

**GENERAL ANNOUNCEMENT::3RD QUARTER 2020 BUSINESS UPDATE**

## Issuer &amp; Securities

## Issuer/ Manager

SBS TRANSIT LTD

## Securities

SBS TRANSIT LTD - SG1F58858209 - S61

## Stapled Security

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## Announcement Details

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## Designation

Joint Company Secretary

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

Please see attached

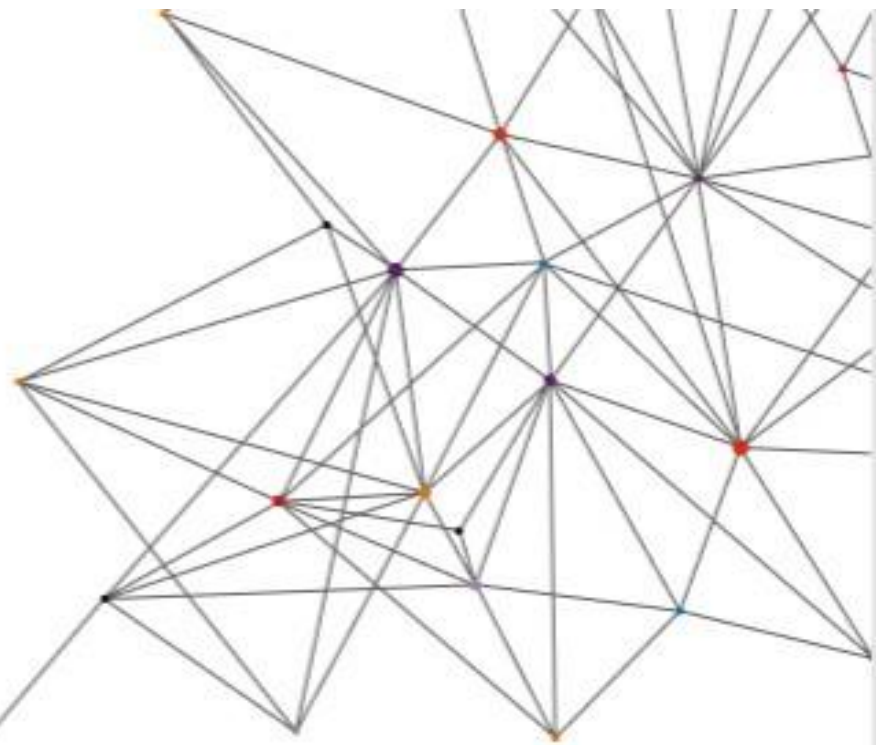
## Attachments

[SBST - 3QFY2020 Business Update.pdf](#)

Total size =911K MB



# 3<sup>rd</sup> Quarter 2020 BUSINESS UPDATE



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# Outline



- Operational Update for 3<sup>rd</sup> Quarter 2020
- Financial Update for 3<sup>rd</sup> Quarter 2020 & YTD Sept 2020
- Financial Summary



# Operational Update for 3<sup>rd</sup> Quarter 2020

# Operational Update for 3<sup>rd</sup> Quarter 2020

- Circuit Breaker (CB) ended on 1 June 2020, Singapore is in Phase 2 of the country's reopening which started from 19 June 2020
- Most activities had resumed, subject to safe distancing principles in place. Small-group social gatherings were allowed to resume. Retail outlets and recreation facilities also resumed operations, and students returned to school daily from 29 June 2020. Telecommuting remained as default for all businesses
- Most bus services suspended during CB period have resumed in June 2020 but Night Owl and Cross Border Bus services remain suspended until end of 2020
- There was gradual pick up of daily ridership on both DTL & NEL post Circuit Breaker. As at end of September 2020, DTL and NEL ridership are at 53% and 60% levels prior to the COVID-19 outbreak respectively

# Operational Update for 3<sup>rd</sup> Quarter 2020

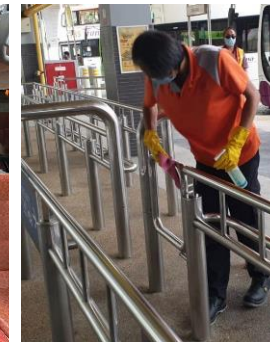
- To help public transport commuters mitigate the impact of COVID-19, the Public Transport Council (PTC) decided not to grant any fare adjustments in this year's Fare Review Exercise (FRE). The maximum allowable fare adjustment computed for FRE 2020 of 4.4% will be rolled over to the next FRE in 2021
- Other Commercial Services recovery is slow due to poor economic outlook
- For selected tenants who are badly affected by COVID-19, we continue to provide rental rebates beyond property tax rebates from the Government



# Operational Update for 3<sup>rd</sup> Quarter 2020

## Protecting our commuters & staff against Covid-19

- Stepped up cleaning on buses/trains and all commuter touchpoints
- Applied Electrostatic Disinfectant Spray (EDS) in the interior of our buses/trains. The EDS is a self-disinfecting coating that is effective up to a period of 6 months against the coronavirus.
- Expanded availability of hand sanitisers and SafeEntry QR Code
- Temperature and Health Declaration app for staff
- Issue and enforce mask wearing
- Automatic thermal sensor device for staff





# Operational Update for 3<sup>rd</sup> Quarter 2020

## Government Assistance

As announced on 17 Aug 2020 in the Ministerial Statement on Continued Support for Workers and Jobs:

- Extension of Job Support Scheme (JSS) to cover wages paid up to Mar 2021
- ✓ The JSS will be extended by up to seven months (but at lower support levels) to cover wages paid up to Mar 2021, bringing the total wage support under the JSS to 17 months for most sectors. The additional support will be paid out by Mar and Jun 2021.
- Adjustment of JSS support for all sectors
- ✓ In line with the gradual re-opening of the economy, the base tiers of support for Sep 2020 to Mar 2021 wages have been reduced.

Total Government support for 3<sup>rd</sup> Quarter 2020 and YTD Sept 2020 amounted to \$23.6m and \$85.2m respectively.



# Financial Update for 3<sup>rd</sup> Quarter 2020 & YTD Sept 2020

# 3<sup>rd</sup> Quarter and YTD Sept Income Statement

	3Q 2020	3Q 2019	Fav/(Adv)		YTD Sept 2020	YTD Sept 2019	Fav/(Adv)	
	\$'m	\$'m	\$'m	%	\$'m	\$'m	\$'m	%
Revenue	301.99	364.00	(62.01)	(17.0)	905.21	1,073.21	(168.00)	(15.7)
Operating Costs	(282.46)	(338.59)	56.13	16.6	(853.47)	(990.97)	137.50	13.9
<b>Operating Profit</b>	<b>19.53</b>	<b>25.41</b>	<b>(5.88)</b>	<b>(23.1)</b>	<b>51.74</b>	<b>82.24</b>	<b>(30.50)</b>	<b>(37.1)</b>
<b>Profit after Tax</b>	<b>19.36</b>	<b>20.02</b>	<b>(0.66)</b>	<b>(3.3)</b>	<b>51.94</b>	<b>64.87</b>	<b>(12.93)</b>	<b>(19.9)</b>
<b>EBITDA</b>	<b>46.14</b>	<b>51.44</b>	<b>(5.30)</b>	<b>(10.3)</b>	<b>130.38</b>	<b>159.75</b>	<b>(29.37)</b>	<b>(18.4)</b>
<b>Operating (Loss)Profit before COVID-19 Government reliefs</b>	<b>(4.04)</b>	<b>25.41</b>	<b>(29.45)</b>	<b>NM</b>	<b>(33.42)</b>	<b>82.24</b>	<b>(115.66)</b>	<b>NM</b>
COVID-19 Government reliefs	23.57	-	23.57	NM	85.16	-	85.16	NM
<b>Operating Profit after COVID-19 Government reliefs</b>	<b>19.53</b>	<b>25.41</b>	<b>(5.88)</b>	<b>(23.1)</b>	<b>51.74</b>	<b>82.24</b>	<b>(30.50)</b>	<b>(37.1)</b>

NM: Not Meaningful

# 3<sup>rd</sup> Quarter and YTD Sept Income Statement

## 3<sup>rd</sup> Quarter 2020 VS 3<sup>rd</sup> Quarter 2019

- Revenue ↓ \$62.0m - Public Transport Services ↓ \$54.7m mainly due to lower service fee and lower rail ridership and Other Commercial Services ↓ \$7.3m mainly from lower advertising revenue
- Operating costs ↓ \$56.1m mainly due to lower staff costs largely due to government reliefs, lower fuel and electricity costs and lower repairs and maintenance costs
- Correspondingly, Operating profit ↓ \$5.9m and PAT ↓ \$0.7m due to the above

## YTD Sept 2020 vs YTD Sept 2019

- Revenue ↓ \$168.0m - Public Transport Services ↓ \$145.2m mainly due to lower service fee and lower rail ridership and Other Commercial Services ↓ \$22.8m mainly from lower advertising revenue
- Operating costs ↓ \$137.5m mainly due to lower staff costs largely due to government reliefs, lower fuel and electricity costs and lower premises costs, partially offset by ↑ repairs and maintenance costs
- Correspondingly, Operating profit ↓ \$30.5m and PAT ↓ \$12.9m due to the above

# Income Statement – Quarter-on-Quarter 2020

	1Q20	2Q20	3Q20
	\$'m	\$'m	\$'m
Revenue	339.01	264.21	301.99
Operating Costs	(324.44)	(246.57)	(282.46)
Operating Profit	14.57	17.64	19.53
<b>Profit after Tax</b>	<b>11.14</b>	<b>21.44</b>	<b>19.36</b>
<b>EBITDA</b>	<b>40.63</b>	<b>43.61</b>	<b>46.14</b>
<b>Operating (Loss) Profit before COVID-19 Government reliefs</b>	<b>13.31</b>	<b>(42.69)</b>	<b>(4.04)</b>
COVID-19 Government reliefs	1.26	60.33	23.57
<b>Operating Profit after COVID-19 Government reliefs</b>	<b>14.57</b>	<b>17.64</b>	<b>19.53</b>

## Covid-19 recovery continues through 3<sup>rd</sup> Quarter 2020

- Activity levels gradually increasing in 3<sup>rd</sup> Quarter 2020 after lockdowns
- 3<sup>rd</sup> Quarter 2020 revenue ↑ 14.3% against 2<sup>nd</sup> Quarter 2020, ↓ 10.9% against 1<sup>st</sup> Quarter 2020
- Operating costs ↑ in tandem with activity levels and ↓ Government relief in 3<sup>rd</sup> Quarter 2020
- As a result, operating loss before Government relief ↓ in 3<sup>rd</sup> Quarter 2020 to \$4.0m as compared to 2<sup>nd</sup> Quarter 2020

# Balance Sheet

	Sept 2020	Dec 2019	Fav/(Adv)	
	\$'m	\$'m	\$'m	%
Short-term deposits and bank balances	136.83	31.46	105.37	334.9
Other Current Assets	360.37	365.75	-5.38	(1.5)
Non-Current Assets	683.31	740.08	-56.77	(7.7)
<b>Total assets</b>	<b>1,180.51</b>	<b>1,137.29</b>	<b>43.22</b>	<b>3.8</b>
Current Liabilities	446.65	419.61	27.04	6.4
Non-current Liabilities	173.98	190.93	-16.95	(8.9)
<b>Total liabilities</b>	<b>620.63</b>	<b>610.54</b>	<b>10.09</b>	<b>1.7</b>
<b>Equity</b>	<b>559.88</b>	<b>526.75</b>	<b>33.13</b>	<b>6.3</b>
<b>Total Liabilities and Equity</b>	<b>1,180.51</b>	<b>1,137.29</b>	<b>43.22</b>	<b>3.8</b>

- The increase in total assets was mainly due to to the increase in short-term deposits and bank balances, partially offset by depreciation of vehicles, premises and equipment.
- The increase in total equity was mainly due to profits generated from operations, partially offset by the dividends paid.



# Cash and Debt Position

- We have over \$250m of available cash and bank facilities undrawn to underpin the continuity of the business.
- Non-essential capex will be deferred as we focus on prudent cash management.

	30 Sept 2020 \$m	31 Dec 2019 \$m	Fav/(Adv) \$m
Cash and short-term deposits	136.83	31.46	105.37
Borrowings & finance leases	149.98	158.18	(8.20)
<b>Net Debt</b>	<b>(13.15)</b>	<b>(126.72)</b>	<b>113.57</b>
Gross Gearing <sup>N1</sup> (%)	13.7	14.6	0.9
Net Gearing <sup>N1</sup> (%)	NA	8.5	NM
Available Facilities	234.5	234.5	-

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

NM : Not Meaningful

	3Q 2020	YTD Sep 2020
<b>Cash generated from Operating Activities</b>	55.79	155.66
<u>Utilisation of Cash:</u>		
2019 Final Dividends paid	-	(18.40)
Net CAPEX	(4.58)	(12.10)
Tax	(5.30)	(8.83)
Payment for lease liabilities	(2.86)	(8.45)
Others	(0.77)	(2.51)
<b>Total Utilisation of Cash</b>	<b>(13.51)</b>	<b>(50.29)</b>
<b>Net Cash Inflow</b>	<b><u>42.28</u></b>	<b><u>105.37</u></b>

# Financial Summary

- 3<sup>rd</sup> Quarter 2020 Group PAT \$19.36m
- 3<sup>rd</sup> Quarter 2020 Operating Loss of (\$4.04m) before government relief
- Post-lockdown recovery continues with rail ridership improving
- Government reliefs mainly in the form of Job Support Scheme will continue into 2021
- The Group maintains a strong balance sheet with significant covenant headroom and liquidity.
- The Group will continue to focus closely on reducing operational costs, limit capital expenditure and cash management to ensure business continuity.



SBS Transit's Bus



SBS Transit's North East Line Trains



THANK YOU

# Appendix – By Segments

	3Q 2020		3Q 2019	
	Revenue \$'m	Operating Profit \$'m	Revenue \$'m	Operating Profit \$'m
Public Transport Services	293.26	13.84	347.97	14.78
Other Commercial Services	8.73	5.69	16.03	10.63
<b>Total</b>	<b>301.99</b>	<b>19.53</b>	<b>364.00</b>	<b>25.41</b>

	YTD Sept 2020		YTD Sept 2019	
	Revenue \$'m	Operating Profit \$'m	Revenue \$'m	Operating Profit \$'m
Public Transport Services	880.04	35.08	1,025.23	49.47
Other Commercial Services	25.17	16.66	47.98	32.77
<b>Total</b>	<b>905.21</b>	<b>51.74</b>	<b>1,073.21</b>	<b>82.24</b>