



MACQUARIE  
ACN 002 574 923

# Macquarie Private Wealth



## Asciano

### Business Description

Asciano Limited (AIO) is a transport infrastructure business, with a focus on ports and rail. Its portfolio includes Pacific National's rail and coal operations and Patrick's port and stevedoring businesses. These businesses own and operate container terminals, bulk export facilities, stevedoring equipment and associated services, and extensive rail operations.

### Strategy Analysis

AIO owns essential transport and port infrastructure assets with long term leases secured over rail infrastructure and port access. The company seeks to offer increasingly efficient services while leveraging its unique rail-port capability. A pre-existing relationship with logistics giant Toll Holdings provides a dependable, high baseload of volume and the efficiencies of a large customer integrated with AIO's systems. AIO will extend services into Queensland leveraging relationships with NSW customers and to counter incursions by Queensland Rail into AIO's traditional NSW markets. To avoid congestion in the Sydney hub, AIO will build an inland port at Parkes in NSW which is at the apex of Sydney Perth rail routes and the proposed new North-South Line. Asciano reported NPAT of \$176.8m for the year ended 30 June 2011. Revenues from ordinary activities were \$3.06bn, up 7.2% from last year and driven primarily by the impact of new coal contracts in Qld, the renegotiation of existing coal contracts and bulk rail tonnages. Basic and Diluted EPS was 6.0 cents compared to (28.2) cents last year. Net operating cash flow was \$497.5m compared to \$369.9m last year. The final dividend declared was 1.0 cent, taking the full year dividend to 2.0 cents compared with nil last year. The outlook for the three divisions over the medium term remains positive.

27 January 2012

### Recommendation

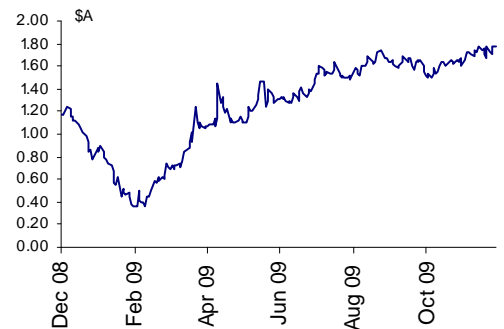
Recommendation: Outperform  
Relative to: All Ind (ex Fins)

### Investment Fundamentals

ASX code: AIO  
Stock price: \$4.74  
Market cap: \$4,623m

Y/E	30/06/2012	2012e	2013e	2014e	2015e
Reported e	\$m	251.4	381.8	419.4	479.6
Adjusted e	\$m	260.7	381.8	419.4	479.6
EPS adjusted	¢	26.7	39.1	43.0	49.2
EPS growth	%	306.3	46.5	9.9	14.3
PE	x	17.7	12.1	11.0	9.6
PE relative	x	1.5	1.2	1.2	1.0
DPS	¢	7.5	12.0	17.0	19.5
Yield	%	1.6	2.5	3.6	4.1
Franking	%	26.5	100.0	100.0	100.0

### Share Price



Source: ASX and Company accounts

### Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Container Ports	38.1	8.2	15.6	-0.4%	21.0%
Rail	36.2	11.9	14.9	0.0%	0.0%
Coal	25.7	8.3	20.1		
<b>Total</b>	<b>100.0</b>	<b>28.4</b>	<b>50.6</b>		
				Dividend Reinvestment Plan	Yes
				Shareholder Discounts	No
Results by Geography					
Australia	100.0	100.0	100.0		
<b>Total</b>	<b>100.0</b>				

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