



Press Release
29 June 2023 09:55:00 CEST

Bergs grows through new acquisition in Sweden and Poland

Bergs Timber AB (publ) (“Bergs”) has today acquired all shares in Hedlunda Holding AB (“Hedlunda”). Hedlunda is a state-of-the-art manufacturer of wooden furniture and components with production facilities in Sweden (Lycksele) and Poland (Skoczów). The acquisition strengthens Bergs's offer in wood processing and broadens the business towards the furniture sector. Together with Bergs's existing business within component sales to industrial customers, Hedlunda will form a new product area, Furniture & Components.

The deal in brief

Bergs acquires all shares in Hedlunda Holding AB. The sellers are Dalvi AB and Firmum AB. Firmum AB is owned by Hedlunda's current CEO Jerry Johansson. Jerry Johansson remains in his position as CEO of Hedlunda after the acquisition.

Purchase price and financing

The acquired business will be included in Bergs from today's date and will be reported in a new product area, Furniture & Components. Hedlunda's net sales for the last twelve months amounted to approximately SEK 620 million and EBITDA to approximately SEK 70 million.

The purchase price on a cash and debt-free basis amounts to approximately SEK 225 million and the purchase price for the shares amounts to SEK 140 million. An additional purchase price based on earnings development over the next two financial years may be paid to the sellers.

The purchase price is financed by a new loan facility of SEK 200 million under the existing loan agreement with Danske Bank and SEB.

About Hedlunda

Hedlunda was founded in Lycksele in 1984 and through product development and investments has become a competitive player in furniture manufacturing with high demands on quality and sustainability. Hedlunda includes the subsidiaries Hedlunda Industri in Lycksele and Bampton in Skoczów, Poland. Hedlunda employs approximately 400 people. Hedlunda has since over 35 years a strong business relationship with a multinational company that sells ready-to-assemble furniture, which accounts for most of the revenue.

“The acquisition of Hedlunda fits well with Bergs's strategy to expand and broaden the Group's operations within woodworking. Hedlunda has a recognized good reputation in living up to customers' high standards of service, logistics and quality. In recent years, the company has shown good growth and profitability, which is a good platform for continued development” says Peter Nilsson, President and CEO of Bergs.

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"I welcome Bergs as the new owner of Hedlunda and look forward to continuing the development of the company together with our employees," says Jerry Johansson, CEO of Hedlunda.

Erneholm Haskel AB has acted as financial advisor and Vinge as legal advisor to Bergs in the transaction.

Contacts

Further information can be provided by the CEO, Peter Nilsson, on telephone number +46 70 315 09 27 or CFO, Anders Marklund, on +46 70 284 47 96.

About Bergs - An international wood products Group

The Bergs Group consists of independent subsidiaries, with clear responsibilities for results, that develop, produce and market processed wood for various applications.

With years of experience in wood and a great deal of competence in processing, Bergs promotes building a sustainable society based on renewable raw materials from sustainably cultivated forests in the Baltic Sea region. Operations are conducted in Sweden, Estonia, Latvia, Poland and the UK, and the Group's products are sold in some 20 countries.

The largest markets consist of Scandinavia, the Baltic countries, the UK and France. The head office and Group management are located in Sweden.

The company's share has been listed on Nasdaq Stockholm since 1984.

This information is information that Bergs Timber 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 2023-06-29 09:55 CEST.

Attachments

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