
Press release
2018-12-21

Fagerhult signs an agreement to acquire iGuzzini illuminazione S.p.A. and intends to make a rights issue of approximately MEUR 220

AB Fagerhult (publ) (“Fagerhult” or the “Company”) has today entered an agreement to acquire all the shares of iGuzzini illuminazione S.p.A (“iGuzzini”), (the “Transaction”), creating one of Europe’s largest and leading professional lighting groups. With iGuzzini joining the Fagerhult Group, the combined companies will have a strong position in Europe and a strong platform to grow sales globally. The combined companies will have annual consolidated net sales of over MSEK 8,000.¹

“iGuzzini is an iconic and great company. They have a strong brand and they have managed to build a successful international business with a global customer base. iGuzzini is also very complementary to the Fagerhult Group, both in terms of geography and product offerings. I look forward to building on their success and working with Adolfo Guzzini (President of iGuzzini) and Andrea Sasso (CEO of iGuzzini) – who, in addition to remaining in their respective executive roles within iGuzzini, will assume important roles in the top management of Fagerhult”, comments Bodil Sonesson, CEO Fagerhult Group.

“iGuzzini is very proud to join the Fagerhult Group, together we are creating a European professional lighting champion and the Guzzini family have the aim to be a very important shareholder of the new combined entity”, comments Adolfo Guzzini, President iGuzzini.

Based in Recanati, Italy, iGuzzini is a very well-known and globally respected professional lighting company with a high brand awareness particularly amongst specifiers and lighting designers. Founded in 1959, the company designs, manufactures and markets professional lighting solutions for indoor and outdoor lighting application areas. Approximately 80% of iGuzzini’s net sales are outside Italy with strong sales in the largest European markets as well as a growing presence in North America. For the financial year ending 31 December 2018, iGuzzini is expected to have net sales of MEUR 240, an EBITDA margin of 14-15% and to employ 1,470 employees.

iGuzzini joining the Fagerhult Group will; strengthen the Group’s position in the high-end specification market broaden the Group’s product offering in key areas such as outdoor, hospitality and retail and it will increase the Group’s exposure to geographical markets such as Italy, Switzerland, Spain and North America.

Transaction Details

- Fagerhult is to acquire iGuzzini for MEUR 385 on a cash and debt free basis (Enterprise Value)
- 26% will be paid in new Fagerhult shares, issued through an issue in kind to the current shareholders of iGuzzini (the “Issue in Kind”), who will be subject to customary lock-up undertakings
- 74% will be paid in cash, financed through new and existing credit facilities and a bridge loan facility

¹ The presented financial information is solely intended for illustrative purposes and should not be viewed as pro forma accounts.

- The bridge loan, post-closing of the Transaction, is intended to be repaid with proceeds from a new share issue with pre-emptive rights for Fagerhult's shareholders of approximately MEUR 220 (the "Rights Issue")
- Fagerhult estimates significant procurement savings and medium-to-longer term sales synergies and is targeting MEUR 8 of annual EBITDA synergies by 2022
- The Transaction is subject to, *inter alia*, customary competition authority approvals in Germany and Russia as well as necessary resolutions relating to the Issue in Kind. The Transaction is expected to close in the first quarter of 2019. The Rights Issue is expected to be launched shortly after closing of the Transaction.

A notice to an extraordinary general meeting in Fagerhult will be published separately within short. The extraordinary general meeting is to be held in the beginning of 2019 in order for the Fagerhult Board to obtain necessary issue authorisations to pass resolutions on the Issue in Kind and the Rights Issue.

Fagerhult's largest shareholder Investment AB Latour, holding shares representing approximately 49 percent of the votes and shares in Fagerhult², has expressed its support of the Transaction and has undertaken to vote for the Board's proposals at the extraordinary general meeting and to subscribe for its pro-rata share of the Rights Issue. In addition, Lannebo Fonder and Swedbank Robur Fonder, together holding approximately 12 percent of the votes and shares in Fagerhult², have expressed their support of the Transaction and that they have the intention to subscribe for their respective pro-rata shares of the Rights Issue, details of which will be announced at a later date.

More information on iGuzzini is available at www.iguzzini.com

Fagerhult has been advised by Handelsbanken Capital Markets, Alantra, PwC, Wesslau Söderqvist, Vinge and Hogan Lovells.

iGuzzini has been advised by Tamburi Associati (TIP), Fivelex, Hamilton Advokatbyrå and EY.

This is information that AB Fagerhult (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the person set out below, at 17.30 CET on 21st December, 2018.

Habo 21st December 2018

For more information please contact:

Bodil Sonesson
CEO
tel: +46 72223 7602
e-mail: bodil.sonesson@fagerhult.se

Michael Wood
CFO
tel: + +46 73087 4647
e-mail: michael.wood@fagerhult.se

² Based on Fagerhult number of shares outstanding: the number of registered shares less repurchased own shares.