

Acquisition of Kallesoe Machinery A/S

HOMAG Group further expands activities in solid wood sector

Schopfloch, April 29, 2021. HOMAG Group further expands its activities in the solid wood sector with the acquisition of a majority interest in the Danish mechanical engineering company Kallesoe Machinery A/S. Thereby, HOMAG is taking the next step towards establishing itself as a leading technology partner for sustainable construction with solid wood.

Kallesoe specializes in high-frequency presses for the production of board plywood—also known as cross laminated timber—which is used, among other things, for the construction of walls for timber houses. The company was founded in 1969, generates a turnover of around €20 million with around 70 employees and has installed around 500 presses worldwide. Kallesoe is one of the few suppliers of high-frequency presses. They work with high-frequency waves that accelerate the curing of the adhesive. Wood processing plants are able to produce faster and more flexibly with this technology. At the same time, operating costs are reduced because the adhesive is cheaper than with alternative bonding processes.

“As a system supplier, we want to offer as many technologies for timber construction as possible from a single source,” said Ralf W. Dieter, CEO of HOMAG Group AG. “Due to the boom in the timber house market, the production of building elements is becoming increasingly industrialized and automated. HOMAG is the right partner for that. We are developing the solid wood business into a second pillar alongside our activities with the furniture industry.”

As a result of the acquisition, the HOMAG product range covers a good 70% of the process chain in the production of glued laminated timber elements. HOMAG has pooled all activities in the solid wood sector in the Solid Wood Processing business unit. A central role is played by its subsidiary Weinmann, which offers production facilities for timber construction, such as framework and wall stations. A further addition is the mechanical engineering company System TM, which was acquired in the previous year, is also based in Denmark and offers systems for the sorting, optimizing and finger-jointing of solid wood boards. Kallesoe has already cooperated with System TM on

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several projects in the past.

HOMAG is acquiring a good 70% of the shares in Kallesoe Machinery A/S from the Christensen family, with the residual approximately 30% remaining with the Kallesoe family. The purchase price is in the low double-digit million-euro range. "It was important for us to find a competent investor for Kallesoe, who will lead the business into a successful future. We are confident that HOMAG is exactly the right partner for this," explained the previous majority shareholder Otto Christensen. "We look forward to working with HOMAG to expand our position in the growth market of solid wood construction," said Bruno Kallesoe, Chief Sales Officer of Kallesoe Machinery A/S.

Sustainable material of the future

The market for sustainable timber houses is growing rapidly. More and more builders are choosing wood as a building material since it is a fast-growing resource that binds CO₂. Building with timber is climate-friendly. According to experts, a wooden house binds about 80,000 kg of CO₂. Timber has very good insulating properties, and the use of wooden components accelerates the construction of houses. In terms of fire protection, modern timber houses are almost comparable to reinforced concrete constructions. Building heights of 100 meters are also possible with wood. In the US, wooden buildings with up to 18 stories will be allowed starting from 2021. In France, half of public buildings must be built using timber construction starting from 2022.

Company background

The **HOMAG Group** is the world's leading provider of integrated solutions for production in the woodworking industry and woodworking shops. Its 14 specialized production sites, about 20 Group-owned sales and service companies and approximately 60 exclusive sales partners worldwide make the company a unique system provider. Backed by a workforce of some 7,000 employees the HOMAG Group offers its customers solutions for digitized production, based on digital data continuity from point of sale through the entire production process, combined with a comprehensive software suite. In addition, the open ecosystem "tapio" (open Internet-of-Things platform) maps the data flow along the entire value chain of the timber industry. The HOMAG Group has been majority-owned by the Dürr Group since October 2014.

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