

GENERAL ANNOUNCEMENT::COVID-19 BUSINESS UPDATES

Issuer & Securities

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COMFORTDELGRO CORPORATION LIMITED

Securities

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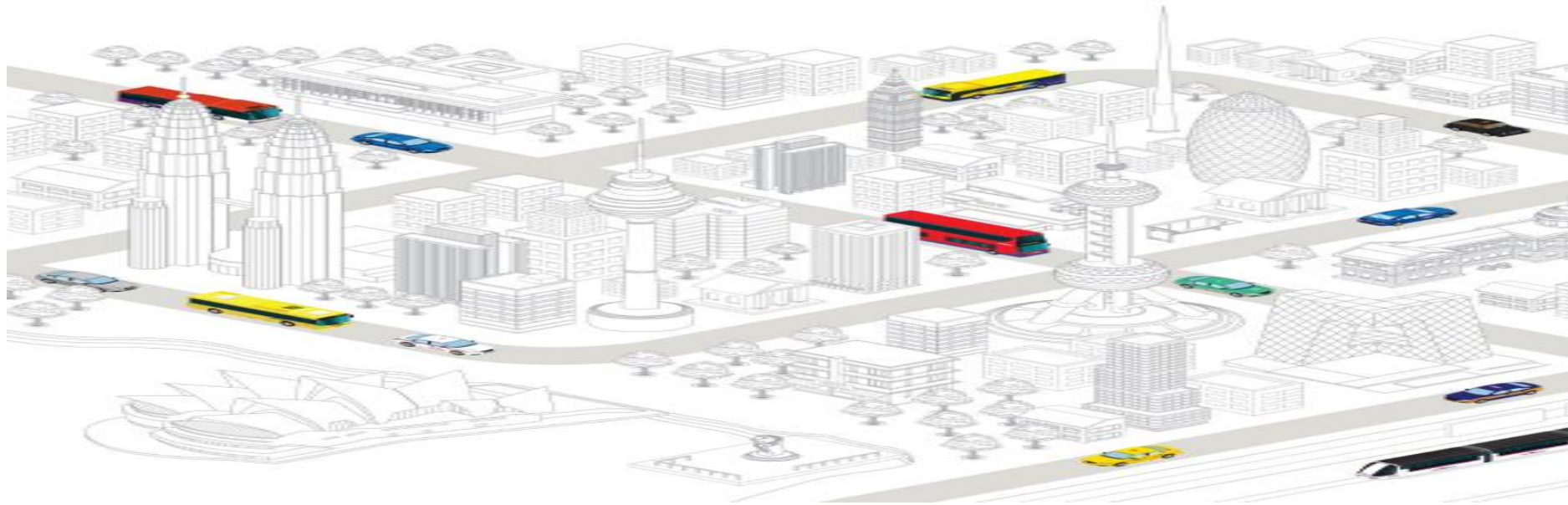
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Attachments

[CDG%20-%20COVID-19%20Business%20Updates.pdf](#)

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COMFORT DELGRO



COVID-19 Business Update

22 May 2020

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- COVID-19 Operational Update
- COVID-19 Financial Update



COVID-19 OPERATIONAL UPDATE

Overall

- With land transport as its core business, CDG is most affected by the lock-downs in the major cities where we operate
- Governments in various countries now formulating exit plans from lockdown period, social distancing will continue and recovery expected to be gradual
- The impact varies across the different businesses, depending on the operating model and the change in demand for commute

Segments

- **Public Transport Services** – deemed essential services in all geographies and scheduled services have continued to operate, although at reduced mileage / ridership; unscheduled services significantly impacted from lower tourism and school closures
 - Singapore – public bus and rail ridership down between 70%-75% during Circuit Breaker (“CB”) period
 - UK – public bus frequency reduced to weekend levels
 - Australia – services continue to operate but with some service changes

Segments (cont'd)

- **Taxi** – deemed essential services in all geographies, however with major cities on lockdown activity levels severely impacted
 - Singapore – various COVID-19 relief schemes extended to drivers totaling \$116m, call centre volumes and cabby daily average earnings have decreased
 - China – rental relief borne by operators imposed by local governments
 - UK – call centre volumes significantly down
- **Ancillary services** – although mostly deemed essential services and so remained open during lockdown periods to a certain extent, there were severe knock-on effects from impact to public transport and taxis
 - Engineering services – reduced vehicle maintenance services with fewer cars on the road
 - Inspection and testing services – impacted as LTA deferred inspection of private cars during CB period
 - Driving centres, advertising – China and Singapore centres temporarily closed during lockdown periods

COVID-19 Update

Government assistance

- Governments have introduced a series of measures aimed at preserving jobs and livelihoods, as well as stabilising businesses
- Eligibility and the level of assistance will depend on how badly the sector or business is hit
- Employee Support Schemes where Governments co-fund part of local employees salaries implemented
 - Singapore – Jobs Support Scheme and foreign worker levy waivers granted to all Singapore companies
 - UK – Jobs Retention Scheme granted for furloughed employees only
 - Australia – JobKeeper scheme granted for furloughed employees only
 - China – partial waiver of social insurance payments granted in various provinces
- Business Support Schemes mostly targeted at smaller enterprises
 - Singapore – waiver of P-to-P licence fees and un-hired taxi cost reliefs granted by LTA, tax deferments/rebates and rental waivers also granted by the Government
 - UK – fuel subsidies and support for concessionary travels outside of London
 - Australia – measures targeted at smaller enterprises which CDG does not qualify for
 - China – VAT for taxi companies waived for certain periods

Responses and measures taken by CDG

- Various measures implemented in close coordination with respective transport authorities
 - Enhanced cleaning measures and stock up of PPE
 - Disinfecting stations set up for taxis across major cities and temperature screening implemented
- We are actively pursuing initiatives to mitigate the business impacts
 - ComfortDelivery App launched to support cabbies with additional jobs during CB period
- Senior management and Directors have taken voluntary cuts in pay and fees respectively

Way forward

- CDG will continue to watch and respond to the evolving COVID-19 crisis
- As and where necessary, we will work with the authorities to decisively intervene and prevent any outbreak at our workplaces and facilities
- Our top priority is the safety and well-being of our staff, the commuters and our customers

COVID-19 FINANCIAL UPDATE

1QFY2020

Income Statement

	1QFY2020	1QFY2019	Fav/(Adv)
Revenue (\$'m)	862.4	947.3	(84.9) / (9.0%)
Op Costs (\$'m)	(806.5)	(839.9)	33.4 / 3.9%
Op Profit (\$'m)	55.9	107.4	(51.4) / (47.9%)
<i>OP Profit Margin (%)</i>	6.5%	11.3%	
PAT (\$'m)	43.0	83.3	(40.2) / (48.3%)
PATMI (\$'m)	36.0	70.4	(34.4) / (48.9%)
EBITDA (\$'m)	158.0	213.1	(55.1) / (25.9%)

- Revenue ↓(\$84.9m) - taxi and automotive engineering services ↓(\$58.5m), public transport services ↓(\$28.6m)
- Operating costs ↓\$33.4m - taxi and automotive engineering services ↓\$29.6m, public transport services ↓\$7.3m
- Operating profit ↓(\$51.4m) - as a result of the above

Balance Sheet

	Mar 20	Dec 19	Fav/(Adv)
Cash and short-term deposits (\$'m)	632.8	594.2	38.6 / 6.5%
Other current assets (\$'m)	689.0	724.9	(35.9) / (5.0%)
Non-current assets (\$'m)	3,908.4	4,059.9	(151.5) / (3.7%)
Total Assets (\$'m)	5,230.2	5,379.0	(148.8) / (2.8%)
Current liabilities (\$'m)	1,056.4	1,115.8	59.4 / 5.3%
Non-current liabilities (\$'m)	1,174.2	1,254.2	80.0 / 6.4%
Total Liabilities (\$'m)	2,230.6	2,370.0	139.4 / 5.9%
Total Equity (\$'m)	2,999.6	3,009.0	(9.4) / (0.3%)

- Decrease in total assets mainly due to FX revaluation as well as depreciation and amortisation
- Decrease in total liabilities mainly due to FX revaluation and lower operating costs

Cashflow

	1QFY2020 (\$'m)	
Cash from Operating Activities		105.5
<u>Utilisation of Cash:</u>		
Net CAPEX	(48.1)	
Tax	(13.9)	
Acquisition of subsidiary	(11.3)	
Dividends to NCI of subsidiaries	(11.0)	
Grants received	15.1	
Others	4.0	
Total Utilisation of Cash		(65.2)
Net Decrease in Borrowings		(1.7)
Net Cash Inflow		38.6

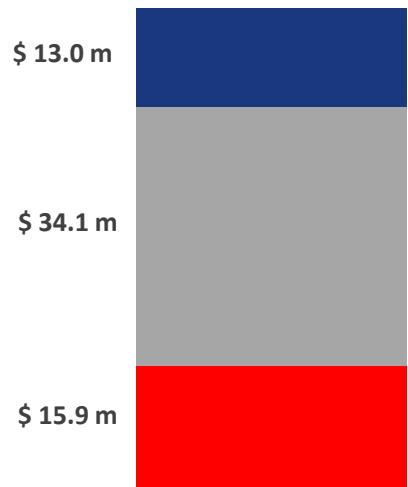
Group Treasury Status

	Mar 20	Dec 19	Fav/(Adv)
Cash and short-term deposits	\$632.8m	\$594.2m	\$38.6m / 6.5%
Borrowings + finance leases	(\$606.4m)	(\$634.2m)	\$27.8m / 4.4%
Net Cash / (Debt)	\$26.4m	(\$40.0m)	\$66.4m / NM
Gross Gearing (gross debt / equity)	20.2%	21.1%	0.9% points
Net Gearing	NA	1.3%	NA
Available facilities	\$704.7m	\$710.6m	(\$5.9m) / (0.8%)

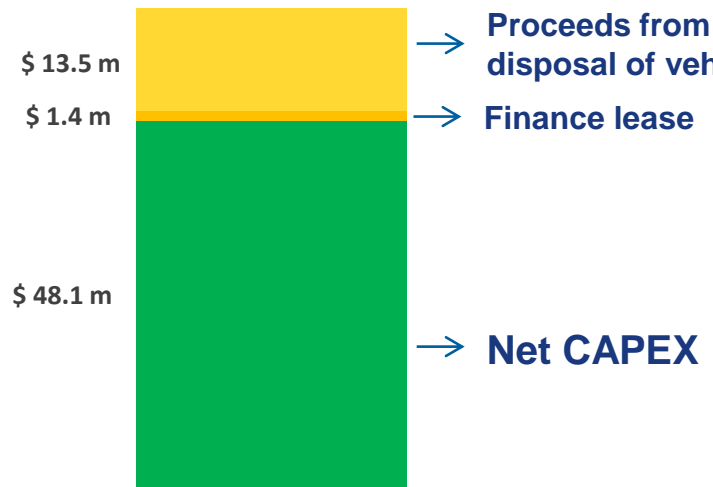
- Borrowings and finance leases reduction mainly from FX revaluation of AUD loans
- Net cash position as at 31 Mar 2020 \$26.4m vs net debt position as at 31 Dec 2019 of (\$40.0m)
- The Group also maintains available facilities of >\$700m in various currencies

CAPEX Summary

1QFY2020
\$63.0m



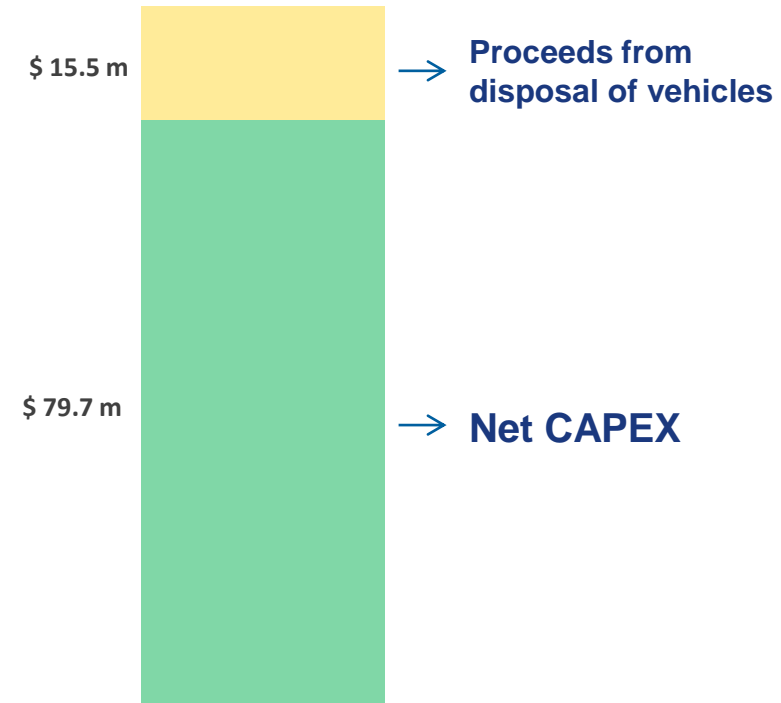
■ Buses ■ Taxis ■ Other vehicles, equipment and buildings



1QFY2019
\$95.2m



■ Buses ■ Taxis ■ Other vehicles, equipment and buildings

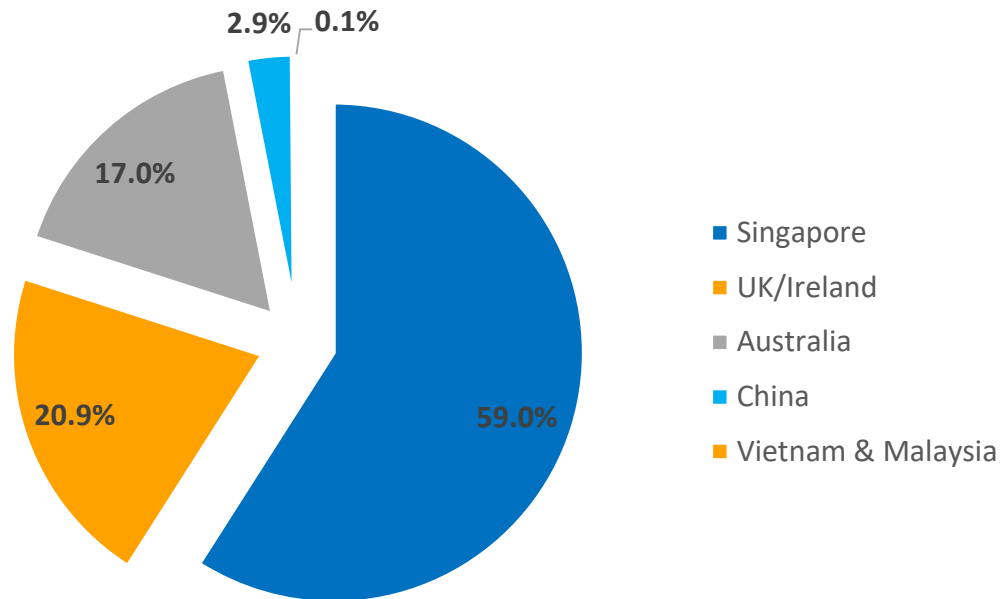


No new non-essential capital commitments are being made

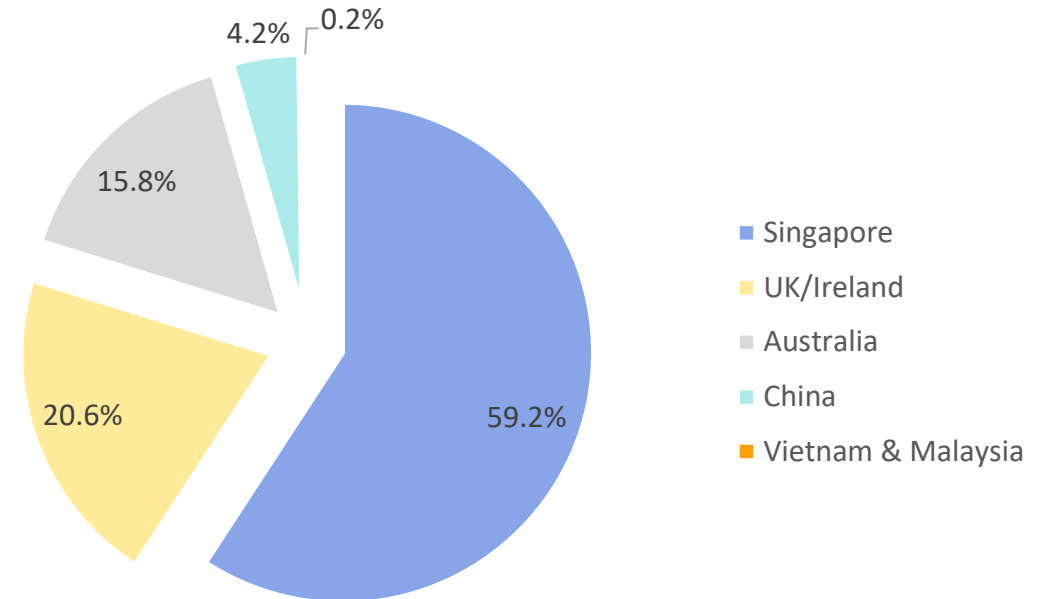
- Taxi – SG taxi fleet renewal and replacement with hybrid vehicles programme committed in 2019 continued
- Buses – purchase of hybrid bus fleet in AU and UK fleet replacement

Revenue by Geographical Region

1QFY2020 Revenue by Geographical Region



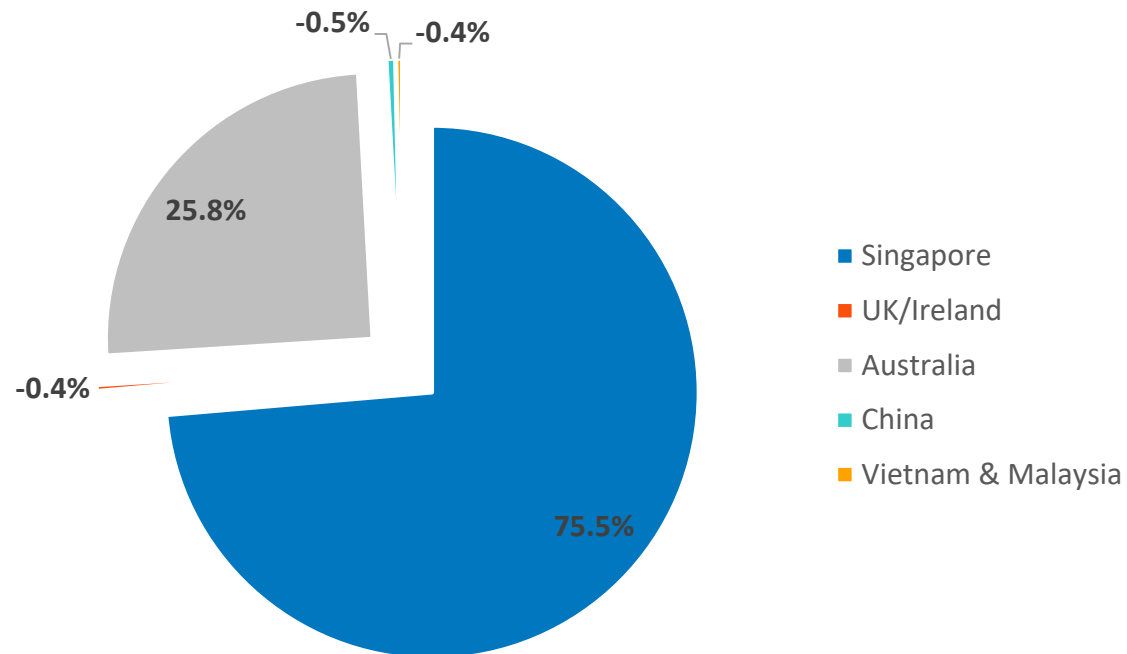
1QFY2019 Revenue by Geographical Region



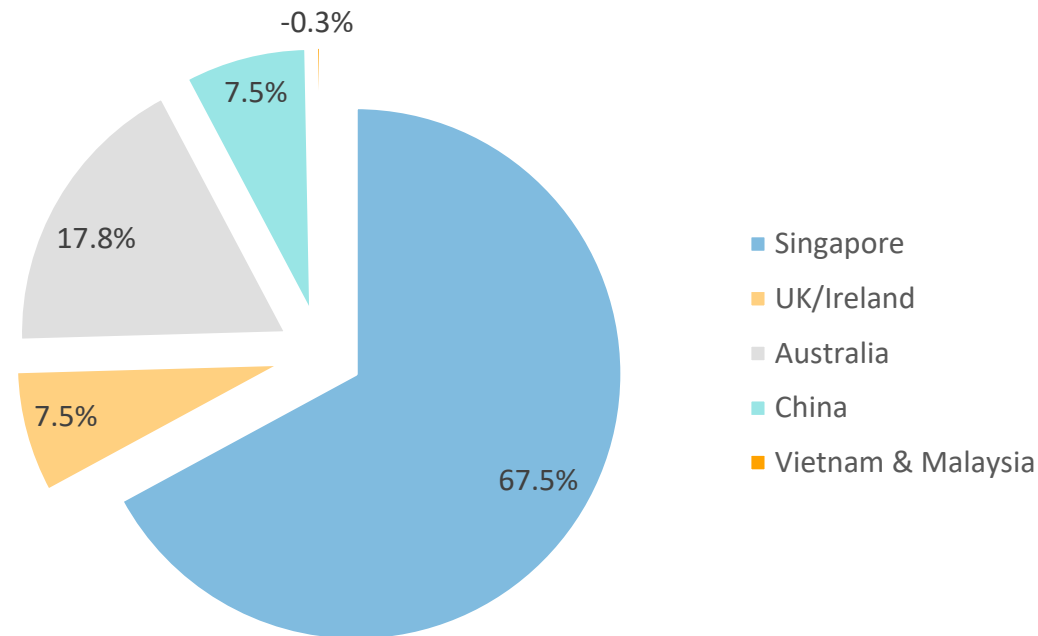
- 1QFY2020 overseas revenue contribution of 41.0% (1QFY2019 : 40.8%)

Operating Profit by Region

1QFY2020 Operating Profit by Geographical Region



1QFY2019 Operating Profit by Geographical Region



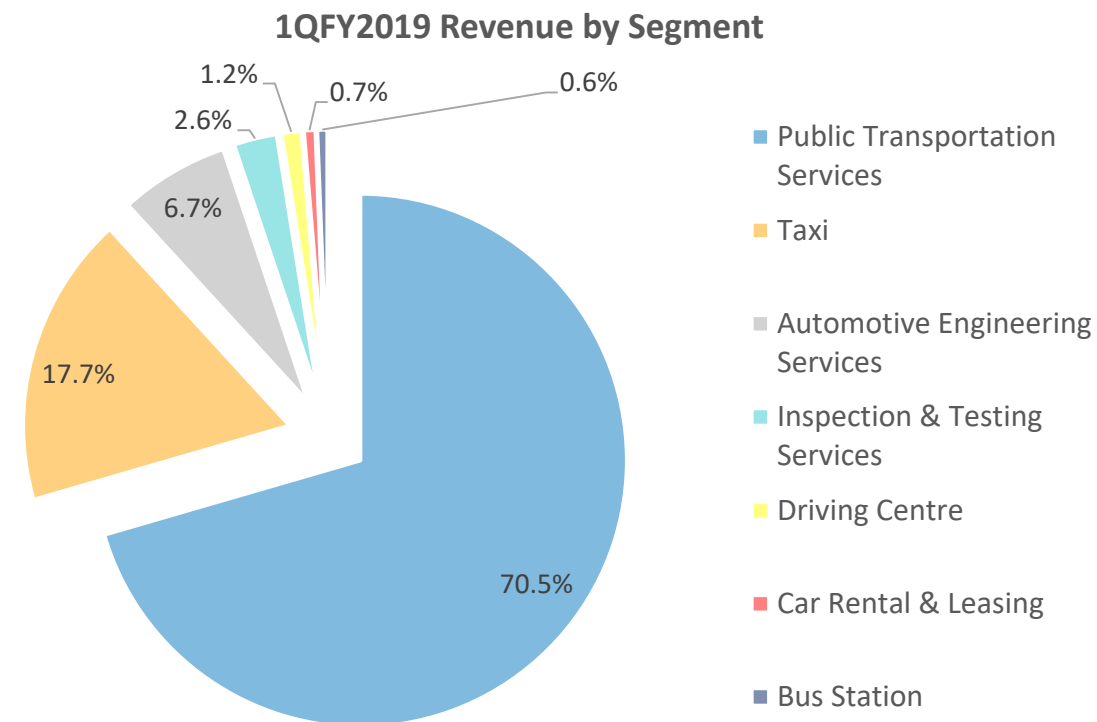
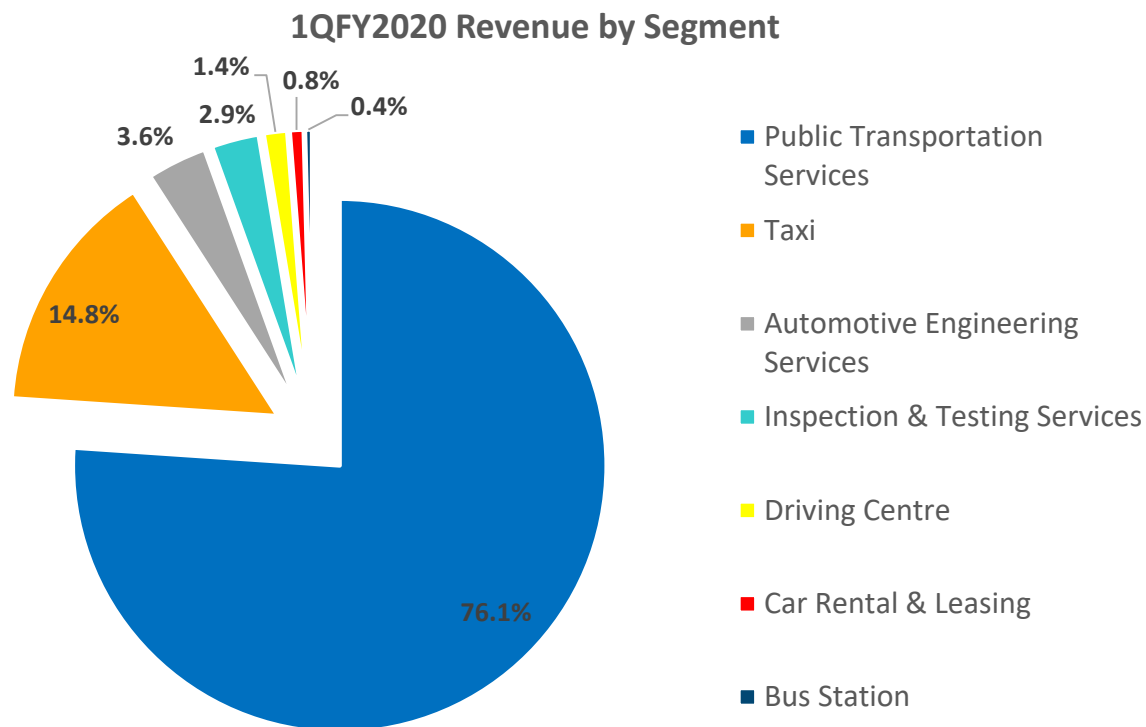
- 1QFY2020 overseas operating profit contribution of 24.5% (1QFY2019 : 32.5%)
 - China % distorted by COVID-19
 - UK % distorted by unusually bad weather and COVID-19 impact on tourism

Financial Summary

- Public transportation services and taxi down from COVID-19
 - 1QFY2020 Group PATMI \$36.0m
- **Lockdowns in Singapore, Australia and UK will significantly hurt 1HFY2020 business**
- Strong Group Balance Sheet
 - Net cash position \$26.4m
 - Gross gearing (gross debt / equity) 20.2%
- Group continues to be cash generating
 - 1QFY2020 Free Cash Flow \$94.3m
 - EBITDA \$158.0m – net capex (\$48.1m) – tax (\$13.9m) – net interest (\$1.7m)
- 31 March 2020 cash and available facilities of >\$1.3b
 - Cash \$0.6b
 - Available facilities \$0.7b

1QFY2020 PERFORMANCE BY BUSINESS SEGMENT

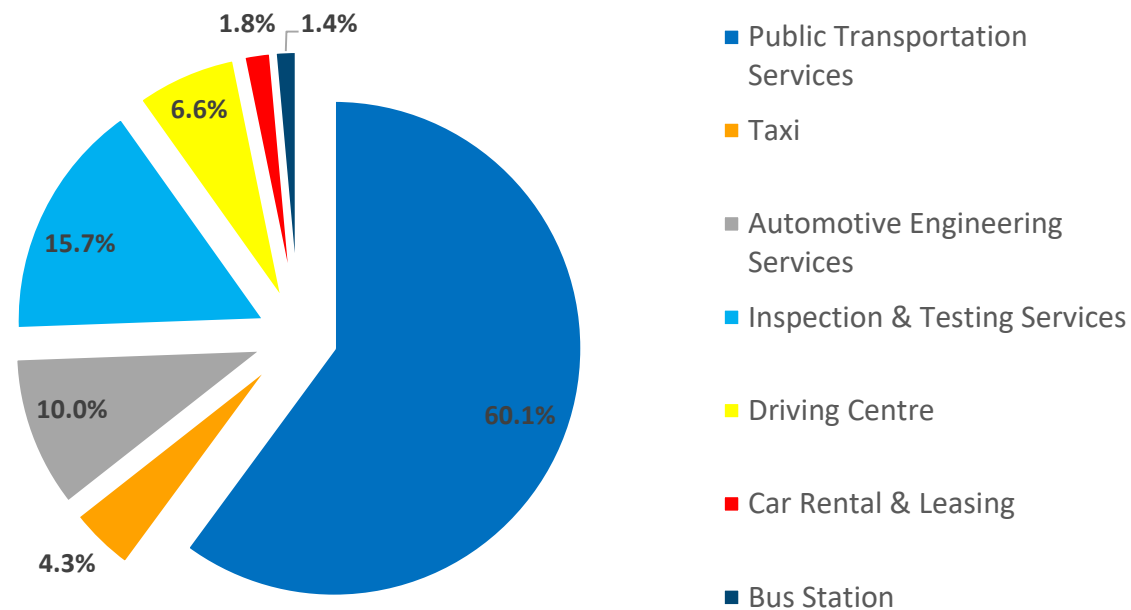
Revenue by Segment



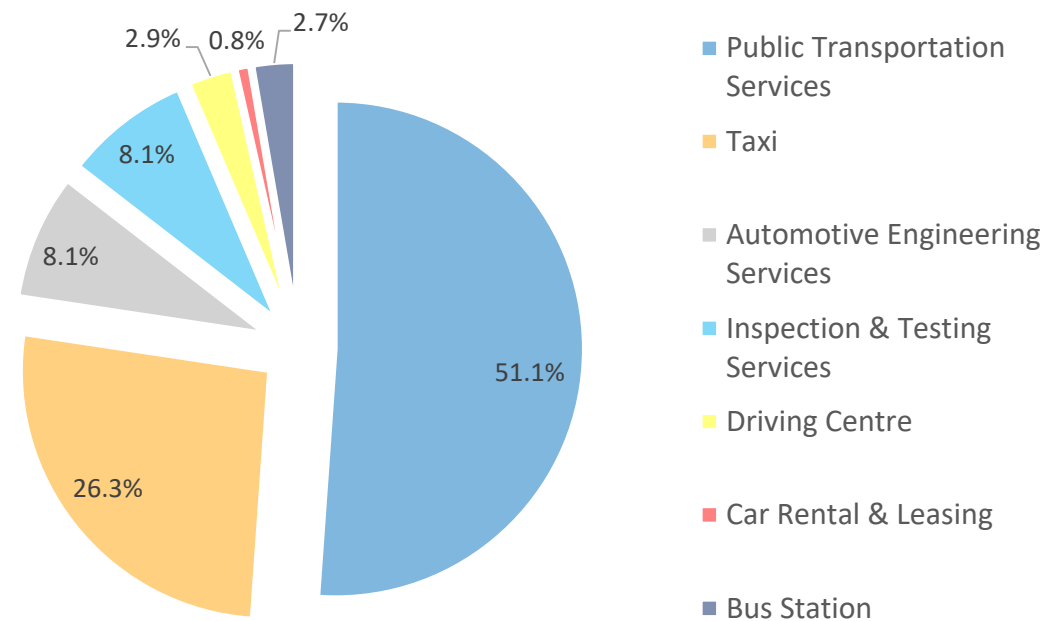
- Public transportation services % increased due to reducing taxi and automotive engineering services revenues
- Taxi % decreased mainly due to COVID-19 impact in China and Singapore

Operating Profit by Segment

1QFY2020 Operating Profit by Segment



1QFY2019 Operating Profit by Segment



- As with revenue, public transport services % increased due to reductions in taxi and automotive engineering services
- Taxi % decrease as cost savings could not offset falling revenues

Public Transport Services

- Revenue decreased by (\$28.6m)
 - Singapore - higher rail fares were more than offset by bus fuel indexation impact
 - UK - weather, COVID-19 impact on tourism and fewer routes
 - Australia – weaker A\$
- Operating costs reduced to cushion the fall in revenues
- Ridership and schedules reduced drastically in Singapore during CB period
- Fuel indexation continues to be impacted by ongoing low oil prices from oversupply

	1QFY2020	1QFY2019
Revenue	656.3	684.9
Operating Profit	33.6	54.9
<i>Operating Profit Margin</i>	5.1%	8.0%



Taxi

- Revenue decreased by (\$44.1m)
 - Smaller Singapore fleet also impacted by COVID-19 relief schemes from Feb
 - China taxis rental reduced to virtually rent-free in response to COVID-19 lockdowns
- Lower operating costs from smaller fleet partially offset revenue reductions
- 2 months full rental waiver granted for Singapore fleet in April & May 2020 during CB period
- Announced COVID-19 relief schemes also extended until September 2020, to be further reviewed

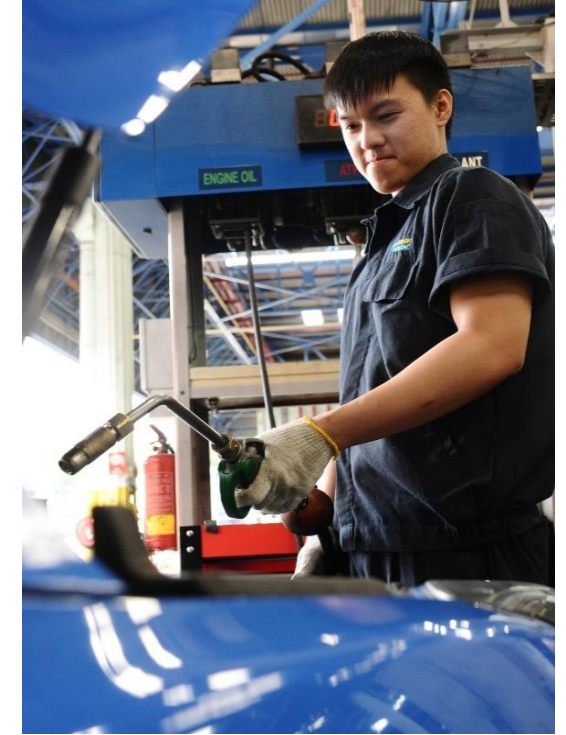
	1QFY2020	1QFY2019
Revenue	127.8	171.9
Operating Profit	2.4	28.2
<i>Operating Profit Margin</i>	<i>1.9%</i>	<i>16.4%</i>



Automotive Engineering Services

- Revenue decreased by (\$14.4m) mainly due to smaller Singapore taxi fleet
- Operating profit margin softer due to lower business volumes
- Partial closure due to CB period, essential services continue at lower volumes

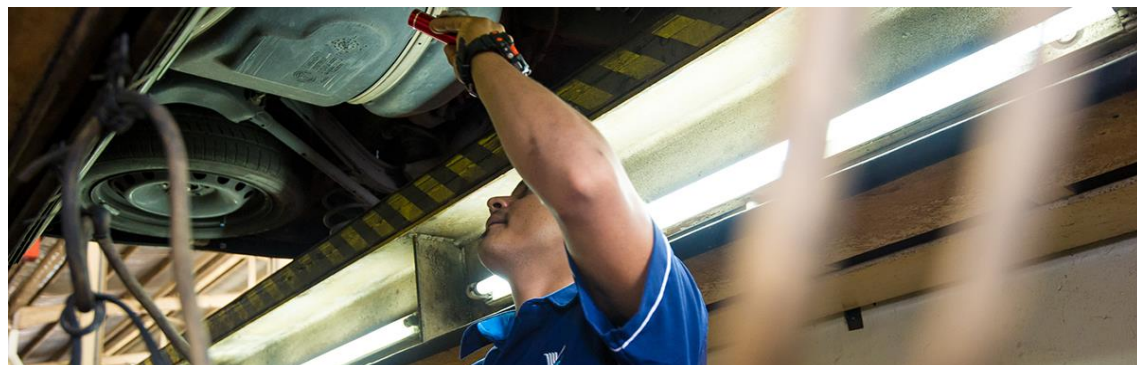
	1QFY2020	1QFY2019
Revenue	50.2	64.6
Operating Profit	5.6	8.7
<i>Operating Profit Margin</i>	11.2%	13.5%



Inspection & Testing Services

- Revenue and operating profit remained stable
- Some business activities restricted during CB period, majority continue at lower volumes

	1QFY2020	1QFY2019
Revenue	25.3	25.5
Operating Profit	8.8	8.7
<i>Operating Profit Margin</i>	34.8%	34.1%



Driving Centre

- Revenue and operating profit remained stable
- Full closure during CB period as deemed a non-essential service

	1QFY2020	1QFY2019
Revenue	12.1	11.7
Operating Profit	3.7	3.1
<i>Operating Profit Margin</i>	30.6%	26.5%



Car Rental & Leasing

- Revenue and operating profit remained stable
- Business continues during CB period
- Expected to be broadly stable due to long-term leases, short-term and PHV leases outlook uncertain

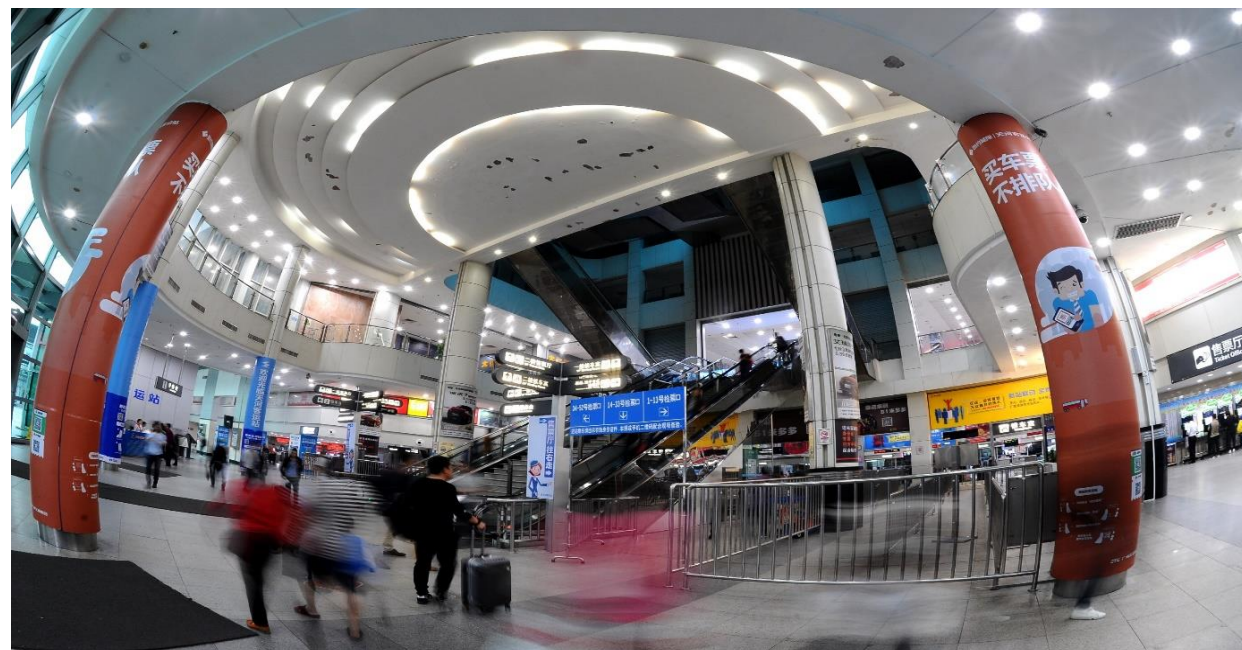
	1QFY2020	1QFY2019
Revenue	7.1	6.8
Operating Profit	1.0	0.9
<i>Operating Profit Margin</i>	14.1%	13.2%



Bus Station

- Lower CN bus station revenue (\$2.5m)
 - Lower activity levels in lockdown conditions
- Operating profit and margin reduced as a result
- Operations re-commenced in 2Q, albeit at lower activity levels due to ongoing travel restrictions

	1QFY2020	1QFY2019
Revenue	3.5	6.0
Operating Profit	0.8	2.9
<i>Operating Profit Margin</i>	22.9%	48.3%



THANK YOU

Appendix - Segments

(S\$m)	1QFY2020 Revenue	1QFY2020 Operating Profit
Public Transportation Services	656.3	33.6
Taxi	127.8	2.4
Automotive Engineering Services	50.2	5.6
Inspection & Testing Services	25.3	8.8
Driving Centre	12.1	3.7
Car Rental & Leasing	7.1	1.0
Bus Station	3.5	0.8
Elimination ¹	(19.9)	-
Total	862.4	55.9

1. Elimination of inter-segment services