FY2021 Results

9 August 2021

AURIZON

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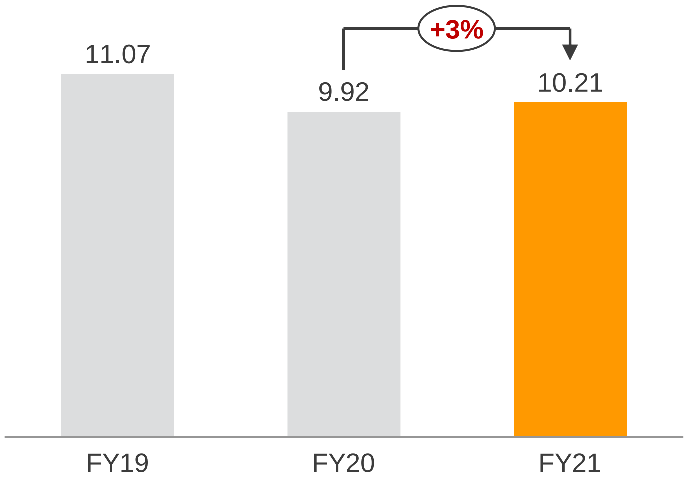
Safety performance

Results have been flat across the safety metrics

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)

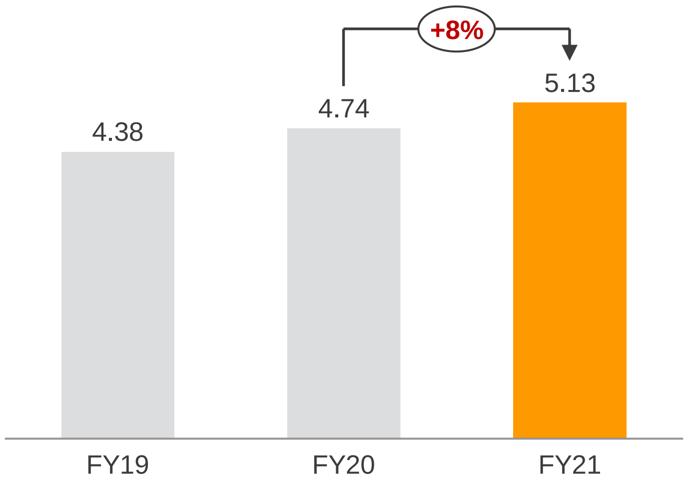
Incidents per million person-hours worked



› Deterioration in TRIFR driven by higher numbers of low severity body sprains (from walking on uneven ground and upper body manual handling strains) in first half

RAIL PROCESS SAFETY (RPS)

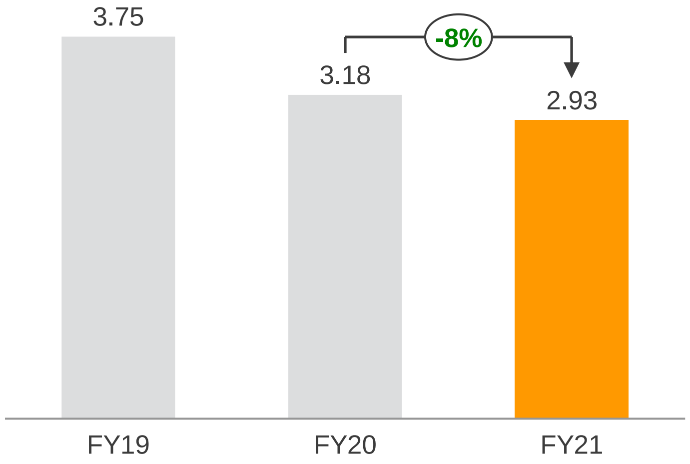
Incidents per million train kilometres travelled



› Deterioration in RPS from increase in low severity yard derailments in second half

LOST TIME INJURY FREQUENCY RATE (LTIFR)

Incidents per million person-hours worked



› While a slight increase in second half, overall improvement in LTIFR as result of reduction in higher severity injuries

Performance overview

Andrew Harding
Managing Director & CEO

Investor Day recap – focus of each business

Resilient Network and Coal business supporting Bulk growth and shareholder returns

COAL

- Continue transformation and productivity push
- ROIC and FCF focus for management
- Prudent capital investment based on scenario analysis

BULK

- Growing markets and new adjacencies
- Revenue and earnings growth focus
- Attractive opportunities to deploy capital (and redeploy from Coal)

NETWORK

- Embed UT5 for regulatory certainty
- Improve throughput and enhance supply chain efficiency
- Reduce costs

ENTERPRISE

- Capital efficiency to support shareholder returns and accretive growth
- Improve supply chains to support robust long term demand for key commodities

Investor Day recap – strategic aim

Resilient Network and Coal business supporting Bulk growth and shareholder returns

Resilient coal and network businesses

Safety, cost, productivity and capital focus supports Bulk growth

Growing bulk business with new markets

Our aspiration to achieve 20-25% market share in 10 years within a ~$1.25bn market profit pool would imply ~$250-300m EBIT[1]

Evolving mix reduces thermal coal exposure

Targeted bulk growth would result in revenue from thermal coal falling to less than 20% of Above Rail portfolio by 2030

Aurizon held an Investor Day on 8 June 2021. The presentation, video and transcript are available on the Aurizon website.

1. Market share opportunities assume Aurizon secures a portion of an available range of organic and inorganic growth. There are no guarantees that Aurizon will secure any or all growth opportunities.

FY2021 highlights[1]

Solid EBIT result. Final dividend of 14.4 cents per share, up 5%

EBITDA & EBIT	STATUTORY NPAT[2]	ROIC	FREE CASHFLOW[3]
$1,482m up 1% $903m down 1%	$607m -	10.7% down 0.2ppts	$734m up 1%

ABOVE RAIL COAL VOLUMES	BULK: ABOVE RAIL REVENUE[4] SHARE	FINAL DIVIDEND	CAPITAL MANAGEMENT
202.1mt down 6%	32% up 4ppts	14.4cps up 5%	$300m Buy-back completed

1. *All amounts are underlying and on a continuing basis unless otherwise stated. Comparisons are against FY2020*
2. *NPAT includes the net benefit after income tax of $74m arising from the sale of shares in Aquila (continuing) and excludes the net gain on sale after tax of $113m on the sale of Acacia Ridge (discontinued). The corresponding period (FY2020) includes the net gain on sale after tax of $74m on the sale of the Rail Grinding business (continuing) and excludes intermodal significant adjustments net of tax of $2m (discontinued)*
3. *Includes both continuing and discontinued operations. FY2021 includes $174m cash proceeds from sale of Acacia Ridge (discontinued) and tax paid of $39m on the sale of Rail Grinding (continuing). The corresponding period (FY2020) includes $165m as proceeds from the sale of the Rail Grinding business (continuing)*
4. *Above Rail Revenue is calculated excluding track access*

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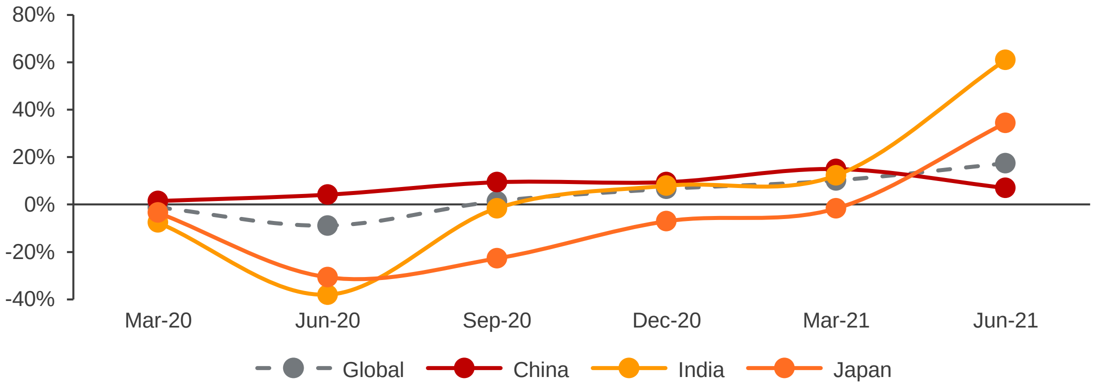
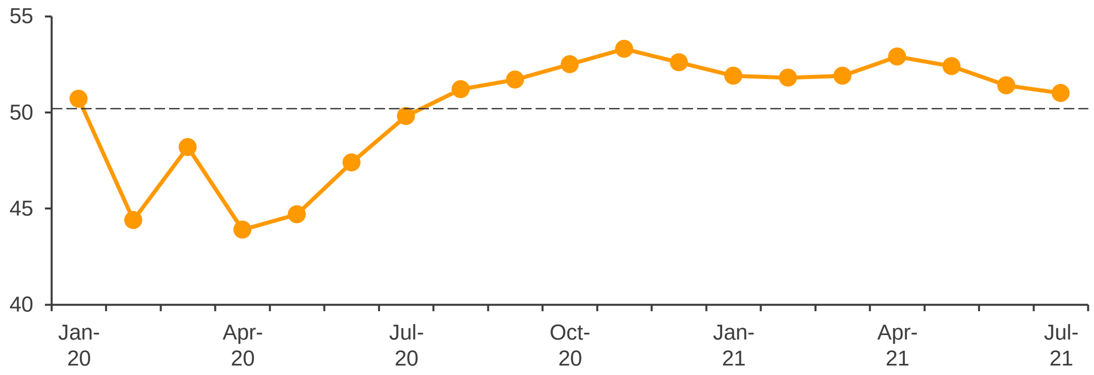
Commodity Market update

Despite challenges with export volume to China, Australian coal has successfully been redirected into alternative markets. Expanding Asian markets support other bulk commodities demand

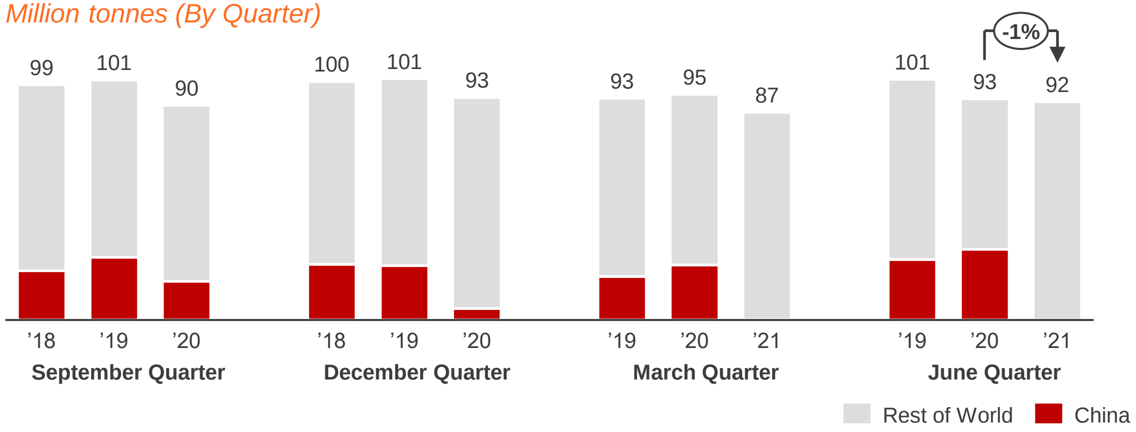
CRUDE STEEL PRODUCTION: KEY NATIONS[1]
Annual Change (By Quarter)



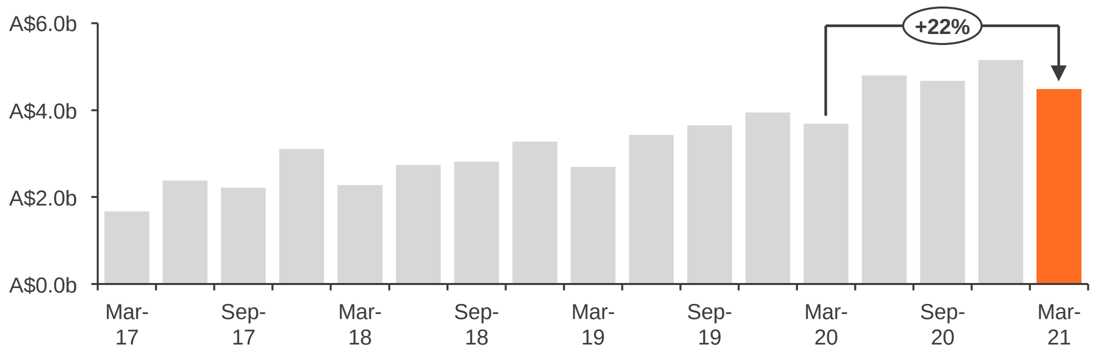
ASIA: PURCHASING MANAGERS' INDEX (PMI)[3]
Manufacturing, monthly



AUSTRALIAN TOTAL COAL EXPORT VOLUME[2]
Million tonnes (By Quarter)



AUSTRALIAN CAPITAL EXPENDITURE: METAL ORE MINING[4]
By Quarter



1. *World Steel Association*
2. *Australian Bureau of Statistics*
3. *CEIC (IHS Markit)*
4. *Australian Bureau of Statistics (March 2021 dataset). Metal ore mining commodities includes: iron ore, bauxite, copper, gold, mineral sands, nickel, silver-lead-zinc and other metal ores. Blank data indicates non-reporting*

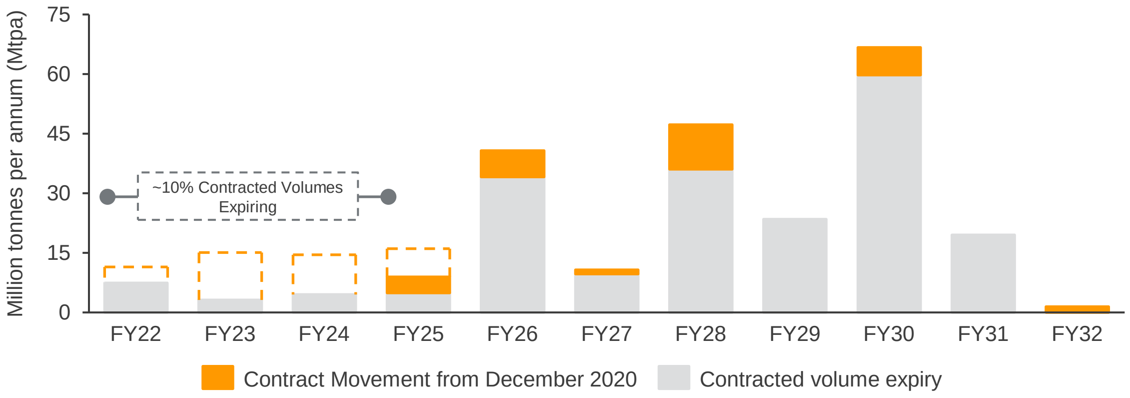
Coal update

Haulage volumes expected to grow in FY2022, increasing contract utilisation. Operational efficiencies mitigate contract rate pressures

CUSTOMER UPDATE

- Contracts:
  - **Glencore** – Existing agreements as primary hauler for Queensland mines extended[1]
  - **Anglo American** – New agreement across Goonyella (multiple mines) and Blackwater (German Creek). Extension of Dawson agreement in Moura
  - **New Hope** – contract for New Acland ends Dec 2021 (end of mine life)
- FY2022 haulage volumes to increase ~5%, contracted volumes 230mt
- Limited near term re-contracting risk

COAL CONTRACT VOLUME EXPIRY BY YEAR[2] AS AT 30 JUNE 2021



OPERATIONAL EFFICIENCIES

- Short-term initiatives when demand is lower: accelerate annual leave, reduce overtime and stand down train consists
- **Precision** – Deliver more volume with existing capital for all users, through faster turnaround time and Disciplined Train Operations. Asset turnaround time[3] in the Moura corridor improved 1.7 hours in FY2021[4]
- **Above Rail Asset Management (ARAM)** – lengthened lettered inspection intervals on locomotives by 60 days improving availability. Commenced CCO[5] activity in Coal depots driving improved asset availability and reducing overhaul costs
- **TrainGuard** – First deployment scheduled on Blackwater corridor.
  - Blackwater – All European Train Control System (ETCS) equipment is now installed across locomotives and rail infrastructure, with integration testing pending
  - Goonyella – ETCS equipment installation has commenced with progress at ~5% for locomotives and ~50% for rail infrastructure

1. *Excludes Hail Creek*
2. *Announced contract tonnages may not necessarily align with current contract tonnages. Contract tonnes are represented on an annualised basis and incorporates contract extension options where applicable. Includes immaterial variations to volume/term not announced to market.*
3. *Asset Turnaround Time: Normalised to remove payload and haul distance*
4. *Comparison between June 2021 to June 2020*
5. *Component Change Out*

Bulk update

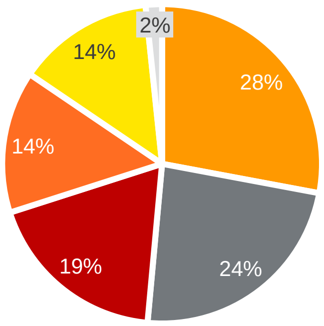
Strong performance continues with EBITDA up 27% from higher volumes

CUSTOMER UPDATE

- **CBH** – Ten-year grain haulage contract commencing August 2021
- **South32 Worsley** – Three-year contract extension for alumina and associated inputs
- **Mineral Resources** – expansion of services (beyond Esperance) with additional iron ore services into Kwinana
- **BHP Nickel West** – Railings ceased in March 2021

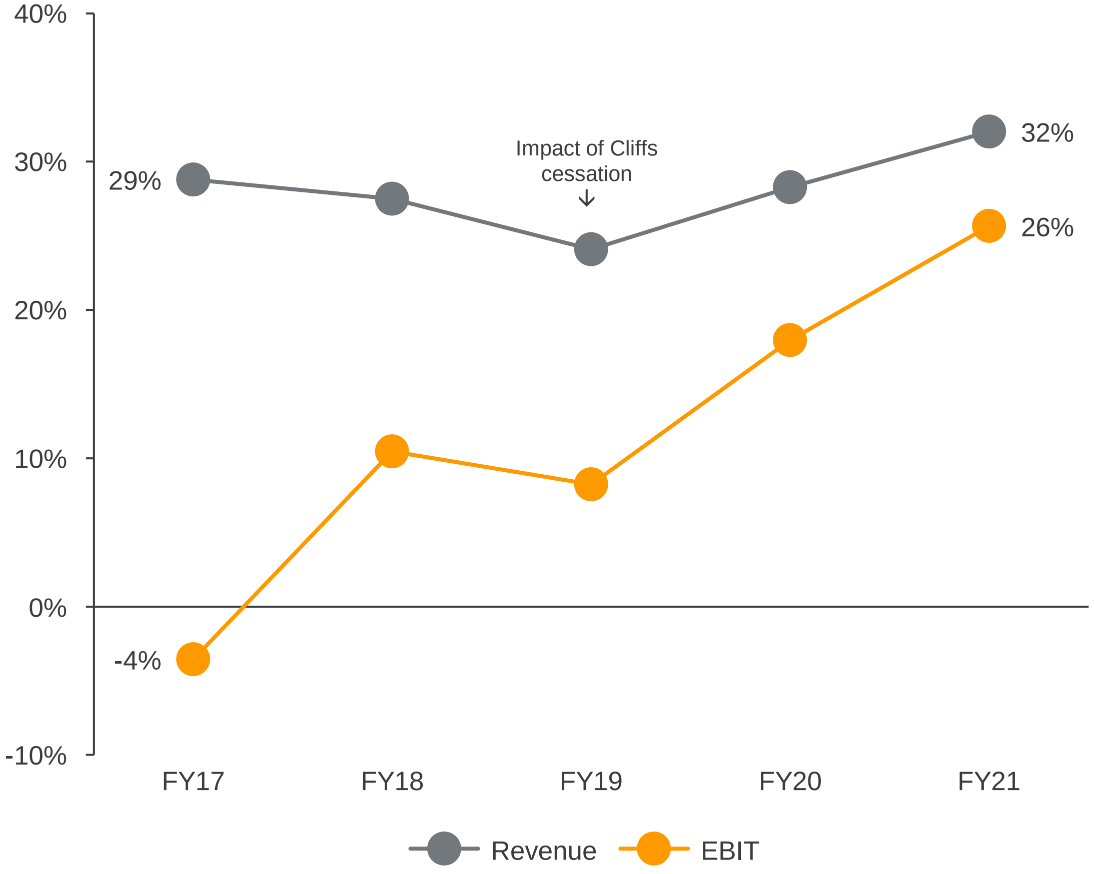
DIVERSIFIED REVENUE BASE

REVENUE SPLIT[1]



AURIZON PORT SERVICES

BULK SHARE OF ABOVE RAIL REVENUE[2] & EBIT

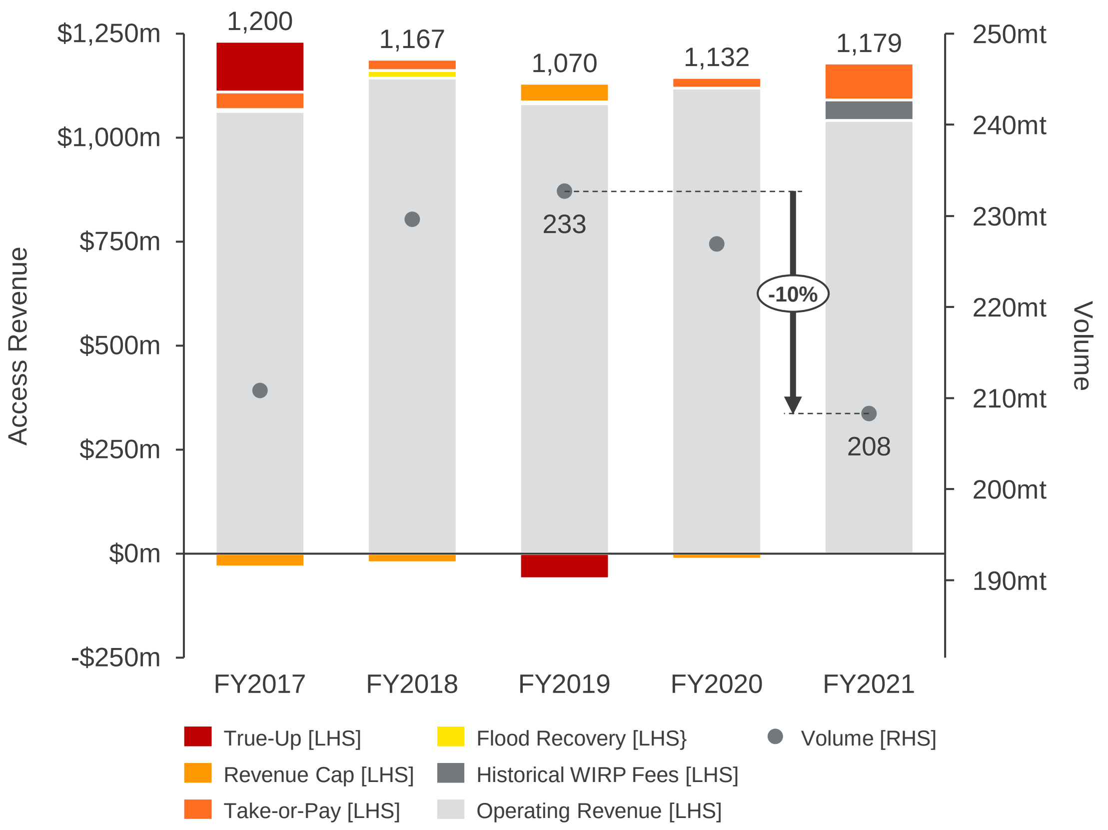


1. FY2021. Base metals includes associated mining inputs (and rare earths). Rail services includes hook and pull contracts. Revenue excludes track access
2. Excluding track access

Network update

Protection mechanisms result in relatively stable revenue despite volume volatility. WIRP fees commenced during the period

NETWORK: ACCESS REVENUE AND VOLUME
FY2017-FY2021



WIGGINS ISLAND RAIL PROJECT (WIRP)

- WIRP fees of $60m recognised including $49m relating to FY2016-FY2020
- Ongoing WIRP Fees (~$11mpa) payable until August 2035
- Appeal of Expert's Determination commenced in December – outcome along with finalisation of cost variation factor will determine final WIRP fee amount payable

UT5 UPDATE

- QCA approved FY2022 Annual Review of Reference Tariffs as submitted by Network and based on coal volumes of 226.9mt
- Finalisation of Initial Capacity Assessment by Independent Expert expected at the end of the September 2021 quarter

VOLUMES / REVENUE

- FY2021 includes Take-or-Pay revenue of $88m
- Revenue cap for FY2023 will include an adjustment for WACC[1] (due to delayed Report Date)

1. *Weighted Average Cost of Capital*

Other matters

Sale of Acacia Ridge completed during the year. Other major items continue to progress

WIGGINS ISLAND RAIL PROJECT (WIRP)	› 1 September 2020: Customers' appeal relating to payment of non-regulated WIRP fee dismissed by Queensland Court of Appeal › 18 December 2020: Aurizon commenced proceedings in the Supreme Court of Queensland to appeal the Expert's Determination
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 (OneRail 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

FY2021 Financial Performance

George Lippiatt
CFO & Group Executive Strategy

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Key financial highlights[1]

EBITDA performance driven by Bulk (volume growth) and Network (WIRP fees)

$m	FY2021	FY2020	Variance
Revenue	3,019	3,065	(1%)
Operating Costs	(1,537)	(1,597)	4%
EBITDA	1,482	1,468	1%
EBITDA Margin	49.1%	47.9%	1.2ppt
Depreciation & Amortisation	(579)	(559)	(4%)
EBIT	903	909	(1%)
NPAT[2]	533	531	-
Statutory NPAT[2]	*607*	*605*	-
EPS (cps)	28.5	27.2	5%
Statutory EPS (cps)	*32.5*	*31.0*	5%
ROIC (%)	10.7%	10.9%	(0.2ppt)
Total dividend per share	28.8	27.4	5%
Free Cash Flow[3]	734	725	1%
Free Cash Flow (continuing only)[4]	589	715	(18%)

- Revenue decline due to volume driven reductions in Coal partially offset by continued Bulk growth and WIRP fee commencement in Network
- Operating costs decreased with lower access and lower fuel costs in addition to transformation benefits offsetting costs to support volume growth in Bulk
- Total dividend is based on 100% payout ratio of underlying continuing NPAT
- Free cash flow includes sale of Acacia Ridge (discontinued business) and tax paid on sale of Rail Grinding business from prior year

1. *All amounts are underlying and on a continuing basis unless otherwise stated*
2. *NPAT includes the net benefit after income tax of $74m arising from the sale of shares in Aquila (continuing) and excludes the net gain on sale after tax of $113m on the sale of Acacia Ridge (discontinued). The corresponding period (FY2020) includes the net gain on sale after tax of $74m on the sale of the Rail Grinding business (continuing) and excludes intermodal significant adjustments net of tax of $2m (discontinued)*
3. *Includes both continuing and discontinued operations. FY2021 includes $174m cash proceeds from sale of Acacia Ridge (discontinued) and tax paid of $39m on the sale of Rail Grinding (continuing). The corresponding period (FY2020) includes $165m as proceeds from the sale of the Rail Grinding business (continuing)*
4. *FY2020 includes the proceeds of $165m from the sale of the Rail Grinding business*

Coal

Volume and pricing decline contribute to reduction in EBITDA

$m	FY2021	FY2020	Variance
Above rail	1,164	1,260	(8%)
Track access	445	513	(13%)
Other	3	2	50%
Total Revenue	**1,612**	**1,775**	**(9%)**
Access costs	(451)	(507)	11%
Operating costs	(628)	(651)	4%
EBITDA	**533**	**616**	**(13%)**
Depreciation & Amortisation	(209)	(206)	(1%)
EBIT	**325**	**411**	**(21%)**
Tonnes (m)	*202*	*214*	*(6%)*
NTKs (b)	*47.1*	*50.0*	*(6%)*

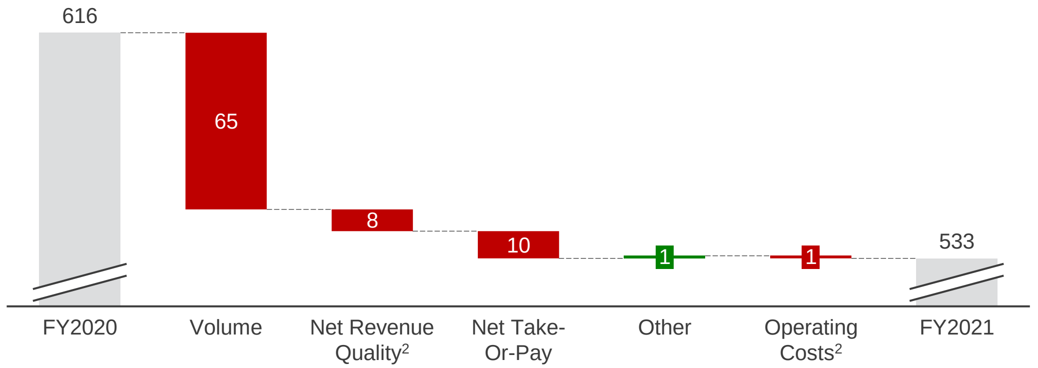
Revenue

- Volumes lower due to COVID related coal demand in addition to a challenging China trade environment, end of contracts, a ramp down of New Acland and customer maintenance and production issues
- Revenue also impacted by non-pass through of Network Take-or-Pay (for some customers) and lower yields (revenue quality)

Costs

- Lower operating costs due to fuel, traincrew and maintenance
- Depreciation increase following investment in capacity, technology and overhauls completed on rollingstock

EBITDA PERFORMANCE[1] ($M)



1. Due to rounding, the sum of components may not equal the corresponding total.
2. Revenue quality is net of fuel expense and access costs which have also been excluded from operating costs

Bulk

Strong EBITDA growth continues through additional volumes and services

$m	FY2021	FY2020	Variance
Revenue	**635**	**609**	**4%**
Access costs	(85)	(111)	23%
Operating costs	(410)	(388)	(6%)
EBITDA	**140**	**110**	**27%**
Depreciation & Amortisation	(28)	(20)	(40%)
EBIT	**112**	**90**	**24%**
Tonnes (m)	*51*	*48*	*6%*

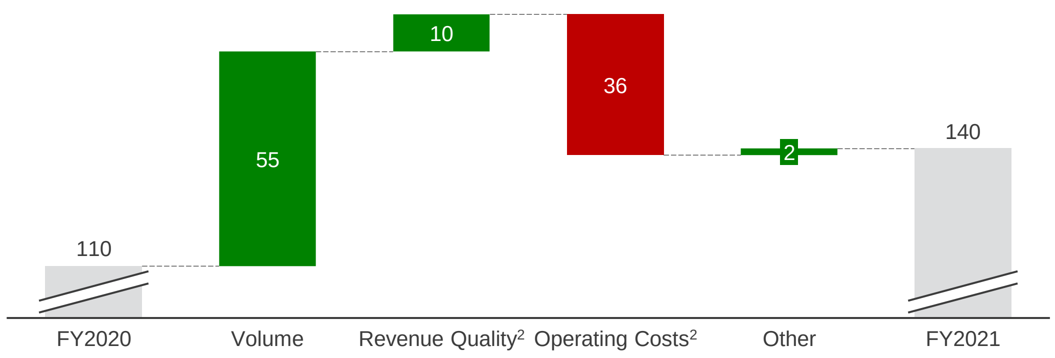
Revenue

- Revenue higher through new contract and services growth and improved revenue quality
- Revenue net of access up 10%

Costs

- Higher operating costs from additional revenue offset in part by operational efficiencies
- Access cost reduction due to access rights being transferred to end users

EBITDA PERFORMANCE[1] ($M)



1. Due to rounding, the sum of components may not equal the corresponding total
2. Revenue quality is net of fuel expense and access costs which have also been excluded from operating costs

Network

EBITDA growth from commencement of WIRP fees offsetting lower volumes

$m	FY2021	FY2020	Variance
Track Access[1]	1,179	1,132	4%
Services & Other	46	57	(19%)
Revenue	**1,225**	**1,189**	**3%**
Energy & Fuel	(104)	(109)	5%
Other Operating Costs	(272)	(282)	3%
EBITDA	**849**	**798**	**6%**
Depreciation & Amortisation	(340)	(329)	(3%)
EBIT	**509**	**469**	**9%**
Tonnes (m)	*208*	*227*	*(8%)*

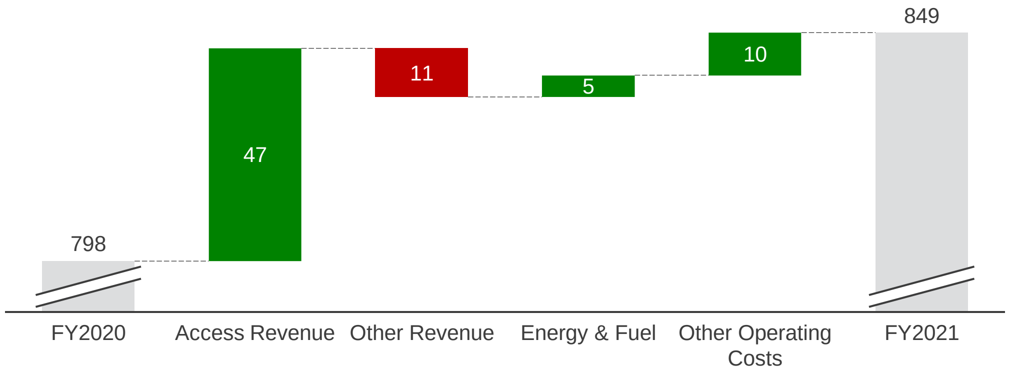
Revenue

- Track access higher with WIRP fees, favourable revenue cap movements and Take-or-Pay more than offsetting volume driven under recoveries
- Other revenue lower due to lower external construction works

Costs

- Improvement in operating costs from lower external construction and maintenance costs partially offset by costs associated with Precision railroading initiatives to improve supply chain performance
- Depreciation increased due to historical rail renewal and ballast undercutting investment

EBITDA PERFORMANCE[2] ($M)

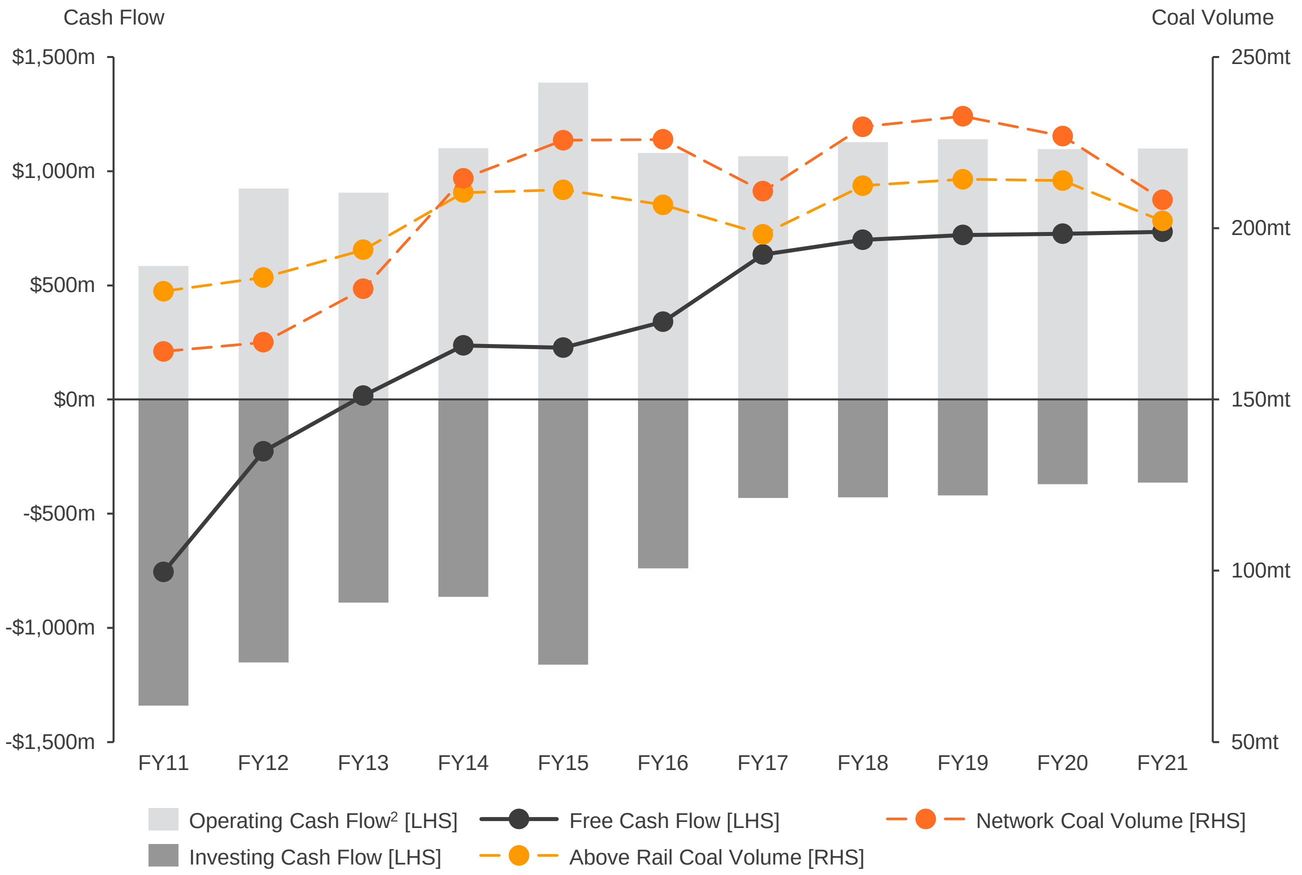


1. Take-or-Pay of $88m (FY2020: $26m) included in track access revenue
2. Due to rounding, the sum of components may not equal the corresponding total

Free Cash Flow and capex

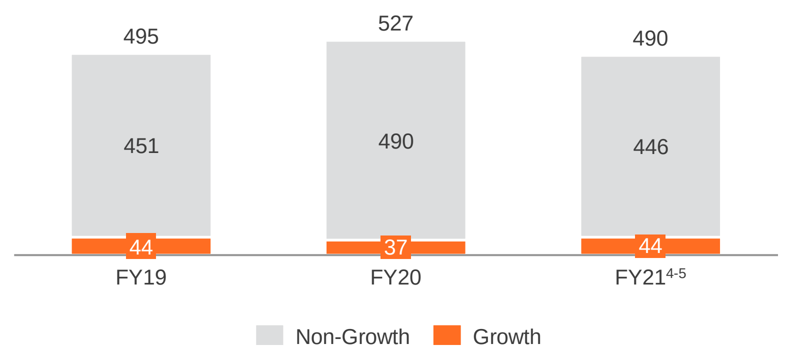
Stable free cash flow has been maintained despite lower volumes

FREE CASH FLOW[1] ($M) | COAL VOLUME



- Capital expenditure for FY2021 was below guidance mainly attributable to Network Asset Renewal
- Non-growth capital expenditure guidance[3] for FY2022 is $475m – $525m
- FY2022 growth capex dependant on Bulk contracting outcomes
- Long-term stay-in-business capital expectations remain ~$500m per year

CAPITAL EXPENDITURE[3] ($M)

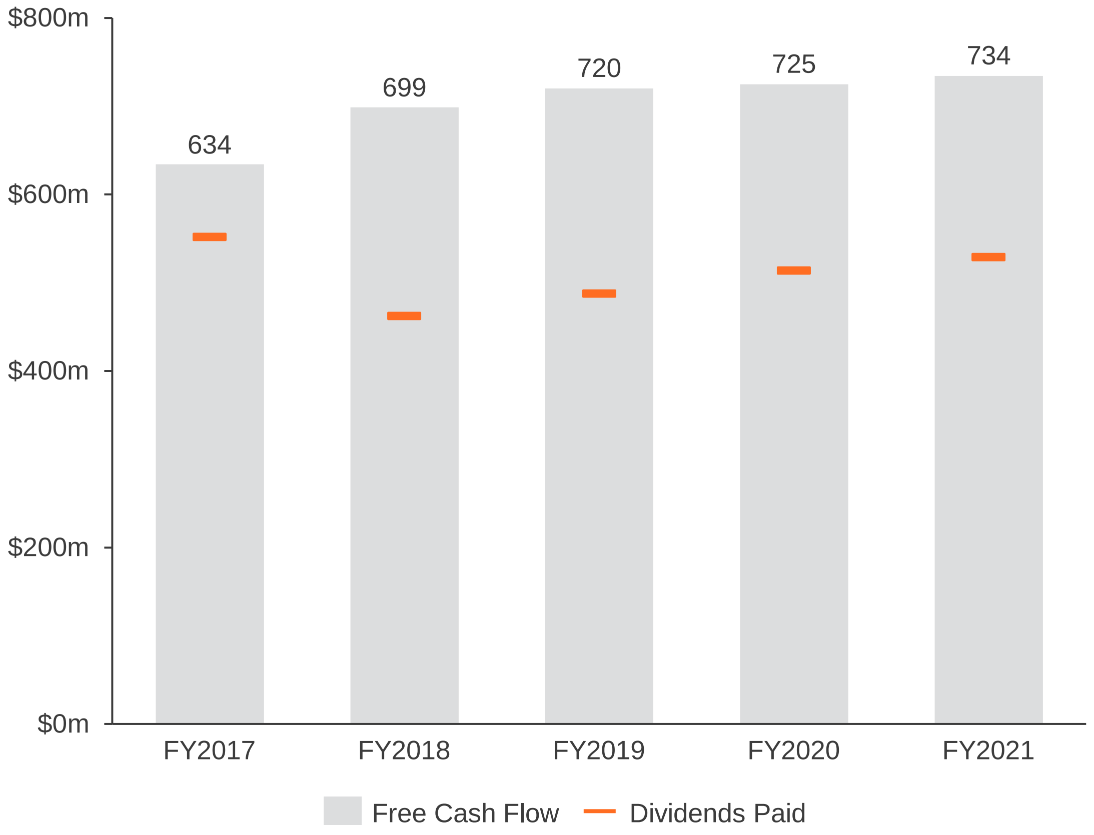


1. All cash flow figures include both continuing and discontinued operations
2. Operating cash flow also includes interest payments
3. Capital expenditure figures are exclusive of any M&A activity
4. FY2021 Group capital expenditure net of externally funded projects and includes capitalised interest
5. FY2021 Split: 1H: $15m (Growth), $225m (non-growth). 2H: $29m (Growth), $221m (Non-growth)

Cashflow

Stable cash flows have provided certainty on distributions with strong balance sheet providing optionality for capital management or growth

FREE CASH FLOW[1] AND DIVIDENDS PAID[2] ($M)



AVERAGE PER YEAR[3]

OPERATING CASH FLOWS[4]	$1.1b
SUSTAINING & GROWTH CAPEX[5]	($0.5b)
DIVIDENDS (100% PAYOUT)	($0.5b)
SURPLUS FREE CASH FLOW (FOR GROWTH OR CAPITAL MANAGEMENT)	**$0.1b**

1. Both continuing and discontinued operations
2. Dividends paid is shown during the period where the cash dividend was paid (rather than reporting period that the dividend was based on)
3. Average FY2017-FY2021
4. Operating Cash Flows is net of interest paid
5. Sustaining & Growth Capex excludes proceeds from the sale of Property, Plant & Equipment

Funding update

With resilient Free Cash Flow, Aurizon's credit profile is strong and debt markets remain supportive

FY2021 FUNDING ACTIVITY

Aurizon Network

- Issued 10-year, \$500m AMTN[1] in September 2020, coupon of 2.9%
- Issued 10.5-year, \$75m A\$ Private Placement in June 2021, coupon of 3.291%

Aurizon Operations:

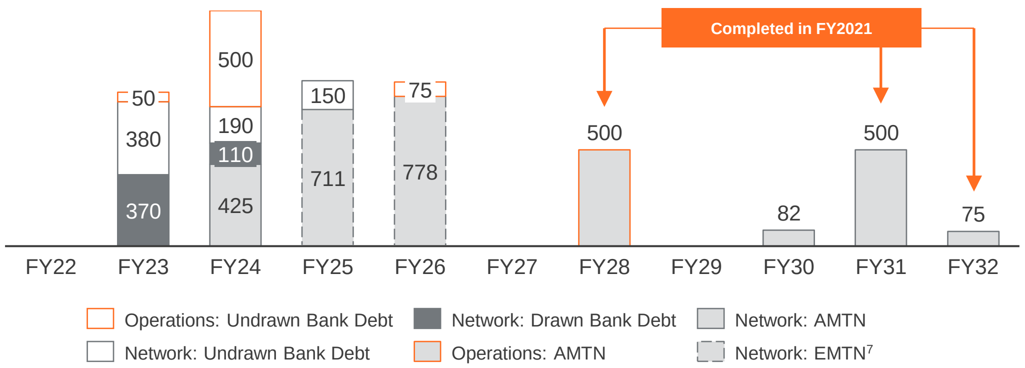
- Issued debut 7-year, \$500m AMTN[1] in March 2021, yield of 3.0%
- Added \$175 million bank debt to the existing \$450m bilateral facilities with maturities across FY2023, FY2024 and FY2025.

INTEREST RATES

- 89% fixed to end FY2021 and 87% for FY2022-23, floating beyond FY2023 to align with Network WACC reset
- Interest costs expected to trend lower consistent with hedging profile

KEY DEBT METRICS	FY2021	FY2020
Weighted average maturity[2]	4.4 years	3.8 years
Group interest cost on drawn debt	4.1%	4.5%
Group Gearing[3]	45.6%	45.1%
Network Gearing[4] (incl AFDs[5])	57.2%	56.0%
Operations & Network Credit Ratings	BBB+/Baa1[6]	BBB+/Baa1[6]

DEBT MATURITY PROFILE (\$M)



1. *Australian Dollar Medium Term Note (AMTN)*
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. *Euro Medium Term Note (EMTN)*

Outlook & Key Takeaways

Andrew Harding
Managing Director & CEO

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FY2022 outlook

Given the focus on free cash flow, guidance shifting to EBITDA and capex. Bulk's share of earnings to increase, improving diversification

Group EBITDA guidance $1,425m – $1,500m and sustaining capex $475m - $525m

KEY ASSUMPTIONS

- **Coal**
  - ~5% volume growth and lower costs offset by lower contracted rates
- **Bulk**
  - revenue growth from full year impact of recent contract wins and port acquisitions
- **Network**
  - non-recurrence of retrospective WIRP fees ($49m) and Maximum Allowable Revenue (MAR) reduction due to capital recoveries
- No material disruptions to commodity supply chains (such as adverse weather and/or impacts from COVID-19 related restrictions)

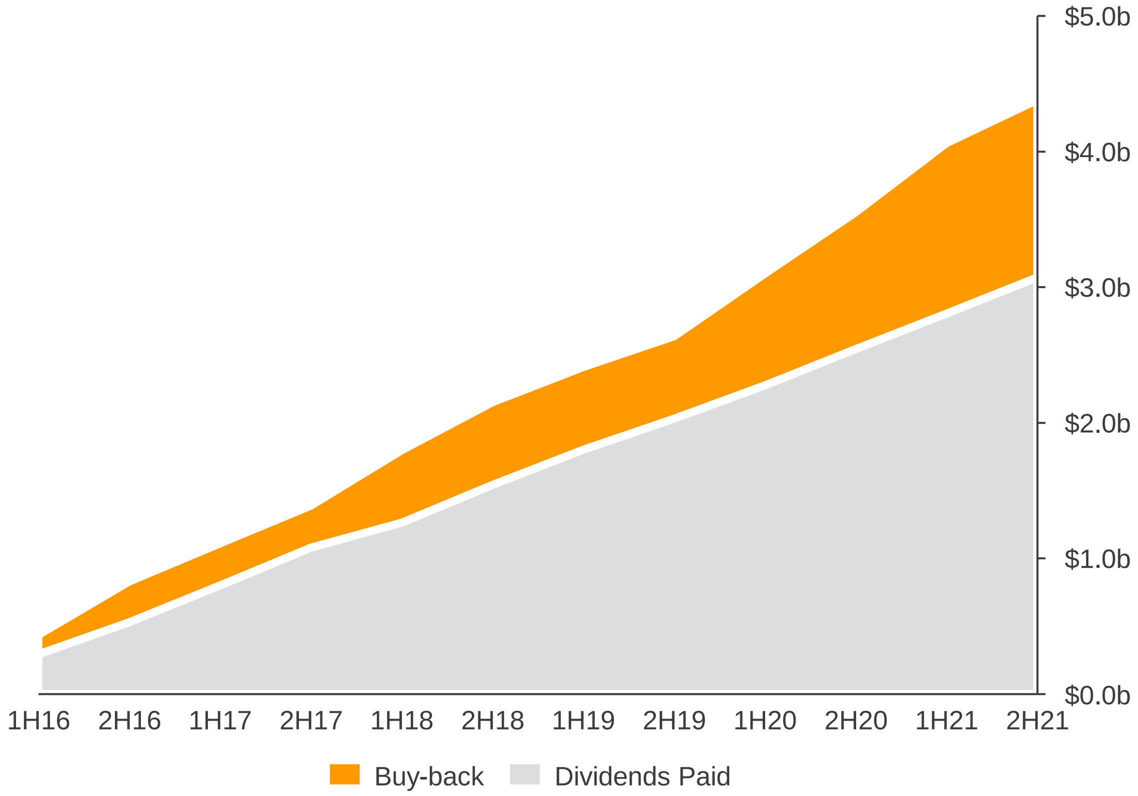
Our value creation record

Despite changed external environment, Aurizon's 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 – over $4bn in the past six years
- ✓ 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

STRONG HISTORY OF SHAREHOLDER RETURNS[1]



1. *Cumulative. Dividends paid is shown during the period where the cash dividend was paid (rather than reporting period that the dividend was based on)*

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AURIZON®

Additional Information: ESG

AURIZON

Our ESG[1] 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 400 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
- First Modern Slavery Statement published in 2020

Sustainability disclosures

- Eighth annual Sustainability Report will be released in October 2021
- Rated as *Leading* in disclosure for 7th consecutive year[2]
- Reporting against TCFD[3] 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.

AURIZON

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 2030[1]
- 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:

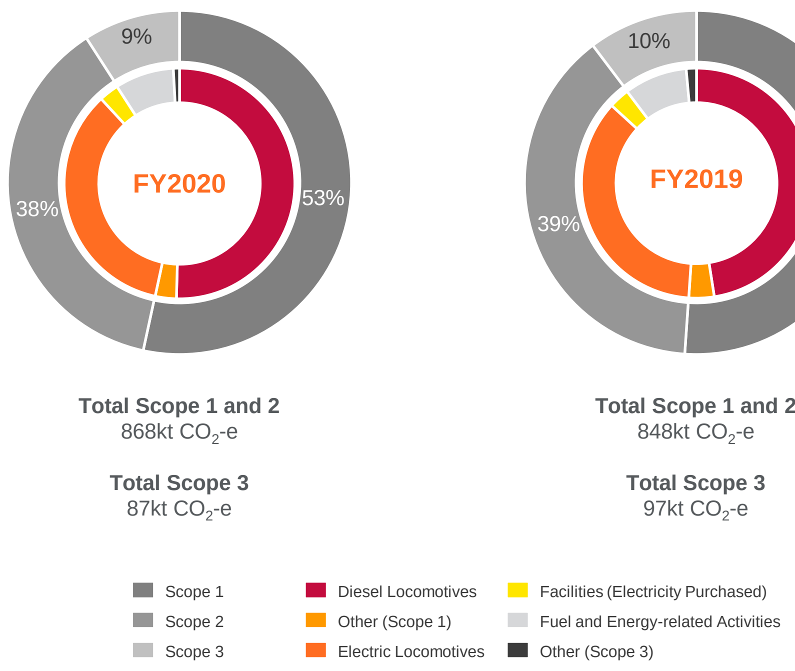
- Cost-effective renewable energy to augment supply to our electrified rail infrastructure and real estate portfolio
- High-quality, credible, verified and co-beneficial carbon offset portfolio development.

1. From a 2021 baseline on a tonnes of carbon dioxide per net tonne kilometre basis
2. To be dispensed over 10 years

Climate Strategy and Action Plan

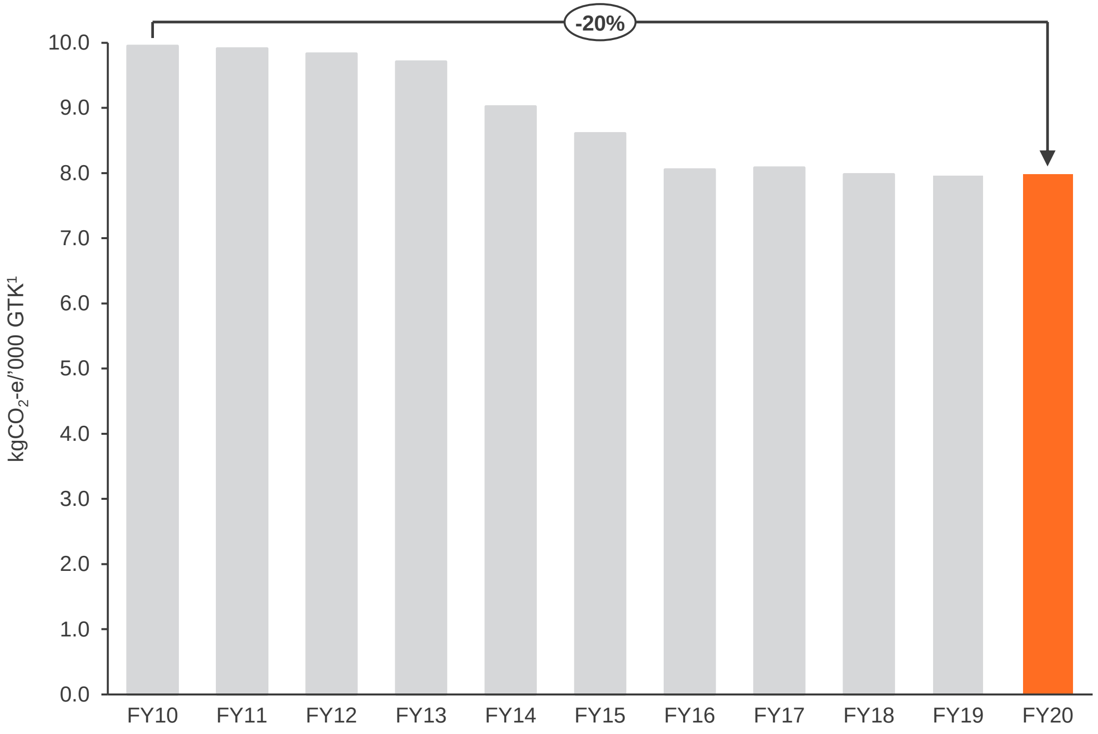
The majority of our emissions are associated with the consumption of energy (fuel and electricity) in the day-to-day operation of our locomotive fleet

AURIZON'S GREENHOUSE GAS PROFILE



FY2021 emissions data will be released with the Sustainability Report in October

AURIZON'S LOCOMOTIVE EMISSIONS INTENSITY PERFORMANCE



1. GTK = Gross Tonne Kilometres.

Note: Aurizon's Scope 1 and 2 emissions are reported in accordance with the National Greenhouse and Energy Reporting legislation. Aurizon's identification of relevant Scope 3 emissions activity sources is informed by the GHG Protocol Corporate Value Chain (Scope 3) Standard and includes: purchased goods and services (paper purchased and water consumption), capital goods, fuel and energy-related activities (including consumption and upstream transportation and distribution), waste generated in operations, business travel (air and ground-based travel and accommodation), employee commuting, and upstream leased assets. The reporting boundary for the Scope 3 emissions data for the FY2020 period includes the categories listed above, with the remaining activity sources excluded due to current data availability issues. Scope 3 emissions from employee commuting, which represent ~4% of the total reported Scope 3 emissions, have been excluded from the limited assurance over this dataset, however will be considered for inclusion in future reporting period once the methodology for calculation has been strengthened/formalised. A breakdown of Aurizon's emissions is provided in the 2020 Sustainability Report.

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's largest metallurgical coal export market[1] India produced 114mt[2] of crude steel in FY2021 an increase of 16% from the prior year and up 2% on FY2019 production
- Record steel production in India of 58mt in the first six months of 2021[2]. Australian export metallurgical coal volume to India over the same period increased by 65% (to 29 million tonnes) compared to the prior year[1]
- The *Office of Chief Economist* projects crude steel production growth in India of 8.0% per annum in from 2020 reaching 157mt in 2026[3]
- India coking coal import dependence was 91% for FY2021[4]

THERMAL COAL

- Thermal coal is primarily used as a heat source for energy generation, holding a 37% share of global generation in 2019[5]. 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 cement[6]
- Almost all Australian thermal coal export volume is destined for Asia (FY2021: 97%)[1]
- For Southeast Asia (ex-Indonesia), over 14GW of coal-fired capacity has come online since 2017 with a further 13GW considered under construction[7]
- A record 28mt of Australian thermal coal was exported to Southeast Asia in FY2021[1] .Vietnam is Australia's fifth largest thermal coal trading partner (by volume) with export volume of 11mt in FY2021[1]
- Australian thermal coal export volume to India was 17mt in FY2021, almost 5 times that of FY2020[1]

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 lithium[9]
- ***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 trade[3]. Australia is the largest exporter of iron ore[3] and is also the lowest cost (on average) export nation on a delivered basis to China[10]
- ***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 2050[11]. In addition, food consumption per capita is expected to increase significantly with rising wealth in developing countries leading to higher calorie-intensive diets

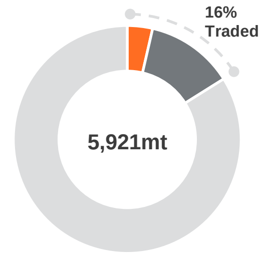
1. *Australian Bureau of Statistics*
2. *World Steel Association*
3. *Office of Chief Economist, Resources and Energy Quarterly (March 2021)*
4. *India Ministry of Coal, Coal Directory of India Coal Statistics (2020-21). India financial year (April to March). Domestic washed coal (only) included in calculation*
5. *International Energy Agency, World Energy Outlook (2020)*
6. *World Coal Association, Basic Coal Facts*
7. *S&P Global Market Intelligence World Electric Power Plants Database (March 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. 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.*

AURIZON

Global & Australia Coal Summary

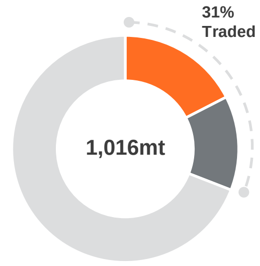
Global

Thermal (Steam) Coal Production[1] *2020*



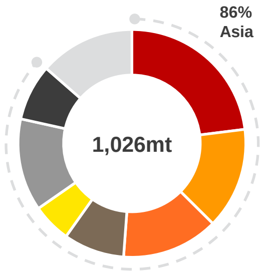
- Australia Export Volume
- Non-Australia Export Volume
- In Country Consumption

Metallurgical (Coking) Coal Production[1] *2020*

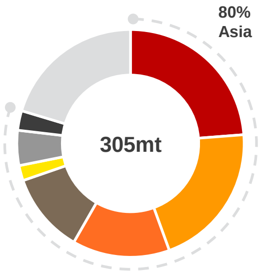


- Australia Export Volume
- Non-Australia Export Volume
- In Country Consumption

Thermal (Steam) Coal Import Volume[1] *2020*

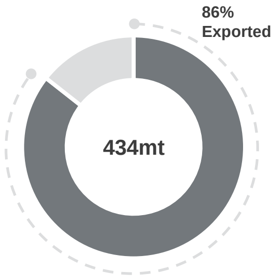


Metallurgical (Coking) Coal Import Volume[1] *2020*

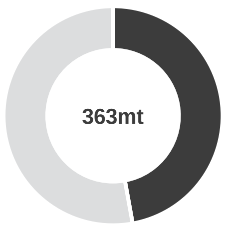


Australia

Coal Production[2] *2020*

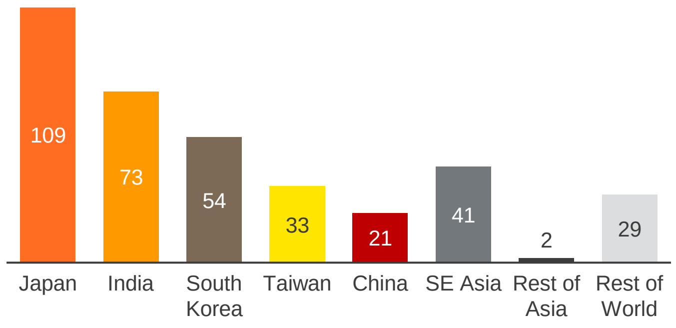


Coal Export Volume[3] *FY2021*



Total Coal Export (By Destination)[3] *FY2021*

million tonnes



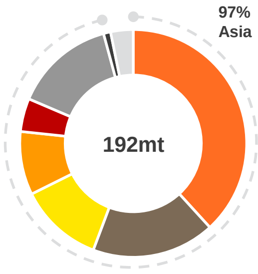
Export Revenue[3]

$39b

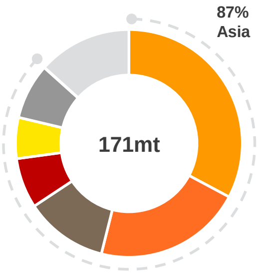
Direct Employment[5]

38k

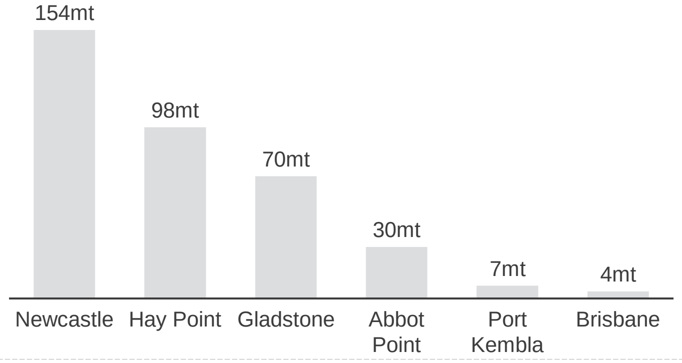
Thermal Coal Export Volume[3] *FY2021*



Metallurgical Coal Export Volume[3] *FY2021*



Total Coal Export (By Port)[4] *FY2021*



Aust. Electricity Generation Share[6]

45%

Royalties[7]

$5.0b

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

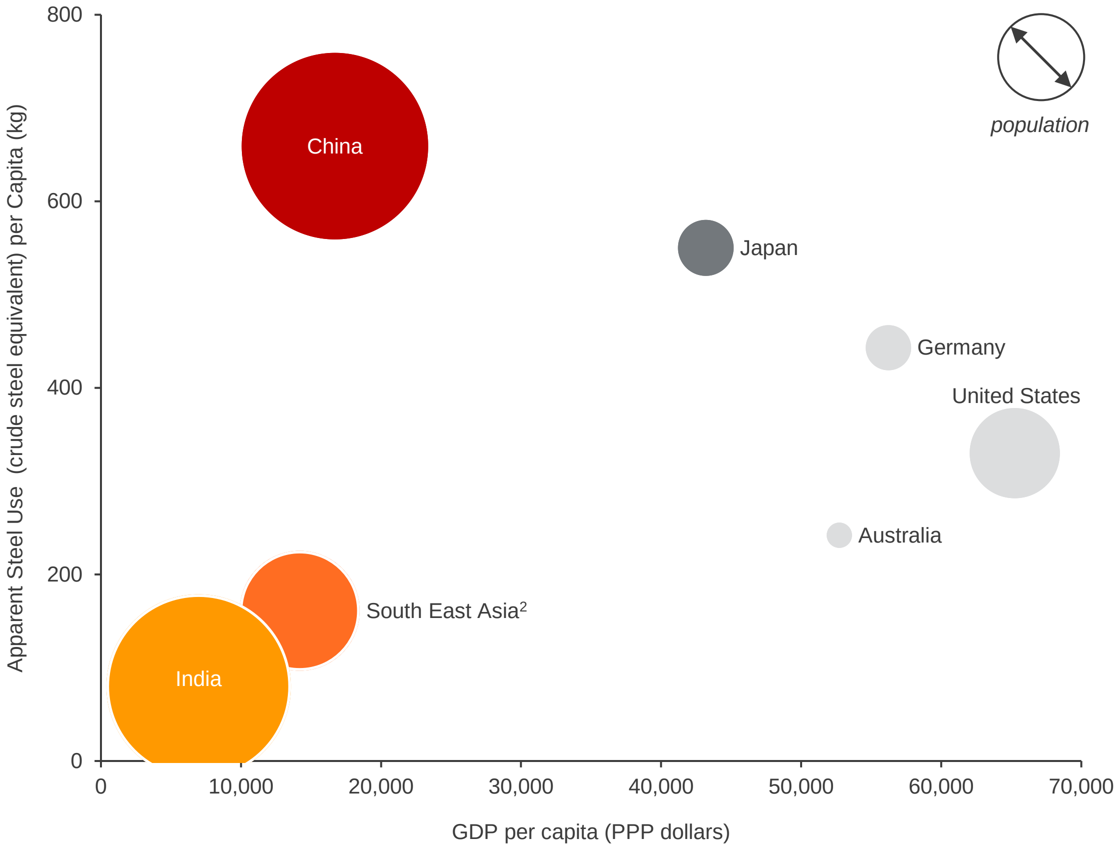
Note: All amounts are in million tonnes (unless otherwise stated). Due to rounding, the sum of individual elements may not equal the corresponding aggregate figure

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). 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 May 2021. 5. ABS Labour Account Australia (FY2020 data). 6. Department of Industry, Science, Energy and Resources (2020), Australian Energy Statistics (FY2019 black coal only). 7. QLD Treasury Budget Strategy and Outlook (2020-21) – Budget paper No.2 (FY2020 data), NSW Department of Planning, Industry and Environment (FY2020 data)

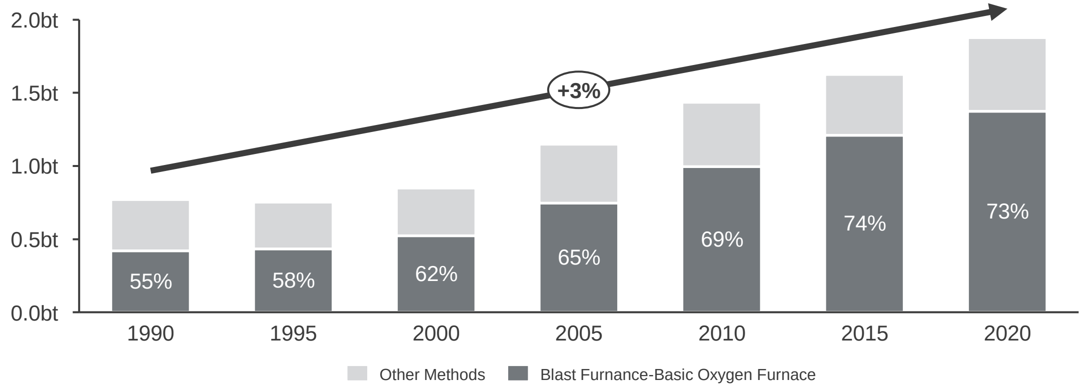
Metallurgical coal market

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

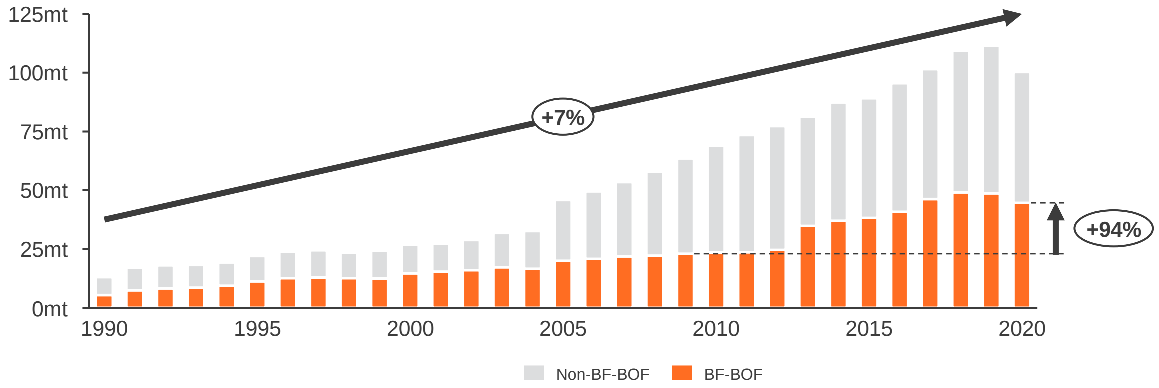
APPARENT STEEL USE (CRUDE STEEL EQUIVALENT) PER CAPITA | GDP PER CAPITA: 2019[1]



GLOBAL CRUDE STEEL PRODUCTION | BLAST FURNACE-BASIC OXYGEN FURNACE SHARE[3]



INDIA: CRUDE STEEL PRODUCTION (BY METHOD)[3]

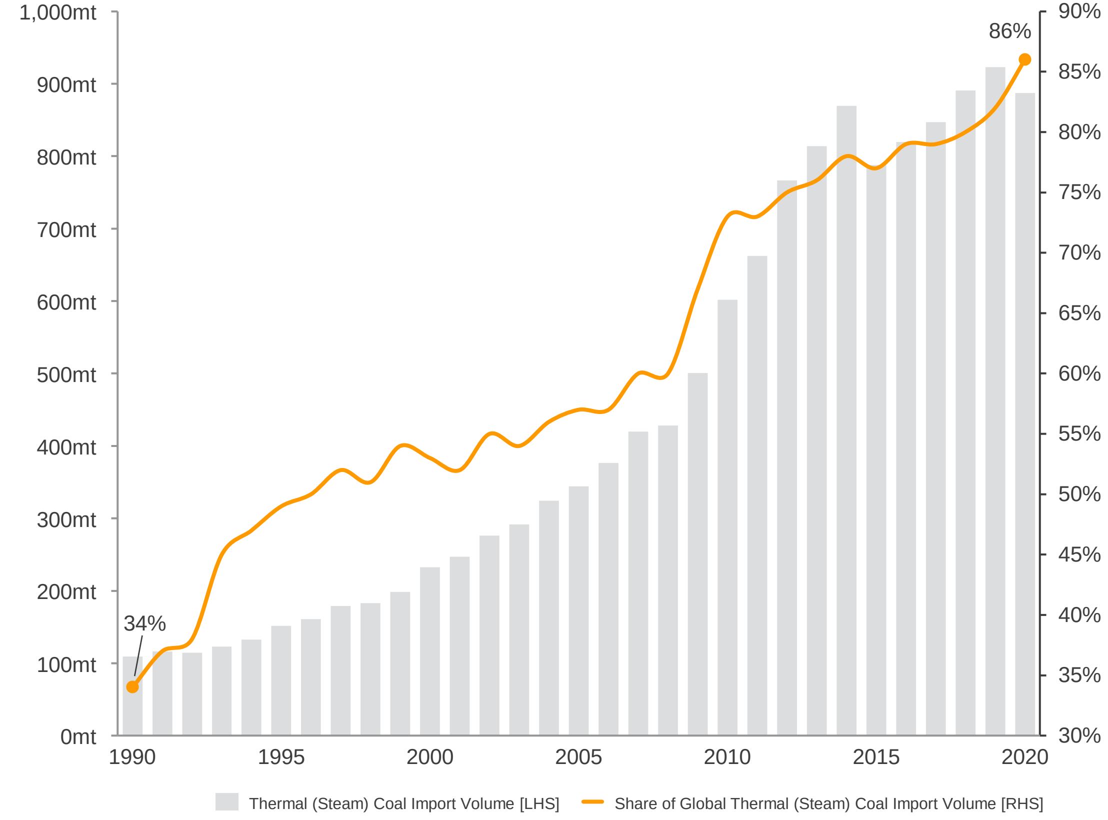


1. GDP (Purchasing Power Parity; international dollars) – International Monetary Fund, Population - International Monetary Fund, Apparent Steel Usage & Apparent Steel Use per Capita – World Steel Association
2. South East Asia (Select nations): Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam
3. World Steel Association

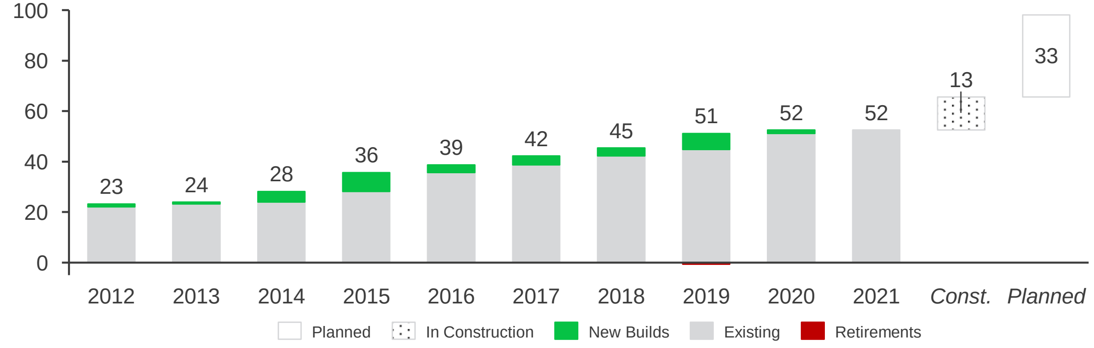
Thermal coal market

From a share of just 34% in 1990, Asia currently comprises over 86% of the import market. In FY2021, 97% of Australian thermal coal export volume was destined for this region[1]

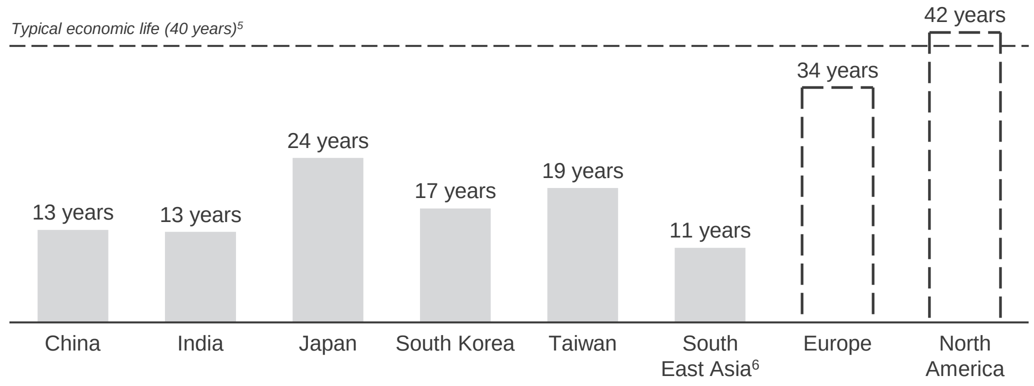
ASIA: THERMAL (STEAM) COAL IMPORT VOLUME | SHARE OF GLOBAL THERMAL (STEAM) COAL IMPORT MARKET[2]



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



AVERAGE AGE OF COAL-FIRED ELECTRICITY CAPACITY[4]

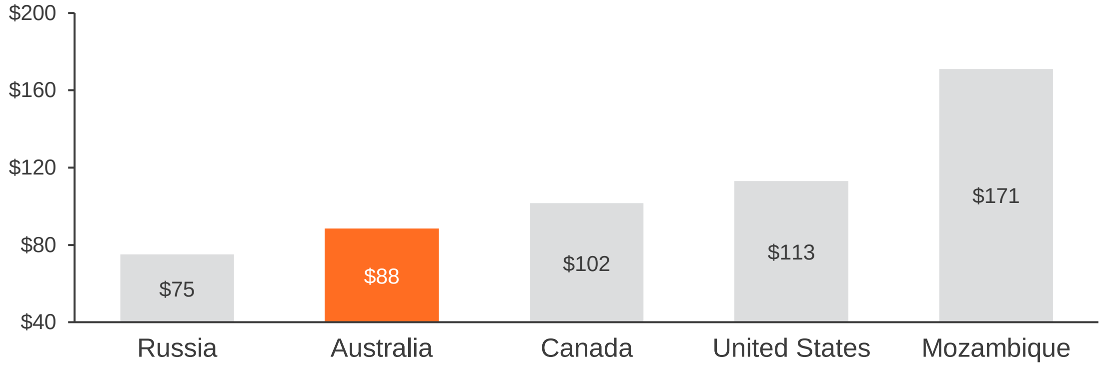


1. Australian Bureau of Statistics
2. International Energy Agency, Coal Information (July 2021). Thermal (Steam) Coal includes all anthracite and bituminous coals not considered coking coal and also includes sub-bituminous coal
3. S&P Global Market Intelligence World Electric Power Plants Database (March 2021)
4. S&P Global Market Intelligence World Electric Power Plants Database (March 2021) as at 2021, 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)

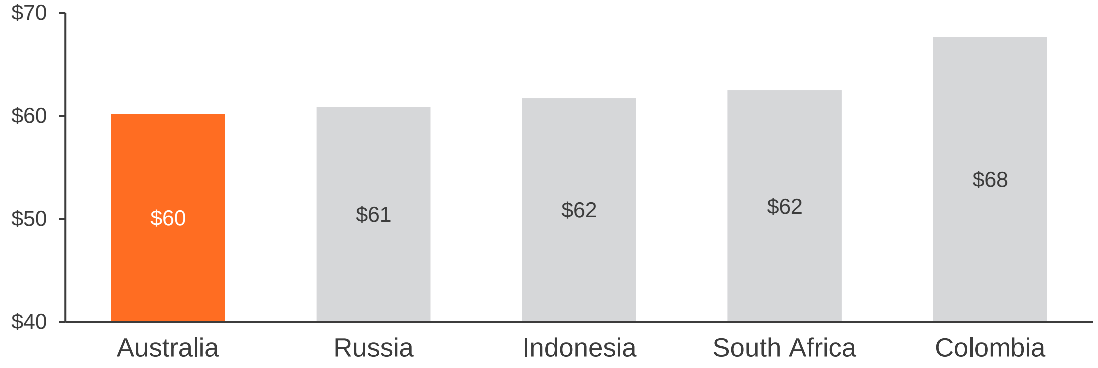
Metallurgical Coal & Thermal Coal Market | Australia

In addition to its geographic proximity to Asia, Australia's coal competitiveness is driven by cost and coal quality characteristics

METALLURGICAL COAL CASH COSTS (US$/T CFR INDIA, 2021)[1]

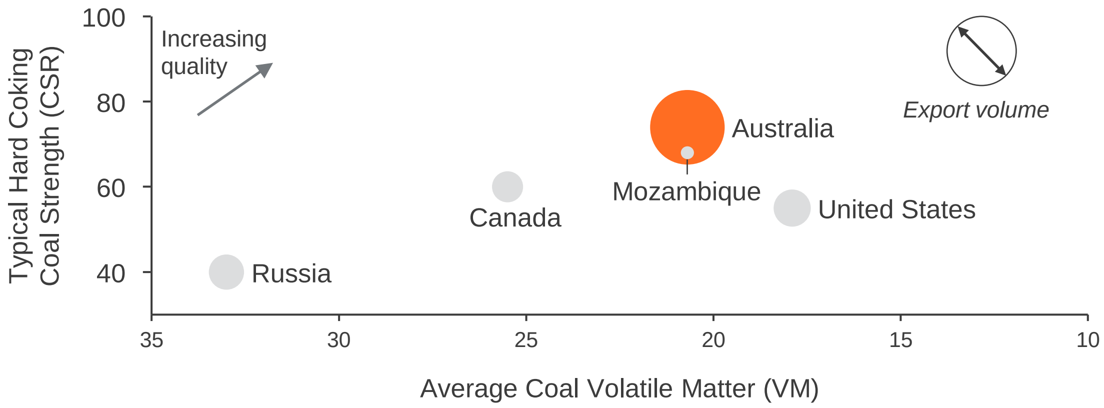


THERMAL COAL CASH COSTS (US$/T CFR JAPAN, 2021)[2]

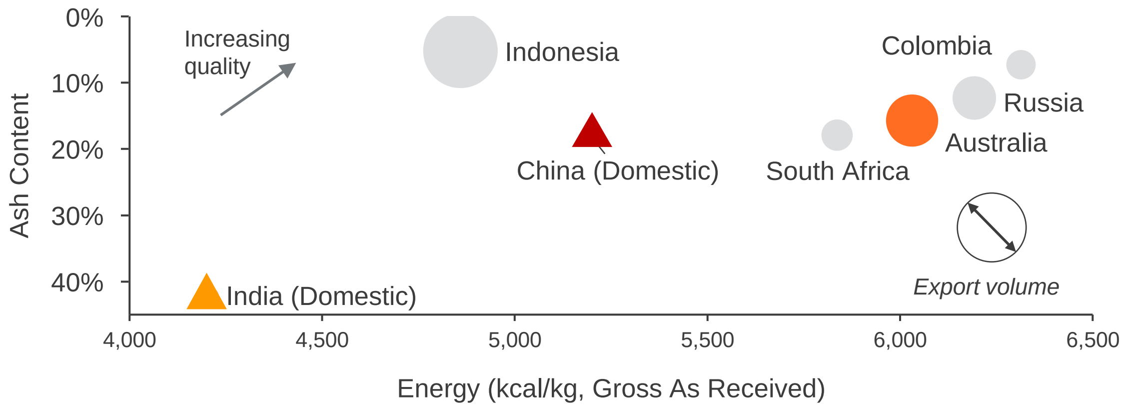


Note: Thermal Cash Costs (FOB) are energy-adjusted to 6,322 kcal/kg (Gross As Received)

METALLURGICAL COAL QUALITY[3]



THERMAL COAL QUALITY[4]

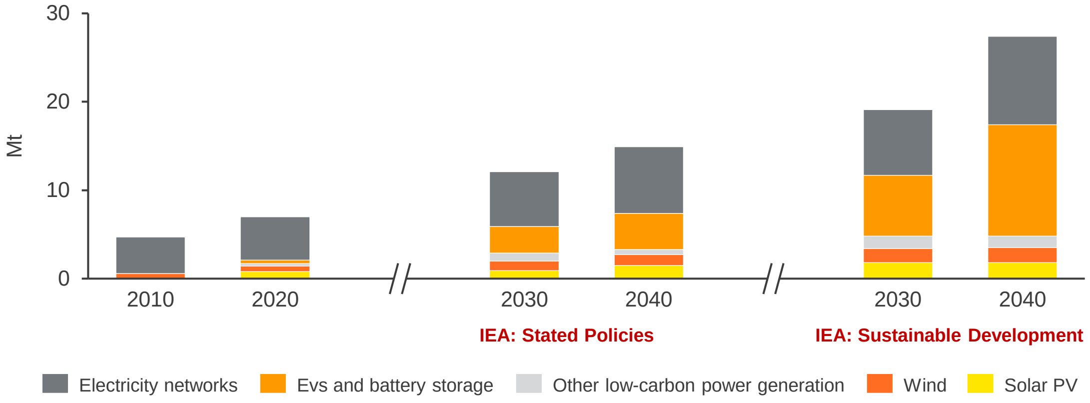


Notes/Sources: 1. Wood Mackenzie Coal Cost Curves (Data: Feb 2021, Reference Year: 2021), Wood Mackenzie Global Coal Markets Tool (Data: 2020 2H, Reference Year: 2021), Sea freight export terminal assumptions: US – East Coast, Canada – West Coast, Australia – Hay Point (Metallurgical), Russia - East. 2. Wood Mackenzie Coal Cost Curves (Data: Feb 2021, Reference Year: 2021), Wood Mackenzie Global Coal Markets Tool (Data: 2020 2H, Reference Year: 2021), Sea freight export terminal assumptions: Australia – Newcastle (Thermal), Russia - East. 3. Wood Mackenzie Global Coal Markets Tool (2020 2H), Wood Mackenzie Coal Cost Curves (Data Feb 2021, Reference Year: 2021), AME Research. 4. Wood Mackenzie Coal Cost Curves (Data: Feb 2021, Reference Year: 2021), Ash content: Wood Mackenzie Research (weighted average 2020), India Ministry of Coal: India Coal Directory 2019-20 Coal Statistics

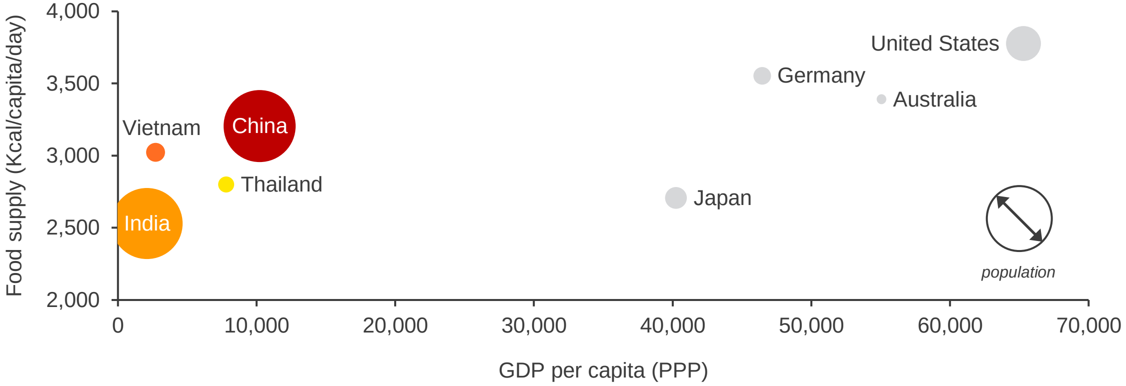
Bulk markets

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

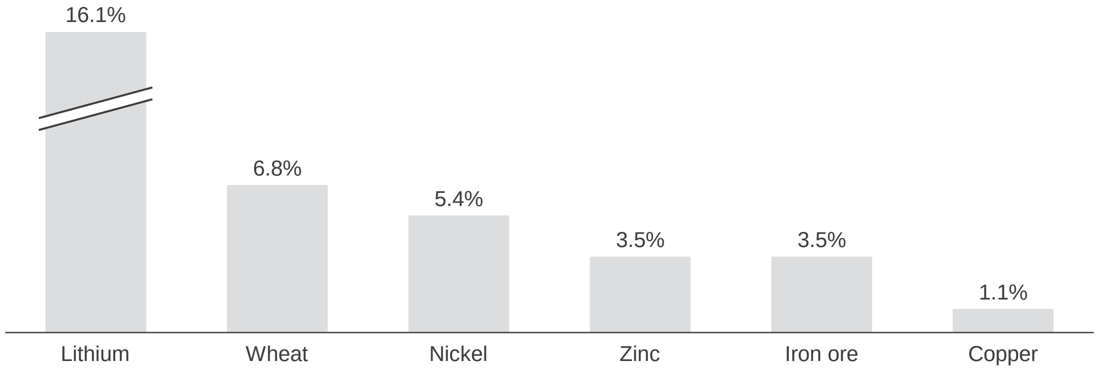
MINERAL DEMAND FROM CLEAN ENERGY TECHNOLOGIES[1]



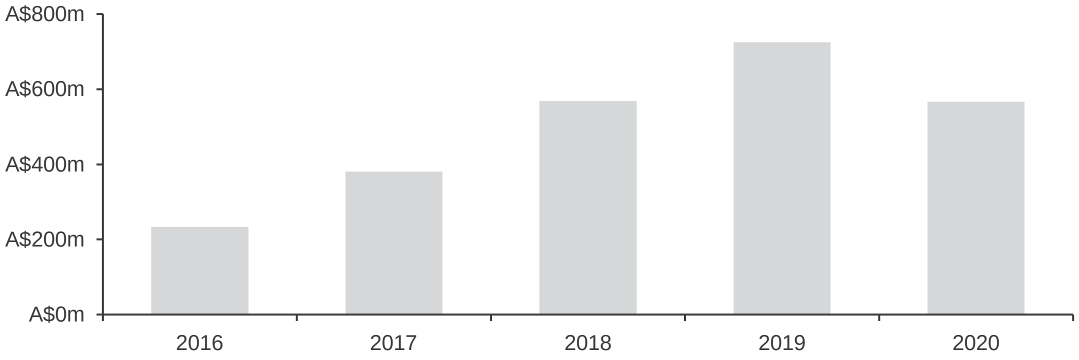
FOOD CONSUMPTION: CALORIES PER CAPITA[2-3]



AUSTRALIA: SUPPLY GROWTH[4] *CAGR 2020-2026*



AUSTRALIA: EXPLORATION EXPENDITURE: SELECTED BASE METALS[5]



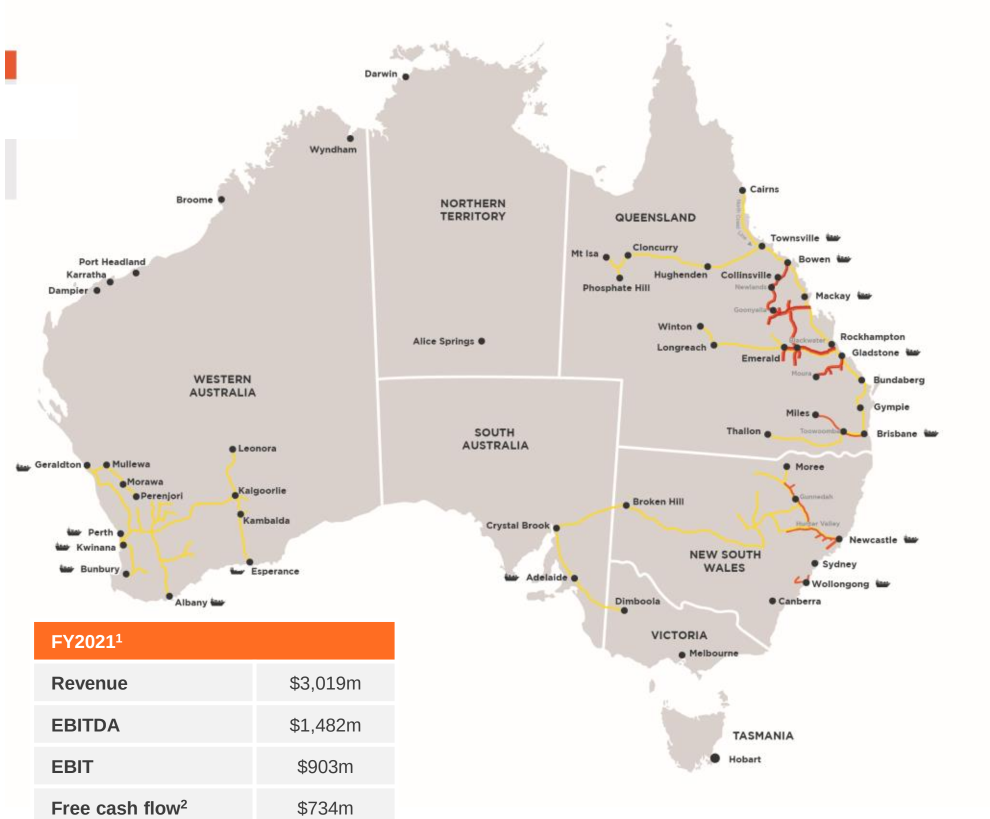
1. *International Energy Agency (IEA) – The role of critical minerals in clean energy transition. Key minerals included: cobalt, copper, lithium, nickel and rare earth elements*
2. *GDP (Purchasing Power Parity; international dollars): International Monetary Fund (2019 data), Population: International 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 (March 2021 dataset), Selected base metals includes: copper, silver, lead, zinc, nickel and cobalt*

Additional Information: Group

AURIZON

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



FY2021[1]	
Revenue	$3,019m
EBITDA	$1,482m
EBIT	$903m
Free cash flow[2]	$734m
ROIC	10.7%
People (FTE)	4,825

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

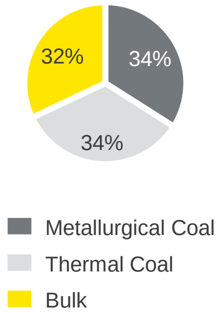
Coal

- 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

ABOVE RAIL REVENUE[3]



1. All amounts are underlying and on a continuing basis (unless otherwise identified)
2. Includes both continuing and discontinued operations. FY2021 includes $174m cash proceeds from sale of Acacia Ridge (discontinued) and tax paid of $39m on the sale of Rail Grinding (continuing). The corresponding period (FY2020) includes $165m as proceeds from the sale of the Rail Grinding business (continuing)
3. Calculated using FY2021 revenue (excluding track access). Coal revenue allocated based on volume split

AURIZON

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

Quarterly tonnes: June 2021

	Quarter Ending						Financial Year		
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Variance[1]	FY2021	FY2020	Variance[1]
Coal volumes (mt)									
CQCN	38.8	34.7	36.5	35.5	37.0	(5%)	143.7	150.1	(4%)
NSW & SEQ	17.0	15.3	15.3	13.0	14.7	(14%)	58.4	63.8	(8%)
Total	**55.8**	**50.0**	**51.8**	**48.5**	**51.8**	**(7%)**	**202.1**	**213.9**	**(6%)**
Coal NTK (bn)									
CQCN	9.8	8.7	9.1	8.9	9.1	(7%)	35.8	37.8	(5%)
NSW & SEQ	3.2	3.0	2.9	2.5	2.8	(13%)	11.3	12.2	(7%)
Total	**13.0**	**11.7**	**12.0**	**11.4**	**11.9**	**(8%)**	**47.1**	**50.0**	**(6%)**
Bulk volumes (mt)	**13.0**	**13.1**	**13.1**	**12.1**	**12.8**	**(2%)**	**51.2**	**48.1**	**6%**
Above Rail Volumes (mt)	**68.8**	**63.2**	**64.9**	**60.7**	**64.6**	**(6%)**	**253.3**	**262.0**	**(3%)**

1. Variance compared to the previous corresponding period (FY2020)
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[1]		45	3	1 Nov 2021	2.5%	2.5%	2.5%		Bargaining
NSW Coal		320	3	10 Nov 2021	2.5%	2.5%	2.5%		Bargaining
WA Rail Operations		370	4	30 June 2022	1.5%	2.0%	2.0%	2.25%	Planning
QLD Coal	Traincrew & Transport Operations	1240	3	11 Nov 2022	2.5%	2.3%	2.25%		Complete
	Maintenance				2.0%	2.0%	2.0%		
QLD Bulk	Traincrew & Transport Operations	370	3	24 Jan 2023	2.5%	2.3%	2.25%		Complete
	Maintenance				1.5%	2.0%	2.0%		
QLD Staff		800	4	30 Jan 2023	2.1%	2.1%	2.25%	2.25%	Complete
QLD Infrastructure		540	4	27 May 2023	2.1%	2.1%	2.25%	2.25%	Complete
WA Rollingstock Maintenance		90	4	10 May 2025	3.0%	3.0%	2.5%	2.0%	Complete

1. *As part of the acquisition of Townsville Bulk Storage and Handling (TBSH) in March 2020 (renamed Aurizon Port Services), the TBSH Enterprise Agreement transferred to Aurizon by operation of the Fair Work Act 2009*

Prioritisation of capital

CAPITAL ALLOCATION HIERARCHY

1 DETERMINE AVAILABLE CAPITAL

- Ongoing operating cashflows
- Additional funding capacity available:
  - Network BBB+/Baa1
  - Operations BBB+/Baa1

2 NON GROWTH CAPITAL

- Sustaining and transformation projects

3 DIVIDENDS

- Within 70-100% payout ratio

4 SURPLUS CAPITAL

- Capital management opportunities
- Growth projects – only where it maximises shareholder value

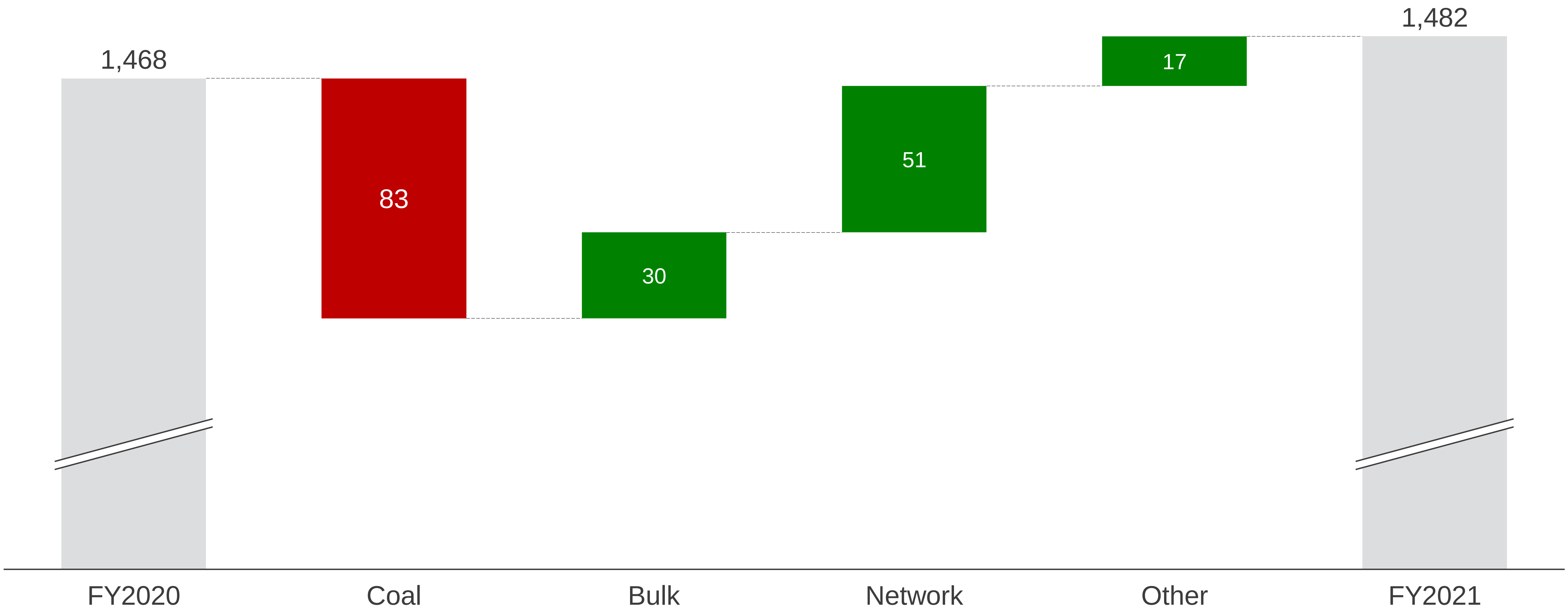
Capital management options influenced by low franking and share capital account balance

Financial highlights[1] (underlying)

$m	FY2021	FY2020	Variance
Revenue	3,019.3	3,064.6	(1%)
Operating Costs	(1,537.1)	(1,597.0)	(4%)
EBITDA	1,482.2	1,467.6	1%
EBIT	903.1	909.0	(1%)
NPAT	533.2	531.3	-
EPS (cps)	28.5	27.2	5%
Final dividend per share	14.4	13.7	5%
ROIC	10.7%	10.9%	(0.2ppt)
Gearing (net debt / (net debt + equity)	45.6%	45.1%	(0.5ppt)

1. Continuing operations

Underlying group EBITDA bridge[1] ($m)



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

Underlying EBITDA[1] by business unit ($m)

	FY2021	FY2020	Variance
Coal	533.3	616.4	(13%)
Bulk	139.9	110.1	27%
Network	848.8	798.1	6%
Other	(39.8)	(57.0)	30%
EBITDA	**1,482.2**	**1,467.6**	**1%**

1. Continuing operations

AURIZON

Balance sheet summary ($m)

	30 June 2021	30 June 2020
Assets classified as held for sale	5.0	65.1
Other current assets	806.9	650.2
Total current assets	**811.9**	**715.3**
Property, plant and equipment (PP&E)	8,432.2	8,537.1
Other non-current assets	469.5	519.6
Total non-current assets	**8,952.7**	**9,056.7**
Total Assets	**9,764.6**	**9,772.0**
Liabilities classified as held for sale	-	(0.7)
Other current liabilities	(658.2)	(814.1)
Total borrowings	(3,738.0)	(3,607.2)
Other non-current liabilities	(1,093.8)	(992.3)
Total Liabilities	**5,490.0**	**5,414.3**
Net Assets	**4,274.6**	**4,357.7**
Gearing (net debt / (net debt + equity))	**45.6%**	**45.1%**

Reconciliation of borrowings

	$m	Commentary
Total debt including working capital facility	3,609.9	Borrowings on a cash basis
Reconciliation to Financial Statements		
Add/(less):		
Capitalised transaction costs	(11.4)	
Discounts on bonds	(9.5)	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	149.0	Accumulated fair value hedge mark-to-market adjustment on bonds in accordance with AASB 9
Total adjustments	128.1	
Total borrowings per financial report	**3,738.0**	Current and non-current borrowings

Significant adjustments ($m)

	FY2021	FY2020
Continuing operations – Net gain on sale of shares in Aquila (before tax)	8.2	-
Continuing operations – Net gain on sale of Rail Grinding (before tax)	-	105.4

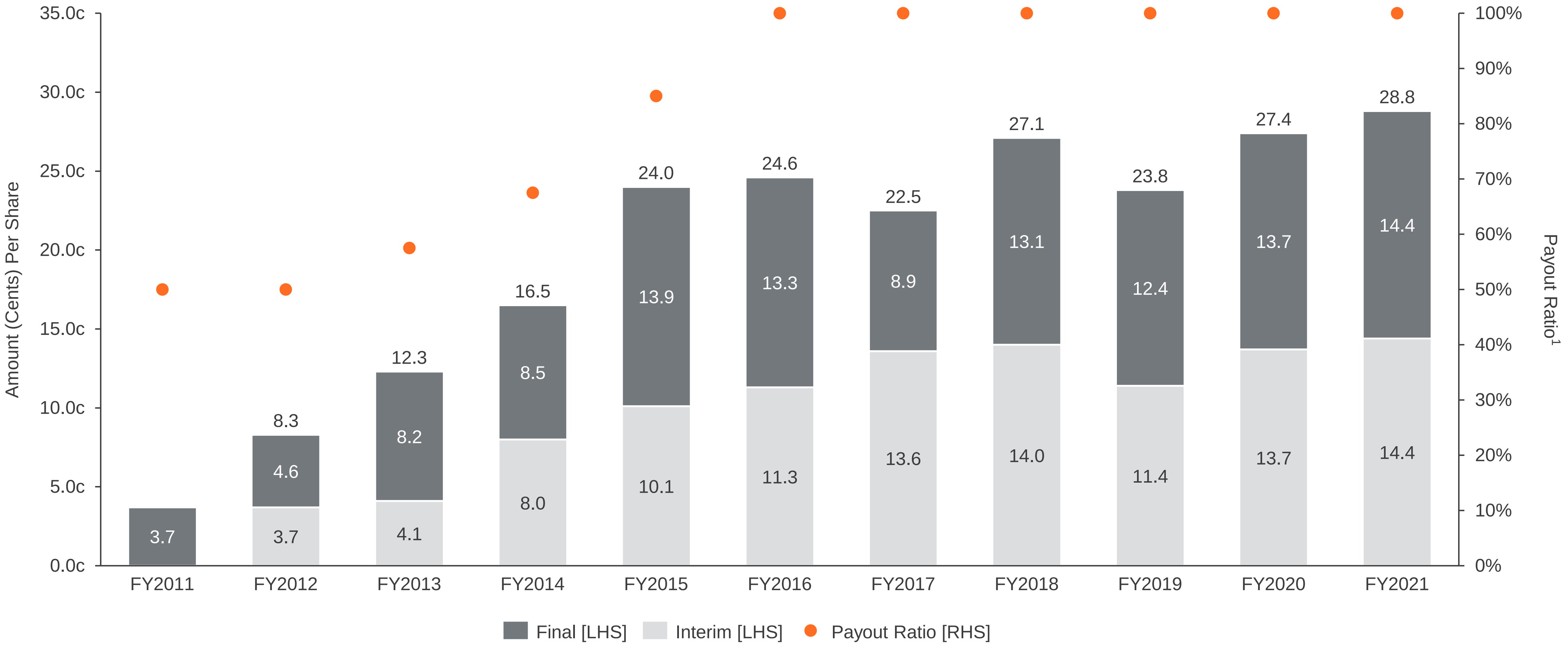
Significant adjustments from continuing operations, net of tax is $73.5m (FY2020: $73.8m).

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	-

- Redundancy costs are classified as a significant item and included in underlying EBIT when the amounts are considered material
- Redundancy costs are presented for total Group (Continuing and Discontinued operations)

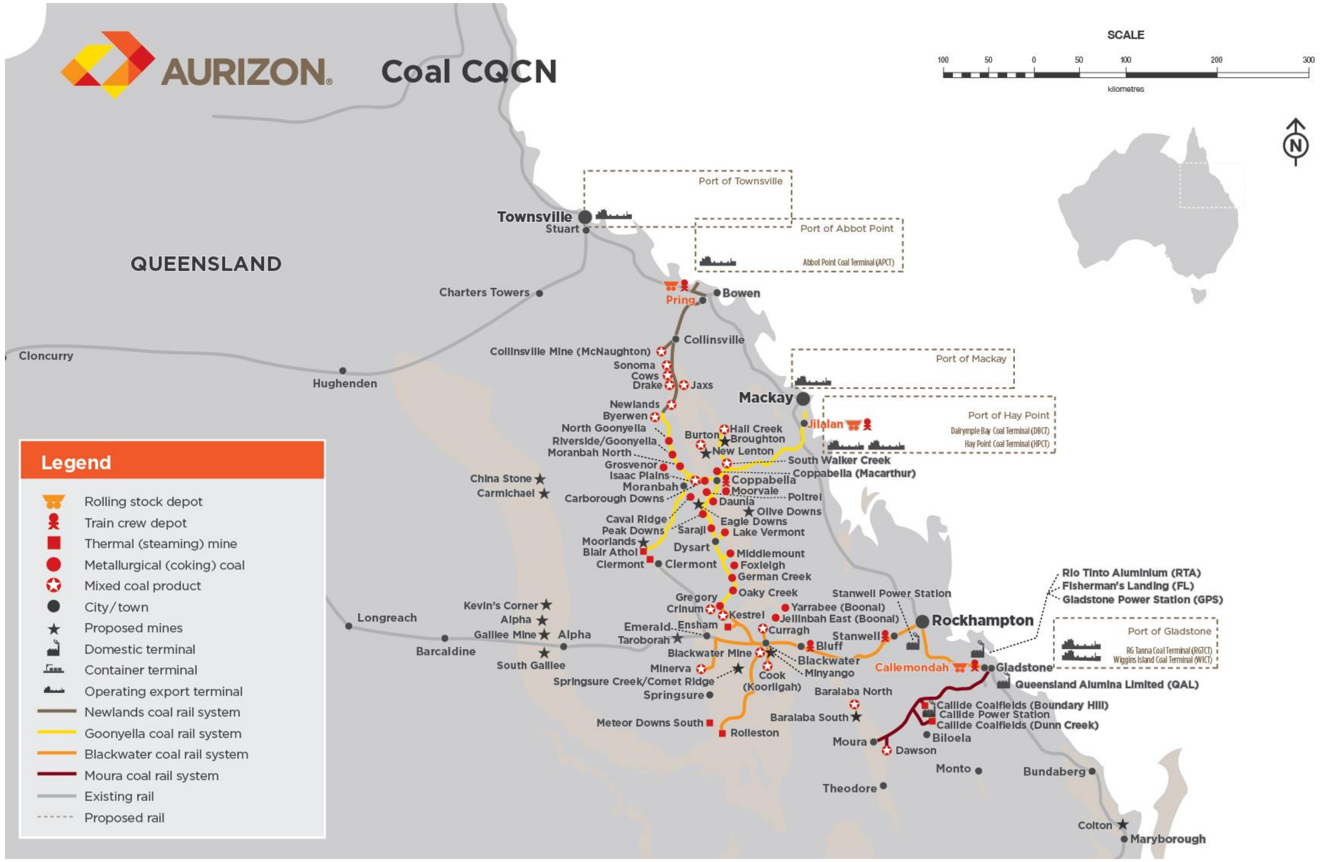
Dividend history

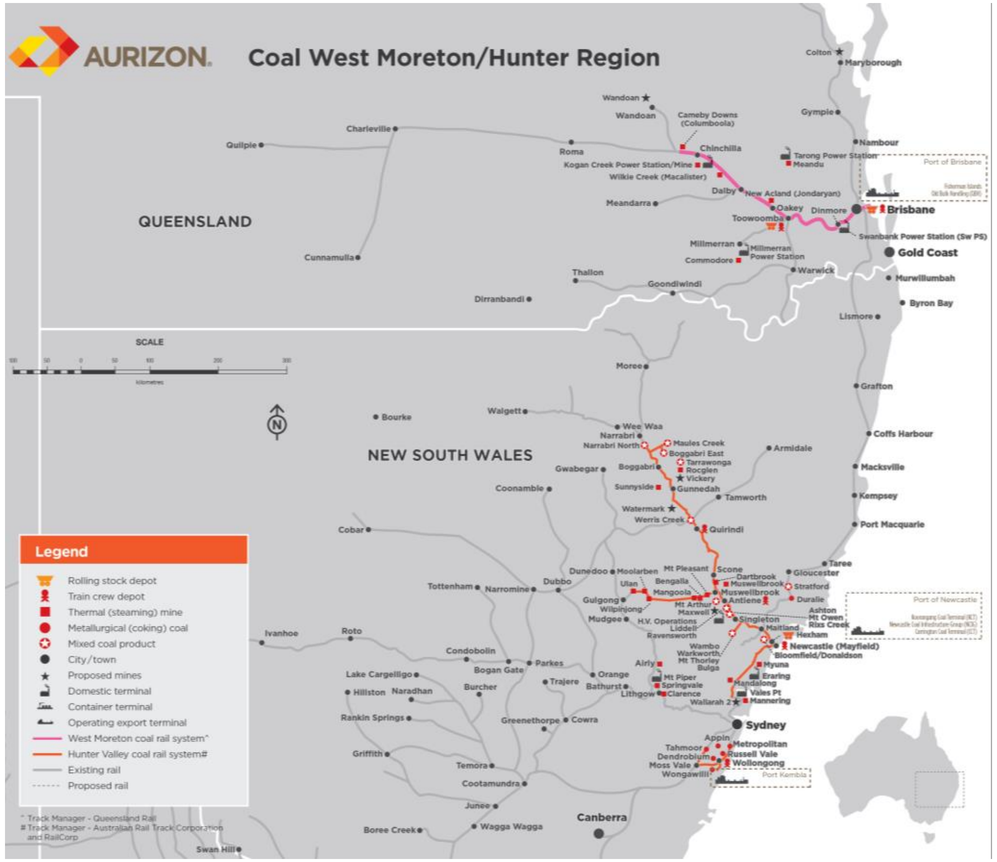


1. A simple average of the payout ratio is used. From FY2018, payout ratio is based on underlying NPAT for continuing operations

Additional Information: Coal

Coal Operations





Coal operating metrics

	FY2021	FY2020	Variance
Total tonnes hauled (m)	202.1	213.9	(6%)
Contract utilisation	83%	86%	(3ppt)
Total NTK (bn)	47.1	50.0	(6%)
Average haul length (km)	233	234	-
Total revenue / NTK ($/’000 NTK)	34.2	35.5	(4%)
Above Rail Revenue / NTK ($/’000 NTK)	24.7	25.2	(2%)
Opex / NTK ($/’000 NTK)	27.3	27.3	-
Opex / NTK (excluding access costs) ($/’000 NTK)	17.8	17.1	(4%)
Locomotive productivity (‘000 NTK / Active locomotive day)	390.5	405.5	(4%)
Active locomotives (as at 30 June)	329	332	(1%)
Wagon productivity (‘000 NTK / Active wagon day)	14.9	15.7	(5%)
Active wagons (as at 30 June)	8,723	8,721	-
Payload (tonnes)	7,887	7,676	3%
Velocity (km/hr)	23.9	23.5	2%
Fuel Consumption (l/d GTK)	2.86	2.86	-

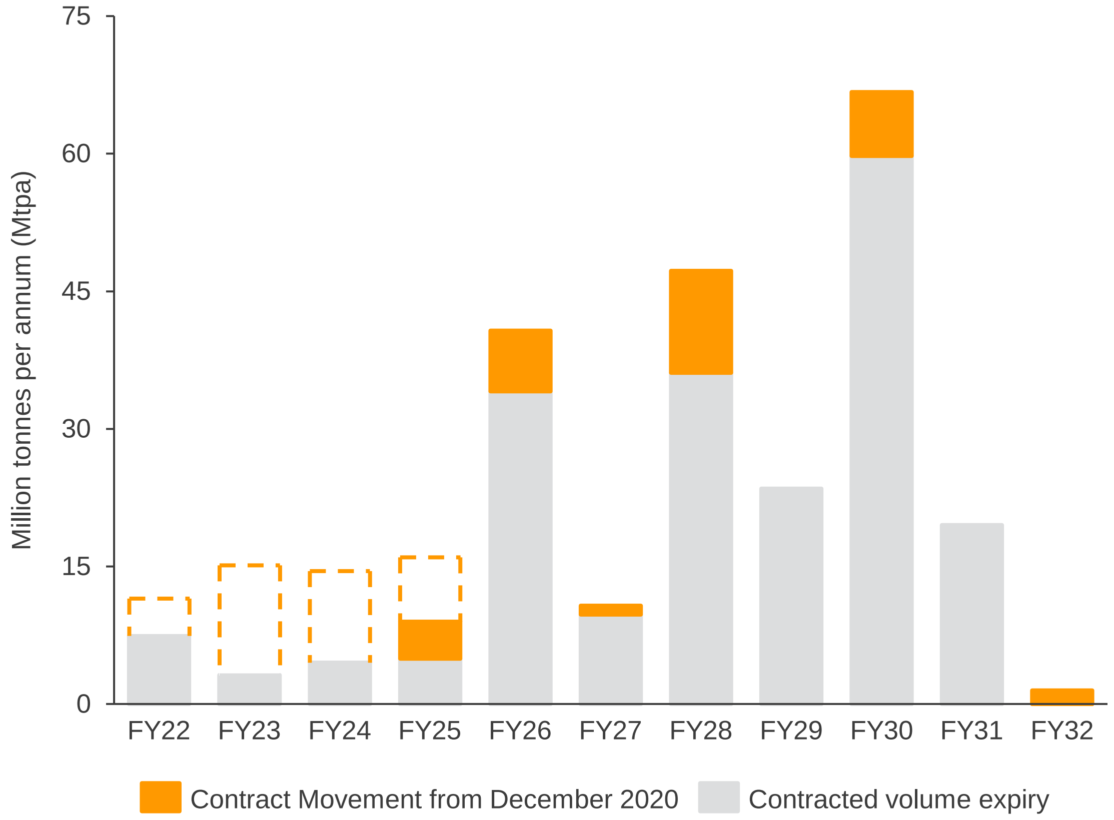
Coal haulage tonnes (mt) by system

	FY2021	FY2020	Variance
CQCN			
Newlands	18.2	20.8	(13%)
Goonyella	60.3	59.9	1%
Blackwater	52.3	55.6	(6%)
Moura	12.9	13.8	(7%)
Total CQCN	**143.7**	**150.1**	**(4%)**
NSW & SEQ			
West Moreton	4.1	5.5	(25%)
Hunter Valley	54.3	58.3	(7%)
Total NSW & SEQ	**58.4**	**63.8**	**(8%)**
Total Coal	**202.1**	**213.9**	**(6%)**

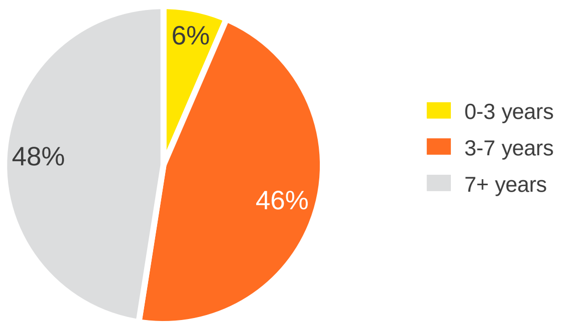
Coal contract portfolio

Coal has a secure, long dated contract book, as demonstrated by contract wins announced today

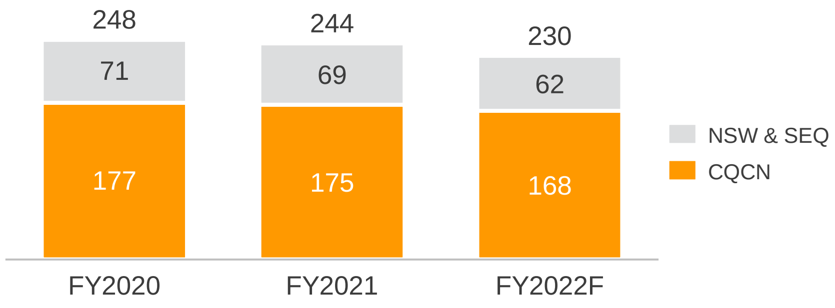
AURIZON COAL CONTRACT VOLUME EXPIRY BY YEAR[1]
AS AT 30 JUNE 2021



COAL CONTRACT PORTFOLIO EXPIRY[1]
AS AT 30 JUNE 2021



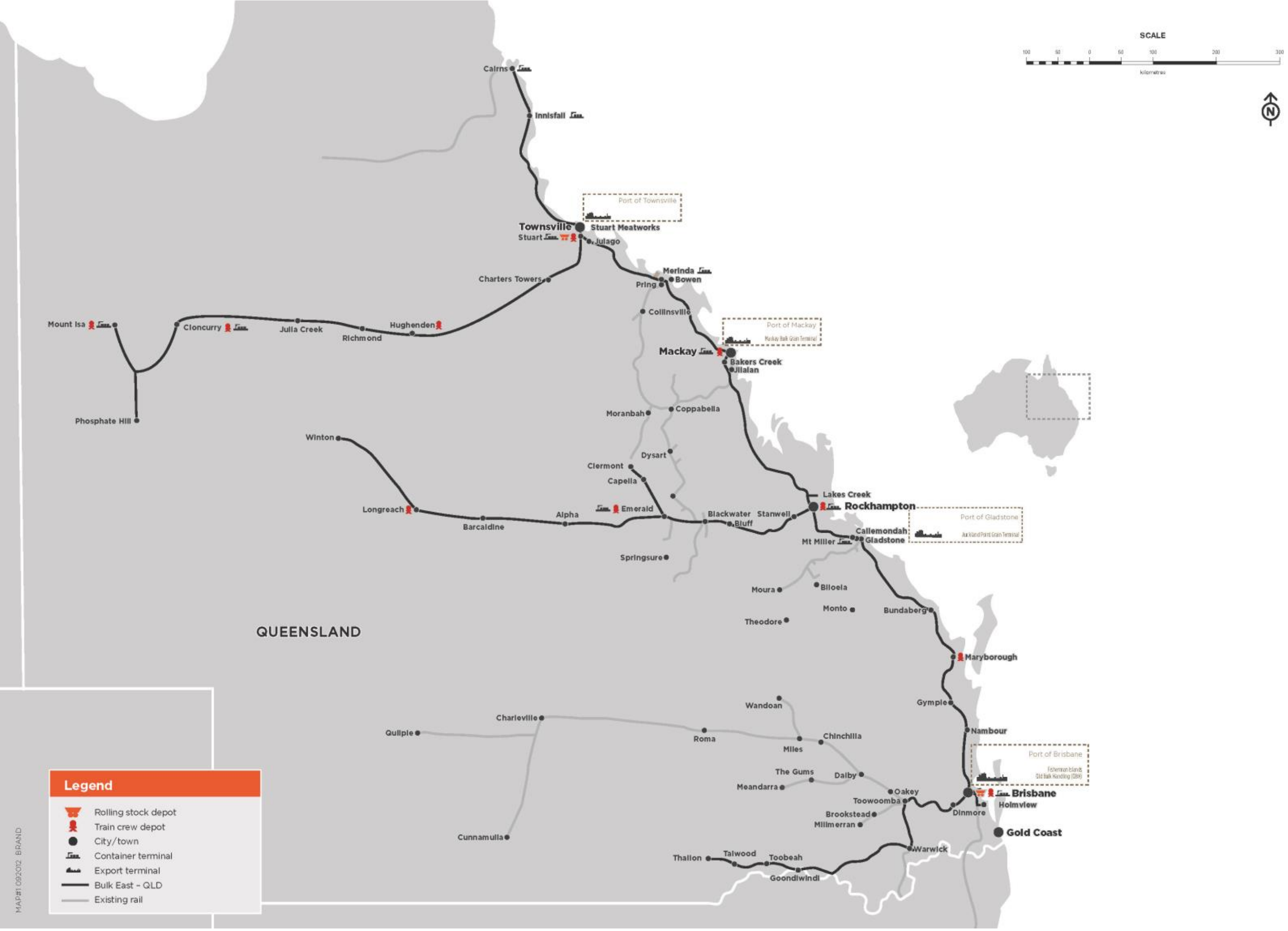
FORECAST COAL CONTRACTED VOLUMES[2] (MT)



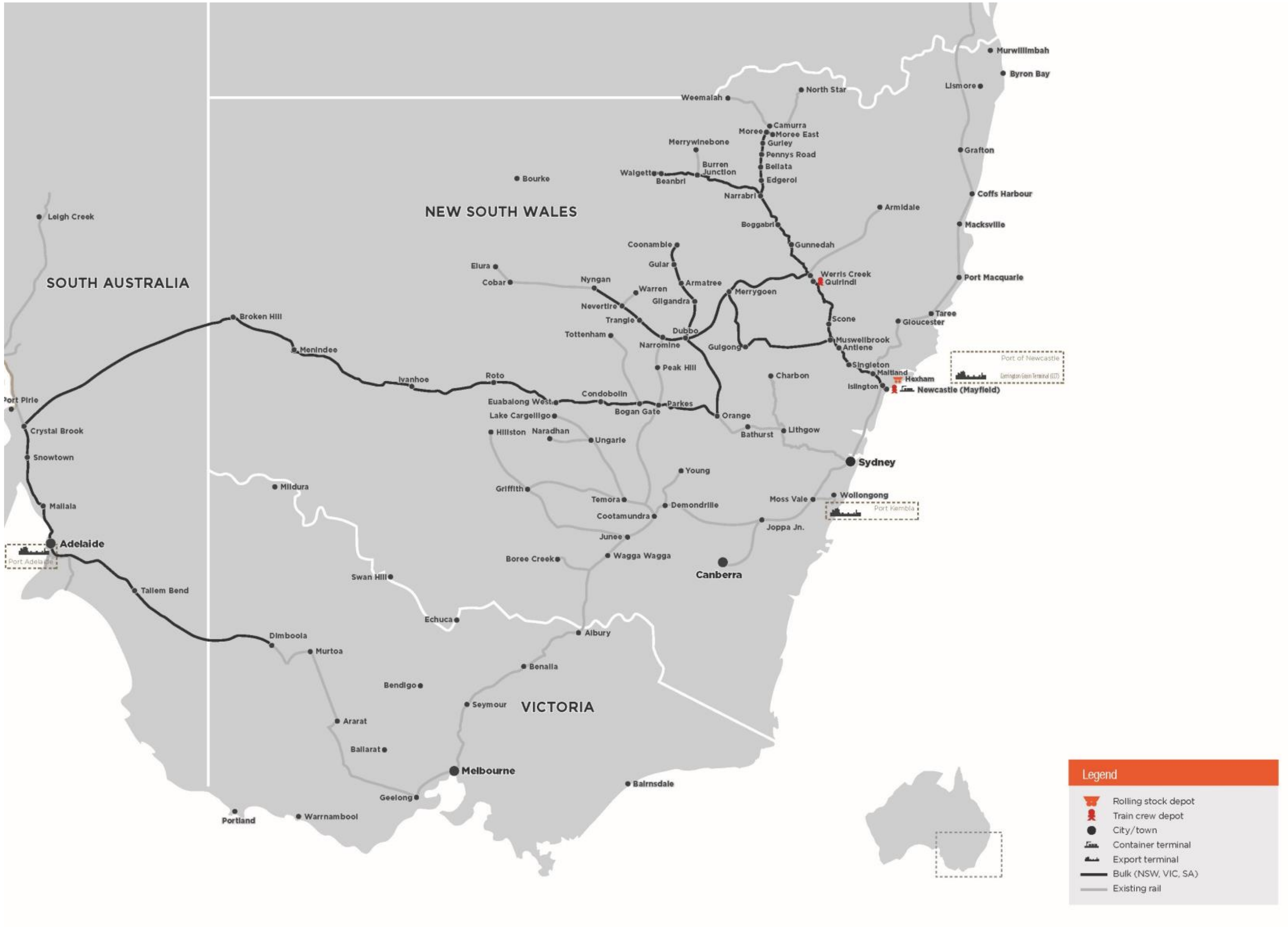
1. *Announced contract tonnages may not necessarily align with current contract annual tonnages. Contract tonnes are represented on an annualised basis and incorporate contract extension options where applicable. Includes immaterial variations to volume/term not announced to market*
2. *This represents the contracted tonnes as at 30 June 2021, includes known nominations and annual tonnage is adjusted to timing of contract cessation*

Additional Information: Bulk

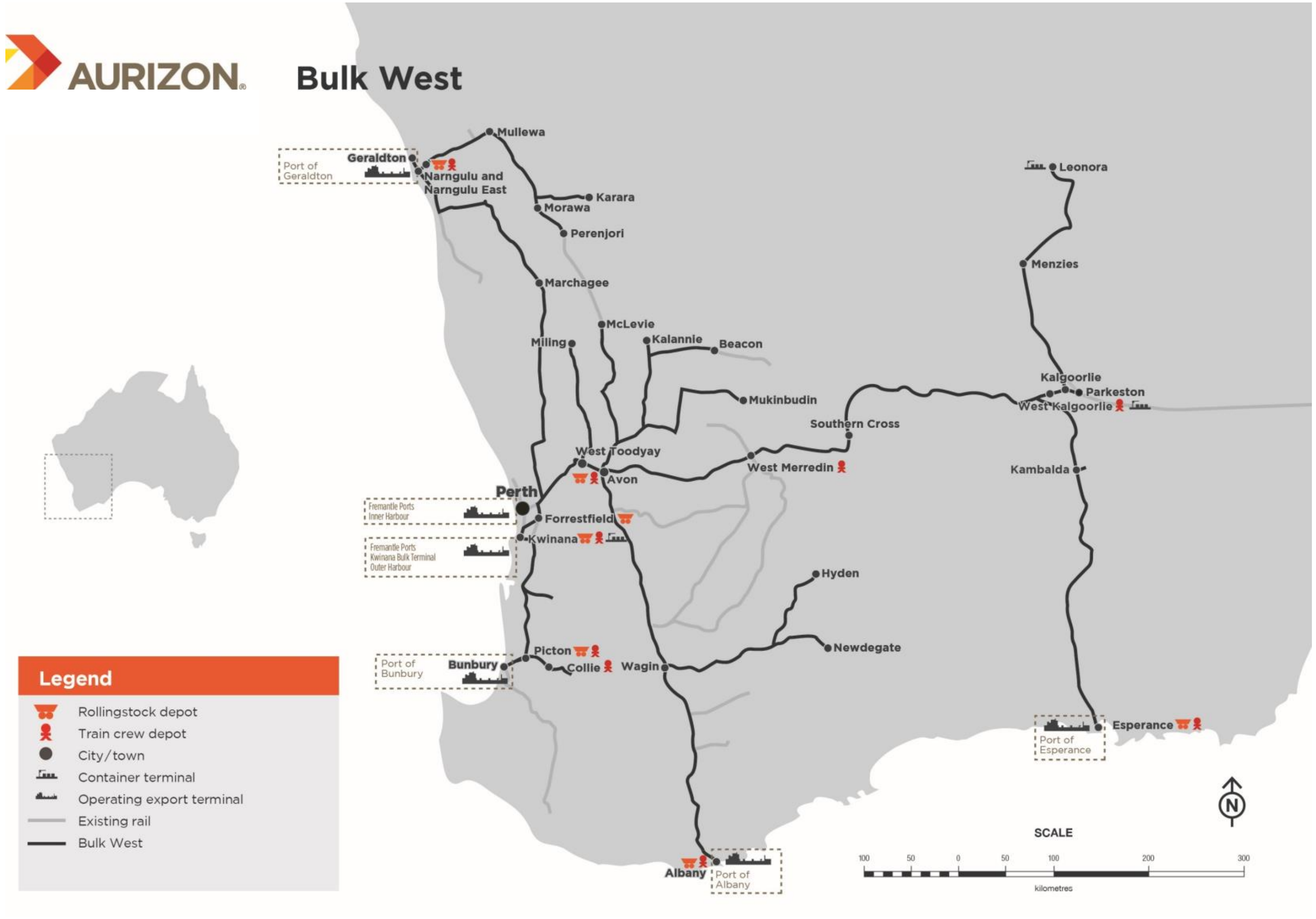
Bulk operations: Queensland



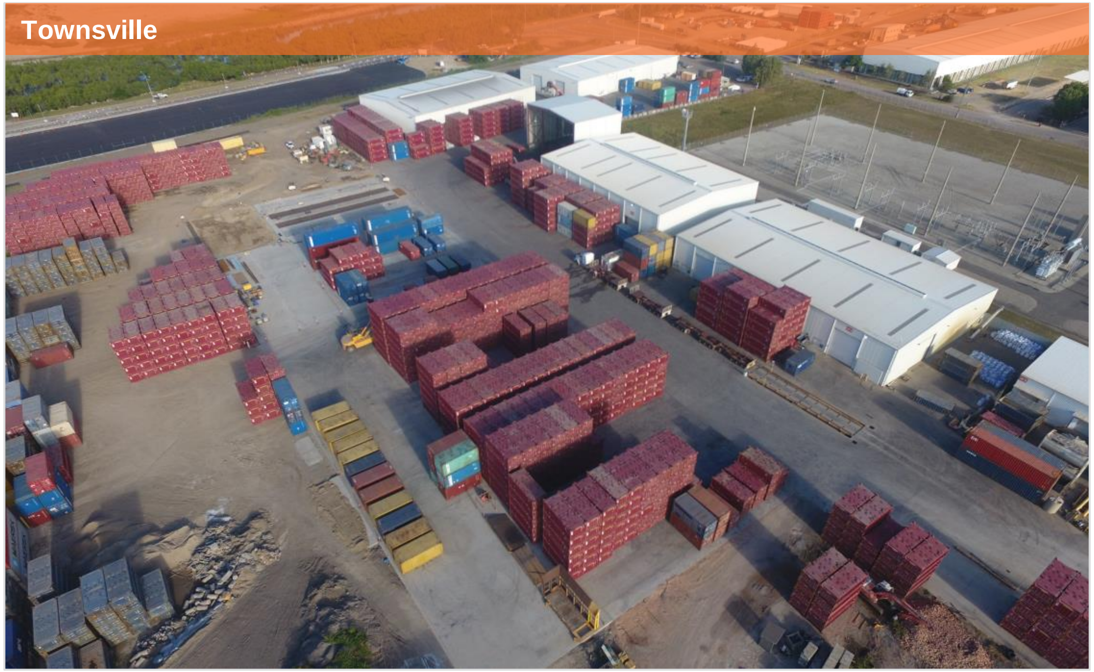
Bulk operations: New South Wales, Victoria and South Australia



Bulk operations: Western Australia



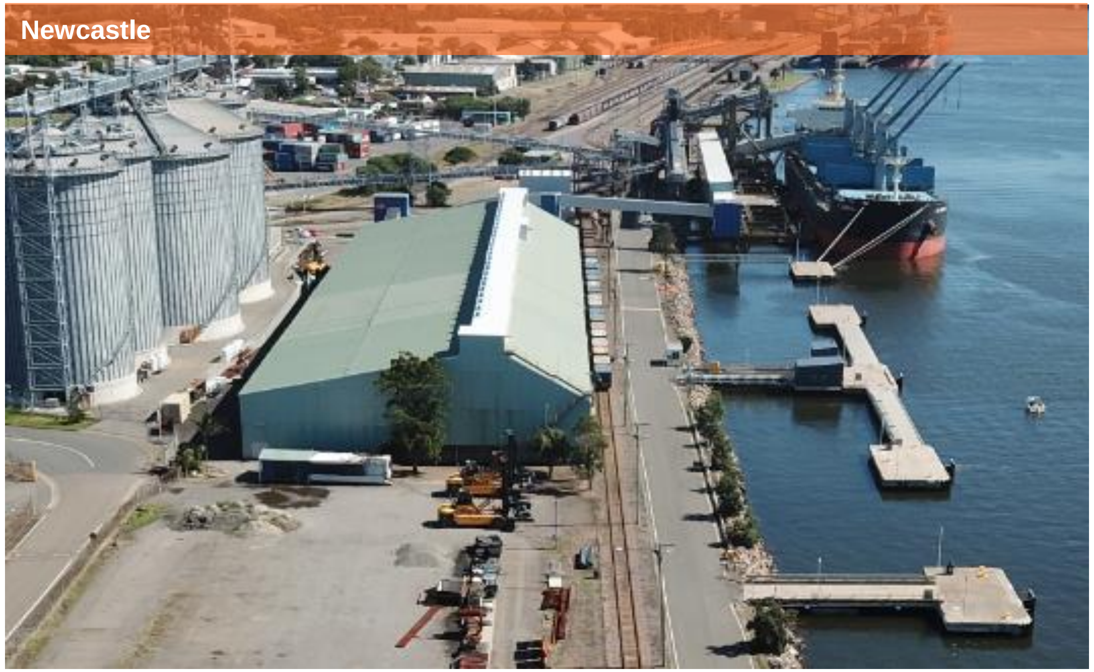
Aurizon Port Services



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



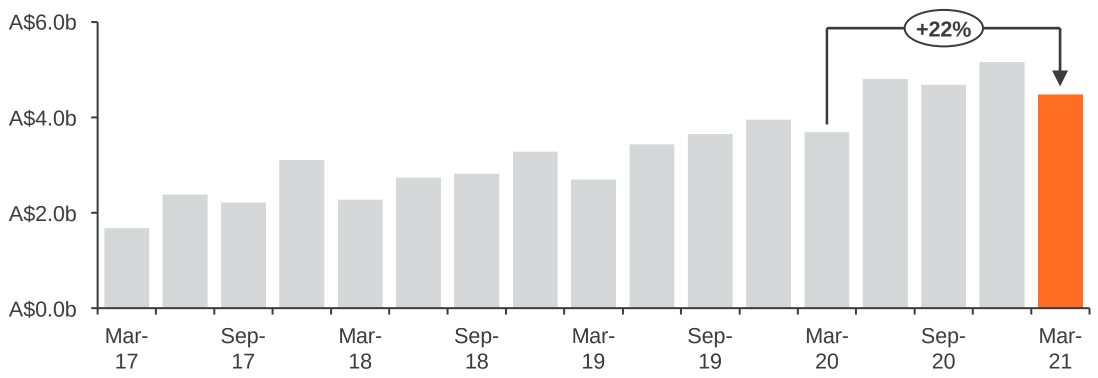
Simplicity: Simple operating and labour model that is scalable (currently operating at 50% capacity)

Connected: Strategically linked to the Cobar Minerals province of NSW

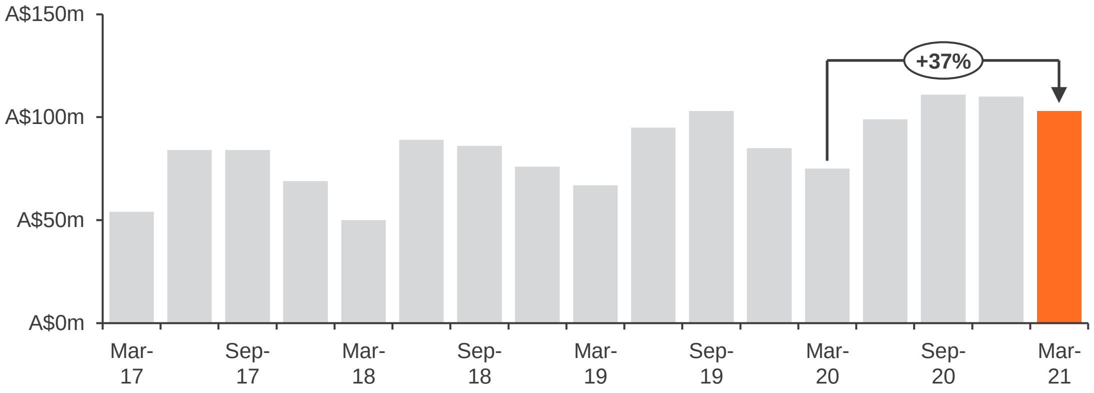
Expanded Services: Connecting port, materials handling and storage services to rail

Bulk – Australia Capital & Exploration Expenditure

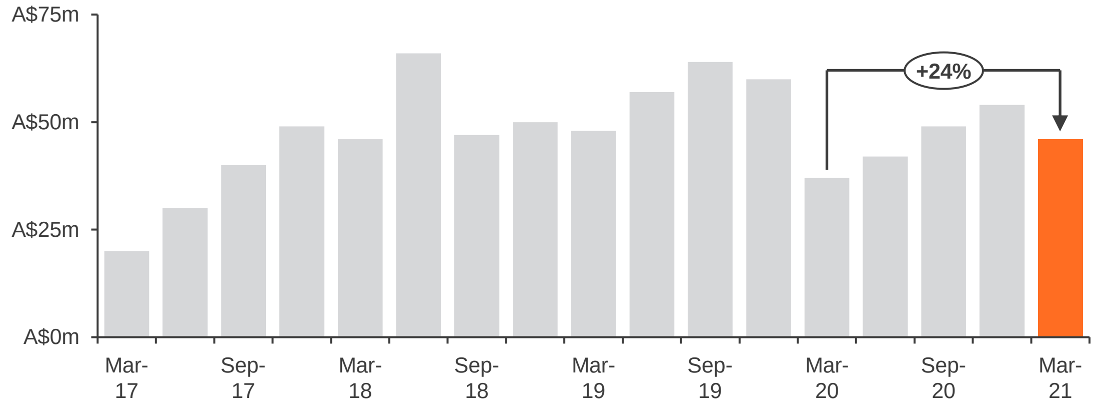
CAPITAL EXPENDITURE: METAL ORE MINING[1]



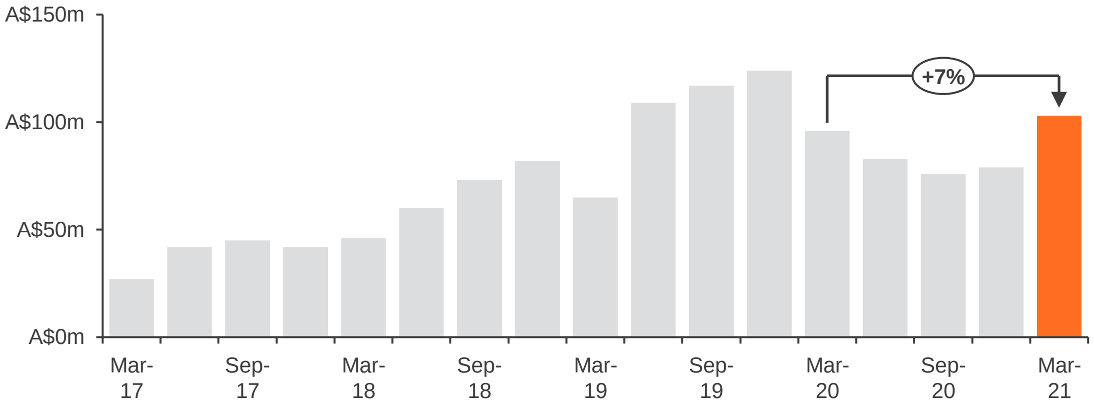
EXPLORATION EXPENDITURE: IRON ORE



EXPLORATION EXPENDITURE: NICKEL & COBALT



EXPLORATION EXPENDITURE: COPPER

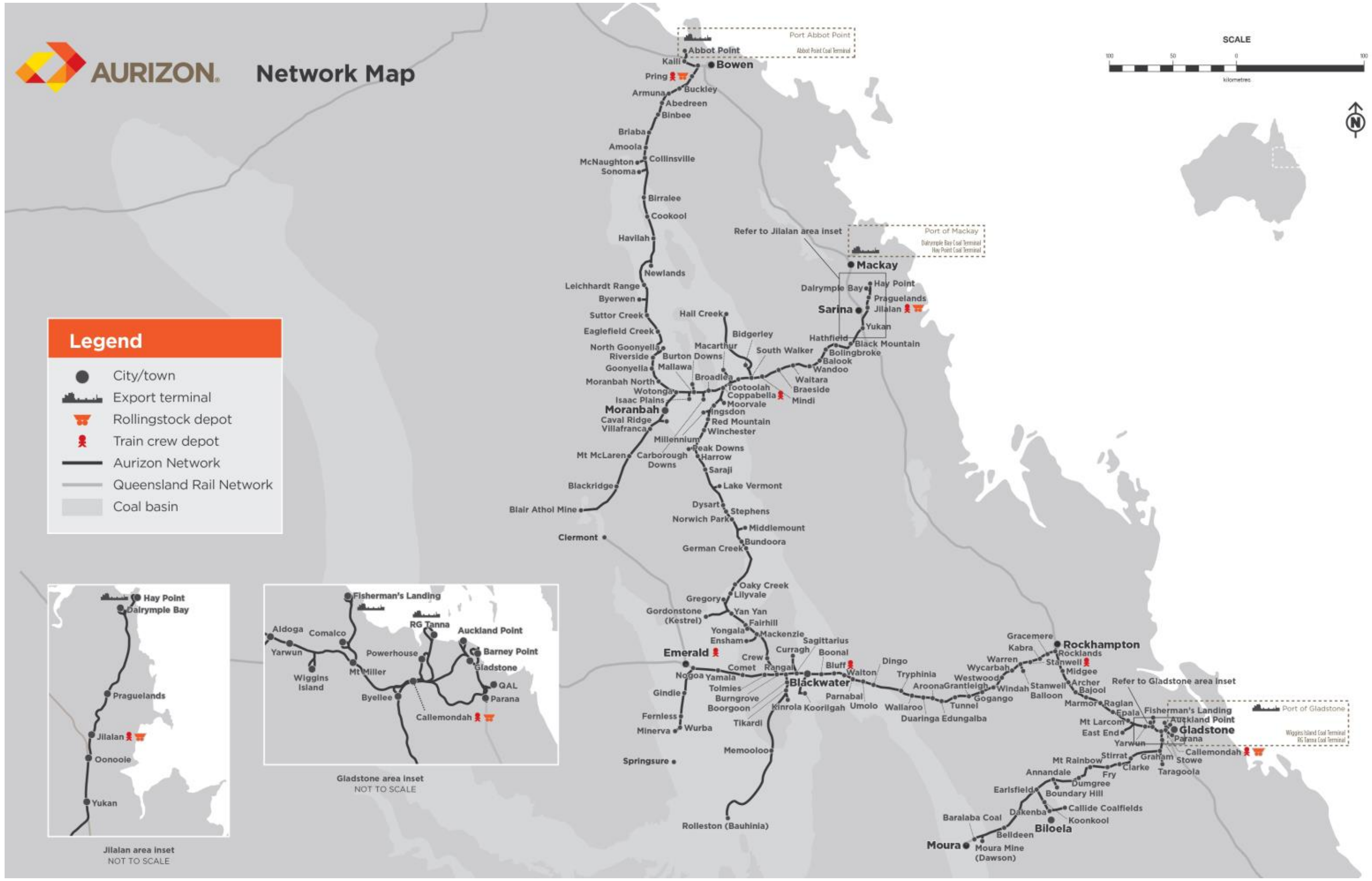


1. Metal ore mining commodities includes: iron ore, bauxite, copper, gold, mineral sands, nickel, silver-lead-zinc and other metal ores.
Source: Australian Bureau of Statistics

Additional Information: Network

AURIZON

Network Operations



Network financial and operating metrics

$m	FY2021	FY2020	Variance
Tonnes (m)	208.3	226.9	(8%)
NTK (bn)	52.4	56.2	(7%)
Operating Ratio	58.4%	60.6%	2.2ppt
Maintenance/NTK ($/'000 NTK)	2.4	2.3	(4%)
Opex/NTK ($/'000 NTK)	13.7	12.8	(7%)
Cycle Velocity (km/hr)	23.0	23.3	(1%)
System Availability	84.1%	83.3%	0.8ppt
Average Haul Length (km)	252	248	2%

Network volumes: All rail operators

	FY2021	FY2020	Variance
Newlands	10.7	14.1	(24%)
Goonyella	103.4	117.7	(12%)
Blackwater	61.5	62.6	(2%)
Moura	12.7	13.6	(6%)
GAPE	20.0	18.8	6%
Total (mt)	**208.3**	**226.9**	(8%)

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

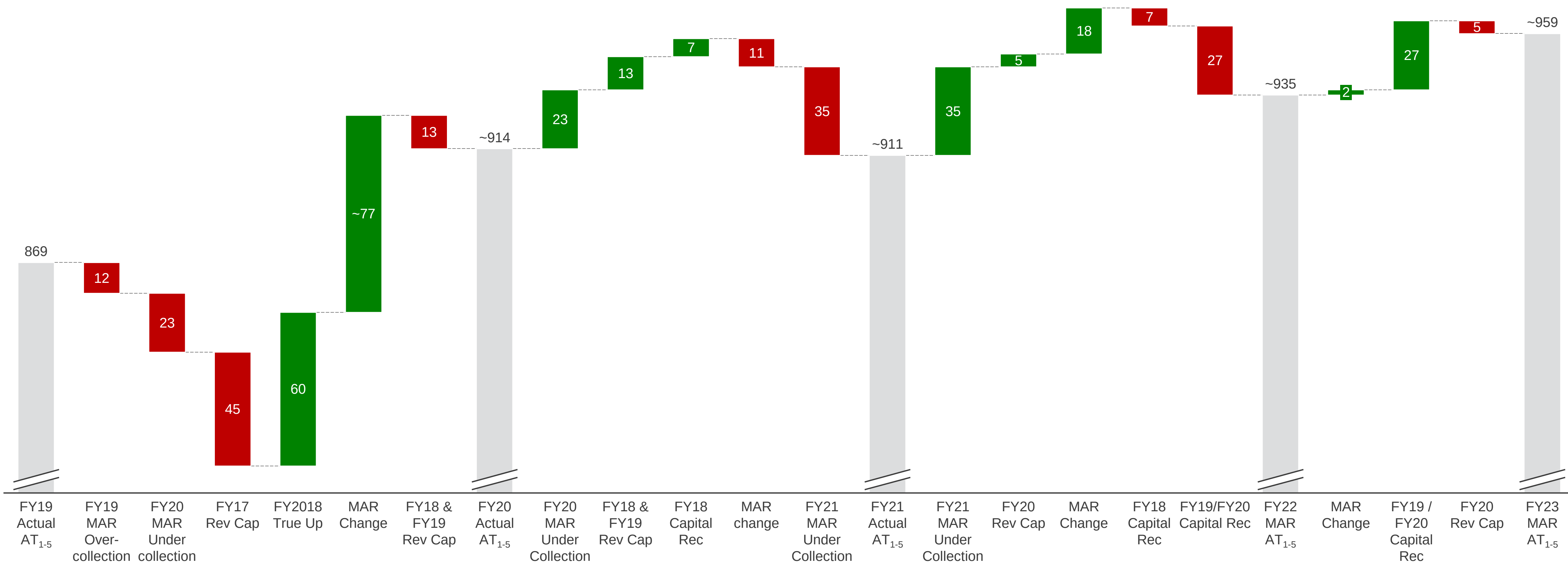
Network – FY2021 Access Revenue movement

	$m	$m
Decrease in MAR from FY2020 to FY2021		(3.9)
Volume under-recovery for FY2021 (including Take-or-Pay)		(34.6)
Volume under-recovery for FY2020 (reversal of FY2020 impact)		22.6
GAPE revenue		(0.8)
Revenue Cap Movements:		
FY2019 Revenue Cap (reversal of FY2020 impact, payment to Access Holders)	12.2	
FY2018 Revenue Cap (reversal of FY2020 impact, payment to Access Holders)	0.8	13.0
WIRP Fees		60.3
Rebates		(6.2)
Other Access Revenue		(3.2)
Movement in FY2021 Access Revenue		**47.2**

AURIZON

Network adjusted MAR bridge – Approved UT5 Undertaking

INDICATIVE NETWORK ADJUSTED MAXIMUM ALLOWABLE REVENUE (MAR)^ FY2019 – FY2023 ($M)



^Amounts exclude GAPE and assumes no reduction in revenue due to Network non-performance. Amount excludes volume variances from FY2022 onwards. FY2021 MAR assumed a Report Date of March 2020 and therefore the MAR is 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. FY2022 and FY2023 are subject to QCA approval. There is no revenue adjustment in the bridge in FY2023 (relating to FY2021) as the estimate for all systems excluding GAPE is NIL. It is noted that the estimated revenue adjustment amount in FY2023 (relating to FY2021) for the GAPE system is a repayment to access holders of ~$16m (refer following slide).

Network revenue adjustment amounts (revenue cap)

Financial Year	AT_{2-4} (diesel tariff) $m	AT_5 (electric tariff) $m	Total $m
2021[1,2]	~(34)	~18	~(16)
2020[2]	(0.5)	3.9	3.4
2019[2]	(9.9)	(2.7)	(12.6)
2018[2]	(6.2)	5.5	(0.7)

- Revenue adjustment amounts (RAA) are the difference by system between Aurizon's Total Actual AT_{2-5} Revenue and Allowable AT_{2-5} Revenue
- The RAA amounts are collected or repaid through a tariff adjustment two years later
- All (except FY2021) revenue adjustment amounts 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. Estimated, also includes estimated adjustment for WACC, maintenance, rebates and connection costs. This has not been submitted to the QCA for approval.
2. FY2018 includes $0.1m recovery for GAPE, FY2019 includes $0.4m return for GAPE, FY2020 includes $1.5m return for GAPE and FY2021 includes ~$16m return for GAPE

Reconciliation of billed MAR to reported access revenue

$m	FY2021 Actual	FY2020 Actual	FY2019 Actual
Billed Access Revenue (AT_1 to AT_5) (ex. GAPE)	911	927	885
Approved Adjustments to MAR			
Revenue Cap (ex. GAPE and inclusive of capitalised interest)[1]	-	(13)	44
UT5 MAR True-up	-	-	(60)
Regulated Access Revenue (ex. GAPE)	**911**	**914**	**869**
Total non-regulated Access Revenue (ex. GAPE)	86	35	16
Total GAPE Revenue (Regulatory + non-regulatory)	181	182	185
Total Access Revenue per Aurizon Statutory Accounts	**1,179**	**1,132**	**1,070**

1. *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*
2. *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

1 July 2017		3 May 2019 Initial Date		September 2021 Report Date[1]		1 July 2023 Reset Date		30 June 2027 Terminating Date
	WACC 5.7%		WACC 5.9%		WACC 6.3%		WACC *TBD*	

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

1. *Estimate as at August 2021*

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*

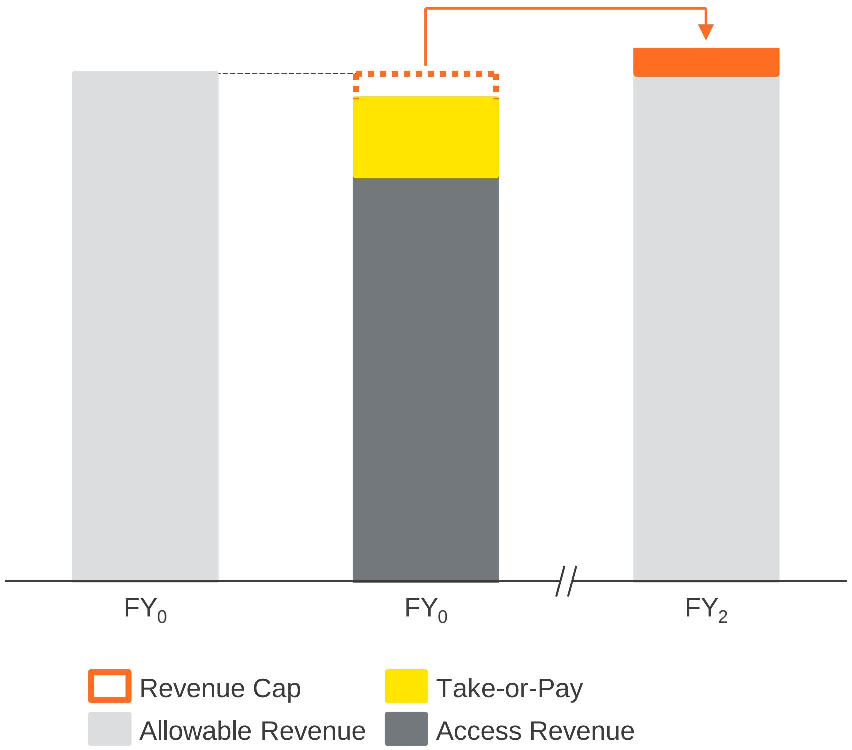
The MAR forms the basis for calculating reference tariffs[1] and determining *Allowable Revenue* AT_{2-5} *(AR)*

Where system volume is less than the regulatory approved volume forecast, protection mechanisms come into effect to address the revenue shortfall[2]

- ***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

INDICATIVE SYSTEM REVENUE PROTECTION MECHANISM



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*

AURIZON

UT5 Undertaking

Regulatory Asset Base (RAB)

ELEMENT	DETAIL
Rollforward RAB	› 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 $5.3b. This excludes $0.4b of Access Facilitation Deeds (AFDs)

UT5 Undertaking

Building Blocks

BUILDING BLOCK	DETAIL
Return on capital (WACC)	› 5.70% from 1 July 2017 to 2 May 2019 › 5.90% from 3 May 2019 to Report Date (expected September 2021 quarter) › 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	› 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 indictor under transitional arrangements from FY2020 › Maintenance costs are pass through and approved annually by customers through consultation for FY2021 onwards
Return of capital (Depreciation)	› 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	› 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	› Tax allowance calculated on same basis as UT5 Final Decision

UT5 Undertaking

Rebate Mechanism

ELEMENT	DETAIL
Mechanism	› 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	› 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

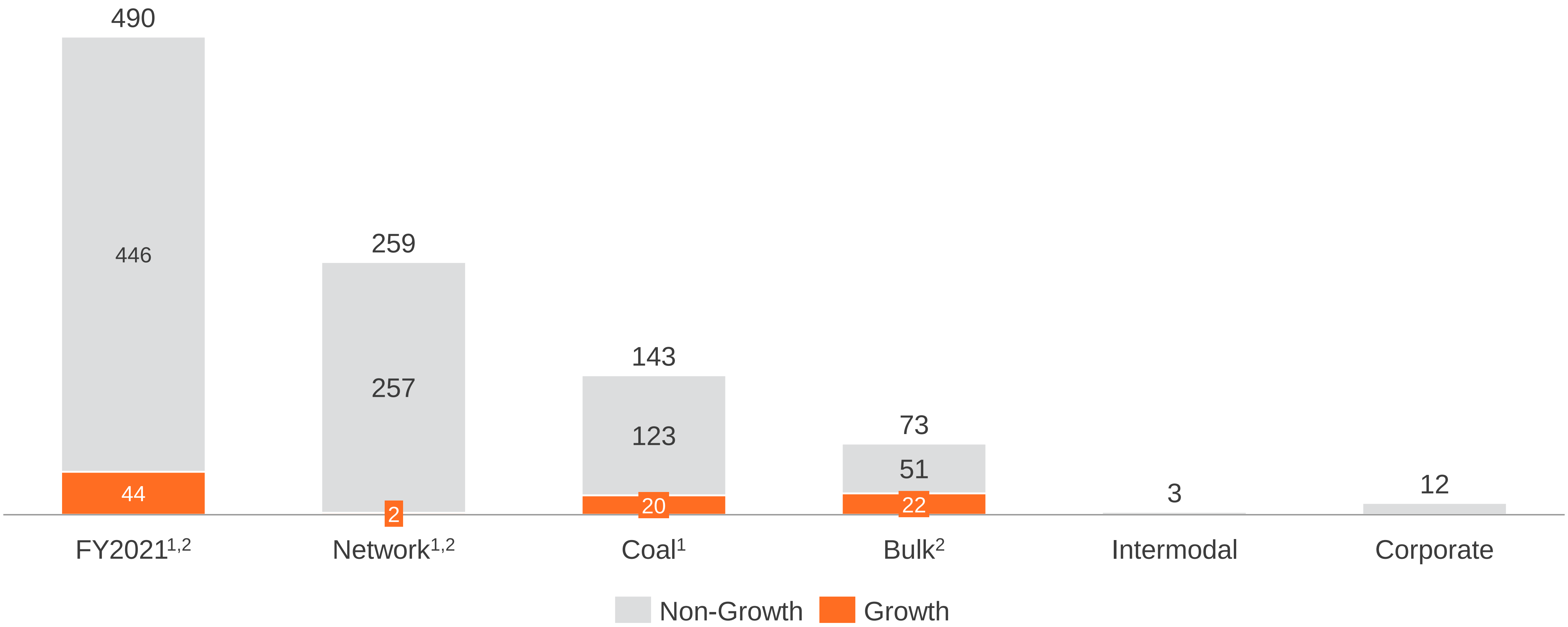
Independent Expert

The Independent Expert, Coal Network Capacity Co Pty Ltd, is progressing development of the Initial Capacity Assessment Report (ICAR) and remaining obligations

Activity	Progress	Notes
› Incorporation of Coal Network Capacity Co Pty Ltd	●	Complete
› Appointment of Chairman & CEO	●	Complete
› Recruitment of Internal/External Resources required for ICAR	●	Complete
› ICAR Model Development	○	Well Advanced
› Draft SOP Development	○	Advanced
› Draft ICAR Development	○	Advanced
› Verification and Publication of ICAR	○	Estimated publication date: End of Q1 FY2022
› Preliminary Response to ICAR	○	20 business days after publication of ICAR if an existing capacity deficit is identified

Additional Information: Capital Expenditure

FY2021 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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