



ASX Release

15 July 2021

Board concludes that indicative proposal to acquire Sydney Airport not in the best interests of securityholders

On 5 July 2021 Sydney Airport announced that it had received an unsolicited, conditional and non-binding proposal from a consortium of infrastructure investors (the "Consortium") to acquire 100% of the stapled securities in Sydney Airport on indicative terms set out in the previous announcement including an indicative price of A\$8.25 cash per stapled security (the "Indicative Proposal").

The Sydney Airport Boards (the "Boards") have carefully considered the Indicative Proposal, including obtaining advice from their financial and legal advisers.

The Boards have unanimously concluded that the Indicative Proposal undervalues Sydney Airport and is not in the best interests of Securityholders.

In coming to this conclusion, the Boards have considered a range of scenarios in relation to the post pandemic recovery and various other factors including:

- The strategic and irreplaceable nature of Sydney Airport which is a world class airport and one of Australia's most important infrastructure assets. Sydney Airport is Australia's largest airport and is the gateway to international travel in and out of Australia
- Sydney Airport is a well managed and capitalised asset with a long term concession lease
- The opportunistic timing of the Indicative Proposal given the significant impact of the COVID-19 pandemic on Sydney Airport's performance. The indicative price is below where Sydney Airport's security price traded before the pandemic
- The airport's consistent delivery of value to securityholders with a total shareholder return of 19% (annualised) from FY15-19 and total passenger growth of 2.9% (CAGR) over the same period
- The diversity of Sydney Airport's earnings, with the core aeronautical business supported by a high yield retail offering as well as property, car parking and ground transport revenues
- The significant value of Sydney Airport's land assets and potential to create additional value through further development of on-airport commercial property opportunities
- Sydney Airport is strongly positioned to deliver growth as vaccination rates increase and we move into the post pandemic recovery period. It has rapidly adapted to the COVID environment, strengthening its balance sheet, and tightly managing costs to maintain flexibility to respond to a range of recovery scenarios and pursue sensible growth opportunities as the recovery unfolds

Sydney Airport

Sydney Airport Limited ACN 165 056 360 (SAL) and The Trust Company (Sydney Airport) Limited (ACN 115 967 087) (AFSL 301162) (TTCSAL) as responsible entity for Sydney Airport Trust 1 (ARSN 099 597 921) (SAT1) (together "SYD")
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The Boards recognise that the security price is likely to trade below the Consortium proposal's indicative price in the short term, however Sydney Airport will only progress a change in control transaction on terms that deliver and recognise appropriate long term value for Sydney Airport Securityholders.

The Boards and management will continue to operate the airport with the objective of maximising long term Securityholder value.

Authorised for release by the SAL and TTCSAL Boards

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