

**COMFORTDELGRO EARNINGS TURN THE CORNER WITH
HIGHER PATMI OF \$78.5 MILLION IN 1H2023**

**DIVIDEND PAYOUT RATIO POLICY RAISED TO
AT LEAST 70% OF PATMI**

- ***1H2023 performance backed by strengthening demand across all focus markets as post-COVID-19 recovery continues globally.***
- ***Earnings recovery accelerated in 2Q2023 with PATMI of \$45.7 million, up 39.3% from \$32.8 million in 1Q2023.***
- ***Dividend payout ratio policy raised to at least 70% of PATMI from 50% previously to better reflect actual payouts and to provide more certainty to shareholders, while still allowing for growth.***

Singapore, 14 August 2023 – ComfortDelGro reported steady revenue of \$1.86 billion in 1H2023, compared to \$1.84 billion in 1H2022. 1H2023 PATMI was \$78.5 million, down 7.4% or \$6.3 million year-on-year excluding the one-off gain recognised in 1H2022 from the sale of the Alperton property in London, with the decrease mainly due to higher operating costs. However, 1H2023 PATMI was 35.8% higher than the \$57.8 million recorded in 2H2022, with 2Q2023 PATMI rising 39.3% over 1Q2023, signaling a strong rebound in recent months.

At the operating profit level, ComfortDelGro turned in a profit of \$117.2 million in 1H2023, 18.5% higher than \$98.9 million in 2H2022, driven by better performance across its core segments¹. Improved Public Transport performance in Singapore, Australia and the UK drove sequential recovery in the segment's 2Q2023 operating profit to \$29.1 million from \$23.3 million in 1Q2023. The segment's operating profit in 1H2023 also improved to \$52.4 million from \$45.7 million in 2H2022.

¹ Effective 1H2023, ComfortDelGro's business has been re-segmented into (1) Public Transport, (2) Taxi & Private Hire, (3) Other Private Transport, (4) Inspection & Testing Services and (5) Other Segments.

In the Taxi & Private Hire segment, operating profit improved quarter-on-quarter in 2Q2023 to \$25.9 million from \$16.8 million in 1Q2023, mainly due to lower taxi rental discounts in Singapore. In 1H2023, the segment's operating profit remained stable at \$42.7 million, compared to \$41.8 million in 2H2022. In 3Q2023, ComfortDelGro implemented a platform fee for rides booked via its Zig app, which is expected to contribute to the segment's performance going forward.

ComfortDelGro Managing Director/Group CEO Mr Cheng Siak Kian said: **“ComfortDelGro turned in a solid performance in 1H and 2Q2023, backed by strong operations and improving fundamentals post-COVID-19. Despite headwinds in some parts of the business, our overall performance has recovered. We have also seen this recovery accelerate in 2Q2023, particularly in our core business of Public Transport and Taxi & Private Hire. To sustain this momentum, we are exploring new growth opportunities beyond our existing core business, particularly in the areas of electrification and autonomous vehicles.”**

Dividend

In line with the stronger performance, ComfortDelGro has declared an interim dividend of 2.90 cents per share, representing a dividend payout ratio of 80% of PATMI.

ComfortDelGro has generally paid out 70 to 80% of PATMI as dividends over the years. To provide more certainty to shareholders and to better reflect the Group's actual dividend payout ratio, the Group has updated its dividend policy to pay out at least 70% of PATMI going forward, from at least 50% of PATMI previously.

ComfortDelGro Chairman Mr Mark Greaves said: **“We believe in rewarding our shareholders and are now committing to pay out at least 70% of PATMI going forward while concurrently pursuing growth opportunities. We are confident we will achieve this, given our stable cash flows and strong balance sheet.**

“ComfortDelGro is on the cusp of change. As a leader in land transport, we are committing to new technologies and future engines of growth. At the same time, we remain focused on our existing operations to improve core performance.”

Financial Highlights

S\$m	1H2023	1H2022 ¹	Change
	\$m	\$m	%
Revenue	1,862.3	1,843.3	1.0
Operating Profit	117.2	171.1	-31.5
EBITDA ²	296.0	309.8	-4.5
PATMI	78.5	115.3	-31.9
EPS – cents	3.62	5.32	-32.0

¹ Service Concession Arrangements restatement. 1H2022 figures included one-off gains of \$30.5 million from the disposal of Alpertown property in London. ² EBITDA excludes impairment and net gain/(loss) on disposal

Outlook

With inflation levels in many countries stabilizing, Public Transport earnings are expected to continue to recover for the remainder of 2023 and continue to be supported by wages and energy indexation on public bus contracts, to some extent.

- Singapore Public Transport revenues are expected to remain stable.
- UK Public Transport revenues are expected to increase as contractual indexation mechanisms in place will partially compensate for previous cost increases. We also anticipate contracts to be tendered for at significantly higher service fees to cater for cost increases.
- Australia Public Transport is expected to remain stable after New South Wales was successfully awarded regions 4, 12 and 14 contracts. New contractual terms commenced from 2Q2023.
- Bus charter in Australia and coach services in the UK have mostly recovered after the relaxation of COVID-19 restrictions and are expected to remain stable.

Singapore Taxi & Private Hire revenues will grow with the introduction of Zig platform fees from July 2023 as demand for taxi and PHVs remains strong. Taxi revenues in China are continuing to recover after the relaxation of COVID-19 restrictions.

Other business segments are expected to remain stable, with improved activity levels and earnings offset by inflation.

The Group, which is in a net cash position, continues to monitor interest rates while managing borrowings.

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 in overseas and adjacent segments.

Changes to Segmental Reporting

In line with the Group's strategic focus, ComfortDelGro has introduced a new segmental reporting framework effective 1H2023. This new framework reflects the Group's simplified organisational structure, and seeks to enable the investment community to better understand and evaluate the Group. Under the new framework, ComfortDelGro's new business segments are Public Transport, Taxi & Private Hire, Other Private Transport, Inspection & Testing Services and Other Segments.

Background

ComfortDelGro is one of the world's largest land transport companies with a total fleet size of about 34,000 buses, taxis and rental vehicles. It also runs 177km of light and heavy rail networks in Singapore and New Zealand. Its global operations span seven countries – Singapore, Australia, the United Kingdom, New Zealand, China, Ireland and Malaysia.