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**POS MALAYSIA RECORDED HIGHER REVENUE OF RM606.1 MILLION FOR
SECOND QUARTER FINANCIAL YEAR 2020**

The Group achieved its first monthly Profit After Tax (PAT) in June, 2020

KUALA LUMPUR, 25 August 2020 – Pos Malaysia Berhad (Pos Malaysia) today announced the group's results for the second quarter of the financial period ended 30 June 2020 (Q2, FY2020).

The Group recorded higher revenue of RM606.1 million as compared to RM573.0 million in the same corresponding quarter last year, driven by the strong demand for courier services and higher postal tariffs. Loss before tax was 8.6% lower at RM14.1 million.

Net loss for the period decreased substantially by 61% compared to the first quarter of FY2020 at RM19.0 million. Pos Malaysia also recorded its first monthly Profit After Tax (PAT) in June 2020, the first since January 2019.

The Group saw its courier business' revenue increase by 20% in Q2 FY2020 compared to the same corresponding quarter in 2019 with the increase in demand from eCommerce and online marketplaces. The Group's transformation initiatives that were deployed over the past 18 months, such as automation and crowdsourcing, allowed the Group to handle on average 487,000 parcels per day, peaking at 800,000 during the period.

Mail business saw revenue grow by 25% in Q2 FY2020 as a result of the new postal tariffs implemented in February 2020, despite a decline in mail volume in the month of April due to the COVID-19 pandemic.

International business' revenue grew by 14% in Q2 FY2020 as a result of a pricing review for transshipment services and acquisition of new clients. Whereas the Group's Retail business

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saw significant improvement in the month of May and June after a brief decline in April, as footfall into post offices improved with the easing of movement restrictions.

Pos Malaysia Berhad's Group Chief Executive Officer, Syed Md Najib said, "Pos Malaysia is on a firm recovery path as it sets out to deliver on its transformation plan towards achieving sustained profitability. We are seeing higher than usual courier volume even after the easing of movement restrictions and we expect this trend to continue throughout the rest of the year. As such, our continued investments in digitalisation, automation and crowdsourcing of delivery riders will be critical to grow our business, processing capacity and speed, in order to meet customer expectations in this digitally driven economy.

"The Group's transformation journey is showing strong progress and has enabled the business to weather the storm and cater for the change in consumer behaviour as a result of the unprecedented changes in the business landscape due to COVID-19," Syed Md Najib added.

Business segments performance for the financial period ended June 2020 (YTD June 2020)

Postal segment revenue is largely contributed by courier business (45%) followed by mail business (32%). The high parcel volume pursuant to the stronger demand from eCommerce and online marketplace contributes positively to courier business. Furthermore, the postage rates revision effective 1st of February 2020 had a positive impact towards postal segment's revenue.

Aviation segment contributed RM94.1 million in revenue to the Group. This is mainly from cargo handling and ground handling business. COVID-19 has negatively impacted the segment as commercial flights remain grounded and international borders continue to be closed.

Logistics segment revenue of RM142.2 million is mainly from freight forwarding, haulage and automotive logistics businesses. The easing of movement restrictions in Q2 FY2020 and

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introduction of government incentives for the automotive sector provided a positive boost for our Logistics segment.

Other segments consisting of Datapos, Pos Digicert and Pos ArRahnu performed above expectations and saw revenue grow to RM62.9 million, a 6.1% increase in the financial period ended 30 June 2020 compared to the corresponding year.

Outlook

While the Group is cognisant of the lingering effects of the uncertainties from the COVID19 pandemic, we expect a stronger 2nd half of FY2020, supported by its transformation initiatives and a favourable market outlook for the courier business. The mail business, on the back of increased postal rates, and slower than expected decline in mail volume is projected to contribute incremental revenue of RM100 – 150million for the year.

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About the Pos Malaysia Group

The Pos Malaysia Group is a dynamic postal (mail, retail, courier, and international), logistics, aviation, financial and supply chain solutions provider with the largest delivery and touchpoint network in Malaysia, offering an extensive retail network experience through its core business segments. With a track record of over 200 years, the Group connects the nation with over 200 postal operators globally and extended its capability to support South East Asia's rapidly expanding cross-border eCommerce businesses. For information on the Pos Malaysia Group, visit www.pos.com.my.

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