GENERAL ANNOUNCEMENT::STANDARD & POOR'S RATINGS SCORE SNAPSHOT

Issuer & Securities

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SINGAPORE POST LIMITED

Securities

SINGAPORE POST LIMITED - SG1N89910219 - S08

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date &Time of Broadcast

27-Mar-2023 17:30:54

Status

New

Announcement Sub Title

Standard & Poor's Ratings Score Snapshot

Announcement Reference

SG230327OTHRBJUJ

Submitted By (Co./ Ind. Name)

Jonathan Ooi Wei Hsin (Mr)

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please refer to the attachment.

The views and opinions expressed in this report are those of the authors and do not necessarily reflect the view and position of Singapore Post Limited.

Attachments

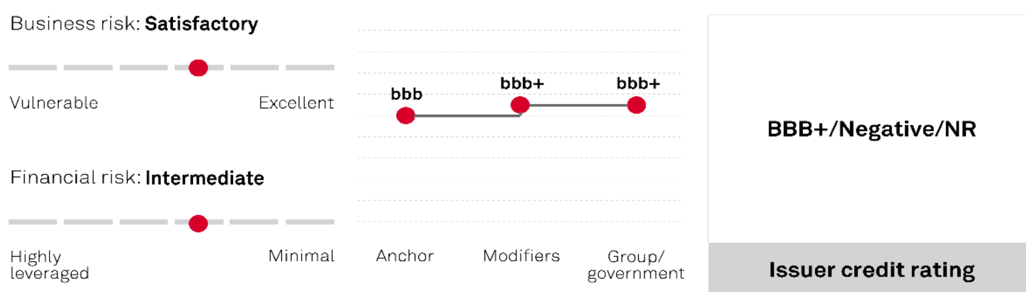
SnPRatings_Mar2023.pdf

Total size =260K MB

Singapore Post Limited

March 24, 2023

Ratings Score Snapshot



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Credit Highlights

Overview

Key strengths	Key risks
Established position in the postal service industry in Singapore.	Limited rating headroom due to accelerated investments.
Diversification to Australia mitigates concentration risks in home country.	Earnings risks from volatile freight rates in the logistics business
Some margin stability, driven by the property segment.	Structural decline in postal industry.

Uncertainty from put options has subsided following Singapore Post Ltd.'s (SingPost) accelerated investment in Freight Management Holdings Pty Ltd. (FMH). The Singapore-based postal operator will take out most of the put options held by the minority investors of Australia-based FMH. These options allow the investors to sell their remaining stakes to SingPost at later dates.

We view the accelerated investment as broadly credit-neutral. Our base case and adjusted debt have accounted for cash needs that might stem from the trigger of these put options. The accelerated transaction replaces a sizable amount of put options included in SingPost's S&P Global Ratings adjusted debt with on-balance sheet debt.

SingPost will spend about A$175.4 million (about S$160 million) to acquire an additional 37% stake in FMH. The transaction will increase the company's ownership in FMH to 88% by the end of March 2023. FMH is a logistics company.

However, the transaction will not add to SingPost's earnings. This is because SingPost already fully consolidates FMH based on its existing 51% ownership. The additional acquisition is pending statutory approvals.

While we believe SingPost will have sufficient cash reserves to fund the transaction, the company will likely utilize available bank loans to preserve liquidity. It will need to preserve some cash to acquire the remaining 12% of FMH. That stake will remain under both evergreen call and put options that existing FMH shareholders or SingPost could exercise during pre-determined months every year.

SingPost had a cash balance of S$435.8 million as of Sept. 30, 2022.

Our negative outlook on SingPost reflects the structural decline in the postal and parcel industry. Operating and structural difficulties are intensifying for the post and parcel business. Companies globally have moved to online correspondence and reduced printed letters.

Exacerbating this are rising costs. These include high conveyance costs and operating expenses such as fuel and utilities.

The loss of a major customer in the domestic e-commerce business also accentuated the difficulties for SingPost. Mail volumes continued to weaken by 2% year on year in the first half of fiscal 2023 (year-end March 31). Operating margins fell below 10% for the first time in decades. This translated into an operating loss of Singapore dollar (S$)12 million at the postal and parcel segment during the period.

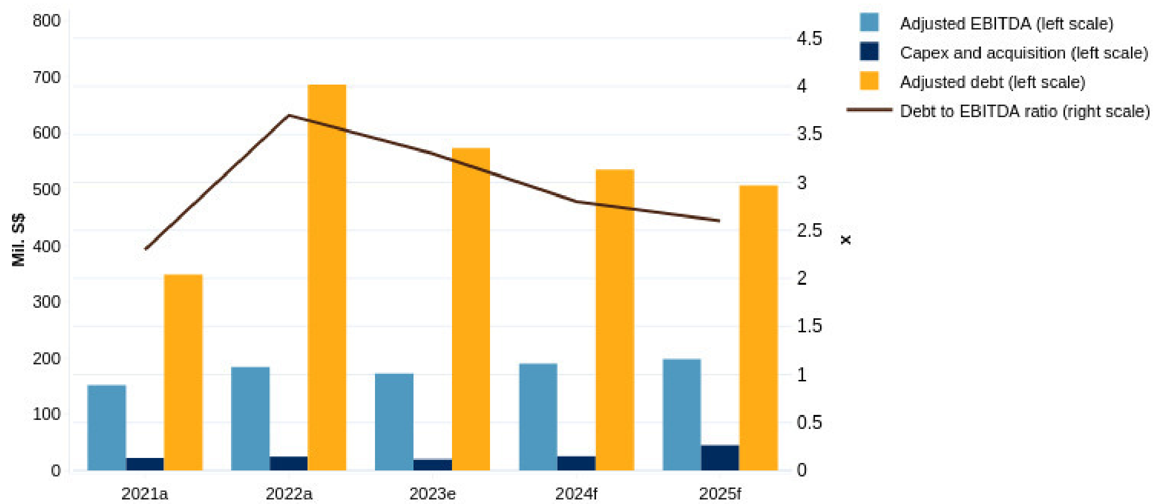
The extent and timing of a recovery is uncertain. Whether SingPost's newly-acquired logistics business can sustain earnings could become clearer over the next two years.

Whether freight rates will remain high is uncertain. Freight rates and supply-demand dynamics will determine the outlook of SingPost's logistics business over the next two to three years. Freight rates may continue to subside, given easing COVID restrictions and port congestions.

A subdued economic outlook could also dampen logistics demand overseas and inland over the next one to two years. In addition, logistics companies continue to face higher operating costs amid high inflation and oil prices. As such, FMH may or may not be able to sustain its robust earnings of the past two years.

SingPost's Adjusted Debt Will Gradually Subside Given A Smaller Quantum of FMH Put Options

The company's earnings outlook is dampened by a less supportive outlook for the postal and logistics businesses



The fiscal year end is March 31. FMH--Freight Management Holdings Pty Ltd. a--Actual. e--Estimate. f--Forecast. S$--Singapore dollar.
Adjusted debt includes SingPost's S$350 million in perpetual securities and put option granted to FMH.
Source: S&P Global Ratings.

Outlook

The negative outlook on SingPost reflects the heightened risk of a downgrade stemming from weakening business prospects for its postal and parcel business, continual structural changes, and our expectations that leverage could remain elevated, beyond 2.5x. Uncertainty remains over the likelihood of a recovery in earnings and credit metrics. Full-year earnings results will be crucial in signaling SingPost's earnings trajectory.

Downside scenario

We may downgrade SingPost if we expect earnings decline to continue, keeping leverage elevated. A downgrade could follow if we no longer expect the debt-to-EBITDA ratio to remain below 2.5x. The rating could also be pressured by accelerating structural changes in its underlying business as the company repositions itself as a logistics player, such that profitability or leverage were to permanently weaken compared with industry peers.

Upside scenario

We may revise the outlook back to stable if SingPost demonstrates its ability to enhance profitability and strengthen its competitive position such that it will counter the structural decline in the postal and parcel business. This will help the company maintain leverage that is more consistent with the 2.5x threshold commensurate with the 'BBB+' rating.

Our Base-Case Scenario

Assumptions

- Singapore real GDP to grow by 2.3% in 2023, versus 3.6% we forecast for 2022. Growth will likely stabilize at 3.0% from 2024. Subdued growth to affect consumer consumption and e-commerce.

- Australia real GDP to grow by 1.7% in 2023 and 1.9% in 2024, versus 3.9% we anticipate for 2022. Growth to rebound to 2.5% in 2025. The slowdown will dent the logistics business.
- Revenue to increase 12%-17% in fiscal 2023, supported by the consolidation of FMH. Revenue increase to normalize to 1%-5% from fiscal 2024, in line with softening economies.
- Adjusted EBITDA of S$165 million-S$175 million in fiscal 2023, and S$180 million-S$200 million from fiscal 2024.
- Capital expenditure (capex) of S$15 million-S$25 million in fiscals 2023-2024 and S$40 million-S$50 million in fiscal 2025. SingPost to spend part of this on reinforcing the logistics business.
- Dividends, including preferred dividends, of S$40 million-S$50 million over the next three years.

Key metrics

Singapore Post Ltd.--Key Metrics*

	2022a	2023e	2024e	2025e
Revenue growth (%)	18.6	12-17	1-5	1-5
EBITDA margin (%)	11.0	7-11	8-12	8-12
DCF (Mil. S$)	13.5	9-11	68-72	55-60
Debt/EBITDA (x)*	3.7	3.0-3.5	2.4-2.8	2.4-2.8

*S&P Global Ratings' fully adjusted figures. a--Actual. e--Estimate. DCF--Discretionary cash flows (cash flow from operations minus gross capital expenditure minus dividends). S$--Singapore dollar.

Structural decline and rising costs will remain obstacles for the post and parcel segment. Despite SingPost's fee increases in early 2023, revenue in the domestic postal market may not increase.

A steady structural decline in letter and printed-paper volumes will continue to hinder the segment's earnings recovery. Moreover, an economic slowdown could affect the e-commerce logistics segment, which accounts for about half of domestic postal revenue.

High air conveyance costs on the back of costlier energy will eat into margins for international mail volume. We expect this to keep EBITDA margins in the post and parcel segment at 5%-8% in fiscals 2024-2026.

Growth in the logistics business will temper loss of earnings from postal services over the next one to two years. SingPost has fully consolidated FMH since its stake reached 51% in late 2021. We expect the logistics business to account for about 60% of the company's EBITDA over the next three to four years.

The earnings sustainability of FMH, however, remains in question. Any major decline in oil prices and freight rates could lower the company's earnings.

In addition, Australia’s economy could soften from 2023 onward. This would in turn affect consumption and consequently, the logistics industry. We therefore expect low-single-digit revenue growth for FMH from fiscal 2024 onward, consistent with our expectations for Australia’s economic growth.

EBITDA margins from SingPost's logistics business will likely remain in the high single digits over the next two years. This marks a significant improvement from revenue contractions and low-single-digit margins in the business before the acquisition of FMH.

Property contributions should remain largely supportive. We expect EBITDA of S$65 million-S$70 million from the property business in fiscals 2023-2026, backed by steady lease renewals.

Put options associated with the residual stake in FMH will be less of a burden on FMH's balance sheet. This implies SingPost will carry the value of S$75 million-S$100 million of these debt-like obligations on its balance sheet over the next one to two years.

Our base case does not incorporate the put options or any impact from FMH's exercise of its CouriersPlease option. SingPost has granted FMH an option to acquire 100% of CP Holdings Ltd. The latter is SingPost's indirect wholly owned subsidiary.

CP Holdings operates CouriersPlease, a parcel delivery player in Australia. FMH can exercise its CouriersPlease call option anytime between September 2022 and September 2023. The exercise price will be determined at the time of exercise.

Our base case also does not assume any proceeds from the divestment of the e-commerce asset in China. This is because the divestment is subject to regulatory approval for the loan capitalization of Shenzhen 4PX Information and Technology. In addition, the amount of proceeds and timing will depend on finalization of the transaction.

SingPost is selling its ownership in 4PX to Alibaba-owned Zhejiang Cainiao Supply Chain Management Co. Ltd. (Cainiao). 4PX has a RMB400 million loan from Cainiao which it would have to convert to equity before SingPost can divest 4PX to Cainiao.

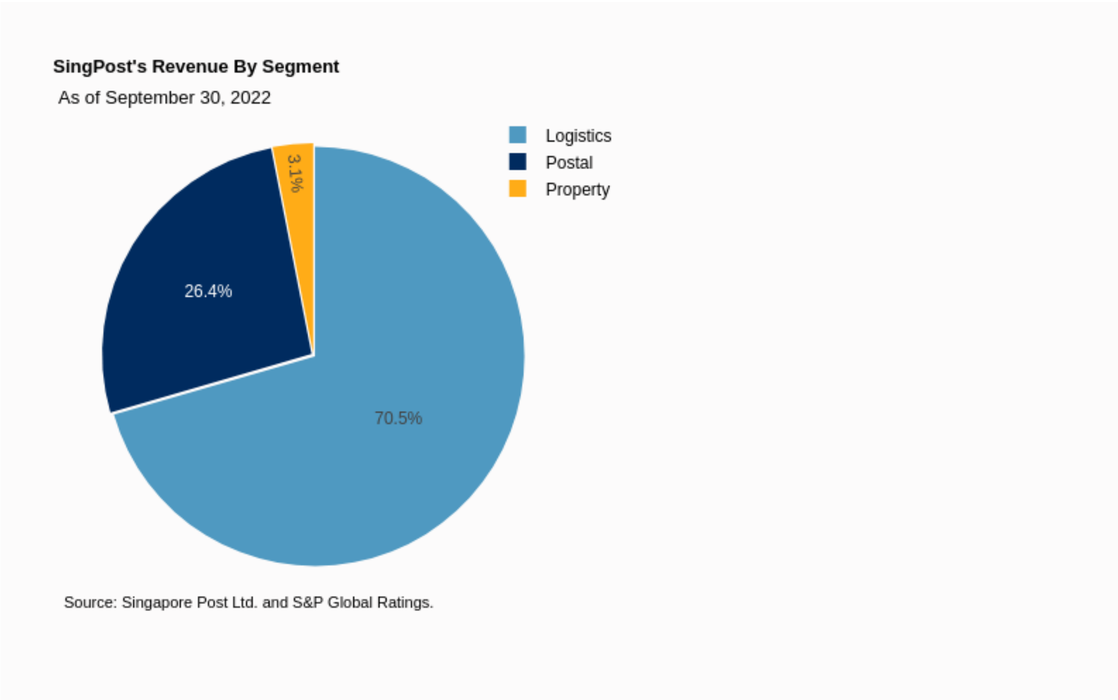
SingPost's stake will drop to 17.6% from 19.8% after 4PX's loan capitalization. SingPost intends to sell this 17.6% stake to Cainiao via two put options: (1) the sale of a 7.6% stake for S$49.4 million cash; and (2) the sale of 10.0% for S$52.0 million cash or a transfer of Cainiao's shares in Quantium Solutions International Pte. Ltd. (QSI), a SingPost subsidiary, to SingPost.

If SingPost proceeds with the transaction, it could receive minimum cash of S$49.4 million and S$51.9 million worth of shares in QSI, or maximum cash of S$101.3 million. The company could benefit from additional cash proceeds within six or nine months from January 2023, subject to regulatory approvals and the exercise of both put options.

Company Description

Founded in 1819, SingPost provides postal and logistics services in Singapore and internationally. For the six months ended Sept. 30, 2022, the company had revenue of S$958.9 million, up about 31.1% from a year ago.

SingPost is listed on the Singapore stock exchange, with Singapore Telecommunications Ltd. (Singtel) holding a 22% stake and Alibaba Investment Ltd. holding a 15% stake.



Peer Comparison

We select Australia Post Corp., New Zealand Post Ltd., Royal Mail PLC, and PostNL N.V. as SingPost's closest peers.

SingPost and its peers are commercially-run businesses that provide essential public services. They therefore hold dominant market positions in their home countries.

Unlike most of its peers, however, SingPost is not directly owned by the Singapore government. The company's largest shareholder is telecom company, Singtel. Consequently, SingPost does not have the same onerous obligation to maintain and provide job security as its Australian counterpart.

As a commercially-oriented business, SingPost has lower public obligations. This contributes to the company's lower fixed costs and marginally higher profitability in the postal business. However, less public obligation means a more distant relationship with the Singapore government.

In our view, the relationship is comparable to Royal Mail's relationship with the U.K. government. As a result, we do not consider SingPost as a government-related entity.

Like the Netherlands-based PostNL, SingPost is geographically diverse. The company generates a high proportion of overseas revenue, notably from Australia. Other postal operators depend on population density in their home countries for revenue.

SingPost's more diversified portfolio and competitive cost structure help to protect its EBITDA margin. This was about 11% in fiscal 2022, at the higher end of the 6.5%-13.0% range for most of its peers.

However, SingPost may find it difficult to restore its margins while managing its balance sheet, which has been weighed down by the company's acquisition of the Australia-based logistics business. Compared to peers, SingPost has leverage of above 3x after accelerating its overseas expansion in Australia.

Singapore Post Ltd.--Peer Comparisons

	Singapore Post Ltd.	Australian Postal Corp.	New Zealand Post Ltd.	Royal Mail PLC	PostNL N.V.
Foreign currency issuer credit rating	BBB+/Negative/NR	A+/Negative/A-1	A/Stable/A-1	BBB/Negative/A-2	BBB/Negative/A-2
Local currency issuer credit rating	BBB+/Negative/NR	A+/Negative/A-1	A/Stable/A-1	BBB/Negative/A-2	BBB/Negative/A-2
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2022-03-31	2022-06-30	2022-06-30	2022-03-31	2021-12-31
Mil.	S$	S$	S$	S$	S$
Revenue	1,666	8,548	951	22,624	5,314
EBITDA	184	558	117	2,004	684
Funds from operations (FFO)	131	407	108	1,712	535
Interest	30	36	7	98	21
Cash interest paid	28	32	8	100	32
Operating cash flow (OCF)	65	432	88	1,981	692
Capital expenditure	24	409	45	1,073	216
Free operating cash flow (FOCF)	41	23	43	908	475
Discretionary cash flow (DCF)	13	(12)	43	(132)	302
Cash and short-term investments	288	365	61	2,148	1,300
Gross available cash	288	365	61	2,148	1,300
Debt	686	1,297	269	1,874	324
Equity	1,142	2,470	1,276	9,493	656
EBITDA margin (%)	11.0	6.5	12.3	8.9	12.9
Return on capital (%)	6.8	0.9	6.5	10.0	47.8
EBITDA interest coverage (x)	6.2	15.3	16.9	20.5	31.9
FFO cash interest coverage (x)	5.6	13.7	14.9	18.2	17.6
Debt/EBITDA (x)	3.7	2.3	2.3	0.9	0.5
FFO/debt (%)	19.1	31.4	40.2	91.4	165.4
OCF/debt (%)	9.4	33.3	32.8	105.7	213.7
FOCF/debt (%)	5.9	1.8	16.1	48.4	146.9
DCF/debt (%)	2.0	(0.9)	16.1	(7.0)	93.4

Business Risk

Underpinning SingPost's business is its status as the sole public postal licensee with a nationwide infrastructure network in Singapore. The company's robust logistics business and stable revenue in the property segment will compensate for some weakness in its postal and parcel segment over the next one to two years.

Still, SingPost's ability to maintain its competitiveness will be tested. Risks include uncertainties in the logistics segment, shifting consumer trends, and margin erosion.

Operating difficulties and structural changes are intensifying for the post and parcel business. The pandemic has accelerated the structural decline in letter mail volumes in Singapore. Companies have moved toward online correspondence and reduced printed letter volumes. These changes have persisted after the pandemic. Mail volumes weakened by a further 2% year on year in the first half of fiscal 2023.

Facing structural difficulties in its traditional post and parcels business, SingPost has been shifting to logistics. The company has accelerated its expansion into logistics. Increasingly, its post and parcels business will form a smaller share of its earnings.

We expect earnings from post and parcel to decline to 15%-18% of group EBITDA in fiscals 2024-2026, from about 60% before fiscal 2021.

SingPost's domestic operating license and established infrastructure will continue to support its domestic operations. In our view, the company can maintain its market share at 90%-95% in Singapore with its nationwide network and licenses. It is the only postal service provider with direct access to all letterboxes at all public housing buildings. This gives it better control over last-mile delivery costs than other domestic players, which are required to comply with doorstep delivery requirements.

Moreover, SingPost can leverage its infrastructure to improve efficiencies. This is a strategy not applicable to competitors and new entrants, given they have to invest in the infrastructure to participate in the domestic market.

SingPost is conducting trials on automated smart letterboxes. If successful, their nationwide launch will increase operational efficiency, by reducing the cost of last-mile delivery for packages that are too large for traditional mailboxes.

SingPost's logistics segment will continue to drive its revenue and profitability over the next one to two years. At the same time, earnings from the property segment have been stable at S$65 million-S$75 million annually. This provides some cushion against the decline in the postal business.

SingPost's exposure in Australia also provides some growth opportunities. This is given the country's population is four times larger than that of Singapore.

A subdued economic outlook will test diversification benefits. In our opinion, SingPost will have to demonstrate its ability to sustain double-digit earnings growth in the logistics business as global supply chain disruptions ease and the economic outlook weakens. The logistics industry generally moves in tandem with the postal industry, given their similar business models and target customer bases.

Margins for the logistics business could eventually drop amid tough operating conditions, albeit at a slower pace than for the postal business. Earnings resilience in SingPost's property segment will also be put to the test given the general trend of lower foot traffic in malls and commercial properties.

Financial Risk

SingPost's leverage has been elevated following is accelerated investment in the Australian logistics business. The sizable investment comes with debt-like obligations that will add pressure to the company's financial profile at least over the next one to two years.

The accelerated investment in FMH removes some uncertainty surrounding the quantum of cash payments that the put options could trigger. By bringing forward the investment, SingPost will spend about A$175.4 million (about S$160 million) to acquire an additional 37% stake in FMH by the end of March 2023. This amount could otherwise have increased in accordance with the FMH's growth trajectory.

We estimate that the remaining 12% stake in FMH could be valued at S$75 million-S$100 million.

SingPost may utilize available bank loans to fund the stake purchases. This is despite having sufficient cash on hand. Bank loans will help to preserve liquidity and does not significantly alter our view on the credit. This is because our adjusted debt already incorporates the aggregate value of the FMH put options.

Although the accelerated investment in FMH has removed some uncertainty, SingPost's creditworthiness remains highly sensitive to its business performance. As the company currently has limited rating headroom for the 'BBB+' rating, any earnings shortfall could dampen the likelihood of deleveraging.

Moreover, we believe SingPost will have to further invest more to reinforce its market presence and complete its logistics value chain in Australia. The company also needs to invest in automation and digitalization technology.

Our forecasts put SingPost's EBITDA at S$170 million-S$175 million for fiscal 2023 and S$185 million-S$200 million for fiscals 2024-2025. The adjusted debt-to-EBITDA ratio could rise to 3.0x-3.5x in fiscal 2023, and 2.4x-2.8x in fiscals 2024-2025.

Singapore Post Ltd.--Financial Summary

Period ending	Mar-31-2017	Mar-31-2018	Mar-31-2019	Mar-31-2020	Mar-31-2021	Mar-31-2022
Reporting period	2016a	2017a	2018a	2019a	2020a	2021a
Display currency (mil.)	S$	S$	S$	S$	S$	S$
Revenues	1,349	1,464	1,323	1,314	1,405	1,666
EBITDA	235	236	280	215	151	184
Funds from operations (FFO)	172	177	217	148	92	131
Interest expense	32	31	31	28	26	30
Cash interest paid	32	29	32	31	24	28
Operating cash flow (OCF)	210	212	163	159	195	65
Capital expenditure	200	62	31	27	22	24
Free operating cash flow (FOCF)	10	150	132	132	173	41
Discretionary cash flow (DCF)	(109)	89	23	52	134	13
Cash and short-term investments	371	316	399	502	508	288
Gross available cash	371	316	399	502	508	288
Debt	551	445	459	399	348	686
Common equity	1,411	1,443	1,314	1,295	1,325	1,142
Adjusted ratios						
EBITDA margin (%)	17.4	16.1	21.2	16.4	10.8	11.0
Return on capital (%)	7.7	7.3	10.3	8.6	4.9	6.8
EBITDA interest coverage (x)	7.4	7.7	9.2	7.8	5.8	6.2
FFO cash interest coverage (x)	6.3	7.2	7.7	5.8	4.8	5.6
Debt/EBITDA (x)	2.3	1.9	1.6	1.9	2.3	3.7
FFO/debt (%)	31.1	39.7	47.2	37.1	26.4	19.1
OCF/debt (%)	38.1	47.7	35.6	39.9	56.0	9.4
FOCF/debt (%)	1.8	33.8	28.7	33.1	49.7	5.9
DCF/debt (%)	(19.8)	20.0	5.0	13.1	38.5	2.0

Reconciliation Of Singapore Post Ltd. Reported Amounts With S&P Global Adjusted Amounts (Mil. S$)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Mar-31-2022									
Company reported amounts	517	1,307	1,666	186	112	15	184	90	42	24
Cash taxes paid	-	-	-	-	-	-	(24)	-	-	-
Cash interest paid	-	-	-	-	-	-	(14)	-	-	-
Lease liabilities	83	-	-	-	-	-	-	-	-	-
Debt-like hybrids	-	-	-	-	-	15	(15)	(15)	(15)	-
Postretirement benefit obligations/ deferred compensation	1	-	-	0	0	0	-	-	-	-
Accessible cash and liquid investments	(231)	-	-	-	-	-	-	-	-	-
Share-based compensation expense	-	-	-	(5)	-	-	-	-	-	-
Dividends from equity investments	-	-	-	2	-	-	-	-	-	-
Nonoperating income (expense)	-	-	-	-	7	-	-	-	-	-
Reclassification of interest and dividend cash flows	-	-	-	-	-	-	-	(10)	-	-
Noncontrolling/ minority interest	-	(165)	-	-	-	-	-	-	-	-
Debt: Put options on minority stakes	315	-	-	-	-	-	-	-	-	-
Total adjustments	169	(165)	-	(3)	7	15	(52)	(25)	(15)	-
S&P Global Ratings adjusted	**Debt**	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from Operations**	**Operating cash flow**	**Dividends**	**Capital expenditure**
	686	1,142	1,666	184	119	30	131	65	27	24

Liquidity

We view SingPost's liquidity as adequate. The company's sources of liquidity will likely cover needs by more than 1.2x over the 12 months to Sept. 30, 2022. The company has well-established relationships with domestic and international banks and a solid standing in domestic capital markets.

We expect SingPost to be able to absorb high-impact low-probability events without much need for refinancing. We forecast liquidity sources will exceed uses even if EBITDA declines by 15%.

Principal liquidity sources

- Cash and equivalents of S$436 million as of Sept. 30, 2022.
- Cash funds from operations of S$105 million-S$115 million over the 12 months to Sept. 30, 2023.

Principal liquidity uses

- Short-term debt maturities of S$30 million as of Sept. 30, 2022.
- Tranche 2 payment of S$175 million for FMH stake over the 12 months to Sept. 30, 2023.
- Working capital outflow of S$30 million-S$40 million over the 12 months to Sept. 30, 2023.
- Capex of S$20 million-S$30 million for the 12 months to Sept. 30, 2023.
- Dividends, including cash distributions to perpetual securities holders, of S$40 million-S$50 million for the 12 months to Sept. 30, 2023.

Environmental, Social, And Governance

ESG Credit Indicators

E-1	**E-2**	E-3	E-4	E-5	S-1	S-2	**S-3**	S-4	S-5	G-1	G-2	**G-3**	G-4	G-5

Environmental	Social	Governance
- Waste and pollution	- Other social factors, - Human capital	- Risk management, culture, and oversight

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

Environmental factors are a neutral consideration in our rating analysis of SingPost. On par with global environmental standards, the company aims to achieve net-zero for its operational emissions in Singapore by 2030, and for global emissions by 2050. It tracks this performance in its annual sustainability reports.

To meet its emission reduction goal, SingPost plans to replace its domestic postal delivery fleet with electric vehicles by 2026. Because the shift will be gradual, we do not expect sizable annual capex on this over the next one to two years.

Governance factors are a moderately negative consideration in our credit rating analysis. Frequent changes in the company’s management could disrupt its strategic direction and operational oversight.

While SingPost has been improving its service quality, transparency, and governance practices over the past five years, it remains to be seen how it will navigate the industry's structural decline, changes in leadership, and pursue its growth strategy simultaneously.

Social factors are also a moderately negative consideration in our credit analysis of SingPost. COVID-19 has eroded SingPost's profitability in the postal and parcel industry given air traffic disruption. In addition, the lasting impact from the pandemic could permanently alter consumer behaviors with regard to the use of commercial and office space. The latter could result in declines in occupancy rates over the next two to three years. This would hinder SingPost's property business that has been compensating for the structural decline in the postal industry.

In our view, prolonged margin erosion could narrow SingPost's rating headroom. The company will have to step up its efforts to protect its margins and adapt to changing industry conditions.

Issue Ratings--Subordination Risk Analysis

Capital structure

As of Sept. 30, 2022, SingPost had S$465.6 million in reported borrowings. This mainly comprised S$250 million of 10-year senior unsecured notes issued in November 2020 and S$100 million of five-year senior unsecured notes issued in March 2022.

Additionally, SingPost has S$250 million in senior perpetual securities issued in April 2022.

Analytical conclusions

Our rating on SingPost's perpetual securities is two notches lower than the long-term issuer credit rating. This reflects the subordination of the securities and deferability of payments at the company's discretion.

We ascribe intermediate equity content to SingPost’s perpetual securities (and account for the instrument as 50% equity and 50% debt) because they meet our criteria of permanence and subordination. The deferability of distribution payment also reflects cash conservation quality.

Rating Component Scores

Foreign currency issuer credit rating	BBB+/Negative/NR
Local currency issuer credit rating	BBB+/Negative/NR
Business risk	Satisfactory
Country risk	Low
Industry risk	Low
Competitive position	Satisfactory
Financial risk	Intermediate
Cash flow/leverage	Intermediate
Anchor	bbb
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Fair (no impact)
Comparable rating analysis	Positive (+1 notch)
Stand-alone credit profile	bbb+

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings Detail (as of March 24, 2023)*

Singapore Post Ltd.	
Issuer Credit Rating	BBB+/Negative/NR
Issuer Credit Ratings History	
12-Dec-2022	BBB+/Negative/NR
09-Nov-2016	BBB+/Stable/NR
24-Feb-2016	A-/Stable/NR

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings credit ratings on the global scale are comparable across countries. S&P Global Ratings credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.