



21 November 2024

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ASX Announcement

Chairman's Address and Managing Director's Presentation – 2024 AGM

Attached are the:

- Chairman's Address; and
- Managing Director's Presentation,

in respect of the annual general meeting of Qube Holdings Limited to be held today.

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Chairman's Address

By continuing to deliver on its vision and strategy, Qube achieved another strong financial performance in FY24.

The business continued to expand into new geographies, services, products and customers. At the same time, Paul and his management team effectively managed ongoing cost pressures and areas of labour shortage, as well as adverse weather that impacted some of our operations.

Safety

Before I detail some of the financial highlights for the year, I do want to spend a moment on safety.

The safety of our people and our operations is an absolute priority for your board and for the Qube management team.

While the business has a strong safety culture and achieved some positive improvements in our safety performance during the year, regrettably this was marred by two fatalities.

As I informed shareholders at last year's AGM, the first was the death of an employee at our forest harvesting operation in South Australia, which occurred in September last year.

And the second was an employee of a third-party contractor who died in an incident at a Victorian level crossing in December.

Both were terrible events and a tragedy for the friends, families and colleagues of the men involved - and for all of us at Qube.

I informed shareholders at last year's meeting that the incident in South Australia was the subject of investigations, including by SafeWork SA. I can advise that SafeWork SA subsequently concluded their investigations in July and did not identify any failings in Qube's work, health and safety obligations with respect to this terrible event.

Nevertheless, the business has implemented a number of additional controls for its forestry operations. This is part of our commitment to continuous improvement and includes some industry first technology which we hope will help raise the bar on safety for the entire industry.

Financial performance

Turning now to our financial performance –

- Underlying revenue for the Group grew by around 17% to \$3.5 billion.
- Underlying earnings (EBITA) grew by 13.6% to \$318.4 million; and
- Underlying NPATA increased by 13.2% to \$271.2 million.

The key drivers of this performance included:

- High volumes of container-related activities in the Logistics & Infrastructure business

- Continued high automotive volumes for AAT
- Partial period contributions from the acquisitions completed in the first half of FY24; and
- Strong earnings growth in the Ports & Bulk business unit, with most activities delivering growth in line with or ahead of internal expectations.

The result in that division also benefitted from the full year contribution from the Kalari acquisition.

Qube also benefited from higher NPATA contributions from all of Qube's Associates compared to FY23, with the largest dollar contribution from Qube's investment in Patrick. That business delivered a record result due to a very high market share resulting mainly from industrial issues impacting its largest competitor for part of the period.

Dividend

Reflecting these strong results and Qube's record underlying earnings in FY24, shareholders would be aware that the Board increased the final ordinary dividend to 5.15 cents per share (fully franked).

This brought the full year dividend to 9.15 cents per share (fully franked), which was an increase of 13.0% over the full year dividend in FY23. It also equated to a 60% dividend payout ratio of Qube's FY24 underlying EPSA.

Moorebank

After successful testing and commissioning activities, the Moorebank Logistics Park IMEX Terminal commenced normal automated operations in June 2024.

Qube handled around 24,000 TEU through the IMEX in July 2024 and productivity rates and volumes have continued to ramp in FY25 up as new customers come online and operations are optimised. At current volumes, the IMEX is generating positive cashflow and was also EBITDA positive in Q1 FY25.

Pleasingly, the construction of the MLP Interstate Terminal (Stage 1a) was also largely completed during the year. The Terminal was officially opened by the Prime Minister in April and has now been handed over to the Joint Development Model (JDM) to undertake the ongoing management.

Board renewal

Ensuring the right mix of skills and experience on the Qube Board is a constant area of focus and during the year we were pleased to welcome two new non-executive directors to Qube.

Jill Hoffmann was appointed in December 2023. Jill brings more than 30 years' experience in the energy sector and across a broad range of roles including shipping, operations, supply chain and renewables to the Board. She will speak to you further about her experience later in the meeting.

We also appointed James Fazzino to the Board in February 2024. James brings extensive experience in senior leadership roles across agribusiness, mining, manufacturing and chemical industries to Qube and he will also address the meeting later on.

We also farewelled two directors: Nicole Hollows who resigned in November 2023, and Ross Burney who retired in February after 13 years on the Qube Board. I would again like to thank them both for their service.

Shareholders will also have noticed that Sam Kaplan decided not to renominate for the Board this year and will end his tenure on the Qube board at the of today's meeting.

As a founder of Qube in 2007, Sam has had a long and distinguished association with this business for many years.

Sam joined the Qube Board in 2011 and he has played a significant role in guiding the strategic direction of the business throughout his tenure, including at various times as Chair of Nomination and Remuneration Committee and Chair of the Audit and Risk Management Committee.

While he will continue to be a source of strategic insight and advice, Sam will be missed around the Board table and I thank him for his outstanding services to Qube.

Summary and outlook

To conclude, Paul will shortly provide you with an update on the company's performance during this first quarter of FY25 and our guidance for the year. However, I am pleased to advise that your company is in good shape and well positioned to continue deliver on its vision and strategy to be the leading provider of integrated logistics solutions in Australasia.

While the economic and geopolitical outlook remains uncertain - and the industrial relations environment continues to be challenging - the business enjoys a strong balance sheet and pipeline of organic and inorganic opportunities which will underpin growth across our key markets and geographies.

The diversification of our business and our operations is a significant source of strength and Qube expects to deliver continued underlying earnings growth in FY25), with both the Logistics & Infrastructure and Ports & Bulk business units expected to deliver higher earnings (EBITA).

I thank my Board colleagues for their contributions in FY24 and for their continued support, as well as Paul and his management team and our entire workforce for their commitment to the success of your business.

Thank you also to shareholders for your ongoing support of Qube.



Allan Davies
Chairman, Qube Holdings Limited

21 November 2024

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Managing Director's Presentation

Safety Performance

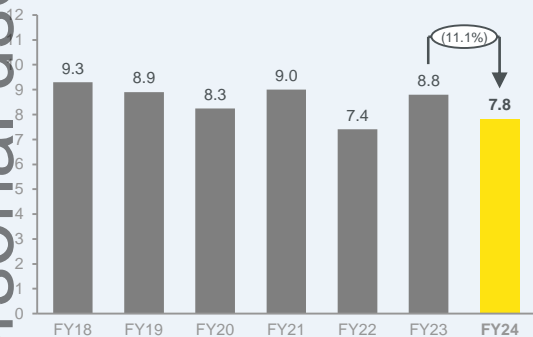
DELIVERED FURTHER IMPROVEMENT IN SAFETY OUTCOMES ACROSS KEY MEASURES

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SAFETY & HEALTH PERFORMANCE

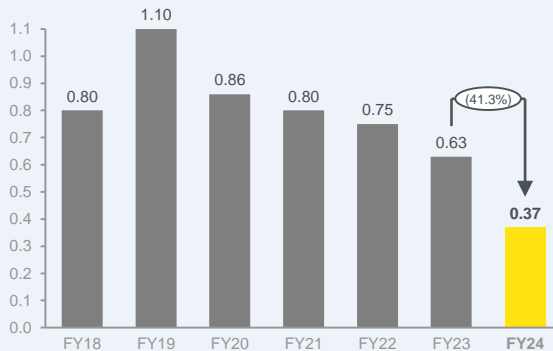
Total Recordable Injury Frequency Rate (TRIFR)

TRIFR is the number of recordable Return to Work, Medical Treatment Injuries and Lost Time Injuries for every million hours worked



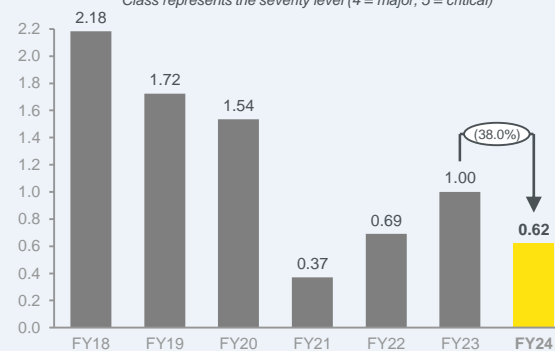
Lost Time Injury Frequency Rate (LTIFR)

LTIFR is the Number of Lost Time Injuries for every million hours worked



Critical Injury Frequency Rate (CIFR)

CIFR is the number of actual Class 4/5 incidents and the number of potential Class 4/5 incidents per million hours worked. Class represents the severity level (4 = major, 5 = critical)



Qube's safety performance improved in the period, with highlights in FY24 including:

- Total Recordable Injury Frequency Rate (TRIFR) decreased by 11.1% in FY24, from 8.8 at the end of FY23 to 7.8 at June 30 2024.
- The Lost Time Injury Frequency Rate (LTIFR) decreased from 0.63 at the end of FY23 to 0.37 at June 30 2024, a 41.3% improvement compared to FY23.
- The Critical Injury Frequency Rate (CIFR), measuring events with actual or potential for one or more fatalities, decreased by 38% from 1.0 to 0.62 reflecting a strengthened focus on critical risk verifications, as part of the critical risk review program.

Qube's safety performance for the year was sadly marred by the death of a Qube employee in an incident at Qube's forestry harvesting operations in South Australia. Post the end of the period, Qube was advised by SafeWork SA that it did not identify any failings in Qube's work, health, and safety obligations under South Australian law with respect to this tragic event.

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QUBE SAFE.





BE WILLING TO SPEAK UP.

When doing things right only, we can become complacent. When things aren't being done safely or properly, complacency will have responsibility to call each other out. It's about getting people to talk. It's about keeping them out of trouble.

QUBE SAFE.  

BE SEEN WALKING YOUR SITE.

Walking your site is a critically important task. It's knowing your team, and their equipment, your responsibilities and your role, and the site. It's being engaged and making matters to them, giving your best, helping to be a team player. Talk it every day.

QUBE SAFE.  

KIA KAHA, KIA MĀIA, KIA MANAWANUI

The more the world and what they mean. Being a team, being a team, being a team. It's all about being a team. To work, to work and to work together and work together. It's about being a team. It's about being a team.

QUBE SAFE.  

BE ACROSS CRITICAL RISKS.

Leaders need to be on top of what's going on at their site. They have a safety responsibility to be on top of what's going on at their site. They have a safety responsibility to be on top of what's going on at their site. They have a safety responsibility to be on top of what's going on at their site.

QUBE SAFE.  

FY24 Highlights

FOURTH CONSECUTIVE PERIOD OF DOUBLE DIGIT EARNINGS PER SHARE GROWTH

KEY FINANCIAL METRICS¹

+16.6%	Statutory Revenue \$3,357.2 million	+17.2%	Underlying Revenue \$3,503.6 million
+23.2%	Statutory EBITA \$337.4 million	+13.6%	Underlying EBITA \$318.4 million
+32.2%	Statutory NPAT \$221.9 million	+14.8%	Underlying NPAT \$258.0 million
+29.4%	Statutory NPATA (NPAT pre-amortisation) ² \$235.2 million	+13.2%	Underlying NPATA (NPAT pre-amortisation) ² \$271.2 million
+29.2%	Statutory EPSA (EPS pre-amortisation) ² 13.3 cents	+13.1%	Underlying EPSA (EPS pre-amortisation) ² 15.3 cents

PERIOD IN REVIEW

- Continued strong financial performance reflects resilience of Qube's business and the multiple organic and inorganic growth options across Qube's markets.
- Results demonstrate an ability to mitigate cost inflation as well as the low correlation of Qube's financial performance to consumer discretionary spending.
- Continued acquisitions to support further diversification and earnings growth.
- Underlying EBITDA and EBITA growth of 14.9% and 13.6%.
- Underlying EPSA up 13.1% to 15.3 cents per share.
- Group ROACE improved to 9.5% (from 9.1% in FY23) - on track to achieve current target of 10%+.
- Continued growth in fully franked dividends with a full year dividend of 9.15 cents per share (fully franked), a 13.0% increase on the ordinary dividend in FY23.

¹ Statutory figures include discontinued operations. A reconciliation of FY24 statutory to underlying results is included in slide 43.








² NPATA is NPAT adjusted for Qube's amortisation and Qube's share of Patrick's amortisation. EPSA is NPATA divided by the fully diluted weighted average number of shares outstanding.

The underlying information referenced throughout this presentation excludes discontinued operations and certain non-cash and non-recurring items in order to more accurately reflect the underlying financial performance of Qube. Income tax expense is based on a prima-facie 30% tax charge on profit before tax and associates. References to 'underlying' information are to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) issued in December 2011. Non-IFRS financial information has not been subject to audit or review.

Qube's Key Markets - FY24 Performance

ATTRACTIVE MARKETS WITH MULTIPLE GROWTH OPTIONS, LOW CORRELATION BETWEEN EARNINGS IN EACH MARKET
SUPPORTS LONG TERM EARNINGS GROWTH WITH REDUCED EARNINGS VOLATILITY

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KEY MARKETS	FY24 FINANCIAL PERFORMANCE	REVENUE DRIVER	MACRO DRIVER	FY24 PERFORMANCE
CONTAINERS	Strong across all key activities (inc transport, container parks and stevedoring) with Patrick having a very high market share and Qube achieving solid volumes ahead of market growth.	# of container movements	Australia GDP++	
AGRICULTURE	Materially lower than pcp. Improvement towards the end of H2 from favourable weather and commencement of grain trading activities.	Grain export volumes	Global GDP+ (weather dependent)	
AUTOMOTIVE	Continued high volumes of vehicle imports and ancillary revenue relating to quarantine and storage.	# of new vehicle sales	Australian GDP	
FORESTRY	Broadly flat NZ log volumes although earnings supported by benefits of major cost reduction program completed in late H1. Significantly improved AUS volumes across marshalling activity (logs) although slight decline in woodchip volumes.	Export of forestry products	China GDP	
RESOURCES	Steady volumes across most commodities with no significant impact from decline in certain commodity prices towards the end of the period (although monitoring closely). Some ongoing impact from skilled labour shortages.	Export of bulk resources	Global GDP+	
ENERGY	Reasonable growth reflecting increased scope of work and ramp up of existing projects.	New energy projects	Energy consumption	
OTHER	Positive across most commodities, services and products.	Various	Various	

Q1 FY25 Performance and Outlook

QUBE HAS ACHIEVED PLEASING UNDERLYING FINANCIAL RESULTS FOR THE FOUR MONTHS TO 31 OCTOBER 24, WITH ALL MARKETS PERFORMING BROADLY IN LINE WITH OR ABOVE QUBE'S INTERNAL EXPECTATIONS.

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KEY MARKETS	Summary of FY25 performance to date	FY24 PERFORMANCE	FY25 OUTLOOK (at Aug 2024)	FY25 OUTLOOK (at Nov 2024)
CONTAINERS	Performing In line with expectations for Qube, and slightly ahead of expectations for Patrick.			
AGRICULTURE	Well ahead of expectations with earlier utilisation of rail and terminal assets largely attributable to positive impact of Qube's grain trading operations.			
AUTOMOTIVE	Operational activities slightly below expectations and automotive terminals (AAT) slightly above expectations (although well below the prior corresponding period). The ACCC released its Statement of Issues with respect to Qube's proposed acquisition of MIRRAT (through its wholly owned subsidiary, AAT). This is a welcome next step in the acquisition process and Qube and AAT will continue to engage with the ACCC as it finalises its consideration of the transaction.			
FORESTRY	Performing in line with expectations			
RESOURCES	Performing In line with expectations The acquisition of Colemans was completed in August 2024 and integration is progressing well. The business is performing in line with expectations.			
ENERGY	Performing in line with expectations			
OTHER	Positive across most commodities, services and products. Qube is continuing to progress several asset sales and remains confident that it will realise at least \$180-\$250 million of gross sales proceeds			

Qube's Vision and Strategy

FOCUSSED STRATEGY TO DELIVER A SUSTAINABLE COMPETITIVE ADVANTAGE

To be the leading provider of integrated logistics services for import, export and targeted domestic supply chains in Australasia and select international locations

OPERATIONAL FOCUS

- Attract and retain a highly experienced management team and workforce
- Strong focus on safety, innovation and culture
- Diversify by market, customer, product/service and geography
- Build scale, expand and enhance existing capabilities
- Plan for and deliver a decarbonisation road map
- Drive innovation at all levels within the business
- Ongoing investment including on assets, infrastructure, technology and people
- Focus on delivering positive customer and shareholder outcomes
- Ensure everybody engaged with Qube, Thrives

FINANCIAL FOCUS

- Maintain strong balance sheet with high liquidity to support continued investment through economic cycles
- Ensure lean cost structure with a high degree of variability in the cost base
- Ensure that Qube remains highly diversified and agile to mitigate against any economic downturn that may impact any of Qube's key markets
- Ongoing focus on risk identification and mitigation, including protections against inflationary factors
- Drive financial accountability at all levels within the business
- Ensure everybody engaged with Qube, Thrives

Qube's FY25 Outlook

Qube maintains guidance to deliver continued underlying NPATA and EPSA growth in FY25 with the growth rate expected to be modest compared to the strong growth rate achieved in FY24. This reflects an expectation that the underlying NPATA and EPSA in H1 FY25 will be slightly below the prior corresponding period. The actual level of underlying earnings in FY25 will depend on a range of factors over the remainder of the period including market conditions in Qube's markets, the industrial relations environment, interest rates, Qube's ability to complete its planned asset sales and the completion of the MIRRAT acquisition.

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