Transurban

ASX release

18 August 2022

Transurban FY22 results and FY23 distribution guidance[1]

FY22 highlights

- Fourth quarter traffic reaching a new high and exceeding pre-pandemic levels, driven by new asset capacity and increased mobility and travel
- Inflation-linked toll escalations providing protection in a rising inflation environment with balance sheet management limiting near-term interest rate exposure. During 2H22, $3.4 billion of refinancing was completed[2], lowering the weighted average cost of debt
- Robust balance sheet position, with $3.9 billion in corporate liquidity, with $355 million in Capital Releases generated in FY22
- FY22 distribution of 41.0 cents per stapled security (cps), including a final distribution of 26.0 cps for the six months ended 30 June 2022. This represents distribution growth of 12% year-on-year, and 122% covered by FY22 Free Cash (including Capital Releases)
- FY23 distribution is expected to be 53.0 cps representing approximately 30% growth on FY22, and is likely to include a portion of the additional WestConnex Capital Releases resulting from the acquisition to minimise dilution associated with the equity raising[3]

(0.5%)	5.7%	19.8%	41.0 cps	53.0 cps
change in average daily traffic (ADT) across the portfolio[4]	change in proportional revenue	change in Free Cash	distributions for FY22 122% covered by Free Cash and including 2.7cps of Capital Releases	expected distribution in FY23, representing approximately 30% growth on FY22[3]

Chief Executive Officer Scott Charlton said that increased mobility and the benefit of new assets had contributed to an overall improving trend in traffic throughout FY22.

"While traffic numbers were broadly flat year-on-year from COVID-19-related disruptions and severe rainfall events in Queensland and NSW, it was encouraging to see fourth quarter traffic reaching a new high and exceeding pre-pandemic levels," he said.

---

[1] All % changes shown throughout are in relation to the respective prior corresponding period unless otherwise noted.

[2] Based on refinanced debt excluding undrawn borrowing facilities and letters of credit. AUD equivalent value shown.

[3] Refer to page 5 for further details.

[4] 2022 ADT figures for Queensland assets are calculated excluding the period between 2 March to 6 March. Tolling was suspended during this time due to heavy rainfall events.

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255

ARSN 098 807 419

corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia

Telephone +613 8656 8900
Facsimile +613 8656 8585

"Some impacts from Omicron and the flu were evident in July but overall traffic performance remains solid. This is encouraging given the additional impact of severe weather in Sydney during the month, with early signs in August looking positive for further traffic improvement. We also continue to observe people generally favour private transport as the preferred option to move around cities for work and leisure, and an increasing number starting to travel overseas," he said.

"The return of traffic to our roads also reflects the value that our customers continue to see in our assets. Through our Urban Mobility Trends research we see that people are prioritising time savings and safety when choosing a mode of transport, and our roads are well placed to offer customers faster journeys that are safer than alternative routes. The improvements that we see in safety are a result of targeted work and innovation over many years and we continue to drive improvements in our operational performance."

Mr Charlton highlighted the resilience of the business in a rising inflation and interest rate environment with the balance sheet well-positioned to support growth through the cycle.

"Over FY22, Transurban has continued to demonstrate the resilience of our business model through inbuilt inflation protection with 68% of our revenue linked to CPI escalations," Mr Charlton said.

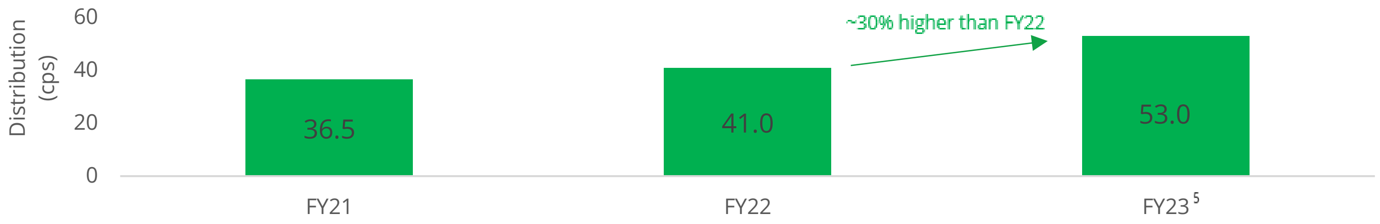
"In the current macroeconomic environment where both inflation and interest rates are rising, we have very low interest rate exposure over the near-term as a result of our hedging policy with around 98% of our existing debt book fully hedged. Pleasingly, we continue to strengthen the balance sheet having refinanced over $3.4 billion of debt in FY22 which contributed to lowering our weighted average cost of debt."

"The combination of inbuilt inflation protection and a balance sheet structured on conservative views around interest rates means we are well positioned for growth throughout the cycle."

Mr Charlton said that FY22 also represented another year of significant development for the business which is expected to support longer-term traffic growth and distributions.

"In Sydney, we have progressed to the third stage of the NSW Government's Unsolicited Proposals process on the M7-M12 integration and delivery proposal, which will support projected growth in Western Sydney. In Melbourne, we have made significant progress in construction of the West Gate Tunnel with around 40% of the twin tunnels now excavated," he said.

"Traffic performance and project delivery, together with the strength of our balance sheet, provide a meaningful base for generating Free Cash over the medium to longer-term. In FY23, we expect to pay a distribution of 53 cps representing approximately 30% growth on FY22, depending on traffic performance and macroeconomic factors."



[5] Refer to page 5 for further details.

Transurban Group
Transurban International Limited
ABN 90 121 746 825
Transurban Holdings Limited
ABN 86 098 143 429
Transurban Holding Trust
ABN 30 169 362 255
ARSN 098 807 419
corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia
Telephone +613 8656 8900
Facsimile +613 8656 8585

Key business activities

Customers, Communities and Sustainability

- Road Injury Crash Rate[6] declined to 3.78 from 4.29 in FY21. Road safety initiatives in FY22 include utilising data and road management plans to reduce rear-end and merging crashes
- Provided access to free child car-seat fittings and safety checks across all Australian markets through the partnership with Kidsafe with over 2,000 fittings conducted in FY22
- Renewable electricity agreements in place across all Australian markets, with two-thirds of electricity usage now being met from renewable energy
- Scope 1 and 2 greenhouse gas emissions 13% below FY19 baseline levels
- Empowering customers through enhanced Linkt app capability including live notification of incidents
- Supporting customers in hardship through increased capacity of Linkt Assist team in response to demand

Sydney

- ADT decreased by 13.9%, and was lower by 1.5% vs FY19. ADT declined 15.8% vs FY19 when excluding new assets, the M8/M5 East and NorthConnex
- Proportional toll revenue was slightly lower by 1.1% to $1,264 million, with COVID-19 impacts in the first half mostly offset by contributions from NorthConnex and increased WestConnex ownership. Excluding NorthConnex and additional WestConnex contributions, proportional toll revenue was down by 9.3%
- Proportional EBITDA declined by 6%
- Average workday traffic decreased by 12.8% and average weekend/public holiday traffic decreased by 16.9%
- Car traffic decreased by 14.9% and large vehicle traffic decreased by 3.4%
- Transurban's proportional ownership in WestConnex increased to 50% alongside strategically aligned partners
- The M7-M12 integration and delivery proposal progressed to the third stage of the NSW Government's Unsolicited Proposals process in May 2022. Subject to Government approval and final documentation, work is expected to start in calendar year 2023, and construction is anticipated to take around three years
- Excavation for the M4-M5 Link is fully complete with the project on track to open to motorists in Q3 FY23. The mechanical and electrical fit out works are more than 88% complete and all road surface now laid

Melbourne

- ADT increased by 14.6% and decreased by 23.8% vs FY19. Traffic performance continues to experience positive improvement with the Western Link benefitting from increasing airport-related traffic
- Toll revenue increased by 17.3% to $722 million
- EBITDA increased by 18%
- Average workday traffic increased by 12.0% and average weekend/public holiday traffic increased by 23.3%

[6] Road Injury Crash Index (RICI) measures the number of serious injury road crashes (where an individual is transported from or receives medical treatment at scene) per 100 million vehicle kilometers travelled (VKT) on Transurban's roads.

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255

ARSN 098 807 419

corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia

Telephone +613 8656 8900

Facsimile +613 8656 8585

- Car traffic increased by 18.4% and large vehicle traffic increased by 4.6%
- The Burnley Tunnel Upgrade Project is underway, with major preparatory works commencing in June to enable installation of pacemaker lighting. This initiative is expected to deliver improved traffic flow through the tunnel
- Ongoing progress on the West Gate Tunnel Project, with 42% of outbound and 38% of inbound tunnelling complete, with the launching gantry having completed the outbound road deck of the elevated motorway above Footscray Road in July

Brisbane

- ADT increased by 2.8% and by 3.3% vs FY19
- Proportional toll revenue increased by 6.1% to $451 million, with growth across all assets
- Proportional EBITDA increased by 2%
- Average workday traffic increased by 2.7% and average weekend/public holiday traffic increased by 3.3%
- Car traffic increased by 2.0% and large vehicle traffic increased by 5.0%
- Successful transition of second control room on to Transurban's new centralised operations and control centre in Brisbane, with the remaining two sites expected to be migrated in FY23
- Maintained access to Brisbane's toll roads and tunnels during the extreme rainfall event in South-East Queensland during February/March and supported impacted local communities through a targeted community grants program

North America

- ADT increased by 22.1%, with ADT down 5.0% vs FY19[7]
- Proportional toll revenue increased by 13.2% to $189 million. On a like-for-like basis, toll revenue increased by 60.5%
- Proportional EBITDA increased by 67%
- Average workday toll revenue on the 95 Express Lanes increased by 78.7%. The average dynamic toll price was USD8.55
- Average workday toll revenue on the 495 Express Lanes increased by 54.4%. The average dynamic toll price was USD4.66
- Rolling 12-month peak direction traffic of 2,915 vehicles per hour on the A25
- Commercial and financial close reached on the 495 Northern Extension during FY22 with construction underway
- Commercial and financial close reached in early FY23 on the Seminary Road and Opitz Boulevard enhancement projects
- Continuing to advance early-stage development and design work on Phase 1 of the Maryland Express Lanes Project. Currently working with Maryland Department of Transport on updated timeline with a process underway to select D&C subcontractor(s)

[7] 395 Express Lanes opened in November 2019.

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255

ARSN 098 807 419

corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia

Telephone +613 8656 8900

Facsimile +613 8656 8585

Distribution and DRP

A distribution totalling 26.0 cents per stapled security will be paid on 23 August 2022 for the six months ended 30 June 2022. This will be made up of a 24.0 cents partly franked distribution from Transurban Holding Trust and controlled entities and a 2.0 cent fully franked dividend from Transurban Holdings Limited and controlled entities. This takes the total FY22 distribution to 41.0 cents per stapled security, of which 2.0 cents is fully franked.

This distribution includes 2.7 cents per security in Capital Releases resulting from the increased stake in WestConnex which has been used to minimise the dilutive impact of the transaction, with total FY22 Free Cash (including Capital Releases) coverage of 122%.

The Distribution Reinvestment Plan (DRP) will operate for this distribution payment. For further information on distributions and the DRP, visit the Investor Centre at transurban.com.

FY23 guidance

FY23 distribution expected to be 53.0 cps representing approximately 30% growth on FY22, subject to the following:

- Distribution policy as outlined below
- Traffic performance and macroeconomic factors
- Timing of distributions from subsidiaries[8]

Distribution policy[8]

- FY23 distribution is expected to be in line with Free Cash excluding Capital Releases, with the following exception:
  - As previously stated, following the acquisition of an additional 24.5% interest in WestConnex[9], Transurban is likely to use a portion of the additional WestConnex Capital Releases[10] received in the two years following the transaction to minimise dilution in Free Cash per security associated with the equity raising

Total FY23 cost growth is expected to be greater than FY22, with increases predominantly due to:

- Corporate and operational costs, which are expected to have similar drivers as FY22
- Recovery in traffic volumes and new asset costs which are expected to add around 5% additional costs
- Potential for additional costs related to early-stage development projects

---

[8] Distributions to be determined by respective Board discretion at the time.

[9] Transurban's proportional ownership in WestConnex through its equity investment in STP JV increased from 25.5% to 50% on 29 October 2021.

[10] Additional releases received due to Transurban's higher equity interest in WestConnex. Timing and amount of Capital Releases remain uncertain and subject to a variety of factors, including the relevant asset's performance, debt capital market and broader macroeconomic conditions.

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255

ARSN 098 807 419

corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia

Telephone +613 8656 8900

Facsimile +613 8656 8585

Market briefing

Transurban will provide a market briefing at 9:45am (AEST) today, 18 August. The market briefing will be webcast via the Transurban website at transurban.com.

END

Investor enquiries

Hannah Higgins
Head of Investor Relations
+61 419 246 502

Media enquiries

Josie Brophy
Manager, Media and Communications
+61 437 165 424

This announcement is authorised by the Board of Transurban Group.

Note: Further details are provided in the Appendices and the Investor Presentation published alongside this release.

Transurban Group
Transurban International Limited
ABN 90 121 746 825
Transurban Holdings Limited
ABN 86 098 143 429
Transurban Holding Trust
ABN 30 169 362 255
ARSN 098 807 419
corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia
Telephone +613 8656 8900
Facsimile +613 8656 8585

Appendix 1

Statutory results

	FY21[11] $M	FY22 $M
Toll revenue	2,266	2,324
Construction revenue	480	911
Other revenue	140	171
Total revenue	**2,886**	**3,406**
Total expenses	**(1,195)**	**(1,725)**
Earnings before depreciation and amortisation, net finance costs, equity accounted investments and income taxes	**1,691**	**1,681**
Depreciation and amortisation	(1,140)	(1,107)
Net finance costs	(870)	(466)
Share of loss of equity accounted investments	(161)	(368)
Loss before income tax	**(480)**	**(260)**
Income tax benefit	193	276
(Loss) / profit from continuing operations	**(287)**	**16**
Profit from discontinued operations	3,559	-
Profit from continuing and discontinued operations	**3,272**	**16**

[11] Statutory results above have been reclassified to present Transurban Chesapeake as discontinued operations in the prior comparative period. Refer to Note B24 to the Corporate Report for Transurban Holdings Limited for the year ended 30 June 2022 for further information.

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255

ARSN 098 807 419

corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia

Telephone +613 8656 8900

Facsimile +613 8656 8585

Appendix 2

Proportional results

	FY21 $M	FY22 $M	% CHANGE
Group Toll revenue	**2,486**	**2,626**	**5.7%**
Other revenue	127	136	6.6%
Total revenue	**2,613**	**2,762**	**5.7%**
Total costs	**(777)**	**(862)**	**10.9%**
EBITDA (excluding significant items)	**1,836**	**1,900**	**3.5%**
Significant items[12]	(24)	-	N.M.
EBITDA	**1,812**	**1,900**	**4.9%**
EBITDA (excluding significant items) margin	**70.3%**	**68.8%**	**(150 bps)**
Free cash (incl. Capital Releases)	**1,278**	**1,531**	**19.8%**
Gross distributions	**999**	**1,259**	**26.0%**
Distributions per share (dps)	**36.5cps**	**41.0cps**	**12.3%**

[12] FY21 significant items includes transaction and integration costs M5 West and Transurban Chesapeake divestment. No significant items have been recognised in FY22.

Classification Public

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255

ARSN 098 807 419

corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia

Telephone +613 8656 8900

Facsimile +613 8656 8585

Appendix 3

Traffic and revenue performance by market

	ADT ('000)[13]		PROPORTIONAL TOLL REVENUE (A$M)	
Market	**Jun 22 qtr**	**FY22**	**Jun 22 qtr**	**FY22**
Sydney	970	802	$382	$1,264
Melbourne[14]	778	648	$214	$722
Brisbane[15]	442	418	$120	$451
North America	152	140	$54	$190
Group	**2,342**	**2,008**	**$769**	**$2,626**
Sydney (like for like basis)[16]	*931*	*770*	*$346*	*$1,158*
North America (like for like basis)[17]	*152*	*140*	*$54*	*$269*

[13] Market ADT figures may not add to Group ADT totals due to rounding.

[14] CityLink traffic reported as average daily transactions ('000).

[15] 2022 ADT figures for Queensland assets are calculated excluding the period between 2 March to 6 March. Tolling was suspended during this time due to heavy rainfall events.

[16] Like for like basis excludes NorthConnex (opened 31 October 2020) and revenue contributions from additional ownership of WestConnex from 29 October 2021. Change in ownership does not impact traffic data which is reported on a 100% basis.

[17] Like for like basis excludes 50% divestment of 95 Express Lanes and 495 Express Lanes from April 2021. Change in ownership does not impact traffic data which is reported on a 100% basis.

Transurban Group

Transurban International Limited
ABN 90 121 746 825

Transurban Holdings Limited
ABN 86 098 143 429

Transurban Holding Trust
ABN 30 169 362 255

ARSN 098 807 419

corporate@transurban.com
www.transurban.com

Level 31
Tower Five, Collins Square
727 Collins Street
Docklands
Victoria 3008 Australia

Telephone +613 8656 8900

Facsimile +613 8656 8585