

CASE STUDY



COMPANY SPOTLIGHT



Market capitalisation at time of purchase	Market capitalisation at time of sale	Industry Sector
\$126m	\$258m	Transport Services / Payments Technology

A2B Australia Limited (ASX:A2B)

A2B Australia operated a leading Australian transport and payments platform servicing the taxi, personal transport and related mobility markets. The company owned well-known brands including **13cabs**, Cabcharge payments, taxi technology systems and dispatch networks. A2B generated revenue from network services, transaction processing, software solutions and fleet-related services across Australia.

WHY DID WE INVEST?

- **Market Leader with Strong Brand Recognition:** A2B owned established brands and infrastructure within the Australian taxi and mobility sector, particularly the 13cabs network and Cabcharge payments platform, providing scale advantages and strong industry positioning.
- **Recovery Opportunity Following Industry Disruption:** The business had experienced significant disruption from rideshare competition and COVID-19 impacts. However, improving mobility demand, airport travel recovery and operational restructuring created a pathway for earnings recovery.
- **Attractive Valuation Relative to Strategic Assets:** We believed the market undervalued A2B's payments infrastructure, technology platform, dispatch capability and extensive taxi network relationships.
- **Operational Improvement & Cash Generation Potential:** Management initiatives focused on simplifying operations, improving cost discipline and strengthening cash generation. As transport activity normalised, we believed earnings could recover materially.

ENTRY PRICE

- Began initially purchasing shares in June 2022 at \$1.02 and continued to purchase over time with an average purchase price of \$1.42.

COMPANY SPOTLIGHT



A2B Australia Limited (ASX:A2B) - Share Price



Source: S&P Capital IQ

WHY DID WE SELL – Acquisition by ComfortDelGro

- In late 2023, A2B Australia received a takeover proposal from ComfortDelGro Corporation, a major global transport operator and existing participant in the Australian taxi market. The bid was **\$2.05 per share** comprising \$1.45 cash per share plus \$0.60 per share fully franked special dividend.
- The acquisition proposal provided shareholders with an opportunity to realise value at a meaningful premium to the prevailing share price, recognising the strategic value of A2B's transport network, technology assets and payments platform.
- Given the takeover premium and value crystallisation opportunity, we exited the position in line with our investment process, with the last sale completed in February 2024.

INVESTMENT OUTCOME

- Began initially purchasing shares in June 2022 at \$1.02 and continued to purchase over time with an average purchase price of \$1.42.
- Received circa \$0.05 in dividends per share over the investment period.
- Sold at an average sale price of \$1.45 + \$0.60 special dividend with the last sale in February 2024 in the scheme.
- Gain of 44.6% on our investment over the period, equating to a money weighted IRR of approximately 56.3%.