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Lendlease announces sale of US East Coast construction operations

Lendlease today announced a binding agreement has been reached with US construction firm, Consigli Construction Co (Consigli), for the sale of its US East Coast construction operations.

Under the terms of the transaction, Consigli will acquire substantially all current East Coast projects and the rights to secure projects where Lendlease is in a preferred position for an estimated consideration of \$30 to 50m. The consideration comprises a profit share and earn out arrangement payable two years post completion of the transaction. More than 400 people, representing approximately 90% of Lendlease's US construction employees, will transition to Consigli upon completion.

The sale is anticipated to be broadly neutral in terms of cash, capital and profit over the two-year period. Net losses and net cash outflows including working capital, legal, transaction and project costs in FY25 and FY26 are anticipated to be offset by net cash inflows and net profits in FY27¹ from the above consideration.

The transaction is subject to conditions precedent including third-party consents, with completion targeted by the end of 1H FY25 and final settlement two years after completion.

The transaction is a sale of projects rather than entities and as such Lendlease retains the liabilities for the business, including projects that have been delivered, and expect to manage this risk over time, including through insurance cover and existing provisions as required.

Lendlease Group CEO Tony Lombardo said "This transaction is another important step in simplifying Lendlease as we look to lower our risk profile and increase securityholder returns. It's a positive outcome, both for our US construction team, and for our valued customers, and continues to demonstrate focussed execution of our strategy.

"We continue to progress the divestment of our UK construction operations, to further simplify the Group with the objective to be less complex, more focussed, and ultimately more profitable."

ENDS

¹ Lendlease will receive a share of profit margin achieved in the first two years of operations arising from current backlog. Financial settlement is expected to occur in FY27, two years after financial close. In addition, Lendlease will receive an earnout payment based on conversion of pre-identified pipeline projects.

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Authorised for lodgement by the Lendlease Group Disclosure Committee

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