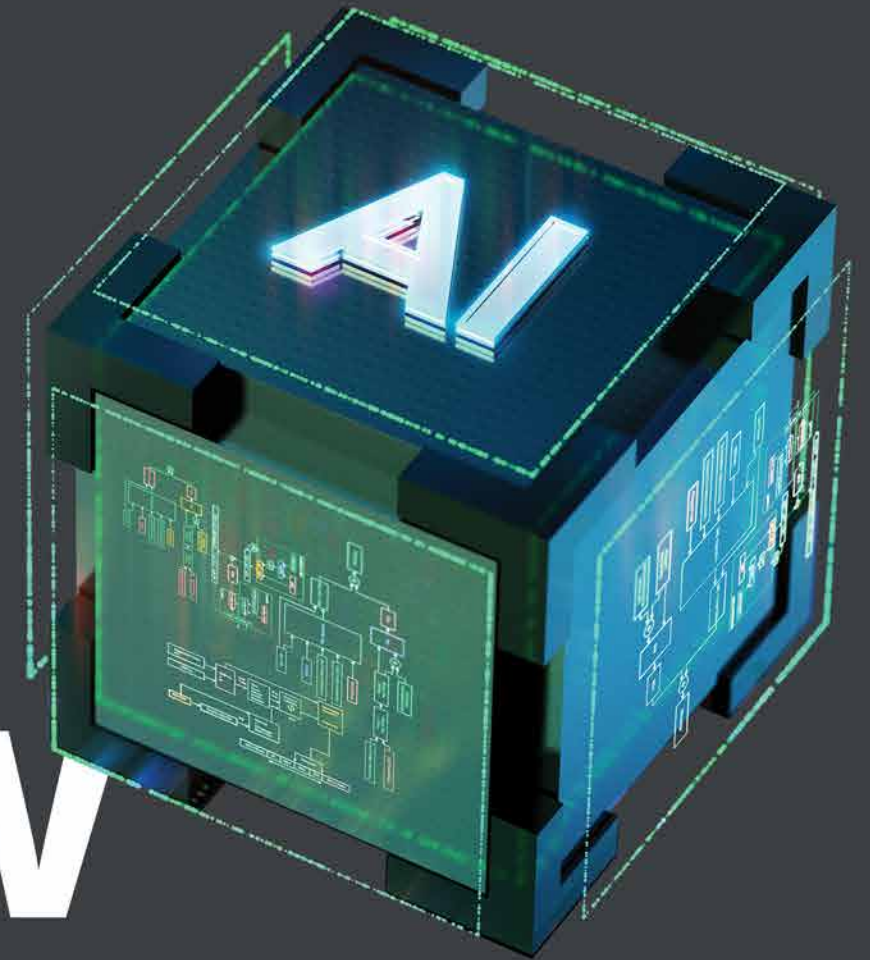


# GCEO Review

**“ Despite slower global trade and geopolitical tensions, SingPost demonstrated resilience. We achieved improved results, especially in the second half of the year, paving the way for us to be an international logistics enterprise focused on growth and sustainability. ”**



Throughout the year, we advanced our transformation and concluded our strategic review. Despite slower global trade and geopolitical tensions, SingPost demonstrated resilience. We achieved improved results, especially in the second half of the year, paving the way for us to be an international logistics enterprise focused on growth and sustainability. Net profit for the year significantly improved, mainly due to an exceptional gain on the revaluation of our property portfolio. More importantly, our underlying performance improved 28% due to the contributions from our core businesses, which offset the decline of our freight forwarding business.

## Our Business Achievements

As part of our transformation, SingPost has been pursuing disciplined and systematic acquisition growth since 2020, successfully establishing a significant and profitable logistics business, primarily in Australia. Today, our overseas logistics revenues contribute to more than 85% of total Group revenue and operating profit.

In Australia, we made strategic moves aligned with the Group's ambitions to deliver enhanced value to its customers and partners through the expansion of the logistics network and driving synergies across operations. We took 100% ownership in the FMH Group and completed the acquisition of Border Express,

which significantly enhances our network and reach. We are now focused on integrating the FMH Group, Border Express and CouriersPlease, to unlock synergies across our businesses. Our Australia business is now one of the top five logistics companies in Australia in terms of revenue.

The International business unit continued to strengthen cross-border eCommerce logistics capabilities with innovative solutions and proactively opened new routes to capture growth in various markets. Volumes from hybrid and commercial lanes have more than doubled in H2 FY2023/24, cushioning the impact of the drop in volumes through traditional postal channels. We have diversified our customer base and established strategic partnerships across various markets, including Indonesia, China, Vietnam and the United Kingdom.

The Singapore business delivered a profitable H2 FY2023/24 on the back of growth in eCommerce and a postal rate adjustment in October 2023. Total eCommerce volumes rose 11% year-on-year attributable to new customer signings and increased volumes from existing customers. SingPost is working on a framework for the domestic postal service's long-term commercial viability while offering customers greater convenience and cost-effectiveness.

## GCEO REVIEW

### From Transformation to Strategic Reset

Since we began our business transformation journey, SingPost has evolved into a logistics enterprise. Following our Board's strategic review, we will strengthen our balance sheet, actively manage capital deployed in our portfolio of businesses and recycle capital from non-core businesses and assets. The Group will be reorganised into three business units: Singapore, Australia, and International. Each business will strive for market leadership, building on the core capabilities aligned to its strategies.

The Singapore business unit will focus on being the leader in deliveries, leveraging the core capability and strength of its postal network to capture the growth of eCommerce logistics, innovating and transforming Singapore's urban logistics landscape. The Australia business unit will leverage its asset-light hybrid 4PL and 3PL capabilities and strengthen its position as one of Australia's top five logistics companies by revenue. The International business unit will focus on serving cross-border eCommerce customers through an asset-light model and its 4PL platform.

Overall, the strategic review provides SingPost with the pathways to drive growth, create sustainable returns and enhance shareholder value.

### Strengthening Digital Capabilities

SingPost is committed to staying at the forefront of technology and security developments. As we accelerate our digital transformation, notable milestones include obtaining the Cyber Trust Mark certification, a 30% increase in the speed of customers' onboarding experiences onto the SPNET platform and the successful migration to a secure, fully cloud-based infrastructure for scalability. We will continually strive to achieve the highest security standards, attain IT cost optimisation, and spearhead AI, automation, analytics and innovation initiatives with industry and technology leaders.

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### Sustainability and Employee Engagement

We continued to incorporate environmentally friendly practices into our operations. Notably, our efforts have led to a 26% reduction of total Scope 1 and 2 emissions in Singapore from FY2018/19 baseline level<sup>4</sup>. During the year, we also focused on our employees, a key stakeholder, by gathering feedback to deepen our understanding of their expectations and aspirations. We introduced a comprehensive mental wellness framework to support staff well-being staff and adopted immersive training to promote safe workplaces. We are honoured to be recognised as a Great Place to Work<sup>®</sup> Certified<sup>™</sup> Company in multiple markets, including Australia, China, Singapore, and Taiwan.

### In Appreciation

As we move forward, I am grateful for the leadership team's expertise and the support of our Board of Directors. I would also like to express my appreciation to our shareholders, customers, union partners, and fellow SingPosters for their continued support. Your trust and collaboration are integral to our continued success. Together as one, SingPost is well-positioned to deliver value and excellence.



**PHANG HENG WEE, VINCENT**  
Group Chief Executive Officer

<sup>4</sup> Scope 1 and 2 GHG emissions in Singapore in FY2018/19 (baseline year) has been restated due to a recalculation of tenant electricity consumption data at owned properties, electricity consumption at leased properties and fuel consumption for our operations. This results in an overall reduction in the Scope 1 and 2 GHG emissions for the baseline year; and SingPost's FY2022/23 reduction for Scope 1 and 2 is restated as 22% from FY2018/19 (baseline year).