

Media Release and ASX Announcement

06 December 2018

CARDNO ANNOUNCES ACQUISITION OF TGM GROUP PTY LTD

Professional infrastructure and environmental services consultancy, Cardno Limited (ASX: CDD) today announced that it has agreed to acquire TGM, a Victorian based 130-person engineering services firm specialising in the approval, design and completion of urban development, building and infrastructure projects.

On completion of the transaction, Cardno will pay up to AUD \$21.6 million in cash for the purchase of TGM, with 20 per cent of the purchase price subject to achieving performance targets over the next two years. The acquisition will be funded by a combination of cash resources and financing facilities.

TGM is expected to contribute approximately AUD \$23 million in revenue over the next twelve months. The acquisition will be immediately earnings per share accretive and has an effective date of 30 November 2018.

Cardno CEO and Managing Director, Ian Ball said that the acquisition of TGM is in line with Cardno's plan for growth through conservatively funded 'on strategy' accretive acquisitions.

"TGM is a leading player in regional Victoria with a strong market position in Geelong and Ballarat as well as an additional location in Hawthorn.

"This provides us with a regional footprint in Victoria similar to our presence in regional New South Wales and Queensland and strengthens our value proposition to clients by delivering complementary capabilities and more scale to compete for larger projects," he said.

TGM will become part of Cardno's business and will be branded Cardno TGM.

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About Cardno: Cardno is a global provider of integrated professional services which enrich the physical and social environment for the communities in which we live and work. Our team of multidisciplinary specialists around the world has more than 70 years' experience in designing, developing and delivering sustainable projects and community advancement programs. Cardno is listed on the Australian Securities Exchange (ASX: CDD). www.cardno.com.