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By E-Lodgement

### **ACUMENTIS ENTERS TASMANIA THROUGH ACQUISITION OF SAUNDERS & PITT**

Acumentis Group Limited (“Acumentis” or “Company”) is pleased to announce that it has today exchanged on an unconditional agreement to acquire the business and assets of Saunders & Pitt, a valuation business operating in Tasmania. The acquisition will complete effective 31 March 2021.

- Acumentis secures presence in Tasmania through acquisition of Saunders & Pitt.
- Acquisition allows for the internal servicing of revenues previously sub-contracted, delivering an anticipated cost saving of over \$100,000.
- Acquisition is forecast to add an additional 5% to Acumentis’ earnings per share.
- Purchase price equates to approximately 2.4 times the maintainable earnings of Saunders & Pitt.
- Consideration comprises \$150,000 cash and \$400,000 in newly issued Acumentis shares under the Company’s 7.1 capacity.

#### **Saunders & Pitt**

Saunders & Pitt is an independent property valuation and consultancy firm which has a long history within Tasmania dating back to 1905 when the firm was founded as D. Saunders & Co. The firm specialise in providing impartial, independent property valuation and consultancy advice to a range of clients across Tasmania and takes pride in providing this service in a manner which caters to the unique characteristics of each property. Saunders & Pitt service Tasmania state-wide with staff located in Hobart, Launceston and Devonport.

Historic, normalised, results (unaudited) for Saunders & Pitt are as follows:

	Year ended June				6 Months to	
	2017	2018	2019	2020	Average	Dec 2020
	\$M	\$M	\$M	\$M	\$M	\$M
Revenue	1.35	1.46	1.71	1.56	1.52	0.81
EBITDA	0.21	0.23	0.31	0.19	0.24	n/a

#### **Key Terms**

Consideration for the acquisition comprises \$150,000 cash and \$400,000 in newly issued Acumentis shares based on the VWAP for the 15 trading days prior to the sale agreement execution date of 15 March 2021. The new shares will be issued using the existing 15% placement capacity under ASX Listing Rule 7.1.

The purchase price equates to approximately 2.4 times the maintainable earnings of the acquired business.

Acumentis estimates that the EPS of the acquired income stream, based on the incremental profits and new shares issued, will be approximately 4.7 cents. The acquisition will increase the overall expected EPS by approximately 5%.

### **Acumentis Growth Trajectory**

The acquisition is in line with the growth strategy announced by Acumentis at the 2018 AGM. The acquisition enhances the Company's regional coverage and value to clients, advancing Acumentis' growth trajectory. Acumentis anticipates hiring additional valuers in Tasmania and expanding the range of services it provides to Tasmanian clients in line with the broader Australian business.

Acumentis does, however, expect to be able to derive additional operating profit for the business from its existing clients where, historically, Acumentis has used sub-contractors to deliver these services in Tasmania.

Keith Perrett, Chairman of Acumentis, stated:

*"The business has been looking to expand in Tasmania for some time and we are very pleased to be able to do so now by engaging the excellent directors and valuers of Saunders & Pitt.*

*Saunders & Pitt has a long and proud history of providing the highest quality professional services to its clients and is an excellent fit for Acumentis, sharing the same focus on excellence and adhering to the same principles of how to do business."*

### **Update to Prior Announcement**

In our half year results announcement dated 12 February 2021, Acumentis Group Limited ("Acumentis") provided the following information in relation to surplus leased office space:

*The results for the six months to December 2020 include a one off impairment charge of \$131K in relation to the office lease right of use intangible asset which reflects the lower rentals achieved via the sub-lease of surplus office space. From April 2021 rental income of \$0.3M per annum will be booked from the sub-lease.*

Unfortunately, the sub-lessee has decided not to proceed with the sub-lease and accordingly the above statement is no longer correct.

Acumentis will now endeavour to find an alternative sub-tenant. Depending upon the timing of a new sub-lease and the rental agreed with a new sub-tenant, there may be a requirement for a further impairment charge in the 30 June 2021 financial statements. Rental income from a new sub-lease is unlikely to commence until later in the calendar year 2021.

Whilst this is disappointing and will impact the profitability of Acumentis in the short term, it should be noted that the impact is not recurring and does not materially impact the ability of Acumentis to execute its strategic plans.

By order of the Board.

John Wise  
Company Secretary  
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### **About Acumentis**

Acumentis is entrusted to provide commercial and residential valuations, research and property advice to many thousands of homeowners, investors, developers and lenders. The company offers property valuation, insurance valuation and advisory services to clients including major banks and financial institutions, property developers, property trusts, government, lawyers, accountants, real estate agents and major and independent retailers. With 40 offices and more than 300 staff in metropolitan and regional locations around the country, Acumentis is Australia's only independent, locally owned, ASX-listed property valuation company.