



# Sabaf: agreements for the acquisition of 68.5% of C.M.I.'s share capital

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**Sabaf S.p.A.** announces the signing of **two binding contracts for the acquisition of 68.5% of the share capital of C.M.I. s.r.l.** The C.M.I. Group is one of the main players in the design, production and sale of hinges for household appliances and is active with production units in Italy and Poland. C.M.I. also controls C.G.D.



s.r.l., a company specialised in the production of moulds for steel and sheet metal pressed articles. C.M.I. is currently controlled by the Chinese group Guandong Xingye Investment, which holds 91.5% of the share capital; the remaining 8.5% is held by Eros Gherardi – the company's founder – and by other natural-person shareholders. The agreements reached evaluate C.M.I. € 19.55 million (Equity Value) and provide for the following terms: **the purchase of the 60% stake from the current majority shareholders for a consideration of € 11.73 million**, which will be paid by Sabaf in a single payment together with the finalisation of the transaction and entirely financed through an unsecured bank loan with a duration of 72 months granted by Crédit Agricole. Besides, the agreements provide for **the purchase of the 8.5% stake held by the minority shareholders for a consideration of € 1.662 million**, which will be paid through the sale of Sabaf shares (currently in the portfolio), valued at the average stock exchange price of the last month before the transfer of the stake and for which a lock-up period of 12 months is envisaged for 50% and 24 months for the remaining 50%. The agreement with the majority shareholder also provides for purchase options in favour of Sabaf for the remaining 31.5% of the share capital of C.M.I. and simultaneous put options in favour of the current majority shareholder. The options may be exercised in two equal tranches following approval of the C.M.I. financial statements at 31 December 2019 and following approval of the C.M.I. financial statements at 31 December 2020. The valuation of the residual stakes will be based on an equity value equal to 7 times the EBITDA of C.M.I. at the date of the last approved financial statements, adjusted for the net financial position at the date of exercise of the option, with a minimum equity value of € 20.5 million for 100% of the company. The closing of the acquisition, which is not subject to significant conditions precedent, is expected in July. The Sabaf Group is already active in the sector of hinges for household appliances through Faringosi Hinges. "The acquisition of C.M.I. – **Pietro Iotti, Chief Executive Officer of Sabaf**, commented – has an important strategic value because it allows us to become the world's leading manufacturer of hinges for household appliances. Sabaf combines its consolidated leadership in gas burners and valves with its leadership in the hinge sector. Moreover, the combination of mechanical and electronic know-how, the result of the recent acquisition of Okida Elektronik, allows Sabaf to offer itself as a fully-fledged creator and developer of innovative solutions in the flourishing world of smart appliances".