



28 June 2017

## **Veris to acquire premium ACT surveying business**

### **Another important step in developing Veris' National Surveying Business**

- Veris to acquire LANDdata Surveys, the leading surveying consultancy in the Australian Capital Territory
- LANDdata has deep experience and expertise in commercial, residential, land development and government infrastructure projects, and has a strong financial track record with historic EBITDA margins averaging 25%
- Purchase price \$3.8m cash and \$1.0m in performance payments
- Funded from existing cash reserves and facilities
- Purchase price represents a multiple of approximately 3.8x FY2017F EBITDA
- Acquisition expected to be EPS accretive in FY2018
- Fully aligned with Veris strategy of developing a National Surveying Business, with a new market entry to ACT and demonstrated ability to win national government infrastructure projects from Canberra

Veris has agreed to acquire LANDdata Surveys, a leading surveying consultancy with operations in ACT and NSW, for cash and performance payments of up to \$4.8 million.

LANDdata was established in 2006 in Canberra through the merger of two longstanding local surveying businesses. The partners of LANDdata, led by Managing Partner David Sloan, have over 20 years' experience in the ACT. In 2015, LANDdata expanded through the acquisition of a surveying consultancy in Western Sydney.

LANDdata has delivered a range of flagship commercial, residential, land development and government infrastructure projects in the ACT and is considered the largest and most technically advanced surveying consultancy in the market. LANDdata has approximately 40 employees, annual revenue of approximately \$5.5 million and EBITDA margins averaging 25%.

The acquisition of LANDdata will immediately complement Veris' national surveying business, provide a new market entry into the ACT and a platform to originate national government infrastructure projects from Canberra.

#### **Commenting on the acquisition, Veris Managing Director Adam Lamond said:**

*"The acquisition of LANDdata is an important step in the progression of our national surveying strategy and strategic plan to develop a strong presence on the East Coast. As the leading surveying consultancy in the ACT, LANDdata provides Veris with a strong local presence and opportunity to generate national infrastructure work from government agencies in Canberra. In addition, LANDdata's presence in Western Sydney will enhance Veris' exposure to this growth market, which is benefiting from strong property demand and recently announced government spending on large public infrastructure projects such as the Melbourne-Brisbane rail project and the new Sydney airport at Badgerys Creek."*

*I am very pleased to welcome the partners and employees of LANDdata to Veris and look forward to supporting them to achieve their growth plans and strong and ongoing commitment to the ACT market."*

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### **Strategic Rationale**

✓ <b>Market</b>	market entry to ACT and enhanced position in Western Sydney
✓ <b>Clients</b>	long-term track record with blue-chip clients and government
✓ <b>Management</b>	stable and experienced senior management team that are joining Veris
✓ <b>Financial</b>	strong and consistent EBITDA margins
✓ <b>Synergies</b>	opportunity to secure national government infrastructure work from Canberra
✓ <b>Outlook</b>	revenue outlook supported by greenfield land developments, residential and commercial construction, urban renewal and apartment projects, and government infrastructure activity

### **Transaction Terms**

<b>Structure</b>	Acquisition of the business and assets of LANDdata Surveys, on a cash/debt free basis
<b>Purchase price: cash</b>	\$3.8m less assumed liabilities (employee provisions)
<b>Purchase price: performance</b>	Up to \$1.0m over two years Payable in an annual period if revenue is at least \$5.25m (and up to \$5.75) and gross margin is at least 30% Maximum payment \$0.5m in any performance period If LANDdata outperforms the performance payment thresholds and allocation of operating costs over two years, LANDdata will be entitled to 25% of the surplus amount as an incentive bonus
<b>Employment contracts</b>	Partners of LANDdata to enter into employment contracts with Veris which include a restraint period of 4 years
<b>Completion</b>	Acquisition expected to be completed in coming weeks following satisfaction of customary conditions precedent

– ENDS –

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