



Aurizon Holdings Limited
ABN 14 146 335 622

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

12 February 2024

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=6mTjTAFh>

Yours faithfully

A handwritten signature in blue ink, appearing to read "Nicole Alder".

Nicole Alder
Company Secretary

Authorised for lodgement by the Aurizon Holdings Limited Board of Directors

Aurizon 1H FY2024 Results

12 February 2024



Photo: Outside the CBH grain silos of West Merredin enroute to Kwinana (Western Australia). Photo taken by Blake Jones, Aurizon Tutor Driver

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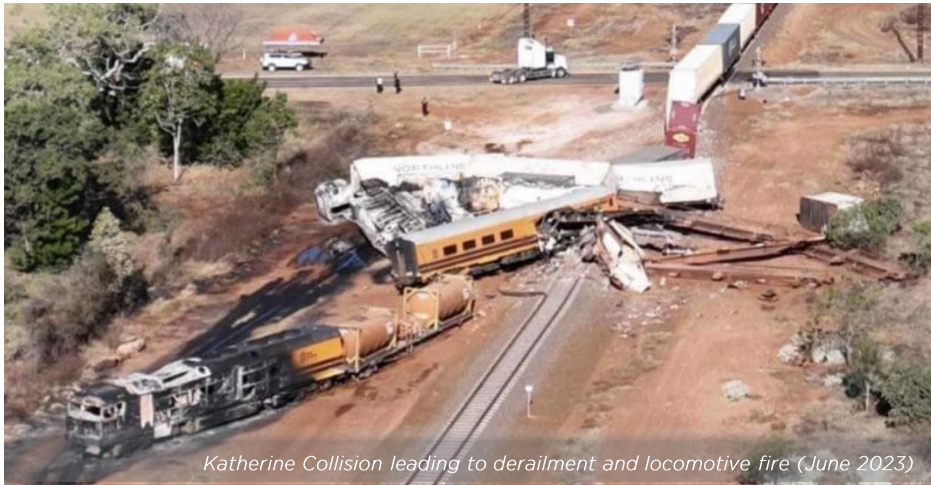
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Safety

Improvement in *Total Recordable Injury Frequency* and *Potential Serious Injury and Fatality Frequency Rate*

Level crossings remain the rail industry's highest safety risk

- › 14 level crossing collisions with Aurizon trains and many more near misses in the past 18 months
- › Aurizon supports the national rail level crossing safety roundtable



Katherine Collision leading to derailment and locomotive fire (June 2023)

Safety and Health

- › New Fatigue Risk Management Framework launched, strengthening risk-based approach to managing fatigue
- › Safety Performance 1HFY2024¹:
 - Total Recordable Injury Frequency Rate²: 3% improvement
 - Lost Time Injury Frequency Rate³: flat
 - Potential Serious Injury and Fatality Frequency Rate⁴: 10% improvement
- › Culture and Wellbeing Strategy refreshed, drawing upon results from our psychosocial risk management pilot

1. Unaudited results and subject to review including the incorporation of Bulk Central

2. Total Recordable Injury Frequency Rate 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. FY2023 restated to include Bulk Central (and to correct contractor hours)

3. Lost Time Injury Frequency Rate is the number of instances of Lost Time Injuries (per million hours worked). FY2023 restated to include Bulk Central (and to correct contractor hours)

4. Potential Serious Injury and Fatality Frequency Rate 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. FY2023 restated to include Bulk Central (and to correct contractor hours)

Introduction & Overview

Andrew Harding
Managing Director & CEO



Photo: Containerised Freight train ahead of the launch of the second weekly Melbourne to Perth service (Victoria)

Key messages

Uplift in earnings and cashflow driven by recovery in volumes, contribution of new contracts and an increase in regulatory Network revenue



EBITDA up 26% with growth from Network, Coal and Bulk



Dividend: 75% of NPAT for 1H FY2024



Containerised Freight capacity on-track for full schedule from April 2024

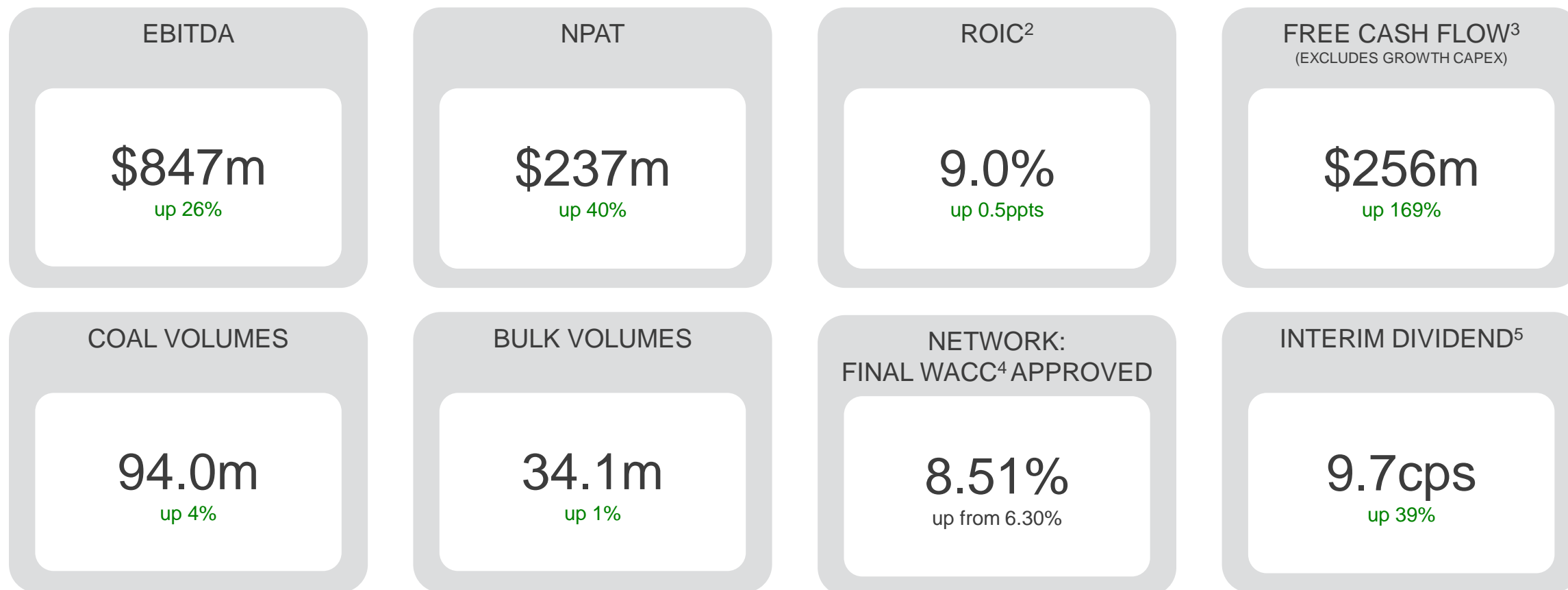


FY2024 EBITDA guidance maintained

More flexibility to increase shareholder returns expected in FY2025

1HFY2024 Results¹

Coal, Bulk and Network all contributed to an uplift in earnings, which flowed through to higher returns and a higher interim dividend



1. All amounts are underlying and on a continuing basis unless otherwise stated. Comparisons are against 1HFY2023

2. Excludes assets held for sale

3. Free Cash Flow defined as net cash flow from operating activities less non-growth capex and interest paid. It excludes growth capex of \$105m (1HFY2023: \$135m), and acquisition of One Rail Australia (1HFY2023: \$1,404m) and cash costs associated with the acquisition (1HFY2023: \$39m)

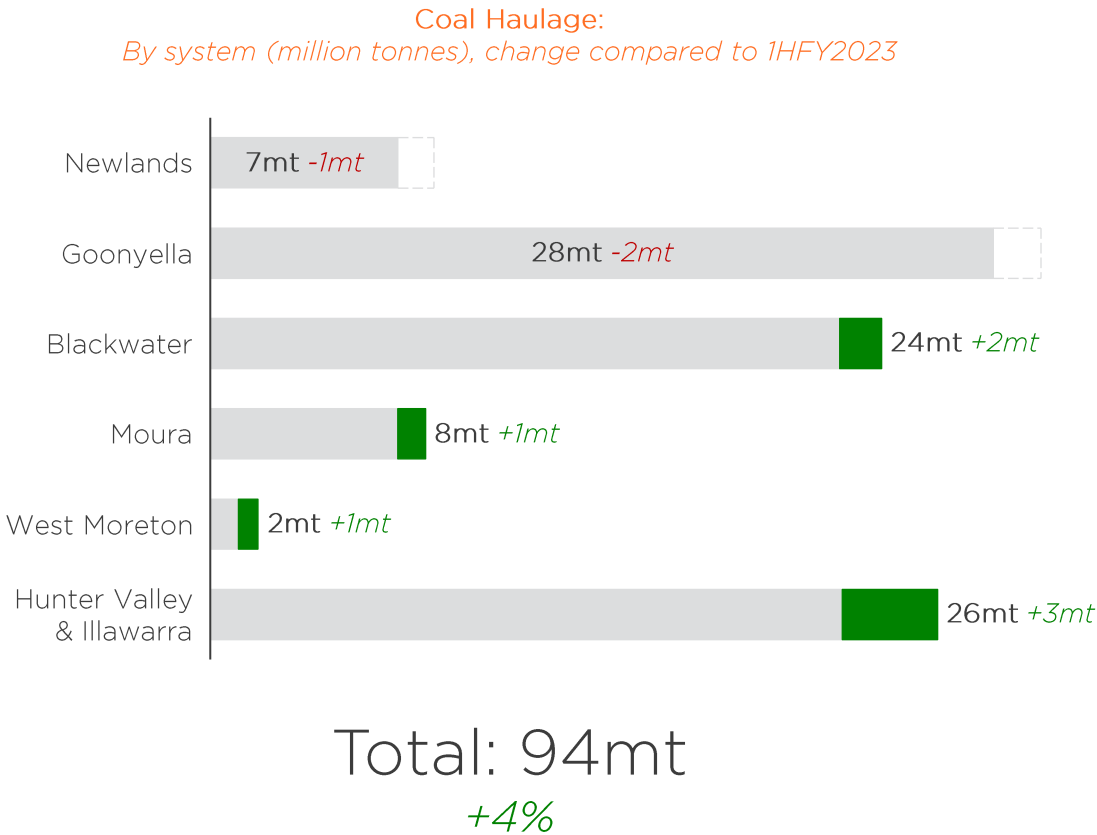
4. Final Reset Values approved by the Queensland Competition Authority on 19 October 2023. To apply to tariffs from 1 July 2024 (through to 30 June 2027). The difference between the Preliminary (8.18%) and Final Reset WACC (8.51%) for FY2024 tariffs will be incorporated into FY2026 Reference Tariffs as a revenue adjustment

5. Represents a payout ratio of 75%. Dividend: 60% franked, ex dividend: 26 February 2024, record date: 27 February 2024, payment date: 27 March 2024

Coal

Uplift in earnings driven by volume recovery, new contracts and favourable yield

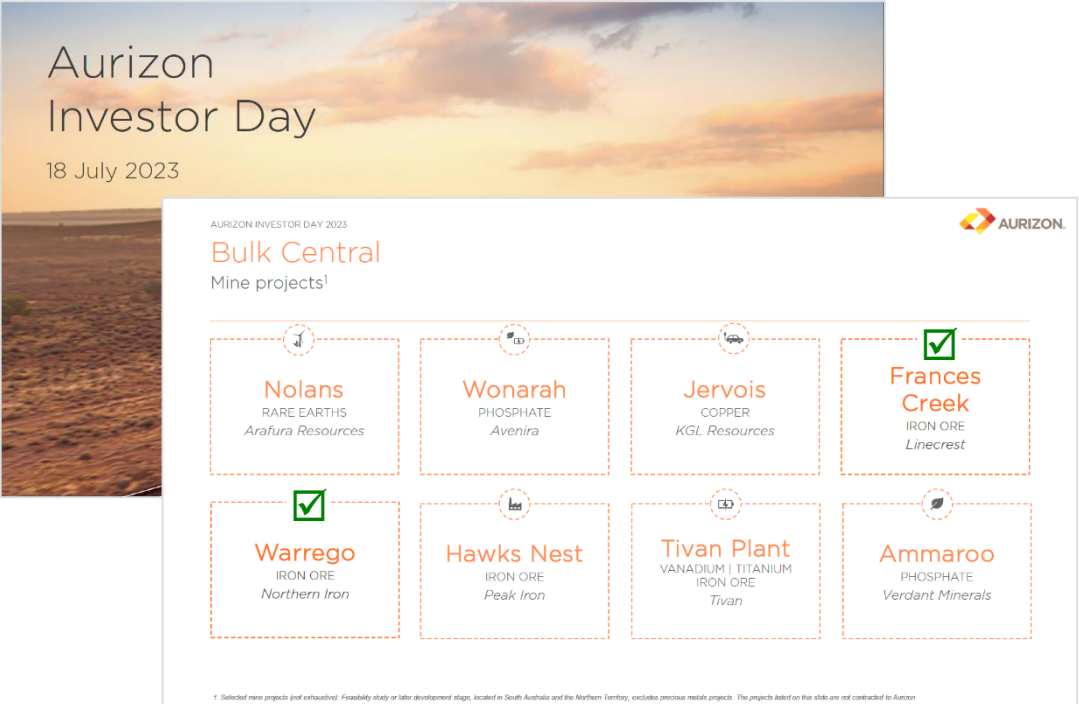
- › While total volume increased, mine sequencing and unscheduled stoppages impacted some customers coal production
- › Corridor/customer mix has been the primary driver of yield improvement, supported by CPI indexation
- › New volumes from Malabar (Maxwell) and SIMEC (Tahmoor)
- › 12-year haulage contract with New Hope commenced in October 2023 for the New Acland Stage 3 mine
- › First railed metallurgical coal for Pembroke Olive Downs in January 2024
- › BMA Rail maintenance commenced July 2023
- › Contract extension for Queensland Alumina



Bulk









Higher earnings driven by volume recovery and new contracts, offset by customer production issues and lower grain volumes. New Bulk Central contracts secured

- › Increased iron ore volumes in Western Australia, partly offset by lower grain volumes (primarily Queensland and New South Wales) and customer specific production challenges in Queensland
- › Bulk Central volume growth with Northern Iron (Warrego) and Linecrest (Frances Creek), both above and below rail contracts signed and expected to commence railing in FY2024
- › Contracts update 1HFY2024:
 - Mineral Resources (rail haulage contract extension, volume uplift and sole rail provider for iron ore in WA)
 - Ampol (rail haulage contract extension for fuel in WA)
 - Lynas (road haulage of sulphuric acid in WA)
 - Glencore (rail haulage and terminal services contract extension in Qld)
 - Alcoa bauxite rail haulage from Huntly to Kwinana (WA) to wind down in 2HFY2024 ahead of refinery production ceasing in 1HFY2025. Contract extension signed for Pinjarra and Wagerup caustic rail haulage
 - Pilbara rail maintenance contract to cease in February 2024 following on from non-renewal



Aurizon Investor Day
18 July 2023

AURIZON INVESTOR DAY 2023
Bulk Central
Mine projects¹

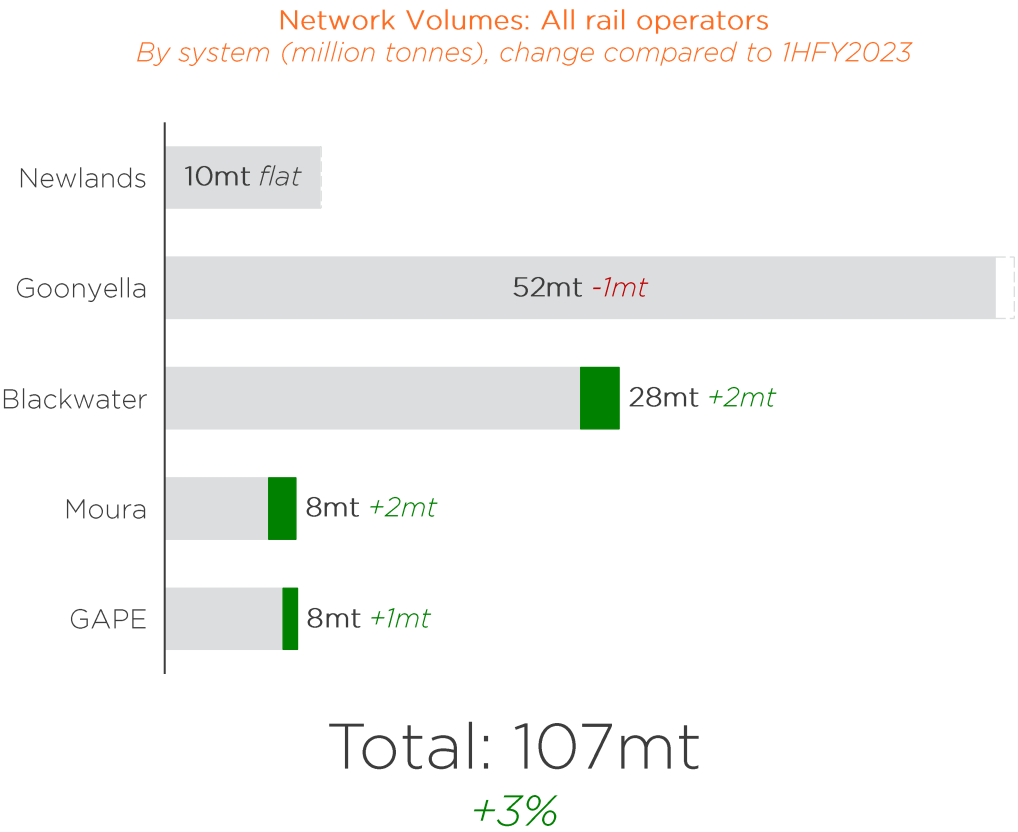
| | | | |
|---|--|--|---|
|  Nolans RARE EARTHS <i>Arafura Resources</i> |  Wonarah PHOSPHATE <i>Avenira</i> |  Jervois COPPER <i>KGL Resources</i> |  Frances Creek IRON ORE <i>Linecrest</i> |
|  Warrego IRON ORE <i>Northern Iron</i> |  Hawks Nest IRON ORE <i>Peak Iron</i> |  Tivan Plant VANADIUM TITANIUM IRON ORE <i>Tivan</i> |  Ammaroo PHOSPHATE <i>Verdant Minerals</i> |

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

Network

Uplift in earnings driven by higher regulated revenue, including a volume recovery

- › Allowable revenue increased due to the preliminary reset Weighted Average Cost of Capital (WACC) of 8.18% in 1HFY2024 compared to 6.30% in 1HFY2023 and a higher asset base
- › In October 2023, the Queensland Competition Authority approved Network’s WACC Final Reset Values (*Final Reset WACC of 8.51%*)
- › Volumes were 3% higher to 106.5mt. NTKs 4% higher
- › Cycle velocity increased by 6% from 1HFY2023
- › FY2024 regulatory volume assumption is 207.8 million tonnes

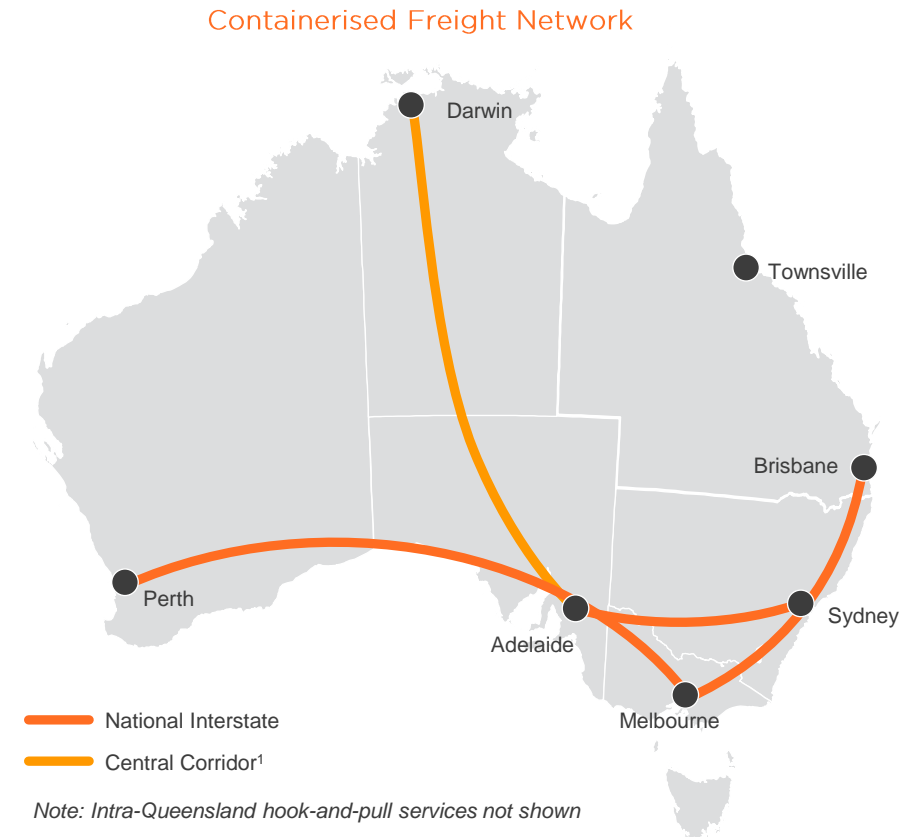


Note: Due to rounding, the sum of components may not equal the corresponding total

Containerised Freight

Interstate containerised freight capacity on track for full schedule from April 2024

- › First weekly service began in April 2023 with a fifth weekly service operating from November 2023
- › On track to ramp up to full schedule of seven weekly services (~200k TEUs per annum) by April 2024
- › Railing (spot volume) for three additional customers
- › Secured a long-term lease at the Glenlee Terminal which has direct access to the north-south rail corridor, facilitating the Melbourne – Sydney – Brisbane weekly service which commenced in September 2023
- › Reported within the *Other* segment. Although the ramp-up schedule (including costs) remains on-track, it is expected to be an immaterial negative EBITDA contribution in FY2024 driven by softer freight market conditions (volumes)



1. Central Corridor containerised freight services reported in Bulk business unit



Financial Performance

George Lippiatt
CFO & Group Executive Strategy

Photo: Glenlee terminal (New South Wales)

Key financial results¹

Uplift in earnings, free cashflow and dividend driven by revenue growth more than offsetting the expected increases in interest and operating costs

| \$m | 1HFY2024 | 1HFY2023 | Variance (%) | Variance (\$) | |
|-------------------------------|----------|----------|--------------|---------------|---|
| Revenue | 1,972 | 1,694 | 16% | 278 | › Revenue growth driven by higher Network regulatory revenue (increased WACC, asset base and volumes), higher Coal volumes and yield, along with Bulk and Containerised Freight volume growth |
| Operating Costs (Total) | (1,125) | (1,021) | (10%) | (104) | › Total operating costs increased by 10% driven by volume growth, maintenance and labour costs (FTEs +6%). Offsetting this were lower energy and fuel expenses from lower prices (largely pass through) |
| Energy & Fuel | (198) | (236) | 16% | 38 | › Depreciation increased by \$14m driven by recent Bulk and Containerised Freight equipment purchases |
| EBITDA | 847 | 673 | 26% | 174 | › Net finance costs increased 61% driven by debt related interest expenses due to higher interest rates and debt levels. FY2024 group debt interest cost forecast to be ~\$300m, based on proactive debt raising in FY2024 to cover refinancing in ~6 months time |
| Statutory EBITDA ² | 847 | 626 | 35% | 221 | › Higher interest rate environment reflected in an uplift in Network WACC and revenue |
| Depreciation & Amortisation | (342) | (328) | (4%) | (14) | › Free cash flow ³ uplift driven by higher EBITDA and FY2023 Network Take-or-Pay cash receipt. 2HFY2024 to include a tax refund of ~\$100m |
| EBIT | 505 | 345 | 46% | 160 | › Cash receipt of \$125m due in 2HFY2024, for deferred consideration from the East Coast Rail divestment |
| Net Finance Costs | (164) | (102) | (61%) | (62) | › Interim dividend based on 75% NPAT |
| NPAT | 237 | 169 | 40% | 68 | |
| Statutory NPAT ² | 237 | 130 | 82% | 107 | |
| EPS | 12.9c | 9.2c | 40% | 3.7c | |
| Statutory EPS | 12.9c | 7.1c | 82% | 5.8c | |
| EBITDA Margin | 43.0% | 39.7% | 3.3ppts | - | |
| ROIC | 9.0% | 8.5% | 0.5ppt | - | |
| Free Cash Flow ³ | 256 | 95 | 169% | 161 | |
| Dividend per share | 9.7c | 7.0c | 39% | 2.7c | |

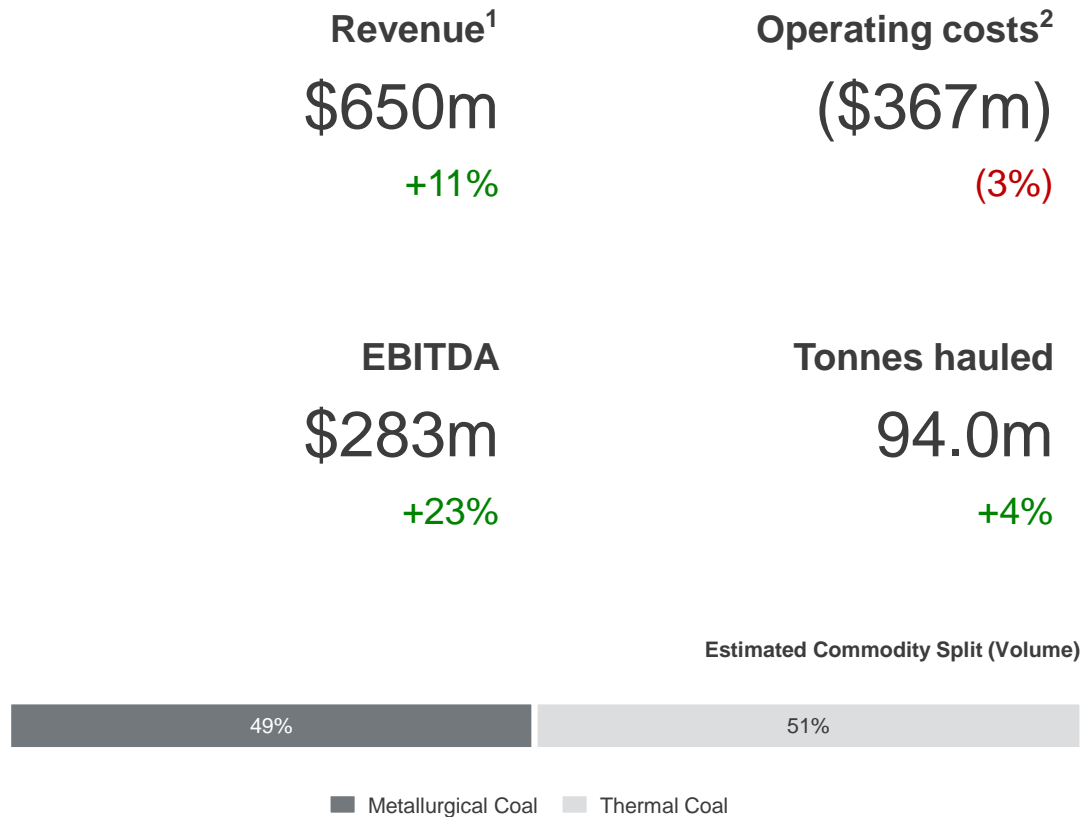
1. All amounts are underlying and on a continuing basis unless otherwise stated. Due to rounding, the sum of components may not equal the corresponding total

2. 1HFY2023 Statutory EBITDA and NPAT includes acquisition costs for One Rail Australia (\$49m pre-tax, \$43m post-tax)

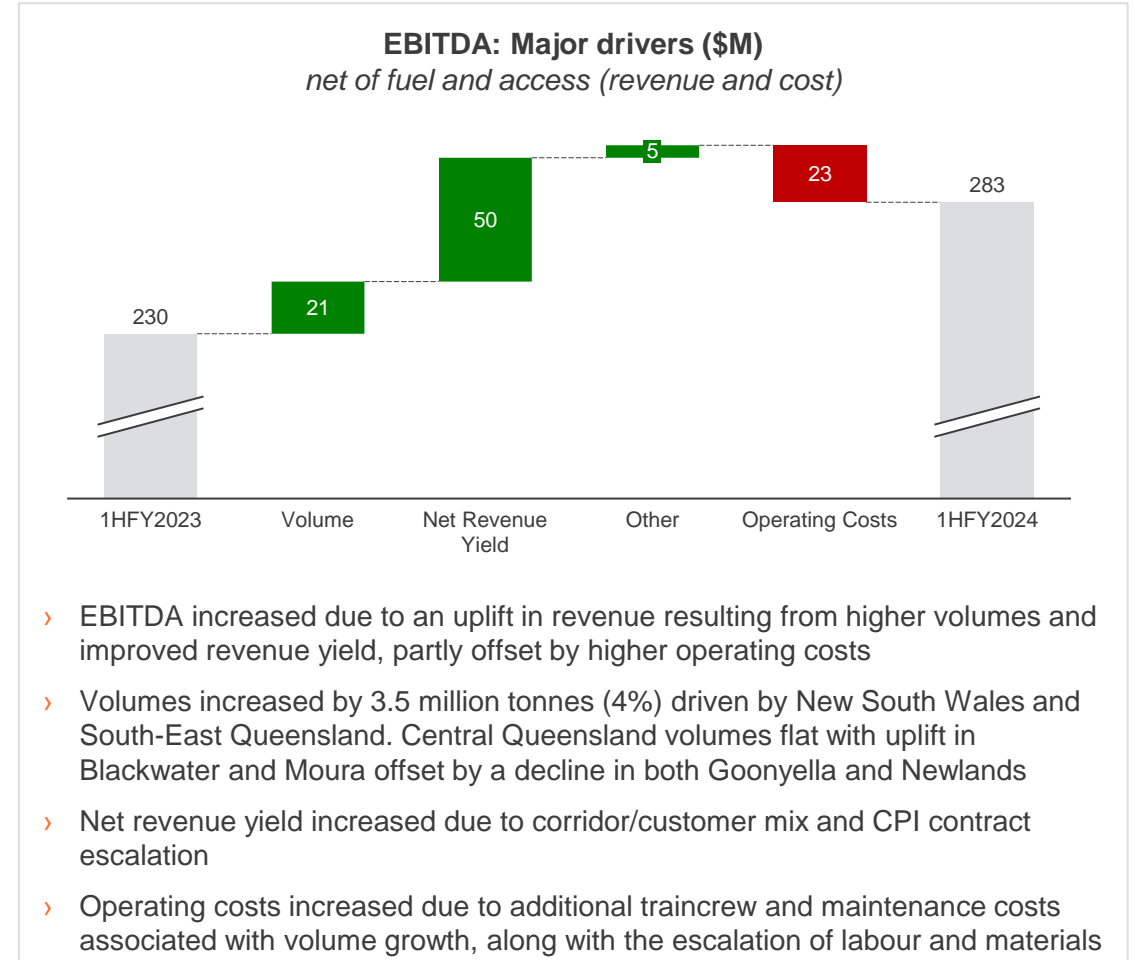
3. Free Cash Flow defined as net cash flow from operating activities less non-growth capex and interest paid. It excludes growth capex of \$105m (1HFY2023: \$135m), and acquisition of One Rail Australia (1HFY2023: \$1,404m) and cash costs associated with the acquisition (1HFY2023: \$39m)

Coal

Uplift in EBITDA driven by volume recovery, new contracts and favourable yield

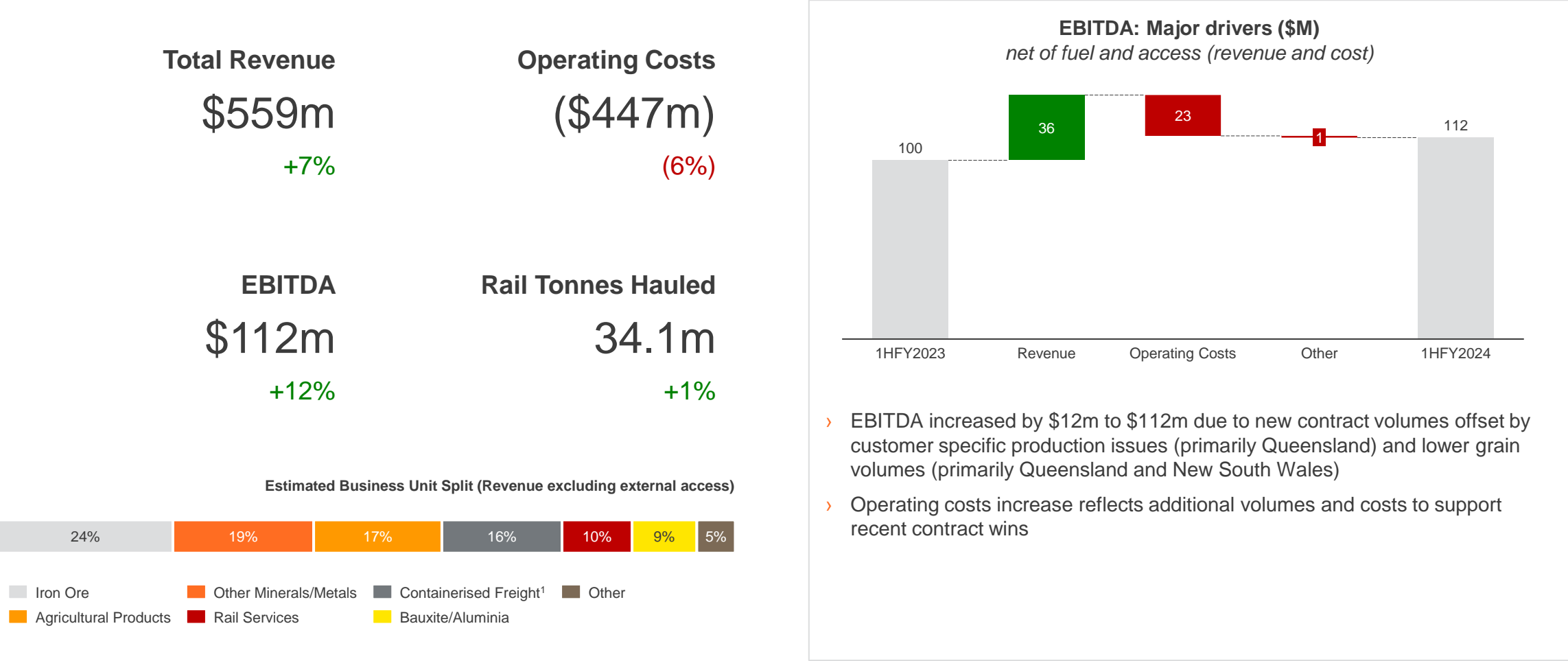


1. Excluding Access Revenue
 2. Includes net Access costs
 Note: Due to rounding, the sum of components may not equal the corresponding total



Bulk

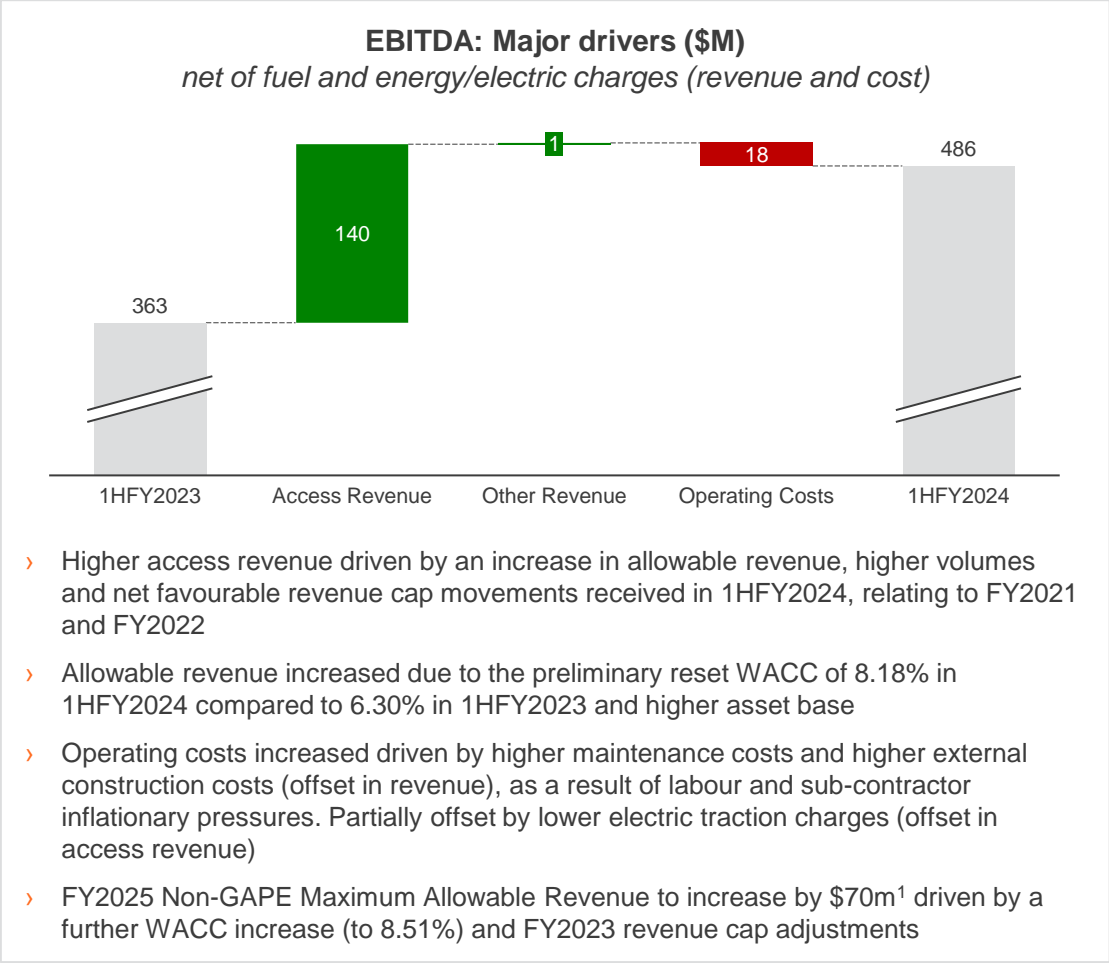
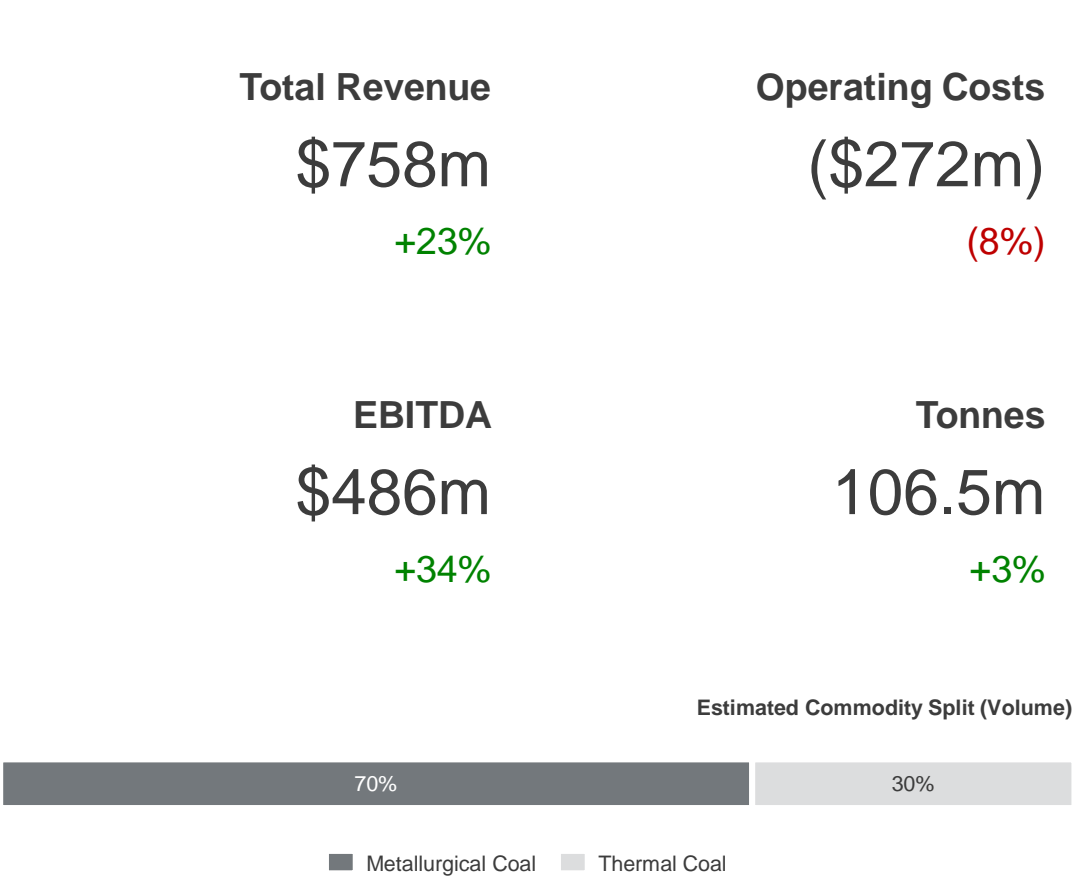
Uplift in EBITDA driven by volume recovery and new contracts, offset by customer production issues (primarily in Queensland) and lower grain volumes



1. Containerised freight is Central Corridor (and Queensland Hook-and-Pull) and does not include National Interstate (Other business segment)
Note: Due to rounding, the sum of components may not equal the corresponding total

Network

Uplift in EBITDA driven by higher volumes and reset of the regulated asset base and WACC, more than offsetting higher operating costs

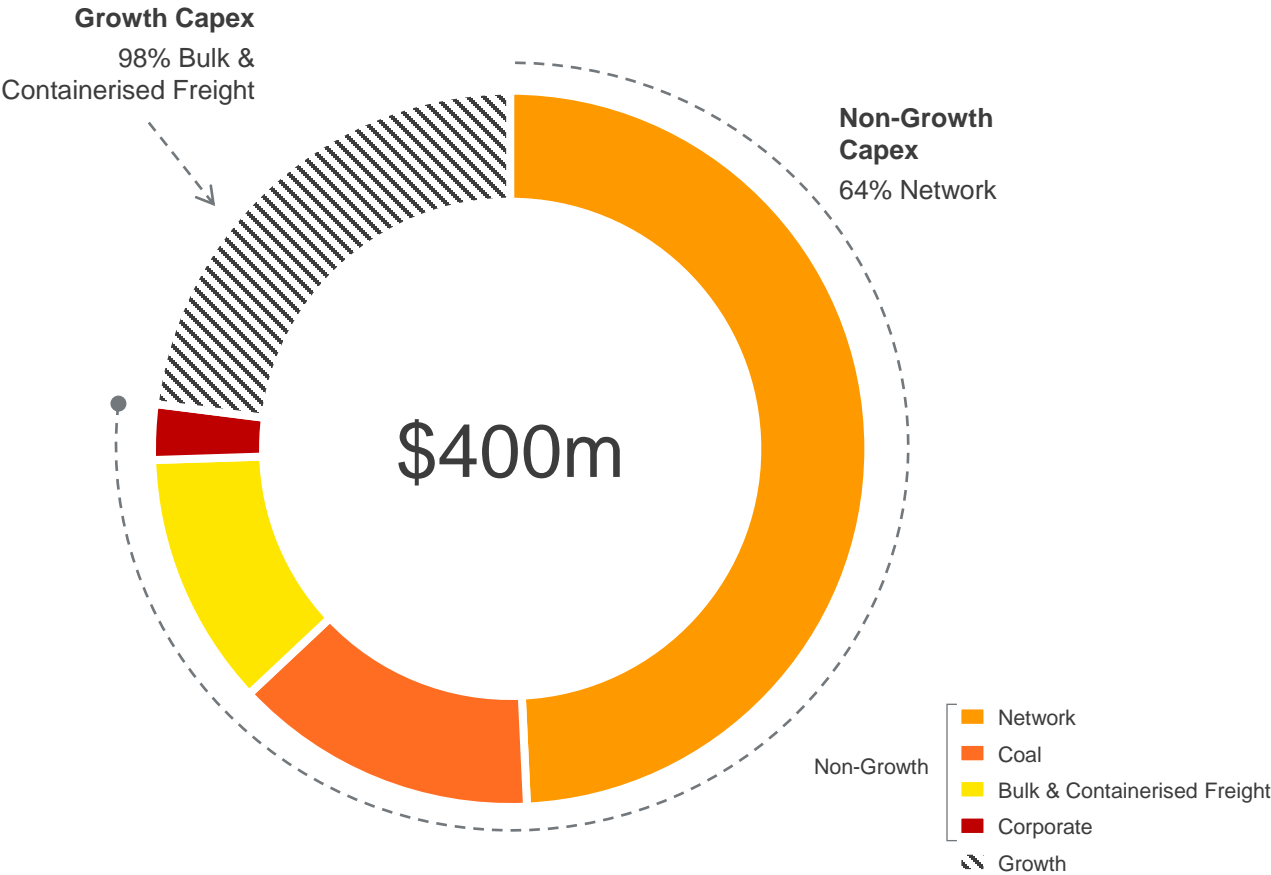


1. See appendix for additional information
Note: Due to rounding, the sum of components may not equal the corresponding total

Capex

Majority of sustaining capital continues to be for the regulated Network business (and included in the RAB), while growth capital is almost entirely for Bulk and Containerised Freight

1HFY2024 CAPITAL EXPENDITURE¹ (\$M)



| Growth Capital Expenditure ¹ | 1HFY2024 | FY2024 Expected |
|--|--------------|----------------------|
| Rolling Stock Standard Gauge Locomotives & Wagons (and Containers) | \$61m | ~\$185m |
| Port and Terminal Equipment | \$15m | ~\$35m |
| Terminal Land and Infrastructure | \$10m | ~\$25m |
| Track Infrastructure and Other | \$6m | ~\$25m |
| Total Growth Capital¹ | \$92m | \$250m-\$300m |

1. Includes capitalised interest and capital accruals. Excludes any M&A activity and any Network externally funded projects. See slide 36 for additional information

Funding update

Additional bank debt facilities sourced in advance of upcoming Network bond maturities, extending debt book and further diversifying the banking group

FUNDING ACTIVITY

Aurizon Network

- › A\$500m Syndicated Institutional Term Facility across 5 and 6-year tenors (\$260m, \$240m respectively)
- › A\$150m bilateral bank debt across 5, 6 and 7-year tenors (\$50m each tranche)
- › Lending group expanded to 21 banks, with 4 additional Japanese banks, 3 Taiwanese banks and 2 Indian banks.

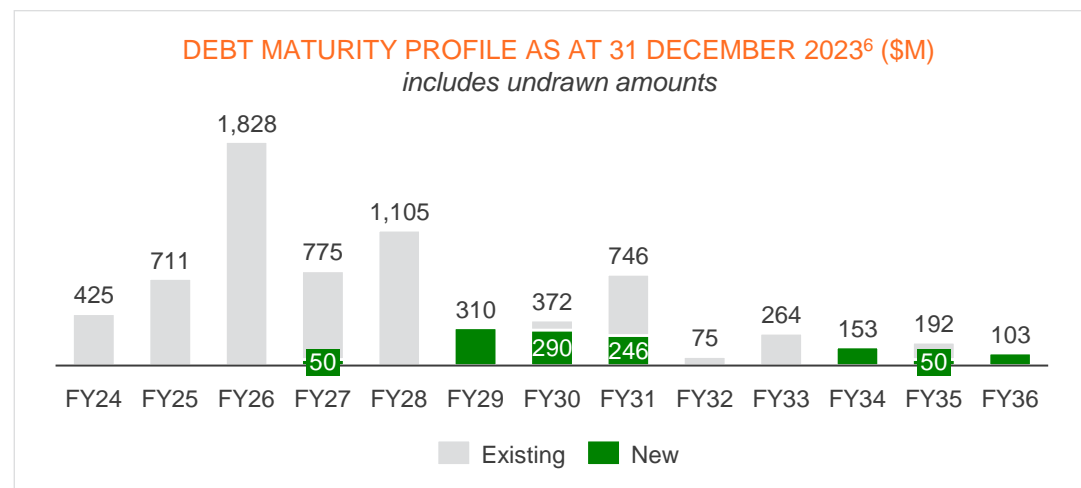
Aurizon Operations

- › A\$503m US Private Placement Notes settled in July 2023 across tenors of 7, 10, 11 and 12 years, with funds used to repay debt sourced as part of the One Rail acquisition
- › Re-financed bilateral bank debt facilities in June 2023, of which A\$50m became effective July 2023. Reduced total bilateral bank debt capacity through repayment of A\$65m facility on maturity

Funding Structure

- › ~70% of Group debt held in Network, where higher interest rate environment is reflected in higher regulatory WACC and revenues
- › Gearing and net debt/EBITDA⁷ remains conservative, with Network ~4x and Operations ~2.3x at 1H FY2024
- › Expected 2H cash flows to further strengthen Operations net debt/EBITDA to ~2x by end FY2024, providing additional balance sheet and shareholder return flexibility in FY2025

| KEY DEBT METRICS ¹ | 1HFY2024 | FY2023 |
|---|-----------|-----------|
| Weighted average maturity ¹ | 4.3 years | 3.6 years |
| Group interest cost on drawn debt | 6.1% | 4.1% |
| Group Gearing ² | 53.8% | 53.7% |
| Network Gearing ³ (excl AFD ⁴) | 63.0% | 63.8% |
| Operations & Network Credit Ratings ⁵ | BBB+/Baa1 | BBB+/Baa1 |



1. Calculated on drawn debt, excluding working capital facility as at 31 Dec 2023

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

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

4. Access Facilitation Deed

5. S&P/Moody's

6. As at 31 December 2023, excluding working capital facilities. New debt includes all debt that settled in 1HFY2024, including \$503m of USPP Notes and \$50m of bilateral bank debt facilities that settled in July 2023 and were subsequently included in the FY2023 Results presentation

7. Net debt is defined as borrowings (both current and noncurrent) less cash and cash equivalents and excludes lease liabilities. Net debt is adjusted for funds drawn under the Intra Group Loan Agreement. EBITDA is based on the 12-month rolling average

Photo: Aurizon Kwinana maintenance depot (Western Australia)



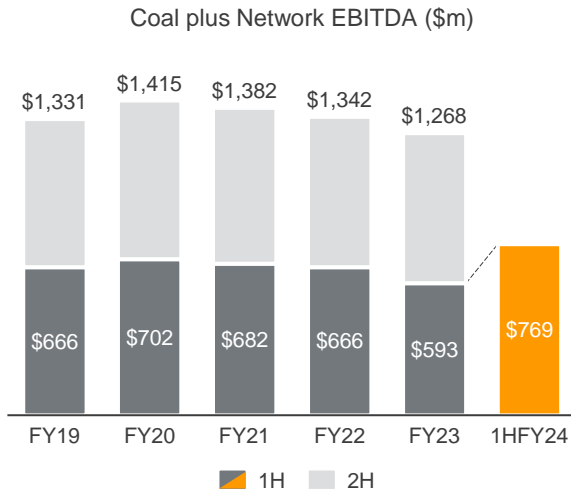
Outlook

Andrew Harding
Managing Director & CEO

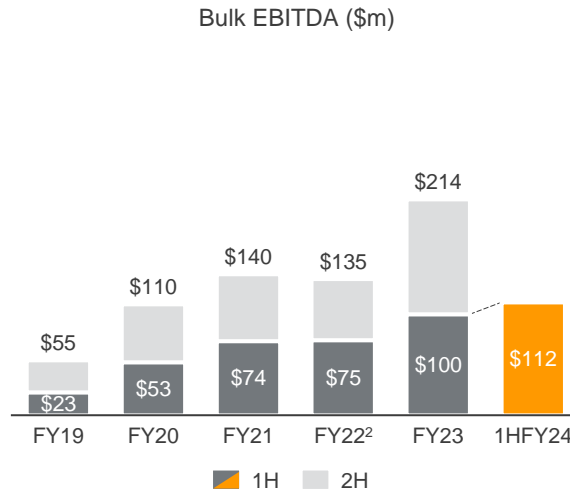
Progress against strategic aims¹

EBITDA growth in 1H from Network, Coal and Bulk. Containerised Freight capacity on track for full schedule from April 2024 and new Bulk contracts support a further step-up in Bulk earnings

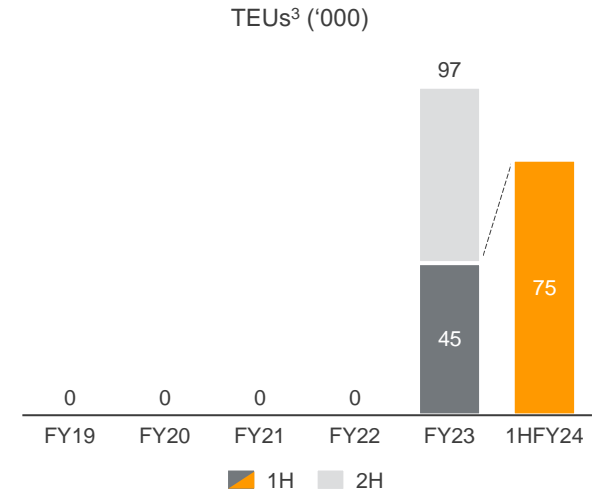
Resilient Coal and Network businesses



Drive Bulk growth across national footprint



Establish nationally significant containerised freight supply chain



Enterprise

Diversified business units providing stable and through-cycle cashflows

Capital efficiency to support shareholder returns and accretive growth

Improve supply chains to support robust long-term demand for key commodities

Growth in Bulk and Containerised Freight reduces thermal coal revenue exposure to 10-20% at 2030⁴
1HFY2024: 29%

1. Aurizon Investor Day (July 2023) presentation available on Aurizon website including important statements about the future and scenario analysis targets

2. The Bulk and Other segments for FY2022 were restated for consistency with current year presentation

3. Includes both Central Corridor (Bulk) and National Interstate (Other) and does not include Queensland hook-and-pull services

4. Non-Network Revenue is the sum of Coal (excluding all track access), Bulk (net of track access expense) and Containerised Freight (net of track access). Coal revenue allocated (metallurgical/thermal) based on estimated volume split

Outlook

FY2024 EBITDA outlook maintained at \$1,590m - \$1,680m

FY2024:

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

Key assumptions

- › **Network:** revenue and EBITDA expected to be higher than FY2023 driven by an increase in the (regulated) Maximum Allowable Revenue. Volumes are now assumed to be ahead of approved regulatory forecast (207.8mt)
- › **Coal:** revenue and EBITDA expected to be higher than FY2023 driven by volumes and revenue yield improvement. Compared to 1HFY2024, a lower revenue yield is expected in 2HFY2024 due to the anticipated corridor/customer mix
- › **Bulk:** revenue and EBITDA expected to be higher than FY2023 driven by volumes and the full year inclusion of Bulk Central (and full realisation of targeted synergies)
- › **Other:** Although the ramp-up schedule (including costs) remains on-track, Containerised Freight is expected to be an immaterial negative EBITDA contribution in FY2024 driven by softer freight market conditions (volumes)
- › Beyond the impact on supply chains in Queensland and Northern Territory in January/February from Tropical Cyclone Kirrily (including heavy rainfall thereafter), no further significant disruptions to supply chains are assumed (such as major derailments or extreme/prolonged wet weather)



Photo: Aurizon Kwinana maintenance depot (Western Australia)

Appendix



Photo: Michael Duckworth, Wagon Maintainer and Emma Bradtke, Apprentice Mechanical Fitter, Stuart (Queensland)

About Aurizon

Aurizon is Australia's largest rail freight operator. Our operational footprint spans across mainland Australia, with over 5,000km of track infrastructure and the largest fleet of locomotives and wagons



Network

- Network refers to the business which operates the 2,670km Central Queensland Coal Network (CQCN), connecting around 40 mines to five export terminals. The CQCN includes four major coal systems (Moura, Blackwater, Goonyella and Newlands) and a connecting link, the Goonyella to Abbot Point Expansion (GAPE)
- 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

Coal

- Aurizon's Coal business provides a critical service to Australia's export coal industry. Coal hauled is split approximately evenly between metallurgical coal and thermal coal, with demand linked to Asian steel production and energy generation, respectively. Aurizon transports coal from mines in the CQCN and West Moreton systems in QLD and the Hunter Valley and Illawarra coal systems in NSW
- Aurizon is the largest hauler of metallurgical coal in Australia and the only rail operator with services to all nine coal export terminals on the East Coast

Bulk

- Aurizon's Bulk business provides integrated supply chain services, including rail and road transportation, port services and material handling for a range of mining, metal, industrial and agricultural customers throughout Australia. Aurizon's Bulk business also manages the Tarcoola-to-Darwin rail infrastructure, the intrastate rail freight network in South Australia and containerised freight services between Adelaide and Darwin.
- Commodities hauled linked with economic growth and minerals associated with new economy markets and food consumption

Containerised Freight

- Aurizon's Containerised Freight business provides rail line haul services for customers in Australia's growing interstate east-west and north-south containerised freight market. This includes the transport of vital supplies for communities across Australia, including retail and supermarket goods, perishables and refrigerated goods, vehicles, machinery and equipment
- Announced initial capacity of ~200,000 TEUs with full schedule from April 2024

Strategic aims

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



Resilient Coal and Network businesses

Highly disciplined businesses, supporting Aurizon's diversified portfolio



Drive Bulk growth across national footprint

Our aspiration to achieve

25-30%

share of an estimated addressable bulk (EBITDA) market of

~\$1.7 billion

at FY2030¹



Establish nationally significant containerised freight supply chain

Our aspiration to achieve

>500k TEU

annual volumes at FY2030¹

Equivalent to <10% of the current road+rail market²; or ~3% of the road+rail plus throughput at major Australian ports³

EBITDA margin target¹

20-30%

ENTERPRISE

Diversified business units providing stable and through-cycle cash flows

Capital efficiency to support shareholder returns and accretive growth

Improve supply chains to support robust long-term demand for key commodities

Growth in Bulk and Containerised Freight reduces thermal coal revenue exposure to 10-20% at 2030⁴

1. Refer to slides 2 and 3 of Aurizon's 2023 Investor Day presentation (available at aurizon.com.au) for important cautionary language in respect of 'aspirational statements'. As noted in those slides, 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 (TEU) aspiration includes National Interstate, Land-bridging and Bulk Central. Bulk (EBITDA) aspiration includes Bulk Central containerised freight

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

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

Our ESG contribution

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


| | | | | |
|---|---|---|--|--|
|  |  |  |  |  |
| Environment | Safety | Productivity | Emissions | Infrastructure |
| 95% less | 150 | Benefits | Reduction | Investment |
| carbon emissions (per tonne kilometre) by rail compared with road ¹ | equivalent semi-trailer trucks per single freight train ² | Economic and productivity gains are achievable where there are large volumes of freight and/or where freight is carried over longer distances | The following three near-term initiatives deliver immediate, high local-impact, emission reductions for our customers: <ul style="list-style-type: none">› Reduce idling› Zero carbon drop-in fuels› Train Energy Management | Supportive rail infrastructure investment environment: <ul style="list-style-type: none">› Inland Rail› Katherine Logistics and Agribusiness Hub› Port of Darwin› National Intermodal Corporation |

Net Zero - Aurizon is committed to a target of net-zero operational emissions (scope 1 and 2) by 2050³

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

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 solutions¹



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)

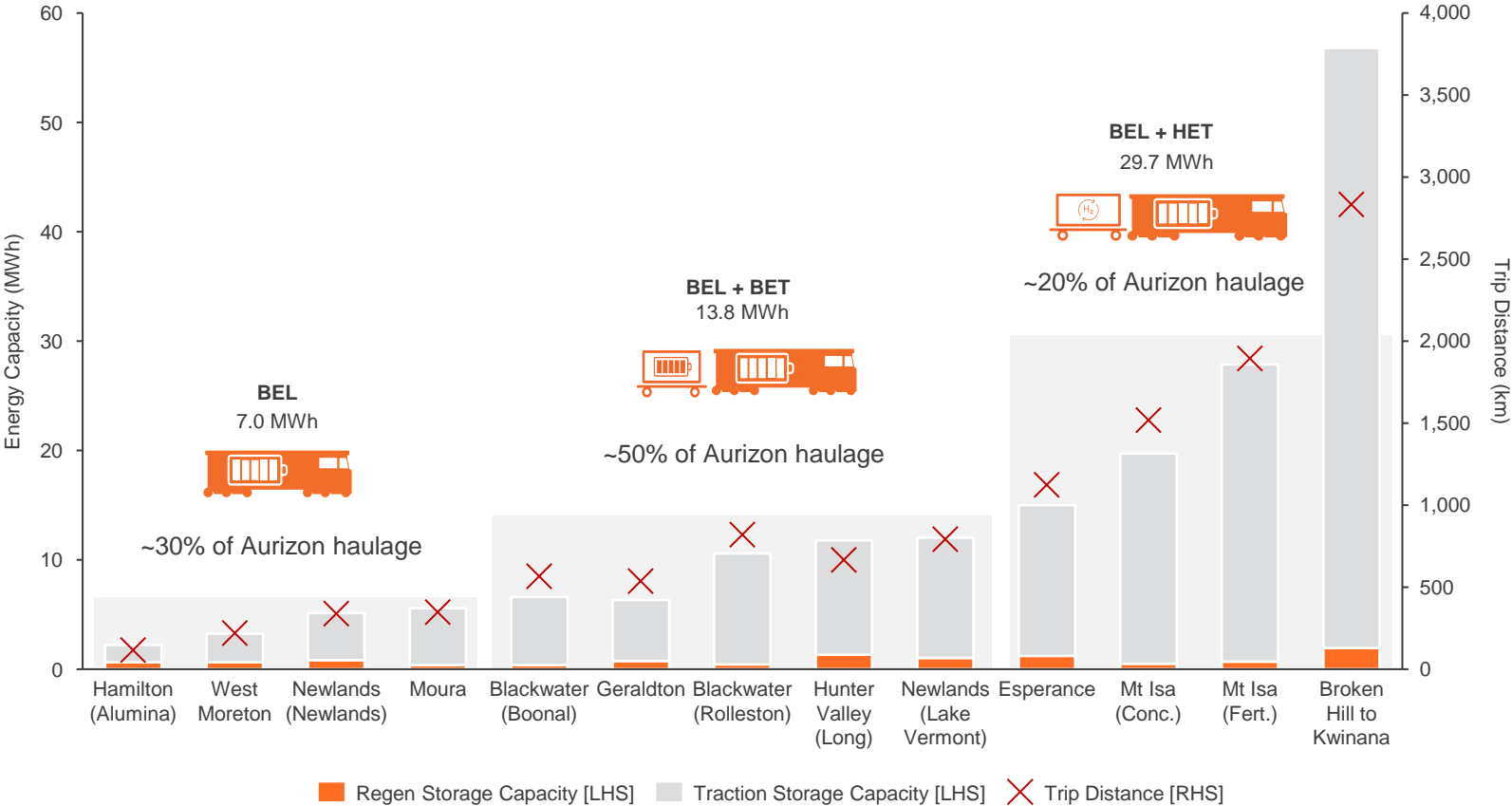
Provides additional battery capacity to the BEL providing range extension for mid-range haulage tasks



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 SOLUTIONS²



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)

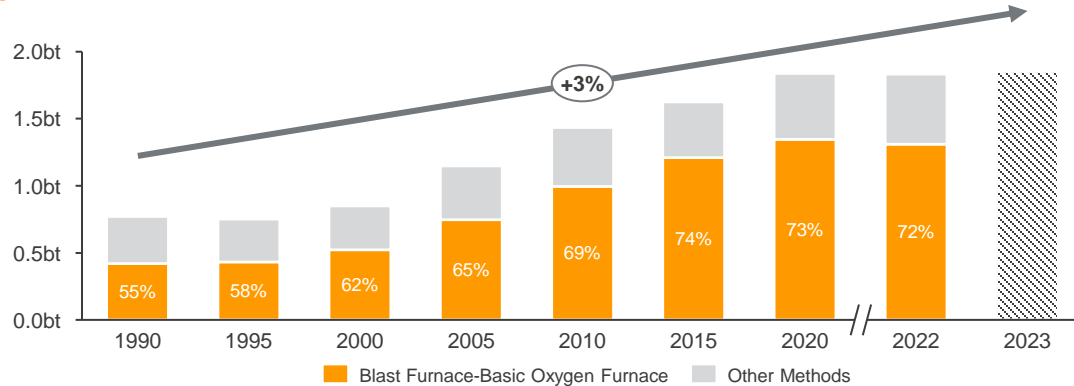
Capital allocation framework



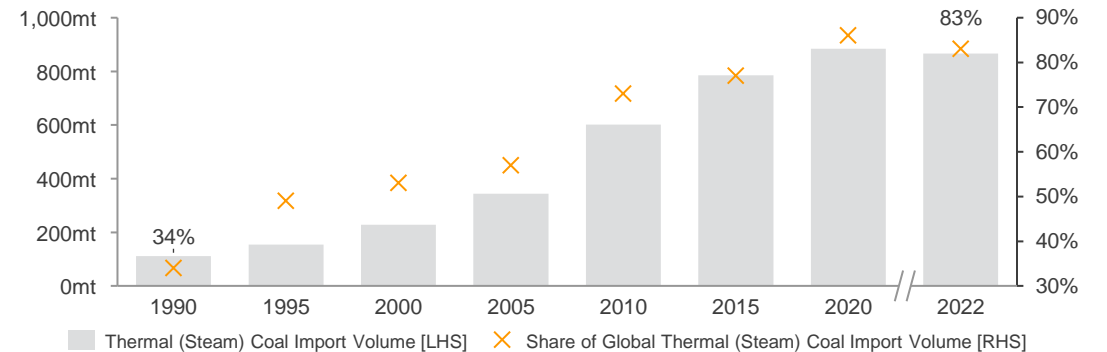
Coal markets

The metallurgical coal-dependent method makes up over two-thirds of global steel production. Thermal coal market is dominated by Asian trade, backed by young electric generation fleet

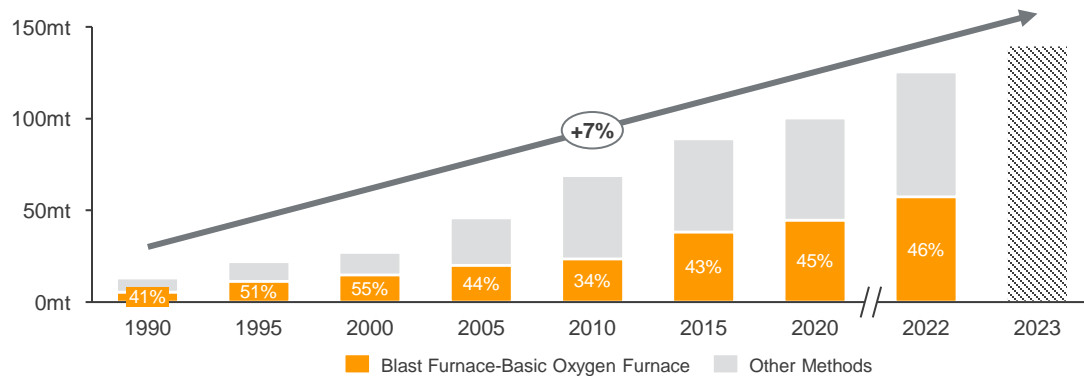
GLOBAL CRUDE STEEL PRODUCTION | BLAST FURNACE-BASIC OXYGEN FURNACE SHARE¹



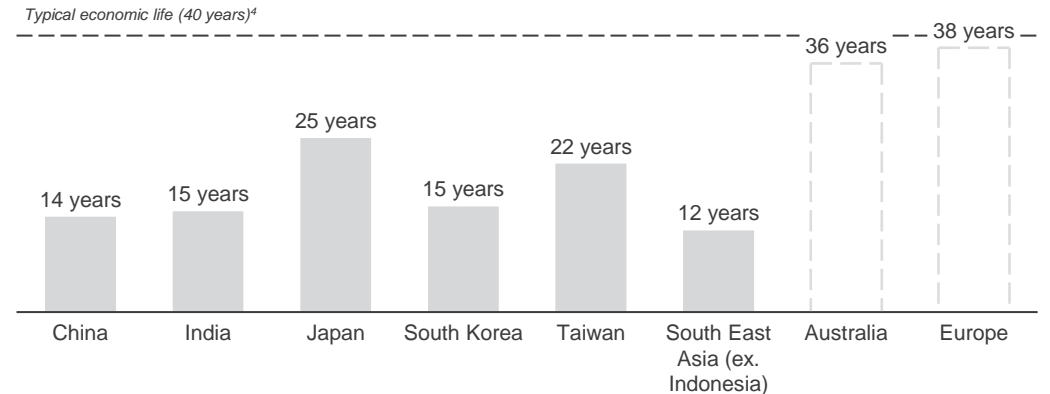
ASIA: THERMAL (STEAM) COAL IMPORT VOLUME | SHARE OF GLOBAL THERMAL (STEAM) COAL IMPORT MARKET²



INDIA: CRUDE STEEL PRODUCTION (BY METHOD)¹



AVERAGE AGE OF COAL-FIRED ELECTRICITY CAPACITY³



1. World Steel Association, Method of crude steel production not yet reported for 2023

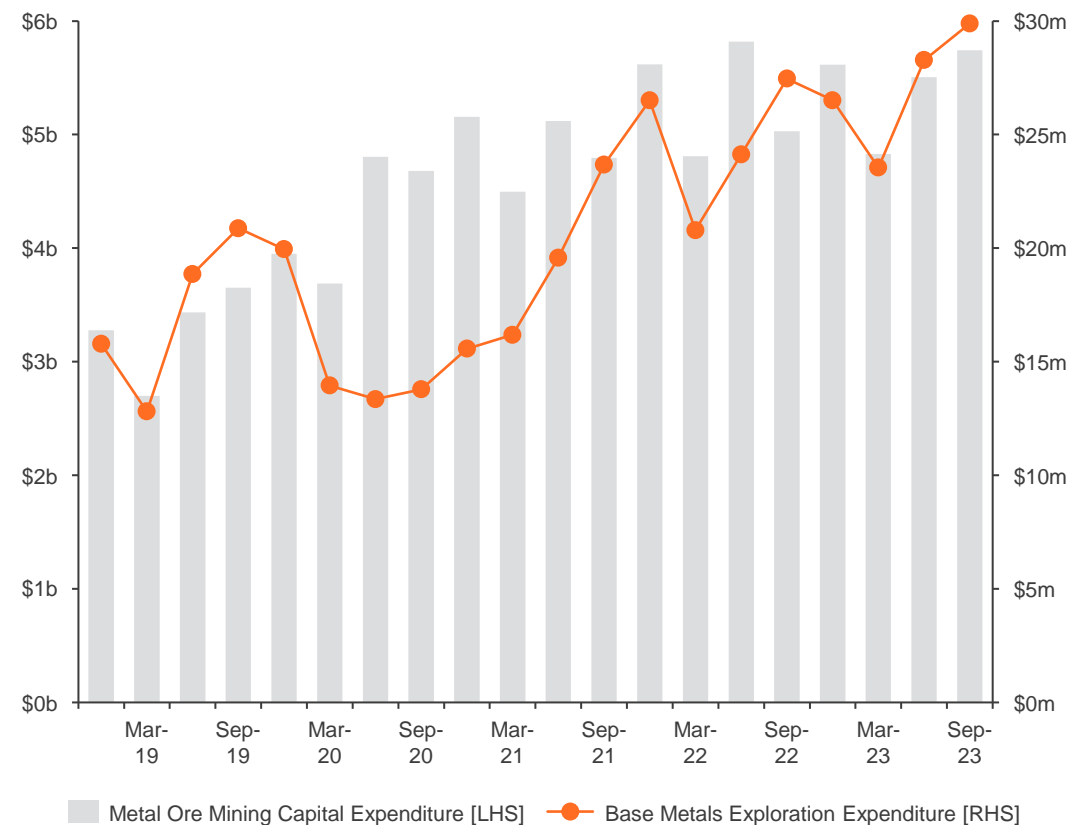
2. International Energy Agency, Coal Information (July 2023). Thermal (Steam) Coal includes all anthracite and bituminous coals not considered coking coal and also includes sub-bituminous coal

3. S&P Global Market Intelligence World Electric Power Plants Database (March 2023) as at 2023, capacity weighted. Countries ordered by absolute capacity (left to right), followed by South East Asia. Australia and Europe added for reference only

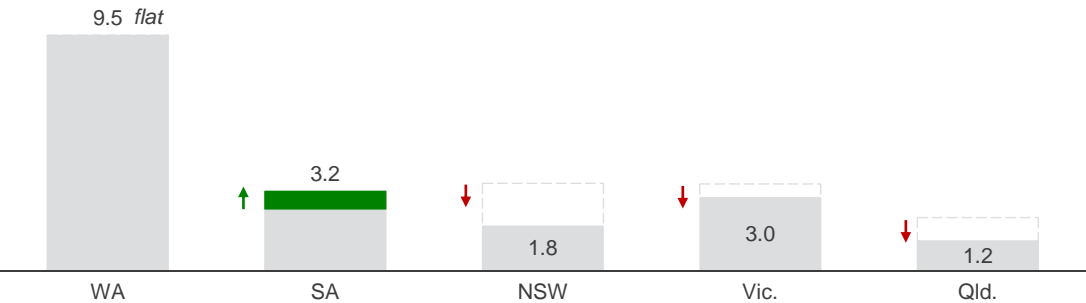
4. International Energy Agency, World Energy Investment 2018

Bulk: Australia supply indicators

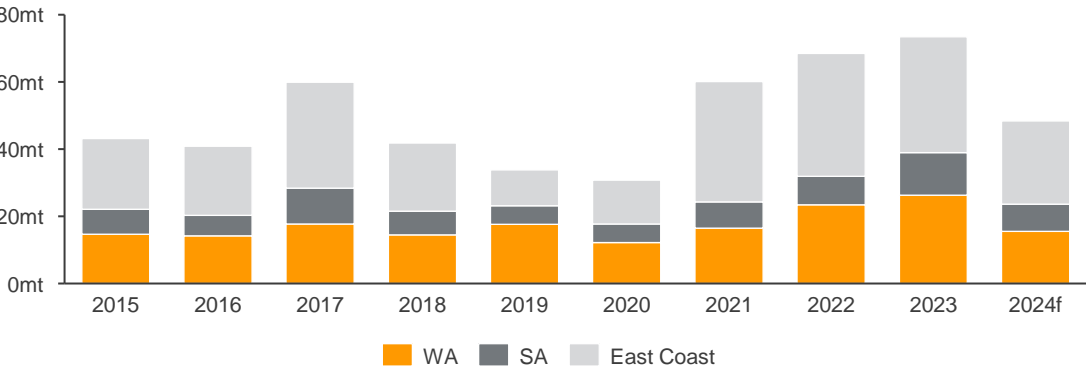
AUSTRALIA: METAL ORE MINING CAPEX | BASE METALS EXPLORATION EXPENDITURE¹
By quarter



GRAIN EXPORT VOLUME: 1HFY2024²
By State (million tonnes), change compared to 1HFY2023



AUSTRALIA: CROP PRODUCTION VOLUME³
By State, marketing year



1. Australian Bureau of Statistics. Metal Ore Mining includes: Iron ore, Bauxite, Copper, Gold, Mineral Sand, Nickel, Silver/Lead/Zinc. Base metals includes copper, nickel & cobalt, silver, lead and zinc
2. Grain trade data covers the major crops of wheat, barley, canola, chickpeas and grain sorghum, representing around 95% of total broadacre crops export volume from Australia and accounts for crops significant to each producing state
3. Australian Bureau of Statistics, ABARES Crop Report (December 2023), Australian crop production (winter and summer) volume by marketing year, 2024 represents ABARES forecast. East Coast: Queensland, New South Wales and Victoria

Quarterly rail volumes

| | | Quarter Ending | | | | Financial Year to date | | |
|---|----------------|----------------|---------------|---------------|---------------|------------------------|---------------|------------|
| | | Mar-23 | Jun-23 | Sep-23 | Dec-23 | 1HFY2024 | 1HFY2023 | Variance |
| Coal | | | | | | | | |
| CQCN | mt | 30.1 | 36.6 | 32.7 | 33.6 | 66.3 | 66.9 | (1%) |
| NSW & SEQ | mt | 13.4 | 14.4 | 13.5 | 14.2 | 27.7 | 23.6 | 17% |
| Coal Total Volumes | mt | 43.4 | 51.0 | 46.2 | 47.8 | 94.0 | 90.5 | 4% |
| | | | | | | | | |
| CQCN | NTKs bn | 7.4 | 9.1 | 8.4 | 8.4 | 16.8 | 16.5 | 2% |
| NSW & SEQ | NTKs bn | 2.4 | 2.5 | 2.5 | 2.6 | 5.2 | 4.4 | 18% |
| Coal Total NTKs | NTKs bn | 9.7 | 11.5 | 10.9 | 11.0 | 22.0 | 20.9 | 5% |
| Bulk | | | | | | | | |
| Bulk Total Volumes | mt | 16.9 | 17.7 | 17.2 | 16.9 | 34.1 | 33.6 | 1% |
| Network | | | | | | | | |
| Network Total Volumes | mt | 46.9 | 57.7 | 53.4 | 53.0 | 106.5 | 102.9 | 3% |
| Network Total NTKs | NTKs bn | 11.3 | 13.9 | 13.2 | 13.0 | 26.2 | 25.1 | 4% |
| Central Corridor & Containerised Freight | | | | | | | | |
| Total volumes¹ | TEUs | 22,681 | 29,368 | 35,383 | 39,978 | 75,361 | 44,881 | 68% |

1. Does not include Queensland hook-and-pull services

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

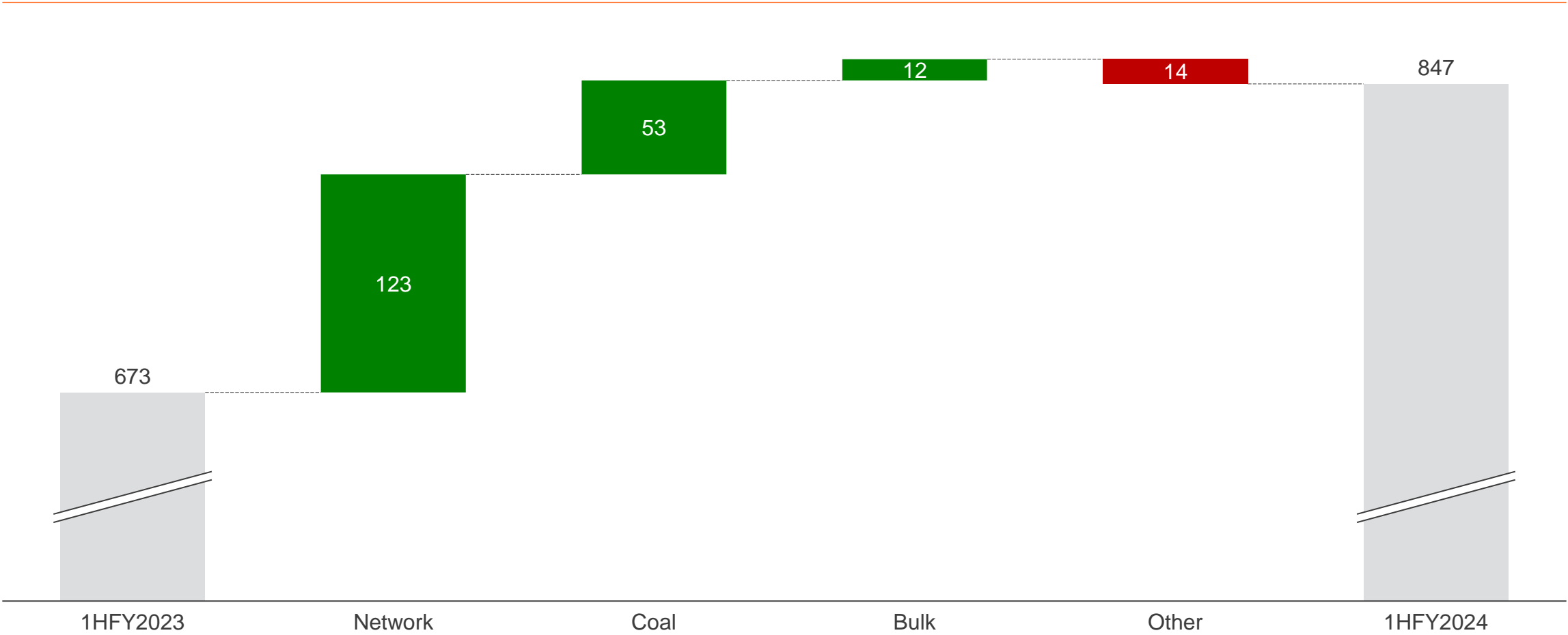
Enterprise agreements

| Enterprise Agreement | # Staff Covered (approx.) | Term (years) | Expiry Date | Headline Increases | | | | Status |
|---|---------------------------|--------------|-------------|--------------------|---------|---------|-----------|------------|
| | | | | Year 1 | Year 2 | Year 3 | Year 4 | |
| SA/NT Bulk Rail Operations | 170 | 4 | 16 Dec 2023 | 3.0% | 3.0% | 3.0% | 3.0% | Bargaining |
| QLD Bulk Traincrew & Transport Operations | 370 | 1 | 24 Jan 2024 | 5.3% | | | | Bargaining |
| QLD Bulk Maintenance | | | | 5.3% | | | | |
| Bulk & Containerised Freight Traincrew | 40 | - | - | - | - | - | - | Bargaining |
| NT Darwin Stevedoring | - | - | - | - | - | - | - | Bargaining |
| WA Terminal Logistics | 30 | - | - | - | - | - | - | Bargaining |
| SA/NT Bulk Infrastructure | 40 | 4 | 9 Mar 2024 | 3.0% | 3.0% | 3.0% | 3.0% | |
| SA/NT Bulk Terminal Operations | 10 | 4 | 2 Apr 2024 | 3.0% | 3.0% | 3.0% | 3.0% | |
| WA Bulk Rail Operations | 450 | 2 | 9 Dec 2024 | 5.3% | 4.5% | | | |
| WA Bulk Rollingstock Maintenance | 90 | 4 | 10 May 2025 | 3.0% | 3.0% | 2.5% | 2.0% | |
| SA/NT Bulk Maintenance | 70 | 2 | 30 Jun 2025 | 4.0% + 4.0% | 3.0% | | | |
| NSW Coal | 300 | 4 | 10 Nov 2025 | 2.5% | 2.5% | 2.5% | 2.5% | |
| QLD Port Services | 60 | 4 | 1 Nov 2025 | - | - | 3.0% | 3.0% | |
| QLD Coal Traincrew & Transport Operations | 1,200 | 3 | 3 Mar 2026 | 4.25% - 4.5% | 3% - 4% | 3% - 4% | | |
| QLD Coal Maintenance | | | | 5.0% | 3% - 4% | 3% - 4% | | |
| QLD Staff | 700 | 4 | 30 Jan 2027 | 4.5% | 3% - 4% | 3% - 4% | 3% - 3.5% | |
| QLD Infrastructure | 550 | 4 | 4 Aug 2027 | 5.0% | 4.0% | 4.0% | 4.0% | |

Underlying EBITDA¹ by business unit (\$m)

| | 1HFY2024 | 1HFY2023 | Variance | 2HFY2023 |
|---------------|------------|------------|------------|------------|
| Coal | 283 | 230 | 23% | 225 |
| Bulk | 112 | 100 | 12% | 114 |
| Network | 486 | 363 | 34% | 450 |
| Other | (34) | (20) | (70%) | (34) |
| EBITDA | 847 | 673 | 26% | 755 |

Underlying Group EBITDA bridge¹ (\$m)

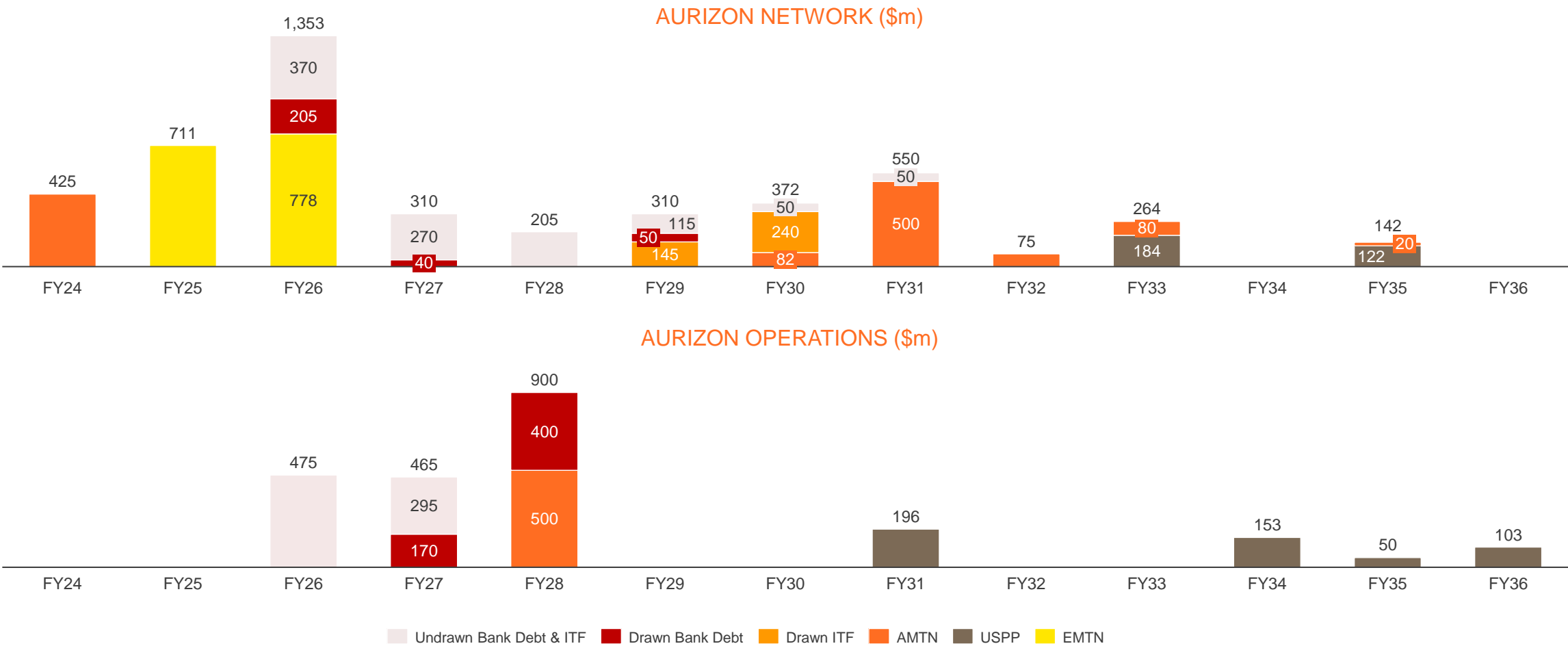


1. Continuing operations
Note: Due to rounding, the sum of components may not equal the corresponding total

Balance sheet summary (\$m)

| | 31 December 2023 | 30 June 2023 | 31 December 2022 |
|---|------------------|----------------|------------------|
| Assets classified as held for sale | - | - | 962 |
| Other current assets | 1,221 | 1,193 | 923 |
| Total current assets | 1,221 | 1,193 | 1,885 |
| Property, plant and equipment (PP&E) | 10,072 | 9,945 | 9,910 |
| Other non-current assets | 419 | 541 | 411 |
| Total non-current assets | 10,491 | 10,486 | 10,321 |
| Total Assets | 11,712 | 11,679 | 12,206 |
| Liabilities directly associated with assets classified as held for sale | - | - | (527) |
| Other current liabilities | (706) | (744) | (673) |
| Total borrowings | (5,165) | (5,142) | (5,341) |
| Other non-current liabilities | (1,450) | (1,440) | (1,389) |
| Total Liabilities | (7,321) | (7,326) | (7,930) |
| Net Assets | 4,391 | 4,353 | 4,276 |
| Gearing (net debt / (net debt + equity)) | 53.8% | 53.7% | 55.0% |

Debt maturity profile¹



1. Balances reflective of drawn debt, excluding working capital facility as at 31 December 2023
2. Abbreviations: Australian Medium Term Note (AMTN), Euro Medium Term Note (EMTN), United States Private Placement (USPP), Institutional Term Facility (ITF)

1HFY2024 Capital Expenditure¹ by business unit (\$m)

| | Network | Coal | Bulk & Containerised Freight | Corporate | Total |
|------------|---------|------|---------------------------------|-----------|-------|
| Non-Growth | 197 | 52 | 49 | 10 | 308 |
| Growth | - | 2 | 90 | - | 92 |
| Total | 197 | 54 | 139 | 10 | 400 |

1. Includes capitalised interest and capital accruals. Excludes any M&A activity and any Network externally funded projects

Reconciliation of borrowings

| | \$m | Commentary |
|---|--------------|---|
| Total debt including working capital facility | 5,265 | Borrowings on a cash basis |
| <i>Reconciliation to Financial Statements</i> | | |
| Add/(less): | | |
| Corporation Loan | 6 | Borrowings acquired in connection with the Tarcoola-to-Darwin Concession Deed for face value of \$50m issued at below market interest rates maturing in 2054. The Corporation Loan is held at fair value. |
| Capitalised transaction costs | (21) | |
| Discounts on bonds | (4) | 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 | (81) | Accumulated fair value hedge mark-to-market adjustment on bonds in accordance with AASB 9 |
| Total adjustments | (100) | |
| Total borrowings per financial report | 5,165 | Current and non-current borrowings |

Coal

| \$m | 1HFY2024 | 1HFY2023 | Variance | 2HFY2023 |
|-----------------------------|------------|------------|------------|------------|
| Above rail | 642 | 582 | 10% | 593 |
| Track access | 237 | 175 | 35% | 175 |
| Other | 8 | 4 | 100% | 2 |
| Total Revenue | 887 | 761 | 17% | 770 |
| Access costs | (243) | (185) | (31%) | (215) |
| Operating costs | (361) | (346) | (4%) | (330) |
| EBITDA | 283 | 230 | 23% | 225 |
| Depreciation & Amortisation | (104) | (100) | (4%) | (104) |
| EBIT | 179 | 130 | 38% | 121 |
| Tonnes (m) | 94.0 | 90.5 | 4% | 94.5 |
| NTKs (b) | 22.0 | 20.9 | 5% | 21.3 |
| Contract utilisation | 82% | 78% | 4ppts | 82% |

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

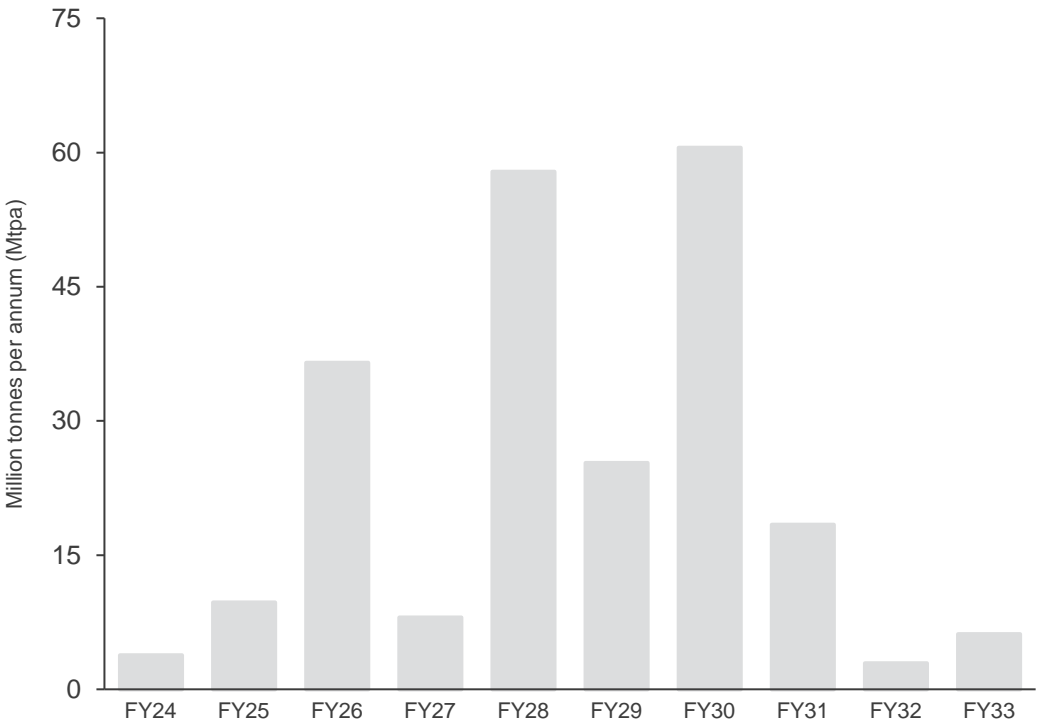
Above Rail Coal haulage tonnes (mt) by system

| | 1HFY2024 | 1HFY2023 | Variance | 2HFY2023 |
|--|-------------|-------------|-------------|-------------|
| Central Queensland Coal Network (CQCN) | | | | |
| Newlands | 6.7 | 8.0 | (16%) | 8.1 |
| Goonyella | 28.0 | 29.7 | (6%) | 30.4 |
| Blackwater | 24.0 | 22.5 | 7% | 21.9 |
| Moura | 7.7 | 6.7 | 15% | 6.3 |
| Total CQCN | 66.3 | 66.9 | (1%) | 66.7 |
| New South Wales and South East Queensland (NSW & SEQ) | | | | |
| West Moreton | 1.7 | 1.0 | 70% | 1.1 |
| Hunter Valley and Illawarra | 26.0 | 22.6 | 15% | 26.7 |
| Total NSW & SEQ | 27.7 | 23.6 | 17% | 27.8 |
| Total | 94.0 | 90.5 | 4% | 94.5 |

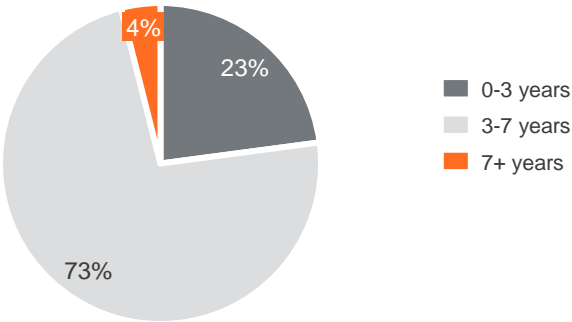
Note: Due to rounding, the sum of components may not equal the corresponding total

Coal contract portfolio

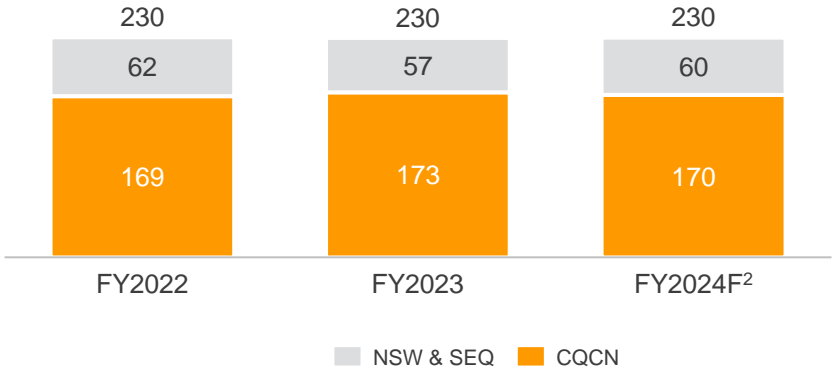
AURIZON COAL CONTRACT VOLUME EXPIRY BY YEAR¹
AS AT 31 DECEMBER 2023



COAL CONTRACT PORTFOLIO EXPIRY¹
AS AT 31 DECEMBER 2023



COAL CONTRACTED VOLUMES (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. Contract Volumes excludes any end of mine life contracts
2. This represents the contracted tonnes as at 31 December 2023 and includes known nominations

Bulk

| \$m | 1HFY2024 | 1HFY2023 | Variance | 2HFY2023 |
|-----------------------------|----------|----------|----------|----------|
| Revenue | 559 | 521 | 7% | 542 |
| Access costs | (61) | (52) | (17%) | (52) |
| Operating costs | (386) | (369) | (5%) | (376) |
| EBITDA | 112 | 100 | 12% | 114 |
| Depreciation & Amortisation | (60) | (53) | (13%) | (55) |
| EBIT | 52 | 47 | 11% | 59 |
| Above Rail Tonnes (m) | 34.1 | 33.6 | 1% | 34.6 |

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

Network financial and operating metrics

| \$m | 1HFY2024 | 1HFY2023 | Variance | 2HFY2023 |
|-------------------------------|------------|------------|------------|------------|
| Track Access | 694 | 583 | 19% | 672 |
| Services & Other | 64 | 31 | 106% | 51 |
| Revenue | 758 | 614 | 23% | 723 |
| Energy & Fuel | (84) | (110) | 24% | (105) |
| Other Operating Costs | (188) | (141) | (33%) | (168) |
| EBITDA | 486 | 363 | 34% | 450 |
| Depreciation & Amortisation | (174) | (173) | (1%) | (178) |
| EBIT | 312 | 190 | 64% | 272 |
| Tonnes (m) | 106.5 | 102.9 | 3% | 104.7 |
| NTK (bn) | 26.2 | 25.1 | 4% | 25.3 |
| Operating Ratio | 58.8% | 69.1% | 10.3ppts | 62.4% |
| Maintenance/NTK (\$/'000 NTK) | 3.0 | 2.7 | (11%) | 2.9 |
| Opex/NTK (\$/'000 NTK) | 17.0 | 16.9 | (1%) | 17.8 |
| Cycle Velocity (km/hr) | 22.3 | 21.0 | 6% | 21.5 |
| System Availability | 81.3% | 82.3% | (1.0ppt) | 84.5% |
| Average Haul Length (km) | 246 | 244 | 1% | 241 |

Network volumes: All rail operators

| | 1HFY2024 | 1HFY2023 | Variance | 2HFY2023 |
|------------|----------|----------|----------|----------|
| Newlands | 9.7 | 9.8 | (1%) | 10.9 |
| Goonyella | 51.9 | 53.1 | (2%) | 53.9 |
| Blackwater | 28.4 | 26.0 | 9% | 26.4 |
| Moura | 8.2 | 6.5 | 26% | 6.3 |
| GAPE | 8.3 | 7.4 | 12% | 7.2 |
| Total (mt) | 106.5 | 102.9 | 3% | 104.7 |

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

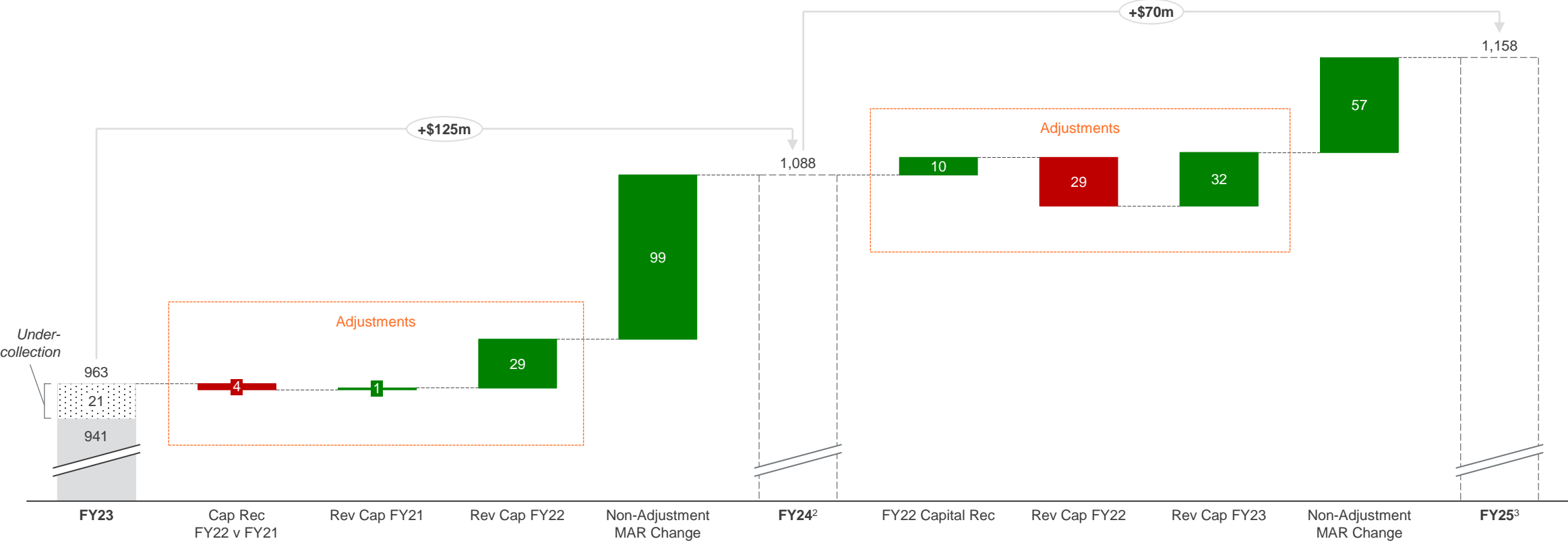
Network 1H FY2024 Access Revenue movement

| | \$m |
|--|------------|
| Increase in non-GAPE MAR (excluding Revenue Cap) from 1H FY2023 to 1H FY2024 | 45 |
| Revenue Cap movements 1H FY2023 to 1H FY2024 | 15 |
| Volume under-recovery for 1H FY2023 (reversal of impact) | 52 |
| Volume over-recovery for 1H FY2024 | 27 |
| GAPE revenue | 4 |
| Electric Traction revenue | (29) |
| Other Access revenue | (3) |
| Movement in 1H FY2023 to 1H FY2024 Access Revenue | 111 |

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

Network adjusted MAR bridge FY2023 to FY2025

INDICATIVE NETWORK ADJUSTED MAXIMUM ALLOWABLE REVENUE (MAR)¹ FY2023 – FY2025 (\$M)



1. AT1-5. Amounts exclude GAPE

2. FY2024 as approved by the QCA on 25 May 2023 and used for FY24 Reference Tariffs. FY2024 MAR is based on Preliminary Reset Values. The difference between Preliminary (\$1,088m) and Final Reset Values (\$1,113m) will be recovered in FY2026 Revenue Cap (~\$25m)

3. On 31 July 2023 Network submitted Final Reset Values to the QCA for approval. Network's Final Reset Values submission proposed a final Reset WACC of 8.51% based on a risk-free rate of 3.87% and a debt risk premium of 2.48% (reflected in FY2025 in the chart above). On 19 October 2023 the QCA approved Network's Final Reset Values. In addition to the Final Reset Values, FY2025 also includes Approved Revenue Cap adjustments relating to FY2023 of ~\$32m

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

Network Revenue Adjustment Amounts (revenue cap)

| Financial Year | AT ₂₋₄ \$m | AT ₅ \$m | Total (inc-GAPE) \$m | Total (ex-GAPE) \$m |
|-------------------|--------------------------|------------------------|----------------------------|---------------------------|
| 2023 ¹ | 9.9 | 23.1 | 33.1 | 32.1 |
| 2022 | 30.2 | 11.0 | 41.2 | 29.2 |
| 2021 | (40.0) | 20.0 | (20.0) | (1.1) |
| 2020 | (0.5) | 3.9 | 3.4 | 4.9 |

- › 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 FY2023) include cost of capital adjustments
- › RAA also includes adjustments for WACC, maintenance, rebates, energy connection costs, and other costs recoverable in accordance with Schedule F of the Access Undertaking. The net impact of these adjustments in FY2023 is to increase the \$21.5m MAR under collection by \$10.6m to a \$32.1m recovery from access holders ex-GAPE

1. Approved by the QCA on 23 November 2023, excludes cost of capital adjustment
 Note: AT = Access Tariff Revenue Adjustment Amount and that negative amounts represents a return to Access Holders

Reconciliation of billed MAR to reported access revenue

| \$m | 1HFY2024 Actual | FY2023 Actual | FY2022 Actual |
|---|--------------------|------------------|------------------|
| Access Revenue (AT ₁ to AT ₅) (ex. GAPE) | 556 | 942 | 891 |
| <u>Approved Adjustments to MAR</u> | | | |
| Revenue Cap (ex. GAPE and inclusive of capitalised interest) | 15 | (1) | 5 |
| Regulated Access Revenue (ex. GAPE) | 571 | 941 | 896 |
| Total non-regulated Access Revenue (ex. GAPE) | 43 | 161 | 77 |
| Total GAPE Revenue (Regulatory + non-regulatory) | 80 | 152 | 161 |
| Total Access Revenue per Aurizon Statutory Accounts | 694 | 1,255 | 1,134 |

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

Network: Maximum Allowable Revenue

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

APPROVED ALLOWABLE REVENUE (\$m)¹

| Building block component | FY2024 ² Approved Preliminary Reset Values Allowable Revenue | FY2025 Approved Final Reset Values Allowable Revenue | FY2026 Approved Final Reset Values Allowable Revenue | FY2027 Approved Final Reset Values Allowable Revenue |
|------------------------------------|---|--|--|--|
| Return on capital | 493.7 | 515.5 | 520.9 | 523.9 |
| Depreciation (less inflation) | 249.5 | 272.4 | 303.7 | 316.6 |
| Direct maintenance costs | 164.1 | 174.9 | 175.8 | 179.5 |
| Indirect maintenance costs | 17.5 | 18.0 | 17.4 | 17.1 |
| 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 | 53.4 | 57.7 | 58.3 |
| Adjustments | 62.6 | 31.6 | 32.3 | 33.1 |
| Total | 1,243.8 | 1,272.9 | 1,314.9 | 1,335.5 |
| Total (excluding GAPE) | 1,088.0 | 1,125.6 | 1,168.6 | 1,209.9 |

↓

Does not include FY2023 revenue cap adjustment of ~\$32m

↓

Does not include the FY2024 Final Reset Values adjustment of ~\$25m

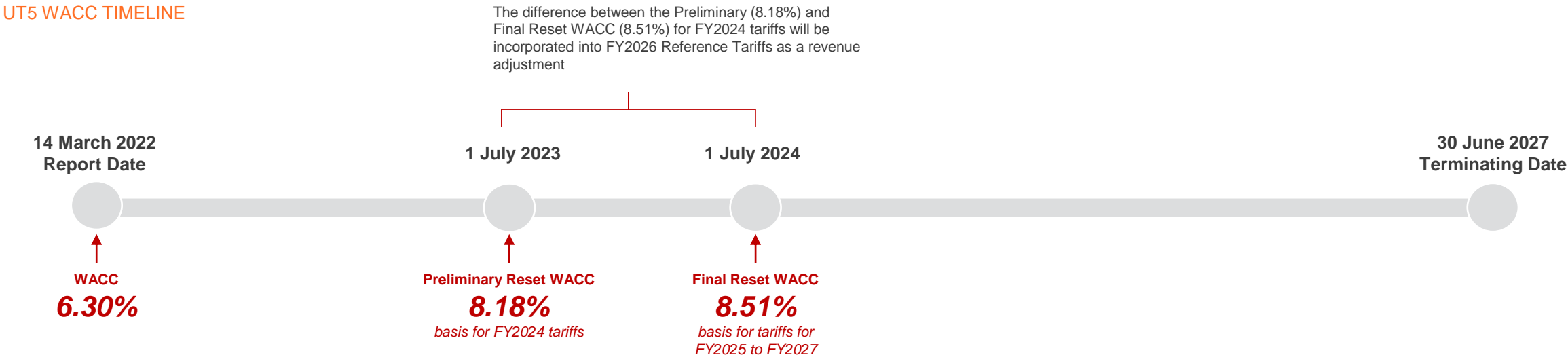
1. On 31 July 2023 Network submitted Final Reset Values to the QCA for approval. Network's Final Reset Values submission proposed a final Reset WACC of 8.51% based on a risk-free rate of 3.87% and a debt risk premium of 2.48% (reflected in FY2025 to FY2027 in the table above). On 19 October 2023 the QCA approved Network's Final Reset Values. FY2025 Proposed Final Allowable Revenue does not include Revenue Cap adjustments from FY2023

2. FY2024 MAR is based on Preliminary Reset Values. While the Final Reset Values take effect from 1 July 2023, FY2024 Allowable Revenues and Tariffs will not be amended during the year to reflect the QCA's decision on the Final Reset Values. The difference between the Preliminary \$1,088m and Final Reset Allowable Revenues \$1,113m for FY2024 (1 July 2023 to 30 June 2024) will be reconciled through the FY2024 Revenue Adjustment Amounts (Revenue Cap) process in two years' time and will be incorporated into FY2026 Reference Tariffs.

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

UT5 WACC Reset Timeline

UT5 WACC TIMELINE



| | QCA 2018 Decision | Preliminary Reset | Final Reset WACC | Change against QCA 2018 Decision |
|-------------------|--------------------------|---------------------------|---------------------------|-------------------------------------|
| WACC | 6.30% to 30 June 2023 | 8.18% From 1 July 2023 | 8.51% From 1 July 2024 | +2.21ppts |
| Debt Risk Premium | 2.04% | 2.60% | 2.48% | +0.24ppts +0.44% x 0.55 leverage |
| Risk Free Rate | 1.90% | 3.47% | 3.87% | +1.97ppts |



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Photo: Outside the CBH Grain Silos of West Merredin enroute to Kwinana (Western Australia). Photo taken by Blake Jones, Aurizon Tutor Driver

