



Media Release

Singapore Post announces first quarter net profit of S\$25.7 million, up 37.2 per cent from previous year

- Higher revenue with continued growth of International Post and Parcel
- Net profit up 37.2 per cent due to improved results from associated companies and joint ventures, and the absence of exceptional losses
- Interim dividend of 0.5 cent per share declared

Financial Highlights

GROUP RESULTS	Q1 FY19/20 (S\$'000)	Q1 FY18/19 (S\$'000)	Variance
Revenue	376,383	372,584	1.0%
Operating expenses	(342,121)	(333,686)	2.5%
Profit on operating activities	35,318	39,180	(9.9%)
Share of loss of associated companies and joint venture	(255)	(3,477)	92.7%
Exceptional items	49	(5,962)	N.M.
Net profit	25,682	18,715	37.2%
Underlying net profit	25,633	24,677	3.9%
Dividend per share(cents)	0.5	0.5	-

N.M. – Not meaningful

SINGAPORE, 2 August 2019 – Singapore Post Limited (“SingPost”) today announced its results for the quarter ending 30 June 2019.

Revenue for the quarter rose 1.0 per cent to S\$376.4 million, driven by higher International Post and Parcel revenue arising from cross-border eCommerce deliveries.

Net profit attributable to equity holders jumped 37.2 per cent to S\$25.7 million. SingPost reported exceptional fair value loss on warrants from an associated company last year, which were then swapped for direct shareholding, accounting for the absence of the fair value losses this year.

Underlying net profit rose 3.9 per cent to S\$25.6 million, owing to improved results from associated companies and joint ventures.

Mr Paul Coutts, Group Chief Executive Officer, said: “Amid the backdrop of declining domestic letter volumes and a weaker economic outlook in our key markets, we will continue to navigate our way through the transformation journey, leveraging the continuous growth of eCommerce. Meanwhile, we remain firmly focused on rolling out our mid- and longer-term measures aimed at improving service levels for our customers in the home market.”



Performance of Business Segments

From 1 April 2019, SingPost Group has reclassified the reporting of certain business units under four key business segments: Post and Parcel, Logistics, Property and U.S. Business.

The Post and Parcel segment comprises the core postal and parcel delivery businesses of the Group. This includes Domestic Post and Parcel, International Post and Parcel, as well as products and services transacted at SingPost Post Offices.

The Logistics segment comprises the Logistics businesses of the Group. The services are divided into Freight forwarding and eCommerce logistics, which includes front-end related eCommerce solutions, warehousing, fulfilment, delivery and other value-added services in Asia Pacific.

The Property segment includes the provision of commercial property rental, as well as the self-storage business.

The U.S. Business comprises the eCommerce businesses in the U.S., namely TradeGlobal and Jagged Peak. The Group had announced that it intends to exit the U.S. businesses, and is in the midst of a sale process. The Group will make further announcements when appropriate.

In the Post and Parcel segment, revenue rose marginally, with international revenue rising by 5.2 per cent on the back of higher cross-border eCommerce-related delivery volumes. This was partially offset by a 6.7 per cent decline on the domestic front due to letter mail decline, as well as a suspension of ad-hoc admail services to improve service quality. Profit on operating activities declined 8.9 per cent as operating expenses rose due to the hiring of additional postmen and enhancements made to postmen salaries.

In the Logistics segment, revenue was lower by 2.2 per cent. eCommerce logistics revenue dipped 7.4 per cent, and was partially offset by a 3.3 per cent growth for Freight forwarding mainly due to higher volumes. The decline in eCommerce logistics revenue was due to the exit of certain customer contracts at Quantum Solutions, as well as the depreciation of the Australian dollar against the Singapore dollar for CouriersPlease, our parcel delivery service in Australia. Without depreciation of the Australian dollar, eCommerce logistics segment would have been largely stable compared to Q1 last year.

The Property segment revenue, which comprises commercial property, rental and self-storage business, remained largely stable at S\$29.8 million.

In the U.S. Business segment, revenue rose 7.9 per cent, due largely to higher freight revenues. However, outsourced expenses to third party vendors for deliveries rose disproportionately, and contributed negatively to the business. Overall, while losses on



operating activities narrowed year-on-year to S\$6.9 million from S\$8.8 million in Q1 last year, this was largely due to the absence of depreciation and amortisation expenses.

Interim dividend

For the first quarter of FY2019/20, 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 August 2019.

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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.