



H2 & Full Year FY2022/23 Results Presentation

11 May 2023

Disclaimer



The following presentation contains forward looking statements by the management of Singapore Post Limited (“SingPost”) relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial condition, results of operations and businesses, and related plans and objectives. Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to the future performance of SingPost. In particular, such targets should not be regarded as a forecast or projection of future performance of SingPost. It should be noted that the actual performance of SingPost may vary significantly from such statements.

“\$” means Singapore dollars unless otherwise indicated.

Contents

GROUP OVERVIEW

1. **FY2022/23 Highlights**
2. **SingPost's Transformation Journey**
 - **Growing Logistics, Going Global**
3. **Transformation Achievements in FY2022/23**
 - **Repositioning for Growth**
 - **Digital and Innovation**
 - **Sustainability**
4. **Outlook, Strategic Review**

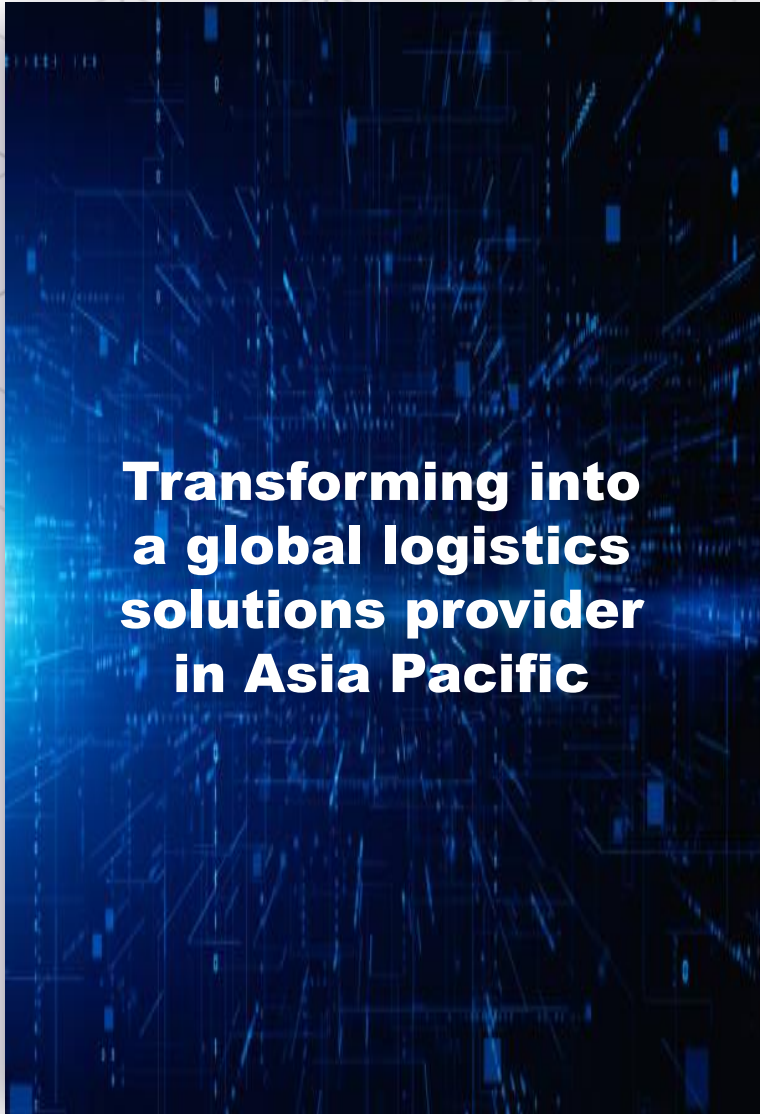
FY2022/23 FINANCIAL RESULTS

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Group Overview

Vincent Phang, Group CEO

FY2022/23 Highlights



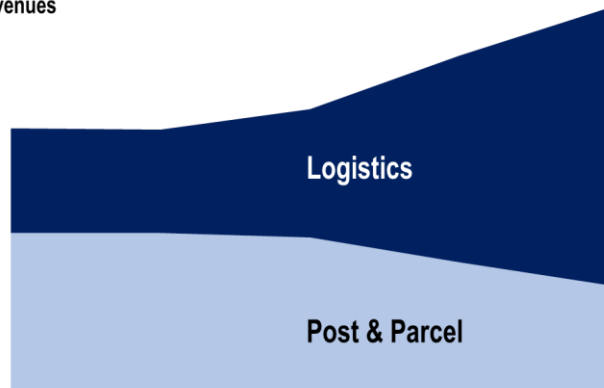
SingPost's Transformation Journey



A more sustainable business

Our diversification has yielded results in our logistics businesses and in new markets, offsetting the decline in the traditional postal business. We are now positioned for growth.

Revenues



FY18/19 FY19/20 FY20/21 FY21/22 FY22/23

A more digitally enabled enterprise

We are building a digital core, leveraging technology to deliver greater value, efficiency and flexibility for our stakeholders. In Australia, we are the leading digitally-enabled 4PL operator.

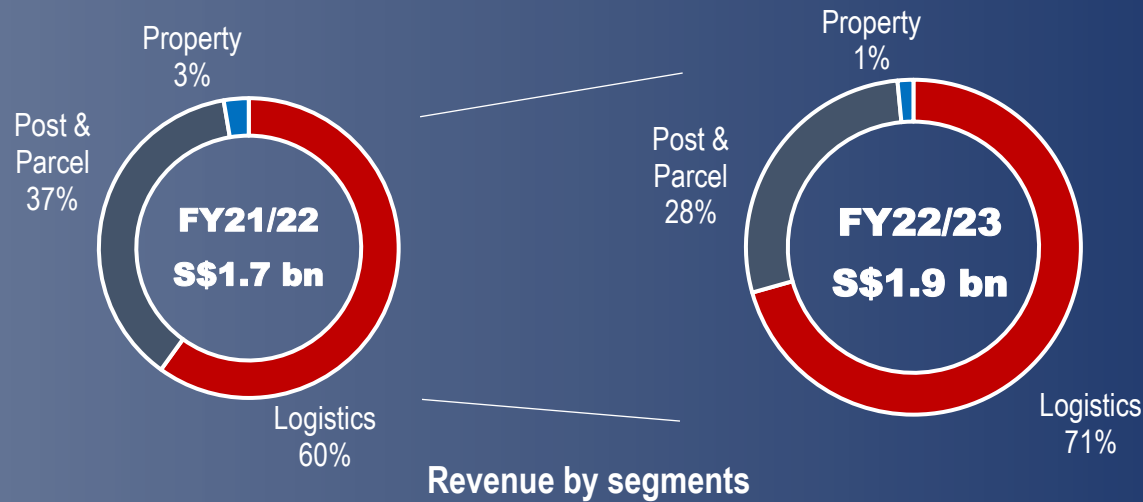


A more socially & environmentally responsible organisation

We make every delivery count for people and planet. Our corporate governance practices have received recognition. We are on track with the execution of pathways to our net zero emissions target.



Growing Logistics, Going Global



GROWING LOGISTICS

Logistics segment has grown to become our largest contributor

Note: Proforma

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

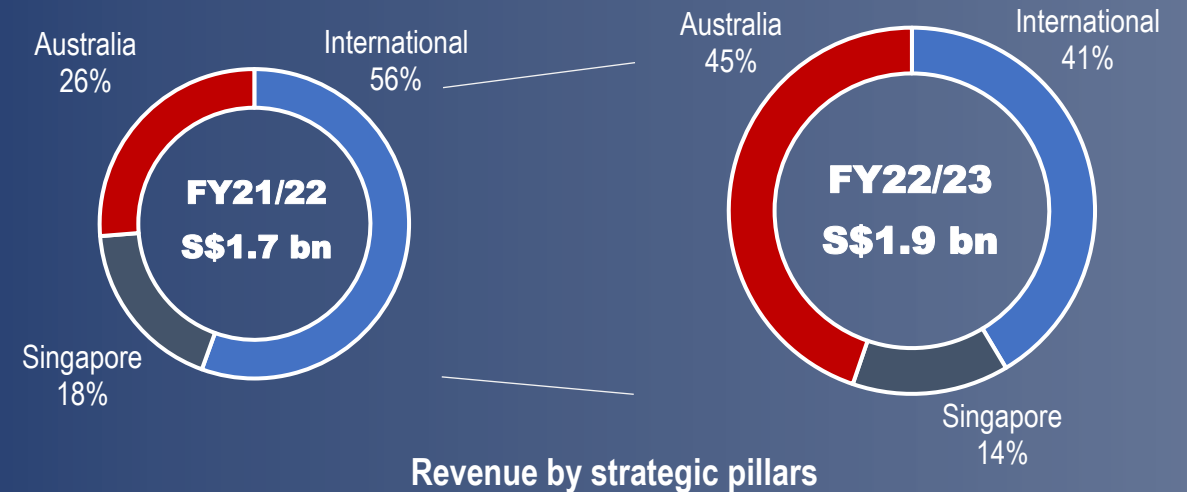
Australia: Includes FMH, CouriersPlease, Australia and New Zealand units of Quantum Solutions

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

Property by segment includes inter-segment eliminations

GOING GLOBAL

86% of revenue generated internationally



Transformation Achievements in FY2022/23

REPOSITIONING FOR GROWTH



Structured organisation for growth and efficiency; Re-organised business and assets – building networks and markets

DIGITAL AND INNOVATION



Enhanced tech-enabled capabilities; Digitally-enabled logistics networks at our core

SUSTAINABILITY



Strengthened ESG practices for sustained growth

Reorganisation of resources for growth and efficiency



Restructuring of resources as the Group evolves into a logistics enterprise to facilitate our customers' supply chains – strategic business pillars of Australia, International and Singapore supported by a lean corporate HQ

Strengthened management bench



Divestment of non-core assets – for instance, Hubbed, Sino-Famous, SPeC business; review for strategic fit and returns

Recycling capital into growth areas

Business Strategy at a Glance

Building and scaling our networks across our 3 strategic pillars



Australia

Accelerated the acquisition of additional interest in FMH, raising our shareholding from 51% to 88%

Strengthened FMH's 3PL network with further acquisitions

Revenue and cost synergies among Australian operations



International

Re-engineered and strengthened international operations for greater efficiency and resilience

Facilitating customer cross-border supply chain requirements

Expanded offerings with new cost-effective, high-quality commercial solutions to complement postal



Singapore

Largest last-mile delivery fleet of electric motorbikes

Collaborating with key customers (e.g. Lazada) for carbon-efficient logistics solutions

Focused on infrastructure strategy

Awarded "Last Mile Partner of the Year" at Supply Chain Asia Awards 2022

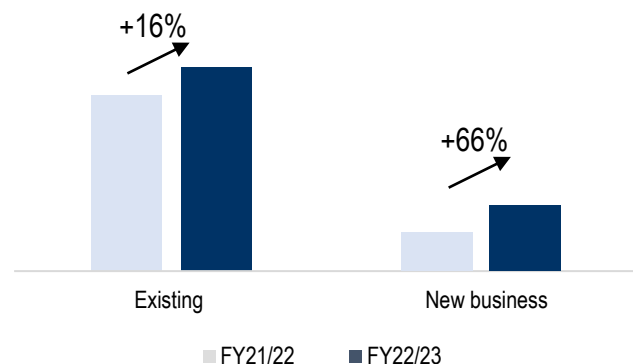
Continued Diversification of Revenues

Pursuing growth in new markets; rebalancing our portfolio



Australia

FMH business growth (revenue)



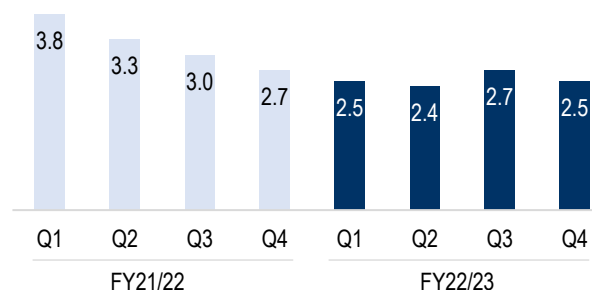
New customer acquisitions and increased customer volumes

Over A\$75 million annualised new business revenues



International

IPP outbound eCommerce logistics volumes (m kg)



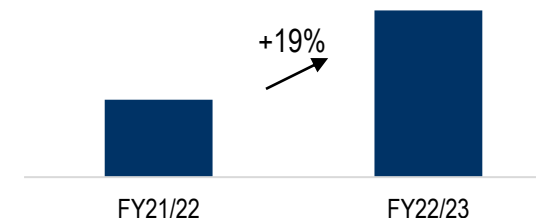
Declining conveyance costs; ex-Sin conveyance costs down 34% YoY as at Mar 2023

IPP cross-border eCommerce business showing improvement with re-opening of China and lower conveyance costs



Singapore

Top 5 eCommerce customers volume growth



Grew volumes from top 5 eCommerce customers by 19% YoY (despite insourcing by a major customer)

Reviewing commercial sustainability of domestic postal business

Serving Customers' Global Supply Chain Requirements

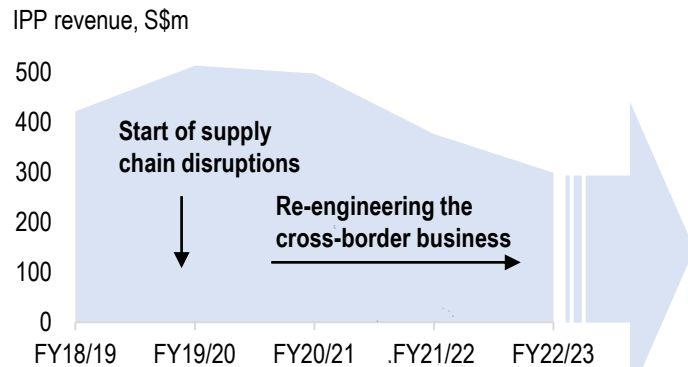


Re-engineering our international business



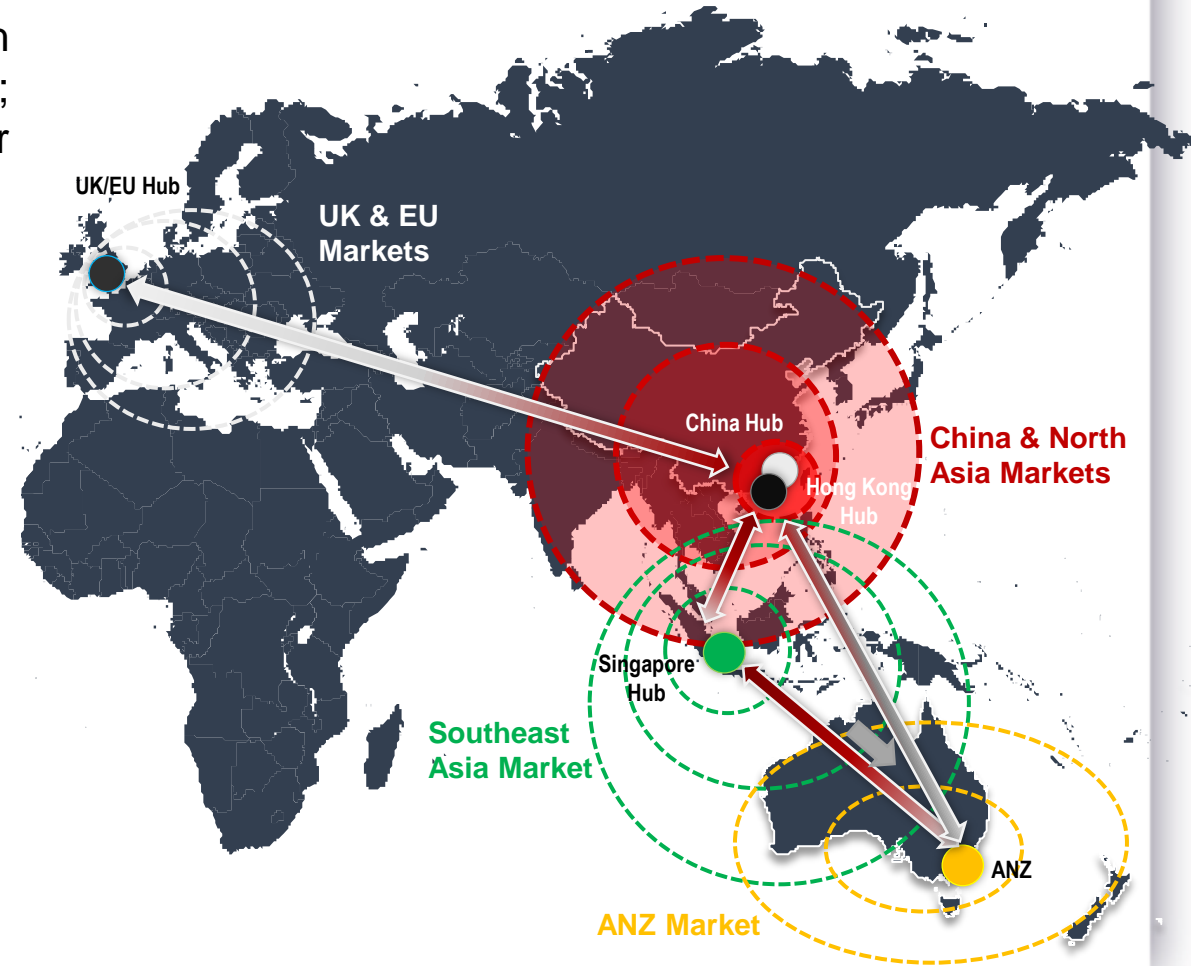
A stronger commercial network and business with the transformation of our cross-border business; positioned for growing global cross-border eCommerce market*

Impact of pandemic-related supply chain disruptions on IPP business



- Multimodal Network vs Single Transshipment Hub
- Focus on commercial solutions
- Digitally-enabled

* 25.1% CAGR to US\$3,042.2 billion over 2022-2028
(source: Vantage Market Research)



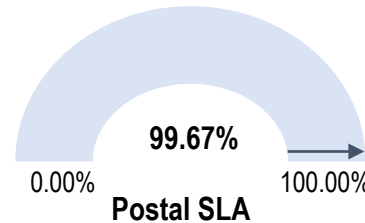
Commercial Sustainability of the Postal Operation



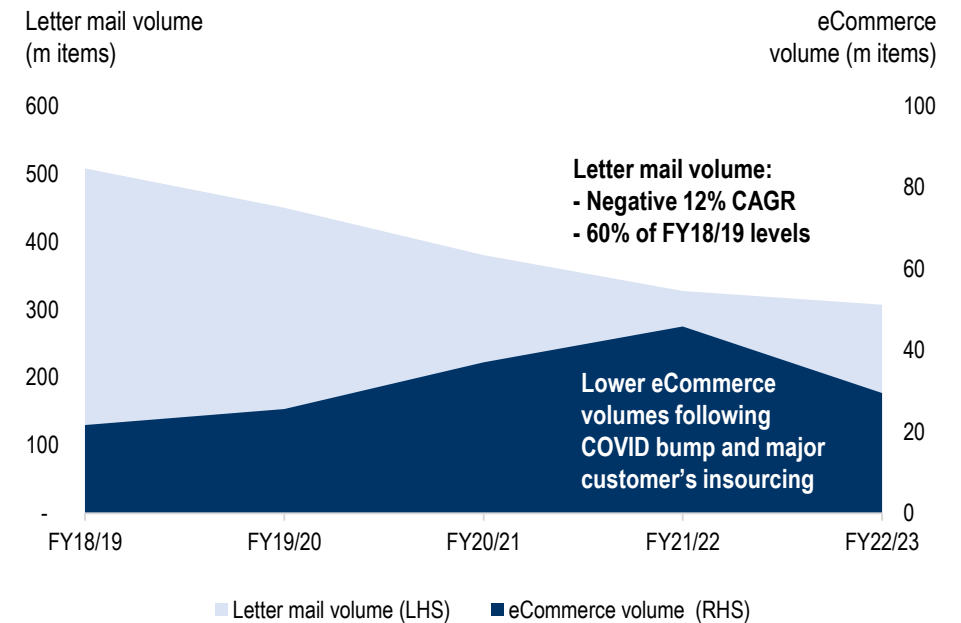
The Post & Parcel business recorded its first-ever loss for FY22/23, and the Group expects it to continue to be loss-making for FY23/24. SingPost is reviewing the commercial sustainability of the domestic postal business.

Highlights of the postal service:

- Provided best-in-class service quality standards (global benchmark)
- National essential service through pandemic with nation-wide deliveries of essential items such as ART kits, masks
- Single network incorporating both postal and eCommerce logistics to sustain viability of postal business
- Over S\$290 million invested since 2014 in innovation, and to upgrade postal and eCommerce infrastructure
- Continual process improvements made to raise productivity and efficiency



Operating leverage loss with letter mail decline and eCommerce pullback





Leading edge 4PL technology in Australia

- Rollout of FMH's 4PL proprietary technology platform, staying at the forefront of the market

Digital capabilities to power International business

- Re-engineering and enhancing International cross-border network through digital 4PL platform

Smart urban logistics infrastructure in Singapore

- Exploring logistics digital platform with AI-enabled data driven operations for a smart, green fleet
- Introduced POPDrop, innovative first-mile eCommerce solution for trackability of packages

Strengthened ESG practices for sustained growth

Cherishing our Planet

On track to meeting environmental targets
Advanced TCFD journey
ESG performance as part of management remuneration and organisational balance scorecard

Culture of Trust

Recognised for governance
Improved health and safety indicators
Greater gender diversity

Collaborative Partnerships

Innovating for customers
Recognised for customer service excellence



Net-Zero Goals

By 2030: Scope 1 & 2 in Singapore
By 2050: Scope 1, 2 & 3 globally



30%

Reduction of total Scope 1 and 2 carbon emissions in Singapore from FY2018/19 (baseline)



32%

Of total fleet converted to electric vehicles



22%

YoY improvement in Total Recordable / Loss Time Injury Frequency Rate



40%

Women representation in senior management



Winner

Diversity Category, Singapore Corporate Governance Award, SIAS Investors' Choice Awards 2022



Operating environment continues to pose challenges

eCommerce growth back at pre-pandemic growth trajectory across most markets

China re-opening presents opportunities for cross-border eCommerce growth again

Normalising of supply chain and increase in air capacity resulting in lower air and sea freight rates



Post & Parcel segment expected to continue to be loss making in FY23/24

Board initiates Group strategic review

SingPost is transforming into a global logistics enterprise and is well positioned in high growth markets with the scope for further transformational investment.

As the next step in transformation, the Board has initiated a strategic review of the Group's portfolio of businesses, with a view to enhancing shareholder returns and ensuring the Group is appropriately valued.

The Group will make further announcements as appropriate on the outcome of the strategic review. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

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Financial Results

Vincent Yik, Group CFO

Key Performance Highlights



A global logistics company with a diversified portfolio

Growth in new business areas – in Australia, Logistics

FMH consolidation for full year

Post & Parcel recorded first-ever full year loss; impact of declining delivery volumes, inflationary cost increases

Full year FY22/23 Highlights

Group revenue	↑ 12.4% YoY to S\$1,872.3m
Logistics revenue	↑ 32.4% YoY to S\$1,322.4m
Logistics op. profit	↑ 91.3% YoY to S\$84.7m
Post & Parcel op. loss	(S\$15.9m)

Key Performance Highlights



H2 FY22/23 Highlights

Group revenue ↓ 2.2% YoY
to S\$913.4m

**H2 net profit
vs H1 loss** S\$34.6m
vs (S\$9.9m)

Logistics op. profit ↑ 54.0% YoY
to S\$43.2m

Post & Parcel op. loss (S\$3.8m)

Improved H2 net profit over H1

Growth in Australia business partially offset freight forwarding decline in H2 and lower Post & Parcel revenue

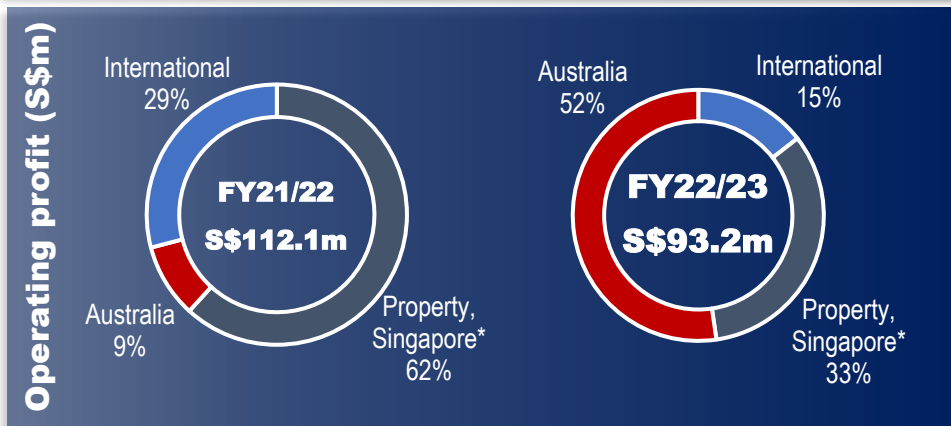
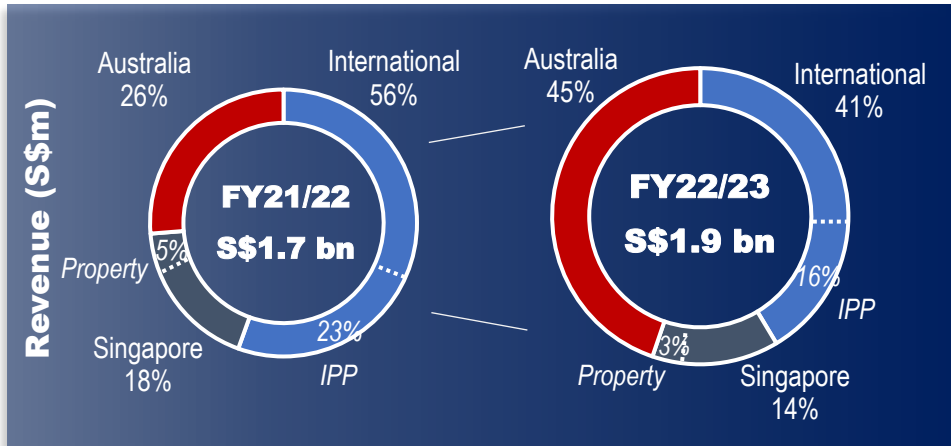
H2 net profit vs loss in H1

Logistics operating profit growth despite lower freight forwarding contribution

Post & Parcel H2 loss

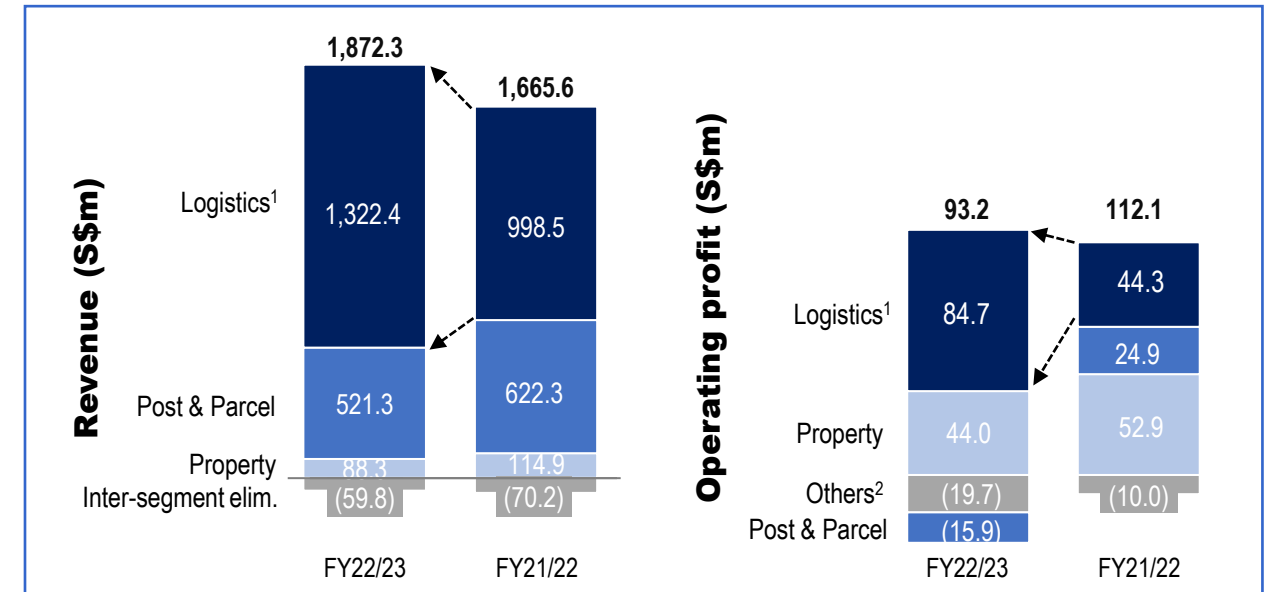
Shift in Revenue and Profit Mix

By strategic pillars



Diversification of the Group's businesses, with growing revenue and profits generated internationally

By segments



Note: Proforma. Singapore: Includes Domestic Post & Parcel, the 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, Australia and New Zealand), and Famous Holdings.

* Including Others which comprise corporate overhead items.

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: H2 & FY22/23 Performance



Logistics now 70% of Group revenue and >90% of Group profit

(FMH) Growth on back of increased volumes, new customers and acquisitions; full year consolidation vs 4 months previously

(CouriersPlease) Improved margins with operational restructuring

(Famous) Exceptional revenues during pandemic; normalising supply chain leading to lower revenue

Segment P&L, S\$m	FY22/23	FY21/22	% change	H2 FY22/23	H2 FY21/22	% change
Revenue	1,322.4	998.5	+32.4%	641.5	619.0	+3.6%
Australia businesses ¹	815.1	413.6	+97.1%	413.4	293.7	+40.8%
Freight forwarding	417.7	478.4	(12.7%)	183.3	271.4	(32.5%)
Other logistics businesses ²	93.4	109.0	(14.3%)	46.4	55.6	(16.6%)
Operating Profit	84.7	44.3	+91.3%	43.2	28.1	+54.0%

1. Include Couriers Please and FMH which became a subsidiary wef Dec 2021.

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

Total figures may not tally due to rounding.

Post & Parcel: H2 & FY22/23 Performance



First ever loss for Post & Parcel for full year

Revenue:

(IPP) Lower cross-border volumes; China lockdowns during the year

(DPP) Lower eCommerce volumes following COVID bump and insourcing by major customer; continued letter mail decline

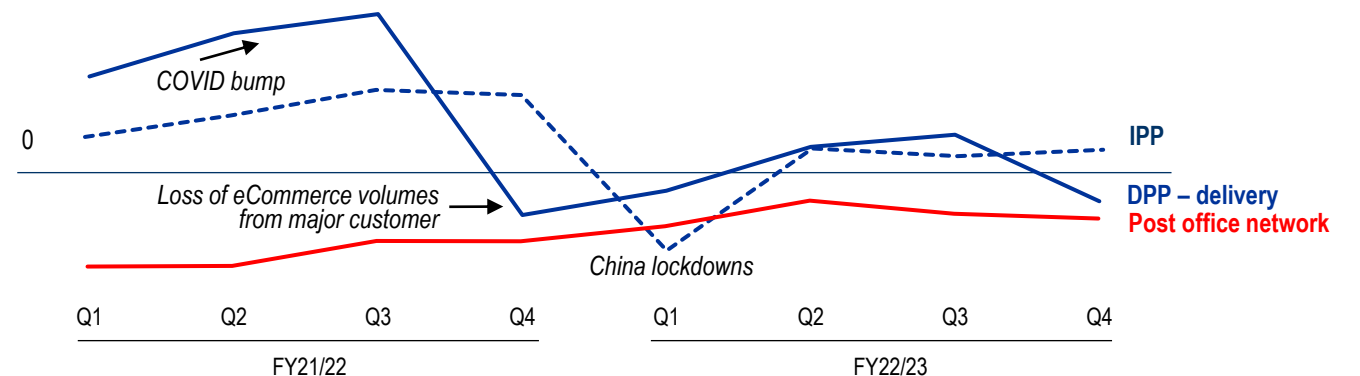
Full year loss due to the decline in delivery volumes, coupled with inflationary increases in labour, utility, fuel and conveyance expenses

Segment P&L, S\$m	FY22/23	FY21/22	% change	H2 FY22/23	H2 FY21/22	% change
Revenue	521.3	622.3	(16.2%)	259.6	296.8	(12.5%)
International (IPP)	298.2	375.3	(20.5%)	145.4	173.6	(16.2%)
Domestic (DPP) ¹	224.0	247.0	(9.3%)	114.8	123.2	(6.8%)
Operating Profit	(15.9)	24.9	n/m	(3.8)	13.6	n/m

1. Comprising Delivery business and Post office network.

Total figures may not tally due to rounding.

Postal performance



Strong Financial Position



Positioned for growth

Strong operating cashflow

Divestments of non-core assets to recycle capital

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

Cash holdings of ~S\$500 million for opportunities for growth

Borrowings are mainly (over 99%) medium to long term, with ~93% locked in at fixed rates

Operating Cash Inflow

S\$115.7m
vs S\$89.5m
in FY21/22

Investing Cash Outflow

S\$27.2m
vs S\$53.3m
in FY21/22

Financing Cash In/Outflow

S\$126.8m inflow
vs S\$255.8m outflow
in FY21/22

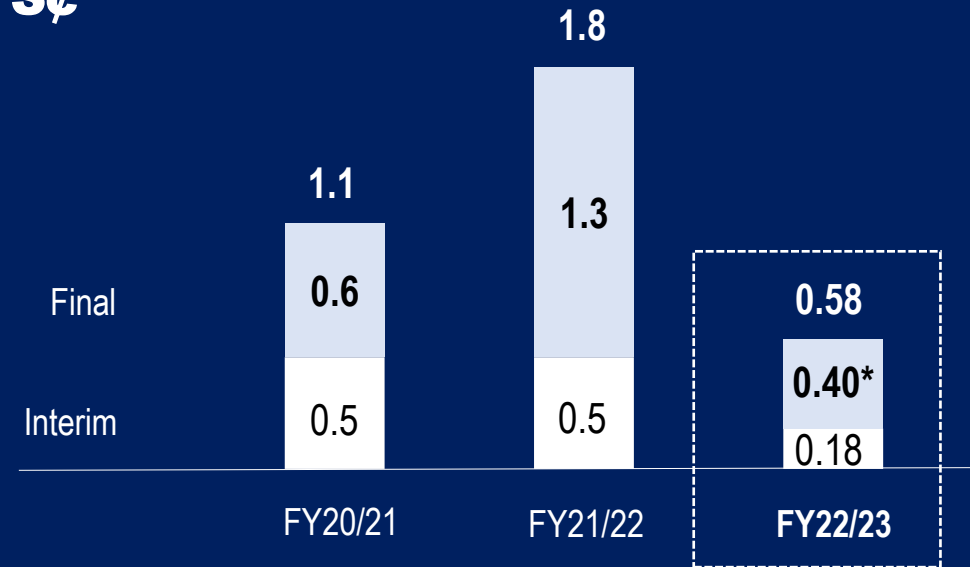
Proposed final dividend

Proposed final dividend of 0.40 cents per share, subject to shareholders' approval at AGM

Together with interim dividend of 0.18 cents for H1, total dividend for FY22/23 would amount to 0.58 cents per share

Total payout: 40% of FY22/23 Underlying Net Profit

Dividend per share S¢



* subject to shareholders' approval at AGM



Annex

Property: H2 & FY22/23 Performance

Lower Property contributions due to deconsolidation of GSC

SingPost Centre occupancy rate of 98.2% as at 31 March 2023 (vs 95.8% as at 31 March 2022)

Impact of higher operating costs such as utilities expenses

Segment P&L, S\$m	FY22/23	FY21/22	% change	H2 FY22/23	H2 FY21/22	% change
Revenue ¹	88.3	114.9	(23.1%)	37.6	55.2	(31.9%)
Property ¹	84.8	99.0	(14.4%)	34.0	50.2	(32.3%)
Self storage business ²	-	16.6	n/m	-	5.3	n/m
Operating Profit	44.0	52.9	(16.7%)	21.3	26.2	(18.8%)

1. Includes inter-segment eliminations; change in internal revenue allocation in H2

2. Self storage business General Storage Company (GCS) was sold in Dec 2021.

Total figures may not tally due to rounding.



End