



Press Release

Mettlach, 18 September 2023

Villeroy & Boch takes over Ideal Standard and joins the ranks of Europe's largest manufacturers of bathroom products

Mettlach / Brussels, 18 September 2023. Villeroy & Boch AG has today signed binding agreements to acquire operating companies in the Ideal Standard Group. The two companies are a strong strategic fit given their regional presence, sales strategies and product and brand portfolios, laying the foundations for a stronger market position and additional growth. In an industry with global growth potential, the integrated company will, after completion of the transaction, join the ranks of Europe's largest manufacturers of bathroom products. The Ideal Standard shares are being sold by corporations under the management of Anchorage Capital Group and CVC Credit. The acquisition price is based on a company valuation of approximately € 600 million.

The revenue of the Villeroy & Boch Bathroom & Wellness Division will double to € 1.4 billion as a result of the merger. Including the Dining & Lifestyle business, this represents an increase to over 1.7 billion euros (around € 995 million in the 2022 financial year) for the Group as a whole. "This merger means that we will now catch up with the largest players on the European market in the bathroom sector in terms of turnover," explains Frank Göring, CEO of Villeroy & Boch. Our complementary strengths also make us more competitive and significantly improve our starting position for achieving additional growth."

Regional strengths, sales channels and product ranges interweave

The merger will create a powerful combination of complementary established brand and sales strategies. Villeroy & Boch has a strong geographical basis in Central and Northern Europe as well as Asia, while Ideal Standard enjoys an excellent reputation with its brand portfolio in the UK, Italy and the Middle East / North Africa region in particular. While Villeroy & Boch's sales strategy focuses primarily on a high-end private customer base, Ideal Standard possesses particular expertise in the project business, including for the public sector, the healthcare sector and for developers of large residential, hotel and commercial properties. In addition, alongside a broad range of ceramic bathroom ware and other products, Ideal Standard comes with an established fittings business, which generated more than a third of its revenue last financial year.

Jan Peter Tewes, Ideal Standard CEO, says “Villeroy & Boch and Ideal Standard complement each other, in terms of products but also in terms of brands, and will gain mutual benefit from their different sales channels. Both companies will play a key role in charting the future course of the industry. We look forward to this development!”

In addition to the strategic fit, Frank Göring points to the cultural similarities between Villeroy & Boch and Ideal Standard: “We are characterised by strong brands steeped in tradition and share similar values. These include a pronounced service orientation, a flair for good design and a constant striving for innovation. We are delighted that the employees of Ideal Standard will become part of our global organisation after the closing of the transaction. Our clients will benefit from this combined expertise and an expanded offering.”

New expertise opens up prospects for growth

With this merger, Villeroy & Boch is not only elevating its bathrooms business to a new level in terms of volume, but is also gaining access to significant additional growth potential. Ideal Standard’s manufacturing base in the fittings business, expertise in the project business and strong market positions in the UK, MENA and Italy will grant Villeroy & Boch improved market penetration and coverage of specific regions and product segments. These long-standing brands are now combining their strengths.

“The bathrooms sector remains a fast-moving global growth market, but it is a market in which scale effects will be increasingly important to remaining competitive and attracting future investment. For this reason alone, the acquisition represents the right strategic step for Villeroy & Boch. In addition, Ideal Standard is an excellent extension to our own business model. This heralds a new era for the Bathroom & Wellness Division and for Villeroy & Boch as a whole,” states Andreas Schmid, Chairman of the Supervisory Board at Villeroy & Boch.

A prudent financial transaction

Villeroy & Boch is financing the transaction from its own liquid funds and with borrowing of € 250 million. The transaction is subject to the usual regulatory reviews and approvals as well as the successful redemption of the EUR 325 million bond issued by Ideal Standard International S.A. In contrast to the usual pension and other obligations from the operating business, the bond and various financial liabilities are not part of the transaction.

“The merger is taking place on the basis of a solid financing structure. The existing loans at seller level are also not part of the transaction scope and will not be taken over by Villeroy & Boch at closing,” explains Villeroy & Boch CFO Dr Markus Warncke. The transaction is expected to be completed in early 2024.

Consultants retained by Villeroy & Boch for the transaction:
J.P. Morgan and Freshfields Bruckhaus Deringer

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About Villeroy & Boch

This year, Villeroy & Boch celebrates its 275th company anniversary. Few if any premium brands with a global reputation can look back on a comparable history and such lasting success. Founded in 1748 and headquartered in Mettlach, Germany, the family-owned company stands for innovation, tradition and style. As a renowned lifestyle brand, Villeroy & Boch is represented in 125 countries with products in the Bathroom & Wellness and Dining & Lifestyle Divisions.

About Ideal Standard

Ideal Standard International is a leading manufacturer of sanitaryware and fittings products in Europe, the Middle East and North Africa, providing a broad range of branded products for residential and nonresidential end-markets in more than 100 countries. The company manufactures products for all product categories in the sanitaryware and fittings markets and its multi-category offerings have positioned it to be a 'one-stop shop' solution for its customers. Ideal Standard International sells its products under a series of well-known international and national brands including Ideal Standard, Porcher and Armitage Shanks.