

## GENERAL ANNOUNCEMENT::COVID-19 BUSINESS UPDATES

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### Issuer & Securities

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#### Issuer/ Manager

COMFORTDELGRO CORPORATION LIMITED

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#### Securities

COMFORTDELGRO CORPORATION LTD - SG1N31909426 - C52

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#### Stapled Security

No

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#### Designation

Joint Company Secretary

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#### Description (Please provide a detailed description of the event in the box below)

Please see attached

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### Attachments

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[CDG%20-%20COVID-19%20Business%20Updates.pdf](#)

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Total size =1954K MB

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## COVID-19 Business Update

22 May 2020

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# Contents

- COVID-19 Operational Update
- COVID-19 Financial Update



# COVID-19 OPERATIONAL UPDATE

## Overall

- With land transport as its core business, CDG is most affected by the lock-downs in the major cities where we operate
- Governments in various countries now formulating exit plans from lockdown period, social distancing will continue and recovery expected to be gradual
- The impact varies across the different businesses, depending on the operating model and the change in demand for commute

## Segments

- **Public Transport Services** – deemed essential services in all geographies and scheduled services have continued to operate, although at reduced mileage / ridership; unscheduled services significantly impacted from lower tourism and school closures
  - Singapore – public bus and rail ridership down between 70%-75% during Circuit Breaker (“CB”) period
  - UK – public bus frequency reduced to weekend levels
  - Australia – services continue to operate but with some service changes

## Segments (cont'd)

- **Taxi** – deemed essential services in all geographies, however with major cities on lockdown activity levels severely impacted
  - Singapore – various COVID-19 relief schemes extended to drivers totaling \$116m, call centre volumes and cabby daily average earnings have decreased
  - China – rental relief borne by operators imposed by local governments
  - UK – call centre volumes significantly down
- **Ancillary services** – although mostly deemed essential services and so remained open during lockdown periods to a certain extent, there were severe knock-on effects from impact to public transport and taxis
  - Engineering services – reduced vehicle maintenance services with fewer cars on the road
  - Inspection and testing services – impacted as LTA deferred inspection of private cars during CB period
  - Driving centres, advertising – China and Singapore centres temporarily closed during lockdown periods

# COVID-19 Update

## Government assistance

- Governments have introduced a series of measures aimed at preserving jobs and livelihoods, as well as stabilising businesses
- Eligibility and the level of assistance will depend on how badly the sector or business is hit
- Employee Support Schemes where Governments co-fund part of local employees salaries implemented
  - Singapore – Jobs Support Scheme and foreign worker levy waivers granted to all Singapore companies
  - UK – Jobs Retention Scheme granted for furloughed employees only
  - Australia – JobKeeper scheme granted for furloughed employees only
  - China – partial waiver of social insurance payments granted in various provinces
- Business Support Schemes mostly targeted at smaller enterprises
  - Singapore – waiver of P-to-P licence fees and un-hired taxi cost reliefs granted by LTA, tax deferments/rebates and rental waivers also granted by the Government
  - UK – fuel subsidies and support for concessionary travels outside of London
  - Australia – measures targeted at smaller enterprises which CDG does not qualify for
  - China – VAT for taxi companies waived for certain periods



## Responses and measures taken by CDG

- Various measures implemented in close coordination with respective transport authorities
  - Enhanced cleaning measures and stock up of PPE
  - Disinfecting stations set up for taxis across major cities and temperature screening implemented
- We are actively pursuing initiatives to mitigate the business impacts
  - ComfortDelivery App launched to support cabbies with additional jobs during CB period
- Senior management and Directors have taken voluntary cuts in pay and fees respectively

## Way forward

- CDG will continue to watch and respond to the evolving COVID-19 crisis
- As and where necessary, we will work with the authorities to decisively intervene and prevent any outbreak at our workplaces and facilities
- Our top priority is the safety and well-being of our staff, the commuters and our customers

# COVID-19 FINANCIAL UPDATE

## 1QFY2020

# Income Statement

|                             | 1QFY2020 | 1QFY2019 | Fav/(Adv)        |
|-----------------------------|----------|----------|------------------|
| Revenue (\$'m)              | 862.4    | 947.3    | (84.9) / (9.0%)  |
| Op Costs (\$'m)             | (806.5)  | (839.9)  | 33.4 / 3.9%      |
| Op Profit (\$'m)            | 55.9     | 107.4    | (51.4) / (47.9%) |
| <i>OP Profit Margin (%)</i> | 6.5%     | 11.3%    |                  |
|                             |          |          |                  |
| PAT (\$'m)                  | 43.0     | 83.3     | (40.2) / (48.3%) |
| PATMI (\$'m)                | 36.0     | 70.4     | (34.4) / (48.9%) |
|                             |          |          |                  |
| EBITDA (\$'m)               | 158.0    | 213.1    | (55.1) / (25.9%) |

- Revenue ↓(\$84.9m) - taxi and automotive engineering services ↓(\$58.5m), public transport services ↓(\$28.6m)
- Operating costs ↓\$33.4m - taxi and automotive engineering services ↓\$29.6m, public transport services ↓\$7.3m
- Operating profit ↓(\$51.4m) - as a result of the above

# Balance Sheet

|                                     | Mar 20         | Dec 19         | Fav/(Adv)               |
|-------------------------------------|----------------|----------------|-------------------------|
| Cash and short-term deposits (\$'m) | 632.8          | 594.2          | 38.6 / 6.5%             |
| Other current assets (\$'m)         | 689.0          | 724.9          | (35.9) / (5.0%)         |
| Non-current assets (\$'m)           | 3,908.4        | 4,059.9        | (151.5) / (3.7%)        |
| <b>Total Assets (\$'m)</b>          | <b>5,230.2</b> | <b>5,379.0</b> | <b>(148.8) / (2.8%)</b> |
|                                     |                |                |                         |
| Current liabilities (\$'m)          | 1,056.4        | 1,115.8        | 59.4 / 5.3%             |
| Non-current liabilities (\$'m)      | 1,174.2        | 1,254.2        | 80.0 / 6.4%             |
| <b>Total Liabilities (\$'m)</b>     | <b>2,230.6</b> | <b>2,370.0</b> | <b>139.4 / 5.9%</b>     |
|                                     |                |                |                         |
| <b>Total Equity (\$'m)</b>          | <b>2,999.6</b> | <b>3,009.0</b> | <b>(9.4) / (0.3%)</b>   |

- Decrease in total assets mainly due to FX revaluation as well as depreciation and amortisation
- Decrease in total liabilities mainly due to FX revaluation and lower operating costs

# Cashflow

|                                       | 1QFY2020 (\$'m) |               |
|---------------------------------------|-----------------|---------------|
| <b>Cash from Operating Activities</b> |                 | <b>105.5</b>  |
| <u>Utilisation of Cash:</u>           |                 |               |
| Net CAPEX                             | (48.1)          |               |
| Tax                                   | (13.9)          |               |
| Acquisition of subsidiary             | (11.3)          |               |
| Dividends to NCI of subsidiaries      | (11.0)          |               |
| Grants received                       | 15.1            |               |
| Others                                | 4.0             |               |
| <b>Total Utilisation of Cash</b>      |                 | <b>(65.2)</b> |
| <b>Net Decrease in Borrowings</b>     |                 | <b>(1.7)</b>  |
| <b>Net Cash Inflow</b>                |                 | <b>38.6</b>   |

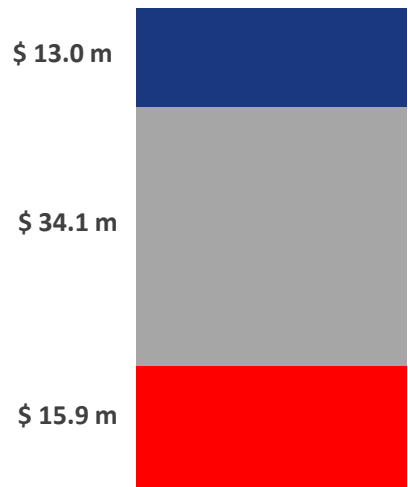
# Group Treasury Status

|                                     | Mar 20          | Dec 19           | Fav/(Adv)                |
|-------------------------------------|-----------------|------------------|--------------------------|
| <b>Cash and short-term deposits</b> | <b>\$632.8m</b> | <b>\$594.2m</b>  | <b>\$38.6m / 6.5%</b>    |
| Borrowings + finance leases         | (\$606.4m)      | (\$634.2m)       | \$27.8m / 4.4%           |
| <b>Net Cash / (Debt)</b>            | <b>\$26.4m</b>  | <b>(\$40.0m)</b> | <b>\$66.4m / NM</b>      |
| Gross Gearing (gross debt / equity) | 20.2%           | 21.1%            | 0.9% points              |
| Net Gearing                         | NA              | 1.3%             | NA                       |
| <b>Available facilities</b>         | <b>\$704.7m</b> | <b>\$710.6m</b>  | <b>(\$5.9m) / (0.8%)</b> |

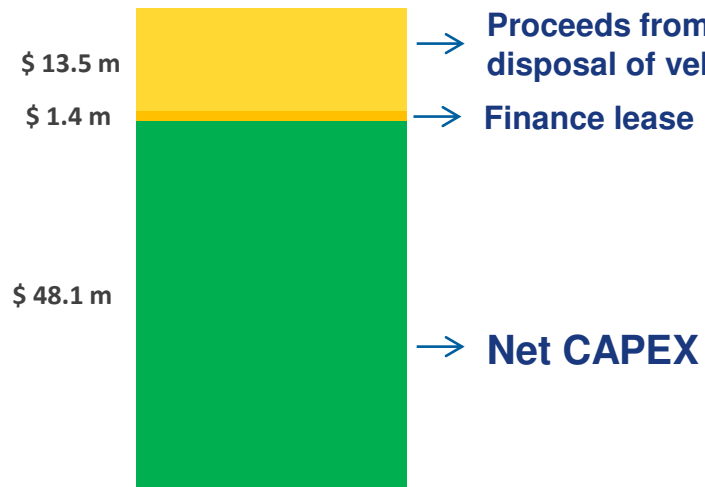
- Borrowings and finance leases reduction mainly from FX revaluation of AUD loans
- Net cash position as at 31 Mar 2020 \$26.4m vs net debt position as at 31 Dec 2019 of (\$40.0m)
- The Group also maintains available facilities of >\$700m in various currencies

# CAPEX Summary

**1QFY2020**  
\$63.0m



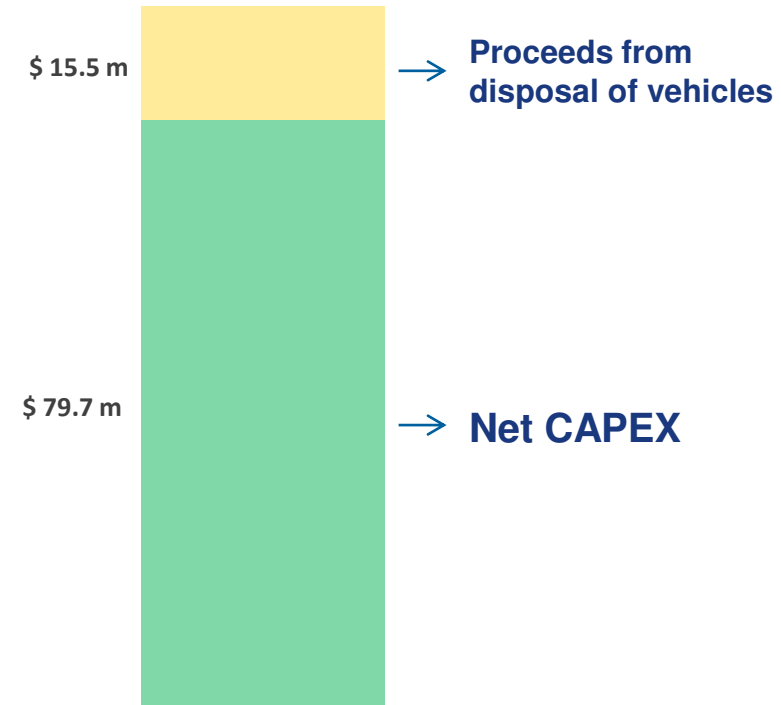
■ Buses   ■ Taxis   ■ Other vehicles, equipment and buildings



**1QFY2019**  
\$95.2m



■ Buses   ■ Taxis   ■ Other vehicles, equipment and buildings

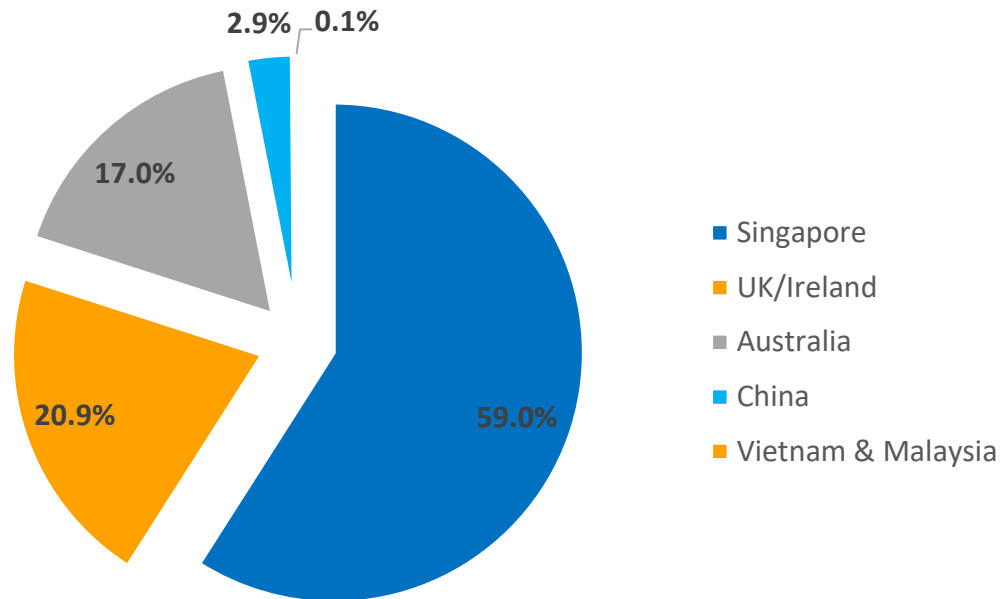


## No new non-essential capital commitments are being made

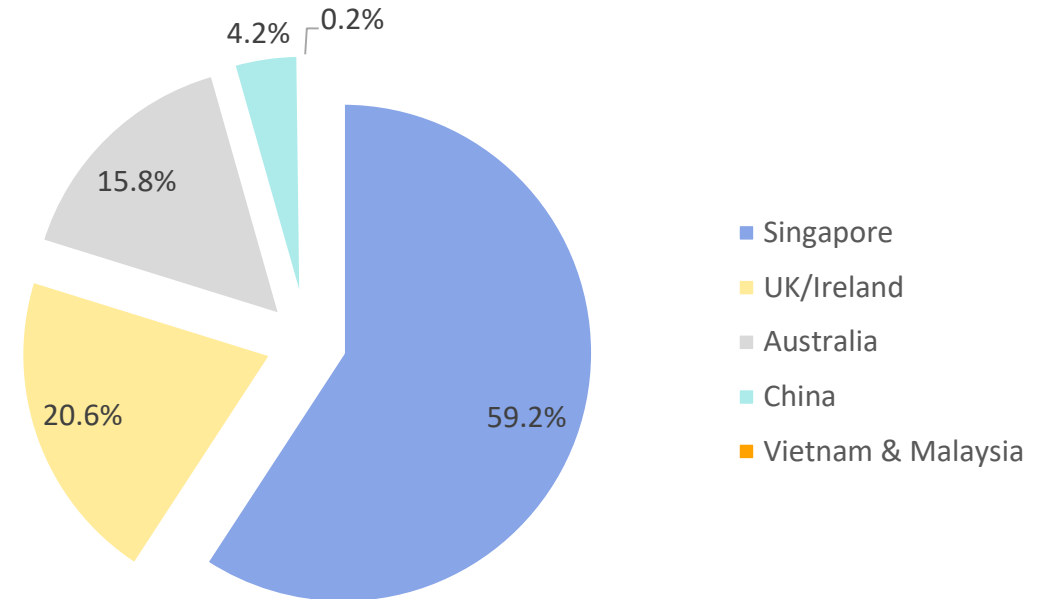
- Taxi – SG taxi fleet renewal and replacement with hybrid vehicles programme committed in 2019 continued
- Buses – purchase of hybrid bus fleet in AU and UK fleet replacement

# Revenue by Geographical Region

1QFY2020 Revenue by Geographical Region



1QFY2019 Revenue by Geographical Region

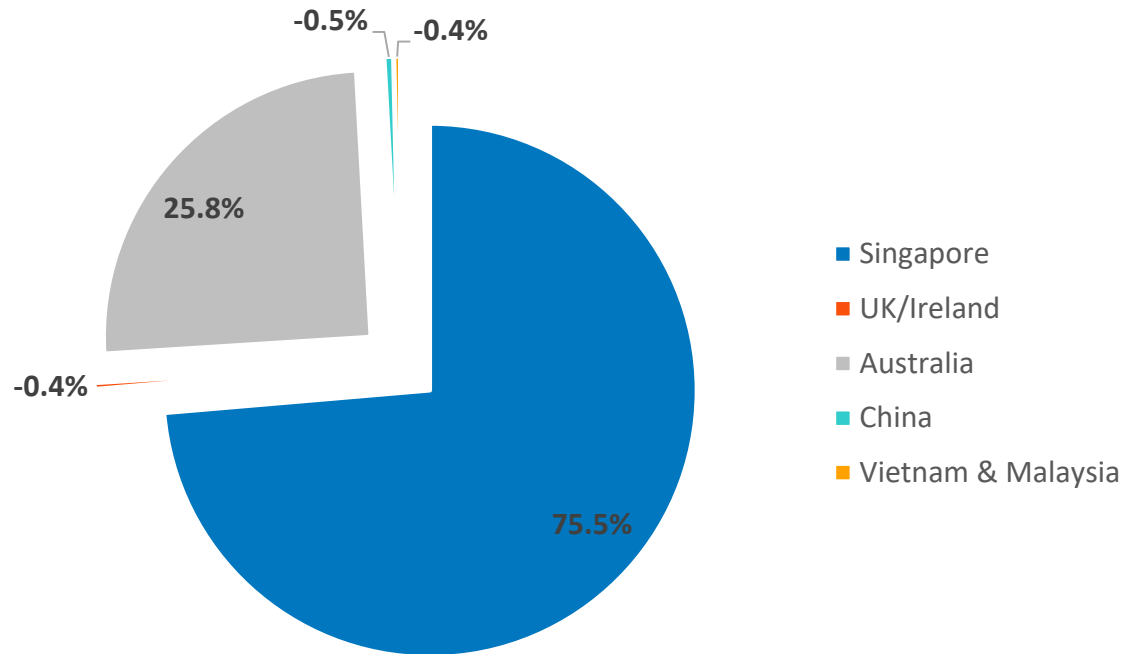


- 1QFY2020 overseas revenue contribution of 41.0% (1QFY2019 : 40.8%)

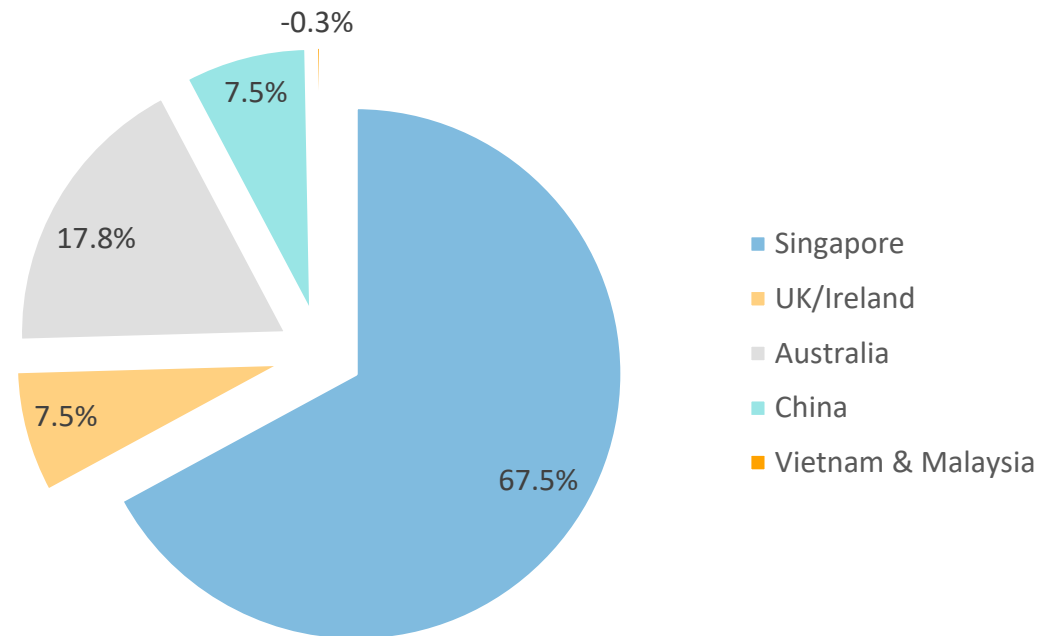


# Operating Profit by Region

1QFY2020 Operating Profit by Geographical Region



1QFY2019 Operating Profit by Geographical Region



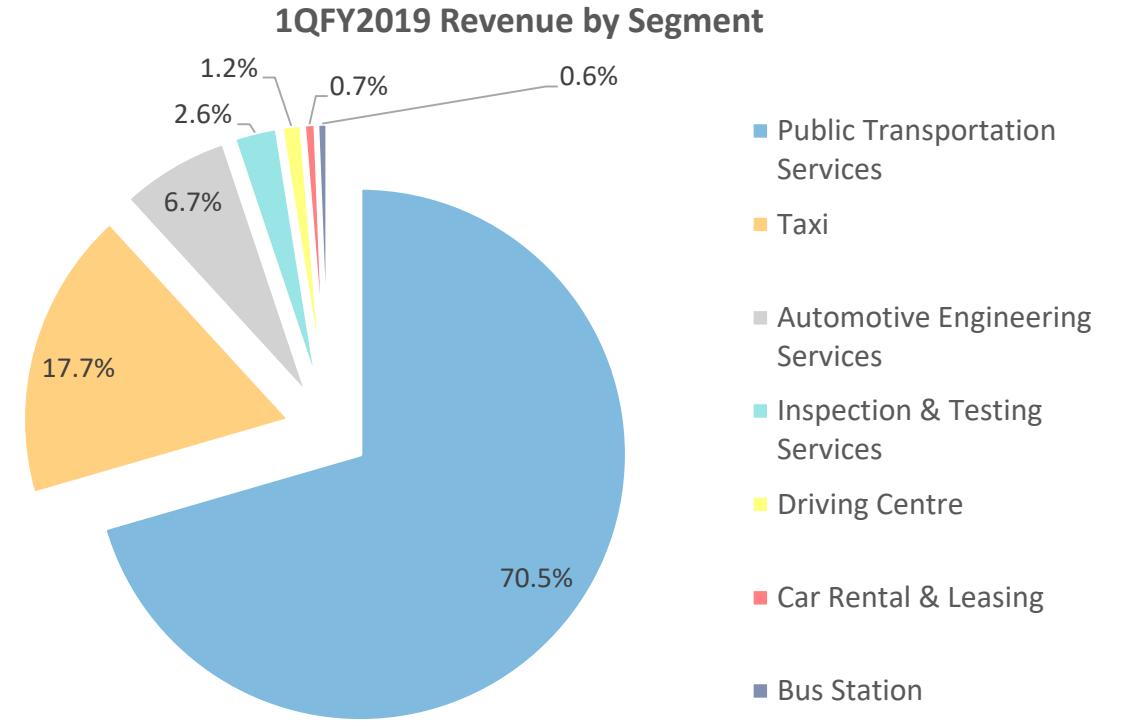
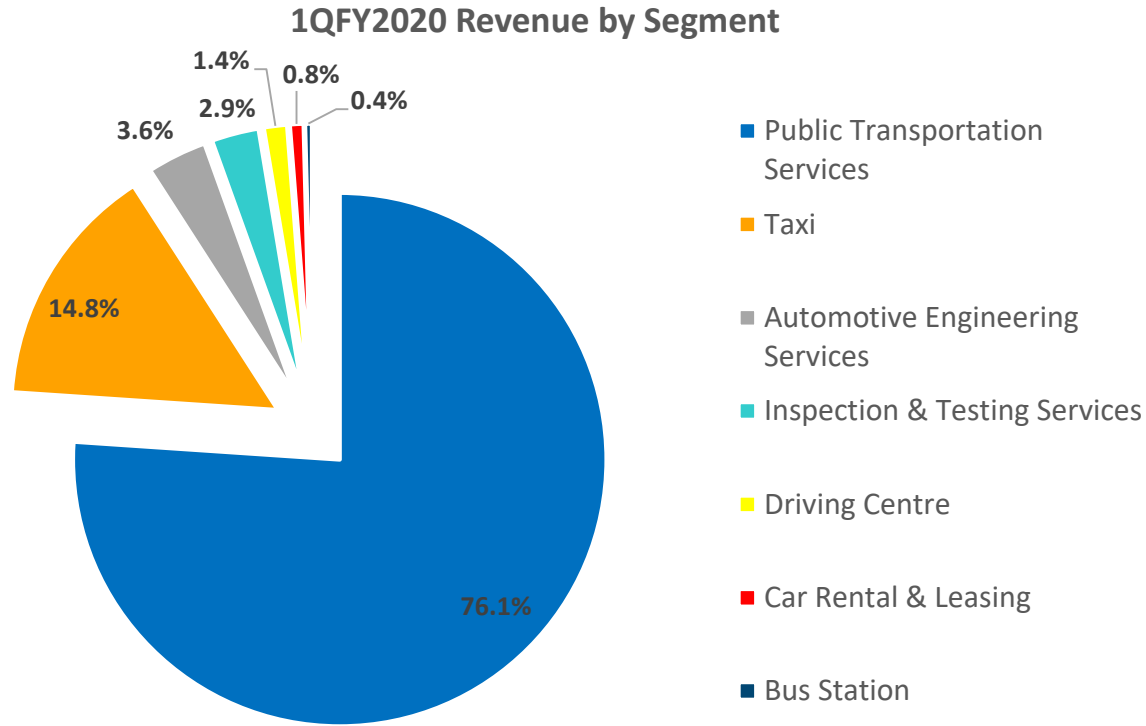
- 1QFY2020 overseas operating profit contribution of 24.5% (1QFY2019 : 32.5%)
  - China % distorted by COVID-19
  - UK % distorted by unusually bad weather and COVID-19 impact on tourism

# Financial Summary

- Public transportation services and taxi down from COVID-19
  - 1QFY2020 Group PATMI \$36.0m
- **Lockdowns in Singapore, Australia and UK will significantly hurt 1HFY2020 business**
- Strong Group Balance Sheet
  - Net cash position \$26.4m
  - Gross gearing (gross debt / equity) 20.2%
- Group continues to be cash generating
  - 1QFY2020 Free Cash Flow \$94.3m
    - EBITDA \$158.0m – net capex (\$48.1m) – tax (\$13.9m) – net interest (\$1.7m)
- 31 March 2020 cash and available facilities of >\$1.3b
  - Cash \$0.6b
  - Available facilities \$0.7b

# 1QFY2020 PERFORMANCE BY BUSINESS SEGMENT

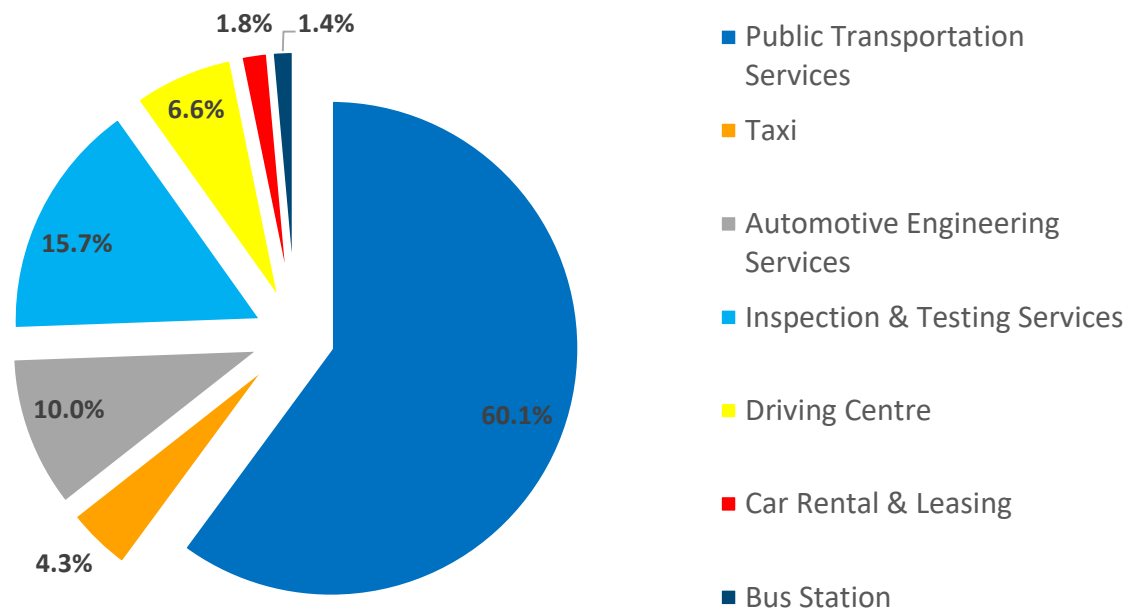
# Revenue by Segment



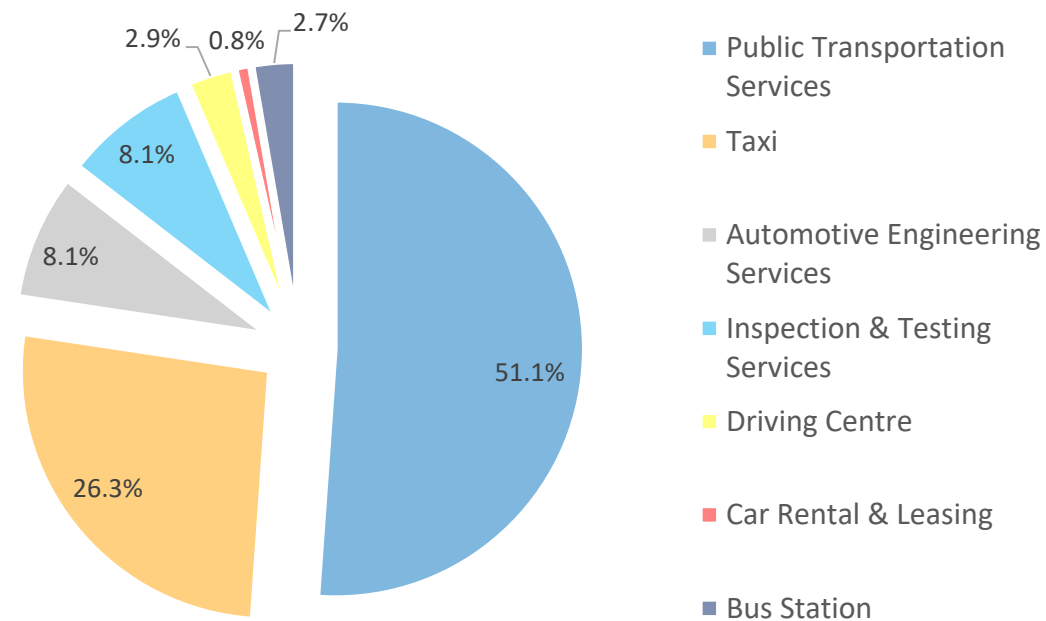
- Public transportation services % increased due to reducing taxi and automotive engineering services revenues
- Taxi % decreased mainly due to COVID-19 impact in China and Singapore

# Operating Profit by Segment

1QFY2020 Operating Profit by Segment



1QFY2019 Operating Profit by Segment



- As with revenue, public transport services % increased due to reductions in taxi and automotive engineering services
- Taxi % decrease as cost savings could not offset falling revenues

# Public Transport Services

- Revenue decreased by (\$28.6m)
  - Singapore - higher rail fares were more than offset by bus fuel indexation impact
  - UK - weather, COVID-19 impact on tourism and fewer routes
  - Australia – weaker A\$
- Operating costs reduced to cushion the fall in revenues
- Ridership and schedules reduced drastically in Singapore during CB period
- Fuel indexation continues to be impacted by ongoing low oil prices from oversupply

|                                | 1QFY2020 | 1QFY2019 |
|--------------------------------|----------|----------|
| Revenue                        | 656.3    | 684.9    |
| Operating Profit               | 33.6     | 54.9     |
| <i>Operating Profit Margin</i> | 5.1%     | 8.0%     |





# Taxi

- Revenue decreased by (\$44.1m)
  - Smaller Singapore fleet also impacted by COVID-19 relief schemes from Feb
  - China taxis rental reduced to virtually rent-free in response to COVID-19 lockdowns
- Lower operating costs from smaller fleet partially offset revenue reductions
- 2 months full rental waiver granted for Singapore fleet in April & May 2020 during CB period
- Announced COVID-19 relief schemes also extended until September 2020, to be further reviewed

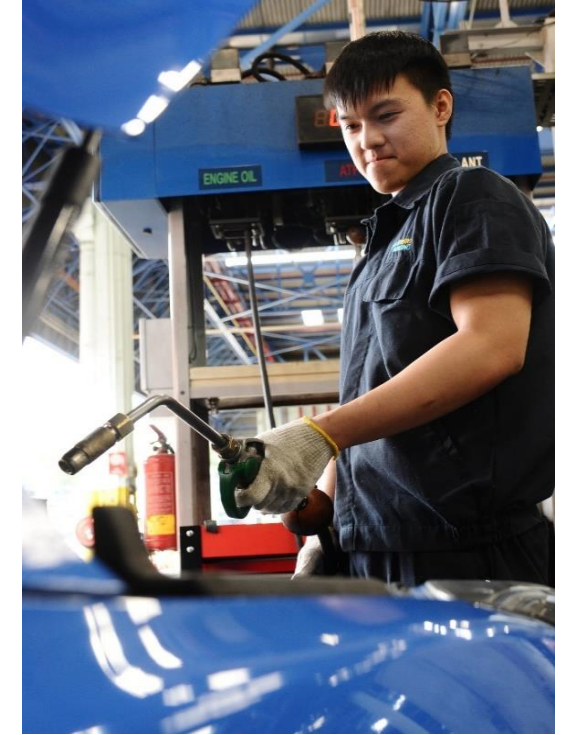
|                                | 1QFY2020    | 1QFY2019     |
|--------------------------------|-------------|--------------|
| Revenue                        | 127.8       | 171.9        |
| Operating Profit               | 2.4         | 28.2         |
| <i>Operating Profit Margin</i> | <i>1.9%</i> | <i>16.4%</i> |



# Automotive Engineering Services

- Revenue decreased by (\$14.4m) mainly due to smaller Singapore taxi fleet
- Operating profit margin softer due to lower business volumes
- Partial closure due to CB period, essential services continue at lower volumes

|                                | 1QFY2020 | 1QFY2019 |
|--------------------------------|----------|----------|
| Revenue                        | 50.2     | 64.6     |
| Operating Profit               | 5.6      | 8.7      |
| <i>Operating Profit Margin</i> | 11.2%    | 13.5%    |

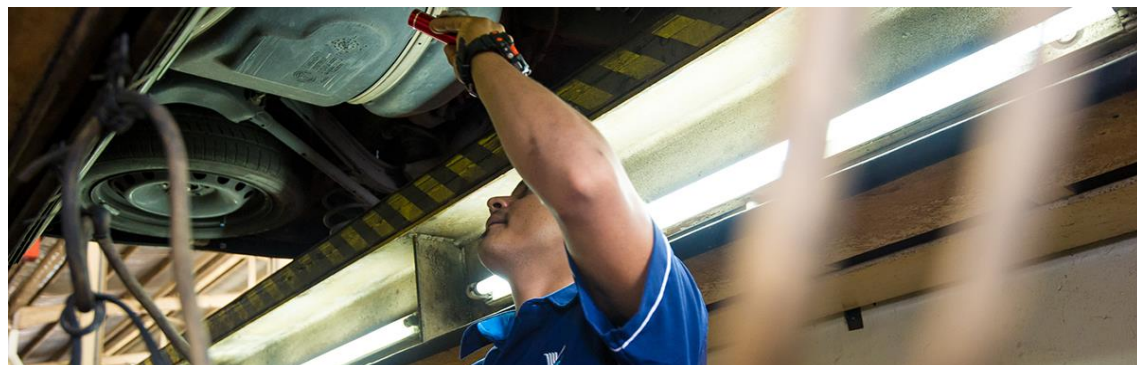




# Inspection & Testing Services

- Revenue and operating profit remained stable
- Some business activities restricted during CB period, majority continue at lower volumes

|                                | 1QFY2020 | 1QFY2019 |
|--------------------------------|----------|----------|
| Revenue                        | 25.3     | 25.5     |
| Operating Profit               | 8.8      | 8.7      |
| <i>Operating Profit Margin</i> | 34.8%    | 34.1%    |



# Driving Centre

- Revenue and operating profit remained stable
- Full closure during CB period as deemed a non-essential service

|                                | 1QFY2020 | 1QFY2019 |
|--------------------------------|----------|----------|
| Revenue                        | 12.1     | 11.7     |
| Operating Profit               | 3.7      | 3.1      |
| <i>Operating Profit Margin</i> | 30.6%    | 26.5%    |



# Car Rental & Leasing

- Revenue and operating profit remained stable
- Business continues during CB period
- Expected to be broadly stable due to long-term leases, short-term and PHV leases outlook uncertain

|                                | 1QFY2020 | 1QFY2019 |
|--------------------------------|----------|----------|
| Revenue                        | 7.1      | 6.8      |
| Operating Profit               | 1.0      | 0.9      |
| <i>Operating Profit Margin</i> | 14.1%    | 13.2%    |

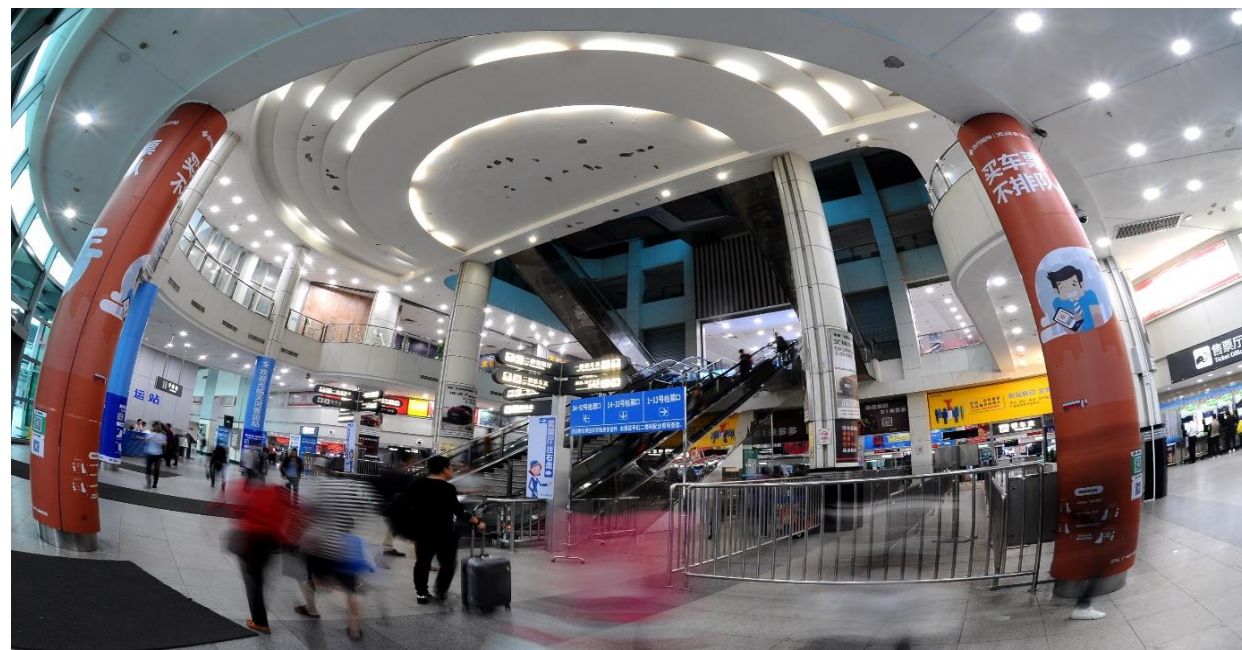




# Bus Station

- Lower CN bus station revenue (\$2.5m)
  - Lower activity levels in lockdown conditions
- Operating profit and margin reduced as a result
- Operations re-commenced in 2Q, albeit at lower activity levels due to ongoing travel restrictions

|                                | 1QFY2020 | 1QFY2019 |
|--------------------------------|----------|----------|
| Revenue                        | 3.5      | 6.0      |
| Operating Profit               | 0.8      | 2.9      |
| <i>Operating Profit Margin</i> | 22.9%    | 48.3%    |



**THANK YOU**

# Appendix - Segments

| (S\$m)                          | 1QFY2020 Revenue | 1QFY2020 Operating Profit |
|---------------------------------|------------------|---------------------------|
| Public Transportation Services  | 656.3            | 33.6                      |
| Taxi                            | 127.8            | 2.4                       |
| Automotive Engineering Services | 50.2             | 5.6                       |
| Inspection & Testing Services   | 25.3             | 8.8                       |
| Driving Centre                  | 12.1             | 3.7                       |
| Car Rental & Leasing            | 7.1              | 1.0                       |
| Bus Station                     | 3.5              | 0.8                       |
| Elimination <sup>1</sup>        | (19.9)           | -                         |
| <b>Total</b>                    | <b>862.4</b>     | <b>55.9</b>               |

1. Elimination of inter-segment services