Media Release

COMFORTDELGRO

COMFORTDELGRO TURNS IN FULL-YEAR REVENUE OF $3.5 BILLION

- ***Full year Group revenue increased by 9.1% to $3.5 billion as economies staged gradual recoveries.***
- ***Excluding Government assistance grants, the Group went back into the black with an operating profit of $125.4 million, compared to the full year operating loss of $47.6 million previously.***
- ***Including the various Government COVID-19 assistance packages which amounted to $84.6 million, the Group registered an operating profit of $210.0 million.***
- ***Net profit attributable to shareholders increased by 114.0% to $130.1 million.***

Singapore, 28 February 2021 – ComfortDelGro today announced its audited results for the year ended 31 December 2021.

Highlights:

	Full Year 31 Dec 2021	**Full Year 31 Dec 2020**	**Change**
	$m	$m	%
Revenue	3,538.3	3,242.6	9.1
Operating Profit	210.0	121.7	72.6
Net Profit Attributable to Shareholders	130.1	60.8	114.0
EBITDA	635.3	613.2	3.6
EPS – cents	6.00	2.81	113.5

Note: All figures denominated in Singapore dollars

Group

As the world slowly bounced back from the virtual standstill of 2020, demand for the Group's services staged a recovery with full-year Group Revenue increasing by $295.7 million or 9.1% to $3.5 billion for the year ended 31 December 2021. Growth in the Group's underlying business accounted for $215.5 million or 72.9% of the increase in revenue while a favourable foreign currency translation of $80.2 million accounted for the rest.

Revenue from the Group's overseas operations accounted for 46.2% of total Group revenue compared to 45.4% previously.

Group operating costs increased by 6.6% to $3.3 billion in line with higher activity levels, increased fuel and electricity costs and reduced COVID-19 Government reliefs.

Group operating profit was 72.6% higher at $210.0 million with $79.5 million coming from the underlying business and $8.8 million from a positive foreign currency translation effect. Excluding COVID-19 Government reliefs amounting to $84.6 million in 2021, the Group reported an operating profit of $125.4 million compared to an operating loss of $47.6 million for 2020.

Correspondingly, full-year net profit attributable to shareholders increased by 114.0% to $130.1 million compared to $60.8 million previously.

ComfortDelGro Managing Director/Group CEO, Mr Yang Ban Seng, said: “It has been another challenging year but the high global vaccination rate has helped economic recovery through the easing of social restrictions and the reopening of borders. As a transport operator, we have certainly benefitted from the increases in economic activity but we are not out of the woods yet. Demand has not reached pre-COVID levels as many workers continue to work from home and social restrictions remain in force in many geographies. But, we remain hopeful that global recovery will continue. In the meantime, we will continue to reinvent ourselves by further embracing technology, investing in human capital and rolling out new and innovative service offerings. Our digitalisation, electrification and sustainability efforts have intensified over the year and will continue to gain momentum going forward.”

Certainly, the Group has broadened and deepened its global portfolio in the last 12 months with significant tender wins and acquisitions in new business areas.

Group Chairman Mr Lim Jit Poh said: “While dealing with the day-to-day challenges of operating in a pandemic, we made sure that we did not lose sight of our longer-term strategy of expanding into new avenues of growth by leveraging on our core strengths. Several key developments took place during the year which are of significance, not just now, but going forward. They are our successful bid to operate rail services in Auckland, New Zealand; our successful bids in Singapore to offer electric vehicle (EV) charging services and to operate electric private buses; our entry into the logistics business in China through the formation of a cement transportation joint venture as well as our expansion in the medical transport business. Going forward, we will continue to grow our external wing and explore more partnerships with like-minded companies. We will double down on manpower recruitment which is essential to long-term growth.”

Operations Review

- Public Transport Services

At the Group level, full-year revenue from the public transport services business increased by $239.6 million or 9.3% to $2.8 billion due mainly to fuel indexation from higher oil prices in Singapore, increased charter activities in Australia and increased activity levels in the United Kingdom (UK).

Operating profit increased by 5.3% to $130.7 million due to higher revenues, partially offset by higher operating costs in line with increased activity levels, early disposal of 241 buses in Singapore as part of the Downtown Line’s transition to NRFF V2 and lower COVID-19 Government reliefs.

- Taxi

At Group level, full-year revenue for the taxi business grew by 5.7% to $426.1 million due to a reduction in COVID-19 rental discounts in line with the gradual relaxation of COVID-19 restrictions. Rental rebates which have been granted to taxi hirers in Singapore since the start of the pandemic in 2020, amounted to $87.1 million for the year ending 31 December 2021, compared to $119.4 million that was given out the year before.

The Group’s Taxi Business reported an operating profit of $18.5 million for 2021 compared to an operating loss of $64.4 million for 2020 mainly due to lower discounts granted in 2021 as compared to the previous year, cost optimisation from the operation of more efficient hybrid taxis and a lower provision for the impairment on vehicles and goodwill as compared to 2020.

- Inspection and Testing Services

Revenue from the Group’s inspection and testing services business increased by 16.2% to $100.9 million mainly due to a recovery in activity levels for non-vehicle testing. Operating profit was 15.0% higher at $30.6 million as an increase in business volume was partially offset by a reduction in government reliefs.

Dividend

A final tax-exempt one-tier dividend of 2.1 cents per share has been proposed. Together with the interim dividend of 2.1 cents, this represents a 70% payout of the profit attributable to shareholders for the year under review.

Outlook

The global recovery has taken root as more countries with high vaccination rates re-open their economies through a relaxation of restrictions and a cautious resumption of international travel. As the situation improves, many Government relief schemes, which had already been tapering off in 2021, have ended. Barring fresh outbreaks of any new viral strains, and subject to geopolitical conditions, the Group maintains a cautiously optimistic outlook for 2022.

Revenue from public transport services is expected to improve as rail ridership in Singapore, bus charter in Australia and coach services in the UK continue to recover with the relaxation of COVID-19 restrictions. The Group's New Zealand Rail joint-venture Auckland One Rail also took over operations of the Auckland metro from January 2022.

Singapore taxi revenues are expected to improve with the lowering of COVID-19 rental discounts. Driver earnings are expected to improve from the easing of restrictions and resumption of international travel. Taxi revenues in China are expected to remain stable as the country continues its gradual recovery under its "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.

With a strong balance sheet, the Group remains committed to its long-term strategy to strengthen its core, transform and build new capabilities in smart and green mobility, while looking for growth opportunities overseas and in adjacent segments.

Background

ComfortDelGro is one of the world's largest land transport companies with a total fleet size of about 35,000 buses, taxis and rental vehicles. We also run 177km of light and heavy rail networks in Singapore and New Zealand. Our global operations span seven countries – Singapore, Australia, the UK, New Zealand, China, Ireland and Malaysia.

In 2021, ComfortDelGro made inroads in four business segments which will drive growth going forward. They are:

- **RAIL – A NEW PILLAR OF GROWTH**
  The first development is significant on several fronts. The S$1.13 billion eight-year contract to operate rail services in Auckland was a first in many aspects. It marked the Group's first foray into the New Zealand land transport market. It was also the first time a Singapore-owned transport company had been awarded a contract to operate passenger rail services beyond local shores. More significantly, the 50:50 joint venture with UGL Rail Services, an Australian rail operations and maintenance company under the engineering and construction giant, the CIMIC Group, now gives the Group an international rail network of close to 94km.

  For sure, the Auckland award marks a new chapter in the ComfortDelGro growth story. It signals our move into the international rail scene – 18 years after we began rail operations in Singapore through the North East Line, which was the world's first fully automated underground line. In the close to two decades that we have been running train services, we have amassed a wealth of knowledge and experience, in the key areas of technical, customer service and disaster recovery. Notably, we have been achieving world class reliability of 2 million MKBF[1] across the fleet for two years running now. This track record is important as we look at further growing our rail business. In fact, we have already been shortlisted in two other rail tenders – one in Paris with French transport giant RATP Group to operate Lines 15, 16 and 17 of the Grand Paris Express, and the other with UGL Rail and Australian rail infrastructure specialist Coleman Rail to operate the Sydney Metro Western Sydney Airport line in Sydney. We are also exploring other opportunities in Europe.

- **ELECTRIFICATION**
  The second development that is worth highlighting pertains to our electrification efforts. In September 2021, our joint venture with French energy giant ENGIE was awarded three of the five Urban Redevelopment Authority/Land Transport Authority tender regions for EV chargers that are to be installed over 200 public carparks in Singapore. In total, CDG-ENGIE won 479 of the 632 chargers representing 75% of the chargers in this pilot rollout. Installation of the chargers, comprising 192 x 22kW AC chargers, 279 x 7kW AC chargers and 8 x 50kW DC chargers, has already started in the Central, East and West regions of Singapore and is expected to be completed by the third quarter of 2022. Our partnership with ENGIE is also venturing into the solar renewal energy space and together, we aim to be a significant player in the clean energy market. The successful bid marks a milestone in our EV charging journey which began in 2018 when we installed both AC (slow charging) and DC (fast charging) chargers in our Braddell Headquarters. The experience gleaned has been invaluable as we get ready to roll out chargers islandwide.

  Along the same vein, our wholly-owned private bus company, ComfortDelGro Bus, has also been awarded a S$30 million contract to operate electric bus shuttle services at the National

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[1] *MKBF is an abbreviation that represents the hard work of our rail workers – one that measures rail reliability, by looking at the distance our trains can clock between failures. MKBF refers to Mean Kilometre Between Failures.*

University of Singapore's campus. With this, the Group will now own the largest electric bus fleet in the private unscheduled bus industry in Singapore.

These wins are the latest in our sustainable energy journey, supplementing similar efforts in the UK where we already operate hydrogen and electric buses, Australia where we operate hybrid and electric buses as well as China where we operate electric and compressed natural gas (CNG) taxis. With technology advances, we fully expect our investments into this area to grow by leaps and bounds in the next few years.

- **LOGISTICS – A NEW AREA OF GROWTH**
  In November 2021, the Group entered into a 60:40 joint venture which will enable it to gain a foothold in the fast growth logistics industry in China. Under the agreement, newly set-up Guangxi ComfortDelGro Logistics Co., Ltd will purchase a fleet of up to 35 trucks by the end of 2022 to deliver concrete to private and government projects in Guiping and Guigang in the Guangxi Zhuang Autonomous Region in Southern China, where ComfortDelGro is already the largest taxi operator with a fleet of 854 taxis in the capital Nanning.

  The investment in Guangxi ComfortDelGro Logistics comes two years after ComfortDelGro Rent-a-Car expanded into the heavy vehicle class in Singapore with 10 prime movers. These have been leased out to Haulio, a container trucking technology company, in which ComfortDelGro has had a stake made through its US$100 million corporate venture capital fund.

  With the latest investment, the Group will further explore logistics-related investment opportunities which will not only leverage on our core capabilities in transportation, but also provide a new area of growth.

- **NON-EMERGENCY MEDICAL TRANSPORT**
  We have been slowly building up our capabilities in the non-emergency patient transport business. We started with an acquisition of National Patient Transport Pty Ltd[2] (NPT) in Australia in 2018. That acquisition did not come by chance but by design. We wanted to learn from the best and we did. With the knowledge gleaned over three years, we made the move to set up ComfortDelGro MedCare Pte Ltd in Singapore last year. Earlier this year, we grew this business by acquiring a 90% stake in Ming Chuan Transportation Pte Ltd, one of the largest wheelchair transport service providers here. With that, we now have a total fleet of 92 vehicles, cementing our position as the largest wheelchair transport service provider in Singapore.

  Why did we go into this business? Because we believe it is a service that will only continue to grow in demand as Singapore's population ages. Not anyone can set up a medical transport service and do it well. There are specialised skills involved. As a major fleet operator with three years of operating knowledge in Australia, we feel we are now ready to up the game in Singapore.

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[2] *NPT operates across Victoria, New South Wales (NSW) and Western Australia. It is the first private provider of patient transport services to NSW Health, which has been responsible for the public health system in NSW since 2016.)*