

## AUSTRALIA

Business Unit

# Australia



## Unlocking Value

**On 27 March, SingPost announced the successful completion of the divestment of its Australian logistics business, Freight Management Holdings ("FMH")<sup>1</sup> to Pacific Equity Partners ("PEP"). The sale, valued at an enterprise value of A\$1.02 billion, marked a significant milestone in SingPost's Board-led Strategic Review, undertaken to unlock value for its shareholders.**

### **Divestment Completed: 4X Levered Return on Equity**

The transaction followed overwhelming approval at the Extraordinary General Meeting ("EGM") held on 13 March 2025, where the resolution secured shareholders' 99 per cent vote in favour. The divestment, resulting from a highly competitive bidding process, generated a gain of S\$302.1 million for the Group. This reflects a levered return on equity of approximately four times the SingPost Group's equity investment in FMH over the last four years.

### **Earnings-Accretive Transformation**

Over the years, SingPost has been strategically expanding its presence in Australia's logistics sector. In December 2020, SingPost acquired an initial 28 per cent stake in FMH and steadily increased it to 100 per cent in December 2023. In 2024, the Australia business unit was strengthened by the acquisition of Border Express and the integration of CouriersPlease, which was acquired in 2014.

This transformation has positioned FMH as a fully integrated, technology-enabled B2B2C logistics provider with a nationwide presence across Australia. Since its acquisition, FMH has been earnings accretive. Revenue has grown from A\$295.3 million in FY2020/21 to A\$667.5 million in FY2023/24, and reached A\$1,278.7 million in FY2024/25 (till completion of divestment).

Despite this strong operational performance, SingPost's share price had been in steady decline over the past four years, indicating that the market had not fully captured FMH's potential. The value of the Australia business was not adequately reflected in the Group's share price.

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 SingPost is appropriately valued. In March 2024<sup>2</sup>, the Board outlined its strategic intentions for the businesses and in line with this, initiated a strategic review specifically for the Australia business<sup>3</sup> 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, SingPost received unsolicited interest in the acquisition of FMH, leading to an international competitive bid process conducted by BofA. 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.

1 SingPost divested SingPost Australia Investments Pty Ltd ("SPAI"), the company's indirect wholly-owned subsidiary which owns Freight Management Holdings Pty. Ltd. ("FMH").

2 Please refer to the announcement "SingPost Strategic Review Unveils Pathways to Growth and Unlocking Shareholder Value" dated 19 March 2024.

3 Please refer to the announcement "Strategic Review of Australia Business to Formulate Optionalities" dated 21 June 2024.

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### Proposed Special Dividend

The proceeds from the sale of the Australia business have been allocated to debt reduction, shareholder returns, strengthening the Group's balance sheet and funding future growth of the business.

The Board is recommending a S\$202.5 million special dividend at 9 cents per ordinary share. These dividends are subject to shareholder approval at the 33rd Annual General Meeting.

The transaction has crystallised the unrealised value of the business, bringing forward the unlocking of value and returning capital to investors.



### Australia Business Unit

Australia's gross domestic product (GDP) rose by 0.6 per cent in the December quarter of 2024 and increased by 1.3 per cent between the December quarters of 2023 and 2024. Modest growth occurred across the economy, driven by public and private spending and higher exports<sup>4</sup>. In the December quarter, the Transport, Postal and Warehousing sector grew by three per cent, benefiting from increased parcel volumes related to Black Friday sales<sup>5</sup>.

During the year under review, the Australia business recorded higher revenue and operating profit year-on-year, largely due to FMH's consolidation of Border Express following its acquisition in March 2024.

### One of Australia's Top Five Logistics Companies by Revenue

The Australia business comprises various businesses across fourth-party logistics (4PL), warehousing, technology, and transport under the FMH Group to offer customers an efficient and sustainable supply chain. These businesses operate under the FMH Group, including Border Express, acquired in March 2024, and CouriersPlease, which was successfully integrated in June 2024. Border Express is a transport and distribution services company with a strong network of 18 facilities, more than 700 vehicles, and 1,700 employees and contractors to serve over 1,800 customers across Australia. CouriersPlease is an eCommerce and parcel delivery franchise offering competitively priced final-mile parcel delivery solutions through 800-plus franchise territories and an extensive network of delivery partners.

<sup>4</sup> Australian Bureau of Statistics <https://www.abs.gov.au/media-centre/media-releases/australian-economy-grew-06-cent-december-quarter>

<sup>5</sup> Australian Bureau of Statistics <https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/latest-release#economic-overview>





Collectively, the Australia business unit has over 3,000 employees and Franchise Partners, operating across 80 facilities and serving more than 4,900 customers nationwide. With this trajectory of growth, FMH Group is now one of the top five logistics companies by revenue in Australia.

The FMH Group's vision is to create a new logistics ecosystem, connecting people and physical assets through a ubiquitous technology platform, enabling true supply chain efficiency.

## Improving Facilities and Customer Experiences

A new depot in Cranbourne West marks a significant expansion, incorporating sustainable initiatives to boost operational capacity in the region.

During FY2024/25, the construction of a new Green Star, strategically-located facility in New South Wales for the growing eCommerce sector was completed. Similarly, FMH Group corporate employees moved into a new site at the Victorian headquarters in Moorabbin.

CouriersPlease welcomed 173 new Franchise Partners to provide delivery solutions nationwide.

