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# ComfortDelGro Corporation Limited 2Q2017 Results

11 August 2017

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# **Financial Overview**

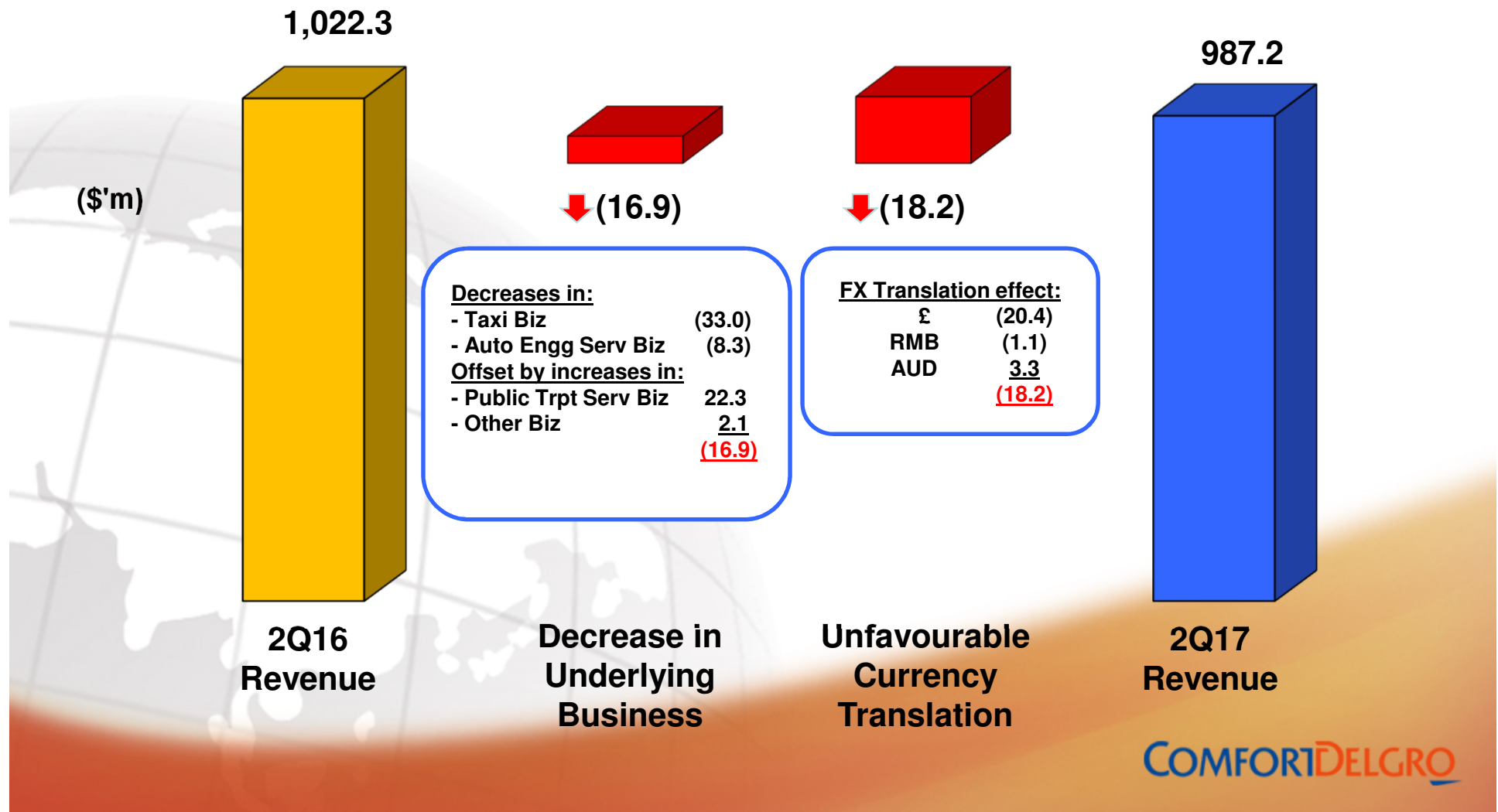
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**Key Financial Highlights – 2Q17 and 1H17**

	<b>2Q17</b>	<b>2Q16</b>	<b>Incr/(Decr)</b>	<b>1H17</b>	<b>1H16</b>	<b>Incr/(Decr)</b>
<b>Revenue(\$'m)</b>	987.2	1,022.3	(35.1) / (3.4%)	1,959.2	2,017.9	(58.7) / (2.9%)
<b>Op Costs(\$'m)</b>	875.3	899.4	(24.1) / (2.7%)	1,746.8	1,785.6	(38.8) / (2.2%)
<b>Op Profit(\$'m)</b>	111.9	122.9	(11.0) / (9.0%)	212.4	232.3	(19.9) / (8.6%)
<b>Net Profit(\$'m)</b>	79.4	85.2	(5.8) / (6.8%)	161.9	158.6	3.3 / 2.1%
<b>EBITDA(\$'m)</b>	214.2	220.0	(5.8) / (2.6%)	417.4	425.4	(8.0) / (1.9%)
<b>EPS(Cents)</b>	3.67	3.96	(0.29) / (7.3%)	7.50	7.37	(0.13) / (1.8%)

# CHART 4

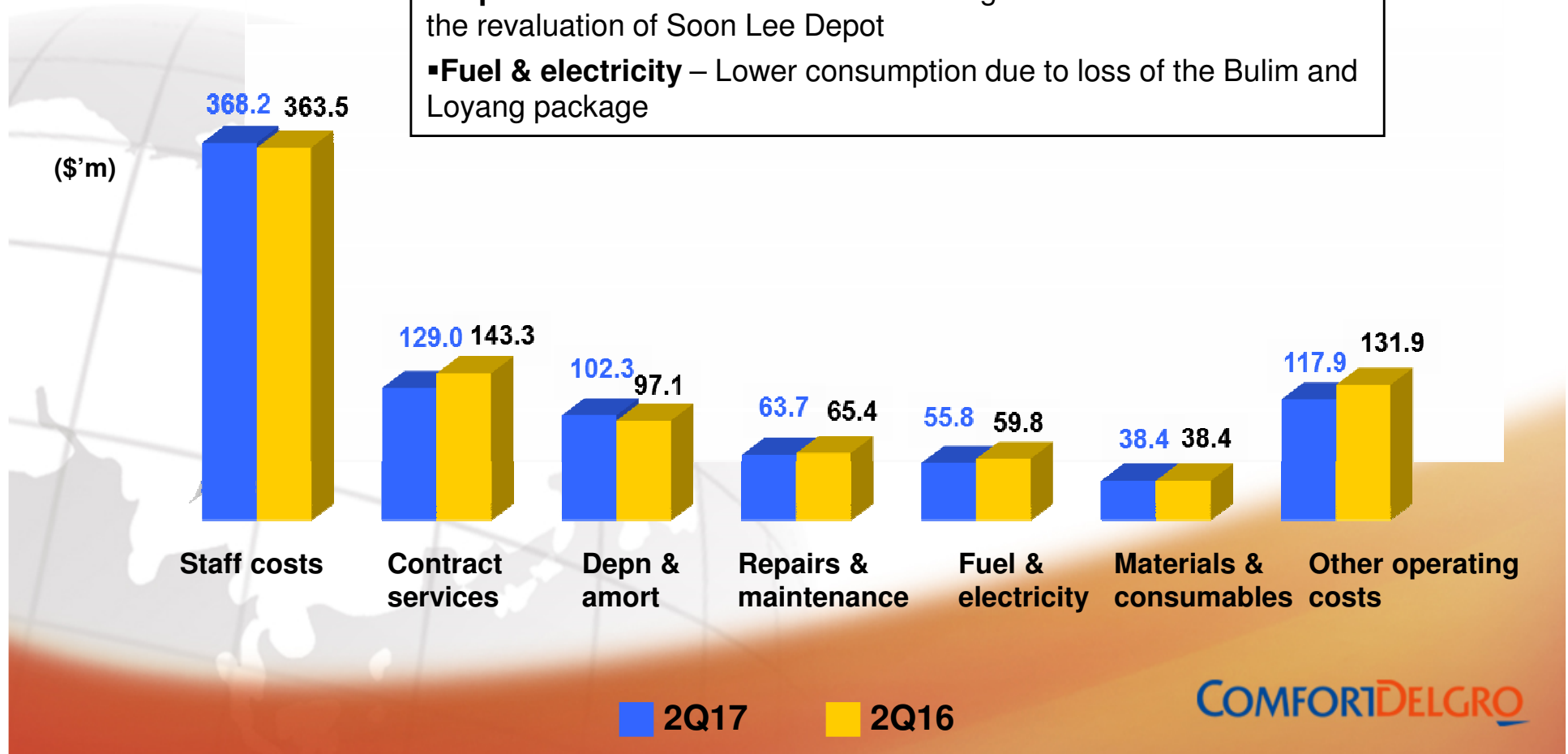
## Lower Revenue Compounded by Unfavourable FX



# CHART 5

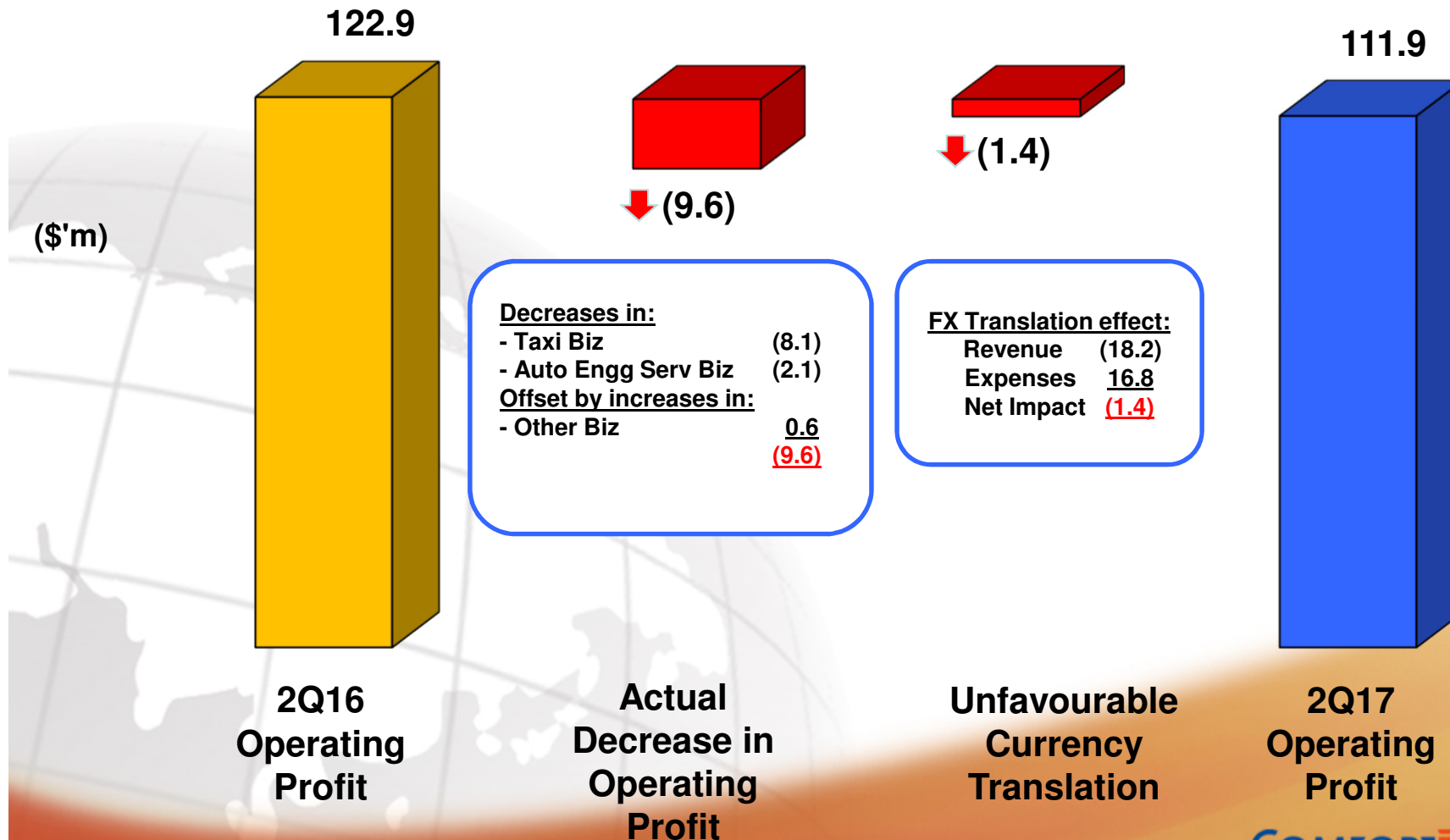
## Lower Operating Costs Aided by Favourable FX

- **Staff costs** – Higher salaries and related costs, higher headcount in tandem with growth in services
- **Contract services** – Lower volume of cashless transactions and lower TransitLink expenses following the transition to the BCM
- **Depreciation and amortisation** – Change in useful life of buses and the revaluation of Soon Lee Depot
- **Fuel & electricity** – Lower consumption due to loss of the Bulim and Loyang package



# CHART 6

## Lower Operating Profit



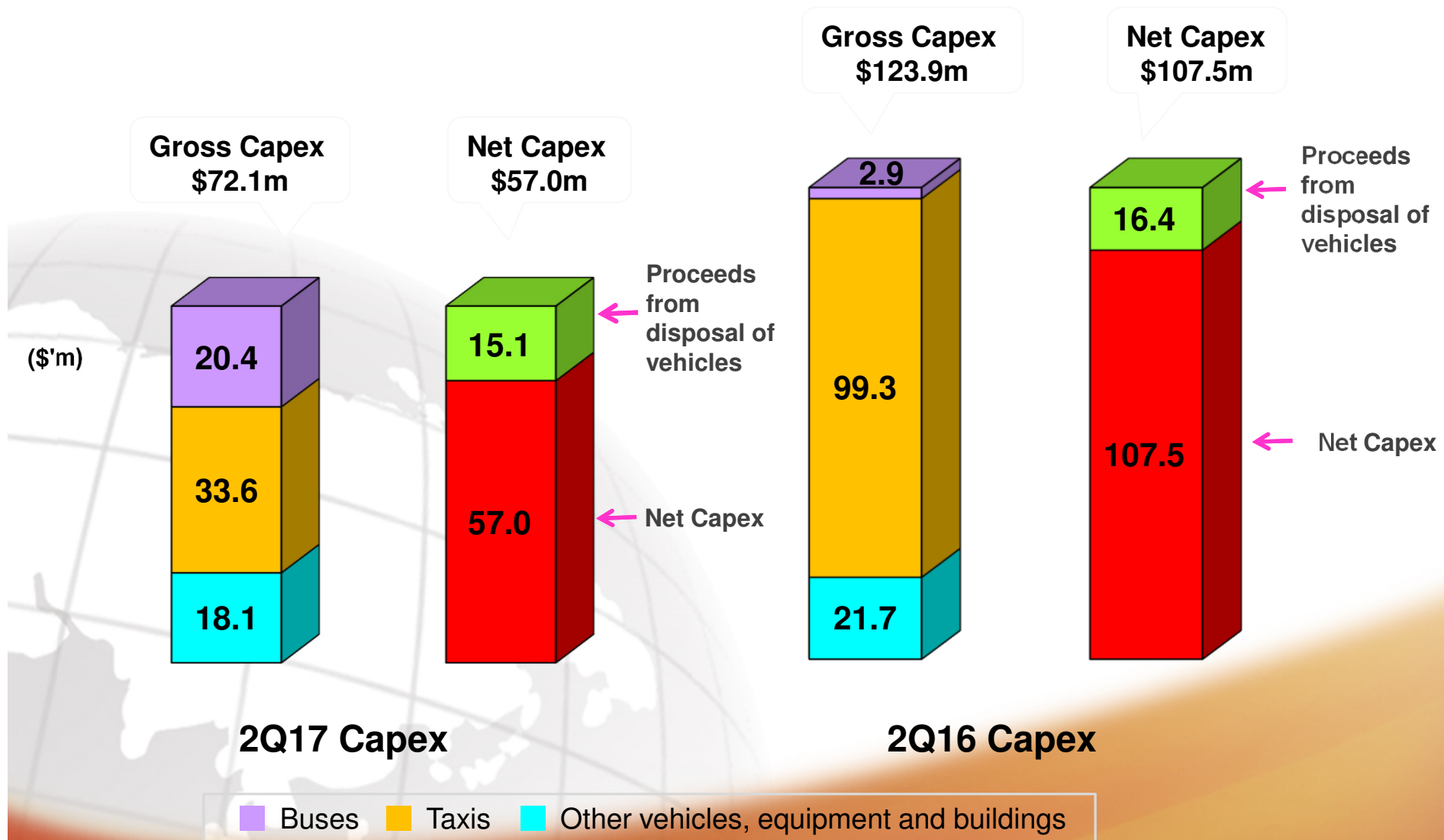
# CHART 7

## Financial Position Remains Strong

	Jun 17	Dec 16	Incr/(Decr)	
Cash and short-term deposits	\$606.6m	\$779.3m	(\$172.7m)	(22.2)%
Borrowings	\$377.1m	\$345.1m	\$32.0m	9.3%
Net Cash	\$229.5m	\$434.2m	(\$204.7m)	(47.1)%
Gross Gearing	12.5%	10.8%	1.7% points	

# CHART 8

## Lower CAPEX





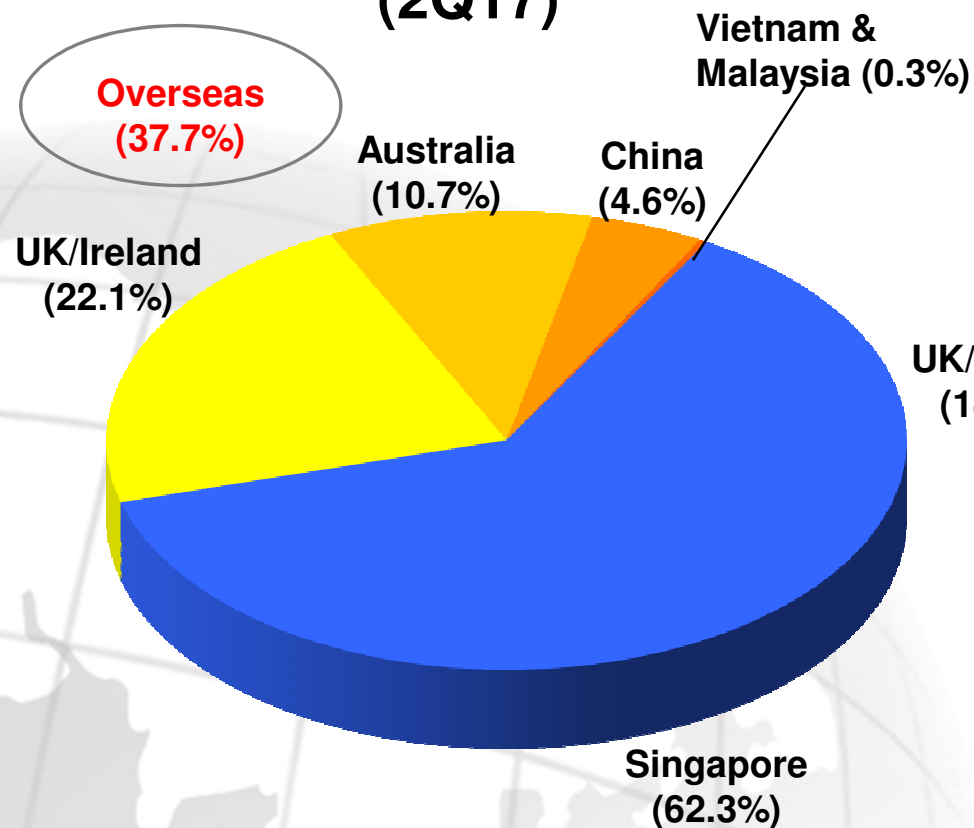
# CHART 9

## Higher Cash Generated from Operations

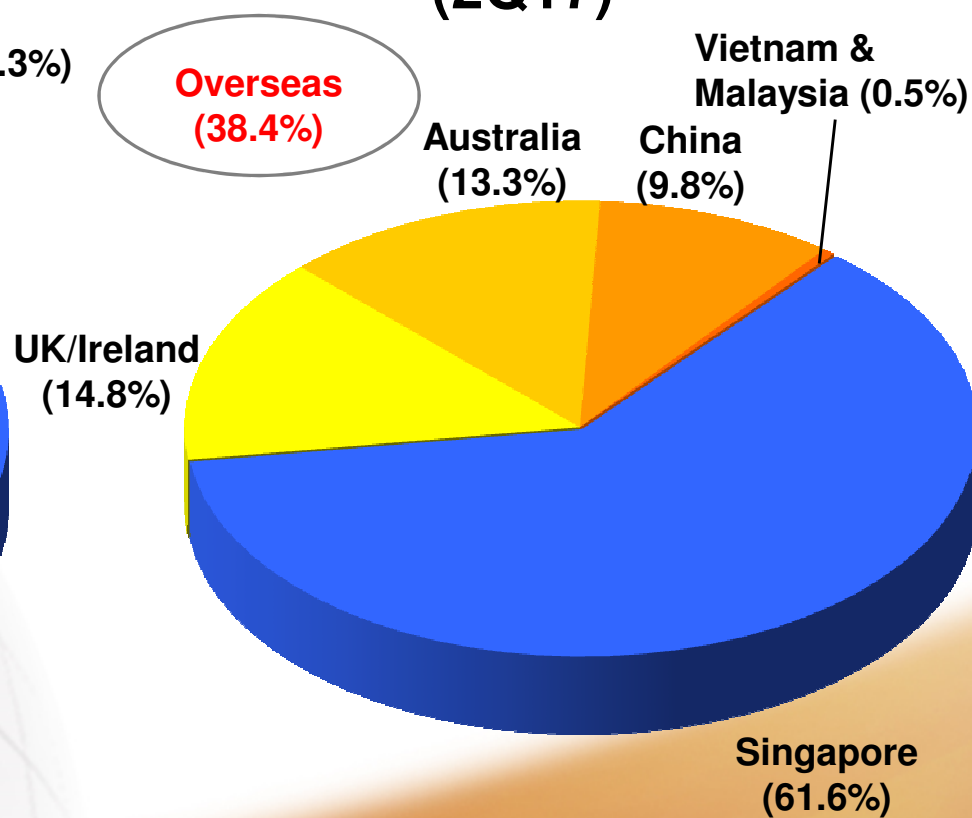
	2Q17 (\$'m)	2Q16 (\$'m)
<b>Cash Generated from Operating Activities</b>	<b>176.8</b>	<b>134.4</b>
<u>Utilisation of Cash :</u>		
Dividends	(130.8)	(107.8)
Net CAPEX	(57.0)	(107.5)
Others	(8.5)	(4.2)
<b>Total Utilisation of Cash</b>	<b>(196.3)</b>	<b>(219.5)</b>
<b>Net Repayment of Borrowings</b>	<b>(13.1)</b>	<b>(30.0)</b>
<b>Net Cash Outflow</b>	<b>(32.6)</b>	<b>(115.1)</b>

# CHART 10 Overseas Contribution to Group Revenue of 37.7% and Group Operating Profit of 38.4%

## Group Revenue (2Q17)



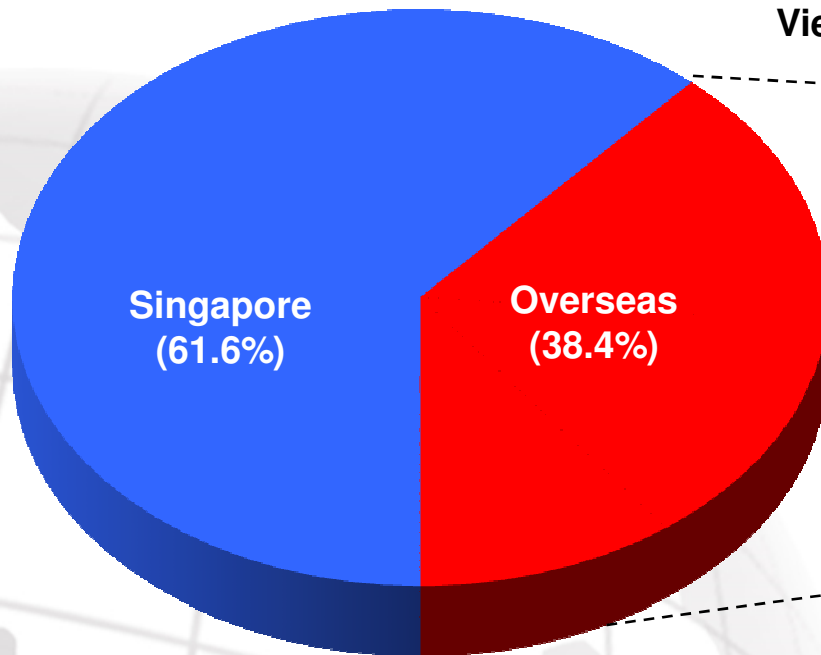
## Group Operating Profit (2Q17)



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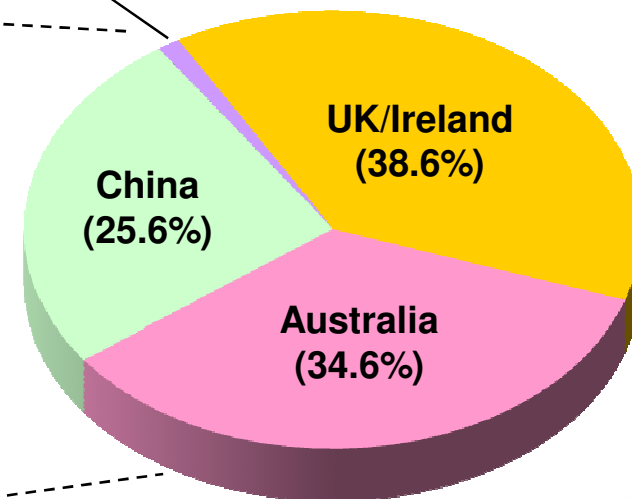
**Overseas Contribution to Group Operating Profit  
of 38.4%**

**Group Operating Profit  
(2Q17)**



**Overseas Operating Profit  
(2Q17)**

Vietnam & Malaysia (1.2%)



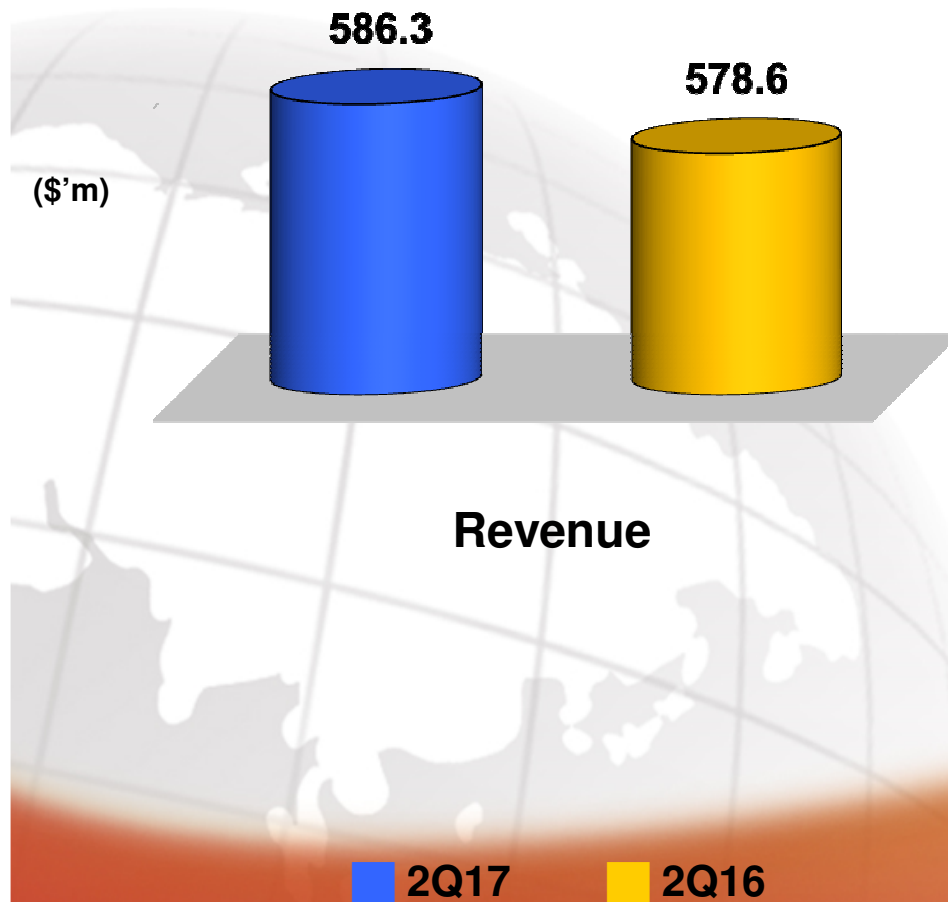
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# **Business Segments**

# CHART 13

## Public Transport Services Business



-Increase in SBS Transit's Bus revenue following the transition to the BCM effective 1 Sep 2016

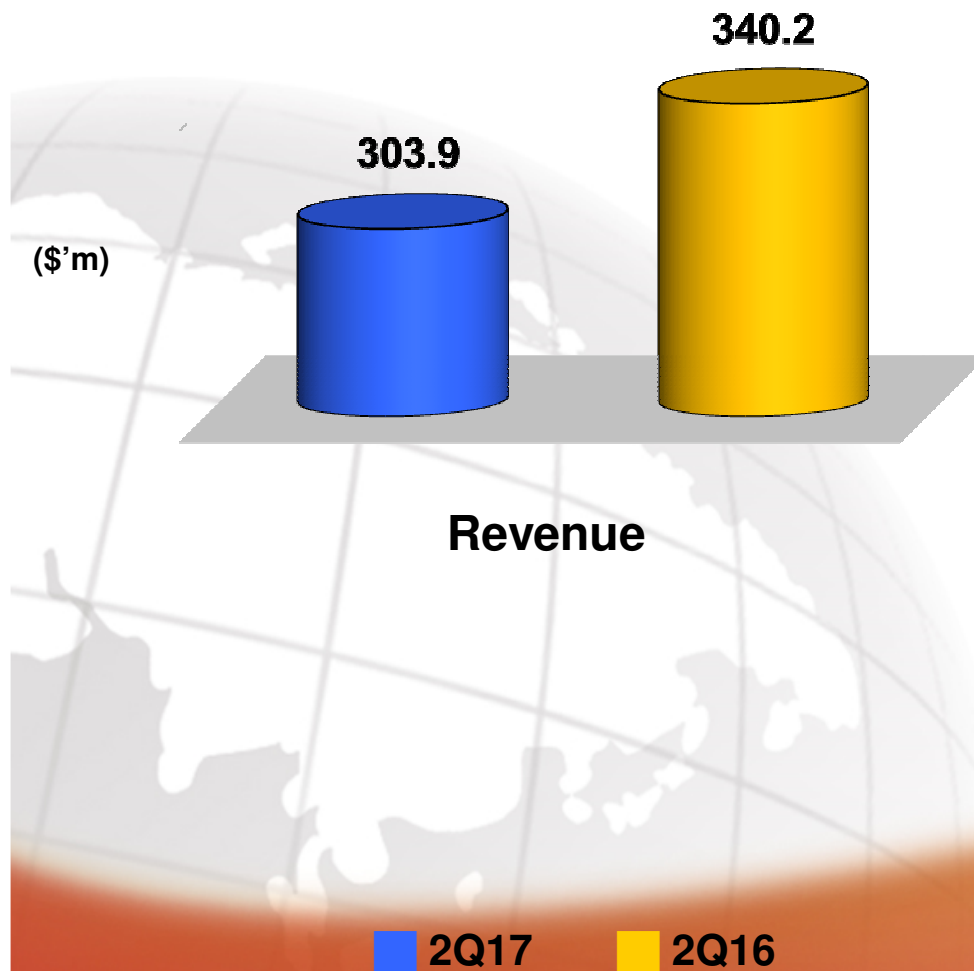
-Increase in SBS Transit's Rail revenue from higher ridership on DTL and NEL/LRT mitigated by lower average fares

-Increase in revenue in Australia from contract growth and indexation and higher charter revenue from rail replacement boosted by favourable currency translation of the stronger A\$

-Decrease in revenue in the UK mainly from the unfavourable currency translation of the weaker £ and loss of service routes at Metroline

# CHART 14

## Taxi Business



-Lower rental income in Singapore from a lower operating fleet, introduction of flexi rental schemes and the passing on of LTA's diesel tax rebate to drivers in the form of taxi rental discounts

-Increase in revenue in the UK completely eroded by the unfavourable currency translation from the weaker £

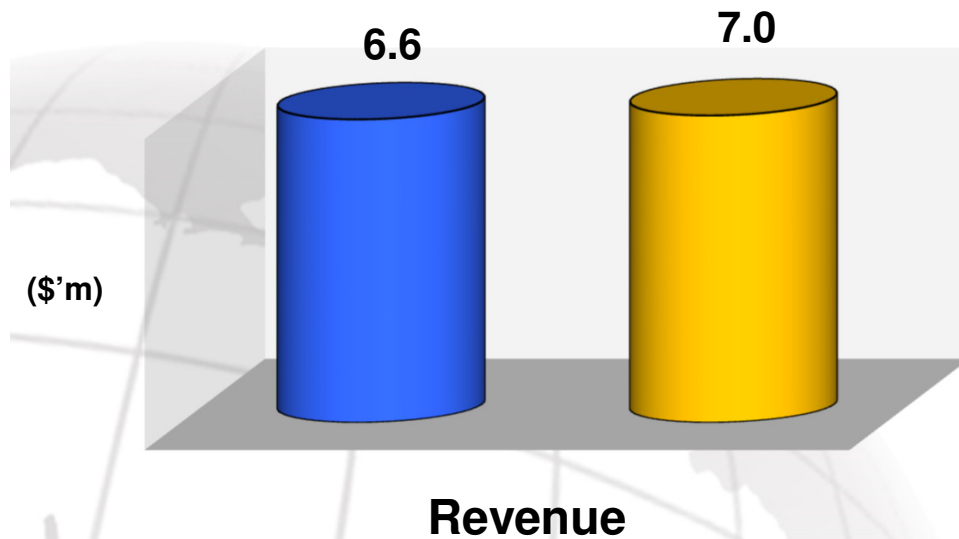
-Decrease in revenue in China from lower double shift rate, government mandated reduction in taxi rental rates and unfavourable currency translation from the weaker RMB

-Decrease in revenue in Australia from lower rank fees

-Decrease in revenue in Vietnam from a smaller fleet

# CHART 15

## Bus Station Business



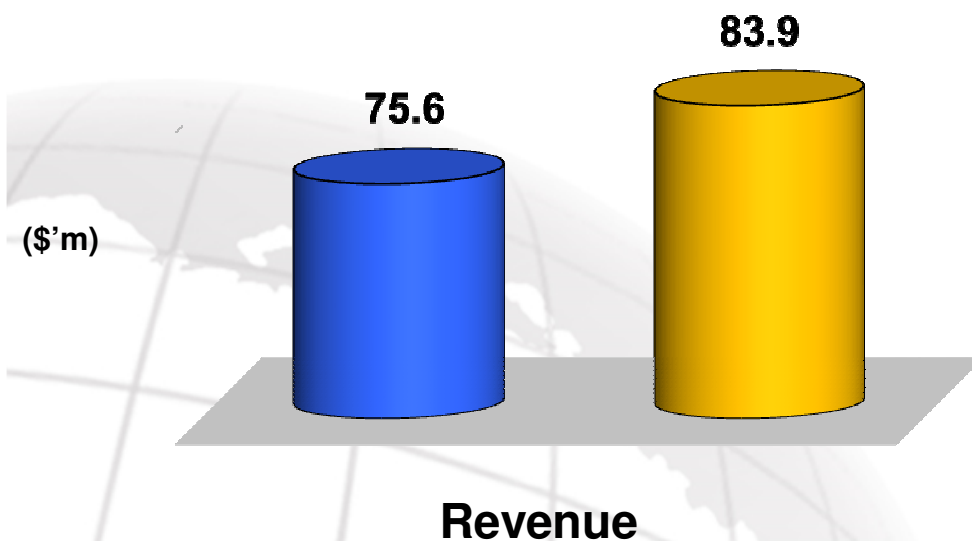
- Decrease in the underlying business and unfavourable currency translation from the weaker RMB

■ 2Q17

■ 2Q16

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# Automotive Engineering Services Business



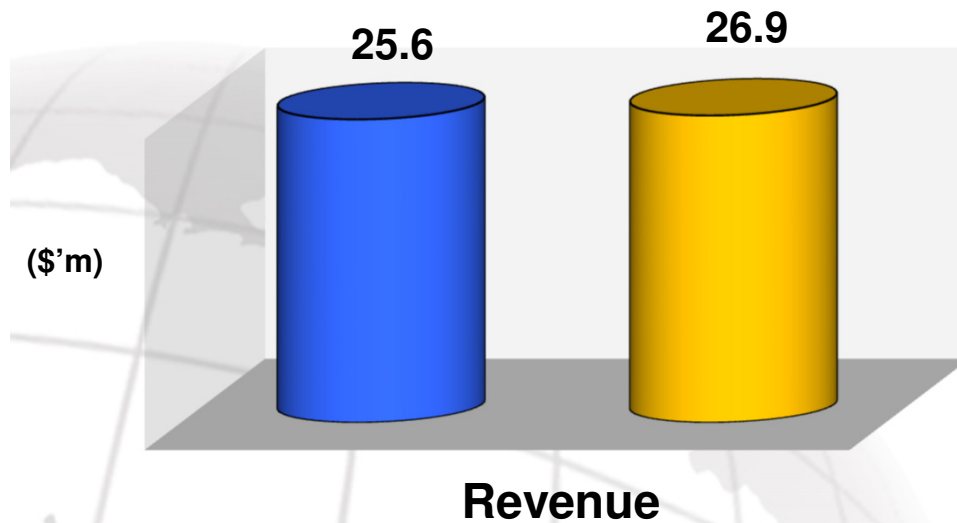
- Reduction in revenue from repairs and maintenance of taxis and lower volume of diesel sold to taxi hirers from a smaller taxi fleet

■ 2Q17    ■ 2Q16



# CHART 17

## Inspection & Testing Services Business

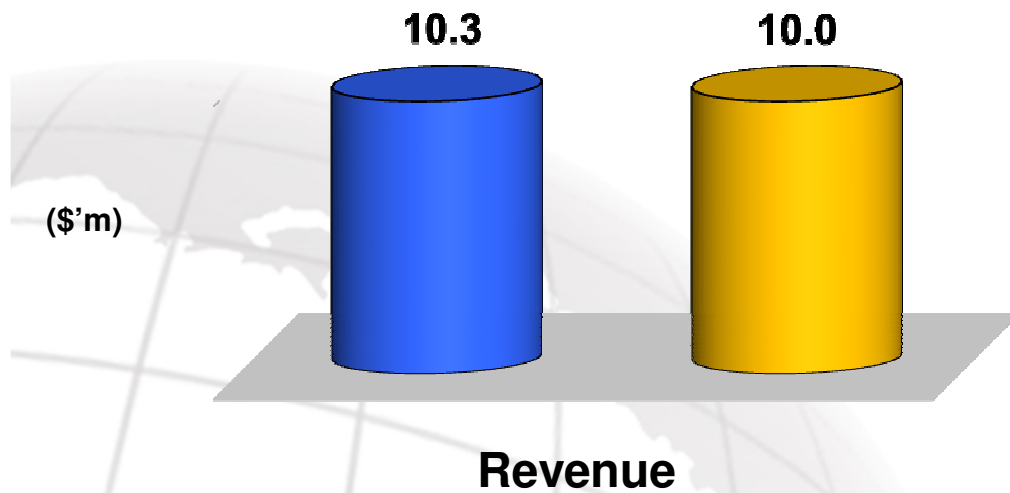


- Lower revenue from Singapore due mainly to lower business volume at Setsco
- Stable revenue from Beijing

■ 2Q17    ■ 2Q16

# CHART 18

## Driving Centre Business



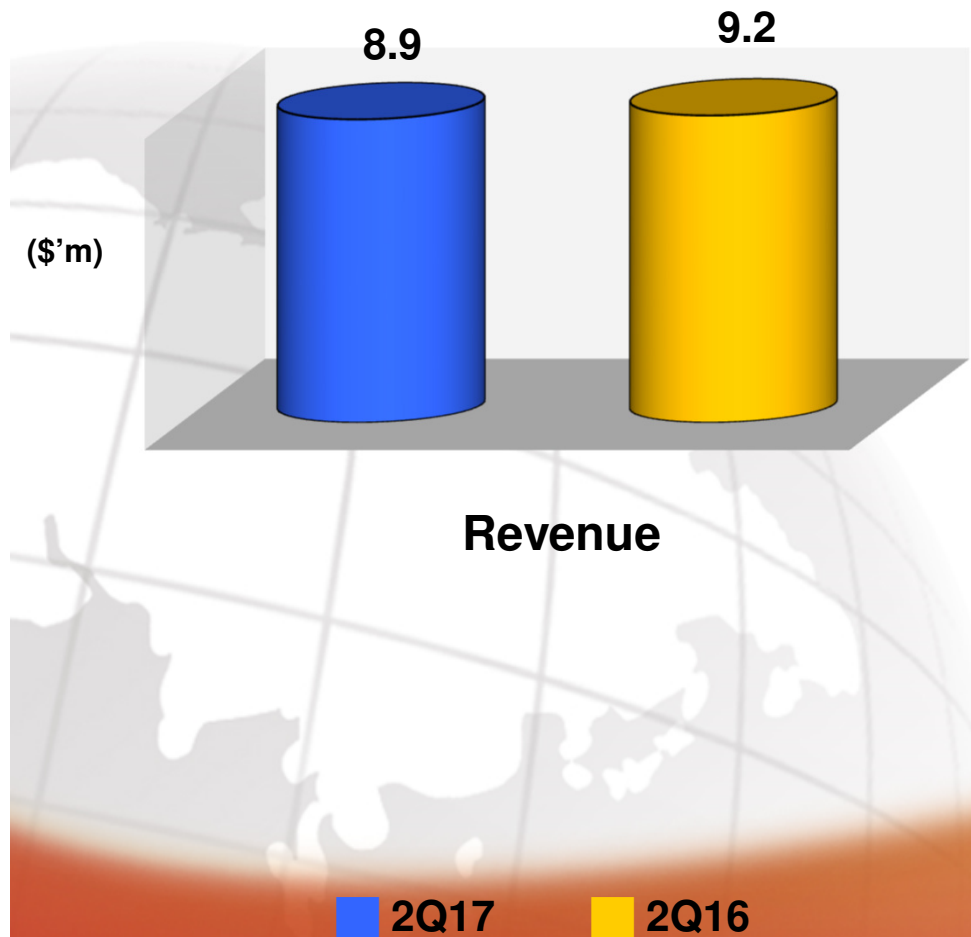
- Higher test circuit revenue in China

■ 2Q17

■ 2Q16

# CHART 19

## Car Rental and Leasing Business



- Lower leasing fleet in Singapore and China

# CHART 20

## Dividend

	FY 17 (cents)	FY 16 (cents)
Interim dividend	4.35	4.25
Payout Ratio	58.1%	57.8%

The dividend policy is to pay out at least 50% of net profit.

(a) ComfortDelGro share price of \$2.30 on 30 Jun 2017

(b) ComfortDelGro share price of \$2.75 on 30 Jun 2016

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# Outlook

# CHART 22

## Costs will continue to be managed prudently

<u>Segments</u>	<u>Revenue Outlook</u>
Public Transport Services	Singapore : Increase Australia : Increase UK : Decrease
Bus Station	Decrease
Taxi	Decrease
Automotive Engineering Services	Decrease
Driving Centre	Maintain
Inspection & Testing Services	Decrease
Car Rental & Leasing	Decrease

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**Thank You**

# Appendix

## - Group Income Statement for 2<sup>nd</sup> Quarter Ended 30 June 2017

	2nd Qtr 2017	2nd Qtr 2016	Incr / (Decr)	Incr / (Decr)
	\$'m	\$'m	\$'m	%
Revenue	987.2	1,022.3	(35.1)	(3.4)
Staff costs	368.2	363.5	4.7	1.3
Contract services	129.0	143.3	(14.3)	(10.0)
Depreciation and amortisation	102.3	97.1	5.2	5.4
Repairs and maintenance costs	63.7	65.4	(1.7)	(2.6)
Fuel and electricity costs	55.8	59.8	(4.0)	(6.7)
Materials and consumables costs	38.4	38.4	-	-
Road tax	29.7	34.8	(5.1)	(14.7)
Insurance premiums and accident claims	29.3	31.5	(2.2)	(7.0)
Premises costs	23.2	23.1	0.1	0.4
Taxi drivers' benefits	9.6	14.6	(5.0)	(34.2)
Utilities and communication costs	4.9	5.0	(0.1)	(2.0)
Advertising production and promotion costs	4.3	5.0	(0.7)	(14.0)
Vehicle leasing charges	3.4	5.5	(2.1)	(38.2)
Other operating costs	13.5	12.4	1.1	8.9
<b>Total Operating Costs</b>	<b>875.3</b>	<b>899.4</b>	<b>(24.1)</b>	<b>(2.7)</b>
<b>Operating Profit</b>	<b>111.9</b>	<b>122.9</b>	<b>(11.0)</b>	<b>(9.0)</b>
Net Income from Investments	2.2	4.3	(2.1)	(48.8)
Finance Costs	(2.7)	(3.7)	(1.0)	(27.0)
Share of Profit in Associate	0.5	0.7	(0.2)	(28.6)
<b>Profit before Taxation</b>	<b>111.9</b>	<b>124.2</b>	<b>(12.3)</b>	<b>(9.9)</b>
Taxation	(20.2)	(23.3)	(3.1)	(13.3)
<b>Profit after Taxation</b>	<b>91.7</b>	<b>100.9</b>	<b>(9.2)</b>	<b>(9.1)</b>
Attributable to :				
<b>Shareholders of the Company</b>	<b>79.4</b>	<b>85.2</b>	<b>(5.8)</b>	<b>(6.8)</b>
Non-Controlling Interests	12.3	15.7	(3.4)	(21.7)
	<b>91.7</b>	<b>100.9</b>	<b>(9.2)</b>	<b>(9.1)</b>