

ASX Announcement  
28 February 2022

## 2021 Full Year Financial Results

Dalrymple Bay Infrastructure Limited (ASX:DBI, or 'the Company') is pleased to announce its results for the year ended 31 December 2021 (FY-21).

### Highlights

- A 4Q-21 distribution of 4.5 cents per security to be paid during 1Q-22, taking total FY-21 distributions to 18 cents per security, in line with guidance
- The Company provides distribution guidance for FY-22 of 18.27 cents per security to be paid in four equal quarterly instalments. The distribution reflects a 1.5% increase on FY-21, in line with the Company's stated aim of growing distributions per security by 1-2% per annum
- The move to a light-handed regulation model was approved by the Queensland Competition Authority (QCA) on 1 July 2021
- The Company is currently in commercial price negotiations with customers. DBI remains optimistic it will reach pricing agreements with all or a majority of its customers but does not intend to comment on customer negotiations until they are concluded.
- Adjustments to Access Charges payable by Users arising from the move to the light-handed regulatory framework will be backdated to an effective date of 1 July 2021
- Placement of \$514 million of fixed rate senior secured notes in the US Private Placement market due to fund on 2 March 2022 with an average tenor of 11.95 years and refinanced \$260m of revolving bank facilities during the year

### FY-21 Results

- Total Revenue of \$505.0 million, with Terminal Infrastructure Charge (TIC) Revenue of \$202.9 million
- Statutory net profit after tax of \$129.1 million
- Reported Borrowings of \$2,046.6 million at 31 December 2021, with gearing of 75.6% of asset base
- Investment grade balance sheet was maintained

### Operational Performance

- The Dalrymple Bay Terminal (DBT) shipped 54.3 Mt of coal in FY-21 of which 81% was metallurgical coal
- DBI remains committed to whole of terminal ESG principles with progress made towards alignment with TCFD recommended disclosures
- DBT's electricity requirements from 1 January 2023 secured with 100% renewable benefits in the form of renewable energy large-scale generation certificates (LGCs)
- Development of DBI's overarching transition strategy including, post the end of the period, the execution of a funding agreement with North Queensland Bulk Ports Corporation Limited, Brookfield Infrastructure Group (Australia) Pty Ltd and ITOCHU Corporation to complete detailed feasibility studies aimed at understanding the potential for development of a regional green hydrogen hub within the vicinity of existing terminal infrastructure.

Dalrymple Bay Infrastructure Managing Director and CEO, Anthony Timbrell said:

*“The 2021 year was our first full year as a listed company and a year in which we made significant progress against the investment thesis we outlined in our listing prospectus.*

*The Dalrymple Bay Terminal remains a critical link in the global steel making supply chain and a key asset in the Queensland and Australian economies. During the year we shipped 54 Mt of coal, with the vast majority (81%) being metallurgical coal, to 25 countries. While the volume shipped was down on 2020, our long term take or pay contracts provide financial surety and allowed us to deliver a strong set of financial results for the year.*

*The QCA’s approval of a light-handed regulatory regime, effective from 1 July 2021, allows DBI, like other Australian coal export terminals, to negotiate access charges directly with customers. We remain in negotiations with our customers and will update the market as appropriate.*

*Our focus on sustainability was outlined in our inaugural Sustainability Report. Our whole-of-terminal approach to sustainability reflects our commitment to our people, the environment and the community in which we operate. We commenced the development of an overarching transition strategy to prepare for the potential decarbonisation of the steel industry supply chain and identify opportunities for growth and diversification of DBI’s business.*

*With strong and stable funds from operations (FFO) and an investment grade balance sheet, we were able to deliver a distribution of 18 cents per security for FY-21, representing an attractive yield of 8.9%<sup>1</sup>. Our FY-22 distribution guidance of 18.27 cents per security reflects a 1.5% increase, in line with our stated committed to delivering 1-2% pa distribution growth for the foreseeable future.*

*I would like to thank all of our securityholders for their continuing support and I look forward to updating you on the outcomes of our access charge negotiations.”*

### **Distribution and On-market Buyback**

The Company has announced a 4Q-21 distribution of 4.5 cents per security, taking the total announced distributions for FY-21 to 18 cents per security representing a 79.3% payout of Funds from Operations. The 4Q-21 distribution will have a record date of 4 March 2022 and a payment date of 23 March 2022.

DBI announces guidance for FY-22 distributions totaling 18.27 cents per security, representing a yield of 9.0%<sup>1</sup>. Furthermore, the FY-22 distribution guidance reflects a 1.5% increase in distributions, in-line with the Company’s previous guidance of targeting distribution growth per security of 1-2% per annum.

On 26 February 2021, the Company announced to the ASX its intent to establish an on-market buy-back program which enabled the Company to buy back up to 10% of its issued securities during the year to 31 December 2021, should the Directors consider it advantageous to do so. The on-market buy-back commenced on 29 March 2021 and was closed on 31 December 2021. A total of 4,516,267 securities were acquired for a total of \$10.025 million under the program. These securities have subsequently been cancelled. All buybacks were within the ‘10/12 limit’ permitted by the Corporations Act 2001 (Cth) and therefore did not require securityholder approval<sup>2</sup>.

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<sup>1</sup> Based on a security price of \$2.03 at 31 December 2021.

<sup>2</sup> Refer previous announcement by the Company to the ASX: “Announcement of buy-back - Appendix 3C” and “Full Year Results Release” dated 26 February 2021 and “On Market Share Buy-Back Update” and “Changes relating to buy-back - Appendix 3D” dated 29 March 2021.

## Operational Review

DBT is a predominantly metallurgical coal terminal that operates 24 hours a day. DBT exports more than 55 different grades of metallurgical coal to 25 countries. Key CY2021<sup>3</sup> operating highlights for DBT include:

- Total coal exports for CY2021 totalled 54.3mt of coal (55.0mt in CY2020).
- Coal exports during CY2021 were approximately 81% metallurgical coal and 19% thermal coal (82% metallurgical coal and 18% thermal coal in CY2020).
- Key export destinations were Japan, South Korea, India, and Europe, accounting for approximately 75% of total exports (54% in CY2020).
- Exports to China continue to be impacted by the Chinese government restrictions on Australian coal imports.
- Two underground mines that ship through DBT suffered operational disruptions for large parts of 2021, impacting overall terminal throughput. One of the impacted mines resumed operations in July 2021 and the other resumed operations in February 2022.

## Financial Review

During the reporting year, the Group made a net operating profit after income tax of \$129,077,842 (31 December 2020: loss of \$113,207,004).

\$ million	2021 Statutory Results	2020 Statutory Results
	(1 January to 31 December 2021)	(7 August to 31 December 2020) <sup>4</sup>
TIC revenue	202.9	13.0
Handling revenue	251.0	10.4
Revenue from capital works performed	51.1	-
<b>Total revenue</b>	<b>505.0</b>	<b>23.4</b>
Terminal operator's handling costs	(251.0)	(10.4)
G&A expenses (excluding IPO Transaction Costs) <sup>5</sup>	(15.8)	(2.1)
Capital work costs	(51.1)	-
G&A expenses (IPO Transaction Costs) <sup>6</sup>	94.0	(129.3)
<b>EBITDA (non-statutory)<sup>6</sup></b>	<b>281.1</b>	<b>(118.4)</b>
Net finance costs <sup>7</sup>	(92.7)	(5.7)
Depreciation and amortisation	(39.4)	(2.4)
Profit/(loss) before tax	149.0	(126.5)
Income tax (expense)/benefit	(19.9)	13.3
<b>Net profit/(loss) after tax</b>	<b>129.1</b>	<b>(113.2)</b>

<sup>3</sup> CY2021 is calendar year 1 January 2021 - 31 December 2021. CY2020 is calendar year 1 January 2020 - 31 December 2020. The DBT Entities were acquired on 8 December 2020.

<sup>4</sup> DBI was incorporated on 7 August 2020 and the DBI Group (comprising DBI and its wholly owned subsidiaries) was formed on 8 December 2020 following the Restructure (as that term is defined in the Prospectus) at which time DBI acquired Dalrymple Bay Infrastructure Management Pty Ltd (DBIM) and DBT Trust (which are the main entities conducting the business of DBI in respect of DBT as set out in the Prospectus).

<sup>5</sup> "G&A Expenses" means general and administrative expenses and IPO Transaction Costs are detailed in note 30 to DBI's Financial Report for the year ended 31 December 2020 released to the ASX on 26 February 2021 and described in the Prospectus (as released to the ASX on 8 December 2020) as "Transaction Costs".

<sup>6</sup> Earnings Before Interest, Tax, Depreciation and Amortisation

<sup>7</sup> Includes interest expense and fair value adjustments on Stapled Loan Notes. This is net of interest received shown in the financial statements as other income.

When comparing statutory results for the year to 31 December 2021 to the comparative period 7 August 2020 to 31 December 2020:

- The comparative period consisted of 3 weeks of trading from the Initial Public Offering (IPO) on 8 December 2020 when DBI acquired the DBT Entities. The current period represents a full year from 1 January to 31 December 2021.
- A reversal of IPO Transaction Costs of \$94 million was recorded during the year ended 31 December 2021 following finalisation of various items for which preliminary estimates were provided in the Prospectus at the time of listing.

## Balance Sheet

Liquidity in the Group as at 31 December 2021 comprised \$203.0 million in undrawn bank facilities (31 December 2020: \$214.0 million), \$42.0 million cash at bank (31 December 2020: \$139.1 million) and \$33.0 million in restricted cash (31 December 2020: \$36.0 million).

The Group's debt book comprises bank debt and fixed and floating rate bonds, with a weighted average tenor at year end of 5.03 years<sup>8</sup> (31 December 2020: 5.9 years). As at 31 December 2021, total reported borrowings were \$2,046.6 million (excluding the loan notes attributable to securityholders and adding back capitalised borrowing costs of \$5.5 million) and non-statutory drawn debt was \$1,870.9 million<sup>9</sup> (31 December 2020 reported borrowings: \$2,039.5 million and non-statutory drawn debt: \$1,859.9 million).

During May 2021, one of the Company's subsidiaries, DB Finance, entered into \$1,450 million of interest rate swaps to fix the base rate of a proportion of its debt book. The average swap rate transacted was 1.173% lower than the average rate of the \$1,600 million of interest rate swaps that expired in June 2021.

Currency exposure on the USD-denominated USPP notes is 100% hedged under cross currency interest rate swaps (CCIRS) transacted at the time of raising the USD debt. These CCIRS are hedged for the life of the foreign currency borrowings, removing sensitivity to foreign exchange movements for both interest and principal.

\$ million	Statutory	Non-statutory <sup>1</sup>	Statutory	Non-statutory <sup>1</sup>
	31 December 2021	31 December 2021	31 December 2020	31 December 2020
<i>Short Term Debt</i>				
Bank Facilities	9.0	9.0	33.0	33.0
Note Facilities	-	-	-	-
<i>Long Term Debt</i>				
Bank Facilities	346.2	348.0	310.5	313.0
Note Facilities	1,691.4	1,513.9	1,696.0	1,513.9
<b>Total Borrowings<sup>2</sup></b>	<b>2,046.6</b>	<b>1,870.9</b>	<b>2,039.5</b>	<b>1,859.9</b>
Restricted Cash <sup>3</sup>	33.0	33.0	36.0	36.0
Unrestricted Cash	42.0	42.0	139.1	139.1
<b>Total net debt</b>	<b>1,971.6</b>	<b>1,795.9</b>	<b>1,864.4</b>	<b>1,684.8</b>

Notes:

1. USD borrowings expressed in AUD at the exchange rate per the cross-currency interest rate swaps transacted at the time of raising the USD debt.
2. Total statutory borrowings exclude loan establishment costs of \$5.5 million for 31 December 2021 (31 December 2020: nil).
3. Restricted cash is the debt service reserve account, which represents 6 months debt service.

<sup>8</sup> DB Finance priced A\$514m of USPP Notes on 2 November 2021 that are due to fund on 2 March 2022. These Notes will have a weighted average tenor of 11.95 years. As these Notes have not yet reached financial close, they are not included in the weighted average tenor at year end. Refer ASX release: Dalrymple Bay Infrastructure Prices A\$514 million US Private Placement, 3 November 2021.

<sup>9</sup> Non-statutory debt uses the foreign currency exchange rate per the CCIR swaps to translate USD denominated debt to AUD.

## ESG Performance

The Company operates under industry leading Environment, Social and Governance (ESG) and sustainability principles. DBI and the operator of the terminal recognise that the terminal's location within the Great Barrier Reef World Heritage Area and its proximity to residential communities brings responsibility to ensure operations continue to have no detrimental impact on people or the unique ecosystem. Together, DBI and the operator are committed to protecting and enhancing the environment through leading environmental management practices and strong partnerships with environmental groups.

During 2021, DBI issued its inaugural Sustainability Report. The report was prepared with reference to the Global Reporting Initiative (GRI) standards and the Sustainability Accounting Standards Board (SASB) framework. DBT reported zero environmental incidents and exceedances, zero fatalities and an All Injury Frequency Rate (AIFR) of 9.72<sup>10</sup>.

DBI also committed to the development of a voluntary Cultural Heritage Management Plan (CHMP) with the Yuwibara Aboriginal Corporation (the traditional owners of the land at DBT).

Recognising DBI and the Operator's joint commitment to reducing energy and emissions intensity at DBT, DBT secured arrangements for 100% of its electricity requirements with 100% renewable benefits in the form of renewable electricity large scale generation certificates (LGCs) from 1 January 2023. This is a major step toward DBI's commitment to achieve net zero Scope 1 and Scope 2 emissions at DBT by 2050 with DBT's scope 2 electricity emissions representing approximately 98% of DBT's greenhouse gas emissions each year.

DBI's Diversity and Inclusion objectives were approved by the Board and a range of initiatives were identified to achieve these objectives.

## Regulatory Environment

Under the regulatory regime applying to DBT and administered by the Queensland Competition Authority (QCA), DBIM is required to submit a draft access undertaking to the QCA for approval every 5 years. DBIM submitted a draft access undertaking to the QCA for assessment on 1 July 2019 proposing a transition to a lighter-handed regulatory framework in the form of a 'negotiate-arbitrate' pricing regime. On 1 July 2021, the QCA approved the 2021 Access Undertaking, which endorsed the application of a lighter-handed regulatory framework.

Commercial negotiations with customers are currently underway and DBI will update the market when appropriate. When agreements are reached with customers or determined by an arbitrator, the price as agreed or determined will be backdated to an effective date of 1 July 2021 and a retrospective adjustment will be made.

Until the new pricing arrangement is agreed or determined by an arbitrator, DBI will continue under the current pricing arrangements that have facilitated the Company's ability to pay a full year distribution with respect to the 2021 Financial Year of 18 cents per security.

## 8X Expansion

DBT retains significant expansion optionality to accommodate metallurgical coal exports from the Bowen Basin. The 8X expansion presents a well-defined technical and commercial pathway to expand capacity in 4 phases. The 8X expansion is focused on terminal optimisation by maximising storage volume as well as increasing inloading and outloading capabilities within the existing footprint of DBT and its marine facilities.

In December 2020, DBI completed the technical aspects of the 8X FEL2 Study (pre-feasibility) which was fully underwritten by access seekers. The study revealed that the 8X expansion has the potential to expand the system capacity to 99.1Mtpa at a cost of \$1,276 million.

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<sup>10</sup> Includes the Operator's employees and contractors.

DBI commenced the fully underwritten FEL3 (full feasibility study) in April 2021. The FEL3 study and associated economic assessments are expected to be completed in late 2022.

## Outlook

The Directors provide distribution guidance of 18.27 cents per security for FY-22, an increase of 1.5% over FY-21, to be paid across four quarterly distributions. The Company will continue to focus on its core investment drivers and target to grow distributions per security by 1-2% per annum. These investment drivers include:

- Delivering on DBI's whole-of-terminal commitment to ESG and sustainability
- Continuing to progress the transition to a lighter-handed regulatory framework
- Maintaining stable, predictable cash flows, via our long-term take-or-pay contracts
- Progressing the opportunities to capture long-term Bowen Basin metallurgical coal production via growth options such as the 8X expansion
- Progress hydrogen feasibility studies
- Growing the asset base through continued investment in sustaining capital expenditure; and
- Maintaining an investment grade balance sheet.

-ENDS-

Authorised for release by the Board of Dalrymple Bay Infrastructure Limited

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### More information

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## About Dalrymple Bay Infrastructure

Dalrymple Bay Infrastructure (DBI) through its foundation asset, the Dalrymple Bay Terminal (DBT), aims to provide safe and efficient terminal infrastructure and services for producers and consumers of high quality Australian coal exports. DBT, as the world's largest metallurgical coal export facility, serves as a global gateway from the Bowen Basin and is a critical link in the global steelmaking supply chain. By providing operational excellence and options for capacity expansions to meet expected strong export demand, DBI intends to deliver value to security holders through distributions, ongoing investment and capital growth. [dbinfrastructure.com.au](http://dbinfrastructure.com.au)

## Forward Looking Statements

This announcement contains certain forward-looking statements with respect to the financial condition, operations and business of the Company and certain plans and objectives of the management of DBI. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms “believes”, “estimates”, “anticipates”, “expects”, “predicts”, “intends”, “plans”, “goals”, “targets”, “aims”, “outlook”, “guidance”, “forecasts”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Such forward looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of the Company to be materially different from the results or performance expressed or implied by such forward looking statements. Actual results may materially vary from any forecasts in this announcement. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of DBI, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this announcement. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this announcement nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.