



ASHLEY SERVICES GROUP

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30 May 2022

Ashley Services Group Limited to acquire major shareholding in Linc Personnel

Ashley Services Group Limited (ASX: ASH), today announced a strategic move into the oil and gas sector, entering into agreements to acquire a major shareholding of Linc Personnel Pty Ltd (Linc). Linc is a West Australian company providing professional labour hire and recruitment services within the oil and gas industry. The services provided include, labour hire, permanent placements, mechanical maintenance, electrical maintenance, corrosion mediation, engineering and project management, and shut down and maintenance support planning.

The combined acquisition price for the 75% purchase of Linc is \$3.6 million, to be adjusted for actual FY22 EBITDA result. Preliminary estimates underlying the acquisition price are for normalised FY22 EBITDA of \$1.4 million from estimated Revenue of \$14 million.

The purchase consideration will be funded from a combination of cash reserves and a newly extended and significantly expanded bank facility with Westpac of \$35 million, up from \$16.5m (as at end H1 FY22). This new facility is comprised of a \$25 million invoice financing facility and a \$10 million Bank Bill Loan facility, which is in place for the next three years following its finalisation in March 2022. This substantial facility expansion will fund both this acquisition and subsequent additional acquisition opportunities, as well as providing an expanded facility to fund our growing working capital requirements flowing from our impressive revenue growth announced recently in our half year results.

Ashley Services Managing Director Ross Shrimpton said, "The acquisition of Linc is a logical expansion opportunity for Ashley, broadening both our geographical footprint and also our industry sector coverage. The oil and gas sector is poised for further growth in the coming years and we are delighted to have entered the sector through our strategic acquisition of Linc, which will continue to be run on a day to day business by its founder and continuing 25% shareholder, Ian Cantley. Our intention is to leave Linc running as an independent operation and there will be very little change if any in operations for the immediate future. We believe the backing of Ashley Services will place Linc in a strong position to convert growth opportunities from its already well established base. I am also pleased to have our financing locked down for a further three years with our banking partner Westpac, with what is a significant expansion of our borrowing capability which we intend to utilise for further acquisitions as well as funding increasing working capital requirements as we continue our impressive growth journey".

It is expected that the acquisition will be completed during Q1 FY23 following the completion of due diligence and Purchaser conditions precedent matters. The acquisition is anticipated to be EPS accretive in FY23.

For further details:

Chris McFadden
Chief Financial Officer, Executive Director & Joint Company Secretary