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ASX Announcement

26 February 2024

2023 Full Year Financial Results

Dalrymple Bay Infrastructure Limited (ASX:DBI) ('DBI' or 'the Company') is pleased to announce its results for the twelve months ended 31 December 2023 (FY-23).

FY-23 Results

- Total Income[1] of $654.8m, with Terminal Infrastructure Charge Revenue of $278.8m
- Statutory net profit after tax of $73.9m
- Reported Borrowings of $2,096.7m[2] at 31 December 2023 with investment grade balance sheet maintained
- FY-23 distribution of 20.80 cents per security, in line with guidance

Highlights

- Terminal Infrastructure Charge (TIC) for TY-23/24[3] of $3.44 per tonne, an 8.4% increase on TY-22/23
- Commenced $280m major Non-Expansionary Capital Expenditure (NECAP) Projects which will earn a return on and a return of capital investment, driving future revenue growth
- Raised AUD$530m of 10-, 12- and 15-year fixed rate senior secured notes with bullet maturities in the US Private Placement (USPP) market, extending DBI's debt tenor to 7.7 years. Funds raised were used to repay drawn debt and will be used to meet upcoming maturities
- In May 2023, provided distribution guidance for the TIC year commencing 1 July 2023 of 21.5 cents per security, reflecting a 7.0% increase on comparative prior period, payable in quarterly distributions
- Q4-23 distribution of 5.375 cents per security, in line with guidance, to be paid on 19 March 2024
- Mr Michael Riches appointed as CEO commencing 4 March 2024

Operational Performance

- Dalrymple Bay Terminal (DBT) shipped 61.1Mt of coal in FY-23 (53.3Mt in FY-22), of which 71% was metallurgical coal (76% in FY-22)
- Coal was shipped to more than 20 countries, with the key destinations of Japan, South Korea, India, South East Asia and Europe accounting for 77% of exports (84% in FY-22)
- DBT exported 5.8Mt of coal to China in FY-23 (0Mt in FY-22) and 5.1Mt to Vietnam (2.5Mt in FY-22)
- Whole of site AIFR of 5.89[4].

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[1] Includes Interest income

[2] Excluding the loan notes attributable to securityholders and capitalised loan establishment costs of $10.3 million.

[3] TY is the TIC year commencing on 1 July and ending on 30 June (i.e. TY-23/24 is 1 July 2023 to 30 June 2024).

[4] All Injury Frequency Rate (AIFR) for the 12 month period to 31 December 2023 and includes all DBI employees and contractors (including Principal Contractors) and the Operator's employees and contractors

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Dalrymple Bay Infrastructure Acting CEO, Stephanie Commons said:

> *"DBI's financial performance in FY-23 highlights the stability and predictability of our business.*
>
> *The increase in the Terminal Infrastructure Charge for TY-23/24 reflects our robust access pricing framework and the ability of our business to navigate and prosper amongst inflationary pressures.*
>
> *Our access pricing framework provides significant cash flow certainty for our business which allows DBI to plan with confidence over the medium to longer term as we implement our organic growth projects and pursue our transition strategy.*
>
> *With the Dalrymple Bay Terminal positioned as critical link in the global steel making supply chain, our robust balance sheet and our predictable earnings stream, DBI remains well positioned to continue to deliver stable returns for our shareholders."*

Distributions

The Company has today announced a Q4-23 distribution of 5.375 cents per security, taking the total announced distributions for FY-23 to 20.80 cents per security, in line with guidance. The Q4-23 distribution will have a record date of 1 March 2024 and a payment date of 19 March 2024. The distribution will be paid as a fully franked dividend of 3.665 cents per security and a partial repayment of the outstanding principal of each loan note stapled to each of DBI's ordinary shares of 1.710 cents per security.

On 24 May 2023, DBI announced distribution guidance for the year commencing 1 July 2023 (TIC Year TY-23/24) totaling 21.5 cps, a 7% uplift over TY-22/23. DBI re-affirms its distribution per security growth target of 3-7% per annum for the foreseeable future, subject to business developments and market conditions.

Forecast distributions for the remainder of TY-23/24 are expected to comprise dividends on DBI's ordinary shares and partial repayments of loan notes attaching to DBI's stapled securities.

Financial Review

During the period, the Group made a net operating profit after income tax of $73.9m (FY-22 $69.0m).

$ million	FY-23 Statutory Results	FY-22 Statutory Results
TIC revenue	278.8	281.7
Handling revenue	320.9	297.4
Revenue from capital works performed	42.4	44.7
Total revenue[5]	**642.1**	**623.8**
Terminal operator's handling costs	(320.9)	(297.4)
G&A expenses (excluding IPO Transaction Costs)[6]	(17.5)	(17.5)
Capital work costs	(42.4)	(44.7)
G&A expenses (IPO Transaction Costs)	-	3.6
EBITDA (non-statutory)[7]	**261.3**	**267.8**
Net finance costs[8]	(109.9)	(116.3)
Depreciation and amortisation	(40.0)	(39.5)
Profit before tax	111.4	112.0
Income tax expense	(37.5)	(43.0)
Net profit after tax	**73.9**	**69.0**

[5] The difference between Total Revenue and Total Income is interest income as shown in the financial statements.

[6] "G&A Expenses" means general and administrative expenses. IPO Transaction Costs are detailed in note 30 to DBI's Financial Report for the year ended 31 December 2020 released to the ASX on 26 February2021 and described in the Prospectus (as released to the ASX on December 2020) as "Transaction Costs"

[7] Earnings Before Interest, Tax, Depreciation and Amortisation

[8] Includes Interest expense and fair value adjustments on Stapled Loan Notes and is shown net of interest income.

When comparing statutory results for FY-23 to the comparative FY-22 period:

- The negotiation of access charges applicable for the period from 1 July 2021 to 30 June 2031 under the light handed regulatory framework was completed on 10 October 2022. The TIC revenue for FY-22 included an adjustment payment of $22.9m attributable to the period 1 July 2021 to 31 December 2021; and
- Net finance costs have decreased by $6.4m as a result of a decrease in the non-cash finance costs of $19.0m offset by an increase in interest on external borrowings (net of interest income) of $12.6m.

Balance Sheet

Liquidity in the Group as at 31 December 2023 comprised $480m in undrawn bank facilities (31 December 2022: $480.0m), and $422.8m unrestricted cash at bank and term deposits (31 December 2022: $168.3m).

The Group's debt book comprises bank debt and fixed rate bonds, with a weighted average tenor at 31 December 2023 of 7.7 years (31 December 2022: 6.4 years) [9].

As at 31 December 2023, total reported borrowings were $2,096.7m (excluding the loan notes attributable to securityholders and adding back capitalised borrowing costs of $10.3m) and non-statutory drawn debt was $2,159.3m (31 December 2022 reported borrowings of $1,966.3m, excluding the loan notes attributable to securityholders and adding back capitalised borrowing costs of $7.3m, and non-statutory drawn debt of $1,928.1m). [10]

Currency exposure on USD-denominated USPP notes is 100% hedged under cross currency interest rate swaps (CCIRS) transacted at the time of raising the USD debt. These CCIRS are hedged for the life of the foreign currency borrowings, removing sensitivity to foreign exchange movements for both interest and principal.

$ million	Statutory 31 December 2023	Non-statutory[1] 31 December 2023	Statutory 31 December 2022	Non-statutory[1] 31 December 2022
Short Term Debt				
Bank Facilities	-	-	-	-
Note Facilities	448.0	337.6	439.3	298.9
Long Term Debt				
Note Facilities	1,648.7	1,821.7	1,527.0	1,629.2
Total Borrowings[2]	**2,096.7**	**2,159.3**	**1,966.3**	**1,928.1**
Unrestricted Cash at Bank	42.8	42.8	168.3	168.3
Term Deposits	380.0	380.0	-	-
Total net debt[3]	**1,673.9**	**1,736.5**	**1,798.0**	**1,759.8**

Notes:

1. USD borrowings expressed in AUD at the exchange rate per the cross-currency interest rate swaps transacted at the time of raising the USD debt.
2. Total statutory borrowings exclude loan establishment costs of $10.3m for 31 December 2023 (31 December 2022: $7.3m).
3. Total net debt is total borrowings less unrestricted cash at bank and term deposits

[9] Weighted average tenor is based on drawn debt at 31 December 2023 compared to drawn debt at 31 December 2022.

[10] Non-statutory debt uses the foreign currency exchange rate per the CCIR swaps to translate USD denominated debt to AUD.

Organic Growth

Organic growth at DBI will be driven via the NECAP program. DBI expects to invest in excess of $500m in NECAP projects over the decade to 2031.

On 19 April 2023, DBI announced that its wholly-owned subsidiary, DBIM, will proceed with $280m in major NECAP projects over the next few years as it continues to invest in sustaining capital to meet capacity commitments to its customers.[11] DBIM is proceeding with the design and construction of a new Shiploader (SL1A) and a new reclaimer (RL4) to replace existing machinery.[12] Both SL1A and RL4 projects commenced in H1-23 and will take approximately three to four years to complete. SL1A is expected to cost approximately $165m, with RL4 expected to cost approximately $116m.

DBI earns a return on and a return of NECAP expenditure, with the TIC adjusted each 1 July to account for NECAP projects commissioned during the previous 12 months. Consistent with DBI's historical approach to NECAP funding, the projects are planned to be funded through a combination of existing debt capacity and internal funds from operations. Under the terms of the pricing agreements with DBT Users,[13] DBI is entitled to levy a NECAP Charge by which NECAP will earn:

- A return on the cumulative capital investment in commissioned NECAP at the prevailing 10 Year Australian Government Bond rate plus a fixed margin;
- A return of the capital investment in commissioned, which ensures the relevant capital deployed by the Company is recovered over time; and
- A return on and a return of the interest during construction (IDC).[14]

Accordingly, while NECAP is sustaining capital, it also provides an opportunity to grow revenue organically over time.

Outlook

The Company will continue to deliver stable and predictable cashflows via its long-term take-or-pay contracts and seek to maintain an investment grade balance sheet. Key strategic priorities over the next 12 months include:

- Delivering organic revenue growth through the implementation of approved NECAP Projects;
- Progressing opportunities to capture long-term Bowen Basin metallurgical coal production including via our continued economic assessments of the 8X Project, as part of the FEL3 studies;
- Identifying opportunities for diversification that align with DBI's Transition Strategy;
- Delivering whole-of-terminal ESG and sustainability initiatives;
- Retaining an investment grade credit rating through optimisation of the debt capital structure – tenor, pricing and diversity of source; and
- Continuing to advance concept studies aimed at understanding the potential for development of a regional hydrogen production, storage and export facility located within the vicinity of DBT.

-ENDS-

Authorised for release by the Board of Dalrymple Bay Infrastructure Limited

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[11] Refer previous announcements: *DBI to proceed with $280m in Major NECAP Projects* dated 19 April 2023

[12] NECAP Projects are subject to the prudency procedures under the 2021 Access Undertaking (AU) which require DBIM to seek Access Holder approval or alternatively a NECAP Prudency Ruling from the QCA in order to be included in the NECAP Charge. DBIM has secured unanimous User approvals under section 12.10(b)(Presumed prudency of NECAP) of the AU in respect of SL1A and RL4.

[13] DBIM provides the services at Dalrymple Bay Terminal. DBIM reached commercial agreement with all of its existing customers under the light-handed regulatory framework in October 2022 for the period 1 July 2021 to 30 June 2031. For further detail, refer previous ASX announcement: DBI Announces 10 Year Pricing Agreements and Significant Increase in Distribution Guidance dated 11 October 2022

[14] IDC is calculated from the commencement of capital spend until the commissioning of the relevant project. IDC accrues and compounds on the accumulating spend at the prevailing 10 Year Australian Government Bond rate plus a fixed margin.

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About Dalrymple Bay Infrastructure

Dalrymple Bay Infrastructure (DBI) through its foundation asset, the Dalrymple Bay Terminal (DBT), aims to provide safe and efficient terminal infrastructure and services for producers and consumers of high quality Australian coal exports. DBT, as the world's largest metallurgical coal export facility, serves as a global gateway from the Bowen Basin and is a critical link in the global steelmaking supply chain. By providing operational excellence and options for capacity expansions to meet expected strong export demand, DBI intends to deliver value to security holders through distributions, ongoing investment and capital growth. dbinfrastructure.com.au

Forward Looking Statements

This announcement contains certain forward-looking statements with respect to the financial condition, operations and business of the Company and certain plans and objectives of the management of DBI. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "believes", "estimates", "anticipates", "expects, "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Such forward looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of the Company to be materially different from the results or performance expressed or implied by such forward looking statements. Actual results may materially vary from any forecasts in this announcement. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of DBI, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this announcement. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this announcement nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.