

# FY2021/22 Group Overview

Vincent Phang, Group CEO

13 May 2022



The following presentation contains forward looking statements by the management of Singapore Post Limited (“SingPost”) relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial condition, results of operations and businesses, and related plans and objectives. Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to the future performance of SingPost. In particular, such targets should not be regarded as a forecast or projection of future performance of SingPost. It should be noted that the actual performance of SingPost may vary significantly from such statements.

“\$” means Singapore dollars unless otherwise indicated.

## Resilient FY21/22 performance amid the COVID-19 pandemic and structural decline in core mail business

- Revenue +18.6% YoY
- NP +74.5% YoY
- Strong Growth in Logistics
- Australia Acquisition Delivering



Making every delivery count for people and planet



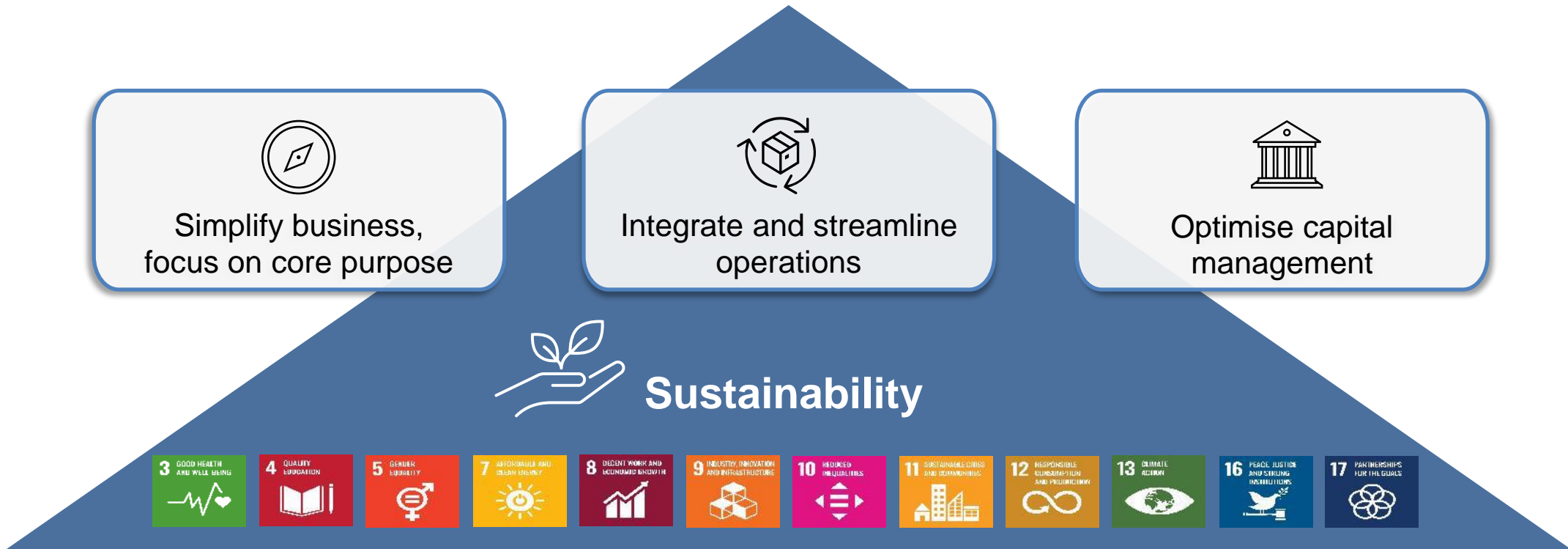
Adapting to COVID-19 and post-pandemic norm



Continuing the Group's transformation

## Positioning for Growth

Building markets | Extending geography | Diversifying revenues



**Our Purpose: Making Every Delivery Count for People and Planet**

# Advancing Sustainability Goals

## Purpose

## Pillars

## Material Matters

## Making Every Delivery Count for People and Planet

### Cherishing our Planet

*Sustaining a liveable planet for future generations*

Climate Action and Resilience  
Resource Efficiency and Waste Management



### Global Operations

Net-zero carbon (Scope 1, 2 and 3 emissions) by 2050

### Collaborative Partnerships

*Transforming markets and delivering value for our communities and customers*

Responsible Supply Chain  
Product and Service Innovation  
Customer Experience  
Community Investment

### Culture of Trust

*Caring for and doing the right thing for our stakeholders*

Data Privacy and Cybersecurity  
Ethical and Transparent Business Practices  
Employee Engagement and Talent Practices  
Health and Safety



### Singapore Operations

Net-zero carbon (Scope 1 and 2 emissions) by 2030



## Transformation Into A Leading Ecommerce Logistics Solutions Provider In Asia Pacific



### AUSTRALIA

**Building Scale And Combining Capabilities**

Establish a leadership position in the B2B2C logistics market

Build a comprehensive logistics platform differentiated by technology



### SINGAPORE

**Leveraging Infrastructure & Technology**

Lead in eCommerce last-mile delivery

Develop a smart, environmentally sustainable urban logistics ecosystem



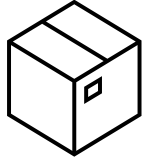
### INTERNATIONAL

**Re-engineering Assets To Connect Globally**

Integration of international businesses for one-stop cross-border solutions

Digital innovation to drive service quality and cost efficiency

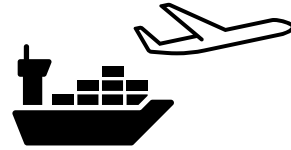
**Property As Enabler**



## eCommerce growth trends

eCommerce growth expected to continue

Accelerated decline in letter mail volumes

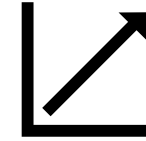


## Global supply chain disruption

Geopolitical tensions

Pandemic lockdowns

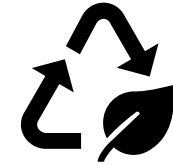
Volatility in freight and conveyance rates



## Inflationary pressures

Oil price fluctuations and impact on electricity and fuel expenses

Wage pressures amid labour crunch



## Focus on sustainability

Greater interest and expectations on sustainability agenda



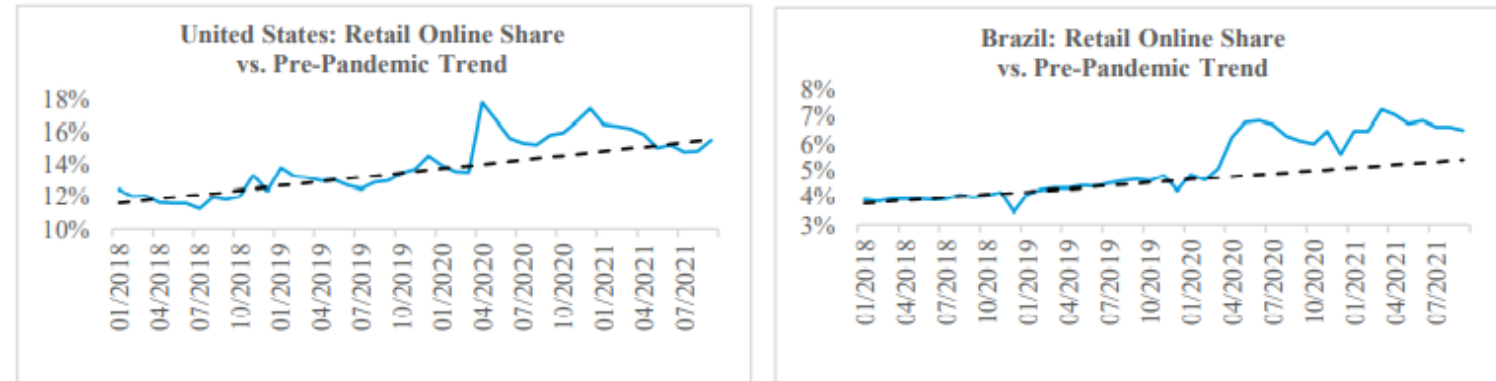
## eCommerce growth trends

eCommerce growth expected to continue

Post-pandemic consumer spending will moderate in short term, but long-term trajectory remains positive

### Extract from IMF Working Paper\* 'E-commerce during Covid: Stylized Facts from 47 Economies', January 2022

Figure 1. Examples of Online Spending Share During COVID - Retail



“...most economies are now below their peak levels of online spend during the pandemic...”

“...richer economies where the economic recovery was faster, are closer to the pre-pandemic trends...”

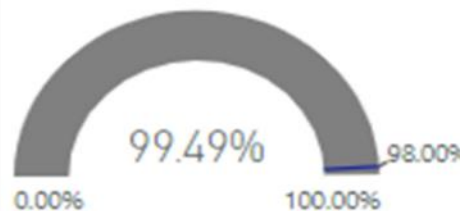
Source: Authors - Joel Alcedo, Alberto Cavallo, Bricklin Dwyer, Prachi Mishra, and Antonio Spilimbergo



# Singapore: Year in Review

## Continued improvement in service quality

Postal SLA FY21/22



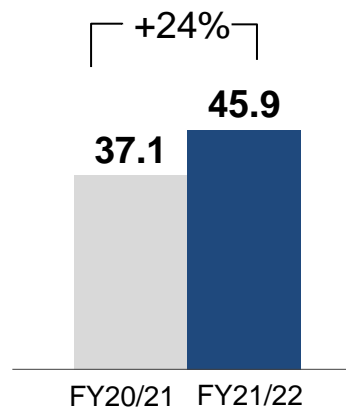
Parcel SLA FY21/22



## eCommerce uptick during pandemic seen slowing; long-term eCommerce growth trend remains positive

### Domestic eCommerce Logistics Volume

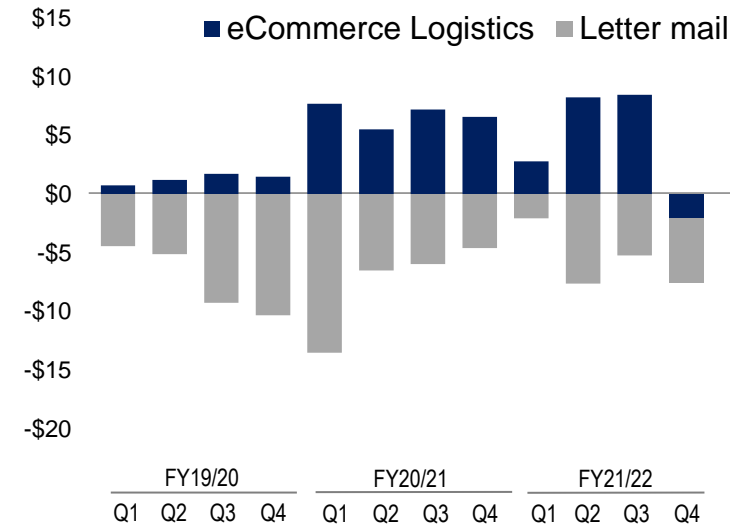
(Mil items)



eCommerce logistics accounted for **40%** of DPP revenue in FY21/22, up from 32% last year

### eComm Logistics vs Letter Mail

Change in Revenue (S\$m)



## Leveraging Infrastructure & Technology

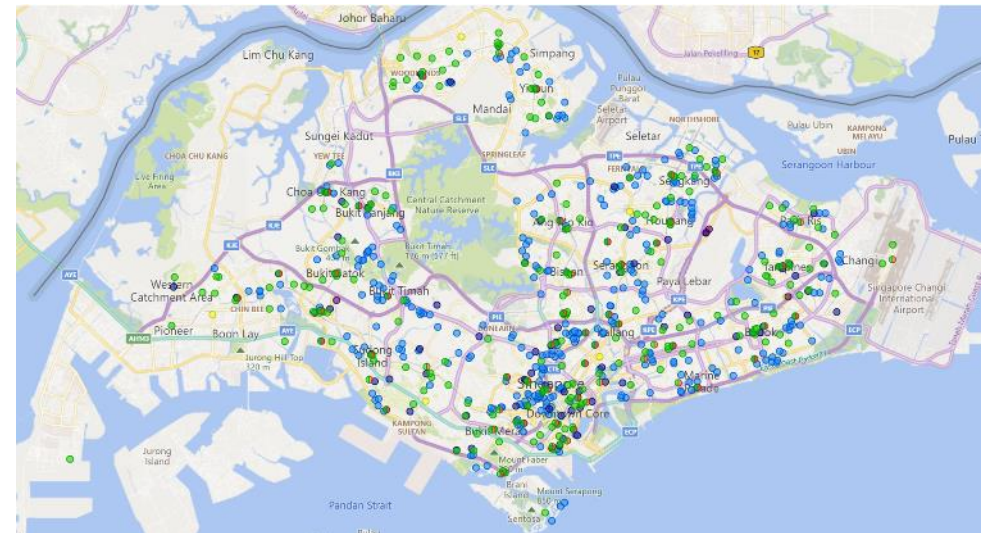
Higher-value tracked services for better customer experience

Cost efficiency, service quality and customer experience

Investing in infrastructure:

- PostPal smart letterbox trial
- Electrification of delivery fleet
- Automation/Sortation capabilities
- Locker network – acquisition of Parcel Santa
- SingPost Mobile App

## Our network – POPStations, Parcel Santa, SAM, post offices



**Property – Resilient Performance**

High occupancy despite challenging leasing market

**96.6%** occupancy

# Australia: Year in Review

**\$98 billion**

Australia integrated logistics industry market size

*(Source: Ibisworld)*

**31.8 mil**

Total consignments by Group in FY21/22



**5.6 mil**

Consignments in FY21/22

(SingPost increased its interest from 28% to 51% in November 2021)



**26.3 mil**

Consignments in FY21/22



**1.9 mil kg**

Cross-border & last-mile delivery volume in FY21/22

(QS Australia)



# Australia: Building Scale and Combining Capabilities



**Integrating and Building Scale, Developing End-to-end Capabilities**

**fmhgroup**

**17** Facilities  
**150+** Partner carriers  
**~253k** Footprint (sqm)


**CouriersPlease**

**22** Facilities  
**>90%** Population coverage  
**~97k** Footprint (sqm)



**Quantum SOLUTIONS**

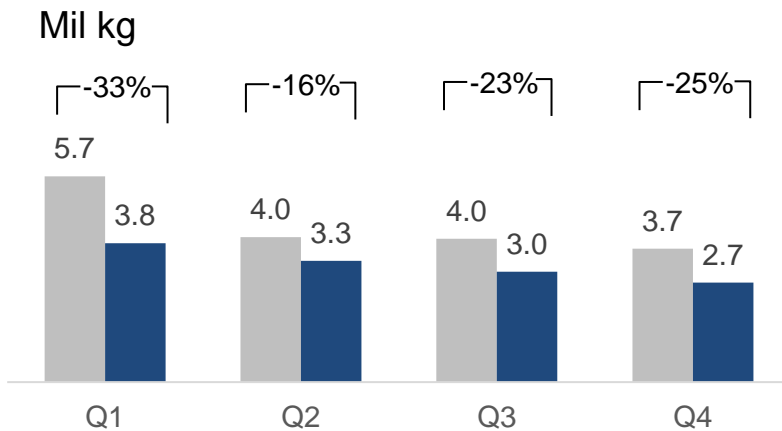
**QS (Australia)**  
**~7k** Warehouse footprint (sqm)



# International: Year in Review

## Gradual recovery in International Post & Parcel (IPP) due to lag in air freight capacity pick-up

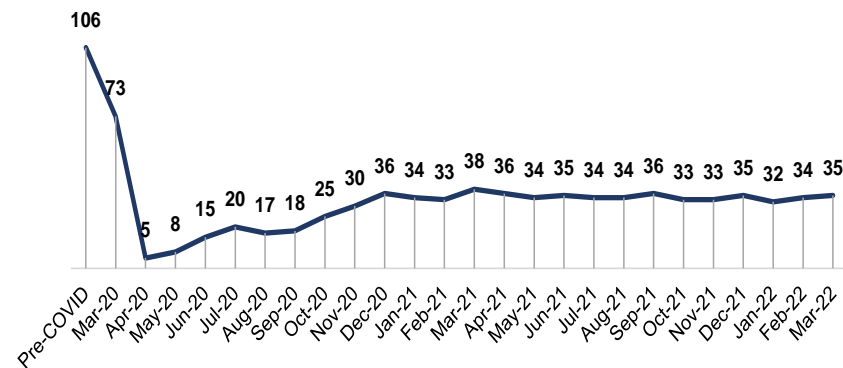
### IPP Outbound Volume<sup>1</sup>



1. Excludes inbound volume and outbound mail

■ FY20/21 ■ FY21/22

### Average No. of Daily Departing Passenger Flights from Changi Airport utilised by IPP



### Freight Forwarding (Famous Holdings)

Benefitted from higher sea freight rates and volumes

## Integration of International Businesses

### International eCommerce Logistics

Global Postal Network  
(International Post  
& Parcel)



Cross Border & Last-mile  
Transportation, Warehousing /  
Fulfilment (Quantium Solutions)

One-stop cross-border solutions  
Greater synergies, cost efficiency



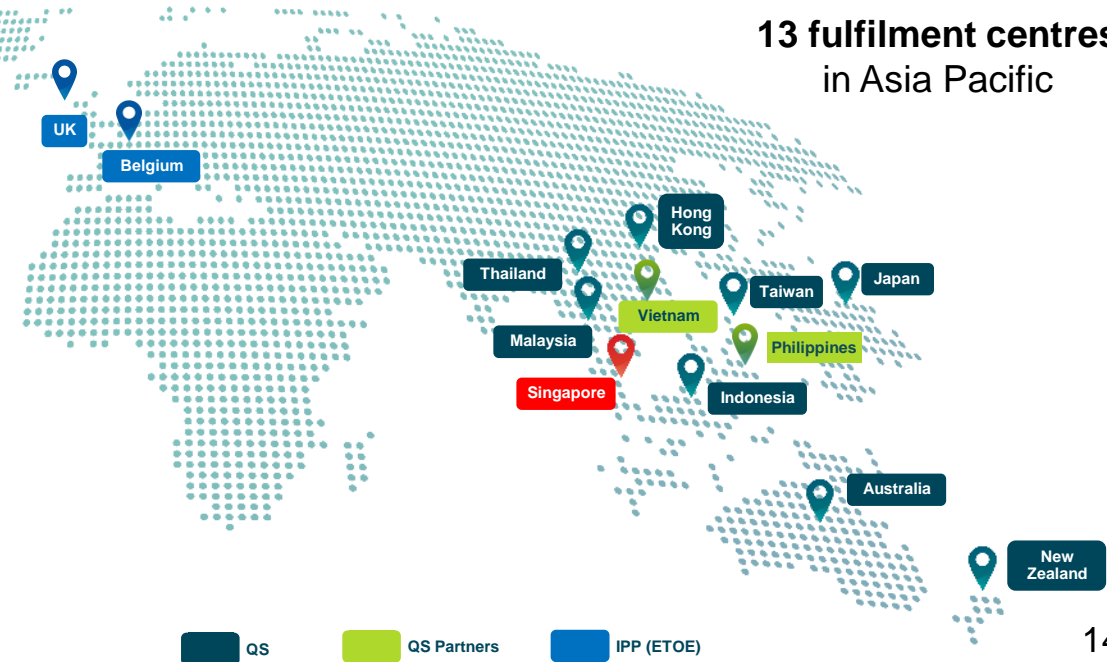
eCommerce Logistics  
network spanning  
**13 markets**



Access to  
**220 markets**  
with postal and  
commercial networks



**13 fulfilment centres**  
in Asia Pacific



A large-scale version of the Singapore Post logo is displayed on the blue facade of a building. The word "Singapore" is in a white script font, and "POST" is in a white sans-serif font inside a red square.

# FY2021/22 Financial Results

Vincent Yik, Group CFO

13 May 2022



## Improved full year performance despite challenging environment amid pandemic

### Supported by

- Acquisition of majority stake in Freight Management Holdings (FMH)
- Growth in freight forwarding and delivery volumes in Logistics segment

### Offsetting impact in / from

- International Post & Parcel business
- Letter mail decline
- Absence of Jobs Support Scheme relief and other government grants
- Divestment of General Storage Company (GSC)

### Revenue

**S\$1,665.6m**  
**+18.6% YoY**

### Operating Profit

**S\$112.1m**  
**+41.3% YoY**

### Underlying Net Profit

**S\$81.3m**  
**+35.2% YoY**



## Revenue

**S\$934.2m**

**+34.0% YoY**

## Operating Profit

**S\$61.0m**

**+54.2% YoY**

## Underlying Net Profit

**S\$43.9m**

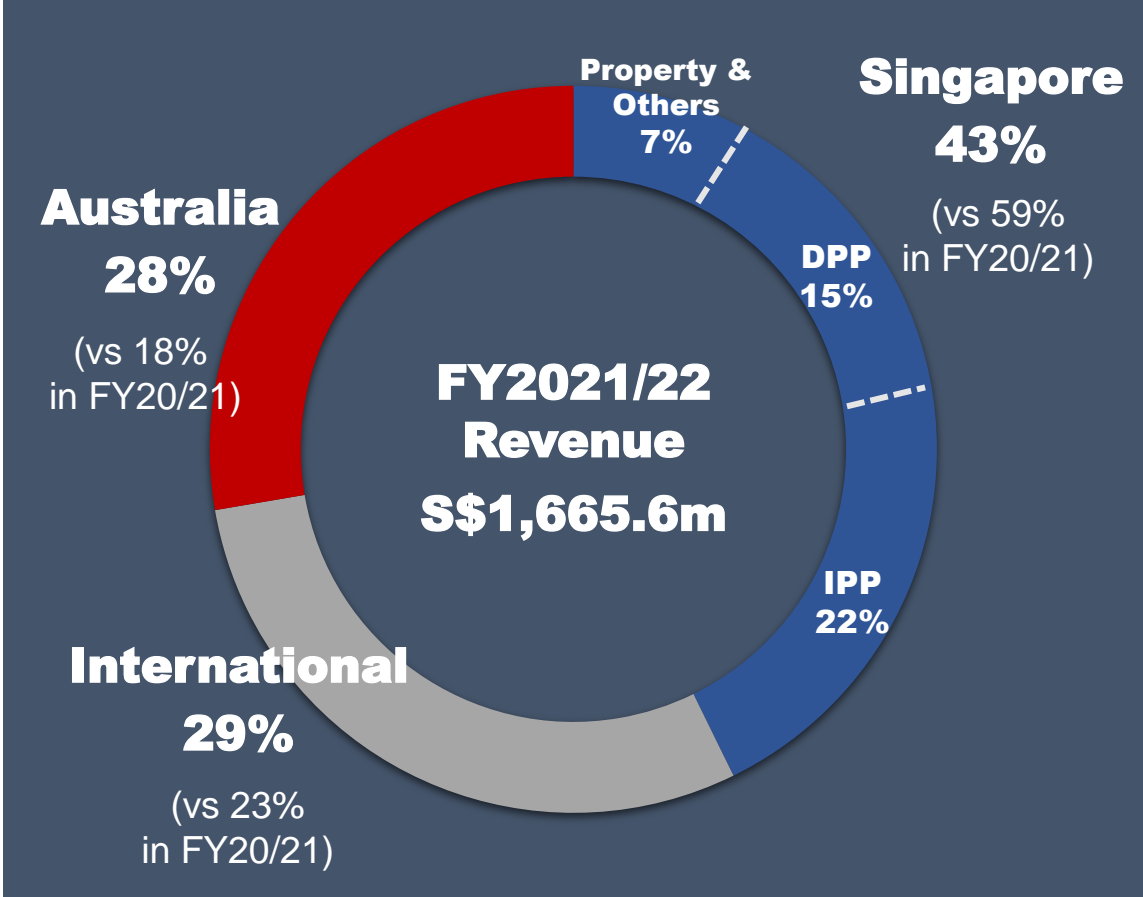
**+53.1% YoY**

## Higher H2 results due to FMH and Logistics growth

Increased stake in FMH to 51% in November 2021 and divested GSC in December 2021

Continued growth in freight forwarding and delivery volumes in Logistics segment

# Revenue Split by Markets

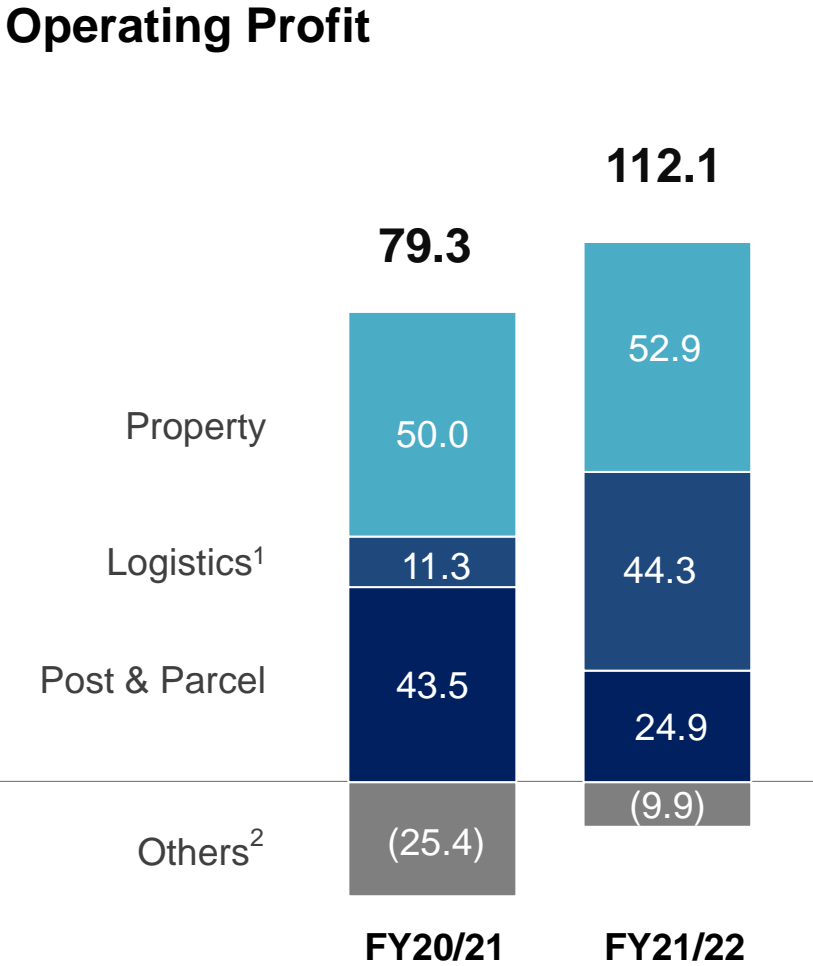
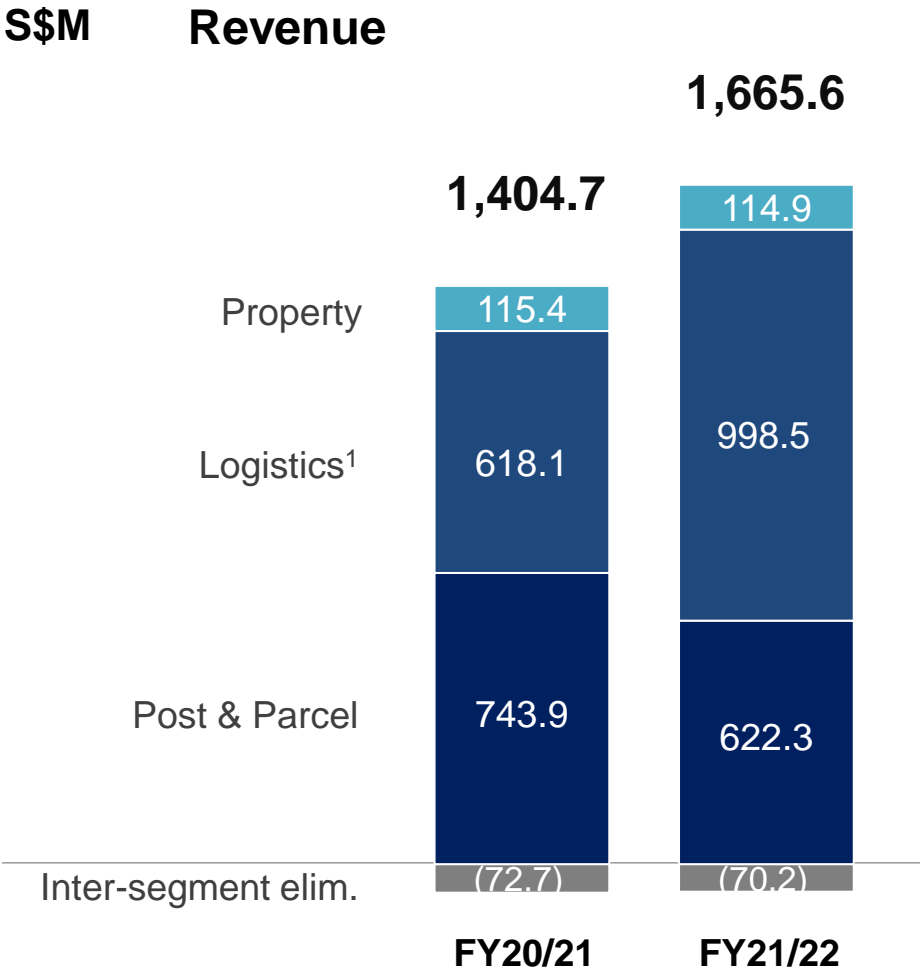


## Growing contributions from Australia and International businesses

Shift in revenue contributions as the Group continues transformation to become a leading logistics player in Asia Pacific

**Singapore:** Includes Post & Parcel, Property, SP eCommerce and Singapore units of Quantum Solutions and Famous Holdings  
**Australia:** Includes FMH, CouriersPlease and Australia units of Quantum Solutions and Famous Holdings  
**International:** Includes Quantum Solutions and Famous Holdings

# Performance by Segment



1. Includes CouriersPlease, Quantum Solutions, Famous Holdings, SP eCommerce and FMH which became a subsidiary in Nov 2021  
 2. Refers to unallocated corporate overhead expenses  
 Prior year numbers have been restated for comparative purposes

# Post & Parcel

## Resilient performance despite challenges

International Post & Parcel business continues to be adversely affected by airfreight constraints; managing business at minimal margin

Continued letter mail decline in Domestic Post & Parcel buffered by eCommerce logistics contributions; YoY profit decline largely due to absence of Jobs Support Scheme relief and other govt grants

Segment P&L, S\$m	FY21/22	FY20/21	% change	H2 FY21/22	H2 FY20/21	% change
<b>Revenue</b>	<b>622.3</b>	<b>743.9</b>	<b>(16.3%)</b>	<b>296.8</b>	<b>349.1</b>	<b>(15.0%)</b>
International	375.3	496.5	(24.4%)	173.6	221.7	(21.7%)
Domestic <sup>1</sup>	247.0	247.4	(0.2%)	123.2	127.4	(3.3%)
<i>eCommerce logistics</i>	89.8	72.4	24.1%	44.3	37.9	16.9%
<b>Operating Profit</b>	<b>24.9</b>	<b>43.5</b>	<b>(42.9%)</b>	<b>13.5</b>	<b>19.6</b>	<b>(31.0%)</b>
<b>Operating Profit (excl. Govt grants)</b>	<b>23.6</b>	<b>22.8</b>	<b>3.5%</b>	<b>12.6</b>	<b>10.3</b>	<b>23.2%</b>

1. Includes products and services transacted at the post offices

Prior year numbers have been restated for comparative purposes. Total figures may not tally due to rounding.

## Strong performance in Logistics segment

Continued growth in international freight forwarding volumes

Growing Australia contributions

- Acquisition of a majority stake in FMH
- Higher revenue from CouriersPlease; but higher costs due to COVID-19 disruptions and floods in eastern Australia

Segment P&L, S\$m	FY21/22	FY20/21	% change	H2 FY21/22	H2 FY20/21	% change
<b>Revenue</b>	<b>998.5</b>	<b>618.1</b>	<b>61.6%</b>	<b>619.0</b>	<b>325.3</b>	<b>90.3%</b>
Freight forwarding	478.2	281.9	69.6%	271.3	155.3	74.8%
Australia businesses <sup>1</sup>	412.7	217.7	89.5%	292.8	112.3	160.6%
Other logistics businesses <sup>2</sup>	107.6	118.4	(9.1%)	54.9	57.7	(5.0%)
<b>Operating Profit</b>	<b>44.3</b>	<b>11.3</b>	<b>293.5%</b>	<b>28.1</b>	<b>5.6</b>	<b>@</b>

1. Includes CouriersPlease and FMH which became a subsidiary in Nov 2021

2. Includes Quantum Solutions and SP eCommerce

@ denotes variance exceeding 300%

Prior year numbers have been restated for comparative purposes. Total figures may not tally due to rounding.



## Continued growth and good performance



Performed strongly since acquisition; S\$178.7m revenue contribution in period of consolidation

Consignment growth through new business wins

Expansion of warehouse footprint to support growth

## Expanding network and strengthening service offerings with acquisitions



Active and good track record of acquisitions; acquired Formby Logistics, GKR Transport, BagTrans since 2021

Continue to look for opportunities to strengthen business and build logistics network

## Stable Property contributions despite challenging environment

100% and 93.5% occupancy at SingPost Centre retail mall and office respectively as at 31 March 2022

Self-storage business (GSC) divested in December 2021

Segment P&L, S\$m	FY21/22	FY20/21	% change	H2 FY21/22	H2 FY20/21	% change
<b>Revenue</b>	<b>114.9</b>	<b>115.4</b>	<b>(0.5%)</b>	<b>55.1</b>	<b>60.1</b>	<b>(8.2%)</b>
Property	98.5	93.8	5.0%	49.9	49.3	1.2%
Self-storage	16.4	21.6	(24.0%)	5.2	10.7	(51.5%)
<b>Operating Profit</b>	<b>52.9</b>	<b>50.0</b>	<b>5.7%</b>	<b>26.2</b>	<b>26.6</b>	<b>(1.2%)</b>

Prior year numbers have been restated for comparative purposes. Total figures may not tally due to rounding.



## Balance sheet optimisation to support growth

Redeemed S\$350m outstanding perpetual securities in March 2022

Undertook financing activities

- S\$100m senior notes issued in March 2022
- S\$250m perpetual securities issued in April 2022



## Divest non-strategic assets and focus on core business

Divested self-storage business GSC for ~S\$87m in December 2021

Proceeds redeployed towards transformation initiatives

Continually review asset portfolio to assess strategic fit with core business



# Financial Position

## Balance sheet optimisation

New S\$250m perpetual securities issued subsequent to financial year end

Higher coverage on improved EBITDA performance which offset higher finance expenses

### Net Debt Position<sup>1</sup>

**S\$236.6m**  
vs S\$178.9m net cash in FY20/21

### EBITDA to Finance Expenses

**13.1x**  
vs 12.4x in FY20/21

### Operating Cash Inflow

**S\$89.5m**  
vs S\$215.4m in FY20/21

Working capital changes

### Investing Cash Outflow

**S\$53.3m**  
vs S\$67.5m in FY20/21

FMH acquisition and PPE additions, partly offset by GSC divestment

### Financing Cash Outflow

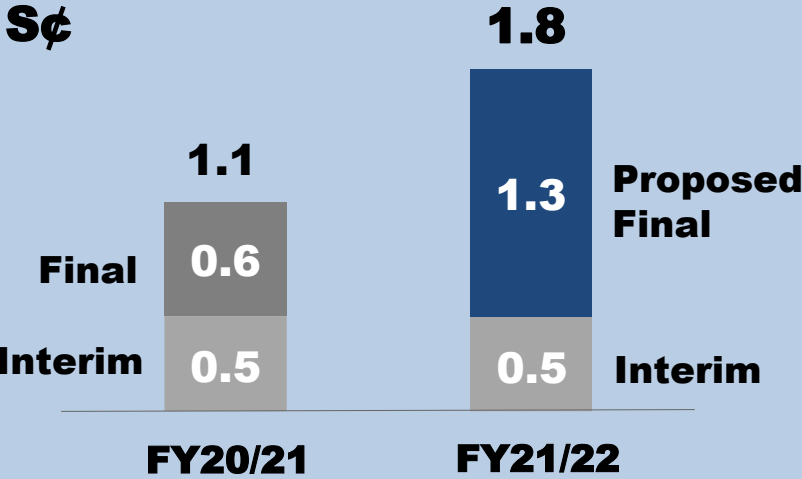
**S\$255.8m**  
vs S\$139.7m in FY20/21

Redemption of outstanding perpetual securities partly offset by new senior notes

1. Subsequent to financial year end, the new perpetual securities issued in April 2022 would bring the Group back to a net cash position on a pro forma basis based on the Group's balance sheet as at 31 March 2022

# Proposed Dividend

## Dividend per share



Proposed final dividend of 1.3 cents per share, bringing total dividend to 1.8 cents per share for FY2021/22

Represents 50% of FY2021/22 Underlying Net Profit, compared to 40% last year



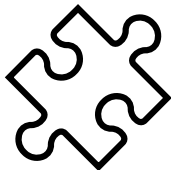
Disruptions in global supply chain logistics; inflationary cost pressures



Competitive pressures in eCommerce logistics market



Focused on strategic initiatives to reposition ourselves for long term success, while remaining prudent in managing costs and liquidity



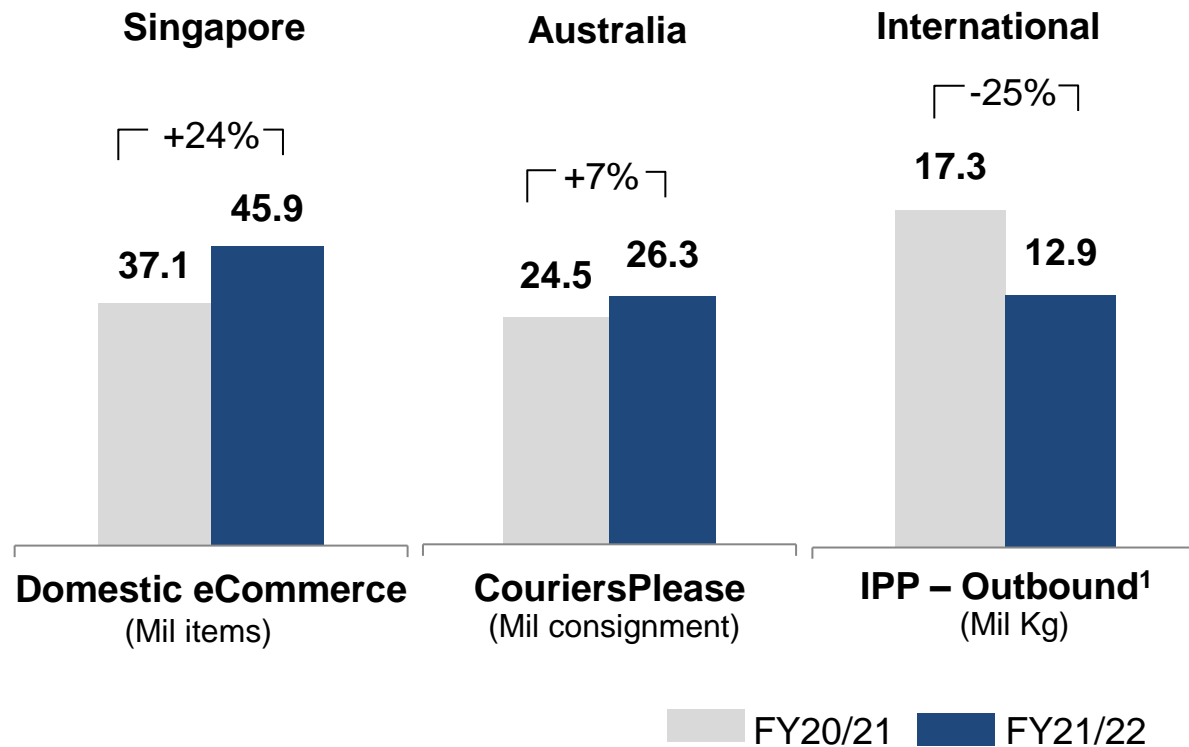
Continually review asset portfolio to assess strategic fit with core business, and invest in strategic initiatives that support long-term growth

# Supplementary Information

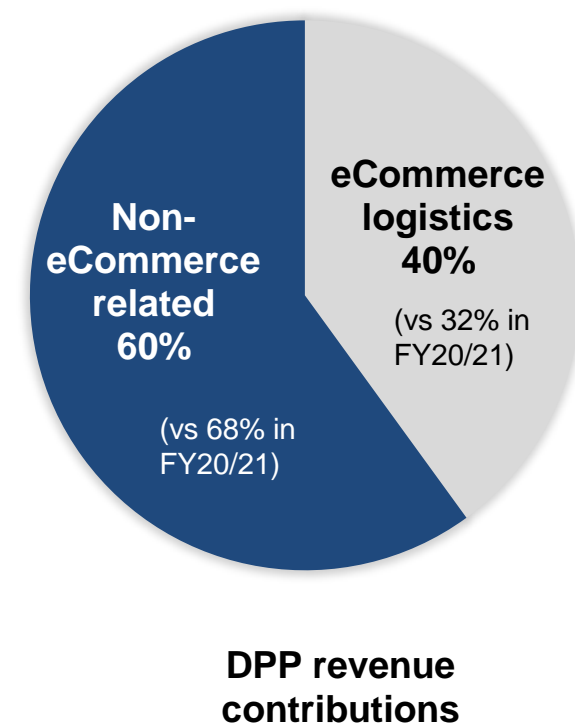


# eCommerce logistics traffic in businesses

## Growth in eCommerce logistics volumes for Singapore and Australia last-mile deliveries



## Higher eCommerce logistics contribution in Domestic Post and Parcel in Singapore

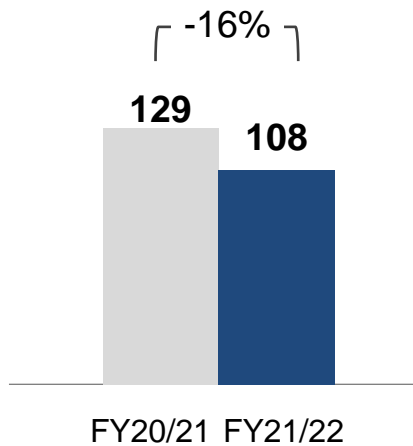


1. Excludes inbound volume and outbound mail

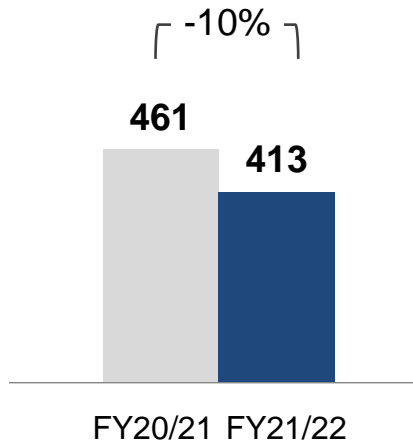


## Revenue & volume trends for Letters & Printed Papers

Revenue (S\$m)

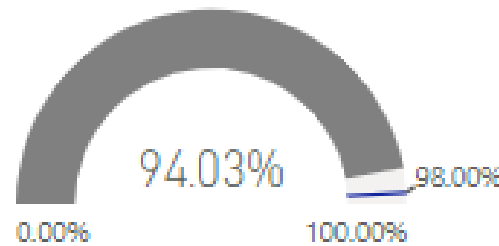


Volume (Mil)

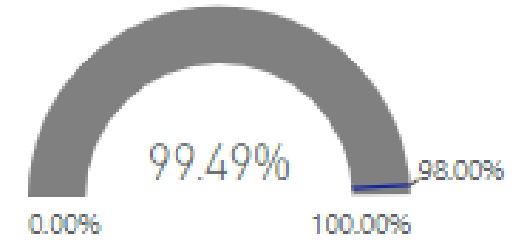


## Post & Parcel service quality metrics have improved and met our internal target of 98% in FY21/22

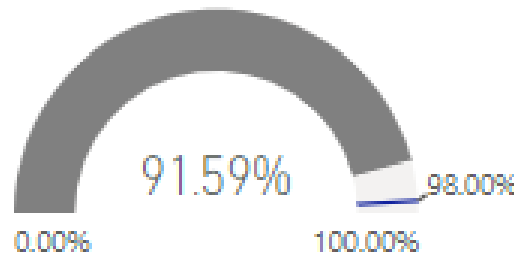
Postal SLA FY20/21



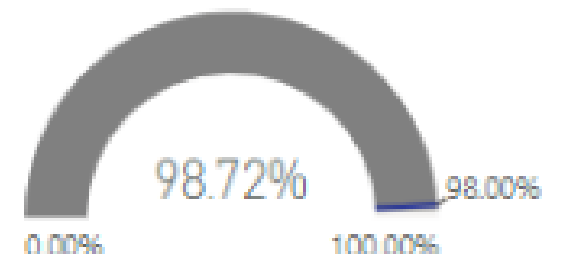
Postal SLA FY21/22



Parcel SLA FY20/21

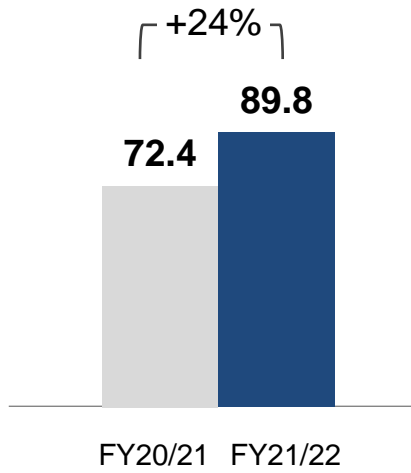


Parcel SLA FY21/22

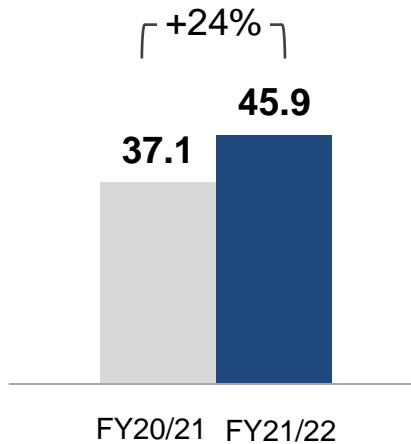


## Revenue & volume trends for eCommerce logistics (DPP)

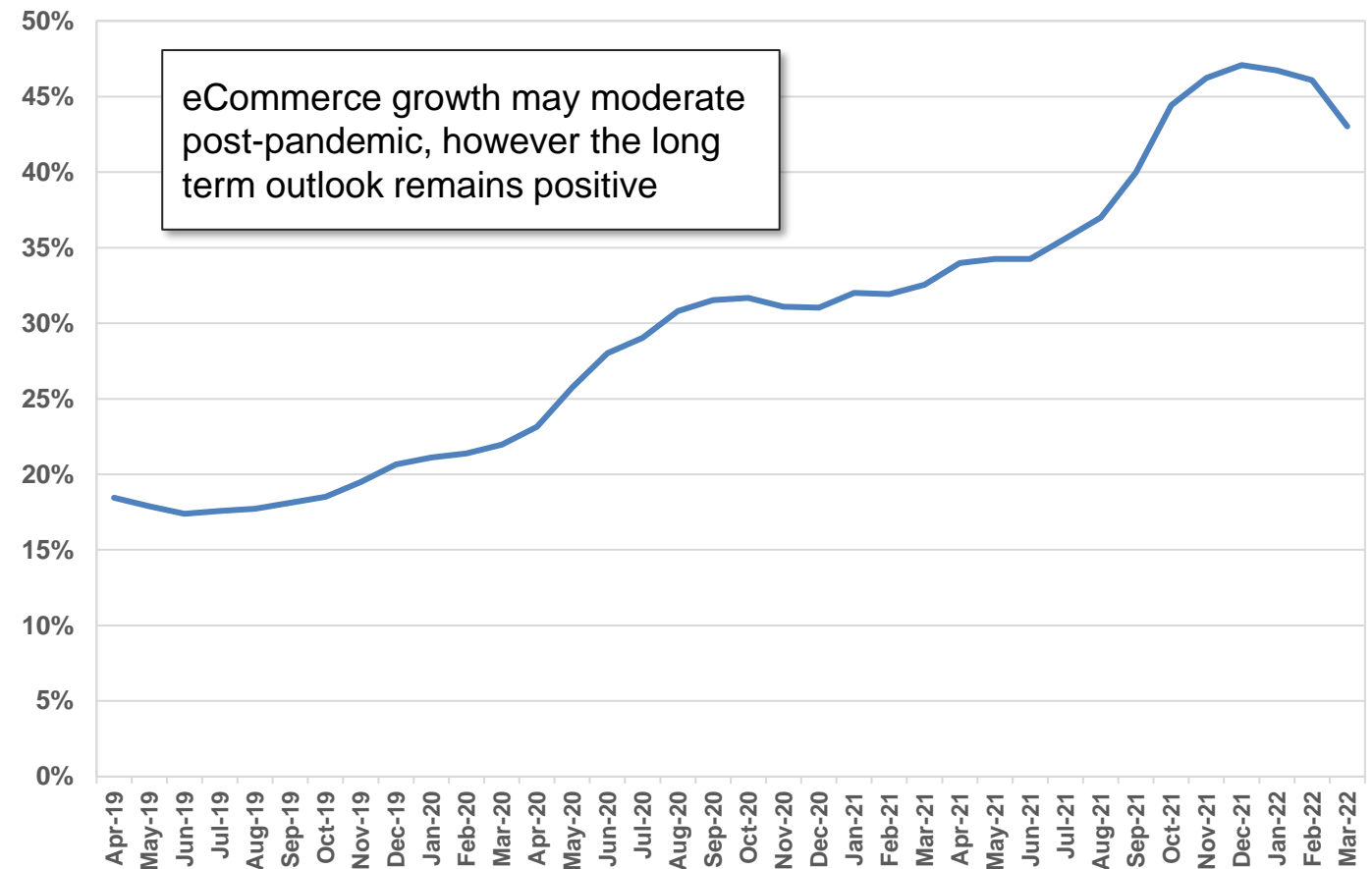
Revenue (S\$m)



Volume (Mil)



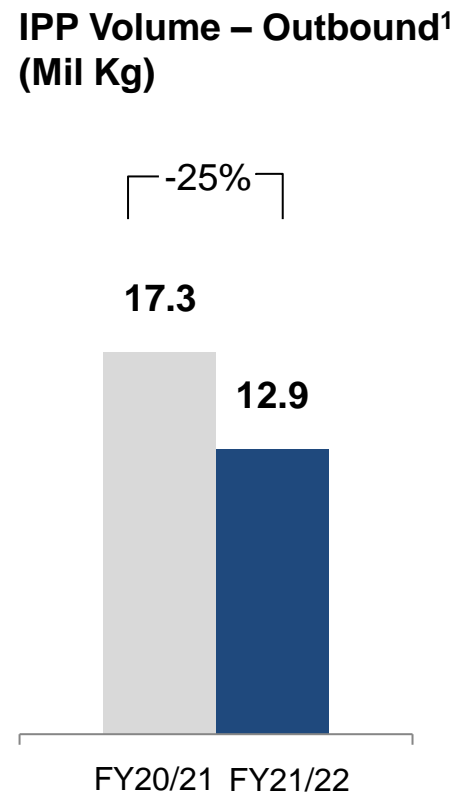
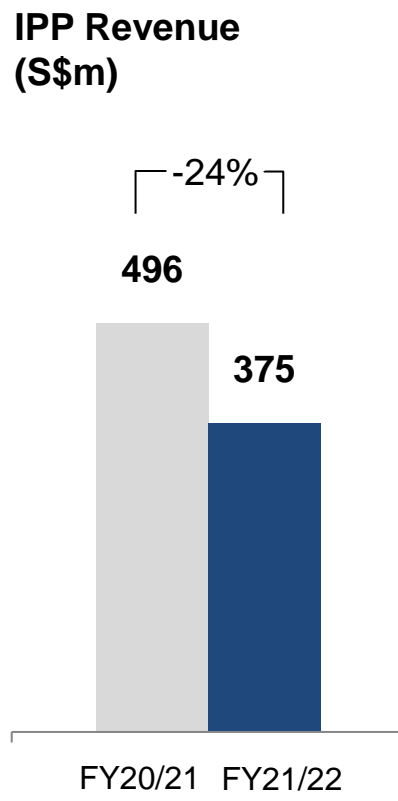
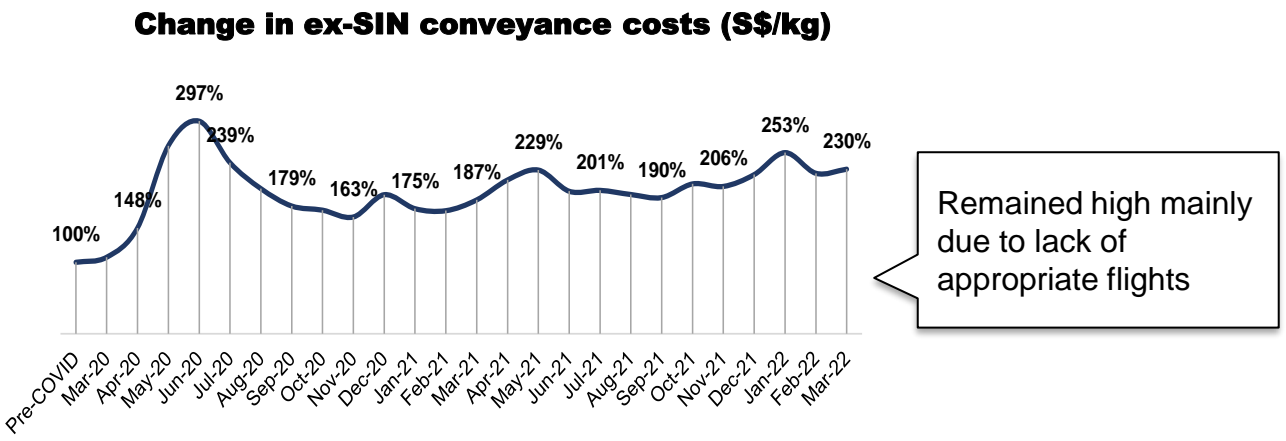
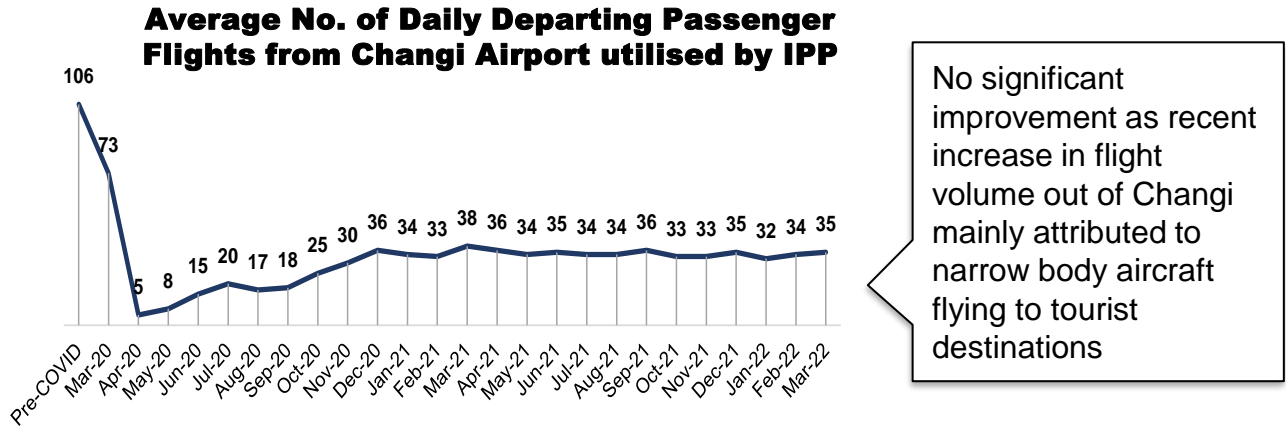
## eCommerce logistics revenue as % of Total DPP revenue (rolling 6 months)



# International Post & Parcel: Conveyance cost, volume

## Continued COVID-19 impact on air freight capacity and conveyance costs in FY21/22

## Lower revenue in FY21/22 due to rationalisation of volumes to avoid losses



1. Excludes inbound volume and outbound mail

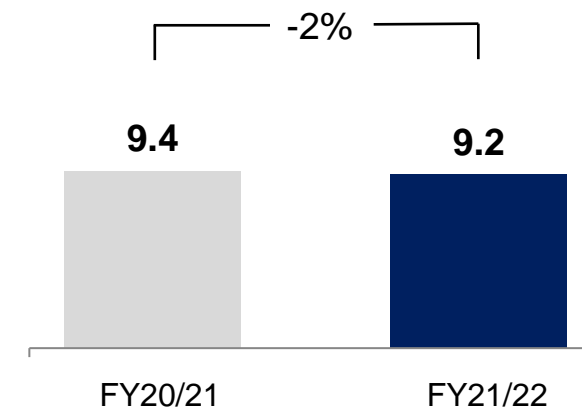


## Committed Occupancy

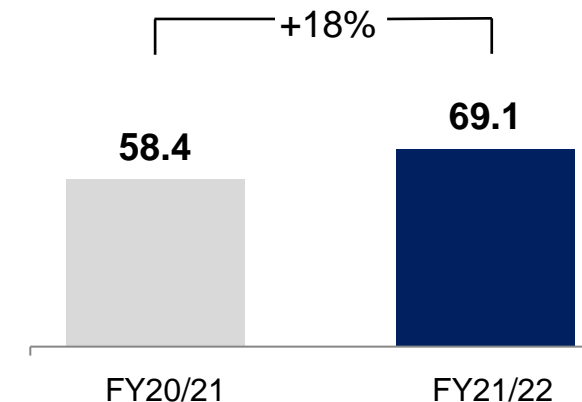
As at	Mar 21	Sep 21	Dec 21	Mar 22
SPC Mall	94.1%	100%	100%	100%
SPC Office/ Enrichment	96.6%	97.6%	95.7%	93.5%
<b>SPC Total<sup>1</sup></b>	<b>95.9%</b>	<b>98.3%</b>	<b>97.0%</b>	<b>95.8%</b>
Others <sup>2</sup>	96.1%	98.4%	98.4%	98.4%
<b>Overall<sup>1</sup></b>	<b>95.9%</b>	<b>98.3%</b>	<b>97.4%</b>	<b>96.6%</b>

1. Excludes SPC industrial space
2. Refers to smaller properties such as shophouses and the portion of delivery bases leased to external tenants

## SPC Footfall (Mil)



## SPC Tenant Sales (S\$m)



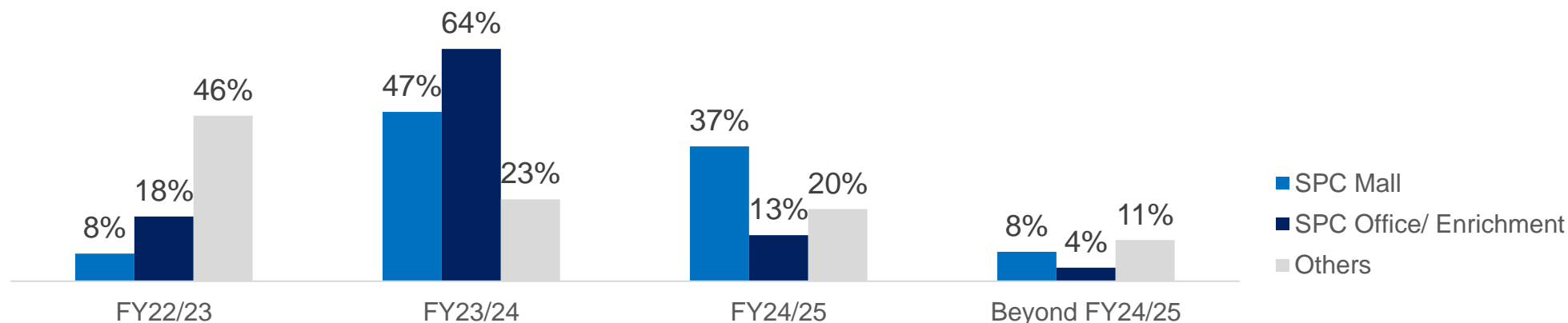
## Lease Expiries & Renewals

FY21/22 (Expired Leases)

FY21/22 (Renewed or Replaced)

	No. of leases	NLA ('000 sq ft)	As % of total NLA	No. of leases	NLA ('000 sq ft)	As % of total NLA	Renewal/ Replacement rate
SPC Mall	41	50	29%	41	50	29%	100%
SPC Office/ Enrichment	19	87	21%	12	67	17%	77%
Others <sup>1</sup>	15	88	32%	15	88	32%	100%

## Lease Expiry Profile (as at 31 Mar 2022)



1. Refers to smaller properties such as shophouses and the portion of delivery bases leased to external tenants

Thank You

