



## **PRESS RELEASE**

### **LU-VE S.p.A. signs an agreement for the acquisition of the "Air" division of the Alfa Laval Group**

*In the 12 months ended 30 June 2018, Alfa Laval's "Air" division generated revenues of € 97.8 million: with this acquisition LU-VE ranks among the three largest global operators in the sector*

**Uboldo, 12 December 2018** - LU-VE S.p.A. ("LU-VE") announces that it has reached an agreement for the acquisition of the "Air" division of the Alfa Laval Group, active in the production and marketing of industrial and commercial ventilated heat exchangers ("**AL Air**").

**LU-VE**, whose shares are listed on the MTA market of Borsa Italiana, is one of the leading European manufacturers of static and ventilated heat exchangers for the refrigeration, air conditioning and industrial process cooling markets, with production facilities in Europe, Russia, China, India and the United States, and a consolidated turnover of € 270 million in 2017.

**Alfa Laval Group** is a global leader in the supply of specialized components and engineering solutions based on key technologies of heat exchange, separation and handling of fluids, and is active in, among other areas, the production and marketing of ventilated air heat exchangers, through AL Air.

In the 12 months ended June 30, 2018, AL Air achieved revenues of € 97.8 million, with an EBITDA of € 7.5 million and an EBIT of € 6.4 million. The acquisition will take place on a debt & cash free basis.

AL Air, headquartered in Alonte (Vicenza), is the owner of well-known historical brands such as Fincoil and Helpman, has plants in Italy, Finland and India, and a global sales organization. The acquisition involves the transfer of approximately 400 employees, mainly employed in the production plants, who will continue to carry out their activities within the LU-VE Group from the date of closing.

The price for the acquisition of AL Air will be paid in three tranches and is defined on the basis of 2018 EBITDA: 65% will be paid at closing, a further 15% after twelve months, the remaining 20% two years after closing. The value of the last tranche will be subject to



adjustment based on the average EBTDA 2019-2020, or, if LU-VE anticipates such payment, based on the average EBITDA 2018-2019. Based on currently available data and the parties' estimates, the full expected acquisition price is expected to be between €66.0 million and €67.0 million. The price will be paid by LU-VE using already available liquidity.

The closing is expected in the first half of 2019 and is subject to the usual suspensive conditions.

The President of LU-VE, Iginio Liberali said: *"This acquisition fits perfectly into LU-VE Group's strategic plan for growth and qualification. Thanks to it, the Group now ranks among the three largest global operators in the sector. This reinforces our ability to offer high quality and reliable services and components (with Eurovent performance certification). The synergies in terms of Research and Development, coverage of international markets, use of cutting-edge product and manufacturing technologies in the fields of commercial refrigeration, industrial, large air conditioning systems and power generation allow us to strengthen our position at the forefront of the advancement of our sector. This operation also makes sense to maintain in our country the functions of research and manufacture of the most advanced products, in terms of application of 'green' refrigerants, energy saving and respect for the environment"*.

*"Over the past two years, the AL Air division has seen great improvements, both in terms of growth and profitability,"* said Tom Erixon, President and CEO of Alfa Laval Group. *"However, we came to the conclusion that the division would have better development opportunities within LU-VE Group. LU-VE is a solid company, at the forefront of HVAC and refrigeration technology. The products of the AL Air division represent a valid complement to LU-VE's current offer"*.

A presentation of AL Air and the transaction will be available on the company's website at [www.luvegroup.com](http://www.luvegroup.com) section - "Investor relations" - "Financial highlights" - "2018".

On December 14, at 10 am, the CEO of LU-VE will illustrate the operation during a conference call.

BNL - BNP Paribas and MGPE S.r.l. assisted LU-VE as financial advisors, while Studio Biscozzi Nobili acted as legal advisor.

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***LU-VE Group** is one of the world's largest manufacturers in the field of heat exchangers. It operates in different market segments: refrigeration (commercial and industrial); process cooling for industrial applications and power generation; air conditioning (civil, industrial and precision); glass doors and closing systems for refrigerated counters and display cases. LU-VE (HQ in Uboldo, Varese) is an international company with 12 production plants in 8 different countries (Italy, China, India, Sweden, Poland, Czech Republic, Russia and USA), with a network of commercial companies and representative offices in Europe, Asia, the Middle East, Oceania and North America. The group also includes a software house dedicated to ITC, product calculation software development and digitization. The Group has over 2,500 qualified employees (of which about 800 in Italy); over 390,000 square meters of surface (of which over 160,000 are covered); 2,500 square meters for Research and Development Laboratories; 80% of the production exported to 100 countries. Consolidated turnover €270 million (as at 31.12.2017). [www.luvegroup.com](http://www.luvegroup.com)*

***Alfa Laval** is a global leader in providing specialized components and engineering solutions based on its key technologies of heat exchange, separation and handling of fluids.*

*Its components, processes and services are aimed at assisting customers in optimizing the performance of their processes. The solutions help them heat, cool, separate and transport products in industries that produce food and beverages, chemicals and petrochemicals, pharmaceuticals, starches, sugar and bioethanol.*

*Alfa Laval's products are used in power plants, on board ships, in oil & gas, in the engineering, mining and wastewater treatment industries, as well as air conditioning and refrigeration applications.*

*Alfa Laval's global organization works closely with customers in nearly 100 countries to help them be at the forefront of their industry.*

*Alfa Laval is listed on the Nasdaq OMX, and, in 2017, recorded 3.6 billion euros in orders. The company now has about 16,400 employees.*

*[www.alfalaval.com](http://www.alfalaval.com)*