

# Keppel Pegasus' Final Consideration for Singapore Press Holdings Limited excl. SPH Media ("SPH")

10 November 2021

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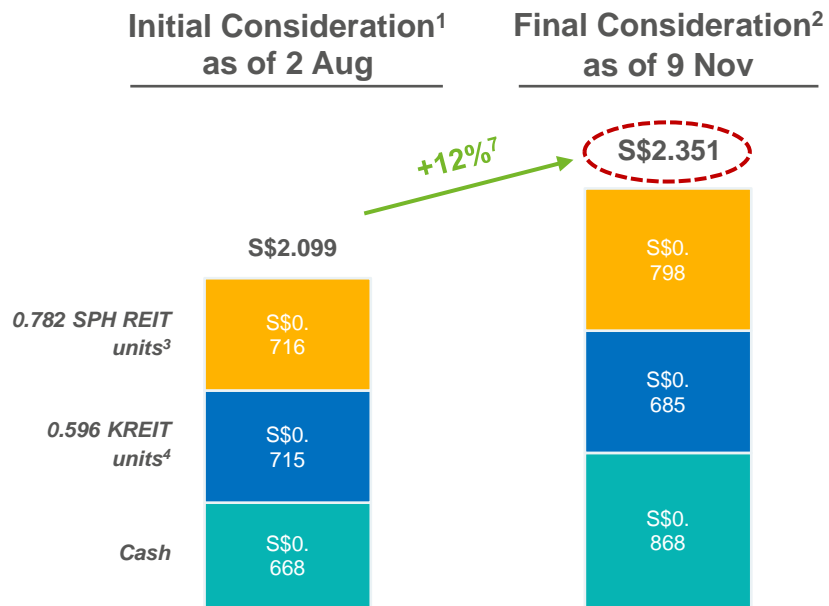
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# Compelling Final Consideration of S\$2.351/share



**Attractive premiums**

- ↑ +12%<sup>7</sup> from Initial Consideration<sup>1</sup>
- ↑ +9% premium to SPH's 9 Nov closing price<sup>5</sup>
- ↑ +57% premium to SPH unaffected price<sup>6</sup>

**Additional upside**

- ✓ Receive **KREIT** units at **10% discount to NAV<sup>8</sup>**
- ✓ SPH shareholders will be able to participate in potential growth of and entitled to distributions from SPH REIT and KREIT

**SPH shareholders will receive additional cash consideration of S\$0.200/share**

# Highest transaction certainty for SPH shareholders

1

## Firm and irrevocable offer

- ✓ Supplemental implementation agreement signed

2

## Regulatory approvals obtained

- ✓ **Regulatory approvals from MAS and FIRB obtained, no approvals required from IMDA**
- ✓ No certainty of approvals by other Offerors

3

## Material adverse effect clause (“MAC clause”) waived

- ✓ **No risk of “walk away” with the consent of the SIC if certain material adverse change to SPH’s financial condition occurs**

4

## Shortest time to payout

- ✓ Assuming SPH shareholders approve the Scheme at a Scheme Meeting that is held by early December 2021, and the Court approves the Scheme in December 2021, we anticipate that SPH shareholders can receive full Consideration by mid-January 2022 at the earliest

5

## Minimizes uncertainty of deal closure

- ✓ Lifting of NPPA<sup>1</sup> restrictions on share ownership in Dec 2021 could bring about further uncertainties for SPH

**Any competing offer will require 3-6 months for regulatory approvals  
with no certainty that approvals will be obtained**

# Compelling acquisition for Keppel

## Rare opportunity to acquire synergistic platform aligned to Keppel's business

- ✓ **Uniquely positioned** to enhance and unlock value of SPH's portfolio
- ✓ Expand into **secular growth sectors** (PBSA and senior living) and **benefit from recovery in retail**
- ✓ **Build scale** in asset management platform, increasing AUM by 27% to S\$47bn<sup>1</sup>
- ✓ **Harness synergies** and value upside through multiple levers
- ✓ **Improve quality of earnings** through 18% growth in recurring income on pro forma basis<sup>2</sup>

## Proposed acquisition remains attractive to Keppel even at Final Consideration

- ✓ Increase in cash consideration of S\$0.200/share underpinned by strengthening global economic conditions, recent improvement in SPH performance and growing synergies identified
- ✓ Continue to see significant value in SPH portfolio
- ✓ Offer structure **remains part scrip - part cash**, in line with Keppel's initial plans, but with additional cash
- ✓ Proposed acquisition remains earnings accretive on a pro forma basis<sup>3</sup>
- ✓ Higher cash consideration expected to increase Keppel's pro forma net gearing post-transaction by only **0.03x**<sup>4</sup>, with pro forma net gearing expected to **remain <1x**, leaving adequate capacity to pursue other Vision 2030 growth opportunities and reward shareholders
- ✓ **Keppel will remain disciplined** and increased consideration is final and would not be further increased

Note: <sup>1</sup> Potential Increased AUM includes addition of portfolio valuation of SPH REIT and PBSA, carrying value of Orange Valley, investment property value of Japan aged care assets, investment property value of Seletar Mall, GDV of Woodleigh Mall and Genting Lane Data Centre as at 31 Aug 2020, based on SPH 1H FY21 financial results presentation and SPH REIT FY20 annual report, as well as addition of 70% portfolio valuation (as at 6 Aug 2020, based on Prime US REIT 1H FY20 financial results presentation) of Prime US REIT as manager interest increased from 30% to 50% post transaction, resulting in a controlling stake in manager; <sup>2</sup> Recurring income excludes gain arising from the change in interest in Keppel REIT held by the Group and finance costs to be incurred due to cash consideration used to fund the transaction. This statement on growth in recurring income contribution is not intended as a profit forecast and should not be construed as such. This statement should not be interpreted to mean that its value in any future financial period will necessarily be greater than those for the relevant preceding financial period. In computing the financial impact of the Proposed Transaction on pro forma recurring income contribution, financial statements with different half year ends were used (being 30 Jun 2021 for the Group and 28 Feb 2021 for the SPH Group). Based on (a) the Group's unaudited results for the half year ended 30 Jun 2021 (the "KCL 1H2021 Results"), (b) the SPH Group's unaudited consolidated financial statements for the half year ended 28 Feb 2021 (the "SPH 1H2021 Results"), (c) the SPH REIT's unaudited consolidated financial; <sup>3</sup> Based on (a) Keppel's unaudited results for the half year ended 30 Jun 2021 (the "KCL 1H2021 Results") and (b) the SPH Group's unaudited consolidated financial statements for the half year ended 28 Feb 2021 (the "SPH 1H2021 Results"); <sup>4</sup> In projecting the pro forma net gearing of the Company post-transaction, the net gearing of the Company as at 30 June 2021 was used, assuming that the Proposed Transaction had been effected on 30 June 2021

## Indicative transaction milestones

Date	Milestone
9 Nov 2021	■ Announcement of Keppel Pegasus' Final Consideration
By 23 Nov 2021	■ Despatch of Chapter 10 Circular by Keppel and Composite Document including Offeror's Letter by SPH
By end of Nov / early Dec 2021	■ Keppel EGM
On or before 8 Dec 2021	■ SPH scheme meeting and EGM for Keppel Pegasus' final offer
End Dec 2021 / early Jan 2022	■ Effective date of the implementation of the scheme
Mid Jan 2022	■ Payment of consideration to SPH shareholders