

25 July 2023

The Alumasc Group plc
("Alumasc" the "Group", or the "Company")

Acquisition of ARP Group

Accelerating the growth strategy through M&A

Alumasc, the sustainable building products, systems and solutions group, is pleased to announce that it has agreed, subject to regulatory approval, to acquire the entire issued share capital of ARP Group¹ ("ARP"), a manufacturer and distributor of specialist metal rainwater and architectural aluminium goods, for a maximum cash consideration of £10.0m on a cash and debt free basis, and subject to adjustments for normalised working capital (the "Acquisition"). The consideration comprises an initial £8.5m, adjusted for net cash/debt and normalised working capital, payable at completion; with additional consideration, capped at £1.5m, payable subject to ARP's performance over the two years ending November 2024.

ARP marks the first acquisition by Alumasc since 2018 and demonstrates the Group's strategy to supplement organic growth through earnings accretive acquisitions. ARP shares many qualities with Alumasc, including strong relationships with contractors which will complement Alumasc's business model. ARP will broaden the Group's existing product offerings, and augment the routes to market and bring attractive scaling opportunities for both businesses.

Based in Leicester, ARP was established in 1987, and operates from four facilities totalling over 47,000 square feet, with a team of over 70 experienced staff. ARP's consolidated unaudited results for the year ended February 2023 showed revenue of £10.8m and adjusted EBITDA of £1.3m. Consolidated net assets were £4.5m. The acquisition multiple based on the initial consideration is approximately 6.8x, which is expected to reduce to below 5.0x over the medium term, assuming full payment of the earn out consideration, and achievement of expected operating synergies.

ARP is expected to be immediately accretive to underlying earnings and will be funded from current cash and debt facilities. Following completion of the Acquisition, Alumasc's balance sheet will remain strong, with 30 June 2023 pro-forma net debt representing approximately 0.75x EBITDA.

The Acquisition remains conditional upon the UK Competition and Markets Authority ("CMA") having indicated that it has no further questions in relation to the Company's submission regarding the Acquisition, and that it does not intend to make a Phase 2 referral. The Directors expect this process to conclude, and the Acquisition to complete, within 3 months of today's date. Further announcements will be made as appropriate.

Paul Hooper, Chief Executive of Alumasc, said: "We are delighted to welcome ARP, along with all our new colleagues to the Alumasc Group. This acquisition aligns with our strategy of accelerating our organic growth with complementary bolt-on acquisitions. ARP will broaden the Group's existing product offerings, and augment the routes to market for both businesses."

¹ARP Group comprises ARP Group Holdings Ltd and its subsidiary Aluminium Roofline Products Ltd; together with Rainwater Online Holdings Ltd and its subsidiaries Envelope Solutions Ltd and Cast Iron Superstore Ltd.

For further information, visit the ARP website at <https://www.arp-ltd.com/>

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014), as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR") prior to its release as part of this announcement and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations. The person responsible for making this announcement on behalf of the Company is Helen Ashton, Group Company Secretary.

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Notes to Editors:

Alumasc is a UK-based supplier of premium building products, systems, and solutions. Almost 80% of group sales are driven by building regulations and specifications (architects and structural engineers) because of the performance characteristics offered.

The Group has three business segments with strong positions and brands in their individual markets. The three segments are: Building Envelope; Water Management; and Housebuilding Products.

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Mergers, Acquisitions and Disposals

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