

## ASX & MEDIA RELEASE

2 January 2019

### Service Stream announces completion of Comdain Infrastructure acquisition

Leading essential network services company Service Stream Limited (ASX:SSM) today announced that it had successfully completed its acquisition of Comdain Infrastructure Pty Ltd (Comdain Infrastructure), a provider of engineering and asset management services to the gas and water utility sectors in the Australian eastern states.

The acquisition was announced on 3 December 2018 and following the satisfaction of all conditions precedent and the completion of bank funding arrangements, settlement has now taken place.

The acquisition is strategically significant to Service Stream, providing the Group with enhanced revenue diversity across well-known gas and water markets and through a familiar client base. Comdain Infrastructure's operations align with Service Stream's core capabilities of design, construction, operations and maintenance, with the combined business creating the opportunity to provide a broader end-to-end asset life-cycle service offering, extended service capabilities and expand into additional geographies.

Comdain Infrastructure expects to generate revenue of approximately \$320 million and EBITDA of approximately \$22 million in FY19. Earnings that relate to the period between 2 January, 2019 and 30 June, 2019 will therefore be recorded within Service Stream's FY19 results.

Service Stream Managing Director, Leigh Mackender, welcomed Peter Coen and the entire Comdain Infrastructure team to Service Stream. Mr Coen said *"Having established Comdain Infrastructure as one of Australia's leading utility service providers, we're delighted to become part of the Service Stream Group. Comdain Infrastructure will continue to build on its strong reputation in core gas and water markets, whilst pursuing new opportunities with Service Stream to provide our valued clients with a truly 'whole of life' service offering."*

### Transaction Detail

Comdain Infrastructure has been acquired by Service Stream for a purchase price of \$161.7 million (subject to adjustments for tax liabilities, net cash and movements in working capital), \$68.0 million of which has been paid by way of 40,189,126 new Service Stream shares being issued to the vendors, with the balance paid in cash. Service Stream funded the cash consideration through \$60.0 million of a new debt facility with the balance paid from the Group's existing cash-on-hand.

In addition to the new debt facility, Service Stream has taken the opportunity to increase the size of its bank guarantee, bank overdraft and revolving cash advance facilities with its existing financiers, ANZ and HSBC, to \$130.0 million, and to extend the term of the overall syndicated facility by two years to 30 September 2021.

**Extraordinary General Meeting**

In connection with the refinancing, it is proposed that Comdain Infrastructure will accede to Service Stream's amended facility agreement with ANZ and HSBC, and grant security to ANZ and HSBC. This may constitute the giving of financial assistance by Comdain Infrastructure in connection with the acquisition of its shares by Service Stream for the purposes of section 260A of the Corporations Act. Service Stream shareholder approval will therefore be sought under section 260B of the Corporations Act.

Service Stream will hold an Extraordinary General Meeting for shareholders to consider and approve the giving of financial assistance by Comdain Infrastructure under the amended facility agreement. Details of the Extraordinary General Meeting will be announced shortly, but at this stage it is anticipated that the Extraordinary General Meeting will be held in March 2019.

Service Stream also confirms that the share buy-back announced on 14 February 2018 has been suspended, indefinitely.

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**About Service Stream Limited:**

Service Stream is a public company listed on the Australian Securities Exchange (Code: SSM). The Service Stream Group is a provider of essential network services to the telecommunications, energy and water industries. Service Stream operates out of more than 40 locations nationwide and maintains a workforce of around 1,800 employees and up to 3,500 active contractors. For more information please visit [www.servicestream.com.au](http://www.servicestream.com.au).