

Continued internationalization with Swedish Large Cap listed technology group

DEAL FLASH | INDUSTRIAL MACHINERY & COMPONENTS | MARCH 2022

DEAL SNAPSHOT

Westmatic Invest AB has been sold to Lagercrantz Group. Through this acquisition – consisting of Westmatic i Arvika AB and Westmatic Corporation in Buffalo, New York, as well as wholly and partly owned subsidiaries in Norway, Canada and Australia – Lagercrantz strengthens its Niche Products division.

Westmatic, with roots dating back to 1974, is a leading supplier of environmentally friendly heavy vehicle wash systems. With manufacturing facilities in Arvika, Sweden, and Buffalo, New York, the company provides innovative washing solutions to a wide range of customers, including commercial truck washes, truck fleet operators, and public and private operators of bus and train fleets. Over the past decades, Westmatic has established a strong market position in the Nordics and North America, with exports to other parts of the world. Today, the company is set to benefit from the increasing demand for environmentally friendly vehicle washing systems, fueled by stricter environmental regulations.

Lagercrantz Group is a technology group offering value-creating technology, using either proprietary products or products from leading suppliers. The group consists of some 60 companies, each with a focus on a specific sub-market. The group has approximately 1,800 employees and annual revenues of circa US\$525 million. Lagercrantz is listed on Nasdaq Stockholm Large Cap.

“It feels reassuring to hand over responsibility to a long-term and stable owner that can help Westmatic develop its business in the Nordics, North America and elsewhere. I am deeply impressed by Oaklins’ dedication, professionalism and methodical work, which resulted in a deal far exceeding our expectations.”

JAN SUNDELL
FOUNDER AND FORMER
CHAIRMAN, WESTMATIC
INVEST AB, SWEDEN



OAKLINS PLAYED A MAJOR ROLE IN FINDING THE RIGHT PARTNER

Oaklins’ team in Sweden acted as financial advisor to the owners and management of Westmatic in connection with the sale to Lagercrantz. The team started working together with the sellers in 2020 to prepare the company for the upcoming sale process, which was initiated in August 2021 and completed in January 2022.



MARKET TRENDS & DEAL DRIVERS

Automation, digitalization and more stringent environmental regulations are all global macro trends that favor providers of automatic and sustainable end-to-end solutions in the heavy vehicle wash market.

Over the last decade, sustainability has become increasingly important for clients seeking to limit their environmental impact by choosing washing solutions that use less water and electricity and fewer chemicals.

Nordic countries have been driving the development of sustainable heavy vehicle washing systems, as a consequence of market participants' need to comply with a strict regulatory framework.

By being at the forefront of developing sustainable heavy vehicle washing solutions, Westmatic is well-positioned to further leverage and expand its position as a leading supplier internationally.

M&A VALUATION ASPECTS

Financial details have not been disclosed. Westmatic generates annual revenues of approximately US\$20 million with a pro forma EBITDA in 2021 of approximately US\$2.8 million.

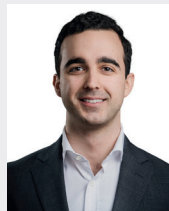
Westmatic's growth profile and recent uptick in profitability, combined with a positive market outlook, were reflected in an attractive valuation multiple.

TALK TO OUR ADVISORS



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Lars has experience in domestic and cross-border sell-side and buy-side M&A deals in a wide range of industries. Notable deals he has advised on include the sales of Syncore Technologies AB to Eteplan Oyj, of Kungshusen Medicinska AB to Diploma PLC, of AVA Monitoring to Indutrade, of eBuilder Travel to MobileXpense, of Riada AB to Eficode Oy, of Aleris' primary care business to Lideta and ICT Group's acquisition of Additude.

Christos primarily focuses on the healthcare and consumer sectors. Recent deals he has advised on include the sales of Kungshusen Medicinska AB to Diploma PLC, of Riada AB to Eficode Oy and of Väsby Läkargrupp AB to Doktor.se.

"We are very proud to have had the opportunity to guide Westmatic's owners through the divestment process. Oaklins' approach, of solid preparatory work coupled with our extensive experience of working with entrepreneurial and family-owned businesses, ensured a very well-executed process. Despite tough international competition, the sellers finally chose a Swedish industrial buyer, in what became an excellent deal for all parties involved."

LARS GUSTAFSSON
PARTNER, OAKLINS, SWEDEN

OAKLINS HAS CLOSED 251 DEALS IN INDUSTRIAL MACHINERY & COMPONENTS

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