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ASH acquires SILK Education and Training – Victorian training company

Ashley Services Group Limited (“ASH”) is pleased to announce that it has entered into a conditional Sale and Purchase Agreement to acquire 100% of the shares of Global Education and Training Group Pty Ltd, a Nationally Registered Training Organisation (“RTO”), trading as SILK Education and Training (“SILK”). Completion is conditional on receiving satisfactory approvals from relevant authorities.

SILK, which stands for Skills in Life & Knowledge, delivers Nationally Recognised Training programs primarily to the corporate (existing worker) market in Victoria. These programs range from Certificate II level through to Advanced Diploma level and cover market sectors including Hospitality, Business, Management, Retail and Food Processing. SILK has strong industry relationships with over 150 employers ranging from small hotels and restaurants through to larger corporate organisations. In addition to this, SILK delivers qualifications with Victorian schools as part of the VET in Schools and Schools Based Apprenticeship/Traineeship programs.

The acquisition of SILK brings strong knowledge of the corporate training market in Victoria which compliments ASH by allowing pathway opportunities between both public and corporate markets. The acquisition also provides ASH with a depth of corporate client relationships in hospitality which ASH will be able to leverage to deliver corporate training to these clients nationally through its nationwide funding and training capabilities.

ASH will pay an initial amount of \$1.5 million on completion of the acquisition, funded through existing cash reserves. An additional \$3 million is potentially payable in future earn outs, based upon current management achieving key “stretch” performance targets in financial year 2016. Earn out payments are forecast to be funded by ongoing cash flows.

SILK’s forecast EBITDA is \$0.6 million for its full year ended 30 June 2015. The acquisition of SILK is expected to be earnings per share accretive for ASH.

ASH Managing Director Ross Shrimpton said “SILK complements the existing ASH business by significantly enhancing client relationships within the corporate hospitality sector. SILK has built a very strong brand with regulators, employers and workers within Victoria. The combination of SILK and ASH will enable management to leverage this capability nationally, accelerating ASH’s plans to grow the “hospitality sector” training business.

For further information, please contact:

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