Media Release

COMFORTDELGRO

COMFORTDELGRO TURNS IN FULL-YEAR REVENUE OF $3.8 BILLION

- ***Full year Group revenue increased by 7.9% to $3.8 billion as economies recovered from the global pandemic.***
- ***Excluding Government assistance grants, the Group more than doubled operating profit from $115.2 million to $250.4 million.***
- ***Including the various Government COVID-19 assistance packages, the Group registered a 35.1% growth in operating profit to $270.0 million mainly due to improved performances in Singapore Taxi and Public Transport Services as well as an exceptional Alperton gain on disposal.***
- ***Net profit attributable to shareholders increased by 40.7% to $173.1 million.***
- ***A final dividend of 1.76 cents, and a special dividend of 2.46 cents, have been recommended.***

Singapore, 24 February 2023 – ComfortDelGro today announced its audited results for the year ended 31 December 2022.

Highlights:

	Full Year 31 Dec 2022	**Full Year 31 Dec 2021[1]**	**Change**
	$m	$m	%
Revenue	3,780.8	3,502.8	7.9
Operating Profit	270.0	199.8	35.1
Net Profit Attributable to Shareholders	173.1	123.0	40.7
EBITDA	590.9	599.8	-1.5
EPS – cents	7.99	5.68	40.7

Note: All figures denominated in Singapore dollars

Group Performance

With global economies recovering from the havoc wrecked by the two-year long COVID-19 pandemic, the Group's performance improved correspondingly. But the bounce back was partially dented by new challenges brought about by driver shortages, new work patterns and rising inflation. For the year ended 31 December 2022, Group revenue increased by $278.0 million or 7.9% to $3.8 billion with an increase of $387.0 million

[1] *Certain line items have been restated in accordance with IFRIC 12.*

coming from underlying businesses. This was however partially offset by an unfavourable foreign currency translation of $109.0 million from the weaker Australian dollar and Sterling Pound.

Revenue from the Group’s overseas operations amounted to $1.6 billion for the year under review, representing 41.9% of total Group revenue. The Group’s operations in the United Kingdom (UK) contributed the lion’s share of overseas revenue accounting for $795.3 million, followed closely behind by Australia with $690.1 million.

Group operating costs increased by 6.3% to $3.5 billion in line with higher activity levels, increased fuel and electricity costs and reduced COVID-19 Government reliefs, partially offset by a favourable foreign currency translation of $102.9 million from the weaker Australian dollar and Sterling Pound.

Group operating profit increased by 35.1% to $270.0 million with $76.3 million coming from the underlying businesses partially offset by a net negative impact from the foreign currency translation of $6.1 million.

Full-year net profit attributable to shareholders increased by 40.7% to $173.1 million compared to $123.0 million previously.

ComfortDelGro Managing Director/Group CEO, Mr Cheng Siak Kian, said: “After two years of sluggishness, the world sprung to life in the second half of 2022. Demand for our services picked up significantly with the resumption of activity, save for China which continued to pursue a zero-COVID policy until December 2022. But even as one challenge ebbed, new headwinds have emerged. Significant increases in inflation levels are affecting operations across the Group. We are watching these closely and continue to keep a tight lid on costs.

“We will also continue to grow our overseas portfolio by actively participating in bus and rail tenders in countries we already operate in, as well as in new geographies. We have been growing our external rail arm and hope to be able to continue the momentum. But even as we expand our global footprint, we are ever mindful of our impact on the environment. Our push to electrify our fleet continues and we are on track to achieving our Science Based Targets Initiative commitment which is to reduce absolute Scope 1 and 2 greenhouse gas emissions (GHG) by 54.6%, and a 61.2% reduction in Scope 3 GHG emissions from fuel and energy-related activities by 2032," he said.

Chairman Mr Lim Jit Poh, who will retire at the end of the upcoming Annual General Meeting on 28 April 2023, added: "2023 is a significant year for ComfortDelGro. We celebrate 20 years of existence, of moving people and of delivering on our promises. It is also the start of a new era at ComfortDelGro, with new leadership navigating new challenges in a new world. For me, it is especially significant as it marks the year I step down as Chairman of a Group I helped form two decades ago. Over the years, we have invested heavily in the upkeep and upgrade of our fleet, our people and our supporting infrastructure. We have spared no expense in investing for the future including setting up a $30 million Autonomous Vehicle Centre of Excellence (AV CoE) aimed at building up our capabilities in the operation and maintenance of such vehicles as well as a US$100 million venture capital fund which invests in a portfolio of technology start-ups in the mobility and automotive industry globally.

"Our plans to expand beyond our existing geographies did not come by chance. We have been actively exploring opportunities and looking at new avenues of growth. We know that we cannot solely rely on our existing business in the existing locations for a long-term sustainable growth. We have spread our wings, growing from Singapore's largest land transport operator to one of the largest in the world with a unique and multi-disciplinary footprint. Our fleet of buses, trains, taxis, private-hire vehicles (PHVs), medical vehicles and other specialised vehicles operate around the globe. I have no doubt that we will continue doing so. As we celebrate 20 years of existence, the Board has recommended a special dividend of 2.46 cents in addition to the final dividend of 1.76 cents. Together with the interim dividend of 2.85 cents, and the tax-exempt one-tier special dividend of 1.41 cents resulting from the net gain on disposal of Alperton property in London, we will be making a 70% payout of the profit attributable to shareholders for the year," he said.

Operations Review

- Public Transport Services

At Group level, full-year revenue from the public transport services business increased by $227.2m or 8.2% to $3.0 billion due mainly to improved rail ridership and fuel indexation in Singapore. Operating profit grew by 28.5% or $34.4 million to $154.9 million mainly due to an increase in revenue and a net gain on the disposal of the Alperton property in London in the first half of 2022. The growth in operating profit was partially offset by higher operating costs from higher fuel and electricity expenses as well as lower COVID-19 government reliefs.

- Taxi

At Group level, full-year revenue for the taxi business increased by 2.7% or $11.7 million to $437.8 million mainly from a strong showing from the Singapore operations which benefitted from the rise in economic activity following the relaxation of COVID-19 restrictions. A reduction in rental discounts and the introduction of taxi fare commissions from May 2022 helped boost revenue. This was partially offset by lockdowns in China resulting from the zero-COVID policy which ended in January 2023.

Operating profit increased by 181.6% or $33.6 million to $52.1 million due mainly to the recovering taxi business in Singapore, the divestment of the loss-making London and Ho Chi Minh taxi businesses in July 2021 and March 2022 respectively.

- Inspection and Testing Services

Revenue from the Group's inspection and testing services business increased by $7.4 million or 7.3% to $108.3 million mainly due to an increase in demand for non-vehicle testing services which rebounded in line with economic recovery. Operating profit increased by 6.5% or $2.0 million to $32.6 million on higher business volumes partially offset by lower government reliefs.

Dividend

A final tax-exempt one-tier dividend of 1.76 cents per share and a tax-exempt one-tier special dividend of 2.46 cents per ordinary share to commemorate the 20th anniversary of the Company's listing on the Singapore Exchange have been proposed. Together with the interim dividend of 2.85 cents, and the tax-exempt one-tier special dividend of 1.41 cents per ordinary share representing a Dividend Payout Ratio of 100.0% of the net gain on disposal of Alperton property in London, this represents a 70% payout of the profit attributable to shareholders for the year under review.

Outlook

As the post-COVID-19 economic recovery continues with activity levels continuing to improve, many countries are now experiencing significant increases in inflation levels which are affecting operations across the Group.

While Public Transport Services will, to some extent, be supported by wages and energy indexation on public bus contracts, there is uncertainty over the effectiveness and timing of indexation formulas. Singapore Public Transport Services will be affected from 2023 onwards by the full year impact of an amendment to the service fee payable by the LTA on 5 public bus contracts which was effective from 1 September 2022. Agreed as part of the transition of the Downtown Line to NRFF 2, the revised rate is benchmarked against recent bus tenders and is lower than the previous service fee. UK Public Transport Services will also be affected in 2023 by a recently agreed 11% pay increase for drivers, although contractual indexation mechanisms in place will partially compensate for this in due course. We anticipate contracts to be tendered for at significantly higher service fees to cater for cost increases. Australia Public Transport Services were successfully awarded region 4, 12 and 14 contracts in New South Wales. The robust tendering process, which attracted keen competitive submissions from numerous operators, concluded in November 2022 with new contractual terms commencing from the second quarter of 2023 at a revised rate which is lower than the current service fee. Rail ridership in Singapore, bus charter in Australia and coach services in the UK are continuing to recover after the relaxation of COVID-19 restrictions.

Singapore Taxi revenues are expected to improve, and driver earnings are expected to remain healthy as demand for taxis and PHVs remains strong. Taxi revenues in China are expected to improve with the end of the zero-COVID policy**.**

Other business segments are expected to remain stable, with improved activity levels and earnings offset by inflation. The Group, which is in a net cash position, continues to monitor interest rates while managing borrowings. With a strong balance sheet, the Group remains committed to its long-term strategy of strengthening its core, transforming and building new capabilities in smart and green mobility, while looking for growth opportunities in overseas and adjacent segments.

Background

ComfortDelGro is one of the world's largest land transport companies with a total fleet size of about 34,000 buses, taxis and rental vehicles. We also run 177km of light and heavy rail networks in Singapore and New Zealand. Our global operations span seven countries – Singapore, Australia, the United Kingdom, New Zealand, China, Ireland and Malaysia.