

Blue Sky exits dunnies with dignity – Viking Rentals sale completes

Blue Sky Private Equity has sold its majority share of portable toilet hire company Viking Rentals to an Adelaide-based investment group led by Bayfront Capital Management for an undisclosed sum.

The exit is the first from Blue Sky Private Equity's EC2010 fund and allows Viking Rentals founder Jim Noort to pursue new business ventures. Viking Rentals' management team will remain in place and it will be business as usual in terms of company operations.

Founded in 2006, Viking Rentals services the construction and major events industry with high-grade portable toilet and showers blocks. The company works with more than 2,000 builders and in excess of 1,000 events, including some of Australia's biggest builders and events.

Blue Sky Private Equity provided expansion capital in 2008 when Viking Rentals had only 270 units on hire with one yard in Brisbane purely servicing residential builders. Further investments in 2010 and 2011 enabled Viking Rentals to continue its rapid organic growth and also acquire six competitor businesses over several years across several states: Bell Toilet Hire, Elite Portables, Grove Toilet Hire (Brisbane), Southside Power Poles, Nitschke Toilet and Shower Hire, and Phone a Throne (Perth).

Diversifying into the event space in 2009 helped the company grow further during the post-GFC construction downturn. Today, Viking operates in every mainland state of Australia and has several thousand units on hire.

While many equipment hire businesses have struggled in the last few years, Viking Rentals has continued to expand, growing EBITDA by more 30 per cent per annum since June 2012.

Blue Sky Private Equity investment director Lachlan McMurdo said Viking Rentals was one of the fund manager's first investments.

"It's incredibly rewarding to be able to deliver for the investors who believed in us at the time when we were yet to establish our track record," Mr McMurdo said.

"With Viking, we backed an outstanding founder and took a partnership approach to growth, bringing in a professional management team to corporatise the business. It's a great example of how we can help founders create value in their businesses."

Noort founded Viking Rentals with a simple realisation that there was a gap in the market for 'dunnies with dignity'.

"When I started out in the industry, portable dunnies were just an afterthought on building sites, poorly serviced and left in a disgusting state. A decade later, Viking Rentals has raised the bar, setting a new industry standard. Builders, private events and festival goers are better off as a result," Mr Noort said.

"The business has an outstanding management team in place and I have every confidence big things lie ahead under the new ownership."

Bayfront Capital Management spokesperson, Dan Hill, said:

"We are very much looking forward to the opportunity presented in the business and the growth opportunities that lie ahead."

"We are very impressed with the national scale and strong brand position of the business and see it as an excellent platform for further growth in servicing the construction and events sectors within Australia."

The shareholders of Viking Rentals were advised by Miles Advisory Partners and Talbot Sayer.

Bayfront Capital Management was advised by Motus Legal.

Blue Sky Private Equity is a division of Blue Sky Alternative Investments (ASX: BLA).

ENDS

Note to editor

Blue Sky Alternative Investments Limited (Blue Sky) (ASX:BLA) is a leading diversified alternative investment asset manager.

Blue Sky was listed on the Australian Securities Exchange in January 2012 and is the only listed fund manager in Australia focused on a diversified portfolio of alternative assets.

Established in 2006, Blue Sky has generated strong returns uncorrelated with Australian listed equity markets.

Blue Sky has offices in Brisbane, Sydney, Melbourne, Adelaide and New York, a team of more than 70 and a broad investor base including institutional, wholesale and retail clients.

Alternative assets include direct investment in private equity, real estate, infrastructure, hedge funds and other real assets.

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