

Aurizon Holdings Ltd (Aurizon) 2023 AGM report

ASX code	AZJ
Meeting date	12 October 2023
Type of meeting	Hybrid
Monitor	David Loosemore assisted by David Midwood
Pre AGM-meeting	With Chairman Tim Poole

Meeting Statistics

Number of holdings represented by ASA	119
Number of shares represented by ASA	916,332
Value of shares represented by ASA	\$3.39m
Total number attending meeting	89 attendees in person, 103 on line
Market capitalisation	\$6.645 billion
ASA open proxies voted	ASA voted in favour of all the resolutions

The Aurizon AGM was a well-attended hybrid meeting that commenced with a heartfelt acknowledgment of country by an Indigenous Aurizon employee. The Chairman then introduced the Board and the CEO, who, due to a potentially contagious illness, participated remotely from an adjacent room during the meeting.

The Chairman and CEO delivered comprehensive presentations (available [here](#) via weblink) on the company's performance and prospects for the upcoming year. Key highlights included:

- The recently acquired rail corridor connecting Darwin to South Australia is strategically positioned alongside over 250 resource projects, spanning from exploration to pre-production. This corridor enables rail freight faster than sea from Darwin to the East Coast, offering opportunities for land-based growth and diversification for Aurizon away from coal.
- The outlook, in line with August projections, increases full-year EBITDA results to the range of \$1.59 billion to \$1.68 billion. This reflects increased volumes due to improved weather conditions and the positive effects of higher interest rates in the regulated network business.

During the Q&A session, the ASA inquired about how the company intends to balance shareholders' expectations for high dividends with opportunities to expand the company using retained earnings and the associated increase in the company's risk profile.

Aurizon expressed its commitment to increasing female representation on the Board during a Director rotation scheduled for early 2024. The company is generally compliant with most ASA policies on remuneration, though it was suggested that they consider reporting a more detailed Board skills matrix, emphasising the strengths of individual Directors instead of presenting an overall Board score.

The meeting conveyed strong support for the company's commitment to good governance and transparency. Notably, there were no Adani protesters, a departure from previous AGMs. Resolutions were passed with overwhelming support, garnering 96% or more in favour.

Additional topics covered during the meeting included:

- The potential increase in train capacity resulting from the Inland rail stage connecting Melbourne to Parkes, facilitating double stacked trains from Darwin to Melbourne.
- East Coast container traffic has been made profitable by transitioning from an end-to-end supply chain business with multiple customers in a competitive field, to Aurizon focusing on its competitive advantage in rail freight.
- Environmental efforts, including the likelihood of adopting electric battery locomotives for short-haul routes and exploring the possibility of hydrogen-powered locomotives for long-haul journeys, contingent on the resolution of safety issues associated with ammonia.

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