

Singapore Company Update

ComfortDelGro

Bloomberg: CD SP | Reuters: CMDG.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

15 Nov 2023

BUY

Last Traded Price (14 Nov 2023): S\$1.31 (STI : 3,104.66)

Price Target 12-mth: S\$1.67 (27% upside) (Prev S\$1.65)

Analyst

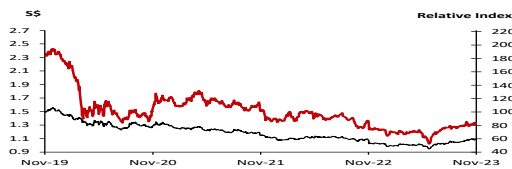
Andy SIM, CFA +65 6682 3718 andysim@dbs.com

Zheng Feng CHEE zhengfengchee@dbs.com

What's New

- 9M23 revenue in line with expectations at 72% of FY23F estimates, with earnings slightly ahead at 75%
- 3Q23 earnings improved sequentially to S\$49.9m (+9% q-o-q) on back of positive contribution from UK Public Transport
- FY23F/24F earnings raised by 1.7%/3.4% on higher margins for UK Public Transport and Taxi & Private Hire segment
- Maintain BUY with slightly higher TP of S\$1.67

Price Relative



Forecasts and Valuation

FY Dec (\$m)	2022A	2023F	2024F	2025F
Revenue	3,781	3,962	4,146	4,284
EBITDA	628	636	708	743
Pre-tax Profit	273	270	327	354
Net Profit	173	175	212	229
Net Pft (Pre Ex.)	173	175	212	229
Net Pft Gth (Pre-ex) (%)	40.7	0.9	21.5	8.1
EPS (S cts)	7.98	8.05	9.78	10.6
EPS Pre Ex. (S cts)	7.98	8.05	9.78	10.6
EPS Gth Pre Ex (%)	41	1	21	8
Diluted EPS (S cts)	7.97	8.04	9.76	10.5
Net DPS (S cts)	8.48	6.44	7.82	8.45
BV Per Share (S cts)	118	118	121	124
PE (X)	16.4	16.3	13.4	12.4
PE Pre Ex. (X)	16.4	16.3	13.4	12.4
P/Cash Flow (X)	4.7	4.9	4.2	4.1
EV/EBITDA (X)	4.1	4.0	3.4	3.1
Net Div Yield (%)	6.5	4.9	6.0	6.5
P/Book Value (X)	1.1	1.1	1.1	1.1
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	6.6	6.8	8.2	8.6
Earnings Rev (%)		2	3	-
Consensus EPS (S cts):		7.8	8.6	9.1
Other Broker Recs:		B: 8	S: 0	H: 1

Source of all data on this page: Company, DBS Bank, Bloomberg Finance L.P.

UK public transport turning a corner

Investment Thesis:

Integrated taxi operator pivoting towards commission-based business model. ComfortDelgro Group (CDG) is one of the largest global land transport operators with leading operations in Singapore, Australia, and the UK. The company is transforming itself to stay competitive in the point-to-point (P2P) market in Singapore with the introduction of its ride-hailing app, Zig. It has also embarked on multiple initiatives to turn its business segments green, such as provision of EV charging and greening its buses and taxi fleet, potentially paving the way for inclusion in ESG indices.

Platform fee commission fee model for Singapore Taxi & Private Hire segment to drive future growth.

CDG has introduced booking commissions on its re-launched ride-hailing platform app, Zig, since May 2022 to stem declining taxi rental income in Singapore. Since 1 July 2023, there is a S\$0.70 platform fee for using the Zig app, which we expect to deliver additional revenue of S\$15m to S\$18m p.a. and S\$12m to S\$15m bottom-line contribution.

Taxi & Private Hire segment needs to prove itself to be a competitive business to drive re-rating.

The ride-hailing market has recently seen heightened competition amongst players. Gojek recently cut its driver's commission to lure more drivers to its platform. Amidst aggressive competition, demand for point-to-point (P2P) transport continues to remain strong, offsetting some of the adverse competitive pricing impact. We believe current competition is not tenable in the long term and expect rationality to set in, which would provide headroom for CDG to increase its current 5% driver commission (vs 20% for Grab).

Maintain BUY with revised TP of S\$1.67, implies 27% upside. Our TP of S\$1.67 is based on a blended valuation of 5-year average historical PB and EV/EBITDA at 1.3x and 5x, respectively. Our upside hinges on roughly 49% contribution from re-rating towards its 5-year historical average, and remaining 50% from earnings/book value growth, driven mainly by its Public Transport and Taxi and Private Hire segments.

Key Risks

Resurgence of high inflation in the UK will lead to losses due to indexation lag effect.

At A Glance

Issued Capital (m shrs)	2,166
Mkt. Cap (S\$m/US\$m)	2,837 / 2,104
Major Shareholders (%)	
Ameriprise Financial	6.2
Free Float (%)	93.8
3m Avg. Daily Val (US\$m)	5.6
GIC Industry : Industrials / Transportation	

Sequential improvement aided by improved UK Public Transport Dynamics

Maintain BUY with higher revised TP of S\$1.67. We maintain our BUY recommendation on ComfortDelGro Group (CDG) with higher revised TP of S\$1.67 on earlier than expected UK Public Transport turnaround and higher margins for Taxi & Private hire segment.

3Q23 slightly ahead of expectations; 9M23 revenue/PATMI at 72%/75% of our FY23F estimates. 9M23 revenue and PATMI came in at S\$2.86bn and S\$128m respectively, with revenue tracking in line with expectations and PATMI tracking slightly ahead, on expectations of 4Q23 performance to be similar to 3Q23 (3Q23 PATMI of S\$49.9m).

UK Public Transport turned profitable in 3Q23. UK Public Transport segment reported operating profit of S\$6.1m, a turnaround from four consecutive quarters of losses. This was due to UK fare indexation kicking in and renewal of contracts at much higher margins as the bidding environment has turned more sensible and less aggressive, according to management. Current significant indexation effect is expected to extend into 1H23 before moderating.

Taxi & Private Hire margin continues to improve with introduction of platform fees and lower rental discounts in China. Operating margin for this segment continues to trend upwards from 18.3% in 2Q23 to 19.3% in 3Q23. However, revenue growth slowed to +5% q-o-q, S\$6.8m, largely attributable to S\$5-6m in platform fees (effective Jul-23). China operation is expected to remain soft with recovery to pre-COVID level likely in 2H24.

Our View

PATMI is trending ahead of FY23F estimates, forming 75% of estimates and expect 4Q23 to perform at least on par with 2Q23. UK Public Transport segment has recovered earlier than expected and should see further profitability improvement going into 1H24F. Singapore Public Transport and Other Segments could see a slight sequential tapering off in 4Q23 on higher operating costs and expenses respectively. Overall, on a net basis, we believe the company should be on track to achieve at least the same level of profitability as 2Q23 in 4Q23, thus coming in slightly ahead our original FY23F estimates.

Taxi & Private Hire segment seeing heightened competition.

Overall bookings have remained stable q-o-q whereas the number of private hire vehicles (proxy for drivers) in the Singapore market has increased. Management also alluded to aggressive fare pricing by competitors but noted that consumer demand for P2P transport remains strong. Accordingly, we have factored in relatively stable Taxi & Private Hire operating profit for FY24F despite ridership growth tailwinds.

We believe that with industry players heading towards profitability, competition in the P2P transport should ease and CDG's diversified private hire operations position it well to emerge as one of the survivors in this market.

Singapore Public Transport to see revenue and profitability uplift from 7% fare revision and increasing ridership.

We believe continued ridership growth and the upcoming 7% fare revision effective 23 Dec-23 should provide top and bottom-line uplift to Singapore Public Transport segment. Accordingly, we raised our revenue and earnings assumption for the group's Singapore rail operations in FY24F.

Valuation and forecasts

FY23F/24F earnings raised marginally by 1-4%. We raised our FY23F/24F earnings by +1.7%/+3.4% factoring in higher operating margins for Public Transport (UK and SG) and Taxi & Private Hire segments.

Reiterate BUY, TP at S\$1.67 on higher FY24F book value and earnings.

We based our TP on a blended valuation of 5-year average historical PB and EV/EBITDA at 1.3x and 5x, respectively. Based on our revised earnings estimate, the current price represents an attractive 4.9%/6.0% FY23F/FY24F dividend yield. The sequential improvement seen in 3Q23 and for the past two quarters should lend confidence to the recovery trajectory of the group, and that the worst has passed. With expected earnings recovery in FY24F, valuations at 1.1x PB and 13.4x PE look undemanding, along with its strong balance sheet. We reiterate BUY with revised TP of S\$1.67.

Company Background

ComfortDelGro Corporation Limited (CDG) is a land transport service company. Its business includes bus, taxi, rail, and car rental and leasing, automotive engineering services, testing services, etc. Besides being a market leader for buses and taxis in Singapore, its business spans other geographies such as the UK, Australia, China, Vietnam, and Malaysia.

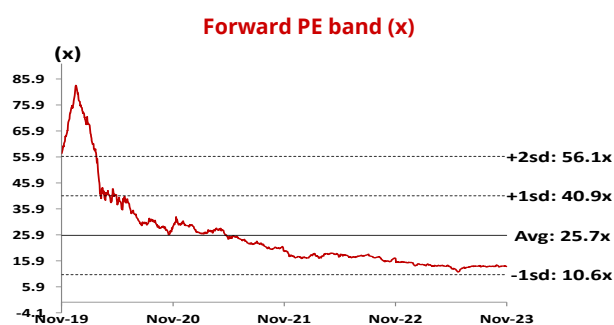
ComfortDelGro

Interim Income Statement (\$m)

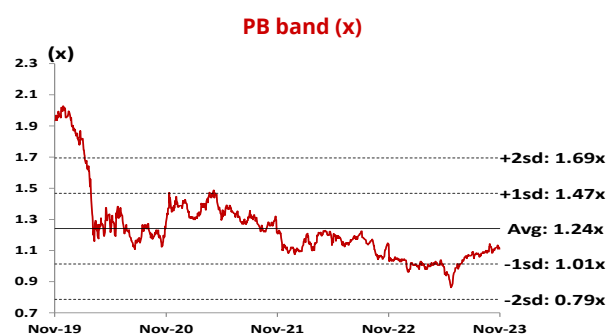
FY Dec	1H2022	2H2022	1H2023	% chg yoy	% chg hoh
Revenue	1,843	1,938	1,862	1.0	(3.9)
Cost of Goods Sold	0	0	0	-	-
Gross Profit	1,843	1,938	1,862	1.0	(3.9)
Other Oper. (Exp)/Inc	(1,711)	(1,839)	(1,747)	2.1	(5.0)
Operating Profit	132	99	115	(12.7)	16.7
Other Non Opg (Exp)/Inc	4	11	15	272.5	33.0
Associates & JV Inc	1	0	1	80.0	nm
Net Interest (Exp)/Inc	(5)	(8)	(9)	(89.8)	(10.7)
Exceptional Gain/(Loss)	39	0	2	(95.4)	nm
Pre-tax Profit	171	102	124	(27.5)	21.3
Tax	(35)	(19)	(24)	(32.3)	23.4
Minority Interest	(20)	(25)	(22)	(5.4)	(14.0)
Net Profit	115	58	79	(31.9)	35.8
Net profit bef Except.	76	58	77	0.4	32.7
EBITDA	314	290	312	(0.8)	7.5
Margins (%)					
Gross Margins	100.0	100.0	100.0		
Opg Profit Margins	7.2	5.1	6.2		
Net Profit Margins	6.3	3.0	4.2		

Source of all data: Company, DBS Bank

Historical PE and PB band



Source: Bloomberg Finance L.P., DBS Bank estimates



Source: Bloomberg Finance L.P., DBS Bank estimates

ComfortDelGro

Key Assumptions

FY Dec	2021A	2022A	2023F	2024F	2025F
SGP avg taxi fleet (#)	9,300	8,789	8,800	8,900	8,900
SGP fare chg (%)	3.00	3.00	3.00	4.00	4.00
Chg in staff strength (%)	(1.0)	1.00	0.20	0.20	0.20

Segmental Breakdown

FY Dec	2021A	2022A	2023F	2024F	2025F
Revenues (\$m)					
Public Transport Svc	2,787	3,014	3,045	3,183	3,286
Taxi	426	438	497	533	557
Automotive Engr	174	202	206	209	211
Vehicle Inspection	101	108	110	113	115
Others	90.3	95.0	102	110	116
Total	3,503	3,781	3,962	4,146	4,284
EBIT (\$m)					
Public Transport Svc	131	155	116	138	144
Taxi	18.5	52.1	69.6	95.9	111
Automotive Engr	10.7	10.5	16.5	16.7	16.9
Vehicle Inspection	30.6	32.6	34.2	34.9	35.6
Others	19.5	19.9	25.2	30.7	30.4
Total	210	270	261	316	338
EBIT Margins (%)					
Public Transport Svc	4.7	5.1	3.8	4.3	4.4
Taxi	4.3	11.9	14.0	18.0	20.0
Automotive Engr	6.1	5.2	8.0	8.0	8.0
Vehicle Inspection	30.3	30.1	31.0	31.0	31.0
Others	21.6	20.9	24.7	27.9	26.3
Total	6.0	7.1	6.6	7.6	7.9

Source: Company, DBS Bank

ComfortDelGro

Income Statement (\$m)

FY Dec	2021A	2022A	2023F	2024F	2025F
Revenue	3,503	3,781	3,962	4,146	4,284
Cost of Goods Sold	0.0	0.0	0.0	0.0	0.0
Gross Profit	3,503	3,781	3,962	4,146	4,284
Other Opng (Exp)/Inc	(3,303)	(3,511)	(3,700)	(3,831)	(3,946)
Operating Profit	200	270	261	316	338
Other Non Opng (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.10	0.80	2.00	2.00	2.00
Net Interest (Exp)/Inc	(5.2)	1.90	6.11	9.48	13.4
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	195	273	270	327	354
Tax	(41.8)	(54.2)	(51.2)	(62.2)	(67.2)
Minority Interest	(29.9)	(45.4)	(43.7)	(53.0)	(57.3)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	123	173	175	212	229
Net Profit before Except.	123	173	175	212	229
EBITDA	576	628	636	708	743
Growth					
Revenue Gth (%)	8.5	7.9	4.8	4.7	3.3
EBITDA Gth (%)	(2.0)	9.0	1.3	11.3	5.0
Opg Profit Gth (%)	62.3	35.1	(3.2)	20.8	7.1
Net Profit Gth (Pre-ex) (%)	99.0	40.7	0.9	21.5	8.1
Margins & Ratio					
Gross Margins (%)	100.0	100.0	100.0	100.0	100.0
Opg Profit Margin (%)	5.7	7.1	6.6	7.6	7.9
Net Profit Margin (%)	3.5	4.6	4.4	5.1	5.4
ROAE (%)	4.6	6.6	6.8	8.2	8.6
ROA (%)	2.4	3.6	3.7	4.5	4.7
ROCE (%)	3.7	5.6	5.8	6.9	7.2
Div Payout Ratio (%)	74.0	106.2	80.0	80.0	80.0
Net Interest Cover (x)	38.4	NM	NM	NM	NM

Interim Income Statement (\$m)

FY Dec	1H2021	2H2021	1H2022	2H2022	1H2023
Revenue	1,743	1,760	1,843	1,938	1,862
Cost of Goods Sold	0.0	0.0	0.0	0.0	0.0
Gross Profit	1,743	1,760	1,843	1,938	1,862
Other Oper. (Exp)/Inc	(1,610)	(1,693)	(1,711)	(1,839)	(1,747)
Operating Profit	133	66.9	132	98.9	115
Other Non Opng (Exp)/Inc	3.20	(3.2)	4.00	11.2	14.9
Associates & JV Inc	0.0	0.10	0.50	0.30	0.90
Net Interest (Exp)/Inc	(5.9)	0.70	(4.9)	(8.4)	(9.3)
Exceptional Gain/(Loss)	1.70	(1.7)	38.9	0.0	1.80
Pre-tax Profit	132	62.8	171	102	124
Tax	(24.3)	(17.5)	(35.0)	(19.2)	(23.7)
Minority Interest	(16.6)	(13.3)	(20.4)	(25.0)	(21.5)
Net Profit	91.0	32.0	115	57.8	78.5
Net profit bef Except.	89.3	33.7	76.4	57.8	76.7
EBITDA	342	260	314	290	312
Growth					
Revenue Gth (%)	2.8	1.0	4.7	5.1	(3.9)
EBITDA Gth (%)	204.5	(24.1)	21.1	(7.7)	7.5
Opg Profit Gth (%)	13.3	(49.7)	97.6	(25.2)	16.7
Net Profit Gth (%)	33.0	(64.8)	260.3	(49.9)	35.8
Margins					
Gross Margins (%)	100.0	100.0	100.0	100.0	100.0
Opg Profit Margins (%)	7.6	3.8	7.2	5.1	6.2
Net Profit Margins (%)	5.2	1.8	6.3	3.0	4.2

Source: Company, DBS Bank

ComfortDelGro
Balance Sheet (\$m)

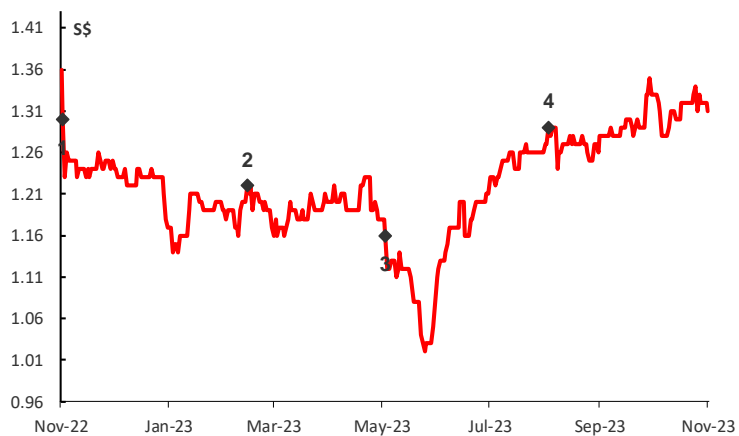
FY Dec	2021A	2022A	2023F	2024F	2025F
Net Fixed Assets	2,431	2,038	1,966	1,896	1,844
Invt in Associates & JVs	0.80	7.40	9.40	11.4	13.4
Other LT Assets	935	1,010	1,015	1,020	1,025
Cash & ST Invt	919	967	993	1,150	1,324
Inventory	117	120	128	134	138
Debtors	537	550	583	610	630
Other Current Assets	15.4	7.60	7.60	7.60	7.60
Total Assets	4,955	4,701	4,702	4,830	4,982
ST Debt	23.9	26.8	25.0	25.0	25.0
Creditor	776	832	880	921	952
Other Current Liab	191	182	167	178	183
LT Debt	317	265	200	150	150
Other LT Liabilities	512	395	395	395	395
Shareholder's Equity	2,707	2,569	2,560	2,632	2,692
Minority Interests	430	431	474	527	585
Total Cap. & Liab.	4,955	4,701	4,702	4,830	4,982
Non-Cash Wkg. Capital	(297)	(336)	(330)	(349)	(360)
Net Cash/(Debt)	578	675	768	975	1,149
Debtors Turn (avg days)	55.8	52.5	52.2	52.5	52.8
Creditors Turn (avg days)	90.5	93.0	93.9	95.6	96.5
Inventory Turn (avg days)	15.3	13.7	13.6	13.9	14.0
Asset Turnover (x)	0.7	0.8	0.8	0.9	0.9
Current Ratio (x)	1.6	1.6	1.6	1.7	1.8
Quick Ratio (x)	1.5	1.5	1.5	1.6	1.7
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	57.0	76.1	133.3	182.9	200.0

Cash Flow Statement (\$m)

FY Dec	2021A	2022A	2023F	2024F	2025F
Pre-Tax Profit	195	273	270	327	354
Dep. & Amort.	376	357	372	390	403
Tax Paid	(64.7)	(64.4)	(65.6)	(51.2)	(62.2)
Assoc. & JV Inc/(loss)	(0.1)	(0.8)	(2.0)	(2.0)	(2.0)
Chg in Wkg.Cap.	75.0	59.0	7.88	7.93	5.91
Other Operating CF	79.7	(21.4)	0.0	0.0	0.0
Net Operating CF	661	602	582	672	698
Capital Exp.(net)	(194)	(222)	(300)	(320)	(350)
Other Invt.(net)	(2.2)	(2.1)	(5.0)	(5.0)	(5.0)
Invt in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	(7.3)	(26.6)	0.0	0.0	0.0
Net Investing CF	(204)	(251)	(305)	(325)	(355)
Div Paid	(76.5)	(138)	(184)	(140)	(170)
Chg in Gross Debt	(144)	(50.1)	(67.2)	(50.0)	0.0
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(66.8)	(86.8)	0.0	0.0	0.0
Net Financing CF	(287)	(275)	(251)	(190)	(170)
Currency Adjustments	6.40	(28.7)	0.0	0.0	0.0
Chg in Cash	176	47.9	26.2	157	174
Opg CFPS (S cts)	27.0	25.1	26.5	30.6	31.9
Free CFPS (S cts)	21.5	17.5	13.0	16.2	16.0

Source: Company, DBS Bank

Target Price & Ratings 12-mth History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	15 Nov 22	1.30	1.85	BUY
2:	27 Feb 23	1.22	1.66	BUY
3:	16 May 23	1.16	1.62	BUY
4:	16 Aug 23	1.29	1.65	BUY

Note : Share price and Target price are adjusted for corporate actions.

Source: DBS Bank

Analysts: Andy SIM, CFA

Zheng Feng CHEE

DBS Bank recommendations are based on an Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

*Share price appreciation + dividends

Completed Date: 15 Nov 2023 09:23:14 (SGT)
Dissemination Date: 15 Nov 2023 09:53:35 (SGT)

Sources for all charts and tables are DBS Bank unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank Ltd. This report is solely intended for the clients of DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS Bank Ltd.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBSVUSA, a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), DBSVUSA, or their subsidiaries and/or other affiliates have a proprietary position in ComfortDelGro recommended in this report as of 31 Oct 2023.

Compensation for investment banking services:

2. DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.


Disclosure of previous investment recommendation produced:

3. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, their subsidiaries and/or other affiliates may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<p>This report is being distributed in Australia by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	<p>This report has been prepared by a personnel of DBS Bank Ltd, who is not licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This report is being distributed in Hong Kong and is attributable to DBS Bank (Hong Kong) Limited ("DBS HK"), a registered institution registered with the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.</p> <p>For any query regarding the materials herein, please contact Dennis Lam (Reg No. AH8290) at dbsvhk@dbs.com</p>
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;">  Wong Ming Tek, Executive Director, ADBSR </p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.
Thailand	<p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact Chanpen Sirithanarattanukul at research@th.dbs.com</p>

United Kingdom	<p>This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore.</p> <p>This report is disseminated in the United Kingdom by DBS Bank Ltd, London Branch ("DBS UK"). DBS UK is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBS UK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS UK, This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
Dubai International Financial Centre	<p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see http://www.dbs.com/ae/our-network/default.page.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</p>

United States	This report was prepared by DBS Bank Ltd. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

DBS Regional Research Offices

HONG KONG

DBS Bank (Hong Kong) Ltd

Contact: Dennis Lam
13th Floor One Island East,
18 Westlands Road,
Quarry Bay, Hong Kong
Tel: 852 3668 4181
Fax: 852 2521 1812
e-mail: dbsvhk@dbs.com

SINGAPORE

DBS Bank Ltd

Contact: Paul Yong
12 Marina Boulevard,
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: 65 6878 8888
e-mail: groupresearch@dbs.com
Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif
DBS Bank Tower
Ciputra World 1, 32/F
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia
Tel: 62 21 3003 4900
Fax: 6221 3003 4943
e-mail: indonesiaresearch@dbs.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul
989 Siam Piwat Tower Building,
9th, 14th-15th Floor
Rama 1 Road, Pathumwan,
Bangkok Thailand 10330
Tel. 66 2 857 7831
Fax: 66 2 658 1269
e-mail: research@th.dbs.com
Company Regn. No 0105539127012
Securities and Exchange Commission, Thailand