



DWS

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Date 25 June 2018

DWS acquires Projects Assured

DWS is pleased to announce today that the Canberra based Strategic Management and IT Consulting business Projects Assured will become part of the DWS Group with DWS acquiring 100% of Projects Assured for an initial payment of \$30.0 million, to be funded by cash reserves and debt. In addition to the initial payment, further payments of approximately \$13.0 million are payable conditional on the EBITDA performance of Projects Assured over a five-year period. Under the terms of the transaction, the Co-founders and Joint Executive General Managers of Projects Assured, David O'Rourke and Greg Sly have agreed to employment contracts with a minimum term of five years.

The upfront purchase price is based on the historical EBITDA of Projects Assured with an EBITDA multiple in the range of 5 to 6 and will result in an estimated initial net debt to equity gearing ratio for the DWS Limited Group of approximately 60% and an initial interest cover ratio in excess of 16 times. The acquisition is to be effective from 2 July 2018.

The acquisition of Projects Assured is expected to provide DWS with the following key benefits:

- A leading and growing Canberra based Strategic Management and IT Consulting business with an established brand and key Federal Government and other Canberra based clients;
- An experienced Canberra based leadership team committed to growing the Projects Assured business within the DWS Limited Group;
- A combined DWS Limited Group IT consultant headcount of over 800 nationally;
- FY19 annual revenue for Projects Assured forecast to be approximately \$35 to \$40 million diversified across a range of clients;
- The opportunity to diversify the DWS Limited Group earnings and increase exposure to Canberra based and Federal Government clients; and
- Earnings Per Share ("EPS") accretion in the first year following the acquisition estimated in excess of 3.5 cents (after funding costs).



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Projects Assured has been operating in the Canberra market for four years and featured in the top ten of the Australian Financial Review's (AFR) prestigious *Fast Starters* list for 2017, which recognises Australia's most successful fast-growing companies.

DWS CEO Danny Wallis said:

"The acquisition of Projects Assured is consistent with DWS Limited's strategy of diversifying earnings and increasing our exposure to Federal Government. It is also consistent with our stated aim of making earnings accretive acquisitions to supplement the wide-ranging suite of IT and Strategic consulting services already provided by the Group. We are pleased to welcome Projects Assured's experienced and highly skilled workforce in to the DWS Group and look forward to supporting David, Greg and the Projects Assured leadership team in the next stage of Projects Assured growth"

Commenting on the acquisition by DWS Limited, the Co-founders and Joint Executive General Managers of Projects Assured, David O'Rourke and Greg Sly said:

"DWS shares our vision for the future of the Projects Assured business and we are delighted to be part of a leading ASX listed Australian IT services group. We are looking forward to working with the DWS Executive and Management team to provide an enhanced service offering to our existing and future clients and to continue to provide a rewarding, challenging and 'best place to work' environment for all of our employees."

Financial Year ended 30 June 2018 - Trading Update

In addition to the acquisition of Projects Assured, DWS informs the market that the EBITDA for the DWS Limited Group for the year ending 30 June 2018 (including the write back of the Symplicit Earn Out provision) is expected to be in the range of \$21.25 million to \$22.5 million subject to final trading in June 2018 and the completion of the statutory audit of the DWS Limited Group.

Further information regarding the DWS Limited Group's trading will be provided in the Appendix 4E and Preliminary Final Report for the year ended 30 June 2018 which is planned to be released on Monday 13 August 2018.

For more information please contact:

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