

# Lighting

## Q4 2022 Industry Update

December 2022



### Selected M&A highlights

**Dec-22: Meta Platforms** has acquired **LUXeXcel Group**, a Netherlands based developer, manufacturer and marketer of optical solutions for the LED lighting industry

**Dec-22: Ace Global Business Acquisition** has acquired **LE Worldwide**, a China based manufacturer of LED lamps

**Dec-22: Noe Holding** has acquired **Nine United Scandinavia**, a Denmark based manufacturer of electric lighting equipment

**Dec-22: Graybar Electric Company** has acquired **CX Connexion**, a US based electrical distributor focused upon lighting equipment

**Dec-22: Legrand** has acquired **Encelium**, a Canada based manufacturer of advanced commercial lighting controls

**Dec-22: 3d Investors** acquired a majority stake in **in-lite Design**, a Netherlands based manufacturer and seller of outdoor lighting for gardens

**Nov-22: Viabizzuno**, a **Clessidra Private Equity** portfolio company, acquired **Stealth Light**, an Italy based producer of electronic components for LED lighting and PCBs

**Nov-22: LPMG** acquired **Lumca**, a Canada based lighting manufacturer

**Nov-22: C2Mac Group** acquired **Tecnomeccanica**, an Italy based manufacturer of aluminium die cast parts for lighting and automotive sectors

**Nov-22: Shaoxing Jiufeng Semiconductor Technology** acquired **Shaoxing Opto Plus Technology**, a China based manufacturer and seller of LEDs

**Nov-22: Gewiss** acquired **Performance in Lighting**, an Italy based designer and manufacturer of professional lighting products

**Nov-22: Lombardo** acquired **Cini&Nils**, an Italy based manufacturer of LED lamps

**Oct-22: Cerberus Capital Management, Anchorage Capital Group and Nut Tree Capital Management** acquired **Lumileds**, a US based LED lighting manufacturer

**Oct-22: Principal Industries** acquired **SloanLED**, a US-based designer, developer and manufacturer of LED lighting products (**KPMG advised SloanLED**)

**Oct-22: Patrizia** acquired **Ottima**, an Italy based smart street lighting company

### Public company valuations

#### Lighting

Company	Country	Year End Date	Market Cap (GBPm)	Net Debt / (Cash)	EV (GBPm)	Net debt / EBITDA (2022)	EV/Revenue			EV/EBITDA			EV/EBIT			2 Year CAGR 2021-2023								
							Revenue (GBPm)	Revenue growth	EBITDA (GBPm)	EBITDA %	EBIT (GBPm)	EBIT %	Sales	EBITDA										
Acuity Brands		Aug-22	4,354	320	4,745	0.6x	1.5x	1.4x	1.4x	10.0x	9.2x	8.8x	14.0x	10.6x	9.5x	5%	7%							
							3,130	3,367	3,473	474	514	539	340	448	501	28%	8%	3%	15%	15%	16%			
Dialight		Dec-21	101	32	134	2.1x	1.0x	0.8x	0.7x	10.1x	9.7x	8.7x	29.7x	26.8x	20.6x	18%	7%							
							132	170	183	13	14	15	5	5	7	11%	29%	8%	10%	8%	8%	3%	3%	4%
							0.4x	0.3x	0.3x	2.3x	2.5x	2.5x	3.7x	5.3x	5.2x	9%	(6%)							
Endo Lighting		Mar-22	67	27	94	0.7x	247	274	292	41	37	37	25	18	18	3%	11%	7%	17%	14%	13%	10%	6%	6%
							0.8x	0.8x	0.8x	7.6x	6.9x	6.1x	9.5x	7.5x	6.6x	2%	12%							
LSI Industries		Jun-22	273	70	344	2.2x	1.1x	0.9x	0.8x	16.4x	10.8x	9.0x	26.0x	15.4x	12.5x	14%	35%							
							318	392	414	21	32	38	13	22	27	41%	23%	6%	7%	8%	9%	4%	6%	7%
Oppl Lighting		Dec-21	1,377	(534)	820	n/a	0.8x	0.8x	0.8x	7.6x	6.9x	6.1x	9.5x	7.5x	6.6x	2%	12%							
							1,028	973	1,073	108	119	135	86	110	123	15%	(5%)	10%	11%	12%	13%	8%	11%	12%
Signify		Dec-21	3,485	1,483	5,092	1.7x	0.9x	0.8x	0.7x	6.5x	5.7x	5.7x	9.3x	7.0x	7.2x	9%	7%							
							5,762	6,762	6,798	779	893	896	549	727	708	(1%)	17%	1%	14%	13%	13%	10%	11%	10%
Zumtobel		Apr-22	261	94	354	0.9x	0.4x	0.3x	0.3x	4.2x	3.4x	3.2x	7.7x	6.7x	6.3x	7%	15%							
							935	1,059	1,069	85	104	112	46	53	56	0%	13%	1%	9%	10%	11%	5%	5%	5%
Min							0.4x	0.3x	0.3x	2.3x	2.5x	2.5x	3.7x	5.3x	5.2x	2%	(6%)							
Mean							0.9x	0.8x	0.7x	8.1x	6.9x	6.3x	14.3x	11.3x	9.7x	9%	11%							
Median							0.9x	0.8x	0.7x	7.6x	6.9x	6.1x	9.5x	7.5x	7.2x	9%	7%							
Max							1.5x	1.4x	1.4x	16.4x	10.8x	9.0x	29.7x	26.8x	20.6x	18%	35%							

Note: Multiples are based on enterprise value as of 31 December 2022 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

## Public company valuations

Broader electricals with lighting exposure

Company	Country	Year end date	Market cap (GBPm)	Net debt / (cash)	Adj 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 2021-2023	
							2021	2022	2023	2021	2022	2023	2021	2022	2023	Sales	EBITDA
Hubbell		Dec-21	10,460	1,053	11,524	1.5x	3.7x	2.8x	2.7x	23.1x	16.0x	14.7x	28.5x	19.4x	17.8x	18%	25%
							3,097	4,128	4,302	499	722	785	404	593	648		
							15%	33%	4%	16%	17%	18%	13%	14%	15%		
Legrand		Dec-21	17,697	2,283	19,987	1.4x	3.4x	2.7x	2.7x	14.7x	12.1x	11.9x	17.7x	13.9x	13.7x	12%	11%
							5,874	7,280	7,431	1,361	1,655	1,680	1,130	1,438	1,460		
							7%	24%	2%	23%	23%	23%	19%	20%	20%		
Luceco		Dec-21	151	58	209	2.1x	0.9x	1.0x	1.0x	4.7x	7.6x	7.8x	5.5x	10.3x	10.9x	(5%)	(22%)
							228	207	206	44	28	27	38	20	19		
							30%	(9%)	(1%)	19%	13%	13%	17%	10%	9%		
MLS		Dec-21	1,448	(173)	1,152	n/a	0.5x	0.4x	0.4x	3.5x	3.4x	3.0x	6.0x	4.2x	3.5x	20%	8%
							2,164	2,724	3,123	333	343	390	193	276	327		
							11%	26%	15%	15%	13%	12%	9%	10%	10%		
SMART Global		Aug-22	608	265	879	1.5x	0.6x	0.6x	0.6x	5.9x	5.0x	5.0x	9.7x	6.8x	6.2x	5%	9%
							1,368	1,496	1,514	148	177	176	91	129	141		
							50%	9%	1%	11%	12%	12%	7%	9%	9%		
Min							0.5x	0.4x	0.4x	3.5x	3.4x	3.0x	5.5x	4.2x	3.5x	(5%)	(22%)
Mean							1.8x	1.5x	1.5x	10.4x	8.8x	8.5x	13.5x	10.9x	10.4x	10%	6%
Median							0.9x	1.0x	1.0x	5.9x	7.6x	7.8x	9.7x	10.3x	10.9x	12%	9%
Max							3.7x	2.8x	2.7x	23.1x	16.0x	14.7x	28.5x	19.4x	17.8x	20%	25%

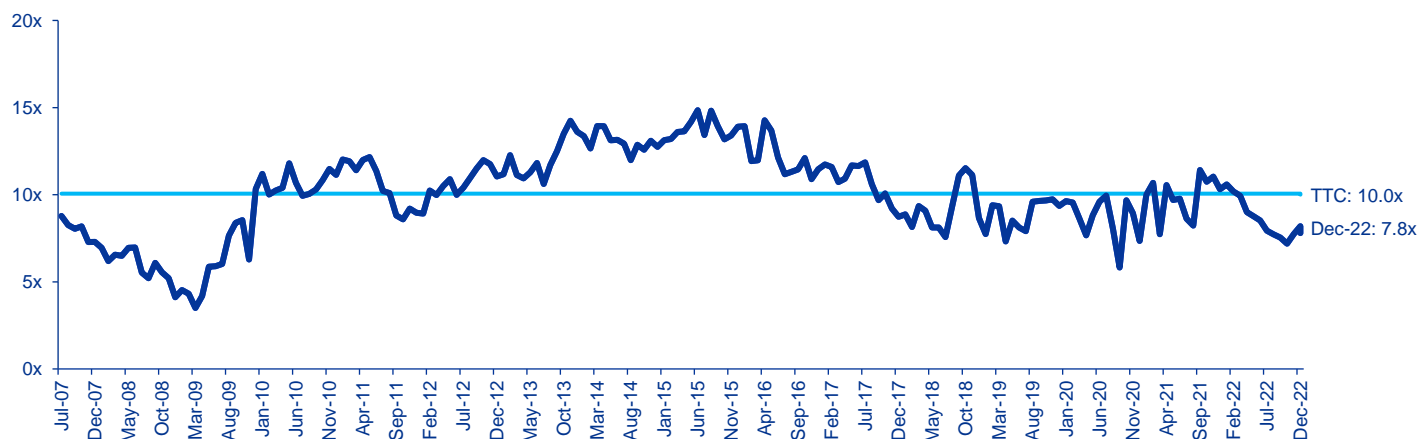
Source: CapIQ

Note: Multiples are based on enterprise value as of 31 December 2022 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.

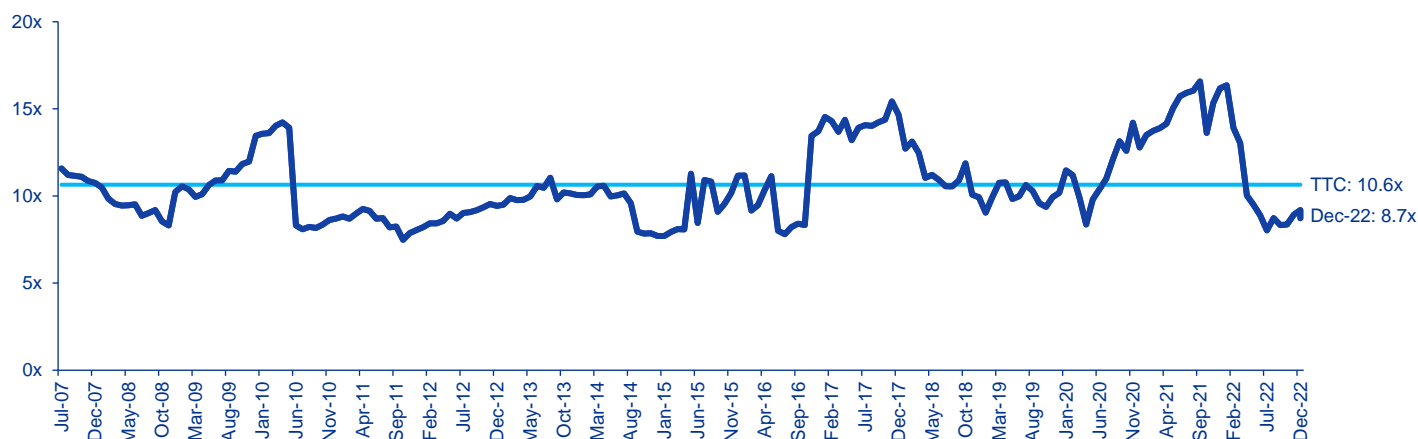
## Public company valuations

Through the cycle (EV/LTM EBITDA)

Lighting































Broader electricals with lighting exposure



Source: CapIQ






























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.

## European M&A transaction history

Date	Target company	Country	Target Description	Acquirer company	Country	EV (m)	EV/ EBITDA
Sep-22	SchahLED (80% stake)		Provider of LED lighting solutions for industrial buildings	FW Thorpe		€18m	6.5x
Oct-21	DW Windsor		Designer and manufacturer of exterior lighting solutions	Luceco		£17	7.3x
Oct-21	Electrozemper (63% stake)		Specialist manufacturer of emergency lighting	FW Thorpe		€41	7.7x
Jun-21	OSRAM		Manufacturer of LED lamps and lighting systems	AMS		€5,534	21.9x
Mar-21	Prolectric Services		Provider of off-grid solar energy solutions including remotely monitored lighting products	Hill & Smith		£18	13.0x
Mar-20	Cooper Lighting		Provider of LED lighting and control solutions	Signify		\$1,400	7.5x
Dec-19	ES-System		Designer, developer and manufacturer of various LED lighting solutions	Glamox		€30	8.4x
Mar-19	iGuzzini		Manufacturer of systems for the architectural lighting sector	Fagerhult		€385	10.7x
Apr-18	Veko Lightsystems		Manufacturer and supplier of industrial lighting systems	Fagerhult		€45	8.7x
Mar-18	Menu		Interior design company that provides furniture and lighting products	Polaris (PE)		\$33	7.9x
Sep-17	Kingfisher Lighting		Supplier of exterior lighting products, including road and street LED lighting systems	Luceco		£10	6.5x
Jan-17	SLV		Provider of lighting fixtures for the residential and commercial space	Ardian		€800	13.4x
Mar-16	LED Linear		Manufacturer of linear lighting solutions	Fagerhult		€40	13.6x
Dec-14	Flos		Manufacturer of consumer, professional and outdoor lighting products and lamps	Padme		\$517	10.3x
<b>Min</b>							<b>6.5x</b>
<b>Mean</b>							<b>10.2x</b>
<b>Median</b>							<b>8.6x</b>
<b>Max</b>							<b>21.9x</b>

Source: MergerMarket and KPMG intel.

## KPMG's global lighting credentials

   <p>Advised SloanLED, on its sale to Principal Industries</p> <p>Innovative LED technology</p> <p><b>2022</b></p>	   <p>Advised Fulham Co. Inc on its sale to Graycliff Partners</p> <p>Power and lighting sub-systems</p> <p><b>2022</b></p>	   <p>Advised Core Industrial Partners on its acquisition of Kelvix</p> <p>Commercial value engineered linear lighting systems</p> <p><b>2021</b></p>	   <p>Advised Sealite on its sale to SPX Corporation</p> <p>Solar LED marine lanterns</p> <p><b>2021</b></p>
   <p>Advised Viscor on its sale to Leviton</p> <p>Configurable &amp; customisable luminaires</p> <p><b>2019</b></p>	   <p>Advised Saylite on its sale to Core Industrial Partners</p> <p>Innovative LED lighting solutions</p> <p><b>2019</b></p>	   <p>Advised Steinel on its sale to Adcuram</p> <p>Sensor controlled lighting</p> <p><b>2019</b></p>	   <p>Advised Teletrol on its sale to Cylon</p> <p>Building energy-efficiency solutions</p> <p><b>2018</b></p>
   <p>Advised Finelite on its sale to Legrand</p> <p>LED lighting systems for non-residential buildings</p> <p><b>2017</b></p>	   <p>Advised Green Creative on its sale to Harbour Group</p> <p>LED Lamp, downlight and track lighting solutions</p> <p><b>2017</b></p>	    <p>Advised Osram on its divestment of Ledvance to a consortium</p> <p>Intelligent lighting solutions &amp; LED luminaires</p> <p><b>2017</b></p>	   <p>Advised Glamox on its acquisition of Linksrechts</p> <p>LED lighting systems for the Naval industry</p> <p><b>2017</b></p>

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