

Kingspan Group plc (“Kingspan”) announces the acquisition of Joris Ide Group

Kingspan, the global leader in high performance insulation and building envelopes, is pleased to announce that it has entered into an agreement with Ergon Capital Partners II NV and Bremhove NV, to acquire 100% of the shares of Steel Partners NV, the holding company of the Joris Ide Group (“Joris Ide”).

Joris Ide is a pan European manufacturer and supplier of insulated panels, profiles and related accessories, with leading market positions in France and the Benelux. It has 5 insulated panel manufacturing facilities in Belgium, Germany, Romania and Russia, and 11 regional manufacturing sites across Europe, which provide a uniquely complementary geographic footprint to Kingspan’s existing European insulated panel business.

The consideration for the business will be circa EUR315m inclusive of debt, which will vary depending on the specific amount of working capital and debt on completion. The consideration will be satisfied on completion partly in cash and by the assumption of debt, with the balance of the consideration satisfied by the issue of three million shares in Kingspan Group plc to Bremhove NV, which is the holding company of the founder and major shareholder Mr Joris Ide.

In the 12 months to 31 December 2014, Joris Ide had unaudited revenues of EUR465m and EBITDA of EUR36m. Revenues and adjusted EBITDA to 31 December 2013 were EUR435m and EUR28m respectively. As at 31 December 2013, Joris Ide had gross assets of EUR316m, and on completion net assets excluding goodwill are expected to be EUR135m. The acquisition is expected to enhance earnings by circa 7 cent on a fully annualised basis.

The existing management team of Joris Ide will be retained in the business, and will continue to manage and develop the business distinct from the Kingspan brand. The acquisition is conditional on regulatory clearance, and is expected to complete towards the end of the first quarter of 2015.

Kingspan also announces that it has negotiated EUR127.5m private placement loan notes with weighted average maturities of 8 years. The weighted average coupon on the new notes is 1.92%. The proceeds will be primarily used to repay private placement loan notes which are due to mature in March 2015. Kingspan has also negotiated additional bilateral facilities of EUR190m. These facilities, together with cash and drawings from the previously undrawn Revolving Credit Facility, will be used to fund the Joris Ide and previously announced Vicwest acquisitions.

Gene Murtagh, Kingspan Chief Executive Officer, commented:

"The acquisition of Joris Ide Group represents a quantum leap forward in the execution of our strategy to fully globalise Kingspan. It takes us into a distinctly different tier in the market than typically occupied by the Kingspan branded products, and with its operations in Belgium, France, Germany, Romania and Russia significantly extends the reach of our Group."