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Port of Newcastle | 8 or 10yr Senior Investment Grade | 6-7% AUD

By Jenna Hayes

The Port of Newcastle has mandated a potential inaugural 8- or 10-year AUD-denominated senior secured fixed-rate benchmark.

Quick Deal Summary:

- Issuer: Port of Newcastle Investments (Financing) Pty Ltd
- Expected Rating: BBB (S&P) / BBB- (Positive) (Fitch)
- Structure: Senior Secured Fixed Rate Notes
- Tenor: 8 or 10 years

About Port of Newcastle:

Port of Newcastle is the largest port on Australia's East Coast, handling around 170 million tonnes per annum and ranking 4th nationally by trade volume. Its operations are critical to bulk export flows, particularly Hunter Valley coal and northern NSW agriculture. They are governed by a long-term lease extending to 2110, giving the business significant stability and visibility.

The port operates as a monopoly provider of essential infrastructure within its catchment, benefiting from a robust mix of regulated and contracted revenues that underpin a stable earnings profile. The business continues to invest in diversification initiatives, including hydrogen, bulk liquids, and container terminal infrastructure, while maintaining financial discipline and high margins.

Financially, the credit profile remains strong (based on the latest financials of Dec-2024):

- EBITDA of $214.7m, up 4% YoY
- EBITDA margin of 73.5%
- Net debt to EBITDA of 6.6x, trending lower as the capital structure amortises
- Interest cover of 2.9x
- Free cash flow generation continues to support both capex ambitions and a manageable debt load

With positive ratings momentum (Fitch: BBB-, outlook positive) and an established footprint in global and domestic debt markets, PON offers an attractive entry point into a high-quality, infrastructure-backed credit.

Expected launch later this week, please contact your IAM Relationship Manager or email AdviserServices@incomeam.com to find out more.

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