

Sycomore Corporate Finance advises CRH plc in its proposed Acquisition of certain assets being disposed by Lafarge S.A. and Holcim Ltd

February 2nd, 2015

CRH plc ("CRH") announces that it has entered into a binding commitment to acquire certain assets (hereafter referred to as "NewCo" or the "Business") from Lafarge S.A. ("Lafarge") and Holcim Ltd ("Holcim" and together with Lafarge referred to as the "Sellers") for an Enterprise Value of €6.5bn (the "Acquisition").

NewCo is a global producer of cement, aggregates, ready-mix and related construction activities across four major platforms in North America, Western Europe, Central & Eastern Europe and Emerging Markets. In 2013 NewCo produced 23mt of cement, 79mt of aggregates, 8mt of Asphalt and 10m m³ of RMC. NewCo is expected to generate 2014E revenue of €5.1bn and EBITDA of €752 million. Approximately two-thirds of NewCo's revenue is generated in the European region. Outside Europe, Canada is the largest country in terms of 2014E revenue, generating €1.0bn, with Brazil and the Philippines generating a further combined €0.6bn.

The Business has market leading positions and covers all segments of the building materials sector in developed, transition and emerging markets. It operates 24 integrated cement plants together with 10 grinding stations for a total capacity of approximately 36 million tonnes per annum. NewCo has approximately 15,000 employees across 11 countries (Canada, the United States, Great Britain, Romania, Serbia, Slovakia, Hungary Germany, France & La Reunion, Brazil and the Philippines).

The Acquisition has significant value creation potential as CRH has identified € 90m of synergies (net of implementation costs) (1.8% of NewCo revenue) that will be achieved in the first three years post acquisition. These synergies will be delivered by implementing CRH's procurement programmes, reducing costs through operational improvements and restructuring support services. These estimated financial benefits are contingent on the Acquisition and could not be achieved independently.

In the context of the transaction, Sycomore Corporate Finance acted as a financial adviser to CRH.

The transaction team comprised François Vigne, Tristan Dupont and Aurélien Singer.