Media Release

COMFORTDELGRO

COMFORTDELGRO'S RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2018

- ***Revenue for the quarter increased by 5.4% to $941.1 million as new acquisitions made their maiden contributions.***
- ***Group operating costs increased by 6.5% to $831.6 million.***
- ***Group operating profit fell by 2.1% to $109.5 million.***
- ***Net profit decreased by 5.5% to $75.0 million.***

Singapore, 10 August 2018 – ComfortDelGro Corporation today announced its unaudited results for the second quarter ended 30 June 2018.

Highlights:

	Q2 2018 ($m)	Q2 2017 ($m)	% change	1H2018 ($m)	1H2017 ($m)	% change
Revenue[1]	941.1	893.1	5.4	1,819.9	1,762.9	3.2
Operating Profit	109.5	111.9	-2.1	205.2	212.4	-3.4
Net Profit Attributable to Shareholders	75.0	79.4	-5.5	141.3	161.9	-12.7
EBITDA	206.9	214.2	-3.4	400.5	417.4	-4.0
EPS (Based on existing share capital) - cents	3.47	3.67	-5.4	6.53	7.50	-12.9

Note: All figures in Singapore dollars

Group

ComfortDelGro Corporation's second quarter revenue increased by $48.0 million or 5.4% to $941.1 million – the result of the aggressive expansionary policy that the Group has embarked on. Since the beginning of this year, the Group has invested $269 million in various acquisitions, both locally and overseas. Maiden contributions from new subsidiaries like National Patient Transport and Tullamarine Bus Lines in Australia as well as AZ Bus in Singapore helped boost topline figures. The actual revenue increase of $46.2 million was further aided by a positive foreign currency translation effect of $1.8 million.

[1] *The Group adopted a new financial reporting framework, Singapore Financial Reporting Standards (International), on 1 January 2018 and has prepared this set of financial information accordingly.*

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Group operating costs during the quarter grew by $50.4 million or 6.5% to $831.6 million as an actual increase in operating costs of $48.7 million was compounded by a negative foreign currency translation effect of $1.7 million. Increases in actual costs came mainly from additional headcount needed to support the Seletar Bus Package in Singapore, higher mileage operated as well as newly acquired subsidiaries.

Group operating profit fell by $2.4 million or 2.1% to $109.5 million.

For the half-year ended 30 June 2018, Group revenue increased by 3.2% to $1.82 billion while net profit attributable to shareholders fell by 12.7% to $141.3 million.

ComfortDelGro Managing Director/Group CEO, Mr Yang Ban Seng, said: “We performed better in the second quarter compared to the previous one and also narrowed the variance year-on-year. This was largely due to the continued growth of the Public Transport Services business and the stabilisation of the Taxi business in Singapore. With a more rational competition landscape, the recruitment of taxi drivers has improved leading to a higher utilisation of the fleet. To meet this growing demand, we are also expanding the taxi fleet.

“The new businesses that we acquired towards the end of last year and earlier this year in Australia, the United Kingdom (UK), China and Singapore have started making their maiden contributions to revenue and profits. They will continue to do so going forward. The deal pipe-line remains strong and we hope to conclude more deals in the coming months to grow the business.”

Operations Review

- Public Transport Services

Revenue from the Group’s Public Transport Services business increased by 13.9% to $667.9 million on the back of growth in all three geographies – Singapore, Australia and the UK. Growth came from higher fees earned, higher mileages operated as well as contributions from newly acquired businesses. In Singapore, rail ridership continued to grow but operations continued to incur losses as the fare revenue was not sufficient to cover rising operating and maintenance costs.

- Taxi

Revenue for the Taxi business decreased by 12.0% to $184.7 million due to a smaller operating fleet.

- Inspection and Testing Services

Revenue for the Inspection and Testing Services business dipped by 1.2% to $25.3 million as the cessation of business in Beijing was partially offset by an increase in Singapore.

Dividend

A tax-exempt one-tier interim dividend of 4.35 cents per ordinary share has been declared, representing a payout ratio of 66.7%.

Commentary

Revenue from the Public Transport Services business in Singapore is expected to be higher. Bus service revenue is expected to be higher with the commencement of the Seletar Bus Package in March 2018 and the Bukit Merah Bus Package in the fourth quarter of 2018. Rail service revenue is also expected to be higher with a full year contribution from Downtown Line 3. Notwithstanding this, the rail business will continue to be challenging due to the fare reduction which came into effect on 29 December 2017 and rising operating and maintenance costs. Revenue from the Australia Bus business is expected to be higher while revenue from the UK Bus business is expected to be maintained. The recent acquisition of new bus businesses in Singapore, Australia and the UK will contribute to overall revenue growth.

Revenue from the Taxi business is expected to be maintained with stabilisation in Singapore and the recent acquisitions in China, Australia and the UK. In Singapore, the Group will be taking delivery of 200 new hybrid taxis by August 2018 with orders placed for a further 1,000 to be delivered by 2019. The new acquisitions in China, Australia and the UK will continue to contribute.

Revenues from the Automotive Engineering Services, Inspection and Testing Services, Driving Centre business as well as Car Rental and Leasing businesses are expected to be maintained.

The competitive operating environment is expected to present both challenges and opportunities. The Group will continue to manage costs prudently and explore acquisition opportunities.

Background

ComfortDelGro is one of the world's largest land transport companies with a total fleet size of about 42,700 buses, taxis and rental vehicles. It operates in seven countries – Singapore, China, the United Kingdom, Ireland, Australia, Vietnam and Malaysia – giving it the broadest footprint amongst its international peers.

For further clarification, please call:

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