

GENERAL ANNOUNCEMENT::1ST QUARTER 2021 BUSINESS UPDATE

Issuer & Securities

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SBS TRANSIT LTD

Securities

SBS TRANSIT LTD - SG1F58858209 - S61

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

10-May-2021 17:48:04

Status

New

Announcement Sub Title

1st Quarter 2021 Business Update

Announcement Reference

SG2105100THRBLEE

Submitted By (Co./ Ind. Name)

Angeline Joyce Lee Siang Pohr

Designation

Joint Company Secretary

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

Please see attached

Attachments

[SBS Transit Ltd - 1st Quarter 2021 Business Update - 11 May 2021.pdf](#)

Total size =685K MB



1st Quarter 2021 Business Update



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Outline

- Operational Update for 1st Quarter 2021
- Financial Update for 1st Quarter 2021
- Financial Summary

Operational Update for 1st Quarter 2021



SBS Transit

Operational Update for 1st Quarter 2021

- From 5 April 2021, working from home is no longer the default mode and 75% of the employees can now be at the workplace, up from previous 50% quota allowed.
- We have observed gradual pick up of daily ridership on both DTL & NEL. As at end of March 2021, NEL and DTL ridership are 65-70% levels prior to the COVID-19 outbreak respectively.
- However, in view recent increased number of local community cases, the Government announced on 4 May 2021 additional measures to be put in place from 8 - 30 May 2021. Gathering limits reduced with permissible group size reduced from 8 to 5. The proportion of employees returning to the workplace will be reduced to 50%, down from the 75% during this period.
- We continue to maintain our stepped-up cleaning regime for our buses, trains, bus interchanges and MRT stations. To better protect our customers, we have also applied electrostatic disinfectant spray in all our buses and trains.
- For our other commercial services, we continue to provide rental rebates selected tenants who are badly affected by COVID-19. Advertising business is slowly picking up with improved market sentiments.
- In the vaccination exercise organised for public transport workers in early 2021, 75% of our staff have been vaccinated. Many more will be vaccinated as part of the on-going national vaccination exercise.
- Jobs Support Scheme will be much reduced in 2021 as announced in Budget 2021.

Financial Update for 1st Quarter 2021



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1st Quarter 2021 Income Statement

	1Q 2021	1Q 2020	Inc/(Dec)	
	\$'m	\$'m	\$'m	%
Revenue	316.98	338.99	(22.01)	(6.5)
Operating Costs	292.07	324.41	(32.34)	(10.0)
Operating Profit	24.91	14.58	10.33	70.9
Profit after Tax	23.31	11.14	12.17	109.2
EBITDA	50.32	40.64	9.68	23.8
Operating Profit before COVID-19 Government reliefs	6.34	13.35	(7.01)	(52.5)
COVID-19 Government reliefs	18.57	1.23	17.34	NM
Operating Profit after COVID-19 Government reliefs	24.91	14.58	10.33	70.9

NM: Not Meaningful

1st Quarter 2021 Income Statement

1st Quarter 2021 VS 1st Quarter 2020

- Revenue ↓ \$22.0m - Public Transport Services ↓ \$21.1m mainly due to lower rail ridership and lower service fee and Other Commercial Services ↓ \$0.9m mainly from lower advertising revenue.
- Operating costs ↓ \$32.3m due mainly to the wage subsidy from the Jobs Support Scheme to relieve companies from the effects of COVID-19 crisis, ↓ salaries and related costs and ↓ repairs and maintenance costs.
- Government reliefs which comprised mainly of Job Support Scheme (JSS) only started from Apr 2020, hence JSS for 1Q21 was much higher than the corresponding period last year.
- Correspondingly, Operating profit ↑ \$10.3m and PAT ↑ \$12.2m due to the above.
- Excluding the Government reliefs, the Group would have recorded an operating profit for 1st Quarter 2021 of \$6.3m as compared to an operating profit of \$13.4m for the same period last year, representing a decline of \$7.01m or 52.5%

Income Statement – Quarter-on-Quarter

	1Q20	2Q20	3Q20	4Q20	1Q 2021
	\$'m	\$'m	\$'m	\$'m	\$'m
Revenue	339.01	264.21	301.99	325.74	316.98
Operating Costs	(324.44)	(246.57)	(282.46)	(297.50)	(292.07)
Operating Profit	14.57	17.64	19.53	28.24	24.91
Profit after Tax	11.14	21.44	19.36	27.02	23.31
EBITDA	40.63	43.61	46.14	58.65	50.32
Operating Profit/(Loss) before COVID-19	13.31	(42.69)	(4.04)	3.60	6.34
Government reliefs					
COVID-19 Government reliefs	1.26	60.33	23.57	24.64	18.57
Operating Profit after COVID-19	14.57	17.64	19.53	28.24	24.91
Government reliefs					

COVID-19 recovery continued through 1Q2021

- Activity levels gradually increase in 1Q2021 in line with the improved COVID-19 situation as Singapore entered Phase 3 re-opening
- 1Q2021 revenue decreased (2.7%) and operating costs decrease (-1.8%) on 4Q2020 due to seasonality.
- Government reliefs tapering off in 2021

Balance Sheet

	Mar 2021	Dec 2020	Inc/(Dec)	
	\$'m	\$'m	\$'m	%
Short-term deposits and bank balances	122.58	85.56	37.02	43.3
Other Current Assets	342.86	402.00	(59.14)	(14.7)
Non-Current Assets	628.27	652.24	(23.97)	(3.7)
Total assets	1,093.71	1,139.80	(46.09)	(4.0)
Current Liabilities	334.93	386.80	(51.87)	(13.4)
Non-current Liabilities	148.44	165.98	(17.54)	(10.6)
Total liabilities	483.37	552.78	(69.41)	(12.6)
Equity	610.34	587.02	23.32	4.0
Total Liabilities and Equity	1,093.71	1,139.80	(46.09)	(4.0)

- Decrease in total liabilities was mainly due to the decrease in trade and other payables and lower in borrowings due to the repayment of bank loan due in March 2020.
- Decrease in total assets was due mainly to the decrease in other receivables and prepayments.
- Increase in total equity was mainly due to profits generated from operations.

Cash and Debt Position

	31 March 2021 \$m	31 Dec 2020 \$m	Inc/(Dec) \$m
Cash and short-term deposits	122.58	85.56	37.02
Borrowings	-	25.00	(25.00)
Net Cash excluding finance leases	122.58	60.56	62.02
Finance leases	59.07	71.53	(12.46)
Net Cash after finance leases	63.51	(10.97)	74.48
Gross Gearing^{N1} (%)	NA	4.4	NM
Net Gearing^{N1} (%)	NA	NA	NA
Available Facilities	234.5	234.5	-

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 31 March 2021 \$122.6m vs \$60.6m as at 31 Dec 2019
- Cash and short-term deposits increased from operating cashflows offset by repayment of loan
- Borrowings + finance leases decreased after scheduled repayments and repayment of loan
- Free Cash Flow for 1Q 2021 was \$35.9m (EBITDA \$50.3m – net capex (\$8.5m) – tax (\$5.5m) – net interest (\$0.4m))
- We have over \$350m of available cash and bank facilities undrawn to underpin the continuity of the business
- In view of on-going Covid-19 pandemic, Management remains cautious in drawing internal funds or borrowings to fund major capex .

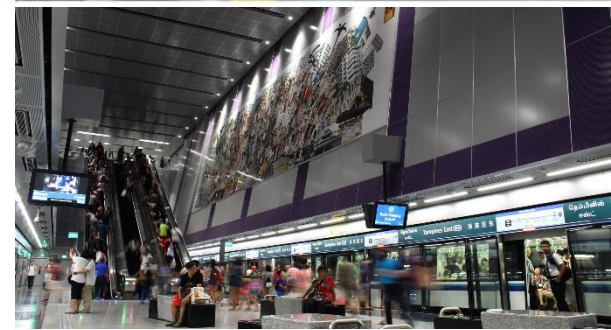
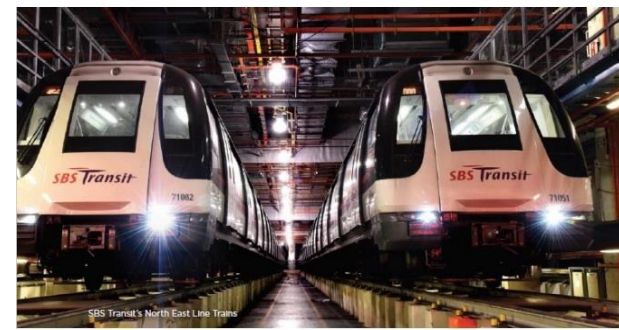
	1Q 2021
Cash generated from Operating Activities	78.99
<u>Utilisation of Cash:</u>	
Repayment of loan	(25.00)
Net CAPEX	(8.49)
Tax	(5.48)
Payment for lease liabilities	(2.62)
Others	(0.38)
Total Utilisation of Cash	(41.97)
Net Cash Inflow	<u>37.02</u>

Financial Summary

- 1st Quarter 2021 Group PAT \$23.31m
- 1st Quarter 2021 Operating Profit of \$6.34m before Government relief
- The Group maintains a strong balance sheet with significant covenant headroom and liquidity.
- Prolonged and uneven recovery ahead and barring any Covid-19 second wave spread in Singapore
- Rail ridership is improving but unlikely to return to pre-Covid levels, as more companies are adopting working from home practices for their employees.
- Scaling down of Jobs Support Scheme with much lower levels of support
- The Group will continue to focus on our digitalisation transformation journey, drive our sustainability efforts and build our capabilities to ready ourselves for future growth opportunities.



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THANK YOU

Appendix – By Segments

	1Q 2021		1Q 2020	
	Revenue \$'m	Operating Profit \$'m	Revenue \$'m	Operating Profit \$'m
Public Transport Services	306.02	18.54	327.13	4.40
Other Commercial Services	10.96	6.37	11.86	10.18
Total	316.98	24.91	338.99	14.58