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### Miscellaneous

\* Asterisks denote mandatory information

Name of Announcer *	SINGAPORE POST LIMITED
Company Registration No.	199201623M
Announcement submitted on behalf of	SINGAPORE POST LIMITED
Announcement is submitted with respect to *	SINGAPORE POST LIMITED
Announcement is submitted by *	Leong Chee Sian (Ms)
Designation *	Company Secretary
Date & Time of Broadcast	24-May-2007 07:17:25
Announcement No.	00007

### >> Announcement Details

The details of the announcement start here ...

Announcement Title \*

Description

**Attachments:**  [PresentationSlides-CLSA.pdf](#)  
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(2048K size limit recommended)"/>

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# Singapore Post Limited

## Company Presentation

24 May 2007  
CLSA Corporate Access Forum

- ◆ **Business & Strategic Overview**
- ◆ **Financial Overview**
- ◆ **Cashflow, Dividends, Financial Indicators**
- ◆ **Summary**

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

"\$" means Singapore dollars unless otherwise indicated.

# Business & Strategic Overview

## Recent Key Initiatives

Key Initiatives	Description
<b>Mail</b>	
- Collaborations with Posts	<ul style="list-style-type: none"> <li>◆ HK Post – cooperation agreement for provision of e-post services <b>NEW</b></li> <li>◆ Pos Indonesia – collaboration agreement</li> <li>◆ Korea Post and Japan Post – joint stamp issue</li> <li>◆ Pos Malaysia – collaboration to promote cross border mail traffic</li> </ul>
- Hybrid mail expansion	<ul style="list-style-type: none"> <li>◆ DataPost set up in HK</li> <li>◆ Expanded Malaysia operations</li> </ul>
- International mail	<ul style="list-style-type: none"> <li>◆ JV for print-on-demand business <b>NEW</b></li> <li>◆ Successful trials for international publishers</li> </ul>
<b>Logistics</b>	
	<ul style="list-style-type: none"> <li>◆ Successful client acquisitions for customised logistics solutions</li> </ul>
<b>e-Business</b>	
	<ul style="list-style-type: none"> <li>◆ Rolled out vPOST into Thailand, Malaysia</li> <li>◆ Added 3 more countries for shopping sites</li> <li>◆ Extended into co-branding, strategic partnerships <b>NEW</b></li> </ul>
<b>Retail &amp; Financial Services</b>	
	<ul style="list-style-type: none"> <li>◆ Care for Life unit trusts offering with Prudential AM</li> <li>◆ ezyShield general insurance offering with GE</li> <li>◆ PostRealty with ERA - property sales</li> </ul>

## FY2007/08: Focusing on Driving Growth

FY2006/07:  
Execution  
Excellence

FY2005/06:  
Controlled,  
Quality Growth

FY2004/05:  
Investing in  
Growth & Expertise

FY2003/04:  
Privatisation of  
SingPost

### ◆ Accelerating efforts to drive growth

- Laid foundation and implemented initiatives for growth over last few years
- Focusing on increasing efforts to drive medium to long term growth

### ◆ Expanding regional reach

- Extending core competencies and businesses into the region

### ◆ Enhancing core business of Mail and Logistics, and leveraging Retail network for growth

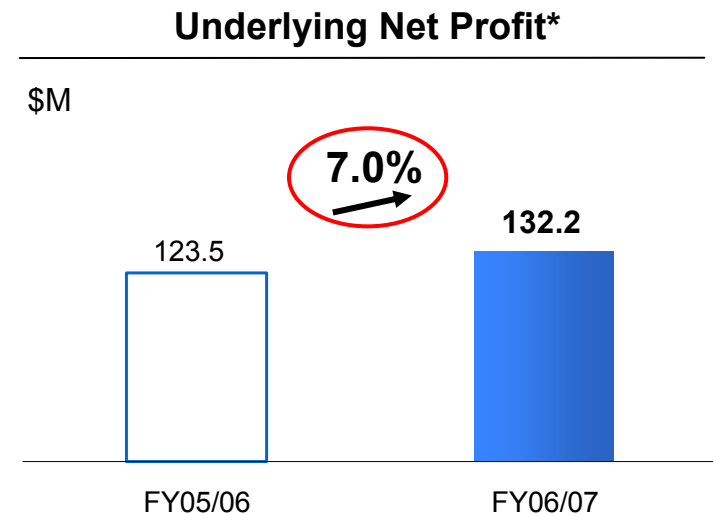
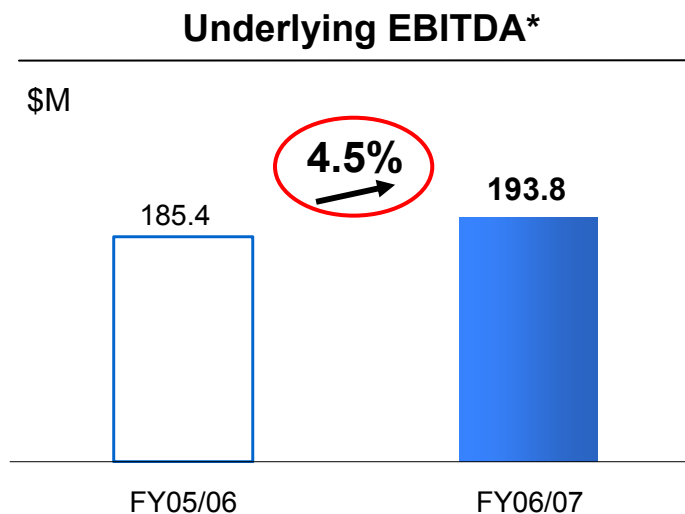
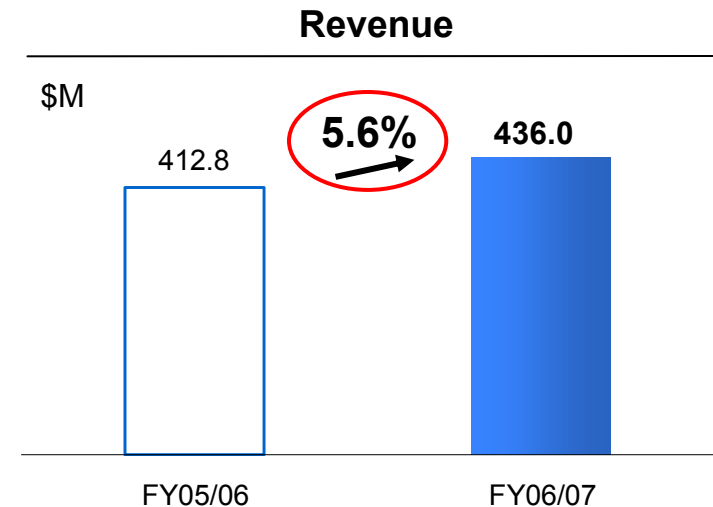
#### Expansion Initiatives

Spring	◆ Present in 10 countries
AsPac JV	◆ Expanding in growing markets
Hybrid mail	◆ Set up in Philippines, Malaysia and HK
	◆ Exploring other markets
vPOST	◆ Launched in Thailand, Malaysia
	◆ Rolling out in other markets
Collaborations	◆ MOU with Pos Indonesia to explore opportunities

# Financial Overview

# FY06/07 Group Results

- ◆ Good set of results achieved for FY2006/07
- ◆ Continued improvements in revenue and profit performance
  - Revenue grew 5.6% or \$23.2M
  - Underlying net profit grew 7.0% or \$8.7M

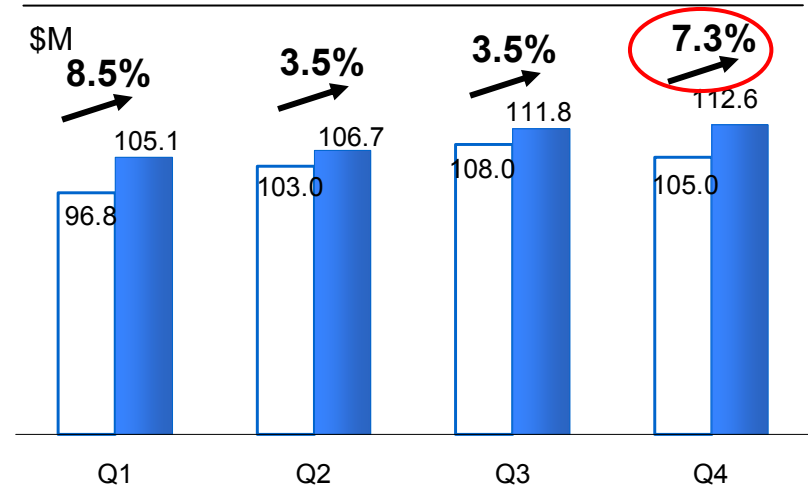




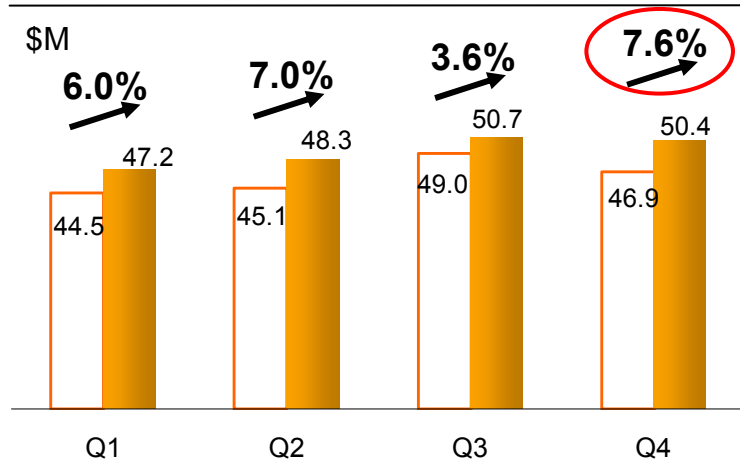
# FY06/07 – Quarterly Performance

- ◆ Continued momentum in operational performance, with Q4 revenue exceeding seasonally strong Q3
- ◆ Strong improvements in Q4 EBITDA and underlying net profit performance

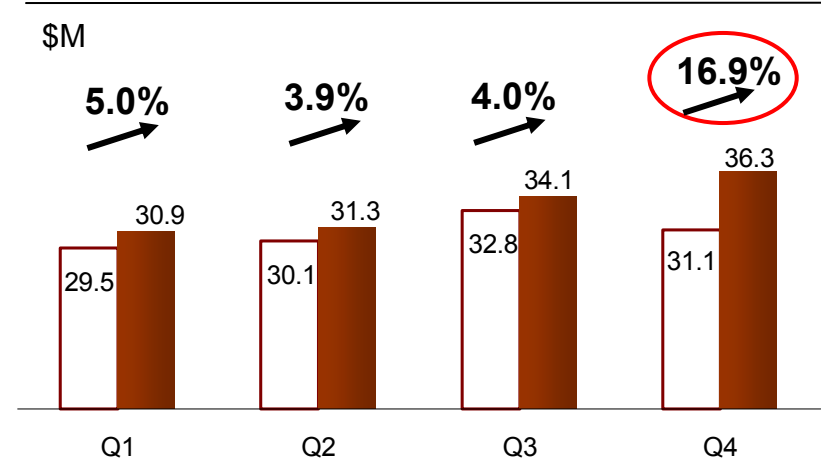
### Revenue Growth Trend



### Underlying EBITDA Growth Trend\*



### Underlying Net Profit Growth Trend\*

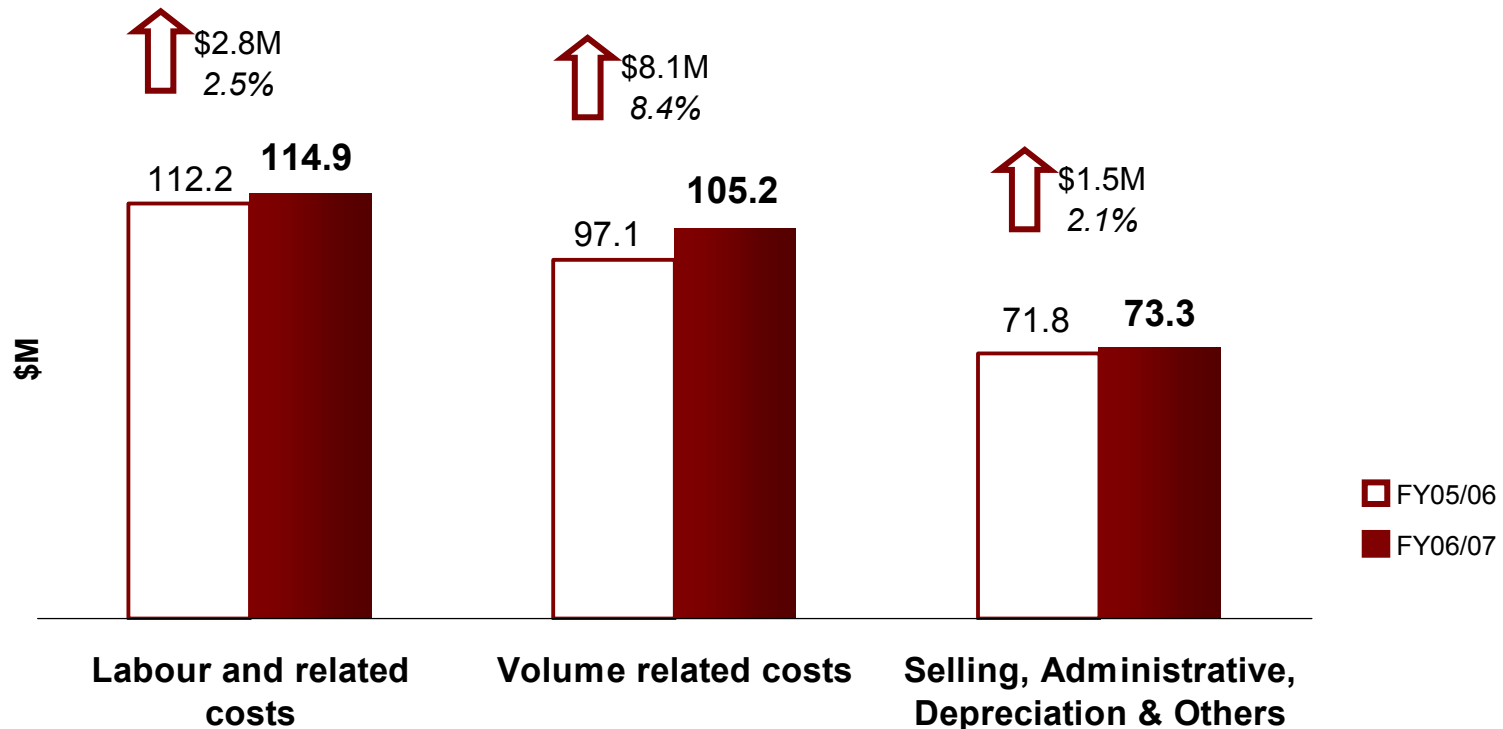


\* Excluding gains on sale of properties and the one-off impact of the reduction in tax rate on deferred taxes

# FY06/07 Operating Expenses

- ◆ Cost increases continued to be controlled
- ◆ Total operating expenses rose by 4.4% or \$12.4M

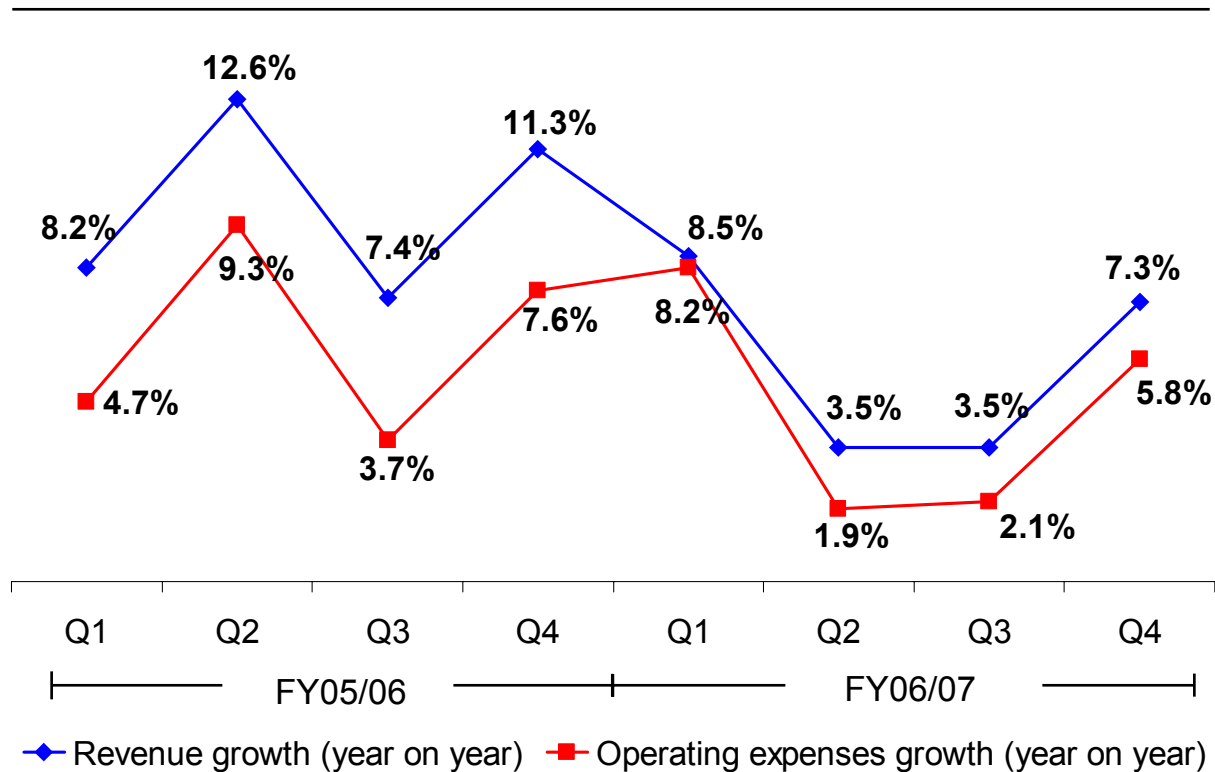
(\$M)	FY05/06	FY06/07	Change
Operating expenses	281.0	293.4	+4.4%



# Quarterly Trends – Operating Leverage

- ◆ Business growth over last two years with costs under control
- ◆ Maintained good operating leverage

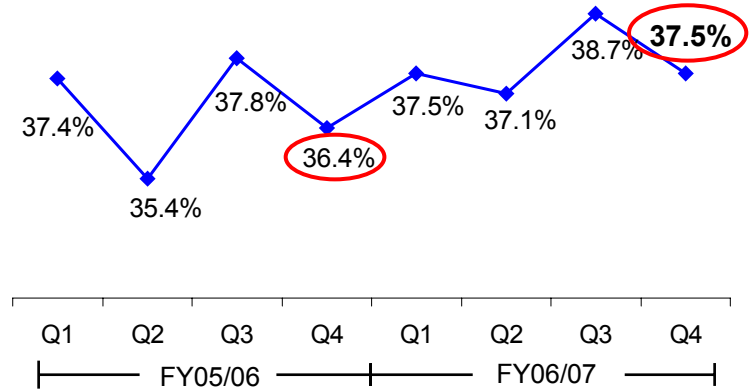
Revenue Growth vs Operating Expenses Growth



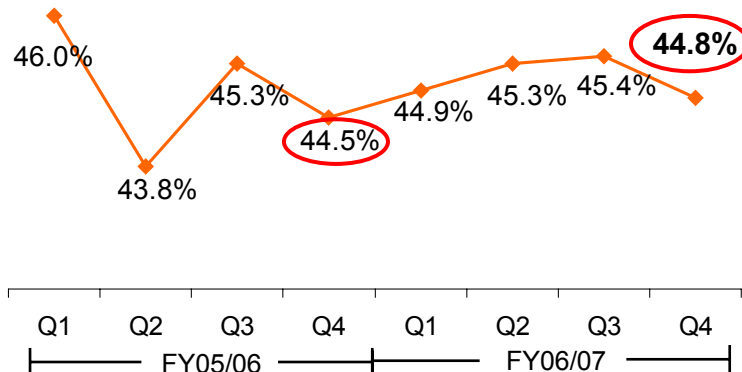
# Quarterly Profit Margins

- ◆ Improvements in underlying profit margins for most quarters
- ◆ Better underlying profit margins recorded for Q4 FY06/07

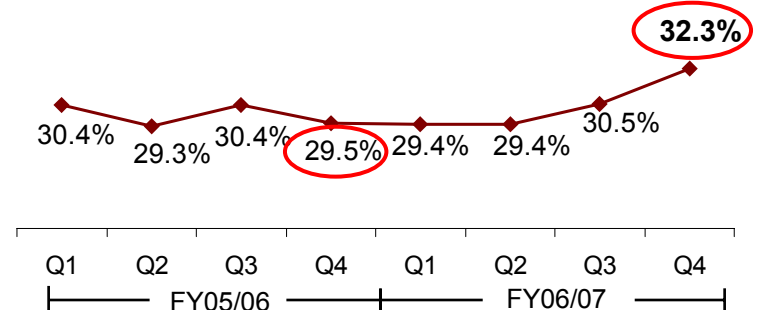
## Underlying Operating Profit Margins



## Underlying EBITDA Margins



## Underlying Net Profit Margins



Note: Excluding gains on sale of properties and the one-off impact of the reduction in tax rate on deferred taxes

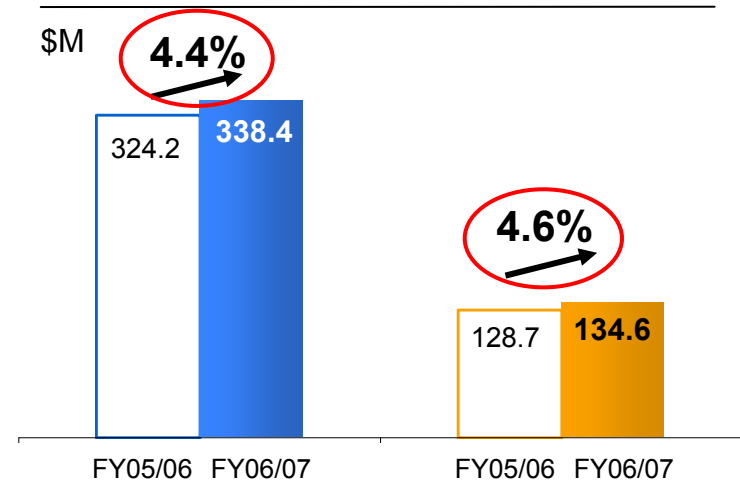
# Financial Overview – Business Segments

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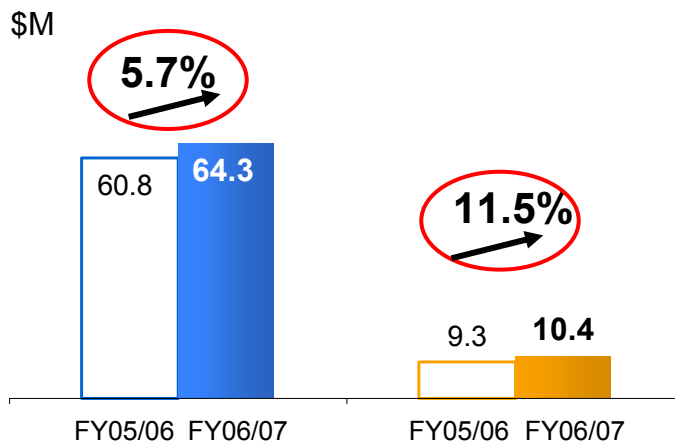
# FY06/07 Segment Results

- ◆ Continued growth in revenue and operating profit achieved by all business segments – Mail, Logistics and Retail

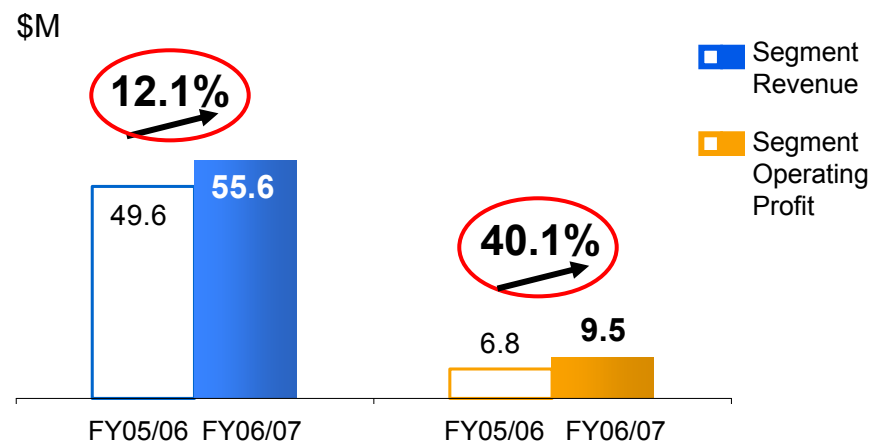
### Mail Revenue and Profit



### Logistics Revenue and Profit

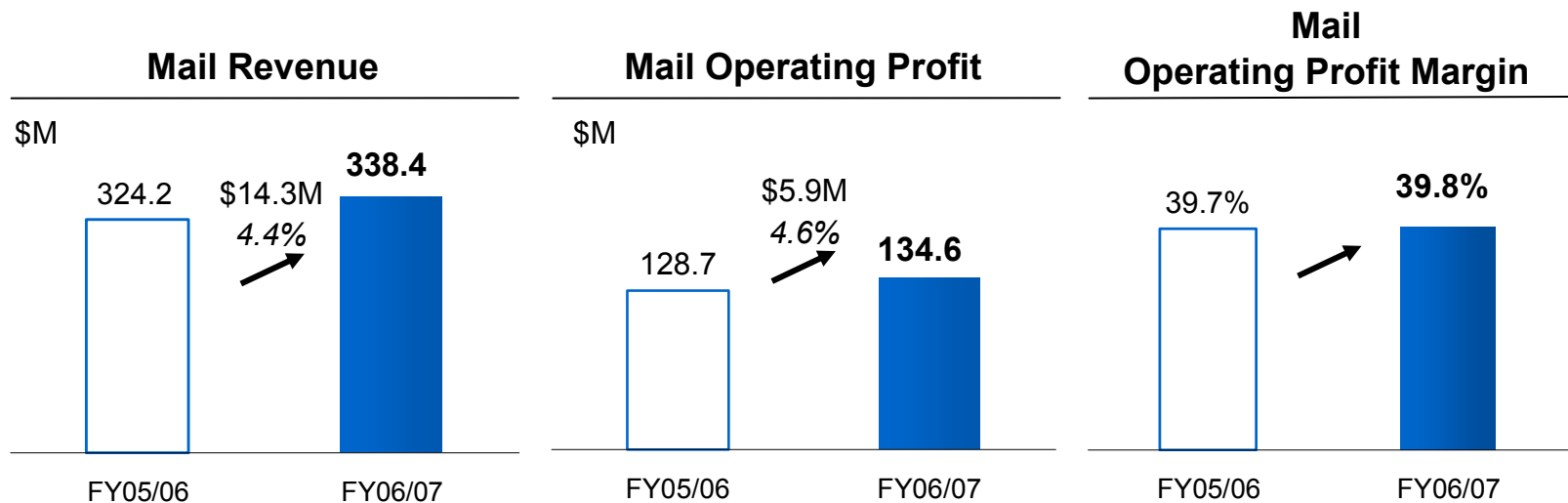


### Retail Revenue and Profit



# Mail – FY06/07 Performance

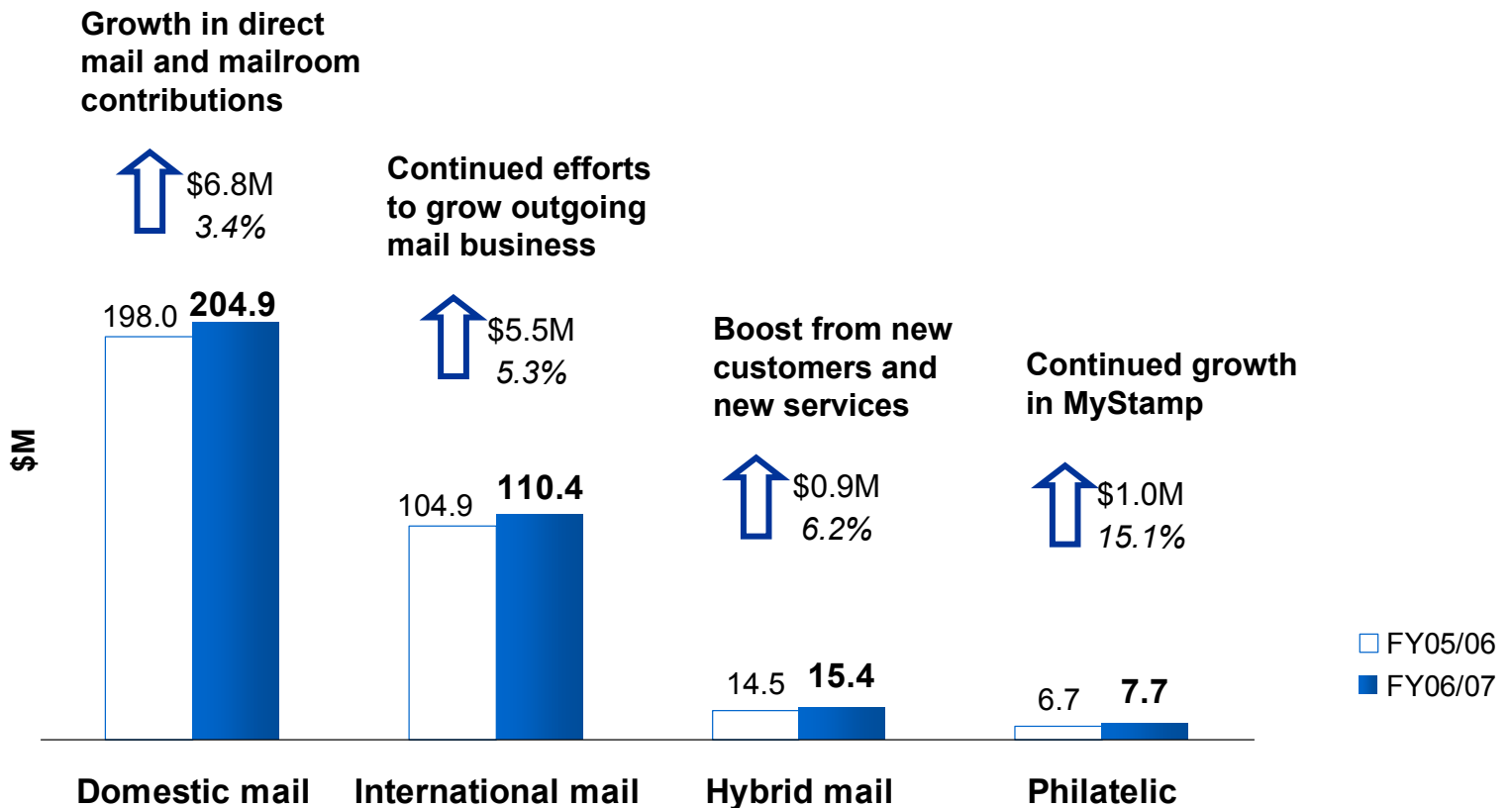
- ◆ Mail revenue ↑ 4.4% or \$14.3M against last year, on growth in all four business lines – domestic mail, international mail, hybrid mail and philatelic
- ◆ Mail profit ↑ 4.6% or \$5.9M against last year
- ◆ Slight improvement in mail profit margin from 39.7% to 39.8%



# Mail – FY06/07 Revenue Breakdown



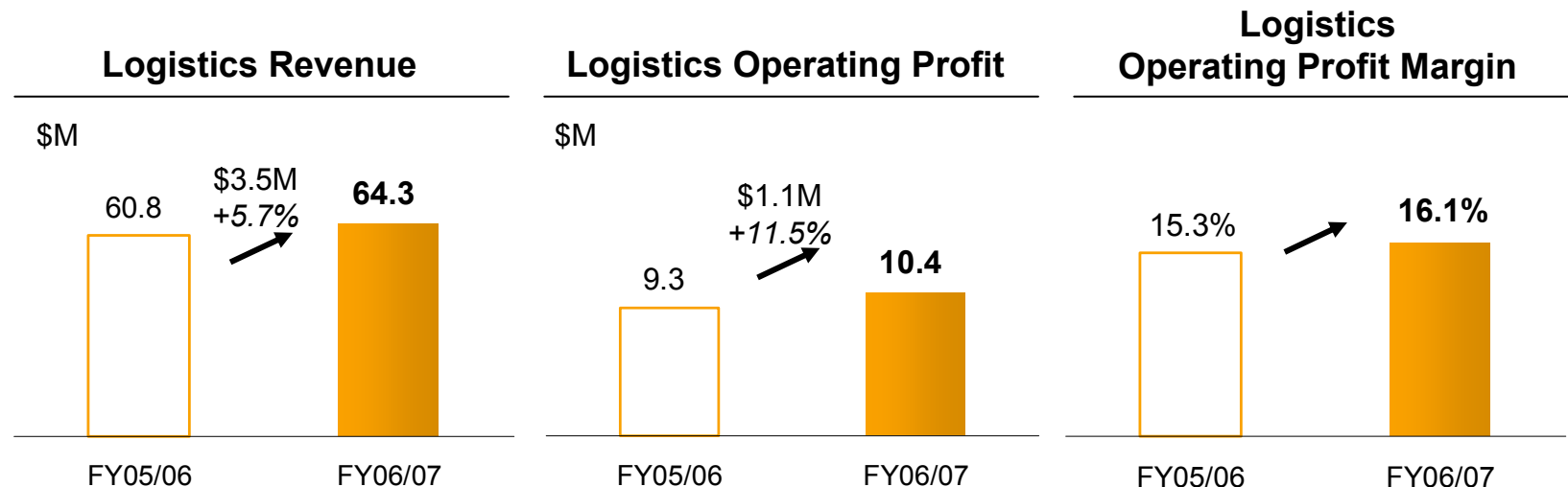
(\$M)	FY05/06	FY06/07	Change
Mail Revenue	324.2	338.4	+4.4%





# Logistics – FY06/07 Performance

- ◆ Logistics revenue ↑ 5.7% or \$3.5M on improved Speedpost contributions
- ◆ Logistics profit ↑ 11.5% or \$1.1M against last year on better contract yields
- ◆ Profit margin improved from 15.3% to 16.1%



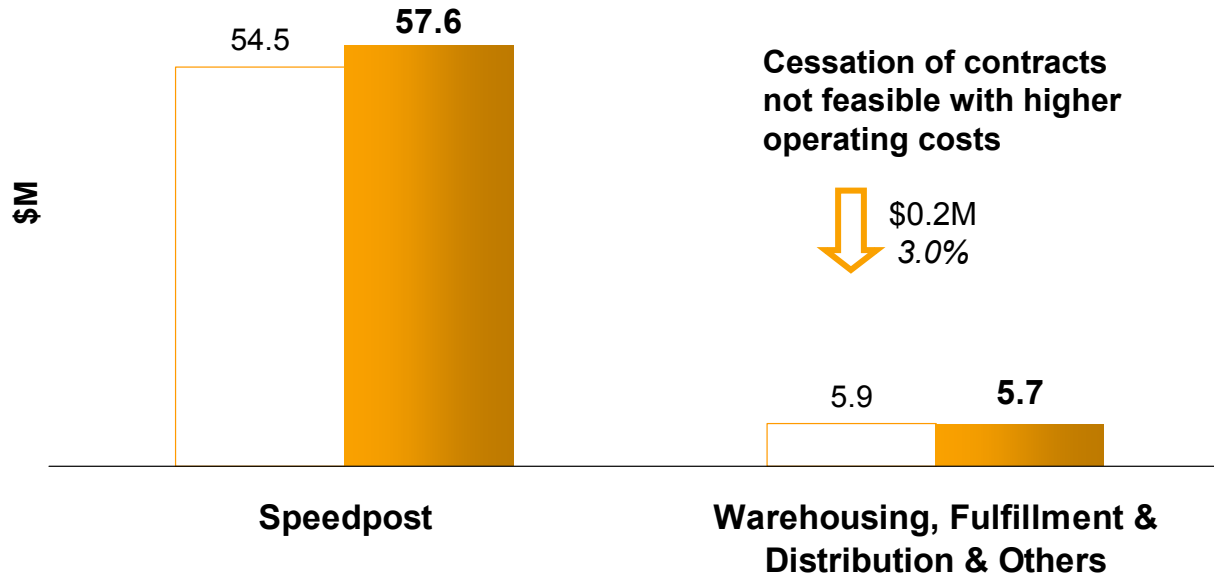
# Logistics – FY06/07 Revenue Breakdown



(\$M)	FY05/06	FY06/07	Change
Logistics Revenue	60.8	<b>64.3</b>	+5.7%

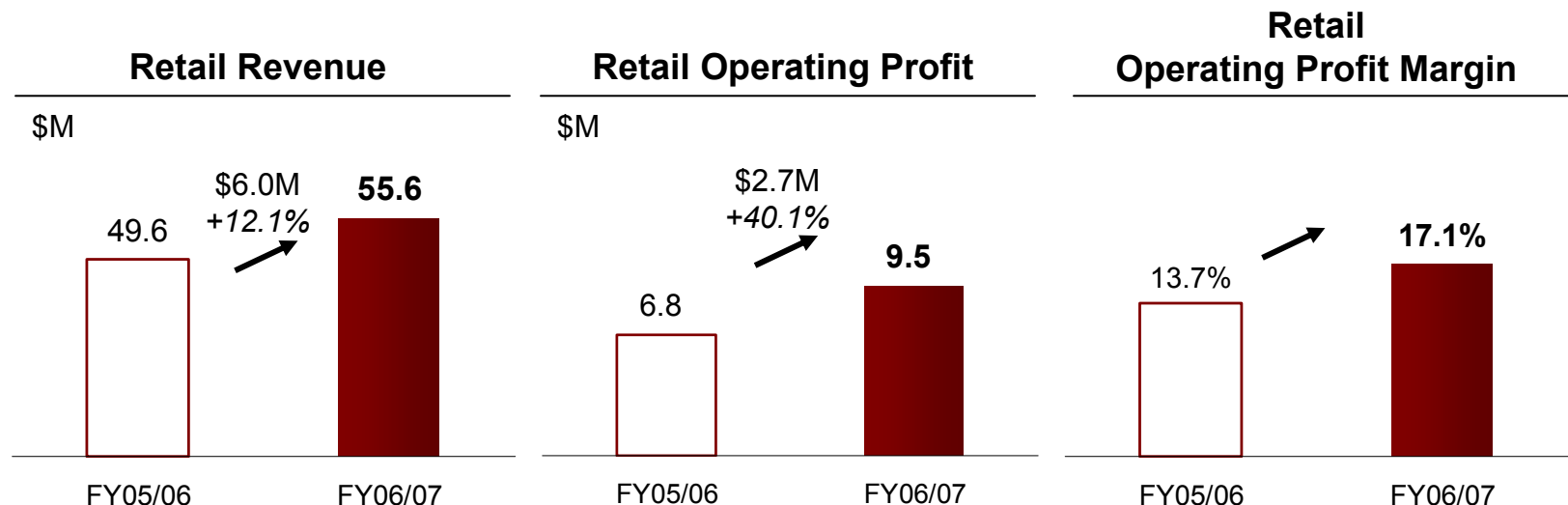
**Growth in Speedpost contributions**

↑ \$3.1M  
5.7%



# Retail – FY06/07 Performance

- ◆ Retail revenue ↑ 12.1% or \$6.0M as strategy to leverage Retail network continued to bear fruit
- ◆ Retail profit ↑ 40.1% or \$2.7M due to growth in higher-margin financial services
- ◆ Retail profit margin improved from 13.7% to 17.1%

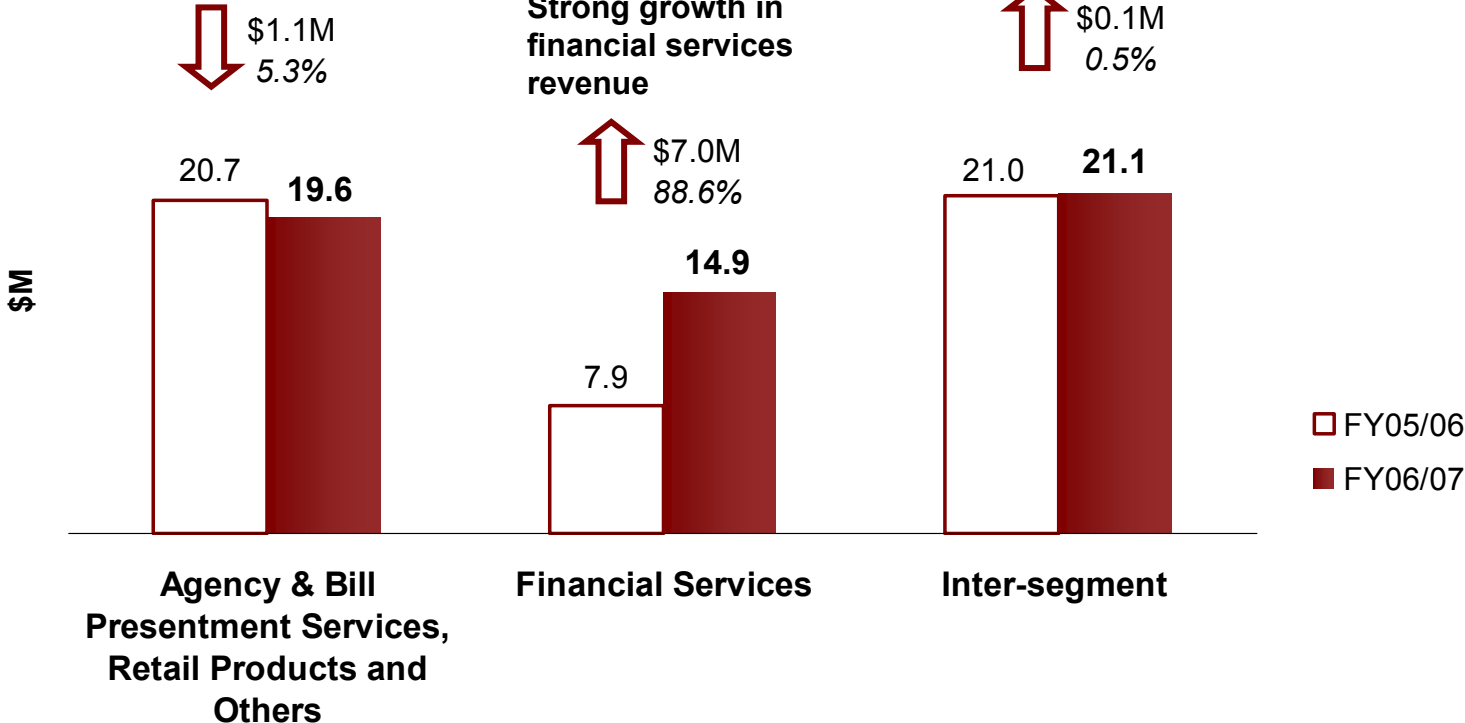


# Retail – FY06/07 Revenue Breakdown



(\$M)	FY05/06	FY06/07	Change
Retail Revenue	49.6	<b>55.6</b>	+12.1%

Higher Retail product contributions mitigated decline in agency & bill presentment contributions



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# Cashflow, Dividends

## Key Financial Indicators

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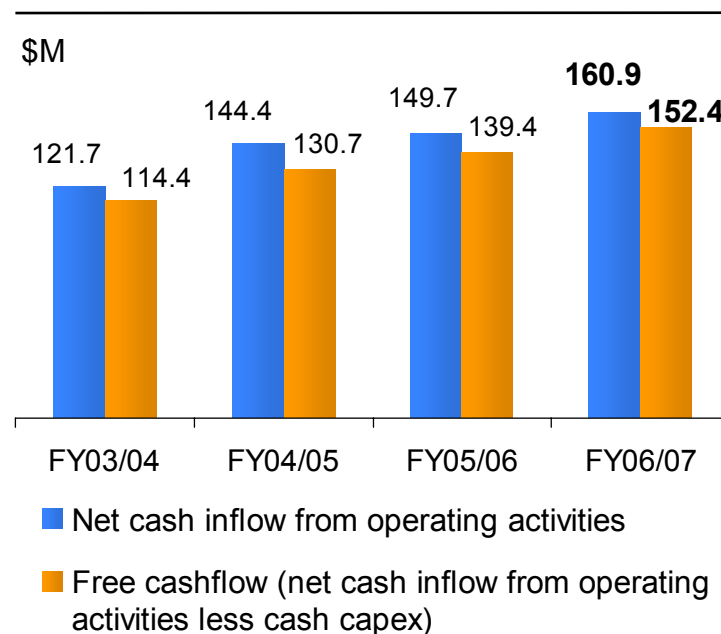
## ◆ Robust cashflow generation

- Maintained strong cashflow generation, with improvements in net cash inflow and free cashflow

## ◆ Dividends

- Proposed final dividend of 2.5 cents per share, giving total annual dividend of 6.25 cents per share
  - 13.6% increase over last year's total of 5.5 cents per share
  - Payout ratio of 85.6%
- Barring unforeseen circumstances, the Group aims to pay out 80-90% of net profit or a minimum of 5.0 cents per share per year

### Net Operating Cashflow & Free Cashflow



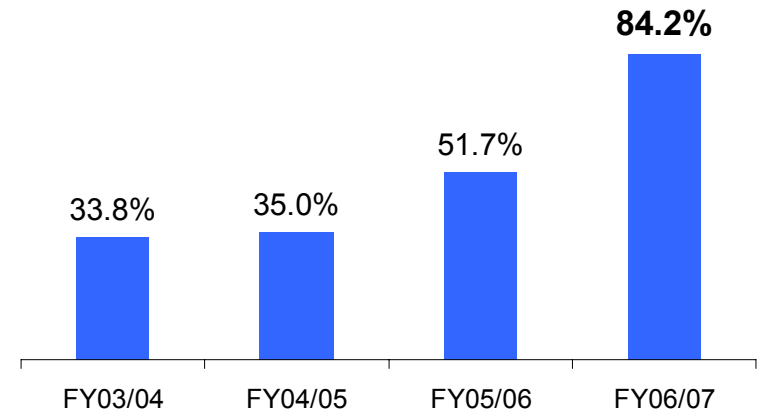
### FY2006/07 Dividends

Q1 Interim	1.25 cents
Q2 Interim	1.25 cents
Q3 Interim	1.25 cents
Q4 Final	1.25 + 1.25 cents
<b>Total FY2006/07</b>	<b>6.25 cents</b>

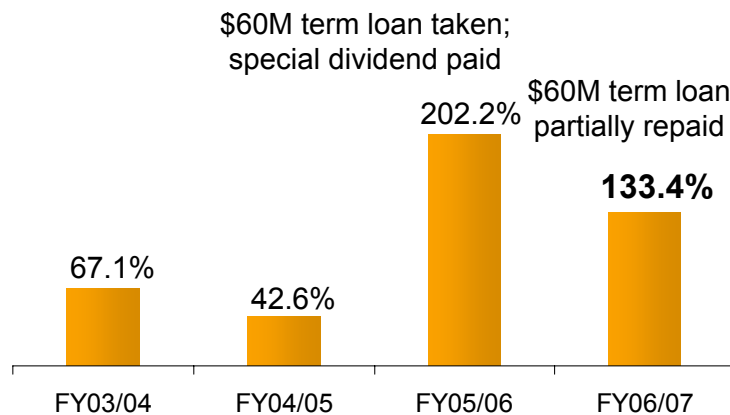
# Key Financial Indicators

- ◆ Lower net debt to equity ratio due to increase in reserves and partial repayment of term loan
- ◆ Improvements in ROAE and ROIC with optimised capital structure

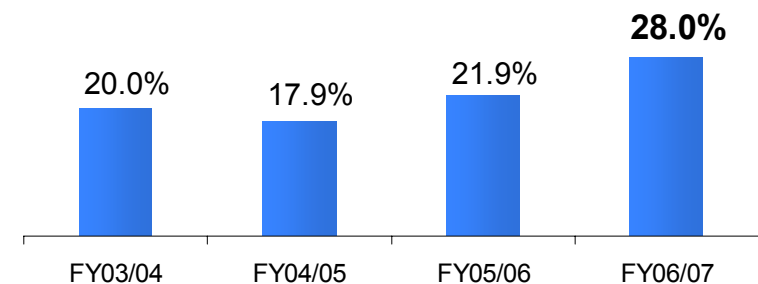
Return on Average Equity (ROAE)



Net Debt to Equity



Return on Invested Capital (ROIC)



# Summary



- ◆ **Good set of results for full-year FY2006/07**
- ◆ **Robust cashflow generation and dividend policy**
- ◆ **Focusing on driving growth**
  - Accelerating efforts to drive growth
  - Expanding regional reach
  - Enhancing core business of Mail and Logistics, and leveraging Retail network for growth

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**Thank You**

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