



**Aurizon Holdings Limited**  
ABN 14 146 335 622

ASX Market Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

**BY ELECTRONIC LODGEMENT**

18 July 2023

**Aurizon Investor Day Presentation**

Please find attached an ASX announcement including a copy of the 2023 Investor Day Presentation slides for release to the market.

The Investor Day Presentation will be delivered via webcast which will commence at 2.30pm AEST.

This presentation will be webcast and accessible via the following link:  
[Aurizon Investor Day Webcast](#)

Yours faithfully

A handwritten signature in blue ink, appearing to read "M. Wenck".

**David Wenck**  
Company Secretary

*Authorised for lodgement by the Aurizon Holdings Limited Board of Directors*

# ASX Announcement

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**Date:** 18 July 2023

## Aurizon Investor Day, Darwin

Aurizon today is providing a presentation at an Investor Day in Darwin, **attached**, detailing progress in delivering on the Company's strategy, business and operational performance, and further opportunities to grow in the Bulk and Containerised Freight markets.

### FY2023 and FY2024 earnings guidance

As part of the presentation, Aurizon advises that FY2023 Group Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) will be delivered within the guidance range of \$1,420 million - \$1,470 million, albeit towards the lower end due to prolonged wet weather, mine production issues and some labour shortages impacting the March quarter. <sup>1</sup>

Aurizon today also provides guidance for FY2024 with Group Underlying EBITDA expected to be in the range of \$1,590 million - \$1,680 million with the following key assumptions:

- Network: revenue and EBITDA growth driven by a \$125 million increase in the (regulated) Maximum Allowable Revenue. Volumes are assumed at the approved regulatory forecast of 207.8 million tonnes.
- Coal: revenue and EBITDA growth with volumes expected to be higher than FY2023 (and revenue yield improvement).
- Bulk: revenue and EBITDA growth with volumes expected to be higher than FY2023 and the full year inclusion of Bulk Central (and full realisation of targeted synergies).
- Other: Containerised Freight expected to be broadly EBITDA neutral as national interstate services ramp up to full schedule by April 2024.

### Delivery on strategy and growth opportunities

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<sup>2</sup> of doubling Bulk's earnings by 2030. This strategy is largely unchanged today, although we are lifting our aspirations in Bulk and have added a new growth stream in Containerised Freight.

Today's update on our strategic plan notes:

- Network and Coal remain resilient and cash-generative businesses and continue to provide a solid foundation to support our ambitions for Bulk and Containerised Freight.
- As a result of our acquisition of One Rail and our pursuit of other Bulk growth opportunities, we have updated our aspiration for the Bulk business to achieve a larger, 25-30 percent share of an estimated addressable bulk EBITDA market of \$1.7 billion in FY2030.
- An aspiration for Containerised Freight to grow volumes to more than 500,000 TEUs by FY2030. This includes potential land-bridging solutions for customers, as a natural extension of the assets and capability of our Bulk and Containerised Freight businesses, including direct rail access to the Port of Darwin.
- Significant opportunities for Aurizon in the global energy transition, where our footprint has exposure to Australian regions producing new-economy commodities, together with Aurizon's research and development program to create a future locomotive fleet capable of net-zero carbon emissions (powered by batteries and/or hydrogen).

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<sup>1</sup> Full audited financial results will be provided at the FY2023 results presentation on 14 August 2023.

<sup>2</sup> Aspirational statements are high-level vision statements with respect to the implied outcomes from a repositioning of Aurizon's containerised freight objectives and its land-bridging opportunity, and Aurizon's strategic aims for its bulk business. For more information please refer to Slide 3 of the attached presentation.

## Commentary from the Managing Director & CEO Andrew Harding:

Managing Director & CEO Andrew Harding said: "With targeted investment and business growth, Aurizon has continued to build upon our position as Australia's leading integrated rail provider. This has been strengthened by our acquisition of One Rail in central Australia in mid-2022.

"Our operational footprint covers each mainland state and the Northern Territory, with a large fleet of locomotives and wagons, and Aurizon-managed rail infrastructure running direct into the Port of Darwin, the nation's northernmost port serving Asian markets.

"Aurizon is well-positioned for continued growth in bulk commodity markets, where we leverage these existing assets to grow the Bulk haulage business and to extend the reach of our Containerised Freight business.

"We are excited to explore land-bridging opportunities, which are a natural extension of the national interstate capacity we are establishing in Containerised Freight. Darwin's proximity to Asia combined with our existing assets make it a logical location to offer a land-bridging solution.

"We see this as a faster and more efficient transport solution for customers currently using shipping directly into major Australian cities. For example, Aurizon modelling shows that containers from Shanghai to Melbourne – one of the big volume routes – could be delivered approximately seven days faster through land-bridging by rail from Darwin rather than shipping alone.

"As the Australian economy grows, container imports as well as domestic container flows, will increase. Together with Aurizon's national operational footprint, significant rollingstock assets and capability, this positions the business well for growth."

For more information:

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# Aurizon Investor Day

18 July 2023





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## FINANCIAL DATA

A number of figures, amounts, percentages, estimates and calculations of value in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation. All financials are presented in AUD, unless otherwise stated.

## SCENARIO ANALYSIS

This document also describes Aurizon's approach to scenario analysis of long-term coal scenarios, bulk scenarios, containerised freight scenarios and ESG targets. The scenario analysis described in this document was undertaken by Aurizon, supported by expert third party review and analysis. The scenario analysis is based on the information available at the date of this document and/or the date of Aurizon's planning processes or scenario analysis processes. There are inherent limitations with scenario analysis and it is difficult to predict which, if any, of the scenarios might eventuate. Scenarios are neither predictions nor forecasts and do not constitute definitive outcomes for Aurizon. We do not assign probabilities and future performance may be outside of the ranges presented. Scenario analysis and the outcomes of those scenarios rely on assumptions that may or may not be, or prove to be, correct and may or may not eventuate, and scenarios may be impacted by additional factors to the assumptions disclosed. ESG-related aspirations and targets described in this presentation are discussed in detail in Aurizon's Sustainability Reports and Climate Strategy and Action Plan, available at [www.aurizon.com.au/sustainability](http://www.aurizon.com.au/sustainability). These documents describe the important assumptions which underpin these aspirations and targets.

## STATEMENTS ABOUT THE FUTURE

This document contains "forward-looking statements". The words "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "aspiration", "goals", "aims", "target", "may imply" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. The forward-looking statements are not based on historical facts, but rather on current beliefs, assumptions, expectations, estimates and projections of Aurizon. Accordingly, these statements are subject to significant business, economic and competitive risks, uncertainties and contingencies associated with the business of Aurizon which may be beyond the control of Aurizon which could cause actual results or trends to differ materially, including but not limited to competition, industry downturns, inability to enforce contractual and other arrangements, legislative and regulatory changes, sovereign and political risks, ability to meet funding requirements, dependence on key personnel and other market and economic factors.

These statements are not guarantees or predictions of future performance, and involve both known and unknown risks, uncertainties and other factors, many of which are beyond Aurizon's control. As a result, actual results or developments may differ materially from those expressed in the forward-looking statements contained in this document. Aurizon cautions against reliance on any forward-looking statements or guidance and the reliance that a recipient of the presentation places upon this presentation is a matter for its own commercial judgement.

Except as required by applicable regulations or by law, Aurizon is not under any obligation to update these forward-looking statements (or scenario analysis) to reflect events or circumstances that arise after publication. Aurizon makes no representations as to the accuracy or completeness of any such statement or that any scenarios discussed will be achieved.

Past performance is not an indication of future performance.

Please refer to Slide 3 for further important information about this presentation and aspirational statements contained in it.

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# Important Information about this presentation

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## **Aspirational statements**

This presentation contains aspirational statements, which are high-level vision statements, in particular about Aurizon's strategic aims for its Bulk and Containerised Freight businesses.

In setting these aspirations Aurizon has relied on assumptions. The assumed matters may not eventuate, including because the assumed matters rely on matters external to Aurizon of which it has no control. In particular, market share aspirations assume that Aurizon secures part of an available range of organic and inorganic market growth. Aurizon may not secure the assumed part or any of the available market growth.

Aspirational statements as they relate to periods beyond FY25 are high-level vision statements only. They are not presented by Aurizon as predictions, forecasts or projections and do not constitute definitive outcomes for Aurizon.

Accordingly Aurizon makes no representation or guarantee that these outcomes will be realized and Aurizon makes no representation or guarantee as to the accuracy, adequacy, reliability or completeness of any such outcomes. Future performance may be different to the implied outcomes, due to a range of factors including risks which may eventuate in the future. Accordingly, no reliance should be placed on the aspirational statements.

Aurizon provides commentary each year on risks in our annual reports available at [www.aurizon.com.au/investors](http://www.aurizon.com.au/investors) and our sustainability reports, available at [www.aurizon.com.au/sustainability](http://www.aurizon.com.au/sustainability). Investors are strongly cautioned not to place undue reliance on any aspirational statements. Actual results or performance may vary materially from those expressed in, or implied by, any aspirational statements. The reliance that a recipient of this presentation places upon this material is a matter for its own commercial judgment. Please refer to slide 2 for further important information on this presentation.



# Acknowledgement of Country



Artwork created by Aurizon employee and proud Kalkadoon/Waiben Man Laurie Anno in partnership with fellow members of Aurizon's Indigenous Reference Group (IRG). Each IRG member contributed to the artwork with finger dot painting, giving meaning to all aspects to their relationship with one another; kinship sharing the same soul and spirit. Through art they gathered and created a new challenge with each other, having eye-to eye contact showing respect for one another no matter what journey or spiritual path they have taken. The artwork shows the special place where we live – our Country. It shows the land we share stretches far and wide, from the highest mountains into sky, beautiful desert sands and tropical rainforest that leads to the water following rivers to the sea. Surrounding our Country are the family totems of each IRG member including the Emu, Dolphin, Whale, Long Neck Turtle, Wedgetail Eagle, Sand Goanna, Red Tail Possum and White Dingo. These totems were handed down by Ancestors to each of them at birth or when they became of age.



# Safety Share: Initiative





# Group Executive Team

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**Andrew Harding**  
Managing Director & CEO



**Pam Bains**  
Group Executive Network



**Anna Dartnell**  
Group Executive Bulk



**George Lippiatt**  
CFO & Group Executive Strategy



**Gareth Long**  
Group Executive Containerised Freight



**Ed McKeiver**  
Group Executive Coal



**Cat Pepler**  
Group Executive Corporate

# Agenda

	Time (ACST)	Topic	Presenter
1	2:00pm – 2:30pm	Overview and Strategic Aims	<b>Andrew Harding</b> <i>Managing Director &amp; CEO</i>
2	2:30pm – 2:50pm	Containerised Freight	<b>Gareth Long</b> <i>Group Executive Containerised Freight</i>
	2:50pm – 3:10pm	Break	
3	3:10pm – 3:30pm	Bulk	<b>Anna Dartnell</b> <i>Group Executive Bulk</i>
4	3:30pm – 4:00pm	Capital Allocation and Aurizon Fleet	<b>George Lippiatt</b> <i>CFO &amp; Group Executive Strategy</i>
5	4:00pm – 5:00pm	Q&A	All

# Key messages for today



## Australia's leading integrated rail provider

5,130km track infrastructure;  
~700 locomotives; ~15,000 wagons;  
~5,390 employees (FTE)



Network and Coal businesses are resilient, generating free cash flow



Consistently returned capital to shareholders, with \$5 billion returned since FY16



## Updated Bulk aspiration

Aspiration to achieve a 25-30% market share of an estimated \$1.7 billion addressable bulk (EBITDA) market at FY2030<sup>1</sup>



Greater market share and operational synergies unlocked from One Rail acquisition



Significant exposure to new economy commodities



## Containerised Freight aspiration including a national land-bridging solution

FY2030: >500 thousand TEU annual volume<sup>1,2</sup>



Initial focus on safe and efficient services as Containerised Freight schedule ramps up



Darwin's proximity to Asia combined with Aurizon's existing assets make it a logical land-bridging opportunity

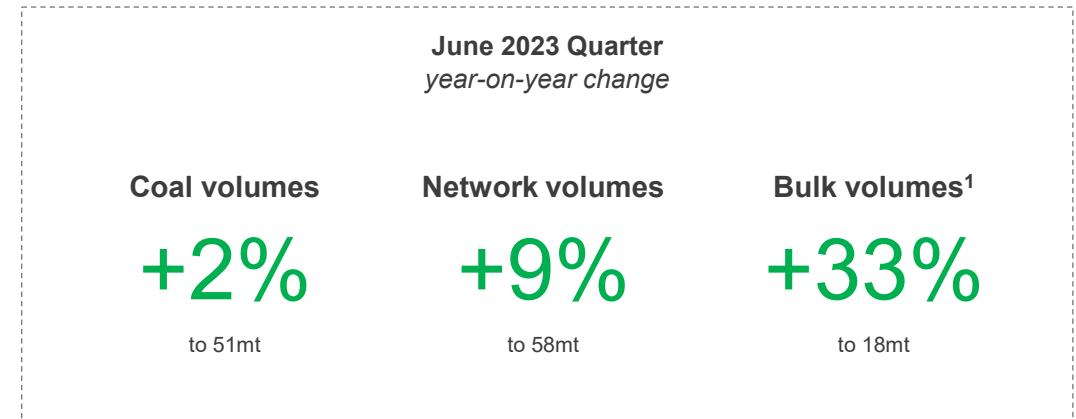
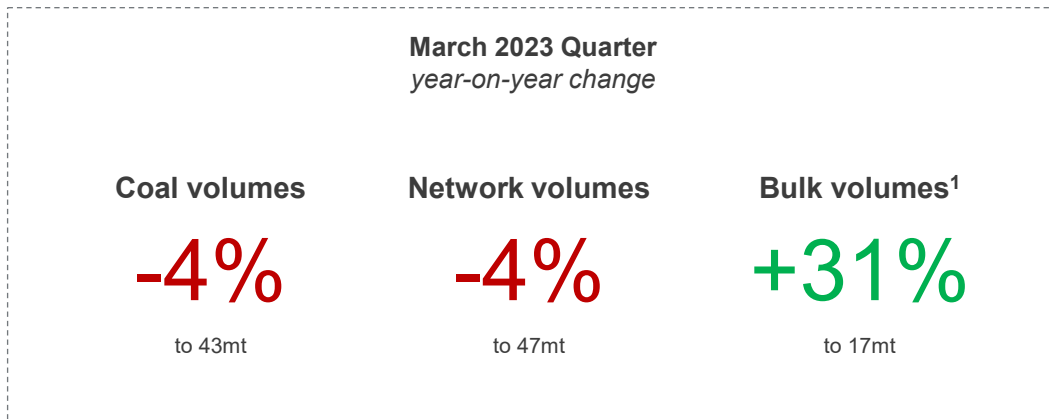
1. See slide 19 for additional information regarding aspirations. Please also refer to slide 3 for important cautionary language in respect of 'aspirational statements'. As noted in that slide, market share opportunities assume Aurizon secures part of an available range of organic and inorganic growth. There is a risk that Aurizon does not secure the assumed part or any of the available market growth  
2. Based on ~80% utilisation of Containerised Freight capacity including Land-bridging Stage 2 (see slide 29)

# FY2023

FY2023 EBITDA will be delivered within the guidance range, albeit towards the lower end

## FY2023:

- › **Group underlying EBITDA will be delivered within the guidance range (\$1,420m – \$1,470m), albeit towards the lower end** due to prolonged wet weather, mine production and some labour shortages impacting the March quarter
- › Total capex within guidance (\$750-\$800m), with sustaining capex at top end of its range and growth capex below estimate
- › June quarter volumes indicate a step-up in EBITDA for FY2024



1. The acquisition of One Rail completed in July 2022. As such, the prior year excludes this volume



# FY2024

FY2024 EBITDA expected to be \$1,590m - \$1,680m

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## FY2024:

- › **Group underlying EBITDA expected to be in the range of \$1,590m – \$1,680m**
- › Sustaining capex expected to be \$600-\$660m (including ~\$40m of transformational project capital)
- › Growth capex expected to be \$250-\$300m

## Key assumptions

- › **Network:** revenue and EBITDA growth driven by a \$125m increase in the (regulated) Maximum Allowable Revenue. Volumes are assumed at the approved regulatory forecast of 207.8 million tonnes
- › **Coal:** revenue and EBITDA growth with volumes expected to be higher than FY2023 (and revenue yield improvement)
- › **Bulk:** revenue and EBITDA growth with volumes expected to be higher than FY2023 and the full year inclusion of Bulk Central (and full realisation of targeted synergies)
- › **Other:** Containerised Freight expected to be broadly EBITDA neutral as national interstate services ramp up to full schedule by April 2024
- › No significant disruptions to commodity supply chains (such as major derailments or extreme/prolonged wet weather)



# Overview and Strategic Aims

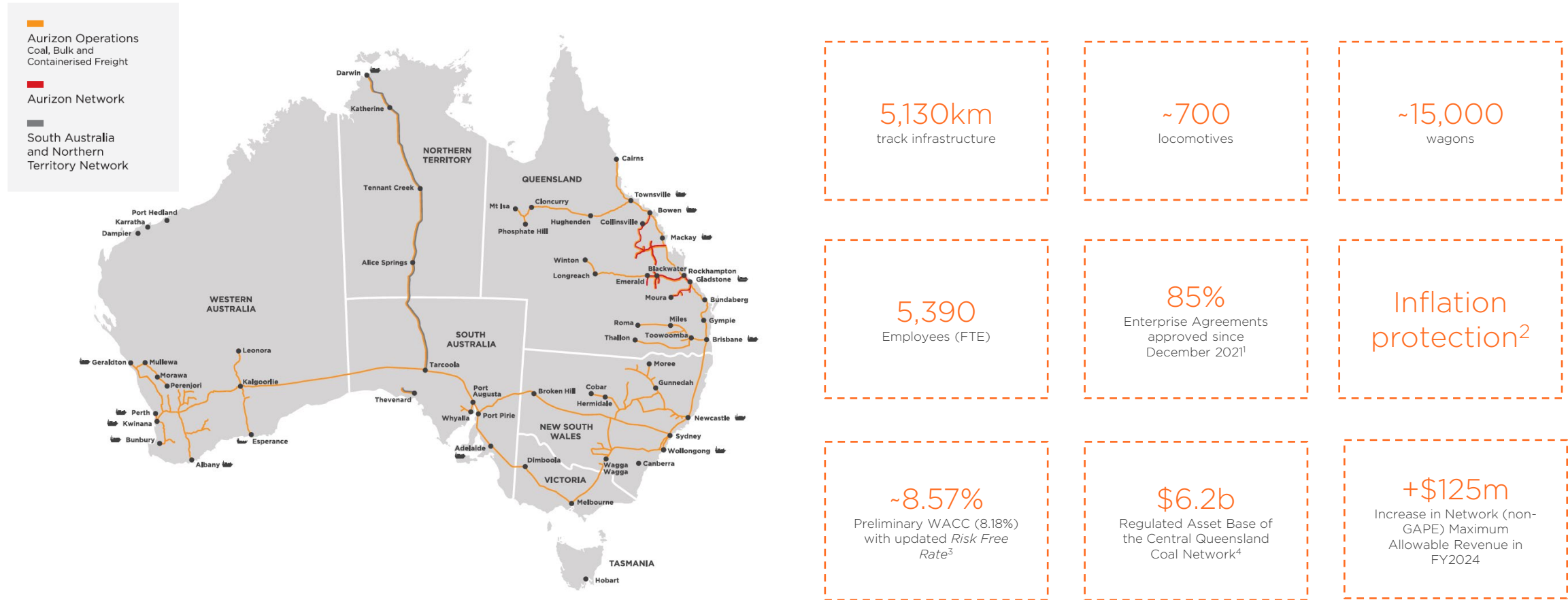
Andrew Harding





# About Aurizon

Following the acquisition of One Rail, Aurizon's operational footprint covers mainland Australia, with over 5,000km of track infrastructure and the largest fleet of locomotives and wagons



1. Represents proportion of employees covered by Enterprise Agreements with agreements approved since December 2021, and includes a positive employee vote (pending Fair Work Commission approval) for Aurizon Infrastructure Enterprise Agreement (QLD)

2. Revenue protection through CPI-linked rate escalations in almost all Coal, Bulk and Containerised Freight contracts. Regulatory framework provides Network with inflationary protections via a) recovery of capital via the RAB which is adjusted annually for inflation b) cost pass through mechanisms for maintenance, energy, transmission and connection costs and c) adjustments to non-electric operating cost allowances where actual inflation exceeds the UT5 allowance in any year

3. Based on a Risk Free Rate of 3.866%. The debt risk premium is 2.60% as per the preliminary WACC reset. On 31 July 2023, Aurizon Network is required to submit to the QCA the Final Reset Values including the risk free rate and the proposed debt risk premium used to determine the WACC. The debt risk premium will be calculated in a manner consistent with that adopted in the QCA's Draft Decision on UT5 that was published on 6 December 2018.

4. Estimated Roll-forward RAB as at 30 June 2023 and includes deferred capital (\$0.2b) and Access Facilitation Deeds (\$0.3b). Estimate assumes FY23 inflation forecast of 6.75% which aligns with Aurizon Network's Preliminary Values submission (approved by the QCA in May 2023)

# ESG contribution

Rail is playing a significant role in the transition to a low-carbon economy



Environment

95% less

carbon emissions (per tonne kilometre) by rail compared with road<sup>1</sup>



Safety

150

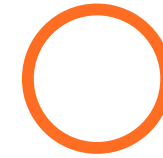
equivalent semi-trailer trucks per single freight train<sup>2</sup>



Productivity

Productivity

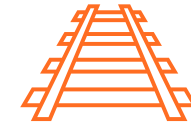
Economic and productivity gains are achievable where there are large volumes of freight and/or where freight is carried over longer distances



Emissions

Net Zero

Aurizon is committed to a target of net-zero operational emissions (scope 1 and 2) by 2050<sup>3</sup>



Infrastructure

Investment

Supportive rail infrastructure investment environment:

- › Inland Rail
- › Katherine Logistics and Agribusiness Hub
- › Port of Darwin
- › National Intermodal Corporation

*"Our partnership with Aurizon is game-changing for Team Global Express customers, securing them important extra capacity and more choice, in what to date has been a very limited rail market, with restricted capacity and rising tariffs. This presents significant opportunities for reliable deliveries, service efficiencies and less carbon intensive transport solutions for customers, whilst helping ensure regional Australians are served."*

**Team Global Express<sup>4</sup>**

1. Deloitte Access Economics Value of Rail 2020

2. NSW Government: Consultation Paper: Clean Air for NSW, 2016

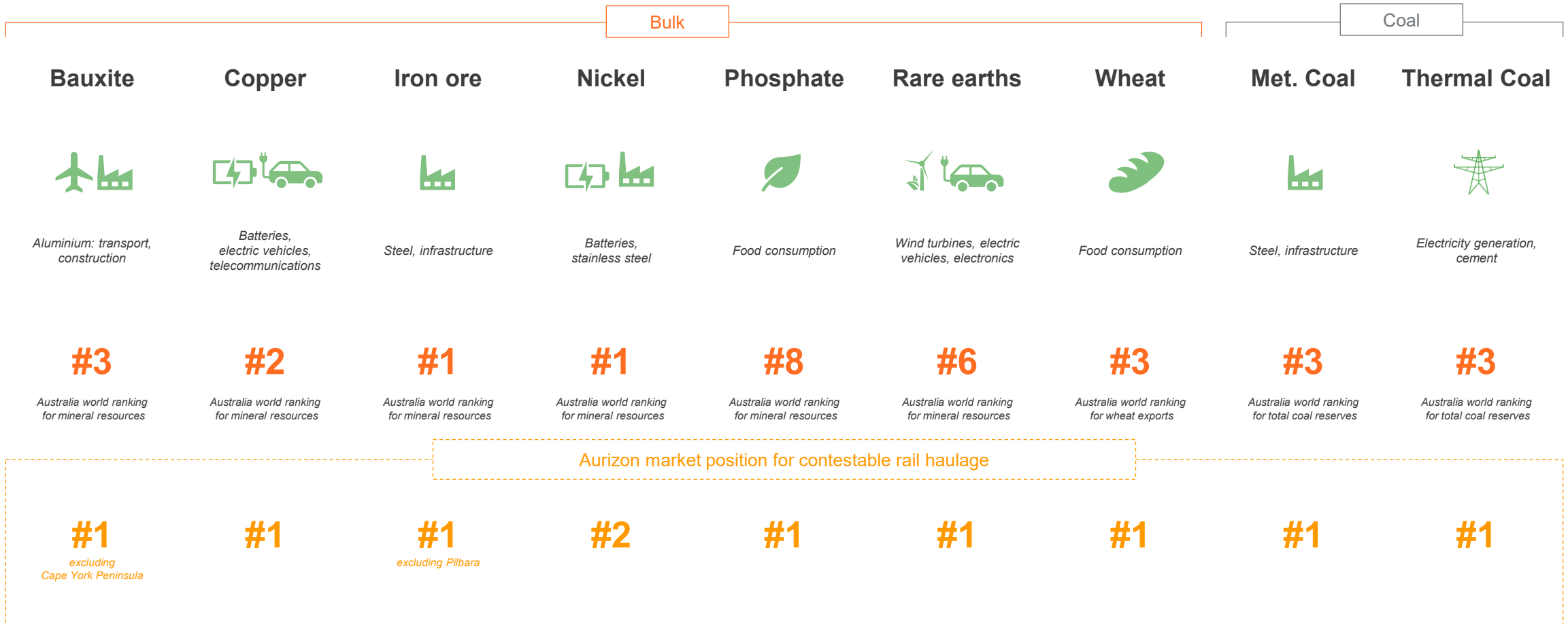
3. ESG-related aspirations and targets described in this presentation are discussed in detail in Aurizon's Sustainability Reports and Climate Strategy and Action Plan, available on the Aurizon website. These documents describe the important assumptions which underpin these aspirations and targets

4. Team Global Express partners with Aurizon to create a new rail footprint for Australia, [teamglobalexpress.com/news](https://teamglobalexpress.com/news)



# Exposure to new economy commodities

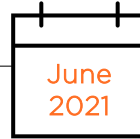
Aurizon is the pre-eminent freight rail provider in Australia with a market leading position in key commodities



Source: Geoscience Australia, Australia's Identified Mineral Resources 2022, except for Coal (BP Statistical Review of World Energy Report, 2021, 2022) and Grain (Australian Government – Department of Agriculture, Fisheries and Forestry: Snapshot – Australian wheat exports January 2023, International Grain Council 2020/21). Aurizon Operation's Australian market position for contestable rail haulage based on Aurizon estimates

# Progress against historical strategic aims<sup>1</sup>

The acquisition of One Rail and new contract wins provide a step change in achieving our previously stated strategic aims

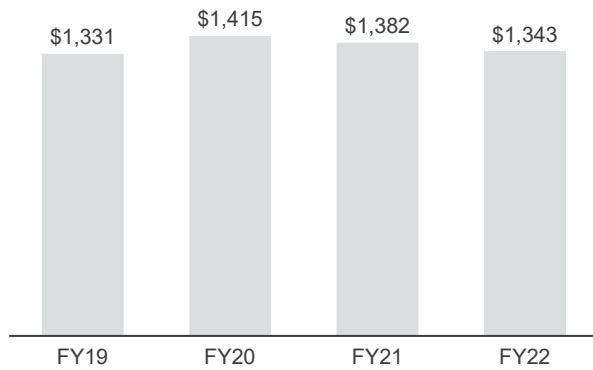


### Resilient Coal and Network businesses

*Safety, cost, productivity and capital focus underpinned by investment in TrainGuard and Advanced Planning & Scheduling supports*



Coal plus Network EBITDA (\$m)

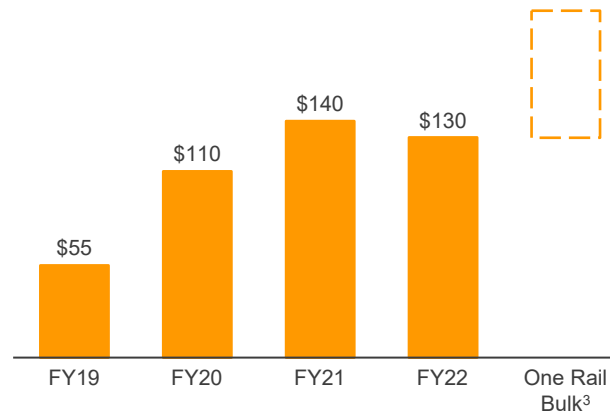


### Growing bulk business with new markets

*Our aspiration to achieve 20-25% market share in 10 years within a ~\$1.25bn market profit pool may imply ~\$250-\$300m EBIT (~\$300-\$360m EBITDA)<sup>2</sup>*



Bulk EBITDA (\$m)

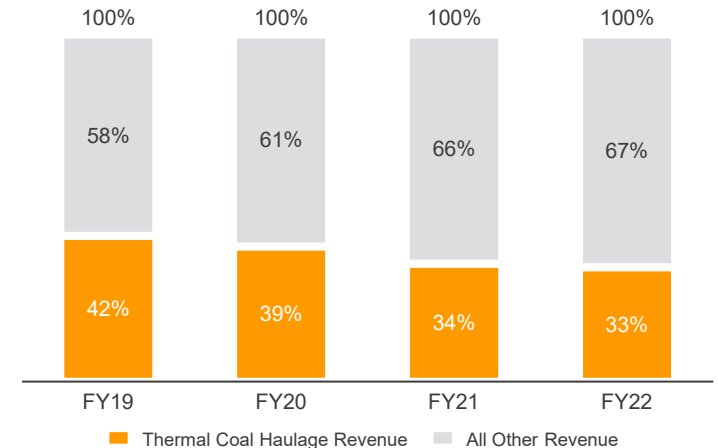


### Evolving mix reduces thermal coal exposure

*Targeted bulk growth would result in revenue from thermal coal falling to less than 20% of non-Network revenue<sup>4</sup> by 2030*



Non-Network Revenue<sup>4</sup>



1. Aurizon Investor Day (June 2021) full presentation available on Aurizon website including important statements about the future and scenario analysis targets

2. EBIT range converted to EBITDA

3. One Rail Bulk: FY2022 stand-alone management accounts

4. Revenue is the sum of the Coal (excluding all track access) and Bulk (net of track access expense) business units and excludes the Network business unit. Coal revenue allocated (metallurgical/thermal) based on estimated volume split

# Repositioning Containerised Freight

After exiting an inferior Intermodal position in 2017, Aurizon has stood up a Containerised Freight network that can enhance national supply chains



- > Exited loss-making Intermodal business
- > Full service, including aggregation and disaggregation of freight
- > Packing and unpacking
- > >600 customers with a capacity utilisation of ~50%

- > Improved core Network, Coal and Bulk rail performance

- > Acquired One Rail, including 2,460km of track infrastructure (and associated terminals) and ~150k TEU<sup>1</sup> of current containerised freight capacity
- > 11-year contract with Team Global Express (TGE) and stand-up of initial East-West capacity

- > Ramping up National Interstate<sup>2</sup>: ~200k TEUs

Ramping up to a total capacity of  
**~350k**  
TEUs per annum

- > Stage 1 of land-bridging – leverage regional ports (and rail) to create alternative supply chains (see following pages)

Planned total capacity of  
**~450k**  
TEUs per annum

- > Optimise utilisation of capacity and accelerate returns
- > Match capacity to demand

Aspiring to have a total capacity of  
**~550k-750k**  
TEUs per annum<sup>3</sup>  
and assess opportunity beyond 750k TEU



Not shown: Intra-Queensland hook-and-pull services

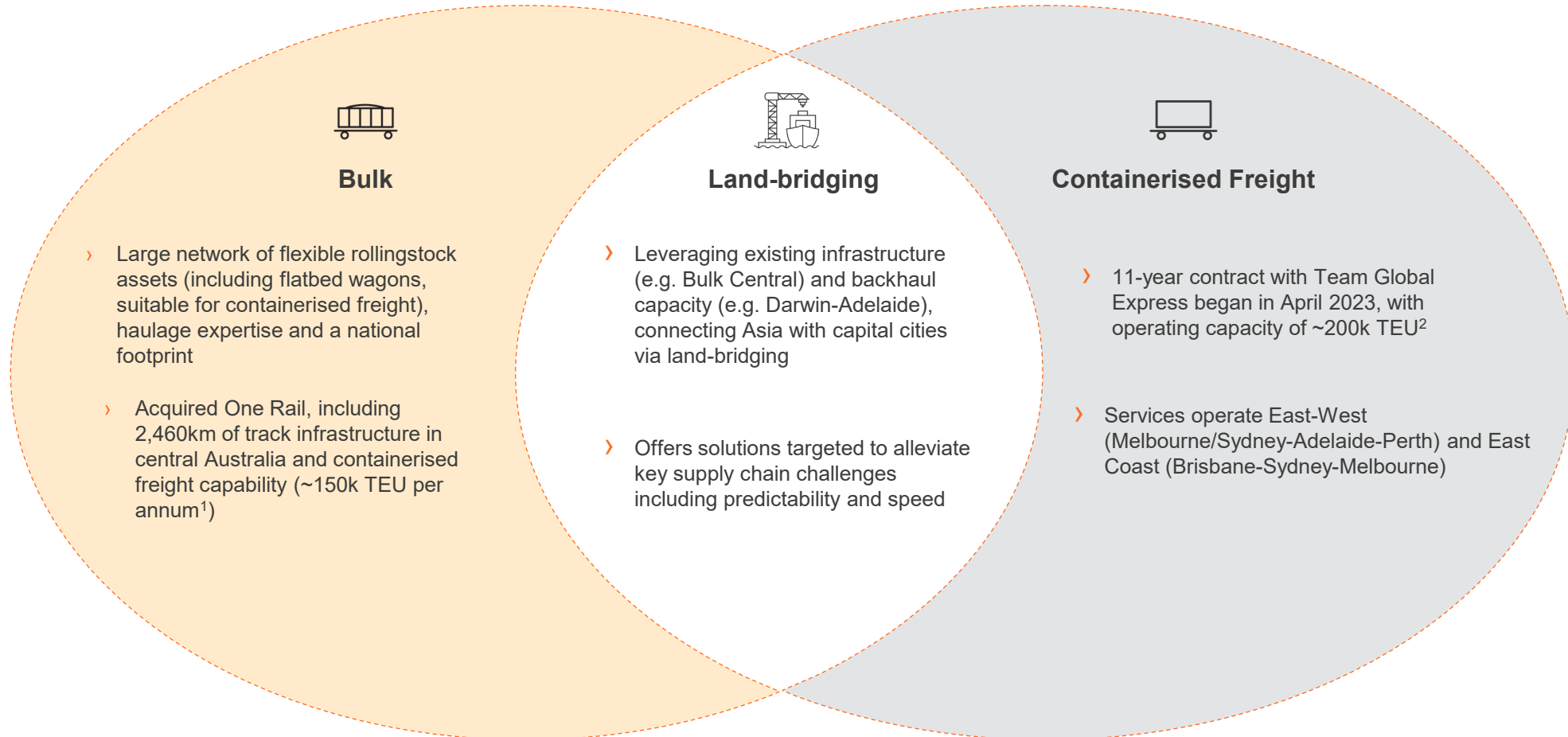
1. ~150k TEU is based on train lengths of ~1,800m and 6 services per week. Current deployed capacity is ~100k TEU based on ~1,300m train lengths

2. Projected capacity upon full national interstate schedule in April 2024

3. Please refer to slide 3 for important cautionary language in respect of 'aspirational statements'. As noted in that slide, market share opportunities assume Aurizon secures part of an available range of organic and inorganic growth. There is a risk that Aurizon does not secure the assumed part or any of the available market growth

# Land-bridging in-context

Land-bridging is a natural extension of Aurizon’s Bulk and Containerised Freight businesses, leveraging existing assets to capture growth opportunities and increase haulage volumes



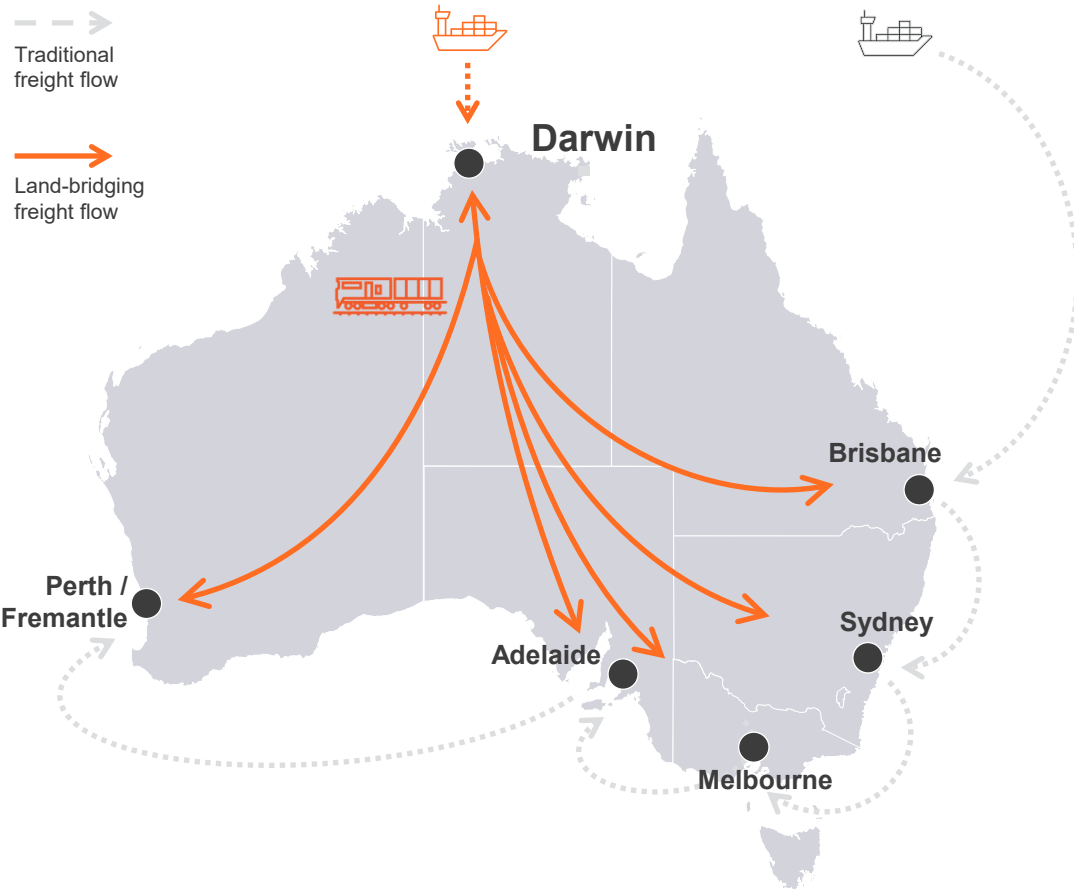
1. ~150k TEU is based on train lengths of ~1,800m and 6 services per week. Current deployed capacity is ~100k TEU based on ~1,300m train lengths  
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# Land-bridging opportunity

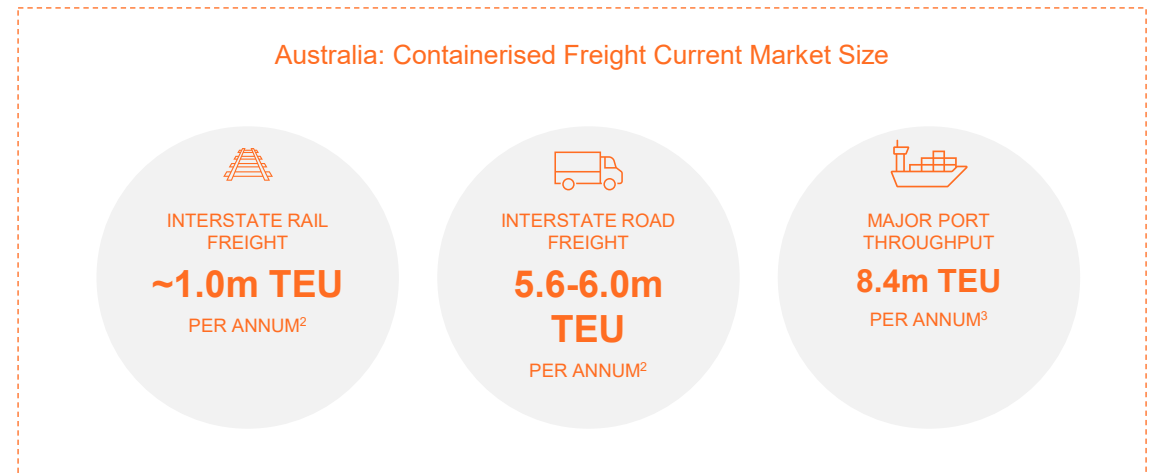
Existing underdeveloped regional ports and incumbent rail infrastructure connecting to major cities in Australia can support a land-bridging solution

## ILLUSTRATIVE CONTAINERISED FREIGHT FLOW



## THE LAND-BRIDGING OPPORTUNITY

- › Existing but underdeveloped regional ports (eg: Darwin) with connecting rail infrastructure can be utilised to unload container ships
  - › Underutilised, deep water port, connected to rail infrastructure
  - › Cost-efficient land in rural areas for expansion
- › Customer proposition:
  - › More direct link and shorter sail times from Asia with faster rail linehaul driving an estimated time saving of 7-days (journey from Shanghai to Melbourne)<sup>1</sup>
  - › Greater predictability reduces operating and inventory costs



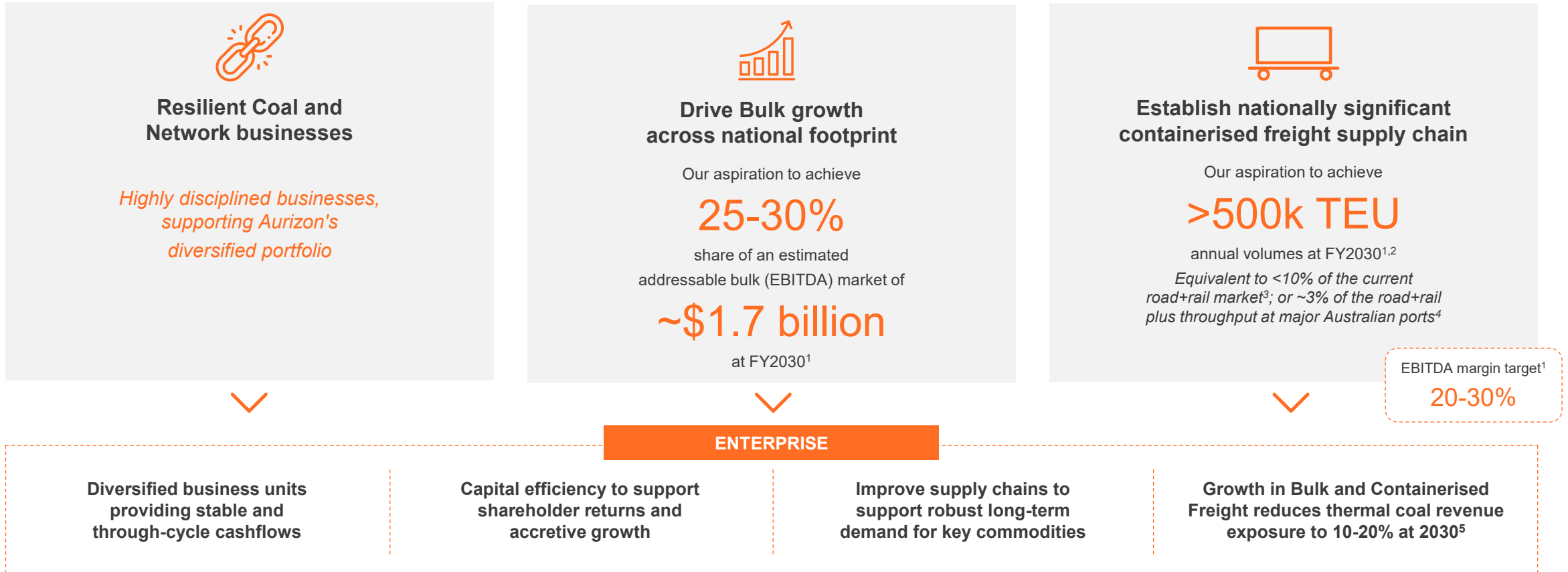
1. Aurizon analysis, based on published shipping schedules

2. Bureau of Infrastructure, Transport and Regional Economics (Trainline 7), Aurizon analysis

3. Total annual TEU throughput of Australia's five international container ports (2021-22), Australian Competition and Consumer Commission, Container stevedoring monitoring report 2021-22

# Updated strategic aims

Resilient Network and Coal businesses continue to support (now increased) aspirations for Bulk and the establishment of a nationally significant containerised freight supply chain



1. Please refer to slide 3 for important cautionary language in respect of 'aspirational statements'. As noted in that slide, market share opportunities assume Aurizon secures part of an available range of organic and inorganic growth. There is a risk that Aurizon does not secure the assumed part or any of the available market growth

2. Based on ~80% utilisation of Containerised Freight capacity including Land-bridging Stage 2 (see slide 29)

3. Bureau of Infrastructure, Transport and Regional Economics (Trainline 7), Aurizon analysis

4. Total annual TEU throughput of Australia's five international container ports (2021-22), Australian Competition and Consumer Commission, Container stevedoring monitoring report 2021-22

5. Revenue is the sum of the Coal (excluding all track access), Bulk (net of track access expense) and Containerised Freight business units and excludes the Network business unit. Coal revenue allocated (metallurgical/thermal) based on estimated volume split



# Containerised Freight

Gareth Long





# Containerised Freight introduction

Aurizon is ramping up to a national containerised freight capacity of 350k TEU in 2024

## National Interstate

~200k TEU<sup>1</sup>

Capacity (per annum)

- › Wholesale linehaul operation
- › East-West (Melbourne/Sydney-Adelaide-Perth): ~150k TEU per annum
- › East Coast (Brisbane-Sydney-Melbourne): ~50k TEU per annum
- › 11-year contract with TGE began in April 2023. Historical volumes equivalent to ~70% of capacity



## Central Corridor

~150k TEU<sup>2</sup>

Capacity (per annum)

- › Integrated operation within Bulk Central
- › Primarily transporting consumer goods, general cargo, construction materials, bulk liquids and special cargo between Adelaide and Darwin
- › Operates over distances and terrain that gives rail a natural advantage



## Land-bridging



- › Utilising regional ports with adjacent infrastructure to unload container ships, and subsequently transporting the containers to major cities via rail
- › Darwin provides a direct link and shorter sail times from Asia with faster rail linehaul with an estimated time saving of 7-days (journey from Shanghai to Melbourne)<sup>3</sup>
- › Greater predictability reduces operating costs, and reduces inventory costs



Notes: Intra-Queensland hook-and-pull services not shown

1. Based on April 2024 proposed national interstate schedule

2. ~150k TEU is based on train lengths of ~1,800m and 6 services per week. Current deployed capacity is ~100k TEU based on ~1,300m train lengths

3. Aurizon analysis, based on published shipping schedules

# Containerised Freight – Market Size

The existing interstate containerised freight market is an attractive value pool which, until recently, was largely untapped for Aurizon beyond the Central Corridor

## INTERSTATE SEGMENT OVERVIEW<sup>1</sup>



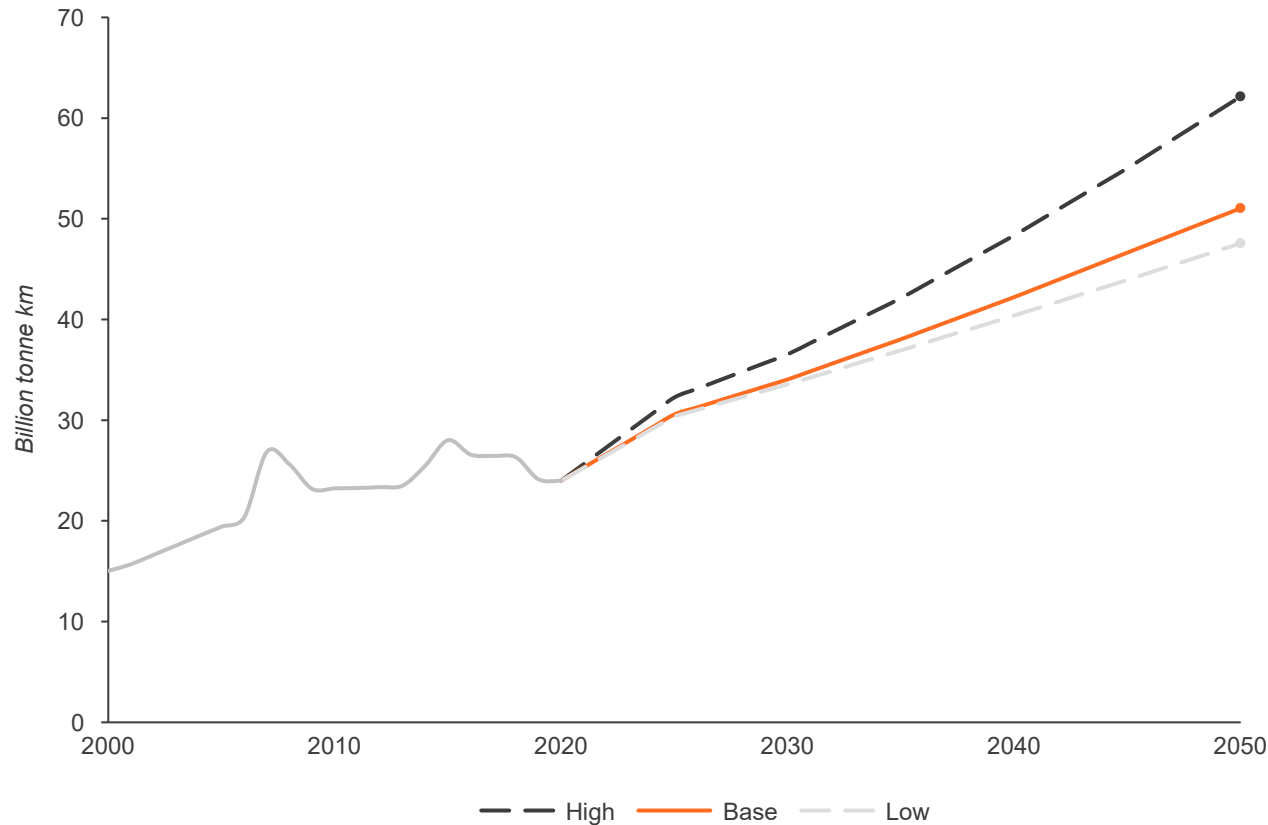
Note: East-West - Melbourne/Sydney-Adelaide-Perth, Central - Adelaide-Darwin, East Coast - Melbourne-Sydney-Brisbane. Circles not drawn to scale  
1. Bureau of Infrastructure, Transport and Regional Economics (Trainline 7), Aurizon analysis



# National Interstate containerised freight growth

The Bureau of Infrastructure and Transport Research Economics (BITRE) projects the domestic (non-bulk) rail freight market to grow by 2.5% pa. (2020-2050) in the base scenario

**TOTAL: AUSTRALIA INTERSTATE NON-BULK RAIL FREIGHT VOLUME FORECAST (2020-2050)<sup>1</sup>**



**AUSTRALIA INTERSTATE NON-BULK RAIL FREIGHT VOLUMES: % CAGR (20-50)**

Scenario	East-West	East Coast	Total
High	+3.1%	+3.4%	+3.2%
Base	+2.5%	+2.7%	+2.5%
Low	+2.3%	+2.4%	+2.3%

› The East-West corridor CAGR of +2.5% is marginally lower than the East Coast CAGR of +2.7% (includes Inland Rail), but is projected from a higher base, transporting around two-thirds of total volumes

1. Bureau of Infrastructure Transports Research Economics (BITRE), Australian aggregate freight forecasts (2022 update). Non-bulk rail freight dataset (billion tonne kilometres)

# National Interstate

Twenty services operated to date with zero cancellations and volume utilisation at over 80%. Noting train length will increase over coming months

## Activities to date to support ramp up:

- › First service stood up in 7 weeks post contract signing
- › Train paths secured for initial services and optimisation of paths continues
- › Drivers and crew secured, and training underway
- › Existing equipment reallocated from other parts of Aurizon
- › New equipment ordered and in production to support ramp-up and growth in 2024
- › Terminal solutions well progressed
- › New business unit and management team established



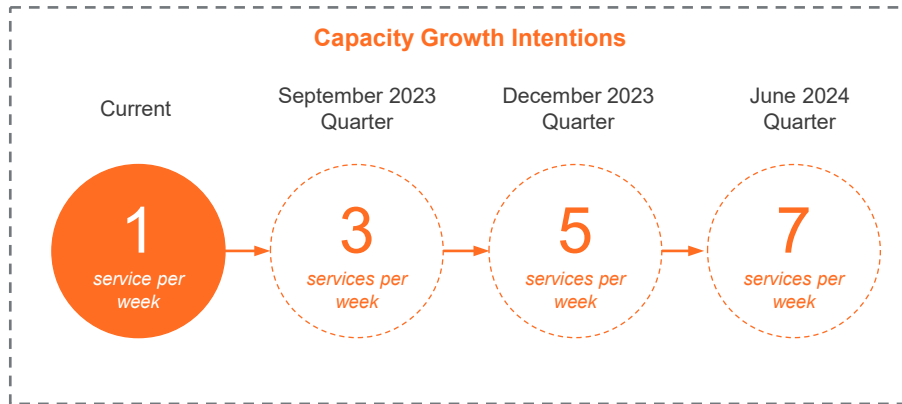
**29**  
return services operated

**zero**  
injuries

**zero**  
cancellations

**82%**  
utilisation<sup>1</sup>

**81%**  
On time performance<sup>2</sup>



1. Utilisation of standard bookings offered at 1,400m length  
 2. Within 60 minutes of scheduled train arrival time

# Containerised Freight demand

Aurizon's initial engagement with prospective customers has provided insight to future demand

## PROSPECTIVE CUSTOMER AND MARKET SIGNALS TO DATE

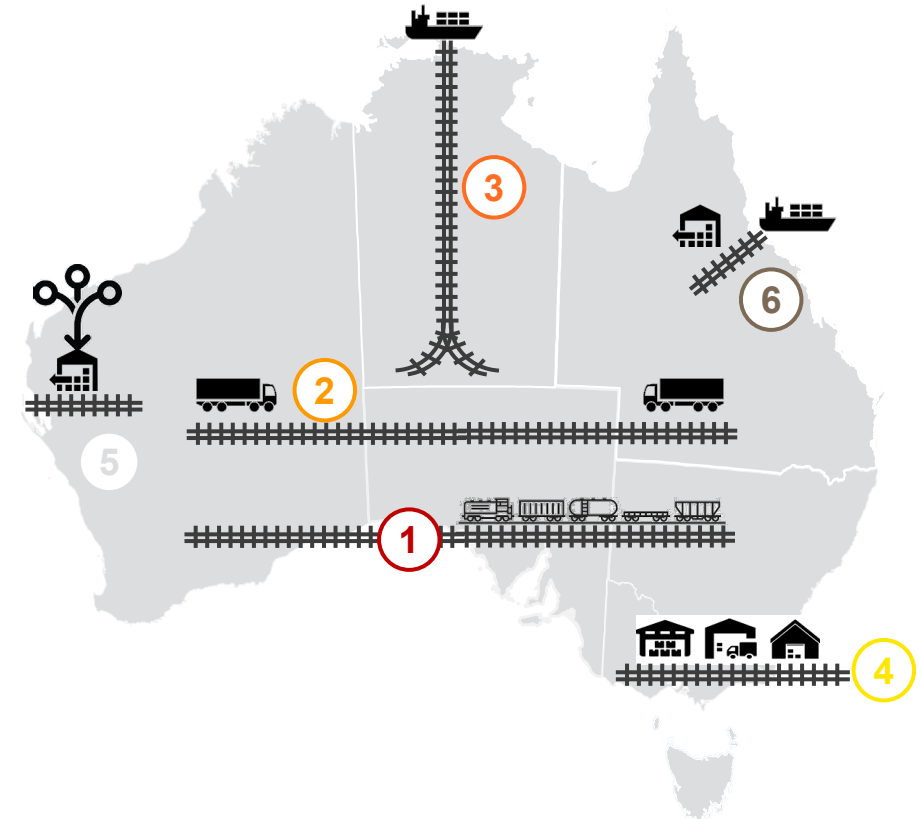


...clear customer need and demand for new 'partnering' approach

### Solutions being sought by prospective customers

- 1 Capacity and new approaches to servicing East-West container movements
- 2 Capacity from trucking companies seeking to grow via rail and to meet industry challenges
- 3 Seeking to leverage Central Corridor for land-bridging including to drive bulk exports and supply chain optionality
- 4 Interest in co-location at terminals and to connect customer operations by rail
- 5 Export consolidation via a combination of road, regional rail, terminals and rail linehaul
- 6 National project cargo storage and distribution opportunities leveraging terminals and national network




## INDICATION OF TYPES OF SOLUTIONS



# Land-bridging – leveraging Aurizon’s existing capabilities

Darwin’s proximity to Asia combined with Aurizon’s key assets and capacity make it a logical location to explore a land-bridging solution

## AURIZON’S EXISTING CAPABILITIES

 <p><b>Existing Rail Assets</b></p>	<ul style="list-style-type: none"> <li>› Containerised Freight provides rail linehaul services across Australia and for a diverse range of industries</li> <li>› 2,245km Tarcoola to Darwin railway line that allows optionality to connect double stacked operations (which can travel at ~100km/hr) to various parts of Australia:             <ul style="list-style-type: none"> <li>› Parkes (NSW)</li> <li>› Adelaide</li> <li>› Perth</li> <li>› Melbourne<sup>1</sup></li> </ul> </li> </ul>
 <p><b>Existing Rail Capacity</b></p>	<ul style="list-style-type: none"> <li>› Large network of fungible rollingstock assets, haulage expertise and a national footprint</li> <li>› Adelaide to Darwin service has capacity heading South from the Port of Darwin</li> </ul>
 <p><b>Port Assets</b></p>	<ul style="list-style-type: none"> <li>› Port lease (as part of 30-year rail concession) and stevedoring licence at Port of Darwin</li> <li>› Two mobile harbour cranes are scheduled for delivery in CY2023. Each with a capacity to lift 15 containers per hour</li> </ul>



1. After completion of Inland Rail between Beveridge in Victoria and Parkes in NSW by 2027. Source: Inland Rail – A new way forward (10 July 2023)

# Land-bridging – benefits in an Australian context

Land-bridging offers an alternative supply chain that can potentially enhance the predictability and speed of container deliveries while generating capital efficiencies for shipping lines



## Speed

- › Reduce port call requirements and create supply chain efficiency
- › More direct link and shorter sail times from Asia with faster rail linehaul driving material time saving
- › Provide differentiated freight options such as express services for time critical freight and standardised services
- › Ability for FMCG companies to hold freight in low-cost locations offshore and meet *Just In Time* requirements whilst maximising cash flow potential



## Predictability

- › Use of regional ports to avoid congested ports in major city hubs and avoid inner-city related 'landside' congestion by bringing freight directly into industrial precincts
- › Greater predictability reduces operating costs, reduces inventory costs and will support management of the large empty container surplus



## Capital Efficiency Benefits

- › Capital efficiency benefits available to multiple stakeholders from:
  - › Reducing landside supply chain costs
  - › Larger more efficient ships
  - › Customer cash flow benefits
  - › Optimisation of shipping routes and assets

### Potential For Reduced Journey Times<sup>1</sup>



Transport cost parity<sup>2</sup>

Targeting emissions neutrality

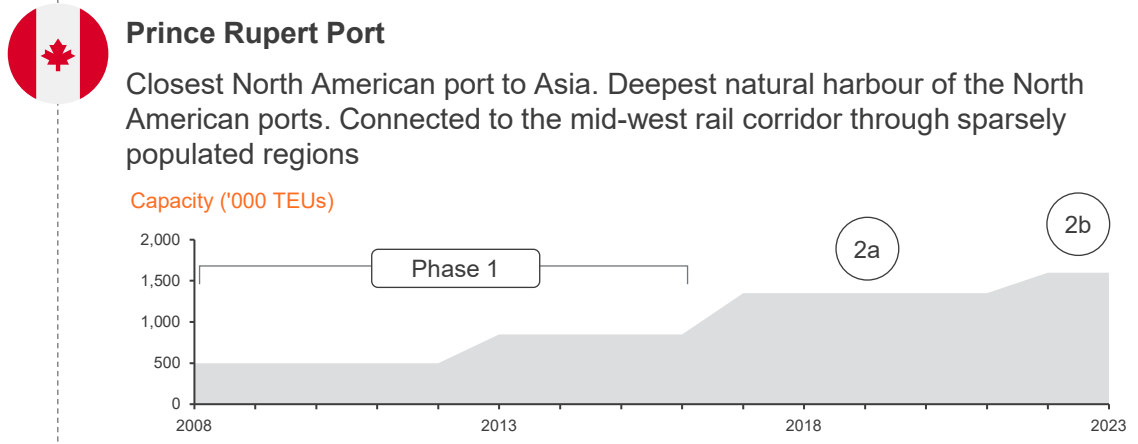
1. Aurizon analysis, based on published shipping schedules

2. Aurizon analysis, based on comparison of vessel and rail operating costs of the land-bridge solution and traditional vessel journeys supported by assessments by independent consultants"



# Land-bridging – global case studies

Land-bridging is supported by global case studies that have been successfully implemented



**Port of Gdańsk**  
The only Baltic port that supports direct container connections with China and a marine gateway to the markets of central and eastern Europe

**Port of Piraeus**  
Port operator COSCO invested in improved transit capacity, primarily a rail link, which reduced the total delivery time to mainland Europe by 7-10 days and allowed the port to grow to become the largest in the Mediterranean

## KEY SUCCESS FACTORS

Application to Darwin

<b>Geography</b>	<ul style="list-style-type: none"> <li>› Closer proximity to key import markets (primarily Asia)</li> <li>› Natural (or expandable) deep-water harbour</li> </ul>	✓
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>› Existing rail corridor infrastructure, preferably with on-dock access</li> <li>› Existing port infrastructure</li> </ul>	✓
<b>Demographics</b>	<ul style="list-style-type: none"> <li>› Less populated area, away from major Central Business Districts</li> <li>› Supportive community and labour market</li> </ul>	✓
<b>Scalability</b>	<ul style="list-style-type: none"> <li>› Ample excess land available for development</li> <li>› Flexibility for staged development</li> </ul>	✓

# Containerised Freight opportunity

Land-bridging Stage One capacity is intended to roll-out in FY2025, with subsequent growth assessed in a staged approach, responding to demand from freight owners and shippers

## Operating

350k TEU  
Capacity (per annum)<sup>1</sup>



FY2023-FY2024

- > Central Corridor: 150k TEU per annum capacity<sup>1</sup>
- > National Interstate: Ramping up to 200k TEU per annum national capacity<sup>1</sup> following on from the announcement of an 11-year contract with Team Global Express (TGE) in February 2023

## Planned

450k TEU  
Capacity (per annum)<sup>2</sup>



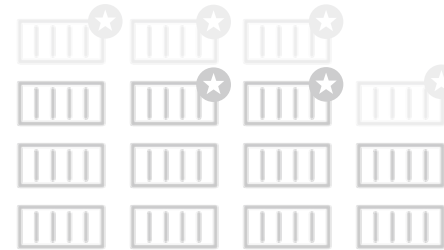
FY2025

*including Land-bridging Stage 1*

- > National capacity, substantially underpinned by a Central Corridor and TGE volumes East-West
- > Begin to utilise regional ports (and rail) to create alternative supply chains

## Aspiration

550-750k TEU  
Capacity (per annum)<sup>2</sup>



FY2026-FY2030

*including Land-bridging Stage 2*

- > Aspiration of >500k TEU annual volumes, based on a ~80% utilisation<sup>2</sup>
- > Match capacity to demand from freight forwarders, beneficial freight owners and shippers
- > Subject to demand and successful Stage 1 delivery and Aurizon's capital allocation framework

## Assess Opportunities

750k+ TEU  
Capacity (per annum)



FY2030+

*including Land-bridging Stage 3*

- > Subject to demand and successful Stage 2 delivery and application of Aurizon's capital allocation framework

Key: Each icon represents 50k annual TEU capacity

Central Corridor	National Interstate	Land-bridging	Total	Incremental capacity

1. Based April 2024 National Interstate schedule and Central Corridor using train lengths of ~1,800m and 6 services per week (noting current Central Corridor deployed capacity is ~100k TEU based on ~1,300m train lengths). Excludes intra-Queensland hook-and-pull services  
 2. Please refer to slide 3 for important cautionary language in respect of 'aspirational statements'. As noted in that slide, market share opportunities assume Aurizon secures part of an available range of organic and inorganic growth. There is a risk that Aurizon does not secure the assumed part or any of the available market growth

# Containerised Freight aspiration

Aurizon has an aspiration to grow the Containerised Freight business, and deliver value for our customers and shareholders through increased capacity, reliability, and service frequency

## LEVERS TO INCREASE VALUE

- › Differentiated proposition that attracts customers:
  - › Partners with customers to solve problems and support their growth
  - › Delivers time savings and greater efficiency
  - › Provides supply chain optionality, capacity, visibility and predictability
- › Optimising pathing to improve service offering and asset utilisation
- › Offering different services (e.g. sprinter, double stack)
- › Enhance national integrated port, rail, and terminal capability

## CONTAINERISED FREIGHT ASPIRATION



### Establish nationally significant containerised freight supply chain

Our aspiration to achieve

# >500k TEU

Annual volumes at FY2030<sup>1,2</sup>

*Equivalent to <10% of the current road+rail market<sup>3</sup>; or ~3% of the road+rail plus throughput at major Australian ports<sup>4</sup>*

EBITDA margin target<sup>1</sup>

## 20-30%

1. Please refer to slide 3 for important cautionary language in respect of 'aspirational statements'. As noted in that slide, market share opportunities assume Aurizon secures part of an available range of organic and inorganic growth. There is a risk that Aurizon does not secure the assumed part or any of the available market growth

2. Based on ~80% utilisation of Containerised Freight capacity including Land-bridging Stage 2 (see slide 29))

3. Bureau of Infrastructure, Transport and Regional Economics (Trainline 7), Aurizon analysis

4. Total annual TEU throughput of Australia's five international container ports (2021-22), Australian Competition and Consumer Commission, Container stevedoring monitoring report 2021-22

# Containerised Freight – Key takeaways

## National Interstate



Attractive interstate  
Containerised Freight  
value pool



Engagement with prospective  
customers providing robust  
demand expectations



Initial focus on safe and  
efficient services to support  
cornerstone customer



Clear pathway for increased  
utilisation, reliability and  
service frequency

## Land-bridging



Natural extension of  
Aurizon's Bulk and  
Containerised Freight  
businesses - leveraging  
existing capabilities



Offers an alternative supply  
chain that can potentially  
enhance the predictability and  
speed of container deliveries



Supported by global case  
studies that have been  
successfully implemented and  
operating for decades



Will be assessed and  
progressed in a staged  
approach



# Bulk

Anna Dartnell



# Bulk operations

Aurizon’s Bulk operations have grown significantly in recent years, in line with our Bulk ambitions as outlined at the 2021 Investor Day



## OVERVIEW

- › Aurizon Bulk incorporates both upstream and downstream services to provide transport and logistical solutions on a national scale
- › Rail, road and port services operating in Queensland, Western Australia, South Australia, Northern Territory and New South Wales
- › Integrated rail business with 2,460km of track infrastructure in central Australia
- › Revenue protection through CPI-linked rate escalations in almost all contracts

### BULK CENTRAL INTEGRATION

- › Acquisition completed July 2022
- › Projected synergies on-track
- › Key achievements<sup>1</sup>:
  - › Oz Minerals 5-year contract extension
  - › SIMEC 3-year contract extension
  - › Gypsum Resources Australia track investment and 10-year contract extension

### CAPACITY INVESTMENT

- › Investments to support capacity growth
  - › Rollingstock (standard gauge to support all regions)
  - › Terminal / port equipment
  - › Newcastle land acquisition

1. Includes contracts executed by One Rail Australia in July 2022

# Turnaround to growth



## Turnaround

*Loss making (EBIT) in FY17*

*Focus of first 5 years was on operating the business better*

*Cost base optimisation*

*Contract negotiations/variations*

*Incremental growth*



## Springboard

*Production to port capability*

*Increased footprint with investment in One Rail (Bulk Central)*

*More diversified product (and geographical) mix*

*Largest grain hauler in the country*



## Grow

*Proactive opportunity management*

*Build and acquire key capability to enable and unlock growth*

*Constant focus on cost base to maintain margins*

# Bulk business at a glance

Aurizon’s infrastructure footprint has grown substantially over the past three years to support bulk commodity haulage

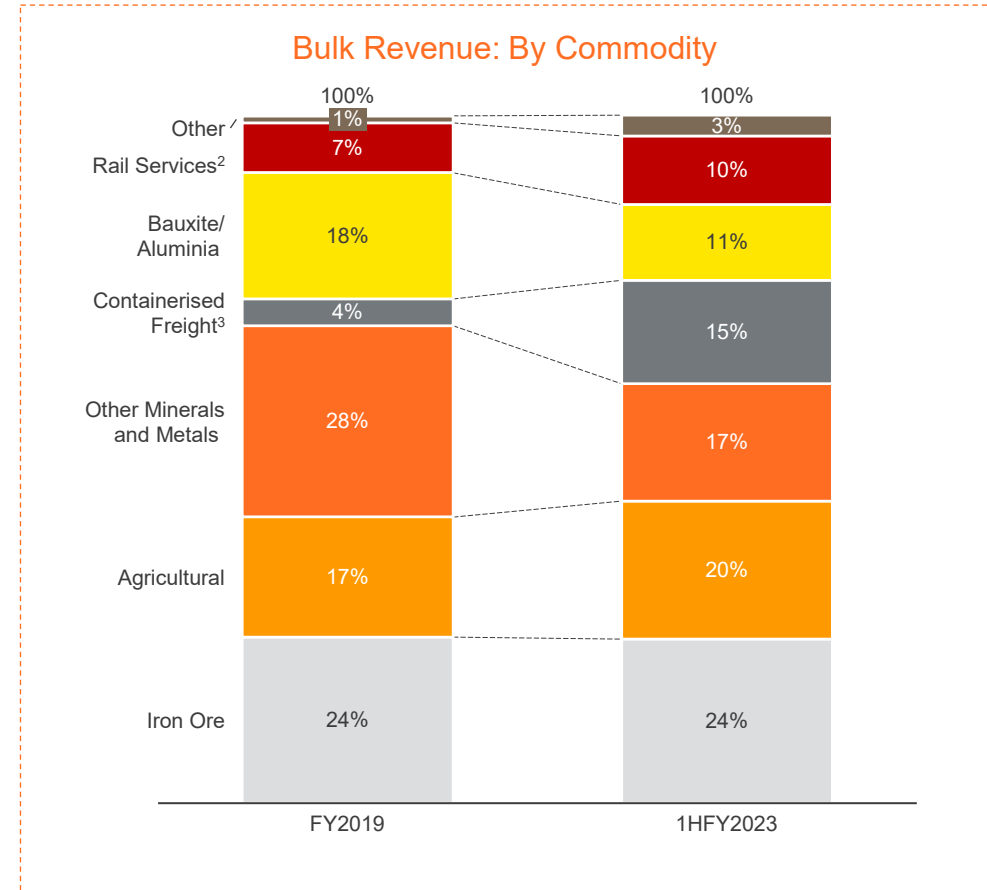
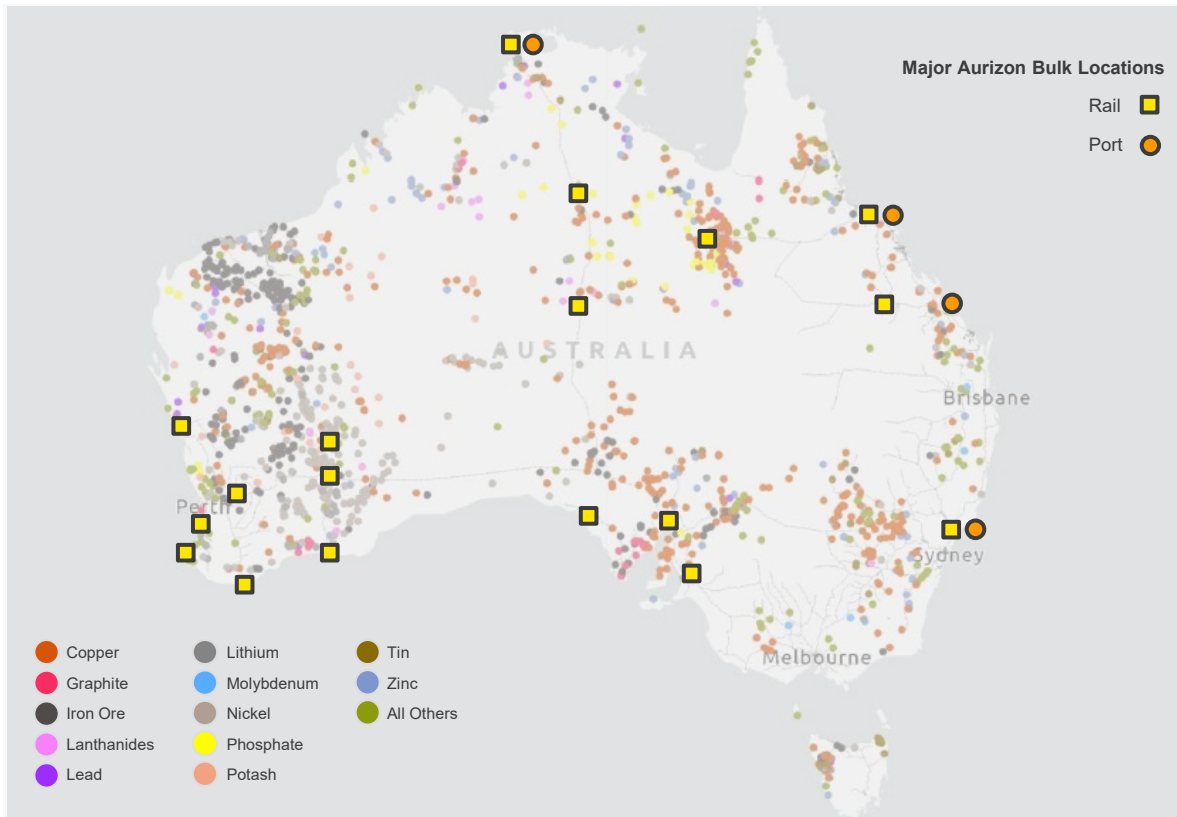
	 Trucks	 Locomotives	 Wagons	 Rail Infrastructure	 Port Terminal Access	 Stevedoring
<i>as at 31 December 2019</i>	10	171	2,095	<i>nil</i>	<i>nil</i>	<i>nil</i>
	↓	↓	↓	↓	↓	↓
<i>as at 30 June 2023</i>	44	254	3,712	2,460km Tarcoola-Darwin, SA Intrastate Network	Townsville, Newcastle, Gladstone, Darwin	1 shiploader 4 harbour cranes <i>including two scheduled for delivery to Darwin in CY2023</i>



# Bulk: Australian mine projects

There are over 1,400 mine projects<sup>1</sup> across Australia, with copper, iron ore and nickel the dominant commodities. As these develop it will further diversify and drive Aurizon Bulk growth

## Bulk: Australian mine projects<sup>1</sup>



1. S&P Market Intelligence (Mine projects: Commodities excludes precious metals, Project status exploration to pre-production).  
 2. Rail services consists of non-volume related operations such as track maintenance and third party track access  
 3. Containerised Freight is Central Corridor and Queensland Hook-and-Pull only. Excludes National Interstate

# Bulk Central

## Mine projects<sup>1</sup>



### Nolans

RARE EARTHS

*Arafura Resources*



### Wonarah

PHOSPHATE

*Avenira*



### Jervois

COPPER

*KGL Resources*



### Frances Creek

IRON ORE

*Linecrest*



### Warrego

IRON ORE

*Northern Iron*



### Hawks Nest

IRON ORE

*Peak Iron*



### Tivan Plant

VANADIUM | TITANIUM

IRON ORE

*Tivan*



### Ammaroo

PHOSPHATE

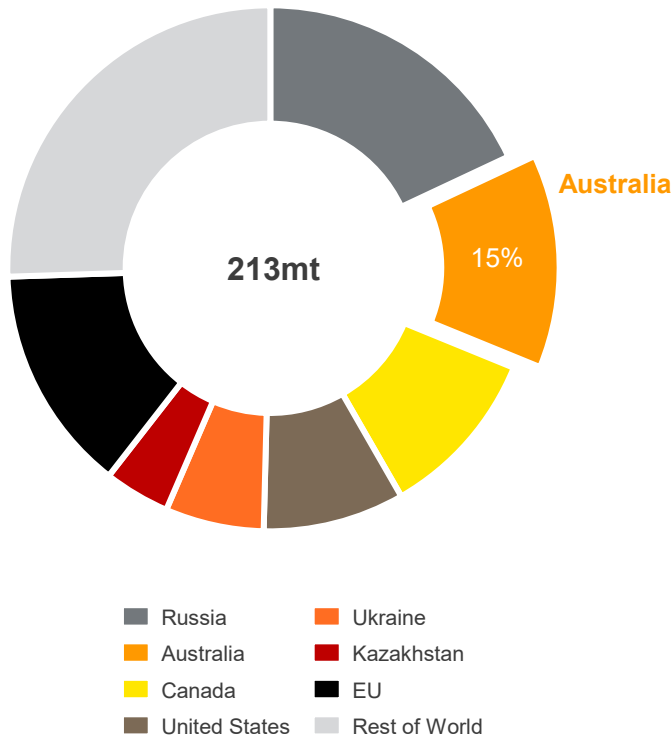
*Verdant Minerals*

1. Selected mine projects (not exhaustive): Feasibility study or later development stage, located in South Australia and the Northern Territory, excludes precious metals projects. The projects listed on this slide are not contracted to Aurizon

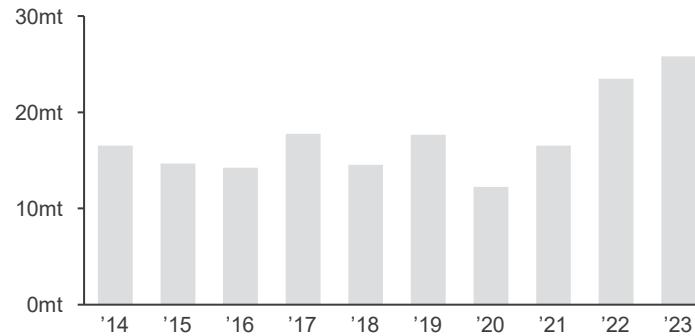
# Focus on grain

Aurizon is Australia’s largest hauler of grain and is primarily exposed to the stable export facing regions of Western Australia and South Australia

GLOBAL WHEAT EXPORT VOLUME (2022-23)<sup>1</sup>

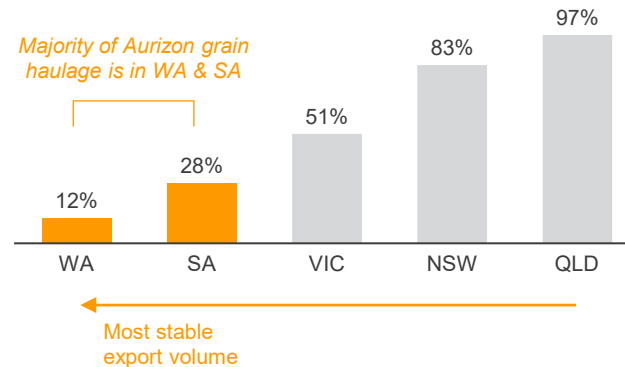


WESTERN AUSTRALIA: CROP PRODUCTION VOLUME<sup>2</sup>



AUSTRALIA: WHEAT EXPORT VOLATILITY<sup>3</sup>

Standard deviation % of average annual export volume (FY13-FY22)



- › Most stable grain export volume from Western Australia and South Australia
- › Record winter crop harvest in Western Australia and South Australia in 2022-23 season
- › Support by State and Federal governments, \$200 million investment in regional rail freight network in Western Australia
- › Australia’s largest grain co-operative, CBH Group announced a \$4 billion investment over the next 10 years to reach a monthly export capacity of 3mt by 2033

1. USDA (Grain: World Markets and Trade – May 2023)

2. Australian Bureau of Statistics, ABARES Crop Report (June 2023), Western Australia crop production (winter and summer) volume by marketing year

3. ABARES, Standard deviation of Australian wheat exports (FY13-FY22) as a percentage of average annual Australian wheat exports (FY13-FY22) by state

# Growth in new markets

Aurizon has a track record of securing new bulk haulage contracts

## Tronox



- › Started in 2022
- › Train services commenced connecting Ivanhoe (NSW) with Broken Hill, and Broken Hill with Kwinana (WA)
- › Rail transport removes the variance seen with coastal shipping, providing supply and cost certainty to Tronox

## Centrex



- › Started in 2022
- › A true integrated offering, delivering phosphate rock from mine gate to railhead in Mt Isa (QLD) by road, railing to Townsville, then using Aurizon Port Services to store product and load vessels
- › A steady-state supply chain model in the sole custody of Aurizon provides Centrex with the assurance that shipments will be fulfilled through start-up and into project maturity

## GRA Gypsum



- › \$20m upgrade of Aurizon-leased track between Kevin (SA) and Thevenard including replacement rail/sleepers and track resurfacing and extension of sections to facilitate longer trains
- › Cascade of two narrow-gauge locomotives from Queensland, replacing seven lower-horsepower locomotives plus additional higher capacity surplus wagons
- › Backed by ten-year contract extension (20+ year mine life)
- › Long term, lower cost to operate, 20% higher tonnage with additional capacity available



# Bulk: FY2030 aspiration

Aspiration to achieve a 25-30% share of the estimated addressable bulk (EBITDA) market of ~\$1.7 billion at FY2030<sup>1</sup>



## Drive Bulk growth across national footprint

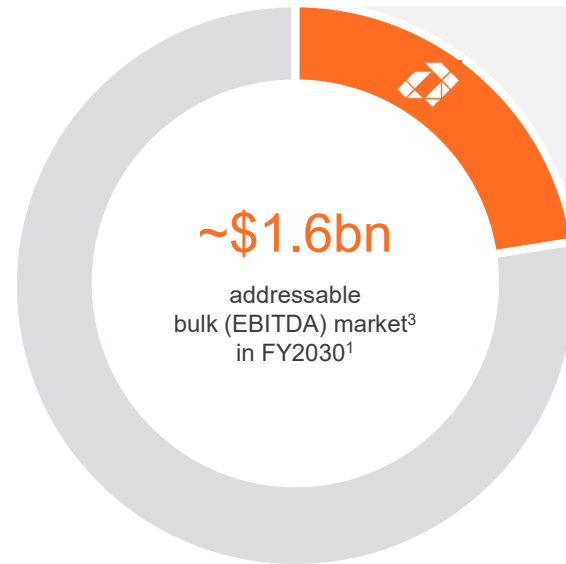
### Market size

- › Further growth in targeted bulk commodities

### Market share

- › Acquisition of One Rail Australia (Bulk Central Corridor)
- › Increased installed capacity and visibility of opportunities

Investor Day: 2021



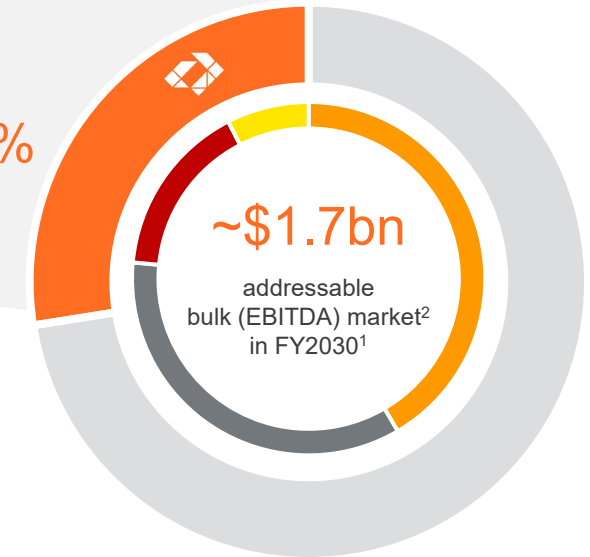
~\$300-\$360m  
implied EBITDA in FY2030<sup>3</sup>

Our aspiration to achieve

20-25% > 25-30%

share of addressable bulk (EBITDA) market in FY2030

Investor Day: 2023



■ Rail ■ Bulk Port Services ■ Road ■ Other

~\$400-\$500m  
implied EBITDA in FY2030<sup>1</sup>

1. Please refer to slide 3 for important cautionary language in respect of 'aspirational statements'. As noted in that slide, market share opportunities assume Aurizon secures part of an available range of organic and inorganic growth. There is a risk that Aurizon does not secure the assumed part or any of the available market growth  
 2. Addressable market estimate includes bulk product transport only and excludes coal, oil, fuel and Cape York Peninsula bauxite and Pilbara iron ore  
 3. Aurizon Investor Day (June 2021) full presentation available on Aurizon website including important statements about the future and scenario analysis targets. Previous FY2030 aspiration given as ~\$250-\$300m EBIT (of a ~\$1.25b addressable EBIT market), converted to EBITDA

# Bulk – Key takeaways



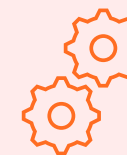
Updated FY2030 aspiration driven by acquisition of One Rail and positive Bulk market dynamics



Infrastructure footprint has grown to support Bulk haulage volume growth



Focused on hauling commodities associated with economic growth, energy transition and food



Existing fleet scale and flexibility supports growth opportunities and delivers capex efficiencies



# Capital allocation & Aurizon fleet

George Lippiatt

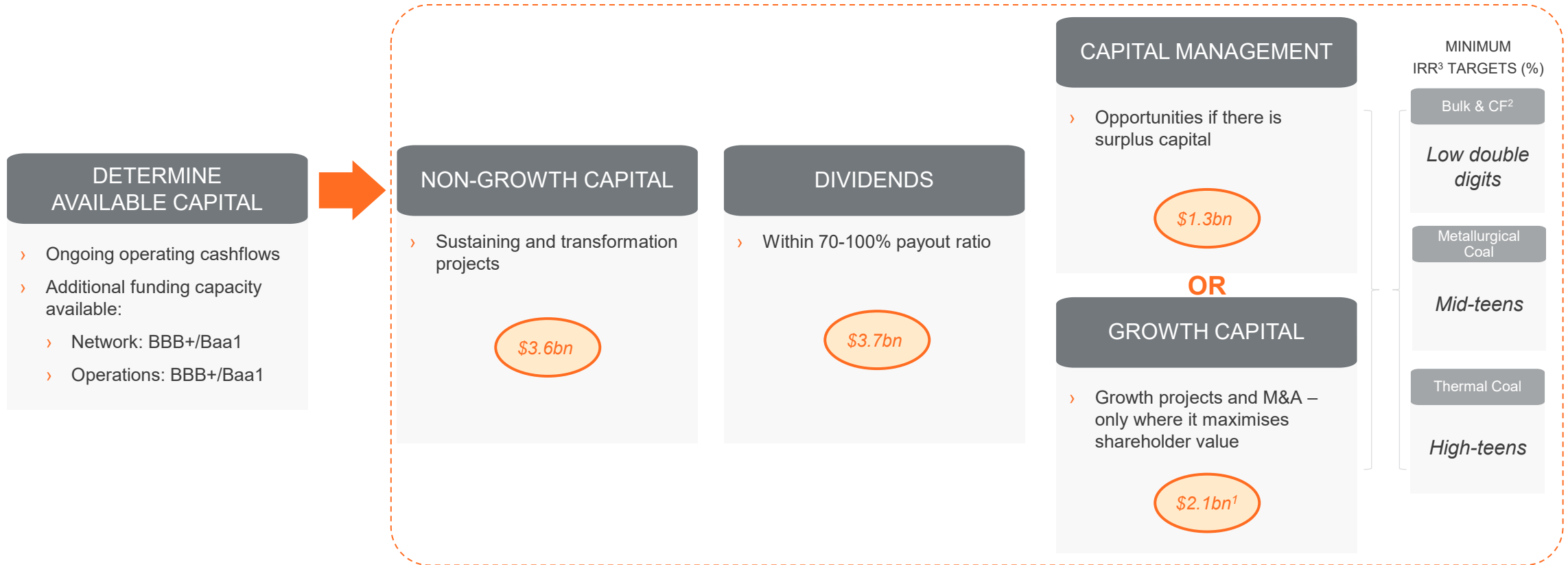




# Capital allocation framework

Aurizon’s capital allocation framework is designed to maximise shareholder value and has seen \$5bn returned to shareholders since FY16

## CAPITAL ALLOCATION HIERARCHY



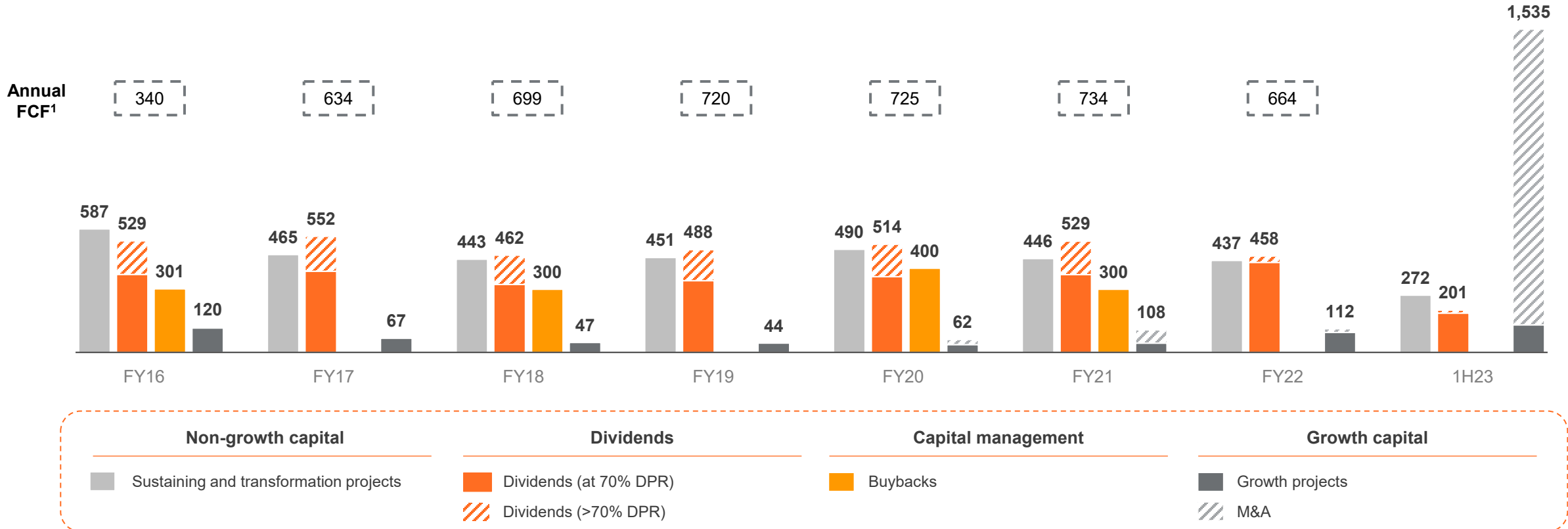
Cumulative capital allocated (FY16 to 1H FY23)

1. Net of East Coast Rail divestment  
 2. CF – Containerised Freight  
 3. Unlevered pre-tax IRR targets for non-regulated (non-Network) opportunities

# Application of framework

Aurizon has consistently returned capital to shareholders, while balancing sustaining capex to maintain operations, and investing in attractive growth opportunities

## HISTORICAL ALLOCATION OF AVAILABLE CAPITAL (\$M)



1. Net cash flow from operating activities less net cash outflow from investing activities less interest paid. Includes continuing and discontinued operations



# Assessing capital for Bulk strategic aim

Aurizon will continue to utilise its capital allocation framework and key asset positions to support the strategic aims outlined today



## Drive Bulk growth across national footprint

Our aspiration to achieve

**25-30%**

share of an estimated addressable bulk (EBITDA) market of

**~\$1.7 billion**

would imply an EBITDA of

**~\$400-\$500m**

at FY2030<sup>1</sup>



## Growth Capital<sup>2</sup>

*~\$60m per annum*

*(average from FY2025 to FY2030)*

1. Please refer to slide 3 for important cautionary language in respect of 'aspirational statements'. As noted in that slide, market share opportunities assume Aurizon secures part of an available range of organic and inorganic growth. There is a risk that Aurizon does not secure the assumed part or any of the available market growth

2. Figures shown are high level, indicative estimate

# Assessing capital for Containerised Freight strategic aim

Aurizon will continue to utilise its capital allocation framework and key asset positions to support the strategic aims outlined today

Key: Each icon represents 50k annual TEU capacity

- Central Corridor
- National Interstate
- Land-bridging
- Total
- Incremental capacity

**Operating<sup>1</sup>**  
350k TEU<sup>1</sup>  
Capacity (per annum)



**FY2023-FY2024**

**Estimated Capital Requirement**  
For incremental capacity

~\$325m

National Interstate, Darwin mobile harbour cranes and initial Stage 1 landbridge rollingstock

**Planned**

450k TEU  
Capacity (per annum)



**FY2025**

including Land-bridge Stage 1

~\$100m<sup>3</sup>

rollingstock, terminals and crossing loops

**Aspiration**

550-750k TEU  
Capacity (per annum)



**FY2026-FY2030**

including Land-bridge Stage 2

to be determined

**Assess Opportunities**

750k+ TEU  
Capacity (per annum)



**FY2030+**

including Land-bridge Stage 3

to be determined

EBITDA margin target<sup>2</sup>  
**20-30%**

IRR Target  
**Low double digits to mid-teens**

1. Based April 2024 National Interstate schedule and Central Corridor using train lengths of ~1,800m and 6 services per week (noting current Central Corridor deployed capacity is ~100k TEU based on ~1,300m train lengths). Excludes intra-Queensland hook-and-pull services  
2. Please refer to slide 3 for important cautionary language in respect of 'aspirational statements'  
3. Subject to capital approvals

# Strategy In Uncertainty and commodity growth<sup>1</sup>

Aurizon's *Strategy In Uncertainty* uses scenarios to test commodity market drivers and inform decision making

**Strategy in Uncertainty:** Scenario analysis to enable the business to evaluate capital, fleet and haulage opportunities, and sustainability in the context of climate change risks

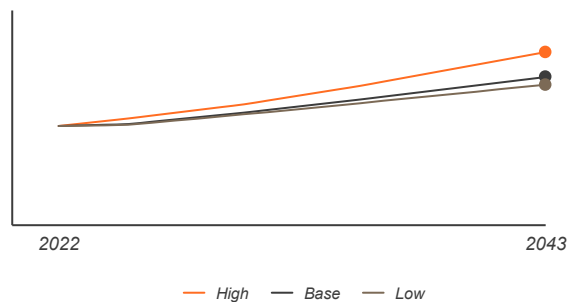
## Containerised Freight

Australian non-bulk rail freight volume scenario by corridor aligned with BITRE freight forecast report<sup>2</sup>

The East-West corridor is based on the modelled relationship with Western Australian economic output – Gross State Product (GSP)

North-South corridor forecast is modelled as a function of New South Wales–Victoria–Queensland GSP

Australia: Non-Bulk Rail Freight Volume Scenarios

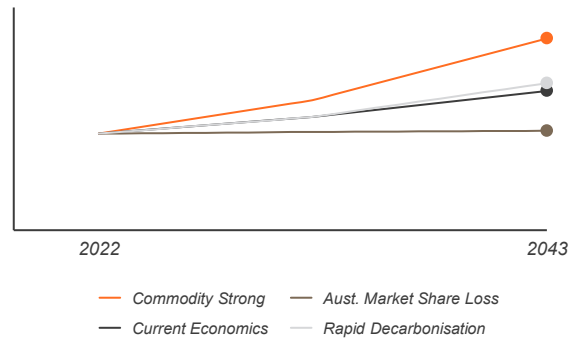


## Bulk

Volumes are identified from mine projects at prefeasibility study stage and further developed. Given wide range of commodities (>20), four broader market driven scenarios are formed

All Bulk scenarios demonstrate positive growth outlooks. The Commodity Strong and Rapid Decarbonisation scenario provides upside. See following page for more details

Volume Scenarios<sup>3</sup>

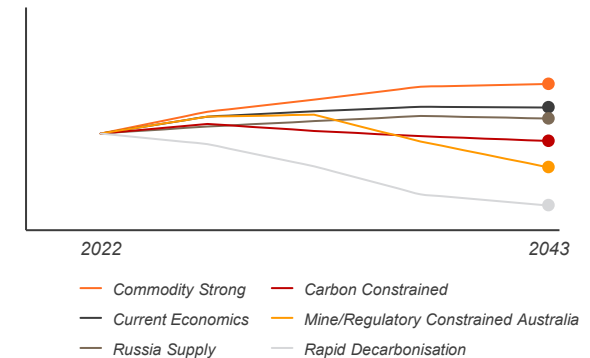


## Coal

Scenarios are built on fundamental drivers of economic growth, global power generation, steel production and coal supply

Under all but one scenario in the first ten years, there is flat to moderate growth in Australian export volume. Thereafter there is naturally a greater divergence

Australia: Coal Export Volume Scenarios



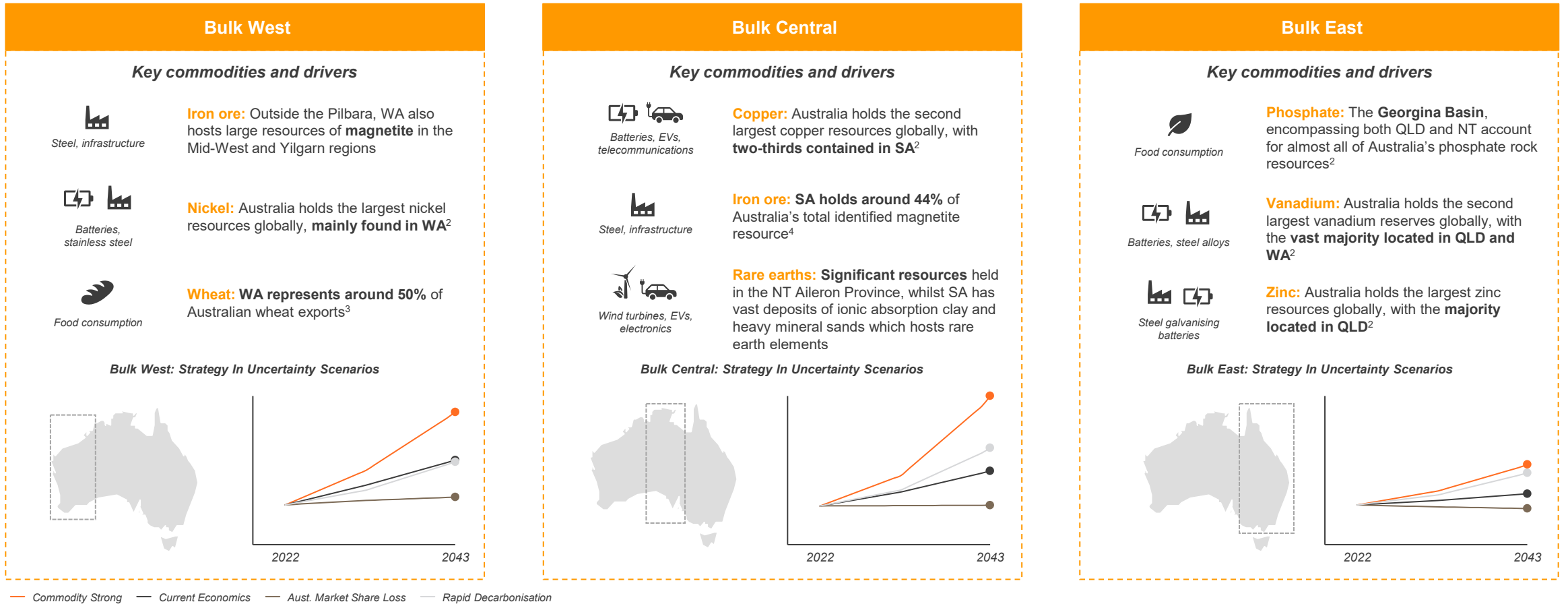
1. Aurizon uses scenarios to inform planning processes. As noted on slide 2, these scenarios and associated modelling are not predictions or forecasts and do not constitute definitive outcomes for Aurizon, accordingly there can be no assurance that any such scenarios will be realised (and Aurizon makes no representation as to the accuracy or completeness of any such scenarios). It is difficult to predict which, if any, of these scenarios might eventuate. The charts are intended to show at a high level the direction of expected outcomes if the stated elements of the relevant scenario occur

2. Bureau of Infrastructure Transports Research Economics (BITRE), Australian aggregate freight forecasts (2022 update). Non-bulk rail freight dataset (billion tonne kilometres)

3. Rail transport share and Aurizon market share assumptions (by state/territory) are applied to national growth scenarios. See following slide for additional detail

# Strategy In Uncertainty and commodity growth<sup>1</sup>

Bulk commodity demand is leveraged to Asian economic growth and the global energy transition. Bulk Central has increased Aurizon’s exposure to key commodities



1. Aurizon uses scenarios to inform planning processes. As noted on slide 2, these scenarios and associated modelling are not predictions or forecasts and do not constitute definitive outcomes for Aurizon, accordingly there can be no assurance that any such scenarios will be realised (and Aurizon makes no representation as to the accuracy or completeness of any such scenarios). It is difficult to predict which, if any, of these scenarios might eventuate. The charts are intended to show at a high level the direction of expected outcomes if the stated elements of the relevant scenario occur

2. Geoscience Australia

3. Australia Bureau of Statistics (FY18-FY22 average)

4. South Australian Government, SA Magnetite Strategy (December 2017)



# Strategy In Uncertainty and commodity growth<sup>1</sup>

Updated scenarios (including the acquisition of One Rail) and the establishment of Containerised Freight indicate an overall positive impact on the previously provided modelled cash flow range

Modelled 20-Year Volumes: Movement against Current Volumes<sup>2</sup>

Scenario	Network	Coal	Bulk	Containerised Freight <sup>4</sup>
Commodity Strong	↑	↑	↑	↑
Current Economics	↑	↑	↑	↑
Australia Market Share Loss	↑	↑	↑	↑
Mine/Regulatory Constrained	↑	↓	↑ <sup>3</sup>	↑
Carbon Constrained Asia	↑	↓	↑ <sup>3</sup>	↑
Rapid Decarbonisation	↓	↓	↑	↑

Legend:  <-10%    >10%

Impact of developments on the June 2021 modelled average cash flows for FY2022 to FY2040 (\$500-\$650m<sup>1</sup>)...

Development	Impact
One Rail acquisition (Bulk Central) <i>Future-facing minerals exposure</i>	↑
Containerised Freight <i>Stable growth linked to GDP, and land-bridging capacity</i>	↑
Bulk Contract Wins <i>Centrex, Tronox, CBH</i>	↑
~2yrs closer to thermal coal demand contraction under Rapid Decarbonisation	↓

1. Aurizon Investor Day (June 2021) full presentation available on Aurizon website including important statements about the future and scenario analysis targets. Aurizon uses scenarios to inform planning processes. As noted on slide 2, these scenarios and associated modelling are not predictions or forecasts and do not constitute definitive outcomes for Aurizon, accordingly there can be no assurance that any such scenarios will be realised (and Aurizon makes no representation as to the accuracy or completeness of any such scenarios). It is difficult to predict which, if any, of these scenarios might eventuate

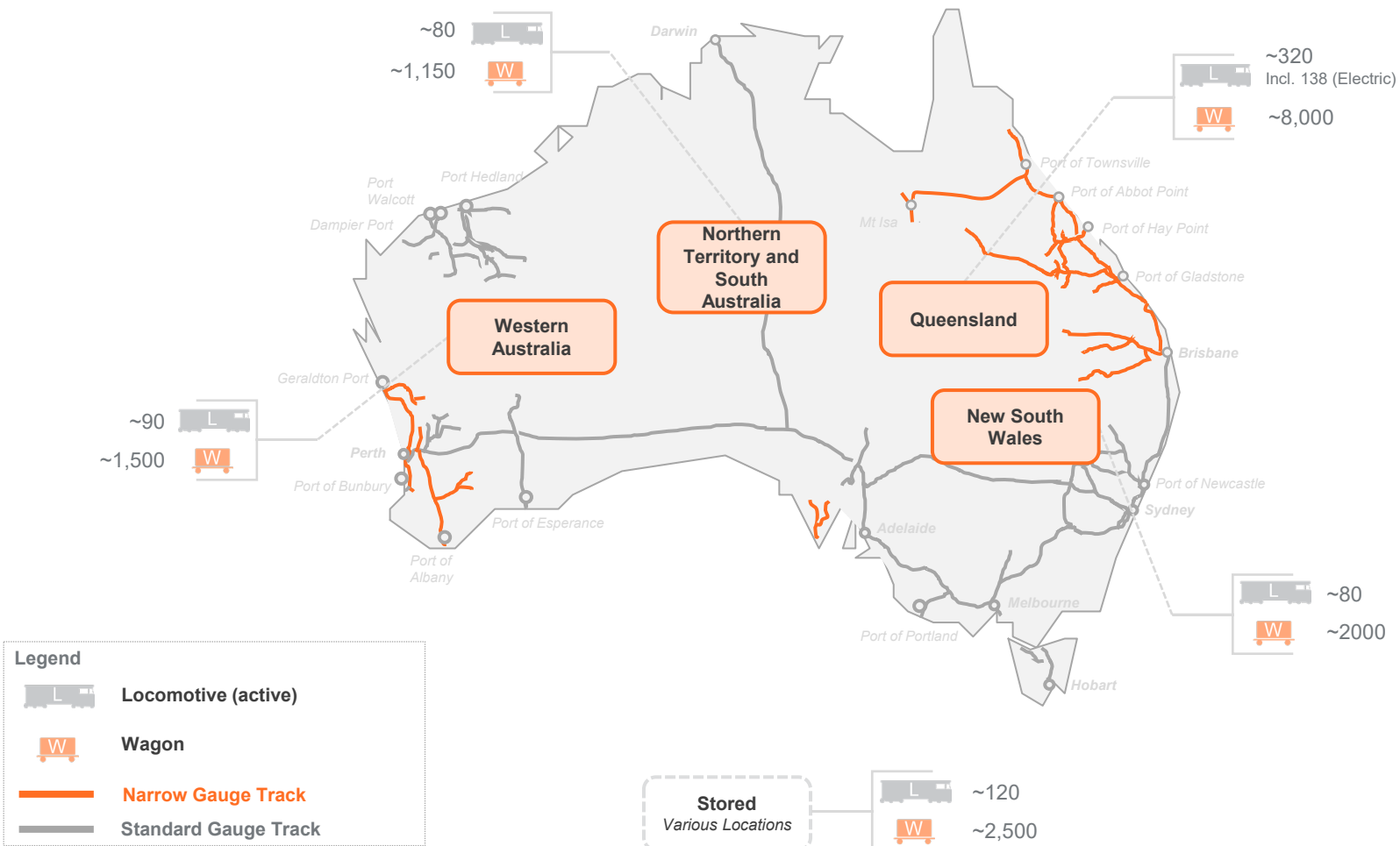
2. Table shows change in average 20 year volume (FY2024 to FY2043) by scenario, compared to estimated volume in FY2024

3. Bulk: Mine/Regulatory Constrained and Carbon Constrained Asia draw upon the Current Economics scenario

4. Containerised Freight mapping: Commodity Strong – High, Current Economics – Base, Australia Market Share Loss – Low, Mine/Regulatory Constrained – Base, Carbon Constrained Asia – Base, Rapid Decarbonisation – Base

# Aurizon fleet position

Fleet scale and flexibility supports cashflows and growth opportunities nationally

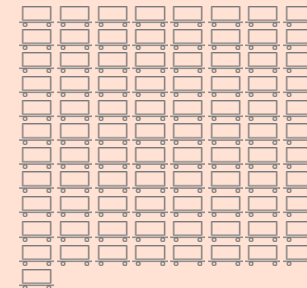


## FLEET REDEPLOYMENTS – COAL TO BULK

Since 2021, Aurizon’s flexible fleet has allowed for the redeployment of Coal assets to the Bulk business



**16**  
Locomotives



**93**  
Wagon  
Conversions



Picture: Locomotive 6023 being redeployed NSW to Western Australia.

# Aurizon fleet position

Examples of recent fleet investments and redeployments delivering value

## New Investments



- Standard gauge locomotives**
- › 10 already received with additional 20 on order
  - › Representing ~4% of AZJ total fleet



- Flatbed wagons**
- › 500 received
  - › Represents ~3% of AZJ total wagons



- LZ Locomotive reinstatements**
- › Returning to service 4 x LZ class locos
  - › Reinstated units to release premium horsepower units for growth opportunities

## Redeployments



- Redeploying from NSW Coal to WA Bulk**
- › Premium standard gauge locomotives diverted from Coal NSW to grow Iron Ore, Mineral Sands, and Grain services



- Converting coal wagons to grain hoppers**
- › 68 Coal-to-Grain conversions undertaken to stand-up new grain services



- Cascading locomotives to South Australia**
- › Two 2300D class stowed narrow gauge locomotives cascaded from Coal to Bulk Central
  - › Facilitated de-activation of older (and lower horsepower locomotives)

## Bulk Locomotive Changes



# Aurizon fleet position and decarbonisation

Decarbonising Aurizon’s fleet will likely require three platforms that we will develop, trial and embed in our operations before large scale rollout of successful solutions<sup>1</sup>

## Zero Emission platforms



### Battery Electric Locomotive (BEL)

Targeting Retrofit

Platform provided by Locomotive OEMs, with pantograph charging system and lithium-ion battery technology providing tractive effort and capturing regenerative braking energy



### Battery Electric Tender (BET)

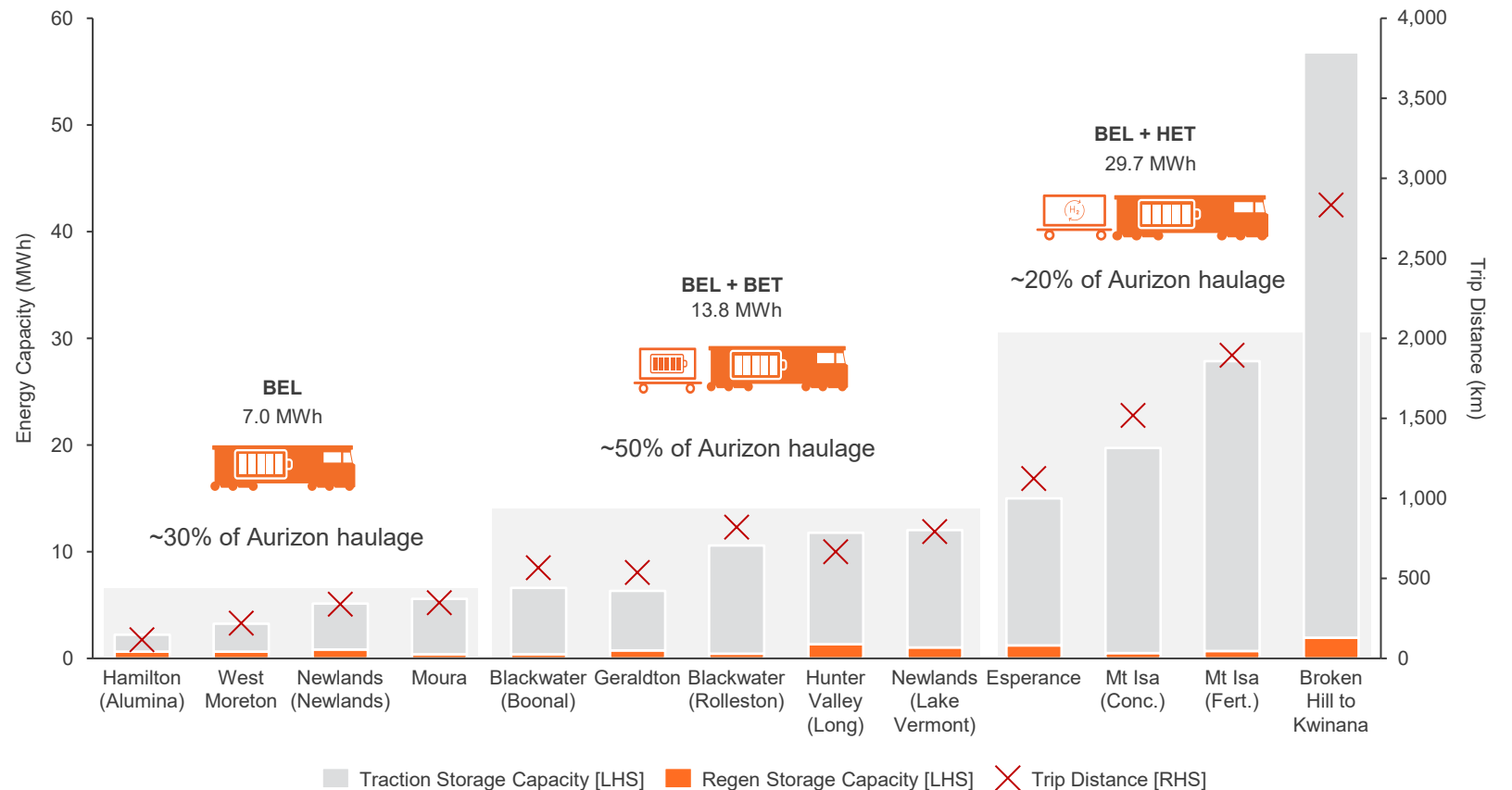
Provides additional battery capacity to the BEL providing range extension for mid-range haulage tasks



### Hydrogen Electric Tender (HET)

Hydrogen storage and fuel cell charger on wheels, charges BEL during operation providing range extension for the longest haulage tasks

## CORRIDOR ENERGY REQUIREMENTS VS ALTERNATIVE FUEL SOLUTIONS<sup>2</sup>



1. The implementation of Aurizon’s alternative fuel solutions rely on several future factors, including but not limited to battery capacity, availability, and cost, as well as associated infrastructure and Government policy  
 2. As at FY2022. Source: Application and limitations of batteries and hydrogen in heavy haul rail using Australian case studies, Journal of Energy Storage (Issue 56, 2022)



# Bank and insurance support

Aurizon continues to be well supported in both bank and insurance markets

*Banking group increased over time and bank debt margin has reduced*

Operations: Number of Lenders

**15 banks**

*+11 banks since FY2014*

Network: Number of Lenders

**12 banks**

*-1 bank since FY2014*

Weighted Average Margins Across Group<sup>1</sup>

**↓16%**

*since FY2014*

*Net debt / EBITDA remains conservative*

Operations: Net Debt / EBITDA<sup>2</sup>

**2.3x**

Network: Net Debt / EBITDA<sup>2</sup>

**4.5x**

Operations | Network Credit Ratings<sup>3</sup>

**BBB+/Baa1**

*Insurance cost over time has decreased*

Insurance Premiums<sup>4</sup>

**↓34%**

*since FY2014 (compared with FY2023)*

Insurance Premiums<sup>4</sup> and claims incurred within captive retentions<sup>5</sup>

**↓20%**

*since FY2014 (compared to annual average between FY2015-FY2023)*

1. Based on weighted average margins for Operations and Network bank debt  
 2. Unaudited numbers as at 30 June 2023 subject to revision prior to release of statutory accounts  
 3. S&P, Moody's respectively  
 4. Premiums exclude brokerage and other statutory charges, Directors & Officers and Bulk Central  
 5. Includes average annual claims paid and reserved by the captive

# Capital allocation and Aurizon fleet – Key takeaways



Capital allocation framework is unchanged and has seen \$5bn returned to shareholders since FY2016



Recent investments and installed capacity are key drivers for Bulk and Containerised Freight aspirations



Investments are positioned to benefit from the energy transition and Asian economic growth



Fleet scale and flexibility combined with ongoing bank and insurer support, positions Aurizon to deliver our aspirations

# Key messages for today



## Australia's leading integrated rail provider

5,130km track infrastructure;  
~700 locomotives; ~15,000 wagons;  
~5,390 employees (FTE)



Network and Coal businesses are resilient, generating free cash flow



Consistently returned capital to shareholders, with \$5 billion returned since FY16



## Updated Bulk aspiration

Aspiration to achieve a 25-30% market share of an estimated \$1.7 billion addressable bulk (EBITDA) market at FY2030<sup>1</sup>



Greater market share and operational synergies unlocked from One Rail acquisition



Significant exposure to new economy commodities



## Containerised Freight aspiration including a national land-bridging solution

FY2030: >500 thousand TEU annual volume<sup>1,2</sup>



Initial focus on safe and efficient services as Containerised Freight schedule ramps up



Darwin's proximity to Asia combined with Aurizon's existing assets make it a logical land-bridging opportunity

1. See slide 19 for additional information regarding aspirations. Please also refer to slide 3 for important cautionary language in respect of 'aspirational statements'. As noted in that slide, market share opportunities assume Aurizon secures part of an available range of organic and inorganic growth. There is a risk that Aurizon does not secure the assumed part or any of the available market growth  
2. Based on ~80% utilisation of Containerised Freight capacity including Land-bridging Stage 2 (see slide 29)



**AURIZON®**

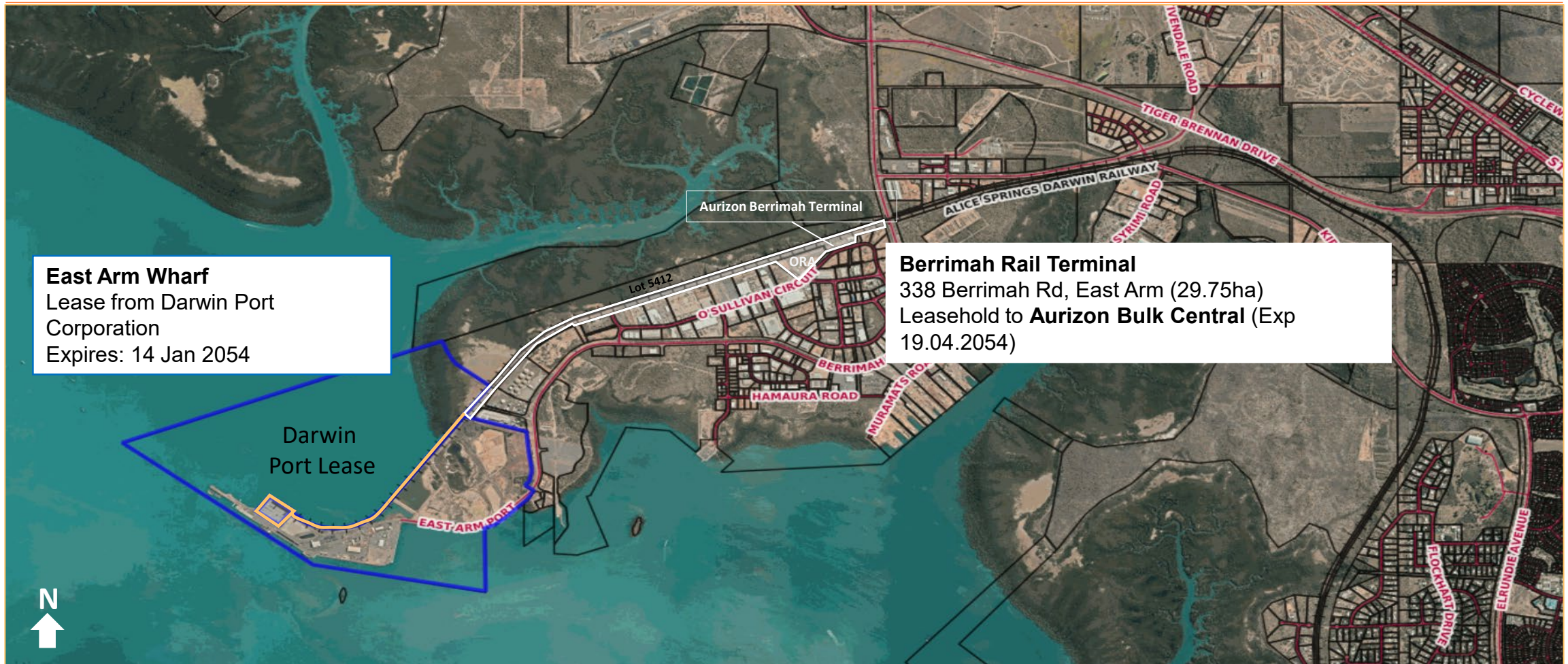


# Appendix





# Aurizon Port Services - Darwin



# Tarcoola-Darwin: Below rail infrastructure

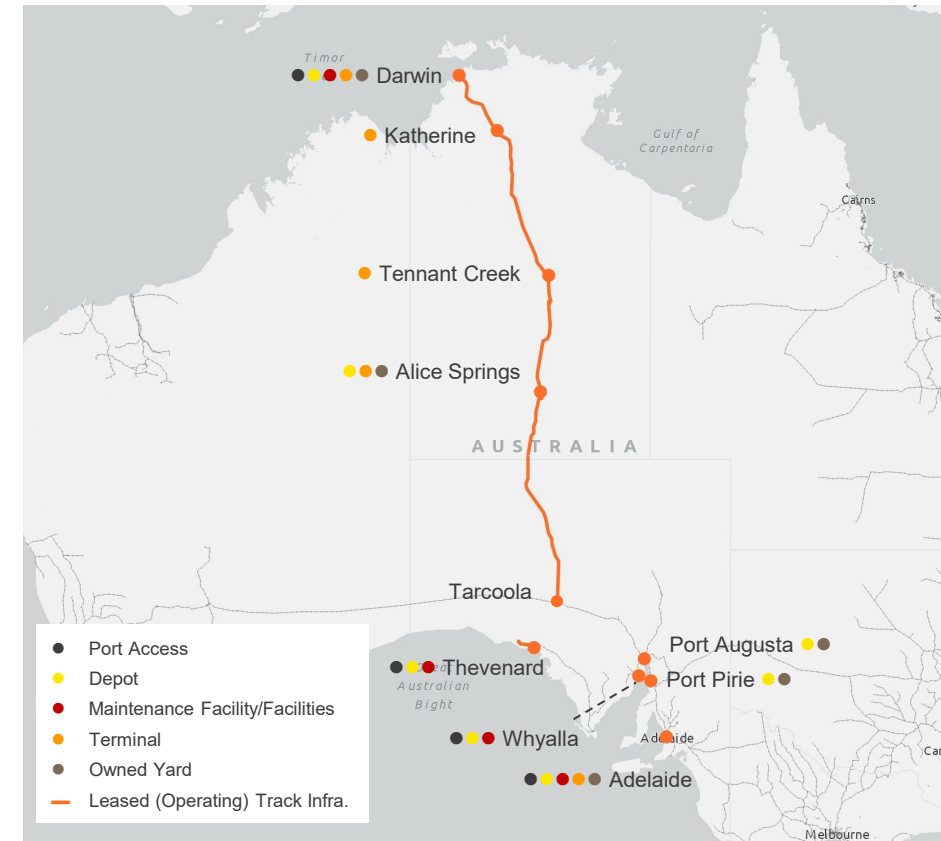
A critical piece of rail infrastructure to support long-term growth aspirations

## OVERVIEW

- › Economic owner of two long term rail concessions covering 2,460km<sup>1</sup> of track across South Australia and Northern Territory
- › Revenue underpinned by a regulatory regime and negotiate / arbitrate framework regulated by *Essential Services Commission of South Australia*
- › Readily available capacity to support growth opportunities

	Tarcoola-Darwin <sup>1</sup>	SA Interstate Network <sup>1</sup>
<b>Concession Grantor</b>	AustralAsia Railway Corporation	SA Government
<b>Expiration</b>	2054	2047
<b>Track (km)</b>	2,245	215

## TRACK INFRASTRUCTURE



1. Track infrastructure is Tarcoola to Darwin and operating South Australia (SA) intrastate infrastructure (Kevin to Thevenard line, and yards/sidings on the interstate mainline). Non-operating SA track includes: Eyre Peninsula lines (excluding Thevenard), Mid-North and Barossa lines and Murray-Mallee region lines

# Network: Maximum Allowable Revenue

The Maximum Allowable Revenue (MAR) is the total regulatory revenue Aurizon Network is permitted to earn each year

## PRELIMINARY ALLOWABLE REVENUE (\$m)<sup>1</sup>

Building block component	2023/24	2024/25	2025/26	2026/27
Return on capital	493.7	498.9	504.7	508.1
Depreciation (less inflation)	249.5	265.8	297.6	310.9
Direct maintenance costs	164.1	174.9	175.8	179.5
Indirect maintenance costs	17.5	17.3	16.7	16.4
Non-electric operating expenditure	135.1	135.1	135.1	135.1
Electric operating expenditure	72.0	72.0	72.0	72.0
Tax allowance	49.2	50.5	54.9	55.6
Adjustments	62.6	31.6	32.3	33.1
<b>Total</b>	<b>1,243.8</b>	<b>1,246.0</b>	<b>1,289.1</b>	<b>1,310.7</b>
<b>Total (excluding GAPE)</b>	<b>1,088.0</b>	<b>1,101.5</b>	<b>1,145.0</b>	<b>1,187.1</b>

MAR reflects the regulatory access revenue that Network is entitled to earn from the provision of coal carrying train services in the CQCN. It excludes non-regulated revenue such as Non-Coal access, GAPE fees, WIRP fees, Electric Traction and Other Revenue. The MAR also excludes rebate payments made to customers in respect of Mine Specific Infrastructure included in the RAB which customers have funded via Access Facilitation Deed (AFD) arrangements.

<sup>1</sup> The table above reflects the preliminary Allowable Revenues approved by the QCA on 25 May 2023. Aurizon Network will submit revisions to the preliminary Allowable Revenues to reflect its calculation of the Final Reset WACC and the Final Reset inflation rate, prior to 31 July 2023. While the Final Reset Values will take effect from 1 July 2023, FY2024 Allowable Revenue will not be amended during that year to reflect the QCA's decision on the Final Reset Values. Any variation between Final Reset Values and preliminary Reset Values will be included in FY2026 Revenue Adjustment Amounts.



# Aurizon's Strategy in Uncertainty framework

*Strategy In Uncertainty* uses scenarios to test market drivers and evaluate capital, fleet and haulage opportunities

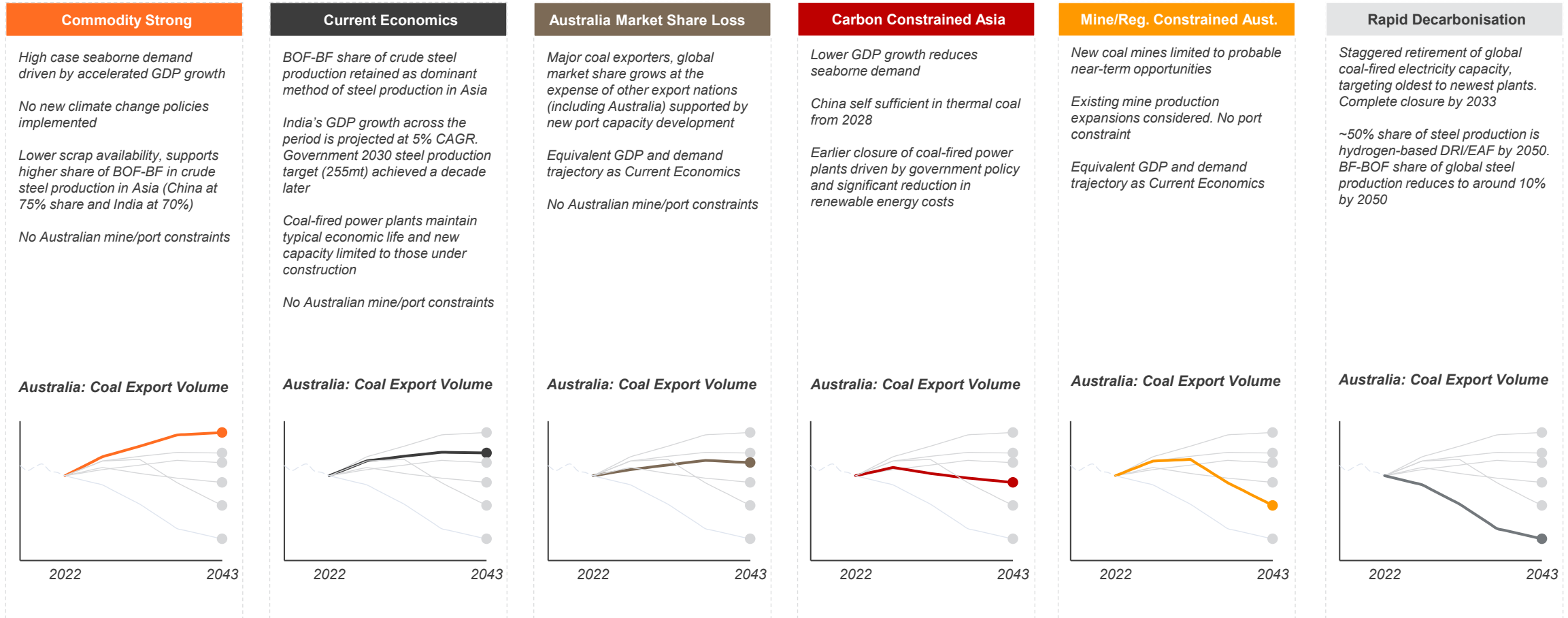
## OUR APPROACH

- > Assess fundamental drivers of seaborne demand for metallurgical and thermal coal
- > We also consider more subjective factors, such as government policy and trade considerations
- > Assess Australian supply considering current and future production
- > Scenarios also include Bulk commodity outlook to provide an integrated Group view

## STRATEGY IN UNCERTAINTY: KEY DRIVERS

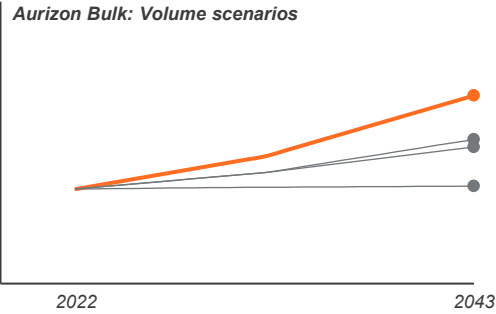
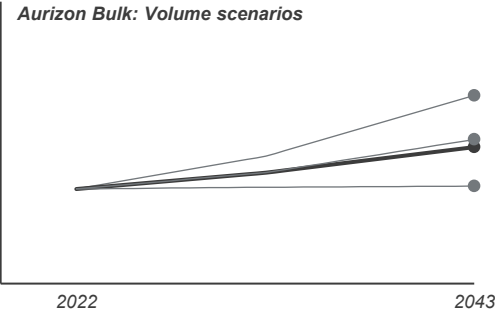
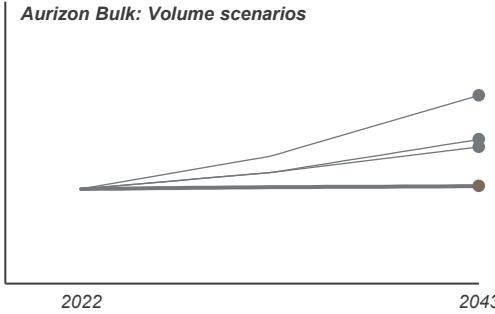
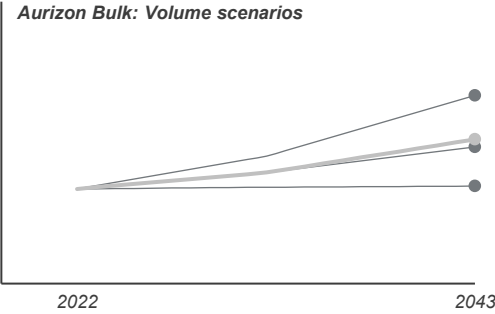
Metallurgical coal demand	Thermal coal demand	Australia coal supply	Australia Bulk demand
GDP	GDP	Operating coal mine production	Infrastructure development
Climate policy	Climate policy	Trade flows	Food consumption
Crude steel production	Energy intensity	Export infrastructure	Energy transition
Scrap availability	Energy generation and capacity mix	Global competitiveness	Australia mine projects pipeline
Steel production method	Coal-generation fleet pipeline	Domestic coal requirements	Australia mine life
Domestic coal supply / import reliance	Domestic coal supply / import reliance	Climate policy	Convertible road volumes (to rail)
		Coal mine project pipeline	

# Coal Strategy In Uncertainty Scenarios<sup>1</sup>



1. Aurizon uses scenarios to inform planning processes. As noted on slide 2, these scenarios and associated modelling are not predictions or forecasts and do not constitute definitive outcomes for Aurizon, accordingly there can be no assurance that any such scenarios will be realised (and Aurizon makes no representation as to the accuracy or completeness of any such scenarios). It is difficult to predict which, if any, of these scenarios might eventuate. The charts are intended to show at a high level the direction of expected outcomes if the stated elements of the relevant scenario occur

# Bulk Strategy In Uncertainty Scenarios<sup>1</sup>

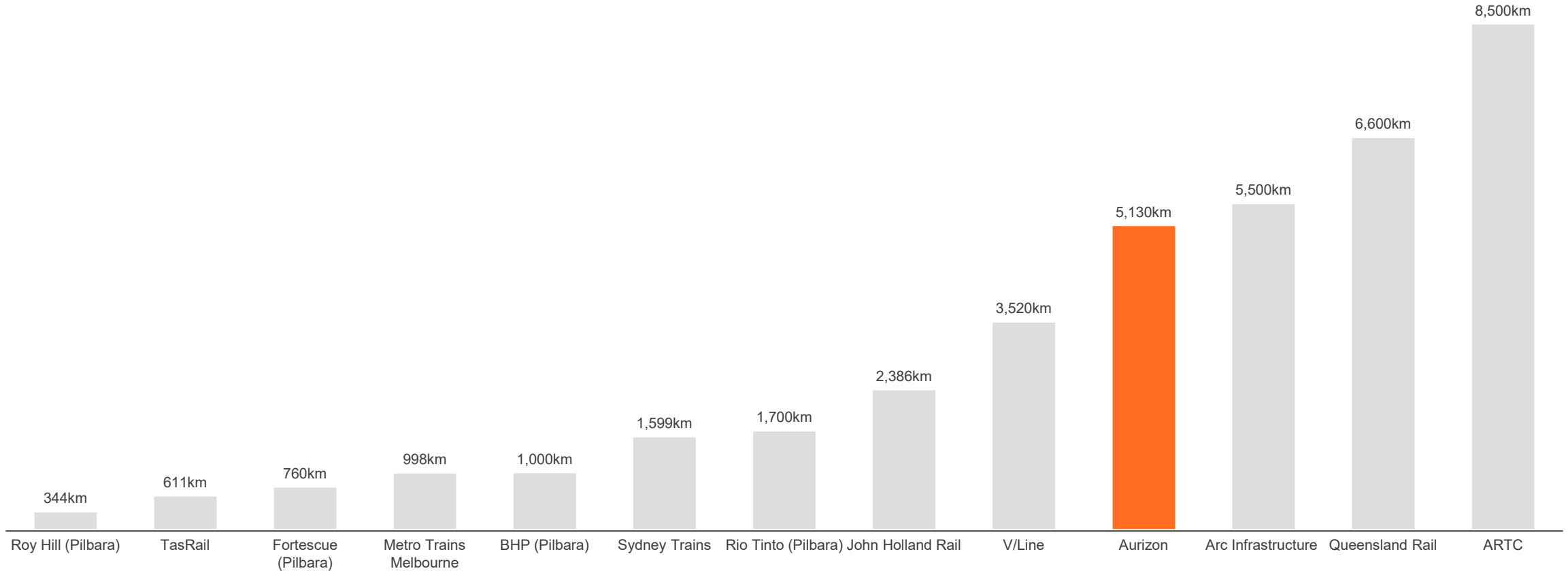
Commodity Strong	Current Economics	Australia Market Share Loss	Rapid Decarbonisation
<ul style="list-style-type: none"> <li>Stronger GDP growth in Asia</li> <li>Low scrap availability reduces use of electric arc furnaces (EAF)</li> <li>Food consumption increases significantly per capita</li> <li>Commercial battery storage drives mineral demand</li> <li>Increased global instability drives investment in Australia</li> <li>Favourable growing conditions and effective farm management practices in Australia, drive higher crop yields</li> </ul>	<ul style="list-style-type: none"> <li>China steel production remains above 800mtpa over scenario period</li> <li>India achieves steel production growth of 4 to 5% pa</li> <li>Global population growth and limited arable land supports increased use of fertilisers</li> <li>Sales of electric vehicles (EVs) reach over 30 million by 2030<sup>2</sup></li> <li>Australia maintains strong cost competitiveness</li> <li>Favourable growing conditions and effective farm management practices in Australia, support sustained higher crop yields</li> </ul>	<ul style="list-style-type: none"> <li>Australia's cost competitiveness declines, resulting in loss of market share</li> <li>Regulation (mining, environmental and heritage) becomes increasingly stringent in Australia</li> <li>Unfavourable growing conditions in Australia and reduced productivity, leads to lower crop volumes</li> </ul>	<ul style="list-style-type: none"> <li>Accelerated implementation of climate change policies</li> <li>Around 50% share of steel making from hydrogen by mid-century. Magnetite projects prioritised given high iron content and low impurities</li> <li>Strong investment in commercial battery storage in addition to electric vehicles and renewable energy infrastructure drive increased demand for battery minerals and base metals</li> </ul>
<p><b>Aurizon Bulk: Volume scenarios</b></p> 	<p><b>Aurizon Bulk: Volume scenarios</b></p> 	<p><b>Aurizon Bulk: Volume scenarios</b></p> 	<p><b>Aurizon Bulk: Volume scenarios</b></p> 

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2. International Energy Agency Global Electric Vehicle Outlook 2022

# Aurizon: Below rail infrastructure

## Australian Rail Infrastructure Management (kilometres)



Notes: Rail infrastructure management <200km excluded. TasRail: route kilometres of operational rail track only. BHP (Pilbara): includes rail infrastructure. Sydney Trains: includes track managed and maintained. Rio Tinto: includes rail network and related infrastructure. John Holland Rail (Country Regional Network (NSW) – contracted infrastructure manager): includes operational rail track only. One Rail: Tarcoola to Darwin and operating South Australia (SA) intrastate infrastructure (Kevin to Thevenard line, and yards/sidings on the interstate mainline). Non-operating SA track: Eyre Peninsula lines (excluding Thevenard), Mid-North and Barossa lines and Murray-Mallee region lines. V/line: includes leased and maintained rail track. Arc Infrastructure: includes rail track not in use. Australian Rail Track Corporation (ARTC): distance in route kilometres, includes rail network managed and maintained. Source: Company websites, Sydney Trains Corporate Plan 2022-23



# Glossary

Metric	Description
Access Revenue	Amounts received by Aurizon Network for access to the Network infrastructure under all Access Agreements
AFD	Access Facilitation Deed
Average haul length	NTK/Total tonnes
Contract utilisation	Total volumes hauled as a percentage of total volumes contracted
CQCN	Central Queensland Coal Network
dGTK	Diesel fuel used per Gross tonne kilometre. GTK is a unit of measure representing the movement over a distance of one kilometre of one tonne of vehicle and contents including the weight of the locomotive & wagons
ESG	Environment, Social & Governance
Footplate hours	A measure of train crew productivity
Free cash flow (FCF)	Net operating cash flows less net cash flow from investing activities less interest paid
FTE	Full Time Equivalent - The number of unique employee positions filled by all Aurizon employees (excluding contractors/consultants) as at period end. The NTK/Employee metric for the half year is annualised for comparative purposes and uses period-end FTE
FWC	Fair Work Commission
GAPE	Goonyella to Abbot Point Expansion
Gearing	Net debt/(net debt + equity)
Gross Contracted NTKs	Gross contracted tonnages multiplied by the loaded distances (calculated on a contract by contract basis)
GTKs	Gross Tonne Kilometres
Maintenance	Maintenance costs exclude costs associated with traction, telecommunication, ballast and undercutting, rail renewals, flood repairs and derailments
MAR	Maximum Allowable Revenue that Aurizon Network Pty Ltd is entitled to earn from the provision of coal carrying train services in the CQCN
Mtpa	Million tonnes per annum
NTK	Net Tonne Kilometre. NTK is a unit of measure representing the movement over a distance of one kilometre of one tonne of contents excluding the weight of the locomotive and wagons
Operating Ratio	1 – EBIT margin. Operating ratio calculated using underlying revenue which excludes interest income & significant items
Opex	Operating expense including depreciation and amortisation
Payload	The average weight of product hauled on behalf of Aurizon customers per service, calculated as total net tonnes hauled / total number of services
PIA	Protected Industrial Action
QCA	Queensland Competition Authority
ROIC	ROIC is defined as underlying rolling twelve-month EBIT divided by the average invested capital. The average invested capital is calculated as the rolling twelve-month average of net assets (excluding cash, borrowings, tax, derivative financial assets and liabilities)
TCFD	Task Force on Climate related Financial Disclosures
Take-or-Pay	Contractual Take-or-Pay provisions entitles Aurizon Network to recoup a portion of any lost revenue resulting from actual tonnages railed being less than the regulatory approved tonnage forecast
Underlying	Underlying earnings is a non-statutory measure and is the primary reporting measure used by Management and the Group's chief operating decision making bodies for the purpose of managing and determining financial performance of the business. Underlying results differ from the Group's statutory results. Underlying adjusts for significant/one-off items
Velocity	The average speed (km/h) of Aurizon train services (excluding yard dwell)
WACC	Weighted average cost of capital
WIRP	Wiggins Island Rail Project