

Karnell acquires Sähkö-Jokinen Oy

Karnell Group AB (publ) ("Karnell"), a long-term and engaged owner of leading industrial technology companies, today announces that it has completed an acquisition of Sähkö-Jokinen Oy, a leading developer and manufacturer of outdoor lighting products in Finland. Sähkö-Jokinen had sales of approximately EUR 8.5m with good profitability in the latest financial year which ended in December 2023. Sähkö-Jokinen is a second-generation family business, and the family will continue in their current roles during a transition period and collectively retain 8.1% of the shares of Sähkö-Jokinen. Sähkö-Jokinen will be part of Karnell's business area Product Companies. The acquisition is expected to generate a positive effect on Karnell's earnings per share on an annual basis.

"We are pleased to welcome Sähkö-Jokinen and the Jokinen family to our group and are impressed with the company's leading market positions and expansion opportunities in Finland and beyond," said Petter Moldenius, CEO of Karnell. "Karnell is focused on finding industrial technology companies with market-leading positions and strong growth potential and we look forward to working together with the team at Sähkö-Jokinen to support them take advantage of the opportunities in the market."

Founded in 1968, Sähkö-Jokinen is an outdoor lighting product specialist, best known for its safety poles and concrete bases. Lighting poles and bases are primarily used along the road, street and rail networks as well as within commercial and public outdoor areas. The company's products are sold under its own brand. High-quality concrete bases for poles and masts belong to Sähkö-Jokinen's core product offering. The company's offering also includes safety poles, decorative poles and standard lighting poles. Recently, Sähkö-Jokinen has also entered the market for heavier steel structures and the company's recent tram project in Tampere is a good example of custom-made products.

Sähkö-Jokinen sells both to electrical wholesalers and construction companies directly. Even if the majority of the company's sales go through electrical wholesalers, Sähkö-Jokinen actively works together with other stakeholders such as contractors, cities, municipalities, architects and consultants. The company's brand is well-known within its niche and the company has managed to maintain long-term relationships with its key customers. Sähkö-Jokinen is a trusted partner to its key customers due to its high-quality products, high level of reliability and flexible optimization between bases and poles. Sähkö-Jokinen generates the majority of its sales in Finland but also exports its products, for example to Sweden, the Baltics and the UK. Sähkö-Jokinen employs 25 people and the company's head office and production are located in Noormarkku (15km North of Pori, Finland).

"We are proud to join forces with Karnell in the next phase of Sähkö-Jokinen's journey. Our family has been behind the steering wheel for almost forty years and we have concluded that it is the right time to pass the company on to a new committed long-

term owner. The family and Karnell share a similar view of how to continue the legacy and how to cultivate the business's future. The family will continue working with the company during 2024 in order to secure a smooth transition," said Lasse Jokinen, CEO of Sähkö-Jokinen.

Karnell acquires 91.9% of the shares with an option to acquire the remaining shares in the company. Additionally, Karnell has committed to a performance-based earnout, contingent on the 2024 performance of Sähkö-Jokinen. Furthermore, the sellers invest a total of EUR 1.5 million of the purchase price in newly issued shares in Karnell Group AB (publ).

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Karnell Group AB (publ) is a long-term and active owner of small and medium-sized industrial technology companies. Karnell has a perpetual ownership horizon and thus provides entrepreneurs and family-owned companies with a responsible and long-term partner that continues to develop their businesses in a decentralized ownership model where decisions are made locally in the group companies, and thus closest to the end customer. Karnell currently owns 11 companies in Sweden, Finland and the UK and intends to list the group on a stock exchange.

Attachments

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