



MEDIA RELEASE

FOR IMMEDIATE RELEASE

**SingPost to Seek Shareholders' Approval
for Divestment of Its Australia Business at EGM**

- Significant value unlocked for shareholders with an enterprise value of A\$1.02 billion (approximately S\$867.0 million) from the proposed transaction
- Realised gain of approximately S\$289.5 million
- Levered return on equity is approximately 4 times the SingPost Group's A\$93.6 million equity investment in FMH over the last 4 years
- Crystallises and unlocks value for shareholders

Singapore, 26 February 2025 – Singapore Post Limited ("SingPost") today announced that it will hold an Extraordinary General Meeting ("EGM") on 13 March 2025 at 3.30pm to seek shareholders' approval for the proposed divestment of its Australia business, Freight Management Holdings Pty. Ltd. ("FMH") held through SingPost Australia Investments Pty Ltd ("SPAI"), to Pacific Equity Partners ("PEP"). The transaction represents an enterprise value of A\$1.02 billion (approximately S\$867.0 million). FMH, a leading technology-enabled logistics provider, has grown significantly since SingPost's initial investment in 2014. Formed through strategic acquisitions and mergers, including CouriersPlease and Border Express, FMH has become among the top 5 logistics players in Australia by revenue.

"This EGM provides our shareholders with the opportunity to vote on this important transaction, which we believe will unlock substantial value," said Simon Israel, Chairman of the Board, SingPost. "The proposed divestment delivers a strong return on our investment in Australia. It crystallises the unrealised value of the business and brings forward unlocking value for shareholders. We encourage all shareholders to review the details of the transaction and participate in the EGM."

Transaction Rationale and Financial Merits

In July 2023, the Board initiated a strategic review of the SingPost Group's portfolio of businesses, with a view to enhancing shareholder returns and ensuring that the SingPost Group is appropriately valued. In March 2024¹, the Board outlined its strategic intentions for the businesses and in line with this, initiated a strategic review specifically for the Australia business² to formulate optionalities for the Group. Merrill Lynch Markets Australia Pty Limited ("BofA") was appointed as financial advisor to the Board.

In the course of the strategic review, the SingPost Group received unsolicited interest in the acquisition of FMH, leading to an international competitive bid process conducted by BofA. The bid process also established an independent valuation benchmark of the Australia business. After evaluating various options, including full and partial divestments, organic and inorganic growth strategies, the Board determined that a full divestment was the best option and a first step towards bringing forward and unlocking value for shareholders.

The Board is of the view that the headline valuation, which translates into an enterprise value of A\$1.02 billion (equivalent to approximately S\$867.0 million)³, reflects the intrinsic value of the business.

Use of Proceeds and Special Dividend

From the divestment, the SingPost Group expects to receive gross proceeds of approximately A\$775.9 million (equivalent to approximately S\$659.5 million) in cash, which is approximately S\$274.8 million in excess of the net asset value (NAV) of SPAI as at 30 September 2024⁴. The transaction is expected to generate a gain on disposal of

¹ Please refer to the announcement "[SingPost Strategic Review Unveils Pathways to Growth and Unlocking Shareholder Value](#)" dated 19 March 2024.

² Please refer to the announcement "[General Announcement: Strategic Review Of Australia Business To Formulate Optionalities](#)" dated 21 June 2024.

³ The enterprise value of A\$1.02 billion (equivalent to approximately S\$867.0 million) is derived from the Aggregate Consideration of A\$775.9 million adding net debt of A\$246.3 million less the net working capital of A\$2.2 million.

⁴ The excess of the NAV of SPAI is computed using the Aggregate Consideration of S\$659.5 million less the NAV of SPAI (assuming SPAI holds 100% of FMH) of S\$384.7 million, resulting in the excess of NAV of S\$274.8 million. The amount of A\$11.1 million is not included in the realised gain on disposal.

approximately S\$289.5 million⁵. The levered return on equity is approximately 4 times the SingPost Group's A\$93.6 million equity investment in FMH over the last 4 years.

The SingPost Group intends to utilise some of the proceeds to repay borrowings, in particular, its Australian Dollar-denominated debt amounting to A\$362.1 million (equivalent to approximately S\$307.8 million) as at 30 September 2024 undertaken for the financing of the acquisition of FMH.

The Board is also considering the payment of a one-tier tax-exempt special dividend (the "Special Dividend"), subject to the completion of the Proposed Disposal. Further announcements on the Special Dividend will be made at an appropriate time when the year-end financial statements of the Group are released, in compliance with Rule 704(25) of the Listing Manual. The Board will in due course disclose the amount of the Special Dividend and the amount of residual proceeds that would be retained, subject to the outcome of the strategy reset.

Following completion of the Proposed Disposal, the SingPost Group will consist mainly of two business units, being Singapore and International. The remaining business of the SingPost Group will continue to be a postal and eCommerce logistics provider in Asia Pacific.

Given the materiality of the sale of the Australian business, the Board has stated that the SingPost Group will need to reset its strategy after the completion of the Proposed Disposal. The Board will consider the progressive divestment of the Group's non-core assets to pay down debt and create a pool of funds to re-invest subject to its strategy reset and/or return to shareholders, while at all times ensuring the Group is appropriately funded.

In the interim, the Group will consider investing in completing the transformation of the Singapore Postal and Logistics business into a sustainable business by supporting the growth of eCommerce logistics.

The Board is confident that the Proposed Disposal is in the best interests of the Company and its shareholders as it enables SingPost to unlock significant value upfront, reinforcing

⁵ Assuming that the Proposed Disposal is completed on 31 March 2024 and subject to adjustments determined at the time of Completion and any other further adjustments in accordance with the terms of the SPA.

the Group's liquidity and supporting meaningful deleveraging of debt. This decision will crystallise the unrealised value of the business for shareholders' benefit, while allowing the Board and management to focus on resetting the Group's strategy post-completion.

Next Steps

An EGM will be convened to seek the approval of shareholders for the Proposed Disposal. A Circular to shareholders with the relevant information relating to the Proposed Disposal will be shared on 26 February 2025.

In the event that shareholders do not vote in favour of the Proposed Disposal, the Board will review and reconsider its strategy in relation to its Australian business.

Details regarding the proposed divestment and the EGM are available to shareholders in the Notice of EGM.

Note to Editors:

FMH Group is a diversified logistics holding company with divisions across 4PL, warehousing, transportation and technology. Its vision is to create a new logistics ecosystem, where people and physical assets are connected through a ubiquitous technology platform, enabling true supply chain efficiency.

FMH Group comprises: Australia's leading 4PL, efm Logistics; logistics technology company, Flip; transportation providers, Border Express, BagTrans, Spectrum Logistics, CouriersPlease and Logistics Holdings Australia, under which is GKR Transport, Niche Logistics and Formby Logistics. www.fmhgroup.com.au

About Singapore Post Limited (SingPost)

Singapore Post (SingPost) is a leading postal and eCommerce logistics provider in Asia Pacific. The portfolio of businesses spans from national and international postal services to warehousing and fulfilment, international freight forwarding and last mile delivery, serving customers in more than 220 global destinations. Headquartered in Singapore, SingPost has over 4,900 employees, with presence in 14 markets worldwide. Since its inception in 1858, the Group has evolved and innovated to bring about best-in-class integrated logistics solutions and services, making every delivery count for people and planet. www.singpost.com

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