



BHG Group to acquire German e-commerce company AH-Trading

2 SEPTEMBER 2021, 5:30 P.M. CEST

BHG Group AB (publ) ("BHG") has today entered into an agreement to acquire 80% of the shares in AH-Trading GmbH ("AH-Trading"). AH-Trading is one of Germany's leading e-commerce companies in garden furniture in the mid and premium segments. All of the company's approximately 10,000 products are sold online, around half of which are proprietary brands. With this acquisition, BHG broadens its Nordic offering by adding a complementary range of products to the existing mix, thereby also creating synergies across sales and purchasing. The acquisition further establishes BHG's presence and operations in Germany which will provide a foundation for continued growth in the strategically important German market.

The initial valuation for 100% of the shares, amounts to approximately SEK 490 million (EUR 48 million), and BHG will pay about SEK 367 million (EUR 36 million) for 80% of the shares, using cash and cash equivalents. In addition, the Group will pay a performance-linked cash earn-out based on EBITDA for 2021 and 2022, of up to approximately SEK 122 million (EUR 12 million). The consideration corresponds to an acquisition multiple of approximately 0.7x sales and 7.2x EV/EBITDA based on the anticipated financial performance for 2021. Including the full earn-out, the purchase price corresponds to an acquisition multiple of approximately 9.0x EV/EBITDA.

AH-Trading was formed in 2004 and has an established track record of delivering strong, profitable organic growth. During the 2020 financial year, sales doubled vs. 2019 to SEK 459 million and adjusted EBITDA margin was 8%. The company's sales growth for 2021 is expected to be just over 46%, corresponding to 2021 sales of slightly over SEK 670 million, with EBITDA of approximately SEK 68 million.

BHG's President and CEO, Adam Schatz, comments: "The acquisition of AH-Trading is strategically important for us, not least because BHG already has a customer base in Germany, where we will now gain a local organisation and presence and have the opportunity to take the next step in the European market. The company's founders, Mr and Mrs Holtermann – who will continue to operate the business – have successfully created a leading online player with a clear customer focus, a strong brand and a relevant product portfolio that we will be able to introduce in all our markets. Our product range also complements the portfolio that AH-Trading has created. Moreover, AH-Trading is an excellent platform for expansion in the large German market and, eventually, into other nearby countries. We look forward to taking the next step in the company's development together with CEO Aron Holtermann and COO Birgit Holtermann, within the framework of BHG."

AH-Trading's products are sold via the online platforms Gartenmoebel.de and Loungedreams.com, two of the most prominent online channels in Germany for garden and outdoor furniture. The company's warehouse and processing centre are situated in Xanten and Rheinberg, near Düsseldorf, and the head office is located at the processing centre in Xanten. The company has around 120 employees.

Aron Holtermann, CEO of AH-Trading, comments: "We regard the transition to becoming part of BHG as a natural step toward seriously entering the next stage of the company's development, both through continued growth in Germany and by utilising BHG's channels in the Nordic region and Eastern Europe. We look forward to continuing our successful development together with BHG and look forward to broaden our expertise, thereby creating the scope for sharing knowledge and new initiatives with the aim to accelerate our strong growth even further."

CEO Aron Holtermann and the rest of the management team at AH-Trading will continue to lead the company's operations, which will be consolidated with BHG's Home Furnishing segment. AH-Trading is being sold by Aron and Birgit Holtermann (80% ownership) and investor Fabian Simon (20% ownership).

VIDEO CONFERENCE IN CONNECTION WITH THE ACQUISITION OF AH-TRADING

Adam Schatz, President and CEO, and Jesper Flemme, CFO, will hold a video conference today, 2 September 2021, at 6:30 p.m. CEST in connection with the acquisition of AH-Trading. The video conference will be held in English. To participate, please visit <https://tv.streamfabriken.com/bhg-press-conference-september-2021>. The presentation will also be available at <https://www.wearebhg.com/investors/presentations/>.



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This information is information that BHG Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 5:30 p.m. CEST on 2 September 2021.

About BHG

BHG is the number 1 consumer e-commerce company in the Nordics. In addition to our Nordic operations, we also have a significant presence in the rest of Europe, as well as in selected markets outside of Europe. Our strong position in these markets makes us the largest European online pure-play within the home improvement space, meaning do-it-yourself and home furnishings. With an ecosystem of online stores, supported by physical destinations and services, such as last-mile deliveries and installation, we offer the market's leading range of well-known external and strong own brands, totalling close to 1 million unique products and encompassing a complete offering within DIY, leisure, furniture and furnishings.

The Group includes over 100 online sites – including sites like www.bygghemma.se, www.trademax.se, www.chilli.se, www.furniturebox.se and www.nordicnest.se – and over 70 showrooms. We are headquartered in Malmö, Sweden, with operations throughout Europe. Our share is traded on Nasdaq Stockholm, under the ticker “BHG.”

The BHG brands employ more than 2,000 people, working every day to create the ultimate online shopping experience by combining an unbeatable product range with smart technology, leading product expertise and a broad range of services.