

Boom Logistics Limited Announcement

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Boom Logistics restructures its Melbourne mobile operations in line with business strategy

Boom has previously communicated its strategy to drive operational improvements and further develop customer relationships in the contracted maintenance and project based sectors.

In line with this strategy, Boom is restructuring its Melbourne mobile crane business. This business is largely a casual hire operation comprising 24 cranes and 45 staff.

The restructure will comprise the following:

- the crane fleet will be reduced from 24 to 6. One crane will be redeployed to Western Australia and the remaining 17 cranes will be sold and are expected to realise proceeds in excess of \$3 million. The cranes being sold are either small capacity cranes or cranes at the end of their useful lives that no longer fit with Boom's fleet management plans;
- the remaining crane fleet and personnel will be merged with the Tower Crane Division based at Laverton; and
- a consolidation of Boom properties across Victoria, reducing the property numbers by two.

The restructure will result in a reduction of 31 personnel in the workforce. Affected personnel will be supplied with individual career transition support in areas such as career counselling, job search, financial planning and retirement planning.

The redundancy costs associated with the restructure are expected to be \$1.1 million. On an annualised basis, the restructure is expected to improve the result of this business unit from an annualised EBIT loss of \$1.6m to an annualised EBIT profit of \$0.6m.

Boom's mobile crane operation in Morwell is unaffected by the restructure.

The restructured business will maintain the existing contracted customer base and proactively target project work.