

PFISTERER strengthens market and technology position with acquisition of LAPP Insulators

Winterbach/Wunsiedel, Germany, October 6, 2015. The PFISTERER Group, a leading specialty supplier and systems provider for energy infrastructure, has secured a leading position in the global market for high voltage insulators with the acquisition of all the shares of German headquartered LAPP Insulators Holding from Quadriga Capital. PFISTERER is now one of the few suppliers worldwide that can virtually cover the entire supply chain for contact and isolation systems; from energy generation to energy distribution from a single source. The purchase price was not disclosed.

LAPP Insulators is the third-largest supplier of high voltage insulators in the world. Its porcelain and composite products are used in high voltage and railway grids, switchgear and power equipment in over 70 countries. LAPP Insulators is also active in the consulting and engineering business. The acquisition allows PFISTERER to reach an important position and size in the overhead lines (OHL) market segment, which is seeing stable growth rates as a result of the growing demand for energy in emerging countries and the increasing use of renewable energies.

The company already enjoys a very high level of market penetration in North and South America, Eastern Europe and the Middle East. The collective product range now covers all the requirements of different voltage ranges and areas of application. As a result, PFISTERER can now offer end-to-end solutions to existing and new customers and thereby increase its market significance. "The acquisition of LAPP Insulators significantly improves our position in the global markets and strengthens the competitiveness of our entire group," emphasizes Michael Keinert, member of PFISTERER's Board of Directors. "With revenue of over EUR 400 million, of which approximately 40% is attributable to overhead lines, we can leverage economies of scale, better utilize production capacity and, in particular, increase sales value to our customers."

The acquisition also strengthens the company's technology position: LAPP Insulators has its own high-voltage laboratory, for example, and can maintain the highest level of materials technology, using proven measuring and testing methods. The company had over 1,200 employees as of year-end 2014, of which over half work at international production locations in the USA (Le Roy, New York State), Romania (Turda) and Poland (Jedlina). Over 500 people are employed at the company's headquarters in Wunsiedel and the neighboring locations in Germany – Redwitz and Selb.

"With its high-tech, cost-effective production locations, LAPP Insulators fits excellently with PFISTERER's new location concept as part of the PFISTERER NEXT LEVEL investment and growth program," said Keinert. "Together, we will position ourselves as the powerful, cost-effective partner of choice for energy and mobility infrastructure."

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LAPP Insulators will continue to be led by its experienced management team with Dr.-Ing. Bernhard Kahl as the spokesman. "The link to PFISTERER is a real plus," said Kahl. "We can now offer our customers all the required products and services from a single source and forge our growth path together."

"Over the past few years we have built LAPP Insulators, with the support of the company's management, into an integrated Group with closely linked international business capacities. PFISTERER represents for us a very well-positioned strategic investor with a far-reaching, complementary product range" said Dr. Roland Egerer, the responsible partner at Quadriga Capital. "This allows LAPP Insulators to thrive and profit from the economies of scale and synergies of a strong group."

About PFISTERER

PFISTERER is a leading independent manufacturer of cable and overhead line accessories for sensitive interfaces in energy networks. The Group is headquartered in Winterbach, near Stuttgart in southern Germany. PFISTERER develops, produces and sells internationally successful solutions for 110 V to 850 kV voltage levels. With its end-to-end range of products for application in energy networks, consulting, installation and training, the manufacturer is a valued partner to companies specializing in power supply, plant construction and electrified rail transport around the world. PFISTERER operates production plants in Europe, South America and South Africa as well as sales offices in 19 countries across Europe, Asia, Africa, South America and the USA. The Group currently employs around 1,400 people.

About LAPP Insulators

LAPP Insulators Holding is the leading manufacturer and supplier of high voltage insulators with global sales and references in over 70 countries. The company originates in LeRoy, New York and in Germany from the traditional roots of renowned manufacturers Rosenthal and Siemens. Its history extends back to 1889 in Germany and 1916 in the USA. The growing US insulator manufacturer acquired CeramTec's production location in Wunsiedel in 2001 and integrated the Argillon Group's insulator business and its three locations in 2008. In August 2011, Quadriga Capital acquired all the shares in the LAPP Insulators Holding with the participation of the management and moved the company's headquarters from the US to Wunsiedel Germany.

About Quadriga Capital

One of the leading investment companies in the German-speaking realm, Quadriga Capital specializes in acquiring and supporting SMEs. Those who invest in funds advised by Quadriga Capital tend to be institutional shareholders and private pension funds. The Quadriga Portfolio includes German-based companies, such as the Kinetics Group in Eschau and the Eterna Group in Passau – both located in Bayern – and the Ipsen Group in Kleve and LR Health and Beauty Systems in Ahlen, both found in North Rhein-Westphalia, as well as the Ameos Group in Zurich, Switzerland.