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**POS MALAYSIA RECORDS HIGHER REVENUE OF RM623 MILLION FOR THIRD
QUARTER FINANCIAL YEAR 2020**

KUALA LUMPUR, 24 NOVEMBER 2020 – Pos Malaysia Berhad (Pos Malaysia) today announced the group's results for the third quarter ended 30 September 2020 (Q3 FY2020).

Pos Malaysia saw its revenue grow in the Q3 FY2020 by 2.8% quarter-on-quarter ("QoQ") and 13.3% year-on-year ("YoY") to RM623 million, while net losses decreased by 61.0% QoQ and 74.7% YoY to RM 7.4 million. Revenue growth in Q3 FY2020 came from the mail and retail businesses of the postal and logistics segment.

The group's transformation continues to make progress as the group recorded RM0.1 million in profit from operations in Q3 FY2020, following losses from operations for 8 consecutive previous quarters.

For the cumulative nine-month period ended 30 September 2020, the Group recorded a net loss of RM75.7 million, while revenue stood at RM1.79 billion.

Pos Malaysia Berhad's Group Chief Executive Officer, Syed Md Najib said, "As part of its transformation plan, Pos Malaysia aims to further improve efficiency and manage its costs. We have installed new semi-automated processing systems in 5 distribution centres in Q3 FY2020, and to date have a total of 31 semi-automated distribution centres. The move to automate our processing facilities is a big part of our transformation plan to scale up our processing capacity and efficiency. This initiative, coupled with our delivery rider crowdsourcing programme, will enable us to handle more parcels in the future and improve delivery timeliness."

"Pos Malaysia acknowledges the high level of uncertainty that the COVID-19 pandemic has brought about not just to our business but to the economy and society. Pos Malaysia will

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continue to ensure the safety of our people and remains vigilant in ensuring our business continues to support and serve the nation during these challenging times. Our aim is to ensure our transformation initiatives cater to the change in consumer behaviour and create opportunities for local e-Commerce players,” Syed Md Najib added.

Business segments performance for the financial period ended 30 September 2020

Postal segment revenue was largely contributed by the courier business (45%) followed by mail business (33%). The high parcel volume due to the stronger demand from e-Commerce and online marketplace contributed positively to the courier business. Additionally, the postage rates revision which took effect on 1 February 2020 also provided a positive impact to the postal segment revenue.

Loss in postal segment was mainly from the retail business but mitigated with higher revenue from the courier business and the postage rates revision.

Logistics segment revenue of RM231.2 million was mainly from the freight management business (especially from freight forwarding and haulage) and automotive business (largely from the local automotive production volume).

Loss in logistics segment was mainly due to impairment loss of certain receivables.

Aviation segment contributed RM125.4 million revenue to the Group. This was mainly from cargo and ground handling business.

Loss in aviation segment was mainly due to the loss of revenue from ground handling and in-flight catering pursuant to flight cancellations in the wake of the COVID-19 pandemic where international borders were mostly closed.

Other segments consist mainly of printing and insertion, digital certificates and Ar Rahnū with 85% of revenue contributed by digital certificates and ArRahnū businesses. Profit before tax were mainly contributed by ArRahnū and digital certificates businesses.

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Outlook

Our new Track and Trace system is expected to be fully operational in Q4 FY2020. The system will provide customers improved parcel tracking visibility and enhance our courier operation's capabilities.

Pos Malaysia has begun rationalising underutilised mail infrastructure, beginning with the consolidation of our mail processing center in Melaka into our national mail center in Shah Alam. This initiative will be replicated across the country where feasible and will not impact our capability to serve our postal obligations.

The reinstatement of partial movement restrictions in October 2020 should result in an increase in online shopping and will likely have a positive impact on our courier business. We foresee that parcel volume will be high in Q4 FY2020 driven by 11.11 and year-end online sales. However, we anticipate a reduction in footfall into our post offices which should result in a dip in retail business revenue.

Mail volume continues to decline but at a much slower rate than expected after the implementation of new postal tariffs. We maintain our initial projection that the new postal tariffs will contribute positively to our bottom line.

Pos Logistics is expected to benefit from the recent launch of a new car model from a local car manufacturer and should see increased demand for automotive logistics services.

END

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 e-Commerce businesses. For information on the Pos Malaysia Group, visit www.pos.com.my.

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