AZZ Inc. Announces Definitive Agreement by AVAIL Infrastructure Solutions to Divest Electrical Products Business

FORT WORTH, Texas , March 10, 2025 /PRNewswire/ -- **AZZ Inc. ("AZZ" or the "Company") (NYSE: AZZ)** announced today that **Avail Infrastructure Solutions ("AVAIL" or "AIS")** has entered into a definitive agreement to sell the electrical enclosures, switchgear, and bus systems businesses (the "Electrical Products Group") of AVAIL to **nVent Electric plc (NYSE: NVT) ("nVent")**, for a purchase price of $975 million, subject to customary adjustments. The effective enterprise value multiple is approximately 12.5 times the anticipated Electrical Products Group trailing twelve-month EBITDA. AZZ has a non-controlling 40% interest and Fernweh Group LLC a 60% interest in AVAIL through a joint venture that was entered into in 2022. The transaction is expected to close in the first half of calendar year 2025, subject to customary closing conditions.

Following the sale, AZZ will continue to own a 40% interest in AVAIL, which will consist of AVAIL's Industrial Lighting and Welding Solutions Businesses, and these will represent approximately 30% of pre-transaction group revenue.

Tom Ferguson, Chief Executive Officer of AZZ, commented, "The agreement to divest the Electrical Products Group within AVAIL to nVent represents the continued transition of AZZ into a focused industry leading provider of metal coating solutions. This significant value adding transaction reflects the strong partnership between AZZ and Fernweh, and the continuation of the original vision Fernweh's CEO, Nick Santhanam and I shared three years ago. AZZ will use the cash generated from this transaction to further reduce debt, or fund potential M&A activity. We will treat the gain on sale as a one-time adjustment to Net Income and EPS and believe the reduction in joint venture equity income will be offset by interest savings. Therefore, we will not adjust AZZ's fiscal year 2026 earnings guidance at this time, but debt reduction will be significantly higher than announced.

Nick Santhanam, Chief Executive Officer of Fernweh Group, commented, "The decision to divest the Electrical Products Group is a testament to our experience with industrial technology transformations across domains and expertise across critical functional areas. We are confident that nVent is the right owner to support the Electrical Products Group's continued growth and success. nVent is known for their strength in the electrical infrastructure market and has built a strong reputation in the industry. The acquisition by nVent is expected to bring new opportunities for the business, its employees, and its customers. I want to congratulate the dedicated management team and employees at the Electrical Products Group and wish them continued success as they join the nVent team."

About AZZ Inc.

AZZ Inc. is a global provider of galvanizing and a variety of metal coating solutions, coil coating solutions welding solutions, specialty electrical equipment and highly engineered services to a broad range of markets, including, but not limited to, the power generation, transmission, distribution, refining and industrial markets. AZZ's Metal Coatings segment is a leading provider of metal finishing solutions for corrosion protection, including hot-dip galvanizing, spin galvanizing, powder coating, anodizing, and plating, to the North American steel fabrication industry. AZZ's Precoat Metals Segment is a leading provider of aesthetic and corrosion protective coatings to the North American steel and aluminum coil market. AZZ's Infrastructure Solutions segment (AIS) is dedicated to delivering safe and reliable transmission of power from generation sources to end customers, and automated weld overlay solutions for corrosion and erosion mitigation to critical infrastructure in the energy and waste management markets worldwide.

About Fernweh Group LLC

Fernweh is a principal investment firm launched by leaders from global institutions, who have extensive prior experience working with companies in the industrial and industrial technology sectors on strategy, M&A, and operational transformation. Fernweh believes that companies in the mid- and small-cap industrial and industrial technology sectors are the engine of the economy. By tailoring cutting-edge management capability, operational and strategic transformation support, and capital for each company's unique context, history, and needs, Fernweh aims to be a builder of businesses and create value for all stakeholders.

Non-GAAP Financial Measures

Some of the financial information and data contained in this press release, such as adjusted EBITDA, have not been prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"). The Company's management believes that the presentation of these non-GAAP financial measures provides investors with a greater transparency comparison of operating results across a broad spectrum of companies, which provides a more complete understanding of the Company's financial performance, competitive position, and prospects for the future. Management also believes that investors regularly rely on non-GAAP financial measures, such as adjusted EBITDA, to assess operating performance and that such measures may highlight trends in the Company's business that may not otherwise be apparent when relying on financial measures calculated in accordance with GAAP.

While the Company believes these non-GAAP measures are useful in evaluating the Company's performance, this information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with GAAP. Additionally, these non-GAAP financial measures may differ from similar measures presented by other companies.

Safe Harbor Statement

Certain statements herein about our expectations of future events or results constitute forward-looking statements for purposes of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by terminology such as "may," "could," "should," "expects," "plans," "will," "might," "would," "projects," "currently," "intends," "outlook," "forecasts," "targets," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. Such forward-looking statements are based on currently available competitive, financial, and economic data and management's views and assumptions regarding future events. Such forward-looking statements are inherently uncertain, and investors must recognize that actual results may differ from those expressed or implied in the forward-looking statements. Forward-looking statements speak only as of the date they are made and are subject to risks that could cause them to differ materially from actual results. Certain factors could affect the outcome of the matters described herein. This press release may contain forward-looking statements that involve risks and uncertainties including, but not limited to, changes in customer demand for our products and solutions, including demand by the construction markets, the industrial markets, and the metal coatings markets. We could also experience additional increases in labor costs, components and raw materials including zinc and natural gas, which are used in our hot-dip galvanizing process; supply-chain vendor delays; customer requested delays of our products or solutions; delays in additional acquisition opportunities; an increase in our debt leverage and/or interest rates on our debt, of which a significant portion is tied to variable interest rates; availability of experienced management and employees to implement AZZ's growth strategy; a downturn in market conditions in any industry relating to the products we inventory or sell or the solutions that we provide; economic volatility, including a prolonged economic downturn or macroeconomic conditions such as inflation or changes in the political stability in the United States and other foreign markets in which we operate; acts of war or terrorism inside the United States or abroad; and other changes in economic and financial conditions. AZZ has provided additional information regarding risks associated with the business, including in Part I, Item 1A. Risk Factors, in AZZ's Annual Report on Form 10-K for the fiscal year ended February 29, 2024, and other filings with the SEC, available for viewing on AZZ's website at www.azz.com and on the SEC's website at www.sec.gov. You are urged to consider these factors carefully when evaluating the forward-looking statements herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement. These statements are based on information as of the date hereof and AZZ assumes no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

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