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Diffusione presunta
Oggetto : GVS S.p.A. acquires 100% of the RPB
Group

Testo del comunicato

Vedi allegato.



PRESS RELEASE

GVS ACQUIRES 100% OF THE RPB GROUP, AN AMERICAN PLAYER SPECIALISED IN THE DESIGN AND PRODUCTION OF RESPIRATORY PROTECTION DEVICES, AND COMPLETES ITS PRODUCT RANGE IN THE WORLD OF PROFESSIONAL MASKS

Zola Pedrosa (BO), September 1st 2021 - GVS S.p.A. ("GVS" or the "Company") a leading provider of advanced filtration solutions for highly critical applications, announces that it has acquired today 100% of the share capital of the RPB Group ("**RPB**") from the Ivory family, which specialises in the design and manufacture of respiratory protection, including supplied air respirators ("**SARs**") and powered air purifying respirators ("**PAPRs**").

In particular, GVS NA Holding (100% owned by GVS S.p.A.) has acquired 100% of the share capital of the American companies Goodman Brands and Abretec Group LLC and their subsidiaries, while GVS S.p.A. has acquired 100% of the share capital of RPB Safety Ltd (a New Zealand company).

The purpose of this operation is to complete GVS's product range in the field of professional masks and to acquire technical know-how (PAPR technology), in particular:

- RPB produces Respirators using PAPR and SAR technology, which guarantees 100% of the quality of the air breathed. The specific technology obtains the highest American and Australian certifications and guarantees the conformity to the EC regulations. Access to the certifications will allow GVS to export RPB products to new countries through its sales network.
- RPB's business is concentrated in the USA (76%) and Australia (6%) and allows for the development of synergies in terms of cross-selling for GVS products in North America, particularly in the abrasive blasting sector, through RPB's own sales network.
- RPB has high levels of profitability, and its growth profile is in line with GVS's strategic guidelines.
- Finally, RPB mainly carries out product assembly activities and offers the opportunity to internalise its industrial activities, allowing it to benefit from the related cost synergies.

"I am extremely pleased to have now completed one of the transactions that GVS had been working on for some time. The acquisition of 100% of RPB will give us the opportunity to further expand and strengthen our presence in the US respiratory protection market. The acquisition represents another step in our strategy of continued global growth," **said Massimo Scagliarini, CEO of GVS.**

"Joining the GVS Group of Companies is an excellent opportunity to expand our filtration technologies, manufacturing capabilities and global footprint. We are excited about the synergies and global strategy that comes with being part of the GVS Group of Companies" **said Garth Ivory CEO of RPB.**

GVS S.p.A.

Via Roma, 50 - 40069 Zola Predosa (Bologna) - Italy

Tel. +39 051 6176311 - Fax +39 051 6176200 - e-mail: gvs@gvs.it - www.gvs.com

Cap. Soc. € 1.750.000 int. vers. - C.F. 03636630372 - P. Iva 00644831208

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RPB business description

Founded in 1970's by the Ivory family, RPB began in Christchurch, New Zealand and relocated its Headquarters to the United States in 2013 whilst expanding its Design Centre in Christchurch, specialising in the design and manufacture of respiratory protection, including supplied air respirators ("SARs") and powered air purifying respirators ("PAPRs").

The Company promotes health and safety in the most critical places by always paying great attention to research, development and innovation of its products and processes. The business model is characterised by the insourcing of only the assembly phase and a strong network of distributors.

RPB's current product portfolio includes respirator kits with PAPR technology, which provides 100% air filtration, while also allowing for US market specific certifications, consumables and after market replacement parts.

RPB products are used in a diversified mix of sectors, in particular in blasting and corrosion control (oil & gas and infrastructure maintenance), in the health industry (pharmaceutical production, medical devices, dentistry) and in other sectors (manufacturing, aviation, foundries and welding).

In the three year period 2018-2020, revenues grew at a CAGR of 34% from \$20.7 million in 2018 to \$37.4 million in 2020. The growth recorded in 2020 was driven, in particular, by entry into the Healthcare market.

Volume growth has supported a higher contribution in terms of **adjusted EBITDA margin**, increasing **from 22.3% in 2018 to 33.6% in 2020.**

Reference market

The need to ensure greater safety in the workplace, together with increasingly stringent regulations, are leading to an increase in the demand for respiratory protective devices in all sectors, also as a consequence of the Covid-19 pandemic. In 2020, the protective equipment industry generated revenues of \$7.3 billion and it is expected to grow at a CAGR of 9.6%.

The sectors in which the need to comply with high safety standards is growing include, among others: industrial, oil & gas, chemical, pharmaceutical.

Operation details

The purchase price was set at a maximum of **\$194.4 million**, corresponding to a multiple of 12x RPB's planned adjusted EBITDA at the close of 2021. The transaction provides for an upfront payment of approximately **\$150.0 million for the acquisition of 100%** of the share capital, and a **possible earn-out of \$44.4 million (maximum value)**, the payment of which, expected in 2022, will be proportionally related to the achievement of RPB's 2021 adjusted EBITDA targets.

In order to finance the operation, GVS has signed a 5-year loan agreement for 150 mln euros with a pool of lending banks: Mediobanca - Banca di Credito Finanziario S.p.A., which also acts as agent, Unicredit S.p.A. and Crédit Agricole Italia S.p.A. ("Loan Agreement").

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GVS was assisted by the law firm Ice Miller and by KPMG, as tax and accounting advisor, in relation to the acquisition of RPB and by the law firm White & Case in relation to the aspects related to the Loan, in relation to which the law firm Allen & Overy assisted the lenders

GVS Group:

The GVS Group is one of the world's leading manufacturers of filter solutions for applications in the Healthcare & Life Sciences, Energy & Mobility and Health & Safety sectors. In addition to the corporate office in Bologna, GVS currently has 14 plants in Italy, the United Kingdom, Brazil, the United States, China, Mexico, Romania and Puerto Rico and 18 sales offices located across the world. In the year ended 31 December 2020, the GVS Group recorded revenue from contracts with customers of Euro 363 million and normalised EBITDA of Euro 144 million.

Contacts

Investor Relations GVS S.p.A.

Mario Saccone CFO - investorrelations@gvs.com

Francesca Cocco IR Consultant – Lexi Consulting – fcocco@lexiconsulting.com

Image Building - Media Relations

gvs@imagebuilding.it

+39 02 89011300

GVS S.p.A.

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