

JUNE 2018 DEAL OF THE MONTH

CLAIRFIELD
INTERNATIONAL

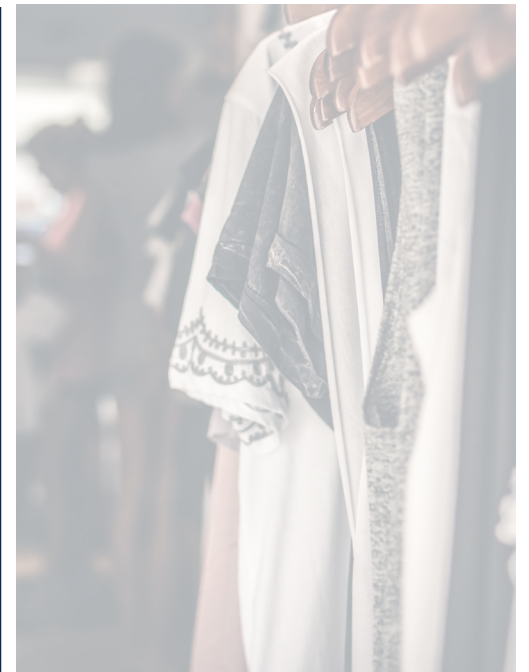
CLAIRFIELD ADVISES HONG KONG ON ITS SALE TO RUSTA AB



HONG KONG

was sold to

RUSTA



CLAIRFIELD ADVISES HONG KONG GROUP OY ON ITS SALE TO RUSTA AB

Transaction summary

The Finnish discount retailer Hong Kong Oy sold 100% of the company to the Swedish discount store chain Rusta AB in a cash and shares transaction.

Profile of the companies

HONG KONG

Hong Kong Group owns and operates 24 Hong Kong department stores and four garden centers in Finland, as well as a webstore, which delivers to Finland, Sweden, and Russia. The company, founded in 1989, has close to 500 employees and sales of around EUR 100 million.

RUSTA

Rusta AB is a Swedish discount store retailer with a broad product range that is centered around home living. The company was founded in 1986 and currently has 90 stores in Sweden, 24 in Norway and two in Germany. Rusta had EUR 480 million in sales in 2017.

Transaction rationale

The Hong Kong department stores sell general merchandise at discounted prices in many different product categories, including gardening, tools & DIY, outdoor & fishing, home & living, and convenience. It sells a mix of private label through its own imports and well-known brands including Bosch, Rexona, and L'Oréal.

Earlier this year, Hong Kong Oy underwent a restructuring proceeding that was approved by the Finnish courts on 28 March 2018. During the restructuring process, the company underwent a structural cost reduction program and received a haircut to its existing debt. The reduction of the fixed cost base improved the platform, but the expected growth of the Company as a stand-alone would have been slow due to the remaining debt of EUR 37 million.

Nordhaven identified Rusta early on as one of the best buyers who could, with the existing Hong Kong platform, implement their own business model in a timely and cost-efficient manner.

Hong Kong and Rusta have a similar business philosophy, complementary geographic coverage, and a similar product range that will yield significant purchasing benefits.

With this transaction, Rusta continues its international expansion while consolidating its position as the leading discount store chain in the Nordics. The product offerings of the two companies complement each other well while the business philosophy is quite similar, forming a strong base for future development in Finland. Following the acquisition, Rusta, together with Hong Kong will have over 150 department stores, 3,000 employees and a turnover of nearly SEK 7 billion during the coming fiscal year.

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Thomson Reuters Rankings

EMEA SECTOR FOCUS RETAIL AUGUST 2017

Financial advisor	2017 Rank	# of Deals
IMAP	4	7
KPMG	5	1
ING	5	44
Lincoln International	5	18
Deloitte	5	5
GCA Corp	5	-
Danske Bank	10	-
Clairfield International	10	18
Grant Thornton	10	14
Oaklins	10	18
Carnegie	14	-
Norgestion	14	44

Contact

Clairfield International Finland
Eteläranta, 12
00130, Helsinki
Finland



Managing directors

Mika Jalamo Ari Leppänen
E-mail: mjalamo@clairfield.com E-mail: aleppanen@clairfield.com

For more information on Clairfield International contact: press@clairfield.com

Clairfield track record in consumer & retail

NORDICS

 was sold to OUTDOOR International AG Outdoor retailer	 merger with LINAS MATKASSE Prepared meals	 was sold to DIY goods	 was sold to Outdoor retailer
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INTERNATIONAL

Hungary re-acquired a majority stake from E-commerce	France was sold to E-commerce	Netherlands was sold to E-commerce	France owning stores under the franchise was sold to Garden centers
Netherlands was sold to Consumer electronics	Netherlands was sold to Online gift retailer	France acquired Hardware store	Brazil sold 50.1% of its shares to Pet food