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26 March 2018

Scapa Group plc

Acquisition of BioMed Laboratories LLC

Scapa Group plc ("Scapa") (AIM: SCPA) is pleased to announce that it has acquired the share capital of BioMed Laboratories LLC ("BioMed"), based in Dallas, Texas. The purchase price comprises an initial cash consideration of USD\$19 million with a further cash consideration of up to USD\$13million payable depending on performance in calendar years 2018 and 2019.

As at 31 December 2017, the unaudited gross assets acquired were USD\$2.5 million. Revenue and underlying adjusted EBITDA for the year ended 31 December 2017 was USD\$10.2 million and USD\$1.4 million, respectively. The acquisition is expected to be earnings enhancing in the first full year and will be funded from existing cash reserves and bank facilities.

BioMed is a leading developer and manufacturer of gels, creams, lotions, liquids, powders and hot filled wax based products in the OTC, wound care and skin care markets. BioMed's manufacturing facility is ISO certified and complies with FDA cGMP, Health Canada and EU regulatory requirements.

Background to the Acquisition

Scapa's strategy in healthcare is to become the strategic outsource partner of choice for our global customer base through our offering of skin friendly turn-key solutions across the advanced wound care, consumer wellness and medical devices markets. We believe that we are well positioned to benefit from the increasing trend towards outsourcing in the healthcare sector and to increase our share of our customers' total spend.

BioMed is Scapa Healthcare's first investment in a non-adhesive based capability and expands Scapa Healthcare's reach with our existing customer base. Our broadened capabilities provide us with increased value proposition and greater access to the advanced wound care and ostomy accessories markets as well as enhancing our solutions within the consumer wellness sector. BioMed's management team will remain in the business and strengthen Scapa Healthcare's management team.

Benefits of the Acquisition

The Board believes the acquisition of BioMed brings the following advantages to Scapa:

- Allows Scapa Healthcare to better serve the ancillary accessories market for advanced wound care and ostomy segments
- Expands our turn-key value proposition in consumer wellness, including OTC and Health & Beauty
- Offers the opportunity to leverage Scapa Healthcare's global infrastructure to further drive BioMed's growth
- The acquisition is expected to be earnings enhancing in the first full year in the enlarged Group

Commenting on the acquisition, Heejae Chae, Group Chief Executive Officer said;

“The acquisition of BioMed, which further enhances our capabilities and takes us beyond the adhesive based value chain, is another key step in the execution of our healthcare strategy to be the single source for turn-key solutions to our global healthcare customers.”

Roger Liebelt, CEO of BioMed, commented:

“Becoming part of Scapa Healthcare’s growing business is an exciting step for BioMed. It is evident that Scapa values our strong foundation and valuable relationships with our customers and employees, which have been carefully considered throughout this process. I am confident that Scapa will build upon our shared principles to create greater value for customers.”

For further information:

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