

Regulatory Story

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Stanley Gibbons Group PLC - SGI Strategic Review and Formal Sales Process
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The Stanley Gibbons Group plc

("Stanley Gibbons", the "Group" or the "Company")

Strategic Review and Formal Sales Process

Background

Following a complete overhaul of the Board and the executive leadership last year, the Company has now been comprehensively restructured. During this time the new Board has successfully reduced annualised operating costs by over £10.0million and announced disposals totaling £6.3million from the sale of parts of the Interiors Division to date. The Group now has a clear focus and understanding of its competitive advantages and achievable corporate goals. The core activities of the Group are now conducted via Baldwin's, Stanley Gibbons, Murray Payne and Apex, which share similar characteristics alongside the commercial advantages associated with being market leaders in the numismatic and philatelic markets respectively, including:

- large global markets;
- brand integrity and leadership;
- loyal collector customer base;
- invaluable industry expertise which is revered worldwide; and
- heritage.

The restructuring program has created a Group that is now much more stable than at any time in the last 18 months. The Board's success in achieving divestments from non-core assets to generate investment capital for the Group and the recent approach from Disruptive Capital, leaves the Board determined to ensure that the underlying strength of the core business is fully reflected in shareholder value. The Directors believe that Stanley Gibbons with its heritage brands and expertise has significant strategic value not only in its existing core markets but also across the broader global collectibles market, particularly the Middle East and Asia. Unlocking this incremental long term value is likely to require further investment and the Directors believe that it is likely therefore that such value is best delivered either within a larger group or alongside a strategic investment.

Against this backdrop, the Board had resolved to conduct a full strategic review to investigate the options open to them which, for the avoidance of doubt, could include a sale of some or all of the Group. The Board has appointed finnCap Ltd ("finnCap") to conduct this review.

Strategic Review and Formal Sale Process

In order to maximise the effectiveness of the strategic review the Board is announcing today a formal sale process as set out in Note 2 of Rule 2.6 of the Code for that aspect of the review that could result in a sale of the Company. Parties with an interest in making an offer for the entire issued and to be issued share capital of Stanley Gibbons should contact finnCap through the contact details set out at the end of this announcement.

Any interested party will be required to enter into a non-disclosure agreement with the Group on reasonable terms satisfactory to the Board and on the same terms, in all material respects, as all other interested parties before being permitted to participate in the process. Following execution of an agreed non-disclosure agreement, the Group intends to provide interested parties with certain information on the business. After which, interested parties shall be invited to submit proposals to finnCap. The Group expects to invite proposals to be made during the course of the summer 2017 and will update shareholders on this and other aspects of the strategic review as and when appropriate. Shareholders should note that as announced on 9 June 2017 the Company is already in receipt of an approach from Disruptive Capital that may or may not lead to an offer for the business. As set out below, there can be no certainty that an offer will be made or as to the level at which an offer or proposal will be made.

The Takeover Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Code such that any interested party participating in the formal sale process will not be required to be publicly identified as a result of this announcement (subject to Note 3 on Rule 2.2 of the Code) and will not be subject to the 28 day deadline referred to in Rule 2.6(a) for so long as it is participating in the formal sale process.

The Board reserves the right to alter any aspect of the formal sale process or terminate it at any time and will make further announcements as appropriate. It also reserves the right to reject any approach or terminate discussions with any interested party at any time. The Board is being advised by finnCap (as regards the formal sale process) and finnCap (as Rule 3 adviser in the event that Stanley Gibbons receives an offer or offers for the issued share capital of the Group).

A copy of this announcement will be made available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.stanlevgibbonsplc.com by no later than 12 noon (London time) on the business day following the release of this announcement in accordance with Rule 26.1 of the Code. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

There can be no certainty that any offer will be made for the Group, or even proposed, or as to the level at which any proposal or offer that may be made.

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