

# 29<sup>th</sup> Annual General Meeting

15 July 2021



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 conditions, 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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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 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.



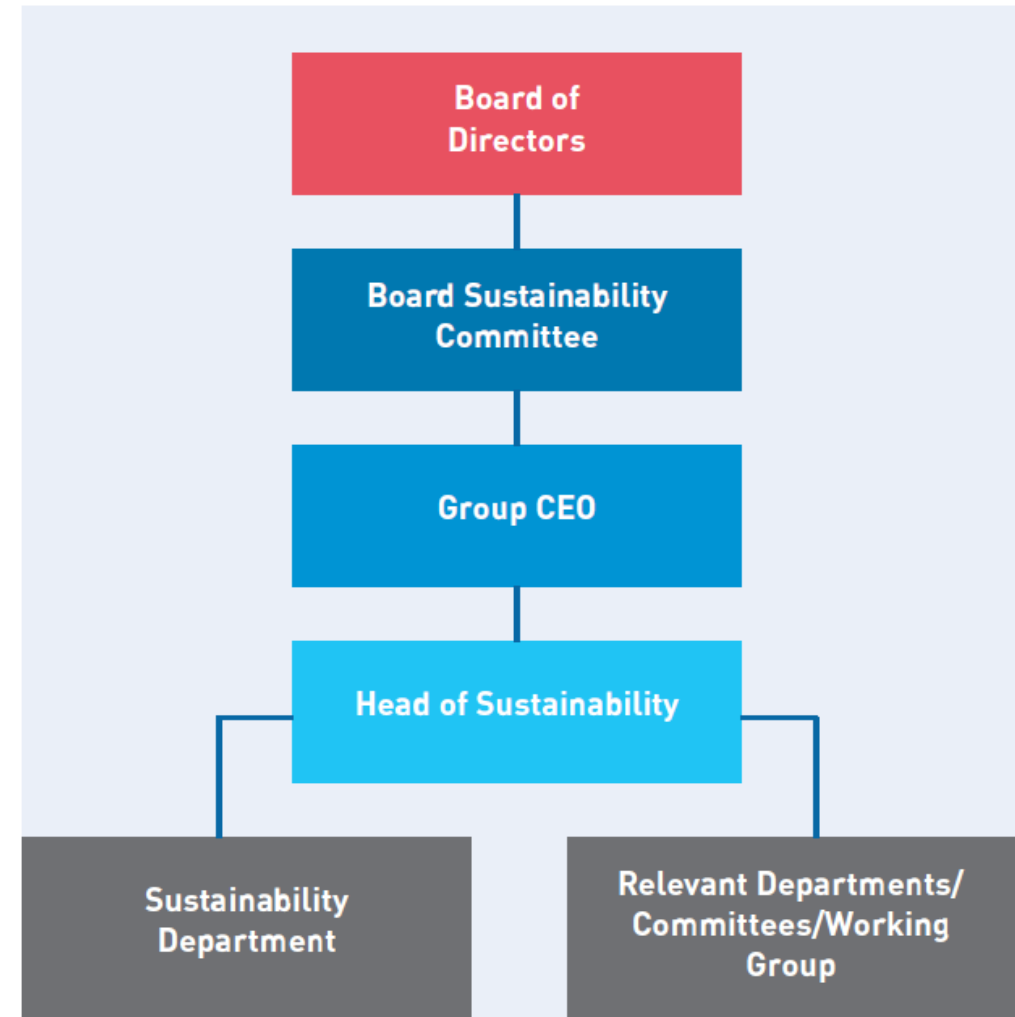
## Business Update

- Sustainability
- Post and Parcel
- Logistics
- Property











## FY2020/21 Financials



- Established Board Sustainability Committee (“BSC”) in Feb 2021
  - Sets overall direction for ESG strategy and execution
- Established a dedicated Sustainability department
  - Full embedment of sustainability throughout the organisation



# Sustainability is integral to our business

	P lanet Positive	O perational Excellence	S ocietal Responsibility	T ransformational Growth
<b>ESG MATTERS</b>  Our pillars provide an outline for our Sustainability Report. Under each pillar, we disclose on a number of relevant material ESG matters that are significant to us and our stakeholders.  <i># Not identified as a material ESG matter but reported additionally</i>	 Energy Consumption and Associated Greenhouse Gas Emissions	 Our People#   Ethics, Anti-Bribery and Corruption   Compliance with Laws and Regulations   Data Security and Privacy   Business Continuity Planning	 Responsible Supply Chain   Customer Satisfaction   Community Investment#	 Product and Service Innovation



## 28%

Collective reduction of Scope 1 & 2 GHG emissions from FY2018/19 baseline level

## Passed

IMDA Quality of Service Standards requirements (Jan – Dec 2020)

## \$168,000

Raised for Community Chest with launch of Asia's first charity stamps

## 0

Significant fines or non-monetary sanctions; case of corruption and unethical behaviour

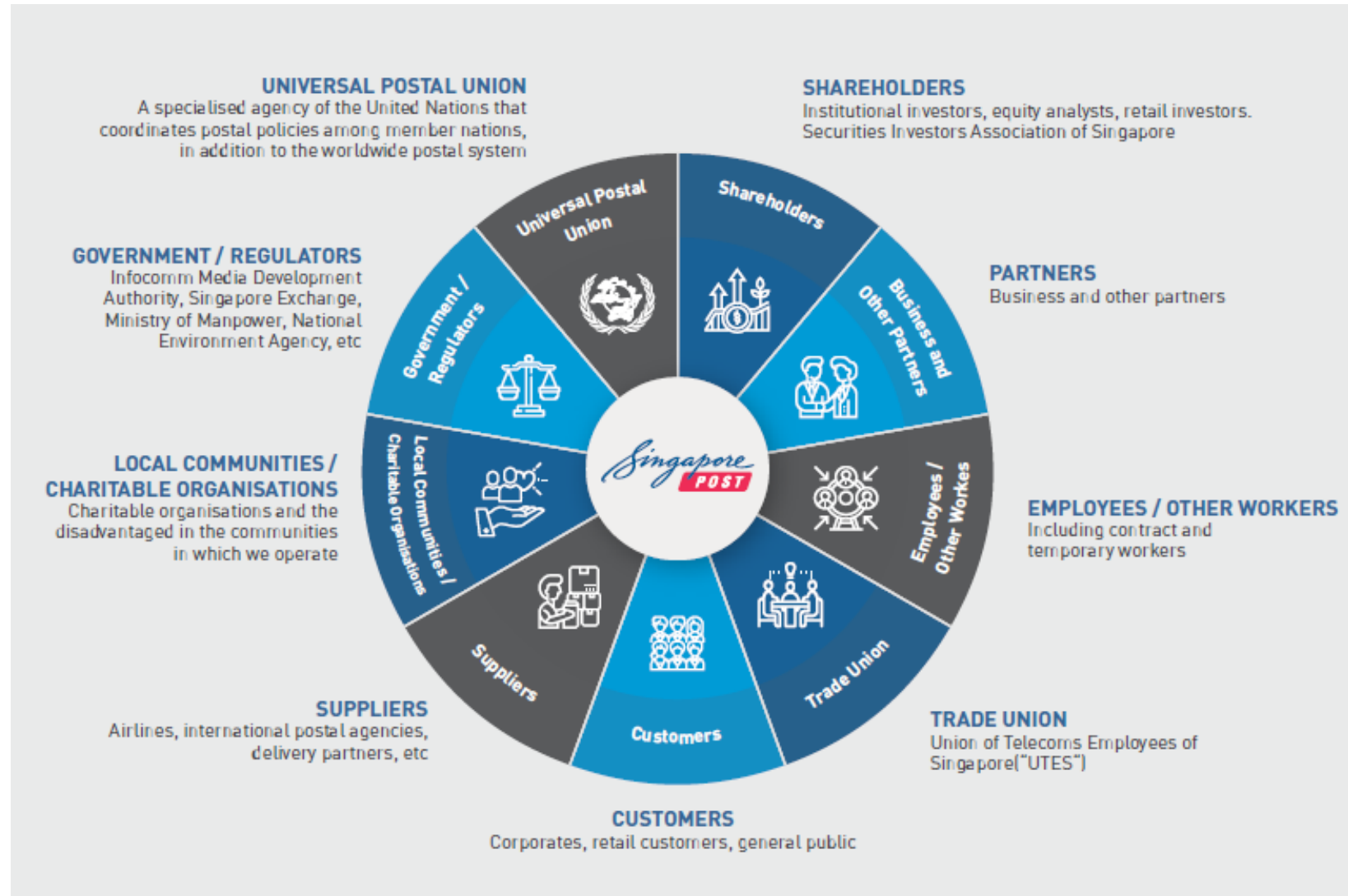
## 16%

Improvement in Lost Time Injury Frequency Rate in FY2020/21 from FY2019/20

## Refreshed

Uniforms for frontliners considering their comfort and safety

- Refresh Sustainability strategy
- Climate change risks and opportunities and resiliency building





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## FY2020/21 Financials





# Post and Parcel through Covid-19

## *We weathered some of the toughest challenges in our history*



**Together we will overcome!**







<div>Domestic eCommerce logistics Traffic</div> <div>↑ 45% (total ~37M items)</div>	<div>Int'l eCommerce logistics Tonnage</div> <div>↓ 10% (total ~19M kg)</div>
<div>Domestic eCommerce logistics Revenue</div> <div>↑ 59% (total ~S\$70m)</div>	<div>Int'l eCommerce logistics Revenue</div> <div>↓ 3% (total ~S\$500m)</div>





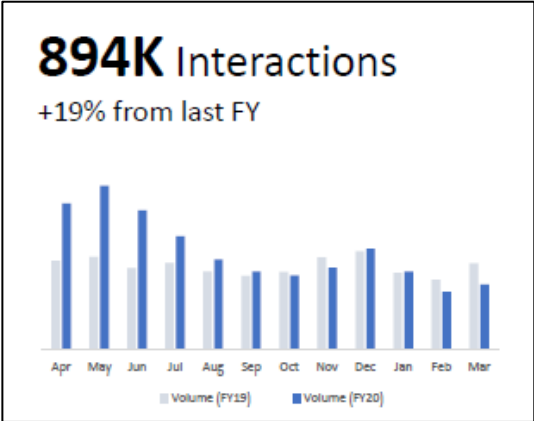
Post Office Surveys



> **33,000**  
Compliments received in  
FY2021

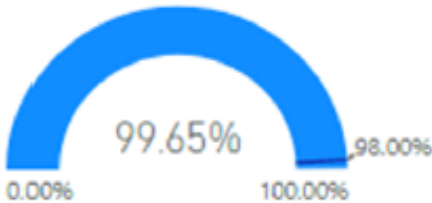
FY20/21 vs FY19/20		
NPS	↑	71 to 77
Compliments	↑	21%
Complaints	↓	23%

Customer Service



Domestic Delivery KPIs

Tracked Postal Products  
SLA by Month (latest)

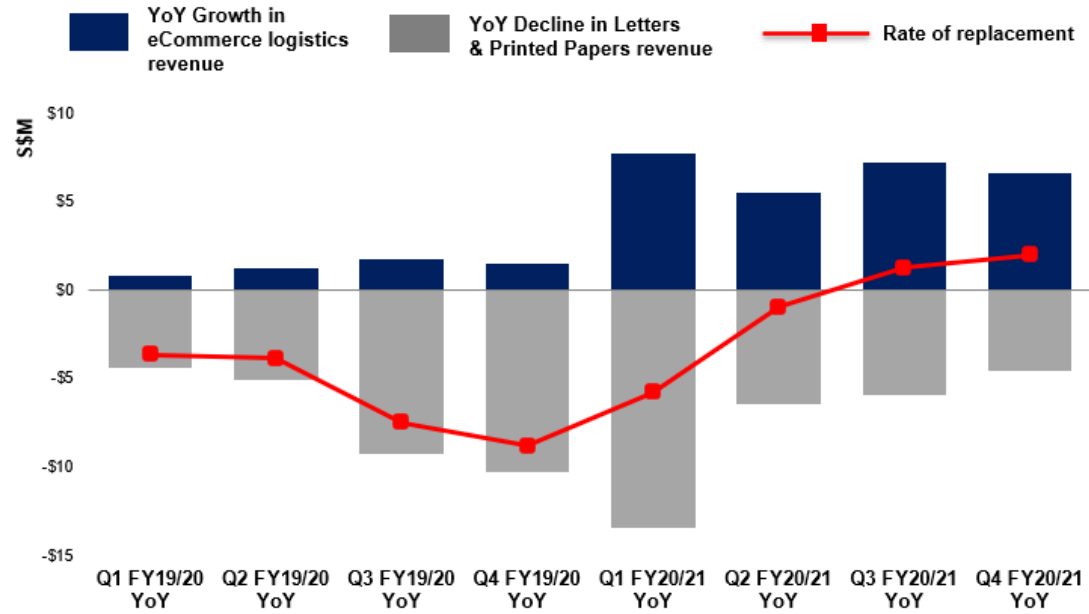
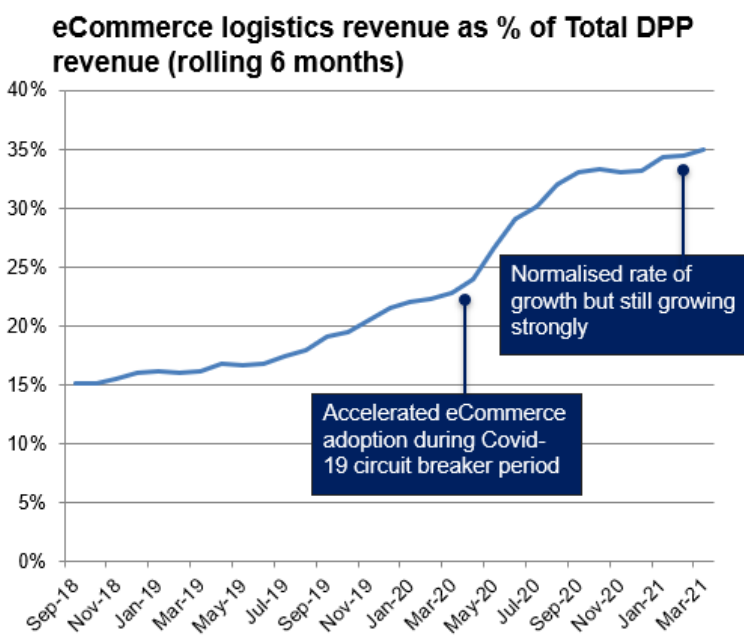
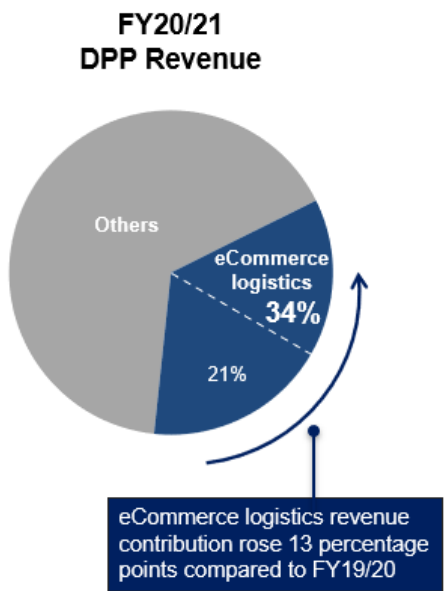


Parcel SLA by Month (latest)



# Domestic Post and Parcel

## *eCommerce logistics accounts for more than one-third and growing*







# Stamp Issues

## The Heart and Soul of the Postal Service





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## FY2020/21 Financials



12  
MARKETS



- CouriersPlease
- Famous Holdings
- Quantum Solutions
- SP eCommerce

## Products

 ECOMMERCE SOLUTIONS	 FREIGHT FORWARDING
 CROSS BORDER SHIPPING	 WAREHOUSE-FULFILLMENT
 LAST MILE DELIVERY	

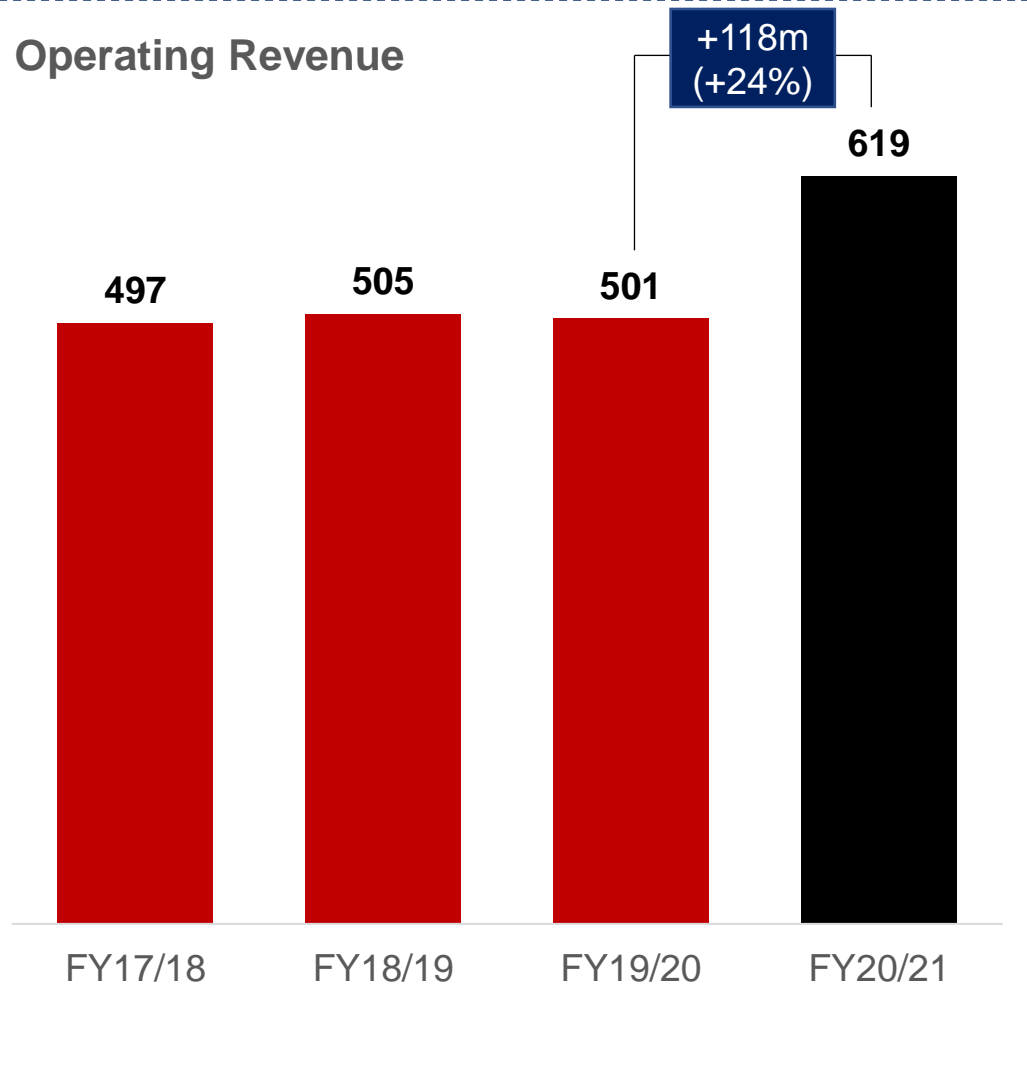




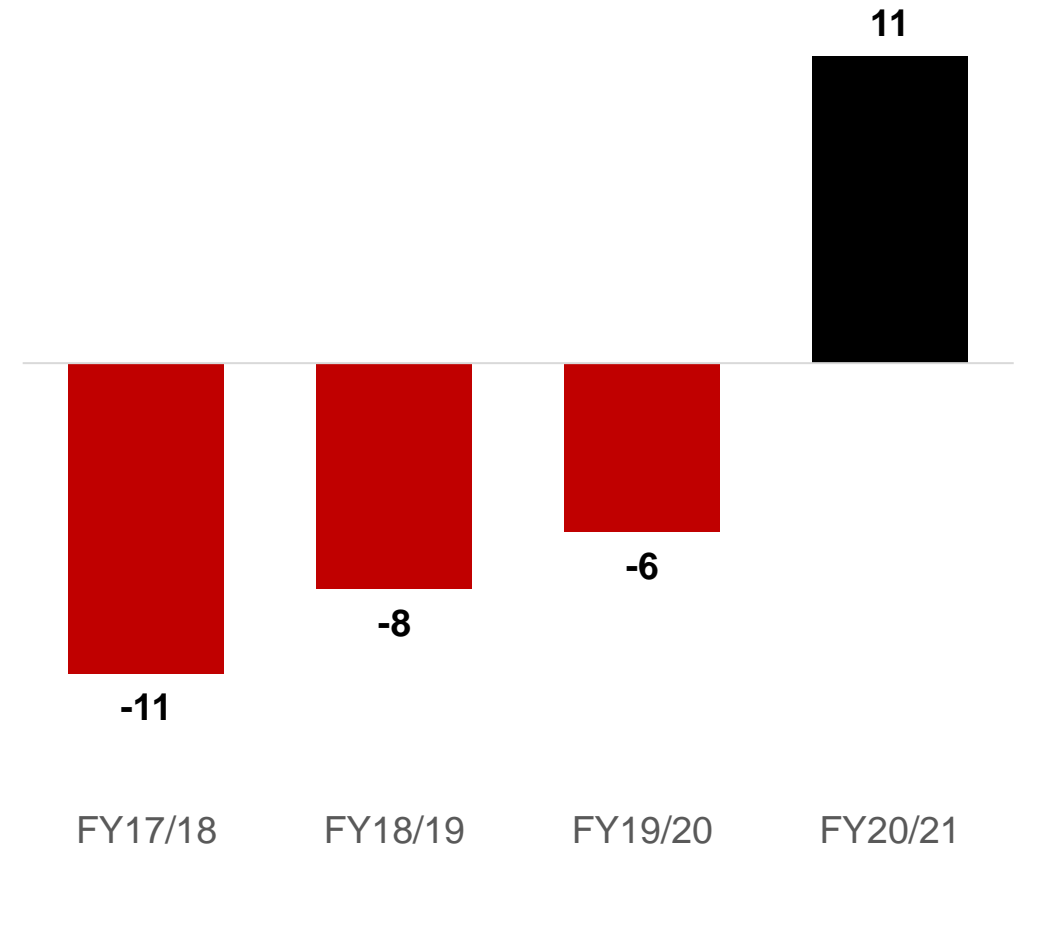
# Logistics: Our multi-year turnaround journey continues

(in S\$ 'million)

## Operating Revenue

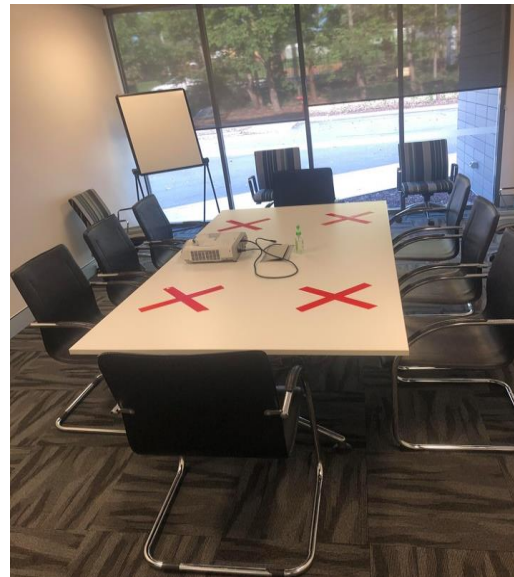


## Profit on Operating Activities (EBIT before exceptional items)



Note: FY17/18, FY18/19 and FY19/20 figures shown have been restated due to reclassification changes. Please refer to the Company's annual reports for more details.

# Covid-19: Ensuring the health & safety of our people, while capitalizing on new opportunities created by the pandemic





# Staying agile to capture eCommerce logistics growth





# Case study: HK Government Project – appointed as the Master Logistics Provider for Covid-19 test kits distribution



>10 million Test Kits Distributed

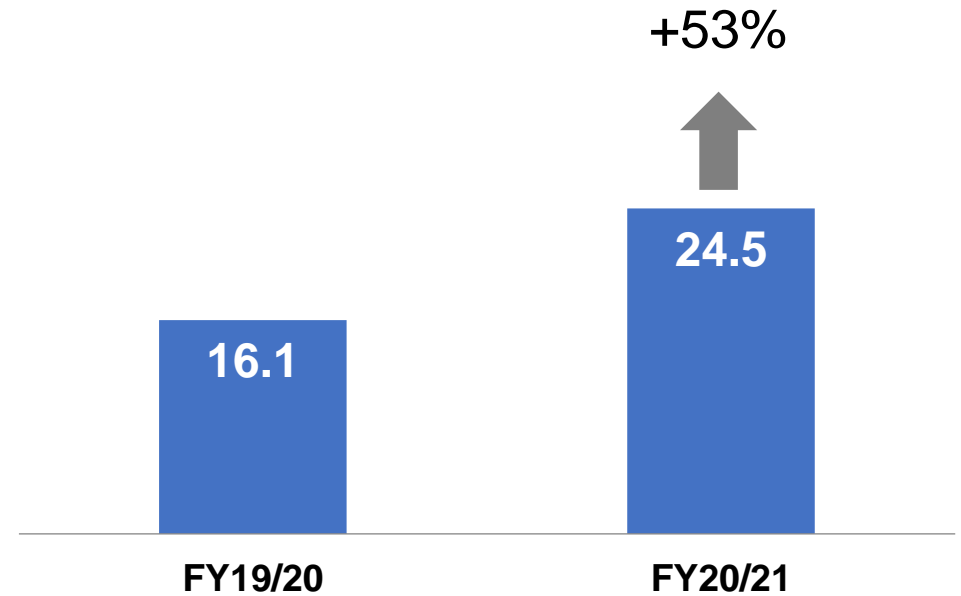




# Australia: CouriersPlease (CP) expanded its network and facilities to handle the surge in delivery volumes



## CP's Volume (in millions)





# Australia: Scaling up eCommerce logistics capabilities in our 2<sup>nd</sup> home market



Quantum  
SOLUTIONS



+

fmhgroup

## End-to-end capabilities



CROSS BORDER  
SHIPPING



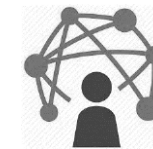
WAREHOUSE-  
FULFILLMENT



FREIGHT  
FORWARDING



LAST MILE  
DELIVERY



4PL



TRANSPORT



TECH SOLUTIONS



**Accelerate  
eCommerce  
logistics  
growth**



**Expand  
warehouse-  
fulfillment  
footprint**



**Re-engineer  
process and  
strengthen  
capabilities**



**Roll-out new  
technology  
platform**



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## FY2020/21 Financials





## Enabling Postal and Logistics Services



7 Delivery Bases and  
mail sorting operations

**>1.2 mil sq.ft.**

Sorting and fulfilment of mail  
and parcels

SingPost Regional eCommerce Logistics Hub



22 Post Offices

**>46,000 sq.ft.**

Forming islandwide postal  
network

Macpherson Road Post Office

## Income Generation from 3<sup>rd</sup> Party Leasing



Retail Mall & Office

**>560,000 sq.ft.**

Retail and office/enrichment  
space in SingPost Centre

SingPost Centre



16 Tenants Across  
Other Properties

**>83,000 sq.ft.**

3 Self-storage facilities  
under Lock and Store

Killiney Post Office



# Committed occupancy remains high despite a challenging leasing market

## Committed Occupancy

As at	Mar 20	Sep 20	Dec 20	Mar 21	May 21
SPC Mall	100.0%	100.0%	99.8%	94.1%	96.9%
SPC Office/ Enrichment	98.1%	99.1%	98.1%	96.6%	97.6%
Others	96.7%	96.7%	96.7%	96.7%	96.7%

# Leases expiring in FY20/21 were substantially renewed or replaced

## Lease Expiries & renewals

	FY20/21			FY20/21 (Renewed or replaced)			Renewal / Replacement rate
	No. of leases	NLA ('000 sq ft)	As % of total NLA	No. of leases	NLA ('000 sq ft)	As % of total NLA	
<b>SPC Mall</b>	75	89	52%	72	88	51%	99%
<b>SPC Office/ Enrichment</b>	12	76	17%	11	70	16%	92%
<b>Others</b>	6	34	35%	6	34	35%	100%

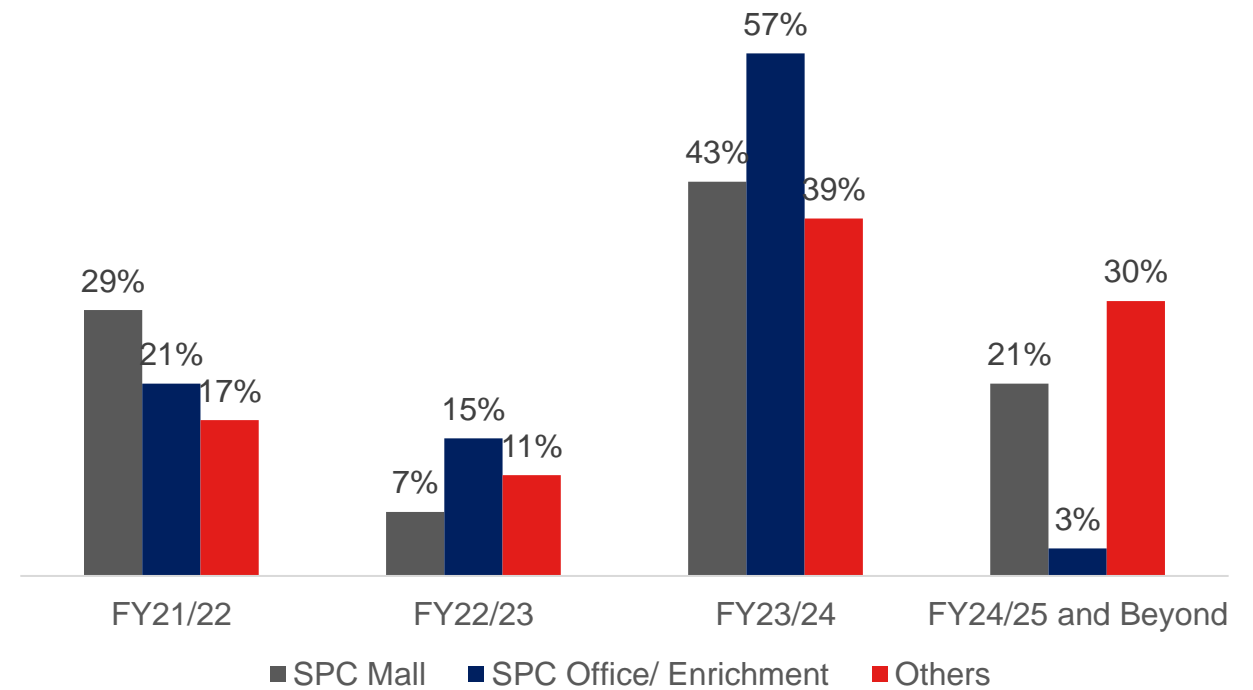
As at 31 March 2021



## Lease Expiries

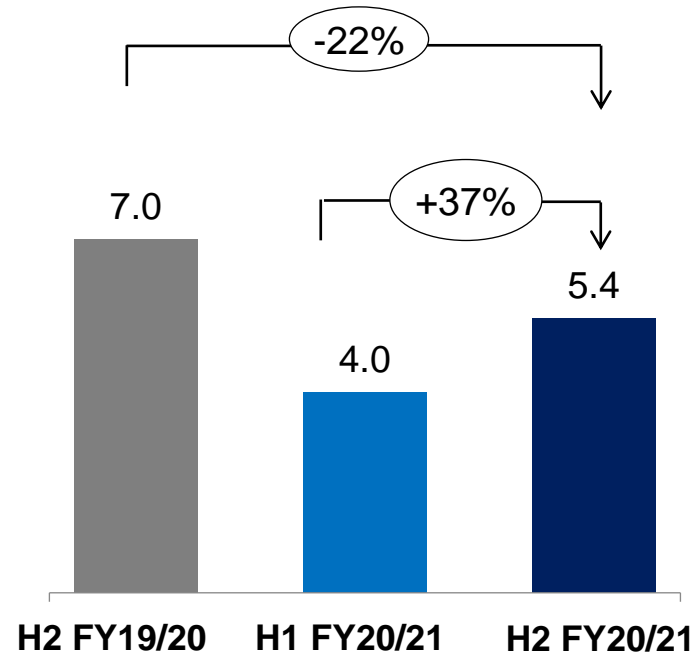
	FY21/22 (Expiring)		
	No. of leases	NLA ('000 sq ft)	As % of total NLA
SPC Mall	39	49	29%
SPC Office / Enrichment	19	87	21%
Others	5	16	17%

## Lease expiry Profile (as at 31 Mar 2021)

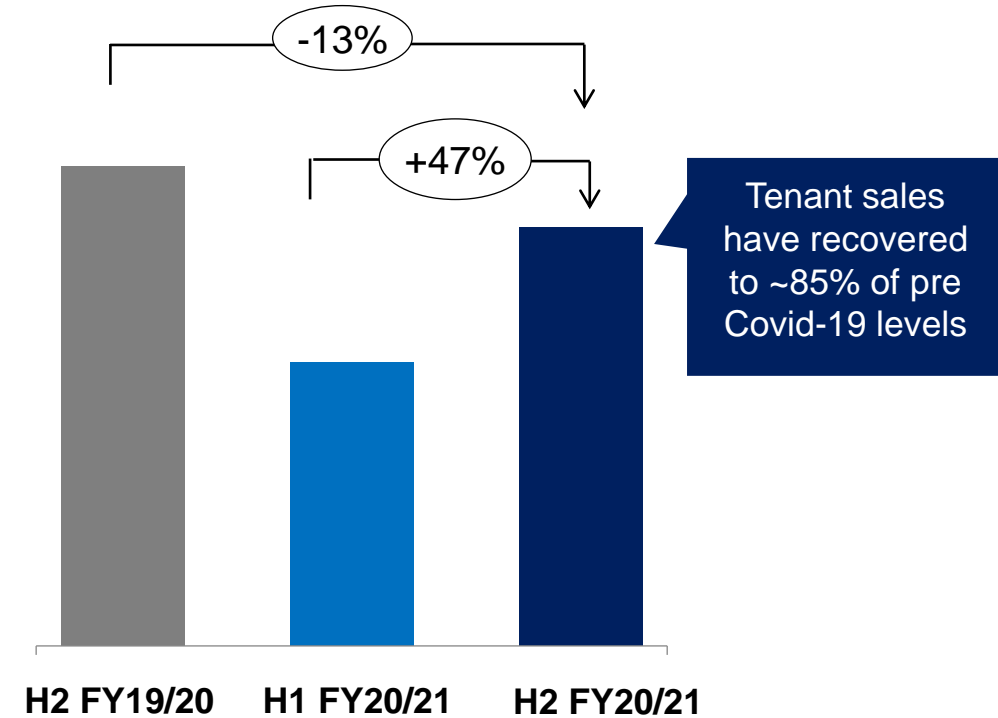


# SPC Mall Footfall and Tenant sales remain down year-on-year due to Covid-19, but have been on a recovery sequentially

Footfall up 37% sequentially



Tenant sales have grown faster than footfall





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# Resilient performance amid Covid-19 impact

Group P&L, S\$M	FY19/20	FY20/21	% change	
Revenue	1,313.8	1,404.7	6.9%	Led by strong eCommerce logistics volume growth in the Logistics and Domestic Post and Parcel segments, offset by lower International Post & Parcel revenue
Operating expenses	(1,174.8)	(1,335.1)	13.6%	
<b>Profit on Operating Activities</b>	<b>143.6</b>	<b>79.3</b>	<b>(44.8%)</b>	Due largely to increase in volume-related expenses as a result of Covid-19 disruptions and eCommerce logistics volume growth
Share of Assoc & JV	(0.1)	1.0	N.M.	
Exceptional items	(9.1)	(12.5)	36.9%	
Income tax	(28.3)	(13.3)	(53.2%)	Profit impacted by Covid-19 related disruptions, partly offset by higher earnings contribution from the Logistics segment, as well as the absence of losses from discontinued operations
Loss from discontinued operations	(12.0)	-	N.M.	
<b>Net profit attributable to equity holders</b>	<b>91.1</b>	<b>47.6</b>	<b>(47.7%)</b>	
<b>Underlying net profit</b>	<b>100.2</b>	<b>60.1</b>	<b>(40.0%)</b>	

N.M. denotes Not Meaningful



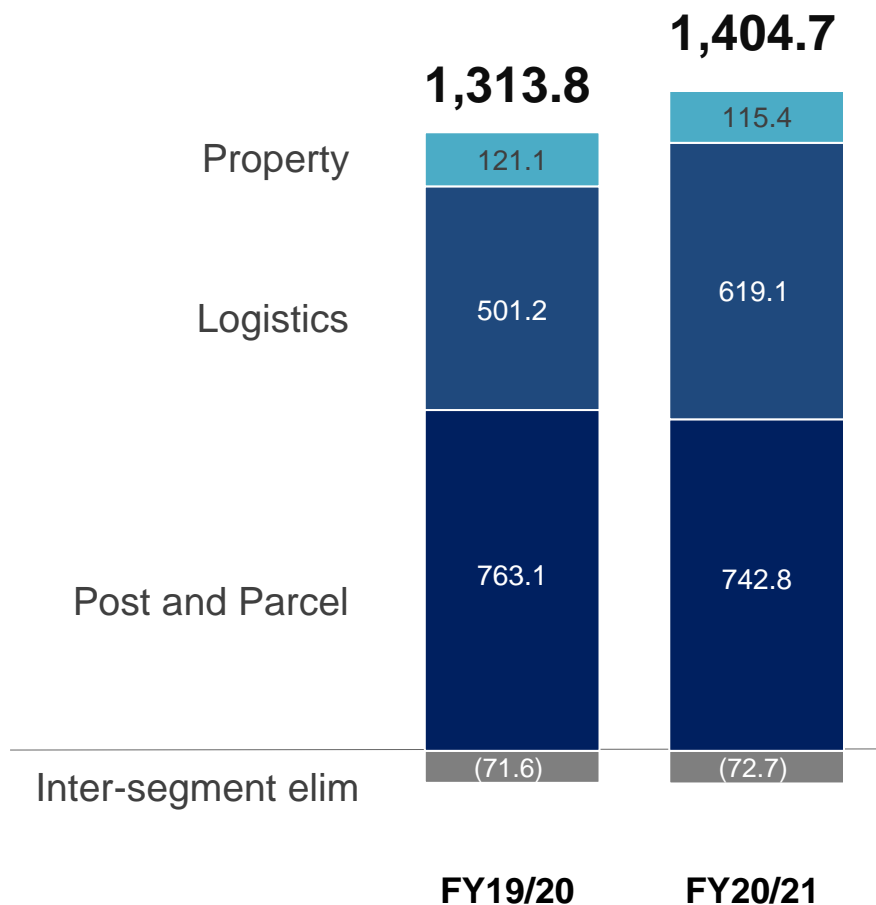
# Increase in line haul costs due to Covid-19 related disruptions as well as eCommerce logistics volume growth

Group Expenses, S\$M	FY19/20	FY20/21	% change	
Volume-related	710.5	842.2	18.5%	Due largely to increase in per unit rates for line haul costs as a result of Covid-19 disruptions, as well as growth in eCommerce logistics volumes
Labour & related	282.4	304.2	7.7%	Due to increased eCommerce related deliveries in line with volume growth, as well as higher costs domestically in relation to Covid-19 disruptions, partially offset by Jobs Support Scheme
Admin, Selling-related & others	113.9	119.9	5.3%	
Depreciation & amortisation	68.0	68.7	1.1%	
<b>Operating Expenses</b>	<b>1,174.8</b>	<b>1,335.1</b>	<b>13.6%</b>	Largely due to the roll out of a new information system in Australia to improve customer experience and manage higher volumes
Finance Expenses	12.6	11.0	(12.8%)	Lower interest expense

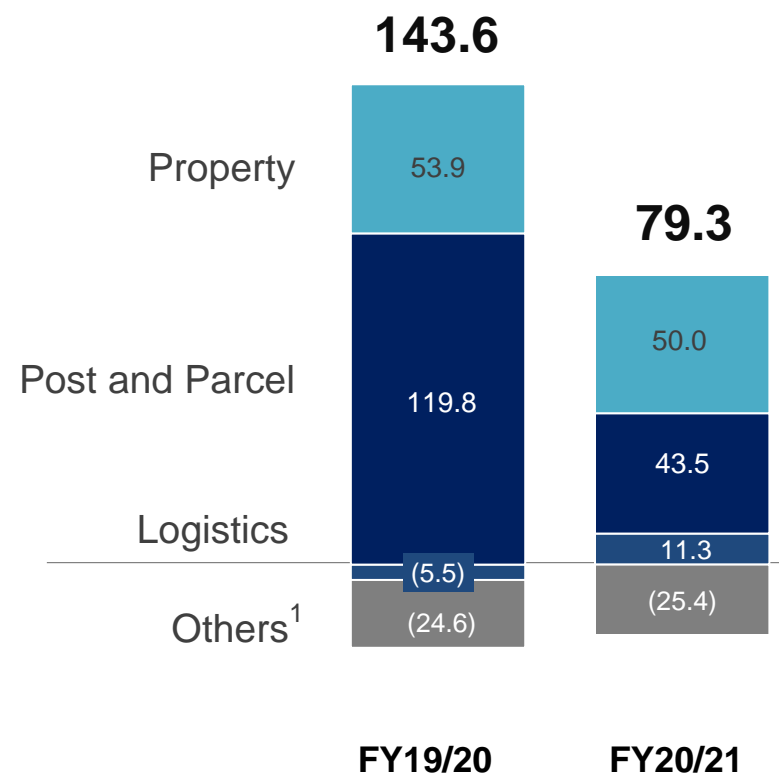
# Revenue & POA breakdown by segments

S\$M

## Revenue



## Profit on operating activities

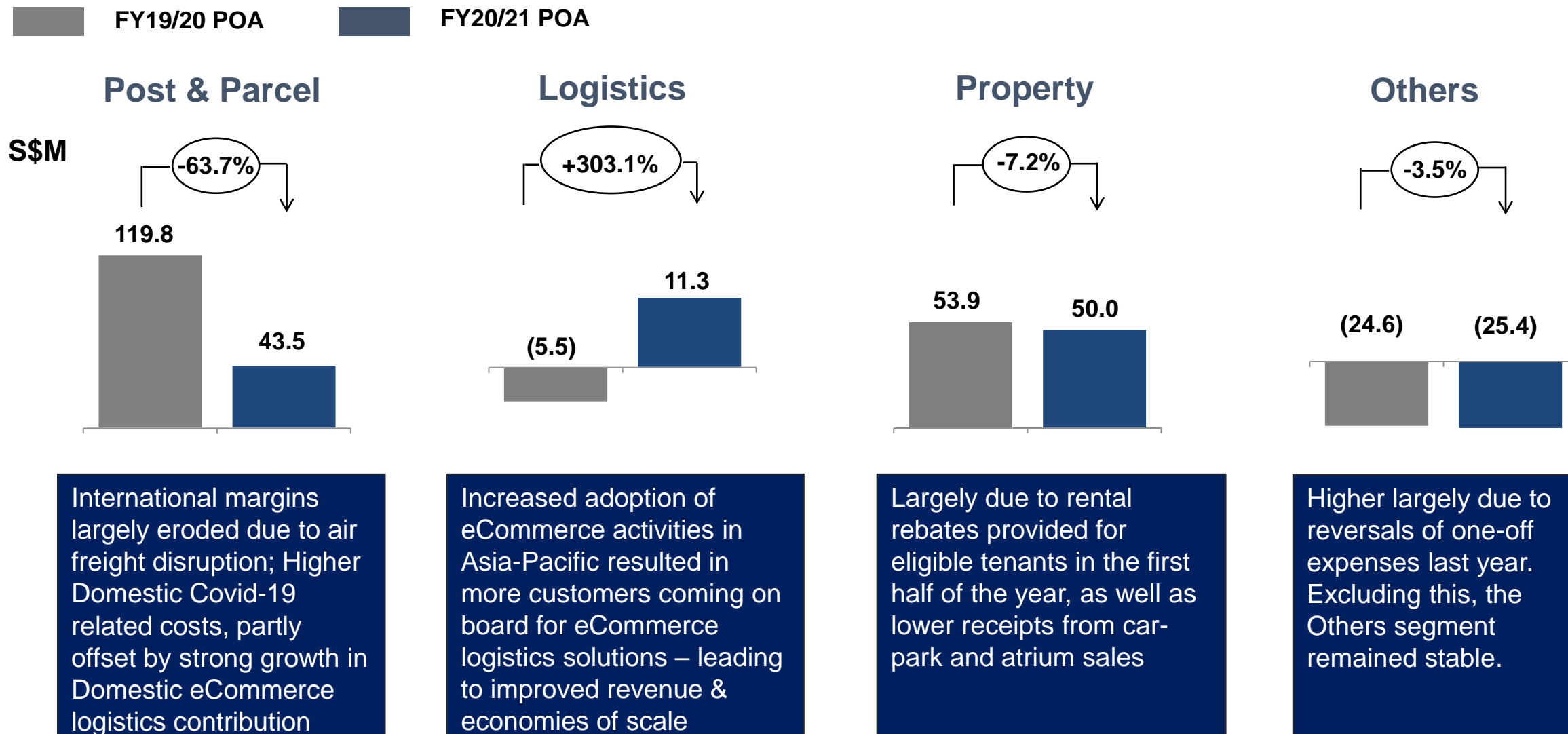


With effect from 1 April 2020, corporate cost allocation has been revised and prior year numbers have been restated for comparative purposes.

1. Refers to unallocated corporate overhead items



# Summary of Segmental POA Performance



With effect from 1 April 2020, corporate cost allocation has been revised and prior year numbers have been restated for comparative purposes.  
Others refer to unallocated corporate overhead items

# FY20/21 cash flow reflects resilience of the business

Cashflow, S\$M	FY19/20	FY20/21	
Operating cashflow before WC changes	194.6	141.5	
Changes in working capital	24.8	109.3	
Income tax paid	(36.3)	(35.5)	
<b>Operating cashflow</b>	<b>183.2</b>	<b>215.4</b>	Strong improvement in operating cashflow due to positive movements in working capital
<b>Investing cashflow</b>	<b>(17.8)</b>	<b>(67.5)</b>	Largely due to the Group's investment in FMH <sup>1</sup>
<b>Financing cashflow</b>	<b>(64.6)</b>	<b>(139.7)</b>	Largely due to net repayment of bank loans for the year, compared to net proceeds last year
<b>Net increase / (decrease) in cash</b>	<b>100.8</b>	<b>8.2</b>	



# Strong financial indicators and liquidity position

	As at Mar 20	As at Mar 21
Cash and cash equivalents	493.0	501.2
Borrowings	364.4	322.3
<b>Net cash / (debt) position</b>	<b>128.6</b>	<b>178.9</b>

The Group remains in a net cash position, which improved compared to last year due to positive working capital movements

	FY19/20	FY20/21
EBITDA	202.3	136.6
<b>EBITDA to finance expense</b>	<b>16.0x</b>	<b>12.4x</b>

Lower coverage ratio due to lower EBITDA

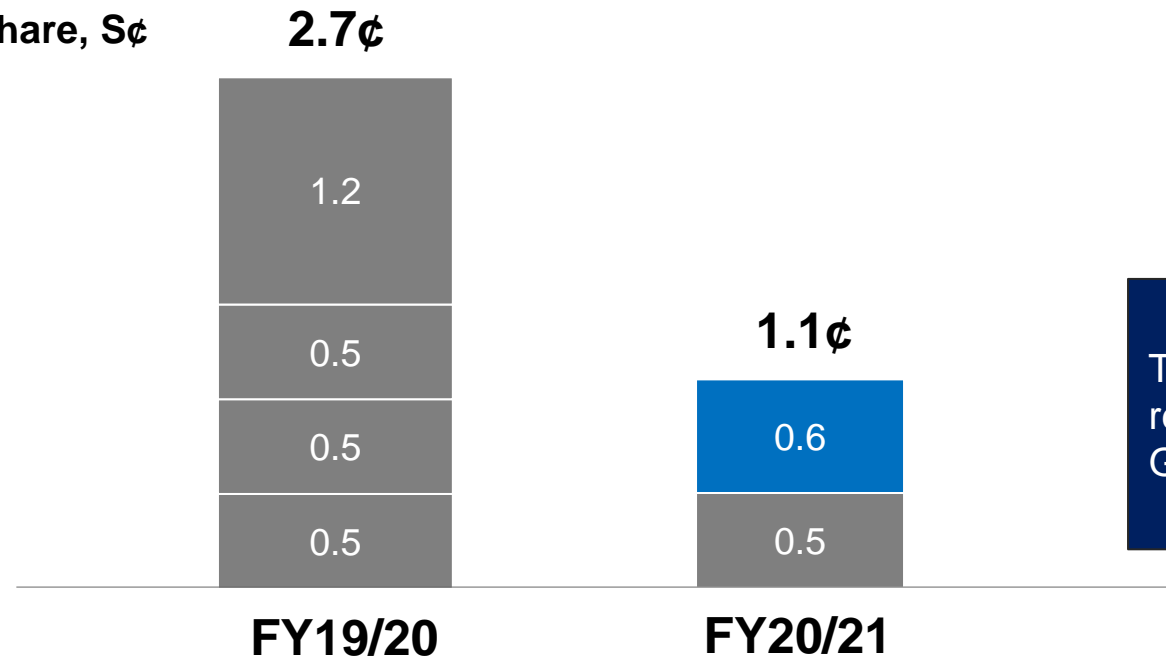
1. EBITDA is defined as profit before tax, adding back interest and depreciation and amortisation expenses.

# Proposed final dividend of 0.6 cent per share

Proposed final dividend of 0.6 cent per share for the FY ended 31 March 2021, bringing total dividends for the year to 1.1 cent per share.

With an uncertain outlook due to the ongoing pandemic, the Group continues to adopt a prudent approach in managing cash flows and conserving cash, for the ongoing execution of the Group's transformation initiatives.

Dividend per share, S¢



Total dividend of 1.1 cent represents about 40% of the Group's underlying net profit





Covid-19 continues to create disruption and uncertainty



SingPost will continue its transformation journey



Future of Post



Build B2B2C logistics capabilities



Australia as a second home market

Thank You

