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Babcock Wanson acquires Parat and PBS Power Equipment to strengthen its pan-European market position for the energy transition

With the support of its majority shareholder Kartesia, Babcock Wanson Group (“Babcock Wanson” or “the Group”) reaffirms its commitment to becoming the pan-European leader in solutions for the energy transition of Europe’s manufacturing industry. The integration of Parat and PBS Power Equipment at the end of the year mean the Group has made three acquisitions in 2022 alone, following the acquisition of Donau Carbon technologies in October.

After the announcement last October of the acquisition of Donau Carbon Technologies, Babcock Wanson welcomes Norwegian company Parat, world leader in high voltage boilers and PBS Power Equipment, a key player in Central Europe for industrial boilers’ solutions, which have strengthened the Group’s position in the European industrial sector.

Parat is a long-standing player in industrial and marine boilers and more specifically in the electric segment (electrode technology). Based in Flekkefjord (Norway) since 1842, Parat develops, manufactures and distributes electric boilers primarily in Europe but also across various regions in the world, thus assisting industrial players with their decarbonisation strategies. This family-owned company has established its leadership in high-voltage boilers and has experienced strong growth over the past few years. Parat's growth is notably linked to the solutions it can offer for electrical grid regulations and the decarbonisation of industrial processes like food processing, pharmaceuticals, chemicals and paper manufacturing. Electrode boilers enable electrical capacities to be converted into thermal energy (hot water or high-pressure steam) with unmatched reliability and responsiveness. Parat employs about 100 people, all based in Flekkefjord and with extensive experience in the sector.

Yngve Halvorsen, CEO of Parat and former majority shareholder, says: *“We were looking for a sustainable solution to support our strong growth and confirm our position as world leader in this market. The project proposed by Babcock Wanson and its majority shareholder immediately seemed coherent to us as not only do they provide significant capacities to expand our operations further, but we also share the same values.”*

PBS Power Equipment (“PBS”) is a Czech company based in Trebic recognized for its high-quality industrial burners and boilers. PBS is a former subsidiary of PBS INDUSTRY, itself majorly owned by Czech-based private equity firm Jet Investment. It provides customised energy solutions to help manufacturers optimise their energy consumption and limit their environmental impact. The company has operations across the Eastern Europe and has strong ties with blue chip customers, addressing their entire scope of requirements in this market.

Karel Pleha, director at PBS, comments: *“Joining Babcock Wanson Group allows us to join a highly relevant organization, active in the same markets as ours, providing synergies for both businesses. We will be able to strengthen our product and service offering to our customers and share knowledge and skills across the newly-formed organisation to increase our market share.”*

These two acquisitions complete Babcock Wanson's 2022 external growth programme, which already welcomed Donau Carbon Technology, a leading supplier of environmental solutions for VOC destruction and solvent recovery in October 2022.

Cyril Fournier-Montgieux, CEO of the Babcock Wanson Group comments: *"We are delighted to integrate these three companies within our group, all of which have different profiles and geographic reach but are in line with our overall ambition. They allow us to strengthen further our market-leading position in Europe while also aiding our target to become the leader in solutions for the decarbonisation of the industrial sector. Parat offers us a local presence in Northern Europe but above all the leadership in the industrial electrification initiative. In parallel, PBS brings us closer to our customers in Central Europe but also strengthens our offer in high efficiency combustion solutions."*

This ambitious external growth programme, combined with strong organic growth in its historical markets, has enabled the Babcock Wanson Group to make a great leap forward. All this is made possible by the partnership between Babcock Wanson and its main shareholder Kartesia, which supports the group's growth.

Julien Rigon, Director at Kartesia: *"We have been at Babcock Wanson's side since 2016 and strengthened our collaboration in July 2021 by becoming the group's majority shareholder as we firmly believe in the management team's project and its capacity to deploy it. 2022 has allowed us to accelerate this ambition and add extra capabilities to the group, which represents a major milestone in its history. We are extremely proud of the work that has been done so far with Babcock Wanson to create a leader in Europe's energy transition and look forward to the next period of growth for the business with Kartesia's operational and financial support."*

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About Babcock Wanson

Babcock Wanson is a leading international actor for the energy transition, supplying equipment and solutions for industrial boiler rooms. With over 100 years of experience, the Group provides tailor-made solutions to reduce energy consumption and environmental impact for its customers.

www.babcock-wanson.com

About Kartesia

Kartesia is a pan European, independent and private financing specialist, offering tailor made financing solutions on the whole capital structure. Kartesia invests in small and mid-sized companies in a wide range of industries across Europe, to participate to their growth acceleration. Kartesia currently manages assets above 5.0 billion euros and is made of a team of 90 experienced professionals, across its investment and support teams, under the management of its four founding partners. Kartesia has offices in Brussels, London, Luxembourg, Madrid, Munich, Milan, Amsterdam and Paris.

<http://www.kartesia.com>