



## Business Update for 1st Quarter ended 30 June 2024

All figures disclosed in this business update are unaudited.

### GROUP FINANCIAL HIGHLIGHTS

(Unaudited)

S\$ million	Q1 FY24/25	Q1 FY23/24	YoY Change
Group Revenue	<b>494.8</b>	404.1	<b>+22.4%</b>
Group Operating Expenses	<b>470.7</b>	391.9	<b>+20.1%</b>
Group Operating Profit	<b>24.4</b>	11.9	<b>+105.2%</b>
Operating Margin (%)	<b>4.9%</b>	2.9%	

### Growth boosted by Australia and Singapore businesses

Group revenue rose by 22.4% YoY to S\$494.8 million in the first quarter of FY24/25, supported by growth in the Australia and Singapore businesses, outweighing declines in the International and freight forwarding businesses which continued to be impacted by challenging business conditions. With the revenue growth and continued cost management measures, the Group achieved an increase of 105.2% YoY in operating profit to S\$24.4 million.

#### **Australia**

The Group consolidated Border Express for the full quarter following its acquisition in March 2024. This contributed largely to the strong performance in the Australia business.

Despite weak consumer sentiment in the Australia market, FMH's organic businesses (before accounting for Border Express) performed steadily, with improvements in its 4PL segment offsetting the softness in the 3PL business. Border Express delivered a good performance with revenue growth (+5.3% YoY) driven by new customer acquisitions, and operating profit growth (+24.4% YoY) on tight cost management.

During the quarter, the merger of CouriersPlease and FMH was completed, integrating CouriersPlease's parcel delivery services into the FMH group and enhancing the end-to-end logistics capability with B2C expertise.

#### **Singapore**

Performance of the Singapore business continued to improve year on year as it grew revenue and profit in the delivery business. Revenue was driven by increased eCommerce volumes and higher postage rates, offsetting the continued decline in letter mail volumes.



The post office network remains unprofitable. Overall the Singapore business recorded a profit in the first quarter compared to a loss previously.

### **International**

The International cross-border business continued to operate in a challenging and competitive business environment. During the quarter, the International business revamped its operations with a focus on managing profitability and increasing efficiency, and was able to maintain a steady operating margin excluding currency effects.

### **Freight forwarding**

Freight forwarding revenue and operating profit declined year on year largely due to the contraction in volumes and freight rates from the tail end of the pandemic peak.

### **Properties**

Property revenue increased on higher rental income from SingPost Centre. Overall occupancy rate at SingPost Centre was 96.0% as at 30 June 2024 compared to 96.2% as at 31 March 2024.

## **OPERATING STATISTICS**

<b>Volumes</b>	<b>Q1 FY24/25</b>	<b>Q1 FY23/24</b>	<b>YoY Change</b>
<b>Australia</b> ('000 items)	10,080	8,816	+14.3%
<b>Singapore</b> ('000 items)	94,750	102,326	(7.4%)
- eCommerce related	6,966	6,771	+2.9%
- Letter mail and printed papers	87,784	95,555	(8.1%)
<b>International</b> ('000 kg)	2,750	3,608	(23.8%)
- eCommerce related	2,473	3,249	(23.9%)
- Letter mail and printed papers	277	359	(22.8%)



## SELECTED BALANCE SHEET ITEMS

(Unaudited)

S\$ million	As at Jun 2024	As at Mar 2024	Change
Cash and cash equivalents	<b>465.8</b>	476.7	(2.3%)
Borrowings	<b>876.2</b>	827.1	+5.9%
Net cash / (debt) position	<b>(410.4)</b>	(350.4)	+17.1%
Total Assets	<b>3,142.4</b>	3,135.9	+0.2%
Total Liabilities	<b>1,703.5</b>	1,715.0	(0.7%)
Total Equity	<b>1,439.0</b>	1,421.0	+1.3%

The Group's financial position remained steady. The increase in borrowings was due to additional bank loans by FMH for the deferred consideration for Border Express.

## SUSTAINABILITY

The Group continued to make progress towards its net zero targets, with the electrification of owned delivery fleet in Singapore and the expanded use of renewable energy across its facilities in Singapore and Australia.

Sustainability considerations are integrated into daily operations, business and investment decisions, including the selection and design of buildings that the businesses operate from. In Australia, CouriersPlease has relocated into two new facilities which have been built to local Green Star standards, incorporating features such as rainwater harvesting systems, electric vehicle charging provisions, as well as a 300kW solar system.

In June 2024, SingPost commenced a three-month trial on the use of SMRT-operated trains for postal collection to study not only the cost efficiency but also potential carbon emission savings.

The Group's commitment to delivering exceptional service to customers was recognised by the Customer Care Award for Express Mail Service (EMS).



## **MOVING FORWARD**

The Group remains focused on executing its strategic initiatives to create and unlock shareholder value. It is actively exploring monetisation opportunities for its non-core assets.

In Australia, the Group is undertaking a strategic review with Merrill Lynch Markets Australia as advisors to explore options for the Australia business. The strategic review, announced on 21 June 2024, is expected to be concluded by the end of the year.

In Singapore, the Group is engaging with the Government on a future operating model for postal services designed to lower costs, broaden service accessibility for the public and improve customer experience. The Group hopes to conclude discussions within this financial year.

The global eCommerce logistics market remains challenging and the International business continues to be impacted by fluctuations in air conveyance costs, post pandemic shifts and geo-political developments. The Group regularly reviews the returns from the International business, and is taking steps to diversify its revenue streams.

**END**