

Press release

Abac closes the acquisition of the industrial arm of Intermas Group, a leading player in technical materials for industrial, agricultural and geotechnical applications

Under the agreement, Abac is acquiring the group's manufacturing division, while Catral is acquiring the gardening distribution business

8 September 2022. Private equity fund Abac Sustainable Value II FCR ("Abac") has completed the acquisition of Intermas Group ("Intermas"). Abac, a fund specialised in sustainable value investments in the mid-market segment, plans to boost growth in Intermas's industrial business, by promoting the company's innovative material technology and sustainable product lifecycles. In parallel, Catral Garden & Home Depot, SA ("Catral"), a gardening company owned by J.P. Morgan and Blackpearl, are acquiring the group's gardening and DIY division.

Intermas, which is headquartered in Llinars del Vallès (Barcelona, Spain), was started by the founding family over six decades ago and currently generates annual revenues of approximately €190 million. The industrial business acquired by Abac has sales totalling €108 million. The industrial division manufactures and sells high-performance technical materials for a broad spectrum of end products. For example, the materials made by Intermas are used in industrial applications for wind turbine blades and air and water filters; in geotechnical applications such as drain membranes and erosion control netting; and in agricultural applications such as protective tree and crop netting. The group operates five factories in Spain, France and Italy and has commercial offices in the US. It sells its products in more than 85 countries, with around 80% of its sales generated outside of Spain.

Abac, the only Spanish mid-market asset manager with the B Corp sustainability certification, plans to provide Intermas's industrial business with the resources needed at the strategic, operational and financial levels to accelerate its expansion and foster more sustainable solutions. Abac will build on the company's existing talent and development capabilities, which have earned Intermas a leadership position in a broad spectrum of material technologies.

Borja Martínez de la Rosa, one of Abac Capital's founding partners, commented on the transaction: "Intermas's industrial business is well-diversified geographically and sector-wise and operates in markets that are relatively uncorrelated with limited dependence on discretionary spending. Intermas's products are highly valued by its customers thanks to their high quality and extensive range. The company's productive and commercial flexibility and excellent service standards are also top-rated attributes. Our ambition is to unlock new opportunities for the company, including expanding in certain markets where it has a smaller footprint and making sustainability a tool for value creation. We also do not rule out the possibility of add-on acquisitions to accelerate sector consolidation".

Abac Capital was advised on the transaction by KPMG (due diligence), EY (legal) and Attalea Partners (ESG). Catral's legal counsel, was Garrigues. Intermas Group was advised by DC Advisory (M&A), PwC (due diligence), Broseta (legal) and Roland Berger (sales due diligence).

About Abac Capital

Abac Capital is a private equity fund manager supported by institutional investors from Europe, the US and Asia Pacific. It invests in mid-cap Spanish companies with scope for international expansion. The Abac team, led by Oriol Pinya, Borja Martínez de la Rosa and Federico Conchillo, boasts more than 100 years' experience in the private equity sector and a track record that includes a broad spectrum of sectors, markets, development phases and types of debt and equity instruments. Abac Capital is B Corp-certified, evidencing its commitment to sustainability. The investment portfolio currently consists of Plating Brap, a leading European player in electrolytic plating for plastic parts with applications in multiple sectors; Avanza Food, a multibrand restaurant group; Motocard, the leading Spanish motorbike accessory retailer; Grupo Agroponiente, a leading agricultural company in southern Europe; Iberfrasa, a manufacturer of personal hygiene and home-cleaning products and the leader in the private-label brand segment in Spain; Nuzoa, a veterinary product distributor; and Kitchen Bath Ventures, a company which designs and manufactures kitchen furniture. www.abaccapital.com

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