



RXP SERVICES LIMITED

ABN 30 146 959 917

Release to Australian Stock Exchange

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Two Acquisitions - Integrated Value Pty Ltd and Nobel Consulting Group Pty Ltd

RXP Services Limited (RXP) is pleased to announce that it has entered into a binding agreement to purchase:

1. Integrated Value Pty Ltd, and
2. Nobel Consulting Group Pty Ltd

1. Integrated Value Pty Ltd (IV)

IV offers a range of capabilities and solutions to clients in the areas of smartforms, content management, document management and mobility solutions. IV has recently introduced Business Process Management and Analytics services. In the time that IV has been in operation, the company has attracted some of the best talent across Melbourne, Sydney and Canberra and is set for rapid growth over the next several years.

RXP Chief Executive Officer, Ross Fielding commented:

"We are once again delighted to be able to attract another company and a company that will prove to be a great addition to the RXP team. With the quality of people IV has been able to assemble across all of our Australian Regions and with the services they provide, IV has a bright future within RXP. They really are a great fit with our existing "Practices" and will integrate well into the team

There are a range of benefits that we see being derived from the IV acquisition:

- *Allows us to evolve our current Forms business into the new Business Process Optimisation and Change Practice to drive growth into new areas*
- *Adds strength to our BI & Information Management Practice in Sydney*
- *Builds on our Business Development and Account Management capability in Melbourne, Sydney and Canberra with a particular focus on winning Government work*
- *Opens our presence in the Brisbane market*
- *Finally, the acquisition will further strengthen our recruitment capability, an important part of our business as we continue to drive growth"*



Commenting on the acquisition Managing Director of IV, Matt Elliott stated:

“Our team of 10 highly skilled and capable people are impressed with the RXP team and their approach to building an exceptional ICT services business across Australia and Hong Kong.

Our goal was to create a consultancy by building a core team that covered recruitment, business development, domain experts and core delivery consultants.

With the core team in place we are well set to deliver our next set of targets of achieving annualised revenue of greater than \$10M within three years.

I look forward to delivering what we set out to deliver under the RXP banner.”

The acquisition cost of IV is based on an earn-out model, with an initial non-binding amount of \$3.52M split evenly between cash and shares in RXP. Based on defined EBIT targets for the period 1 October 2013 to 30 September 2014 and 1 October 2014 to 30 September 2015, the vendors of IV may be entitled to two earn-out payments of equal value to the initial payment. The initial payment is based on 4.9x forecast EBIT for the period 1 October 2013 to 30 September 2014 with the earn-out payments reducing the overall multiple to less than 4x over the contract period.

With visibility of the current pipeline of projects, we forecast IV to contribute \$450K - \$500K to RXP's FY14 EBIT numbers.

2. Nobel Consulting Group Pty Ltd (Nobel)

The acquisition of Nobel launches RXP's Enterprise Service Management (ESM) Practice.

Nobel was founded in 2006 in response to the market requirement for best-practice IT Service Management (ITSM) implementation, transformation and support services. The ITSM market is a large and well established one with most companies continuously refining their ITSM processes and practices and typically revisiting their platform choices every 5-10 years. Nobel recognised the movement away from traditional “on-premise” ITSM solutions to cloud based solutions and over the past 18 months has invested heavily in re-skilling their people in ServiceNow (the market leading cloud based ITSM platform).

Nobel has a strong client base and track record for project delivery in Australia and is recognised as one of the leading ServiceNow implementation partners in the Region.



RXP Chief Executive Officer, Ross Fielding commented:

“On the back of our recent acquisitions of Transpire and MethodGroup, we are increasingly seeing clients turn to us for support and guidance to define and execute business and technology transformation programs.

The acquisition of Nobel not only enables us to deliver market-leading ITSM capabilities and solutions, it also provides us with a platform to address the new and fast growing ESM market.

Our newly established ESM Practice will provide services and solutions to a wide range of service based organisations including financial services, field services and professional services clients.

Our ESM capability extends the traditional ITSM capabilities to marketing, sales, project/service delivery, finance, facilities, procurement and HR. It enables us to build on previously successful business transformation programs executed for clients involving the ServiceNow platform.”

Commenting on the acquisition, Managing Director at Nobel, Andrew Parsons stated:

“We have invested heavily over the past 18 months in building a formidable ServiceNow capability and now, with the ability to leverage the broader capabilities of the RXP business, we believe we can deliver an accelerated return and dramatically expand our value proposition to clients.

We feel the opportunity to leverage the talents of our team within the RXP client focused/practice led model is compelling and the opportunity to extend from our traditional ITSM base into the rapidly developing ESM arena under RXP is compelling.

For our consultants, we see RXP as providing us with a platform to take our capabilities to the next level. We very much look forward to contributing to the “one RXP” strategic objective and helping to strengthen RXP’s brand further.”

The acquisition cost of Nobel is based on an earn-out model, with an initial non-binding amount of \$1.6M payable entirely in shares in RXP. Based on defined EBIT targets for the period 1 October 2013 to 30 September 2014 the vendors of Nobel will be entitled to an earn-out payment equal to 4x EBIT in excess of \$400K.

With visibility of the current pipeline of projects, we forecast Nobel to contribute \$350K - \$400K to RXP’s FY14 EBIT numbers.



Any questions relating to this announcement should be directed to Mr. Ross Fielding, Chief Executive Officer +61 3 8256 4855.

RXP SERVICES LIMITED

A handwritten signature in black ink, appearing to read 'Ross Fielding'.

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