

## GENERAL ANNOUNCEMENT::SINGPOST BUSINESS UPDATE FOR 3RD QUARTER ENDED 31 DECEMBER 2024

### Issuer & Securities

**Issuer/ Manager**

SINGAPORE POST LIMITED

**Securities**

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

Jonathan Ooi Wei Hsin

**Designation**

Company Secretary

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

Please refer to the attachment.

### Attachments

 [Q3FY2425 Business Update.pdf](#)

Total size =96K MB



## Business Update for 3rd Quarter ended 31 December 2024

All figures disclosed in this business update are unaudited.

### GROUP FINANCIAL HIGHLIGHTS

<b>(Unaudited)</b> <b>S\$ million</b>	<b>Q3</b> <b>FY24/25</b>	<b>Q2</b> <b>FY24/25</b>	<b>QoQ</b> <b>Change</b>	<b>Q3</b> <b>FY23/24</b>	<b>YoY</b> <b>Change</b>
Group Revenue	<b>510.6</b>	497.6	<b>+2.6%</b>	455.4	<b>+12.1%</b>
Group Operating Expenses	<b>(490.9)</b>	(472.7)	<b>+3.9%</b>	(430.1)	<b>+14.1%</b>
Group Operating Profit	<b>21.1</b>	26.8	<b>(21.3%)</b>	27.7	<b>(23.8%)</b>
Operating Margin (%)	<b>4.1%</b>	5.4%		6.1	

### Softer performance in Singapore and International businesses mitigated by Property and Australia businesses

The Group recorded a 12.1% year on year (YoY) growth in revenue to S\$510.6 million in the third quarter, which is a seasonally high period for its businesses. Lower contributions from the Singapore and International businesses were outweighed by growth in revenue in the Australia business and property leasing.

Operating expenses for both the Singapore and International businesses outpaced revenue growth, resulting in a 23.8% YoY decline in operating profit to S\$21.1 million in Q3 FY24/25. This decline was driven primarily by ongoing macro-economic pressures, including higher inflation, supply chain disruptions and a highly competitive environment.

While these challenges are expected to continue to impact core businesses, SingPost remains focused on delivering value by streamlining operations, enhancing digital capabilities, and capitalising on new business opportunities.

### **Singapore**

Overall delivery volumes in the Singapore postal and logistics business grew by 3.4%, as letter mail volume growth offset lower eCommerce volumes due to service performance issues. However YoY revenues declined due to lower revenues from logistics, financial and other services. The lower revenue, together with the high cost of operating the post office network, resulted in an operating loss in the Singapore postal and logistics business, compared to a profit in the same quarter last year.



Property leasing revenue improved YoY due to higher rental income from SingPost Centre. Overall occupancy rate at SingPost Centre was 98.2% as at 31 December 2024 compared to 96.2% as at 31 March 2024.

### **International**

Revenue in the International cross-border business declined YoY as a direct result of a 29.6% decline in YoY volumes. The continued contraction in cross border eCommerce volumes and challenging business conditions resulted in an operating loss for the cross-border segment during the quarter.

Freight forwarding revenue and profit improved YoY on the back of higher sea freight rates.

### **Australia**

The Australia business recorded higher revenue and operating profit YoY, largely due to FMH's consolidation of Border Express following its acquisition in March 2024.

On 2 December 2024, the Group announced the proposed divestment of the Australia business (please refer to the SGX announcement "Proposed Sale of SingPost Australia Investments Pty Ltd"), with the view to unlocking shareholder value.

## **OPERATING STATISTICS**

<b>Volume</b>	<b>Q3 FY24/25</b>	<b>Q3 FY23/24</b>	<b>YoY Change</b>
<b>Singapore</b> ('000 items)	99,655	96,408	+3.4%
- eCommerce related	7,617	9,104	(16.3%)
- Letter mail and printed papers	92,038	87,304	+5.4%
<b>International</b> ('000 kg)	2,515	3,564	(29.4%)
- eCommerce related	2,288	3,252	(29.6%)
- Letter mail and printed papers	227	312	(27.2%)



## SELECTED BALANCE SHEET ITEMS

(Unaudited)

S\$ million	As at Dec 2024	As at Mar 2024	Change
Cash and cash equivalents	<b>391.5</b>	476.7	(17.9%)
Borrowings	<b>866.9</b>	827.1	+4.8%
Net debt position	<b>(475.4)</b>	(350.4)	+35.7%
Total Assets	<b>3,147.9</b>	3,135.9	+0.4%
Total Liabilities	<b>1,748.6</b>	1,715.0	+2.0%
Total Equity	<b>1,399.3</b>	1,421.0	(1.5%)

Cash and cash equivalents were lower largely due to additions to property, plant and equipment, repayment of lease liabilities, interest payments and dividend payments to shareholders.

Borrowings were higher due to additional bank loans undertaken by FMH for the deferred consideration for Border Express.

## SUSTAINABILITY

SingPost is collaborating with its suppliers to reduce scope 3 emissions. The Company launched the Queen Bee Enabled Sustainability Transition (QUEST) programme to equip local small and medium-sized enterprise suppliers with the knowledge, tools, and financial solutions needed to embark on their sustainability journey.

A solar energy system was installed atop SingPost Centre during the year, adding to existing solar panels at the Regional eCommerce Logistics Hub. These initiatives, along with operational efficiencies, are helping the Company track toward its 2030 scope 1 & 2 net zero target for businesses in Singapore.



## **MOVING FORWARD**

The Board reaffirms its intent to progressively divest and unlock the value of non-core businesses and assets. With the proposed divestment of the Australia business, there may be adjustments in the phasing and timing of further disposals.

As announced on 2 December 2024, SingPost entered into a sale and purchase agreement with Pacific Equity Partners for the proposed divestment of its Australia business at an enterprise value of A\$1.02 billion. The proposed divestment is subject to, amongst others, shareholders' approval at an Extraordinary General Meeting to be convened. Following the divestment of the Australia business, the strategy of the Group will be reviewed and reset in due course.

In the Singapore business, SingPost continues to focus on building market share and maximising capacity utilisation while reviewing its customer service touchpoints to meet evolving consumer demands for postal services in a digital landscape. Adjustments will be made to some post offices and locations to ensure that postal services remain cost-effective and relevant.

The Property business is expected to remain stable and will also benefit from recent rental revisions and increased footfall at SingPost Centre.

The International cross-border business is expected to face increasing challenges in a volatile global environment for eCommerce logistics. These challenges, driven by trade disputes, geopolitical conflicts and evolving regulatory requirements, are expected to have a prolonged impact on the International cross-border business. The business is subject to the Group's ongoing review.

**END**