

Aquirian to acquire Cybem Mechanical Services for \$3m

Highlights

- Aquirian to acquire the business and assets of Cybem Mechanical Services Pty Ltd (“Cybem”) for an enterprise value of A\$3m including \$1.5 million of plant and equipment
- Cybem is a trusted provider of on-site labour support, field service and mechanical repair services
- Cybem Mechanical Services has averaged ~\$9.5 million¹ revenue and ~\$1 million¹ EBITDA³ over the last four (4) years (ending FY21) and is expected to be accretive on an earnings per share basis by >20%¹
- Cybem will strengthen the Group’s maintenance capabilities, while expanding service offerings to existing customers and broadening its customer base
- Acquisition is in line with the Company’s stated strategy to grow fleet capability, services and increase earnings, with a focus of positioning Aquirian as a leading provider of equipment and services
- Acquisition of Cybem to be fully debt funded through a new facility with National Australia Bank, with the Company remaining in a positive net cash position on completion
- Cybem leadership will be retained for a minimum of three (3) years, subject to the issue of retention shares²
- Acquisition will be Effective from 1 April 2022, with all benefit and risk to transfer to Aquirian from that date, subject to completion

Specialist mining services provider Aquirian Limited (**ASX: AQN**) (‘Aquirian’ or the ‘Company’) is pleased to announce that it has entered into a binding agreement to acquire the business and assets of Cybem Mechanical Services Pty Ltd for an enterprise value of \$3 million before customary purchase price adjustments (Acquisition).

The Acquisition represents an operating EBITDA³ multiple of 2.89x¹ (pre synergies and integrations costs)¹, and allows for further significant efficiencies to be leveraged, with common customers.

¹ Cybem financials assumptions are based on unaudited average financial results over the last 4 completed financial years ending FY21, this is used as a historical comparison and not provided as a forecast for the integrated business

² Retention Shares to be issued to the vendors, \$A500,000 divided by the volume weighted average price of the shares on the ASX during the 5 ASX trading day period ending on the last trading day immediately preceding the Completion Date, the shares will be issued in 3 equal tranches, on each 12-month anniversary of the effective date, subject to the vendor meeting the retention conditions

³ EBITDA refers to earnings before interest costs, taxation, depreciation, and amortisation costs



Aquirian Managing Director and CEO, Mr David Kelly, said: “This exciting acquisition represents a significant step in realising Aquirian’s strategy of becoming a leading provider of equipment and associated services, while maximising shareholder value.”

“The acquisition of a business like Cybem will allow Aquirian to enhance its maintenance capabilities to support the growth in our rental business, strengthen our customer offering to existing customers and increase our customer diversity with the introduction of new customers.”

“Aquirian is pleased to retain the experienced and well-respected Cybem leadership who share a common focus, culture and values with Aquirian. We look forward to welcoming Cybem employees into the Aquirian Group and to combining Cybem’s capabilities with our existing teams to execute on our strategy.”

“We believe the Acquisition will deliver long term value to our shareholders.”

Founded in 2005, Cybem Mechanical Services has built a reputation as a trusted provider of on-site labour support, field service and mechanical repair services. The management and operational teams have extensive OEM, on-site and process experience. Cybem has averaged \$9.5 million revenue and \$1 million EBITDA³ over the last four (4) years.

The Acquisition will be fully debt funded utilising a new debt facility being established with the National Australia Bank (NAB). Aquirian will also be increasing its existing Equipment Financing Facility with NAB from \$5 million to \$7.5 million, allowing flexibility and certainty in growing its rental fleet.

Acquisition aligned with Aquirian’s Strategy

The Acquisition of Cybem represents a compelling transaction that is consistent with Aquirian’s existing strategic growth objectives. Strategic benefits include:

- ✓ Supports Aquirian’s strategy to become a leading equipment manufacturer and rental provider, while maximising shareholder value
- ✓ Enhances Aquirian's customer value proposition by improving maintenance capability and capacity whilst introducing the opportunity to commence fully maintained equipment offerings in Western Australia
- ✓ Addition of experienced and industry-respected management, maintenance and service teams
- ✓ In-house maintenance expertise to ensure Aquirian maintains access to resources, rebuild times and inventory shortages in what remains a tightening market, supporting the Company’s asset management strategy
- ✓ Valuable and strategic workshop facilities with experienced internal asset rebuild capabilities
- ✓ Provides industry-recognised maintenance capability, ensuring security of supply for Aquirian's fleet



- ✓ Strengthens and diversifies Aquirian's customer base, while expanding and strengthening Aquirian's presence in the Western Australian equipment market
- ✓ Acquisition is expected to be accretive on an earnings per share basis by >20%¹

The Acquisition is subject to the customary condition's precedent and termination rights in favour of Aquirian with completion of the Acquisition expected by the end of May 2022, subject to completion the Acquisition will be effective from 1 April 2022 with all benefit and risk to transfer to Aquirian from that date.

-ENDS-

This announcement has been approved for release by the Managing Director of the Company

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About Aquirian

Aquirian is an emerging specialist mining services company providing people, equipment and innovative products that support mining clients across their operations.

The Company has a strong national and international presence with reputable, in-house capabilities and, through its extensive, in-depth relationships built up over many years of working in mining services locally and globally, it has attracted and maintained a long-term, tier-one client base. It provides specialised People Services (training, labour, recruitment) under the **Modular Training** and **TBS Workforce** brands, and Mining Services (equipment leasing, drill and blast products) under the **TBS Mining Solutions** and **MagLok** brands to the mining and resources, and civil and defence sectors in Australia and internationally.