

CEO'S MESSAGE



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DEAR SHAREHOLDERS,

FY2025/26 was a year of decisive reorientation for SingPost. We navigated a landscape marked by structural industry changes, global macroeconomic volatility, and renewals within our Board and management team. But through all the external turbulence and internal change, our core mission remained unchanged. Our teams were on the ground every day, delivering for Singapore, ensuring that despite the fog of change, the SingPost team did its job with resilience.

FY2025/26: ESTABLISHING A CLEAN BASELINE

Our financial results over the past year reflect a consolidated baseline from which we will scale and grow. The Group's revenue for the year ended 31 March 2026 was S\$376.1 million, a decline of 23.1% year-on-year (YoY) from S\$489.1 million. Revenue was impacted by a 55.2% decrease in International revenue amidst a volatile global macroeconomic environment, alongside a 13.5% structural decline in traditional domestic letter mail volumes.

These challenges were directly mitigated by an 8.1% rise in domestic eCommerce volume, a necessary postage revision of ten cents effective 1 January 2026, and creditable performance in our Property Assets. Property revenue rose to S\$80.7 million and overall occupancy reached a near-full 99.4%. The Post Office Network also cut operating losses by 27.4% to S\$10.7 million for the full year as the Group optimised its physical footprint.

Underlying net profit stood at S\$10.7 million while net profit was S\$60.9 million, boosted by exceptional items.

We undertook a review of the recognition and derecognition process for trade payables with overseas postal administrators, and subsequently derecognised S\$38.1 million in aged trade payables which remained unclaimed for more than seven years.

This move underscores our commitment to financial rigour and accountability. This discipline allowed the Board to propose a supplemental dividend of 0.41 cents¹ per share, paid out of the derecognition of aged trade payables. We enter the new financial year with approximately S\$600 million in liquid assets, providing us with the resources to fund our future plans with confidence.

STRATEGY UPDATE: POSITIONING FOR SUSTAINABLE GROWTH

In May 2026, we announced our Strategy Update. This roadmap sets out three clear priorities to address our structural challenges:

- **Strengthen Core Fundamentals:** We are moving from a fixed to a variable cost base. Our investment of S\$30 million in a new parcel sortation system will increase our processing capacity to 400,000 parcels a day when it goes live by mid-2026, supporting our goal to cut our cost-to-serve by more than 10% in Logistics & Letters.
- **Build Scalable Capabilities:** Digitalisation is the “enabling thread” in our strategy. We are investing in IT, customer experience and automation. This includes autonomous vehicles, AI and other technologies when they are mature enough. Providing autolobbies in our post offices and optimising our footprint will enable us to serve the public effectively and put us on a firm path to achieve commercial sustainability.
- **Capture Growth Opportunities:** We are expanding our business beyond eCommerce to unlock new revenue streams. We own close to 1 million sq ft of industrial space, operate Singapore’s largest postal and logistics fleet, and we are the only logistics player that touches the letterbox of every home every working day. We are a trusted partner to the nation.

We believe this unique relationship with the public is our competitive advantage. It is why we were commissioned by Singtel to help with their Special Discounted Shares (SDS) transfer exercise – a job that needs national reach and reliability. We are extending our services into new industries like healthcare and government sectors, helping us build new pathways for growth.

MAXIMISING PROPERTY VALUE

As we outlined in our Strategy Update, SingPost is keeping SingPost Centre (SPC) for the long-term benefit of our shareholders. We recognise the potential upside of future developments in the region and see a clear path to maximising returns through this asset. SingPost Centre remains a source of steady cash flow and contributes to the Property Assets segment’s operating profit of S\$45.2 million last year.

We are positioning SingPost Centre to capture value from the rejuvenation of Paya Lebar. The relocation of the Paya Lebar Air Base from the 2030s and the expected lifting of height restrictions present a unique opportunity for redevelopment, unlocking significant value. In the near term, we have appointed an architect to review asset enhancement opportunities to improve retail yield and increase rental income.

OUR PEOPLE: ONE SHIP, ONE TEAM

Strategy is a map; execution requires a crew. Since joining in November 2025, I have spent time at all our post offices, delivery bases, and operations hubs to understand our constraints from the ground up. To navigate this transformation successfully, the management team and I are driving a culture anchored on accountability, cost discipline, and operational transparency. We will leverage digital technology to become a leaner, faster, and more focused organisation that serves the nation with the agility of a modern logistics leader. The road ahead remains challenging, but our course is clear. We have the foundation, we have the trust, and now, we are executing the plan.

I thank the Board for their guidance, the Union for their partnership, and our employees for their fortitude and dedication.

Together, we will make every delivery count, for People and Planet.



MARK CHONG
CEO, SingPost

¹ Combined with a proposed final dividend of 0.06 cents, this brings the total proposed dividend to 0.47 cents per share.