



Media Release

SingPost delivers strong H1 performance against last year with robust operational performance amidst weak industry landscape

- Net Profit of S\$11.5 million vs loss of S\$9.9 million H1 last year
- H1 Underlying Net Profit of S\$13.4 million vs S\$13.2 million last year
- Australia continues growth trajectory with new acquisition

SINGAPORE, 02 November 2023 – Singapore Post Limited (SingPost) today announced its results for the half year ended 30 September 2023.

SingPost's first half net profit was at S\$11.5 million, compared to a loss of S\$9.9 million last year, boosted by the logistics business in Australia and the International cross-border business. Revenue was down 13.7% to S\$827 million due to normalising of sea freight rates and volumes post pandemic, as well as foreign exchange impact.

Mr. Vincent Phang, SingPost's Group Chief Executive Officer, said, "Our diversified portfolio and global presence, including our expanded operations in Australia, have enabled us to demonstrate resilience in the current uncertain global economic climate despite adverse currency movements. The positive operational performance underscores the headway made in our transformation."

Approximately 85% of the Group's revenue was generated internationally. By leveraging the competitive advantage of the 4PL model, its Australia business secured new customers from across industries. The latest acquisition of Border Express will further strengthen its end-to-end interstate logistics business which includes comprehensive freight connectivity, strategic warehousing solutions, and last-mile delivery, and will enhance a pan-Australia national network for its operations.

The positive trajectory in the International cross-border eCommerce logistics business helped mitigate declines in the freight-forwarding and domestic postal business. The business is driving growth with new customers acquisitions, focusing on trade lanes from Hong Kong to Australia and Southeast Asia, as well as Europe to Asia.

The domestic postal business incurred a loss in H1 due to softening mail volumes and rising inflationary costs, particularly in the operation of fixed infrastructure such as the post office network. SingPost has raised domestic postage rates by S\$0.20 from 9 October 2023, which is expected to improve the domestic business in H2. SingPost is in discussion with the authorities to review the domestic postal business model and develop a framework to ensure commercial viability.

Mr Phang said, "We have made good progress in our transformation as demonstrated by our H1 results and will continue to execute our growth strategy. The board has advanced in the strategic review to enable the Group and its individual businesses to be valued appropriately."



Logistics

Logistics revenue and operating profit declined by 16.8% and 19.2% YoY respectively as a result of lower contributions from Famous Holdings.

The Australia business continued to perform well. New customer acquisitions and volume growth in the 4PL and last-mile delivery businesses continued to drive the operating performance of FMH and CouriersPlease. This was despite revenue pressure from lower fuel surcharge in line with the decline in fuel levies across the logistics industry.

Revenue and profit contributions from Famous Holdings were lower in tandem with the declining sea freight outlook. Sea freight rates and volumes have contracted significantly from the highs during the pandemic.

Post and Parcel

The Post & Parcel business recorded a revenue decline of 7.1% YoY and an operating loss of S\$10.0 million in H1 compared to a loss of S\$8.2 million previously. While the business continued to incur a loss due to the domestic postal business, this was mitigated by the significant improvement in the international cross-border business.

The International business returned to profitability, with margins and profit improving significantly despite lower revenue resulting from the depreciation in the Chinese Yuan. Conveyance costs have fallen as air freight rates continued to trend downwards. The focus on commercial offerings in its product mix and customer acquisitions has enabled IPP volumes to remain relatively steady amidst declining volumes observed across the industry.

The Domestic business continued to incur a loss due to inflationary cost pressures and declining letter mail volumes. The domestic postage rate increase was implemented with effect from 9 October 2023, and the domestic postal business is expected to improve in H2.

Property

Property revenue was lower due to the cessation of leases at certain smaller properties. Property operating profit increased 14.0% due to positive rental reversions at SingPost Centre. Overall occupancy at SingPost Centre was higher at 99.5% compared to 98.2% as at 31 March 2023, with the retail mall space at full occupancy and office space at 99.2% occupancy.

Interim dividend

The Board of Directors has declared an interim dividend of 0.18 cents per ordinary share (tax exempt one-tier) for the half year ended 30 September 2023. This amounts to approximately 30% of H1 FY2023/24 underlying net profit.

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About Singapore Post Limited

Singapore Post (SingPost) is a leading eCommerce logistics provider in Asia Pacific. The portfolio of businesses spans from national and international postal services to warehousing and fulfilment, last mile delivery and international freight forwarding, serving customers in more than 220 markets. Headquartered in Singapore, SingPost has over 5,000 employees, with offices in 13 markets. Since its inception in 1858, the Group has evolved and innovated to bring about best-in-class postal and integrated logistics solutions, making every delivery count for people and planet.

Annex: Financial Highlights for 1H ended 30 September 2023

GROUP RESULTS	H1 FY23/24 (S\$M)	H1 FY22/23 (S\$M)	VARIANCE (%)
Revenue	827.3	958.9	(13.7)
Operating expenses	(797.4)	(920.8)	(13.4)
Operating profit	31.4	41.3	(24.0)
Share of (losses)/profit of associated companies	(0.6)	0.1	N.M.
Exceptional items	(2.0)	(24.0)	(91.7)
Profit/(Loss) after tax	13.4	(2.4)	N.M.
Net profit / (loss) attributable to equity holders	11.5	(9.9)	N.M.
Underlying net profit	13.4	13.2	1.9
Dividend per share (in cents)	0.18	0.18	

N.M. – Not meaningful

Please refer to the Group's announcement for further details.