



MACQUARIE  
ACN 002 574 923

Macquarie Private Wealth

Snapshot

# Cabcharge Australia

## Business Description

Cabcharge Australia Limited (CAB) operates a national charge facility for the payment of taxi fare and related business surcharge services without using cash. Through its associate company, ComfortDelgro Cabcharge Pty Ltd, CAB also provides bus and coach services to customers predominantly in Australia.

## Strategy Analysis

CAB hopes to establish an industry standard, state of the art, information and technology network. The network will be primarily for electronic settlements and to use as a comprehensive payment management tool. National growth initiatives include the planned growth in taxi plate licenses by state governments. This will have a direct impact on the potential number of Cabcharge transactions as the result of an increased number of taxis on the roads. Fares may be increased as the State Governments review fares to allow for movements in fuel and other costs. Merchant fees may possibly be negotiated and a general switch by consumers from cash to credit transactions works in favour of CAB operations. CAB is expanding its presence in the UK market. The UK expansion is still in its infancy but CAB is aiming to position itself for an expected increase in activity prior to the London Olympics. So far the UK business is underperforming due to harsh economic conditions there. The goal is to have all cabs fitted with an eftpos terminal prior to the Olympics. CDC has seen increased patronage as economic stress pushes more passengers onto buses. Most bus service contracts are not up for renewal until 2012. Cabcharge Australia reported NPAT up 7.2% to \$32.24m for the half-year ended 31 December 2008. Revenue from ordinary activities were \$90.75m, up 5.2% from the same period last year. Basic and Diluted EPS were 26.8 cents compared to 25.6 cents last year. Net operating cash flow was \$24.55m compared to \$16.83m last year. The interim dividend declared was 17 cents fully franked in line with last year.

28 July 2010

## Recommendation

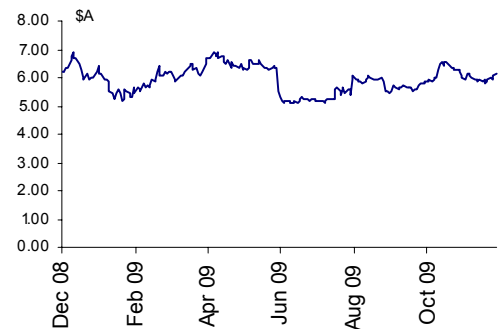
Recommendation: Underperform  
Relative to: Small Ind (ex Fins)

## Investment Fundamentals

ASX code: CAB  
Stock price: \$4.60  
Market cap: \$554m

Y/E	30/06/2010	2010e	2011e	2012e	2013e
Reported e	\$m	59.7	63.4	67.4	70.6
Adjusted e	\$m	59.7	63.4	67.4	70.6
EPS adjusted	¢	49.6	52.7	56.0	58.6
EPS growth	%	-2.7	6.2	6.3	4.8
PE	x	9.3	8.7	8.2	7.8
PE relative	x	0.5	0.7	0.8	0.8
DPS	¢	34.0	37.0	39.0	41.0
Yield	%	7.4	8.0	8.5	8.9
Franking	%	100.0	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
Taxi Related Services	100.0	33.8	45.1	-5.0%	-24.0%
Bus & Coach Services	0.0	0.0	0.0	3.0%	9.0%
<b>Total</b>	<b>100.0</b>	<b>33.8</b>	<b>45.1</b>		
Results by Geography				Dividend Reinvestment Plan	No
Australia	100.0	100.0	100.0	Shareholder Discounts	No
<b>Total</b>	<b>100.0</b>				

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