



## ASX Announcement

7 March 2017

# Acquisition of Logic Communications Estimated to add \$1+ million EBITDA in FY18

- Inabox to acquire Perth-based managed IT and cloud service provider, Logic Communications Pty Ltd, building on its existing strong Perth presence
- Total consideration of \$1.5 million in cash, comprising a \$1 million upfront payment and a \$0.5 million payment deferred for 6 months to FY18
- The acquisition is expected to be immediately earnings accretive
- Expands Inabox's presence in the Western Australia market, bringing across a portfolio of 50+ SME clients
- Leverages Inabox's strong track record of realising value from the effective integration of acquired businesses and the implementation of successful growth strategies

### Transaction Overview

Inabox Group Limited (**Inabox**) (ASX:IAB), a national multi-channel, managed IT and communications company is pleased to announce it has entered into a Share Purchase Agreement to acquire 100% of the shares of Logic Communications Pty Ltd (Logic Communications). The transaction is subject to the satisfaction of conditions precedent.

Under the agreement, Logic Communications will be acquired on a cash free, debt free basis, for a total cash consideration of \$1.5 million, of which \$1 million will be deferred 6 months and paid in FY18. The purchase price will be funded from existing cash reserves.

The acquired business is expected to contribute EBITDA in excess of \$1 million in FY18 after synergies.

### About Logic Communications

Established 10 years ago, Logic Communications is a Perth-based managed IT solutions provider that provides its 50+ small & medium business clients with innovative, strategic and individualised IT and technology solutions.

### Strategic Rationale

#### - Expands Inabox's footprint in Western Australia

Inabox already operates a strong Perth presence, with particular focus on key vertical markets including education and health. The acquisition expands Inabox's footprint in Western Australia, and demonstrates Inabox's commitment to its Perth presence and its

intention to grow its national offices to leverage its national capabilities. The acquisition also adds 14 engineers to bolster Inabox's resources in the State.

- **Complementary Offering**

Logic Communications' offering is complementary to Inabox's current offering and includes premium internet services, managed IT, VoIP and cloud services. Logic Communications customers will immediately benefit from access to Inabox's suite of ICT products and services, including access to 4G mobile capabilities.

- **Earnings accretive with immediate savings realised**

The acquisition is expected to be immediately earnings accretive, resulting in an expected FY18 EBITDA contribution in excess of \$1 million.

**Damian Kay, CEO of Inabox** said: "We're pleased to have acquired another great company, Logic Communications, with its product offering that complements Inabox's and a strong client base which builds on our current footprint in Western Australia.

"This is another acquisition that we expect to be strongly earnings accretive in FY18, bringing with it more than an additional \$1 million of EBITDA to the Inabox Group results."

**Ends.**

## About Inabox Group Limited

Inabox supplies wholesale ICT (fixed, mobile, data) and cloud products and associated services, including billing and technical and customer support, to retail service providers around Australia through wholesale brands, Telcoinabox, iVox and Neural Networks. Inabox also enables mass-market consumer brands to enter the telecommunications market by leveraging its network and systems capabilities. Inabox provides nationwide IT software, hardware and services through its Anittel brand.

[www.inaboxgroup.com.au](http://www.inaboxgroup.com.au)

### Inabox contact details:

Damian Kay, CEO & Managing Director  
E: [damian@inaboxgroup.com.au](mailto:damian@inaboxgroup.com.au) or T: +61 413 888 655

### Media enquiries:

Andrew Ramadge, Media & Capital Partners  
E: [andrew.ramadge@mcpartners.com.au](mailto:andrew.ramadge@mcpartners.com.au) or T: +61 475 797 471