

## SP Group A/S acquires LM Skumplast A/S

### Summary

- Through its subsidiary Tinby A/S, today SP Group A/S has agreed to acquire LM Skumplast A/S, at a total price, including takeover of debt (enterprise value), of DKK 6.6 million
- The acquisition of this well-run company within foamed PUR accelerates the growth of SP Group. The outlook for the year 2017 will be announced on 30 March 2017
- SP Group finances the acquisition of LM Skumplast A/S by debt. No new shares will be issued because of the acquisition
- Kim Hansen continues as director at LM Skumplast A/S and the company changes its name to Tinby Skumplast A/S

### LM Skumplast A/S

LM Skumplast A/S is a manufacturer of PUR and PIR foamed products and situated in Tjæreborg. The production site was established in 1978 and has expanded regularly since then. The company has a strong position in the Danish market. Moreover, the company has export to customers in the rest of Europe.

The customers are mainly from the building industry with a great demand for high insulating properties in plates and profiles for e. g. walls and floors in buildings and further customers in the food-related industry demanding insulating of cold storage warehouses and transportation equipment (reefers).

LM Skumplast A/S is strong and experienced in customer defined solutions in PUR (polyurethane) and PIR (polyisocyanurate), such as foaming, cutting, milling and glueing.

Hard polyurethane foam is used where high insulating properties, high compression strength and stability are required. Hard polyurethane foam stands most acids and solvents (chemical resistance). The foam does not decompose and is not attacked by mold either.

Hard polyurethane foam is one of the best insulating materials, known today.

The revenue of LM Skumplast A/S in 2017 is expected to amount to approximately DKK 10 million with an EBITDA of approximately DKK 2 million.

The company has 6 employees.

Kim Hansen continues as director of LM Skumplast A/S. The managing director of Tinby A/S becomes new chairman of the board at LM Skumplast A/S.

### Transaction

The acquisition of the shares is agreed as follows:

4.3 million            DKK cash payment at Closing

1.9 million            DKK will be financed by Seller with a non-interest-bearing debt instrument and repaid in 12 months.



SP Group takes over the net-interest-bearing debt in LM Skumplast A/S amounting to approximately DKK 0.2 million.

Therefore, the Enterprise value (EV) corresponds to approximately DKK 6.4 million.

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### **Background for the transaction**

The acquisition of LM Skumplast A/S strengthens SP Group's position as one of the leading companies within plastics in Northern Europe and gives SP Group new products and services in form of PUR plates and profiles for insulating purposes and access to some new and interesting customers. The integration will have some cost synergies. There is no significant overlap of customers.

*"The acquisition of LM Skumplast accelerates the growth in SP Group. We take over a well-run and well-positioned company and are fully convinced that we together will profit from our experience on both sides within R & D, production and sales of PUR products to strengthen our competitive position and to create an even stronger position globally",* Chief Executive Officer Frank Gad says.

Director Kim Hansen says: *"LM Skumplast is in good shape. However, I am convinced that we can become even stronger as part of SP Group for the benefit of both our customers and our employees. I am looking forward – together with the employees in LM Skumplast – to becoming a part of a big and competitive group."*

Managing Director at Tinby A/S, Torben Nielsen says: *"I am looking forward to work together with our new colleagues. The acquisition will strengthen our core competencies, i.e. customer defined polyurethane solutions. In addition, we can now offer our customers a new and exciting production facility in form of block foaming"*.

### **Outlook for 2017**

SP Group's outlook for 2017 will be announced in the Annual Report 2016 on 30 March 2017.

#### **Further information:**

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***In case of any discrepancies, the Danish version shall prevail.***