



For immediate release

## SingPost third quarter net profit rises 15.6 per cent to S\$50.2 million

- Revenue rose 7.6 per cent to S\$441.4 million on higher peak season volumes across the Group
- Net profit boosted by an exceptional dilution gain of S\$28.2 million from 4PX
- Profit on operating activities declined 8.5 per cent to S\$42.2 million as higher contributions from Post and Parcel, Logistics and Property were largely offset by continued losses in the US
- Underlying net profit was down 7.5 per cent from the same period last year
- Interim dividend of 0.5 cent per share declared

### Financial Highlights

	Q3 FY18/19 (S\$'000)	Q3 FY17/18 (S\$'000)	Variance (%)	9M FY18/19 (S\$'000)	9M FY17/18 (S\$'000)	Variance (%)
<b>GROUP RESULTS</b>						
Revenue	441,375	410,390	7.6	1,182,631	1,131,508	4.5
Operating expenses	(398,318)	(366,162)	8.8	(1,063,727)	(1,022,361)	4.0
Profit on operating activities	42,227	46,143	(8.5)	121,360	114,841	5.7
Share of profit/(loss) of associated companies	17	951	(98.2)	(7,092)	3,069	N.M.
Exceptional items	31,825	925	N.M.	22,919	5,842	N.M.
Net profit	50,202	43,413	15.6	94,066	103,661	(9.3)
Underlying net profit	32,882	35,561	(7.5)	85,652	90,892	(5.8)
Earnings per share (cents)	2.06	1.75		3.67	4.07	
Dividend per share (cents)	0.5	0.5		1.5	1.5	

N.M. – Not Meaningful

**SINGAPORE, 1 February 2019** – Singapore Post Limited (“SingPost”) today announced its results for the third quarter ended 31 December 2018.

Revenue for the quarter increased 7.6 per cent to S\$441.4 million, on stronger contributions across all business segments during the global eCommerce peak season.

Net profit attributable to equity holders rose 15.6 per cent to S\$50.2 million, largely due to an exceptional gain on the dilution of interest in 4PX. As announced previously, 4PX ceased to be an associated company of SingPost after the Group’s shareholding was diluted by the



issuance of additional 4PX shares to an existing shareholder of the China-based logistics company.

Profit on operating activities declined 8.5 per cent to S\$42.2 million as higher contributions from the Post & Parcel, Logistics and Property segments were largely offset by losses at the US eCommerce businesses. Underlying net profit, which excludes exceptional items, was down 7.5 per cent from last year at S\$32.9 million.

Mr Paul Coutts, Group Chief Executive Officer, said: "It has been an exceptional quarter, with strong performance across the Group, other than the US which remains challenging. We continue to advance our integration and cost transformation programmes to enhance operational synergies and improve profitability amid intense competition in eCommerce logistics."

### **Business segment performance**

In the Post and Parcel segment, increased domestic and international eCommerce deliveries over the eCommerce peak season drove revenue up 9.0 per cent. Profit on operating activities rose 10.0 per cent, with domestic margins improving on operating synergies from the ongoing integration of its postal and parcel last mile delivery networks.

The Logistics segment recorded a 67.4 per cent rise in profit on operating activities, largely on lower losses at Quantum Solutions, which continues to improve its profitability.

The eCommerce segment saw higher volumes, driven by festive shopping in the US. Operating loss, however, rose amid intense competitive pressures in the US. Costs, such as freight and outsourced services, were up significantly to support the increased volumes. The Group continues to face challenges in the eCommerce operating environment in the US, due to intensifying competition and rising customer bankruptcies. There is a risk of impairment to the carrying value of the US businesses, which are underperforming and are expected to remain loss-making this financial year. Impairments, if any, will be assessed based on the full financial year results and future plans for the businesses.

Profit on operating activities from Property rose 18.2 per cent, due mainly to rental income from the SingPost Centre retail mall. Committed occupancy for the mall was at 99 per cent as at 31 December 2018, compared with 86 per cent a year ago.

### **Interim dividend**

For the third quarter of FY2018/19, the Board of Directors has declared an interim dividend of 0.5 cent per ordinary share (tax exempt one-tier) to be paid on 28 February 2019.

### **About Singapore Post Limited**

For 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.

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