

GENERAL ANNOUNCEMENT::BUSINESS UPDATE FOR 1Q2023

Issuer & Securities

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COMFORTDELGRO CORPORATION LIMITED

Securities

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Please see attached.

Attachments

[ComfortDelGro - 1Q2023 Business Updates.15 May 2023.pdf](#)

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Business Update for 1Q2023

15 May 2023

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- Financial Update for 1Q2023
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BUSINESS UPDATE FOR 1Q2023

Business Update

Overall

- Cost challenges from inflation and manpower shortages remain
- Interest rates remain elevated, the Group retains its net cash position but continues to monitor
- Oil and gas prices lower but volatile due to Ukraine conflict / OPEC
- Countries treating COVID-19 as endemic

Operating Geographies

- Singapore – signs of slowing economic growth
- Australia – driver shortages, new terms from successful re-tenders
- UK/Ireland – improving after a tumultuous 2022, recovery underway / progressing
- China – post-COVID reopening after most restrictions lifted in early-2023

FINANCIAL UPDATE FOR 1Q2023

Income Statement

\$'m	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Revenue	887.5	955.8	960.3	977.2	906.4
Operating Costs	(731.9)	(801.6)	(815.8)	(840.6)	(767.5)
Depreciation and Amortisation	(88.3)	(89.3)	(88.3)	(91.3)	(88.8)
Operating Profit excl. non-recurring items ("OPE")	67.3	64.9	56.2	45.3	50.1
Net Gain/(Loss) on Disposal	37.9	1.0	(0.2)	(2.4)	0.8
Operating Profit	105.2	65.9	56.0	42.9	50.9
Profit After Tax	84.8	50.9	44.6	38.2	43.6
Profit After Tax and MI	76.1	39.2	32.3	25.5	32.8

- 1Q2023 Operating Profit ↑\$8.0m or 18.6% vs 4Q2022
 - Public Transport Services recovery partially offset by taxi seasonality
 - 1Q2023 Revenue ↓(\$70.8m) or (7.2%); Operating Costs ↓\$73.1m or 8.7%
 - Mainly from Public Transport Services from seasonality, fuel indexation and FX impacts
- 1Q2023 Operating Profit ↓(\$54.3m) or (51.6%) vs 1Q2022
 - 1Q2022 includes exceptional gain on disposal of Alperton property in London of \$37.2m, before full impact of post-COVID inflation and Ukraine conflict
 - 1Q2023 Revenue ↑\$18.9m or 2.1%; Operating Costs ↑(\$36.0m) or (4.9%)
 - Mainly from inflationary cost pressures on Public Transport Services

Balance Sheet

\$'m	Mar 23	Dec 22	Fav/(Adv)
Cash and short-term deposit	1,010.4	967.0	43.4 / 4.5%
Other current assets	694.7	677.7	17.0 / 2.5%
Non-current assets	3,003.1	3,056.1	(53.0) / (1.7%)
Total Assets	4,708.2	4,700.8	7.4 / 0.2%
Current liabilities	1,035.0	1,040.8	5.8 / 0.6%
Non-current liabilities	642.7	660.6	17.9 / 2.7%
Total Liabilities	1,677.7	1,701.4	23.7 / 1.4%
Share Capital	694.4	694.4	- / -
Retained Earnings	2,006.6	1,973.3	33.3 / 1.7%
Other equity reserves	329.5	331.7	(2.2) / (0.7%)
Total Equity	3,030.5	2,999.4	31.1 / 1.0%
Net Asset Value per ordinary share (cents)	119.6	118.6	1.0 / 0.8%

- Total assets remained stable with increase in cash and short term deposits and receivables mostly offset by depreciation for the period
- Decrease in total liabilities mainly due to repayment of borrowings and payments settled
- Increase in total equity mainly due to profit for the period

Cashflow

\$'m	1Q2023		1Q2022 ¹	
Cash from Operating Activities		136.7		146.7
<u>Utilisation of Cash:</u>				
Net CAPEX	(47.1)		0.4*	
Tax	(12.8)		(9.8)	
Acquisitions	(1.0)		(11.4)	
Dividends to NCI of subsidiaries	-		(11.6)	
Others	(2.0)		(1.5)	
Total Utilisation of Cash		(62.9)		(33.9)
Net Decrease in Borrowings		(28.8)		(19.7)
Net effect of exchange rate changes in consolidating subsidiaries		(1.6)		0.4
Net Cash Inflow		43.4		93.5

* Net of proceeds from disposal of Alperton property in London of \$44.8m

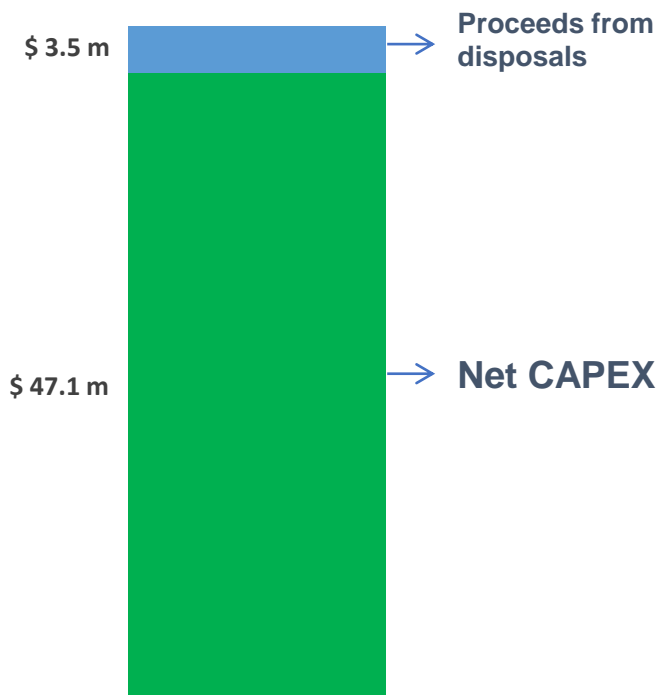
Group Treasury Status

\$'m	Mar 23	Dec 22	Fav/(Adv)
Cash and short-term deposits	1,010.4	967.0	43.4 / 4.5%
Borrowings + finance leases	(295.9)	(313.6)	17.7 / 5.6%
Gross Gearing (gross debt / equity)	9.8%	10.5%	0.7% points
Total Available facilities	775.0	775.4	(0.4) / (0.1%)

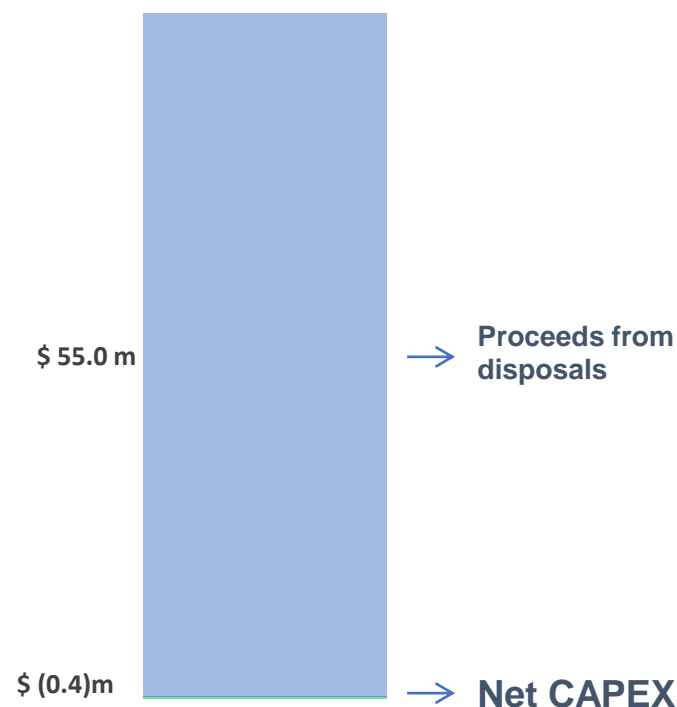
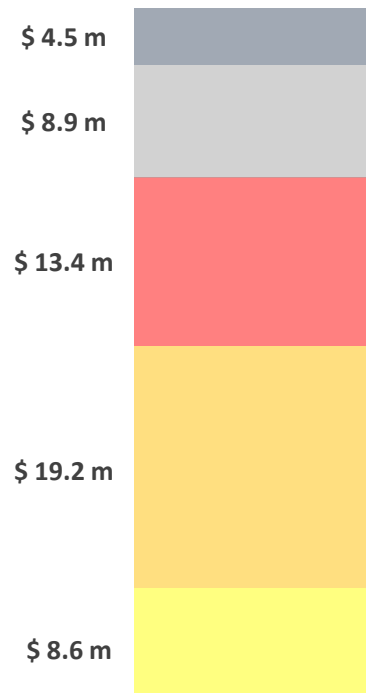
- Net cash position as at 31 Mar 2023 \$714.5m vs 31 Dec 2022 \$653.4m
 - Cash and short-term deposits increased from operating cashflows
 - 2022 final and special dividends totalling \$91.4m to be paid in 2Q2023
- The Group has available facilities of ~\$775m in various currencies
 - Conscious effort to preserve facilities for risk management purposes

CAPEX Summary

1Q2023
\$50.6m



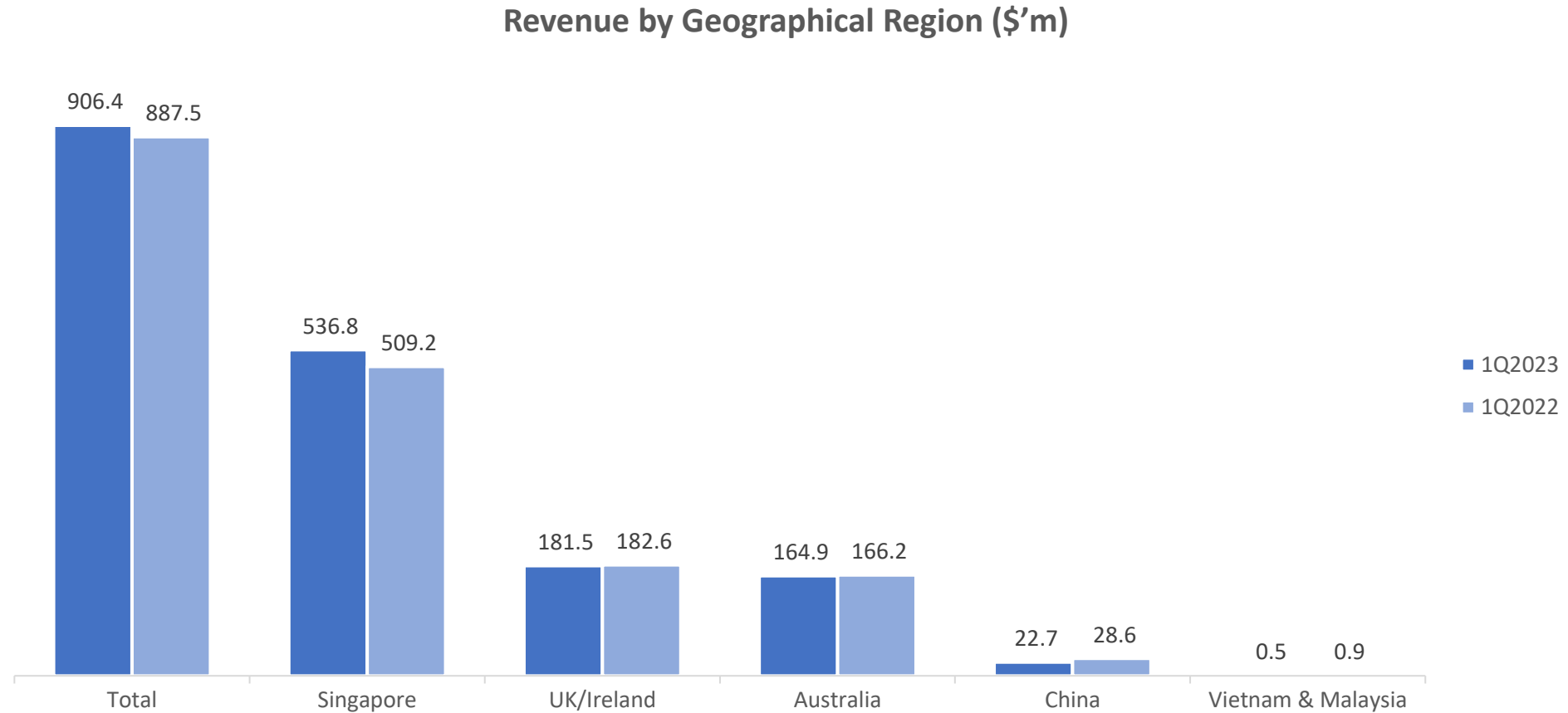
1Q2022¹
\$54.6m



■ Buses
 ■ Taxis
 ■ Other vehicles
 ■ Land and buildings
 ■ Others

- Buses – fleet replacement and bus accessories for transport authorities which are funded by contracts
- Taxi – SG taxi diesel to EV/hybrid programme continued, further EV taxis purchased in China
- Other vehicles – new and replacement SG rental and driving school vehicles, non-emergency ambulances in SG and AU
- Land and buildings – mainly relates to renovation and electrification upgrades for depots, 1Q2022 mainly relates to purchase of Athlon Road property in London to replace the disposed Alperton property
- Others includes equipment \$4.6m and Information/Operational Technology \$4.7m
- Proceeds from disposals – mainly proceeds disposal of vehicles, 1Q2022 mainly from sale proceeds of Alperton property \$44.8m

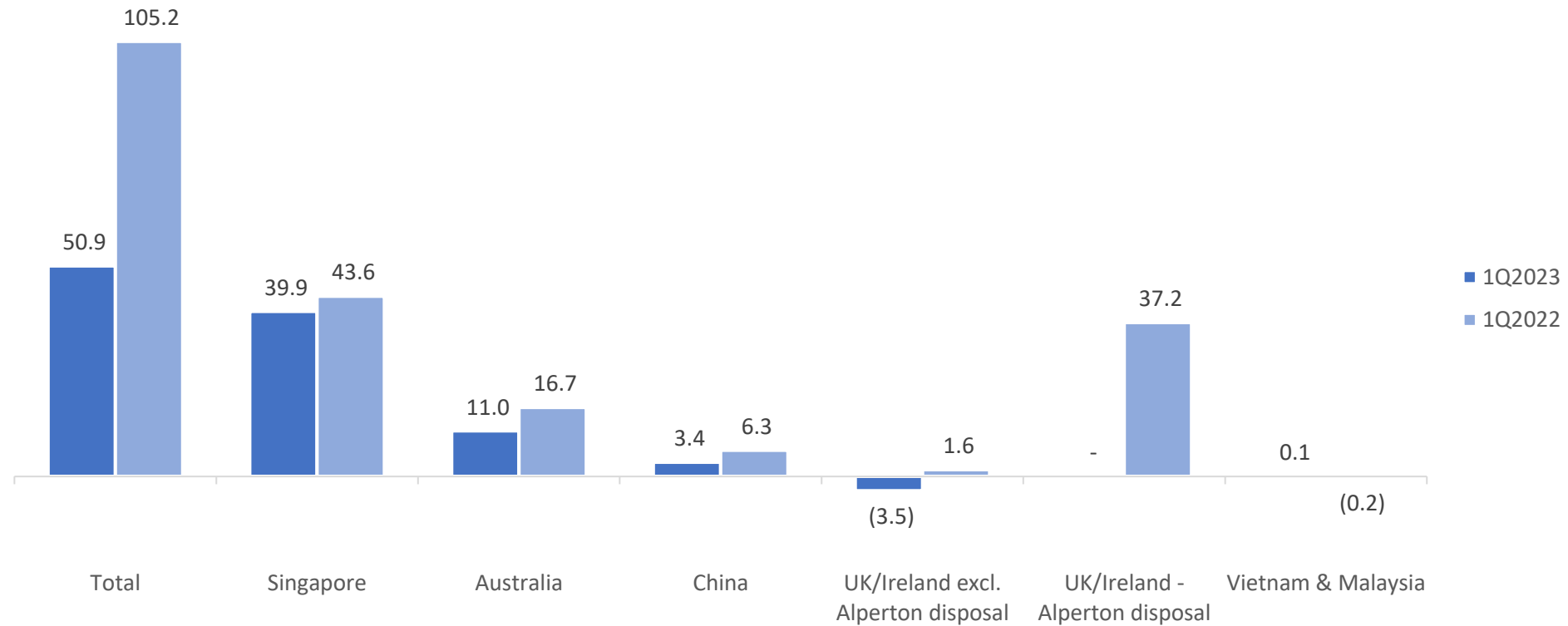
Revenue by Geographical Region



- 1Q2023 overseas revenue contribution of 40.8% (1Q2022 : 42.7%)

Operating Profit by Region

Operating Profit by Geographical Region (\$'m)



- 1Q2022 operating profits not affected by inflation / Ukraine conflict
 - Also benefitted from pent up demand after lifting of COVID-19 restrictions in Singapore and one-off exceptional gain on disposal of Alperton property in London \$37.2m

PERFORMANCE BY BUSINESS SEGMENT FOR 1Q2023

Public Transport Services

\$'m	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Revenue	703.6	765.9	763.3	781.1	714.3
Operating Costs	(663.8)	(725.6)	(739.1)	(769.3)	(693.1)
Operating Profit excl. non-recurring items ("OPE")	39.8	40.3	24.2	11.8	21.2
<i>OPE Margin %</i>	<i>5.7%</i>	<i>5.3%</i>	<i>3.2%</i>	<i>1.5%</i>	<i>3.0%</i>
Net Gain/(Loss) on Disposal	37.6	0.6	(0.1)	0.7	0.3
Operating Profit ("OP")	77.4	40.9	24.1	12.5	21.5

- 1Q2023 OPE ↑\$9.4m or 79.7% vs 4Q2022
 - Mainly due to improved margins in UK after driver pay deal back pay in 4Q2022
 - 1Q2023 Revenue ↓(\$66.8m) or (8.6%); Operating Costs ↓\$76.2m or 9.9%
 - Mainly from seasonality, fuel indexation and FX impacts
- 1Q2023 OPE ↓(\$18.6m) or (46.7%) vs 1Q2022
 - 1Q2023 Revenue ↑\$10.7m or 1.5%
 - Improved rail ridership and fare increase offset by;
 - Contract renewals in Australia at lower margins
 - Lower Singapore Bus margins on 5 bus packages as part of DTL settlement
 - Operating Costs ↑(\$29.3m) or (4.4%) due driver shortages, increased wages and inflation

\$'m	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Revenue	106.3	105.0	112.3	114.2	109.4
Operating Costs	(94.6)	(95.3)	(95.9)	(97.2)	(96.7)
Operating Profit excl. non-recurring items ("OPE")	11.7	9.7	16.4	17.0	12.7
<i>OPE Margin %</i>	<i>11.0%</i>	<i>9.2%</i>	<i>14.6%</i>	<i>14.8%</i>	<i>11.6%</i>
Net Gain/(Loss) on Disposal	(0.1)	(0.1)	(0.4)	(2.1)	(0.1)
Operating Profit ("OP")	11.6	9.6	16.0	14.9	12.6

- 1Q2023 OPE ↓(\$4.2m) or (24.9%) vs 4Q2022
 - 1Q2023 Revenue ↓(\$4.8m) or (4.2%); Operating Costs ↓\$0.6m or 0.6%
 - Mainly due to seasonality and lower Singapore job volumes (1Q2023 ~8m vs 4Q2022 ~9m)
- 1Q2023 OPE ↑\$1.0m or 8.5% vs 1Q2022
 - 1Q2023 Revenue ↑\$3.1m or 2.9%
 - Taxi trip commissions in Singapore introduced May 2022, partially offset by lower utilisation levels in China
 - Operating Costs ↑(\$2.1m) or (2.2%)
 - Higher operating costs due to inflation and increased IT costs

Automotive Engineering Services

\$'m	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Revenue	46.5	53.6	51.8	50.5	47.0
Operating Costs	(44.4)	(51.0)	(49.3)	(47.2)	(44.8)
Operating Profit excl. non-recurring items ("OPE")	2.1	2.6	2.5	3.3	2.2
<i>OPE Margin %</i>	4.5%	4.9%	4.8%	6.5%	4.7%
Net Gain/(Loss) on Disposal	-	-	-	-	0.1
Operating Profit ("OP")	2.1	2.6	2.5	3.3	2.3

- 1Q2023 OPE ↓(\$1.1m) or (33.3%) vs 4Q2022
 - 1Q2023 Revenue ↓(\$3.5m) or (6.9%); Operating Costs ↓\$2.4m or 5.1%
 - Mainly due to fuel sales as pump price adjustments lagged oil price increases
- 1Q2023 OPE ↑\$0.1m or 4.8% vs 1Q2022
 - 1Q2023 Revenue ↑\$0.5m or 1.1%; Operating Costs ↑(\$0.4m) or (0.9%)

Inspection & Testing Services

\$'m	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Revenue	26.0	27.3	27.4	27.6	27.7
Operating Costs	(18.0)	(18.8)	(19.2)	(18.9)	(19.6)
Operating Profit excl. non-recurring items ("OPE")	8.0	8.5	8.2	8.7	8.1
<i>OPE Margin %</i>	<i>30.8%</i>	<i>31.1%</i>	<i>29.9%</i>	<i>31.5%</i>	<i>29.2%</i>
Net Gain/(Loss) on Disposal	-	-	-	(0.8)	-
Operating Profit ("OP")	8.0	8.5	8.2	7.9	8.1

- 1Q2023 OPE ↓(\$0.6m) or (6.9%) vs 4Q2022
 - 1Q2023 Revenue ↑\$0.1m or 0.4%; Operating Costs ↑(\$0.7m) or (3.7%)
 - Mainly due to inflationary cost pressures
- 1Q2023 OPE ↑\$0.1m or 1.3% vs 1Q2022
 - 1Q2023 Revenue ↑\$1.7m or 6.5%; Operating Costs ↑(\$1.6m) or (8.9%)

Driving Centre

\$'m	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Revenue	13.3	13.0	13.3	12.9	13.2
Operating Costs	(8.6)	(8.8)	(8.3)	(8.1)	(8.1)
Operating Profit excl. non-recurring items ("OPE")	4.7	4.2	5.0	4.8	5.1
<i>OPE Margin %</i>	35.3%	32.3%	37.6%	38.0%	38.6%
Net Gain/(Loss) on Disposal	0.1	-	-	-	-
Operating Profit ("OP")	4.8	4.2	5.0	4.8	5.1

- 1Q2023 OPE ↑\$0.2m or 4.1% vs 4Q2022
 - 1Q2023 Revenue ↑\$0.3m or 2.3%; Operating Costs ↑(\$0.1m) or (1.3%)
- 1Q2023 OPE ↑\$0.4m or 8.5% vs 1Q2022
 - 1Q2023 Revenue ↓(\$0.1m) or (0.8%); Operating Costs ↓\$0.5m or 5.8%

Car Rental & Leasing

\$'m	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Revenue	7.2	8.0	9.2	10.4	11.7
Operating Costs	(6.7)	(7.6)	(8.7)	(9.8)	(10.8)
Operating Profit excl. non-recurring items ("OPE")	0.5	0.4	0.5	0.6	0.9
<i>OPE Margin %</i>	6.9%	5.0%	5.4%	5.8%	7.7%
Net Gain/(Loss) on Disposal	0.3	0.5	0.3	0.1	0.5
Operating Profit ("OP")	0.8	0.9	0.8	0.7	1.4

- 1Q2023 OPE ↑\$0.3m or 50.0% vs 4Q2022
 - 1Q2023 Revenue ↑\$1.3m or 12.5%; Operating Costs ↑(\$1.0m) or (10.2%)
 - Increased PHV fleet and increased rental rates
- 1Q2023 OPE ↑\$0.4m or 80.0% vs 1Q2022
 - 1Q2023 Revenue ↓(\$0.1m) or (0.8%); Operating Costs ↓\$0.5m or 5.8%
 - Increased PHV fleet and increased rental rates

Bus Station

\$'m	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Revenue	2.7	1.5	2.3	1.2	1.9
Operating Costs	(2.2)	(2.3)	(2.9)	(2.1)	(2.0)
Operating Profit excl. non-recurring items ("OPE")	0.5	(0.8)	(0.6)	(0.9)	(0.1)
<i>OPE Margin %</i>	18.5%	-53.3%	-26.1%	-75.0%	-5.3%
Net Gain/(Loss) on Disposal	-	-	-	(0.3)	-
Operating Profit ("OP")	0.5	(0.8)	(0.6)	(1.2)	(0.1)

- 1Q2023 OPE ↑\$0.8m or 88.9% vs 4Q2022
 - 1Q2023 Revenue ↑\$0.7m or 58.3%; Operating Costs ↓\$0.1m or 4.8%
 - COVID-19 restrictions lifted in early 2023
- 1Q2023 OPE ↓(\$0.6m) or (120.0%) vs 1Q2022
 - 1Q2023 Revenue ↓(\$0.8m) or (29.6%); Operating Costs ↓\$0.2m or 9.1%

Financial Summary

- **P&L – 1Q2023 Group PATMI \$32.8m**

- Operating Profit excl. non-recurring items of \$50.1m in 1Q2023 vs \$45.3m in 4Q2022
 - Improvements in Public Transport Services after exceptional cost items in 4Q2022
- Operating Profit excl. non-recurring items of \$50.1m in 1Q2023 vs \$67.3m in 1Q2022
 - Mainly due to Public Transport Services
 - Improved rail ridership and fare increase offset by;
 - Contract renewals in Australia at lower margins
 - Lower Singapore Bus margins on 5 bus packages as part of DTL settlement

- **Balance Sheet**

- Balance sheet remains strong
- Free cash flows, cash and facilities adequate for business continuity and growth

THANK YOU

Appendix – Segments

\$m	1Q2023 Revenue	1Q2022 Revenue	1Q2023 Operating Profit	1Q2022 Operating Profit
Public Transport Services	714.3	703.6	21.5	77.4
Taxi	109.4	106.3	12.6	11.6
Automotive Engineering Services	47.0	46.5	2.3	2.1
Inspection & Testing Services	27.7	26.0	8.1	8.0
Driving Centre	13.2	13.3	5.1	4.8
Car Rental & Leasing	11.7	7.2	1.4	0.8
Bus Station	1.9	2.7	(0.1)	0.5
Elimination	(18.8)	(18.1)	-	-
Total	906.4	887.5	50.9	105.2

- Elimination relates to elimination of inter-segment services