

JOHNS LYNG GROUP LIMITED (ASX:JLG)

ASX Statement

February 17, 2020

JOHNS LYNG ACQUIRES 60% INTEREST IN AIR CONTROL AUSTRALIA

Johns Lyng Group (ASX:JLG) has signed a binding contract to acquire a 60% controlling equity interest in Melbourne-based Air Control Australia Pty Ltd – a leading heating, ventilation and air conditioning mechanical services business.

Founded in 2004, the business has established a strong track record servicing assets such as commercial office buildings, hotels, shopping centres and large retail chains. Its client base comprises well-known blue-chip brands including Hyatt, Pullman and Miele, among others.

Johns Lyng will pay \$1.6 million cash, plus \$0.3 million in JLG shares at Completion plus a potential earn-out over 18 months for its equity interest in the business. Residual equity will be retained by co-founders and Joint Managing Directors Luke Vandersluis and Anthony Zisis.

Air Control generates recurring, annuity style maintenance revenues plus project and emergency work from a diversified client base and maintains a capital-light business model well aligned with Johns Lyng Group.

Johns Lyng Chief Executive Scott Didier AM said that Air Control's impressive client base and established brand equity, coupled with its maintenance and emergency work, presented significant organic growth opportunities for the Group.

"Air Control represents another attractive bolt-on for the Group, offering major cross-sell opportunities for our existing businesses," Mr Didier said.

"This includes adding capability to our core Insurance Building and Restoration Services segment, through addressing the broader maintenance requirements of Air Control's clients."

"We can also leverage Air Control's offering through our existing client base, including enormous cross-selling into the strata market through our subsidiary Bright & Duggan."

"While Air Control has developed a strong brand presence in the Melbourne market, we'll look to expand upon that nationally through our existing platform, and also explore further acquisition opportunities."

"This is undoubtedly another very promising step in the Johns Lyng growth strategy."

"Luke and Anthony have built a very impressive business and we welcome them into the Johns Lyng stable with very encouraging growth prospects through these numerous synergies."

The deal is expected to complete in mid-March (subject to customary closing conditions) and is expected to be earnings accretive in FY20. The acquisition will be funded through the Group's existing debt facilities with ANZ.

This announcement was authorised by the Board of Directors.

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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. 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 a national business with over 800 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.