



Aurizon Holdings Limited  
ABN 14 146 335 622

ASX Market Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

**BY ELECTRONIC LODGEMENT**

20 February 2023

**Aurizon grows containerised freight business with major new national contract**

Please find attached release for announcement to the market.

An analyst and investor presentation will be held at 12.00pm Brisbane time (AEST) / 1.00pm Sydney time (AEDT) on Monday 20 February 2023. For analysts and investors to listen to the presentation in Australia, please call 1800 173 224 using the guest passcode 5716785.

For analysts and investors outside Australia, please refer to the International toll-free numbers [here](#) using guest passcode 5716785.

Yours faithfully

A handwritten signature in blue ink, appearing to read "M. W.", followed by a horizontal line.

**David Wenck**  
Company Secretary

*Authorised for lodgement by the Aurizon Holdings Limited Board of Directors*

# ASX Announcement

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**Date:** 20 February 2023

## Aurizon grows containerised freight business with major new national contract

In a significant milestone for the growth of its containerised freight business, Aurizon has been awarded an Australia-wide 11-year contract with Team Global Express (TGE), delivering rail linehaul services connecting Perth, Adelaide, Melbourne Sydney and Brisbane.

TGE will be a cornerstone customer for Aurizon, helping support expansion into the growing interstate east-west and north-south containerised freight market.

TGE (formerly Toll Global Express) is an Australian-owned transport and logistics business. It employs more than 8,000 people, serves over 36,000 customers and provides freight solutions from courier to specialised multi-modal transport throughout Australia and New Zealand.

"This is our biggest non-coal revenue contract ever and Aurizon is delighted to be TGE's rail provider for its containers transported interstate," said Aurizon's Managing Director & CEO Andrew Harding.

"It is another step in achieving our ambition to double the earnings of our Bulk business over the decade, and to deliver sustainable growth in non-coal areas of our Company.

"The contract delivers to Aurizon a high-volume contract with a tier one customer, closely matched to our national footprint and our network of assets.

"Together with TGE we have designed an innovative transport and logistics solution to best meet their end customer needs.

"We both share a strong commitment to helping achieve a zero emissions future and recognise the significant role rail can play in helping achieve that goal."

The contract includes five weekly rail services east-west (Melbourne-Sydney-Adelaide- Perth) and two north-south (Brisbane-Sydney-Melbourne). As a cornerstone customer TGE will account for approximately 70% of the capacity of these services based on TGE's historical volumes.

In addition, there will be an opportunity for Aurizon to build on this strong foundation and increase volumes through additional customer growth to meet the fully installed capacity of these services of more than 200,000 TEU (this is in addition to Aurizon's current containerised freight volumes).

Services for TGE will commence in April 2023 with a ramp-up to a full service offering by April 2024.

CEO of Team Global Express, Christine Holgate said the partnership will significantly improve Australia's rail freight capacity and choice for more greener options to deliver important freight across our country.

"Our partnership with Aurizon is game changing for TGE customers securing them important extra capacity and more choice, in what to date has been a very limited rail market with restricted capacity and rising tariffs.

"The weather events of recent years have demonstrated how important both choice and capacity on major routes are, to ensure important freight, including food, can still be delivered at times of great need. They have also evidenced the importance of leveraging rail as a greener solution for transporting freight, to help address climate change and secure our nation's carbon ambitions.

"Through this partnership, we are able to offer our customers much-needed capacity along crucial routes linking major cities across our country. This presents significant opportunities for reliable deliveries, service efficiencies and less carbon intensive transport solutions for customers, whilst helping ensure regional Australians are served."

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In July last year Aurizon acquired One Rail Australia which includes a major bulk and container haulage business, together with the 2,200 kilometre Tarcoola to Darwin railway.

“This acquisition has been a key enabler in Aurizon being able to deliver a national service for customers such as TGE,” Mr Harding said.

“We are well-positioned to expand our presence in a growing market and demonstrate the many strong competitive advantages of rail, including cutting greenhouse gas emissions and congestion-busting in our towns and metropolitan areas.”

At 1H FY2023 Results, Aurizon detailed estimated growth capital investment of \$430 million across key Bulk business opportunities (of which \$200 million has been spent to date) and this figure included \$320 million of rollingstock. Around 50% of this rollingstock spend is expected to be used to support this containerised freight expansion opportunity.

A further \$120 million over the period FY2023-25 will be deployed on terminal infrastructure and containerised freight wagons to expand our operations. As such, the total estimated spend on key growth projects is now \$550 million (including the \$200 million spend to date).

In terms of FY2023, a growth capital estimate of \$210 million was provided at 1HFY2023 Results. As a result of this announcement, this figure is now estimated at \$250 million.

For more information:

**Investors:**  
James Coe  
+61 407 644 475

**Media:**  
Mark Hairsine  
+61 418 877 574



## Expanding containerised freight service

Supported by the Bulk Central infrastructure and a cornerstone customer, a national containerised freight service is to be launched

- › Wholesale Line Haul operation with additional capacity of >200k TEU per annum
- › Services to operate East-West (Melbourne-Sydney-Adelaide-Perth) and North-South (Brisbane-Sydney-Melbourne)
- › Around two-thirds of the capacity to be East-West with the remaining one-third North-South<sup>1</sup>
- › 11-year term contract with Team Global Express (formerly Toll Global Express) with historical volumes equivalent to ~70% of proposed new capacity
- › Future opportunity to expand volumes by leveraging Bulk Central track infrastructure and Darwin port investments



Containerised Freight: Service Offerings

	Hook & Pull	Line Haul: Wholesale	Line Haul: Wholesale/Retail	Full Intermodal
Description	Provision of locomotives (and wagons) to haul third party freight	Freight network, wholesale focus	Freight network, wholesale and retail focus	Freight network, wholesale and retail focus, end-to-end, multi-modal
Customers	1	<10	100+	500+
Freight type	Full Containers	Full Containers	Full & Less-than-Full Containers	Full & Less-than-Full Containers
Footprint	Rollingstock	Rollingstock, Terminals	Rollingstock, Terminals	Rollingstock, Terminals, Warehousing, Trucking
Aurizon Participation	✓	✓	✗	✗

1. Pre-2017 Aurizon Intermodal capacity was split approximately one-third East-West and two-thirds North-South