

## Macquarie Group Limited

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# ASX/Media Release

## MACQUARIE GROUP 2023 AMERICAS INVESTOR TOUR CONCLUDES

**SYDNEY, 9 MARCH 2023** Macquarie Group Limited (Macquarie) (ASX: MQG; ADR: MQBKY) is hosting an investor tour over three days in the United States from Tuesday, 7 March 2023 to Thursday, 9 March 2023.

The third and final day of the tour will commence at 9:00am on Thursday, 9 March 2023 (Central Standard Time) or 2:00am on Friday, 10 March 2023 (Australian Eastern Daylight Time). The third day will highlight the presence established by Commodities and Global Markets in the region.

Head of Commodities and Global Markets, Nicholas O'Kane, noted "In the Americas region, Commodities and Global Markets is focused on delivering capital and financing, risk management, market access, physical execution and logistics solutions to our diverse client base while expanding expertise and presence in new markets and responding to long-term trends such as decarbonisation."

In closing the tour, Chief Financial Officer, Alex Harvey, said: "With a diverse combination of businesses and more than thirty years of growth, innovation and collaboration in the Americas, Macquarie remains well-positioned to deliver superior performance over the medium term."

A recording of the presentations will be made available on Macquarie's website. Please visit Macquarie's Investor Centre website for all investor tour materials at <https://www.macquarie.com/au/en/investors/results.html>

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This document was authorised for release to ASX by Sam Dobson, Head of Investor Relations.



# Macquarie Group Limited, Americas Investor Tour

Day 3, Houston

9 March 2023

Image credit: Michael Baker International (MBI)





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Unless otherwise specified all information is as at 31 December 2022.

This presentation provides further detail in relation to key elements of MGL's financial performance and financial position. It also provides an analysis of the funding profile of the Group because maintaining the structural integrity of the Group's balance sheet requires active management of both asset and liability portfolios. Active management of the funded balance sheet enables the Group to strengthen its liquidity and funding position.

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Risk Factors: Past performance is not a guarantee of future results. Investing involves risk, including the possible loss of principal. The value of the Fund's shares will change, and you could lose money on your investment. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. These and other risks are more fully described in the Fund's prospectus.

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# 01

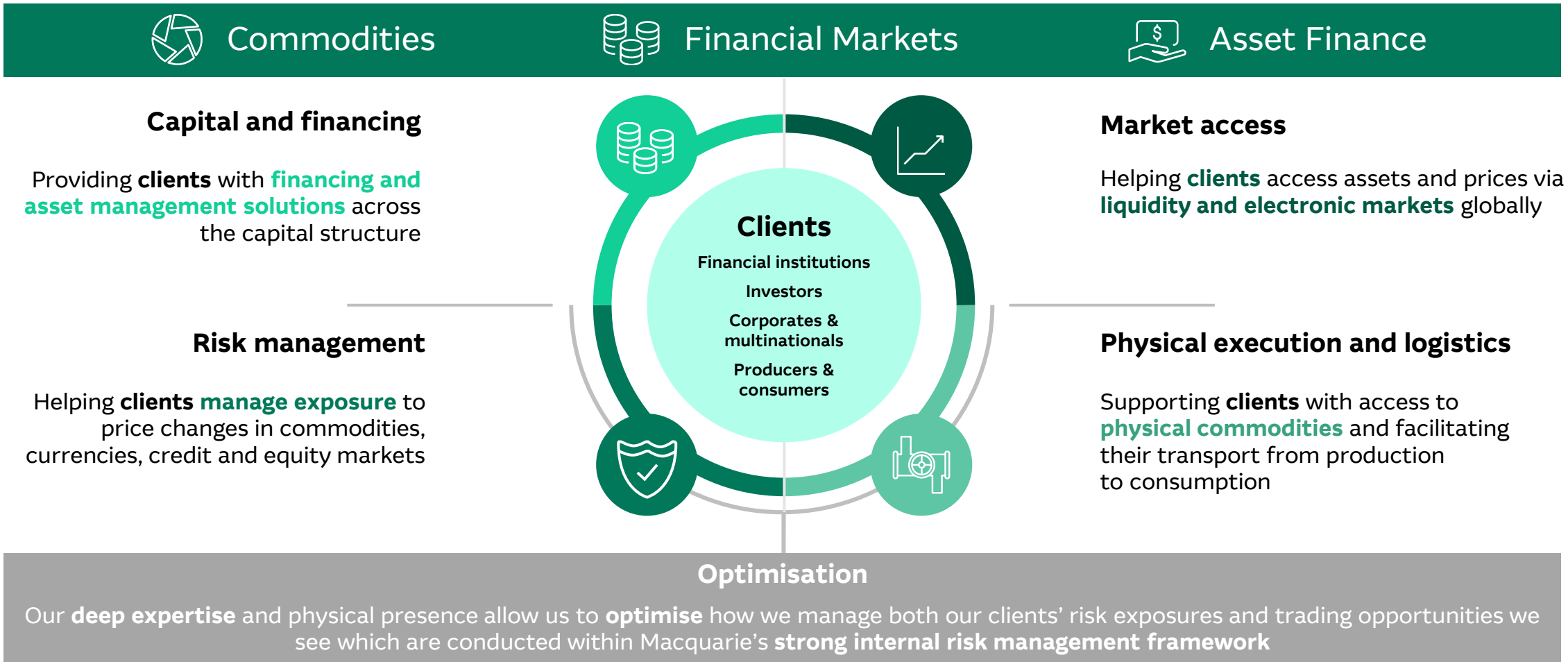
## Commodities and Global Markets

Nicholas O’Kane



# What we do

CGM is a global client focused business offering a broad range of services to its diverse client base



# Who we are

Our clients have access to a global network of 2,309<sup>1</sup> specialist staff across 42 locations, that provide a unique combination of financial, technical and operational expertise

## AMERICAS

**632** **16**  
staff locations

## EMEA

**818** **11**  
staff locations

## ASIA

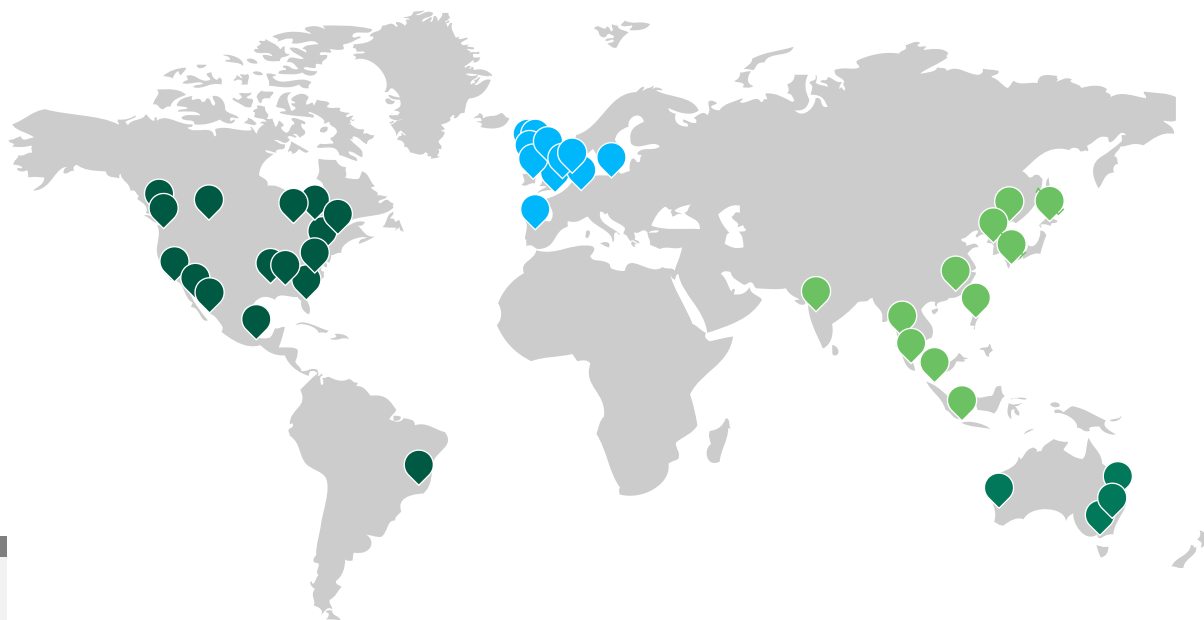
**344** **11**  
staff locations

## ANZ

**515** **4**  
staff locations

## TOTAL

**2,309** **42**  
staff locations



## Diverse team

### Global team with deep expertise



#### Operating globally

with strong presence in London, Houston, New York, Singapore and Sydney



#### 24-hour access

providing clients with service when they need it across trading, price making and distribution



#### In-house technical experts

including logistics experts, geologists, meteorologists, petroleum and mining engineers, data scientists, traders, schedulers, marketers, analysts and quant finance and theoretical physics PhDs



#### 17 years

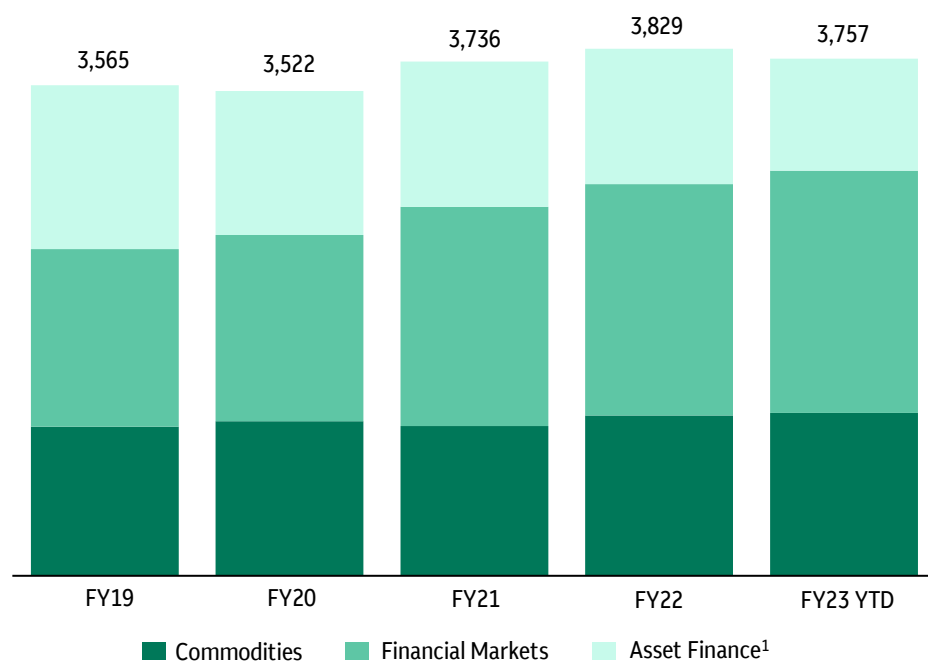
average tenure of Executive Directors across CGM

As at 31 Dec 22 unless otherwise stated. 1. Includes staff employed in certain operationally segregated subsidiaries throughout the presentation.

# Client-led business

Deep understanding of evolving client needs, strong relationships and collaboration is at the heart of our business growth

## Client numbers



1. Asset Finance includes wholesale clients only. 2. As at 31 Dec 22. 3. ASX Futures 24 (SFE) Monthly Report Sep 22. 4. Energy Risk Awards 2022. 5. Energy Risk Asia Awards 2022.

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**40+ years**

of client partnerships evolving into niche activities in some markets, and scale in others



**40+ years**

in metals, futures and foreign exchange



**20+ years**

in agriculture and technology, media and telecoms (TMT)



**20 years**

in energy, renewables, and sustainability



**85% of client revenue**

generated from existing relationships<sup>2</sup>



**No.1**

Futures Broker on the ASX<sup>3</sup>



**House of the Year**

- Derivatives<sup>4,5</sup>
- Oil and Products<sup>4,5</sup>
- Natural Gas/LNG<sup>4</sup>
- Emissions<sup>5</sup>
- Commodity Trade Finance<sup>5</sup>

# Delivering on our strategy

## 2020 Operational Briefing ► 2023 update

### Opportunities we see

- Expanding into new markets / geographies across areas **adjacent** to where we're already operating and have expertise and market relationships
- Emerging themes such as the Energy Transition

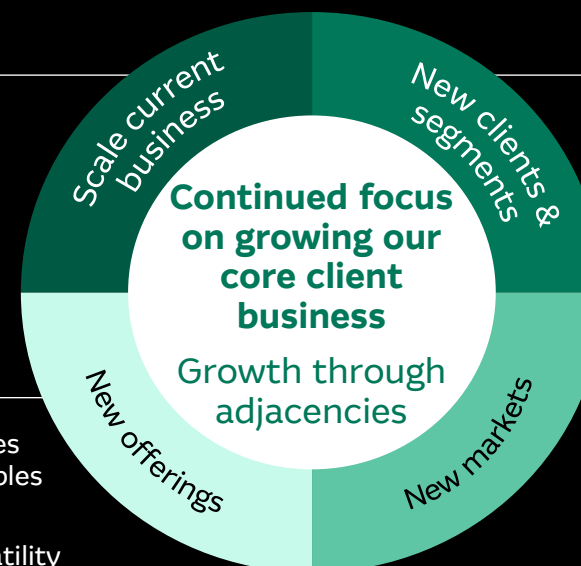


### Commodities

- Continued growth across most of our businesses, leveraging the expertise and experience of our people to support clients. Key examples include global power and gas businesses, oil, resources, Credit Markets Settlement Solutions and Shipping Finance
- Advancing suite of growth opportunities linked to the **Energy Transition**. Examples include:
  - Helping clients navigate market volatility
  - Helping drive and support our clients' decarbonisation pathways. Examples include establishing Global Carbon and Clean Fuels businesses



### Financial Markets



### Asset Finance

- Growth into adjacent segments and new client relationships in existing segments. Examples include FIC's on-line digital offering Aurora to increase client reach as well as their focus on Private Sponsors in the US and Asset Finance's expansion into Structured Lending
- Expanding our offerings into new regions. Examples include Japanese power, FIC Japan and Latin America and Credit Markets UK

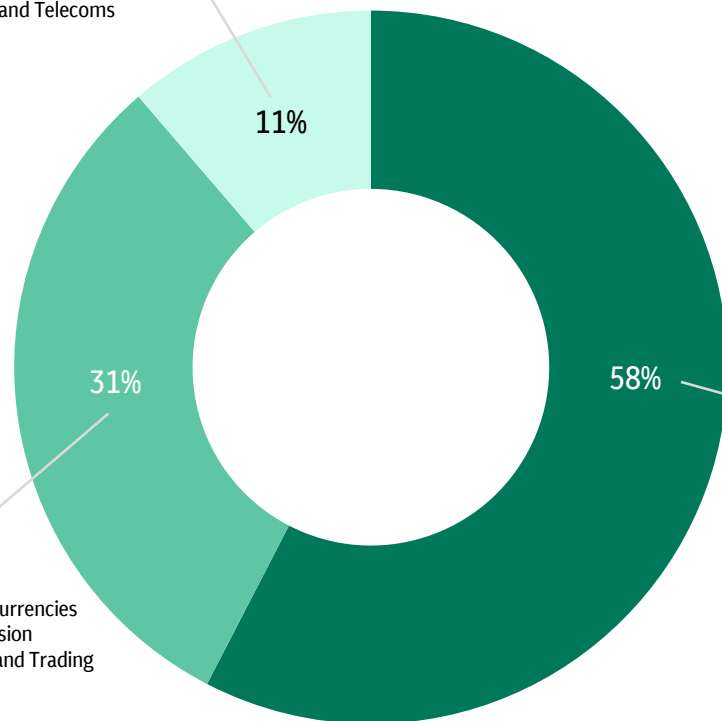
Underpinned by CGM's strong platform



# We are diversified

## Diversity by business<sup>1</sup>

- Mobility, Energy, Renewables and Sustainability
- Technology, Media and Telecoms
- Other

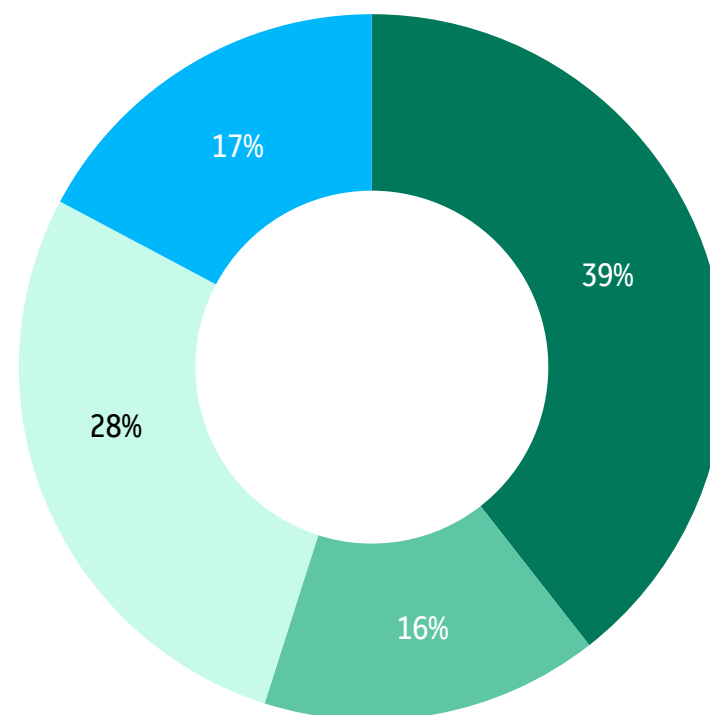


- Fixed Income and Currencies
- Credit Markets Division
- Equity Derivatives and Trading
- Futures

- North America power, gas and emissions
- EMEA power, gas and emissions
- Global oil
- Base metals
- Precious metals
- Mining finance
- Agriculture
- APAC power, gas and emissions
- Bulk Commodities
- Commodity Investor Products
- Global Carbon

■ Commodities ■ Financial Markets ■ Asset Finance

## Diversity by region<sup>1</sup>



■ Americas ■ Asia ■ EMEA ■ Australia

1. Operating income is net operating income excluding earnings on capital and other corporate items. Percentages contribution by business and region is based on average operating income for the past three years (FY20 to FY22).

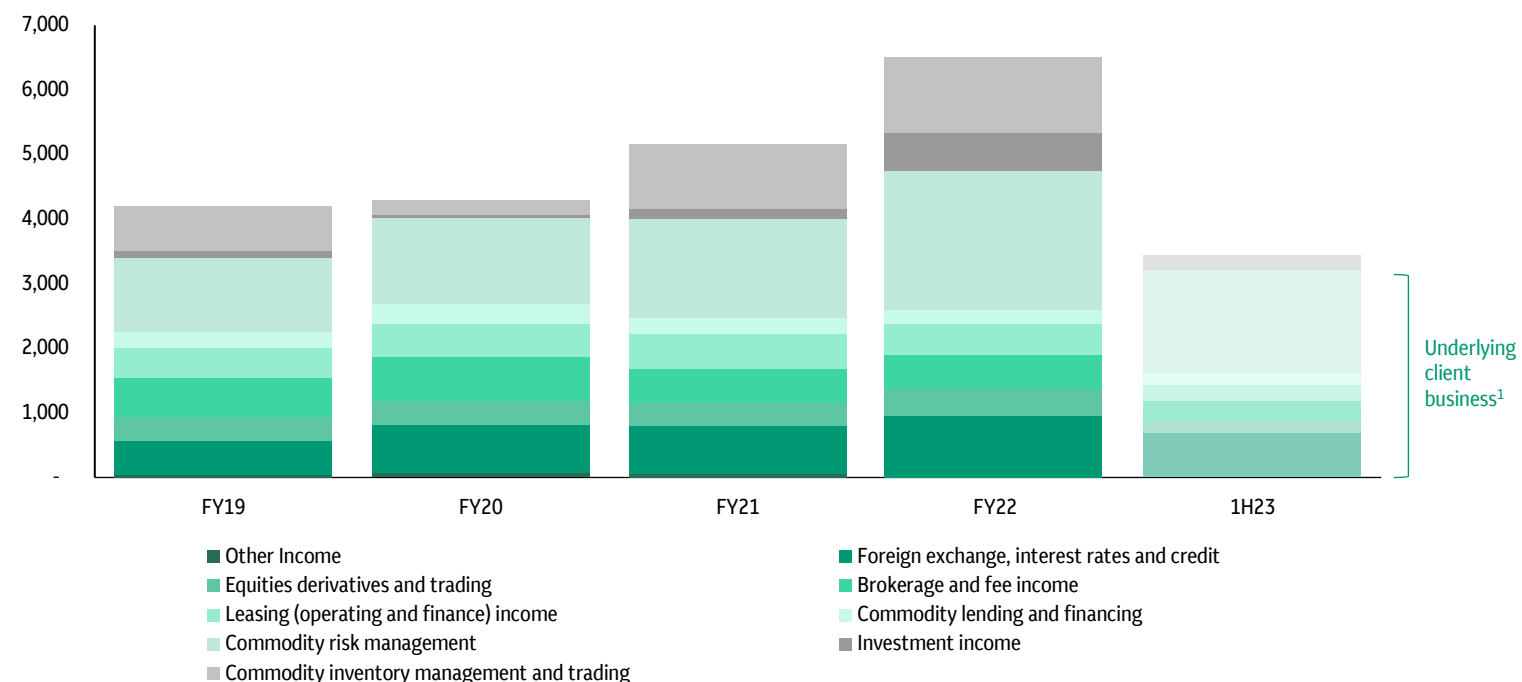
# Strong performance

## Majority of income derived from underlying client business

### Operating Income

(excl. credit and other impairment charges)

\$Am



## 3Q23 update

- Exceptionally strong results across the commodities platform, particularly in global Gas & Power and Oil products, driven by increased trading, physical execution and logistics and client risk management opportunities from unusually volatile market conditions
- Solid contribution from client risk management, market access and financing activity across the Financial Markets businesses including fixed income, foreign exchange, credit, futures and equities
- Strong performance from Asset Finance driven by TMT and Structured Lending with strong annuity revenues continuing across the platform

# Risk management is core

## Strong focus on business accountability and risk ownership

Stable and robust core risk management principles - supported by our longstanding approach to establishing and maintaining an appropriate risk culture

**Ownership of risk**  
at the business level

**Understanding**  
worst case outcomes

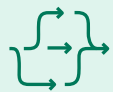
**Independent sign-off**  
by Risk Management Group

Principles stable for **30+ years**

## Risk management in CGM



Built on **50 years** of accumulated experience in managing risk



Resulting in a **mature** and consistent control environment that evolves as activity expands



Every individual is **accountable** for all aspects of risk management including risk limits, second line review and worst-case scenarios



Allows CGM to **partner** with clients to help manage their risks, utilising our deep risk management expertise



### Credit risk

Active management of exposures to sectors and individual counterparties

Counterparty exposures constrained by approved credit limits



### Market risk

Granular risk limits based on worst case scenarios

Aggregate limits constrain overall market risk appetite



### Operational risk

Independent oversight of comprehensive processes and controls

Dedicated Control Assurance team



### Behavioural risk

Expectation of high standards of behaviour and decision making

Strong supervisory oversight

Culture of 'speak up' and 'listen up'



### Governance and specialist risks

Established new functions and frameworks to enhance CGM's management of governance and specialist risks



### Compliance risk

Established policy and control framework to manage market conduct

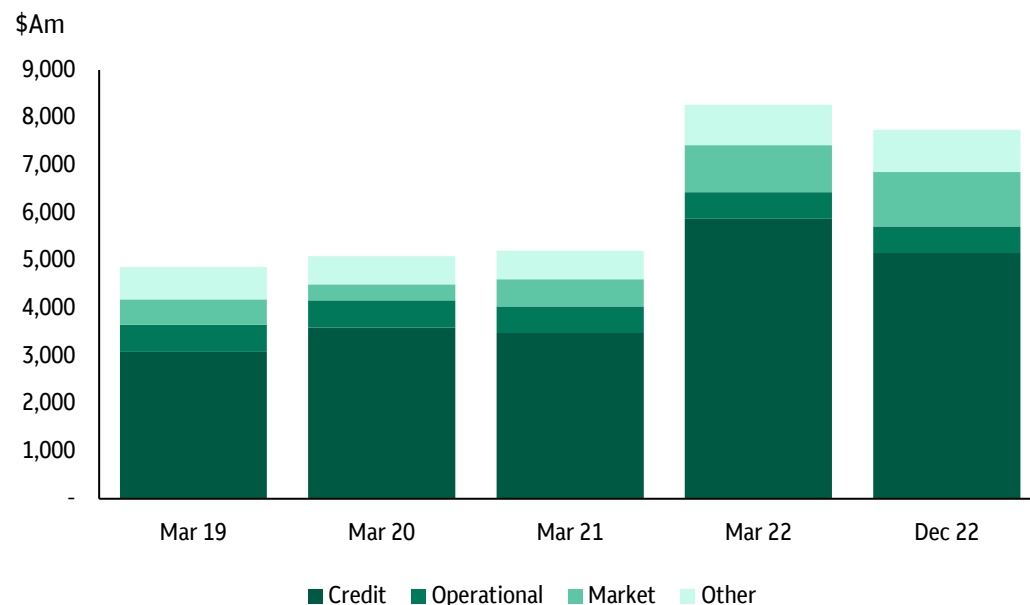
Dedicated Compliance advisory team

Identification of regulatory risk and implementation of risk mitigation

# Regulatory capital and trading revenue

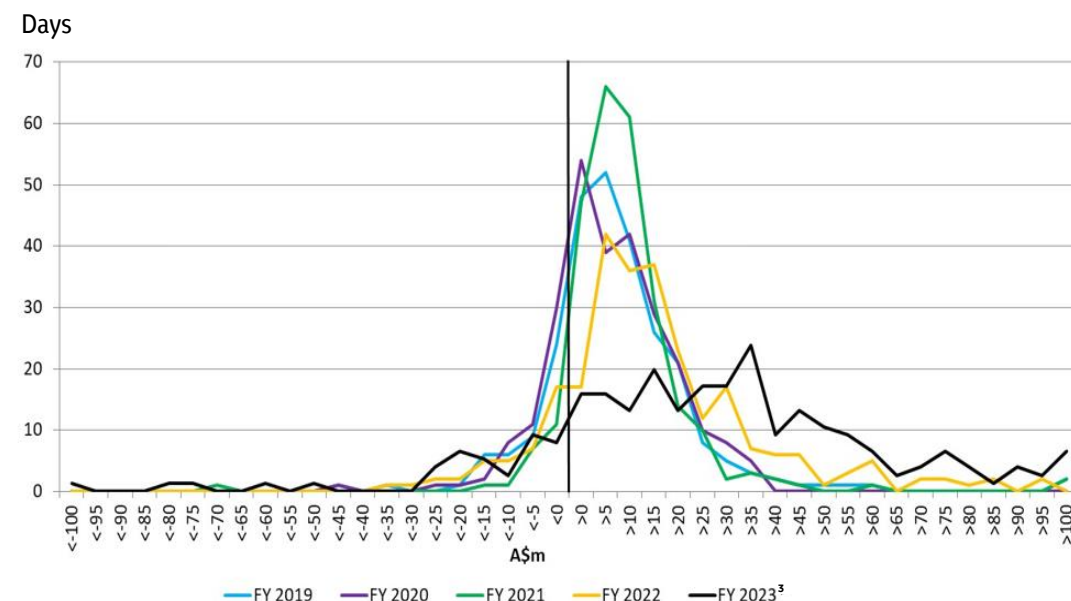
## Underlying client activity driving regulatory capital and trading revenues

### Regulatory capital (normalised)<sup>1</sup>



- Majority of capital relates to **credit risk** reflecting client focused business
- Risk management is **core: built on 50+ years of accumulated experience** in managing risk for our clients and our business

### Group Daily trading P&L<sup>2</sup> FY19-FY23 (extrapolated)<sup>3</sup>



- **Unprecedented and extreme market volatility resulted in increased client activity and trading opportunities**
  - More large daily gains in FY23<sup>3</sup> while large daily losses remain low reflective of robust risk management framework

1. Normalised for FX (Dec 22) and SA-CCR impacts. Numbers will not reconcile to previously disclosed regulatory capital numbers. 2. The daily profit and loss refers to results that are directly attributable to market-based activity from Macquarie's desk. 3. FY23 results extrapolated based on data up to 31 Dec 22.



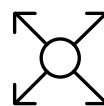
# CGM in Americas



**632**  
staff



**16**  
locations



**4**  
markets

## United States

Boise  
Chicago  
Houston  
Jacksonville  
Minneapolis  
Nashville

## New York

San Diego  
San Jose  
Seattle

## Brazil

Sao Paulo

## Canada

Calgary  
Montreal  
Toronto  
Vancouver

## Mexico

Mexico City

## Active across all three businesses:

### Commodities:

- Full service offering to clients with exposure to commodity markets focusing on Power, Gas and Emissions, Agriculture and Oil.
- Global energy hub headquartered in Houston, including specialist in-house schedulers, structurers, meteorologists and logistics experts

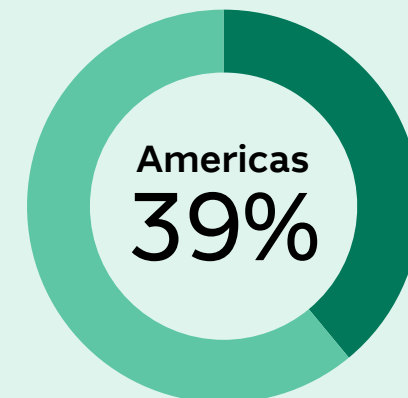
### Financial Markets:

- Integrated offering to corporate and institutional clients with exposure to fixed income, currencies, futures, equities and credit markets
- Strong focus in region on Private Equity, Corporate Sales, Latin America Market Expertise and Settlement Solutions

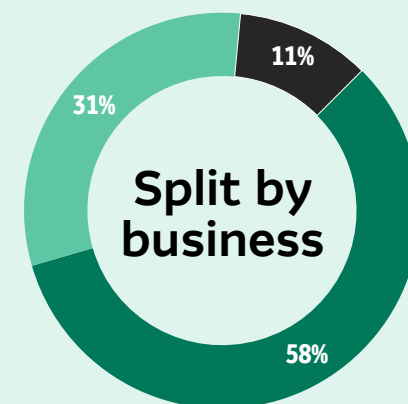
### Asset Finance:

- Provider of specialist finance and asset management solutions across a range of industries including TMT (Semiconductors) and MERS (Sustainable Waste Solutions)

## Percentage of total CGM operating income<sup>1</sup>



■ Americas  
■ Other regions



■ Commodities  
■ Financial Markets  
■ Asset Finance

# Over 30 years of growth, innovation and collaboration in the Americas

## Recent highlights



Supported clients as they navigate ongoing elevated levels of volatility across commodity markets, particularly energy markets



Financing partner for NorCAL ZERO – transition US trucking to zero emissions



Investment in carbon offsets projects consultancy EP Carbon



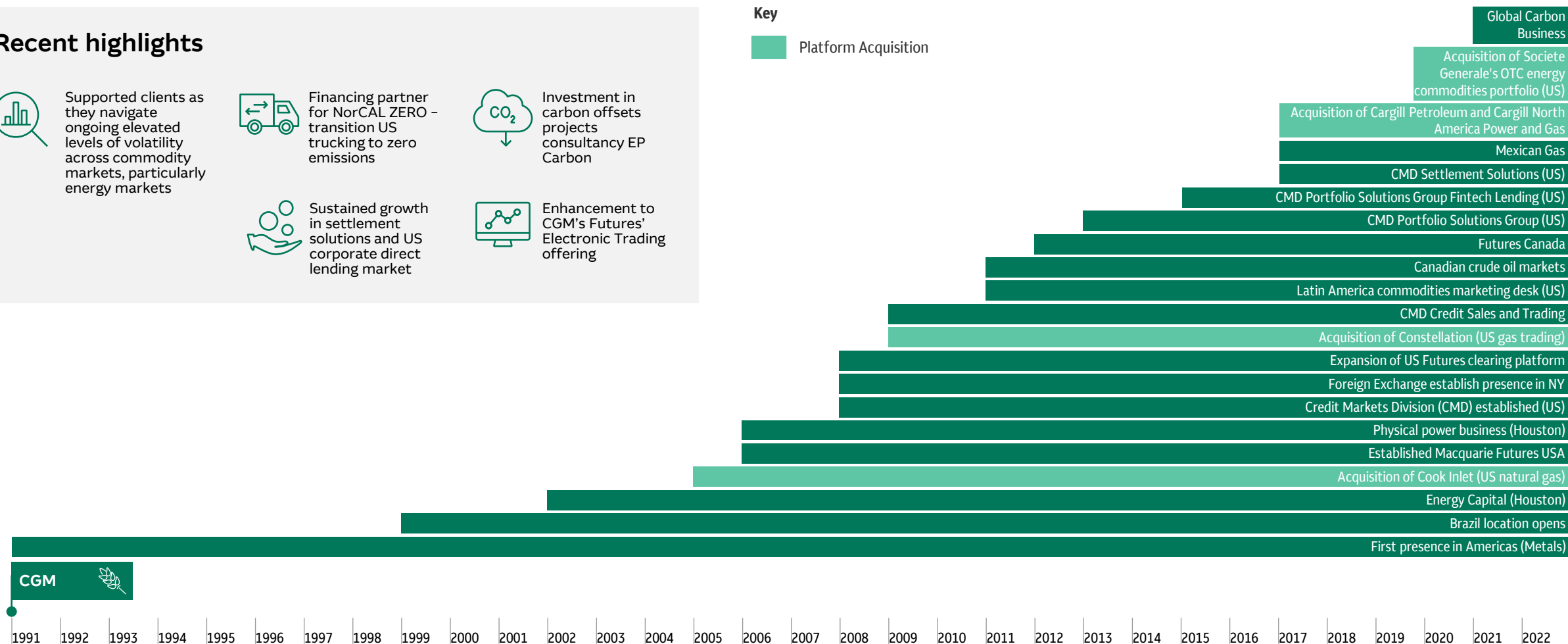
Sustained growth in settlement solutions and US corporate direct lending market



Enhancement to CGM's Futures' Electronic Trading offering

### Key

Platform Acquisition



# Opportunities for continued growth

## Case study: Cargill North America Power and Gas trading businesses acquisition in 2017

### Acquisition outcomes:



35 new staff



Access to new clients and markets



Expanded geographic coverage

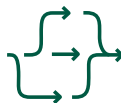


Increased logistics capabilities



More diverse insights

### Acquisition reflections:



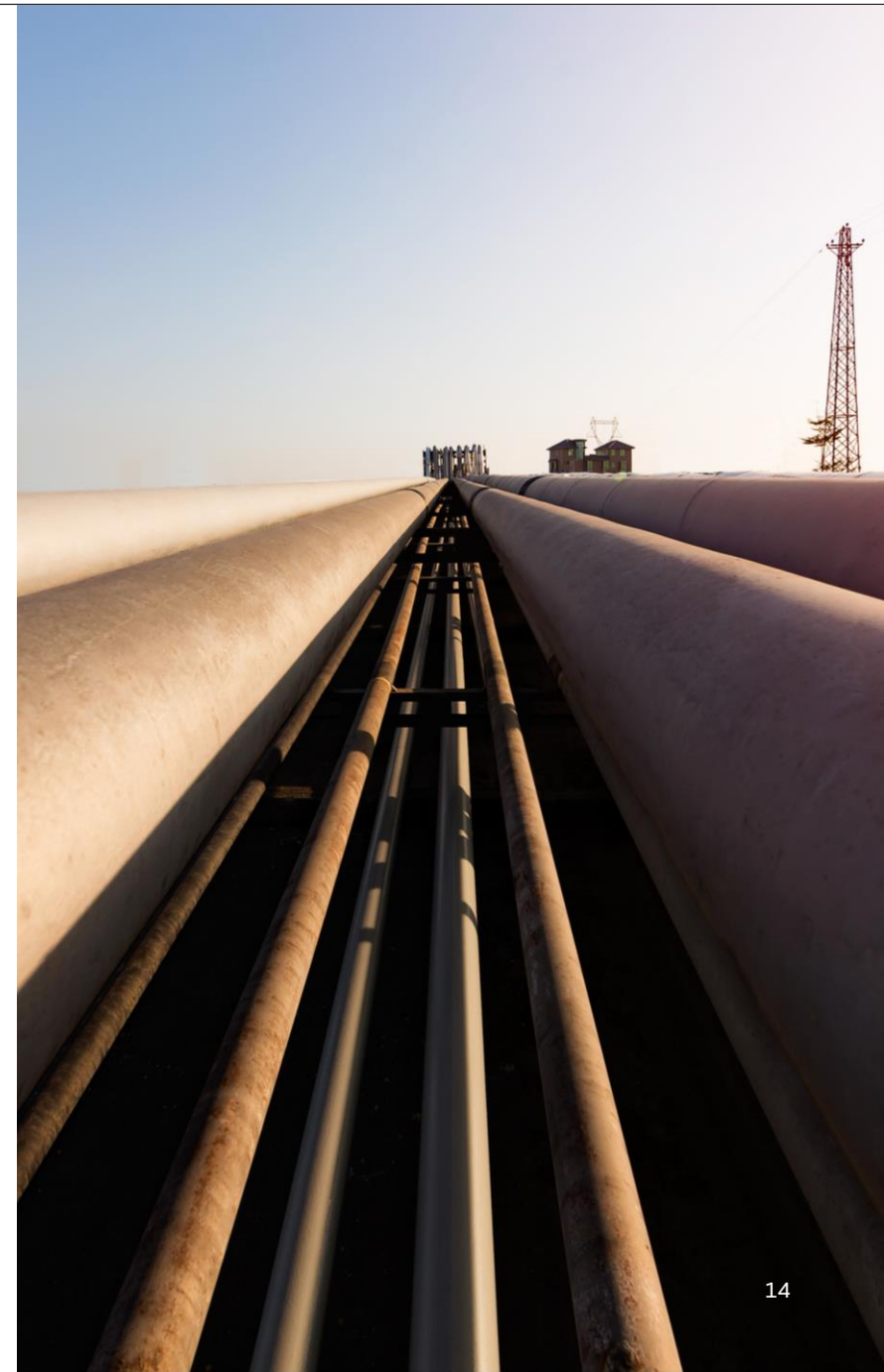
**1** There were significant adjacencies that were additive to our existing business activities



**2** New staff thrive in a Macquarie environment that encourages the pursuit of opportunities within a robust risk management framework



**3** The size of the US market is significant



# Opportunity in the Americas

## Runway for continued growth



### Size of market

#### Average daily natural gas demand – North America<sup>1</sup>

- ~94 Bcf per day

#### Average daily US crude oil demand<sup>2</sup>

- ~19.5 million barrels per day

#### Total private funds AUM<sup>3</sup>

- \$US9.1 trillion

#### Total private debt market size globally<sup>4</sup>

- \$US1.4 trillion



### CGM share

#### Average daily natural gas volume marketed by CGM in North America

- ~9.2 Bcf per day

#### Average daily crude oil volume marketed by CGM in the US

- ~0.8 million barrels per day

#### Private funds AUM covered by CGM FIC Americas

- \$US1.2 trillion

#### Private debt loans funded via repurchase agreement by CGM Credit Markets

- \$US25 billion

1. Source: Platts and Energy Information Administration. Metric based on US and Canada daily CY22 averages. 2. Source: Energy Information Administration. Includes US refinery demand plus exports. Metric based on US only for CY22. 3. Preqin Global Report 2023. Total private funds AUM includes total consolidated AUM across all Private Equity, Private Debt, Real Estate, and Infrastructure funds in the market. CGM's share only includes the AUM of the private funds we have onboarded. 4. Bloomberg, Dec 22 and Preqin Global Report 2023. Metric refers to global private debt assets under management with the US being the biggest market participant.



# Today's roadmap

## Our opportunities in the Americas



Expanding expertise and presence into new markets



Responding to long-term trends towards decarbonisation



Continue to explore and invest in emerging opportunities

In today's agenda, you'll hear how we deliver this in practice in the region

**North America Power,  
Gas and Emissions**

Tim Bourn

**Agriculture and Oil**

Dan Vizel and  
David Hochberg

**Energy Transition**

Janet Dietrich and  
Nick Gole

**Americas Fixed  
Income and  
Currencies**

Glenn Edelson

# 02

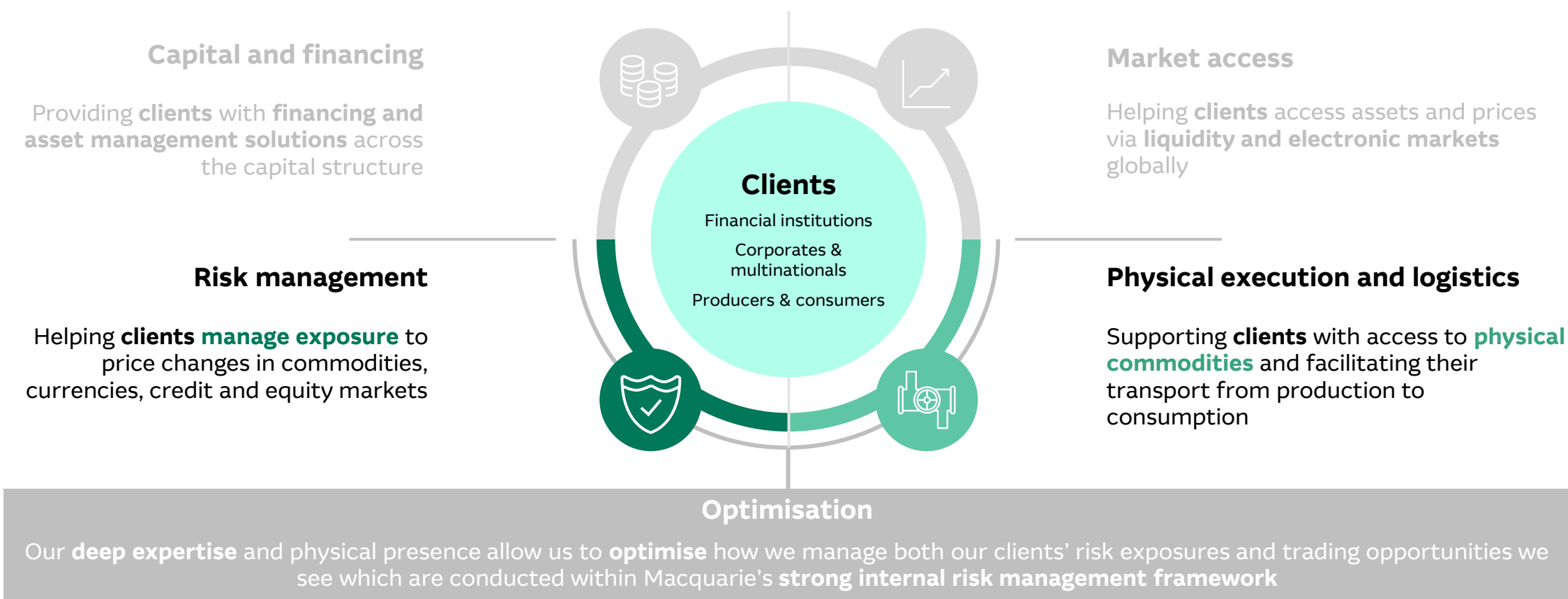
## **North America Power, Gas and Emissions**

**Tim Bourn**



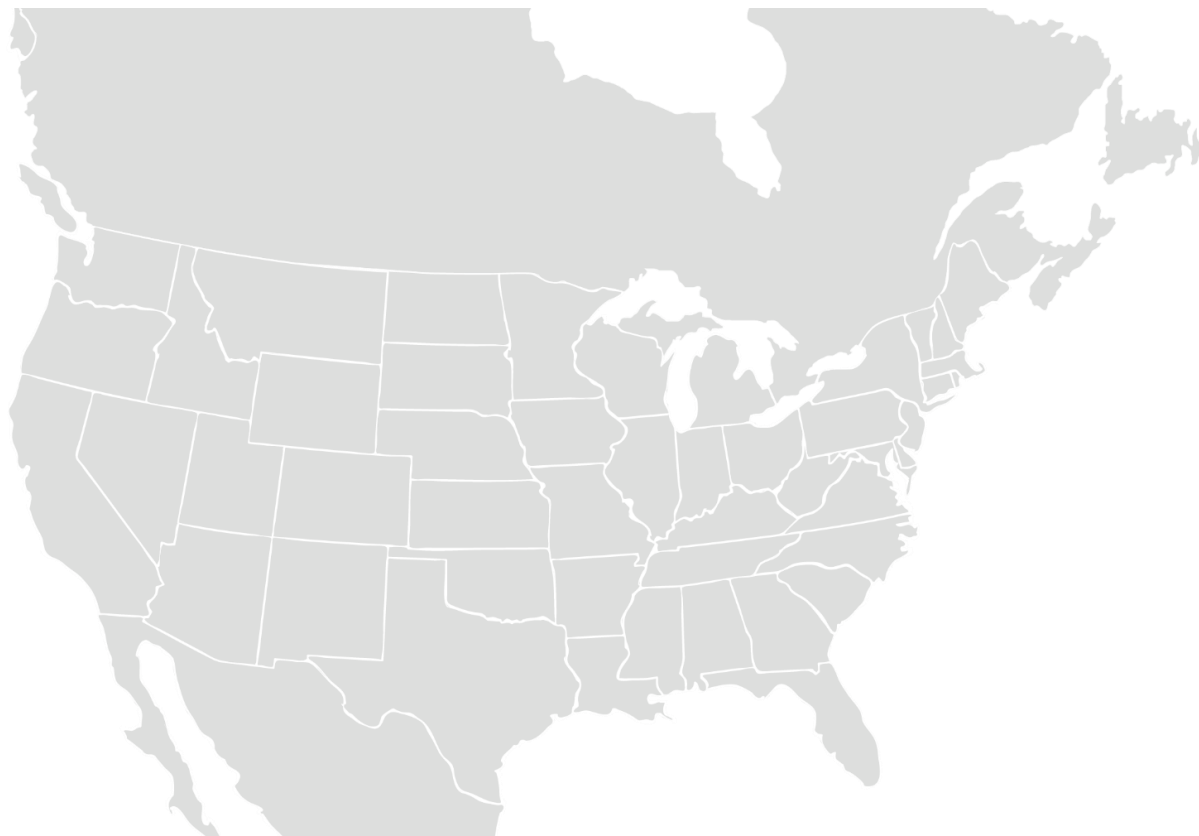
# How we fit into the Commodities and Global Markets platform

## Our part of the value chain



# Platform evolved through a combination of organic growth and key acquisitions

18 years of consistent returns



## Continuity and dedication of our people

**19+ years**

average tenure of Executive Directors

**97%**

retention rate

## In-house specialists



Schedulers



Analysts



Logistic experts



Meteorologists



Marketers



Traders

## 24-hour coverage

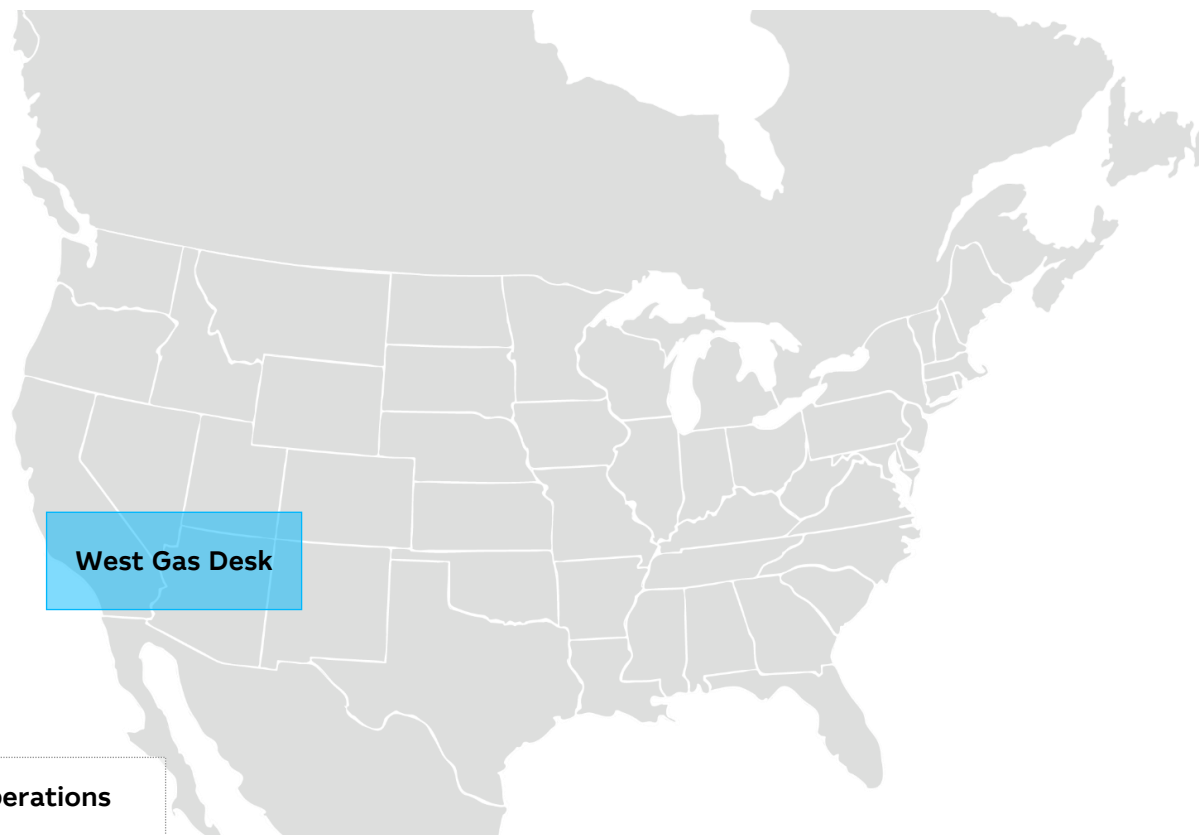
in the power and gas markets, with trading and operations available over the weekend and holidays to address clients' **real-time needs**



# Platform evolved through a combination of organic growth and key acquisitions

Cook Inlet provided key access to the western gas market but also access to the mid-continent and eastern markets

2005 Cook Inlet Energy Supply



**Continuity and dedication of our people**

**19+ years**

average tenure of Executive Directors

**97%**

retention rate

**In-house specialists**



Schedulers



Analysts



Logistic experts



Meteorologists



Marketers



Traders

**24-hour coverage**

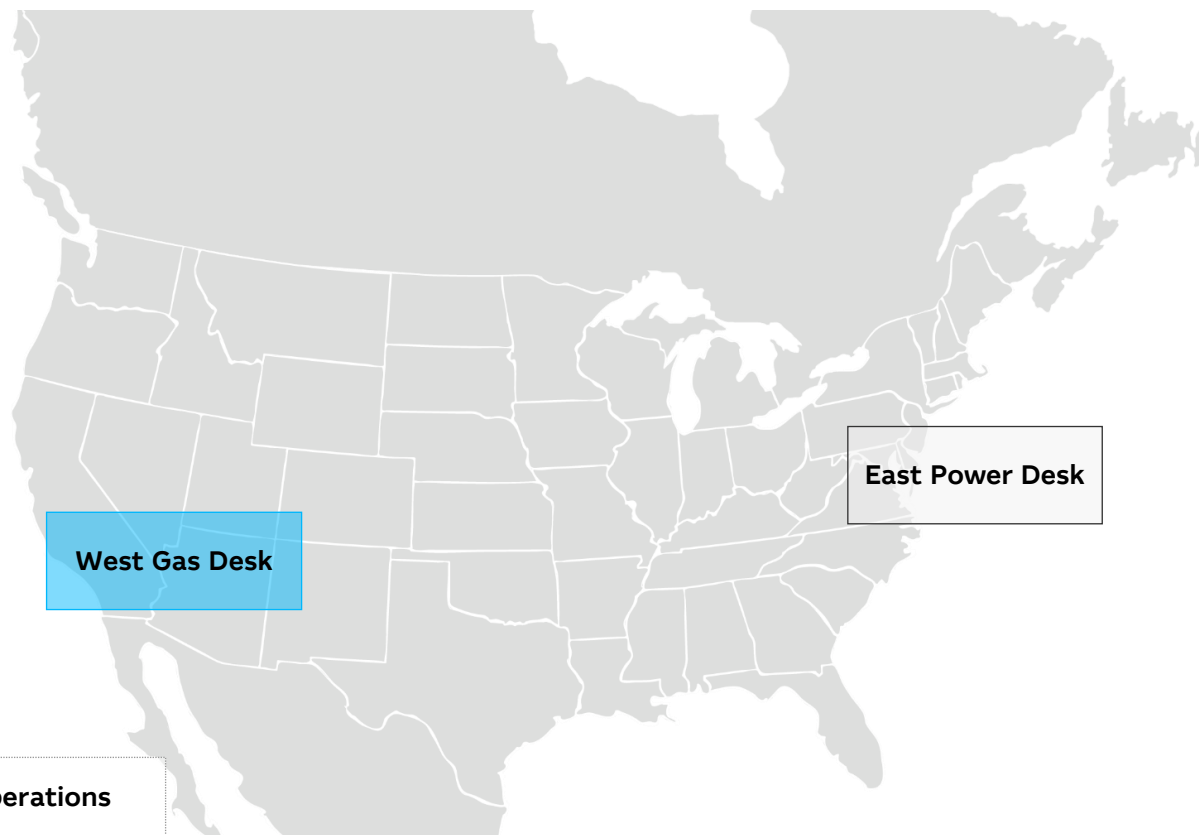
in the power and gas markets, with trading and operations available over the weekend and holidays to address clients' **real-time needs**

# Platform evolved through a combination of organic growth and key acquisitions

Macquarie entered the power markets in 2006 via organic growth with key hires

2005 Cook Inlet Energy Supply

Organic growth



## Continuity and dedication of our people

**19+ years**

average tenure of Executive Directors

**97%**

retention rate

## In-house specialists



Schedulers



Analysts



Logistic experts



Meteorologists



Marketers



Traders

## 24-hour coverage

in the power and gas markets, with trading and operations available over the weekend and holidays to address clients' **real-time needs**

# Platform evolved through a combination of organic growth and key acquisitions

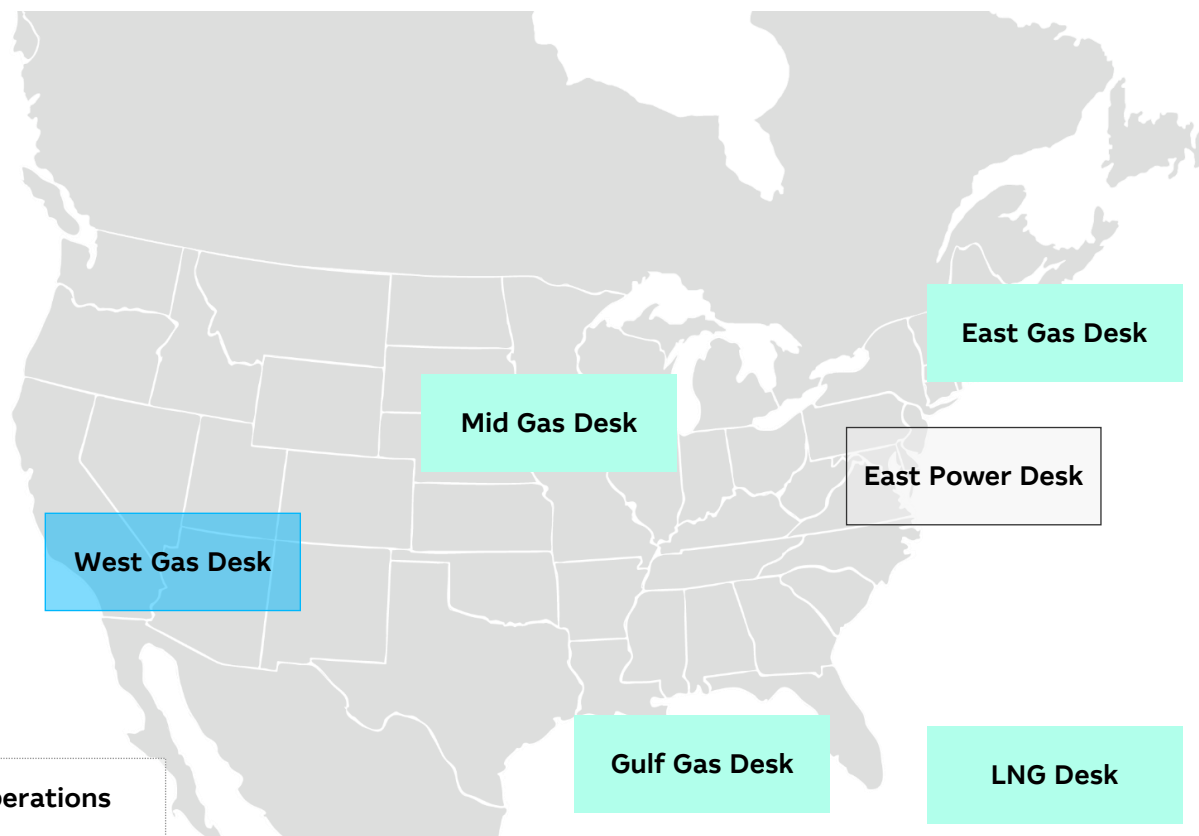
In 2009 Constellation brought additive skills to key gas markets

2005 Cook Inlet Energy Supply

Organic growth

2009 Constellation Energy

Organic growth



**Continuity and dedication of our people**

**19+ years**

average tenure of Executive Directors

**97%**

retention rate

**In-house specialists**



Schedulers



Analysts



Logistic experts



Meteorologists



Marketers



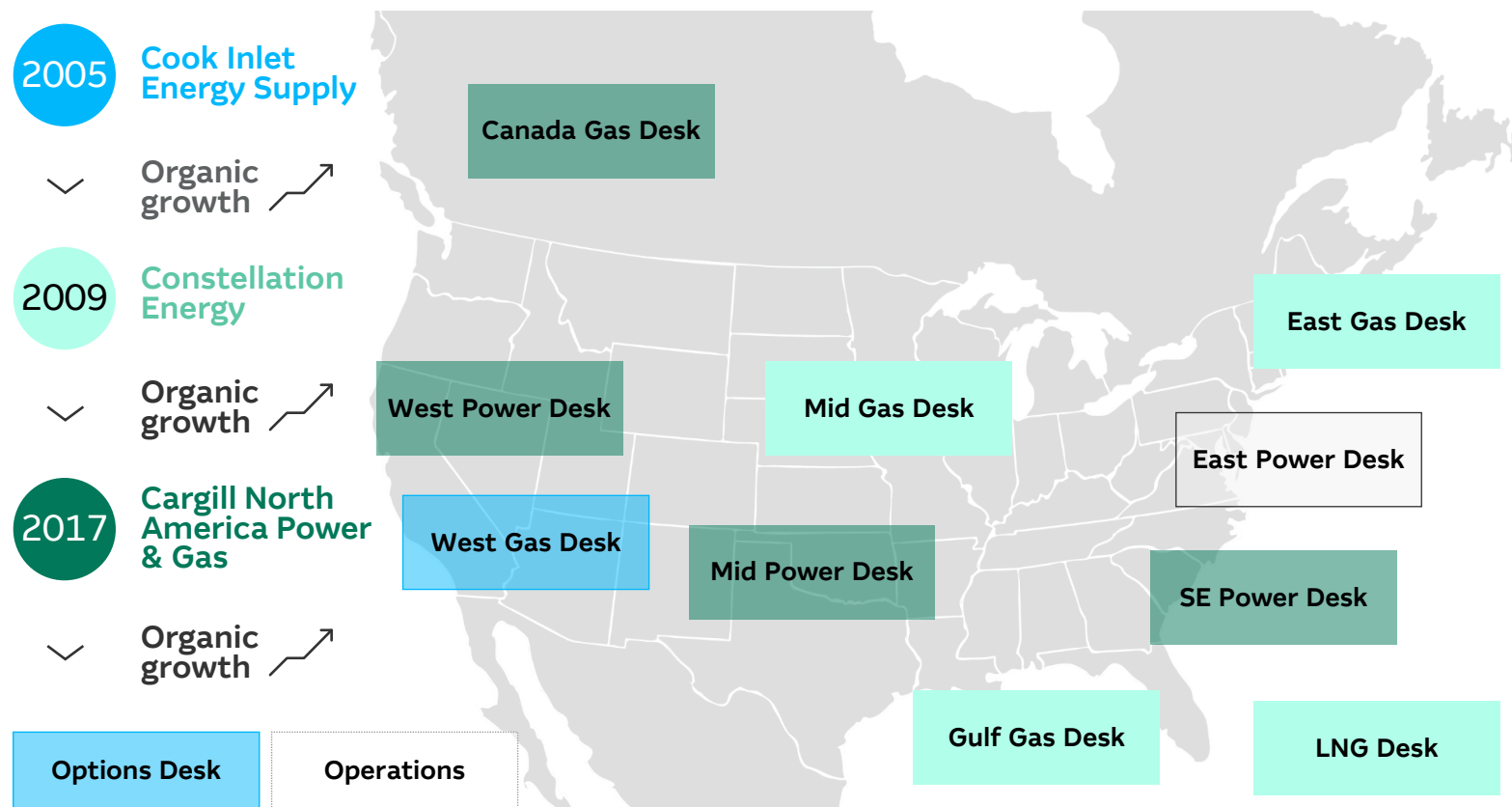
Traders

**24-hour coverage**

in the power and gas markets, with trading and operations available over the weekend and holidays to address clients' **real-time needs**

# Platform evolved through a combination of organic growth and key acquisitions

Cargill enhanced our power operations and our Canadian gas desk



## Continuity and dedication of our people

**19+ years**

average tenure of Executive Directors

**97%**

retention rate

## In-house specialists



Schedulers



Analysts



Logistic experts



Meteorologists



Marketers



Traders

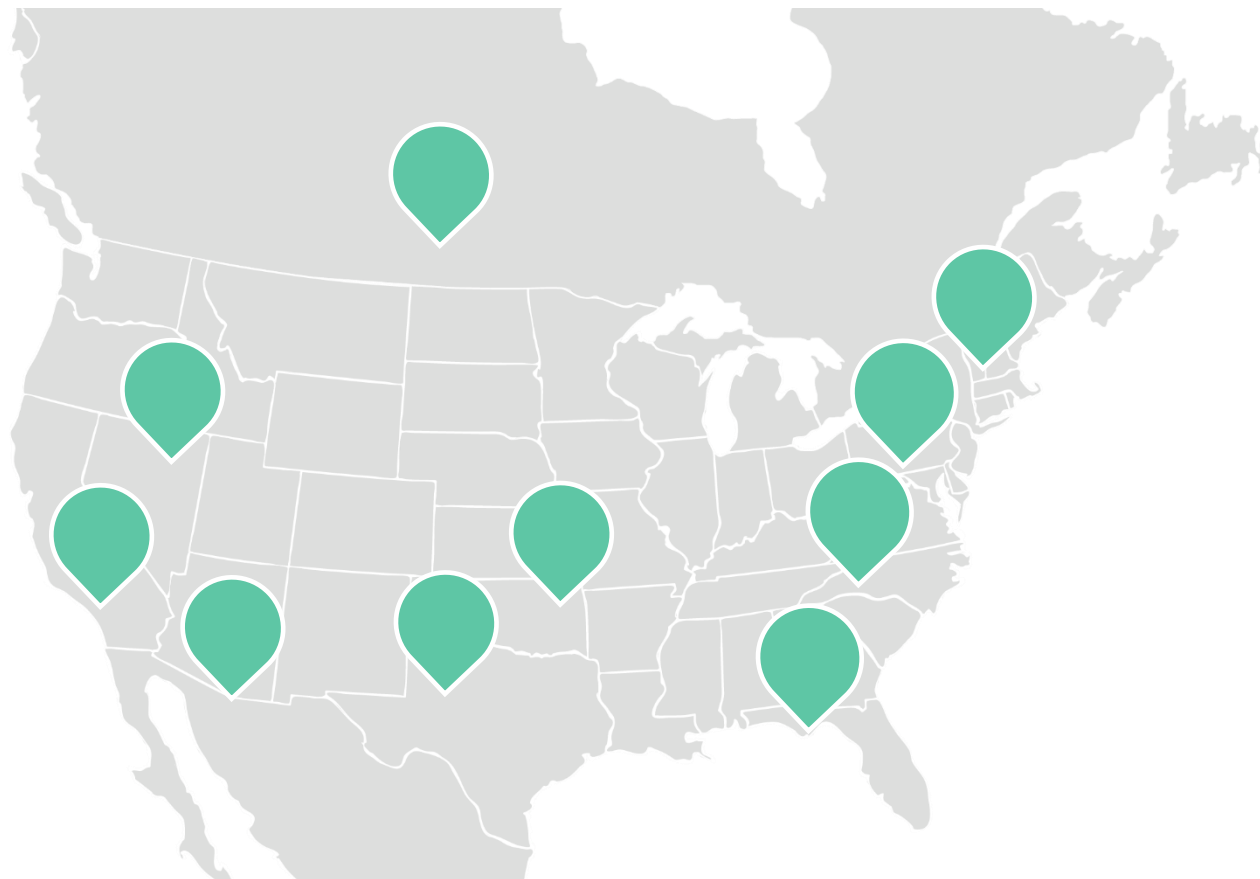
## 24-hour coverage

in the power and gas markets, with trading and operations available over the weekend and holidays to address clients' **real-time needs**



# Business platform starts with client activity

## Diverse customer transactions



Structured an unique transaction providing natural gas producers diversification and exposure to power prices

Structured and arranged the supply of Responsibly Sourced Gas for a utility client

Provided credit sleeve facilities with a generator which allowed client access to market liquidity

Supplied a utility with an off-hub load zone power hedge combined with daily settled financial gas hedges

Provided a utility with a full requirements load deal which included physical power and associated ancillary services

Transacted physical gas hedges with a producer which helped the client lock in margin and re-supply European production

Provided a structured physical power offtake to a merchant asset owner

Supplied a utility with a financial gas hedge at a pricing point near their physical native demand hub

Provided financial power and gas hedges to a generator which allowed them to lock in a fixed heat rate and extract value from their plant

Acquired transportation for a producer to meet their long-dated demands

# Logistics expertise enhances the model

Gives us valuable insight into supply/demand fundamentals and market dynamics

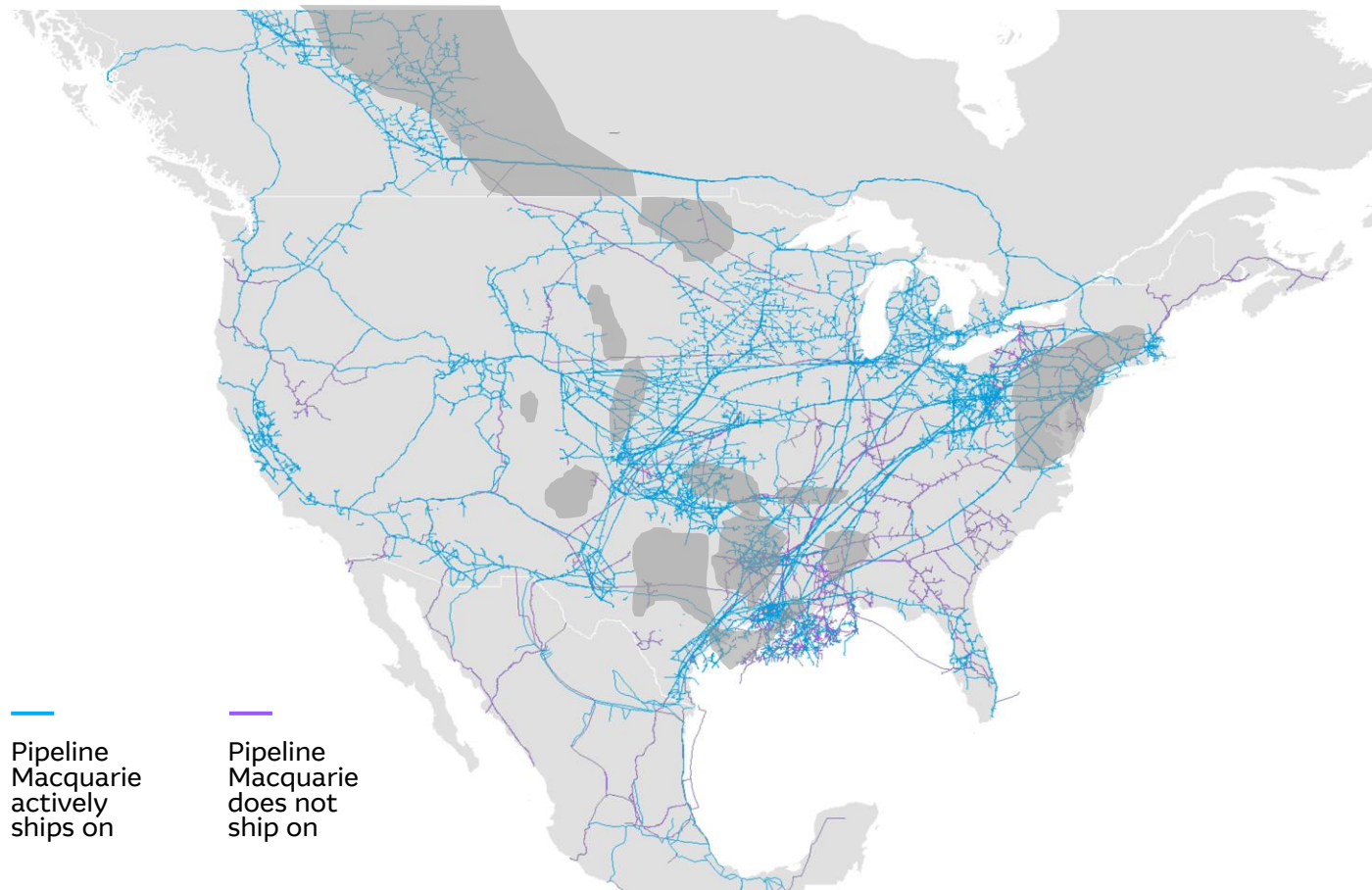


Image Source: Energy Velocity, Macquarie Energy.

## 11 Bcf/day

Macquarie peak day activity in 2022

## 70+ systems

Macquarie was active on in Dec 2022

## 69% of major pipelines

physically shipped gas on 48 of the 70 major interstate gas pipelines in Dec 2022

## 7 storage facilities

48.8 Bcf max storage capacity

## 226 cumulative Bcf

Park & Loan activity in 2022

## Actively trades with 700+ counterparties

Through hundreds of individual interactions each day, we provide market liquidity, evaluate transportation and storage dynamics, and identify production and consumption trends.

This information feeds into our fundamental analysis and provides us a best in class view on supply and demand.

## Experience & analysis

Guides us in establishing a portfolio of assets providing critical supply or takeaway options in regions that are often capacity-constrained, and then managing the risk around those assets

## Physical commodity trading

Gives us a deeper insight into volatile locational markets

## Extensive relationships

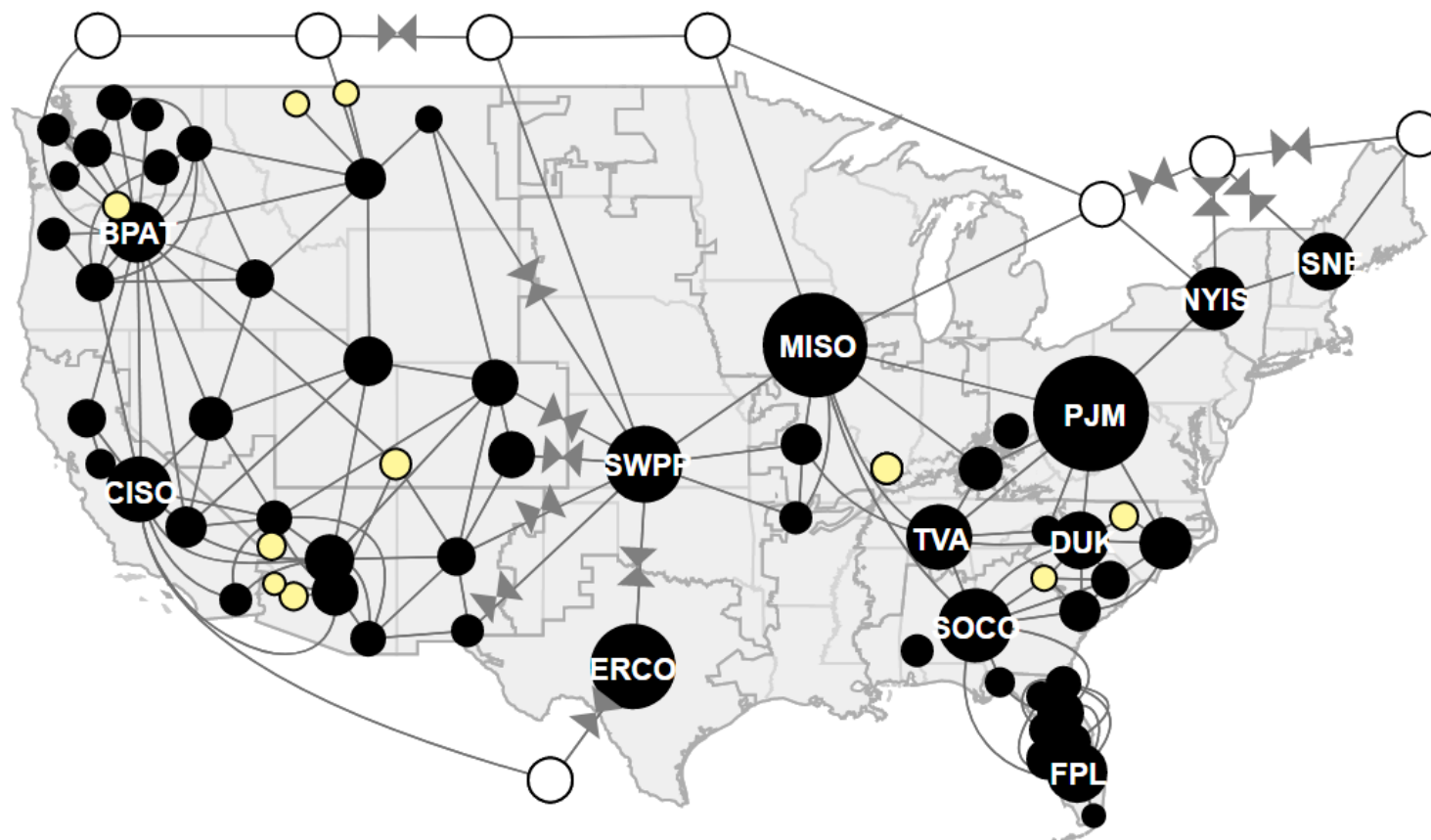
Enables us to engage with key upstream and downstream market participants in each region

## Leased physical asset portfolio

Positions us to serve our customers' needs and work together to profitably optimise transportation options when bottlenecks arise

# Macquarie is a leader in moving physical power across North America

As with natural gas, logistics expertise gives us the ability to optimise the portfolio



## Macquarie was active across the 7 US ISOs<sup>1</sup>

as well as the areas of WECC<sup>2</sup> and SERC<sup>3</sup> power pools, plus Alberta and Ontario

## 1900+ MWh

amount of seasonal and yearly transmission capacity

## 91 utilities

Macquarie was active with in 2022

## Actively trades with 700+ counterparties

through hundreds of individual interactions each day, we provide market liquidity, evaluate transportation and storage dynamics, and identify production and consumption trends.

This information feeds into our fundamental analysis and provides us a best in class view on supply and demand.

## Regional approach

Allows traders to develop a strong knowledge of the physical electricity grid

## Knowledge of physical grid

Is vital toward meeting different customer needs

## Reliable delivery of physical power

Is the most important factor in distinguishing ourselves from others

## Team continuity across the power and gas desks

Has allowed the group to develop synergies and collaborate effectively across the desks

## Real time desk

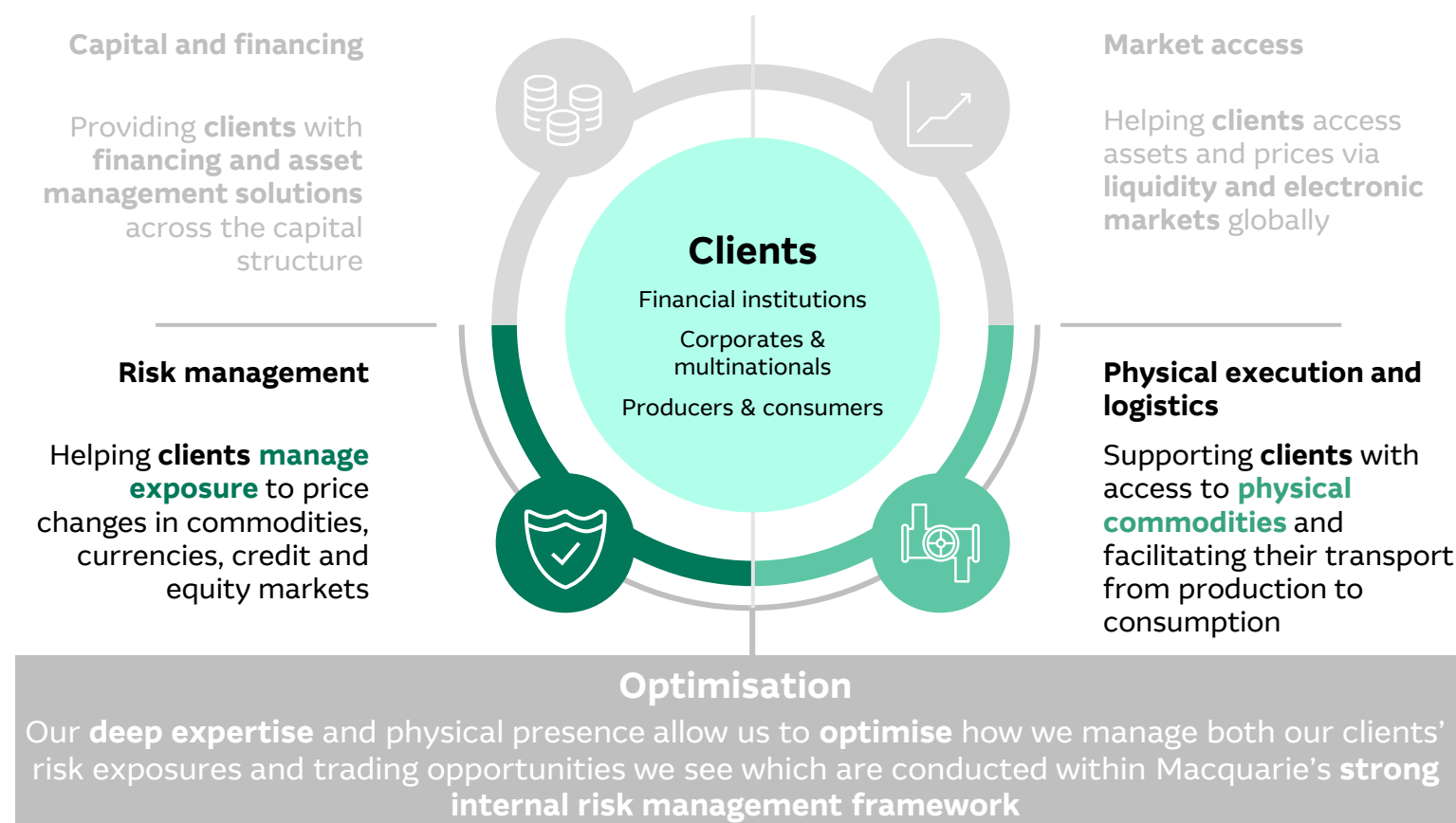
Provides crucial support for the regional desks and responds in real time to customer needs

Image Source: Department of Energy. 1. Independent System Operator. 2. Western Electricity Coordinating Council. 3. Southern Electric Reliability Council.

© Macquarie Group Limited

# We then trade and optimise the portfolio

Starts with our fundamentals, knowledge base and logistics



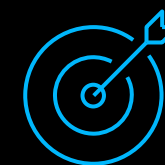
Largely focused on spread risk

- Locational spreads
- Spark spreads
- Calendar spreads



## Risk Profile

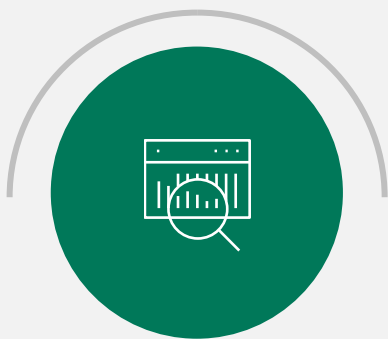
These activities are subject to the same rigorous policies and controls, limits and performance triggers as with all of our other business activities



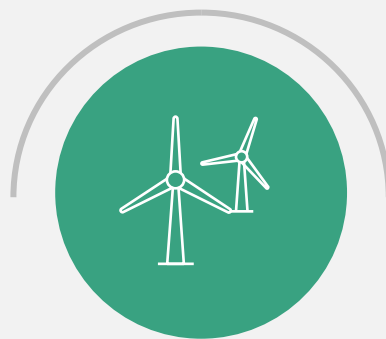
We always focus on asymmetric risk, and are almost always on the tail

# Power and Gas markets continue to see increased volatility due to a variety of reasons

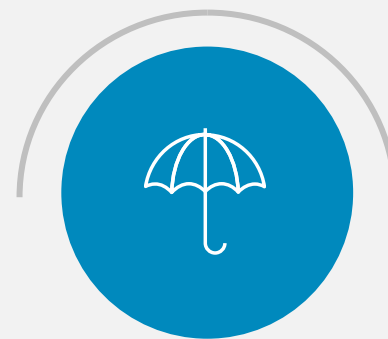
We manage our risk anticipating unique events



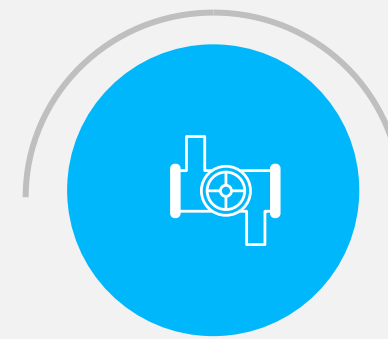
**Infrastructure dynamics**



**Energy Transition**



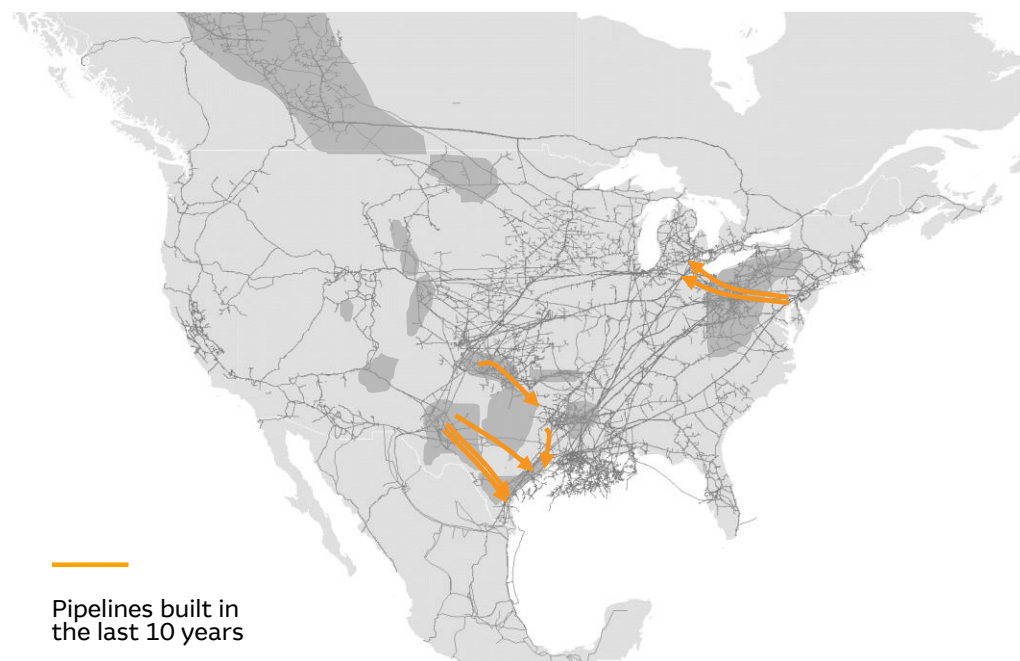
**Weather variability**



**Globalisation  
of natural gas**

# Many factors creating volatility in natural gas

## Production basins, infrastructure and consumption patterns are all rapidly shifting



**35 Bcf/day**

54% increase in peak-day gas production since 2013

**14 Bcf/day**

39% increase in gas burn for power generation since 2013

**18 Bcf/day**

900% increase in exports to Mexico and LNG since 2013

**-69 Bcf**

2% decrease in peak natural gas storage capacity since 2013

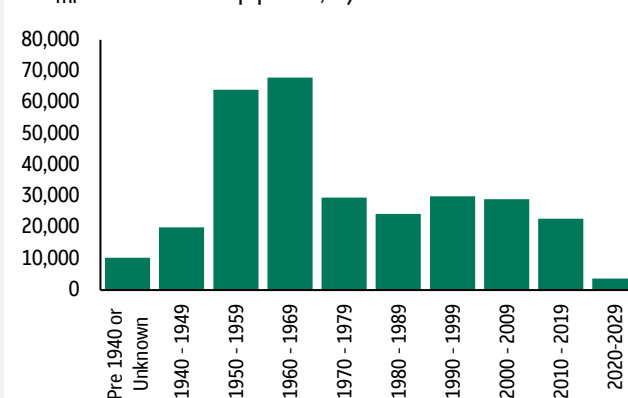
**50 years**

Average age of gas transmission pipelines (weighted by mileage)

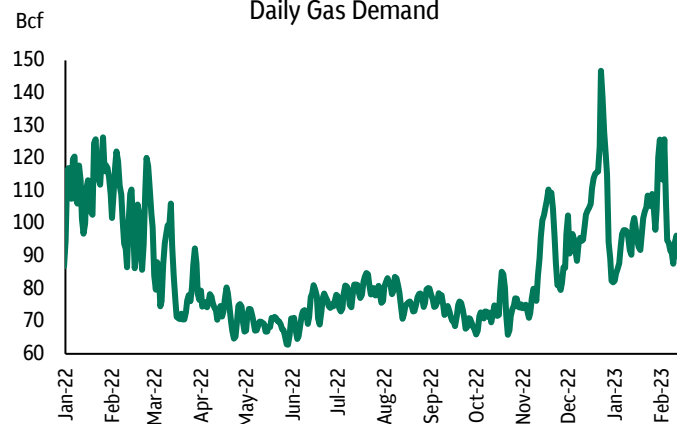
**43%**

Estimated up to 43% of natural gas is associated gas

Miles of pipeline, by date of installation



Daily Gas Demand



Change in supply, demand, and storage capacity since 2012

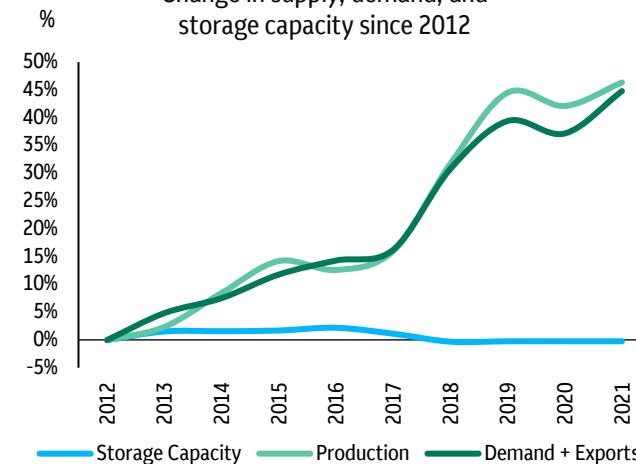
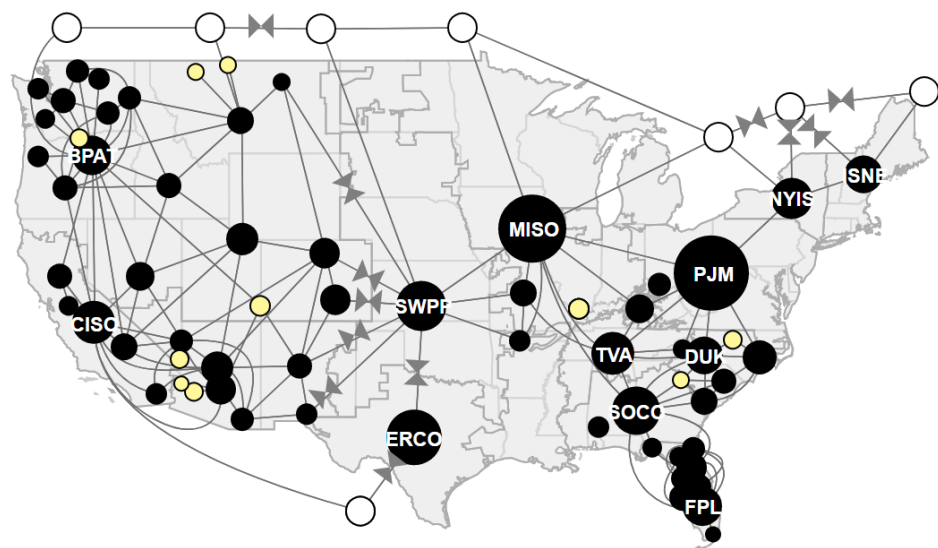


Image Source: Energy Velocity, Macquarie Energy, Platts, PHMSA, EIA, HIS.



# Power is also seeing significant volatility

## Energy transition will continue to create opportunities



### 23 Years

Average age of natural gas fleet

### 43 Years/41 Years

Average age of coal and nuclear fleet, respectively

### 70%

Percentage of transmission lines that are >25 years old

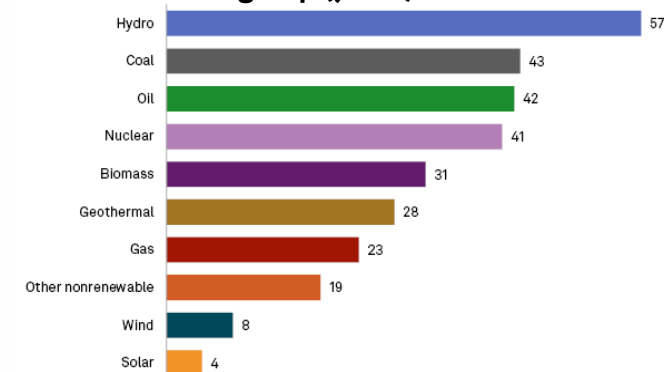
### 20 Bcf/(84) GW

47% decrease in average coal-fired generation since 2013

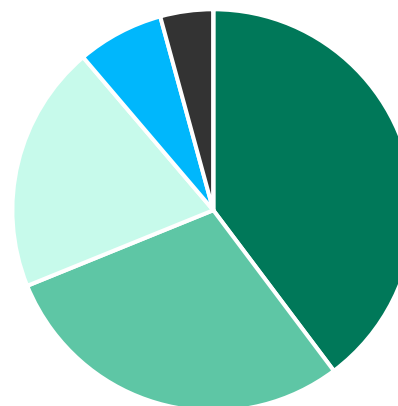
### 53 GW+

279% increase in wind and solar production since 2013

### US capacity-weighted average fleet age by fuel group (years)<sup>1</sup>

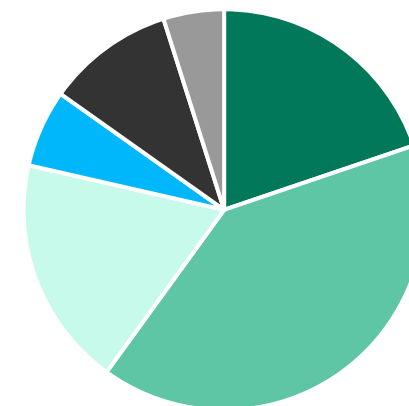


2013 Power Generation



■ Coal ■ Gas  
■ Nuclear ■ Hydro  
■ Wind ■ Solar

2022 Power Generation

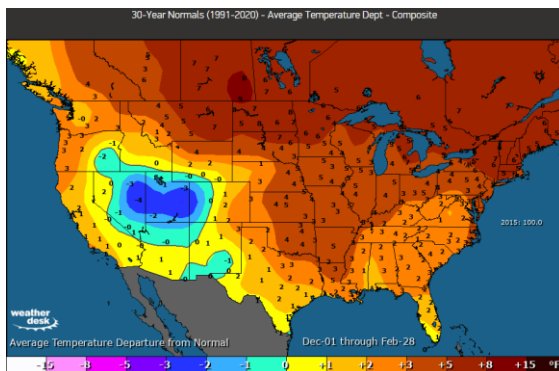


Map Source: EIA, DOE, Macquarie Energy, Energy Velocity. 1. Data compiled 22 Sep 22. Only includes operating and out of service power plant units.  
Source: S&P Global Market Intelligence.

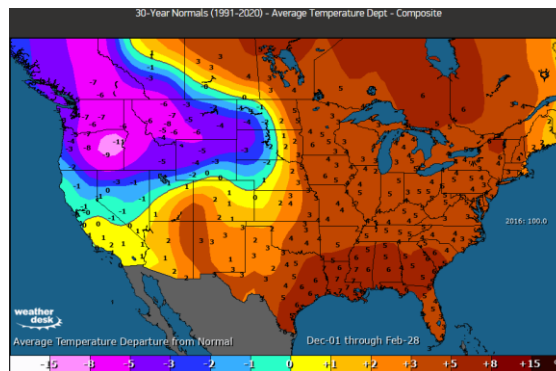
# Weather variability continues to provide demand for our services

We specialise in the ability to move power and gas to where it is needed

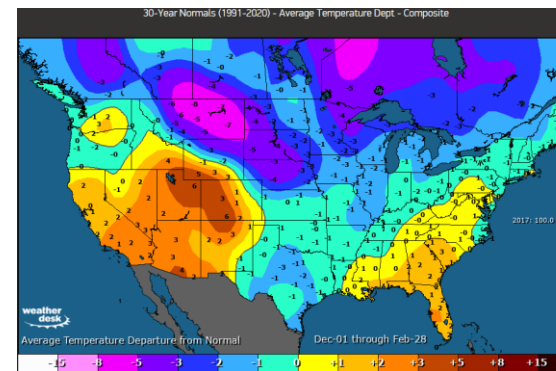
2015-16: 2254 GWHDDs 1<sup>st</sup> Warmest



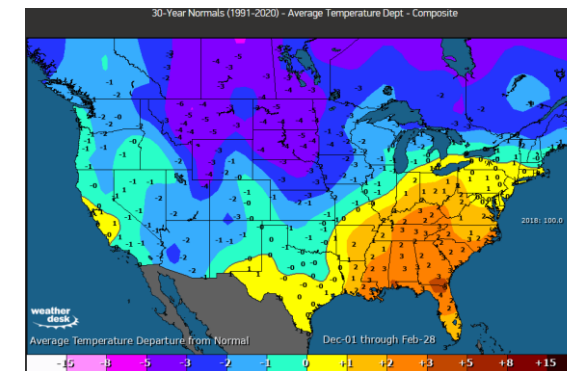
2016-17: 2273 GWHDDs 2<sup>nd</sup> Warmest



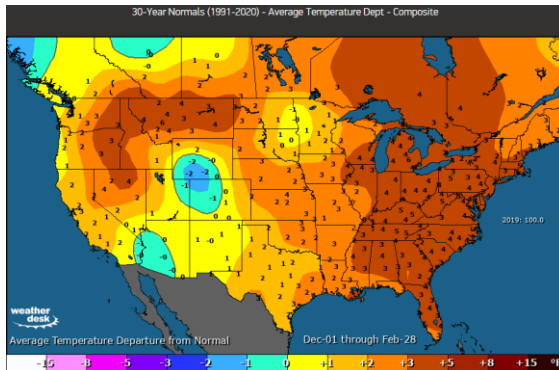
2017-18: 2532 GWHDDs 21<sup>st</sup> Warmest



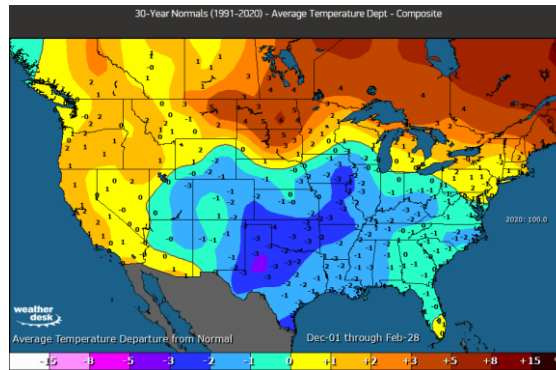
2018-19: 2522 GWHDDs 19<sup>th</sup> Warmest



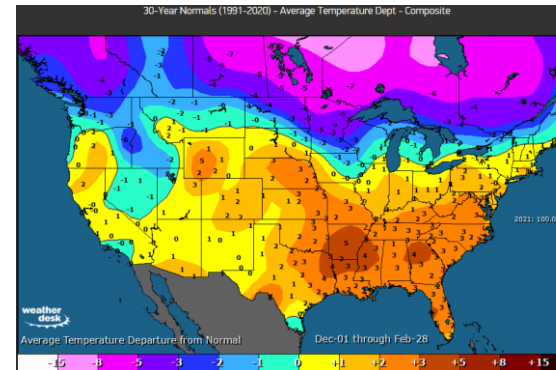
2019-20: 2283 GWHDDs 3<sup>rd</sup> Warmest



2020-21: 2545 GWHDDs 22<sup>nd</sup> Warmest



2021-22: 2453 GWHDDs 15<sup>th</sup> Warmest



2022-23: 2310 GWHDDs 5<sup>th</sup> Warmest

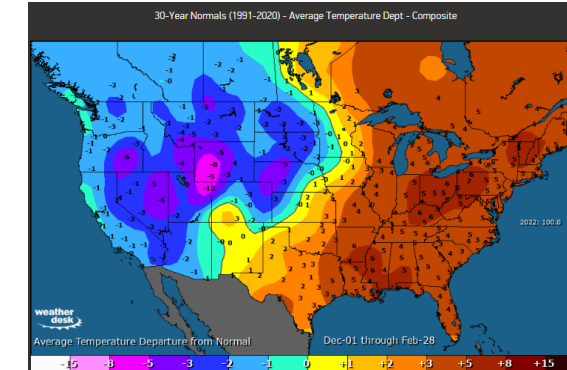
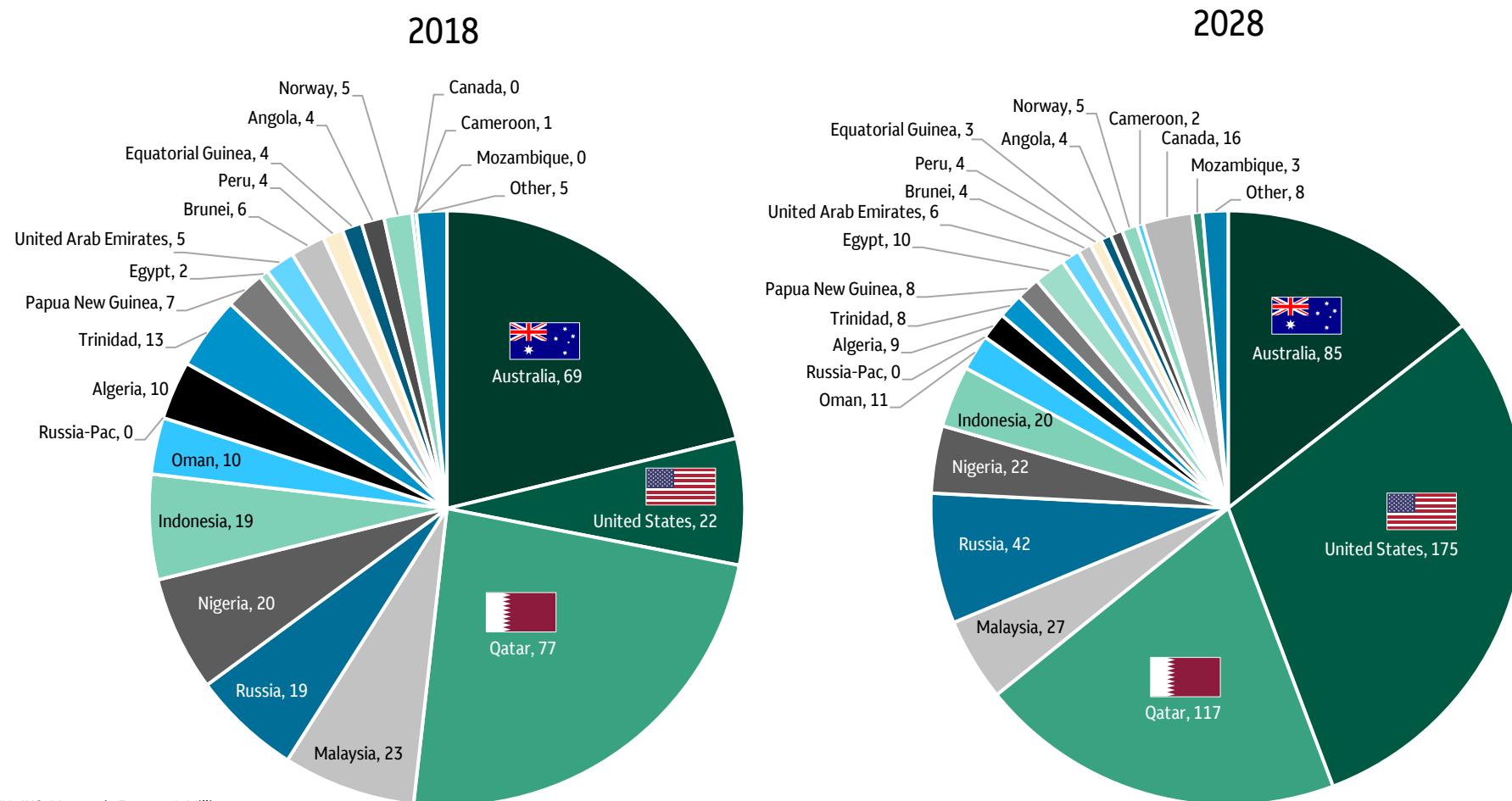


Image Source: MAXAR.

© Macquarie Group Limited

# Natural Gas is increasingly global due to significant increases in LNG production in the US

## LNG Exports by Country<sup>1</sup>



In 2023, the **US** will become the **largest exporter** of LNG at 89 Mtpa<sup>1</sup>

**North America** continues to **import LNG**, competing with Asia and European prices

Source: EIA, IHS, Macquarie Energy. 1. Million tonnes per annum.

© Macquarie Group Limited

# What's next



## Continuing to explore and develop emerging opportunities

- Natural gas will be the 'transition fuel' for the world, we will continue to grow our LNG model
- Continue to facilitate the linkage with our other very strong regional power, gas, and emissions groups
- Continue to work closely with Macquarie Capital and Macquarie Asset Management on synergistic strategies



## Expanding our capabilities into new markets

- Develop and increase transmission capabilities in Canada
- Provide alternative global pricing structures to producers and consumers
- Continue providing services to our clients to help them navigate volatile market conditions



## Responding to opportunities and challenges of Energy Transition

- Participate in and help develop new regional and global carbon markets
- Provide services that help respond to decarbonisation, such as Responsibly Sourced Gas and carbon neutral LNG cargos
- Establish capabilities to manage battery storage



# 03

## Agriculture and Oil

Dan Vizel

David Hochberg



# Our services in the Commodities and Global Markets platform

Bringing capital, risk management, market access and logistics services to clients with exposure to Agriculture and Oil





# Deep expertise in physical and financial markets

## Global footprint drives opportunities

**175+**

dedicated  
traders, ops  
specialists, &  
origination  
experts

**65+**

staff across  
Americas



Global cross-  
commodity  
**financing** and  
**hedging** experts



## Continuity and dedication of our people

**16+ years**

average tenure of Executive  
Directors



## In-house specialists



Schedulers



Analysts



Logistic experts



Operations

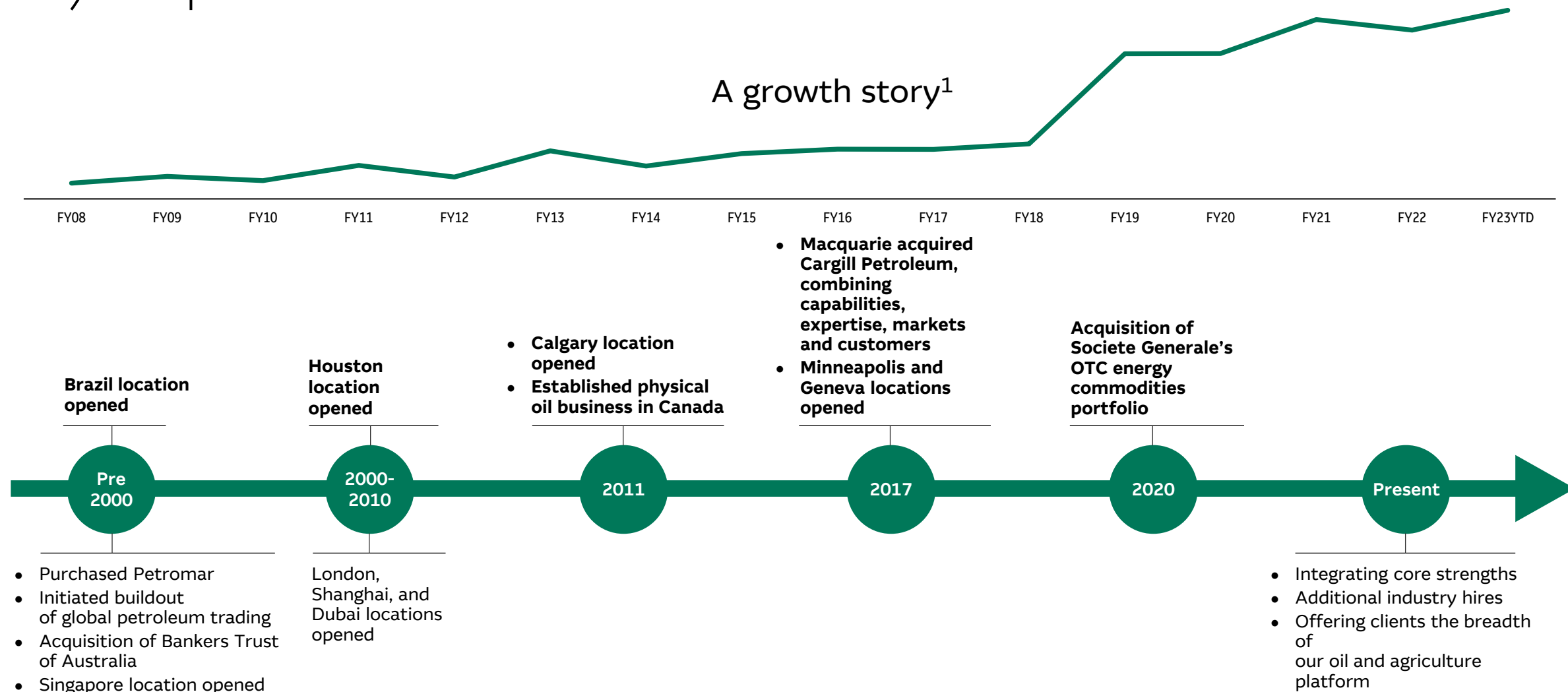


Traders



Marketers

# Our evolution derives from organic growth with some key acquisitions



1. Chart reflects net operating income for Global Oil, Macquarie Commodities Trading and Agriculture from FY08 to the nine months ending 31 Dec 22.

# We offer a diverse range of services across a broad range of products

## Risk Management

- Client familiarity and understanding of financial commodity index specifics
- Experienced team of professionals covering clients
- Ability to provide vanilla and bespoke solutions financially and physically
- Process driven outcome-focused coverage approach

## Capital and Financing

- Client familiarity and understanding of physical commodity transactions
- These commodity transactions require working capital and create credit exposures
- Ability to finance physical commodity inventory by taking title / lien (in a refinery, vessel, tank or pipeline)

## Physical execution and logistics

- Client familiarity and understanding of financial and physical commodity markets
- These commodity transactions require multi-jurisdictional understandings across physical commodities marketing processes, logistics requirements, market participants, commodity price management
- Ability to utilise Macquarie trading platforms to quantify (price, physical) and qualify (logistics) for Macquarie to monetise physical and financial opportunities

### Oil



Oil



Refined products



Wet freight



Jet Fuel



Gasoline



Diesel



Chemicals



Plastics

### Agriculture



Sugar



Grains and oilseeds



Meat and livestock, dairy



Coffee and cocoa



Ethanol/renewables



Pulp, paper and cotton



Soybean complex



Feedstocks

# We are a client focused business

Transacting with 500+ clients in over 60 countries and sectors with 150% growth in clients since FY17

Refiners

Producers

Consumers

Major oil companies

Trade houses

Hedge funds



Packaging companies

Banks

Utilities

Food companies

Airlines

Transportation

# Risk management is core

There are several risks inherent to our business which we actively manage



## Credit risk

Failure by a counterparty to fulfil its contractual obligations

CGM structures transactions considering the inherent credit risks of the counterparty, determining any margining, collateral, security, guarantees, letters of credit and other credit support where necessary.



## Market risk

Risk of a change in the value of CGM's positions as a result of change in market rates or conditions

Deep expertise in global financial and physical oil markets.

All exposures are constrained by limits that are dual approved by CGM and RMG Market Risk.

Market risk limits are firm, apply at all times and are independently monitored by RMG Market Risk.



## Operational risk

Risk of loss arising from a failure in people, processes and systems

Mature operating platform, including systems and processes, to manage operational risks.

Dedicated Logistics team to manage internal operational processes.

Independent oversight of comprehensive processes and controls by Business Operational Risk Management team.



## Compliance risk

Failure to comply with applicable laws, regulations, rules, and codes of conduct

Established policy and control framework to manage market conduct and compliance risks.

Dedicated Compliance advisory team supporting CGM globally.

Escalation of compliance breaches to CGM senior management.



## Legal risk

Risk of failure to comply with applicable laws or fulfil or enforce legal or contractual obligations.

Dedicated CGM Legal function with expertise in commodities and oil markets.

CGM Legal provide input and assessment for transaction structures, products and jurisdictions, supplemented by external legal opinions.



## Environment & social risk

Adverse impacts due to failure to identify or manage environment of social risk

CGM does not operate any assets that produce, consume (on an industrial scale), transport, store or otherwise handle physical commodities.

Vetting of counterparties, and service providers (e.g. transport, storage providers and terminal operators) prior to entering contracts.

# We utilise our expertise to structure deals for our clients

## Case study: Crude prepay in US Gulf Coast with hedging and offtake

- Participating in the financing for an existing UK client expanding into the US via a crude oil prepayment
- The deal was structured with embedded hedging of the crude
- We utilise our physical execution and logistics expertise to optimise the offtake



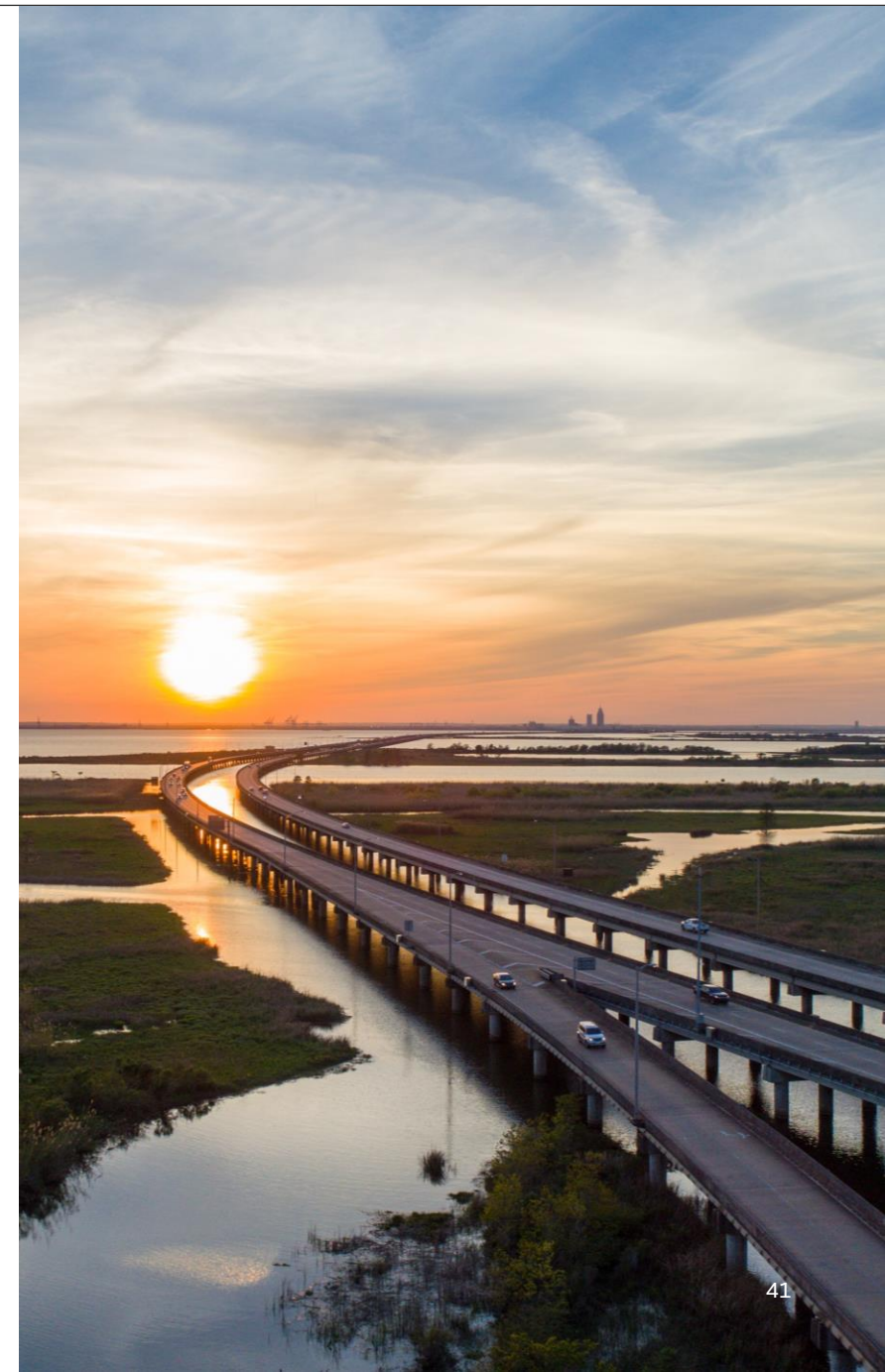
Risk  
Management



Financing



Physical  
Execution &  
Logistics

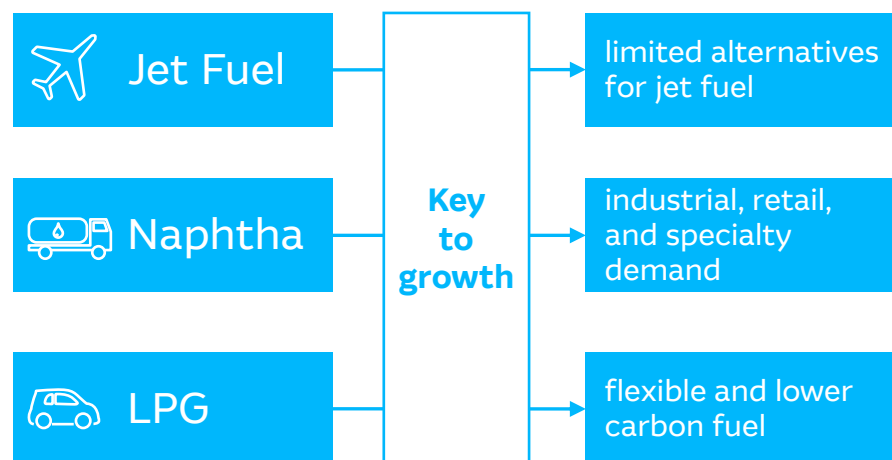




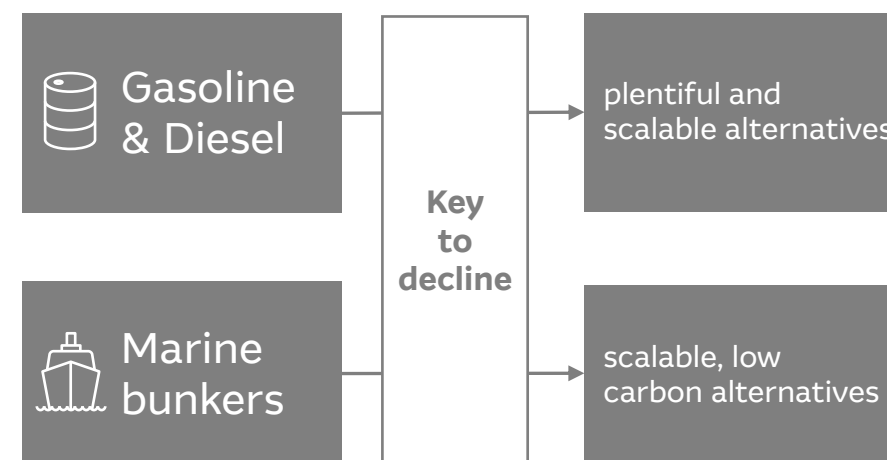
# Continued oil market disruption

## Future petroleum demand will look very different

### Demand for some fuels will grow for several decades



### Demand for some fuels will begin to decline this decade



## Demand trends likely to disrupt every component of the Oil industry

- Manufacturing adaptation – refiners will be challenged to adjust to new product mix
- Logistical systems – storage tanks, shipping, and terminals will need significant capital spending
- Trading – physical capability will be required for risk management and opportunistic exposure

# CGM is well placed to support clients and help them navigate this market disruption

Our financial and physical expertise in the market help us support our clients

<b>Downstream refining systems will require modifications and the global system will have difficulty producing future fuel mix</b>	<b>Large interfuel swings will make the ability to provide fuel flexibility to clients even more valuable</b>	<b>Financing and commercial solutions will be in greater demand</b>
<ul style="list-style-type: none"> <li>• CGM's physical expertise and people will be valuable</li> <li>• Access to logistics will enhance our client's flexibility</li> <li>• De-emphasis of hydrocarbons by large oil firms may create need for financing, logistics and risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Allowing clients to mitigate price swings between conventional and renewable fuels</li> <li>• Providing physical access to low carbon fuels including methanol and hydrogen through CGM's combined Agriculture and Oil offering</li> </ul>	<ul style="list-style-type: none"> <li>• Oil majors and banks scaling back in oil to create demand for financing solutions linked to physical agreements</li> <li>• Advanced hedging capability will be more important, physical/financial hedging integration will be more valuable</li> <li>• End users will need integrated solutions that provide conventional fuels, clean fuels, and carbon mitigation/credits</li> </ul>

# Supporting clients in the clean fuels industry



## Opportunity

- An industrial project to develop a multi-billion dollar low carbon blue and green methanol plant
- The plant will convert natural gas to produce 2.1 million metric tonnes per year of low carbon methanol and is strategically located near an existing pipeline which will supply West Texas natural gas to a plant and from there to methanol markets located on the US west coast, Asia and Europe



## Actions

- We will provide the client with physical marketing and logistics services under a long-term contract, with services that include procurement management and balancing services of natural gas supply, engaging with global methanol market buyers and providing transportation services (pipelines and vessels)



## Outcome

- The client aims to lower ecological impact, emissions, effluents, and wastes while incorporating wastewater utilisation concepts into plant design as well as recovering and reintegrating all carbon generated
- CGM utilised its experiences across global physical and financial markets to provide an end-to-end value chain solution
- The structure of the deal was designed and sized to allow the client to benefit from our platform's experiences, capabilities and financial strength



## Physical Execution & Logistics





# 04

## Energy Transition

Janet Dietrich

Nick Gole



# Macquarie's role in the global transition to net zero

## Delivering practical climate solutions and building capabilities to support the global transition to net zero

For two decades we have used our deep capabilities in energy, infrastructure, technology and commodities to help clients realise their decarbonisation ambitions and meet their own net zero commitments.

### Our decarbonisation commitment spans across Macquarie:



**Founding member** of international initiatives on climate finance, adaptation, carbon offsets, and sustainability



**107 GW<sup>+1</sup>** of renewables projects in development, construction or operations



**\$A32b+** invested or arranged in green energy assets in the five years to 31 Mar 22

1. As at 30 Sep 22.

# We are driving climate action in four key areas



Enabling the decarbonisation of clients and portfolio companies



Investing in climate mitigation and adaptation solutions



Reducing the emissions of our own operations



Aligning our financing activities to net zero

# Bringing the whole of Macquarie to the Energy Transition

The scale and breadth of the Energy Transition opportunity is driving collaboration between our businesses to deliver holistic client offerings

The Energy Transition is impacting all of our clients and rapidly evolving

We have a long track record of supporting clients across energy and commodities

We are aligning complementary capabilities across our business to better support clients

## Clients



Oil & Gas



Transport



Industrials



Mining



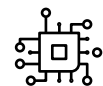
Agriculture



Aviation



Shipping



Technology

## Solutions



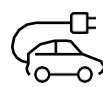
Clean power



Clean fuels



Hydrogen



E-mobility



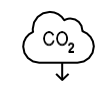
Circular economy



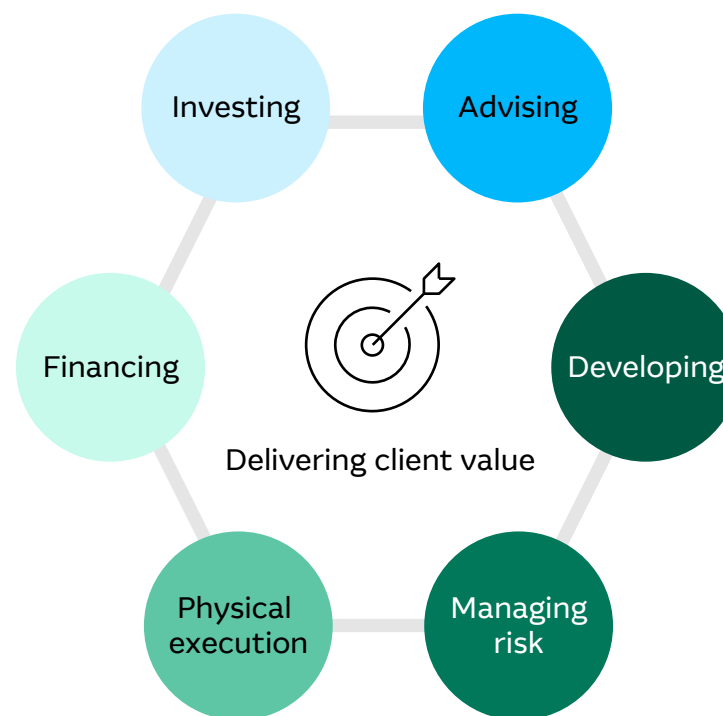
Energy storage



Carbon offsets



Carbon capture & storage



Leveraging strong existing capabilities to **expand offerings into adjacencies**



Bringing together market-leading expertise from across the Group to **deliver unique and holistic client offerings**



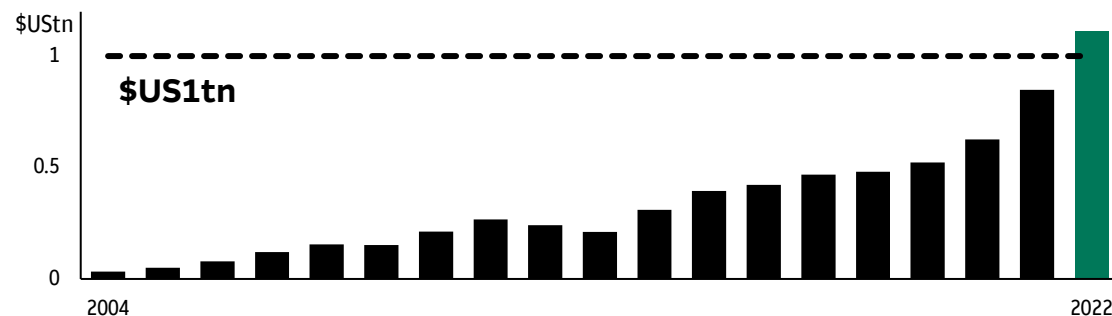
**Evolving the mix of skills and expertise** within the operating groups in line with market needs



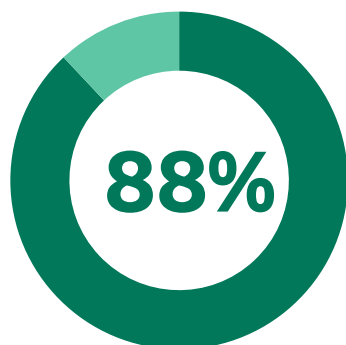
# The Energy Transition is a large, accelerating and long-term opportunity

## Large opportunity

**Global Energy Transition investment exceeded \$US1tn for the first time in 2022<sup>1</sup>**



**The vast majority of countries have committed to net zero emissions targets<sup>2</sup>**



of global emissions are covered by a net zero target agreed in law or under discussion

1. BloombergNEF. 2. Climate Action Tracker, Net zero targets. 3. BloombergNEF. 4. Reuters and Factbox: What's in the EU Green Deal Industrial Plan?, Feb 23.

## Policy support

Getting the world on track for net zero emissions by 2050 requires clean Energy Transition-related investment to accelerate from current levels to around **\$US4tn annually by 2030<sup>3</sup>**

Governments around the world are **partnering with the private sector** to drive investment

### US

#### Inflation Reduction Act (IRA)

The IRA is set to **mobilise investment** in the US Energy Transition **over the next decade**, driving legislative responses globally

**\$US369b** Estimated federal funding for Energy Transition in IRA (2022 - 2031)

**\$US270b** Tax incentive portion of IRA Energy Transition funding (2022 - 2031)

### EU

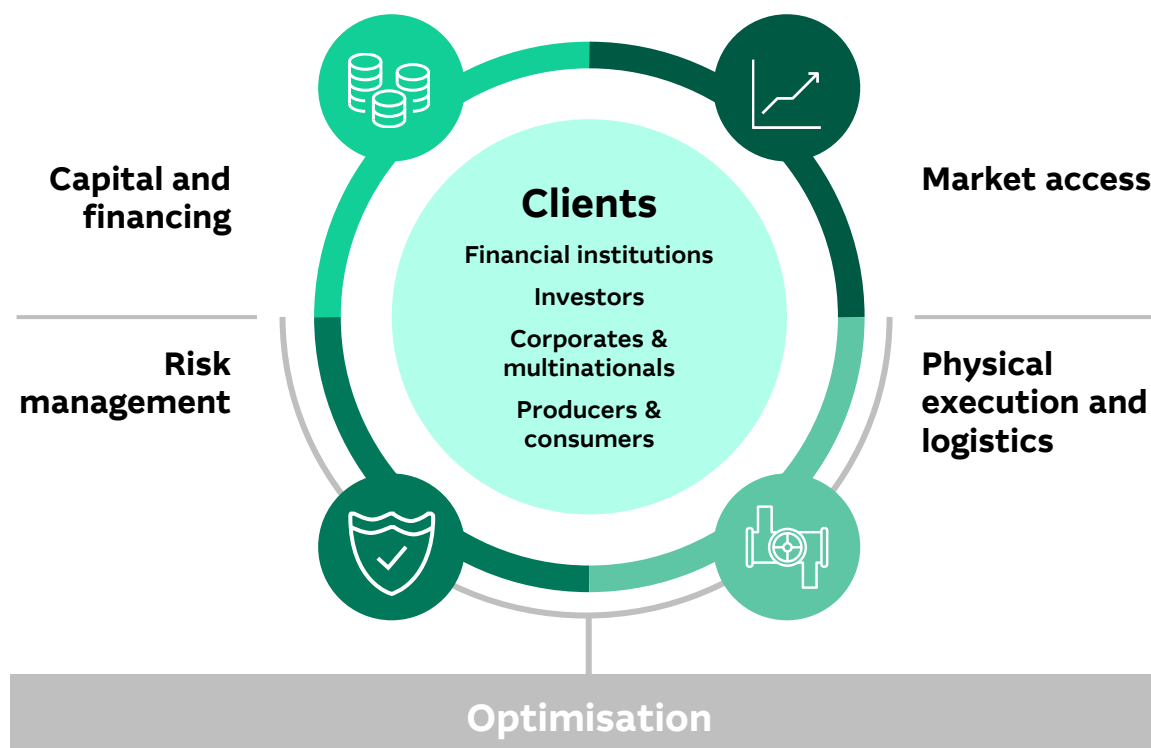
#### Green Deal Industrial Plan

The recently announced EU Green Deal Industrial Plan includes targets around **faster permitting, as well as new subsidies, skills programs, and trade agreements**

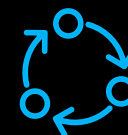
**€250b** Principal pool of loans and grants to achieve stated goals<sup>4</sup> (2023 - 2030)

# Energy Transition has impact across all of CGM

A continuation of our strategy of growth through adjacencies



CGM is very active in the global transition, building on our history of anticipating and adapting to the evolving needs of our clients and markets



The Energy Transition is relevant across all of CGM's activities, markets, and client sectors



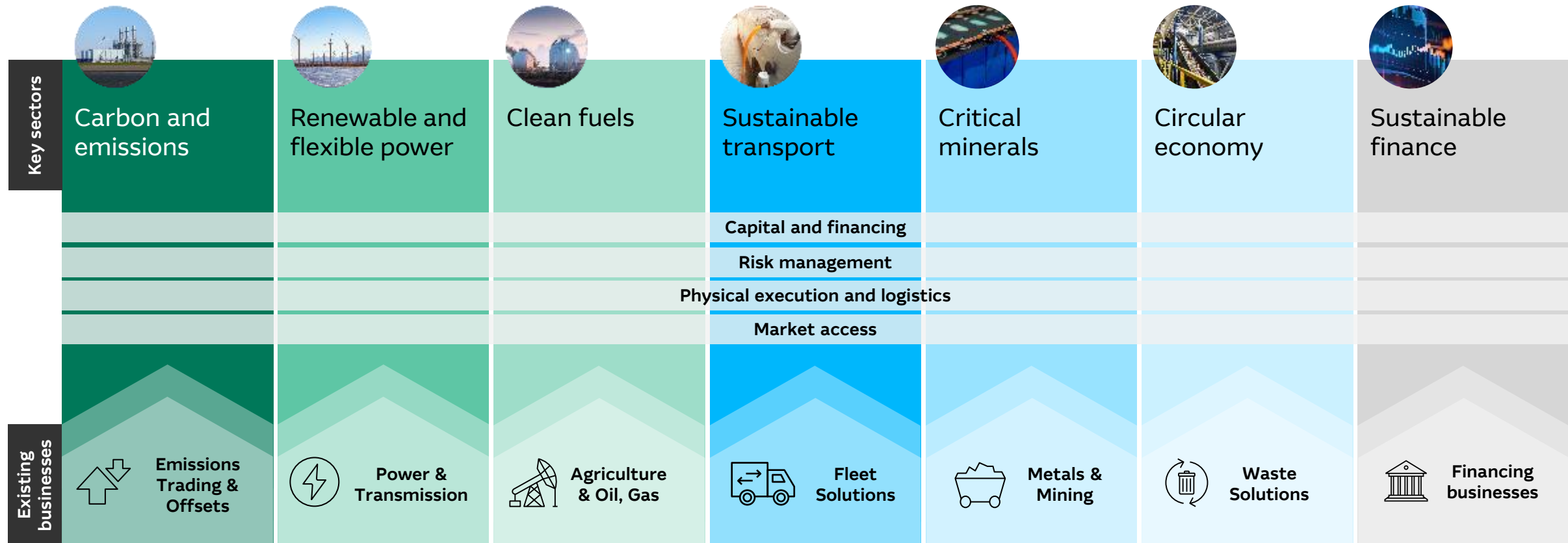
Our multi-decade track record in energy helps support our diverse client base as they navigate the broader impacts of the transition



In addition, we are well placed to support our clients in the hard-to-abate sectors with their decarbonisation plans

# Emerging opportunities are driving our focus across 7 key sectors

We deliver solutions to support clients' varying Energy Transition needs



# CGM financing and execution case studies

## CGM is focused on delivering outcomes

1

### Terrafame

Macquarie supported Terrafame's working capital requirements to ramp up production at a new battery chemical plant, while also providing physical execution, and logistics expertise to intermediate cargoes of nickel sulphate between Terrafame and its end buyers. With the plant holding one of the world's largest production capacities for battery chemicals (sufficient to supply ~1 million electric vehicles per year), increased production allows Terrafame to provide a timely response to the rising demand for EVs.



**Terrafame**

### Critical Minerals

2

### Pacific Canbriam Energy

Macquarie facilitated the purchase and sale, transportation, and delivery of Responsibly Sourced Gas (RSG) between Canbriam and Énergir, Québec's leading natural gas distributor. Macquarie also arranged the delivery and retirement of the associated RSG certificates. The certificates are held with Xpansiv, which maintains a digital registry to issue, track and retire RSG certificates using distributed-ledger technologies. This was the first RSG certified purchase and sale transaction using a digital registry encoding key ESG metrics.



**PACIFIC**  
CANBRIAM ENERGY

### Responsibly Sourced Gas

3

### Cookstove Project

Cookstove distribution projects are among the highest-quality carbon projects that achieve immediate net emission reductions at scale. Macquarie, C-Quest Capital LLC (CQC) and partners have invested in a program to deploy cookstoves to rural communities that cook on traditional open fires across Sub-Saharan Africa. The program will distribute free cookstoves to ~3.7 million households in developing countries and is expected to result in the abatement of >200 million tonnes of carbon over the next 10 years.



### Carbon Reduction

4

### Utilising stranded gas

Macquarie structured a \$US24.3m operating lease for a fleet of mobile gas turbines for an oilfield electrification services provider. The residual value at lease-end reduces the monthly lease payment, enabling the service provider to be cost competitive with alternatives and maintain flexibility at the end-of-term if assets no longer fit their clients' needs. The facility will fund the total purchase price for six trailer-mounted natural gas turbines, which total 26.3MW. The turbines generate reliable electricity from stranded gas that would otherwise be flared or escape unflared into the atmosphere.



### Electrification

# Macquarie Capital is helping clients navigate the Energy Transition

As an adviser, partner, developer, and investor Macquarie Capital brings a range of tools to assist clients across all industries to navigate the Energy Transition



1. As of 31 Jan 23. 2. By deal value and/or deal count in each calendar year, based on Inspiratia, IJ Global or Inframation league table rankings.



# Differentiated offering addressing Energy Transition megatrends

Clear mandate coupled with thoughtful opportunity selection and approach

## Key drivers for MacCap



Energy Transition touches every client



Opportunity to be partner of choice



Asset creation capabilities needed in the market



Inflation Reduction Act

## Focus Sectors



Clean Fuels



Liquified Natural Gas and Compressed Natural Gas Value Chain



Waste to Energy



Power and Transmission



Midstream/Downstream



EnergyTech



Client corporate commitments

## Our Approach



Trusted Adviser



Principal investment



Client / partner focused approach



Leverage our existing clients and knowledge



Tap into collaboration opportunities with rest of Macquarie (inc. CGM)

## Why we are differentiated & advantaged



Deep knowledge & significant experience



Creative structuring and advice



Flexible capital



Excellent network & strong deal flow



Focused on partnering

# Macquarie Capital investment and advisory case studies

## Macquarie Capital is focused on delivering outcomes

1

### Aerogy

Newly launched renewable fuels platform that will support the reduction of emissions and transition to a lower carbon economy through investment in alternative energy solutions.

Aerogy co-developed, closed financing and commenced construction on an anaerobic digestion facility, Zahn's Farm. The facility is anticipated to produce over 200,000 MMBtu of Renewable Natural Gas (RNG) per year.



Renewable Fuels

2

### Form Energy

Macquarie Capital invested in Form Energy, who is developing and commercialising ultra-low-cost, long-duration energy storage systems that can be located in any market and scaled to match existing energy generation infrastructure globally. These systems have the potential to significantly improve the reliability and transmission of renewables year-round, extending transmission capacity without building new wires and completely replacing the need for conventional thermal generation.



Energy Tech - Batteries

3

### Amp US

Macquarie acted as financial adviser to Fiera Infrastructure and Palisade Infrastructure Group on the announced acquisition of Amp US, a US-based renewable energy generation and battery storage business. Amp US has a portfolio of approximately 200 MWDC of distributed generation assets across 39 operating or under construction projects and a large pipeline of solar and storage projects across the US.



Renewables Advisory

4

### Wavecrest

Wavecrest Energy was formed to establish new and grow existing liquefied natural gas (LNG) markets, bringing natural gas to undersupplied regions worldwide. Wavecrest will integrate activities across the LNG value chain, such as: gas supply, liquefaction, LNG supply, regasification, power generation and downstream services.

Wavecrest and Macquarie have helped deliver Germany's first privately financed LNG terminal, 'Deutsche Ostsee'



LNG Infrastructure - Energy Security



# 05

## Americas Fixed Income and Currencies

Glenn Edelson



# What is FIC

FIC brings together complementary business lines across three core competencies:



**FX**



**Rates**



**Fund Finance**

Client driven business with 250+ counterparties globally serviced by in-country, local staff, backed and powered by long-serving risk managers.

## Coverage

- **All FX markets:**  
Cash and derivatives across G10 and emerging markets
- **Most interest rates:**  
Offering G10 and emerging markets
- **Fund Finance:**  
Focused offering on providing credit to private equity and alternative asset managers

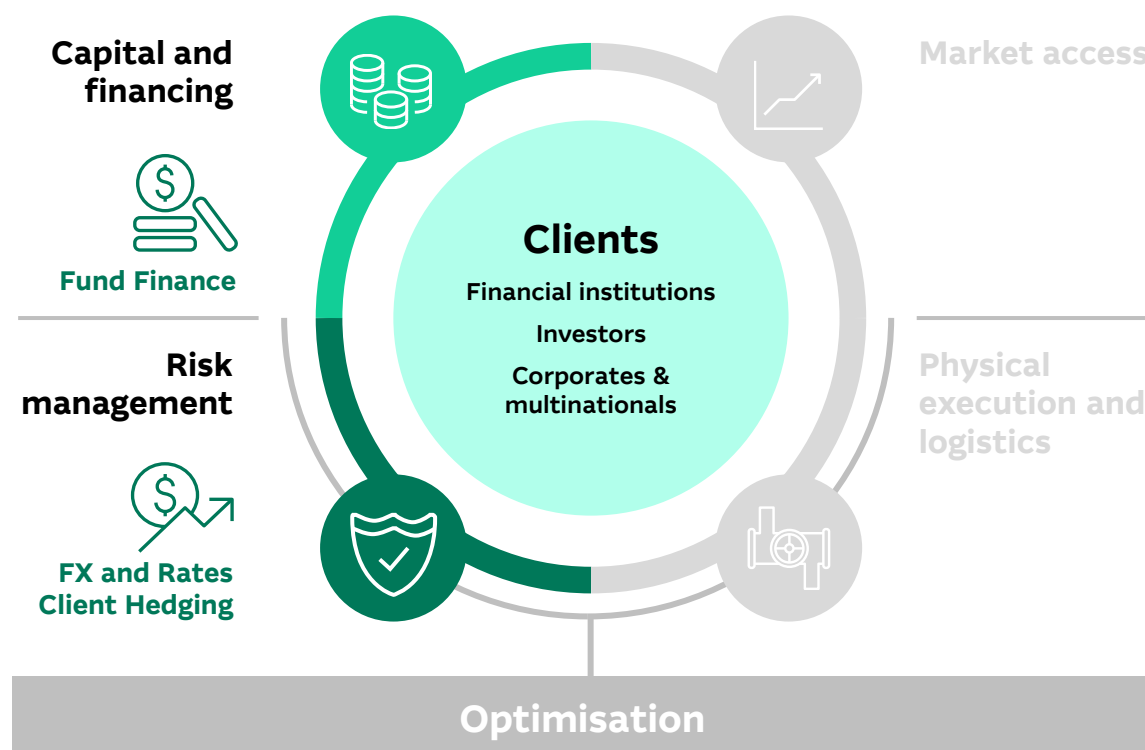
## Clients

- Private equity, credit, infrastructure and real estate managers
- Corporates
- Real money, hedge funds and sovereign wealth
- High net worth individuals and family offices



# FIC Americas overview

## Servicing clients across the value chain



## **FX and Rates Client Hedging**

**25** professionals dedicated to FX and Rates hedging

**14+** years average tenure of FX and Rates Executive Directors

**500+** active funds trading FX and Rates

**\$US200b+** in fund level transactions traded in the last two fiscal years

**\$US8b+** in portfolio company interest rate hedges in the last two fiscal years

## **Fund Finance**

**10** professionals in fund finance offering

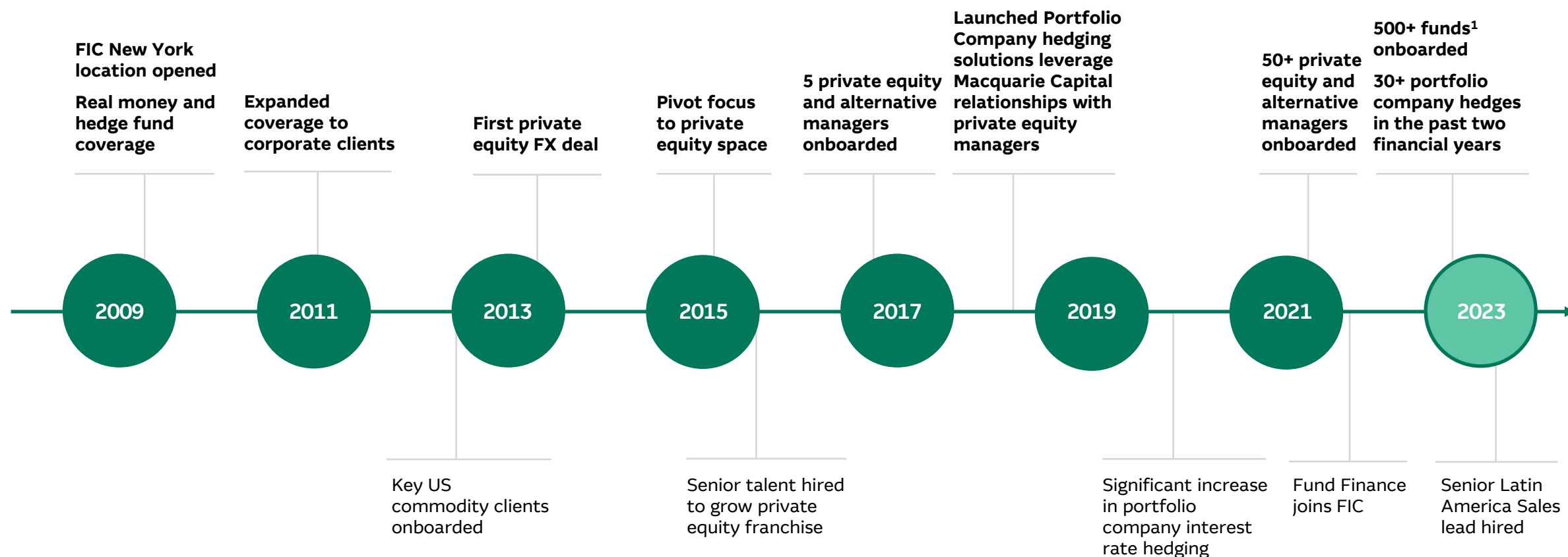
**12+** years average tenure of Fund Finance Executive Directors

**110+** fund finance transactions executed

**\$US11b+** total financing provided since 2010



# Evolution of FIC Americas



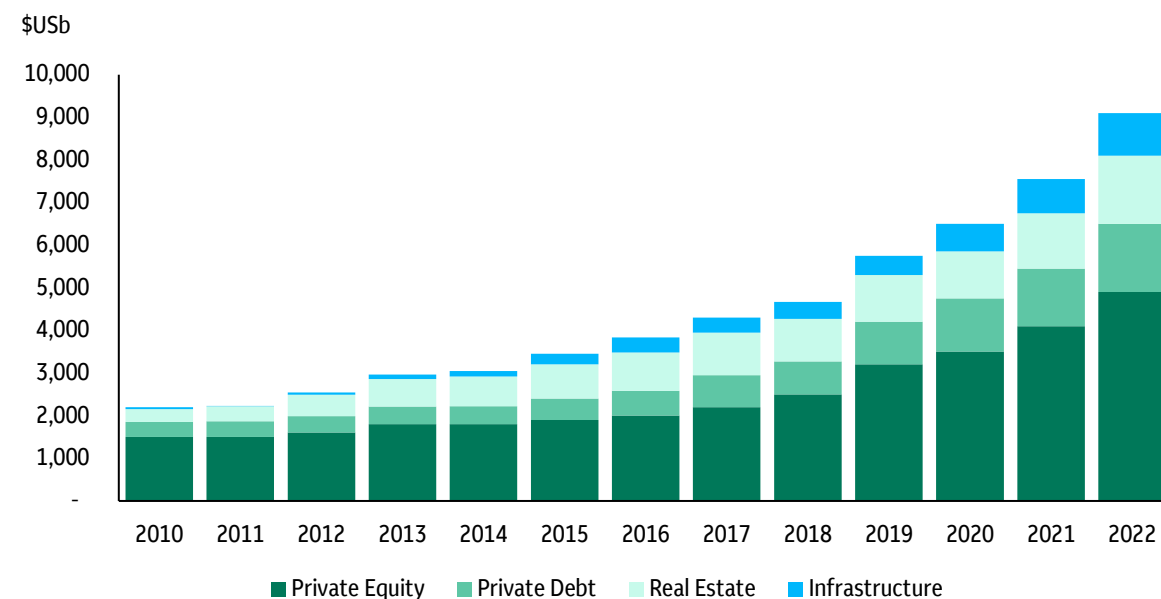
1. Private equity funds includes infrastructure, real estate, credit and leveraged buyout managers.

# Growing client franchise

Private Funds AUM growth provides ongoing opportunities for Macquarie to gain market share and continue developing the franchise.

Significant client activity in interest rates and FX hedging has driven the growth of FIC Americas.

Global Private Funds AUM<sup>1</sup> (\$USb)



FIC Market Share by Strategy<sup>2</sup> (\$USb)

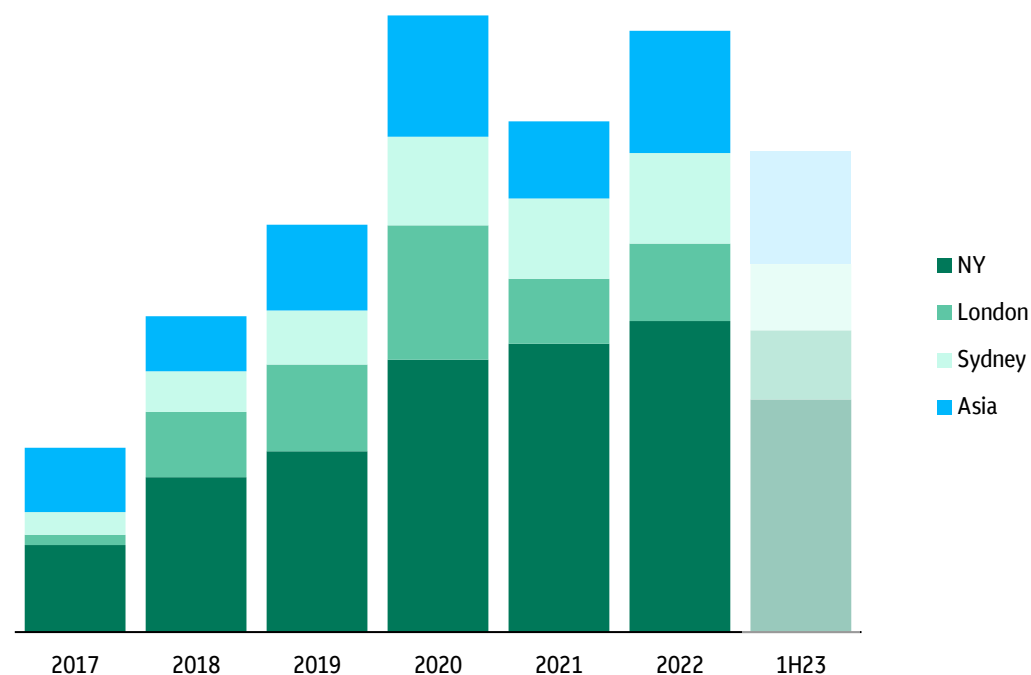


1. Based on Preqin Alternative Assets under Management Summary 2022. 2. FIC size includes Private Equity, Private Debt, Real Estate, and Infrastructure funds onboard with FIC Americas. Market Size includes total consolidated AUM across all funds in the market.

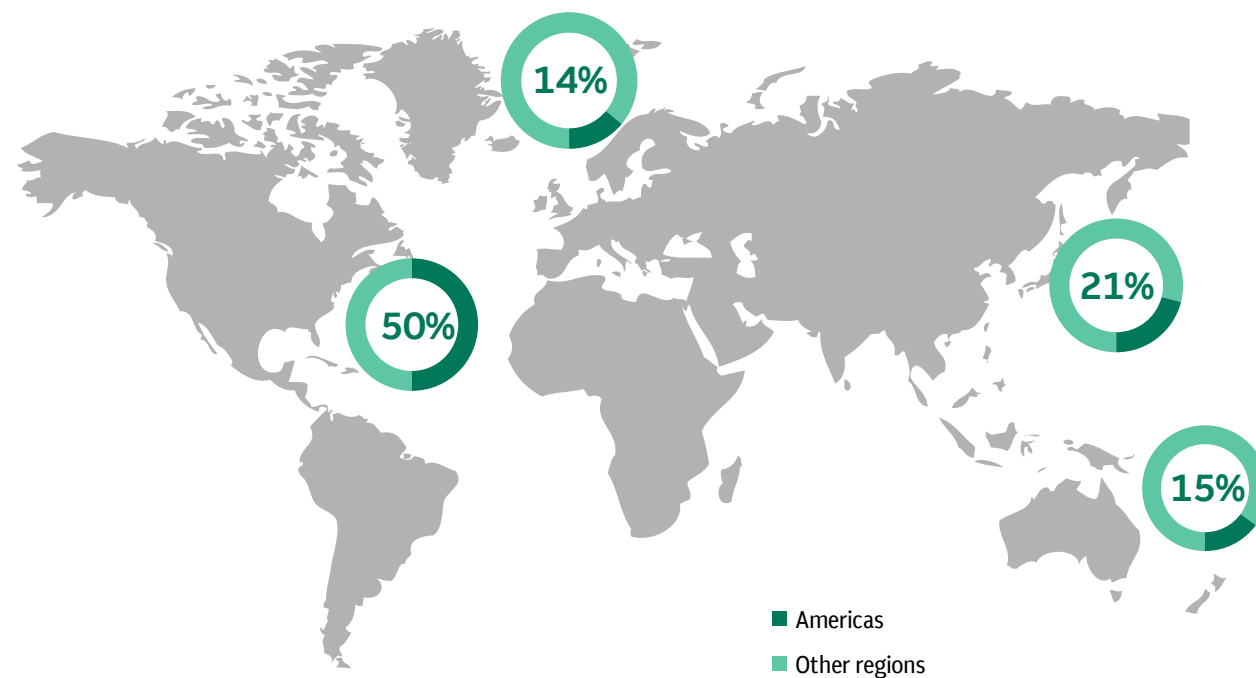
# FIC client revenue breakdown

FIC has seen revenue growth globally and the Americas accounts for an increasing share

## FIC Global – Historical Revenue Contribution



## FIC Revenue Contribution by Region – 1H23



# Case Study – Carlyle

## Timeline Summary

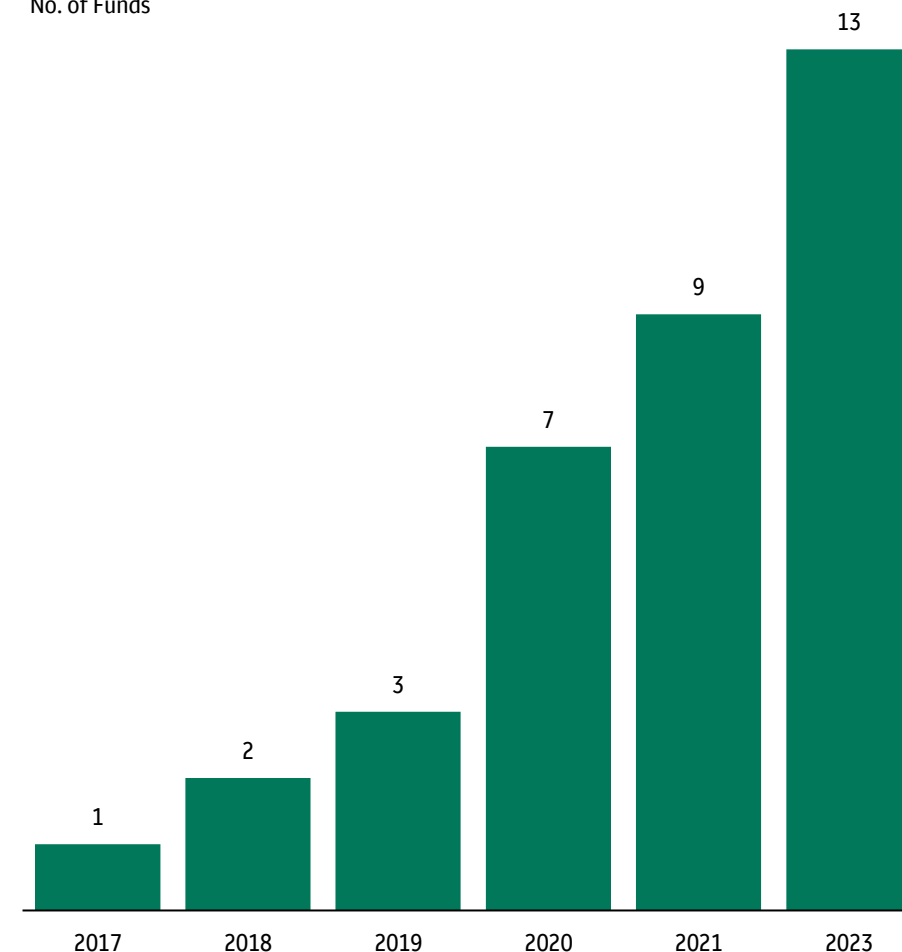
- Carlyle is an asset manager with \$US400b in AUM
- In 2016, FIC brought on senior hires to grow the US private equity franchise and onboard key clients such as Carlyle
- Macquarie has become a key relationship for Carlyle due to our agility and bespoke solutions

## Diverse product set

- FX forwards
- Interest rate swaps
- Portfolio company interest rate hedges
- Short Term Lending (Settlement Solutions)

## Growth of active Carlyle funds trading with FIC Americas

No. of Funds



# Growth opportunities in FIC Americas – Fund Finance

Aligning our Fund Finance and derivatives hedging business has allowed us to broaden our product offerings, increasing our share of the wallet with existing clients and introducing new clients to the respective teams - 50% of Fund Finance deals in FY22 were introduced through FIC FX and Rates team



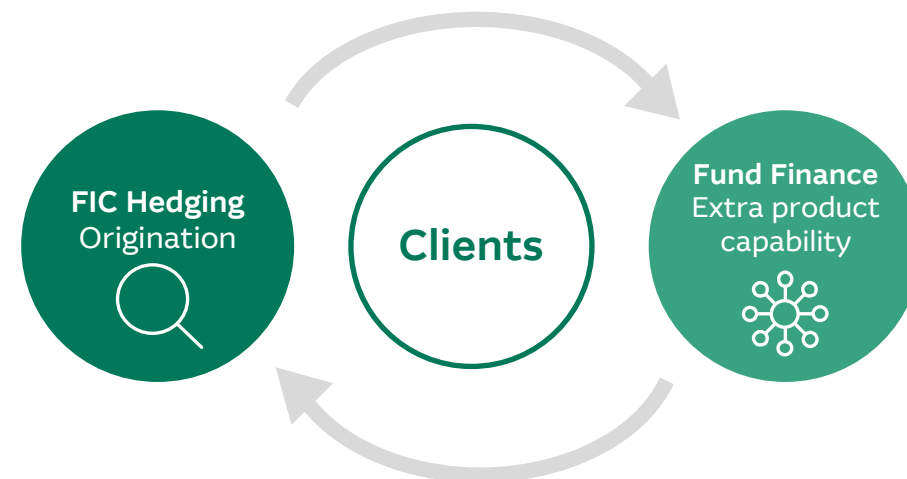
## Fund Finance

- Clients: PE, secondaries, real assets and hedge funds



## Future Opportunity Set

- Growing fund financing needs of PE clients due to:
  - Longer fundraising timelines
  - Slower asset realisations given the disruption in capital markets
- Need for financing solutions across the fund's entire life cycle



Fund Finance joined FIC in 2022

Macquarie is well placed to support client activity both on financing and risk management



# Looking forward - growth opportunities in FIC Americas

We continue to explore adjacent business lines to grow the FIC Americas franchise. This includes an expansion of Latin America FX and Rates business and a more robust digital offering



## Latin America FX and Rates

- Strong client demand for derivative products
- Increased volatility in Latin America is creating opportunities for new hedging counterparties

FIC Latin America is leveraging CGM and the broader firm to cross-sell, particularly to existing commodity clients of the firm

To date, FIC has onboarded 23 corporates, 30 e-commerce clients and 6 family offices in Latin America



## Digital Offering

Macquarie's new digital offering "Aurora" is an upgrade to FIC's past capabilities

The digital offering allows clients real time access and execution capabilities to FIC's products

This offering enables FIC to scale our business to a broader set of clients

Active users are up 38% relative to FY22

# 06

## Closing & Q&A

Nicholas O’Kane



# Medium-term opportunities



## Expanding expertise and presence into new markets

- Continue providing services to our clients to help them navigate volatile market conditions
- Utilise our expertise to deliver innovative and bespoke solutions that will generate future opportunities for both our clients and the business to evolve
- Further expand geographic footprint in the Americas and presence in sectors of expertise particularly across our Commodities and Financial Markets businesses



## Responding to long-term trends towards decarbonisation

- Continue to leverage opportunities presented by the Energy Transition and support clients with their decarbonisation pathways
- Respond to the Energy Transition by evolving with our clients and the markets we operate in
- Focus on launching new Energy Transition businesses across the Commodities platform including Clean Fuels, Critical Minerals and Circular Economies



## Continuing to explore and invest in emerging opportunities

- Explore potential areas of growth that are adjacent to where we are already operating, have expertise and market relationships
- Continue our digitalisation journey by exploring and investing in technology and data to seize opportunities to innovate and drive commercial outcomes



# 07

## Americas Investor Tour: Conclusion




Alex Harvey



Image credit: Michael Baker International (MBI)

# Diverse businesses positioned for growth

Client-driven businesses which provides recurring income across all operating groups

Differentiated offering			Each positioned for Americas growth	
Macquarie Asset Management	Largest infrastructure manager globally <sup>1</sup> , with one of the world's largest teams of specialist green investors and developers	Scaled Public Investments platform and capabilities with 77% of strategies outperforming three-year benchmarks <sup>4</sup>	Diverse portfolio of businesses performing through market cycles and addressing unmet market needs	
			Recent growth driven by unlocking clear adjacencies to existing businesses	
Macquarie Capital	No. 1 Global Infrastructure Financial Adviser <sup>2</sup> and No.1 Global Renewables Financial Adviser <sup>3</sup>	Specialising in key sectors such as technology and using our principal capabilities to unlock value for clients	Geared towards long-term economic drivers and opportunities in key sectors	
			Stable teams with long-term tenure, deep sector and market expertise	
Commodities and Global Markets	Scale commodities business offering a broad range of services to a diverse client base	Deep expertise and physical presence allowing us to optimise how we manage both our clients' risk exposures and trading opportunities	Enduring client relationships in the Americas seeking global support from our teams	
			Proven risk culture underpinning significant step up in growth	
 Infrastructure, Energy Transition and real assets		 Technology, software and services		 Commodities & Energy

1. IPE Real Assets (Jul/Aug 22), ranking based on total AUM. 2. Inspiratia (CY22 by deal value and deal count). 3. Inspiratia (CY22 by deal value). 4. Based on Assets under Management for the Americas portfolio as at 31 Dec 22.



# Geared towards long-term global economic drivers

The US is core to the broader global opportunity, in which Macquarie is specialising in key sectors with favourable medium-term macro-economic outlook



## Opportunities in the Americas Region

**\$US2.6tn** 10-year US gap in infrastructure investment

**11.5% Private Credit Market**  
– fastest growing region globally  
Forecast North Americas CAGR to 2027<sup>1</sup>

2022 Inflation Reduction Act  
**\$US369b** investment in clean energy and climate

2022 Inflation Reduction Act  
**\$US270b** tax incentive portion of IRA  
Energy Transition funding

North America predicted to be fastest growing **Alternative Assets AUM** region with a 15.4% CAGR between 2021 to 2026<sup>4</sup>

The **2022 CHIPS and Science Act** directs **\$US280b** in spending over next 10 years primarily for scientific R&D and commercialisation



## Global Opportunities

**13.3% Infrastructure**  
Forecast global CAGR to 2027<sup>1</sup>

**10.8% Private Credit Market**  
Forecast global CAGR to 2027<sup>1</sup>

**Private sources** required to contribute **~\$US3tn** to clean energy investment by 2030 (an over threefold increase from recent levels<sup>2</sup>)

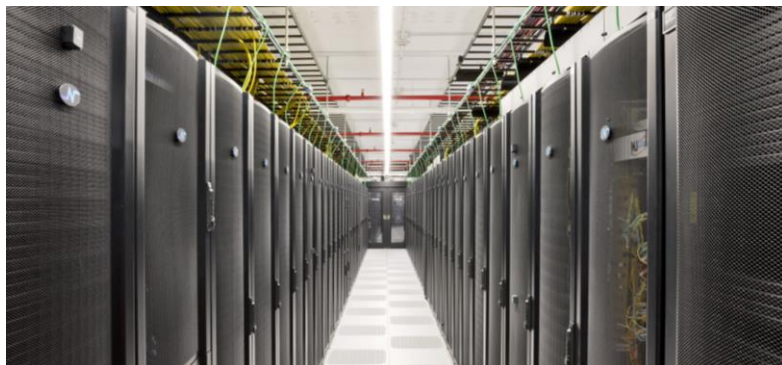
**Net Zero** to stay on track, for every dollar invested in fossil energy supply, nearly five need to be invested into low-carbon supply through 2050<sup>3</sup>

**\$US23.3tn Alternative Assets**  
Forecast global AUM by end-2027<sup>1</sup>  
2021 AUM \$US13.7tn

**27.5% CAGR 2021-2028<sup>5</sup> Software as a Service (SaaS) Forecast**

1. Preqin Global Report 2023: Alternative Assets. 2. NZE Scenario. IEA World Energy Outlook 2022. 3. BNEF 2022 New Energy outlook. 4. Preqin Alternatives in 2022. 5. McKinsey Digital. Tech at the edge: Trends reshaping the future of IT and business.

# What's next for Macquarie in the Americas



## Macquarie Asset Management

- Broaden and deepen partnerships across institutional and wholesale clients
- Deliver on the region's infrastructure, energy transition and digitalisation opportunities
- Grow and scale our presence through acquisitions and adjacencies



## Macquarie Capital

- Continued execution of our strategy of specialisation to capitalise on significant market opportunity
- Bring the balance sheet to bear in our targeted principal strategies
- Our staff and culture of innovation and collaboration mean we are well-positioned to respond to long-term trends



## Commodities and Global Markets

- Expanding expertise and presence in new markets
- Responding to long-term trends towards decarbonisation
- Continuing to explore and invest in emerging opportunities

# Medium-term outlook

## Macquarie remains well-positioned to deliver superior performance over the medium term

This is due to our deep expertise in major markets; strength in business and geographic diversity and ability to adapt the portfolio mix to changing market conditions; an ongoing program to identify cost saving initiatives and efficiency; ongoing technology spend across the Group; a strong and conservative balance sheet; and a proven risk management framework and culture.

### Macquarie Asset Management

- Global specialist asset manager, well-positioned to respond to current market conditions and grow assets under management through its diversified product offering, track record and experienced investment teams
- Commitment to investing and managing its portfolio in line with global net zero emissions by 2040; integration of Green Investment Group to provide strong momentum as the transition to net zero accelerates

### Macquarie Capital

- Continues to support clients globally across themes including tech-enabled innovation, energy transition and sustainability
- Opportunities for balance sheet investment alongside clients and infrastructure project development
- Continues to tailor the business offering to current opportunities and market conditions including providing flexible capital solutions across sectors and regions
- Positioned to respond to changes in market conditions

### Commodities and Global Markets

- Opportunities to grow the commodities business, both organically and through acquisition
- Development of institutional and corporate coverage for specialised credit, rates and foreign exchange products
- Tailored financing solutions globally across a variety of industries and asset classes
- Continued investment in the asset finance portfolio
- Supporting the client franchise as markets evolve, particularly as it relates to the energy transition
- Growing the client base across all regions



# 08

## Glossary



# Glossary

\$A / AUD	Australian Dollar
\$US / USD	United States Dollar
£ / GBP	Pound Sterling
€	Euro
1H23	Half Year ended 30 September 2022
3Q23	Three months ended 31 December 2022
ADI	Authorised Deposit-Taking Institution
ANZ	Australia and New Zealand
APAC	Asia-Pacific
APRA	Australian Prudential Regulation Authority
AUM	Assets under Management
B2B	Business to Business
BCBS	Basel Committee on Banking Supervision
bcf	Billion cubic feet
BFS	Banking and Financial Services
BPAT	Bonneville Power Administration Transmission
CCB	Capital Conservation Buffer
CET1	Common Equity Tier 1
CGM	Commodities and Global Markets
CHIPS	The Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act of 2022
CIO	Chief Investment Officer
CISO	California Independent System Operator
CLF	Committed Liquidity Facility
CMA	Cash Management Account

CO2	Carbon Dioxide
CY	Calendar Year
DCM	Debt Capital Markets
DPS	Dividends Per Share
DRP	Dividend Reinvestment Plan
DUK	Duke
EaaS	Energy as a Service
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ECM	Equity Capital Markets
EMEA	Europe, the Middle East and Africa
EPS	Earnings Per Share
ERCO	Electric Reliability Council of Texas
ESG	Environmental, Social and Governance
ETF	Exchange Traded Fund
EU	European Union
EUM	Equity Under Management
EV	Electric Vehicle
FCTR	Foreign currency translation reserve and net investment hedge reserve
FIC	Fixed Income and Currencies
FIG	Financial Institutions Group
FPL	Florida Power & Light
FX	Foreign Exchange
FY	Full Year ended 31 March
FY23YTD	Nine months ended 31 December 2022



# Glossary

G10	Group of Ten
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GIG	Green Investment Group
GW	Gigawatt
GWHDDs	Gas Weighted Heating Degree Days
ha	Hectres
HNW	High Net Worth
HVDC	High-voltage direct current
IRA	Inflation Reduction Act of 2022
KPI	Key Performance Indicator
LAC	Loss-Absorbing Capacity
LatAm	Latin America
LCR	Liquidity Coverage Ratio
M&A	Mergers and Acquisitions
MacCap	Macquarie Capital
MAM	Macquarie Asset Management
MBL	Macquarie Bank Limited
MERS	Macquarie Energy, Renewables and Sustainability
MGL / MQG	Macquarie Group Limited
MISO	Midcontinent Independent System Operator
Mtpa	Million Tonnes Per Annum
MW	Megawatt
MWh	Megawatt Hour

NOI	Net operating income
NPAT	Net Profit After Tax
NPC	Net Profit Contribution
NSFR	Net Stable Funding Ratio
NYIS	New York Independent System Operator
NZE	Net Zero Emissions
OECD	Organisation for Economic Co-operation and Development
P&L	Profit and Loss
PJM	PJM
PPE	Property, Plant and Equipment
RBA	Reserve Bank of Australia
ROE	Return on Equity
RWA	Risk Weighted Assets
SaaS	Software as a Service
SA-CCR	Standardised Approach (Counterparty Credit Risk)
SNE	New England Independent System Operator
SOCO	Southern Company
SWPP	Southwest Power Pool
TFF	Term Funding Facility
TMT	Technology, Media and Telecoms
TVA	Tennessee Valley Authority
UK	United Kingdom
US	United States
YTD	Year to date



# Macquarie Group Limited, Americas Investor Tour

Day 3, Houston

9 March 2023

Image credit: Michael Baker International (MBI)

