

Welcome to  
Sydney's Airport

2019 annual general meeting

24 May 2019

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.

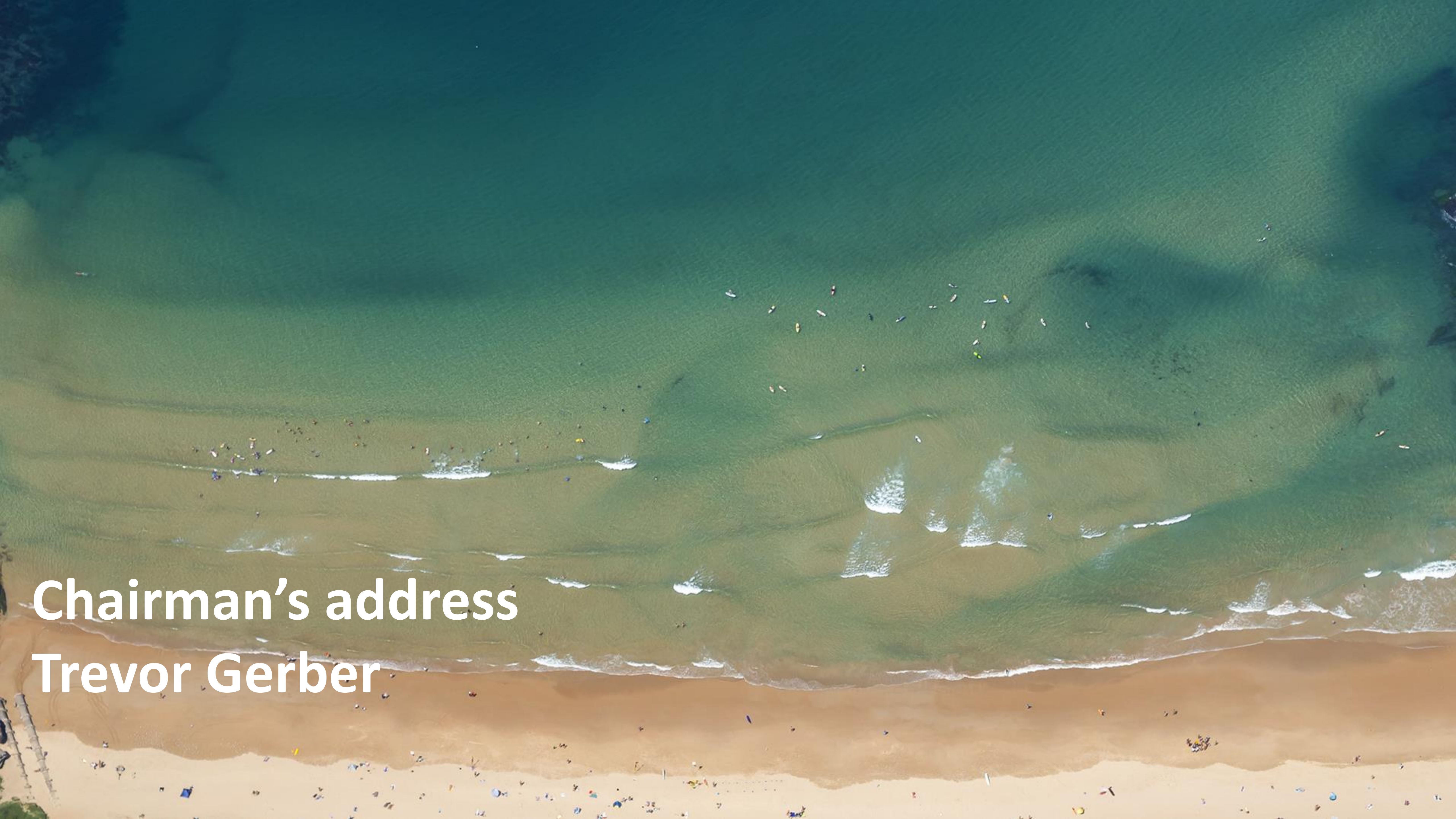
This presentation is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in SYD, the investor or prospective investor 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 16 April 2019 foreign ownership was 26.6%.

The image shows the letters 'SYD' in a large, bold, sans-serif font. The letters are a light grey color and are positioned on the right side of the slide. The 'S' is on the left, followed by the 'Y', and then the 'D' on the right. The letters are slightly shadowed, giving them a three-dimensional appearance as if they are floating or standing on a surface.





Chairman's address  
Trevor Gerber



# Directors

Sydney Airport Board



**Trevor Gerber**  
Chairman



**Grant Fenn**



**Ann Sherry AO**



**John Roberts**



**Stephen Ward**



**Abi Cleland**



**David Gonski AC**



**The Hon Michael Lee**



# Sydney Airport at a glance



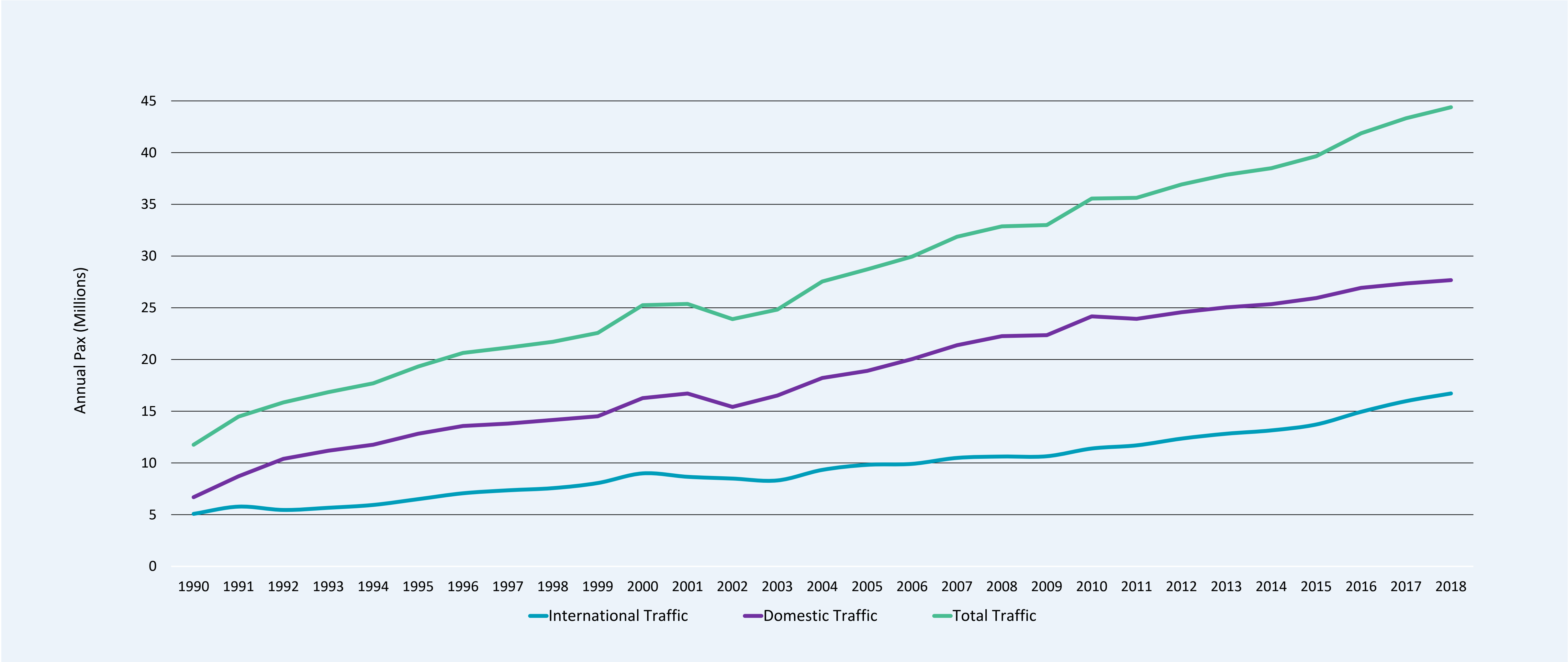
**44.4m passengers**  
**47 airlines**  
**Serving more than 100 destinations**  
**800 businesses on airport**

**\$38bn in economic activity for NSW**  
**338,000 jobs generated or facilitated**  
**31,000 staff on airport**  
**\$17.6bn in freight exports**



# Long term traffic growth

Resilient passenger growth across all economic cycles and events

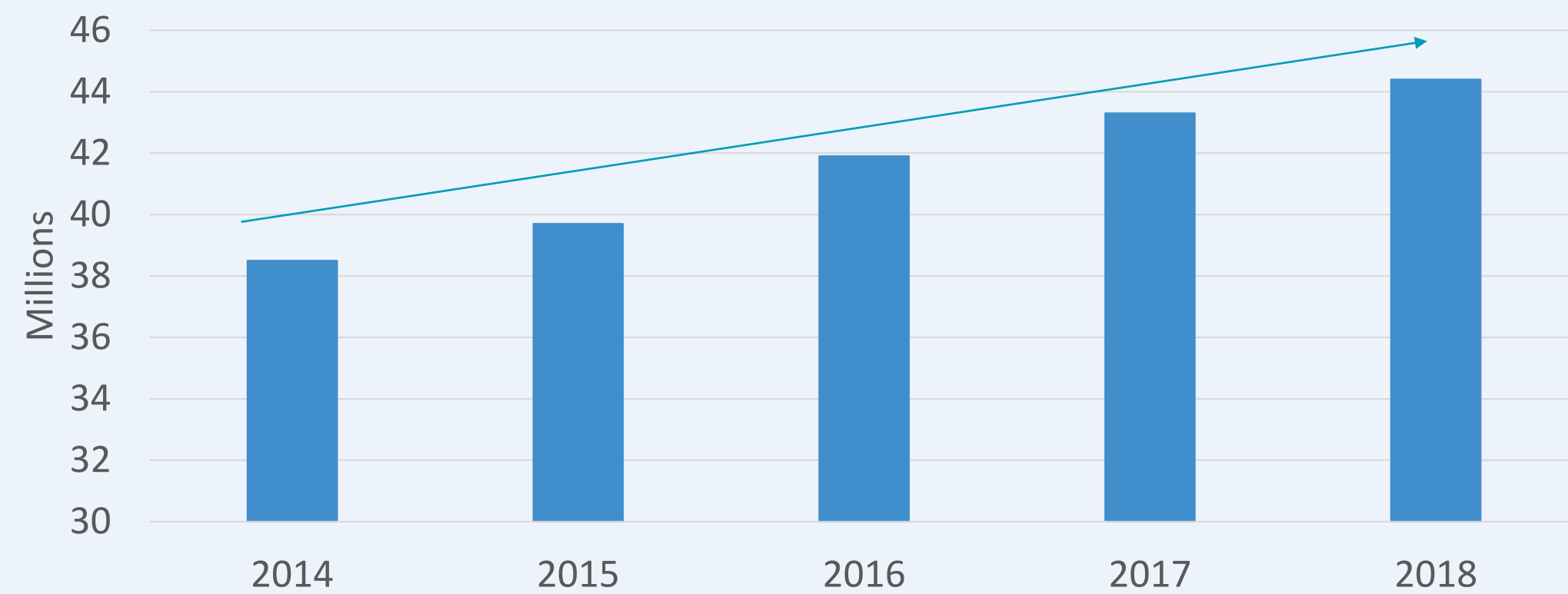




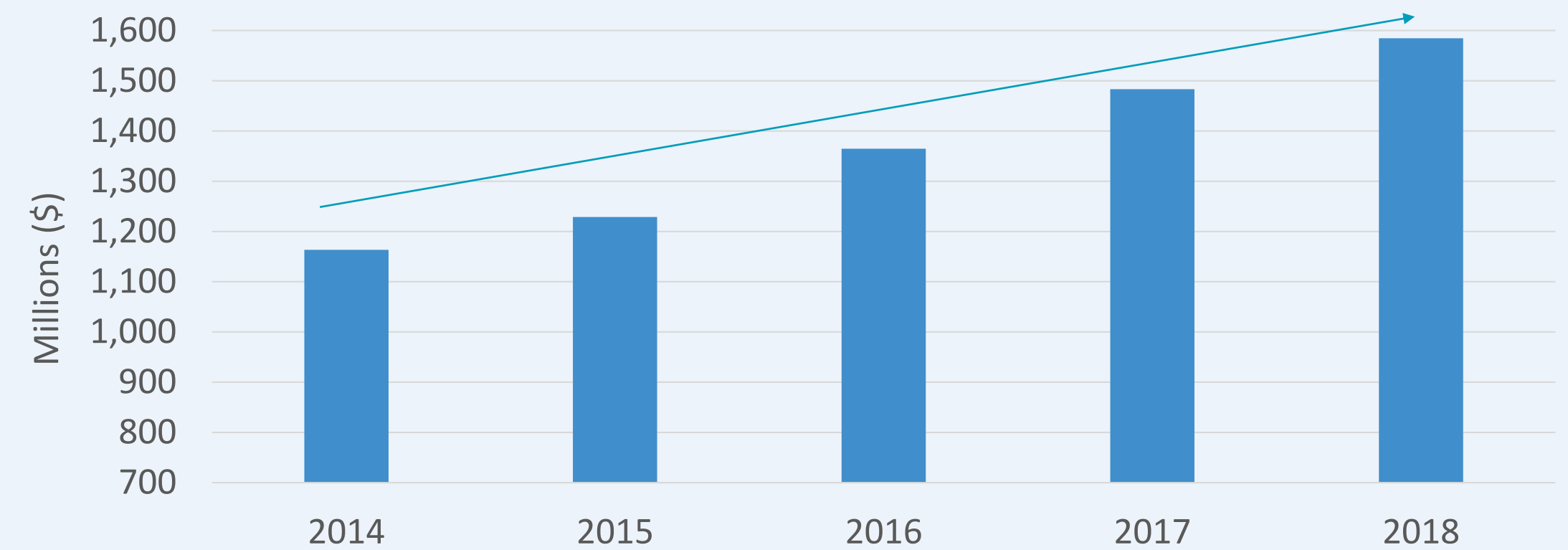
# Track record of growth

Consistent track record of revenue and EBITDA growth underpinning distributions

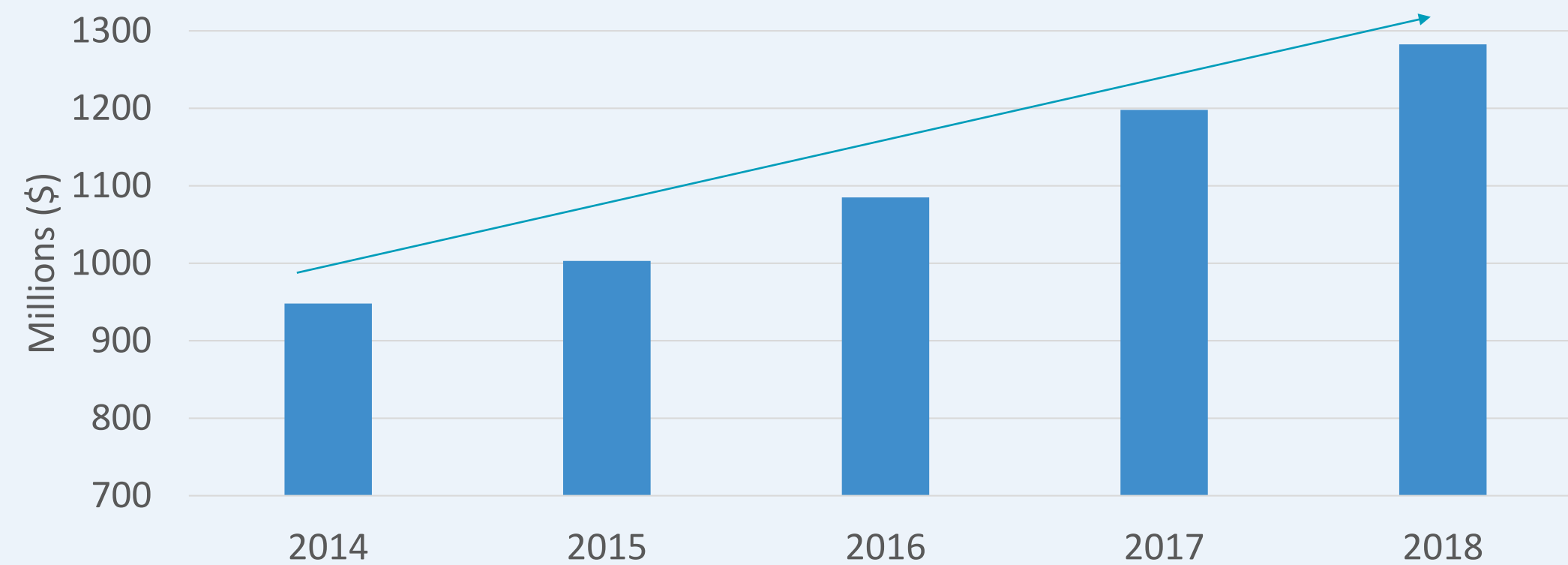
## Total passengers



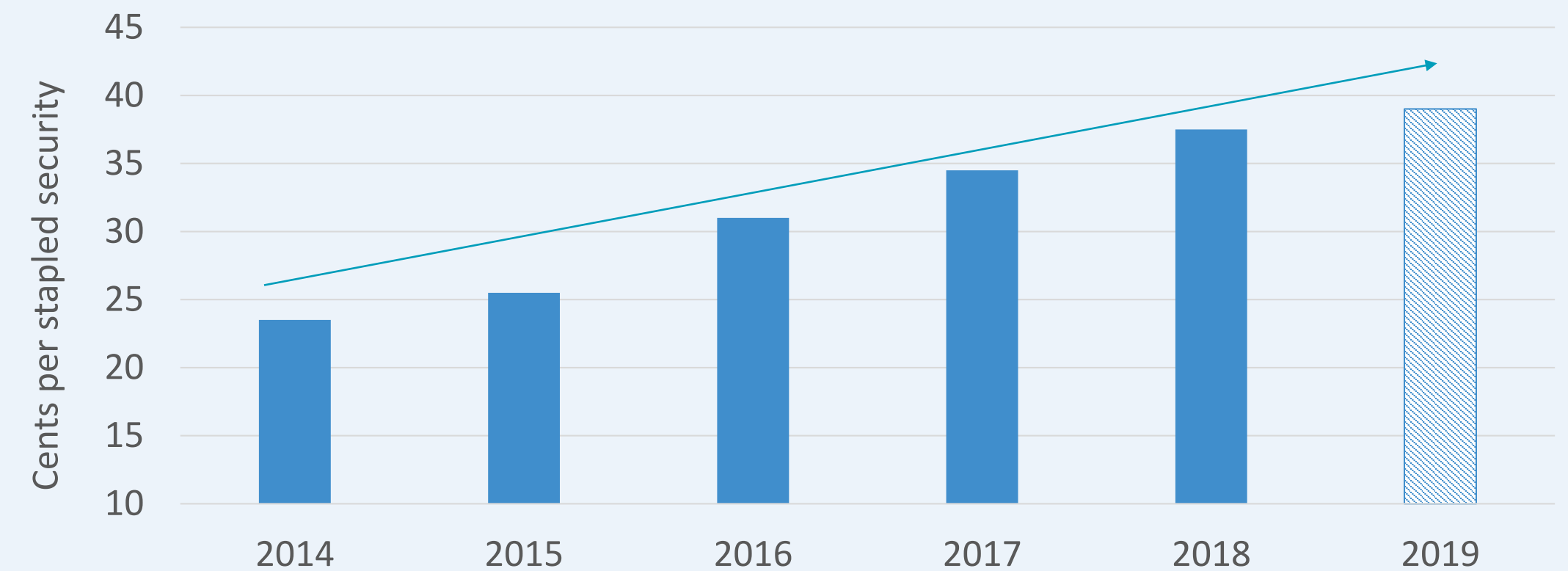
## Total revenue



## EBITDA



## Distributions





# 2018 Highlights

Our teams are delivering sustainable results across all businesses

**+2.5%**

total passengers  
44.4m

**+4.7%**

international passengers

**+1.2%**

domestic passengers

**+6.8%**

revenue

**\$1,584.7m**

**+9.4%**

net operating receipts

**\$860.9m**

**-0.3%**

total movements

**+4.4%**

international movements

**-0.5%**

domestic movements

**+7.2%**

EBITDA

**\$1,282.6m**

**+8.7%**

full year distribution  
per stapled security

**37.5c**



# Distribution

Sydney Airport delivers continuing distribution growth

- 2019 distribution guidance reaffirmed, 39.0 cents per stapled security, expected to be more than fully covered by Net Operating Receipts
- Sydney Airport expects to commence paying cash income tax from the 2022 calendar year, subject to underlying operational performance and capital investment opportunities
- Future cash tax payments will give rise to franking credits and these will be distributed to eligible investors
- Guidance subject to aviation industry shocks and material forecast changes





# Chief Executive Officer's address

## Geoff Culbert





# Growth across the business

Our teams are delivering sustainable results across all businesses

## Aeronautical

**\$721.7m**  
revenue

↑ 7.6% from 2017

## Retail

**\$357.0m**  
revenue

↑ 7.2% from 2017

## Property

**\$238.1m**  
revenue

↑ 7.5% from 2017

## Parking & Ground Transport

**\$162.1m**  
revenue

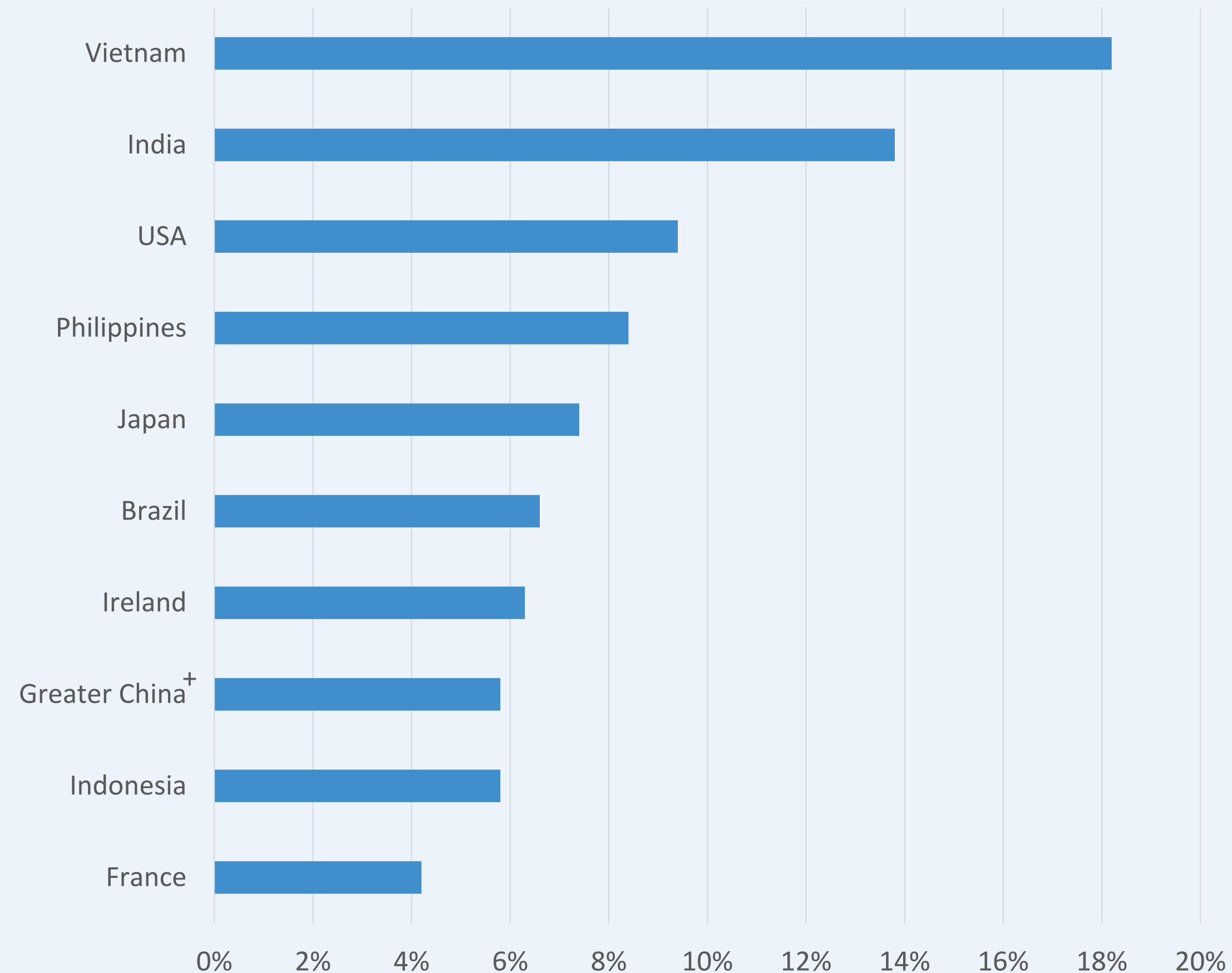
↑ 1.7% from 2017



# Diversity of passengers

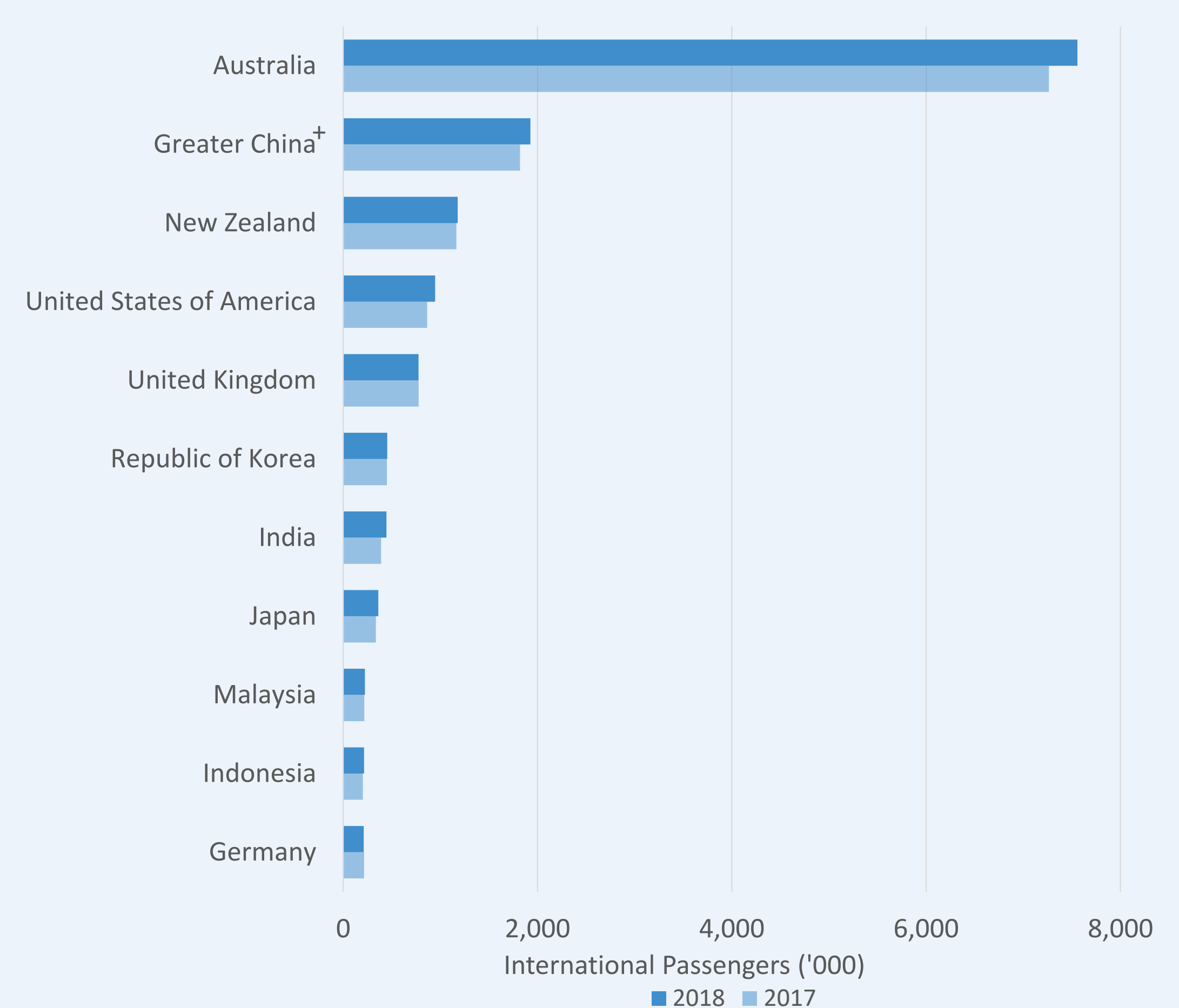
Fastest and largest passenger groups travelling internationally in 2018 versus 2017

Fastest growing nationalities\*



\* Foreign nationalities with greater than 75,000 passengers per annum  
<sup>+</sup> Greater China includes Mainland China, Hong Kong, Taiwan and Macau

Top 10 nationalities



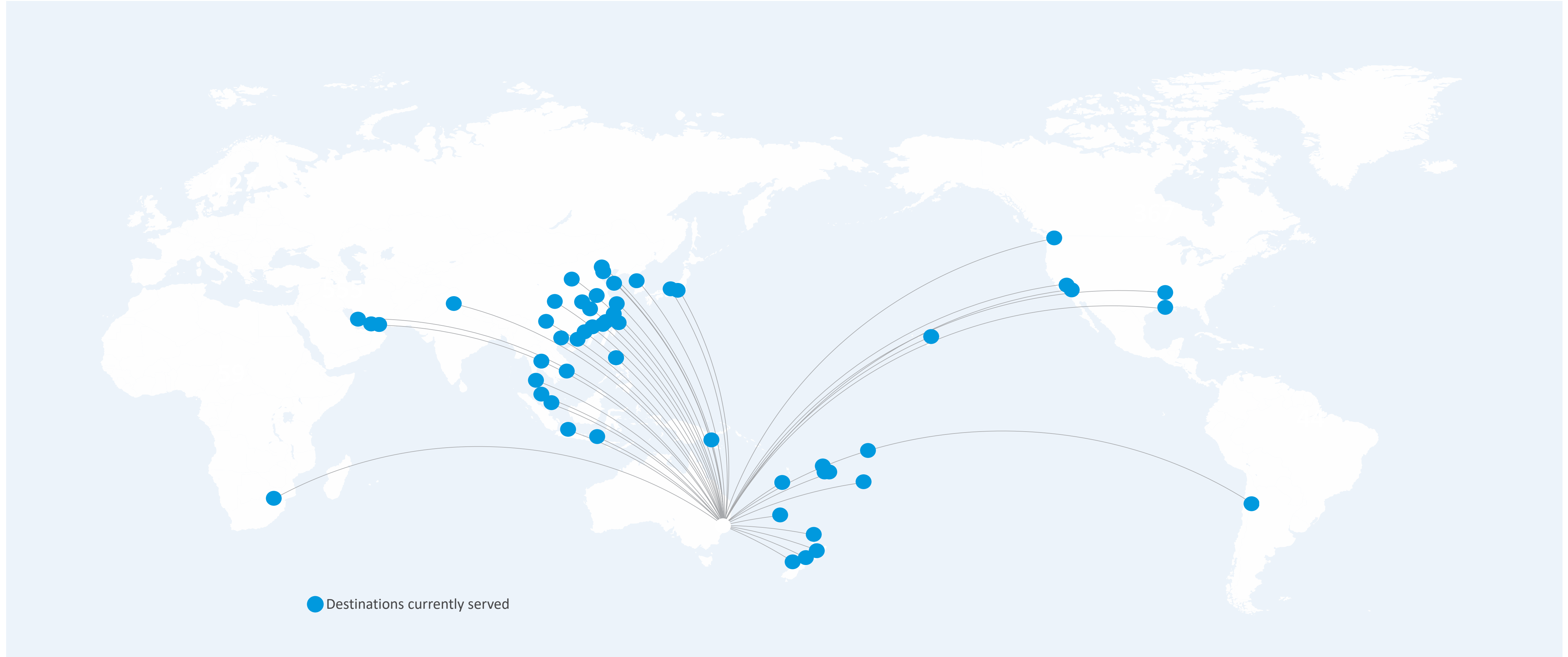
International Passengers ('000)

■ 2018 ■ 2017



# Major trends

Next generation aircraft present a world of possibility





The map illustrates the flight network of Ethiopian Airlines, centered on Addis Ababa. The legend indicates that blue dots represent destinations currently served, while green dots represent future possibilities. The map shows a dense network of routes across all continents, with a high concentration of destinations in Europe, Africa, and Asia.

**Destinations currently served (Blue dots):**

- Europe: London, Paris, Rome, Istanbul, Marrakesh, Cairo, Lagos, Addis Ababa, Cape Town.
- Africa: Addis Ababa, Cape Town.
- Asia: Numerous destinations in East Asia (China, Japan), Southeast Asia, and South Asia.
- Australia: Sydney, Melbourne, Perth, Brisbane, Adelaide, Canberra, Auckland.
- South America: Rio de Janeiro, Sao Paulo, Buenos Aires.
- North America: Chicago, New York, Toronto.

**Future possibilities (Green dots):**

- Europe: London, Paris, Rome, Istanbul, Marrakesh, Cairo, Lagos, Addis Ababa, Cape Town.
- Africa: Addis Ababa, Cape Town.
- Asia: Numerous destinations in East Asia (China, Japan), Southeast Asia, and South Asia.
- Australia: Sydney, Melbourne, Perth, Brisbane, Adelaide, Canberra, Auckland.
- South America: Rio de Janeiro, Sao Paulo, Buenos Aires.
- North America: Chicago, New York, Toronto.



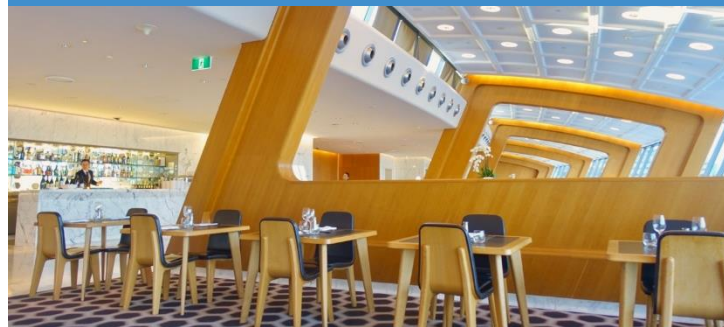
# Non-aeronautical business

Strong commercial revenue streams structured for resilience and growth

## Retail stores



## Lounges



## Ground transport



## Freight, logistics & catering



## Hotels



## Advertising



## Car parking



## Foreign exchange



## Car rental



## Resilient business model

- Diversified businesses and revenue streams
- Contracted escalations
- Large proportion of revenues underpinned by minimum guarantees

## Well positioned business metrics

- Fully leased
- Strict investment hurdles
- Capital investment opportunity

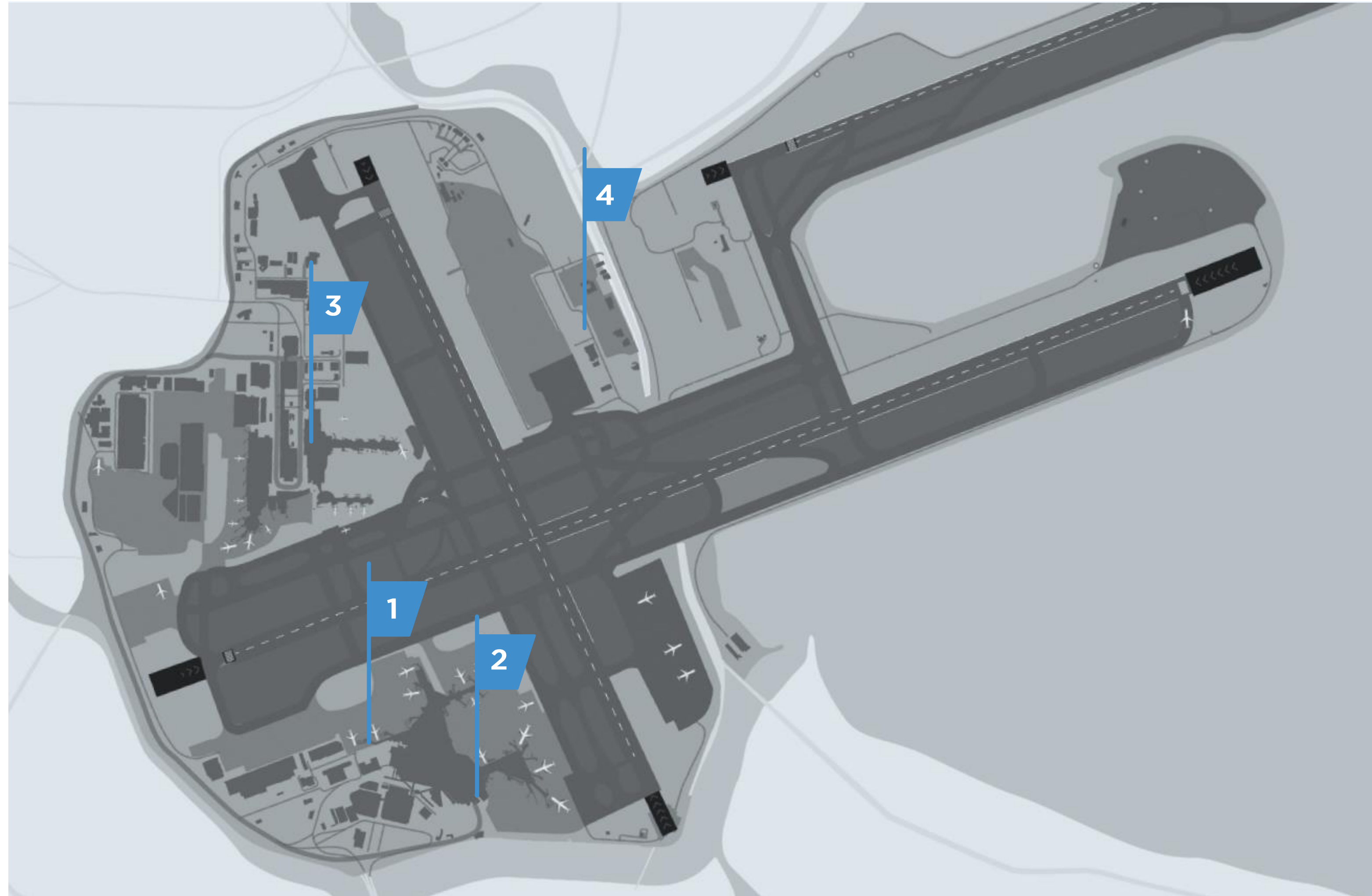
## Growth opportunities

- Hotels, unutilised land and commercial opportunities
- Retail expansion, advertising opportunities and brand upscaling
- Dynamic pricing and product innovation



# Aeronautical Infrastructure

Investing for growth



## 1 Northern Expansion

Additional contact gate and baggage reclaim capacity to meet international growth



## 2 Southern Bag Room

Additional outbound baggage capacity



## 3 T2 Departures Hall

Upgraded security and check-in capacity



## 4 SE Sector

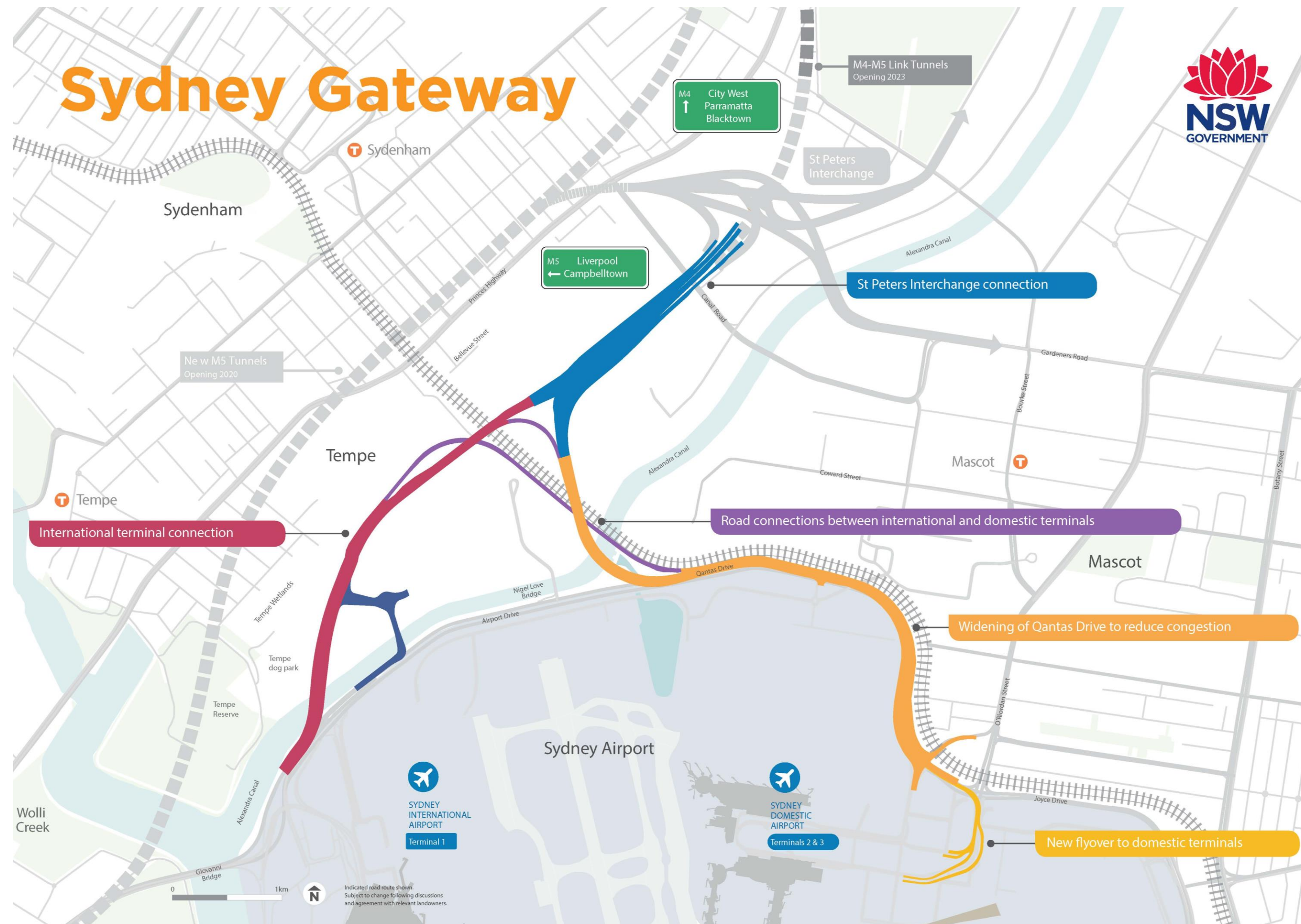
Four additional apron layover bays to support international growth





# Investing in roads

Proposed Sydney Gateway road project set to deliver enhanced connections and reduced travel times by 2023



Easier

No traffic lights from Parramatta to the domestic terminal using the new Sydney Motorway network

Faster

Improved transfer between domestic and international terminals

Safer

Save up to 41 minutes from Dee Why and 40 minutes from Parramatta during morning peak

Trucks and cars off local roads



# Customers are responding positively

On a regular basis, our customers are asked what they thought of their airport experience and how we can improve

Ratings out of 5	International	Domestic
<b>Overall satisfaction</b>	<b>4.13</b> +3% from 2017	<b>4.14</b> +5% from 2017
<b>Airport ambience</b>	<b>4.22</b> +1% from 2017	<b>4.14</b> +1% from 2017
<b>Airport cleanliness</b>	<b>4.27</b> +1% from 2017	<b>4.19</b> +1% from 2017
<b>Airport wayfinding</b>	<b>4.12</b> +4% from 2017	<b>4.21</b> +3% from 2017



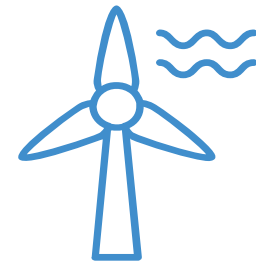


# Sustainable Airport

Sydney Airport is a global leader in ESG performance with sustainability embedded in all aspects of our business. We've identified three flagship initiatives to support long term growth

## Flagships

### Climate resilience



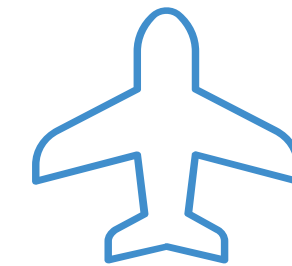
Understand impacts on our assets and operations and build resilience

### Fleet electrification



Reduce emissions and improve health and safety by supporting airside and landside vehicle electrification

### Airspace and airfield efficiency



Support future growth through utilisation and optimisation of asset

## Pillars

### Responsible business

Being ethically responsible and transparent in how we do business

### Planning for the future

Delivering operational excellence through innovative solutions and supporting customer needs now and into the future

### Supporting our communities

Working with our communities to protect the environment and create shared value



# Sustainable Airport

Sydney Airport's commitment to sustainability in the transport infrastructure and aviation sectors continues to gain worldwide recognition



Carbon emission  
intensity per  
passenger reduction

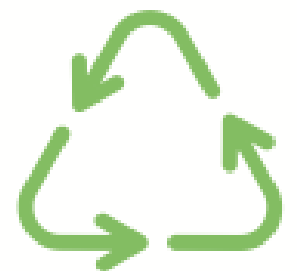
↓ **30.9%**

from **2010** levels



Power Purchase Agreement  
Contracts up to

**75%** of current load  
from renewable  
energy



Waste recycling rate

**42.9%**

↑ from **42.4%** in 2017



Waste to landfill

**2,733t**

↓ from **2,851t** in 2017



Water recycling rate

**24.4%**

↑ from **20.0%** in 2017



Water usage

**18.40L** per  
passenger

↓ from **23.52L** in 2017

Sustainalytics

**Ranked 4<sup>th</sup>**

globally in the airport  
subindustry sector; and  
26<sup>th</sup> in the global  
transportation sector  
group

Dow Jones

**Ranked 7<sup>th</sup>**

globally and a  
'Sustainability Leader' in  
the transport  
infrastructure sector

MSCI

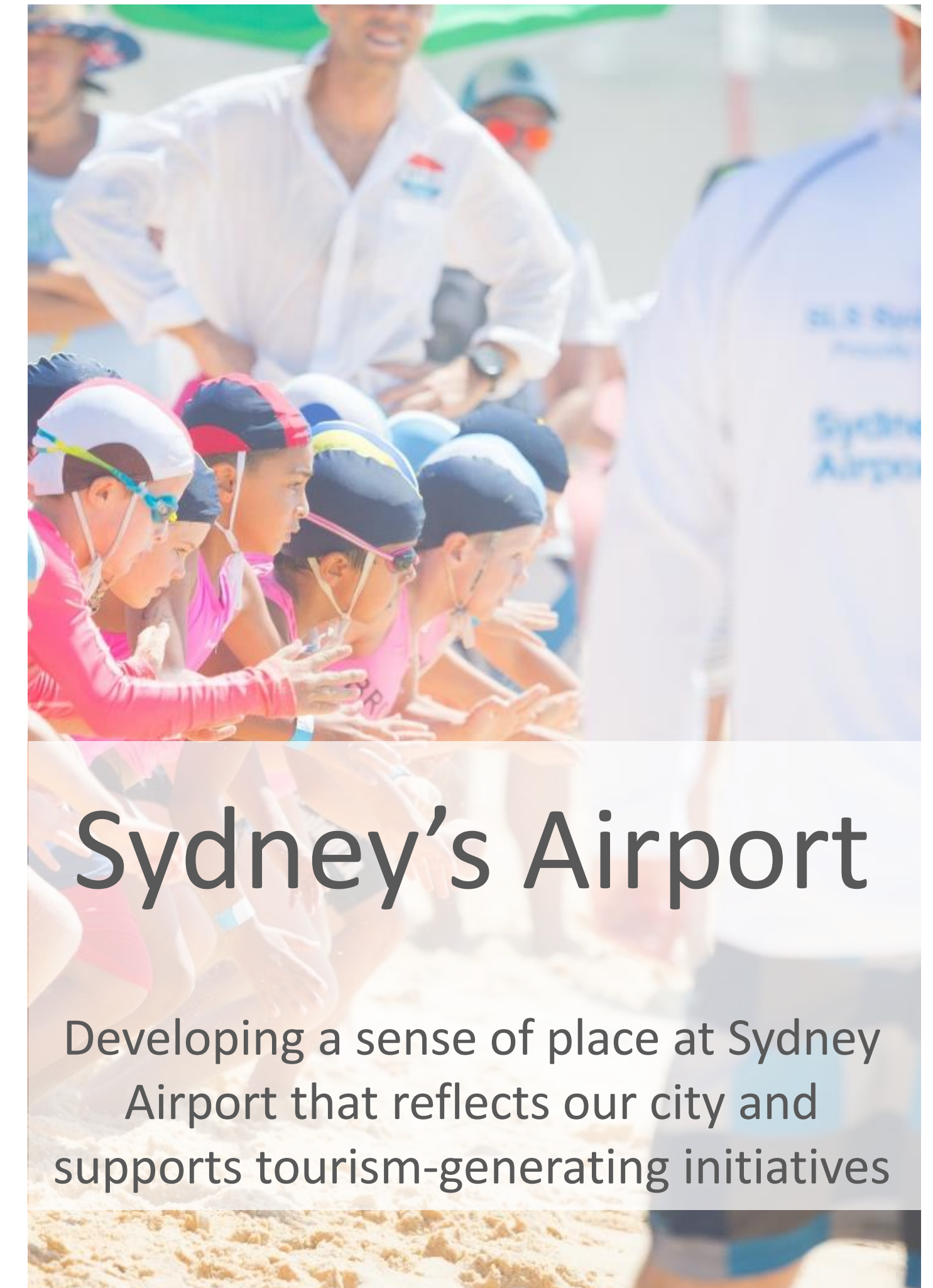
**'AAA' Rating**

Sitting in the top 9% of  
companies globally within  
the infrastructure sector



# Our community commitment

Sydney Airport is committed to helping our local communities thrive, supporting our leaders of tomorrow and embracing and showcasing Sydney's best. We contributed \$5.7m into community initiatives in 2018





# Guidance

Sydney Airport is well positioned for growth in 2019

2019 Distribution guidance  
announced of

**39c**

per stapled security

Three year capex guidance  
for 2019-2021 of

**\$0.9-1.1bn**

2019 capex  
guidance

**\$390-440m**



Welcome to  
Sydney's Airport



SYD  
100 YEARS



# Formal Proceedings

## Trevor Gerber





# Summary of Business

## General Meetings

### **Sydney Airport Limited**

- Consideration of Financial Statement and Reports
- Resolution 1: Adoption of Remuneration Report
- Resolution 2: Re-election of John Roberts
- Resolution 3: Election of David Gonski AC
- Resolution 4: Approval of the CEO Long Term Incentives for 2019

### **Sydney Airport Trust 1**

- Resolution 1: Election of Eleanor Padman



# Proxies received

Total number of ASX-listed Sydney Airport stapled securities is 2,257,079,385

Sydney Airport Limited - Resolutions	Valid Proxies received
SAL Resolution 1	1,463,720,070
SAL Resolution 2	1,464,967,966
SAL Resolution 3	1,465,597,716
SAL Resolution 4	1,463,820,140

Sydney Airport Trust 1 - Resolution	Valid Proxies received
SAT1 Resolution 1	1,464,961,812



# Sydney Airport Limited

For questions only

## Financial Statement and Reports

To receive and consider the Financial Report of Sydney Airport Limited and its controlled entities for the financial year ended 31 December 2018, together with the statements and reports of directors and auditors forming part of the Financial Report.



# Sydney Airport Limited

## Resolution 1

### **Adoption of Remuneration Report**

That the Remuneration Report, which forms part of the Directors' Report for the year ended 31 December 2018, be adopted.



# Sydney Airport Limited

## Resolution 2

### **Re-election of John Roberts**

That John Roberts be re-elected as a director of Sydney Airport Limited.



# Sydney Airport Limited

## Resolution 3

### **Election of David Gonski AC**

That David Gonski AC be elected as a director of Sydney Airport Limited.



# Sydney Airport Limited

## Resolution 4

### **Approval of the CEO Long Term Incentives for 2019**

That approval be given for the acquisition by the CEO of Sydney Airport, Mr Geoff Culbert, of 172,719 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.



# Sydney Airport Trust 1

## Resolution 1

### **Election of Eleanor Padman**

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



# Proxy results

Total number of ASX-listed Sydney Airport stapled securities is 2,257,079,385

Sydney Airport Limited Resolutions	For*	Against	Undirected	Percentage of proxies received <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

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

Sydney Airport Trust 1 Resolution	For*	Against	Undirected	Percentage of proxies received <i>FOR</i> the resolution
SAT1 Resolution 1	XX	XX	XX	XX

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



# Voting Cards

Voting Card Colours

GREEN

Security Holder Admission  
Proxy Holder Admission  
Voting Card

BLUE

Non-Voting Shareholder  
Admission Card

YELLOW

Visitor  
Admission Card

ORANGE

Media Card



# Voting





# Destruction of proxy forms and voting papers





# Refreshments





Thank you

