

LANGLEY HOLDINGS INSTRUCTS C&L ON €63M BERGEN ENGINES ACQUISITION FROM ROLLS-ROYCE

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Cases & Lacambra has advised Langley Holdings on Spanish Law matters on Bergen Engines

acquisition from Rolls-Royce



Rolls-Royce has signed an agreement to sell its Bergen Engines medium speed liquid fuel and gas engines business to global engineering group Langley Holdings plc for an enterprise value of €63m. Langley is funding the deal, together with working capital requirements for the Bergen business going forward, from existing cash reserves.

The agreed sale of Bergen Engines is a part of our ongoing portfolio management to create a more focused group and follows a strategic review of Bergen Engines. It contributes towards our target to generate at least £2bn from disposals, as announced last year. Sale proceeds of €70m from the transaction together with €40m of cash currently held within Bergen Engines, which is to be retained by Rolls-Royce, will be used to help rebuild the Rolls-Royce balance sheet in support of our medium-term ambition to return to an investment-grade credit profile.

The agreed sale includes the Bergen Engines factory, service workshop and foundry in Norway; engine and power plant design capability; and a global service network spanning more than seven countries. Bergen Engines employs more than 900 people worldwide, including 650 in the main factory in Hordvikneset. In 2020, the business generated revenues of approximately €200m with the assets and liabilities of the business presented as held for sale in the Rolls-Royce Holdings plc consolidated balance sheet.

Langley Holdings, headquartered in the UK, is a diverse, global engineering group with its main operations in Germany, Italy, France and the UK, alongside a substantial presence in the US. The group employs around 4,600 people. Its activities range from the production of uninterruptible power systems, packaging machinery and electric motors and generators to the manufacture of safety-critical mechanical handling equipment, including for the UK Ministry of Defence's submarine missile loading facility at Coulport, Scotland. Established in 1975 by Anthony Langley, Chairman and CEO, the Langley Group is financially independent and remains under family ownership. Bergen Engines will be operated by Langley Group as a stand-alone business.

The agreement is subject to the satisfaction of certain closing conditions. We have notified the Norwegian government of the agreed sale, and effective completion is scheduled for 31 December 2021. Bergen Engines' long-term relationship with Kongsberg Maritime, distributor of Bergen medium-speed engines to the maritime market, is planned to continue as is.

Warren East, CEO of Rolls-Royce, said: "We believe that this agreement will provide Bergen Engines and its skilled workforce with a new owner able to take the business on the next step of its journey. The sale of Bergen Engines is a part of our ongoing portfolio management to create a simpler, more focused group and contributes towards our target to generate at least £2bn from disposals, as announced last year."

Anthony Langley, Chairman and CEO of Langley Holdings plc, said: "We are very pleased to have reached this agreement with Rolls-Royce. The acquisition of Bergen Engines is a strategic step in

the development of our power solutions division, and I am looking forward to welcoming the 900 plus employees of Bergen Engines to our family of businesses."

Jon Erik Røv, Managing Director, Bergen Engines, said: "Today marks the beginning of a new era for Bergen Engines. Through the investments made by Rolls-Royce in our business, together with our dedicated and skilled workforce, and a worldwide reputation for quality, I'm confident that Bergen Engines will prosper with Langley Holdings as our new owners."

Cases & Lacambra's team was led by partner Pablo Echenique (pictured left) and associate Eloi Nuñez-Romero (pictured right). British law firm Gateley coordinated the multi-jurisdictional team in the UK with its managing partner David Armitage.