COMFORTDELGRO'S RESULTS FOR HALF-YEAR ENDED 30 JUNE 2022

- ***Revenue for the first six months increased by 6.7% to $1.86 billion as the world gradually emerged from the pandemic. Economic activity in all the countries we operate in, except for China, picked up during the last six months, resulting in a growth in demand for our services.***
- ***Group operating profit increased by 30.5% to $175.6 million.***
  - ***Underlying businesses continued to perform well. Operating profit excluding one-off gains including the sale of Alperton garage in the United Kingdom (UK) and government relief increased by 67.8% or $51.3 million.***
- ***Net profit attributable to shareholders grew by 30.4% to $118.7 million, boosted by the one-off exceptional gain.***
- ***Accordingly, an interim dividend of 2.85 cents and a special dividend of 1.41 cents has been declared.***

Singapore, 12 August 2022 – ComfortDelGro Corporation today announced its unaudited results for the half year ended 30 June 2022.

Highlights:

	1H2022 ($m)	1H2021 ($m)	% change
Revenue	1,859.9	1,742.5	6.7
Operating Profit	175.6	134.6	30.5
Net Profit Attributable to Shareholders	118.7	91.0	30.4
EBITDA	326.5	338.8	-3.6
EPS (Based on existing share capital) - cents	5.48	4.20	30.4

Note: All figures in Singapore dollars

<u>Group</u>

Group revenue for the first six months of 2022 increased by 6.7% to $1.86 billion as COVID-19 restrictions were relaxed in most countries. Except for China, which continued to pursue its "Zero-COVID" policy and imposed several lockdowns in the first half of the year, economic activity in all of the geographies we operate in improved.

For the half year ended 30 June 2022, the Group registered a net profit attributable to shareholders of $118.7 million, an increase of 30.4% over the corresponding period last year. This was due largely to a one-off exceptional gain of $30.5 million from the disposal of the Alperton property in London. Excluding this exceptional gain, net profit was $88.2 million. As the Company is in a healthy net cash position with stable forecasted cashflows, the Board will return the full net gain from the sale to Shareholders in the form of a special dividend – the first time since 2007 that such a dividend has been declared.

ComfortDelGro Chairman Lim Jit Poh said: “The Group is in a fortunate position to have a strong cash flow and be in a net cash position. As such, we do not have any problem funding our dividend payouts internally. With the exceptional gain from the sale of the Alperton property in London, we have decided to pass on the net gain from that sale to our Shareholders. This is something we will continue to do going forward when we make extraordinary gains and have no urgent need of the proceeds.”

On the Group’s performance, ComfortDelGro Managing Director/Group CEO Yang Ban Seng said: “As most of the world emerges from the COVID-19 pandemic, demand for the Group’s services has continued to grow, save for China which maintains a “Zero-COVID” policy. Our public transport and taxi businesses have, in particular, benefitted from the increased movement of people and uptick in activity levels. But even as pressures from the two-year pandemic subside, new challenges have emerged amidst growing geo-political tensions. We continue to keep a close eye on unfolding events around the world which will have an impact on global economic recovery.”

The Group’s overseas businesses accounted for 42.6% of total revenue and 47.3% of total operating profit. In particular, the Australian operations registered a strong performance, accounting for 45.5% and 43.3% of total overseas revenue and operating profit respectively.

Operations Review

- Public Transport Services

Revenue from the Group’s Public Transport Services Business, which comprises bus and rail services, grew by 8.1% to $1.49 billion due mainly to improved rail ridership and fuel indexation in Singapore. The Group’s 50% joint venture, Auckland One Rail, also made its maiden contribution for the half year just ended. Operating profit of $122.8 million was 48.8% higher mainly due to the increase in revenue and the net gain from the disposal of the Alperton property in London. The increases were however partially offset by higher operating costs resulting from the surge in fuel prices, as well as a reduction in COVID-19 government relief.

- Taxi

Revenue from the Group’s Taxi Business fell by 6.5% to $211.3 million for the first half-year due to the various lockdowns in China and the absence of contributions from the London and Ho Chi Minh taxi businesses following their divestments in July 2021 and March 2022. The drop was partially offset by an increase in revenue from the Singapore Taxi business which benefitted from the relaxation of COVID-19 measures, Operating profit was 18.4% higher at $21.2 million mainly due to the increase in Singapore Taxi business revenue while lower China and UK revenues were partially offset by lower operating costs.

- Automotive Engineering Services

Revenue from the Group’s Automotive Engineering Services Business increased by 17.1% to $100.1 million mainly from higher fuel sales. Operating profit was however 16.1% lower at $4.7 million as fuel sales adjustments lagged oil price increases.

- Inspection and Testing Services

Revenue from the Group's Inspection and Testing Services Business increased by 8.6% to $53.3 million due to a growth in demand for non-vehicle testing services – in tandem with the recovery of the Singapore economy. Operating profit was 8.6% higher at $16.5 million due to higher business volumes partially offset by a reduction in government relief.

- Car Rental and Leasing

Revenue from the Group's Car Rental and Leasing Business rose by 16.9% to $15.2 million due to the increase in private hire vehicle (PHV) fleet. Operating profit was unchanged at $1.7 million.

Interim and Special Dividend

For the half year ended 30 June 2022, there was a one-off exceptional gain of $30.5 million from the disposal of the Alperton property in London which resulted in net profit attributable to shareholders of $118.7 million. Excluding this exceptional gain, net profit was $88.2 million. As the Company is in a healthy net cash position with stable forecasted cashflows, it is proposed that the full net gain from that disposal be returned to shareholders in the form of a one-off special dividend.

As such, the following dividends are proposed:

- A tax-exempt one-tier interim dividend of 2.85 cents per ordinary share representing a Dividend Payout Ratio ("DPR") of 70.0% of the underlying net profit of $88.2 million for the half year just ended; and
- A tax-exempt one-tier special dividend of 1.41 cents per ordinary share representing a DPR of 100.0% of the net gain on disposal of Alperton property in London of $30.5 million.

The proposed DPR for 1H2022 on underlying profits of 70% is consistent with the DPR for 2021 and is in line with our DPR policy which is to declare a DPR of at least 50%. Pre-COVID, the interim DPR for 2019 was 67%.

Outlook

The global economic recovery continues as many countries have now relaxed restrictions and are "living with COVID". Accordingly, most Government relief schemes have ended. Barring fresh outbreaks of any new viral strains, and subject to geopolitical conditions, the Group maintains a cautiously optimistic outlook for the rest of 2022.

Public Transport Services will continue to be supported by fuel indexation on public bus contracts although there is uncertainty over the effectiveness of the indexation formulas in the long term should high fuel prices persist. Singapore Public Transport Services will also be affected by an amendment to the service payable by the Land Transport Authority on five public bus contracts on 1 September 2022 to a rate that is benchmarked against recent bus tenders and is lower than the current service fee, as part of the agreement in the transition of the Downtown Line to the New Rail Financing Framework (NRFF) 2.

Rail ridership in Singapore, bus charter in Australia and coach services in the UK will continue to recover following the relaxation of COVID-19 measures.

Singapore Taxi revenues are expected to improve and driver earnings are expected to remain healthy as demand for taxi and PHVs in Singapore remain strong. Taxi revenues in China continue to be heavily impacted by the country's "Zero-COVID" policy.

Other business segments are expected to remain stable, with improved activity levels and earnings offset by anticipated inflation and higher fuel and electricity costs.

High inflation rates continue to put margins under increasing pressure across the Group and remain an area of concern. The Group, which is in a net cash position, continues to monitor increasing interest rates while managing borrowings.

With a strong balance sheet, the Group remains committed to its long-term strategy of strengthening its core and transforming and building new capabilities in smart and green mobility, whilst looking for growth opportunities overseas and in adjacent settings.

Background

ComfortDelGro is one of the world's largest land transport companies with a total fleet size of about 34,000 buses, taxis and rental vehicles. We also run 177 km of light and heavy rail networks in Singapore and New Zealand. Our global operations span seven countries – Singapore, Australia, the United Kingdom, New Zealand, China, Ireland and Malaysia.