

Aspo Plc  
Inside information  
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**Inside information: Aspo subsidiary makes major acquisition in Sweden – Telko to become a leading local player in distribution of chemicals and Leipurin expands into specialty ingredients and the food industry**

Aspo's subsidiary Telko Oy expands its chemicals business in Sweden by acquiring Swed Handling AB, a leading Swedish chemical distributor, from TeRa Invest AB. As part of the transaction, Aspo's subsidiary Leipurin Oyj expands its food industry business in Sweden, via the technical food ingredient distributor Kebelco AB, which is a subsidiary of Swed Handling.

In Aspo Group's financial reporting, Swed Handling excluding Kebelco will be reported as part of the Telko segment and Kebelco as part of the Leipurin segment. The closing of the transaction is subject to customary competition authority approvals and foreign direct investment (FDI) filings. Closing of the transaction is expected during the third quarter of 2024.

"We are excited to take this step in our compounder strategy execution and expand in Sweden through this acquisition which doubles our net sales in chemicals. With Swed Handling's existing customer focused business model that combines high quality processed chemical products with customized service, we are significantly strengthening Telko's presence in the Nordic markets", says Mikko Pasanen, Managing Director of Telko.

"Acquiring Kebelco enables Leipurin to expand further in the food industry, beyond the bakery segment, with high value specialty products in line with our strategy. So far Leipurin has operated in Sweden primarily in the bakery segment, while in Finland expansion also to other food industry is well on the way. This acquisition enables our shift towards technical value add products, with obvious synergies with all Leipurin countries", says Miska Kuusela, Managing Director of Leipurin.

"We are delighted to see both Telko and Leipurin expand through this significant acquisition, making Sweden Aspo's largest country of operation in terms of total net sales. Already prior to this latest transaction, Aspo has a successful track-record of expanding into Sweden non-organically, via the acquisitions of AtoBatC Shipping AB and Kobia AB", says Rolf Jansson, CEO of Aspo Group.

The purchase price is SEK 500 million (approx. EUR 43 million\*) with an additional earnout mechanism of SEK 0–130 million (approx. EUR 0–11 million\*) for 2024–2025, depending on Swed Handling's profitability development, excluding Kebelco. Up to SEK 100 million (approx. EUR 9 million\*) of the total purchase price can be paid in Aspo's shares and the rest in cash.

The proportion of the purchase price payable in shares will be decided by Aspo prior to closing and the number of shares to be issued will be based on a volume weighted average Aspo share price defined during a 30-day period ending 5 days prior to the closing date. Aspo's shares are used to align the interests of Aspo Group with the seller, whose key representatives remain in the service of Swed Handling.

The Board of Directors of Aspo is expected to decide on the above directed share issue (if any) to TeRa Invest AB in connection with the closing of the transaction. Shares possibly directed will be subject to a 3-year lock-up period. The possible earnout will be payable in cash in 2026.

Swed Handling (incl. Kebelco) has approximately 100 employees.

*\* Based on the SEK–EUR exchange rate of 11.7052 on April 26, 2024. Actual future outcomes may differ from the estimates.*

**Key financials**

Acquired entity	Business	Related Aspo segment	Net Sales SEK million	Net Sales EUR million**	EBIT SEK million	EBIT EUR million**
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Swed Handling excl. Kebelco	Chemicals ingredients distribution	Telko	586.5 (2023) 657.3 (2022)	51.2 (2023) 61.9 (2022)	54.3 (2023) 55.0 (2022)	4.7 (2023) 5.2 (2022)
Kebelco	Technical food ingredients distribution	Leipurin	94.0 (2023) 80.3 (2022)	8.2 (2023) 7.6 (2022)	6.6 (2023) 7.5 (2022)	0.6 (2023) 0.7 (2022)

**\*\* Figures in EUR are based on the average SEK–EUR exchange rates: 10.62583 in 2022 and 11.45634 in 2023**

Aspo Plc

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