

10 September 2024

Hill & Smith PLC
Acquisition of Whitlow Electric

Hill & Smith PLC ("Hill & Smith" or "the Group"), the international provider of sustainable infrastructure products and services, today announces the acquisition of Whitlow Electric Service Company ("Whitlow").

Acquisition of Whitlow

The Group has completed the acquisition of the business and assets of Whitlow from its shareholder, Bruce Whitlow, who will be staying with the business. The cash consideration is 30.2m (c.£23m), on a debt and cash free basis.

Whitlow, located in Elberton, Georgia, designs and manufactures a range of structural steel and substation components for the US electrical infrastructure market. Whitlow was founded in 1963 and is a business that the Group has known for many years, serving customers' utility infrastructure needs across the Southeast of the US, with a focus on Georgia, North Carolina, South Carolina, Virginia and Tennessee.

Whitlow will become part of the V&S Utilities Group, within our Engineered Solutions division, and builds on the successful acquisition and integration of Capital Steel in January 2024, broadening our geographic footprint in the US and providing access to new customers in the attractive Southeast market. With a well invested facility, it will also increase our structural steel fabrication capacity and present good opportunities for cross selling and margin expansion.

In the 12 months to 31 December 2023, Whitlow reported unaudited revenue of 27.4m, adjusted EBIT of 3.1m and gross assets as at 31 December 2023 of 10.7m. The acquisition will be funded from the Group's existing borrowing facilities and is expected to be modestly earnings enhancing to the Group in 2024.

Alan Giddins, Executive Chair, said:

"The acquisition of Whitlow is an excellent fit for Hill & Smith. The business operates in the high growth US electrical infrastructure market and builds on the successful acquisition and integration of Capital Steel earlier this year, adding a presence in the attractive Southeast US market. I am delighted to welcome Bruce Whitlow and his team to the Group.

We have now completed four acquisitions in 2024, consistent with our strategy to acquire complementary businesses within attractive, high growth markets."

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Notes to Editors

Hill & Smith PLC is a leading provider of sustainable infrastructure products and services. The Group employs c4,500 people worldwide with the majority employed by its autonomous, agile, customer focussed operating businesses based in the US, UK, Australia and India. The Group head office is in the UK and Hill & Smith PLC is quoted on the London Stock Exchange (LSE: HILS.L).

The Group's operating businesses are organised into three main business divisions:

Galvanizing Services: increasing the sustainability and maintenance free life of steel products including structural steel work, lighting, bridges and other products for industrial and infrastructure markets.

Engineered Solutions: supplying engineered steel and composite solutions for a wide range of infrastructure markets including power generation and distribution, marine, rail and housing. The division also supplies engineered pipe supports for the water, power and liquid natural gas markets and seismic protection solutions.

Roads & Security: supplying products and services to support road and highway infrastructure including temporary and permanent road safety barriers, intelligent traffic solutions, street lighting columns and bridge parapets. In addition, the division includes two businesses which are market leaders in the provision of off-grid solar lighting and power solutions. The security portfolio includes hostile vehicle mitigation solutions, high security fencing and automated gate solutions.

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