

Bellman Group AB acquires Samgräv Holding AB with domicile in Gothenburg

Bellman Group AB (publ) (the “Company” or “Bellman Group”) has entered into an agreement regarding acquisition of the machine contracting company Samgräv Holding AB (“Samgräv”).

On 13 December 2018, Bellman Group entered into an agreement with the owner of Samgräv regarding acquisition of all shares in the company and indirectly its subsidiaries. The initial purchase price for the acquisition amounts to SEK 144.0 million and will consist of a cash payment in the amount of SEK 100.0 million and newly issued shares in Bellman Group valued at SEK 44.0 million, after the new issue resulting in an ownership for Samgräv’s owner in Bellman Group of approximately 6.8 %. In addition, an additional purchase price may be payable, depending on the development of Samgräv’s EBITDA during the period and each of the years 2019 through 2022. Payment of any additional purchase price (if any) for each respective year is expected to be made during the second or third quarter of the following year. The total aggregated additional purchase price may amount to a maximum of SEK 96.5 million.

Samgräv is a company focused on contracting and leasing of construction machinery, trucks, crane trucks, tractors, rollers, machine operators and constructors. Samgräv is a strong player in the market of western Sweden by having its own inert landfills, recycling facilities and rock quarries, as well as transport and machinery contracting. The combination of own facilities as well as transport and machinery contracting entails an important competitive advantage in order to create cost effective and environmentally friendly transports for customers. For the financial year 2017/18, Samgräv’s sales amounted to SEK 221 million and the adjusted EBITDA for the same period amounted to SEK 31 million. The group’s sales for the financial year 2017, calculated *pro forma* including Samgräv’s sales for the financial year 2017/18, amounted to SEK 1,606 million and EBITDA for the same period, calculated *pro forma* including Samgräv, amounted to SEK 188 million.¹

Through the acquisition, Bellman Group strengthens its position within inert landfills and broadens its operations to western Sweden. This will significantly positively affect the possibility for other companies within Bellman Group to increase (numerically and in size) their businesses in the Gothenburg area.

“It is very fun and exciting that Samgräv now becomes a part of Bellman Group. Through the acquisition of Samgräv, Bellman Group obtains a strong position also in western Sweden. This acquisition is very much in line with Bellman Group’s business and strategic plan; to develop its operations in Gothenburg as well as within inert landfills and recycling facilities. We see good opportunities to continue to create value in the new group, as all

¹ Samgräv applies a split financial year, which runs from 1 May to 30 April. The figures are based on full year for Bellman Group as well as Samgräv, but refers to different periods due to Samgräv’s split financial year. In Bellman Group’s figures, VSM Entreprenad AB, has been included *pro forma* for the financial year 2017, although the company was acquired in July 2018.

subsidiaries report a strong profit development”, says Håkan Lind, CEO of Bellman Group.

The intention is that Samgräv will continue to operate as a separate business following the acquisition.

“Samgräv has had a short-term plan to take a strong position in Västra Götaland and a long-term plan to expand in Stockholm and Malmö. We have had an ambition to enter into a broader context that gives us ability to act and new collaborations. During the process, we have always cared for our customers, suppliers and staff and kept them in mind in order to make Samgräv the number one choice in the contracting branch. In the Bellman Group, we have found common values and thoughts about the future. I am very pleased that this is now becoming reality and I really look forward to jointly create a strong group within the Bellman Group”, says Roger Hansson, owner of Samgräv.

Bellman Group intends to finance the acquisition primarily by issuance of new bonds under the Company’s existing bond loan. The Company will provide further information in relation to this by way of a separate press release if/when such issuance of new bonds has taken place.

The acquisition is conditional upon that Bellman Group obtains required financing and that the Swedish Competition Authority approves the transaction. Closing of the transaction is expected to take place during the first quarter of 2019.

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About this information:

This information is information that Bellman Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the Company’s CEO, at 12.00 CET on 13 December 2018.

About Bellman Group

Bellman Group AB is comprised of Bellmans Åkeri & Entreprenad AB and Grundab Entreprenader i Stockholm AB, who are haulage contractors, as well as of Modern Sprängteknik i Norden AB with the subsidiaries Uppländska Bergkrossnings AB, Uppländska Bergborrnings AB and Sprängarbeten i Trönödal AB, who undertake blasting operations, and VSM Entreprenad AB with its subsidiaries VSM AS, Munthers Specialtransporter AB and VSM Rental AB, which are machine contracting companies. The group’s sales for the financial year 2017, calculated *pro forma* including VSM, amounted to SEK 1,385 million and the adjusted EBITDA for the same period, calculated *pro forma* including VSM, amounted to SEK 157 million. The group has approximately 360 employees and 500 subcontractors.