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General Electric plans to acquire LM Wind Power

Image

PARIS, FRANCE, October 11, 2016 – GE (NYSE: GE) the world's leading digital industrial company, announced today its intent to purchase LM Wind Power, a Denmark-based manufacturer and supplier of rotor blades to the wind industry, for \$1.65 billion (€1.5 billion). The deal in-sources wind turbine blade design and manufacturing for GE's Renewable Energy business, improving its ability to increase energy output and create value for onshore and offshore customers. Since 2001, LM Wind Power has been owned by Doughty Hanson, a leading London-based private equity firm.

The acquisition is valued at 8.3 times pro forma earnings before interest, taxes, depreciation and amortization (EBITDA) (2016 estimate). The transaction is subject to customary regulatory and governmental approvals and GE expects to close the transaction in the first half of 2017. GE expects the acquisition to be accretive to earnings in 2018.

As the cost of electricity from renewable sources continues to decline and nations pursue low-carbon forms of energy, renewable sources are gaining share in power generation capacity. In 2015, approximately 50% of all new electricity capacity additions were renewable energy sources, with wind representing 35% of that growth.

Jérôme Péresse, President and CEO of GE Renewable Energy said, "Increasingly, wind turbine innovation is driven by system design, materials science, and analytics -- all elements of the GE Store. We, along with LM Wind Power, have a deep pipeline of technical innovations that can further reduce the cost of electricity. With our combined global footprint, we can build flexible solutions for customers around the world. This combination will help sustain growth in the wind power industry.

[Press release hereafter](#)