

## **Subsidiary Marstrom Composite strengthens its business through asset acquisition of ID Modeller**

Scandinavian Astor Group AB (publ) ("Astor Group" or the "Company") announces today, December 19, 2024, that its subsidiary Marstrom Composite AB ("Marstrom") is broadening its operations in Sweden by entering into acquisition of the assets (asset deal) of Ljungby-based ID Modeller AB ("IDM"). IDM is based in Ljungby, Sweden, specializing in manufacturing high-quality moulds and prototypes for industrial needs. The purchase price amounts to approximately SEK 12.75 million, of which approximately SEK 7.65 million will be paid in cash and financed through existing cash in Astor Group, and approximately SEK 5.1 million will be paid through debt securities that the sellers of IDM have undertaken to settle against 443,479 new shares in Scandinavian Astor Group at a fixed subscription price of SEK 11.50 per share (the "Offset Issue"). This corresponds to an EV/EBITDA multiple of 12.0 on the 2023 full-year figures, but based on IDM's preliminary figures for January to November 2024, it corresponds to a multiple of 4.1. The Board of Directors intends to resolve on the Offset Issue in January 2025. The acquisition is expected to be completed by February 28, 2025.

*"The acquisition of ID Modeller is a strategic step to further strengthen the Group's capacity and efficiency in advanced manufacturing. By integrating IDM's expertise and technology, we strengthen our position with a total of nine production sites, including Welas, which increases our opportunities for automation and further efficiency. This will contribute to improved margins and shorter lead times. We look forward to welcoming IDM's experienced team to our business and continuing to deliver high-quality solutions in advanced composite materials and production technologies,"* says Astor Group's CEO Mattias Hjorth.

The acquisition of IDM is a strategic move that will bring significant benefits to Marstrom and the Astor Group in several areas:

- With IDM's advanced technology and expertise, Marstrom is able to optimize the production processes of its composite operations. ID Modeller's solutions can also contribute to increased efficiency for other subsidiaries within the Astor Group. The internal production opportunities can be exploited by more operations within the Group, which creates economies of scale and enables better customized solutions.
- IDM's experienced staff and expertise in CAM systems will strengthen Marstrom's ability to prepare and optimize jobs for the composite business's various sites.
- By integrating IDM's software solutions, processes are streamlined, reducing costs in the composite business.
- IDM's expertise in this type of machining gives the Group better conditions to develop sustainable and innovative solutions. This is in line with Astor Group's strategic focus on future-proof solutions and increased efficiency.
- IDM's sales of approximately SEK 20 million per year contribute to Marstrom's sales growth and also provide the opportunity to broaden the group's market presence by strengthening the existing market position and through new segments.

ID Modeller is a derivative of IP Modeller, which was founded in 1923 in Ljungby. The business under the name IP Modeller started in 2019 with new management and a clear focus on innovation, digitalisation and in-house production. The company is based in Ljungby, Sweden, specializing in

# Astor

manufacturing high-quality models and prototypes for industrial needs. With a focus on precision, modern technology and customized solutions, the company has established itself as a reliable partner for companies in the manufacturing and development sectors. ID Modeller combines extensive experience with innovative thinking to meet its customers' demands for sustainability and efficiency. ID Modeller currently has 10 employees and from January to November this year (2024), the company has a turnover of approximately SEK 18.7 million, with an EBITDA margin of approximately 16.5 percent. The customer register that Marstrom is acquiring is to a large extent niche towards industrial customers, but there are also defense customers as long-term customers. IDM has, for example, supplied molds, models and fixtures for advanced drones, underwater camera equipment, transport containers for torpedoes, and more. The business is planned to continue in Ljungby and will continue to deliver to existing customers but also grow through IDM becoming part of Marstrom organizationally. Astor Group assesses that there is significant unused production capacity in the business with clear opportunities to expand and increase production to meet both existing and new customer needs.

Marstrom and IDM have collaborated since the early 2000s, where IDM has become an important supplier to the composite business in recent years. Marstrom has typically made purchases and services from IDM and similar suppliers with a value of approximately SEK 7–10 million annually. By acquiring IDM, Marstrom takes an important step towards reducing its dependence on external suppliers and establishing a robust internal production of moulds and prototypes.

*"ID Modeller has been a valued supplier to us for almost two decades, and it feels great to now have the opportunity to fully integrate their know-how and capabilities into our business. The acquisition is fully in line with our investments in increased production capacity. Their expertise in CAM systems and model production will give us great advantages in our quest to meet customers' needs for innovative and high-quality solutions, while strengthening our competitiveness in the market,"* comments Fredrik Lindblom, CEO of Marstrom Composite.

## **Main terms and conditions of the Acquisition**

The purchase price amounts to approximately SEK 12.75 million, of which approximately SEK 7.65 million will be paid in cash and financed through existing cash in Astor Group, and approximately SEK 5.1 million will be paid through debt securities that the sellers of IDM have undertaken to settle against 443,479 new shares in Scandinavian Astor Group at a fixed subscription price of SEK 11.50 per share (the "Offset Issue"). This corresponds to an EV/EBITDA multiple of 12.0 on the 2023 full-year figures, but based on the company's preliminary figures January to November 2024, it corresponds to a multiple of 4.1. The Board of Directors intends to resolve on the Set-off Issue in January 2025. Completion of the acquisition is subject to customary conditions and approval from the Swedish Inspectorate for Strategic Products (ISP). Completion of the acquisition is expected to take place no later than February 28, 2025.

*Scandinavian Astor Group – Strength and security in all elements*

## **For further information, please contact:**

Scandinavian Astor Group's CEO Mattias Hjorth

E-mail: [ir@astorgroup.se](mailto:ir@astorgroup.se)

*Please note that this is an English translation of a press release written in Swedish by Scandinavian Astor Group AB (publ), in the event of any inaccuracies, the Swedish version applies.*

*This information is information that Scandinavian Astor Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was submitted for publication,*

# Astor

*through the agency of the contact person set out above, at the time stated by Astor Group's news distributor at the time of publication of this press release.*

## **About Scandinavian Astor Group AB (publ)**

*Scandinavian Astor Group is active in the defence industry. The company is a supplier of products, services and related technical solutions in military defence and civil security as well as products for industries. The Group is divided into two business areas, Astor Industry and Astor Tech, where the product portfolios consist of, for example, electromagnetic warfare systems and military aviation equipment, as well as metal and composite components. Astor Group is a public company with shares traded under the ticker ASTOR on NGM Nordic SME and is dual listed on Boerse Stuttgart. The Company has a registered office in Stockholm, Sweden. Shark Communication AB, tel. +46 73-434 45 15, e-mail: [info@sharkcom.se](mailto:info@sharkcom.se) is the Company's Mentor. For more information about Astor Group's business, visit: [www.astorgroup.se](http://www.astorgroup.se)*