

STRATEGY

SINGPOST: STRATEGY FOR SUSTAINABLE GROWTH

SingPost has unveiled an updated strategy to navigate a complex business environment and chart a clearer path towards sustainable long-term growth.

From Weathering Headwinds to Charting the Future

In recent years, SingPost has operated amid challenges, including significant structural headwinds. Traditional letter mail volumes have continued their long-term decline, while rapid changes in customer expectations, eCommerce fulfilment standards, and global supply chains have reshaped the postal and logistics landscape.

Simultaneously, earlier-generation technology systems and operating models have constrained agility and limited the Group's ability to respond quickly to changing market demands.

Today, SingPost is entering a new phase as it navigates an increasingly uncertain external environment. The Group is charting its next phase of growth with greater clarity, discipline, and purpose.

Strategic Priorities with Digitalisation as an Enabler

SingPost has outlined three strategic priorities, with digitalisation as a common thread across them:

1. Strengthen core fundamentals
2. Build scalable capabilities
3. Capture growth opportunities

The Group's strategy reflects a balanced approach – strengthening operational fundamentals while selectively investing in areas that support long-term competitiveness, resilience, and sustainable shareholder value creation.

SingPost maintains a robust liquidity position, backed by approximately S\$600 million in liquid assets. This financial flexibility provides the capacity to fund operational transformation, invest in innovation, capture strategic growth opportunities, and scale future capabilities while continuing to meet financial obligations and support shareholder returns.

TARGETED OUTCOME: WELL POSITIONED FOR SUSTAINABLE GROWTH

In terms of operational execution, the strategic framework is mapped across SingPost's core business segments as follows:

Logistics & Letters: Reducing Cost-to-Serve & Growing in New Sectors

SingPost will reduce the cost to serve through an improved operating model, drive pricing discipline, create new logistics revenue streams, and open new business verticals to capture growth.

The Group is transitioning to a more efficient, scalable operating model to reduce the cost of service by more than 10%. This includes streamlining workflows, leveraging AI to enhance route optimisation, strengthening automation capabilities, and improving systems integration across the business.

SingPost has invested S\$30 million in a new parcel sortation automation to enhance parcel processing capacity at the SingPost Regional eCommerce Logistics Hub. When it goes live in mid-2026, it will significantly scale processing capacity to 400,000 parcels a day, improving operational flexibility and service reliability.

Post Office Network: Achieving Commercial Sustainability

The core objective is to modernise SingPost's physical network into a self-sufficient, fit-for-purpose operation on a firm path towards commercial sustainability.

- Self-Service Automation: The introduction of 24/7 drop-off kiosks and Autolobbies provides uninterrupted public access for parcel shipping, buying stamps, and bill payments.
- Fit-for-Purpose Footprint: SingPost will maintain a dynamic mix of roughly 40 manned and unmanned touchpoints, leveraging an asset-light model to lower the cost to serve while expanding service reach.
- Commercial Diversification & Optimisation: SingPost will actively expand its retail ecosystem by offering a wider range of retail services and goods such as consumer electronics. Concurrently, the Group will drive higher rental income across the network by systematically optimising its physical counter configurations and footprint utilisation.

Demonstrating its value as critical national infrastructure, the network was commissioned to facilitate Singtel Special Discounted Shares (SDS) transactions within CPF accounts. This deployment demonstrates the unique value of SingPost's network as a high trust national platform combining digital accessibility with a trusted human element – as the Group scales into new sectors like Healthcare and Government.

Property Assets: Maximising Portfolio Value

Currently, SingPost Centre stands as a crucial strategic asset that generates steady, recurring rental income and healthy cash flows, backed by high occupancy levels. In the near term, the Group will execute asset enhancement to improve operational efficiency, tenant trade mix, and capital value.

Over the long term, the Group is uniquely positioned to capture significant value-unlocking opportunities, such as potential building height restriction uplifts and property re-zoning parameters. These opportunities are driven by the government's urban regeneration blueprint for the Paya Lebar region following the relocation of the Paya Lebar Air Base from the 2030s onwards.

SingPost's other property assets, including post office shophouses and delivery bases, are being actively reviewed to maximise yield such as partial leasing to third parties, or repurposing for alternative long-term growth opportunities.

A Glimpse Of The Future SingPost

Ultimately, SingPost's Strategy Update reflects a deliberate shift towards becoming a more agile, technology-enabled, and diversified logistics and infrastructure business.

The future SingPost will be smart, lean, efficient, and more creative in its service delivery to customers, partners, and stakeholders in Singapore and across the globe. More importantly, the Group will be poised to capture emerging opportunities across logistics, retail services, and property assets.

With a clearer course, stronger operational discipline, and renewed investment in future capabilities, SingPost is positioning itself not only to navigate industry changes but to thrive in them.