

Case Study
Creating value

CREATING A GLOBAL FOOTWEAR CHAMPION

Acquiring Texon and Rhenoflex has given Coats an additional 23% market share in premium athleisure footwear structural components and thread components, growing revenue by \$230m.



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WELCOME TEXON & RHENOFLEX

This year, Coats announced back-to-back acquisitions of Texon and Rhenoflex, creating a global leader in premium structural components and materials for the footwear and lifestyle industries.

The acquisition of Texon, a leader in structural components and a critical supplier to key athleisure footwear brands represented an on-strategy move, helping Coats to Accelerating profitable sales growth.

Rhenoflex is a leading player in innovative, sustainable footwear components. Its key strengths are its deep customer relationships, enhanced sustainability solutions and growing share in the luxury and lifestyle reinforcements segment.

In welcoming both businesses into the Coats family, we have a market-leading offering in: structural footwear components; footwear uppers and insoles; reinforcement products serving the lifestyle accessories and luxury handbags markets; and sustainable recycled leather alternatives.

Their combined efforts in innovation and sustainability (including 'Rhenoprint', a digital zero-waste process for structural components) are market leading.

Top talent, exciting profitability

Both acquisitions came with talented management teams, who now make up the majority of the combined Footwear leadership team. Texon and Rhenoflex achieved their combined business case EBIT for FY22.

The result of these acquisitions (in FY22, full year effect) is an additional \$87m revenue, \$9m EBIT, and post-acquisition pro forma leverage of 1.4x (Texon being fully debt-funded, Rhenoflex funded through equity).



I truly believe that Coats shares our values and vision to bring the best in sustainable, innovative solutions to our customers.”

Frank Böttcher
MD Structural Components



23%

Combined global share of premium athleisure footwear structural components

8%

Medium term sales growth ambition