AUSTAL TO ACQUIRE ELECTRAWATCH INC.

AUSTAL (ASX: ASB) is pleased to announce that it has reached an agreement to buy ElectraWatch Inc., a United States based aluminum non-destructive testing technology company.

Key Highlights:
- Austal has agreed to acquire 100% of ElectraWatch Inc. for an all cash consideration of US$6.75 million, with no net debt.
- ElectraWatch has developed and deployed a unique portable system for the nondestructive testing of aluminum used in demanding environments in this case predominantly for aluminum ships.
- The primary customer for the technology to date has been the United States Navy both directly and through other major prime contractors and the system forms part of a monitoring environment for a variety of vessels.
- ElectraWatch is expected to have a CY18 revenue of US$2-3 million and is expected to continue to expand rapidly.
- The acquisition is expected to be earnings accretive in CY18 and beyond.
- Austal is the world’s largest aluminum shipbuilder with both defence and commercial operations. ElectraWatch will make a valuable contribution to the aluminum shipbuilding knowledge and experience base of the company and will grow the support and services business which is a key focus both in the USA and more broadly.
- ElectraWatch will continue to operate under its own brand inside the Service and Support business of Austal USA.

Commenting on the acquisition, Austal’s Chief Executive Officer, David Singleton said:

“The acquisition reflects Austal’s commitment to having the most advanced technology utilised in every element of our shipbuilding enterprise. Combining ElectraWatch’s patented technology with Austal’s advanced ship design, manufacturing and sustainment expertise will reinforce the company’s position as the industry leader in advanced aluminum shipbuilding.”
“In particular this acquisition will effectively support and increase our range of services for the shipbuilding and sustainment requirements of our key customer, the United States Navy” Mr Singleton said.

- ENDS –

Further Information:

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About Austal

Austal is an Australian shipbuilder and global defence prime contractor which designs constructs and sustains some of the world’s most advanced commercial and defence vessels.

Austal successfully balances commercial and defence projects and celebrates 30 years of success in 2018. Austal has designed, constructed and delivered more than 300 commercial and defence vessels for more than 100 operators in 54 countries worldwide.

Austal is Australia’s largest defence exporter and the only ASX-listed shipbuilder. Austal has industry leading shipyards in Australia, the United States of America and Philippines and service centres worldwide.

Austal delivers iconic monohull, catamaran and trimaran commercial vessel platforms – including the world’s largest trimaran ferry and multiple defence programs such as the Littoral Combat Ship (LCS) and Expeditionary Fast Transport (EPF) for the United States Navy. Austal has grown to become the world’s largest aluminium shipbuilder.

About ElectraWatch, Inc.

ElectraWatch is a technology leader in developing and deploying non-destructive, portable probe devices that measure aluminium sensitisation. The company’s patented technology is self-contained and easily deployable around the world to meet and support its customers’ needs. ElectraWatch engineers replicate laboratory testing utilizing an electrochemical methodology within a portable Degree of Sensitisation (DoS) Probe that yields a fast, accurate measured result without removing test samples from a ship and sending them to a laboratory for testing. The company is headquartered in Charlottesville, Virginia and supports multiple shipbuilders, maintenance providers and the U.S.Navy across a broad range of military ships currently deployed in the U.S. Navy fleet.

http://www.ElectraWatch.com