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Vesuvius plc

Acquisition of the Molten Metal Systems business from Morgan Advanced Materials Plc. Expansion of the Group's and Foundry business's exposure to the faster-growing non-ferrous market segment and to India

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Summary

Acquisition of the Molten Metal Systems business from Morgan Advanced Materials Plc
Increases the Group's and the Foundry business's exposure to the faster-growing non-ferrous market segment and to India, in line with our strategic growth ambitions
The acquisition will generate significant cost synergies and will be accretive to Group return-on-sales and earnings per share from the first year of ownership, even before synergies are considered
Enterprise value of £92.7m, with the consideration comprising £20m of cash and newly issued shares in the Group's listed Indian subsidiary, Foseco India Limited
Neutral impact on leverage given EBITDA acquired, synergies and the split between cash and issuance of new equity by Foseco India Limited

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Vesuvius plc is pleased to announce that the Vesuvius group (the "Group") has today entered into an agreement to acquire the Molten Metal Systems ("MMS") business from Morgan Advanced Materials Plc ("Morgan") for an Enterprise Value of £92.7m on a cash free debt free basis. The acquisition will further expand the Group and our Foundry business into the faster-growing non-ferrous market segment. The business is highly complementary to our existing business and will take the Foundry division's share of revenue from non-ferrous sales from 21% (2024) to c.27% on a pro forma basis. It will also increase our manufacturing footprint and sales exposure to the attractive and fast-growing Indian market, a core growth market for the Group. We expect to realise significant cost synergies in manufacturing and overhead costs, increasing EBITDA by at least 50%, which will further drive value for the Group.

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About MMS

MMS supplies high-tech crucibles globally, principally in the non-ferrous market segment, with c.50% of revenue derived from aluminium producers and the majority of the remainder from copper alloys and precious metals. MMS had a turnover of c.£42m in 2024 (of which c.20% was in India) and EBITDA of c.£8m.

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Financial benefits to Vesuvius

The acquisition structure enables us to expand in this strategically important region and market segment, with limited cash expenditure and leveraging the value of our Indian listed subsidiary, Foseco India Limited ("FIL"). The acquired business is cash generative, and the acquisition is expected to be neutral to the Group's gearing on a pro-forma basis given the acquired EBITDA. The acquisition will generate significant cost synergies and will be accretive to Group return-on-sales and earnings per share in the first year of ownership, even before synergies are considered. We expect to increase EBITDA by at least 50% due to significant cost synergies.

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Structure of the acquisition

The business being acquired comprises the Indian-listed business, Morganite Crucible (India) Limited ("MCIL"), which is 75% owned by Morgan, and the remaining worldwide MMS business, which is 100% owned by Morgan (the "Transaction"). Consideration for the non-Indian business is £20m cash (subject to customary adjustments), while consideration for the 75% stake in MCIL will be satisfied by way of the issue of 1,150,800 new shares to Morgan by FIL, based on an exchange ratio of 0.274 FIL shares per one MCIL share, reflecting the relative valuation of the two entities. The value of the shares to be issued (based on the FIL share price as at 21 August 2025), is £55.8m.

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The transaction is expected to complete by early October 2025. On conclusion of the issue of consideration shares, FIL will own 75% of MCIL and Vesuvius will own c.64% of FIL, while Morgan will own c.15% of FIL on an enlarged pro forma basis. The balance of the shares in FIL and MCIL will remain with other public holders.

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The acquisition of the 75% stake in MCIL will trigger a Mandatory Tender Offer to be made by FIL to the public holders of the residual 25% of MCIL as per the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

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Patrick André, Vesuvius CEO said "I am delighted to welcome the MMS management team and activities within the Vesuvius Group. This transaction will enable us to accelerate our growth in the non-ferrous market segment, and in India, both being core growth areas for us. It is highly complementary to our existing business and due to significant cost synergies, will contribute to the improvement of the Group's and Foundry division's profitability. It is also structured in a cash-efficient way, neutral to gearing and will support our objective of deleveraging in the coming months."

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About Vesuvius plc

Vesuvius is a global leader in molten metal flow engineering and technology principally serving process industries operating in challenging high-temperature conditions. We develop innovative and customised solutions, often used in extremely demanding industrial environments, which enable our customers to make their manufacturing processes safer, more efficient and more sustainable. These include flow control solutions, advanced refractories and other consumable products and increasingly, related technical services including data capture.

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We have a worldwide presence. We serve our customers through a network of cost-efficient manufacturing plants located close to their own facilities, and embed our industry experts within their operations, who are all supported by our global technology centres.

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Our core competitive strengths are our market and technology leadership, strong customer relationships, well established presence in developing markets and our global reach, all of

which facilitate the expansion of our addressable markets.

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Our ultimate goal is to create value for our customers, and to deliver sustainable, profitable growth for our shareholders giving a superior return on their investment whilst providing each of our employees with a safe workplace where they are recognised, developed and properly rewarded.

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We think beyond today to create solutions that will shape the future.Â

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Forward looking statements

This announcement contains certain forward looking statements which may include reference to one or more of the following: the Group's financial condition, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or synergies, budgets, capital and other expenditures, competitive positions, growth opportunities for existing products, plans and objectives of management and other matters.

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Statements in this announcement that are not historical facts are hereby identified as "forward looking statements". Such forward looking statements, including, without limitation, those relating to the future business prospects, revenue, working capital, liquidity, capital needs, interest costs and income, in each case relating to Vesuvius, wherever they occur in this announcement, are necessarily based on assumptions reflecting the views of Vesuvius and involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by the forward looking statements. Such forward looking statements should, therefore, be considered in light of various important factors that could cause actual results to differ materially from estimates or projections contained in the forward looking statements. These include without limitation: economic and business cycles; the terms and conditions of Vesuvius's financing arrangements; foreign currency rate fluctuations; competition in Vesuvius's principal markets; acquisitions or disposals of businesses or assets; and trends in Vesuvius's principal industries.

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The foregoing list of important factors is not exhaustive. When considering forward looking statements, careful consideration should be given to the foregoing factors and other uncertainties and events, as well as factors described in documents the Company files with the UK regulator from time to time including its annual reports and accounts.

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You should not place undue reliance on such forward looking statements which speak only as of the date on which they are made. Except as required by the Rules of the UK Listing Authority and the London Stock Exchange and applicable law, Vesuvius undertakes no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward looking events discussed in this announcement might not occur.

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