

ASX Announcement

8 October 2021

Lynch Group expands footprint with acquisition of Market Flowers Brisbane

Lynch Group Holdings Limited (ASX:LGL) ('Lynch' or 'the Group'), Australia and China's leading vertically integrated wholesaler and grower of flowers and potted plants announces today that it has completed the acquisition of Queensland-based flower wholesaler company, Market Flowers Brisbane in Rocklea ('MFB').

Operating for over 25 years, MFB supplies the B2B wholesaler to wholesaler market in Queensland, as well as providing flowers and potted plants directly to its florist network of small independent retailers, green grocers, fruit shops and via Cash and Carry routes. The acquisition represents a profitable entry point into the Brisbane B2B Wholesalers market channel, with the MFB business generating ~\$7.2m in sales and ~\$0.7m in normalised EBITDA in FY21.

Complementing the Group's supermarket wholesale operations in Queensland, the strategic transaction adds further scale to the Lynch Markets business and expands the footprint of its current floral and potted market operations beyond Flemington, Newcastle, and Canberra. MFB will become part of Lynch's wholesale Markets offering, selling semi-processed, non-value-added floral products to florists, online players, and independent retailers.

Hugh Toll, Chief Executive Officer, commented: *"The acquisition of MFB is a strategic bolt on and geographic footprint expansion of the Group's current floral and potted market operations in NSW – Flemington Markets, Newcastle and in the ACT – Canberra. The existing Rocklea facility provides a ready-made platform for the Group to replicate the successful NSW hub and spoke wholesale model in Queensland for the first time giving us access to penetrate one of the largest floral markets in Australia, outside of NSW."*

"We are excited for the opportunity to expedite our national roll-out of the Markets initiative into the Queensland market and we look forward to welcoming the team at MFB into the Lynch business, further strengthening the existing local Brisbane management team."



Authorised for release by the Board of Lynch Group Holdings Limited

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About Lynch Group Holdings

Lynch Group is a vertically integrated value-added wholesaler and grower of flowers and potted plants with a strong market position in both the Australian and Chinese floral markets. It is the largest wholesaler of floral and potted products to Australian supermarkets and a leading grower of premium flowers with a developed wholesale distribution platform in China.

