WSO FINANCE CO PTY LTD

FACT SHEET

MAY 2026

IAM
INCOME ASSET MANAGEMENT

Issuer Outline

WSO Finance Pty Ltd provides various transport support services. The Company operates in Australia.

Sector:	Industrial
Sub-Sector:	Transportation
Country:	AU
Ownership:	Private

Issuer Credit Rating & Outlook

Agency	**Rating**	**Outlook**
S&P	-	-
Moody's	A3	Stable
Fitch	A-	Stable

Key Financials (A$m)

For Year Ending June 30	**FY24**	**FY25**	**YoY Change**
Average Daily Traffic ('000)	194	190	-2%
Large Vehicle Traffic (%)	13.7%	13.8%	~flat
Revenue	487	479	-2%
EBITDA	413	393	-5%
Total Debt	2,188	2,343	-7%
Cash Interest Coverage	3.9x	3.7x	-0.2x
FFO/Debt	13.0%	11.0%	-2%
Moody's Debt Service Coverage Ratio	2.5x	2.2x	-0.3x
Moody's Concession Life Coverage Ratio	3.4x	2.9x	-0.5x

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Summary Bond Details

ISIN	Currency	Ranking	Coupon	First Call Date	Legal Maturity Date	Issue Rating (S&P/Moody's/Fitch)
AU3FN0031563	AUD	Sr Secured	3mBBSW + 2.60%	-	14/07/2026	- / A3 / A-
AU3CB0243590	AUD	Sr Secured	4.50%	-	30/09/2027	- / A3 / A-
AU3CB0272920	AUD	Sr Secured	2.70%	30/03/2030	28/06/2030	- / A3 / A-
AU3CB0243566	AUD	Sr Secured	4.50%	-	31/03/2027	- / A3 / A-

IAM Credit View – HOLD

WSO's credit profile is underpinned by Westlink M7's pivotal role in providing high capacity road infrastructure to the expanding service area of Western Sydney. As a single-asset road, M7's traffic may be susceptible to volatility in economic activity affecting the service area. Traffic volumes have declined slightly in the September 2025 quarter (by 2.0% on pcp). Softness in traffic volumes primarily reflected temporary factors, being wet weather and disruption from construction activity on the M7-M12 integration project scheduled to be completed in 2026. The A$1.7bn M7-M12 integration project, co-funded by the state and WSO through debt and equity, enhances the M7's position to a key infrastructure corridor, including the new Western Sydney Airport. The project benefits are offset by the higher leverage, exposure to certain construction risks, and traffic disruptions during peak construction periods.

WSO's key leverage metrics, as measured by funds from operations (FFO) to senior debt, are likely to fall outside Moody's tolerance levels of 12% (FFO/senior debt) during the period of M7's peak construction before rapidly rebounding to within rating tolerance. We also expect management to maintain their A3/A- credit rating and take steps if needed to do so. We expect the WSO curve to provide stable returns in line with the current yield but with little credit spread tightening as it's a defensive, stable A-rated name.

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Issuer Description

WSO forms part of the Westlink Motorway Group. Westlink Motorway Group is wholly owned by NorthWestern Roads Group (NWRG), which was created to hold the M7 asset and to develop the NorthConnex project. Transurban has a 50% interest in NWRG, with a 25% interest held directly by CPPIB and 25% managed by QIC on behalf of its managed clients. The group holds the concession to design, construct, finance, and operate the M7, a cashless, free-flow 40km electronic tollway under a concession which upon completion of the project will terminate in 2051. The concession was awarded by Transport for NSW.

WSO reached contractual close of a binding offer to undertake the M7-M12 integration project through the NSW Government's Unsolicited Proposal Process. The project involves the construction of an additional lane on the M7, in both directions, for around 26km. Construction of the Elizabeth Drive Connection, M7-M12 interchange and M7 widening commenced in the first half of financial year 2024, with a three-year construction period. Motorists traveling on the M7 can avoid up to 48 sets of traffic lights encountered on the trip from the M2 to the M5. The toll road has 17 interchanges and, in particular, provides access to Liverpool, Fairfield, Blacktown and Baulkham Hills. Several of these communities are experiencing rates of population growth in excess of that for the broader Sydney region.

Positives of West Connex Finance Co Pty Ltd

- **Strategic importance to Western Sydney and ability to increase toll tariffs by CPI, underpins traffic and revenue.** The M7 corridor is home to almost half of Sydney's residents and the location of over one third of the city's jobs. The proposed M12 Motorway to the new Western Sydney International Airport is scheduled to open in 2026, and will further strengthen the economic importance of the M7 across Western Sydney. The group also benefits from supportive provisions within the Project Deed establishing its right to escalate tolls tariffs quarterly by inflation.
- **Mature and diverse traffic base.** Given the M7's strategic location servicing Sydney's logistic network, its traffic mix comprises a large share of HCVs. Historically, HCV makes up around 13-14% of total ADT which is one of the largest contributors compared to other Sydney toll roads - only lagging behind Northconnex, where HCVs make up around 17% of total traffic. As at September 2025, HCV comprised 13.7% and 16.5% of M7 and NorthConnex traffic respectively. This is a key strength for the Group given the 3x toll multiplier applied to these vehicles.
- **Solid operational performance and cure periods within concession agreement mitigate termination risk.** The road also benefits from supportive provisions in the Project Deed establishing its right to escalate tolls by inflation, and the state's obligation to pay an amount covering the outstanding debt in the event the Group terminates the concession following the state's contractual default under the Project Deed. While no termination amount is payable in the event of termination due to the Group's default, the track record and cure period regime in the Project Deed combined with lenders' step-in rights to cure an event of default, mitigates this risk.

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Negative Risk Factors of West Connex Finance Co Pty Ltd

- **Moderate execution risk associated with the M7-M12 integration project.** The risk associated with the widening and interchange between the M12 and M7 is reflective of (i) the possibility of unforeseen cash outflows resulting from unanticipated construction delays and cost overruns and (ii) incremental revenues post completion being insufficient to service the incremental debt used to fund the project. On balance, we believe such risk is mitigated by (i) the advanced stage of construction, (ii) the simple modular nature of the Project that does not require complex tunnelling, and (iii) the Group's prudent approach to risk sharing and financing structures in pursuing new development projects, and sufficient liquidity buffers embedded within the cost budgeting profile.
- **Credit profile constrained by moderately high financial leverage.** Following the draw-down of additional debt in recent years (as permitted under the concession arrangements), Moody's expect FFO/Debt will range between 10.5% and 12.5%, compared with the 12% Moody's rating tolerance level.
- **Rising costs of living and stretched household budgets somewhat raise social risks, unilateral government interventions unlikely.** Growing pressure on household budgets and limited transport alternatives are giving rise to community apprehension about escalating rising tolls. This is a social risk, in that: (1) customer consternation about rising tolls and the perceived fairness of those tolls; can lead to, (2) community pressure on governments to intervene and unilaterally curtail toll escalations or even reduce tolls, which can impact toll road earnings, and therefore, credit profiles.

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Issuer Commentary

Note M7 is key asset.

FY25 ADT by asset[1,2]

ASSET	OWNERSHIP (%)	QUARTERLY ADT				FULL YEAR ADT			
		JUN 25 QUARTER ('000)	JUN 24 QUARTER ('000)	CHANGE (%)	LARGE VEHICLE TRAFFIC (%)	JUN FY25 ('000)	JUN FY24 ('000)	CHANGE (%)	LARGE VEHICLE TRAFFIC (%)
M2	100	130	130	0.0	8.2	131	132	(0.8)	8.3
M5 West[3]	100	173	170	1.5	6.2	173	170	1.7	6.2
LCT	100	75	76	(2.0)	4.3	75	79	(4.1)	4.5
CCT	100	38	40	(5.8)	2.2	39	39	(0.9)	2.2
ED	75.1	48	51	(6.9)	3.2	49	53	(7.3)	3.2
M7[4]	50	188	189	(0.5)	13.6	190	194	(1.7)	13.8
NorthConnex	50	43	41	4.6	16.0	44	42	4.1	16.0
WCX[5]	50	340	312	9.0	6.3	334	299	11.6	6.5
CityLink	100	824	813	1.4	22.0	829	819	1.2	21.8
Gateway Motorway	62.5	130	129	1.0	22.7	128	128	0.5	22.7
Logan Motorway	62.5	212	206	2.9	28.5	209	205	1.8	28.4
AirportlinkM7	62.5	68	66	3.6	18.8	67	65	2.7	18.8
Clem7	62.5	33	32	4.1	20.6	32	31	2.4	20.5
Legacy Way	62.5	26	25	2.6	21.5	25	25	1.1	21.5
Go Between Bridge	62.5	9	10	(5.5)	13.5	10	10	(2.0)	13.4
95 Express Lanes	50	79	71	10.7	1.8	69	63	9.2	1.8
495 Express Lanes	50	49	46	6.4	3.2	45	42	8.3	3.2
A25	50	57	55	3.7	10.1	53	52	1.4	10.1

1. This slide includes non-IFRS measures.
2. ADT is shown at 100% ownership.
3. M5 West will form part of the WestConnex M5 concession once the current concession expires in December 2026, through to December 2060. During that period Transurban's proportional ownership in WestConnex through its equity investment in STP JV will be 50%.
4. Average toll trip length was 12.1 kilometers for the June 2025 quarter and 12.2 kilometers for FY25 on M7.
5. Average toll trip length was 9.8 kilometers for the June 2025 quarter and 9.7 kilometers for FY25 on WCX. Disclosed average tolled trip length is adjusted to reflect the adoption of equalisation factors from the concession agreement which are designed to make tolls consistent across the M8 and M5 East motorways despite having slightly different asset lengths. Rozelle Interchange opened on 26 November 2023.

FY25 Toll revenue by asset[1,2]

ASSET	OWNERSHIP (%)	QUARTERLY REVENUE			FULL YEAR REVENUE		
		JUN 25 QUARTER ($M)	JUN 24 QUARTER ($M)	CHANGE (%)	JUN FY25 ($M)	JUN FY24 ($M)	CHANGE (%)
M2	100	94	92	1.7	378	371	1.8
M5 West	100	88	87	1.4	355	346	2.7
LCT	100	24	25	(2.3)	99	102	(2.5)
CCT	100	20	21	(3.9)	81	80	1.1
ED	75.1	39	41	(4.1)	161	168	(4.2)
M7	50	117	118	(0.7)	479	487	(1.7)
NorthConnex	50	45	43	5.1	184	173	6.4
WCX	50	242	214	13.2	938	791	18.5
CityLink	100	248	238	4.0	987	948	4.1
Gateway Motorway	62.5	80	76	4.8	318	306	4.0
Logan Motorway	62.5	79	74	6.9	313	297	5.5
AirportlinkM7	62.5	42	40	6.6	164	155	5.8
Clem7	62.5	21	19	9.1	79	75	5.9
Legacy Way	62.5	16	15	5.6	67	63	5.5
Go Between Bridge	62.5	3	3	(0.5)	14	14	1.1
95 Express Lanes (USD)	50	72	54	32.6	230	181	26.9
495 Express Lanes (USD)	50	32	29	9.8	109	94	16.0
A25 (CAD)	50	19	21	(8.6)	72	74	(3.2)
WCX							
M4	50	122	110	10.8	473	417	13.4
M8 / M5 East	50	74	72	3.3	296	279	6.0
M4-M8 link	50	46	32	43.0	169	95	78.0

1. This slide presents non-IFRS measures.
2. Assets at 100% ownership.

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