

24 October 2024

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

Ashtead Technology Holdings plc
("Ashtead Technology" or the "Group")
Acquisition of Seatronics and J2

Ashtead Technology Holdings plc (AIM: AT.), a leading subsea equipment rental and solutions provider for the global offshore energy sector, is pleased to announce that it has reached an agreement to acquire Seascan Limited and its subsidiaries (otherwise known as Seatronics), along with its sister company, J2 Subsea Limited (together "Seatronics and J2"), an international subsea electronics and ROV tooling rental and services business for total consideration of £63m in cash (on a cash and debt free basis) (the "Acquisition"). Seatronics and J2 are owned by Acteon Group Operations (UK) Limited ("Acteon"), which is majority owned by One Equity Partners LLC and Buckthorn Partners LLP. The Acquisition will be funded by a £70m increase in the Group's revolving credit facility ("RCF").

Acquisition highlights

- Enhances the Group's capabilities in the rental of survey & robotics equipment, with a platform to drive growth internationally.
- Increases the breadth and depth of the Group's rental fleet and provides a highly skilled employee base with significant domain knowledge.
- Deepens customer relationships and strengthens the Group's value proposition and service offering across both the offshore oil & gas and renewables sectors.
- Mid-to-high single digit earnings enhancing in the first full year of ownership; return on invested capital well ahead of Group weighted average cost of capital in year 1.
- Pro-forma leverage of ~1.8x as at 30 June 2024 and expected to reduce to below 1.5x by the end of 2025.
- Completion of the Acquisition is subject to customary closing conditions including approval of the Competition and Markets Authority.

About Seatronics and J2

Seatronics and J2 have operations in Singapore, UAE, UK and US, and have been part of the larger Acteon Group for over 10 years, providing subsea electronics and tooling products and services to the global offshore energy market.

Seatronics and J2's core offering supports the installation, inspection, maintenance & repair, and decommissioning of subsea oil & gas and renewable energy infrastructure which is highly complementary to Ashtead Technology's existing equipment and services portfolio. The Acquisition represents a compelling opportunity to grow the Group's global Survey & Robotics capabilities, expanding its international footprint, enhancing the Group's value proposition, and deepening customer relationships. The Acquisition will increase the breadth and depth of Ashtead Technology's rental fleet, with an extensive pool of over 7,000 proprietary assets, and a highly skilled employee base of over 100 people, with significant domain knowledge and technical expertise. Whilst Seatronics and J2 have traditionally been focused on oil & gas, their rental fleets are fungible across oil & gas and renewables end markets.

Seatronics and J2 are global businesses with almost 55 per cent. of revenue generated outside of Europe, supported by locations in Houston, Abu Dhabi, and Singapore. The Acquisition is Ashtead Technology's ninth acquisition in the last seven years.

Seatronics and J2 will form part of the Group's enlarged Survey & Robotics service line. For the trailing 12 months to September 2024, Seatronics and J2 generated revenues of £51.5m, adjusted EBITDA of £12.1m and adjusted EBITA of £9.0m. As at 31 December 2023, Seatronics and J2 reported aggregated gross assets of £31.5m^[1].

In order to fund the Acquisition, the Group has increased its RCF by £70m up to a total size of £170m with an additional £40m uncommitted accordion facility. The increased facility has been supported by the Group's existing banking partners of ABN Amro, Citi, HSBC and Virgin Money with the addition of RBS. Pro-forma leverage as at 30 June 2024 would be ~1.8x, within the Group's stated guidance range and is expected to be below 1.5x by the end of 2025. The Acquisition is expected to be mid-to-high single digit earnings enhancing in the first full year of ownership with a return on capital well ahead of the Group's weighted average cost of capital in year 1.

The Board is confident in the medium-term opportunities for Seatronics and J2 and plans to increase its focus on rental revenues including fleet investment of c. £10m in the first year of ownership. This enhanced focus and investment is expected to drive a high teens percentage increase in EBITA^[2] during the investment period, and drive margins towards Group levels over the medium term.

The completion of the Acquisition is subject to customary closing conditions including: (i) the approval of the Competition and Markets Authority; and (ii) certain business continuity conditions applicable in favour of Ashtead Technology during the intervening period.

Allan Pirie, Chief Executive Officer of Ashtead Technology, commented:

"Seatronics and J2 are businesses we have known for a long time. With our most recent acquisitions focussing on expanding our mechanical services capability, this latest acquisition strengthens our international footprint and capability within our traditional Survey & Robotics business."

"The transaction continues to reinforce our strategy of expanding our internationally mobile and fungible fleet of equipment, and deepening customer relationships across both our oil & gas and renewables markets. We look forward to welcoming new colleagues to the Ashtead Technology team and increasing the wealth of in-house expertise as a larger Group".

Brice Bouffard, Chief Executive Officer of Acteon, added:

"Upon closing, this transaction will be the next important step in focusing our service portfolio to achieve Acteon's long-term strategic goals. Seatronics and J2 have been an integral part of our business for many years and the teams have consistently worked very closely together over that time. I'm very pleased to see both teams moving together to such a dynamic new home at Ashtead Technology."

"I am confident that both businesses will continue to grow and provide exceptional value to their global customers under Ashtead Technology's ownership. I wish the teams at Seatronics and J2 success with Ashtead Technology and I thank them for their dedication over the years and especially during recent months. Acteon is committed to optimising our portfolio to better serve our customers and stakeholders as we support the dynamic offshore energy market".

The Acquisition represents a substantial transaction for Ashtead Technology for the purposes of AIM Rule 12. Joseph Connolly is a Director of Acteon and was, until 18 December 2023, a Non-Executive Director of Ashtead Technology and therefore is a related party for the purposes of the AIM Rules for Companies. Accordingly, Ashtead Technology has complied with AIM Rule 13. The Directors of Ashtead Technology consider, having consulted with its nominated adviser, Numis Securities Limited, that the terms of the transaction are fair and reasonable insofar as Ashtead Technology's shareholders are concerned.

An analyst briefing call will be held at 08:00am, please contact Vigo Consulting at ashteadtechnology@vigoconsulting.com for more information.

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The person responsible for arranging the release of this announcement on behalf of Ashtead Technology is Ingrid Stewart, CFO / Director.

Important notices:

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

This announcement contains certain forward-looking statements relating to the business, strategy, financial performance and results of Ashtead Technology and/or the Group and/or the industry in which they operate. Actual results, levels of activity, performance, achievements and events are most likely to vary materially from those implied by the forward-looking statements. The forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words 'believes', 'expects', 'predicts', 'intends', 'projects', 'plans', 'estimates', 'aims', 'foresees', 'anticipates', 'targets', 'goals', 'due', 'could', 'may', 'should', 'potential', 'likely' and similar expressions, although these words are not the exclusive means of doing so. These forward-looking statements include, without limitation, statements regarding the Group's future financial position, income growth, impairment charges, business strategy, projected levels of growth in the relevant markets, projected

income growth, impairment charges, business strategy, projected levels of growth in the relevant markets, projected costs, estimates of capital expenditures, and plans and objectives for future operations. Forward-looking statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Nothing in this announcement should be regarded as a profit forecast.

The forward-looking statements, including assumptions, opinions and views of Ashtead Technology or cited from third party sources, contained in this announcement are solely opinions and forecasts which are uncertain and subject to risks. Although Ashtead Technology believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct. Actual results may differ materially from those expressed or implied by these forward-looking statements. A number of factors could cause actual events to differ significantly from those expressed or implied by such forward looking statements.

Most of these factors are difficult to predict accurately and are generally beyond the control of Ashtead Technology and the Group. Any forward-looking statements made by, or on behalf of, Ashtead Technology and/or the Group speak only as of the date they are made. Save as required by law, Ashtead Technology will not publicly release the results of any revisions to any forward-looking statements in this announcement that may occur due to any change in the directors' expectations or to reflect events or circumstances after the date of this announcement.

Notes to editors:

About Ashtead Technology:

Ashtead Technology is a leading subsea equipment rental and solutions provider for the global offshore energy sector. Ashtead Technology's specialist equipment, advanced-technologies and support services enable its customers to understand the subsea environment and manage offshore energy production infrastructure with over 85% of its equipment fungible across both markets.

Ashtead Technology's service offering is applicable across the lifecycle of offshore wind farms and offshore oil and gas infrastructure.

In the fast-growing offshore wind sector, Ashtead Technology's specialist equipment and services are essential through the project development, construction and installation phase. Once wind farms are operational, Ashtead Technology supports customers with inspection, maintenance and repair ("IMR") equipment and services. In the more mature oil and gas sector, Ashtead Technology's focus is predominantly on IMR and decommissioning.

Headquartered in the UK, Ashtead Technology operates globally, servicing customers from its fourteen facilities located in key offshore energy hubs.

To learn more, please visit www.ashtead-technology.com

About Acteon:

Acteon Group is a valued global partner for installing, maintaining and removing marine infrastructure. Acteon supports marine projects for the offshore renewable energy, nearshore construction and oil and gas industries by delivering services with demonstrable commercial and environmental benefits which are enabling the energy transition. The company provides specialist services and innovative products to major industry contractors and operators, focusing on engineering the most efficient solution. Our reach is both global and local, delivering successful projects in every marine environment worldwide.

To learn more, please visit www.acteon.com.

[1] Excludes non-continuing intercompany balances

[2] On the Seatronics and J2 trailing twelve months to September 2024

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