

Business Update for 3rd Quarter ended 31 December 2023

All figures disclosed in this business update are unaudited.

GROUP FINANCIAL HIGHLIGHTS

(Unaudited)

S\$ million	Q3 FY23/24	Q2 FY23/24	QoQ Change	Q3 FY22/23	YoY Change
Group Revenue	455.4	423.2	7.6%	495.1	(8.0%)
Group Operating Expenses	(430.1)	(405.5)	6.1%	(460.8)	(6.7%)
Group Operating Profit	27.7	19.5	42.1%	33.9	(18.2%)
Operating Margin (%)	6.1	4.6		6.8	

All businesses including the domestic postal business posted positive operating profit in the third quarter.

The Group registered good performances across its businesses in the seasonal peak of Q3 FY23/24 against a difficult macro environment and the continued strength of the Singapore dollar.

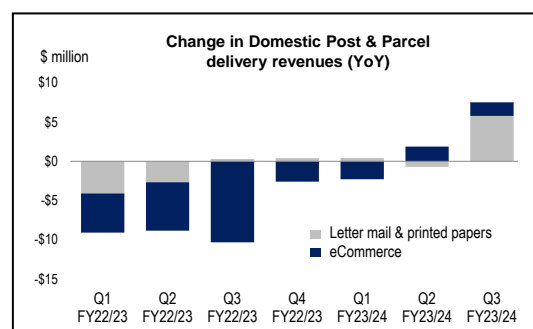
All businesses posted positive operating profit in the quarter. The domestic postal business benefitted from higher postage rates and eCommerce volume growth. Profitability of the International cross-border business continued to improve despite tough market conditions globally and the strong Singapore dollar against regional currencies. The Australia business was stable amidst slowing market conditions. The only business that reported lower revenue and profit year on year was freight forwarding. Coming off the pandemic highs, as expected, freight forwarding has declined in tandem with the industry contraction.

With the majority of Group revenue (circa 86%) generated internationally, the strong Singapore dollar continues to have a significant impact on the Group's consolidated performance. In particular, the Singapore dollar has appreciated strongly (Q3: +7% YoY) against the Australian dollar and Chinese Yuan. On a constant currency basis¹, the Group's operating profit would have been lower by only 3.9% (estimated) YoY.

Post & Parcel Segment

Domestic Post & Parcel

Revenue increased on the back of the postage adjustment implemented in October 2023 as well as growth in eCommerce volume. eCommerce volumes grew (Q3: +16%) with new customer acquisitions and increased share of customer volumes on continued best-in-market service levels, and the profitability of the delivery business has improved significantly. The post office network remains unprofitable and is in the process of being reviewed. Overall, the domestic segment was profitable in the quarter.

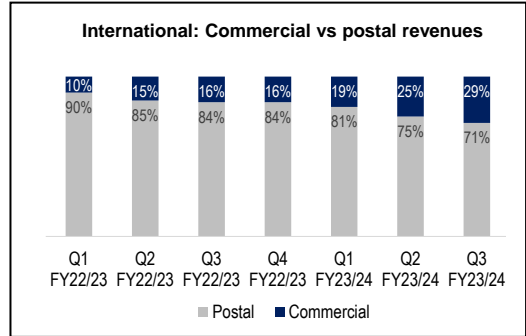


¹ Assuming constant exchange rates from the corresponding period ended 31 December 2022.

International Post & Parcel

Margins continued to improve in the International Post & Parcel (IPP) business through Q3. Operating profit has grown compared to last year despite the stronger Singapore dollar, as well as slowdown in global trade and China exports which has had an impact on cross-border eCommerce volumes globally. While the Group's cross-border eCommerce volume has declined (Q3: -12%), air conveyance costs continued to trend downwards in the quarter and have fallen 30% YoY, leading to significant margin improvement.

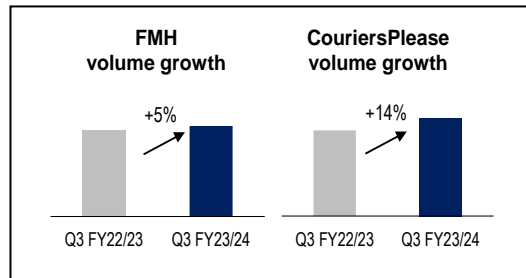
The cross-border operations of IPP and Quantum Solutions have been integrated for greater operational synergy and to offer hybrid postal-commercial solutions to customers. The Group has launched the digital 4PL platform which integrates its partners and customers in both the postal and commercial space to provide a 'best of both worlds' end-to-end supply chain. The share of commercial revenue in this hybrid model has doubled to 30%. On the back of these developments, profitability of the international cross-border business has improved.



Logistics segment

Australia

The Group's Australia business continued to perform steadily in local currency terms. FMH's 4PL business continued to grow with new business acquisitions, although the 3PL business is facing headwinds and significant margin compression from higher operating costs in line with market. CouriersPlease's last-mile delivery business, however, continued to grow and outpace the industry as it increased delivery volumes (Q3: +14%) with new customer acquisitions.



Freight forwarding

With the significant weakening in sea freight rates and volumes, revenue and profit from Famous Holdings have continued to decline in line with market². The freight forwarding business is the only segment reporting significant contraction in both revenue and operating profit although margins remained constant.

Property segment

Property revenue and operating profit were relatively steady. Overall occupancy rate at SingPost Centre was 96.3% as at 31 December 2023 compared to 98.2% as at 31 March 2023. Retail mall space was at full occupancy while office space occupancy rate was about 95%.

² The benchmark Drewry World Container Index was at the lowest levels in three years over October to December 2023.



SELECTED BALANCE SHEET ITEMS

(Unaudited)

	As at Dec 2023 S\$ million	As at Mar 2023 S\$ million	Change
Cash and cash equivalents	437.3	495.7	(11.8%)
Borrowings	(675.6)	(624.4)	8.2%
Net cash / (debt) position	(238.3)	(128.7)	85.2%
Total Assets	2,744.2	2,837.8	(3.3%)
Total Liabilities	1,375.2	1,463.5	(6.0%)
Total Equity	1,369.0	1,374.3	(0.4%)

The Group's balance sheet remained sound as at 31 December 2023. The change in net cash position was due to the acquisition of the remaining 12% shareholding in FMH which was funded by existing cash and borrowings.

SUSTAINABILITY

The Group continues to advance efforts to be a sustainable logistics provider and is making strides towards its net-zero carbon targets through proactive performance monitoring and seeking innovative solutions to reduce consumption and optimise efficiencies across our operations and facilities. New facilities and offices in various countries have been designed referencing local green building rating standards and incorporated sustainability features. The Group is also making progress to provide customers with better carbon visibility and continue to drive adoption of more carbon efficient delivery models through the Out-of-Home Network in Singapore.

Safety is paramount at SingPost and we are honoured to be awarded Excellence in the Motorcycle Fleet category and Merit in the Light Goods Vehicle Fleet category at the Singapore Road Safety Awards 2023 - in recognition of SingPost's commitment to caring for the health and safety of our employees and stakeholders. The Group continues to work towards positively impacting and building trust with the communities in the different markets it operates in and make every delivery count for people and planet.

MOVING FORWARD

The business environment for 2024 is expected to remain challenging amidst the global geo-political situation, continued inflationary pressures and weak consumer spending.

In the International business, the Group continues to strengthen its cross-border eCommerce logistics capabilities, transform its product mix from postal solutions to more commercial offerings, and expand its customer base to tap the global eCommerce logistics market.

The outlook of the freight forwarding industry is challenging, with added uncertainty stemming from the Middle East developments. This will continue to impact the freight forwarding business.

In Australia, the Group is establishing a deeper presence in the market and developing a digitally enabled, integrated B2B2C logistics business. The business continues to grow though at a slower rate due to the weakening market conditions. The acquisition of the remaining 12% stake in FMH was completed in the third quarter and FMH is now fully owned by SingPost. The proposed acquisition of Border Express by FMH, subject to conditions precedent, is expected to be completed in the coming months. As announced in November 2023, the acquisition is immediately earnings accretive, will significantly improve the scale and



financial performance of the FMH group and position the enlarged Australia business among Australia's largest logistics operators with combined annual revenues of over S\$1 billion.

In Singapore, the domestic postal business continues to improve. The Group continues to enhance productivity and efficiency and drive eCommerce volumes on the delivery network. SingPost is working with the authorities towards a framework for the long-term commercial viability of the domestic postal service, including new models to deliver post office services, bringing them more conveniently and in a more cost effective manner to customers.

The strategic review of the Group's portfolio of businesses, which will focus on transitioning the Group to a logistics business over time, is in the final stage of completion. The Board expects to make a formal announcement of the strategic review outcomes before the end of the financial year.

Disclaimer:

Figures stated in this business update are unaudited and are subject to revision. This document should be read as an overview of SingPost's current business activities and operating environment which may contain statements relating to SingPost's growth strategy and future business aspirations. These statements involve risks and uncertainties and should not be solely relied upon by investors or potential investors when making an investment decision. SingPost will not be responsible for any consequences resulting from the use of this material as well as the reliance upon any opinion or statement contained herein.