Company Announcement
24 August 2022

MOVE TO ACQUIRE FLUIDEX TRANSPORT

Transport and logistics group, MOVE Logistics Group Limited (NZX: MOV), has signed an agreement to acquire the business and assets of Fluidex Transport, a leading bulk liquids and bulk dry powder transport provider operating throughout New Zealand.

The acquisition complements MOVE's existing fuel and bulk liquids logistics business and supports MOVE's strategy to further grow and enhance integrated supply chain solutions for targeted customer sectors, including dangerous goods (DG) and food grade commodities, such as oils, wine and dairy.

COO of MOVE's Contract Logistics business, James Watters, said: "This is a compelling and complimentary bolt-on acquisition which supports MOVE's growth ambitions and enhances our customer value proposition with our already significant DG bulk liquids experience. Fluidex has a national presence, blue-chip clients and a modern fleet. These are long lead-time assets which further strengthen our integrated solution and customer offer."

Fluidex has recurring revenue in excess of $11 million, with growth potential. MOVE will also benefit from significant cross-selling opportunities across the MOVE group.

Fluidex has bases in Auckland, Mount Maunganui, Blenheim, and Christchurch, and a fleet of prime movers and truck and trailer combinations, including specialist chemical and food grade tankers and ISO tanks.

The acquisition is for 100% of the business and assets and a freehold property in Blenheim. The purchase price is approximately $15.2 million with initial consideration of $7 million payable at settlement, which will be funded from existing bank facilities. A final payment of $8.2 million is payable on 31 July 2024. The vendor may elect to take this payment in cash or MOVE shares (at the prevailing market price of a MOVE share). The purchase price equates to the market value of the assets being acquired according to valuations commissioned by MOVE. Settlement is expected to take place on 31 October 2022.

The acquisition is conditional on MOVE completing its due diligence enquiries, the assignment of key contracts to MOVE and no material adverse event occurring prior to settlement. In addition, the vendor has a board and shareholder approval condition which is to be satisfied on or before 30 August 2022.

Owner of Fluidex, Tony Galbraith, who will support the transition to MOVE, said: "We pride ourselves on reaching the highest industry safety and customer service standards and are dedicated to using the latest technology to monitor and maintain performance. After 60 years fulfilling transport services to the New Zealand industry, it's great to see Fluidex transitioning to a new owner with a commitment to high quality bulk liquids logistics and customer service".

Fluidex by the numbers:

- $7m initial consideration, $8.2m in 24 months – equal to the market value of the assets being purchased
- In business for over 60 years

- Bases in Auckland, Mount Maunganui, Blenheim, and Christchurch
- Over 50 prime movers and 90 associated trailer combinations plus a fleet of ISO tanks
- Team of 35 people
- Recurring revenue in excess of $11m
- Business customers across New Zealand industry

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About MOVE Logistics Group Limited (MOV)

MOVE is one of the largest domestic freight and logistics businesses in New Zealand, with a nationwide network of branches, depots and warehouses.