

Welcome to  
Sydney's Airport

# Annual General Meeting 2020

22 May 2020

SYD



# Disclaimer

This presentation has been prepared by Sydney Airport Limited (ACN 165 056 360) ("SAL") in respect of ASX-listed Sydney Airport ("SYD"). SYD is comprised of the stapled entities SAL and Sydney Airport Trust 1 (ARSN 099 597 921) ("SAT1"). The Trust Company (Sydney Airport) Limited (ACN 115 967 087 /AFSL 301162) ("TTCSAL") is the responsible entity of SAT1.

This presentation is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in SYD, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

Information, including forecast financial information, in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in SYD or any other entity. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature are subject to uncertainty and contingencies, many of which are outside the control of SAL and TTCSAL. Past performance is not a reliable indication of future performance.

Sydney Airport advises that on 21 April 2020 foreign ownership was 30.5%.

Authorised for ASX release by the SAL and TTCSAL Boards.



# Acknowledgement of Country

Sydney Airport wishes to acknowledge the Aboriginal people of coastal Sydney who are the Traditional Custodians of the land on which today's airport sits.

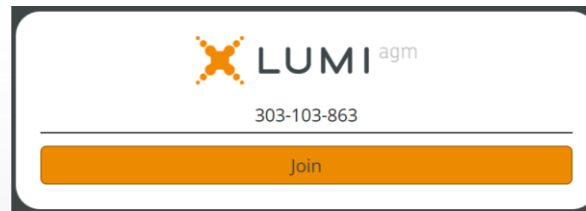
They identify themselves in a number of ways including Gamayngal, Bideagal, Gweagal, Gadigal and Gadhugal.

We pay our respects to them, their cultures and to their Elders past, present and emerging and to other Aboriginal and Torres Strait Islander people who have made this area their home.

# Virtual AGM access

A live webcast of the Sydney Airport Annual General Meeting is available via [web.lumiagm.com](https://web.lumiagm.com)

Meeting ID: 303 103 863



Once polling is opened, security and proxy holders can vote by clicking on the bar chart icon



The application is open for the submission of written questions. Questions may be moderated or amalgamated if there are multiple questions on the same topic





Safety share

# SAL Directors

Attending via audio link



Trevor Gerber  
Chairman



Grant Fenn



Ann Sherry AO



John Roberts



Stephen Ward



Abi Cleland



David Gonski AC

# SAT1 Directors

Attending via audio link



Russell Balding AO



Anne Rozenauers



Patrick Gourley



# Chairman's address

Trevor Gerber



# 2019 highlights

Solid performance delivered in 2019

Total passengers

**44.4m**

↑0.1% from 2018

**+1.1%**

International  
passengers

**-0.5%**

Domestic  
passengers

Revenue

**\$1,639.7m**

↑3.5% from 2018

Net operating receipts

**\$905.7m**

↑5.2% from 2018

Operating expenses<sup>1,2</sup>

**\$205.1m**

↓1.6% from 2018

EBITDA<sup>2</sup>

**\$1,336.3m**

↑4.0% from 2018

Full year distribution

**39.0¢**

↑4.0% from 2018

1. Excluding security recoverable expenses.

2. Excludes other expenses and specific expenses relating to restructuring and redundancy.

# COVID-19 response

Proactively addressed liquidity and cashflow requirements to the end of calendar 2021

## Balance sheet

- Reviewed liquidity requirements for the current operating environment
- Secured additional \$850m of two and three year bank facilities
- Debt maturities more than covered to the end of calendar 2021
- No intention to raise equity at this time
- Expect to remain compliant with covenant requirements

## Cashflow management

- No interim distribution declared
- Targeting at least a 35% reduction in operating costs<sup>1</sup> for the 12 months from April 2020
- Targeting a capital expenditure range of \$150m to \$200m for the 12 months from April 2020 - more than 50% reduction on previous guidance
- Reduced Board fees and CEO fixed remuneration by 20% from April to 30 June 2020

1. Excluding security recoverable expenses.

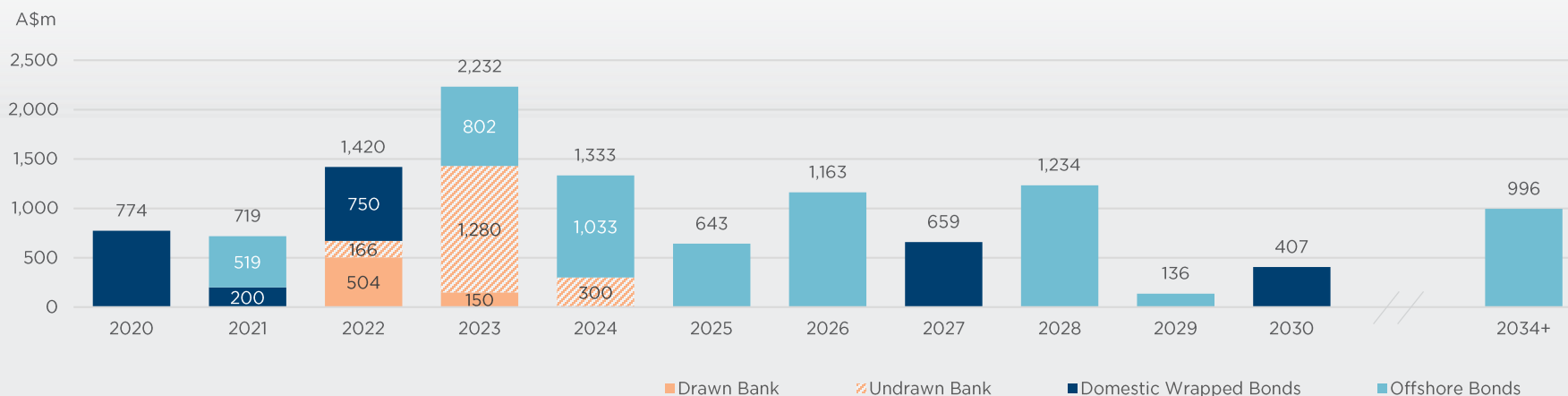


# Financial flexibility

## Liquidity of \$2.7 billion to support the business throughout the crisis

- \$360m available cash (as at 15 May 2020)
- \$1.75bn of undrawn bank facilities including \$850m raised in April 2020
- Approximately \$600m of new USPP bond market debt (to be funded in June 2020)
- Liquidity comfortably in excess of \$1.5bn of debt maturities to the end of calendar 2021

### Debt Maturity Profile<sup>1</sup>



1. Debt maturity profile as at 30 April 2020. New USPP maturities are shown with proceeds expected in June 2020. Includes \$150 million SAL bank debt facility.

# Distribution

## 2019 distribution of 39.0 cents per stapled security

- Final distribution of 19.5 cents was paid on 14 February 2020

## 2020 interim distribution

- No interim distribution for the half year ending June 2020
- Interest waived on the cross staple loan by SAT1 to SAL for the half year ended 30 June

## 2020 full year distribution

- Impacts of COVID-19 will continue to be assessed before issuing full year 2020 guidance



# Chief Executive Officer's address

Geoff Culbert

# 2019 business highlights

Delivered revenue growth off flat traffic



1. Excludes security recovery revenue \$105.0 million.



# 2019 sustainability performance

Committed to responsible operations in a way that delivers positive outcomes

## Safety



No class 1 injuries



5 Lost Time Injuries,  
down from 10 in 2018



>90% of people leaders  
completed safety walks



13% decrease in passenger injury  
rate from 2018

## Environment



34.5% reduction in emissions  
intensity per pax since 2010



197,000 KL of water treated  
onsite, up 19% on 2018



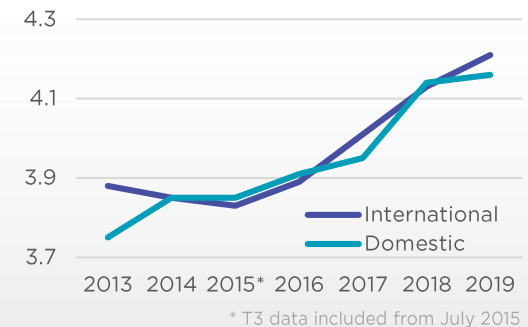
43.4% waste recycling rate,  
up from 42.9% in 2018



Removed single use plastic  
bags and straws from all  
terminals across 113 tenancies

## Customers

### Overall customer satisfaction



International

Domestic

**4.2/5**

**4.2/5**

+1.9% on 2018

+0.5% on 2018

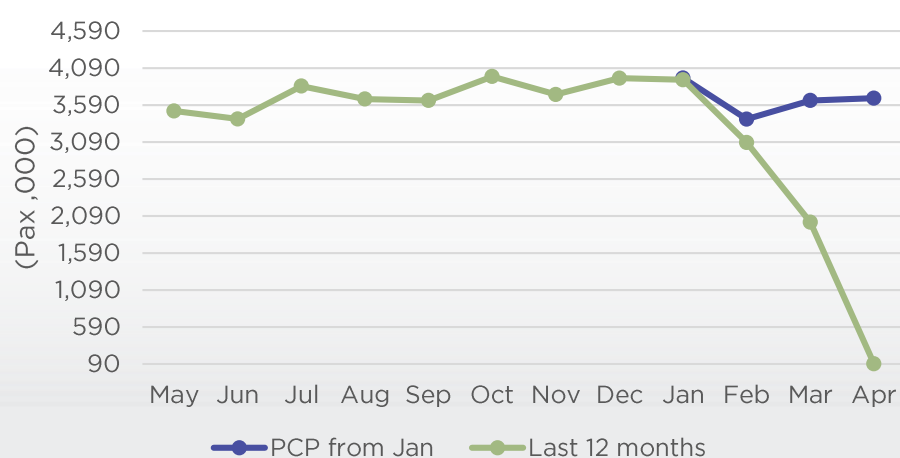


Ranked 2<sup>nd</sup> globally within Sustainalytics' airport sub-industry sector

# Reduction in traffic from Feb 2020

## Unprecedented traffic reductions impacting the entire industry

### Twelve months of traffic



- International traffic is down 38.9% year to date<sup>1</sup> and 97.9% in May month to date<sup>2</sup>
- Domestic traffic is down 37.4% year to date<sup>1</sup> and 97.4% in May month to date<sup>2</sup>

1. Year to date traffic from 1 January 2020 to 30 April 2020 compared to the prior corresponding period

2. Month to date figures are provisional and subject to change (1 May 2020 – 18 May 2020)

- Engaging with our partners to ensure that we are all well positioned to navigate through the crisis
- Ensuring our airlines are well supported
  - o Facilitating essential travel requirements across all terminals
  - o Actively participating in the Virgin Group administration process
  - o Closure of the East-West runway to preserve full airport capacity and facilitate significant additional aircraft parking
  - o Ensuring operations are ready to scale up as required
- Temporary and equitable outcomes with commercial tenants. Focused on long term shared success



# COVID-19 impact and response

## Significant disruption to people and airport operations

### People

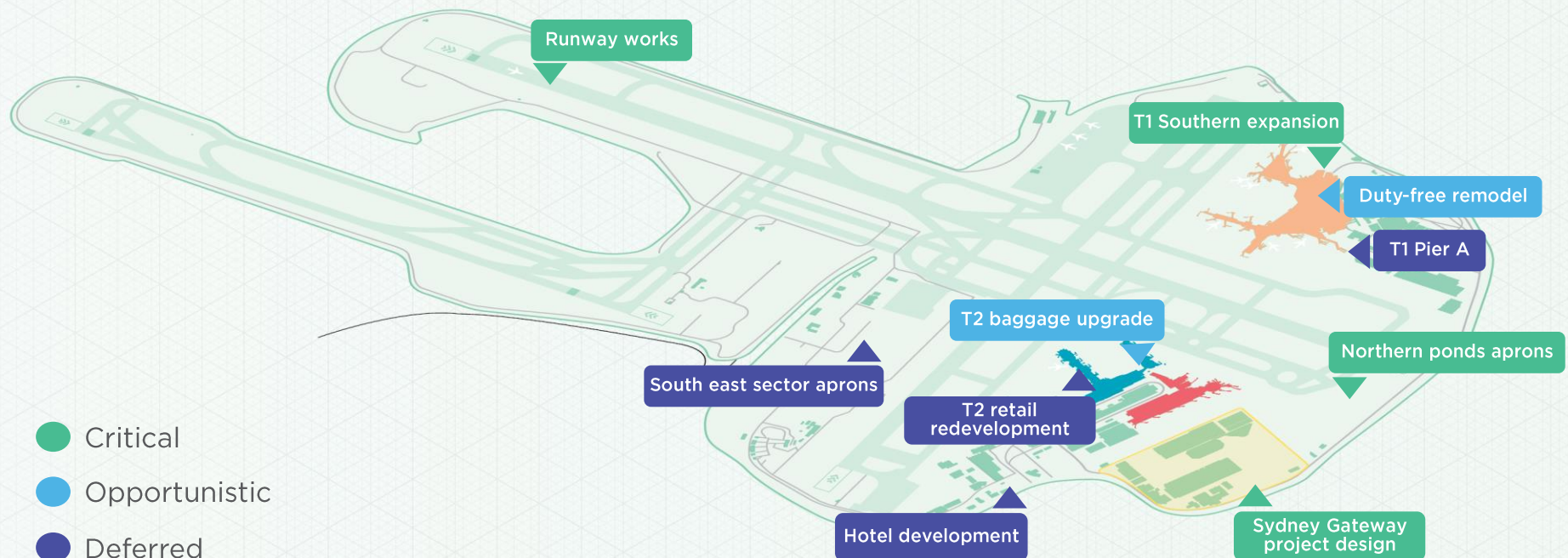
- Safety of our people, airport employees and travelling public comes first – zero infections for SYD employees
- High quality personal protection equipment provided for staff
- Implemented contactless handovers for operations staff
- Employee Assistance Program support available for all airport employees
- Six month job guarantee in place to retain staff for recovery

### Operations

- Significantly reduced terminal activities for essential travel, while minimising operating cost
- Providing the right level of security to support current operations
- Upgraded cleaning protocols with hospital grade disinfectant and increased frequency
- Significant resources deployed to assist Federal biosecurity and NSW Health officials
- Facilitating an efficient and flexible scale up of operations

# Investing in critical infrastructure

\$150-200 million of capital expenditure forecast for the twelve months from April 2020 – more than 50% reduction on previous guidance



# Well positioned for recovery

Turning our focus to a safe recovery in a post COVID-19 world



- Focused on developing safe corridors of travel and building traveller confidence by implementing safe travel protocols
- Supporting the lifting of the domestic travel ban and early opening of Trans-Tasman international travel
- Aligned to Government health guidelines. Working with industry bodies, Governments and airlines to focus on safe travel requirements

1. 2019 passenger mix. Domestic includes regional and international includes domestic-on-carriage



# Formal proceedings

Trevor Gerber

# Summary of business

## Sydney Airport Limited

### **Consideration of financial statements and reports – for questions only**

To receive and consider the Financial Report of Sydney Airport Limited and its controlled entities for the financial year ended 31 December 2019, together with the statements and reports of directors and auditors forming part of the Financial Report.

### **Resolution 1: Adoption of remuneration report**

That the Remuneration Report, which forms part of the Directors' Report for the year ended 31 December 2019, be adopted.

### **Resolution 2: Re-election of Ann Sherry AO**

That Ann Sherry AO be re-elected as director of Sydney Airport Limited.

### **Resolution 3: Re-election of Stephen Ward**

That Stephen Ward be re-elected as a director of Sydney Airport Limited.

### **Resolution 4: Approval of the CEO long term incentives for 2020**

That approval be given for the acquisition by the CEO of Sydney Airport, Mr Geoff Culbert, of 134,103 Rights under the Sydney Airport Long Term Incentive Plan, and stapled securities of Sydney Airport on the future vesting of all or some of those Rights, on the basis described in the Explanatory Notes to the Notice convening this meeting.

# Summary of business

## Sydney Airport Trust 1

### **Resolution 1: Election of Anne Rozenauers**

That the election of Anne Rozenauers as a director of The Trust Company (Sydney Airport) Limited by its shareholder be approved.

### **Resolution 2: Re-election of Patrick Gourley**

That the re-election of Patrick Gourley as a director of The Trust Company (Sydney Airport) Limited by its shareholder be approved.



# Questions

# Proxies received

Total number of ASX-listed Sydney Airport stapled securities is 2,259,826,439

Sydney Airport Limited - resolutions	Valid proxies received
SAL Resolution 1	1,457,150,723
SAL Resolution 2	1,457,659,498
SAL Resolution 3	1,457,599,289
SAL Resolution 4	1,457,389,554

Sydney Airport Trust 1 - resolutions	Valid proxies received
SAT1 Resolution 1	1,457,470,020
SAT1 Resolution 2	1,457,457,301

# Proxy results

Total number of ASX-listed Sydney Airport stapled securities is 2,259,826,439

Sydney Airport Limited - resolutions	For <sup>1</sup>	Against	Undirected	Percentage of proxies <i>FOR</i> the resolution
SAL Resolution 1	xx	xx	xx	xx
SAL Resolution 2	xx	xx	xx	xx
SAL Resolution 3	xx	xx	xx	xx
SAL Resolution 4	xx	xx	xx	xx

Sydney Airport Trust 1 - resolutions	For <sup>1</sup>	Against	Undirected	Percentage of proxies <i>FOR</i> the resolution
SAT1 Resolution 1	xx	xx	xx	xx
SAT1 Resolution 2	xx	xx	xx	xx

1. Proxies directed to the Chairman and the Board have been included in the *FOR* category.



# Voting

Voting is only possible via the live webcast for security holders and their designated registered proxy holders.

Thank you

SYD