



ARB Holdings acquires 60% of Eurolux

Share Code: ARH

JSE listed ARB Holdings has concluded a deal to acquire 60% of leading lighting distributor, Eurolux (Pty) Ltd for R81 million. “The acquisition forms part of ARB’s long term strategy to offer a diversified range of electrical and related industrial products to a wide range of industries and customers,” says Byron Nichles, Chief Executive Officer of ARB. As a trading and distribution business, Eurolux is strategically aligned with ARB’s core competencies and provides ARB with a unique opportunity to leverage its existing share of the lighting sector. The well-branded range of high quality lamps and lighting products offered by Eurolux augments ARB’s extensive range of electrical products and is sold into a complimentary rather than overlapping customer base.

The acquisition creates an opportunity to leverage:

- ARB’s distribution network to accelerate growth within certain of Eurolux’s product categories and market segments including the commercial and industrial lighting markets;
- Eurolux’s international procurement expertise and relationships to source other related products for ARB; and
- ARB’s and Eurolux’s export strategies into the SADC region.

Eurolux’s dynamic and highly experienced executive team will remain significantly invested in Eurolux, retaining a 40% shareholding, and will continue to manage Eurolux as a stand-alone business within the ARB group. “We are excited at the prospect of being associated with a strategically-aligned listed group, and are very confident this deal unlocks significant growth and expansion opportunities for both ARB and Eurolux,” says Peter Willig, Managing Director of Eurolux.

The board of ARB expects the acquisition to enhance earnings and create value for ARB shareholders from the outset.

EuroLux, founded in 1991, is one of the leading importers and distributors of:

- incandescent, energy saving, LED and fluorescent lamps;
- a broad range of light fittings, comprising ceiling and wall lights, chandeliers, pendants, spotlights and down lights, desk and floor lamps, outdoor and security lights; and
- ancillary electrical products including fans and electrical lighting components.

The business currently operates out of 2 custom-designed and built warehouses situated in Milnerton, Cape Town and Linbro Business Park, Johannesburg. EuroLux does not sell directly to the public but focuses on selling and distributing its products to specialised lighting shops, independent electrical wholesalers and to major retail chain stores in South and Southern Africa. To the extent required, all products imported by EuroLux either bear the South African Bureau of Standards mark or comply with the requirements set out by the National Regulator for Compulsory Specifications.

“We have identified the commercial and industrial lighting markets as an area of growth potential and have recently sourced the first range of products to sell into these markets,” says Willig.

“Following our long term strategy, this acquisition builds on our plans and strengthens our position within the electrical and related product industries,” concludes Nichles.

(ENDS)

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