



BHG Group acquires Nordic Nest

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BHG Group AB (publ) ("BHG") acquires 97.6 percent of Nordic Nest Group AB ("Nordic Nest"), a leading online player within home furnishings, with customers in 70 countries – including in the Nordics, Germany and South Korea. Through the acquisition, BHG further strengthens its position as the largest online player within home furnishings in the Nordics and creates a platform for an extended product range and growth in additional geographies. The acquisition price corresponds to an Enterprise Value of SEK 1.8bn, and amounts to SEK 1.6bn, of which SEK 1.0bn is financed by a new term loan facility and the remainder by available cash. The purchase price will be paid in conjunction with closing, which is expected to take place before the end of 2020.

During the past five years, Nordic Nest has grown at a fast pace, with strong profitability. During the 2020/21 fiscal year, which ends on 31 March 2021, net sales is expected to surpass SEK 1bn, which corresponds to a growth rate (CAGR) of approximately 50 percent since 2016, and EBITDA to amount to approximately SEK 120m.

BHG:s president and CEO, Adam Schatz, comments: "We are delighted and proud to continue our growth journey together with Nordic Nest and their strong leadership team. Nordic Nest is a fantastic, profitable and fast-growing company – and the strategic fit with BHG is perfect! The businesses complement each other nicely, both with regards to the customer offering and geographic footprint. In addition, the corporate cultures are based on the same values, with the customer and profitable growth at the centre."

Nordic Nest was founded in 2002 in Kalmar, Sweden, under the name Designonline and changed name to Nordic Nest in 2019. The business, with approximately 200 employees (FTE), offers Scandinavian home decoration design online, with a focus on Tableware and other products. During the current fiscal year, the company expects to deliver close to 1 million orders to around 700,000 customers. The products are sold via 10 web shops, in 10 different languages. The product portfolio consists of more than 220 premium brands and approximately 30 000 unique products. Nordic Nest is headquartered and has its warehouse in Kalmar, Sweden, from which the bulk of its distribution is handled.

Martin Edblad, one of the founders of BHG and responsible for M&A comments: "We have followed Nordic Nest during a long time and are very impressed by how the company, under Bank Bergström's and his team's leadership, has developed into a clear leader in its segment in the Nordics, while at the same time establishing a strong position in mainland Europe and select Asian countries. We have a common view of entrepreneurship and online leadership and very much look forward to working together, in the Nordics and in new geographies."

Bank Bergström, with a background from among other firms MediaMarkt, and CEO of Nordic Nest since 2017, comments: "We are very happy to have become part of BHG. Through this combination, we see great opportunities to accelerate our development and growth, both by further extending our leading product range, but also by growing in current geographies and expanding into new ones."

Nicklas Storåkers, retiring Chairman of the Board of Nordic Nest, comments: "It has been five super fun years with the outstanding Nordic Nest team, under Bank's leadership. We also have great respect for what BHG have achieved and are convinced that BHG and Nordic Nest will complement and inspire each other in the future. The industrial logic is obvious."

CEO Bank Bergström and the management team of Nordic Nest will continue running the business from Kalmar, Sweden and will retain ownership in the company. Nordic Nest will form a new vertical within BHG and be consolidated into the Home furnishing segment as of 1 January 2021.

The sellers of Nordic Nest include Nordstjernen, Philian Invest, Stella Capital, Jörgen Bödmar, Nicklas Storåkers and a number of smaller shareholders.

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This information is information that BHG Group is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the contact persons set out above, at 03:00 a.m. CET on 13 December 2020.

About BHG

BHG is the number 1 consumer e-commerce company in the Nordics. We're also present in most of Eastern and Central Europe. Our strong position in these markets makes us the largest European pure-play within the Home Improvement space, meaning Do-It-Yourself and Home furnishings. With an ecosystem of online stores, supported by physical destinations and services, such as last-mile deliveries and installation, we offer the market's leading range of well-known external and strong own brands, totalling over 800,000 unique products and encompassing a complete offering within DIY, leisure, furniture and furnishings.

The Group includes over 85 online sites — including sites like: www.bygghemma.se, www.trademax.se and www.chilli.se — and over 70 showrooms. We are headquartered in Malmö, Sweden, with operations throughout Europe. Our share is traded on Nasdaq Stockholm, under the ticker "BHG."

The BHG brands employ more than 1,800 people, working every day to create the ultimate online shopping experience by combining an unbeatable product range with smart technology, leading product expertise and a broad range of services.