FY2024/25 Business Overview

Operating Environment

In FY2024/25, SingPost operated in an environment characterised by heightened uncertainty and volatility. The global economic outlook remained subdued, with persistent trade tensions disrupting international trade flows. Cross-border logistics volumes came under sustained pressure, contributing to a more challenging operating landscape for the Group. These headwinds intensified in the second half of FY2024/25.

Restructuring for Cost and Operational Efficiencies

The Australia business has been the single largest profit contributor for the Group. Excluding the net exceptional gain from the Australia divestment, underlying net profit for FY2024/25 declined by 40.3 per cent year-on-year to S$24.8 million[1]. In the second half, SingPost recorded a net loss of S$0.5 million. Full-year revenue was S$813.7 million, a 7.5 per cent year-on-year decrease, primarily driven by headwinds in the International segment, which saw revenue decline by 11.2 per cent to S$494.3 million.

In response, SingPost took decisive action to sharpen its focus on core business. Following a strategic review, the International eCommerce logistics business was reintegrated with Singapore postal and logistics operations to streamline costs and leverage core capabilities. The Group also undertook organisational restructuring, removing duplicate corporate functions.

These actions have resulted in a more efficient structure, better aligned with the current scale of operations following the Australia divestment. The benefits of these cost reductions, structural changes, and ongoing process enhancements are expected to materialise in the coming year, positioning the Group on a stronger footing.

Singapore: Charting a Pathway for Growth

SingPost's strategy extends beyond cost management and operational tightening. Investments are being directed towards areas identified as critical for future growth.

A key competitive advantage is the efficiency of SingPost's letterbox deliveries. Approximately 70 per cent of eCommerce shipments handled are small parcels that fit directly into letterboxes — a solution that is both convenient for customers and more carbon-friendly. This strength is increasingly relevant as eCommerce continues to reshape the logistics market.

1 Excludes discontinued operations i.e., SingPost Australia Investments Pty Ltd ("SPAI")

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The surge in eCommerce has pushed sortation capacity to its limits. SingPost is currently operating at maximum eCommerce sortation capacity, and managing peak volumes remains a challenge. Over the past year, S$30 million has been committed towards automation at the Regional eCommerce Logistics Hub. Once complete, this investment will triple small parcel throughput, enabling the facility to process up to 400,000 parcels per day.

SingPost plans to centralise all eCommerce parcel sortation by relocating small parcel processing from the SingPost Centre in Paya Lebar to the Regional eCommerce Logistics Hub in Tampines. Currently, mail and parcel processing is split between these two sites. The long-term strategy is to consolidate all mail and parcel sortation at the Tampines hub, which will improve efficiency, reduce costs, and support future growth.

These initiatives establish a clear pathway for future growth in a highly fragmented eCommerce logistics market. By leveraging its infrastructure, SingPost is positioned to act as an industry consolidator, open historically closed networks to new partnerships, and provide logistics services to other industry participants.

SingPost is firmly committed to strengthening its core customer service capabilities. In the past financial year, the Group has expanded the POPStop Agent network, and rolled out POPDrop self-service kiosks. Work is also underway to upgrade digital platforms. These initiatives broaden the range of alternative touchpoints and improve accessibility for users. Looking ahead, SingPost will continue to enhance customer support, and introduce solutions to meet evolving needs.

SingPost is also working with the Government to address challenges in the postal network, with the objective of developing a business model that ensures the long-term financial sustainability of postal services, including the Post Office Network.

Sustainability Initiatives

Sustainability remains central to SingPost's corporate strategy. In FY2024/25, SingPost became the first logistics provider in Singapore to participate in the Queen Bee Enabled Sustainability Transition (QUEST) programme, launched in partnership with the Singapore Business Federation, Ernst & Young LLP, and OCBC Bank. QUEST equips SingPost's small- and medium-sized enterprise suppliers with practical tools and guidance on carbon reporting and decarbonisation, raising standards across the logistics network. These efforts support suppliers in meeting mandatory climate-related disclosures required for listed companies from FY2025 and for large non-listed companies by FY2027.

Within its own operations, SingPost has expanded the use of renewable energy by installing rooftop solar photovoltaic panels at SingPost Centre. This system is expected to generate approximately 1,150,000 kilowatt-hours annually, sufficient to power around 271 four-room public housing units in Singapore for a year[2], and will help reduce Scope 2 carbon emissions through Renewable Energy Certificates. As SingPost Centre is a major mixed-use development with significant energy requirements, this installation marks a key step towards reducing reliance on non-renewable energy sources.

People and Organisational Resilience

SingPost's workforce remains its greatest asset. Throughout the period of transformation, teams have actively engaged in shaping the future of the business and seizing both internal and external opportunities. The Group has worked closely with Union partners during this period of transition, and thanks to the continued trust and support from all stakeholders, SingPost is well positioned to realise its transformative potential and deliver long-term value for all stakeholders.

2 The Singapore Energy Statistics 2023 stated that the average four-room public housing units consumed 353.3 kWh/month as at June 2023.