

Press Release

Paris, June 16th, 2022

LBO France & Yarpa announce the sale of McIntosh Group, the Leader in Premium Consumer HiFi Equipment, to Highlander Partners

Paris, June 16th, 2022 – LBO France, a leading private equity firm, alongside with Yarpa, an Italian investment firm, announced today the sale of McIntosh Group.

McIntosh Group has been a leader in the high-end home audio category for decades and today manufactures and globally distributes the world's finest amplifiers, speakers, turntables and other audio products under several renowned brands. The Group is anchored by the legendary **McIntosh** and **Sonus Faber** brands known for incomparable design, product quality and consumer experiences.

Since 1949, **McIntosh** amplifiers have been engineered and handcrafted in Binghamton, New York and have undergone an iconic history, having powered events ranging from presidential inaugurations to Woodstock. McIntosh amps are globally renowned both for their beautiful signature design – classic tubes, switches and the beloved blue metered faceplate – as well as their unparalleled, powerful audio quality.

The Group also features **Sonus Faber**, a luxury designer and manufacturer of ultra-premium speakers. Based in Arcugnano, North of Italy, Sonus Faber offers a range of products spanning from masterfully designed loudspeakers to custom installed solutions and cutting-edge wireless streaming speakers. Like McIntosh, Sonus Faber products are both incredible technology and works of art; revered by audiophiles and design-minded consumers alike.

In addition, McIntosh Group provides fully integrated distribution services across North America for brands such as Pro-Ject (premium turntables), Rotel (premium amplifiers and electronics), and Bassocontinuo (Italian-crafted audio racks).

Under the ownership of LBO France, the group has operated a full transformation of its business model, implemented by a reinforced management team with the arrival of Jeff Poggi as co-CEO in 2017 alongside the historical co-CEO Charlie Randall. Over the past five years, the Group has strengthened its direct presence in Europe, replicating the North American direct distribution model in the UK and Benelux, through two targeted acquisitions, and is now actively targeting High Net Worth Individuals through the custom installation segment and new active lifestyle speakers such as the recently launched Omnia product. It has also significantly reshuffled its brand portfolio, having sold Audio Research and got awarded the Rotel distribution contract in North America. In addition, the Group now boasts a thriving automotive business, providing audio technology for select premium models, including the Jeep Grand Wagoneer and Grand Cherokee under the McIntosh brand and the Maserati Grecale and MC20 under Sonus Faber, creating a key pillar to the Group.

Jacques Franchi & Arthur Bernardin, Partners of LBO France, said: *“We are very proud to have participated in McIntosh Group construction, alongside a fantastic management team, with great successes such as the Jeep and Maserati contracts, and a compelling financial performance over the past few years, enabling the Group to strengthen its leadership on the market. McIntosh is now ideally positioned to continue its growth strategy over the next few years.”*

Jeff Poggi and Charles Randall, co-CEOs of the McIntosh Group commented, “We have worked hand-in-hand with LBO France: they have encouraged us to enter new market segments through organic growth and supported in the implementation of our strategic initiatives with targeted acquisitions. This has enabled a transformation of the McIntosh group, achieving great operational and financial results and building the future of the group, well prepared for our next journey with our new shareholder.”

About McIntosh Group

McIntosh Group is a leading designer, manufacturer, and marketer of high-end home audio equipment worldwide. The Company offers a broad suite of premium audio products, across multiple brands, catering to a highly loyal base of audio enthusiasts and audio lovers. The common denominator of all the McIntosh Group brands is the aim of bringing sound to life. McIntosh Group strives to ensure the long-term development of each of its brands in keeping with their identity, their heritage, and their expertise. For more information, visit www.mcintoshgroup.com.

About LBO France

With €6.6 billion of capital raised since its inception, as a key player in private equity, LBO France is supporting growing French and Italian companies for more than 30 years.

Its investment strategy is based on five distinct segments managed by dedicated teams:

- (i) Mid Cap Buyout through the White Knight funds, and Small Cap Buyout through the Small Caps Opportunities funds,
- (ii) Venture Capital through the Digital Health funds,
- (iii) Real Estate through the French White Stone funds, OPCI Lapillus, impact fund Newstone and the Italian management company Polis Fondi SGR
- (iv) Debt, notably in Italy to finance energy transition projects
- (v) Public Equity through the France Développement fund

LBO France is 100% owned by its management and employs nearly 70 professionals. Find out more: www.lbofrance.com

Main parties involved in the transaction:

LBO France: Jacques Franchi, Arthur Bernardin

Legal counsel: Shearman & Sterling (Thomas Philippe, Olivier Souleres, Roger V. Morscheiser)

M&A Advisor: Lincoln (Riccardo Cazzoli, Harry Kalmanowicz)

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