

PROJECT LASER

ACQUISITION OPPORTUNITY



September 2025

An opportunity to acquire a leading distributor of building materials to the UK construction industry. Recent challenges in the construction industry, namely increased regulatory oversight and higher interest rates, have negatively affected trading. The Company now faces a near term working capital constraints and requires immediate investment. The Company is well positioned based on business growth plans when market conditions improve.

Overview

- Background:** The Company has been involved in the UK market since 2011 as a specialist construction material distributor. The Company primarily services London and the South-East.
- Products:** They focus on four main categories of product: 1) drylining / facades, 2) consumables, 3) fixings & power tools, 4) mechanical and electrical support systems (ESS).
- Customers:** The Company has strong existing relationships with its customers who are primarily sub-contractors in the construction sector; they are typically contractors of high-rise buildings (both residential and office).
- Unique Selling Points:** Relationship and advice driven sales team; one of the widest product ranges in the market (10,000+); same day / next day delivery; and modern IT systems allowing for live commercial management.
- Opportunity:** The Company's liquidity runway is forecast to run out at the end of September 2025. The Group has therefore decided to focus on other areas of the business. BTG Advisory have been appointed to run an accelerated sale process. Given the limited cash runway, the deadline for indicative offers is **5pm on 26 September 2025** with completion targeted by **3 October 2025**. We expect that interested parties will need to provide evidence of proof of funding in excess of £1.0m.

Financial Summary

P&L										
Year ended 31 December								Forecast		
£'m	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25O	FY26F	FY27F
Turnover	14.6	16.2	15.1	16.4	17.4	13.9	14.8	15.2	16.7	18.3
Gross Profit	3.8	4.3	3.6	4.2	4.3	2.8	3.1	3.2	3.8	4.4
EBITDA	1.1	0.8	0.4	0.4	0.1	(1.5)	(2.0)	(1.6)	(0.1)	0.3
Revenue growth %		11%	(7%)	9%	6%	(20%)	6%	3%	10%	10%
Gross Margin %	26%	27%	24%	26%	25%	20%	21%	21%	23%	24%
EBITDA margin %	7%	5%	3%	3%	1%	(11%)	(13%)	(10%)	(1%)	2%

Key Growth Pillars

Fire Protection Products

- Fire protection is an increasingly important area for the Company's customers following increased regulatory demands and heightened fire safety consciousness.
- The Company has recently established itself in this category with hire of two new experienced salespersons and additions to the product range in Q2 2025.
- This category will facilitate cross-selling opportunities with existing customers, increasing customer retention and opening revenue growth channels.

Further information is available upon completion of a Non-Disclosure Agreement (NDA), which will permit access to a comprehensive Information Memorandum. Enquires should be directed in the first instance to:

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Eddisons

September 2025

Data Centres

- The number of data centres in the UK is expected to grow by over 100 in the next 5 years.
- The Company already supplies many of the products that are used in the construction of data centres.
- Several of the Company's customers are winning contracts to construct data centres.
- The Company is therefore well positioned to benefit from this trend.

Market Dynamics

- Housing shortage is a key challenge in the UK. The UK Government has a target to build 1.5 million new homes over the 5-year period of the current UK Government.
- This directly benefits the Company as residential high-rise construction is one of its primary segments.

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