

# Swedencare AB (publ) acquires US ecommerce company with focus on pet healthcare products

**Swedencare AB (publ) ("Swedencare") acquires the US ecommerce company Holden2 LLC ("Holden2" or the "Target company"). The purchase price amounts to USD 21 million (approximately SEK 178 million) and consists of a cash amount of USD 14.7 million (approximately SEK 125 million) and an issue in kind of 199,732 shares in Swedencare, representing USD 6.3 million (approximately SEK 53 million), to the sellers at closing, which is expected to take place January 4, 2021. Through the acquisition Swedencare will receive a strong online-only-brand, PetMD® and a leading ecommerce team with unique skill sets about Amazon as well as a business with both strong growth and high profitability.**

The acquisition of the business is conditional on certain customary contract terms.

## About Holden2

The Target company, which was founded by Edward Holden in 2011, is completely dedicated to offer premium pet healthcare products through different online channels. The products, sold inter alia under the brand PetMD, are offered primarily through the big online platforms, Amazon and Chewy.com. The Target company has had a strong growth of almost 100% and over the 12 month period, October 2019 – September 2020, the Target company had sales of USD 15.8 million (approximately SEK 149 million) with an adjusted EBITDA of USD 2.5 million (approximately SEK 24 million) with an EBITDA margin of 16%.

The purchase price of USD 21 million, on a cash- and debt free basis, corresponds to approximately SEK 178 million, is paid through a cash payment of USD 14.7 million (approximately SEK 125 million) and an issue in kind of 199,732 shares in Swedencare, representing approximately USD 6.3 million (approximately SEK 53 million). The purchase price correlates to approximately 8.2 times the adjusted EBITDA over the 12 month period, October 2019 – September 2020.

*"With the acquisition of Holden2, we take yet another step towards creating a leading, global animal health group with products to pets and companion horses. With Holden2 we add yet another high quality and profitable company to the growing Swedencare family. With its state-of-the-art skill set in online sales on the biggest pet market in the world, USA, Holden2 with its founders Edward Holden, Stephen Watters and the other employees will add crucial value to Swedencare. Holden2 will not only contribute with its strong brand PetMD® and sales of SEK 149 million with almost 100% in growth, but more importantly strengthen and fuel Swedencare's online growth globally!",* says Håkan Lagerberg, CEO of Swedencare.

The Target company will continue to be led by the sellers Stephen Watters and Edward Holden, who also becomes significant shareholders in Swedencare with a holding of 199,732 shares together.

*“The Pet MD® brand has been a trusted name in pet health in the US for over a decade and joining the SwedenCare group with the opportunity to help execute management’s global online animal health strategy is very exciting.”*, says Edward Holden, founder of Holden2.

### **The Group**

The Swedencare group, as it will be compiled after the acquisition of Holden2, had for the 12month period October 2019 – September 2020 (pro forma) a turnover of approximately SEK 449 million with an EBITDA of approximately SEK 144 million, equal to an EBITDA-margin of 28.7%.

Low hanging fruits will be synergies within sales and marketing due to the ProDen PlaqueOff® product line of Swedencare, which strategically complements the products of the Target company and through its experience and expertise in online sales and primarily with the big online platforms, Amazon and Chewy.com. Swedencare also foresees that Holden2 quickly will benefit from synergies regarding logistics and administration from Swedencare’s other subsidiaries in the US.

*“With three American acquisitions since mid 2020 we have taken a giant leap in reaching our goal to strengthen the groups prescence in the USA, significantly. The acquisitions complements each other together and, with our initial group company SwedencareUSA, we now have strong prescence in all important sales channels, Pet specialty, Veterinary and online. This finding is imperative when we will start the work to set our new financial goals that we will present in connection with the presentation of our year-end report”*, says Per Malmström, Chairman of the board, Swedencare.

Further information in regards to the acquisition can be found on the website of Swedencare [www.swedencare.se](http://www.swedencare.se), where the proforma group earnings including Holden2 are presented for the 12 month period October 2019 – September 2020. Further information about Holden2 can be found at the website of the Target company [www.petmdstore.com](http://www.petmdstore.com)

The Law firm Lindahl KB and Pareto Securities AB have assisted Swedencare with advice in the transaction.

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**For more information, please contact:**

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**About Swedencare**

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Swedencare develop, produce partly in own factory, market and sell premium products on the global and fast-growing market within animal healthcare for cats, dogs and horses. The Company has a wide range of strong brands and products within most therapy areas, which includes own vet-exclusive brands as well as ProDen PlaqueOff® as the largest for oral health to dogs and cats. Swedencare's headquarter is located in Malmö and the products are represented on approximately fifty markets in all parts of the world to veterinarians, pet shops and online through a distribution network including ten subsidiaries as well as an international distribution network. Swedencare's sales have increased significantly over the last few years with strong margins and profits.

*This information is information that Swedencare 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 2020-12-16 17:31 CET.*

**Attachments**

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