Moorebank Precinct East (MPE) – Moorebank Logistics Park

IMEX Rail Terminal at MPE

Existing warehouses and Target Australia's new NSW distribution centre at MPE

QUBE HOLDINGS LIMITED

ASX CEO Connect

October 2019

Vision and Strategy

Qube's vision is to be Australia's leading provider of integrated logistics solutions focussed on import and export supply chains

QUBE

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

Market Characteristics

- Attractive long term growth outlooks (ideally GDP+)
- Fragmentation and/or inefficiencies in the logistics supply chains
- Impacted by structural change / decline in local manufacturing
- Geographical advantages (ie proximity to China / Asia)
- Balanced mix between imports and exports

Current Markets

- Containers
- Motor vehicles
- Rural commodities
- Bulk resources
- Oil and gas
- Forestry products
- Diversified within target markets by customer, service and geography

QUBE GEOGRAPHICAL PRESENCE

QUBE TODAY

- Workforce of over 6,500 employees
- Working across over 130 locations in Australia, New Zealand and South East Asia
- Leading position in its core markets
- Market capitalisation of around A$5.1 billion

KEY LOCATIONS

Qube Today

Operating divisions and strategic investments

Operating Division

Qube Logistics

- Provides broad range of services for import and export of containerised cargo
- Offers integrated solution suite covering multiple aspects of the supply chain
- Operates nationally across Australia including in all capital city ports and has an expanding footprint in inland metropolitan and country regional areas with connections to Australian ports
- Holds an investment in Intermodal Group (49%), provider of rail transport services and operator of rail terminals in the Perth area




Qube Ports & Bulk

- Provides broad range of logistics services for the import and export of mainly non-containerised freight
- Focus on automotive, bulk and break bulk products including vehicles, forestry products, bulk commodities, oil and gas projects and general cargo
- National operator, with port facility locations in Australia, New Zealand and South East Asia
- Holds investments in NSS (50%) and Prixcar (25%) for logistics services to the mining and automotive industries




FY 19

Revenue $1,624.6m

EBITDA $263.3m

Infrastructure & Property

- Holds interests in strategically located properties suitable for development into logistics infrastructure and operations
- Developing Moorebank, expected to become the largest intermodal logistics precinct in Australia, and another property at Minto
- Owns AAT, a multi-user facility provider to stevedores and focused on vehicle imports
- Holds investments in Quattro (47.2%) and TQ (50%) for development and operation of grain and fuel storage and handling terminals



FY 19

Revenue $103.8m

EBITDA $45.1m

Patrick Stevedores (50%)

- Qube owns a 50% interest in Patrick, one of two major established national operators providing container stevedoring services in the Australian market
- Holds long term lease concessions for and operates shipping container terminals in the four largest container ports in Australia
- Complements Qube's other logistics activities
- Other 50% owned by Brookfield and its managed funds




FY 19

Revenue $312.2m (50%)

EBITDA $105.1m (50%)

Note: All revenue and EBITDA figures above are underlying for the 12 months to 30 June 2019. Patrick revenue is shown on a proportionate basis (ie reflecting Qube's 50% ownership interest).

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

Key Financial Outcomes

Qube has experienced significant growth in underlying earnings and margins through organic growth, acquisitions and investments funded through a combination of debt and equity

Year ended 30 June ($ million)	FY 16 Underlying	FY 17 Underlying	FY 18 Underlying	FY 19 Underlying	CAGR (%)* (FY16 - FY19)
Revenue	**1,319.7**	**1,513.7**	**1,650.7**	**1,728.6**	**9.4%**
Growth (%)	(7.8%)	14.7%	9.1%	4.7%	
EBITDA	**246.3**	**261.5**	**269.2**	**289.3**	**5.5%**
Growth (%)	(7.9%)	6.2%	2.9%	7.5%	
Margin (%)	18.7%	17.3%	16.3%	16.7%	
EBITA	**153.7**	**159.1**	**164.8**	**180.5**	**5.5%**
Growth (%)	(10.8%)	3.5%	3.6%	9.5%	
Margin (%)	11.6%	10.5%	10.0%	10.4%	
EBIT	**144.8**	**148.1**	**153.2**	**169.3**	**5.3%**
Growth (%)	(11.7%)	2.3%	3.4%	10.5%	
Margin (%)	11.0%	9.8%	9.3%	9.8%	
NPATA	**92.8**	**115.9**	**122.8**	**139.2**	**14.5%**
Growth (%)	(16.5%)	24.9%	6.0%	13.4%	

* Note: Compound Annual Growth Rate.

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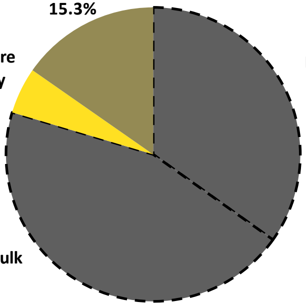
FY 19 Results Highlights

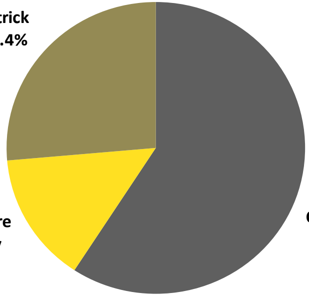
Diversified business drives growth

FY 19 Divisional Financial highlights

FY19 underlying revenue[1,2]



FY19 underlying EBITA[1,2]



Operating Division	+4.5% Underlying revenue $1,624.6 million Logistics $711.3 million (-0.4%) Ports & Bulk $913.3 million (+8.6%)	+6.8% Underlying EBITA $160.6 million
Infrastructure & Property	+8.8% Underlying revenue $103.8 million	+18.4% Underlying EBITA $39.2 million
Patrick (proportional)	+8.4% Underlying revenue $312.2 million	+7.8% Underlying EBITA $71.6 million

Notes:

1. Indicative split excluding contribution of Corporate division.
2. Figures include proportional contribution from Qube's 50% interest in Patrick.

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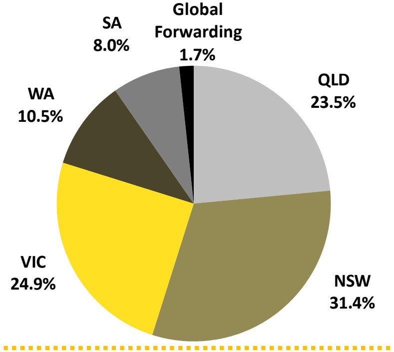
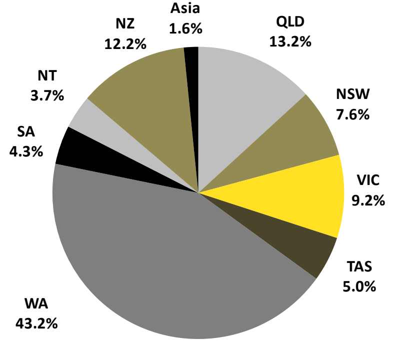
FY 19 Results Highlights

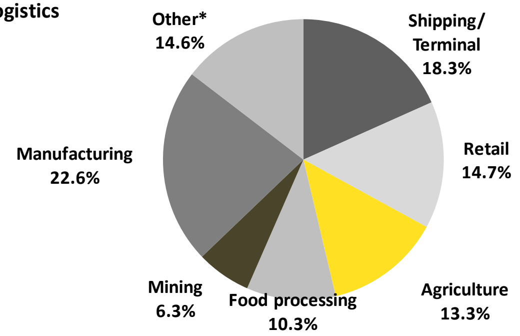
Indicative Revenue Segmentation – Operating Division

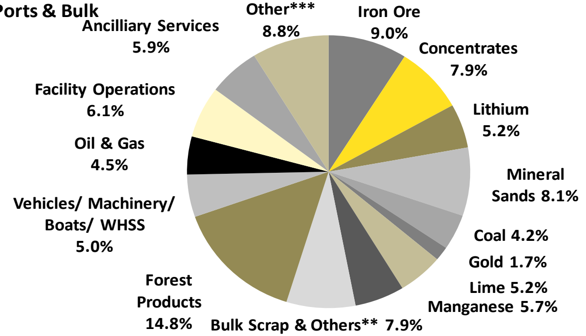
FY19 revenue by region





FY19 revenue by industry/product





- Product mix includes a broad range of commodities, forestry products, oil and gas related activities, vehicles and other services, reflecting Qube's highly diversified business
- Top 10 Logistics customers represent around 14% of the Operating Division's total revenue and include retailers, manufacturers, shipping lines and food processors
- Top 10 Ports & Bulk customers represent around 20% of the Operating Division's total revenue and include mining companies, shipping lines, forestry related companies and oil and gas companies

*Note: "Other" include freight forwarders as well as infrastructure and project works.

**Note: "Bulk Scrap and Others" include cement, frac sands, talc, fertilisers and aluminium.

***Note: "Other" include containers, general cargo, metal products and sundry income.

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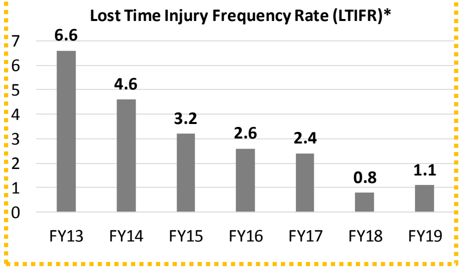
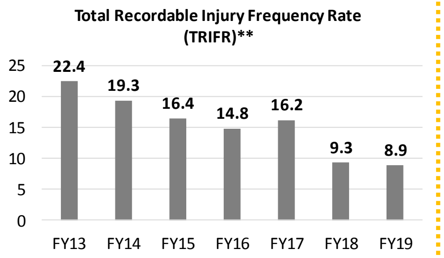
FY 19 Results Highlights

Continued focus on Safety, Health and Sustainability

Safety and Health





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

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

- LTIFR remained at low levels despite a marginal increase in FY 19 reflecting a small number of incidents during the period, including one tragic fatality in October 2018
- Improvement of 4.3% in the TRIFR in FY 19
- During FY 19, Qube has continued to:
  - Develop risk programs, focusing on verification of critical controls in the field, through risk reviews and leadership walks undertaken within the divisions
  - Promote Health and Wellbeing across the Group, focusing on health promotion campaigns targeting key lifestyle and health factors, resulting in a reduction in workers compensation claims cost

Sustainability

- Qube has undertaken a climate change risk assessment aligned with the Task Force on Climate-related Financial Disclosures recommendations and against future, long-term climate change scenarios
- This involved a detailed assessment of six assets in Australia and one in New Zealand, collectively covering 27% of Qube's FY 18 consolidated underlying revenue
- The analysis indicated that Qube has a low to moderate risk exposure to climate change
- This reflects the nature of Qube's activities as well as multiple initiatives undertaken to minimise greenhouse gas emissions as well as fuel and electricity consumption, through:
  - Modal shift from road to rail being a pillar of the long term strategy of the Group
  - Investment in greener and energy efficient equipment (e.g. Euro 5/6 compliant truck and plant fleet) when shift to rail is not achievable
  - Development of an embedded energy grid at the MLP to capture solar energy from the roof of warehouses to be constructed on the site
  - Adoption across the Group of energy efficient or renewable energy installations including solar panels and LED lighting

Roof of the new NSW distribution centre for Target Australia at the Moorebank Logistics Park

New Euro 6 compliant prime mover

Divisional Summary

Key drivers of performance – Operating Division

Operating Division

Logistics

- Highly diversified business weighted towards the major capital cities and regional exports
- Qube is the only operator providing a full suite of activities including movement of containers by road and rail, operation of empty container parks, warehousing, freight forwarding and customs and quarantine activities on a national and regional basis
- Qube's strong market position is underpinned by ownership or control of key locations near ports and rail facilities, the scale of its operations and activities and experienced management who have longstanding customer and supplier relationships

Ports & Bulk

- Highly diversified business geographically and by product/service
- The activities typically require the ability to offer customers services across multiple ports
- Qube has differentiated itself by being the only significant third party provider of integrated bulk haulage and stevedoring services (rather than competitors focussed on haulage only or stevedoring)

The top 10 customers of the Operating Division represent about 22% of total revenue of the division

Divisional Summary

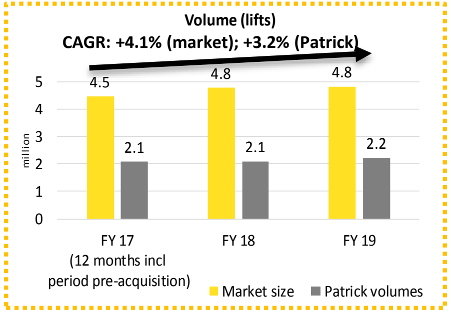
Key drivers of performance – Infrastructure & Property and Patrick

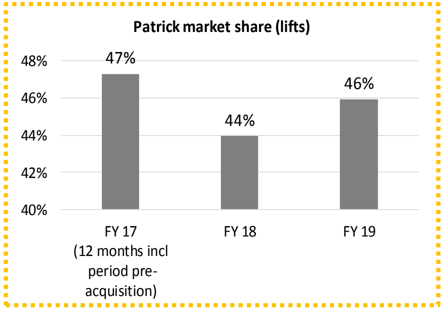
Infrastructure & Property	
	• Secured strategic sites near ports and rail including for future development • Unique characteristics of the Moorebank Logistics Park including the extent of warehousing (850,000m^2), location adjacent to the dedicated Southern Sydney Freight Rail Line (SSFL) and position next to the M5 and M7 road expressways provide compelling rationale for customers • AAT is the only infrastructure provider for automotive vehicle imports in Sydney and Brisbane • Minto Properties is fully leased and could be developed for a future intermodal logistics hub given size and location next to the SSFL
Patrick	• Superior physical sites and lower cost following automation of facilities in Sydney and Brisbane • Currently excess capacity in the markets with three stevedores in Sydney, Melbourne and Brisbane • Shipping line customers focussed on securing a premium service at a competitive price • Further investment in rail infrastructure in Sydney and Melbourne expected to deliver additional operating efficiency and increase terminal capacity

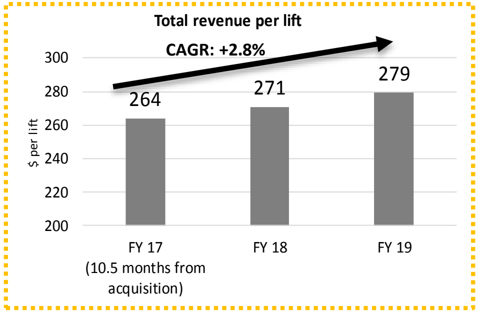
Divisional Summary

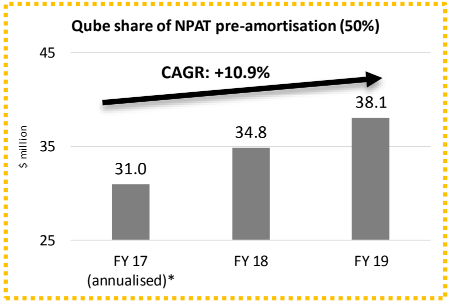
Patrick – Review of the investment

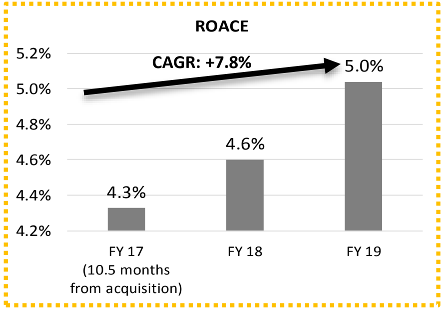
Pleasing growth achieved since acquisition

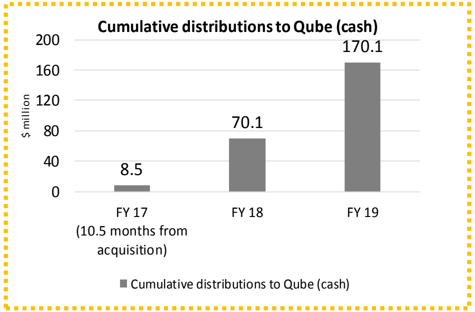












*Note: NPATA annualised for illustrative purposes only as Patrick's contribution to Qube in FY 17 was for 10.5 months.

- Challenging environment at the time of the completion of the Patrick acquisition in August 2016 including ongoing consolidation of shipping lines and surplus terminal capacity. This resulted in rate pressures and loss of volume to competitors
- Post acquisition, Patrick has delivered improved financial results, regained market share and improved its operational efficiency to deliver quality services to its customer base
- Despite ongoing competitive pressures, Patrick continues to de-risk the business through extending key port leases, diversifying the revenue mix to ensure appropriate returns on investment in landside infrastructure and progressing the rail automation project at Port Botany

Moorebank Logistics Park

The opportunity

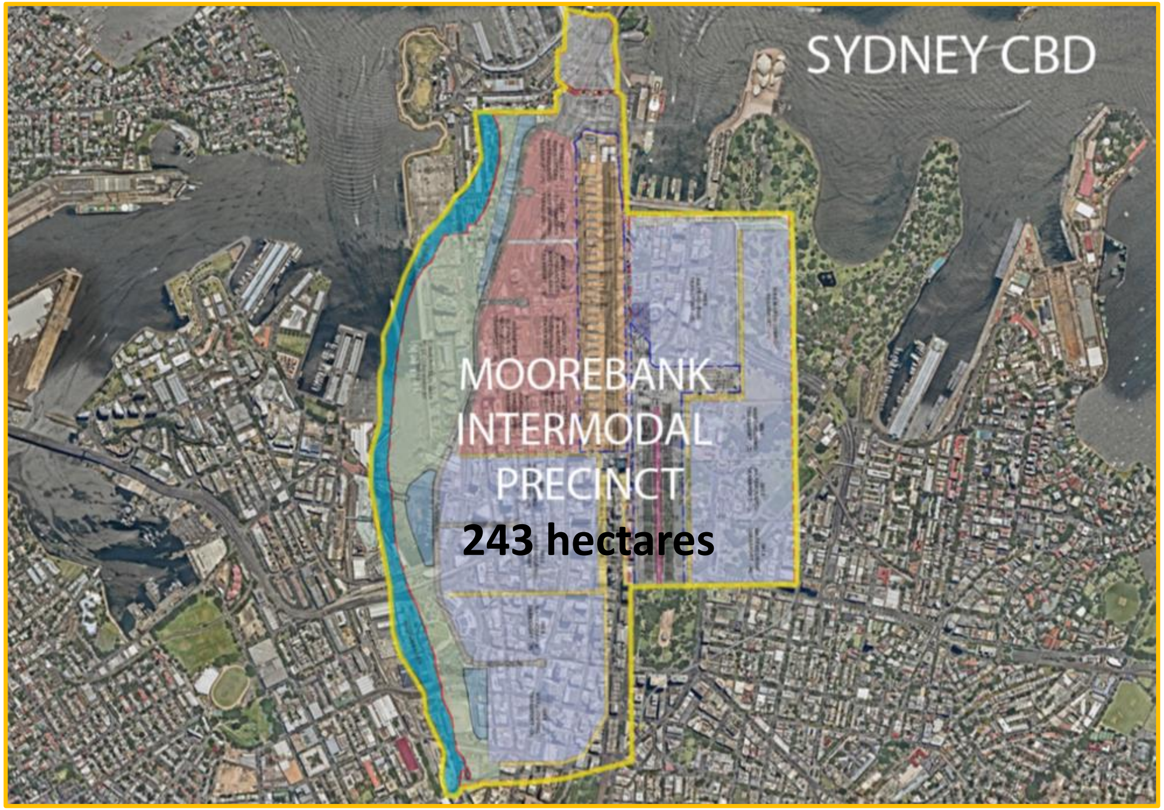
QUBE

Moorebank Logistics Park (MLP) is the largest intermodal logistics precinct in Australia

- Ideal location for a distribution centre with its strategic location, direct connection to major motorways lining all of Sydney and its distance from Port Botany, where all imported containerised goods to Sydney are received.
- The ability for multi-modes of transport for inbound and outbound logistics makes Moorebank Logistics Park a unique opportunity to improve the supply chain for any organisation running a Sydney or a National distribution operation via road or rail.
- The precinct comprises an area of over **243 hectares** located in South Western Sydney.
- When completed, the precinct will comprise:
    - Two rail terminals including Terminal 1 (IMEX) and Terminal 2 (Interstate) expected to handle **up to 1.5 million TEUs per annum**
        - The IMEX terminal comprises **four 650m rail sidings**.
        - The interstate rail terminal is expected to comprise **five 900m rail sidings and four 1,800m marshalling yards.**
    - Up to **850,000m^2** of integrated warehousing.

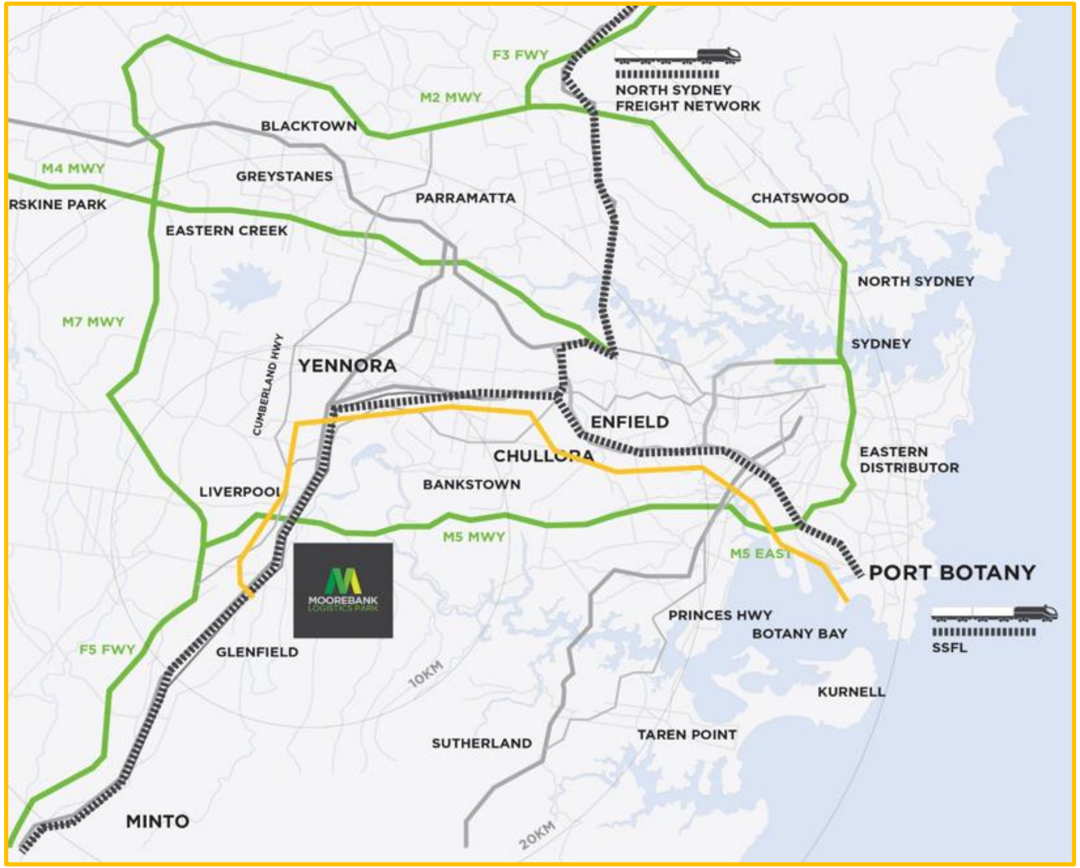
  This is expected to attract importers and national distributors due to the logistics efficiencies of being co-located with IMEX and interstate rail terminals, resulting in lower transport costs.
- The precinct comprises two parcels of land that will be sub-leased to Qube for up to **99 years.**
- Qube has **100%** of the development, operating, property and asset management rights for the project.
- The project is expected to bring significant benefits to Qube, its customers and the broader logistics chain through more efficient movement of freight on rail relative to current trucking operations.

UNIQUE SIZE AND OPPORTUNITY



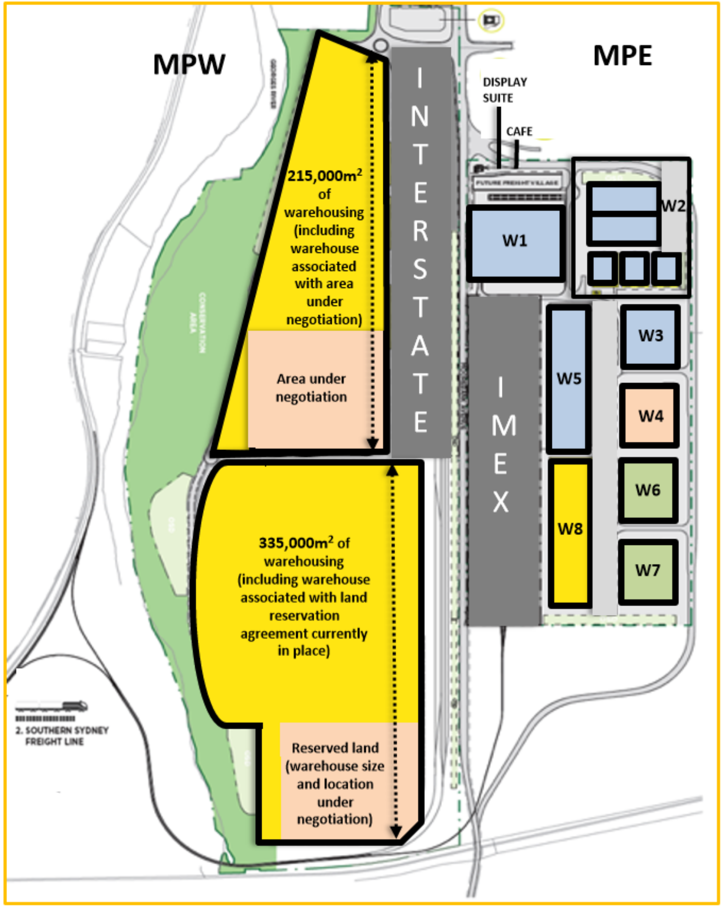
UNIQUE STRATEGIC RAIL BENEFIT

- Dedicated freight rail link from Port Botany to Moorebank and national rail network
- NSW Ports investment of $120 million in “on dock” rail infrastructure
- Federal Government's investment of $400 million to build greater rail capacity including duplication of the Port Botany Rail Link



Moorebank Logistics Park

Leasing update



MPE (300,000 m² of warehousing)

- W1 (37,830m²) – Target Australia
- W2 (40,723m²) – Existing buildings (leased)
- W3 (19,020m²) – BRW Logistics & Caesarstone
- W4 (23,262m²) – Commercial terms agreed for part of this warehouse. Ongoing negotiations for the remaining uncommitted portion
- W5 (51,250m²) – Qube Logistics
- W6 – Warehouse (including size) under discussion
- W7 – Warehouse (including size) under discussion
- W8 (54,200m²) – Available

MPW (550,000 m² of warehousing)

- Land reservation over 150,000 m² of land currently in place (warehouse size under negotiation)
- Another area of around 150,000 m² currently under negotiation
- Remaining portion of the site is available

Leased* (148,823m²)
Under negotiation
Under discussion
Available

***Note**: Includes Agreements for Leases

Key Financial Information at 30 June 2019

Capital management

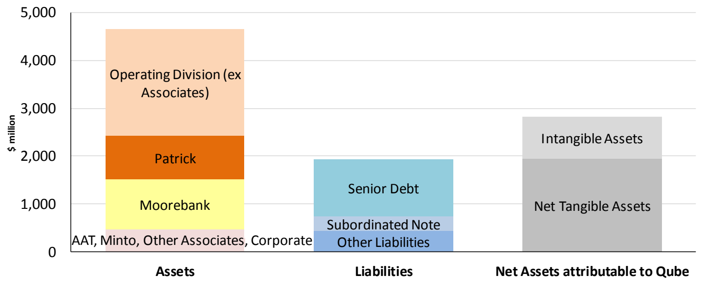
Key metrics

Net assets attributable to Qube	Net Debt	Cash and Undrawn Debt Facilities*	Leverage ratio**
$2,814.6 million	$ 1,356.4 million	$537.1 million	32.5%

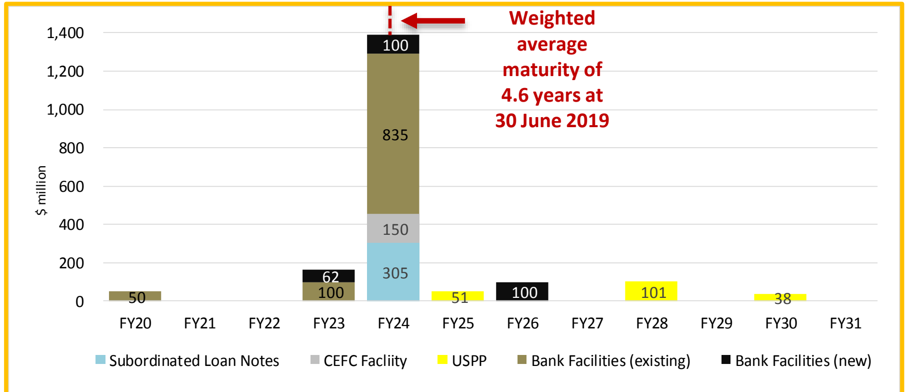
***Note**: Net of bank guarantees drawn totalling $30.9 million.

****Note**: Net debt / (Net debt+ Equity).

Balance sheet position



Debt maturity profile at 30 June 2019



Prudent approach to capital management

- During FY 19, Qube extended the maturity of the majority of its existing bilateral facilities with improved overall pricing and also established new 7-year bilateral debt facilities
- Qube's net debt has been increasing as it continues to fund the Moorebank development including infrastructure and new warehousing
- Qube continues to receive interest from a range of parties seeking to partner with Qube on financing warehouse development at the MLP
- Qube intends to assess the benefits of a range of potential funding and ownership options for MLP to realise some of the substantial value that has been created from Qube's investment in the MLP and to reduce Qube's future funding requirements for this project

Key Highlights

- Focused strategy on core markets with favourable attributes where Qube has expertise
- Ownership of key strategically located assets delivering a sustainable competitive advantage
- Longstanding relationships with high quality diversified customers and partners
- Considerable variable cost base supports earnings stability and margins
- Prudent approach to business investment decisions and conservative approach to funding growth
- Experienced Board and Management team with significant relevant industry expertise
- Well placed for continued solid growth in underlying NPAT (pre-amortisation), subject to economic and market conditions