

Press Release

Stockholm, Sweden, 6 July 2021

Hexagon to acquire Infor's EAM business and form a broader strategic relationship with Infor and Koch

Hexagon AB, a global leader in digital reality solutions, today announced an agreement to acquire Infor's global EAM (enterprise asset management) business, for approximately 2,750 MUSD*. The terms of the agreement include establishing a deeper commercial relationship between Hexagon and Infor as well as Hexagon and Koch Equity Development, both subsidiaries of Koch Industries, Inc. Hexagon gains a best-in-class, SaaS-based asset management solution – Infor EAM – which is used to track assets, digitalise maintenance operations and enable customers in nearly any industry to reach optimum operational efficiency.

EAM solutions provide the foundation of digital innovation in asset-intensive industries, where digital realities, or digital operational twins, are increasingly leveraged to provide a single source of truth and complete line-of-sight to ever-changing situations. This includes the condition and performance of fixed assets – from capital and process equipment (machines, trucks, valves, turbines, and pumps) to critical infrastructure (road, railway, pipeline and communications networks) to entire buildings and facilities. The Infor EAM solution is highly scalable and easily configurable to meet the needs of specific verticals, such as mass transit, food and beverage, facilities management and much more.

Customers in manufacturing, power and energy, facilities, transportation and more utilise Infor EAM to monitor, track and extract the most value from their assets while mitigating risks associated with operational downtime and unnecessary, unplanned costs. With Infor EAM, customers can put their operations to work for them - optimising business processes and asset maintenance strategies to ensure operational efficiency and asset reliability. Key capabilities of the Infor EAM solution include work order management, inventory optimization, safety and compliance measurement and reporting, asset planning and decision-making and mobile application extensions. The Infor EAM solution also includes APM (asset performance management) capabilities, enabling integration of real-time asset data for condition monitoring, and can also integrate with mapping and positioning solutions as well as live camera and sensor feeds for asset visualisation and tracking.

"Infor EAM is continuously ranked by analysts as a market leader among best-of-breed EAM solutions and is considered by thousands of customers as one of the industry's most compelling solutions," says Hexagon President and CEO [Ola Rollén](#). "Hexagon's decision to acquire this business is a strong endorsement of our mission to put data to work to enable autonomous, connected ecosystems that boost efficiency, productivity, quality and safety for our customers."

"Adding an enterprise asset management system to our portfolio puts us in a unique position to drive further digital transformation across our customer base. By integrating Infor EAM's built-in, industry-specific asset management capabilities with our digital reality solutions and platforms, we can improve capital asset performance in ways beyond what EAM can achieve standalone – from enhancing predictive maintenance and reducing energy usage to supporting other sustainability initiatives," continued [Rollén](#). "Infor EAM

customers and partners can expect a smooth transition with significant synergies that will produce faster growth and greater opportunities, including expansion into new verticals as well as underserved markets such as Asia Pacific.”

Moving forward, Hexagon and Infor, a global leader in business cloud software specialised by industry (CloudSuite), will form a strategic partnership comprised of reseller agreements and opportunities to accelerate cross-selling of complementary solutions across common customers in markets such as automotive, discrete manufacturing, and public safety.

Further, several Koch companies are already valued customers of the Infor EAM solution and Hexagon’s enterprise project performance and industrial facility solutions. To unlock additional value for Koch companies across the entire lifecycle of their manufacturing assets – from initial design to day-to-day operations – Hexagon and Koch have signed a Strategic Alliance Memorandum of Understanding to further expand the use of Infor EAM and Hexagon’s solutions.

The Infor EAM business has approximately 500 highly skilled professionals serving nearly 3,500 customers globally. Infor EAM will be reported under Hexagon’s Industrial Enterprise Solutions segment but serve all Hexagon businesses focused on asset-intensive ecosystems like manufacturing, industrial facilities, mines, farms, autonomous mobility, buildings, infrastructure, cities & nations, and defence.

Transaction overview

Infor’s EAM business’ revenue for 2021 is forecasted at 184 MUSD with an adjusted operating margin of more than 40 per cent after integration and annual recurring revenue above 70 per cent. Infor’s EAM business is driving a transition of its customer base to SaaS, which is expected to be over 40 per cent of revenue in 2021 (over half of software revenues) and has been growing at a trailing 3-year Compound Annual Growth Rate (CAGR) of approximately 35 per cent. Given the strong fit of Infor EAM across Hexagon’s businesses, the transaction is expected to generate sales synergies, growing to approximately 100 MUSD by 2026. Transaction and integration costs including Purchase Price Allocations (PPA) and deferred revenue adjustments affecting the income statement will be communicated as soon as access to accounting has been obtained and the calculations are completed.

Under the terms of the agreement, Hexagon AB will pay 800 MUSD in cash and issue 132.6M series B shares to Koch, in accordance with the mandate granted by the Annual General Meeting 2021. The total purchase price will be approximately 2,750 MUSD based on an agreed share price of 125.73 SEK, on a cash and debt free basis. The exact total purchase price is dependent on the share price at the closing of the transaction. After the completion of the transaction, Koch will own 4.9 per cent of the equity in Hexagon AB and become a long-term, active shareholder in addition to the business partnership. Hexagon’s main shareholder, MSAB, has the intention of suggesting Brett Watson, President of Koch Equity Development, to the Hexagon nomination committee for nomination to the Board of Directors as soon as feasible post-closing. After the non-cash issue, Hexagon’s share capital will amount to 85,761,451 EUR. Including the new shares, the acquisition is expected to be accretive to Hexagon’s adjusted earnings per share (before PPA and other purchase accounting adjustments) as of closing.

Completion of the transaction is subject to regulatory approvals and other customary conditions, which are expected to be fully completed during the fourth quarter 2021. Completion of the transaction is also subject to various other contractual clauses, including certain rights in the event of a material adverse change in relation to the parties’ businesses or valuations.

***Key facts:**

- Purchase price of approximately 2,750 MUSD on a cash and debt free basis of which:
 - 800 MUSD in cash
 - 132.6M Hexagon AB series B shares corresponding to approximately 1,950 MUSD, based on an agreed share price of 125.73 SEK
- The exact total purchase price is dependent on the share price at the closing of the transaction
- The cash consideration will be fully financed via existing debt facilities resulting in a proforma net debt to EBITDA ratio of approximately 1.75 after the transaction
- Infor EAM will be accretive to Hexagon's adjusted earnings (before PPA and other purchase accounting adjustments) as of closing

Press and capital markets webcast and telephone conference

Hexagon's President and CEO Ola Rollén will host a press and capital markets webcast and telephone conference today at 10:00 CET. Access the webcast on investors.hexagon.com or participate by phone on +46 (0) 8 566 426 51 (SWE), +44 (0) 333 300 0804 (UK) or +1 631 913 1422 (US). Code: 53631093#.

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This is information that Hexagon AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 6 July 2021.

Hexagon is a global leader in digital reality solutions, combining sensor, software and autonomous technologies. We are putting data to work to boost efficiency, productivity, quality and safety across industrial, manufacturing, infrastructure, public sector, and mobility applications.

Our technologies are shaping production and people related ecosystems to become increasingly connected and autonomous – ensuring a scalable, sustainable future.

Hexagon (Nasdaq Stockholm: HEXA B) has approximately 21,000 employees in 50 countries and net sales of approximately 3.8bn EUR. Learn more at hexagon.com and follow us [@HexagonAB](https://twitter.com/HexagonAB).