

Press release

Oslo, 28 February 2017

Flokk becomes the market leader in Europe

The Scandinavian originated Flokk Group (“Flokk” or the “Group”), continues to grow and adds to the Group the largest Polish office chairs manufacturer, Profim. By doing so, Flokk reinforces its position as one of the leading players in Europe for office chairs and workplace furnishings. With a total turnover of close to NOK 3 billion and eight strong brands, Flokk will have a clear market leading position in several European markets.

Flokk Group, a market leader in the design, development and manufacturing of office furniture in Europe, has signed an agreement to purchase the Polish company Profim in a stock-for-stock transaction. Profim is currently one of the leading manufacturers of office furniture in Central Europe. The company has enjoyed significant growth for several years with increasing market shares in its main markets, Germany and Poland. “Flokk has an ambition to become one of the leading European players within the office furniture industry and with Profim as part of the flock, our position will be strengthened in key markets”, says Lars I. Røiri, CEO of Flokk.

Flokk has led the way in the consolidation of the industry, which is characterised by many smaller regional and national players. The company continues to deliver on its strategy with strong underlying organic growth, successful product launches and highly synergistic acquisitions.

During 2017, Flokk acquired the two Swedish companies, Malmstolen and Offecct, as well as the Swiss market leader Giroflex. These acquisitions have increased the Group's turnover by roughly 50% all with positive contributions to the operating result. “Profim is a great addition to our network of strong regional brands and will bolster our manufacturing and purchasing processes by creating a strong eco-system with our existing sites in Norway, Sweden and Western Europe. Our sales organisations and distribution networks will be kept separate, but we see a rationale to combining some back-end functions”, confirms Lars I. Røiri, CEO of Flokk.

Profim posted sales just above NOK 1 billion in 2017. Around 1,700 employees work in Turek, the company's production site. “Profim and Flokk have a complementary product portfolio which will make our combined offering more attractive especially towards larger projects, as well as being a competitive partner for office furniture distributors”, says Røiri. “Profim is a very competent organization with a strong track record. With our combined forces we see potentials to develop the Profim brand and our presence in Europe even stronger”, Røiri continues.

Profim has a global sales network of 1,100 dealers in 30 countries, serving both large and small customers. Following the integration, Flokk Group will be present in over 50 countries throughout the world.

Flokk has a solid portfolio with many strong brand names. It's a family we look forward to becoming a part of. We share many of the same values and ambitions of delivering high quality furniture with modern appeal that inspire people in their professional lives. Flokk's growth over the past few years also confirms that we share a proactive approach towards continuous development and an aspiration to drive innovation and attractive design”, says Piotr Chelminski, CEO of Profim. The purchase of Profim will be settled by shares in Flokk. Funds advised by Triton, the main owner of



Flokk, will continue as majority owner, while Innova Capital, which currently owns Profim, will be a significant minority shareholder.

“Triton has been a very important supporter of Flokk since they became the main shareholder late 2014. They have made a strong contribution in Flokk’s development, which has gone from being a Scandinavian player to becoming one of the leading players in Europe in such a short time”, confirms Lars I. Røiri. “With Innova Capital, the present owner of Profim, we will have another contributor on the team who can help further strengthen our business”, states Røiri.

The transaction is expected to be completed by April 2018. Flokk and Profim will continue to operate as two separate companies until the transaction closes.

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About Flokk

Flokk is a market leader in the design, development and manufacturing of office furniture in Northern Europe. We are the proud owner of the HÅG, RH, Giroflex, BMA, Offecct, Malmstolen and RBM brands. More than 800 employees work together to achieve our vision: Inspire great work.

Our head office is in Oslo. We have production units in Røros, Norway; Zwolle, the Netherlands; Koblenz, Switzerland, and in Tibro, Nässjö and Hunnebostrand, Sweden. In addition, we have sales offices in Norway, Sweden, Denmark, Germany, Belgium, the Netherlands, the UK, France, Switzerland, Singapore, China and Australia. Flokk products are sold in over 40 countries worldwide. In 2017 we posted a turnover of NOK 2 billion.

About Profim

Profim is a market leader in Poland and one of the leading manufacturers of office chairs in Eastern Europe. Profim creates products that meet the highest standards of ergonomics, quality and design, and sets the standard for healthy and efficient workplaces. In over more than 25 years, the company has created close to 100 chair lines in collaboration with designers specialised in office furniture. Profim is located in Turek, Poland and is owned by the private-equity company Innova Capital and two founders of the company.

About Innova Capital

Innova Capital is one of the leading private equity funds in the CEE region and invests in the medium-sized enterprises segment. Since its establishment in 1994 until today, the Innova Capital fund has invested over EUR 700m in 50 businesses from 10 countries in the region. In 2010 the Unquote magazine awarded the title of the CEE Fund of the Year to Innova Capital.

About Triton

The Triton funds invest in and support the positive development of medium-sized businesses headquartered in Europe, focusing on businesses in the Industrial, Business Services and Consumer/Health sectors.

Triton seeks to contribute to the building of better businesses for the longer term. Triton and its executives wish to be agents of positive change towards sustainable operational improvements and growth. The 36 companies currently in Triton's portfolio have combined sales of around €14.2 billion and around 91,000 employees.

The Triton funds are advised by dedicated teams of professionals based in Germany, Sweden, Norway, Finland, Denmark, Italy, the United Kingdom, the United States, China, Luxembourg and Jersey.