

Press release
2016-12-23

Fagerhult signs an agreement to acquire WE-EF

To strategically strengthen the Fagerhult Group's position in the professional outdoor lighting market, Fagerhult has signed an agreement to acquire 100% of the shares in WE-EF based in Bispingen, Germany. This acquisition takes the Group's sales in the outdoor segment to a run-rate exceeding 100 MEUR. The acquisition is expected to have a positive effect on the earnings per share during 2017 and forward.

WE-EF designs and manufactures outdoor lighting fixtures for a wide range of lighting application sectors. The company has two factories in Germany and one in Thailand, as well as assembly plants in Australia, France and the US, and has successfully established a global sales presence with strong sales in Europe, particularly Germany and in France, as well as sales in other regions such as Australia and the US.

"WE-EF is a leading outdoor lighting brand known globally and throughout the industry as having very strong outdoor lighting solutions. Their reputation has been built up based on a long history of highly innovative, German designed and engineered outdoor lighting solutions. I am very pleased that Stephan Fritzsche and Thomas Fritzsche, will remain as Managing Directors of the company and continue to build on the strong platform that they and the WE-EF team have built. Stephan Fritzsche will assume the position of Managing Director of the WE-EF Group. With the addition of WE-EF to the Fagerhult Group we see many strong synergies, including (i) marketing and promoting WE-EF products through our distribution channels, in addition to WE-EF's existing sales channels, which will significantly strengthen the Group's outdoor lighting presence, and (ii) building on our existing presence and revenues in Germany, France, US and Australia, while also (iii) significantly expanding our presence in the Asia Pacific region", comments Johan Hjertonsson CEO Fagerhult Group.

In the year ending June 2016, WE-EF had 484 employees, consolidated sales of approximately 57 MEUR and a profitability rate in line with that of the Fagerhult Group. Fagerhult will pay 81 MEUR on a cash and debt free basis for 100% of the shares of the WE-EF group companies (see below), pending approval from the German Competition Authority.

In addition, Fagerhult will also pay 5 MEUR for 100% of the shares in Flux Eclairage S.A.S. which is a French outdoor lighting company co-located with WE-EF LUMIERE in Lyon, France. Flux Eclairage had sales of approximately 5 MEUR for the year ending December 31, 2015 and 20 staff.

Both transactions are mainly financed with new credit facilities and up to 5% using existing Fagerhult treasury shares. The deal is expected to close in the 1st quarter 2017.

More information on WE-EF and Flux is available at <http://www.weef.de> and <http://www.flux-lighting.com>

WE-EF group companies included in this transaction are (Note: this includes all relevant WE-EF branded lighting operating companies):

- WE-EF LEUCHTEN GmbH; Bispingen, Germany
- WE-EF LEUCHTEN GmbH & Co. KG; Bispingen, Germany
- WE-EF TRADING & DESIGN GmbH; Bispingen, Germany
- WE-EF LUMIERE S.a.r.l.; Satolas-et-Bonce, France
- WE-EF LIGHTING Co. Ltd.; Bangplee, Thailand
- WE-EF HELVITICA SA; Geneva, Switzerland
- WE-EF LIGHTING Ltd. Nottingham, UK
- WE-EF LIGHTING Pty. Ltd.; Braeside, Australia
- WE-EF LIGHTING USA LLC; Warrendale, USA

Plus

- Flux Eclairage S.A.S.; Satolas-et-Bonce, France

The information contained in this press release is such that AB Fagerhult (publ) is required to disclose pursuant to the Swedish Financial Instruments Trading Act and/or the Swedish Securities Markets Act. The information was submitted for publication on December 23, 2016 at 17:40 CET.

Habo December 23, 2016

For more information, please contact:

Johan Hjertonsson

CEO

tel: +46 70 229 7793

e-mail: johan.hjertonsson@fagerhult.se

Michael Wood

CFO

Tel: +46 73 087 4647

e-mail: michael.wood@fagerhult.se