

Press Release

Freudenberg sets course for FIT's future growth

Strong strategic partner found

Weinheim, Germany. January 22, 2019. The Freudenberg global technology group investigated various strategic options for its Freudenberg IT (FIT) Business Group. Together with FIT's management, it concluded that FIT would have better growth prospects under Novacap, a Canadian financial investor with a clear IT growth plan. FIT will thus become part of a large, global full-service IT provider. Novacap will purchase FIT via Syntax, an IT company it acquired in 2016. Further investments and acquisitions will help sustainably expand Syntax's market position. The transaction requires approval from antitrust authorities and closing is expected in Q1 2019.

Syntax is a family-founded Canadian company with extensive ERP expertise and a strong position in North America. Complementary to this, FIT is an SAP specialist in North America, Europe and Asia. This strategic acquisition enables both companies to combine their specific strengths and serve new markets with a growing portfolio. Syntax and FIT share very similar client-centric corporate cultures, values and operating principles, which establish a solid base for cooperation, synergy and future growth.

With the integration of the FIT acquisition, Syntax is taking an extra step to become a globally active technology leader and full-service provider. Further acquisitions and investments are planned.

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“In this new environment, with a clear focus on the IT market, FIT will be better able to develop and grow under this new set-up,” says Dr. Mohsen Sohi, Freudenberg Group CEO.

About Novacap

Founded in 1981, Novacap is a leading Canadian private equity firm with \$2.3 billion of assets under management. The firm’s unique investment approach, based on deep operational expertise and an active partnership with entrepreneurs, has helped accelerate growth and create long-term value for its numerous investee companies. With an experienced management team and substantial financial resources, Novacap is well positioned to continue building world-class companies. For more information, please visit www.novacap.ca

About Syntax

Since 1972, Syntax has been providing comprehensive technology solutions to businesses of all sizes throughout North America. Syntax delivers the best combination of software, infrastructure and cloud solutions to meet the needs of its diverse range of customers. Syntax partners include Oracle, IBM and other world-class technology leaders. Learn more about Syntax by visiting www.syntax.com

About Freudenberg IT

Freudenberg IT (FIT) is a global Cloud provider and IT service provider for upscale medium sized enterprises. At home in the automotive and manufacturing sectors, FIT now provides a broad IT service spectrum that covers almost the entire SAP landscape, including application management services, SAP licenses and extensive consulting services for the implementation of SAP S/4 HANA. FIT was - among other things - involved very early on in utilizing the Industry 4.0 megatrend. A complementary partnership with Microsoft also allows for the targeted support for customers in the digitalization of ever more advanced workplace environments.

About the Freudenberg Group

Freudenberg is a global technology group that strengthens its customers and society long-term through forward-looking innovations. Together with its partners, customers and research institutions, the Freudenberg Group develops leading-edge technologies and excellent products and services for 40 markets and for thousands of applications: seals, vibration control components, technical textiles, filters, specialty chemicals, medical products, IT services and the most modern cleaning products.

Strength of innovation, strong customer orientation, diversity, and team spirit are the cornerstones of the Group. The 170-year-old company holds strong to its core values: a commitment to excellence, reliability and pro-active, responsible action.

In 2017, the Freudenberg Group employed approximately 48,000 people in some 60 countries worldwide and generated sales of more than 9.3 billion EUR.

For more information, please visit www.freudenberg.com