

Operational Briefing

Presentation to Investors and Analysts

6 February 2018





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Unless otherwise specified all information is as at 31 December 2017.

Infrastructure, Energy and Technology





Macquarie's evolution is driven by our people



Our people are closest to client needs and markets

We seek to identify **opportunity** and realise it for our clients, community, shareholders and our people

We are **accountable** for all our actions, to our clients, our community, our shareholders and each other

Integrity: We earn the trust of our clients, colleagues, community and shareholders through the quality of our work and our high ethical standards

From positions of **deep expertise**, we pursue opportunities **adjacent** to existing businesses, largely via organic growth

Pursuing opportunities that are **profitable** and deliver real outcomes to achieve an appropriate and resilient **long-term return on capital**

Supported by the Corporate Centre

Funding and capital

Risk management

External stakeholder management

Challenging ideas and supporting execution

Facilitating Group-wide collaboration

Group-wide standards and central support services

EVOLUTION IN THE BUSINESS

Business mix

From **25%** > To **~70%**
Annuity-style in FY07 in FY17

International income

From **53%** > To **63%**
in FY07 in FY17

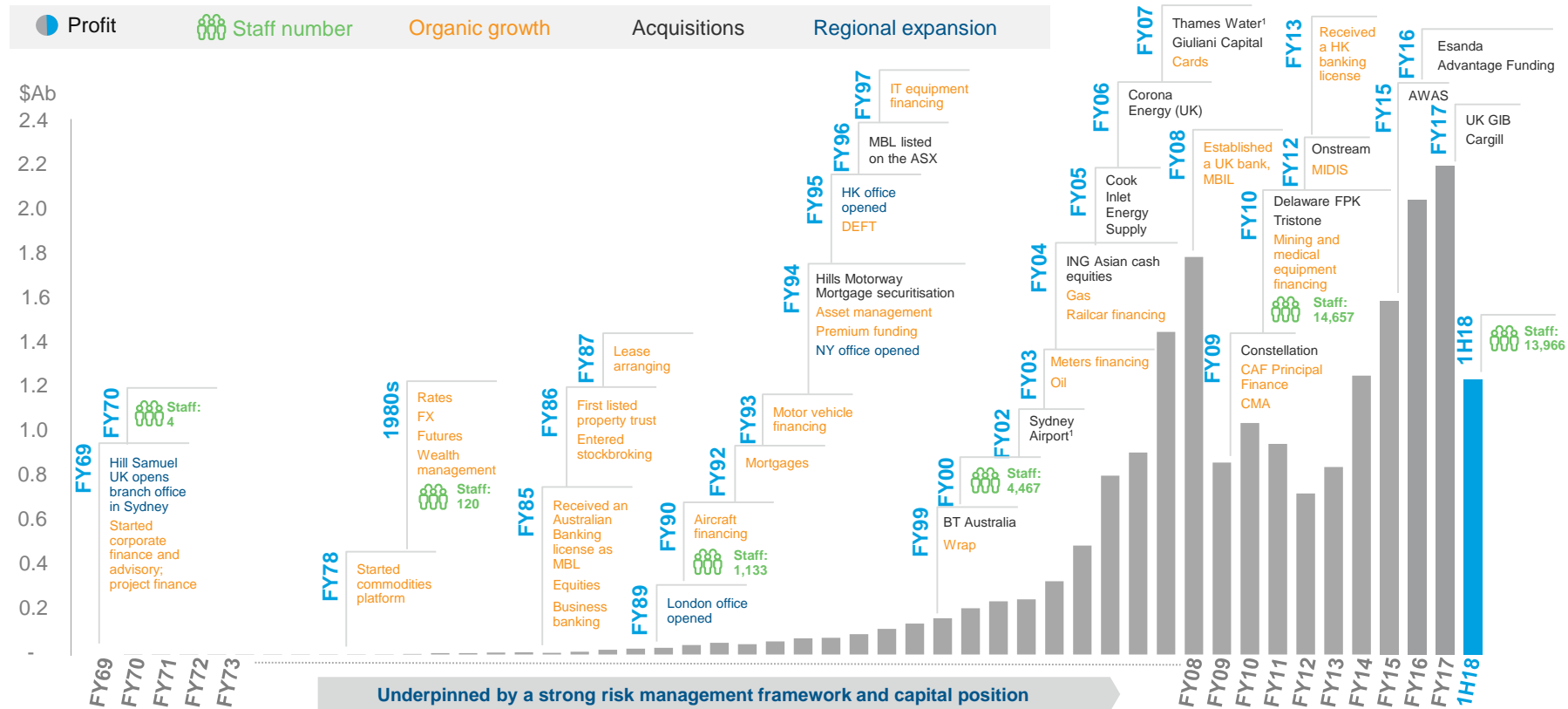
Offshore staff

From **34%** > To **55%**
in FY07 in FY17

Macquarie has a **global presence** across Operating Groups



Unbroken profitability through adjacent growth



Underpinned by a strong risk management framework and capital position

Note: the above list is not exhaustive. 1. Acquired on behalf of managed funds and accounts.



Why these opportunities?

Infrastructure	Energy	Technology
<p>Infrastructure investment required globally</p> <p>\$US45tr</p> <p>by 2030¹</p>	<p>Investment in new power generation</p> <p>~\$US6tr</p> <p>by 2030⁵</p>	<p>Economic value created by linking physical and digital worlds</p> <p>\$US11tr p.a.</p> <p>by 2025¹⁰</p>
<p>41 megacities by 2030 up ~37%²</p> <p>~1b people moving to an urban area by 2030³</p> <p>50% increase in GDP per capita by 2030⁴</p>	<p>~30% increase in energy consumption by 2030⁶</p> <p>Cost of producing solar electricity will reduce 66% by 2030⁵</p> <p>Renewable energy will account for ~50% of installed capacity by 2030⁵</p>	<p>Volume of business data worldwide doubles every 1.2 years¹¹</p> <p>40,000 Google searches per second¹²</p> <p>500m+ Apple Pay, Samsung Pay and Android Pay users by 2021¹³</p>
<p>\$US3tr investment required in water by 2030¹</p> <p>Electricity and roads require \$US30tr of infrastructure investment by 2030¹</p> <p>\$US6tr investment required in the US by 2030¹</p>	<p>85% of renewable infrastructure investment will be wind and solar⁵</p> <p>80% decrease in coal use in Europe by 2030⁷</p> <p>Electric vehicles ~50% of vehicle sales by 2030⁸</p>	<p>\$US4.8tr potential boost to global revenues from AI by 2022¹⁴</p> <p>75b connected devices by 2025¹⁵</p> <p>China accounts for 40% of worldwide digital transactions¹⁶</p>
<p>\$US13tr investment required in China by 2030¹</p> <p>Asia has the largest overall Infrastructure need, requiring ~50% of global investment¹</p> <p>Global net public debt to exceed global GDP by 2025⁴</p>	<p>~\$US4tr to be invested in renewable power generation by 2030⁵</p> <p>Investment in renewable energy capacity has outstripped investment in fossil fuel capacity over last 5 yrs⁹</p> <p>~\$US5tr Energy investment required in China and India by 2030¹</p>	<p>450b business transactions taking place on the internet per day by 2020¹⁷</p> <p>54% of the Chinese population are not on the internet¹⁸</p> <p>\$US6.2tr potential economic impact of Cloud technology by 2025¹⁹</p>

1. Global Infrastructure Hub, Global Infrastructure Outlook, 2017. 2. The United Nations, The World's Cities in 2016, 2016. 3. United Nations, World Urbanisation Prospects, 2017. 4. DNV GL, Technology Outlook – Our World: Economy, 2016. 5. Bloomberg New Energy Finance London Summit 2017, Breaking Clean, 2017. 6. BP Energy Outlook, 2017. 7. International Energy Agency, World Energy Outlook, 2016. 8. Boston Consulting Group, Electrified Vehicles to take half of Global Auto Market by 2030, 2017. 9. UN Environment and Bloomberg New Energy Finance, Global Trends in Renewable Energy Investment, 2017. 10. McKinsey & Company, Unlocking the potential value of the Internet of Things, 2015. 11. Peter Fisk, Gamechangers: Are you ready to change the world? Creating innovative strategies for business and brands, 2015. 12. Internet Stats Live, Google Search Statistics, as at 5 Feb 18. 13. Juniper Research, Contactless Payments 2017 – 2021, 2017. 14. Accenture, Reworking the Revolution: Are you ready to compete as intelligent technology meets human ingenuity to create the future workforce?, 2018. 15. Statista, Internet of Things connected devices worldwide 2015-2025, 2016. 16. McKinsey & Company, Digital China powering the economy to global competitiveness, 2017. 17. IDC and EMC Corporation, The Digital Universe Decade, 2010. 18. China Internet Watch, China Internet Statistics, 2017. 19. McKinsey & Company, How can we recognise the real power of the Internet of Things, 2017.

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