

25 October 2017

Company Announcements

ASX

Via ASX Online

CTI LOGISTICS LIMITED --- ACQUISITION OF JAYDE TRANSPORT

CTI Logistics Limited ["CTI", the "Company", ASX:"CLX"] is pleased to announce the acquisition of the interstate road and rail transport and warehousing business trading as Jayde Transport ["Jayde"].

Jayde operates in all States, with facilities in Melbourne, Adelaide and Perth. Excluded from the sale is a container operation at Fremantle wharf. Jayde has been owned and operated for the last 37 years by Mr Harvey Mack and family. Mr Mack will stay on to assist with the smooth transition, and will be available for consultation until December 2018.

The Company is acquiring the Jayde business with payment of \$6.5million at Settlement on 30 October 2017 and a deferred payment of \$1.0million on 30 April 2018. This equates to an earnings-per-share accretive EBITDA multiple of 3.2 times current earnings, with potential further consideration of cash and shares payable of up to \$2.85million if the business achieves specified EBITDA targets in calendar 2018.

This acquisition is in line with the Company's strategy of expansion into areas related to our existing core businesses, with synergies expected from our existing operations in Adelaide and Melbourne, and also in Perth, where the plan is to lease the current Jayde Forrestfield complex until the further development of our Hazelmere site facilitates consolidation with other CTI distribution operations. The acquisition is also in line with the Company's strategy of continuing to build our national business and lessening reliance on Western Australia, with 75% of current Jayde revenue generated from outside Western Australia.



Owen Venter
COMPANY SECRETARY