



3rd Quarter 2023 Business Update



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Outline

- Operational Update for 3rd Quarter 2023
- Financial Update for 3rd Quarter 2023 & YTD Sept 2023
- Financial Summary

Operational Update for 3rd Quarter 2023



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Operational Update for 3rd Quarter 2023

- The tender result for PT218 Bus Tender was announced on 18 August 2023, with SBS Transit (SBST) remaining as the incumbent operator for Bukit Merah Package for further five years from April 2024 while SMRT will succeed SBST as the operator for the Jurong West package for a five year contract from September 2024. LTA has the option to extend each contract by between two to five years at the end of the five-year term.
- The Bukit Merah bus package will continue to operate from Ulu Pandan Bus Depot and under this package, SBST will also continue to manage Bukit Merah and HarbourFront Bus Interchanges.
- The Public Transport Council had announced a fare increase of 7.3% which will be effective from 23 December 2023.
- The ridership for Q3 2023 for NEL and DTL was 93% and 91% respectively of pre-COVID-19 levels:

Ridership % of Pre-COVID-19 level			
	Q3 2022	Q2 2023	Q3 2023
NEL	85%	89%	93%
DTL	83%	86%	91%

Financial Update for 3rd Quarter 2023 & YTD Sept 2023



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3rd Quarter and YTD Sept Income Statement

	3Q 2023	3Q 2022	Inc/(Dec)		YTD Sep 2023	YTD Sep 2022	Inc/(Dec)	
	\$'m	\$'m	\$'m	%	\$'m	\$'m	\$'m	%
Revenue	387.80	390.51	(2.71)	(0.7)	1,132.18	1,122.91	9.27	0.8
Operating Costs	368.96	371.47	(2.51)	(0.7)	1,077.25	1,060.86	16.39	1.5
Operating Profit	18.84	19.04	(0.20)	(1.1)	54.93	62.05	(7.12)	(11.5)
Profit after Tax	17.91	17.11	0.80	4.7	52.70	51.75	0.95	1.8
EBITDA	42.45	42.42	0.03	0.1	125.73	133.05	(7.32)	(5.5)

3rd Quarter 2023 Income Statement

3rd Quarter 2023 vs 3rd Quarter 2022

- Revenue ↓ \$2.7m
 - Public Transport Services ↓ \$4.1m mainly due to lower service fee rate for 5 extended negotiated bus contracts with effect from 1 September 2022 and lower fuel indexation, partially offset by higher rail ridership; and
 - Other Commercial Services ↑ \$1.4m mainly from more advertising campaigns due to improved economic conditions as a result of the easing of COVID-19 restrictions and ridership returning to pre-COVID levels.
- Operating costs ↓ \$2.5m due mainly to lower manpower costs arising from vacancy gaps, lower premises costs and lower diesel cost mainly from lower average diesel prices, partially offset by higher electricity cost mainly attributable to higher average electricity prices.
- Consequently Operating profit ↓ \$0.2m.
- Profit after tax ↑ \$0.8m resulted from higher interest income, partially offset by lower operating profit.

YTD Sept 2023 Income Statement

YTD Sept 2023 vs YTD Sept 2022

- Revenue ↑ \$9.3m
 - Other Commercial Services ↑ \$6.5m mainly from more advertising campaigns due to improved economic conditions as a result of the easing of the COVID-19 restrictions and ridership returning to pre-COVID levels; and
 - Public Transport Services ↑ \$2.8m mainly due to higher rail ridership and higher other operating income, partially offset by lower fuel indexation and lower service fee rate for 5 extended negotiated bus contracts with effect from 1 September 2022.
- Operating costs ↑ \$16.4m mainly due to higher fuel and electricity costs arising from higher average electricity prices offset by lower diesel cost mainly from lower average diesel prices and lower manpower costs arising from vacancy gaps.
- Consequently, Operating profit ↓ \$7.1m.
- Profit after tax ↑ \$1.0m resulted from higher interest income, partially offset by lower operating profit.

Balance Sheet

	Sept 2023	Dec 2022	Inc/(Dec)	
	\$'m	\$'m	\$'m	%
Short-term deposits and bank balances	369.96	345.30	24.66	7.1
Other current assets	404.15	363.78	40.37	11.1
Non-current assets	436.32	502.11	(65.79)	(13.1)
Total assets	1,210.43	1,211.19	(0.76)	(0.1)
Current liabilities	420.44	422.28	(1.84)	(0.4)
Non-current liabilities	123.27	142.59	(19.32)	(13.5)
Total liabilities	543.71	564.87	(21.16)	(3.7)
Total equity	666.72	646.32	20.40	3.2
Total liabilities and equity	1,210.43	1,211.19	(0.76)	(0.1)

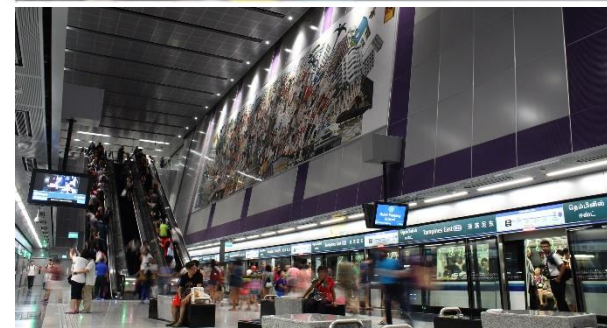
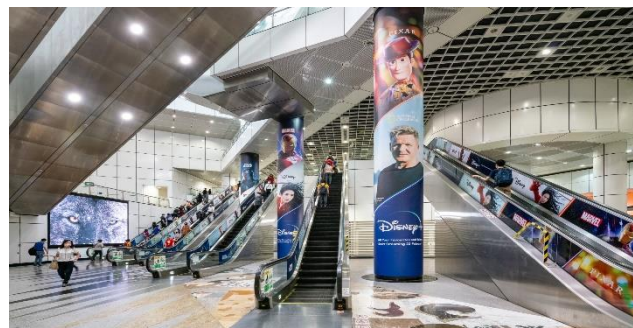
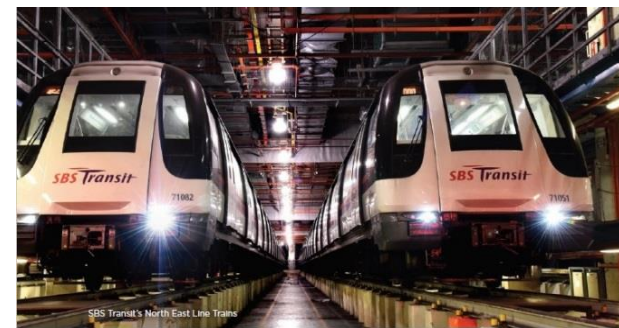
- Decrease in total assets was due mainly to the depreciation of vehicles, premises and equipment, partially offset by the increase in trade and other receivables, short-term deposits and bank balances and inventories.
- Decrease in total liabilities was due mainly to the decrease in lease liabilities and income tax payable.
- Increase in total equity was mainly due to profits generated from operations, partially offset by dividends paid.

Summary and Outlook

- 3rd Quarter 2023 Operating profit was \$18.8m and Group PAT was \$17.9m.
- Rail ridership is expected to continue to improve.
- The expiry of the Jurong West bus package will take effect from September 2024.
- Cost pressures remain due to elevated energy cost caused by geopolitical factors and rising manpower costs.



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