

QUBE HOLDINGS LIMITED

(ABN 14 149 723 053)

APPENDIX 4E Full Year Report 30 June 2021

Results for Announcement to the Market

Set out below are the statutory results for Qube Holdings Limited (Qube) and its controlled entities for the year ended 30 June 2021. It is noted that as a result of the expectation that the completion of the Moorebank Logistics Park (MLP) monetisation process is highly probable, the assets being sold through this process (MLP Property Assets) and profit from the MLP Property Assets have been disclosed separately in the financial statements.

In the statement of comprehensive income, the net contribution from the MLP Property Assets is shown as profit after tax from discontinued operations. These earnings are excluded from the financial information relating to Qube's continuing operations.

The table below highlights that Qube reported a \$91.6 million statutory net profit after tax attributable to members for the year, which includes the contribution from the discontinued operations. However, when the earnings from the discontinued operations are excluded, the statutory result from continuing operations is a loss of \$43.8 million.

The main reason for the different outcome is the separation of the non-cash gains and losses relating to MLP between continuing and discontinued operations. The earnings from discontinued operations includes a \$195.6 million fair value gain relating to the MLP investment property that is being sold, and this gain is therefore not included in the earnings from continuing operations.

The net profit after tax attributable to members includes this gain but it is more than offset by the \$202.1 million impairment of the MLP property plant and equipment (primarily the impairment of the IMEX Terminal of \$156.2 million). This impairment is the major contributor to the overall loss from continuing operations in the period.

Statutory Information	FY 2021 \$'m	FY 2020 \$'m	Movement
Revenue from ordinary activities	1,962.9	1,878.5	4.5%
Revenue from ordinary activities (including discontinued operations)	2,177.4	1,902.0	14.5%
EBITDA ¹	181.3	422.8	-57.1%
EBITDA ¹ (including discontinued operations)	380.5	429.5	-11.4%
(Loss)/profit (after tax)]for the year from continuing operations	(43.8)	83.0	N/A
Net profit after tax attributable to members	91.6	87.5	4.7%
Interim dividend per share (fully franked)	2.5¢	2.9¢	-13.8%
Final dividend per share (fully franked)	3.5¢	2.3¢	52.2%
Basic and Diluted EPS from continuing operations	(2.3¢)	5.2¢	-144.2%
Basic and Diluted EPS (including discontinued operations)	4.8¢	5.2¢	-7.7%

¹ EBITDA is statutory net profit before tax adjusted to remove share of profit of associates, net finance costs, depreciation and amortisation.

* 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 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.

Underlying information is determined as follows:

Underlying revenues and expenses are statutory revenues and expenses adjusted to exclude certain non-cash and non-recurring items in order to more accurately reflect the underlying performance of Qube. Income tax expense is based on a prima-facie 30% tax charge on profit before tax and associates.

Underlying information*	FY 2021 \$'m	FY 2020 \$'m	Movement
Underlying Revenue	2,032.4	1,883.6	7.9%
Underlying EBITDA	325.6	290.9	11.9%
Underlying EBITA	182.9	160.3	14.1%
Underlying net profit for the year attributable to members	142.5	104.2	36.8%
Underlying net profit for the period attributable to members pre-amortisation	159.6	121.2	31.7%
Underlying diluted EPS	7.5¢	6.2¢	21.0%
Underlying diluted EPS pre-amortisation	8.4¢	7.2¢	16.7%
Full year dividend per share (fully franked)	6.0¢	5.2¢	15.4%

*** Underlying Information**

Further commentary on the performance of Qube and its operating businesses is set out in the financial statements and ASX announcement issued with this Appendix 4E. Underlying information is inclusive of discontinued operations.

A reconciliation of the statutory results to the underlying results for the year ended 30 June 2021 and the prior comparable period is presented below:

	2021	2020
	\$'m	\$'m
Revenue and other income	2,177.4	1,902.0
Intercompany trading	50.2	41.5
Fair value gains	(202.1)	(45.1)
Minto sale adjustment	2.8	-
Quattro acquisition adjustment / (Bargain purchase gain)	2.8	(15.8)
AASB 16 leasing adjustments	1.3	1.0
Underlying revenue	2,032.4	1,883.6
Net profit before income tax	122.6	130.5
Share of equity accounted investments loss/(profit)	(14.1)	7.1
Net finance cost	37.3	65.0
Depreciation & amortisation	234.7	226.9
EBITDA	380.5	429.5
Impairment of investment in associate	11.1	6.9
Impairment of loan to associate	3.8	-
Impairment of property, plant and equipment	202.2	-
Minto sale adjustment	2.8	-
Quattro acquisition		
- Impairment of equity accounted investment	-	11.2
- Adjustment / (Bargain purchase gain)	2.8	(14.7)
Fair value gains	(202.1)	(45.1)
AASB 16 leasing adjustments	(93.6)	(101.8)
JobKeeper repayment	16.9	-
Acquisition costs	0.6	3.4
Other	0.6	1.5
Underlying EBITDA	325.6	290.9
Underlying Depreciation	(142.7)	(130.6)
Underlying EBITA	182.9	160.3
Underlying Amortisation	(10.8)	(12.1)
Underlying EBIT	172.1	148.2
Underlying interest expense (net)	(3.5)	(17.4)
Share of (loss)/profit of equity accounted investments	14.1	(7.1)
Underlying adjustments to equity accounted investments:		
AASB 16 leasing adjustments	14.0	15.4
Underlying adjustments - other	(3.4)	3.4
Underlying share of profit/(loss) of equity accounted investments	24.7	11.7
Underlying net profit before income tax	193.3	142.5
Underlying Income tax expense	(50.6)	(39.2)
Underlying net profit for the year	142.7	103.3
Underlying non-controlling interests	(0.2)	0.9
Underlying net profit after tax attributable to members	142.5	104.2
Underlying net profit after income tax attributable to members pre-amortisation¹	159.6	121.2
Diluted underlying earnings per share (cents per share)	7.5¢	6.2¢
Diluted underlying earnings per share pre-amortisation (cents per share)	8.4¢	7.2¢

¹ Underlying net profit after tax pre-amortisation, includes an adjustment for Qube's proportionate share of Patrick amortisation expense net of tax.

The table above has been extracted from note 2 of the financial statements but is un-audited.

Dividend Information

	Amount (cents per share)	Record Date
Final dividend - fully franked	3.5	22 September 2021
Payment date	22 October 2021	

Qube paid a fully franked interim dividend of 2.5 cents per share per share for the half year ended 31 December 2020 on 8 April 2021. A fully franked final dividend of 2.3 cents per share for the year ended 30 June 2020 was paid on 21 October 2020.

Dividend Reinvestment Plan

Qube operates a dividend reinvestment plan (DRP) that enables shareholders to elect to reinvest all, or a portion of, their dividends into additional shares in Qube. The DRP is available for the final dividend payable on 22 October 2021. Shares will be issued at a discount of 2.5 per cent to the volume weighted average market price of shares sold on the ASX over the 10 trading days commencing on 24 September 2021. Lodgement of the election notice for participation in the DRP is due by 5:00pm on 23 September 2021.

Net Tangible Asset Backing per Share

The net tangible asset backing per share is \$1.30 (2020: \$1.29 per share).

Additional Information

Additional Appendix 4E disclosures can be found in the notes to the Financial Report.

This Appendix 4E report is based on the 30 June 2021 Financial Report which has been subject to an audit by PwC, with an unqualified opinion.