

**GENERAL ANNOUNCEMENT::3RD QUARTER 2021 BUSINESS UPDATE**

## Issuer &amp; Securities

## Issuer/ Manager

SBS TRANSIT LTD

## Securities

SBS TRANSIT LTD - SG1F58858209 - S61

## Stapled Security

No

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## Designation

Company Secretary

## Description (Please provide a detailed description of the event in the box below)

Please see attached.

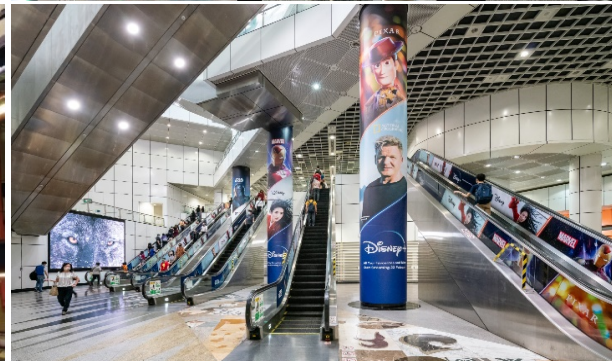
## Attachments

[SBST - 3QFY2021 Business Updates.pdf](#)

Total size = 1385K MB



# 3<sup>rd</sup> Quarter 2021 Business Update



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# Outline

- Operational Update for 3<sup>rd</sup> Quarter 2021
- Financial Update for 3<sup>rd</sup> Quarter 2021 & YTD Sept 2021
- Financial Summary

# Operational Update for 3<sup>rd</sup> Quarter 2021

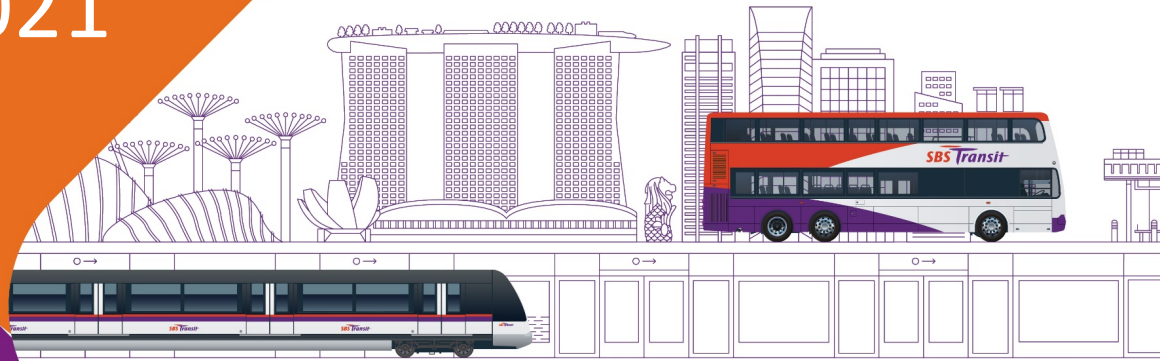


**SBS Transit**

# Operational Update for 3<sup>rd</sup> 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.

# Financial Update for 3<sup>rd</sup> Quarter 2021 & YTD Sept 2021



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# 3<sup>rd</sup> 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
<b>Operating Profit</b>	<b>14.10</b>	<b>19.53</b>	<b>(5.43)</b>	<b>(27.8)</b>	<b>52.28</b>	<b>51.74</b>	<b>0.54</b>	<b>1.0</b>
<b>Profit after Tax</b>	<b>13.86</b>	<b>19.36</b>	<b>(5.50)</b>	<b>(28.4)</b>	<b>50.34</b>	<b>51.94</b>	<b>(1.60)</b>	<b>(3.1)</b>
<b>EBITDA</b>	<b>41.51</b>	<b>46.14</b>	<b>(4.63)</b>	<b>(10.0)</b>	<b>131.35</b>	<b>130.38</b>	<b>0.97</b>	<b>0.7</b>
<b>Operating Profit before COVID-19 Government reliefs</b>	<b>0.17</b>	<b>(4.04)</b>	<b>4.21</b>	<b>NM</b>	<b>3.76</b>	<b>(33.42)</b>	<b>37.18</b>	<b>NM</b>
COVID-19 Government reliefs	13.93	23.57	(9.64)	<b>(40.9)</b>	48.52	85.16	(36.64)	<b>(43.0)</b>
<b>Operating Profit after COVID-19 Government reliefs</b>	<b>14.10</b>	<b>19.53</b>	<b>(5.43)</b>	<b>(27.8)</b>	<b>52.28</b>	<b>51.74</b>	<b>0.54</b>	<b>1.0</b>

*NM: Not Meaningful*



# 3<sup>rd</sup> 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
<b>Profit after Tax</b>	<b>23.31</b>	<b>13.17</b>	<b>13.86</b>
<b>EBITDA</b>	<b>50.32</b>	<b>39.52</b>	<b>41.51</b>
<b>Operating Profit/(Loss) before COVID-19 Government reliefs</b>	<b>6.34</b>	<b>(2.75)</b>	<b>0.17</b>
COVID-19 Government reliefs	18.57	16.02	13.93
<b>Operating Profit after COVID-19 Government reliefs</b>	<b>24.91</b>	<b>13.27</b>	<b>14.10</b>

## 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)
<b>Total assets</b>	<b>1,137.39</b>	<b>1,139.80</b>	<b>(2.41)</b>	<b>(0.2)</b>
Current Liabilities	401.32	386.80	14.52	3.8
Non-current Liabilities	136.28	165.98	(29.70)	(17.9)
<b>Total liabilities</b>	<b>537.60</b>	<b>552.78</b>	<b>(15.18)</b>	<b>(2.7)</b>
<b>Equity</b>	<b>599.79</b>	<b>587.02</b>	<b>12.77</b>	<b>2.2</b>
<b>Total Liabilities and Equity</b>	<b>1,137.39</b>	<b>1,139.80</b>	<b>(2.41)</b>	<b>(0.2)</b>

- 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)
<b>Net Cash excluding finance leases</b>	<b>189.58</b>	<b>60.56</b>	<b>129.02</b>
Finance leases	54.62	71.53	(16.91)
<b>Net Cash after finance leases</b>	<b>134.96</b>	<b>(10.97)</b>	<b>145.93</b>
<b>Gross Gearing<sup>N1</sup> (%)</b>	<b>NA</b>	<b>4.4</b>	<b>NM</b>
<b>Net Gearing<sup>N1</sup> (%)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Available Facilities</b>	<b>309.50</b>	<b>234.50</b>	<b>75.00</b>

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

NM : Not Meaningful

NA : Not Applicable

- 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

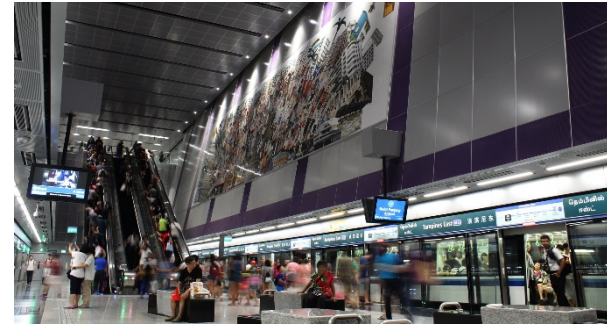
	3Q 2021	YTD Sep 2021
<b>Cash generated from Operating Activities</b>	<b>80.10</b>	<b>216.28</b>
<u>Utilisation of Cash:</u>		
Dividends paid	(17.93)	(37.60)
Repayment of loan	-	(25.00)
Net CAPEX	(13.68)	(24.58)
Tax	(3.80)	(16.21)
Payment for lease liabilities	(2.71)	(7.98)
Others	(0.24)	(0.89)
<b>Total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

# Summary

- 3<sup>rd</sup> Quarter 2021 Group PAT \$13.86m.
- 3<sup>rd</sup> 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.



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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
<b>Total</b>	<b>334.85</b>	<b>14.10</b>	<b>301.98</b>	<b>19.53</b>

	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
<b>Total</b>	<b>975.67</b>	<b>52.28</b>	<b>905.21</b>	<b>51.74</b>