



announces the acquisition of



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and joins the ranks of Europe's largest  
manufacturers of bathroom products





*Frank Göring*

**Chief Executive Officer**  
*Chairman of the Management Board*

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- With the company since 1997
  - Board Member (Bath & Wellness) since 2005
  - CEO since 2007
  - Areas of responsibility: Strategy, Legal, M & A, Compliance, Corporate Communications and Sustainability



*Dr. Markus Warncke*

**Chief Financial Officer**  
*Member of the Management Board*

- 
- With the company since 2001
  - CFO since 2015
  - Areas of responsibility: Controlling, Finance, Taxes, Investor Relations, Procurement, Real Estate and Internal Audit

## Agenda

1. Key transaction highlights
2. Combination of highly complementary businesses
3. Value creation and financial considerations

# Strategic rationale for Villeroy & Boch and Ideal Standard consolidation



## Highlights

- Villeroy & Boch has signed binding agreements to acquire all operating entities of the Ideal Standard Group. The sellers of the Ideal Standard shares are funds managed by Anchorage Capital Group and CVC Credit.
- Purchase Price is based on an enterprise value of approx. €600mm
- Ideal Standard management team will remain on-board and supports the joint growth path



## Rationale

- The acquisition creates a powerful combination with complementary established brand and sales strategies
- The excellent geographic and product complementarity with a strong fittings business forms the basis for an improved competitive position and additional growth
- Outstanding combination of Villeroy & Boch's premium offering for residential and Ideal Standard's strong expertise in non-residential project business



## Process

- The acquisition will be free from any of the bond-holder obligations
- Closing is conditional on customary regulatory approvals targeted for Q1 2024 with all Ideal Standard bonds redeemed on completion

# Transaction overview



## Consideration

- Enterprise value of approx. €600mm represents an 8.1x EV/2022 adj. EBITDA multiple
- Expected annual run-rate cost and revenue synergies of €35mm leading to an EV/EBITDA multiple of 5.5x post-synergies



## Financials

- Ideal Standard reported sales and adjusted EBITDA as of December 2022 of €737mm and €74mm
- Combined financials of €1,4bn sales, respectively over €1.7bn incl. Dining & Lifestyle division (2022) and ~€250mm adj. EBITDA<sup>1</sup> (2022)
- Net Debt<sup>2</sup>/EBITDA 2022 pro-forma post-transaction of 1.8x

Note: <sup>1</sup> Including Dining & Lifestyle division and €3m of transition and other, including run-rate synergies <sup>2</sup> as of June 2023

# Joining the ranks of Europe's largest manufacturers of bathroom products

Revenues >€1bn

<€500mm



Villeroy & Boch + Ideal Standard: Over €1.7bn in combined revenues  
thereof €1.4bn in bathroom products alone

# Ideal Standard: One of the large manufacturers of bathroom products in Europe and MENA<sup>1</sup>

x% Percentage of sales 2022

## BRANDS



**Ideal Standard**

*International flagship brand*

*Armitage  
Shanks*

*Iconic British brand*

**PORCHER**

*Well-known brand in France*

## PRODUCTS

Ceramics &  
Furniture

~50%



Fittings

~40%



Bathing &  
Wellness

~10%



**€737mm**

Sales 2022

**€176mm**  
UK

**€91mm**  
Italy

**€121mm**  
MENA



**€74mm**

Adj. EBITDA 2022



**>100 countries**

Sales reach



**>7,000**

Employees (2023)



# The combined business is well positioned to capitalise on favourable global megatrends



## Global market dynamics



- Industry doubling worldwide over medium and long-term<sup>1</sup>
- Backlog demand in regions such as Eastern Europe, UK and France

## Social megatrends



- Aging of the population
- Trend towards single households
- Generation of heirs with sufficient financial resources

## Renovations in bathroom area



- Implementation of ongoing technical developments
- Trend towards sustainable construction equipment

## Accelerated spending in housing



- Lack of living space due to migration and demographic change
- Need for renovation driven by modernization, changed living



Source: Statista (2023)  
Note: <sup>1</sup> from 2020 to 2030



## Agenda

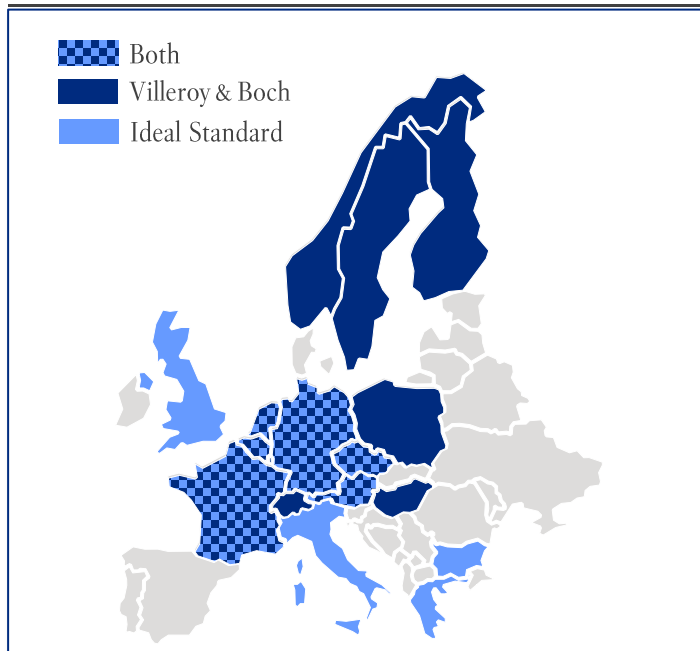
1. Key transaction highlights
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## Combination of highly complementary businesses



- 1 Combined business to strengthen presence across Europe and MENA
- 2 Ideal Standard enhances Villeroy & Boch's presence in the highly complementary fittings business
- 3 Excellent combination of V & Bs premium offering for residential and Ideal Standards strong expertise in non-residential project business
- 4 Combination of traditional and strong brands, highly recognized for product quality, design, customer focus and innovation

## Complementary regional footprint<sup>1</sup>



Both companies are already active in Central Europe

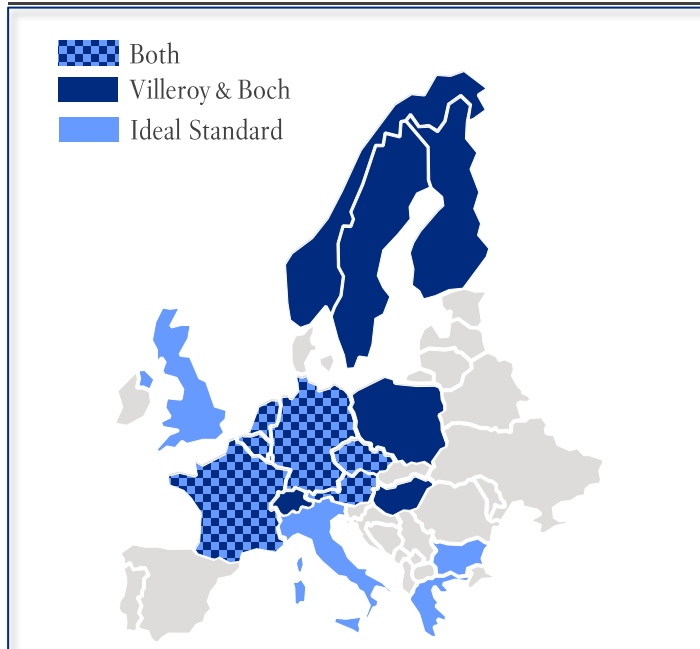
Villeroy & Boch is also strongly anchored in Northern Europe

Ideal Standard has an excellent position in the UK and Italy in particular

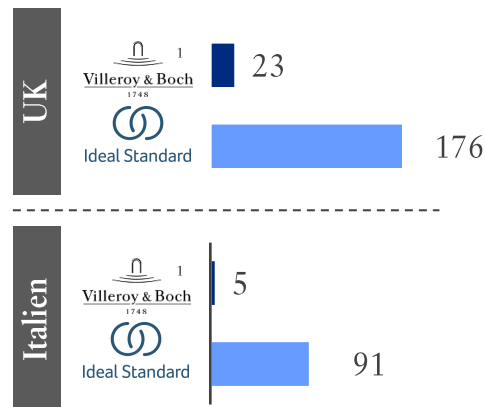
<sup>1</sup> Countries with revenue contribution >10 Mio. € displayed

# Villeroy & Boch and Ideal Standard benefit from complementary regional presence

## Complementary regional footprint<sup>1</sup>



## Revenues 2022 (€ mm)



## Combined Revenues (€ mm)

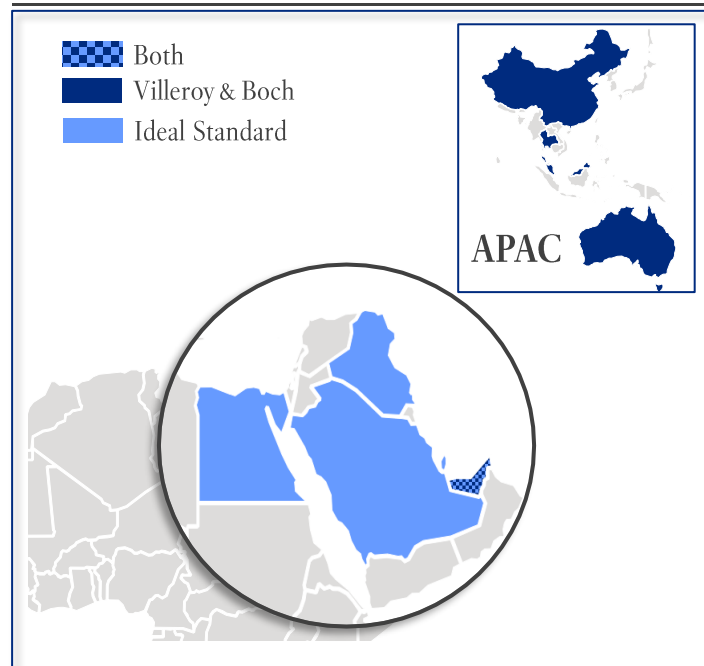
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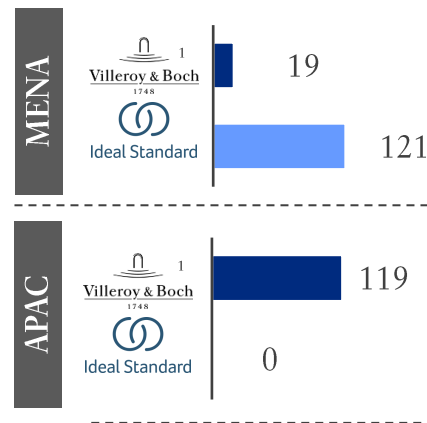
<sup>1</sup> Excl. UB Dining & Lifestyle and €3mm transition und others; <sup>2</sup> Countries with revenue contribution >€10mm displayed

# 1 Combined business to strengthen presence across Europe and MENA

## Complementary regional footprint<sup>1</sup>



## Revenues 2022 (€ mm)



## Combined Revenues (€ mm)

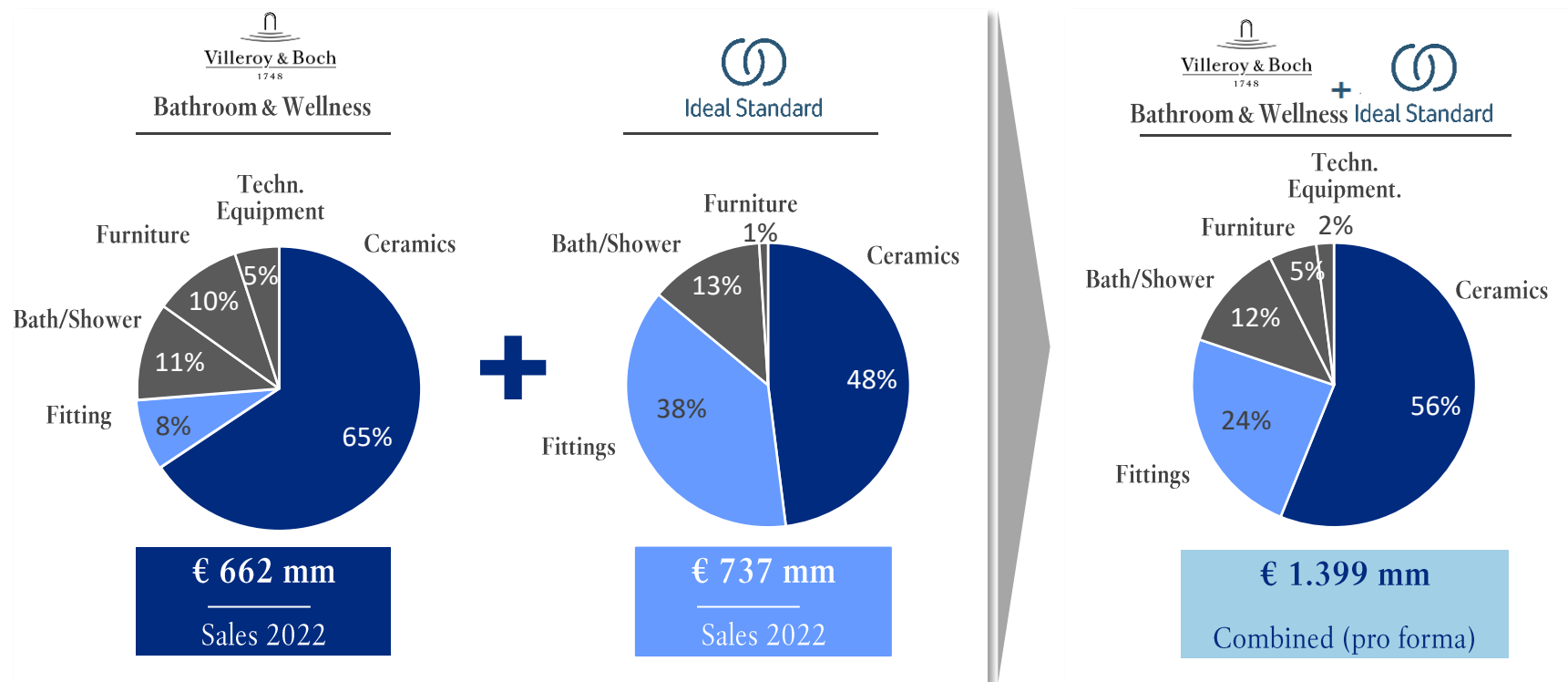
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119

Source: Company information

Note: <sup>1</sup> Excluding Dining & Lifestyle division and €3m of transition and other; <sup>2</sup> Countries with revenue contribution >€2mm displayed

Ideal Standard brings in a strong fittings business of € 280 mm, so that the product mix is significantly more balanced than before



### 3 and extensive expertise in the project business

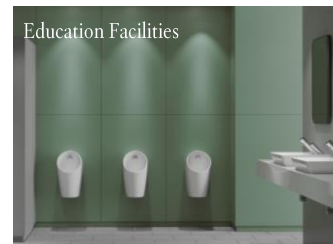
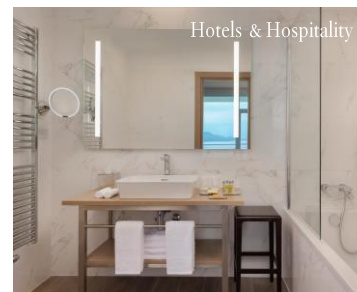
## Villeroy & Boch

### Premium residential business



## Ideal Standard

### Hotel and commercial real estate, healthcare



Powerful combination:  
while Villeroy & Boch is primarily focused on the premium residential business,  
Ideal Standard has strong expertise in the project business.



# Combination of traditional and strong brands, highly recognized for product quality and design, customer focus and innovation



- Global recognition of Villeroy & Boch brand
- Excellent position in bathroom ceramics and furniture
- Core Markets: Central and Northern Europe, APAC
- Focus on premium offering for residential



Ideal Standard

- Highly recognized brands in UK, Central Europe and MENA
- Good position in ceramics and excellent position in fittings
- Core Markets: UK, Italy, MENA
- Strong non-residential project business, especially in UK and MENA

Villeroy & Boch + Ideal Standard

Leading brands with excellent reputations



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# Potential cost and growth run-rate synergies of at least €35mm identified



## Growth synergies

- Cross-selling of a combined product portfolio via the expansion of Villeroy & Boch fittings and Ideal Standard furniture
- Improved overall position in the project business through the use of Ideal Standard's channel expertise
- Accelerated growth in the e-commerce business through Villeroy & Boch's know-how and opportunities for brand differentiation

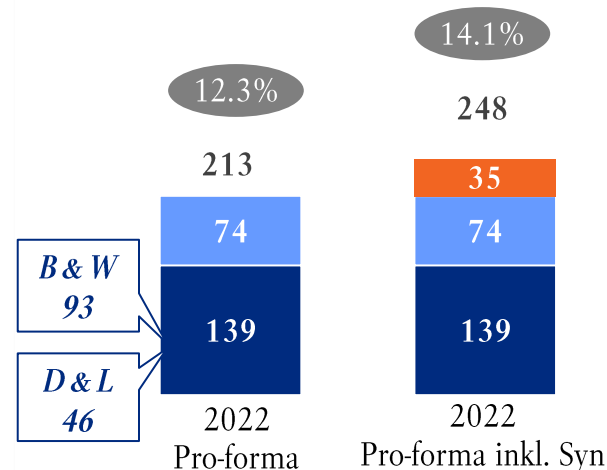


## Operational improvement

- Economies of scale through joint direct and indirect procurement
- Operating leverage and increased efficiency across production network
- Enhanced efficiency in supply chain & logistics

## Pro-forma Adj. EBITDA

€mm



■ Ideal Standard     % Combined EBITDA margin  
■ Villeroy & Boch incl. Dining & Lifestyle     ■ Run-rate Synergies

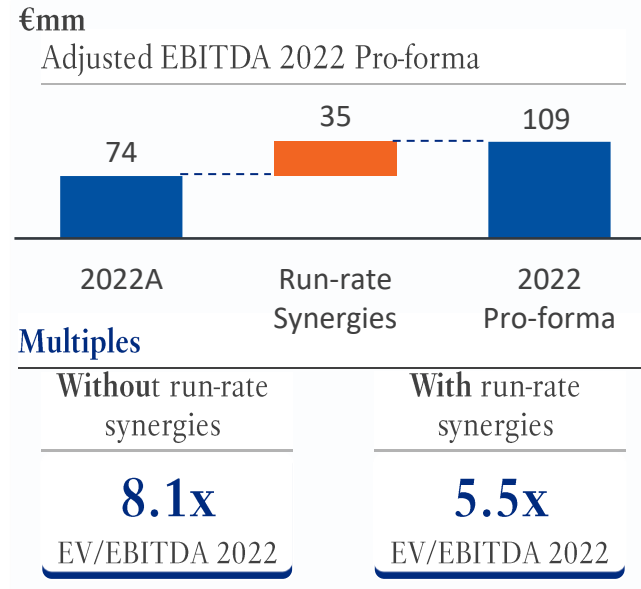
# Company valuation with multiple 8.1x already attractive

## Enterprise Value



- Purchase Price is based on an enterprise value of approx. €600m
- The acquisition will be free from any of the bond-holder obligations

## Adjusted EBITDA Ideal Standard



## Financing Considerations

- Transaction will be **financed by available cash reserves** and a €250mm bridge until issuance of a Privat Placement (German Schuldschein)
- Villeroy & Boch's pro-forma post transaction leverage: 1.8x<sup>1</sup>

Run-rate synergies to be realised reduce the multiple to 5.5x

# Key take-aways

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- The combination of Villeroy & Boch and Ideal Standard creates a business with ~€1.4bn sales, joining the ranks of Europe's largest manufacturers of bathroom products
- The excellent geographic and product complementarity with a strong fittings business forms the basis for an improved competitive position and additional growth in Europe as well as in the MENA region
- Ideal Standard management team will remain on-board and supports the joint growth path
- Synergistic acquisition with expected run-rate cost and growth synergies in excess of €35mm on EBIT-Level
- Closing is conditional on customary regulatory approvals targeted for Q1 2024 with all Ideal Standard bonds redeemed on completion



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