

SGX release

19 October 2023

Transurban September quarter 2023 update

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 Singapore Exchange.

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Classification

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Transurban September quarter 2023 update¹

Group ADT	Sydney ADT	Melbourne ADT	Brisbane ADT	NA ADT
↑ 3% vs Q1 FY23 ↑ 2% vs Q4 FY23	↑ 2% vs Q1 FY23 ↑ 2% vs Q4 FY23	↑ 4% vs Q1 FY23 ↑ 1% vs Q4 FY23	↑ 4% vs Q1 FY23 ↑ 3% vs Q4 FY23	↑ 5% vs Q1 FY23 ↓ (3%) vs Q4 FY23

Transurban today released its September quarter 2023 update, with the Group delivering its highest ever quarterly Average Daily Traffic (ADT) of 2.5m trips per day.

Traffic performance continues to reflect the underlying resilience across Transurban's markets with both car and large vehicle traffic achieving record ADT during the period. The result highlights the diversity of reasons for travel on urban based assets, which are well positioned to benefit from population growth across our key markets.

Traffic in Sydney and Melbourne increased on the prior quarter with Melbourne traffic the highest since pre-COVID. The result was driven by a record performance for large vehicles across both regions, supported by freight growth on CityLink, WestConnex, NorthConnex, M7 and M2. CBD corridor assets continue to experience disruption from adjacent construction projects, with the works expected to deliver longer-term traffic flows to affected assets.

Brisbane delivered its highest traffic performance to date across car and large vehicle traffic volumes, and on weekday and weekend travel, benefitting from continued population growth and a strong economy.

In the Greater Washington Area, traffic continued to perform well, in line with seasonal trends. The mainline of the Fredericksburg Extension opened during the quarter, reducing congestion and travel times in both the general purpose and express lanes. In its first quarter of operation, approximately 75% of motorists who reach the southern end of the 95 Express Lanes have continued their journey on the extension. The remaining elements of the Fredericksburg Extension are expected to open by the end of 2023.

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

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Key regional updates

Sydney

- ADT increased by 2.2% to 1,008,000 trips reflecting the addition of M4-M8 link
- Average workday traffic increased by 1.9% and average weekend/public holiday traffic increased by 3.1%
- Car traffic increased by 2.2% and large vehicle traffic increased by 1.6%
- M5 West (based on Sydney CPI) and all other NSW assets (excluding the WestConnex Group² and Eastern Distributor) escalated tolls by 1.4% for the September 2023 quarter – refer to Appendix 3 for further information

Melbourne

- ADT increased by 3.8% to 821,000 transactions, reflecting continued traffic recovery in both Western Link and Southern Link
- Average workday traffic increased by 3.6% and average weekend/public holiday traffic increased by 4.6%
- Car traffic increased by 4.0% and large vehicle traffic increased by 3.1%
- Tolls escalate 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 4.0% to 474,000 trips reflecting growth across most assets in the region
- Average workday traffic grew by 3.5% and average weekend/public holiday traffic grew by 5.5%
- Car traffic increased by 4.8% and large vehicle traffic increased by 1.3%
- Brisbane assets annual toll escalation³ took effect on 1 July 2023 (7.4%) and was based on March Brisbane CPI – refer to Appendix 3 for further information

North America

- ADT increased by 4.6% to 156,000 trips
- Average dynamic toll price for the quarter increased by 16.8% to USD\$10.68 on the 95 Express Lanes, and increased by 32.1% to USD\$7.04 on the 495 Express Lanes
- Rolling 12-month peak direction traffic of 2,864 vehicles per hour on the A25
- The Fredericksburg Extension opened during the period. As a result, revenue was positively affected by increased trip distance, but partially offset by reduced congestion at the southern end of the 95 Express Lanes

² WestConnex Group includes M4, M8, M5 East and M4-M8 link (open January 2023). Tolls for the WestConnex 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.

³ Excludes AirportlinkM7 which are applied annually on 1 January based on September Brisbane CPI.

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Project and business updates

- The West Gate Tunnel project continues to progress with the Footscray Road deck now complete. Within the tunnels, the last of the road deck segments have been laid while the mechanical and electrical fit out is progressing well
- Rozelle Interchange (Stage 3b) will provide new entry and exit points to WestConnex. The project is 100% funded and delivered by Transport for NSW, with WestConnex to operate upon anticipated opening in 2023
- The 495 Northern Extension (Project NEXT) continues to progress with approximately 27% of the project completed. Opening is expected in 2025
- Last month the Australian Competition and Consumer Commission announced that it opposes Transurban acquiring a majority interest in Horizon Roads, the owner of EastLink. As previously announced, Transurban is closely reviewing the decision and considering all available options. The decision is specifically in relation to the acquisition of a majority interest in EastLink
- Beau Memory has been appointed President of Transurban, North America. Beau brings a wealth of experience in road infrastructure, public policy, and broader transport industry knowledge. He is currently serving as the Executive Director and Chief Executive Officer of the E-470 Public Highway Authority in Denver and will start at Transurban in November 2023
- Group General Counsel, Nicky Green, has been appointed to the role of acting Group Executive, Victoria. Nicky will take over the role when Henry Byrne moves into the Chief Financial Officer role following the AGM on 19 October. A recruitment process will be undertaken to permanently fill the position

Annual General Meetings

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 CEO transition, current traffic results, projects under construction and the development pipeline.

FY24 guidance⁴

Transurban reaffirms that FY24 distribution is expected to be 62.0 cps, representing approximately 7% growth on FY23.

⁴ Transurban reaffirms the guidance previously provided as part of the FY23 Results Presentation, 16th August 2023. 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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This announcement is authorised by the CEO of Transurban Group, Scott Charlton.

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Appendix 1

Traffic performance

MARKET	SEPTEMBER 23 QUARTER ADT ('000) ⁵	ADT % CHANGE VS SEPTEMBER 22
Sydney ⁶	1,008	2.2%
Melbourne ⁷	821	3.8%
Brisbane	474	4.0%
North America	156	4.6%
Group	2,459	3.2%

⁵ Market ADT figures may not add to Group ADT totals due to rounding.

⁶ September 23 quarter includes the impact of additional traffic from M4-M8 link when compared to the prior corresponding period.

⁷ CityLink traffic reported as average daily transactions ('000).

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Appendix 2

Traffic data—September quarter average daily trips ('000)⁸

ASSET	OWNERSHIP	SEP 22 QUARTER	SEP 23 QUARTER	% CHANGE VS SEP 22	% LARGE VEHICLE TRAFFIC ⁹
Hills M2	100%	135	135	0.1%	8.3%
M5 West Motorway	100%	170	171	0.2%	6.6%
Lane Cove Tunnel/MRE	100%	86	81	(4.9%)	4.6%
Cross City Tunnel	100%	38	37	(4.2%)	2.2%
M1 Eastern Distributor	75.1%	56	55	(1.8%)	3.4%
Westlink M7 ¹⁰	50%	196	201	2.4%	13.6%
NorthConnex	50%	40	41	4.9%	16.8%
WestConnex ¹¹	50%	266	287	8.0%	7.5%
CityLink ¹²	100%	791	821	3.8%	22.2%
Gateway Motorway	62.5%	125	130	4.0%	22.4%
Logan Motorway	62.5%	203	211	3.8%	27.9%
AirportlinkM7	62.5%	63	66	4.2%	18.1%
Clem7	62.5%	31	32	5.3%	19.6%
Legacy Way	62.5%	25	26	4.4%	20.4%
Go Between Bridge	62.5%	10	10	(0.5%)	13.4%

⁸ Assets at 100% ownership.

⁹ Proportion of large vehicle traffic as a percentage of total traffic for the September 2023 quarter.

¹⁰ Average tolled trip length was 12.7 kilometres for the September 2023 quarter on Westlink M7.

¹¹ Average tolled trip length was 9.1 kilometres for the September 2023 quarter on WestConnex. 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.

¹² CityLink traffic reported as average daily transactions ('000).

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ASSET	OWNERSHIP	SEP 22 QUARTER	SEP 23 QUARTER	% CHANGE VS SEP 22	% LARGE VEHICLE TRAFFIC ⁹
95 Express Lanes ¹³	50%	60	61	1.7%	2.0% ¹⁴
495 Express Lanes	50%	34	41	18.8%	3.6% ¹⁴
A25	50%	54	54	(1.2%)	10.3%

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

¹⁴ Three times multiplier on tolls for medium vehicles on the 95, 395 and 495 Express Lanes was introduced in December 2022. Medium vehicles are defined as vehicles seven feet or taller for the purposes of the toll multiplier. Vehicles with more than two axles, with the exception of buses and emergency vehicles, are not allowed to access the express lanes.

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Appendix 3

CPI escalation—Australia

	Sept FY23	Dec FY23	Mar FY23	June FY23	Sept FY24	Dec FY24	Mar FY24	June FY24	Sept FY25
NSW¹⁵	2.1%	1.8%	1.8%	1.9%	1.4%	0.8%	Sep CPI	Dec CPI	Mar CPI
CITYLINK¹⁶	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.
BRISBANE¹⁷	6.0%	7.9%	7.4%	Sep CPI	Mar CPI				
WCX¹⁸		6.1%	6.0%						
% REVENUE¹⁹	80%	67%	80%	67%	80%	67%	80%	67%	80%

¹⁵ Tolls generally escalate quarterly by Australian quarterly CPI. Refer to slide 85 of the FY23 Results Presentation for details and distinctions between NSW assets. M5 West escalates quarterly by Sydney quarterly CPI. Eastern Distributor escalates quarterly by the greater of a weighted sum of AWE and CPI or 1%.

¹⁶ 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.

¹⁷ 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.

¹⁸ 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.

¹⁹ Percentage of FY23 proportional toll revenue.

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