



ASX Announcement

PS&C LIMITED
(ACN 164 718 361)

19 December 2019

SALE OF GLASSANDCO PTY LTD & COMPANY UPDATE

Divestment of Glassandco Pty Ltd

PS&C Limited (ASX:PSZ) (**PS&C** or “**the Company**”) is pleased to announce that it has executed a Share Purchase Agreement (SPA) to divest its wholly owned subsidiary, Glassandco Pty Ltd (ACN 158 967 812) (**Glass**), to Vitrics Pty Ltd (ACN 637 886 947) (**Vitrics**), for a total cash consideration of \$1,600,000 (**Purchase Price**) (subject to adjustment in accordance with the terms of the SPA).

Vitrics is a company controlled by Glenn Fielding, the former CEO of the Company and now a Non-Executive Director of the Company, Jeffrey Bennett, the current CFO of PS&C and Company Secretary, Erin Brown, Sales Director of Glass and Wayne Custodio, Practice Director of Glass.

Pursuant to ASX Listing Rules 10.1 and section 208 of the Corporations Act, for the Company to complete the Glass SPA Transaction, Shareholder approval must be obtained as Glass is being sold to a Related Party as defined by the Listing Rules and Corporations Act. A Shareholder meeting has been scheduled for 29 January 2020 and a Notice of General Meeting of Shareholders will be released prior to Christmas.

Company Update

Following a period of poor performance across parts of the business, which led to qualified audit opinions and cashflow constraints, the Board resolved to execute a program to strengthen the Company’s Balance Sheet via the divestment of identified, non-core assets.

The Company has successfully divested its Security Segment (as announced to the Market on 3 October 2019) and its Canberra Operations (as announced to the Market on 9 December 2019) for combined Gross Consideration of ~\$20m. The Company’s financial position was further strengthened by the recent Rights issue which raised a further \$1.6m. These transactions have allowed the Company to eliminate significant liabilities and further reduce interest bearing debt.

The Board formed the opinion that the divestment of Glass is in the best interests of shareholders in order to allow the Company to focus its energies on the Victorian region; the largest and most profitable segment with unaudited FY20 forecasted revenues of \$50m and forecasted EBITDA, before listed company corporate overheads, of \$6m.

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On the completion of the Glass transaction, the Company estimates a further \$600k of corporate overheads will be removed before 30 June 2020 and, based on current performance of the Victorian region, have a Balance Sheet that has a positive net working capital position.

It is the Company's intention to continue to assess strategic acquisitions that better utilise the delivery capabilities that remain within the Group while providing opportunities for the Company to diversify its revenue base. In addition, the Group will continue to consider opportunities for an industry consolidation if it unlocks additional value for shareholders and the Board feels is in the best interests of shareholders.

Finally, the Company is pleased to announce that the 100,000,000 Tesserent Limited (ASX:TNT) (**Tesserent**) shares have been issued to PS&C and are being held in escrow until the General Meeting of Shareholders, scheduled for Wednesday, 15th January 2020 to approve the proposed In-specie distribution of the TNT shares, is held.

END

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