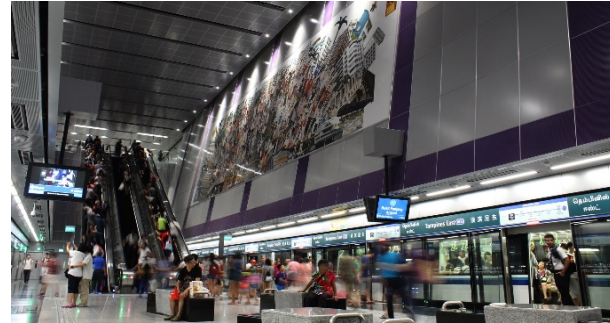




3rd Quarter 2021 Business Update



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Outline

- Operational Update for 3rd Quarter 2021
- Financial Update for 3rd Quarter 2021 & YTD Sept 2021
- Financial Summary

Operational Update for 3rd Quarter 2021



SBS Transit

Operational Update for 3rd Quarter 2021

- Since the end of August 2021, there has been a sharp rise in COVID-19 cases in Singapore which resulted in tightened safe management measures to slow down the rate of transmission. Working from home remains the default under the Stabilisation phase. Consequently, as at end September 2021, ridership on NEL and DTL was 49% and 43% respectively of pre-COVID-19 levels. For comparison, as at end of June 21, ridership on NEL was 56% and DTL was 49% of pre-COVID-19 level.
- In routine surveillance testing, some of our Bus Captains were found to be COVID positive although they had mild or no symptoms. Most of have since recovered, and the COVID clusters in our seven bus interchanges have closed. To-date, 99% of our Bus Captains have been vaccinated. During that period, while there was no major impact to our bus services, the headways for the majority of affected services were lengthened to no more than 5 minutes.
- To prevent spread at the workplaces, we have implemented stricter safe management measures in our staff resting and dining areas at our bus interchanges and depots. Meanwhile, we continue with our regular stepped-up cleaning regime on our buses and trains as well as at our bus interchanges and MRT stations. This also include applying electrostatic disinfectant spray across our fleet of buses and trains.
- The Sengkang – Hougang Bus Package which expired in August 2021, has been extended for another 3 years to August 2024.



A member of **Compass Group**

3rd Quarter and YTD Sept Income Statement

	3Q 2021	3Q 2020	Inc/(Dec)		YTD Sep 2021	YTD Sep 2020	Inc/(Dec)	
	\$'m	\$'m	\$'m	%	\$'m	\$'m	\$'m	%
Revenue	334.85	301.98	32.87	10.9	975.67	905.21	70.46	7.8
Operating Costs	320.75	282.45	38.30	13.6	923.39	853.47	69.92	8.2
Operating Profit	14.10	19.53	(5.43)	(27.8)	52.28	51.74	0.54	1.0
Profit after Tax	13.86	19.36	(5.50)	(28.4)	50.34	51.94	(1.60)	(3.1)
EBITDA	41.51	46.14	(4.63)	(10.0)	131.35	130.38	0.97	0.7
Operating Profit before COVID-19 Government reliefs	0.17	(4.04)	4.21	NM	3.76	(33.42)	37.18	NM
COVID-19 Government reliefs	13.93	23.57	(9.64)	(40.9)	48.52	85.16	(36.64)	(43.0)
Operating Profit after COVID-19 Government reliefs	14.10	19.53	(5.43)	(27.8)	52.28	51.74	0.54	1.0

NM: Not Meaningful

3rd Quarter and YTD Sept Income Statement

3rd Quarter 2021 vs 3rd Quarter 2020

- Revenue ↑ \$32.9m
 - Public Transport Services ↑ \$31.3m mainly due to higher service fee, ↑ fare revenue arising mainly from higher ridership;
 - Other Commercial Services ↑ \$1.6m mainly due to higher advertising revenue with more campaigns rolled out in line with the gradual economic recovery
- Operating costs ↑ \$38.3m mainly due to ↑ fuel and electricity costs due to ↑ average diesel price and ↑ electricity tariff and ↑ staff costs mainly from ↓ wage subsidy from the Jobs Support Scheme (JSS), ↑ overtime and salaries and related costs
- Correspondingly, Operating profit ↓ \$5.4m and PAT ↓ \$5.5m due to the above

YTD Sept 2021 vs YTD Sept 2020

- Revenue ↑ \$70.5m
 - Public Transport Services ↑ \$65.9m mainly due to higher service fee, ↑ fare revenue arising mainly from higher ridership;
 - Other Commercial Services ↑ \$4.6m mainly due to higher advertising revenue with more campaigns rolled out in line with the gradual economic recovery and higher rental revenue from lower rental rebates given to tenants.
- Operating costs ↑ \$69.9m mainly due to ↑ fuel and electricity costs due to ↑ average diesel price and ↑ electricity tariff, ↑ staff costs mainly from ↓ wage subsidy from the JSS, ↑ overtime and salaries and related costs
- Correspondingly, Operating profit ↑ \$0.5m due to the above while PAT ↓ \$1.6m due to higher tax expense

Income Statement – Quarter-on-Quarter

	1Q 2021	2Q 2021	3Q 2021
	\$'m	\$'m	\$'m
Revenue	316.98	323.84	334.85
Operating Costs	292.07	310.57	320.75
Operating Profit	24.91	13.27	14.10
Profit after Tax	23.31	13.17	13.86
EBITDA	50.32	39.52	41.51
Operating Profit/(Loss) before COVID-19 Government reliefs	6.34	(2.75)	0.17
COVID-19 Government reliefs	18.57	16.02	13.93
Operating Profit after COVID-19 Government reliefs	24.91	13.27	14.10

3Q2021 vs 2Q2021

- Activity levels increase in 3Q21 with the gradual economic recovery as seen in the increase in revenue by 3.4%
- Operating costs increased by 3.3% mainly from the increased in diesel and electricity prices
- Operating Profit improved by 6.3%
- Government reliefs tapering off in 2021

Balance Sheet

	Sept 2021	Dec 2020	Inc/(Dec)	
	\$'m	\$'m	\$'m	%
Short-term deposits and bank balances	189.58	85.56	104.02	121.6
Other Current Assets	350.16	402.00	(51.84)	(12.9)
Non-Current Assets	597.65	652.24	(54.59)	(8.4)
Total assets	1,137.39	1,139.80	(2.41)	(0.2)
Current Liabilities	401.32	386.80	14.52	3.8
Non-current Liabilities	136.28	165.98	(29.70)	(17.9)
Total liabilities	537.60	552.78	(15.18)	(2.7)
Equity	599.79	587.02	12.77	2.2
Total Liabilities and Equity	1,137.39	1,139.80	(2.41)	(0.2)

- Decrease in total liabilities was mainly due to the repayment of bank loan, decrease in lease liabilities and deferred tax liabilities, partially offset by the increase in trade and other payables
- Increase in total equity was mainly due to profits generated from operations, partially offset by dividends paid.

Cash and Debt Position

	30 Sept 2021 \$m	31 Dec 2020 \$m	Inc/(Dec) \$m
Cash and short-term deposits	189.58	85.56	104.02
Borrowings	-	25.00	(25.00)
Net Cash excluding finance leases	189.58	60.56	129.02
Finance leases	54.62	71.53	(16.91)
Net Cash after finance leases	134.96	(10.97)	145.93
Gross Gearing^{N1} (%)	NA	4.4	NM
Net Gearing^{N1} (%)	NA	NA	NA
Available Facilities	309.50	234.50	75.00

N1 : Excluding lease liabilities arising from the adoption of SFRS (I) 16

NM : Not Meaningful

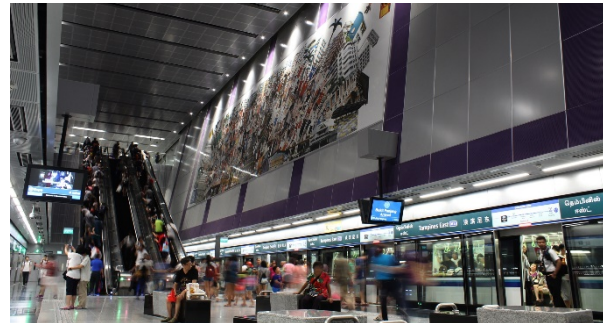
NA : Not Applicable

	3Q 2021	YTD Sep 2021
Cash generated from Operating Activities	80.10	216.28
<u>Utilisation of Cash:</u>		
Dividends paid	(17.93)	(37.60)
Repayment of loan	-	(25.00)
Net CAPEX	(13.68)	(24.58)
Tax	(3.80)	(16.21)
Payment for lease liabilities	(2.71)	(7.98)
Others	(0.24)	(0.89)
Total Utilisation of Cash	(38.36)	(112.26)
Net Cash Inflow	<u>41.74</u>	<u>104.02</u>

- Net cash position (excluding the finance leases) as at 30 September 2021 \$189.6m vs \$85.6m as at 31 Dec 2020
- Cash and short-term deposits increased from operating cashflows offset by dividends payment, capex purchased and repayment of loan
- Borrowings + finance leases decreased after scheduled repayments and repayment of loan
- We have \$500m of available cash and bank facilities undrawn to underpin the continuity of the business
- In view of current COVID-19 high infection rates and the tapering off of the Government subsidies available, Management remains cautious in drawing internal funds or borrowings to fund major capex

Summary

- 3rd Quarter 2021 Group PAT \$13.86m.
- 3rd Quarter 2021 Operating Profit of \$0.17m before Government relief.
- The Group maintains a strong balance sheet with significant covenant headroom and liquidity.
- With the current COVID-19 restrictions being extended to 21 November 2021 and working from home remaining as the default mode, rail ridership recovery is expected to be slow.
- The Group will continue to enforce safe distancing measures and stepped up cleaning to keep our interchanges, stations, buses and trains safe for commuters.
- We will also focus on our digitalisation transformation journey and drive our sustainability efforts to improve customers experience and cost competitiveness.



THANK YOU

Appendix – By Segments

	3Q 2021		3Q 2020	
	Revenue \$'m	Operating Profit	Revenue \$'m	Operating Profit
Public Transport Services	324.53	8.52	293.25	13.84
Other Commercial Services	10.32	5.58	8.73	5.69
Total	334.85	14.10	301.98	19.53

	YTD Sept 2021		YTD Sept 2020	
	Revenue \$'m	Operating Profit	Revenue \$'m	Operating Profit
Public Transport Services	945.94	36.35	880.04	35.08
Other Commercial Services	29.73	15.93	25.17	16.66
Total	975.67	52.28	905.21	51.74