



Projektmitteilungen

Michelin announced Intention to acquire the Conveyor Belt Manufacturer Fenner

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On March 19, 2018, Michelin announced that it intends to acquire Fenner PLC. Headquartered in Hesse, United Kingdom, Fenner is a global leader in reinforced polymer technology with 2017 annual revenues of GBP 655 million (approx. USD 920 million). It provides conveyor belt solutions and reinforced polymer products for the mining and general industrial markets.

Fenner operates two divisions:

- Engineered Conveyor Solutions (ECS), the second largest producer of heavy conveyor belts and a global player in the heavy and complex conveyor belt solution market, and
- Advanced Engineered Products (AEP), a leading player in diversified polymer-engineered products.

Fenner uses its expertise to identify, design and manufacture locally engineered and performance-critical polymer products for niche markets around the world. "For Michelin, this acquisition is in perfect strategic alignment with its ambition to leverage its expertise in high-technology materials," the company says. The transaction is expected to deliver the following strategic benefits:

- Comprehensive solutions for mining customers: the acquisition will allow the Group to provide mining industry customers with a comprehensive offering, ranging from tires to conveyor belts with related services and solutions, and

to enhance both companies' geographic reach.

- Broadened high-tech materials expertise and innovation: driven by a strong innovation culture, Michelin and Fenner are technology leaders and have successfully developed premium product portfolios. The addition of Fenner's polymer portfolio will help Michelin break into the reinforced polymer markets, notably in consumer goods, industrial devices and medical segments. Michelin is further developing its expertise in advanced materials and engineered products. Fenner will be the cornerstone of this process.

“Michelin values the skills, experience and industry knowledge of the Fenner group's management and employees. Mastering high-technology materials is key to creating value in the coming years. Fenner will enable Michelin to accelerate its growth in this area, and to strengthen its position as a key player in the recovering mining markets with a comprehensive offering”, said Jean-Dominique Senard, CEO of Michelin. “We find the cultural fit and business opportunities excellent with Michelin. Both companies have innovation in their DNA and are customer solution oriented”, said Mark Abrahams, CEO of Fenner. Following an analysis and discussions with Fenner, Michelin has identified significant opportunities to achieve material cost savings, of which GBP 30 million (approx. USD 42 million) immediate annual synergies, unlock processing efficiencies and leverage R&D skills, with a view to delivering faster growth and creating significant value. The boards of both companies have reached an agreement on the terms of a recommended cash acquisition by Michelin. Each shareholder will receive 610 pence in cash for each Fenner PLC share, representing a 30.7% premium to Fenner's share price of 467 pence at the close of business on 16 March 2018, the last business day before this announcement, valuing Fenner at approx. GBP 1.3 billion (approx. USD 1.8 billion) on an enterprise value basis. The acquisition is to be implemented by means of a court-sanctioned scheme of arrangement.