



This publication is not research or a rating and does not constitute advice or a recommendation with respect to the security which is the subject of this publication (“Security”). The information in this publication is provided only for the purposes of illustrating our investment process and our current rationale for acquiring, disposing of or continuing to hold the Security for the Fund and should not be relied upon when making any investment decision with respect to the Security (see further the disclaimer at the end of this publication).

## Transurban

Information current as at 1 August 2023

### What are the main business activities?

Transurban Group is an owner/operator of toll roads in Australia, USA and Canada with interests 21 toll roads globally. Transurban currently has five projects in development or delivery phase with expansion either through development, strategic acquisitions and partnering with governments on new toll roads.

The weighted average concession life across the portfolio is close to 30 years with Australian assets contributing to the majority of revenue.

### Why is this firm attractive to its customers?

Transurban’s greatest value proposition for clients is travel time savings by using Transurban roads compared to alternative routes. Transurban has calculated the savings as 323,000 hours each workday in FY22 and daily the Green House Gas (GHG) savings of 2,285 tCO<sub>2</sub>e (tonnes of carbon dioxide).

Transurban also aims to provide sustainable transport solutions that offer choice, reliability, safety, transparency and value. Services to customers include:

- Pay-as-you-go, GPS-enabled apps making it easier for motorists to drive on toll roads, tag-free
- Express Lanes in the United States for faster commutes
- Toll calculators available online for trip comparisons
- Roadside assistance with state-of-the-art monitoring technology
- Installation of safety technology that includes automatic incident detection, electronic speed signage that can be adjusted according to weather or road conditions; electronic lane-control signage; specialist tunnel safety systems including sprinklers, emergency signage and ventilation systems.

### ESG observations

(E) – During FY21 Transurban launched a detailed plan to achieve net zero GHG emissions by 2050. Renewable energy supply has just commenced through Power Purchase Agreement (PPA) with Sapphire Windfarm in NSW. From early 2022, additional PPAs will come online in NSW and Queensland, with renewable energy providing the majority of power for Transurban roads in these states.

(S) – Transurban is working with government to introduce total payment caps on new and existing toll roads to address affordability.



## Why does the portfolio hold this stock?

We believe Transurban has strong underlying revenue growth from:

- Ongoing population growth driving long-term traffic growth
- A rebound in traffic after COVID-19, especially as more people are driving instead of using public transport
- Legislated fare growth, which is in many cases linked to inflation
- CPI linked contracts and they have long duration debt so are less exposed to interest rate increases
- Our research expects traffic outcomes well in excess of the original stated business case.

The EBITDA<sup>1</sup> growth for Transurban is leading to deleveraging of its operations and increased opportunities for raising dividend payments.

This document has been issued by AllianceBernstein Australia Limited ("ABAL") (ABN 53 095 022 718 and AFSL 230698).

The information in this document should not be construed as advice. This document is provided solely for informational purposes and is not an offer to buy or sell securities. The information, forecasts and opinions set out in this document have not been prepared for any recipient's specific investment objectives, financial situation or particular needs. Neither this document nor the information contained in it are intended to take the place of professional advice. You should not take action on specific issues based on the information contained in the attached without first obtaining professional advice.

Past performance is not indicative of future performance. Projections, although based on current information, may not be realised. Information, forecasts and opinions can change without notice and ABAL does not guarantee the accuracy of the information at any particular time. Although care has been exercised in compiling the information contained in this document, ABAL does not warrant that this document is free from errors, inaccuracies or omissions. ABAL disclaims any liability for damage or loss arising from reliance upon any matter contained in this document except for statutory liability which cannot be excluded. No reproduction of the materials in this document may be made without the express written permission of ABAL.

This information is provided for persons in Australia only and is not being provided for the use of any person who is in any other country.

AllianceBernstein Investment Management Australia Limited (ABN 58 007 212 606, AFSL 230 683) ("ABIMAL") is the responsible entity of the AllianceBernstein Managed Volatility Equities Fund (Managed Fund)—MVE Class (ARSN 099 739 447) ("MVE Class") and is the issuer of units in the MVE Class. AllianceBernstein Australia Limited ("ABAL") ABN 53 095 022 718, AFSL 230 698 is the investment manager of the MVE Class. ABAL in turn has delegated a portion of the investment manager function to AllianceBernstein L.P. ("AB"). The MVE Class' Product Disclosure Statement ("PDS") is available by contacting the client services team at AllianceBernstein Australia Limited at (02) 9255 1299 or at [www.alliancebernstein.com.au](http://www.alliancebernstein.com.au). Investors should consider the PDS in deciding to acquire, or continue to hold, units in the Fund. This information is for exclusive use of the wholesale person or other Qualified Investor to whom it is provided and not to be relied upon by any other person.

---

<sup>1</sup> Earnings Before Interest, Tax, Depreciation and Amortisation.