

3 September 2018

Polypipe Group plc

ACQUISITION OF PERMAVOID LIMITED

Polypipe Group plc (“Polypipe”, the “Company” or the “Group”), a leading manufacturer of plastic piping and ventilation systems for the residential, commercial, civils and infrastructure sectors, today announces the acquisition of Permavoid Limited (“Permavoid”), a specialist designer and supplier of surface water management solutions in commercial, residential, and sports pitch applications, for an initial cash consideration of £4.0m on a debt and cash free, normalised working capital basis, and further deferred consideration of up to £12.5m depending on the EBITDA performance of Permavoid in the two years to 30 September 2020.

Permavoid’s products are uniquely placed to deal with urban water management challenges which are increasing due to the impacts of climate change and urbanisation. Permavoid’s core technology is a patented plastic subbase replacement system containing innovative capillary cones capable of storing surface water (to prevent flooding) whilst passively wicking the stored water to irrigate soils and substrates above. The core subbase technology is complemented by further patented solutions for managing surface water runoff from pavements whilst providing treatment to remove oils and other contaminants before discharge. Polypipe currently manufactures and sells Permavoid’s products under exclusive licence for the UK and Irish markets.

Key applications for the Permavoid range of products include sustainable urban drainage systems, green infrastructure, Bluegreen roofs, podium decks and sports surface applications, enhancing Polypipe’s existing market leading water management solutions product ranges. Permavoid has provided solutions for many large urban water management projects throughout Europe such as the redevelopment of Orlysquare in Amsterdam, phase 1 of the Maankwartier Heerlen development in Holland, and the recent redevelopment of Liverpool Football Club’s Anfield stadium.

For the year to 30 September 2018 Permavoid is expected to record revenue of £3.8m and adjusted EBITDA of £0.5m. The acquisition is expected to be earnings enhancing in its first full year after completion.

Commenting on the transaction, Martin Payne, Chief Executive Officer, said “The acquisition of Permavoid is a small but important step towards delivering on our strategic goals. The acquisition brings new intellectual property into the Group with exciting opportunities for further product integration and innovation, allowing Polypipe to enhance its market leading water management and attenuation solutions in the UK, as well as provide opportunities to leverage those market leading solutions in Europe and other markets.”

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Notes to Editors:

Polypipe is the largest manufacturer in the UK, and among the ten largest manufacturers in Europe, of plastic piping systems for the residential, commercial, civils and infrastructure sectors by revenue. It is also a leading designer and manufacturer of energy efficient ventilation systems in the UK.

The Group operates from 17 facilities in total, and with over 20,000 product lines, manufactures the UK's widest range of plastic piping systems for heating, plumbing, drainage and ventilation. The Group primarily targets the UK and European building and construction markets with a presence in Italy and the Middle East and sales to specific niches in the rest of the world.