



**MEDIA RELEASE**

**SingPost Strategic Review Unveils  
Pathways to Growth and Unlocking Shareholder Value**

- *Orientate to Growth as a Tech-driven Pure-play Logistics Enterprise*
- *Strengthen Balance Sheet to Support Growth Investments*

**Singapore, 19 March 2024** – Singapore Post Ltd (“SingPost”) today announced the completion of the strategic review of the group. The strategic review was initiated in May 2023 where Merrill Lynch (Singapore) Pte. Ltd. (“BofA Securities”) was appointed as the financial advisor with the aim of enhancing shareholder returns and ensuring the Group is appropriately valued.

Over the last few years, the Group has progressively transformed from a postal organisation to a technology-driven international logistics enterprise focused on growth and sustainability.

The transformation has been underpinned by a disciplined and systematic acquisition approach since 2020 and has successfully built a significant and profitable business in Australia. Revenues generated overseas now contribute more than 85% of both total Group revenue and operating profit.

In the last year, the Group has also taken steps to address the structural decline of letter mail which has impacted the commercial viability of postal firms globally. The postage rate adjustment in October 2023 has contributed to the postal segment returning to profitability in the third quarter ended 31 December 2023 (“Q3FY2023/24”). The sustainability of the postal segment is contingent on integration with our growing eCommerce logistics business and agreeing on a new operating model with the regulator.

The Board believes that the Group is well positioned to scale its logistics ambitions over the next few years as a pure-play logistics operator serving international markets and delivering sustainable growth to create long term value for shareholders.

Simon Israel, Chairman of SingPost, said, “Following consultation with BofA Securities, the Board is of the view that the share price of the Group does not appropriately reflect the intrinsic value of the company. This is particularly apparent considering the value of the SingPost Centre, the Group’s Australian business and the Group’s growth potential. Management’s execution of our strategy will unlock value for shareholders and deliver agility and sustainable long-term growth as an international logistics enterprise.”

Vincent Phang, Group Chief Executive Officer of SingPost, said, “We have progressively transformed from a traditional postal organisation to a logistics enterprise and are well positioned to leverage eCommerce logistics growth trends to scale our businesses. We are

focused on executing our strategic thrusts to create market leadership, orientate to growth and generate shareholder value.”

The Board has approved 5 strategic thrusts for the Group to be executed over the next 3 years.

### **1. Reorganisation of the Group**

The Group will be reorganised into three business units of Singapore, Australia and International. Each business unit will have the agility and empowerment to operate in their own markets, to develop market leadership and build on their core capabilities according to their individual strategies. This provides clarity on the valuation of the individual businesses against comparable market and sector ratings. The revised corporate structure creates flexibility and facilitates future optionalities.

### **2. Strategic management of capital**

The Group will continue to actively manage its capital deployed in its portfolio of businesses with regular reviews of the financial performance and returns against set targets. The target for each business unit is to generate a spread above the cost of capital.

The Group has identified a list of assets and businesses that are non-core to its strategy which can be monetised to recycle the capital. This includes selected properties as well as various assets in its international footprint. Potential proceeds will be appropriately allocated by the Board to reduce debt, support growth investments, and return value to shareholders.

The timing of any potential divestitures will be subject to market conditions to achieve appropriate valuations as well as necessary approvals from the authorities and shareholders.

In view of the transformation of the Group to a technology driven international logistics enterprise focused on growth, the dividend policy was also reviewed as part of the Strategic Review. From FY2024/25, the Board will adopt a dividend policy of paying out between 30% and 50% of underlying net profit. The Board believes this is a balanced policy taking into consideration the capital needs of the enterprise and sustainable returns to shareholders.

### **3. Transforming urban logistics and deliveries in Singapore**

The focus of the Singapore business unit is to be the country’s market leader in deliveries, building on the core capability and strength of the postal network to capture the growth of eCommerce logistics, innovating and transforming Singapore’s urban logistics landscape.

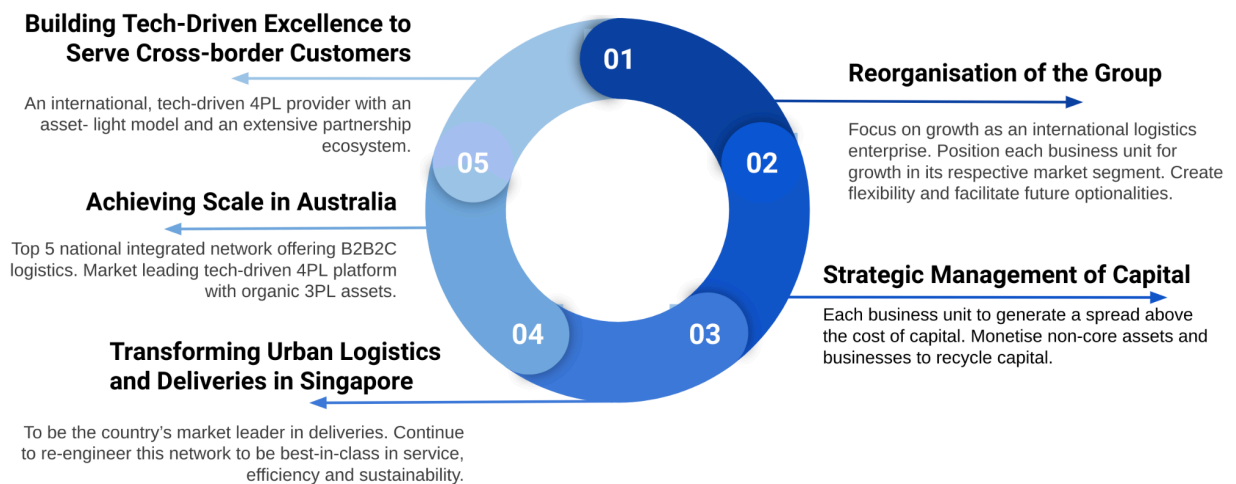
The Group will continue to re-engineer this network to be best-in-class in service, efficiency and sustainability.

**4. Achieving scale in Australia**

The Australia business unit will leverage the asset-light hybrid 4PL and 3PL capabilities and strengthen its position as one of the top 5 logistics companies in Australia. The Group will explore near term partnerships that contribute to growth, provide equity to deleverage acquisition debt and establish an independent valuation benchmark. The Group will continue to pursue appropriate M&A opportunities and seek future liquidity options to maximise value.

**5. Building tech-driven excellence to serve cross-border customers**

The International business unit will focus on serving our cross-border eCommerce customers through an asset-light model and its 4PL platform, ARRIV. This was launched in the last quarter of 2023 to enhance customer experience, strengthen its partnership network, and achieve operational excellence in international connectivity. The Group will explore options across key geographies to further enhance the eCommerce supply chain network, expanding the hubs in Singapore, Hong Kong and Europe.



**5 Strategic Thrusts To Drive Growth and Unlock Value**

**Disclaimer**

There is no assurance that any transaction will materialise from the Strategic Review or that any definitive or binding agreement will be reached. If and when there are any material



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developments which warrant disclosure, SingPost will, in compliance with applicable rules, make further announcements as appropriate.

Shareholders of SingPost are advised to refrain from taking any action in respect of their shares which may be prejudicial to their interests, and to exercise caution when dealing in such shares. Shareholders are advised to seek their own professional advice and consult with their stockbrokers, bank managers, solicitors, accountants and other professional advisers if they are in doubt as to the actions they should take.

*For the full details, please refer to the SGX Announcement dated 19 March 2024 on “Board Strategic Review Unveils Pathways To Growth And Unlocking Shareholder Value”.*

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### **About Singapore Post Limited (SingPost)**

Singapore Post (SingPost) is a leading postal and eCommerce logistics provider in Asia Pacific. The portfolio of businesses spans from national and international postal services to warehousing and fulfilment, international freight forwarding and last mile delivery, serving customers in more than 220 global destinations. Headquartered in Singapore, SingPost has over 4,900 employees, with offices in 13 markets worldwide. Since its inception in 1858, the Group has evolved and innovated to bring about best-in-class integrated logistics solutions and services, making every delivery count for people and planet. [www.singpost.com](http://www.singpost.com)

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