



Press Release – 22nd March 2024

# **Navigator Paper UK Limited launches a public all-cash firm offer for the acquisition of Accrol Group Holdings plc**

Navigator Paper UK Limited is pleased to announce it has launched a public all-cash firm offer to acquire the entire issued and to-be-issued share capital of Accrol Group Holdings plc, a tissue paper converter based in the United Kingdom (UK). The offer is being implemented pursuant to a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

Accrol is a leading tissue converter and supplier of toilet tissues, kitchen rolls, facial tissues, and wet wipes to many of the UK's leading discounters and grocery retailers across the UK.

The Board of Directors of Accrol is recommending the offer, which is subject to the conditions and specific further terms set out in the corresponding announcement issued in accordance with Rule 2.7 of the UK City Code on Takeovers and Mergers, and to the full terms and conditions that will be set out in a subsequent document setting out the full terms and conditions of the proposed scheme of arrangement to implement the offer.

In the year ended 30 April 2023, Accrol posted revenues of £242 million, Adjusted EBITDA (as defined in Accrol's 2023 annual report) of £15.6 million and Net Debt (pre-IFRS16 standard) of £26.8 million.

For the Half-Year ending October 31st, 2023, Accrol had revenues of £100.3 million and Adjusted EBITDA of £10.2 million. This reaffirmed the Accrol Board's forecast annual revenues of £205 million and Adjusted EBITDA of at least £21.0 million.

Navigator Paper UK Limited is a wholly owned indirect subsidiary of The Navigator Company, S.A.. Navigator is a large Portuguese integrated pulp, paper, tissue, packaging and biomass-based energy company, listed on the Euronext Lisbon Stock Exchange, with a market capitalisation of approximately €2.75 billion on 21 March 2024 (being the latest practicable date prior to the announcement of the Offer). In the financial year ended 31 December 2023



Navigator reported consolidated revenues of €1,953 million and consolidated EBITDA of €502 million.

The Navigator Company is the European leader (excluding Russia) and is ranked 7th worldwide in capacity of production of fine printing and writing paper (Uncoated Woodfree Paper "UWF"), processing more than 1.6 million tonnes of paper per year. Furthermore, Navigator is Europe's largest producer of Eucalyptus Pulp (BEKP), producing circa 1.6 million tonnes per year and the largest eucalyptus forest producer and manager in Portugal, with circa 100,000 ha of forest under management.

In 2014 Navigator made the strategic decision to enter the tissue market, based on a business model comprising: (i) the production of tissue paper parent reels on a large industrial scale with direct integration of pulp into tissue production; (ii) converting facilities located in Navigator's core consumer markets of Western Europe and the UK; and (iii) serving both "At Home" and "Away from Home" client segments.

- In 2015, it acquired AMS Star Paper, which currently has the capacity to produce around 60,000 tons per annum of high-quality tissue paper and corresponding converting capacity.
- In 2018, it invested in a large-scale, greenfield tissue paper production plant at its industrial complex located in the Aveiro district, Portugal, which it integrated with its pulp mill and which now has tissue paper capacity of 70,000 tons per year and 55,000 tons of converting capacity.
- In 2023, it acquired the tissue consumer business of Spanish Gomà-Camps group as well as its industrial site located in the region of Zaragoza, which has a tissue paper production capacity of 35,000 tons and 55,000 tons of tissue converting capacity.

The Navigator Company now has a total production capacity of 165,000 tons of tissue paper and 180,000 tonnes of tissue converting capacity per year generating approximately €293 million of annual revenue in 2023.

Navigator sees Accrol as a key pillar in its strategy of sustained expansion of its tissue business in the Western European market.

Navigator's strategy is one of long-term value creation:

- It will focus on building on Accrol's market position as a trusted reference player in the UK tissue private label market and supporting its growth across all its core product segments.



- It expects Accrol to benefit from Navigator's expertise and experience in operating similar tissue operations, helping to drive efficiency and productivity, as well as benefitting from Navigator's additional balance sheet capacity and access to capital, which provide the ability to support future growth.
- Combining Accrol's industrial sites, personnel, and client commercial relationships into the Navigator Group has the potential to enhance its performance for the benefit of customers, employees and stakeholders.

The proposed acquisition of Accrol will reinforce Navigator's market positioning in the Western European tissue market. Navigator anticipates that would result in a consolidated turnover of approximately £500 million, with the UK market expected to contribute around 50 per cent. of Navigator's total tissue turnover.

**[www.thenavigatorcompany.com](http://www.thenavigatorcompany.com)**

***More Information***

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