

STOCK EXCHANGE ANNOUNCEMENT

15 December 2021

DCC plc acquires Almo Corporation in Group's largest acquisition to date

DCC Technology North America to more than double in size

DCC plc, the leading international sales, marketing, and support services group, announces that DCC Technology completed the acquisition of Almo Corporation ("Almo" or the "Business") on 14 December 2021. The acquisition was based on an initial enterprise value of approximately \$610 million (£462 million) on a cash-free, debt-free basis. The transaction represents DCC's largest acquisition to date and materially expands DCC Technology's successful and growing North American business. The Business was acquired in a bilateral transaction from the Chaiken family, who have owned and managed Almo since its foundation 75 years ago.

DCC has now committed c.£550 million to acquisitions in the financial year ending 31 March 2022. DCC management will host a webcast at 9.00 am this morning (details below) to provide an update on the Group's strategy and development priorities, DCC's growth in North America and the acquisition of Almo.

The acquisition of Almo is a major step in the continuing expansion of both DCC and DCC Technology in North America. DCC Technology entered the North American market in 2018 and since then has expanded significantly, through a combination of strong organic growth and acquisition activity. Together with DCC Technology's existing platform, the acquisition of Almo will create the leading, specialist, Pro AV business in North America. The North American market is the largest B2B and consumer technology market in the world and the acquisition will enhance DCC Technology's presence and capability in the consumer channel where Almo is also the largest national distributor of consumer appliance and lifestyle products. It is led by a highly experienced management team with a high-quality sales, marketing and operating infrastructure.

Key Transaction Features:

- Almo is a leading specialist sales, marketing and value-added distribution business, operating across the B2B and consumer channels for Pro AV, consumer appliances, consumer electronics and lifestyle products, with revenue of approximately \$1.3 billion¹ (£1.0 billion).
- By combining Almo's Pro AV offering with DCC Technology's existing Pro AV operations, the synergistic acquisition will create the leading, specialist, Pro AV business in North America.
- The acquisition will significantly increase the scale of DCC Technology's overall business in North America: on a pro-forma basis, DCC Technology will have revenue of approximately \$2.3 billion (£1.7 billion) in the region.
- The enlarged business will have increased management and operational capability to be a consolidator in a fragmented, growing market.

¹ Based on Almo's most recent financial year ended 30 April 2021

- Consideration based on an initial Enterprise Value, on a debt-free, cash-free basis of c.\$610 million (£462 million).
- Underlying EBITA of c.\$75 million¹ (£57 million).
- Significantly EPS accretive, with adjusted EPS accretion of approximately 10%² in first full year of ownership.
- The acquisition is expected to generate a return on capital employed well above DCC's cost of capital from completion. It is expected to generate a return on capital employed of 15% within three years.

The vast majority of the consideration was paid in cash on completion from DCC's existing resources. The remaining consideration will be payable based on a number of performance criteria over the periods to 31 March 2024.

Almo:

Founded in 1945, Almo is a leading specialist sales, marketing and value-added distribution business in the United States, selling to integrators, resellers, dealers, retailers and e-tailers nationwide. Almo is one of the largest specialist Pro AV businesses in the United States and is a leading national distributor of consumer appliances, consumer electronics and lifestyle products. The business is headquartered in Philadelphia and employs approximately 660 people across the United States.

Almo is renowned in its market for providing excellent customer service and has enduring customer and supplier relationships. Almo provides products from many of the world's leading Pro AV and appliance manufacturers, including from many of DCC Technology's existing partners in Europe. The Business operates from several sales offices and from nine warehouse facilities across the United States. Almo has nationwide distribution capability from its c.2.5 million square feet (230,000 square metres) of warehousing. Its footprint and service level enables it to be a leading provider of e-commerce fulfilment services.

Almo is aligned with the DCC culture of sustainable growth and has a plan to be carbon neutral by 2024. The business has 740,000 square feet (69,000 square metres) of warehousing space powered by solar energy.

Almo will continue to be led by its current CEO, Warren Chaiken. His experienced and ambitious management team, which has a track record of delivering strong organic and acquisitive profit growth, will also continue with the business. DCC Technology's existing Pro AV operations in North America will be combined with Almo to create the leading specialist Pro AV business in the market.

In its latest financial year ended 30 April 2021, Almo recorded revenues of \$1.3 billion (£1.0 billion) and had underlying EBITA of \$75 million (£57 million). Its gross assets at 30 April 2021 were \$409 million (£310 million).

¹ Based on Almo's most recent financial year ended 30 April 2021

² Based on DCC plc's year ended 31 March 2021

Donal Murphy, Chief Executive of DCC plc, said today:

"We are delighted to welcome Almo into the DCC Group and we would like to thank the Chaiken family for choosing DCC as their partner for the next phase of growth and development of the Business. The synergistic acquisition of Almo more than doubles the size of our North American technology business. It will create the leading, specialist Pro AV player in the US, as well as providing the Group with real scale across the ecommerce and consumer channels, through Almo's significant presence in the growing lifestyle, consumer appliance and electronics markets.

The acquisition of Almo and other recent acquisitions in DCC Technology and DCC Healthcare are consistent with our ambition to really scale our operations in these higher growth sectors. We are very pleased with the Group's progress since we first entered the North American market in 2018, where we have built substantial and successful businesses across the healthcare, technology and energy sectors. We have great opportunity for future expansion, given the platforms we've created, the attractive growth dynamics and the scope for consolidation."

Presentation – audio webcast and conference call details:

DCC will host an audio webcast and conference call for analysts and institutional investors at 09.00 GMT today, Wednesday 15 December 2021. The presentation will provide an update on the Group's strategy and development priorities, DCC's growth in North America and the acquisition of Almo. The slides for this presentation can be downloaded from DCC's website: www.dcc.ie. The access details for the presentation are as follows:

Ireland: +353 (0) 1 536 9584

UK: +44 (0) 2039 362 999

International: +44 (0) 2039 362 999

Passcode: 935642

Webcast Link: <https://www.investis-live.com/dcc/61b1f5bcb81c4712006b3d6e/gevx>

A replay of the webcast and transcript will be made available at www.dcc.ie shortly after the event.

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Note:

This announcement contains inside information for the purposes of the UK version of Regulation (EU) No. 596/2014 on Market Abuse.

About DCC plc

DCC is a leading international sales, marketing and support services group with a clear focus on sustainable growth. DCC is an ambitious and entrepreneurial business operating in 21 countries, supplying products and services used by millions of people every day. Building strong routes to market, driving for results, focusing on cash conversion and generating superior sustainable returns on capital employed enable the Group to reinvest in its business, creating value for its stakeholders.

Headquartered in Dublin, the Group operates across three sectors: energy, healthcare and technology, employing approximately 15,000 people. DCC plc is listed on the London Stock Exchange and is a constituent of the FTSE 100. In its financial year ended 31 March 2021, DCC generated revenue of £13.4 billion and operating profit of £530.2 million.

DCC has an excellent record, delivering compound annual growth of 14% in operating profit and generating an average return on capital employed of approximately 19% over 27 years as a public company.

About DCC Technology

DCC Technology is a leading sales, marketing and value-added services partner for global technology and lifestyle brands. DCC Technology, which principally trades under the Exertis brand, provides a broad range of technology and lifestyle products and services to customers across the consumer, B2B and enterprise markets. It operates in 19 countries with its principal operations in the US, Canada, the UK, Ireland, France, the Netherlands, Sweden and the United Arab Emirates.