

06 August 2019

**Victoria PLC**  
(‘Victoria’, the ‘Company’, or the ‘Group’)

**Acquisition of  
Ibero Ceramica**

**Further Expansion in European Ceramic Flooring**

Victoria PLC, (LSE: VCP) the international designers, manufacturers and distributors of innovative flooring, is pleased to announce it has acquired the business and certain assets of high-quality Spanish ceramic flooring manufacturer, Iberoalcorense, S.L (“**Ibero**”) ([www.iberoceramica.com](http://www.iberoceramica.com)) (the "**Acquisition**").

The purchase price for the Acquisition is split into a payment on completion (the “**Completion Payment**”) and a contingent payment, which is to be paid in May 2020, subject to Ibero meeting a specific performance target (the “**Contingent Consideration**”). The Completion Payment represents less than 3x LTM earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) of Ibero and, assuming the Contingent Consideration is paid in full, the purchase price for the Acquisition would represent a multiple of less than 5x EBITDA for the 12 months prior to completion.

The Acquisition will be immediately earnings accretive on completion. The Completion Payment and Contingent Consideration will be funded from the Company’s existing resources.

Operating from a site in Castellon, (near Valencia), Ibero is strategically close to the Group’s existing Spanish ceramics manufacturers, Keraben and Saloni. Founded in 1958, it manufactures high quality porcelain ceramic flooring, which is sold both domestically and internationally. It sells to a combination of wholesalers, retail groups, and independent stores throughout Continental Europe, North America, and the Middle East.

For the year ended 31 December 2018, Ibero generated audited revenues of €30.9 million (£28.3 million) and adjusted EBITDA of €3.1 million (£2.8 million).

On completion, Victoria’s net debt to EBITDA ratio<sup>1</sup> will not increase. As previously stated, the Board believes leverage is at a comfortable level – especially given the Group’s high level of cash generation – and within Victoria’s stated acceptable level of debt.

**Geoff Wilding, Chairman of Victoria PLC, commented:**

"Ibero is a very high-quality manufacturer and is an excellent commercial fit with our existing Spanish ceramic operations and I am delighted that Victoria has secured this acquisition. In keeping with our acquisition criteria, Ibero is very well invested in terms of its manufacturing facilities and will be immediately earnings accretive and positively cash generative on completion.

In addition, there are also some material operational synergies with our existing Spanish businesses, which we will realise over the next 12 months. These synergies will not incur any meaningful exceptional costs.

We have been successful at negotiating a very attractive price for Ibero with the initial consideration being less than 3x the last 12 months EBITDA and, including the maximum earn-out payment, it will still be under 5x EBITDA – before considering the benefits of the expected synergies. These payments will be funded entirely from Victoria's current cash balances and will not require any further borrowings. Post-completion, nearly 75% of Victoria's earnings will come from outside the UK – continuing our transformation into an international flooring business.

It has been 12 months since our last acquisition, Ceramica Saloni, which has now been fully integrated within our Keraben operation and is contributing strongly to our performance with the realisation of material synergies. Our strategy of achieving scale through acquisitions and using that scale to extract operational synergies continues to deliver value for the Group. With a strong management team in place in Spain, we look forward to developing the Ibero business as part of Victoria.”

Exchange rate: £1:€1.09

<sup>1</sup> *as measured in line with our bank facility covenants*

- Ends -

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