

**REPL::ANNUAL GENERAL MEETING::VOLUNTARY**

## Issuer &amp; Securities

## Issuer/ Manager

SINGAPORE POST LIMITED

## Security

SINGAPORE POST LIMITED - SG1N89910219 - S08

## Announcement Details

## Announcement Title

Annual General Meeting

## Date &amp; Time of Broadcast

19-Jul-2023 12:21:16

## Status

Replacement

## Announcement Reference

SG230620MEETF8C6

## Submitted By (Co./ Ind. Name)

Jonathan Ooi Wei Hsin (Mr)

## Designation

Company Secretary

## Financial Year End

31/03/2023

## Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attachments.
Additional Text	Please refer to the attached Responses to Questions received from Shareholders prior to the Company's Annual General Meeting to be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 1, 1 Raffles Boulevard, Suntec City, Singapore 039593 and using virtual meeting technology on Wednesday, 19 July 2023.

Additional Text	<p>Please refer to the following attachments:</p> <ol style="list-style-type: none"> <li>1.Chairman Speech</li> <li>2. SingPost 31st Annual General Meeting Presentation Slides</li> <li>3. Management Speeches</li> </ol>
-----------------	--

## Event Dates

### Meeting Date and Time

19/07/2023 14:30:00

### Response Deadline Date

16/07/2023 14:30:00

## Event Venue(s)

### Place

Venue(s)	Venue details
Meeting Venue	The 31st Annual General Meeting of Singapore Post Limited will be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 1, 1 Raffles Boulevard, Suntec City, Singapore 039593 and using virtual meeting technology.

## Attachments

[SingPost Notice of AGM2023.pdf](#)

[Responses to Questions from Shareholders.pdf](#)

[SingPost 31stAGM Chairman Speech.pdf](#)

[SingPost 31stAGM Presentation.pdf](#)

[SingPost 31stAGM Management Speeches.pdf](#)

Total size =3059K MB

## Related Announcements

### Related Announcements

[13/07/2023 19:24:28](#)

[20/06/2023 07:02:59](#)

**ADDRESS BY MR SIMON ISRAEL,  
CHAIRMAN OF THE SINGPOST BOARD OF DIRECTORS  
AT THE 31st ANNUAL GENERAL MEETING, HELD 19th JULY 2023, WEDNESDAY**

**With accompanying presentation “FY2022/23 Annual General Meeting Presentation”**

**Welcome**

Once again, I would like to welcome our shareholders, both present and on-line for your attendance today.

I thank those of you who have sent in questions in advance of the AGM and our responses have been posted on SGX.

I trust you have had the opportunity to read my letter to shareholders in the Annual Report, so it is not my intention to repeat that. Instead I would like to focus on two matters which I believe will be helpful in providing more clarity to shareholders – the transformation of SingPost and the Strategic Review announced by the Board. This will help frame questions you will be asking.

**Transformation**

My first point: A transformation has taken place at SingPost and this is possibly under appreciated by shareholders, analysts and investors.

Let me illustrate in a few charts.

*Transformation of Business Mix*

The first chart shows that SingPost has transformed from being a predominately Postal business into a Logistics business over the last 4 years. Logistics has grown its share of the business from 38% to 70% and is now the key driver of our revenue.

Given Logistics growth rate and our recent investments, this can be expected to rise to a higher percentage of SingPost’s revenue going forwards.

*Transformation of Earnings*

In this chart you can see over the same time frame our postal business entering a structural decline in profitability resulting in a loss last year. These earnings have largely been replaced by the growth in profit from Logistics which is now the primary profit contributor of the Group.

### *Transformation of Markets*

The second part of the transformation is we have moved from being Singapore centric in a market with limited growth potential to becoming an international business with significant growth potential - 86% of our revenue is now derived outside of Singapore.

### *Transformative Growth in Australia*

Australia is the largest contributor to our transformation and the growth of the Logistics business. Over the last three years we have seen the business grow a multiple of 3X in size to reach revenues of S\$815 million. We are approaching scale in Australia and have momentum.

### *FMH Key Driver of Australian Transformation*

Within Logistics, the single most important driver of transformation has been our investment in FMH in Australia. FMH has driven growth in both revenue and profitability on the back of organic growth and complementary acquisitions. It is notable that all of SingPost's investments in FMH and further investments made by FMH have all been immediately accretive to earnings.

### *Strong Results Achieved By FMH*

To give you a better sense of FMH's momentum in scaling the business, last financial year they achieved revenue of S\$595 million, EBITDA of S\$77 million and net profit of S\$33.5 million with a ROE of 20%. While growth is impressive, please note that this is combination of organic growth and acquisitions. Our view of the Australian market is that there is potential for further transformational investment.

From these comments, I trust you will appreciate that transformation has taken place and that SingPost is now a logistics business, and should be largely viewed and valued through that lens. This leads me to my second point which is the strategic review announced by the Board.

### **Strategic Review**

With the foundation of our transformation into a Logistics business in place, the Board is undertaking a Strategic Review of the Group's structure and portfolio of businesses.

Our objective is to continue our transformation into a Logistics business by recycling capital from non-core businesses or assets, with a view to enhancing shareholder returns and ensuring the Group is appropriately valued.

The future of the Postal business forms part of the strategic review and you will have noted the announcement in Parliament of the need to ensure it is commercially viable and sustainable.

I can assure you that resolution is an immediate priority for the Board and Management. The CEO will be covering this in his presentation.

I would ask that shareholders give the Board time to work through the review which we expect to complete this financial year. At that time, we will be in a position to engage shareholders. In the interim we will not be commenting on the review unless there are material developments that require disclosure.

*Strategic Review: Main Principles Applied*

What I can share are the main principles to be applied:

1. Defining what is core and non-core in the context of transitioning to a Logistics business over time.
2. Divestment of non-core businesses/assets and those which are not expected to earn a return above their cost of capital.
3. Recycling capital to support further investment in Logistics.
4. Resetting the Group's dividend policy.
5. Optimising the Group's balance sheet and gearing.
6. Ensuring the structure of the Group allows the Group and its underlying businesses to be appropriately valued, while creating optionality for the future of these businesses.

**END**



# Global Logistics Delivery

TRANSPORT  
DELIVERY  
INDUSTRIAL  
DISTRIBUTION  
PRODUCT  
DESTINATION  
INVENTORY  
CARGO  
MANUFACTURING  
ANALYSIS  
CUSTOMERS

*Singapore*  
**POST**

## FY2022/23 Annual General Meeting Presentation

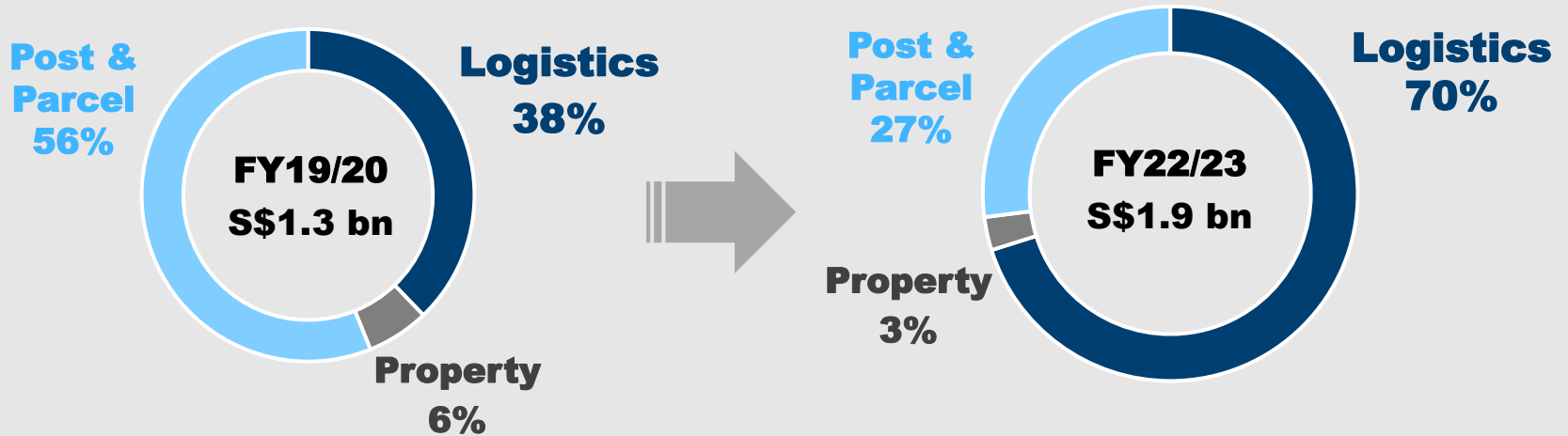
19 July 2023



## ADDRESS BY SIMON ISRAEL, CHAIRMAN

# Transformation of Business Mix

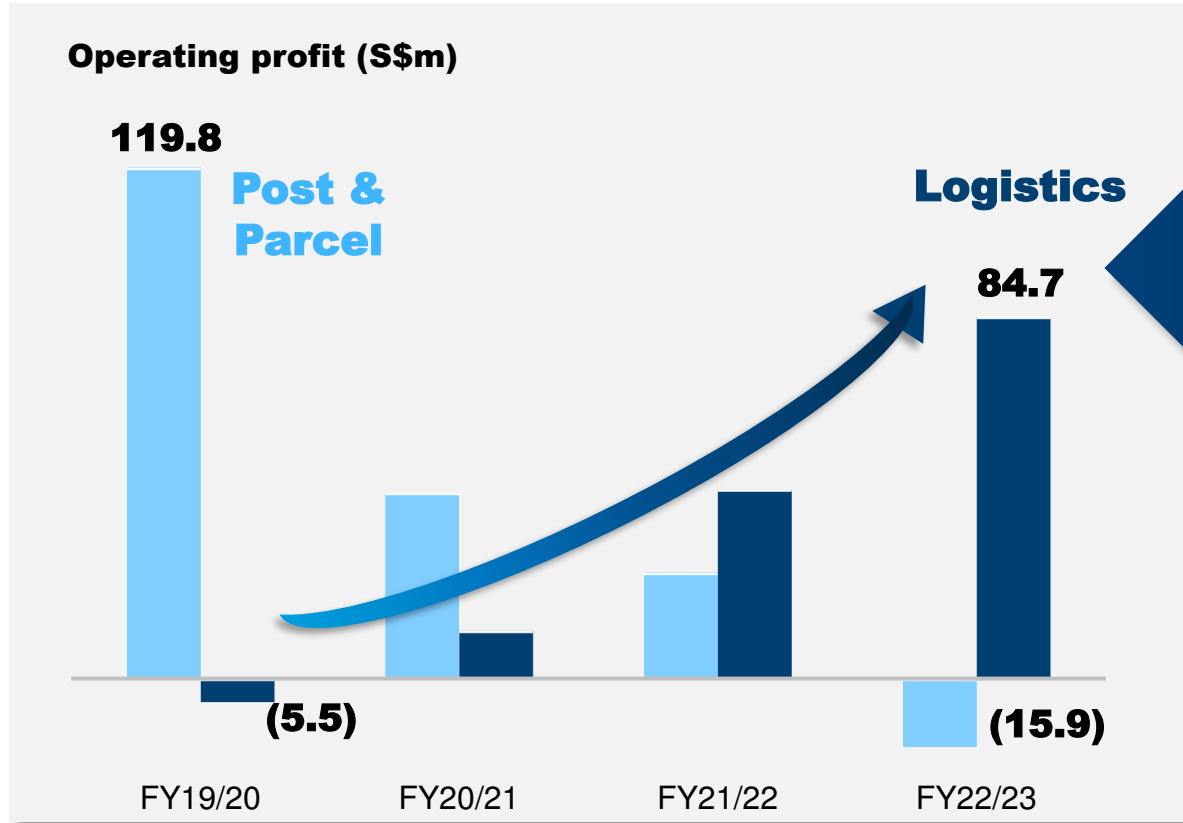
## From Postal to Logistics



Revenue by segments

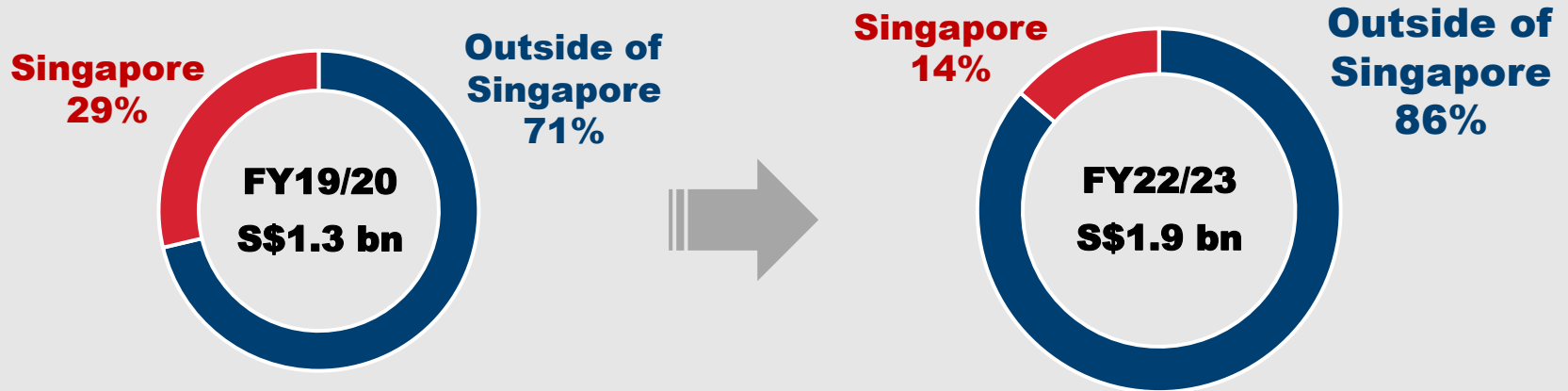


# Transformation of Earnings



**Pivot to Logistics  
over the last 4  
years**

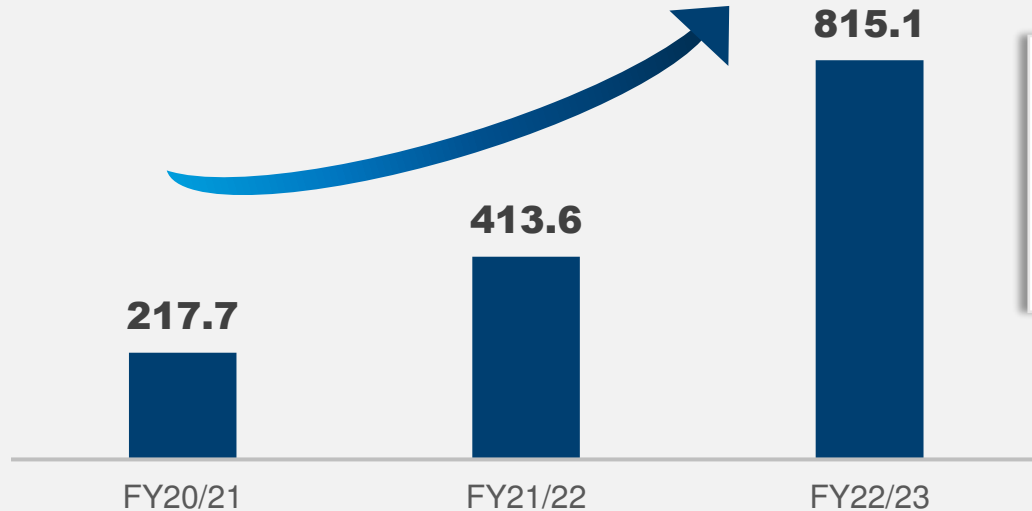
## From Singapore to international markets



Revenue by market pillars

# Transformative Growth in Australia

## Australia Business revenue (\$m)



**Strong revenue  
build-up in Australia  
business**

Note:

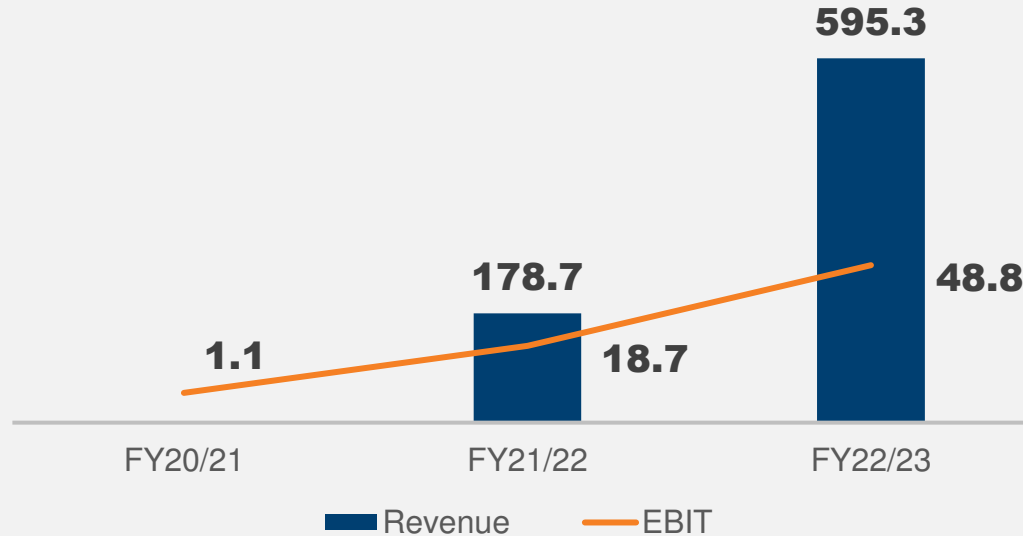
FY20/21: 3 months' share of FMH's results as 28% held associated company.

FY21/22: 8 months' share of FMH's results as associated company and 4 months' consolidation following increase in stake to 51%.

FY22/23: Full year consolidation as 51% owned subsidiary.

# FMH Key Driver of Australian Transformation

FMH revenue and EBIT contributions (\$m)



**Strong growth in  
FMH revenue and  
EBIT contributions  
to the Group**

Note:

FY20/21: 3 months' share of FMH's results as 28% held associated company.

FY21/22: 8 months' share of FMH's results as associated company and 4 months' consolidation following increase in stake to 51%.

FY22/23: Full year consolidation as 51% owned subsidiary.

# Strong Results Achieved by FMH



## FMH FY22/23 performance (YoY change)

**Revenue**      **S\$595.3m**      ▲ **233%**

**EBITDA**      **S\$77.1m**      ▲ **280%**

**Net profit**      **S\$33.5m**      ▲ **258%**

**ROE**      **20%**



## Strategic Review

# Strategic Review

Enhancing shareholder's returns and ensuring the Group is appropriately valued

## Main principles to be applied:

Defining what is **core and non-core** in the context of transitioning to a Logistics business over time

**Divestment of non-core businesses/assets** and those which are not expected to earn a return above their cost of capital

**Recycling capital** to support further investment in Logistics

Optimising the Group's **balance sheet** and **gearing**

Resetting the Group's **dividend policy**

Ensuring the structure of the Group allows the Group and its underlying businesses to be **appropriately valued**, while **creating optionality** for the future of these businesses



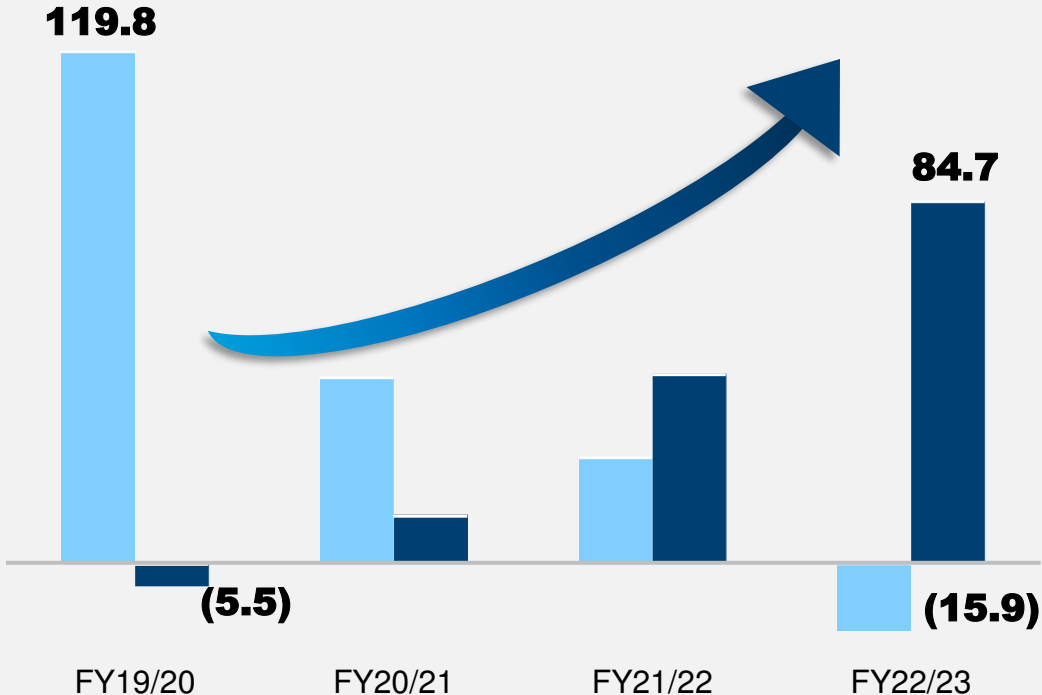
*Singapore*  
**POST**

**SPEECH BY  
VINCENT PHANG, GROUP CEO**



# SingPost's Transformation

Group operating profit (\$m)



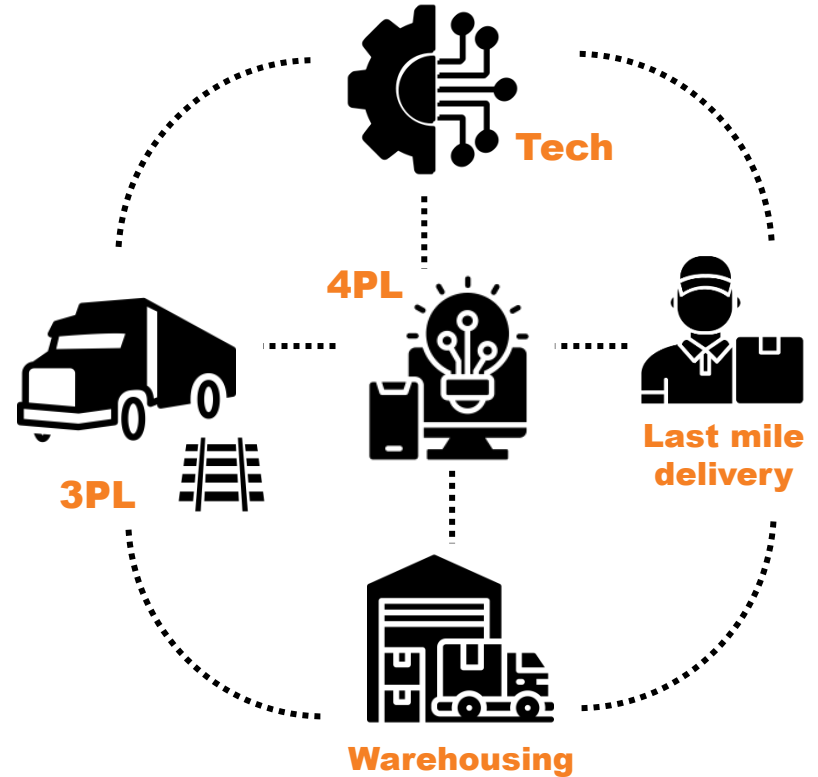
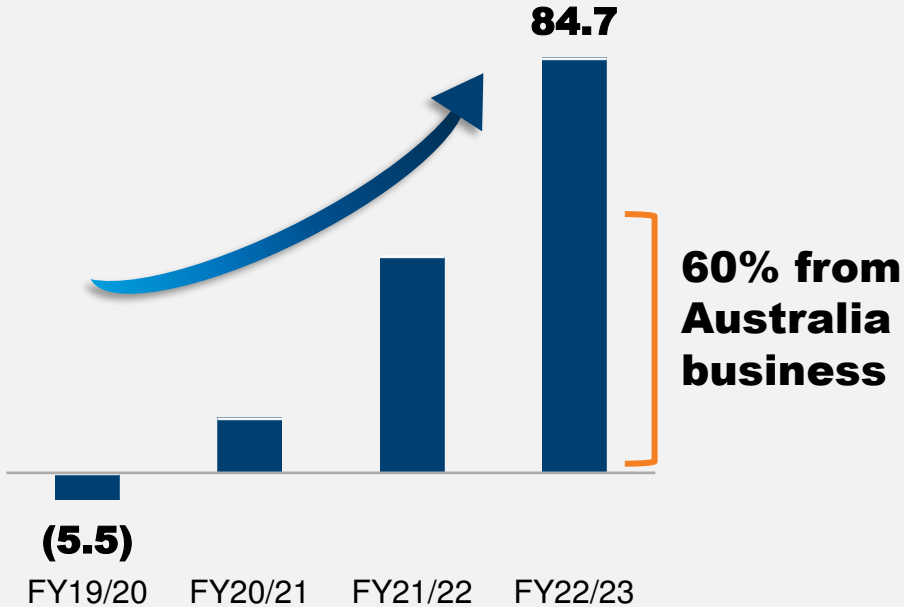
**Pivot to  
Logistics**

**70%** of Group revenue

**90%** of Group  
operating profit

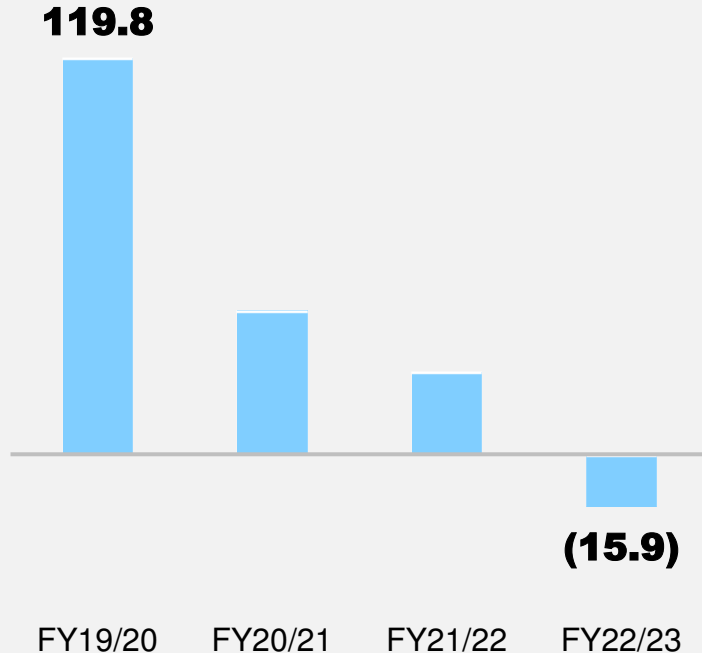
# Building our Digitally Enabled B2B2C Integrated Logistics Network in Australia

Logistics operating profit (S\$m)



# Mitigating the Postal Decline

Postal operating profit/(loss) (S\$m)



**Reviewing costs and postal operation model**

**Seeking postage rate adjustments to better reflect true cost of letter mail business**

**Working on fundamental review of future of postal service with IMDA**

# Establishing Ourselves as a Leading eCommerce Supply Chain and Logistics Player in Asia Pacific

## Singapore

Leverage infrastructure for eCommerce deliveries; commitment to service quality

## Australia

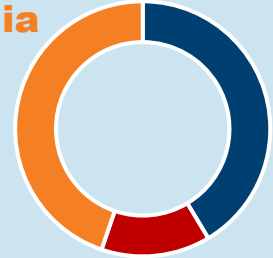
Integrate for synergies; further acquisitions

## International

Re-engineer cross-border business for growth

On track with sustainability goals

Australia  
45%



Int'l  
41%

Singapore  
14%

# Strategic Review

We welcome shareholders' feedback at

**[strategic\\_review@singpost.com](mailto:strategic_review@singpost.com)**

Note: This is a no-reply email address. SingPost will make further announcements as appropriate, if and when there are any material developments which warrant disclosure.



**SPEECH BY  
VINCENT YIK, GROUP CFO**

# FY2022/23 Financial Highlights

**Revenue**  
**S\$1.87bn**  
▲ 12.4%

**Record revenue**  
**Diversified revenue streams**

**Operating profit**  
**S\$93.2m**  
▼ 16.9%

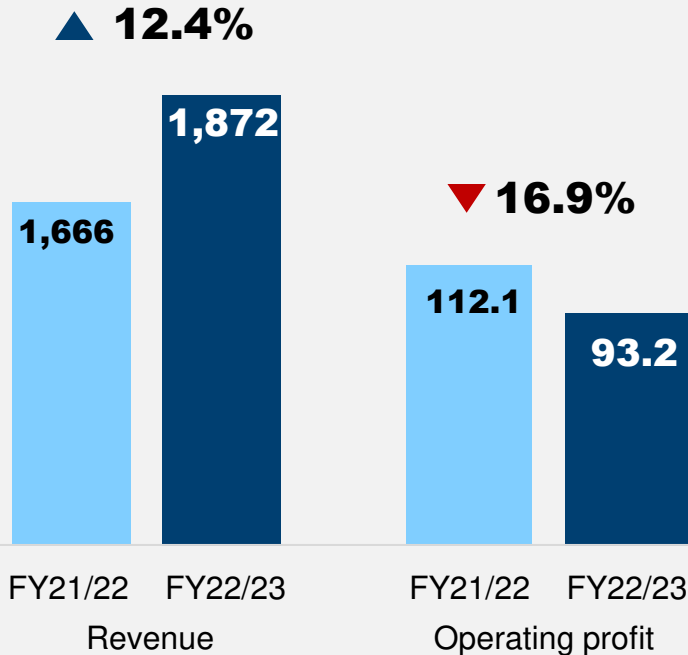
**Underlying net profit**  
**S\$32.4m**  
▼ 60.1%

**Net profit**  
**S\$24.7m**  
▼ 70.3%

**Logistics growth offset by postal loss**  
**Higher finance and tax expenses**

# Revenue and Profit Drivers

Group revenue and operating profit (\$m)



	Revenue growth	Operating profit growth / (loss)
<b>Logistics</b>	▲ 32.4%	▲ 91.3%
<b>Post &amp; Parcel</b>	▼ 16.2%	S\$15.9m loss
<b>Property*</b>	▼ 23.1%	▼ 16.7%

\* Sale of General Storage Company



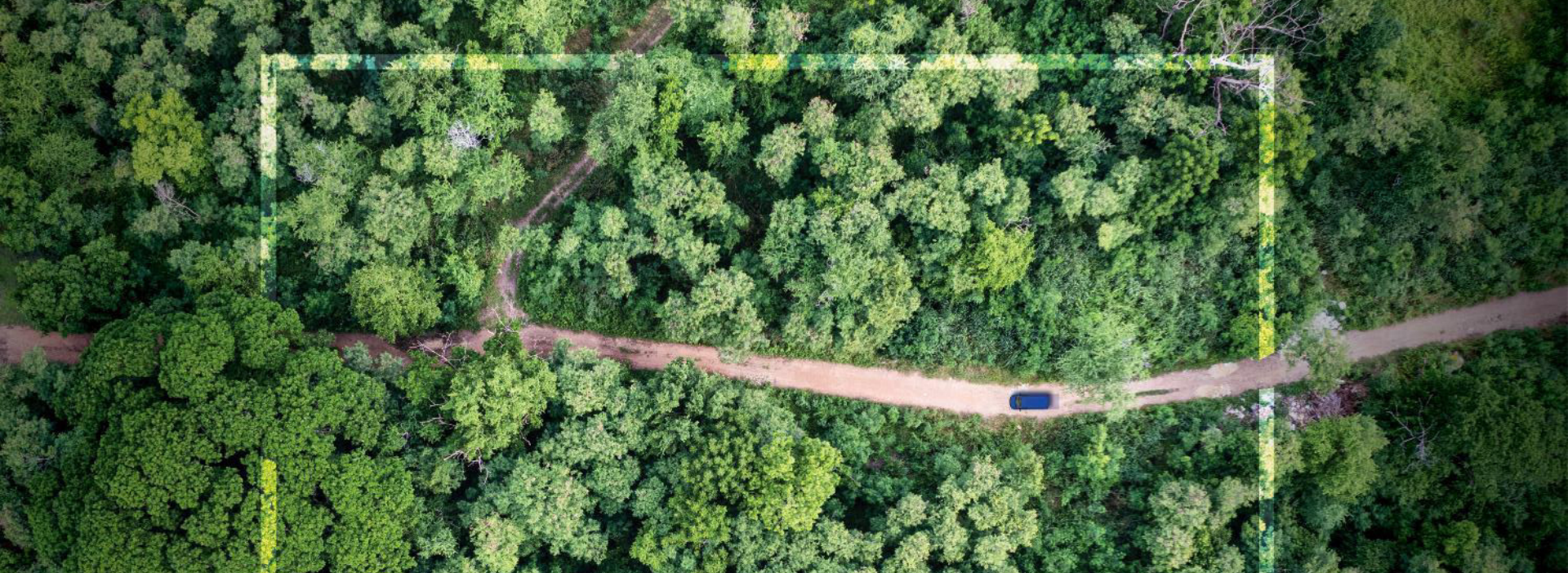
# Prudent Capital Management as the Group Continues to Invest in Strategic Initiatives

**Steady financial position**

**Healthy operating cashflow**

**Divestments and  
capital recycling**

**Establishing ourselves as  
a leading eCommerce  
supply chain and logistics player  
in Asia Pacific**



**SPEECH BY MICHELLE LEE,  
CHIEF SUSTAINABILITY OFFICER**

# Delivering Sustainable Outcomes



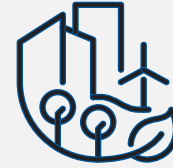
## ESG

performance a part of  
management remuneration  
organisational balance  
scorecard



**22%**

improvement YoY  
in Loss Time Injury  
Frequency Rate



## TCFD

Advanced in climate-related  
disclosures aligned with  
TCFD\* recommendations

\* Task Force on Climate-related Financial Disclosures



**~37%**

Women representation  
in senior management



**98**

Excellence Service Awards  
received by staff

40 Star, 11 Gold, 47 Silver



**Winner**

Singapore Corporate  
Governance Award  
(Diversity) at SIAS  
Investors' Choice  
Awards 2022

# Advancing our Decarbonisation Journey



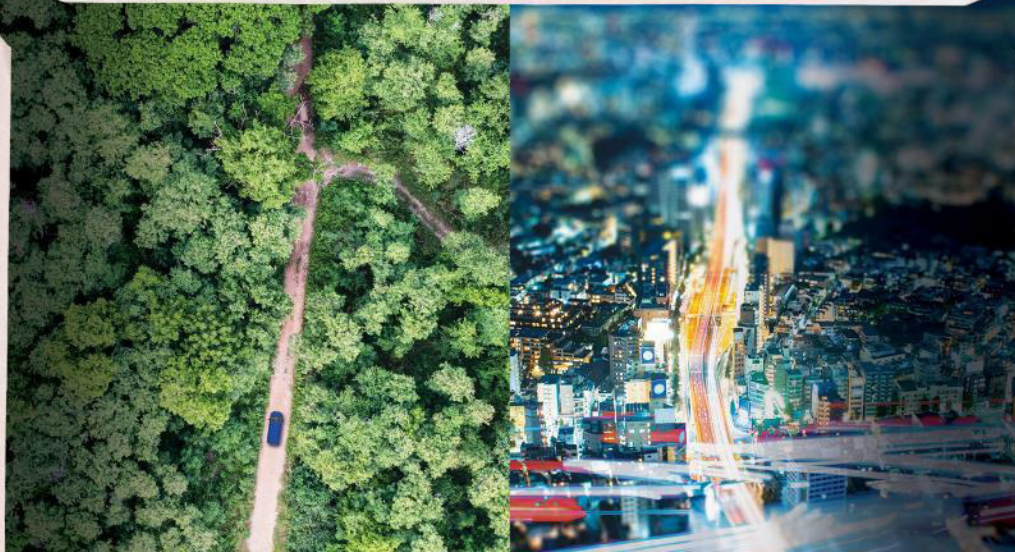
**30%**

**reduction to-date\*  
of Scope 1 & 2 emissions  
in Singapore**

**32%**

**of total fleet in  
Singapore converted  
to Electric Vehicles**

\* From FY18/19 baseline levels



# FY2022/23 Annual General Meeting

**SPEECH BY SINGPOST MANAGEMENT**  
**AT THE 31st ANNUAL GENERAL MEETING HELD ON 19 JULY 2023**

**With accompanying presentation “FY2022/23 Annual General Meeting Presentation”**

**Speech by Mr Vincent Phang, Group Chief Executive Officer**

Thank you, Chairman. Good afternoon shareholders.

I would like to speak about the Group’s transformation journey which has shaped the performance of the Company in the last year, and what it means going forward. Let me provide additional clarity on our transformation journey which has two parts.

**SingPost’s Transformation**

*Pivot to Logistics*

Part 1 is to build and scale the non-postal business to allow SingPost to pivot to logistics. The logistics segment is now the largest business in the group. Logistics accounted for 70% of Group revenue and 90% of Group profits now. Operating profit has improved from a S\$5.5 million loss to a profit of S\$84.7 million through the last 4 years. The growth and contribution of the Australia business which we have built has added significantly to the Group, and accounts for 60% of the profit in the Logistics segment.

*Building our Digitally Enabled B2B2C Integrated Logistics Network in Australia*

Let me provide some details on our Australia business. The Logistics business we have built in Australia caters to both the B2B and B2C segments, and with the acquisition of FMH, places a 4PL supply chain orchestrator at its core. The 4PL is powered by a digital-platform that is highly scalable, allowing us to orchestrate our customers logistics requirements with a growing network of logistics partners. Through this asset light model, we are able to address customer requirements on one hand, providing them supply resilience, while integrating our logistics partners’ capabilities, leveling up their capabilities, tech, invoicing, customer fronting activities – all within a single solution. As we integrate our assets further, we aim to achieve a true B2B2C logistics capability

This is the result of our careful execution of our transformation strategy and we can expect the continued growth of the Logistics segment to contribute further to the group revenues and profits. This pivot to logistics has allowed us to diversify our business portfolio, get back to

growth, and to provide resilience as we continue to mitigate the structural decline of the postal business.

### *Mitigating the Postal Decline*

Now to Part 2 – mitigating the decline in postal volumes. Postal services all over the world are undergoing the same challenges, with many suffering annual losses. Postal volumes have been in structural decline since around 2012 and accelerated further through the pandemic. Our International Postal volumes were also impacted due to COVID challenges. In the meantime, costs have risen significantly. The postal business has gone from an operating profit of S\$120 million to making a loss over the last 4 years. While we have been carefully integrating both the postal and parcel operations into a single network for a future where eCommerce will define the customer experience, this will still take some time to materialise.

In the meantime, we will need to mitigate the decline of the postal segment given the economics. We are in discussions with the authorities to review costs and the postal operation model, including the optimisation of post offices and the services provided. Additionally, we will be seeking approval for postage rate adjustments to better reflect the true cost of the letter mail business. As mentioned in Parliament, given that domestic postage rates have largely been unchanged since 2014, such a postage adjustment should be of a sufficient degree to enable the postal service to be commercially viable.

Beyond that, such a structural problem will require a structural solution. We are also working with IMDA on a fundamental review of the future of Singapore's postal service, in light of changes to the delivery ecosystem such as the rise of logistics and eCommerce players.

SingPost is a commercial entity, and we need to balance the interests of our stakeholders as the public postal licensee and ensure the postal service's commercial viability – by being profitable and earning a financial return above the cost of capital on a sustainable basis. We will only know this when the review is completed.

### **Establishing ourselves as a leading eCommerce supply chain and logistics player in Asia Pacific**

Put in perspective, the domestic business is now a much smaller part of our enterprise, contributing only 14% of revenues. Together with the International business, 86% of our group revenues is now generated internationally. This is the sign of things to come.

We will work towards establishing ourselves as a leading eCommerce supply chain and logistics company, orchestrating supply chains on behalf of our customers. We have built a management team with the industry experience and track record to lead and steer this orientation to logistics.

Domestically we will continue to leverage our infrastructure for the delivery of eCommerce which will be best-in-class and most cost-effective for urban Singapore. We are proud of our highest service quality standards globally.

The Australia business is now our biggest revenue contributor with two key operations in FMH and CouriersPlease. We will integrate them to achieve greater synergies in the integrated logistics market in Australia. We will explore further acquisitions to grow our network and capabilities.

We have revamped our cross-border strategy and made substantial changes, adding more commercial solutions. A multi-hub network in the region is being developed to offer more connectivity options for cross-border eCommerce customers.

We are also on track with our sustainability goals and working towards our commitment for carbon net zero. Our Chief Sustainability Officer, Michelle Lee, will speak more on that later.

### **Strategic Review**

Chairman has spoken about the strategic review we are conducting. We have appointed Bank of America Securities to be our financial advisor through this process and expect the strategic review to be completed within this Financial Year. I also thank shareholders who have given us feedback.

We have set up an email address should shareholders like to reach out to us for suggestions. While we will not be able to respond individually, I assure you that any comments you may have will be reviewed. We will engage all shareholders at the appropriate time.

I'll now hand over to Group CFO Vincent Yik to give you the key highlights of the financials



## **Speech by Mr Vincent Yik, Group Chief Financial Officer**

### **FY2022/23 Financial Highlights**

Good afternoon, shareholders.

Now let me translate all this into the financial numbers in the following few slides.

The transformation of the Group is reflected in the financial results for FY22/23. Revenue has grown 12.4% to nearly S\$1.9 billion. This was the highest ever for the Group, and higher than pre-Covid period. This clearly has shown that the SingPost business continues to grow and this growth is now made up of more diversified revenue streams. So this is my first point: SingPost is growing.

While profits for the year were lower, this was largely due to the drag in the postal segment. I'll share more on the revenue and profit drivers.

### **Revenue and Profit Drivers**

As you have heard from Group CEO, with the pivot to Logistics, the Logistics segment has become not just the largest revenue and profit contributor, but also a growth engine. Logistics revenue and operating profit increased significantly, as a result of the strong growth in the Australia business and freight forwarding business. Logistic contributed 70% of revenue last year, is expected to continue to be the largest contributor to SingPost's revenue going forward.

Growth in contribution from Logistics has been overshadowed by the structural decline in the Postal segment. Both the Domestic and International Post & Parcel businesses faced challenges of lower delivery volumes and increased operating expenses especially in the inflationary environment, and recorded a loss of S\$15.9 million. While the segment recorded a loss, revenue decline has moderated, with a year-on-year decline of 16.2% and now only contributed 28% of the Group revenue.

The weakness in Post & Parcel was a key reason for S&P's recent downgrade in the Company's credit rating. With the commercial viability of the Postal business now being addressed, together with the clarity of the contribution from our Logistics business, we remain committed to an investment grade credit rating.

Property contributions were lower as the self-storage business General Storage Company was sold. Excluding this, Property contributions were relatively steady for the year.

With this significant change in revenue mix, then my second point is that: SingPost is now different.

**Prudent Capital Management as the Group continues to Invest in Strategic Initiatives**

Finally, we continue to maintain prudence in our capital management.

We had increased the equity and cash holdings with the issuance of perpetual securities, which offset the increase in borrowings. Operating cash flow was higher for the year as well.

We had also disposed of some non-core business and assets, with the capital recycled into strategic initiatives for growth as we establish ourselves as a logistics enterprise.

With our higher cash balance and stronger balance sheet, my third point is that: SingPost is now stronger.

Thank you. I now hand over to our Chief Sustainability Officer, Ms Michelle Lee, for the update on the Group's sustainability agenda.

## **Speech by Ms Michelle Lee, Chief Sustainability Officer**

### **Delivering Sustainable Outcomes**

Good afternoon shareholders and partners.

In the last year, the world faced numerous challenges including heightened geopolitical tensions, the world moving towards into endemic phase post COVID-19, inflation rates at levels we have not seen for a long while, volatile energy prices, more frequent climate calamities were seen from extreme heat to harsher winters and the list goes on. Amidst these events, it just shows how important it is for businesses to build resiliency to adaptably ride the dynamic changes surrounding us. Our steadfast focus on sustainability has helped us to stay in our course.

Following a comprehensive materiality re-assessment in the previous financial year, the Board and the management have determined that the material Environmental, Social and Governance (ESG) matters remain relevant and we have further deepened the embedment of our sustainability framework to cover more operations as we expand our footprint into the global markets.

Maintaining a Culture of Trust among our stakeholders is of great importance as we strive to uphold the highest standards of corporate governance and display a robust commitment towards our employees' personal and professional development. This year, we launched a Human Rights Policy, Diversity and Inclusion Policy for employees, and updated our Board Policy on Diversity and Inclusivity as well as Supplier Code of Conduct to further drive our efforts in this space.

We have also further progressed in our safety performance as a newly added material matter identified in the 2021's refreshed materiality assessment. We maintain zero work-related fatalities as we worked hard on our belief that everyone has a right to go home safe everyday. Lost Time Injury Frequency Rate improved by 22% year-on-year and we strive to further increase engagement with our employees and our supply chain for a concerted effort to create a physically and psychologically safe environment at the workplace.

In order to be better equipped in tackling climate-related risks and seizing associated opportunities, SingPost has further progressed in aligning our practices with recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD). This involved conducting a climate scenario analysis to identify exposure to potential climate-related physical and transition risks across different climate scenarios and time horizons for us to better prepare

our business and operations towards climate risk resiliency and readies us to harness the opportunities that are presented, driving our commitments towards our net-zero targets as part of our sustainability journey.

### **Advancing our Decarbonisation Journey**

During the year, we have continued to track progress towards our net zero scope 1 and 2 target for Singapore operations achieving circa 30% reduction from the baseline year of FY2018/19.

We recognise scope 3 carbon emissions also form a large proportion of our carbon footprint and have started to build our scope 3 inventory to understand the various sources to enable a targeted reduction. On this end, we are also preparing more engagement with our supply chain having updated our Supplier Code of Conduct to facilitate better data flows and collaboration as an ecosystem towards a sustainable outcome for all.

This year, SingPost celebrates our 165 years of serving the nation and an expanded footprint into other markets. We will continue to journey on in Making Every Delivery Count for People and Planet for another 165 years and beyond.

**END**