

JOHNS LYNG GROUP LIMITED (ASX: JLG)

ASX Statement

2 August 2024

**JOHNS LYNG GROUP PROGRESSES GROWTH STRATEGY WITH
THE ACQUISITION OF SSKB STRATA AND CHILL-RITE HVAC**

Johns Lyng Group Limited (**ASX: JLG**) has today announced the signing of binding Share Purchase Agreements to acquire 100% of SSKB Strata ("**SSKB**") and 84% of Chill-Rite HVAC ("**Chill-Rite**") (together the "**Acquisitions**") for total upfront aggregate consideration of \$57.6m.

Both businesses have great reputations in their respective industries and are strong standalone businesses with significant potential synergies and customer opportunities - consistent with JLG's investment criteria and acquisition strategy.

The Acquisitions are led by high-calibre and very experienced management teams who will be fully aligned through ongoing equity ownership – consistent with JLG's equity partnership model.

Johns Lyng will pay \$28.8m in cash (funded from JLG's existing revolving credit facility), with the balance payable in JLG Ltd shares to be issued on Completion which is expected to occur in the first quarter of FY25 (effective 1 July). Additionally, there is an aggregate earn-out of up to \$15.4m, which is contingent on FY25 and FY26 EBITDA. Existing aggregate (net) cash of approximately 0.7m will be assumed by Johns Lyng on Completion.

The Acquisitions are expected to generate FY25(F) revenue of more than \$45m and EBITDA of approximately \$9m.

Both acquisitions are expected to be immediately earnings accretive.

SSKB Strata

SSKB is a leading provider of strata and strata related services focussed on the east-coast of Australia, with a portfolio of over 44,000 lots across 790 schemes. JLG's subsidiary, Bright & Duggan, will make the acquisition, taking its total portfolio to over 140,000 lots. The acquisition further strengthens Bright & Duggan's position as a leader in the strata sector and marks a significant step in the business's strategic growth trajectory.

Consistent with JLG's equity partnership model, SSKB's experienced and proven senior management team will remain with the business with scope to become equity partners in due course, fully aligned with JLG's Business Partner model to drive continued growth.

Chill-Rite HVAC

Chill-Rite is a leading provider of heating, ventilation and air-conditioning services in regional New South Wales. JLG's subsidiary, Air Control, will acquire an 84% controlling equity interest in Chill-Rite. The acquisition creates a strong foundation for further organic expansion into

regional Queensland and Victoria and builds Air Control's capacity to service larger national contracts with blue-chip clients.

The founder and majority owner of Chill-Rite will reinvest a portion of the proceeds from the acquisition into a 10% equity interest in the combined Air Control/Chill-Rite business to ensure comprehensive alignment.

Quotes attributable to JLG Australia CEO, Nick Carnell:

We are pleased to add these two strategically important businesses to the Group. Both SSKB and Chill-Rite have strong financials, solid reputations in their respective industries and experienced, growth-minded senior management teams. Critically, they are aligned with our core capabilities and will offer additional complementary sales opportunities moving forward.

Strata Services is a particularly important growth pillar for us due to the defensive nature of the earnings and high fragmentation in the sector. The opportunity to introduce better value services and customer solutions across our strata network including repairs and maintenance and improved quality and cost outcomes for customers is compelling. Our focus on organic growth and consolidation has seen us grow to become Australia's second largest strata manager and the addition of SSKB's portfolio strengthens this position and opens up additional growth opportunities across the group.

We look forward to working with the SSKB and Chill-Rite leadership teams to deliver strong growth, high levels of service and continued returns for our shareholders.

ENDS

This announcement was authorised by the Disclosure Committee of the Board of Johns Lyng Group Limited.

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About Johns Lyng Group Limited

Johns Lyng Group Limited (JLG) is an integrated building services group delivering building and restoration services across Australia and the USA. JLG's core business is built on its ability to rebuild and restore a variety of properties and contents after damage by insured events including impact, weather and fire events. Beginning in 1953, JLG has grown into an international business with over 2,300 employees servicing a diversified client base comprising major insurance companies, commercial enterprises, local and state governments, body corporates/owners' corporations and retail customers. JLG defines itself by delivering exceptional customer service outcomes every time.