

9 August 2017



Scapa Group plc Acquisition of Markel Industries

Scapa Group plc (“Scapa”) (AIM: SCPA), a global supplier of bonding solutions and manufacturer of adhesive-based products for the healthcare and industrial markets, is pleased to announce that it has acquired the entire share capital of Markel Industries, Controlled Environment Equipment Corp and CMark Films, LLC (together the “Company” or “Markel”) for a total purchase price of USD\$10 million.

Markel is a leading North American manufacturer of adhesive floor mats and tacky rollers for use in medical clean rooms, electronic and industrial assembly areas, construction site and sports venues.

As at 31 December 2016, the unaudited gross assets acquired were USD\$1.2 million. Underlying adjusted EBITDA for the year ended 31 December 2016 was USD\$1.7 million. The acquisition is expected to be earnings enhancing in the first full year and will be funded from existing cash reserves and bank facilities.

The Board believes the acquisition of Markel will give the following benefits:

- Markel’s largely North American customer base has a similar profile to Scapa’s, offering cross-selling opportunities
- Markel’s high quality core clean room contamination prevention products will enhance Scapa’s current products offerings in Europe
- Meaningful overlap in supply chain and manufacturing technology as well as proximity of Markel’s manufacturing sites to Scapa offer an opportunity for efficiencies

Commenting on the acquisition, Heejae Chae, the Group Chief Executive Officer of Scapa, said:

“The acquisition of Markel is a part of our Industrial strategy to further drive the Return on Capital Employed through concentration on our core customers and markets as well as optimisation of our manufacturing assets.”

For further information:

Scapa Group plc
Heejae Chae - Chief Executive
Graham Hardcastle - Finance Director

0161 301 7430

Numis Securities Limited
(Nominated Adviser and Joint Broker)
Richard Thomas/Mark Lander

020 7260 1000

Berenberg
(Joint Broker)
Chris Bowman

020 3207 7800

Weber Shandwick Financial PR
Nick Osborne

020 7067 0000