



Global Logistics Delivery

DELIVERY
INDUSTRIAL
DISTRIBUTION
PRODUCT
DESTINATION
INVENTORY
CARCO
MANUFACTURING
ANALYSIS
CUSTOMERS

H1 FY2023/24 Results Presentation

2 November 2023

Singapore
POST

Disclaimer



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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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



Group Overview

Vincent Phang, Group CEO

H1 FY2023/24 Overview



Strong operating performance in line with Group's transformation

Net profit of S\$11.5M vs loss of S\$9.9M in H1 last year

Constant currency H1 UNP grew 52%

Strong operating results from Australia and International cross-border businesses

Impact of sea freight normalising post pandemic and adverse currency effects

H1 domestic postal loss as expected; to improve in H2



Accelerating our strategic initiatives

Domestic postal business reset with postage uprate; future of post being shaped

Accelerated execution of strategic initiatives for growth in logistics and overseas

Strategic review well underway

Strategic Review

To Enhance Shareholder Returns and Ensure Group is Appropriately Valued

**Strategic review
setting stage for
the future**



Postage uprate a successful outcome of postal review

Acquisition of Border Express a transformational initiative in Australia ambition

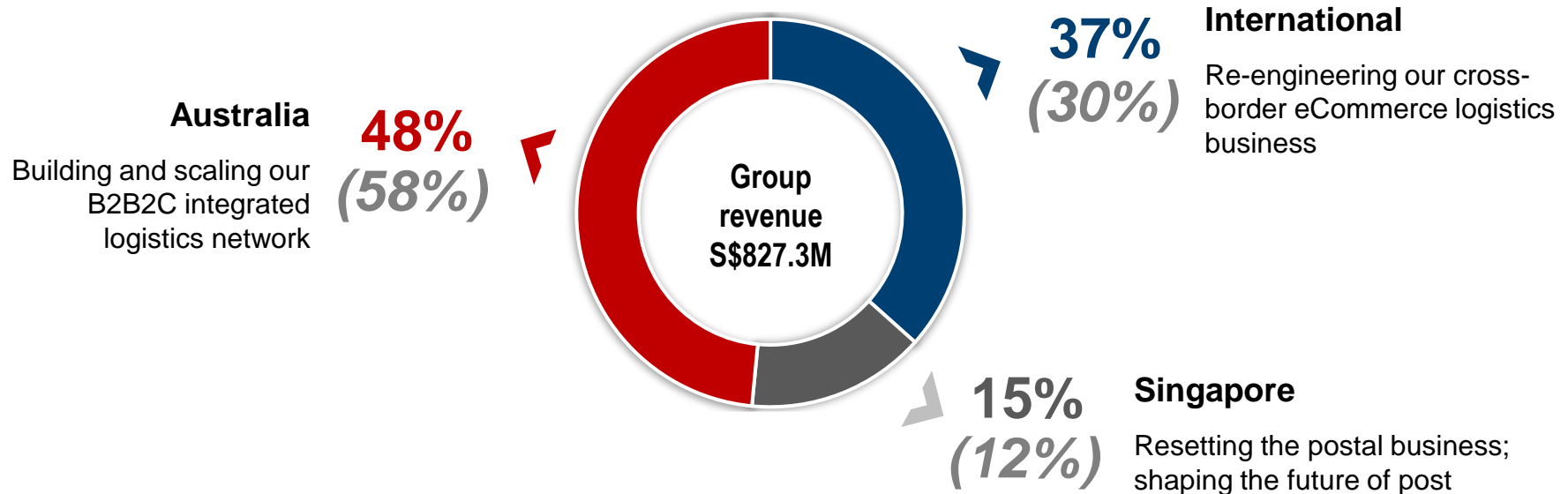
A structure for each business to succeed in their key markets

Exploring further acquisition opportunities and divestment of non-core business/assets identified

Strategic review being finalised

Repositioning for Growth

Establishing Ourselves as a Leading eCommerce Supply Chain and Logistics Player in Asia Pacific



Revenue breakdown by strategic pillars/markets

Pro forma revenue breakdown including Border Express, in italics

Resetting the Postal Business; Shaping the Future of Post



Towards a sustainable long-term postal business model

Postage uprate – increase of 20 cents to 51 cents wef 9 October 2023, to improve postal performance in H2

Working towards a framework for the long-term sustainability and commercial viability of the postal service



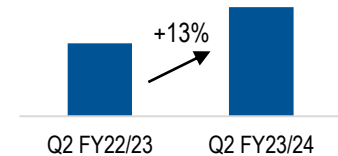
Towards an eCommerce driven future

Driving eCommerce volumes as letter mail continues decline

Focusing on infrastructure optimisation

Innovating for the future

eCommerce volume growth



eCommerce award at National Business Awards by Singapore Business Review for POPDrop

World Post and Parcel Awards 2023 for Best Innovation Strategy (POPDrop) and Commitment to Sustainability (Carbon Efficient Ecosystem & Sustainable Packaging)

International

Re-engineering Our Cross-border eCommerce Logistics Business



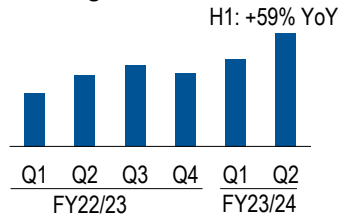
Good progress in rebuilding of business

Margin and profitability uplift with greater focus on commercial offering, lower conveyance costs, operational improvements

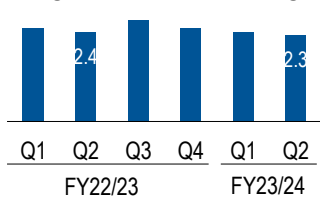
Steady volumes despite industry-wide softening of volumes

Driving revenue synergies with Singapore and Australia businesses

Commercial revenue growth trend

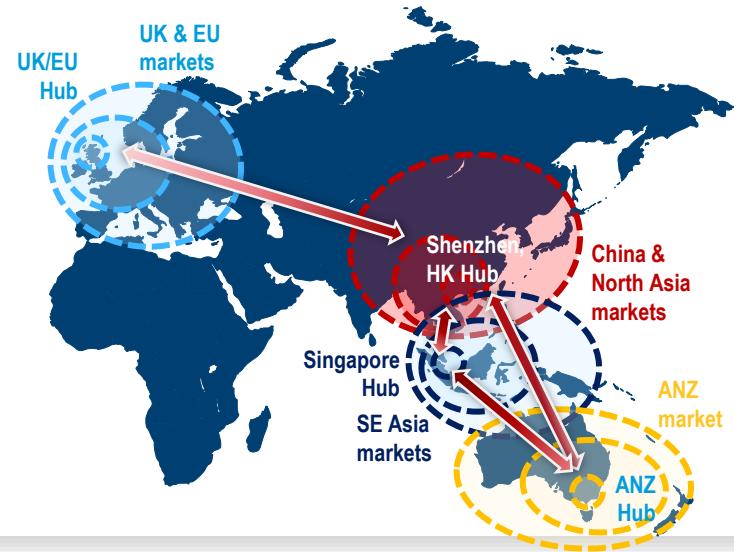


Steady outbound eCommerce logistics volumes (m kg)



International cross-border eCommerce logistics network

- ➔ Multi modal hubs
- ➔ Commercial and postal solutions
- ➔ Digital 4PL



Australia

Building and Scaling our B2B2C Integrated Logistics Network

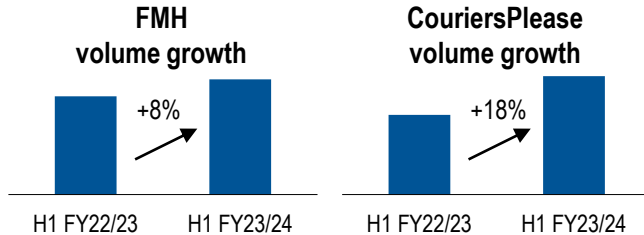


Levelling up

Acquisition of Border Express:

- immediately earnings accretive
- significantly enhances our market presence
- combined annual revenues >S\$1 billion

Driving revenue and cost synergies among businesses



fmhgroup

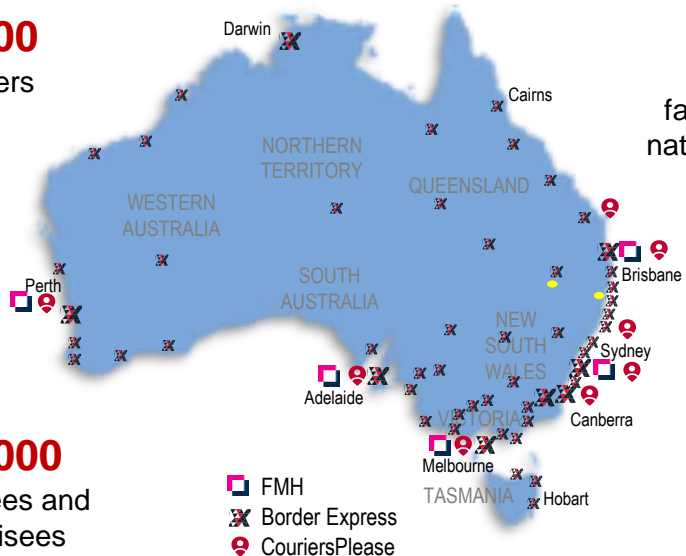
border express

Couriers Please

An extensive end-to-end B2B2C integrated logistics network powered by technology

> 4,900 customers

80 facilities nationwide



> 3,000 employees and franchisees

Delivering Sustainable Outcomes Globally



Balancing Economic, Environment, Social and Governance Aspects

Digital Transformation

Optimising safety and sustainability performance through technology



World Post & Parcel Awards 2023

Best innovation strategy & commitment to sustainability



5-star Green Star

rating for 4 facilities in Australia



Mangrove Planting in Thailand

Build community resilience through nature protection



Outlook, Summary



Challenging business environment

Inflation, high interest rates,
currency fluctuations

Uncertainty in Middle East
situation



Strategic review being finalised

To be completed by financial
year end

With view on enhancing
shareholder returns and
ensuring Group is
appropriately valued



Executing strategies for growth

Transforming into a global
logistics enterprise

Potential acquisitions and
divestments of non-core
businesses/assets for capital
recycling



Financial Results

Vincent Yik, Group CFO

H1 FY23/24 Key Financial Highlights



01

Strong operating performance in line with transformation

Growth in Australia and International cross-border businesses; International business back to profitability

H1 UNP +52% YoY (constant currency)

02

Impact of sea freight normalisation, FX, domestic postal loss

Sea freight normalisation in freight forwarding business

Domestic postal loss as expected; addressed with uprate and to improve in H2

03

Sound financial position; interim dividend maintained

Balance sheet remains sound; positioned for growth

Interim dividend at 0.18 cents per share

H1 FY23/24 Profit & Loss Highlights

P&L, S\$m	H1 FY23/24	H1 FY22/23	% change
Revenue	827.3	958.9	(13.7%)
Operating Expenses	(797.4)	(920.8)	(13.4%)
Operating Profit (OP)	31.4	41.3	(24.0%)
Share of Associates and JV	(0.6)	0.1	n/m
Exceptional Items	(2.0)	(24.0)	(91.7%)
EBIT	28.8	17.5	+64.5%
Net Interest & Investment Income	4.8	(0.7)	n/m
Finance Expenses	(14.5)	(9.9)	+47.3%
Income Tax	(5.7)	(9.3)	(38.7%)
Non-controlling Interests	(1.9)	(7.5)	(74.1%)
Net profit attr. to equity holders	11.5	(9.9)	n/m
Underlying net profit (UNP)	13.4	13.2	+1.9%

+2% revenue and **+45% OP growth** (constant currency) excluding Famous Holdings

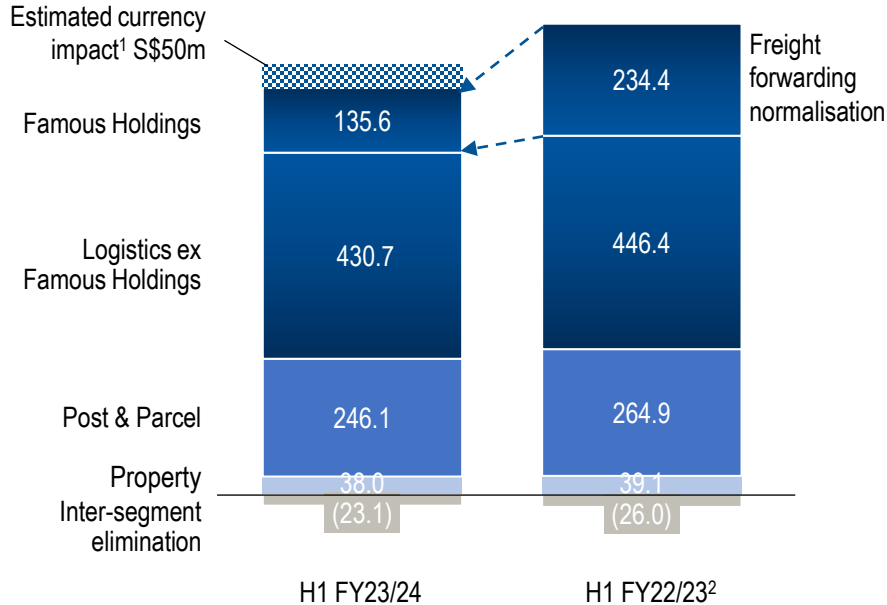
Exceptional item in H1 last year mainly relates to fair value loss on FMH put option redemption liability

UNP growth of 52% (constant currency) despite decline in Famous Holdings' contributions and domestic postal loss

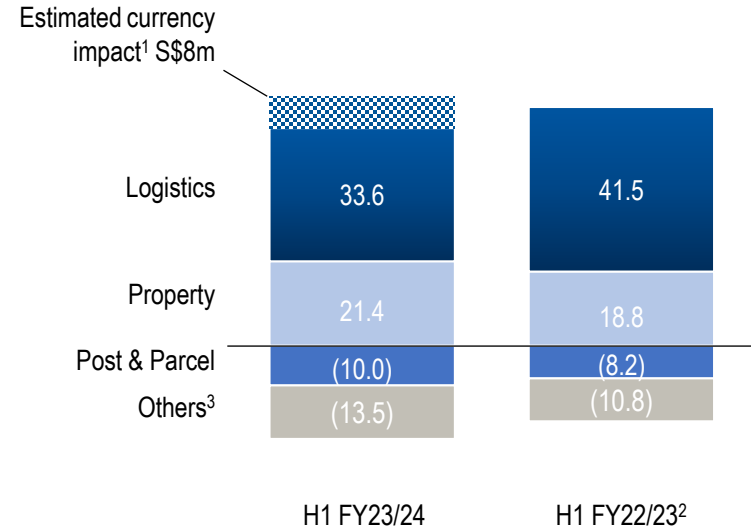
Note: Constant currency – estimated assuming constant exchange rates for Australian Dollar, Chinese Yuan and/or relevant currencies from the corresponding first half ended 30 September 2022.

H1 FY2023/24 Segment Breakdown

Revenue breakdown (S\$m)



Operating profit breakdown (S\$m)



1 Estimated, assuming constant exchange rates for Australian Dollar, Chinese Yuan and/or relevant currencies from the corresponding first half ended 30 September 2022.

2 Prior year adjustments.

3 Refers to unallocated corporate overhead items.

Logistics: H1 FY23/24 Performance



Segment P&L, S\$m	H1 FY23/24	H1 FY22/23	% change
Revenue	566.3	680.8	(16.8%)
Australia businesses ²	388.6	399.6	(2.7%)
Freight forwarding	135.6	234.4	(42.1%)
Other logistics businesses ³	42.1	47.0	(10.6%)
Operating Profit	33.6	41.5	(19.2%)

Logistics revenue and OP would have increased by 4% and 26% (constant currency¹), excluding impact of sea freight normalisation in the freight forwarding business

+6% revenue and +11% OP growth (constant currency) by Australia business:

- FMH growth on 4PL business wins, offsetting weaker 3PL due to softer volumes and lower fuel surcharge
- CouriersPlease growth on higher volumes despite challenging market

¹ Estimated, assuming constant exchange rates for Australian Dollar, Chinese Yuan and/or relevant currencies from the corresponding first half ended 30 September 2022.

² Couriers Please and FMH.

³ Quantum Solutions and SP eCommerce which was sold wef May 2022.

Post & Parcel: H1 FY23/24 Performance



Segment P&L, S\$m	H1 FY23/24	H1 FY22/23 ¹	% change
Revenue	246.1	264.9	(7.1%)
International	138.6	152.8	(9.3%)
Domestic	107.5	112.1	(4.1%)
Operating Profit	(10.0)	(8.2)	(22.5%)

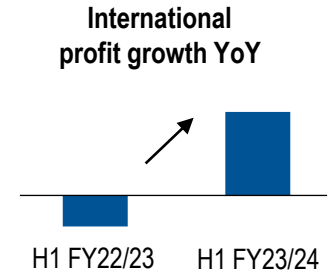
¹ Prior year adjustments.

² Estimated, assuming constant exchange rates for Australian Dollar, Chinese Yuan and/or relevant currencies from the corresponding first half ended 30 September 2022.

Strong improvement in International business

Profitable International cross-border business contribution offset by wider domestic postal loss

Domestic postage uprate with effect from 9 October 2023; domestic postal business to improve in H2



Financial Position, Capital Management

Sound financial position

Balance sheet remains sound; healthy liquidity ratios

Positive operating cashflows across all businesses

Cash holdings S\$449.4m

Prudent capital management

Continued investments in strategic initiatives

Exploring opportunities for divestment of non-core businesses/assets to recycle capital

Interim dividend maintained

H1 interim DPS maintained at 0.18 cents

Review of dividend policy as part of strategic review



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TRANSPORT
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INVENTORY
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ANALYSIS
CUSTOMERS

Annex

Making Every Delivery Count for People and Planet



Property: H1FY23/24 Performance

Segment P&L, S\$m	H1 FY23/24	H1 FY22/23 ¹	% change
Revenue	38.0	39.1	(2.9%)
Operating Profit	21.4	18.8	+14.0%

¹ Prior year adjustments.

Lower revenue due to lease cessation at certain smaller properties; operating profit growth on positive rental reversions at SingPost Centre

Overall occupancy at SingPost Centre was higher at 99.5% compared to 98.2% as at 31 March 2023

Retail mall space was at full occupancy and while office space at 99.2% occupied





End

Please refer to the SGXNET announcements dated 2 November 2023 for details.

Making Every Delivery Count for People and Planet

