



Announcement to Shareholders and the ASX

SAUNDERS INTERNATIONAL ANNOUNCE ACQUISITION OF PLANTWEAVE TECHNOLOGIES

Sydney – 2 August 2021

Saunders International Ltd (ASX:SND) today announced the acquisition of PlantWeave Technologies ("PlantWeave"), a specialist in industrial process automation and electrical solutions.

Transaction highlights

- Entry for Saunders into technology-based infrastructure while diversifying our market service offering with the ability to deliver industrial automation and technology solutions.
- This acquisition provides an ideal foundation for Saunders to grow this new service offering to our existing customer base, while continuing to service and grow PlantWeave's customers and markets.
- The purchase of PlantWeave with the Group's cash reserves and deferred earn-out payments over the next three years.
- PlantWeave's management team will continue in their roles post-completion.
- Anticipated that the transaction will be earnings per share (EPS) accretive post integration. PlantWeave is forecasting FY22 revenue of circa \$5 million.
- Saunders PlantWeave will continue to deliver engineering solutions (consulting, projects and support services) to its existing clients as part of the Saunders International Group.

About PlantWeave

Founded in 2006, PlantWeave Technologies has operated for over 15 years across Australia with its head office located in Sydney and employee numbers varying between 10 to 40 across its office and project site locations.

PlantWeave has established long standing relationships with Tier 1 customers through providing complex industrial automation system solutions within the Oil and Gas, energy, water, building, infrastructure and resource sectors.

PlantWeave's existing management team have committed to continuing their roles in the Saunders PlantWeave business. The team is aligned to Saunders values and One Team culture.

Benefits for Saunders International

Saunders anticipates that the acquisition will be earnings per share (EPS) accretive post integration. PlantWeave is forecasting FY22 revenue of circa \$5 million which is expected to grow in future years.



The acquisition of PlantWeave provides Saunders with an opportunity to expand its technical service offering to its existing clients in the Oil & Gas and Resources sectors. The diversified service will assist with accelerating market penetration into the Defence and Utilities (Power and Water) sectors.

Saunders customers are increasingly moving towards technology driven solutions and PlantWeave will drive Saunders market entry into Cyber Security, Industrial Automation Systems, Process Optimisation and Industry4.0 Technologies.

Key Transaction Terms

Saunders International has agreed to acquire the assets of PlantWeave with a non-material upfront cash payment. The purchase price is aligned to promote continued performance through earnings based deferred consideration consisting of payment to the owners of 45% EBIT in year 1 of this group's earnings, 30% in year two and 20% in years 3. The deferred cash payment to be paid or that may be payable under the earn-out plan will be funded from Saunders PlantWeave's operating cash.

The key employees have been incentivised through share options which are aligned to their long-term retention.

Key Management and Personnel

PlantWeave's Managing Director, Mr Robert Harvey, along with the group's key management personal have agreed to continue in their positions post-completion. Chief Executive Officer, Mark Benson said: "We're pleased to have completed the acquisition of PlantWeave Technologies and we look forward to welcoming Robert and his team into the Saunders Group. This transaction will expand PlantWeave's existing capabilities and reach while enhancing our service offering to our existing customer base and diversify Saunders into technology-based infrastructure."

Authorised for release by Mark Benson, Chief Executive Officer and Managing Director.

About Saunders International Limited

Saunders International Limited (ASX code: SND) is a multi-disciplined engineering and construction company providing design, fabrication, construction, shutdown and maintenance services to leading organisations across Australia, and the Pacific Region. The Saunders Group provides innovative cost-effective solutions to the oil & gas, infrastructure, defence, water, energy, mining & minerals sectors. The Saunders Group is driven by a commitment to safety, innovation, excellence and growth while delivering high quality engineered solutions across the complete asset lifecycle.

For further information, please contact:

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