



ASHLEY SERVICES GROUP

LABOUR HIRE | RECRUITMENT | TRAINING

27 August 2019

- **Ashley Services Group Limited to acquire major shareholding in CCL Group**
- **Ashley Services Group Limited guidance for FY19**

Ashley Services Group Limited (ASX: ASH), today announced that it has entered into agreements to acquire a major shareholding of the CCL Group, comprised of the following companies:

- Construction Contract Labour (VIC) Pty Ltd
- Complete Traffic Services (VIC) Pty Ltd
- CCL Filcon Pty Ltd

The CCL Group is one of the primary suppliers of contract labour in Victoria with a focus on the infrastructure, building and civil construction sectors. The CCL Group is also a key supplier of traffic management services for a range of construction based organisations.

The CCL Group has experienced strong growth in recent years, in part due to the significant investment in infrastructure by the Victorian state government, coupled with an extremely skilled labour force and a highly capable management team.

The combined acquisition price for the 80% purchase of the CCL Group is \$11.2 million adjusted for subsequent earn-outs for FY20 and FY21. Payments will be based on FY19 (80%), FY20 (10%) and FY21 (10%) audited results. Pre-audited FY19 results were a normalised EBITDA of \$4.1 million from Revenue of \$40.0 million.

The purchase consideration will be funded from a combination of cash reserves and a new bank facility of \$20 million which will take security priority over the existing Shrimpton Holdings Pty Ltd facility of \$5 million which will continue to remain in place.

Ashley Services Managing Director Ross Shrimpton said, "The acquisition of the CCL Group is an ideal fit for Ashley, with a broadening of our Victorian business, aligning with our existing Concept Engineering operations. Both businesses have strong service offerings in the infrastructure sector and will operate under existing management as independent operations. We are delighted to have been able to retain both the founder and key management as shareholders moving forward".

The acquisition is expected to be EPS accretive in FY20 and the purchase provides Ashley Services with the economic benefit from 1 July 2019.

It is expected that the acquisition will be completed during Q1 following the completion of Purchaser conditions precedent matters.

FY19 Guidance:

Ashley Services also wishes to advise expected FY19 results of Revenue \$287 million, EBITDA \$9.1 million and NPAT \$5.4 million. FY19 Audited Financials are expected to be released before the end of the week.

For further details:

Chris McFadden
Chief Financial Officer & Executive Director

Established almost half a century ago as a Labour Hire business in Sydney, Ashley Services Group listed on the Australian Securities Exchange in 2014. Today, it has cemented its position as a prominent national labour hire provider engaging approximately 5,000 workers on a weekly basis.