



# Acquisition of Danlind a/s

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## **McBride plc**

### **Acquisition of Danlind a/s**

McBride plc ("McBride" or the "Group"), the leading European manufacturer and supplier of Co-manufactured and Private Label products for the Household and Personal Care markets, announces that it has agreed to acquire Danlind a/s ("Danlind"), a supplier of auto dish-wash and laundry products, based in Denmark (the "Acquisition").

Danlind provides McBride with access to accelerated growth in the key strategic category of auto dish-wash tablets, through its well invested capacity, technology platform and high quality product range. Danlind has a significant range of retail and contract customers along with a well-established position in the Nordic region and in the commercial laundry and dish-wash markets. Danlind will enable McBride to gain entry into growth segments where it is currently under represented. Additionally, Danlind's strong position in Ecolabel products can be developed further through McBride's extensive European reach.

Danlind operates from three manufacturing sites in Denmark, and has approximately 250 employees. For the year ended 31 December 2016, Danlind reported revenues of £58.4 million, EBITDA of £1.6m, a loss before tax of £1.3 million, and had gross assets of £48.0 million as at 31 December 2016<sup>1</sup>. For its financial year ending 31 December 2017, on a standalone basis, Danlind is currently expected to generate c. £2.5million of EBITDA<sup>1</sup>.

McBride expects to realise significant commercial, technical and operational improvement synergies from the acquisition. The acquisition is expected to be immediately earnings enhancing for the Group. Post-tax return on invested capital is expected to meet cost of capital in the third full year of ownership.

Consideration of £10.8 million<sup>1</sup> will be payable to the shareholder of Danlind, Lind Holdings ApS, and c.£28 million<sup>1</sup> of net debt in Danlind will be assumed by McBride at completion. The acquisition will be funded from McBride's existing banking facilities.

The Acquisition, which is subject to customary regulatory and closing conditions, is expected to complete in early October 2017.

On completion, Danlind, the management team and its employees will form part of the Household products segment.

Rik De Vos, Chief Executive Officer, commented;

"With this acquisition, the combined resources and knowledge of the two companies will provide McBride with accelerated growth in several key categories and geographies and enable us to access new customers. The excellent operational and cultural fit between both companies gives the Board confidence that the integration of Danlind will be executed efficiently. This is a significant next step in the development of our strategy and will further support McBride's leading position in its chosen markets, whilst providing our customers with an increasingly better proposition."

1 - Exchange rate of £1 = DKK 8.1194 as at 1 September 2017

#### **For further information please contact:**

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#### **Forward-looking statements**

This announcement contains forward-looking statements with respect to the financial condition, results and business of

McBride plc. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend on circumstances, that will occur in the future. McBride's actual future results may differ materially from the results expressed or implied in these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

Note: This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation which came into effect on 3 July 2016.

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