

A non-material typographical change has been made to the 'Divestment of B3 Ceramics Danismanlik ("Graniser")' announcement released on 19 November 2024 at 07.00 under RNS No 7690

The changes are identified with an asterisk ().*

The full amended text is shown below.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

Victoria PLC
(('Victoria' or the 'Group')

Divestment of B3 Ceramics Danismanlik ("Graniser")
Leverage & Earnings enhancing
Continuity of tile supply

Victoria PLC, (LSE: VCP) the international designers, manufacturers and distributors of innovative flooring, announces that it has sold Graniser, the Group's ceramic tile manufacturer based in Izmir, Turkey.

Key terms and rationale for the Sale

- Total consideration paid by the buyer, Mr Hasan Akgün, was €36.8 million (£30.9m¹) paid as to €10.0 million (£8.4 m¹) cash on completion, plus the assumption of €26.8 million (c. £22.5m¹) of net debt.
- A long-term supply agreement for the supply of Victoria Group-specific ceramic tiles at manufactured-cost pricing, which is expected to positively impact Victoria's earnings.
- Graniser has been negatively impacted by recent instability in several of its key markets, and for the 12 months ended 30 March 2024, Graniser generated audited underlying revenues of TL994.8 million (c. £30.1m²) and underlying EBITDA of TL13.4 million (c. £0.9m²). Net assets as per the Group's accounts was TL632.4 million (£13.7m²).
- Mr Akgün* is a member of the highly respected Akgün family, who established Akgün Group in 1925. The Akgün Group operates in construction materials, automotive, insurance, logistics and oil sectors across Turkey and internationally. Whilst remaining family-owned, it is now one of the largest companies in Turkey with 5,000 employees and 17 factories.
- Victoria's original investment case for the acquisition of Graniser was the diversification of the Group's ceramic tiles manufacturing footprint into a lower energy, labour, and raw material price environment. With the long-term manufactured-cost supply agreement this thesis remains wholly intact with the sale of the business - but with the advantage of freeing up capital for deployment elsewhere in the balance sheet.

Philippe Hamers, Group Chief Executive of Victoria, commented:

"Having experienced a difficult demand environment recently, the sale of Graniser to, and partnership with, Mr Akgün will provide Victoria's ceramic tiles business continued access to cost-effective tiles whilst contributing towards the deleveraging of the Group's balance sheet by reducing leverage by approximately 0.5 times.

"For the avoidance of doubt, the sale of Graniser will have no impact on our other Turkish businesses, which employ 900 people extruding synthetic fibre for our soft flooring factories, and manufacturing rugs for export to Europe and the United States, and remain an important part of the Group."

The person responsible for arranging the release of this announcement on behalf of the Company is Brian Morgan, Chief Financial Officer.

Notes

¹Converted to GBP at a rate of 1.19 GBP/EUR.

²Average GBP/TL conversion rate of 34.41

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About Victoria PLC (www.victoriapl.com)

Established in 1895 and listed since 1963 and on AIM since 2013 (VCP.L), Victoria PLC, is an international manufacturer and distributor of innovative flooring products. The Company, which is headquartered in Worcester, UK, designs, manufactures and distributes a range of carpet, flooring underlay, ceramic tiles, LVT (luxury vinyl tile), artificial grass and flooring accessories.

Victoria has operations in the UK, Spain, Italy, Belgium, the Netherlands, Germany, Turkey, the USA, and Australia and employs approximately 6,300 people across more than 30 sites. Victoria is Europe's largest carpet manufacturer and the second largest in Australia, as well as the largest manufacturer of underlay in both regions.

The Company's strategy is designed to create value for its shareholders and is focused on consistently increasing earnings and cash flow per share via acquisitions and sustainable organic growth.

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