

5 November 2025

Verbrec acquires Leading Automation & Control Company

- **Verbrec signs agreement to acquire Alliance Automation, expanding the Company's revenues and increasing its Automation, Control, Digital Industry, Machine Learning and Cyber Security capability and client base.**
- **Alliance Automation produced \$62 million revenue in FY2025. This transaction represents a major step change for Verbrec's capability and services offering.**
- **Alliance Automation and Verbrec share a common set of core relationship clients. Alliance Automation derives 41% of its revenues from this shared client base, granting further opportunities to grow its services offering by leveraging Verbrec's 'whole of asset lifecycle' capability.**

Verbrec Limited (ASX : VBC) (**Verbrec** or the **Company**) announces the signing of a share purchase agreement to acquire Alliance Automation Pty Ltd (**Alliance Automation**) and its subsidiary DLM Automation Pty Ltd from Telstra Limited, a subsidiary of Telstra Group Limited (ASX : TLS) for \$5.5 million up-front cash consideration (**Transaction**) representing a five times multiple of FY2025 EBITDA.

About Alliance Automation:

Founded in 2010, Alliance Automation is one of Australia's largest independent providers of digital transformation, cyber security and industrial automation integration services, with a developing capability in machine learning and artificial intelligence (AI).

Alliance Automation empowers clients by implementing Industry 4.0 industrial automation solutions and control systems with over 275 engineers and professional staff across 11 Australian office locations.

Recognised as a strong brand and a certified integrator, Alliance Automation has grown an enviable tier 1 customer base in the mining, energy, infrastructure, manufacturing, water and wastewater sectors.

Strategic Rationale:

- The Transaction is a major step-change for Verbrec's capability and services offering. On a pro-forma basis, the transaction is anticipated to add over \$60 million in annualised revenue and will result in a combined group with approximately 700 team members across 18 locations in Australia and New Zealand.
- The strategic direction of Verbrec and Alliance Automation are strongly aligned. By significantly expanding Verbrec's enhanced digital and automation capability, Verbrec is poised to maximise its integrated delivery model and reinforce its reputation as the recognised partner for a sustainable future.
- Verbrec's current management team have a strong track record of improving business performance, having improved Verbrec's EBITDA margins from (0.6%) in FY2023 to 9.2% in FY2025. Both Verbrec and Alliance Automation management teams are confident of improving the merged Group's EBITDA margins in the near term.

Pro-Forma Financial Aggregation (FY2025):

The following is provided as a pro-forma, unaudited and indicative aggregation of Verbrec Limited (based on FY2025 audited accounts) and Alliance Automation (based on FY2025 unaudited management accounts).

Adjusted EBITDA takes into account one-off expenses incurred in the FY2025 financial year that are not expected to re-occur to the same extent in future years. In the case of Verbrec these include share-based performance rights expense. In the case of Alliance Automation, this includes cost reductions that have taken place after FY2025 but prior to completion of the transaction.

The following table does not consider the recent agreement the Company entered to divest Competency Training, which is expected to complete this calendar year.

The table does not consider any potential synergies or optimisations post integration that have been discussed with Alliance Automation management.

FY2025 P&L Combination

	VERBREC FY2025 (\$'000)	ALLIANCE AUTOMATION FY2025 (\$'000)	TRANSACTION IMPACTS PRO-FORMA (\$'000)
Revenue	85,617	62,415	148,032
Gross Profit	31,957	23,606	55,563
Gross Margin %	37.3%	37.8%	37.5%
EBITDA	7,942	1,113	9,055
Adjustment for share-based performance rights expense	907	-	907
Adjustment for one-off expenses and discontinued costs prior to completion	-	946	946
Adjusted EBITDA	8,849	2,059	10,908

Key Transaction Highlights:

- The Transaction is formalised in a share purchase agreement which contemplates Verbrec purchasing 100% of the shares in Alliance Automation Pty Ltd and its subsidiary for a purchase price of \$5.5 million.
- The purchase price is subject to customary working capital and net debt adjustments.
- The transaction will be funded through Verbrec's balance sheet through a combination of cash reserves and traditional debt funding. No capital raising or equity issuance will occur in relation to the Transaction.
- Verbrec has negotiated a new \$6.0 million bank bill business loan under its Westpac finance facility to fund part of the purchase price and working capital requirements. In addition, Verbrec will increase its bank guarantee and equipment finance facilities by \$3.5 million. A further review of this facility will be undertaken upon completion of the Competency Training divestment which is expected to result in cash inflow of approximately \$11.5 million.
- Completion of the Transaction is anticipated to occur this calendar year.

A note from the Chief Executive Officer - Verbrec



I am excited to welcome the Alliance Automation team to the Verbrec family.

This is a major step change for Verbrec's capability and services offering, expanding our national presence and allowing us to deliver a broader range of services to our clients.

This transaction will allow us to address our clients' digital needs better than ever before and further strengthen our reputation as the recognised partner for a sustainable future.

Mark Read

Chief Executive Officer

Verbrec Limited

A note from the Chief Executive Officer - Alliance Automation



Alliance Automation has always been at the forefront of innovation and engineering excellence. As part of Verbrec, our combined capability will enhance our team's ability to better serve and deliver value to our customers.

Together, this is about expanding our reach and impact - delivering smarter solutions, driving meaningful innovation, supporting our clients as they evolve toward a more connected and resilient tomorrow and opening up exciting new career pathways for our people.

Chris Cooney

Chief Executive Officer

Alliance Automation

Key Terms of the Agreement:

The following key terms apply to the transaction:

Key Transaction Terms	
Form of Agreement	Share Purchase Agreement (Agreement) on customary terms
Buyer	Verbrec Limited
Seller	Telstra Limited
Interest	100% interest in the shares of Alliance Automation Pty Ltd on a cash and debt free basis. Alliance Automation also owns 100% of the shares in DLM Automation Pty Ltd.
Purchase Price	\$5.5 million. There is no contingent or future consideration in relation to the transaction.
Type of Consideration	100% cash
Completion Accounts	The Purchase Price is subject to adjustment in line with customary working capital and net debt estimated prior to and calculated after completion.

Conditions Precedent	Completion is also subject to customary conditions precedent, including third party consents, satisfactory arrangements being entered into with certain employees and no material adverse change occurring.
Post-Completion Obligations	Telstra will provide certain transitional services to Alliance Automation for up to 3 months following completion.
Warranties	The Seller has provided customary warranties and indemnities under the Agreement.
Termination	A party may terminate the agreement if any condition precedent is not satisfied or waived prior to the sunset date.

Authorised for release by the Board of Directors of Verbrec Limited.



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About Verbrec

Verbrec is a leading engineering, asset management, project delivery, operations & maintenance, training and mining technology service provider that supports customers across Australia, New Zealand, Papua New Guinea and beyond. The Company serves the energy, infrastructure, and mining industries through technical specialties; asset management, automation and control, pipelines, power, process plant and training, with capabilities that span across the entire life cycle of an asset. Verbrec is an Australian Securities Exchange listed company (ASX:VBC).

Verbrec Limited

ASX : VBC

ACN: 127 897 689

[Verbrec.com](https://verbrec.com)

Share Registry

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Note regarding forward looking statements

This announcement contains forward looking statements. Forward-looking statements can generally be identified by use of words such as "may", "should", "could", "foresee", "plan", "aim", "will", "expect", "intend", "project", "estimate", "anticipate", "believe", "forecast", "target", "outlook", "guidance" or "continue" or similar expressions. Forward looking statements in this announcement include statements about Verbrec's financial condition and performance.

Such statements represent Verbrec's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social risks, contingencies and uncertainties.

These forward-looking statements are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Verbrec and its related bodies corporate and affiliates (and each of their respective directors, securityholders, officers, employees, partners, agents, advisers and management), and could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements or any projections and assumptions on which those statements are based.

Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Verbrec disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. All forward-looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not predictions or guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.