

St. Louis Airport Privatization

One-on-one discussion materials



November 21, 2019



Table of Contents

- I. Introduction
- II. Ideal Partners to the City of St. Louis
- III. Process
- IV. Case Studies
- V. Q&A

Confidential
garvinm@stlouis-mo.gov
2020-01-16 15:19:59 +0000

[Insert Disclaimer]



I. Introduction

I. Introduction

OMERS Infrastructure and Fraport Team



Juan Camargo
Managing Director,
New York



Luke Bugeja
Senior Advisor,
Singapore



Kenton Bradbury
Managing Director,
Toronto



Anton Kobzev
Associate Director,
Toronto



Balint Szentivanyi
Sr. VP of Investment &
Asset Management,
Frankfurt



Ben Zandi
President & CEO of
Fraport USA,
Pittsburgh



Dr. Michael
Holzschneider
Sr. VP of Global
Investments & Mgt.,
Frankfurt



Brett Kelly
Sr. VP of Operations,
Fraport USA,
Pittsburgh

I. Introduction

Overview of OMERS

- OMERS is one of Canada's largest defined benefit pension plans with C\$97 billion in net assets under management^(1,2)
 - OMERS was founded in 1962 and is a global pioneer in infrastructure investing with over 20 years experience
- OMERS invests and administers pensions for almost half a million employees of ~1,000 municipalities, school boards, libraries, police and fire departments, and other local agencies in communities across the province of Ontario, which is home to 1 in 3 Canadians⁽³⁾
- Headquartered in Toronto, OMERS also has offices in New York, London, Singapore, Sydney and other major cities across North America originating and managing a diversified portfolio of high-quality investments in public markets, infrastructure, real estate and private equity

Capital Markets	Infrastructure	Real Estate (Oxford Properties)	Private Equity
C\$47bn net investment	C\$18bn net investment	C\$18bn net investment	C\$14bn net investment
~70 investment professionals	~65 investment professionals	~40 investment professionals	~50 investment professionals
55 years in direct investing	20 years in direct investing	55 years in direct investing	25 years in direct investing

(1) As of December 31, 2018.

(2) US\$71 billion assuming FX rate of 1.3658

(3) Statscan.gc.ca

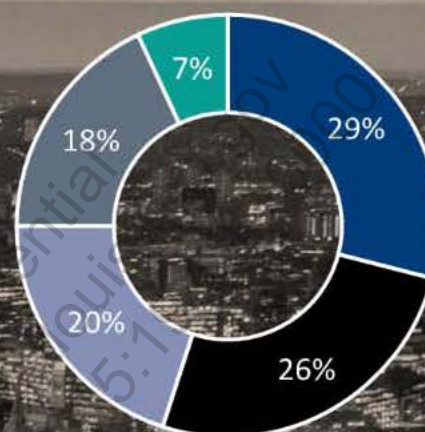


I. Introduction

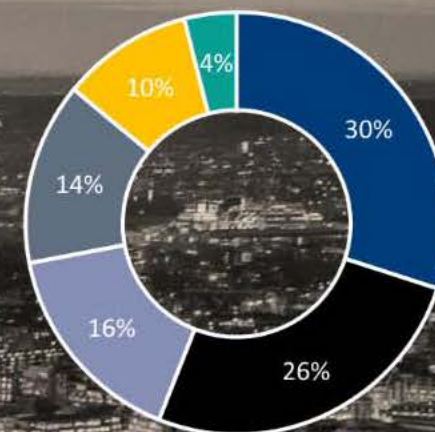
Overview of OMERS Infrastructure

- OMERS Infrastructure is a **leading infrastructure investor** with a 20+ year track record and a **current portfolio of C\$18 billion assets under management**, invested in companies with total Enterprise Value of C\$45 billion⁽¹⁾
- **Diversified** portfolio of 35 companies delivering **stable and secure returns** to fund OMERS pension obligations
- Global team comprised of **65+ investment professionals** across 6 offices⁽²⁾
- OMERS Infrastructure seeks to invest in **large-scale** assets over a **long-term investment horizon**
- OMERS Infrastructure seeks **influential governance** in its investments with the objective of being a **lead investor**, supported by a **growing, dedicated asset management** function
- OMERS Infrastructure currently manages **~C\$5bn of partner capital in 8 assets** on behalf of a select group of investors

Portfolio Breakdown
By Geography



Portfolio Breakdown
By Sector



(1) As of December 31, 2018. Please refer to our website www.omersinfrastructure.com for more information

(2) Toronto, New York, London, Netherlands, Australia, and Singapore

(3) OMERS invested in SFR FttH in March 2019 which is excluded from above graph

I. Introduction

What Differentiates OMERS Infrastructure?

As a Buyer

- **Sophisticated Investors:** we are experienced evaluators of opportunities with deep expertise in executing transactions
- **Quick Decision Making:** we have a quick, single point of decisions allowing us to be flexible in adapting to different types of processes
- **Committed and Flexible Capital:** we have a dedicated and growing balance sheet with significant flexibility
- **Attractive Asset Pricing:** as long-term holders of assets we are able to price in long-term value

As a Partner

- **Long Term Holder of Assets:** we do not have a requirement to exit assets, which avoids disrupting partners/management with sales processes and allows to support long-term value creation
- **Strategic Mindset:** our goal is to build value and be aligned with our partners in growing our businesses through follow-on investments and bringing value-added asset management expertise
- **Flexible Governance:** we can take both majority and minority positions
- **Experienced Partner:** we have a track record of working with both financial and strategic partners across sectors and jurisdictions

I. Introduction

OMERS Value Creation Strategy

Delivering Sustained Value Creation: Key Asset Management Pillars

- **Operational Excellence:** focus on driving sustainable operational efficiencies
- **Influencing Management and Business Strategy:** attract outstanding management teams, regularly assess their capabilities and ensure OMERS has the ability to influence business decisions
- **Focus on Key Stakeholder Management:** consistently engage with stakeholders, customers and regulators
- **Balance Sheet Optimization:** frequent assessment of the balance sheet to maintain optimal capital structure
- **Sustainability and CSR:** driving high performance on ESG matters such as safety, cyber risk, good governance and environmental
- **Quality of the Board:** assess that the capabilities and strengths of the board bring both a level of challenge and support for the executive team

I. Introduction

OMERS Sector Diversification & Government Partnerships



Renewables
and Power
Generation



Vento II

Transportation



Detroit River
Tunnel



Utilities



Other
Essential
Services



Nova Scotia
Schools

Midstream



BridgeTex



Communications



Assets highlighted in squares indicate ongoing relationships and interactions with government entities

I. Introduction

Overview of Fraport



EUR 3.5bln revenues

~70mln passengers, **58%** transfer

4 Runways / 3 Terminals

309 destinations

230,000 / busy day

475,537 ATMs (104/hour)



Owner & Operator of Frankfurt Airport

Privatized via IPO in 2001 (not subsidized)

22,000 employees

31 airports, > 300mln passengers worldwide

I. Introduction

Overview of Fraport

Fraport Group



International Activities



Group EBITDA
€1,128 mln (2018)



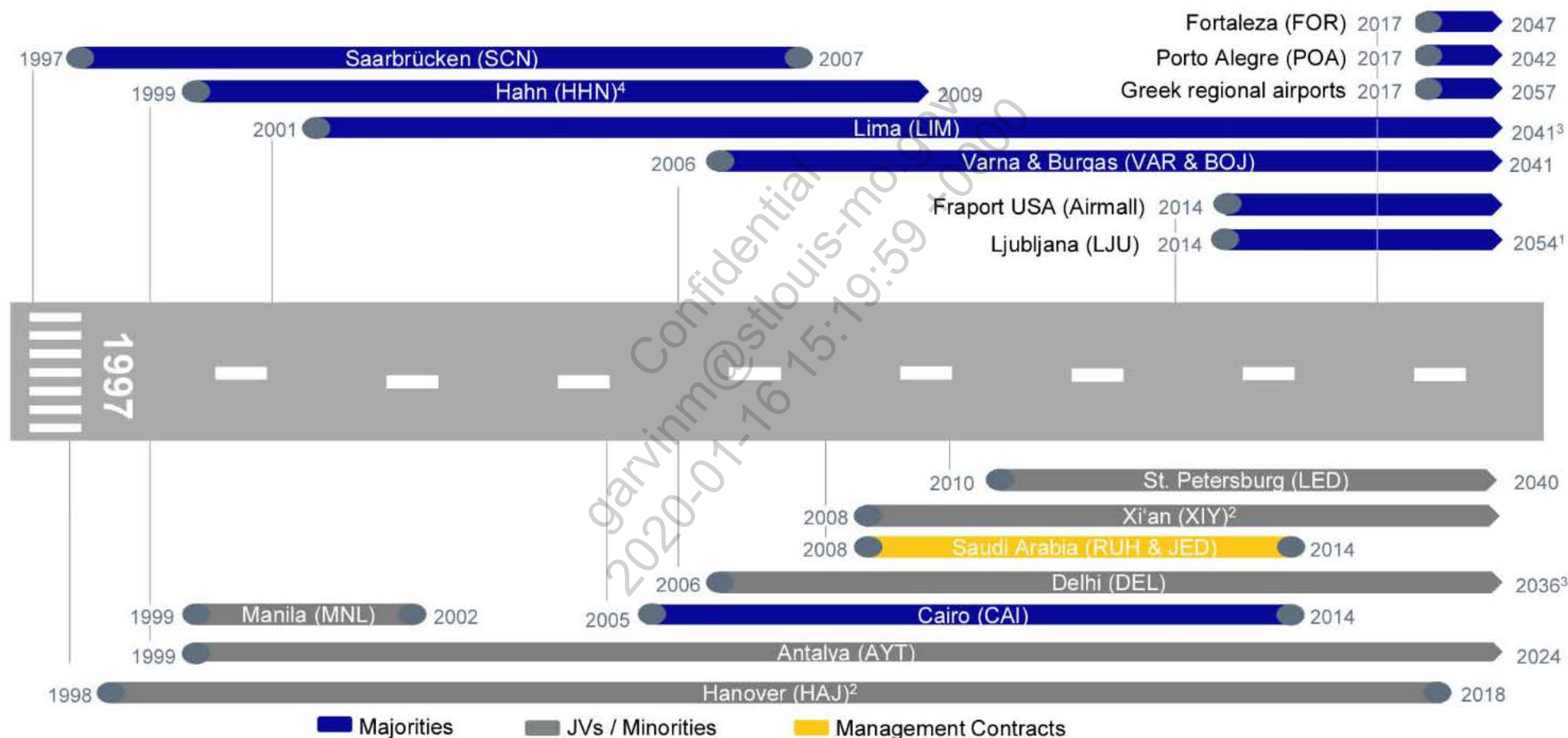
Int. Revenue split by country
€1,291 mln (2018)



Note: €416 million International Activities EBITDA does not including €844 million of EBITDA generated by unconsolidated affiliates in Russia, Turkey and China where Fraport has a 35% weighted avg. ownership

I. Introduction

Evolution of Fraport's International Portfolio



¹ Shareholding extension possible ² Shareholding / Freehold ³ Extension option available ⁴ Sold to State of Rhineland Palatinate

I. Introduction

Diverse Airport Portfolio

Hubs	Regional Airports	Tourism-focused Airports
Frankfurt Main Share: 100% 69.5 mil. passengers	Ljubljana Airport Share: 100% 1.8 mil. passengers	Fortaleza Airport Share: 100% 6.6 mil. passengers
Lima Airport Share: 80.01% 22.1 mil. passengers	Porto Alegre Airport Share: 100% 8.3 mil. passengers	13 Greek Regional Airports Share: 73.4% 23.2 mil. Passengers
Delhi Airport Share: 10% 69.9 mil. passengers	Thessaloniki Airport Share: 73.4% 6.7 mil. passengers	Burgas Airport Share: 60% 3.3 mil. passengers
	Pulkovo Airport Share: 25% 18.1 mil. passengers	Varna Airport Share: 60% 2.3 mil. passengers
	Xi'an Airport Share: 24.5% 44.7 mil. passengers	Antalya Airport Share: 51% 32.3 mil. passengers
Total Passengers: 161.5 mil.	Total Passengers: 67.7 mil.	Total Passengers: 161.5 mil.

I. Introduction

Environmentally & Socially Conscious Operator





II. Ideal Partners to the City of St. Louis

II. Ideal Partners to the City of St. Louis

Global Airport Expertise



OMERS and Fraport bring world-class airport management expertise

- OMERS Infrastructure and Fraport Group have a proven track record of managing or having managed over 40 airports worldwide
- Fraport is engaged at 31 airports worldwide, many of them having similar scale to St. Louis
 - Includes 5 US airports (JFK T5, BNA, BWI, PIT, CLE) where Fraport USA has a proven track-record of redeveloping and transforming airport concessions programs
 - 5 major 'Airport City' and logistics hub development projects at Frankfurt airport (Gateway Gardens, CargoCity South & North, Mönchhof, Squire)
- OMERS Infrastructure's airport experience comes from its current investment in London City Airport and its past investment in Airports Worldwide
 - London City's £500 million (US\$645 million) expansion demonstrates OMERS' ability to manage complicated capex projects and its continuous asset stewardship model
 - Airports Worldwide reflects OMERS direct experience in managing, and supporting, U.S. airports, including Orlando Sanford International Airport and seven airport management contracts in California, Georgia, North Carolina and New Jersey

II. Ideal Partners to the City of St. Louis

II. Ideal Partners to the City of St. Louis

II. Ideal Partners to the City of St. Louis

II. Ideal Partners to the City of St. Louis

II. Ideal Partners to the City of St. Louis

II. Ideal Partners to the City of St. Louis





III. Process

III. Process

Financial Capability

Both partners' equity funding is not dependent on third party investment mandates or approvals and is therefore available with a significantly higher level of certainty than infrastructure funds managed by external managers

OMERS

- As of December 31, 2018, OMERS had net assets of ~C\$97 billion (~US\$75 billion), with ~C\$18 billion (~US\$14 billion) in equity capital invested in infrastructure assets globally
- OMERS has a desire to grow its infrastructure portfolio and target an allocation of 20%+ for the asset class
- As a result, the Infrastructure team continues to target equity cheques of at least C\$500 million (~US\$390 million) in order to reach the desired allocation for the fund, and must keep up with the pace of the natural growth of its overall portfolio

Fraport

- Fraport Group is a publicly listed company with US\$12.8 billion (€11.5 billion) of total assets and a market capitalization of nearly US\$ 8.0 billion

III. Process

III. Process



IV. Case Studies

IV. Case Studies

IV. Case Studies



V. Q&A