



**ASX ANNOUNCEMENT**

2 February 2018

## Enero Group acquires Orchard Marketing to Enhance Technology and Digital Capabilities

Enero Group Limited (ASX: EGG) today announced the acquisition of one of Australia's leading independent creative technology agencies, Orchard Marketing Pty Limited ("Orchard").

Orchard, founded in 2006, offers leading edge digital and creative technology services across a predominantly global client base including Electrolux, Hyundai, Asaleo Care, GlaxoSmithKline, Merck Sharp Dohme, Carnival Cruises and Boehringer Ingelheim from its Sydney and New York offices.

Orchard will continue as an independent brand within the Enero Group network under the leadership of its founding directors, Wai Kwok, Andrew Antoniou, Sarah Galletly and Martin Stafford. Orchard has a full-time staff of over 70 people and net revenue of AUD\$12 million for the financial year ended 30 June 2017.

The purchase price comprises an initial cash payment of AUD\$5 million, funded from Enero's existing cash reserves. Future deferred payments are subject to the achievement of EBIT targets over the period to 30 June 2021 with a total purchase price cap of AUD\$27 million. The acquisition of Orchard is expected to be EPS accretive over the next 12 months.

Matthew Melhuish, Enero Group CEO, said, "Orchard is an ideal addition to help us drive the next phase of growth by expanding and deepening our core service offerings across the Group. We look forward to incorporating Orchard's tech and digital capabilities within our midst while also broadening our global client base in Australia and the USA. Having the Orchard team within the Group will create terrific opportunities to cross-pollinate our thinking and services across all agencies and geographies. We have been impressed with the Orchard management team, what they have achieved to date and are excited about their plans for future growth."

Wai Kwok, Orchard Managing Partner, said, "While Orchard has thrived as an independent creative technology leader for more than a decade, we feel that Enero is the right partner to expand our capabilities and resources to better service our client's evolving needs and to further support our growth plans in Australia, the US and other markets. We are also pleased that being part of the Enero Group will mean that the Orchard brand will continue to grow here and internationally allowing us to provide greater opportunities and experiences for our team."

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