

JOHNS LYNG GROUP LIMITED (ASX:JLG)

ASX Statement

July 2, 2021

JOHNS LYNG STRENGTHENS POSITION IN STRATA MARKET WITH THREE ACQUISITIONS

Johns Lyng Group (ASX:JLG) subsidiary Bright & Duggan has consolidated its leading position in the strata and building management sector through three strategic acquisitions.

The first, *Change Strata Management (CSM)*, manages high-end buildings in Sydney, with a portfolio of 2,974 lots across 75 strata schemes. CSM has been wholly acquired and will serve as a direct 'bolt-on' to Bright & Duggan's existing strata management portfolio of more than 70,000 lots.

Additionally, the 100% acquisition of both *Structure Building Management (SBM)* and *Shift Facilities Management* marks Bright & Duggan's further expansion into the facilities and building management market. Together the new building management acquisitions hold existing management contracts with 58 Sydney buildings, encompassing more than 7,250 lots.

A new entity, Bright & Duggan Facilities Management (BDFM), has been created to acquire and manage both SBM and Shift.

Mite Domazetovski, current owner and operator of both CSM and Shift will acquire a 25% equity interest in BDFM and assume the role of Managing Director, while current key management of all businesses will be retained.

At completion Bright & Duggan will pay a total of \$8 million to complete the acquisitions, funded through existing cash reserves, current debt facilities and the 25% sell-down to Mr Domazetovski. The acquisitions are expected to be immediately earnings accretive.

Johns Lyng CEO Scott Didier said the businesses were attractive prospects, marking further pleasing progress of the Group's stated strata market growth strategy.

"These are well-run businesses that operate with high margins, recurring revenues and lean balance sheets. Importantly, they own good relationships in the strata and building management sectors," Mr Didier said.

"In that sense they offer clear alignment with how we operate and they'll be strong additions to the Bright & Duggan portfolio as we look to continue to consolidate our presence in what remains a fragmented market.

"Consolidating building management opportunities is an important step for us, presenting cross-sell opportunities with existing Johns Lyng core capabilities in scheduled and emergency repairs and maintenance.

"We've been quite clear for several years now that expansion into the strata market was a key strategic goal for us so it's pleasing to progress that through these acquisitions.

"Mr Domazetovski is a valuable addition to our Group, bringing more than 20 years' experience combining both strata and building management experience. He is widely renowned in the industry and we offer him a warm welcome."

ENDS

This announcement was authorised by the Disclosure Committee of the Board of Johns Lyng Group Limited.

For further information, contact:

Investors & Media

James Aanensen

t) 0410 518 590

e) jaanensen@prx.com.au

Company Secretary

Hasaka Martin

t) 0424 685 041

e) hasaka.martin@emersonoperations.com.au

About Johns Lyng Group Limited

Johns Lyng Group Limited (JLG) is an integrated building services group delivering building and restoration services across Australia and the USA. JLG's core business is built on its ability to rebuild and restore a variety of properties and contents after damage by insured events including impact, weather and fire events. Beginning in 1953, JLG has grown into an international business with over 1,100 employees servicing a diversified client base comprising major insurance companies, commercial enterprises, local and state governments, body corporates/owners' corporations and retail customers. JLG defines itself by delivering exceptional customer service outcomes every time.