

# Industry Update Lighting Q4 2021



## Selected M&A highlights

- Dec-21 **Southwire** acquired **Topaz Lighting**, a provider of electrical fittings, components, and lighting products
- Dec-21 **Star Capital** acquired **Ivela**, an architectural lighting company focused on retail, hospitality and cruise sectors
- Dec-21 **Signify** announced the acquisition of the **horticulture lighting systems business of Fluence Bioengineering**, for an enterprise value of \$272m
- Dec-21 **Clessidra** announced the acquisition of **Viabizzuno**, a manufacturer of lighting solutions for the premium retail and residential sectors
- Nov-21 **Legrand** acquired **Ensto's Building Systems**, a provider of electrification and lighting solutions
- Nov-21 **Ernststromgruppen** acquired **Daniamant**, a manufacturer of survivor location lights
- Nov-21 **Gexpro** acquired **Resolux**, a manufacturer of light fittings and electrical components for the wind turbine industry
- Nov-21 **Globe Electric** acquired **HeathCo**, a manufacturer of electrical products, motion activated lighting, and lighting controls
- Nov-21 **Impact Partenaires** acquired **Chromaviso**, a developer of health-promoting lighting solutions
- Oct-21 **Luminii** acquired **Precision Lighting** and **Remote Controlled Lighting**, sister companies that provide remote controlled motorised luminaires for the architectural lighting market
- Oct-21 **Lucoco** acquired **DW Windsor**, a designer and manufacturer of exterior lighting solutions, for an enterprise value of £17m (7.3x EV/EBITDA)
- Oct-21 **Hydrofarm**, announced the acquisition of **Innovative Growers Equipment**, a provider of horticulture racks & LED lights, for an enterprise value of \$58m
- Oct-21 **Eiko** acquired **Premise LED**, a manufacturer of energy efficient lighting products
- Oct-21 **FW Thorpe** acquired a majority stake in **Electrozemper**, a specialist manufacturer of emergency lighting, for an enterprise value of €41m (9.3x EV/EBITDA)
- Oct-21 **Hultafors Group**, backed by Investment AB Latour, acquired **Scangrip**, a manufacturer of LED work lights for professionals
- Oct-21 **GE Current**, backed by American Industrial Partners, announced the acquisition of **Hubbell's commercial and industrial lighting business**, for an enterprise value of \$350m

## Public company valuations

### Lighting

Company	Country	Year End Date	Market Cap (GBPm)	Net Debt / (Cash)	EV (GBPm)	Net debt / EBITDA (2021)	EV/Revenue			EV/EBITDA			EV/EBIT			2 Year CAGR	
							Revenue (GBPm)	Revenue growth	2020	2021	2022	EBITDA %	2020	2021	2022	Sales	EBITDA
Acuity Brands		Aug-21	5,408	48	5,525	0.1x	2.3x	2.1x	2.0x	15.4x	13.4x	11.9x	17.2x	16.1x	13.5x	7%	14%
							2,450	2,629	2,824	358	411	465	321	343	408		
							(8%)	7%	7%	15%	16%	16%	13%	13%	14%		
Dialight		Dec-20	108	22	130	1.9x	1.1x	1.0x	0.9x	n/mf	11.3x	8.3x	n/mf	25.6x	13.0x	9%	n/a
							119	126	142	(2)	12	16	(8)	5	10		
							(21%)	6%	13%	(2%)	9%	11%	(7%)	4%	7%		
LSI Industries		Jun-21	136	66	202	4.2x	0.9x	0.8x	0.7x	16.6x	12.8x	11.3x	30.3x	23.0x	20.5x	15%	22%
							225	260	297	12	16	18	7	9	10		
							(12%)	16%	14%	5%	6%	6%	3%	3%	3%		
Oppl Lighting		Dec-20	1,820	(484)	1,317	n/a	1.5x	1.2x	1.1x	12.8x	9.6x	8.0x	14.8x	10.9x	9.0x	18%	27%
							894	1,067	1,239	103	137	165	89	120	146		
							(1%)	19%	16%	11%	13%	13%	10%	11%	12%		
Signify		Dec-20	4,276	1,211	5,588	1.5x	1.0x	1.0x	1.0x	7.2x	6.9x	6.5x	10.8x	8.5x	7.9x	0%	5%
							5,825	5,695	5,874	776	806	860	517	660	705		
							11%	(2%)	3%	13%	14%	15%	9%	12%	12%		
Zumtobel		Apr-21	279	90	367	1.0x	0.4x	0.4x	0.4x	4.3x	4.1x	3.5x	9.4x	9.6x	7.4x	2%	11%
							934	918	963	85	89	105	39	36	49		
							(6%)	(2%)	5%	9%	10%	11%	4%	4%	5%		
Min							0.4x	0.4x	0.4x	4.3x	4.1x	3.5x	9.4x	8.5x	7.4x	0%	5%
Mean							1.2x	1.1x	1.0x	11.3x	9.7x	8.2x	16.5x	15.6x	11.9x	9%	16%
Median							1.0x	1.0x	0.9x	12.8x	10.5x	8.1x	14.8x	13.5x	11.0x	8%	14%
Max							2.3x	2.1x	2.0x	16.6x	13.4x	11.9x	30.3x	25.6x	20.5x	18%	27%






Note: Multiples are based on enterprise value as of 31 December 2021 and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "n/mf": not meaningful; "n/a": not available. Enterprise Value is adjusted for minority interest, preference equity, pension deficit and investments in associates.

Source: CapIQ

# Lighting - Q4 2021 Industry update

## Public company valuations

### Broader electricals with lighting exposure

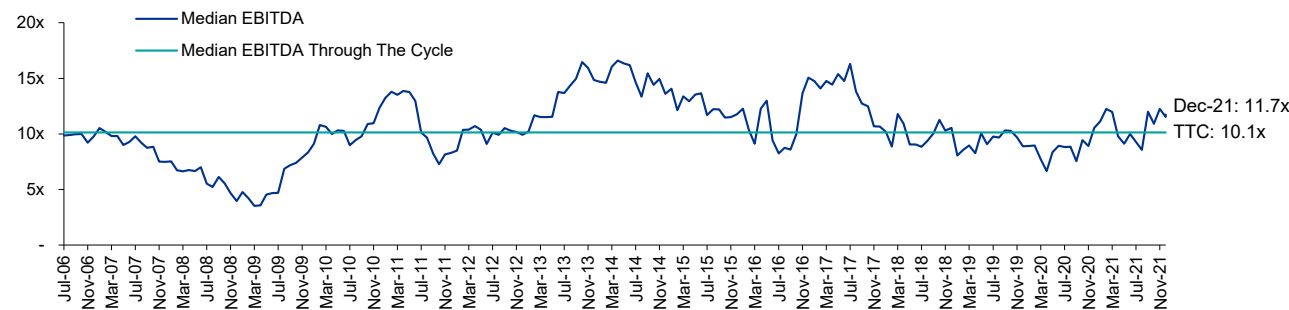
Company	Country	Year End Date	Market Cap (GBPm)	Net Debt / (Cash)	EV (GBPm)	Net debt / EBITDA (2021)	EV/Revenue Revenue (GBPm) Revenue growth			EV/EBITDA EBITDA (GBPm) EBITDA %			EV/EBIT EBIT (GBPm) EBIT %			2 Year CAGR 2020-2022	
							2020	2021	2022	2020	2021	2022	2020	2021	2022	Sales	EBITDA
Hubbell		Dec-20	8,369	1,030	9,406	1.9x	3.1x	2.7x	2.7x	18.4x	17.2x	16.4x	21.7x	20.9x	18.6x	7%	9%
Legrand		Dec-20	23,054	2,107	25,168	1.5x	3,066	3,483	3,518	17%	16%	17%	433	451	508	7%	9%
Lucent		Dec-20	535	21	557	0.5x	4.6x	4.3x	4.0x	20.5x	18.2x	17.2x	26.0x	21.4x	20.0x	18%	21%
MLS		Dec-20	2,611	35	2,525	0.1x	5,465	5,813	6,241	1,225	1,379	1,464	967	1,176	1,256	23%	46%
SMART Global		Aug-21	1,294	128	1,428	1.0x	(2%)	6%	7%	22%	24%	23%	18%	20%	20%	22%	nfm
Min							1.3x	1.0x	0.9x	16.8x	6.8x	7.8x	18.8x	10.7x	9.1x	7%	9%
Mean							1,950	2,509	2,940	151	370	322	37	237	250	15%	21%
Median							1.6x	1.2x	1.0x	18.4x	10.6x	7.8x	26.5x	14.0x	9.1x	18%	15%
Max							912	1,187	1,363	78	134	183	54	102	156	23%	46%

Note: Multiples are based on enterprise value as of 31 December and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "nfm": not meaningful; "n/a": not available. Enterprise Value is adjusted for minority interest, preference equity, pension deficit and investments in associates.

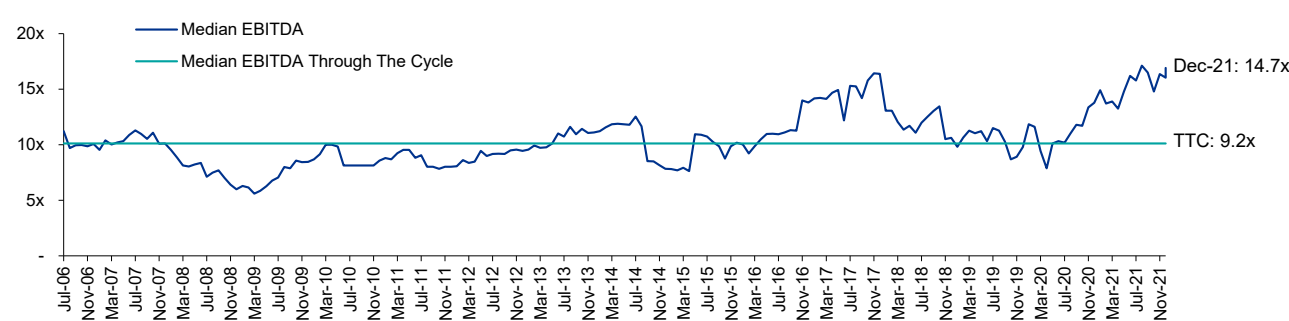
Source: CapIQ

## Public company valuations – Through the cycle (EV/LTM EBITDA)

### Lighting



### Broader electricals with lighting exposure



Note: The companies used in the public company valuations make up the constituents of the TTC analysis. Multiples are based on LTM basis. Enterprise Value is adjusted for minority interest, preference equity, pension deficit and investments in associates.

Source: CapIQ

# Lighting- Q4 2021 Industry update

## European M&A transaction history

Target	Country	Target Description	Acquirer	Country	Date	EV	EV/EBITDA
DW Windsor		Designer and manufacturer of exterior lighting solutions	Luceco		Oct-21	GBP 17	7.3x
Electrozemper (63% stake)		Specialist manufacturer of emergency lighting	FW Thorpe		Oct-21	EUR 41	9.3x
OSRAM		Manufacturer of LED lamps and lighting systems	AMS		Jun-21	EUR 5,534	21.9x
Prolectric Services		Provider of off-grid solar energy solutions including remotely monitored lighting products	Hill & Smith		Mar-21	GBP 18	13.0x
Cooper Lighting		Provider of LED lighting and control solutions	Signify		Mar-20	USD 1,400	7.5x
iGuzzini		Manufacturer of systems for the architectural lighting sector	Fagerhult		Mar-19	EUR 385	10.7x
Veko Lightsystems		Manufacturer and supplier of industrial lighting systems	Fagerhult		Apr-18	EUR 45	8.7x
Menu		Interior design company that provides furniture and lighting products	Polaris (PE)		Mar-18	USD 33	7.9x
Kingfisher Lighting		Supplier of exterior lighting products, including road and street LED lighting systems	Luceco		Sep-17	GBP 10	6.5x
SLV		Provider of lighting fixtures for the residential and commercial space	Ardian		Jan-17	EUR 800	13.4x
LED Linear		Manufacturer of linear lighting solutions	Fagerhult		Mar-16	EUR 40	13.6x
Flos		Manufacturer of consumer, professional and outdoor lighting products and lamps	Padme		Dec-14	USD 517	10.3x
Min							6.5x
Mean							10.8x
Median							9.8x
Max							21.9x

Source: MergerMarket and KPMG intel.

# Lighting – Q4 2021 Industry update

## KPMG's global lighting credentials



Commercial value engineered linear lighting systems



Solar LED marine lanterns



Configurable & customisable luminaires



Innovative LED lighting solutions



Sensor controlled lighting



Building energy-efficiency solutions



LED lighting systems for non-residential buildings



LED Lamp, Downlight and Track lighting solutions



Intelligent lighting solutions & LED luminaires



LED lighting systems for the Naval industry



Architectural lighting solutions



LED based linear lighting solutions

## UK lighting sector team



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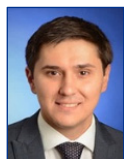


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