

31 March 2025

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

EGL to acquire Advanced Boilers & Combustion Pty Ltd

Highlights

- The Environmental Group Limited (ASX: EGL) ('the Company') has agreed to acquire leading Australian industrial boiler service and manufacturing business Advanced Boilers & Combustion Pty Ltd ('Advanced') for \$5.5 million, to be funded from existing cash resources
- This acquisition represents a major expansion in EGL's sales and service offering to the industrial boiler industry, complementing EGL Energy's existing business
- Advanced has expertise in fabrication, boiler fit out, economisers, pipe welding, skid manufacture and control panels, broadening EGL current capability
- Advanced own exclusive intellectual property rights to Maxitherm boiler technology which is particularly relevant to larger industrial uses and complement EGL's existing range of boilers
- Advanced reported FY24 revenue of \$16.0 million and normalised EBITDA of \$1.6 million
- Approximately 60% of Advanced's revenue is service revenue, which is recurring in nature aligning with EGL's strategic growth plans
- Expected completion date is 5 April 2025

Strategic Acquisition

EGL today announces that it has signed a binding agreement to acquire 100% of the shares in Advanced for \$5.5 million. The purchase price is expressed on a debt free basis and subject to customary working capital adjustments. The transaction is expected to be completed on or about 5 April 2025. The purchase price will be paid from existing cash resources.

Advanced is a leading Australian industrial boiler service and manufacturing business. Advanced was established in 2006. The vendors are actively engaged in the business and will continue in key roles post-acquisition.

Background on Advanced

Advanced was founded in 2006 by the vendors Laurie Grigg and David Seymour. Advanced's key operations include manufacturing and servicing a wide range of industrial boilers and water heaters and associated control panels, with a focus on the larger end of the industrial market. Maxitherm boilers are one of top 2 leading water tube boilers in Australia. Advanced owns the exclusive rights in Australia to manufacture and sell Maxitherm boilers – a technology it acquired in 2014. In addition to the manufacture and sales of boilers and water heaters, Advanced has developed significant and growing service business. In FY24, service revenue represented approximately 60% of revenue.

Advanced is headquartered in Victoria, with operations in New South Wales and Queensland. It generates most of its revenue from clients in the food and beverage industries, paper manufacturing, hospitals and meat processing.

Financial impact

Advanced generated revenue of \$16.0 million and normalised EBITDA of \$1.6 million in FY24.

The purchase price will be paid from existing cash resources and will not require draw down of debt. Following completion, EGL will retain a strong balance sheet and has obtained a temporary \$3.0 million increase in the Westpac overdraft facility until 30 September 2025 and a permanent \$1.5 million increase in the Westpac bond facility to provide additional working capital and funding flexibility for future growth, investments or acquisitions.

This announcement has been authorised by the Board.

For further information, please contact:

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Chief Financial Officer & Joint Company Secretary

The Environmental Group Limited

About EGL

EGL has five business units, all committed to the protection of the environment by improving air quality, reducing carbon emissions, enhancing waste treatment, and lifting water quality.

- **EGL Clean Air** has a range of technologies which reduce dust, odours, and harmful gasses from the environment.
- **Baltec IES** produces inlet and exhaust systems for gas turbines, which are used to complement and augment solar and wind energy production.
- **EGL Energy** offers a network of service offices across Australia providing 24/7 service, maintenance and repairs of both proprietary equipment and other OEM equipment. The division also provides an essential link in our strategy to build a bio/waste to energy platform.
- **EGL Water** division continues to develop our patented technologies in conjunction with Victoria University. EGL recognises that one of the world's most valuable assets is water and will persist in our vision to reduce water pollution, leading to an improved environment, through low-cost technology solutions.
- **EGL Waste Services** provides the sales and services platform for the exclusive Turmec Agency agreement in Australia. Turmec are specialists in recycling solutions for the global waste industry, providing bespoke systems that enable their customers to efficiently recover high-quality material from waste, reducing the need for landfills.