

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, consequently, whilst the sale will be modestly dilutive to Alumasc’s earnings for the year ending 30 June 2019, it will be accretive to group operating margins.

Paul Hooper, Chief Executive of Alumasc, said: “We are pleased to have sold our Facades business to Kilwaughter. The sale will allow Alumasc to further develop its own portfolio of specialist building product businesses and use the funds to invest in our strategic growth initiatives”.

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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 four business segments with strong positions and brands in their individual markets. The four segments are: Architectural Screening, Solar Shading & Balconies; Roofing & Walling; Water Management; and Housebuilding & Ancillary Products.