

Q3 & 9M FY2015/16 Financial Results

4 February 2016



Overview & 9M FY15/16 Financials

eCommerce-Related Revenues

Segmental Results

Business Update

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

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All figures for 9M FY2015/16, unless otherwise stated

Transformation well on track

- eCommerce growth momentum continues, with eCommerce related revenues rising 53% to S\$278.1 million
- eCommerce related revenues now makes up 33.4% of Group revenue

Improved operating profit margins from scale benefits and synergies from post-merger integration

- In particular, Logistics margins rose to 7.5% in Q3 FY15/16, up from 5.7% last year

Net profit rose 17.6% to \$143.5 million

Underlying net profit rose 1.2%, despite investments in transformation into a global eCommerce logistics company

Declared quarterly dividend of 1.5 cents per share, up from 1.25 cents in the corresponding quarter last year

9M FY2015/16: Delivered earnings growth despite investments in transformation

9M FY2015/16 P&L, \$M

	9M FY15/16	9M FY14/15	YoY % change	
Revenue	834.0	670.9	+24.3%	— New acquisitions; eCommerce related growth
Rental and property-related income	29.9	33.0	(9.5%)	— Redevelopment of SPC mall
Miscellaneous	46.2	8.8	@	— One-off gains on divestments
Total expenses	(737.1)	(564.7)	+30.5%	— In tandem with business growth
Operating profit	176.8	149.2	+18.5%	
Share of associated companies & JVs	3.6	3.3	+9.6%	
Income tax	(30.4)	(27.7)	+9.7%	
Net profit attributable to equity holders	143.5	122.1	+17.6%	
Underlying net profit	121.8	120.4	+1.2%	— Excluding one-off items

@ denotes changes exceed 300%

Q3 FY2015/16: Operating profit up 7.2%

Q3 FY2015/16 P&L, \$M

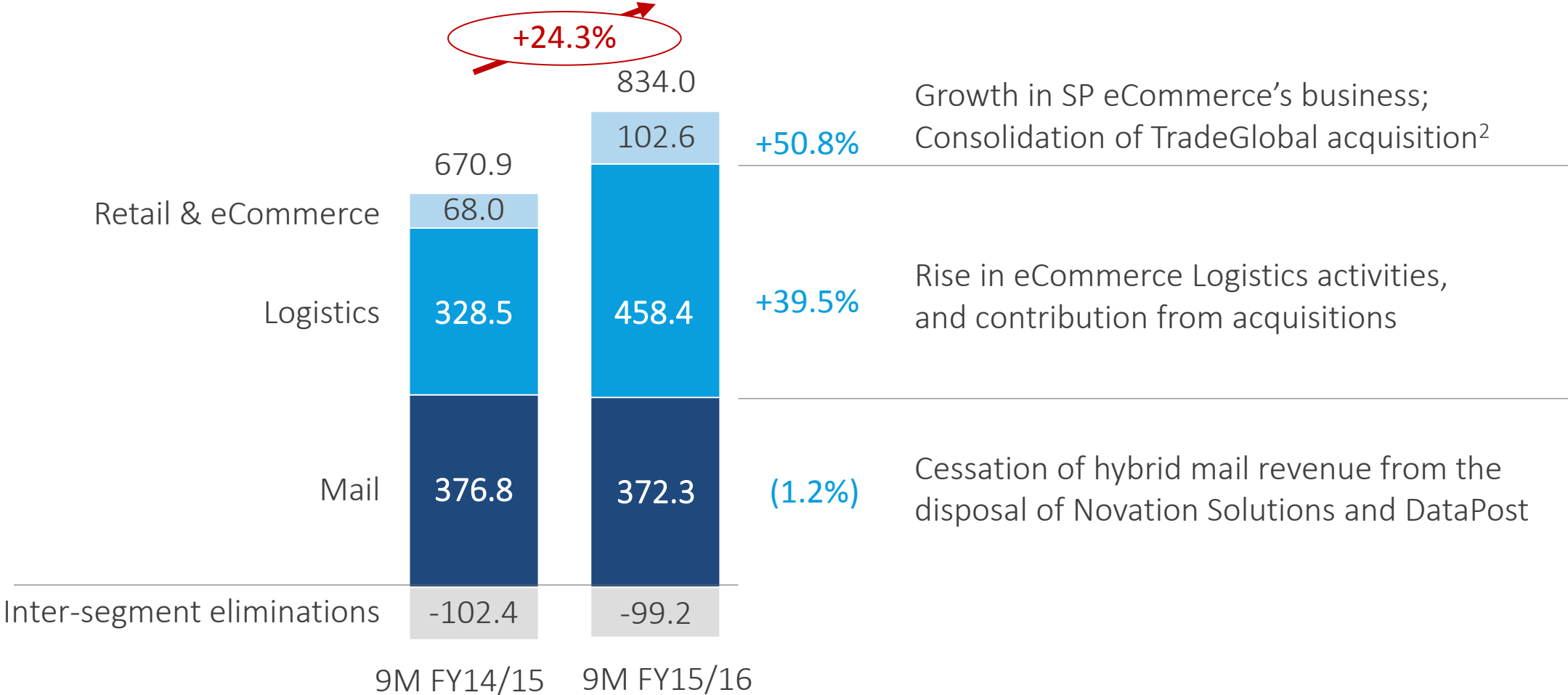
	Q3 FY15/16	Q3 FY14/15	YoY % change
Revenue	316.2	239.6	+32.0%
Rental and property-related income	9.3	10.9	(15.2%)
Miscellaneous	3.0	0.2	@
Total expenses	(273.3)	(198.1)	+37.9%
Operating profit	54.6	50.9	+7.2%
Share of associated companies & JVs	0.2	1.5	(84.1%)
Income tax	(10.8)	(10.4)	+4.0%
Net profit attributable to equity holders	43.5	43.2	+0.6%
Underlying net profit	43.9	43.6	+0.7%



Strong revenue growth driven by eCommerce related activities and acquisitions



9M FY2014/15 vs. 9M FY2015/16 Revenue performance, \$M



1. Differences in total due to rounding
 2. TradeGlobal acquisition was completed on 16 November 2015

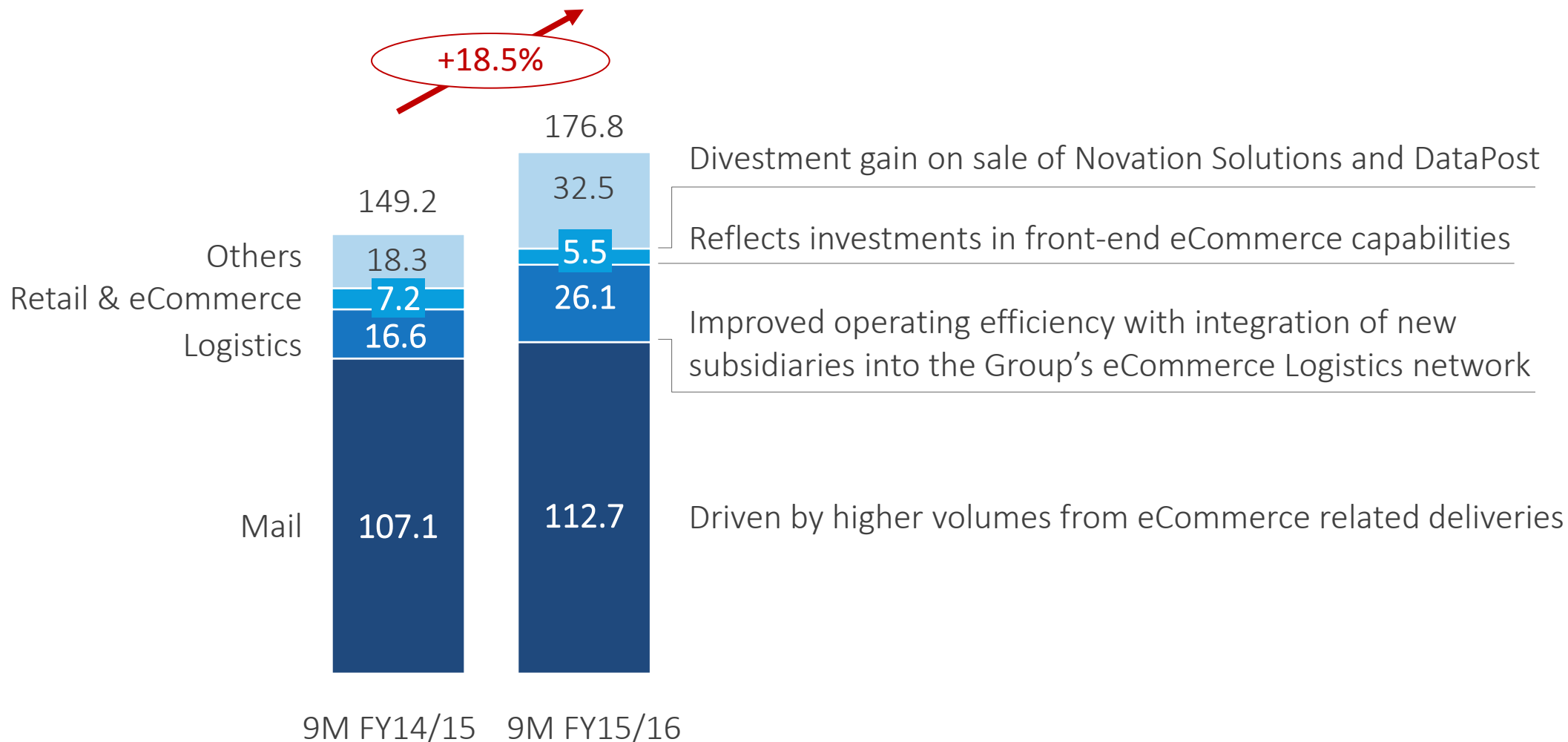
Expenses rose in tandem with business growth

Total expenses 9M FY2015/16 breakdown, \$M

	9M FY15/16	9M FY14/15	YoY % change	
Labour & related	220.8	191.8	+15.2%	
Volume-related	375.7	265.8	+41.4%	In line with higher traffic volumes and increased business activities
Admin & others	102.5	76.5	+34.0%	Mainly from higher warehousing capacity in line with increased business activities
Depreciation & amortisation	23.3	20.6	+13.5%	
Selling	7.1	6.1	+15.7%	
Finance expense	7.6	3.9	+93.8%	Increase in interest expense on higher average borrowings
Total	737.1	564.7	+30.5%	

Operating profit up 18.5% on strong growth in Logistics segment and one-off divestment gains

9M FY2014/15 vs. 9M FY2015/16 Operating profit performance, \$M



Differences in total due to rounding

Healthy balance sheet & financial indicators

\$M

	9M FY15/16	9M FY14/15	
Operating Cash Flow (before working capital changes)	162.3	163.7	— Steady operating cash flows
Changes in working capital	(60.7)	(15.9)	— Higher receivables & higher settlements for trade payables
Cash flow used in investing activities	(463.9)	(199.9)	— Due to acquisitions and capex for eCommerce Logistics Hub and SPC Mall
Cash flow (used in) / provided by financing activities	(7.1)	215.7	— Dividends paid during the period. Last year, the Group received proceeds from share issuance to Alibaba
Net increase / (decrease) in cash & cash equivalents	(399.1)	129.7	

	Dec 2015	Mar 2015
Cash & cash equivalents at end of financial period	185.1	584.1

Financial Indicators	Dec 2015	Mar 2015	
(Net debt) / Net cash position	(176.0)	345.8	— Due to decline in ending cash balance, with investments in acquisitions and capex
EBITDA to interest expense	36.4X	36.4X	
Net debt to equity	11.8%	Net cash	

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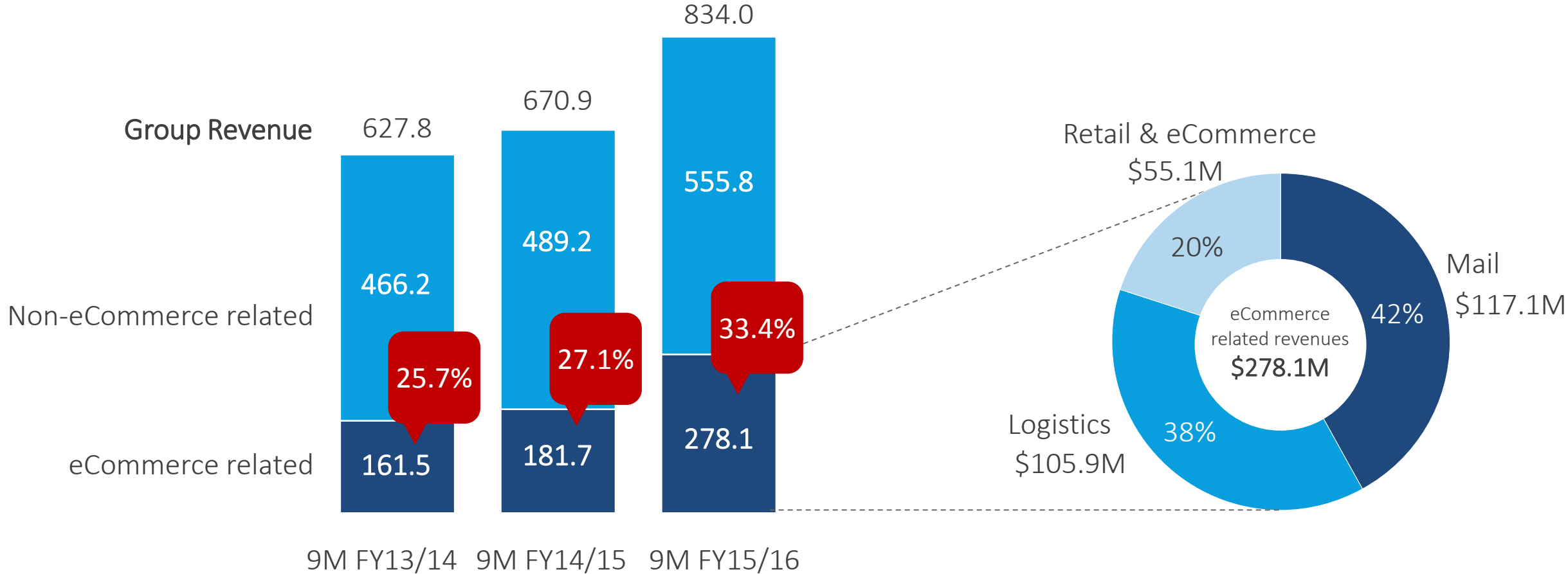
Business Update

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eCommerce related revenues rose 53% year-on-year to S\$278.1m

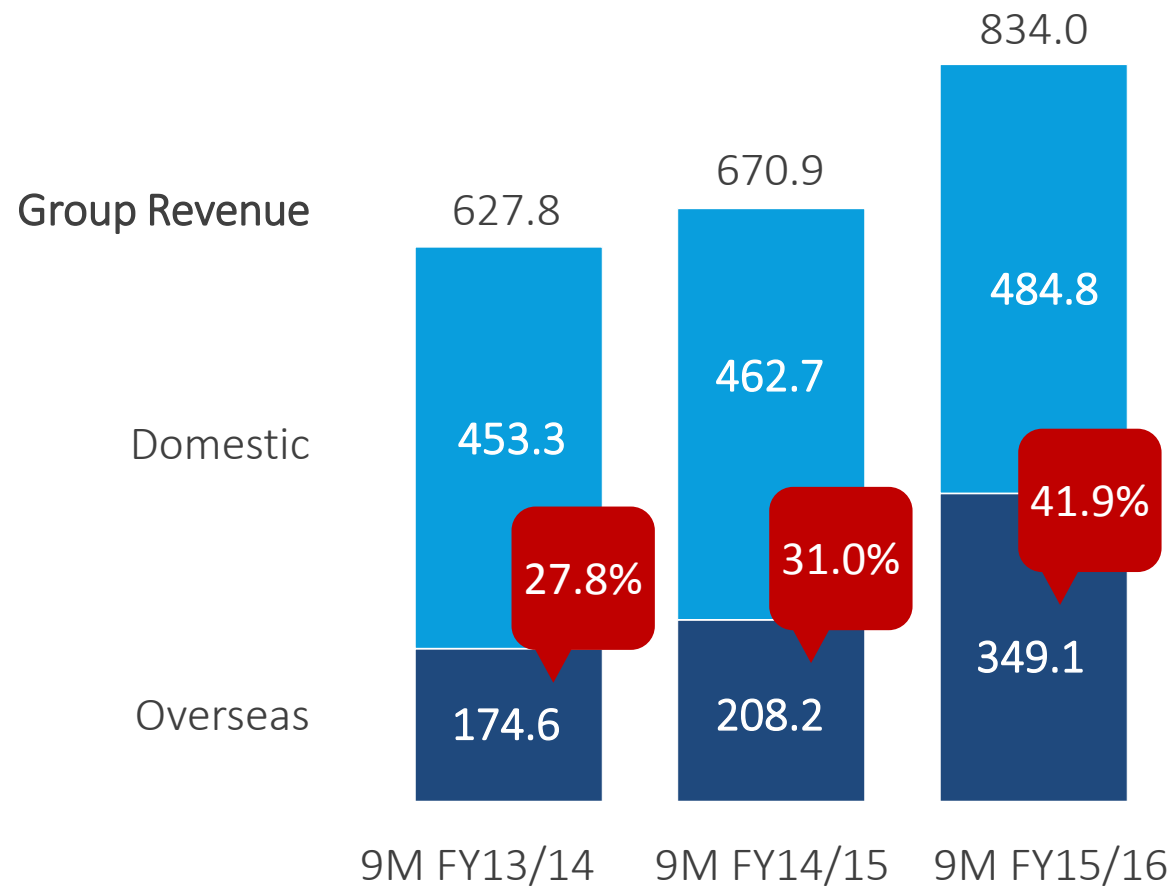
Revenue 9M FY2013/14 – 9M FY2015/16, \$M



Differences in total due to rounding

Overseas revenue now 41.9% of Group revenue

Group revenue footprint 9M FY2013/14 – 9M FY2015/16



Differences in total due to rounding

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Mail: Q3 FY2015/16 Performance



\$M

Mail	Q3 FY15/16	Q3 FY14/15	YoY % change
Revenue	130.6	130.1	+0.4%
Operating profit	38.9	37.9	+2.5%
OP margin	29.8%	29.2%	

Mail revenue rose 0.4% despite the cessation of Hybrid mail revenues from the divestment of Novation Solutions in Q1 and DataPost in Q2

Revenue breakdown	Q3 FY15/16	Q3 FY14/15	YoY % change
Domestic mail	63.7	64.5	-1.1%
International mail	65.8	54.6	+20.4%
Hybrid mail	-	10.1	N.M.
Philatelic	1.1	0.9	+21.3%
Total	130.6	130.1	+0.4%

International mail revenues rose 20.4%, driven by higher cross-border eCommerce volumes in the peak season from October to December

Mail operating profit rose 2.5%, with continued focus on productivity and efficiency

N.M. = Not meaningful

Mail: 9M FY2015/16 Performance

\$M

Mail	9M FY15/16	9M FY14/15	YoY % change
Revenue	372.3	376.8	(1.2%)
Operating profit	112.7	107.1	5.2%
OP margin	30.3%	28.4%	
Revenue breakdown			
Revenue breakdown	9M FY15/16	9M FY14/15	YoY % change
Domestic mail	192.0	186.9	+2.7%
International mail	165.4	156.0	+6.0%
Hybrid mail	11.3	31.4	(64.1%)
Philatelic	3.6	2.5	+43.5%
Total	372.3	376.8	(1.2%)



Logistics: Q3 FY2015/16 Performance



\$M

Logistics	Q3 FY15/16	Q3 FY14/15	YoY % change
Revenue	162.2	122.1	+32.9%
Operating profit	12.1	6.9	+74.7%
OP margin	7.5%	5.7%	

Strong revenue growth driven by higher contributions from eCommerce related activities and inclusion of new subsidiaries

Operating profit grew with margin rising to 7.5% on improved operating efficiency and synergies from post-merger integration

Revenue breakdown	Q3 FY15/16	Q3 FY14/15	YoY % change
Quantium Solutions	74.9	48.6	+54.1%
Famous	59.2	48.4	+22.5%
Others	28.1	25.1	+12.0%
Total	162.2	122.1	+32.9%

All 3 sub-segments recorded operating profit growth year-on-year, benefitting from increased eCommerce Logistics activities during the December quarter

Logistics: 9M FY2015/16 Performance



\$M

Logistics	9M FY15/16	9M FY14/15	YoY % change
Revenue	458.4	328.5	+39.5%
Operating profit	26.1	16.6	+57.6%
OP margin	5.7%	5.0%	
Revenue breakdown			
Revenue breakdown	9M FY15/16	9M FY14/15	YoY % change
Quantum Solutions	216.8	130.7	+65.8%
Famous	166.8	127.4	+30.9%
Others	74.8	70.3	+6.4%
Total	458.4	328.5	+39.5%



Retail & eCommerce: 3Q FY2015/16 Performance

\$M

Retail & eCommerce	3Q FY15/16	3Q FY14/15	YoY % change
Revenue	54.5	22.9	+138.4%
Operating profit	4.2	1.7	+138.9%
OP margin	7.6%	7.6%	

Revenue breakdown	3Q FY15/16	3Q FY14/15	YoY % change
eCommerce	39.2	7.4	@
<i>SP eCommerce</i>	9.8	7.4	+32.4%
<i>TradeGlobal¹</i>	29.4	-	N.M.
Financial services	5.3	5.2	+0.5%
Agency services & retail products	10.1	10.2	(1.6%)
Total	54.5	22.9	+138.4%

Revenue driven by consolidation of TradeGlobal financials from 14 Nov 2015, as well as growth in SP eCommerce business

SP eCommerce revenue rose 32.4%, as the Group continued to gain traction from its front-end eCommerce capabilities

TradeGlobal contributed S\$29.4m in revenue and S\$2.1m in operating profit during the quarter, boosted by the peak shopping season

1. The acquisition of TradeGlobal was completed on 14 Nov 2015

2. @ denotes changes exceed 300%

Retail & eCommerce: 9M FY2015/16 Performance

\$M

Retail & eCommerce	9M FY15/16	9M FY14/15	YoY % change
Revenue	102.6	68.0	+50.8%
Operating profit	5.5	7.2	(24.5%)
OP margin	5.3%	10.6%	
Revenue breakdown	9M FY15/16	9M FY14/15	YoY % change
eCommerce	55.1	19.3	+184.9%
<i>SP eCommerce</i>	25.7	19.3	+33.0%
<i>TradeGlobal¹</i>	29.4	-	N.M.
Financial services	16.2	17.7	(8.6%)
Agency services & retail products	31.3	31.0	+0.9%
Total	102.6	68.0	+50.8%



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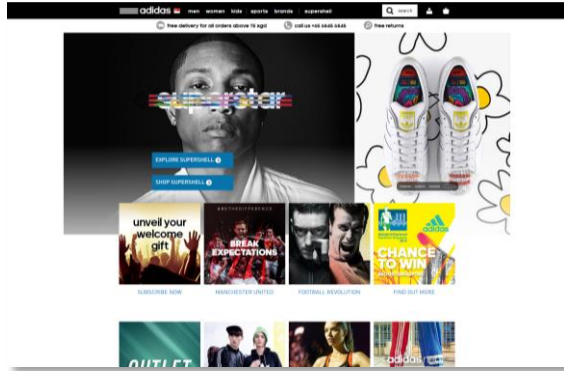
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eCommerce Logistics Network Development



1 eCommerce Services



eCommerce



Marcelo Wessler
CEO,
SP eCommerce

2 Warehousing & Fulfilment



Logistics & Operations



Sascha Hower
Group COO,
CEO (Quantum
Solutions)

3 Last Mile Delivery & Returns



Postal



Woo Keng Leong
CEO,
Postal Services

4 Freight, Customs & Regulations Management



International mail



Goh Hui Ling
Deputy CEO,
International Mail

Corporate Services, Post-merger integration



Mervyn Lim
Group CFO,
Deputy GCEO
(Corporate Services)

SP Commerce now offers global eCommerce logistics solutions with the integration of TradeGlobal and Jagged Peak

sp commerce

A SingPost Group Company

specommerce
A SingPost Group Company

ASIA PACIFIC'S LEADING
FULL-SERVICE ECOMMERCE
ENABLER

 **TRADEGLOBAL**
An SP Commerce Company

POWERING GLOBAL COMMERCE
FOR FASHION AND LIFESTYLE
BRANDS

JAGGED PEAK¹
An SP Commerce Company

OMNICHANNEL COMMERCE
SOLUTIONS FOR HIGH-VELOCITY
PRODUCTS

SingPost Group Global footprint



GROSS
MERCHANDISE
VALUE
US\$3b
ANNUALLY

OPERATING IN
18
COUNTRIES

END-TO-END
SOLUTIONS TO
MORE THAN
100
MONOBRANDS

50+
FULFILMENT
CENTRES
GLOBALLY

GENERATING
REVENUE & PROFIT
Synergies
ACROSS
SINGPOST GROUP

1. Pending completion of acquisition



Rollout of new international service

On top of domestic packages delivery, Couriers Please introduced a new outbound delivery service, leveraging SingPost's international network to handle overseas parcel delivery



Expanded delivery & pick-up capabilities via Hubbed² network

CouriersPlease now provides delivery and pick-up of parcels through the Hubbed national network of more than 680 newsagents, providing greater convenience to customers



Leveraging Group technological innovation – POPStation rollout

Leveraging SingPost's experience in Singapore, as well as scale benefits, CouriersPlease is rolling out POPStation lockers throughout Australia, offering value added services such as parcel delivery, collection and returns

1. SingPost's wholly owned nationwide parcel delivery network in Australia, acquired in Dec 2014
2. Hubbed Holdings Pty Ltd, a 30% owned Associate of SingPost, acquired in Jun 2015

■ Good performance in Q3 and 9M FY2015/16

- Continued eCommerce growth momentum
- Declining trend of transactional mail volumes but offset by increasing international mail volumes

■ Continued momentum in transformation initiatives

■ Focusing on consolidation and post-merger integration for scale benefits and synergies

Thank you

