

THEON announces the acquisition of Harder Digital

Bloomberg (THEON:NA) / Reuters (THEON.AS)

Nicosia, 9 September 2024 – Theon International plc (**THEON**), is pleased to announce the acquisition of a 60% controlling stake in Harder Digital group (**Harder Digital**), a specialised manufacturer of Image Intensifier Tubes (**IIT**) mainly operative in Germany, through a cash injection of €34 million. This is the first step in THEON's efforts to secure its supply chain with THEON also working on longer-term commercial agreements with its key suppliers.

This acquisition, in line with the strategic priorities communicated during the IPO process, comes at a critical time as global geopolitical conflicts and emerging threats have put the supply and demand for Night Vision technology in a delicate balance, and will bring multiple benefits to THEON, including:

- Enabling THEON to vertically integrate by insourcing a critical component of the Night Vision value chain, enhancing operational security and flexibility.
- Giving THEON access to niche technologies, supporting the development of new products through additional in-house R&D capabilities.

Notably, this expansion is not expected to compete with IIT produced and procured by THEON's existing suppliers, ensuring continued strong partnerships. THEON will also continue and expand its cooperation with the other European and US IIT manufacturers.

The acquisition will be performed through a cash injection of €34 million, implying a mid-single digit multiple of the expected EBITDA for 2026. The majority of the funds will be deployed to upgrade Harder Digital production facilities and increase the capacity of 3rd generation IIT manufacturing lines in Germany mainly and Latvia. The remaining funds will be used to financially restructure the company.

Harder Digital, which is currently operating well below its full capacity, is targeting €17 million sales with 10% EBITDA margin in 2024. In the medium term, it is expected to approximately triple sales by 2028, reaching a mid-twenties EBITDA margin at the time, after restoring capacity and achieving economies of scale. This is also in line with the anticipated increase in global demand which necessitates that THEON will be continuing its long-term cooperation with the other tube manufacturers. THEON currently purchases almost 50% of Harder Digital's output, and this is envisaged to continue. The remaining production will continue to be sold to third parties.

The transaction is subject to customary approvals from relevant regulatory authorities and expected to close during the fourth quarter of 2024. The transaction is foreseen to be fully financed with available cash that will be deployed over a two-year period.

Christian Hadjiminias, founder and CEO of THEON commented on the acquisition: “*We are delighted to announce the signing of our first sizeable M&A transaction which **first and foremost is a financially attractive acquisition**. We have been partnering with Harder Digital and its current management team for many years and we are pleased to welcome them to the THEON family. This is the first step in implementing our inorganic growth strategy communicated during the IPO process earlier this year. This acquisition would allow us to achieve partial vertical integration in our core Night Vision business segment and strengthen THEON’s presence in Germany and the Baltic region, some of our key markets. The realisation of our global expansion is expected to continue with a good pipeline of other potential acquisition targets already identified, including a number of companies in Germany.*”

Harder Digital was established in 1999, having its HQ in Woltersdorf, Germany and operating subsidiaries in Germany, Serbia and Latvia. Harder Digital has become one of the few companies in the field of Image Intensification, covering a range of Gen I, Gen II and Gen III as well as custom made IIT and components. Harder Digital exports its products to over 30 countries globally.

THEON today also announces the H1 2024 results which can be found [here](#). A webcast will be taking place tomorrow, Tuesday, 10 September 2024, at 2:00 pm CET, with THEON’s Executive Management team presenting the results, followed by a Q&A session. You can register for the webcast [here](#).

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About THEON

THEON INTERNATIONAL PLC is the parent company of THEON SENSORS S.A., a leading manufacturer of Night Vision and Thermal Imaging systems for defense and security applications with a global footprint. THEON SENSORS S.A. started its operations in 1997 from Greece and today plays a leading role in the industry with international presence, including offices in Greece, Cyprus, USA, UAE, Switzerland and Singapore, as well as 3 production facilities in Athens, Wetzlar (Germany) and Plymouth (USA). Through this network of companies, offices and facilities around the world, THEON SENSORS S.A. has more than 170,000 systems in service with Armed and Special Forces in 70 countries around the world, 26 of which



are NATO countries. THEON INTERNATIONAL PLC listed its shares on Euronext Amsterdam in February 2024.