

6 November 2019

Hills sharpens focus on Health, Security and Services with the sale of AV business to Amber Technology

Key points:

- Hills has agreed to sell its Audio Visual (AV) business to Amber Technology, subject to certain conditions and final approval by Ambertech Limited shareholders.
- The majority of AV personnel and brands will transfer to Amber Technology, ensuring continuity for Hills' customers and vendors.
- The transaction is consistent with Hills' strategy to focus on Health and a streamlined Distribution business centred on Security and Technical Services.
- There are no further write-downs or one-off costs associated with the transaction.

Hills Limited (ASX: HIL) is pleased to announce it has reached agreement with Amber Technology Limited, a subsidiary of Ambertech Limited (ASX: AMO), for the sale of its AV distribution business, as part of Hills' strategy to focus on its fast-growing and market-leading Health division and its larger security and technical services Distribution division.

The sale, which is subject to certain conditions and final approval by Ambertech Limited shareholders, is expected to be completed in early December 2019. Consideration for the acquisition is anticipated to be, net cash, in the order of approximately \$5.5 million and includes inventory dependent on valuation at settlement and capitalized R&D.

As part of the agreement with Amber Technology, a specialist provider of AV products and services, the majority of Hills AV personnel and brands distributed by Hills in Australia and New Zealand will transfer to Amber Technology, ensuring continuity for customers and vendors.

Following the sale of the AV business, Hills will have two focused divisions:

- Hills Health – the leading provider of nurse call solutions, patient engagement systems and wi-fi networks in Australian hospitals.
- Hills Distribution – a leading provider of integrated security technology solutions and technical services.

Hills Managing Director and Chief Executive Officer David Lenz said the sale to Amber Technology, with its sole focus on the AV industry and more than 30 years of experience, was a positive outcome for the employees, customers and suppliers of the Hills AV business.

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“Hills has a long history of participation in the AV markets in Australia and New Zealand,” Mr Lenz said. “We have appreciated the support of our customers and suppliers over many years. However, our future lies in the health, security and technical services sectors, and so we are very pleased to have found a new opportunity for our AV colleagues, customers and suppliers at Amber Technology. With these changes, we are plotting an exciting future for Hills by focusing on those businesses with the most potential for growth.”

Amber Technology Managing Director Mr Peter Amos said the company was extremely excited to have the opportunity to merge the Hills AV business into its existing Integrated Solutions division.

“We look forward to welcoming the Hills staff into our company, the brands represented by Hills into our portfolio, and many new customers into a relationship with Amber Technology,” Mr Amos said. “We are 100 per cent focussed on serving the AV markets in Australia and New Zealand, and this is a wonderful opportunity for us to bring together two passionate and professional teams to create a stronger organisation that will better serve our customers and manufacturer-partners.”

While the terms of the transaction are confidential, Hills anticipates using the proceeds to reduce group debt. Further information will be provided at the upcoming Annual General Meeting. There is no other material information relevant to assessing the impact of the disposal on the price or value of Hills securities.

ENDS

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