

SingPost Group posts full year net profit of S\$83.1 million

- Revenue rose 18.6% to S\$1.67 billion led by Logistics largely due to the FMH acquisition
- Net profit up 74.5% to S\$83.1 million
- Underlying net profit up 35.2% to S\$81.3 million
- Group performance remained resilient despite COVID-19 pandemic conditions; supported by growth in Logistics and eCommerce as part of transformation effort
- Final dividend of 1.3 cent per share proposed

SINGAPORE, 13 May 2022 – Singapore Post Limited (“SingPost”) today announced its results for the second half and full year ended 31 March 2022.

Group revenue for the full year rose by 18.6% to S\$1.67 billion, mainly contributed by a jump in revenue from the Logistics segment, offsetting the decline in Post and Parcel takings. The increase in Logistics segment revenue reflected contributions from FMH since we increased our stake to 51% in November 2021. Group operating profit rose 41.3% correspondingly.

Consequently, net profit attributable to equity holders for the full year grew by 74.5% to S\$83.1 million, despite the absence of the Jobs Support Scheme relief last year. Underlying net profit increased 35.2% to S\$81.3 million.

SingPost Group CEO Mr Vincent Phang said: “We continue to see recovery for the second half of the year, as many parts of the world have now relaxed pandemic restrictions and embrace an endemic COVID-19. Our investment in FMH has contributed significantly to the Group’s revenue. As we continue to integrate our operations and build end-to-end capabilities, this positions us well in the Australia logistics market.

“We launched our Group’s Purpose earlier this year – *Making Every Delivery Count for People and Planet*. This will guide us in our key priorities, including simplifying the way we do business, streamlining our operations, optimising capital management, and embedding sustainability in all that we do,” Mr Phang added.

Business segments performance

In the Post and Parcel segment, revenue declined 15.0% and 16.3% in H2 and the full year respectively. This was due to the continued impact of COVID-19 on air freight capacity which resulted in lower International Post and Parcel volumes.

On the Domestic front, eCommerce logistics volume grew 19% and 24% in H2 and the full year respectively. eCommerce logistics now accounts for 40% of Domestic revenue, up from 32% last year. As such, Domestic revenue was relatively stable in H2 and the full year.



Consequently, with lower International Post and Parcel revenue and the absence of significant JSS relief recognised by Post and Parcel last year, operating profit declined 31.0% and 42.9% in H2 and the full year respectively. Adjusted for the benefit of prior year grants and relief, Post and Parcel operating profit would have improved in H2 and the full year against last year.

In the Logistics segment, revenue rose 90.3% and 61.6% in H2 and the full year respectively. In Australia, FMH has contributed to this revenue growth following our acquisition of a majority stake in November 2021. FMH was previously an associate company of the Group. Additionally, CouriersPlease also recorded revenue growth of 7.5% for the full year, but incurred higher costs due to COVID-19 related disruptions, as well as extreme weather events in eastern Australia.

Famous Holdings continued to benefit from higher sea freight volume and rates on the back of global supply chain logistics disruptions, leading to strong revenue growth of 74.8% and 69.6% in H2 and the full year respectively. The Logistics segment operating profit grew to S\$44.3 million for the full year, up from S\$11.3 million last year.

Property revenue fell 8.2% in H2 due to divestment of the self-storage business General Storage Company in December 2021. For the full year, Property revenue was stable due to lower rental rebates provided for eligible tenants as well as higher receipts from carpark and other service charges, offsetting the GSC divestment. Correspondingly, operating profit for Property segment was stable in H2 and grew 5.7% for the full year.

Despite a challenging leasing market due to the economic environment and COVID-19 related restrictions, occupancy in the SingPost Centre retail mall and office remained high at 100% and 93.5% respectively as of 31 March 2022.

Longer term focus

The COVID-19 pandemic situation has shown improvements as safe management measures have been eased and more borders reopened. However, pandemic lockdowns and geopolitical tensions have caused further disruptions in global supply chain logistics, and inflationary cost pressures have increased across its markets.

Notwithstanding, SingPost continues with its transformation initiatives to reposition the Group as a leading logistics solutions provider in the Asia Pacific region, tapping on accelerated eCommerce growth brought on by the pandemic.

SingPost is committed to its Purpose - Making Every Delivery Count for People and Planet and is enhancing its approach to sustainability guided by material factors identified in consultation with its stakeholders. This includes a net zero carbon emissions target for Singapore operations by 2030 for scopes 1 and 2, and for global operations by 2050 for scopes 1, 2 and 3.



In Singapore, while the pace of eCommerce growth may moderate post pandemic, the long-term market outlook remains positive. However, the eCommerce logistics market is highly competitive. The Group continues to invest in enhancing service quality and customer experience to offer higher value delivery solutions. This is part of its transformation initiative to develop a smart and environmentally sustainable urban logistics ecosystem that will create value for businesses, customers and residents in Singapore. The property business is expected to remain resilient despite a challenging leasing market.

With the acquisition of a majority interest in FMH in November 2021, SingPost is well positioned to capitalise on the growing logistics market in Australia. The Group will focus on driving synergies among its Australian businesses, particularly CouriersPlease and FMH, as well as explore opportunities to build scale and a comprehensive logistics platform.

SingPost is taking measures to strengthen its capabilities as well as to improve cost efficiency with the integration of the Group's various international businesses to provide better cross-border solutions for its customers.

With the relaxation of Singapore's travel restrictions from 1 April 2022 and as more borders reopen globally, increased international air freight out of Changi Airport over the year is expected to support a recovery in the Group's International business. On the other hand, any improvement in the global supply chain logistics bottleneck situation is expected to lower sea freight rates in the freight-forwarding business.

The Group remains prudent in managing its costs and liquidity. Capital expenditure is expected to be higher with the investment into the electrification of its delivery fleet in Singapore over the next five years and infrastructure investment in both Singapore and Australia. The Group continuously reviews its asset portfolio to assess strategic fit, returns and to recycle capital into investments in strategic initiatives that support transformation and long-term growth.

Final dividend

In relation to financial year ended 31 March 2022, the Board of Directors is proposing a final dividend of 1.3 cent per ordinary share. This would bring the annual dividend for the financial year to 1.8 cent per share.

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About Singapore Post Limited

For more than 160 years, Singapore Post (SingPost) as the country's postal service provider, has been delivering trusted and reliable services to homes and businesses in Singapore.

Today, SingPost is pioneering and leading in eCommerce logistics as well as providing innovative mail and logistics solutions in Singapore and around the world, with operations in 19 markets.

Building on its trusted communications through domestic and international postal services, SingPost is taking the lead in end-to-end integrated and digital mail solutions. The suite of SingPost eCommerce logistics solutions includes front end web management, warehousing and fulfilment, last mile delivery and international freight forwarding.

Annex: Financial Highlights for H2 and Full Year Ended 31 March 2022

GROUP RESULTS	Full year FY21/22 (S\$M)	Full year FY20/21 (S\$M)	Variance (%)	H2 FY21/22 (S\$M)	H2 FY20/21 (S\$M)	Variance (%)
Revenue	1,665.6	1,404.7	18.6	934.2	696.9	34.0
Operating expenses	(1,560.2)	(1,335.1)	16.9	(877.6)	(664.7)	32.0
Operating profit	112.1	79.3	41.3	61.0	39.5	54.2
Share of profit/(loss) of associated companies	4.8	0.99	@	2.1	0.67	214.3
Exceptional items	1.9	(12.5)	N.M.	4.2	(12.0)	N.M.
Net profit	83.1	47.6	74.5	48.1	16.7	188.1
Underlying net profit	81.3	60.1	35.2	43.9	28.6	53.1
Dividend per share(cents)	1.8	1.1		1.3	0.6	

@ - Denotes variance more than 300%

N.M. – Not meaningful