



Växjö 15 November 2018

Balco strengthens its position in Sweden through acquisition of TBO-Haglinds AB

Balco Group AB is acquiring TBO-Haglinds AB, which operates within the same renovation segment with respect to balcony construction projects in Sweden. The acquisition strengthens and complements Balco's product offering and customer offering. In addition to continuing to develop TBO-Haglinds' well-managed and profitable business together, there are synergies between the companies, particularly as regards the customer offering in Sweden and, in the future, also in other countries where Balco operates.

Balco Group AB has entered into an agreement to acquire all shares in TBO-Haglinds AB. Closing will take place in December 2018 and the acquisition will be consolidated in the accounts commencing 1 January 2019.

TBO-Haglinds AB is one of the established companies on the Swedish renovation market for balcony construction projects. Through the acquisition, Balco is strengthening its product offering and customer offering to cover the entire market's needs within the renovation segment.

TBO-Haglinds has sales of approximately SEK 130 million with an expected operating profit of SEK 15 million. The company's order backlog amounts to approximately SEK 200 million. TBO-Haglinds will continue to be run by its current management as an entirely independent company within the Balco group. Pär Haglind remains as CEO.

With the acquisition, Balco's order backlog increases from SEK 1.2 billion to approximately SEK 1.4 billion, at the same time as our growth within the renovation segment is expected to increase by approximately 15% more than Balco's underlying growth. The acquisition is expected to make a positive contribution of SEK 0.5 to earnings per share in 2019.

"The opportunity to acquire TBO-Haglinds is in line with Balco's growth strategy and will contribute significant values, both for Balco's future customers and for the company's shareholders. Through the acquisition we are significantly strengthening our market position on our important Swedish main market. We are extremely pleased to welcome TBO-Haglinds as part of the Balco Group," says Balco's CEO Kenneth Lundahl in a comment.

"We look forward to continuing to develop TBO-Haglinds together with Balco; we perceive major opportunities going forward within renovation, where we are ensuring a large and important workplace in Arboga", says TBO-Haglinds AB's CEO Pär Haglind.



The purchase price is SEK 120 million, of which SEK 20 million constitutes a variable supplemental purchase price which is based on the company's future development and which will become payable in 2021. The acquisition is financed in all essential respects through use of granted, as yet undrawn, credit facilities.

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Carnegie has assisted Balco in conjunction with the transaction.

This information is such as Balco Group AB is obliged to publish pursuant to the EU Market Abuse Regulation. The information was submitted for publication by the above contact persons on 15 November 2018 at 21:00 CET.

Balco in brief:

Balco is a growth company offering high quality, innovative, patented and energy-saving balcony solutions. The company's customised products contribute to enhanced quality of life, security and an increase in value for residents of multi-family residential properties. Through a decentralized and efficient sales process, Balco has control over the entire value chain – from production to delivery. The company, which was founded in Växjö in 1987 and has over 300 employees, is a market leader in the Nordic region, and operates on several markets in northern Europe. Sales in 2017 amounted to SEK 989 M. Balco's shares are listed on the Nasdaq Stockholm Stock Exchange.

TBO-Haglinds in brief:

TBO-Haglinds AB derives from Haglinds Svets AB which, during the 1970s and 80s, manufactured wrought iron products for industry, for which it also performed contract manufacturing and service engagements. At the same time, during the 1980s TBO AB developed in the neighbouring town of Köping; that company engaged in renovation and replacement of balconies on apartment buildings.

The two companies engaged in ever closer collaboration and, in 1996, were merged to form TBO-Haglinds AB, with the brothers Ola och Christer Haglind as owners; the company was acquired by Ola's children, Mia, Pär and Peter, in 2003. The siblings are active and run the company. Over the years the balcony construction element has expanded and become an increasingly dominant part of the business, with customers throughout Sweden and Norway. In total, more than 35,000 balconies have been produced and delivered.