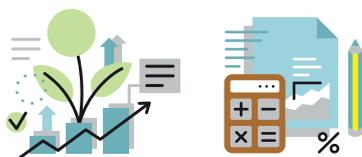


ECONOMIC



ComfortDelGro is guided by the principle of creating long-term economic growth without negatively impacting environmental, social and safety aspects of the community and our people. We identify new areas of synergy and opportunities such as artificial intelligence (AI) and autonomous driving to transform and enhance our transport system. In 2019, the ComfortDelGro Group made its foray into high-tech ventures to leverage on new innovation and technologies to further strengthen its business operations.

Why This Issue Is Material

ComfortDelGro as one of the largest land transport companies in the world with a global workforce, a global shareholder base and a global outlook, has significant economic impacts throughout the societies in which we operate across our entire value chain. We look beyond short-term profits and are focussed on generating positive change and value to the economy and our Stakeholders for the long-term.

How We Manage This Issue

We believe that good corporate governance policies and sound risk management are key drivers to the Group's long-term economic growth. We are also increasingly integrating Environmental, Social and Governance (ESG) matters in our business decisions, and approaching business risks and opportunities more innovatively.

Group Performance Summary

In 2019, the ComfortDelGro Group achieved a 2.6% growth in revenue to S\$3.9 billion, registering a Profit Attributable to Shareholders of S\$265.1 million and Earnings before interest, tax, depreciation and amortisation (EBITDA) of S\$868.8 million. Lower contributions from its Singapore business, higher costs and the impact of unfavourable foreign exchange pulled the Group's 2019 net earnings 12.6% lower to S\$265.1 million. Profitability, however, remains sound, with EBITDA rising to 22.2% of the Group's Revenue, from 21.9% in 2018.

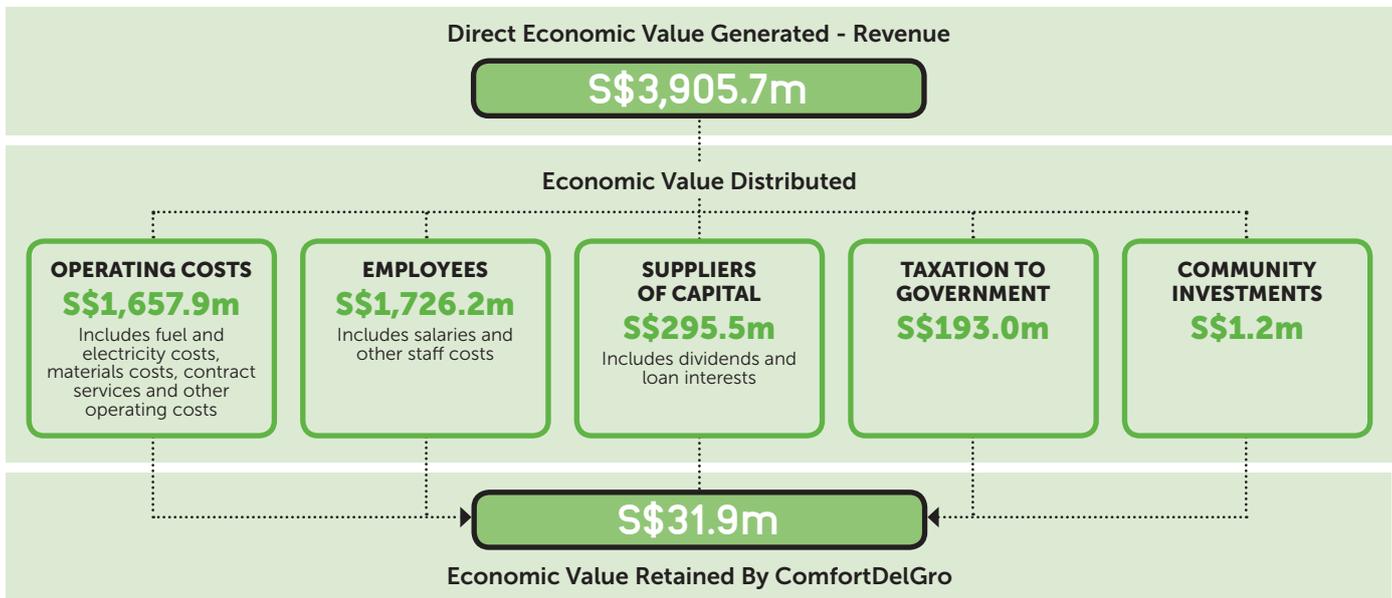
The Group continued to grow its public transport business segment, which is the main source of the Group's operating cashflows, recording a 6.2% growth in full revenue in 2019. Operating profit for the taxi business decreased by about 19.5% to S\$104.2 million due to a reduction in its operating fleet. In the absence of the one-off net gain on the surrender of lease of property at Teban Gardens in Singapore in 2018, operating profit for inspect and testing services also dropped by 23.1% to S\$30.6 million in 2019.

Key Financial Highlights

Year	2017	2018	2019
Revenue (S\$m)	3,576.4	3,805.2	3,905.7
Operating Profit (S\$m)	409.2	438.8	415.8
Profit Attributable to Shareholders (S\$m)	301.5	303.3	265.1
EBITDA	818.0	832.0	868.8
Earnings per share (cents)	13.95	14.01	12.24

We distributed around 99.2% of economic value generated to our suppliers, employees, governments and the community. Economic value retained in 2019 was S\$31.9 million.

Economic Value Retained:



The detailed breakdown of the Group’s 2019 financial results, financial highlights and value-added statement can be found in the ComfortDelGro Annual Report 2019, Group Financial Highlights, pages 13 to 15.

Sustainable Finance

We see sustainable finance as a growing opportunity to improve the Group’s overall financial resilience and flexibility in its funding strategy. The Group’s Australian subsidiary secured an A\$25 million (S\$23.1 million) green loan from OCBC Bank to finance its hybrid bus fleet in Victoria. The loan was structured according to the green loan principles issued in 2018 by the Loan Market Association and Asia Pacific Loan Market Association. Proceeds from the green loan will be used to purchase 50 hybrid buses. Delivery has since begun, with the last batch of buses to be delivered in mid-2022. The ComfortDelGro Group is Singapore’s first land transport operator to adopt a green loan, which further affirms our commitment to Sustainability.

Innovation

Driven by the market needs to innovate and transform, the ComfortDelGro Group established Fringe Enable Pte Ltd in 2019 as a corporate spinoff, set up to act as a catalyst of disruption for the Group to venture into high tech ventures and new business models. The Group Transformation Office has also launched several initiatives in 2019 to drive change in the mobility market,

and the Singapore Mobility Challenge was one of them. The Singapore Mobility Challenge is an open innovation initiative for ideas or technology to address operational level challenges, co-organised by the Land Transport Authority of Singapore (LTA), SBS Transit and the SMRT Corporation. Other digitalisation plans have also been implemented in various Business Units across the Group to improve efficiency and productivity.

Three strategic investments were made in 2019 by the Group through its US\$100 million (S\$137 million) corporate venture capital fund, ComfortDelGro Ventures. The invested start-ups are in the areas of on-demand bus technology, fleet management and autonomous vehicle safety testing. Together, these will bring about new opportunities for our current business.

In 2019, the ComfortDelGro Group also began autonomous vehicle (AV) trials with the NUSmart Shuttle at the National University of Singapore’s Kent Ridge campus in July. The fully autonomous NUSmart Shuttle, an EasyMile EZ10 autonomous shuttle, runs entirely on electricity and carries up to 12 people. It is equipped with a full range of sensors to detect and avoid potential obstacles and relies on its own internal array of software and hardware technologies for its navigation on the roads, without any assistance from external infrastructure. The 1.6km service, which is free to all commuters, operates on weekdays at 20-minute intervals at least six times a day.