

# 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 **Ernstromgruppen** 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 **Luceco** 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 2020-2022	
							Revenue growth 2020	Revenue growth 2021	Revenue growth 2022	EBITDA % 2020	EBITDA % 2021	EBITDA % 2022	EBIT % 2020	EBIT % 2021	EBIT % 2022	Sales	EBITDA
Acuity Brands		Aug-21	5,408	48	5,525	0.1x	2.3x (8%)	2.1x (7%)	2.0x (7%)	15.4x (15%)	13.4x (16%)	11.9x (16%)	17.2x (13%)	16.1x (13%)	13.5x (13%)	7%	14%
Dialight		Dec-20	108	22	130	1.9x	1.1x (21%)	1.0x (6%)	0.9x (13%)	n.m. (2%)	11.3x (9%)	8.3x (9%)	n.m. (7%)	25.6x (4%)	13.0x (4%)	9%	n/a
LSI Industries		Jun-21	136	66	202	4.2x	0.9x (12%)	0.8x (16%)	0.7x (14%)	16.6x (5%)	12.8x (6%)	11.3x (11%)	30.3x (3%)	23.0x (3%)	20.5x (3%)	15%	22%
Opple Lighting		Dec-20	1,820	(484)	1,317	n/a	1.5x (1%)	1.2x (19%)	1.1x (16%)	12.8x (11%)	9.6x (11%)	8.0x (13%)	14.8x (10%)	10.9x (11%)	8.0x (11%)	18%	27%
Signify		Dec-20	4,276	1,211	5,588	1.5x	1.0x (5%)	1.0x (2%)	1.0x (3%)	7.2x (3%)	6.9x (3%)	6.5x (14%)	10.8x (15%)	8.5x (15%)	7.9x (12%)	0%	5%
Zumtobel		Apr-21	279	90	367	1.0x	0.4x (6%)	0.4x (2%)	0.4x (5%)	4.3x (9%)	4.1x (9%)	3.5x (10%)	9.4x (11%)	9.6x (11%)	7.4x (11%)	2%	11%
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.m": 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			EV/EBITDA			EV/EBIT			2 Year CAGR 2020-2022	
							Revenue (GBPm)	Revenue growth	2020	2021	2022	EBITDA %	EBITDA (GBPm)	2020	2021	2022	Sales
Hubbell	USA	Dec-20	8,369	1,030	9,406	1.9x	3.1x 3,066 (11%)	2.7x 3,463 13%	2.7x 3,518 25%	18.4x 510 17%	17.2x 546 16%	15.4x 610 17%	21.7x 433 14%	20.9x 451 13%	18.5x 508 14%	7%	9%
Legrand	France	Dec-20	23,054	2,107	25,168	1.5x	4.6x 5,465 (2%)	4.3x 5,813 6%	4.0x 6,241 7%	20.8x 1,225 22%	18.2x 1,379 24%	17.2x 1,464 23%	26.0x 967 18%	21.4x 1,176 20%	20.0x 1,256 20%	7%	9%
Luceco	UK	Dec-20	535	21	557	0.5x	3.2x 176 2%	2.8x 223 27%	2.3x 247 11%	18.4x 34 19%	12.2x 46 20%	11.1x 50 20%	18.8x 30 20%	14.1x 39 17%	12.8x 43 18%	18%	21%
MLS	China	Dec-20	2,611	35	2,525	0.1x	1.3x 1,950 (5%)	1.0x 2,509 29%	0.9x 2,940 17%	16.8x 151 8%	6.6x 370 15%	7.6x 322 15%	n.m. 37 2%	10.7x 237 9%	10.1x 250 9%	23%	46%
SMART Global	USA	Aug-21	1,294	128	1,428	1.0x	1.6x 912 2%	1.2x 1,187 30%	1.0x 1,363 15%	18.4x 78 9%	10.6x 134 9%	7.6x 183 11%	26.5x 54 6%	14.0x 102 9%	9.1x 156 11%	22%	n.m.
Min							1.3x	1.0x	0.9x	16.2x	6.8x	7.8x	18.8x	10.7x	9.1x	7%	9%
Mean							2.7x	2.3x	2.2x	18.1x	13.0x	11.9x	23.3x	16.2x	14.1x	15%	21%
Median							3.1x	2.5x	2.3x	18.4x	12.2x	11.1x	23.9x	14.1x	12.8x	18%	15%
Max							4.6x	4.3x	4.0x	20.5x	18.2x	17.2x	26.5x	21.4x	20.0x	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. "n.m": not meaningful; "n/a": not available. Enterprise Value is adjusted for minority interest, preference equity, pension deficit and investments in associates.

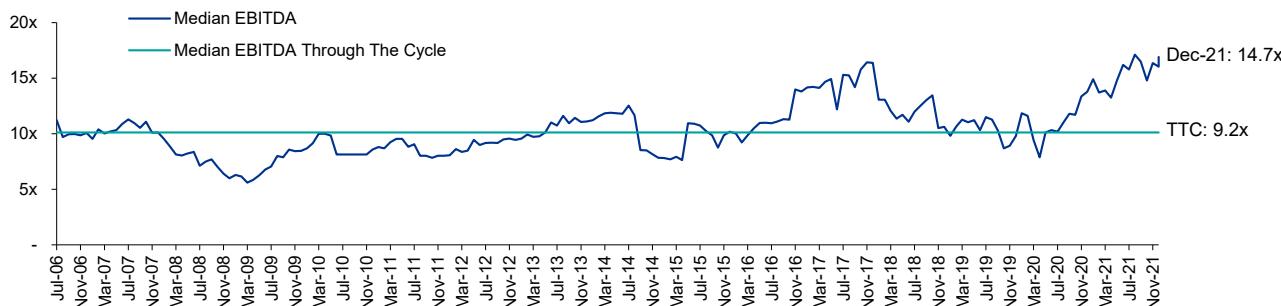
Source: CapIQ

## 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



## UK lighting sector team



**Simon Davis**  
Managing Director  
Tel: +44 (0)7798 877478  
Email: [Simon.davis@kpmg.co.uk](mailto:Simon.davis@kpmg.co.uk)



**Albert Thornton**  
Associate  
Tel: +44 (0)7776 631908  
Email: [Albert.thornton@kpmg.co.uk](mailto:Albert.thornton@kpmg.co.uk)



**Patrick Palicica**  
Associate Director  
Tel: +44 (0)7464 510458  
Email: [Patrick.palicica@kpmg.co.uk](mailto:Patrick.palicica@kpmg.co.uk)



**Nikhil Chandaria**  
Analyst  
Tel: +44 (0)7469 685303  
Email: [Nikhil.chandaria@kpmg.co.uk](mailto:Nikhil.chandaria@kpmg.co.uk)



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2022 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. | CREATE: CRT134281C