

Cary Group strengthens its market position in the United Kingdom with the acquisition of Charles Pugh Holdings

Cary Group has signed an agreement to acquire 100% of UK company Charles Pugh Holdings Ltd ("Charles Pugh Holding"). The company is one of the UK's market leaders in vehicle glass repair and replacement, along with related wholesale business. The acquisition is important in bolstering Cary Group's position in the United Kingdom and enables synergies to be achieved together with Cary Group's existing UK operations. Charles Pugh Holdings is also part of the same consortium as Cary Group in the UK, National Windscreens. Charles Pugh Holding's sales for 2021 were approximately 56 MGBP and the company has around 500 employees.

"The acquisition of Charles Pugh Holdings is an important part of our strategy to improve our market position in the United Kingdom and, through synergies between Charles Pugh Holdings and our existing company in the UK, increase the profitability of our UK operations. Synergies the next 12 months are estimated to almost 2 MGBP on an annual basis. Charles Pugh Holdings wholesale operation will give us opportunities to optimise purchasing, wholesales and distribution in the UK market. Over time, we also see opportunities for further economies of scale and possibilities of sharing best practices to further increase our margins in the UK. The company, with its long history, has a well-run business and we look forward to them becoming part of the Cary Group", says Anders Jensen, CEO Cary Group.

The acquisition of Charles Pugh Holdings means that Cary Group's operations now account for the majority of the National Windscreens consortium, representing approximately 80% of the consortium's total revenue.

Founded in 1917, Charles Pugh Holdings has its head office and main wholesale facility in central UK. The company has always been family owned and has 28 workshops for vehicle glass repair and replacement, around 190 mobile units and a wholesale business where they sell vehicle glass to the majority of the UK market. Charles Pugh Holdings has around 500 employees and sales in 2021 totalled approximately 56[1] MGBP, with an adjusted EBITDA of 7,2 MGBP, corresponding to a margin of 13% and an adjusted EBITA of 5,4 MGBP corresponding to a margin of 10%.

Cary Group expects synergy effects to be achieved within the coming 12 months to almost 2 MGBP on an annual basis. Cary Group acquires Charles Pugh Holdings for a total purchase price of 65 MGBP on a debt and cash-free basis (so-called enterprise value). The acquisition corresponds to an EV / EBITDA multiple for 2021 of 9.0x excluding synergies and 7.2x including synergies.

The acquisition is financed by Cary Group's existing credit facility. Cary Group's financial target is "to have a maximum net debt in relation to an adjusted EBITDA of 2.5x. However, the quota may temporarily exceed 2.5x in connection with acquisitions". Net debt in relation to EBITDA as of 31 December 2021, proforma including the acquisition, amounts to 3.4x. Cary Group stands on a stable financial basis and the company generates strong cash flow. The leverage will be gradually reduced during the year.

The acquisition is subject to the approval of the National Windscreens consortium. The acquisition is expected to be completed during the second quarter of 2022.

Cary Group carries out platform acquisitions (expansion into new geographic markets), add-on acquisitions (acquisition of additional businesses on an existing market) and the acquisition of individual workshops. In 2021 and 2022, Cary Group has signed agreements for the acquisition of 20 companies with a total annual revenue of approximately SEK 1.7 billion.

Webcast

Analysts, investors, and journalists are welcome to participate in a telephone conference on 31 March 2022 at 10.00 CET, where Anders Jensen, CEO, and Joakim Rasiwala, CFO, will present the transaction and answer questions. Please dial in five minutes prior to the start of the conference.

Sweden: +46 856642651 PIN: 43471180#

UK: +44 3333000804 PIN: 43471180#

US: +1 6319131422 PIN: 43471180#

Link to the webcast: <https://tv.streamfabriken.com/cary-group>

For more information, please contact:

Anders Jensen, CEO, Cary Group

Tel.: **+46 10 121 96 12**

Helene Gustafsson, Head of IR & Corporate Communication

Tel.: +46 708 684 050

Email: helene.gustafsson@carygroup.com

About Cary Group

Cary Group specialises in sustainable solutions for vehicle glass repair and replacement, with a complementary offering in vehicle damage repair. With good accessibility, high-quality products and smart solutions, we help our customers make simplified and sustainable choices. We call it Smarter solutions for sustainable car care. For more information, please visit www.carygroup.com.

[1] Charles Pugh Holdings has a broken fiscal year, the accounts as of December 2021 are unaudited.

This information is information that Cary Group Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-03-31 08:30 CEST.

Attachments

Cary Group strengthens its market position in the United Kingdom with the acquisition of Charles Pugh Holdings