

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 **Tecnomecanica**, 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) (GBPm)	EV (GBPm)	Net debt / EBITDA (2022)	EV/Revenue			EV/EBITDA			EV/EBIT			2 Year CAGR 2021-2023	
							Revenue growth	2021	2022	2023	2021	2022	2023	2021	2022	2023	Sales
Acuity Brands	USA	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%	11%	13%	14%		
Dialight	UK	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%		
Endo Lighting	Japan	Mar-22	67	27	94	0.7x	0.4x	0.3x	0.3x	2.3x	2.5x	2.5x	3.7x	5.3x	5.2x	9%	(6%)
							247	274	292	41	37	37	25	18	18		
							3%	11%	7%	17%	14%	13%	10%	6%	6%		
LSI Industries	USA	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%		
Opple Lighting	China	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	Netherlands	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	Germany	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. nmf = 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			EV/EBITDA			EV/EBIT			2 Year CAGR 2021-2023							
							Revenue (GBPm)	Revenue growth	2021	2022	2023	EBITDA (GBPm)	EBITDA %	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%						

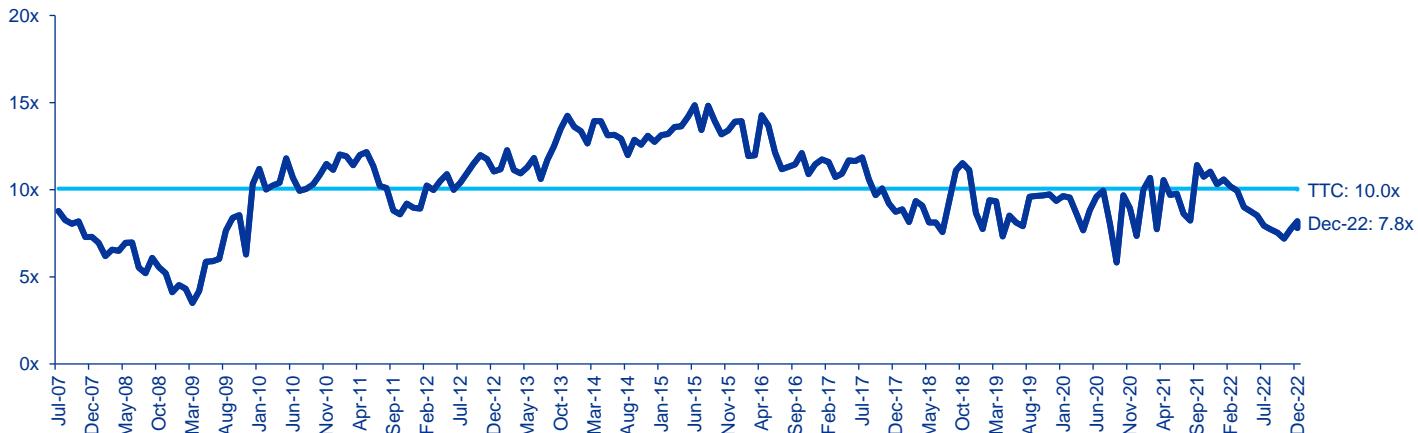
Source: CapiQ

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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	SchahlILED (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
Min							6.5x
Mean							10.2x
Median							8.6x
Max							21.9x

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

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