



OLVI PLC STOCK EXCHANGE RELEASE 1 February 2018 at 9 am

## **OLVI ACQUIRES A MAJORITY STAKE IN SERVAALI**

**Olvi acquires a majority stake in Servaali's share capital. With the acquisition, Olvi is expanding its product portfolio to wines and strengthening its market position in mild alcoholic beverages. The acquisition is also an indication that the company is responding actively to the potential for growth in the field.**

Olvi Plc has made an agreement with Momentin Group to buy from Momentum 80 percent of the share capital of the Finnish-owned company Servaali Oy. Servaali Oy is one of Finland's largest private importers of alcoholic beverages. The acquisition takes in Servaali's operations in Finland and Sweden, but does not include its subsidiaries in the Baltic countries. The turnover of the business operations now being acquired by Olvi was around EUR 27 million in the financial period ended 30 June 2017, and with earnings before interest, taxes, depreciation, and amortization of EUR 2 million.

The debt-free purchase price of the company takeover is EUR 15.8 million. The possible additional purchase price will affect the company's profitability over the agreed review period of several years. The purchase price will be paid in cash. The deal agreement includes an option for Olvi to redeem the remaining 20% of Servaali within the next few years, and accordingly includes the right of Momentin Group to sell this remainder to Olvi.

"The market for Finnish alcoholic beverages has been changed significantly in recent years for several reasons, such as the growing popularity of speciality beers, craft beers and the new Finnish alcohol law that came into force on 1 January 2018. There is increasing demand for stronger speciality beers and international beer brands and long drinks. In addition, a slight increase is underway in the demand for quality wines and sparkling wines. The supply in these areas is also diversifying. Distributorships are increasingly focusing on a comprehensive range of products and high-quality brand products", says Olvi Plc CEO **Lasse Aho**.

According to Aho, the acquisition of Servaali is part of Olvi's new growth strategy. The branded products represented by Servaali will further enhance Olvi's competitiveness by extending its overall product range. From its beginnings over two decades ago, Servaali has built up a strong reputation in sales and marketing of well-known international brands in Finland. Among the companies represented by the company include, Asahi, ABInbev, San Miguel, Langguth and Felix Solis Avantis.

The acquisition strengthens Olvi's market position, creating synergy benefits and profitable growth for both companies. The acquisition strengthens Olvi's market position and will create synergy benefits and profitable growth for both companies. The deal also consolidates Olvi's gradual expansion into the Swedish market in the years to come. Within Olvi Group, Servaali Oy will continue to operate as a separate company. Servaali's current chairman of the board, Teemu Lehto, will continue to head the company.

Completion of the transaction requires the approval of the Finnish Competition and Consumer Authority, and the fulfillment of other terms of trade. The acquisition is expected to come into effect within the first half of 2018.

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