

Hexatronic Group AB (publ)  
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Press Release July 1, 2021

## Hexatronic acquires duct and tube manufacturer Weterings in the Netherlands

Hexatronic Group AB (publ) (“Hexatronic”) has acquired 100% of the shares of H. Weterings Galgeweg BV (“Weterings”) in the Netherlands. Weterings produces ducts and tubes for the telecommunication and agriculture market. The enterprise value amounts to approximately 5.6 MEUR with an additional consideration of up to 2.8 MEUR. The fixed purchase price is paid partly in cash and partly through newly issued shares. Weterings is expected to generate an EBITDA of 1.6 MEUR in the current year.

### Weterings

Weterings was founded in 1945 and is a producer of a wide range of high-quality ducts, tubes and hoses used for protection of cables and transportation of liquids and gases. The main applications are for the FTTH and the agricultural market. The company has large and variable production capacity resulting in short lead-times and high customer satisfaction.

The sellers are the three directors of the company who will remain in their current roles.

### Purchase price and financing

Weterings has generated sales of 15 MEUR with an EBITDA of 1.6 MEUR in the last twelve months. The acquisition is expected to be accretive to earnings, adding 0.29 SEK per Hexatronic share in the first full year after close.

The purchase price amounts to 5.6 MEUR on a debt-free basis with an additional consideration of up to 2.8 MEUR based on EBITDA for the coming two years. The fixed purchase price will be paid 80% in cash and 20% in newly issued shares. The purchase price equates to a valuation multiple of 3.4 to 5.2 times EBITDA for the last twelve months. In addition to the purchase price Hexatronic will invest 3.4 MEUR to increase capacity.

The acquisition is being financed by a senior bank loan from Danske Bank. Net debt/EBITDA for Hexatronic Group following the transaction is expected to be approximately 1.37x.

The acquisition took place today, July 1, 2021, through a transfer of shares, and Weterings will be consolidated into Hexatronic Group from today.

### Comments from Hexatronic CEO

*“We are very pleased to welcome the team of Weterings to Hexatronic Group. The acquisition is strategic and will increase Hexatronic’s manufacturing capacity for high quality ducts and the facility is well located for manufacturing ducts to several important and larger markets in central Europe”,* says Henrik Larsson Lyon, CEO of Hexatronic Group.

### Comments from Weterings CEO

*“We are excited about this new step in the development of Weterings Plastics. Becoming part of the Hexatronic group will provide a platform for further growth and development of our company. The*

*management and staff are committed to making this journey into a success for all stakeholders”, says Rik Rombouts, Managing Director at Weterings.*

#### **New share issue**

The Board of Directors of Hexatronic has resolved, pursuant to the authorisation granted by the annual general meeting on 6 May 2021, on an issue in kind of 76,921 ordinary shares in Hexatronic as part of the purchase price for the acquisition of Weterings.

The subscription price, which amounts to SEK 146.76 per share, corresponds to the volume weighted average closing price for Hexatronic’s ordinary share on Nasdaq Stockholm during 30 days of trading before June 1, 2021.

Through the new share issue, Hexatronic’s share capital increases by SEK 3,846.05 to SEK 1,925,066.60. The number of shares will after the new issue amount to 38,501,338, of which 37,841,338 are ordinary shares and 660,000 are shares of series C. The number of votes will, after the new issue, amount to 37,907,338.

#### **Advisors**

Houthoff has acted as legal counsel to Hexatronic for its acquisition of Weterings.

Valegis and IMAP Netherlands have acted as legal and financial counsel to the sellers, respectively.

Gothenburg, July 1, 2021

Henrik Larsson Lyon  
CEO Hexatronic Group

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

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This is information that Hexatronic Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 17:30 CET on July 1, 2021.

*Hexatronic Group AB (publ) is a group that develops, markets and delivers products, components and system solutions with the main focus on the fiber optic market. Hexatronic offers a wide range of innovative system and product solutions mainly for passive fiber optic infrastructure with global trademarks like Matrix, Viper, Stingray, Raptor, InOne, Drytech™, Lightmate®, Skyline and Wistom®. The Group has its headquarters in Gothenburg, Sweden and has sales offices and/or subsidiaries in Sweden, Norway, Denmark, Finland, United Kingdom, Italy, Estonia, Latvia, Lithuania, Germany, China, New Zealand, Australia, US and Canada. The Group is listed on Nasdaq Stockholm under the ticker HTRO. For more information, visit <https://group.hexatronic.com/en>.*