

Castelnau Group plc
(“Castelnau” or the “Group”)
HORNBY AGREES SALE OF SCALEXTRIC

Castelnau Group Ltd (“Castelnau” or the “Company”), an investment company established to invest in public and private companies, is pleased to announce that Hornby Hobbies Limited (“Hornby”), a portfolio company of the Group, has agreed the sale of 100% of the Scalextric business, including its intellectual property and associated assets, to Scalextric Motorsports for a total consideration of £20.0 million. £8.5 million of the total consideration is payable in cash up front, with the remaining £11.5m deferred and payable out of free-cash flow. Completion of the sale is conditional upon certain consents, with completion expected to occur in early March.

Scalextric Motorsports has been established by Mark Brown, President and CEO of Purbeck Capital Partners, to be the holding company of the Scalextric business in the future. Mark brings extensive experience in brand growth, capital allocation and operational execution. As part of the transaction, Mark has agreed to an ongoing role helping Hornby with its wider strategic transformation, the end goal of which is to have a series of entrepreneurial, profitable brands operating sustainably and independently, led autonomously from the centre.

The sale represents an important milestone in Scalextric’s growth journey and crystallises value for Hornby. The proceeds of the sale will be used by Hornby to pay down debt and invest in its other individual brands. Scalextric’s operations will continue to be supported within Hornby’s existing infrastructure. Hornby will manage the Scalextric business as agent, ensuring operational continuity while enabling Scalextric Motorsports to focus on accelerating the brand’s next phase of growth.

Richard Brown, CEO of Castelnau, commented:

“Scalextric has made significant progress in recent years, and we are truly excited for its next phase. Mark has an outstanding track record of building global brands and has a clear and exciting vision for its future. We look forward to working closely with him going forward on the wider transformation at Hornby. This transaction is consistent with Castelnau’s strategic intention to ensure that our businesses are owned and led by the best owners to deliver their full potential.”

Olly Raeburn, CEO of Hornby Hobbies, commented:

“This is a hugely exciting development for the Scalextric brand, which builds on encouraging progress over the last couple of years. Mark’s leadership will bring enormous experience, energy and enthusiasm to the business and we look forward to supporting the execution of his vision and strategy. We have enjoyed working with him to get this transaction over the line and are now focused on converting all of the positive discussions into reality and growth for Scalextric.”

On behalf of Scalextric Motorsports, Mark Brown commented:

“We are both honoured and thrilled to be acquiring such an iconic British motorsport brand, which has been bringing family and friends together for motor racing competition, excitement, and fun at home for nearly 70 years, spanning four generations. As we look to a long-term future, with Scalextric as a now family-owned company, we are energised by the opportunity to continue bringing competitive racing fun to families, while expanding into new areas of motorsport and helping to build physical and hand-eye coordination skills, particularly at a time when families are trying to balance time spent online versus real world activities.”

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