

BillerudKorsnäs has completed the acquisition of Bergvik Skog Öst

As previously communicated, BillerudKorsnäs has entered into an agreement with all shareholders of Bergvik Skog AB concerning a split of Bergvik Skog AB's forest assets. The agreement implies that BillerudKorsnäs acquires Bergvik Skog Öst AB, which comprises approximately 350,000 hectares of forest land in Sweden, and in connection to that divests 5 per cent of the shares in Bergvik Skog Väst AB to Stora Enso.

All conditions for the transactions have now been fulfilled and the transactions have been completed today the 31 May.

The purchase price for Bergvik Skog Öst AB amounts to approximately SEK 6.4 billion on a debt free basis and after reduction of deferred tax, corresponding to approximately SEK 18,000 per hectare of forestland. The net cash effect after the acquisition of Bergvik Skog Öst AB and the transfer of 5 per cent of the shares in Bergvik Skog Väst AB, amounts to SEK 5.4 billion, which is entirely financed by bank loans.

“The repurchase of Bergvik Skog Öst is part of our strategy to ensure a long-term competitive and stable wood supply. Going forward our intent is to find suitable investors to this forest land and thereby ensure long-term wood agreements, rather than tying our capital into forest assets. The process to find suitable investors is ongoing,” says Petra Einarsson, CEO and President at BillerudKorsnäs.

Bergvik Skog Öst will be consolidated into BillerudKorsnäs' accounts as of 31 May 2019 and is expected to have a marginal impact on earnings.

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