



Financial results Q1 FY2018/19

3 August 2018



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 conditions, 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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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 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.

- Q1 FY2018/19 Financials
- Cash flow and Balance sheet
- Segmental results
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Overview – Q1 FY2018/19

Revenue

S\$372.6 million
+3.3% YoY

Operating Profit before exceptional items

S\$39.2 million
+1.2% YoY +22.5% QoQ

Free cash flow

S\$62.1 million
+93.9% YoY

Underlying net profit

S\$24.7 million
-9.8% YoY +60.4% QoQ

Continued strong free cash flow generation

Q1 FY2018/19 financial statement

S\$M	Q1 FY18/19	Restated Q1 FY17/18	YoY % change
Revenue	372.6	360.5	+3.3%
Total expenses	(336.3)	(327.6)	+2.7%
Operating profit before exceptional items	39.2	38.8	+1.2%
Exceptional items	(6.0)	4.0	N.M.
Share of associated companies & JVs	(3.5)	(2.8)	(24.0%)
Income tax expense	(11.6)	(8.4)	+38.8%
Net profit attributable to equity holders	18.7	31.4	(40.4%)
Underlying net profit	24.7	27.3	(9.8%)

Q1 FY2018/19 operating expenses

S\$M	Q1 FY18/19	Restated Q1 FY17/18	YoY % change
Volume-related	(200.3)	(188.6)	+6.2%
<i>Traffic & related</i>	(120.9)	(112.7)	+7.3%
<i>Outsourcing services and delivery expenses</i>	(79.4)	(76.0)	+4.6%
Labour & related	(78.3)	(82.8)	(5.5%)
Admin & others	(38.4)	(34.7)	+10.7%
Depreciation & amortisation	(14.3)	(14.1)	+1.6%
Selling	(2.4)	(3.1)	(22.6%)
Finance expense	(2.7)	(4.4)	(39.4%)
Total expenses	(336.3)	(327.6)	+2.7%

Highlights – Q1 FY2018/19

Winning in our home market

Parcel sorting utilisation

24%

Up from 16% in Q1 FY17/18

Parcel sorting volumes

+47%¹ YoY

Average daily volume of 23,600 in Q1 FY18/19 vs 16,100 in Q1 FY17/18

Igniting future growth engines

- Drive SEA end-to-end capabilities

Awarded Southeast Asia logistics and warehousing master contract with Specialized bicycles



Extract full value from investments

- Maximum value from international subsidiaries



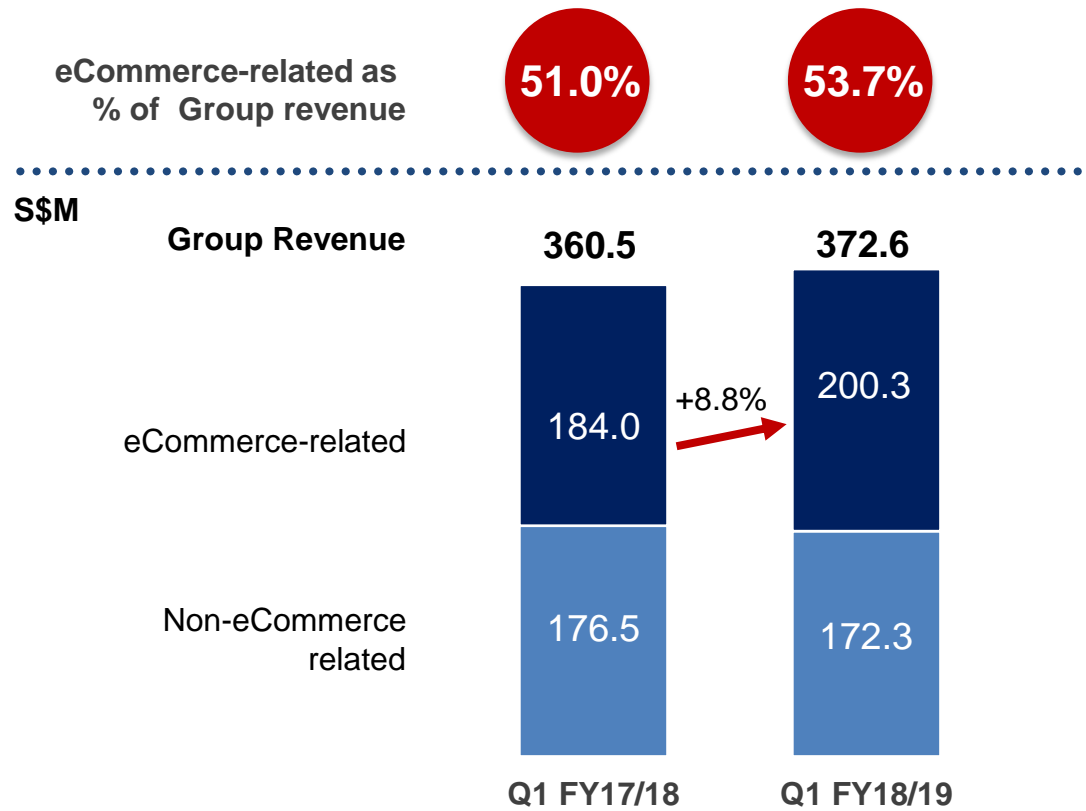
Improved performance from Quantum Solutions, which narrowed losses by 45% compared to last year.

Drive to cost leadership

Total non volume-related expenses

-2.2% YoY

eCommerce-related revenue continues to grow



Cash flow & Balance sheet



Strong free cash flow generation

S\$M	Q1 FY18/19	Q1 FY17/18
Net cash provided by operating activities	71.3	58.4
Capital expenditure	(9.2)	(26.4)
Free cash flow	62.1	32.0

Strong financial indicators

S\$M	Financial indicators	As at Jun 2018	As at Mar 2018
	Cash & cash equivalents at end of financial period	377.6	314.1
	Borrowings	248.2	244.0
	Net cash position	129.4	70.1
		Q1 FY18/19	Q1 FY17/18
	EBITDA ¹	50.1	50.2
	EBITDA ¹ to interest expense (times)	21.1x	17.7x

1. Excluding exceptional items

Segmental results

From 1 April 2018, SingPost Group has reclassified the reporting of certain business units into four key business segments.

Post and Parcel

Comprises the core Postal and Singapore parcel delivery business of the Group. This includes Domestic mail, International mail, vPost, products and services transacted at the Post Offices, as well as the Singapore parcel delivery business SP Parcels.

eCommerce

Comprises the front-end related eCommerce businesses. This includes SP eCommerce in Asia Pacific, as well as our US eCommerce businesses TradeGlobal and Jagged Peak.

Logistics¹

Comprises the Logistics businesses of the Group. Includes Quantum Solutions, Couriers Please and Famous Holdings.

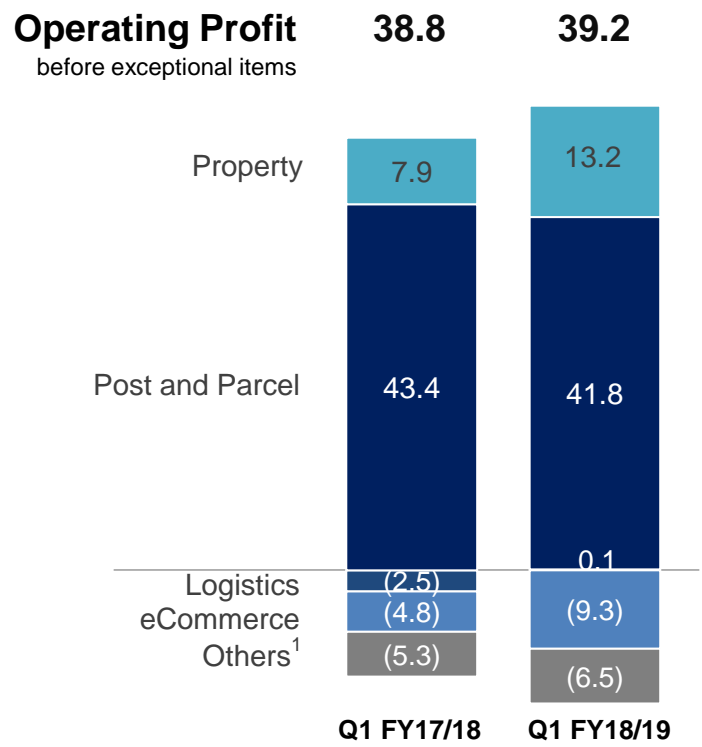
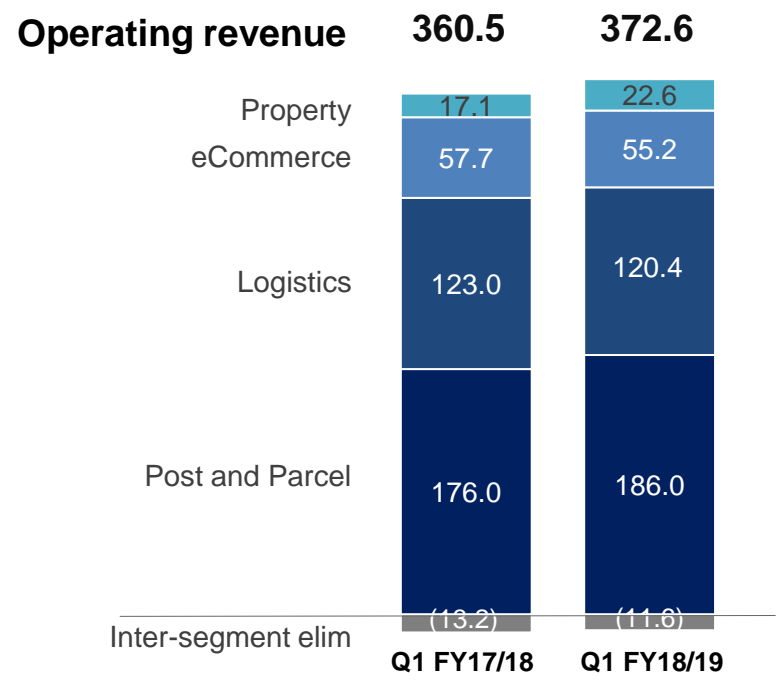
Property

Includes commercial property rental, as well as the self-storage business of General Storage Company (“GSC”).

1. The comparative period last year had included SP Parcels, General Storage Company and other logistics businesses.

Segment revenue and operating profit

S\$M



1. Refer to unallocated corporate overhead items and trade-related foreign currency translation differences.

Post and Parcel

S\$M

Post and Parcel	Q1 FY18/19	Q1 FY17/18	YoY % change
Revenue	186.0	176.0	+5.7%
<i>Domestic mail</i>	56.9	58.4	(2.5%)
<i>International mail¹</i>	99.7	88.2	+13.0%
<i>SP Parcels</i>	22.6	21.7	+3.9%
<i>PO pdts and svcs</i>	6.7	7.6	(11.4%)
Operating Profit	41.8	43.4	(3.8%)
OP margin	22.5%	24.7%	

Increased cross-border and domestic eCommerce deliveries helped mitigate decline in domestic letter mails.

Measures implemented for International mail reduced adverse impact of higher terminal dues. However, margins were lower compared to last year. Consequently, Post and Parcel operating profit declined 3.8%.

1. Includes cross-border eCommerce items via transshipment

S\$M

Logistics	Q1 FY18/19	Q1 FY17/18	YoY % change
Revenue	120.4	123.0	(2.2%)
<i>Quantium Solutions¹</i>	24.0	25.1	(4.3%)
<i>Couriers Please²</i>	36.5	34.8	+4.9%
<i>Famous³</i>	59.8	63.1	(5.3%)
Operating Profit	0.1	(2.5)	N.M.
OP margin	0.1%	(2.0%)	

Logistics segment registered operating profit of S\$0.1 million compared to operating losses last year, led by improved performance from Quantium Solutions, which narrowed its losses by 45% compared to last year.

Earnings contribution from Famous Holdings and Couriers Please rose.

1. A specialist in logistics and fulfilment services for businesses in the Asia Pacific.

2. Australia last-mile delivery

3. Freight forwarding

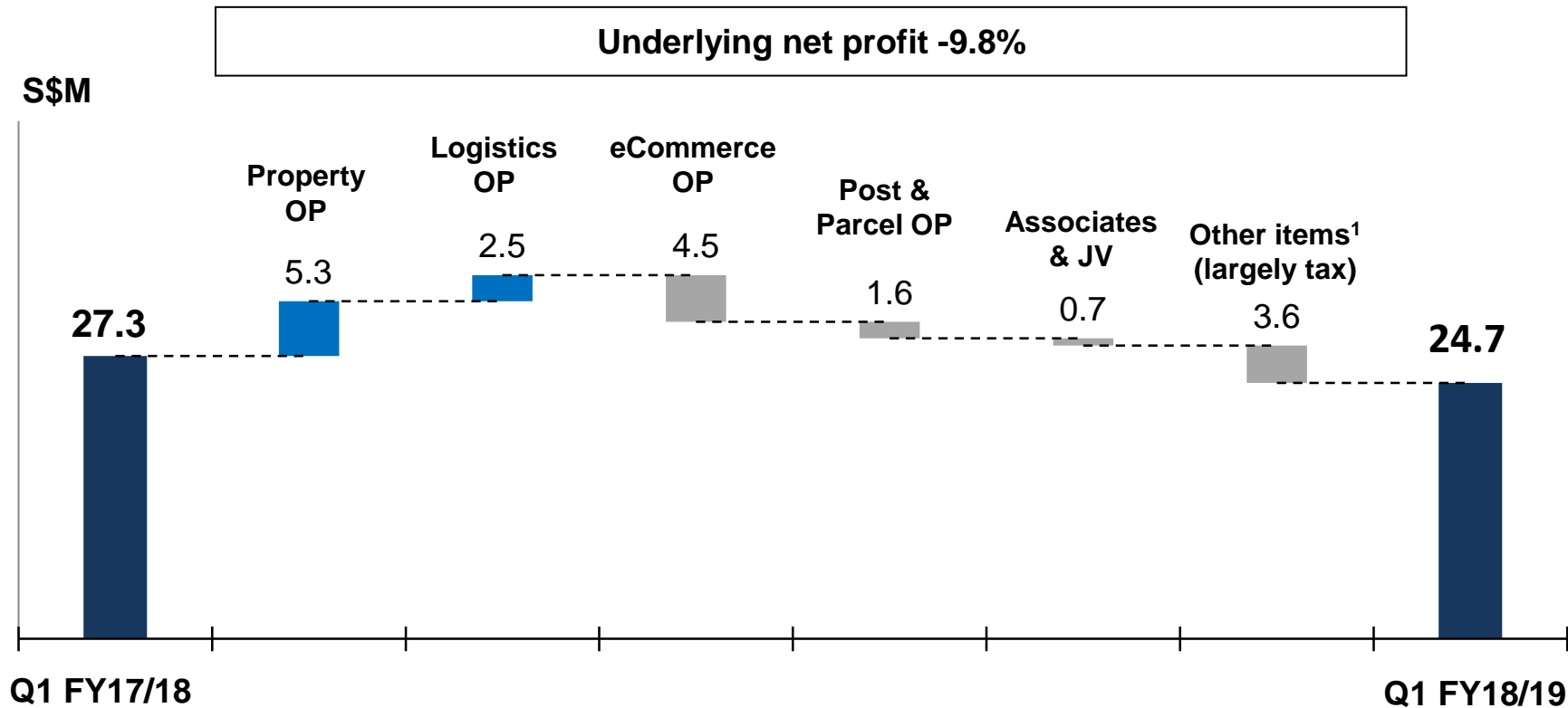
N.M. denotes Not Meaningful

S\$M

eCommerce	Q1 FY18/19	Q1 FY17/18	YoY % change
Revenue	55.2	57.7	(4.3%)
<i>US Businesses</i>	<i>51.5</i>	<i>53.2</i>	<i>(3.3%)</i>
<i>SP eCommerce</i>	<i>3.8</i>	<i>4.5</i>	<i>(16.3%)</i>
Operating Profit	(9.3)	(4.8)	(94.0%)
OP margin	(16.9%)	(8.3%)	

Operating losses rose largely due to the US Businesses, which experienced pricing pressures, change in sales mix from higher margin fulfilment services towards lower margin freight services, as well as an increase in technical labour cost to support business integration.

Underlying net profit movement



1. Include unallocated corporate overhead items, trade-related foreign currency differences and other items such as tax

Summary



Revenue rose 3.3%, driven by International mail and Property

Net profit down 40.4% due largely to exceptional fair value losses from warrants in an associated company

Underlying net profit declined 9.8% as the improved operating profit performance before exceptional items was offset by lower associates' contribution and higher taxes

Cash flow and balance sheet position:

- free cash flow almost doubled to S\$62.1 million
- improved net cash position of S\$129.4 million

Q1 FY18/19 interim dividend of 0.5 cent per share declared

Thank You



Strategy

Our Strategy

A Win in our home market

- Gain leading share in Parcels
- Drive scale of eCommerce warehouse and fulfillment
- Accelerate urban solutions for a Smart Nation
- Mitigate mail decline through innovative digital solutions

B Ignite future growth engines

- Drive Southeast Asia with end-to-end capabilities
- Capture global cross-border eCommerce flows

C Extract full value from investments

- Maximise value from international subsidiaries and associates
- Turnaround TradeGlobal and scale combined US businesses

D Drive to cost leadership

- Optimise cost position
- Drive productivity, reduce non-conformance
- Instill continuous improvement

Winning in our home market

Strong infrastructure and scale advantage



No.1

last mile provider
in Singapore

Singapore's Public Postal Licensee

3 million mail items a day **57** post offices **743** street posting boxes

Drive scale of eCommerce warehousing & fulfilment,
Accelerate urban solutions for a Smart Nation

Automated warehousing & parcel sorting Logistics Hub

100,000
daily parcels capacity



Widest smart-locker network and self-service automated kiosks

11,500 POPStation lockers across 164 locations



300
Self-service Automated kiosks

Providing end-to-end eCommerce logistics solutions



e-commerce

Integrated end-to-end solutions



Front-end solutions



Warehousing & Fulfilment



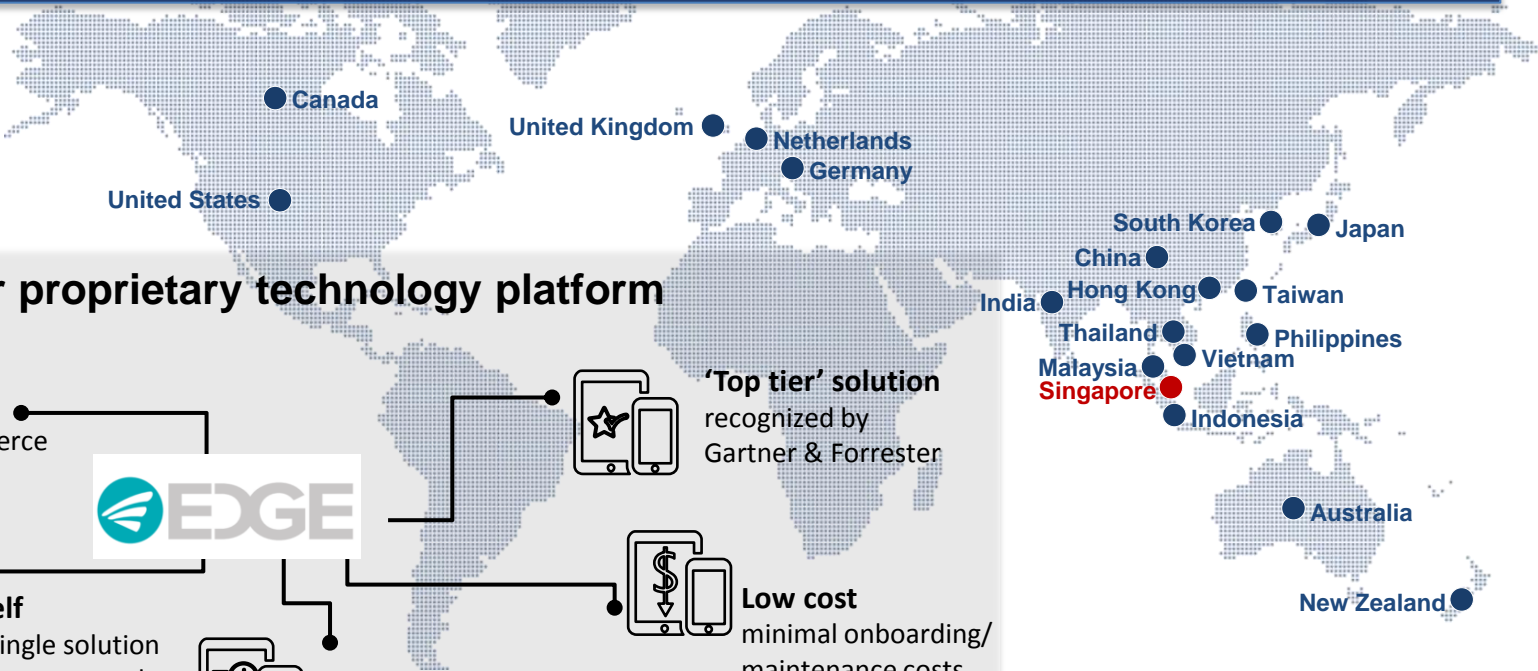
Last-mile delivery & returns



Freight & Line-haul

Capturing global cross-border eCommerce flows

Operating in 19 markets, wholly owned last mile in Singapore & Australia



Leveraging our proprietary technology platform

