

The QUBE logo is displayed in a bold, yellow, sans-serif font against a dark grey rectangular background.

18 September 2013

QUBE HOLDINGS LIMITED  
ABN 141 497 230 53

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Sydney  
NSW 2000

## **ASX Announcement**

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## **Investor Presentation**

[qube.com.au](http://qube.com.au)

Attached is a presentation delivered by Qube's Managing Director, Maurice James, at the 2013 Capital Markets Day of Wilh. Wilhelmsen Holding ASA in Oslo.

Paul Lewis  
Chief Financial Officer  
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CARMEN  
STOCKHOLM

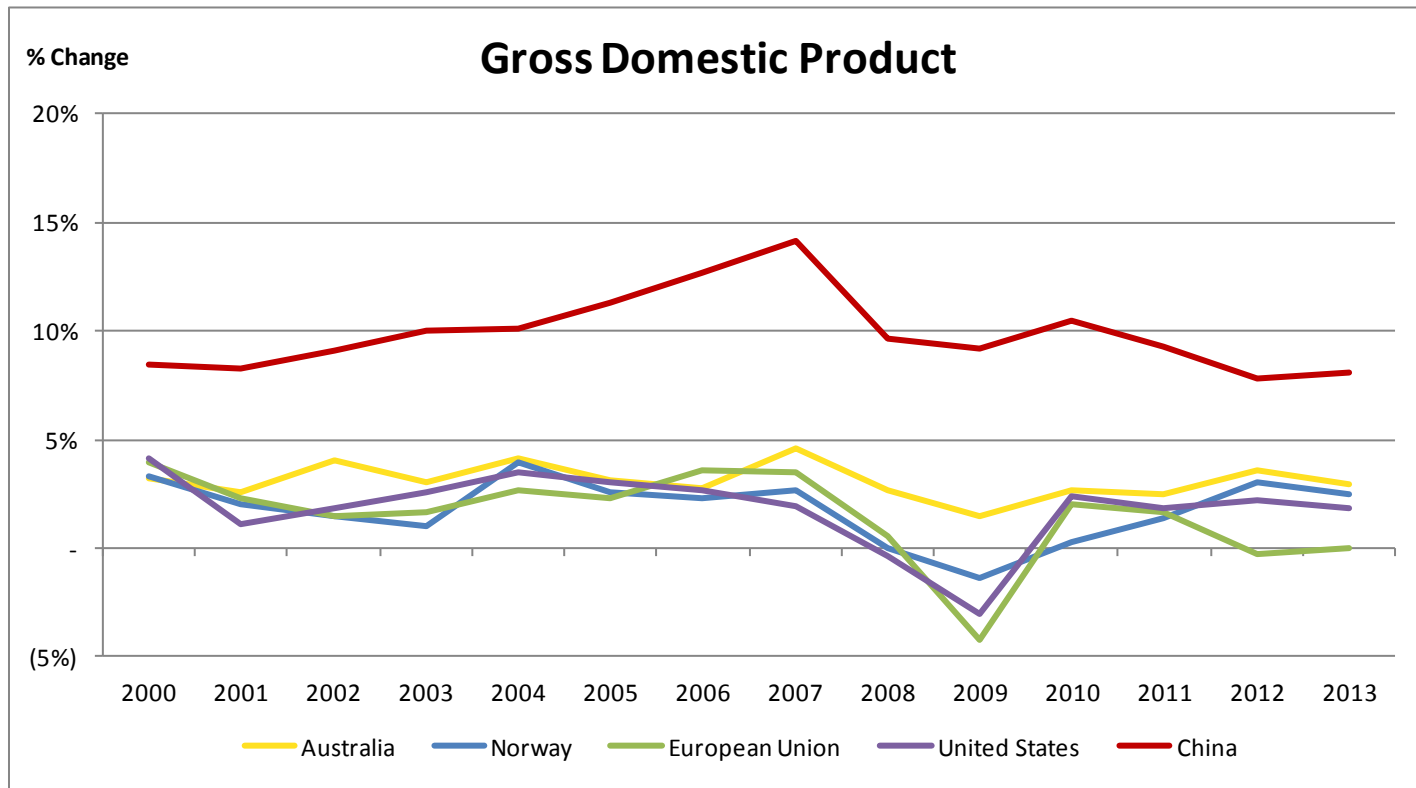
QUBE

Qube Holdings Limited  
Presentation at WWH Capital Markets Day - 18 September 2013



# Economic Growth

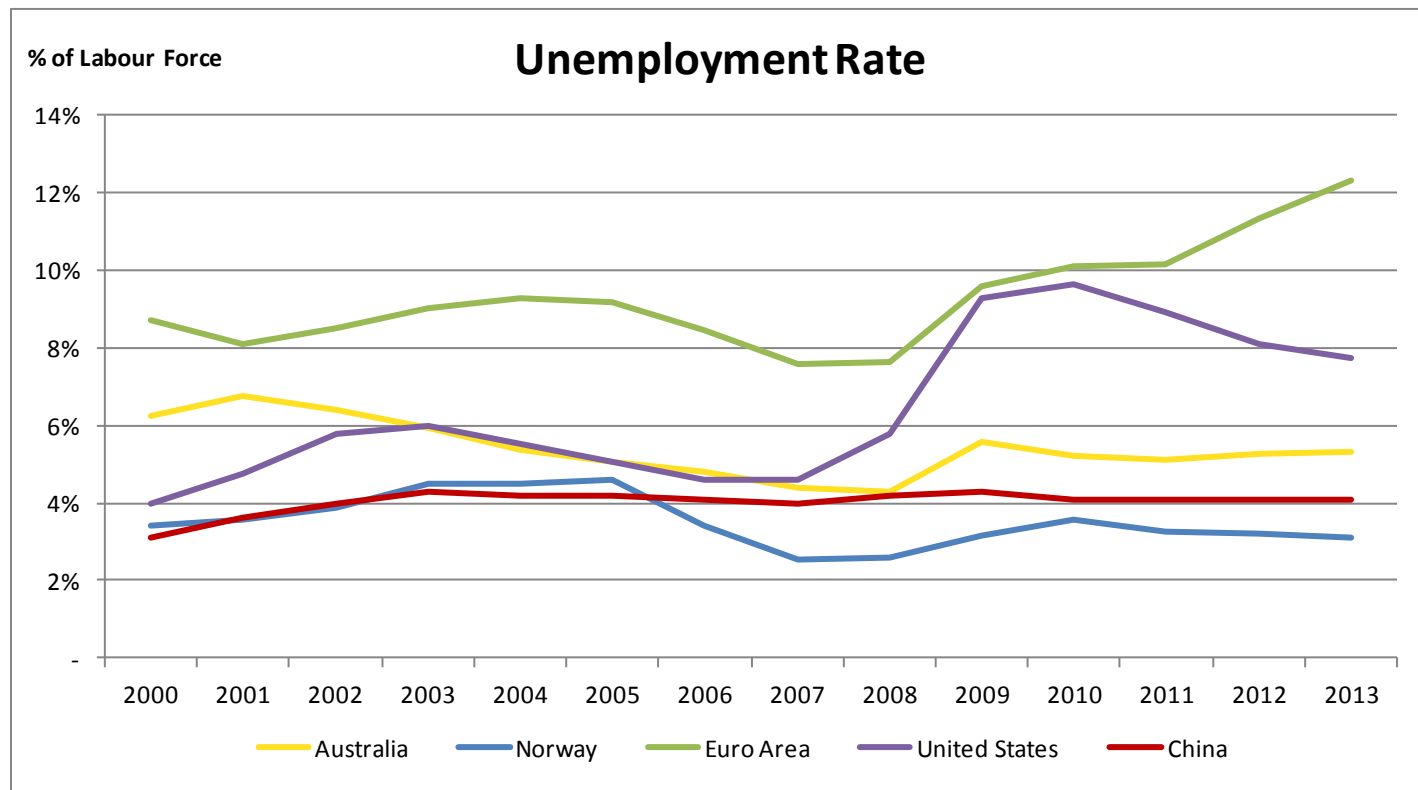
- The resources boom maintained Australia's economic growth during the global financial crisis



Source: International Monetary Fund, World Economic Outlook Database, April 2013

# Unemployment Rate

- Another indication of Australia's economic strength and stability is its unemployment rate which has remained relatively stable and is much lower than the USA and Euro Area\*

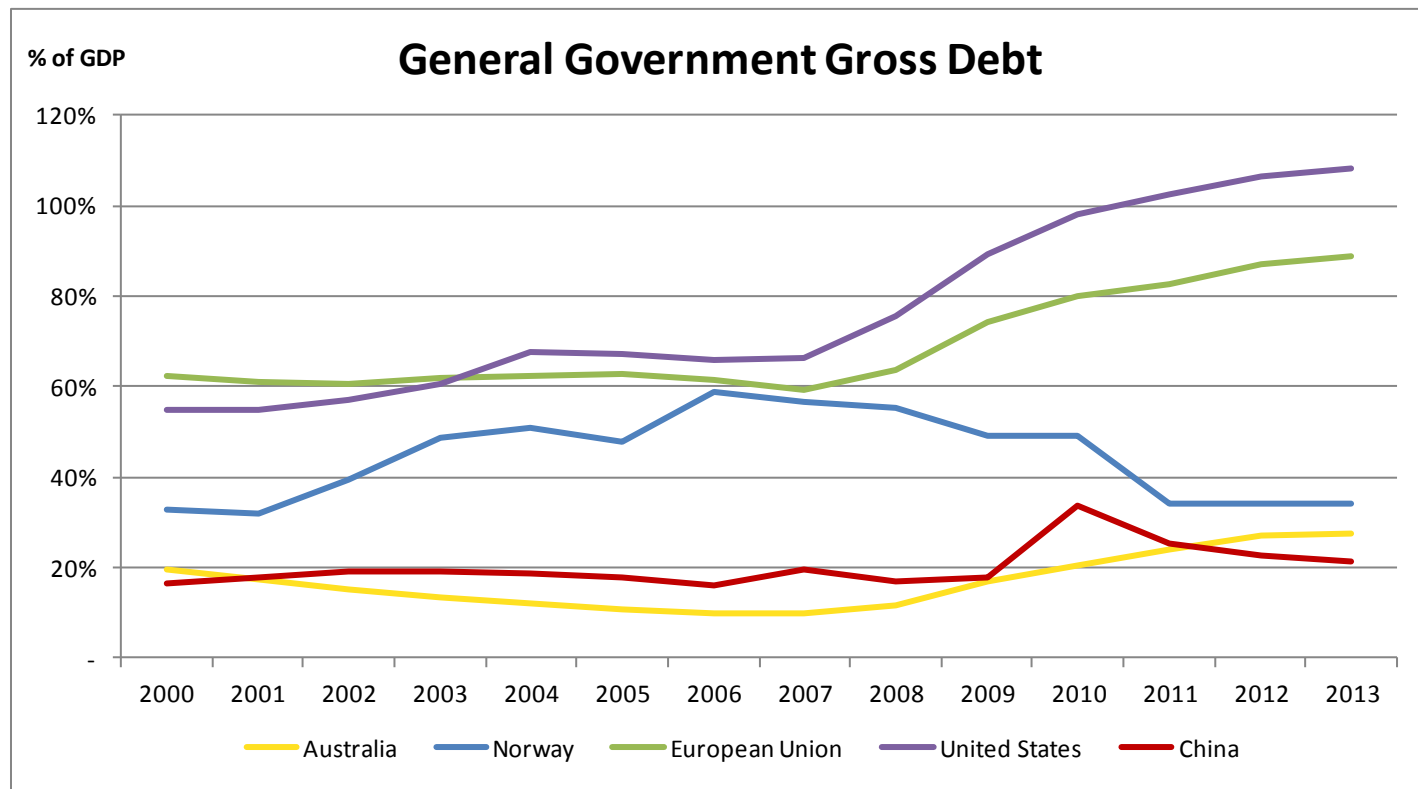


\*Note: Euro Area data (comprised of 17 countries) compared as European Union data (comprised of 27 countries) not available

Source: International Monetary Fund, World Economic Outlook Database , April 2013

# Government Debt

- Like Norway, Australia currently has relatively low levels of Government debt



Source: International Monetary Fund, World Economic Outlook Database , April 2013

# QUBE – Key facts

## Short corporate history – well established business and experienced management

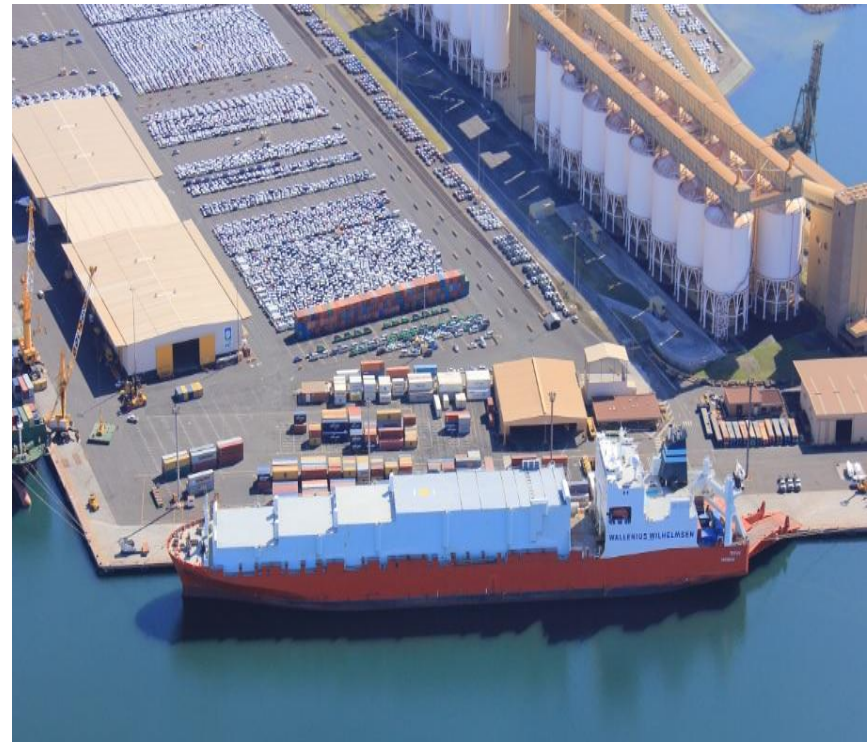
- Commenced as a Trust in 2007 with investment into POAGS and POTA and obtained management rights over both businesses.
- Corporatised on 1 September 2011 and internalised management.

## Qube’s vision: “To be Australia’s leading provider of Integrated Logistics Solutions focussed on Import and Export Supply Chains Activities”

- Two operating divisions
  - Qube Port & Bulk
  - Qube Logistics
- Qube Strategic Assets
- Employs over 3,800 people.

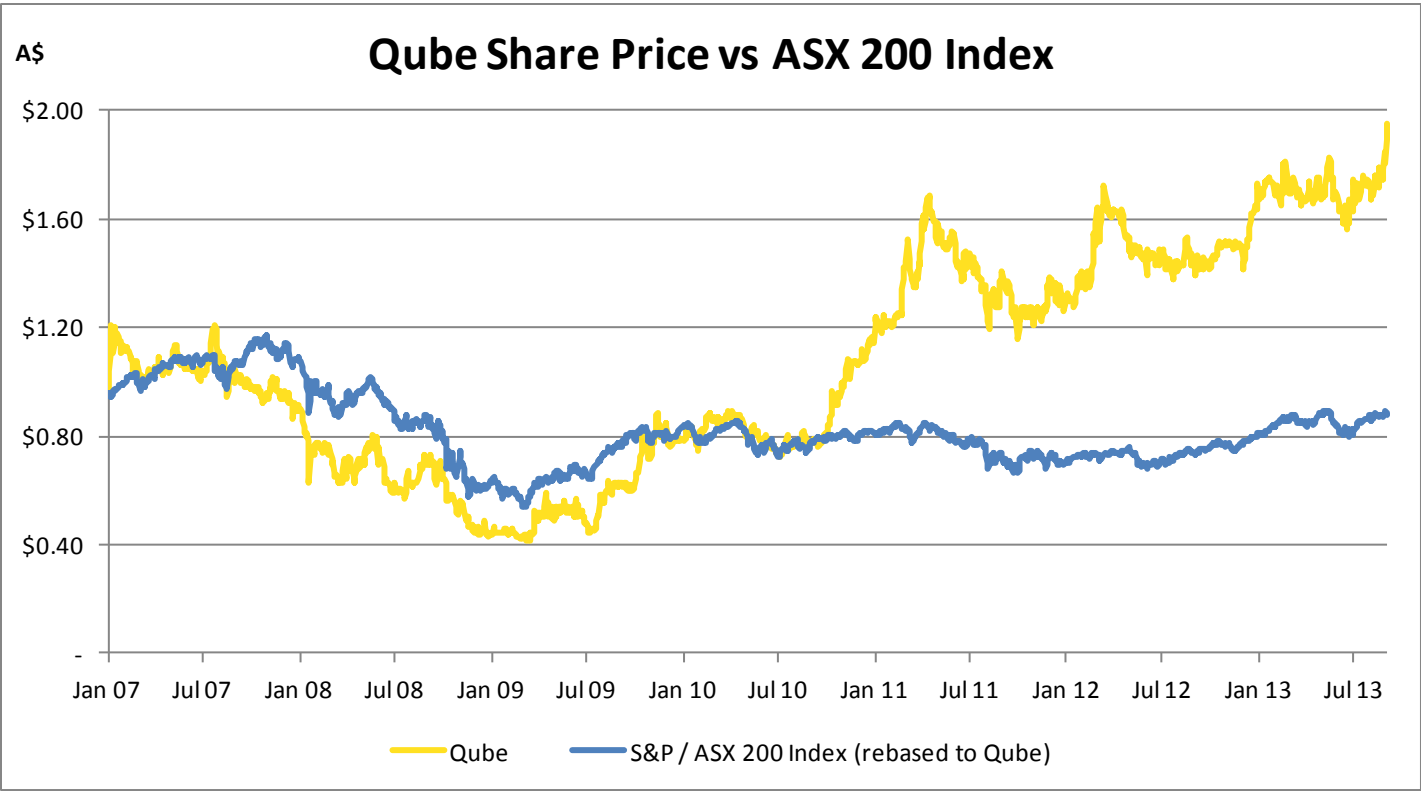
## Listed on Australian Securities Exchange (ASX)

- Market capitalisation of approximately \$1.8 billion.
- Ranked around 120 in ASX 200 S+P Index.
- Main shareholders:
  1. Carlyle (13.9% - 129 million shares)
  2. Wilh. Wilhelmsen Holding (7.1% - 66 million shares)
  3. Perpetual Limited (6.4% - 60 million shares)



# QUBE Share Price Performance

- Qube has significantly outperformed the Australian sharemarket since its inception.



Source: S&P Capital IQ, 5 September 2013

# Key Financial Outcomes

## Statutory Results

Year ended 30 June	2013 (\$m)	2012 (\$m)	Change From Prior Year (%)
Revenue	1,082.1	784.6	38%
EBITDA	186.1	35.6	423%
EBITA	133.3	5.7	>1000%
EBIT	127.1	(0.6)	N/A
Net Interest Expense	(32.7)	(14.4)	127%
Share of Profit of Associates	15.5	13.2	17%
Profit After Tax	81.0	(1.5)	>1000%
Non-Controlling Interest	(3.7)	(1.1)	236%
Profit After Tax Attributable to Shareholders	77.3	(2.5)	N/A
Earnings Per Share (cents)	8.4	(0.3)	N/A
Full Year Dividend Per Share (cents)	4.5	4.1	10%
EBITDA Margin	17.2%	N/A	N/A
EBITA Margin	12.3%	N/A	N/A

Note: The prior period's statutory results were impacted by the Qube Restructure and therefore are not comparable to the current period's results. Consistent with its disclosure at 30 June 2013, the Company has changed the classification of some of its income and major expense items to better reflect the operations of the Group. The comparative prior period information has been reclassified accordingly and there is no change to the net result.



# Key Financial Outcomes

## Underlying Results



Year ended 30 June	2013 (\$m)	2012 (\$m)	Change From Prior Year (%)
	Underlying	Pro-forma	
Revenue	1,065.1	836.7	27%
EBITDA	181.6	112.7	61%
EBITA	128.8	81.3	58%
EBIT	122.6	75.1	63%
Net Interest Expense	(33.7)	(13.1)	157%
Share of Profit of Associates	15.5	19.9	-22%
Profit After Tax	77.7	61.8	26%
Non-Controlling Interest	(3.7)	(0.3)	N/A
Profit After Tax Attributable to Shareholders	74.0	61.5	20%
Profit After Tax Attributable to Shareholders Pre-Amortisation	78.3	65.8	19%
Earnings Per Share (cents)	8.0	7.1	13%
Earnings Per Share Pre-Amortisation (cents)	8.5	7.6	12%
Full Year Dividend Per Share (cents)	4.5	4.1	10%
EBITDA Margin	17.1%	13.5%	3.6%
EBITA Margin	12.1%	9.7%	2.4%

The underlying and pro-forma information excludes non-cash and non-recurring items in order to more accurately reflect the underlying financial performance of Qube. References to 'underlying' and 'pro-forma' 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.

# Key Financial Outcomes

Year ended 30 June 2013	Logistics (\$m)	Ports & Bulk (\$m)	Strategic Assets (\$m)	Corporate and Other (\$m)	Total (\$m)	Year ended 30 June 12 (\$m)	Change (%)
<b>Statutory</b>							
Revenue	538.4	507.0	36.7	(0.0)	<b>1,082.1</b>	784.6	<b>38%</b>
EBITDA	71.8	92.7	30.2	(8.6)	<b>186.1</b>	35.6	<b>423%</b>
EBITA	48.7	63.0	30.2	(8.6)	<b>133.3</b>	5.7	<b>&gt;1000%</b>
<b>Underlying</b>							
Revenue	538.4	499.1	27.6	0.0	<b>1,065.1</b>	836.7	<b>27%</b>
EBITDA	73.4	95.5	21.1	(8.4)	<b>181.6</b>	112.7	<b>61%</b>
EBITA	50.3	65.8	21.1	(8.4)	<b>128.8</b>	81.3	<b>58%</b>

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# Ports & Bulk Division



# QUBE Ports & Bulk Division

- Operations in 29 ports.
- Australia's largest stevedore across:
  - Automotive (passenger, agricultural and heavy mining equipment);
  - Bulk (e.g. iron ore, nickel ore, manganese and copper ore); and
  - Break-bulk (e.g. timber, steel and project cargo).
- Bulk terminal operator in WA.
- Developed specialised bulk logistics and integrated 'Mine to Port' logistics solutions.
- Leveraging expertise and assets into oil and gas.



# QUBE Ports

- On an annual basis, stevedores approximately:
  - 600,000 vehicles
  - 25m tonnes of bulk products (iron ore, nickel ore, manganese, coal, copper ore etc.)
  - 1.2m tonnes of fertiliser
  - 4m tonnes of forest products (timber, woodchips)
  - 1.7m tonnes of grain
  - 1.3m tonnes of steel products (bar, plate, rod, coal etc.).
- 50% ownership of AAT.
- 25% ownership of Prixcar.
- 50% ownership of NSS in North Queensland.



# QUBE Bulk



**Mine Site Services**



*Prominent Hill, SA*

**Stockpile Management**



*Centennial Coal, NSW*

**Road Haulage**



*Golden Grove, WA*

**Train Loading**



*Centennial Coal, NSW*

**Chartering & Agency**



*Vessels*

**Port Mngt & Operations**



*Utah Point, WA*

**Storage & Management**



*Utah Point, WA*

**Rail Haulage**



*Work*



# QUBE Rotabox

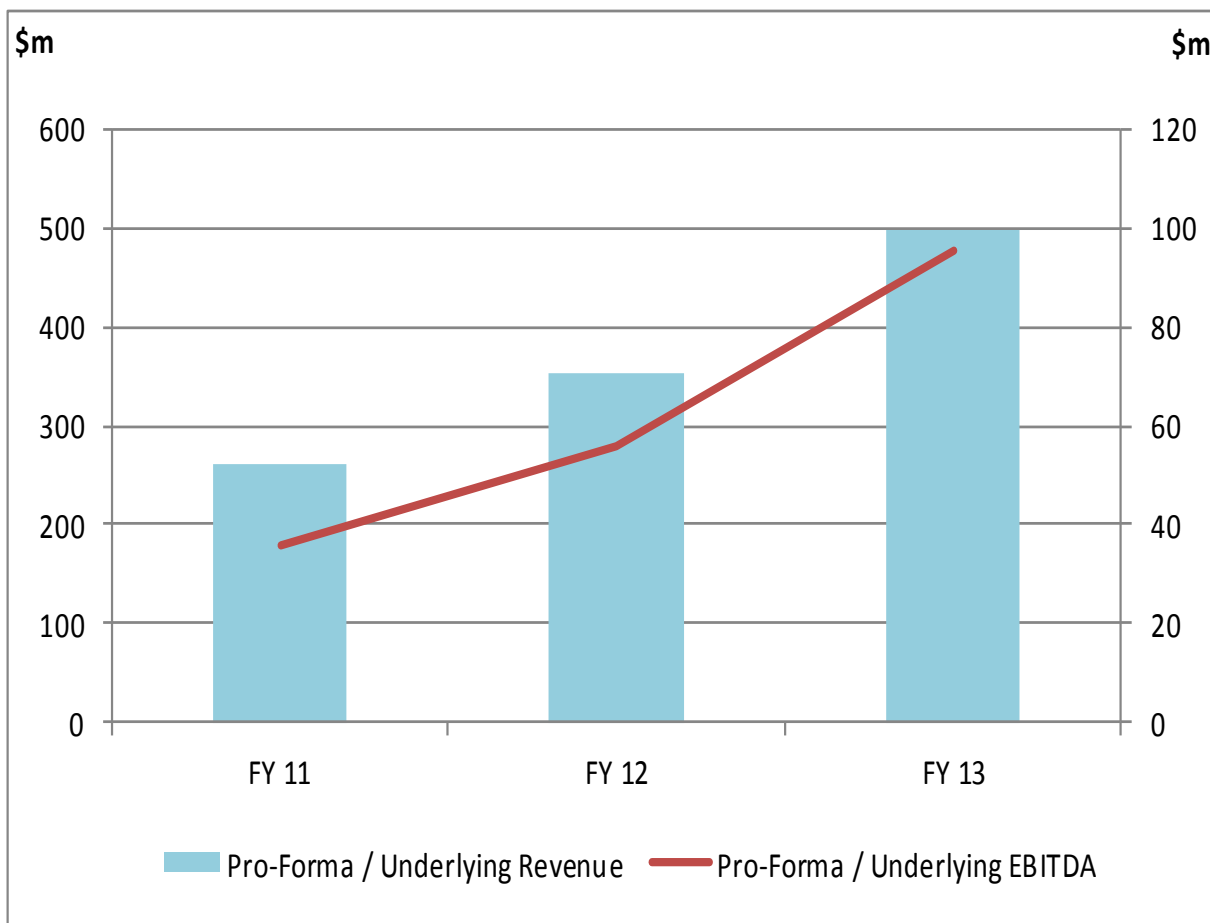
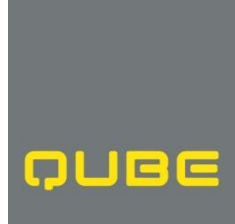


# QUBE Bulk Haulage





# Ports & Bulk Division



## FY 11-FY 13 CAGR\*

- Revenue +38%
- EBITDA +64%

\*Compound Annual Growth Rate based on pro-forma / underlying revenue and EBITDA.

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# QUBE Associate - AAT



# QUBE Associate - Prixcar



# Logistics Division

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# QUBE Logistics

## Services performed

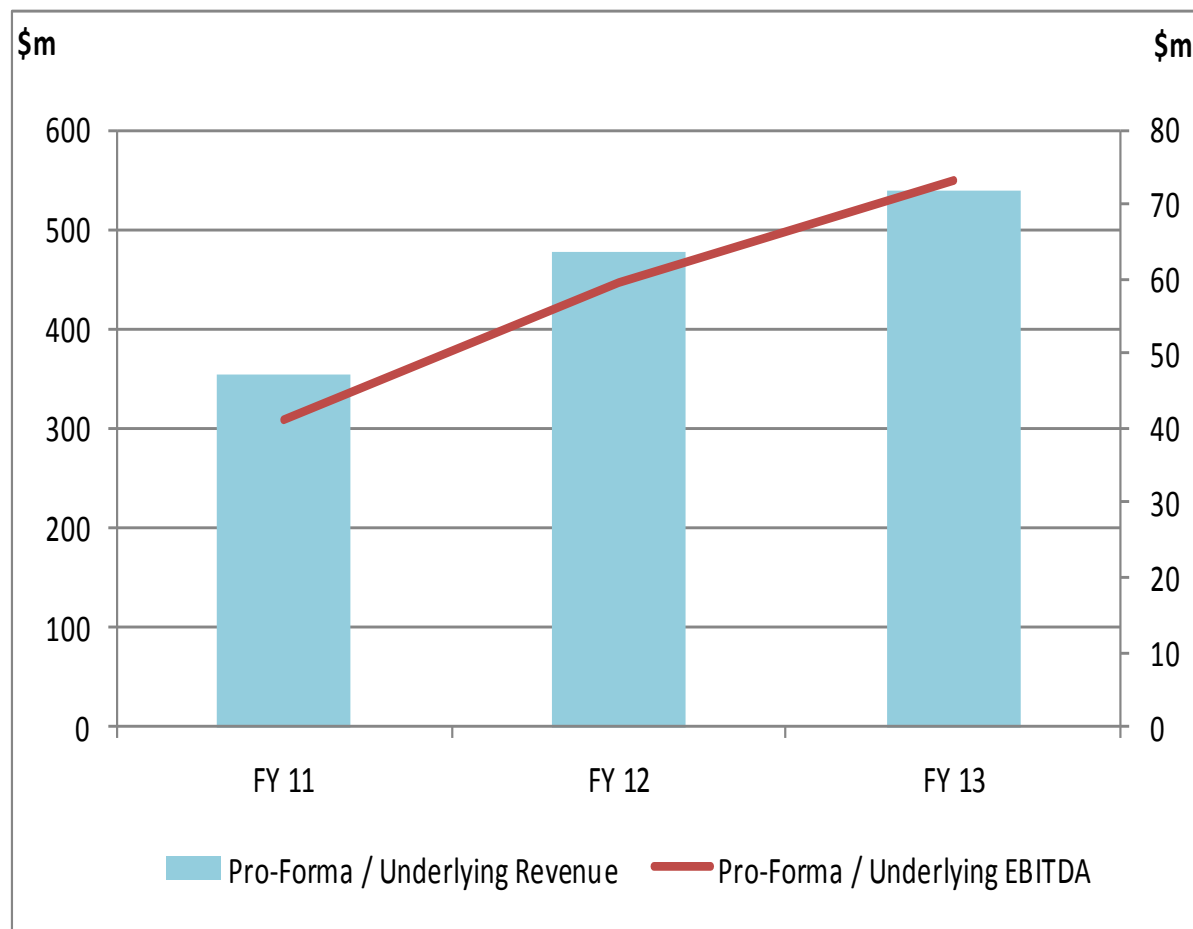
- Road Transport
- Container Parks
- Container Freight Stations (Port Cross-Dock)
- Rail Transport
- Rail Terminal Operator
- Global Freight Forwarder
- Warehousing
- Bonded Customs and Quarantine Services



# QUBE Rail & Terminals

- Australia's largest provider of import/export logistics services.
- National presence in all capital cities and regional areas.
- Operates in excess of 145ha (including Freight Depots, FCL, Empty Container Parks and Warehousing).
- Operates 8 multi-user Rail Terminals in QLD (1), NSW (4) and Victoria (2), SA (1).
- Fleet size of 80 locos and 800 wagons.
- 300k TEU pa on rail through Port Botany.
- >120 rail services per week in and out of Port Botany.
- Future rail terminal and warehousing developments at Altona, Lyndhurst and Somerton in Melbourne.
- Future rail terminal and warehousing developments at Moorebank and Minto in Sydney.

# Logistics Division



## FY 11-FY 13 CAGR\*

- Revenue +23%
- EBITDA +34%

\*Compound Annual Growth Rate based on pro-forma / underlying revenue and EBITDA.

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# Strategic Assets - Moorebank





# Financing

Facility Type	Maturity of Facility	Balance at 30 June 13 (\$m)*	Balance at 30 June 12 (\$m)*
Term Loan - Strategic Properties	Jun-16	120.0	73.2
Term Loan	Aug-16	200.0	311.6
Revolver and Multi-Option	Aug-18	146.5	
Finance Leases	Various	55.5	58.4
<b>Gross Debt</b>		<b>522.0</b>	<b>443.2</b>
<b>Less: Cash</b>		<b>(57.7)</b>	<b>(118.6)</b>
<b>Net Debt</b>		<b>464.3</b>	<b>324.6</b>
<b>Qube Shareholders Equity</b>		<b>1,062.7</b>	<b>1,013.3</b>
<b>Net Debt / (Net Debt + Equity)</b>		<b>30.4%</b>	<b>24.3%</b>

\*Excludes bank guarantees and letters of credit issued under Qube's facilities

Qube has cash and undrawn debt facilities of around \$260 million to fund growth.

Qube recently completed an amendment to its \$550 million debt facility extending the overall tenor of its facilities and improving the pricing.

# Outlook

- Increased contribution from new contracts / capex during FY 14.
- Improved asset utilisation and cost efficiencies to grow margins.
- Continued focus on opportunities at Webb Dock (in Melbourne) and Moorebank (in Sydney).
- In FY 14, Qube expects:
  - strength in bulk export volumes to continue
  - solid levels of new vehicle sales although lower growth rate than FY 13 (subject to legislative risks)
  - overall container volumes through the ports to grow at below historical rates
  - limited improvement in general and project cargo volumes.
- Notwithstanding the difficult economic conditions, Qube anticipates continuing its record of delivering revenue growth and increased earnings per share in FY 14.
- Challenging conditions create opportunities for Qube to differentiate its services, provide value-added solutions and undertake quality acquisitions.
- Well positioned for sustainable long term growth.

# Questions



# Supplementary slides

# FY 13 Summary

- Qube is a stronger business with quality of earnings, strong cash flow and substantial growth potential.
- Qube is now firmly established as a leading provider of integrated logistics solutions for import and export freight.
- Diversifying by geography, customer, service and product.
- Record financial results in both divisions.
- Substantial interest in Qube's integrated logistics solutions.
- Strength in management experience and market knowledge.
- Successfully building a portfolio of strategic assets.
- Differentiated by innovative customer-focused logistics solutions.
- Continued improvement in safety, health and environmental performance.
- Conservative balance sheet with capacity to fund growth.

# FY13 Cashflow and Financing

- Strong cashflow generated in the period with high cash conversion.
- Net debt increased by around \$140 million due to acquisitions and significant growth capex.
- Refinancing of Strategic Assets' debt with new \$120 million facility completed in June 2013.
- Leverage at bottom end of Qube's target range of 30-40%.
- Post year end, completed extension and repricing of \$550 million syndicated debt facility.
- No material near-term debt maturities.
- Substantial undrawn debt capacity and strong cashflow to fund growth.
- Qube will maintain a disciplined approach to acquisitions and other growth capex.

# Ports & Bulk Division

Year ended 30 June	2013 (\$m)	2012 (\$m)	Change From Prior Year (%)
	Underlying	Pro-forma	
Revenue	499.1	353.3	41%
EBITDA	95.5	55.8	71%
Depreciation	(29.7)	(13.5)	120%
EBITA	65.8	42.3	56%
Amortisation	(4.0)	(4.0)	0%
EBIT	61.8	38.3	61%
Share of Profit of Associates	15.1	15.3	-1%
EBITDA Margin (%)	19.1%	15.8%	3.3%
EBITA Margin (%)	13.2%	12.0%	1.2%

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# Ports & Bulk Division

## Associates

Year ended 30 June	2013 (\$m)	2012 (\$m)	Change From Prior Year (%)
<b>Qube share of associates' NPAT</b>	<b>Underlying</b>	<b>Pro-forma</b>	
AAT	9.5	8.5	12%
NSS	5.2	5.1	2%
Prixcar	0.4	1.7	-76%
<b>Total</b>	<b>15.1</b>	<b>15.3</b>	<b>-1%</b>

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# Logistics Division

Year ended 30 June	2013 (\$m)	2012 (\$m)	Change From Prior Year (%)
	Underlying	Pro-forma	
Revenue	538.4	476.8	13%
EBITDA	73.4	59.3	24%
Depreciation	(23.1)	(17.9)	29%
EBITA	50.3	41.4	21%
Amortisation	(1.7)	(1.7)	0%
EBIT	48.6	39.7	22%
Share of Profit of Associates	0.4	0.3	33%
EBITDA Margin (%)	13.6%	12.4%	1.2%
EBITA Margin (%)	9.3%	8.7%	0.6%

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# Strategic Assets Division

Year ended 30 June	2013 (\$m)	2012 (\$m)	Change From Prior Year (%)
	Underlying	Pro-forma	
Revenue	27.6	6.6	318%
EBITDA	21.1	5.1	314%
Depreciation	0.0	0.0	0%
EBITA	21.1	5.1	314%
Amortisation	(0.4)	(0.4)	0%
EBIT	20.7	4.7	340%
Share of Profit of Associates	0.0	4.4	N/A
NCI Share of Qube's NPAT	(3.7)	(0.3)	>1000%
EBITDA Margin (%)	76.4%	77.3%	-0.9%
EBITA Margin (%)	76.4%	77.3%	-0.9%

- The financial results for FY 13 are not directly comparable to the pro-forma results for FY 12 in relation to the Moorebank investment:
  - In FY 13, Qube consolidated 100% of the Moorebank investment and recognised a non-controlling interest (NCI) for the 33.3% it does not own.
  - In FY 12 Pro-forma, Qube equity accounted its 30% interest until 8 June 2012 from which time Moorebank was consolidated (as noted above).

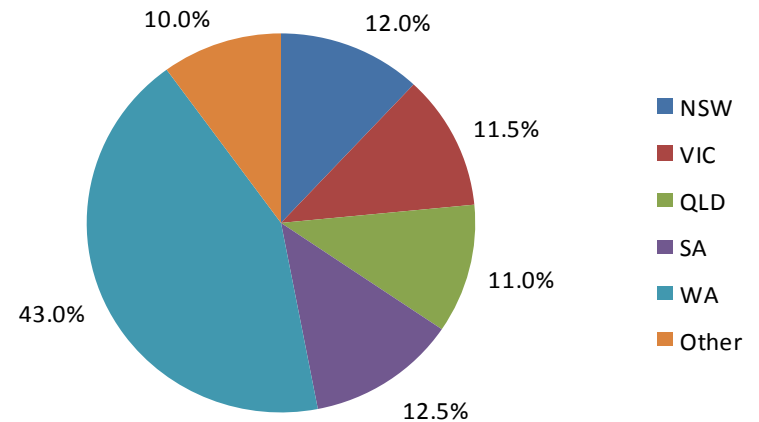
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# Ports & Bulk Division

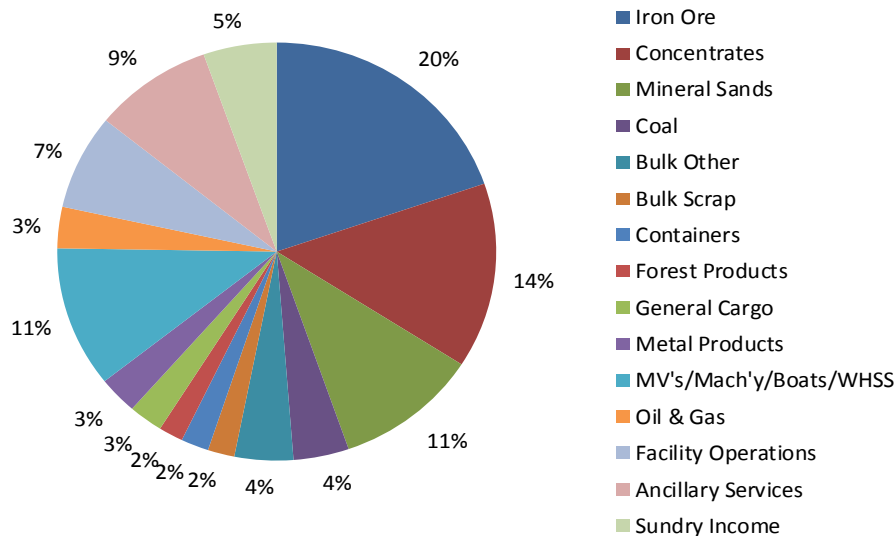
## FY 13 Indicative Revenue Segmentation



By State (%)



By Product (%)

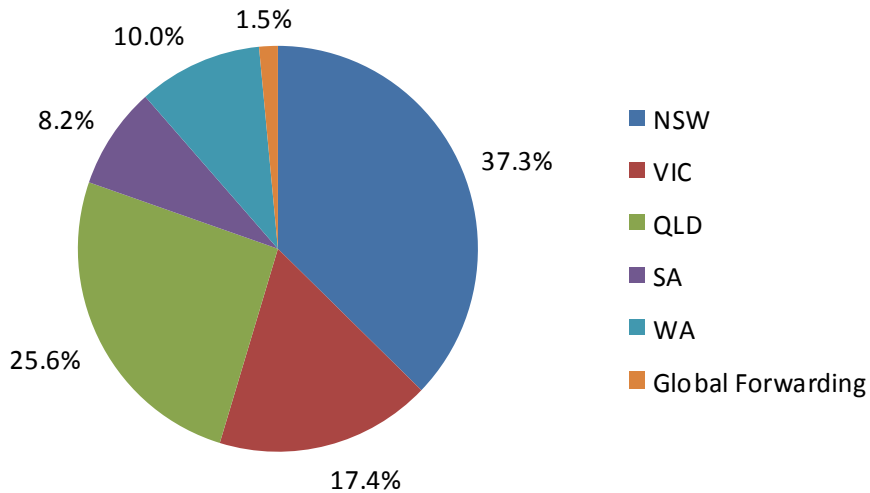


The business is well diversified by geography and product.

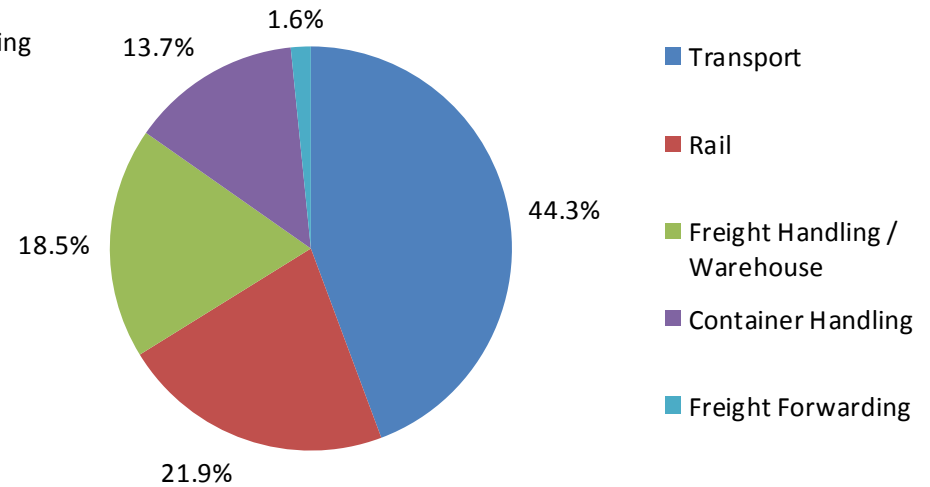
# Logistics Division

## FY 13 Indicative Revenue Segmentation

### By State (%)



### By Activity (%)



The business is well diversified by geography and service.

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