

ComfortDelGro Corp Ltd

Acquisitions delivering extra growth



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SINGAPORE | TRANSPORT SERVICES | 1Q25 UPDATE

16 May 2025

- 1Q25 results were within expectations. Revenue/PATMI was 24%/20% of our FY25e forecast. 1Q is typically a seasonally lower due to lower contributions from Scotland coach services and CMAC.
- 1Q25 operating earnings rose 45% YoY to S\$81.5mn. Excluding acquisitions, operating earnings rose 27.5% YoY, due to a significant turnaround in the UK. Operating earnings spiked from S\$0.9mn to S\$8mn with the renewal of London bus routes and the contribution from the new Metroline Manchester contract.
- We maintain our FY25e forecast and DCF target price of S\$1.68. Our BUY recommendation is unchanged. ComfortDelGro is delivering more stable and visible growth with acquisitions, new and re-pricing of bus contracts in the UK. The dividend yield of 6% is attractive as the company maintains a high payout ratio of 80%.

Results at a glance

SGD mn	1Q25	1Q24	YoY	Comments
Revenue	1,169.7	1,004.6	16.4%	
- Public transport	760.1	741.1	2.6%	
- Taxi & private hire	258.1	148.3	74.0%	
- Other private transport	94.2	65.3	44.3%	
EBIT (Segment)	81.5	62.1	31.2%	Excl. acquisitions EBIT up 27.5%
- Public transport	36.4	23.8	52.9%	
- Taxi & private hire	35.2	23.3	51.1%	Excl. acquisition earnings up 7.7%
- Other private transport	0.8	(1.4)	n.m.	Seasonally weak CMAC.
EBIT (Country)				
- Singapore	49.1	41.8	17.5%	Timing of cost controls.
- UK/Ireland	15.1	0.9	1577.8%	Excl. Addison Lee, earnings S\$7.9mn.
- Australia	14.5	9.2	57.6%	Excl. A2B earnings wasup 26.1%.
- China	2.7	4.0	-32.5%	
PATMI	48.3	40.6	19.0%	
PATMI - normalised	51.2	33.7	51.9%	Excluding one-offs.

Source: Company, PSR

The Positive

+ Stellar turnaround in UK. Excluding acquisitions, UK operating profits spiked from S\$0.9mn to S\$7.9mn. The jump is due to the maiden contribution of the Manchester bus contract and the re-pricing of legacy low-margin London bus contracts. Seasonally slower holiday travel leads to fewer travellers for Scotland coach services and less disruption for CMAC.

The Negative

- High capital expenditure. While the UK has enjoyed a significant turnaround in operations, there is an accompanying need to invest in new buses. Capex jumped from S\$68mn to S\$306mn in 1Q25. Almost 60% of the capex is on 452 buses for the Metroline Manchester contract. The UK is also converting more buses to EVs.

Outlook

The outlook for growth remains robust in FY25e. The two key earnings drivers are UK buses (Manchester and London) and the full-year contribution of Addison Lee taxi earnings. Singapore earnings are dependent on the competitive intensity of ride-hailing operations, but lower costs in rail, particularly electricity costs, can support margin expansion.

Maintain BUY with unchanged TP of S\$1.68

BUY (Maintained)

LAST CLOSE PRICE	SGD 1.49
FORECAST DIV	SGD 0.0897
TARGET PRICE	SGD 1.68
TOTAL RETURN	18.8%

COMPANY DATA

BLOOMBERG CODE:	CD SP
O/S SHARES (MN) :	2,167
MARKET CAP (SGD mn) :	3,293
52 - WK HI/LO (SGD) :	1.55 / 1.32
3M Average Daily T/O (mn) :	10.2

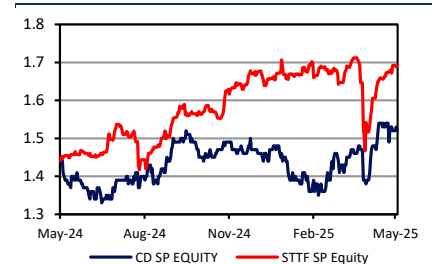
MAJOR SHAREHOLDERS

Silchester International Investors LLP	8.0%
Ameriprise Financial Inc	6.2%
Bank of Montreal	5.1%

TOTAL PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	13.2	15.7	6.3
STTF	11.3	1.5	4.4

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec (\$\$mn)	FY23	FY24	FY 25e	FY 26e
Revenue	3,880	4,477	4,892	5,170
PATMI, adj	174.1	205.4	249.0	271.7
EPS, adj. (cents)	8.0	9.5	11.5	12.5
P/E, adj. (x)	18.5	15.7	13.0	11.9
BVPS (cents)	139	140	145	151
P/B (x)	1.1	1.1	1.0	1.0
DPS (cents)	6.7	7.8	9.0	9.8
Div. Yield (%)	4.5	5.2	6.0	6.6

Source: Bloomberg, PSR

VALUATION METHOD

DCF (WACC: 9.2%; Terminal g: 1.0%)

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Financials

Income Statement

SGD mn, Y/E Dec	FY22	FY23	FY24	FY 25e	FY 26e
Revenue	3,780.8	3,880.3	4,476.5	4,892.4	5,170.0
EBITDA	627.2	636.3	691.3	797.5	847.9
Depreciation & Amortisation	(357.2)	(364.2)	(368.4)	(400.1)	(415.8)
EBIT	270.0	272.1	322.9	397.4	432.1
Net Finance (Expense)/Inc	1.9	6.5	(7.2)	(20.2)	(20.4)
Profit Before Tax	272.7	280.0	317.5	377.2	411.7
Taxation	(54.2)	(55.0)	(61.8)	(71.7)	(78.2)
Profit After Tax	218.5	225.0	255.7	305.5	333.5
Non-controlling interest	45.4	44.5	45.2	56.6	61.8
PATMI, reported	173.1	180.5	210.5	249.0	271.7
PATMI, adj.	154.8	174.1	205.4	249.0	271.7

Per share data (cents)

	FY22	FY23	FY24	FY 25e	FY 26e
EPS, reported	8.0	8.3	9.7	11.5	12.5
EPS, adj.	7.1	8.0	9.5	11.5	12.5
DPS	8.5	6.7	7.8	9.0	9.8
BVPS	139	139	140	145	151

Cash Flow

SGD mn, Y/E Dec	FY22	FY23	FY24	FY 25e	FY 26e
CFO					
PBT	272.7	280.0	317.5	377.2	411.7
Adjustments	-	-	-	-	-
WC changes	59.0	(125.5)	(86.6)	(129.1)	(4.5)
Cash generated from ops	682.2	531.6	620.3	668.3	843.4
Others	(79.9)	(82.5)	(72.8)	(71.7)	(78.2)
Cashflow from ops	602.3	449.1	547.5	596.7	765.2
CFI					
CAPEX, net	(222.3)	(323.4)	(373.0)	(447.6)	(537.1)
Divd from associates & JVs	-	2.1	7.5	-	-
Others	(28.7)	(9.2)	(604.6)	4.8	4.5
Cashflow from investments	(251.0)	(330.5)	(970.1)	(442.8)	(532.6)
CFF					
Share issuance, net	-	3.7	-	-	-
Loans, net of repayments	(50.1)	47.8	722.2	-	-
Dividends	(171.3)	(211.9)	(190.3)	(180.9)	(202.9)
Others	(53.3)	(63.7)	(73.2)	(24.9)	(24.9)
Cashflow from financing	(274.7)	(224.1)	458.7	(205.8)	(227.8)
Effects of exchange rates	(28.7)	(4.6)	(0.6)	-	-
Net increase (decrease) in CCE	47.9	(110.1)	35.5	(52.0)	4.8
CCE, end	967.1	857.0	892.5	840.5	845.3

Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

SGD mn, Y/E Dec	FY22	FY23	FY24	FY 25e	FY 26e
ASSETS					
Cash	967.0	856.9	892.4	840.5	845.3
Accounts Receivables	476.7	532.7	725.7	572.1	574.4
Inventories	120.1	141.7	158.0	134.3	139.3
Prepayments	73.3	82.6	94.0	94.0	94.0
Others	7.6	0.2	29.0	29.0	29.0
Total current assets	1,644.7	1,614.1	1,899.1	1,669.9	1,682.0
PPE	2,038.4	2,012.1	2,129.6	2,177.1	2,298.5
Intangibles	816.3	822.6	1,458.2	1,458.2	1,458.2
Receivables	142.6	150.4	127.7	127.7	127.7
Others	59.9	90.5	111.2	111.2	111.2
Total non-current assets	3,057.2	3,075.6	3,826.7	3,874.2	3,995.6
Total Assets	4,701.9	4,689.7	5,725.8	5,544.2	5,677.5

LIABILITIES

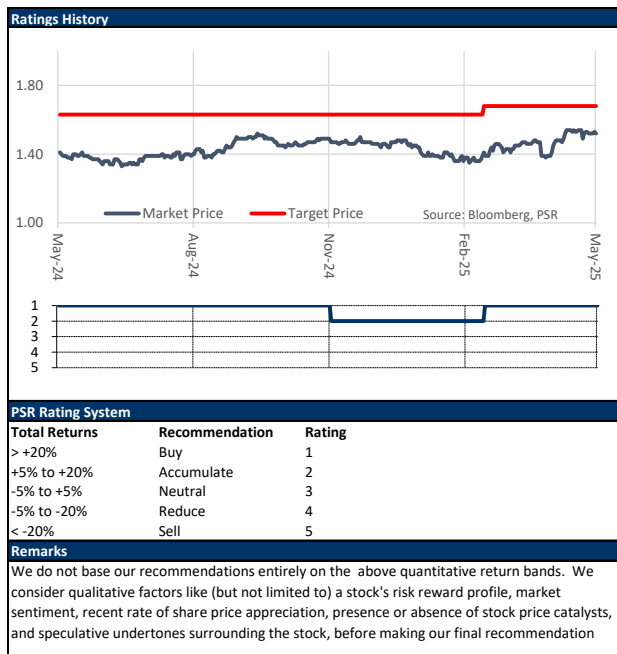
Short term loans	26.8	115.4	590.5	590.5	590.5
Accounts Payables	832.2	807.4	1,001.1	694.7	697.4
Others	181.8	168.8	209.1	209.1	209.1
Total current liabilities	1,040.8	1,091.6	1,800.7	1,494.3	1,497.0
Long term loans	265.4	234.9	491.1	491.1	491.1
Others	395.2	349.3	408.4	408.4	408.4
Total non-current liabilities	660.6	584.2	899.5	899.5	899.5
Total Liabilities	1,701.4	1,675.8	2,700.2	2,393.8	2,396.5

EQUITY

Non-controlling interest	430.5	416.2	426.6	483.2	544.9
Shareholder Equity	2,568.9	2,597.7	2,599.0	2,667.1	2,736.0

Valuation Ratios

	FY22	FY23	FY24	FY 25e	FY 26e
P/E (x), adj.	20.9	18.5	15.7	13.0	11.9
P/B (x)	1.1	1.1	1.1	1.0	1.0
Dividend Yield	5.7%	4.5%	5.2%	6.0%	6.6%
Growth & Margins					
Growth					
Revenue	7.9%	2.6%	15.4%	9.3%	5.7%
EBITDA	8.9%	1.5%	8.6%	15.4%	6.3%
EBIT	35.1%	0.8%	18.7%	23.1%	8.7%
Net Income, adj.	5.4%	12.5%	18.0%	21.2%	9.1%
Margins					
EBITDA margin	16.6%	16.4%	15.4%	16.3%	16.4%
EBIT margin	7.1%	7.0%	7.2%	8.1%	8.4%
PBT margin	7.2%	7.2%	7.1%	7.7%	8.0%
Net Profit Margin	4.1%	4.5%	4.6%	5.1%	5.3%
Key Ratios					
ROE	5.9%	6.7%	7.9%	9.5%	10.1%
ROA	3.2%	3.7%	3.9%	4.4%	4.8%
Dividend Payout	118.7%	82.9%	81.9%	78.0%	78.0%
Net Debt or (Net Cash)	-675	-507	189	241	236
Net Gearing (x)	Net Cash	Net Cash	6.3%	7.7%	7.2%



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