ASX Announcement

Date: 17 February 2025

Aurizon announces Half Year FY2025 results

Safety performance

- **Actual and Potential Serious Injury and Fatality Frequency Rate improved by 29%**
- **Total Recordable Injury Frequency Rate deteriorated by 9%**

Financial and operational performance

- **Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of $814 million, 4% lower than prior comparable period (PCP)**
- **Above-rail Coal volumes up 6%; Network volumes up 3%; Bulk volumes down 19% on PCP**
- **Interim dividend of 9.2 cents per share, 60% franked**
- **Further $50m extension to the on-market buy-back, now up to $300 million[1]**
- **Group Underlying EBITDA and sustaining/growth capex ranges all maintained for FY2025, although each expected to be at the lower end of their respective range.**

Results Summary

Underlying continuing operations unless otherwise stated

$m	1HFY2025	1HFY2024	Variance
Revenue and other income	2,023	1,972	3%
EBITDA	814	847	(4%)
EBITDA Statutory[2]	851	847	-
NPAT	205	237	(14%)
NPAT Statutory[2]	233	237	(2%)
Free cashflow[3]	237	256	(7%)
EPS (cps)	11.3	12.9	(12%)
EPS Statutory (cps)[2]	12.8	12.9	(1%)
ROIC	8.4%	9.0%	(0.6ppt)
DPS (cps)	9.2	9.7	(5%)

[1] Aurizon announced an on-market buy-back of $150m in August 2024. In November 2024, Aurizon announced an extension of the on-market buy-back of $100m (taking total to $250m). As at 14 February 2025, $229m of the buy-back has been completed (92% of $250m) with a cancellation of 67,470,250 shares. As at 14 February 2025, the total (quoted) shares on issue is 1,773,233,732.
[2] 1HFY2025 Statutory EBITDA, NPAT and EPS includes significant items related to proceeds from the settlement of legal matters ($37m pre-tax, $28m post-tax).
[3] 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).

Aurizon today reported Group EBITDA of $814 million for the half year ended 31 December 2024. This is down 4% against the prior comparable period (1HFY2024 of $847 million) primarily due to:

- Network EBITDA increased $9 million to $495 million in 1HFY2025, driven by an uplift in the Maximum Allowable Revenue, partly offset by a reduction in external construction works and higher maintenance costs,
- Coal EBITDA decreased $19 million to $264 million with coal volumes up 6% and contract rate indexation more than offset by the impact of customer mix (lower yield) and higher operating costs,
- Bulk EBITDA decreased $28 million to $84 million with new contract growth (including Northern Iron and Gold Valley) 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 Aurizon Board has declared an interim dividend payment of 9.2 cents per share, 60% franked, which is 80% of Underlying Net Profit After Tax. The dividend will be paid on 26 March 2025 to shareholders on the register at the record date of 4 March 2025.

Safety

Aurizon uses two primary safety metrics to measure safety performance: Total Recordable Injury Frequency Rate (TRIFR) and Actual and Potential Serious Injury and Fatality Frequency Rate (SIFR(a+p)). In 1HFY2025, TRIFR deteriorated by 9% and SIFR(a+p) improved by 29%.

On 2 December 2024, an Aurizon locomotive driver, Troy Ernst was tragically killed in a road vehicle accident on the New England Highway in the Hunter Valley, NSW. The Aurizon vehicle he was driving was struck by a truck. This incident is under investigation by New South Wales Police, who will prepare a report for the coroner.

Commentary from Managing Director & CEO, Andrew Harding

“Today’s results underline the continuing strength of Aurizon's two largest business units, Network and Coal. Both business are performing solidly and broadly in-line with expectations in the first half.

These businesses are leveraged to the ongoing demand for high-quality Australian coal on global markets. India remains Australia's largest trading partner for steel-making coal and is expected to be the largest driver of demand over the coming decades.

The strong cash flow generated by Network and Coal has supported investment in recent years in our two growth-focussed businesses, Bulk and Containerised Freight and in the building of capacity to capture emerging opportunities in these markets.

Our Bulk business is leveraged to global demand for Australian commodities such as base metals, grain and magnetite. In particular, we see significant opportunities in resources and agriculture in South Australia and the Northern Territory which is serviced by the Tarcoola-to-Darwin rail line we acquired in 2022.

For Containerised Freight, we are leveraged to Australian GDP growth and seeing container traffic volumes increase on our national interstate services.

In addition, since mid-November regular vessels with land-bridging freight from Asia are arriving in Darwin for transhipping to Aurizon rail services. This is a significant milestone in our land-bridging initiative, first outlined to the market in mid-2023. Aurizon is working with global shipping line ANL[4] and we are now seeing vessels arriving on a more frequent basis. The focus remains on building volume, with an efficient, alternate supply chain that has the potential to deliver material time savings for customers.”

Actions in progress

In response to market dynamics including economic conditions and customer demand, inflation and cost base in addition to the competitive environment, the following actions are in progress:

[4] Australian National Line (ANL), part of the CMA CGM Group

- Bulk freight reviews have been completed in East and West which have identified cost and fleet optimisation opportunities that are currently being implemented

- Non-operational cost base is currently being assessed, targeting additional efficiency improvements for implementation during the 2025 calendar year

- A review of the Group's capital and Network ownership structures will take place with the outcome reported during the 2025 calendar year

- Capital focused on Network, Central corridor and the extension of the on-market buy-back.

Outlook for FY2025

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

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

Key assumptions

- **Network**: EBITDA expected to be higher than FY2024 with an increase in the regulated revenue, partially offset by lower external construction works and higher maintenance costs (to be recovered in two years[5]) *Volumes in first six weeks of 2HFY2025 down 3.0mt (-14%) compared to the prior year*
- **Coal:** EBITDA expected to be broadly consistent with FY2024, with higher volumes being offset by the normalisation (lower) of yield (due to customer/corridor mix) and higher traincrew and maintenance costs. *Volumes in first six weeks of 2HFY2025 down 0.5mt (-2.5%) compared to the prior year*
- **Bulk**: Despite step-up in 2HFY2025 (compared with 1HFY2025), full year EBITDA now expected to be lower than FY2024
- **Other:** Improvement on FY2024 expected, driven by a portion of the settlement of legal matters
- No significant disruptions to supply chains and customers (such as major derailments, extreme/prolonged wet weather or any additional doubtful debt provisions).

Analyst and investor briefing

Today (17 February): 9.30am Brisbane time (AEST) / 10.30am Sydney/Melbourne time (AEDT)

Link: https://ccmediaframe.com/?id=WUNCoAmZ

For more information:

Investors:
James Coe
+61 407 644 475

Media:
Mark Hairsine
+61 418 877 574

[5] Subject to the usual regulatory revenue cap mechanism