

LOGISTICS & LETTERS

Effective from 1 April 2025, SingPost adopted a new segment reporting structure following its reorganisation into three business segments: Logistics & Letters, Post Office Network, and Property Assets.

The Logistics & Letters segment comprises domestic and international mail and parcel activities, including eCommerce logistics. Despite a challenging environment, SingPost continued to grow its domestic eCommerce delivery volumes. Cross-border eCommerce delivery remained under pressure amid difficult market conditions, while letter mail and printed papers continued their structural decline.

For the full year, an 8.1% growth in domestic eCommerce volume and a postage revision effective 1 January 2026 helped mitigate the 13.5% structural decline in traditional domestic letter mail volumes. International eCommerce volume fell 57.9% YoY due to challenging global business conditions. The Logistics & Letters segment recorded total revenue of S\$303.5 million for the full year, representing a decline of 28.3% year-on-year, resulting in an operating loss of S\$6.1 million, down from an operating profit of S\$35.8 million in the prior year.

STRENGTHENING THE CORE AND SCALING ECOMMERCE LOGISTICS

The Logistics & Letters segment remains central to SingPost's business, underpinned by its nationwide delivery network serving every Singapore household daily. As mail volumes continue to decline and eCommerce logistics evolves, the Group is strengthening its core capabilities to support a more efficient and sustainable operating model.

In the domestic eCommerce delivery business, SingPost focused on increasing its market share by expanding processing capacity and enhancing technological capabilities. During the year, the Group commissioned a S\$30 million automated sortation facility within the Regional eCommerce Logistics Hub, incorporating advanced 3D sorting technology that increased daily small and medium parcel processing capacity from approximately 100,000 to up to 300,000 items. Launched in June 2026, the facility delivers significant improvements in speed and accuracy, strengthening SingPost's peak season readiness and its ability to handle higher parcel volumes during periods of high demand.

Operational support was also scaled during the peak eCommerce season, which extended over four months from September to December. Additional personnel were deployed, and operations were extended to seven days a week. These measures enabled SingPost to manage higher volumes efficiently while maintaining service reliability.

STRENGTHENING THROUGH PARTNERSHIPS

Partnerships remain a key pillar in extending SingPost's logistics capabilities and global reach. During the year, the Group deepened collaborations with SkyNet Worldwide Express, DHL Express, and FedEx, each reinforcing SingPost's position as a trusted logistics partner with strong international connectivity.

On 1 January 2026, SingPost became the exclusive SkyNet Worldwide Express partner in Singapore, expanding its cross-border logistics capabilities across more than 180 countries and territories. The collaboration leverages SingPost's nationwide delivery infrastructure – serving over two million addresses daily – and positions its Airmail Transit Centre as a customs-bonded hub to streamline regional and global express shipments. Through this partnership, SingPost is able to offer customers a unified platform covering over 180 destinations, supported by Delivered Duty Paid solutions and end-to-end fulfilment capabilities including e-fulfilment and quality-controlled returns.

The partnership with DHL Express further demonstrates the strategic value of SingPost's post office network as a logistics asset. Following an initial pilot across 14 outlets in March 2025, DHL Express services were progressively extended across SingPost's full islandwide network – bringing convenient international shipping access points closer to homes and workplaces, and strengthening the commercial utility of the post office network beyond traditional postal services.

The collaboration also introduced new international shipping options, including emission-reduced services, supporting evolving customer needs while reinforcing SingPost's commitment to sustainability. It further demonstrates how SingPost's nationwide network can be leveraged to enhance customer experience and strengthen connectivity between local communities and global markets.



SingPost also expanded its partnership with FedEx during the year. FedEx parcel drop-off services, now available across all SingPost post offices nationwide as well as at POPStop@Tampines MRT, increased the number of acceptance points from 6 to 43 in FY2025/26. This followed a successful pilot programme launched in September 2023 at selected POPStop counters, which saw a strong customer response and highlighted demand for more accessible international shipping options.

Under this collaboration, customers can conveniently drop off FedEx parcels at designated SingPost locations, where items are consolidated and transferred to FedEx daily. This integrated approach streamlines cross-border shipping processes and enhances service efficiency, without requiring additional paperwork or charges.

SUPPORTING A SUSTAINABLE POSTAL MODEL

The implementation of the 10 cents domestic postage uprate in January 2026 ensures the continued sustainability of essential postal services amid rising operating costs and structural changes in mail demand. This rate adjustment enables SingPost to continue fulfilling its national postal mandate while advancing its transformation into a technology-driven logistics leader. As part of its forward strategy to reach long-term financial sustainability, the segment is transitioning into an improved operational model that integrates AI and automation, targeting an aggregate reduction in the cost to serve by 10%.

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ADVANCING AUTOMATION AND INNOVATION

SingPost continued to advance automation and innovation to improve operational efficiency, while strengthening safety and sustainability across its logistics operations. Technology remains a key enabler in enhancing productivity and supporting a more resilient and future-ready operating model.

Following the Memorandum of Understanding signed in December 2025, the Group commenced autonomous vehicle trials with Zelostech, including pilot deployments within its Regional eCommerce Logistics Hub.

Zelostech is a provider of autonomous logistics solutions, with large-scale deployments across multiple markets. The collaboration supports the exploration of autonomous logistics across several use cases, including middle-mile transport between distribution centres and delivery nodes, internal logistics movements within processing facilities, and public road deployment.

These initiatives are designed to improve material flow and operational efficiency. They also contribute to safer working environments and support the development of more sustainable, lower-emission logistics solutions.

Through these efforts, SingPost is progressively building capabilities in automation and smart logistics, enabling more efficient operations while supporting the evolving needs of customers and communities.

NAVIGATING GLOBAL TRADE REQUIREMENTS

While the cross-border delivery business continues to face headwinds from global trade shifts and regulatory changes, SingPost is adapting by introducing new delivery solutions and strengthening international partnerships to ensure service reliability.

Notably for shipments to the United States (US), SingPost launched Speedpost Direct International (SDI) to help customers comply with new requirements introduced in September 2025, including 10-digit HS code declarations



and import surcharges. This ensured continuity for cross-border shipments and reinforced SingPost's role in supporting customers through regulatory complexity.

Building on its initial corporate rollout, SingPost extended SDI to retail customers via its post office network, providing a compliant, accessible shipping solution. Customers can send parcels to the US using standardised packaging options at flat shipping rates, simplifying the process for everyday users.

The service also enhances transparency and convenience by calculating and collecting duties and taxes upfront at the point of posting, thereby reducing uncertainty for both senders and recipients and ensuring a more seamless end-to-end delivery experience. These enhancements reflect SingPost's focus on addressing evolving customer needs in cross-border eCommerce while maintaining reliable, compliant delivery services.

LOGISTICS SOLUTIONS FOR REAL-WORLD NEEDS

Beyond commercial operations, SingPost continues to explore how its logistics capabilities can support broader community and essential sector needs. A recent example is the Memorandum of Understanding signed with Fullerton Health to explore how SingPost's nationwide logistics network and infrastructure can support greater accessibility and convenience in healthcare delivery across Singapore.

During the year, SingPost also served as the Official Logistics Partner for Food from the Heart's Toy Buffet 2025, supporting the distribution of items to underprivileged children.

Together, these applications demonstrate how SingPost's Logistics & Letters business delivers practical, scalable solutions – supporting a more resilient, sustainable, and connected logistics ecosystem.

ENHANCING EVERYDAY CONVENIENCE

SingPost continues to explore new ways to bring services closer to customers. The SingPost@MyBlock initiative introduces Residential Posting Boxes within HDB letterbox nests, enabling 24/7 access for mail and small parcel posting at residents' letterbox nests.

Following the initial trial launched in Punggol Northshore, the trial was expanded to additional locations, including Bukit Batok, Bukit Panjang, Marine Parade, and Upper Boon Keng. A broader rollout is planned from July 2026, reflecting positive adoption and the potential to enhance last-mile convenience at scale.

The Group is also strengthening its last-mile ecosystem through partnerships, such as its collaboration with the government's Pick Network, and by integrating locker networks to provide customers with greater flexibility in parcel collection and returns.