

08:10 21 Jun 2019

Halma to buy Australia-based Ampac for A\$135mln

UK smoke detector maker Halma PLC (LON:HLMA) is set to expand the business Down Under after agreeing to buy Australia-based Ampac Group for A\$135mln.

Ampac sells smoke detectors, alarm systems and fire control panels in Australia, New Zealand, Asia and the Europe, Middle East and Africa region.

Halma said it will pay for the acquisition in cash using existing facilities and Ampac will become part of its infrastructure safety division.

READ: Halma hops to new high as results unsurprisingly hit the mark
Last year Ampac generated revenue of A\$57mln and earnings (EBIT) of A\$13.7mln.

"This is an exciting acquisition that extends our geographic footprint and strengthens the intellectual property of our fire detection businesses," said chief executive Andrew Williams.

"Ampac brings a strong brand, robust technology and well-established routes to market, and has been a partner for our business for several decades.

"Its highly complementary technologies will strengthen our value proposition, and it is well positioned to benefit from Halma's Growth Enablers."

Shore Capital maintained a 'hold' rating and target price of 2,028p.

The broker said the acquisition represents a continuation of the group's strategy to acquire regional partners in the fire detection markets and follows the successful acquisitions of Limotec in Belgium in 2018 and Advanced Electronics in the UK in 2014.

"In our view, Halma is a quality business with long-term growth drivers (increasing: health and safety regulation, demand for healthcare services in developing economies and demand for life-critical resources) and strong margins but at 36x our FY2020 EPS forecast, valuations continue to look stretched," it said.

Price: 2114

Market Cap: £8.03 billion

1 Year Share Price Graph



Share Information

Code: HLMA

Listing: LSE

52 week	High	Low
	2151	19.025

Sector: Manufacturing & engineering

Website: www.halma.com

Company Synopsis:

Halma p. l. c. is a United Kingdom-based holding company. The business sectors of the Company are infrastructure sensors, health and analysis, and industrial safety. The infrastructure sensors sector is engaged in detecting hazards, and protecting people and property in buildings. The health and analysis sector is engaged in improving public and personal health, and protecting the environment.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security,

portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.