

Press release
27 June 2018

Polaris divests Louis Poulsen to Investindustrial

Polaris has entered into an agreement to divest its majority shareholding in Louis Poulsen to Investindustrial Group Holdings SA, which is an investment subsidiary of Investindustrial VI L.P. ("Investindustrial"). Louis Poulsen has developed strongly under Polaris' ownership since the acquisition in 2014, generating considerable revenue and earnings growth. The development has been driven by significant investments in the Company's brand, product development and sales as well as organizational and operational improvements.

Since Polaris' entry as majority shareholder, Louis Poulsen has increased revenue by more than 20% to DKK 801 million in 2017, corresponding to average annual growth of 7%, and the profit margin (EBITDA) has more than doubled. At the same time, Louis Poulsen has opened new showrooms in cities like Tokyo and Los Angeles, moved to new markets such as South Korea, France and Italy, as well as strengthened the overall sales force and organization which today counts more than 455 skilled employees. Investindustrial acquires the majority shareholding in Louis Poulsen with a view to further develop the Company and continue its profitable growth.

"We are very satisfied with the development in Louis Poulsen during our ownership, and we are pleased to pass the baton to a skilled partner such as Investindustrial at a time when Louis Poulsen is stronger than ever. We were able to swiftly and with great focus make the right investments and get the right management team to join us on this journey, and that has contributed to ensuring profitable growth and a very positive development in Louis Poulsen's operations and sales efforts," says Allan Bach Pedersen, Partner at Polaris.

Louis Poulsen has further improved quality and efficiency in the product development process while simultaneously reducing time-to-market for new products and lowering sourcing costs in recent years. Under Polaris' ownership, Louis Poulsen has greatly accelerated the launch of new product families, driving an increased share of the Company's revenue and simultaneously contributing to maintaining customers' interest in the recognized design icons.

"Polaris has been an active as well as highly competent owner and partner, and from day one we were able to draw on the unique insight into the company and the market that they established during their last ownership of Louis Poulsen until 2007. The progress recorded in recent years bodes well for the future for Louis Poulsen, which we look forward to cementing as a global high-end lighting brand in cooperation with Investindustrial," says Søren Mygind Eskildsen, CEO at Louis Poulsen.

The transaction is conditional on customary regulatory approvals. The parties have agreed not to disclose the transaction value. Polaris was advised by FIH Partners (M&A), Moalem Weitemeyer Bendtsen (legal), PwC (financial and tax) and QVARTZ (commercial).

For further information, please contact:

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About Louis Poulsen (www.louispoulsen.com)

Louis Poulsen is a Danish lighting manufacturer founded in 1874 and born out of the Scandinavian design tradition where form follows function. Since the first collaboration with Poul Henningsen in 1924, his views on the dualities of design and light have influenced Louis Poulsen's light philosophy. In close partnership with world-class designers, architects and other talents, Louis Poulsen has been established as one of the key global suppliers of architectural and decorative lighting across the professional and private lighting markets for both indoor and outdoor applications. Louis Poulsen has a global distribution network, 12 subsidiaries and dedicated showrooms in Copenhagen, Stockholm, Miami, Helsinki, Oslo, Los Angeles, Singapore, Tokyo and Dusseldorf.

About Polaris (www.polarisequity.dk)

Polaris is a Danish/Swedish private equity firm headquartered in Copenhagen, which invests in well-established small and medium sized companies in the Nordics. Since 1998, Polaris has raised 4 funds and obtained capital commitments of EUR 1.2bn. Polaris' focus is to invest in companies with growth and development potential and typical revenue of EUR 25-200 million. To date, Polaris has invested in 37 companies and completed more than 60 add-on investments. Polaris currently owns 13 companies with total revenue of EUR +1bn and 5,000 employees.