

BHG strengthens the Value Home segment through further consolidation

BHG Group AB ("BHG") continues to implement the communicated strategy, to strengthen profitability and long-term competitiveness through simplification and consolidation, and carries out further consolidation in the Value Home segment.

Two of BHG's current businesses, Hemfint Kristianstad AB with the site hemfint.se ("Hemfint") and Arc E-Commerce AB with the site Outl1.se ("Outl1"), are being consolidated. At the same time, Trendrum AB with the site trendrum.se ("Trendrum") is acquired. Together they form Hemfint Group. Hemfint Group's turnover in 2023 amounted proforma to approximately SEK 800m.

The three brands Hemfint, Outl1 and Trendrum will remain as individual destinations, but the companies' support functions will be consolidated, thereby achieving efficiency gains. The consolidation is also expected to provide synergies through, among other things, increased joint purchases, as well as over time consolidation of warehouses and logistics flows. The three businesses that jointly will form Hemfint Group can each be described as follows:

- Hemfint: a department store for the homeowner in the value segment
- Outl1: an outlet with a focus on home and leisure
- Trendrum: furniture and home furnishings at attractive prices

BHG does not pay any cash consideration for the acquisition of Trendrum. Trendrum is acquired from its founders, who are also the founders of Hemfint. BHG acquires 67.5% of Trendrum for a purchase price of 32.5% of the group's holding in Arc E-Commerce AB and 16.3% of the holding in Hemfint. The ownership of these companies will be placed in a jointly owned newly established holding company that forms Hemfint Group, which will be 67.5% owned by BHG and 32.5% owned by a company jointly owned by, among others, the founders of Trendrum and Hemfint. Hemfint Group will thus, after the transaction, be 67.5% indirectly owned by BHG. The purchase price for the shares that are to be transferred by BHG pursuant to the agreement thus consists of shares in Trendrum, which together – on the basis of an agreement between the parties in the transaction – are valued at approximately SEK 59m. According to the agreement between BHG and the minority shareholders, BHG shall acquire all minority shares in tranches during the period from April 2025 to April 2028. The purchase prices will be based on Hemfint Group's EBIT.

Trendrum has a range of products aimed at the entry and lower mid-segment that fits well into the Value Home portfolio. Trendrum further strengthens the group's purchasing competence through many years of experience from making purchases directly from producers in Asia.

"We continue to implement our strategy of consolidating operations within our three segments to increase our efficiency and strengthen our competitiveness going forward. Hemfint, Out1 and Trendrum are all value companies with similar customer groups and business models and we see synergy effects with a merger. Through the consolidation, we merge the back-end of the three companies, increase efficiency and can thereby strengthen our customer offering," says BHG Group CEO Gustaf Öhrn.

As Hemfint and Trendrum are e.g. owned by, among others, a company related to the CEO of Hemfint, the transaction is subject to approval from an extraordinary general meeting of BHG, scheduled to be held on 2 April 2024. A separate notice to the extraordinary general meeting will be published within short.

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Attachments

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