

Press release

11 November 2021

Elanders makes major acquisition in North America and grows in E-Commerce

Today Elanders acquired 80% of the shares in the American supply chain management company Bergen Shippers Corp. Bergen Shippers Corp operates under the name Bergen Logistics and is specialized in contract logistics services for the customer segment Fashion & Lifestyle. The company had net sales of MUSD 82 in 2020 and net sales for the full year 2021 are expected to be around MUSD 102. Forecasted EBITDA for the full year 2021 is around MUSD 15, excluding IFRS 16 effects. This acquisition will turn Fashion & Lifestyle into one of Elanders' largest customer segments.

In line with Elanders strategy of investment and growth in the segment Fashion & Lifestyle, Elanders has signed a contract to acquire the American supply chain management company Bergen Shippers Corp. (Bergen Logistics or the Company). Through the acquisition of Bergen Logistics Elanders will be able to offer unique global solutions for brands active in Fashion & Lifestyle. The acquisition also means that Elanders will considerably strengthen its position on the North American market, which will in turn bolster Elanders' offer in other customer segments.

Bergen Logistics is specialized in smaller and mid-sized brands in Fashion & Lifestyle and has developed a unique platform that enables them to manage a large number of customers in a highly profitable way. Their largest customer only represents four percent of the company's total sales and the company has around 450 customers in all. Bergen Logistics operates primarily on the North American market (USA & Canada), but they also help their customers globally through their own unit in the Netherlands and through partners in Asia.

"I'm very impressed by the company Ron and Eli Roman have built. Putting Bergen Logistics together with our subsidiaries in Europe and Asia will make us a leading global actor in contract logistics solutions for companies in Fashion & Lifestyle, especially in E-Commerce. Fashion & Lifestyle is already the customer segment with the highest organic growth in Elanders, primarily driven by growth in E-Commerce. In the past year we've received quite a lot of requests from our European customers for help in establishing their companies on the North American market. As of tomorrow, we'll be able to do just that. The acquisition of Bergen Logistics also means Elanders will broaden our customer base, which will make Elanders considerably less sensitive to ups and downs in the business cycle", says Magnus Nilsson, President and CEO for Elanders.

Ron Roman, President and principle owner of Bergen Logistics comments on the deal saying:

"I'm really proud of how the company has grown, and the unique platform Bergen Logistics has developed over the past 20 years. Today we're one of the leading players in contract logistics solutions for Fashion & Lifestyle brands in North America. Together with Elanders' global network we can expand even further by offering Elanders' customers ready-made solutions in North America. We'll also be able to offer our existing customers global solutions, which are increasingly in demand."

Elanders offers a broad range of services and total solutions in supply chain management. The business is run through two business areas, Supply Chain Solutions and Print & Packaging Solutions. The Group has more than 6,000 employees and operates in some 20 countries on four continents. Our most important markets are China, Germany, Singapore, Sweden, the United Kingdom and the USA. Our major customers are active in the areas Automotive, Electronics, Fashion & Lifestyle, Health Care & Life Science and Industrial.

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Bergen Logistics is expected to contribute positively to earnings per share already in 2022 and Elanders expects to consolidate Bergen into the Group in November 2021. The company is valued at MUSD 155 on a cash and debt free basis and initially Elanders will acquire 80 percent of the shares for MUSD 124. The initial purchase price will affect cash flow negatively in the fourth quarter 2021. Elanders also has a mandatory option to purchase the remaining shares in 2024 for a purchase price based on the company's result in 2023. Acquisition costs are estimated to be around MSEK 12-15 and will charge the fourth quarter result.

The acquisition is conditional on the fulfillment of customary contractual terms. Closing is expected to take place within a couple of weeks. The acquisition is financed through Elanders own funds and an acquisition loan from the Group's three main banks.

For further questions, please contact

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