Aurizon Holdings Limited

ABN 14 146 335 622

Interim Financial Report
for the six months ended 31 December 2024

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for the six months ended 31 December 2024

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Directors' Report

The Directors present their report on the consolidated entity consisting of Aurizon Holdings Limited and its controlled entities ("the Company" or "the Group") for the six months ended 31 December 2024.

Directors

The following persons were Directors of the Company during the six months, or up to the date of this report:

T Poole
M Bastos
R Caplan
T Longstaff
S Ryan
A Harding
L Strambi
S Tough

Principal activities

During the interim reporting period the principal activities of the Group consisted of:

- integrated heavy haul freight railway operator
- rail transporter of metallurgical and thermal coal from mine to both domestic and export markets
- rail and road transporter, port services provider and material handler of bulk commodities, iron ore, and containerised freight
- large-scale rail services activities

The following summary describes the operations in each of the Group's reportable segments:

Network

This segment manages the provision of access to the Central Queensland Coal Network (CQCN) below rail infrastructure, and operation and maintenance of the network.

Coal

This segment provides transport of metallurgical and thermal coal from mines in Queensland and New South Wales to domestic customers and coal export terminals.

Bulk

This segment 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. This segment also manages the Tarcoola-to-Darwin below rail infrastructure, the intrastate rail freight network in South Australia and containerised freight services between Adelaide and Darwin.

Other

This segment includes other Containerised Freight related to the 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.

Review of operations

A review of the Group's operations for the interim reporting period and the results of those operations are set out in the Operating and Financial Review as set out on pages 4 to 13 of this interim financial report.

Dividends

Dividends paid to members during the six months were as follows:

	Cents per Share	$m
For the six months ended 31 December 2024		
Final dividend for 2024 (60% franked)	**7.3**	**134**
For the six months ended 31 December 2023		
Final dividend for 2023 (60% franked)	8.0	147

The Directors have declared a 60% franked interim dividend of 9.2 cents per ordinary share for the six months ended 31 December 2024. The Record Date for determining dividend entitlements for the dividend declared is 4 March 2025. The payment date is 26 March 2025.

Rounding of amounts

The amounts contained in this report and in the financial statements have been rounded to the nearest $1,000,000 unless otherwise stated (where rounding is applicable) in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the instrument applies.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14.

This Directors' report is made in accordance with a resolution of Directors.

Tim Poole
Chairman

Brisbane
17 February 2025

OPERATING AND FINANCIAL REVIEW

CONSOLIDATED RESULTS (Underlying continuing operations unless stated)

The Group's financial performance is explained using measures that are not defined under IFRS Accounting Standards and are therefore termed Non-IFRS measures. The Non-IFRS financial information contained within this Directors' Report and Notes to the Consolidated Financial Statements has not been audited in accordance with Australian Auditing Standards. The Non-IFRS measures used to monitor Group performance are EBITDA (Statutory and Underlying), EBITDA margin (Statutory and Underlying), EBIT (Statutory and Underlying), NPAT Underlying, Return on Invested Capital (ROIC), Net debt and Net gearing ratios. Each of these measures is discussed in more detail on page 41. Unless otherwise noted, the Operating and Financial Review information excludes discontinued operations.

1. Half on Half Comparison

Financial Summary

($m)	1HFY2025	1HFY2024	Variance
Total revenue and other income	**2,023**	**1,972**	**3%**
Operating costs			
Employee benefits	(587)	(539)	(9%)
Energy and fuel	(180)	(198)	9%
External track access	(86)	(71)	(21%)
Consumables	(326)	(309)	(6%)
Other	(30)	(8)	(275%)
EBITDA	**814**	**847**	**(4%)**
Depreciation and amortisation	(359)	(342)	(5%)
EBIT	**455**	**505**	**(10%)**
Net finance costs	(165)	(164)	(1%)
Income tax expense	**(85)**	**(104)**	**18%**
NPAT	**205**	**237**	**(14%)**
Earnings per share[1]	**11.3**	**12.9**	**(12%)**
Statutory Earnings per share[1]	12.8	12.9	(1%)
Return on invested capital (ROIC)[2]	8.4%	9.0%	(0.6ppt)
Net cash flow from operating activities	769	743	3%
Interim dividend per share (cps)	9.2	9.7	(5%)
Gearing (net debt / (net debt + equity))	54.2%	53.8%	0.4ppt
Net debt / EBITDA[3]	3.2x	3.2x	-
Net tangible assets per share ($) (group)	2.3	2.3	-
People (FTE)	6,057	5,778	5%
Labour costs[4] / Revenue	28.9%	27.2%	(1.7ppt)

[1] *Calculated on weighted average number of shares on issue – 1,816m for 1HFY2025 and 1,841m for 1HFY2024*
[2] *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)*
[3] *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)*
[4] *1HFY2025 excludes $2m redundancy costs (1HFY2024 excludes $2m redundancy costs)*

EBITDA by Segment

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

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.

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
Underlying EBITDA – Continuing operations	**814**	**847**
Depreciation and amortisation	(359)	(342)
Underlying EBIT	**455**	**505**
Continuing operations significant items	37	-
Statutory EBIT	**492**	**505**
Net finance costs	(165)	(164)
Statutory Profit before tax	**327**	**341**
Income tax expense	(94)	(104)
Statutory NPAT – Continuing operations	**233**	**237**
Continuing operations significant items, net of tax	(28)	-
Underlying NPAT – Continuing operations	**205**	**237**

Balance Sheet Summary

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

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

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.

[5] *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[6] / Regulatory Asset Base (excluding Access Facilitation Deeds)) as at 31 December 2023 was 65.6% (FY2024: 62.6%). Aurizon Network's Net Debt / EBITDA[7] as at 31 December 2024 was 4.1 times (1HFY2024: 3.8 times)
- Aurizon Operations' gearing (net debt[6] / (net debt + equity)) as at 31 December 2024 was 25.7% (FY2024: 25.9%). Aurizon Operations' Net Debt / EBITDA[7] 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[8] 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[9] 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[10] was 29.4% and the Group underlying cash tax rate[11] 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.

[6] *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*
[7] *EBITDA is based on the 12-month rolling average*
[8] *Statutory effective tax rate = income tax expense / statutory consolidated profit before tax*
[9] *Statutory cash tax rate = cash tax payable / statutory consolidated profit before tax*
[10] *Underlying effective tax rate = income tax expense excluding the impact of significant items / underlying consolidated profit before tax*
[11] *Underlying cash tax rate = cash tax payable excluding the impact of significant items / underlying consolidated profit before tax*

BUSINESS UNIT REVIEW

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
Revenue			
Above Rail	659	642	3%
Track Access	245	237	3%
Other	9	8	13%
Total revenue	**913**	**887**	**3%**
Track Access costs	(250)	(243)	(3%)
Operating costs	(399)	(361)	(11%)
EBITDA	**264**	**283**	**(7%)**
Depreciation and amortisation	(103)	(104)	1%
EBIT	**161**	**179**	**(10%)**

Metrics

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

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
Revenue			
Freight Transport	550	546	1%
Other	10	13	(23%)
Total revenue	**560**	**559**	**-**
Operating costs	(476)	(447)	(6%)
EBITDA	**84**	**112**	**(25%)**
Depreciation and amortisation	(64)	(60)	(7%)
EBIT	**20**	**52**	**(62%)**
Total tonnes hauled (m)	27.5	34.1	(19%)
Operating Ratio	96.4%	90.6%	(5.8ppt)

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
Revenue			
Track Access	708	694	2%
Services and other	28	64	(56%)
Total revenue	**736**	**758**	**(3%)**
Energy and fuel	(69)	(84)	18%
Other operating costs	(172)	(188)	9%
EBITDA	**495**	**486**	**2%**
Depreciation and amortisation	(182)	(174)	(5%)
EBIT	**313**	**312**	**-**

Metrics

	1HFY2025	1HFY2024	Variance
Tonnes (m)	110.2	106.5	3%
NTK (b)	26.9	26.2	3%
Operating Ratio	57.5%	58.8%	1.3ppt
Maintenance / NTK ($/'000 NTK)	3.2	3.0	(7%)
Opex / NTK ($/'000 NTK)	15.7	17.0	8%
Cycle Velocity (km/hr)	22.1	22.3	(1%)
Useable Capacity[12]	79.9%	81.3%	(1.4ppt)
Average haul length (km)	244	246	(1%)

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.

[12] *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)*

Network's 2023-2024 Regulated Asset Base (RAB) roll-forward is $6.1bn[13] (including access Facilitation Deeds of $0.3bn) as at 1 July 2024.

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

[13] *Includes deferred capital and as approved capital by the QCA on the 30 January 2025*

- 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[14] 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
Total revenue and other income	**80**	**30**	**167%**
Operating costs	(109)	(64)	(70%)
EBITDA	**(29)**	**(34)**	**15%**
Depreciation and amortisation	(10)	(4)	(150%)
EBIT	**(39)**	**(38)**	**(3%)**

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

Safety, People, Environment and Risk

Refer to the annual report and Sustainability Report for a detailed summary.

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[14] *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)*

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17 February 2025

Board of Directors
Aurizon Holdings Limited
900 Ann Street
Fortitude Valley, QLD 4006
Australia

Dear Board Members

Auditor's Independence Declaration to Aurizon Holdings Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Aurizon Holdings Limited.

As lead audit partner for the review of the interim financial report of Aurizon Holdings Limited for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Matthew Donaldson
Partner
Chartered Accountants

Aurizon Holdings Limited
Condensed consolidated income statement
For the six months ended 31 December 2024

	Notes	**31 December 2024 $m**	31 December 2023 $m
Revenue from continuing operations	1	**2,004**	1,970
Other income		**56**	2
Total revenue and other income		**2,060**	1,972
Employee benefits expense		**(587)**	(539)
Energy and fuel		**(180)**	(198)
Track access		**(86)**	(71)
Consumables		**(326)**	(309)
Depreciation and amortisation		**(359)**	(342)
Other expenses		**(30)**	(9)
Share of net profit of investments accounted for using the equity method		**-**	1
Operating profit		**492**	505
Finance income		**4**	2
Finance expenses		**(169)**	(166)
Net finance costs		**(165)**	(164)
Profit before income tax		**327**	341
Income tax expense	2	**(94)**	(104)
Profit for the six months attributable to owners of Aurizon Holdings Limited		**233**	237
		Cents	Cents
Earnings per share for profit attributable to the owners of Aurizon Holdings Limited			
Basic earnings per share		**12.8**	12.9
Diluted earnings per share		**12.8**	12.9

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

	31 December 2024 $m	31 December 2023 $m
Profit for the six months	**233**	237
Other comprehensive income		
Items that may be reclassified to profit or loss		
Changes in the fair value of cash flow hedges	**(29)**	(74)
Income tax relating to changes in fair value of cash flow hedges	**9**	22
Exchange differences on translation of foreign operations	**3**	(1)
Other comprehensive income/(expense) for the six months, net of tax	**(17)**	(53)
Total comprehensive income for the six months attributable to the owners of Aurizon Holdings Limited	**216**	184

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	**31 December 2024 $m**	30 June 2024 $m
ASSETS			
Current assets			
Cash and cash equivalents		**46**	49
Trade and other receivables	4	**545**	573
Inventories		**267**	250
Derivative financial instruments	8	**1**	87
Current tax receivables		**-**	3
Other assets		**51**	29
Total current assets		**910**	991
Non-current assets			
Trade and other receivables	4	**10**	8
Inventories		**69**	67
Derivative financial instruments	8	**80**	42
Property, plant and equipment		**10,187**	10,153
Intangible assets		**199**	209
Other assets		**72**	69
Investments accounted for using the equity method		**60**	57
Total non-current assets		**10,677**	10,605
Total assets		**11,587**	11,596
LIABILITIES			
Current liabilities			
Trade and other payables		**341**	416
Borrowings	7	**80**	954
Current tax liabilities		**29**	-
Provisions		**284**	295
Other liabilities		**61**	61
Total current liabilities		**795**	1,726
Non-current liabilities			
Borrowings	7	**5,051**	3,943
Derivative financial instruments	8	**157**	236
Deferred tax liabilities		**1,017**	988
Provisions		**54**	47
Other liabilities		**219**	218
Total non-current liabilities		**6,498**	5,432
Total liabilities		**7,293**	7,158
Net assets		**4,294**	4,438
EQUITY			
Contributed equity	6	**3,445**	3,674
Reserves		**11**	25
Retained earnings		**838**	739
Total equity		**4,294**	4,438

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

	Notes	Contributed equity $m	Reserves $m	Retained earnings $m	Total equity $m
		Attributable to owners of Aurizon Holdings Limited			
Balance at 1 July 2024		**3,674**	**25**	**739**	**4,438**
Profit for the six months		**-**	**-**	**233**	**233**
Other comprehensive income		**-**	**(17)**	**-**	**(17)**
Total comprehensive income/(expense) for the six months		**-**	**(17)**	**233**	**216**
Transactions with owners in their capacity as owners:					
Buy-back of ordinary shares	6	**(229)**	**-**	**-**	**(229)**
Dividends paid	5	**-**	**-**	**(134)**	**(134)**
Share-based payments		**-**	**3**	**-**	**3**
		(229)	**3**	**(134)**	**(360)**
Balance at 31 December 2024		**3,445**	**11**	**838**	**4,294**
Balance at 1 July 2023		3,674	20	659	4,353
Profit for the six months		-	-	237	237
Other comprehensive income		-	(53)	-	(53)
Total comprehensive income/(expense) for the six months		-	(53)	237	184
Transactions with owners in their capacity as owners:					
Dividends paid	5	-	-	(147)	(147)
Share-based payments		-	1	-	1
		-	1	(147)	(146)
Balance at 31 December 2023		3,674	(32)	749	4,391

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	31 December 2024 $m	31 December 2023 $m
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	**2,245**	2,207
Payments to suppliers and employees (inclusive of GST)	**(1,510)**	(1,371)
Interest received	**3**	2
Income taxes paid	**(27)**	(99)
Principal elements of lease receipts	**3**	4
Other income received	**55**	-
Net cash inflow from operating activities	**769**	743
Cash flows from investing activities		
Payments for business acquisitions (net of cash acquired)	**(25)**	-
Payments for property, plant and equipment	**(375)**	(416)
Proceeds from sale of property, plant and equipment	**5**	3
Payments for intangibles	**(6)**	(10)
Interest paid on qualifying assets	**-**	(1)
Net cash outflow from investing activities	**(401)**	(424)
Cash flows from financing activities		
Proceeds from borrowings	**965**	938
Repayment of borrowings	**(786)**	(969)
Payments of transaction costs related to borrowings	**(3)**	(9)
Principal elements of lease payments	**(15)**	(11)
Interest paid	**(170)**	(168)
Payments for buy-back of ordinary shares	**(227)**	-
Payments for shares acquired for share-based payments	**(1)**	(4)
Dividends paid to Company's shareholders	**(134)**	(147)
Net cash outflow from financing activities	**(371)**	(370)
Net decrease in cash and cash equivalents	**(3)**	(51)
Cash and cash equivalents at the beginning of the financial year	**49**	92
Effects of exchange rate changes on cash and cash equivalents	**-**	1
Cash and cash equivalents at end of interim reporting period	**46**	42

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

About this report

Corporate information

Aurizon Holdings Limited (the Company) is a for-profit entity for the purpose of preparing this interim financial report and is domiciled in Australia. The consolidated interim financial report comprises the financial statements for the six months ended 31 December 2024 of the Company and its subsidiaries (collectively referred to as the Group or Aurizon).

This interim financial report:

- has been prepared on the going concern basis of accounting;
- has been prepared in accordance with the requirements of Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*;
- has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value;
- is presented in Australian dollars, which is the functional and presentation currency of the Company, with all values rounded to the nearest $1,000,000 unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191;* and
- does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report of the Company for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The annual report for the year ended 30 June 2024 is accessible at www.aurizon.com.au.

Key events and transactions for the reporting period

(a) Debt financing

Aurizon Network Pty Ltd (Network)

In September 2024, Network repaid a Euro (€) denominated Medium-Term Note (referred to as Network EMTN 1) with a face value of $711 million (€500 million) utilising existing bank debt facility capacity.

In November 2024, Network increased its existing AMTN 7 maturing December 2034 through a private placement of $100 million to a total outstanding of $120 million. Interest rate swaps with a notional amount of $100 million have been executed to swap the fixed rate debt to floating rate debt.

In December 2024, Network issued a $300 million fixed rate Medium-Term Note (referred to as Network AMTN 9) under its AMTN programme. The Network AMTN 9 matures in December 2033. Interest rate swaps with a notional amount of $300 million have been executed to swap the fixed rate debt to floating rate debt.

Additionally, the Network Bilateral Facilities maturing January 2026, January 2027 and January 2028 were refinanced in December 2024. The facilities were refinanced into Bilateral Facilities maturing December 2027 with a total facility limit of $1,140 million, an increase of $50 million on existing capacity. The total capacity of the Network Bilateral Facilities, including the facilities maturing October 2028, October 2029 and October 2030 is $1,290 million. At balance date, $740 million was drawn under the Network Bilateral Facilities.

Aurizon Operations Limited (via a wholly owned subsidiary Aurizon Finance Pty Ltd)

The facility limit of the Finance Revolver Loan Facility maturing July 2025 was reduced from $400 million to $150 million following a review of near-term liquidity requirements.

(b) Business acquisition

On 6 December 2024, the Group acquired 100% of the issued shares in Flinders Logistics Pty Ltd for consideration of $26 million. Flinders Logistics Pty Ltd supplies stevedoring, logistics and warehousing services to importers and exporters of bulk commodities at Berths 18 – 20 and Berth 29 at Port Adelaide and Port Pirie (South Australia) and cargo handling services at Port Pirie (South Australia) through its wholly owned subsidiary, Pirie Bulk Pty Ltd. Following the acquisition, the companies have been renamed Aurizon Port Services (SA) Pty Ltd and Aurizon Pirie Logistics Pty Ltd respectively. Refer to note 3 for further information.

Key events and transactions for the reporting period (continued)

(c) On-market share buy-back scheme

The Group is undertaking an on-market share buy-back program. During the period, the Group acquired 67 million shares for total consideration of $229 million.

(d) Comparative period

Key events and transactions affecting the performance of the Group in the comparative period are disclosed within the annual report for the year ended 30 June 2024.

Results for the six months

IN THIS SECTION

Results for the six months provides segment information and a breakdown of individual line items in the condensed consolidated income statement that the Directors consider most relevant.

1 Segment information

The Group determines and presents operating segments on a business unit structure basis as this is how the results are reported internally and how the business is managed. The Managing Director & CEO and the Executive Committee (chief operating decision-makers) assess the performance of the Group based on underlying earnings before net interest, tax, depreciation and amortisation (EBITDA).

The following segment information has been presented for continuing operations only.

(a) Description of reportable segments

The following summary describes the operations of each reportable segment:

Network

This segment manages the provision of access to the Central Queensland Coal Network (CQCN) below rail infrastructure and operation and maintenance of the network.

Coal

This segment provides transport of metallurgical and thermal coal from mines in Queensland and New South Wales to domestic customers and coal export terminals.

Bulk

This segment 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. This segment also manages the Tarcoola-to-Darwin below rail infrastructure, and the intrastate rail freight network in South Australia, and containerised freight services between Adelaide and Darwin.

Other

This segment includes other Containerised Freight related to the 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.

1 Segment information (continued)

(b) Segment information

31 December 2024	**Network $m**	**Coal $m**	**Bulk $m**	**Other $m**	**Total Continuing Operations $m**
External revenue					
Revenue from external customers					
Services revenue					
Track access	459	245	-	-	704
Freight transport	-	659	541	55	1,255
Other services	7	-	3	-	10
Other revenue	16	9	4	6	35
Total revenue from external customers	482	913	548	61	2,004
Internal revenue					
Services revenue					
Track access	249	-	-	-	249
Freight transport	-	-	9	-	9
Other services	5	-	3	-	8
Total internal revenue	254	-	12	-	266
Total external and internal revenue	736	913	560	61	2,270
Other income	-	-	-	19	19
Total revenue and other income	736	913	560	80	2,289
Internal elimination					(266)
Consolidated revenue and other income (Underlying)					2,023
Significant items (note c)					37
Consolidated revenue and other income					2,060
Continuing EBITDA (Underlying)	495	264	84	(29)	814
Depreciation and amortisation	(182)	(103)	(64)	(10)	(359)
Continuing EBIT (Underlying)	313	161	20	(39)	455
Significant items (note c)					37
EBIT					492
Net finance costs					(165)
Profit before income tax from continuing operations					327

1 Segment information (continued)

(b) Segment information (continued)

31 December 2023	Network $m	Coal $m	Bulk $m	Other $m	Total Continuing Operations $m
External revenue					
Revenue from external customers					
Services revenue					
Track access	450	237	-	-	687
Freight transport	-	642	537	22	1,201
Other services	43	-	3	-	46
Other revenue	16	8	6	6	36
Total revenue from external customers	509	887	546	28	1,970
Internal revenue					
Services revenue					
Track access	244	-	-	-	244
Freight transport	-	-	9	-	9
Other services	5	-	4	-	9
Total internal revenue	249	-	13	-	262
Total external and internal revenue	758	887	559	28	2,232
Other income	-	-	-	2	2
Total revenue and other income	758	887	559	30	2,234
Internal elimination					(262)
Consolidated revenue and other income					1,972
Continuing EBITDA (Underlying)	486	283	112	(34)	847
Depreciation and amortisation	(174)	(104)	(60)	(4)	(342)
Continuing EBIT (Underlying)	312	179	52	(38)	505
Net finance costs					(164)
Profit before income tax from continuing operations					341

1 Segment information (continued)

(c) Significant items

The Group's underlying results differ from the statutory results. The exclusion of certain items permits a more relevant analysis of the Group's underlying performance on a comparative basis.

	31 December 2024 $m	31 December 2023 $m
Proceeds from settlement of legal matters	**37**	-
Total significant items (continuing operations)	**37**	-

Other income includes proceeds from the settlement of legal matters. $37 million, representing the majority of the proceeds, has been classified as a significant item being the amount net of total costs incurred by the Group in relation to the matters.

2 Income tax

Statutory income tax expense for the Group is $94 million (31 December 2023: $104 million). The statutory effective tax rate for the Group for the six months ended 31 December 2024 is 28.7% (31 December 2023: 30.5%).

3 Business acquisition

(a) Current six months period

(i) Flinders Logistics Pty Ltd

On 6 December 2024, the Group acquired 100% of the issued shares in Flinders Logistics Pty Ltd for consideration of $26 million. Flinders Logistics Pty Ltd supplies stevedoring, logistics and warehousing services to importers and exporters of bulk commodities at Berths 18 – 20 and Berth 29 at Port Adelaide and Port Pirie (South Australia) and cargo handling services at Port Pirie (South Australia) through its wholly owned subsidiary, Pirie Bulk Pty Ltd. Following the acquisition, the companies have been renamed Aurizon Port Services (SA) Pty Ltd and Aurizon Pirie Logistics Pty Ltd respectively. The provisional business combination accounting is conditional on finalisation of completion statement adjustments.

Details of the purchase consideration, the provisional net assets acquired and goodwill are as follows:

	$m
Purchase consideration	**26**

	Fair value $m
Total assets	**38**
Total liabilities	**(19)**
Provisional net identifiable assets acquired	**19**
Add: Provisional goodwill	**7**
Provisional net assets acquired	**26**

The goodwill is attributable to future customer growth and has been allocated to the Bulk cash-generating unit. None of the goodwill is expected to be deductible for tax purposes.

Acquisition costs were expensed to profit of loss. The net cash outflow from investing activities for the business acquisition was $25 million, representing cash paid of $26 million net of cash acquired of $1 million.

Operating assets and liabilities

IN THIS SECTION

Operating assets and liabilities provides information about the working capital of the Group and major balance sheet items.

4 Trade and other receivables

	31 December 2024 $m	30 June 2024 $m
Current		
Trade receivables	**483**	477
Provision for impairment of receivables	**(23)**	(7)
Net trade receivables	**460**	470
Other receivables[1]	**85**	103
	545	573
Non-current		
Trade receivables	**10**	-
Other receivables	**-**	8
	10	8

[1] Other receivables includes revenue for services performed but not yet invoiced under contracts.

As at 31 December 2024, trade receivables of $107 million (30 June 2024: $41 million) were past due date.

Capital management

IN THIS SECTION

Capital management provides information about the capital management practices of the Group and shareholder returns for the six-month period and the Group's fair value disclosure for financial instruments.

5 Dividends

	Cents per Share	$m
Declared and paid during the period		
For the six months ended 31 December 2024		
Final dividend for 2024 (60% franked)	**7.3**	**134**
For the six months ended 31 December 2023		
Final dividend for 2023 (60% franked)	8.0	147
Proposed and unrecognised at period end		
For the six months ended 31 December 2024		
Interim dividend for 2025 (60% franked)	**9.2**	**164**
For the six months ended 31 December 2023		
Interim dividend for 2024 (60% franked)	9.7	179

6 Contributed equity

(a) Issued capital

	Number of shares '000	Issued capital $m	Other contributed equity $m	Total $m
At 1 July 2023	1,840,704	207	3,467	3,674
At 31 December 2023	1,840,704	207	3,467	3,674
At 1 July 2024	**1,840,704**	**207**	**3,467**	**3,674**
On-market share buy-back	**(67,470)**	**-**	**(229)**	**(229)**
At 31 December 2024	**1,773,234**	**207**	**3,238**	**3,445**

During the period, the Company acquired 67 million shares for total consideration of $229 million which has been deducted from other contributed equity and the ordinary shares are cancelled.

7 Borrowings

	31 December 2024 $m	30 June 2024 $m
Current - Unsecured		
Medium-Term Notes	-	799
Bank debt facilities	80	155
	80	954
Non-current - Unsecured		
Medium-Term Notes	2,756	2,255
US Private Placement Notes	832	791
Syndicated Institutional Term Facility	385	385
Bank debt facilities	1,090	525
Other borrowings	6	6
Capitalised borrowing costs	(18)	(19)
	5,051	3,943
Total borrowings	5,131	4,897

The Group's bank debt facilities and US Private Placement Notes (USPP) contain financial covenants. The bank debt facilities, Medium-Term Notes, and USPP contain general undertakings including negative pledge clauses which restrict the amount of security that the Group can provide over assets in certain circumstances. The Group has complied with all required covenants and undertakings throughout the reporting period.

7 Borrowings (continued)

Financing arrangements

The table below summarises the financing arrangements the Group had access to at the end of the period. The facilities are unsecured.

Refer to key events and transactions for the reporting period for further information on the Group's debt financing activities.

	Maturity	Utilised[1] 31 December 2024 $m	Utilised[1] 30 June 2024 $m	Facility limit 31 December 2024 $m	Facility limit 30 June 2024 $m
Aurizon Finance Pty Ltd					
Working capital facility	Jun-25	**87**	115	**125**	125
Bilateral facility	Nov-25	**-**	-	**75**	75
Bilateral facility	Jul-26	**150**	130	**465**	465
Revolver loan facility	Jul-25	**-**	-	**150**	400
Term loan facility	Jul-27	**200**	200	**200**	200
Finance AMTN 1	Mar-28	**500**	500	**500**	500
Finance USPP	Jul-30	**197**	197	**197**	197
Finance USPP	Jul-33	**153**	153	**153**	153
Finance USPP	Jul-34	**50**	50	**50**	50
Finance USPP	Jul-35	**103**	103	**103**	103
		1,440	1,448	**2,018**	2,268
Aurizon Network Pty Ltd					
Working capital facility	Jun-25	**26**	73	**75**	75
Bilateral facility[2]	Jan-26	**-**	105	**-**	575
Bilateral facility[2]	Jan-27	**-**	40	**-**	310
Bilateral facility[2]	Jan-28	**-**	-	**-**	205
Bilateral facility[2]	Dec-27	**690**	-	**1,140**	-
Bilateral facility	Oct-28	**50**	50	**50**	50
Bilateral facility	Oct-29	**-**	-	**50**	50
Bilateral facility	Oct-30	**-**	-	**50**	50
Revolver loan facility	Dec-28	**-**	-	**115**	115
Term loan facility	Dec-28	**145**	145	**145**	145
Term loan facility	Dec-29	**240**	240	**240**	240
Network AMTN 3	Mar-30	**82**	82	**82**	82
Network AMTN 4	Sep-30	**500**	500	**500**	500
Network AMTN 5	Dec-31	**75**	75	**75**	75
Network AMTN 6	Dec-32	**80**	80	**80**	80
Network AMTN 7	Dec-34	**120**	20	**120**	20
Network AMTN 8	Sep-31	**350**	350	**350**	350
Network AMTN 9	Dec-33	**300**	-	**300**	-
Network EMTN 1	Sep-24	**-**	711	**-**	711
Network EMTN 2	Jun-26	**778**	778	**778**	778
Network EMTN 3	May-34	**68**	68	**68**	68
Network USPP	Jun-33	**184**	184	**184**	184
Network USPP	Jun-35	**122**	122	**122**	122
		3,810	3,623	**4,524**	4,785
Total Group financing arrangements		**5,250**	5,071	**6,542**	7,053

[1] Amount utilised includes bank guarantees of $33 million (30 June 2024: $33 million) and excludes capitalised borrowing costs of $18 million (30 June 2024: $19 million), discounts on AMTNs and EMTNs of $4 million (30 June 2024: $4 million) and accumulated fair value adjustments on AMTNs, EMTNs and USPPs of $72 million (30 June 2024: $124 million).The facilities above exclude the Term Loan Facility with The AustralAsia Railway Corporation in connection with the Tarcoola-to-Darwin Concession Deed. The fair value of the Term Loan Facility is $6 million (30 June 2024: $6 million).

[2] The Network Bilateral Facilities maturing January 2026, January 2027 and January 2028 were amended in December 2024. The facilities were combined into Bilateral Facilities maturing December 2027 with a total facility limit of $1,140 million, an increase of $50 million on existing capacity.

8 Financial instruments

(a) Fair value measurements

The carrying amount of cash and cash equivalents and non-interest bearing financial assets and liabilities approximates the fair value amount. The fair value of borrowings carried at amortised cost is $5,558 million (30 June 2024: $4,768 million).

The fair value of borrowings is estimated by discounting future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. The market interest rates were determined to be between 5.2% and 8.2% (30 June 2024: 4.8% and 8.2%) depending on the type of facility.

The Group measures the fair value of financial instruments using market observable data where possible. Fair values are categorised into three levels with each of these levels indicating the reliability of the inputs used in determining fair value. The levels of the fair value hierarchy are:

Level 1: Quoted prices for an identical asset or liability in an active market
Level 2: Directly or indirectly observable market data
Level 3: Unobservable market data.

The fair value of forward exchange contracts are determined as the unrealised gain/(loss) with reference to market rates. The fair value of interest rate swaps is determined as the net present value of contracted cash flows. The existing exposure method, which estimates future cash flows to present value using credit adjusted discount factors after counterparty netting arrangements, has been adopted for both forward foreign exchange contracts and interest rate swaps.

The fair value of cross-currency interest rate swaps is determined as the net present value of contract cash flows. The future probable exposure method is applied to the estimated future cash flows to reflect the credit risk of the Group and relevant counterparties.

The Group's derivative financial instruments are classified as Level 2 (30 June 2024: Level 2). During the interim reporting period to 31 December 2024, there were no transfers between Level 1, Level 2 or Level 3 in the fair value hierarchy (30 June 2024: nil).

	31 December 2024 $m	30 June 2024 $m
Current assets		
Foreign exchange contracts	**1**	-
Cross-currency interest rate swaps	**-**	87
	1	87
Non-current assets		
Interest rate swaps	**19**	42
Cross-currency interest rate swaps	**61**	-
	80	42
Total derivative financial instrument assets	**81**	129
Non-current liabilities		
Interest rate swaps	**157**	180
Cross-currency interest rate swaps	**-**	56
	157	236
Total derivative financial instrument liabilities	**157**	236

Other notes

IN THIS SECTION

Other notes provides information on other items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements, however are not considered critical in understanding the financial performance of the Group.

9 Summary of significant accounting policies

The accounting policies adopted in the preparation of this consolidated interim financial report are consistent with those of the previous financial year except for the adoption of new and amended standards as set out below. These policies have been consistently applied to both periods presented, unless otherwise stated.

(a) New and amended standards adopted by the Group

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

10 Critical accounting estimates and judgements

The preparation of the interim financial report requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions of assets, liabilities, income and expense.

The areas involving a higher degree of judgement or complexity are consistent with those disclosed in the annual report for the year ended 30 June 2024 except as outlined below.

Impairment test for goodwill

The Bulk CGU 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. Bulk also manages the Tarcoola-to-Darwin rail infrastructure, the intrastate rail freight network in South Australia, and containerised freight services between Adelaide and Darwin. The Bulk CGU is allocated goodwill of $57m (30 June 2024: $50m).

The Bulk CGU has a carrying amount of $2,209 million (30 June 2024: $2,143 million) and primarily includes infrastructure, rollingstock, other property, plant and equipment, goodwill and working capital. The recoverable amount of the Bulk CGU has been determined based on a fair value less costs of disposal calculation. The estimate uses a 10-year cash flow projection based on a pipeline of known opportunities in the first four years and estimated volume growth rates between nil and 3.4% per annum in the latter six years, an estimated cost of carbon for an ACCU, a long-term growth rate of 2.5% and a post-tax discount rate of 8.4%.

The recoverable amount of the CGU supports the carrying amount, therefore no impairment or impairment reversal has been recognised. The recoverable amount of the Bulk CGU is sensitive to changes in discount rate, current contractual arrangements, transformation initiatives and future growth opportunities. Should contracts with customers not be renewed, or customers cease to operate before the expected end-of-mine life, it may lead to a future material impairment of the Bulk CGU. Additionally, if the timing of future growth opportunities is delayed, or forecast growth in volumes or transformation initiatives are not achieved, it may lead to a future material impairment of the Bulk CGU.

Unrecognised items and events after reporting date

IN THIS SECTION

Unrecognised items provide information about items that are not recognised in the financial statements but could potentially have a significant impact on the Group's financial position and performance. This section also includes events occurring after the reporting date.

11 Commitments and contingencies

Issues relating to common law claims, product warranties and regulatory breaches are dealt with as they arise. There have been no material changes in contingent assets or liabilities since 30 June 2024.

At 31 December 2024, the Group has capital commitments contracted but not provided for in respect of the acquisition of property, plant and equipment of $144 million (30 June 2024: $149 million) which are due within one year, $4 million (30 June 2024: $25 million) which are due between one and five years and $14 million (30 June 2024: $14 million) which are due after five years.

12 Events occurring after the reporting period

No matter or circumstance, other than those matters disclosed in key events and transactions for the period, has occurred subsequent to the interim reporting period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, the state of affairs of the Group or economic entity in subsequent reporting periods.

In the opinion of the Directors of the Company:

(a) the interim financial statements and notes set out on pages 15 to 37 are in accordance with the *Corporations Act 2001*, including:

 (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and

 (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the six months ended on that date, and

(b) there are reasonable grounds to believe that Aurizon Holdings Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*.

Tim Poole

Tim Poole
Chairman

Brisbane
17 February 2025

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Independent Auditor's Review Report to the members of Aurizon Holdings Limited

Conclusion

We have reviewed the interim financial report of Aurizon Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated balance sheet as at 31 December 2024, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 15 to 38.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying interim financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Interim financial report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Matthew Donaldson
Partner
Chartered Accountants

Brisbane, 17 February 2025

Non-IFRS Financial Information related to the FY2025 Interim Financial Report

In addition to using profit as a measure of the Group and its segments' financial performance, Aurizon uses EBITDA (Statutory and Underlying), EBITDA margin (Statutory and Underlying), EBIT (Statutory and Underlying), NPAT Underlying, Return On Invested Capital (ROIC), Net debt and Net gearing ratio. These measurements are not defined under IFRS and are, therefore, termed 'Non-IFRS' measures.

EBITDA – Statutory is Group profit before net finance costs, tax, depreciation and amortisation, while EBIT – Statutory is defined as Group profit before net finance costs and tax. Underlying can differ from Statutory due to exclusion of significant items that permits a more appropriate and meaningful analysis of the underlying performance on a comparative basis. EBITDA margin is calculated by dividing underlying EBITDA by total revenue. These measures are considered to be useful measures of the Group's operating performance because they approximate the underlying operating cash flow by eliminating depreciation and amortisation.

NPAT– Underlying represents the underlying EBIT less finance costs, tax expense and the tax impact of significant items.

ROIC is defined as underlying rolling 12-month EBIT divided by average invested capital. Average invested capital is calculated as the rolling 12-month average of net assets (excluding cash, borrowings, tax, derivative financial assets and liabilities, and assets and liabilities held for sale). This measure is intended to ensure there is alignment between investment in infrastructure and superior returns for shareholders.

Net debt consists of borrowings (both current and non-current) less cash and cash equivalents. Net debt excludes lease liabilities. Net gearing ratio is defined as Net debt divided by Net debt plus Equity. Net debt and Net gearing ratio are measures of the Group's indebtedness and provides an indicator of the balance sheet strength. An alternative Net debt and Net gearing ratio are also disclosed to include derivative financial instruments used to hedge market risk on borrowings.

These above mentioned measures are commonly used by management, investors and financial analysts to evaluate companies' performance.

A reconciliation of the Non-IFRS measures and specific items to the nearest measure prepared in accordance with IFRS Accounting Standards is included in the table. The Non-IFRS financial information contained within this Directors' report and Notes to the Financial Statements have not been audited in accordance with Australian Auditing Standards.

	Six months ended 31 December 2024 $m	Six months ended 31 December 2023 $m
NPAT – Underlying	**205**	237
Significant items, net of tax	**28**	-
NPAT – Statutory	**233**	237
Income tax expense	**94**	104
Profit before income tax	**327**	341
Net finance costs	**165**	164
EBIT – Statutory	**492**	505
Add back significant items:		
- Proceeds from settlement of legal matters	**(37)**	-
EBIT – Underlying	**455**	505
Depreciation and amortisation	**359**	342
EBITDA – Underlying	**814**	847
Average invested capital (continuing operations)	**10,344**	10,249
ROIC (continuing operations)[1]	**8.4%**	9.0%

Net Gearing Ratio	**31 December 2024 $m**	30 June 2024 $m
Total borrowings	**5,131**	4,897
Less: cash and cash equivalents	**(46)**	(49)
Net debt	**5,085**	4,848
Total equity	**4,294**	4,438
Total capital	**9,379**	9,286
Net Gearing Ratio	**54.2%**	52.2%

Alternative Net Gearing Ratio	**31 December 2024 $m**	30 June 2024 $m
Net debt	**5,085**	4,848
Accumulated fair value adjustments	**72**	124
Alternative Net debt	**5,157**	4,972
Total equity	**4,294**	4,438
Total capital	**9,451**	9,410
Alternative Net Gearing Ratio	**54.6%**	52.8%

[1] ROIC is calculated on a rolling twelve-month underlying EBIT of $868 million (1HFY2025 $455 million; 2HFY2024 $413 million).