

Press Release

SBS TRANSIT TURNS IN FULL-YEAR REVENUE OF \$1.5 BILLION

- *Full-year Group revenue increased by 15.6% to \$1.5 billion due mainly to higher ridership and higher fuel indexation.*
- *Full-year operating costs increased by 14.2% to \$1.4 billion due largely to higher manpower cost and higher fuel and electricity costs.*
- *Full-year operating profit increased by 49.2% or \$26.3 million to \$79.9 million.*
- *Net profit attributable to shareholders increased by 31.7% to \$68.0 million.*

22 February 2023 - SBS Transit today announced its audited results for the year ended 31 December 2022.

Highlights:

	Full-Year 31 Dec 2022 (\$'000)	Full-Year 31 Dec 2021 (\$'000)	Change (%)
Revenue	1,515,311	1,310,842	15.6
Operating Profit	79,908	53,554	49.2
Net Profit Attributable to Shareholders	68,022	51,634	31.7
EBITDA	173,899	158,894	9.4
EPS (based on existing share capital) - cents	21.81	16.56	31.7

Group

As Singapore emerged from the pandemic, demand for the Group's services staged a recovery with full-year Group Revenue increasing by \$204.5 million or 15.6% to \$1.5 billion for the year ended 31 December 2022.

Group operating costs increased by 14.2% or \$178.1 million to \$1.4 billion due mainly to higher fuel and electricity costs as well as staff costs. The spike in energy prices in the last year pushed fuel and electricity costs up by 74.4% or \$110.6 million to \$259.3 million. Staff costs, which is the Group's largest cost component, increased by 17.6% or \$110.4 million to \$735.9 million due to a competitive labour market.

Consequently, the Group posted an operating profit of \$79.9 million which was an increase of 49.2% or \$26.3 million compared to the previous year.

Tax expense increased sharply by \$14.0 million to \$14.9 million due mainly to tax exemption from the Government's Jobs Support Scheme grant in 2021 and higher profits generated in 2022. As a result, the Group delivered a net profit attributable to shareholders of \$68.0 million - an increase of 31.7% or \$16.4 million compared to 2021.

SBS Transit Group CEO, Mr Jeffrey Sim, said: "As Singapore moves closer to pre-pandemic normalcy, we expect demand for our services to grow, but we are mindful of the increased cost pressures from manpower and electricity."

Operations Review

- **Public Transport Services**

Full-year revenue from the Public Transport Services business, which comprised bus and rail services, increased by 15.8% or \$199.7 million to \$1.5 billion due mainly to higher fuel indexation from higher oil prices, and higher rail revenue from increased ridership. Demand for rail services rose by 32.9% with close to 360.7 million passenger trips made in 2022 as more people returned to work and leisure activities with the easing of COVID-19 restrictions. This was, however, 18.9% below the pre-COVID-19 levels of 2019.

Operating profit increased by 63.8% or \$19.8 million to \$50.8 million due mainly to higher revenue, lower other operating costs and the absence of the one-off loss which was incurred on the disposal of 241 buses in 2021.

- **Other Commercial Services**

Revenue from Other Commercial Services business increased by 10.6% or \$4.8 million to \$50.3 million due mainly to higher advertising revenue as more advertisers resumed their campaigns with the lifting of COVID-19 restrictions as well as from higher rental income.

Operating profit increased by 29.1% or \$6.6m to \$29.2m compared to \$22.6m previously. This can be attributed to higher revenue and lower other operating costs, which were offset by higher staff costs.

Dividend

A final tax-exempt one-tier dividend of 5.45 cents per share has been proposed. Together with the interim tax-exempt one-tier dividend of 5.45 cents paid earlier, the total dividend for 2022 will be 10.90 cents per share or a payout ratio of 50% if the final dividend is approved by shareholders at the Annual General Meeting on 27 April 2023.

Outlook

With the removal of the remaining COVID-19 restrictions from 13 February 2023, overall revenue is expected to improve.

Expected growth in Public Transport revenue from the rail operations will be driven by higher ridership and fare increase granted by the Public Transport Council effective from 26 December 2022. Revenue from the bus operations will see a hit from the full-year impact of the revised lower service fees for the five negotiated bus packages which took effect from 1 September 2022.

Revenue from Other Commercial Services is expected to pick up in line with ridership recovery and improved market sentiments.

Operating costs especially staff costs are expected to be higher due to a tight labour market. High energy prices due to global supply issues will also add to our cost pressures.

Given the lowered margins for the extended five negotiated bus contracts coupled by rising operating costs as mentioned above, the Group continues to maintain a cautious outlook.

Issued by SBS Transit Ltd

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