

GENERAL ANNOUNCEMENT::COVID-19 BUSINESS UPDATE FOR 3Q2020

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Please see attached.

Attachments

[CDG - 3Q2020 Business Update.pdf](#)

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COVID-19 Update for 3Q2020

12 November 2020

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- COVID-19 Operational Update for 3Q2020
 - COVID-19 Financial Update for 3Q2020



COVID-19 OPERATIONAL UPDATE FOR 3Q2020

COVID-19 Update

Overall

- Improved business outlook, but risk environment continues to be fraught with uncertainties
 - US and Europe are battling second wave of infections, with fresh infection rates soaring to new highs
 - Many European nations including Spain, Germany, France and UK are re-imposing lockdowns in effort to stop the spread of infection
 - In Asia, countries like China and Singapore have managed to bring pandemic under control, with sporadic cases reported
 - In Australia, restrictions lifted on 28 October 2020 in second largest city of Melbourne
- Covid-19 Vaccine likely to obtain regulatory approval only in 2021
- Prolonged and uneven recovery ahead for economies and businesses

COVID-19 Update

Singapore

- Gradual resumption of business activities, including conferences. Negotiating with several nations on green-lane travel arrangements
- Restrictions remain in-place for large scale events and nightlife activities
- Daily infection numbers down to low digits – mostly imported cases
- Recovery of public transport ridership with resumption of activities
 - Ridership of rail, bus, and taxi have recovered to about 55%, 70% and 80% of pre-Covid levels
- Extension of Singapore Government reliefs and assistance
 - JSS extends to August 2021, with wage subsidy up to 30% for transport sector
 - Special Relief Fund for Taxi/PHV similarly extended to March 2021
- Monitoring and adjusting taxi rebates accordingly to ensure a reasonable level of monthly takings for taxi hirers

COVID-19 Update

China

- Pandemic largely brought under control by May 2020
- Subsequent sporadic outbreaks across cities (including Beijing and Jilin) but these were swiftly brought under control by decisive intervention and mass testing
- As evident by the early October 2020 *Golden Week* travel, social activities across the country have almost resumed to pre-Covid levels
- All government reliefs have ceased – social insurance waiver and VAT rebates
- Group's taxi fleet hire-out rate at > 90%, no further rental discounts given

COVID-19 Update

Australia

- Hardest hit city of Melbourne put on lockdown in July 2020 with spike of new cases
 - Night time curfew, closure of schools, retail and hospitality businesses
 - Travel restrictions imposed across State borders
- Restrictions recently lifted on 28 October 2020, after the Victorian State Government successfully brought the pandemic under control
- Minimal impact to CDG Australia public bus business as services continued in NSW and Victoria, some cancellations of night services in Melbourne
- Charter business remains sluggish with cancellation of discretionary events

COVID-19 Update

United Kingdom / Ireland

- Worsening resurgent wave of infection over past weeks across cities, especially in the northern part of the nation
- PM Boris Johnson announced on 31 October 2020 a second national lockdown for England from 5 November 2020 to 2 December 2020. Similar restrictions are imposed in Scottish, Welsh and Irish cities, with escalating measures triggered by infection rates.
- Government will extend the furlough payments through to March 2021
- Public bus services to continue at 100% of normal levels in London, but service frequencies may be reviewed by Transport for London (TfL) in light of tightened measures
- Taxi, Coach and Charter businesses expect to be badly hit. Scottish and Irish governments have committed to coach services payments until March 2021.
- Continue to watch over developments in the UK, not only in the area of Covid-19, but also of Brexit talks and the funding of TfL after March 2021 when current funding of £1.7b ends

COVID-19 FINANCIAL UPDATE FOR 3Q2020

Income Statement – 3Q2020

	3Q2020	3Q2019	Fav/(Adv)	YTD Sep'20	YTD Sep'19	Fav/(Adv)
Revenue (\$'m)	816.5	975.6	(159.1) / (16.3%)	2,343.2	2,902.6	(559.4) / (19.3%)
Operating Costs (\$'m)	(755.0)	(866.0)	111.0 / 12.8%	(2,244.3)	(2,570.6)	326.3 / 12.7%
	61.5	109.6	(48.1) / (43.9%)	98.9	332.0	(233.1) / (70.2%)
Impairment (\$'m)	(17.5)	(0.7)	(16.8) / NM ¹	(48.3)	(0.7)	(47.6) / NM ¹
Operating Profit (\$'m)	44.0	108.9	(64.9) / (59.6%)	50.6	331.3	(280.7) / (84.7%)
PAT (\$'m)	31.9	83.4	(51.5) / (61.8%)	33.5	256.8	(223.3) / (87.0%)
PATMI (\$'m)	21.7	70.0	(48.3) / (69.0%)	15.7	216.3	(200.6) / (92.7%)
EBITDA (\$'m) ²	164.8	210.3	(45.5) / (21.6%)	411.6	643.9	(232.3) / (36.1%)

Operating Profit before COVID-19 Government relief (\$'m)	(0.2)	108.9	(109.1) / (100.2%)	(75.9)	331.3	(407.2) / (122.9%)
COVID-19 Government relief (\$'m)	44.2	-	44.2 / NM ¹	126.5	-	126.5 / NM ¹
Operating Profit after COVID-19 Government relief (\$'m)	44.0	108.9	(64.9) / (59.6%)	50.6	331.3	(280.7) / (84.7%)

Income Statement – 3Q2020

3Q2020 vs 3Q2019

- Revenue ↓(\$159.1m) or (16.3%) – public transport services ↓(\$86.1m); taxi ↓(\$49.8m); automotive engineering services ↓(\$21.9m)
- Operating costs ↓\$111.0m or 12.8%
 - Public transport services ↓\$34.7m; taxi ↓\$14.5m; automotive engineering services ↓\$19.3m
 - COVID-19 Government relief of \$44.2m mainly relates to Jobs Support Scheme and waiver of Foreign Worker Levy in Singapore, employee furlough scheme in the UK, partial exemption of social security contribution in China and JobsKeeper scheme in Australia
 - Singapore – \$31.2m, UK – \$7.2m, China – \$4.9m, Australia – \$0.9m
- Impairment provisions of (\$17.5m) on taxi and regional coach businesses in UK
- Operating profit ↓(\$64.9m) or (59.6%) – as a result of the above

YTD Sep'20 vs YTD Sep'19

- Revenue ↓(\$559.4m) or (19.3%) – public transport services ↓(\$267.3m); taxi ↓(\$209.4m); automotive engineering services ↓(\$68.1m)
- Operating costs ↓\$326.3m or 12.7%
 - Public transport services ↓\$91.0m; taxi ↓\$61.5m; automotive engineering services ↓\$54.9m
 - COVID-19 Government relief of \$126.5m helped cushion costs from continuing essential services
 - Singapore – \$100.3m, UK – \$14.9m, China – \$9.6m, Australia – \$1.7m
- Impairment provisions of (\$48.3m) on various businesses
- Operating profit ↓(\$280.7m) or (84.7%) – as a result of the above

Income Statement – Quarter-on-Quarter 2020

	1Q2020	2Q2020	3Q2020
Revenue (\$'m)	862.4	664.3	816.5
Operating Costs (\$'m)	(806.5)	(682.8)	(755.0)
	55.9	(18.5)	61.5
Impairment	-	(30.8)	(17.5)
Operating Profit / (Loss) (\$'m)	55.9	(49.3)	44.0
P/(L)AT (\$'m)	43.0	(41.4)	31.9
P/(L)ATMI (\$'m)	36.0	(42.0)	21.7
EBITDA (\$'m) ¹	158.0	88.8	164.8

Operating Profit/(Loss) before Government relief (\$'m)	55.9	(131.6)	(0.2)
COVID-19 Government relief (\$'m)	-	82.3	44.2
Operating Profit/(Loss) after Government relief (\$'m)	55.9	(49.3)	44.0

Income Statement – Quarter-on-Quarter 2020

Covid-19 recovery continued through 3Q2020

- Activity levels gradually improved in most geographies in 3Q2020 after relaxation of lockdown measures
 - However, 3-tiered restrictions introduced in England became a full lockdown for November 2020
 - Various other restrictive measures also in place in Scotland, Ireland and Wales
- 3Q2020 revenue increased 22.9% on 2Q2020, down (5.3%) on 1Q2020
- Operating costs increased in line with activity levels and lower Government relief
- Impairment provision of \$17.5m recognised in 3Q for UK Taxi and regional coach businesses
- Return to operating profit in 3Q2020 after operating loss in 2Q2020
 - Slight operating loss before Government relief in 3Q2020 of (\$0.2m), mainly due to impairment

Balance Sheet

	Sep 20	Dec 19	Fav/(Adv)
Cash and short-term deposits (\$'m)	750.9	594.2	156.7 / 26.4%
Other current assets (\$'m)	686.8	724.9	(38.1) / (5.3%)
Non-current assets (\$'m)	3,885.1	4,059.9	(174.8) / (4.3%)
Total Assets (\$'m)	5,322.8	5,379.0	(56.2) / (1.0%)
Current liabilities (\$'m)	1,140.9	1,115.8	25.1 / 2.2%
Non-current liabilities (\$'m)	1,239.4	1,254.2	(14.8) / (1.2%)
Total Liabilities (\$'m)	2,380.3	2,370.0	10.3 / 0.4%
Total Equity (\$'m)	2,942.5	3,009.0	(66.5) / (2.2%)

- Decrease in total assets mainly due to depreciation and amortisation and impairment
- Decrease in total equity mainly due to 2019 final dividend paid in 1H2020

Cashflow

	3Q2020 (\$'m)		YTD Sep'20 (\$'m)	
Cash from Operating Activities		188.1		428.6
<u>Utilisation of Cash:</u>				
Net CAPEX	(28.9)		(84.4)	
Tax	(21.5)		(45.1)	
Acquisition of subsidiary	-		(12.2)	
Dividends	(1.6)		(139.0)	
Grants received	15.3		45.5	
Others	3.4		6.5	
Total Utilisation of Cash		(33.3)		(228.7)
Net Decrease in Borrowings		(23.8)		(43.2)
Net Cash Inflow		131.0		156.7

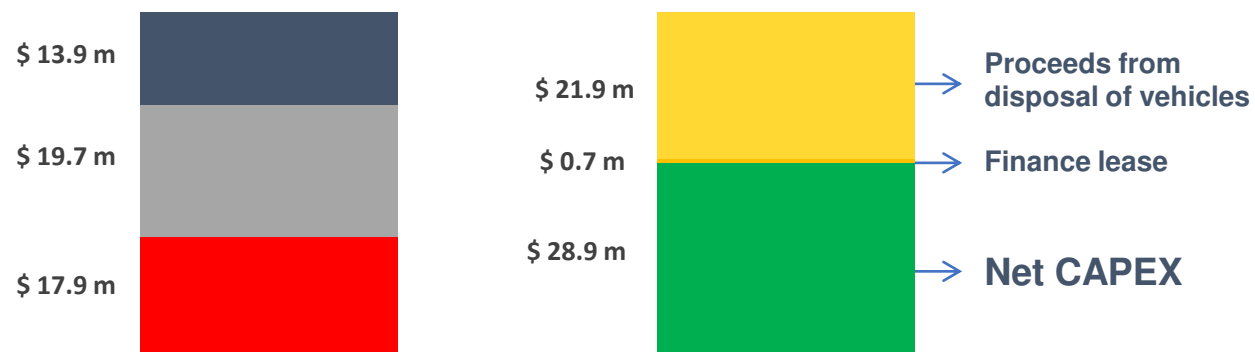
Group Treasury Status

	Sep 20	Dec 19	Fav/(Adv)
Cash and short-term deposits	\$750.9m	\$594.2m	\$156.7m / 26.4%
Borrowings + finance leases	(\$635.4m)	(\$634.2m)	(\$1.2m) / (0.2%)
Net Cash/(Debt)	\$115.5m	(\$40.0m)	\$155.5m / NM
Gross Gearing (gross debt / equity)	21.6%	21.1%	(0.5%) points
Net Gearing	NA	1.3%	NA
Available facilities	\$699.5m	\$710.6m	(\$11.1m) / (1.6%)

- Net cash position as at 30 Sep 2020 \$115.5m vs net debt position as at 31 Dec 2019 (\$40.0m)
- The Group has available facilities of ~\$700m in various currencies

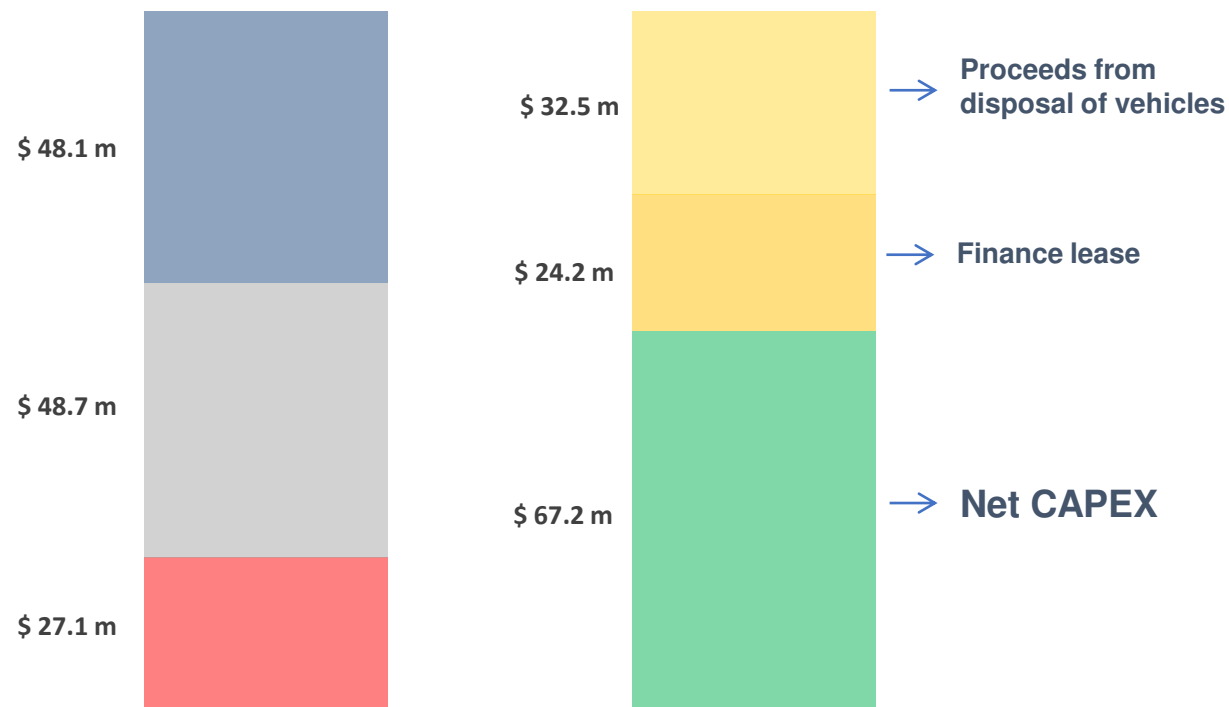
CAPEX Summary – 3Q2020

3Q2020
\$51.5m



■ Buses ■ Taxis ■ Other vehicles, equipment and buildings

3Q2019
\$123.9m



■ Buses ■ Taxis ■ Other vehicles, equipment and buildings

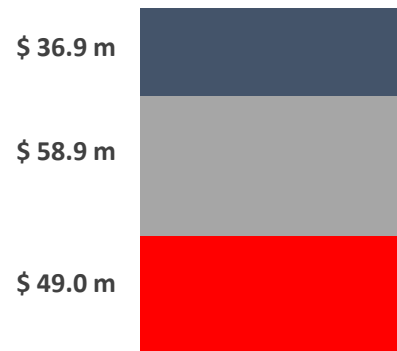
No new non-essential capital commitments are being made

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

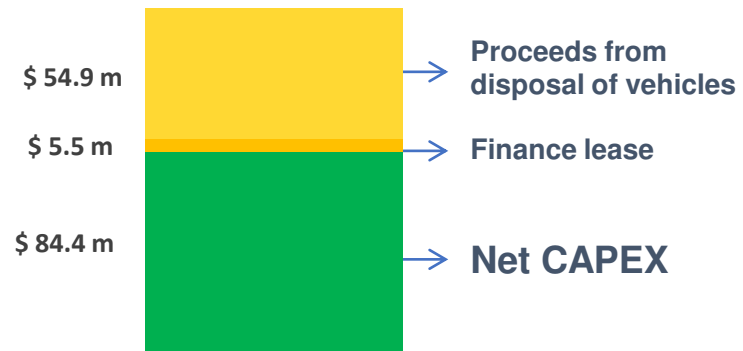
- Others – includes IT, land and building and other vehicles

CAPEX Summary – YTD Sep'20

YTD Sep'20
\$144.8m



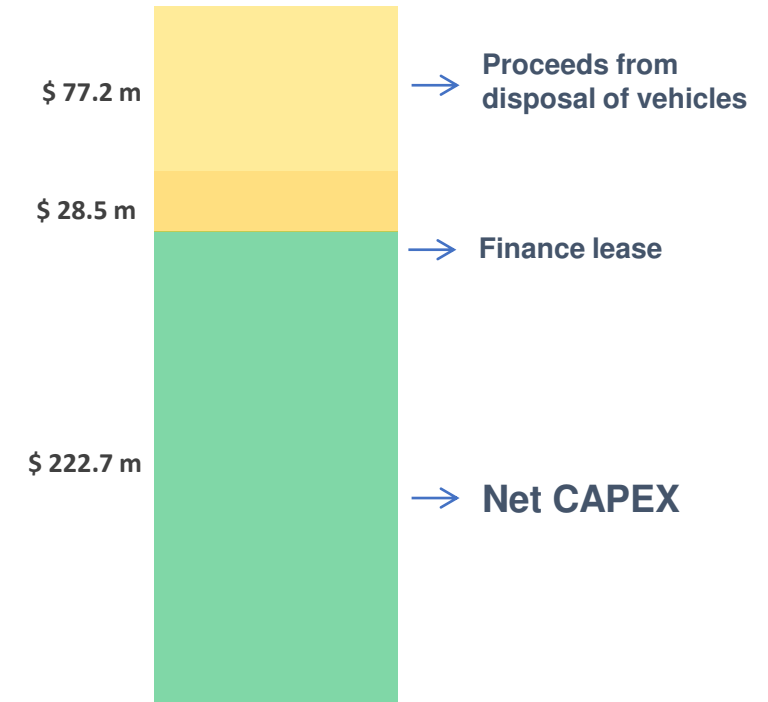
■ Buses ■ Taxis ■ Other vehicles, equipment and buildings



YTD Sep'19
\$328.4m



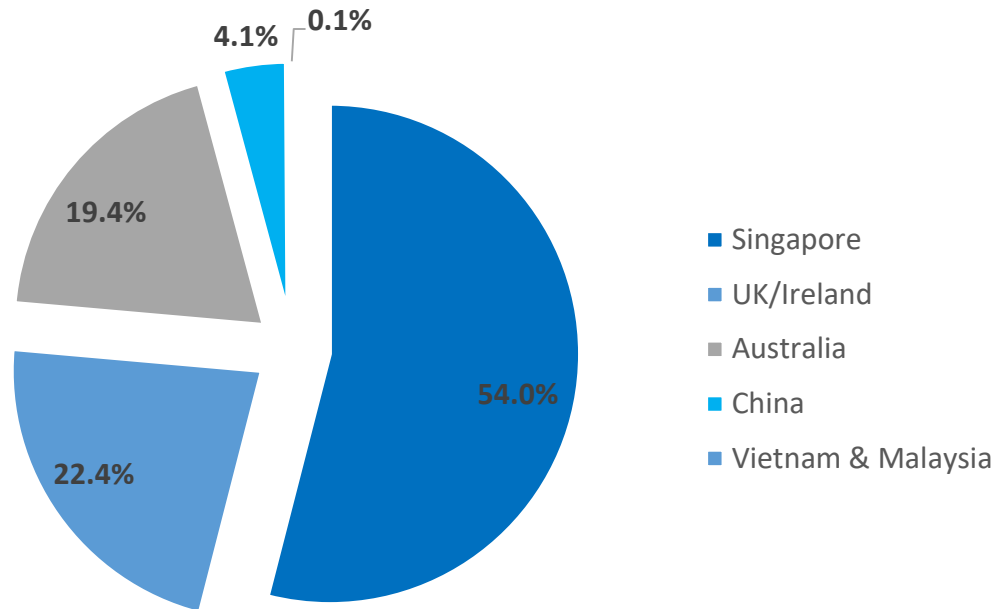
■ Buses ■ Taxis ■ Other vehicles, equipment and buildings



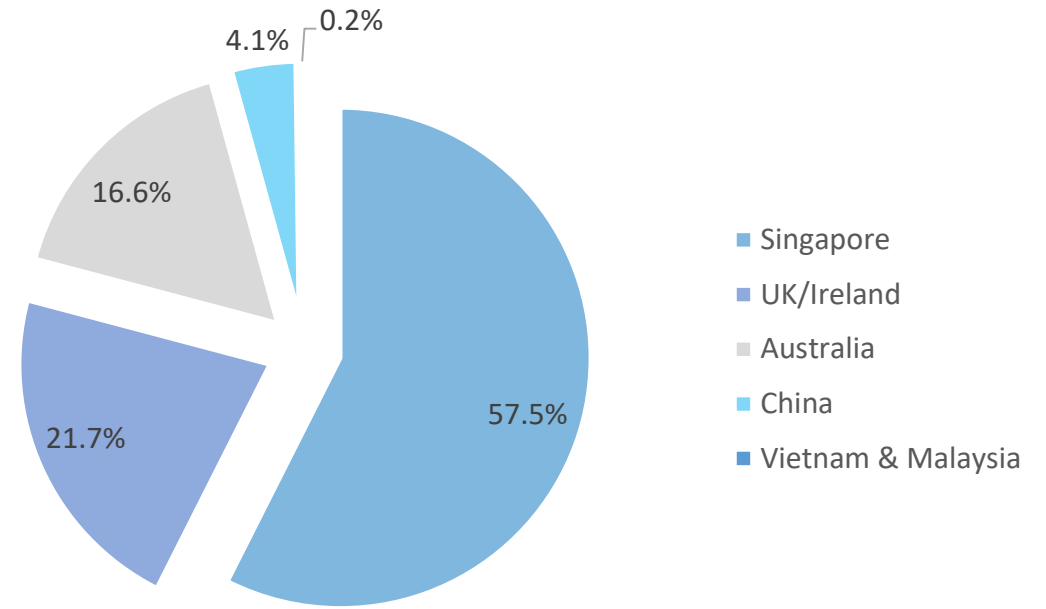
- Significant reduction compared to 2019 with all non-essential CAPEX suspended

Revenue by Geographical Region – 3Q2020

3Q2020 Revenue by Geographical Region



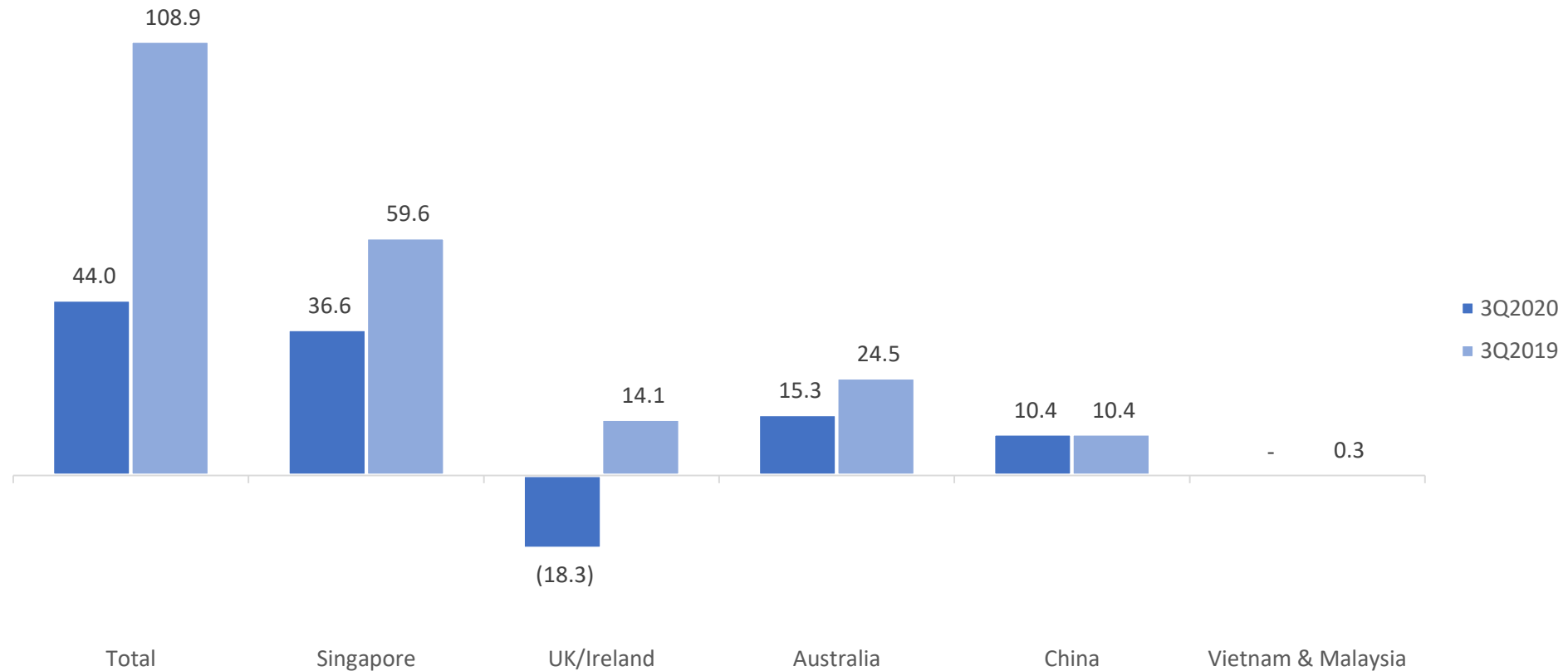
3Q2019 Revenue by Geographical Region



- 3Q2020 overseas revenue contribution of 46.0% (3Q2019 : 42.5%)

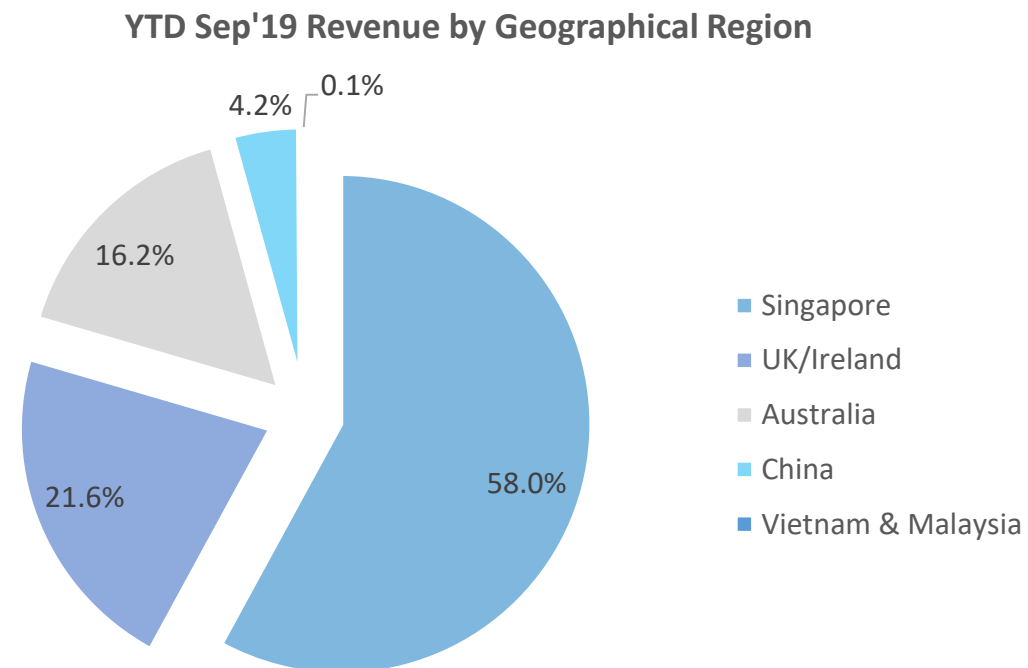
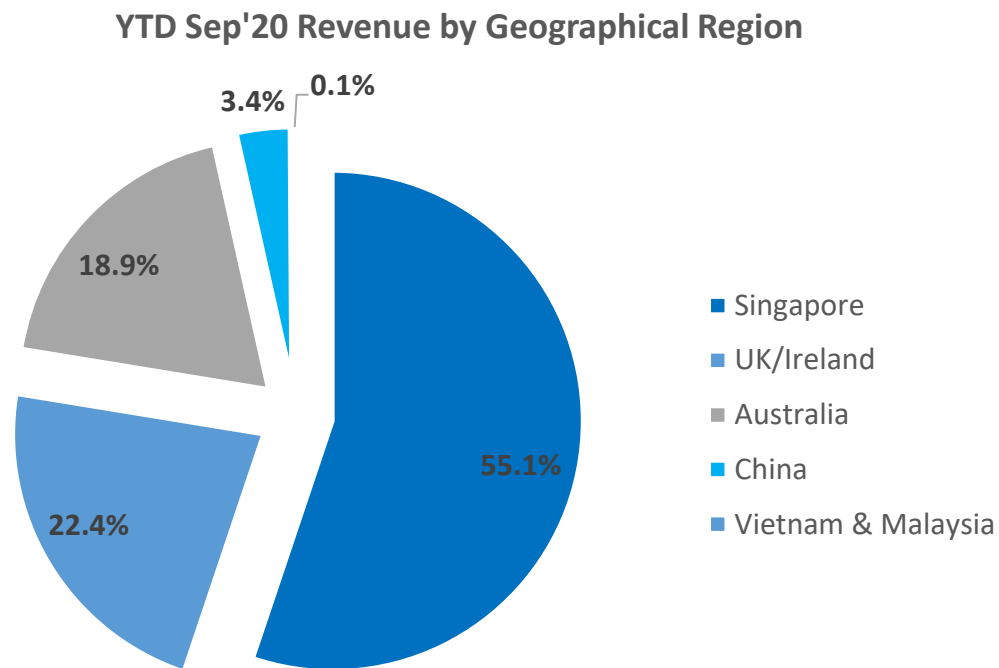
Operating Profit by Region – 3Q2020

Operating Profit by Geographical Region (\$'m)



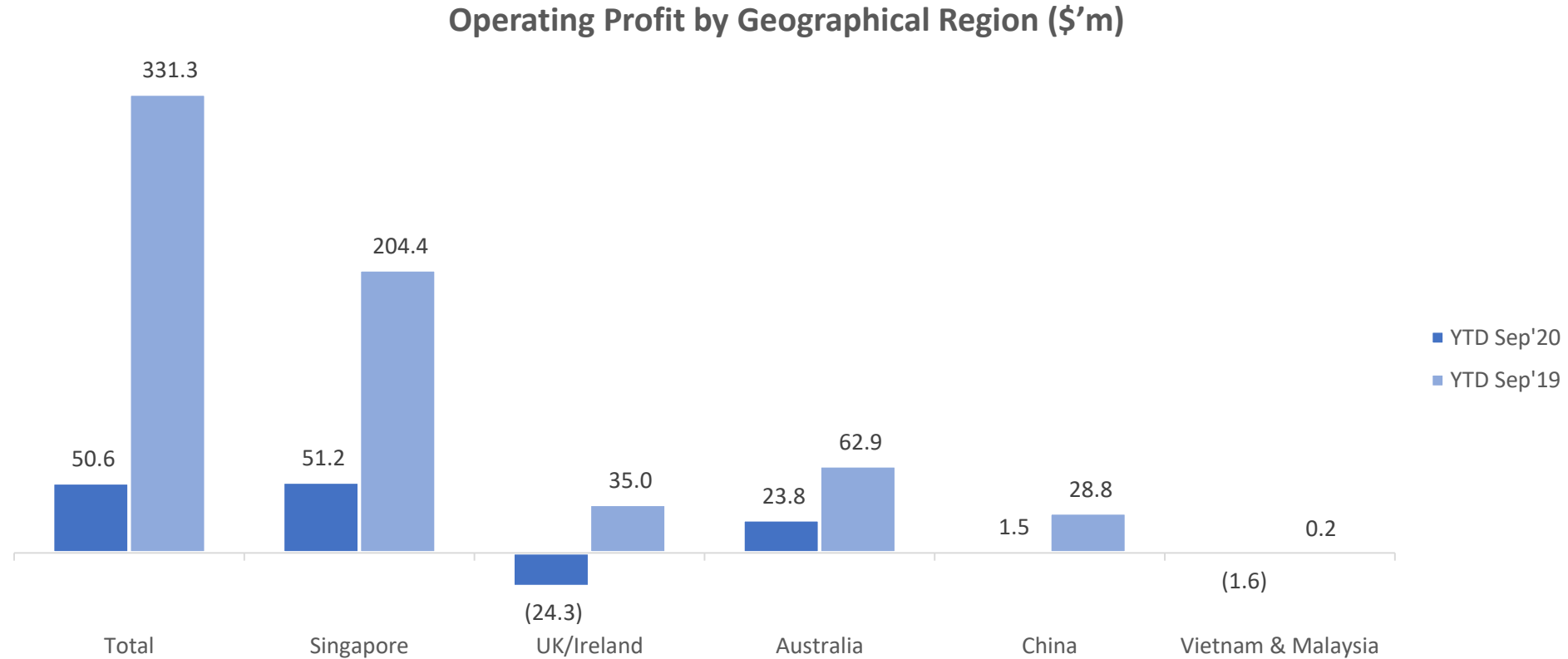
- 3Q2020 Operating Loss in the UK includes impairment provision of \$17.5m recognised in 3Q for UK Taxi and regional coach businesses

Revenue by Geographical Region – YTD Sep'20



- YTD Sep'20 overseas revenue contribution of 44.9% (YTD Sep'19 : 42.0%)

Operating Profit by Region – YTD Sep'20



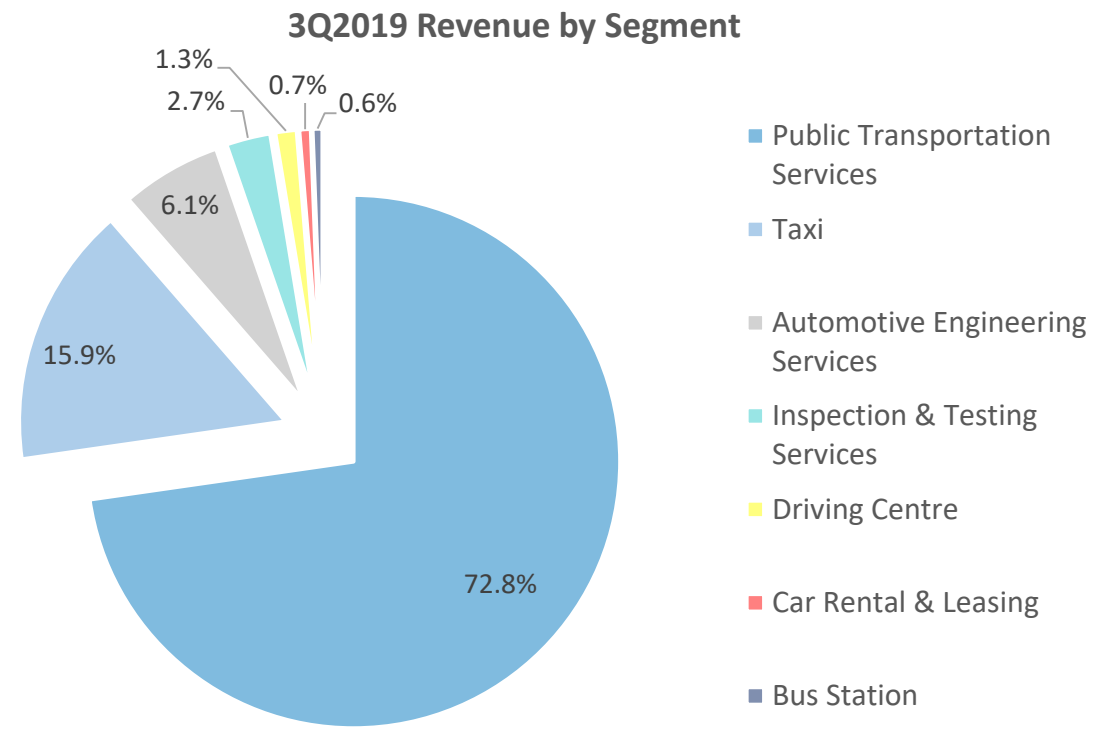
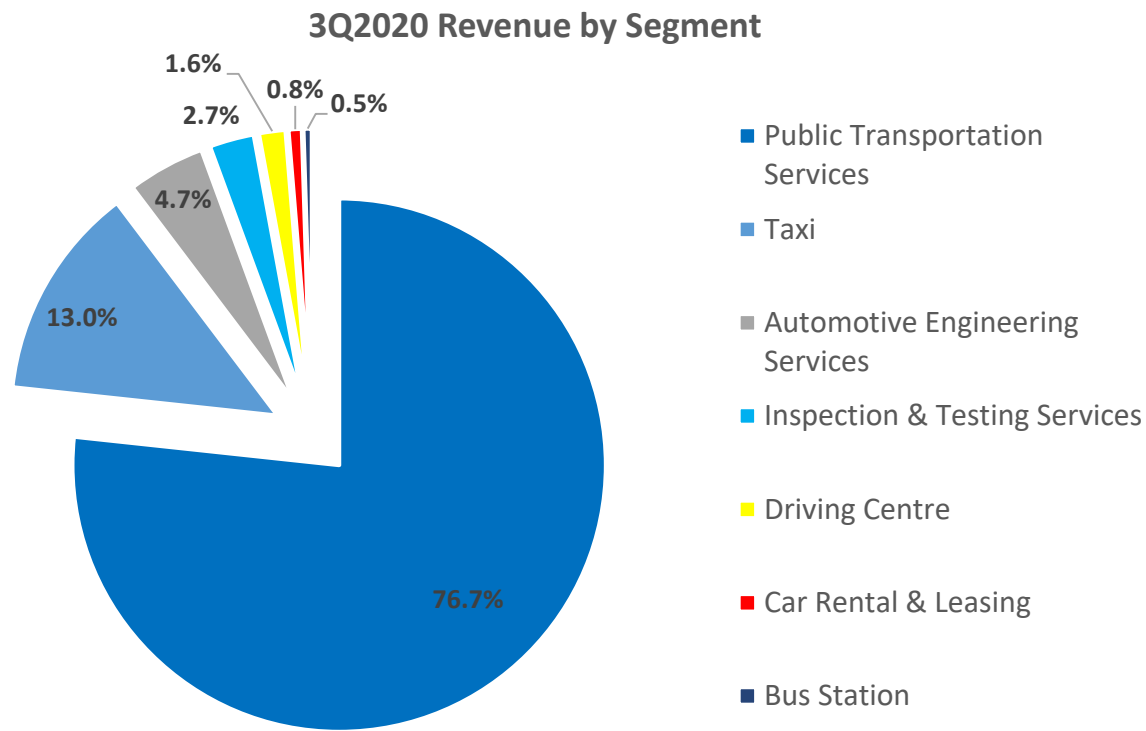
- YTD Sep'20 Operating Profit includes impairment provisions of \$48.3m for various businesses in the UK – \$17.5m, Australia – \$13.3m, Singapore – \$8.5m, China – \$8.0m and Vietnam – \$1.0m

Financial Summary – 3Q2020

- **Public transportation services and taxi down from COVID-19**
 - 3Q2020 Group PATMI \$21.7m
 - LATMI before government relief of (\$10.8m)
 - PATMI excluding government relief and impairment \$6.7m
- **Lockdown relaxed in Singapore and China, locked down in Australia, UK entering lockdown**
 - Current levels of Government relief tapering off in the short term
 - Long term relief remains to be seen
- **Strong Group Balance Sheet**
 - Net cash position \$115.5m
 - Gross gearing (gross debt / equity) 21.6%
- **Group continues to be cash generating**
 - 3Q2020 Free Cash Flow \$112.0m
 - EBITDA \$164.8m – net capex (\$28.9m) – tax (\$21.5m) – net interest (\$2.4m)
- **30 September 2020 cash and available facilities of >\$1.4b**
 - Cash \$0.8b
 - Available facilities \$0.7b

3QFY2020 PERFORMANCE BY BUSINESS SEGMENT

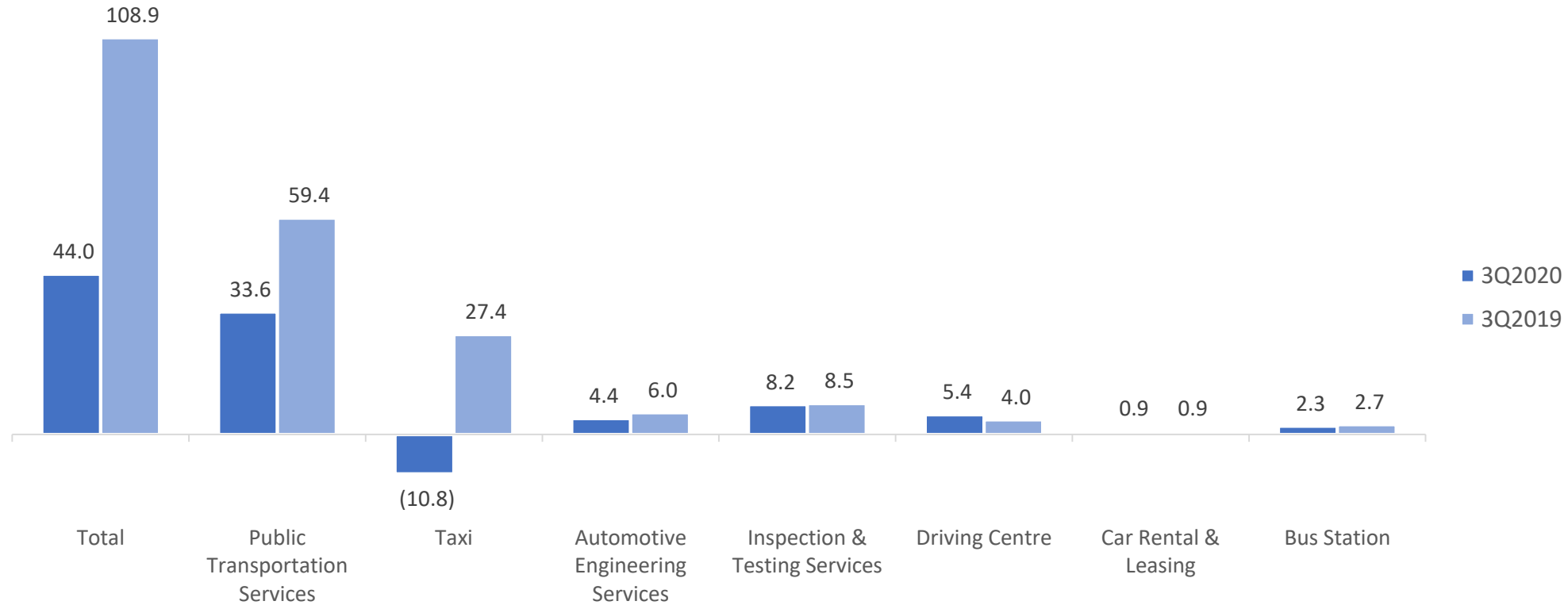
Revenue by Segment – 3Q2020



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

Operating Profit by Segment – 3Q2020

Operating Profit by Segment (\$'m)



Public Transport Services

- Revenue in 3Q2020 vs 3Q2019 decreased by (\$86.1m) or (11.8%)
 - Singapore – Rail ridership recovery continued through phase 2 re-opening to around ~55% of January levels, and lower bus service fees from fuel indexation
 - UK – full schedules on public bus services resumed from August running, fewer routes compared to 2019
 - Australia – largely stable activity levels
- COVID-19 Government reliefs have decreased from 2Q2020 in line with gradual lifting of restrictions
- Impairment provisions in 3Q2020 recognised for goodwill in a UK regional bus business after further COVID-19 restrictions were imposed across the country

\$'m	1Q 2020	2Q 2020	3Q 2020	3Q 2019
Revenue	656.3	571.0	640.8	726.9
Operating Costs	(622.7)	(611.6)	(632.8)	(667.5)
	33.6	(40.6)	8.0	59.4
Impairment	-	-	(4.5)	-
	33.6	(40.6)	3.5	59.4
COVID-19 Government relief	-	63.3	30.1	-
Operating Profit	33.6	22.7	33.6	59.4



Taxi

- Revenue in 3Q2020 vs 3Q2019 decreased by (\$49.8m) or (31.4%)
 - China recovered to ~85% of pre-COVID levels
 - All other geographies impacted by COVID-19 and continuing uncertainty due to disruption from private hire companies
- Operating costs optimised but depreciation and maintenance costs are inelastic
- Impairment provisions recognised for UK Taxi business after further COVID-19 restrictions were imposed across the country following earlier setbacks due to Brexit

\$'m	1Q 2020	2Q 2020	3Q 2020	3Q 2019
Revenue	127.8	50.8	109.0	158.8
Operating Costs	(125.4)	(107.9)	(116.2)	(130.7)
	2.4	(57.1)	(7.2)	28.1
Impairment	-	(22.8)	(13.0)	(0.7)
	2.4	(79.9)	(20.2)	27.4
COVID-19 Government relief	-	9.1	9.4	-
Operating Profit	2.4	(70.8)	(10.8)	27.4



Automotive Engineering Services

- Revenue in 3Q2020 vs 3Q2019 decreased by (\$21.9m) or (35.9%) mainly due to smaller Singapore taxi fleet, fewer trips and lower fares/mileage which resulted in lower maintenance and fuel sales
- Operating profit margin softer due to lower business volumes

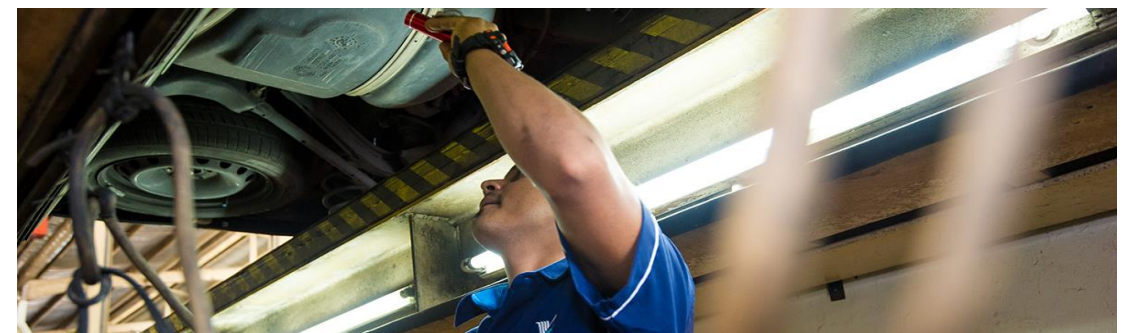
\$'m	1Q 2020	2Q 2020	3Q 2020	3Q 2019
Revenue	50.2	31.9	39.1	61.0
Operating Costs	(44.6)	(32.4)	(35.7)	(55.0)
	5.6	(0.5)	3.4	6.0
Impairment	-	-	-	-
	5.6	(0.5)	3.4	6.0
COVID-19 Government relief	-	2.6	1.0	-
Operating Profit	5.6	2.1	4.4	6.0



Inspection & Testing Services

- Revenue in 3Q2020 vs 3Q2019 decreased by (\$4.1m) or (15.5%)
 - Slow recovery in activity levels for non-vehicle testing
- Operating profit margin softer due to high competition in non-vehicle testing business

\$'m	1Q 2020	2Q 2020	3Q 2020	3Q 2019
Revenue	25.3	14.6	22.4	26.5
Operating Costs	(16.5)	(15.8)	(16.3)	(18.0)
	8.8	(1.2)	6.1	8.5
Impairment	-	(2.0)	-	-
	8.8	(3.2)	6.1	8.5
COVID-19 Government relief	-	3.8	2.1	-
Operating Profit	8.8	0.6	8.2	8.5



Driving Centre

- Revenue in 3Q2020 vs 3Q2019 increased by \$0.6m or 4.8%
 - Some backlog built up during full closure in CB period until 22 June, cleared in 3Q2020
- Operating profit margin returned to normal levels upon re-opening

\$'m	1Q 2020	2Q 2020	3Q 2020	3Q 2019
Revenue	12.1	3.4	13.1	12.5
Operating Costs	(8.4)	(6.3)	(9.0)	(8.5)
	3.7	(2.9)	4.1	4.0
Impairment	-	(4.8)	-	-
	3.7	(7.7)	4.1	4.0
COVID-19 Government relief	-	2.8	1.3	-
Operating Profit	3.7	(4.9)	5.4	4.0



Car Rental & Leasing

- Revenue in 3Q2020 vs 3Q2019 decreased by (\$0.5m) or (7.1%)
 - Mainly due to fewer expats after repatriation cycles
- Operating profit reduced due to rental rate discounts

\$'m	1Q 2020	2Q 2020	3Q 2020	3Q 2019
Revenue	7.1	6.8	6.5	7.0
Operating Costs	(6.1)	(6.1)	(5.8)	(6.1)
	1.0	0.7	0.7	0.9
Impairment	-	(1.2)	-	-
	1.0	(0.5)	0.7	0.9
COVID-19 Government relief	-	0.3	0.2	-
Operating Profit	1.0	(0.2)	0.9	0.9



Bus Station

- Lower CN bus station revenue in 3Q2020 vs 3Q2019 by (\$1.0m) or (18.2%)
 - Lower activity levels due to ongoing travel restrictions
- Operating profit reduced as a result

\$'m	1Q 2020	2Q 2020	3Q 2020	3Q 2019
Revenue	3.5	3.3	4.5	5.5
Operating Costs	(2.7)	(2.5)	(2.3)	(2.8)
	0.8	0.8	2.2	2.7
Impairment	-	-	-	-
	0.8	0.8	2.2	2.7
COVID-19 Government relief	-	0.4	0.1	-
Operating Profit	0.8	1.2	2.3	2.7



THANK YOU

Appendix – Segments 3Q2020

(S\$m)	3Q2020 Revenue	3Q20219 Revenue	3Q2020 Operating Profit / (Loss)	3Q2019 Operating Profit
Public Transportation Services	640.8	726.9	33.6	59.4
Taxi	109.0	158.8	(10.8)	27.4
Automotive Engineering Services	39.1	61.0	4.4	6.0
Inspection & Testing Services	22.4	26.5	8.2	8.5
Driving Centre	13.1	12.5	5.4	4.0
Car Rental & Leasing	6.5	7.0	0.9	0.9
Bus Station	4.5	5.5	2.3	2.7
Elimination ¹	(18.9)	(22.6)	-	-
Total	816.5	975.6	44.0	108.9

1. Elimination of inter-segment services

Appendix – Segments YTD Sep'20

(S\$m)	YTD Sep'20 Revenue	YTD Sep'19 Revenue	YTD Sep'20 Operating Profit / (Loss)	YTD Sep'19 Operating Profit
Public Transportation Services	1,868.1	2,135.4	89.9	177.3
Taxi	287.6	497.0	(79.2)	85.3
Automotive Engineering Services	121.2	189.3	12.1	21.7
Inspection & Testing Services	62.3	77.7	17.6	25.2
Driving Centre	28.6	36.0	4.2	10.6
Car Rental & Leasing	20.4	20.3	1.7	2.9
Bus Station	11.3	17.2	4.3	8.3
Elimination ¹	(56.3)	(70.3)	-	-
Total	2,343.2	2,902.6	50.6	331.3

1. Elimination of inter-segment services