

Beijer Alma's subsidiary Lesjöfors strengthens its position in the US by acquiring Tollman Spring

Lesjöfors has today signed an agreement to acquire the shares in Tollman Spring Company, Inc., a US spring manufacturer. Through the transaction, Lesjöfors further strengthens its US presence following the acquisitions of John Evans' Sons and Plymouth Spring. The transaction is expected to be EPS accretive for Beijer Alma upon completion.

Tollman, founded in 1945, is a manufacturer of industrial springs with a well-established market position. The diversified customer base consists of more than 500 customers, mainly in the Industrial, Electrical, Defense & Firearms, and Automotive markets. As recently acquired Plymouth Spring, Tollman is located in Bristol, Connecticut, enabling a seamless integration to the group. During 2022, the company had a turnover of approximately USD 22m, with a pro-forma EBITA of approximately USD 3.3m and about 100 employees.

Like Lesjöfors, Tollman has long-standing customer relationships, high technical expertise and strong emphasis on tailored solutions. Through the acquisition, Lesjöfors complements its industrial spring offering in the US, mainly within smaller dimensions, and builds further scale in the region. The transaction also enables other opportunities for profitable growth, such as purchasing coordination, cross-selling, as well as resource- and knowledge sharing with Lesjöfors' other US companies, especially with Plymouth Spring attributable to the close proximity.

Beijer Alma's CEO, Henrik Perbeck, commented on the acquisition: "I am excited about this acquisition, which underlines Lesjöfors' potential and ambition to build the leading spring, wire and flat strip component group. I am convinced that Tollman will thrive under Lesjöfors' ownership 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 revenue in the US by approximately 30 per cent, meaning that Lesjöfors now has a significant presence in the region. Tollman is a well-managed company which has

made significant investments in recent years, and we see ample potential to accelerate revenue growth through Lesjöfors' sales network."

After the transaction, Tollman's operative current owners, Rick Zink, Tim Dudzinski and Lisa Barnes, will remain operational during a transition period. The current plant manager, Matt Zink, will be promoted to CEO and continue to develop the business. In-line with Lesjöfors' decentralized organization, the company will continue to operate under its own brand and management.

Tollman's new CEO, Matt Zink, added: "I am very proud today and I would like to thank all our employees who make sure we continuously evolve as an organization. We are all excited to join forces with Lesjöfors and we are convinced that the transaction will strengthen both companies and unlock multiple opportunities for future growth."

The Transaction

Lesjöfors has today signed an agreement to acquire all shares in Tollman Spring Company, Inc., for an up-front purchase price of USD 22.8m on a cash and debt-free basis. In addition to the up-front purchase price, there is a conditional purchase price of up to USD 4.0m with payment depending on the company's performance 2023. Closing is expected within the coming weeks. Lesjöfors will acquire 100 percent of the company and the owners currently active in the day-to-day operation of the company will remain operative for a transition period. 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:

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About Beijer Alma AB

Beijer Alma AB is an international industrial group focused on component production and industrial trading. The Group includes; Lesjöfors, one of Europe's largest spring manufactures 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 2023-04-03 15:17 CEST.

Attachments

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