



25 August 2016

ESSENTRA

ESSENTRA PLC

A leading global provider of essential components and solutions

DIVESTMENT OF POROUS TECHNOLOGIES BUSINESS

Essentra plc (“Essentra” or “the Company”) today announces it has signed an agreement to divest its Porous Technologies business to Filtration Group. The transaction values Porous Technologies at £220m (of which c. £215m in cash and c. £5m in the form of a promissory note payable three years from completion), free of cash and debt. Filtration Group is an affiliate of Madison Industries.

The consideration, which is subject to customary adjustments for net debt and working capital at closing, will be payable on completion of the transaction (excluding the promissory note), with proceeds being used to pay down existing debt facilities and / or to fund further value-creating acquisitions. Completion is subject to customary closing conditions, including clearance from certain competition authorities as well as a necessary corporate reorganisation to dispose of the Porous Technologies business in certain jurisdictions, which are anticipated to be satisfied by Q1 2017.

With a global footprint of 80 facilities in over 20 countries, Filtration Group employs leading technology to drive innovation and develop filtration solutions for its highly diverse set of customers with offerings that span life science, process technologies, fluid and environmental air applications. As such, the acquisition of Essentra’s Porous Technologies business is expected to expand Filtration Group’s customer base and product portfolio.

For the year ended 31 December 2015, the Porous Technologies business generated external revenue of £91.6m and operating profit of £19.0m: gross assets as at this date were £114.8m. For the twelve months ended 30 June 2016¹, the external revenue was £93.7m and operating profit was £17.6m: gross assets as at this date were £127.7m. The pro forma impact of the transaction on Essentra’s leverage as at 30 June 2016 is to reduce the net debt to EBITDA ratio from 2.2x as reported to 1.4x.

Commenting on today’s announcement, Colin Day, Chief Executive, said:

“The divestment of Essentra’s Porous Technologies business is consistent with our Drive for 2020 strategic objective of active portfolio management, with the aim of creating sustainable, long-term shareholder value.

¹ The results for the twelve months ended 30 June 2016 are unaudited



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As a leading developer and manufacturer of custom vapour- and fluid-handling components, Porous Technologies is well-known for its ability to leverage its technical expertise in collaboration with its customers, to provide them with innovative, high-quality, reliable solutions. However, as Essentra continues to evolve, the positive characteristics of its Porous Technologies activities fit less well with the Company's overall business model and product portfolio.

As such, the transaction not only represents compelling value for Essentra shareholders, but also provides our Porous Technologies business with a strong platform for future successful development under the strategic ownership of Filtration Group.”

Market Abuse Regulation statement

This announcement contains inside information.

Enquiries

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Conference call

1. A copy of this announcement is available on www.essentraplc.com
2. The Company will hold a conference call to discuss the divestment of Porous Technologies at 08:30 (UK time) today, details of which are as follows:

Dial-in number: +44 (0)20 3427 0503 (UK / international participants)

+1 212 444 0481 (US participants)

Toll-free number: 0800 279 4977 (UK participants)

+1 877 280 2342 (US participants)

PIN code: 2866156

A recording of the audiocast will be made available on the website later in the day. A replay will additionally be available as follows:



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Replay number:	+44 (0)20 3427 0598 (UK / international participants) +1 347 366 9565 (US participants)
Toll-free number:	0800 358 7735 (UK participants) +1 866 932 5017 (US participants)
Replay access code:	2866156
Replay available:	For 7 days

Copies of the presentation used during the conference call will be available on the Company's website at www.essentraplc.com

Notes to Editors

About Essentra plc

Essentra plc is a FTSE 250 company and a leading global provider of essential components and solutions. Essentra focuses on the light manufacture and distribution of high volume, enabling components which serve customers in a wide variety of end-markets and geographies.

Component Solutions

The Components business is a global market leading manufacturer and distributor of plastic injection moulded, vinyl dip moulded and metal items. Operating units in 29 countries serve a very broad industrial base of customers with a rapid supply of products for a variety of applications in industries such as equipment manufacturing, automotive, fabrication, electronics and construction.

The Pipe Protection Technologies business specialises in the manufacture of high performance innovative products from commodity resins to engineering-grade thermoplastics and polymer alloys for use in a range of end-markets. Locations in four countries, combined with a wide distributor network, serve customers around the world.

Essentra Extrusion is a leading custom profile extruder located in the Netherlands which offers a complete design and production service. One of the first companies to extrude plastics in 1956, Essentra is now one of Europe's most advanced suppliers of co-extrusion and tri-extrusion to all branches of industry.

The Security business has access to a wide portfolio of products and services, including printers, software and consumables from leading manufacturers.



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Health & Personal Care Packaging

A leading global provider of packaging and authentication solutions to a diversified blue-chip customer base in the pharmaceutical, health & personal care, consumer and specialist packaging sectors. The business focuses on delivering value-adding innovation, quality and service through the provision of a wide range of printed products and solutions, including cartons, tapes, leaflets, foils, labels and authentication solutions.

The Speciality Tapes business has expertise in coating multiple adhesive systems in numerous technologies. With close to 3,000 adhesive products available for same-day shipping, Essentra's products can meet all high performance needs, from foam, magnetic, finger lift and acrylic high bond tapes to hook and loop and non-skid foam.

Filtration Products

Essentra Filter Products is the only global independent cigarette filter supplier. The nine worldwide locations, including a dedicated Technology Centre supported by three regional development facilities, provide a flexible infrastructure strategically positioned to serve the tobacco industry. The business supplies a wide range of value-adding high quality innovative filters, packaging solutions to the roll your own segment and analytical laboratory services for ingredient measurement to the industry.

Essentra Porous Technologies is a leading developer and manufacturer of custom fluid handling components, engineered from a portfolio of technologies that includes bonded and non-woven fibre, polyurethane foam and porous plastics. Representing innovations used in healthcare, consumer and industrial applications, its enabling components are found in a wide range of products from medical diagnostics tests to advanced wound care pads, inkjet printer cartridges, writing instruments, clean room wipes and air fresheners.

Headquartered in the United Kingdom, Essentra's global network extends to 33 countries and includes c. 9,000 employees, 53 principal manufacturing facilities, 64 sales & distribution operations and 5 research & development centres. For further information, please visit www.essentraplc.com.

About Madison Industries

Madison Industries ("Madison") is one of the largest and most successful privately-held companies in the world.

Madison builds entrepreneurially driven, branded market leaders that are committed to making the world safer, healthier and more productive, by creating innovative solutions that deliver outstanding customer value. The team at Madison is committed to building something truly remarkable that long outlasts them while coaching others to reach their highest potential.