

GENERAL ANNOUNCEMENT::3Q2023 BUSINESS UPDATE

Issuer & Securities

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COMFORTDELGRO CORPORATION LIMITED

Securities

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

Please see attached.

Attachments

[ComfortDelGro - 3Q2023 Results Presentation -14.11.2024.pdf](#)

Total size =496K MB



Business Update for 3Q2023

14 November 2023



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EXECUTIVE SUMMARY

Executive Summary

Strong 3Q2023 financial performance, extends the continuing recovery YTD Sep2023

3Q2023 Financial Highlights

- Revenue \$996.6m, ↑3.8% from 3Q2022/\$960.3m
 - Up 4.3% from 2Q2023/\$955.9m
- PATMI \$49.9m, ↑54.5% from 3Q2022/\$32.3m
 - Up 9.2% from 2Q2023/\$45.7m
- PATMI margin 5.0%, vs 3.4% in 3Q2022
 - 2Q2023 PATMI margin 4.8%

YTD Sep'23 Financial Highlights

- Revenue of \$2.86b, ↑2.0% from YTD Sep'22
- PATMI \$128.4m, ↑9.6% from normalised* YTD Sep'22
 - *1Q2022 included one-off \$30.5m disposal gain
- PATMI margin 4.5%, vs 4.2% for normalised* YTD Sep'22

Key Business Updates

- **Public Transport** improved
 - UK renewals & indexation continue to improve margin
- **Taxi & Private Hire** demand remains high, but competition is increasing
 - Platform fees introduced on Zig app from July 2023
 - Singapore taxi fleet size holding firm, market share slightly increased
 - China post-COVID re-opening continues, lower rental discounts given and fleet size increased
- **Recent Developments**
 - CDG Engie partnership with Yinson GreenTech, adding 400 EV chargers in Malaysia
 - CDG Ventures invests US\$2m in Drive lah, will supply ≤3,000 vehicles to Drive mate in Australia
 - SBST retained Bukit Merah bus package, to operate 8 out of 14 packages from September 2024

FINANCIAL UPDATE FOR 3Q2023

Income Statement

\$'m	3Q2023	2Q2023	1Q2023	4Q2022	3Q2022 ¹	2Q2022 ¹	1Q2022 ¹
Revenue	996.6	955.9	906.4	977.2	960.3	955.8	887.5
Operating Costs	(833.4)	(798.8)	(767.5)	(840.6)	(815.8)	(801.6)	(731.9)
Depreciation and Amortisation	(89.6)	(91.8)	(88.8)	(91.3)	(88.3)	(89.3)	(88.3)
Operating Profit excl. non-recurring items ("OPE")	73.6	65.3	50.1	45.3	56.2	64.9	67.3
Net Gain/(Loss) on Disposal	1.8	1.0	0.8	(2.4)	(0.2)	1.0	37.9
Operating Profit	75.4	66.3	50.9	42.9	56.0	65.9	105.2
Net Interest Income/(Expense)	1.5	2.6	3.0	2.3	0.5	(0.3)	(0.6)
Share of Results of Associates and Joint Ventures	0.4	0.6	0.3	0.2	0.1	0.2	0.3
Profit Before Tax	77.3	69.5	54.2	45.4	56.6	65.8	104.9
Profit After Tax	62.1	56.4	43.6	38.2	44.6	50.9	84.8
Profit After Tax and MI	49.9	45.7	32.8	25.5	32.3	39.2	76.1

- **3Q2023 PATMI ↑9.2% vs 2Q2023**

- Public Transport Services improvement mainly due to UK indexation and higher margin contract renewals, partially offset by revised contract margins in Australia
- Taxi/PHV mainly due to newly introduced Singapore platform fees and lower rental discounts in China
- Other Private Transport segment generally stable except for Singapore private bus which remains challenged with ongoing driver shortages and elevated costs
- Singapore driving school, media and expenses timing contributed to improvements in Other segments

Income Statement

\$'m	YTD Sep'23	YTD Sep'22 ¹
Revenue	2,858.9	2,803.6
Operating Costs	(2,399.7)	(2,349.3)
Depreciation and Amortisation	(270.2)	(265.9)
Operating Profit excl. non-recurring items ("OPE")	189.0	188.4
Net Gain/(Loss) on Disposal	3.6	38.7
Operating Profit	192.6	227.1
Net Interest Income/(Expense)	7.1	(0.4)
Share of Results of Associates and Joint Ventures	1.3	0.6
Profit Before Tax	201.0	227.3
Profit After Tax	162.1	180.3
Profit After Tax and MI	128.4	147.6

- **Normalised PATMI ↑\$11.3m or 9.6% vs YTD Sep'22**
 - YTD Sep'23 Revenue ↑\$55.3m or 2.0%; Operating Costs ↑(\$50.5m) or (2.1%)
 - Mainly from Public Transport Services and Taxi/PHV recovery
 - Net interest income ↑\$7.5m from higher deposit rates
- YTD Sep'23 PATMI ↓(\$19.2m) or (13.0%) vs YTD Sep'22
 - YTD Sep'22 includes exceptional gain on disposal of Alpertown property in London of \$30.5m – distributed in full as special dividend

Balance Sheet

\$'m	Sep 23	Dec 22 ¹	Fav/(Adv)
Cash and short-term deposit	849.9	967.0	(117.1) / (12.1%)
Other current assets	726.4	677.7	48.7 / 7.2%
Non-current assets	3,052.4	3,056.9	(4.5) / (0.1%)
Total Assets	4,628.7	4,701.6	(72.9) / (1.6%)
Current liabilities	990.2	1,040.8	50.6 / 4.9%
Non-current liabilities	691.6	656.1	(35.5) / (5.4%)
Total Liabilities	1,681.8	1,696.9	15.1 / 0.9%
Share Capital	694.4	694.4	- / -
Retained Earnings	1,952.4	1,977.6	(25.2) / (1.3%)
Other equity reserves	300.1	332.7	(32.6) / (9.8%)
Total Equity	2,946.9	3,004.7	(57.8) / (1.9%)
Net Asset Value per ordinary share (cents)	116.8	118.8	(2.0) / (1.7%)

- Decrease in total assets mainly due to decrease in cash and short-term deposits after dividend payments
- Decrease in total liabilities mainly due to payments settled, partially offset by lease renewals and deferred grants
- Decrease in total equity mainly due to:
 - 2022 final and special dividends, and 2023 interim dividends, offset by profit for the period
 - FX reserve movements due to the strength of S\$ against both A\$ and £

Cashflow

\$'m	3Q2023		YTD Sep'23	
Cash from Operating Activities		141.0		403.0
<u>Utilisation of Cash:</u>				
Net CAPEX	(61.2)		(213.3)	
Dividends	(79.1)		(197.0)	
Tax	(32.4)		(79.8)	
Acquisitions	(0.6)		(13.6)	
Others	(4.7)		(11.2)	
Total Utilisation of Cash		(178.0)		(514.9)
Net Increase/(Decrease) in Borrowings		12.0		0.7
Net effect of exchange rate changes in consolidating subsidiaries		(2.1)		(5.9)
Net Cash (Outflow)/Inflow		(27.1)		(117.1)

- 3Q2023 net cash outflow of \$27.1m – mainly due to 2023 interim dividends and net capex; offset by cash from operations
- YTD Sep'23 net cash outflow of \$117.1m – mainly due to 2022 final and special dividends, 2023 interim dividends, net capex and tax; offset by cash from operations

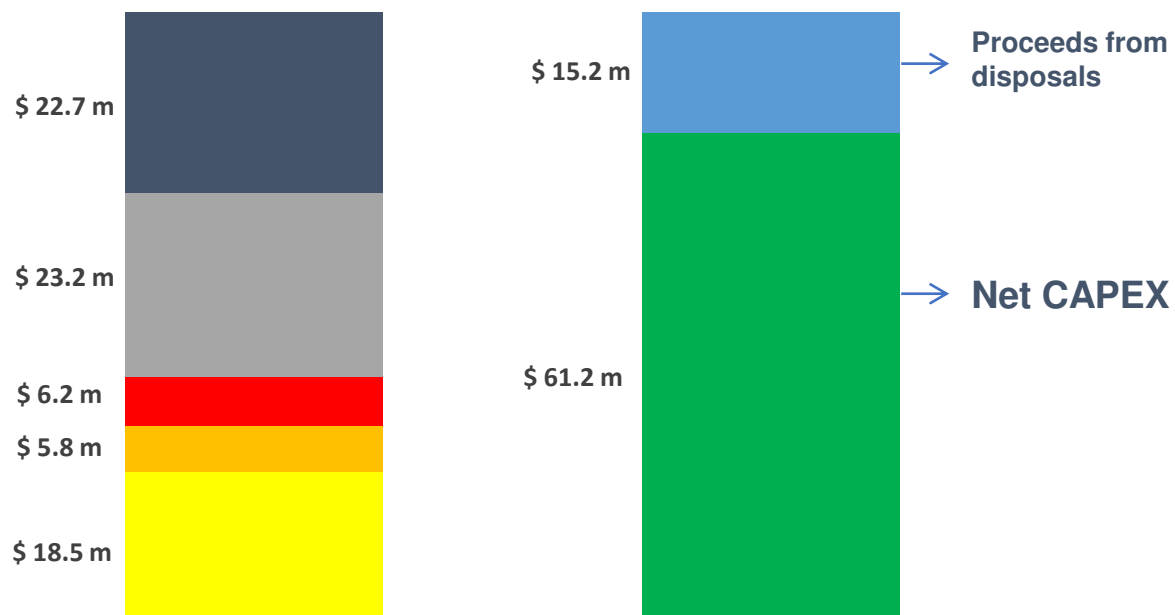
Group Treasury Status

\$'m	Sep 23	Dec 22	Fav/(Adv)
Cash and short-term deposits	849.9	967.0	(117.1) / (12.1%)
Borrowings + finance leases	(349.6)	(313.6)	(36.0) / (11.5%)
Net Cash	500.3	653.4	(153.1) / (23.4%)
Gross Gearing (gross debt / equity)	11.9%	10.5%	(1.4%) points
Total Available facilities	702.5	775.4	(72.9) / (9.4%)

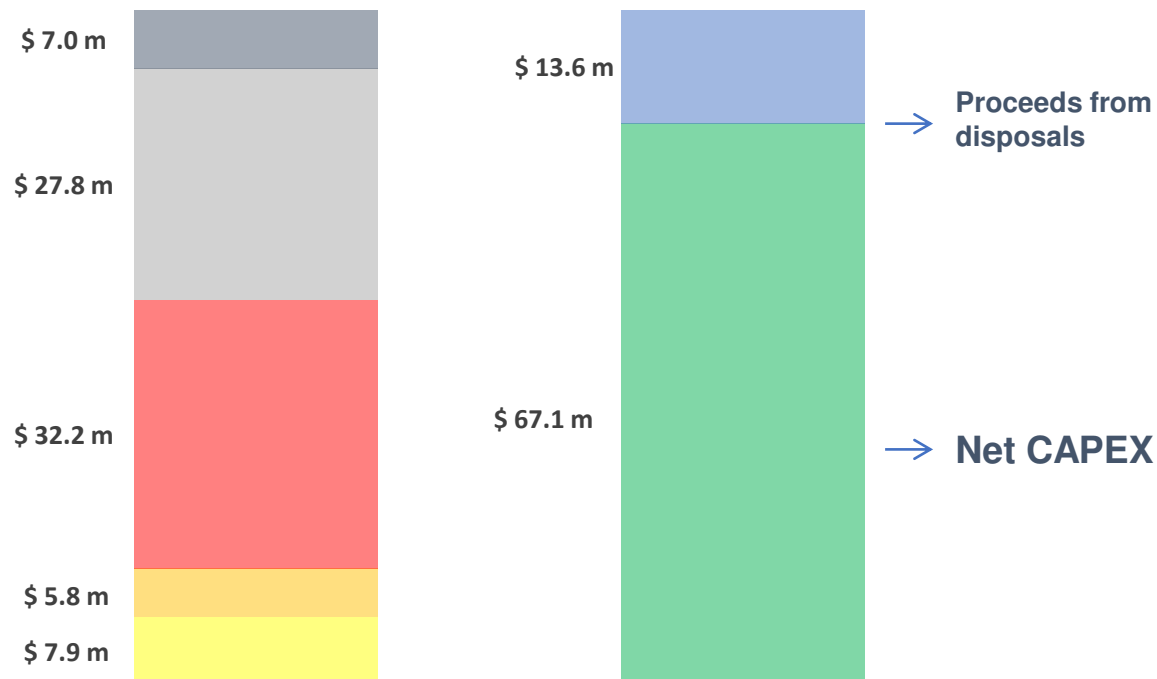
- Net cash position as at 30 Sep 2023 \$500.3m vs 31 Dec 2022 \$653.4m
 - 2022 final and special dividends totalling \$91.4m paid in 2Q2023
 - 2023 interim dividends totalling \$62.8m paid in 3Q2023

CAPEX Summary – 3Q2023

3Q2023
\$76.4m



3Q2022¹
\$80.7m



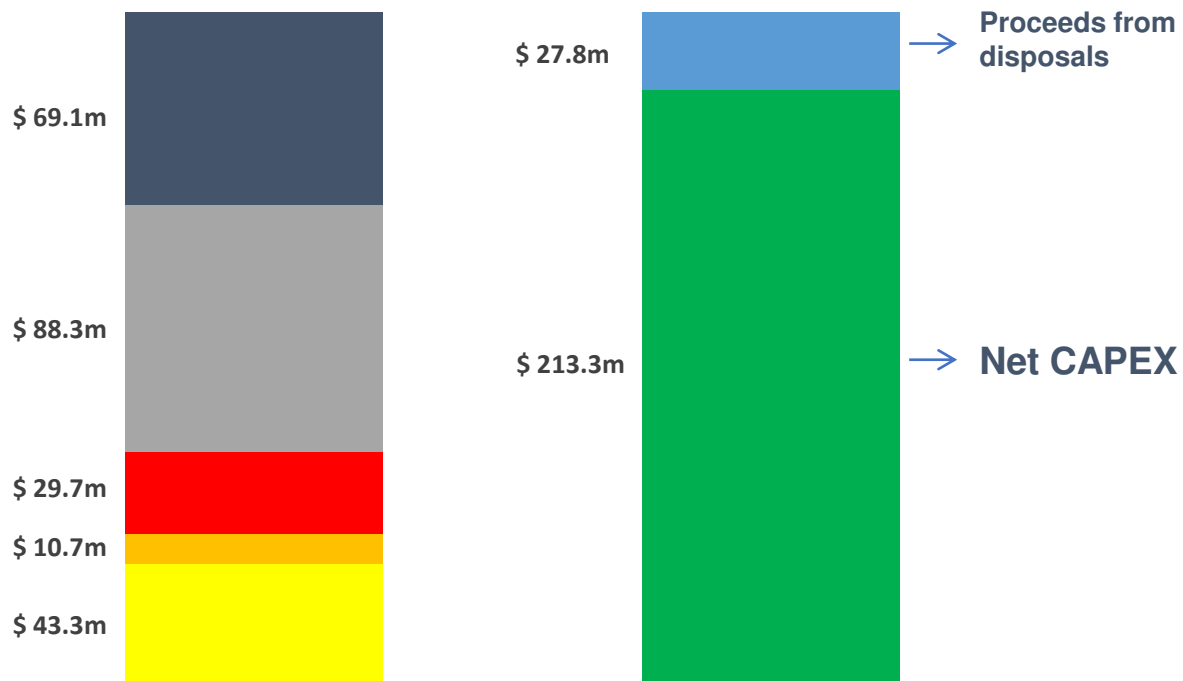
■ Buses
 ■ Taxis
 ■ Other vehicles
 ■ Land and buildings
 ■ Others

- Buses – fleet replacement and bus accessories for transport authorities which are funded by contracts. Includes ~23 EV buses in UK and SG
- Taxi – SG taxi diesel to EV/hybrid programme continued with ~100 conversions, further ~500 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
- Others includes equipment \$9.7m and Information/Operational Technology \$8.2m
- Proceeds from disposals – mainly proceeds disposal of vehicles

CAPEX Summary – YTD Sep'23

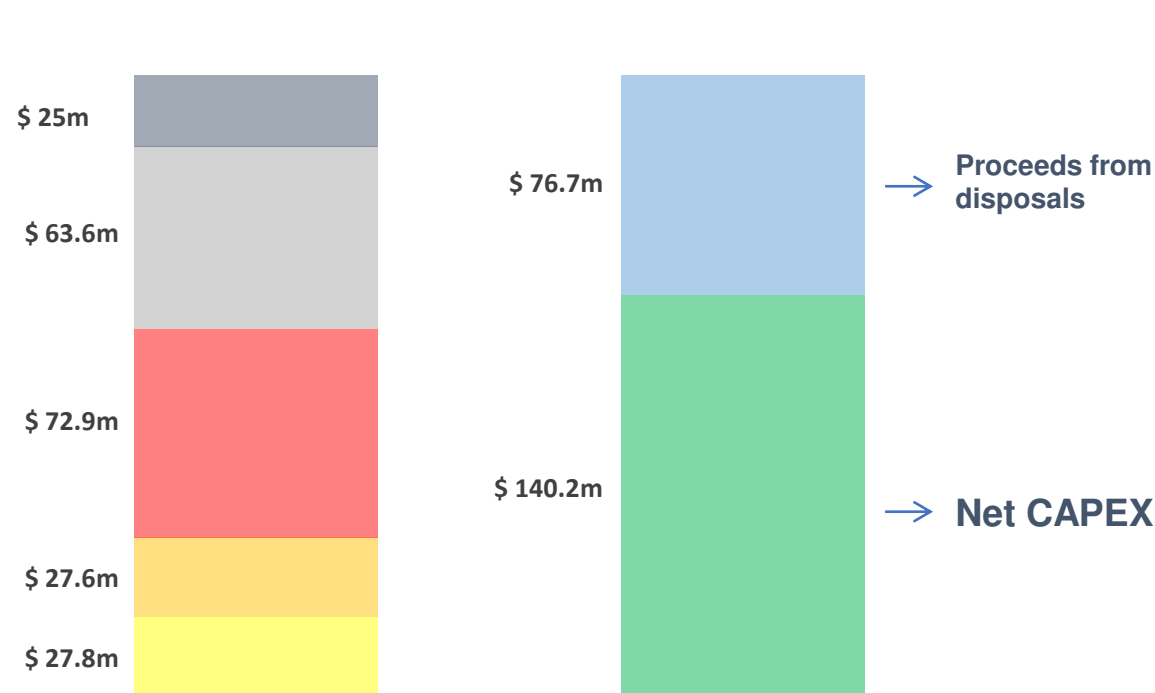
YTD Sep'23

\$241.1m



YTD Sep'22¹

\$216.9m

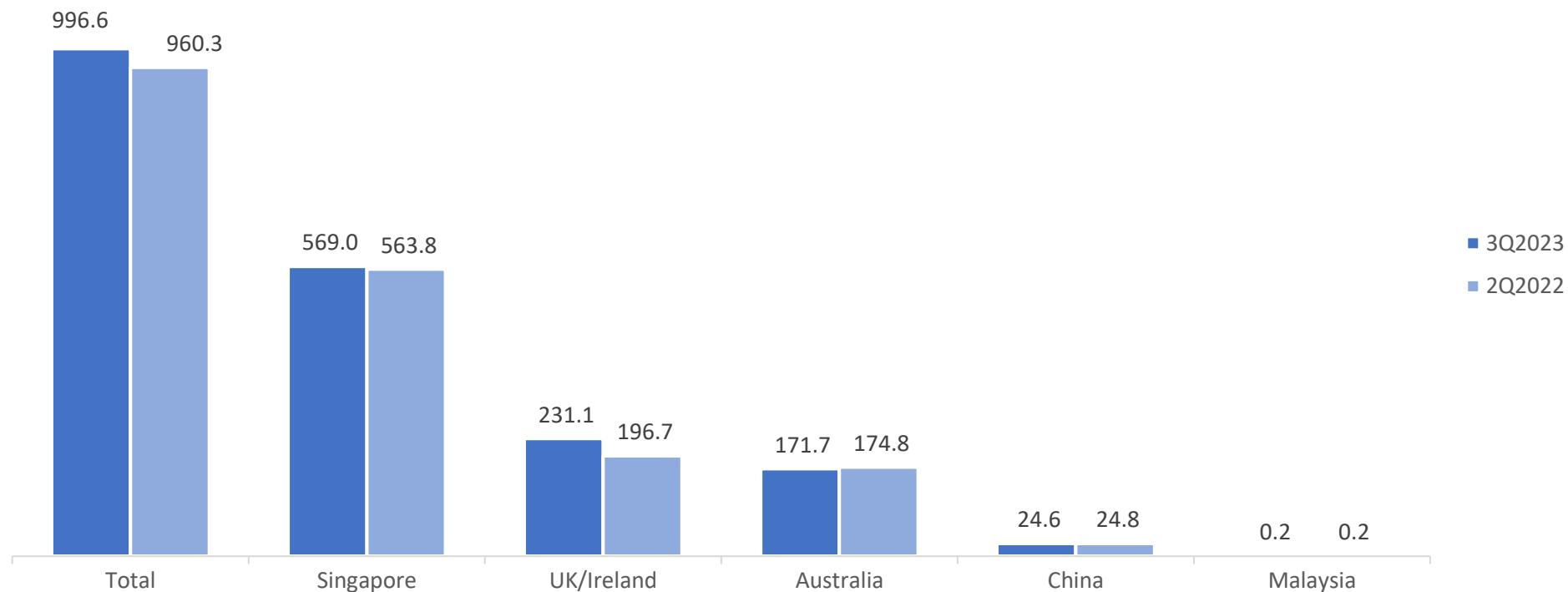


■ Buses
 ■ Taxis
 ■ Other vehicles
 ■ Land and buildings
 ■ Others

- Buses – fleet replacement and bus accessories for transport authorities which are funded by contracts. Includes ~83 EV buses in UK and SG
- Taxi – SG taxi diesel to EV/hybrid programme continued with ~280 conversions, further ~2,200 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, YTD Sep'22 mainly relates to purchase of Athlon Road property in London to replace the disposed Alperton property
- Others includes equipment \$22.7m and Information/Operational Technology \$19.5m
- Proceeds from disposals – mainly proceeds disposal of vehicles, YTD Sep'22 includes sale proceeds of Alperton property \$44.8m

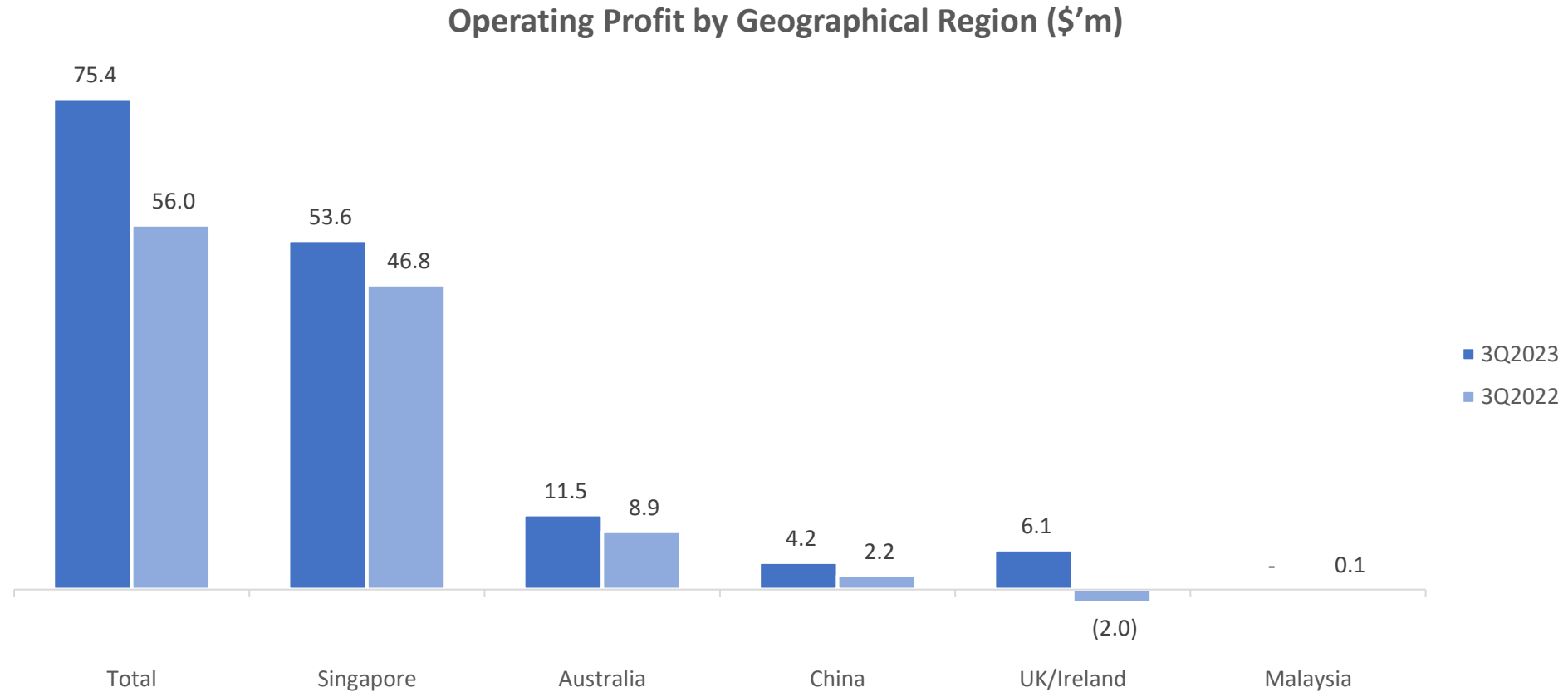
Revenue by Geographical Region – 3Q2023

Revenue by Geographical Region (\$'m)



- 3Q2023 overseas revenue contribution remained stable at 42.9% (3Q2022 : 41.3%)

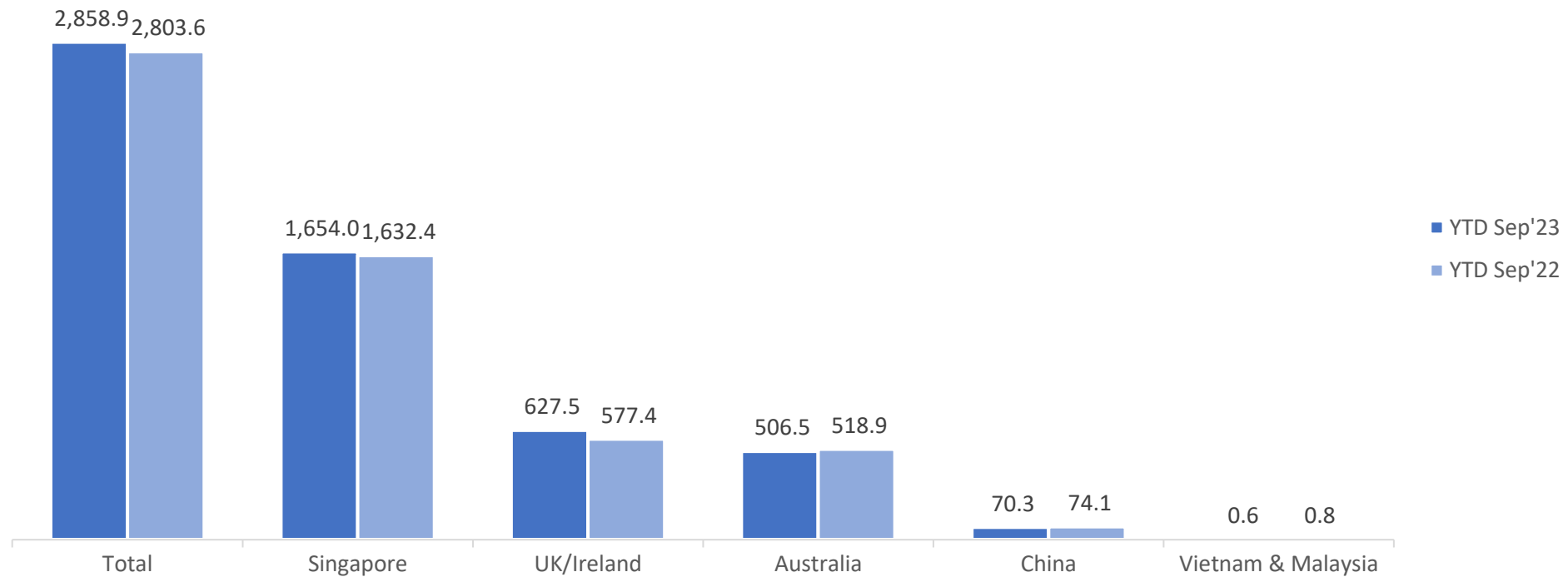
Operating Profit by Region – 3Q2023



- 3Q2022 operating profits affected by inflation / Ukraine conflict

Revenue by Geographical Region – YTD Sep'23

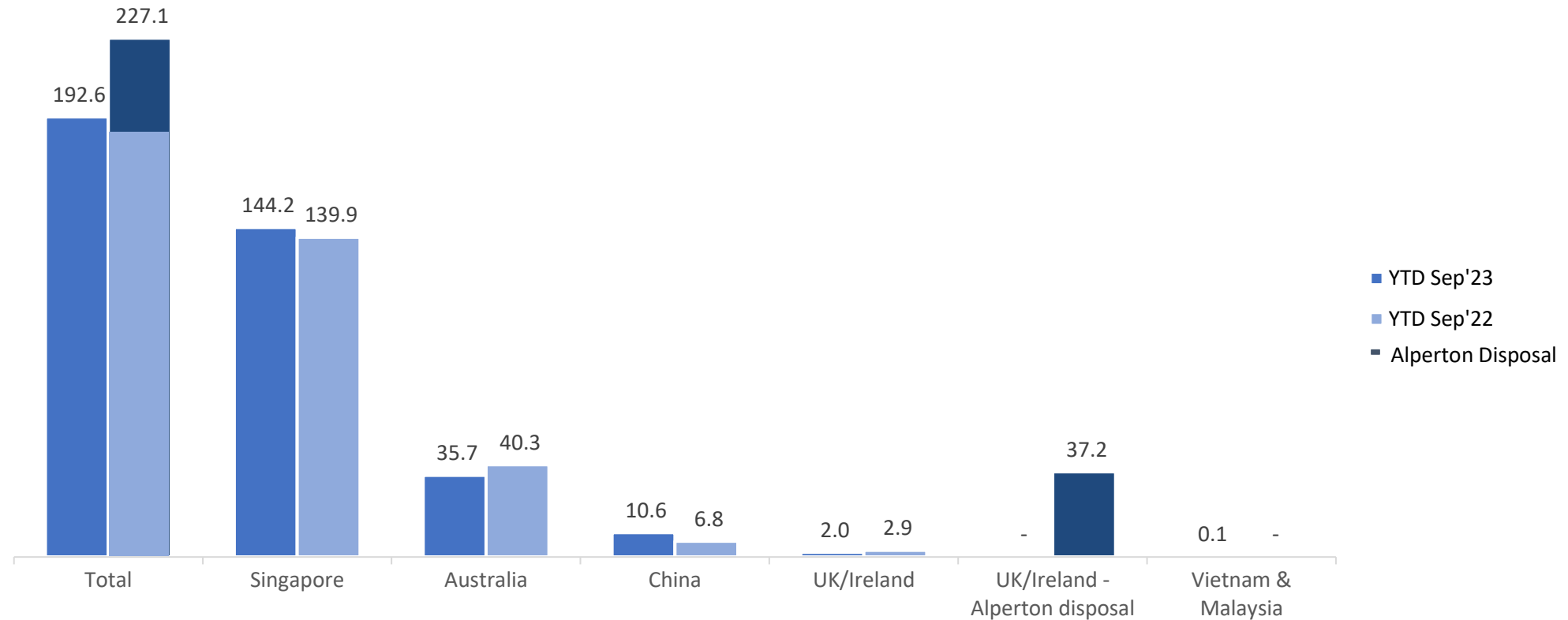
Revenue by Geographical Region (\$'m)



- YTD Sep'23 overseas revenue contribution remained stable at 42.1% (YTD Sep'22 : 41.8%)

Operating Profit by Region – YTD Sep'23

Operating Profit by Geographical Region (\$'m)



- 1H2022 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 Alpertion property in London \$37.2m

PERFORMANCE BY BUSINESS SEGMENT

Public Transport

- **Main components: Public Bus, Public Rail, Scheduled Bus**

\$'m	3Q2023	2Q2023	1Q2023	4Q2022	3Q2022
Revenue	758.5	730.0	686.1	753.2	733.8
Operating Costs	(725.6)	(701.1)	(663.1)	(737.9)	(706.3)
Operating Profit excl. non-recurring items ("OPE")	32.9	28.9	23.0	15.3	27.5
<i>OPE Margin %</i>	<i>4.3%</i>	<i>4.0%</i>	<i>3.4%</i>	<i>2.0%</i>	<i>3.7%</i>
Net Gain/(Loss) on Disposal	0.9	0.2	0.3	3.1	(0.2)
Operating Profit ("OP")	33.8	29.1	23.3	18.4	27.3

- 3Q2023 OPE ↑\$4.0m or 13.8% vs 2Q2023
 - 3Q2023 Revenue ↑\$28.5m or 3.9%; Operating Costs ↑(\$24.5m) or (3.5%)
 - UK renewals & indexation continue to improve margin

Taxi & Private Hire

- Main components: Taxi Rental, PHV Rental, Platform Services, Engineering Services, Fuel Sales

\$'m	3Q2023	2Q2023	1Q2023	4Q2022	3Q2022
Revenue	147.6	140.8	137.1	142.6	142.9
Operating Costs	(119.1)	(115.0)	(120.3)	(118.9)	(122.3)
Operating Profit excl. non-recurring items ("OPE")	28.5	25.8	16.8	23.7	20.6
<i>OPE Margin %</i>	<i>19.3%</i>	<i>18.3%</i>	<i>12.3%</i>	<i>16.6%</i>	<i>14.4%</i>
Net Gain/(Loss) on Disposal	0.2	0.1	(0.0)	(1.9)	(0.6)
Operating Profit ("OP")	28.7	25.9	16.8	21.8	20.0

- 3Q2023 OPE ↑\$2.6m or 10.0% vs 2Q2023
 - 3Q2023 Revenue ↑\$6.8m or 4.8%; Operating Costs ↑(\$4.1m) or (3.6%)
 - Mainly due to platform fees introduced for Singapore taxi from 1 July 2023 and lower rental discounts in China
 - Singapore booking volumes of ~8.1m vs ~8.1m in 2Q2023

Other Private Transport

- Main components: Private Bus, Non-Emergency Patient Transport, Corporate Vehicle Leasing

\$'m	3Q2023	2Q2023	1Q2023	4Q2022	3Q2022
Revenue	37.9	35.4	34.1	33.4	35.6
Operating Costs	(39.1)	(36.2)	(34.9)	(36.9)	(38.2)
Operating Profit excl. non-recurring items ("OPE")	(1.2)	(0.8)	(0.8)	(3.5)	(2.6)
OPE Margin %	-3.2%	-2.3%	-2.3%	-10.5%	-7.3%
Net Gain/(Loss) on Disposal	0.7	0.7	0.5	(2.2)	0.6
Operating Profit ("OP")	(0.5)	(0.1)	(0.3)	(5.7)	(2.0)

- 3Q2023 OPE ↓(\$0.4m) or (50.0%) vs 2Q2023
 - 3Q2023 Revenue ↑\$2.5m or 7.1%; Operating Costs ↑(\$2.9m) or (8.0%)
 - Other Private Transport segment generally stable except for Singapore private bus which remains challenged with ongoing driver shortages and elevated costs

Inspection & Testing Services

- **Main components: Vehicle and Non-vehicle Inspection**

\$'m	3Q2023	2Q2023	1Q2023	4Q2022	3Q2022
Revenue	26.6	27.6	27.1	27.0	26.8
Operating Costs	(18.7)	(19.1)	(19.0)	(18.2)	(18.7)
Operating Profit excl. non-recurring items ("OPE")	7.9	8.5	8.1	8.8	8.1
<i>OPE Margin %</i>	<i>29.7%</i>	<i>30.8%</i>	<i>29.9%</i>	<i>32.6%</i>	<i>30.2%</i>
Net Gain/(Loss) on Disposal	-	-	-	(0.8)	-
Operating Profit ("OP")	7.9	8.5	8.1	8.0	8.1

- 3Q2023 OPE ↓(\$0.6m) or (7.1%) vs 2Q2023
 - 3Q2023 Revenue ↓(\$1.0m) or (3.6%); Operating Costs ↓\$0.4m or 2.1%
 - Mainly due to lower non-vehicle testing volumes from economic slowdown

Other Segments

- Main components: Driving Centre, Bus Station, Insurance, Media, Logistics, EV Charging

\$'m	3Q2023	2Q2023	1Q2023	4Q2022	3Q2022
Revenue	26.0	22.1	22.0	21.1	21.1
Operating Costs	(20.5)	(19.2)	(19.0)	(20.1)	(18.6)
Operating Profit excl. non-recurring items ("OPE")	5.5	2.9	3.0	1.0	2.5
<i>OPE Margin %</i>	<i>21.2%</i>	<i>13.1%</i>	<i>13.6%</i>	<i>4.7%</i>	<i>11.8%</i>
Net Gain/(Loss) on Disposal	-	-	-	(0.5)	-
Operating Profit ("OP")	5.5	2.9	3.0	0.5	2.5

- 3Q2023 OPE ↑\$2.6m or 89.7% vs 2Q2023
 - 3Q2023 Revenue ↑\$3.9m or 17.6%; Operating Costs ↑(\$1.3m) or (6.8%)
 - Mainly due to increased enrolment in Singapore driving school, increased media revenues and expenses timing

THANK YOU