



# ST. LOUIS LAMBERT INTERNATIONAL AIRPORT

IFM Investors and Manchester Airport Group

November 2019



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# Agenda

## *IFM and MAG Discussion with the St. Louis Lambert Working Group and Stakeholders*

| Section                                       | Page |
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| Introduction to IFM Investors and MAG         | 5    |
| Overview of Airport Management Experience     | 12   |
| IFM Investors and MAG   St. Louis Partnership | 22   |

# Meet the Team

## IFM Investors (IFM)



**Julio Garcia**

*Head of Infrastructure  
– North America*



**Adrian Croft**

*Executive  
Director  
(Infrastructure)*

## Manchester Airport Group (MAG)



**Martin Jones**

*CEO  
MAG USA*



**Michael Boland**

*EVP Business  
Development  
– MAG USA*

# IFM Investors and MAG



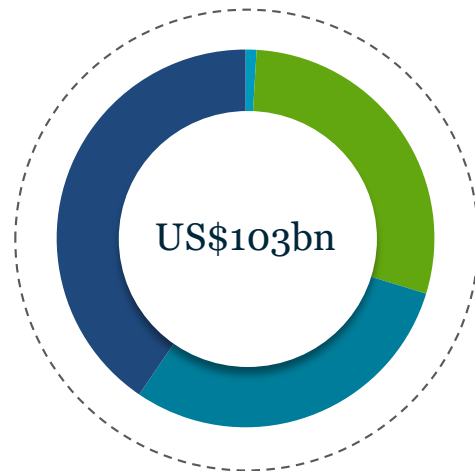
# Introduction to IFM Investors

*IFM Investors is a truly aligned global fund manager investing across multiple asset classes*

**Established & owned by  
27 pension funds**



**US\$103 billion across  
four asset classes<sup>(1)</sup>**



■ Private Equity \$1.0bn ■ Listed Equities \$29.6bn  
■ Debt Investment \$30.6bn ■ Infrastructure Equity \$41.6bn

**9 strategic global  
locations**



New York | Berlin | Melbourne | Hong Kong  
London | Zurich | Sydney | Seoul | Tokyo

(1) As at September 30, 2019. \$103bn represents the market value of investments and undrawn investor commitments. Differences may be due to rounding.

*IFM Investors is a leader in global infrastructure investment*  
*Our open-end fund structure makes us a genuinely long-term investor*

US\$ **42** BN Funds Under Management

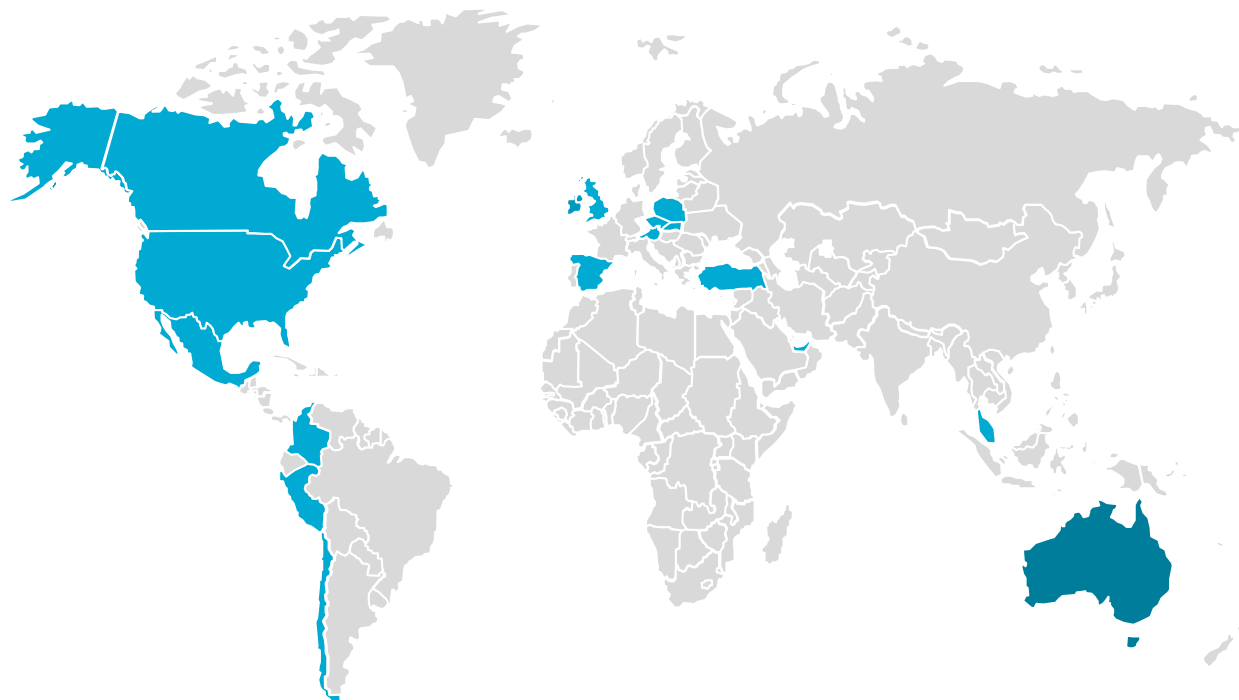
**24** Years investing in infrastructure


**2** Open-end Infrastructure equity funds

**>80** Infrastructure investment professionals

**33** Portfolio companies

**60** Board seats



































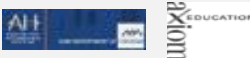
 Global Infrastructure Fund (GIF)  
Incepted in December 2004  
16 Portfolio Companies

 Australia Infrastructure Fund (AIF)  
Incepted in August 1995  
17 Portfolio Companies

All figures as at September 30, 2019. Differences may exist due to rounding.



*IFM has ~\$42 billion of infrastructure equity investments globally*

|    |   |   |   |    |   |
|---|--|--|--|---|--|
| Regulated utilities   | Energy and midstream   | Airports   | Seaports   | Toll roads  | Other  |
| <br><br><br> | <br><br><br> (1) | <br><br><br><br><br> | <br><br><br> | <br><br><br><br> | <br><br><br> |
| <ul style="list-style-type: none"> <li>▶ <b>Electricity distribution</b> in Australia</li> <li>▶ <b>District heating</b> in Poland</li> <li>▶ <b>Water</b> in the UK, Australia, Spain and global</li> </ul>  | <ul style="list-style-type: none"> <li>▶ Largest US refined products <b>pipeline</b></li> <li>▶ US <b>LNG export</b> facility</li> <li>▶ <b>Maritime</b> terminals globally</li> <li>▶ US pipelines &amp; terminals, and global marine terminals</li> </ul>  | <ul style="list-style-type: none"> <li>▶ <b>16 airports</b> in the UK, Australia, Austria, Slovakia, Malta and Mexico</li> <li>▶ <b>&gt;160m</b> passengers every year</li> </ul>  | <ul style="list-style-type: none"> <li>▶ <b>Three Australian seaports</b>, including the 2<sup>nd</sup> and the 3<sup>rd</sup> largest</li> <li>▶ Recently announced the acquisition of a stake in the <b>largest import/export seaport in Turkey</b></li> <li>▶ Three seaports in Spain and Chile</li> </ul>  | <ul style="list-style-type: none"> <li>▶ <b>&gt;1,400km of toll roads</b> in the UK, the US, Mexico, Spain, Chile, Colombia, Peru and Australia</li> <li>▶ <b>&gt;500m</b> road journeys every year</li> </ul>  | <ul style="list-style-type: none"> <li>▶ <b>1,150 broadcast towers</b> and 8,000 cellular sites in the UK</li> <li>▶ Hospitals, courts, schools, social care, light rail</li> <li>▶ Melbourne's busiest transport hub</li> <li>▶ Defence HQJOC</li> </ul>  |

(1) Note that Buckeye Partners L.P. acquired on 1 November 2019



# IFM and MAG: Long Term Partners



*IFM and MAG have a unique track record in working together to deliver airport business plans*

**1** IFM and MAG have **worked together** on airport opportunities **since 2012**

**2** IFM and MAG **partnered to invest in Stansted Airport**, where we have grown passengers by over 10 million people to 28 million since 2013

**3** IFM and MAG have **invested over \$1 billion in expanding the capacity** of MAG's airports

**4** IFM and MAG have **partnered on a number of potential investments**, including Fukuoka Airport and Sofia Airport, leveraging our airport-specific and broader infrastructure expertise

# IFM and MAG: Ideal Partners for St Louis



*IFM and MAG possess unique capabilities to address the City's priorities*

**1** IFM and MAG have a **long history of working with diverse stakeholders**, including governments, to meet their economic and social needs

**2** IFM and MAG have **demonstrated expertise** in route development and growing passengers across our airports, both key drivers of economic growth

**3** IFM and MAG have **proven capabilities in delivering** airport operational, capital and commercial developments, which have improved the airport experience for all stakeholders

**4** IFM and MAG have **expertise in developing commercial and industrial property** at our investments, which have unlocked further regional growth opportunities

# IFM and MAG: Experienced Airport Developers



*IFM and MAG are experienced in airport developments of various types and scales*

Not exhaustive



## **Manchester Airport – Transformation Program**



- ▶ Scope: Expansion and refurbishment of Terminal 2 with associated airfield and landside works to expand capacity from 28mppa to 42mppa
- ▶ Construction cost: ~\$1.3bn
- ▶ Project status: Main construction works started, delivery of new facilities from 2019 to 2024



## **Stansted Airport – Transformation Program**



- ▶ Scope: Delivery of an arrivals building, modernization of departures hall and airfield works to expand capacity
- ▶ Construction cost: ~\$650m
- ▶ Project status: Detailed design phase in progress, capacity uplift expected 2021



## **Vienna Airport – Terminal Program**



- ▶ Scope: Deliver of additional terminal building to streamline passenger processing, retail offering and to increase capacity
- ▶ Construction cost: ~\$600m
- ▶ Project status: Detail design phase started, expected completion 2023



## **Melbourne Airport – Expansion Program**



- ▶ Scope: Major expansion program including new purpose-built low cost carrier terminal (Terminal 4 development), ground transport infrastructure and apron works
- ▶ Construction cost: ~\$730m
- ▶ Project status: Completed in 2015



## **Brisbane Airport – New Parallel Runway**



- ▶ Scope: New parallel runway and terminal redevelopment
- ▶ Construction cost: ~\$1bn (runway) and \$30mn (terminal)
- ▶ Project status: Main construction works started, expected completion 2020



## **Darwin Airport – Terminal Upgrade**



- ▶ Scope: Terminal expansion and redevelopment
- ▶ Construction cost: ~\$55m
- ▶ Project status: Completed in 2015

# Overview of Airport Management Experience



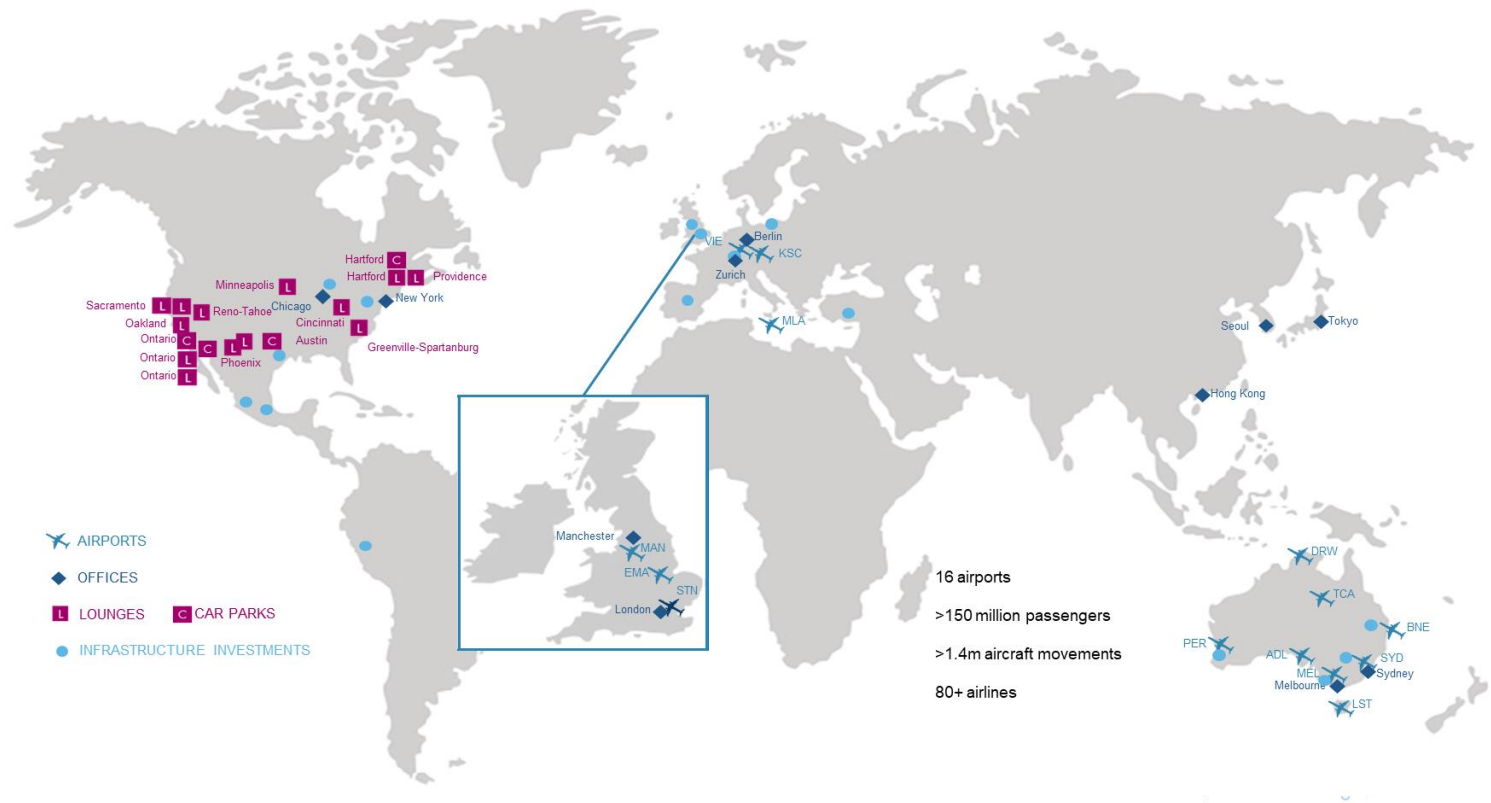
# Extensive Airport Management Experience

*IFM serves as a responsible steward for infrastructure assets globally (including 16 airports and various airport-related operations), and maintains a highly active role in operations and governance on an ongoing basis*



## IATA codes

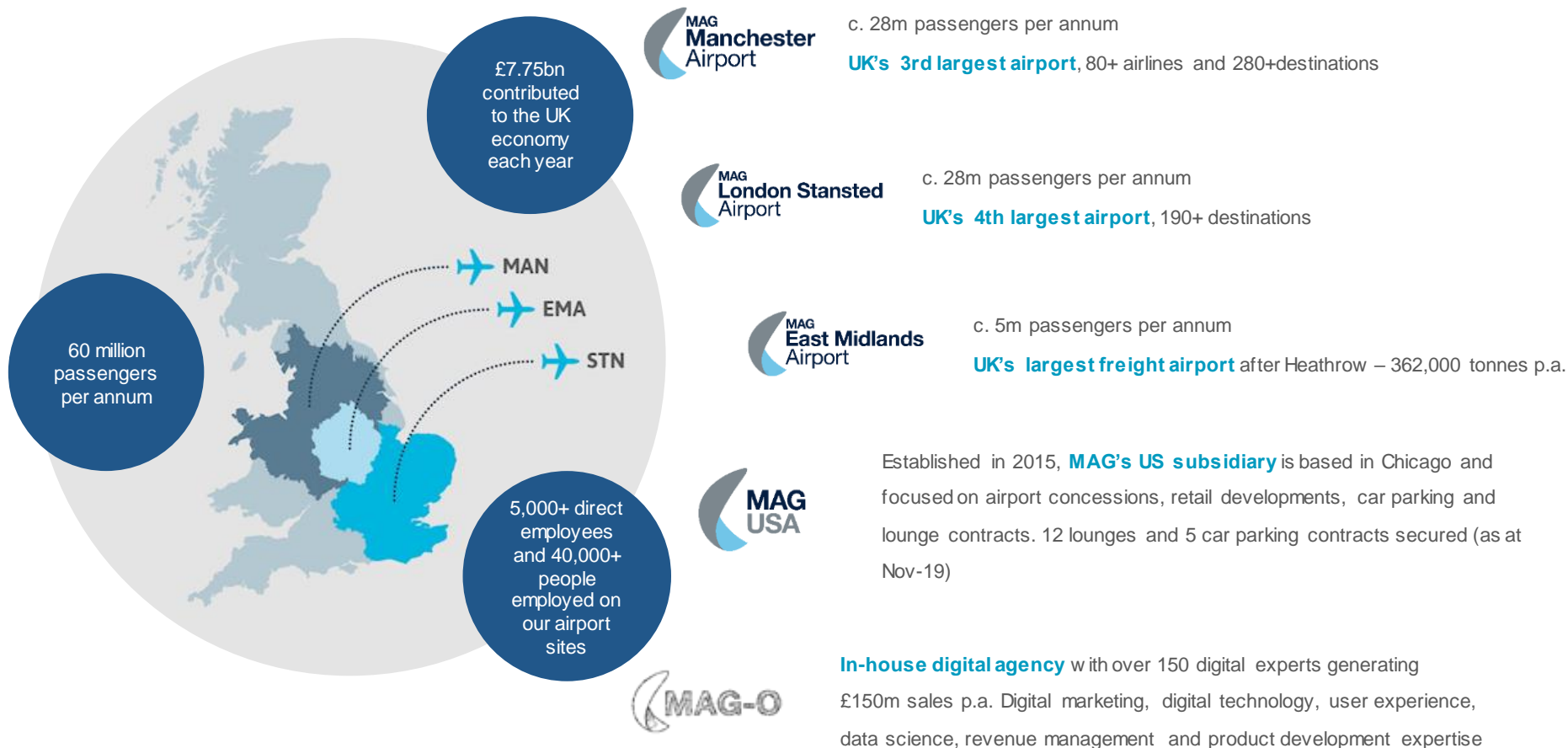
- » **ADL:** Adelaide
- » **ASP:** Alice Springs
- » **BNE:** Brisbane
- » **DRW:** Darwin
- » **EMA:** Nottingham
- » **KST:** Kosice
- » **MAN:** Manchester
- » **MEL:** Melbourne
- » **MLA:** Malta
- » **LST:** Launceston
- » **PER:** Perth
- » **STN:** Stansted
- » **TCA:** Tennant Creek
- » **TLC:** Toluca
- » **VIE:** Vienna
- » **YPPF:** Parafield



# Manchester Airport Group (MAG)



*A leading airport operator with exceptional expertise as the largest airports group in the UK*



**MAG's unique ownership structure comprises a blend of public and private shareholders**

Manchester City Council (35.5%) | IFM Investors (35.5%) | Nine other Greater Manchester local authorities (29%)

# The MAG Operating Advantage



## *Differentiated airport operations experience and expertise*

1

70+ years experience as a true airport operator

- MAG owns and operates three UK airports; Manchester, London Stansted and East Midlands serving approx. 60 million passengers per year.
- London Stansted Airport Acquisition in February 2013 from BAA, and has transformed the airport into the fastest growing in the UK.

2

Outperforms competitors in stimulating aviation growth

- Substantial experience in growing non-hub airports, with relationships with over 80 airlines, serving 280 destinations globally.
- New long haul routes from Manchester 2015-18 include; Beijing, Houston, Los Angeles, San Francisco, Mumbai and Addis Ababa.

3

Expertise in managing growth through capacity and infrastructure optimisation

- Established safety procedures in partnership with NATS air traffic to operate single runway at 50mppa in world's busiest airspace.
- Masterplanning complex sites and experience in last 15 years of constructing close parallel runway within stringent environmental and community parameters.

4

A proven and transferable commercial model

- Transformation of retail and car parking into significant revenue streams enhancing customer experience.
- In-house development of distinct car park products diversified to customer base, with prices managed daily based on demand through advanced marketing and e-commerce platforms.
- Ancillary products such as common access business "Escape" and "1903" lounges in both the UK and the USA.

5

Committed to a smooth integration programme

- MAG has an established model to promote the value of aligned goals, a clear plan and fast decision-making.
- A partner that is able to promote a new improved vision of airport development and is willing to develop a true partnership.



# The MAG Operating Advantage

***MAG Delivers end-to-end airport operations and commercial development and has a proven track record of in-house, world-class commercial development capabilities***



TERMINAL OPERATIONS



FIRE & RESCUE



AIRFIELD OPERATIONS



AIR TRAFFIC CONTROL



SECURITY SERVICES



ENGINEERING & MAINTENANCE



RETAIL DEVELOPMENT & MANAGEMENT



REAL ESTATE DEVELOPMENT



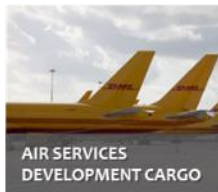
COMMON-USE LOUNGES



CAR PARKING MANAGEMENT



AIR SERVICES DEVELOPMENT



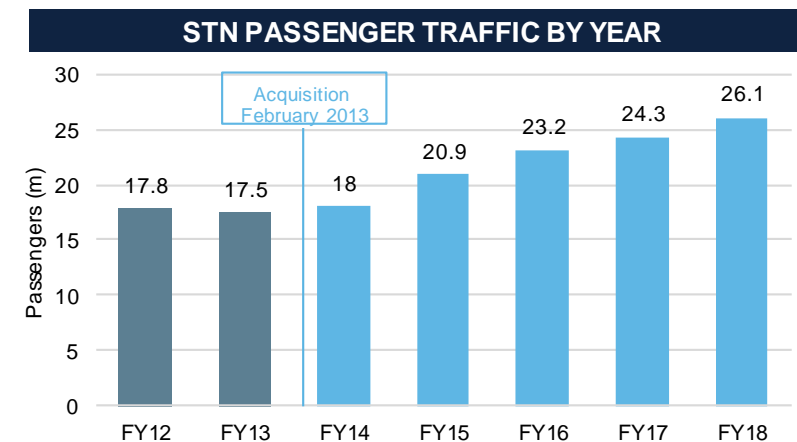
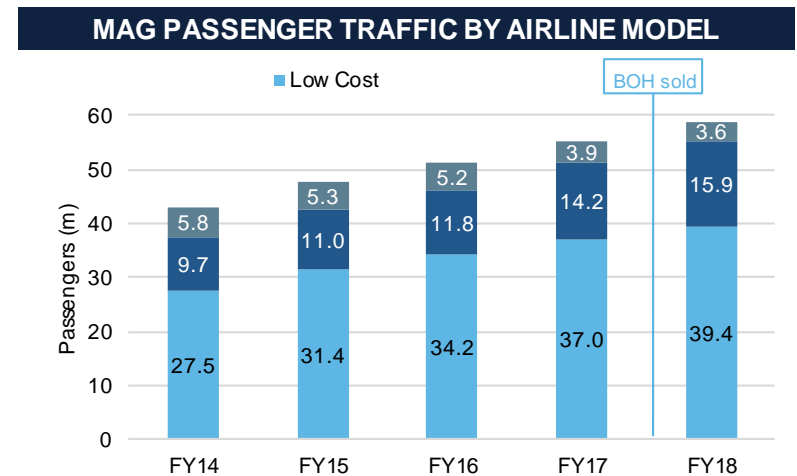
AIR SERVICES DEVELOPMENT CARGO

- **~60 million** passengers served per year
- Over 80 airlines serving **280+ destinations**
  - MAG has a diverse carrier mix from global destinations with an excellent track record of incentivizing passenger growth
- **~\$1.0bn revenue**, +10% increase from last year
  - ~\$422 million aviation revenue per annum, 10% year-on-year growth
  - ~\$231 million retail revenue per annum delivered via 200+ shops, bars and restaurants
  - ~\$237.6 million car parking revenue delivered via 75,000 parking spaces
- **\$455 million EBITDA** growth of +5.8% in FY2018
- **~\$668 million property assets** across all airports, 8m sq ft of commercial property
- **~\$9.8 billion contribution** to the UK economy
- **~745,000 tonnes of cargo shipped** by MAG and represents 26% of the UK air cargo market share

# The MAG Operating Advantage

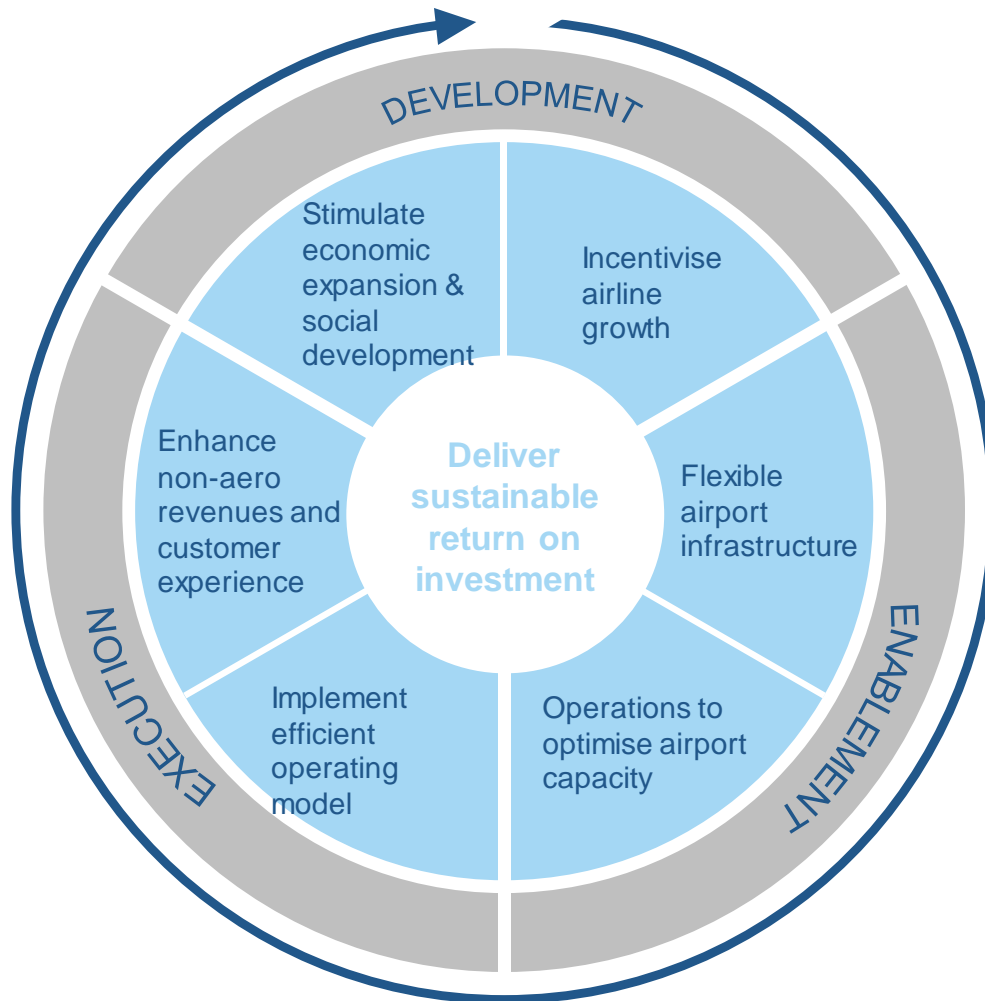
*MAG maintains a proven track record of strong performance, having achieved passenger growth of 4 million during FY17-18, which translated to EBITDA growth of +7.0% underlining MAG's position as the premier airport management and services company.*

- **5,000+ direct employees** and 40,000+ people employed on-site.
- Proven history of **collaborative working** with communities.
- Record of winning and retaining **long-term aviation and retail partners**.
- **Scalable systems & processes** to high performing teams
- **Award-winning airports**, a commitment to investment in improving performance and **passenger experience**.



# The MAG Airport Development Model

*MAG employs an end-to-end airport development model to drive value through its structure and scale*



- Incentivize growth through discounting airline charges
- Ensure terminal and airfield capacity is managed to support traffic growth
- Passenger growth provides an opportunity for unit cost efficiencies
- Passenger growth can lead to increased non-aero revenue generation
- Growth must be delivered sustainably by protecting relationships with government, communities and customers

# Manchester Transformation Project

*With investment of over \$1.3 billion, Manchester will become one of the most modern and customer focused airports in Europe demonstrating the importance of Manchester as a global gateway*

- Expansion of Terminal 2 to become the airport's **primary terminal building**
- New and enlarged **airside transfer facilities**, with direct linkage between T2 & T3
- New stands and piers, offering **improved departure gate facilities**
- Introduction of **customer friendly enhancements**, including **50 retail outlets**
- A new, **enlarged security hall** which will screen more passengers, more quickly in enhanced comfort





# MAG Property Development

*MAG has significant property development experience – leading UK airport property developer with over 1000 customers*

- **\$683 million** in property assets
- **8 million sq. ft** of commercial property
- **10,000 acres** of development land
- 1,000+ customers at 93% occupancy
- **\$1.04 billion development cost** of Airport City Manchester
  - 1.8 million sq. ft of office space
  - 1.4 million sq. ft of logistics
  - 2,400 new hotel rooms



## Airport City Manchester

# London Stansted Transformation Project

*Phase 1 (completed 2015) involved \$100 million investment in terminal transformation to improve the passenger experience and boost commercial yields.*

- Doubled retail airside space, with **100% footfall** for all retailers
- **New security area** opened – additional lanes & dedicated channels
- **25,000 sq ft walk through duty free** store opened in July 2014
- **70% more seating, free wifi, charging points & flight countdown screens.**

*Phase 2 (ongoing) focuses on three key areas that will deliver capacity to maximize our single runway operations.*

- Airside (c. \$130m): **20 additional stands** and new rapid access/exit taxiways
- Departures (c. \$286m): **Existing terminal to be upgraded** with shoreline check-in, a second security screening area and extended baggage facilities
- Arrivals (c. \$1690m): **New 35,000sqm dedicated building** for all arriving passengers



# IFM and MAG as Partners to St. Louis Lambert

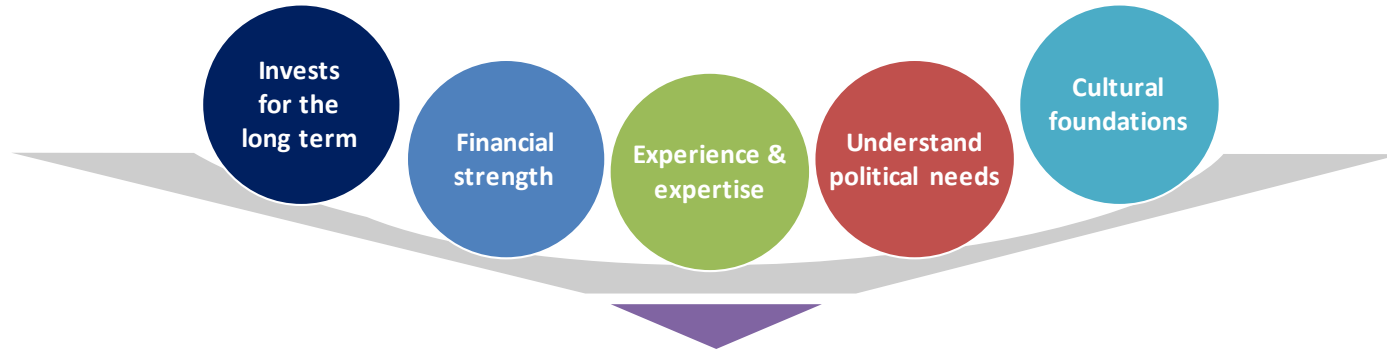




# IFM and MAG as Partners to the City of St. Louis



*IFM's structure, investment model and expertise make the ideal partner for public authorities for infrastructure investments on an aligned basis*



## IFM is focused on the long-term



- IFM Investors is not focused on short-term profit maximisation of its assets, but long-term sustainable growth
- IFM Investors can support the growth and investments of its assets through additional capital injections over time
- No focus on short-term cash extraction to the detriment of the asset

## IFM has strong financial resources



- Through its ownership model, size and open ended structure IFM Investors has a constant high level of financial resources
- Capability and flexibility for large investments or investments over time
- Strong banking network and debt financing expertise gives IFM access to debt funding if required

## IFM has breadth of experience



- IFM Investors has longstanding and broad expertise in airports
- IFM Investors can draw from "best practice" approaches from its global portfolio
- IFM Investors actively supports its investment through sharing its expertise
- Can bring strategic guidance to the table

## IFM supports public partners



- IFM Investors understands well the targets and needs of its public partners
- IFM Investors understands its responsibility as an infrastructure owner vis à vis the users
- Experience of working with diverse stakeholders to meet financial and social targets

## IFM culturally




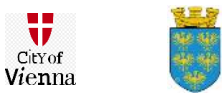










- IFM Investors has cooperated with public partners successfully for more than 20 years on the basis of its strong cultural foundations
- IFM Investors speaks more than 20 languages and has local employees
- IFM Investors vision is shared prosperity

# IFM and MAG as Partners to the City of St. Louis



*IFM Investors understands the needs of our partners and has significant experience with working with diverse stakeholder groups, including governments, to meet financial and social targets*

|  | Year Acquired       | % Held | Government Partners   | Government Partner Description   |
|--|---------------------|--------|---|--|
|    | 2013                | 35.5%  |    | <ul style="list-style-type: none"> <li>IFM Investors and <b>Manchester City Council</b> are the largest shareholders within MAG, both owning 35.5% each and maintaining equal voting rights</li> <li>The remaining government partners include the Borough Councils (<b>Bolton, Bury, Oldham, Rochdale, Trafford, and Wigan</b>), Metropolitan Borough Councils (<b>Stockport and Tameside</b>), and the <b>Council of the City of Salford</b></li> </ul>  |
|    | 2014/2016           | 39.8%  |    | <ul style="list-style-type: none"> <li>IFM Investors owns a 39.8% equity interest in the Vienna International Airport in which the <b>City of Vienna</b> and the <b>State of Lower Austria</b> own a 40% interest (20% each). The balance is held by the Employer Trust and public float.</li> <li>Board membership is currently held by both government partners, The City of Vienna and the State of Lower Austria</li> </ul>  |
|    | 2015/2018           | 85.2%  |    | <ul style="list-style-type: none"> <li>IFM Investors is the largest shareholder in the Indiana Toll Road (ITR) concession, owning 85.2%, along side its partners, California Public Employees Retirement System (CalPERS) owning 10%, Construction and Building Unions Superannuation Fund (CBUS) owning 2.9%, and Allstate Investments, LLC owning 1.9%</li> <li>ITR is held under a concession and lease agreement granted by the Indiana Finance Authority ("IFA") to ITRCC with ~62 years remaining</li> </ul> |
|    | 2016                | 25.2%  |    | <ul style="list-style-type: none"> <li>Ausgrid is a partnership between IFM, AustralianSuper, and the <b>Government of New South Wales</b> to operate the largest distributor of energy on Australia's east coast under a 99-year lease.</li> <li>Board membership is held by all shareholders</li> <li>NSW is the most populated state in Australia</li> </ul>  |
|  | 2017                | 39.0%  |  | <ul style="list-style-type: none"> <li><b>Port of Singapore Authority ("PSA")</b> is the largest shareholder in Mersin alongside IFM and Afken, with each shareholder having board representation</li> <li>PSA is a leading port operator backed by the government of Singapore with a portfolio comprising of over 50 coastal, rail, and inland terminals in 17 countries</li> </ul>  |
|  | 2019 <sup>(1)</sup> | 30.0%  |  | <ul style="list-style-type: none"> <li>GIF will hold a 30% stake in DCT, in partnership with the Polish State Development Fund ("PFR") holding a 30% stake, and the <b>Port of Singapore Authority ("PSA")</b> holding a 40% stake.</li> </ul>   |

IFM Investors has worked alongside 14 distinct government parties across 5 assets and has partnered with 10 other government entities across our infrastructure portfolios