



16th December 2016

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Purchase of Structural, Mechanical and Piping Business

MACA Limited ('MACA') (ASX: MLD) is pleased to advise that it has entered into an acquisition agreement with the shareholders of Interquip Pty Ltd ('Interquip'), a privately-owned business providing end to end mineral processing solutions predominantly in Western Australia and the Northern Territory.

The agreement provides for MACA to acquire 60% of the issued capital of Interquip for consideration of approximately \$8 million, subject to settlement adjustments. The transaction will be settled in cash (70%) and MACA shares (30%) and is also subject to an earn-out arrangement¹. There is an option to acquire the remaining 40% after three and a half years. MACA will provide ongoing funding support to Interquip to facilitate growth. Shares issued to the vendor will be subject to a 2 year voluntary escrow period.

Interquip was founded in 1996 as a mining plant and equipment trader. The business now offers end to end mineral processing solutions, equipment refurbishing, on-site maintenance and modular conveyor systems. Last financial year Interquip had revenues of \$24.3 million and is expected to generate \$17 million revenue in the second half of this financial year, of which, \$14 million is contracted. The acquisition is expected to be earnings accretive from the acquisition date.

MACA Operations Director Geoff Baker said "The acquisition enables MACA to establish a Structural, Mechanical and Piping (SMP) offering within the mining industry. We can see many near term opportunities to grow the Interquip business utilising our strong balance sheet and to complement the current services we offer our clients".

For further information please contact

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1. A maximum \$1.8M based on meeting EBIT targets of \$4.5M for FY17 and \$5.5M for FY18.