

Salmat enters agreement to sell its Contact business

Monday 26 March 2018: Australian marketing services organisation, Salmat Limited (ASX:SLM), today announced that following a strategic review of its business, it has entered into an agreement to sell its Contact Centre business to funds advised by Five V Capital in combination with the Probe Group for \$53 million.

Under the terms of the agreement, completion is scheduled to occur on 30 April 2018 subject to satisfaction of conditions precedent involving key counter-party consents. Salmat will provide transitional services post Completion to separate the Contact business from Salmat.

Salmat CEO, Rebecca Lowde said the decision to sell the Contact Centre business followed a comprehensive analysis of the entire Salmat Group through a strategic review process which also led to the sale of Salmat's MessageNet and Interactive businesses in the first half of FY18.

"The sale is in line with Salmat's strategy to focus on innovating Salmat's core capabilities for long-term sustainability and reflects the opportunity for consolidation in the Australian outsourced contact centre market.

"The change in ownership will allow our contact centres to continue their long history of customer-centric service and benefit from further investment to capitalise on growth opportunities.

"Selling our contact centre business frees up capital and Group resources to invest in our Marketing Solutions and MicroSourcing businesses" said Ms Lowde.

Salmat's Marketing Solutions business offers clients a range of solutions to connect them with their customers and drive sales including online catalogue destination Lasoo, and catalogue distribution, Search, Email and eCommerce capabilities.

"With recent research* conducted for Salmat indicating that search, brand websites, and letterbox/online catalogues rank in the top six channels consumers use to inform their purchase decisions, Salmat's Marketing Solutions business is well placed to deliver results for our clients and drive profitable growth and long term sustainability," Ms Lowde added.

“With this divestment, we are now more focussed on further enhancing our Marketing Solutions offer and enabling the continued success and growth of our MicroSourcing business,” concluded Lowde.

Adrian Mackenzie of Five V Capital said, “We have partnered with shareholders and management of BPO provider, [Probe Group](#) to form a new market-leading Australian BPO operator. The combined business, operating as the Probe Group, will employ over 3,000 staff servicing leading blue-chip corporate and government clients across Australia, New Zealand and the Philippines. The combined business will benefit from additional capital and resources to continue to grow and invest in delivering industry-leading services and solutions to its customers.”

Salmat was advised on the transaction by PwC.

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For further information, please contact:

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*** About the research**

Salmat commissioned YouGov to conduct an online survey between 13th October- 3rd November 2017. The sample size was 504 Australian marketing decision makers (from organisations with 25 employees or more), and 563 Australian consumers.

About Salmat

Salmat is an Australian marketing services business. We partner with our clients to help them with the constant pressure of acquiring and servicing their customers, week-in, week-out. With media, digital and customer service capabilities, we have the right solutions for our clients, enabling them to Reach, Convert and Serve more customers.

Founded in 1979, Salmat has evolved from a small letterbox distribution business to an ASX-listed company. With a talented team across four countries we work with some of Australia’s most recognised and trusted brands to manage billions of customer interactions every year.

About Five V Capital¹

Five V Capital is an Australian fund manager based in Sydney which invests in businesses with organic, consolidation or international growth opportunities. Five V supports these businesses to build sustainable leading positions in their markets. Five V is an investor in companies like Ascender, a Sydney-based BPO payroll provider which employs over 800 staff across Australia and Asia Pacific; as well as Unified Healthcare Group, RateSetter Australia, Education Perfect, Madman Entertainment and Canva. Further details regarding Five V are available on its website: <http://www.fivevcapital.com/>.

¹ Information supplied by Five V Capital.