

INDUSTRIALS EQUITY RESEARCH

SBS TRANSIT LTD

SGX: S61

Bloomberg: SBUS:SP

ISIN code: SG1F58858209

Country: Singapore

Industry: Industrials

17 October 2025

RECOMMENDATION: BUY

Current price: S\$3.220

Target price: S\$3.935

Issued shares: 312.6 million (30 June 2025)

Market capitalisation: S\$1,006.5 million

52-week range: S\$2.380 – S\$3.400

COMPANY DESCRIPTION

SBS Transit Ltd ("SBS") is Singapore's largest public bus operator and one of the two major rail operators in the country. Its core business includes the provision of public transport services and consultancy related to land transport.

As of 2024, SBS operated approximately 200 bus routes with a fleet of over 3,300 buses and operated 81 train stations with a fleet of 200 trains. The company employed around 9,600 staff. In terms of rail operations, SBS operates the Downtown Line, North-East Line, and the Sengkang and Punggol LRT systems. It is also set to operate the upcoming Jurong Region Line via a joint venture with RATP Dev, with operations expected to commence in 2027. SBS is a listed subsidiary of ComfortDelGro Corporation.

SUMMARY

For the six months ended 30 June 2025 (1H FY2025), SBS's revenue fell by 4.5% from S\$781.4 million in 1H FY2024 to S\$745.9 million in 1H FY2025 mainly due to the loss of the Jurong West bus package. Pretax profit fell by 6.0% from S\$40.2 million in 1H FY2024 to S\$37.8 million in 1H FY2025. Net profit for the period fell by 7.7% from S\$33.7 million in 1H FY2024 to S\$31.1 million in 1H FY2025. Diluted Earnings Per Share ("EPS" in cents) fell by 7.9% from 10.79 in 1H FY2024 to 9.94 in 1H FY2025. In 1H FY2025, SBS declared a Dividend Per Share ("DPS") of 8.95 cents.

RECOMMENDATION

Using historical valuation metrics based on the past years (1H FY2021 to 1H FY2025), we estimate SBS's target price through three approaches. Based on the historical average P/E multiple of 13.38x and Trailing Twelve Months ("TTM") diluted EPS (cents) of 21.63, we estimate a target price of S\$2.895. Based on the historical average P/B multiple of 1.32x and NAV per share of S\$2.17 in 1H FY2025, we estimate a target price of S\$2.866. Based on the historical average yield of 5.30% and TTM DPS (cents) of 32.05, we estimate a target price of S\$6.046. By averaging the estimated target prices, we derive an overall target price of S\$3.935. The overall target price of S\$3.935 represents an upside potential of 22.2% from the current share price of S\$3.220. This valuation is further supported by bullish market conditions, with the Straits Times Index ("STI") at historic highs, SBS's inclusion in the iEdge Singapore Next 50 Index, rising retail participation and MAS's Equity Market Development Programme ("EQDP") initiative directing capital towards mid-cap companies like SBS.

In addition to favourable market sentiment, SBS's long-term fundamentals remain compelling. The company has a long-standing presence in Singapore's public transport system and stands to benefit from future opportunities, particularly if it secures the Cross Island Line ("CRL") contract. This associated revenue uplift is only expected to materialise in 2030 when CRL operations commence, should SBS secure the contract.

However, in the near term, SBS faces several challenges. High manpower costs, especially from bus captain recruitment continue to weigh on margins. The New Rail Financing Framework ("NRFF") Version 2 also limits profitability by capping earnings. Additionally, SBS has lost two bus packages (Jurong West and Tampines), reducing its market share and putting pressure on earnings. As a public transport operator, SBS must also invest in maintenance to prevent service disruptions, adding to operating costs.

Nonetheless, while the valuation analysis based on historical metrics has its limitations, we find that the target price of S\$3.935 may be representative of SBS's likely share price. This upside could be further supported by a shift back to office-based work, successful award of the CRL contract, and potential revisions to NRFF policies that allow for higher margin caps. However, we recognise that there are risks to the target price. These include prolonged MRT disruptions and a broader economic slowdown. Given SBS's healthy dividend yield and potential for capital appreciation, we recommend a buy.

KEY FINANCIALS	Revenue	Earnings ⁽¹⁾	EPS ⁽²⁾	P/E	DPS	Dividend Yield	NAV per share	P/B
Year ended 31 December	(S\$ million)	(S\$ million)	(cents)	(x)	(cents)	(%)	(S\$)	(x)
2023 Actual	1,527.1	69.1	22.2	12.14	11.2	4.15%	2.2	1.23
2024 Actual	1,559.7	70.3	22.5	10.70	28.7	11.90%	2.3	1.05
2025 Projection	1,533.0	65.4	20.9	15.40	14.4	4.48%	-	-
2026 Projection	1,533.4	68.0	21.8	14.79	15.0	4.66%	-	-

Figures have been rounded. P/E, P/B and dividend yield are based on the current share price of S\$3.220. FY2023 & FY2024 PE, PB and dividend yield are based on the share price after the release of their financial results.

⁽¹⁾ Profit after tax attributable to owners of the Company.

⁽²⁾ Earnings Per Share (basic).

Source: SBS, FPA

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PRICE PERFORMANCE

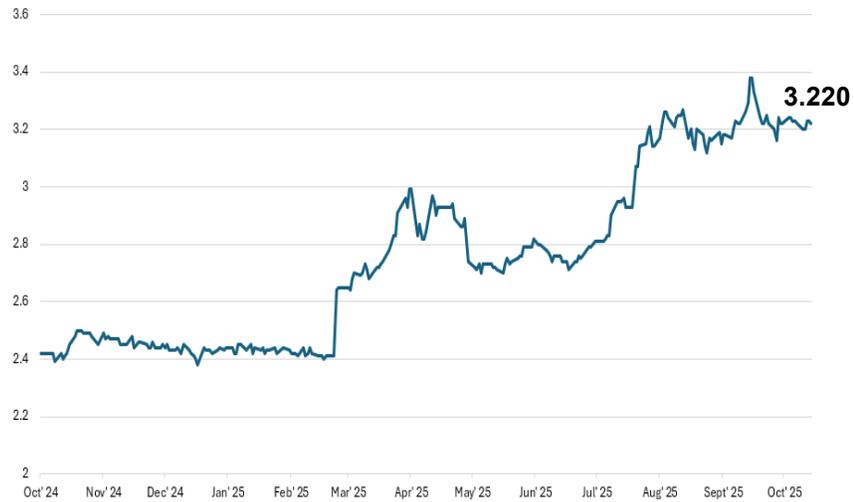


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COMPANY OVERVIEW

(I) CORPORATE PROFILE

SBS Transit Ltd (“SBS”) is Singapore’s largest public bus operator and one of the two major rail operators in the country. Its core business includes the provision of public transport services and consultancy related to land transport.

As of 2024, SBS operated approximately 200 bus routes with a fleet of over 3,300 buses and operated 81 train stations with a fleet of 200 trains. The company employed around 9,600 staff.

In terms of rail operations, SBS operates the Downtown Line (“DTL”), North-East Line (“NEL”), and the Sengkang and Punggol LRT systems (“SPLRT”). It is also set to operate the upcoming Jurong Region Line (“JRL”) via a joint venture with RATP Dev, with operations expected to commence in 2027.

SBS is a listed subsidiary of ComfortDelGro Corporation (“CDG”). CDG is a multi-modal transport operator with diverse businesses including taxi, bus, rail, car rental & leasing, automotive engineering & maintenance services, vehicle inspection & testing, driver training, insurance brokerage, and outdoor advertising. CDG operates both in Singapore and internationally. VICOM, a subsidiary of CDG, is also listed on the Singapore Exchange.

(II) OPERATIONS

Bus Operations:

SBS operates eight out of the 14 bus packages under the Bus Contracting Model (“BCM”). Under this model, transport operators are appointed through a competitive tender process and are paid to run public bus services. The Singapore government retains fare revenue and owns all infrastructure and operating assets such as buses and depots.

In 2024, SBS held a market share of 54.3%, making it the dominant player in Singapore’s public bus network.

The bus packages operated by SBS are shown in **Exhibit 1**.

Exhibit 1: Bus Packages Operated by SBS

Bus Package	Contract Period
Seletar Bus Package	March 2025 - 2030
Bukit Merah Bus Package	April 2024 - 2029
Tampines Bus Package ⁽¹⁾	Sep 2016 - Jul 2026
Sengkang - Hougang Bus Package	Sep 2016 - 2024 (extended for an undisclosed duration)
Bedok Bus Package	Sep 2016 - 2023 (extended for an undisclosed duration)
Serangoon - Eunos Bus Package	Sep 2016 - 2025 (extended for an undisclosed duration)
Clementi Bus Package	Sep 2016 - 2025 (extended for an undisclosed duration)
Bishan - Toa Payoh Bus Package	Sep 2016 - 2026 (extended for an undisclosed duration)
<i>Jurong West Bus Package⁽²⁾</i>	<i>Sep 2016 - Aug 2024</i>

⁽¹⁾ The Tampines Bus Package will be taken over by Go-Ahead Singapore from 5th July 2026. ⁽²⁾ As at 31st August 2024, the Jurong West Bus Package is no longer operated by SBS.

Source: SBS, LTA, Land Transport Guru, FPA

Among the bus packages operated by SBS, the Seletar and Bukit Merah packages were awarded through competitive tenders, with contract values of S\$526.2 million and S\$476.5 million respectively, over a five-year period. The Seletar bus package covers the period from 2025 to 2030, while the Bukit Merah bus package runs from 2024 to 2029. The remaining six packages were extended under negotiated contracts. Upon the conclusion of these contracts, the services will be subject to a new tendering process.

Rail Operations:

Singapore currently has eight operational rail lines, of which SBS operates three: the DTL, NEL, and the SPLRT. SBS has also secured the contract to operate the JRL, scheduled to begin service in 2027.

The remaining lines – Bukit Panjang LRT Line (“BPLRT”), Circle Line (“CCL”), East-West Line (“EWL”), North-South Line (“NSL”) and Thomson-East Coast Line (“TEL”) are operated by SMRT, as shown in **Exhibit 2**.

Exhibit 2: Overview of Singapore Rail Lines & their Operators

SBS	SMRT
Downtown Line	Bukit Panjang LRT Line
North-East Line	Circle Line
Sengkang-Punggol LRT Line	East-West Line
Jurong Region MRT Line ⁽¹⁾	North-South Line
	Thomson-East Coast Line

(1) The Jurong Region Line is still under construction.

Source: SBS, LTA, FPA

In 2024, SBS’s rail ridership rose by 3.9% to 444.8 million passengers compared to 2023. Its rail network expanded by 1.6 km, or approximately 1.9%, reaching a total length of 84.6 km following the opening of Punggol Coast Station on the NEL. This gives SBS a 31.3% share of Singapore’s total rail network by track length.

The DTL, NEL and SPLRT operate under the New Rail Financing Framework (“NRFF”) Version Two.

The NRFF is an asset-light model where the LTA owns and manages all major operating assets, such as trains and infrastructure. SBS, as the operator, pays an annual licence charge to LTA for the right to operate, maintain, and earn revenue from the train systems. The licence charge depends on fare revenue and profitability.

Under the NRFF version two, LTA strengthened both the profit and risk-sharing mechanisms to reduce commercial volatility for the operator, while calibrating the revenue risk borne by the Singapore government. If ridership turns out much lower than projected and the financials of the operator suffers as a result, LTA shares some of the shortfalls in fare revenue and profits. Conversely, if profits outperform expectations, there is a greater component of profit-sharing, the operator will pay an increased licence charge that is channelled into the Railway Sinking Fund to be used for the renewal of operating assets. This means that the Earnings Before Interest and Tax (“EBIT”) margin of rail operators is effectively capped at approximately 5.0%.

Additionally, if new regulations introduced after the transition lead to higher operating costs or reduced revenue, such as changes to maintenance standards or reductions in advertising space, LTA may reimburse SBS for the impact.

Unlike SBS’s existing rail lines, the upcoming JRL will operate under a different model. In May 2023, the LTA launched a tender to appoint an operator for the JRL. Under this model, the successful bidder is awarded a contract, which includes funding to operate and maintain the line over a nine-year licence period, with the possibility of a two-year extension based on performance. During this period, the Government will bear the fare revenue risk, rather than the operator.

In November 2024, LTA awarded the contract to a joint venture between SBS and RATP Dev Asia Pacific. The total contractual value quoted for the full 11-year period is approximately S\$750 million.

Consultancy Services:

On 31st May 2024, SBS launched the SBS Transit Mobility Innovation Centre (“MINNOVA”), established in collaboration with Enterprise Singapore. MINNOVA serves as a hub for academia, startups, small and medium enterprises (“SMEs”) and industry experts to co-create solutions for the public transport industry.

Other Commercial Services:

SBS generates revenue from both advertising and rental income. Advertising is displayed across buses, trains, bus interchanges, and rail stations, while rental income is generated from the leasing of commercial and retail spaces located within these transport hubs.

From 1st January 2024 to 31st December 2032, the LTA may allow SBS to operate the rail advertising business, with a concession fee to be determined in consultation with SBS.

Historically, individual bus operators retained all non-fare revenue, including advertising income. However, this changed on 19th May 2025, when LTA awarded Moove Media the contract to manage advertising spaces on public buses and at bus interchanges. Under this arrangement, Moove Media will have the rights to manage and operate these advertising spaces for a period of seven years, starting from 1st November 2025.

Moove Media is an advertising agency and a sister company of SBS, it is a subsidiary of CDG.

The revenue split between public transport services and other commercial services is shown in **Exhibit 3**.

Exhibit 3: Breakdown of Revenue Segments (FY2021 – FY2024)

S\$'000	FY2021		FY2022		FY2023		FY2024	
	Revenue	Contribution (%)						
Public Transport Services	1,265,331	96.5%	1,464,995	96.7%	1,470,277	96.3%	1,499,977	96.2%
Other Commercial Services	45,511	3.5%	50,316	3.3%	56,859	3.7%	59,751	3.8%
Total	1,310,842	100.0%	1,515,311	100.0%	1,527,136	100%	1,559,728	100.0%

Source: SBS, FPA

(III) SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The substantial shareholders are summarised in **Exhibit 4**.

Exhibit 4: Substantial Shareholders

Substantial shareholders	Direct interest		Deemed interest		Total interest		As at
	No. of shares	%	No. of shares	%	No. of shares	%	
ComfortDelGro Corporation Limited	232,125,512	74.4%	-	-	232,125,512	74.4%	03 Mar '25

Source: SBS, FPA

CDG, the parent company of SBS, holds the largest total interest of 74.4% in SBS as at 3rd March 2025.

Approximately 25.6% of the issued ordinary shares of the company are held by the public.

INDUSTRY OUTLOOK

(I) UPCOMING TRAIN STATIONS & LINES

Since the DTL, NEL & SPLRT are operated under the NRFF Version 2, SBS collects fare revenue directly from commuters. As such, increased connectivity and network expansion translate into higher ridership and, consequently, greater fare revenue for the operator.

On 28th February 2025, the new Hume MRT Station on the DTL officially opened. Located along Upper Bukit Timah Road between Hillview and Beauty World stations, Hume serves nearby residential developments and improves access to landmarks such as the Rail Corridor (Central) and the Former Ford Factory. Commuters from Hume can now reach the Downtown station in approximately 30 minutes, saving up to 15 minutes in travel time.

Further expansions of the DTL are planned. In 2026, the Xilin and Sungei Bedok stations are expected to be completed, enhancing connectivity for residents in eastern Singapore. Another extension to the DTL, aimed at improving access in the western region, is scheduled for completion in 2035.

The new developments for the DTL are shown in **Exhibit 5**.

Exhibit 5: Upcoming Developments for the DTL



Including:
Gali Batu Depot
East Coast Integrated Depot

Last updated on 22/11/2025

DTL Downtown Line

Source: LTA

In addition, SBS will begin operating the JRL in 2027, with the first phase of the line set to open that year. Beyond SBS-operated lines, other parts of Singapore's rail network are also expanding. The TEL will add two new stations—Bedok South and Sungei Bedok—in 2026, while the CCL will be extended with three new stations: Keppel, Cantonment, and Prince Edward Road.

With continued network expansion and improved connectivity, SBS is well-positioned to benefit from rising ridership. As fare revenue is directly collected under the NRFF model, these developments support a stable and positive outlook for long-term revenue growth.

(II) RIDERSHIP GROWTH

On 3rd October 2025, The Straits Times reported that the National University of Singapore (“NUS”) had implemented a full return-to-office policy for all full-time staff, affecting approximately 12,000 employees. Similarly, Grab announced in October 2024 that its employees would be required to work from the office five days a week starting December 2024, citing the need for greater collaboration and in-person interaction.

These developments reflect a broader trend of companies shifting back to office-based work arrangements, which is expected to drive higher public transport usage, particularly during peak commuting hours. Supporting this, Straits Times noted that in H1 2025, average daily MRT and LRT ridership increased, while bus ridership declined slightly compared to H1 2024.

Despite overall public transport ridership still being 2.5% below pre-COVID levels, train ridership has already exceeded 2019 figures, reaching 3.65 million daily rides in H1 2025, up from 3.56 million in H1 2019 as shown in **Exhibit 6**. In contrast, bus ridership fell to 3.82 million daily rides, down from 3.85 million in H1 2024. According to NUS economist Timothy Wong, this decline is not unexpected, as Singapore's rail network increasingly serves as the backbone of the public transport system. With train stations located closer to residential areas, commuters are more likely to walk or cycle directly to MRT stations, bypassing buses altogether.

Exhibit 6: Average Number of Rides a Day from January to June (2019, 2024, 2025)

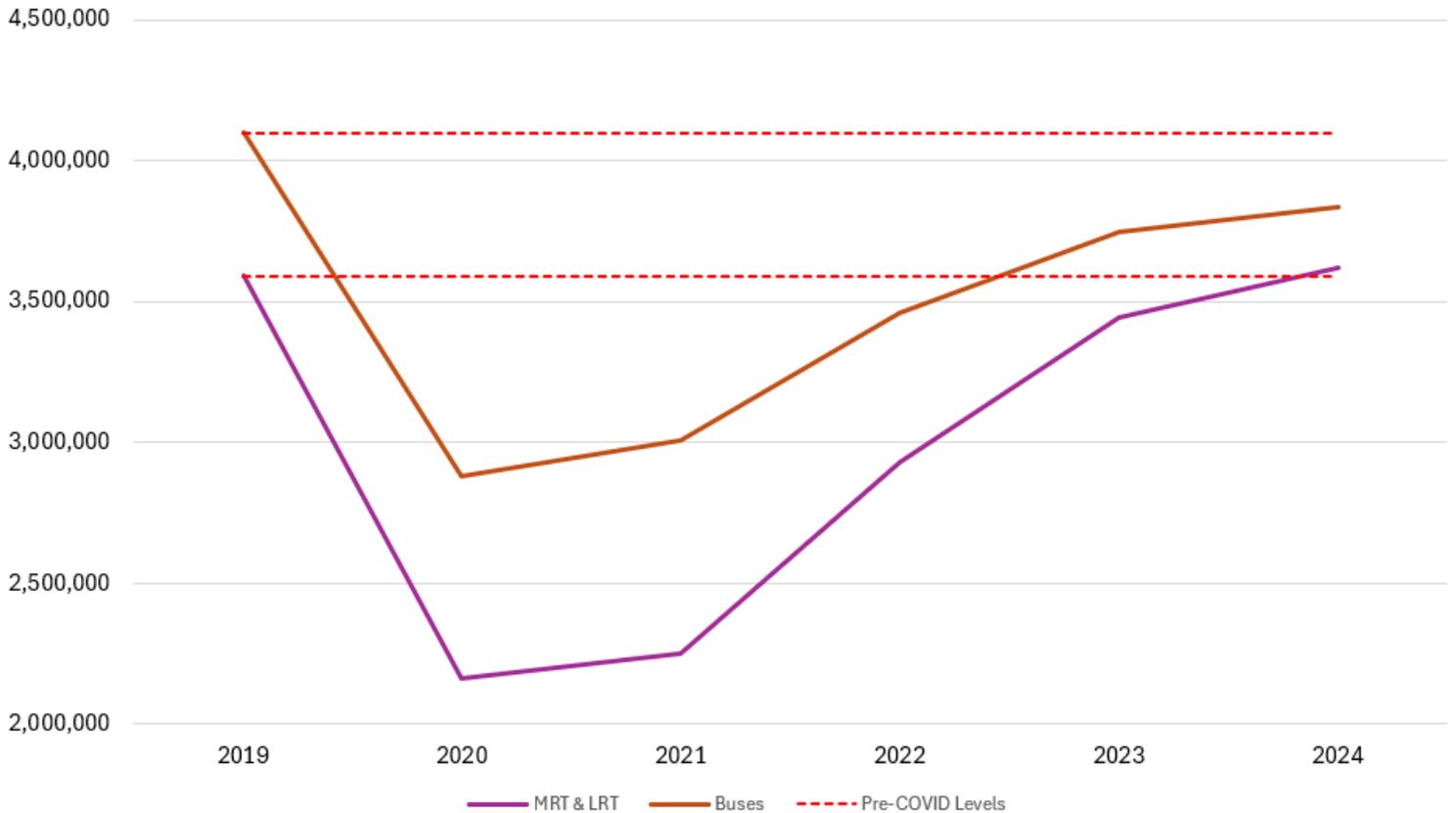


NOTE: Figures may not add up due to rounding off.

Source: Straits Times, LTA

Comparing average daily public transport ridership between 2019 and 2024, MRT and LRT usage in 2024 have surpassed pre-COVID levels, while bus ridership has plateaued, as shown in **Exhibit 7**. This trend reflects the LTA's long-term goal of having eight in 10 households within a 10-minute walk of a train station by the 2030s.

Exhibit 7: Average Daily Ridership for Public Transport Services (2019 – 2024)



Source: LTA, FPA

With more companies shifting away from remote work and LTA's continued push to expand rail connectivity, we expect ridership growth to accelerate, particularly in the rail segment. This trend supports a sustained positive outlook for SBS's revenue, especially under the fare-collecting NRFF model.

(III) MANPOWER COSTS

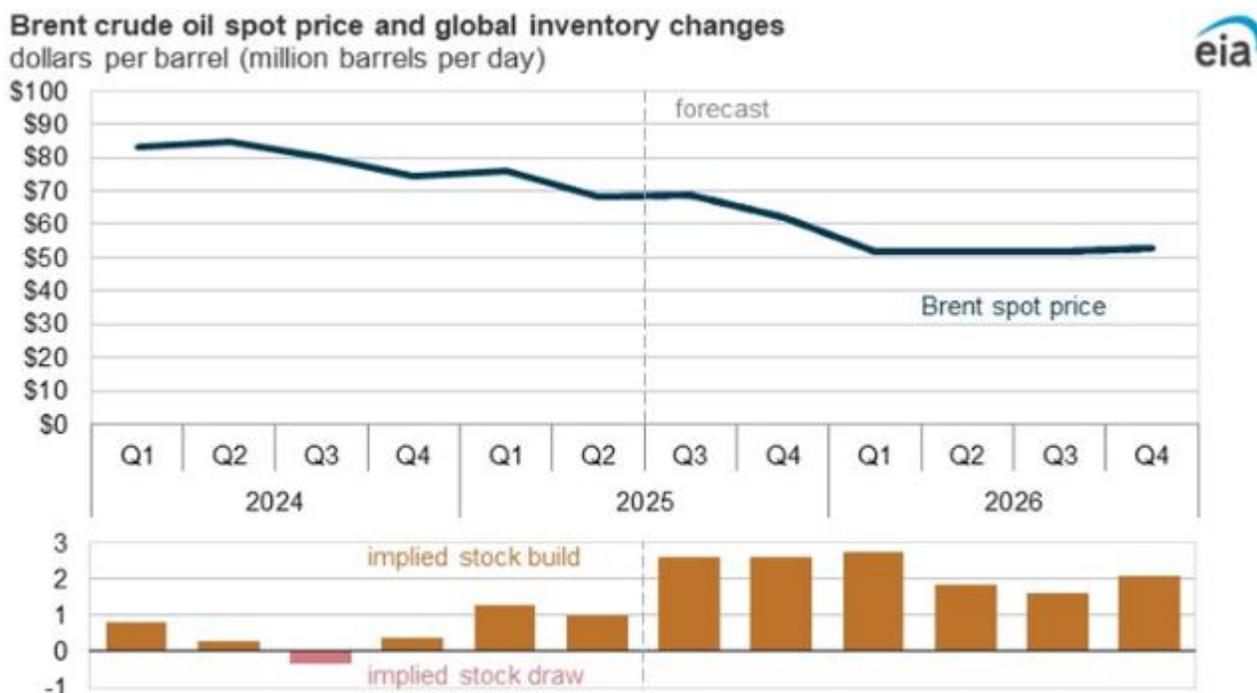
A recent Straits Times article highlighted that Singapore companies are exercising caution with salary increases in 2026, with Aon¹ reporting an average budgeted wage hike of 4.3%. Despite this moderation, employee turnover remains high at 19.3% from June 2024 to June 2025—one of the highest in the region.

Given this competitive labour landscape, we expect SBS to align with market wage growth to retain and attract talent.

(IV) FUEL & ELECTRICITY

According to its H1 FY2025 results, SBS expects fuel & energy costs to ease for the remainder of FY2025. This outlook aligns with the U.S. Energy Information Administration (“EIA”), which forecasts a decline in oil prices. Since a substantial proportion of SBS-operated buses run on diesel—a refined product of crude oil—crude oil prices serve as a useful proxy. The EIA projects that oil prices will average US\$62 per barrel in Q4 2025 and US\$52 per barrel in H1 2026 as shown in **Exhibit 8**. Additionally, they anticipate an inventory build averaging 2.6 million barrels per day in Q4 2025, with elevated levels continuing through 2026. This inventory surplus is expected to exert significant downward pressure on oil prices.

Exhibit 8: U.S. Crude Oil Market Outlook (2025 & 2026)



Source: EIA

According to the Energy Market Authority of Singapore (“EMA”), 95% of Singapore’s electricity comes from imported natural gas. As SBS trains run on electricity, natural gas serves as a useful proxy for future electricity costs. The International Energy Agency (“IEA”) noted in its Q3 2025 gas market report that gas demand growth in Emerging Asia² is expected to slow from 3% in 2024 to around 1% in 2025, due to high LNG prices and macroeconomic headwinds as shown in **Exhibit 9**. However, growth is

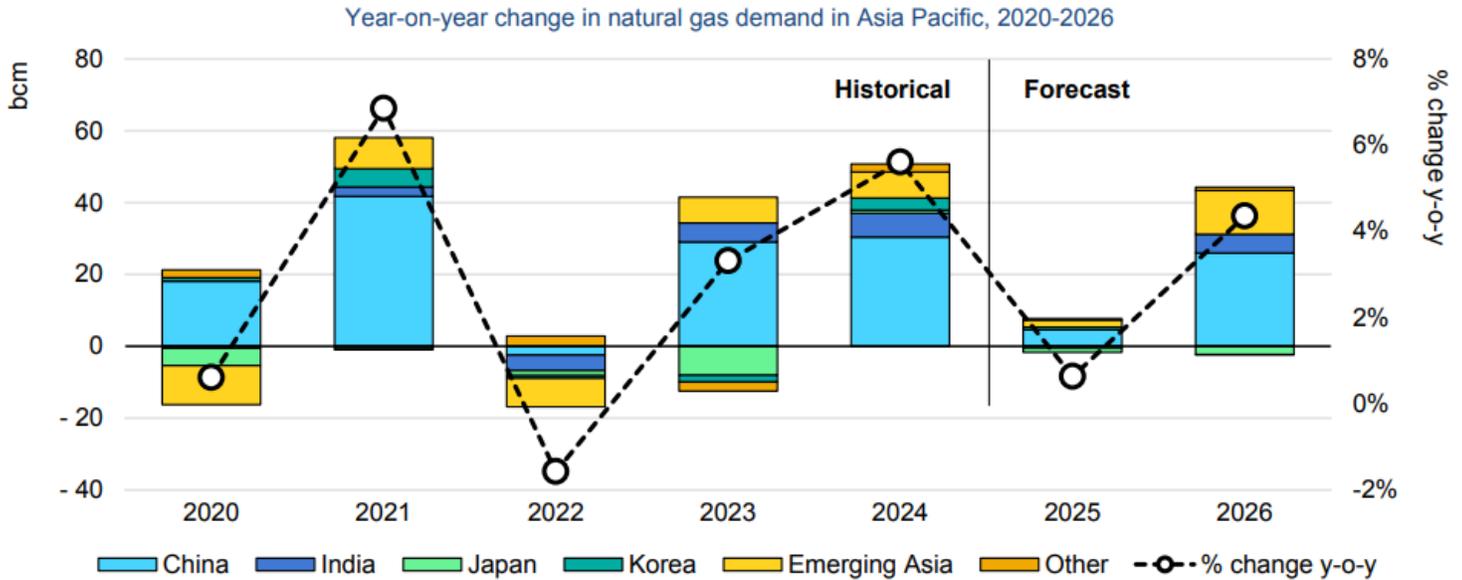
¹ Aon plc, a professional services firm, provides a range of risk and human capital solutions worldwide. The company was founded in 1919 and is listed on the New York Stock Exchange

² “Emerging Asia” comprises Bangladesh, Indonesia, Malaysia, Myanmar, Pakistan, the Philippines, Singapore, Thailand and Vietnam

projected to rebound to approximately 5% in 2026, driven by recovering demand in the power and industrial sectors amid rising energy needs, moderating prices, and improving economic conditions.

Exhibit 9: Natural Gas Outlook in Asia (2025 & 2026)

Natural gas demand in Asia is expected to return to stronger growth in 2026



Source: IEA

We expect SBS’s fuel and electricity costs to decline in 2025, driven by falling oil prices and weak demand for natural gas. In 2026, costs are projected to decrease further as crude oil prices continue to fall due to a supply glut. Natural gas prices are expected to follow a similar downward trend even as demand grows.

RECENT SHARE PRICE DEVELOPMENTS

Over the past year, SBS's share price rose by 33.1% from S\$2.420 on 17th October 2024 to S\$3.220 on 17th October 2025 as shown in **Exhibit 10**.

Exhibit 10: Share Price Performance (Last 12 Months)



Source: *Investing.com, FPA*

On 8th November 2024, SBS released its Q3 FY2024 business update. Revenue rose by 2.1% from S\$387.8 million in Q3 FY2023 to S\$396.1 million in Q3 FY2024. Net profit rose by 1.7% from S\$17.9 million in Q3 FY2023 to S\$18.2 million in Q3 FY2024. Share price fell by 0.8% from S\$2.47 on 8th November 2024 to S\$2.45 on 15th November 2024.

On 28th November 2024, SBS, in partnership with RATP Dev, announced that it had won the tender to operate and maintain the JRL. Share price fell by 0.4% from S\$2.46 on 28th November to S\$2.45 on 5th December 2024.

On 25th February 2025, SBS released its full-year FY2024 results. Revenue rose by 2.1% from S\$1.53 billion in FY2023 to S\$1.56 billion in FY2024. Net profit rose by 1.8% from S\$69.1 million in FY2023 to S\$70.3 million in FY2024. The company also announced a final dividend of 14.69 cents per share and a special dividend of 8.41 cents per share, subject to shareholders approval. Share price rose by 10.0% from S\$2.41 on 25th February 2025 to S\$2.65 on 4th March 2025.

On 2nd April 2025, US President Trump announced universal & "reciprocal tariffs" on US trading partners. Share price fell by 3.8% from S\$2.93 on 2nd April 2025 to S\$2.82 on 9th April 2025.

On 8th May 2025, Cheng Siak Kian, Deputy Chairman of SBS, and Jeffrey Sim Vee Ming, Group CEO, acquired 27,500 and 38,750 ordinary shares respectively. These shares were awarded under the SBS Executive Share Scheme. Following the transaction, Cheng Siak Kian holds a total of 62,500 shares, representing a 0.02% stake in the company, while Jeffrey Sim Vee

Ming holds 63,750 shares, also amounting to a 0.02% stake. Share price rose by 0.7% from S\$2.70 on 8th May 2025 to S\$2.72 on 15th May 2025.

On 9th May 2025, SBS released its Q1 FY2025 business update. Revenue fell by 4.7% from S\$392.1 million in Q1 FY2024 to S\$373.8 million in Q1 FY2025. Net profit fell by 6.2% from S\$17.0 million in Q1 FY2024 to S\$15.9 million in Q1 FY2025. Share price fell by 0.7% from S\$2.73 on 9th May 2025 to S\$2.71 on 16th May 2025.

On 21st July 2025, MAS announced the appointment of the first batch of asset managers under the S\$5 billion Equity Market Development Programme (“EQDP”). MAS plans to place an initial amount of S\$1.1 billion for management with these managers to improve the liquidity in the bourse. Since the announcement, the share price has risen by 7.5% from S\$2.93 on 21st July 2025 to S\$3.15 on 28th July 2025.

On 11th August 2025, SBS released its H1 FY2025 results. Revenue fell by 4.5% from S\$781.4 million in H1 FY2024 to S\$745.9 million in H1 FY2025. Net profit fell by 7.7% from S\$33.7 million in H1 FY2024 to S\$31.1 million in H1 FY2025. The company also announced an interim dividend of 8.95 cents per share. Share price fell by 1.3% from S\$3.21 on 11th August 2025 to S\$3.17 on 18th August 2025.

On 19th September 2025, LTA announced that the Tampines bus package will be awarded to Go-Ahead Singapore (“GAS”). SBS, the incumbent operator for Tampines, will hand over operations to GAS on 5th July 2026. Although SBS submitted a lower bid than GAS, the contract was awarded to GAS based on its highest overall score. GAS’s proposal included initiatives aimed at enhancing the industry’s capabilities for large-scale electric bus deployment. Share price fell by 3.3% from S\$3.33 on 19th September 2025 to S\$3.22 on 26th September 2025.

On 10th October, Trump announced that he would impose an additional 100% tariff on China and export controls on “any and all critical software” beginning 1st November. These planned tariffs would raise import taxes on Chinese goods to 130%. Share price remain unchanged at S\$3.22.

On 14th October, the Public Transport Council (“PTC”) announced that it would raise overall public fares by 5.0% after conducting its annual Fare Review Exercise. This fare hike would increase SBS’s annual revenue by S\$17.6 million. Share price rose by 0.6% from S\$3.20 on 14th October 2025 to S\$3.22 on 17th October 2025.

FINANCIAL ANALYSIS

In this section, we will provide a review of SBS's financial performance.

(I) FINANCIAL REVIEW

Revenue:

SBS's revenue fell by 4.5% from S\$781.4 million in H1 FY2024 to S\$745.9 million in H1 FY2025 as shown in **Exhibit 11**.

Revenue from Public Transport Services fell by 5.1% from S\$754.3 million in H1 FY2024 to S\$715.6 million in H1 FY2025 due to the loss of the Jurong West bus package in 31st August 2024, partially offset by higher rail average fare.

Revenue from Other Commercial Services rose by 11.9% from S\$27.1 million in H1 FY2024 to S\$30.3 million in H1 FY2025. This rise was attributed to higher digital advertising revenue from SG60 advertisements on buses.

Exhibit 11: Revenue (H1 FY2024 vs H1 FY2025)

S\$'000	Actual		H1 FY2024 vs H1 FY2025	
	H1 FY2024 (ended 30 Jun)	H1 FY2025 (ended 30 Jun)	Absolute Change	Change (%)
Public Transport Services	754,278	715,566	(38,712)	(5.13%)
Other Commercial Services	27,075	30,307	3,232	11.94%
Total Revenue	781,353	745,873	(35,480)	(4.54%)

Source: SBS, FPA

SBS recorded a 15.6% rise from S\$1.31 billion in FY2021 to S\$1.52 billion in FY2022, driven by Singapore's recovery from the COVID-19 pandemic, which boosted demand for public transportation as shown in **Exhibit 12**.

Revenue rose by a further 0.8% to S\$1.53 billion in FY2023, and another 2.1% to S\$1.56 billion in FY2024, supported by steady ridership growth.

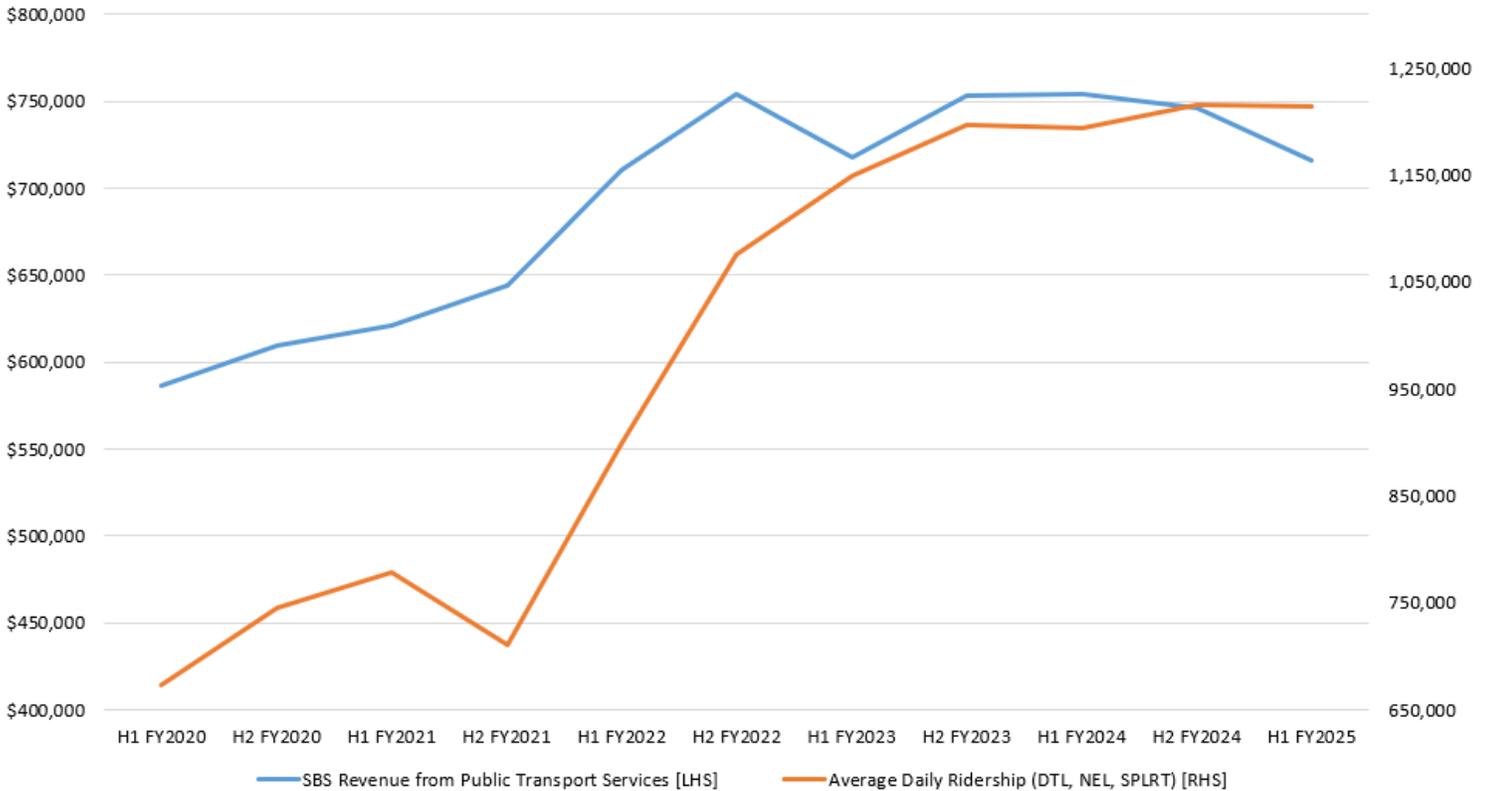
Exhibit 12: Revenue (FY2021 – FY2024)

S\$'000	Actual			
	FY2021	FY2022	FY2023	FY2024
Public Transport Services	1,265,331	1,464,995	1,470,277	1,499,977
Other Commercial Services	45,511	50,316	56,859	59,751
Total Revenue	1,310,842	1,515,311	1,527,136	1,559,728
<i>Growth</i>		15.60%	0.78%	2.13%

Source: SBS, FPA

Comparing across the different half-year periods, revenue from Public Transport Services increased in tandem with the rise in Average Daily Rail Ridership for SBS operated lines as shown in **Exhibit 13**. The deviation observed in H1 FY2025 was due to the loss of the Jurong West Bus Package (as referenced in **Exhibit 1**).

Exhibit 13: Revenue from Public Transport Services & Average Daily Rail Ridership (H1 FY2020 – H1 FY2025)



Source: SBS, FPA

Operating Profit:

Total operating costs fell by 4.7% from S\$746.7 million in H1 FY2024 to S\$711.8 million in H1 FY2025 as shown in **Exhibit 14**.

Operating profit fell by 1.7% from S\$34.7 million in H1 FY2024 to S\$34.1 million in H1 FY2025.

Operating margin improved from 4.44% in H1 FY2024 to 4.57% in H1 FY2025.

Exhibit 14: Operating Profit (H1 FY2024 vs H1 FY2025)

S\$'000	Actual		H1 FY2024 vs H1 FY2025	
	H1 FY2024 (ended 30 Jun)	H1 FY2025 (ended 30 Jun)	Absolute Change	Change (%)
Revenue	781,353	745,873	(35,480)	(4.54%)
Operating cost				
Staff costs	(379,229)	(381,226)	(1,997)	0.53%
Repair & maintenance costs	(103,336)	(89,074)	14,262	(13.80%)
Fuel & electricity costs	(142,988)	(101,113)	41,875	(29.29%)
Premises costs	(23,240)	(24,414)	(1,174)	5.05%
Depreciation expense	(43,260)	(41,731)	1,529	(3.53%)
Other operating costs	(54,599)	(74,209)	(19,610)	35.92%
Total operating costs	(746,652)	(711,767)	34,885	(4.67%)
Operating profit	34,701	34,106	(595)	(1.71%)
<i>Operating margin</i>	<i>4.44%</i>	<i>4.57%</i>	-	-

Source: SBS, FPA

Staff costs rose by 0.5% from S\$379.2 million in H1 FY2024 to S\$381.2 million in H1 FY2025. In the 2024 Annual Report, SBS acknowledged ongoing challenges in manpower recruitment and have intensified efforts to attract and retain bus captains. To make the role more appealing to potential employees, SBS has enhanced its salary packages. These initiatives have contributed to sustained high staff costs.

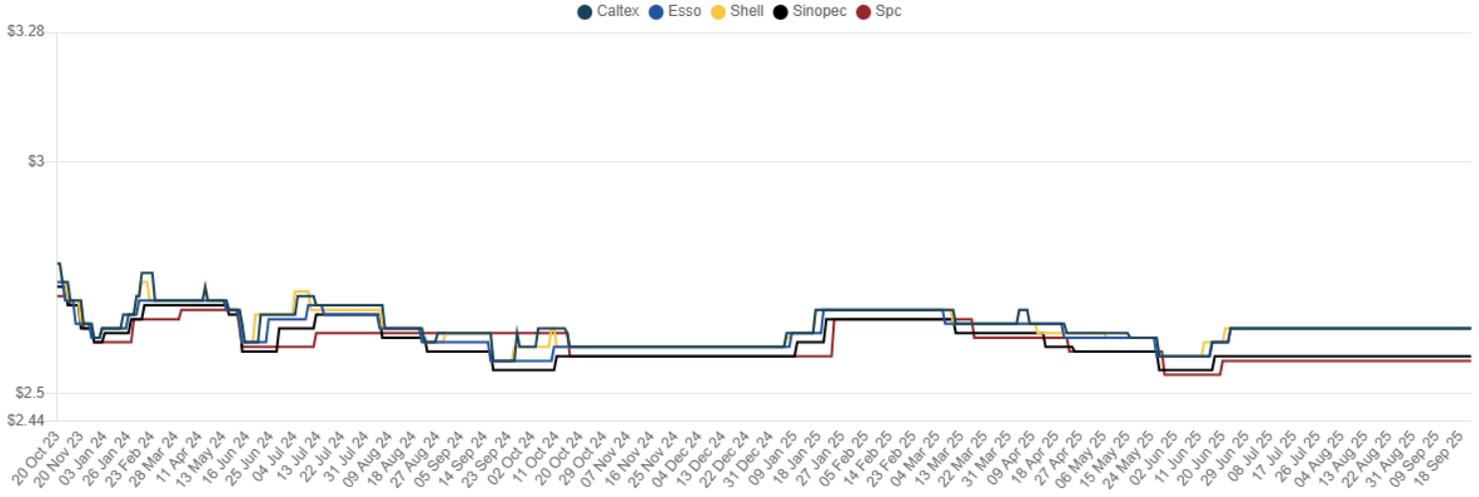
Repair & maintenance costs fell by 13.8% from S\$103.3 million in H1 FY2024 to S\$89.1 million in H1 FY2025. This decline was mainly due to the loss of the Jurong West bus package, which resulted in fewer physical assets requiring maintenance.

Fuel & electricity costs fell by 29.3% from S\$143.0 million in H1 FY2024 to S\$101.1 million in H1 FY2025, this was due to lower average electricity tariff and lower diesel prices. Diesel prices have dipped slightly, as shown in. On 30th June 2024, the price of diesel was S\$2.67 per litre, compared to S\$2.58 per litre on 30th June 2025, a 3.4% drop as shown in **Exhibit 15**. Electricity tariffs have also declined in 2025 compared to 2024 as shown in **Exhibit 16**.

Premises costs rose by 5.1% from S\$23.2 million in H1 FY2024 to S\$24.4 million in H1 FY2025. Depreciation expense fell by 3.5% from S\$43.3 million in H1 FY2024 to S\$41.7 million in H1 FY2025.

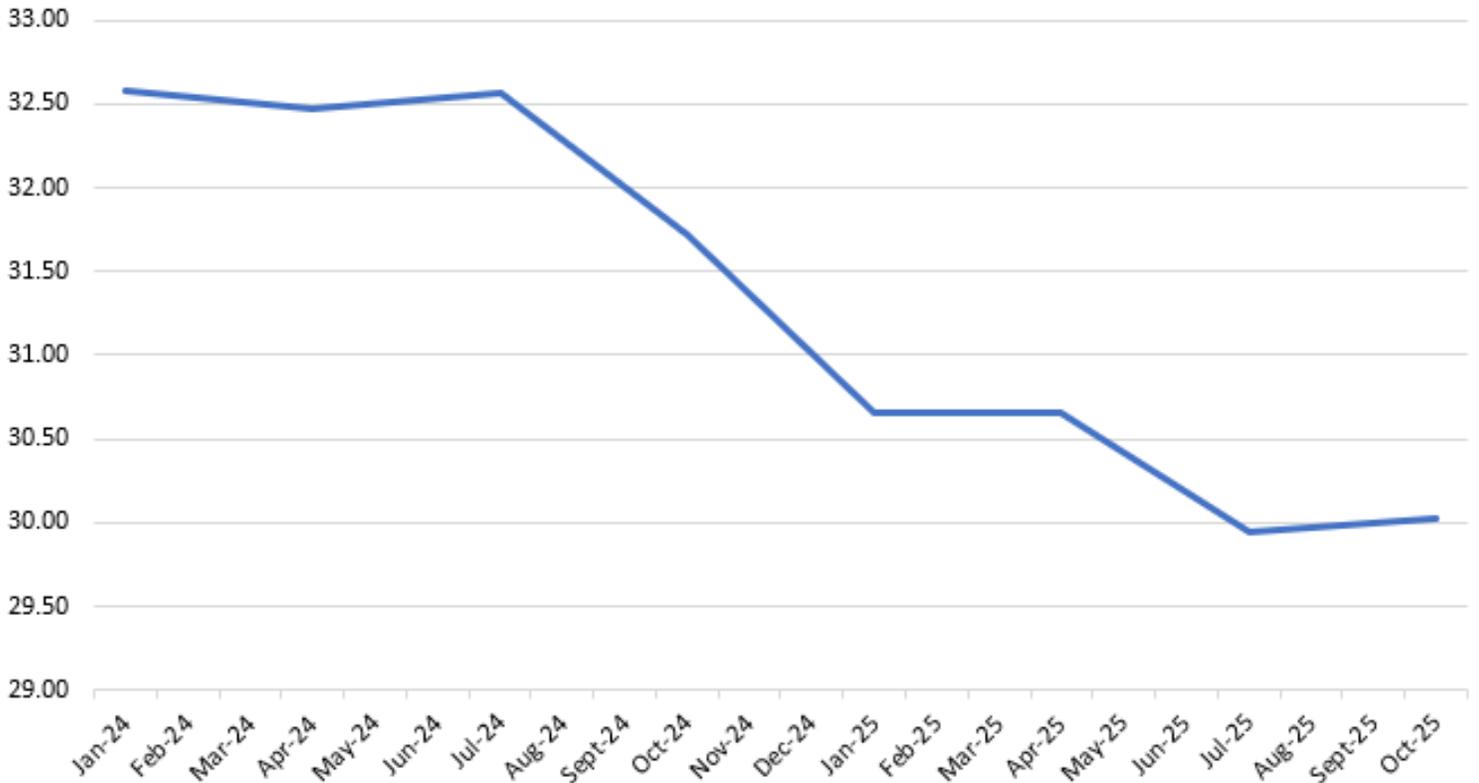
Other operating costs rose by 35.9% from S\$54.6 million in H1 FY2024 to S\$74.2 million in H1 FY2025. Other operating costs include smaller expense categories such as the rail licence charge under NRFF Version 2 and advertising concession fees. The increase was mainly driven by a higher variable rail licence charge.

Exhibit 15: Diesel Prices in Singapore (October 2023 – October 2025); S\$ per Litre



Source: Motorist Singapore

Exhibit 16: Singapore Electricity Tariff Rate (2024 – 2025); S¢ per kWh



Note: Low Tension Supplies, Non-domestic (used as a proxy)

Source: SP Group, FPA

From FY2021 to FY2024, SBS' operating profit rose by 49.2% from S\$53.6 million in FY2021 to S\$79.9 million in FY2022 as shown in **Exhibit 17**, this rise was due to the post-pandemic recovery. However, operating profit declined by 4.1% to S\$76.7 million in FY2023, despite higher revenue, due to increased fuel, electricity, and manpower costs. The downward trend continued in FY2024, with operating profit falling another 4.6% to S\$73.2 million, driven by higher expenses related to manpower, premises, repairs and maintenance, rail licence charges, and advertising concession fees.

As a result, operating margin fell from 5.0% in FY2023 to 4.7% in FY2024, despite revenue growth. This margin compression was primarily due to rising operating costs across multiple categories.

Exhibit 17: Operating Profit (FY2021 – FY2024)

S\$'000	Actual			
	FY2021	FY2022	FY2023	FY2024
Revenue	1,310,842	1,515,311	1,527,136	1,559,728
Operating cost				
Staff costs	(625,554)	(735,928)	(737,646)	(756,740)
Repair & maintenance costs	(204,404)	(206,558)	(201,416)	(203,093)
Fuel & electricity costs	(148,703)	(259,288)	(281,551)	(262,063)
Premises costs	(47,063)	(56,226)	(44,716)	(51,747)
Depreciation expense	(105,340)	(93,991)	(92,618)	(87,158)
Other operating costs	(126,224)	(83,412)	(92,537)	(125,761)
Total operating costs	(1,257,288)	(1,435,403)	(1,450,484)	(1,486,562)
Operating profit	53,554	79,908	76,652	73,166
<i>Growth</i>		49.21%	(4.07%)	(4.55%)
<i>Operating margin</i>	4.09%	5.27%	5.02%	4.69%

Source: SBS, FPA

Profit before Tax:

Interest income fell by 30.9% from S\$5.9 million in H1 FY2024 to S\$4.1 million in H1 FY2025 as shown in **Exhibit 18**.

Finance costs fell by 2.0% from S\$404,000 in H1 FY2024 to S\$396,000 in H1 FY2025.

As a result, profit before tax fell by 6.0% from S\$40.2 million in H1 FY2024 to S\$37.8 million in H1 FY2025.

Exhibit 18: Profit before Tax (H1 FY2024 vs H1 FY2025)

S\$'000	Actual		H1 FY2024 vs H1 FY2025	
	H1 FY2024 (ended 30 Jun)	H1 FY2025 (ended 30 Jun)	Absolute Change	Change (%)
Operating profit	34,701	34,106	(595)	(1.71%)
Interest income	5,914	4,084	(1,830)	(30.94%)
Finance costs	(404)	(396)	8	(1.98%)
Profit before tax	40,211	37,794	(2,417)	(6.01%)

Source: SBS, FPA

We compare the effective interest rates for interest income and finance costs. The effective interest rate for interest income from short-term deposits and bank balances fell from 1.79% in H1 FY2024 to 1.20% in H1 FY2025, as shown in **Exhibit 19**. This decrease is consistent with global interest rate cuts. In contrast, the effective interest rate for finance costs from lease liabilities remained relatively stable, at 4.44% in H1 FY2024 and 4.46% in H1 FY2025.

Exhibit 19: Effective Interest Rates for Interest Income & Finance Costs

S\$'000	Actual		H1 FY2024 vs H1 FY2025	
	H1 FY2024 (ended 30 Jun)	H1 FY2025 (ended 30 Jun)	Absolute Change	Change (%)
Interest income	5,914	4,084	(1,830)	(30.94%)
Short-term deposits & bank balances	329,894	340,786	10,892	3.30%
<i>Effective interest rate</i>	<i>1.79%</i>	<i>1.20%</i>	-	-
Finance costs	(404)	(396)	8	(1.98%)
Lease liabilities	9,103	8,872	(231)	(2.54%)
<i>Effective interest rate</i>	<i>(4.44%)</i>	<i>(4.46%)</i>	-	-

Source: SBS, FPA

Profit after Tax:

Profit after tax fell by 7.7% from S\$33.7 million in H1 FY2024 to S\$31.1 million in H1 FY2025 as shown in **Exhibit 20**.

Exhibit 20: Profit after Tax (H1 FY2024 vs H1 FY2025)

S\$'000	Actual		H1 FY2024 vs H1 FY2025	
	H1 FY2024 (ended 30 Jun)	H1 FY2025 (ended 30 Jun)	Absolute Change	Change (%)
Profit before tax	40,211	37,794	(2,417)	(6.01%)
Tax expense	(6,513)	(6,702)	(189)	2.90%
Profit after tax	33,698	31,092	(2,606)	(7.73%)
<i>Calculated tax rate</i>	<i>(16.20%)</i>	<i>(17.73%)</i>	-	-

Source: SBS, FPA

Earnings per share ("EPS"):

Basic EPS fell by 7.9% from 10.80 cents in H1 FY2024 to 9.95 cents in H1 FY2025 as shown in **Exhibit 21**.

Diluted EPS fell by 7.9% from 10.79 cents in H1 FY2024 to 9.94 cents in H1 FY2025.

Exhibit 21: EPS (H1 FY2024 vs H1 FY2025)

S\$ cents	Actual		H1 FY2024 vs H1 FY2025	
	H1 FY2024 (ended 30 Jun)	H1 FY2025 (ended 30 Jun)	Absolute Change	Change (%)
Basic EPS	10.80	9.95	(0.85)	(7.87%)
Diluted EPS	10.79	9.94	(0.85)	(7.88%)

Source: SBS, FPA

Dividend per share ("DPS")

On 11th August 2025, SBS announced an interim dividend of 8.95 cents per share for H1 FY2025 as shown in **Exhibit 22**.

For FY2024, SBS declared a total dividend of 28.68 cents per share, which included an interim dividend of 5.58 cents in H1 FY2024. At the most recent Annual General Meeting ("AGM") held on 24th April 2025, SBS announced a one-off special dividend of 8.41 cents per share, funded by the S\$26.3 million proceeds from the sale of the Soon Lee bus depot. In addition, SBS declared a final dividend of 14.69 cents for FY2024.

$$\text{FY2024 Dividend} = 5.58 + 14.69 + 8.41 = 28.68 \text{ cents}$$

Exhibit 22: DPS (FY2021 – FY2025 YTD)

S\$ cents	Actual				
	FY2021	FY2022	FY2023	FY2024	H1 FY2025
DPS	8.20	10.90	11.16	28.68	8.95

Note: Dividends announced in their respective FYs.

Source: SBS, FPA

SBS's financial performance for H1 FY2024 and H1 FY2025 are summarised in **Exhibit 23**.

Exhibit 23: Financial Performance (H1 FY2024 vs H1 FY2025)

S\$'000	Actual		H1 FY2024 vs H1 FY2025	
	H1 FY2024 (ended 30 Jun)	H1 FY2025 (ended 30 Jun)	Absolute Change	Change (%)
Revenue	781,353	745,873	(35,480)	(4.54%)
Staff costs	(379,229)	(381,226)	(1,997)	0.53%
Repair & maintenance costs	(103,336)	(89,074)	14,262	(13.80%)
Fuel & electricity costs	(142,988)	(101,113)	41,875	(29.29%)
Premises costs	(23,240)	(24,414)	(1,174)	5.05%
Depreciation expense	(43,260)	(41,731)	1,529	(3.53%)
Other operating costs	(54,599)	(74,209)	(19,610)	35.92%
Total operating costs	(746,652)	(711,767)	34,885	(4.67%)
Operating profit	34,701	34,106	(595)	(1.71%)
Interest income	5,914	4,084	(1,830)	(30.94%)
Finance costs	(404)	(396)	8	(1.98%)
Profit before tax	40,211	37,794	(2,417)	(6.01%)
Tax expense	(6,513)	(6,702)	(189)	2.90%
Profit attributable to shareholders	33,698	31,092	(2,606)	(7.73%)
Basic EPS (cents)	10.80	9.95	(0.85)	(7.87%)
Diluted EPS (cents)	10.79	9.94	(0.85)	(7.88%)
DPS (cents)	5.58	8.95	3.37	60.39%

Source: SBS, FPA

FINANCIAL PROJECTIONS

In this section, we will be providing our projections for SBS’s revenue, earnings and dividend distribution for FY2025 & FY2026.

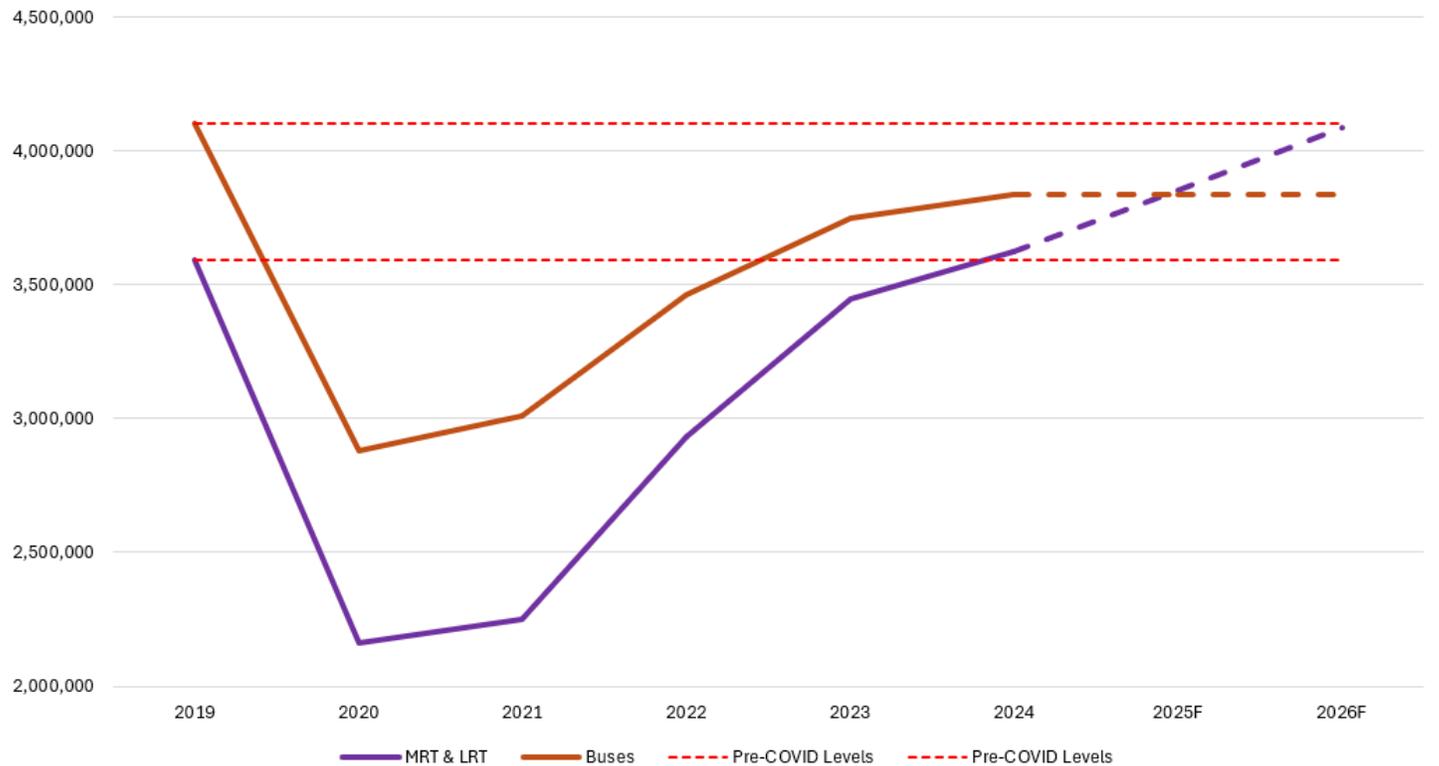
(I) REVENUE PROJECTION

With increased connectivity and a shift back to office-based work, we project total ridership in FY2025 to recover to pre-COVID (FY2019) levels as shown in **Exhibit 24**. However, bus ridership is expected to remain flat, largely due to the LTA’s goal of having eight in 10 households within a 10-minute walk of a train station by the 2030s, reducing reliance on buses. This implies a 6.41% year-over-year (“y-o-y”) growth in train ridership.

We expect this growth rate to continue into 2026 with new stations slated for completion. As a result, total ridership is projected to grow steadily by 3.1% in 2025 and 3.0% in 2026.

Exhibit 24: Average Daily Ridership (2019 – 2026F)

	2019	2020	2021	2022	2023	2024	2025F	2026F
MRT & LRT	3,592,000	2,162,000	2,251,000	2,929,000	3,445,000	3,622,000	3,854,000	4,084,730
Growth		(39.81%)	4.12%	30.12%	17.62%	5.14%	6.41%	6.41%
Buses	4,099,000	2,878,000	3,008,000	3,461,000	3,747,000	3,837,000	3,837,000	3,837,000
Growth		(29.79%)	4.52%	15.06%	8.26%	2.40%	0.00%	0.00%
Total	7,691,000	5,040,000	5,259,000	6,390,000	7,192,000	7,459,000	7,691,000	7,921,730
Growth		(34.47%)	4.35%	21.51%	12.55%	3.71%	3.11%	3.00%



Source: LTA, FPA

H2 revenue is generally higher than H1 revenue due to seasonality, as shown in **Exhibit 25**. To project H2 FY2025 revenue, we used the average H1/H2 revenue proportion from previous years, excluding H1 FY2024, since H2 FY2024 was unusually low due to the loss of the Jurong West bus package (as referenced in **Exhibit 1**). Based on this, we estimate H1 FY2025 revenue to be 94.8% of H2 FY2025, resulting in a projected H2 FY2025 revenue of S\$787.1 million.

Exhibit 25: SBS Revenue (H1 FY2021 – H2 FY2025)

S\$'000	Actual								Forecast	
	H1 FY2021	H2 FY2021	H1 FY2022	H2 FY2022	H1 FY2023	H2 FY2023	H1 FY2024	H2 FY2024	H1 FY2025	H2 FY2025
Total Revenue	640,818	670,024	732,396	782,915	744,382	782,754	781,353	778,375	745,873	787,101
Proportion of H1/H2	95.64%	n.a.	93.55%	n.a.	95.10%	n.a.	100.38%	n.a.	94.76%	

Source: SBS, FPA

As ridership grows in FY2026, we expect SBS's revenue to increase by the same proportion. We project a 3.0% increase in FY2026, driven by higher rail usage (as referenced on page 21).

Additionally, on 14th October 2025, the PTC announced an overall fare adjustment of 5.0% as part of its annual fare review exercise. The PTC estimates that this adjustment will increase SBS's annual revenue by S\$17.6 million. It also decided that SBS should contribute 20% of the expected increase in fare revenue to the Public Transport Fund, amounting to S\$3.52 million. As a result, the net increase in revenue is estimated to be S\$14.08 million.

However, SBS is set to relinquish operations of the Tampines bus package to GAS on 5th July 2026 (as referenced in **Exhibit 1**). As a result, we project a dip in revenue in the second half of FY2026. Based on the tender price offered by SBS of S\$596,016,898.92 and the contract duration of five years, we estimate a revenue loss of approximately S\$59.6 million for FY2026, applying a straight-line approach to calculate the impact on H2 FY2026 revenue.

$$\text{Estimated revenue loss for H2 FY2026} = \left(\frac{\text{S\$}596,016,898.92}{5} \div 12 \right) \times 6 \approx \text{S\$}59,601,689.89$$

Taking all these into account, full-year revenue for FY2025 and FY2026 is projected to be S\$1.53 billion and S\$1.53 billion, respectively as shown in **Exhibit 26**.

$$\text{Estimated revenue FY2026} = (\text{S\$}1,533 \text{ million} \times 103\%) + \text{S\$}14.08 \text{ million} - \text{S\$}59.60 \text{ million} \approx \text{S\$}1,533.44 \text{ million}$$

Exhibit 26: Forecasted Revenue for FY2025 & FY2026

S\$'000	Actual		Forecast	
	H1 FY2025	H2 FY2025	FY2025	FY2026
Revenue	745,873	787,101	1,532,974	1,533,441

Source: SBS, FPA

(II) EARNINGS PROJECTION**Staff costs:**

Similarly, we observe seasonality in SBS's staff costs with H1 typically higher than H2 as shown in **Exhibit 27**. To project H2 FY2025 staff costs, we used the average H1/H2 proportion from previous years, excluding H1 FY2024 due to the impact of the Jurong West bus package loss. Based on this, we estimate H1 FY2025 staff costs to be 102.4% of H2 FY2025, resulting in a projected H2 FY2025 staff costs of S\$372.3 million.

$$\text{Average proportion of H1/H2} = (101.12\% + 102.42\% + 103.63\%) \div 3 = 102.39\%$$

Exhibit 27: Staff Costs (H1 FY2021 – H2 FY2025)

S\$'000	Actual									Forecast	
	H1 FY2021	H2 FY2021	H1 FY2022	H2 FY2022	H1 FY2023	H2 FY2023	H1 FY2024	H2 FY2024	H1 FY2025	H2 FY2025	
Staff costs	(314,516)	(311,038)	(372,357)	(363,571)	(375,392)	(362,254)	(379,229)	(377,511)	(381,226)	(372,338)	
Proportion of H1/H2	101.12%	n.a.	102.42%	n.a.	103.63%	n.a.	100.46%	n.a.	102.39%		

Source: SBS, FPA

Staff costs for FY2025 is projected to be S\$753.6 million.

$$\text{Staff costs for FY2025} = \text{S\$381.23 million} + \text{S\$372.34 million} = \text{S\$753.56 million}$$

We forecast an increase in staff costs for FY2026, projecting a 4.3% y-o-y rise in line with industry trends (as referenced on page 9). However, this increase is expected to be partially offset by a reduction in staff costs resulting from the relinquishment of the Tampines bus package (as referenced in **Exhibit 1**).

To estimate the reduction, we first calculated the labour cost margin by averaging the staff cost margins over the past three half-year periods, arriving at 49.38% as shown in **Exhibit 28**.

Exhibit 28: Average Staff Costs Margin (H1 FY2024 – H1 FY2025)

S\$'000	Actual			Average Margin
	H1 FY2024	H2 FY2024	H1 FY2025	
Revenue	781,353	778,375	745,873	(49.38%)
Staff costs	(379,229)	(377,511)	(381,226)	
Staff costs margin	(48.53%)	(48.50%)	(51.11%)	

Source: SBS, FPA

We then applied this margin to the projected revenue loss from the Tampines bus package to estimate the reduction in staff costs in H2 FY2026, which amounts to approximately S\$29.4 million:

$$\begin{aligned} \text{Reduction in staff costs from loss of Tampines bus package for H2 FY2026} &= \text{Revenue loss for H2 FY2026} \times \text{Staff costs margin} \\ &= \text{S\$59.60 million} \times 49.38\% \\ &= \text{S\$29.43 million} \end{aligned}$$

We estimated the staff costs for FY2026 by first deducting the reduction from the loss of the Tampines bus package, followed by applying the projected 4.3% y-o-y increase.

$$\text{FY2026 staff costs} = (\text{S\$753.56 million} - \text{S\$29.43 million}) \times 104.3\% = \text{S\$755.27 million}$$

As such, projected staff costs for FY2025 and FY2026 is estimated to be S\$753.6 million and S\$755.3 million respectively as shown in **Exhibit 29**.

Exhibit 29: Forecasted Staff Costs for FY2025 & FY2026

S\$'000	Actual		Forecast	
	H1 FY2025	H2 FY2025	FY2025	FY2026
Staff costs	(381,226)	(372,338)	(753,564)	(755,269)

Source: SBS, FPA

Repair & maintenance costs:

We project that repair & maintenance costs will increase in line with ridership growth (3.1% in 2025 & 3.0% in 2026; as referenced on page 21). This is driven by the opening of Hume station in FY2025, the addition of more stations in FY2026 (as referenced on page 6), and rising ridership due to return-to-office trends (as referenced on page 7 & 8).

These factors are expected to place greater demand on the public transportation system, resulting in higher repair and maintenance costs. We project a semi-annual growth of 1.56% in H2 FY2025.

$$\text{Semi-annual growth of repair \& maintenance costs} = 3.11\% \div 2 \approx 1.56\%$$

Repair & maintenance costs for H2 FY2025 is projected to be S\$90.5 million.

$$\text{Repair \& maintenance costs for H2 FY2025} = \text{S\$89.07 million} \times 101.56\% = \text{S\$90.45 million}$$

Repair & maintenance costs for FY2025 is projected to be S\$179.5 million.

$$\text{Repair \& maintenance costs for FY2025} = \text{S\$89.07 million} + \text{S\$90.45 million} \approx \text{S\$179.5 million}$$

In FY2026, we initially project a 3.0% increase in repair & maintenance costs in line with ridership growth. However, due to the relinquishment of the Tampines Bus Package, repair & maintenance costs are expected to decline as there will be fewer operating assets to maintain. To estimate the reduction, we first calculated the repair & maintenance costs margin by averaging the repair & maintenance costs margins over the past three half-year periods, arriving at 12.66% as shown in **Exhibit 30**.

Exhibit 30: Average Repair & Maintenance Costs Margin (H1 FY2024 – H1 FY2025)

S\$'000	Actual			Average Margin
	H1 FY2024	H2 FY2024	H1 FY2025	
Revenue	781,353	778,375	745,873	(12.66%)
Repair & maintenance costs	(103,336)	(99,757)	(89,074)	
<i>Repair & maintenance costs margin</i>	<i>(13.23%)</i>	<i>(12.82%)</i>	<i>(11.94%)</i>	

Source: SBS, FPA

We then applied this margin to the projected revenue loss from the Tampines bus package to estimate the reduction in repair & maintenance costs in H2 FY2026, which amounts to approximately S\$7.6 million.

Reduction in repair & maintenance costs from loss of Tampines bus package for H2 FY2026 = Revenue loss for H2 FY2026 × repair & maintenance costs margin
 = S\$59.60 million × 12.66%
 = S\$7.55 million

We estimated the repair & maintenance costs for FY2026 by first deducting the reduction from the loss of the Tampines bus package, followed by applying the projected 3.0% y-o-y increase.

$$\text{FY2026 repair \& maintenance costs} = (\text{S\$179.5 million} - \text{S\$7.55 million}) \times 103\% \approx \text{S\$177.2 million}$$

As such, repair & maintenance costs for FY2025 and FY2026 are projected to be S\$179.5 million and S\$177.2 million respectively as shown in **Exhibit 31**.

Exhibit 31: Forecasted Repair & Maintenance Costs for FY2025 & FY2026

S\$'000	Actual	Forecast			
	H1 FY2025	Semi-annual Growth (%)	H2 FY2025	FY2025	FY2026
Repair & maintenance costs	(89,074)	1.56%	(90,464)	(179,538)	(177,151)

Source: SBS. FPA

Fuel & electricity costs:

As noted in the financial review, diesel prices fell by 3.4% between 30th June 2024 and 30th June 2025. We project a further semi-annual decline of 1.7% in H2 FY2025, driven by falling oil prices and weak natural gas demand (as referenced on page 9 & 10).

Fuel & electricity costs for H2 FY2025 is projected to be S\$99.4 million.

$$\text{Fuel \& electricity costs for H2 FY2025} = \text{S\$101.1 million} \times (1 - 1.7\%) = \text{S\$99.39 million}$$

Fuel & electricity for FY2025 is projected to be S\$179.5 million.

$$\text{Fuel \& electricity costs for FY2025} = \text{S\$101.1 million} + \text{S\$99.39 million} \approx \text{S\$200.5 million}$$

For FY2026, fuel and electricity costs are expected to fall even more as oil prices continue to drop coupled with the loss of the Tampines bus package. To estimate the reduction due to the loss of the bus package, we first calculated the fuel & electricity costs margin by averaging the fuel & electricity costs margins over the past three half-year periods, arriving at 15.72% as shown in **Exhibit 32**.

Exhibit 32: Average Fuel & Electricity Costs Margin (H1 FY2024 – H1 FY2025)

S\$'000	Actual			Average Margin
	H1 FY2024	H2 FY2024	H1 FY2025	
Revenue	781,353	778,375	745,873	(15.72%)
Fuel & electricity costs	(142,988)	(119,075)	(101,113)	
<i>Fuel & electricity costs margin</i>	<i>(18.30%)</i>	<i>(15.30%)</i>	<i>(13.56%)</i>	

Source: SBS, FPA

We then applied this margin to the projected revenue loss from the Tampines bus package to estimate the reduction in fuel & electricity costs in H2 FY2026, which amounts to approximately S\$9.37 million:

$$\begin{aligned}
 \text{Reduction in fuel \& electricity costs from loss of Tampines bus package for H2 FY2026} &= \text{Revenue loss for H2 FY2026} \times \text{fuel \& electricity costs margin} \\
 &= \text{S\$59.60 million} \times 15.72\% \\
 &= \text{S\$9.37 million}
 \end{aligned}$$

The EIA has mentioned that oil prices will average to US\$62 per barrel in Q4 2025 and US\$52 per barrel in H1 2026 (as referenced on page 9), this implies a 16.1% decline.

We estimated the fuel & electricity costs for FY2026 by first deducting the reduction from the loss of the Tampines bus package, followed by applying the projected 16.1% decline in oil prices.

$$\text{FY2026 fuel \& electricity costs} = (\text{S\$200.5 million} - \text{S\$9.37 million}) \times (1 - 16.1\%) \approx \text{S\$160.3 million}$$

As such, fuel & electricity costs for FY2025 and FY2026 are projected to be S\$200.5 million and S\$160.3 million respectively as shown in **Exhibit 33**.

Exhibit 33: Forecasted Fuel & Electricity Costs for FY2025 & FY2026

S\$'000	Actual	Forecast			
	H1 FY2025	Semi-annual Growth (%)	H2 FY2025	FY2025	FY2026
Fuel & electricity costs	(101,113)	(1.70%)	(99,394)	(200,507)	(160,310)

Source: SBS, FPA

Premises costs:

We project premises costs to remain at H1 FY2025 levels for H2 FY2025. Premises costs for FY2025 is projected to be S\$48.8 million.

$$\text{Premises costs for FY2025} = \text{S\$24.4 million} + \text{S\$24.4 million} = \text{S\$48.8 million}$$

In FY2026, we expect it to fall due to the loss of the Tampines bus package. To estimate the reduction due to the loss of the bus package, we first calculated the premises costs margin by averaging the premises costs margins over the past three half-year periods, arriving at 3.30% as shown in **Exhibit 34**.

Exhibit 34: Average Premises Costs Margin (H1 FY2024 – H1 FY2025)

S\$'000	Actual			Average Margin
	H1 FY2024	H2 FY2024	H1 FY2025	
Revenue	781,353	778,375	745,873	
Premises costs	(23,240)	(28,507)	(24,414)	(3.30%)
<i>Premises costs margin</i>	<i>(2.97%)</i>	<i>(3.66%)</i>	<i>(3.27%)</i>	

Source: SBS, FPA

We then applied this margin to the projected revenue loss from the Tampines bus package to estimate the reduction in premises costs in H2 FY2026, which amounts to approximately S\$2.0 million:

$$\begin{aligned}
 \text{Reduction in premises costs from loss of Tampines bus package for H2 FY2026} &= \text{Revenue loss for H2 FY2026} \times \text{Premises costs margin} \\
 &= \text{S\$59.60 million} \times 3.30\% \\
 &= \text{S\$1.97 million}
 \end{aligned}$$

We estimated the premises costs for FY2026 by deducting the reduction from the loss of the Tampines bus package.

$$\text{FY2026 premises costs} = \text{S\$48.8 million} - \text{S\$1.97 million} \approx \text{S\$46.9 million}$$

Premises costs for FY2025 & FY2026 are projected to be S\$48.8 million and S\$46.9 million respectively as shown in **Exhibit 35**.

Exhibit 35: Forecasted Premises Costs for FY2025 & FY2026

S\$'000	Actual	Forecast			
	H1 FY2025	Semi-annual Growth (%)	H2 FY2025	FY2025	FY2026
Premises costs	(24,414)	0.00%	(24,414)	(48,828)	(46,859)

Source: SBS, FPA

Depreciation expense:

Depreciation expense was forecasted as a proportion of revenue. We estimated the depreciation margin for SBS by averaging its depreciation-to-revenue ratios over the past three half-year periods. The average depreciation margin was derived to be 5.6% as shown in **Exhibit 36**.

Exhibit 36: Average Depreciation Expense Margin (H1 FY2024 – H1 FY2025)

S\$'000	Actual			Average Margin
	H1 FY2024	H2 FY2024	H1 FY2025	
Revenue	781,353	778,375	745,873	
Depreciation expense	(43,260)	(43,898)	(41,731)	(5.59%)
<i>Depreciation expense margin</i>	<i>(5.54%)</i>	<i>(5.64%)</i>	<i>(5.59%)</i>	

Source: SBS, FPA

We then forecasted depreciation expense for H2 FY2025 by applying the average depreciation margin of 5.6% to the revenue as shown in **Exhibit 37**. Forecasted depreciation expense for FY2025 is S\$85.7 million.

Exhibit 37: Forecasted Depreciation Expense for FY2025

S\$'000	Actual	Forecast	
	H1 FY2025	H2 FY2025	FY2025
Revenue	745,873	787,101	1,532,974
Depreciation expense	(41,731)	(44,002)	(85,733)
<i>Depreciation expense margin</i>	<i>(5.59%)</i>	<i>(5.59%)</i>	<i>(5.59%)</i>

Source: SBS, FPA

In FY2026 we expect depreciation expense to fall further due to the loss of the Tampines bus package in H2 FY2026. We applied the 5.6% margin to the projected revenue loss from the Tampines bus package to estimate the reduction in depreciation expense in H2 FY2026, which amounts to approximately S\$3.3 million:

$$\begin{aligned}
 \text{Reduction in depreciation expense from loss of Tampines bus package for H2 FY2026} &= \text{Revenue loss for H2 FY2026} \times \\
 &\text{Depreciation expense margin} \\
 &= \text{S\$59.60 million} \times 5.59\% \\
 &= \text{S\$3.33 million}
 \end{aligned}$$

We estimated the depreciation expense for FY2026 by deducting the reduction from the loss of the Tampines bus package.

$$\text{FY2026 premises costs} = \text{S\$85.7 million} - \text{S\$3.33 million} \approx \text{S\$82.4 million}$$

Depreciation expense for FY2025 & FY2026 are projected to be S\$85.7 million and S\$82.4 million respectively as shown in **Exhibit 38**.

Exhibit 38: Forecasted Depreciation Expense for FY2025 & FY2026

S\$'000	Actual	Forecast		
	H1 FY2025	H2 FY2025	FY2025	FY2026
Depreciation expense	(41,731)	(44,002)	(85,733)	(82,401)

Source: SBS, FPA

Other operating costs:

Due to the unique structure of Singapore's public transport industry under NRFF Version Two, rail operator's EBIT margins are effectively capped at approximately 5% (as referenced on page 4). Rail operators will pay a higher variable licence charge in good years and pay a lower variable licence charge in bad years. Hence, even if certain cost components such as fuel & electricity decline, EBIT margin will not move too drastically. This variable licence charge is classified under other operating costs. To forecast it, we first need to estimate operating profit, which will then allow us to work backwards to derive other operating cost.

This 5% EBIT cap is applied solely to the rail operator's EBIT. Therefore, we need to estimate the rail operator's EBIT for FY2025 and FY2026. To do this, we first had to estimate the revenue split between the bus and rail segments.

On 11th August 2016, SBS entered into a negotiated contract with LTA to operate eight bus packages, as shown **Exhibit 39**. The total contract value for operating these packages was S\$5.32 billion. Based on this, we estimate the average annual value per bus package to be approximately S\$91.7 million ($\text{S\$5.32 billion} \div 8 \div 7.25 = \text{S\$91.72 million}$).

Exhibit 39: Negotiated Bus Contract Values

Bus package under Negotiated Contract	Contract period (years)	Average contract period	Total contract value	Average value per year per contract
Bukit Merah Bus Package	2	7.25	5.32 billion	91.72 million
Sengkang - Hougang Bus Package	5			
Tampines Bus Package	8			
Bishan - Toa Payoh Bus Package	10			
Serangoon - Eunos Bus Package	9			
Clementi Bus Package	9			
Bedok Bus Package	7			
Jurong West Bus Package	8			

Source: SBS, FPA

We then estimated the revenue contribution from the bus and rail segments, as shown in **Exhibit 40**. This was derived using the estimated contract value from SBS's negotiated bus contracts, along with the annual contract values from the Seletar and Bukit Merah packages. Seletar and Bukit Merah are now under the BCM. Therefore, we divided their total contract values by five years (as referenced on page 4). The rail segment revenue was derived by subtracting the estimated bus revenues from the total reported revenue for H1 FY2025, along with the estimated revenues for H2 FY2025 and FY2026. Based on this approach, rail revenue accounted for 51% of total revenue in FY2025 and 54% in FY2026.

Exhibit 40: Estimated Revenue Contribution for Rail and Bus Segments (FY2025 & FY2026)

Operations in FY2026	Estimated Revenue in H1 FY2025 (S\$ millions)	Revenue Contribution in H1 FY2025	Estimated Revenue in H2 FY2025 (S\$ millions)	Revenue Contribution in H2 FY2025	Estimated Revenue in FY2025 (S\$ millions)	Revenue Contribution in FY2025	Estimated Revenue in FY2026 (S\$ millions)	Revenue Contribution in FY2026
Seletar Bus Package	53		53		105		105	
Bukit Merah Bus Package	48		48		95		95	
Tampines Bus Package (only in H1 FY2026)	46		46		92		46	
Sengkang - Hougang Bus Package	46		46		92		92	
Bedok Bus Package	46	50.3%	46	47.7%	92	49.0%	92	46.0%
Serangoon - Eunos Bus Package	46		46		92		92	
Clementi Bus Package	46		46		92		92	
Bishan - Toa Payoh Bus Package	46		46		92		92	
Estimated rail revenue	370	49.7%	412	52.3%	782	51.0%	828	54.0%
Total Revenue for FY2026	746	100.0%	787	100.0%	1,533	100.0%	1,533	100.0%

Source: SBS, FPA

We then applied the 5% EBIT margin to rail revenue for H1 FY2025, H2 FY2025, FY2025, and FY2026 to derive the rail EBIT as shown in **Exhibit 41**.

Exhibit 41: Forecasted Rail EBIT for FY2025 & FY2026

S\$'000	Actual		Forecast	
	H1 FY2025	H2 FY2025	FY2025	FY2026
Revenue	745,873	787,101	1,532,974	1,533,441
Revenue from bus	375,431	375,431	750,861	705,001
Revenue from rail	370,442	411,670	782,112	828,440
Rail EBIT Margin	5.00%	5.00%	5.00%	5.00%
Rail EBIT	18,522	20,584	39,106	41,422

Source: SBS, FPA

We then derived the bus EBIT by taking H1 FY2025's actual operating profit and deducting it by rail EBIT as shown in **Exhibit 42**.

$$\begin{aligned}
 \text{H1 FY2025 Bus EBIT} &= \text{H1 FY2025 Operating profit} - \text{H1 FY2025 Rail EBIT} \\
 &= \text{S\$34.1 million} - \text{S\$18.5 million} \\
 &= \text{S\$15.6 million}
 \end{aligned}$$

Exhibit 42: Estimated Rail & Bus EBIT for H1 FY2025

S\$'000	Actual
	H1 FY2025
Revenue	745,873
Revenue from bus	375,431
Revenue from rail	370,442
Rail EBIT	18,522
Bus EBIT	15,584
Operating profit / EBIT	34,106

Source: SBS, FPA

We estimated the proportion of rail EBIT and bus EBIT for H1 FY2025 as shown in **Exhibit 43**.

Rail EBIT proportion for H1 FY2025 = S\$18.5 million ÷ S\$34.1 million = 54.3%

Bus EBIT proportion for H1 FY2025 = S\$15.6 million ÷ S\$34.1 million = 45.7%

Exhibit 43: Estimated Proportion of Rail & Bus EBIT for H1 FY2025

S\$'000	Actual
	H1 FY2025
Rail EBIT	18,522
<i>Rail EBIT Proportion</i>	<i>54.31%</i>
Bus EBIT	15,584
<i>Bus EBIT Proportion</i>	<i>45.69%</i>
Operating profit / EBIT	34,106

Source: SBS, FPA

Assuming the proportion of rail EBIT and bus EBIT remains the same in H2 FY2025 and FY2026, we derived the bus EBIT and accordingly the operating profit for H2 FY2025 and FY2026 as shown in **Exhibit 44**. Forecasted operating profit for FY2025 and FY2026 are S\$72.0 million and S\$76.3 million respectively.

$$\text{Bus EBIT for H2 FY2025} = \text{S\$20.6 million} \times \frac{45.69\%}{54.31\%} = \text{S\$17.3 million}$$

$$\text{Operating profit for H2 FY2025} = \text{S\$20.6 million} + \text{S\$17.3 million} = \text{S\$37.9 million}$$

$$\text{FY2025 Operating profit} = \text{S\$34.1 million} + \text{S\$37.9 million} = \text{S\$72.0 million}$$

$$\text{Bus EBIT for FY2026} = \text{S\$41.4 million} \times \frac{45.69\%}{54.31\%} = \text{S\$34.9 million}$$

$$\text{FY2026 Operating profit} = \text{S\$41.4 million} + \text{S\$34.9 million} = \text{S\$76.3 million}$$

Exhibit 44: Forecasted Operating Profit for FY2025 & FY2026

S\$'000	Actual	Forecast		
	H1 FY2025	H2 FY2025	FY2025	FY2026
Rail EBIT	18,522	20,584	39,106	41,422
<i>Rail EBIT Proportion</i>	54.31%	54.31%	54.31%	54.31%
Bus EBIT	15,584	17,318	32,902	34,851
<i>Bus EBIT Proportion</i>	45.69%	45.69%	45.69%	45.69%
Operating profit / EBIT	34,106	37,902	72,008	76,273

Source: SBS, FPA

Now that we have the estimated operating profit for H2 FY2025 and FY2026, we can calculate other operating costs by working backwards using the formula below.

Other operating costs = Revenue – Staff costs – Repair & maintenance costs – Fuel & electricity costs – Premises costs – Depreciation expense – Operating profit

Projected other operating costs for H2 FY2025 will be S\$118.6 million as shown in **Exhibit 45**. For FY2025 and FY2026 other operating costs are projected to be S\$192.8 million and S\$235.2 million respectively.

Exhibit 45: Forecasted Other Operating Costs for FY2025 & FY2026

S\$'000	Forecast		
	H2 FY2025	FY2025	FY2026
Revenue	787,101	1,532,974	1,533,441
Add:			
Staff costs	(372,338)	(753,564)	(755,269)
Repair & maintenance costs	(90,464)	(179,538)	(177,151)
Fuel & electricity costs	(99,394)	(200,507)	(160,310)
Premises costs	(24,414)	(48,828)	(46,859)
Depreciation expense	(44,002)	(85,733)	(82,401)
Less: Operating profit	37,902	72,008	76,273
Other operating costs	(118,587)	(192,796)	(235,178)

Source: SBS, FPA

Profit before tax:

In September 2025, the Federal Reserve cut rates by 25 basis points to a range of 4.00%–4.25%. J.P. Morgan¹ Global Research also expect two more cuts in 2025 and one in 2026.

According to the September Federal Open Market Committee (“FOMC”) minutes, half of the respondents anticipated an additional cut at the October meeting, with most expecting at least two 25 basis point cuts by year-end. Chair of the Federal Reserve, Jerome Powell has also signalled an interest rate cut in October, fuelled by poor U.S. labour market data. As interest rates decline, interest income is likely to fall.

We calculated the average federal funds rate for H2 FY2025 and FY2026 based on our own estimates, assuming two additional cuts in 2025—October and December—and one in 2026, scheduled for June as shown in **Exhibit 46**.

¹ J.P. Morgan is a global investment bank

Exhibit 46: Estimated Fed Funds Rate for H2 FY2025 & FY2026

	Upper bound	Lower bound	Average Rate
H1 FY2025	4.25%	4.50%	4.38%
July	4.25%	4.50%	4.38%
August	4.25%	4.50%	4.38%
September	4.00%	4.25%	4.13%
October	3.75%	4.00%	3.88%
November	3.75%	4.00%	3.88%
December	3.50%	3.75%	3.63%
H2 FY2025	-	-	4.04%
FY2025	-	-	4.21%
January	3.50%	3.75%	3.63%
February	3.50%	3.75%	3.63%
March	3.50%	3.75%	3.63%
April	3.50%	3.75%	3.63%
May	3.50%	3.75%	3.63%
June	3.25%	3.50%	3.38%
July	3.25%	3.50%	3.38%
August	3.25%	3.50%	3.38%
September	3.25%	3.50%	3.38%
October	3.25%	3.50%	3.38%
November	3.25%	3.50%	3.38%
December	3.25%	3.50%	3.38%
FY2026	-	-	3.48%

Source: FPA estimates

We then calculated the proportion of decline it could have on the Fed Funds Rate as shown in **Exhibit 47**.

Exhibit 47: Forecasted Average Fed Funds Rate for FY2025 & FY2026

	H1 FY2025	H2 FY2025	FY2025	FY2026
Average Fed Funds Rate	4.38%	4.04%	4.21%	3.48%
Proportion of decline	-	(7.62%)	-	(17.33%)

Source: US Federal Reserve, FPA

We assume that when the Fed Funds rate falls, SBS's interest income will also fall by the same proportion.

Interest income for FY2025 & FY2026 are projected to be S\$7.9 million and S\$6.5 million respectively as shown in **Exhibit 48**.

Exhibit 48: Forecasted Interest Income for FY2025 & FY2026

S\$'000	Actual	Forecast				
	H1 FY2025	Semiannual Growth (%)	H2 FY2025	FY2025	Growth (%)	FY2026
Interest income	4,084	(7.62%)	3,773	7,857	(17.33%)	6,496

Source: SBS, FPA

We project finance costs to remain the same for H2 FY2025. Finance costs for FY2025 & FY2026 are projected to be S\$792,000 as shown in **Exhibit 49**.

Projected profit before tax for FY2025 & FY2026 are S\$79.1 million and S\$82.0 million respectively.

Exhibit 49: Forecasted Profit Before Tax for FY2025 & FY2026

S\$'000	Actual	Forecast		
	H1 FY2025	H2 FY2025	FY2025	FY2026
Operating profit	34,106	37,902	72,008	76,273
Interest income	4,084	3,773	7,857	6,496
Finance costs	(396)	(396)	(792)	(792)
Profit before tax	37,794	41,279	79,073	81,977

Source: SBS, FPA

Profit after tax:

We assume a tax rate of 17% for H2 FY2025 & FY2026, in line with Singapore's corporate income tax rate. Profit after tax is projected to be S\$65.4 million in FY2025 and S\$68.0 million in FY2026 as shown in **Exhibit 50**.

Exhibit 50: Forecasted Profit after Tax for FY2025 & FY2026

S\$'000	Actual	Forecast		
	H1 FY2025	H2 FY2025	FY2025	FY2026
Profit before tax	37,794	41,279	79,073	81,977
Tax expense	(6,702)	(7,017)	(13,719)	(13,936)
<i>Effective tax rate</i>	17.73%	17.00%	17.35%	17.00%
Profit after tax	31,092	34,262	65,354	68,041

Source: SBS, FPA

EPS:

We assume the weighted average number of shares for FY2025 to be 312,584,000, based on the number of ordinary shares at the end of H1 FY2025 as stated in the financial statements. Accordingly, we project basic EPS to be 20.91 cents for FY2025 and 21.77 cents for FY2026 as shown in **Exhibit 51**.

Exhibit 51: Forecasted EPS for FY2025 & FY2026

S\$'000	Actual	Forecast		
	H1 FY2025	H2 FY2025	FY2025	FY2026
Profit after tax	31,092	34,262	65,354	68,041
Number of ordinary shares ('000)	312,584	312,584	312,584	312,584
Basic EPS (cents)	9.95	10.96	20.91	21.77

Source: SBS, FPA

DPS:

SBS's aims to have a dividend payout ratio of at least 50%. In H1 FY2025, the payout ratio was 90%, significantly higher than 50%. For H2 FY2025 we project a more conservative payout ratio of 50%, this results in a payout ratio of 69.0% for FY2025. We assume that this payout ratio would continue in FY2026.

Thus, we project DPS of 14.43 cents for FY2025 and 15.02 cents for FY2026 as shown in **Exhibit 52**.

Exhibit 52: Forecasted DPS for FY2025 & FY2026

S\$ cents	Actual	Forecast		
	H1 FY2025	H2 FY2025	FY2025	FY2026
Basic EPS	9.95	10.96	20.91	21.77
Dividend	8.95	5.48	14.43	15.02
<i>Payout ratio</i>	89.98%	50.00%	69.02%	69.02%

Note: Payout ratio = DPS/EPS

Source: SBS, FPA

Our projections are summarised in **Exhibit 53**.

Exhibit 53: Forecasted Financial Performance for FY2025 & FY2026

S\$'000	Actual			Forecast	
	FY2022	FY2023	FY2024	FY2025	FY2026
Revenue	1,515,311	1,527,136	1,559,728	1,532,974	1,533,441
Staff costs	(735,928)	(737,646)	(756,740)	(753,564)	(755,269)
Repair & maintenance costs	(206,558)	(201,416)	(203,093)	(179,538)	(177,151)
Fuel & electricity costs	(259,288)	(281,551)	(262,063)	(200,507)	(160,310)
Premises costs	(56,226)	(44,716)	(51,747)	(48,828)	(46,859)
Depreciation expense	(93,991)	(92,618)	(87,158)	(85,733)	(82,401)
Other operating costs	(83,412)	(92,537)	(125,761)	(192,796)	(235,178)
Total operating costs	(1,435,403)	(1,450,484)	(1,486,562)	(1,460,966)	(1,457,168)
Operating profit	79,908	76,652	73,166	72,008	76,273
Interest income	4,524	12,834	11,065	7,857	6,496
Finance costs	(1,473)	(1,515)	(726)	(792)	(792)
Profit before tax	82,959	87,971	83,505	79,073	81,977
Tax expense	(14,937)	(18,895)	(13,204)	(13,719)	(13,936)
Profit attributable to shareholders	68,022	69,076	70,301	65,354	68,041
Weighted average number of ordinary shares ('000)	311,865	311,924	312,126	312,584	312,584
Basic EPS (cents)	21.81	22.15	22.52	20.91	21.77
DPS (cents)	10.90	11.16	28.68	14.43	15.02

Source: SBS, FPA

VALUATION ANALYSIS

(I) PEER COMPARISON ANALYSIS

We performed a peer comparison analysis to review how SBS is faring against industry peers in terms of current valuation metrics. We selected peer companies that are like SBS in terms of industry and business operations. Then, we compared SBS against its peers in terms of P/E multiple, P/B multiple and dividend yield.

Below, we list the selected peer companies to compare with SBS (along with a brief description of each company) as follows:

i. MTR Corporation Ltd. (“MTR”; HKEX:0066)

MTR is a Hong Kong-based rail operator. It runs an extensive metro network in Hong Kong, including the Airport Express and Light Rail, and has expanded internationally with operations in cities like Beijing, Shenzhen, Melbourne, Sydney, and Stockholm. MTR also has a strong property development arm, leveraging its “rail plus property” model to generate income from residential and commercial projects near its stations.

ii. Transport International Holdings Ltd. (“TIH”; HKEX:0062)

TIH is a public transport operator in Hong Kong and Mainland China. It is the holding company of Kowloon Motor Bus Company (1933) Limited, Long Win Bus Company Limited, and several non-franchised transport providers. TIH also has business interests in property holdings and development in Hong Kong.

iii. ComfortDelGro Corporation Ltd. (“CDG”; SGX:C52)

CDG is a multi-modal transport operator with diverse businesses including taxi, bus, rail, car rental & leasing, automotive engineering & maintenance services, vehicle inspection & testing, driver training, insurance brokerage, and outdoor advertising. CDG operates across Singapore and internationally in countries such as the UK, Australia, China, and Malaysia. Its listed subsidiaries on the Singapore Exchange include SBS and VICOM.

iv. Singapore Airlines Ltd. (“SIA”; SGX:C6L)

SIA, together with subsidiaries, provide passenger and cargo air transportation services internationally. It also provides aircraft maintenance services, including technical and non-technical handling at the airport; line maintenance services; maintenance, repair, and overhaul of aircraft and cabin components/systems; repair and overhaul of hydromechanical equipment; aviation insurance; and airframe maintenance and overhaul services, as well as manufactures aircraft cabin equipment and tooling for the aerospace industry.

The results of our peer comparison analysis are shown in **Exhibit 54**.

Exhibit 54: Peer Comparison Analysis

Company	Stock Symbol	Price (S\$) as at 17 Oct '25	Market Cap (S\$ million)	Diluted EPS (cents) ⁽¹⁾	P/E	DPS (cents) ⁽²⁾	Dividend Yield (%)	NAV per share (S\$) ⁽³⁾	P/B
SBS Transit	S61	3.220	1,007	21.63	14.89	32.05	9.95%	2.17	1.48
Peer companies:									
MTR Corporation Ltd. ⁽⁴⁾	0066	4.494	27,976	46.84	9.59	21.84	4.86%	5.66	0.79
Transport International Holdings Ltd. ⁽⁴⁾	0062	1.767	929	8.34	21.20	13.34	7.55%	5.49	0.32
ComfortDelGro	C52	1.470	3,185	10.21	14.40	8.16	5.55%	1.21	1.22
SIA	C6L	6.540	19,456	79.00	8.28	40.00	6.12%	5.27	1.24
Peer average:	-	-	-	-	13.37	-	6.02%	-	0.89

⁽¹⁾ & ⁽²⁾ Trailing Twelve-Months ("TTM"). ⁽³⁾ Most recent financial statement. ⁽⁴⁾ Converted from Hong Kong Dollars ("HKD") to SGD using HKD to SGD exchange rate of 1:0.1667 as at 17th October 2025 from Yahoo Finance.

Source: HKEX, SGX Stock Screener, respective companies, FPA

(a) P/E multiple

Based on the results in **Exhibit 54**, SBS is currently trading at a P/E multiple of 14.89x which is higher than the peer average P/E of 13.37x. This suggests that SBS is overvalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S\$2.891 if SBS is to trade at the peer average P/E of 13.37x as follows:

$$\begin{aligned}
 \text{Estimated target price (P/E multiple)} &= \text{Peer average P/E} \times \text{TTM diluted EPS} \\
 &= 13.37 \times \text{S\$}0.2163 \\
 &\approx \text{S\$}2.891
 \end{aligned}$$

The estimated target price of S\$2.891 represents a downside potential of 10.2% from the current share price of S\$3.220.

(b) P/B multiple

Based on the results in **Exhibit 54**, SBS is currently trading at a P/B multiple of 1.48x which is higher than the peer average P/B of 0.89x. This suggests that SBS is overvalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S\$1.939 if SBS is to trade at the peer average P/B of 0.89x as follows:

$$\begin{aligned}
 \text{Estimated target price (P/B multiple)} &= \text{Peer average P/B} \times \text{NAV per share} \\
 &= 0.89 \times \text{S\$}2.17 \\
 &\approx \text{S\$}1.939
 \end{aligned}$$

The estimated target price of S\$1.939 represents a downside potential of 39.8% from the current share price of S\$3.220.

(c) Dividend yield

Based on the results in **Exhibit 54**, SBS's current dividend yield of 9.95% is more attractive than the peer average yield of 6.02%, which suggests that SBS is undervalued at the current share price. Adopting a relative valuation approach, we estimate a target price of S\$5.325 if SBS is to trade at the peer average yield of 6.02% as follows:

$$\begin{aligned} \text{Estimated target price (Dividend yield)} &= \frac{\text{Current yield}}{\text{Peer average yield}} \times \text{Current share price} \\ &= \frac{9.95\%}{6.02\%} \times \text{S\$3.220} \\ &\approx \text{S\$5.325} \end{aligned}$$

The estimated target price of S\$5.325 represents an upside potential of 65.4% from the current share price of S\$3.220.

(d) Target price

From our analysis, SBS seems to be overvalued in terms of its P/E and P/B multiple but undervalued in terms of its dividend yield. By averaging target prices based on P/E multiple, P/B multiple and dividend yield, we derive an overall target price of S\$3.385 as follows:

$$\begin{aligned} \text{Target price} &= \frac{1}{3} \times [\text{Estimated target price (P/E multiple)} + \text{Estimated target price (P/B multiple)} + \\ &\quad \text{Estimated target price (Dividend yield)}] \\ &= \frac{1}{3} \times [\text{S\$2.891} + \text{S\$1.939} + \text{S\$5.325}] \\ &\approx \text{S\$3.385} \end{aligned}$$

The overall target price of S\$3.385 represents an upside potential of 5.1% from the current share price of S\$3.220.

(II) VALUATION ANALYSIS (BASED ON HISTORICAL P/E MULTIPLE, P/B MULTIPLE & YIELD)

We also performed a valuation analysis using SBS's historical P/E multiple, PB multiple and dividend yield over the past five financial years (H1 FY2021 – H1 FY2025) as shown in **Exhibit 55**.

Exhibit 55: Historical Share Price and Valuation Metrics

Period	Results release date	Share price (\$\$) ⁽¹⁾	Diluted EPS (cents)	TTM EPS (cents)	P/E multiple	DPS (cents)	TTM DPS (cents)	Dividend yield	Payout ratio (TTM)	NAV per share (\$\$)	P/B multiple
H1 FY2025	11 Aug '25	3.170	9.94	21.63	14.66x	8.95	32.05	10.11%	148.17%	2.17	1.46x
H2 FY2024	25 Feb '25	2.650	11.69	22.48	11.79x	23.10	28.68	10.82%	127.58%	2.30	1.15x
H1 FY2024	13 Aug '24	2.390	10.79	21.79	10.97x	5.58	11.16	4.67%	51.22%	2.24	1.07x
H2 FY2023	27 Feb '24	2.620	11.00	22.15	11.83x	5.58	11.16	4.26%	50.38%	2.19	1.20x
H1 FY2023	14 Aug '23	2.570	11.15	21.85	11.76x	5.58	11.03	4.29%	50.48%	2.13	1.21x
H2 FY2022	22 Feb '23	2.720	10.70	21.81	12.47x	5.45	10.90	4.01%	49.98%	2.07	1.31x
H1 FY2022	10 Aug '22	2.860	11.11	15.97	17.91x	5.45	7.90	2.76%	49.47%	2.02	1.42x
H2 FY2021	23 Feb '22	2.930	4.86	16.56	17.69x	2.45	8.20	2.80%	49.52%	1.93	1.52x
H1 FY2021	12 Aug '21	3.020	11.70	26.57	11.37x	5.75	12.05	3.99%	45.35%	1.94	1.56x
Maximum					17.91x			10.82%			1.56x
Minimum					10.97x			2.76%			1.07x
Average (excl. values ≤ 0)					13.38x			5.30%			1.32x

⁽¹⁾ Share price based on seven days after results release date to account for price movements after results release.

Source: SBS, Yahoo! Finance, FPA

(a) P/E multiple

As shown in **Exhibit 55**, SBS's historical average P/E multiple was 13.38x which is lower than its current P/E multiple of 14.89x. This suggests that SBS is overvalued at the current share price. Based on the historical average P/E multiple of 13.38x and TTM diluted EPS (cents) of 21.63, we estimate a target price of S\$2.895 as follows:

$$\begin{aligned}
 \text{Estimated Target Price} &= \text{Historical Average P/E} \times \text{TTM diluted EPS} \\
 &= 13.38 \times \text{S\$}0.2163 \\
 &\approx \text{S\$}2.895
 \end{aligned}$$

The target price of S\$2.895 represents a downside potential of 10.1% from the current share price of S\$3.220.

(b) P/B multiple

As shown in **Exhibit 55**, SBS's historical average P/B multiple was 1.32x which is lower than its current P/B multiple of 1.48x. This suggests that SBS is overvalued at the current share price. Based on the historical average P/B multiple of 1.32x and NAV per share of S\$2.17 in H1 FY2025, we estimate a target price of S\$2.866 as follows:

$$\begin{aligned}\text{Estimated Target Price} &= \text{Historical Average P/B} \times \text{NAV per share} \\ &= 1.32 \times \text{S\$2.17} \\ &\approx \text{S\$2.866}\end{aligned}$$

The target price of S\$2.866 represents a downside potential of 11.0% from the current share price of S\$3.220.

(c) Dividend yield

As shown in **Exhibit 55**, SBS's historical average yield was 5.30%, which is less attractive than its current yield of 9.95%. This suggests that SBS is undervalued at the current share price. Based on the historical average dividend yield of 5.30% and current yield of 9.95%, we estimate a target price of S\$6.046 as follows:

$$\begin{aligned}\text{Estimated Target Price} &= \frac{\text{Current yield}}{\text{Historical average yield}} \times \text{Current share price} \\ &= \frac{9.95\%}{5.30\%} \times \text{S\$3.220} \\ &\approx \text{S\$6.046}\end{aligned}$$

The target price of S\$6.046 represents an upside potential of 87.8% from the current share price of S\$3.220.

(d) Target price

From our analysis, SBS seems to be overvalued in terms of its historical average P/E and P/B multiple. However, SBS may be undervalued in terms of its historical average yield. By averaging our estimated target prices based on historical average P/E multiple, P/B multiple and yield, we derive a target price of S\$3.935 as follows:

$$\begin{aligned}\text{Target price} &= \frac{1}{3} \times [\text{Estimated target price (Historical P/E multiple)} + \text{Estimated target price (Historical P/B multiple)} + \text{Estimated target price (Historical dividend yield)}] \\ &= \frac{1}{3} \times [\text{S\$2.895} + \text{S\$2.866} + \text{S\$6.046}] \\ &\approx \text{S\$3.935}\end{aligned}$$

The target price of S\$3.935 represents an upside potential of 22.2% from the current share price of S\$3.220.

(III) HISTORIC PRICES

Looking at SBS's historical share price, we note that its all-time high was S\$4.32 on 8th July 2019 as shown in **Exhibit 56**.

With the Straits Times Index ("STI") recently reaching historic highs of 4,400 as shown in **Exhibit 57**, the current bullish sentiment in Singapore's equity market provides a favourable backdrop for SBS's stock performance. Historically, SBS traded at a P/E multiple of 17.69x in H1 FY2022 as shown in **Exhibit 55**, compared to its current 14.89x as shown in **Exhibit 54**, suggesting room for valuation expansion.

This outlook is further supported by SBS's inclusion in the iEdge Singapore Next 50 Index launched by the Singapore Stock Exchange ("SGX") on 22nd September 2025, which tracks the next tier of large and liquid companies outside the STI. This inclusion enhances visibility and could attract more institutional and retail interest.

Additionally, retail participation on SGX has reached a three-year high as reported by The Straits Times on 9th October 2025, reflecting growing investor enthusiasm.

Furthermore, under the EQDP, MAS will allocate capital to strategies managed by asset managers, aiming to broaden investor engagement beyond large-cap stocks.

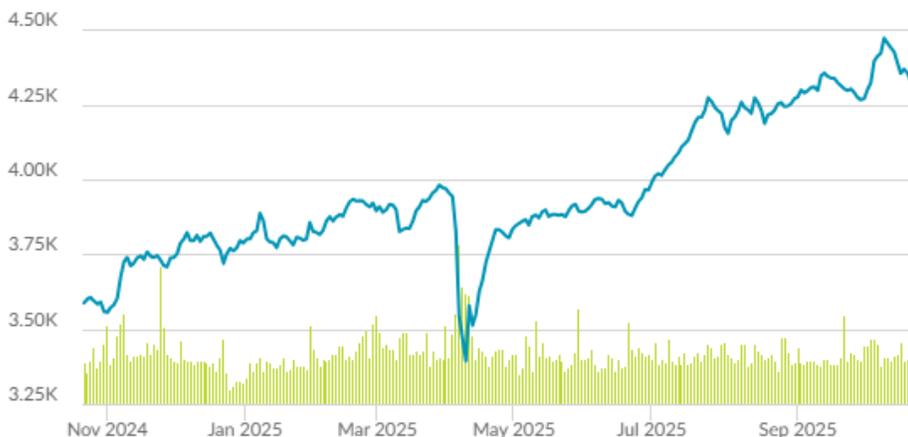
Taken together, these factors create a conducive environment for SBS's share price to revisit its historical highs.

Exhibit 56: SBS's Historical Share Price



Source: Google Finance

Exhibit 57: Straits Times Index Performance (Last Twelve Months)



Source: SGX

SWOT ANALYSIS

In this section, we undertake a SWOT analysis as shown in **Exhibit 58** to further evaluate SBS.

Exhibit 58: SWOT Analysis

SWOT Analysis	
Strengths <ul style="list-style-type: none"> Established market position 	Weaknesses <ul style="list-style-type: none"> Labour dependency Profit margin caps
Opportunities <ul style="list-style-type: none"> New rail contracts 	Threats <ul style="list-style-type: none"> Operational disruption Competition from other bus providers

Strengths:

SBS is one of only two rail operators in Singapore, alongside SMRT. Over the years, it has built strong credibility and market share in the rail sector. Established in 1973, SBS has been serving Singapore's public transport needs for over 50 years. Its long-standing presence underscores its reliability and reputation in the public transport space.

In addition, SBS operates eight out of the 14 bus packages (as referenced on page 3), giving it a market share of 54.3% of bus routes.

Weaknesses:

SBS has struggled with high labour costs (as referenced on page 15). In its 2024 annual report, SBS acknowledged challenges in manpower recruitment and noted that it had enhanced its salary packages to make the profession more attractive. One example is the doubling of sign-on bonuses from FY2023 to S\$20,000 in FY2024. Despite these efforts, SBS recruited 565 new Bus Captains in FY2024, approximately 25% fewer than in FY2023. As a result, SBS may need to continue increasing its salary packages to attract manpower, which could place downward pressure on its earnings.

Secondly, the profit margin cap under NRFF Version 2 limits SBS's operating profit margin (as referenced on page 4). This model effectively restricts the operator's ability to benefit from cost efficiencies, as profit margins are capped regardless of declining costs. As a result, SBS's earnings potential is constrained, even in periods of strong operational performance.

Opportunities:

SBS has the opportunity to grow its revenue by securing new operating contracts in both bus and rail segments. A key prospect is the upcoming CRL contract, which has yet to be awarded. If SBS successfully tenders and wins the bid, it could significantly enhance its long-term revenue, especially as the line is expected to commence operations around 2030.

Threats:

One of the key threats SBS faces is the risk of operational disruptions, particularly in its rail services. Extended service outage such as those caused by equipment failure or accidents can lead to significant revenue loss and increased costs due to repair and recovery efforts. Additionally, the constant need to prevent such disruptions requires SBS to invest heavily in asset maintenance and upkeep, which may place downward pressure on earnings.

SBS faces growing competition in the bus segment, which poses a threat to its ability to retain and expand market share. For instance, SBS lost the Tampines bus package to GAS despite submitting a lower bid and lost the Jurong West bus package to SMRT, whose bid was more competitive. These outcomes highlight the challenges SBS faces in securing new contracts and retaining existing ones. As more bus tenders are introduced and competition intensifies, SBS's revenue could be affected.

POTENTIAL CATALYSTS

(I) SHIFT TOWARDS OFFICE-BASED WORK

Companies are increasingly taking a firm stance on returning to office-based work, reversing earlier remote work policies. For instance, on 3rd October 2025, NUS implemented a full return-to-office policy for all full-time staff (as referenced on page 7). If all companies were to gradually adopt similar policies, it would cause an increase in public transport ridership. This reflects a broader trend where organizations recognize the value of in-person collaboration for productivity, team integration, and culture-building. As a result, with more passengers, more fares would be collected, leading to a rise in SBS's revenue.

(II) SECURING OF CROSS ISLAND LINE CONTRACT

The Cross Island Line ("CRL") is Singapore's eighth MRT line. It will serve existing and future developments in the eastern, western, and north-eastern corridors, connecting major hubs such as Jurong Lake District, Punggol Digital District, and the Changi region. The line will be constructed in three phases, with Phase 1 targeted for completion by 2030.

In May 2023, the LTA called for tenders to operate both the JRL and the CRL, inviting SMRT and SBS to submit bids. LTA awarded the JRL contract to SBS but has yet to award the CRL contract, citing that the tenderers' proposals did not adequately address the uncertainties of operating the line when service begins in six years. LTA will select the CRL operator at a later stage.

If the tender is reopened and SBS wins the bid, it could increase SBS's revenue—though this would only be realized once the line becomes operational, earliest by 2030. Nevertheless, investors may begin pricing in the potential upside ahead of operations.

(III) CHANGE IN NRFF VERSION 2

In the NRFF Version 2, LTA strengthens both the profit and risk-sharing mechanisms to reduce commercial volatility for the operator. Under this model, LTA shares part of the shortfall in fare revenue and profits. Conversely, if profits exceed expectations, a larger portion is subject to profit-sharing, and the operator pays an increased licence charge to the railway sinking fund, which is used for renewing operating assets. This effectively caps the operator's profit margins.

If LTA revises the policy to allow a higher cap on profit margins, SBS would pay a lower licence charge when operating profits exceed expectations. This would result in higher net income and potentially greater dividend payouts for investors.

INVESTMENT RECOMMENDATION

Based on the historical average P/E multiple of 13.38x and TTM diluted EPS (cents) of 21.63, we estimate a target price of S\$2.895. Based on the historical average P/B multiple of 1.32x and NAV per share of S\$2.17, we estimate a target price of S\$2.866. Based on the historical average yield of 5.30% and TTM DPS (cents) of 32.05, we estimate a target price of S\$6.046. By averaging the estimated target prices, we derive an overall target price of S\$3.935 as follows:

$$\begin{aligned} \text{Target price} &= \frac{1}{3} \times [\text{Estimated target price (Historical P/E multiple)} + \text{Estimated target price (Historical P/B multiple)} + \text{Estimated target price (Historical dividend yield)}] \\ &= \frac{1}{3} \times [S\$2.895 + S\$2.866 + S\$6.046] \\ &\approx S\$3.935 \end{aligned}$$

The overall target price of S\$3.935 represents an upside potential of 22.2% from the current share price of S\$3.220. This valuation is further supported by bullish market conditions, with the STI at historic highs, SBS's inclusion in the iEdge Singapore Next 50 Index, rising retail participation and MAS's EQDP initiative directing capital towards mid-cap companies like SBS. These factors create a favourable environment for SBS to potentially revisit its previous peak.

In addition to favourable market sentiment, SBS's long-term fundamentals remain compelling. The company has a long-standing presence in Singapore's public transport system and stands to benefit from future opportunities, particularly if it secures the CRL contract. This associated revenue uplift is only expected to materialise in 2030 when CRL operations commence, should SBS secure the contract.

However, in the near term, SBS faces several challenges. High manpower costs, especially from bus captain recruitment continue to weigh on margins. The NRFF Version 2 also limits profitability by capping earnings. Additionally, SBS has lost two bus packages (Jurong West and Tampines), reducing its market share and putting pressure on earnings. As a public transport operator, SBS must also invest in maintenance to prevent service disruptions, adding to operating costs.

Nonetheless, while the valuation analysis based on historical metrics has its limitations, we find that the target price of S\$3.935 may be representative of SBS's likely share price. This upside could be further supported by a shift back to office-based work, successful award of the CRL contract, and potential revisions to NRFF policies that allow for higher margin caps. However, we recognise that there are risks to the target price. These include prolonged MRT disruptions and a broader economic slowdown.

Given SBS's healthy dividend yield and potential for capital appreciation, we recommend a buy.

RISKS TO TARGET PRICE

(I) PROLONGED MRT DISRUPTION

On 25th September 2024, a dislodged axle box caused the wheels of a train to fall off the track, damaging the EWL between Jurong East and Buona Vista stations. The disruption lasted six days, from 24th to 30th September. During this period, SMRT bore the cost of repairs and provided free bridging buses, regular bus services, and shuttle train services at the affected stations. The total cost amounted to over S\$10 million.

As a result of the disruption, LTA imposed a financial penalty of S\$3 million on SMRT.

If a similar incident were to occur with SBS, it would significantly impact both revenue and costs, leading to lower net income and reduced dividend payouts.

(II) ECONOMIC SLOWDOWN

On 14th October 2025, the Ministry of Trade and Industry (“MTI”) released its advance estimates for Singapore’s GDP growth in Q3 2025. The economy grew by 2.9% y-o-y, moderating from the 4.5% y-o-y growth recorded in Q2 2025. This Q3 figure exceeded expectations, beating economists’ forecast of 2.0% y-o-y growth in a Bloomberg poll. However, Singapore’s exports to the U.S. continues to face a 10% tariff, and ongoing trade wars and geopolitical tensions could lead to a more severe economic slowdown. In such a scenario, employers may be less inclined to hire, resulting in slower employment growth and fewer people entering the job market. Consequently, ridership growth could stall due to lower employment levels, potentially leading to reduced revenue for SBS.

CORPORATE GOVERNANCE

(I) BOARD OF DIRECTORS

As at 20th June 2025, the Board comprises nine directors:

- Mr Bob Tan Beng Hai: Board Chairman (Independent Non-Executive Director)
- Mr Cheng Siak Kian: Deputy Chairman (Non-Independent Non-Executive Director)
- Mr Jeffrey Sim Vee Ming: Non-Independent Executive Director & Group CEO
- Mr Patrick Daniel: Independent Non-Executive Director
- Ms Susan Kong Yim Pui: Non-Independent Non-Executive Director
- Ms Lee Sok Koon (Mrs Constance Koh): Independent Non-Executive Director
- Dr Christina Lim Yui Hung: Independent Non-Executive Director
- Dr Tan Kim Siew: Independent Non-Executive Director
- Mr Edwin Yeo Teng Chuan: Independent Non-Executive Director

Mr Bob Tan Beng Hai joined the Board on 29th April 2021. He is the Chairman of the Tenders and Investments Committee and the Nominating and Remuneration Committee, as well as a member of the Sustainability and Service Quality Committee (“SSQC”). He is also the Chairman of SBS Transit Rail Pte. Ltd, Jurong Engineering Ltd, and Sentosa Development Corporation. He is a Securities Industry Council Member and Corporate Governance Advisory Committee Chairman of the Monetary Authority of Singapore, Council Member of the National Trades Union Congress (“NTUC”) Club Management Council, and Director of Singapore Post Limited.

Mr Cheng Siak Kian joined the Board on 29th April 2021. He is a member of the Nominating and Remuneration Committee and the Tenders and Investments Committee. He is also the Group CEO of CDG.

Mr Jeffrey Sim Vee Ming joined the Board on 1st January 2023. He is a member of the Tenders and Investments Committee and the SSQC. He is the Chairman of the UITP Asia-Pacific Urban Rail Committee and is a Core Group Member of the International Railway Safety Council. He also serves on the advisory boards of the NUS Mechanical Engineering programme, the Singapore University of Technology and Design’s Engineering Systems and Design pillar and the Singapore Institute of Technology’s Engineering Systems programme.

Mr Patrick Daniel joined the Board on 1st January 2024. He is the Chairman of the SSQC. He is also a director of Singapore Press Holdings (“SPH”) Media Trust, non-executive director of Stewardship Asia Centre, non-executive chairman of ShareInvestor Holdings as well as the president of the Singapore Press Club.

Ms Susan Kong Yim Pui joined the Board on 1st October 2017. She is a member of the Audit and Risk Committee (“ARC”), the Nominating and Remuneration Committee, and the Tenders and Investments Committee. She is also an independent non-executive director of CDG and a director of HealthServe Limited.

Ms Lee Sok Koon joined the Board on 1st May 2017. She is the Chairperson of the ARC and a member of the Tenders and Investments Committee. She is also an independent non-executive director of Lum Chang Holdings Ltd, Mooreast Holdings Ltd and Jason Marine Group Limited, all of which are public listed companies on the Singapore Exchange. Additionally, she is an honorary member of the Fundraising Committee of Singapore Arts School Ltd. Ms Lee also serves as an independent non-executive director of NUS America Foundation, Inc.

Dr Christina Lim Yui Hung joined the Board on 1st October 2023. She is a member of the SSQC. Dr Lim is also a director of SBS Transit Rail Pte. Ltd., a wholly owned subsidiary of SBS. Dr Lim also holds the position of Associate Professor and serves as the Deputy Head for Outreach and Student Life in the Department of Mechanical Engineering at NUS.

Dr Tan Kim Siew joined the Board on 1st June 2019. He is a member of the ARC and the Nominating and Remuneration Committee. He is also the Chairman and an independent non-executive director of VICOM. Dr Tan is presently a senior consultant in the Ministry of Finance.

Mr Edwin Yeo Teng Chuan joined the Board on 1st January 2024. He is a member of the ARC. In addition to his role with the Company, Mr Yeo holds the position of an independent co-opted member on the Digital & Information Technology Committee at ALPS Pte Ltd.

Audit & Risk Committee:

- Ms Lee Sok Koon: Chairman (Independent Non-Executive Director)
- Ms Susan Kong Yim Pui: Member (Non-Independent Non-Executive Director)
- Dr Tan Kim Siew: Member (Independent Non-Executive Director)
- Mr Edwin Yeo Teng Chuan: Member (Independent Non-Executive Director)

Nominating & Remuneration Committee:

- Mr Bob Tan Beng Hai: Chairman (Independent Non-Executive Director & Board Chairman)
- Mr Cheng Siak Kian: Member (Non-Independent Non-Executive Director & Deputy Chairman)
- Ms Susan Kong Yim Pui: Member (Non-Independent Non-Executive Director)
- Dr Tan Kim Siew: Member (Independent Non-Executive Director)

Tenders & Investments Committee:

- Mr Bob Tan Beng Hai: Chairman (Independent Non-Executive Director & Board Chairman)
- Mr Cheng Siak Kian: Member (Non-Independent Non-Executive Director & Deputy Chairman)
- Ms Susan Kong Yim Pui: Member (Non-Independent Non-Executive Director)
- Ms Lee Sok Koon: Member (Independent Non-Executive Director)
- Mr Jeffrey Sim Vee Ming: Member (Non-Independent Executive Director & Group CEO)

Sustainability & Service Quality Committee:

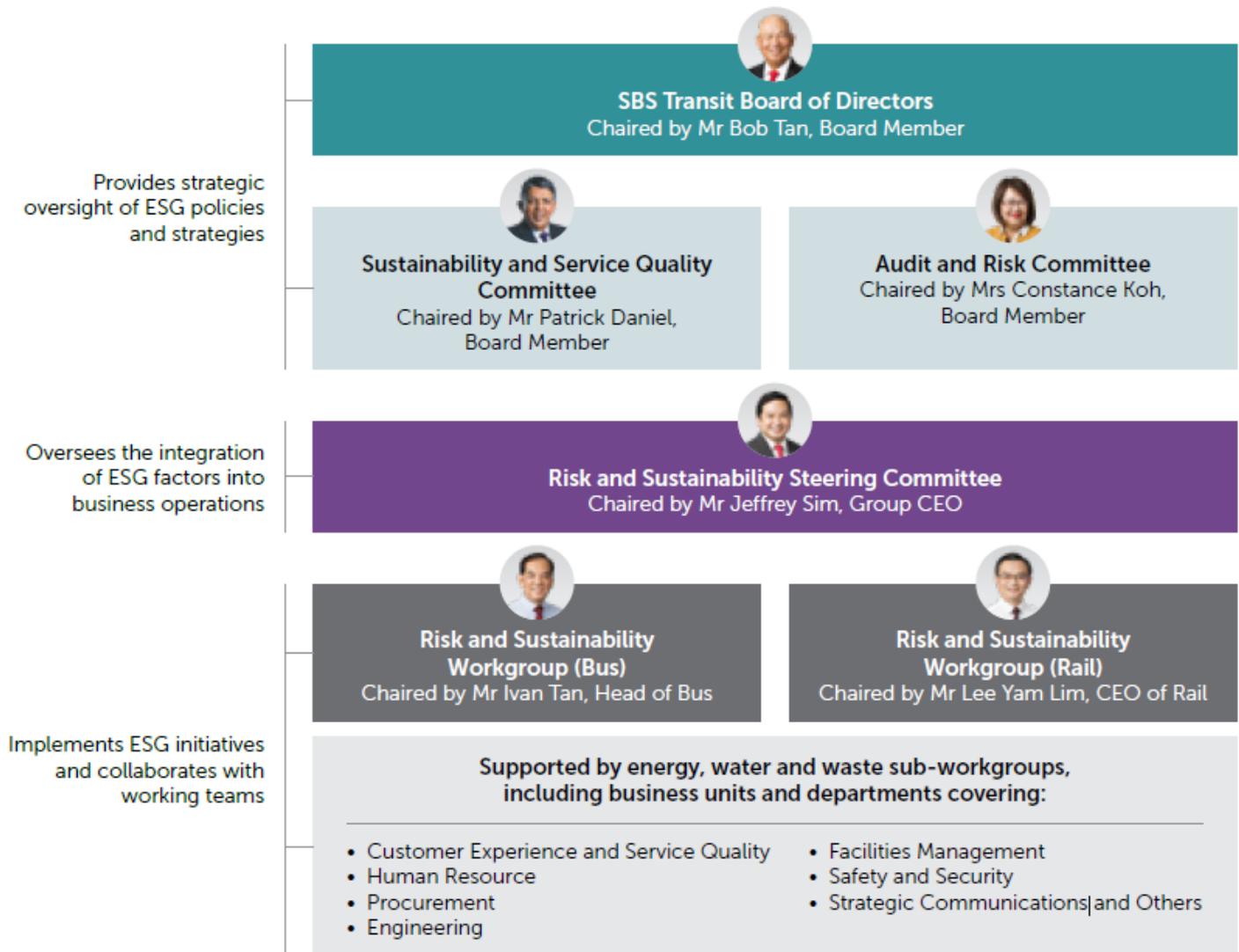
- Mr Patrick Daniel: Chairman (Independent Non-Executive Director)
- Dr Christina Lim Yui Hung: Member (Independent Non-Executive Director)
- Mr Jeffrey Sim Vee Ming: Member (Non-Independent Executive Director & Group CEO)
- Mr Bob Tan Beng Hai: Member (Independent Non-Executive Director & Board Chairman)

SUSTAINABILITY INFORMATION

Sustainability governance:

The Board, led by the Chairman, who oversees sustainability efforts advocated by their Board-level ARC and SSQC. The current structure is shown in **Exhibit 59**.

Exhibit 59: Governance of Sustainability and Risk Management



Source: SBS

The company’s sustainability strategy undergoes quarterly reviews by the SSQC, chaired by Board Director Mr Patrick Daniel. The SSQC’s focus is to ensure that their sustainability initiatives make a significant positive impact on the company’s cost efficiency and long-term profitability. Board members and the SSQC exercise independent judgement, keeping in mind always the best interests of the company and their stakeholders.

The Board’s Audit and Risk Committee, chaired by Board director Ms Lee Kok Soon (Mrs Constance Koh), has formulated SBS’s Risk Management Framework to provide a systematic process to identify, manage, and review the risks involved in their business operations. SBS is committed to enhance shareholder value through sustainable growth while managing their business risks.

At the management level, Group CEO, Mr Jeffrey Sim, chairs the Risk and Sustainability Steering Committee (“RSSC”), comprising eight key members of their Senior Management team. Key risks, including ESG and climate-related risks, are identified and presented half-yearly to the Board and its ARC. The RSSC provides direction to designated workgroups on material sustainability issues. This includes accounting for the impact of initiatives on climate related risks and opportunities.

Stakeholder engagement:

Creating long-term, sustainable value for their stakeholders, who are at the core of their business, drives SBS’s sustainability approach. SBS identifies their stakeholders through their risk management process, including regulators, customers, shareholders, employees, and business partners. To foster trust and integrity, SBS engages with them regularly. The feedback and insights gathered from these sessions are recorded and carefully considered in their sustainability strategy. The list of identified stakeholders and their priorities is shown in **Exhibit 60**.

Exhibit 60: Overview of Stakeholder Engagement

STAKEHOLDERS	STAKEHOLDER PRIORITIES
AUTHORITIES 	<ul style="list-style-type: none"> • Operational performance: Deliver operational excellence • Safety and reliability: Safe and secure transport for all; service reliability and recovery • Security: Protection of assets • Accessibility: Inclusive and accessible public transport environment • Emissions: Reduction of carbon footprint
CUSTOMERS 	<ul style="list-style-type: none"> • Reliability: Dependable transportation services • Service experience: High standards of customer service quality • Security: Protection of people
EMPLOYEES 	<ul style="list-style-type: none"> • Training: Essential skills and knowledge • Performance appraisal and remuneration: Fair performance appraisal systems, and fair compensation and reward structures • Well-being: Healthy and supportive work environments • Morale and employee engagement: Enhancing morale through recognition and personal growth
SHAREHOLDERS 	<ul style="list-style-type: none"> • Stewardship and governance: Good oversight by the board • Business performance: Productivity and cost efficiency, profitability and dividend payments • Risk management: Identification and mitigation of workplace, operational and climate risks • Communication: Provision of timely and accurate business updates
PARTNER/SUPPLIERS 	<ul style="list-style-type: none"> • Opportunity: Equal access to business opportunities • Collaboration: Strategic and integrated partnerships • Payment: Timely and fair payment for goods supplied or services provided
UNION 	<ul style="list-style-type: none"> • Job roles: Design of jobs; alignment of roles with skills and staff aspirations • Use of Technology: Provision of the right tools and latest technology for the job; Nurturing future-ready employees • Compensation and rewards: Recognition of performance with appropriate incentives; Competitive and equitable packages • Employee grievances: Avenues for staff to surface grievances; Concerns addressed promptly and fairly by management • Workplace 'hygiene': Provision of a supportive work environment that caters to employee well-being
COMMUNITIES 	<ul style="list-style-type: none"> • Sustainable Operations: Minimise environmental impact through sustainable practices • Connectivity: Provide accessible and reliable public transport that connects everyone • Community Development: Engage in community development initiatives

Source: SBS

Materiality assessment:

In 2024, SBS has undertaken a refresh of their materiality assessment to validate relevant material topics, based on the latest business landscape and their impact on people, environment, and economy. The exercise builds on their previous materiality exercise, allowing them to reassess the significance of their key material topics identified following the GRI 2021 guidelines. The material topics identified signal the areas where their business has the most significant impact, hence providing the overall direction of their sustainability practices. Overall, their material topics have not changed, as there were no significant changes within their operational landscape since the last reporting cycle. However, based on peer analysis and feedback from their internal stakeholders, they have identified the topics “Responsible Supply Chain and Partnership” and “R&D, Technology and Innovation” as standalone material topics rather than reported as sub-topics.

The key material topics are shown in **Exhibit 61**.

Exhibit 61: FY2024 Materiality Assessment

PILLAR	KEY MATERIAL TOPICS
<p>ENVIRONMENTAL Driving Singapore’s low-carbon ambition through environmental stewardship</p> 	<p>Emissions and Energy</p>
	<p>Resource Efficiency</p> <ul style="list-style-type: none"> • Water efficiency • Waste management and circularity
	<p>Sustainability Transition</p> <ul style="list-style-type: none"> • Climate change mitigation and adaptation • Sustainability engagement
<p>SOCIAL Reinforcing our social responsibility to our customers, employees and communities</p> 	<p>Customer Experience</p> <ul style="list-style-type: none"> • Service quality • Accessibility and inclusion
	<p>Safety and Health</p> <ul style="list-style-type: none"> • Customer safety and health • Employee and contractor safety and health
	<p>Employee Care</p> <ul style="list-style-type: none"> • Well-being and work-life harmony • Diversity, equal opportunity, human rights and fair labour • Employee training, upskilling and development
	<p>Social Economic Contribution</p>
<p>GOVERNANCE Ensuring ethical business and strong governance practices</p> 	<p>Business Integrity and Corporate Governance</p> <ul style="list-style-type: none"> • Regulatory and compliance, anti-bribery and anti-corruption • Risk management and transparency
	<p>Responsible Supply Chain and Partnership</p>
	<p>R&D, Technology and Innovation</p>
	<p>Cybersecurity, Data Governance and Privacy</p>
	<p>Asset Protection and Security</p>

Source: SBS

Sustainability framework:

SBS's sustainability framework is designed and constructed with their identified material topics in mind and mapped with reference to the current United Nations Sustainability Development Goals ("UN SDGs"). They support achieving 10 of the 17 SDGs with established targets and commitments to implement initiatives and measures outlined within their three key pillars as shown in **Exhibit 62**.

Exhibit 62: SBS's Three Key Pillars of Sustainability

Driving Singapore's low-carbon ambition through environmental stewardship



Reinforcing our social responsibilities to our customers, employees, and communities



Ensuring ethical business and strong governance practices



Source: SBS

(I) ENVIRONMENTAL

SBS has made significant strides in its environmental stewardship, particularly in the areas of emissions, energy, resource efficiency, and sustainable transition. The company is deeply aligned with Singapore's national climate goals, including the target to achieve net-zero emissions by 2050 and reduce peak land transport emissions by 80% from 2016 levels. As part of this commitment, SBS has been actively transitioning its fleet to cleaner energy sources. In 2024, the company expanded its electric bus fleet to 110 vehicles, supported by infrastructure such as the Sengkang West Bus Depot, which houses 240 EV chargers. This move is part of a broader plan to operate Singapore's largest electric bus fleet by 2025.

Energy efficiency has also been a major focus. SBS implemented smart meters and sensors across seven sites to optimise air-conditioning usage, aiming for a 4% reduction in energy consumption at those locations. The company also signed a Letter of Intent with Alstom to deploy AI-driven train scheduling software that captures regenerative braking energy, further reducing electricity use. Solar energy generation was ramped up with new installations at four locations, increasing solar capacity by 21% to 5.18 MWp. These efforts contributed to a reduction in overall greenhouse gas emissions, although improvements in data collection led to a slight increase in Scope 2 emissions. Notably, Scope 3 emissions saw a significant 32% drop from 2022 levels due to refined methodologies and updated emission factors.

In terms of resource efficiency, SBS has demonstrated a strong commitment to water conservation and waste reduction. Water consumption was reduced by 17.1% compared to the 2019 baseline, despite network expansion. This was achieved through initiatives such as recycling condensate water from air-handling units at 13 stations and optimising tunnel washing schedules. The company also upgraded its Automatic Bus Wash Systems, resulting in water savings of up to 58%. Waste management practices were enhanced through digitalisation and circularity initiatives, including the reuse and recycling of tyres, batteries, and scrap metal. Additive manufacturing was used to produce train parts on demand, reducing material waste and improving reliability.

SBS's sustainable transition strategy is rooted in climate risk awareness and resilience planning. The company conducted a comprehensive climate scenario analysis using both 1.5°C and >3°C warming pathways to assess physical and transition risks. Key risks identified include heatwaves, floods, and carbon pricing. The analysis revealed that increased cooling costs due to rising temperatures pose the most significant direct financial risk, while carbon taxes could have substantial indirect impacts. To mitigate these risks, SBS has implemented a Business Continuity Management System and regularly conducts emergency preparedness exercises.

Employee and community engagement are central to SBS's sustainability journey. The company has trained 122 staff members in electric vehicle safety and plans to open Singapore's first eBus Satellite Training Centre in 2025. Sustainability updates are shared through newsletters, town halls, and depot report cards. Community initiatives such as Repair Kopitiam, Go Green SG tours, and bicycle-sharing partnerships with Anywheel further promote environmental awareness and sustainable commuting.

Overall, SBS's efforts in emissions reduction, resource efficiency, and sustainable transition reflect a holistic and forward-thinking approach to environmental stewardship, positioning the company as a key player in Singapore's journey toward a low-carbon future.

SBS's environmental targets and FY2024 performance are shown in **Exhibit 63**.

Exhibit 63: SBS's Environmental Targets and Performance for FY2024

	MATERIAL TOPICS	SHORT-TERM TARGETS (2025-2030) MEDIUM-TERM TARGETS (2030-2050) LONG-TERM TARGETS (2050 AND BEYOND)	2024 PERFORMANCE
<p>DRIVING SINGAPORE'S LOW-CARBON AMBITION THROUGH ENVIRONMENTAL STEWARDSHIP</p> <p>UN SDGs supported:</p>   	Emissions and Energy	<p>Short-Term:</p> <ul style="list-style-type: none"> Reduce energy consumption by 15% from 2019 baseline Reduce scope 1 and 2 fleet emissions by 25% from 2022 baseline Increase Solar PV capacity to 7 MWp by 2030 <p>Medium-Term:</p> <ul style="list-style-type: none"> Reduce energy consumption by 20% from 2019 baseline Reduce scope 1 and 2 fleet emissions down by 50% from 2022 baseline Increase Solar PV capacity to 10 MWp by 2030 <p>Long-Term:</p> <ul style="list-style-type: none"> Reduce energy consumption by 25% from 2019 baseline Increase Solar PV capacity to 15 MWp by 2030 Maintain net-zero operations beyond 2050 	<p>↓ Energy consumption reduced by 8.7% from 2019 baseline</p> <p>↑ Scope 1 and 2 fleet emissions increased by 2.2% from 2022 baseline</p> <p>↑ Solar PV capacity increased by 21% from 4.28 MWp to 5.18 MWp</p> <p>↓ Absolute Emissions reduced to 714,121 tCO₂e</p>
	Resource Efficiency	<p>Short-Term:</p> <ul style="list-style-type: none"> Reduce water consumption by 15% from 2019 baseline Reduce annual general waste ratio to 25% All office buildings to be Eco-office certified <p>Medium-Term:</p> <ul style="list-style-type: none"> Reduce water consumption by 17% from 2019 baseline Reduce annual general waste ratio to 22% All office buildings to be Eco-office certified <p>Long-Term:</p> <ul style="list-style-type: none"> Reduce water consumption by 20% from 2019 baseline Reduce annual general waste ratio to 20% All office buildings to be Eco-office certified 	<p>↓ Water consumption reduced by 17.1% from 2019 baseline</p> <ul style="list-style-type: none"> Annual general waste ratio: 44.3% Maintained Eco-office certification for all offices
	Sustainable Transition	<p>Short-Term:</p> <ul style="list-style-type: none"> Achieve 50% electric bus fleet Achieve 35% electric utility vehicle Promote green corporate culture internally and community through education and engagement events <p>Medium-Term:</p> <ul style="list-style-type: none"> Achieve 100% cleaner energy bus fleet Achieve 100% electric utility vehicle fleet Promote green corporate culture internally and community through education and engagement events <p>Long-Term:</p> <ul style="list-style-type: none"> Maintain 100% cleaner energy bus fleet Maintain 100% electric utility vehicle fleet Promote green corporate culture internally and community through education and engagement events 	<ul style="list-style-type: none"> Achieved 3.3% cleaner energy bus fleet Achieved 4.8% electric utility vehicles Conducted five staff and two community sustainability engagement initiatives

Source: SBS

(II) SOCIAL

SBS places its customers, employees, and communities at the heart of its operations, with a strong emphasis on safety, inclusivity, and service excellence. The company's approach to social responsibility is deeply embedded in its CARES framework, which guides its efforts to deliver safe, reliable, and delightful journeys for all.

In terms of customer experience, SBS has made notable progress in enhancing service quality and accessibility. The company's ethos of "Putting Customers First" is reflected in its proactive feedback management system, regular staff engagement sessions, and innovative initiatives. In 2024, SBS launched the "School-Friendly Public Bus Service" to support young students in their daily commutes, addressing concerns around safety and independence. The company also introduced AI-powered digital concierges—AIVA and SILViA—to assist commuters with travel queries and sign language translation, respectively, improving accessibility for passengers with disabilities. These efforts contributed to a rise in the compliment-to-valid complaint ratio to 11.7, alongside a 3.1% increase in compliments and a 9.2% decrease in complaints.

Safety and health remain paramount across SBS's operations. The company has implemented a comprehensive safety management system that includes monthly safety reviews, incident investigations, and continuous training. In 2024, SBS achieved a significant reduction in its workplace injury rate, falling from 186.2 to 109.5 per 100,000 employees—well below the industry average. Technological innovations such as AGIL DriveSafe+, a 360-degree collision warning system, and the deployment of Automated External Defibrillators ("AEDs") on buses have further strengthened commuter and employee safety. The company also opened a new Bus Captain Training and Certification Centre equipped with mixed reality simulators and hazard awareness tools to enhance driving skills and service excellence.

Employee care is a cornerstone of SBS's culture. The company supports its workforce through health screenings, mental wellness programmes, and flexible work arrangements. In 2024, SBS transitioned its Employee Assistance Programme to ThoughtFull, offering in-person counselling, wellness webinars, and digital mental health tools. The Workplace Outreach Wellness ("WOW") Programme, in collaboration with the Health Promotion Board, provided resources on nutrition, ergonomics, and mental resilience. These initiatives contributed to SBS being named "Best Company to Work for in Asia" for the third consecutive year, along with awards for diversity, inclusion, and employee care.

SBS is also deeply committed to fostering diversity and equal opportunity. The company's 3E framework—Employ, Educate, Empower—guides its efforts to integrate persons with disabilities ("PWDs") into its workforce. In 2024, the number of PWDs employed increased from 26 to 36, and SBS launched the Enabling Pathway Programme in partnership with SG Enable and ITE to provide internships and long-term employment opportunities for students with disabilities. The company also maintained its status as a signatory to the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP") and upheld its Progressive Wage Mark certification.

Beyond its internal operations, SBS actively contributes to the broader community through its social economic initiatives. The company's CSR efforts are structured around its C2E2 framework—Corporate Philanthropy, Community Partnership, Employee Volunteerism, and Environmental Stewardship. In 2024, SBS raised \$250,000 through events like SBS Hearts and supported over 2,500 beneficiaries through its CARES Community Bus outreach sessions. The company also participated in the Purple Parade to promote disability inclusion and collaborated with Community Chest on various fundraising and engagement programmes.

Overall, SBS's social responsibility strategy reflects a holistic and inclusive approach to public transport. By prioritising safety, accessibility, employee well-being, and community engagement, the company continues to build a resilient and people-centred transport system that serves the diverse needs of Singapore's population.

SBS's social targets and FY2024 performance are shown in **Exhibit 64**.

Exhibit 64: SBS's Social Targets and Performance for FY2024

	MATERIAL TOPICS	SHORT-TERM TARGETS (2025-2030) MEDIUM-TERM TARGETS (2030-2050) LONG-TERM TARGETS (2050 AND BEYOND)	2024 PERFORMANCE
REINFORCING OUR SOCIAL RESPONSIBILITIES TO OUR CUSTOMERS, EMPLOYEES, AND COMMUNITIES UN SDGs supported:     	Customer Experience	<ul style="list-style-type: none"> Deliver high level customer service Make continuous improvements in mobility and inclusive accessibility for all communities, especially the vulnerable 	<ul style="list-style-type: none"> Compliment to valid complaint ratio to 11.7 CARES Training: 7,518 trained staff to-date Launched new initiatives like: Find Your Way, Experiential Learning and the School-Friendly Public Bus
	Safety and Health	<ul style="list-style-type: none"> Achieve zero fatalities Achieve injury rates below national averages for our industry 	<ul style="list-style-type: none"> ↑ 4 fatalities (1 not-at-fault) ↓ Reduced our workplace injury rate from 186.2 to 109.5 per 100,000 employees, exceeding the industry average of 660
	Employee Care	<ul style="list-style-type: none"> Invest in education and training opportunities to develop our employees to achieve 40 training hours per employee Employ 100 of persons with disabilities by 2030 Uphold diversity representation in the workplace in terms of gender, race, ability and age amongst other backgrounds where possible and applicable Maintain as a signatory to TAFEP 	<ul style="list-style-type: none"> ↑ Increased training hours from 86 to 140 hours ↑ Increased PWDs employed from 26 to 36 9.4% female employee population 39.8% employees aged 50 years and above Launched new mobile app (ThoughtFull), to support employee well-being, including expanded mental health support and free counselling Shared productivity gains with workforce Paid out performance, reliability and safety incentives Remained a signatory to TAFEP
	Social Economic Contribution	<ul style="list-style-type: none"> Demonstrate commitment to contribute to the local community 	<ul style="list-style-type: none"> Donated \$688,756 to charitable causes Over 9,000 beneficiaries impacted through our community outreach

Source: SBS

(III) GOVERNANCE

SBS's governance framework is built on a foundation of integrity, transparency, and accountability. The company's Board of Directors plays a central role in overseeing sustainability strategy, risk management, and ethical business conduct. In 2024, SBS continued to uphold high standards of corporate governance, with 63.6% of its board members being independent and 27.3% female representation—exceeding national diversity benchmarks. All directors underwent ESG and sustainability training, including modules on climate-related disclosures and sustainable urban transport planning, ensuring they are equipped to guide the company through evolving regulatory and environmental landscapes.

Business integrity is a core tenet of SBS's operations. The company enforces a zero-tolerance policy towards corruption, bribery, and unethical conduct. All employees and suppliers are required to adhere to a comprehensive Code of Business Conduct and Supplier Code of Conduct. In 2024, SBS achieved full compliance with anti-corruption regulations, with no reported incidents or legal actions. The company also maintained a robust whistleblowing framework, receiving six reports during the year, none of which were substantiated as breaches of ethical standards. Annual declarations of conflicts of interest are mandatory for employees, particularly those involved in procurement, and training on fraud prevention is provided to relevant staff.

SBS's commitment to responsible procurement is reflected in its rigorous supplier screening process. In 2024, the company engaged 1,363 suppliers, with 97.9% undergoing environmental and social criteria assessments. The Supplier Code of Conduct was enhanced to include biodiversity protection and resource efficiency, aligning with SBS's broader environmental goals. Suppliers are expected to comply with sustainability standards and demonstrate ethical practices throughout their operations.

Innovation is a strategic priority for SBS, driving improvements in safety, efficiency, and sustainability. The company launched the MINNOVA in 2024, a collaborative hub for startups, academia, and industry partners to co-create solutions for public transport challenges. Through 35 new Memorandums of Understanding, SBS advanced projects such as predictive maintenance systems, AI-powered customer service tools, and mixed reality training simulators. Technologies like AVATAR, an autonomous robotic dog for train inspections, and the Rail Rover, a multifunctional track trolley, exemplify the company's push toward digitalisation and automation.

Cybersecurity and data protection are critical components of SBS's governance strategy. As a designated Critical Information Infrastructure Organisation under Singapore's Cybersecurity Act, the company maintains stringent controls over its IT and operational technology systems. In 2024, SBS reported zero data breaches and achieved the Data Protection Trustmark certification for both its bus and rail operations—the only public transport operator in Singapore to do so. Employees undergo mandatory cybersecurity awareness training, and regular phishing simulations and table-top exercises are conducted to test incident response capabilities.

Asset protection and safety are managed through a combination of technology, training, and regulatory compliance. SBS operates infrastructure owned by the LTA and takes responsibility for its security and maintenance. The company conducts red teaming exercises, internal audits, and security symposiums to stay ahead of emerging threats. In 2024, SBS introduced innovations such as MARS, an AI-enabled robotic dog for depot surveillance, and SENTINEL, a smart security system that integrates data from mobile CCTVs and robots for real-time monitoring. The company also signed MOUs with technology partners to enhance CCTV systems and develop training programmes for security personnel.

Overall, SBS's governance practices reflect a deep commitment to ethical conduct, technological advancement, and stakeholder trust. Through strong leadership, responsible partnerships, and continuous innovation, the company ensures that its operations remain resilient, secure, and aligned with Singapore's sustainability and regulatory goals.

SBS's governance targets and FY2024 performance are shown in **Exhibit 65**.

Exhibit 65: SBS's Governance Targets and Performance for FY2024

	MATERIAL TOPICS	SHORT-TERM TARGETS (2025-2030) MEDIUM-TERM TARGETS (2030-2050) LONG-TERM TARGETS (2050 AND BEYOND)	2024 PERFORMANCE
<p>ENSURING ETHICAL BUSINESS AND STRONG GOVERNANCE PRACTICES</p> <p>UN SDGs supported:</p>   	<p>Business Integrity and Corporate Governance</p>	<ul style="list-style-type: none"> Maintain zero cases of corruption and fraud Maintain zero cases of non-compliance to anti-competitive behaviour, and bribery Maintain high standards of transparency, accountability, ethics, and integrity across our operations 100% of employees to undergo mandatory anti-corruption training by 2030 	<ul style="list-style-type: none"> Zero incidents of corruption and fraud Zero incidents of non-compliance to anti-competitive behaviour and bribery All employees completed anti-corruption training
	<p>Responsible Supply Chain and Partnership</p>	<ul style="list-style-type: none"> Ensure high standards of transparency, accountability, ethics, and integrity across our supply chain and partners Achieve zero supplier incidents of social or environmental non-compliance occurring within SBS Transit's premises or operations 	<ul style="list-style-type: none"> Engaged 1,363 suppliers, including 130 new additions 97.9% of suppliers underwent screening based on environmental and social criteria, up from 96.5% in 2023 Achieve zero supplier incidents of social or environmental non-compliance occurring within our premises or operations
	<p>R&D, Technology and Innovation</p>	<ul style="list-style-type: none"> Invest in new technologies to benefit the industry and communities Drive innovation and change initiatives 	<ul style="list-style-type: none"> Signed 35 new Memorandums of Understanding for technologies and innovation
	<p>Cybersecurity and Data Protection</p>	<ul style="list-style-type: none"> Achieve zero reportable cybersecurity breaches Achieve zero reportable personal data breaches Consistently enhancing our cybersecurity, data protection, and privacy measures 	<ul style="list-style-type: none"> Zero incidents of reportable breaches Zero incidents of reportable personal data breaches
	<p>Asset Protection and Safety</p>	<ul style="list-style-type: none"> Comply with all audit requirements on asset maintenance Ensure only authorised entry at depots 	<ul style="list-style-type: none"> Passed all audits and complied with the requirements No cases of intrusion

Source: SBS

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