

Algeco Scotsman buys big modular renter in Australia

Written by Murray Pollok - 26 May 2011



Ausco Modular has a rental fleet of 14000 accommodation units in Australia.

Portable accommodation renter Algeco Scotsman has entered the Australasian market for the first time by buying Ausco Modular, one of Australia's largest accommodation renters.

Ausco Modular, which has a fleet of 14000 units in Australia, is owned by South Africa-based scaffolding and construction group Waco International. Waco owns scaffolding and shoring businesses in Australia, the UK and Chile, including Wako Kwikform in Australia.

The purchase price has not been revealed, although there is speculation in the Australian financial press that Algeco's owners, TDR Capital, have paid Waco around A\$650 million (€485 million).

The sale follows wide speculation that Waco International was planning to float Ausco on the Australian stock market with an A\$500 million IPO (initial public offering).

Ausco, headquartered in Brisbane, Australia, and celebrating 50 years in business this year, is a major supplier to the mining, oil, and gas markets of Western Australia and Queensland.

Duncan Gillis, president and chief executive officer for Algeco Scotsman, said; "The Ausco transaction furthers our strategic objective of expanding into high growth markets and provides access to the economic expansion of the broader Asia-Pacific region.

"This transaction provides excellent opportunities within the mining, energy, and resources sectors in Australia which exhibit a strong demand outlook driven predominantly by China's economic growth. The business will also benefit from an upturn in commercial, industrial, and construction demand in core domestic markets."

The sale is expected to be completed around the end of June.

This acquisition, if completed, will be the latest of several that Algeco has made over the past 12 months. This year alone it has acquired Lamar Space in California; RB Farquhar (Hires) in the UK; and, most recently, Speedy Space, the accommodation rental division of the UK's Speedy Hire.

Algeco Scotsman has a rental fleet of more than 300000 units, with operations in Belgium, Canada, China, Czech Republic, Estonia, Finland, France, Germany, Italy, Lithuania, Luxembourg, Mexico, Netherlands, Poland, Portugal, Romania, Russia, Slovakia, Spain, Sweden, United Arab Emirates, UK and the US.

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