



Aurizon Holdings Limited
ABN 14 146 335 622

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

14 February 2022

Half Year Results Presentation

Please find attached for immediate release to the market, the Half Year Results presentation.

The presentation will be delivered to an analyst and investor briefing via webcast which will commence at 9.30am Brisbane time (AEST) / 10.30am Sydney time (AEDT). This briefing will be accessible via the Company's website: <https://ccmediaframe.com/?id=0rxqZpZA>

Yours faithfully

A handwritten signature in blue ink, appearing to read "M. Wenck", followed by a horizontal line.

David Wenck
Company Secretary

Authorised for lodgement by the Aurizon Holdings Limited Board of Directors

1HFY2022 Results

14 February 2022



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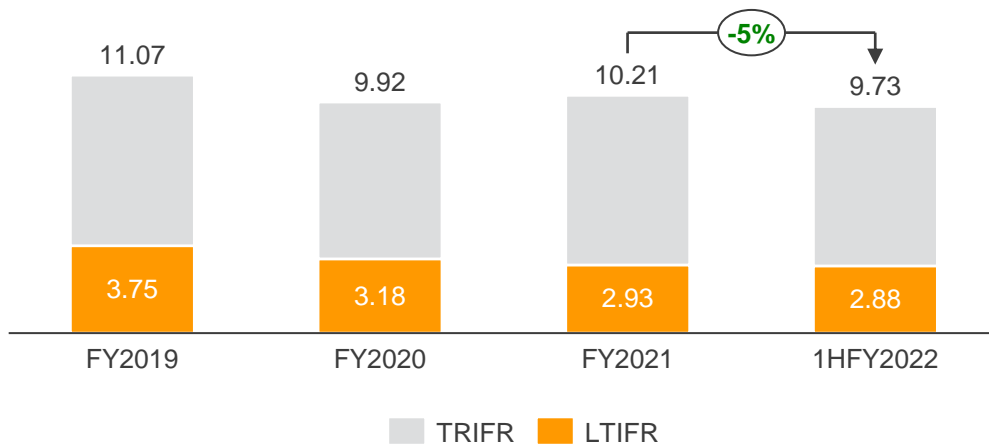
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Safety performance

TRIFR, LTIFR and RPS all improved. Introduction of new measure (SIFRa+p) to better represent business activities and enhance focus on incidents that have the potential for serious injury

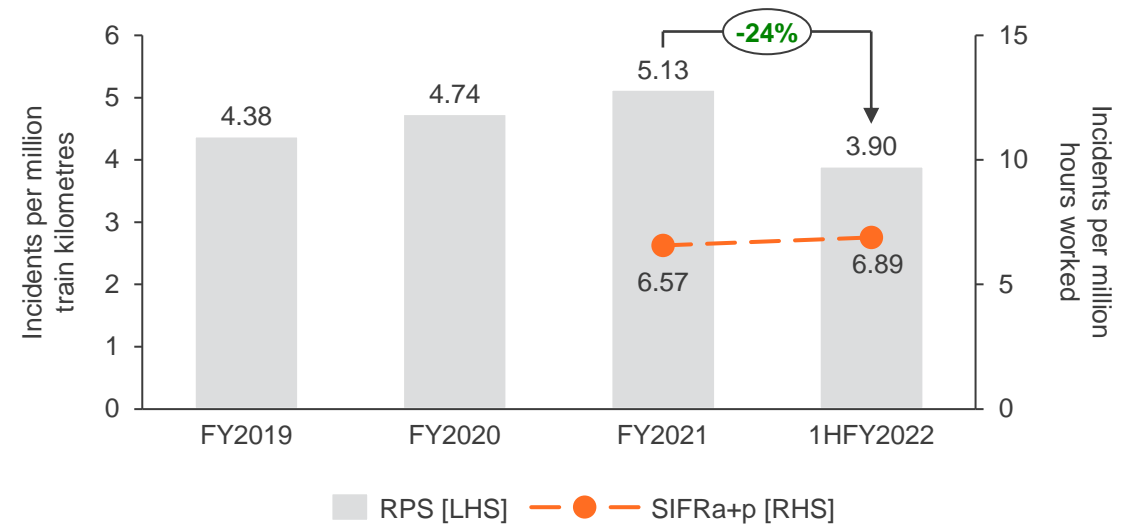
TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)¹ AND LOST TIME INJURY FREQUENCY RATE (LTIFR)

Incidents per million hours worked



- › Both TRIFR and LTIFR reduced in 1HFY2022 compared to prior year by 5% and 2% respectively
- › TRIFR is a broader measure of all reportable injuries, including lost time, medical treatment and restricted work injuries
- › Since FY19 the frequency of injuries with more significant consequence has continued to reduce

RAIL PROCESS SAFETY (RPS)² AND POTENTIAL SERIOUS INJURY AND FATALITY FREQUENCY RATE (SIFRa+p)³



- › No serious injuries during the period
- › 24% improvement in RPS compared to prior year
- › New measure (SIFRa+p) measures the number of incidents (across all rail and non-rail operations) that had the potential to cause, or did cause, serious injury or fatality. The result is expressed per million hours worked

1. Total Recordable Injury Frequency Rate (TRIFR) is the number of instances (per million hours worked) of Lost Time Injuries, medical treatment injuries and restricted work Injuries sustained by employees and contractors. LTIFR is the number of instances of Lost Time Injuries (per million hours worked)

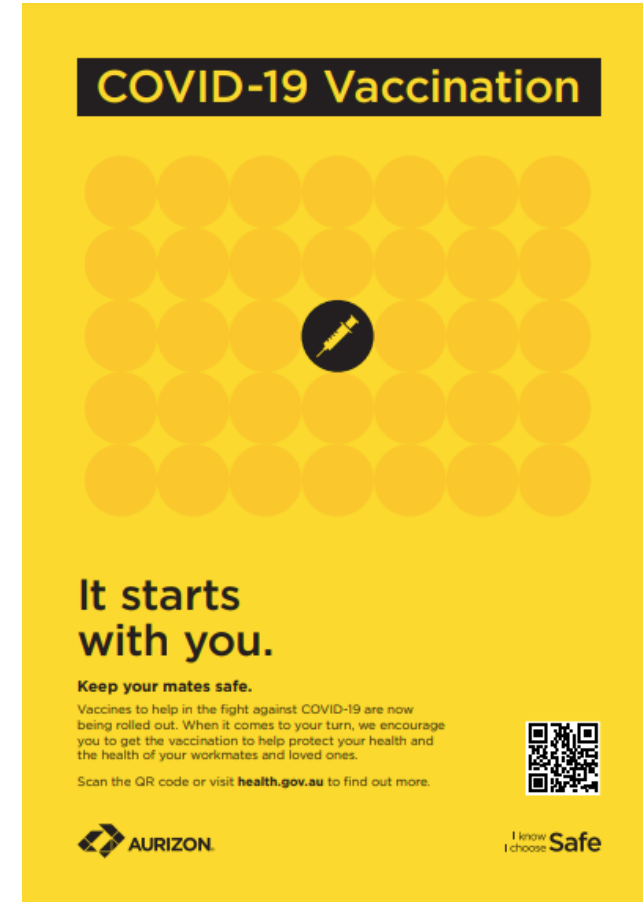
2. Rail Process Safety (RPS) - Signals Passed at Danger (SPAD), derailments and rollingstock-to-rollingstock collision incident. The result is expressed per million train kilometres

3. Potential Serious Injury and Fatality Frequency Rate (SIFRa+p) measures the number of incidents that had the potential to cause, or did cause, serious injury or fatality. The result is expressed per million hours worked. SIFRa+p has been measured since FY2021

COVID-19: Update

Limited operational impact to date with strict protocols still in place

- › Strict protocols in place since mid-2020 to protect our people
- › Limited direct impact to our business during the half, although border closures have created some challenges
- › Crisis Management Team (chaired by MD & CEO) continues to operate, guided by expert advice from Aurizon's Chief Medical Officer in addition to health and government authorities
- › Lower absenteeism for COVID-19 than industry levels
- › Unplanned leave increased in January, but impact manageable
- › As an essential service, we have been able to continue to operate the freight supply chains that are vital for our communities, farmers, manufacturers and the resources sector



An aerial photograph showing a long train of grain wagons stretching into the distance on a straight track. The landscape is flat and arid, with sparse vegetation. To the left of the track, there is a large area of land with some industrial structures and a body of water. To the right, there is a paved road and more trees.

Performance overview

Andrew Harding
Managing Director & CEO

Picture: Grain haul in Goondiwindi, South East Queensland

1HFY2022 Results¹

Resilient results despite lower volumes and Bulk costs increasing ahead of contracted growth.
Dividend reduction in advance of One Rail acquisition

EBITDA

\$727m

down 1%

STATUTORY NPAT

\$257m

down 4%

ROIC

10.4%

down 0.4ppts

FREE CASHFLOW

\$362m

up 26%

BULK: REVENUE² SHARE
(EXCLUDES NETWORK)

33%

up 1ppt

INTERIM DIVIDEND³

10.5cps

down 27%

1. All amounts are underlying and on a continuing basis unless otherwise stated. Comparisons are against 1HFY2021

2. Revenue is the sum of the Coal and Bulk business units (excluding track access) and excludes the Network business unit

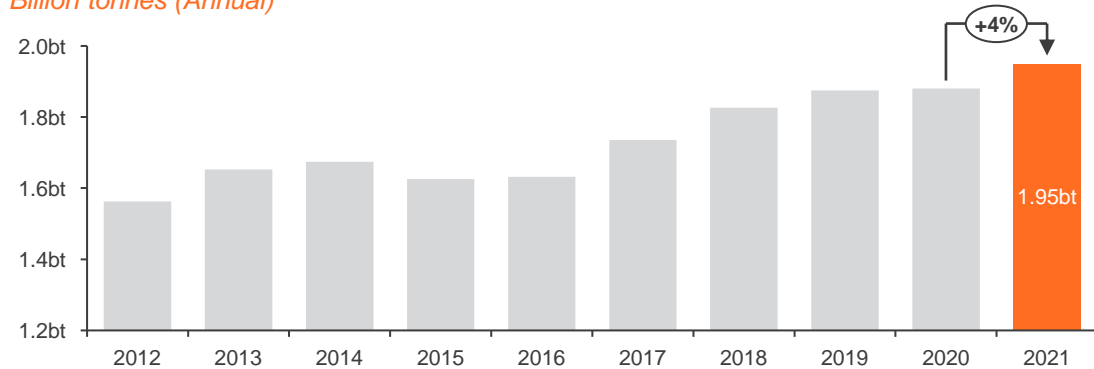
3. Interim dividend 95% franked. Ex Dividend Date: 28 February 2022, Record Date: 1 March 2022, Payment Date: 30 March 2022

Commodity markets update

Record global crude steel production in CY2021. Record Australian grain export volume forecast for 2021-22 season

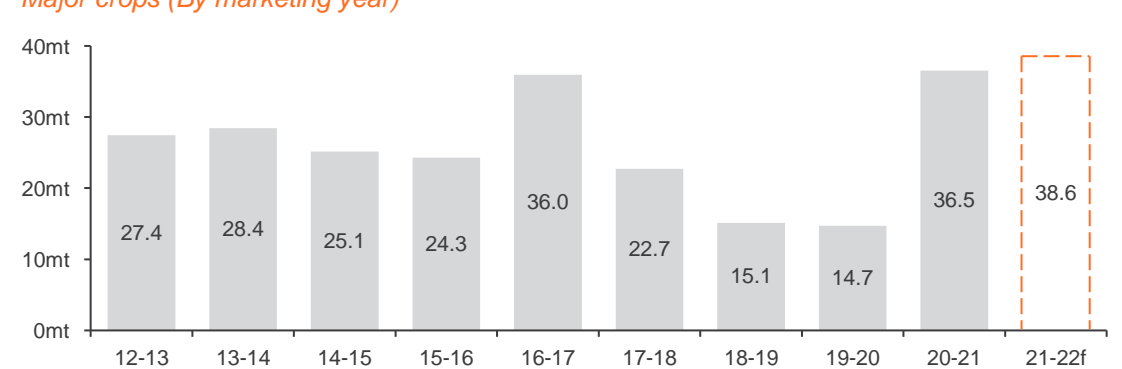
GLOBAL CRUDE STEEL PRODUCTION¹

Billion tonnes (Annual)



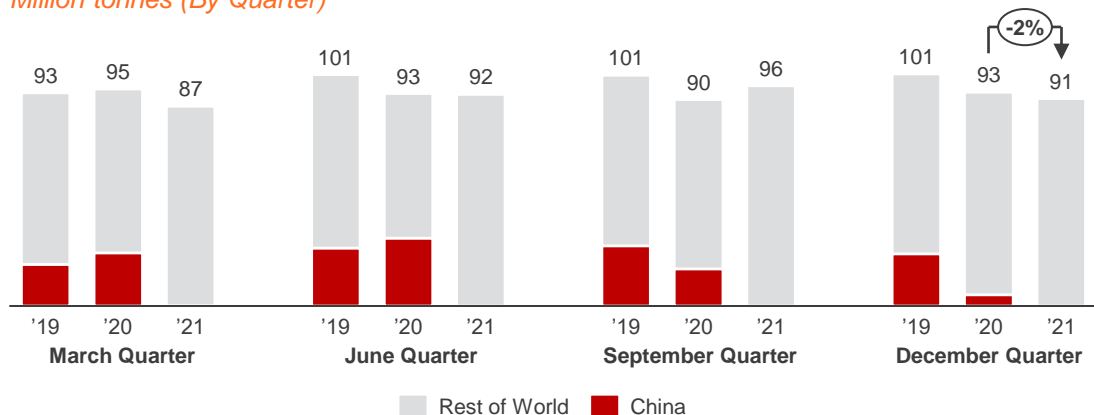
AUSTRALIAN GRAIN EXPORTS³

Major crops (By marketing year)



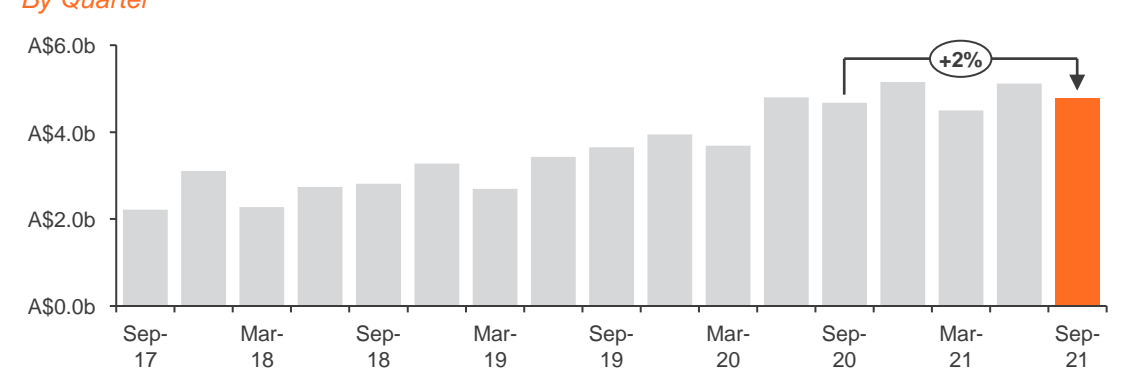
AUSTRALIAN TOTAL COAL EXPORT VOLUME²

Million tonnes (By Quarter)



AUSTRALIAN CAPITAL EXPENDITURE: METAL ORE MINING⁴

By Quarter



1. World Steel Association. 2 Australian Bureau of Statistics. 3. ABARES: Agricultural Commodities (December quarter 2021), Australian Crop Report data (December 2021). Major crops include: Wheat, Barley and Canola which represent >90% of total Australian grain exports (2011-2020 average). Marketing year (Wheat: Oct-Sep, Barley & Canola: Nov-Oct). 4. Australian Bureau of Statistics. Metal ore mining commodities includes: iron ore, bauxite, copper, gold, mineral sands, nickel, silver-lead-zinc and other metal ores

Business Unit highlights

COAL

Increased earnings despite lower demand for services (wet weather) in addition to derailments and protester activity

- › Commenced hauling for new Anglo American contract
- › New Acland (New Hope) contract ended in December 2021 (end of mine life). Yancoal Moolarben contract ended in December 2021
- › Stanwell contract ended in December 2020
- › Traincrew and maintenance costs reduced with lower volumes, headcount and efficiency programs
- › NSW Enterprise Agreement executed: 4-year agreement (2.5% annual wage escalation)
- › Project Precision contributing to asset efficiency

Only 7% of contract book expiring within next three years

as at 31 December 2021

BULK

Contribution of new business (grain and port services) offset by associated start-up costs and concluded contracted volumes

- › CBH – Ten-year¹ grain haulage contract commenced October 2021
- › Alcoa – Five-year contract extension from January 2022 in Western Australia
- › Lynas – Five-year contract extension until 2026 for rare earths haulage in Western Australia
- › Tronox – 5+5-year term executed for the transport of Mineral Sands concentrate from the Broken Hill region
- › Livestock – Loss of Queensland contract

~60% of annual revenue² has a contract expiry of over 3 years

as at 31 December 2021

NETWORK

Reduced earnings due to recognition of historical WIRP fees in prior period, partly offset by lower revenue under-recovery

- › WIRP fees of \$6m recognised compared to \$55m in 1HFY2021 (\$49m relating to FY2016-FY2020)
- › EBITDA growth of 6% when retrospective WIRP fees excluded from 1HFY2021
- › Initial Capacity Assessment Report (ICAR) released by Queensland Competition Authority in November 2021, identifying some supply chain capacity deficits³
- › Preliminary response to Initial Capacity Assessment provided 12 November 2021, resulting in WACC uplift to 6.3%
- › Network working with customers to address capacity deficits – indicative maximum capex expected to be <\$100m

1. The performance-based agreement has an initial term of six years, with options to extend to 10 years

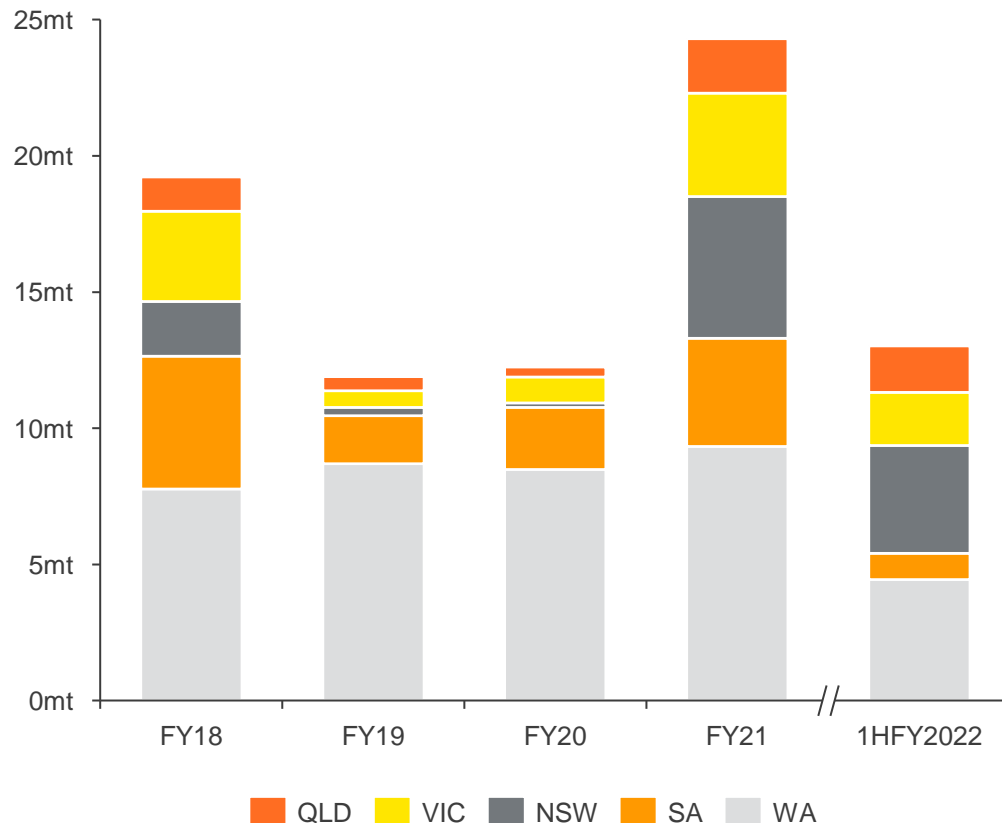
2. Excluding track access revenue

3. The ICAR identified that the average annual deliverable network capacity of each coal system in the CQC for the period FY2022 – FY2024, when measured as a percentage of the current contracted capacity for each coal system, is estimated as follows: Goonyella: ~93%, Blackwater: ~96%, GAPE: ~64%, Moura: ~93%, Newlands: ~66%

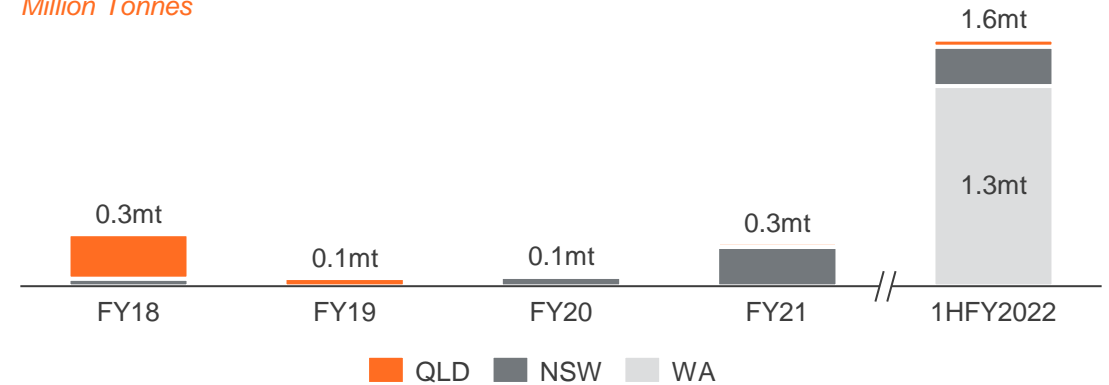
Increased grain haulage

The CBH contract will result in Aurizon becoming the largest grain hauler in Australia. The One Rail acquisition will result in haulage across the two most stable (by volume) export states

SELECTED GRAIN EXPORT VOLUME¹
Million Tonnes



AURIZON GRAIN HAULAGE VOLUME
Million Tonnes



**21.3
million
tonnes**

Received by CBH
(WA) in 2021-2022
season²

Typically 50-60% of harvest is
transported by rail, expected throughout
the remainder of 2022 calendar year



First CBH Service under new contract: Narngulu depot (Geraldton)

1. Selected grain: Wheat, Canola, Chickpeas and Grain Sorghum, which represents ~75% of Australian grain export volume (FY2019-21 average). Barley not included due to incomplete data (at state level) across the charted period. Western Australia (including Barley): FY2020: 10.7mt, FY2021: 12.8mt, 1HFY2022: 6.0mt. Source: Australian Bureau of Statistics

2. As at 25 January 2022. Source: CBH

One Rail acquisition

Acquisition with potential to materially grow Bulk earnings; East Coast Rail business to be divested

On 22 October 2021, Aurizon announced the acquisition of One Rail for \$2.35 billion. There are two major components in the transaction:

1. **One Rail Bulk** – an integrated rail business in central Australia which will be combined with the existing Aurizon Bulk business, and
2. **One Rail Coal (East Coast Rail)** – a coal haulage rail business where the assets will be divested either through demerger or through a trade sale, whichever offers greater shareholder value.

Highlights

Increases Bulk's share of revenue¹ +8 points to 41% (excludes Network)

Increased exposure to commodities associated with new economy markets

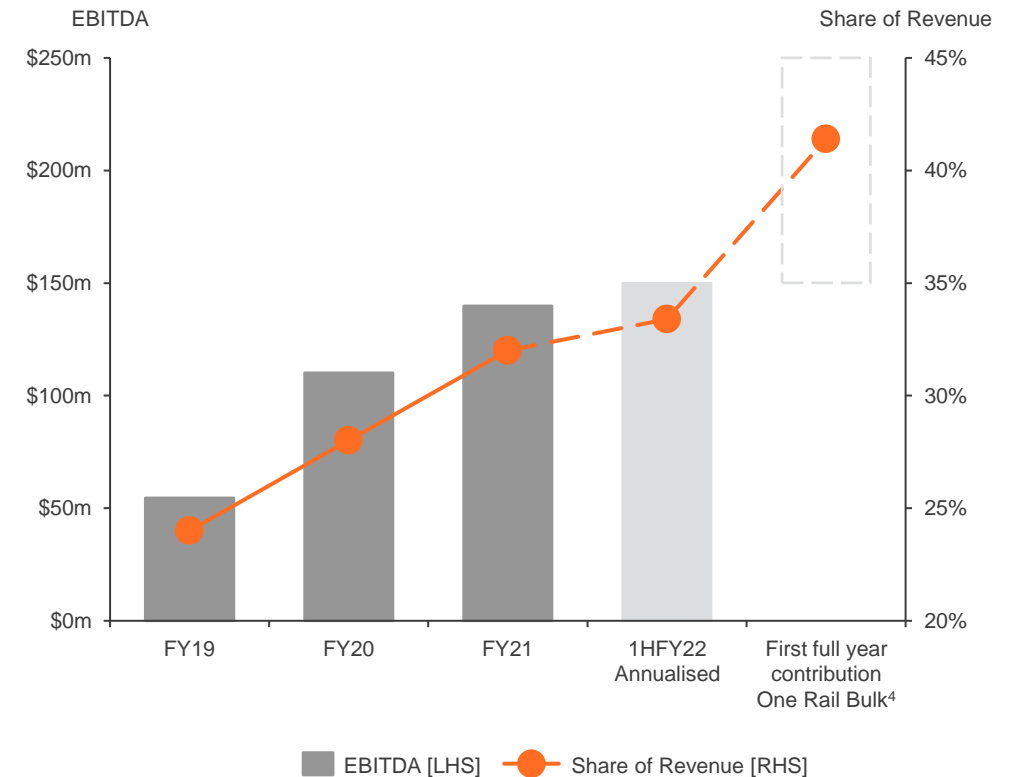
IRR exceeds implied returns from share buyback²

Projected to be EPS accretive by ~10% compared to status quo³

Divestment of East Coast Rail through a demerger or a trade sale, whichever creates greater shareholder value

Transaction does not impact legal proceedings against G&W – they remain on foot

BULK: INDICATIVE EBITDA | SHARE OF REVENUE¹ (EXCLUDES NETWORK)



1. Revenue is the sum of the Coal and Bulk business units (excluding track access) and excludes the Network business unit

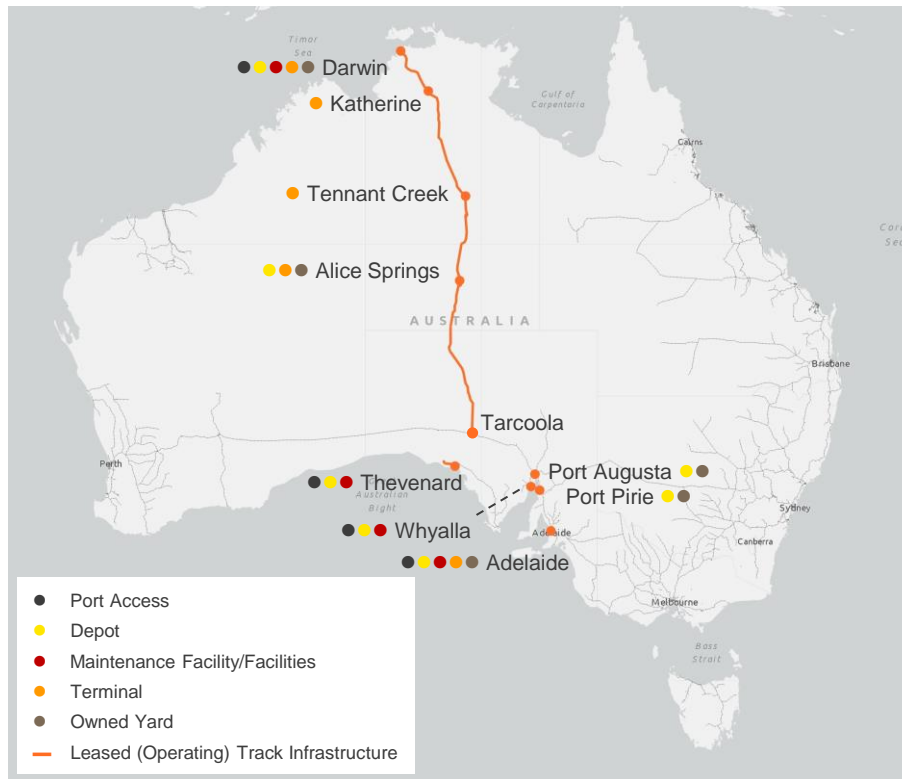
2. Unlevered pre-tax return calculated using 20 years of forecast data from first year of acquisition and assuming demerger option (trade sale option IRR would depend on sale/use proceeds). Share buyback refers to the completed FY2021 buy-back

3. Under a demerger option and represents the average over the first four years and refers to the current Aurizon shareholders and therefore includes potential East Coast Rail distributions. EPS accretion under a trade sale option would depend on the amount and use of sale proceeds

4. Refer slide 12 (footnote 3)

One Rail Bulk

An integrated rail business with 2,460km of track infrastructure¹ exposed to commodities with strong demand drivers in central Australia



Commodity	South Australia and Northern Territory Exposure
Copper Batteries, telecommunications	<ul style="list-style-type: none"> Australia holds the second largest copper resources globally, with two-thirds contained in South Australia²
Grain Food consumption	<ul style="list-style-type: none"> South Australia produces around 20% of Australia's grain production, averaging six million tonnes per annum (over the past five years)³
Magnetite Green steel	<ul style="list-style-type: none"> South Australia holds around 44% of Australia's total identified magnetite resource⁴
Phosphate Fertiliser, agriculture	<ul style="list-style-type: none"> The Georgina Basin, encompassing parts of both Queensland and Northern Territory account for almost all of Australia's phosphate rock resources⁵
Rare Earths Electrical motors, wind turbines	<ul style="list-style-type: none"> Australia is ranked sixth in the world for rare earth resources⁶. South Australia holds around 80% of Australia's total rare earth oxides resource⁷

Existing Customers⁸

- › **GRA (CSR/Knauf) Lake MacDonnell** (Gypsum)
- › **OZ Minerals Prominent Hill** (Copper)
- › **SIMEC Middleback Ranges** (Iron Ore)
- › **Viterra Mainland** (Grain)
- › **Linfox/Northline/Woolworths/Toll/NTFS** (Intermodal)

Selected Projects⁹

- › **Ammaroo** (Phosphate)
- › **Hawks Nest** (Iron ore)
- › **Jervois** (Copper)
- › **Mount Peake** (Vanadium, Titanium & Iron ore)
- › **Nolans** (Rare Earths)
- › **Peko Tailings** (Iron ore)
- › **Prominent Hill Expansion** (Copper)
- › **Roper River** (Iron ore)
- › **Warrego Tailings** (Iron ore)
- › **West Musgrave** (Copper/Nickel)

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: Eyre Peninsula lines (excluding Thevenard), Mid-North and Barossa lines and Murray-Mallee region lines. Lease expiry is weighted average (by km) of Tarcoola-Darwin and (operating) SA Intrastate Network

2. Geoscience Australia, Australia's Identified Mineral Resources 2020

3. Australian Crop Report, Australian Bureau of Agricultural and Resource Economics and Sciences (December 2021)

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

5. Geoscience Australia, Australia's Identified Mineral Resources 2020

6. Geoscience Australia, Australia's Identified Mineral Resources 2020

7. Geoscience Australia (website)

8. Not exhaustive

9. Selected mine projects (bulk commodities) with an environmental approval and/or mining lease granted by the State/Territory government.

One Rail Bulk highlights

Acquisition predicated on a business with a near-term target of ~\$100m EBITDA to subsequently build upon

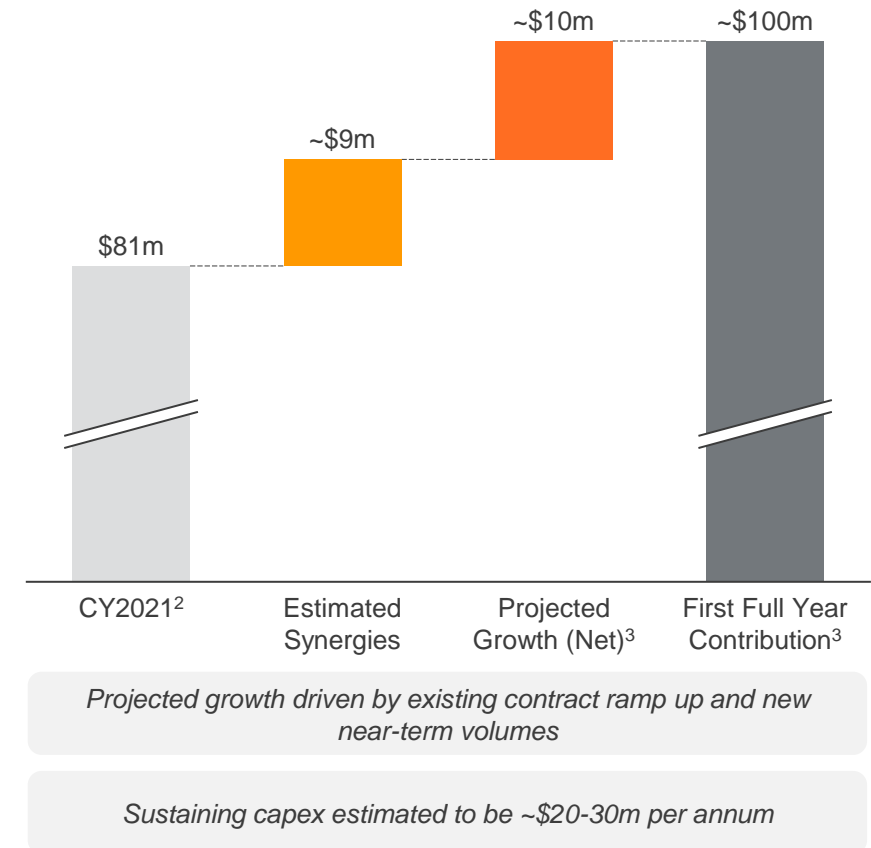
INTEGRATION

- ✓ Delivery of Aurizon Bulk turnaround increases confidence in successful integration
- ✓ Extract value through the enhanced capacity of the combined rail entity, and complemented with Aurizon's supply chain development capabilities
- ✓ Synergies estimated at an annual benefit of \$7m - \$10m
- ✓ Flexibility to redeploy rolling stock across Group

GROWTH PLATFORM TO FURTHER DIVERSIFY CURRENT BULK BUSINESS

- ✓ Increased commodity exposure to new economy markets
- ✓ Direct access to port facilities with capacity available – Darwin, Adelaide, Port Pirie
- ✓ Enhanced customer value proposition for Aurizon with operations across four states and the Northern Territory

ONE RAIL BULK: UNDERLYING EBITDA (A\$m)¹



Targeting annual EBITDA in excess of ~\$100m, underpinned by strong underlying commodity demand

1. Refer to disclaimer on slide 2 under the heading 'Information on One Rail and East Coast Rail'

2. CY2021 represents unaudited financials

3. First full year contribution to Aurizon Group is expected to be FY2023. Targets are not based on historical facts, but rather on current beliefs, assumptions, expectations, estimates and projections. These statements are not guarantees or predictions of future performance, and involve both known and unknown risks, uncertainties and other factors, including weather. Many of these risks are beyond Aurizon's control. As a result, actual results or developments may differ materially from those expressed in this document.



Financial Performance

George Lippiatt
CFO & Group Executive Strategy

Picture: Cloncurry depot, North-West Queensland

Key financial results¹

Results reflect lower WIRP fees (non-recurring WIRP fee of \$49m in 1HFY2021) and increased costs in Bulk to support growth. Strong free cash flow generation

\$m	1HFY2022	1HFY2021	Variance	2HFY2021
Revenue	1,515	1,498	1%	1,521
Operating Costs	(788)	(760)	(4%)	(777)
EBITDA	727	738	(1%)	744
Statutory EBITDA	727	738	(1%)	752
Depreciation & Amortisation	(293)	(284)	(3%)	(295)
EBIT	434	454	(4%)	449
NPAT	257	267	(4%)	266
Statutory NPAT ²	257	267	(4%)	340
EPS	14.0c	14.1c	(1%)	14.4c
Statutory EPS	14.0c	14.1c	(1%)	18.4c
EBITDA Margin	48.0%	49.3%	(1.3ppt)	48.9%
ROIC	10.4%	10.8%	(0.4ppt)	10.7%
Total dividend per share	10.5c	14.4c	(27%)	14.4c
Free Cash Flow	362	288	26%	301

- › Group revenue higher despite the recognition of \$49m of historical WIRP fees in 1HFY2021
- › Revenue increased for both Coal (ex-Access) and Bulk. Network revenue decreased as a result of lower WIRP fees
- › Operating costs increased to support Bulk growth predominately in grain (including ramp up costs for traincrew, rollingstock and facilities) in addition to higher fuel costs (offset with associated higher revenue)
- › EBITDA growth excluding historical WIRP fees in prior year ~5%
- › Free Cash Flow increase driven by prior period acquisitions, lower tax and interest
- › Interim dividend 10.5cps (95% franked) representing a payout ratio of 75% of underlying NPAT for continuing operations

1. All amounts are underlying and on a continuing basis unless otherwise stated. Due to rounding, the sum of components may not equal the corresponding total.

2. Statutory NPAT in 2HFY2021 includes the net benefit after income tax of \$74m arising from the sale of shares in Aquila

Coal

Earnings higher despite lower volumes with positive customer mix and strong cost management

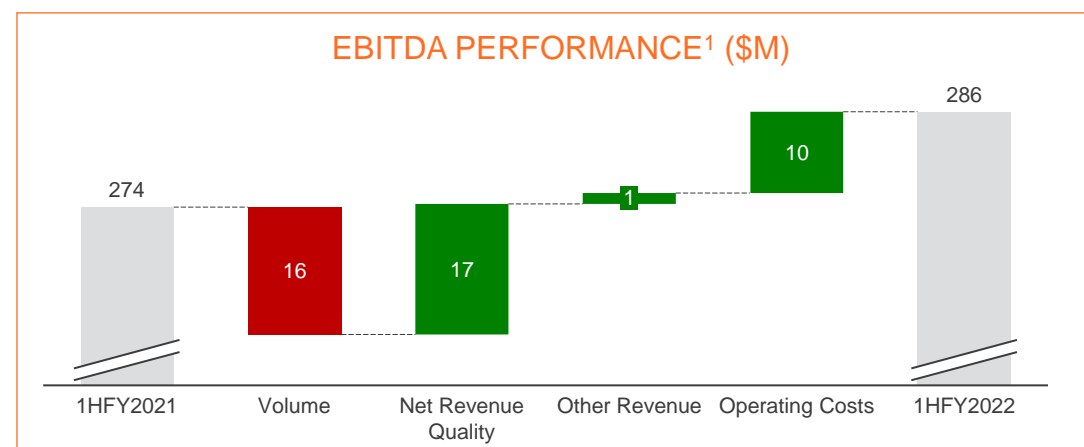
\$m	1HFY2022	1HFY2021	Variance	2HFY2021
Above rail	600	584	3%	579
Track access	194	230	(16%)	215
Other	2	1	100%	2
Total Revenue	796	815	(2%)	797
Access costs	(192)	(229)	16%	(222)
Operating costs	(318)	(313)	(2%)	(315)
EBITDA	286	274	4%	259
Depreciation & Amortisation	(104)	(103)	(1%)	(106)
EBIT	182	171	6%	154
Tonnes (m)	98.7	101.8	(3%)	100.3
NTKs (b)	23.2	23.7	(2%)	23.4

Revenue

- › Volumes lower due to wet weather, derailments and protestor activity in addition to the ramp down of New Acland mine (end of mine life) and cessation of the Stanwell contract in December 2020
- › Above rail revenue higher due to increased CPI favourably impacting contract rates and a greater mix of higher yielding customers in response to elevated coal prices
- › Track access revenue (and costs) reduced primarily due to higher volumes railed under end user agreements and contract expiry

Costs

- › Traincrew and maintenance costs reduced with lower volumes, headcount and efficiency programs. This was offset by higher fuel prices (pass through) and increased insurance deductible expenses



Due to rounding, the sum of components may not equal the corresponding total

1. Net Revenue quality is net of fuel expense and access costs which have also been excluded from operating costs

Bulk

Contribution of new business (grain and port services) offset by lower iron ore and nickel volumes

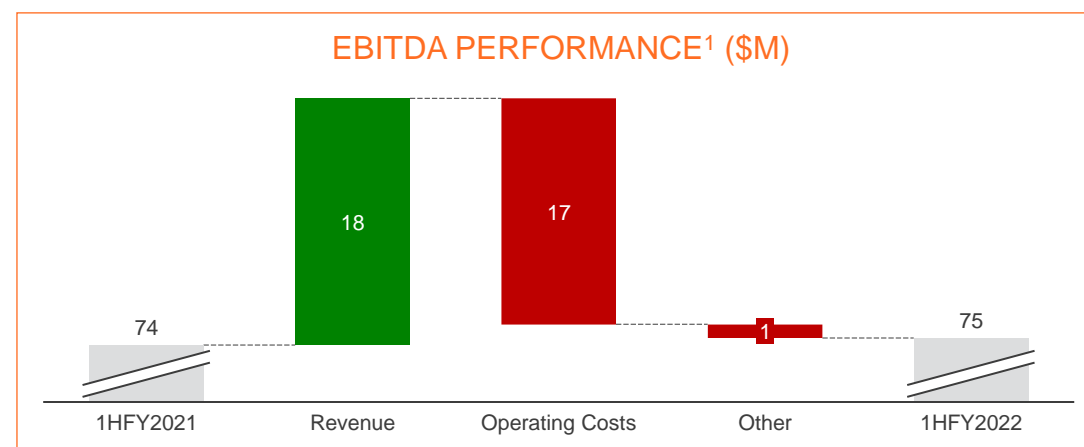
\$m	1HFY2022	1HFY2021	Variance	2HFY2021
Revenue	344	322	7%	313
Access costs	(42)	(48)	13%	(37)
Operating costs	(228)	(200)	(14%)	(210)
EBITDA	75	74	1%	66
Depreciation & Amortisation	(17)	(13)	(31%)	(15)
EBIT	58	61	(5%)	52
<i>Above Rail Tonnes (m)</i>	24.8	26.3	(6%)	24.8

Revenue

- › Revenue increased primarily due to the commencement of the CBH (grain) contract in addition to the contribution of Aurizon Port Services (APS) Newcastle
- › Revenue growth includes the impact of the cessation of railings for Mt Gibson (iron ore) and BHP Nickel West in prior periods

Costs

- › Increased costs to support CBH contract, ramp up of APS Newcastle and higher fuel prices. This was partly offset by ongoing cost benefits from the Bulk transformation program and lower costs from expired contracts
- › Depreciation increase due to increased capex supporting new contracts



Due to rounding, the sum of components may not equal the corresponding total

1. Revenue and operating costs as shown on the bridge is net of fuel price movement and access

Network

Reduced earnings due to recognition of historical WIRP fees in prior period

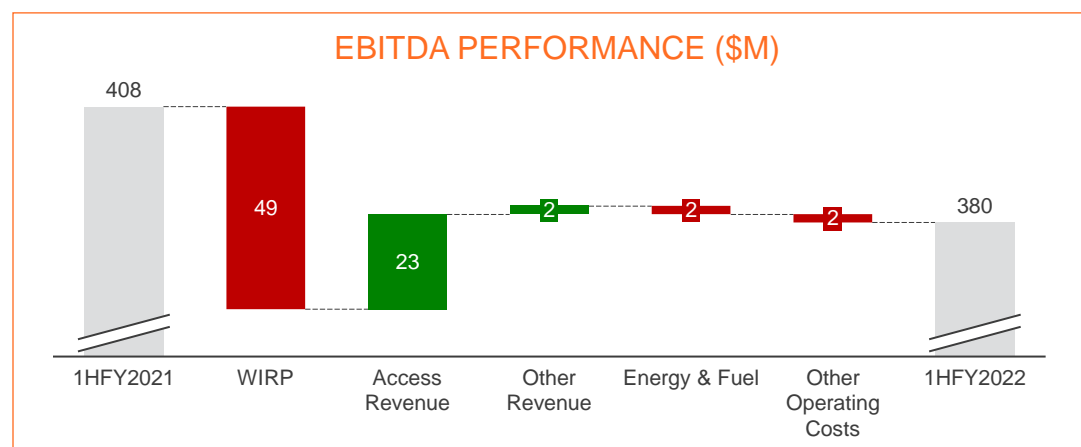
\$m	1HFY2022	1HFY2021	Variance	2HFY2021
Track Access	543	569	(5%)	610
Services & Other	26	24	8%	22
Revenue	569	593	(4%)	632
Energy & Fuel	(53)	(51)	(4%)	(53)
Other Operating Costs	(136)	(134)	(1%)	(138)
EBITDA	380	408	(7%)	441
Depreciation & Amortisation	(170)	(166)	(2%)	(173)
EBIT	210	241	(13%)	268
Tonnes (m)	104.9	103.7	1%	104.5

Revenue

- WIRP fees lower with \$49m historical fees recognised in prior period
- EBITDA growth of 6% when retrospective WIRP fees excluded from 1HFY2021
- Volumes increased 1% with higher tariffs due to lower regulatory volume forecast

Costs

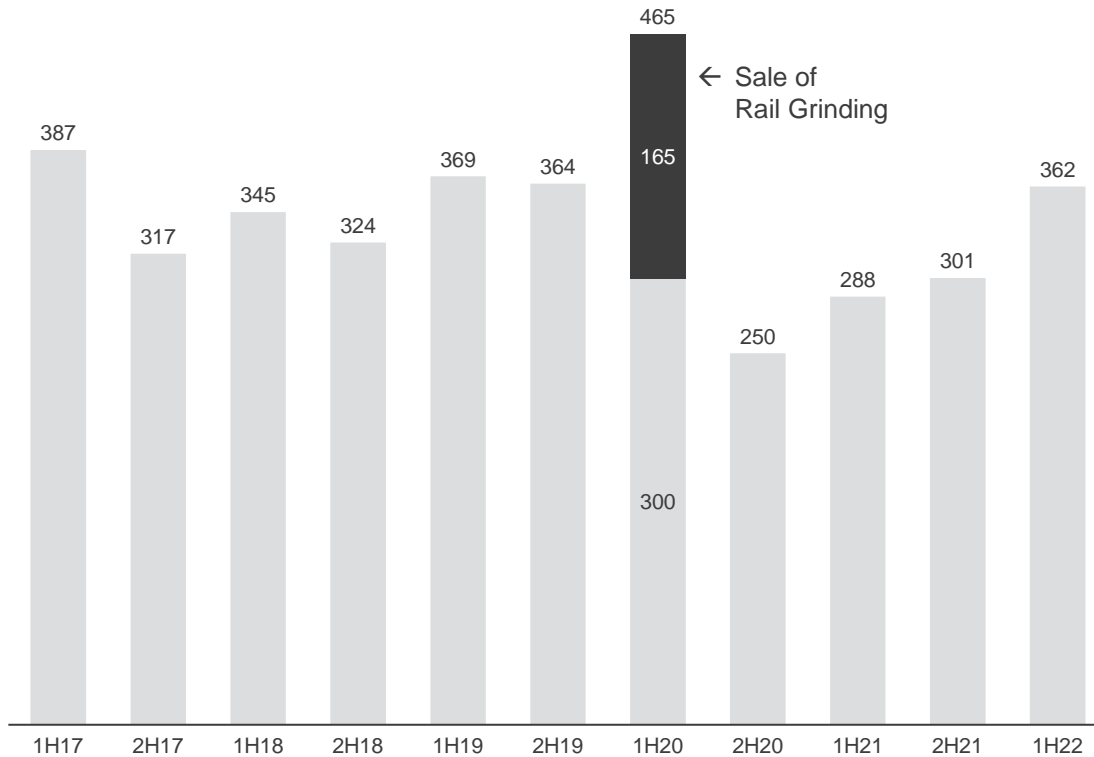
- Operating costs increased due to additional insurance claims and incident recovery costs, higher electric traction charges (offset in access revenue) and higher construction costs (offset in other revenue)



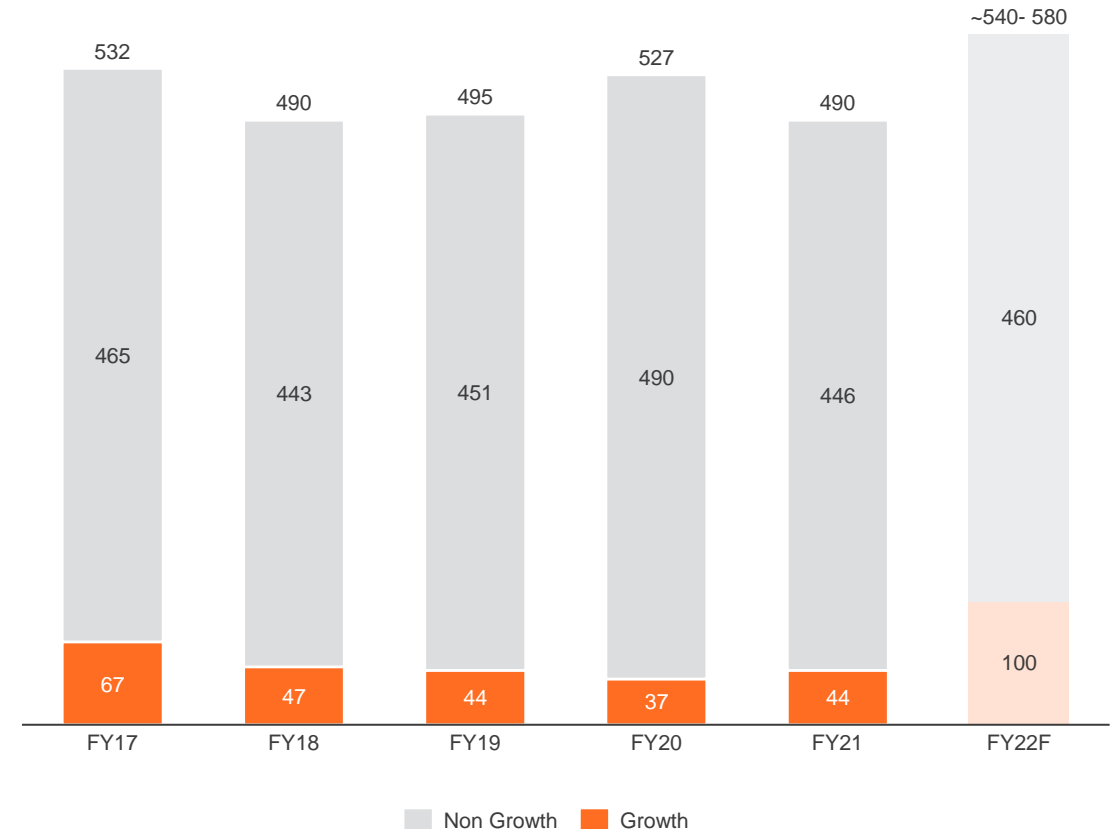
Free Cash Flow and capex

Strong free cash flow generation continues. Group capex guidance of \$540m – \$580m inclusive of ~\$100m supporting new Bulk contracts

FREE CASH FLOW¹ (\$M)



CAPITAL EXPENDITURE² (\$M)



1. Free Cash Flow is continuing (only) and therefore excludes Acacia Ridge divestment

2. FY2022F excludes externally funded projects

Funding update

Credit profile improved with ratings agencies lowering thresholds post One Rail announcement.
Debt markets supportive with successful syndication commitments

1HFY2022 FUNDING ACTIVITY

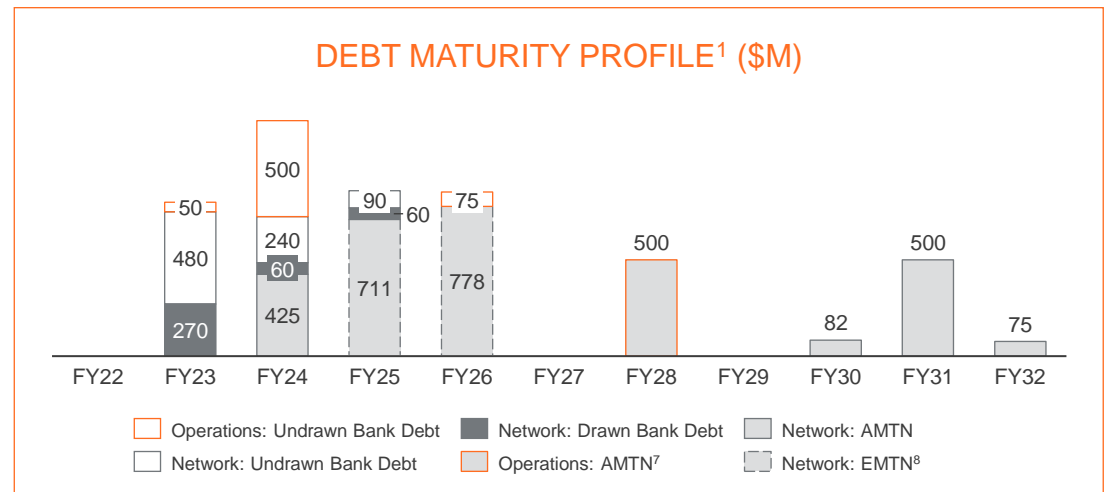
One Rail acquisition

- › Transaction underpinned by fully underwritten committed debt facilities
- › Aurizon Operations current BBB+/Baa1 credit ratings confirmed by Moody's and S&P with improved thresholds
- › \$1.93 billion increase in total bank debt for Aurizon Operations sourced from existing and \$1.45 billion of new facilities (with terms of 2-5 years)
- › Syndication commitments to increase Aurizon's banking group to 15 lenders, an increase of 3 banks
- › \$500m in secured, amortising bank debt (with terms of 2-5 years) for East Coast Rail
- › Syndication commitments for ECR from 8 banks, an increase of 5 banks

Aurizon Network and Operations

- › During 1HFY2022 there were no adjustments to the funding mix for the Aurizon Group
- › Long term strategy to term out debt post immediate One Rail funding requirements

KEY DEBT METRICS ¹	1HFY2022	1HFY2021
Weighted average maturity ²	3.9 years	4.5 years
Group interest cost on drawn debt	3.4%	4.3%
Group Gearing ³	44.4%	47.8%
Network Gearing ⁴ (excl AFD ⁵)	59.1%	61.3%
Operations & Network Credit Ratings	BBB+/Baa1 ⁶	BBB+/Baa1 ⁶



1. All figures exclude impact of One Rail acquisition (unless otherwise noted)

2. Calculated on drawn debt, excluding working capital facility

3. Group Gearing – net debt / (net debt plus equity)

4. Network Gearing – net debt / Regulatory Asset Base (RAB)

5. Access Facilitation Deed (AFD)

6. S&P/Moody's

7. Australian Dollar Medium Term Note (AMTN)

8. Euro Medium Term Note (EMTN)

One Rail transaction update

Completion targeted for ~April followed by East Coast Rail divestment

1 Australian Competition and Consumer Commission (ACCC)	<ul style="list-style-type: none"> › ACCC has commenced informal merger clearance process › Market inquiries process underway, including submissions from market participants › ACCC Mergers Register indicates provisional date for ACCC decision of 10 March 2022
2 Other conditions precedent	<ul style="list-style-type: none"> › All other conditions precedent satisfied¹ – consent received from Australasia Railway Corporation (AARC) and Government of South Australia
3 Funding	<ul style="list-style-type: none"> › Syndication commitments for Aurizon Operations and East Coast Rail debt › Investment grade credit rating targeted for East Coast Rail, US Private Placement planned this quarter › Potential hybrid issuance for Aurizon Operations later in 2022 calendar year
4 Transaction costs	<ul style="list-style-type: none"> › Acquisition costs (including stamp duty) to be expensed and treated as significant items (~\$50m) › Borrowing costs for acquisition funding to be capitalised and amortised (~\$25m) › Estimated separation and divestment costs (assuming demerger) e.g. IT separation, recruitment, listing fees, expert reports and advisors (~20m)
5 Divestment of East Coast Rail	<ul style="list-style-type: none"> › Aurizon's financial analysis of One Rail acquisition currently assumes divestment of East Coast Rail through a demerger, although no decision has been made › East Coast Rail is a highly cash generative business – well suited to potential demerged entity › Discussions ongoing with potential trade sale buyers – final decision to be made on trade sale or demerger after completion – demerger will be progressed in the absence of a compelling trade sale offer

1. As at publication date

East Coast Rail

A highly cash generative business

EXCLUSIVE HUNTER VALLEY HAULAGE RIGHTS

- ✓ Long-term rail haulage contract with Glencore to 2036
- ✓ Minimum guaranteed volumes to 2034 with no commodity price risk
- ✓ Underpinned by lower cost, high energy (thermal) coal mines
- ✓ Backed by parent company guarantee (Glencore plc)

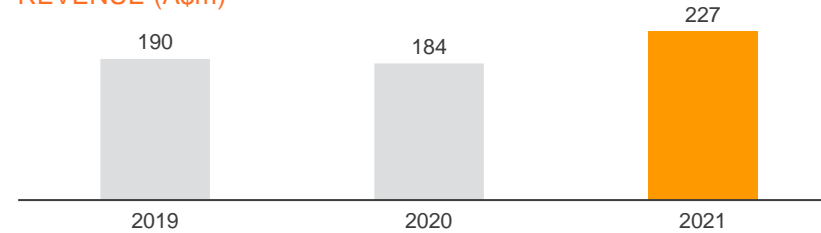
STABLE CASH FLOWS

- ✓ Highly cash generative – strong EBITDA margin and core capex <5% of revenue
- ✓ Utility-like stable cash flows support strong free cash flow yield
- ✓ Targeting an investment grade credit rating

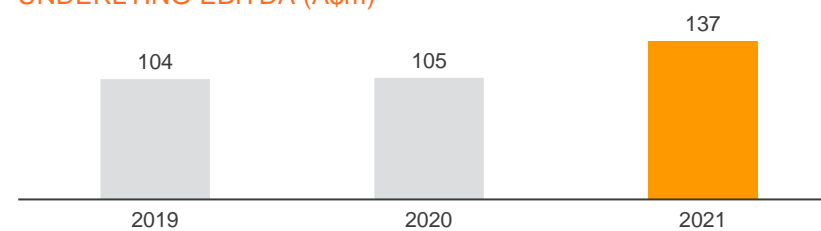
PLATFORM FOR FUTURE DIVERSIFICATION

- ✓ Young fleet with average locomotive age of 9 years (Hunter Valley)
- ✓ Versatile fleet optimally positioned for deployment to pursue new opportunities as they arise
- ✓ Scope to pursue other bulk commodities

REVENUE (A\$m)¹



UNDERLYING EBITDA (A\$m)¹

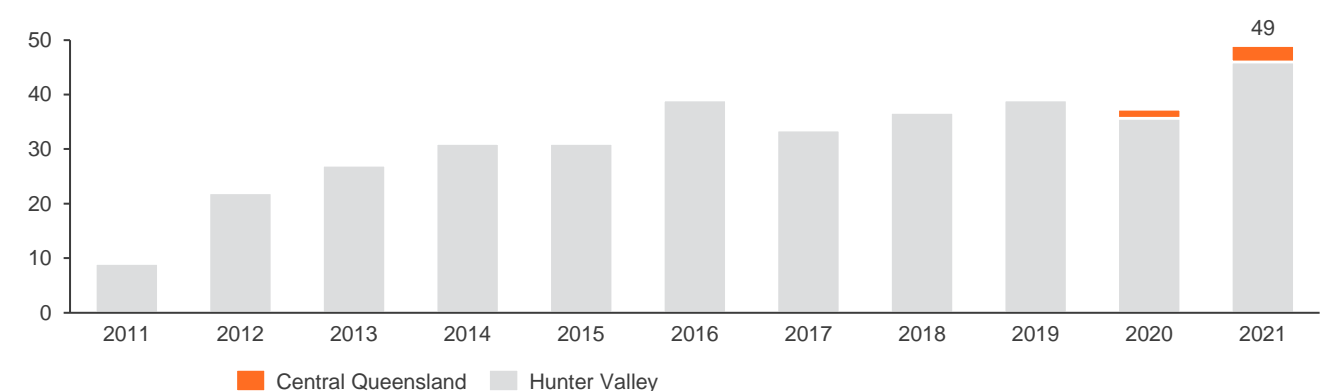


CY2021 Results

Consistent with other operators (Aurizon Above Rail Hunter Valley volume down 6% in 1HFY2022), volume impacted by wet weather and protestor activity in Hunter Valley.

Only one train consist in operation in Queensland. Second consist expected to be operational in second half of 2022 calendar year

COAL HAULAGE (Million Tonnes)



1. Figures are pro-forma and unaudited. Refer to disclaimer on slide 2 under the heading 'Information on One Rail and East Coast Rail'

A yellow and orange locomotive, featuring indigenous artwork, is pulling a long train of coal wagons through a green, hilly landscape. The train is curving to the left, and the locomotive is in the foreground, facing right. The background shows a dense forest of trees under a cloudy sky.

Outlook & Key Takeaways

Andrew Harding
Managing Director & CEO

Picture: Coal haul in Hunter Valley, New South Wales. Locomotive features indigenous artwork unveiled at NAIDOC week 2020

FY2022 outlook

EBITDA guidance range unchanged despite lower coal haulage volumes expectations

Group EBITDA guidance remains \$1,425m – \$1,500m

Group capex guidance \$540m – \$580m including ~\$100m supporting Bulk growth

KEY ASSUMPTIONS

› Coal

- volumes now expected to be broadly in-line with prior year with customer mix and cost management offsetting lower contracted rates

› Bulk

- revenue and EBITDA higher due to recent contract wins and port acquisitions

› Network

- non-recurrence of retrospective WIRP fees (\$49m) and Maximum Allowable Revenue (MAR) reduction due to capital recoveries

› Excludes EBITDA and capex for One Rail

› No material disruptions to commodity supply chains (such as adverse weather and/or impacts from COVID-19)

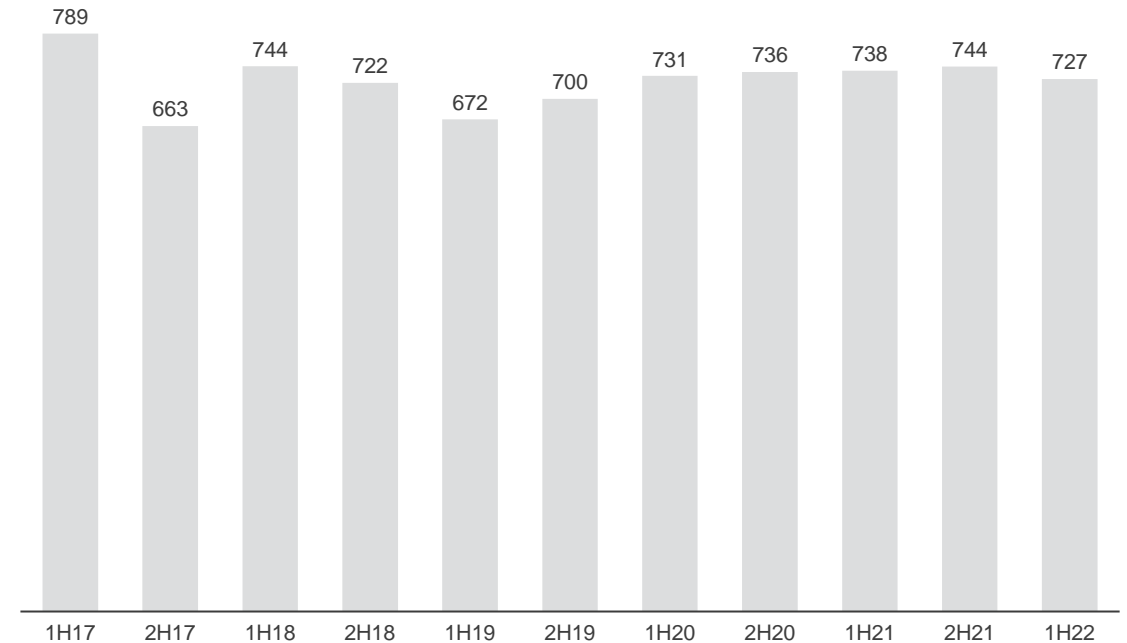
Aurizon's value creation record

Cashflows remain stable and the focus on transformation continues

HIGHLIGHTS

- ✓ Negotiated and executed UT5
- ✓ De-risked the Coal contract book
- ✓ Executed Bulk turnaround and delivered Phase 1 growth
- ✓ Strong shareholder distributions of over \$4b¹ in the past six years
- ✓ Step change in Bulk Revenue and EBITDA with One Rail acquisition
- ✓ Ongoing cost transformation
- ✓ Corporate restructure providing additional balance sheet capacity
- ✓ Published the *Climate Strategy and Action Plan*
- ✓ Established Aurizon Port Services
- ✓ Completed the sale of Acacia Ridge Terminal

AURIZON: EBITDA (underlying)
million dollars



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An aerial photograph of a port facility. In the foreground, a large blue and red ship is docked at a pier. A long, narrow pier extends from the ship towards the center of the image. To the right of the pier, there are several large, cylindrical grain silos and a tall, lattice-structured tower. The background shows a city with various buildings and a body of water. The sky is clear and blue.

Additional Information: Environmental, Social and Governance

Picture: Aurizon Port Services Newcastle

Our ESG¹ contribution

Aurizon continues to build a stronger and sustainable business

NET-ZERO COMMITMENT BY 2050...

- › Climate Strategy and Action Plan released in October 2020
- › Continued advocacy for rail in the transition to a low-carbon economy
- › Minimising emissions:
 - Reducing locomotive diesel and coal dust emissions
 - Trialling low-emissions fleet technology
- › Avoiding or offsetting impacts on native biodiversity

...WHILE WE SUPPORT OUR REGIONS AND COMMUNITIES...

- › Updated safety strategy
- › Gender Balance Action Plan to increase proportion of women in our workforce
- › Formally committed to reconciliation through our Reconciliation Action Plan
- › Over 450 initiatives supported through Community Giving Fund
- › Founding member of Regional Australia Council 2031
- › Partnerships with Queensland Firebirds and Orange Sky

...AND LEAD THROUGH TRANSPARENT GOVERNANCE

- › Board provides sustainability oversight and direction
- › Code of Conduct linked to our values: Safety, People, Integrity, Customer and Excellence
- › Scenario analysis considers climate-related transition risks
- › Second Modern Slavery Statement published in 2021

Sustainability disclosures

- Eighth annual Sustainability Report released in October 2021
- Rated as *Leading* in disclosure for 7th consecutive year²
- Reporting against TCFD³ since 2017



1. Environmental, Social and Governance

2. By the Australian Council of Superannuation Investors (ACSI) for corporate sustainability reporting in Australia

3. Task Force on Climate-related Financial Disclosures. See annual Sustainability Report available on Aurizon website.

Climate Strategy and Action Plan

Aurizon is committed to a long-term target of net-zero operational emissions (scope 1 and 2) by 2050

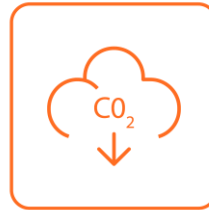
Net-zero operational emissions by 2050



Manage Risk and
Build Resilience

We will continue to assess and enhance our processes for managing climate-related risk and leverage opportunities by:

- › Continuing to use scenario analysis to consider transition risks over short, medium and long-term time horizons
- › Continuing to enhance our capability to assess physical risk to key assets and operations
- › Embedding consideration of climate-related risk into risk frameworks and investment standards



Deliver
Decarbonisation

Achieving our operational decarbonisation goals will be driven by:

- › Achieving a short-term target to reduce greenhouse gas emissions intensity by 10% by 2030¹
- › Establishing the \$50m *Future Fleet Fund*²
- › Implementing our *Tracking Towards Net-Zero Operational Emissions* initiatives
- › Establishing partnerships and forums for customer and industry collaboration
- › Continuing advocacy for the significant role that rail contributes in the transition to a low-carbon economy



Create Carbon
Abatement
Opportunities

Our commitment to integrating carbon-neutral and carbon-negative solutions has been incorporated into our *Tracking Towards Net-Zero Operational Emissions* initiatives, and will prioritise:

- › Cost-effective renewable energy to augment supply to our electrified rail infrastructure and real estate portfolio
- › High-quality, credible, verified and co-beneficial carbon offset portfolio development

1. From a 2021 baseline on a tonnes of carbon dioxide per net tonne kilometre basis

2. To be dispensed over 10 years

Australian Export Demand - Commodities

Australia export commodities are driven by steel-intensive growth and prolonged thermal electricity generation in Asia in addition to new economy markets and food consumption

METALLURGICAL COAL

- › Metallurgical coal (or coking coal) is primarily used to produce steel, an integral link with economic development
- › Australia exported 167mt of metallurgical coal in CY2021, down 3% against the prior year¹. India remained Australia's largest metallurgical coal export market with record high export volume of 54mt (32% share)¹
- › India produced 118mt² of crude steel in CY2021 an increase of 18% from the prior year
- › The *Office of Chief Economist* projects crude steel production growth in India of 8.0% per annum in from 2020 reaching 157mt in 2026³
- › India coking coal import dependence was 91% for FY2021⁴

THERMAL COAL

- › Thermal coal is primarily used as a heat source for energy generation, holding a 35% share of global generation in 2020⁵. Thermal coal is also used as a source of energy in cement production, where around 200 kilograms of coal is required to produce one tonne of cement⁶
- › Australia exported 199mt of metallurgical coal in CY2021, flat against the prior year¹. Almost all Australian thermal coal export volume is destined for Asia (CY2021: 96%)¹
- › For Southeast Asia (ex-Indonesia), around 16GW of coal-fired capacity has come online since 2017 with a further 13GW considered under construction⁷. In CY2021, 26mt of Australian thermal coal was exported to Southeast Asia¹
- › Australian thermal coal export volume to India was 18mt in CY2021, more than double CY2020¹

BULK

- › **New economy markets:** The International Energy Agency forecast that by 2040, total mineral demand from clean energy technologies will double in the Stated Policies Scenario, and quadruple in the Sustainable Development Scenario from current demand (2020)⁸. Australia is well positioned to supply this emerging mineral demand, ranking in the top three countries globally for the largest ore reserves in copper, nickel, cobalt, and lithium⁹
- › **Infrastructure development:** Iron ore is a bulk commodity that is key to the production of steel. Steel is largely used within the construction industry. China represents over two-thirds of iron ore global trade³. Australia is the largest exporter of iron ore³ and is also the lowest cost (on average) export nation on a delivered basis to China¹⁰
- › **Food consumption:** Growth in global population drives demand for food (and agricultural-related products such as fertilisers). The United Nations forecasts global population to increase by 2 billion persons in the next 30 years, from 7.7 billion in 2020 to 9.7 billion in 2050¹¹. In addition, food consumption per capita is expected to increase significantly with rising wealth in developing countries leading to higher calorie-intensive diets

1. Australian Bureau of Statistics

2. World Steel Association

3. Office of Chief Economist, *Resources and Energy Quarterly* (December 2021), Reference year: CY2020

4. India Ministry of Coal, *Coal Directory of India Coal Statistics (2020-21)*. India financial year (April to March). Domestic washed coal (only) included in calculation

5. International Energy Agency, *World Energy Outlook (2021)*

6. World Coal Association, *Basic Coal Facts*

7. S&P Global Market Intelligence *World Electric Power Plants Database* (December 2021). Indonesia excluded given domestic coal availability

8. Mineral demand from clean energy technologies: International Energy Agency (IEA), *The role of critical minerals in clean energy transition* (May 2021). Key minerals included: cobalt, copper, lithium, nickel, and rare earth elements.

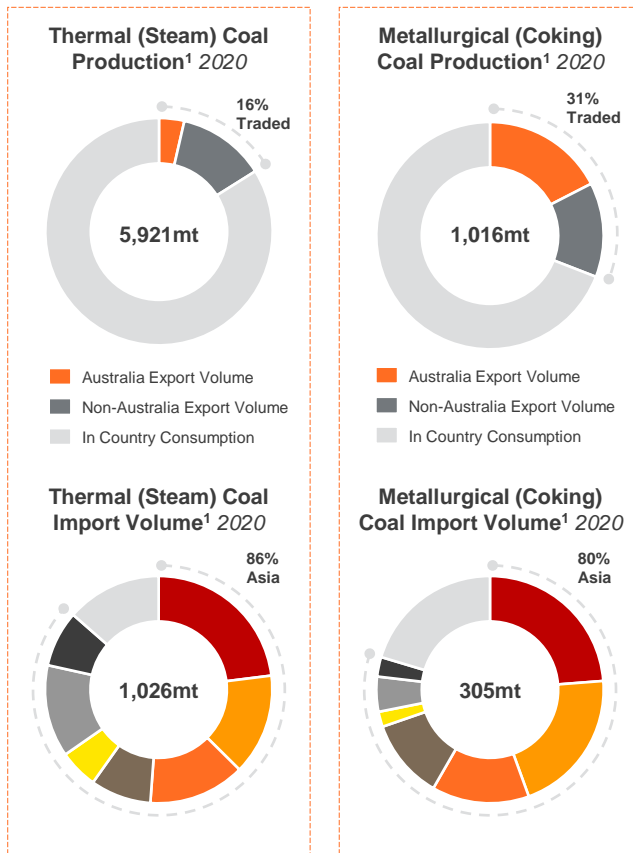
9. Geoscience Australia, *Australia's Identified Mineral Resources 2020*

10. Minerals Council of Australia (*Australian Iron Ore: Where Quality Meets Opportunity*, February 2021)

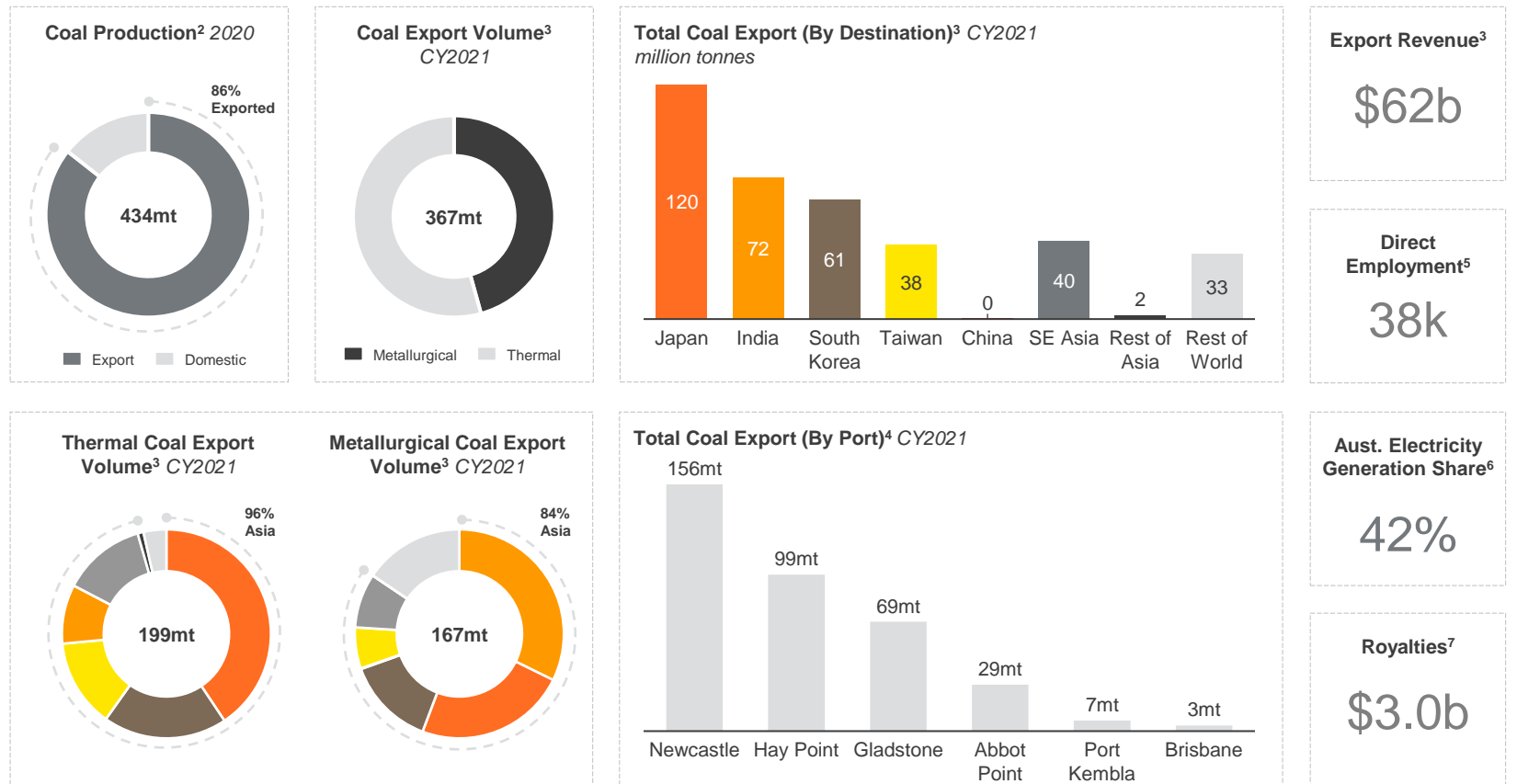
11. United Nations, Department of Economic and Social Affairs, Population Division (2018). *World Urbanisation Prospects: The 2018 Revision, Online Edition*.

Global & Australia Coal Summary

Global



Australia



■ China ■ India ■ Japan ■ South Korea ■ Taiwan ■ Southeast Asia ■ Rest of Asia ■ Rest of World

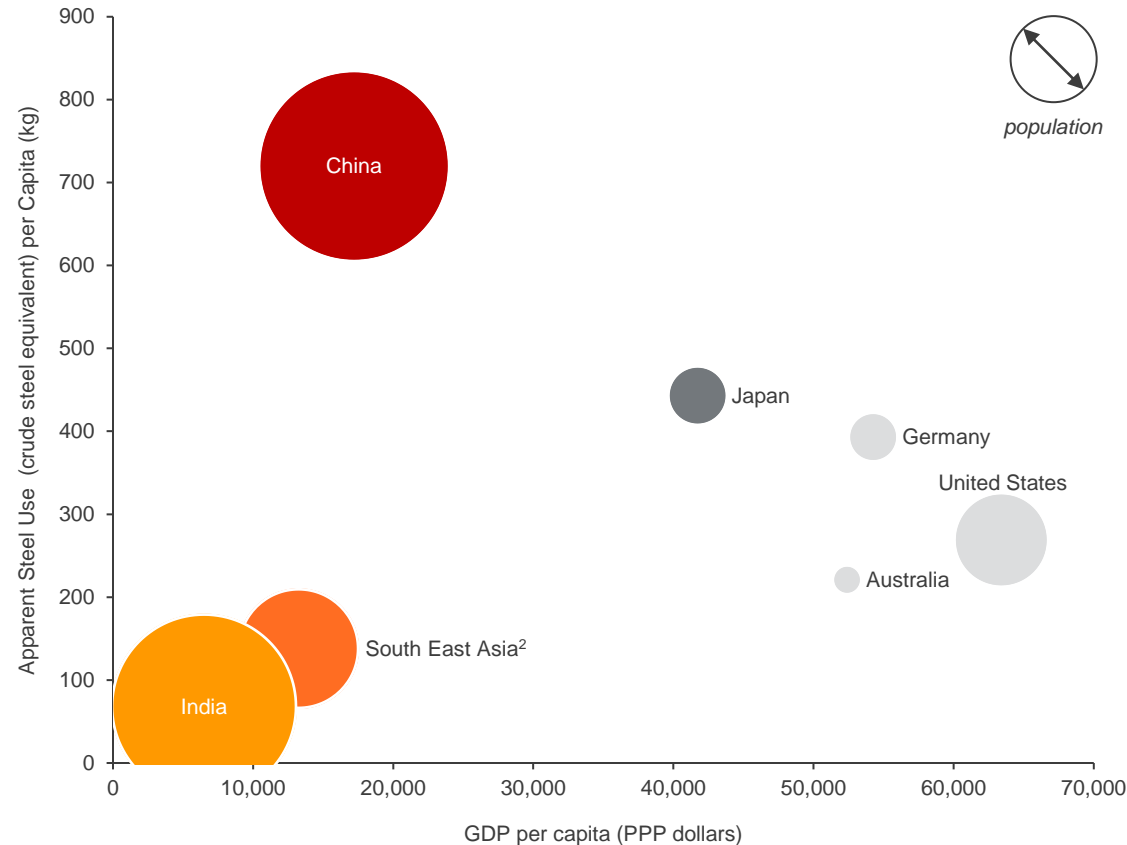
Note: All amounts are in million tonnes (unless otherwise stated). Due to rounding, the sum of individual elements may not equal the corresponding aggregate figure

1. International Energy Agency Coal Information (July 2021). Production includes both primary extraction in addition to recovered product from slurries, middlings and coal dust. Thermal (Steam) Coal includes all anthracite and bituminous coals not considered coking coal and also includes sub-bituminous coal. In Country Consumption is production less export volume. Import volume includes both seaborne and landborne markets. 2. Office of Chief Economist (OCE) Resources and Energy Quarterly June 2021. Domestic calculated as black coal (saleable) production less black coal export volume. 3. Australian Bureau of Statistics (ABS), Export Revenue: CY2021. 4. North Queensland Bulk Ports, Port of Brisbane, Gladstone Ports Corporation, Port of Newcastle, Coal Services. Hay Point includes both Hay Point Coal Terminal and Dalrymple Bay Coal Terminal. Port Kembla is eleven months to November 2021. 5. ABS Labour Account Australia (FY2021 data). 6. Department of Industry, Science, Energy and Resources (2021), Australian Energy Statistics (FY2020 black coal only). 7. QLD Government 2021-22 Budget Update – Mid-year Fiscal and Economic Review (FY2021 data), NSW Department of Planning, Industry and Environment (FY2021 data)

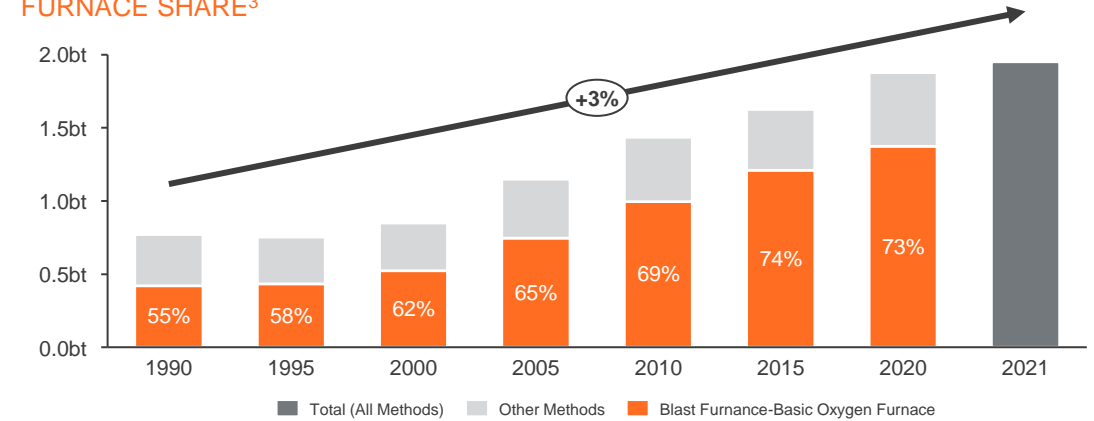
Metallurgical coal market

Steel is an integral link to economic development. The metallurgical coal-dependent method of steel production commands almost three-quarters (1.4 billion tonnes) of global steel production

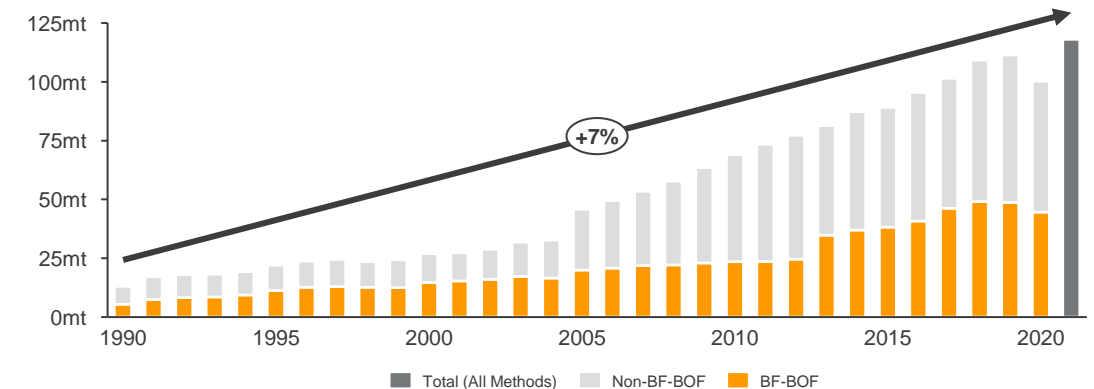
APPARENT STEEL USE (CRUDE STEEL EQUIVALENT) PER CAPITA | GDP PER CAPITA: 2020¹



GLOBAL CRUDE STEEL PRODUCTION | BLAST FURNACE-BASIC OXYGEN FURNACE SHARE³



INDIA: CRUDE STEEL PRODUCTION (BY METHOD)³



1. GDP (Purchasing Power Parity; international dollars) – World Bank (2020), Population – World Bank (2020), Apparent Steel Usage & Apparent Steel Use per Capita – World Steel Association (Steel Statistical Yearbook 2021)

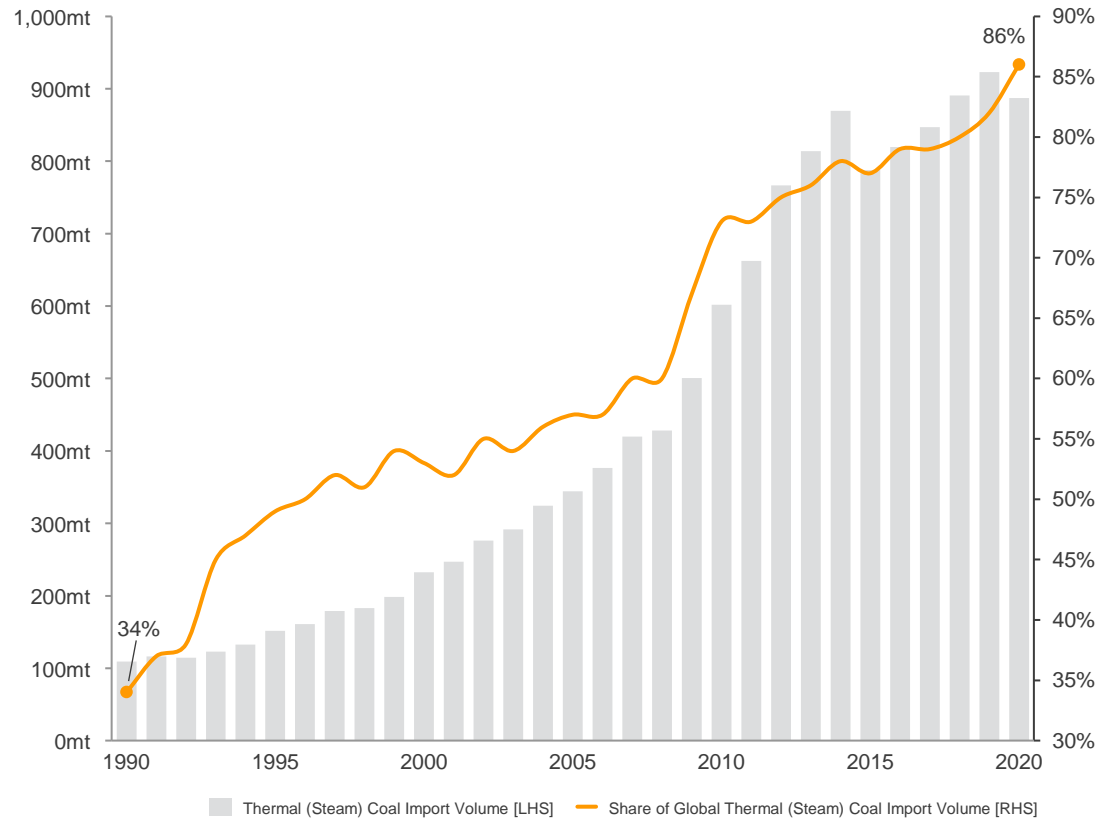
2. South East Asia (Select nations): Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam

3. World Steel Association. Method of crude steel production not (yet) published for 2021

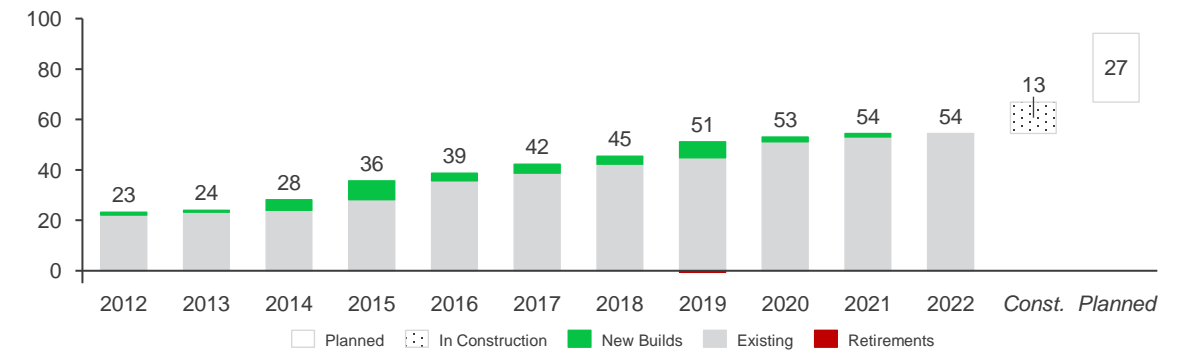
Thermal coal market

From a share of just 34% in 1990, Asia currently comprises 86% of the import market. In CY2021, 96% of Australian thermal coal export volume was destined for this region¹

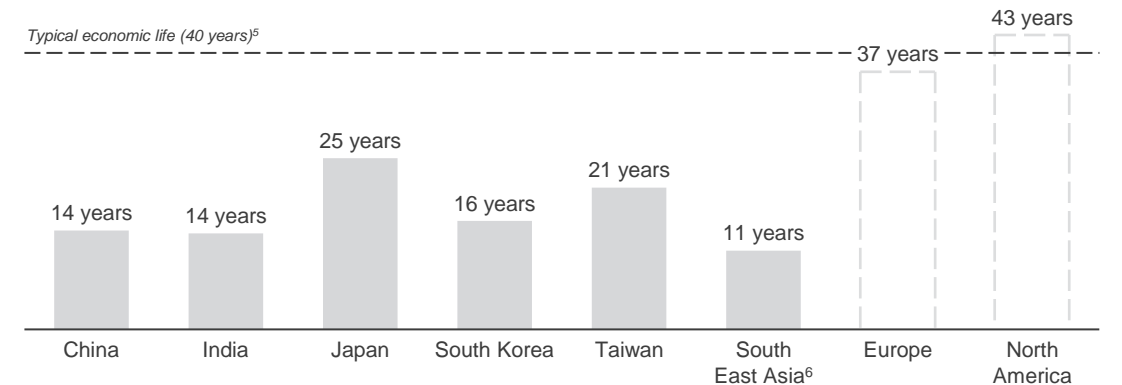
ASIA: THERMAL (STEAM) COAL IMPORT VOLUME | SHARE OF GLOBAL THERMAL (STEAM) COAL IMPORT MARKET²



SOUTH EAST ASIA (EX-INDONESIA): COAL-FIRED GENERATION CAPACITY (GW)³



AVERAGE AGE OF COAL-FIRED ELECTRICITY CAPACITY⁴



1. Australian Bureau of Statistics

2. International Energy Agency, Coal Information (July 2021). Thermal (Steam) Coal includes all anthracite and bituminous coals not considered coking coal and also includes sub-bituminous coal

3. S&P Global Market Intelligence World Electric Power Plants Database (December 2021)

4. S&P Global Market Intelligence World Electric Power Plants Database (December 2021) as at 2022, capacity weighted. Countries ordered by absolute capacity (left to right), followed by South East Asia. Europe and North America added for reference only.

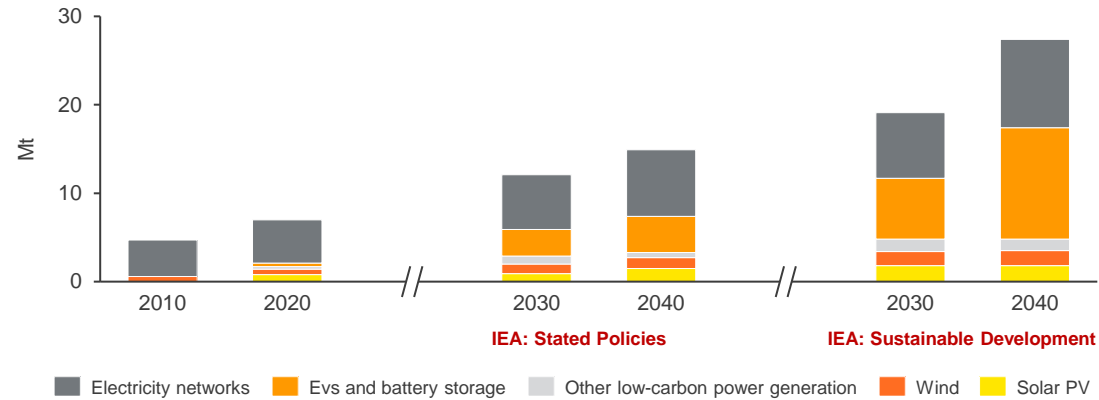
5. International Energy Agency, World Energy Investment 2018

6. South East Asia (excluding Indonesia)

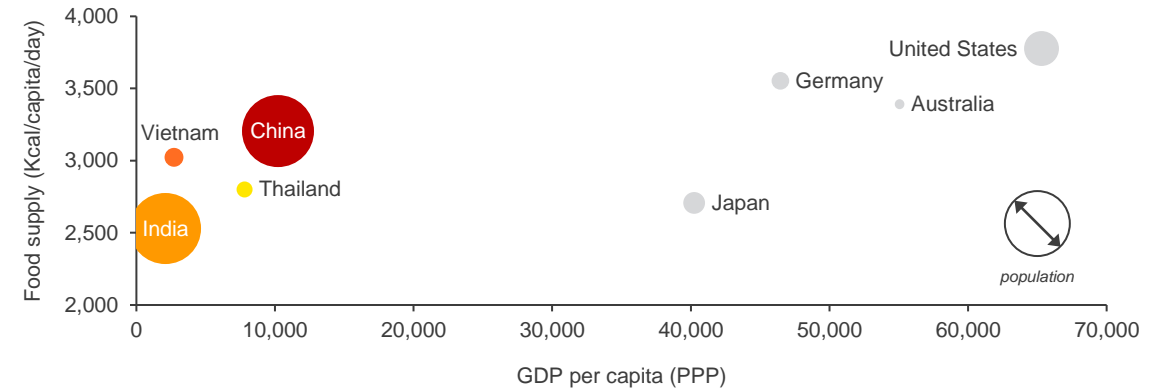
Bulk markets

Demand growth for bulk commodities will be led by the transition to clean energy technologies and rising food consumption in developing nations

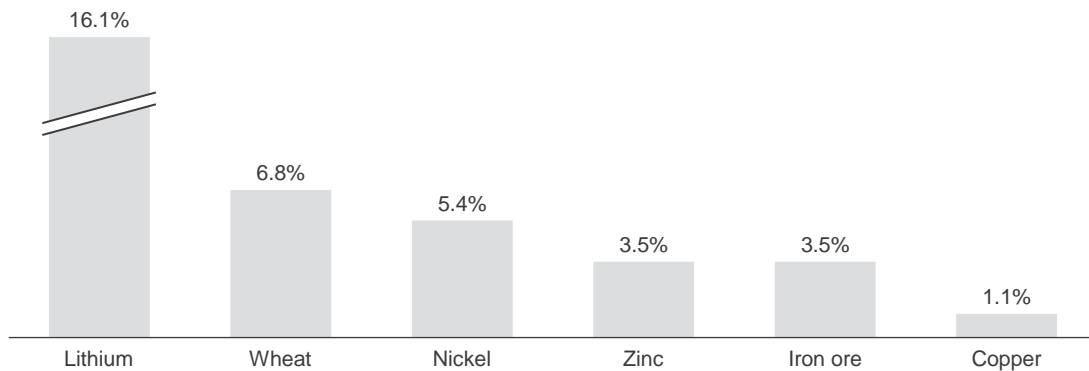
MINERAL DEMAND FROM CLEAN ENERGY TECHNOLOGIES¹



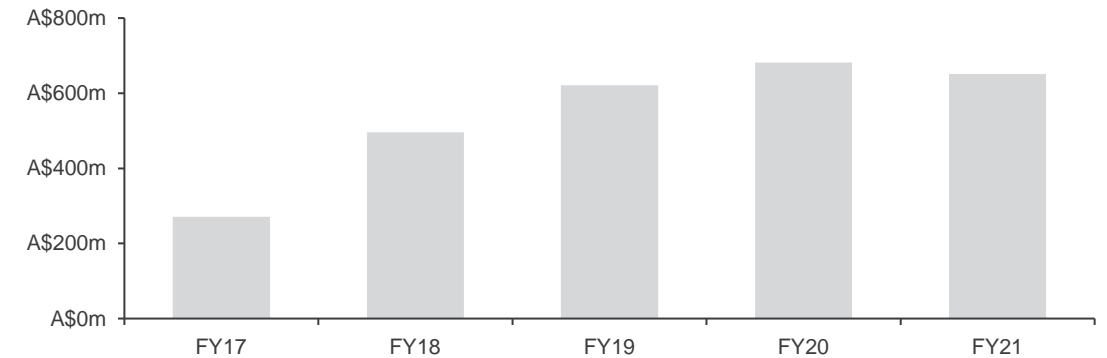
FOOD CONSUMPTION: CALORIES PER CAPITA²⁻³



AUSTRALIA: PRODUCTION GROWTH⁴ CAGR 2020-2026



AUSTRALIA: EXPLORATION EXPENDITURE: SELECTED BASE METALS⁵



1. International Energy Agency (IEA) – The role of critical minerals in clean energy transition. Key minerals included: cobalt, copper, lithium, nickel and rare earth elements

2. GDP (Purchasing Power Parity; international dollars): International Monetary Fund (2019 data), Population: International Monetary Fund (2019 data)

3. Food & Agriculture Organisation of the United Nations (kcal/capita/day, 2018 data)

4. Office of the Chief Economist – Research and Energy Quarterly (March 2021). Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES): Agricultural commodities March quarter 2021

5. Australian Bureau of Statistics. Selected base metals includes: copper, silver, lead, zinc, nickel and cobalt

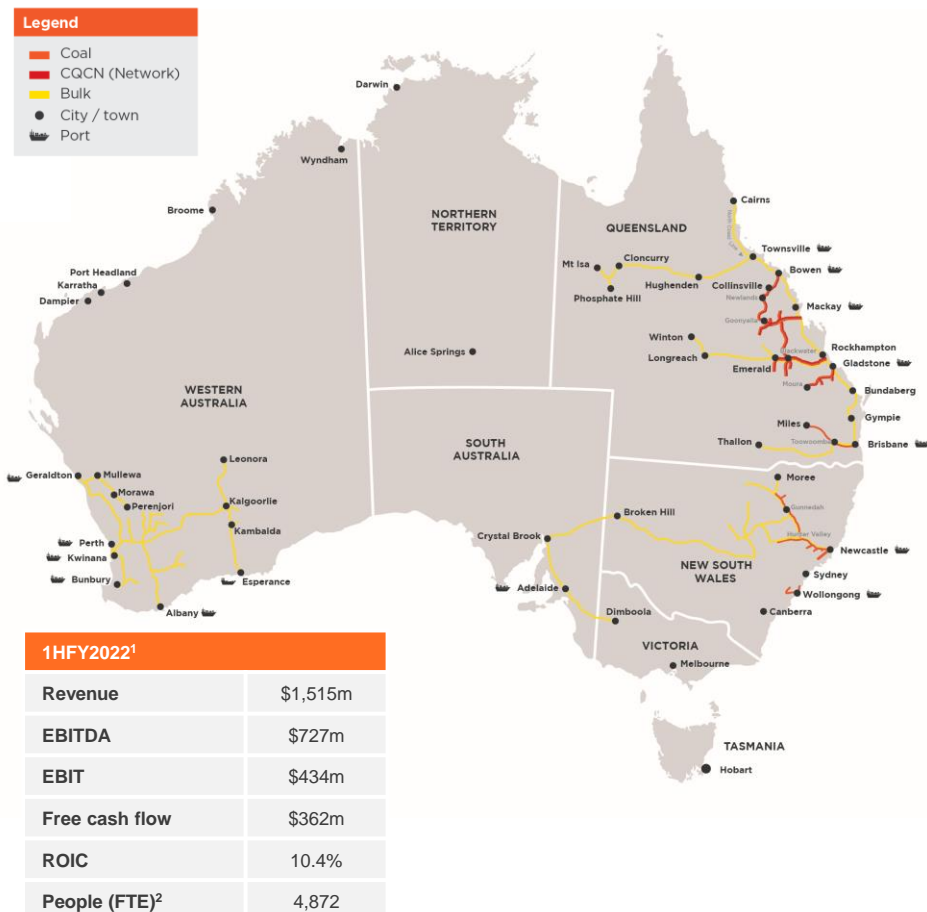


Additional Information: Group

Picture: Stuart depot, Townsville

Overview of Aurizon's operations

Aurizon is Australia's largest rail-based transport business, with diversified, cross-commodity exposure through above and below rail services, and port terminals



Below Rail

Network



- Operation of the Central Queensland Coal Network (2,670km), critical infrastructure supporting ~90% of Australian metallurgical coal export volume
- Regulated below rail asset base
- Around 70% of volume hauled across the network is considered to be metallurgical coal (remaining 30% thermal coal), with demand linked to Asian steel production

Above Rail

Coal



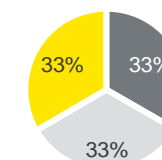
- Largest hauler of metallurgical coal in Australia
- Only rail operator with services to all nine coal export terminals on East Coast
- Coal hauled is approximately split evenly between metallurgical coal and thermal coal, with demand linked to Asian steel production and energy generation respectively

Bulk



- Operations in Queensland, Western Australia and New South Wales
- Rail, road and port services
- Commodities hauled linked with economic growth and minerals associated with new economy markets and food consumption

REVENUE³



Metallurgical Coal
 Thermal Coal
 Bulk

1. All amounts are underlying and on a continuing basis (unless otherwise identified)

2. As at 31 December 2021

3. Revenue is the sum of the Coal and Bulk business units (excluding track access) and excludes the Network business unit. Coal revenue allocated (by coal type) based on estimated volume split. Amounts do not sum to 100% due to rounding

Purpose, Vision, Values and Strategic Levers

Purpose

Growing regional Australia by delivering bulk commodities to the world

Vision

The first choice for bulk commodity transport solutions

Values

SAFETY

We know safe,
we choose safe

PEOPLE

We seek diverse
perspectives

INTEGRITY

We have the courage
to do the right thing

CUSTOMER

We strive to be the first
choice for customers

EXCELLENCE

We set and achieve
ambitious goals

Strategic Levers



OPTIMISE

our existing core business



EXCEL

to create competitive advantage



EXTEND

to support long-term sustainable growth

Above Rail volumes

	Quarter Ending						Financial Year to date		
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Variance ¹	1HFY2021	1HFY2022	Variance ¹
Coal volumes (mt)									
CQCN	36.5	35.5	37.0	36.9	33.4	(8%)	71.2	70.3	(1%)
NSW & SEQ	15.3	13.0	14.7	14.5	13.9	(9%)	30.6	28.4	(7%)
Total	51.8	48.5	51.8	51.4	47.3	(9%)	101.8	98.7	(3%)
Coal NTK (bn)									
CQCN	9.1	8.9	9.1	9.4	8.4	(8%)	17.8	17.8	-
NSW & SEQ	2.9	2.5	2.8	2.8	2.6	(10%)	5.9	5.4	(8%)
Total	12.0	11.4	11.9	12.2	11.0	(8%)	23.7	23.2	(2%)
Bulk volumes (mt)	13.1	12.1	12.8	11.9	12.9	(2%)	26.3	24.8	(6%)
Above Rail Volumes (mt)	64.9	60.7	64.6	63.3	60.2	(7%)	128.1	123.5	(4%)

1. Variance compared to the previous corresponding period

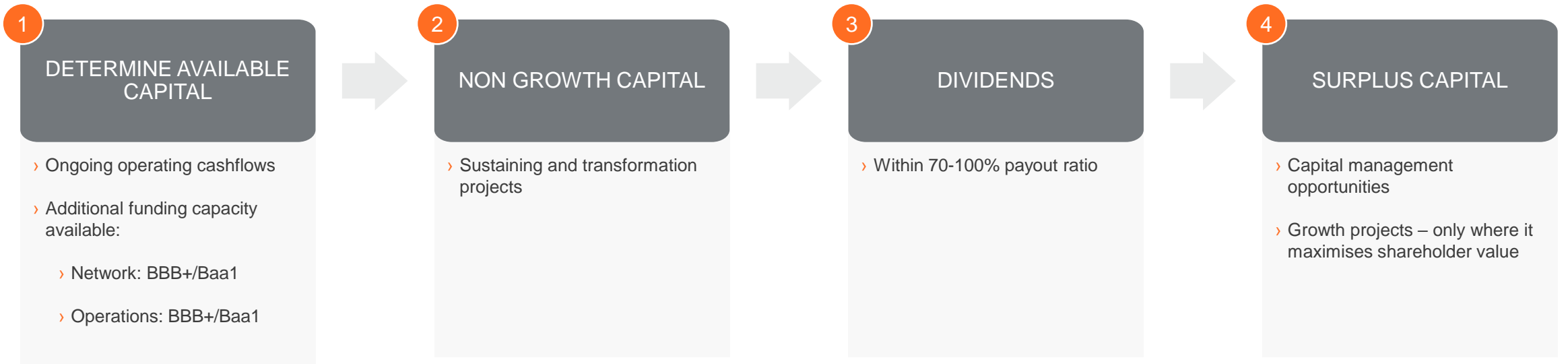
Note: Due to rounding, the sum of components may not equal the corresponding total

Enterprise Agreements

Enterprise Agreement		# Staff Covered (approx.)	Term (years)	Expiry Date	Headline Increases				Status
					Year 1	Year 2	Year 3	Year 4	
Aurizon Port Services		60	3	1 Nov 2021	2.50%	2.50%	2.50%		Bargaining
WA Rail Operations		450	4	30 June 2022	1.50%	2.00%	2.00%	2.25%	Planning
QLD Coal	Traincrew & Transport Operations	1200	3	11 Nov 2022	2.50%	2.30%	2.25%		Planning
	Maintenance				2.00%	2.00%	2.00%		
QLD Bulk	Traincrew & Transport Operations	370	3	24 Jan 2023	2.50%	2.30%	2.25%		Planning
	Maintenance				1.50%	2.00%	2.00%		
QLD Staff		700	4	30 Jan 2023	2.10%	2.10%	2.25%	2.25%	Planning
QLD Infrastructure		550	4	27 May 2023	2.10%	2.10%	2.25%	2.25%	Planning
WA Rollingstock Maintenance		90	4	10 May 2025	3.00%	3.00%	2.50%	2.00%	Complete
NSW Coal		300	4	10 Nov 2025	2.50%	2.50%	2.50%	2.50%	Complete

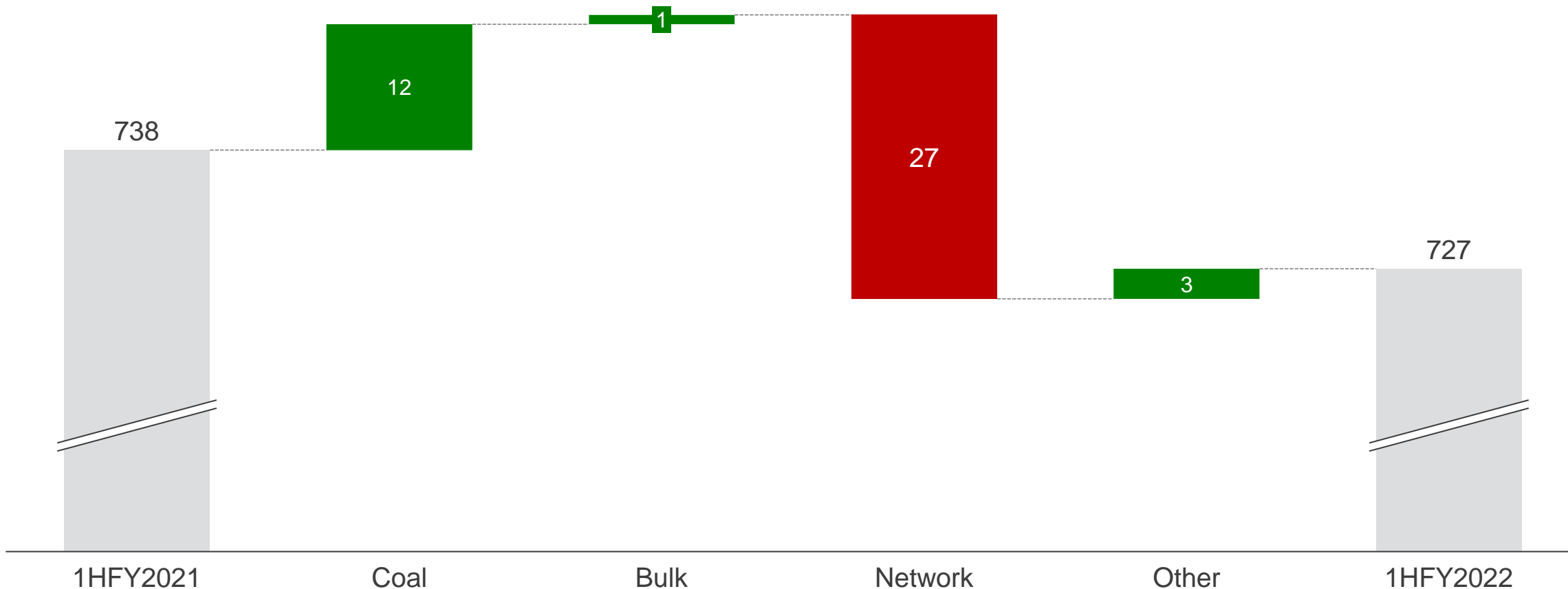
Prioritisation of capital

CAPITAL ALLOCATION HIERARCHY



Capital management options influenced by low franking and share capital account balance

Underlying group EBITDA bridge¹ (\$m)



1. Continuing operations
 Note: Due to rounding, the sum of components may not equal the corresponding total

Underlying EBITDA¹ by business unit (\$m)

	1HFY2022	1HFY2021	Variance	2HFY2021
Coal	286.2	274.1	4%	259.2
Bulk	74.5	73.6	1%	66.3
Network	380.4	407.7	(7%)	441.1
Other	(14.2)	(17.1)	17%	(22.7)
EBITDA	726.9	738.3	(2%)	743.9

Balance sheet summary (\$m)

	31 December 2021	30 June 2021	31 December 2020
Assets classified as held for sale	0.1	5.0	67.2
Other current assets	674.7	806.9	518.8
Total current assets	674.8	811.9	586.0
Property, plant and equipment (PP&E)	8,464.9	8,483.2	8,526.0
Other non-current assets	436.8	469.5	499.1
Total non-current assets	8,901.7	8,952.7	9,025.1
Total Assets	9,576.5	9,764.6	9,611.1
Liabilities classified as held for sale	-	-	(0.8)
Other current liabilities	(601.5)	(658.2)	(688.4)
Total borrowings	(3,550.0)	(3,738.0)	(3,774.4)
Other non-current liabilities	(1,131.4)	(1,093.8)	(1,037.8)
Total Liabilities	5,282.9	5,490.0	5,501.4
Net Assets	4,293.6	4,274.6	4,109.7
Gearing (net debt / (net debt + equity))	44.4%	45.6%	47.8%

Reconciliation of borrowings

	\$m	Commentary
Total debt including working capital facility	3,496.8	Borrowings on a cash basis
<i>Reconciliation to Financial Statements</i>		
Add/(less):		
Capitalised transaction costs	(9.1)	
Discounts on bonds	(8.3)	Discounts on medium term notes capitalised to the balance sheet and unwound to the income statement in accordance with AASB 9
Accumulated fair value adjustments	70.6	Accumulated fair value hedge mark-to-market adjustment on bonds in accordance with AASB 9
Total adjustments	53.2	
Total borrowings per financial report	3,550.0	Current and non-current borrowings

Significant adjustments (\$m)

	1HFY2022	1HFY2021	2HFY2021
Continuing operations – Net gain on sale of shares in Aquila (before tax) ¹	-	-	8.2

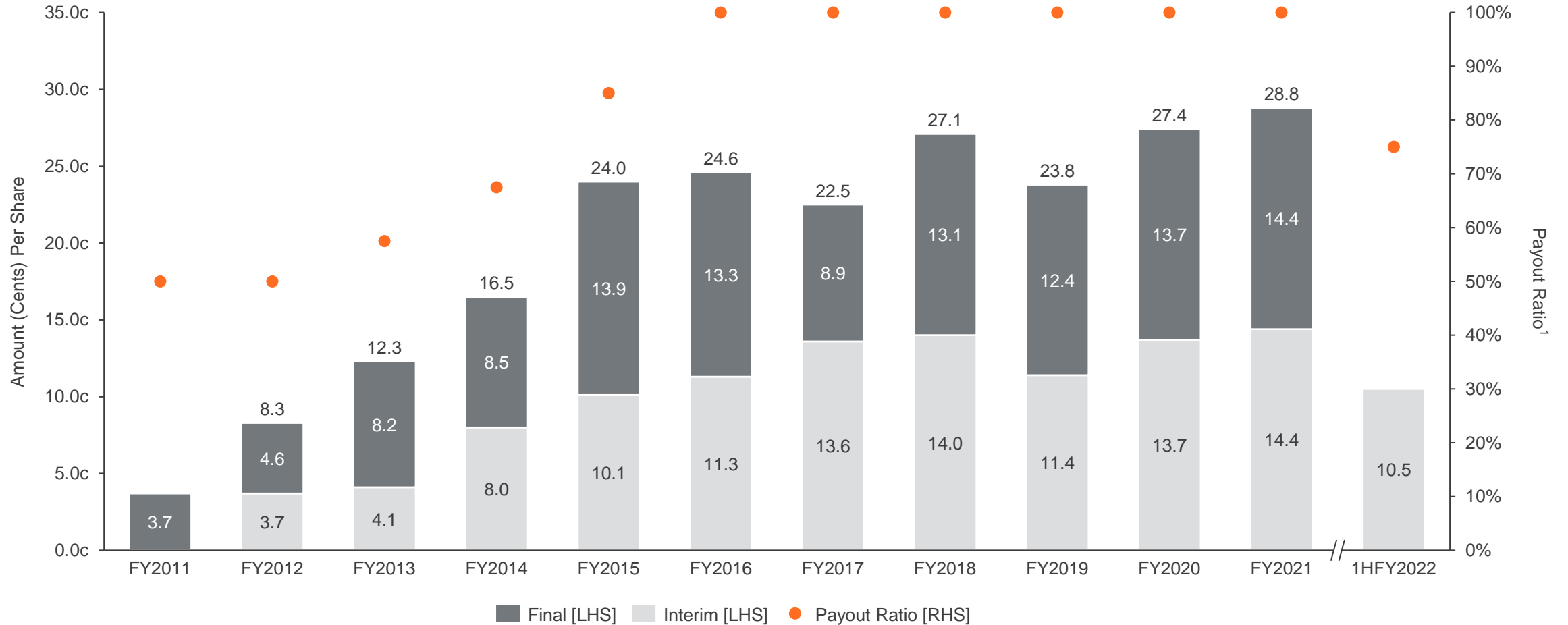
1. Significant adjustments from continuing operations, net of tax is \$73.5m

Redundancy cost information

Year	Redundancy costs included in underlying EBIT (\$m)	Redundancy costs classified as Significant items (\$m)
FY2017	5	116
FY2018	17	(10)
FY2019	21	(1)
FY2020	16	-
FY2021	14	-
1HFY2022	4	-

- › Redundancy costs are presented for total Group (Continuing and Discontinued operations)

Dividend history



1. A simple average of the payout ratio is used. From FY2018, payout ratio is based on underlying NPAT for continuing operations

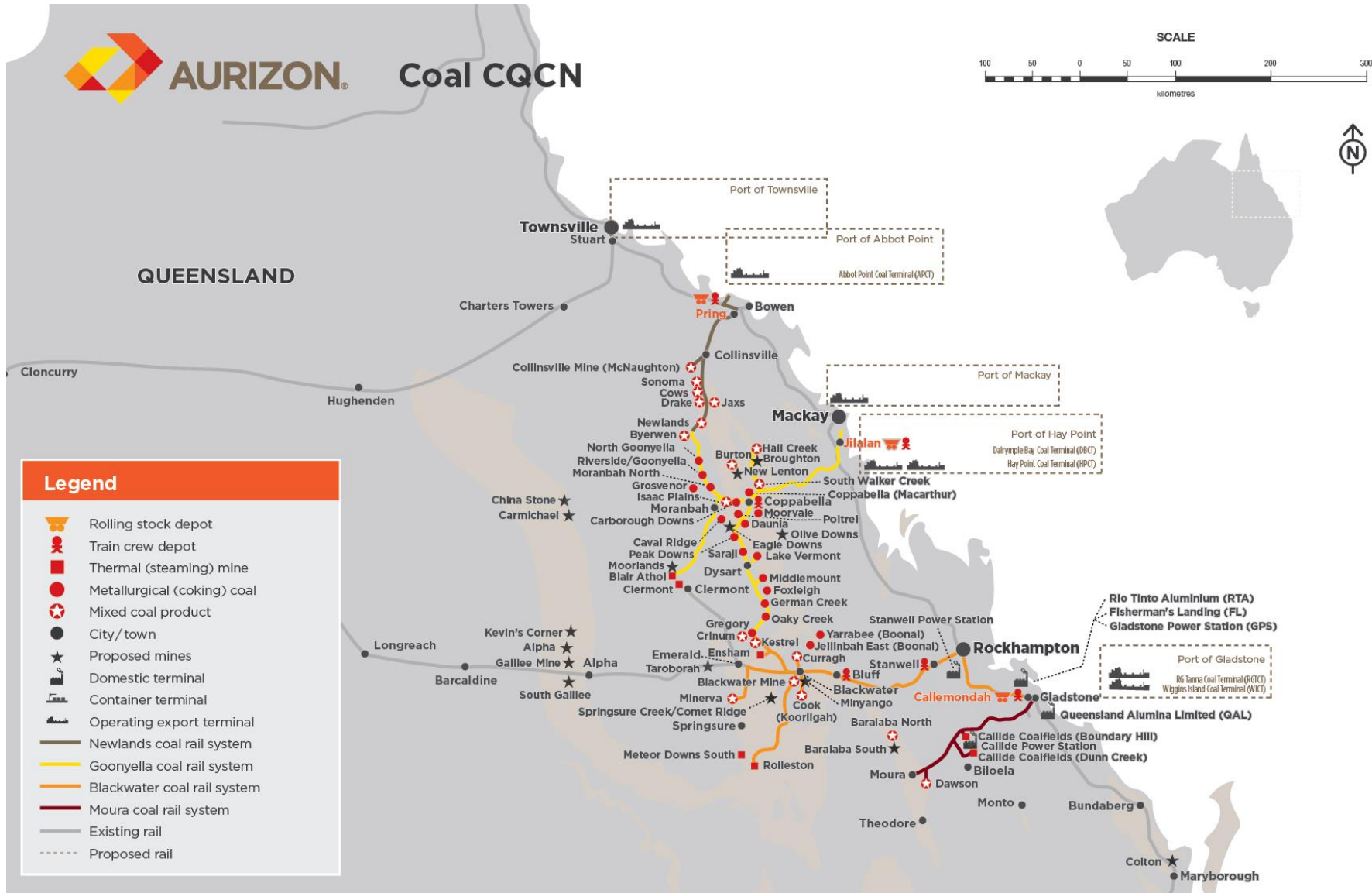
Legal matters

-
- WIGGINS ISLAND RAIL PROJECT (WIRP)**
- › Earlier Court of Appeal decision confirmed that ongoing WIRP fees are payable until August 2035, and WIRP fees have been billed to WIRP Customers accordingly
 - › 18 December 2020: Aurizon commenced proceedings in the Supreme Court of Queensland to appeal the Expert's Determination. The Determination reduced the quantum of WIRP Fees payable, and the appeal seeks to reverse the reduction
- LEGAL PROCEEDINGS AGAINST G&W**
- › 17 September 2019: Aurizon commenced proceedings against G&W seeking damages and declarations for a breach of long-standing contractual rights held by Aurizon concerning G&W's Australian assets (One Rail Australia)
 - › Matter is currently before the Supreme Court of New South Wales
- ATO DECLARATORY RELIEF PROCEEDINGS**
- › Prior to 2010 IPO: Queensland Government made an equity contribution to Aurizon of \$4.4 billion. Over the last two years, Aurizon has engaged with the Australian Taxation Office (ATO) in relation to the technical tax treatment of the State's capital contribution
 - › November 2020: Aurizon commenced proceedings in the Federal Court seeking a declaration from the Court that the Capital Distribution account is share capital for the purposes of tax law
 - › Matter is expected to be heard in the Federal Court in March 2022

Additional Information: Coal

Picture: Coal haul, Central Queensland Coal Network

Coal Operations



Note: Includes all mines in the CQC

Coal Operations



Coal operating metrics

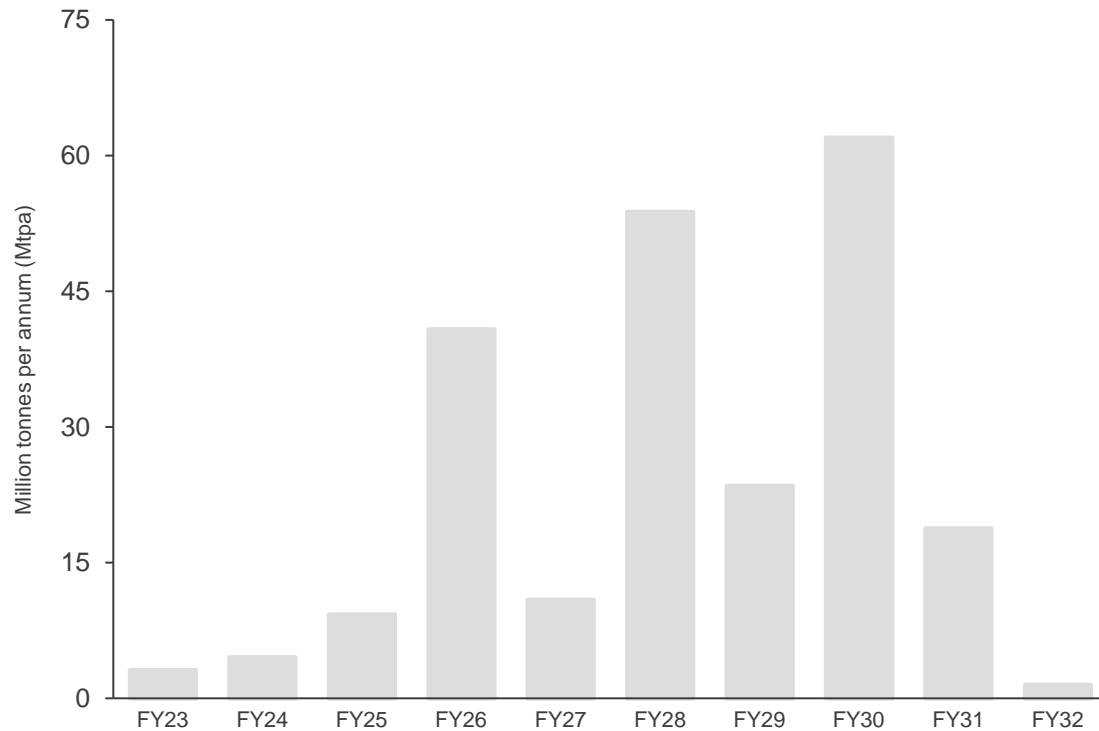
	1HFY2022	1HFY2021	Variance	2HFY2021
Total tonnes hauled (m)	98.7	101.8	(3%)	100.3
Contract utilisation	83%	82%	1ppt	84%
Total NTK (bn)	23.2	23.7	(2%)	23.4
Average haul length (km)	235	233	1%	233
Total revenue / NTK (\$/'000 NTK)	34.3	34.4	-	34.0
Above Rail Revenue / NTK (\$/'000 NTK)	25.9	24.7	5%	24.8
Opex / NTK (\$/'000 NTK)	26.5	27.2	3%	27.5
Opex / NTK (excluding access costs) (\$/'000 NTK)	18.2	17.5	(4%)	18.0
Locomotive productivity ('000 NTK / Active locomotive day)	390.1	387.9	1%	393.1
Active locomotives (as at 31 December)	319	331	(4%)	329
Wagon productivity ('000 NTK / Active wagon day)	14.7	14.8	(1%)	15.0
Active wagons (as at 31 December)	8,449	8,707	(3%)	8,723
Payload (tonnes)	7,869	7,862	-	7,912
Velocity (km/hr)	23.7	23.9	(1%)	23.8

Coal haulage tonnes (mt) by system

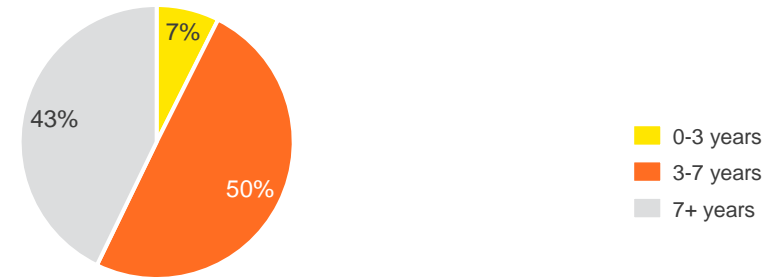
	1HFY2022	1HFY2021	Variance	2HFY2021
CQCN				
Newlands	9.3	9.1	2%	9.1
Goonyella	29.4	28.7	2%	31.6
Blackwater	24.8	26.6	(7%)	25.7
Moura	6.8	6.8	-	6.1
Total CQCN	70.3	71.2	(1%)	72.5
NSW & SEQ				
West Moreton	1.7	2.2	(23%)	1.9
Hunter Valley	26.7	28.4	(6%)	25.9
Total NSW & SEQ	28.4	30.6	(7%)	27.8
Total Coal	98.7	101.8	(3%)	100.3

Coal contract portfolio

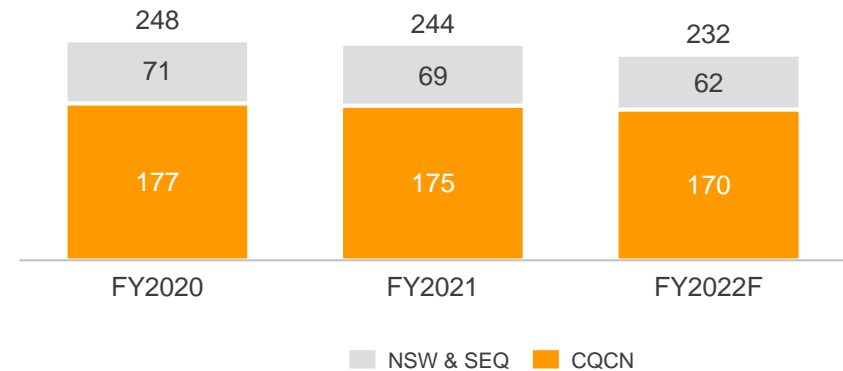
AURIZON COAL CONTRACT VOLUME EXPIRY BY YEAR¹
AS AT 31 DECEMBER 2021



COAL CONTRACT PORTFOLIO EXPIRY¹
AS AT 31 DECEMBER 2021



FORECAST COAL CONTRACTED VOLUMES² (MT)



1. Announced contract tonnages may not necessarily align with current contract tonnages. Incorporates contract extension options where applicable. Includes immaterial variations to volume/term not announced to market.

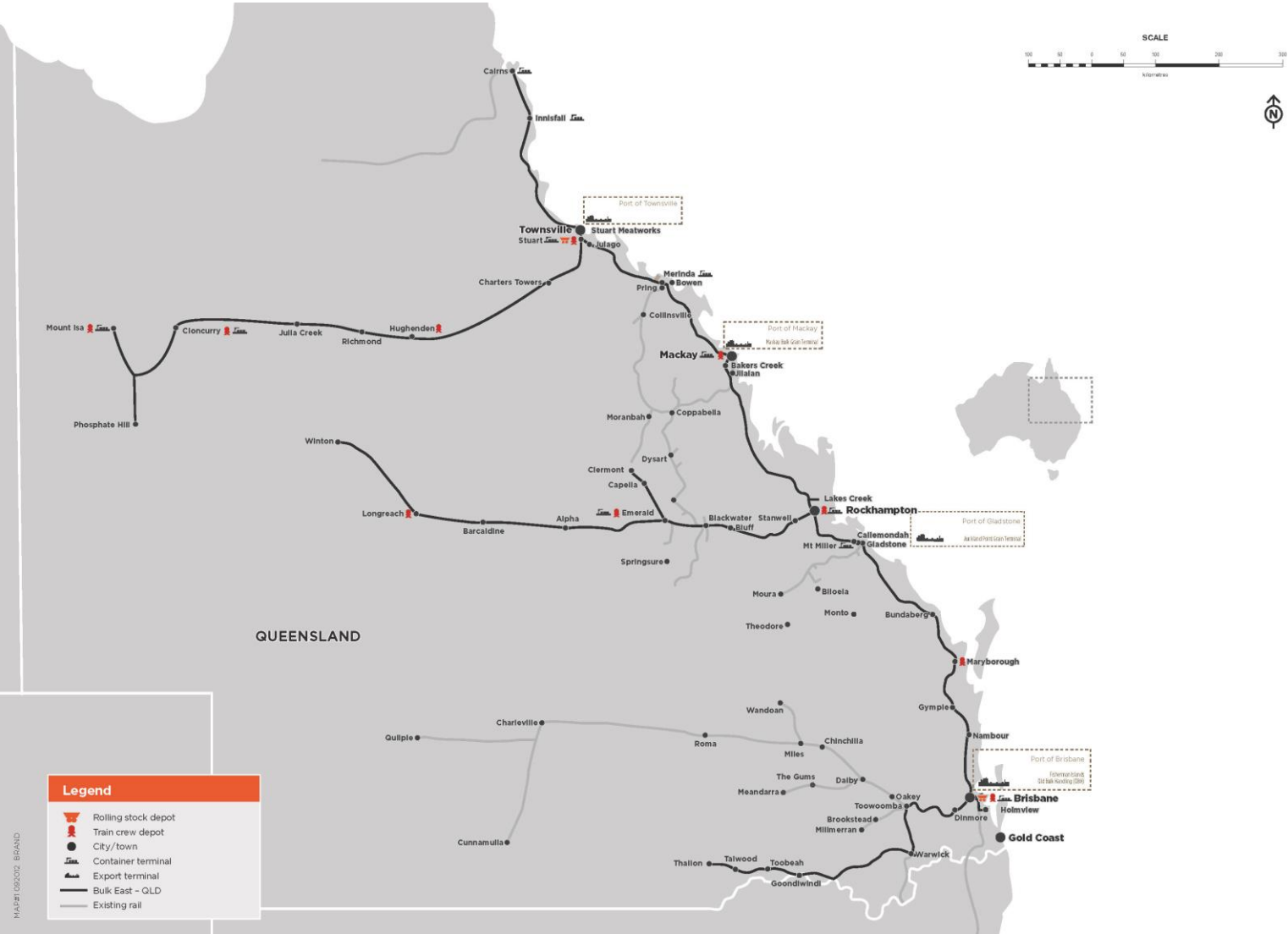
2. This represents the contracted tonnes as at 31 December 2021 and includes known nominations.

Additional Information: Bulk



Picture: Port of Townsville

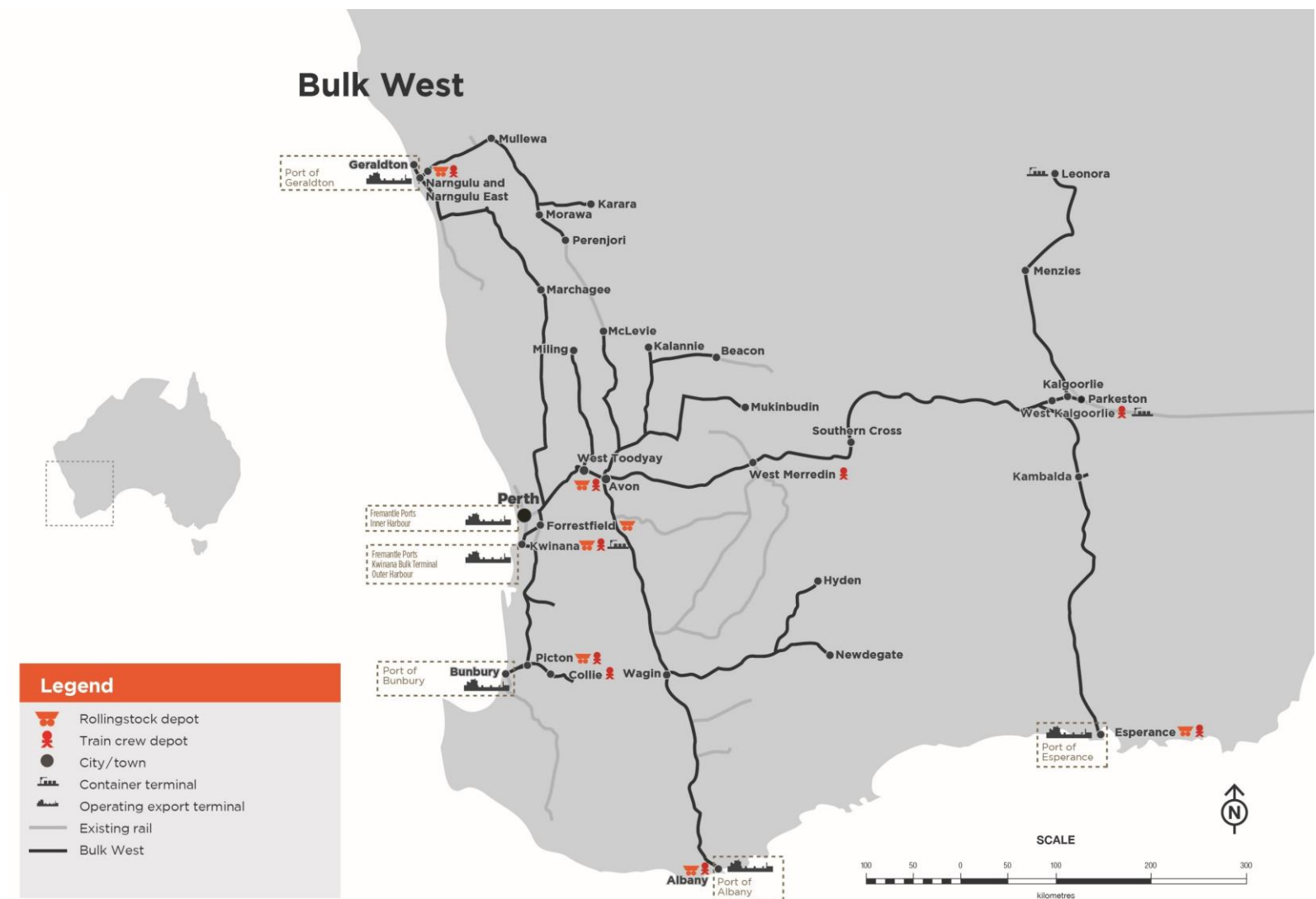
Bulk operations: Queensland



Bulk operations: New South Wales, Victoria and South Australia

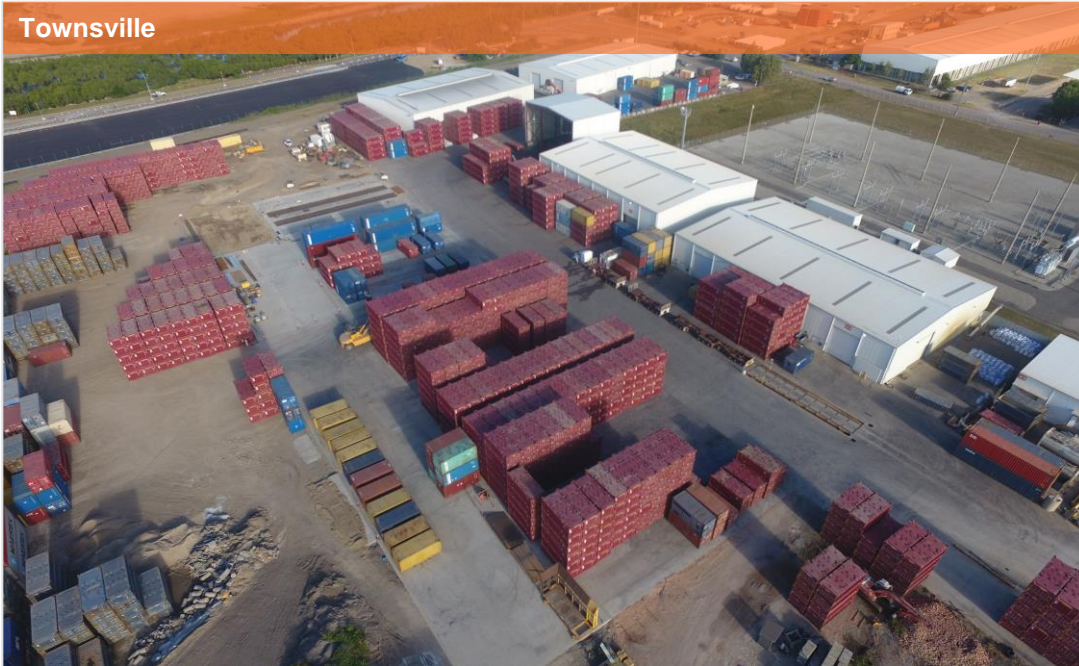


Bulk operations: Western Australia



Aurizon Port Services

Townsville



Infrastructure: Hardstand upgrade completed with capacity for 1,200 containers (100% increase in capacity) and development of unique direct rail access well progressed

Connected: Strategically linked to the Mount Isa Minerals province

Expanded Services: Connecting port, trucking and storage services to rail

Newcastle



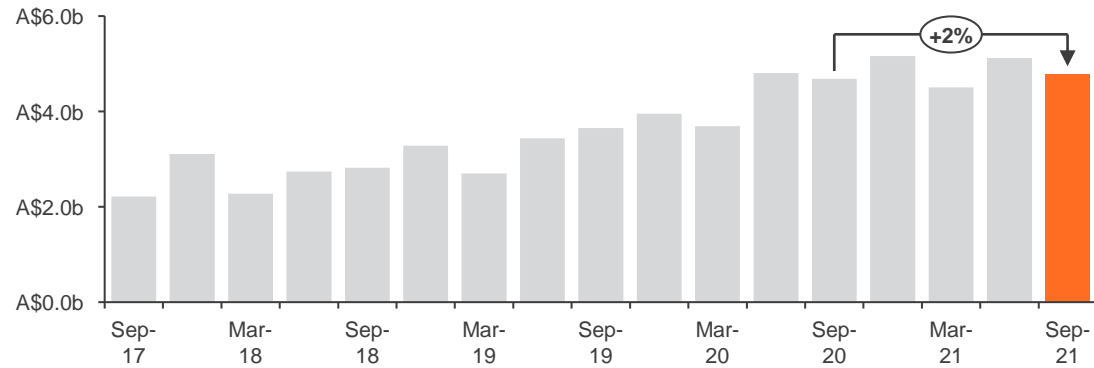
Simplicity: Simple operating and labour model that is scalable (currently operating at 50% capacity)

Connected: Strategically linked to the Cobar Minerals province of NSW

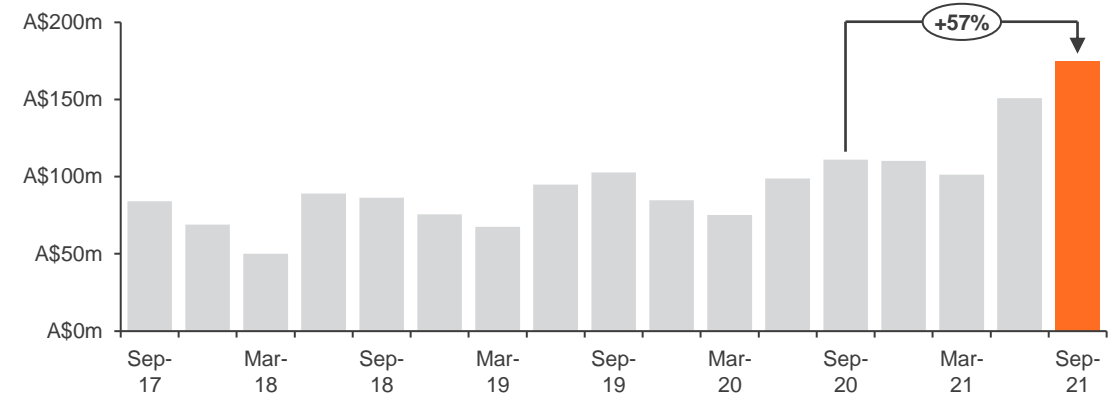
Expanded Services: Connecting port, materials handling and storage services to rail

Bulk – Australia Capital & Exploration Expenditure

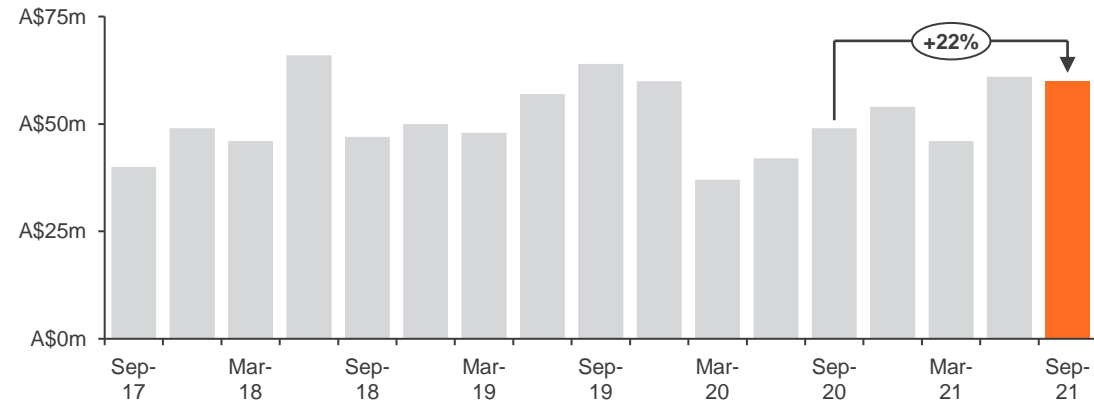
CAPITAL EXPENDITURE: METAL ORE MINING¹



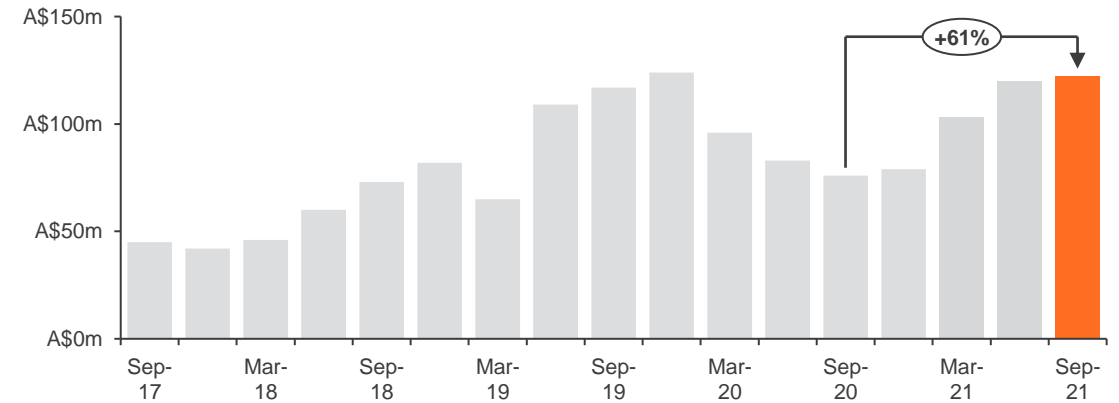
EXPLORATION EXPENDITURE: IRON ORE



EXPLORATION EXPENDITURE: NICKEL & COBALT



EXPLORATION EXPENDITURE: COPPER



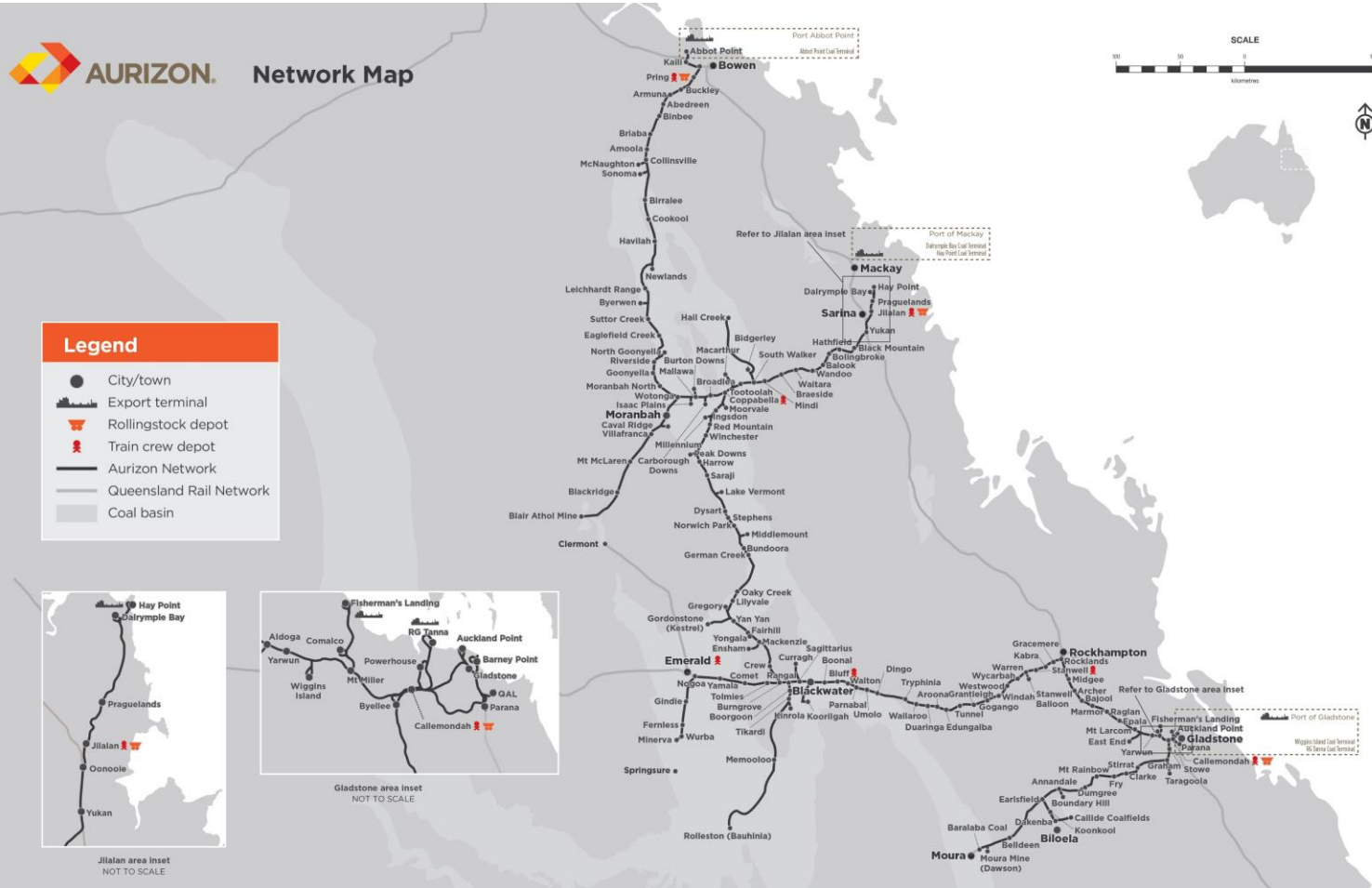
1. Metal ore mining commodities includes: iron ore, bauxite, copper, gold, mineral sands, nickel, silver-lead-zinc and other metal ores.
Source: Australian Bureau of Statistics



Additional Information: Network

Picture: Callemondah rail yard, Gladstone (Central Queensland)

Network Operations



Network financial and operating metrics

\$m	1HFY2022	1HFY2021	Variance	2HFY2021
Tonnes (m)	104.9	103.7	1%	104.5
NTK (bn)	26.4	26.0	2%	26.4
Operating Ratio	63.0%	59.3%	3.7ppt	57.6%
Maintenance/NTK (\$/'000 NTK)	2.4	2.3	(4%)	2.4
Opex/NTK (\$/'000 NTK)	13.6	13.5	(1%)	13.8
Cycle Velocity (km/hr)	23.1	22.9	1%	23.1
System Availability	82.9%	82.9%	-	85.4%
Average Haul Length (km)	251	251	-	252

Network volumes: All rail operators

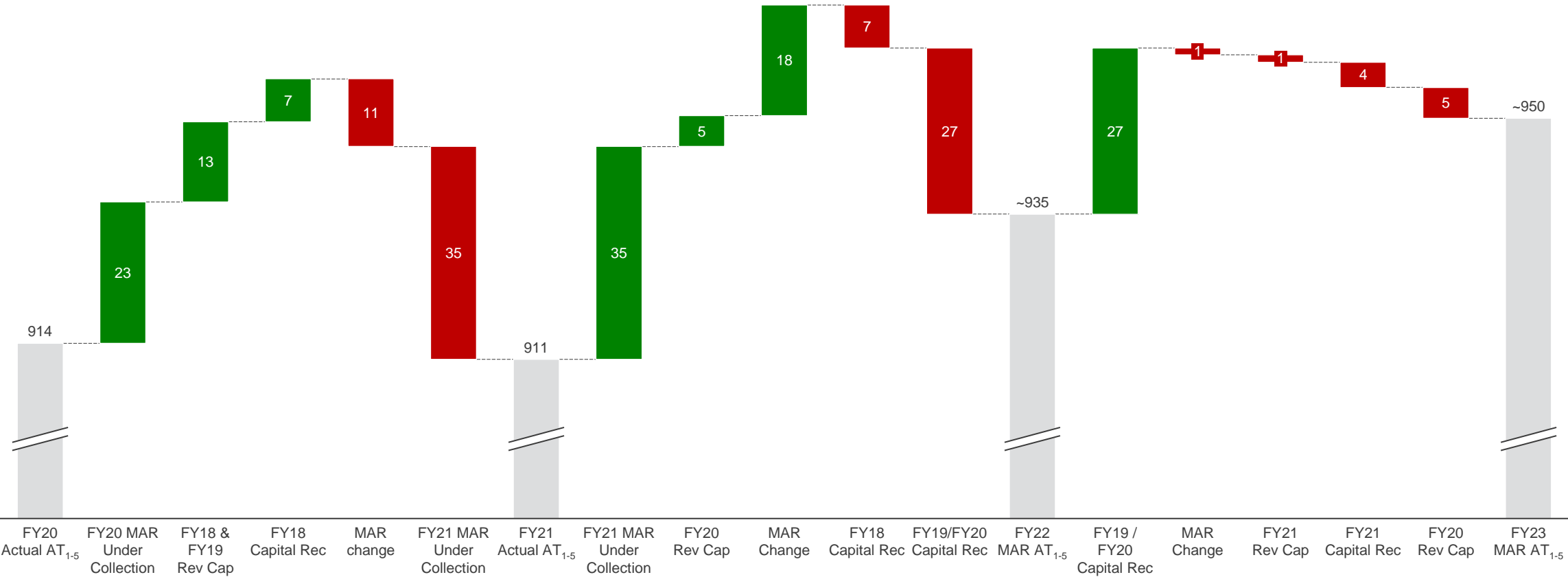
	1HFY2022	1HFY2021	Variance	2HFY2021
Newlands	6.6	4.9	35%	5.8
Goonyella	53.5	51.3	4%	52.1
Blackwater	29.6	30.5	(3%)	30.9
Moura	6.7	6.8	(1%)	6.0
GAPE	8.6	10.3	(16%)	9.8
Total (mt)	104.9	103.7	1%	104.5

Network 1HFY2022 Access Revenue movement

	\$m
Decrease in MAR from 1HFY2021 to 1HFY2022	(8.1)
Volume under-recovery for 1HFY2022	(28.4)
Volume under-recovery for 1HFY2021 (reversal of 1HFY2021 impact)	65.7
GAPE revenue	(11.6)
FY2020 Revenue Cap amounts (recovery from Access Holders in 1HFY2022)	2.5
WIRP Fees	(48.7)
Other Access Revenue	3.0
Movement in 1HFY2022 Access Revenue	(25.7)

Network adjusted MAR bridge – Approved UT5 Undertaking

INDICATIVE NETWORK ADJUSTED MAXIMUM ALLOWABLE REVENUE (MAR)¹ FY2020 – FY2023 (\$M)



1. Amounts exclude GAPE. Amount excludes volume variances from FY2022 onwards. FY2021 and FY2022 MAR are based on a WACC of 6.3%. Impact to MAR for each month Report Date is delayed is ~\$2m per month, representing a 40 basis point uplift in WACC, returned to Access Holders via Revenue Adjustment Amounts. Due to rounding, the sum of components may not equal the corresponding total. FY2023 MAR is subject to QCA approval.

Network Revenue Adjustment Amounts (revenue cap)

Financial Year	AT ₂₋₄ (diesel tariff) \$m	AT ₅ (electric tariff) \$m	Total (inc-GAPE) \$m	Total (ex-GAPE) \$m
2021 ¹	(35.4)	17.7	(17.7)	(1.0)
2020	(0.5)	3.9	3.4	4.9
2019	(9.9)	(2.7)	(12.6)	(12.2)
2018	(6.2)	5.5	(0.7)	(0.8)

- › Revenue adjustment amounts (RAA) are the difference by system between Aurizon's Total Actual AT₂₋₅ Revenue and Allowable AT₂₋₅ Revenue
- › The RAA amounts are collected or repaid through a tariff adjustment two years later
- › All revenue adjustment amounts (except FY2021) include cost of capital adjustments
- › RAA also includes adjustments for maintenance, rebates, energy connection costs, WACC adjustments and other costs recoverable in accordance with Schedule F of the Access Undertaking

Note: AT = Access Tariff Revenue Adjustment Amount and that negative amounts represents a return to Access Holders.

1. Approved by the QCA on 16 December 2021. Excludes cost of capital adjustment.

Reconciliation of billed MAR to reported access revenue

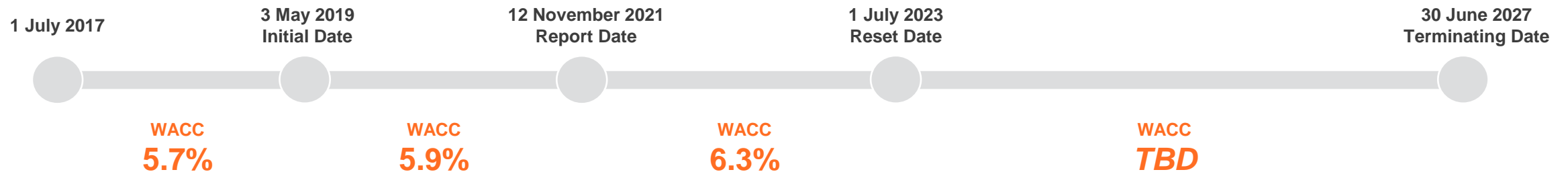
\$m	1HFY2022 Actual	FY2021 Actual	FY2020 Actual
Billed Access Revenue (AT ₁ to AT ₅) (ex. GAPE)	437	911	927
<u>Approved Adjustments to MAR</u>			
Revenue Cap (ex. GAPE and inclusive of capitalised interest) ¹	2	-	(13)
Regulated Access Revenue (ex. GAPE)	439	911	914
Total non-regulated Access Revenue (ex. GAPE)	24	86	35
Total GAPE Revenue (Regulatory + non-regulatory)	80	181	182
Total Access Revenue per Aurizon Statutory Accounts	543	1,179	1,132

Note: Access Revenue excludes other revenue which primarily consists of Access Facilitation Charges (AFC) paid by Access Holders to Network and other services revenue. Due to rounding, the sum of components may not equal the corresponding total
 1. FY2020 Revenue Cap includes both the FY2018 and FY2019 net returns to Access Holders.

UT5 Undertaking

Aurizon Network's access undertaking establishes the framework for access to the coal rail infrastructure in central Queensland

UT5 TIMELINE



Initial Date

- › The date on which the draft amending access undertaking (DAAU) was submitted to QCA for approval

Report Date

Date on which the later of the following events occur:

- › Independent Expert provides Initial Capacity Assessment Report (ICAR); and
- › Aurizon notifies relevant parties of proposed options to address Existing Capacity Deficits identified in ICAR.
- › Where ICAR does not identify any Existing Capacity Deficits the Report Date is the date on which the Independent Expert provides the ICAR. Should a capacity deficit be identified, Network has 20 business days to provide an initial view on proposed options to address

Reset Date

- › Reset of risk free rate, debt risk premium and inflation

UT5 Undertaking

Revenue Protection Mechanisms

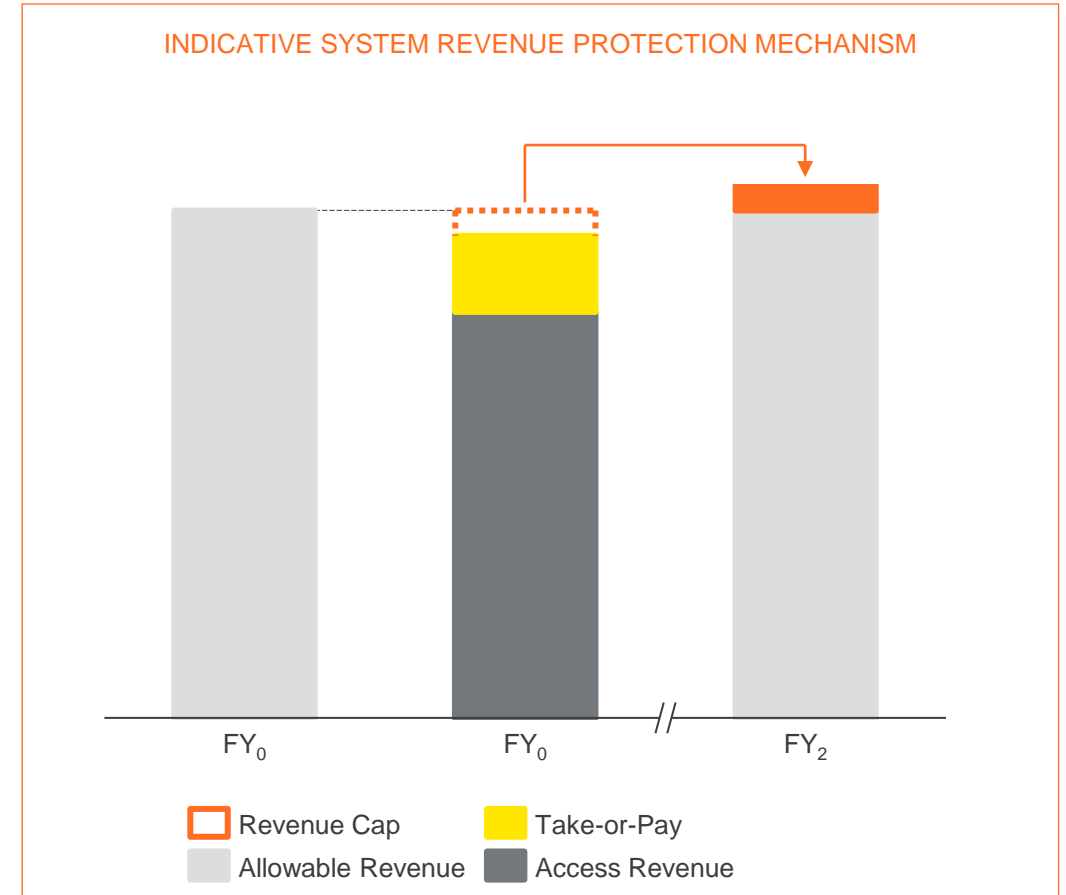
The **Maximum Allowable Revenue (MAR)** is the total revenue Aurizon Network is permitted to earn each year, determined in accordance with the *Regulatory Asset Base (RAB)* and *Building Block Methodology*

The MAR forms the basis for calculating reference tariffs¹ and determining *Allowable Revenue AT₂₋₅ (AR)*

Where system volume is less than the regulatory approved volume forecast, protection mechanisms come into effect to address the revenue shortfall²

- › **Take-or-Pay** is the primary mechanism whereby lost revenue is recovered from access holders in the current financial year (capped at available capacity)³
- › **Revenue Cap** is the secondary mechanism and comes into effect in the event that *Take-or-Pay* does not recover a revenue shortfall. This shortfall is recovered two years later

Patronage risk occurs when certain mines are no longer in operation. Under the QCA regime, Network will continue to earn its aggregate regulated revenue from the remaining mines that continue to use the system



1. Tariffs (All Systems): AT1 Incremental Maintenance (Gross Tonne Kilometre-based), AT2 Incremental Capacity (Path-based), AT3 Allocative (Net Tonne Kilometre-based), AT4 Allocative (Net Tonne-based). Tariffs (Electric Systems only): AT5 Electric Access (Electric Gross Tonne Kilometre-based).

2. In the event that revenue collected exceeds the Allowable Revenue, the protection mechanisms will return the surplus revenue to access holders

3. Excludes AT5 tariff

UT5 Undertaking

Regulatory Asset Base (RAB)

ELEMENT	DETAIL
Rollforward RAB	<ul style="list-style-type: none">› This represents the value of Network assets for regulatory purposes› Each year Network rolls forward the RAB adjusting for indexation, depreciation, disposals, transfers and the addition of approved capex› The FY2019 RAB rollforward was approved by the QCA on 3 July 2020 and has been incorporated into allowable revenues and reference tariffs in FY2022. The FY2020 RAB rollforward was approved by the QCA on 8 April 2021 and was also incorporated in reference tariffs for FY2022.› The estimated value of the RAB rollforward at 1 July 2021 is \$5.4b. This excludes \$0.3b of Access Facilitation Deeds (AFDs)

UT5 Undertaking

Building Blocks

BUILDING BLOCK	DETAIL
Return on capital (WACC)	<ul style="list-style-type: none"> › 5.70% from 1 July 2017 to 2 May 2019 › 5.90% from 3 May 2019 to 12 November 2021 (Report Date) › 6.30% from Report Date to 30 June 2023 › WACC reset at 1 July 2023 (reset of risk free rate, debt risk premium and inflation rate)
Maintenance	<ul style="list-style-type: none"> › Comprises direct costs – those relating to maintenance activities performed on the CQCN and indirect costs – including the return Network recovers on its investment in maintenance assets (e.g. resurfacing plant) and a return on inventory held for maintenance purposes › Note ballast undercutting is being reclassified to the capital indicator under transitional arrangements from FY2020 › Maintenance costs are pass through and approved annually by customers through consultation for FY2021 onwards
Return of capital (Depreciation)	<ul style="list-style-type: none"> › RAB roll forward as per UT5 Final Decision › FY2021 onward – capital is determined on an annual basis in consultation with customers › Reset of inflation to occur at 1 July 2023, applying same methodology as UT5 Final Decision › Asset life reset will occur at 1 July 2023 (under the UT5 Final Decision this would have occurred 1 July 2021) › Existing depreciation approach to be retained, including 20-year rolling depreciation for assets included in the RAB post 1 July 2009
Operating expenditure	<ul style="list-style-type: none"> › Includes all costs associated with train control, scheduling, customer, finance and regulation. It also includes corporate overheads for the operation of the business, along with insurance, transmission and connection costs and other operating costs › From FY2022 operating expenditure allowance uses FY2021 as base, with an uplift applied where CPI increases above 2.37% › Any efficiency savings achieved in relation to operating expenditure will be retained by Aurizon over the life of the UT5 Undertaking › Exception is transmission and connection costs which are pass through to customers
Tax	<ul style="list-style-type: none"> › Tax allowance calculated on same basis as UT5 Final Decision

UT5 Undertaking

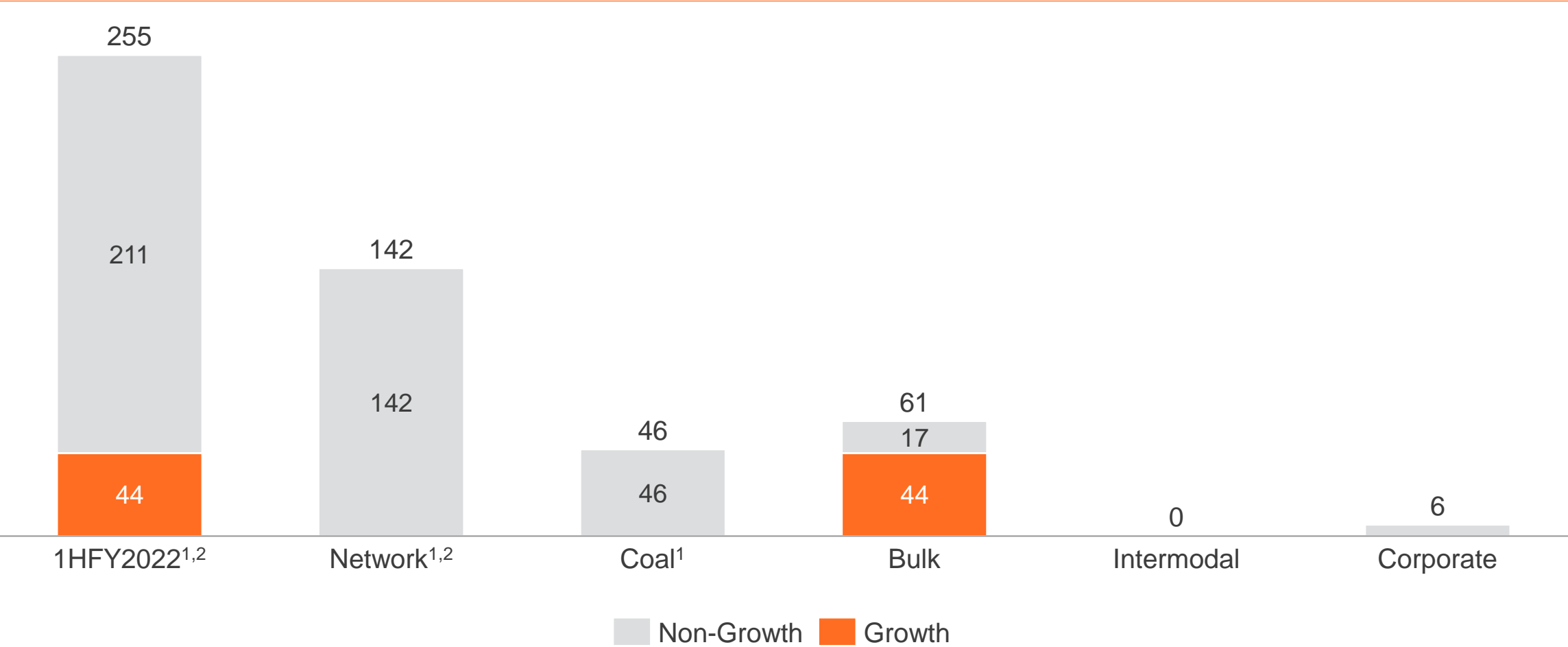
Rebate Mechanism

ELEMENT	DETAIL
Mechanism	<ul style="list-style-type: none"> › A customer will be entitled to a rebate from Network where it has received less than its annual contracted capacity, as assessed by the Independent Expert, as a result of Network's performance below target levels › Targets to commence after the Initial Capacity Assessment has been completed and will align with the operating parameter assumptions applied in the Initial Capacity Assessment › Will only include matters that are within Network's control – i.e. excludes issues related to Above Rail, port, mine, weather and other force majeure related events › Exposure to a customer under the rebate mechanism is limited to access charges they would have paid for the contracted paths not delivered as a result of Network's performance below target levels
Review	<ul style="list-style-type: none"> › In January 2023, if requested by an End User, the QCA will review whether the rebate mechanism has been effective – measured against the defined Rebate Objectives › If QCA determines the objectives have not been met in a material way then the QCA may recommend changes to the UT5 Undertaking to ensure the Rebate Objectives are achieved › If Network does not agree with the QCA's recommendation, Network and customers will seek to agree appropriate modifications to the mechanism. Failing that, the WACC will be reduced by 30 basis points and the rebate mechanism will be removed from the UT5 Undertaking

Additional Information: Capital Expenditure

Picture: Coal haul, Central Queensland Coal Network

1HFY2022 group and business unit capital expenditure (\$m)



1. Includes capitalised interest
2. Net of externally funded payments

Glossary

Metric	Description
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
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
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
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
ToP	Take-or-Pay. Contractual ToP 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

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