



Company	Sydney Airport
Code	SYD
Meeting	AGM
Date	22 May 2020
Venue	Virtual via Webcast Lumi
Monitor	Julieanne Mills and Carol Limmer

Number attendees at meeting	58 shareholders, 283 guests and 2 ASA members
Number of holdings represented by ASA	407
Value of proxies	\$16.7m
Number of shares represented by ASA	2.9m
Market capitalisation	\$12.88bn
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, video conference with Chairman: Trevor Gerber, GM Safety Sustainability and Environment: Jane Rotsey, and GM Investor Relations and Financial Control: Belinda Shaw.

Sydney Airport preparing for takeoff.

The Sydney Airport (SYD) Virtual AGM was a different experience to the past. The webcast meeting was clearly presented, our questions were addressed, and it was over within the hour. Questions were submitted before the AGM, in this case 5 days prior. There was also the opportunity for questions on the day, although there were only 2 read out. Four of our questions were read out in the meeting and many of the others were incorporated into the presentation where they could be.

The ASA requested that the Directors up for Re-election speak to the meeting about their workload and other commitments. Both Ann Sherry and Stephen Ward spoke about their commitment, time and focus on SYD. Ann Sherry's role as Chair of the Australian and NZ Leadership forum and Stephen Ward's experience through three major economic crises and leadership on sustainability and climate change added to their comments and we voted for their re-election on this basis.

The CEO, Geoff Culbert, described 2019 as a difficult year (trade wars, Brexit, Bushfires) in which they achieved very good results in a flat market. Then 2020 arrived where difficult began to look very different. The need for a rapid response to COVID and the necessity of an "equitable sharing

of pain” with rollovers of airline agreements, the temporary relief to retailers with rental holidays and deferrals and a 50% reduction of their contract workforce, along with deferral of dividends. SYD has however managed to guarantee all of their lean 500 workforce until September.

ASA RAISED concerns about future pandemics, asked what had been learnt from the current crisis, potential behavioural changes to travel and the impact of Sydney Western Airport. SYD response was that relationships have been developed with government and other stakeholders thru the pandemic and SYD has learnt how to react effectively and efficiently and will be focusing on ensuring a safe return for travellers when the time comes.

In response to Western Sydney Airport, SYD believed that with 7 years before any impact is felt they will be focusing on customer satisfaction.

The uncertainties around COVID 19 and its impact on travel will no doubt impact 2020 with the 70% passenger generated revenue coming from International travel looking very unlikely this year. It was encouraging that SYD have stress tested the company for loss of revenue to the end of next year, reduced capex by 50%, to critical and opportunistic infrastructure projects only, and were managing the additional costs of COVID while also reducing overall costs by 35%.

The reduced Board fees will be reviewed in the 2H with the possibility of continuing these reductions.

They are working with Government and other stakeholders to get back into the air as soon as possible. A gradual progression from a Trans-Tasman start to a “safe and sustainable pathway” back to international travel.

The chairman said SYD “is a resilient long-term asset, with an 80year lease, and ample liquidity” for the current year appears able to weather this storm. The question is timing? How long until we return to the sky, and revenue is restored so that security holders can once again be provided with their “superior sustainable returns”.

All resolutions were carried with only a very minor vote (2-3%) against the remuneration report and Ann Sherry.

An article in the AFR on the day referred to the ASA’s voting intentions and our concerns around shifting goal posts on remuneration. It will be interesting to see if they do.

The Chairman and CEO address can be accessed here

https://assets.ctfassets.net/v228i5y5k0x4/1H8ZswQhjWQHJ8Rc3YLjv7/095f1b9db7a26f5e4af013d4aaef0416/2020_AGM_Documents.pdf