

ASX release

20 October 2022

Transurban September quarter 2022 update¹

Group ADT	Sydney ADT	Melbourne ADT	Brisbane ADT	NA ADT
↑ 60% vs Q1 FY22 ↑ 2% vs Q4 FY22	↑ 107% vs Q1 FY22 ↑ 2% vs Q4 FY22	↑ 71% vs Q1 FY22 ↑ 2% vs Q4 FY22	↑ 13% vs Q1 FY22 ↑ 3% vs Q4 FY22	↑ 3% vs Q1 FY22 ↓ (2%) vs Q4 FY22

Transurban today released its September quarter 2022 update, with the result representing the highest ever quarterly Average Daily Traffic (ADT), continuing its upward trend in all Australian markets. Sydney and Brisbane also recorded their strongest quarterly ADT result to date. The result highlights the variety of reasons Transurban's customers utilise our roads with increases in large vehicles, weekend travel, airport related corridors and commuting.

Traffic in Sydney increased on the previous quarter despite four times the average monthly rainfall in July.

Traffic in Melbourne continues to improve, particularly as more employees return to their workplaces after the relaxation of mask rules and lifting of the Victorian Government's work-from-home recommendation in early September. ADT for the quarter further benefited from an increase in weekend and airport passenger travel.

Brisbane achieved record workday, weekend and heavy vehicle traffic volumes with continued recovery on assets connecting to airports.

In the Greater Washington Area, interstate and weekend travel supported an increase in September quarter traffic.

Heavy vehicle traffic reached record levels in each of Transurban's Australian markets, increasing by 12% as freight operators look to find the most efficient transportation option.

Annual General Meeting

Transurban is also holding its annual general meetings (AGM) at 11:00am (AEDT) today and will be talking to investors about a range of matters, which include reaffirmation of FY23 guidance, current traffic, projects under construction, the development pipeline, as well as Transurban's inflation and interest rate positioning.

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

Classification

Public

Transurban Group

Transurban International Limited
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Transurban Holdings Limited
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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

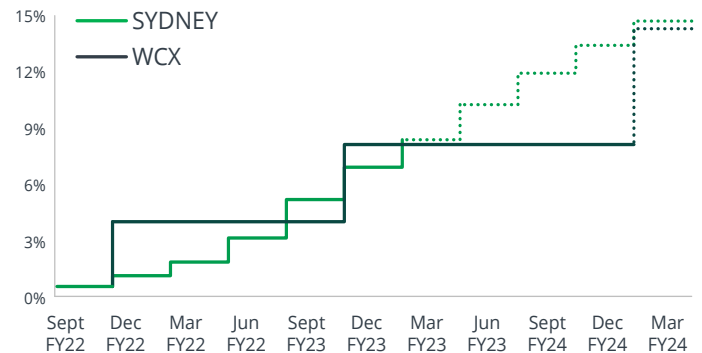
Inflation²

- 68% of Transurban’s portfolio has revenue embedded CPI escalations. CityLink price escalation fixed at 4.25% pa until 2029 and at CPI post 2029
- Inflation impacts can be delayed by between three and fifteen months, depending on the asset
- Once prices adjust according to the concessions, they form the new base price.

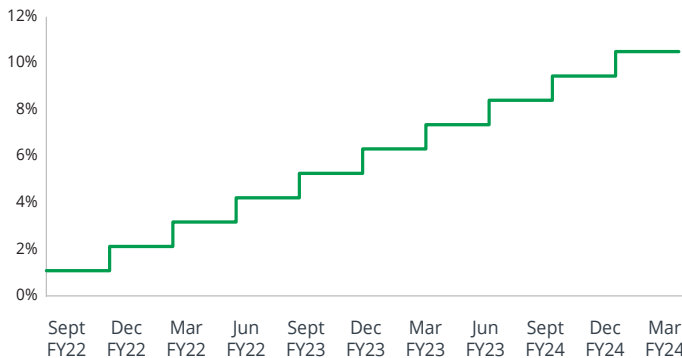
ABS AND RBA ANNUALISED INFLATION—ACTUAL AND FORECAST²



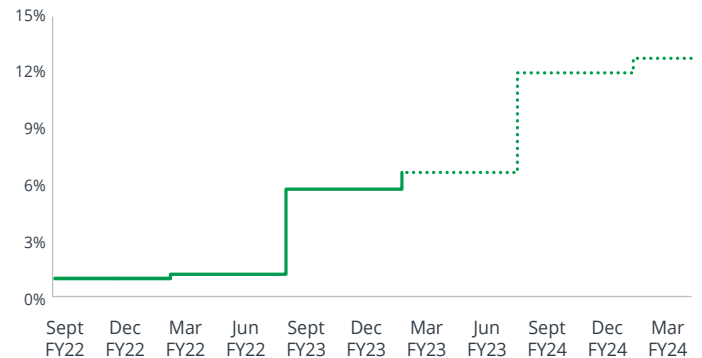
SYDNEY AND WCX ILLUSTRATIVE PERCENTAGE INCREASES^{23,26}



MELBOURNE ILLUSTRATIVE PERCENTAGE INCREASES²⁴



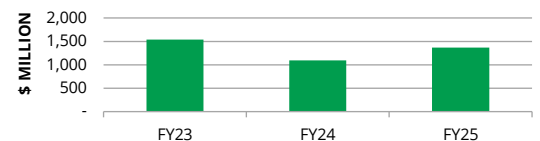
BRISBANE ILLUSTRATIVE PERCENTAGE INCREASES²⁵



Interest rates³

- Weighted average cost of debt of 3.9% as at 30 September 2022, with average tenor of 7.0 years
- 96.8% of debt book fully interest-rate hedged as at 30 September 2022 for the duration of the debt

UPCOMING REFINANCING ACTIVITY⁴



	FY23	FY24	FY25
WEIGHTED AVERAGE COST OF MATURING DEBT⁵	5.1%	2.1%	4.5%
% PROPORTIONAL DEBT	6.7%	4.8%	5.9%

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Key regional updates

Sydney

- ADT increased by 106.9% to 986,000 trips reflecting recovery from Government mandated restriction impacts in prior year and growth in new assets
- Average workday traffic increased by 84.6% and average weekend/public holiday traffic grew by 247.5%
- Car traffic increased by 123.1% and large vehicle traffic increased by 15.8%
- M4-M5 Link Tunnels on track for completion in FY23. The road paving has been completed, and mechanical and electrical fit out more than 90% complete
- M5 West tolls escalated by 1.73% based on Sydney CPI for the quarter. All other NSW assets (excluding the WCX Group⁶) escalated tolls by 2.14% for the September 2022 quarter – refer to Appendix 3 for further information

Melbourne

- ADT increased by 70.7% to 791,000 transactions due to recovery from a lockdown impacted Q1 FY22 and further supported by increased airport and CBD activity
- Average workday traffic increased by 54.8% and average weekend/public holiday traffic grew by 146.8%
- Car traffic increased by 97.1% and large vehicle traffic increased by 16.7%
- Construction on the West Gate Tunnel is progressing well with more than 50% of tunnelling now completed
- Toll escalates by 1.05% per quarter, equivalent to 4.25% per annum and are applied on 1 January, 1 April, 1 July and 1 October each year – refer to Appendix 3 for further information

Brisbane

- ADT increased by 13.2% to 456,000 trips with growth across all assets. Reduction in COVID-19 cases by mid quarter and uptick in airport activity contributed to the growth
- Average workday traffic increased by 12.0% and average weekend/public holiday traffic grew by 20.1%
- Car traffic increased by 16.7% and large vehicle traffic increased by 4.1%

² Actual inflation shown as per ABS published data up to and including June 2022 release. September 2022 onwards as per August RBA forecast CPI which is on a biannual basis. For quarterly data a midpoint is assumed.

³ Proportional values noted. Debt is shown in the financial year in which it matures. Excludes letter of credit facilities and debt amortisation payments.

⁴ As at 30 June 2022. Since this time, WestConnex successfully closed \$1.7 billion financing with all-in cost of debt at financial close lower than previous cost of debt.

⁵ Weighted average cost of maturing debt as at 30 June 2022.

⁶ WCX Group includes M4, M8, M5 East and M4-M8 link (when operational). Toll escalations for the WCX Group are escalated annually by the greater of CPI or 4% to December 2040; then at the greater of CPI or 0% per annum to concession end. Annual price increases are applied on 1 January each year.

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- Transition of all Brisbane operations to a new centralised traffic control room is nearing completion, with three of four sites successfully migrated. The final control room is expected to be integrated by the end of FY23
- Brisbane assets⁷ annual toll escalation took effect on 1 July 2022 (6.0%) and was based on March Brisbane CPI – refer to Appendix 3 for further information

North America

- ADT increased by 3.1% to 149,000 trips
- Average dynamic toll price for the quarter increased by 9.3% to USD\$9.18 on the 95 Express Lanes, and increased by 24.5% to USD\$5.34 on the 495 Express Lanes
- Rolling 12-month peak direction traffic of 2,872 vehicles per hour on the A25
- The Fredericksburg extension progressed during the quarter with more than 1.3 million work hours completed. The project is anticipated to open late calendar year 2023
- The 495 Northern extension is advancing with major construction activity to commence in the second half of FY23. Project opening anticipated for calendar year 2025

⁷ Excluding AirportlinkM7 which are applied annually on 1 January based on September Brisbane CPI.

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FY23 guidance⁸

Transurban reaffirms FY23 distribution guidance is 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 subsidiaries⁹

Distribution policy⁹

- 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 WestConnex¹⁰, Transurban is likely to use a portion of the additional WestConnex Capital Releases¹¹ received in the two years following the transaction to minimise dilution in Free Cash per security associated with the equity raising

END

Investor enquiries

Hannah Higgins
Head of Investor Relations
+61 419 246 502

Media enquiries

Sarah Chapman
Manager, Media and Communications
+61 400 841 898

This announcement is authorised by Transurban CEO, Scott Charlton.

⁸ Transurban reaffirms the guidance previously provided as part of the FY22 Results Presentation, 18th August 2022.

⁹ Distribution to be determined by relevant Board discretion at the time.

¹⁰ Transurban's proportional ownership in WestConnex through its equity investment in STP JV increased from 25.5% to 50% on 29 October 2021.

¹¹ 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.

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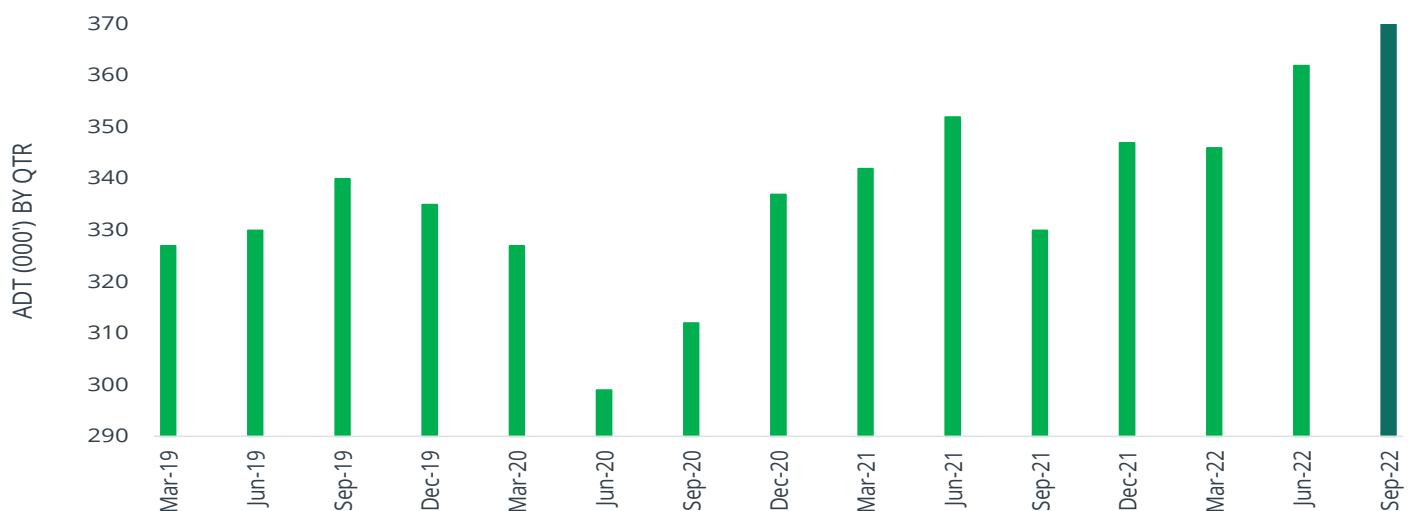
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Appendix 1

Traffic performance

MARKET	SEPTEMBER 22 QUARTER ADT ('000) ¹²	ADT % CHANGE VS SEPTEMBER 21	ADT % CHANGE VS SEPTEMBER 19
Sydney	986	106.9%	18.2%
Melbourne ¹³	791	70.7%	(7.7%)
Brisbane	456	13.2%	7.6%
North America	149	3.1%	(4.4%)
Group	2,382	60.2%	4.9%
Sydney (like for like basis) ¹⁴	840	106.9%	0.6%

Quarterly heavy vehicle traffic



¹² Market ADT figures may not add to Group ADT totals due to rounding.

¹³ CityLink traffic reported as average daily transactions ('000).

¹⁴ ADT % change vs September 21 – no like-for-like adjustment required. ADT % change vs September 19 excludes new assets M8 and M5 East (which opened/commenced tolling on 5 July 2020) and NorthConnex (which opened on 31 October 2020).

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Appendix 2

Traffic data—September quarter average daily trips ('000)

ASSET	OWNERSHIP	SEP 19 QUARTER	SEP 21 QUARTER	SEP 22 QUARTER	% CHANGE VS SEP 19	% CHANGE VS SEP 21	% LARGE VEHICLE TRAFFIC ¹⁵
Hills M2	100%	132	59	135	1.8%	127.4%	8.1%
M5 West Motorway	100%	163	87	170	4.7%	96.1%	7.2%
Lane Cove Tunnel/MRE	100%	90	37	86	(4.5%)	129.8%	4.3%
Cross City Tunnel	100%	40	18	38	(3.8%)	112.8%	2.4%
M1 Eastern Distributor	75.1%	59	23	56	(5.7%)	140.1%	3.4%
Westlink M7 ¹⁶	50%	194	106	196	1.1%	85.3%	13.7%
NorthConnex	50%	n/a	16	40	n/a	152.6%	16.9%
WestConnex	50%	157	131	266	69.6%	103.5%	7.5%
CityLink ¹⁷	100%	857	463	791	(7.7%)	70.7%	22.3%
Gateway Motorway	62.5%	123	109	125	1.2%	14.6%	23.5%
Logan Motorway	62.5%	173	189	203	17.0%	7.3%	28.8%
AirportlinkM7	62.5%	65	49	63	(3.4%)	28.2%	18.0%
Clem7	62.5%	29	26	31	5.7%	18.9%	19.3%
Legacy Way	62.5%	22	20	25	11.2%	20.2%	20.4%
Go Between Bridge	62.5%	11	10	10	(7.2%)	5.7%	13.1%
95 Express Lanes ¹⁸	50% ¹⁹	53	55	60	13.4%	8.9%	n/a ²⁰
495 Express Lanes	50% ¹⁹	48	32	34	(28.7%)	6.8%	n/a ²⁰
A25	100%	55	57	54	(0.3%)	(4.6%)	10.6%

¹⁵ Proportion of large vehicle traffic as a percentage of total traffic for the September 2022 quarter.

¹⁶ Average tolled trip length was 12.8 kilometres for the September 2022 quarter on Westlink M7.

¹⁷ CityLink traffic reported as average daily transactions ('000).

¹⁸ 95 Express Lanes concession includes the 395 Express Lanes which opened in November 2019.

¹⁹ On 31 March 2021, Transurban completed the sale of 50% of its equity interests in its Transurban Chesapeake assets.

²⁰ Vehicles with more than two axles, excluding buses and emergency vehicles, are not allowed to access the Express Lanes.

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ASSET	OWNERSHIP	SEP 19 QUARTER	SEP 21 QUARTER	SEP 22 QUARTER	% CHANGE VS SEP 19	% CHANGE VS SEP 21	% LARGE VEHICLE TRAFFIC ¹⁵
Westconnex							
M4 ²¹	50%	157	82	159	1.2%	93.3%	7.4%
M8 and M5 East ²²	50%	n/a	49	107	n/a	120.8%	7.8%

²¹ Average tolled trip length was 7.8 kilometres for the September 2022 quarter on M4. The New M4 Tunnels opened in July 2019.

²² Average tolled trip length was 9.2 kilometres for the September 2022 quarter on M8 and M5 East. Disclosed average tolled trip length is adjusted to reflect the adoption of equalisation factors from the concession agreement which are designed to make tolls consistent across the M8 and M5 East motorways despite having slightly different asset lengths.

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Appendix 3

CPI escalation—Australia

	Sept FY22	Dec FY22	Mar FY22	June FY22	Sept FY23	Dec FY23	Mar FY23	IMPACT OF EXPECTED PEAK RBA FORECAST INFLATION	
								June FY23	Sept FY24
NSW ²³	0.6%	0.8%	0.8%	1.3%	2.1%	1.8%	Sep CPI	Dec CPI	Mar CPI
CITYLINK ²⁴	4.25% p.a.	4.25% p.a.	4.25% p.a.	4.25% p.a.	4.25% p.a.	4.25% p.a.	4.25% p.a.	4.25% p.a.	4.25% p.a.
BRISBANE ²⁵	1.7%		3.9%		6.0%		Sep CPI		Mar CPI
WCX ²⁶			4.0%				6.1%		
% REVENUE ²⁷	84%	67%	93%	67%	84%	67%	93%	67%	84%

²³ Tolls generally escalate quarterly by Australian quarterly CPI. Refer to slide 86 of the FY22 Results Presentation for details and distinctions between NSW assets. M5 West escalates quarterly by Sydney quarterly CPI. Illustrative Sydney percentage increases are indexed and escalate as per Australian CPI (including M5 West). September 2022 onwards as per RBA forecast CPI which is on a biannual basis. Where quarterly data is not provided a midpoint is assumed.

²⁴ From 1 July 2019 to 30 June 2029, tolls escalate by 1.04597% per quarter, equivalent to 4.25% per annum. Quarterly price increases are applied on 1 January, 1 April, 1 July and 1 October each year. From 1 July 2029, tolls escalate quarterly by Australian CPI; the toll cannot be lowered as a result of deflation.

²⁵ Tolls escalate annually by Brisbane CPI. Annual price increases (other than for AirportlinkM7) are applied on 1 July each year and based on Brisbane March CPI. AirportlinkM7 annual price increases are applied 1 January each year and based on Brisbane September CPI. The toll cannot be lowered as a result of deflation. Illustrative Brisbane percentage increases are indexed and escalate as per Australian CPI for the purposes of this chart (actual toll price escalations are based on Brisbane CPI). A weighting based on FY22 revenue has been utilised to distinguish the AirportlinkM7 price update in January each year from the remaining Brisbane assets which escalate in July on an annual basis.

²⁶ Tolls escalate annually by the greater of Australian CPI or 4% to December 2040; then at the greater of CPI or 0% per annum to concession end. Annual price increases are applied on 1 January each year and based on Australian June CPI.

²⁷ Percentage of FY22 proportional toll revenue.

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