



Correction: Valuation for ComfortDelGro's Acquisition of Addison Lee

We would like to draw your attention to Section 3.1 of our report “ComfortDelGro: Chasing Growth, Missing Returns?” where we discussed the Addison Lee acquisition valuation. CML's understanding, based on ComfortDelGro's press announcement, was that ComfortDelGro (CDG) would pay £269 million and would pay or procure the full repayment of the debt. As such, we computed the enterprise value as £425 million, being the sum of £269 million plus the then outstanding debt of £156 million. The acquisition valuation multiples were based on this enterprise value.

CDG has subsequently confirmed that Addison Lee was acquired on a debt-free basis and that the enterprise value was £269 million. Accordingly, the valuation metrics are: EV/EBITDA: 5.6x and Implied P/E (proforma FY2024 by deducting the interest expenses): 13.7x.

Based on these (lower) multiples, CML believes that the valuation is more reasonable. The Addison Lee acquisition is therefore better placed to be value-accretive, given the expected synergies from integrating Addison Lee with CDG's existing private hire operations in the UK and Europe. To enable shareholders to monitor the integration and growth of Addison Lee, we urge CDG to provide more segment details in its financials. It would also be helpful that CDG provides clearer disclosures in future.