

27 May 2024

Acquisition of Dingo De Construction's concrete batching, material supply and transport business

Investment Highlights

- Tasmea Limited to acquire Dingo De Construction's concrete batching, material supply and transport business assets and operations based in Tom Price, for \$6.5 million based on a maintainable EBIT of \$2.0 million and be earnings accretive.
- Complements Tasmea's existing operations in the Pilbara region of Western Australia.
- Aligns with Tasmea's strategy to support fixed-plant assets in remote areas.

Summary of Acquisition

Tasmea Limited ("Tasmea") is pleased to announce that it has executed an Asset Sale Agreement with Dingo Corporation Pty Ltd to purchase the business assets of Dingo De Construction ("Dingo") for \$6.5 million, with completion expected to occur on or about 1 June 2024. Tasmea will purchase the Dingo business as a going concern and continue operations in a new subsidiary entity, trading as Dingo Concrete Services Pty Ltd.

Based in Tom Price WA, Dingo's core business is the batching, mixing and delivery of concrete under an agency agreement with Holcim (Australia) Pty Ltd ("Holcim"). In parallel with the Asset Sale Agreement, Tasmea has negotiated a new agency agreement with Holcim to allow Dingo to continue as Holcim's agent in Tom Price, execution of which is a condition precedent to completion. In addition to the batching and delivery of concrete, Dingo also provides materials cartage, civil contracting and machine hire services across the Pilbara.

The Dingo acquisition is expected to be accretive, and the business is forecast to provide maintainable EBIT of circa \$2 million under Tasmea ownership and be earnings accretive.

The acquisition will be funded from a combination of cash and borrowings.

Delivering value

The acquisition of Dingo further embeds Tasmea within the Pilbara and specifically in Tom Price, aligning with Tasmea's core strategies of focusing on remote area work and servicing blue chip asset owners.

Tasmea views the acquisition of Dingo as an excellent candidate for our proven methodology to scale up businesses following acquisition. As a consequence of strengthening the workforce and offering exemplary service, Tasmea is confident in Dingo's ability to capitalise on opportunities for growth within the dynamic Pilbara region.

Comments

Commenting on the acquisition of Dingo, Tasmea Group Managing Director Stephen Young said, "We are excited to acquire Dingo, as it will enable the Tasmea Group to better support our customers in the Pilbara region".

Tasmea remains on track to deliver its FY24 prospectus earnings forecast.

-ENDS-

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

For enquiries, please contact:

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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.