

EMS provider Kitron acquires BB Electronics A/S

(2021-12-20) Kitron has entered into an agreement to acquire Danish EMS company BB Electronics A/S and expands its geographic footprint with the production facilities in Denmark, China and the Czech Republic.

Founded in 1975, BB Electronics is a full-service EMS (Electronics Manufacturing Services) provider based in Horsens, Denmark. The group has about 750 employees and has over the past years grown significantly, both organically and through M&A. The customer base is concentrated within industry, telecom and medical.

"BB Electronics gives us a solid position in one more Nordic country and extends Kitron's footprint in CEE and China. The acquisition also provides a pathway to establishment in India. BB Electronics has well-run and highly automated manufacturing operations serving a loyal long-term customer base. Its position within higher-complexity segments fits perfectly with Kitron's strategy," said Peter Nilsson, President and CEO of Kitron.

"We're impressed with the track record of the BB team and look forward to working together. We expect BB Electronics to continue with very little change. BB CEO Carsten Christensen will join the Kitron Group management, maintaining current responsibilities. We expect the transaction to be immediately earnings accretive for Kitron, while also supporting our growth strategy," said Mr. Nilsson.

"We believe the match with Kitron is excellent and provides an even stronger platform for BB Electronics, including a North American manufacturing presence, which is in strong demand from our existing customer base. We look forward to executing on our growth strategy under the Kitron umbrella," said Carsten Christensen, CEO of BB Electronics.

"The European EMS industry is highly fragmented, and we're convinced that we will be even stronger together as we leverage our individual strengths to continue both companies' track records of profitable growth," added Mr. Nilsson.

Key strategic benefits

- The acquisition will provide Kitron with a strategic geographical expansion, establishing a presence and gateway in Denmark, an additional Nordic country. Further, Kitron will have a strengthened presence in CEE with a site in the Czech Republic, a pathway to establishment in India and increased footprint and added capacity and capabilities in China.
- Following completion, Kitron expects to increase its competence and offering within production automation and sees new opportunities for efficiency improvements.
- Existing BB Electronics customers may benefit from Kitron's US operations, providing a broader customer base for the combined group.
- Valuable management resources will add to Kitron and profitable contribution to Kitron is expected from day 1 following completion.

The transaction is conditional upon customary closing conditions and is expected to be completed January 2022.

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Kitron is a leading Scandinavian electronics manufacturing services company for the Connectivity, Electrification, Industry, Medical devices and Defence/Aerospace sectors. The company is located in Norway, Sweden, Lithuania, Germany, Poland, China and the United States. Kitron had revenues of about NOK 4.0 billion in 2020 and has about 1 800 employees. www.kitron.com