

## Acquisition in Denmark

# HOMAG strengthens position as system partner for sustainable construction using wood

Bietigheim-Bissingen, October 9, 2020 – The HOMAG Group, which is part of the Dürr Group, is making an acquisition to strengthen its position as a technology partner for sustainable construction using wood. HOMAG is taking over the Danish mechanical engineering company System TM, which specializes in systems for solid wood processing and has sales of around € 30 million. The solid wood segment is a growth market: It deals with the manufacturing of glued cross-laminated timber (CLT) construction elements. CLT is regarded by the house-construction industry as a sustainable material of the future. HOMAG is already represented in this field through its WEINMANN subsidiary.

“This acquisition is an important step for HOMAG in becoming the world-leading system supplier of production technology for the solid wood sector”, said Ralf W. Dieter, CEO of Dürr AG. “Our strong financial position enables us to make acquisitions and secure business opportunities for the economic recovery post-pandemic.” The Dürr Group has only recently increased its financial scope through the successful issue of a convertible bond for € 150 million.

Founded in 1977, System TM from Odder/Denmark employs around 130 staff. The company is a leading player with its machines and services for sorting, optimizing and finger jointing of solid wood elements. Its largest market is North America, where it generates almost 20% of its sales. HOMAG initially acquires 80% of the System TM shares, which come primarily from the Thoegersen family of owners. 20% will remain in the hands of the System TM management. The purchase price is in the low double-digit million euro range. The acquisition is due to become effective at the end of October and applications for regulatory approval have been filed.

As a part of the HOMAG Group, System TM will collaborate closely with WEINMANN and cooperation partner Hundegger. HOMAG can thus cover a major part of the process chain in CLT production. HOMAG works with other partners on larger solid wood projects. System TM will benefit from the HOMAG Group’s global presence both in terms of service and when marketing its products. Additional synergies are expected in purchasing and technology.

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## Sales growth in new business field

HOMAG combines its activities in the solid wood sector within the new Construction Elements Solutions business field. Sales in this field are set to reach a low three-digit million euro amount in the medium term. “Solid wood is sustainable and will define the future of construction. Around the world, an increasing number of buildings – including larger ones – are being constructed from wooden elements. HOMAG is supporting this trend by expanding its range of solutions and is entering a new growth market with great future potential in addition to its activities in furniture production”, said Pekka Paasivaara, CEO of HOMAG Group AG.

## Sustainable material of the future

Construction using wood is climate-friendly since it releases almost no greenhouse gases. A wooden house binds up to 80.000 kilograms CO<sub>2</sub>, experts say. In addition, it is a sustainable material; every five seconds the woods in Germany grow by one single-family dwelling. Wood has very good insulating properties; the use of wooden construction elements speeds up the construction of houses. In terms of fire protection, modern wooden houses are almost comparable to reinforced concrete structures. Wood can also be used for construction heights of 100 meters. In the United States, wooden buildings with up to 18 stories will be permitted from 2021. In France, half of all public buildings will have to be constructed using wood from 2022.

Images for this press release can be found [here](#).

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The Dürr Group is one of the world's leading mechanical and plant engineering firms with extensive expertise in automation and digitalization/Industry 4.0. Its products, systems and services enable highly efficient manufacturing processes in different industries. The Dürr Group supplies sectors like the automotive industry, mechanical engineering, chemical, pharmaceutical and woodworking industries. It generated sales of € 3.92 billion in 2019. The company has around 16,300 employees and 112 business locations in 34 countries. The Group operates in the market with the brands Dürr, Schenck and HOMAG and with five divisions:

- **Paint and Final Assembly Systems:** paint shops as well as final assembly, testing and filling technology for the automotive industry
- **Application Technology:** robot technologies for the automated application of paint, sealants and adhesives
- **Clean Technology Systems:** air pollution control, noise abatement systems and coating systems for battery electrodes

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- **Measuring and Process Systems:** balancing equipment and diagnostic technology
- **Woodworking Machinery and Systems:** machinery and equipment for the woodworking industry

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