Business Update for 3rd Quarter ended 31 December 2021

All figures disclosed in this business update are unaudited.

GROUP FINANCIAL HIGHLIGHTS

(Unaudited)

S$M	**Q3 FY21/22**	Q2 FY21/22	**QoQ Change**	Q3 FY20/21	**YoY Change**
Group Revenue	**437**	378	**15%**	351	**24%**
Group Operating Expenses	**(400)**	(349)	**15%**	(325)	**23%**
Group Operating Profit	**38**	31	**20%**	26	**46%**

The financials of Freight Management Holdings Pty Ltd ("FMH"), a leading technology enabled 4PL service company in Australia, were consolidated in SingPost Group's Q3 results after it became a subsidiary on 30 November 2021, while the financials from self-storage business General Storage Company Pte Ltd ("GSC") were deconsolidated after it was disposed on 22 December 2021.

The Group performed well in Q3, driven by the year-end seasonal peak. Group revenue grew 24% year-on-year, driven mainly by Famous Holdings, eCommerce logistics growth and the consolidation of FMH, partly offset by lower International Post and Parcel ("IPP") revenue.

Group Operating Expenses increased 23% over the same period, driven by volume-related expenses in line with higher freight forwarding and eCommerce logistics volume.

Despite the absence of S$6.1m support from the Jobs Support Scheme that we benefitted from last year, Group Operating Profit rose 46% mainly due to higher profit from Famous Holdings, Domestic Post and Parcel ("DPP") and from the consolidation of FMH. In addition, IPP profit improved despite lower revenue, and there was higher profit from the Property segment mainly due to lower rental rebates given to tenants.

SELECTED BALANCE SHEET ITEMS

(Unaudited)

	As at Dec 2021 S$M	As at Mar 2021 S$M	Change (%)
Cash and cash equivalents at end of financial period	**466**	501	(7%)
Borrowings	**355**	322	10%
Net cash / (debt) position	**111**	179	(38%)
Total Assets	**2,845**	2,722	5%
Total Liabilities	**1,118**	1,050	6%
Total Equity	**1,727**	1,671	3%

The Group remained in a net cash position as at 31 December 2021. Cash balance declined mainly due to working capital movements and the acquisition of FMH, partly offset by proceeds from the sale of GSC. Group borrowings increased due to the acquisition and consolidation of FMH.

OPERATIONAL INDICATORS

	Q3 FY21/22	Q2 FY21/22	**QoQ Change**	Q3 FY20/21	**YoY Change**
Singapore					
DPP eCommerce logistics (mil items)	**15.5**	12.7	**23%**	10.3	**50%**
DPP Letters & printed papers (mil items)	**108**	100	**8%**	119	**(9%)**
International					
International Post & Parcel (mil kg)	**4.8**	5.0	**(4%)**	6.1	**(21%)**
Australia					
No. of consignments (mil)	**7.8**	7.8	**Stable**	**7.3**	**7%**

Strong eCommerce logistics growth in Singapore continued to offset the decline in letter mail

DPP eCommerce logistics volume rose 50% compared to the same period last year due to higher eCommerce activity, as well as one-off nationwide distribution projects such as for ART kits and mouth gargles. Volume rose 23% on a quarter-on-quarter basis, driven by the year-end peak shopping season.

Volumes of letters and printed papers declined compared to last year as expected due to electronic substitution, but increased compared to the preceding quarter due to the year-end seasonal peak.

Famous Holdings continued to benefit from higher volume and sea freight rates, offsetting the continued impact of air freight disruption on International Post and Parcel

The freight forwarding business under Famous Holdings continued its strong performance, benefitting from higher volume and sea freight rates caused by global supply chain disruptions. This helped to offset the continued decline in IPP volume caused by ongoing disruption to international air freight out of Changi Airport due to Covid-19.

FMH acquisition in line with strategy to scale up and build capabilities in Australia and transform into a leading eCommerce logistics solutions provider

Consignment volume in Australia grew 7% compared to last year, mainly due to the addition of FMH's volume for December 2021. CouriersPlease ("CP") performed resiliently despite difficult operating conditions caused by Covid-19, including disruptions from infections among its workforce. CP's volume remained stable year-on-year, as they carefully managed volumes amid operational challenges.

The acquisition of FMH is in line with our strategy to grow and compete as a significant player in Australia.

OPERATIONAL INDICATORS

	Dec 21	Sep 21	Dec 20
Property - Committed Occupancy			
SPC Mall	100%	100%	99.8%
SPC Office/ Enrichment	95.7%	97.6%	97.8%
SPC Industrial	0%	0%	100%
SPC Total	**92.1%**	**93.3%**	**98.5%**
Others	98.4%	98.4%	96.4%
Overall	**94.0%**	**94.9%**	**97.8%**

Property segment remained resilient

Despite a challenging leasing market, SingPost Centre ("SPC") remained at relatively high occupancy, and we are in the process of securing new tenants for expired leases. The SPC Industrial category, which represents a relatively small portion of industrial space which had been rented out, remains vacant as we continue to work on repositioning the space to secure a new tenant.

Occupancy remained high in the Others category, which represents smaller properties such as shophouses and the portion of delivery bases rented out to external tenants.

MOVING FORWARD

Even as we deal with the ongoing challenges posed by Covid-19, we will continue to invest in transformation initiatives to reposition ourselves for the long term.

In Singapore, we are pressing on with the Future of Post initiative to leverage infrastructure and capture eCommerce growth.

On the international front, the IPP business is expected to gradually improve as and when flight capacity out of Changi Airport recovers more significantly. At the same time, we are working towards integrating our international operations to create a global ecosystem to provide one-stop cross-border solutions, and enable Singapore to operate a global B2B2C network.

In Australia, the acquisition of FMH is an important step towards our goal of competing as a significant player in this large and fast-growing market, and is part of our broader strategy to become a strong regional player. We will continue to build scale and capabilities, as well as drive synergies between our existing businesses there.