



SPAFID CONNECT

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Diffusione presunta

Oggetto : Sabaf: agreements were signed for the acquisition of a 68.5% stake in the share capital of C.M.I. s.r.l.

Testo del comunicato

Vedi allegato.

SABAF: AGREEMENTS WERE SIGNED FOR THE ACQUISITION OF A 68.5% STAKE IN THE SHARE CAPITAL OF C.M.I. s.r.l.

Sabaf S.p.A. announces the signing of two binding contracts for the acquisition of 68.5% of the share capital of C.M.I. Cerniere Meccaniche Industriali s.r.l. (C.M.I.).

The C.M.I. Group is one of the main players in the design, production and sale of hinges for household appliances (mainly for dishwashers and ovens) and is active with production units in Italy (Crespellano, BO) and Poland. C.M.I. also controls C.G.D. s.r.l., a company specialised in the production of moulds for steel and sheet metal pressed articles.

In 2018, the C.M.I. Group achieved sales of € 29.3 million and an EBITDA of € 4 million. At 31 December 2018, net financial debt was € 5.5 million.¹ The CMI Group currently employs 135 persons.

C.M.I. is currently controlled by the Chinese group Guandong Xingye Investment, which holds 91.5% of the share capital; the remaining 8.5% is held by Eros Gherardi - the company's founder - and by other natural-person shareholders.

The agreements reached evaluate C.M.I. € 19.55 million (Equity Value) and provide for the following terms:

- the purchase of the 60% stake from the current majority shareholders for a consideration of € 11.73 million, which will be paid by Sabaf in a single payment together with the finalisation of the transaction and entirely financed through an unsecured bank loan with a duration of 72 months granted by Crédit Agricole;
- the purchase of the 8.5% stake held by the minority shareholders for a consideration of € 1.662 million, which will be paid through the sale of Sabaf shares (currently in the portfolio), valued at the average stock exchange price of the last month before the transfer of the stake and for which a lock-up period of 12 months is envisaged for 50% and 24 months for the remaining 50%.

The agreement with the majority shareholder also provides for purchase options in favour of Sabaf for the remaining 31.5% of the share capital of C.M.I. and simultaneous put options in favour of the current majority shareholder. The options may be exercised in two equal tranches following approval of the C.M.I. financial statements at 31 December 2019 and following approval of the C.M.I. financial statements at 31 December 2020. The valuation of the residual stakes will be based on an equity value equal to 7 times the EBITDA of C.M.I. at the date of the last approved financial statements, adjusted for the net financial position at the date of exercise of the option, with a minimum equity value of € 20.5 million for 100% of the Company.

¹ The CMI Group is not required to prepare the consolidated financial statements. The consolidated economic and financial data were prepared internally by the management of CMI and subject to financial due diligence by Sabaf.



We burn for technology and safety.

The closing of the acquisition, which is not subject to significant conditions precedent, is expected in July. Paolo Santini is expected to remain General Manager and Chief Executive Officer of C.M.I.

The Sabaf Group is already active in the sector of hinges for household appliances through Faringosi Hinges; the acquisition of C.M.I. allows the Group to achieve a leadership position on a global scale, proposing itself also in this area as a reference partner for all manufacturers of household appliances.

The Chief Executive Officer of Sabaf, Pietro Iotti, commented: *“The acquisition of C.M.I. has an important strategic value because it allows us to become the world's leading manufacturer of hinges for household appliances. Sabaf combines its consolidated leadership in gas burners and valves with its leadership in the hinge sector. Moreover, the combination of mechanical and electronic know-how, the result of the recent acquisition of Okida Elektronik, allows Sabaf to offer itself as a fully-fledged creator and developer of innovative solutions in the flourishing world of smart appliances.”*

Note that the acquisition is to be considered as not significant pursuant to Article 71 of the Issuers' Regulations and to the criteria set out in Annexe 3B of the Issuers' Regulations.

Today at 12.00 p.m. CET, there will be a conference call to illustrate the agreement, please call the number +02 805 88 11 a few minutes before it begins.

For further information:

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Founded in the early fifties, SABAF has grown consistently over the years to become the key manufacturer in Italy – and one of the leading producers in the world – of components for kitchens and domestic gas cooking appliances.

There are four main lines of production: valves, thermostats and burners for gas cooking appliances and hinges for ovens, washing machines and dishwashers.

Technological expertise, manufacturing flexibility, and the ability to offer a vast range of components – tailor-made to meet the requirements of individual manufacturers of cookers and built-in hobs and ovens and in line with the specific characteristics of its core markets – are Sabaf's key strengths in a sector featuring major specialisation, constantly evolving demand and an ever-increasing orientation towards products assuring total reliability and safety.

The Sabaf Group has more than 800 employees. It operates through its parent company SABAF S.p.A. and the subsidiaries Sabaf do Brasil, Sabaf Turkey and Sabaf China, active in the production of domestic burners, A.R.C., which produces burners for professional cooking, and Faringosi Hinges, leader in the production of oven hinges and Okida, active in the sector of electronic components for household appliances.

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