

SABAF SIGNS AN AGREEMENT FOR THE ACQUISITION OF OKIDA

Sabaf S.p.A. announced that a binding contract was signed today for the acquisition - also through its subsidiary Sabaf Beyaz Eşya Parçaları (Sabaf Turkey) - of 100% of the Turkish company OKIDA Elektronik Sanayi ve Ticaret Anonim Şirketi. Okida was founded in Istanbul in 1987 by Mr. Gurol Oktug, who still controls the Company, and is a leader in Turkey in the design, manufacture and sale of electronic control boards, timers, display and power units for ovens, hoods, vacuum cleaners, refrigerators and freezers.

The company is characterised by a constant growth and a profitability stable at levels of excellence. In 2017, Okida achieved sales of USD 14.1 million, of which 37% directly abroad. Furthermore, Turkey is a very important industrial district for the production of household appliances and even Okida's sales to customers based in Turkey are then largely intended for finished products forwarded to foreign markets.

Okida currently has 83 employees (of which 10 in R & D).

The agreement provides for a preliminary valuation of the company amounting to USD 26.9 million (Enterprise Value), determined on the basis of a multiple of 5.05 times 2017 EBITDA. Okida reported a positive net financial position of USD 3.1 million at 31 December 2017. The parties envisaged a mechanism to adjust the purchase price to be determined on the basis of the Company's EBITDA as at 31 December 2018 as well as the net financial position and the net working capital at the closing date of the transaction.

It is envisaged that Mr. Gurol Oktug will remain at the head of Okida as General Manager for a period of not less than 12 months.

The closing of the acquisition, expected in September, is subject to authorisations being obtained from the competent local authorities.

In line with the Business Plan, the acquisition will be wholly financed through a bank loan with a duration of 72 months.

The Chief Executive Officer of Sabaf, Pietro Iotti, commented: “The acquisition of Okida represents the first step towards the implementation of the Business Plan presented at the beginning of this year, in line with the strategy of expanding the range of products in components for household appliances and the acquisition of skills in the electronics sector.

The combination of quality and innovation recognised in Okida and Sabaf’s widespread presence among all the main manufacturers of household appliances worldwide allows us to foresee strong sales synergies and important growth prospects for the next few years”.

The acquisition is considered as “non-significant” under the terms of article 71 of the Issuers’ Regulation and the criteria pursuant to Annex 3B of said Issuers’ Regulation.

For further information:

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Founded in the early fifties, SABAF has grown consistently over the years to become the key manufacturer in Italy – and one of the leading producers in the world – of components for kitchens and domestic gas cooking appliances.

There are four main lines of production: valves, thermostats and burners for gas cooking appliances and hinges for ovens, washing machines and dishwashers.

Technological expertise, manufacturing flexibility, and the ability to offer a vast range of components – tailor-made to meet the requirements of individual manufacturers of cookers and built-in hobs and ovens and in line with the specific characteristics of its core markets – are Sabaf’s key strengths in a sector featuring major specialisation, constantly evolving demand and an ever-increasing orientation towards products assuring total reliability and safety.

The Sabaf Group has more than 800 employees. It operates through its parent company SABAF S.p.A. and the subsidiaries Sabaf do Brasil, Sabaf Turkey and Sabaf China, active in the production of domestic burners, A.R.C., which produces burners for professional cooking, and Faringosi Hinges, leader in the production of oven hinges.