



H1 FY2022/23 Results Presentation

3 November 2022

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H1 FY2022/23 Group Overview

Vincent Phang, Group CEO

Executing transformation strategy...

Emerging global logistics enterprise

Growing contributions from new key market and business

...positioning Group for growth

Investing in growth; keeping focus on our strategic initiatives

Digitally enabled capabilities and sustainable cost-effective solutions

H1 delivering 31% revenue growth YoY

Investing in Australia

Building digitally enabled integrated B2B and B2C logistics business

Australia



Re-igniting our International business

Re-organising and pivoting to new cross-border markets/lanes

International



Executing Future of Post

Enhancing infrastructure for operational and carbon efficiency

Singapore



Introduction to new Management team members



Simon Slagter
CEO, FMH



Richard Thame
CEO, CouriersPlease



Li Yu
CEO, International



Noel Singgih
Group CIO

The transformation journey

Growth

Re-organisation; strengthened management bench
FMH acquisition
Embed climate action initiatives

FY2021/22

Build and scale digitally enabled integrated B2B and B2C logistics network in Australia
Re-ignite International business and build resilient cross-border hubs and networks
Future of Post - Enhance Singapore infrastructure for smart, green urban logistics ecosystem

FY2022/23 and beyond

A global logistics operator with differentiating digitally enabled capabilities, cost-effective, low carbon networks

Extend logistics capabilities beyond Singapore and Australia

Optimise and scale International business

Further opportunities for strategic acquisitions

Horizon

The transformation journey

FY18/19

**Revenue
S\$1.3bn**

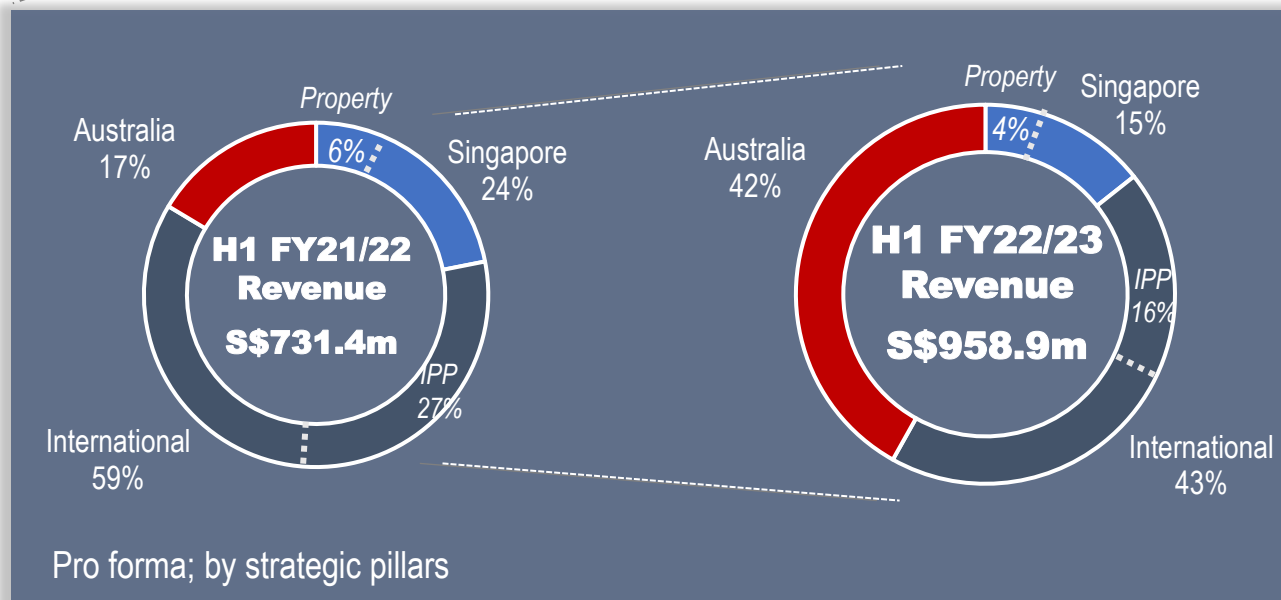


H1 FY22/23

**Revenue
~S\$1.0bn**



**FY25/26
and
beyond**



**TRANSFORMATION –
more logistics and
more international**

Australia: H1 FY2022/23 in review



Earnings accretive acquisition

Strong contributions from 51%-owned subsidiary FMH through business growth and strategic acquisitions

Pathway to increase stake with offers to buy granted to shareholders to FMH

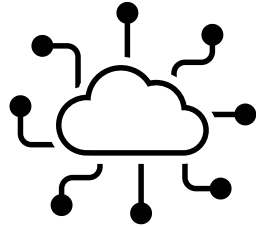


Integrating for synergies

Leveraging and combining capabilities of our businesses – FMH, CouriersPlease, Quantum Solutions ANZ

Increasing cross-border deliveries into network

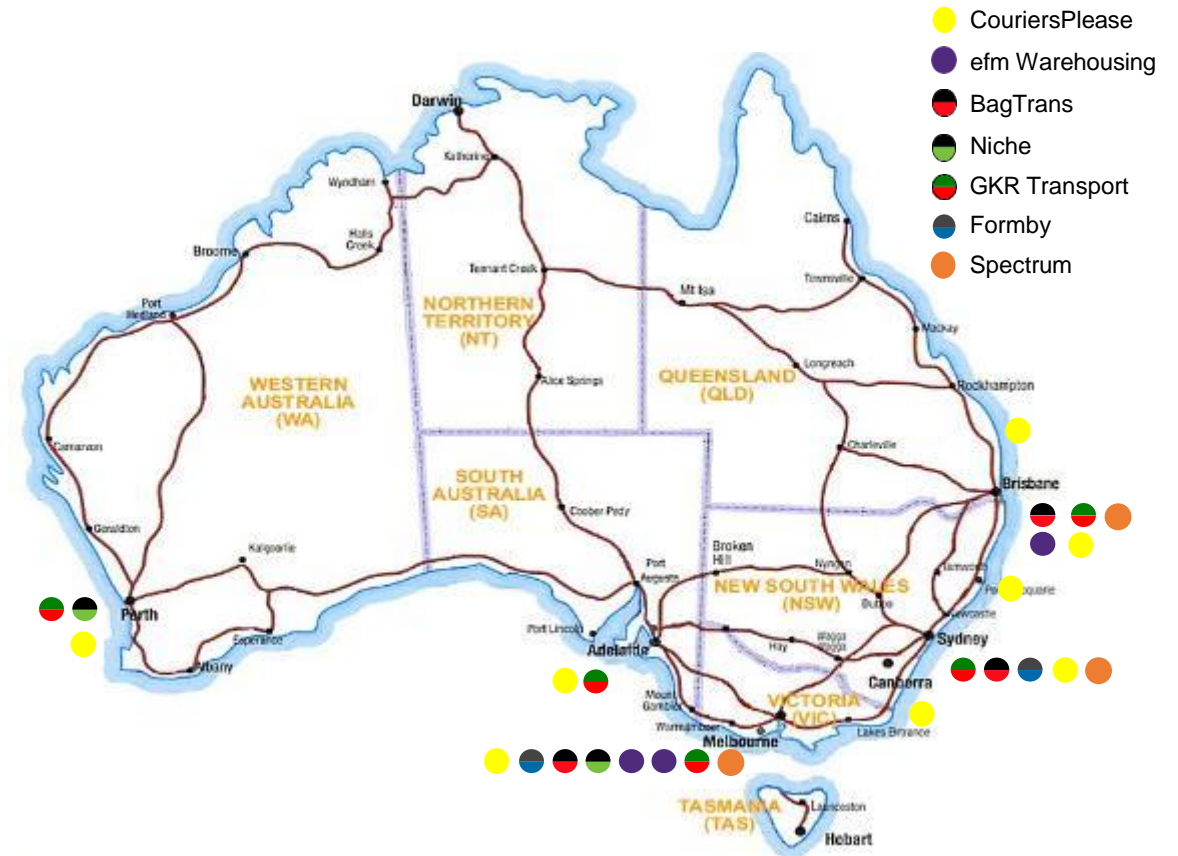
Australia: Innovating integrated logistics



A digitally enabled, integrated B2B and B2C logistics ecosystem

Leading in 4PL with proprietary technology and capabilities; rolling out enhanced platform underpinning 4PL business

Adding geographical reach and capabilities in inhouse 3PL operations as part of end-to-end integrated logistics network



1,200 employees

800+ franchisees

39 facilities nation-wide

Re-ignite and pivot for growth

Stabilising of business and margins; transiting out of exceptional circumstances

Re-organising for resilient cross-border networks, pivoting to new markets/lanes

- New hubs, channels
- New cross-border eCommerce origin markets; West to East lanes



Access to 220 markets with postal and commercial networks



eCommerce Logistics network spanning 13 markets



9 fulfilment centres in Asia Pacific

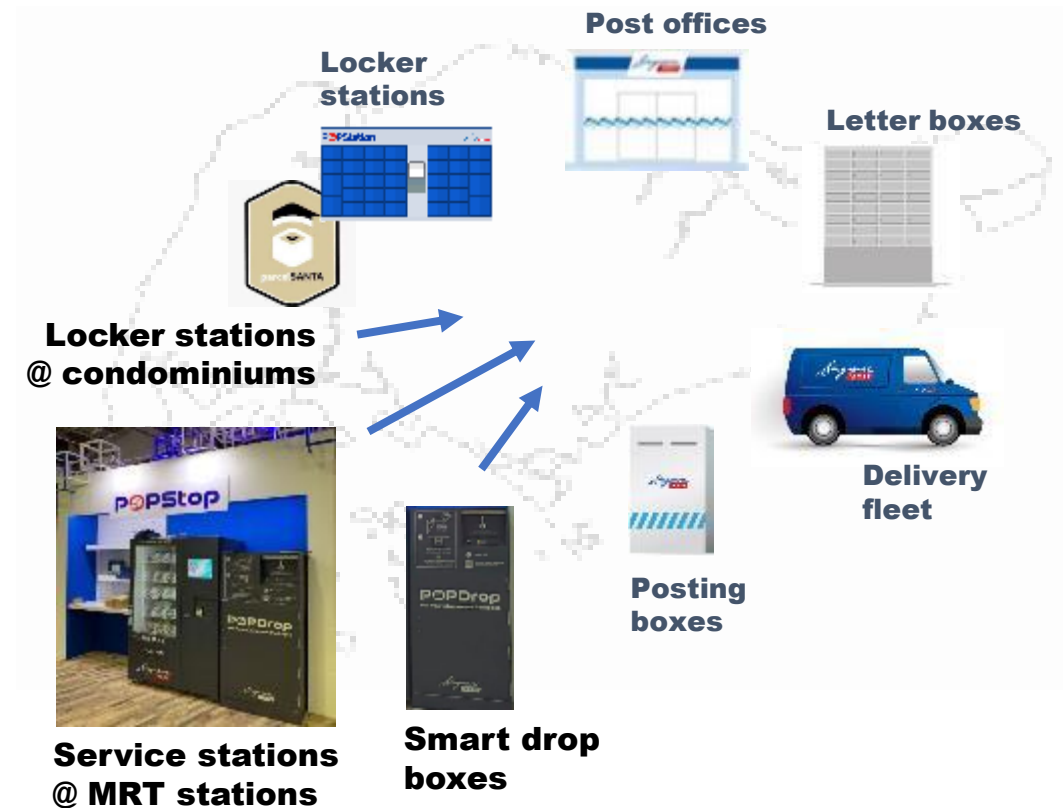
Execute Future of Post: Enhancing infrastructure for sustainable operations

Potential for eCommerce logistics remains positive

Commitment to best-in-class service levels; trusted partner for nation-wide delivery

Delivering a cost and carbon efficient, high service quality offering; leveraging technology

- Network enhancement
- Fleet electrification



Advancing sustainability goals

Making every delivery count for people and plant

Electrification of delivery fleet by 2026

Reducing emissions with green facilities

- SingPost Centre rated Green Mark Gold^{PLUS}
- New Australian depot with targeted 5-star Green Star rating



Raising governance standards

Won Corporate Governance Award in Diversity at SIAS Investors' Choice Awards 2022

Ranked 7th in Singapore Governance Transparency Index 2022

AAA MSCI ESG rating

Strategic outlook: Positioning Group for growth

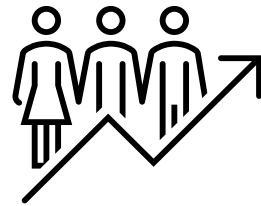
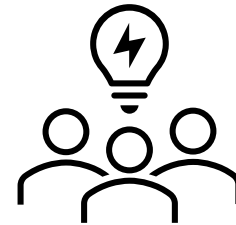
Focusing on strategic initiatives

Pursuing growth in Australia

Re-igniting cross-border business

Enhancing infrastructure in Singapore

Transiting to low carbon; investing in environmental sustainability



Positioning for growth

Review real estate footprint for optimisation and efficiency

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H1 FY2022/23 Financial Results

Vincent Yik, Group CFO

H1 FY2022/23 Group performance



Changing revenue mix; growing contributions from Australia

Improvement in Post & Parcel in Q2 following challenging Q1

Underlying net profit of S\$13.2m excluding exceptional items

Increase in valuation of FMH resulted in exceptional charge of S\$21m

Revenue

S\$958.9m

+31.1% YoY

Operating Profit

S\$41.3m

(19.1%) YoY

Underlying Net Profit

S\$13.2m

(64.7%) YoY

H1 FY2022/23 P&L

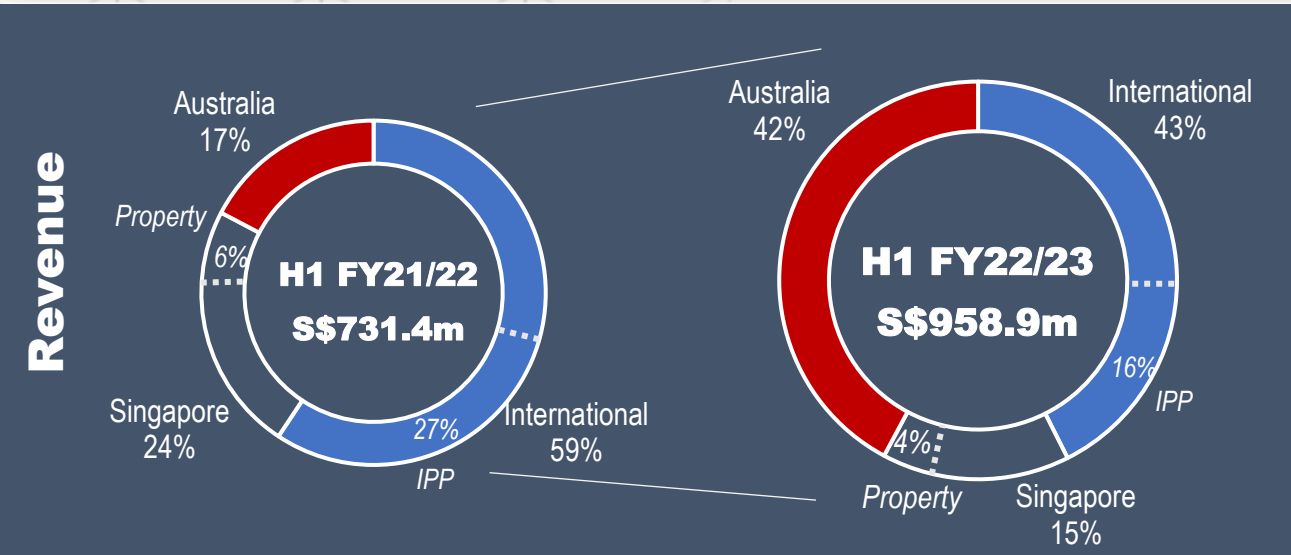
Group P&L (\$m)	H1 FY22/23	H1 FY21/22	YoY chg	Q2 FY22/23	Q1 FY22/23
Revenue	958.9	731.4	31.1%	483.6	475.2
Operating expenses	(920.8)	(682.6)	34.9%		
Operating profit	41.3	51.1	(19.1%)	30.7	10.6
Share of assoc & JV	0.1	2.7	(95.0%)		
Exceptional items	(24.0)	(2.4)	@		
EBIT	17.5	51.5	(66.0%)		
Net interest & invt income	(0.7)	1.3	n/m		
Finance expenses	(9.9)	(7.1)	39.6%		
Income tax	(9.3)	(10.7)	(13.4%)		
Profit/(loss) after tax	(2.4)	35.0	n/m		
Underlying net profit	13.2	37.4	(64.7%)		

Improvement in Q2 vs Q1

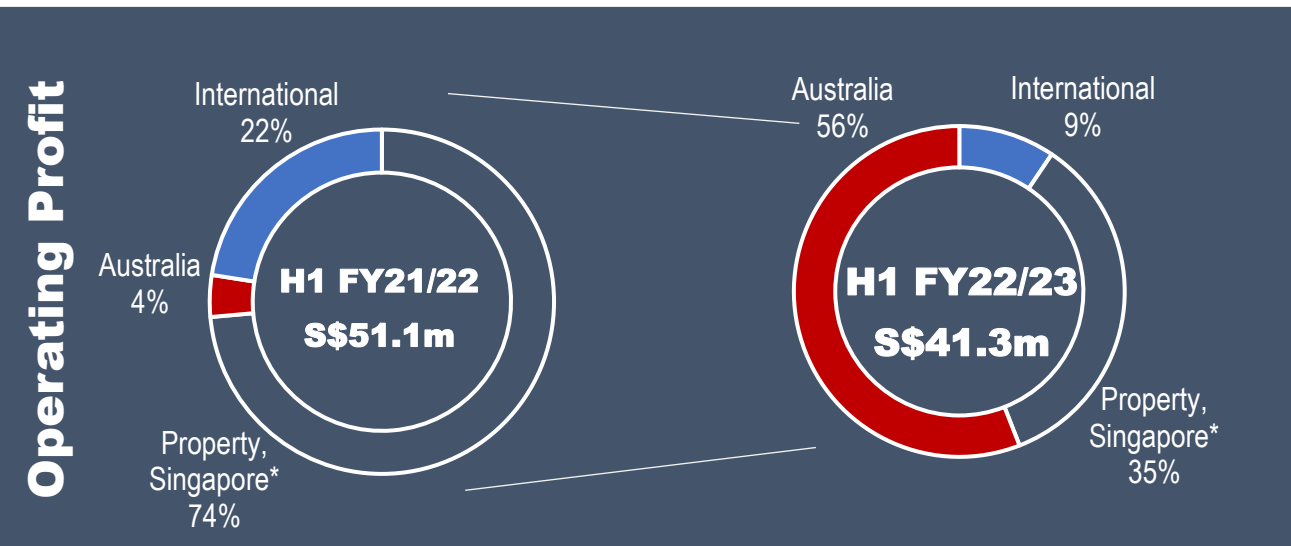
Exceptional items including increase in redemption liability by S\$21.0m as result of a higher valuation on FMH on stronger performance since acquisition

Excluding exceptional items, UNP was S\$13.2m.

Contributions by strategic pillars / markets



Evolving revenue and profit profile in line with transformation drive



Note: Proforma

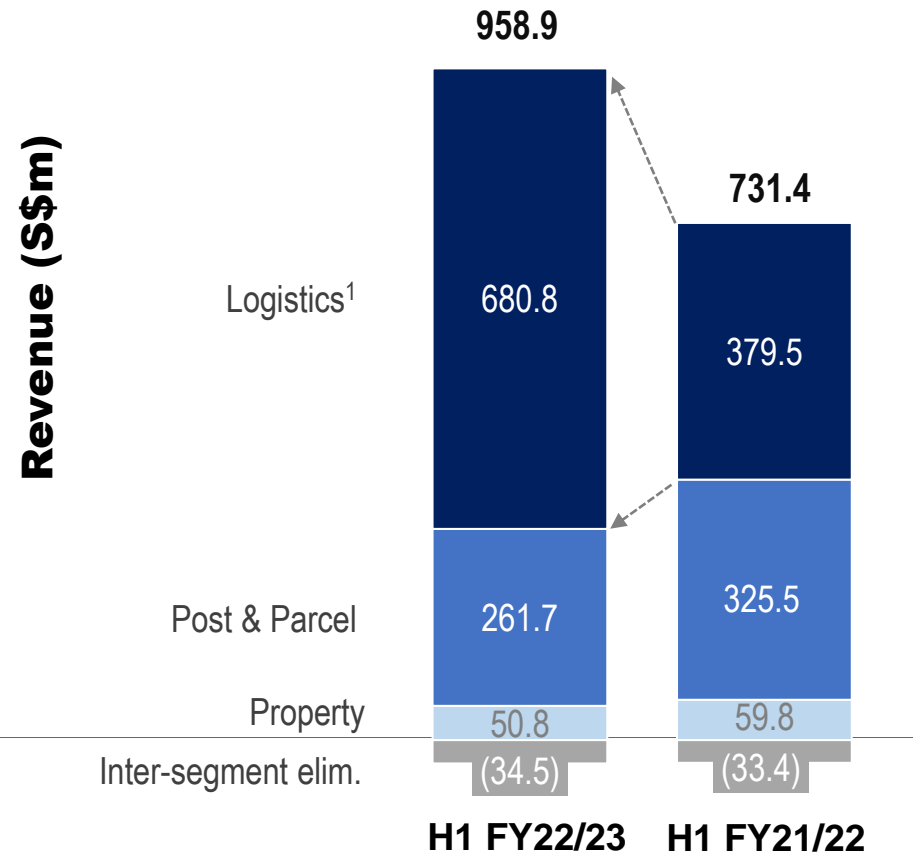
Singapore: Includes Domestic Post & Parcel, Property, and Singapore unit of Quantum Solutions; Property

Australia: Includes FMH, CouriersPlease and the Australia and New Zealand units of Quantum Solutions

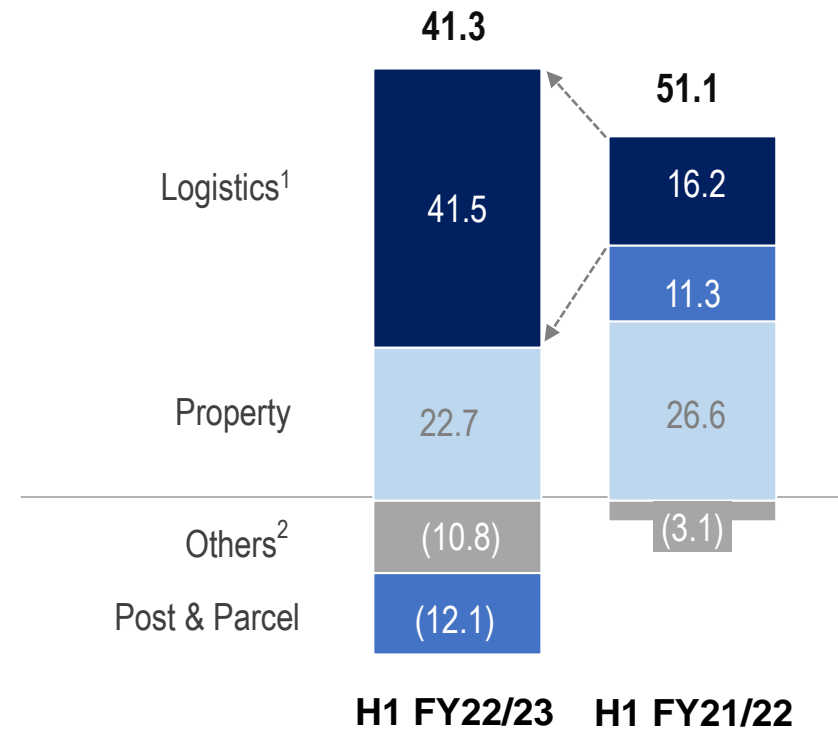
International: Includes International Post & Parcel, Quantum Solutions (excluding Singapore and Australia), and Famous Holdings

* Including Others which comprise corporate overhead items

Contributions by segments



Operating Profit (\$m)



1. Includes CouriersPlease, Quantum Solutions, Famous Holdings, SP eCommerce and FMH which became a subsidiary in Dec 2021

2. Refers to unallocated corporate overhead items

Logistics: H1 FY22/23 performance



Growing Logistics contributions

Good performance by Australian business, with strong contribution from FMH which became a 51%-owned subsidiary from December 2021

Freight forwarding continued to show improvement though sea freight rates are moderating

Segment P&L, S\$m	H1FY22/23	H1 FY21/22	% change
Revenue	680.8	379.5	79.4%
Australia businesses ¹	399.6	119.9	233.4%
Freight forwarding	234.3	206.9	13.3%
Other logistics businesses ²	46.9	52.8	(11.1%)
Operating Profit	41.5	16.2	155.9%

1. Includes CouriersPlease and FMH which became a subsidiary wef Dec 2021

2. Includes Quantum Solutions and SP eCommerce which was sold wef May 2022

Total figures may not tally due to rounding.

Australia: H1 FY2022/23 performance



Strong performance by FMH since acquisition

Growth in both 4PL and 3PL businesses from organic and inorganic growth as FMH expands its network

Revenue and OP 3-year CAGR of approximately 28% and 50% respectively

Margin improvements YoY

FMH proforma financials, A\$m

FY ended 30 June	FY18/19	FY19/20	FY20/21	FY21/22
Revenue	253	249	347	524
Operating Profit	14	17	28	48

↑
Acquired 28% stake in Dec 2020

↑
Increased stake to 51% in Nov 2021

The strong performance of FMH has led to the higher valuation of FMH. With this higher valuation, our investment value in FMH has increased, and therefore the consequent effect is that there is a fair value charge to the P&L.

Post & Parcel: H1 FY22/23 performance



Challenging conditions in Q1; improvement in Q2

Lower eCommerce logistics volumes in both Domestic and International businesses

Infrastructure costs for the Post and Parcel business have increased

Focusing on prudent cost management and cost efficiency in operations

Segment P&L, S\$m	H1FY22/23	H1 FY21/22	% change
Revenue	261.7	325.5	(19.6%)
International (IPP)	152.8	201.8	(24.3%)
Domestic ¹ (DPP)	108.9	123.8	(12.0%)
<i>DPP eCommerce logistics</i>	34.4	45.5	(24.5%)
Operating Profit	(12.1)	11.3	n/m
	Q2 FY22/23	Q1 FY21/22	% change
Operating Profit	0.2	(12.3)	n/m

1. Includes products and services transacted at the post offices

Total figures may not tally due to rounding.

Property: H1 FY22/23 performance



Improvement in Property contributions

96.7% occupancy at SingPost Centre retail mall and office space

Self-storage business divested in December 2021

Segment P&L, S\$m	H1FY22/23	H1 FY21/22	% change
Revenue	50.8	59.8	(15.0%)
Property	50.8	48.5	4.6%
Self storage business ¹	-	11.2	n/m
Operating Profit	22.7	26.6	(14.8%)

1. Self storage business General Storage Company was sold in Dec 2021.

Total figures may not tally due to rounding.

Financial position



Prudent capital management as the Group continues to invest in growth initiatives

Cash position of S\$435.8m vs S\$280.4m as at 31 Mar 2022

Operating Cash Inflow

S\$15.9m
vs **S\$34.5m**
in H1FY21/22

Lower profit, increase in income tax paid

Investing Cash Outflow

S\$9.0m
vs **S\$6.1m**
in H1FY21/22

Acquisition and PPE additions, partly offset by proceeds from maturity of financial assets, disposal of associated company and interest received

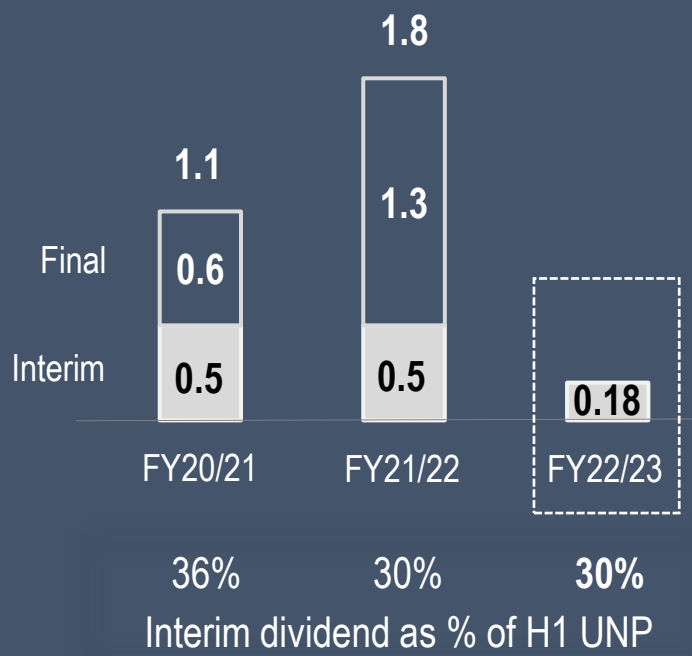
Financing Cash In/Outflow

S\$148.5m inflow
vs **S\$49.0m outflow**
in H1FY21/22

Perpetual securities issuance proceeds partly offset by repayment of bank loans and lease liabilities, dividends and interest paid

Dividend

Dividend per share, S¢



For H1 FY22/23, the Board has declared an interim dividend of 0.18 cents per share

This represents 30% of H1 UNP, similar to the H1 interim payout last year

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Supplementary Information

Supplementary information: Australia



4PL



Technology



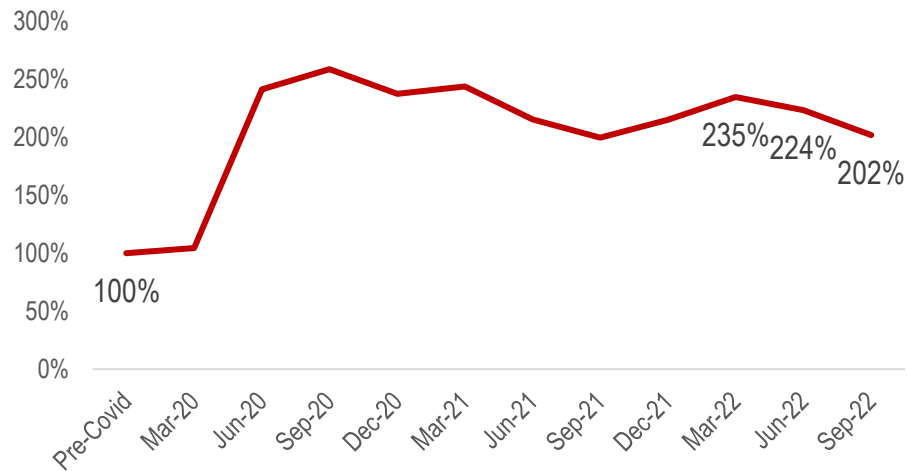
3PL



Supplementary information: International

Conveyance costs have started moderating

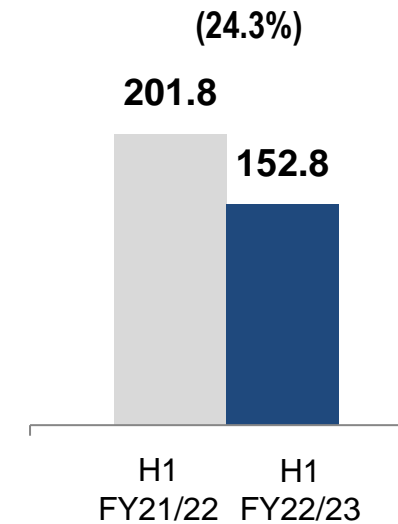
Change in ex-SIN conveyance costs (\$\$/kg)



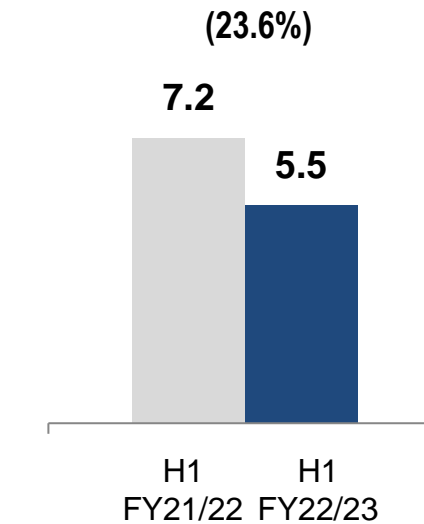
Source: Company data

IPP volumes adversely affected by further supply chain disruptions from Chinese cities lockdown

IPP Revenue (\$m)



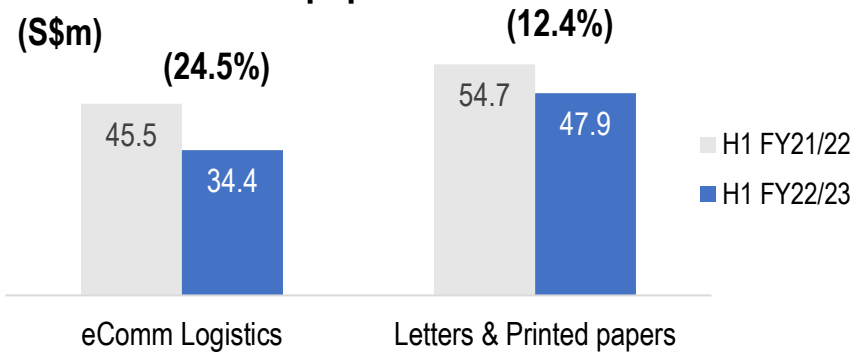
IPP Volume – Outbound (Mil Kg)



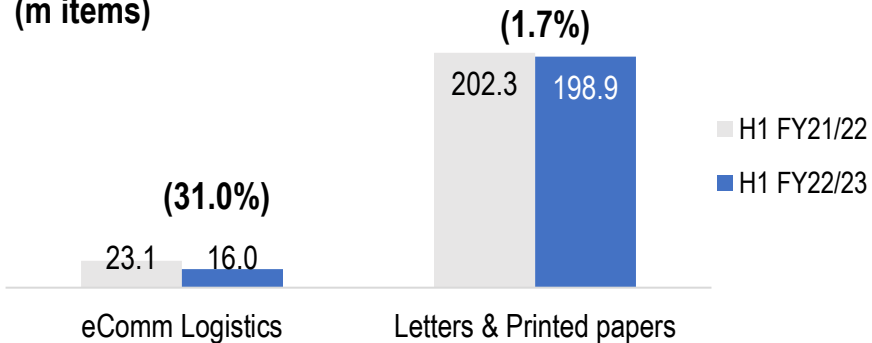
Supplementary information: Singapore



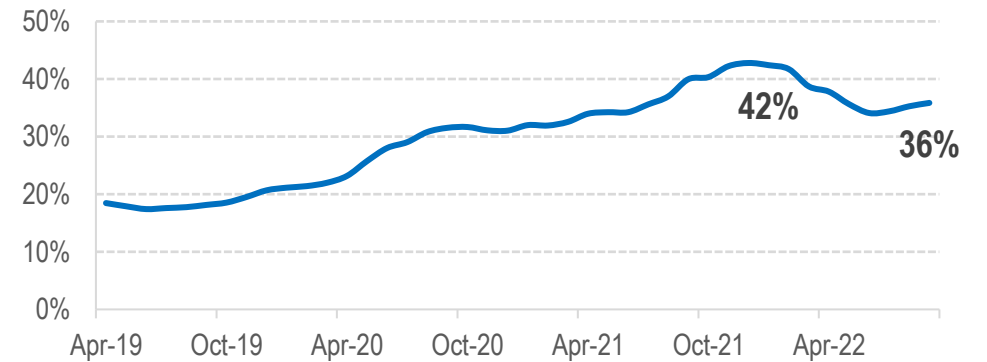
Revenue – eCommerce logistics and Letters & Printed papers (S\$m)



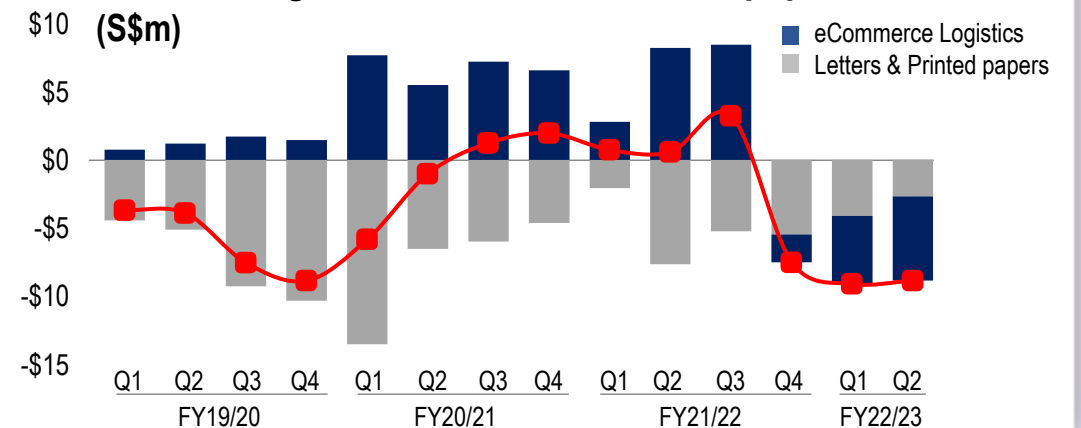
Volumes – eCommerce logistics and Letters & Printed papers (m items)



eCommerce logistics revenue as % of DPP revenue (rolling 6 months)



Revenue replacement rate: eCommerce logistics vs Letters & Printed papers

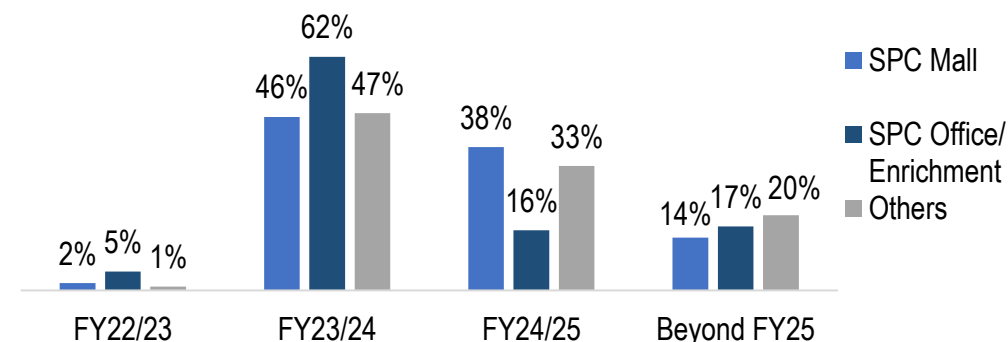


Supplementary information: Property

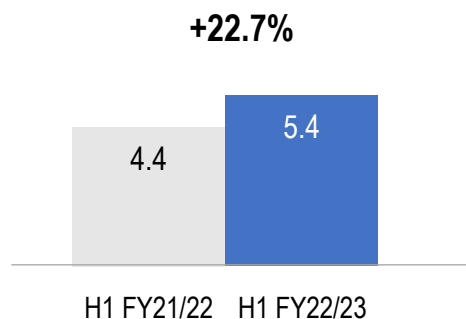
Committed occupancy

	Jun 22	Jul 22	Aug 22	Sep 22
SPC Mall	99.2%	99.2%	98.9%	99.7%
SPC Office/ Enrichment	94.5%	95.1%	95.5%	95.5%
SPC Overall¹	95.9%	96.3%	96.5%	96.7%
Others ²	83.6%	99.7%	99.7%	98.2%

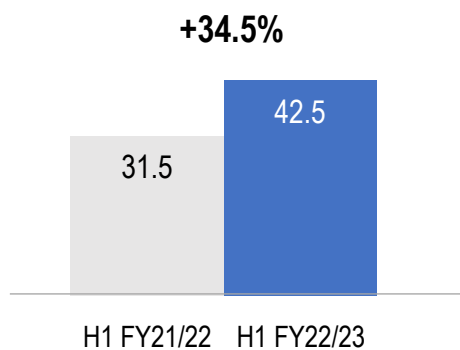
Lease expiry profile



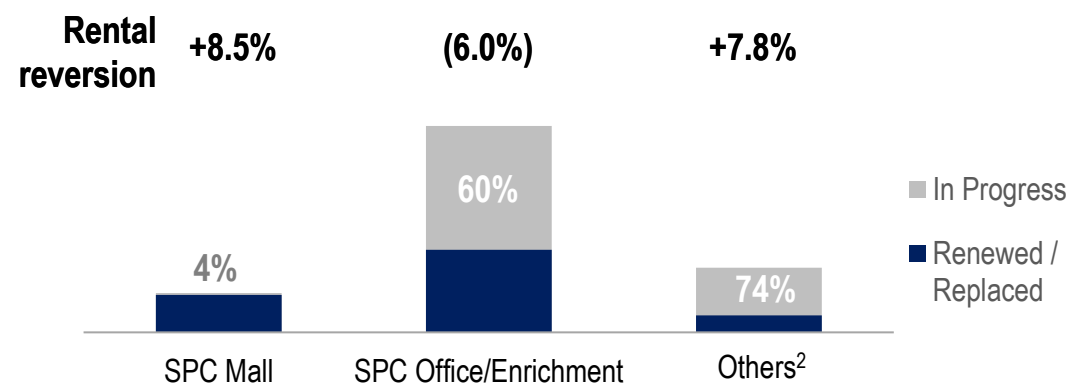
SPC footfall (m)



SPC tenant sales (\$m)



Lease renewal progress and rental reversion



1. Excludes SPC industrial space

2. Refers to smaller properties such as shophouses and the portion of delivery bases leased to external tenants



END