

Singapore Post Limited

(SGX: S08)

Core earnings under pressure

- 3Q FY26 operating margin improves.** Singapore Post Limited (SingPost) announced business update for 3rd quarter ending 31 December 2025. Through ongoing cost streamlining, operating margin improved to 4.1% in 3Q FY26, up 0.8 percentage point from 2Q FY26's 3.3%, reflecting tighter cost control despite weaker revenue. For 9M FY26, operating margin came in at 3.4%, well below the 5.6% recorded in 9M FY25.
- Core operations remain challenging.** SingPost reported revenue of S\$92.3 million in 3Q FY26, representing a 26.8% year-on-year decline, due to continued weakness in cross-border eCommerce and structural declines in letter mail volumes. With prudent cost management, 3Q FY26 operating profit increased 22.6% year-on-year to S\$3.8 million. For 9M FY26, SingPost recorded operating profit of S\$9.5 million, down 52.2% year on year.
- International eCommerce delivery declined amid intense competition.** SingPost reported international delivery of eCommerce related volume fell by 58.9% year-on-year to 922,000 kg, in 3QFY25/26. Management explained that competition has intensified as consumers are expecting a shorter delivery time. For 9M FY26, international eCommerce delivery fell by 70.9% year-on-year to 2.68 million kg.
- Property assets reported higher occupancy rate.** For 3Q FY26, revenue from property leasing improved as overall occupancy rate at SingPost Centre increased to 98.9%, from 98.2% in 3Q FY25. Separately, the divestment of 10 HDB shophouses is pending regulatory approval.
- Maintain financial flexibility.** Following the asset monetisation, SingPost maintained a stable balance sheet. Total debt remains unchanged at S\$349.6 million as at 31 December 2025. As at 31 December 2025, cash on hand was S\$598.4 million, compared with S\$696.4 million as at 31 March 2025. The decline was due to payment of dividend.
- Divesting non-core assets near completion.** SingPost has completed majority of the targeted divestments. The outstanding transaction is the sale of its ten HDB retail units. The transaction is pending approval. With most of the non-core assets sold, SingPost aims to be leaner and focused on strengthening the digital capability of its delivery and logistics business.
- Maintain NEUTRAL.** Our target price at S\$0.45 is derived by sum-of-parts of the business components. Currently trading at S\$0.385, SingPost trades at Price-to-book 0.77x and EV/EBITDA 16.4x. As the company explores the next area of growth to complement its core business and to leverage on its expertise in delivery, we will continue to monitor their strategy and execution.
- Key risks** include earnings are higher trade tariffs and macro uncertainty that inhibit global trades and cross-border movements of goods.

Ticker	S08
Rating	Neutral
Price Target*	S\$0.45
Price (26 Feb)	S\$0.385
Upside/Downside:	17%
52-week range	S\$0.385 - 0.66
Market Cap	S\$0.88B

*Target price is for 12 months

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Core operations remain challenging

Singapore Post Limited (SingPost) announced business update for 3rd quarter ending 31 December 2025. Through ongoing cost streamlining, operating margin improved to 4.1% in 3Q FY26, up 0.8 percentage point from 2Q FY26's 3.3%, reflecting tighter cost control despite weaker revenue. For 9M FY26, operating margin came in at 3.4%, well below the 5.6% recorded in 9M FY25.

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With prudent cost management, 3Q FY26 operating profit increased 22.6% year-on-year to S\$3.8 million. For 9M FY26, SingPost recorded operating profit of S\$9.5 million, down 52.2% year on year.

Figure 1: Group Financial Highlights

FYE March, S\$ million	3Q FY25/26	2Q FY25/26	change, % qoq	3Q FY24/25	change, % yoy	9M FY25/26	9M FY24/25	change, % yoy
Revenue	92.3	94.2	-2.0%	126.2	-26.8%	280.7	353.8	-20.7%
Operating expenses	-88.5	-91.1	-2.9%	-120.0	-26.2%	-271.2	-333.8	-18.8%
Operating profit	3.8	3.1	22.6%	6.2	-38.3%	9.5	19.9	-52.2%
Operating margin, %	4.1%	3.3%	+0.8% point	4.9%	-0.8% point	3.4%	5.6%	-2.2% points

Source: Company data

International delivery declined amid intense competition

International eCommerce delivery declined amid intense competition. SingPost reported international delivery of eCommerce related volume fell by 58.9% year-on-year to 922,000 kg, in 3QFY25/26. Management explained that as consumers are expected a shorter delivery time, which affected SingPost's effectiveness to compete. For 9M FY26, international eCommerce delivery fell by 70.9% year-on-year to 2.68 million kg.

Figure 2: SingPost Operating statistics

Operating statistics - volumes	3Q FY25/26	3Q FY24/25	change, % yoy	9M FY25/26	9M FY24/25	change, % yoy
Domestic delivery ('000 items)	78,962	99,655	-20.8%	254,762	389,865	-34.7%
- eCommerce related	8,501	7,617	11.6%	21,461	28,567	-24.9%
- Letter mail and printed papers	70,461	92,038	-23.4%	233,301	361,298	-35.4%
International delivery ('000 kg)	1,136	2,515	-54.8%	3,346	10,335	-67.6%
- eCommerce related	922	2,245	-58.9%	2,682	9,225	-70.9%
- Letter mail and printed papers	214	270	-20.7%	664	1,100	-39.6%

Source: Company data

Property assets reported improved occupancy

For 3Q FY26, revenue from property leasing improved as overall occupancy rate at SingPost Centre increased to 98.9%, from 98.2% in 3Q FY25.

Separately, the divestment of 10 HDB shophouses is pending regulatory approval.

Figure 3: Property occupancy (as at 31 December 2025)

Property occupancy (as at 31 December 2025)	31 Dec 2025	30 Sep 2025	31 Dec 2024
SingPost Centre overall	98.9%	99.2%	98.2%
o Retail mall	100.0%	100.0%	100.0%
o Office space	98.5%	98.9%	97.6%

Source: Company data

Maintain financial flexibility

Net cash fell to S\$248.7m from S\$346.8m, following the payment of interim dividend. Borrowings were flat at S\$349.6m.

Although balance sheet remains in net cash position, the low EBIT level relative to debt warrants our concerns. Investors are likely to focus on SingPost's next acquisition that will strengthen the company's future growth.

Figure 4: Selected balance sheet items

As of end of period, S\$ million	31-Dec-25	31-Mar-25	change
Cash and cash equivalents	598.4	696.4	-14.1%
Borrowings	349.6	349.6	-
Net debt (cash) position	-248.8	-346.8	-28.3%
Total assets	2,050.0	2,390.4	-14.2%
Total liabilities	662.1	782.9	-15.4%
Total equity	1,387.8	1,607.5	-13.7%

Source: Company data

Maintain at Neutral and target price unchanged at S\$0.45

Maintain at Neutral.

At S\$0.385, SingPost trades at FY2026E Price-to-book 0.94x and FY2026E EV/EBITDA 19.0x. Key risks to earnings are higher trade tariffs and macro uncertainty that inhibit global trades and cross-border movements of goods.

Figure 5: SingPost – SOTP valuation

FY2026E SOTP valuation Segment	Valuation method	EBITDA	EV/EBITDA	Valuation S\$ million
Logistics and letter, Post office network	EV/EBITDA 5.0x	18	5.0	89.3
Property	Book value			1,020.1
Unallocated corporate overhead items	EV/EBITDA 5.0x	(15)	5.0	-74.4
SOTP valuation, S\$ million				1,035.0
Net cash / (debt)				237.4
Perpetual securities				-251.5
Equity value				1,020.8
No of shares				2,275.1
SOTP valuation, S\$ per share				0.45
EPS				0.0027
BVPS				0.4764
EV				783
EV/ EBITDA				18.6

Source: Beansprout, 11 Nov 2025

Figure 6: Valuation of peers

Name	Ticker Symbol	Fiscal Period	Currency	Close Price	Market cap, S\$ million	Revenue S\$ million	EBITDA S\$ million	EBITDA margin %	Total debt/ Total equity, x	EV/ EBITDA, x	PE ratio, x	PB ratio, x	Return on Equity %
Singapore Post	S08-SG	03/31/2025	SGD	0.39	876	814	76	9.4	0.47	16.4	5.9	0.77	17.9
KLN Logistics	636-HK	12/31/2024	HKD	7.15	2,088	9,981	767	7.7	0.77	4.6	8.1	0.75	8.1
JD Logistics, Inc.	2618-HK	12/31/2024	HKD	11.29	12,140	33,952	3,475	10.2	0.42	3.5	11.8	1.27	12.0
Mainfreight Limited	MFT-NZ	03/31/2025	NZD	64.40	4,908	4,159	596	14.3	0.68	9.8	22.6	3.19	14.3
Deutsche Post AG	DHL-DE	12/31/2024	EUR	49.44	84,767	121,698	12,425	10.2	0.94	6.8	11.9	2.60	14.4
FedEx Corporation	FDX-US	05/31/2025	USD	382.59	113,678	116,992	13,766	11.8	1.33	6.6	13.0	3.20	14.7
Average										8.0	12.2	2.0	

Source: Factset, as of 26 February 2026

Financial Summary

Y/E Mar (S\$m)	FY23	FY24	FY25	FY26	FY27	Y/E Mar (S\$m)	FY23	FY24	FY25	FY26	FY27
Income Statement						Cash Flow					
Revenue	1,872	1,687	814	377	329	Operating cash flow					
Labour and related expenses	-351	-365	-241	-185	-162	Pretax profit	68	100	246	22	9
Volume-related expenses	-1,214	-1,009	-379	-63	-55	Adjustments	89	59	69	41	35
Admin and other expenses	-126	-139	-111	-83	-72	Working capital changes	-8	-35	-106	-132	-25
Depreciation	-83	-81	-38	-30	-30	Others	-48	-49	-49	-15	-7
Selling expenses	-10	-10	-4	-3	-2	Cash flow from operations	100	76	161	-84	13
Other expenses	4	3	3	-1	0	Investing cash flow					
Operating profit	93	85	44	12	7	CAPEX	-28	-55	-51	-20	-20
Share of results of associates & JV	0	-2	1	0	0	Others	-161	-170	560	1	93
Exceptional items	-8	37	222	14	0	Cash flow from investments	-190	-225	509	-19	73
EBIT	85	120	267	26	7	Financing cash flow					
Net finance expenses	-17	-20	-21	-5	2	Dividends paid	-51	-29	-33	-231	-47
Profit before tax	68	100	246	22	9	Proceeds from borrowings	356	160	-295	-8	0
Tax	-29	-18	-16	-4	-2	Others	0	0	0	0	0
Discontinued operations	0	0	15	-2	0	Cash flow from financing	305	130	-327	-240	-47
Minority interests	-14	-3	-0	0	0	Net change in cash	215	-19	342	-342	39
Perpetual distribution	-11	-11	-11	-11	-11	Beginning cash	280	496	477	819	477
Profit attributable to owners	14	67	234	5	-4	Currency translation	0	0	0	0	0
Balance sheet						Per share data (cents)					
Assets						Book value per share	49.7	49.8	58.0	47.6	45.4
PPE	387	454	320	307	293	Dividend per share	0.58	0.74	9.34	0.02	0.02
Others	1,687	1,921	1,160	1,064	1,059	Earnings per share	0.6	3.0	10.3	0.2	(0.2)
Total non-current assets	2,074	2,375	1,481	1,371	1,352	Valuation					
Cash & cash equivalents	496	477	696	576	516	P/E (x)	62.8	13.0	3.7	181.1	-
Trade & other receivables	230	252	100	50	55	P/B (x)	0.8	0.8	0.7	0.8	0.8
Others	38	32	113	19	19	EV/EBITDA (x)	5.7	15.9	6.4	15.4	19.1
Total current assets	764	761	910	645	589	Dividend yield (%)	1.5	1.9	24.3	0.0	0.0
Total assets	2,838	3,136	2,390	2,015	1,941	Ratios					
Liabilities						ROE (%)	1.2	6.0	17.8	0.4	(0.3)
ST borrowings	1	10	0	0	0	ROA (%)	0.5	2.2	9.8	0.2	(0.2)
Trade & other payables	633	606	334	252	223	ROIC (%)	2.6	0.7	(14.2)	(0.9)	(0.9)
Others	86	82	46	38	38	Net gearing	0.09	0.25	-	-	-
Total current liabilities	720	698	380	290	260	Margins (%)					
LT borrowings	623	817	350	350	350	Operating margin	5.0	5.0	5.4	3.3	2.2
Others	121	200	54	46	46	EBIT margin	4.6	7.1	32.8	7.0	2.2
Total non-current liabilities	744	1,017	403	396	396	Net margin	0.7	4.0	28.8	1.3	(1.1)
Total liabilities	1,463	1,715	783	686	656	EQUITY					
Share Capital	639	639	639	639	639	Share Capital	639	639	639	639	639
Accumulated profits	599	653	656	429	379	Accumulated profits	599	653	656	429	379
Total equity	1,130	1,132	1,319	1,084	1,033	Total equity	1,130	1,132	1,319	1,084	1,033
Minority interests	-7	37	37	0	0	Minority interests	-7	37	37	0	0
Perpetual securities	252	252	252	252	252	Perpetual securities	252	252	252	252	252
Total equity and liabilities	2,838	3,136	2,390	2,021	1,941	Total equity and liabilities	2,838	3,136	2,390	2,021	1,941

Disclosure Appendix

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