

Hartmann acquires Russian Gotek-Litar and lifts investment outlook

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Hartmann has entered into an agreement with the shareholders of Gotek-Litar JSC for the acquisition of the company, which produces moulded-fibre packaging at a factory in Zheleznogorsk, approximately 450 kilometers south of Moscow. The purchase price is DKK 116 million based on the current exchange rate for Russian roubles, and Hartmann increases the full-year investment outlook to around DKK 600 million from around DKK 450 million.

Gotek-Litar has 250 employees and generated revenue of DKK 90 million in 2019 and profitability at the level of Hartmann's European packaging business in 2019. The transaction will not affect Hartmann's profit margin in 2020. The acquisition will strengthen Hartmann's earnings per share (EPS) immediately after closing, which is expected to be completed in 2020 conditional on the competition authorities' approval and fulfillment of certain legal conditions, among other things. The acquisition is financed within the framework of the group's existing credit facilities.

Gotek-Litar is a leading manufacturer of retail and transport egg packaging and constitutes a good platform for long-term growth in the attractive Russian market where sales of eggs and moulded-fibre egg packaging are driven by urbanisation, continued development of the retail industry and an increased focus on sustainability. The production facilities at the company's factory are based on machinery and technology developed and manufactured by Hartmann.

"The acquisition of Gotek-Litar is a natural expansion of our activities in the growth markets in eastern Europe and Russia where demand for sustainable packaging is on the rise. Gotek-Litar is a long-standing partner of Hartmann, and we will develop the company further and expand the factory substantially to exploit the growth potential in Russia where Hartmann is already serving several customers," says Torben Rosenkrantz-Theil, CEO of Hartmann.

Hartmann's ongoing expansion in the USA and Europe is still expected to entail commissioning of additional capacity in 2020 and 2021, and the work to establish a new factory in Brazil is progressing according to plan. The conditional acquisition of Mohan Fibre in India is still expected to be completed in 2020.

Hartmann maintains 2020 guidance of revenue in the DKK 2.5-2.7 billion range and a profit margin of 15-18% before special items and restatement for hyperinflation.

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About Brødrene Hartmann A/S

Hartmann is the world's leading manufacturer of moulded-fibre egg packaging, a market-leading manufacturer of fruit packaging in South America and the world's largest manufacturer of technology for the production of moulded-fibre packaging. Founded in 1917, Hartmann's market position builds on its strong technology know-how and extensive experience of sustainable moulded-fibre production dating back to 1936. Hartmann sells egg and fruit packaging to manufacturers, distributors and retail chains, which are increasingly demanding sustainable packaging solutions and specialised marketing expertise. Our versatile product portfolio is customised to accommodate customer and consumer needs in each individual market. Hartmann sells machinery and technology to manufacturers of moulded-fibre packaging in selected markets. Headquartered in Gentofte, Denmark, Hartmann has 2,000 employees. Hartmann's production platform consists of 12 factories in Europe, Israel and North and South America.

Attachments

- [Company announcement.pdf](#)