

26th Annual General Meeting

11 July 2018



FY2017/18 Financials

Cash flow and Balance sheet

Highlights

Summary

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

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FY2017/18 Profit & Loss



FY2017/18 P&L, \$M

	FY17/18	FY16/17	YoY % change
Revenue	1,464.1	1,347.8	+8.6%
Other income and gains (net)			
Rental and property-related income	47.5	36.6	+29.9%
Miscellaneous	11.3	9.8	+16.0%
Total expenses	1,388.2	1,249.3	+11.1%
Operating profit before exceptional items	143.5	147.0	(2.4%)
Exceptional items	14.5	(88.7)	N.M.
Share of associated companies & JVs	(3.1)	(1.2)	(163.3%)
Net profit attributable to equity holders	126.4	33.4	+278.4%
Underlying net profit	105.0	115.6	(9.2%)

— Revenue growth driven by higher eCommerce-related activities

— Boosted by rental income from SingPost Centre retail mall which opened in October 2017

— Exceptional losses last year were largely due to impairment charges

— Net profit rose 278.4%

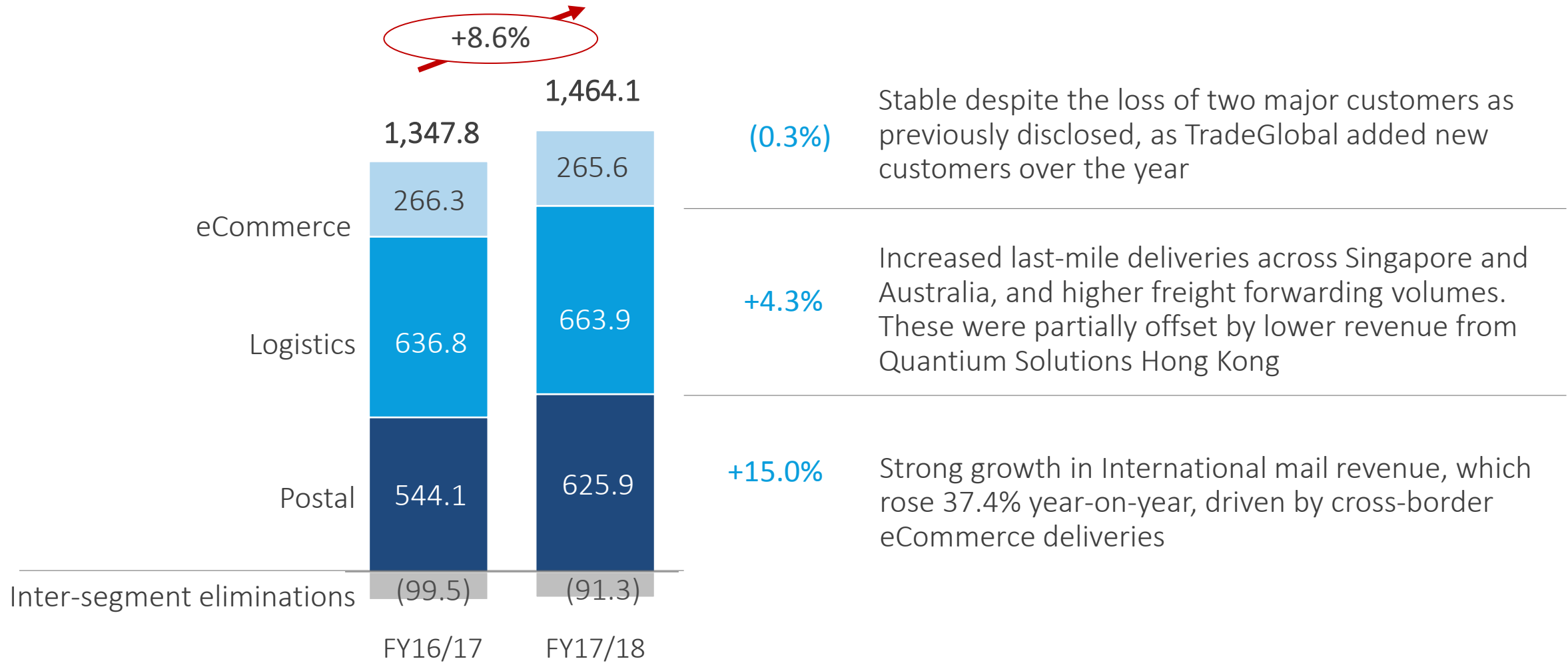
— Excluding exceptional & one-off items, underlying net profit declined 9.2% largely due to lower Logistics contribution

N.M. denotes Not Meaningful

Figures in the comparative period last year have been adjusted to be consistent with the current year's presentation

Revenue movement

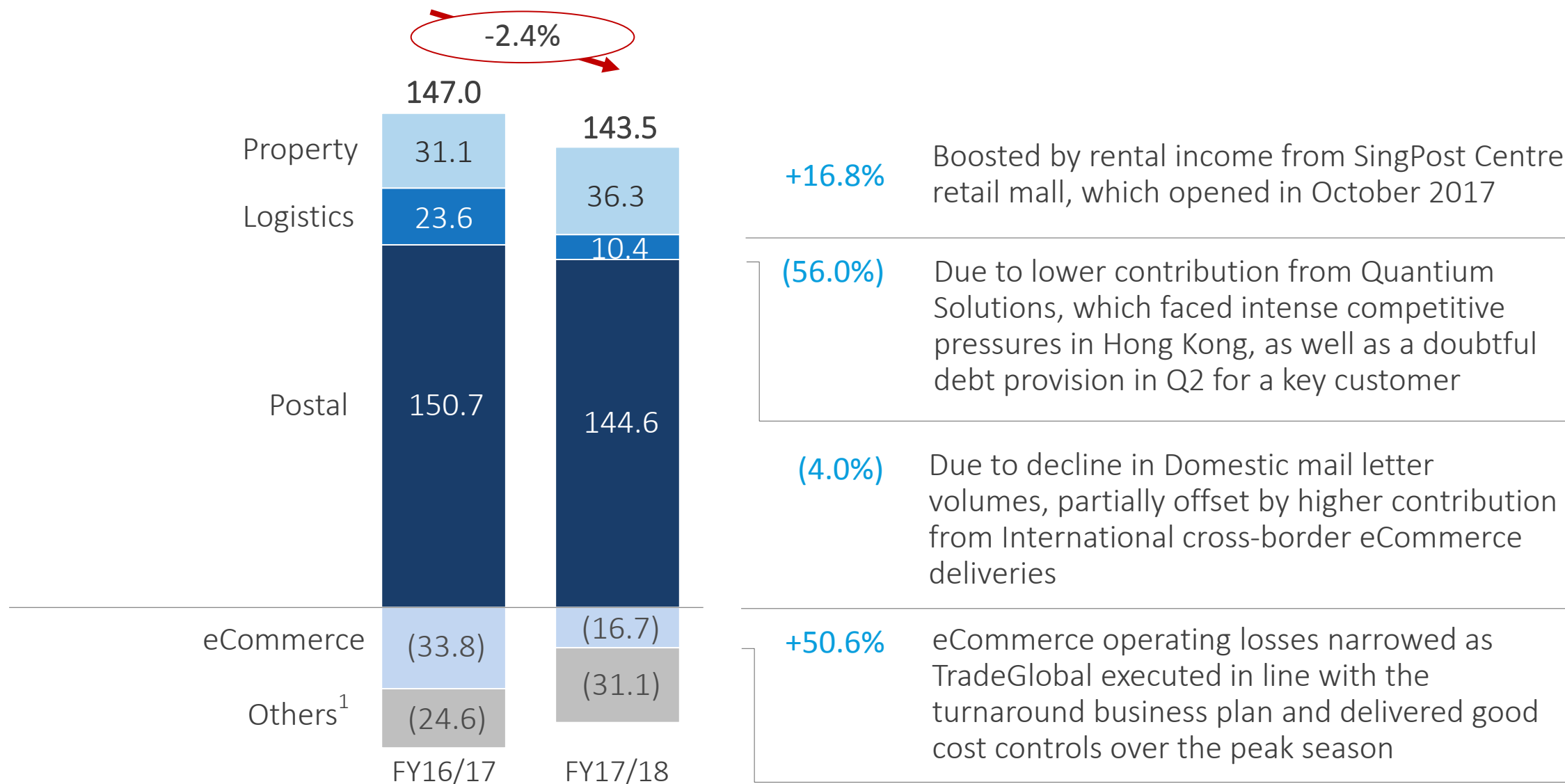
FY2016/17 vs. FY2017/18 Revenue performance, \$M



Differences in total due to rounding

Operating Profit before exceptional items

FY2016/17 vs. FY2017/18 Operating Profit performance, \$M



Differences in total due to rounding

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

FY2017/18 Underlying Net Profit movement

Underlying Net Profit performance, \$M

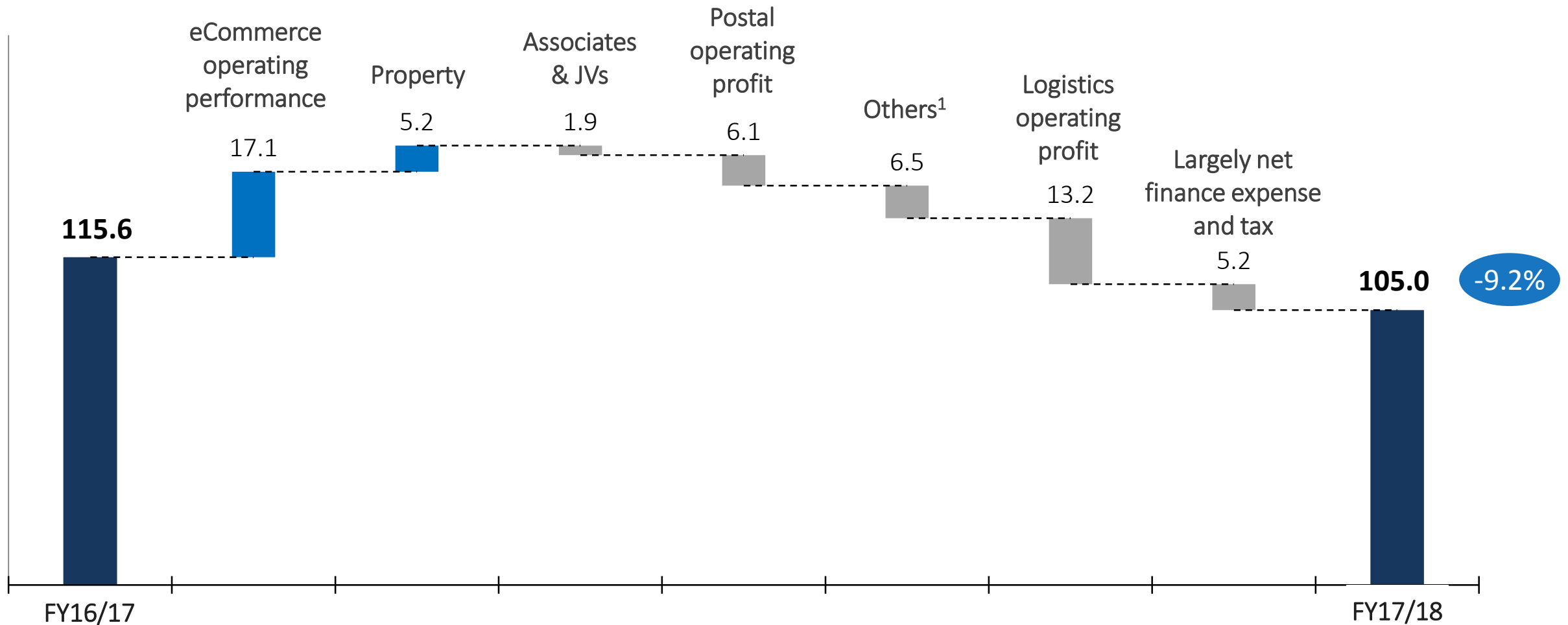


Chart not shown to scale, differences in total due to rounding

1. Refers to unallocated corporate overhead items and trade-related foreign currency differences. Previously grouped in "Property & Others".

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Cash Flow movement

\$M, unless otherwise stated



	FY17/18	FY16/17
Net cash provided by operating activities	198.2	200.1
Capital expenditure	(62.1)	(199.8)
Free cash flow	136.1	0.3

- Stable operating cash flow
- Lower capital expenditure with the completion of SingPost Centre retail mall and Regional eCommerce Logistics Hub
- Free cash flow improved significantly

Balance Sheet and financial indicators

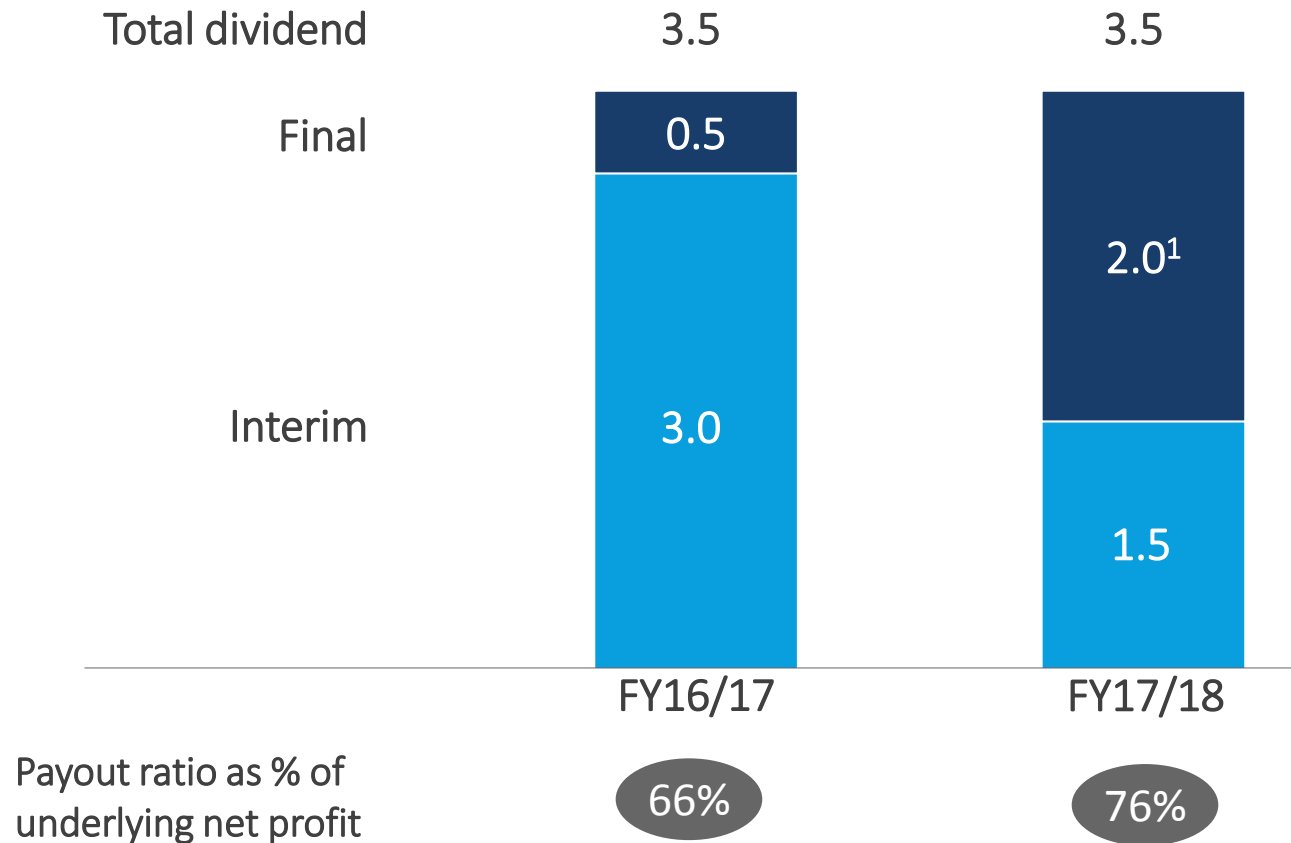


\$M, unless otherwise stated

Financial indicators	As at Mar 2018	As at Mar 2017	
Cash & cash equivalents at end of financial period	314.1	366.6	Includes cash proceeds from Alibaba to be used in accordance with the investment agreements
Borrowings	244.0	364.0	Lower borrowings with partial repayment of short-term bank loans
Net cash position	70.1	2.6	Improved net cash position
EBITDA	215.7	118.1	Improved EBITDA performance
EBITDA to interest expense (times)	25.2x	13.3x	Interest coverage ratio remains strong

Proposed final dividend for FY2017/18: 2.0 cents

Dividend, FY2016/17 vs FY2017/18, S\$ cents



Dividend policy is based on a payout ratio ranging from 60% to 80% of underlying net profit for each financial year. The Board's objective is to grow underlying earnings and dividends over time.

1. Final dividend for FY2017/18 is subject to shareholders' approval at the Annual General Meeting

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Rolled out Smart Post Office network



The General Post Office is the first of a new Smart Post Office network that will serve Singapore's postal needs in the digital age - one where brick-and-mortar outlets are augmented by our SAM Omni-channel platform comprising self-service automated kiosks, web and mobile applications.

Launch of SmartPost initiative



We have launched the SmartPost initiative, where Postmen are equipped with proprietary smartphone apps to improve efficiency and tracking capabilities.

Key developments in FY2017/18

Record International Mail revenue



International Mail revenue rose 37.4% to a new record of S\$369.0 million on higher cross-border eCommerce deliveries, bolstered by our collaboration with the Alibaba Group.

Strengthening parcel lockers network



POPStations continued to be a popular last-mile option for busy Singaporeans, and we will expand the network by 50 to 100 locations in the coming year. There are currently 163 POPStations islandwide.

SingPost was also appointed on 21 May 2018 to operate parcel lockers in Punggol as part of the Government's Federated Locker Pilot Trial.

Strong volume growth in last-mile delivery



Parcel volumes on our Speedpost network were up, with as many as 33,000 parcels processed a day during the peak season.

Quantium Solutions achieved milestones in Singapore



At the Regional eCommerce Logistics Hub, warehouse utilisation was 96% as at 31 March 2018 as Lazada Singapore moved its entire warehouse operation, including fulfilment activities, to the facility in June 2017.

Turnaround of TradeGlobal on track



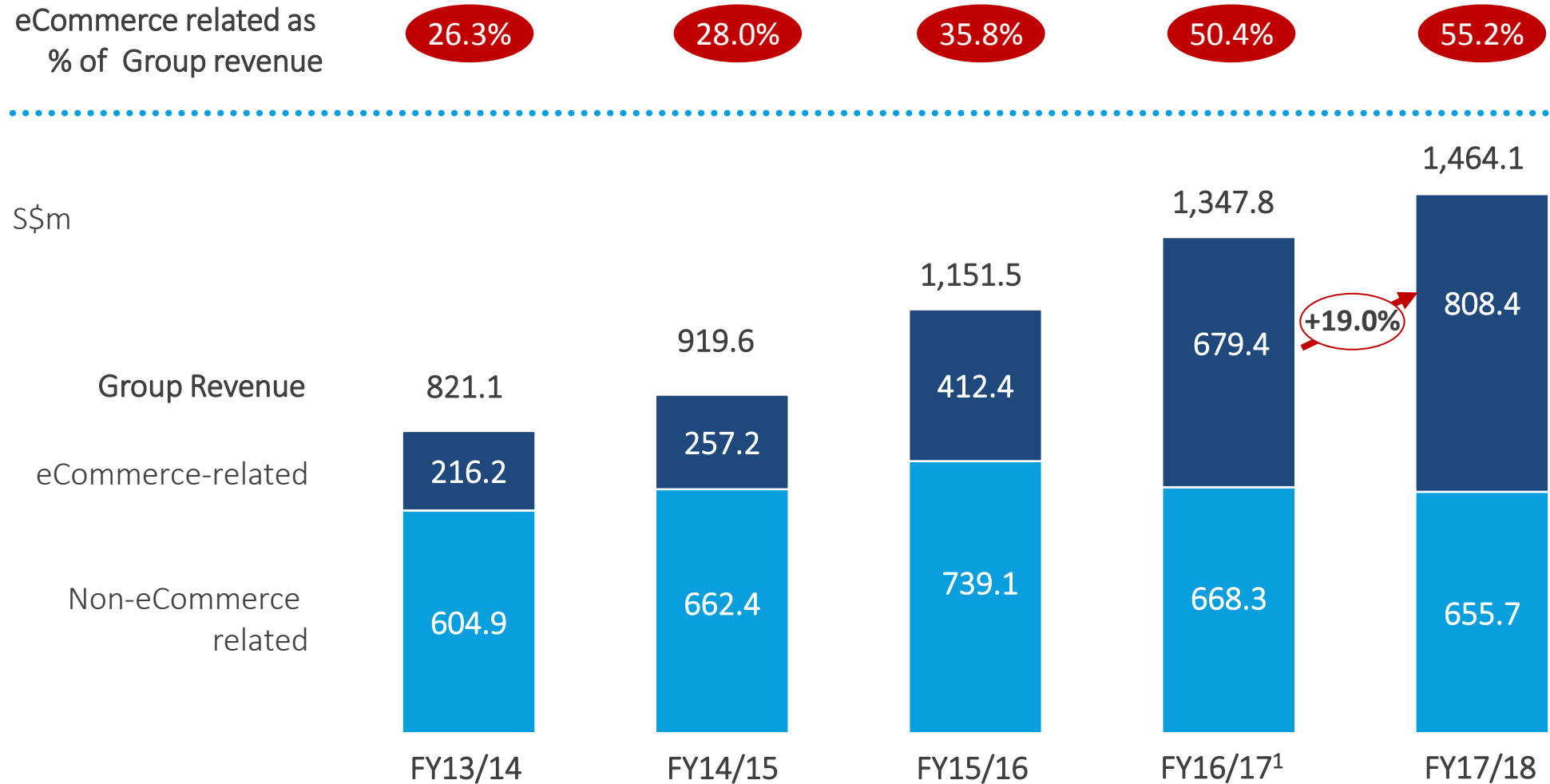
Operating losses reduced by more than 50% on good cost controls. TradeGlobal's customer wins saw it overcome the loss of two major customers in the previous year to post revenue growth of 3.7% in FY17/18.

Positive take-up at SingPost Centre retail mall



Committed occupancy at 96% as at 31 March 2018, with positive take-up by retailers, restaurants & other lifestyle service providers.

eCommerce-related revenues continue to grow, now 55.2% of Group revenue



Differences in total due to rounding

1. Includes acquisitions of US eCommerce businesses and divestment of DataPost and Novation Solutions

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Revenue rose 8.6%, driven by eCommerce-related activities

Net profit up 278.4% due to the absence of impairment charges recorded in the same period last year

Underlying net profit declined 9.2% largely due to:

- lower operating profit from the Logistics segment

Cash flow and balance sheet position:

- free cash flow improved to S\$136.1 million due to lower capital expenditure
- improved net cash position of S\$70.1 million

FY17/18 final dividend of 2.0 cents per share proposed, bringing total dividend for the year to 3.5 cents per share

SingPost - connecting communities in an eCommerce world

Win in our home market

- Gain leading share in Parcels
- Drive scale of eCommerce warehouse and fulfillment
- Accelerate urban solutions for a Smart Nation
- Mitigate mail decline through innovative digital solutions

Ignite future growth engines

- Drive Southeast Asia with end-to-end capabilities
- Capture global cross-border eCommerce flows

Extract full value from investments

- Maximise value from international subsidiaries and associates
- Turnaround TradeGlobal and scale combined US businesses

Drive to cost leadership

- Optimise cost position
- Drive productivity, reduce non-conformance
- Instill continuous improvement

Thank you

