

## **BIDVEST GROUP LIMITED**

**Incorporated in the Republic of South Africa**

**Registration number: 1946/021180/06**

**ISIN: ZAE000117321**

**Share code: BVT**

**“Bidvest” or “the Company”**

### **VOLUNTARY ANNOUNCEMENT: ACQUISITION OF NOONAN BY BIDVEST**

#### **Introduction**

Bidvest is pleased to announce that it has entered into an agreement to acquire 100% of Noonan from Alchemy Partners as well as Noonan’s current management team (“the Acquisition”).

The Acquisition is for an enterprise value consideration of EUR175 million, approximately R2.7 billion, and is subject to South African Reserve Bank approval.

#### **Overview of Noonan**

Noonan, which is based and operates throughout the Republic of Ireland, has established a clear leadership position with a 40-year track-record of delivering high-quality integrated facility management (“FM”) services and solutions. Its services include soft, technical and ancillary services, and range from cleaning and security to building services and facilities management.

Noonan employs more than 13 000 people and also operates throughout the United Kingdom, from where 40% of its revenue is derived. Over the years, Noonan has developed a vertically-focused, client-centric business model that allows for successful expansion in the large FM market. Within the fragmented and broad FM market, Noonan targets medium-sized clients within its focus industries. Various external industry research forecast the FM market to grow between 4.0-4.5% over the next five years.

Noonan has deep management experience, supported by strong business technology, and has demonstrated strong client retention over the years.

#### **Rationale for the Acquisition**

The Acquisition of Noonan is in line with Bidvest’s stated strategic intent to expand its presence beyond South Africa in niche, asset light businesses that will benefit from Bidvest’s capabilities and expertise.

The Acquisition satisfies the following specific criteria:

- An experienced, entrepreneurial management team – senior management collectively has more than 70 years of experience in operating the business;
- A good track record – strong EBITDA growth and operating cash flow conversion;
- Annuity income – the combination of essential services and an average client tenure of eight years;
- Strong growth prospects – established position in the Republic of Ireland and a foothold in the United Kingdom, with ample opportunities to expand service range and, potentially, a broader geographic footprint; and

- Attractive, sustainable returns.

Bidvest believes that Noonan's business model and geographic presence will be complementary to Bidvest's Services division. Several learnings can be shared, and enhanced, thereby improving the overall service offering. The current dual geographic footprint allows for growth optionality into Europe and further afield.

#### **Salient terms of the Acquisition**

The purchase price will be settled by Bidvest by way of foreign credit facilities. Three-year, variable rate, Euro-denominated funding has been secured at an attractive rate.

Noonan management has signed service contracts in support of the Acquisition and remains committed to the business.

The effective date of the transaction is expected to be 31 August 2017, assuming South African Reserve Bank approval.

31 July 2017

Financial advisor to The Bidvest Group Limited:  
Investec Bank Limited

Legal advisor to The Bidvest Group Limited:  
Baker McKenzie

Sponsor to the Bidvest Group Limited:  
Investec Bank Limited

Financial advisor to Noonan and Noonan Shareholders:  
Robert W. Baird Limited

Legal advisor to Noonan and Noonan Shareholders:  
Macfarlanes LLP