world. Each year we transport around 250 million tonnes of product, connecting miners, primary producers, and industry with international and domestic markets.

Around half of our earnings and assets are attributable to our Network business which is our regulated infrastructure in Central Queensland. The Network connects around 40 mines to five export terminals, supporting 90% of Australian metallurgical coal export volume, needed for steel production.

The remainder of our business consists of our Coal, Bulk and Containerised Freight operations, with a fleet of over 700 locomotives and 15-thousand wagons, servicing commodity exports and critical freight across the country, including into Darwin where we are meeting today.

In response to customers seeking end-to-end solutions, we have also invested in port terminals adjacent to our rail operations in Townsville, Newcastle and most recently Gladstone.

The One Rail acquisition has increased our track infrastructure to over five thousand kilometres when combined with the CQCN. The site tour tomorrow will visit our terminal at Berrimah and then on to Port of Darwin, where we hold a stevedoring licence.

With inflation and interest rates continuing to dominate business pages, I will quickly cover the impact this has on Aurizon.

- For Coal and Bulk, we have revenue protections in place through quarterly or annual CPI escalation in our customer contracts. On the cost side, we have had employee agreements approved (or had a positive employee ballot), covering around 85% of our EA employees over the last 18 months – with the most recent agreements being 4 to 5 percent wage uplifts in year 1, with the following years being tied to CPI, with a cap and floor;
- For Network, we will see an increase in the Maximum Allowable Revenue of $125m in FY2024, driven by the reset of the Regulated Asset base in addition to the uplift in the WACC.

A submission regarding the Final WACC reset is due to the regulator at the end of this month, which will update the risk free rate and debt risk premium based on observed market data in June.

As noted in our ASX release earlier in the month, the risk free rate was almost 40 basis points higher than the equivalent figure in the preliminary WACC, with this flowing through to the Final WACC reset.

The debt risk premium will be updated as part of our submission. An indicative WACC of 8.57% is shown on this slide which represents the Preliminary WACC and the uplift from the risk free rate only.

Finally, any difference between the final and preliminary WACC for FY24 will be reflected in a revenue cap adjustment in FY26.

Slide 13. ESG contribution

As Australia's largest rail freight operator, we are committed to playing a significant role in the transition to a low-carbon economy.

Rail freight has superior environmental, safety and productivity performance compared with road. With one train equivalent to 150 trucks, the emissions and safety benefits of rail are clear.

Since we published our Climate Strategy and Action plan, we have progressed initiatives such as:

- the reduction of idling through the deployment of advanced ignition systems;
- the exploration of zero carbon fuels; and
- the deployment of trip optimiser technology.

We continue to investigate and implement new decarbonisation initiatives to reduce our environmental footprint, with a view to our net-zero commitment by 2050.

We recently announced details on our investment to build the first zero-emissions capable freight locomotive in Australia. Powered by batteries it will allow the potential future use of totally renewable energy sources for freight hauls in Australia.

This could offer a significant competitive advantage for not only Aurizon but also Australian industry as exporters in global markets.

Slide 14. Exposure to new economy commodities

Australia is well positioned globally regarding resources and production of commodities that the world requires both now and in the decades ahead.

Aurizon has a diversified portfolio and a market leading position. In recent years, we have significantly increased our exposure to non-coal commodities through new contracts with customers such as CBH, Centrex and Tronox in addition to the One Rail acquisition.

The investments we are making in standard gauge locomotives and container wagons support the growth opportunities for the Bulk business unit. This rollingstock is generally able to be deployed across the nation as we continue to diversify our geographic and commodity exposure.

As you can see from this slide, Australia has a great resource base, and I may be biased, but we also have great infrastructure and a strong market position to transport the resources to global markets.

Slide 15. Progress against historical strategic aims

At Investor Day in Newcastle in 2021, we articulated the strategy to build on the very stable, cash-generative platform of our existing Network and Coal businesses, and drive towards our aspiration of doubling Bulk's earnings by 2030.

This strategy is largely unchanged today, although we are lifting our aspirations in Bulk - which I will detail shortly - and have added a new growth stream in Containerised Freight.

The effect is that the share of thermal coal revenue would further reduce in the decade ahead.

Slide 16. Repositioning containerised freight

In February this year, we announced the stand-up of a Containerised Freight business that is enhancing national supply chains.

The combination of the Central Corridor and the full national interstate schedule will provide capacity of up to 350 thousand TEUs per annum.

Today we announce a further one hundred thousand TEUs of capacity from 2025 that includes stage one of our land-bridging concept, which we believe can be achieved with minimal incremental capex.

Beyond this, we have a capacity aspiration of 550 to 750 thousand TEUs per annum, to deliver volumes of around 500 thousand TEUs per annum.

Slide 17. Land-bridging in-context

I will now provide some more colour on land-bridging, which we think is an exciting natural extension of the assets and expertise in the Containerised Freight and Bulk businesses. By assets, I refer to:

- our fleet of rollingstock including flatbed wagons, suitable for containerised freight;

- our national interstate network;
- terminals (and terminal-access) in major markets; and of course
- the Tarcoola to Darwin below rail infrastructure.

Let me be clear, today's announcement is not the delivery of port-shuttles, but instead, the establishment of nationally significant freight supply chain, outside of what is currently offered in the market.

Slide 18. Land-bridging Opportunity

Turning to the opportunity in more detail.

Currently, containerised freight is predominantly shipped to Australia via a traditional ‘milk run' along major capital city ports. In contrast, Aurizon's proposition is to provide:

- a more direct link and shorter freight delivery times; and
- greater predictability which reduces operating and inventory costs.

On this slide, we show the opportunity that utilises the Port of Darwin and Aurizon's below-rail infrastructure that goes all the way to the wharf at the port. Rather than vessels travelling down the east coast, potentially with multiple stops to deliver into major ports, a vessel can make a single stop to the most northern port in the country. Containers can then be transferred to rail for subsequent delivery to interstate markets.

To get some scale on the containerised freight market, there is around:

- a million TEUs transported on interstate rail each year;
- up to six million TEUs on interstate trucking; and
- over eight-million TEUs of throughput at major Australian ports.

Our aspirational target is just a fraction of this market but has the potential to provide a step-up in earnings and a further growth platform for the business.

This offering is anticipated to be at cost parity on a delivered basis to the East Coast when compared with current shipping methods. Therefore, we will be initially targeting those freight forwarders seeking a solution between traditional sea freight and costly air freight.

As many of you would be aware, the land-bridging concept was part of the original plans for the Alice Springs to Darwin line when constructed twenty years ago. So the idea is not new, but I did want to share how we re-visited and revived this concept, following rigorous assessment.

In the second half of 2021, we looked at the effectiveness of Inland Rail going all the way to Gladstone, using the Moura line.

This work confirmed the advantage of operating a land-bridging solution from Gladstone south, but the interesting part, was that Darwin was determined to be a superior option. This analysis was taking place at the time of pursuing the acquisition of One Rail.

We challenged this analysis robustly, both internally and externally, given the accepted wisdom is that land-bridging from Darwin was not competitive. We stood up an internal team to focus on thoroughly analysing this opportunity. Together with leaders from that team, I visited the best global proxies we could find for Darwin, in Prince Rupert Port, Piraeus and Gdansk. The starting points for all of these success stories were:

- an under-utilised regional port,
- a delivery time benefit, and
- a long growth runway, suitable for a staged expansion

It was a compelling case and it was soon further strengthened.

During 2022, we were approached by TGE, who were looking for a more tailored solution for their rail freight requirements. It became obvious quickly that we could leverage the capacity being developed for a national interstate network for a land-bridging opportunity.

Finally, after learning about the needs of a representative set of customers, we set about developing a phased solution that met the needs of potential customers and the desire to test the idea with a low/no regrets approach. This includes the procurement of two harbour cranes at our terminal at the Port of Darwin, equipment that can be used for both containerised bulk and freight.

Slide 19. Updated strategic aims

Before I hand over to Gareth, I will take you through our updated strategic aims.

Our highly-disciplined Network and Coal businesses remain resilient and continue to provide a rock-solid foundation to support our aspirations for Bulk and Containerised Freight.

We have updated our Bulk aspirations driven by:

- an increase in the estimated addressable bulk EBITDA market of $1.7 billion, up from $1.6 billion when we presented two years ago; and
- a greater aspirational market share of 25-30%, up from 20-25% two years ago and largely attributable to our acquisition of One Rail.

As noted already, we are pleased to introduce an aspiration for Containerised Freight to deliver five hundred thousand TEUs by 2030, and confidence that higher volumes may follow.

I will now pass onto Gareth to talk in more detail about our Containerised Freight business.

Gareth Long, Group Executive Containerised Freight

Slide 20. Containerised Freight

Thank you, Andrew. Good afternoon and welcome. I'm Gareth Long, the group exec for the newly established containerised freight business. Today, I'll build on a little bit more on what Andrew stepped you through and provide some further insight into three areas. The first being our containerised freight business, the market and why we like it. Our performance to date and our outlook going forward. And thirdly, the land-bridge opportunities that lie ahead. But first, I'll spend a little time describing this new business.

Slide 21. Containerised Freight introduction

As the Group Executive for the Containerised Freight business, I have accountability for the strategy and for delivering our growth ambition. Necessarily, that includes building the national capability, managing our commercial arrangements, and importantly, my team has responsibility for customer relations. The

operational delivery of the services on a day-to-day basis is performed by Anna's team, given the existing capabilities they have and the synergies that we can capture. In terms of our operation, we announced back in February with the award of the TGE contract that we would commit to installing a national interstate capacity of some 200,000 TEU. The 11 year TGE contract connects Perth, Adelaide, Melbourne, Sydney, and Brisbane.

Upon standing up full operations in April 2024, this will include five weekly services, East-West and two East Coast, North-South services. As a cornerstone customer, TGE will account for approximately 70% of this capacity. Our central corridor freight operations have capacity for around 150,000 TEUs, when trains are at their maximum length. This capacity was part of the One Rail acquisition and primarily delivers critical Freight into Darwin from Adelaide. Finally, I have accountability for developing the land-bridge opportunity that Andrew introduced earlier. This has the potential to provide an exciting alternate supply chain for customers.

Slide 22. Containerised Freight – Market Size

Our scaled entry into the containerised freight market is very different to our prior intermodal business. A key distinction is where we are focusing our efforts and deploying our assets. Around two thirds of our capacity in our previous intermodal business was in the North-South, Brisbane, Sydney, Melbourne corridor. A market dominated by trucking given its speed and relative cost advantages on segments of the route. The remaining capacity was across the East-West market, a market more suited to rail freight. Given the distances involved, the service offering today will see the capacity reversed with around two thirds of the capacity deployed East West and with a remaining one third on the East Coast corridor.

A key focus for our participation in the containerised freight market will be to increase the size of the rail freight component. Specifically through attracting additional volumes from road.

Slide 23. National Interstate containerised freight growth

Absent of this modal share change, the containerised freight demand that its simplest form is driven by population growth and economic activity with projections generally linked to gross domestic products. The Bureau of Infrastructure and Transport Research Economics projects, the domestic non-bulk rail market will grow at 2.5% per annum through to 2050 at a central scenario, not dissimilar to GDP projections. With the continued ES pressures shaping policy and commercial decisions, increasing port congestion and the Inland Rail Project make this a very believable rate of growth for freight. These market fundamentals provide an alternate and attractive baseline, therefore, to support our current and future capital investment decisions.

Slide 24. National Interstate

Moving on to our performance to date. I was appointed to the Containerised Freight role back in February. Since then, we've been busy standing up the new nationwide business with all that entails. Working with Bulk colleagues, we've been recruiting train crew, securing rolling stock, terminals, paths, etcetera, a significant task. When you then consider I watched our first service depart the Victoria dock terminal in Melbourne over the Easter weekend earlier this year, on time and on schedule just seven weeks after signing the TGE contract, that really was a tremendous achievement. I'm also delighted to announce today that right about now, our second weekly Melbourne to Perth service has commenced operations. That's two

weeks ahead of schedule, demonstrating our commitment to deliver for our customers and further building confidence in the value of our proposition to the market.

In achieving this milestone, I want to thank our cornerstone customer and partner TGE for this opportunity, but also for having the shared vision to disrupt the market. I also want to take this opportunity to thank those in the Aurizon teams who've worked tirelessly to make this achievable, some of whom are in the room today. Going forward, work continues to ready for services three and seven with the latter due to commence in April 2024. Train crew are being recruited and trained. Rolling stock either redeployed, refurbished or new rolling stock ordered. And terminals and pathing are well progressed. Installing this capacity, we'll see approximately 200,000 TEU available to the market with TGE taking around 70% of this volume.

We know frequency of service is important to our customers. Accordingly, we are actively pursuing innovative capital light options to increase the frequency of services in the Melbourne-Perth and Melbourne-Brisbane corridors. We hope to see this increased service frequency come online the first half of next calendar year. We also know that terminal locations and associated arrival and departure times are critical to sophisticated supply chains. That's why we're continuing to work with below rail operators to optimise schedules and continue to develop a portfolio of terminal locations that provide greater optionality for our customers. I am delighted with the performance to date. We've now run 29 services or 14 round trips and are utilising over 80% of our assets.

Slide 25. Containerised Freight demand

Whilst our immediate focus is on standing up the new business and safely delivering the TGE ramp in services, we've also been looking at opportunities for growth. Our scaled expansion into the market has been positively received with exciting opportunities and enquiries from a range of potential customers, including large and small freight forwarders, trucking companies, shipping liners, stevedores, importers, and exporters. As expected, a significant proportion has come from the existing market with customers seeking increased capacity on key corridors, but they're also seeking newer propositions to better meet their needs.

A common theme through these discussions is the desire to drive greater containerised freight from road to rail. Not only does this reflect the recognition that rail is the best modal choice for long haul but appears also driven by the current truck driver shortages and the increasing need to meet ESG demands of customers. Beyond these domestic opportunities, we have a number of memorandum of understanding in place with potential future customers. This is to explore various land-bridge opportunities as well as import/export volumes, project cargo, and includes storage and co-location of infrastructure.

To provide you with a little more detail, I'll step through some examples. The desire to optimise shipping routes, which has driven interest in land-bridging between Darwin and key Australian cities, but also other locations. Such solutions are being driven by a desire to gain greater optionality, greater resilience over supply chains, to mitigate congestion, and to differentiate offerings. Secondly, we're exploring our real estate and terminal footprint to support imports, exports, and project cargo with a number of shipping lines and stevedores looking for better landside logistics solutions and connectivity to service their customers. And thirdly, we're also talking to potential customers around exploring opportunities to service key commodity export areas, which in turn will support our land-bridging solution.

Whilst it is very much early days, based on this level of interest, we believe there is demand to grow our domestic interstate business in a way that will also enable us to support alternate land-bridge supply chains

and import and export volumes. This in turn will allow us to enhance the scale and uniqueness of our domestic interstate containerised freight business.

Slide 26. Land-bridging – leveraging Aurizon's existing capabilities

Whilst we're exploring multiple land-bridge opportunities, we are particularly excited by Darwin. One reason we invited you here today is that we believe Darwin's proximity to Asia combined with Aurizon 's core capabilities and assets make it a logical location to explore a land-bridge solution. With minimal incremental CapEx requirements to achieve stage one of our ambitions for Darwin is a very attractive and exciting option.

As Andrew outlined earlier, we acquired OneRail solely based on the Bulk commodity business. Leveraging the latent and underutilised infrastructure, equipment, capabilities to deliver a disruptive land-bridge solution is therefore a bonus. In terms of the existing core capabilities, there are four that strongly support a Darwin land-bridge solution. Firstly, our existing rail assets. The containerised freight business already provides long-haul services across Australia. Our Bulk Central Tarcoola to Darwin line provides optionality to connect double stacked operations to various parts of Australia, including central New South Wales such as Parkes, Adelaide, Perth, and northern Melbourne, including Beveridge upon completion of phase one of inland rail.

Secondly, our existing rail capacity. We have a large network of fungible rolling stock assets, haulage expertise, and a national footprint. In addition, and importantly, our Adelaide to Darwin services have capacity. Thirdly, our existing port assets. We have recently been awarded a stevedoring licence at the Port of Darwin with two mobile harbour cranes due to be delivered later this calendar year. These cranes are capable of 15 lifts per hour, which is enough to support our stage one ambitions. And fourthly, our existing and growing terminal assets located in close proximity to key industrial nodes in each major freight destination, providing ready access to customer warehousing without the need to traverse major capital city road networks. In short, we are really well positioned to explore the attractiveness of a new land-bridging solution for customers starting here with the Port of Darwin.

Slide 27. Land-bridging – benefits in an Australian context

The challenges of the last couple of years has highlighted how end customers consignees freight forwarders and liners value optionality in their supply chains. The land-bridging solution not only offers alternate supply chain option but can potentially enhance the predictability and speed of container deliveries while generating capital efficiencies for shipping lines and the wider supply chain. One attraction for customers to explore land-bridging is the continued and likely to worsen congestion issues experienced at Australia's major existing ports. Australia's capital cities were developed around these ports and provided ready access to users.

However, more than 100 years on, the ports are less ideally located to meet the needs of industry, which are now located at the outer edge of the capital cities. This means port expansion will be difficult and probably costly, and even if achieved, the problem of landside congestion will remain. This congestion provides a lack of reliability and predictability, particularly in time critical and working capital intensive supply chains. A Darwin land-bridge solution provides a less congested alternate. When I think back to my days in risk, both here and in oil and gas, I think about a multi-port milk run, across congested ports and with the potential delay and additional demurrage charges versus a single sale sell to Darwin, I know which I would choose, particularly if moving time critical freight.

In addition, Darwin could also offer materially reduced transit times. In the case of a Shanghai to Melbourne sale, the land-bridging saving could be up to seven days of transit time, again, an attractive proposition for time critical freight. In addition to sailing times, Darwin is also attractive as it's a natural deep water port, and it has capacity. Containers can go straight from ship to rail carriage for distribution to other states, and the rail solution enters each capital city at key industrial nodes in close proximity to end customers. Increased speed and predictability also has the benefit of improving capital efficiencies. For shipping lines, they can better utilise assets on more productive and profitable routes. They can cycle their assets faster and drive greater efficiencies. For end customers, it provides the ability to optimise their inventory and working capital. They can decide to warehouse longer in low cost Asian centres or utilise lower cost regional centres such as Darwin, Parkes, or Adelaide.

Slide 28. Land-bridging – global case studies

As Andrew indicated, land-bridging is not a new concept. Over the last six months, Andrew and I have visited a number of ports where land-bridging solutions have been successfully implemented and operated over the last 10 to 15 years. Canada's Port of Prince Rupert provides a good case study for the implementation and growth of a similar arrangement to here in Darwin. The port provides a key link with Asia and connects with the major Midwest rail corridor through sparsely populated areas similar to Aurizon 's planned land-bridge solution through Central Australia. Capacity of the port was increased in phases over the last decade as key infrastructure upgrades were assessed and evaluated.

As you can hear from the accent, I'm from the UK, home to the soon to be returned Ashes. Given Australia is 32 times bigger than my mother country, I am delighted to be with the prospect of land-bridging here rather than there given there's an awful lot more land to bridge. But there are other successful reference sites to consider, including, as Andrew said earlier, the Port of Gdańsk in Poland and the Port of Piraeus in Greece. Key success factors for these precedents are summarised on the right hand side of the slide, and as you can see, Darwin possesses many of the same characteristics.

Slide 29. Containerised Freight opportunity

Similar to the case studies, we see the Darwin land-bridging opportunity in a staged manner. Our aspiration is stage one capacity of up to 450,000 TEU to be in place by FY2025, underpinned by the Bulk Central corridor and TGE volumes whilst beginning to utilise regional ports to create alternate supply chains, i.e. land-bridging. This stage requires minimal CapEx as Aurizon largely has in place the assets required to deliver this volume. If stage one is successful, stage two rollout is expected to occur across FY2026 to FY2030. And we'll add between 100,000 to 300,000 TEU to bring total capacity to 550,000 to 750,000 TEU per annum by FY2030.

I should stress that the implementation of stage two is subject to the application of Aurizon's capital allocation framework and the effective implementation of stage one. Stage three would then involve Aurizon exploring opportunities beyond 750,000 TEU subject to the performance of stage two.

Slide 30. Containerised Freight aspiration

Our approach to the market has and will continue to be characterised by listening to and understanding our customers' requirements. Perhaps nothing novel there, but what I think is different is the partnering approach we have taken with TGE and one we will extend to others. Working collaboratively with our customers and indeed our customer's customer to develop solutions that are more tailored and aligned to

their requirements to support their growth is I think different. We know at its heart will be a need to deliver optionality, capacity, and predictability. We continue to build a national network and port solutions that will deliver on this, including our land-bridging aspiration, which will offer customers a truly national and international logistics solution.

As we look ahead, we are excited at the prospect for growth and what this may mean not only for our customers, shareholders, but also our employees. If customer demand exists, then a target in excess of 500,000 TEU is attainable whilst remaining aligned to our disciplined capital allocation framework.

Slide 31. Containerised Freight – Key takeaways

To summarise then first, we have an attractive interstate containerised freight business. We're committed to growing our domestic freight capability through partnering with prospective customers to refine our value proposition and align with future demand. Our initial focus is on the safe and efficient services to support our cornerstone customer TGE, with services to date tracking to our collective performance expectations. We will continue to seize the opportunity of a clear pathway for growth and value delivery through increased utilisation, reliability, and service frequency.

Second, our containerised freight ambitions include developing a national land-bridging solution, an opportunity which has been unlocked through leveraging Aurizon 's existing Bulk and containerised freight infrastructure and operations. The solution offers an alternate supply chain option that can enhance the predictability and the speed of container deliveries. Aurizon will assess and progress this opportunity in a staged approach with stage one requiring minimal CapEx investment. This truly is an exciting time for our business, and one that I'm proud to be part of as we deploy our capability and assets to our aspirations into reality. Many thanks. Back to you, James.

[James Coe, Head of Investor Relations]: Thanks very much, Gareth. We are right on time, and we're at a time of the schedule to have a 20 minute break, so we'll return at 10 past three local time, and for those online in exactly 20 minutes. Thank you.

Anna Dartnell, Group Executive Bulk

Slide 32. Bulk

Welcome back everyone. I'm Anna Dartnell, and I was appointed to the role of Group Executive Bulk in May 2023. It's great to see some familiar faces in the room from the 2021 Investor Day held in Newcastle. I'm delighted to be back with you this year and be meeting both old and new faces here in Darwin, hosted by our fantastic Bulk Central team.

While my role here today is to share an update on our Bulk business and discuss our aspiration for growth within the 2030 strategy, as the newest member of the executive team, I thought it might be useful to share a bit about myself. I've had a long career spent in operational industries with roots dating back to early years in the West Australian mining industry before moving on to develop true end-to-end supply chain expertise. My operations leadership experience spans warehousing, logistics, transport, including road, rail, and port operations. I've been part of the Aurizon Bulk leadership team since 2018, heading up the Bulk West business as general manager, and in that role delivered business transformation which unlocked the opportunity for growth across a number of significant contract wins, personally leading the customer

engagement that underpinned agreement signed with Mineral Resources, Lynas Rare Earths, and most recently CBH group.

Through that experience, I became a strong voice in the development of our end-to-end supply chain strategy, and I've been delighted to see this progress to successful expansion of our Bulk services across the country. Both in my prior role and certainly with greater frequency since moving into the role of group executive Bulk, I've spent time in each Bulk region across Australia, and the more time I spend in our above and below rail operations our ports and terminals across the nation, the more I continue to be impressed with our people, their capability, the scale of our operations, and the unique strategic footprint we have at our disposal. So let's have a look at it.

Slide 33. Bulk operations

I will start by providing a brief overview of the Bulk business, which has grown significantly since our last Investor Day in 2021. This beautiful visual on the left shows the extent of our operations nationally, which now extend across the length and breadth of Australia, east to west and north to south. Aurizon Bulk now incorporates both upstream and downstream services to provide transport and logistics solutions on a truly national scale. We provide rail, road, terminal, and port services operating in Queensland, Western Australia, South Australia, the Northern Territory, and New South Wales, plus our emerging operational footprint in Victoria.

The newest part of our Bulk business in Central Australia is an integrated rail operation with 2,460 kilometres of track infrastructure at its core. The OneRail acquisition that added Bulk Central to our portfolio was completed in July 2022 and is now fully integrated into our Bulk business. Projected synergies are on track with strong operational performance, including a number of key contract extensions. We continue investment to support supply chain extension and capacity growth including in rolling stock port equipment and terminal facilities. And the people who underpin our success continue to demonstrate their drive and tenacity delivering these expanded service offerings whilst achieving consistent improvement in our safety performance.

In addition to existing capability and contract performance, our business development team is currently assessing a pipeline of over 200 growth opportunities worth more than an estimated $1.5 billion in annual revenue. Now, while we recognise that not all of these opportunities will progress through to production stage, we do believe it provides a strong indication of the customer demand in our markets, which will further diversify our portfolio and drive a rise in Bulk growth.

Slide 34. Turnaround to growth

Moving on from that footprint, where are we at on our journey? As we previously communicated, the Bulk turnaround was about getting the basics right. It was a loss-making business in 2017. The reform undertaken through this stage required us to simplify the business and focus on what mattered to our customers. In the cost base, we completed a comprehensive benchmarking process and implemented a disciplined transformation programme to create a more efficient operation whilst also enabling incremental growth. This was a focus for the first five years, and the results demonstrate the successful delivery of our turnaround. EBITDA doubled between FY17 and FY22, and that's before the uplift and earnings injected from the OneRail acquisition. This turnaround gave Bulk the ability to compete for capital within Aurizon, becoming our springboard for subsequent investments, in rolling stock, port terminals, and of course, the OneRail acquisition completed earlier last year.

The results being that Bulk today has two and a half thousand kilometres of rail infrastructure in central Australia, port operations in Townsville, Newcastle, Gladstone, and now Darwin, an operational presence in each mainland state and the Northern Territory, and a significantly diversified customer commodity mix. Through delivering further breadth to the Bulk foundations, we're primed to enter the next phase of growth, proactively managing and developing new opportunities and building additional capability whilst maintaining that critical focus on our cost base.

Slide 35. Bulk business at a glance

The capacity we have to deploy to opportunities can best be summarised in this slide, showing the change in our operational assets since the end of 2019. Beyond the increase in rolling stock with an additional 83 locomotives and an almost doubling of wagons, you can see the investment we've made in end-to-end solutions across first mile trucking, the port terminals and stevedoring, as well as significant addition of that rail infrastructure in central Australia.

Slide 36. Bulk: Australian mine projects

Now, we've shown the map on this slide a number of times in the past, but it's an important one when understanding both the opportunity and the investments we're making in Bulk capacity. There are over 1,400 projects plotted on this map of Australia, each with the current status at exploration through to pre-production across commodities such as copper, lithium, phosphate, potash, and nickel, all of which a commodity is essential to the modern economy and global energy transition. Now, we recognise only a portion of these projects will progress to production and therefore become a haulage opportunity, but the strength of that demand profile and Australia's role in global supply provides me with confidence in the growth opportunity, which lies ahead for Bulk.

The other thing I like about this map is looking at the concentrated deposits and overlaying it with that Bulk footprint you saw earlier. It demonstrates the operational presence and the strategic locations that we have to quickly respond to emerging customer demands wherever they might fall. This goes some way to demonstrate how that pipeline of over 200 opportunities worth $1.5 billion in annual revenue is being identified and why we feel so strongly about the alignment of that pipeline to the regions where Aurizon operates.

In addition to the picture of opportunity presented by the map of our Australian commodity projects, I'll also draw your attention to the diversified commodity mix. You can see that we continue to build in Bulk. This is another shift in our portfolio as we transition to growth. With no single commodity commanding more than 24% of revenue, a stark contrast to 2019 where both iron ore and other minerals metals were both sitting at around quarter of revenue each, closely followed by bauxite and aluminium. The product mix we are looking at now is more balanced and ever more so when we overlay the increased operational footprint. We see this as an important development because our customers run complex operations and like us, they're exposed to the natural environment and at times, difficult weather conditions. A more diverse commodity and customer base plus the strength of our geographical breadth serves to bolster the resilience of a Bulk portfolio.

Slide 37. Bulk Central

Now, with the addition of Bulk Central to our portfolio over a year ago, it'd be remiss of me not to speak to this newly integrated business. As a reminder, sitting adjacent to Aurizon's Bulk Central operations, two

thirds of Australia's copper reserves are located in South Australia, and almost all of Australia's phosphate rock resource is located in the Georgina Basin, straddling the Northern Territory and Queensland. To reach their export markets, customers across these key commodities have operational flexibility via Bulk Central infrastructure to Darwin or to ports in South Australia.

Bringing it down to the next level, this slide provides a sample of the mine projects being developed in our Bulk Central region. Now, whilst these selected projects are not an exhaustive list, given that there are around 300 mine projects from exploration stage in South Australia and the Northern Territory, it does provide a view of the companies investing in the region, which includes both junior and major mining houses and the types of commodities they're going after. Again, strongly linked to the growth in new economy markets and to food consumption.

Slide 38. Focus on grain

Moving on to grain. Aurizon is the largest hauler of grain nationally, and to put that in context, drawing your attention to the chart on the left of the screen, it's an important reminder of the global scale that Australian grain volume plays. Australia stands as the dominant force in global wheat volumes, second only to Russia in single-country contribution to that global export market. Looking at Aurizon's share of the Australian grain production profile, we're primarily exposed to major export-facing regions, being Western Australia and South Australia.

When we met in Newcastle in 2021, I was in the midst of negotiating a rail haulage agreement with the CBH Group, Australia's largest grain cooperative. I'm pleased to report that we not only won that contract, but we were asked to mobilise early, triggering the early termination of their previous haulage agreement. We delivered that task in a record-breaking harvest year and became the rail provider to the largest grain exporter in the country.

Over the past 10 years, Western Australia and South Australia have continued to contribute approximately two-thirds of Australia's wheat export volumes. In addition to scale, Western Australia and South Australia are also the most stable producing regions, with the lowest volatility compared to export volumes from the East Coast states.

Reinforcing both the strength and the robustness within the sector, our customer CBH recently announced a $4 billion infrastructure investment to be made over the next 10 years. This investment is focused in unlocking haulage volume, seeking to reach a monthly export capacity of 2 million tonnes by the end of 2024, and ultimately, 3 million tonnes by 2033. Aligned to this growth target, the West Australian government has put in place a strategy to increase grain harvest transported by rail with a joint commitment along with the Commonwealth to invest $200 million in the state's regional freight network as the first package of the Agricultural Supply Chain Investment Programme (ASCI). The first site developments within this package of works are underway within key rail corridors in Western Australia right now.

Slide 39. Growth in new markets

Turning to our new markets, over the last two years, we progressed our plans to increase Aurizon's exposure to non-coal commodities. New Bulk contracts such as CBH and Centrex and Tronox, in addition to the One Rail acquisition, provide a strong pathway and demonstrate our success in increasing product diversification. In addition, these investments we are making in standard gauge locomotives and container wagons also support growth opportunities presenting to the Bulk business unit and they're generally able to be deployed across the nation in pursuit of the most attractive growth opportunity.

Let's look at how this has played out with a handful of recent Bulk growth examples, each of which demonstrates the operational delivery and optionality within the Bulk service offering. Firstly, our Tronox service, which commenced in 2022, was our first genuine East-West haul, transporting mineral sands concentrates from the Ivanhoe Rail Terminal in New South Wales via Broken Hill, to our Kwinana Depot in Western Australia. The service was designed as a modal conversion from sea freight to rail freight, which allowed us to eliminate three major transport segments for the customer and streamlined logistics, ultimately enabling Tronox to exert more immediate product control of their feedstock quality.

Whilst this customer was hampered by extreme weather conditions in 2022 significantly impacting their ability to transport product from mines to the Ivanhoe Rail Terminal in the second half of FY23, the Tronox service, in some ways that temporary reduction in demand caused by weather, actually unlocked the opportunity to haul general freight from Melbourne to Perth over the higher demand period leading into Christmas 2022. This initiative, known as the Christmas Train, demonstrated our agility as a Bulk team to seize opportunities amidst disruption. It became the blueprint for our new TGE services upon securing the Containerised Freight contract in 2023.

Centrex is actually a relationship that's been fostered over many years for Bulk. It was ultimately secured as a contract providing end-to-end supply chain services using the stevedoring and terminal capabilities we acquired through the addition of Townsville Bulk Storage and Handling to Aurizon Port Services. Using the capabilities and assets of TBSH, the business that Aurizon had acquired in March 2020, the task involves bringing loaded containers to the former TBSH terminal at Mount Isa, operating trains into a terminal in Townsville, storing containers at the port, and using our stevedoring capabilities to load phosphate rock onto ships. It's a great example of the opportunities created through extension plays, seeking to link together previous discrete aspects of the customer supply chain and providing an end-to-end solution.

What I love about this contract is the synergies that the team were able to unlock with both the new and existing contract opportunities as we take IPL sulphur out to Mount Isa and we bring back Centrex phosphate rock in the same container into Townsville, ensuring we've loaded containers moving in each direction along that corridor.

And the final example I have here is GRA gypsum in the Bulk Central business. This is an example of a re-contracted Bulk Central haul that Aurizon have invested in both above and below rail operations to unlock additional efficiencies and volume. It's been a great example of locomotive fungibility, this time with our narrow gauge fleet where we cascaded locos from Queensland into Bulk Central. And I can tell you that the resulting peaks of white that you see located at Port Thevenard are really a sight to behold.

Slide 40. Bulk: FY2030 aspiration

So reflecting on our extension to end-to-end supply chain services plus the addition of Bulk Central to our portfolio, what has that investment unlocked in terms of growth aspiration and where do we set our sights as we look towards 2030?

Two years ago, we presented a Bulk ambition of achieving 20% to 25% of a market share that we'd estimated with an addressable profit pool of $1.2 billion in EBIT terms or $1.6 billion in EBITDA terms by 2030. This implied a Bulk EBITDA position of $300 to $360 million. Since then, Aurizon Bulk has successfully regained the CBH contract, the largest grain contract in Australia. We've delivered other Bulk commodity contracts through competitive tenders and disruptive supply chain proposals such as Tronox and Centrex, and of course, we've added the One Rail business to create Bulk Central. We're also provided

with exposure to opportunities in South Australia and the Northern Territory, regions where Aurizon previously had no footprint.

These factors, when combined with the continued demand for Australian bulk commodities, has resulted in us updating our assessment of the market size to an EBITDA pool of $1.7 billion, and a revision of our market share aspiration to capture now 25% to 30% of this pool by FY2030. Achieving this aspiration would imply an EBITDA of $400 to $500 million for Bulk.

Slide 41. Bulk – key takeaways

Unlocking a truly national footprint, the Bulk business provides primary producers access to safe and reliable supply chain solutions wherever they require them. Bulk continues to evolve and deliver value for a growing customer portfolio and the strength of our pipeline, paired with Australia's role in global supply of future-facing commodities, gives me great confidence in the opportunity ahead for Aurizon.

I'm pleased to leave you with four key takeaways from today's discussion. First, our revised EBITDA aspiration for Bulk; the second, reinforcing the strength of our growing infrastructure footprint across above, and below rail operations, ports and terminals; third, the role we play in serving growth commodities linked to the modern economy; and finally, the flexibility and efficiencies unlocked through the scale and diversity of our operations across a unique strategic footprint.

I'm going to hand over to George now to talk about the far more fun focus of capital allocation.

George Lippiatt: Chief Financial Officer & Group Executive Strategy

Slide 42. Capital allocation & Aurizon fleet

Thanks, Anna. Thanks to those joining us online and those who've made the journey to be with us here today in Darwin. I know some of you have come from as far away as Melbourne and also as far away as Singapore. Now, what's common between those two major cities is that they're both a bit more than 3,000 kilometres from where we stand today.

Now, I say that upfront to highlight Darwin's proximity to Asia, as well as the sheer scale of Australia. It's this geographic scale and the commodities in the ground that support the Containerised Freight and Bulk aspirations outlined earlier, and while those aspirations have changed for Aurizon, what hasn't changed is what I'm going to start with: our capital allocation framework.

Slide 43. Capital allocation framework

Aurizon has been utilising the same framework shown on this page for seven years. This framework starts by looking at operating cash flows on the left, prioritising capital to sustain our existing operations, and then targets a dividend of 70% to 100% of underlying NPAT. Whether we're towards the lower end, as we have been in recent years, or the upper end as we were from FY16 to FY21, is dependent on whether there are value-accretive capital management and growth opportunities.

The additional detail we've provided on the right-hand side is our minimum target IRRs across our business units, and other than commodity type, it assumes all else is equal. For example, the same contract terms, mine and counterparty quality. As I'll highlight in our commodity scenarios in a few pages time, the higher rates for thermal coal reflect the more varied outlooks when you look at that commodity longer term relative

to, say, Bulk and Containerised Freight. The other point I'd make is that these returns reflect not only our current thresholds but also what we've been targeting as part of customer contracting and new investments over the past three years.

I wanted to step back and highlight on this page where capital has been deployed under this framework since FY16. I'm pleased that we've returned $5 billion to shareholders, that's about 70% of our current market capitalization, through dividends and capital management. Those returns to shareholders have also been achieved while maintaining a strong investment grade rating, reinvesting $3.6 billion to sustain our operations, and more recently, investing $2.1 billion in growth that underpins the aspirations covered today.

All of this has been delivered while not seeking any equity capital from our shareholders. These factors tell me that our capital allocation framework is working as it's intended. However, like all frameworks, it needs to be retested based on what our business is seeking to achieve going forward. The management team and board has gone through that exercise and we believe the framework remains appropriate. There's two core reasons for that. Firstly, we've invested in key infrastructure and rolling stock that has significant capacity yet to be utilised. And secondly, the Aurizon business has a history of producing resilient free cash flows, which is where I wanted to start on this next page.

Slide 44. Application of framework

From FY16 to FY22, this page shows where capital has been deployed in the bars on the bottom, and running along the top are annual free cash flows. That's cash flows including continuing and discontinued operations. As you can see, free cash flows exceed dividends by over $200 million in five out of seven financial years, and in all but one of those years, dividends were paid at 100% of NPAT. This underscores the free cash flow production of Aurizon, particularly our Coal and Network businesses, and I'd add was during a period of time where our Network regulatory asset base was in the mid-fives and our WACC was 6.3%. Now for context, those numbers in FY24 are $6.2 billion and 8.18%.

What I'd also like to highlight on this page is our track record of paying dividends at the top end of the range and pursuing capital management. In the six years from FY16, we paid out at 100%, and in four of those six years, we undertook on market buybacks. What changed in FY22 was the opportunity to acquire One Rail and invest to support several major contract wins, but it's these decisions that we believe will support the business for many decades to come and underpin growth in future returns to shareholders.

Slide 45. Assessing capital for Bulk strategic aim

I mentioned earlier that one of the reasons we've maintained our capital allocation framework is the level of installed capacity yet to be fully utilised. As Anna highlighted, in our Bulk business over the past few years, we've acquired 2,500 kilometres of track, we've invested in four port terminals in key commodity locations, and we've materially grown our loco and wagon footprint. It's these investments that will underpin an expected uplift in our FY24 EBITDA for Bulk, but we believe these investments can support earnings well beyond current levels, and as Andrew spoke about, we have an aspiration to achieve a 25% to 30% market share within a growing market and therefore implied EBITDA of $400 to 500 million in FY30.

To achieve that aspiration at the lower end is likely to require capital of approximately $60 million per annum from FY25, predominantly for rolling stock, lifting equipment, and terminal investments. I say this to highlight that we aren't expecting or need material M&A, but also to demonstrate our belief in the available track, terminal, and rolling stock capacity. This belief is matched by the opportunity for Australia, its miners,

its primary producers, and Aurizon to deliver the bulk commodities to support a population that's growing and at the beginning of a once-in-a-generation energy transition.

Now, one of the questions we consistently got after our 2021 Investor Day was about capital and what level of capital might be required to deliver our aspirations. I hope I've now given you an indication of that for our updated Bulk aspiration. Now, I'll try to do the same for Containerised Freight.

Slide 46. Assessing capital for Containerised Freight strategic aim

As indicated, Aurizon has an aspiration to move more than 500,000 TEUs in FY30, while targeting an EBITDA margin of 20% to 30%. What I'd add to that is that our return target for investments in Containerised Freight is low double digits to mid-teens. That aspiration includes what we call stage two of land-bridging and is shown in the third column on this page. I haven't outlined the capital requirement for that as it will depend on a number of factors, including what role Aurizon plays compared with third-party port, terminal, and shipping providers.

What I would like to focus on are the operating and planned columns. Operating covers up to and including FY24 and planned covers FY25. There are two things you should notice from these columns. Firstly, that the aggregate capital to stand up our national interstate and stage one of land-bridging is approximately $425 million. Secondly, that this represents limited incremental capital compared with what I spoke to you about when we announced half-year results and the TGE contract in February. The reason for that is that our investments can come together and be leveraged for this broader market opportunity. We bought the Bulk Central track infrastructure a year ago. At the same time, we committed to new locomotives and flatbed wagons, and we highlighted in February that we'd ordered two mobile harbour cranes for Darwin and that we have spare capacity on our existing Bulk Central and national interstate services. These are also the factors of production for stage one of land-bridging. We're confident we'll have the key assets in place and we continually study the market demand.

Slide 47. Strategy In Uncertainty and commodity growth (1)

This practise of considering end market demand isn't new to Aurizon, and at the 2021 Investor Day, I spoke at length about our Strategy in Uncertainty, or SIU, process. You remember that my focus two years ago was Aurizon’s six coal SIU scenarios shown on the right. The general approach to these scenarios hasn't changed, namely that we use a broad range to ensure we're testing our key business decisions.

What also hasn't changed is that five of the six scenarios have positive growth rates in the first 10 years, but greater divergence thereafter. It also remains the case that there's much greater spread of outcomes when it comes to thermal coal given there are current alternatives to thermal coal-fired power generation and that this should be contrasted with metallurgical coal, which is the predominant feedstock along with iron ore for Asian steel production and is expected to grow under all scenarios in the next decade, largely supported by Indian urbanisation and economic growth.

Now, while I started by talking about Coal, this page also shows scenarios for Bulk and Containerised Freight. Firstly on Containerised Freight, which clearly wasn't a topic of discussion at our last Investor Day, you'll notice that the three Containerised Freight scenarios are produced by government rather than Aurizon, and they all project positive growth over the next two decades. This is mainly driven by Australian GDP with the low case having a volume growth rate in the low twos, and in the high case, above 3%.

Then in the middle of this page, you can see four Aurizon scenarios on Bulk volumes. These are built up on a project-by-project basis but draw on similar macro themes to Coal with current economics: the black line,

assuming the same demand supply drivers we have today; commodity strong, the orange line, assuming stronger Asian economic growth and food consumption per capita; Australia market share loss, the brown line, assuming that demand remains, but Australia fails to capture the opportunity because of regulatory barriers, lack of cost competitiveness or unfavourable crop conditions; and finally, rapid decarbonisation, the light grey line, assuming faster global climate change actions, which in turn drive demand for battery commodities and changing steel production methods longer term.

If you step back and compare these scenarios, you notice that the challenge Coal, and particularly thermal coal, faces in a rapid decarbonisation scenario could provide a tailwind for Bulk via demand for copper, rare earths, nickel, and high-grade iron ore. Containerised Freight also has a potential in a decarbonising world given the emissions benefits of rail freight over road.

Now, it's important for me to remind you that these are scenarios and not predictions, nor do they generate a forecast or projection. They are possible scenarios that we use in various ways in our business, including the way we think about strategy and the allocation of capital in the context of climate change risks and opportunities.

Slide 48. Strategy In Uncertainty and commodity growth (2)

Next, I will show you those same four scenarios for Bulk at the sub-segment level, and you can see that here split across Bulk West, Bulk Central, and Bulk East. The trends are similar but more pronounced depending on the key commodity exposures in each geography. There's a few key call-outs.

Starting with Bulk West. Key commodities include magnetite iron ore, and nickel driven by infrastructure and new economy materials, as well as wheat of which WA contributes about half of Australia's exports. For Bulk Central, in addition to magnetite and rare earths, our exposure to copper has increased significantly with South Australia holding two-thirds of Australia's copper resources, which of course is essential in EVs, batteries, and charging infrastructure. And finally, Bulk East, key commodities include phosphate, vanadium, and zinc. Phosphate is a key fertiliser, while vanadium and zinc are expected to grow beyond traditional uses, playing a role in the future of batteries and energy storage.

These scenarios highlight the attractiveness of the underlying commodities in key Bulk regions. They also draw out how our fleet position can be leveraged more fully post the Bulk Central acquisition. As the holder of Australia's largest rail fleet and with a footprint now across the country, we can shift fleet from where demand might reduce and shift it to where demand is growing.

Slide 49. Strategy In Uncertainty and commodity growth (3)

After establishing our scenarios, it's important to understand how we then use them to inform our strategy and test the resilience of our business. The volume-based heat map on the left demonstrates how our business is well-balanced across the scenarios modelled and the counter cyclic nature of the Bulk and Containerised Freight units. I'd also remind everyone that while Network volumes are shown as negative in the bottom scenario, it's not volumes that drive Network earnings. Instead, it's the regulated asset base and regulated WACC I spoke of earlier.

Turning to the right-hand side of this page, you may recall that at our Investor Day in 2021, we presented an indicative average cash flow range based on our scenarios. I don't want to get into the habit of providing a quantitative update to that analysis each Investor Day. Instead, what is shown is the directional impact of the developments over the past two years. The One Rail acquisition, establishment of Containerised

Freight, and Bulk contract growth provides positive support to cash flows, and each have the potential to benefit in a rapid decarbonisation scenario.

Now, there are two sides to every coin and therefore what we've also shown is that we're two years on from our last Investor Day and therefore closer to a potential demand drop for thermal coal, if you believe a rapid decarbonisation scenario, one where global thermal coal-fired power stations are turned off in the early 2030s, well before the end of their useful lives. Of course, should that scenario eventuate, we would focus on rightsizing our Coal cost base and shifting our fleet to other markets across Australia. It's that fleet position that I want to turn to next.

Slide 50. Aurizon fleet position (1)

Hopefully, through today's presentation you've picked up the importance of our fleet. Given the importance of fleet to our strategy and that it's our largest capital item outside of our track infrastructure, Asset Management reports to me within Aurizon. To put a health warning on this though, my knowledge of locomotive terminology and components is good, but it's not as good as James Petty who is our Head of Asset Management and is in the room today. James, why don't you put up your hand? For those of you who would like to talk about the differences between piston and screw-type air compression, James is your man. If, however, you'd like to talk about our installed fleet, the allocation of our fleet, and the potential decarbonisation of it, I'm going to try and cover that right now.

This slide breaks our fleet down by state and fleet numbers. There's three things I'd like you to take away from it. The first is our scale: 700 locomotives and 15,000 wagons. Now, to put that in context, our biggest competitor has a bit more than 500 locomotives, and if you go to every other rail freight company in Australia, they have less than 100 locomotives.

The second item I'd focus you on is our stored fleet, shown at the bottom of this page, with over 100 locomotives not being utilised currently. Now, these assets are all at varying states of operational readiness, but the point is that a large number of them could be reintroduced to operations at a much lower cost and shorter time than buying new. This is a key advantage for Aurizon.

And lastly, the redeployment opportunity, which is shown on the right. I stood in front of you two years ago at our last Investor Day and I said that we would more actively allocate and redeploy our locomotives and we've done just that. 16 locomotives and 90 wagons shifted from Coal to Bulk so far, and pleasingly, our contracted tonnages in coal and our potential capacity for customers remain strong in coal. This means we're managing our assets more efficiently for existing customers while also delivering for new customers across the country.

Slide 51. Aurizon fleet position (2)

The strategic approach we are taking with our fleet is best seen with recent examples on this page. Let's start with more specifics on the redeployments in the middle of this page. I've touched on the loco transfers and I've touched on the 90 wagon transfers. More than 60 of those wagons were converted to grain wagons, which are in operations today in New South Wales. Now, it costs money to make the modifications to turn a coal wagon into a grain wagon, but it's less than 50% of the cost of buying a new wagon. You can do it in half the time and you get a better payload.

Lastly on redeployments, you can see an example that highlights that narrow gauge doesn't only exist in Queensland. In fact, we recently transferred two narrow gauge locos down to South Australia for the

gypsum haul Anna spoke of earlier. They replaced seven 50-year-old inefficient locos. That means we're now using much less fuel and we've got a happier customer and happier train crew.

Turning then to new investments, and as you can see on the right, this includes re-lifing older medium-horsepower assets that are stored, such as our LZs. We can then deploy these into existing hauls which don't require high-horsepower locos. This lets us optimise our fleet and deliver growth such as national interstate or land-bridging hauls, which do require high-horsepower assets given they're travelling for long distances at very high speeds.

To supplement our existing fleet, we've also bought new locos and new wagons as you can see on this page. Those commitments however are small in the scheme of Aurizon's overall fleet with them adding 4% to our locomotive fleet and 3% to our wagon fleet. One of the outcomes of this work is that you've seen the size of our fleet allocated to Bulk grow, as shown on the bottom of this page. Bulk has 10 of those new locomotives, has benefited from 16 from Coal, and acquired 66 from One Rail while storing nine, including those 50-year-old locos we took off the gypsum haul. That means our Bulk fleet has grown to over 250 locomotives, so if Bulk was its own rail freight company, it'd be the third-largest in Australia behind Aurizon and Pacific National, and it'd be about 2.5 times its next biggest competitor.

Slide 52. Aurizon fleet position and decarbonisation

I've spoken a lot about the allocation of our 700 locomotives, but we also need to have an eye to the decarbonisation of this fleet. We're fortunate that around 150 of those locos are electrics in Queensland. Therefore, as the grid decarbonises, our Scope 2 emissions will reduce. The remaining locos however are diesels and we therefore need to be proactive in considering how we reduce our Scope 1 emissions. That's something our customers, investors, employees, and broader stakeholders want to see, but these are long life capital-intensive assets with a long remaining life. The major fleet renewals for Aurizon will occur in the 2030s and 2040s, and therefore we need to work on what the decarbonisation platforms are likely to be then and invest in testing to prove up those platforms so they can be economically delivered over the coming decades.

Our first platform is the battery electric locomotive, or BEL. We think it can be deployed on hauls of up to 400 kilometres on a single charge and therefore cover about 30% of our FY22 hauls. That is excluding Bulk Central and Containerised Freight. There's two ways we can develop BELs. The first is buying new from OEMs. The second and one we announced a few weeks back is retrofitting an existing loco by taking the diesel engine and alternator out and replacing it with a battery pack. Now, it's much more complex than what I've just described and I don't want to undersell the engineering required, but the concept is to reuse the parts of our assets that have remaining life and are well-suited to our existing hauls. We believe this option will allow us to choose the right fleet and convert it from diesel to BEL much quicker and cheaper than buying new.

The second and third platforms are what I call range extenders. These trail behind the locomotive to provide a further energy source, there are two forms. The first a containerised battery pack or BET, and the second hydrogen electric tender or HET. These range extenders can take our potential haul distances above 1,500 kilometres. Beyond that distance the key is to modularise these range extenders so that we could, for instance, take a BET off the train seamlessly using a forklift or a reach stacker when the energy has been used, and replace it with a BET that's been recharged at an interchange point along the rail corridor. This would extend the range further and as a concept we will need to explore with renewable energy developers alongside our longer rail corridors across the country.

What you don't see on this page is renewable fuels. That is part of our plan and is something we will look to trial in traditional diesel combustion engines, but it's reliant on the fuel being available at an affordable price. This is an approach being taken by Class 1 in North America, and we could see these economics work long term in Australia, but it's not something Aurizon wants to rely on.

Aurizon has been on this decarbonisation journey for the past three years. We've been taking the lead and partnering with major universities and mining companies. I believe we're on the right path and importantly, our trajectory matches our commitments. I'd say that having a decarbonisation plan such as this is important not just for our investors and customers, but also for other stakeholders such as our banks and insurers. Two stakeholders I want to touch on briefly now.

Slide 53. Bank and insurance support

For close to a decade, we have seen the number of banks supporting Aurizon increase at a group level. This has included support from all major Australian banks and the major Japanese banks. What's also pleasing is that at the same time, Aurizon has seen its weighted average bank debt margins reduced by 16% over this period. This is a sign of how our banks view the credit quality of Aurizon, something that's also reflected in our net debt to EBITDA figures shown in the middle of this page. As I said, up front we are committed to strong investment grade ratings, which are supported by these net debt to EBITDA figures and our contracted and regulatory revenue streams in Aurizon operations and network respectively.

Lastly, on this page I want to touch on our insurers, who are an important provider for any large industrial company. In 2014, Aurizon made the decision to establish a captive insurer, which meant that while we still rely on third party insurers for annual coverage, we take on the task of self-insuring the first tranche of property related claims. That tranche or retention level, at approximately $25 million hasn't changed for the past 10 years, but what you can see is that our premiums paid to third party insurers have reduced by 34%. Also, when you combine those third party insurance premiums with self-insured retentions, the aggregate cost to Aurizon has reduced by 20%. This is testament to Aurizon's operating performance as well as the support that we continue to receive from third party insurers.

Slide 54. Capital allocation and Aurizon fleet – Key takeaways

I'll now finish briefly with where I started. Our capital allocation framework is unchanged and we are proud that it has seen $5 billion returned to shareholders since FY16. As well as returning significant capital to shareholders, we've made recent investments in Bulk and Containerised Freight, which provide capacity to drive our updated 2030 aspirations. Our investments have the potential to benefit from Asian economic growth, along with the energy transition, which Australia has a major opportunity to support via its mining sector. And lastly, Aurizon has the infrastructure, the fleet, the bank, and the insurer support to deliver for its customers and ultimately for our shareholders. Thank you, and I'll now hand back to Andrew.

Slide 55. Key messages for today

[Andrew Harding, Managing Director & CEO] Thanks George. In summary, we greatly appreciate you joining us here today in Darwin to hear more about Aurizon and how we're delivering on our growth ambitions. We're excited by what lies ahead, in particular the enhanced Bulk opportunity and a containerised freight solution, which have been unlocked by our investment in One Rail. We believe land-bridging has the potential to revolutionise supply chains in Australia and are excited by the opportunity it presents, not only to Aurizon but also to our national economy. We look forward to continuing the journey

with you as we progress against our strategic aims and accelerate rail freight ESG contribution in the transition to a low carbon economy. Thank you. I'll now hand over to James.

Slide 56. Q&A

[James Coe, Head of Investor Relations] Thanks very much, Andrew. We're now at the Q&A session of today's presentation, where we have just short of 60 minutes for Q&A. So if I can invite Andrew and the group executive team up. Now on the bar stools will be the presenters today, but we also have Cat, Pam and Ed sitting in the front row, so if there are any questions in those respective business areas, they will certainly step up and take the microphone. As usual with any Q&A session with a webcast link, we do of course have a microphone, so please do wait until Lenita kindly brings the microphone over before asking a question.

Matt, you were very swift with your hand up, so all yours for the first question and if you could also just say your name and organisation as well.

Matt Ryan: Thanks James. So it's Matt Ryan from Barrenjoey. I just had a question about the $60 million of bulk CapEx that you're calling out and what benefit that you get from the redeployment of coal kits. And if you can just talk about how that number might change if you were to get to your top end of your $400 million to $500 million, if there's much leverage involved in that.

Andrew Harding: I think this is one for you George.

George Lippiatt: Thanks Matt for kicking us off. There's no redeployment of coal kit assumed in that $60 million per annum. And the reason for that is we don't control, nor do we want our thermal coal volumes to decline. We actually want to continue them, and the diversification that we'll get is from growing our bulk business. So the first part of your question is, there's no assumed coal cascade in that $60 million per annum.

The second part to your question is, has it changed at the upper end, because that $60 million reflects the lower end of that $400 million implied EBITDA to 2030? The answer to that is it depends on where the growth comes from and whether we've got the existing infrastructure. So to give you an example that might draw that out. If we see a new customer come on around Tenant Creek, we've already got the track infrastructure, we've got existing trains running, and depending on the volume it might be that we just need to add wagons to that existing train start. So I know that's not going to make it easy for you to model, but the short answer is it depends on where the volumes come on, which is why I've deliberately targeted a number at the bottom end of that range.

Matt Ryan: That's helpful. And just looking at the containerised freight CapEx, so you've obviously given some numbers for stage one of the land-bridging. Is there much of a reason as to why that CapEx number would be materially different as you move to stage two and three of land-bridging? And can you talk about what's actually involved in stage two and three?

George Lippiatt: Do you want me to do the first part and then perfect. Okay, so stage one is easy for us to tell you what the CapEx is, because we've got line of sight to those factors of production as I said. We've got the two mobile harbour cranes, we've got a lot of the rolling stock on order it's going to arrive, and we've got the existing Berrimah terminal that those of you have travelled to Darwin we'll get to see tomorrow.

When you start talking about stage two and stage three, the question is where the capacity is created, because there's multiple ways to create it. You could expand within the port and therefore the CapEx is for the port, or we could expand at our rail terminal in Berrimah, which is three kilometres south of the port. And if we did it that way, more CapEx would be for a Aurizon. You'd still get the same volume, it's just who puts the money in and therefore gets the benefit. But economically, the whole system should benefit. The reason we haven't given you that capital estimate, is there's a lot more to play out with discussions with those third party port and terminal providers, and that's just the part at Darwin. Then you've got expansions of other terminals that may be required at places like Melbourne, Sydney, and Perth.

Gareth Long: Thanks, George. You've kind of answered the aspects of what it is we'd need to do to increase volumes. Part of it is for example, the cranes. So if you increase volume throughput through the port, you're looking more at ship to shore type crane arrangements, which would require additional CapEx. The Berrimah terminal itself has significant space for us to expand operations, which again would see anything from gantry cranes through to balloon loops around the terminal. And then when you think across that central corridor as you increase volume, as you increase throughput, we might be looking at additional passing loops as we venture south. And then at those southern terminals, again you'll be looking at, well what sort of capacity do we have at our existing footprint or in those terminals that we are yet to secure and to develop? So those are the key decisions we'll be thinking about as we further develop that stage one opportunity.

James Coe: John, sorry Cameron.

Cameron McDonald: Thanks Cameron McDonald from E&P. Sorry, just going sticking with containerised freight. And on that slide 21 where you outlined the 200, the 150 and then the additional 150, and I think you said in the central line you've got the, or the central corridor, you've got 150,000 containers going south to north. So given the whole strategy here is to get more volume into Darwin, why aren't the shipping companies currently shipping 170,000 containers into Darwin if the existing demand for Darwin is 170? Why is it being shipped into Adelaide, and being shipped north?

Gareth Long: So in terms of the capacity that we talked about 150,000 TEU, that's 75,000 TEU south, 75,000 TEU north, so it's across that system. Just to clarify, is

150,000 TEU across bulk central. In terms of your question, why aren't shipping liners already doing it? Well, it's a combination of factors. First of all, has the port got the capacity to shift that number of boxes? The acquisition of those cranes to our mind at least, creates that opportunity for liners to divert and bring volumes through. And we've certainly seen that in Anna's business at Gladstone when we introduced an installed a crane, then the volumes flowed with some of those recent deliveries from ANL. So it really does depend upon the installation of the capacity and the facilities to support it.

Cameron McDonald: And so just to follow up on that, then once you've got that capacity, won't you lose the 75,000 TEU containers flowing to the north? It makes the most sense to deliver the boxes where the demand is, so those boxes presumably won't be being delivered into Adelaide anymore. They'll come into Darwin where that demand is. So don't you lose the 75,000 TEU?

Gareth Long: No, no, you don't. So just to clarify again, that's capacity, instal capacity through that bulk central corridor. I think as I mentioned in my speech, there is available capacity in addition to what Anna's team already shift that we think is in the order of around 50,000 TEU. So we actually think there is already existing capacity if those trains run full length, to support that land-bridge aspiration, certainly stage one, without any installing any additional train services.

Cameron McDonald: Thank you.

George Lippiatt: Just some additional colour, Cameron, and you can follow up with this with Matt Jones if you like, but one of the biggest things that's in the box that we move from Adelaide to Darwin is for example, beer. Now that's not made in Asia, that's made in Australia and it comes up to Darwin from that Adelaide line. So there's a number of things in the container that are actually produced in Australia that will continue to go via rail up to Darwin from Adelaide.

James Coe: Tony.

Tony Mitchell: Thanks very much for a very good presentation. I'm from Shaw and Partners in Sydney. Just in terms of your numbers on page nine, particularly showing the increased volumes from the March '23 quarter to the June '23 quarter, how do you project, do you think those quarterly numbers would be a good indication for the coming 12 months? And particularly what I'm interested in, how much of the, because you say this on slide 10, how much of the problems that you've guesstimated here in terms of weather, wet weather, mine production and labour shortages, which one of those three factors is the most important in terms of where those volumes are going to go?

Andrew Harding: George, I might get you to talk about the quarter and the forecast.

George Lippiatt: Sure, yeah Tony, so the thing to remember is there is some seasonality in our business and so the fourth quarter volumes particularly in coal and network tend to be stronger already. But what you saw, and the reason we wanted to show it, is that the fourth quarter in FY23 was stronger than the fourth quarter in FY22. So that's what gives us confidence in the step-up to FY24 EBITDA.

The other thing to remember about FY24 EBITDA, and I said this in my presentation, is it's not volumes that really drive network earnings, it's the regulated asset base and the WACC, and both of those have stepped up as at the 1st of July. Our assumption then for network volumes is that it matches the regulatory assumption of 207.8 million tonnes. Now if volumes end up being more than that, we would over recover an FY24, but we'd have to give that back in two years' time. So hopefully that answers the FY24 part.

In terms of the FY23 part, it's really hard to give you a specific breakdown of those three factors, partly because some of them are interrelated. So take weather and mine production for example, weather impacts the rail corridor, but it also impacts the miners. And sometimes the miners will say, "We don't have the product for you because of weather." Or they'll say, "We don't have the product for you because of ABC". And it's hard for us to unpick exactly what the flow-on is.

Tony Mitchell: How severe is the labour shortages affecting your operations?

Andrew Harding: I think you need to think about that mostly in historical context. We had COVID, border shutdowns and those sort of things. At the same time we're starting up some new business in say, Western Australia with the CBH contract. So for a period of time there was a labour shortage as a challenge, just getting labour into the state and then training the train drivers often from scratch. That issue has, I'm going to say for at least from my level in the business, gone away.

When you actually look at what's happening in Queensland, that's the reflection of another rail business starting up by one of the mine owners up there in the form of Bravus. If you think about where do you get staff, if you immediately want to recruit them, you recruit them from the biggest rail company in that area, so we had an instantaneous hit. And then because of the COVID related issues, a spike or a significant reduction in the number of electricians that were available. Driver training has been resolved across the country to a large degree, by standing up a team, actually meet with me on a monthly basis, go through mind numbing detail to make sure that there's an every possible asset that can be reused, used to actually push drivers through the training programme as actually undertaken. And we've done that and we're seeing the benefits now. So it's largely something behind us.

	Electricians is still an issue that we have to deal with, but it's by no means the hot issue it was back 3, 4, 5 months ago. So, most of those issues well managed, they're behind us at this point in time.
Tony Mitchell:	Can I ask another question or should I let someone-
James Coe:	Maybe we'll come back, maybe we'll come back if we've got time. Reinhardt.
Reinhardt van der Walt:	Thanks a lot. Thank you very much for all of your comments on the bulk business, but unfortunately, I'm going to ask a coal question. Sorry, I have to. You mentioned in the outlook statement that the yields are starting to look a little bit better. Are you referring there to maybe the pricing environment is starting to get better than you thought, or we talking here about sort of unit EBIT that's starting to improve a little bit because of precision railroading and asset management?
Andrew Harding:	Okay, Ed's been dying for someone to ask a question that wasn't bulk. So do you want to explain? Yield, what Does yield Mean here?
Ed McKeiver:	And thank you for the attention. I think the comment around the improvement yield, it's really driven by the three factors. One is the CPI pass through. So most of our contracts obviously escalate under CPI, and obviously we are expecting a sort of return of some volume, kind of aligned with the fourth quarter as we've just talked about. That's diluted though, remember that's diluted by the effect of capacity charge being spread over a broader base and so it's not dollar for dollar. And the other factor to take into consideration when you're modelling, is the hall mix. So not all the same contracts have the same risk positions and the same terms. Depending on where the volumes show up, it can impact your yield, but broadly yield will be moderately up on last year.
Reinhardt van der Walt:	Yep. Got it. Thanks Ed. And maybe I suppose a related question for George. Correct me if I'm wrong, but it looks like the only incremental CapEx that you've announced today, is a couple of hundred million for basically standing up the first stage of land-bridge plus then obviously the bulk 60 million. Is your thinking still that you can maybe de-gear, the balance sheet enough by FY26 to be able to get that payout ratio back up again?
George Lippiatt:	I'll stay away from the 26 payout ratio, because that'll be a matter for the board at the time, but I will touch on the other two components. So maybe let me try and be even clearer about the containerised freight incremental capital. You might remember that when we announced TGN half year results, we said there was about 550 million of capital spread across containerised freight and bulk. And of that 550 million, about 280 million, 300 million was for containerised freight, which was national interstate. If you then go from 300 million up, we had the mobile harbour cranes, we had additional locos, that's about an extra hundred. Those are four stage one of land-bridging. So that gets you close to

400 million. And then what I've said today is we're expecting for stage one land-bridging a national interstate it to be a capital base of about 425 million. So it's even less than that couple of hundred. I hope, that helps.

Reinhardt van der Walt: Yep, got it. Thanks.

James Coe: Nathan.

Nathan Lead: Good day Nathan Lead from Morgan's. George, obviously we've got the benefit of the network revenue step-up coming through and partly that's to do with the WACC increase, but my understanding is your interest rate hedges expired in June and you're in the market putting in a lot of new interest rate hedges for the next four years. Could you give us an idea of how much hedging you put in place and what the average cost of that was? And if I could even temp you to give us an idea of maybe what your interest bill might be over the next year, just because you'd have a lot of certainty on that.

George Lippiatt: I knew you'd ask that question Nathan.

Nathan Lead: Did you?

George Lippiatt: And you're making full year results more and more boring by dragging this out of me. The hedging for network, we deliberately had expiring as at 30 June, because that's when the averaging period for the network WACC was and we didn't want to make money or lose money through that. So we deliberately targeted all that hedging through June. And so for network, we're about 85%, almost 90% hedged of that debt book through June matching that WACC averaging period.

In terms of the cost of debt in FY23 will be somewhere of between the low and mid 4% range, that's at a group level. And then I expect it for FY24 to be closer to the mid fives to give you an indication. I'll try and be even more specific for you at full year results.

Nathan Lead: Okay, great. Next question from me, the FY30 targets you're putting out there, just want to make sure, are they a nominal or a real, as in, do you have an inflation assumption built into those?

George Lippiatt: They are nominal and I'd say they're an aspiration, not a target.

Nathan Lead: Okay. And then I suppose a question, having looked at the space for a while, the slide 23 where you've got the intermodal forecast, the TEU for the forecast. I suppose when we look at that over quite some years now, those volumes have been bumpy but relatively flat. I know the forecasts have it going up, but what gives you confidence, I know it's a government forecast, but what gives you confidence that we're actually going to go from being a relatively bumpy flat to a upward rising sort of view?

George Lippiatt: Yeah, I guess my context for this is one of the first times I met Andrew was when I handed him our freight review, which said that we should shut down our old intermodal business. And at the time that business was losing $60 million and the volumes hadn't increased. I think there's a few things that have changed since then.

The first is that it's harder to get drivers, both drivers of trucks and drivers of trains. And when you look at how many drivers you need to move a hundred boxes on a train, it's a lot fewer the drivers than when you're talking about moving a hundred boxes on trucks. So that's the first point.

I think the second one is ESG trends that Gareth spoke about, Andrew spoke about, I spoke about. I've never seen before a trucking company, which principally is what a freight forwarder is, talk about moving freight from road to rail, but that's exactly what they did when we announced the TGE contract in February. I think the other thing I'd say is that there's opportunities to shift freight flows, because of the dynamics Gareth mentioned. And we think that's real. We know it's been talked about 20 years ago, but we think there are a number of dynamics that make it real now.

Ian Myles: Hi, Ian Myles from Macquarie. Just going back onto the land-bridging, and it goes back to your statement then George, maybe give some colour. What's changed between the failed land-bridging exercise when the South Australian, North Territory train track was dreamt up, to where we are today to give the framework for people actually wanting to use this?

Andrew Harding: So I'll start, but there's quite a few things. The first thing is the world kind of changed and you might have noticed the whole ordering things online and things arriving in packages. So there's been a change in that. Then you've got a congestion on the East Coast as the population has driven up the overall demand and the online ordering type effects have led to congestion, which has been going on for a large amount of time at the ports. So bigger population, a change in the way people order things. George, I'm sure there's more than that, or no, do you want to talk and add some more to that?

Gareth Long: Just building on that, the volume of time critical freight, I think has increased as well because of some of those consumer behaviours and changes, whilst at the same time more broadly, you've got congestion both at port but also on the land side. So I think what you've got now with Darwin is, I suppose, a number of tailwinds that are I think, far better positioned for today than perhaps historically was the case.

Ian Myles: Can you give me an idea of what your customer is like? It's not the guy probably or girls shipping tiles from China into Australia. What sort of freight are you expecting to put on the back of your trains. And like you mentioned, seven

days saving from Shanghai but did perfectly honest, I have no idea how long it takes to get from Shanghai to Melbourne anyway.

Gareth Long: Yeah, so listen, we're not at this stage talking to some of those beneficial consignees, so those that actually are moving, whether it be the paint, the plasma television, et cetera, the people we're talking to are the liners, the Stevedores, sorry, the shipping liners and the international freight forwarders. They're the people whom we're having those initial engagements with. They move those products that you talk about, onto the back of our trains ultimately.

Andrew Harding: So this is a global trend that has been happening for many decades and if you look at how some of the more successful examples that we showed, like the Prince Rupert, their growth is based on the back of two days, a two-day benefit actually over Long Beach is what's actually driven their volumes up as I understand it, talking to the operators there. So, seven days is actually something that would be remarkably better delivered into a Melbourne environment.

Ian Myles: And you can deliver that at exactly the same cost to the warehouse as the alternate route or lower.

Andrew Harding: I'd say cost parity and what it is. And we know that because we know the cost of getting currently containers from Darwin to Adelaide or Tarcoola and back again, and we know how much to move containers across the country. We actually experience that on a regular basis and we can go and ask in the market any day, what the shipping alternative cost is all the way around and then we can actually do a comparison between the two. And then just to make sure that we're not worried about doing what it's cost today, because we could be in a low point in the market, which we are, would've been really neat to do this a year or two ago in the middle of the pandemic, it would've been screamingly successful, you've got to do it over the long term. So we compare it against the long term. Because our solution isn't about being in the market for a couple of days or a couple of months, it's about a very long term long burn as we actually build up capacity through it. George, you want to say something?

George Lippiatt: Yeah, the other thing that cost bucket doesn't pick up, is capital efficiency. And it goes to your first question you asked Ian, what are the benefits for the end customer? Think about the shipper, and if I was a CFO of a shipper, I'd be focused on how do I get the same TEUs and the same revenue by deploying fewer assets. And think about a ship coming out of Vietnam or China or Malaysia coming just into Darwin and back, as opposed to going all the way around Australia. So there's cost, there's time, but there's capital efficiency as well.

Ian Myles: But aren't those ships going actually to Hong Kong or Singapore and actually cross docking there and doing all that effective work there, as opposed to

Darwin? So you're substituting that transition of cross docking to divert to land-bridging instead.

Andrew Harding: So we've got an example of Shanghai land-bridging through Darwin, but the ship could come from Singapore, right? It's about the benefit that actually accrues here. And the benefit that accrues here is technically seven days at the same cost, that's technically accruable at this moment in time. That will be, that is, attractive to the shipping businesses. I can't even imagine why they would want to actually pay the same amount of money or more, to keep their ship busy going around the coast.

And a point I'd make is our utilisation will be the same from, or their ship utilisation will be the same from whatever port they're leaving to Darwin. And if they go around the coast, it starts off being very high utilisation and then they get to Brisbane and they throw a few containers off and the utilisation falls and then they chug down to Sydney and the utilisation falls again. And then they chug down to Melbourne and they util. And if they're really silly, they go to Adelaide. Well, actually most people miss Adelaide, and then go around to Perth and then back up. So the utilisation is much worse for the ship in that circumstances. That's why people are interested in talking to us about it, and it's just a technical benefit.

Ian Myles: And I know again a dumb question, can the port of Darwin actually take all the current size ships which are running around Australia? And actually, could you even handle a current size ship running around Australia at the port of Darwin in terms of actual the number of boxes coming off?

Andrew Harding: I'll let you answer that question.

Gareth Long: In short, no it can't service all of the scale of ships that currently traverse Australia. The type of vessel size are those Feedermax and probably the smaller Panamax. So, anything up to around 4,000 TEU you can get within the port. And certainly, for our stage one aspiration, we're probably more at that 1000 TEU, 2000 TEU, 2500 TEU Chinese vessels.

Ian Myles: And one final question on this, and I'll let someone else talk. I think you implied about what 25,000 TEU are coming along that track at the moment. Are you going to go after that market share, because you don't actually haul boxes on that track at this point in time. And a good lead indicator of capability would be to do some of that yourself?

Gareth Long: We do haul, we do haul, yes.

Ian Myles: I'll rephrase it. You're not the primary hauler on that track. It would be probably be your competitor I would thought.

Gareth Long: You mean Adelaide to Darwin?

Ian Myles: Adelaide to Darwin, yeah.

George Lippiatt: We're the sole hauler of containerised freight on that track.

Ian Myles: But isn't it all your competitor's boxes being put on your trains?

Anna Dartnell: No, that's in fact, you'll get to see that operation tomorrow when you go out and Matt and his team can. I'll show you those.

Andrew Harding: That's a huge capability improvement in a couple of seconds there.

James Coe: Owen, next question. Ta.

Owen Birrell: It's Owen Birrell from RBC. Maybe just a little bit of a further to that question really around that cost parity question. You've obviously done a lot of your own detailed research. Can you give us a sense of, I guess, where the big wins and losses are if we're comparing just a pure milk run ship rate route versus the land-bridge option?

Because I mean, I would've thought that the cost of moving a box on the rail would've been incrementally more expensive than just having it sitting on the boat for that distance. That's just the first question. And then the second one is in terms of achieving that cost parity, how much of that cost parity is you adjusting your prices on the rail for the customer to achieve cost parity or is it based on the assumption of a pure market price on the rail?

Andrew Harding: Do you want to have a go that?

Gareth Long: Yep. So in terms of that cost allocate, the cost comparison, yes, you're right, we have done an awful lot of work around understanding what those costs look like, looking at it over a 10 year time horizon. In terms of those cost elements, we are confident that it is line ball the same cost. And to answer your question around does it include an additional margin in terms of Aurizon 's operation, no it doesn't. So it is line for line cost comparable.

Owen Birrell: So just what you're saying is that the costs that you're charging the users for the rail component is a market price for that rail component?

Gareth Long: Yes.

Owen Birrell: And just I guess, another question, one thing that we are seeing a lot on the East Coast is some very, very high infrastructure charges at the ports that are being passed on to the customers. Are you able to give us a sense of what the comparative infrastructure charge that you are facing at the Port of Darwin, if at all?

Gareth Long: Yeah. In terms of the infrastructure costs at Darwin, we're very much at that early phase yet with regard to the containerised freight and the land-bridge solution. So that is an area that we're currently in discussions with the port. So I couldn't give you an exact number here today.

James Coe: Ben.

Ben Chan: Yeah, Ben Chan from Schroders. I'm following on from Owen. So I mean freight rates are very volatile. So would you expect in the movement, the freight rates, would you move your prices up or down or would you tend to keep your prices flat and then take the volume? Because presumably the shippers will be doing their cost parity and if it makes sense to whichever way to go.

Andrew Harding: Gareth, maybe you could give an idea of possibly about how it could work after some of the discussions you've had. A visual would.

Gareth Long: Yeah, listen, I mean it really is early days in our engagement with the market. I think what's really important to hold in mind is the way we'll be pricing this is around how you've ascribe a value to a particular end customer. So, in certainly some of those conversations we've had today with liners, freight forwarders, terminal operators, it's really about trying to understand, well what value would they ascribe to, for example, that seven day sailing time advantage. And that at this stage isn't something I could really tell you what that would equate to.

So when looking at how we would price within the market, it's going to be very much driven by the ascribing of what value the ultimate end customer is going to get from that, whether it be saving on time or predictability and certainty of delivery.

Ben Chan: And then this may be a silly question, but why can't you do this from Brisbane as well? Or other people do this from Brisbane because you are going down and up, down and up and up. Why can't it go the other way?

Gareth Long: It's a combination of factors and there are certainly, and I think I mentioned earlier, there are other land-bridging opportunities that people are talking to us actively at the moment. The thing that really appeals to us about Darwin is that confluence of we have a stevedoring licence at the port, we have the terminal operations at Berrimah, both of which you'll see tomorrow. We've got that central corridor and then we've got the terminals that support it.

So it really is that alignment of that asset and infrastructure base as well as then, as I said earlier, the proximity of Darwin into that Asian market. So you really are getting those benefits in terms of the sailing time. And associated with that as well is the fact that you've got so much land space available and again, you'll get to see some of that tomorrow. So there's real opportunity there to grow the infrastructure and to respond to the customer demands.

George Lippiatt: The other thing I'd add, Ben, is that from Darwin all the way to Perth or all the way to Parkes, you can double stack at a hundred kilometres an hour. You cannot do that out of Brisbane. You cannot do that out of Sydney. There's a big advantage to that and it's a time advantage. And so when we talk about a seven day saving in time, that's relative to 17 days to get into Melbourne. And so when we talk about cost parity, think about how much you'd be prepared to pay as an end consumer for an extra seven days because that's where the margin is.

James Coe: Justin.

Justin Barratt: Justin Barratt from CSLA. Thanks very much for your time guys. Just quick question for Gareth. You highlighted in your presentation that the frequency of service is really important to your customer base and I think this is more around the TGE in the east, western or south, and you were looking into a couple of light ways to improve that. I was just wondering if you had any preliminary observations or findings around that and how that might further enable the land-bridging concept as well potentially?

Gareth Long: Yeah, sure. So the type of things that we're exploring are things like the design of our rosters and how we might be able to cycle assets more frequently. So whether that's turning a train, another service to get us to say an additional service per week in a particular corridor, we're also looking at are there opportunities to build on Anna's business? So looking at some of those bulk services and the ability to bolt on container freight onto existing services. And then the final area we're looking at is are there opportunities to use shuttles to join, say for example, a Melbourne, Perth service with, a sorry, freight out of Melbourne to a Sydney, Perth service.

So those options allow us to increase frequency without installing a full new consist with all the associated capital. And whilst it's relatively early days with that, we're certainly quite confident that some of those things we think we can deliver in next calendar year.

Justin Barratt: Okay, fantastic. And then just a pretty basic one on your FY24 guidance just for your network business, you've assumed that or volumes are assumed to be at the regulatory approved levels. Is there anything at this point in time to suggest that volumes could be higher or lower than what's regulated?

Andrew Harding: Pam's dying to answer this.

Pam Bains: Sorry. Not at this stage. There's quite a formulaic process. The QCA goes to looking at your forecast regulatory volume. So our intention is to move as much volume as we can, but it's difficult to predict any over-recovery at this stage, if there was to be one. But I hope this will be higher.

Justin Barrett: Thank you very much.

James Coe: Andre.

Andre Fromyhr: Andre Fromyhr from UBS. You've been at least so far on the containerised freight story, you've been very deliberate to call it containerised freight and not intermodal and draw clear distinctions between the old business and the new one. One of those differences I understand is that you are just hauling the goods, you're not doing the other services associated with intermodal like storage and handling and trucking and things. But as you grow and especially as the land-bridge concept becomes more important to you, how do you protect your margin through that without giving away your margin to other people that you depend upon in the supply chain?

George Lippiatt: Yeah, so Andre, we said when we did TGE, we don't want to do the pack unpack, we don't want to be running the tiles out of the container into the end destination. That's still the case with land-bridging. I guess the key thing to call out with land-bridging in particular from Darwin is we've got the below rail, we've got the above rail, we've got the site at the port, and those of you doing the site visit tomorrow will actually see that we have a 30 year concession adjacent to the railhead within the port where two other operators operate today. We've ordered two mobile harbour cranes because we're going to operate from there.

So we've got all of those key factors of production that underpin the fact that we've said we have an EBITDA margin target of 20% to 30% across this business by 2030. Now that 20% to 30% comes from relevant benchmarks today, the bulk central EBITDA margin, historical numbers, 30% EBITDA margin. So at the top end, and if you look at what we said when we announced TGE, we said we were targeting a 15% EBIT margin translating to 20% to 25% EBITDA margin. So those targets are grounded in what we're seeing today.

Andre Fromyhr: Maybe just another one as it relates to margin. How would you describe your overall CPI exposure at the moment? I understand what you've recovered via the RAB in network, but from a contract perspective on your haul edge, is a high CPI environment relatively neutral for you or are you potentially seeing costs run faster than your pricing at the moment?

Andrew Harding: I'd say CPI is okay for us. So we are well covered in the coal contracts and in the bulk contracts. And network has its own very convoluted process, but we're well covered in that as well. We have seen escalation in some of the inputs, particularly actually inputs into network, which are to do with the biggest changes would be the earth moving. So the numbers coming through from earth moving, you've got a 20% I think. Yeah, okay. 20% style increase in the CPI environment, which is much below that.

	But the main thing is that a contributor is the enterprise agreements and we've talked about what the enterprise agreements are 4% to 5% settlement. CPI captain with a floor on the ceiling. So that means that if you put that whole package together, it means we're fine and we're in a fairly good space. But we do see costs coming through in certain areas, particularly things feeding sometimes in the capital where you are actually seeing some quite big numbers. But the reality is it's in quite a small part of our cost base.
Andre Fromyhr:	Just final one for me. George, are you able to put a number on what you've estimated the EBITDA impacts of weather were in the FY23 guidance update today.
George Lippiatt:	No. And as I said before, Andre, it's because you can't see through to mine production and the impact of weather on the mines and the impact of weather on the rail. And then you've got other supply chain disruptions. What we will do at full year results, because it's easier when I've got FY23 numbers in front of me, is give you an indication of what those three factors amounted to in each of our BUs. So if I can, because I want to have something to talk about at full year results, I'll hold that one over until then.
Andre Fromyhr:	Okay, thanks.
James Coe:	Before we go back to Tony and Ian, any other questions? Yeah, sorry, Kate. And then to the back row, Ta.
Kate Paynter:	Hi George, I won't disappoint you. I've got to ask him a difficult question, but I don't know how difficult it is. But two questions actually. Andrew, the inland rail, it's not talked about the pluses or minuses and where it fits in your strategy. And Gareth, just on the background of the research that you've done, have you talked to shipping operators and have you assessed how many could relocate just to Darwin and have you done the sums on the size of ships that go into other ports at the moment that could come to Darwin because I just identify that as a risk in the strategy. I think it's a fabulous strategy and certainly our capital markets were only worried about what you paid for one round, not the huge advantages that you saw in it Andrew. So well done.
Andrew Harding:	Thanks. So inland rail, so the important thing I suppose is the original scope is not going to be delivered against at least as far as the money approved by government to deliver something. So with this government, current government after the what was called the shot review. But what is going to be delivered is a scope which is double tracked capability from Melbourne to Parkes. And so when you heard George say, what was it, really, really neat thing for running containerised freight out of Darwin is you can double stack Darwin, Tarcoola, Tarcoola to Perth, Tarcoola to Parkes, and when that the inland rail is

finished to the current approved scope, you'll be able to go Parkes all the way into Melbourne. So that will just make our plan that much more effective and that much more productive because we'll be able to run a double stack train all the way into North Melbourne, well the north of Melbourne.

Gareth Long: And to answer your second part of your question, yeah, so listen, in terms of the conversations we've had today, particularly with those common carriers, open carrier type operators, we do think there is a really strong market and certainly the initial soundings that we've had through those memorandum of understanding that I spoke to earlier, there is a real demand there. So sure there's a risk whenever you start something afresh and do something disruptive, but the early indications are there is a real demand to look at Darwin at that scale of vessel.

Andrew Harding: So one thing I'd just add, it's not directly with inland rail at all, but the Port of Darwin has quite a large amount of federal money being assigned to it, part of which can be used to increase the scale of a ship that can actually come into it. And while I think we're in the realms of speculation, the biggest ships that can carry containers in the world could possibly one day come into Darwin, but can't get into Melbourne, right? Melbourne's got a limitation on it.

Kate Paynter: And just one thing on inventories, there's been this thing with the, what's not the nationalisation of inventories, but the change in inventory patterns happening post COVID because so many people were caught out. Has that impacted what you're planning at all?

Gareth Long: Yeah, certainly. And again, I think I referenced it earlier, those discussions we have had with freight forwarders and liners, et cetera, it's clear that the optionality, that degree of being able to channel freight through different routes is really, really important to them. And certainly I think in those conversations equally there's a recognition that over the last 12, 18 months whilst people have been drawing down on those inventories post COVID, I don't think we're going to be quite in that world of just in time that we had previously. So no, I think it still looks very positive in that sense.

James Coe: Samantha, did you have a question? Sorry. We're going to Ian and Tony to finish off up if there are any questions next.

Samantha Edie: Hi, I'm Samantha Edie from Morgan Stanley. I've just got a quick modelling question. So previously you suggested that maintenance CapEx was around 500 million to 550 million, and then in the presentation we can see that FY24 is 600 million to 660 million. So is that the new level we should be looking at going forward?

George Lippiatt: I'm glad you asked that question because it feeds into the one around inflation. So of that 600 million to 660 million there's about 40 million, which is

transformation capital, which is largely for train guard. And so think about the midpoint of that 600 million to 660 million as 630 million, back out the 40 million, it gets you to 590 million.

The other thing to remember of that 590 million is about 55% to 60% is network CapEx and that goes into the regulated asset base that's already been approved by our customers through that MRSB process. The reason we've gone from 550 million to 590 million is the inflation that Andrew spoke about, particularly contractors, cost of materials and a lot of that is in network but will flow into the RAB.

Samantha Edie — Okay, great, thank you. I've just got one more question. So under your rapid decarbonisation scenario, do you think it's possible that other players might leave the market and that can open up opportunities?

George Lippiatt: — In coal in particular?

Samantha Edie — Yeah.

George Lippiatt: — Yeah, look, I think it's always possible that other players make decisions for their own benefit based on what they see going forward. I think the thing we try and do with our scenarios is try and test our decisions against them. So should we be putting more capital, say into the Hunter Valley coal region or instead, should we be operating what we've got and trying to match the point at which demand may fall in the rapid decarbonisation, sorry scenario that'd be in the early 2030s, and look at what bulk opportunities we can transfer that fleet to. That's how we look at it. I don't know how other players look at it and that's because they're not listed, so I don't get the benefit of listening to their investor days.

Andrew Harding: — I would say you wouldn't want to be putting a lot of capital in with that scenario running and expecting a 30 year life out of your equipment and that sort of thing. It'd be somewhat risky. You'd need alternative plans.

Ian Myles: — Just a simple question. On network, you talked about 125 million dollar revenue and EBIT change and that was on the MAR. You've underperformed the MAR. So just to make crystal clear, the EBITDA performance should be materially above 125 million improvement.

George Lippiatt: — Yeah, I'll come back to that in FY23, when we talk about FY23 results. The thing to remember-

Ian Myles: — Appreciate, I don't quantify, but just at a broader level that's a role is straight forward conclusion, isn't it?

George Lippiatt: — Well remember we get take or pay, which means that if we have an under recovery of the MAR, take or pay catches a lot of that up. And so again, I'll go

through that at full year results. Don't forget though, that included in that 125 million MAR step up are operating costs and maintenance costs, which are largely passed through. So there's also a step up in those costs. So you won't see that full 125 million pass through to EBITDA. It'll be more like 80%, 90% of it.

James Coe: Tony, back to you mate.

Tony Mitchell: Two questions, I hope this is not a silly question, but in terms of the containerised freight, you've said it'll be neutral up until April 24. Can you give us an idea of what sort of numbers you're looking for FY24-FY25 and FY25-FY26?

George Lippiatt: More than neutral. I mean, Tony, I'd go back to what we said, which is longer term in containerised freight, we're targeting an EBITDA margin of 20% to 30% and returns in the low double digits to mid-teens. Now the other thing I said when we announced TGE is that we are expecting that contract and that capacity for national interstate to get to our broader ROIC hurdle of low double digits in years three or four. So read that as FY26. So that's what I said in February and I wouldn't say anything different now.

Tony Mitchell: Okay. And just on this, do you benchmark your return on invested capital or rocky compared to Pacific National? Are you able to do that and if so, what are the comparisons?

George Lippiatt: It goes back to what I said before, which is it's very hard to unpick a competitor's numbers when they're not publicly listed because you get statutory accounts, which we can look at and you can look at, but it's really hard to unpick it by segment because they don't report it that way. So that's all I'd say on that one.

James Coe: Owen

Owen Birrell: Hi. Thanks for the follow up. You've put out some pretty, I guess, appear what appear to be fairly bold capacity targets and looking to claim 25% to 30% of the addressable market that you've identified. Largely from a standing start, I would assume there'd be a degree of a competitive response for those competitors that currently have that 25% to 30% of that market. What was the competitive response you were expecting there and how much does that come into your thinking on terms of your 20% to 30% EBITDA margins as an aspirational target?

Andrew Harding: Are you talking about the bulk business here?

Owen Birrell: Well, both bulks and in that containerised freight-

Andrew Harding: 20% to 30%

Owen Birrell:	You just got some very, very strong targets out there, which really rely a lot on you taking share from other people.
Andrew Harding:	Well in bulk the share change has been the acquisition of One Rail. Okay. So I'm very confident on that and that getting slightly bigger is quite reasonable assumption based on what I can see. On containerised freight, do you want to talk about?
George Lippiatt:	Yeah, I mean just on bulk around that and then I'll go containerised freight. Remember we've got about two thirds market share in bulk Queensland and Bulk WA today. We've got close to a hundred percent market share in South Australia, Northern Territory today in rail. And we've got four now port terminals because ports were part of that market share as well. So I think we're coming from a really strong established infrastructure position in bulk. In containerised freight in that central corridor. To the question Ian asked, we've got a hundred percent of that freight moving today. That's what we've got through the One Rail acquisition. And what we announced in February is that we now have under an 11 year contract, the TGE contract and they're about 15% of the total rail market. We've got that for 11 years, which is very rare in containerised freight. So we've got both of those positions to build on. That's what I'd add to it.
Owen Birrell:	So just to confirm all the growth that you're sort of targeting, how much of that is coming from road then as opposed to other rail operators?
Gareth Long:	So I mean in terms of the growth, as I said earlier, there is increasing pressures, whether that be through ESG, truck drivers shortages and certainly what we're hearing from the likes of TGE and indeed from others, that there is an appetite to see increased volumes move from road to rail, I think is very credible and certainly we'll be chasing that. The degree to which we'll be taking market share from competitors, that's to be seen. And certainly, in terms of the conversations we've had with a number of freight forwarders to date, there is a lot of active interest to see a rise and re-enter the market. So, I would anticipate we probably will take some of that market share as well.
George Lippiatt:	Yeah, I want to think about it as you've got three ways to grow your volumes. First is you take rail share from your competitor. The second one is you increase rails volumes by taking it off road. And the third way is land-bridging, which is really just redirecting the way that those containers move. That's not taking it off road today or rail today. So there are the three ways of doing it. And if you think about that third one in land-bridging, that's an untapped opportunity today, but we've got the assets in place to do it. So think about those three.
Owen Birrell:	Am I right in saying that the land-bridging is your own volumes already because you're not taking them from anyone?

George Lippiatt: No, they're not our volumes today, but we have the capacity there today for stage one land-bridging. Those are volumes today that are coming in via ship into Brisbane, into Sydney, into Melbourne, Adelaide, and Perth.

Andrew Harding: So, it's a new market and that new market, when we start it will be our volumes. If that's the point you're trying to make.

Owen Birrell: I might take it offline.

Andrew Harding: Okay.

James Coe: Reinhardt

Reinhardt van der Walt: Thanks for the follow up. It was good to see the 83% utilisation on the TGE wagons. Is that all TGE or have you managed to fill the back of those trains with some new boxes?

Gareth Long: I'm certainly missed the popular today. Yeah, so listen, focus has been exclusively on just getting those volumes stood up. As I said earlier, that's no small task in terms of establishing a national business from rolling stock, train crew, et cetera, terminals. But we are in active conversations with a number of other parties to put volume on the back of those services. To date, we are, I would say at quite a mature stage in those discussions, but I wouldn't lie to give any assurances beyond that at this stage. Focus is absolutely on delivering for TGE.

Reinhardt van der Walt: Got it. Thanks. And can you just remind us just exactly how volatile TGEs volumes are, because obviously you are still taking on a little bit of volume risk on that infrastructure. How volatile are those volumes really through the cycle?

Gareth Long: Let's remember railings started in April, so it's very early days for me to start to talk about what does a profile of volumes look like. Remembering as well, TGE are in the process of transitioning volumes between their current provider and ourselves so far too early really to describe what that profile looks like.

Reinhardt van der Walt: Yeah, sure. But just across sort of the TGE business overall.

Gareth Long: Do you mean in terms of the flow where we have?

Reinhardt van der Walt: Just their overall volumes. How volatile are the volumes that they move across their entire business?

Gareth Long: I think that's probably a question for TGE.

Reinhardt van der Walt: Sure, thanks.

James Coe: All right. Back to Tony.

Tony Mitchell: I hope you don't take this question the wrong way, but the market had a very savage reaction on the downside to today's result. Are you disappointed by that and what would you attribute the market's disappointment?

Andrew Harding: Okay. No, I'm not going to take that badly. I could guess any number of reasons for it. I suspect, well actually, I'll just say I could guess any number of reasons. Am I disappointed? I didn't even know what's going to happen with the market with results or investor days. So we don't even play bets. We used to in very early days, but these days I don't even play bets with it. But if I was thinking of something that's come through thematically when I've been reading some notes, George's guidance for this financial year, some of you don't agree with it and had higher numbers, and I think that is at least one of the things that contributes to it and that's the one that's been spoken about.

Tony Mitchell: And just one other, I mean you mentioned M&A before. You don't need to do any M&A do you? But given all the stuff you're doing, you don't need to do it.

Andrew Harding: So I'd say George used the word and words do not need. That was very specifically put into his speech because we have a full book delivering containerised freight and the land-bridging for a long time. The international examples that we went and looked at, they're things that have run for 15 years, start at nothing, do a hundred thousand for a year or two and then progress up. In some cases, they're very, very large and that won't happen in Australia. The Port of Piraeus is six and a half million TEUs. That should not say will not happen, but it probably will not happen. Others are in the million TEUs and that sort of thing. But it's a long progress, not a slow progress. That'll keep us busy for, well busy.

Tony Mitchell: Do you think Pacific National have done the same sort of research that you have in terms of going to these overseas ports?

Andrew Harding: Well, they will after today if they haven't already.

James Coe: Great on that. That will wrap up the Q&A session for today. Thanks very much again for those that have travelled to Darwin to join us in person and for those watching online. We're very excited about the opportunity ahead of us and most importantly, delivering against the aspirations that we've announced today. Thanks very much.

[END OF TRANSCRIPT]