

Official Notice to SIX Swiss Exchange

16 August 2023

Title: Transurban Queensland Finance Pty Limited
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Transurban FY23 results and FY24 distribution guidance

Attached is an announcement made by Transurban Group (ASX: TCL) which is provided for the information of Transurban Queensland Finance Pty Limited (**Transurban Queensland**) noteholders.

Transurban Queensland has notes listed on the SIX Swiss Exchange.

Notices by Transurban Queensland to the SIX Swiss Exchange are also available at the following website:
www.transurban.com/tqfinstatements

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Classification

Public

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ASX release

16 August 2023

Transurban FY23 results and FY24 distribution guidance¹

FY23 highlights

- FY23 distribution of 58.0 cents per stapled security (cps) representing distribution growth of more than 40% year-on-year²
- Record full year distribution of 62.0 cps expected in FY24²
- Record traffic volumes with Average Daily Traffic (ADT) exceeding 2.4 million trips. Traffic volumes were supported by year-on-year growth in all markets, with resilient large vehicle and weekend travel
- Record proportional toll revenue of \$3,314 million, with additional inflation linked escalations to positively impact FY24 due to timing
- Record proportional EBITDA of \$2,448 million, supported by traffic growth; improving EBITDA margin from 69% in FY22 to 71% in FY23
- Balance sheet well managed with ~96% of the debt book hedged³ and ~\$4.0 billion in corporate liquidity, with the Group weighted average cost of AUD debt broadly stable at 4.1%
- Continued delivery on current growth projects with strong opportunity pipeline
- Michelle Jablko appointed as the Group's Chief Executive Officer and Managing Director effective 19 October 2023 (for additional details refer to separate ASX release)

~20%

increase in ADT across the portfolio

26%

increase in proportional revenue

45%

increase in Free Cash (excluding Capital Releases)

58.0 cps

distribution for FY23, 97% supported by Free Cash²

62.0 cps

expected distribution in FY24, representing approximately 7% growth on FY23²

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

² Refer to page 5 for further details.

³ Interest rate hedging only. Percentage comprises fixed rate debt and floating rate debt that has been interest rate hedged and is a weighted average of total proportional drawn debt, exclusive of issued letters of credit.

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Chief Executive Officer, Scott Charlton, said the strong FY23 result highlighted the quality of the portfolio, with diverse assets located in growing urban population centres.

"We've seen strong traffic growth in all markets, resulting in a Transurban Group record of 2.4 million average trips a day for the year. Traffic performance underpinned the record EBITDA result of \$2.4 billion, an increase of almost 30% on the prior year."

Mr Charlton noted the business has also continued to deliver growth through the development and execution of value accretive projects and initiatives.

"During the year, Transurban delivered the M4-M8 link in Sydney on budget and ahead of schedule. The new link is a critical piece of infrastructure that will link into the ~\$17 billion of road projects⁴ that the NSW Government aims to deliver in the near term. Tunnelling is complete on the West Gate Tunnel Project and the M7-M12 Integration Project construction has commenced."

"As an established asset in the market where it all began for Transurban, EastLink represents an exciting potential acquisition. We are engaging with the ACCC to address the matters raised, which is similar to the process we went through for the WestConnex and Queensland Motorways acquisitions."

Regarding the funding position of the business, Mr Charlton highlighted the strength of the balance sheet.

"We have a strong liquidity position that supports our growth ambition and our long-term approach to managing the balance sheet has paid off with our weighted average cost of debt broadly stable for the year. Going forward, we have a weighted average debt maturity of ~7 years, with 96% of our debt fully hedged for interest rates."

With regards to the Group's outlook, Mr Charlton said that Transurban is well-positioned for distribution growth.

"In FY24 we now expect to pay a record distribution of 62.0 cps, representing a 7% increase on FY23. With positive traffic growth across our key markets, embedded escalation at or above inflation on the majority of revenue and the continued progress on key growth projects, we are well-placed to grow distributions and deliver long term value."

⁴ Infrastructure Partnerships Australia, Australia New Zealand Infrastructure Pipeline.

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Key business activities

Projects and strategic initiatives

- M4-M8 link tunnels opened ahead of schedule on 20 January 2023 with works completed on budget. The opening of the tunnels has seen positive traffic effects on WestConnex, with the Rozelle Interchange currently under construction and being delivered by Transport for NSW, expected to provide further benefits
- West Gate Tunnel Project tunnel excavation works completed, with mechanical and electrical fit out in underway. Progress continues on the Footscray Road overpass and the construction and/or enhancement of the 40 bridges that form part of the project
- M7-M12 Integration Project reached financial close on 28 February 2023, with construction works having commenced⁵
- Sale of 50% of the A25 to CDPQ on 28 February 2023. This transaction strengthens a strategic partnership with one of the world's largest infrastructure investors⁶
- Expected partial opening of Fredericksburg Extension on 17 August 2023⁷, with all access points expected to open in late 2023. The project delivers an additional ten miles of Express Lanes, joining the 395 and 95 Express Lanes to make the longest reversible roadway in the United States of America, reducing congestion and connecting Northern Virginia's suburbs to Washington, DC.

Customers, communities and sustainability

- Achieved 2030 greenhouse gas (GHG) reduction target (scope 1 and 2) seven years ahead of plan
- Awarded Infrastructure Sustainability (IS) ratings – WestConnex M4-M8 link 'Leading' As-built rating, West Gate Tunnel Project 'Leading' Design rating, and 'Excellent' Operations' rating of Sydney's Hills M2 Motorway
- Record low Contractor Recordable Injury Frequency Rate, representing a 10% reduction from prior year and continuation of positive downward trend
- Renewed research partnership with NeuRA, funding the Transurban Road Safety Centre. Outcomes of the research include an update to the child safety restraint standards in Australia
- Expansion of Linkt Customer Rewards programs, offering value and cost savings to customers
- Continued improvement in net promoter score for Linkt, a 24 point improvement since FY19⁸

⁵ Refer to March quarter 2023 update (dated 17 April 2023) for further details.

⁶ Refer to A25 partnership announcement (dated 7 February 2023) for further details.

⁷ USA EST 17 August 2023, AUS EST 18 August 2023.

⁸ FY19-FY23 weighted interactive Net Promoter Score (NPS) for Australian customer service channels based on survey responses from Transurban's Voice of Customer program (Linkt website, Linkt and LinktGO app, webchat and contact centre). A higher NPS indicates greater levels of customer advocacy.

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Sydney

- ADT increased by 24.1%
- Proportional toll revenue increased by 31.9% to \$1,668 million
- Proportional EBITDA increased by 36.0% to \$1,329 million
- Average workday traffic increased by 21.3% and average weekend/public holiday traffic increased by 33.2%
- Car traffic increased by 26.0% and large vehicle traffic increased by 5.8%

Melbourne

- ADT increased by 24.4%
- Proportional toll revenue increased by 23.8% to \$894 million
- Proportional EBITDA increased by 27.3% to \$756 million
- Average workday traffic increased by 21.8% and average weekend/public holiday traffic increased by 32.1%
- Car traffic increased by 30.0% and large vehicle traffic increased by 7.8%

Brisbane

- ADT increased by 9.4%
- Proportional toll revenue increased by 15.5% to \$520 million
- Proportional EBITDA increased by 18.8% to \$380 million
- Average workday traffic increased by 8.8% and average weekend/public holiday traffic increased by 11.8%
- Car traffic increased by 11.0% and large vehicle traffic increased by 4.7%

North America

- ADT increased by 6.7%
- Proportional toll revenue increased by 22.0% to \$232 million
- Proportional EBITDA increased by 7.8% to \$129 million
- Average workday toll revenue on the 95 Express Lanes increased by 29.6%. The average dynamic toll price was USD9.83
- Average workday toll revenue on the 495 Express Lanes increased by 53.5%. The average dynamic toll price was USD6.16
- Rolling 12-month peak direction traffic of 2,844 vehicles per hour on the A25
- Introduced three times multiplier on tolls to medium commercial vehicles on the 95, 395 and 495 Express Lanes in December 2022

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Distribution and DRP

A record half year distribution totalling 31.5 cps will be paid on 21 August 2023 for the six months ended 30 June 2023. This will be made up of a 30.5 cents partly franked distribution from Transurban Holding Trust and controlled entities and a 1.0 cent fully franked dividend from Transurban Holdings Limited and controlled entities. This takes the total FY23 distribution to 58.0 cents per stapled security, of which 1.0 cent is fully franked.

This distribution includes 2.8 cps in Capital Releases which have been used to minimise the dilutive impact of the WCX acquisition transaction, with total FY23 Free Cash (including Capital Releases) coverage of 97%.

The Distribution Reinvestment Plan (DRP) operated for this distribution payment. For further information on distributions and the DRP, visit the Investor Centre at transurban.com/investor-centre.

FY24 distribution guidance⁹

FY24 distribution is expected to be 62.0 cps, representing approximately 7% growth on FY23:

- FY23 record traffic and EBITDA provides solid base for continued growth in FY24
- Some further benefits of FY23 inflation will continue to flow through FY24 revenue and will compound over time
- FY24 distribution likely to include WestConnex cash previously held during construction. Expected to contribute ~3-4 cps

Market briefing

Transurban will provide a market briefing with CEO and CFO at 10:00 am (AEST) today, 16 August 2023. The market briefing will be webcast via the Transurban website at transurban.com.

END

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This announcement is authorised by the Board of Transurban Group.

Note: Further details are provided in the Appendices and the FY23 Results Investor Presentation published alongside this release.

⁹ Distribution guidance is subject to traffic performance and macroeconomic factors, as well as the timing of distributions from non-100% owned assets. Any distribution will ultimately be determined by the Transurban Board at the relevant time.

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Appendix 1

Statutory results

| | FY22 \$M | FY23 \$M |
|---|----------------|----------------|
| Toll revenue | 2,324 | 2,831 |
| Construction revenue | 911 | 1,142 |
| Other revenue | 171 | 184 |
| Total revenue | 3,406 | 4,157 |
| Total expenses | (1,725) | (2,049) |
| Depreciation and amortisation | (1,107) | (1,111) |
| Net finance costs | (466) | (645) |
| Share of loss of equity accounted investments, inclusive of impairments | (368) | (327) |
| Gain on partial sale of A25 | - | 41 |
| Profit / (Loss) before income tax | (260) | 66 |
| Income tax benefit | 276 | 26 |
| Profit for the year | 16 | 92 |

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Appendix 2

Proportional results

| | FY22 \$M | FY23 \$M | % CHANGE |
|---|----------------|----------------|---------------|
| Toll revenue | 2,586 | 3,314 | 26.2% |
| Other revenue | 136 | 136 | 0.9% |
| Total revenue | 2,762 | 3,450 | 24.9% |
| Total costs | (862) | (1,002) | 16.3% |
| EBITDA | 1,900 | 2,448 | 28.9% |
| EBITDA margin | 68.8% | 71.0% | 220bps |
| Free Cash (incl. Capital Releases) | 1,531 | 1,726 | 12.7% |
| Gross distributions | 1,259 | 1,785 | 41.8% |
| Distributions per security (DPS) | 41.0cps | 58.0cps | 41.5% |

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Appendix 3

Traffic and revenue performance by market

| Market | ADT ('000) ¹⁰ | | PROPORTIONAL TOLL REVENUE (A\$M) | |
|---|-----------------------------|--------------|-------------------------------------|--------------|
| | Jun 23 qtr | FY23 | Jun 23 qtr | FY23 |
| Sydney | 988 | 995 | 418 | 1,668 |
| Melbourne ¹¹ | 811 | 806 | 228 | 894 |
| Brisbane | 459 | 457 | 132 | 520 |
| North America | 161 | 149 | 62 | 232 |
| Group | 2,419 | 2,408 | 840 | 3,314 |
| <i>Sydney (like for like basis)¹²</i> | 988 | 995 | 412 | 1,609 |
| <i>North America (like for like basis)¹³</i> | 161 | 149 | 67 | 229 |

¹⁰ Market ADT figures may not add to Group ADT totals due to rounding.

¹¹ CityLink traffic reported as average daily transactions ('000).

¹² M4-M8 link opened on 20 January 2023. Since its opening, WCX assets are now operating as one network and a single trip may involve travel on multiple assets. ADT is therefore not differentiated across M4, M8/M5E and M4-M8 link. However, the financial impacts of the new asset have been illustrated under proportional toll revenue.

¹³ Like for like basis excludes revenue contributions from the sale of a 50% interest in A25 to CDPQ effective from 1 March 2023, as well as any foreign exchange impact during the comparison period. Change in ownership does not impact traffic data which is reported on a 100% basis.

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