

Stark Group A/S announces the completion of the acquisition of Saint-Gobain Building Distribution Deutschland GmbH – Creating a leading building material distribution in Northern Europe.

Stark Group has completed the acquisition of Saint-Gobain Building Distribution Deutschland GmbH (SGBDD), a leading German building material distribution company and merged it with Stark Group's existing portfolio of building material distribution companies in now six countries. The transaction is bringing together two strong companies with similar market positions pursuing equally ambitious business goals, thus establishing a leading retailer and distributor of building materials in the Northern European region.

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Stark Group A/S today announced the completion of its acquisition of SGBDD, effective October 1. The acquisition has an enterprise value of EUR 335 million. The completion of this deal is bringing together two strong companies. Both Stark Group A/S and SGBDD, pursue similar strategies and have ambitious goals while maintaining similar market positions and business models. Both companies are focusing on the distribution of general building materials – primarily for professional builders.

“Business-wise, this is a merger of equals. The deal holds synergy potential for the new bigger Stark Group by sharing knowledge and best practice as well as profiting from economies of scale. We are very happy to integrate Raab Karcher, Keramundo, Muffenrohr and other impressive brands into Stark Group's portfolio. Stark Group will clearly benefit from the German brands, for instance from Keramundo's specialisation in the tile business. Our new branches on the German market, on the other hand, will be able to utilise Stark Group's expertise, for example in the timber and wood business – a trendy segment in the German market”, as Søren P. Olesen, CEO of Stark Group pointed out.

Stark Group is following an ambitious growth plan by focusing on professional builders. The new German business unit will play a significant role in this strategy since it is a leading player within a highly fragmented German market, holding a lot of potential for both companies now joining forces. The German company has impressed with recent strong results while the management has focused and comprehensive plans for future growth. The German business will soon be operating under the new name Stark Deutschland GmbH with Kåre Malo as CEO.

“We believe this is a great fit, as we share the philosophy of always putting the customer at the centre of everything we do. The success and market-leading positions in Germany and the Nordics are built on similar cultures, based on innovation and the aspiration to be first movers in key areas such as partnering with our customers and suppliers, service, education, sustainability and digitisation. Stark Deutschland GmbH will continue investing in training and education of our employees as we know that there is a high correlation between competent engaged employees and satisfied customers”, Søren P. Olesen added.

Following the acquisition, Stark Group A/S will significantly expand its footprint in the builders' merchant industry in Northern Europe. SGBDD, soon Stark Deutschland GmbH, with its 11 brands is well-positioned to grow in the large German construction market with consistent demand, which has shown resilience through past economic downturns.

About Stark Group A/S:

Stark Group A/S operates 195 branches across the Nordics through its subsidiaries STARK Danmark A/S in Denmark and Greenland, Beijer Byggmaterial AB in Sweden, STARK Suomi OY in Finland and Neumann Bygg AS in Norway. Stark Group A/S, has approx. 4,600 full-time employees and generated total net sales of EUR 2.2 billion and adjusted EBITDA of EUR 101 million in the financial year 2017/18.

The German nationwide network of former SGBDD – soon Stark Deutschland GmbH - includes 217 branches having approx. 5,000 employees who are serving a wide range of customers in the renovation and new construction sectors through a flexible delivery model. Stark Deutschland GmbH operates in three major business areas, Heavy Building materials, Tiles and Civil Engineering. The company generated total net sales of EUR 2 billion and EUR 48 million of LTM adjusted EBITDA end of April 2019.

Combined, Stark Group A/S and former SGBDD, Stark Deutschland GmbH, will have approx. 10,000 employees and total sales of approx. EUR 4.2 billion.

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