

BHG enters into agreement for the sale of IP-Agency Finland Oy

BHG Group AB (publ) ("BHG") has today entered into an agreement with the 30% minority owners and founders of IP-Agency Finland Oy ("IP-Agency"), regarding the right for BHG to sell, as well as the corresponding right for the founders to buy, all shares in IP-Agency. The agreement is conditional on approval by an extraordinary general meeting in BHG, scheduled for 18 December 2024, and a separate notice will be published shortly.

BHG continues its strategic streamlining and has decided that IP-Agency, a Finnish subsidiary primarily focused on outdoor sports and leisure products, does not fit into the group's strategic and operational priorities going forward. BHG continues to focus on its three core verticals: Home Improvement, Value Home and Premium Living.

"We are happy to have found a solution satisfactory to both parties, where the founders of IP-Agency can lead the company forward and where we at BHG can continue to execute our strategy. We continue to refine our focus on the core operations within our three business areas where we see the best conditions for extracting synergies and strengthening long-term competitiveness. We will continue to have a significant presence in Finland, primarily through our Nordic DIY platform Bygghemma Nordic, but also because a large part of our other businesses also have sales in the Finnish market" says BHG CEO Gustaf Öhrn.

As previously announced, an arbitration proceeding is currently underway regarding the price BHG shall pay for the minority owners' shares in accordance with the shareholders' agreement entered into when BHG acquired a majority stake in IP-Agency in 2021. Depending on the outcome of the arbitration proceeding, the price for the shares may amount to between EUR 2.1m and EUR 13.9m. The arbitration is expected to be finalised in the first quarter of 2025. Following the arbitration, BHG, through Bygghemma Finland Holding AB ("BHF"), will own 100% of the shares in IP-Agency, after which the founders for a period of time have the right to buy 100% of the shares in IP-Agency while BHG has the corresponding right to sell 100% of the shares in IP-Agency to the founders. If such right is exercised by either the founders or BHF, the founders will thus become owner of 100% of the shares in IP-Agency.

On a rolling twelve-month basis ending 30 September 2024, the net sales in IP-Agency amounted to SEK 307m and adjusted EBIT during the same period amounted to SEK 15m. BHG will sell 100% of the shares in IP-Agency for a purchase price of EUR 5m, corresponding to approximately SEK 58m at the current exchange rate. From the fourth quarter of 2024, IP-Agency will be reported as a disposal group according to IFRS 5, which will result in that BHG reports an impairment of approximately SEK 380m during the fourth quarter of 2024. The final amount of the impairment will be determined after considering the profit development in IP-Agency and the exchange rate development up to the time of divestment.

As a result of the buyer being owned by e.g. the CEO of IP-Agency, the share sale agreement is conditional on approval by an extraordinary general meeting in BHG, scheduled for 18 December 2024. A notice to the extraordinary general meeting will be published shortly.

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This information is information that BHG Group AB (publ) 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 2024-11-22 15:15 CET.

Attachments

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