



# ASHLEY SERVICES GROUP

LABOUR HIRE | RECRUITMENT | TRAINING

20 December 2019

## Ashley Services Group Limited completes acquisition of a major shareholding in CCL Group

Ashley Services Group Limited (ASX: ASH), today announced that it has acquired a major shareholding in the CCL Group.

As outlined back on 26 September 2019, the due diligence process identified issues which saw the FY19 EBITDA estimates adjusted downwards, largely due to period start and end cut off related matters. Audited FY19 results produced a normalised EBITDA of \$2.85 million from Revenue of \$39.36 million.

The resultant estimated acquisition price for the 80% purchase of the CCL Group is \$7.89 million but will be adjusted for subsequent earn-outs for FY20 and FY21 (currently estimated at FY19 EBITDA levels). The initial payment comprises 80% of the total purchase price based on the audited FY19 results (being for 80% *(of the 80%)*), with subsequent earn-outs based on FY20 (10%) and FY21 (10%) audited results.

Ashley Services Managing Director Ross Shrimpton reiterated his previous comments, "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 Group Limited with the economic benefit from 1 July 2019.

### Background on the CCL group:

The CCL Group is 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.

### 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.*