Aurizon Holdings Limited
ABN 14 146 335 622

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

17 February 2025

Appendix 4D

Please find attached for immediate release to the market a copy of the Company's Appendix 4D for the half year ended 31 December 2024.

Yours faithfully

Nicole Allder
Company Secretary

Authorised for lodgement by the Aurizon Holdings Limited Board of Directors

Aurizon Holdings Limited

Appendix 4D

Interim Financial Report

For the half-year year ended 31 December 2024 (1HFY2025)

This document should be read in conjunction with the Financial Report, including any disclaimer

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1HFY2025 IN REVIEW

Result Summary

Underlying continuing operations unless otherwise stated

($m)	1HFY2025	1HFY2024	Variance	Variance %
Total revenue	2,023	1,972	51	3%
EBITDA	814	847	(33)	(4%)
Statutory EBITDA	851	847	4	-
EBIT	455	505	(50)	(10%)
Significant items	37	-	37	-
EBIT Statutory	492	505	(13)	(3%)
NPAT	205	237	(32)	(14%)
NPAT Statutory	233	237	(4)	(2%)
Free cash flow (FCF)[1]	237	256	(19)	(7%)
Interim dividend (cps)	9.2	9.7	(0.5)	(5%)
Earnings per share (cps)	11.3	12.9	(1.6)	(12%)
Earnings per share Statutory[2] (cps)	12.8	12.9	(0.1)	(1%)
Return on invested capital (ROIC)	8.4%	9.0%	(0.6ppt)	-
EBITDA margin	40.2%	43.0%	(2.8ppt)	-
Operating ratio	77.5%	74.4%	(3.1ppt)	-
Above Rail Tonnes (m)	126.6	128.1	(1.5)	(1%)
Gearing (net debt / (net debt + equity))	54.2%	53.8%	0.4ppt	-

Group Performance Overview

Group EBITDA decreased by $33m (4%) to $814m with lower earnings in Bulk and Coal partly offset by an uplift in Network. Higher Coal volumes and contract rate indexation was more than offset by the impact of customer mix (lower yield) and higher operating costs. New contract growth in Bulk more than offset by lower grain railings, the cessation of a rail maintenance contract, a derailment in Western Australia in addition to an increase in doubtful debt provisions. The uplift in Network earnings was driven by higher (allowable) regulated revenue, offset by a reduction in external construction works and higher maintenance costs. The increase in Other EBITDA was driven by the settlement of legal matters.

Depreciation increased by $17m or 5% with approximately half of the step up due to Network.

EBIT decreased by $50m (10%), contributing to a 0.6ppt decrease in ROIC.

The interim dividend declared of 9.2cps (60% franked) represents a payout ratio of 80% of underlying NPAT.

Outlook

Group underlying EBITDA and sustaining/growth capex ranges all maintained, although each is expected to be at the lower end of their respective range

- Group underlying EBITDA range $1,660m - $1,740m
- Sustaining capex range $640m - $720m (including ~$80m of transformation capital)
- Growth capex range $125m - $175m

Key assumptions:

- Network: EBITDA expected to be higher than FY2024 with an increase in the regulated revenue, partially offset by lower external construction works and higher maintenance costs (to be recovered in two years[3]). *Volumes in the first six weeks of 2HFY2025 were down 3.0mt (-14%) compared to the prior year*
- Coal: EBITDA expected to be broadly consistent with FY2024, with higher volumes being offset by the normalisation (lower) of yield (due to customer/corridor mix) and higher traincrew and maintenance costs. *Volumes in first six weeks of 2HFY2025 were down 0.5mt (-2.5%) compared to the prior year*
- Bulk: Despite step-up in 2HFY2025 (compared with 1HFY2025), full year EBITDA now expected to be lower than FY2024
- Other: Improvement on FY2024 now expected, driven by a portion of the settlement of legal matters
- No significant disruptions to supply chains and customers (such as major derailments, extreme/prolonged wet weather or any additional doubtful debt provisions)

[1] *Free Cash Flow (continuing operations) defined as net cash flow from operating activities, less non-growth capex and less interest paid. It does not include growth capex (1HFY2025: $51m, 1HFY2024: $105m), payments for acquisitions (1HFY2025: $25m, 1HFY2024: $nil) and cash flows from significant items (1HFY2025: $37m, 1HFY2024: $nil).*
[2] *1HFY2025 Statutory EBITDA, NPAT and EPS includes significant items related to proceeds from the settlement of legal matters ($37m pre-tax, $28m post-tax)*
[3] *Subject to the usual regulatory revenue cap mechanism*

CONSOLIDATED RESULTS

Underlying continuing operations unless otherwise stated

Financial Summary

($m)	1HFY2025	1HFY2024	Variance	2HFY2024
Total revenue and other income	**2,023**	**1,972**	**3%**	**1,872**
Operating costs				
Employee benefits	(587)	(539)	(9%)	(547)
Energy and fuel	(180)	(198)	9%	(193)
External track access	(86)	(71)	(21%)	(75)
Consumables	(326)	(309)	(6%)	(273)
Other	(30)	(8)	(275%)	(7)
EBITDA	**814**	**847**	**(4%)**	**777**
Depreciation and amortisation	(359)	(342)	(5%)	(365)
EBIT	**455**	**505**	**(10%)**	**412**
Net finance costs	(165)	(164)	(1%)	(169)
Income tax expense	**(85)**	**(104)**	**18%**	**(74)**
NPAT	**205**	**237**	**(14%)**	**169**
NPAT (group) Statutory	**233**	**237**	**(2%)**	**169**
Earnings per share[4]	**11.3**	**12.9**	**(12%)**	**9.2**
Return on invested capital (ROIC)[5]	8.4%	9.0%	(0.6ppt)	8.9%
Net cash flow from operating activities	769	743	3%	873
Interim dividend per share (cps)	9.2	9.7	(5%)	7.3
Gearing (net debt / (net debt + equity))	54.2%	53.8%	0.4ppt	52.2%
Net debt / EBITDA[6]	3.2x	3.2x	-	3.0x
Net tangible assets per share ($) (group)	2.3	2.3	-	2.3
People (FTE)	6,057	5,778	5%	5,930
Labour costs[7] / Revenue	28.9%	27.2%	(1.7ppt)	29.0%

EBITDA by Segment

$m	1HFY2025	1HFY2024	Variance	2HFY2024
Coal	264	283	(7%)	245
Bulk	84	112	(25%)	117
Network	495	486	2%	444
Other	(29)	(34)	15%	(29)
Group (Continuing operations)	**814**	**847**	**(4%)**	**777**

[4] *Calculated on weighted average number of shares on issue – 1,816m for 1HFY2025 and 1,841m for 1HFY2024*
[5] *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)*
[6] *Net debt is defined as borrowings (both current and noncurrent) less cash and cash equivalents and excludes lease liabilities. Net debt for Network and Operations is adjusted for funds drawn under the Intra Group Loan Agreement. EBITDA is based on the 12-month rolling average. Network – Net debt / EBITDA: 4.1x (1HFY2024 3.8x), Operations – Net debt / EBITDA: 1.9x (1HFY2024 2.3x)*
[7] *1HFY2025 excludes $2m redundancy costs (1HFY2024 excludes $2m redundancy costs)*

Reconciliation to Statutory Earnings

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 managing and assessing the financial performance of the business. Underlying earnings is derived by adjusting statutory earnings for significant items as noted in the following table:

($m)	1HFY2025	1HFY2024	2HFY2024
Underlying EBITDA – Continuing operations	**814**	**847**	**777**
Depreciation and amortisation	(359)	(342)	(365)
Underlying EBIT	**455**	**505**	**412**
Continuing operations significant items	37	-	-
Statutory EBIT	**492**	**505**	**412**
Net finance costs	(165)	(164)	(169)
Statutory Profit before tax	**327**	**341**	**243**
Income tax expense	(94)	(104)	(74)
Statutory NPAT – Continuing operations	**233**	**237**	**169**
Continuing operations significant items, net of tax	(28)	-	-
Underlying NPAT – Continuing operations	**205**	**237**	**169**

Balance Sheet Summary

($m)	31 Dec. 2024	30 Jun. 2024	31 Dec. 2023
Current assets	910	991	1,221
Property, plant and equipment (PP&E)	10,187	10,153	10,072
Other non-current assets	490	452	419
Total Assets	**11,587**	**11,596**	**11,712**
Total borrowings	5,131	4,897	5,165
Other current liabilities	715	772	706
Other non-current liabilities	1,447	1,489	1,450
Total Liabilities	**7,293**	**7,158**	**7,321**
Net Assets	**4,294**	**4,438**	**4,391**
Gearing (net debt / (net debt + equity))	**54.2%**	**52.2%**	**53.8%**

Balance Sheet Movements

Current assets decreased by $81m largely due to:

- a decrease in current derivative financial instruments due to the settlement of Network EMTN 1
- a decrease in trade and other receivables of $28m predominately due to the receipt of insurance proceeds

This was partly offset by an increase in inventories of $17m and other current assets of $22m largely related to prepayments.

Property, plant and equipment increased by $34m including capital additions of $351m and the acquisition of a subsidiary of $33m, partly offset by depreciation of $345m. Other non-current assets increased by $38m due to an increase in non-current derivative financial instruments of $38m related to favourable mark-to-market valuations on cross-currency interest rate swaps, partly offset by a decrease in intangible assets of $10m due to amortisation.

Current liabilities, excluding borrowings, decreased by $57m largely due to:

- a decrease in trade and other payables of $75m due to a reduction in accruals
- a decrease in provisions of $11m

This was partly offset by an increase in current tax liabilities of $29m associated with income tax provisions for the current year.

Total borrowings increased by $234m due to net proceeds from borrowings of $176m (net of transaction costs) and unfavourable fair value movements on the valuation of bonds.

Other non-current liabilities decreased by $42m due to a decrease in non-current derivative financial instruments of $79m due to favourable mark-to-market valuations. This is partly offset by an increase in deferred tax liabilities of $29m and provisions of $7m.

Cash Flow Summary

($m)	1HFY2025	1HFY2024	2HFY2024
Statutory EBITDA (Continuing operations)	**851**	**847**	**777**
Working capital and other movements	(61)	(11)	12
Non-cash adjustments - asset impairments	-	-	1
Net cash inflow from Continuing operations	**790**	**836**	**790**
Interest received	3	2	6
Income taxes paid	(27)	(99)	73
Principal elements of lease receipts	3	4	4
Net cash inflow from operating activities from Continuing operations	**769**	**743**	**873**
Net operating cash flow from Discontinued operations	-	-	-
Net operating cash flows	**769**	**743**	**873**
Cash flows from investing activities			
Payments for PP&E and intangibles, net of interest paid on qualifying assets	(381)	(427)	(398)
Payments for acquisitions of business (net of cash acquired)	(25)	-	-
Proceeds from sale of PP&E	5	3	3
Net cash outflow from investing activities from Continuing operations	**(401)**	**(424)**	**(395)**
Net investing cash flow from Discontinued operations	-	-	125
Net investing cash flows	**(401)**	**(424)**	**(270)**
Cash flows from financing activities			
Net proceeds from / (repayment of) borrowings	179	(31)	(227)
Payment of transaction costs related to borrowings	(3)	(9)	(3)
Payments for buy-back of ordinary shares and share-based payments	(228)	(4)	-
Interest paid	(170)	(168)	(172)
Dividends paid to Company shareholders	(134)	(147)	(179)
Principal elements of lease payments	(15)	(11)	(15)
Net cash outflow from financing activities from Continuing operations	**(371)**	**(370)**	**(596)**
Net financing cash flow from Discontinued operations	-	-	-
Net financing cash flows	**(371)**	**(370)**	**(596)**
Net decrease in cash from Continuing operations	**(3)**	**(51)**	**(118)**
Net increase in cash from Discontinued operations	**-**	**-**	**125**
Free Cash Flow (FCF)[8] from Continuing operations	**237**	**256**	**405**

Cash Flow Movements

Net cash inflows from operating activities from continuing operations increased by $26m (3%) to $769m largely due to:

- A reduction in income taxes paid. 1HFY2025 instalments of $27m were lower than the prior comparable period due to a lower ATO-issued instalment rate
- Proceeds from the settlement of legal matters and an increase in EBITDA, partly offset by unfavourable working capital movements due to an increase in inventories and other assets and a decrease in trade and other payables

Net cash outflows from investing activities from continuing operations decreased by $23m (5%) to $401m due to a reduction in capital expenditure, partly offset by the acquisition of Aurizon Port Services South Australia of $25m.

Net cash outflows from financing activities from continued operations increased by $1m to $371m due to the completion of $227m (cash basis) on-market share buy-back, offset by net proceeds from borrowings of $179m due to the issuance of Network bonds and a reduction in the final FY2024 dividend of 7.3 cents per share compared to the final FY2023 dividend of 8.0 cents per share.

[8] Free Cash Flow (continuing operations) defined as net cash flow from operating activities, less non-growth capex and less interest paid. It does not include growth capex (1HFY2025: $51m, 1HFY2024: $105m), payments for acquisitions (1HFY2025: $25m, 1HFY2024: $nil) and cash flows from significant items (1HFY2025: $37m, 1HFY2024: $nil).

Funding

The Group continues to be committed to diversifying its debt investor base and increasing average debt tenor.

Aurizon Network funding activity during 1HFY2025:

› €500m EMTN ($711m equivalent) repaid in September 2024, with funds drawn from existing bank debt facilities
› $100m tap of existing AMTN private placement in November 2024 (previously $20m, subsequently $120m maturing in December 2034)
› $300m AMTN issued in December 2024 for 9-years, maturing in December 2033, with funds used to repay drawn bank debt
› $1,090m of bank debt facilities re-financed in December 2024, maturing in December 2027, with an additional $50m of bank debt facilities sourced from existing lenders

Aurizon Operations funding activity during 1HFY2025:

› $250m reduction in syndicated revolving facility limit (originally $400m), facility maturing in July 2025 following a review of near term liquidity requirements

In respect of 1HFY2025:

› Weighted average debt maturity tenor was 5.0 years as at 31 December 2024 (FY2024: 4.6 years)
› Group interest cost on drawn debt was 6.3% (FY2024: 6.2%)
› Available liquidity (undrawn facilities plus cash) as at 31 December 2024 was $1,338m (FY2024: $2,031m)
› Group gearing (net debt / (net debt + equity)) as at 31 December 2024 was 54.2% (FY2024: 52.2%)
› Aurizon Network's gearing (net debt[9] / Regulatory Asset Base (excluding Access Facilitation Deeds)) as at 31 December 2023 was 65.6% (FY2024: 62.6%). Aurizon Network's Net Debt / EBITDA[10] as at 31 December 2024 was 4.1 times (1HFY2024: 3.8 times)
› Aurizon Operations' gearing (net debt[9] / (net debt + equity)) as at 31 December 2024 was 25.7% (FY2024: 25.9%). Aurizon Operations' Net Debt / EBITDA[10] as at 31 December 2024 was 1.9 times (1HFY2024: 2.3 times)
› Aurizon Operations' and Aurizon Network's credit ratings have each been maintained at BBB+/Baa1

Dividend

The Board has declared an interim dividend for 1HFY2025 of 9.2cps (60% franked) based on a payout ratio of 80% in respect of underlying NPAT from continuing operations.

The relevant interim dividend dates are:

› 3 March 2025 – ex-dividend date
› 4 March 2025 – record date
› 26 March 2025 – payment date

Tax

The Group statutory income tax expense for 1HFY2025 was $94m. The Group statutory effective tax rate[11] was 28.7%, which is less than 30% due to the utilisation of carried forward capital losses (for which a deferred tax asset was not previously recognised) in respect of the proceeds from the settlement of legal matters. The Group statutory cash tax rate[12] was 20.8%, which is less than 30% primarily due to accelerated fixed asset related adjustments and the utilisation of capital losses.

The Group underlying income tax expense for 1HFY2025 was $85m. The Group underlying effective tax rate[13] was 29.4% and the Group underlying cash tax rate[14] was 20.5% which is less than 30% for the same reasons listed above. The underlying effective tax rate for FY2025 is expected to be in the range of 29-31% and the underlying cash tax rate is expected to be less than 25% for the short to medium term.

Aurizon publishes additional tax information in accordance with the voluntary Tax Transparency Code. See the Sustainability section of the Aurizon website for further detail.

[9] Net debt is defined as borrowings (both current and non-current) less cash and cash equivalents and excludes lease liabilities. Net debt is adjusted for funds drawn under the Intra Group Loan Agreement
[10] EBITDA is based on the 12-month rolling average
[11] Statutory effective tax rate = income tax expense / statutory consolidated profit before tax
[12] Statutory cash tax rate = cash tax payable / statutory consolidated profit before tax
[13] Underlying effective tax rate = income tax expense excluding the impact of significant items / underlying consolidated profit before tax
[14] Underlying cash tax rate = cash tax payable excluding the impact of significant items / underlying consolidated profit before tax

SEGMENT PERFORMANCE

Coal

Aurizon's Coal business transports coal from mines in the Newlands, Goonyella, Blackwater, Moura and West Moreton systems in Queensland (QLD) and the Hunter Valley and Illawarra coal systems in New South Wales (NSW), to domestic customers and coal export terminals. Coal hauled is split approximately evenly between metallurgical coal and thermal coal, with demand linked to Asian steel production and energy generation, respectively.

Financial Summary

($m)	1HFY2025	1HFY2024	Variance	2HFY2024
Revenue				
Above Rail	659	642	3%	624
Track Access	245	237	3%	223
Other	9	8	13%	9
Total revenue	**913**	**887**	**3%**	**856**
Track Access costs	(250)	(243)	(3%)	(231)
Operating costs	(399)	(361)	(11%)	(380)
EBITDA	**264**	**283**	**(7%)**	**245**
Depreciation and amortisation	(103)	(104)	1%	(109)
EBIT	**161**	**179**	**(10%)**	**136**

Metrics

	1HFY2025	1HFY2024	Variance	2HFY2024
Total tonnes hauled (m)	99.2	94.0	6%	94.9
CQCN	69.8	66.3	5%	66.2
NSW & SEQ	29.4	27.7	6%	28.8
Contract utilisation	84%	82%	2ppt	84%
Total NTK (b)	22.7	22.0	3%	21.4
CQCN	17.4	16.8	4%	16.3
NSW & SEQ	5.3	5.2	2%	5.1
Average haul length (km)	229	234	(2%)	225
Total revenue / NTK ($/'000 NTK)	40.2	40.3	-	40.0
Above Rail Revenue / NTK ($/'000 NTK)	29.0	29.2	(1%)	29.2
Operating Ratio	82.4%	79.8%	(2.6ppt)	84.1%
Opex / NTK ($/'000 NTK)	33.1	32.2	(3%)	33.6
Opex / NTK (excluding access costs) ($/'000 NTK)	22.1	21.1	(5%)	22.9
Locomotive productivity ('000 NTK / Active locomotive day)	379.8	377.0	1%	370.4
Active locomotives (as at 31 December)	328	321	2%	323
Wagon productivity ('000 NTK / Active wagon day)	14.4	14.3	1%	14.0
Active wagons (as at 31 December)	8,624	8,383	3%	8,618
Payload (tonnes)	7,367	7,540	(2%)	7,448

Coal Performance Overview

Coal EBITDA decreased $19m (7%) to $264m with higher volumes and contract rate indexation being more than offset by the normalisation of customer mix (lower yield) and higher operating costs.

Volumes increased 5.2mt (6%) to 99.2mt:

- Central Queensland Coal Network (CQCN) volumes increased by 3.5mt (5%) to 69.8mt mainly in the Goonyella corridor with increased production from a major customer and continued ramp up of Pembroke Resources
- NSW and South-East Queensland (SEQ), volumes increased by 1.7mt (6%) to 29.4mt due to growth in SEQ volumes in addition to increased customer production in the Hunter Valley and Illawarra

Coal revenue increased by $26m (3%) to $913m largely driven by volume growth, contract rate indexation and track access revenue (largely pass through in higher access costs), offset by the normalisation (lower) of yield driven by customer mix.

Total operating costs increased $45m (7%) to $649m largely due to higher access, maintenance and traincrew costs partly offset by lower fuel costs. The major drivers of these movements are:

- Track access costs increased by $7m (3%) due to higher CQCN access tariffs
- Other operating costs increased $38m (11%) primarily due to higher traincrew and maintenance costs partly offset by lower fuel costs due to lower prices. Excluding fuel, other operating costs increased $42m (14%)

Operating costs (excluding access costs) per NTK increased by 5%. FY2026 operating costs expected to be broadly flat with FY2025 with a projected attrition of train drivers by around 50 FTE during FY2026.

Depreciation remained flat. EBIT decreased 10% against the prior comparative period.

Operationally, locomotive and wagon productivity metrics were generally higher against the prior comparative period due to increased volumes. Active locomotives increased with the volume growth in SEQ and Illawarra.

The current FY2026 contract position of ~230mt is broadly in-line with FY2024 and FY2025.

TrainGuard

TrainGuard is a platform utilising European Train Control System (ETCS) technology to support driver decision-making, particularly in relation to speed control and signal enforcement. TrainGuard supports safer and more efficient train operations with reduced rail process safety issues and improved train handling. TrainGuard technology is the pathway to expanding our driver-only operations in Central Queensland. The technology is deployed on all Alternating Current electric trainsets (and associated track infrastructure). The Blackwater System (Callemondah to Bluff) is operational with the full ramp up of driver-only operations completed in FY2024. The deployment in the Goonyella System (Mainline) is now also operational with the commencement of driver-only operations in the first quarter of FY2025. The final Goonyella and Blackwater Branch line deployment phase is progressing to plan, with the first operational service deployed with TrainGuard technology expected to commence in the fourth quarter of FY2025.

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.

Financial Summary

($m)	1HFY2025	1HFY2024	Variance	2HFY2024
Revenue				
Freight Transport	550	546	1%	514
Other	10	13	(23%)	23
Total revenue and other income	**560**	**559**	**-**	**537**
Operating costs	(476)	(447)	(6%)	(420)
EBITDA	**84**	**112**	**(25%)**	**117**
Depreciation and amortisation	(64)	(60)	(7%)	(68)
EBIT	**20**	**52**	**(62%)**	**49**
Total tonnes hauled (m)	27.5	34.1	(19%)	32.5
Operating Ratio	96.4%	90.6%	(5.8ppt)	90.9%

Bulk Performance Overview

Bulk EBITDA decreased $28m (25%) to $84m driven by lower grain railings in Western Australia (WA) and South Australia (SA), the cessation of a rail maintenance contract, a derailment in WA in addition to an increase in doubtful debt provisions. This was partly offset by growth volumes from new customer contracts in minerals and iron ore.

Revenue remained flat with new customer growth (including Northern Iron and Gold Valley) offset by lower grain volumes, cessation of a rail maintenance contract in the Pilbara and a derailment in Western Australia. Operating costs increased $29m (6%) due to increased costs to support customer growth, holding costs for train crew and maintenance in anticipation of higher grain volumes in the second half and an increase in doubtful debt provisions. Excluding doubtful debt provisions, operating costs increased by 4%.

Depreciation increased $4m (7%) with increased capital expenditure supporting the growth in the Bulk business. Therefore, EBIT decreased 62% compared to a 25% decrease in EBITDA.

During the period, a ten-year contract extension was signed for rail haulage for Minara (WA) in addition to stevedoring contracts for Australian National Line (Gladstone) and Northern Iron (Port of Darwin).

Network

Network refers to the business of Aurizon Network Pty Ltd (Network) which operates the 2,670km CQCN. The open access network is the largest coal rail network in Australia, connecting multiple customers from more than 40 mines to five export terminals located at three ports. The CQCN includes four major coal systems (Moura, Blackwater, Goonyella and Newlands) and a connecting link, the Goonyella to Abbot Point Expansion (GAPE).

Financial Summary

($m)	1HFY2025	1HFY2024	Variance	2HFY2024
Revenue				
Track Access	708	694	2%	646
Services and other	28	64	(56%)	31
Total revenue	**736**	**758**	**(3%)**	**677**
Energy and fuel	(69)	(84)	18%	(76)
Other operating costs	(172)	(188)	9%	(157)
EBITDA	**495**	**486**	**2%**	**444**
Depreciation and amortisation	(182)	(174)	(5%)	(179)
EBIT	**313**	**312**	**-**	**265**

Metrics

	1HFY2025	1HFY2024	Variance	2HFY2024
Tonnes (m)	110.2	106.5	3%	103.1
NTK (b)	26.9	26.2	3%	24.8
Operating Ratio	57.5%	58.8%	1.3ppt	60.9%
Maintenance / NTK ($/'000 NTK)	3.2	3.0	(7%)	3.0
Opex / NTK ($/'000 NTK)	15.7	17.0	8%	16.6
Cycle Velocity (km/hr)	22.1	22.3	(1%)	21.5
Usable Capacity[15]	79.9%	81.3%	(1.4ppt)	81.8%
Average haul length (km)	244	246	(1%)	240

Network Performance Overview

Network EBITDA increased $9m (2%) to $495m in 1HFY2025, with lower revenue of $22m (3%) offset by lower operating costs of $31m (11%).

Regulatory access revenue has been accounted for based on actual railed volumes using tariffs approved by the Queensland Competition Authority (QCA) on 23 May 2024 and the Infrastructure rebates and GAPE Remote Control Signalling (RCS) Draft Amending Access Undertaking (DAAU) approved on 24 October 2024.

Total access revenue increased by $14m (2%) with the main drivers being:

- Allowable revenue increased by $42m, driven by the final reset WACC of 8.51% in 1HFY2025 compared to preliminary reset WACC of 8.18% in 1HFY2024 and a higher maintenance allowance, partially offset by a reduction in Allowable Revenue as a result of some customer funded infrastructure rebates being reallocated from Other Access Revenue and offset against Reference Tariffs
- Allowable revenue under-recovery of $1m in 1HFY2025 compared to an over recovery of $27m in 1HFY2024
- Net favourable Revenue Cap (excluding GAPE) movements of $4m received in 1HFY2025 relating to FY2022 and FY2023
- Electric Energy Charge (EC) revenue was lower in 1HFY2025 by $12m due to the EC tariff reducing from $1.66 to $1.24 per EGTK'000.
- Other Access Revenue was $8m above the prior period, this was mainly due to lower customer funded infrastructure rebates as a result of a reallocation of some rebates to a reduction in Allowable Revenue

Services and other revenue were $36m (56%) lower in 1HFY2025 primarily due to lower external construction revenue.

Total operating costs decreased by $31m (11%) with the main drivers being:

- Electric traction charges decreased $15m in 1HFY2025 (offset in Access Revenue) due to lower wholesale energy prices partially offset by higher connection costs
- Other operating costs decreased $16m in 1HFY2025 primarily due to lower external construction costs associated with lower revenue partially offset by higher operating costs ($3m) and higher maintenance costs ($11m) as a result of inflationary pressures and increased maintenance activity including the implementation of a targeted corridor drainage program

Depreciation increased ($8m) primarily due to ballast undercutting investment and light vehicle replacement.

Network's 2023-2024 Regulated Asset Base (RAB) roll-forward is $6.1bn[16] (including access Facilitation Deeds of $0.3bn) as at 1 July 2024.

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[15] Usable Capacity measures all the possible rail traffic pathways (including branch line and unload site capacity) available at a point in time on the network with consideration of all known supply chain and infrastructure constraints (such as maintenance schedules)
[16] Includes deferred capital and as approved capital by the QCA on the 30 January 2025

Regulation Update

Network continues to operate under the 2017 Access Undertaking (UT5) which was approved by the QCA on 19 December 2019 and ceases on 30 June 2027. The status of key aspects of UT5 are summarised below.

Capacity Assessments

- The QCA published the Independent Expert's (IE) Initial Capacity Assessment Report (ICAR) on 1 November 2021 which identified Existing Capacity Deficits (ECD) within each Coal System
- On 16 November 2022, the QCA made an initial determination on Transitional Arrangements proposed by Network to be implemented, the most notable being the installation of RCS in the Newlands System which the IE subsequently assessed as being prudent and efficient and was commissioned in July 2024
- The QCA published the IE's Annual Capacity Assessment Report 2024 (ACAR) on 16 July 2024. The ACAR identified some differences between it and the findings in the ICAR in relation to the average annual deliverable network capacity of each coal system for the period FY2022 – FY2024, when measured as a percentage of the current contracted capacity for each coal system, which are as follows:
  - Goonyella System: ~ 102%
  - Blackwater System: ~108%
  - GAPE System: ~79%
  - Moura System: ~104%
  - Newlands System: ~88%
- Following its 21 April 2023 determination on the implementation of Transitional Arrangements, on 21 September 2023 the QCA published its decision on the remaining Transitional Arrangements to address ECDs identified in the ICAR. The QCA decided that the remaining Transitional Arrangements would benefit from further expansion studies to assess both the costs and potential benefits associated with the projects prior to deciding which Transitional Arrangements should be implemented
- On 12 June 2024, Network shared the Newlands and GAPE Transitional Arrangement Concept Study findings and recommends a signalling investment of approximately $2m to reduce the ECD. The recommendation is subject to customer approval

UT5 Reset Values

- UT5 provided for certain components of Allowable Revenue and weighted average cost of capital (WACC) (predominately risk-free rate, debt risk premium, inflation and the tax allowance) (together the Reset Values) to be reset on 1 July 2023 to take account of prevailing market conditions at that time. The reset process involved the establishment of:
  - Preliminary Reset Values in FY2023 which formed the basis of tariffs that applied in FY2024 and were approved by the QCA on 25 May 2023
  - Final Reset Values which were approved by the QCA on 19 October 2023
- Allowable Revenues and Reference Tariffs for FY2024 were based on the QCA's approved preliminary WACC of 8.18%
- On 19 October 2023, the QCA approved Network's Final Reset Values with a final reset WACC of 8.51% based on a risk-free rate of 3.87% and a debt risk premium of 2.48%
- While the Final Reset Values took effect from 1 July 2023, FY2024 Allowable Revenues and Tariffs were not amended during the year to reflect the QCA's decision on the Final Reset Values. The difference between the Preliminary and Final Reset Allowable Revenues for FY2024 (1 July 2023 to 30 June 2024) will be reconciled through the usual Revenue Adjustment Amounts (Revenue Cap) process and will be incorporated into FY2026 Reference Tariffs
- Allowable Revenues and Reference Tariffs for FY2025 are based on the QCA's approved final reset WACC of 8.51%

Infrastructure Rebates and GAPE Remote Control Signalling DAAU

- On 14 June 2024, Network submitted a DAAU which seeks to modify the FY2025 reference tariffs to:
  - Cease the deferral of the Goonyella to Newlands connection RCS investment following the forecast completion of the Newlands RCS installation in July 2024 (value as at 1 July 2024 is $23.6m)
  - Reduce the relevant System Allowable Revenue by applying discounts to Reference Tariffs for certain Access Holders in place of Infrastructure rebate payments associated with Access Facilitation Deeds (AFD). This change is at the request of relevant access holders and results in no revenue impact to Network
- On 24 October 2024, the QCA approved the DAAU
- The approval of the DAAU impacts Reference Tariffs in the Goonyella and GAPE Systems. Following engagement with affected Access Holders, on 20 December 2024, Network submitted Adjustment Charges to the QCA for approval to reconcile the difference in Access Charges as a result of the change in Reference Tariffs

FY2024 Maintenance Costs and Capital Expenditure Claim

- On 19 December 2024, the QCA approved Network's Maintenance Costs Claim ($182m) and Capital Expenditure Claim ($337m) for FY2024
- The difference between the budget and the approved claim costs:
  - Maintenance Costs ($18m) will be recouped from Access Holders in FY2026 tariffs through the FY2024 Revenue Adjustment Amounts (Revenue Cap)
  - Capital Expenditure ($29m) will be reconciled through the FY2026 Annual review of Reference Tariff process

Developing Regulatory Arrangements for UT6

- On 6 November 2024, Network advised the QCA of its commitment to continue to operate under a voluntary Access Undertaking for the regulatory term commencing 1 July 2027. This is proposed to be achieved through either a negotiated DAAU, amending and extending the current approved 2017 Access Undertaking (DAAU), or through the submission of a Draft Access Undertaking (DAU) for the new regulatory period
- Network has commenced engagement with stakeholders of the CQCN and aim to submit a DAAU or DAU by the second quarter of FY2026

Operational Update

During 1HFY2025:

- CQCN volumes increased by 3% to 110.2mt, driven by stronger volumes in Goonyella and Newlands
- Access and competition for skilled labour and rising sub-contractor costs impacted maintenance and asset renewal expenditure
- Network introduced a targeted corridor drainage program which contributed to higher maintenance costs
- Usable capacity[17] decreased from 81.3% to 79.9% primarily driven by unplanned coal port infrastructure shutdowns
- Cancellations due to the Network rail infrastructure decreased from 2.2% to 1.6%
- Cycle velocity decreased from 22.3km/h to 22.1km/h primarily due to increased rail traffic within the Goonyella Network

Other

Other includes other Containerised Freight related to National Interstate services, which is not considered a separate reportable segment, as well as other revenue and central costs not allocated such as the Board, Managing Director & CEO, Company Secretary, strategy and investor relations.

($m)	1HFY2025	1HFY2024	Variance	2HFY2024
Total revenue and other income	**80**	**30**	**167%**	**46**
Operating costs	(109)	(64)	(70%)	(75)
EBITDA	**(29)**	**(34)**	**15%**	**(29)**
Depreciation and amortisation	(10)	(4)	(150%)	(9)
EBIT	**(39)**	**(38)**	**(3%)**	**(38)**

Other Performance Overview

EBITDA increased by $5m (15%), driven by the settlement of legal matters of which a portion was included in underlying earnings, relating to costs incurred.

ADDITIONAL INFORMATION

Entities over which control was gained or lost during the period

Aurizon Operations Limited acquired 100% of the issued shares in Flinders Logistics Pty Ltd (renamed Aurizon Port Services (SA) Pty Ltd) and its subsidiary Pirie Bulk Pty Ltd (renamed Aurizon Pirie Logistics Pty Ltd), providing stevedoring, logistics and warehousing services to importers and exporters of bulk commodities through Berths 18 - 20 and Berth 29 at Port Adelaide and Port Pirie in South Australia for consideration of $26m on 6 December 2024.

Details of joint venture entities

		Ownership Interest	
Entity	**Country of incorporation**	**31 Dec. 2024**	**31 Dec. 2023**
Joint Ventures			
Coal Network Capacity Co Pty Ltd	Australia	8	7
Ox Mountain Limited[18]	United Kingdom	75	75
ARG Risk Management Limited	Bermuda	50	50
Integrated Logistics Company Pty Ltd	Australia	14	14
ACN 169 052 288	Australia	-	15

The profit contribution from any one of these joint venture entities is not material to the Group's profit.

Safety, People, Environment and Risk

Refer to the annual report and sustainability report for a detailed summary.

[17] Usable Capacity measures all the possible rail traffic pathways (including branch line and unload site capacity) available at a point in time on the network with consideration of all known supply chain and infrastructure constraints (such as maintenance schedules)
[18] Ox Mountain Limited ownership interest for 31 December 2023 has been restated to account for the increase in shareholding related to a reduction in the number of shares on issue