

SP Group A/S acquires Dan-Hill-Plast A/S

Summary

- Today SP Group has agreed with the owners of Dan-Hill-Plast A/S to acquire Dan-Hill-Plast A/S in Hornsyld, at a total price including takeover of debt (enterprise value) of DKK 65 million. The buyer is Gibo Plast A/S, a subsidiary of SP Group A/S.
- The acquisition of this well-running company within rotational moulding of technical plastics and production and sales of fenders for ships and boats accelerates the growth in SP Group and add another interesting production technology to our wide technology portfolio.
- The owners, Peder and Lone Madsen stay on in the management of Dan-Hill-Plast A/S.

Dan-Hill-Plast A/S

Dan-Hill-Plast A/S (DHP) is an advanced rotational moulding company with production and assembly in Hornsyld, Denmark. DHP has roots back to 1957 where Else and Ejnar Madsen founded DPH. Under the skillful management of the son, Peder, and the daughter, Lone, the company has grown strongly in recent years and today it is one of the leading companies within rotational moulding in Scandinavia with an export share of approximately 40 % of the revenue.

As sub-supplier, DHP manufactures parts for demanding companies in many different industries. Also, DHP develops, manufactures and sells own products in the form of fenders under the brand Dan-Fender, worldwide.

Dan-Hill-Plast is certified according to ISO9001.

Dan-Hill-Plast has been owned by the Madsen family since 1957.

Dan-Hill-Plast owns a modern plant of approximately 12,000 sqm. These premises will be taken over by SP Group separately through a property company.

Dan-Hill-Plast has a strong brand. Therefore, the company will continue under its existing name.

Dan-Hill-Plast A/S does not give any information about sales but expects a normalized EBITDA of DKK 12-13 million.

Dan-Hill-Plast A/S has approx. 50 full-time employees, and these employees are expected to continue.

Lars Bering, Managing Director of Gibo Plast A/S becomes new Managing Director of Dan-Hill-Plast A/S.

In future, Peder Madsen as Technical Director, will concentrate on developing even better solutions for the customers.

Lone Madsen stays on as Director of Sourcing and Quality.

Frank Gad becomes new Chairman. CFO of SP Group, Tilde Kejlhof and Director of SP Moulding in Stoholm Jens Birklund Andersen are new board members.



Transaction

The acquisition of the shares is agreed as follows:

38 million	DKK cash payment at Closing
15 million	DKK will be financed by Seller with a non-interest-bearing vendor note with instalments of one-third on 30 April 2021, one-third on 31 October 2021 and one-third on 30 April 2022
12 million be	Net-interest-bearing debt amounting to DKK 12 million is taken over by Gibo Plast and will be refinanced after closing.

Therefore, the Enterprise value (EV) corresponds to approx. DKK 65 million.

The present value hereof amounts to approx. DKK 64 million.

EV / EBITDA is approx. 5.0 based.

SP Group finances the acquisition of Dan-Hill-Plast by debt.

Background for the transaction

The acquisition of Dan-Hill-Plast strengthens SP Group's position as one of the leading companies within plastics in Northern Europe and provides SP Group with new services in form of rotational moulding on large and small machines and also access to a number of new and interesting customers. The integration will have some cost synergies. There is no significant overlap of customers. Dan-Hill-Plast has a number of own products in an interesting niche. It is our hope to contribute to a further development of this business.

"The acquisition of Dan-Hill-Plast accelerates the growth in SP Group. We take over a well-running and well-positioned company with an excellent management and skilled employees and are fully convinced that together we will benefit from our experience on both sides within development, production and sales of plastic components to strengthen our competitive position and to create an even stronger position globally", Chief Executive Officer Frank Gad says.

Director for Sourcing and Quality, Lone Madsen: *"Dan-Hill-Plast is in good shape. 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 Dan-Hill-Plast – to becoming a part of a big and very competitive group."*

Technical Director, Peder Madsen: *"I am convinced that with the international platform of SP Group we can establish rotational moulding on a global basis closer to the customers and continue the good development in Hornsyld. I am eager to develop new and competitive solutions for our customers – and I will spend my full time on this in future."*

Managing Director, Lars Bering: *"I am very much looking forward to work with new customers and colleagues. I trust that together we can create a fantastic and exciting future!."*

Further information:

CEO Frank Gad
Phone: (+45) 70 23 23 79
www.sp-group.dk



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