

SBS Transit Turns In Full-Year Revenue of \$1.53 Billion for 2023

- Full-year Group revenue increased by 0.8% to \$1.53 billion due mainly to higher ridership and higher advertising income.
- Full-year operating costs increased by 1.1% to \$1.45 billion due to higher fuel and electricity costs and higher manpower costs.
- Full-year operating profit decreased by 4.1% or \$3.26 million to \$76.65 million.
- Net profit attributable to shareholders increased by 1.5% to \$69.08 million.

27 February 2024 - SBS Transit today announced its audited results for the year ended 31 December 2023.

Highlights

	Full-Year 31 Dec 2023 (\$'000)	Full-Year 31 Dec 2022 (\$'000)	Change (%)
Revenue	1,527,136	1,515,311	0.8
Operating Profit	76,652	79,908	(4.1)
Net Profit Attributable to Shareholders	69,076	68,022	1.5
EBITDA	169,270	173,899	(2.7)
EPS (based on existing share capital)	22.15	21.81	1.6

Group

Group revenue for the year ended 31 December 2023 increased by 0.8% or \$11.8 million to \$1.53 billion compared to 2022.

Group operating costs increased by 1.1% to \$1.45 billion due to higher fuel and electricity costs, and manpower costs but were offset by lower premises costs, reduced repairs and maintenance costs and lower depreciation expense.

Consequently, the Group posted an operating profit of \$76.7 million, which was a decrease of 4.1% compared to the previous year.

After factoring interest income less finance costs and taxation, the Group's net profit attributable to shareholders was \$69.1 million – an increase of 1.5% or \$1.1 million compared to 2022.

SBS Transit Group CEO, Mr Jeffrey Sim, said: “As Singapore returned to pre-pandemic normalcy, we have seen a steady recovery of ridership. We kept focus on strengthening our operational excellence, enhancing customer experience and sustainability efforts.”

Operations Review

- **Public Transport Services**

Full-year revenue from Public Transport Services business, which comprised bus and rail services, increased by 0.4% or \$5.3 million to \$1.5 billion compared to the year before. The increase came mainly from higher rail ridership and higher bus mileage which was offset by lower fuel indexation coupled with the full-year impact of the lower service fee rate for the five extended Negotiated Bus Packages that came into effect in September 2022.

Rail ridership saw a double-digit growth of 18.7% to 428.1 million passenger trips compared to 360.7 million the year before. With the lifting of COVID-19 restrictions, ridership has been on the rise and in 2023, it was just 3.7% lower than the pre-pandemic ridership volume of 2019.

- **Other Commercial Services**

Revenue from Other Commercial Services business increased by 13.0% or \$6.6 million to \$56.9 million due mainly to higher advertising revenue given the improved economic conditions and increased ridership volume with the lifting of the COVID-19 restrictions.

Dividend

A final tax-exempt one-tier dividend of 5.58 cents per share has been proposed. Together with the interim tax-exempt one-tier dividend of 5.58 cents paid earlier, the total dividend for 2023 will be 11.16 cents per share or a payout ratio of 50% if the final dividend is approved by Shareholders at the Annual General Meeting on 25 April 2024.

Outlook

Rail fare revenue is expected to grow with higher ridership and fare increase effective from 23 December 2023.

Bus operations revenue will see a drop with the expiry of Jurong West bus package as it will be handed over to the new operator from 1 September 2024.

Under the terms of the Downtown Line's transition to the New Rail Financing Framework (Version 2), SBS Transit Rail Pte. Ltd. ("SBST Rail") was to hand over the rail advertising business to the Land Transport Authority ("LTA") from 1 January 2024; alternatively, LTA may allow SBST Rail to continue to operate the rail advertising business at a concession fee to be set by LTA. During LTA's consultation of the advertising industry on rail advertising in 2023, SBST Rail made representations to LTA for the retention of the rail advertising business with SBST Rail. Following a review by LTA, SBST Rail will continue to operate the rail advertising business from 1 January 2024 till the end of the rail licence period on 31 December 2032 under a concession agreement.

Operating costs remain a challenge due to cost uncertainties arising from inflation, tight labour market and elevated electricity prices.

Issued by SBS Transit Ltd

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