

EU Commission clears acquisition of agta record

ASSA ABLOY, a 39% shareholder of the Swiss company agta record ag ("agta record"), has received clearance by the EU Commission to indirectly acquire the 54% shareholding in agta record from the shareholders of Agta Finance (the "Acquisition").

The purchase price for the Acquisition amounts to approximately EUR 506 million, equivalent to an adjusted¹ purchase price per agta record share of EUR 70.54. The Acquisition is expected to close during August 2020. After the Acquisition ASSA ABLOY will own approximately 93% of the share capital and voting rights of agta record.

As previously announced ASSA ABLOY has entered into agreements with Italy based FAAC Group for the sale of certain agta record and ASSA ABLOY businesses, as part of the commitments to address the competition concerns of the EU Commission in connection with the Acquisition (the "Divestiture").

"I look forward to finally welcoming agta record and all of its employees into the ASSA ABLOY Group. I am convinced ASSA ABLOY will be a good home for agta record, which is a strategic addition to the Group and will bring important competence, products and services. I am also glad that the divested businesses, with its employees and customers, will be in good hands and I wish them future success," says Nico Delvaux, President and CEO of ASSA ABLOY.

"Following a long acquisition journey we are happy to be near the end of the process. agta record brings the well-known brand "record", a strong culture, high quality products and a very strong workforce and management. We can now turn our focus to the many opportunities this acquisition will bring," says Christopher Norbye, Executive Vice President of ASSA ABLOY and Head of Entrance Systems Division.

Simplified tender offer for non-controlling interest

Immediately after the Acquisition, ASSA ABLOY will file a proposed simplified public tender offer for the remaining outstanding shares of agta record, listed on Euronext Paris, at an adjusted price of 70.54 EUR per agta record share (the "Offer"). The Offer is subject to the AMF's prior regulatory approval.

agta record will also apply for the delisting of its shares from Euronext Paris immediately after the Acquisition. Subject to the Euronext Paris approval, the delisting will become effective shortly after the closing of the Offer.

¹ Notably including an upward interest rate adjustment. The adjusted purchase price of EUR 70.54 per agta record share assumes closing takes place on 17 August 2020. The final adjusted purchase price per agta record share will be determined at the exact date of closing.

Financial effects for ASSA ABLOY

The purchase price for the Acquisition amounts to approximately EUR 506 million, equivalent to an adjusted purchase price per agta record share of EUR 70.54. Assuming all the free float will be tendered to the Offer, the total amount paid for the Acquisition and the Offer amounts to approximately EUR 575 million.

Based on external financial information for 2019 for both agta record and ASSA ABLOY, the acquisition of agta record adds around 4% to ASSA ABLOY's consolidated revenue, excluding the Divestiture. The operating margin effect for ASSA ABLOY will be dilutive and the acquisition accretive to EPS from start, based on agta record's financial performance in 2019.

As part of the transaction, the existing 39% ownership in agta record held by ASSA ABLOY, a shareholding in associates, will be revalued at fair value through the income statement at closing. The expected non-cash income in EBIT amounts to around SEK 2 billion.

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About ASSA ABLOY

The ASSA ABLOY Group is the global leader in access solutions. The Group operates worldwide with 49,000 employees and sales of SEK 94 billion. The Group has leading positions in areas such as efficient door openings, trusted identities and entrance automation. ASSA ABLOY's innovations enable safe, secure and convenient access to physical and digital places. Every day, we help billions of people experience a more open world.