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11 November 2021

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ASX Announcement

Chairman's Address and Managing Director's Presentation – 2021 AGM

Attached are the:

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

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

Authorised for release by:

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Company Secretary, Qube Holdings Limited

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Chairman's Address

As Chairman of Qube I'm pleased to say that the company weathered the extraordinary challenges of COVID-19 safely, strongly and successfully.

This time last year we were all hoping the effects of the pandemic would pass with minimal loss of life and national economic damage. Unfortunately, the emergence of the Delta strain destroyed those hopes as the nation and the company came to grips with a more severe outbreak leading to longer and harsher lockdowns.

At Qube I believe the company's management, employees and contractors responded brilliantly to the challenges to deliver an outstanding result for the financial year 2021.

Qube responded to the global crisis with the health and safety of its people, customers and communities as the number one priority throughout the pandemic.

Quickly adapting and introducing measures to try and stop the spread of the virus and positioning the business for the subsequent economic impacts, required focused efforts with strong leadership, transparent governance controls and clear communications.

And the pandemic added more proof, if any more was needed, that the company's diversified logistics strategy will underpin long term earnings growth.

As a result the company delivered record underlying earnings with NPATA up more than 31%. The Board was able to increase dividends by more than 15% to 6 cents per share fully franked.

The key drivers of the earnings growth were the Operating Division and Patrick, and the result also benefitted from a lower net interest expense.

The Operating Division experienced high volumes across most parts of the business with container, forestry and bulk activities particularly strong, and the result also benefitted from growth capex undertaken in the current and prior period.

Patrick benefitted from high market volumes and increased landside and ancillary charges, although was adversely impacted by industrial action in the period.

Health and Safety

Qube continued its strong focus on safety and zero harm with a particular emphasis in FY21 on increasing reporting, corrective action closures, incident closure rates and leadership inspections. The result was an improvement in lost time injuries, however further focus needs to be placed on reducing the number of total injuries.

In FY21, Qube improved its sustainability performance, including achieving the following outcomes:

- Consistent with the goal of Zero Harm, Qube's zero fatality objective was achieved in FY21 and, a further reduction in the lost time injury frequency rate (LTIFR) from 0.9 to 0.8 per million hours worked.
- Net emissions were steady compared to FY20 while underlying revenue increased, resulting in Qube's carbon intensity (tCO2 per $M) further decreasing by around 8.6%.
- Qube continued to implement its Modern Slavery governance framework and action plan including developing a Supplier Code of Conduct and questionnaire, complemented by an internal Modern Slavery training package for managers, supervisors and procurement teams.

- KPMG was engaged to investigate the options available for achieving a Low Carbon Future. Following on from the findings from the KPMG report, Qube will investigate the options to understand and define the financial and operational implications. Understanding these impacts will enable Qube to adopt a longer-term carbon goal and a sustainable strategy to address a Low Carbon Future ensuring that targets set will be achievable.

- We increased our focus on improving sustainability reporting systems, in particular data collection and verification processes across the business. This supports reporting against our Sustainable Development Goals (SDGs).

Operating Division

The Operating Division reported underlying revenue growth of around 12.5% to $2.0 billion and underlying earnings growth (EBITA) of 29.5% to around $212.0 million.

Qube remained highly diversified by customer, product, service and geography. In FY21, the top 10 customers across the division represented approximately 19% of its total revenue and included mining companies, energy companies, shipping lines, retailers and manufacturers. No single customer represented more than 2.5% of the total divisional revenue.

The majority of the earnings growth in the Operating Division was attributable to Logistics activities which benefited from a much larger contribution from grain-related activities comprising bulk and containerised haulage, grain storage and loading (benefitting from the Quattro acquisition in the prior year as well as a stronger grain harvest generally) and container volumes across Australia including new contract wins.

General stevedoring activities across a majority of Qube's Australian (predominantly east coast) port operations were strong with higher bulk and break-bulk (mainly steel imports and grain exports) than the previous year. The rebound of motor vehicles imports trending back to pre COVID-19 levels in the second half of the year assisted the improvement in the general stevedoring operation compared to the prior year.

Patrick Terminals

Patrick again delivered a strong contribution to the Qube full-year result. Patrick continued to generate strong cash flow in the period, with total distributions to Qube in the period of $120 million compared to $20 million in FY20.

The underlying contribution from Qube's 50% interest in Patrick was $41.3 million NPAT and $50.8 million NPATA, an increase of 58.8% and 47.2% respectively, over the prior corresponding period. This contribution is inclusive of Qube's share of interest income ($14.9 million post-tax) on the shareholder loans provided to Patrick.

The FY21 results benefited from high market growth (lifts) of around 8.8% with Patrick's volumes (lifts) increasing by around 3.3%. During the period, Patrick secured several new services and also extended a number of its existing contracts.

Moorebank Logistics Park (MLP) Monetisation Process

I'm pleased to provide an update on the Moorebank monetisation process.

Through FY21, Qube continued to progress the monetisation process with the LOGOS consortium. On 25 February 2021, Qube entered into a non-binding commercial term sheet with LOGOS for the sale of 100% of Qube's interest in the warehousing and property components of the MLP project.

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In July 2021, the company announced binding terms for the sale had been agreed and completion was expected in the fourth quarter of calendar 2021.

Commercial agreement on key transaction documents has now been reached between Qube and LOGOS.

Transaction completion is subject to a number of conditions including Moorebank Intermodal Company consent following Commonwealth and FIRB approvals. As at today's date, we expect completion to occur prior to Christmas, in line with our original forecast.

On completion, LOGOS will acquire 100% of Qube's freehold land in MLP, 100% of Warehouse Trust (the leasehold interest in MLP warehouses) and Qube's 34% interest in Land Trust (the leasehold interest in MLP land). Qube will retain ownership of the intermodal rail terminals.

The transaction is expected to deliver Qube total consideration of around $1.67 billion before tax, transaction costs and other adjustments. Approximately $1.36 billion is payable on financial close and around $312 million is deferred, subject to a number of completion adjustments.

Summary and Outlook

On the basis the Moorebank monetisation process completes as expected, Qube will be in an even stronger financial and operating position to generate meaningful cash flow and earnings growth.

Qube will emerge with a more predictable earnings profile from its strategic and highly diversified logistics operations.

In FY22, overall growth is expected in underlying revenue and earnings reflecting a full period contribution from the FY21 acquisitions, growth capex and new contracts, partial period contribution from the FY22 growth capex, an initial contribution from the BlueScope contract from the second half of FY22 and organic growth across certain markets.

Finally, on behalf of the Board, I would like to thank all employees for the part they have played in Qube's performance in FY21 and, in particular, to pay tribute to our former managing director Maurice James who stood down as Managing Director on 1 July 2021. Clearly Maurice's success steering the business since its inception has led to Qube's success over the last decade and in turn our shareholders' success.



Allan Davies
Chairman, Qube Holdings Limited

11 November 2021



QUBE HOLDINGS LIMITED
ANNUAL GENERAL MEETING
11 November 2021

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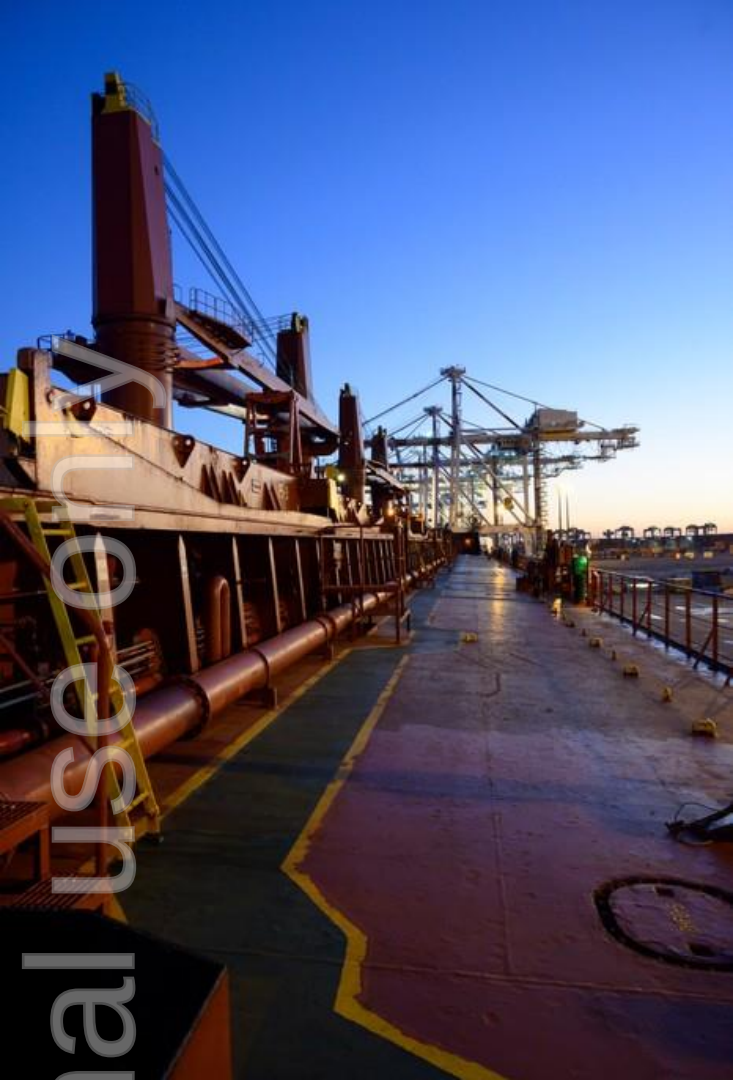
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References to ‘underlying’ information is to non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) issued in December 2011.

Non-IFRS financial information has not been subject to audit or review.

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AGENDA

1. Qube Board
2. Housekeeping - Virtual AGM
3. Chairman's Address
4. Managing Director's Presentation
5. Formal Proceedings

QUBE BOARD



Allan Davies
Chairman



Sam Kaplan
Deputy Chairman



Paul Digney
Managing Director



Ross Burney
Non-Executive Director



Nicole Hollows
Non-Executive Director



Stephen Mann
Non-Executive Director



Jackie McArthur
Non-Executive Director



Alan Miles
Non-Executive Director

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ONLINE Attendees – TEXT Question PROCESS

When the question function is available, the messaging tab will appear at the top of the screen

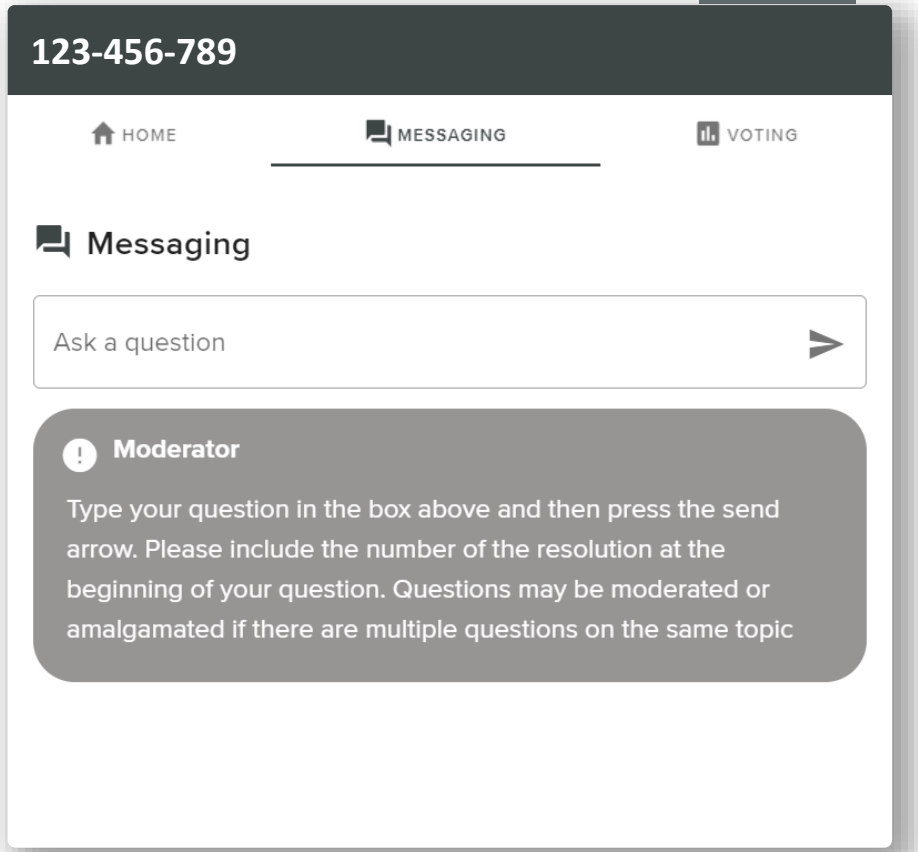


To submit a question, type your question in the “Ask a question” box and press the send arrow



Your question will be sent immediately for review

Received



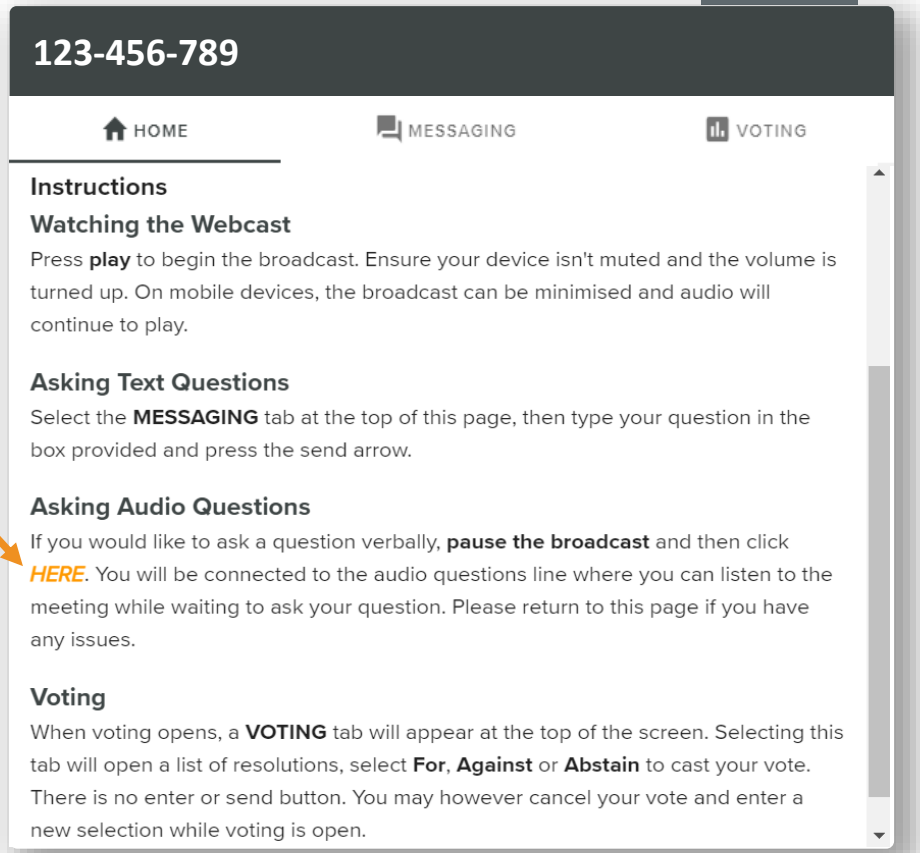
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ONLINE Attendees – Audio Question PROCESS

When the audio questions line is available, a link will appear on the home tab titled **Asking Audio Questions**

If you would like to ask an audio question, **pause the meeting broadcast** and click on the link

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue



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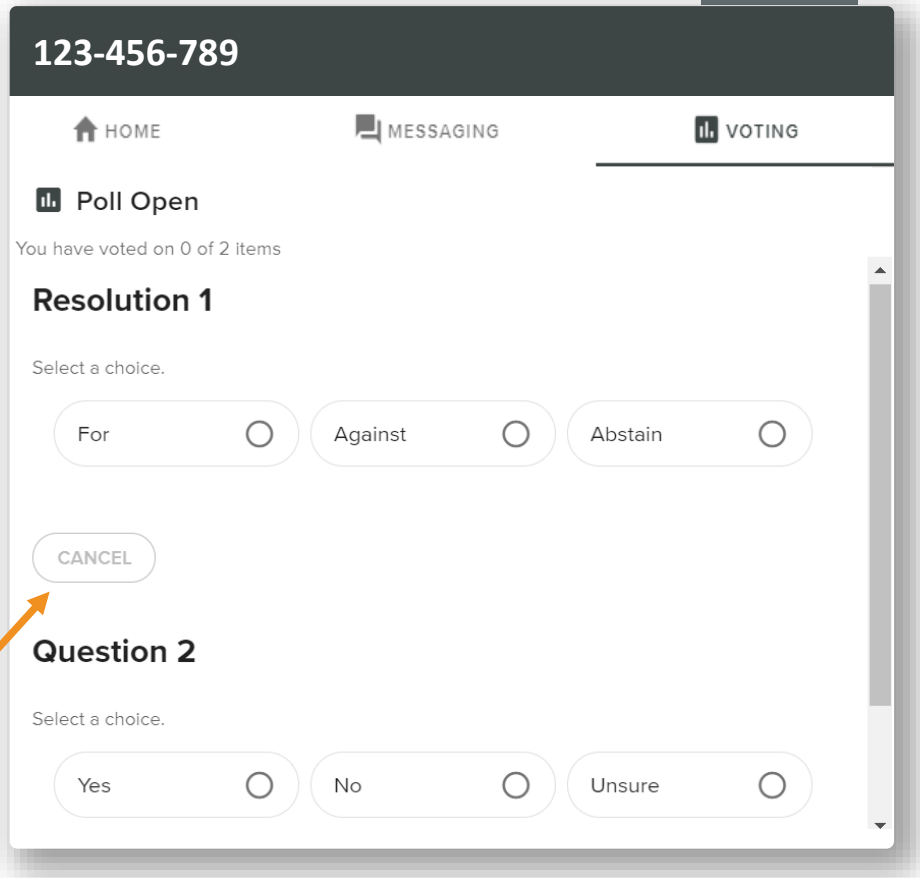
ONLINE Attendees – VOTING

When open, the vote will be accessible by selecting the voting tab at the top of the screen

To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For | Against | Abstain

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed



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TECHNICAL DIFFICULTIES

- Technical difficulties can occur with a virtual meeting format

- If any such difficulties arise during the course of the AGM, the Chairman has the discretion as to whether and how the meeting should proceed, including whether it should be adjourned and, if so, for how long and what business should be transacted

- For any technical difficulties during the AGM, please:
  - Refer to the Online Meeting Guide located on Computershare's Investor Vote page for Qube's AGM or on Qube's website; or
  - Contact Computershare by telephone on 1300 850 505 in Australia or +61 3 9415 4000 if calling from overseas.

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Chairman's Address

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Managing Director's Presentation

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Qube Vision and Strategy Remains Unchanged

Continue to focus on delivering reliable, efficient logistics solutions focussed on import and export supply chains with a primary focus on Australia / New Zealand and an opportunistic / low risk approach to selective international expansion

Strategy

- Deliver operating efficiencies and benefits of economies of scale through:
  - Investment in infrastructure, facilities, equipment and technology
  - Continuous focus on innovation
  - Comprehensive integrated supply chain solutions through a single service provider
  - Rail and road based solutions delivering best modal outcome
  - Strategic locations at or near ports and other key infrastructure

Current Diversified Markets

- Containers (Imports & Exports)*
- Construction Products (Break Bulk)*
- Automotive*
- Warehousing & Distribution
- Forestry
- Mining & Resources
- Agriculture
- Food Processing
- Manufacturing
- Energy

** Key markets when Qube commenced*

Growth Opportunities

- Volume growth in current markets
- Additional services and geographies in current markets
- Adjacent markets with similar characteristics that require key infrastructure, operating capability and strong management
- Transitioning markets such as energy that require capable partners to transition their supply chains to the new environment
- Strategic bolt on acquisitions that deliver on key infrastructure, location, innovation and management

QUBE TODAY (FY22)

Workforce of over 7,000 employees

Working at over 135 locations across Australia, New Zealand and South East Asia

Over 2,000 customers and the top 10 customers of the Operating Division represent about 19% of total revenue generated (FY21)

Qube is well diversified with Western Australia being the largest single region representing 27.8% of total divisional revenue (FY21)

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COVID-19 RESPONSE

People And Operations

- Throughout the COVID-19 pandemic our people at all levels have risen to the many and varied challenges, adapted to a new way of working and been innovative in their thinking to protect the health and wellbeing of our workforce
- Ongoing investment in redefining supply chain to ensure continued safe and productive operations for our clients
- Our risk based approach to the management of COVID-19 controls continues with regular review of the efficacy of our controls in line with the latest expert advice and best advice
- Our commitment to affording our workers the greatest level of protection against COVID-19 remains into the 2022



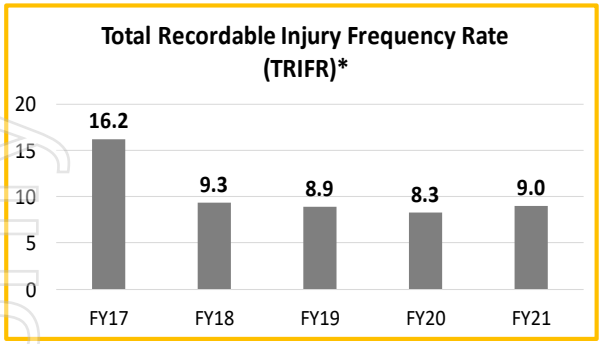


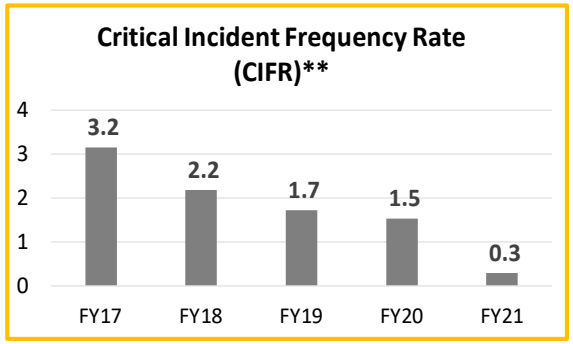


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KEY PILLARS OF SUSTAINABLE VALUE CREATION

Through continued focus on safety and health









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

** **Note**: 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).

- Consistent with the goal of Zero Harm, Qube achieved zero fatalities in FY 21 and reduced its Lost Time Injury Frequency Rate (LTIFR)* from 0.9 to 0.8 per million hours worked
- TRIFR increased from 8.3 to 9.0, mainly due to the impact of consolidating recent acquisition TRIFR data in the period. Qube will continue to focus on reducing recordable injuries through increased focus on risk management systems and processes
- During the period, CIFR has decreased from 1.5 to 0.3. The decrease represents the importance and focus that is placed on our critical risk program, we focus on ensuring that the risk of incidents that have the potential for fatal or other serious impacts are inspected and verified and the controls are implemented and effective.
- We have implemented a refresher critical risk training program across groups in FY22, to challenge and test our processes and controls.

***Note**: LTIFR is the Number of Lost Time Injuries for every million hours worked.

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KEY PILLARS OF SUSTAINABLE VALUE CREATION

Through continued focus on environment and people

Environment and Climate

- Net emissions were steady in FY 21 as compared to FY 20 despite underlying revenue increasing during the period. As a result, Qube's carbon intensity (tCO2 per $ million) decreased by 8.6% in FY 21
- Commenced TCFD assessment of climate change risks and opportunities, this initial stage will allow Qube to define the financial and operational implications of the TCFD climate assessment, and as a result, develop an understanding of the impacts to the business. This will allow us to adopt realistic carbon reduction targets, and communicate a clear action plan to continue the process of moving the business towards a low carbon future.

Diversity and inclusion

- During FY 21, Qube:
  - Established female-only Qube Heavy Vehicle Driver Trainee programs
  - Aim to increase the representation of women across our workforce to 15% by 2025
  - Partnered with the Pinnacle Foundation for an initial period of 3 years in support of young LGBTIQ+ people
  - Recognised and celebrated International Day Against Homophobia, Biphobia, Interphobia and Transphobia (IDAHOBIT) Day across the organisation on 17 May 2021 to demonstrate our support for LGBTIQ+
  - Continued ongoing partnership with Clontarf Foundation to provide support and opportunities to young Indigenous men.





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KEY PILLARS OF SUSTAINABLE VALUE CREATION

Through innovation and technology

- Qube has a demonstrable track record over many years of investing in and leveraging technology to deliver innovative, reliable and safe logistics supply chain solutions to its customers
- Qube's Group Innovation Committee chaired by the Managing Director brings together senior executives from across the organisation to develop strategies, leverage developed solutions, determine the investment and resources priorities that will benefit customers, and improve safety and service delivery. This Committee actively considers initiatives ranging from early-stage concepts through to operations-ready projects
- Qube has made significant investment in information technology in recent years to manage the risks associated with cyber security
- In response to the COVID-19 challenges Qube adopted face recognition technology and developed site access control and body temperature checks interfaces to enhance the functionality of the system
- Efficiencies are at the core of the operations and as such Qube is developing the next generation of port precinct high productivity vehicles
- Qube is investing in a "Smart-Warehouse" platform that provides the ability to scale robotics and automation in the warehouse space dependent upon the customers requirements
- Qube is in the process of adopting/investing in visual reality learning applications to assist with closing the skills shortage in some regions/sectors
- Sustainability and CO2 reduction initiatives are Qube's core innovation opportunity areas. Qube is investing in assets and technologies consistent with reducing carbon emissions which included alternate fuel options (inject technology/diesel alternatives), vehicle enhancements technologies (Smart-Truck) and seeking alternative power sources (battery) for heavy vehicles.








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NZ FORESTRY

Innovation Driving Efficiency and Safety

- The supply chain for forestry at the wharf has traditionally been a very manual process.
- Investment in innovation has been focused on delivering a safer and more efficient supply chain.
- Innovation has provided a step change in the handling of forestry products:
  - Transitioned from manual scaling to robotic scaling
  - Delivering live data with computerised robotic system
  - Replacement of sling loading with mobile harbour crane with grapples.

NEW PROCESS



TRADITIONAL FORESTRY ON WHARF PROCESS







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MOOREBANK MONETISATION PROCESS UPDATE

- Commercial agreement on key transaction documents has been reached with LOGOS.
- Transaction completion is subject to a number of conditions including MIC consent following Commonwealth Government and FIRB approval.
- Currently expect completion to occur in December 2021 although will be dependent on the timing of receipt of these approvals / consents.
- Final transaction parameters are materially in line with previous disclosure.
- The monetisation transaction is expected to deliver Qube total consideration of around $1.67 billion before tax, transaction costs and other adjustments. Approximately $1.36 billion is payable on financial close and around $312 million is deferred, subject to a number of completion adjustments.
- The monetisation transaction enables Qube to realise significant funds to use for debt reduction, growth capex and potential capital management initiatives.



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Q1 FY 22 BUSINESS UPDATE

Pleasing start to FY 22 with Q1 ahead of internal expectations

Operating Division

Logistics and Infrastructure

- Underlying revenue and earnings well ahead of expectations
- Exceeded internal expectations on high agri and steel volumes, as well as transport and container related activities.
- Acquisitions of Newcastle Agri-Terminal (NAT) in September and AST Logistics in September 2021 are expected to drive continued growth

Ports & Bulk

- Contribution was broadly in line with internal expectations overall.
- The ports activities were slightly below expectations as strong volumes of grain, steel, clinker, motor vehicles, energy and machinery were more than offset by weaker NZ forestry activities due to the impact of COVID-19 lockdowns
- The bulk activities were slightly above expectations due to high volumes across most commodities. The result would have been stronger but was impacted by delays to some renewables projects and continued driver shortages (both due to ongoing COVID-19 restrictions)

Property Division

- Immaterial contribution to underlying revenue and earnings as forecast
- Focus has been on finalising the monetisation process while continuing the development of the project
- State significant infrastructure approval received for relocation of Moorebank Avenue around the precinct – enhances operational efficiency and capacity by facilitating full integration of the precinct across MPW and MPE
- Significant capital expenditure continued relating to:
  - Land preparation works at Precinct Infrastructure West
  - Woolworths National Distribution Centre
  - Moorebank Ave upgrade works
  - Commenced early works for the Interstate Terminal

This capex to be reimbursed on completion of the monetisation transaction (other than the rail terminal related capex)

Patrick

- Underlying revenue and earnings below expectations with volumes ahead of prior year but below original forecasts
- Impacted by operational and productivity disruptions associated with vessel scheduling integrity issues as well as some impact from industrial action
- Maintained national market share (4 ports) of around 43[1]% (lifts), despite these impacts
- Distributions to Qube (interest income and fully franked dividends) of $40 million received in FY22
- Patrick has filed an application with Fair Work Commission (FWC) to terminate the existing industrial agreement following inability to reach a national agreement with the MUA despite extensive negotiations and agreement reached with the workforce at most of Patrick's facilities.
- Earlier this week Patrick filed an application with FWC to terminate the protected industrial action across all ports. Yesterday, the MUA agreed to suspend all industrial action at all ports for one month and Patrick agreed to withdraw its application. Talks are continuing to reach agreement on a new EA.

*Note 1: Market share data as of August 21

Qube Holdings

Q1 FY 22 PERFORMANCE AND OUTLOOK

Upgraded guidance for FY22 although uncertainty remains

- Qube has been trading ahead of internal expectations for Q1 FY 22 with a positive outlook for the remainder of FY22.
- For FY22, Qube currently expects:
    - Stronger underlying earnings growth than previously forecast from the Operating Division (inclusive of the contribution from the recent acquisitions).
    - An approximately breakeven result from the Property Division (consistent with previous expectations).
    - Higher underlying earnings growth from Patrick compared to FY21 although not as strong as previous forecasts due to the expectation that the factors that caused the Q1 underperformance, and particularly the ongoing impact of vessel scheduling issues and industrial disruption, will continue. The actual result will be highly dependent on the impact of these issues over the remainder of FY22, as well as market volumes generally and Patrick's market share.
    - Total capex (indicative) of around $500 - 600 million inclusive of recently completed acquisitions (but excluding several acquisitions under assessment, capex relating to the MLP assets that will be reimbursed by LOGOS and monetisation proceeds).
- Based on the YTD trading, and the outlook for the remainder of FY22 (including recent acquisitions), Qube now expects to report a strong increase in underlying NPAT (pre-amortisation) and underlying earnings per share (pre-amortisation) compared to FY21.
- This assumes no material adverse change to the current conditions in Qube's key markets or in domestic or global economic conditions (including any deterioration due to COVID-19 that impacts Qube's customers, markets or operations and no deterioration in the industrial relations environment at Qube or Patrick's operations).

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