TClarke PLC acquires London-based control systems specialist Eton Associates Limited

Monday 7 August, 2017

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Acquisition of Eton Associates

TClarke plc ('TClarke' or 'the Group'), the building services group, is pleased to announce the acquisition of Eton Associates Limited ('ETON') a London based privately owned control systems specialist offering a variety of Building Management Systems.

ETON is well known to TClarke and the Group has worked alongside them on a number of high profile projects in our core markets in London. It specialises in installing and maintaining sophisticated building controls systems on complex office buildings.Recent projects ETON has been involved with include, 20 Fenchurch Street, Chiswick Park, One Canada Square, Bloomberg London, Lacon House and Angel Court.

Under the terms of the acquisition agreement, TClarke has paid an initial cash consideration of £1.5 million, and a further £0.5 million is due to be released to the vendors following agreement of the final completion accounts. Further consideration of up to £0.6 million, will become payable to the vendors, subject to certain earnings targets being met in the two years to 4 August 2019.

For the year ended 31 May 2016 (the latest financial period for which audited results are available), ETON reported revenues of £9.5 million and a pre-tax profit of £0.3 million. As at 31 May 2016 it had gross assets of £3.2 million and net assets of £0.7 million.

After integration costs are taken into account, the acquisition is expected to be earnings enhancing in 2018.

With regards to the two principal directors and owners of the business, Jamie Ward will be remaining with the business for a minimum of two years following the acquisition and Graham Millward will remain available as a consultant to the business for a two-year period.

Acquisition Rationale

The acquisition of ETON is part of TClarke's stated strategy to grow and develop its range of services in the area of Intelligent Buildings, providing our customers a comprehensive offering and supporting our core M&E contracting business.

About ETON

ETON employs around 80 people and is currently based in London Docklands with a manufacturing plant in Essex. The intention is to co-locate the operations of ETON at our London Head Office at Moorgate and at our recently opened purpose built prefabrication facility at Stansted.

All of ETON's engineers are trained in Cylon, Honeywell, Trend & Tridium Building Control Systems which are the most utilised systems throughout the world, these engineers are supported by dedicated in House Software Design Engineers.

ETON's current client relationships include:

· Canary Wharf Management and Contractors

· CBRE Maintenance

· Lend Lease

· Sir Robert McAlpine

· Stanhope Plc

For further information on ETON, visit their website at www.etonassociates.com

Mark Lawrence, CEO of TClarke commented,

'We welcome the ETON team to TClarke and I am confident that the business will reach new potential as part of a larger group enabling them to build upon the scale and number of projects undertaken. Increasingly, our clients are demanding ever more sophisticated systems to control their buildings. With this acquisition we are able to deliver a joined up ability to meet these demands.'

Jamie Ward, Managing Director of ETON commented,

'We are delighted to be joining TClarke. The Group has established an outstanding reputation within the industry for its first class approach to working with its clients on some of the most complex projects in the UK. We have always enjoyed working with them and by combining our expertise I am confident that the prospects for our clients and our staff will be greatly enhanced.'

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