

27th Annual General Meeting

18 July 2019



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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

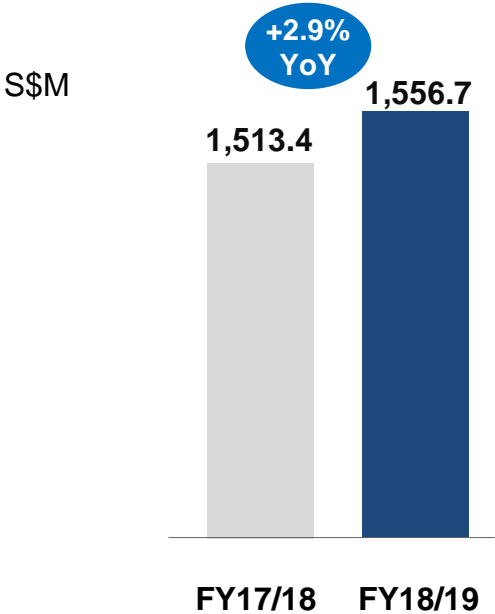
“\$” means Singapore dollars unless otherwise indicated.

- FY2018/19 Financials
- Cash Flow and Balance Sheet
- Key Developments
- Corporate Sustainability

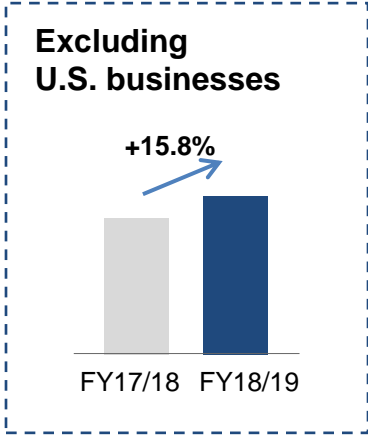
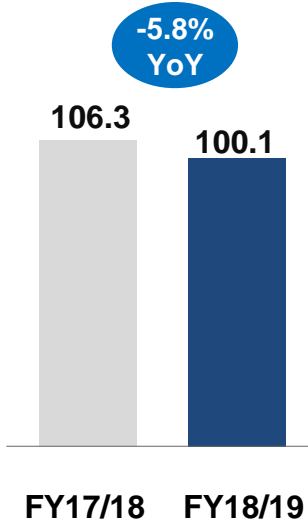


Overview – FY2018/19

Revenue



Underlying net profit

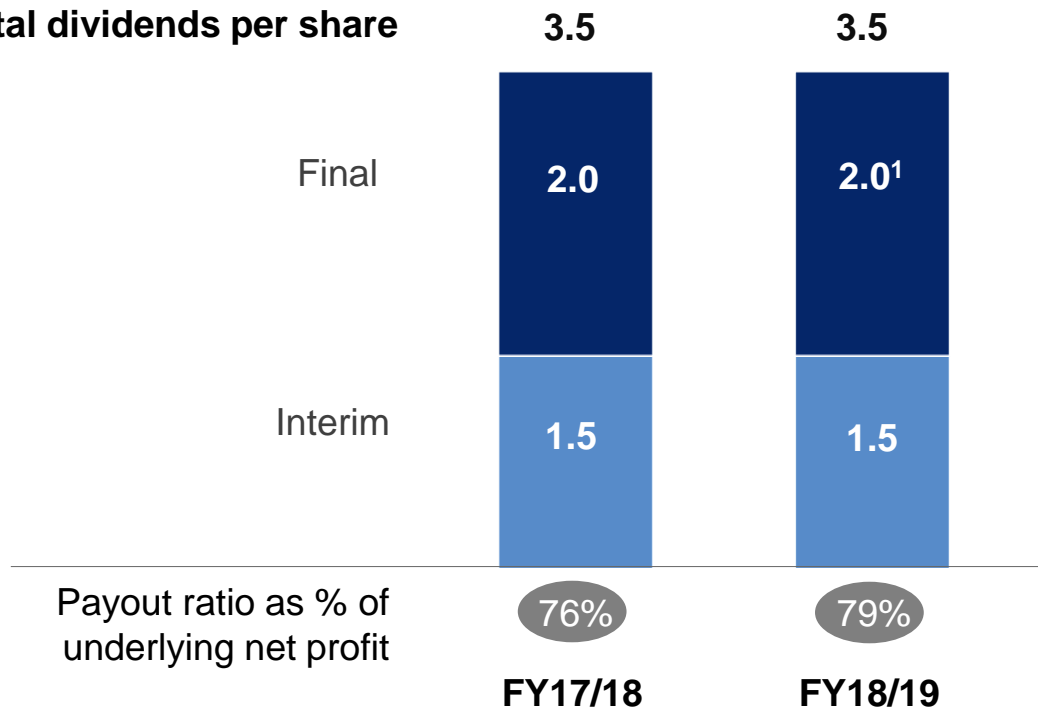


Underlying net profit growth excluding U.S. businesses

Maintained dividend for FY2018/19

S¢

Total dividends per share



Our dividend policy is based on a payout ratio ranging from **60% to 80%** of **underlying net profit** for each financial year.

1. Subject to shareholders' approval at the Annual General Meeting

FY2018/19 financial statement

S\$M	FY17/18	FY18/19	YoY % change	
Revenue	1,513.4	1,556.7	+2.9%	— Revenue growth in Post & Parcel and Property segments
Operating expenses	(1,373.2)	(1,424.0)	+3.7%	— Due to higher losses for the U.S. businesses as well as trade-related foreign exchange translation differences
Profit on operating activities	146.9	136.3	(7.2%)	—
Share of associated companies & JV	(3.1)	(7.1)	(127.8%)	— Largely due to 4PX's losses recorded in the earlier part of the year
Exceptional items	22.3	(69.3)	N.M.	— Due largely to impairment of the U.S. businesses
Income tax expense	(30.7)	(27.8)	+9.4%	
Net profit attributable to equity holders	135.5	19.0	(86.0%)	— Lower profit due to exceptional items and operating losses from the U.S.
Underlying net profit	106.3	100.1	(5.8%)	— Excluding exceptional items such as impairment loss and fair value gains or losses

N.M. denotes Not Meaningful

U.S. Businesses

Impairment of U.S. Businesses

The exceptional loss in FY18/19 was largely due to impairment charges for TradeGlobal and Jagged Peak as below:

Impairment	S\$98.7m
Goodwill and intangibles	S\$67.6m
Property, plant and equipment	S\$31.0m

As an exceptional item, the impairment did not affect underlying net profit, and therefore did not affect what was available for dividend payout.

Exit of U.S. Businesses

Despite commitment of considerable time and resources, several issues hindered recovery efforts, such as:

- customer bankruptcies
- margin pressure from competition
- client cost-cutting; and
- rising labour costs and warehouse rentals

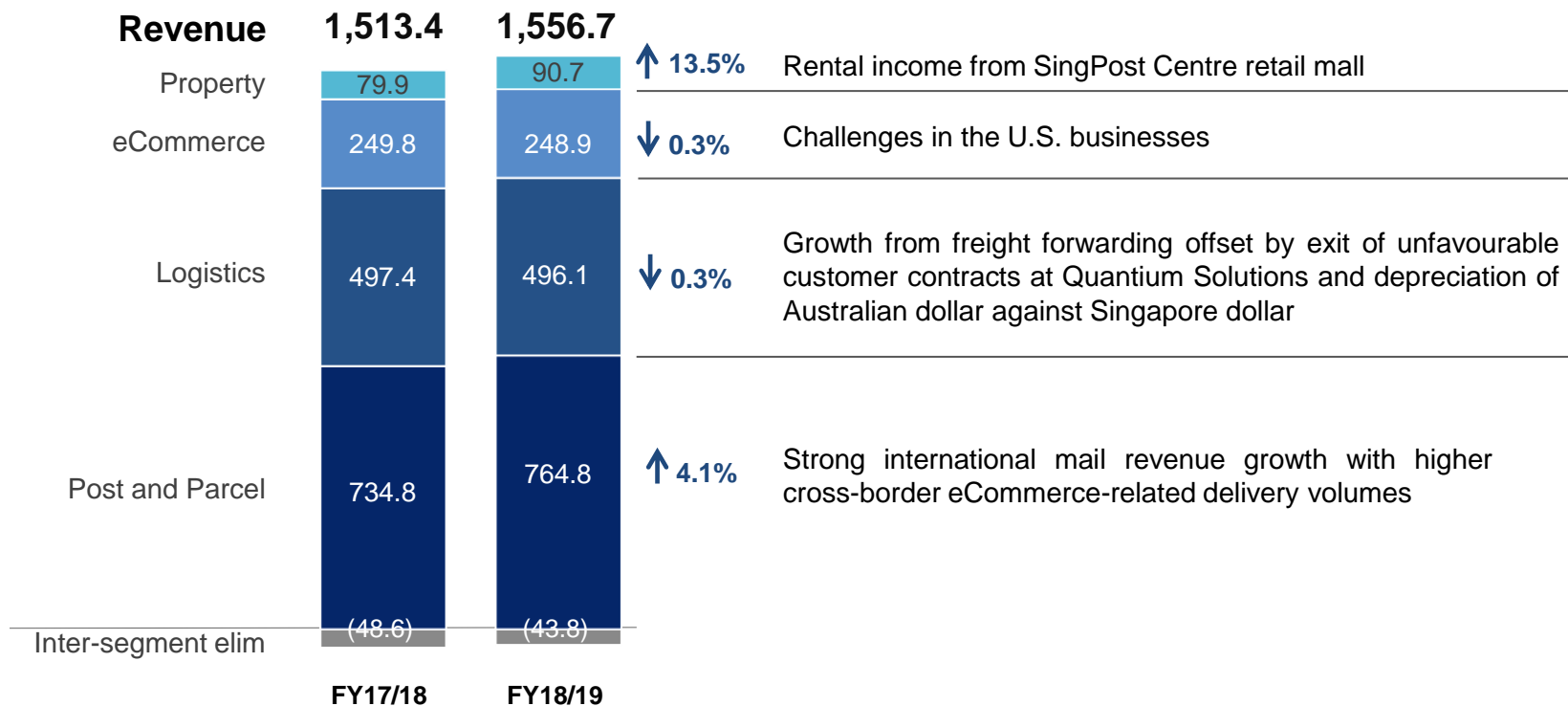
Having reviewed prospects for the businesses, SingPost decided to exit the U.S. as being in the best interests of shareholders.

SingPost will refocus on Asia Pacific as well as our home market in Singapore, where we have existing strengths and competitive advantages.

FY2018/19 segment revenue



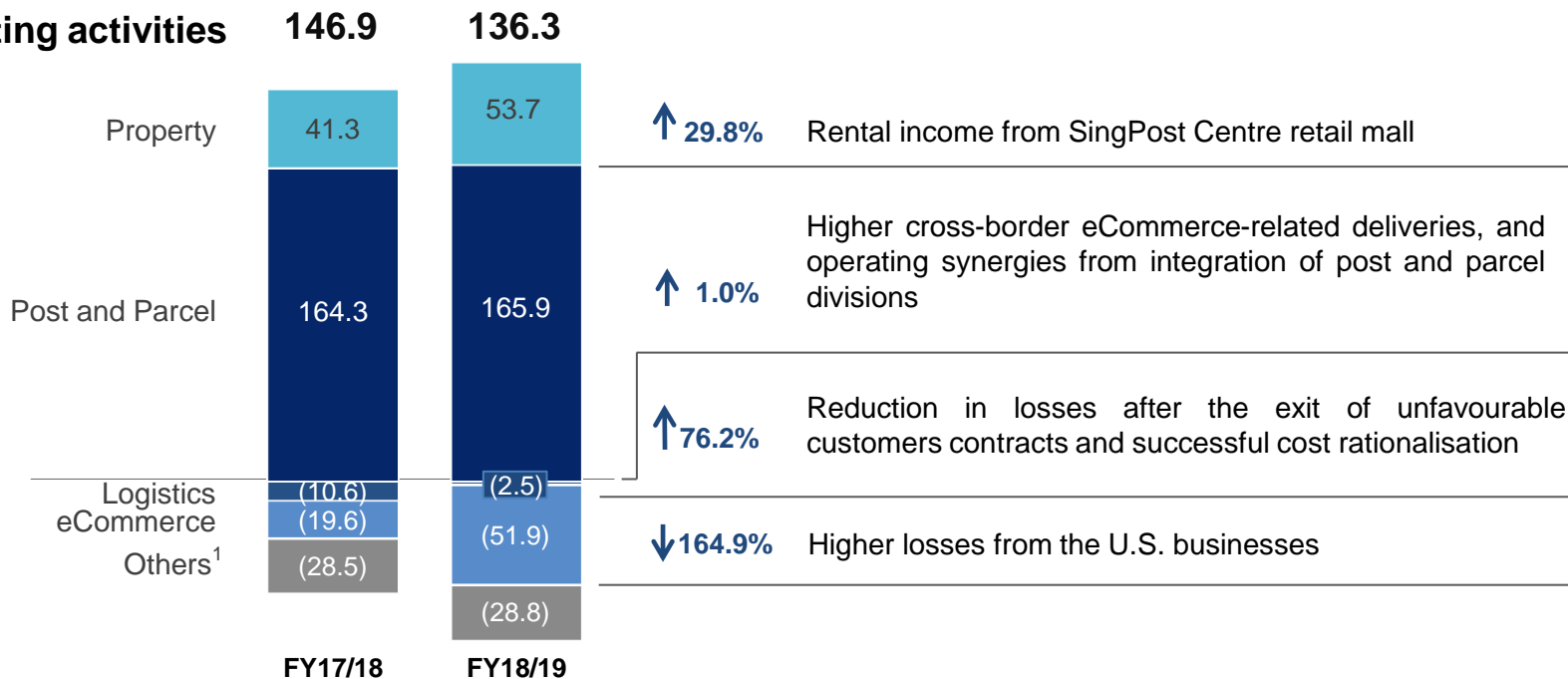
S\$M



FY2018/19 segment profit on operating activities

S\$M

Profit on operating activities



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

Cash Flow & Balance Sheet



Free cash flow

S\$M	FY17/18	FY18/19	
Operating cash flow before capital charges	196.2	186.8	Due to timing of payables and receivables in respect of international postal settlements
Changes in working capital	33.3	(3.3)	— largely for eCommerce deliveries
Income tax paid	(31.2)	(31.3)	
Net cash provided by operating activities	198.2	152.2	— Due largely to working capital movements
Capital expenditure	(62.1)	(31.3)	— Lower with the completion of the SingPost Centre retail mall redevelopment
Free cash flow	136.1	120.9	

Financial indicators

S\$M	Financial indicators	As at Mar 2018	As at Mar 2019	
	Cash & cash equivalents at end of financial period	314.1	392.2	— Higher cash position largely due to cash generated from operations
	Borrowings	244.0	290.9	— The Group switched from an intercompany loan for a foreign subsidiary, to an external loan taken by the foreign subsidiary, for better matching of currency
	Net cash / (debt) position	70.1	101.3	
		FY17/18	FY18/19	
	EBITDA	225.3	117.9	
	Underlying EBITDA ¹	203.0	187.2	
	Underlying EBITDA to interest expense (times)	19.2x	18.2x	— Underlying EBITDA to interest cover remains strong

A large industrial facility, likely a mail processing center, with a person standing in the middle. The facility has a high ceiling with many lights and various pieces of machinery. A dark blue semi-transparent box is overlaid on the left side of the image.

Key Developments

Immediate measures to improve service quality

Increase delivery workforce

- Additional 100 postmen to join us
- 35 mail-drop drivers to become full-time postmen



Enhance remuneration

- Incentives for successful deliveries of trackable items to doorstep

Improve service levels



- Additional delivery slots on weeknights & Saturdays



- More dedicated counters & staff at post offices for parcel collection



- Reduce non-core mail businesses such as admail

Longer term measures to deliver a better postal experience

Phase 1 From August 2019



My Postman

- New islandwide initiative to encourage residents to know their postmen better
- Provides an additional channel for residents to leave feedback
- Trial starts in mid-July 2019 in Bukit Timah and Yishun



Phase 2 From October 2019

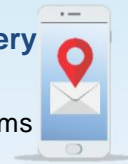
Extend Doorstep Deliveries to Evenings

- Increase rate of successful deliveries



Trackable Letterbox Delivery

- Launch of new trackable delivery product for mail items to letterboxes



Phase 3 FY2019/20

Phase 4 FY2020/21

Reinforcing the Postal System

- Invest in technology and automation
- Enhance job and wage structure
- Ensure consistency and reliability of processes and systems

Separation of Letterbox and Doorstep Deliveries

Dedicated Postmen for Letterbox & Doorstep Deliveries



- Specialisation will ease workload and increase success rate for postmen



- Postal delivery routes will be optimised

VS.



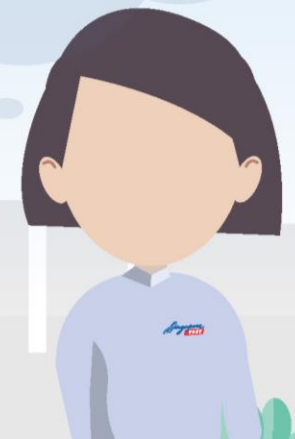
Streamline Postal Product Offerings

- Differentiating postal products by standardising sizes of letterbox postal items



Install Slam-Shut Letterbox Masterdoors

- Installation for all 60,000 letterbox masterdoors to commence in Sept 2019, pending regulatory approval



SingPost ranked 7th globally by the UPU in 2018 Integrated Index for Postal Development

- Of the 173 national postal services covered, SingPost has improved its position from UPU's previous 2016 report, to become the second best Asia Pacific postal operator after Japan Post.



No.7

Global ranking

New proprietary software Last Mile Platform (LaMP)

- A first-of-its-kind technology that consolidates various last-mile delivery services.
- Retailers can enable their customers to receive online purchases via any last-mile delivery node in the network within Southeast Asia.



Continued progress in rolling out end-to-end eCommerce logistics services

Signed master contract with Specialized for SEA logistics and warehousing

- SingPost will handle warehousing and sea freight for Specialized bicycles and equipment, as well as last mile deliveries and returns from Singapore and Malaysia.

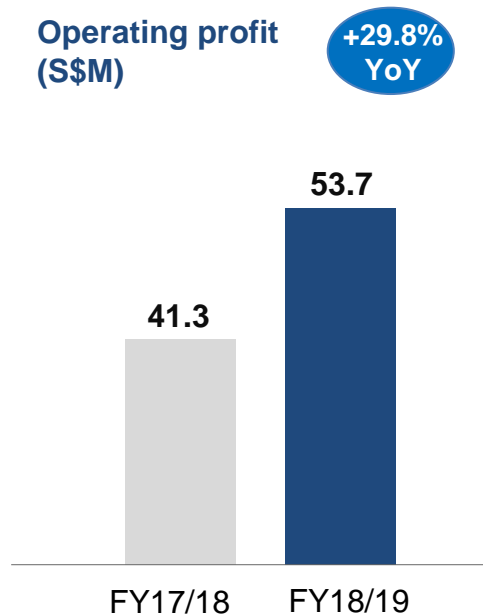


Partner with Synagie to provide on-demand warehousing and logistics solutions

- The collaboration will enable small and medium-sized enterprises to utilise state-of-the-art warehousing services in Singapore and Southeast Asia.



Higher contribution from SPC retail mall



SPC retail mall occupancy

99%¹



1. As at 31 March 2019

Corporate Sustainability



Corporate Sustainability highlights

Doing our part for the environment and giving back to the community

SINGPOST CARES



Nationwide **e-waste recycling** initiative

- **15,740 kg** e-waste collected
- Increase of **63%** year-on-year



Postman Home Visit allows our postmen to volunteer to check on needy seniors while on their delivery rounds



Dementia awareness training for our postmen, so that they are able to help persons in their neighbourhood who may be lost



Tapping on our delivery network to **distribute unsold food** for needy seniors and families

- **36,920** buns and loaves of bread
- Supporting **440** families weekly

Thank You



Supplementary information



Underlying Net Profit Reconciliation Table

S\$M	FY17/18	FY18/19
Profit attributable to equity holders	135.5	19.0
Exceptional items	(22.3)	69.3
<i>Additional provision for contingent consideration in a foreign subsidiary</i>	-	2.5
<i>Gain on dilution of interest in an associated company</i>	-	(42.7)
<i>Gain on sale of an associated company</i>	-	(6.0)
<i>Fair value gain on investment properties</i>	(12.7)	(12.1)
<i>Fair value (gain) / loss on warrants from an associated company</i>	(1.8)	15.5
<i>Impairment of goodwill, intangible assets, PPE</i>	-	100.4
<i>Loss / (gain) on disposal of PPE</i>	(2.7)	0.5
<i>M & A related professional fees</i>	2.3	1.1
<i>Adoption of SFRS(I) – adjustment of PPE</i>	(7.8)	-
<i>Provision for the restructuring of overseas operations</i>	0.4	9.9
Adjustments of deferred tax in respect of goodwill impairment and change in US tax rate	(6.9)	(5.7)
Capital gain tax on divestment of an associated company	-	3.0
NCI share of gain on dilution of interest in an associated company	-	14.5
Underlying Net Profit	106.3	100.1