

For immediate release

3 April 2023

Lords Group Trading plc
('Lords', the 'Group' or the 'Company')

Acquisition of Chiltern Timber Supplies

Lords, a leading distributor of building materials in the UK, is pleased to announce the purchase of Chiltern Timber Supplies Limited ('Chiltern Timber') for a total consideration of up to £1.65 million on a net cash free / debt free basis (the 'Acquisition'). The Acquisition is in line with the Group's stated IPO strategy, due to its complementary geographic position to the Group's existing Merchanting branches, offering product range extension and is expected to result in EBITDA margin expansion for Lords.

Established in 2013, Chiltern Timber is an independent timber merchant operating from a modern single site in Hemel Hempstead, Hertfordshire. The business specialises in providing hardwoods, special timber sections, timber landscaping products and veneered sheet material. The business also operates a modern milling facility, allowing it to offer a differentiated service to that of its competitors.

The Group believes that there is strong growth potential and synergies achievable from Chiltern Timber operating within the Lords business, given the ability for it to cross sell into the existing Lords customer base, improving the existing traditional merchant offering as well as through the provision of overhead optimisation. The Acquisition is expected to be earning accretive from completion and achieve a strong return on capital employed.

For year ended 31 December 2022, Chiltern Timber delivered £2.6 million of revenue and £0.25 million of EBITDA. The total consideration for Chiltern Timber is up to £1.65 million in cash on a net cash free / debt free basis, and is to be funded from the Group's existing facilities. The consideration payable is £1.175 million on signing and up to a further £0.475 million deferred equally over 12, 24 and 36 months on a contingent basis subject to Chiltern Timber delivering certain earnings targets.

Shanker Patel, Chief Executive Officer of Lords, said: "We are delighted to announce the successful acquisition of Chiltern Timber and are also really excited to welcome their ten colleagues to the Lords Group family. The acquisition is complementary to our existing Lords Builders Merchants business and will increase our customer base, broaden our product offering and enhance our UK geographic coverage."

- Ends -

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Notes to editors:

Lords is a specialist distributor of building, plumbing, heating and DIY goods. The Group principally sells to local tradesmen, small to medium sized plumbing and heating merchants, construction companies and retails directly to the general public.

The Group operates through the following two divisions:

- **Merchanting:** supplies building materials and DIY goods through its network of merchant businesses and online platform capabilities. It operates both in the 'light side' (building materials and timber) and 'heavy side' (civils and landscaping), through 26 locations in the UK.
- **Plumbing and Heating:** a specialist distributor in the UK of plumbing and heating products to a UK network of independent merchants, installers and the general public. The division offers its customers an attractive proposition through a multi-channel offering. The division operates over 16 locations enabling nationwide next day delivery service.

Lords was established over 35 years ago as a family business with its first retail unit in Gerrards Cross, Buckinghamshire. Since then, the Group has grown to a business operating from 42 sites. Lords aims to become a £500 million turnover building materials distributor group by 2024 as it grows its national presence.

Lords was admitted to trading on AIM in July 2021 with the ticker LORD.L. For additional information please visit www.lordsgrouptestingplc.co.uk.

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