MACQUARIE

MACQUARIE



Operational Briefing

Presentation to Investors and Analysts

9 February 2021



04

Macquarie Capital

Daniel Wong, Michael Silverton

Co-Group Heads



Macquarie Capital combines expert advice with access to capital

We empower our people, clients and partners to innovate and invest for a better future

ADVICE

Mergers & acquisitions

Strategic advice at significant moments for clients:

- Acquisitions
- Divestments
- Restructuring

Capital markets

Access to flexible and timely capital solutions:

- Equity capital markets
- Debt capital markets
- Private capital

Equities

Access to deep liquidity and speed of execution in key markets:

- Equities sales & trading
- Equities research



Principal

Ability to invest alongside clients and ideas:

- Growth equity & venture capital
- Minority & control equity

Development

Co-creation of assets and investible projects:

- Development capital
- Investment in new technologies

Lending

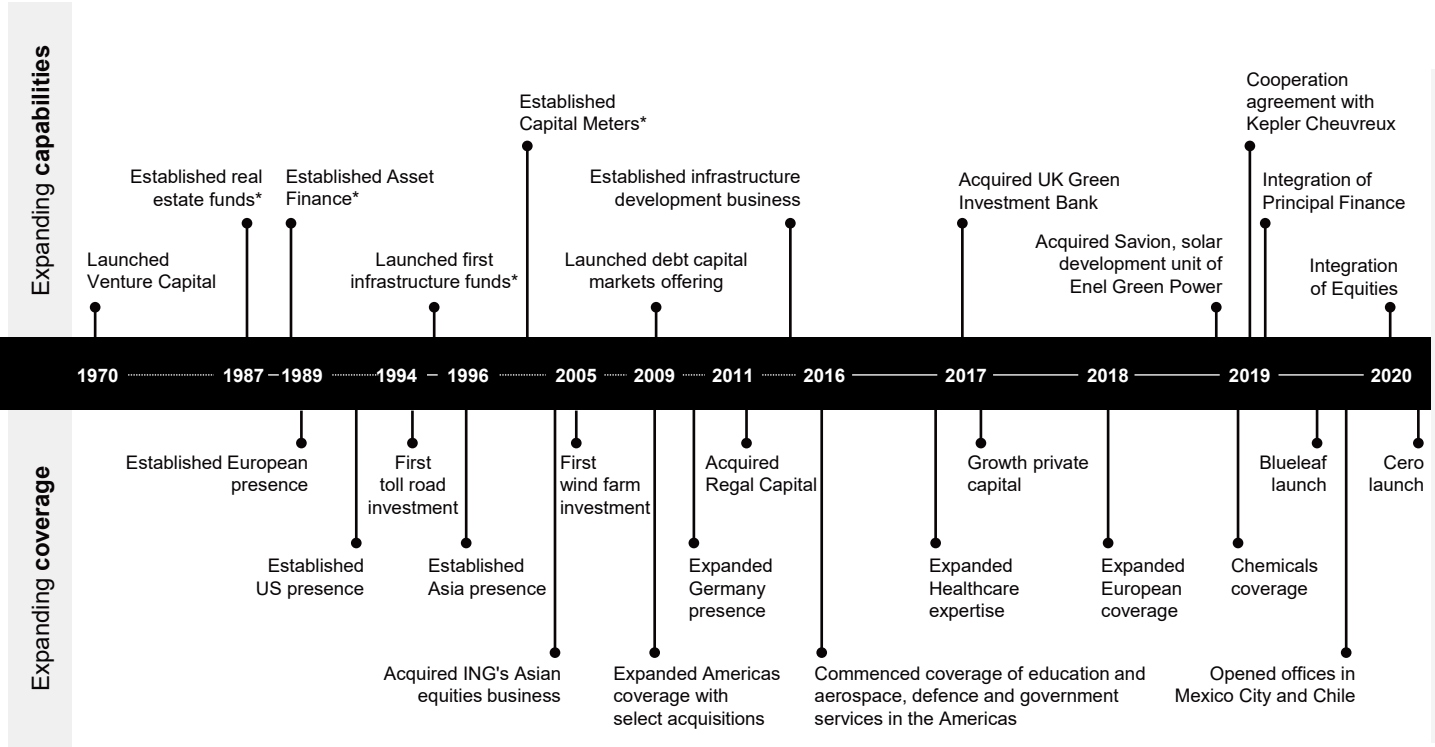
Supporting growth of clients through provision of flexible capital:

- Private credit

CAPITAL

Evolution of Macquarie Capital

MacCap has been the incubator for many successful Macquarie Group businesses



MacCap today

INFRASTRUCTURE & ENERGY (IEG)
- Advisory
- Green Investment Group
- Infrastructure Projects

ADVISORY & CAPITAL SOLUTIONS (ACS)
- Advisory
- Capital Markets
- Principal Finance

EQUITIES
- Research
- Execution & Trading

* Businesses subsequently spun-out to other parts of Macquarie Group.

Global team of industry experts

Our clients have access to a global network of 1,992 specialist staff[1] across 24 markets, that provide a unique combination of financial, technical and operational expertise

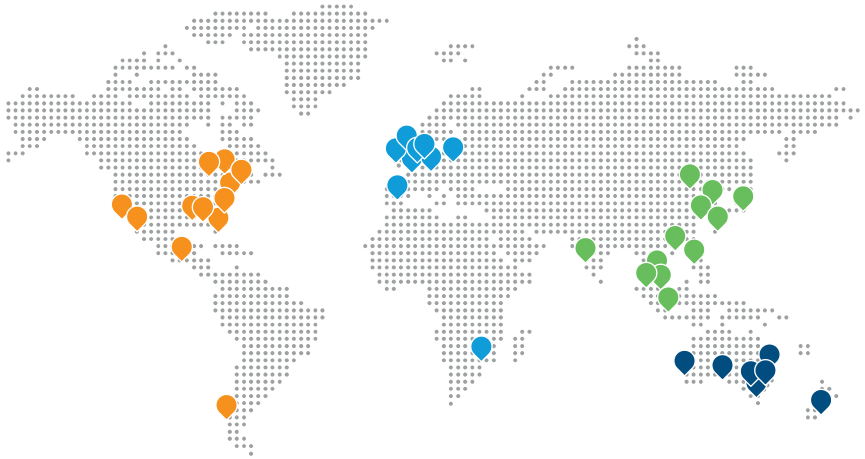
AMERICAS
516 staff — $A7.1b[2] invested

EMEA
472 staff — $A3.6b[2] invested

ASIA
502 staff — $A0.7b[2] invested

ANZ
502 staff — $A1.9b[2] invested

TOTAL
1,992 staff — $A13.3b[2] invested



Diverse team

Global	**47** nationalities	**45+** languages spoken
Industry backgrounds	**130+** Technical & operational experts	
Investing expertise	**446** Principal investment specialists	
Advisory specialists	**608** Advisory specialists with deep sector expertise	
Equities specialists	**362** Research, execution & trading specialists with deep sector expertise	
Tenured leadership	**15 years** Average tenure of Executive Directors across Macquarie Capital	

1. All headcount as at 30 Sep 20. 2. Commitment as at 30 Sep 20.

Approach to risk management and risk culture

Risk is owned within the business, with independent sign off by Risk Management Group



- Credit and equity risk critical component of investing and underwriting businesses
- Seek to understand worst case scenarios
- Intensive diligence focus on fundamentals analysis and risk assessments on position by position basis
- Group-wide stress testing overlay
- Continued asset management and review of positions



- A well established and effective risk culture
- Focus areas include: Operational Risk, Compliance, Work Health and Safety, Environment, and Anti-Bribery and Corruption (internally as well as within investments and developments)
- Significant investment in Work, Health, Safety and Environment systems, procedures, training and oversight
- Conduct specific non-financial risk due diligence
- Engage specialist internal and third-party subject matter experts
- Comprehensive ongoing monitoring



Infrastructure & Energy Group

Daniel Wong
Global Co-Head of Macquarie Capital Group

Mark Dooley
Global Head of Green Investment Group

Kate Vidgen
Global Head of Energy Principal

We're building a better future

The global transition to a lower carbon, more connected world is driving a once in a generation opportunity to re-build the world for a better future

Decarbonisation

$US3t+ p.a.

average annual energy system investment required over 2016-2050 to meet Paris Agreement objectives[1]

Digitalisation

$US2.3t p.a.

average annual direct investments in digital transformation from 2020 to 2023[2]

Urbanisation

$US600b p.a.

average annual transport & infrastructure investment required over 2015-2030[3]

MacCap activity



Developing and building up to 2.5GW of capacity at **Formosa offshore wind farms** in Taiwan



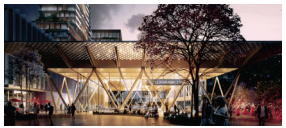
Developing **solar projects in Wisconsin** that will provide 200MW of solar power[4]



Created **Onivia**, Spain's largest independent wholesale only FTTH network



Commercialising a state-of-the-art **fibre network in Kentucky**



Advised the Pulse consortium for the **Cross-River Rail** Tunnel, Stations and Development PPP



Built 384 homes in the Dublin region under **Ireland's Social Housing** plan

Driven by our team of industry experts…

130+[5]
Technical and operational experts

200+
Specialists in our development platforms

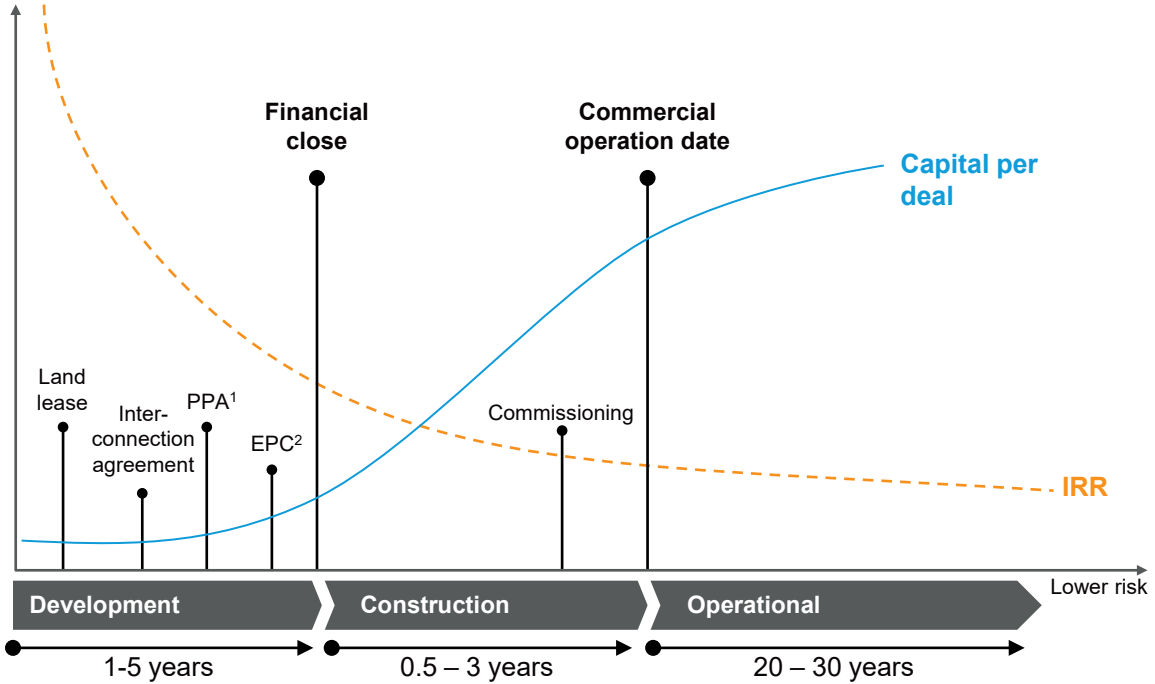
Examples of technical expertise:

Engineers | Geologists[6] | Project managers | Surveyors | WHSE specialists | Green energy operations | Digital infra operations

1. IRENA 'Global energy transformation A roadmap to 2050 (2019 edition). 2. International Data Corporation (IDC) White Paper, 'Data Age 2025', May 20. 3. OECD. 4. Development is being undertaken by an operationally segregated subsidiary. 5. Headcount as at 30 Sep 20. 6. IEG leverages ACS and CGM resourcing.

We're building the future one project at a time

The asset creation journey typically starts at development stage, through construction, and into operations



Case study: Murra Warra wind farm



1. Power purchase agreement. 2. Engineering procurement & construction.

We're meeting the needs of our clients

We support our clients and partners with market-leading advice and access to development capital

Our clients

Infrastructure and pension funds

Infrastructure funds have raised $US200b global unlisted infrastructure dry powder[1] to invest in infrastructure opportunities

First Sentier Investors, AMP CAPITAL, BASALT INFRASTRUCTURE PARTNERS, PALISADE, MACQUARIE, QIC, AMBER INFRASTRUCTURE GROUP, VAUBAN INFRASTRUCTURE PARTNERS, GLOBAL INFRASTRUCTURE PARTNERS

Governments and cities

Governments and cities need to replace, upgrade and deliver sustainable and more resilient infrastructure to support their populations

Australia, Ireland, Belgium, Netherlands, U.K., Colombia

How we help…

Infrastructure Advisory



Advised **Snowy Hydro** on raising $A3.5b corporate financing associated with the Snowy 2.0 expansion of the Snowy Hydro Scheme



Advised **First Sentier** on its acquisition of the UK's largest energy-from-waste portfolio



Co-advised **OPC Energy** on its acquisition of Competitive Power Ventures from Global Infrastructure Partners

Infrastructure Principal & Projects



Investing in **Briceño-Tunja-Sogamoso toll road** in Colombia



Working with **Transport for London** to create **Silvertown Tunnel** – the first new Thames River road crossing in 30 years



Delivered a world class court facility for the **Australian Capital Territory Law Courts**, under the ACT's first PPP

1. Preqin as at Dec 19.

Green Investment Group

One of the leading renewable energy developers and investors in the world – with a team of 450+ green energy experts[1] committed to accelerating the green transition

Developing & investing

Scale & strength in established technologies

$A2b+
Current commitments[2]

$A12.6b+
cumulative capital invested or arranged over the last 3 years[3]

250+
projects in development and construction

30+ GW
Global development and construction pipeline[4]

Platform companies

Regional development platforms

- Regionally focused: platforms in US, Europe and the Asia Pacific region
- Technology focused: platforms focused on utility-scale and C&I solar, energy storage or distributed energy

Powering clients

Supporting clients achieve sustainability goals

>3GW
Green energy projects supported by PPAs with our corporate customers[5]

18
corporate customers provided with green energy via PPAs

Large industrial partnerships

TOTAL, Jera, SIEMENS

Our platforms

SAVION A RENEWABLE ENERGY COMPANY, cero, CALIBRANT ENERGY, blueleaf energy

Example customers

CCA COCA-COLA AMATIL, TESCO, ANZ, Hydro Industries that matter, BOSCH Invented for life, eramet

1. Includes Macquarie Group employees operating under the GIG brand and operating platform employees. Operating platforms are companies operating as operationally segregated subsidiaries of GIG or companies where GIG has entered a joint venture with another partner. 2. Commitments as at 30 Sep 20. 3. Three year period from 1 Sep 17 to 31 Aug 20. 4. Includes projects being developed directly by GIG or through operating platforms (as defined in footnote 1). 5. Total capacity of renewable energy projects in development, construction or operation where GIG or Macquarie Capital (either directly or via operating platforms) have contributed equity investment, which is supported by PPAs structured by GIG, Macquarie Capital or its operating platforms.

Accelerating the energy transition

Continuing to pioneer the development of decarbonisation technologies that need significant investment to bring them to commercial scale

Accelerating less established technologies

- Green hydrogen
- Carbon capture, use & storage
- Distributed energy & storage

Vital to repurposing and decarbonising conventional energy assets

Examples of our activity…



Invested in **esVolta**, a North American utility-scale storage developer with a >600MWh portfolio and >2GWh development pipeline



Invested in **In-Charge Energy**, a provider of turnkey, commercial electric vehicle infrastructure solutions, to enable the company to meet the growing demand for fleet electrification

Spotlight on renewable hydrogen

Potential to revolutionise the energy value chain:

- Solution for hard to abate sectors
- Capital efficient
- Increasing government support

Decarbonisation Case Study

Port of Southampton, UK



- **Industry** and **transportation decarbonisation** opportunity
- Could utilise **carbon capture** and **hydrogen-based** technologies
- Funding commitment from gas network company **SGN** and **GIG**
- **Feasibility study** commissioned



Advisory & Capital Solutions

Michael Silverton
Global Co-Head of Macquarie Capital Group

Sam Shah
Head of Software & Services, ACS
Co-Head of Industry Coverage, Americas, ACS

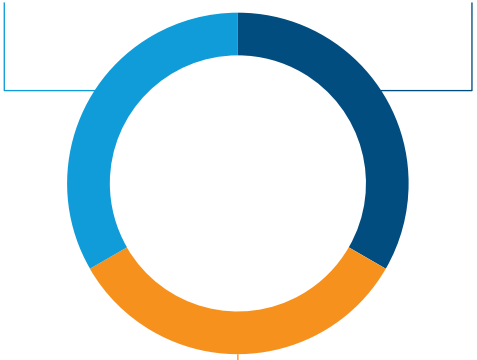
Florian Herold
Global Head Principal Finance, ACS

We unlock opportunities by combining ideas and capital

We evolve with our clients and areas of opportunity

Advisory
Focused on differentiated and deep industry insights

Capital Markets
Extensive institutional relationships



Principal
Tailored solutions to unlock opportunities

Private capital

Abundant capital looking for increasingly diverse ways to access non-public market opportunities

Tech-enabled innovation

Technology is transforming industries, evolving business models and leading to convergence between sectors

Principal investment

Supporting clients with principal investment, combined with advisory and capital market capabilities and industry insights

Sub-sectors we're working in

FINANCIAL SPONSORS | GROWTH EQUITY | FAMILY OFFICES

SOFTWARE | DATA | SERVICES | EDUCATION | FINTECH | HEALTHCARE

PRIVATE CREDIT | PRIVATE EQUITY | GROWTH EQUITY | REAL ESTATE

Market backdrop

$US6.5t
private market AuM has grown nearly threefold since 2010[1]

42% increase
in the percentage of PE dry powder in growth equity strategies since 2016[2]

$A3.4b
Principal Finance committed YTD through Q3 FY21

1. McKinsey Global Private Markets Review, 2020. 2. PitchBook Data, Inc. *PitchBook's Analyst Note on Growth Equity Overview.*

We create opportunities for our clients

MACQUARIE

Our clients



We provide advice and access to capital markets to help corporates achieve their strategic priorities



We offer unique investment opportunities to pension funds, family offices, institutions and financial investors of all types



We work with financial sponsors and their portfolio companies, as advisor and capital provider, to identify and execute investment opportunities and at exit through sales and IPOs



We deliver for growing companies, through solutions such as direct lending and growth equity

How we help…

Advising on transformational deals

tpg TELECOM

Financial advisor to TPG Telecom on the creation of Australia's leading full service telecommunications challenger through the merger of TPG Telecom and Vodafone Hutchinson Australia

thyssenkrupp

Advisor to the supervisory board of thyssenkrupp AG on the €17.2b sale of its Elevator Technology business

Matching institutions with ideas

bloomreach

Advising Bloomreach on an investment to fund the ongoing growth of its digital ecommerce experience platform

THE PRITZKER ORGANIZATION | **STV**

Arranging finance to support The Pritzker Organization, a family investment firm with a permanent capital base, in its recapitalisation of STV Group

Delivering insights and solutions

CHATTERJEE | **RHÔNE LUMMUS TECHNOLOGY**

Joint bookrunner on financing of the acquisition of Lummus Technology, a market leading provider of process technologies for petrochemicals

Exemplar Health Care

Facilitating the provision of specialist nursing care in the United Kingdom as financial advisor on the sale of Exemplar Health Care

Investing to support growth

nuix

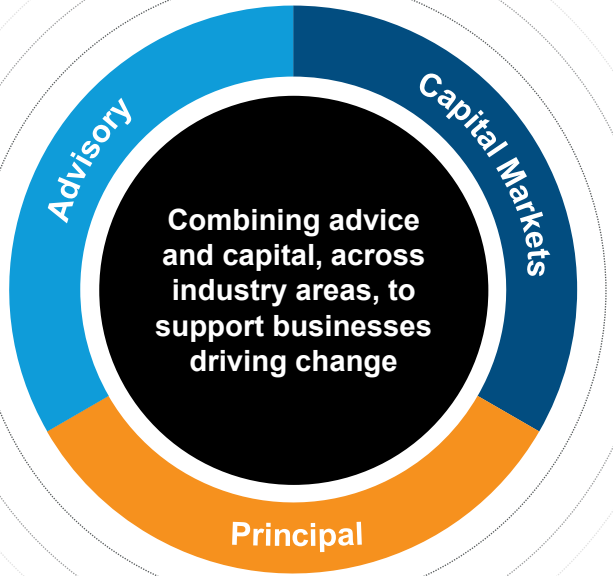
Partial realisation of our interest in Nuix through an ASX IPO. Macquarie acted as Joint Lead Manager, Bookrunner and Underwriter to the IPO

SPOT HERO

Connecting drivers to parking spaces, through leading SpotHero's Series D Funding

Tech-enabled innovation

MACQUARIE



Aerospace, Defence & Government Services
Facilitating better delivery of services to and by governments

CSRA | Dovel Technologies

Consumer, Gaming & Leisure
Enabling eCommerce and changing at home leisure

CORSAIR | ZWIFT | skroutz

Financial Institutions
Supporting new financial technologies

STRATA | momo MOBILE MONEY

Healthcare
Providing insights into healthcare

COTIVITI

Industrials
Using new technology for sustainability and efficiency

KOTKAMILLS | LUMMUS TECHNOLOGY

Services
Delivering online education to communities

CARNEGIE LEARNING | PENN FOSTER

Technology, Media & Telecoms
Facilitating easier use of data

Informatica | RECORDPOINT | havantec | nuix | STREETLIGHT DATA

Resources
Providing battery minerals

igo | Pilbara Minerals ...Powering a sustainable energy future

Infrastructure
Improving efficiency and efficacy

FREEWIRE | sunfolding | AIRMAP

Real Estate
Enabling and utilising data

PEXA

Partners
Working with partners to identify opportunities and solutions

Leumi Partners | Kepler Cheuvreux

Education

Technology is revolutionising education and the massive growth in online education / ed-tech is creating substantial opportunity for clients, which we facilitate with principal capabilities and industry expertise

Market context

~$US6t
Industry globally[1]

2b+
More learners expected by 2050[1]

16%+
Forecast 6yr CAGR for edtech sector[1]

Strong demand driven by

- Demographic booms
- The rise of the middle class; and
- Shift to service-based economy for many emerging countries

Social distancing requirements supporting

- Online education
- Digital learning tools
- Educational support services; and
- Online assessment alternative

Our opportunity

- Leading education sector expertise in US
  - 41 M&A deals (total $US23b+ deal value)
  - $US570m+ direct investment
  - 17 debt financings (total $US12b+)
  - 12 equity offerings (total ~$US3b)
- Leveraging expertise globally
- Building relationships with companies and partners earlier:
  - Completed multiple early-stage investments
  - Enables us to support clients and grow with them



(1) HolonIQ 2020 *10 Charts for a Changing Education Market.*

Case Study: Penn Foster



Company overview

Provider of affordable, self-paced online education including high school, college and career school programs

Offers 100+ accredited degree, diploma and certification programs in fields ranging from healthcare to skilled trades

Opportunity

- Penn Foster provides flexible, career-focused and education programs as well as supportive coaching services
- Opportunity for Macquarie to provide capital and share its insights into the growing role of technology in education

Actions

2018

- Macquarie preferred equity investment
- Positioned the company to be a crucial part of closing America's skill and equity gaps

2020

- Macquarie acted as sell-side advisor
- Facilitated a competitive sales process despite COVID-related logistical challenges

Outcomes

- Macquarie facilitated a successful outcome for shareholders
- Penn Foster will continue to deliver skill-based training for more than 300,000 working learners each year
- Investment will accelerate the pairing of data science with skills-based digital learning

Principal Finance as a key differentiator

We invest to facilitate outcomes for our clients, communities and the firm

- Multi-strategy approach
  - Debt and equity
  - Corporate and real estate
- Multiple pathways to create value, including:
  - Long-term investing
  - Flexible capital solutions
  - Investing around sector expertise
  - Supporting clients with co-investment capital
  - Leveraging external capital and funding partners to co-invest alongside Macquarie



Creating customised and flexible capital solutions for our clients across all industry sectors



More than 120 investment professionals with extensive experience dealing with complex deal dynamics

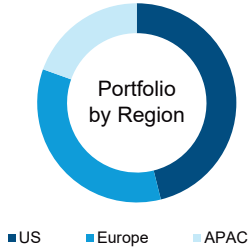


Depth of insight and collaboration across MacCap leads to opportunities for outsized outcomes

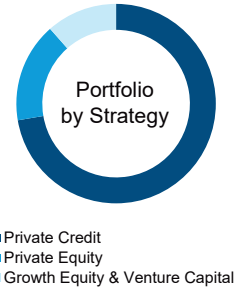
A diversified portfolio

Aligned with focus areas, our best results come from combining sector expertise with principal capabilities

$A8.7b Principal Finance Portfolio









Private credit

Typical investment size: $A100-300m

Top sectors:

Real estate, Tech, Services

FY21 Highlights

- 43% YoY growth in debt book size
- Completed funding of Navacord, a leading Canadian Insurance Brokerage
- Lead financier to Elite Partners Capital to acquire logistics assets in Europe

Private equity

Typical investment size: $A100-300m

Top sectors:

Services, Real estate, TMET

- £33m sale of Tavis House, a long leasehold office building in London
- Investment in Illion, a data and registry business bringing together our relationships, industry knowledge and principal capabilities

Growth equity & Venture capital

Typical investment size: ~$A50m

Top sectors:

Tech, FIG, Industrials

- IPO of Nuix in Dec 20 – outstanding result for the MCVC team with combined effort of the ECM and TMT teams
- Majority investment in one of the leading incident reporting software providers in Europe with an expanding compliance platform

What's next

MACQUARIE

Deep expertise in key transformative trends

Geographic and adjacent expansion

MACQUARIE

Macquarie Capital businesses are **positioned well to grow** over the coming years.

Entrepreneurial mindset

Flexible solutions for clients including principal capital

MACQUARIE

MACQUARIE



Operational Briefing

Presentation to Investors and Analysts

9 February 2021