

EMERSON STEWART GROUP  
LIMITED



# GENERAL MEETING 23 FEBRUARY 2010

GROUP CEO'S PRESENTATION

Acquisition of Whelans (WA) Pty Ltd

A CATALYST FOR SUSTAINABLE GROWTH

# background

- » growth by acquisition a key element of the **Emerson Stewart Group's** stated strategic plan
- » since listing in June 2008, the company has considered a range of acquisition opportunities. In so doing it has not favoured becoming an aggregator of disparate services but has applied the following criteria:
  - **compliment:** business lines; service offerings
  - **enhance:** scale in targeted sectors; operational capability, geographic footprint
  - **diversify risk profile:** across sectors; across regions
  - **access:** alternative labour sources and bases within lower cost environments
  - **avoid:** services that do not fit within **ESW's** model or risk parameters
- » in January 2010, **ESW** announced that it had reached an agreement to acquire Whelans (WA) Pty Ltd, a 110 person surveying, mapping and town planning business with its head office in Perth and regional offices in Karratha, Kalgoorlie, Kununurra and Broome

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L I M I T E D

# background

continued.....

## » spatial services

- identified as a target market
- growing industry
- includes; surveying, geographic information systems, mapping and town planning
- the application of technology and scientific principles to measure, analyse and manage data about the earths physical shape and the built form that it supports
- very complimentary with the current ESW service offering

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# post acquisition

- » the transaction is forecast to boost **ESW**'s annual revenue by approximately \$17m per annum and is projected to be EPS accretive
- » Whelans will become a wholly – owned subsidiary of **Emerson Stewart Group Limited**
- » the resultant group will operate through its subsidiaries:

Whelans (WA) Pty Ltd



Emerson Stewart Pty Ltd



- » brand and leadership to remain unchanged
- » broadened service offering for the resources, infrastructure, energy and industrial sectors embracing:
  - ✓ environmental
  - ✓ spatial sciences
  - ✓ engineering
  - ✓ project delivery and
  - ✓ specialist consulting

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# post acquisition

continued.....

» primary benefits:

- ✓ operational efficiency gains;
- ✓ broadening the prospective client base for each business with cross-selling opportunities;
- ✓ provision to Group clients a broader service offering;
- ✓ stronger group balance sheet to enhance prospects;
- ✓ further potential acquisitive growth opportunities in the Whelans business line;
- ✓ more dynamic career development opportunities for executive personnel;
- ✓ overall benefits from economies of scale and scope with public company costs spread over large base

these benefits will impact positively on shareholder value through increased earnings per share, efficiency gains and reputational development

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# post acquisition

continued.....

- » expanded share register

following completion, the 48 individual vendors will hold approximately 23.8% of **ESW's** expanded issued capital, with the largest vendor holding equating to approximately 2.1% of the expanded issued capital (these shares will be held in escrow for a period of 12 months following completion)

– <b>Current shares on issue</b>	<b>98.6m</b>
– <b>Shares offered pursuant to this acquisition</b>	<b>30.8m</b>
<b>Total</b>	<b>129.4m</b> (post completion)

- » engaged and committed executive team. Whelans key executives have all signed multi year executive service agreements and will be shareholders of ESW

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# post acquisition

continued.....

- » geographic coverage



# our focus

- » **shareholder value:** business performance enhancement and returns; efficiency and effectiveness
- » **best team:** united; aligned to group objectives; high performance and incentivised; equity and fairness
- » **strong financials:** organic growth; greater efficiency; targeted acquisitions; leveraged balance sheet; strong cash flow
- » **one culture:** strong core values; agility; innovation; can do; aspirational; clear points of differentiation with competitors

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# strong team

- » experienced board – complimentary skills, majority non executive
- » executive line up – track record
- » loyal and committed staff
- » unifying values
- » equity in the business

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strong brands

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IMPLEMENTEURS  
STEWART

an Emerson Stewart Group  
business



an Emerson Stewart Group  
business

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