

The Company considers this announcement to contain inside information

6 March 2017

Synthomer plc
Acquisition of Perstorp Oxo Belgium AB

Synthomer plc (LSE:SYNT) ('Synthomer' or the 'Group'), a leading speciality chemicals company, today announces the acquisition of Perstorp Oxo Belgium AB ('Perstorp Belgium') from The Perstorp Group, a speciality chemicals innovator and supplier based in Sweden.

Synthomer will pay an enterprise value of €78 million which will be fully funded from existing financial resources. The acquisition, which completed on 5 March, represents a multiple of 8.5x 2016 Adjusted EBITDA⁽¹⁾. This is expected to fall to approximately 7.0x EBITDA post integration reflecting operational efficiencies and increased volumes to existing customers. Perstorp Belgium will be consolidated into Synthomer's results from March 2017.

In the year to 31 December 2016, Perstorp Belgium generated reported earnings before interest and tax of €8 million. At 31 December 2016, Perstorp Belgium had gross assets of €21 million.

Perstorp Belgium is a niche performance additives business serving the decorative and industrial coatings industries. It has strong market leadership positions (#1 or #2) and serves a highly attractive, blue-chip customer base. The business operates from a well located, single site in Ghent, Belgium where there is potential for growth capacity for future demand.

Perstorp Belgium is highly complementary to Synthomer's existing markets and customers. The Group will focus on expanding Perstorp Belgium's market position by developing closer relationships with customers through leveraging its existing sales and technical services infrastructure, and driving operational performance.

Calum MacLean, Chief Executive Officer of Synthomer, commented:

"The acquisition of Perstorp Belgium represents another step forward in our strategy to continue to grow and develop Synthomer. The business is an excellent fit and provides increased access to new products and customers. We look forward to welcoming our new colleagues and integrating the business with Synthomer through the remainder of this year."

Note 1 – Reported EBITDA of €8.8m excluding certain Perstorp Group overhead cost allocations of €0.3m resulting in Adjusted EBITDA of €9.1m

-Ends-

Enquiries:

Calum MacLean, Chief Executive Officer
Stephen Bennett, Chief Financial Officer
Charles Armitstead, Teneo Blue Rubicon

Tel: 01279 436211
Tel: 01279 436211
Tel: 020 3603 5220