

Beijer Alma's subsidiary Lesjöfors expands in the US by acquiring John Evans' Sons

In-line with its ambition to build the leading spring, wire and flat strip component group, Lesjöfors has today signed an agreement to acquire the assets and operations of John Evans' Sons INC., a leading US spring manufacturer. Through the transaction, Lesjöfors significantly strengthens its US presence and its position in the market for springs with medical applications. The transaction is expected to be EPS accretive for Beijer Alma upon completion.

John Evans' Sons, located in Lansdale, Pennsylvania, is the oldest spring maker in the US and has a leading position on the US market. The company has a diversified customer base with long customer relationships, attributable to its expertise and ability to support customers early on in their product development projects. John Evans' Sons has a strong position within the medical industry and a broad complimentary portfolio with products for the industrial, construction, aerospace and transportation sectors. The acquired assets are expected to generate annual revenues of approximately USD 37m, with an EBITA of USD 10m, for 2022.

Similar to Lesjöfors, John Evans' Sons has close customer relationships, high technical expertise and strong emphasis on tailored solutions. Through the acquisition, Lesjöfors strengthens its position within the medical segment and builds further scale in the US. The transaction also enables other opportunities for profitable growth, such as purchasing coordination, cross-selling, co-development projects, as well as resource- and knowledge sharing with Lesjöfors' other US companies.

Beijer Alma's CEO, Henrik Perbeck, commented on the acquisition: "I am excited about this acquisition, which following the acquisition of Plymouth in December 2021, underlines Lesjöfors' potential and ambition to increase scale in the US and build the leading spring, wire and flat strip component group.

I am convinced that John Evans' Sons will thrive under Lesjöfors' decentralized governance

model and the transaction is a great fit with Beijer Alma's model for value-adding acquisitions."

Lesjöfors' President, Ola Tengroth, commented on the acquisition: "Through this transaction, we increase our market share in the US significantly by more than doubling revenue in the region. John Evans' Sons has a long, successful, history and we are excited about what we can achieve together. In addition to a well-matched corporate culture, John Evans' Sons will strengthen Lesjöfors in the US and enables multiple value creating avenues for Lesjöfors at the same time as John Evans' Sons can benefit from Lesjöfors' expertise and footprint. Thus, we are convinced that the companies will strengthen each other going forward."

After the transaction, John Evans' Sons' current owners and co-presidents, Sam Davey and Pate Banmiller, will remain in their operational roles to continue to develop the business. In line with Lesjöfors' decentralized organization, the company will continue to operate under its own brand and management.

John Evans' Son's co-presidents, Sam Davey and Pate Banmiller, added: "We are thankful to our two prior family generations who successfully ran the company before us. Our focus has always been to provide outstanding quality, service, delivery and price to our customers since we joined the business in the late 1990's. From 2016, when we took over the company, we have also focused on product development support in high technology areas which has more than doubled revenue and increased profits exponentially. Far and away, our biggest success factor is our talented workforce and their ongoing pursuit of excellence. We are excited to join forces with Lesjöfors and continue to grow the company."

The Transaction

Lesjöfors has today signed an agreement to acquire the assets and operations of John Evans' Sons INC. for an up-front purchase price of USD 90m on a cash and debt free basis. Closing is expected in the beginning of the third quarter 2022. Lesjöfors will acquire 100 percent of the company and the current owners will remain in their operational roles for the coming years. In addition to the up-front purchase price, there is a conditional purchase price of up to USD 61.5m with payment depending on the achievement of an ambitious plan for profitable growth until 2025. In conjunction with the closing of the transaction, Lesjöfors will make a reservation of USD 40m on its balance sheet. The up-front purchase price will be financed through a combination of available cash and existing credit facilities. The transaction is expected to contribute positively to Beijer Alma's EPS once completed.

If you have any questions, please contact:

President and CEO of Beijer Alma, Henrik Perbeck, +46 18 15 71 60

About Beijer Alma AB

Beijer Alma AB is an international industrial group focused on component production and industrial trading. The Group includes three subsidiaries: Lesjöfors, one of Europe's largest spring manufactures; Habia Cable, one of Europe's largest manufacturers of custom-designed cables; and Beijer Tech, which holds strong positions in Nordic industrial trading and manufacturing in niche markets.

Beijer Alma is listed on the Nasdaq Stockholm Mid Cap list.

This information is information that Beijer Alma is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-06-28 17:30 CEST.

Attachments

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