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Can SingPost sustain its latest special dividend?

Open brief — verdict-first answer on Singapore Post Limited (SGX: S08)

REF SAMPLE-open • 28 September 2026 • Subject: Singapore Post Limited, FY2025/26 dividends

BOTTOM LINE UP FRONT

No — not as a recurring payout, and it was never designed to be one.

The latest special-type payout is a **0.41 cent per share supplemental dividend** for the year ended 31 March 2026 (about S\$9.3 million in total), paid on 18 August 2026. SingPost states it is derived from a one-off, non-cash S\$38.1 million derecognition of aged trade payables — an accounting write-back with no cash flow effect. A write-back of old liabilities cannot repeat on demand, so there is no recurring earnings stream behind this 0.41 cents.

The prior year's much larger **9.0 cent special dividend** (about S\$202.5 million, paid August 2025) is equally non-repeatable: it was funded from the S\$222.2 million gain on selling SingPost's Australian unit. That asset is sold.

What is sustainable at current earnings is the small **ordinary dividend** (0.14 cents for FY2025/26: 0.08 interim + 0.06 final, about S\$3.2 million (approx, derived)), which sits at roughly 30% of underlying net profit — the bottom of SingPost's stated 30–50% payout policy. The balance sheet (S\$254.2 million net cash) could fund further small one-off returns, but only from asset-sale proceeds or existing cash — not from operating earnings, which deteriorated sharply: operating profit down 68.9% and operating cash flow negative S\$12.3 million.

Signals follow. This is research, not investment advice.

What the "latest special dividend" actually is

The question requires care, because SingPost paid special-type dividends in two consecutive years from two different one-offs:

Year ended	Payout type	Per share	Total (approx)	Source of funds	Paid
31 Mar 2025	Special dividend	9.00 cents	~S\$202.5m	Gain on sale of Australian unit (S\$222.2m)	Aug 2025
31 Mar 2026	Supplemental dividend	0.41 cents	~S\$9.3m	Net-of-tax derecognition of aged trade payables (S\$38.1m, non-cash)	18 Aug 2026
31 Mar 2026	Ordinary (interim + final)	0.14 cents	~S\$3.2m (derived)	Underlying net profit (30–50% policy)	Dec 2025 / Aug 2026

The SGX record-date notice confirms the FY2025/26 position precisely: final dividend 0.06 cents plus supplemental dividend 0.41 cents, record date 3 August 2026, payment 18 August 2026, tax-exempt (one-tier). The SGX filing classifies the 0.41 cents as distribution type "Special". Total FY2025/26 dividends: 0.55 cents per share.

Payout evidence

- **Recommended 14 May 2026.** Alongside FY25/26 results, the board recommended a final dividend of 0.06 cents and a supplemental dividend of 0.41 cents, "derived from the net-of-tax derecognition of aged trade payables". Total proposed: 0.47 cents.
- **Approved at the 34th AGM; paid 18 August 2026.** SingPost's investor page confirms the payment date of 18 August 2026 for both the final and supplemental dividends.
- **About S\$9.3 million in total.** The 0.41 cents works out to roughly S\$9.3 million across the share base — small next to the prior year's S\$202.5 million special.
- **Ordinary dividend discipline held.** Including the 0.08 cent interim dividend, the FY2025/26 ordinary total is 0.14 cents, or roughly S\$3.2 million (approx, derived from per-share rate) — about 30% of the S\$10.7 million underlying net profit, consistent with the 30–50% of underlying net profit policy SingPost publishes.
- **Context: yield is thin.** At S\$0.36 on 10 July 2026, the full 0.55 cent payout represented a 1.5% yield — and only 0.14 cents of that is ordinary.

Cash walk: from published profit to the dividend

All figures below are SingPost's published FY2025/26 numbers (year ended 31 March 2026):

Step	Figure	What it means
Net profit	S\$60.9m	Headline profit, down 75.2% from S\$245.1m
Less: exceptional items	S\$19.2m	Mostly fair-value gain on investment properties + gain on subsidiary disposals — non-recurring
Less: derecognition of aged trade payables	S\$38.1m	One-off write-back of old liabilities owed to overseas postal administrators — non-cash

Step	Figure	What it means
Underlying net profit	S\$10.7m	Recurring earnings base, down 57% from S\$24.8m
Operating profit	S\$11.8m	Down 68.9% from S\$37.9m on 23.1% lower revenue (S\$376.1m)
Operating cash flow (after working capital + tax)	–S\$12.3m (outflow)	Operations consumed cash; S\$47.6m pre-working-capital inflow was more than absorbed
Investing cash inflow	S\$78.0m	Mostly disposal proceeds (subsidiaries, associates, 4PX stake)
Financing cash outflow	S\$232.0m	Dominated by the S\$202.6m FY2024/25 special dividend paid during the year
Cash + synthetic deposits (31 Mar 2026)	S\$603.8m	Gross liquidity
Net cash position (31 Mar 2026)	S\$254.2m	After borrowings; down from the prior year after the S\$202.6m special payout

So what: the 0.41 cent supplemental dividend (S\$9.3 million cash out) is paid in real cash but sourced from a S\$38.1 million gain that produced no cash. The cash itself comes from the balance sheet — affordable at this size, but each such payout draws down a cash pile that operations are currently not replenishing.

Why the supplemental dividend cannot be sustained as recurring income

1. Its funding source is spent. The S\$38.1 million arose from a comprehensive review that derecognised aged liabilities unclaimed for over 7 years. Old-liability write-backs are by nature one-off: the same liabilities cannot be derecognised twice. SingPost has disclosed no pipeline of similar aged balances.

2. The previous special's funding source is also spent. The 9.0 cent FY2024/25 special returned roughly two-thirds of the Australian divestment proceeds. That business is sold and deconsolidated; there is no second Australia sale.

3. Recurring earnings cover only the ordinary dividend. Underlying net profit of S\$10.7 million covers the ~S\$3.2 million (approx, derived) ordinary payout about three times over — comfortable for the ordinary dividend, but far short of funding a repeat 0.41 cents (S\$9.3m) from earnings, let alone anything resembling 9 cents. And earnings momentum is negative: revenue –23.1%, operating profit –68.9%, international eCommerce volume –57.9%, domestic letter mail –13.5%.

4. Cash conversion is the binding constraint. FY2025/26 operating cash flow was a S\$12.3 million outflow. A company can pay cash dividends while burning operating cash only by selling assets or drawing reserves — both finite. Offsets exist (see below), but they are also one-offs.

What would change the answer — signals to watch

A repeat special-type payout would need fresh one-off cash or a genuine earnings recovery. Watch these, in order of likelihood:

1. **Further asset sales (most likely source of any repeat).** SingPost sold its freight-forwarding business for ~S\$180.9 million and completed the S\$55.5 million sale of 10 HDB shophouses on 30 June 2026 (after year-end — cash landing in FY2026/27). Post office properties are under review for rental and redevelopment value. Any new disposal announcement is the clearest lead indicator of another distribution. Conversely, SingPost Centre will be retained (not sold) under the Paya Lebar long-term plan — so do not expect proceeds there.
2. **Operating cash flow turning positive.** The S\$30 million automation investment (tripling small-parcel sorting to 300,000/day), the January 2026 postage revision, the targeted 10%+ reduction in cost-to-serve, and the Post Office Network's 27.4% narrower loss (to S\$10.7m) all need to show up as cash. If interim results show operating cash flow back in surplus, ordinary dividend headroom rebuilds.
3. **The March 2027 bond maturity.** S\$100 million of Medium Term Notes mature in March 2027. How SingPost refinances or repays this — from the S\$603.8 million cash pile or new debt — determines how much balance-sheet room remains for discretionary payouts.
4. **International volume stabilisation.** International revenue fell 55.2% to S\$85.8 million on tariff, de-minimis, and competition pressures. Any quarter showing this bottoming would be the earliest earnings-recovery signal.
5. **Property income growth.** The one stable pillar: Property Assets revenue S\$80.7 million (+2.0%), operating profit S\$45.2 million, occupancy 99.4%. Planned asset-enhancement works at SingPost Centre could lift this further — recurring income that genuinely supports the ordinary dividend.

Honest limits

- **Per-share to total conversions are approximate.** SingPost publishes dividends per share; totals (~S\$9.3m supplemental, ~S\$3.2m ordinary, ~S\$202.5m prior special) depend on the exact shares in issue at record date. The S\$9.3 million and S\$202.5 million figures are as reported; the S\$3.2 million ordinary total is derived ($0.14 \text{ cents} \times \sim 2.26 \text{ billion shares}$) and marked approx.
- **Net-of-tax derecognition figure undisclosed.** SingPost says the 0.41 cents is "derived from" the net-of-tax S\$38.1 million write-back but the releases read do not state the exact net amount — so the S\$9.3 million should be read as the board's chosen distribution linked to that event, not necessarily the full net gain.
- **Secondary-source discrepancies found and excluded.** One investor blog states underlying profit as S\$10.1 million (official: S\$10.7m) and mislabels the write-back as "trade receivables" (official: trade payables); one analysis piece dates the ex-dividend to 3 August 2026 where the SGX notice shows ex-date 31 July and record date 3 August. Official filings were used throughout instead. See FINDINGS.txt.
- **No access to the full audited statements.** This brief uses SingPost's results release, annual-report highlights page, SGX notices, and reputable analysis — not the full audited financial statements or cash-flow statement line items.
- **Point-in-time.** Figures are as published for FY2025/26 with payment in August 2026. Q1 FY2026/27 trading updates and any new disposal announcements would update this picture.
- **Not investment advice.** Dividend sustainability is assessed here as accounting and cash-flow capacity only. It says nothing about whether SingPost shares are attractive at any price.

Sources

One line per key claim (outlet + title + URL, all pages read 28 Sep 2026):

- SingPost investor relations — Dividend policy page: 0.55c total FY25/26, final 0.06c + supplemental 0.41c, paid 18 Aug 2026, 30–50% of underlying net profit — <https://www.singpost.com/corporate/investor-relations/stock-information/dividend>
- SingPost media centre — SingPost reports FY25/26 earnings and outlines strategy (14 May 2026): revenue S\$376.1m, operating profit S\$11.8m, net profit S\$60.9m, UNP S\$10.7m, exceptionals S\$19.2m, derecognition S\$38.1m, supplemental "derived from net-of-tax derecognition" — <https://www.singpost.com/corporate/media-centre/singpost-reports-fy2526-earnings-and-outlines-strategy>
- SingPost Annual Report 2025/26 highlights — Group financials: DPS 0.55c vs 9.34c, UNP S\$10.7m, net cash S\$254.2m, operating cash flow –S\$12.3m — <https://www.singpost.com/AR2025-26/>
- SGX notice via SingPost (24 Jun 2026) — Mandatory Cash Dividend: type Special, SGD 0.0041, ex 31/07/2026, record 03/08/2026, pay 18/08/2026, one-tier exempt; Reg. No. 199201623M — https://hub-mngr.singpost.com/sites/default/files/media/sgx-announcements/2026-06/SGXAnn_FY26%20Supplemental%20Div%20RecordDate%20%282026.06.24%29.pdf
- Red Hot Singapore — SingPost Centre to get revamp, with other post office properties under review: 0.41c "about \$9.3 million in total", ordinary total 0.14c — <https://www.redhot.sg/singpost-centre-to-get-revamp-with-other-post-office-properties-under-review-671802.html>
- Singapore Business Review — SingPost FY25/26 net profit plunges 75% to \$60.9m on volume decline: confirms profit walk, final 0.06c + supplemental 0.41c, prior-year 9.0c special — <https://sbr.com.sg/transport-logistics/news/singpost-fy2526-net-profit-plunges-75-609m-volume-decline>
- Beansprout — Singapore Post Limited: Core operations remain weak amid swift strategic moves (21 Jul 2026): derecognition "no cash flow effect", operating cash –S\$12.3m, investing +S\$78.0m, financing –S\$232.0m incl S\$202.6m special paid, cash S\$603.8m, S\$100m MTN due Mar 2027, shophouses S\$55.5m completed 30 Jun 2026, freight forwarding sale ~S\$180.9m, yield 1.5% at S\$0.36 — <https://growbeansprout.com/singpost-fy26-dividend>
- Beansprout — SingPost: Strategic focus on unlocking value (29 May 2025): Australia (SPAI) sale completed Mar 2025, S\$222.2m gain, 9c special ≈ two-thirds of proceeds returned — <https://growbeansprout.com/singpost-fy25-dividends>
- The Singaporean Investor — Summary of Annual Report for FY2025/26 (25 Jun 2026): segment splits, postage revision, board renewal; used only where consistent with official filings — <https://www.thesingaporeaninvestor.sg/2026/06/25/singapore-post-limited-sgx-s08-summary-of-annual-report-for-fy2025-26/>

Paywalled material: none required for this brief; wire-service versions of the FY25/26 results (e.g. Straits Times online) were not used as sources.

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