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Oggetto : Sit acquires the Portuguese Janz and
enters the water meters market

Testo del comunicato

Vedi allegato.



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PRESS RELEASE

SIT acquires the Portuguese Janz and enters the water meters market

Federico de' Stefani (Chairman and CEO of SIT): "Our goal is to develop an international smart meter hub".

Highlights of the acquisition:

- Janz is a consolidated European manufacturer and distributor of residential volumetric water meters;
- Janz reported in 2019 revenue of Euro 18,6 million and an EBITDA of 4,0 million Euro, with a CAGR over the last five years respectively of 9% and 23%;
- The transaction involves the 100% acquisition of Janz and will be funded by a new credit line which SIT has obtained from banks involved in the current syndicated loan;
- The value of the acquisition is Euro 28 million (cash&debt free).

Padua, October 15, 2020 - SIT S.p.A., a multinational listed on the Italian Stock Exchange which, through its Heating and Smart Gas Metering divisions, creates intelligent solutions for the control of environmental conditions and consumption measurement, has signed a binding agreement for **the acquisition of 100% of Janz-Contagem e Gestão de Flúidos S.A., a consolidated Portuguese player owned by the Janz family and specialised in manufacturing residential water meters.**

The acquired company- Founded in 1915 by the Janz family and with legal and production headquarters in Lisbon (11,000 square meters, 250 employees), the company has developed a wide range of mechanical meters and in particular excels in volumetric metrological technology, used not only in its own meters, but also in those supplied to the leading sector operators. Sales in 2019 reached Euro 18,6 million, with a CAGR over the last 5 years of 9%, thanks to gradual international expansion in Europe and South America (Janz has a presence in 25 countries) and the introduction of smart meters. Janz's 2019 revenue was realized for Euro 6,7 million in Portugal, where it has a 50% market share. The remaining revenue was realized mainly in other European countries for Euro 7,8 million and in South America for approximately Euro 2,2 million.

The transaction - The acquisition includes, in addition to 100% of Janz CGF, also a division engaged in mechanical processing and a stake in the distribution company for Spain and the South American markets of Janz products, which shall be concentrated in a single entity by the closing date scheduled for the end of 2020.

The price paid, excluding cash and debt, amounts to approx. Euro 28 million. An earn-out of up to Euro 0.8 million is also stipulated based on achieving specific targets in 2021. The



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acquisition is expected to be concluded in December 2020 and is subject to a number of conditions, including the obtaining of all legally-required approvals and authorisations. The transaction will be funded by a new credit line which SIT obtained from the banks involved in the current syndicate.

Purpose - The transaction is strategic for SIT as it will enable the further development of MeterSit, the Group's smart metering division, bringing to the water sector the know-how gained and recognised by the market. With the acquisition of Janz, SIT extends its product portfolio to water meters, a market which is forecast to grow strongly over the coming years¹, particularly for "smart" meters connected to the communication networks, thanks to significant investments planned by the Utilities to reduce losses on the water distribution network. The Janz product portfolio will be further developed by leveraging MeterSit's consumption data measurement and communication technologies.

"The expertise and know-how which we have developed with gas meters, in particular in terms of meter communication with smart grids, shall underpin the synergies we will develop with Janz, speeding up growth on the smart water meter segment" stated **Federico de' Stefani, Chairman and Chief Executive Officer of SIT S.p.A.** *"The goal is to build an international gas and water smart meters player, becoming a hub of excellence in metering and communication technologies in support of the Utility networks. A "made by SIT" centre of technological excellence for the development and global distribution of smart meters, featuring certified expertise and advanced processes to measure energy and protect natural resources.*

For **Manuel Janz, Chairman of BJH**, the major Janz' shareholder, *"the legacy developed over four generations of the Janz family is secured in this transaction, that will allow the business to scale, supported by the recognized know how from Sit Group in smart metering, a crucial tool in today's metering market."*

The SIT Group was supported by the SAT - Spinazzi Azzarita Troi Genito Legal Firm and by PLMJ Advogados for the legal aspects and by PwC for the financial, accounting and tax due diligence. The Oaklins team, coordinated by the partners Enrico Arietti and Diogo Torrado, acted as financial advisor of the Group.

BJH was advised in this transaction by Garrigues Portugal.

The SIT Group, through its two divisions Heating and Smart Gas Metering, creates intelligent solutions for the control of environmental conditions and consumption measurement for a more sustainable world. A market-leading multinational company, listed on the MTA segment of Borsa Italiana, SIT aims to be the number one sustainable partner for energy and climate control solutions for its customers, focusing on experimentation and the use of

¹ According to analysis, the CAGR of the "smart water metering" market will be 10% over the coming 5 years (see MarketsandMarkets, August 2019), with three main growth areas: North America, Europe and Asia/Pacific.



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alternative gases with low environmental profiles. The Group has production sites in Italy, Mexico, the Netherlands, Romania, China and Tunisia, in addition to a commercial structure covering all global markets.

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