

JOHNS LYNG GROUP LIMITED (ASX:JLG)

ASX & Media Statement

27 February 2019

JLG ACQUIRES 57% OF HOME STAGING COMPANY

Johns Lyng Group (ASX:JLG) has acquired a controlling stake in Dressed For Sale, a pre-sale residential property staging and styling business.

The strategic 'bolt-on' will integrate with, and expand upon, JLG's existing home maintenance service offering, creating a sound platform for growth.

JLG will invest approximately \$2 million as part of the deal which includes approximately \$1.3 million in capital earmarked for growth initiatives.

Funded from cash reserves, the acquisition includes current inventory, intellectual property and the retention of experienced senior management.

The Melbourne and Adelaide based business has recorded average compound revenue growth in excess of 25% per annum (FY15-18) and is expected to be immediately earnings accretive for JLG.

JLG CEO Scott Didier said that the business would integrate neatly with multiple JLG divisions, including RestorX, Global Home Response and Johns Lyng Express Builders to provide a more comprehensive full service offering to property vendors, and the broader consumer market.

"We see this as the merging of two in-demand service offerings to create one exceptional, full service market leading entity," Mr Didier said.

"While Dressed For Sale's current offering includes limited structural work beyond its core furnishing expertise, adding our broader construction and maintenance capability for on-sale properties will significantly enhance that value proposition.

"Our national footprint will also help build Dressed For Sale's capacity to service a larger slice of the market and will increase volumes by exposing JLG's broad service offering to the consumer market.

"We know that on average about 450,000 homes sell Australia-wide per year, and that 90% of styled homes sell within a two-week period. So, we think this acquisition will leave us well placed to build upon the market share Dressed For Sale has already captured."

Mr Didier said JLG was pleased to have secured Natalie Leskinen, a home staging consultant with significant experience in Canada and the US, to co-lead the division with Dressed For Sale co-founder Tiffany Murray.

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About Johns Lyng Group Limited Johns Lyng Group Limited is an integrated building services group delivering building and restoration services across Australia. The Group's core business is built on its ability to rebuild and restore a variety of property and contents after damage by insurable events (e.g. impact, weather and fire events). Beginning in 1953, the Group has grown into a national business with over 550 employees servicing a diversified client base comprising major insurance companies, commercial enterprises, local and state government and retail customers. The Group defines itself by seeking to deliver exceptional customer service outcomes every time.