

Media release

Phoenix Mecano strengthens ELCOM/EMS division with acquisition of ismet GmbH, Villingen-Schwenningen (D) – Transformer manufacturer Platthaus GmbH, Alsdorf (D), to be integrated

Stein am Rhein/Kloten, 15 June 2016. The Phoenix Mecano Group, a leading player in the manufacture and sale of technical components for industry, is to acquire all shares in ismet GmbH, based in Villingen-Schwenningen, Germany, as well as its subsidiary in the Czech Republic. The acquisition is subject to official approval and is expected to take effect on 1 July 2016.

All strategic options for Phoenix Mecano Group company Platthaus GmbH (Germany) were assessed as part of the ELCOM/EMS division realignment. The acquisition of the ismet group is the outcome of this structured evaluation.

The ismet group will remain as a company within the Phoenix Mecano Group and as a brand name. Phoenix Mecano plans to integrate Platthaus GmbH into the ismet group and expects this to deliver R&D, manufacturing and sales synergies, leading to significant annual cost savings in the mid-six-figure range in subsequent years. Production relocations and a site closure will entail exceptional costs of approximately € 1 million to € 1.5 million, which will be charged to the 2016 financial statements.

The ismet group is well-positioned in the European transformer and choke market and serves a broad customer base in Germany, Austria and Switzerland. The profitable business generated consolidated sales of around € 14 million in 2015 and employs 140 people at two sites in Germany and the Czech Republic. All engineering and design operations as well as the prototyping and small-batch production division are based in Villingen-Schwenningen, Germany. Larger series are manufactured at a specialist production facility in Běhařovice, Czech Republic. This facility has been in operation since 1994 and is certified for the entire product range.

The group's products and systems, most of which are customised, are used for voltage transformation and to stabilise power networks. Industrial applications cover a wide power range in the fields of mechanical engineering, transport (railway technology and marine equipment), building technology and renewable energy.

The parties have agreed not to disclose the purchase price.

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