

# Frukt & Grönt

**Acquisition of HMY**  
**ITAB Shop Concept AB (publ)**  
**26<sup>th</sup> September 2024**



# Agenda

- ▶ Intended acquisition of HMY
- ▶ HMY business overview
- ▶ Strategic rational & financial impact
- ▶ Questions & Answers



# Intended acquisition of HMY - aiming to significantly accelerate ITAB's expansion into key markets and complement our offering

- ▶ ITAB has granted a binding put option to acquire 100 per cent of the shares in HMY for a cash consideration of EUR 320 million (approximately SEK 3,613 million<sup>1</sup>) on a cash and debt free basis.
- ▶ The cash consideration corresponds to a multiple of 6.4x HMY's adjusted EBITDA for the financial year 2023<sup>2,3</sup> (equivalent to 4.0x after accounting for anticipated pre-tax synergies of EUR 30 million<sup>4</sup>).
- ▶ The acquisition is deemed to be both strategically and financially compelling.
- ▶ The transaction is to be financed through a combination of new debt and equity, consisting of a new EUR 255 million long term credit facility provided by Danske Bank, Nordea Bank and Swedbank, and a directed new share issue of approximately SEK 850 million through an accelerated bookbuilding procedure successfully completed yesterday<sup>5</sup>.
- ▶ The intended acquisition is conditional upon:
  - Signing of a final and definitive share purchase agreement between ITAB and the shareholders of HMY, following an information and consultation procedure with the employee representative body of HMY.
  - Necessary regulatory approvals as well as other customary closing conditions.
- ▶ Closing is expected to occur during the end of the fourth quarter 2024 or beginning of the first quarter 2025.

*Notes:* 1. EUR/SEK FX rate of 11.290 as of 24 September 2024. 2. Pre-IFRS 16 (French GAAP reporting); Extraordinary items are booked below EBITDA (total extraordinary result was EUR 9 million for the financial year 2023 and includes the cost of restructuring and exiting business activities); Adjusted EBITDA is defined as EBITDA excluding extraordinary items; Adjusted EBITDA margin is defined as adjusted EBITDA divided by sales. 3. HMY's financial information is prepared in accordance with French GAAP and based on HMY's financial reporting which corresponds to HMY's consolidated trial balances. 4. Comprises of EUR 20 million in cost synergies and EUR 10 million in EBITDA effect from commercial/revenue synergies of EUR 20 million, with full synergy effect expected to be reached by 2027 with gradual materialisation from financial year 2025 onwards. 5. The Board of Directors has resolved on a directed new issue of 38,200,000 ordinary shares, at a subscription price of SEK 22.7 per share, consequently raising proceeds of approximately SEK 867 million before transaction costs. 24,719,827 shares are issued based on the authorisation from the Annual General Meeting held on 15 May 2024, and the remaining 13,480,173 shares are issued subject to the subsequent approval of an Extraordinary General Meeting, intended to be held on or around 21 October 2024.

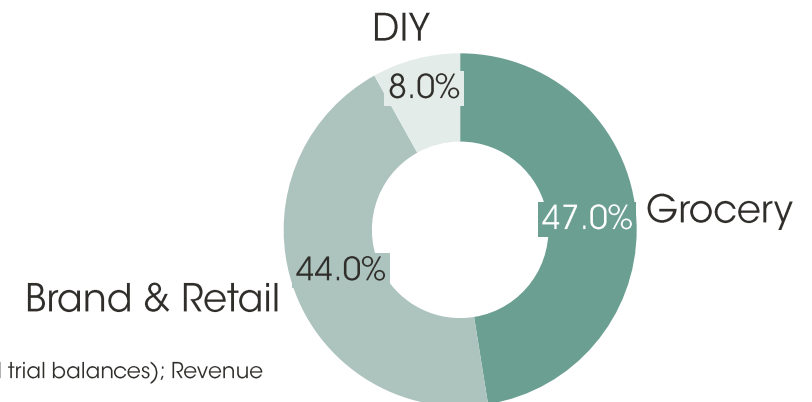
# HMY is a leading European player in retail solutions and services with focus on Spain and France

## HMY business overview

- ▶ Founded in 1960<sup>1</sup> and headquartered in Monéteau, France, HMY is a leading European player in retail solutions and services, providing the physical infrastructure inside a store including equipment and furniture, shelving and storage, checkout solutions, ceiling / wall coverings, lighting and visual communication
- ▶ Serves a broad range of local and global customers in more than 160 countries, across Food, DIY and Brands & Retail
- ▶ It is a leader in Spain and France, with South Europe and West Europe accounting for 75% of FY23A revenue; also displays strong growth prospects in geographies such as the Middle East and South America
- ▶ HMY has built a well-integrated and efficient industrial model that supports its clients both locally and globally
- ▶ Largest plant in Zaragoza (Spain) with additional facilities in France, Turkey and Brazil
- ▶ Currently owned by LBO France



### Selected customers



Notes: FYE 31 December; Financials based on company's financial reporting (French GAAP reporting based on consolidated trial balances); Revenue breakdown based on management accounts.  
 1. Foundation of Hermès-Métal. 2. Pre-IFRS 16 (French GAAP reporting); Extraordinary items are booked below EBITDA (total extraordinary result was EUR 9 million in FY23A and includes the cost of restructuring and exiting business activities). Sources: Company website, company presentations.

# The acquisition of HMY is a strategically and financially attractive opportunity for ITAB

## Strategic rational and financial impact

- ✓ Significant increase in scale and relevance to its customer base – becomes one of the largest players in Europe
- ✓ Geographically complementary to ITAB, given HMY's strength in Spain / France and Central / South America
- ✓ HMY provides complimentary capabilities in terms of sales strategies with regards to its differentiated Brand & Retail segment and opens opportunities for cross-selling ITAB's broader portfolio
- ✓ ITAB's complimentary capabilities in terms of Retail Tech and Lighting, creates an opportunity to drive cross-selling even further
- ✓ Potential synergies of EUR 30 million p.a. (23% of Aggregated FY23 EBITDA) will enhance EBITDA margins in the combined entity and drive EPS returns
- ✓ Accretive to EPS
- ✓ Increased scale will increase equity capital markets optionality to improve liquidity and research coverage

ILLUSTRATIVE

MEUR	ITAB	HMY	Potential synergies <sup>2</sup>	Aggregated <sup>1</sup>
	FY23A	FY23A		
Net sales	543.8	541.2	20.0	1,105.0
Adj. EBIT	38.3	27.1 <sup>3</sup>	30.0	95.4
<i>% margin</i>	7.0%	5.0%		8.6%
Net income	25.9	13.3 <sup>4</sup>	22.5	49.2 <sup>5</sup>
<i>% margin</i>	4.8%	2.5%		4.5%

Notes: FYE 31 Dec; ITAB financials converted from SEK to EUR based on exchange rate of 11.290 as of 24 September 2024.

1. The aggregated financial information presented in the table is for illustrative purposes only; HMY's financial information is prepared in accordance with French GAAP and is based on consolidated trial balances; The aggregated financial information is not financial pro forma and has not been audited or otherwise reviewed by the companies' auditors. 2. Annualised synergies, excluding restructuring / rationalisation costs; Yearly pre-tax synergies of EUR 30 million assumed including EUR 20 million of cost synergies and EUR 10 million EBITDA effect from commercial / revenue synergies of EUR 20 million; Full synergy effect to be reached by 2027 with gradual materialisation from FY25 onwards; Applied to FY23 for illustrative purposes.

3. Extraordinary result is booked below EBIT (total extraordinary result was EUR 9 million in FY23A and includes the cost of restructuring and exiting business activities). 4. Excludes interest expenses based on current capital structure and other financial charges (incl. inventory and doubtful receivable provisions); Based on a 25% tax rate. 5. Includes impact of new debt issuance of EUR 255 million; Assumes a tax rate of 25% for the group. Source: Company information.



# Questions & Answers



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