

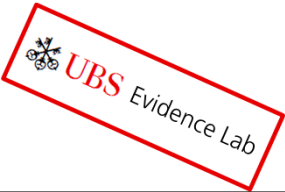
UBS Evidence Lab Mobility and Reopening Data

IBTTA Webinar

July 2020



Introduction to UBS Evidence Lab—Our Investment In Data



UBS Evidence Lab is UBS' proprietary research team providing data driven insights into over 4,500 companies and markets globally helping clients to make better informed, data driven decisions

A 6 year head start

UBS Evidence Lab employees 300+ experts, located globally, with different backgrounds and specializations such as geospatial experts, engineers, hydrologists, epidemiologists, physicists and many more. Starting the platform 6 years ago has provided UBS with a strong head start on such data analytics and research

45+ product areas

- Geospatial
- Transactions
- Supply Chain
- Price Intelligence
- Market Research
- Digital Engagement
- Natural Language Analytics
- Nowcasting
- Behavioral Finance

Robust coverage

UBS Evidence Lab provides an ever growing data catalogue covering 4500+ companies across all regions, sectors and provides cutting edge COVID-19 driven research during this critical period of volatility



Energy
Transpiration
Utilities
Healthcare
Media
Financials
Industrials
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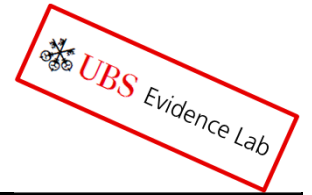
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 **Keep up to date on COVID-19 with UBS Evidence Lab market trackers**

Toll Traffic has Gradually Started to Rebound as Mobility Restrictions Have Eased



COVID-19 Impact on the Toll Road Sector During June 2020

- Most toll agencies have been reporting gradual improvements in traffic through June after declines of up to 90% in April
- As detailed in the graph to the right, traffic has rebounded to pre-COVID levels in as few as six weeks as restrictions have been lifted in Germany and New Zealand, providing potential benchmarks for recovery in the U.S.
 - The gap between U.S. and this peer group appears to be widening
- In the U.S, we continue to observe a somewhat inverse correlation between congestion levels and the population of the metropolitan area, with many smaller cities demonstrating higher levels of congestion than larger cities
- One of the first T&R reports released since COVID-19 (E-470 Public Highway Authority) estimates a 37% drop in traffic in 2020, followed by 13-15% decreases over the next few years with an additional 20% decrease if a second wave hits in 2021
- Several toll issuers have secured lines of credit or restructured debt service
- Negative rating actions have slowed considerably
- Though revenue exposure remains unpredictable, toll roads continue to opportunistically accelerate construction projects, reduce operating costs, increase electronic tolling and prepare to re-enter the capital markets
- Investor interest remains strong in the sector as toll roads have demonstrated higher demand floor relative to other transportation sectors
- Additional outbreaks in the U.S. may slow or reverse the rebound in traffic

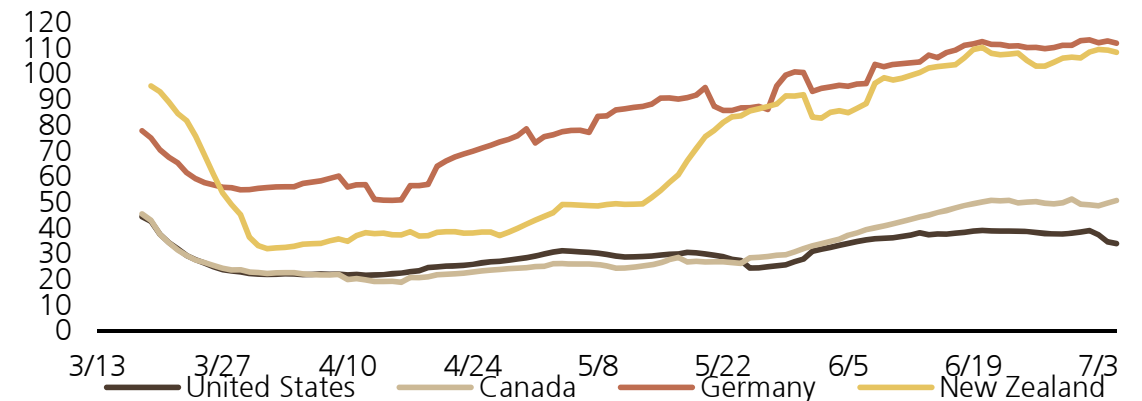
"There's a possibility that we could see significantly more traffic on highways and especially toll facilities...as workplaces open up but fewer regular riders feel confident taking public transit."

– Pat Jones, Executive Director and CEO of IBTTA*

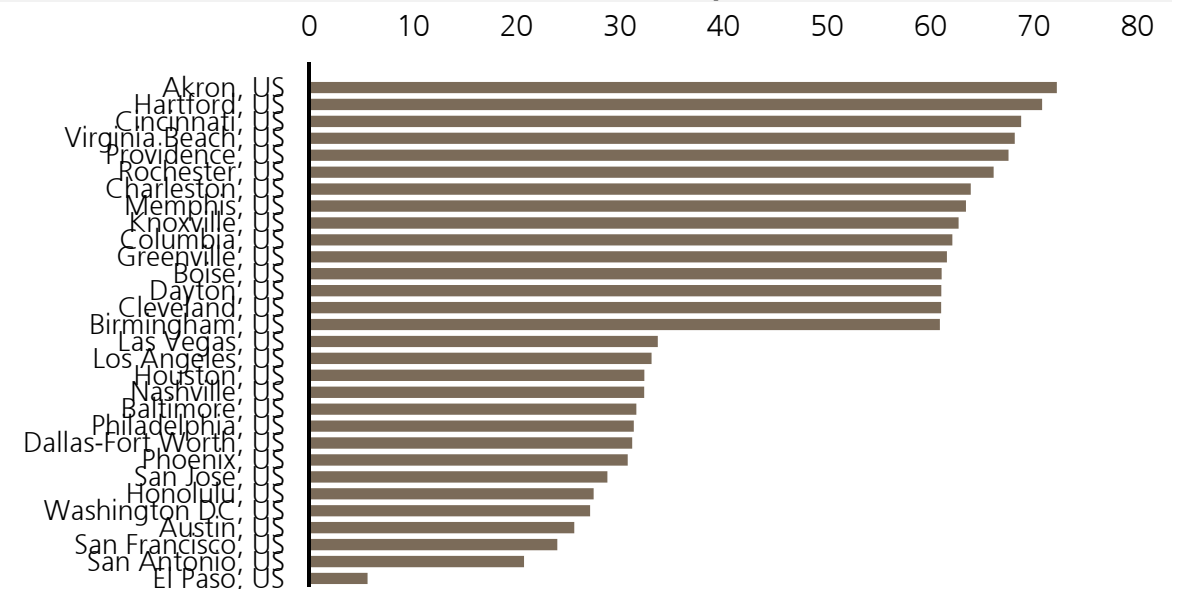


Sources: Issuer websites, IBTTA, Moody's, S&P, Fitch, Kroll, TomTom, UBS Research, E-470 Public Highway Authority
*UBS Evidence Lab and TomTom Data; Congestion is defined as additional trip time relative to baseline uncongested conditions

Country Level Comparison: 7-day Rolling Average of Congestion Relative to 2019 Levels as of July 3, 2020*



US Metropolitan Area Comparison: 7-day Rolling Average of Congestion Relative to 2019 Levels as of Jul 3, 2020 (Top and Bottom 15 Cities)*

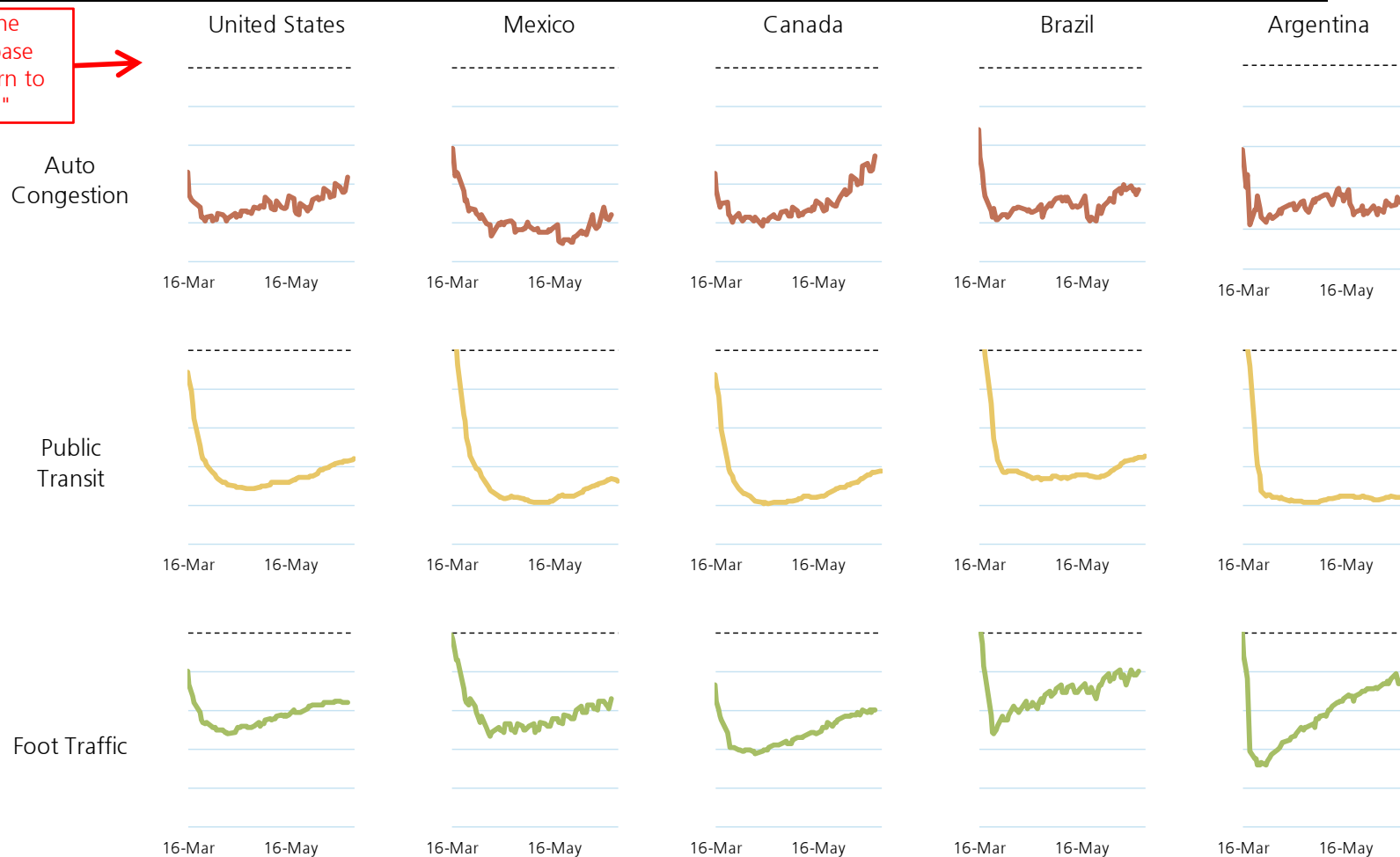


Americas Mobility

Where is mobility recovering in the Americas?

- US auto congestion, public transit and foot traffic to work continue to recover.
- Mexico auto congestion, public transit and foot traffic are rising modestly.
- Canada has seen a notable recovery in congestion and more modest rises in other measures.
- The auto congestion recovery in Brazil may have stalled.
- Congestion in Argentina is up slightly, while public transit is flat, though foot traffic has recovered considerably.

Dotted line indicates base rate or return to "normal"



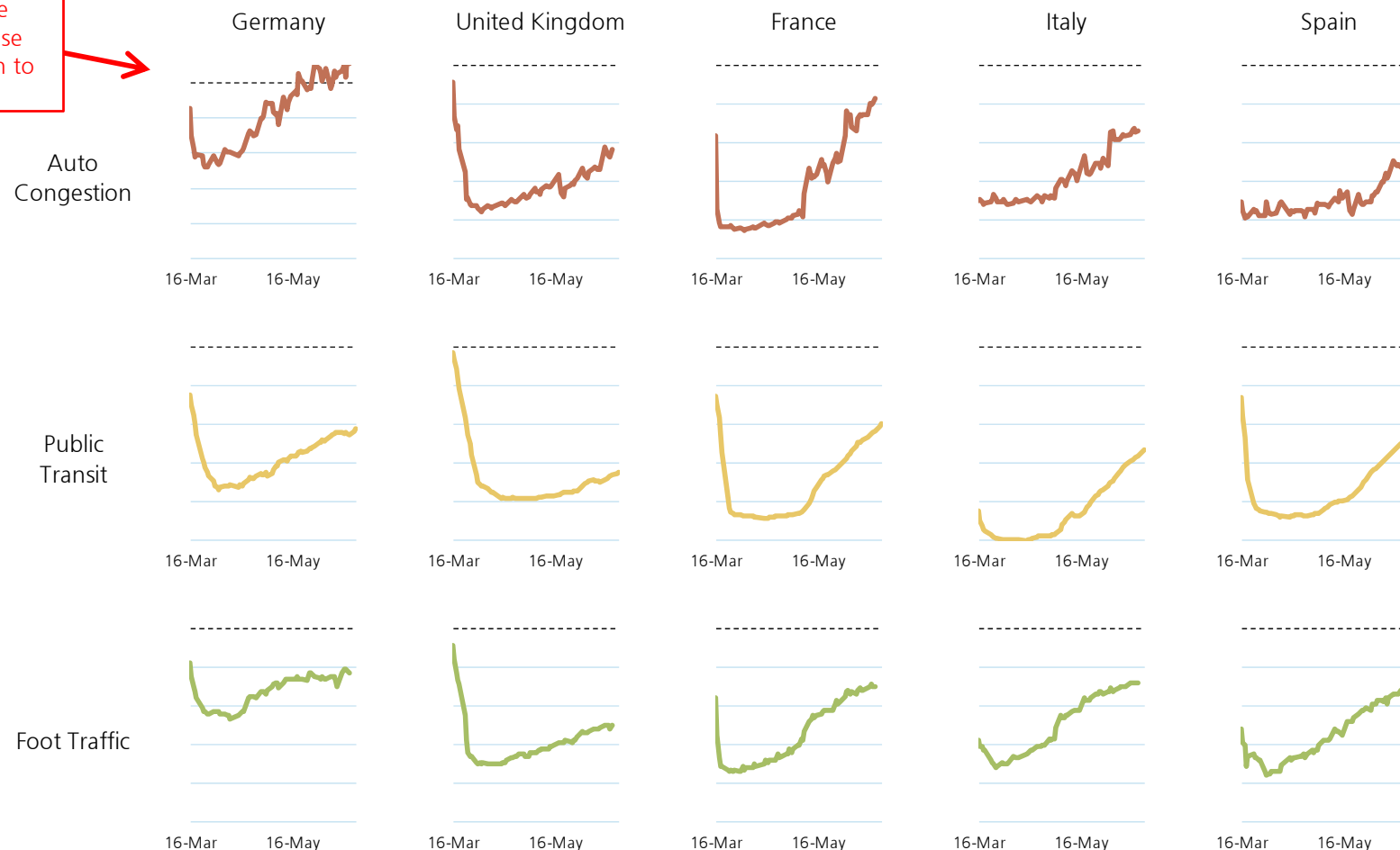
Notes: All migration figures are measured as relative metrics vs. a base rate. The auto congestion base is the base congestion score for a given day in 2020 relative to the average congestion for the comparable day in 2019; public transit data is indexed to the value registered on January 15; foot traffic data is indexed to the baseline median value for the corresponding day of the week during the 5-week period Jan 3–Feb 6, 2020. For public transit, population-weighted country figures were derived from baseline city figures. The data is further normalized to remove weekends and several key holidays (country by country), which create abnormal trends in the data. Relative auto congestion is presented as a percent difference from 100%. Please see downloadable asset for the full methodology or underlying data. Source: UBS Evidence Lab, TomTom, Moovit, Google LLC "Google COVID-19 Community Mobility Reports" Accessed: June 19, 2020

European Mobility

Where is mobility recovering in Europe?

- In Germany, auto congestion has been above pre-pandemic levels. Public transit and foot traffic to work are rising.
- The UK is seeing a modest recovery in all measures.
- France continues to see a sharp rise in all measures, with congestion nearly back to pre-pandemic levels.
- Italy and Spain have seen increases in all three measures, though Spain's recovery in congestion has been more modest.

Dotted line indicates base rate or return to "normal"

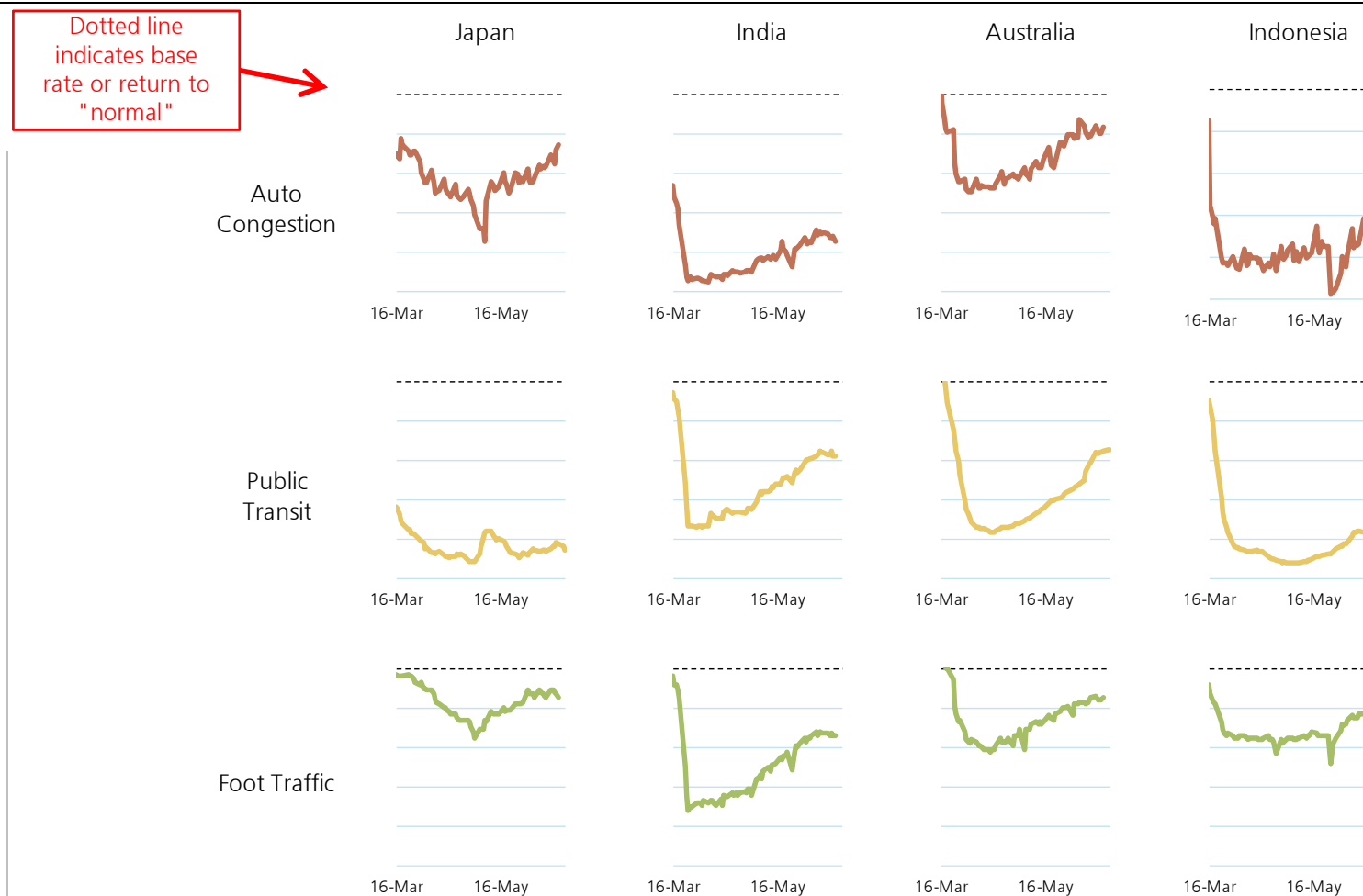


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APAC Mobility

Where is mobility recovering in APAC?

- Congestion in Japan has been rising, while public transit and foot traffic appear to have levelled off.
- In India, all three measures appear to have stalled.
- Congestion in Australia is around 20% below year-ago levels, while public transit and foot traffic continue to rise.
- All three measures seem to have flattened out in Indonesia.

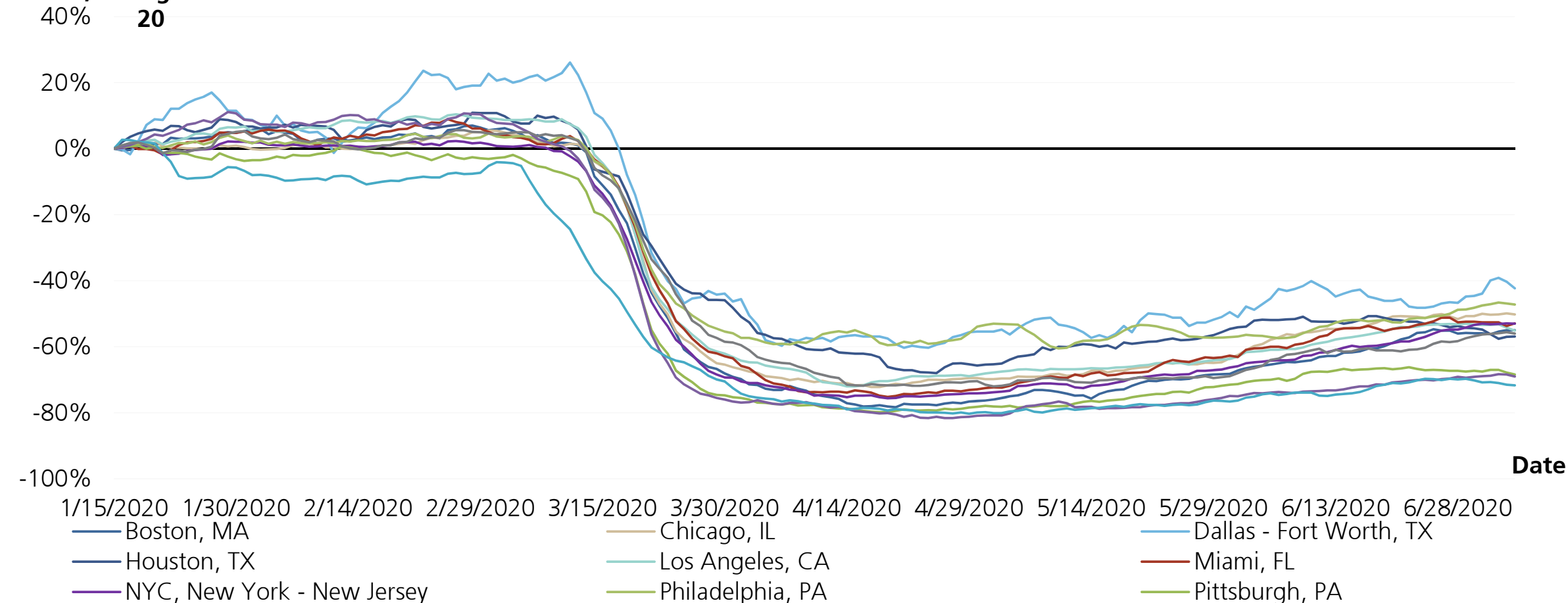


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U.S. Public Transit Ridership Trends

- UBS Evidence Lab has estimated U.S. Public Transit ridership declines based on Moovit transit app usage

Traffic, % chg vs 15-Jan-20



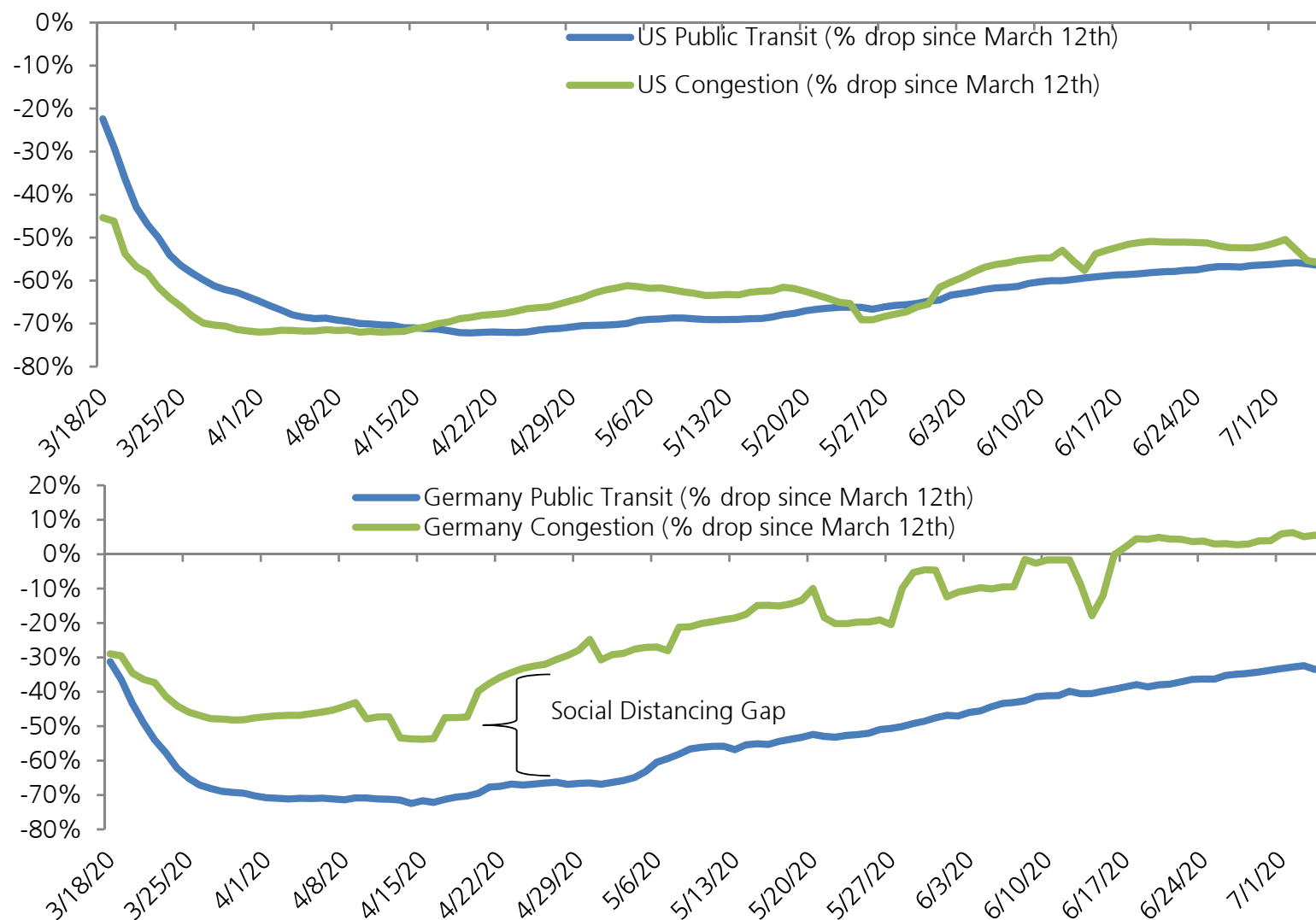
Source: UBS Evidence Lab, Moovit

Social Distancing Gap

Global Mobility

Is the "Social Distancing Gap" between traffic and transit growing ?

- Amid apprehension, public transport use has been slower to rebound in some countries
- In Germany, the Social Distancing Gap has averaged 40pp over the last month despite loosened restrictions
- In the U.S. the Social Distancing Gap was as high as 10pp in May, but has disappeared in June as the traffic rebound appears to have slowed relative to transit ridership

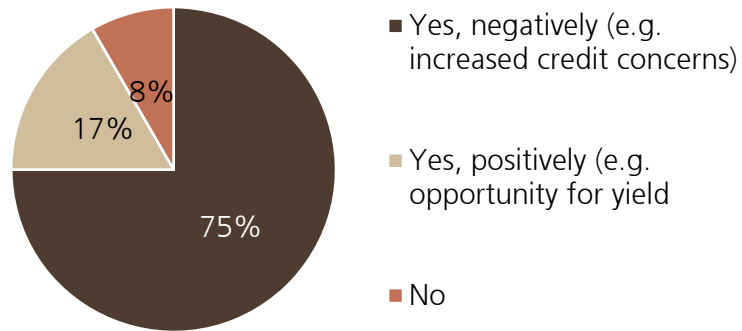


Source: UBS Evidence Lab, Moovit

UBS Survey of Investor Demand – Toll Revenue Bonds

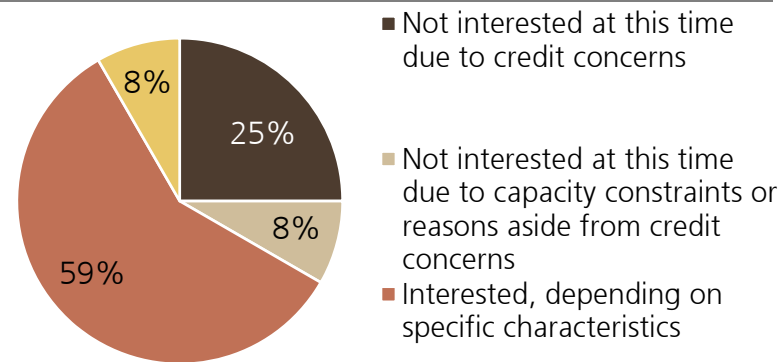
- UBS conducted a brief informal survey of 14 key institutional clients to collect real-time investor feedback and sentiment regarding toll revenue bonds; the results are summarized below

Has your interest in purchasing toll revenue bonds changed due to the effects of COVID-19 on driving activity and traffic levels?



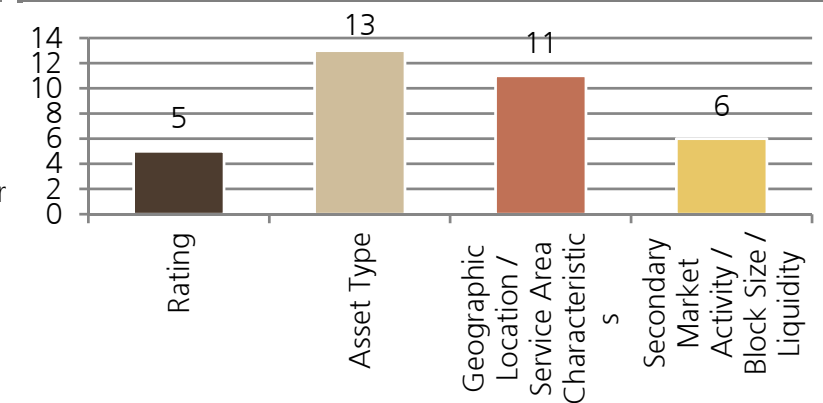
Note: several respondents selected more than one answer and those responses were **excluded** in the graph above

How would you describe your general interest in purchasing toll revenue bonds?



Note: several respondents selected more than one answer and those responses were **excluded** in the graph above

Which of the following are key factors that influence your investment decision regarding a specific toll revenue bond?



Note: several respondents selected more than three answers and those responses were **included** in the graph above

"We currently aren't adding toll revenues, however we aren't sell[ing] many either. We are looking at this sector on an issuer by issuer basis."

"Tolls are easier to research/follow because its easier to follow traffic patterns."

"Looking at opportunities in the face of more broad credit concerns."

"Interested selectively at a level, also had a considerable position coming into the pandemic so some capacity issues there."

"More specifically have avoided start-up toll roads (we like mature systems) and consider competition and alternative routes to toll roads when evaluating credits."

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