

Acquisition of business

MCS Services Limited (ASX: MSG) (MCS) (the Company) is pleased to announce the acquisition of the customer base of State Security (WA) Pty Ltd. The customer base includes uniformed security work in education, suburban retail and tourism locations and includes prestigious schools across the Perth area. Servicing educational establishments creates a new and exciting addition to MCS Services current security portfolio.

The potential revenue from the acquired customer base is up to \$1.8m pa.

The purchase price for each assigned customer is scaled to expected revenue flow over the next 12 months, with a portion of the total purchase price payable immediately on settlement and the remainder in contingent monthly instalments. Structuring the purchase consideration this way reduces the impact of the acquisition on current cash reserves. The acquisition is expected to deliver an attractive return on investment.

MCS does not anticipate any material increase in its existing overheads as a result of the acquisition since the existing office systems and staff have capacity to absorb the rostering, billing and payroll functions of the additional work. The acquisition is expected to be highly earnings per share accretive.

MCS CEO Paul Simmons said – “This is a fantastic bolt on business which is in line with our expansion strategies and will add value to the bottom line for all shareholders. It is an exciting acquisition that I believe will grow the business in the education field”

Jonathan Asquith



Company Secretary

About MCS Services

MCS Services provides security services at major commercial property sites and retail shopping centres throughout the Perth metropolitan area and regional country areas of Western Australia. These security services include mobile patrols and response vehicle services. In addition, MCS provides electronic security services including the design, supply, installation and commissioning of security alarms, CCTV, biometric and access control systems to commercial, industrial and domestic sectors.

For further information, please visit the MCS website www.mcssecurity.com.au