

IMMEDIATE RELEASE

1 November 2018

THE ALUMASC GROUP PLC

SALE OF FACADES BUSINESS

Alumasc, the premium building products, systems and solutions group, announces that it has sold its Facades business ("the Business"), effective today, to Kilwaughter Minerals Limited ("Kilwaughter") for an initial cash consideration of £4.5 million.

The Business principally supplies exterior wall insulation ("EWI") systems which are used in the refurbishment of hard to heat homes in the public sector. This market has reduced in size following the cuts in funding provided by the ECO and Green Deal schemes in recent years. Alumasc believes that Kilwaughter, a £34 million revenue group based in Northern Ireland and an existing supplier of mineral renders to the EWI industry in the UK, will be better placed to develop the Business by combining their greater operational scale and access to raw materials with our strong range of system solutions and routes to market.

The consideration comprises initial cash consideration received at completion of £4.5 million, and potential deferred consideration of up to £1.5 million receivable in a year's time, based on the performance of the Business during that period. The proceeds of the transaction will be used by Alumasc to support the ongoing investment in its strategic growth initiatives.

The Business sold comprises all intangible assets and intellectual property; the sales, technical and purchasing functions; and warehousing operations based at a leased warehouse in Glasgow. Twenty employees transferred to Kilwaughter under TUPE. The manufacturing and warehousing operations of the Business, together with support functions that are shared with Alumasc Roofing and based at Alumasc's 35,000 sq ft freehold property at St. Helens will not transfer to Kilwaughter. The St. Helens property will also be retained by Alumasc.

In Alumasc's last full financial year to 30 June 2018, the Business generated revenues of £11.1 million and made an operating profit contribution to group overheads of £0.6 million. The book value of the assets sold, comprising mainly inventories and leasehold improvements at the Glasgow warehouse is anticipated to be circa £0.9 million, to be confirmed by a completion stock-take. The Business had been expected to generate a similar financial contribution in the current financial year and,

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Anonymous (not verified)

Sale of Facades Business

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Mergers, Acquisitions and Disposals

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