



PRESS RELEASE

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Franke Group divests Water Systems division

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The Swiss Franke Group, headquartered in Aarburg, has entered into an agreement to divest its Franke Water Systems division. The buyers are funds advised by Equistone Partners Europe (Equistone). The transaction includes the two Franke Water Systems' business units "Water Systems (WS) Commercial Group" and "KWC Group" with its production and sales facilities in Switzerland, the European Union, the United Kingdom, the United Arab Emirates and China.

The Board of Directors and the Management Board of the Franke Group have decided for strategic reasons to divest the Franke Water Systems division and have entered into an agreement to sell the division to funds advised by Equistone. The closing of the transaction is still subject to approval by the relevant competition authorities and shall occur in the first half of 2021.

The business to be divested achieved annual worldwide sales of approximately 192 million Swiss francs in 2020. Franke Water Systems' current workforce of around 900 employees will move to the new owner. The parties have agreed not to disclose the purchase price and further terms of the transaction. The transaction essentially includes all production and sales facilities of Franke Water Systems in Switzerland, the European Union, the United Kingdom, the United Arab Emirates and China.

Franke Water Systems is divided into two business units: WS Commercial Group, which focuses on intelligent equipment for sanitary rooms in (semi-)public and commercial facilities in the commercial sector, and KWC Group, the leading Swiss manufacturer of exclusive taps for private bathrooms and kitchens. Both business units are focused on customer needs, driven by innovation and committed to exclusive design and the highest quality standards.

Equistone is a long-term European equity investor focused primarily on providing financial, operational and strategic support to established middle-market companies in various industries. Equistone's experts work closely with the management teams of its portfolio companies to position them optimally for their future path and to drive sustainable growth, both organically by optimizing corporate structures and processes, as well as through targeted acquisitions.

Patrik Wohlhauser, CEO of the Franke Group, comments: "Franke Water Systems has a solid foundation and is well-positioned as a specialist and innovative quality leader for sanitary systems and taps in Europe as well as for bathroom and kitchen taps with the KWC brand, especially in its home market of Switzerland. However, Franke's ambition is to be among the top 3 players worldwide in every industry in which it competes. Developing Franke Water Systems further or expanding it internationally would require considerable resources and time. Hence, it makes strategically more sense to concentrate existing resources and competencies on the Franke Home Solutions, Franke Foodservice Systems and Franke Coffee Systems divisions, which are already global leaders." He adds: "We are pleased to have found a strong new owner for the Water Systems business in Equistone."

Franke belongs to Artemis Group and is a leading global provider of solutions and equipment for domestic kitchens, the professional foodservice sector, and coffee preparation. Franke Group operates worldwide and employed, before the transaction, around 9,000 people in 40 countries, generating sales of over CHF 2.4 billion in 2020. Learn more at www.franke-group.com.

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