

## **MEDIA RELEASE**

### **BIDVEST ACQUIRES NOONAN**

#### **SALIENT FEATURES**

- ***Bidvest to acquire integrated facilities management group, Noonan, for EUR175 million***
- ***Noonan operates in the Republic of Ireland and the United Kingdom***
- ***The acquisition achieves Bidvest's investment criteria and is line with Bidvest's stated intention to grow internationally***
- ***The sharing of experience, knowledge and infrastructure between Bidvest and Noonan will enable exciting future growth in this expanding sector***

**Johannesburg, 31 July 2017:** Bidvest has entered into an agreement to acquire 100% of Noonan, which is an integrated facilities management services and solutions company, from Alchemy Partners, as well as Noonan's current management team.

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

Noonan is based in the Republic of Ireland and also operates in the United Kingdom, from where 40% of its revenue is derived. It has an established and clear leadership position with a 40-year track-record, specifically in the Republic of Ireland, of delivering high-quality integrated management services, which now range from cleaning and security to building services and facilities management in various jurisdictions.

Bidvest Chief Executive Officer, Lindsay Ralphs, commented, "This is an exciting and ground-breaking acquisition for Bidvest. Following the unbundling of our food services business last year, we have said that we intend pursuing a strategy of acquisitions that will provide geographic diversification for certain of our core businesses. This acquisition achieves that objective and fits neatly into our criteria for growth and value enhancement."

The current dual geographic footprint allows for growth optionality and expansion, not only into the significant market in the United Kingdom, but potentially into other countries in Europe as well.

Noonan employs more than 13 000 people and has developed a vertically-focused, client-centric business model that allows for successful expansion in the large facilities management market. Within this fragmented and broad market, Noonan targets medium-sized clients within its focus industries. Various external industry research forecast the integrated facilities management market to grow between 4.0-4.5% over the next five years.

Lindsay Ralphs added, "Noonan has a similar foundation to that of our Bidvest Services division, which is today a formidable business. Noonan's business model is complementary and several learnings can be shared, and enhanced, which will ultimately improve the future

service offering, increase the client base, and activate our broader international growth ambition through larger, or even smaller bolt-on, acquisitions”.

Noonan has deep management experience, supported by strong business technology, and has demonstrated strong client retention over the years. Together with the Bidvest team’s diverse knowledge and experience of similar product and service offerings, there is considerable scope for Noonan to offer a broader range of services in a self-servicing, bundled manner.

Noonan’s Chief Executive Officer, John O’Donoghue, commented, “With the backing of such a strong new owner, and with a long-term time horizon, it gives fantastic backing for Noonan to pursue its growth plans.”

The acquisition is in line with Bidvest’s stated strategic intent to pursue businesses that are niche and asset light, and also satisfies the following specific criteria:

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

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

Noonan’s 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.

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ISSUED ON BEHALF OF:  
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**About Bidvest:**

Bidvest is a leading trading, distribution and services group, operating through seven divisions: Services, Freight, Automotive, Office and Print, Commercial Products, Financial Services and Electrical. The Group also has a significant property portfolio and continues to hold various investments, such as Adcock Ingram (38.4%), Comair (27.2%) and Bidvest Namibia (52%).