

29 April 2024

Tasmea commences trading on the ASX

Highlights

- Follows a successful IPO to raise \$59.0 million
- Tasmea provides outsourced specialist maintenance to fixed plant for essential industry asset owners in six growing industry sectors, including mining and resources; oil and gas; power and renewables; defence and infrastructure; telecommunications and retail; and, waste and water
- Blue-chip customer base across industries with strong structural tailwinds and high rates of recurring revenue
- A strong history of acquiring and integrating businesses and scaling-up to achieve strong organic revenue growth
- Highly experienced, committed, and incentivised executive management team

Tasmea Limited ('Tasmea' or 'the Company'), a group of leading Australian diversified specialist trade skill services businesses, commences trading on the Australian Securities Exchange (**ASX**) today under the ASX Ticker **TEA**.

The listing follows a successful oversubscribed initial public offering, which raised \$59.0 million at \$1.56 per share, giving the Company an indicative market capitalisation of \$340 million. Proceeds from the raise will be used to support the acquisition strategy of Tasmea, working capital requirements and net leverage reduction.

Founded in 1999, Tasmea owns and operates 18 inter-dependent leading Australian diversified specialist trade skill services businesses focussed on Essential Shutdown, Programmed Maintenance, Emergency Breakdown and Brownfield Upgrade Services.

Tasmea strategically focuses on servicing a diverse set of blue-chip customers and operates throughout Australia across industry sectors with strong structural tailwinds. The outsourced addressable market for maintenance services in Australia exceeds \$21 billion, with a serviceable available market of over \$8 billion.

Stephen Young, Founder and Managing Director said: *“It is a great day for Tasmaea, and I am excited about the Company’s future. Our demonstrated track record of growth is embedded in our focus on specialist maintenance and outstanding service. This approach allows us to generate high recurring revenue growth, low contracting risk, and predictable strong cashflows.”*

“Tasmaea has a clear program to continue to grow organically and will continue to grow by acquisitions.”

Giuseppe (Joe) Totaro, Non-Executive Director and Chair, said: *“I would like to welcome our new shareholders, and thank the existing shareholders for their ongoing support, as we embark on the next chapter of the Company’s growth.*

I would also like to make note and thank the work of our highly experienced, committed and motivated board and executive management team as well as the 1,400 skilled tradespersons and professionals who deliver services across our 18 businesses.”

Financial Overview

Since its foundation, Tasmaea has expanded to have a presence in every Australian mainland State and Territory (excluding the ACT). Tasmaea’s businesses are fixed plant maintenance specialists operating in remote areas, ensuring that the Company’s skilled trades are highly sought after by customers through high recurring business rates (95% of revenue in the 2023 financial year was derived from repeat customers), and with support from over 40 Master Service Agreements and Facility Management Agreements.

Tasmaea’s strategic positioning as a fixed plant specialists servicing blue-chip, essential asset and infrastructure owners across diversified maintenance focussed specialist trade skills leads to a stable and high recurring revenue pipeline.

This results in consistent margins, earnings and predictable cashflows. Key financial measures for the Company include:

- Operating revenue for FY24 H1 (Dec ‘23) of \$193.3m, up 28.9% on the prior corresponding period (pcp).
- EBIT of \$24.8m, up 54.6% on pcp.
- NPAT of \$15.8m, up 43.7% on pcp.
- Declared a fully franked dividend of 2.5 cents with a record date of 15 May, payable on 7 June.
- Proforma revenue is expected to be \$435m for FY24, with a pro-forma EBIT of \$54m
- Statutory revenue is expected to be \$427.9m for FY24, with a statutory EBIT of \$47.9m and statutory NPAT \$28.2m in FY24
- Tasmaea has a disciplined approach to leverage and maintains its net debt to EBITDA ratio below 1.0x with net debt being:
 - Net debt (excluding property lease liabilities) / FY23 pro forma EBITDA – 0.45x
 - Net debt (excluding property lease liabilities) / FY24F pro forma EBITDA – 0.36x

- Tasmea also intends to pay fully franked dividends whereby 30% to 50% of retained earnings are paid to investors by way of dividends subject to the Company's financial performance and position.

Unified Capital Partners and Morgans acted as Joint Lead Managers and Underwriters alongside Shaw and Partners as Underwriter and Equity Advisory as Corporate Advisor. Thomson Geer acted as legal adviser.

-ENDS-

This announcement was authorised for release by Stephen Young on behalf of the Board of Tasmea Limited.

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About Tasmea Limited

Tasmea owns and operates 18 inter-dependent leading Australian diversified specialist trade skill services businesses focussed on Essential Shutdown, Programmed Maintenance, Emergency Breakdown and Brownfield Upgrade Services of fixed plant for a blue-chip essential asset owner customer base. Tasmea provides outsourced specialist maintenance to fixed plant for essential industry asset owners in six growing industry sectors: mining and resources, oil and gas, defence, infrastructure and facilities, power and renewable energy, telecommunications and retail, waste and water.