

Singapore Post reports net profit of S\$35.0 million in first half of FY2021/22, up 13.3% from a year ago

- Revenue rose 3.3% to S\$731.4 million, led by growth in Domestic Post and Parcel, Logistics and Property businesses
- Operating profit up 28.4% to S\$51.1 million
- Excluding exceptional items, Underlying Net Profit increased 18.8% to S\$37.4 million
- Interim dividend of 0.5 cents per share declared

Financial Highlights

GROUP RESULTS	H1 FY21/22 (S\$'000)	H1 FY20/21 (S\$'000)	Variance
Revenue	731,389	707,781	3.3%
Operating expenses	(682,627)	(670,365)	1.8%
Operating profit	51,088	39,783	28.4%
Share of profit of associated companies and joint venture	2,741	319	@
Exceptional items	(2,352)	(532)	@
Net profit	35,049	30,940	13.3%
Underlying net profit	37,401	31,472	18.8%
Dividend per share(cents)	0.5	0.5	-

@ - denotes variance of more than 300%

SINGAPORE, 3 November 2021 – Singapore Post Limited (SingPost) today announced its results for the half year ending 30 September 2021.

Revenue for the first half of the year rose 3.3% to S\$731.4 million, led by growth in the Domestic Post and Parcel, Logistics and Property segments, offset by a reduction in the International Post and Parcel segment.

Group operating profit increased by 28.4% as a result of strong contributions from Logistics and Property segments. This was partially offset by COVID-19 related disruptions which continue to impact the profitability of the International Post and Parcel business.

Correspondingly, net profit attributable to equity holders was higher by 13.3% to S\$35.0 million in the first half of the year, and the Group recorded an underlying net profit of S\$37.4 million, up 18.8% from the previous year.

Mr Vincent Phang, Group Chief Executive Officer, said: “We have seen an improvement in our performance this year, despite the continued challenges of COVID-19. This is in part due



to the acceleration of eCommerce adoption as consumer habits have changed during the pandemic.

“We are accelerating our growth plans for our eCommerce logistics business, as demonstrated by our reaching an agreement to bring forward the plan to increase our shareholding in Freight Management Holdings in Australia from 28% to 51%.

“We will press on with our transformation to position SingPost Group as a global eCommerce player while carefully managing expenses, cashflow and liquidity. We continue to review our business portfolio, to determine if there are opportunities to divest non-strategic assets and redeploy capital towards strategic initiatives that support long term growth,” Mr Phang added.

Performance of Business Segments

The Domestic Post and Parcel business saw eCommerce delivery revenue growth of 32% in H1, which was able to offset the continued double digit mail revenue decline, resulting in an overall revenue growth for Domestic Post and Parcel in H1. eCommerce revenue now accounts for 40% of the Domestic business, up from 32% from a year ago. The Domestic Post and Parcel business has also supported various nationwide distribution exercises through the pandemic.

The International Post and Parcel business is resilient amid continued constraints of flight capacity. Revenues declined by 26.6% in H1, largely due to a high base effect last year as there was a surge in shipment volumes out of China prior to its border closure in early 2020, and also due to careful management of trade lanes.

Overall, the Post and Parcel segment’s operating profit declined from \$23.9 million to S\$11.3 million in H1. A significant part of this is due to the absence of government grants in this period compared to last year. Excluding this, the Post and Parcel segment’s underlying operating profit is relatively stable against last year.

In the Logistics segment, revenue rose 29.6% for the half year. Our Australian unit CouriersPlease and freight forwarding arm Famous Holdings experienced robust growth in H1.

Famous Holdings delivered a resilient performance, with a 63.3% revenue growth in H1 due to higher sea freight rates. CouriersPlease delivered a growth in revenue for the same period.

Overall, the Logistics segment delivered a strong operating profit of S\$16.2 million for the half year ended 30 September 2021, up from S\$5.7 million in the same period last year.

For the Property segment, which comprises commercial property, rental and self-storage business, revenue improved by 7.9% to S\$59.8 million in H1, largely due to lower rental



rebates provided for eligible tenants, as well as higher receipts from car-park and other charges. Correspondingly, operating profit ended higher at 13.5% to S\$26.6 million.

In spite of a soft leasing market due to the challenging economic environment, the SingPost Centre retail mall and office rentals remained at close to full occupancy as at 30 September 2021.

SingPost accelerates investment in Australia

SingPost Group had announced on 8 October 2021 that it has entered into a revised agreement to accelerate and increase its shareholding in Freight Management Holdings Pty Ltd (FMH) in Australia from 28% to 51%, subject to shareholders approval. Upon completion, FMH will become a subsidiary of SingPost.

The revised agreement will enable the Group to better derive synergies and build scale, bolstering SingPost's investment in building a second home market in Australia and its continuing transformation into an eCommerce logistics solutions provider in Asia Pacific.

Interim dividend

For the first half of FY2021/22, the Board of Directors has declared an interim dividend of 0.5 cent per ordinary share (tax exempt one-tier), to be paid on 30 November 2021.

SingPost to appoint new business heads

SingPost Group today also announced the promotions of Ms Neo Su Yin and Mr Ryan Tang as CEOs of the Singapore and International businesses respectively. Prior to this, Su Yin was the Head of the Domestic Post and Parcel business and is responsible for the integration of the postal and eCommerce delivery operations in Singapore, as well as leading the Future of Post programme; while Ryan was the Head of Quantum Solutions Southeast Asia and is responsible for driving our logistics operations across the region.

With these changes, SingPost will focus on driving growth through bringing the synergies of all operations in Singapore and in its International business respectively.

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About Singapore Post Limited

For over 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.