

NIBE acquires Dutch Group Climate for life (CFL)

NIBE Industrier AB has signed an agreement to acquire 100% of the shares in the Dutch Group Climate for life (CFL) from its current shareholders including majority shareholder Parcom and its co-investor Smile Invest.

CFL is a successful developer, producer and seller of energy-efficient solutions in the areas of heating and cooling, hot water, ventilation and control technology (HVAC). CFL has a strong position in the Dutch residential and commercial market and is driven by its ambitions in energy-neutral living, a reputable player with impressive knowledge and a strong product offering in water heaters, heat pumps and ventilation.

The company operates through its subsidiaries Itho Daalderop, Klimaatgarant and Exploitatie and is active in the Netherlands and Belgium. In 2022, the business had annual sales of EUR 221 million (approximately SEK 2,580 million) with an EBITDA of EUR 40 million corresponding to an EBITDA-margin of 18,1%. For 2023, a considerable growth in revenue and EBITDA is expected. The company is headquartered in Tiel in the Netherlands and is a combination of multiple acquisitions and mergers. The earliest roots of the company date back to the founding of Daalderop in 1880.

- *“CFL and NIBE are both household names in climate solutions with a strong heritage, similar business values and culture, as well as a long-term commitment to the industry. The two businesses have an overarching geographical footprint and will together be one of the larger climate-solutions providers in Europe. This allows the combined companies to better serve a larger customer base with innovative, sustainable and affordable quality products,” says Gerteric Lindquist, CEO of NIBE Industrier.*
- *“Furthermore, the two businesses are complementary in terms of product offering. NIBE is convinced that CFL’s high-quality assortment has very strong potential in certain segments where NIBE is currently underrepresented.”*
- *Bas Korte, CEO of CFL; “Since 2000, we have focused on making homes sustainable with innovative climate solutions. We have grown into a strong supplier of heat pumps, ventilation and hot water. The growth we have achieved in recent years is partly due to the substantial investment plan that we have successfully implemented with our partner Parcom. Today we are ready for another long-term growth spurt. We were convinced this was the right time to explore joining forces with a strategic partner. In NIBE we have found the partner that fits us perfectly in terms of a sustainable DNA, corporate culture and long-term strategy to help realize our ambitions both in the Benelux and beyond.”*
- *Willem-Jan Merckel, Partner at Parcom; “During our partnership, CFL continued its strong growth trajectory. The company has invested in the expansion of its production facility in Tiel and its focus on and investments in R&D have led to the introduction of, amongst others, a new heat pump targeting the residential market. We strongly believe NIBE is the right partner for CFL to accelerate its growth path and we are confident that CFL will continue to play an important role in making the housing market more sustainable.”*

NIBE

CEO Bas Korte and CFO David Eddes will remain in their positions to ensure a smooth transition period towards the end of 2023 and will thereafter continue to support CFL. It is envisaged that, as of January 1, 2024, Kerst Algera will take over as CEO and Ingmar den Blanken will take over as CFO.

The enterprise value of EUR 640 million for 100% of the share capital corresponds to an EV/EBITDA multiple of 13.6x, based on a forecasted EBITDA 2023 of EUR 47m, and excluding potential synergies. NIBE will finance this transaction from readily available funds.

The transaction remains subject to customary approvals from the competition authorities concerned and applicable employee consultation. The company will be part of the NIBE Climate Solutions business area and consolidation with NIBE is expected to take place as of 1 September 2023. Until such approvals and closing of the transaction are obtained, the two companies will continue to operate independently.

Delphi and Lexence have served as legal advisors and ABN AMRO Corporate Finance and Mazars as financial advisors to NIBE in connection with the acquisition.

For more information: Gerteric Lindquist, CEO and Hans Backman, CFO, +46 (0) 433 27 30 00

NIBE Industrier AB (publ) is required to disclose the information in this press release under the EU's Market Abuse Regulation. This information was submitted by the contact persons above for publication on June 12, 2023 at 08:45 CET.

Climate for life

'Climate for life' is a vision to which the Climate for life Group has been committed with heart and soul for years. With the aim that everyone can live in comfortable, healthy and energy-efficient homes. This vision is realised by developing, producing and selling energy-efficient solutions in the field of heating and cooling, hot water, ventilation and control technology. Climate for life focusses not only on products, but on integrated system solutions. Innovations that make completely energy-neutral living possible. Climate for life Group is located in Tiel (head office), Schiedam and Zellik (near Brussels) and realised a turnover of 221 million euros in 2022.

NIBE Group – an international group with companies and a presence worldwide

NIBE Group is a global organisation that contributes to a lower carbon footprint and better utilisation of energy. In our three business areas – Climate Solutions, Element and Stoves – we develop, manufacture and market a wide range of eco-friendly, energy-efficient solutions for indoor climate comfort in all types of properties, plus components and solutions for intelligent heating and control in industry and infrastructure.

Since its beginnings in the town of Markaryd in the province of Småland 70 years ago, NIBE has grown into an international company with an average of 21,300 (20,400) employees and a global presence. From the very start, the company has been driven by a strong culture of entrepreneurship and a passion for corporate responsibility. Its success factors are long-term investments in sustainable product development and strategic acquisitions. Combined, these factors have brought about strong, targeted growth, which generated sales of just over SEK 40 billion (SEK 30 billion) in 2022.

NIBE has been listed under the name NIBE Industrier AB on the Nasdaq Nordic Large Cap list since 1997, with a secondary listing on the SIX Swiss Exchange since 2011.

Parcom

Parcom, founded in 1982, is a Dutch investment company that helps entrepreneurs and management teams achieve their ambitions and supports them in phases of sustainable growth or transformation. Parcom combines thorough and sound analysis with pragmatic and creative solutions. Parcom believes that people make the difference and works 'hands-by' alongside the management teams of its partner companies. The Parcom team currently invests out of Fund VI with total committed capital of €775 million.