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# ACQUISITION OF FLANCO GROUP

ACQUISITION PRESENTATION

3 APRIL 2025

# TASMEA GROUP OVERVIEW

Tasmea deliver specialist maintenance, shutdown, emergency breakdown and sustaining capital services to fixed plant for essential asset owners

## OPERATING SEGMENTS



### Electrical

Industrial Electrical Instrumentation, Communication, Maintenance & Shutdown Services. High and low voltage



### Mechanical

Industrial & Commercial Mechanical Refurbishment, Breakdowns, Repairs, Shutdowns and Maintenance Services



### Civil

Earthworks, Siteworks, Waste Management & Civil Maintenance Services



### Water & Fluid

Drainage and Piping Systems, Geomembrane and Lubrication Solutions and Maintenance Services

## KEY INDUSTRIES



Mining & Resources



Oil & Gas



Power & Renewable Energy



Defence & Infrastructure



Telecommunications & Retail



Waste & Water

## STRATEGIC PILLARS

### Organic focus

- ✓ 15% year on year organic growth target
- ✓ Recurring revenue base secured by MSAs/FMAs
- ✓ Market leading margins due to specialist capability
- ✓ Strong operating cashflows and EBIT to cash conversion
- ✓ Low capital intensity and disciplined capital allocation

### Programmatic acquisitions

- ✓ Complementary maintenance specialist focus
- ✓ Purposefully selective to unearth value
- ✓ Predisposition for growth in focus industries
- ✓ High recurring revenue base
- ✓ Remote area owner operator led

# TASMEA SUBSIDIARIES

## ELECTRICAL



## MECHANICAL



## CIVIL



## WATER & FLUID



Tasmea has increased service offerings across all four segments since the IPO.

Our subsidiaries remain **strongly founder led** with 13 founders and 4 continuing executive employees remaining in the business since being acquired by Tasmea.

Tasmea executive management and chief executives have **notable "skin in the game"** holding over 60% of Tasmea securities and deeply care about performance.

Yura Yarta is a registered supply nation business in which Tasmea has a 49% shareholding

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# Transaction overview



# TRANSACTION SUMMARY

## Strategic acquisition of Flanco Group – Highly strategic expansion to add a specialist business with a strong presence in the Goldfields

### Overview

- Tasmaea Limited (“Tasmaea”, ASX:TEA) to acquire Flanco Pty Ltd and Flanco Kalgoorlie Pty Ltd (“Flanco Group”), for an upfront consideration of approximately A\$27 million after estimated purchase price adjustments. The acquisition is expected to deliver more than the acquisition base of maintainable EBIT of A\$10.2 million under Tasmaea’s ownership. The Vendors have an opportunity to earn a total consideration of approximately A\$50 million, subject to achieving an earn-out overperformance EBIT of A\$16.2 million per annum for four consecutive years under Tasmaea’s ownership.
- The acquisition is expected to be highly Earnings per Share accretive (base case of **2.7 cents per share** or approximately **12% accretive**), enhancing shareholder value and reflecting the strong financial performance projected under Tasmaea’s ownership.
- Flanco Group specialises in delivering civil services and maintenance solutions to mining and infrastructure clients, including precast concrete, earthwork, formwork, concrete and reinforcement, civil maintenance, asset remediation, constructability advice and project management.

### Rationale

- Diversifies and deepens Tasmaea’s offering in high-demand specialist civil and mining services such as precast concrete, , earthwork, formwork, concrete and reinforcement, civil maintenance, asset remediation, constructability advice and project management.
- Expands Tasmaea’s national footprint, with Flanco Group’s operations spanning nationally working in all mainland states including WA, QLD, SA, NT, NSW and VIC - aligning with long-term infrastructure and economic development priorities, particularly in the Kalgoorlie-Boulder Goldfields region.
- Synergistic benefits with existing Tasmaea subsidiaries including Tasman Rope Access, North West Mining and Civil, and Dingo Concrete Services, to drive immediate operational efficiencies, with opportunities to collaborate and cross-sell Tasmaea’s specialist maintenance services to a new suite of customers initially targeting the WA Goldfields.
- All three Flanco Working Directors, Jason Flannery, David Cooper and Troy Moller have extensive experience and a reputation for delivering a highly reputable product in the civil industry. All three have agreed to stay on in their current roles continuing a very capable leadership team to grow the business and support the cross-selling of Tasmaea specialist maintenance services to Flanco Group’s existing customers.

### Funding

- The upfront consideration is to be funded from a new A\$24 million bank facility, the issue of Tasmaea scrip and deferred earn out payments and overperformance payments being funded from future cash profits generated by Flanco Group.
- Tasmaea’s debt repayment plan forecast is for the leverage ratio to return within target range of net debt to EBITDA ratio of c.1.0x by 31 December 2025, given strong predictive cash flows generated from Tasmaea’s specialist businesses.

### Timing

- Completion of the Transaction is expected to occur in early May 2025.

# FLANCO GROUP TRANSACTION HIGHLIGHTS



## Strategic Expansion

Strategic expansion into Kalgoorlie-Boulder Goldfields region, strengthening Tasma's footprint in one of Australia's most active mining hubs.



## Financially Attractive and Earnings Accretive

The acquisition is expected to be highly Earnings per Share accretive (base case of **2.7 cents per share** or approximately **12% accretive**), enhancing shareholder value and reflecting the strong financial performance projected under Tasma's ownership.



## Synergistic Benefit

Opportunity to introduce Tasma's broader suite of specialist maintenance and trade services to Flanco Group's loyal and high-repeat customer base, leveraging Flanco Group's strong market reputation and trusted client relationships, particularly in the WA Goldfields, where Tasma's existing presence is limited.



## Strong Cultural Alignment

Strong cultural alignment, with both organisations operating as hands-on, owner-led businesses that prioritise safety, reliability, and long-term customer partnerships.



## Improved Efficiencies

Improved operational and asset utilisation efficiencies, as Flanco Group's fleet and project delivery teams integrate into Tasma's national operations, driving better deployment of plant, equipment, and labour across the Group.

# TRANSACTION STRUCTURE

## Acquisition

- Acquisition of 100% of the issued capital in Flanco Pty Ltd and 100% of the issued capital in Flanco Kalgoorlie Pty Ltd.
- Due diligence has been completed.
- Completion expected to occur in early May 2025.

## Consideration

- 1) upfront cash payment of approximately A\$21 million** after purchase price adjustments;
- 2) the issue of A\$6.0 million in Tasmaea shares (1,714,286** escrowed shares at an issue price of **A\$3.50 per share**, which has been guaranteed at the time the shares are released from escrow after 30 April 2026);
- 3) deferred annual earn out cash payments of up to A\$6.6 million for the first three years and up to \$3.6 million for the fourth year** (i.e. up to A\$23.4 million in total) for the trailing twelve months (“TTM”) to March 2026, TTM March 2027, TTM March 2028 and TTM March 2029, based on Flanco Group achieving up to A\$16.2 million EBIT within Tasmaea in each given TTM, comprised of;
  - a. Base earn out - up to A\$3 million each TTM** for achieving A\$10.2 million EBIT under Tasmaea’s ownership, reduced A\$1 for A\$1 for EBIT below A\$10.2 million for the three periods TTM to March 2026, TTM March 2027 and TTM March 2028;
  - b. Uplift earn out - up to A\$3.6 million each TTM**, being A\$0.60 for every A\$1 above A\$10.2 million EBIT and up to A\$16.2 million EBIT under Tasmaea’s ownership for the four periods TTM March 2026, TTM March 2027, TTM March 2028 and TTM March 29 plus;
- 4) four annual overperformance payments** for the periods TTM March 2026, TTM March 2027, TTM March 2028 and TTM March 29, calculated as 15% of the amount by which EBIT is greater than A\$16.2 million in each given period under Tasmaea’s ownership.

# INDICATIVE UNDERLYING NPAT BASED ON Q2 RUN RATE

Q2 underlying earnings, inclusive of the Flanco Group acquisition, are reflective of underlying run rate of an EBIT of +\$90.6m and a \$60.4m NPAT

## INDICATIVE UNDERLYING GROUP EBIT (\$m)

Tasmea Q2 EBIT result including FEG & WCLS full quarter contribution in Q2

20.1

Q2 FY25

Indicative Flanco quarterly earnings

2.55

Flanco

22.65

Q2 maintainable EBIT

90.6  
Indicative annualised Q2 EBIT Run Rate

Annualised Q2 maintainable EBIT

## INDICATIVE UNDERLYING GROUP NPAT (\$m)

Tasmea Q2 NPAT result including FEG & WCLS full quarter contribution in Q2

13.6

Q2 FY25

Indicative Flanco quarterly earnings

1.5

Flanco

15.1

Q2 maintainable NPAT

60.4  
Indicative annualised Q2 NPAT Run Rate

Annualised Q2 maintainable NPAT

## Q2 EARNINGS INDICATIVE OF ONGOING RUN RATE

Tasmea's Q2 FY25 performance annualised run rate, inclusive of the acquisition of Flanco, is indicative of Tasmea's earnings going forward due to the following factors:

### Recent acquisitions

FEG and WCLS, acquired in Q1, have been integrated and now delivering at targeted earnings velocity. The acquisition of Flanco Group is expected to further increase maintainable earnings

### High demand for services

Delivering a broad suite of specialist trade services across fixed plant maintenance and remote area services, supported by strong industry tailwinds and thematics (e.g. electrification)

### Continued commodity surge

The outlook for key commodities across iron ore, copper, gold and renewables production and electrification remains sound

### Organic growth

On track to meet organic growth targets by capturing new markets and expanding service offerings across fixed plant maintenance with strong pipeline of secured revenue

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# Flanco Group overview



# FLANCO GROUP OVERVIEW

## Overview

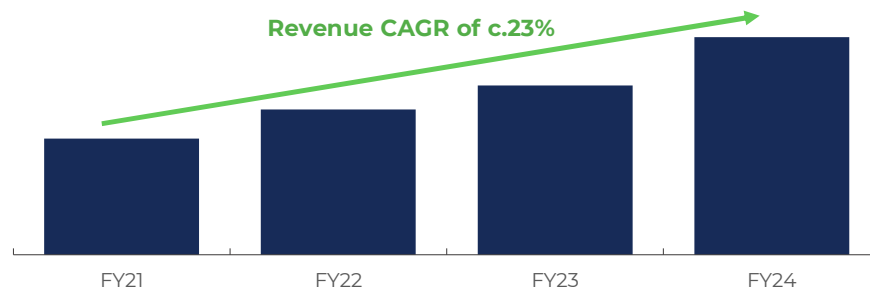
Flanco Pty Ltd delivers fit for purpose civil construction and maintenance solutions to mining, infrastructure and construction clients.

In 2017, Flanco Pty Ltd partnered with Troy Moller in Kalgoorlie, WA, to form Flanco Kalgoorlie Pty Ltd. The two entities comprising the Flanco Group enable the group to broaden its reach and capabilities nationwide.

## Services

Flanco Group primarily specialises in concrete services, with a high level of repeat customer revenue, but also provides:

- Civil services
- Precast concrete
- Concrete and reinforcement
- Civil maintenance
- Asset remediation
- Constructability advice
- Project management



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## Key projects

### Minara Resources, Murrin Murrin

- Concrete maintenance and refurbishment at Colbalt and Nickel Plant Contract

### Minara Resources, Murrin Murrin

- Construct two major booster pump at 2 major tailing dams in Kalgoorlie

### St Ives Gold Mining Company

- Cyanide destruct project

### GR Engineering Services

- Carosue Dam Mill expansion



## Geographic coverage




Flanco Group predominantly operates in WA, however has recently undertaken projects in Tennant Creek (NT), Dubbo (NSW) and Port Augusta (SA)



# KEY MARKETS

## Regional resource and infrastructure markets

The acquisition of Flanco offers Tasmaea a strategic foothold into regional markets, aligning with Western Australia's long-term infrastructure and economic development plans. Entry into the \$21.2 billion Goldfields-Esperance market through Flanco Group's established operations in Kalgoorlie expands Tasmaea's service reach into the mining and resource sectors. Additionally, Flanco's track record in delivering regional specialist services, combined with its local expertise and relationships, provides Tasmaea with a competitive edge in securing contracts from both state-led initiatives and private sector investments.

| Area  | Description   | Flanco Group Positioning   |
|---|---|--|
|  <p><b>Goldfields mining</b></p>         | <ul style="list-style-type: none"> <li>The WA Mineral and Petroleum Statistics Digest detailed the Goldfields-Esperance region contributes \$21.2 billion annually to Western Australia's economy, driven by its extensive gold deposits.</li> <li>It produces over 70% of the state's gold output and employs more than 38,000 people in the mining sector.</li> </ul> | <p>Tasmaea currently has limited presence in the Goldfields. Flanco has operated in Kalgoorlie and completed projects for major operators such as Minara Resources and St Ives, providing Tasmaea immediate access to this key market and the ability to cross-sell its specialist services and trade skill.</p> |
|  <p><b>Infrastructure</b></p>           | <ul style="list-style-type: none"> <li>The WA State Budget outlines \$12.8 billion in investments over the next four years, focusing on regional transport corridors, port expansions, and service delivery improvements to meet population growth.</li> </ul>  | <p>Flanco Group has the equipment fleet and capability to deliver on regional projects, enhancing Tasmaea's ability to bid for contracts aligned with state development initiatives.</p>   |
|  <p><b>Commercial construction</b></p> | <ul style="list-style-type: none"> <li>The WA Government's focus on developing the nine regions outside of Perth is expected to lead to increased commercial construction projects.</li> </ul>  | <p>Flanco Group has a track record in regional commercial portfolio, completing projects such as the Fremantle Artillery Barracks upgrade and mining camp infrastructure.</p>  |

# STRATEGIC RATIONALE AND REVENUE SYNERGIES

| Area  | Synergy / Rationale   | Area                  | Synergy / Rationale   |
|---|---|-----------------------|---|
| <p><b>Cross-selling and collaboration</b></p> | <p>Kalgoorlie is well known for its insular nature and the difficulty outside contractors have winning work in the region. The acquisition of Flanco Group provides an opportunity to leverage their customer base and reputation to cross-sell services from Tasmae subsidiaries (e.g. NWMC, DCS, Tasman Power, Tasman Rope Access, FEG ) with a local footprint in WA, and M&amp;B Civil in SA</p>  | <p><b>Support</b></p> | <p>The combined group will benefit from access to Tasmae's established corporate infrastructure, systems, and shared services model, enabling streamlined operations, improved compliance, and lower overhead costs</p>   |
| <p><b>Equipment utilisation</b></p>           | <p>The addition of the Flanco Group significantly expands Tasmae's Civil capability in WA, with significant overlap of equipment between Flanco Group, NWMC and DCS. Sharing resources on remote projects between these three entities will enable more efficient utilisation of our assets and reduce the need for capex going forward</p>   | <p><b>Culture</b></p> | <p>Both Tasmae and Flanco Group share a strong owner-operator mindset, with a hands-on, entrepreneurial approach. This cultural alignment fosters a shared commitment to operational excellence, safety, and client service, supporting a smooth integration and unified leadership</p> |
| <p><b>Utilisation &amp; retention</b></p>     | <p>The acquisition of Flanco Group will also allow for increased utilisation of skilled employees in WA, with significant overlap of skills across our civil businesses. Given the largely casual workforce structure within the civil sector, this will also assist with retention of staff by allowing us to offer more consistent work across Tasmae businesses by providing a natural hedge against the ebb and flow associated with maintenance and shutdown works</p> |                       |   |

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