

PRESS RELEASE, July 4, 2019

## **Nordic Capital to sell Ellos Group, a Nordic e-commerce leader in fashion and home furnishings, to fashion group FNG**

**Nordic Capital has signed an agreement to sell Ellos Group to FNG NV (“FNG”) for an enterprise value of approximately SEK 2,400 million (EUR 229 million). During Nordic Capital’s ownership, Ellos Group has become an e-commerce leader in fashion and home furnishings in the Nordic region, with the strong brands Ellos, Jotex, Stayhard and Homeroom. The new owner FNG is a fast-growing Benelux-based fashion group that will support Ellos Group’s further European expansion and growth. Nordic Capital will become a significant minority shareholder in FNG following completion of the transaction.**

“Together with Nordic Capital, we have made significant investments in recent years to strengthen Ellos Group, focusing on the development of the home furnishings offering at Ellos, Jotex and our new online store Homeroom. We now have an excellent platform to drive further growth as a leading Nordic e-commerce platform with a unique customer offering in fashion and home furnishings. European expansion is a natural next step for Ellos Group, and can be accelerated with FNG as our new owner. With its extensive experience in the European fashion industry, FNG can provide new insights and strategic support in the next stages of our development journey”, says Hans Ohlsson, CEO of Ellos Group.

Ellos Group has been owned by Nordic Capital since 2013 and, during the ownership period, has focused on solidifying its position as a market leader in the Nordics and improving its strong digital position. Homeroom is now well established and the Group has streamlined its operations and focus on core business. Operations have been strengthened on all levels to support the ideal customer experience and to manage the rapid growth of the Company. Completed investments include the implementation of a new e-commerce system and the construction of a new warehouse and logistics centre. The Group’s commercial and operational developments have been combined with an increased focus on sustainability as an essential part of the long-term value creation and the identity of Ellos Group. Today, Ellos Group has approximately 1.7 million active customers throughout the Nordic region, and sells its own range of products on other platforms in Europe.

“Nordic Capital invested in Ellos Group with the explicit goal of developing and modernising one of Sweden’s best-known brands. Since then, Ellos Group has reinforced its digital and commercial capabilities to drive strong growth, supported by Nordic Capital’s expertise in e-commerce, branding and consumer credit. Nordic Capital sees joining forces with FNG as a natural next step for Ellos Group and looks forward to participating in the continued value creation journey as a significant minority shareholder in FNG”, says David Samuelson, Principal at the Adviser to the Nordic Capital Funds.

FNG, listed on Euronext Brussels and Euronext Amsterdam has a long history of successful acquisition-led growth. FNG was founded in 2003 and has grown from one brand in children's fashion to a leading Benelux retailer-brand portfolio with over 3,000 employees and total sales of approximately EUR 500 million. FNG has deep experience in leveraging synergies within areas such as shared supply channels and data-based customer analyses. It has a successful opti-channel sales strategy and is ideally positioned to support Ellos Group's continued growth as a leading fashion and home e-retailer.

"Ellos Group is a true leader in the Nordic market, boasting an attractive mix of fashion and home interior products, with strong positioning of its own brands. Together with its well-developed financial services platform, it makes Ellos Group an ideal addition to FNG, and we are very excited to take this major transformational next step for our company", commented Dieter Penninckx, founding CEO of FNG.

Following the change in ownership, Ellos Group will be able to offer Nordic customers FNG brands through its own e-commerce platforms, while Ellos Group's own range of fashion and home furnishings will be available to new customer groups in Europe via FNG's existing e-commerce platforms and physical stores.

The combined entity will have a geographically diversified business, an even stronger market position, an attractive product mix in fashion and home interior, and a balanced mix between own and external brands. With pro forma revenues of EUR 759 million in 2018, the combined entity will be a leading player in the European fashion and home interior retail landscape.

Paul Frankenius, through Frankenius Equity AB, will remain a minority owner in the combined company (alongside Nordic Capital).

The transaction is subject to customary regulatory approvals, including SFSA ownership assessment approval. Completion of the transaction is expected in September or October 2019.

ABG Sundal Collier acted as the sole financial advisor to Nordic Capital in the transaction and Cederquist acted as lead counsel.

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#### **About Ellos Group**

Ellos Group – with online stores Ellos, Jotex, Stayhard and Homeroom – is the Nordic region's leading e-commerce group. Working closely with its millions of customers, Ellos Group constantly strives to develop and offer attractive fashion and home furnishings for the entire family. The Ellos Group focus is always on the customer. Ellos Group, headquartered in Borås and with operations in all Nordic countries, has around 500

employees and annual sales of approximately SEK 2.6 billion (EUR 247 million). Ellos Group's principal owners are Nordic Capital and Paul Frankenius (with co-investor Frankenius Equity AB). [www.ellosgroup.com](http://www.ellosgroup.com)

### **About Nordic Capital**

Nordic Capital is a leading private equity investor with a resolute commitment to creating stronger, sustainable businesses through operational improvement and transformative growth. Nordic Capital focuses on selected regions and sectors where it has deep experience and a proven track record. Core sectors are Healthcare, Technology & Payments, Financial Services and in addition, Industrial Goods & Services and Consumer. Key investment regions are the Nordics, Northern Europe and globally for Healthcare. Since inception in 1989, Nordic Capital has invested EUR 14 billion in over 100 investments. The most recent fund is Nordic Capital Fund IX with EUR 4.3 billion in committed capital, principally provided by international institutional investors such as pension funds. The Nordic Capital Funds and vehicles are based in Jersey. They are advised by several advisory entities, which are based in Sweden, Denmark, Finland, Norway, Germany, the UK and the US, any or all of which is referred to as the Advisor to the Nordic Capital Funds. For further information about Nordic Capital, please visit [www.nordiccapital.com](http://www.nordiccapital.com)

### **About FNG**

FNG is a fast-growing group of companies active throughout Europe. FNG designs and distributes clothing and footwear for women, children and men through its own concept stores at the best locations in Belgium and the Netherlands, as well as through a network of several brand stores in Benelux and elsewhere. FNG, listed on Euronext Brussels and Euronext Amsterdam, has more than 3,000 employees and aggregate sales of around EUR 500 million. [www.fng.eu](http://www.fng.eu)