

23 March 2020

## **ASX RELEASE**

### **Market update regarding COVID-19 and distribution guidance**

Atlas Arteria (**ASX:ALX**) wishes to provide an update to the market in the context of the global COVID-19 pandemic.

#### **Pandemic management plan across all businesses**

The number one priority for Atlas Arteria is the safety and health of our people, our customers, and the communities in which we operate. Atlas Arteria is implementing a pandemic management plan across all of our businesses to reduce exposure for our employees, to manage potential cases of COVID-19 within our businesses and to address operational changes required to maintain business continuity.

#### **Delay of H2 2019 distribution and suspension of H1 2020 guidance**

Atlas Arteria remains well positioned in terms of its liquidity. As at 20 March 2020, cash within the head companies was around A\$340 million following receipt of the dividend from APRR (via MAF2).

However, given the current uncertainty regarding the length and depth of the pandemic and its impact on traffic, the Atlas Arteria Boards have resolved to defer any announcement of an H2 2019 distribution until further notice (previously guided to 18.0 cents per security at the results announcement on 27 February 2020).

In addition, the Boards have also resolved to suspend the guidance for the H1 2020 distribution of 18.0 cents per security until there is further clarity around the impact of the policy responses to contain the COVID-19 pandemic.

Depending on the duration of the lock-downs, stay-at-home and reduced public gathering orders across Europe and the United States, the Boards will consider using the funds that would have been distributed to shareholders, to either repay debt facilities or alternatively to pay the H2 2019 distribution at a later time in 2020. Guidance regarding the H1 2020 distribution will also be considered later in 2020.

## Traffic performance

### *APRR*

Since 29 February 2020, the French Government has progressively implemented a number of measures in response to the COVID-19 outbreak. These measures started with the cancellation of large gatherings and from 17 March 2020 included limitations on all non-essential travel and closure of non-essential public places. These latest measures have been aimed at slowing the spread of COVID-19 by reducing travel for individuals while preserving the essential activities of the country including supply chain. Other European and non-European countries have or are implementing similar measures.

In addition, EU borders were closed from 17 March for non-EU persons. President Macron also announced, amongst other measures, that France will guarantee the bank debt for French companies and that no company will be left to fall into bankruptcy.

As an essential piece of infrastructure for France, APRR priorities are (i) ensuring the safety, sanitary conditions and well-being of its employees and customers and (ii) maintaining continuity of service and systems in this untested environment through various operating processes.

Atlas Arteria expects to provide a further traffic announcement later in the week, split between LV and HV traffic, once complete information is available on the traffic performance post implementation of the containment measures. At APRR, traffic for January and February has been strong relative to the prior corresponding period (pcp) following the nationwide pension reform strikes, a good ski season and the additional day in February. However, March traffic has been impacted by the consequences of the progressive French and global containment measures. Whilst the adverse impact in the first half of March was moderate, initial indications for the first days since the lockdown measures took effect are that total traffic has reduced severely, with the reduction expected to be disproportionately weighted to LV traffic as opposed to HV traffic, some of which continues to move essential supplies around the country and through Europe.

As reported on 27 February 2020 in the Atlas Arteria 31 December 2019 annual results announcement, following the repayment in January 2020 of €1.0 billion of EMTNs and the successful raising of another €500 million under APRR's EMTN program in January 2020, APRR had around €1.2 billion in commercial paper outstanding, due for either rollover or repayment progressively over 2020. In addition, APRR now has a €2.0 billion revolving credit facility (undrawn) which matures in 2025 and had €1.7 billion in cash at 31 December 2019. At Eiffarie, there is no amortisation on the new 5-year debt facility until 2023.

### *Dulles Greenway*

In response to COVID-19, the United States Government has, among other measures, closed its borders to all foreign nationals and encouraged all US residents to cancel non-essential travel. The Government also announced a US\$1 trillion stimulus package to support the economy.

As of 17 March 2020, the Governor of Virginia has ordered bars, restaurants, fitness centres and theatres in Virginia to reduce their capacity to ten patrons or close, has suggested that the elderly or at-risk people self-isolate, and has provided financial support to both employers and employees affected by these measures. Schools in the region, including Loudon County commenced closing from 12 March. The indicative traffic performance for the Dulles Greenway for the year to date is outlined below.

	Comparison to pcp (%)			
	2020 YTD	Jan – Feb	1 – 15 March*	16-19 March*
Total Traffic	-7.4%	-1.3%	-13.8%	-56.2%

\* Adjusted to align the days in the week to be the same in the current and prior periods.

Given the decrease in traffic at Dulles Greenway and taking a conservative view on the impact of the policy responses to manage the pandemic, Atlas Arteria does not expect to pass either the one-year or three-year lock up tests at December 2020.

Dulles Greenway remains well placed from a liquidity perspective. As at 31 December 2019, Dulles Greenway had US\$215 million of cash on the balance sheet of which US\$79.3 million was available for distribution pending satisfaction of the relevant lock-up tests.

#### Warnow Tunnel

On 16 March, Germany implemented temporary border controls with Austria, Switzerland, France, Luxembourg and Denmark.

Warnow Tunnel traffic has, as previously disclosed to the market, been elevated due to road works on the surrounding roads. The indicative traffic performance for the Warnow Tunnel for the year to date is outlined below.

	Comparison to pcp (%)			
	2020 YTD	Jan – Feb	1 – 15 March*	16-19 March*
Total Traffic	+7.0%	+7.9%	+9.8%	-12.2%

\* Adjusted to align the days in the week to be the same in the current and prior periods.

---

**For further information please contact:**

Investors:

**Nadine Lennie**

Chief Financial Officer

1800 621 694 / +61 (0)438 493 692

[investors@atlasarteria.com](mailto:investors@atlasarteria.com)

Media:

**Sue Cato**

Cato & Clive

+61 2 8306 4244 / +61 (0)419 282 319

[cato@catoandclive.com](mailto:cato@catoandclive.com)

---

This announcement has been authorised for release by the Boards of Atlas Arteria International Limited and Atlas Arteria Limited.

**About Atlas Arteria**

Atlas Arteria (ASX:ALX) is a global operator and developer of toll roads, creating value for our investors over the long-term through considered and disciplined management. The roads we develop, operate and invest in benefit communities through reduced travel time, greater time certainty, reduced fuel consumption and carbon emissions.

Today the Atlas Arteria Group consists of four businesses. We own a 31.14% interest in the APRR toll road group in France. Adjacent to the APRR business is the smaller ADELAC business which connects to APRR in south-east France. Together APRR and ADELAC comprise a 2,318km motorway network located in the East and South East of France. In the US, we have 100% of the economic interest in the Dulles Greenway, a 22km toll road in the Commonwealth of Virginia. In Germany, we own 100% of the Warnow Tunnel in the north-east city of Rostock.

[www.atlasarteria.com](http://www.atlasarteria.com)