



26 August 2021

## **ASX RELEASE**

### **Atlas Arteria Results Presentation for the half year ended 30 June 2021**

Atlas Arteria (**ASX:ALX**) is pleased to release the attached results presentation for the half year ended 30 June 2021.

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

#### **About Atlas Arteria**

Atlas Arteria (ASX:ALX) is a global owner, operator and developer of toll roads, creating value for our investors over the long-term through considered and disciplined management. The roads we own, operate and develop 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 currently 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)



atlas**Arteria**

# H1 2021 RESULTS PRESENTATION

for the six months ending 30 June 2021

26 August 2021



# IMPORTANT INFORMATION

## Disclaimer

The information in this presentation is given in good faith and derived from sources believed to be accurate at this date but no representation or warranty of accuracy, completeness or reliability is given and no responsibility or liability arising in any other way, including for errors or omission, is accepted by Atlas Arteria or its officers. The material contained in this presentation may include information derived from publicly available sources that have not been independently verified.

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This presentation may contain forward-looking statements including statements with respect to Atlas Arteria's future performance. Due care and attention have been exercised in the preparation of forward-looking statements, however actual results may vary as a result of various factors.

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Atlas Arteria's securities are subject to ownership restrictions that apply to residents of the United States and other US persons who are not 'qualified purchasers' (as defined in Section 2(a)(51) of the US Investment Company Act of 1940). For further details, please see our website [https://atlasarteria.com/stores/\\_sharedfiles/US\\_Ownership/AtlasArteria-USownershiprestrictions.pdf](https://atlasarteria.com/stores/_sharedfiles/US_Ownership/AtlasArteria-USownershiprestrictions.pdf)

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Continued delivery  
against strategy and  
positive trends provide  
cautious optimism

# H1 2021 HIGHLIGHTS

Positive trend in traffic,  
weighted average traffic up  
**10% - 15%** in  
June vs January 2021,  
seasonally adjusted

Heavy vehicle traffic  
at APRR returns  
to trend and for Q2 was  
**0.2% above**  
Q2 2019

**>\$250m**  
in capital expenditure  
delivered across the  
businesses, with the A41,  
A75 and A71 in France  
now open to traffic

Completion of the  
Warnow Tunnel  
capital restructure

SCC Rate Case outcome  
achieved for the  
Dulles Greenway

Guidance of  
**15.5 cps**  
for H1 2021, reflecting  
performance of  
both APRR and  
Warnow Tunnel<sup>1</sup>

1. The distribution remains subject to continued business performance, movements in foreign exchange rates, and other future events

# H1 2021 FINANCIAL OVERVIEW

Traffic was influenced by COVID-19 movement restrictions during the period

Business	Revenue Contribution to Atlas Arteria	H1 2021 Traffic		H1 2021 Toll Revenue <sup>1,2</sup>		H1 2021 EBITDA <sup>1,2</sup>	
		vs H1 2020	vs H1 2019	vs H1 2020	vs H1 2019	vs H1 2020	vs H1 2019
APRR	91%	19.4%	(17.1%)	18.6%	(11.6%)	22.8%	(12.2%)
ADELAC	2%	7.1%	(31.2%)	6.4%	(30.3%)	8.6%	(30.2%)
Warnow Tunnel	1%	(8.6%)	(16.9%)	(7.0%)	(13.8%)	(12.5%)	(24.3%)
Dulles Greenway	6%	1.1%	(41.2%)	1.8%	(39.8%)	2.0%	(45.3%)
Weighted average <sup>3</sup>		17.5%	(19.5%)	16.8%	(14.4%)	20.5%	(15.7%)

1. Revenues and operating costs are presented under IFRS in local currency, excluding impacts of IFRIC 12

2. Toll revenue % and EBITDA % change is calculated using the respective businesses local currencies

3. Refer to slide 31 for weighted average calculation methodology

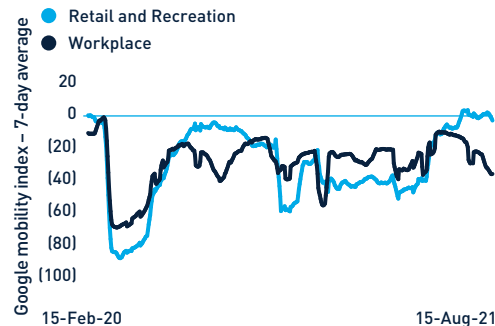
# EUROPE RE-OPENING FOR BUSINESS

Vaccine roll outs across Europe and increased mobility are setting the stage for recovery

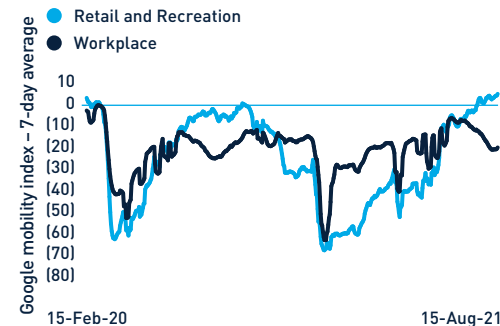
## Current European Landscape

- Europe is reopening after strict lockdowns in H1 2021
- Governments keen to promote and maintain strong economic recovery
- New EU health pass promotes further increases in mobility across the region and high and growing vaccination levels
- Traffic since restrictions eased in May has recovered quickly, and our businesses are well placed to benefit from increasing mobility trends

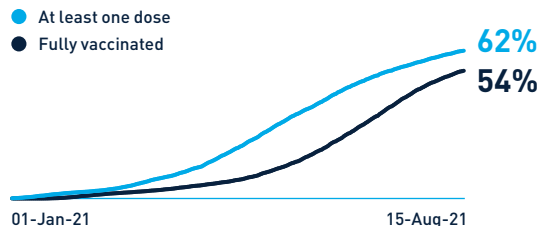
## French Mobility



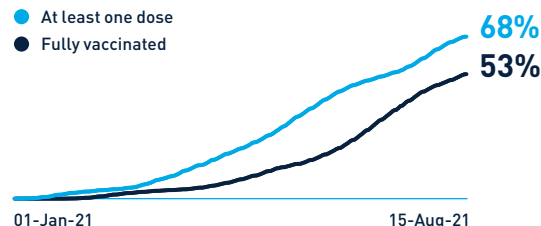
## German Mobility



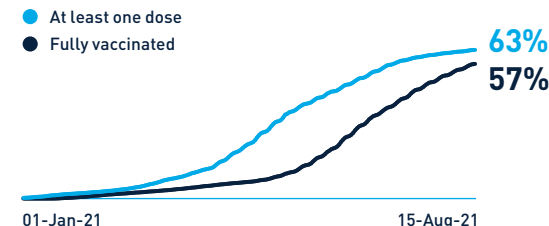
## European Union Vaccination Levels<sup>1</sup>



## France Vaccination Levels<sup>1</sup>



## Germany Vaccination Levels<sup>1</sup>



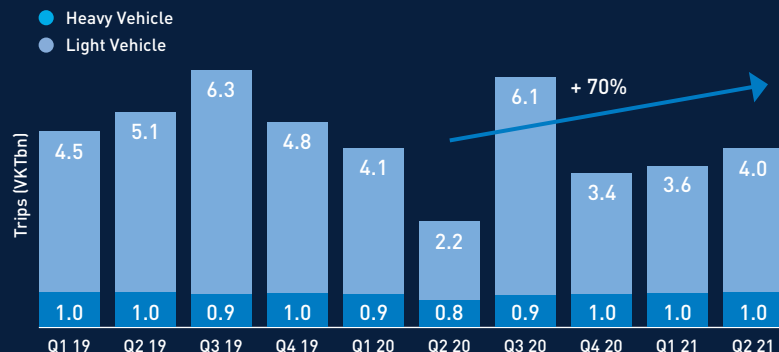
1. Calculated as a percentage of total population



# TRAFFIC RECOVERING STRONGLY AT APRR

Traffic recovers quickly when restrictions ease, again demonstrating resilience

## APRR Traffic



### Heavy vehicle revenue as a % of total revenue

37% 35% 29% 36% 39% 49% 29% 44% 42% 40%

- H1 2021 heavy vehicle traffic is in line with 2019 levels, while light vehicle traffic is recovering post the recent easing of restrictions
- Over the European summer, traffic has been averaging more than 5% above 2020 and 2019 levels

## Heavy vehicle traffic playing an important role in growth at APRR

- The APRR network is critical for pan-European trade corridors
- Since the GFC, trend for companies in France to move production elsewhere in Europe
  - Companies have longer supply chains, which means more heavy vehicle trips are required to move intermediate and finished goods to suppliers and customers
  - Road freight travelling to/from Spain to the rest of Europe, ex Portugal, must go via France
  - The RCEA upgrade will be key in facilitating greater trade traffic
- From 2010 to 2019, heavy vehicle traffic grew -2% pa with French trade flat with Western Europe and Spanish trade grew by 2% pa

- Over 2019 & 2020, heavy vehicle traffic was flat as French trade with Western Europe declined by 8%, while Spanish trade increased by 1%
- Given trading conditions, APRR is well placed to capture growth in heavy vehicle traffic with the economic recovery in Spain and the remainder of Western Europe

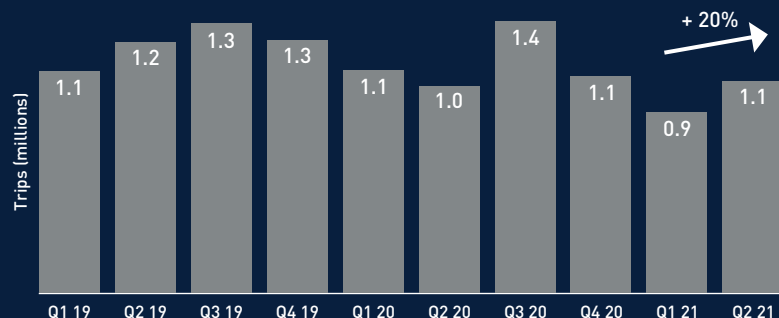


Source: European Commission Ten-T Corridor Maps. The RCEA corridor is shown for illustration

# WARNOW TUNNEL TRAFFIC REMAINS RESILIENT

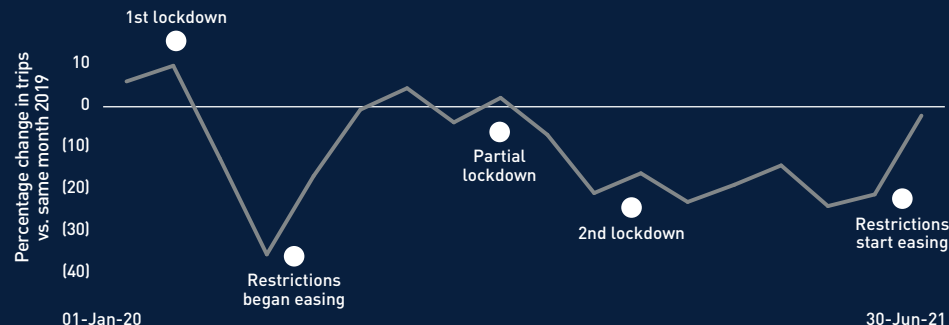
Traffic resilient despite strict lockdowns, and recovery well underway

## Warnow Tunnel Traffic



- Traffic has continued to perform strongly despite strict movement restrictions in Germany for the majority of H1 2021
- Since 30 June, traffic has returned to near 2019 levels

## Warnow Tunnel demonstrates ability for rapid recovery post easing of restrictions

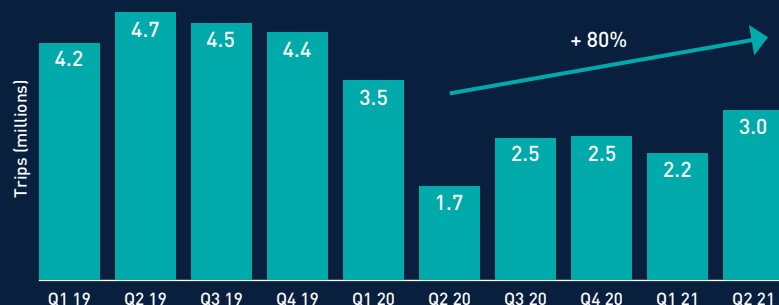


- Traffic at Warnow Tunnel was impacted more during H1 2021 than any other period of the pandemic
- Traffic has shown resilience with rapid recovery following the easing of each set of restrictions

# POSITIVE TRAFFIC TREND AT THE GREENWAY

Trending recovery in traffic with performance linked to workplace mobility

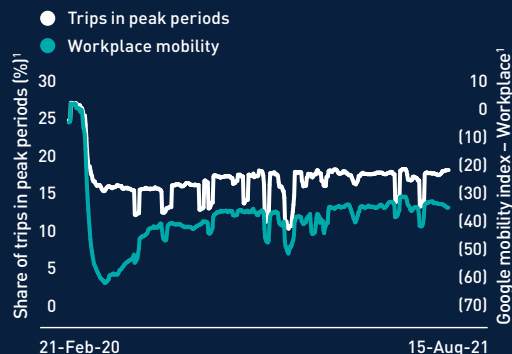
## Dulles Greenway Traffic



- Traffic at Dulles Greenway remains below pre-COVID levels however has shown significant improvement since Q2 2020
- Since 30 June, traffic has continued its slow recovery, around 30% above 2020 and 30% below 2019 levels

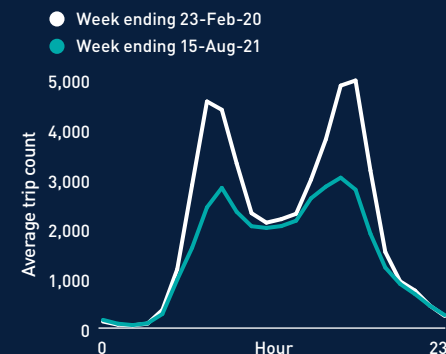
1. Based on seven day average

## Workplace mobility in the region continues to be impacted



- Workplace mobility across the region continues to be impacted as commuters have continued to work from home

## Off-peak traffic on the Greenway tracking strongly



- Off-peak traffic has recovered strongly
- Both weekday off-peak and weekend traffic have recovered strongly, demonstrating price inelasticity

# CAPITAL PROJECTS UPDATE

>\$250m in capital expenditure delivered across all businesses in H1 2021, improving the customer experience and increasing traffic flow

Total project cost	Expected completion	Project	Value proposition for customers
c. €87m	H1 2021	A41 Widening – opened to traffic 1 July	Reduce congestion while improving user safety and preserving the environment
c. €82m	H2 2021	A71 'Montmarault' intersection – opened to traffic 13 July	Provide a better connection between APRR and RCEA, reducing travel times
c. €177m	H2 2021	Widening on A75 – opened to traffic on 6 August	Reduce congestion during peak-hour and the summer period, while improving safety
c. €340m	H1 2022	A48/A480 Project	Improve both safety and flow of traffic in the area of Grenoble
c. €95m	H1 2023	A43-A41 Chambéry junction	Improve traffic flow, safety and support car-sharing
c. US\$3m <sup>1</sup>	H2 2021	West End Project 2	Reduce peak travel time

Project relates to: ● APRR & AREA ● Dulles Greenway

1. Total project cost is US\$6m of which the Greenway funds 50%

# SUSTAINABILITY PRIORITIES FOR 2021

Continuing focus on our sustainability priorities in 2021, with development of sustainability targets by the end 2021



## SAFETY

- ✓ Continue to embed a safety-first culture amongst our people and across our businesses
- Implement recommendations of the Warnow Tunnel customer behaviour study to improve customer behaviour at the toll plaza
- ✓ Continue SafeStart training for all employees at APRR
- At the Dulles Greenway, explore a better layout for winter operations to better manage safety during the loading of salt, and a larger enclosed maintenance environment
- Development of sustainability targets and reporting framework



## OUR PEOPLE

- ✓ Maintain our 40% commitment to gender balance and look for opportunities to improve proportional representation across and within specific teams
- ✓ Pursue a broader approach to candidate diversity that challenges current assumptions around fit and better explores diversity of perspective and experience
- Invest in development for managers that includes a focus on inclusive leadership and team effectiveness
- Promote greater inclusion for employees as part of the return to the workplace by exploring flexible approaches to work
- ✓ Release of Modern Slavery Statement
- Development of sustainability targets and reporting framework



## CUSTOMERS & COMMUNITY

- Continue the active stakeholder engagement program developed with the new CEO at Dulles Greenway
- Implement improved customer payment options at Warnow Tunnel
- Continued focus on innovation in our motorways, e.g. in improving digital services and testing new technologies
- Development of sustainability targets and reporting framework



## ENVIRONMENTAL STEWARDSHIP

- Consider options to manage and minimise GHG emissions
- ✓ Roll out of 14 additional high and very-high power electric charging stations along APRR, providing over 94 additional charging points
- Pursue enhanced biodiversity, preservation of natural environments and improved water resource management at APRR
- Development of sustainability targets and reporting framework

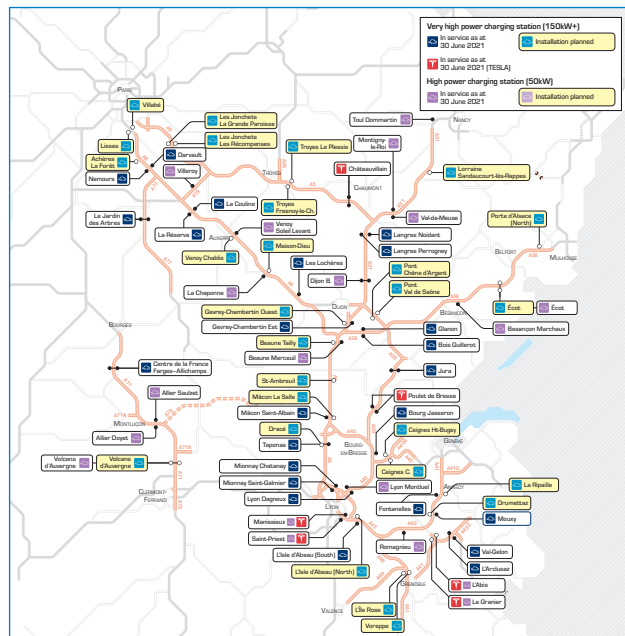
→ In progress    ✓ Completed



# ELECTRIC VEHICLE CHARGING STATIONS

Roll out of charging stations at APRR encourages traffic and supports the green agenda

## Electric charging terminals at APRR and AREA service areas



### Roll out plan for electric vehicle charging stations across APRR and AREA motorway

**100%**  
by end 2022



**65%-70%**  
by end 2021



**51%**  
by 30 June 2021



**32%**  
at end 2020



- In May, France committed to deploy 100,000 new charging points throughout the country by end 2021
- Electric vehicle sales in France have tripled in the past two years, ~15% of vehicles registered in 2021 were either hybrid or electric
- APRR is partnering with providers to roll out electric charging terminals to support customers
- 100% of APRR network to be equipped with high or very-high power terminals by end 2022
- At 30 June, APRR offered the largest proportion of service areas equipped with electric vehicle charging stations in France
- Powered using 100% carbon-free energy

**Strong financial  
performance  
underpins future  
potential**

# ATLAS ARTERIA INCOME STATEMENT

Profitability impacted by COVID-19 movement restrictions

A\$m	H1 2021	H1 2020	% Chg
<b>Revenue and other income</b>			
– Toll revenue	43.1	49.6	(13%)
– Other income	0.4	7.7	(95%)
<b>Operating expenses</b>			
– Business operations	(14.4)	(25.0)	42%
– Corporate costs	(11.9)	(10.7)	(11%)
Finance costs	(41.3)	(54.8)	25%
Depreciation and amortisation	(29.3)	(38.2)	23%
Share of net profits/(losses) in associates	138.5	79.8	73%
Income tax benefit/(expense)	0.9	0.7	34%
<b>Net Profit/(loss) after tax (excl notable items)</b>	<b>86.0</b>	<b>9.1</b>	<b>844%</b>
<b>Notable Items</b>			
– Warnow Tunnel removal of fair value adjustment with legacy debt repayment	(49.9)	–	–
– Warnow Tunnel recognition of deferred tax assets	34.9	–	–
– Macquarie management fees	–	(2.1)	–
– FX impacts of significant transactions	–	15.3	–
– Impairments and asset revaluations	–	(152.0)	–
– Income tax benefit/(expense) of notable items	–	6.7	–
<b>Net Profit/(loss) after tax</b>	<b>71.0</b>	<b>(123.0)</b>	<b>158%</b>

Traffic in Germany and US influenced by COVID-19 movement restrictions, and revenue affected by appreciation in AUD:USD

Reduction in other income reflects completion of capital expenditure programs at the Greenway in H2 2020 (IFRIC 12 adjustments \$0.0m vs \$7.1m in H1 2020)

Reduction in business operations expenses reflects the completion of capital expenditure programs at the Greenway and completion of the SCC rate case submission in 2020

Corporate costs expected to increase to around A\$30m for FY21 with increases in insurance costs and investment in capability

Decrease in finance costs reflects repayment of corporate debt facility in June 2020 and appreciation in AUD:USD reducing interest costs from the Greenway

Increase in share of net profits in associates reflects improved performance at APRR

Removal of fair value adjustment allocated to legacy debt at Warnow Tunnel which reflects removal of this debt (non cash)

The capital restructure at Warnow Tunnel strengthened probability of future taxable profits being available to utilise tax losses, hence recognition of unused tax losses

# APRR FINANCIAL PERFORMANCE

COVID-19 movement restrictions impacted financial performance during the half, but traffic is recovering well into the European summer

€m <sup>1</sup>	H1 2021	H1 2020	% change
<b>Traffic (VKTm)</b>	<b>9,579.2</b>	<b>8,021.1</b>	<b>19.4%</b>
Operating revenue	1,113.0	934.3	19.1%
Operating expenses	(274.4)	(251.5)	(9.1%)
<b>Total EBITDA</b>	<b>838.6</b>	<b>682.9</b>	<b>22.8%</b>
<b>EBITDA margin %</b>	<b>75.3%</b>	<b>73.1%</b>	<b>2.3%</b>
<b>EBITDA margin % (excluding op. taxes)</b>	<b>85.4%</b>	<b>84.3%</b>	<b>1.0%</b>
Provisions	(27.3)	(8.4)	(225.0%)
Net interest expense	(45.2)	(49.3)	8.3%
Depreciation and amortisation	(228.1)	(223.3)	(2.1%)
APRR corporate income tax	(127.7)	(128.9)	0.9%
Other	(1.9)	(1.0)	(90.0%)
<b>APRR consolidated NPAT</b>	<b>408.6</b>	<b>271.9</b>	<b>50.3%</b>
APRR average cost of debt (%)	1.2%	1.2%	0.0%
Eiffarie average cost of debt (%)	0.6%	0.7%	(0.1%)

- Revenues supported by increased traffic, toll price increases, and €6m from the integrated Fulli business
- Operating expenses reflect:
  - Costs from the integrated Fulli business (€6m)
  - Increase in operating taxes as a result of the higher traffic
  - Full period impact of the Eiffage management fee
  - Higher winter maintenance costs
  - These were partially offset by lower CET taxes
- Provisions reflect a return to pre-covid maintenance activity for road paving works
- Average cost of debt has remained flat consistent with prior period

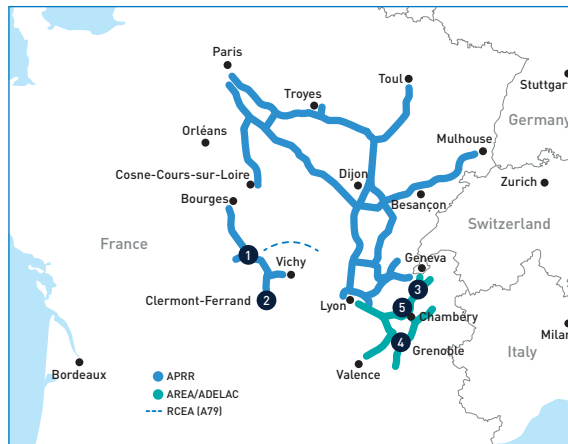
1. Revenues and operating costs are presented under IFRS in local currency, excluding impacts of IFRIC 12

# APRR CAPITAL EXPENDITURE PROGRAM

Investing to grow the footprint and improve customer experience

## APRR Capital Expenditure Program

- Despite ongoing COVID-19 restrictions, capex projects continued during the half
  - All projects progressing well and on track for completion with minimal delays
  - Capex spend during the half was €163m (compared to €153m in H1 2020)
- Capex guidance (excluding RCEA project) (€ real at 30 June 2021) remains unchanged:
  - Total expected capex spend for the 2021 – 2022 is €800m
  - Average €200m – €250m p.a. post 2022
- Significant balance sheet capacity to fund future capex projects under the 2018 Infrastructure Agenda



- Projects completed:
  - 1 **Creation of the A71 'Montmarault' intersection** (opened 6 August)
  - 2 **Widening on A75, Clermont-Ferrand to Le Crest** (opened 13 July)
  - 3 **A41 widening** (opened 1 July)
- Ongoing major projects include:
  - 4 **A48/A480 project** (H1 2022)
  - 5 **A43-A41 Chambéry junction** (H1 2023)
  - 6 **19 wildlife crossings** (H1 2024)

### RCEA/A79 Project Update

- Construction began in mid-2020 with a construction period ~2.5 years
- Concession length is 48 years from signing of concession contract
- APRR took over operations of the motorway in March 2020



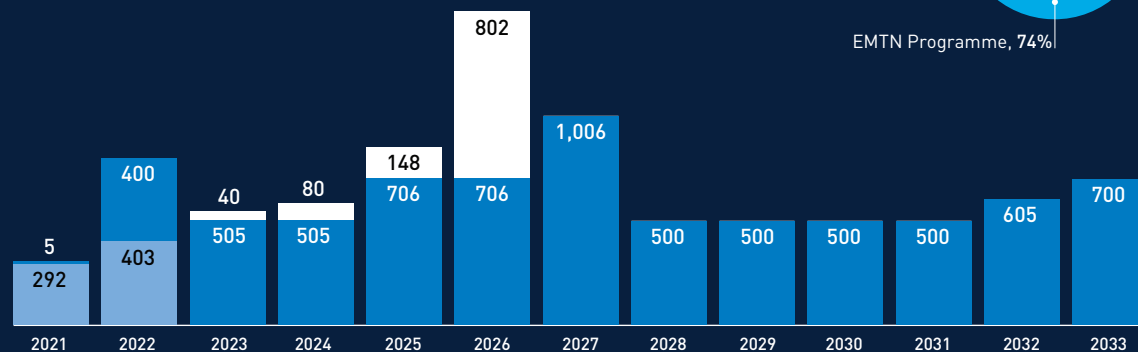
# APRR GROUP FINANCIAL POSITION

APRR strong balance sheet rated A- with a stable outlook

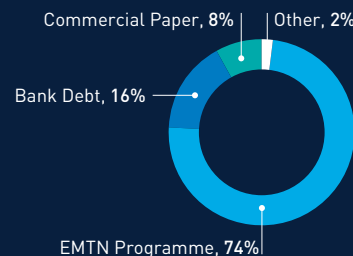
## APRR Group debt maturity profile as at 30 June 2021 (€m)

<b>Rating</b>	A- Stable Outlook (S&P and Fitch)
<b>Net Debt balance</b>	€8.0bn (including €1.1bn at Eiffarie) (31 Dec 2020: €8.1bn)
<b>Liquidity</b>	€2.9bn (€2.0bn undrawn RCF and €0.9bn cash)

- APRR – Commercial Paper
- APRR – Other Debt
- Eiffarie



### Sources of Debt



## APRR has significant balance sheet flexibility to support growth

- Rated A-, with a stable outlook by S&P and Fitch, despite the impacts and outlook for COVID-19, reflecting the strength of the APRR balance sheet
- €8.9bn in total debt outstanding as at 30 June 2021
  - Including €1.1bn at Eiffarie, which had most of its maturity extended by 1 year in January 2021
- Strong coverage of debt covenants at 30 June 2021:
  - Net debt/EBITDA of 4.1x relative to 7.0x default covenant
  - Interest cover ratio of 16.6x relative to 2.2x default covenant
- €297m of debt remaining to mature in second half of 2021 the majority of which is the commercial paper programme

# WARNOW TUNNEL FINANCIAL OVERVIEW

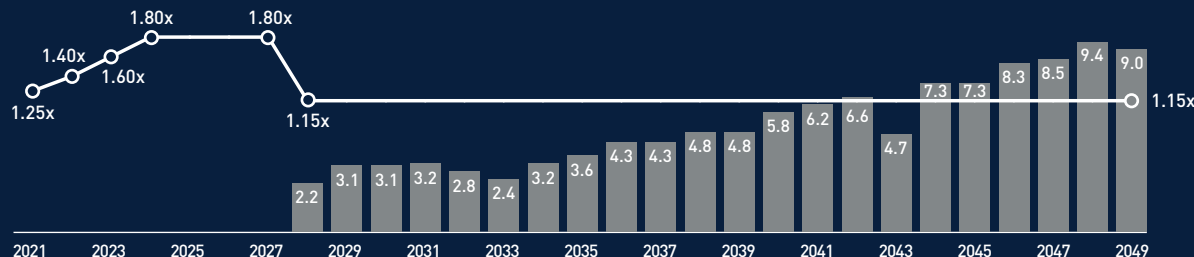
Warnow Tunnel financial performance impacted by COVID-19 movement restrictions, while the restructured debt releases cash flows

€m <sup>1</sup>	H1 2021	H1 2020	% chg
<b>Traffic (m)</b>	<b>2.0</b>	<b>2.1</b>	<b>(8.6%)</b>
Operating revenue	5.5	5.9	(6.4%)
Operating expenses	(1.8)	(1.6)	(9.6%)
<b>Total EBITDA</b>	<b>3.7</b>	<b>4.3</b>	<b>(12.5%)</b>
<b>EBITDA margin %</b>	<b>67.8%</b>	<b>72.5%</b>	<b>(4.7%)</b>
Net Debt	104.9	140.4	(25.3%)
Debt Service Cover Ratio	3.72x	n.a.	n.a.

- Traffic and revenue impacted with strict lockdowns
- A 1.7% increase in weighted average tolls partially offset weakness in traffic
- Operating expenses reflect primarily higher employment costs during the half with the appointment of an HR manager and selective salary increases
- The capital restructure completed in March 2021, provided for a distribution of €2.5 million to be paid to Atlas Arteria

## Debt repayment profile for Warnow Tunnel (€m)

● Debt principal to be paid ○ Lock-up debt service cover ratio



1. Revenues and operating costs are presented under IFRS  
2. All in interest rate (Euribor + 1.70%) floored at 0%

## Warnow Tunnel Debt Key Terms

	Fixed Rate Component	Variable Rate Component
Amount	€86.25m	€28.75m
Interest rate	2.07%	6mth Euribor + 1.70% <sup>2</sup>
Maturity	31 December 2049	
Amortisation	No amortisation in first 7 years. Sculpted amortisation from 30 June 2028.	

# DULLES GREENWAY FINANCIAL OVERVIEW

Strong liquidity at the Dulles Greenway, traffic impacted by continued working from home preferences

US\$m <sup>1</sup>	1H 2021	1H 2020	% chg
<b>Traffic (m)</b>	<b>5.2</b>	<b>5.2</b>	<b>1.1%</b>
Operating revenue	26.8	26.3	2.0%
Operating expenses	(7.0)	(6.9)	(2.0%)
<b>Total EBITDA</b>	<b>19.8</b>	<b>19.4</b>	<b>2.0%</b>
<b>EBITDA margin %</b>	<b>73.9%</b>	<b>73.9%</b>	<b>0.0%</b>
Capex	0.7	3.2	(76.7%)
Cash balance retained for capital projects	4.9	9.8	(49.6%)
'Locked Cash' otherwise available for distribution	78.9	79.2	(0.4%)

- Operating revenues impacted by continued COVID-19 movement restrictions and working from home
- Liquidity within the business is strong with US\$197m available across restricted and unrestricted reserve accounts
- US\$1,087m in total debt outstanding as at 30 June 2021

## Debt service profile to 2036 (US\$m)



1. Revenues and operating costs are presented under IFRS

# SENSITIVITY OF PORTFOLIO TO CHANGE IN INTEREST RATES AND CPI

**Our businesses are positively impacted by increases in CPI, and rising interest rates have limited impact**

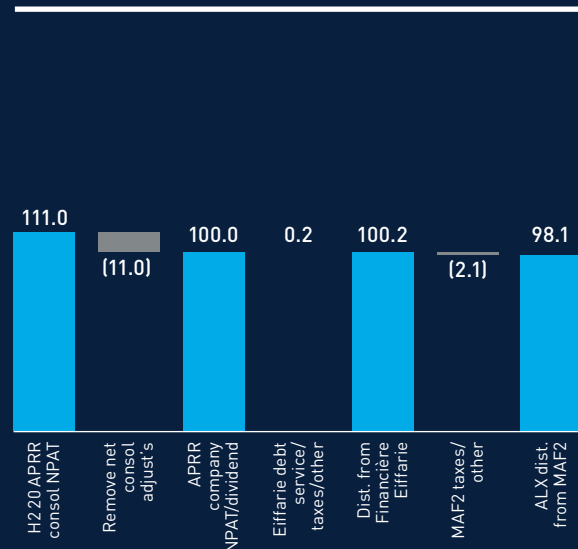
- Strong positive multiplier to rising inflation with tolls linked to inflation, and year-on-year growth leading to attractive valuation multipliers
- High EBITDA margins, mean increases in costs are well covered by indexation to revenue
- The majority of debt is at fixed rates, meaning rising interest rates have a limited impact
- Long duration debt, limits refinancings and exposure to rising interest rates

Business	Tolls linked to inflation	% of fixed rate debt	Average debt duration (years)
APRR	70%	84%	6.4
ADELAC	100%	85%	20.1
Warnow Tunnel	100%	75%	20.6
Dulles Greenway	n/a <sup>1</sup>	100%	26.3

1. Refer to slide 42

# ATLAS ARTERIA CASHFLOW FOR H1 2021

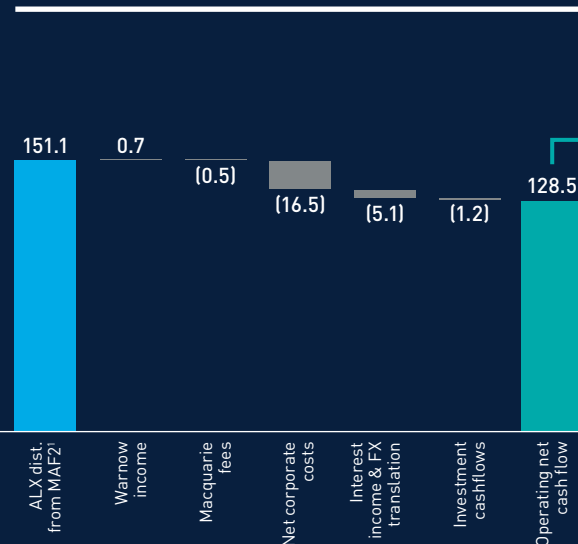
## APRR dividends to Atlas Arteria (€m)



## APRR proportional cashflows to Atlas Arteria

Represents the 31% interest that Atlas Arteria has in APRR via Financière Eiffarie and MAF2

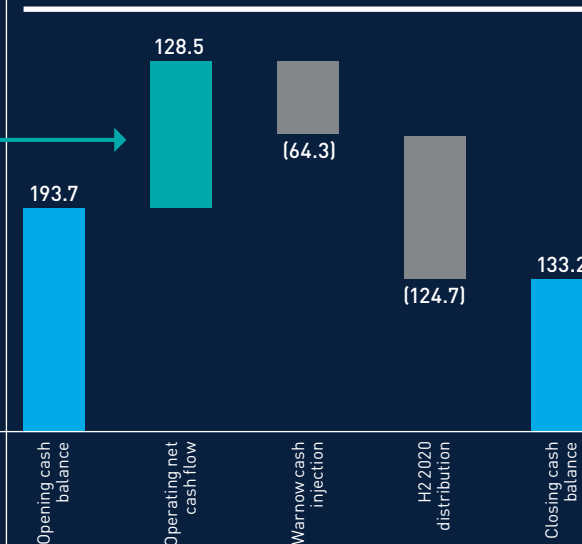
## Corporate operational cashflows (A\$m)



## Atlas Arteria operational cash flows

Represents the operational cash flows within the Atlas Arteria controlled corporate structure

## Cash balance (A\$m)



## Corporate cash balance

Atlas Arteria corporate cash balances pre and post Warnow capital injection and payment of H2 2020 distribution

1. Represents the exchange rate at the date of distribution payment, AUD/EUR of 0.649



# Focus on value creation through a clear and simple strategy

# DELIVERING ON ATLAS ARTERIA'S STRATEGIC FRAMEWORK

## Strategic Framework

- 1 Reduce legacy complexity to maximise our value
- 2 Maximise operational efficiencies in existing businesses
- 3 Disciplined capital management to underpin distributions
- 4 Lengthen average concession life
- 5 Diversify and manage risk

---

## H1 2021 Key Strategic Outcomes

- Capital restructure at Warnow Tunnel diversifies Atlas Arteria's sources of cash flow
  - Toll price certainty for Greenway to end of 2022
  - Developing a long-term pathway to increase the value proposition of the Dulles Greenway for all stakeholders
-

# THE FRENCH OPPORTUNITY

APRR is well positioned to support governments as they look to reinvigorate the economy

## The Current Situation

Europe reopening, high vaccination rates and an EU health pass system facilitating travel

Actively engaging on projects under the 2018 Infrastructure Agenda (€3.4bn of specific road projects)

General maintenance and brownfield projects for the French Government requiring funding solutions

Strong balance sheet at APRR, A- rating by S&P and Fitch

APRR has strong, recognised ESG credentials

## The Opportunity

APRR traffic well positioned for a strong recovery

Opportunity to expand the network and provide solutions to the French government

Strong partner in APRR being Eiffage, a well respected French construction and infrastructure company

Projects able to be funded by the APRR balance sheet cost effectively without additional equity

Work alongside the French government to deliver on their ESG objectives

# THE US OPPORTUNITY

Performance at the Greenway is currently constrained, but there remains opportunity to release value

The Current Situation	The Opportunity
Growing confidence increasing mobility trends across Virginia	The Greenway is well positioned to benefit from growing community confidence and return to work
High leverage – complex accreting acquisition leverage challenging to refinance	Financially sound business with an appropriate capital structure and sufficient cashflow available for equity
Commuter road at the end of the Dulles Toll Road has different tolling arrangements	Corridor wide solution to provide for a better customer experience across the network
Bespoke governing legislation – open to debate each legislative period	Sound legislative environment, governed alongside other private infrastructure investments
General elections in Virginia to commence in November 2021 and next legislative session in early 2022	Ongoing engagement and discussions with key decision makers and highlighting community preference for distance-based tolling

# KEY PRIORITIES AND OUTLOOK

## ATLAS ARTERIA

- Focus on opportunities to create sustainable cash flows, lengthen the average concession term and create long-term value
- Continued focus on sustainability, including the health, safety and wellbeing of our people

## APRR AND ADELAC

- Continued recovery in traffic with freedom in movement and increasing vaccination levels
- Ongoing dialogue with French State to improve the network and achieve their road development objectives
- RCEA construction is ongoing
- Trials for free-flow tolling technology underway for potential deployment on the APRR network in the future

## WARNOW TUNNEL

- Continued recovery in traffic with freedom in movement and increasing vaccination levels
- Long-term traffic growth expected to stabilise once surrounding road works are completed
- Continue to engage with the local community and improve ESG outcomes

## DULLES GREENWAY

- Well positioned to benefit from return to office travel
- Work towards positioning the Greenway into a more appropriate legislative environment
- Strengthen relationships and dialogue with key stakeholders (including the local community)



THANK YOU

# Q&A

Contact for investors

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



# Additional Financial Information

# ATLAS ARTERIA CONSOLIDATED BALANCE SHEET

Statutory accounts	As at 30 June 2021	As at 31 Dec 2020
<b>A\$m</b>		
Current assets	202.7	267.6
Investments in associates	2,589.9	2,635.5
Tolling concessions	2,064.6	2,064.3
Goodwill	13.9	14.1
Other non-current assets	255.6	237.5
<b>Total assets</b>	<b>5,126.7</b>	<b>5,219.0</b>
Current liabilities	(102.2)	(72.0)
Non-current liabilities	(1,517.7)	(1,562.6)
<b>Total liabilities</b>	<b>(1,619.9)</b>	<b>(1,634.6)</b>
<b>Net assets</b>	<b>3,506.8</b>	<b>3,584.5</b>

# PROPORTIONATE EBITDA BY BUSINESS

APRR 100% (€m)	H1 2021	H1 2020	21 vs 20	H1 2019	21 vs 19
Traffic (VKTm)	9,579.2	8,021.1	19.4%	11,561.9	(17.1%)
Operating revenue	1,113.0	934.3	19.1%	1,250.8	(11.0%)
Operating expenses	(274.4)	(251.5)	(9.1%)	(295.5)	7.2%
<b>Total EBITDA</b>	<b>838.6</b>	<b>682.9</b>	<b>22.8%</b>	<b>955.3</b>	<b>(12.2%)</b>
<b>Total EBITDA (proportional, A\$m)<sup>1,2</sup></b>	<b>408.2</b>	<b>332.4</b>	<b>22.8%</b>	<b>465.0</b>	<b>(12.2%)</b>

ADELAC 100% (€m)	H1 2021	H1 2020	21 vs 20	H1 2019	21 vs 19
Traffic (m)	3.7	3.4	7.1%	5.3	(31.2%)
Operating revenue	19.5	18.4	6.4%	28.0	(30.1%)
Operating expenses	(3.4)	(3.5)	3.0%	(4.9)	29.6%
<b>Total EBITDA</b>	<b>16.1</b>	<b>14.8</b>	<b>8.6%</b>	<b>23.1</b>	<b>(30.2%)</b>
<b>Total EBITDA (proportional, A\$m)<sup>1,2</sup></b>	<b>7.8</b>	<b>7.2</b>	<b>8.6%</b>	<b>11.2</b>	<b>(30.2%)</b>

Warnow Tunnel 100% (€m)	H1 2021	H1 2020	21 vs 20	H1 2019	21 vs 19
Traffic (m)	2.0	2.1	(8.6%)	2.3	(16.9%)
Operating revenue	5.5	5.9	(6.4%)	6.4	(13.2%)
Operating expenses	(1.8)	(1.6)	(9.6%)	(1.4)	(25.4%)
<b>Total EBITDA</b>	<b>3.7</b>	<b>4.3</b>	<b>(12.5%)</b>	<b>4.9</b>	<b>(24.3%)</b>
<b>Total EBITDA (proportional, A\$m)<sup>1,2</sup></b>	<b>5.9</b>	<b>6.7</b>	<b>(12.5%)</b>	<b>7.7</b>	<b>(24.3%)</b>

Dulles Greenway 100% (US\$m)	H1 2021	H1 2020	21 vs 20	H1 2019	21 vs 19
Traffic (m)	5.2	5.2	1.1%	8.9	(41.2%)
Operating revenue	26.8	26.3	2.0%	44.4	(39.5%)
Operating expenses	(7.0)	(6.9)	(2.0%)	(8.1)	13.6%
<b>Total EBITDA</b>	<b>19.8</b>	<b>19.4</b>	<b>2.0%</b>	<b>36.3</b>	<b>(45.3%)</b>
<b>Total EBITDA (proportional, A\$m)<sup>1,2</sup></b>	<b>25.7</b>	<b>25.2</b>	<b>2.0%</b>	<b>47.1</b>	<b>(45.3%)</b>

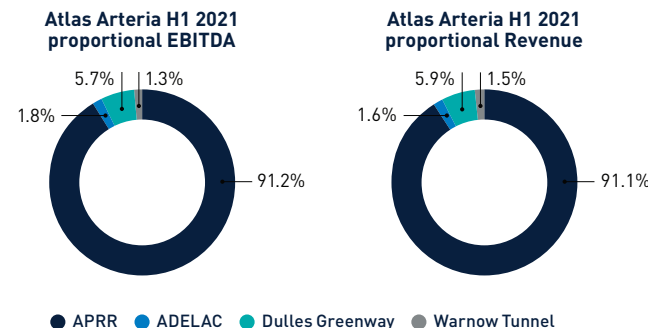
Atlas Arteria proportionate (A\$m) <sup>1,2</sup>	H1 2021	H1 2020	21 vs 20	H1 2019	21 vs 19
Traffic (Weighted Average) <sup>3</sup>	n.a.	n.a.	17.5%	n.a.	(19.5%)
Toll revenue	575.5	492.8	16.8%	672.2	(14.4%)
Operating revenue	594.7	507.1	17.3%	690.0	(13.8%)
Operating expenses	(147.1)	(135.6)	(8.5%)	(159.0)	7.5%
<b>Total EBITDA</b>	<b>447.6</b>	<b>371.5</b>	<b>20.5%</b>	<b>531.0</b>	<b>(15.7%)</b>

Note: Revenues and operating costs are presented under IFRS

1. Average foreign currency exchange rates from the current period AUD = 0.771 USD and AUD = 0.640 EUR

2. EBITDA for H1 2020 and H1 2019 has been derived by restating the H1 2020 and H1 2019 results with the current asset ownership percentage and foreign currency exchange rates from the current period

3. Traffic growth is weighted by Atlas Arteria's beneficial interests in the revenue from each business, in AUD using the average exchange rates in the period





# About the Business

# THE ATLAS ARTERIA BUSINESS

## Atlas Arteria Portfolio

### APRR

Ownership: 31.14%  
2,318km motorway  
network in  
Eastern France  
2035 concession expiry<sup>1</sup>



### ADELAC

Ownership: 31.17%  
20km commuter road  
connecting Annecy  
to Geneva  
2060 concession expiry



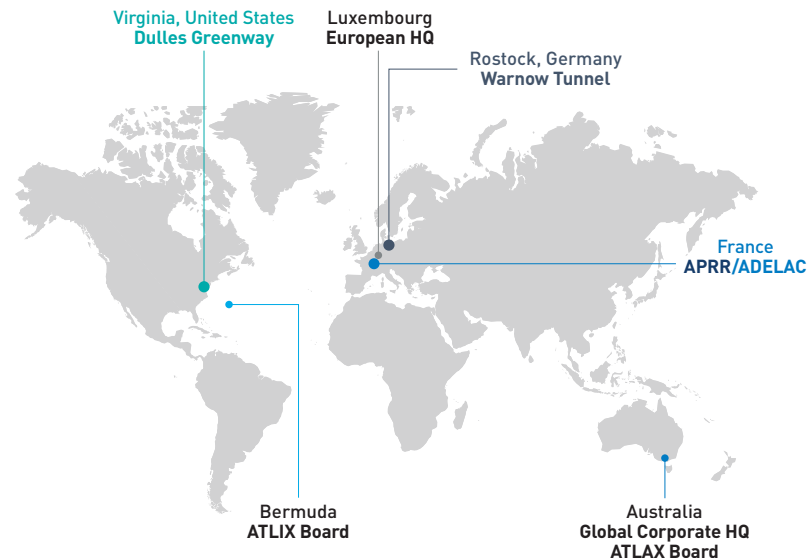
### WARNOW TUNNEL

Ownership: 100%  
2.1km road and  
tunnel in Rostock,  
Germany  
2053 concession expiry



### DULLES GREENWAY

Ownership: 100%<sup>2</sup>  
22km commuter  
route into the greater  
Washington DC area  
2056 concession expiry



1. APRR concession expires in November 2035, AREA concession expires in September 2036

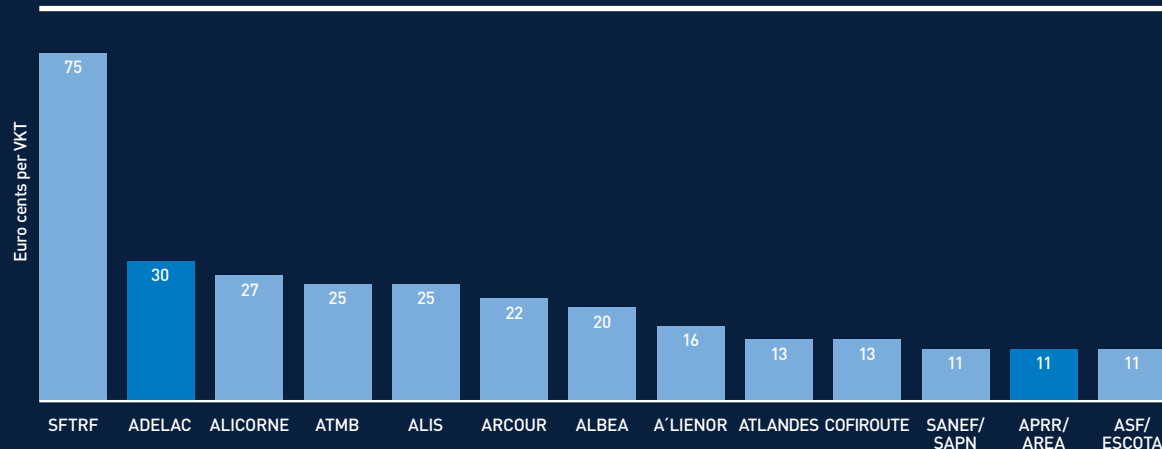
2. 100% economic ownership

# APRR CONNECTING PARIS WITH LYON AND CENTRAL/EASTERN FRANCE

An efficient, safe and cost effective network for customers



Comparison between average tolls on APRR versus rest of France<sup>1</sup>



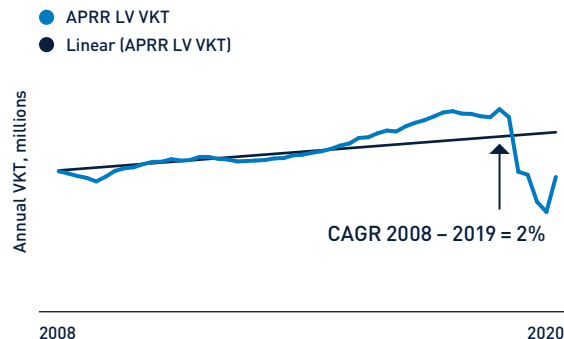
## A focus on user experience and convenience

- APRR provides high value effective outcomes for customers compared with other toll roads in France
- Road network growth to date has been funded by a combination of concession extensions and toll increases
- Innovation for customer experience (such as investment in charging stations) positions APRR as a convenient and competitive travel solution
- Nearly 23% of ADELAC trip length is tunnels and viaducts

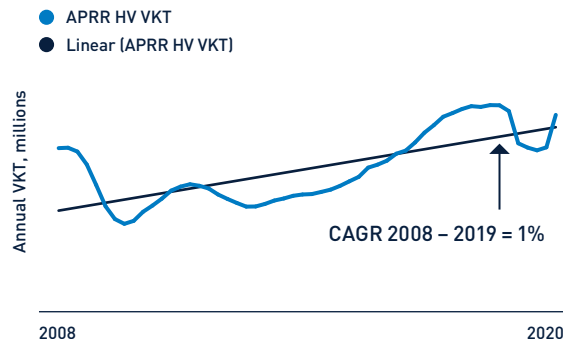
1. ASFA 'Chiffres Cles' 2021 report, published July 2021

## Historically strong traffic and EBITDA growth with attractive margins

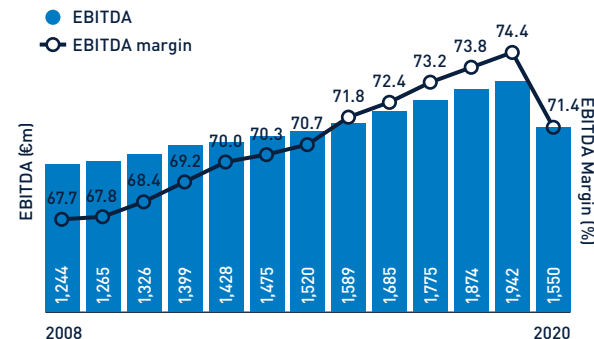
### APRR Light Vehicle Traffic



### APRR Heavy Vehicle Traffic



### APRR EBITDA & EBITDA Margin



- The APRR network provides a high quality, safer and faster alternative travel option compared with free roads and train travel
  - The network is on average ~ 30% faster than the untolled network
- Travelling by car on tolled roads is typically the preferred option for trips between regional destinations (more flexible, cost effective, and efficient)
- Heavy vehicle traffic forms a major part of the demand on the APRR network
  - The APRR network is located at the intersection between several major freight corridors in Europe, connecting Spain, France, Germany, the BENELUX countries and north sea ports
  - The reduction of trade barriers within and beyond the EU has fostered longer and more complex supply chains, and has grown the range of customers for European companies
  - These trends have resulted in an increase in demand for freight and logistics, to move goods between suppliers and customers supporting heavy vehicle traffic on the APRR network

# APRR TARIFF FORMULA

APRR's predictable cashflows are underpinned by inflation-linked tolling and established regulatory regime

- Stable concession regime: In place for another 14-15 years
- Predictable, inflation linked toll increases: Contracted toll increase of 70% of CPI to concession end
- Upside from Management Contracts: Capex plans have been negotiated with the State to improve the existing networks in exchange for improved toll paths

	2021	2022	2023	2024-2036
	Toll increase Feb-21	70% x I <sup>1</sup>	70% x I <sup>1</sup>	70% x I <sup>1</sup>
		+	+	+
APRR	0.45%	0.45%	0.25%	0.25%
AREA	0.65%	0.65%	0.26%	0.26%

1. I = Consumer Price index (exc. Tobacco) from October in the prior year (i.e. October 2020  
CPI x 0.70% + 0.45% set the toll increase for APRR in 2021)



# FRENCH TAX RATES

## The Current Tax Situation

### Corporate Income Tax

- The French Parliament approved the Finance Bill for 2021 (2021 Finance Bill) in December 2020
- The current corporate tax rates in France are shown in the table below

Effective Date	Current Tax Rate	Current Tax Rate (incl surtax)
1 January 2019	33.33%	34.43%
1 January 2020	31.00%	32.02%
1 January 2021	27.50%	28.41%
1 January 2022	25.00%	25.83%

### Motorway Specific Tax

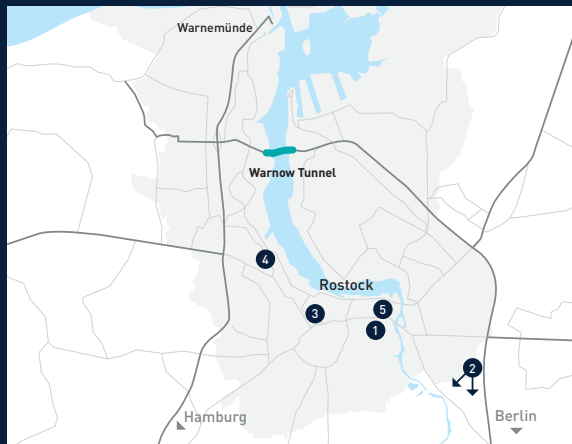
- The French Tax Code provides for a specific tax payable by motorway companies based on the number of kilometres travelled by users on their motorways
- Since 2012, the tax rate was set at €7.32 per 1,000 kilometres travelled
- Recent changes in law now apply to index this tax to inflation. The indexation is limited to 70% of inflation appraised between 2018 and the year preceding the current one (this 70% figure corresponding to the minimum annual increase in toll rates provided for in motorway concession contracts). This change commenced for the 2020 year
- APRR is considering its options with the French Government, regarding compensation for this additional tax increase

### Territorial economic contribution (CET)

- The territorial economic contribution (Contribution Economique Territoriale or CET) is a local tax imposed by the departmental and regional councils on businesses to assist in the funding of local services and the Chambres de Commerce/Metiers
- The CET comprises of two different taxes (CFE and CVAE). Prior to FY21, the CET (sum of the CFE and CVAE) was capped at 3% of the company's added value
- The 2021 Finance Law reduces the cap from 3% to 2% for CET due from FY21
- The company's added value is calculated based on the turnover of the company adjusted for certain products (such as immobilized productions, positive inventory changes, other common management products) and charges (such as external services, purchases of stored raw and other supplies, negative inventory changes)
- The company's added value is capped at 80% of turnover for companies with a turnover greater than €7.6m

# WARNOW TUNNEL

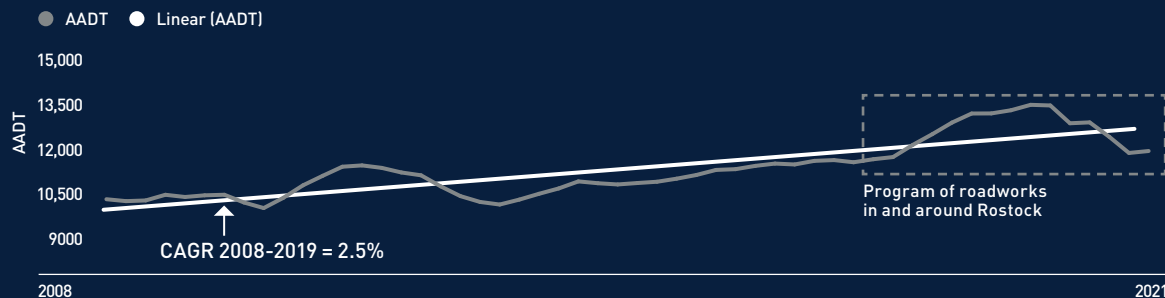
Warnow's strong historic performance underpinned by program of work on surrounding networks



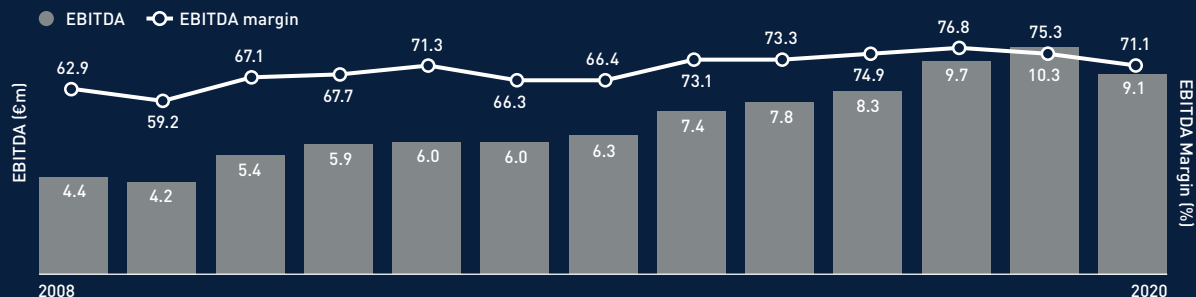
Roadworks in and around Rostock continue to support traffic at the Warnow Tunnel

- ① Steintor (2018-19)
- ② A19/A20 (2019)
- ③ Ulmenstrasse (2019-21)
- ④ Carl Hopp Str (2021)
- ⑤ Richard Wagner Str (2020-21)

## Warnow Tunnel Traffic



## Warnow Tunnel EBITDA & EBITDA Margin



# WARNOW TUNNEL TARIFF FORMULA

## Warnow Tunnel toll escalation

- Tolls may be escalated annually and are subject to approval by the Ministry of Energy, Infrastructure and State Development for the State of Mecklenburg-Vorpommern
- Toll increases are linked to pre-tax equity IRR of the concession as outlined below
- Over the last 7 years, Warnow Tunnel tolls have been increasing on the basis of a calculation using inflation and GDP growth

Pre tax IRR < 17%	Tolls may rise at a rate higher than inflation
Pre tax IRR 17%-25%	Tolls linked to inflation
Pre tax IRR > 25%	Tolls remain flat

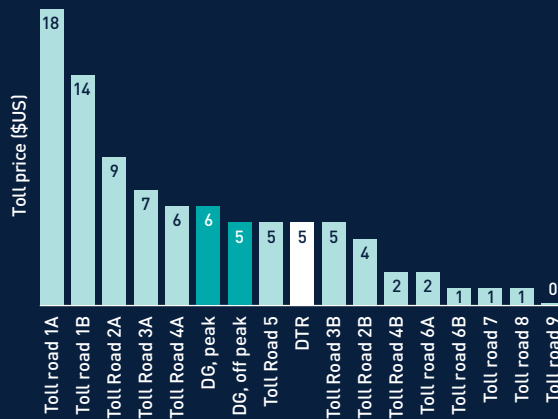
# DULLES GREENWAY OVERVIEW

Connecting growing, prosperous communities to connector roads and Washington DC

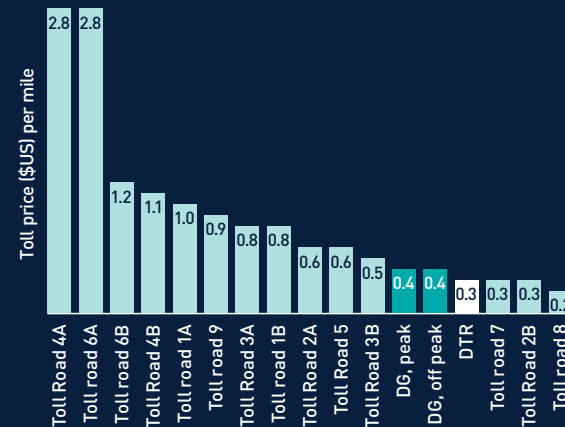


- Population growth is an important driver of long-term growth
- Loudoun County has a pro growth economic development strategy, including promoting a mixed use of low, medium and high-density developments along the corridor
- Developments encompass residential, commercial and retail, targeted at the middle/upper income band

On a stand alone basis, tolls on the Dulles Greenway are in the mid to high end of prices for the roads in Virginia<sup>1</sup>



On a per mile basis, the Dulles Greenway offers good value for customers<sup>1</sup>

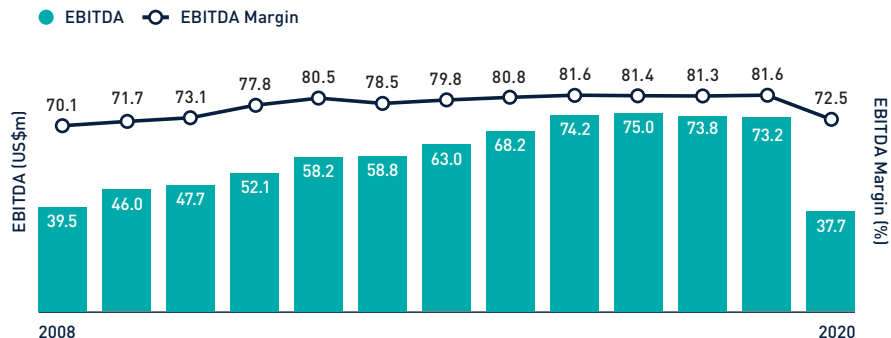


<sup>1</sup>. Refer to sources on slide 45

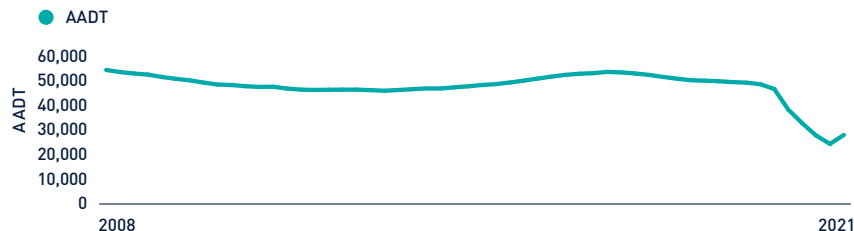
# DULLES GREENWAY EARNINGS HISTORY

Stable historical financial performance

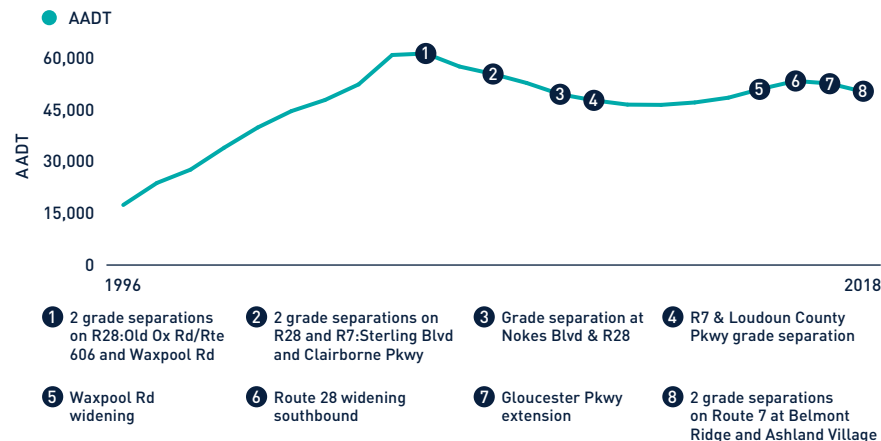
## Dulles Greenway EBITDA & EBITDA Margin



## Dulles Greenway Traffic



Historically, surrounding network events have negatively impacted traffic however these projects are finishing in 2021



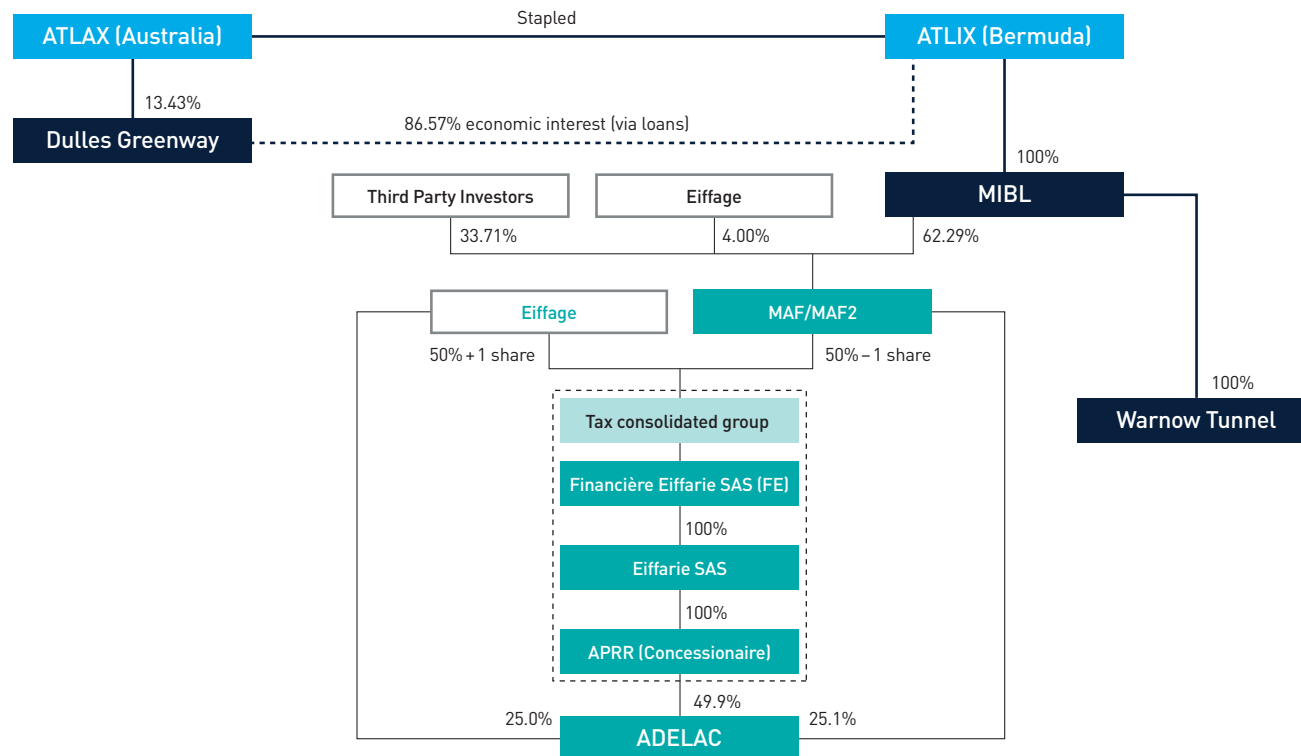
- Upgrades on competing routes have historically had a negative impact on traffic growth on the Greenway
- In mid 2021, the program of works along competing Routes 28 & 7 completed and these will create a free alternative non-stop route from Leesburg to Sterling
- The completion of this program achieves a key objective of the State and region
- The longer term underlying demand drivers of employment and population growth in the region should continue to support growth in demand on the Greenway

# DULLES GREENWAY TOLL REGIME

Tolls on the Dulles Greenway are set on application by the Virginia State Corporation Commission (SCC) under the Virginia Highway Corporation Act (1988) (VHCA)

- From 1 Jan 2022 onward, the SCC will determine the toll rates under the VHCA in accordance with **Section §56-542D**:
  - SCC shall 'have the duty and authority to approve or revise the toll rates charged by the operator'. Toll rates should be set at a level that:
    1. 'is reasonable to the user in relation to the benefit obtained'; and
    2. 'will not materially discourage use of the roadway by the public'; and
    3. 'will provide the operator with no more than a reasonable rate of return as determined by the SCC'
  - The SCC may not approve more than one year of toll rate increases at a time (where previously approvals have granted multiple increases for up to five years as part of any one rate case submission), with this change applying following the current rate case period which ends on 31 December 2022; and
  - The threshold at which toll increases would be considered to 'materially discourage use' is set at a 3% fall in traffic, adjusted for population growth.
- On 27 April 2021 the SCC increased off-peak tolls by 5.3% in 2021 and 5.0% in 2022
  - The Greenway implemented the 2021 toll increase on 5 May 2021

# ATLAS ARTERIA SUMMARY CORPORATE STRUCTURE



# References



# GLOSSARY OF TERMS

<b>AADT</b>	Average annual daily trips	<b>ESG</b>	Environmental, Social and Corporate Governance	<b>m</b>	millions
<b>ADELAC</b>	Autoroute des deux Lacs	<b>EU</b>	European Union	<b>MIBL</b>	MIBL Finance Luxembourg S.à r.l.
<b>ALX</b>	Atlas Arteria	<b>ex</b>	Excluding	<b>pa</b>	Per annum
<b>ATLAX</b>	Atlas Arteria Limited	<b>FX</b>	Foreign Exchange	<b>RCEA</b>	Route Centre-Europe Atlantique
<b>ATLIX</b>	Atlas Arteria International Limited	<b>H1</b>	First half	<b>RCF</b>	Revolving Credit Facility
<b>bn</b>	billions	<b>H2</b>	Second half	<b>S&amp;P</b>	Standard & Poor
<b>c.</b>	Circa	<b>HQ</b>	Head Quarters	<b>SCC</b>	State Corporation Commission
<b>CET</b>	Contribution Economique Territoriale (Regional tax)	<b>GDP</b>	Gross Domestic Product	<b>TAT</b>	Taxe d'Aménagement du Territoire (Road tax paid on km travelled)
<b>CPI</b>	Consumer Price Index	<b>GHG</b>	Greenhouse Gas	<b>VHCA</b>	Virginia Highway Corporation Act
<b>CPS</b>	Cents per security	<b>GFC</b>	Global Financial Crisis	<b>VKT</b>	Vehicle kilometres travelled
<b>DTR</b>	Dulles Toll Road	<b>HV</b>	Heavy Vehicles	<b>Warnow Tunnel</b>	Warnowquerung GmbH & Co., KG
<b>Eiffarie</b>	Eiffarie SAS	<b>kW</b>	Kilowatt		
		<b>LV</b>	Light Vehicles		

## Sources

### Slide 40 Dulles Greenway

Information for toll prices and \$ per mile calculations are based on 2 axle vehicles from:

I-66: [http://www.66expresslanes.org/documents/66\\_itb\\_express\\_lanes\\_2019\\_q1\\_report.pdf](http://www.66expresslanes.org/documents/66_itb_express_lanes_2019_q1_report.pdf);  
[http://www.66expresslanes.org/documents/66\\_express\\_lanes\\_report\\_q2\\_2019\\_apr-jun.pdf](http://www.66expresslanes.org/documents/66_express_lanes_report_q2_2019_apr-jun.pdf);  
[http://www.66expresslanes.org/documents/66\\_express\\_lanes\\_report\\_q3\\_2019\\_jul-aug.pdf](http://www.66expresslanes.org/documents/66_express_lanes_report_q3_2019_jul-aug.pdf);  
[http://www.66expresslanes.org/documents/66\\_itb\\_express\\_lanes\\_2019\\_q4\\_report.pdf](http://www.66expresslanes.org/documents/66_itb_express_lanes_2019_q4_report.pdf)

Pocahontas parkway: <https://www.pocahontas895.com/toll-rates/>

Chesapeake Expressway: [www.chesapeakeexpressway.com/](http://www.chesapeakeexpressway.com/)

Chesapeake Bay Bridge: [www.cbbt.com/current-toll-schedule/](http://www.cbbt.com/current-toll-schedule/)

George Coleman Bridge: [www.virginiadot.org/travel/hro-tunnel-default.asp#The\\_Bridges](http://www.virginiadot.org/travel/hro-tunnel-default.asp#The_Bridges)

Powwhite parkway: [www.rmtonline.org/facilities/#](http://www.rmtonline.org/facilities/#)

Boulevard Bridge: [www.rmtonline.org/facilities/#](http://www.rmtonline.org/facilities/#)

Elizabeth Rivers Tunnels: <https://www.pilotonline.com/news/transportation/vp-nw-toll-increase-20191114-niox3azjfcz3ovm7kedpmsxoe-story.html>

Downtown Expressway: [www.rmtonline.org/facilities/#](http://www.rmtonline.org/facilities/#)

DTR: <https://www.dullestollroad.com/toll/toll-rates>

Toll road 1A: Chesapeake bay bridge (peak)

Toll road 1B: Chesapeake bay bridge (off peak)

Toll road 2A: Chesapeake expressway (peak weekends)

Toll road 2B: Chesapeake expressway (regular)

Toll road 3A: I-66 mornings

Toll road 3B: I-66 afternoon

Toll road 4A: Elizabeth River Tunnels (registered plate, peak)

Toll road 4B: Elizabeth River Tunnels (EZ pass, peak)

Toll road 5: Pocahontas parkway

Toll road 6A: George Coleman bridge

Toll road 6B: George Coleman bridge (EZ pass)

Toll road 7: Downtown expressway

Toll road 8: Powwhite parkway

Toll road 9: Boulevard bridge