



## Hammond Power Solutions Inc. to Acquire AEG Power Solutions

*-Acquisition will accelerate HPS's growth strategy through expanded power quality capabilities, broader end-market exposure, and increased global reach-*

GUELPH, Ontario, Feb. 17, 2026 -- Hammond Power Solutions Inc. ("HPS"; TSX: HPS.A), a leading provider of dry-type transformers and power quality solutions, announced that it has signed a definitive agreement to acquire AEG Power Solutions, subject to regulatory approvals and customary closing conditions.

AEG Power Solutions is a leading global manufacturer of mission critical industrial power electronics serving a diverse set of markets, including industrial facilities, transportation, infrastructure, and energy applications. Operating primarily across Europe and Asia, AEG Power Solutions employs more than 780 professionals and operates five manufacturing facilities worldwide, with approximately C\$326 million in revenue in 2025.

### Strategic Rationale

Once complete, the proposed acquisition is expected to strengthen HPS's portfolio, market reach, and long-term growth profile through:

**Product expansion** – Integrated electrical solutions combining HPS's transformer and power magnetics strengths with AEG Power Solutions' industrial UPS and power conversion expertise.

**End-market expansion** – Increased exposure to high-growth markets including industrials, infrastructure, and energy transition applications.

**Geographic expansion** – Superior scale and global platform, supporting long-term diversified growth across multiple regions.

**Customer base expansion** – Large installed base and global aftermarket services, increasing recurring revenue from service, maintenance, and upgrades.

"This transaction is an important strategic milestone for Hammond Power Solutions," said Adrian Thomas, Chief Executive Officer of HPS. "It strengthens our technology foundation, expands our capabilities in power electronics and integrated electrical solutions, and extends our reach across key markets. Just as importantly, it brings together two teams grounded in strong values and culture. This transaction reflects the same principles that have guided our long-term capital allocation: strategic relevance, financial discipline, and risk awareness, while maintaining a prudent leverage profile and a clear path to long-term value creation."

"The combination of HPS and AEG Power Solutions will allow our teams to collaborate more closely, extend our global reach, and continue supporting customers with the same focus on reliability and service that they value and depend on," said Franck Audrain, Chief Executive Officer of AEG Power Solutions.

"In 2026, Hammond Power Solutions marks 25 years as a publicly traded company," said Bill Hammond, Chairman of HPS. "I can think of no better way to celebrate that legacy than by taking a meaningful strategic step that builds on what we have created together. This deal to acquire AEG Power Solutions reflects the strength of our foundation and positions HPS for the next phase of long-term growth."

### Transaction Details

Under the terms of the agreement, HPS will acquire all outstanding equity of AEG Power Solutions in an all-cash transaction with an enterprise value of C\$365 million. As part of the transaction, HPS will repay AEG Power Solutions' outstanding bank debt. The transaction is expected to be accretive to adjusted earnings per share in the first full year following closing, with anticipated returns on invested capital exceeding HPS's cost of capital.

"This transaction reflects a disciplined approach to growth. We expect it to enhance our earnings and cash-flow profile while maintaining long-term balance sheet flexibility, supporting a clear path to deleveraging and continued investment in our business," said Richard Vollering, Chief Financial Officer of HPS.

The transaction is subject to regulatory approvals and other customary conditions and is expected to close in the second quarter of 2026. HPS intends to fund the transaction through a new committed syndicated debt arrangement, consisting of a term loan and a revolving debt facility.

Upon completion, AEG Power Solutions will operate as a wholly owned subsidiary of HPS, with its leadership team expected to continue overseeing day-to-day operations.

J.P. Morgan acted as exclusive financial advisor to HPS in connection with this transaction.

### **Conference call and Webcast Information:**

HPS will hold a conference call and webcast on Tuesday, February 17, 2026, at 9:00 a.m. Eastern Time.

This call can be accessed by registration through participant links:

**Date/Time:** February 17, 2026 at 9 a.m. ET

**Live Call Participant Registration Link:**

<https://register-conf.media-server.com/register/BI2f72ca310e18499f833c1991a12856a0>

**Audio-Only Webcast:** <https://edge.media-server.com/mmc/p/s8hwe5sz>

A webcast replay will be available for 12 months.

### **Caution Regarding Forward-Looking Information**

This press release contains forward-looking statements that involve a number of risks and uncertainties, including statements that relate to among other things, HPS's strategies, intentions, plans, beliefs, expectations and estimates, in connection with general economic and business outlook, prospects and trends of the industry, expected demand for products and services, product development and the Corporation's competitive position, including statements regarding the expected outcome of the proposed transaction and its effects on HPS' portfolio, market reach and growth profile, and the drivers thereof, the accretive nature of the transaction and the effect on earnings and cash flow, the effects of HPS' intended de-leveraging process. Forward-looking statements can generally be identified, but not limited to, the use of words such as "may", "will", "could", "should", "would", "likely", "expect", "intend", "estimate", "anticipate", "believe", "plan", "objective" and "continue" and words and expressions of similar import. Although the Corporation believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: general business and economic conditions (including but not limited to risks related to foreign currency fluctuations, changing interest rates, and the availability of external capital); risks associated with the Corporation's business environment (such as risks associated with the financial condition of the oil and gas, mining and infrastructure project business); geopolitical risks; climate related risks; changes in laws and regulations; operational risks (such as risks related to existing and developing new products and services; doing business with partners and suppliers; product sales and performance; legal and regulatory proceedings; dependence on certain customers and suppliers; costs associated with raw materials, products and services; human resources; and the ability to execute strategic plans); risk associated with non-completion of the transaction, including conditions precedent thereto, including timely receipt of regulatory approvals; risk associated with integration of the acquired business; and the risk that the expected benefits of the transaction do not arise, including anticipated synergies. The Corporation does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.

This forward-looking information represents our views as of the date of this press release and such information should not be relied upon as representing our views as of any date subsequent to the date of this press release. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimated, expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations.

**There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.**

### **Non-GAAP Financial Measures**

This press release contains non-GAAP financial measures within the meaning of National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure, including adjusted earnings per share ("Adjusted EPS"). These non-GAAP financial measures are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS, and therefore may not be comparable to similar measures presented by other companies. Management uses these non-GAAP financial measures to evaluate the Company's operating performance and believes that they provide investors with additional useful information in assessing the Company's results of operations. For a reconciliation of Adjusted EPS to the most directly comparable IFRS financial measure, see the Company's Management Discussion & Analysis for Q3 2025. Adjusted EPS is not a standardized financial measure under IFRS and may not be comparable to similar measures presented by other issuers. The most directly comparable IFRS measure is earnings per share.

### **About Hammond Power Solutions Inc.**

HPS enables electrification through its broad range of dry-type transformers, power quality products and related magnetics. HPS' standard and custom-designed products are essential and ubiquitous in electrical distribution networks through an extensive range of end-user applications. The Company has manufacturing plants in Canada, the United States, Mexico and India and sells its products around the globe. HPS shares are listed on the Toronto Stock Exchange and trade under the symbol HPS.A.

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