

21 December 2022

NZX Release

MHM Automation Limited announces conditional agreement to acquire Wyma Engineering Limited

MHM Automation Limited (MHM) is pleased to announce that it has signed a conditional agreement to acquire all of the shares in Wyma Engineering (NZ) Limited (Wyma).

Wyma is a world leading manufacturer of post-harvest vegetable and fruit handling equipment. It is based in Christchurch NZ, with operations in Europe and the UK. Wyma is majority owned by interests related to Andrew and Angela Barclay.

The acquisition potentially values the Wyma business at \$60m (5.5x-6x EBITDA multiple) and will be structured as follows:

- Issue of 22.67m new shares in MHM (representing 25.46% post transaction) to Barclay interests
- Initial cash payment of \$28m
- Earnout of \$15m over three years

This structure aligns the interests of all parties, and the businesses will be merged over time.

MHM is pleased to welcome the Barclays as a new cornerstone shareholder and Andrew will join the MHM board. MHM's two largest shareholders who own over 40% of the company, have supported the transaction.

The transaction is conditional upon shareholder approval, finance and final due diligence. No dates have yet been set for satisfaction of these conditions precedent.

Settlement date is targeted for 1 April 2023.

MHM will provide a detailed update on the transaction, timing and shareholder approval process upon release of our half year financials in February.

Richard Rookes, CEO of MHM said "we are pleased to be joining forces with Wyma. It is a continuation of our growth strategy, providing further scale and diversification into new regions and sectors. The businesses are culturally aligned and we look forward to merging our businesses together to continue to provide our customers with world leading automated solutions".

Andrew Barclay, MD of Wyma said "Both companies are world leaders in the Agri-tech space, with significant offshore sales. This transaction provides operational and growth synergies for both Wyma and MHM. Staff will have opportunities to grow within a larger business, while customers will benefit from a more diverse and complete offering".

We look forward to providing further updates as we move through the process towards settlement.

For further information contact

Richard Rookes, CEO

+64 (0) 21 414 016