

Press Release

SBS TRANSIT'S RESULTS FOR HALF-YEAR ENDED **30 JUNE 2022**

- Revenue for the first six months increased by 14.3% to \$732.4 million as a result of higher rail ridership and higher service fees.
- Group operating costs increased by 14.4% to \$689.4 million due to higher manpower costs and higher fuel and electricity costs.
- Underlying Group operating profit increased to \$43.0 million, up from \$3.6 million (excluding Government reliefs) recorded in the first-half of 2021.
- Net profit attributable to Shareholders decreased by 5% to \$34.6 million due to an increase in tax paid.
- An interim dividend of 5.45 cents has been declared.

10 August 2022 – SBS Transit today announced its unaudited results for the half-year ended 30 June 2022.

Highlights:

	1H2022 (\$'000)	1H2021 (\$'000)	% Change
Revenue	732,396	640,818	14.3
Operating Profit	43,007	38,179	12.6
Profit Attributable to Shareholders	34,641	36,475	(5.0)
EPS (based on existing share capital) – cents	11.11	11.70	(5.0)

Group

Group revenue for the first six months of 2022 increased by 14.3% or \$91.6 million to \$732.4 million when compared to the corresponding period in 2021.

Group operating costs increased by 14.4% or \$86.8 million to \$689.4 million due mainly to high energy prices resulting from the Russian-Ukraine war. In all, fuel and

electricity costs increased by 78.4% year-on-year. Manpower costs also contributed to the increase, which grew by 18.4% amidst a competitive labour market and in the absence of the Job Support Scheme.

Group operating profit for the first six months of 2022 increased by 12.6% thanks to the recovering economy. Underlying Group operating profit rose significantly to \$43.0 million compared to \$3.6 million (excluding COVID-19 Government reliefs of \$34.6 million) that was recorded for the corresponding period in 2021.

Tax expense for the first half of this year amounted to \$8.1 million compared to \$1.1 million for the corresponding period last year. This was due partly to higher profits achieved in the current period as well as the exemption of tax in the corresponding 2021 period as a result of the Job Support Scheme. Consequently, the Group recorded a 5.0% reduction in net profit attributable to shareholders of \$34.6 million.

SBS Transit CEO, Mr Cheng Siak Kian, said: “We are seeing a steady increase in rail ridership as more workers return to the workplace with the gradual easing of COVID-19 measures. However, it's still early days to say if ridership will recover to pre-COVID-19 levels due to hybrid work arrangements and we are closely monitoring the situation. Meanwhile, the tight labour market and the spike in energy prices remain as key challenges for our business. In spite of these, our commitment in operating reliable bus and train services for our passengers remains steadfast.”

Operations Review:

- Public Transport Services

Revenue from the Public Transport Services Business, which comprises bus and rail services, increased by 14.3% or \$89.1 million to \$710.5 million, mainly contributed by higher rail ridership as well as higher service fees from higher fuel indexation which has been offset by lower mileage. Demand for rail services grew with average daily ridership increasing by double-digit – the North East Line grew by 14.6% to 445,000 passenger trips; the Downtown Line by 17.4% to 327,000 and the Sengkang Punggol LRT by 16.1% to 128,000. However, they have yet to reach pre-COVID-19 levels.

- Other Commercial Services

Revenue from Other Commercial Services increased by 13.0% or \$2.5 million to \$21.9 million for the first half-year due mainly to higher advertising revenue with the re-opening of the economy.

Dividend:

A tax-exempt one-tier interim dividend of 5.45 cents per ordinary share has been declared, representing a payout ratio of 49.1%.

Commentary:

With the easing of the COVID-19 restrictions, we have seen an uptick in activity levels as the workforce returns to the office and nightlife resumes. However, with hybrid work arrangements continuing, we are uncertain if rail ridership will recover to pre-COVID-19 levels. Revenue from the bus business will be reduced come 1 September 2022 as the extension of five negotiated bus packages (Bedok, Tampines, Serangoon-Eunos, Clementi and Bishan-Toa Payoh) will be based on revised lower service fees. On the other hand, revenue from other commercial services is expected to further improve.

The Group will continue to face rising costs with global inflationary pressures expected. Manpower cost is expected to be higher with increased wages in a tight labour market coupled with the absence of the Government's Job Support Scheme. The elevated energy prices, which have almost doubled in the first-half of the year, are expected to continue to add to our cost pressures.

Issued by SBS Transit Ltd

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